



BUSINESS- FRIENDLY CITIES 2023

**INSIGHT FROM OVER 100 GLOBAL SITE SELECTION EXPERTS,
LOCATION CONSULTANTS, FDI ADVISERS**



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ISSN 2399-7605

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FOREWORD



ANDREW WROBEL

Founding Partner
Emerging Europe

Emerging Europe began publishing the Business-Friendly Cities Perception Survey in 2019, a year after the launch of the Future of Emerging Europe Programme and the Emerging Europe Awards. We were curious about how global FDI experts, site selection advisors and location analysts perceived various cities across the region.

From working with these groups, as well as from hearing experts talk about the emerging Europe region, we concluded that their perception of the region, individual countries and cities, was often far from reality.

And in a mea culpa, I also have to include myself. Just a few weeks before writing this foreword I visited the small town of Sandomierz in south-eastern Poland. I know little about the town, nor the successful businesses operating there and in the surrounding region. The study tour was an eye-opener for me. Even more so was the case of Rwanda, which I visited in 2022, to help the country's government define its value proposition in the global services sector. The only thing I had known of Rwanda was the 1990s genocide. Since then, the

country has gone through a massive transformation process, and now offers not only skilled and committed talent but also the safest working environment in Africa.

Coming back to the emerging Europe region, over the last couple of years we have noticed a growing interest in smaller locations, the so-called tier-three cities. This is why we became curious about how the global FDI experts, site selection advisors and location analysts perceive these cities.

As such, in the latest Business-Friendly Cities Perception Survey, we asked these experts for their perception of two groups of cities: the region's largest cities and capitals, and emerging cities that have a population of between 100,000 and 200,000.

In this report, which is a part of the Future of Emerging Europe Programme, we present the results of this survey.

Enjoy reading the report: maybe it will encourage you to review your own perceptions of emerging Europe!



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Our expertise in emerging Europe gives us a unique understanding of how investors perceive your region (and competition) and what sets a location apart.

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BUSINESS-FRIENDLY CITY PERCEPTION INDEX 2023

The Business-Friendly City Perception Index offers valuable information on the business environment of the cities of emerging Europe. It assesses them across eight categories: brand, economic potential, business climate, pool of talent, smart city development, infrastructure and connectivity, quality of life and local authority support.

In 2023, for the first time, respondents were asked to select the five best cities, based on their perception, across two groups: 90 Established Cities which have a population of over 200,000 or are national capitals (for example, Montenegro's Podgorica has a population lower than 200,000), and 78 Emerging Cities that have a population of between 100,000 and 200,000. This additional group was added as a result of growing interest in setting up new operations in these so-called tier-three cities.

The first group of cities has been looked at by global FDI experts, site selection advisors and location analysts for the last five years and this year's ranking again reflects some macroeconomic and even geopolitical developments in the region.

The second group of cities was reviewed for the first time so any changes will be reflected in the years to come.

As far as the Established Cities are concerned, Vilnius, Prague, Kyiv, Łódź and Tallinn made up the top five. Vilnius surpassed last year's leader Prague by just one point owing to the Lithuanian capital's improvement in the business climate, pool of talent, infrastructure and connectivity and quality of life categories. Kyiv, the Ukrainian capital, makes its way into the top three by improving its brand, economic potential, smart city development, quality of life and local authority support rankings.

Tallinn has moved up five places into fifth due to the increase in weighted responses of an impressive 35.5 per cent. Warsaw declined by one position from last year, while Lviv shot up from 17th place to seventh by acquiring 49.3 per cent more weighted responses than in the previous year. Cluj-Napoca, Ljubljana and Sofia complete the top 10 this year: Ljubljana fell from third, however, while the Bulgarian capital reached its place in the top 10 by climbing three positions from last year, due to significant improvement in infrastructure and connectivity, and some improvement in quality of life.

The Polish city of Gdynia saw significant growth in the number of weighted responses, 91.2 per cent, which moved it from being out of the top 25 to 20th position on the list.

In all, nine Polish cities are represented in the top 25 of the list of Established Cities, two more than 2022. Czechia, Hungary, Romania and Ukraine have two cities each on the list, while Bulgaria, Estonia, Lithuania, Latvia, Slovakia, Slovenia, Georgia and Serbia have just one.

On the list of Emerging Cities, another Lithuanian city, Klaipėda, is in first position.

Poland is again, however, the best-represented country in the region. There are six Polish cities on the emerging list, while Czechia, Romania, and Bulgaria all have three. Croatia and Georgia have two cities each, and Lithuania, Serbia, Bosnia and Herzegovina and Albania one.



Established Cities

Index 2023					Index 2022	Index 2021	Index 2020
Rank	City	County	Number of mentions	Change compared to 2022	Rank	Rank	Rank
1	Vilnius	Lithuania	207	↑ 5	6	7	8
2	Prague	Czechia	206	↓ 1	1	2	2
3	Kyiv	Ukraine	202	↑ 4	7	5	17
4	Łódź	Poland	196	↓ 2	2	1	13
5	Tallinn	Estonia	195	↑ 5	10	12	12
6	Warsaw	Poland	186	↓ 1	5	6	3
7	Lviv	Ukraine	184	↑ 10	17	14	6
8	Cluj-Napoca	Romania	172	↑ 1	9	8	15
9	Ljubljana	Slovenia	160	↓ 6	3	3	4
10	Sofia	Bulgaria	158	↑ 3	13	18	7
11	Bucharest	Romania	156	↓ 1	10	10	16
12	Budapest	Hungary	152	↓ 8	4	4	1
13	Poznań	Poland	144	=	13	11	19
14	Belgrade	Serbia	135	↓ 4	10	9	24
15	Kraków	Poland	131	↓ 7	8	12	11
16	Bratislava	Slovakia	127	↑ 5	21	22	5
17	Gdańsk	Poland	117	↓ 1	16	17	10
18	Brno	Czechia	115	=	18	14	8
19	Wrocław	Poland	111	↓ 4	15	16	17
20	Gdynia	Poland	97	↑ 10	30	36	33
21	Tbilisi	Georgia	96	↓ 1	20	20	14
22	Riga	Latvia	95	↓ 3	19	21	26
23	Katowice	Poland	92	↑ 2	25	25	24
24	Debrecen	Hungary	85	↓ 2	22	19	27
25	Lublin	Poland	76	↑ 1	26	27	21

Emerging Cities

Index 2023		
City	Rank	Country
Klaipėda	1	Lithuania
Plzeň	2	Czechia
Burgas	3	Bulgaria
Liberec	4	Czechia
Rzeszów	5	Poland
Split	6	Croatia
Batumi	7	Georgia
Sosnowiec	8	Poland
Niš	8	Serbia
Banja Luka	8	Bosnia and Herzegovina
Oradea	11	Romania
Olomouc	12	Czechia
Durrës	12	Albania
Stara Zagora	14	Bulgaria
Toruń	14	Poland
Rijeka	16	Croatia
Sibiu	17	Romania
Szeged	18	Hungary
Pécs	19	Hungary
Zielona Góra	20	Poland
Opole	21	Poland
Ploiești	22	Romania
Kutaisi	23	Georgia
Kielce	24	Poland
Ruse	25	Bulgaria

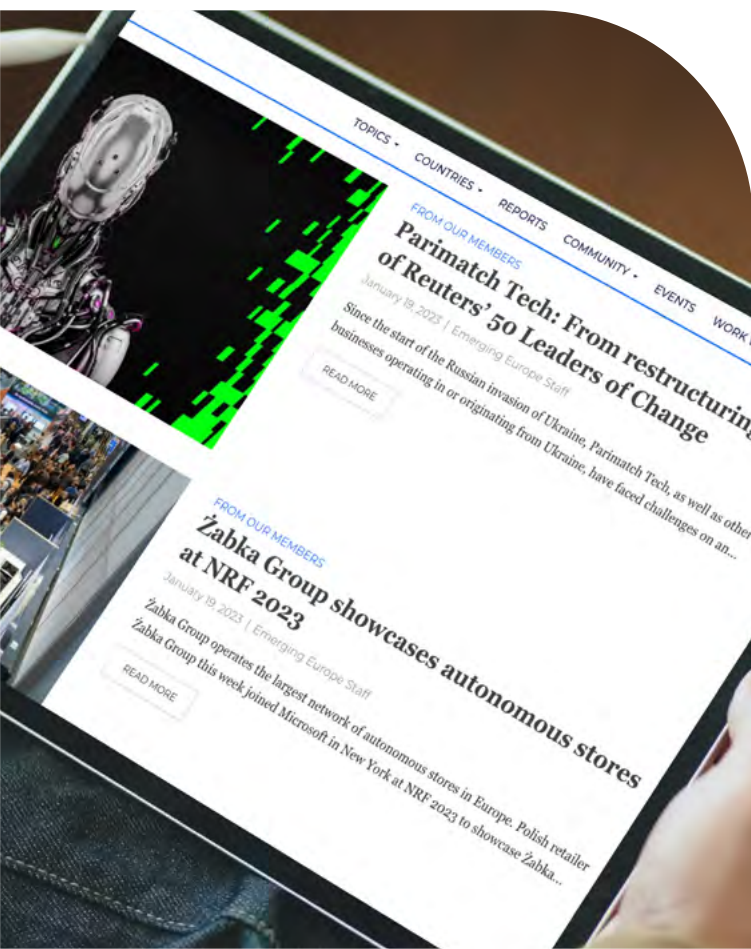


GLOBAL VISIBILITY PROGRAMME

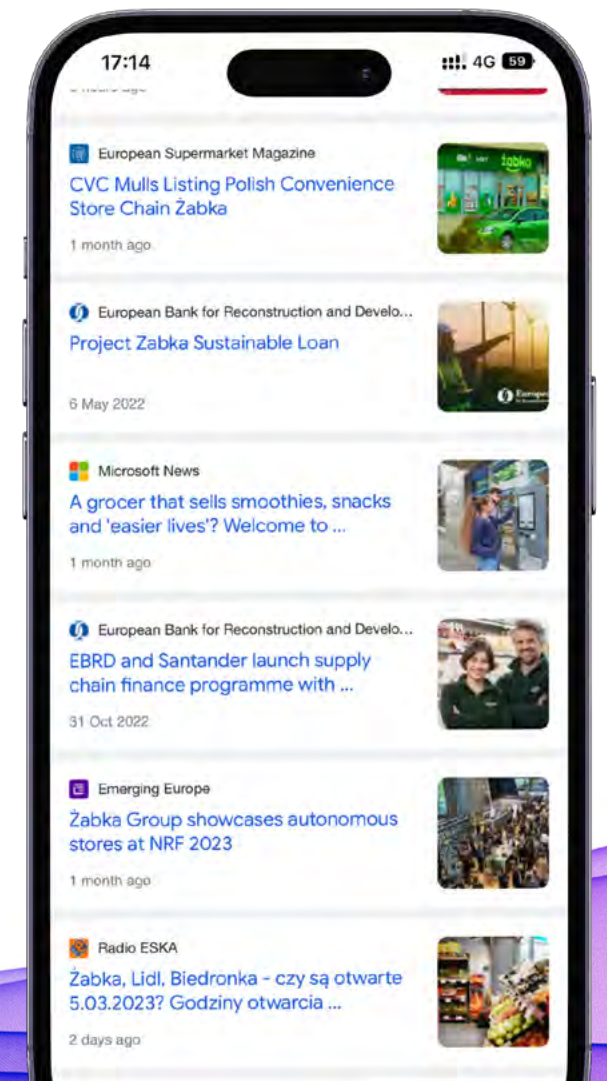
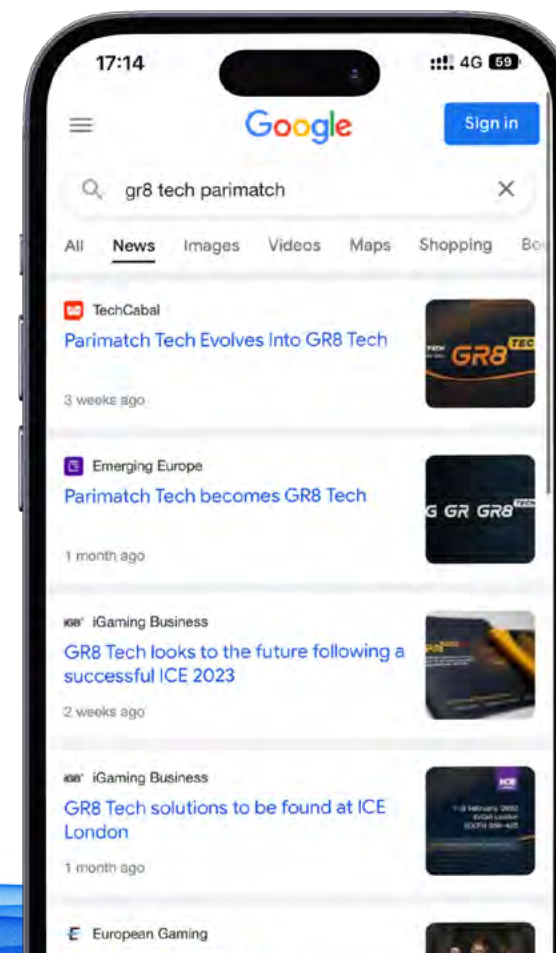
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BRAND

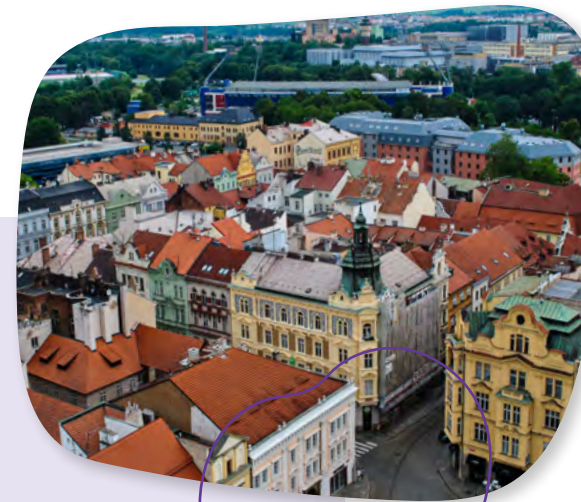
Within the brand category, respondents were requested to select five cities that effectively convey and endorse their unique value proposition or those cities that are readily linked with a particular industry that has developed within them.

For the list of Established Cities, there is a change at the top compared to 2022. Warsaw is now in the top spot, moving up from fourth. Budapest has fallen from first to third, with Krakow also falling two places to fourth. Prague declined one position to fifth and is now followed by Kyiv, which acquired 16.1 per cent more weighted responses than last year and bettered its spot by a significant 22 places. Wrocław is another new entry in the top 10, moving up five positions.

The Bulgarian capital Sofia fell out of the top 10, and now holds the 13th position.

Poland now has four cities in the top 10, still the dominant country in the region with others being represented only once.

On the Emerging Cities list, we Plzeň (Czechia), Durrës (Albania), and Batumi (Georgia) take the top three places.



Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Warsaw	Poland	↑ 3	4	8	7
2	Tallinn	Estonia	↑ 1	3	3	33
3	Budapest	Hungary	↓ 2	1	1	3
4	Kraków	Poland	↓ 2	2	2	7
5	Prague	Czechia	↓ 1	4	5	14
6	Kyiv	Ukraine	↑ 22	28	29	5
7	Ljubljana	Slovenia	↓ 1	6	6	19
8	Wrocław	Poland	↑ 5	13	13	33
9	Łódź	Poland	↓ 2	7	4	14
10	Vilnius	Lithuania	↓ 1	9	7	19
10	Bucharest	Romania	↓ 3	7	10	1

Emerging Cities

Index 2023		
City	Rank	Country
Plzeň	1	Czechia
Durrës	2	Albania
Batumi	3	Georgia
Burgas	4	Bulgaria
Klaipėda	5	Lithuania
Split	6	Croatia
Rzeszów	7	Poland
Banja Luka	8	Bosnia and Herzegovina
Liberec	9	Czechia
Stara Zagora	10	Bulgaria



ECONOMIC POTENTIAL

In the economic potential category, survey participants were tasked with selecting five cities that possess the capacity to generate surplus value and are well-equipped to produce goods and services owing to their available resources, which, however, have not been fully developed or realised.

Kyiv is now the leader in this category, up from second place in 2022. Belgrade falls to second. Lviv is third, up an impressive 29 places after receiving 22.1 per cent more weighted points than last year. Another Ukrainian city, Kharkiv, has risen by an even more astonishing 41 positions and holds seventh place. Two more Ukrainian cities, Kherson and Mariupol, make their first entry in the index despite Russia's war.

As for the emerging list, two Polish cities, Rzeszów and Zielona Góra, are the leaders, followed by Lithuania's Klaipėda. Poland is represented by five cities in this ranking, and Georgia has two.

Established Cities

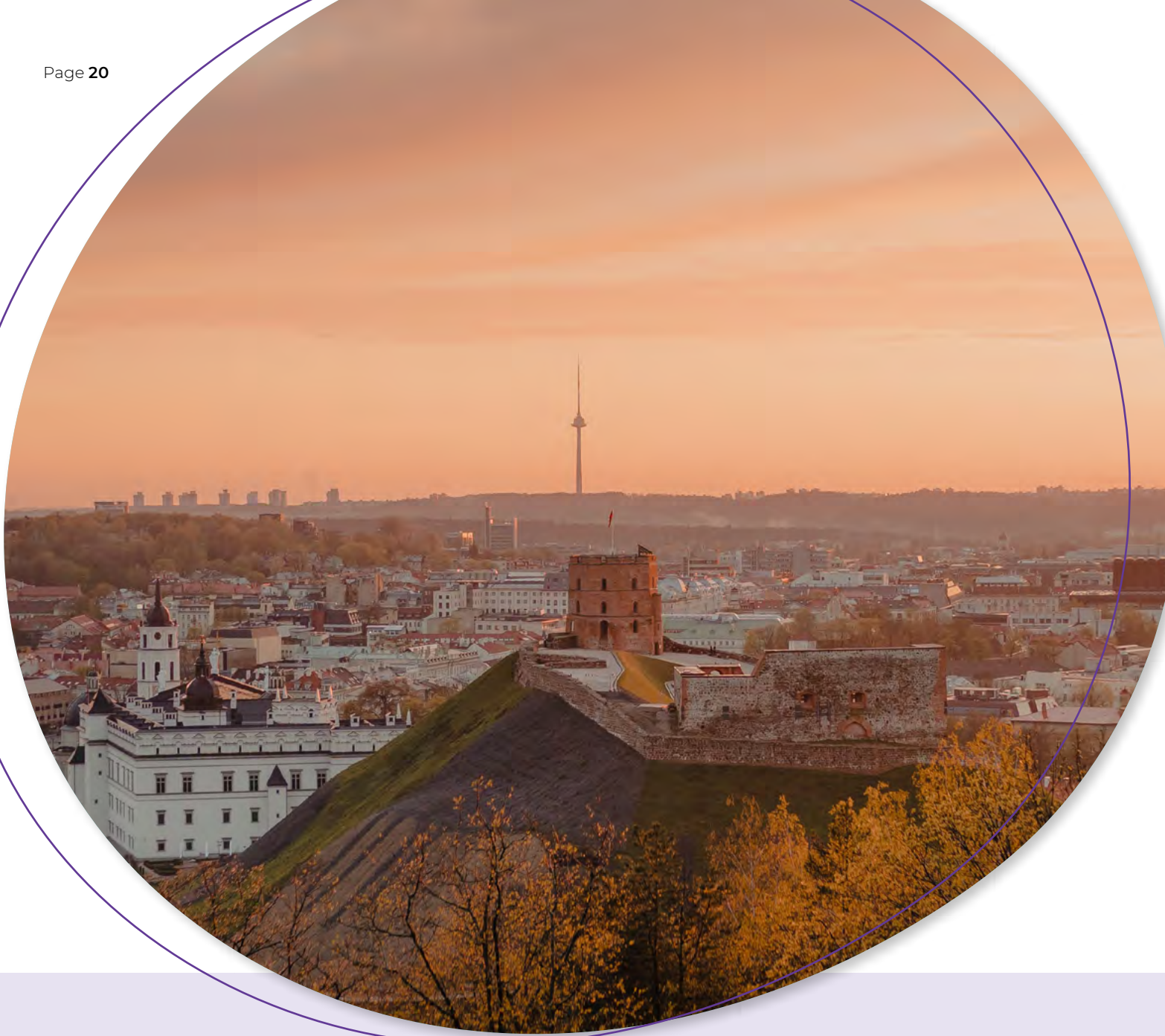
Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Kyiv	Ukraine	↑ 1	2	2	3
2	Belgrade	Serbia	↓ 1	1	1	15
3	Lviv	Ukraine	↑ 29	32	38	2
4	Bucharest	Romania	↑ 1	5	4	6
5	Łódź	Poland	↓ 1	4	5	11
6	Debrecen	Hungary	↓ 3	3	3	41
7	Kharkiv	Ukraine	↑ 41	48	-	3
8	Prague	Czechia	↓ 2	6	6	51
8	Kherson	Ukraine	-	-	-	-
10	Mariupol	Ukraine	-	-	-	-

* cities received no mentions in previous years



Emerging Cities

Index 2023		
City	Rank	Country
Rzeszów	1	Poland
Zielona Góra	2	Poland
Klaipėda	3	Lithuania
Wałbrzych	4	Poland
Batumi	5	Georgia
Liberec	6	Czechia
Kutaisi	6	Georgia
Kielce	6	Poland
Sosnowiec	6	Poland
Oradea	6	Romania



BUSINESS CLIMATE

Within the business climate category, survey participants were asked to pick five cities that provide the most conducive regulatory environment for business growth, where the prevalence of corruption and bureaucratic obstacles is minimal, and where all stakeholders exhibit a positive outlook toward business activities.

There are significant changes compared to the previous year. Only Prague and Kyiv hold the same positions as in the previous year, fifth and eighth respectively. Vilnius has risen by two positions and now holds first place, Łódź has lost its leading position and has dropped to second place, Ljubljana has risen by one position, followed by Tallinn, which has bettered its weighted points by 12.5 per cent and now holds fourth place.

There are three newcomers in the top 10, which have sharply increased in their positioning, namely Cluj-Napoca (up by 13 positions to seventh), Sofia (up by 12 positions to joint eighth) and Bucharest, up by five places to share eighth with Sofia.

On the list of Emerging Cities, we see Rzeszów (Poland), Klaipėda (Lithuania) and Burgas (Bulgaria) in the top three.



Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Vilnius	Lithuania	▲ 2	3	3	2
2	Łódź	Poland	▼ 1	1	1	1
3	Ljubljana	Slovenia	▲ 1	4	4	9
4	Tallinn	Estonia	▲ 9	13	22	5
5	Prague	Czechia	=	5	5	3
6	Tbilisi	Georgia	▼ 4	2	2	18
7	Cluj-Napoca	Romania	▲ 13	20	21	-
8	Sofia	Bulgaria	▲ 12	20	31	27
8	Gdańsk	Poland	▼ 2	6	10	5
8	Bucharest	Romania	▲ 5	13	16	27
8	Kyiv	Ukraine	=	8	8	38

Emerging Cities

Index 2023		
City	Rank	Country
Rzeszów	1	Poland
Klaipėda	2	Lithuania
Burgas	3	Bulgaria
Sosnowiec	4	Poland
Plzeň	5	Czechia
Liberec	6	Czechia
Toruń	7	Poland
Szeged	8	Hungary
Stara Zagora	9	Bulgaria
Wałbrzych	9	Poland
Niš	9	Serbia



Regarding the pool of talent category, survey respondents were tasked with selecting five cities that provide optimal access to a highly skilled workforce, where there is relatively low competition for talent, and where there is a collaborative effort between businesses and academia to ensure a steady influx of skilled employees in the foreseeable future.

Despite the Russo-Ukrainian war, two Ukrainian cities have managed to gather enough mentions to stay in the top 10, although changing places: Lviv is now at the top of the ranking, up by six positions, while the Ukrainian capital Kyiv has declined in the ranking by three places and now holds fourth place.

Bucharest remains in second place, while a second Romanian city, Cluj-Napoca, has gained enough votes to rise 12 places to ninth. Tallinn and Vilnius, not previously in the top 10, managed to collect enough points this year to be included at sixth and seventh respectively. The cities of Minsk and Belgrade have dropped out of the top 10 this year.

Compared to other rankings, in this category we do not see many Polish cities, with the exception of Łódź, which has jumped up by three notches to third place.

On the Emerging Cities ranking, however, there are four Polish cities in the top 10, although Batumi (Georgia), Klaipėda (Lithuania) and Burgas (Bulgaria) make up the top three.



POOL OF TALENT

Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Lviv	Ukraine	▲ 6	7	7	7
2	Bucharest	Romania	=	2	3	1
3	Łódź	Poland	▲ 3	6	6	14
4	Kyiv	Ukraine	▼ 3	1	1	5
5	Belgrade	Serbia	▼ 2	3	5	5
6	Tallinn	Estonia	▲ 47	53	49	33
7	Vilnius	Lithuania	▲ 15	22	20	19
8	Budapest	Hungary	▼ 1	7	8	3
9	Sofia	Bulgaria	=	9	21	21
9	Cluj-Napoca	Romania	▲ 12	21	23	-

Emerging Cities

Index 2023		
City	Rank	Country
Batumi	1	Georgia
Klaipėda	2	Lithuania
Burgas	3	Bulgaria
Plzeň	4	Czechia
Chorzów	4	Poland
Liberec	6	Czechia
Dąbrowa Górnicza	6	Poland
Sosnowiec	8	Poland
Szeged	9	Hungary
Opole	9	Poland



Within the smart city development category, survey participants were requested to select five cities that have implemented a range of policies and solutions aimed at enhancing sustainability and the quality of life in several critical areas: mobility and infrastructure, connectivity and digitalisation, education and employment, government and governance, and real estate and environmental initiatives.

There were few changes in the top 10 this year, although there was a change at the top, where the Romanian city Cluj-Napoca lost its leading position overtaken by Tallinn. Riga meanwhile dropped out of the top 10 rankings, while Krakow has managed to make it on to the list. The Ukrainian capital Kyiv jumped up from 14th to seventh place, although Lviv declined by one position.

On the Emerging Cities list, we see Plzeň, Klaipėda and Liberec making up the top three.



SMART CITIES

Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Tallinn	Estonia	▲ 1	2	3	1
2	Cluj-Napoca	Romania	▼ 1	1	1	3
3	Sofia	Bulgaria	=	3	2	1
4	Vilnius	Lithuania	=	4	4	4
5	Ljubljana	Slovenia	=	5	5	13
6	Warsaw	Poland	=	6	6	9
7	Kyiv	Ukraine	▲ 7	14	15	13
8	Lviv	Ukraine	▼ 1	7	8	9
9	Prague	Czechia	=	9	16	9
10	Kraków	Poland	▲ 2	12	14	7

Emerging Cities

Index 2023		
City	Rank	Country
Plzeň	1	Czechia
Klaipėda	2	Lithuania
Liberec	3	Czechia
Burgas	4	Bulgaria
Niš	5	Serbia
Rzeszów	6	Poland
Split	7	Croatia
Szeged	8	Hungary
Sibiu	9	Romania
Rijeka	10	Croatia
Pécs	10	Hungary



INFRASTRUCTURE AND CONNECTIVITY

In the infrastructure and connectivity category, survey participants were prompted to pick five cities that have recently made substantial enhancements to their road, rail, and air infrastructure to enhance connectivity. Additionally, they were encouraged to choose cities that have expanded their network of air connections.

As in the previous year, the Polish and Czech capitals hold the first two positions. Budapest has moved in to third. Łódź also moves up, as does Bratislava.

In a top 10 dominated by Poland, Wrocław and Krakow take sixth and seventh, followed by two Polish cities appearing in the top 10 for the first time: Katowice and Poznań (the latter jumping 21 places). Bucharest in Romania and Belgrade in Serbia are also new entries.

On the Index for the list of Emerging Cities, just four countries are represented: three Czech cities at the top of the ranking (led by Plzeň), followed by the Lithuanian city Klaipėda, two Georgian cities and four from Poland.

Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Warsaw	Poland	=	1	1	1
2	Prague	Czechia	=	2	2	3
3	Budapest	Hungary	↑ 1	4	4	2
4	Łódź	Poland	↑ 1	5	3	7
5	Bratislava	Slovakia	↑ 2	7	7	5
6	Wrocław	Poland	↓ 3	3	5	4
7	Kraków	Poland	↓ 1	6	6	5
8	Katowice	Poland	↑ 5	13	12	11
9	Poznań	Poland	↑ 21	30	31	28
9	Bucharest	Romania	↑ 5	14	14	11
9	Belgrade	Serbia	↑ 10	19	22	22



Emerging Cities

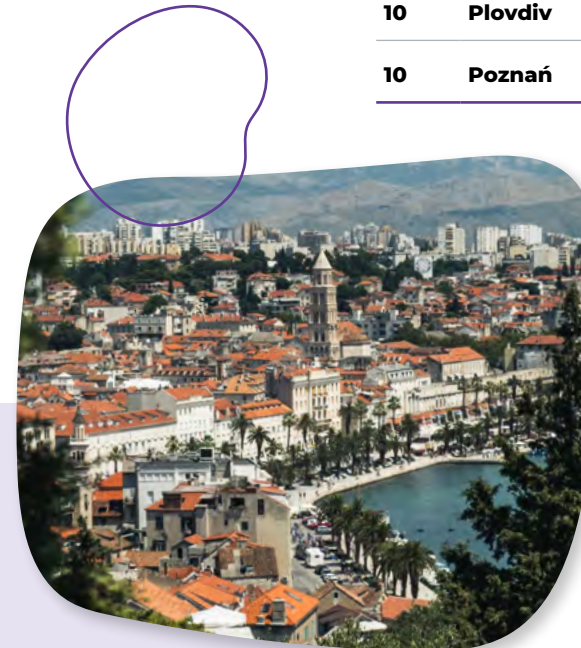
Index 2023		
City	Rank	Country
Plzeň	1	Czechia
Liberec	2	Czechia
Olomouc	3	Czechia
Klaipėda	4	Lithuania
Batumi	5	Georgia
Kutaisi	5	Georgia
Rzeszów	7	Poland
Sosnowiec	8	Poland
Opole	9	Poland
Rybnik	9	Poland



Within the quality-of-life category, survey participants were tasked with selecting five cities that provide a high level of overall life satisfaction, considering factors such as physical health, leisure opportunities, family life, education, employment prospects, economic prosperity, safety, personal freedom, religious freedom, gender equality, cultural diversity, and environmental quality.

At the very top of this category, there are three capitals: Ljubljana, Vilnius and last year's winner Prague. In fourth place we find Bratislava, which has improved its ranking by 13 places. The cities of Gdynia, Sofia and Tallinn, as well as Bulgaria's Plovdiv, also improved their stance, the latter by 32 places. In contrast, the cities of Belgrade and Poznań have fallen, although they managed to remain in the top 10 list.

Among Emerging Cities the Croatian city of Split gained the biggest number of mentions, followed by Burgas in Bulgaria and Durrës in Albania.



QUALITY OF LIFE

Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Ljubljana	Slovenia	↑ 1	2	2	2
2	Vilnius	Lithuania	↑ 5	7	20	8
3	Prague	Czechia	↓ 2	1	1	1
4	Bratislava	Slovakia	↑ 13	17	17	5
5	Gdynia	Poland	↑ 5	10	15	5
6	Sofia	Bulgaria	↑ 1	7	7	5
7	Gdańsk	Poland	↓ 1	6	6	3
8	Tallinn	Estonia	↑ 7	15	19	14
9	Belgrade	Serbia	↓ 5	4	4	21
10	Plovdiv	Bulgaria	↑ 32	42	46	37
10	Poznań	Poland	↓ 5	5	5	8

Emerging Cities

Index 2023		
City	Rank	Country
Split	1	Croatia
Burgas	2	Bulgaria
Durrës	3	Albania
Banja Luka	4	Bosnia and Herzegovina
Klaipėda	5	Lithuania
Plzeň	6	Czechia
Liberec	7	Czechia
Rijeka	8	Croatia
Oradea	9	Romania
Niš	10	Serbia



LOCAL AUTHORITIES' SUPPORT

In the local authority support category, survey participants were invited to select five cities that have established proficient investment support departments. These departments are known for providing outstanding facilitation and after-care services, displaying a proactive and responsive approach to both new inquiries and the requirements of existing investors.

In contrast to the previous year, Kyiv has improved its place by two places despite the war. Followed by the city of Poznan, the previous year's leader, we then see the second Ukrainian city of Lviv, which moved up 13 places on last year's position. Łódź meanwhile fell two places from the previous year, while the Lithuanian capital Vilnius improved by two positions.

Gdynia jumped 21 places to enter the top 10 list. Debrecen fell three places, while Lublin and Wrocław in Poland share eight place. Again, this category is dominated by Polish cities.

The top three on the Emerging Cities are Klaipėda in Lithuania, Rzeszów in Poland and Oradea in Romania.



Established Cities

Index 2023				Index 2022	Index 2021	Index 2020
Rank	City	Country	Change compared to 2022	Rank	Rank	Rank
1	Kyiv	Ukraine	↑ 2	3	5	14
2	Poznań	Poland	↓ 1	1	2	4
3	Lviv	Ukraine	↑ 13	16	15	4
4	Łódź	Poland	↓ 2	2	1	2
5	Cluj-Napoca	Romania	↓ 1	4	4	14
6	Vilnius	Lithuania	↑ 2	8	8	4
7	Gdynia	Poland	↑ 21	28	32	30
8	Debrecen	Hungary	↓ 3	5	3	24
8	Lublin	Poland	↑ 12	20	23	2
8	Wrocław	Poland	↑ 2	10	11	19

Emerging Cities

Index 2023		
City	Rank	Country
Klaipėda	1	Lithuania
Rzeszów	2	Poland
Oradea	3	Romania
Burgas	4	Bulgaria
Stara Zagora	5	Bulgaria
Sosnowiec	5	Poland
Sibiu	7	Romania
Kecskemét	8	Hungary
Šiauliai	8	Lithuania
Kielce	10	Poland

METHODOLOGY



The Business-Friendly Cities Perception Survey 2023 is part of a research project looking at what global FDI experts, site selection advisors and location analysts think about emerging Europe's cities and their value proposition.

Emerging Europe does not expect the respondents to have worked with, nor have extensive knowledge of, all the locations included in the survey. Indeed, due to a lack of any international promotional activities some locations are unknown to most of the respondents.

The aim of this exercise is therefore to understand how they see certain emerging Europe cities and their value proposition.

For the first time since the launch of the survey, Emerging Europe divided cities into two groups: established cities, which include cities with a population above 200,000 and country capitals, and emerging cities, which have a population between 100,000 and 200,000.

The cities

Established cities

- Albania — Tirana
- Armenia — Yerevan
- Azerbaijan — Baku, Gäncä, Sumqayıt
- Belarus — Bobruisk, Brest, Gomel, Grodno, Minsk, Mogilev, Vitebsk
- Bosnia and Herzegovina — Sarajevo
- Bulgaria — Plovdiv, Sofia, Varna
- Croatia — Zagreb
- Czechia — Brno, Ostrava, Prague
- Estonia — Tallinn
- Georgia — Tbilisi
- Hungary — Budapest, Debrecen
- Kosovo — Prishtina
- Latvia — Riga
- Lithuania — Kaunas, Vilnius
- Moldova — Chişinău
- Montenegro — Podgorica
- North Macedonia — Skopje
- Poland — Białystok, Bydgoszcz, Częstochowa, Gdańsk, Gdynia, Katowice, Kraków, Lublin, Łódź, Poznań, Radom, Szczecin, Warsaw, Wrocław
- Romania — Braşov, Bucharest, Cluj-Napoca, Constanţa, Craiova, Galaţi, Iaşi, Timişoara
- Serbia — Belgrade, Novi Sad
- Slovakia — Bratislava, Košice
- Slovenia — Ljubljana
- Ukraine — Bila Tserkva, Cherkasy, Chernihiv, Chernivtsi, Dnipro, Donetsk, Gorlivka, Ivano-Frankivsk, Kamianske, Kharkiv, Kherson, Khmelnytskyi, Kremenchuk, Kropyvnytskyi, Kryvyi Rih, Kyiv, Luhansk, Lutsk, Lviv, Makijivka, Mariupol, Mykolaiv, Odesa, Poltava, Rivne, Sevastopol, Simferopol, Sumy, Ternopil, Vinnytsia, Zaporizhzhia, Zhytomyr

Emerging cities

- Albania — Durrës
- Armenia — Gyumri
- Belarus — Baranovichi, Barysaw, Lida, Mazyr, Orsha, Pinsk, Solihorsk
- Bosnia and Herzegovina — Banja Luka
- Bulgaria — Burgas, Ruse, Stara Zagora
- Croatia — Rijeka, Split
- Czechia — Liberec, Olomouc, Plzeň
- Georgia — Batumi, Kutaisi, Rustavi
- Hungary — Győr, Kecskemét, Miskolc, Nyíregyháza, Pécs, Szeged
- Kosovo — Ferizaj, Prizren
- Lithuania — Klaipėda, Šiauliai
- Poland — Bielsko-Biała, Bytom, Chorzów, Dąbrowa Górnicza, Elbląg, Gliwice, Gorzów Wielkopolski, Kielce, Koszalin, Olsztyn, Opole, Płock, Ruda Śląska, Rybnik, Rzeszów, Sosnowiec, Toruń, Tychy, Tarnów, Wałbrzych, Włocławek, Zabrze, Zielona Góra
- Romania — Arad, Bacău, Baia Mare, Brăila, Buzău, Oradea, Ploieşti, Piteşti, Sibiu, Târgu Mureş
- Serbia — Kragujevac, Niš, Subotica
- Ukraine — Alchevsk, Berdyansk, Kerch, Kramatorsk, Melitopol, Nikopol, Pavlohrad, Sievierodonetsk, Slovyansk, Uzhhorod, Yevpatoriya

The Emerging Europe research team used UNData to determine the population of all the cities included in the survey.

The categories

There were eight areas respondents were asked to consider.

Brand — cities that communicate and promote their value proposition in a clear and comprehensive manner; cities that are immediately associated with a specific industry that has been developed there.

Economic potential — cities that can create surplus value, that are highly capable of producing goods and services thanks to available resources but have not yet been tapped and fully developed or exploited.

Business climate — cities which offer the most favourable regulations for business to flourish, where the level of corruption and red tape is the lowest, cities where all stakeholders have a positive attitude towards business activity.

Pool of talent — cities which offer the best access to a highly-skilled labour force, where competition for talent is relatively low and business and academia collaborate to ensure a higher inflow of skilled employees in the future.

Smart city development — cities which have introduced multiple policies and solutions, improving sustainability and city life on key fronts: mobility and infrastructure; connectivity and digitalisation; education and work; government and governance; real estate and environment.

Infrastructure and connectivity — cities which have recently significantly improved their road, rail and air infrastructure to ensure better connectivity; cities which have improved their network of air connections.

Quality of life — cities which offer a high level of life satisfaction, including everything from physical health, leisure activities, family, education, employment, wealth, safety, freedom, religious beliefs, gender equality, diversity, and the environment.

Local authority support — cities which have developed professional investment support departments that offer excellent facilitation and after-care services, are proactive and responsive to new enquiries and existing investors' needs.

Respondents' profile

The Emerging Europe intelligence team invited over 150 global FDI experts, site selection advisors and location analysts to complete the survey. From these, 117 complete responses were collected. 11 incomplete responses were not taken into account.

All respondents invited to take part in the survey are seasoned FDI experts, site selection advisors and location consultants and professionals, some being members of the Site Selectors Guild, the only association of the world's foremost professional site selection consultants. More than half of the respondents are focused on the business services sector. The vast majority of all respondents are based in Western Europe and North America.

All provide location strategy and support to corporations across the globe for every industry, sector, and function. They are, oftentimes, the first institutions companies approach when seeking advice regarding the location they should choose for their international expansion.

Analysis

Each respondent selected five cities per category from among established and emerging cities.

Respondents were not asked to rank the cities they chose. All of their choices were given identical value — one point.

All selections per category were then added up to calculate the highest number of mentions. The city with the highest number of mentions was regarded as the winner of the category.

Similarly, the overall result, the region's most business-friendly city, was chosen by adding up the total number of mentions across all the eight categories.

Acknowledgements

The Business-Friendly Cities 2023 report was prepared by the Emerging Europe Research and Market Intelligence Team in close collaboration with the Editorial Team.

The report is part of the Future of Emerging Europe Programme and the Emerging Europe Awards.

Emerging Europe would like to express appreciation to its partners and supporters, and most importantly, to the large cohort of international site selection experts, location consultants and FDI advisors who agreed to take part in the survey.

We would also like to extend our thanks to external and internal reviewers, as well as all the national and international organisations and governmental entities that helped us collect the statistics.

ABOUT EMERGING EUROPE

Emerging Europe is a UK-based data-driven and social-impact management advisory. Our primary focus is on supporting clients in showcasing, navigating and understanding the emerging Europe region.

Our mission is to contribute to the social, economic, and democratic development of 23 countries in Central, Eastern, and South-East Europe, as well as the South Caucasus.

As a trusted partner with a strong local presence, we assist businesses and organisations looking to grow or establish themselves in emerging Europe.

We are dedicated to helping our clients succeed by providing them with valuable insights, strategic guidance, and the necessary tools for growth in the region.

Our clients' profiles fit into four main groups. This is how we help them:

- Governments of emerging Europe: We help attract investments and promote value-added sectors such as IT and Global Business Services.
- Governments, trade and investment agencies, and chambers of commerce outside the region: We assist in exploring business opportunities in emerging Europe.
- International companies from markets like the UK, US, Israel, Germany, and India: We support them with site selection and help them navigate the region to identify the best location for their operations, as well as build their brand and thought leadership and open connections across the region.
- Companies set up in emerging Europe: We assist them in enhancing brand recognition and establishing thought leadership. We facilitate connections with potential partners and influencers, as well as support strategic business decision-making.

Our market intelligence also includes three types of reports — produced independently, for, or in collaboration with clients:

- Bespoke market intelligence reports for clients: We provide customised reports focused on tech, IT, start-ups, and global business services. These reports play a crucial role in our clients' site selection process, in which we advise them.
- Research reports produced with partners and clients: We collaborate with organisations like Visa, UiPath, the European Institute of Innovation and Technology, and the Ukrainian Start-up Fund to produce publicly available reports on topics like female entrepreneurship, digital transformation, digital health, and start-ups.
- Our own research reports: These publicly available reports help our global audience navigate the region and cover topics such as IT, investment promotion, business-friendly cities, sustainability, travel, and food.

We have multiple programmes and communities that focus on innovation, sustainability, and entrepreneurship. Clients can join most of them as partners and achieve their business and communications goals whilst being part of a wider initiative. These include:

- [The Future of Emerging Europe](#): This programme brings together like-minded individuals and organisations to drive sustainable development in the region. It includes the Emerging Europe Awards, which recognise the best of emerging Europe.
- [Tech Emerging Europe Advocates](#): We run this community of tech entrepreneurs, leaders, experts, and investors who are passionate about making emerging Europe a global tech hub. It is part of the Global Tech Advocates network.

- [The Digital Future of Emerging Europe](#): In collaboration with Microsoft and PwC, we facilitate discussions and exchanges around digital innovation and sustainability.
- [She's Next in partnership with Visa](#): This hub and community support and inspire female talent on their entrepreneurial journey.
- [The Global Visibility Programme](#): Our membership programme offers compelling editorial content to help organisations enhance their social proof, digital presence, and thought leadership.
- [Support Digital Ukraine](#): This initiative aims to raise global awareness of Ukraine's tech ecosystem and reassure international partners.

We also operate Emerging Europe, an independent editorial and analytical site that serves as the world's leading source of English-language business information about the region. Our content is regularly quoted or referenced by international mainstream media and leading research organisations. Featuring in the publication helps our clients build their brand, digital presence and thought leadership.

Furthermore, **we provide bespoke capacity-building training and workshops** to strengthen the communication, media relations, and business development skills of start-ups, scale-ups, and established companies. We have collaborated with leading organisations such as the World Bank Group, USAID, and the European Institute of Innovation and Technology.



