AHK WORLD BUSINESS OUTLOOK SPRING 2026

AHK German Chambers of Commerce Abroad

HIGHLIGHTS 1

Situation

The business situation for German companies at their international locations is stabilising for the time being. Currently, 39 per cent of companies rate their business situation as good, whilst 13 per cent rate it as poor. The Balance of positive and negative assessments has therefore risen slightly from 25 to 26 points.

Expectations

Business expectations among companies are deteriorating significantly worldwide. 15 per cent anticipate a decline in their local business activity. 43 per cent expect business to improve over the next twelve months. The Balance of positive and negative expectations has fallen significantly from 34 to 28 points.

Local economic situation

With regard to global economic developments, German companies are currently significantly more pessimistic than in the Fall of 2025. The war in the Middle East has dashed hopes of an economic recovery. The proportion of those expecting a slowdown has risen significantly – from 24 to 32 per cent. 21 per cent of companies expect better economic performance at their locations over the next twelve months.

HIGHLIGHTS 2

Investments

German companies are showing caution when it comes to planning investments at their international sites. 31 per cent plan to increase investment over the next twelve months (Fall 2025: 29 per cent), whilst 22 per cent intend to reduce their capital expenditure (Fall 2025: 16 per cent).

Employment

The pessimistic outlook on future economic development is also reflected in the employment plans of German companies abroad. 31 per cent of companies plan to increase their workforce over the next twelve months, whilst 16 per cent expect a decline.

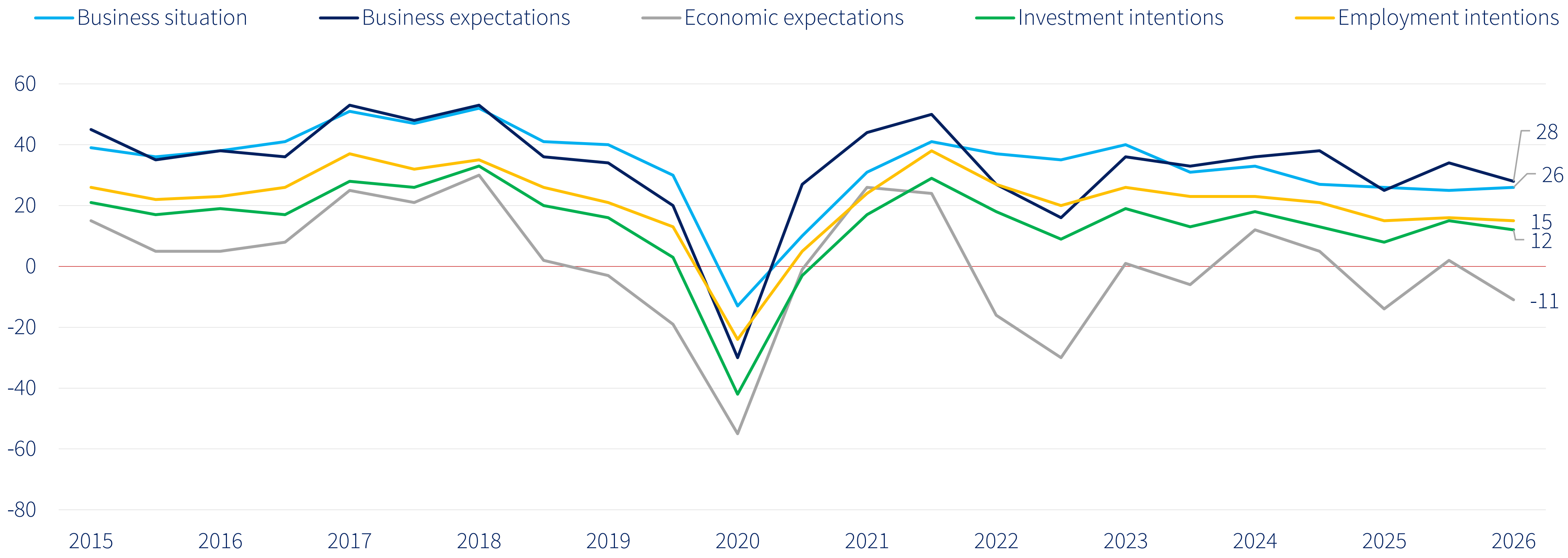
Risks

The most common business risk is high energy prices (46 per cent, Fall 2025: 19 per cent). Also striking is the increase in the risk of supply chain disruptions – a doubling to 40 per cent. Rising raw material prices are a concern for 37 per cent of companies (Fall 2025: 21 per cent). Demand risk remains particularly high (44 per cent, down from 47 per cent).

AHK WORLD BUSINESS OUTLOOK

GERMAN COMPANIES ABROAD

Balance in points

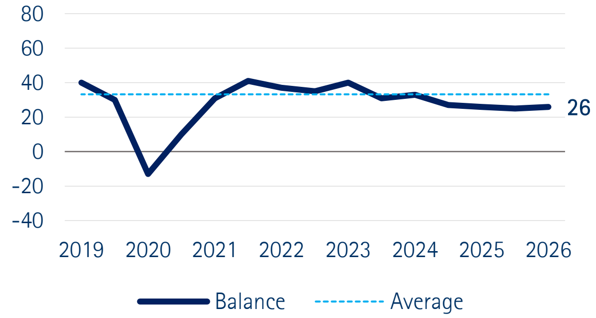


German Chambers of Commerce Abroad

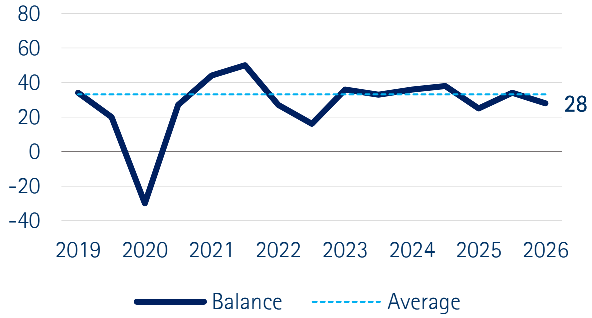
GLOBAL RESULTS

Balance in points, percentage of mentions

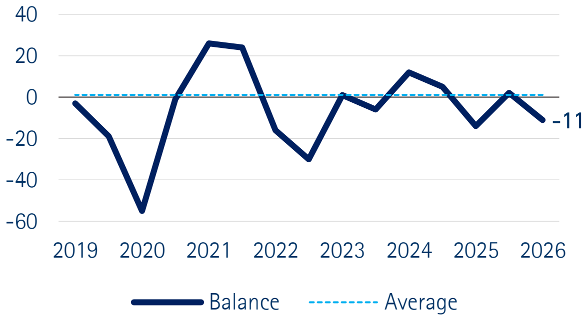
Business situation



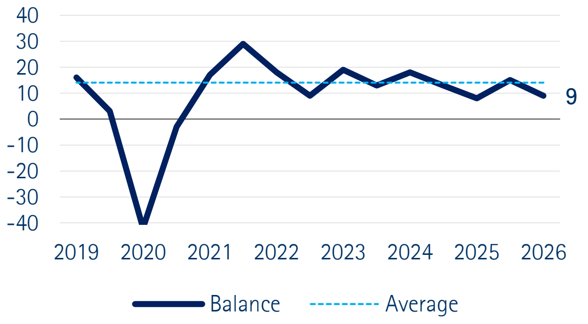
Business expectations



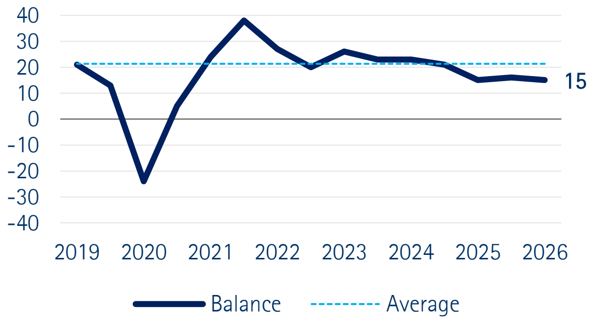
Economic expectations



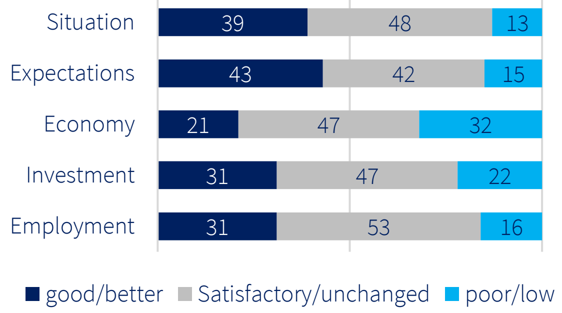
Investment plans



Employment plans



Percentage of responses



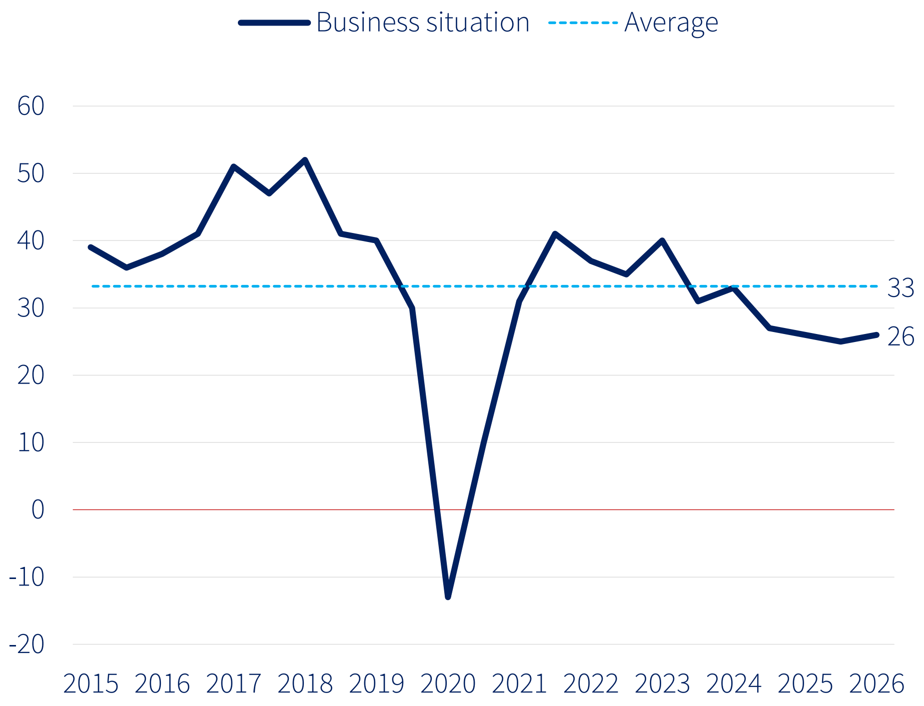
AHK WORLD BUSINESS OUTLOOK

BUSINESS SITUATION

Balance from 'good' minus 'bad' responses in points

	Fall 2024	Spring 2025	Fall 2025	Spring 2026
Worldwide	**27**	**26**	**25**	**26**
EU27	23	27	23	27
Eurozone	25	28	24	28
Rest of the EU, Switzerland, Norway, UK	23	29	21	28
Eastern/South-Eastern Europe (excluding the EU), Turkey	35	27	20	26
Asia/Pacific (excluding Greater China)	17	23	22	20
Greater China	-1	-2	-5	30
North America (=USA, Canada, Mexico)	46	36	25	28
South and Central America	27	37	35	28
Africa, the Near and Middle East	43	39	49	27
MENA	57	44	54	27
Sub-Saharan Africa	14	26	17	25

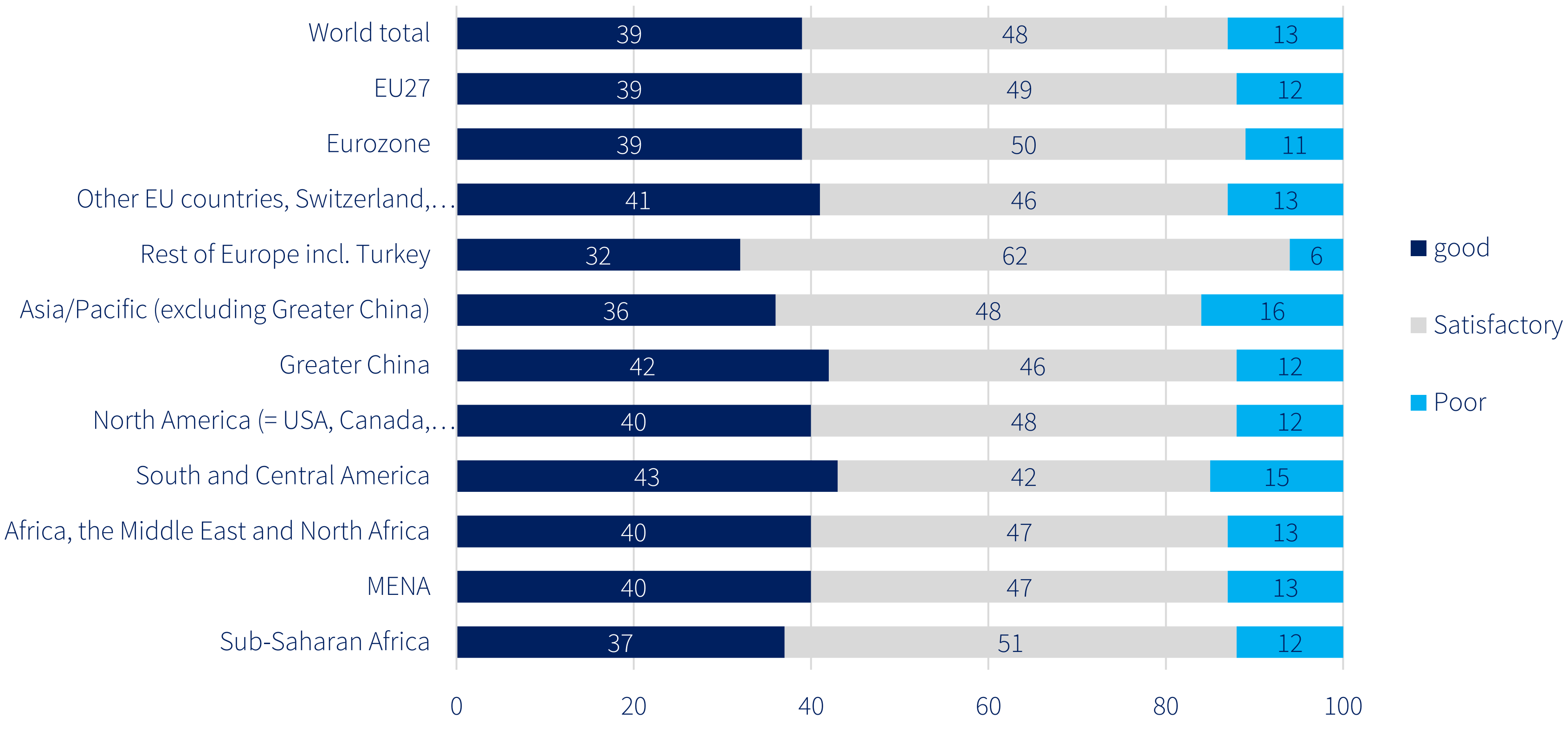
Balance worldwide



AHK WORLD BUSINESS OUTLOOK

BUSINESS SITUATION

Responses in per cent



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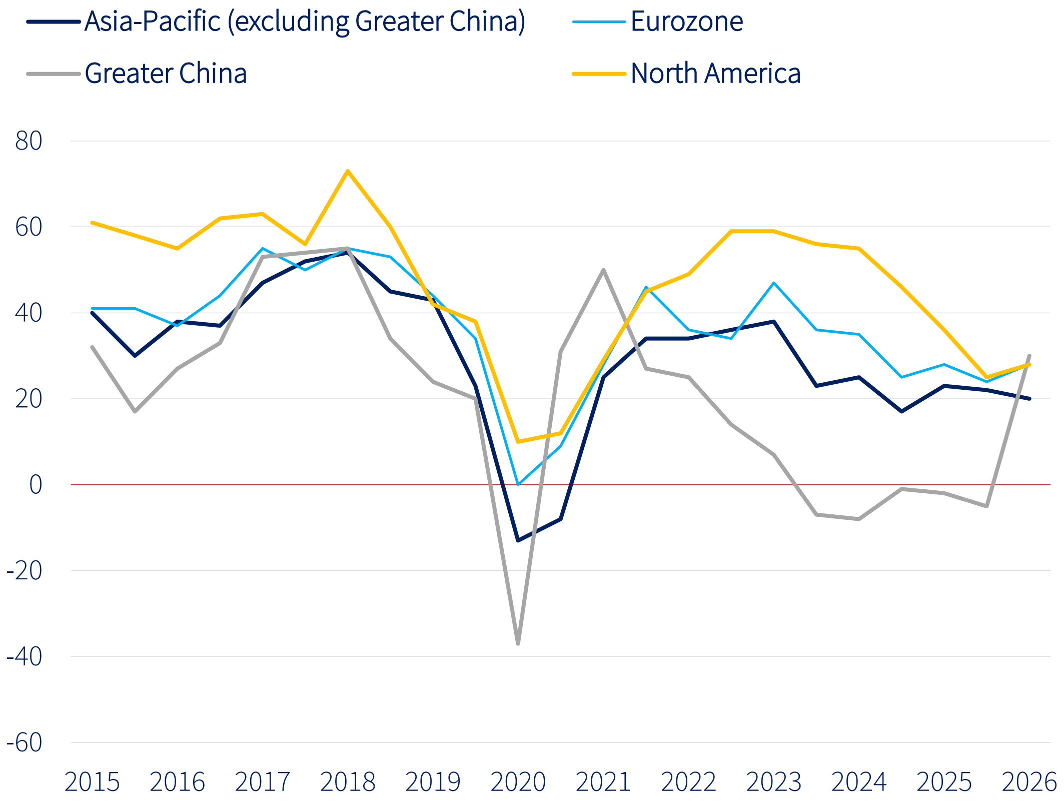
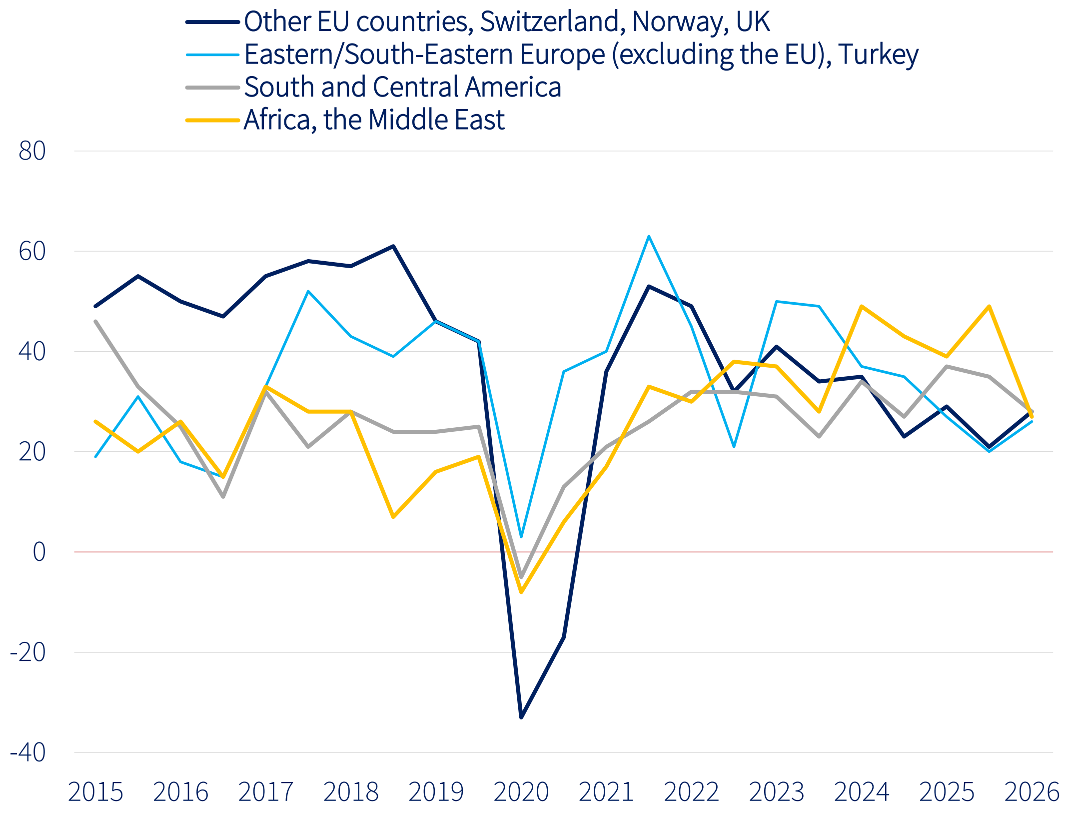
AHK WORLD BUSINESS OUTLOOK

BUSINESS SITUATION

Balance of ‘good’ minus ‘bad’ responses in points





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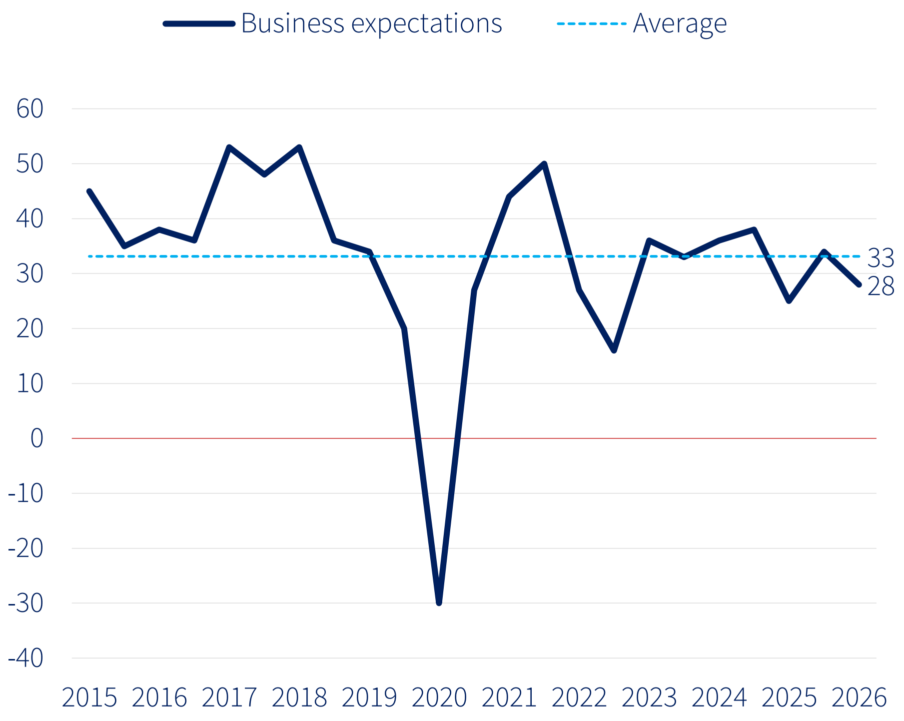
BUSINESS EXPECTATIONS

Balance of ‘better’ minus ‘worse’ responses in points

	Fall 2024	Spring 2025	Fall 2025	Spring 2026
World total	38	25	34	28
EU27	22	18	21	16
Eurozone	25	18	25	16
Rest of the EU, Switzerland, Norway, UK	23	23	17	18
Eastern/South-Eastern Europe (excluding the EU), Turkey	8	13	17	20
Asia/Pacific (excluding Greater China)	43	35	41	28
Greater China	15	11	9	40
North America (= USA, Canada, Mexico)	50	5	26	31
South and Central America	51	47	47	52
Africa, the Near and Middle East	58	54	61	26
MENA	61	53	62	22
Sub-Saharan Africa	52	55	58	49

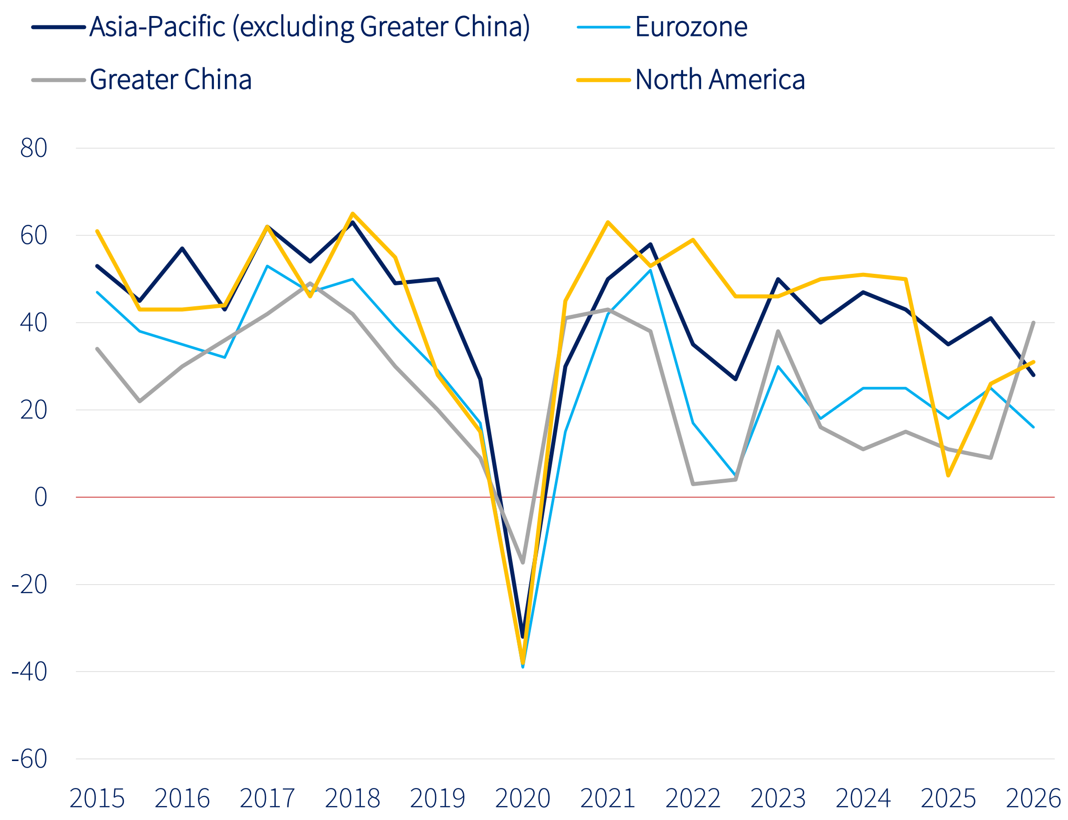
Balance worldwide

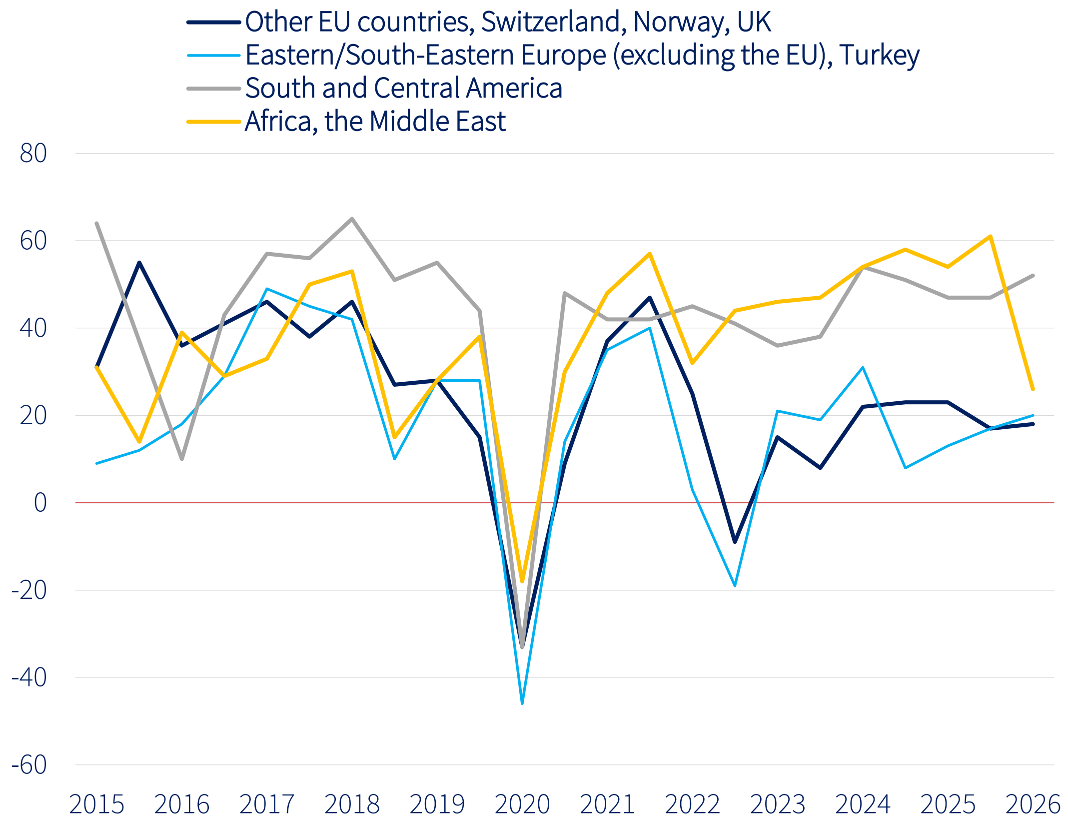


AHK WORLD BUSINESS OUTLOOK

BUSINESS EXPECTATIONS

Balance of ‘better’ minus ‘worse’ responses in points





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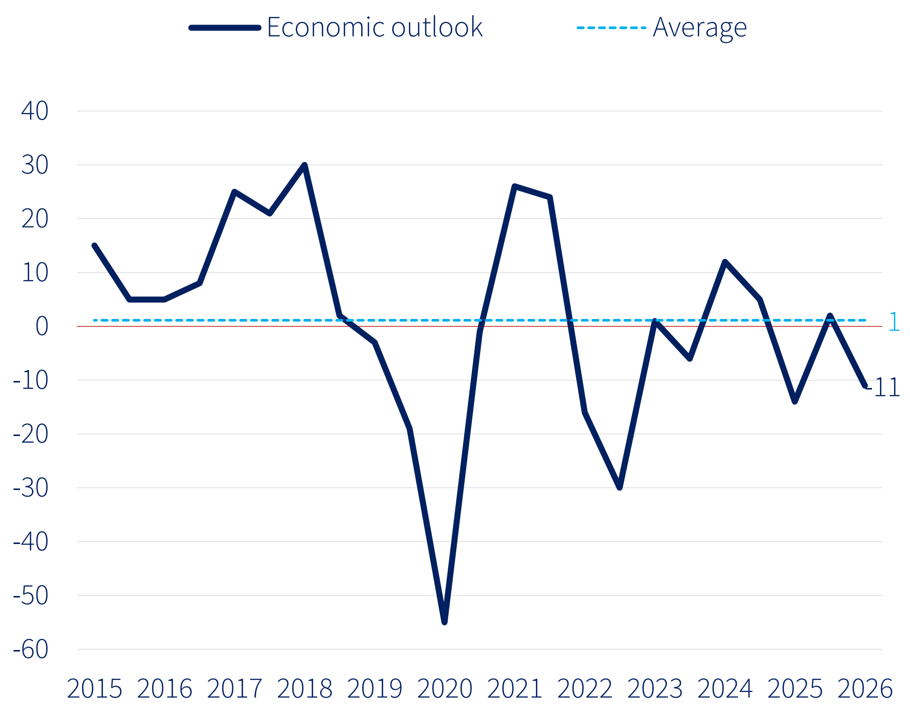
AHK WORLD BUSINESS OUTLOOK

BUSINESS EXPECTATIONS

Balance of 'better' minus 'worse' responses in points

	Fall 2024	Spring 2025	Fall 2025	Spring 2026
Worldwide	5	-14	2	-11
EU27	-18	-18	-16	-22
Eurozone	-13	-21	-13	-31
Rest of the EU, Switzerland, Norway, UK	-21	-15	-21	-11
Eastern/South-Eastern Europe (excluding the EU), Turkey	-18	-34	-21	-33
Asia/Pacific (excluding Greater China)	15	-10	15	-12
Greater China	-6	-15	-22	3
North America (= USA, Canada, Mexico)	26	-34	-7	-10
South and Central America	2	-6	5	10
Africa, the Near and Middle East	27	26	41	-7
MENA	36	29	45	-9
Sub-Saharan Africa	9	13	20	3

Balance worldwide



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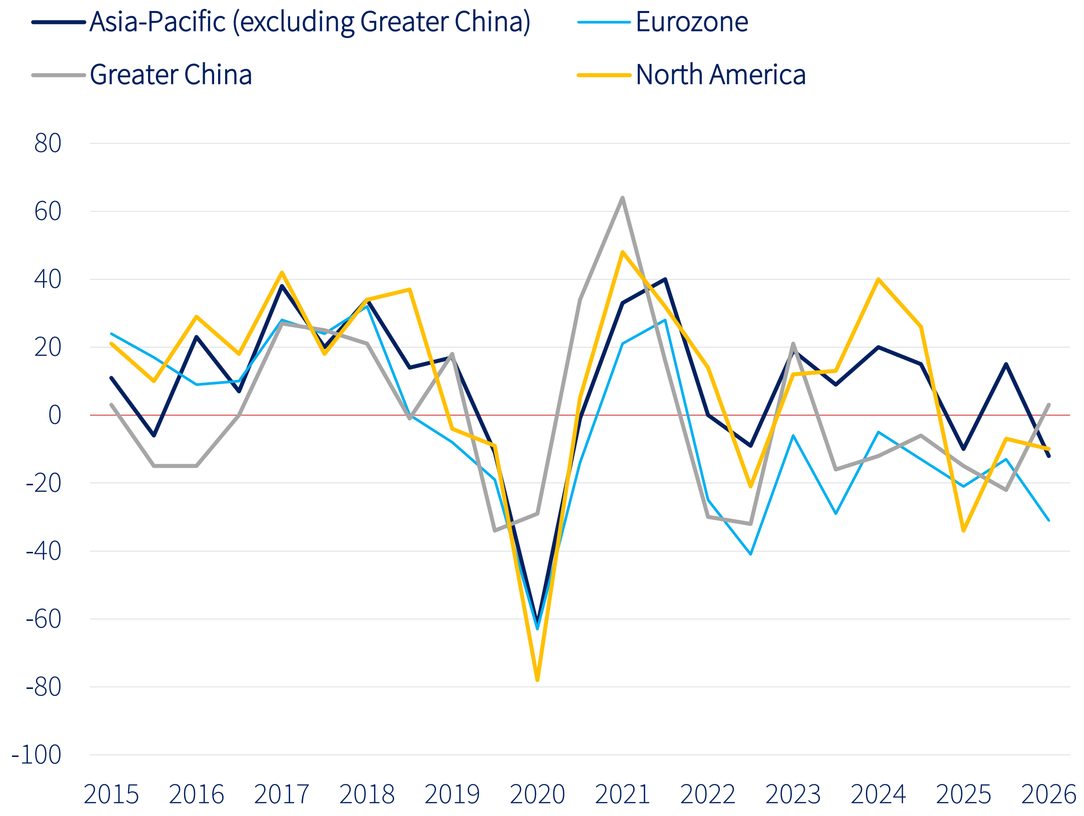
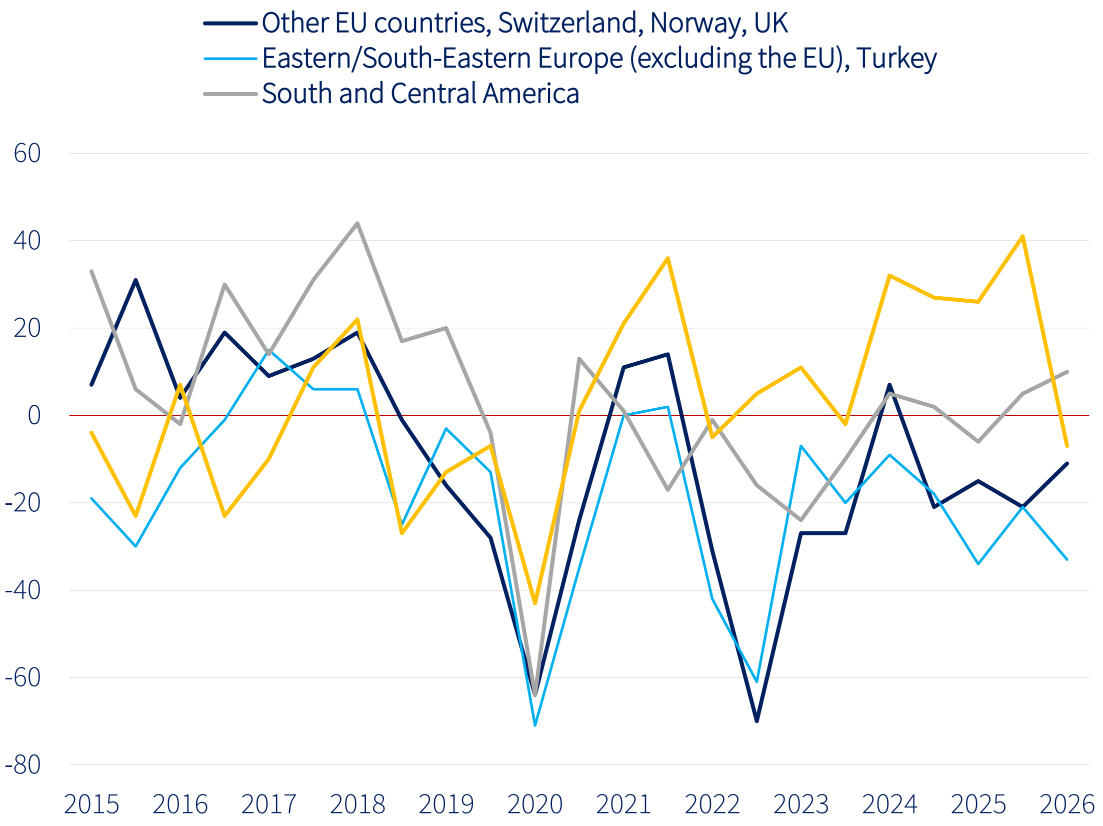
AHK WORLD BUSINESS OUTLOOK

BUSINESS EXPECTATIONS

Balance of 'better' minus 'worse' responses in points





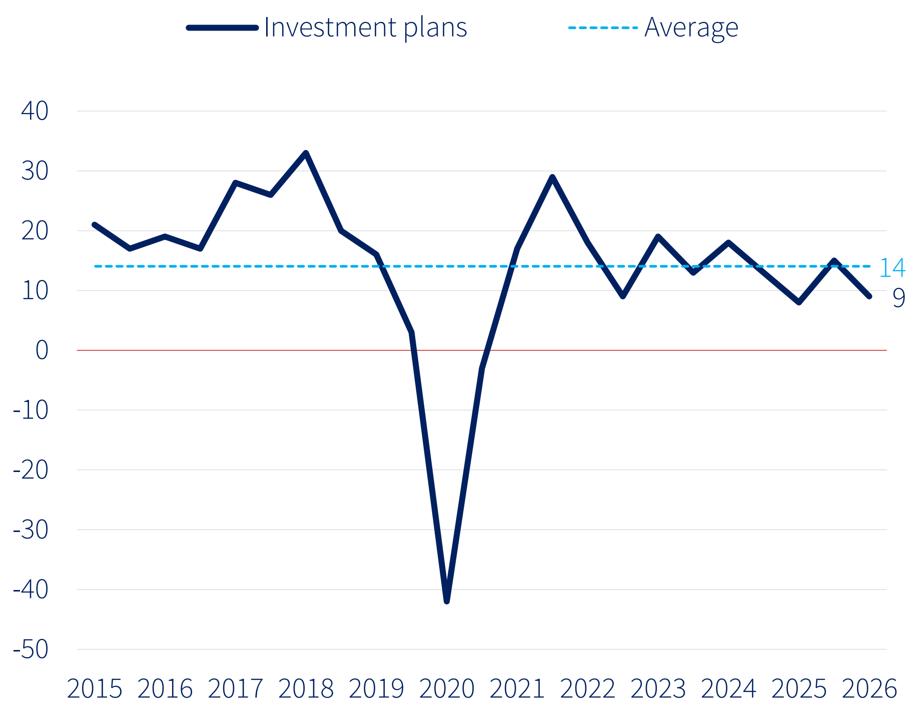
German Chambers of Commerce Abroad

INVESTMENT PLANS

Balance of ‘higher’ minus ‘lower’ responses in points

	Fall 2024	Spring 2025	Fall 2025	Spring 2026
Worldwide	13	8	15	9
EU27	5	5	2	3
Eurozone	10	8	4	1
Rest of the EU, Switzerland, Norway, UK	3	8	3	3
Eastern/South-Eastern Europe (excluding the EU), Turkey	1	-8	-1	3
Asia/Pacific (excluding Greater China)	23	22	20	8
Greater China	-16	-19	8	11
North America (= USA, Canada, Mexico)	18	-8	3	20
South and Central America	21	24	24	18
Africa, the Near and Middle East	35	34	43	7
MENA	43	37	47	6
Sub-Saharan Africa	19	24	23	15

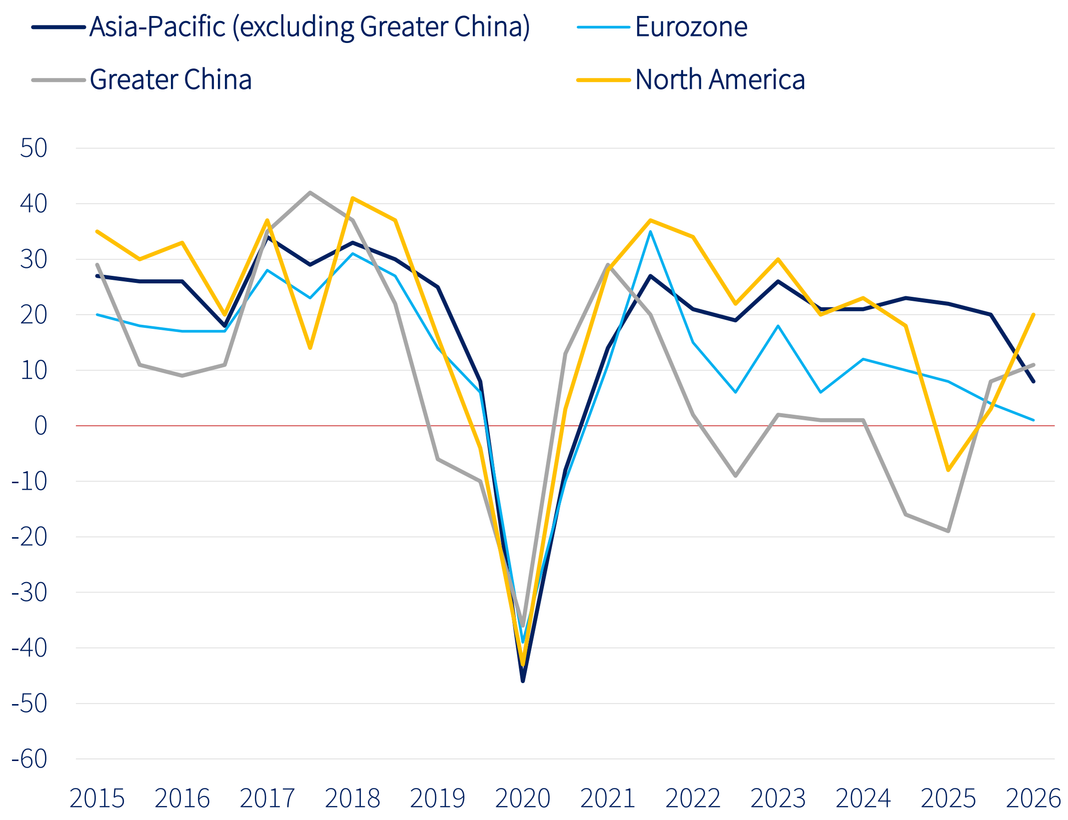
Balance worldwide

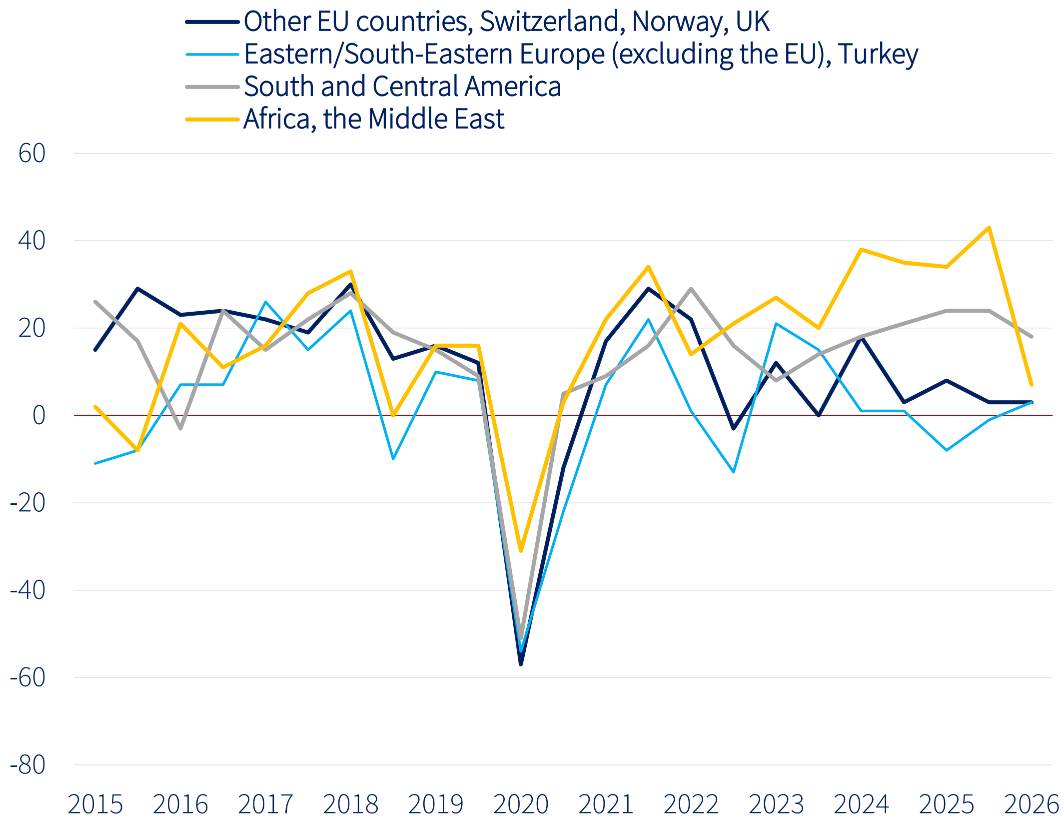


AHK WORLD BUSINESS OUTLOOK

INVESTMENT PLANS

Balance of 'higher' minus 'lower' responses in points





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AHK WORLD BUSINESS OUTLOOK

EMPLOYMENT PLANS

Balance of ‘higher’ minus ‘lower’ responses in points

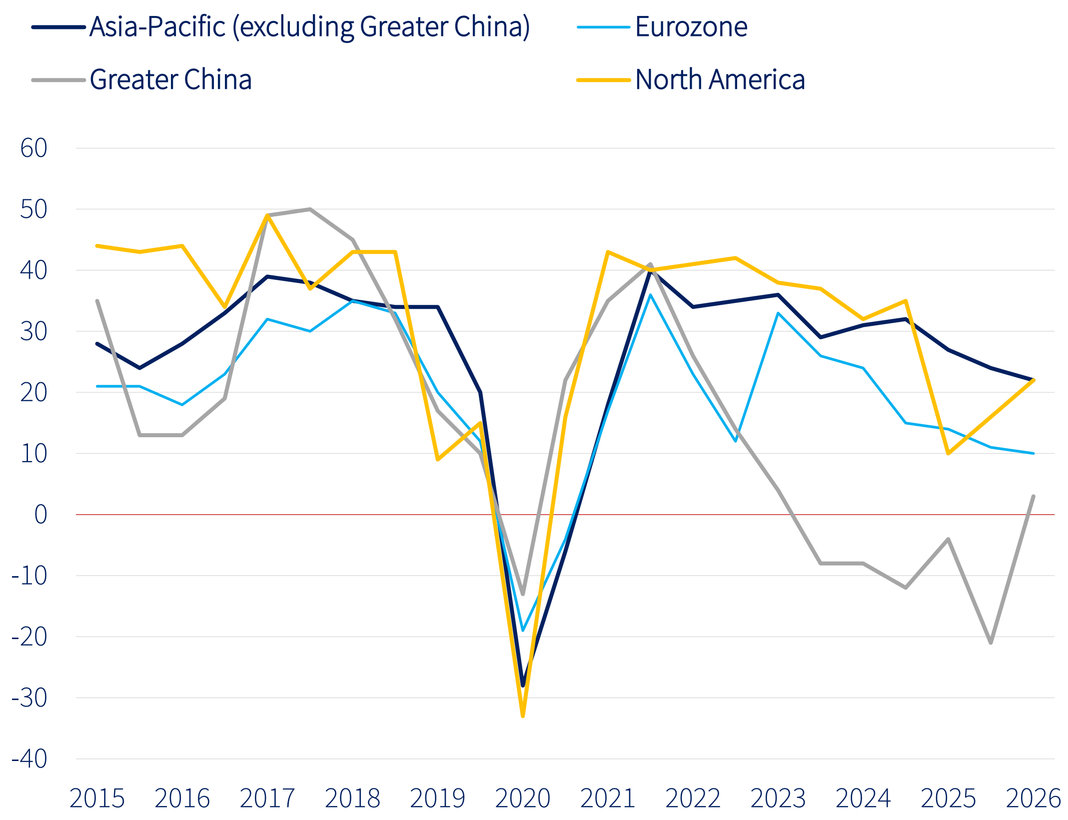
	Fall 2024	Spring 2025	Fall 2025	Spring 2026
Worldwide	21	15	16	15
EU27	13	10	9	7
Eurozone	15	14	11	10
Rest of the EU, Switzerland, Norway, UK	15	9	7	6
Eastern/South-Eastern Europe (excluding the EU), Turkey	9	5	0	4
Asia/Pacific (excluding Greater China)	32	27	24	22
Greater China	-12	-4	-21	3
North America (= USA, Canada, Mexico)	35	10	16	22
South and Central America	16	17	17	16
Africa, the Near and Middle East	37	35	41	13
MENA	51	37	45	12
Sub-Saharan Africa	8	28	21	14

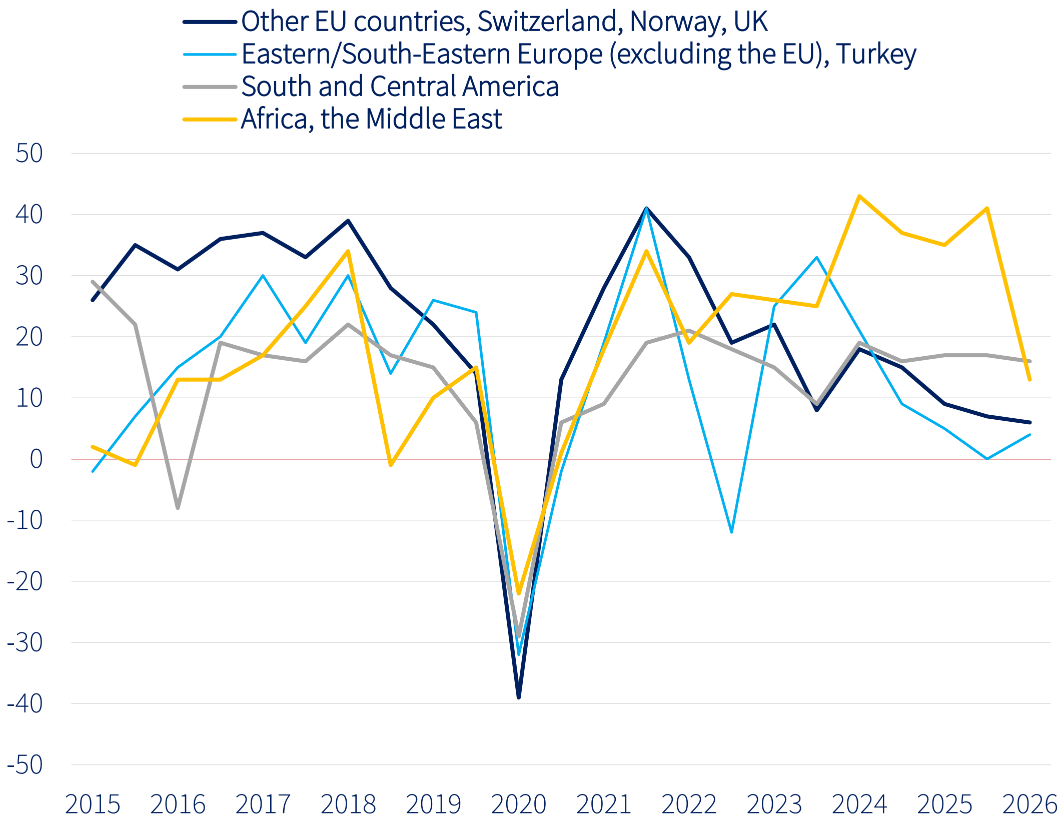
Balance worldwide

AHK WORLD BUSINESS OUTLOOK

EMPLOYMENT PLANS

Balance of ‘higher’ minus ‘lower’ responses in points





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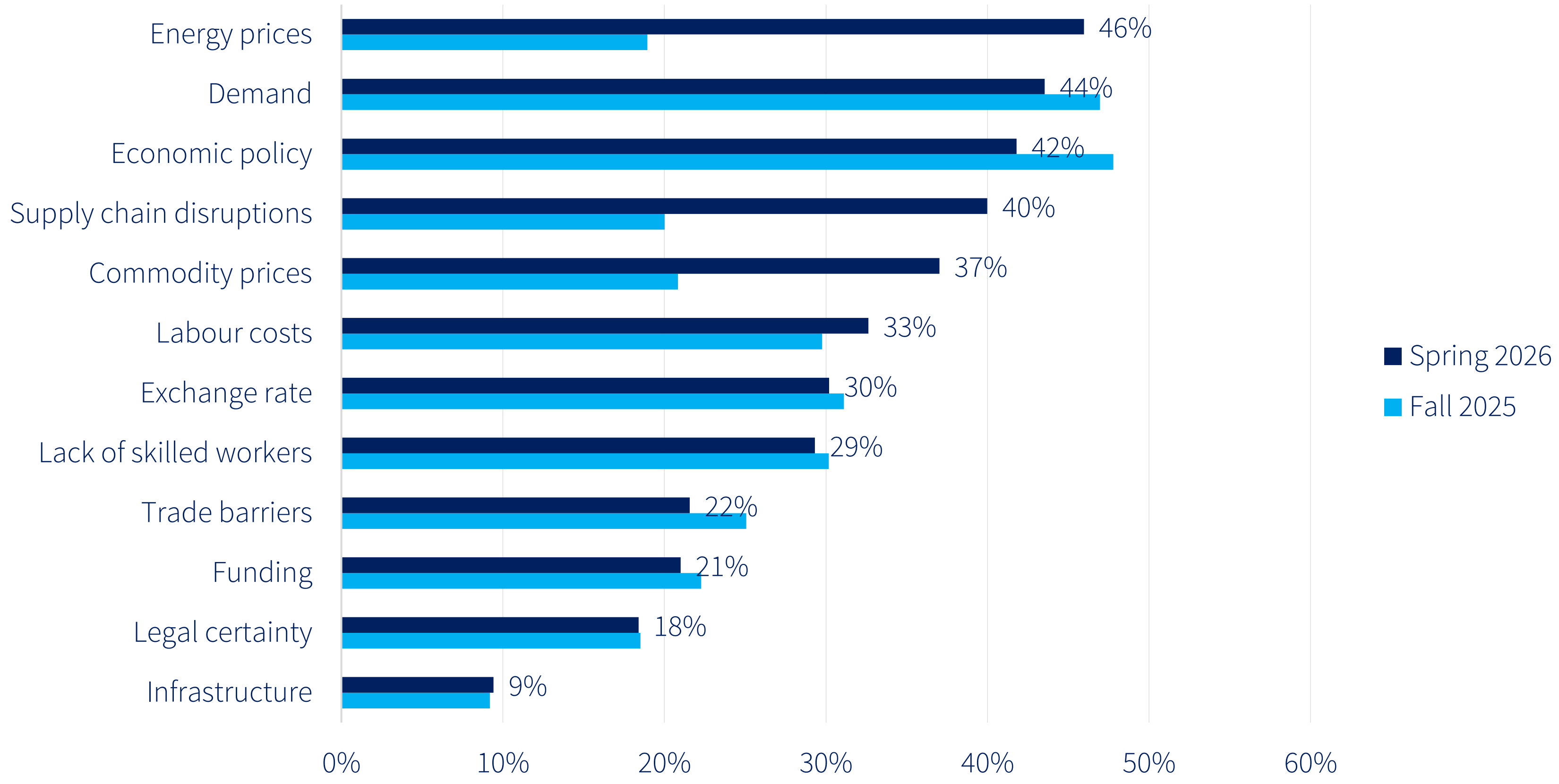
BUSINESS RISKS

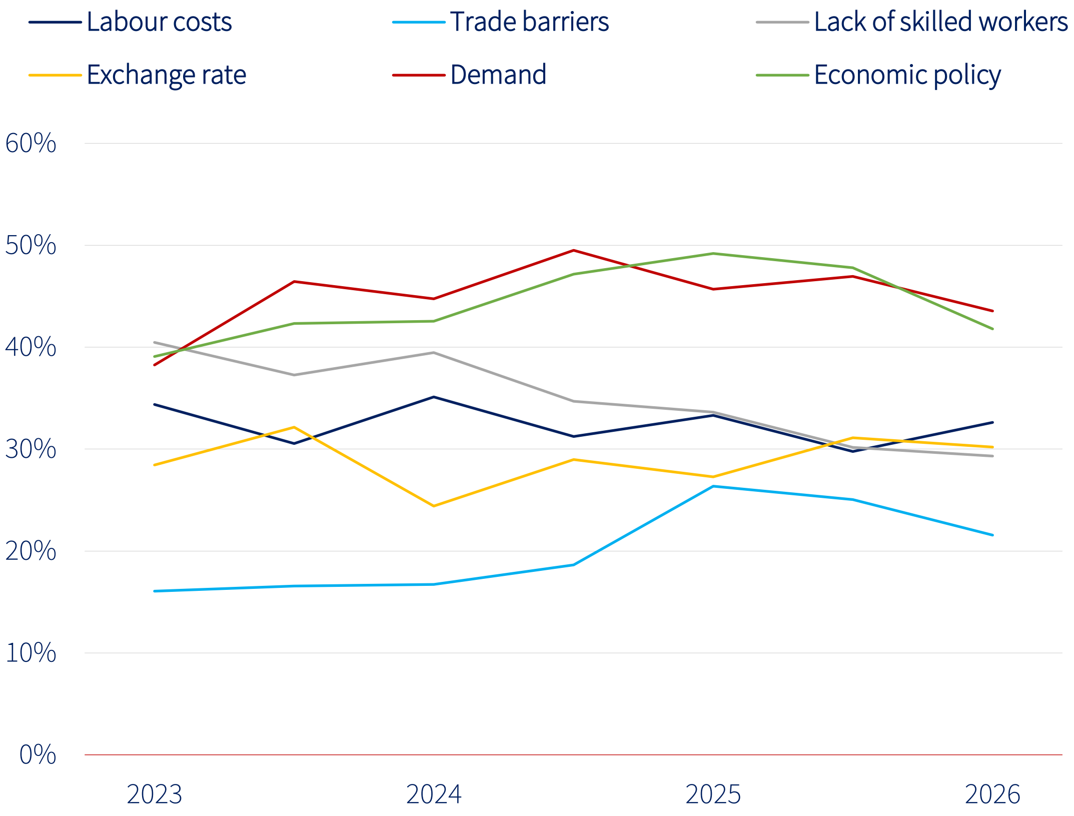
in per cent, multiple answers possible

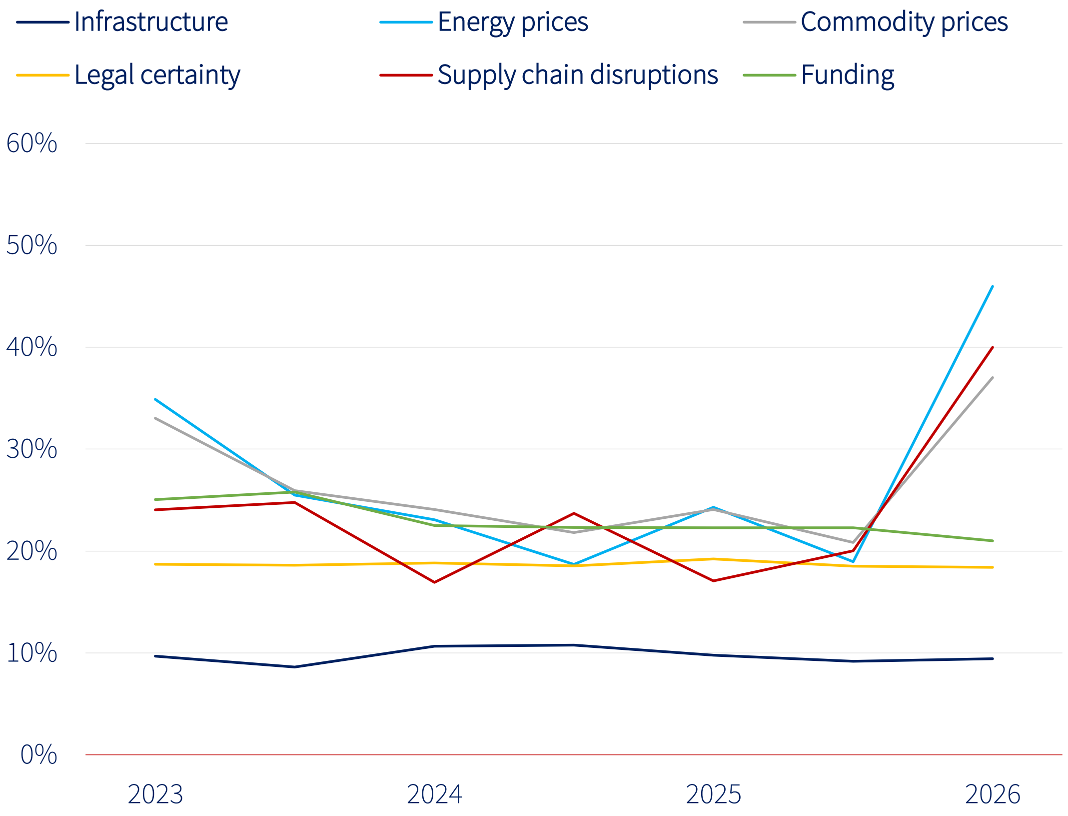


AHK WORLD BUSINESS OUTLOOK

BUSINESS RISKS

in per cent, multiple answers possible





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AHK WORLD BUSINESS OUTLOOK

BUSINESS RISKS

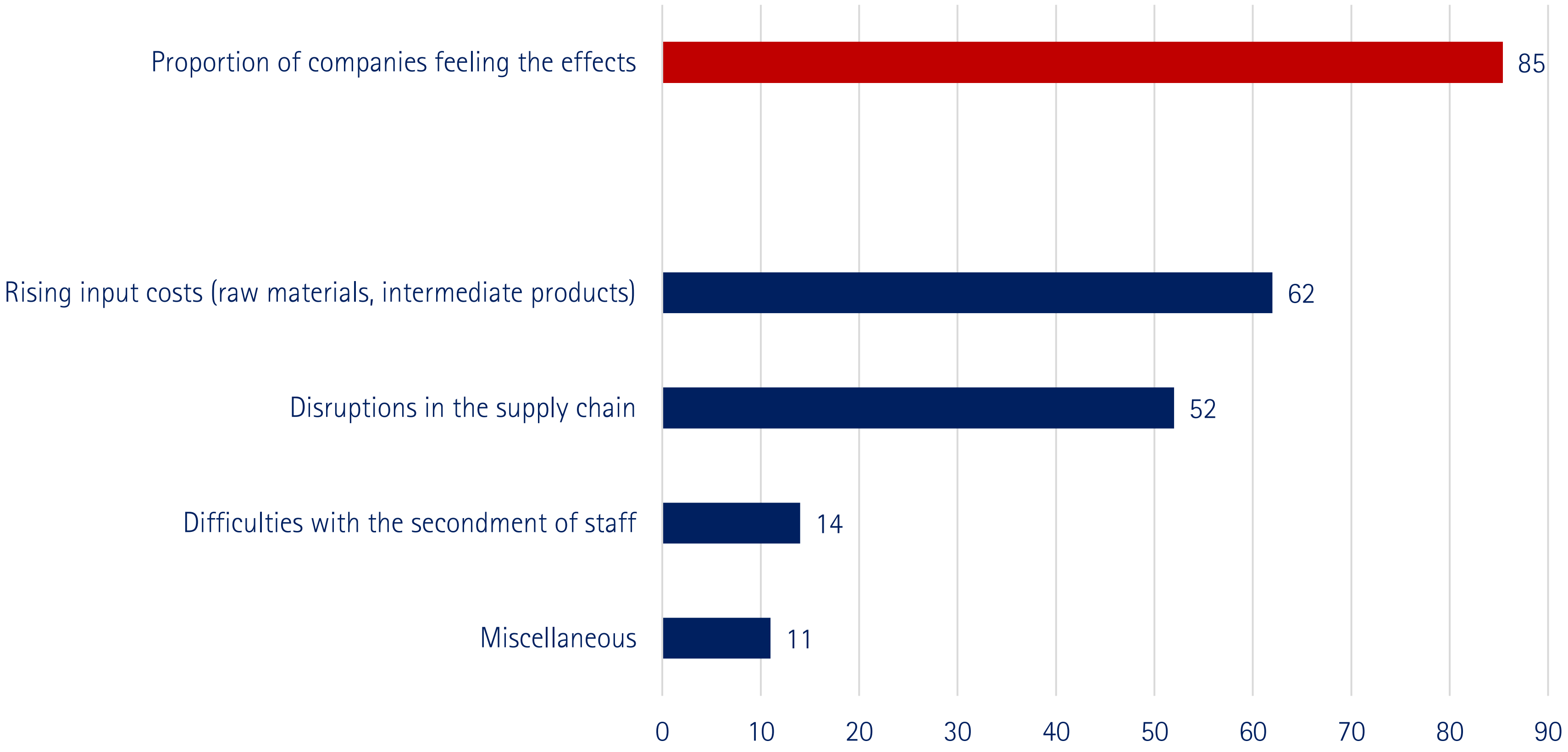
in per cent, multiple answers possible

	Demand	Funding	Labour costs	Lack of skilled workers	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Supply chain disruptions
Worldwide	44	21	33	29	30	46	37	18	42	9	22	40
EU27	51	15	45	36	17	56	39	19	45	10	19	35
Eurozone	47	12	45	36	3	53	36	14	45	7	15	33
Rest of the EU, Switzerland, Norway, UK	53	17	43	34	33	56	40	23	45	13	25	36
Eastern/South-Eastern Europe (excluding the EU), Turkey	42	26	38	39	21	40	30	34	49	9	24	43
Asia/Pacific (excluding Greater China)	43	19	22	26	51	50	44	10	33	9	27	53
Greater China	69	11	11	5	27	41	39	6	31	5	33	41
North America	45	14	20	28	27	28	30	29	59	10	45	38
South and Central America	34	26	28	26	39	25	29	25	45	10	13	30
Africa, the Near and Middle East	34	34	21	20	39	45	39	12	34	9	19	48
MENA	34	33	21	19	38	45	40	12	32	7	19	49
Sub-Saharan Africa	33	39	17	20	44	45	31	17	42	17	22	43

AHK German Chambers of Commerce Abroad

THE IMPACT OF THE WAR IN THE MIDDLE EAST ON BUSINESS

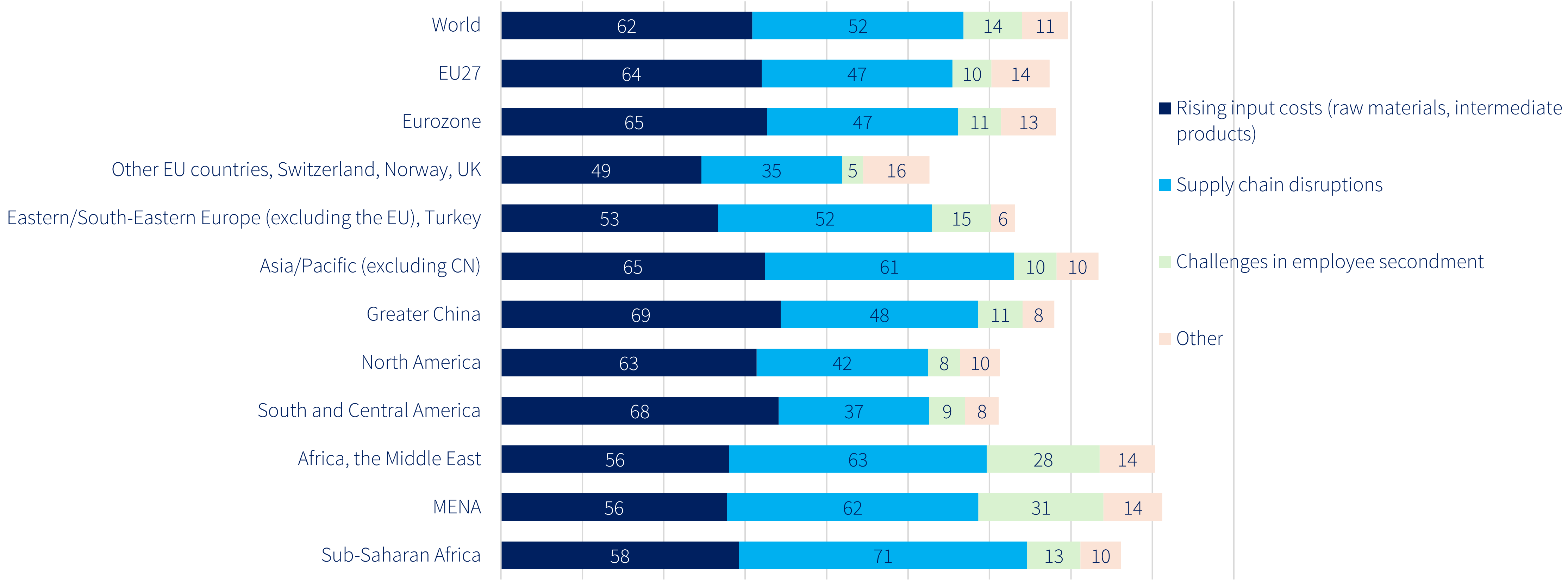
per cent, multiple answers allowed



AHK WORLD BUSINESS OUTLOOK

THE IMPACT OF THE WAR IN THE MIDDLE EAST ON BUSINESS

in per cent, multiple answers possible



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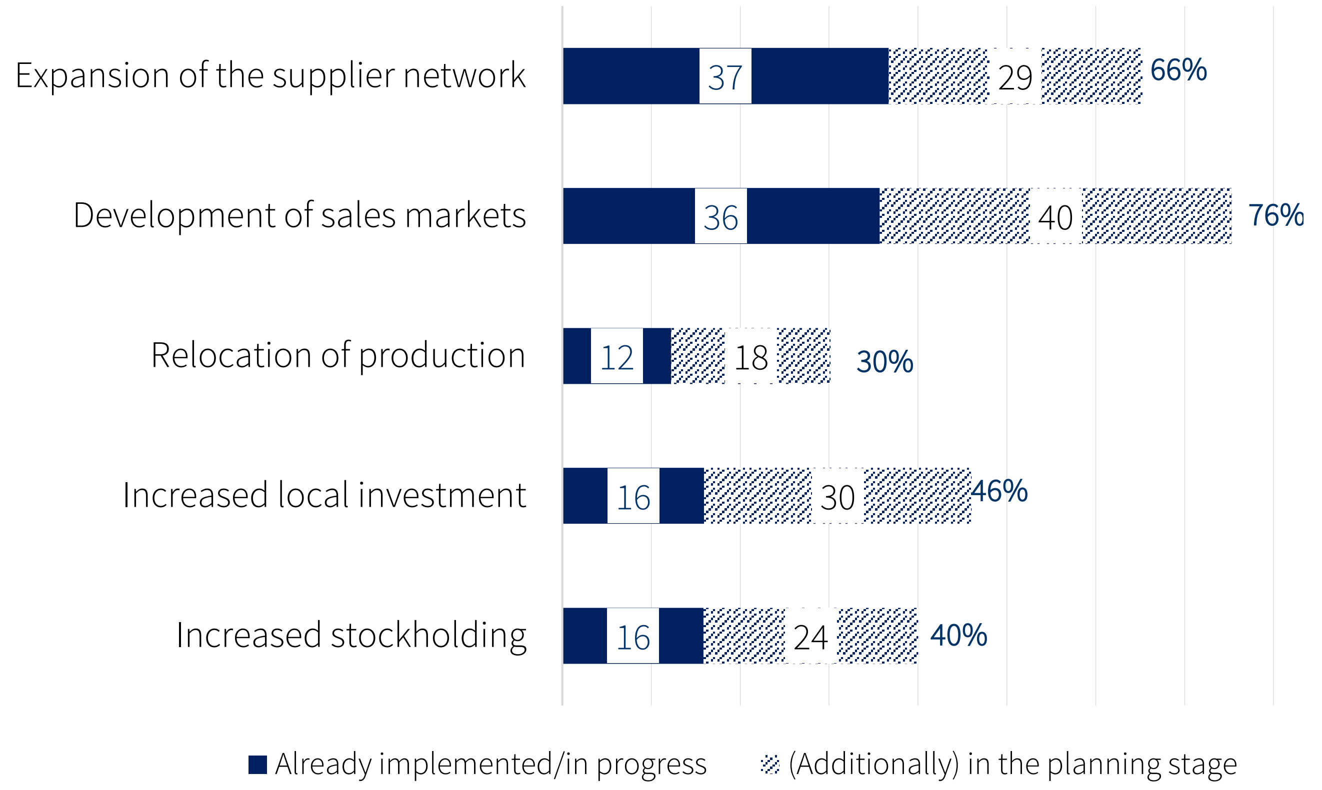
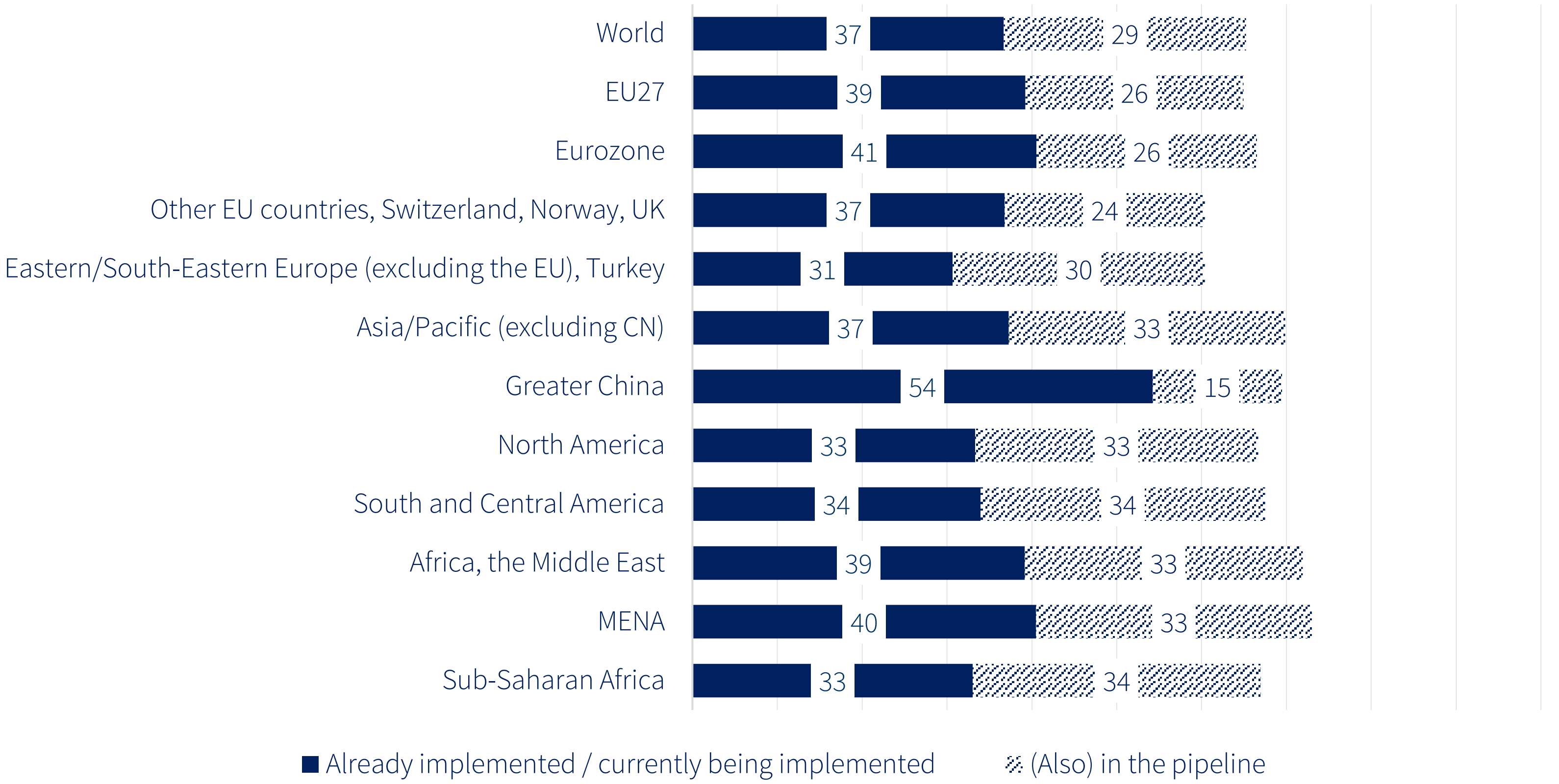
MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

in per cent, multiple responses possible; the figure in red is the sum of ‘already implemented and in the planning stage’



MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

Expansion of supplier networks, in per cent, multiple responses possible



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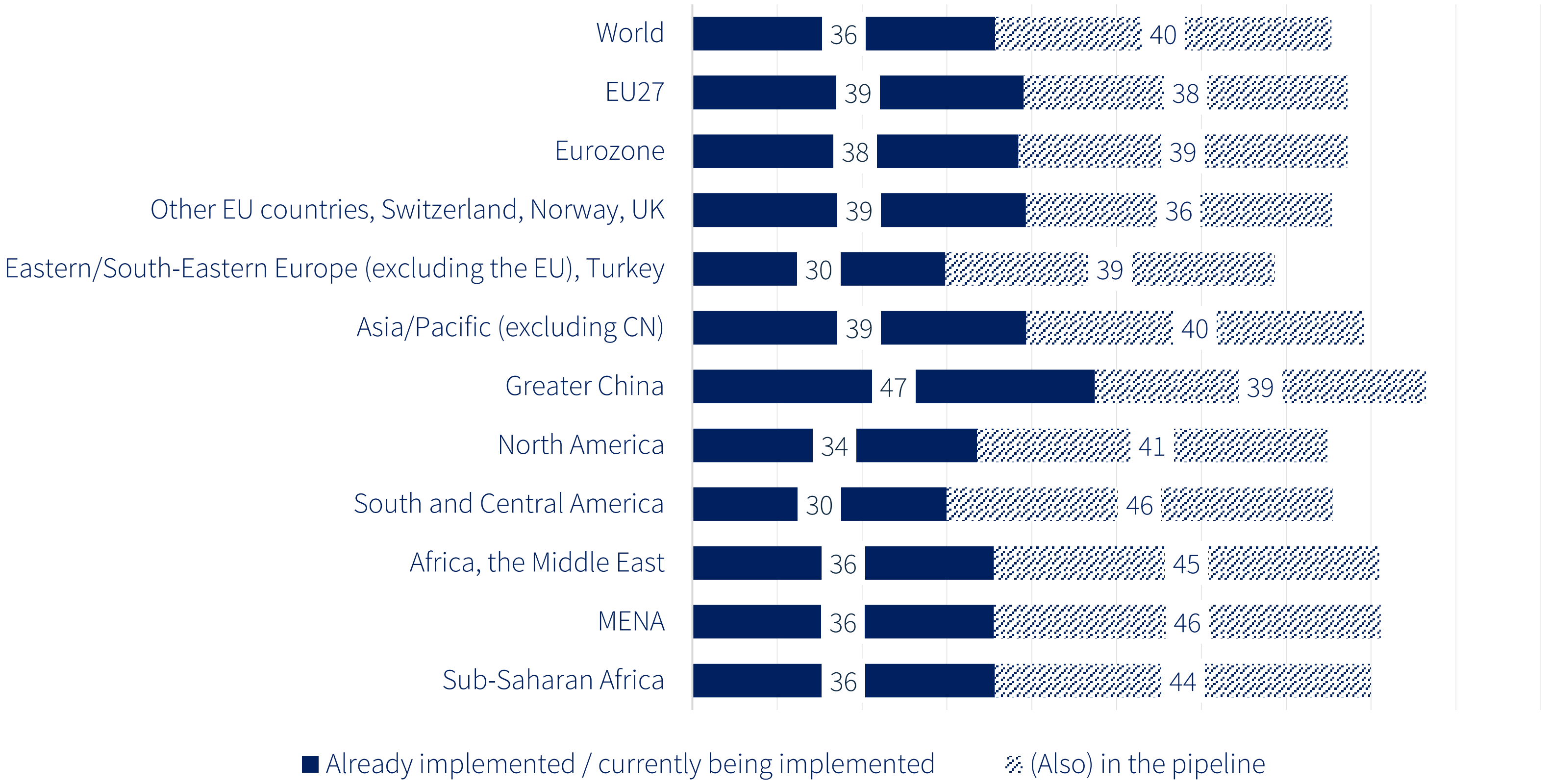
MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

Tapping into new markets, in per cent, multiple answers possible



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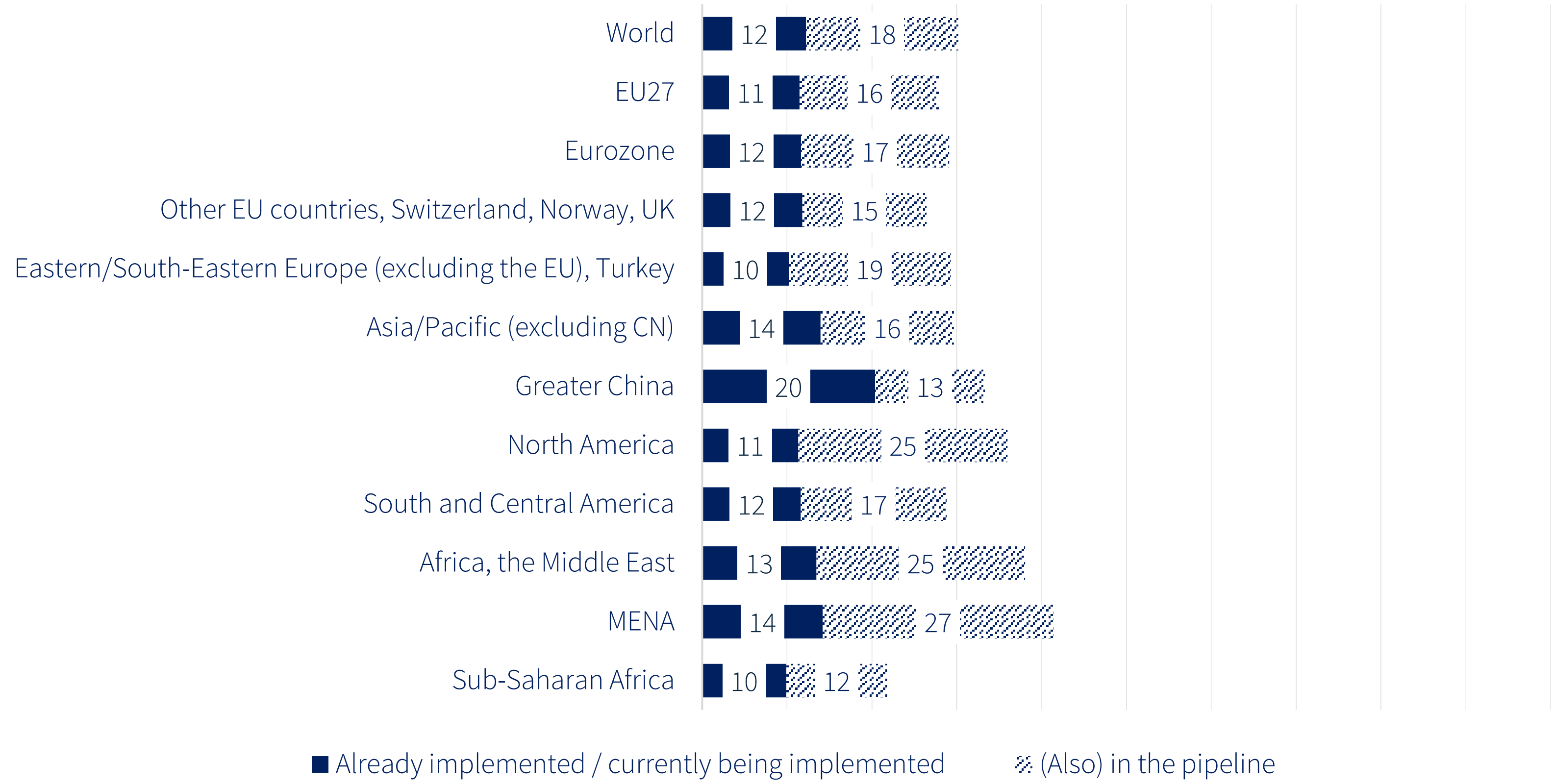
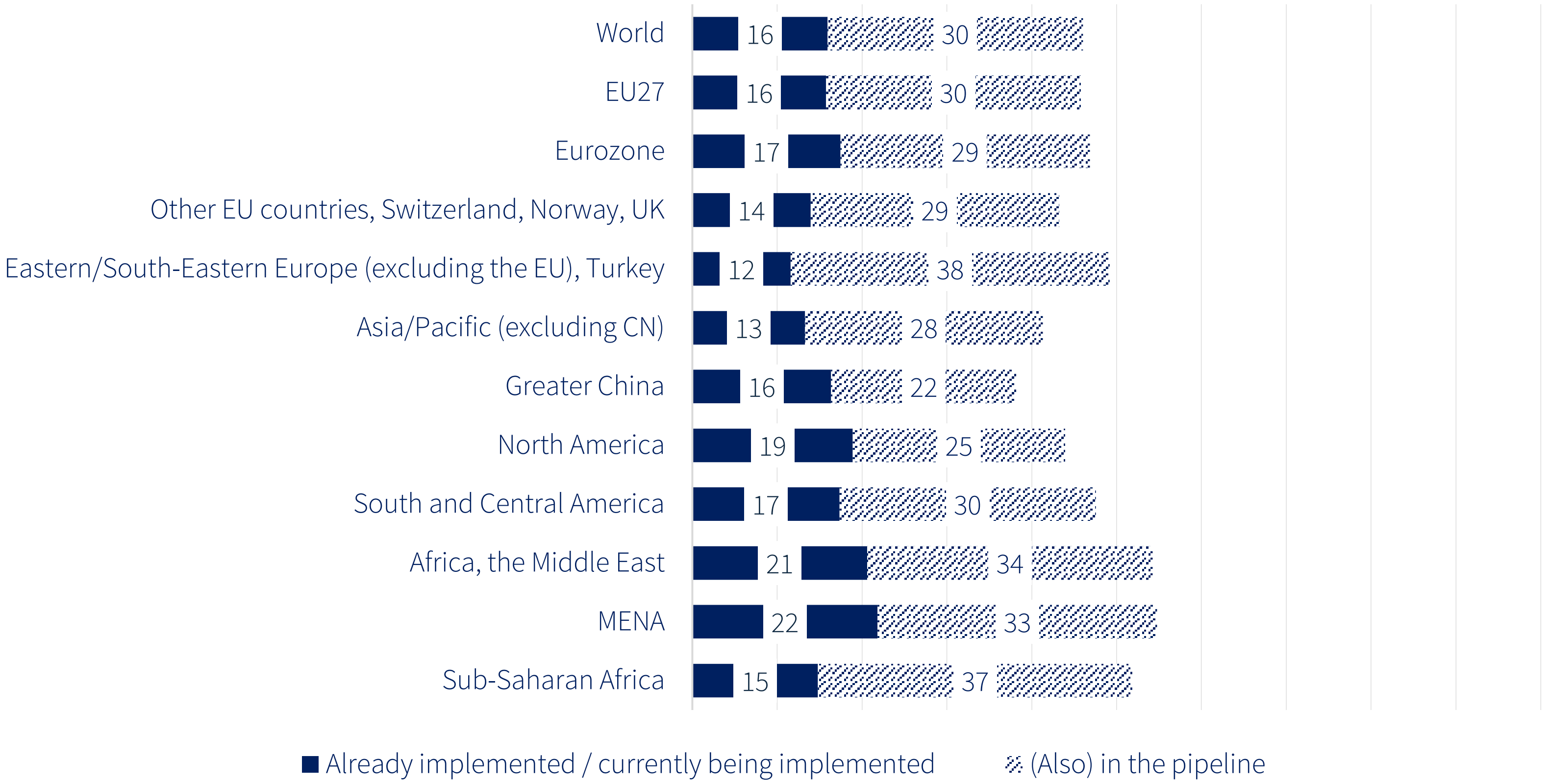
MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

Relocation of production/branches to new locations, in per cent, multiple responses possible



MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

Increase in investment at your local site, in per cent, multiple answers possible



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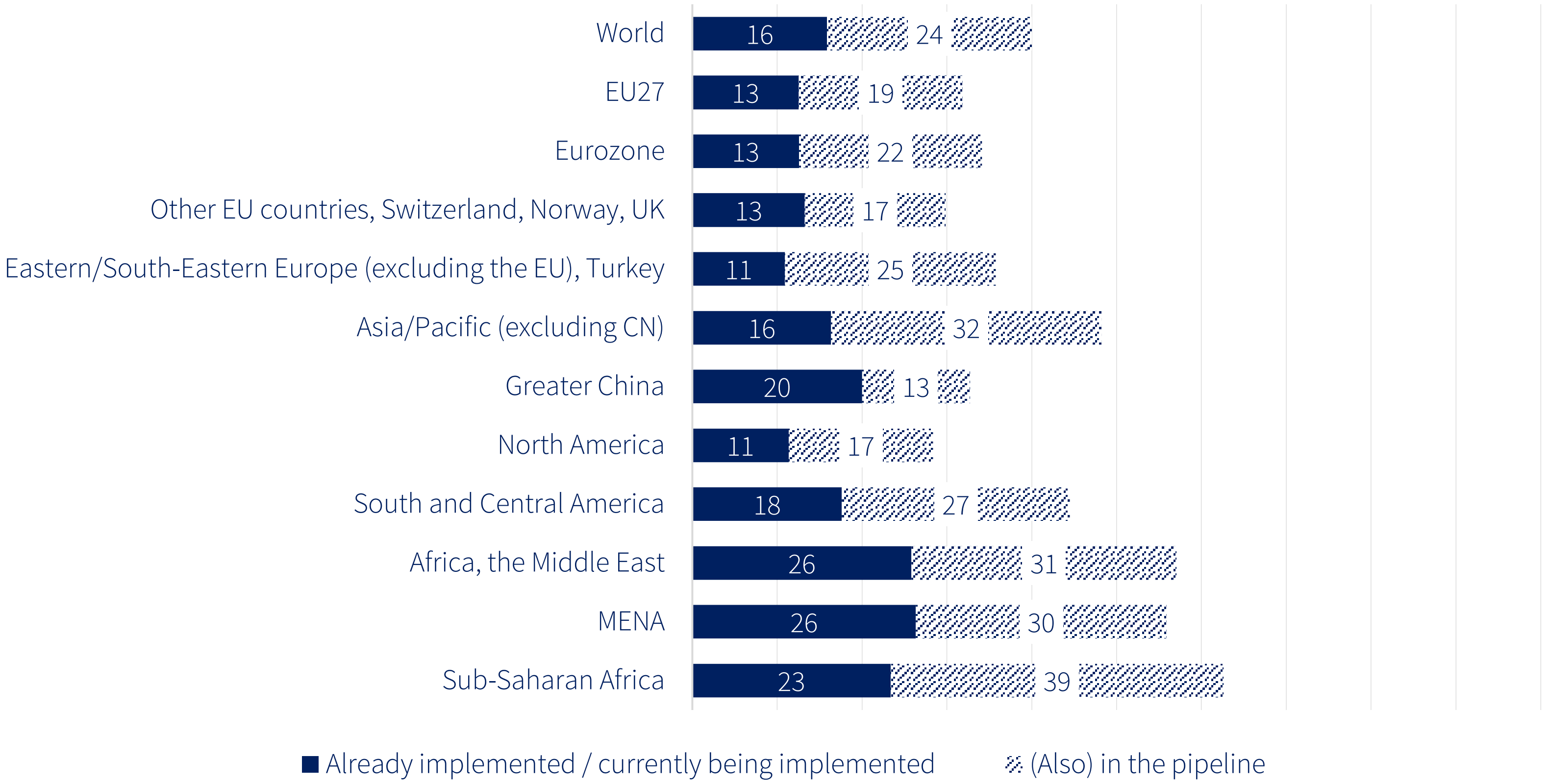
MEASURES TAKEN BY COMPANIES IN RESPONSE TO GROWING GEOPOLITICAL CHALLENGES

Increase in inventory levels, in per cent, multiple responses possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

EUROPEAN UNION

HIGHLIGHTS EU27

Overall sentiment has worsened again

While the assessment of the current business situation has improved compared to the fall, business expectations for the coming year are significantly lower. However, sentiment remains below average. The effects of the war in the Middle East are already being felt and are casting a significant shadow over expectations of an economic recovery.

Potential for growth

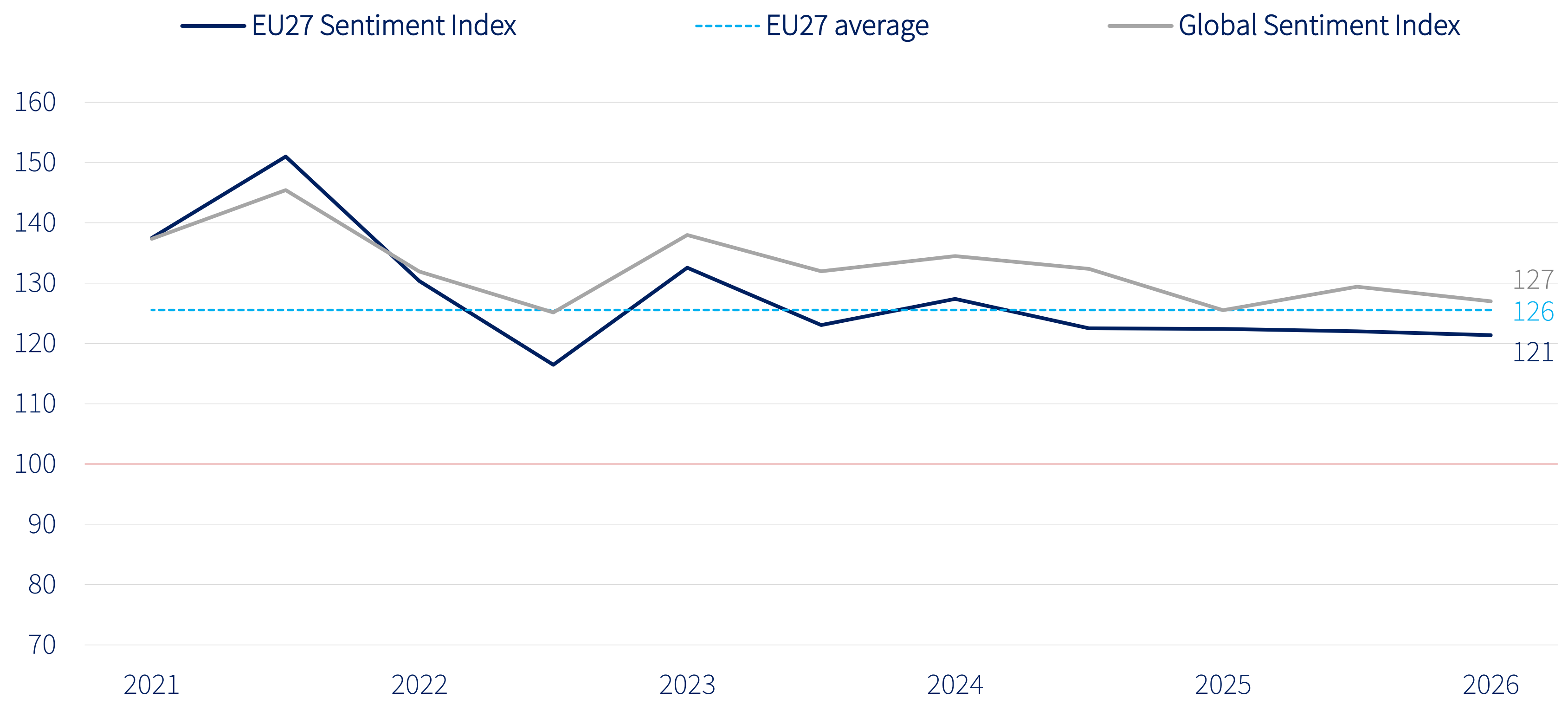
The business climate is particularly positive in Lithuania and Latvia. A strong reputation for digitalization and increasing investments in defense and security are driving strong business performance for German industry in these countries.But companies in Spain and Greece also view their business prospects positively. Both countries are driving digital and ecological transformation, which is leading to higher growth rates. As regions heavily reliant on tourism, they can benefit from this, precisely because many parts of the world are currently off-limits to travelers due to wars and crises.

Economic risks remain a key concern

Just under half of companies are concerned about weak demand, economic conditions, and labor costs. Here, too, the three business risks that have increased the most are energy and raw material prices, as well as supply chain disruptions.

GERMAN COMPANIES IN THE EU

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



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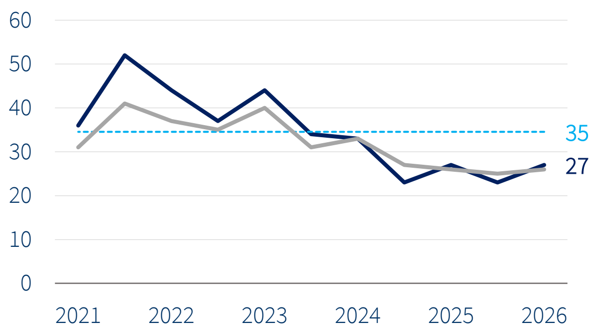
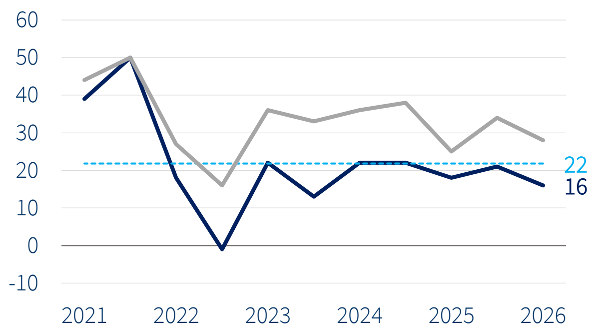
GERMAN COMPANIES IN THE EU

Balance in points, percentage of mentions

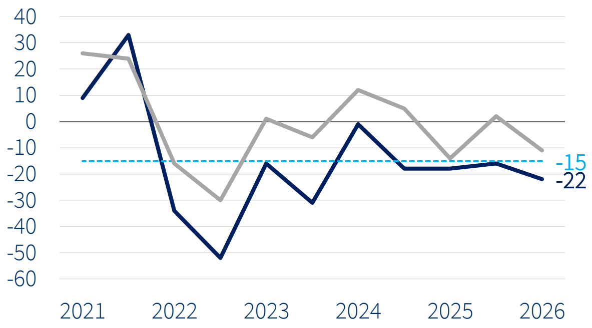
Business situation



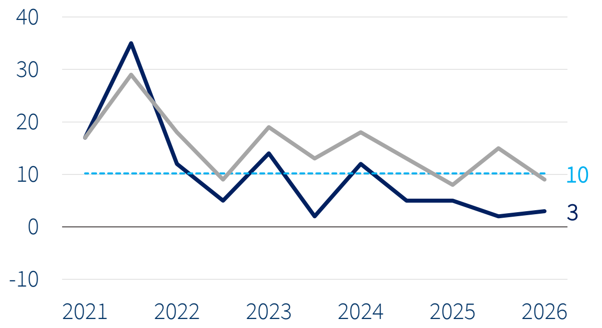
Business expectations



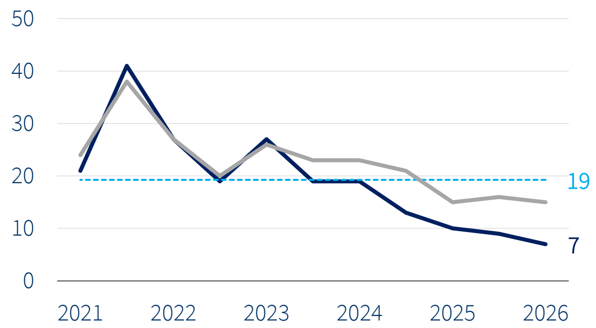
Economic expectations



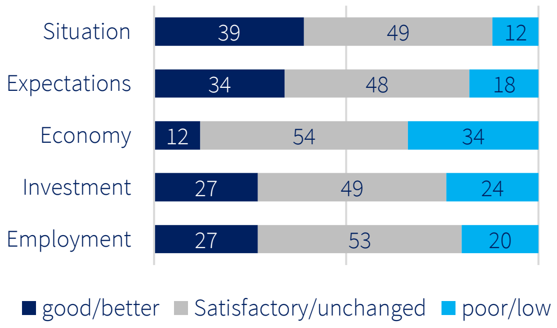
Investment plans



Employment plans



Proportion of responses



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EU balance

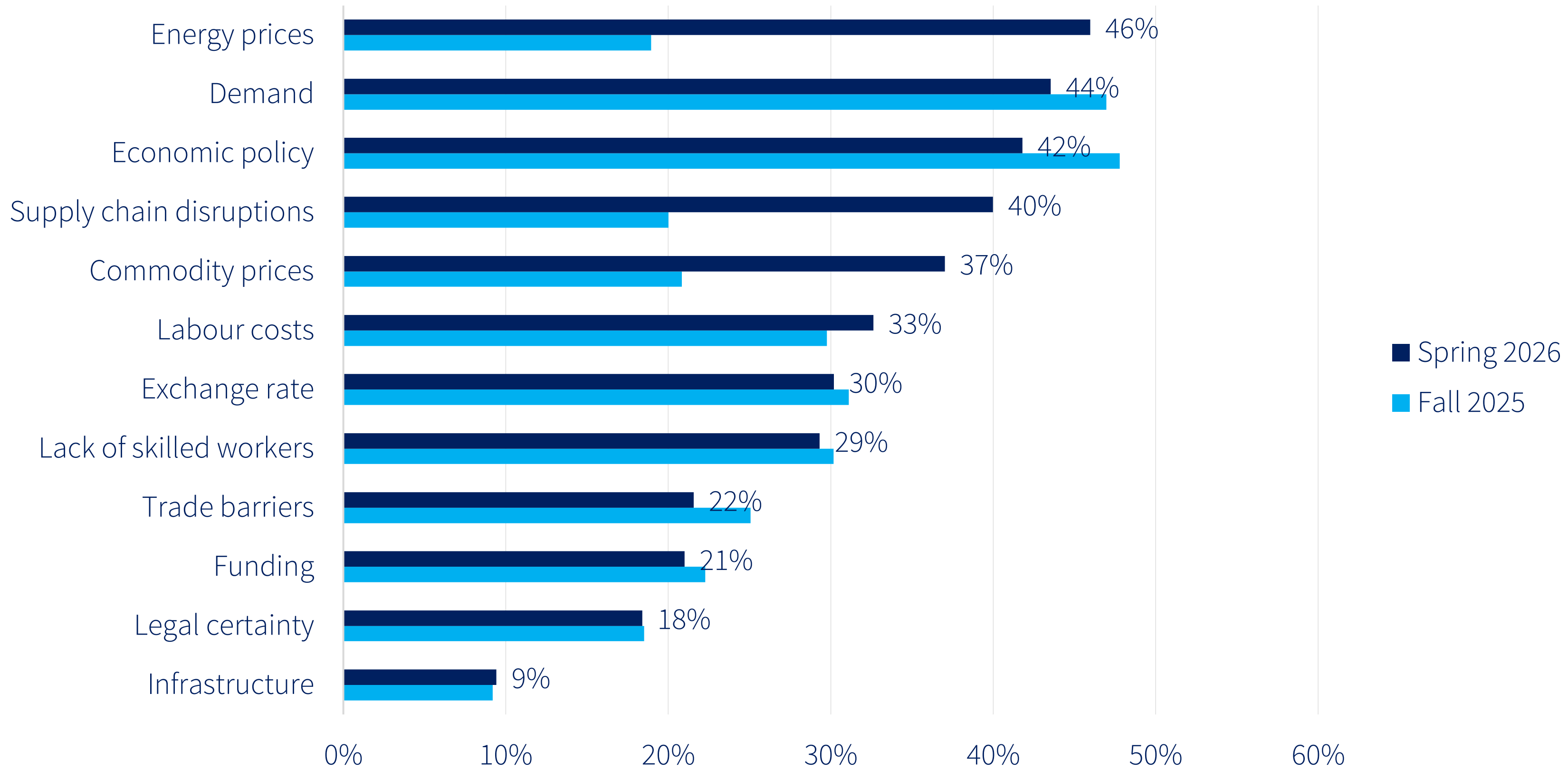
EU average

Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN THE EU

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

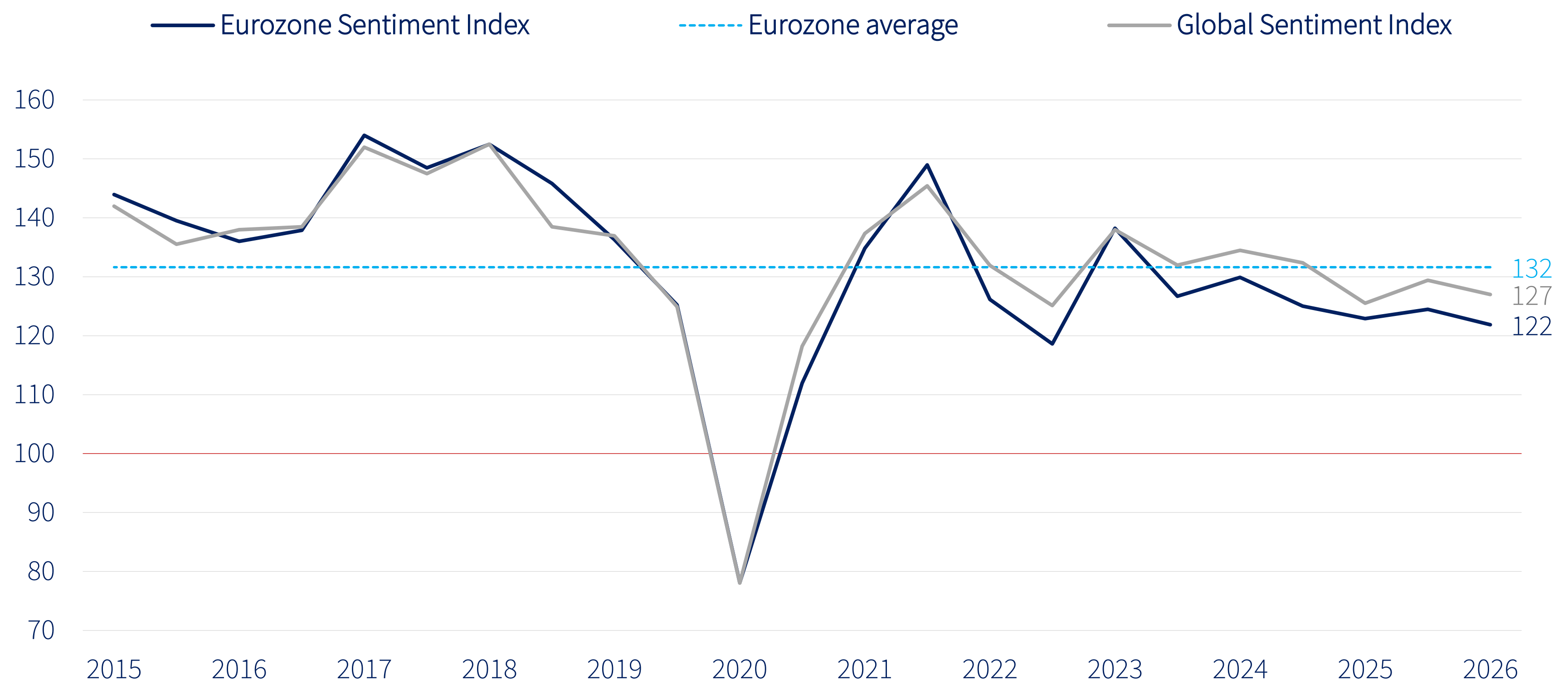
REGIONAL BUSINESS OUTLOOK

EUROZONE

AHK German Chambers of Commerce Abroad

GERMAN COMPANIES IN THE EUROZONE

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

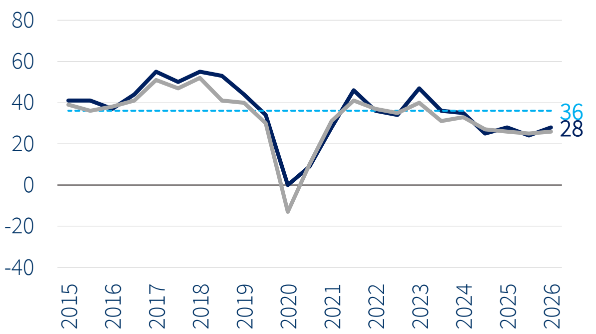


German Chambers of Commerce Abroad

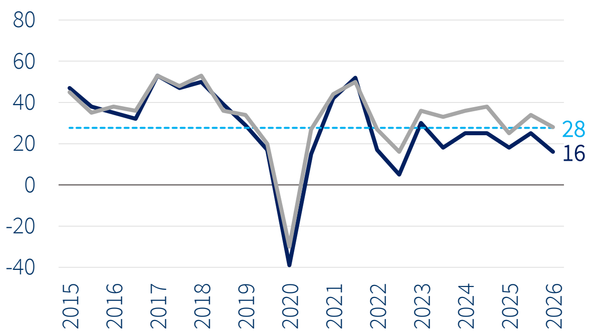
GERMAN COMPANIES IN THE EUROZONE

Balance in points, percentage of responses

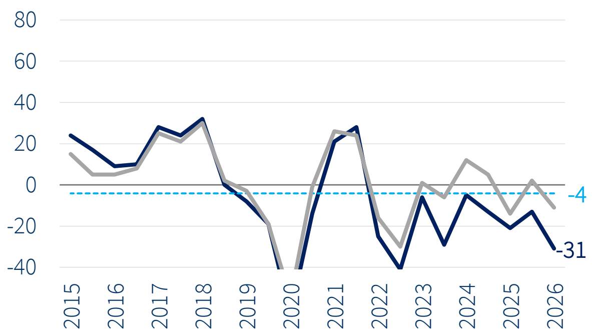
Business situation



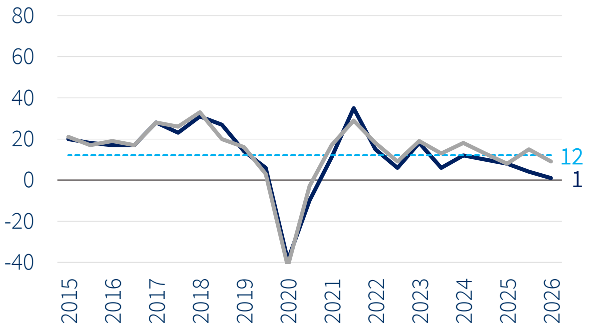
Business expectations



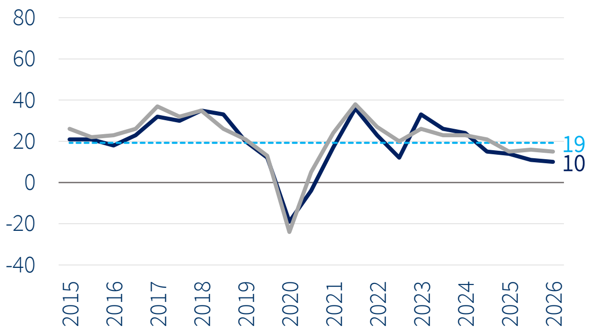
Economic expectations



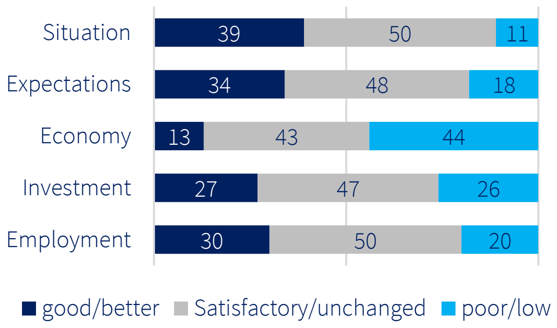
Investment plans



Employment plans



Proportion of responses



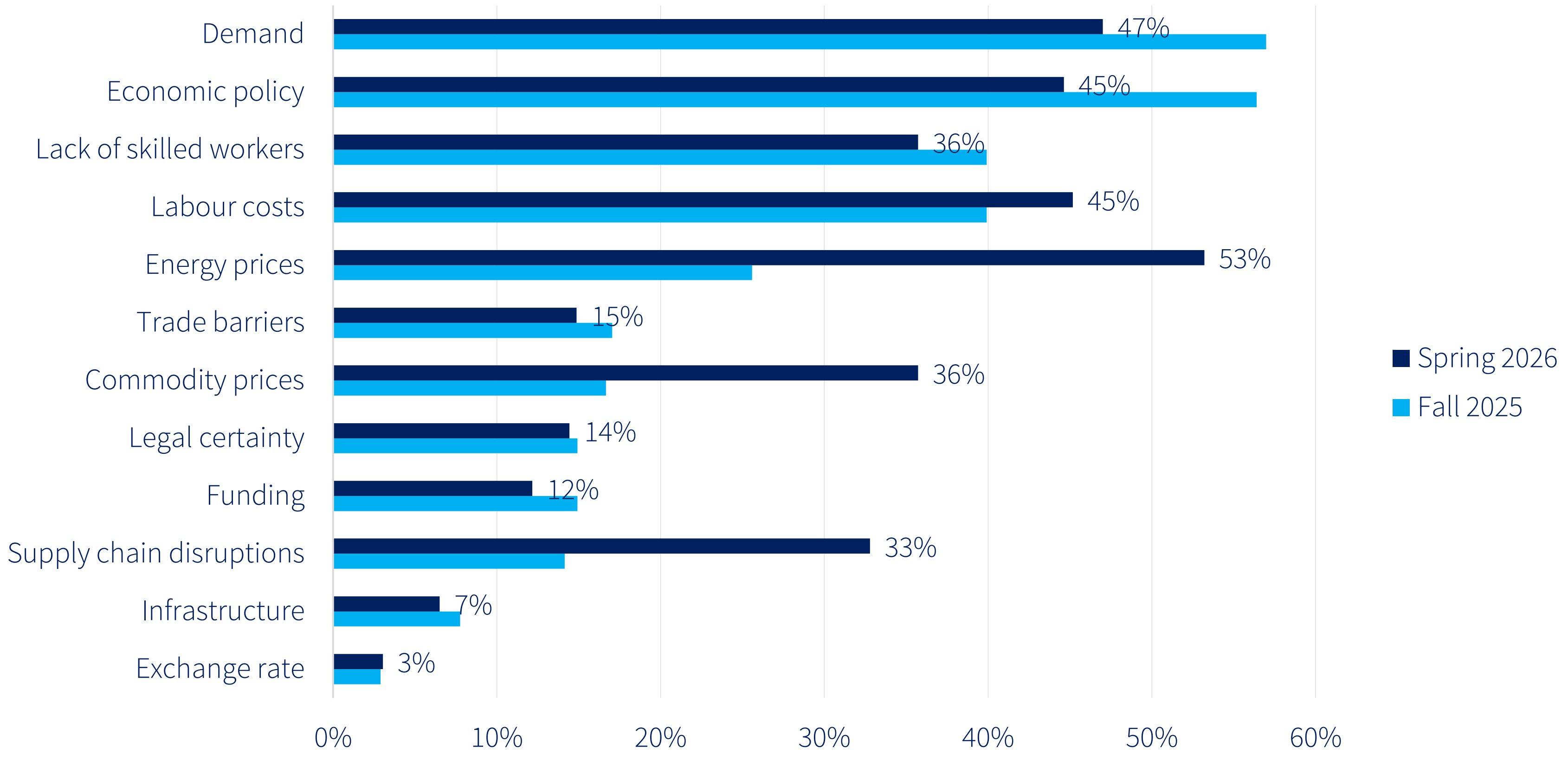
AHK German Chambers of Commerce Abroad

Eurozone balance   Eurozone average   Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN THE EUROZONE

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

REST OF THE EU, SWITZERLAND, NORWAY, UK

AHK German Chambers of Commerce Abroad

HIGHLIGHTS REST OF THE EU, SWITZERLAND, NORWAY, UK

Sentiment improves slightly in the rest of the EU

Contrary to the global trend, expectations for their own businesses and for the local economic outlook have improved compared to the fall of 2025. Despite a slight sense of optimism regarding their own businesses, however, expectations remain below the global average.

UK

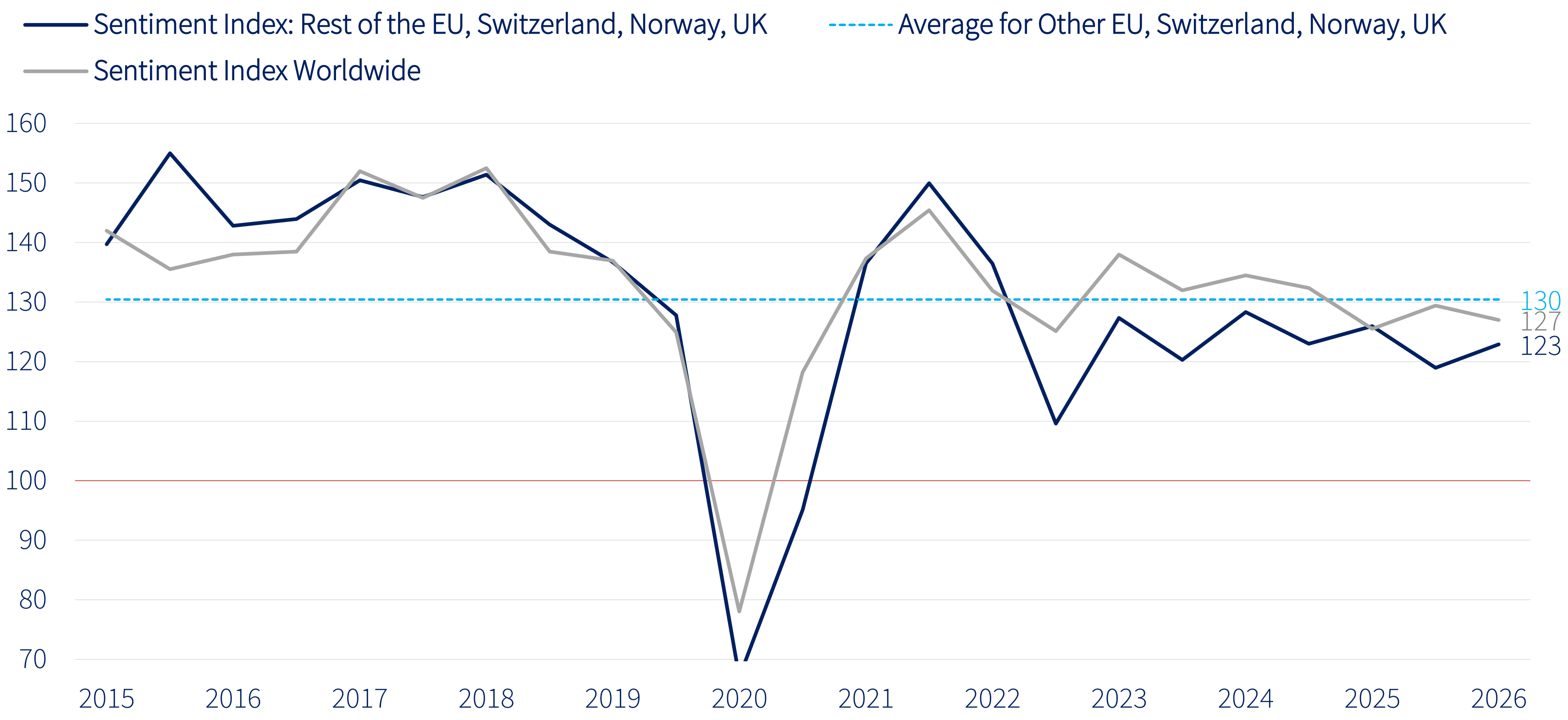
In the United Kingdom, business conditions and corporate expectations are strong. However, economic expectations have plummeted into negative territory. The country is in the midst of an economic crisis. High energy prices, disrupted supply chains, and domestic pressure for economic reform are clouding the outlook for businesses. Given the close economic ties between the two countries, U.S. trade policy is also becoming an increasing risk factor.

Norway

Norway is an exception in Europe. The country’s energy and natural resource reserves, as well as contracts in the security and aviation industries, underpin its positive outlook. .

GERMAN COMPANIES IN THE REST OF THE EU

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

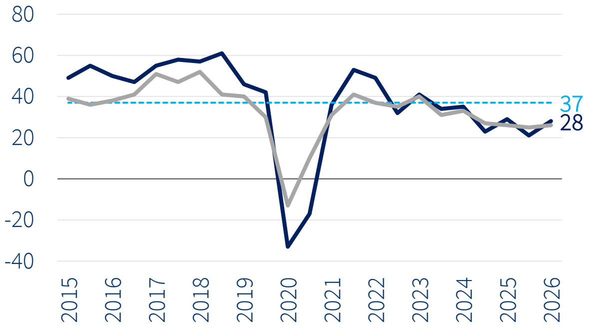


AHK German Chambers of Commerce Abroad

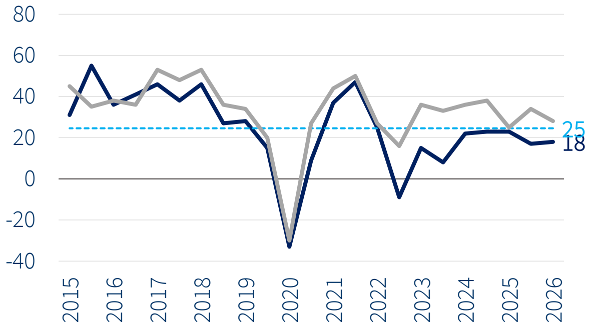
GERMAN COMPANIES IN THE REST OF THE EU

Balance in points, percentage of mentions

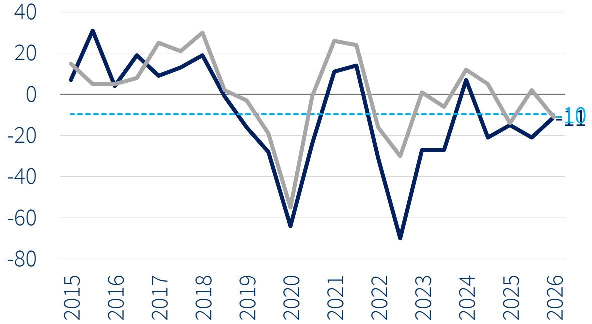
Business situation



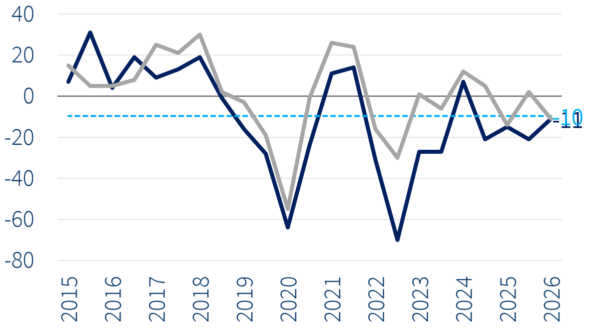
Business expectations



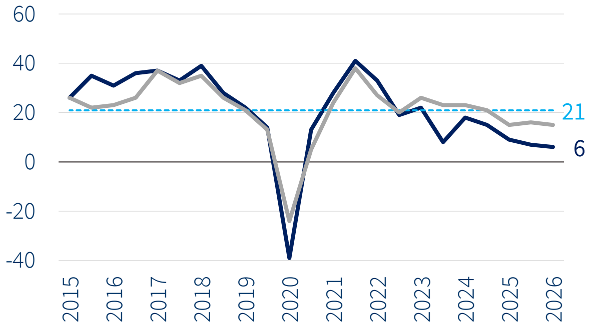
Economic expectations



Investment plans



Employment plans



Proportion of responses

	good/better	Satisfactory/unchanged	poor/low
Situation	41	46	13
Expectations	36	46	18
Economy	13	63	24
Investment	26	51	23
Employment	25	56	19

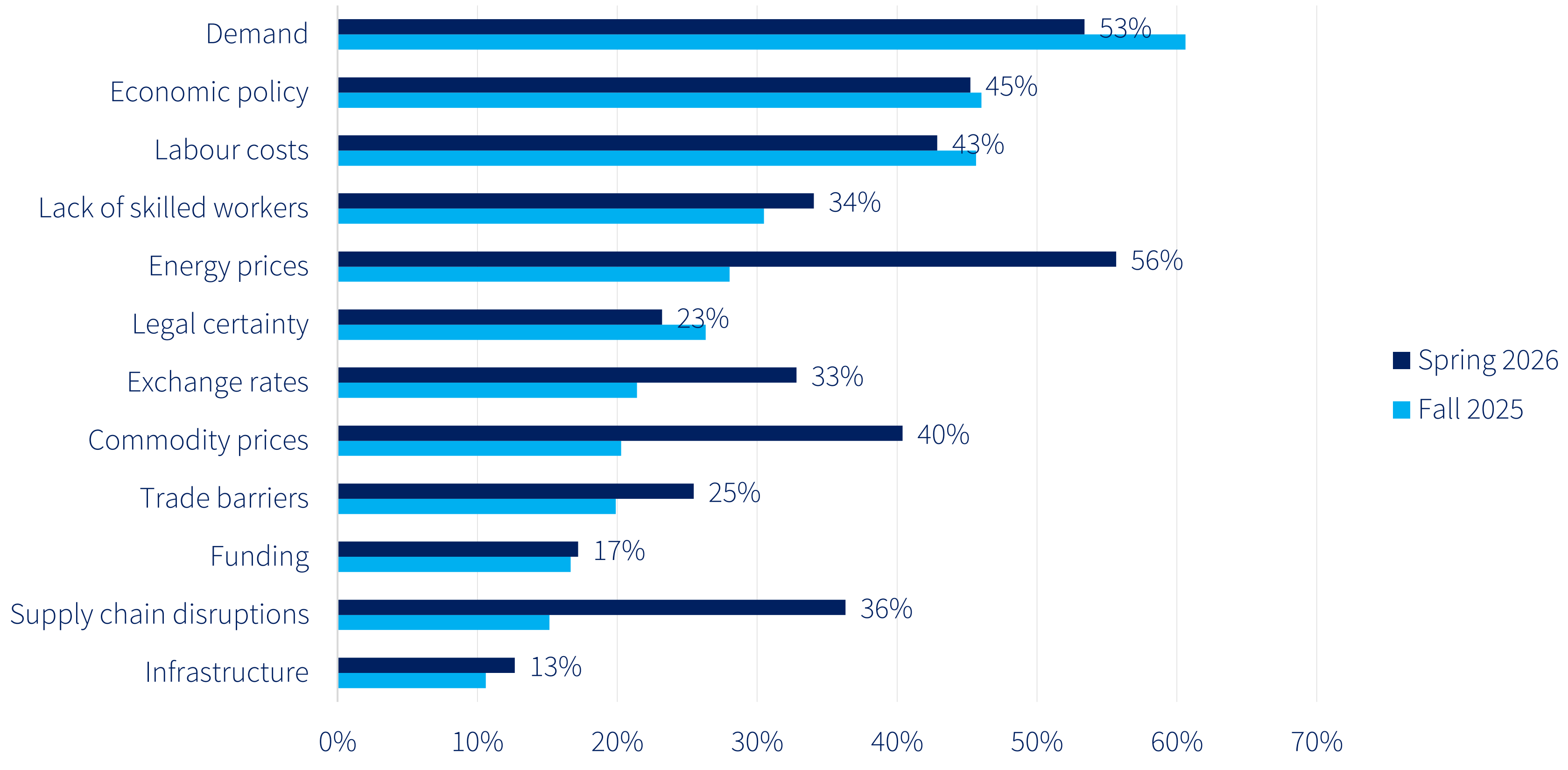
Balance: Rest of the EU   Average Other EU   Balance worldwide

AHK German Chambers of Commerce Abroad

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN THE REST OF THE EU

in per cent, multiple answers possible



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REGIONAL BUSINESS OUTLOOK

EASTERN EUROPE (EXCLUDING THE EU), TURKEY

HIGHLIGHTS EASTERN/SOUTH-EASTERN EUROPE (EXCLUDING THE EU), TURKEY

Sentiment

In Eastern and Southeastern Europe outside the EU, as well as in Turkey, sentiment has stabilized slightly compared to the fall, but remains below both the long-term and global averages. The current business situation is viewed somewhat more positively, while short-term business expectations are deteriorating for most companies, with the exception of Bosnia and Herzegovina, Kosovo, and North Macedonia.

Economic development

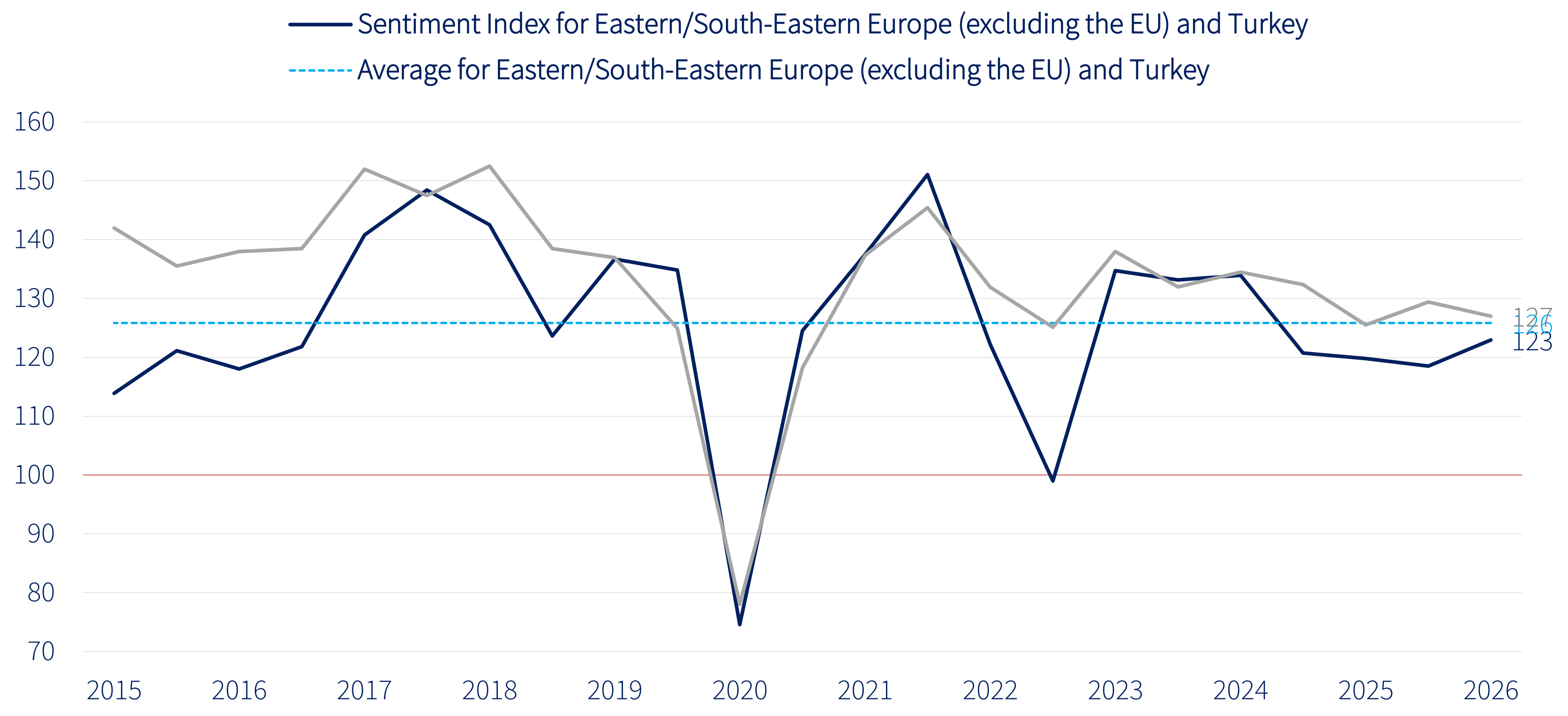
Economic expectations, however, are decidedly negative, particularly in Serbia and Turkey. In Serbia, economic growth is slowing down; compared to last year, economic expectations have deteriorated further.

Business risks

Labor costs and a shortage of skilled workers pose major business risks throughout the region. In addition, trade barriers such as the Carbon Border Adjustment Mechanism (CBAM) and the EU visa system are placing a particular strain on companies in Serbia, Bosnia and Herzegovina, and North Macedonia. Visa issues lead to a shortage of skilled workers and significant disruptions in supply chains, putting particular pressure on logistics companies. In Turkey, the weak exchange rate is an additional major burden, significantly complicating planning and investment.

GERMAN COMPANIES IN EASTERN EUROPE AND TURKEY

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

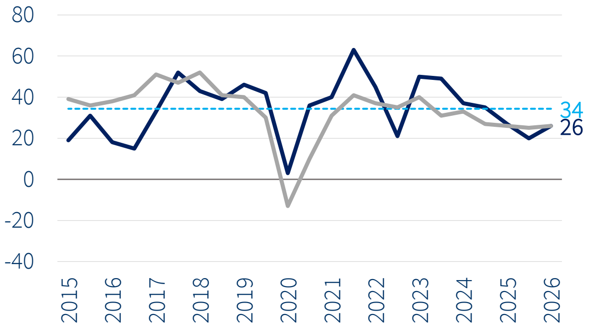


AHK German Chambers of Commerce Abroad

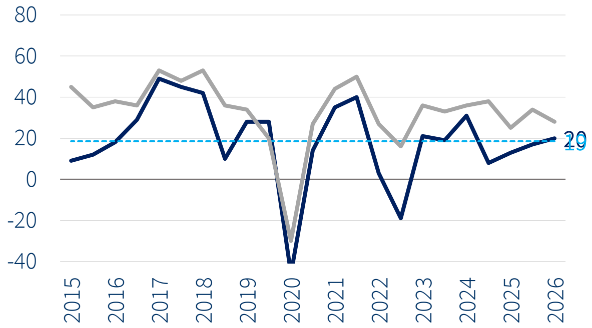
GERMAN COMPANIES IN EASTERN EUROPE AND TURKEY

Balance in points, percentage of mentions

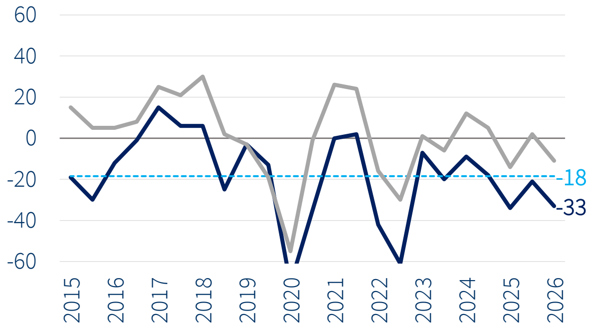
Business situation



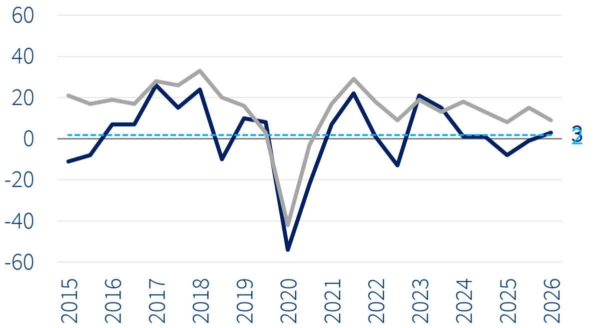
Business expectations



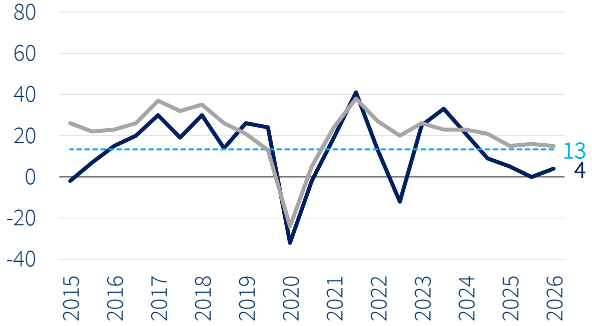
Economic expectations



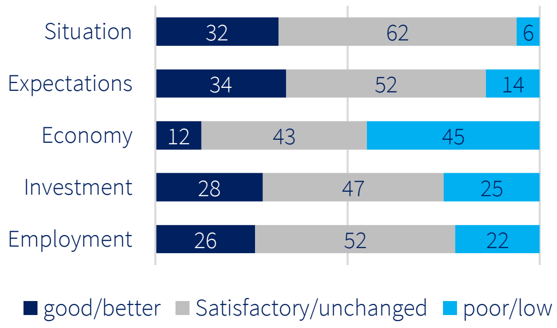
Investment plans



Employment plans



Proportion of responses



German Chambers of Commerce Abroad

Balance for Eastern/South-Eastern Europe (excluding the EU) and Turkey

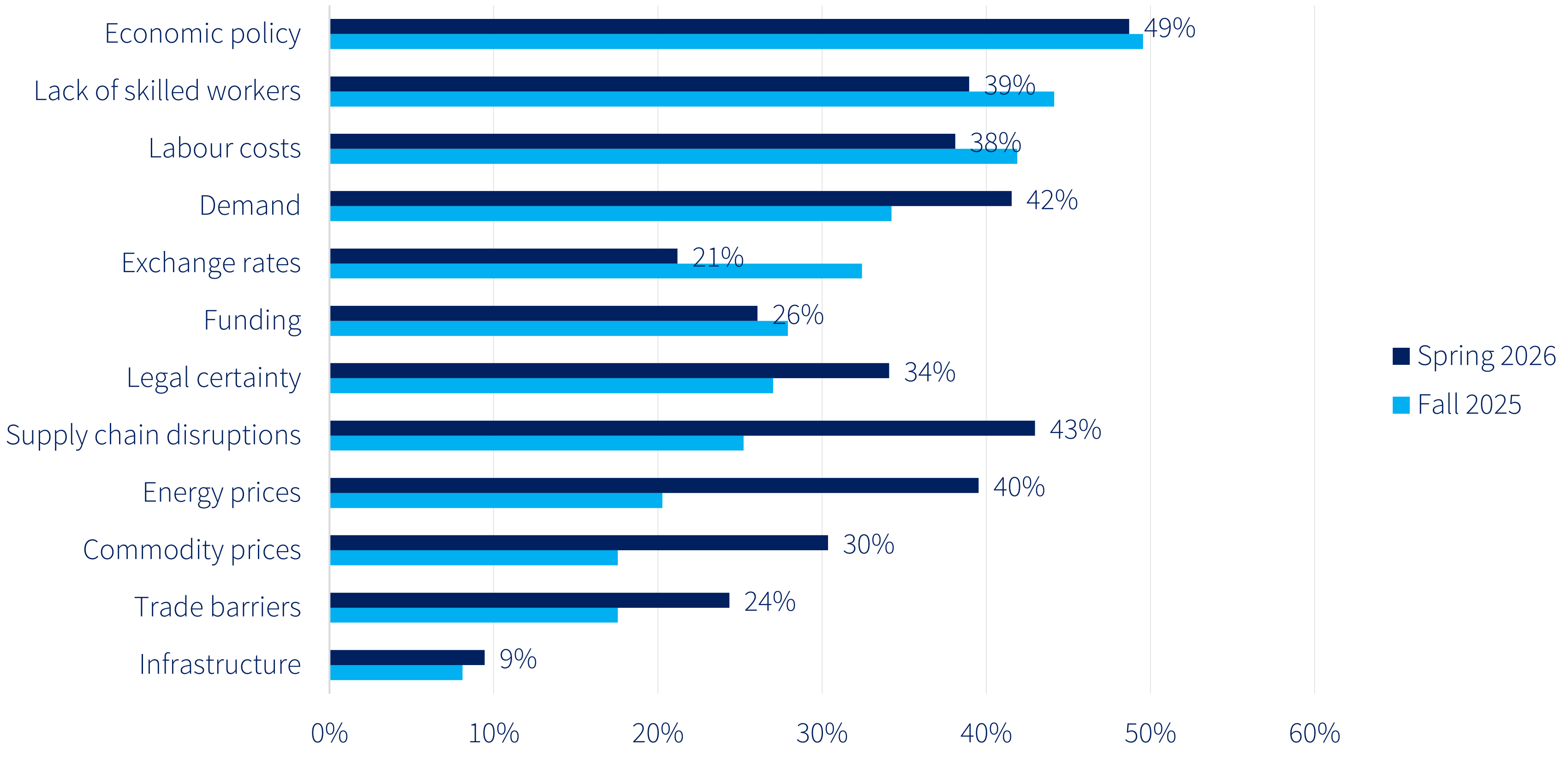
Average Eastern/South-Eastern Europe (excluding EU), Turkey

Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN EASTERN EUROPE AND TURKEY

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

ASIA-PACIFIC

HIGHLIGHTS ASIA-PACIFIC

(EXCLUDING GREATER CHINA)

Dependence on energy imports

In the Asia-Pacific region, pessimistic expectations regarding local economic development prevail. The lack of diversification in energy and raw material suppliers is proving to be a drag on economic development in individual markets.

Business risks

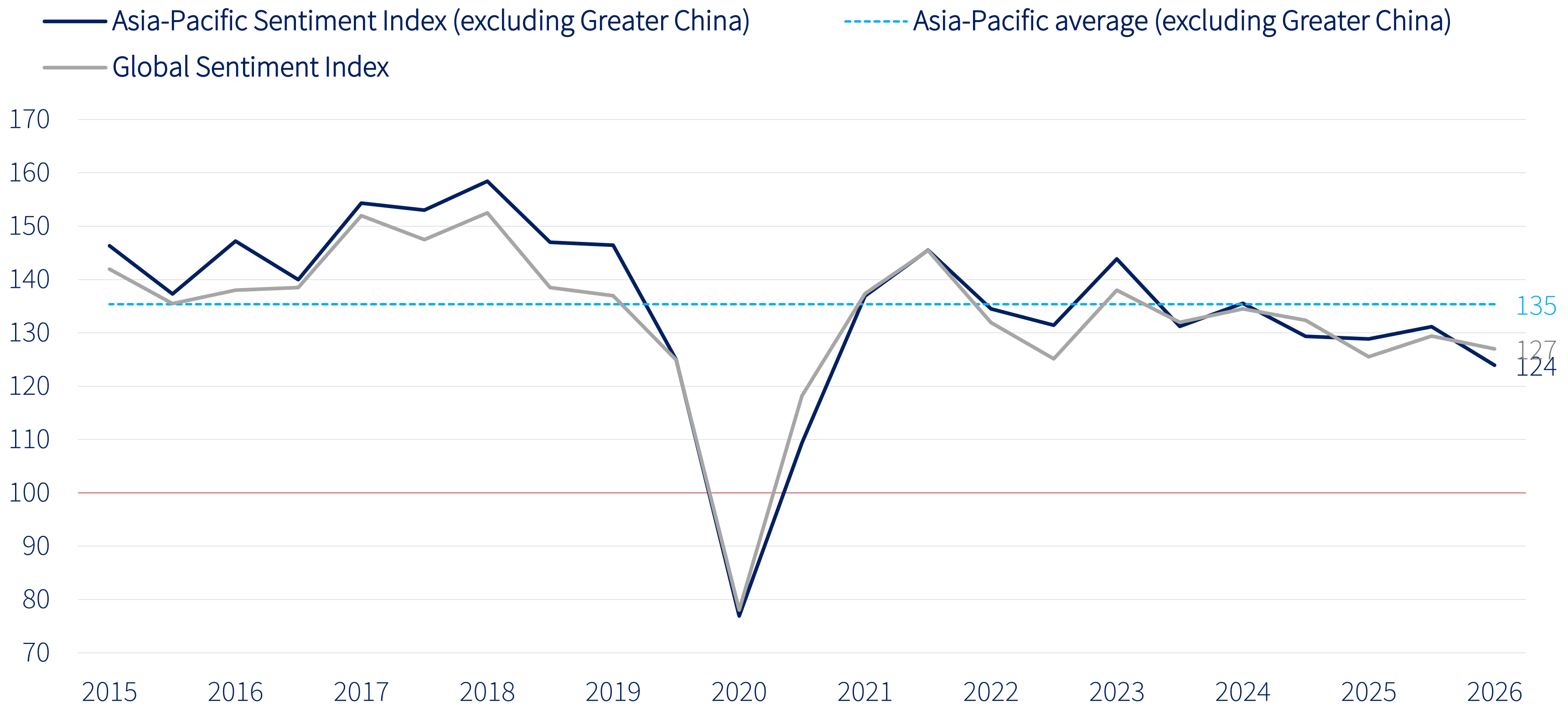
In key supplier countries for the German economy, such as Vietnam, South Korea, and India, rising raw material prices are a business risk that is frequently cited. Supply chain disruptions are posing challenges for companies throughout the Asia-Pacific region.

Opportunities Created by Free Trade Agreements

The recently concluded EU agreements with India and Australia, as well as the ongoing trade negotiations between the EU and Malaysia, the Philippines, and Thailand, offer cause for hope.

GERMAN COMPANIES IN THE ASIA-PACIFIC REGION (EXCLUDING GREATER CHINA)

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

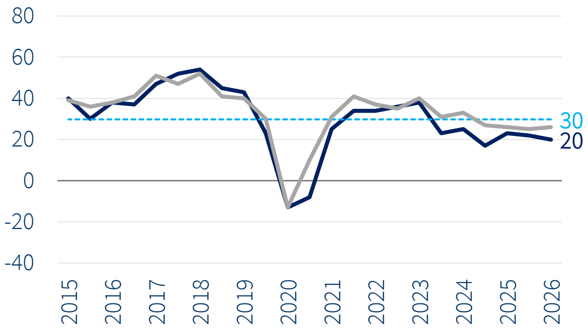


AHK German Chambers of Commerce Abroad

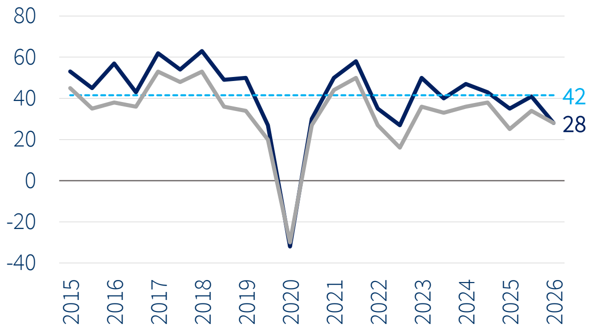
GERMAN COMPANIES IN THE ASIA-PACIFIC REGION (EXCLUDING GREATER CHINA)

Balance in points, percentage of mentions

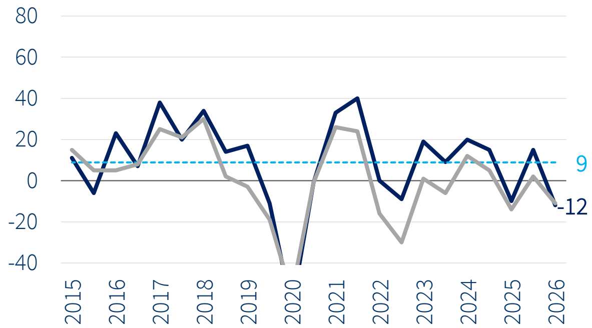
Business situation



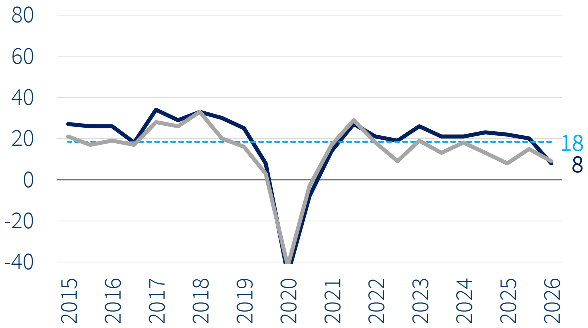
Business expectations



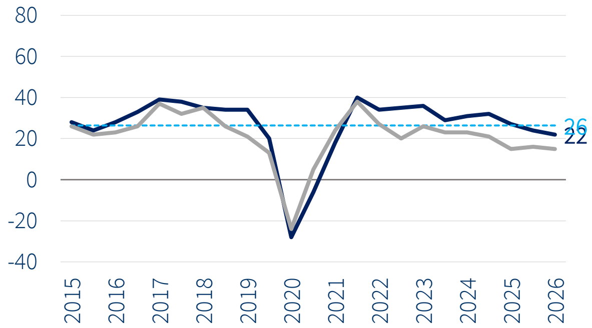
Economic expectations



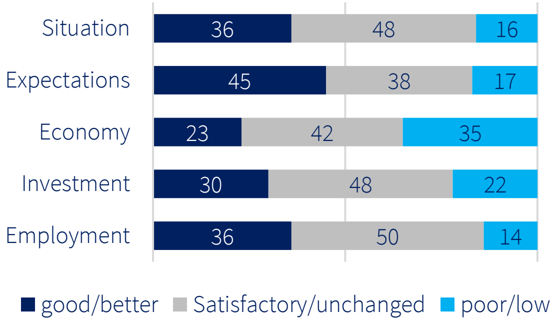
Investment plans



Employment plans



Percentage of responses



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Asia/Pacific

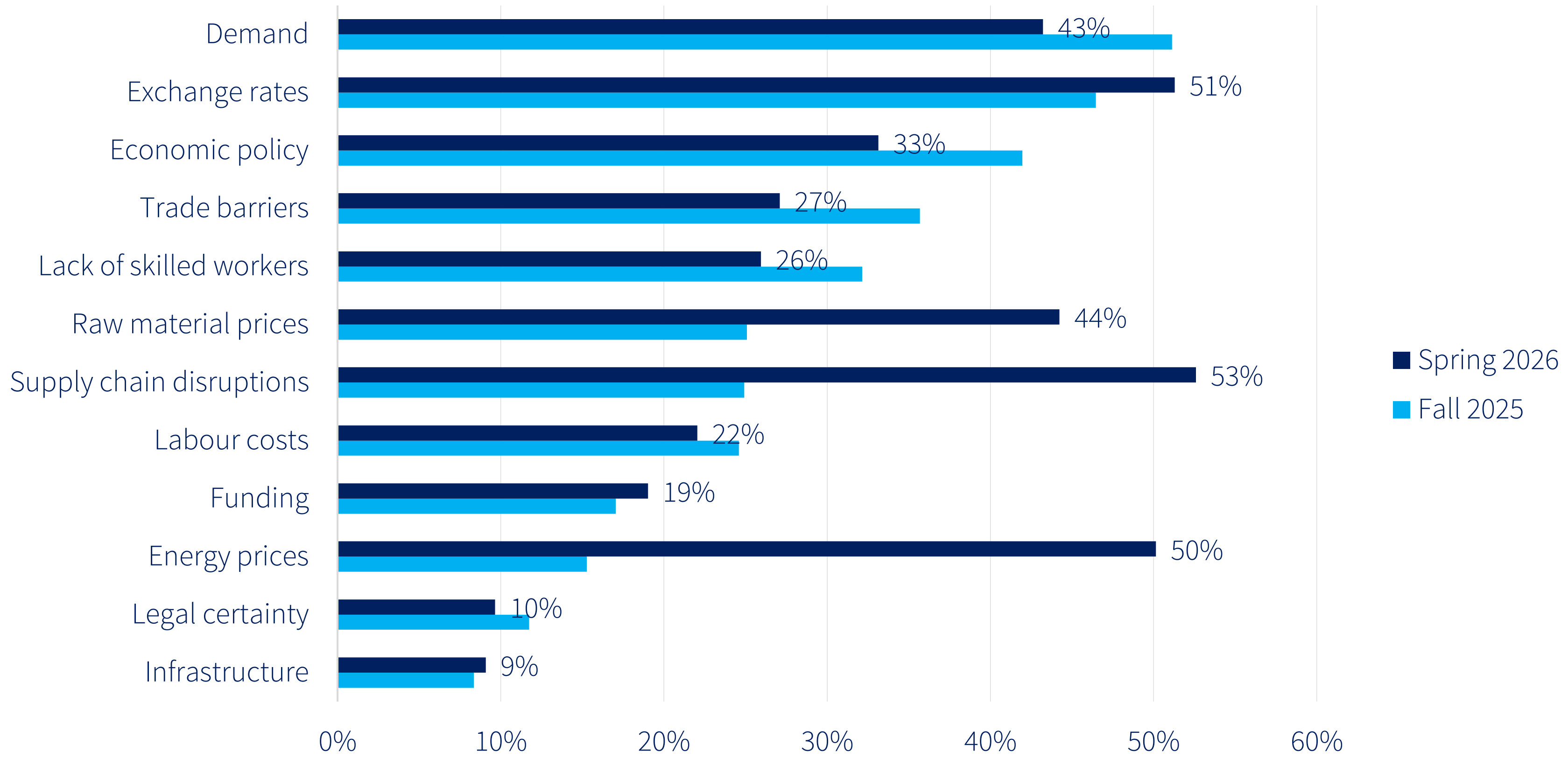
Average Asia/Pacific

Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN THE ASIA-PACIFIC REGION (EXCLUDING GREATER CHINA)

in per cent, multiple answers possible



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REGIONAL BUSINESS OUTLOOK

JAPAN

AHK German Chambers of Commerce Abroad

HIGHLIGHTS JAPAN

A gloomy outlook with positive signs

Business sentiment in Japan has deteriorated significantly compared to the fall and is also below the global average. One bright spot is the improvement in the current business situation. Despite declining investment plans, companies' hiring intentions in Japan are improving slightly. They are thus well above the global average. This trend is driven primarily by the rapidly aging population, which is increasing the demand for skilled workers and prompting companies to expand their workforce.

Impact of the Middle East conflict

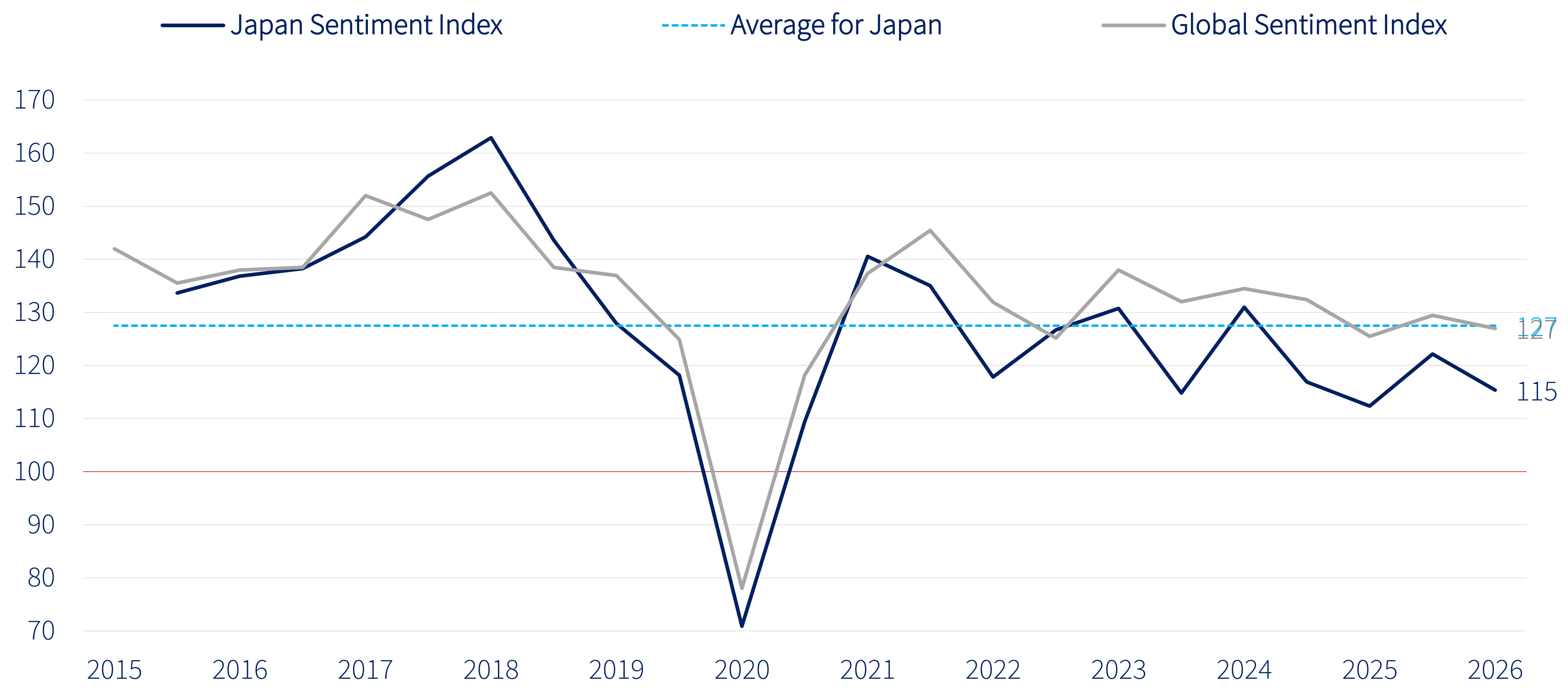
The effects of the Middle East conflict are impacting the Japanese economy. For German companies operating there, rising energy prices and disruptions in supply chains pose growing business risks. This is due to a heavy reliance on energy imports from the Gulf region, particularly the increased costs of raw materials and intermediate goods.

Exchange rate risk and energy prices

Deutsche Unternehmen in Japan sehen im schwachen Wechselkurs aktuell das größte Geschäftsrisiko. Die anhaltende Schwäche des Yen gegenüber dem US-Dollar verstärkt den Anstieg der Energiepreise vor Ort.

GERMAN COMPANIES IN JAPAN

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



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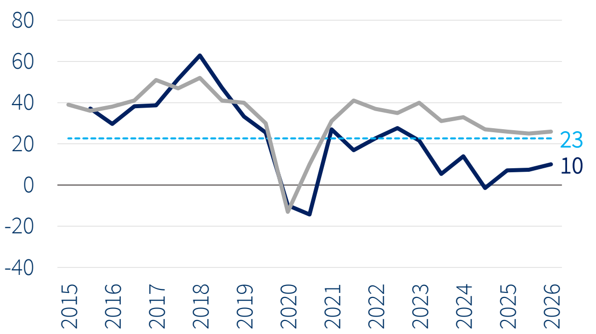
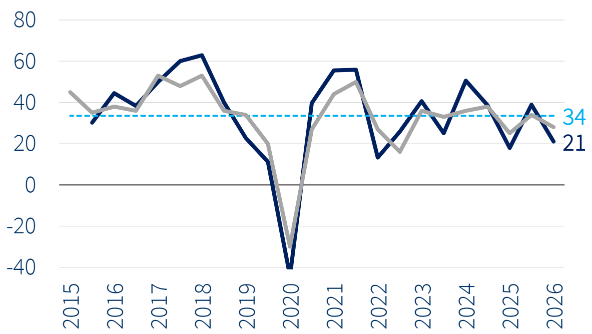
GERMAN COMPANIES IN JAPAN

Balance in points, percentage of mentions

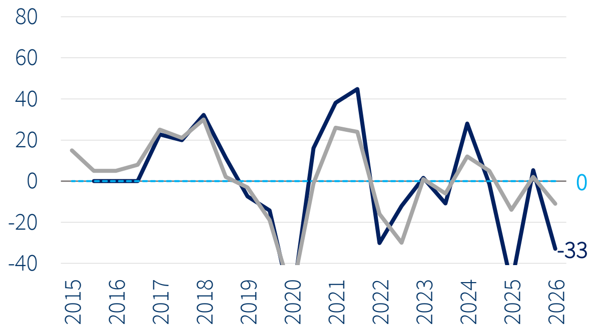
Business situation



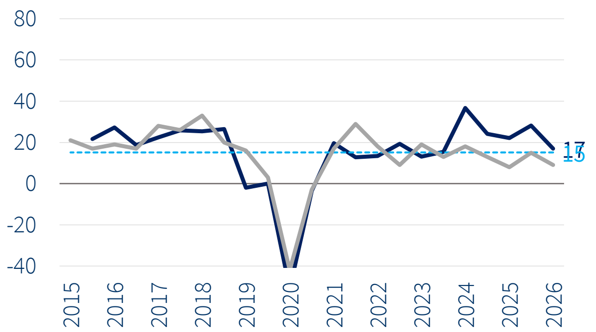
Business expectations



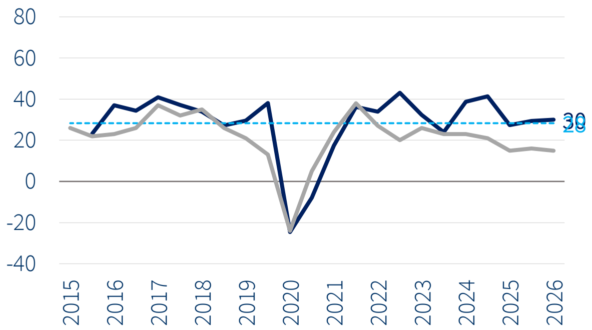
Economic expectations



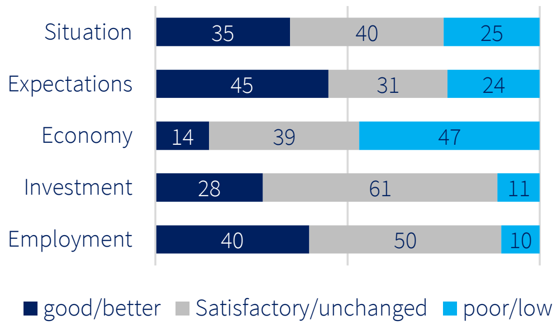
Investment plans



Employment plans



Proportion of responses



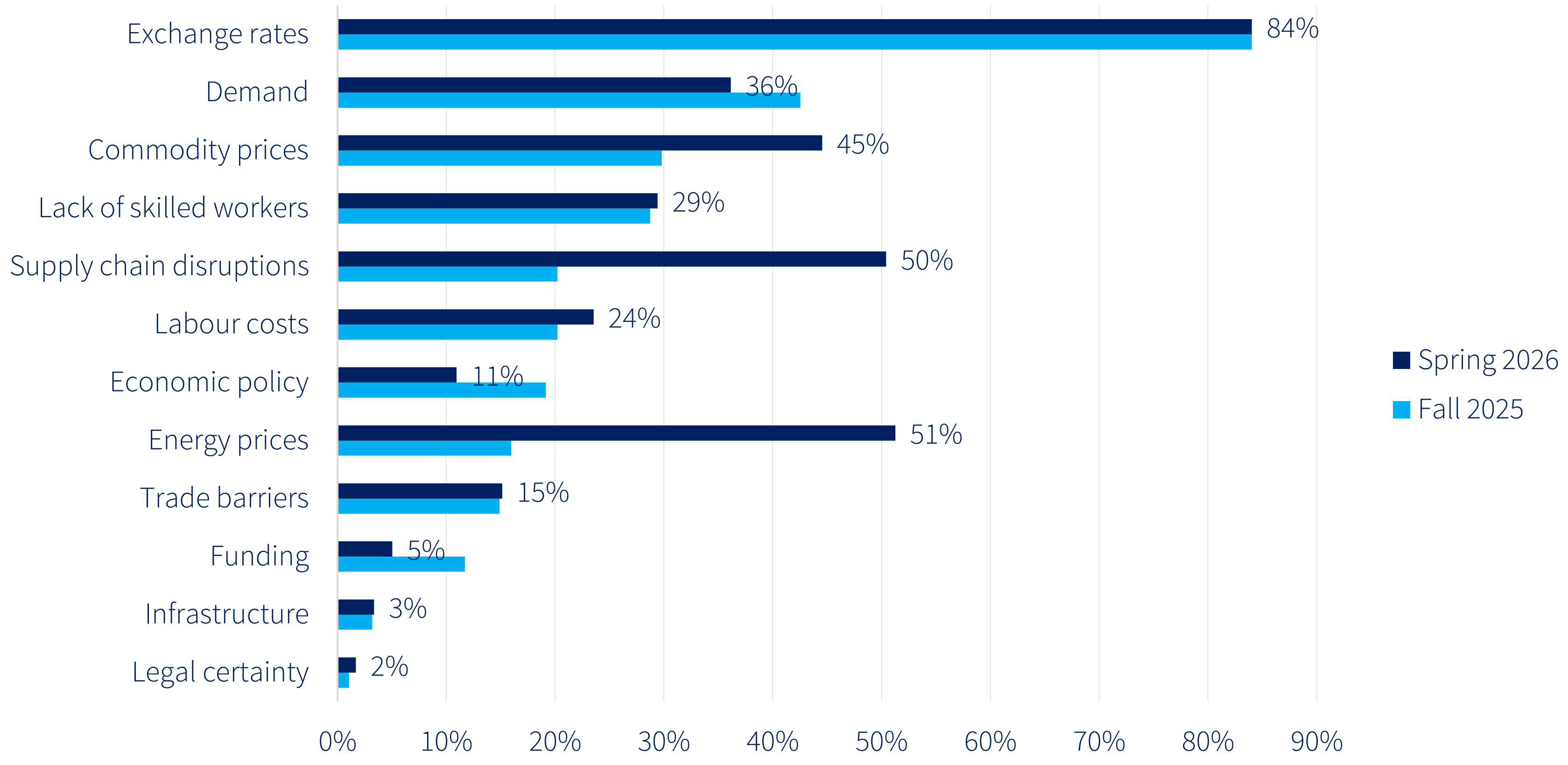
AHK German Chambers of Commerce Abroad

Balance Japan Average Japan Balance worldwide

AHK WORLD BUSINESS OUTLOOK

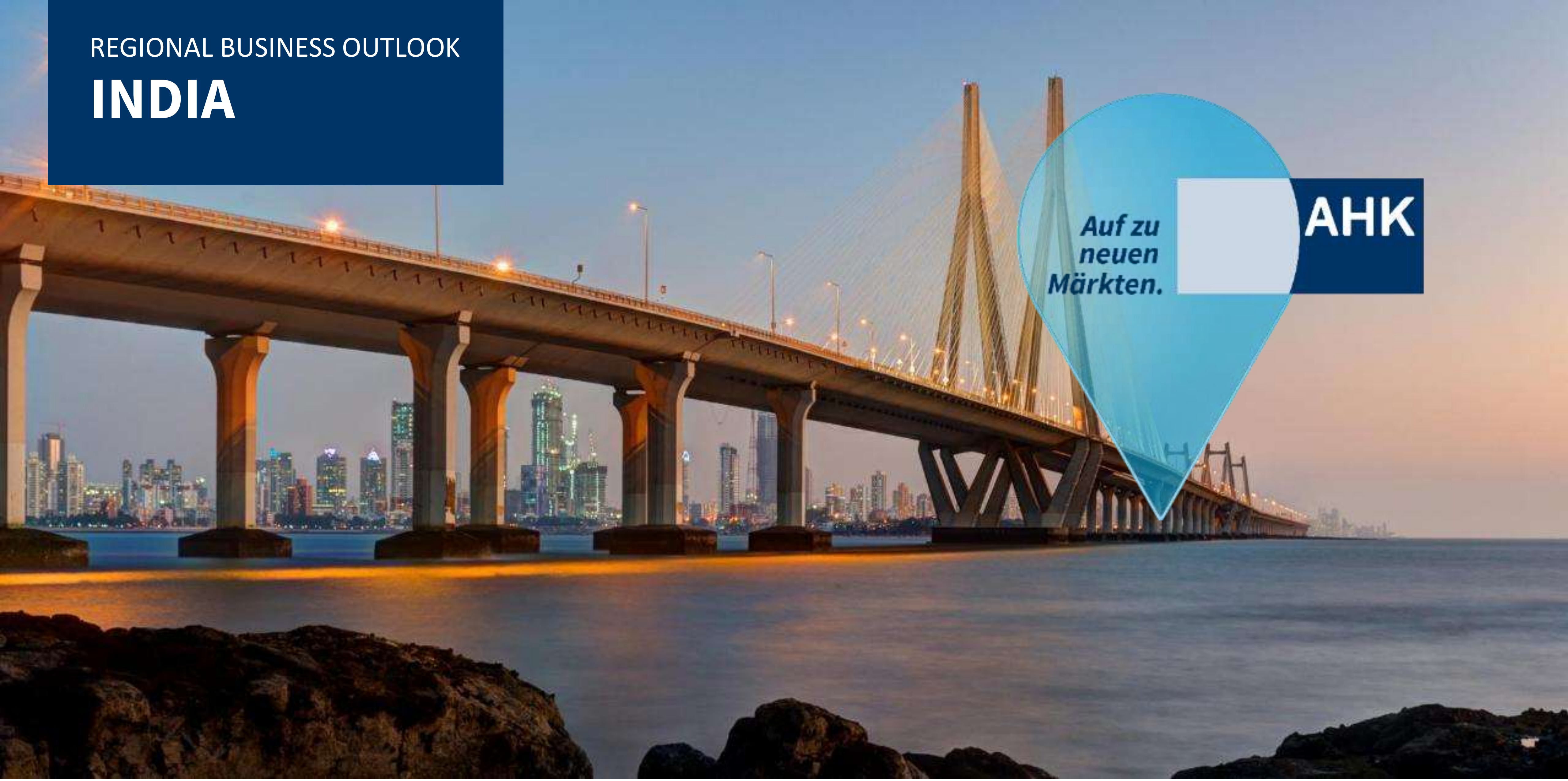
RISKS FOR BUSINESSES IN JAPAN

in per cent, multiple answers possible



REGIONAL BUSINESS OUTLOOK

INDIA



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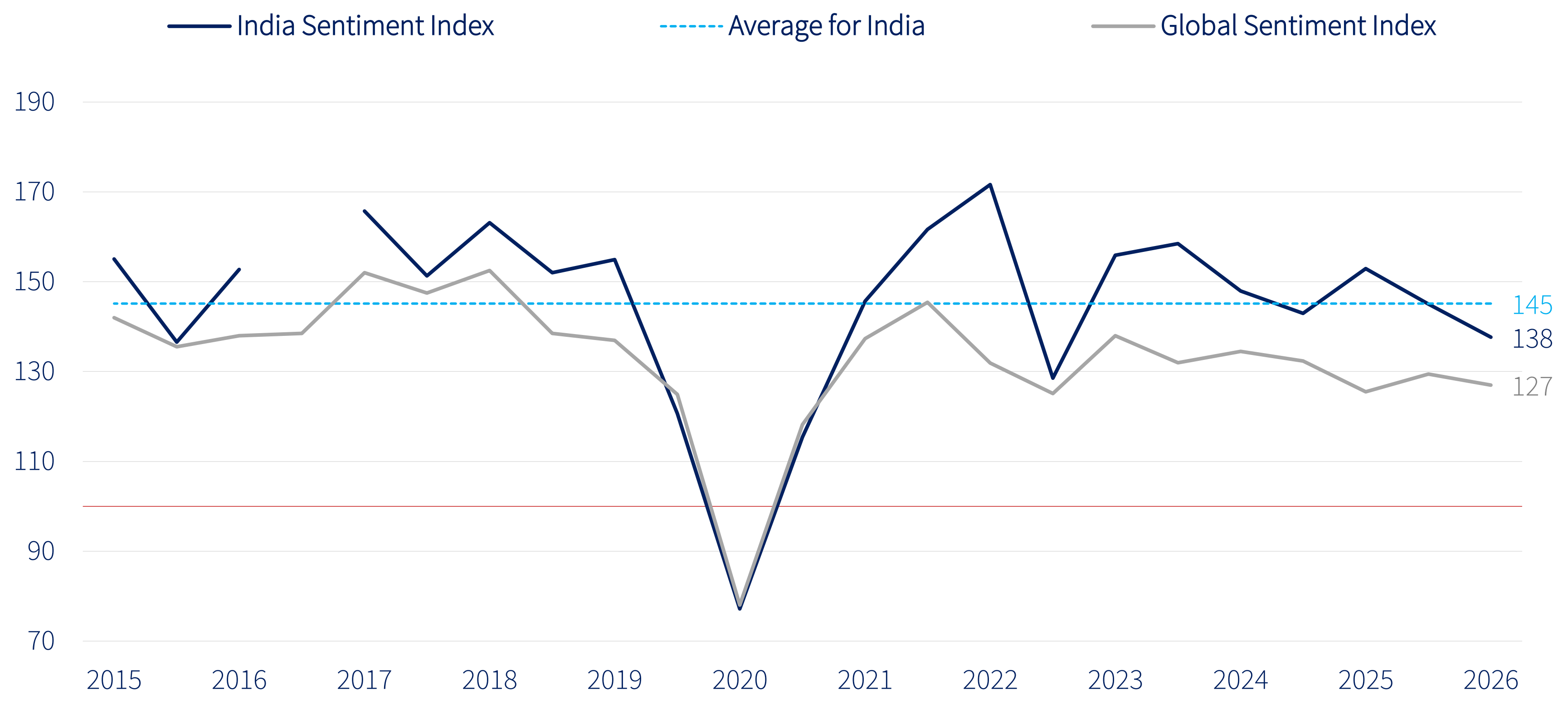
GERMAN COMPANIES IN INDIA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



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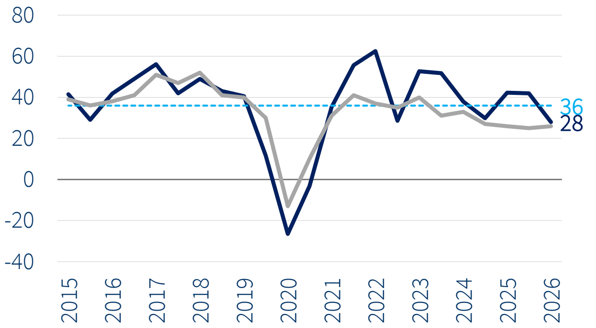
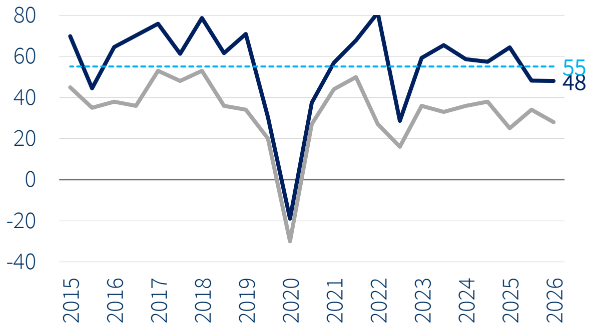
GERMAN COMPANIES IN INDIA

Balance in points, percentage of mentions

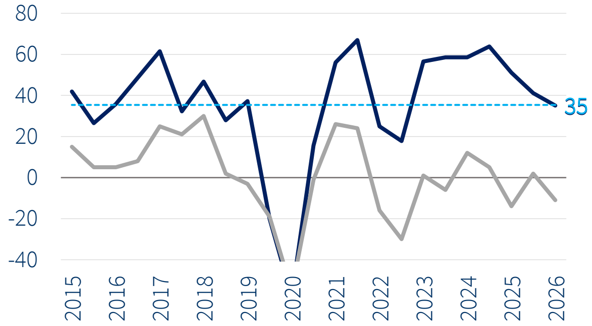
Business situation



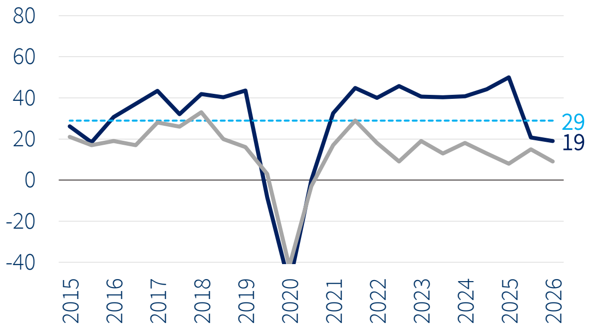
Business expectations



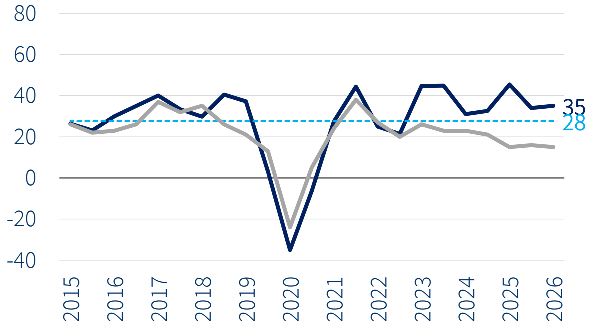
Economic expectations



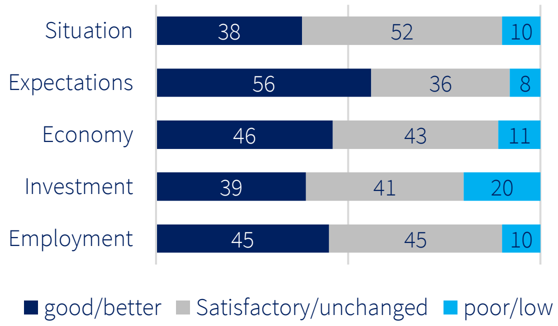
Investment plans



Employment plans



Proportion of responses



AHK German Chambers of Commerce Abroad

Balance India

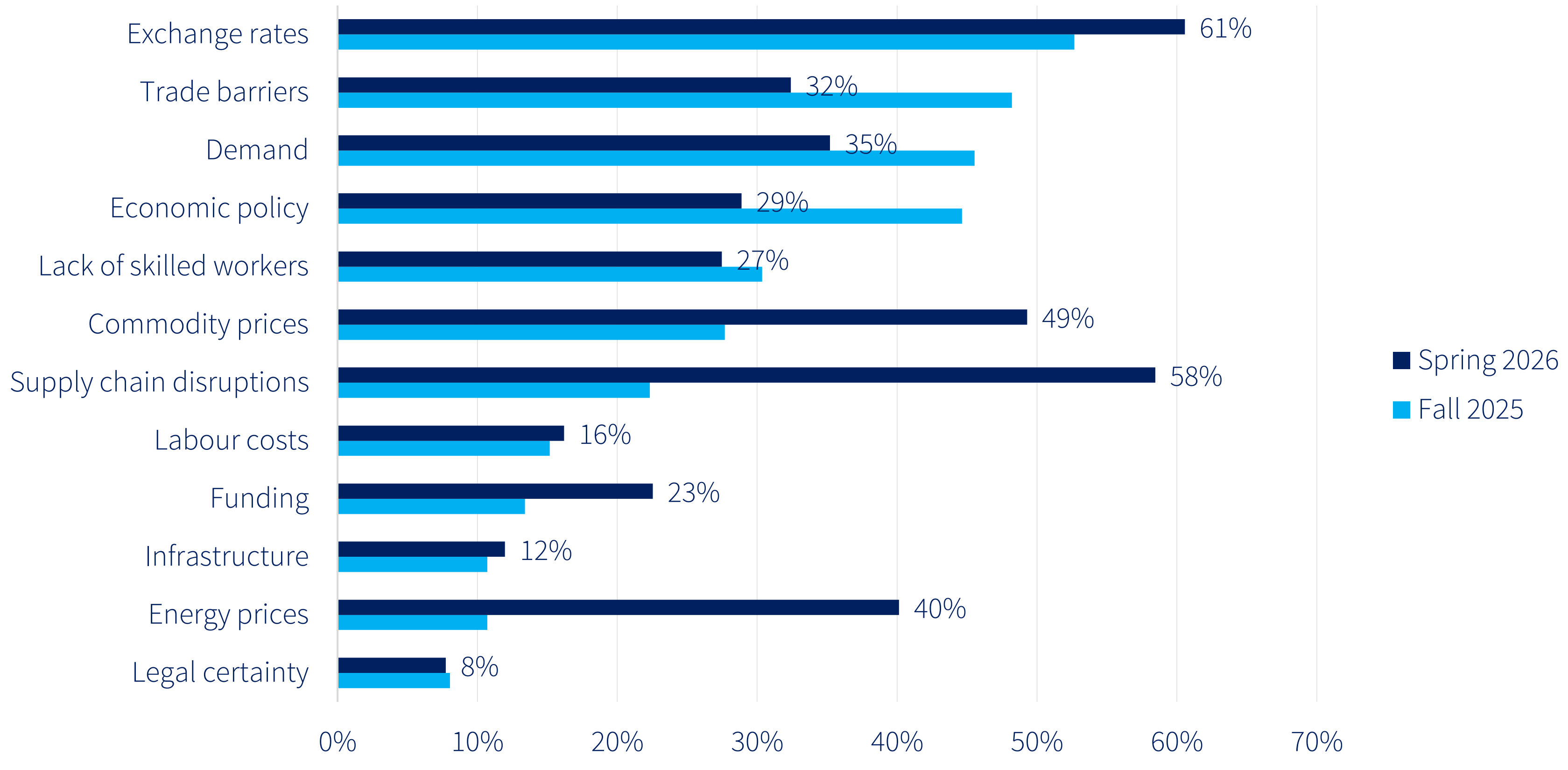
Average for India

Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN INDIA

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

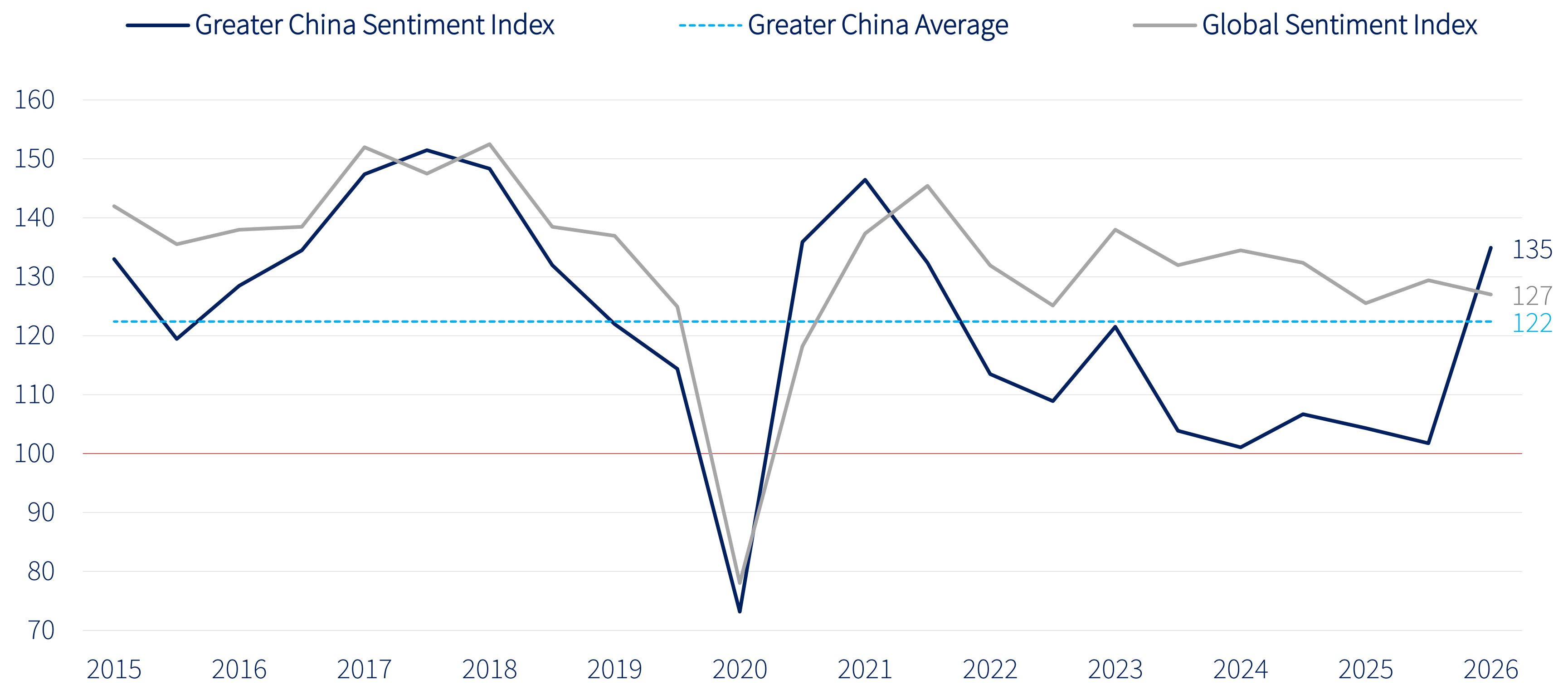
GREATER CHINA

(CHINA, TAIWAN, HONG KONG)

AHK German Chambers of Commerce Abroad

GERMAN COMPANIES IN GREATER CHINA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

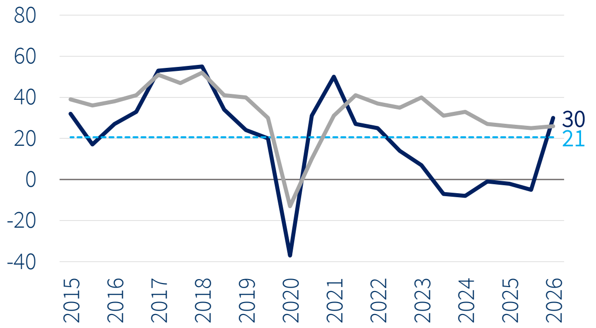


AHK German Chambers of Commerce Abroad

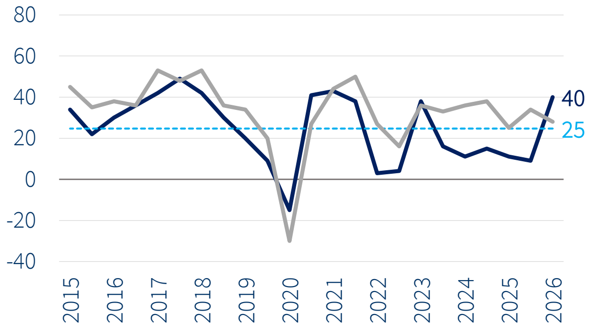
GERMAN COMPANIES IN GREATER CHINA

Balance in points, percentage of mentions

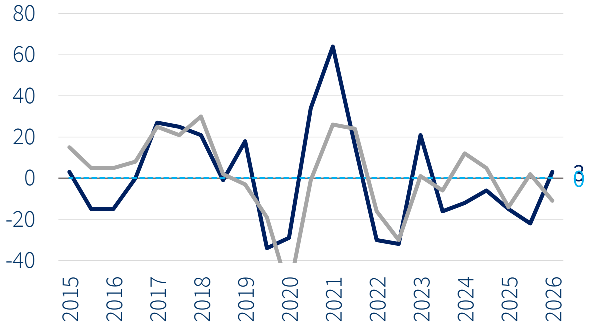
Business situation



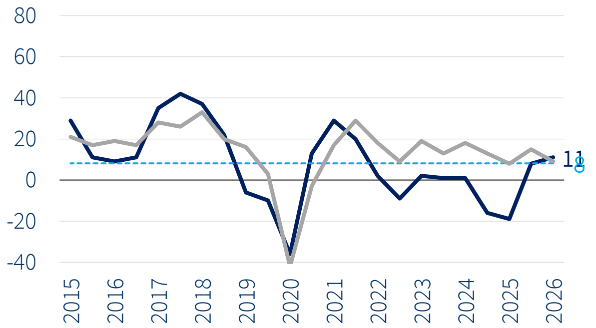
Business expectations



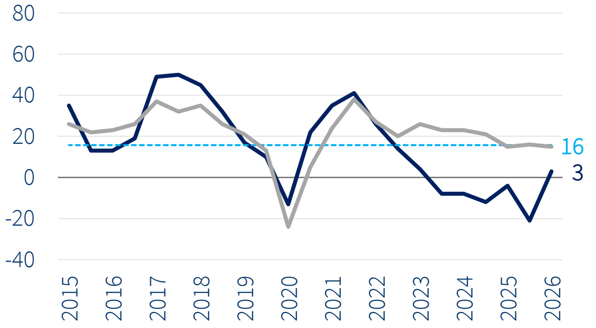
Economic expectations



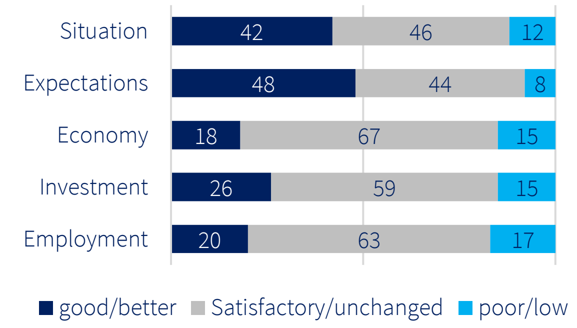
Investment plans



Employment plans



Proportion of responses

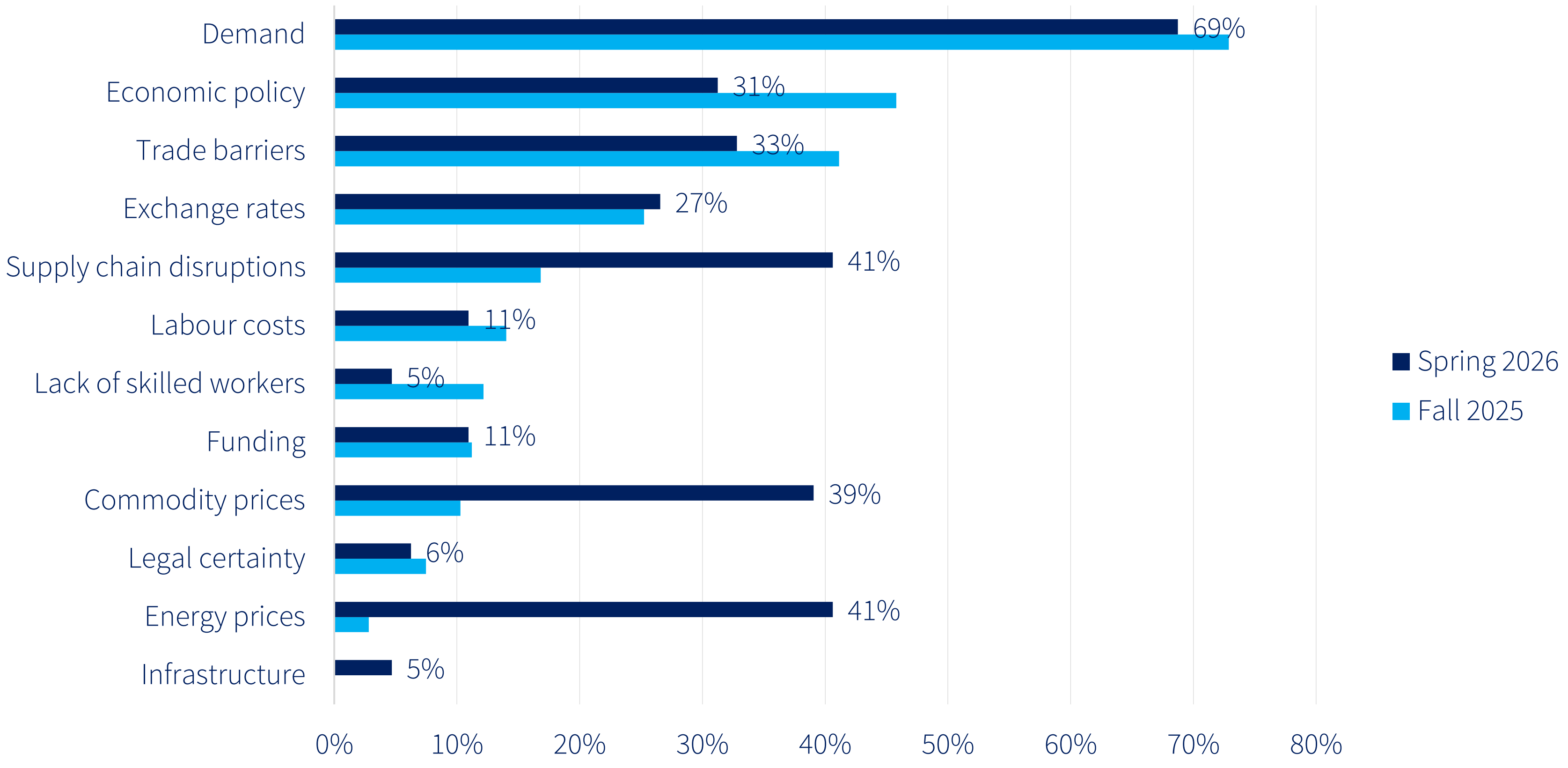


AHK German Chambers of Commerce Abroad

Balance for Greater China
Average Greater China
Balance worldwide

RISKS FOR BUSINESSES IN GREATER CHINA

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK
CHINA

AHK German Chambers of Commerce Abroad

HIGHLIGHTS CHINA

Sentiment improves

The sentiment among German companies in China has improved. The agreement reached in the trade dispute with the U.S. has at least pushed the trade conflict between the two countries somewhat into the background. German companies there primarily produce for the Chinese market. Since much of the production takes place locally, energy security and supply chain security play a lesser role for their own businesses.

Short-term impacts still limited for now

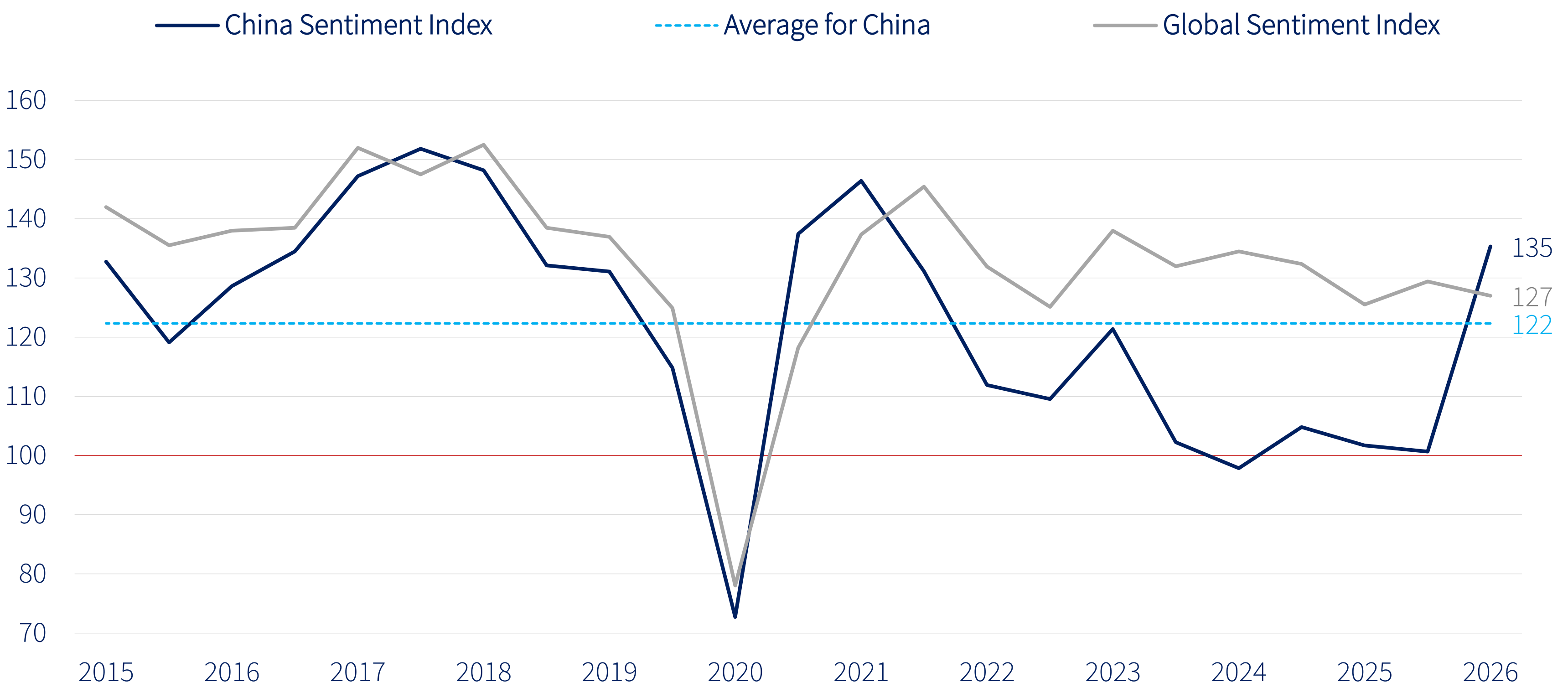
While the Chinese economy has proven to be relatively resilient—as domestically produced, non-exportable oil, deflationary trends, strategic reserves, and broadly diversified oil imports can cushion short-term price shocks, and energy security is a high priority in the current five-year plan—long-term concerns remain significant, particularly due to the country's heavy reliance on exports.

Reluctance to invest and weak demand

As has been the case in the past, German companies' reluctance to invest remains a concern. Concerns about weak demand currently pose the greatest business risk for local companies.

GERMAN COMPANIES IN CHINA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

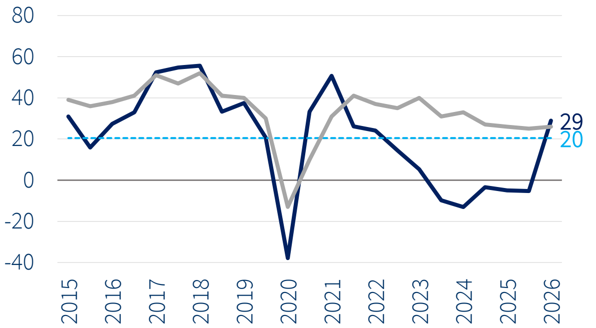


AHK German Chambers of Commerce Abroad

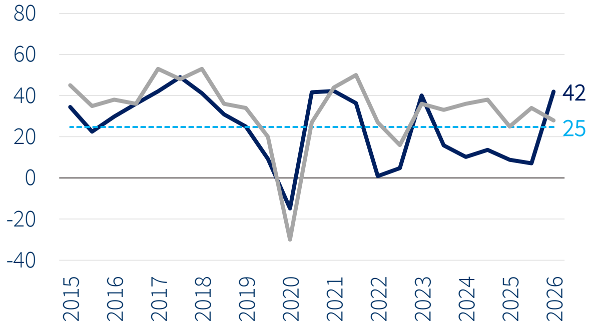
GERMAN COMPANIES IN CHINA

Balance in points, percentage of mentions

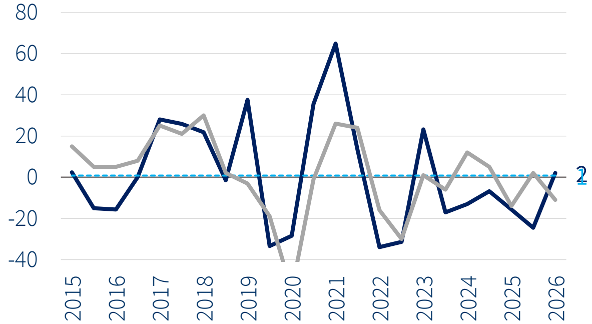
Business situation



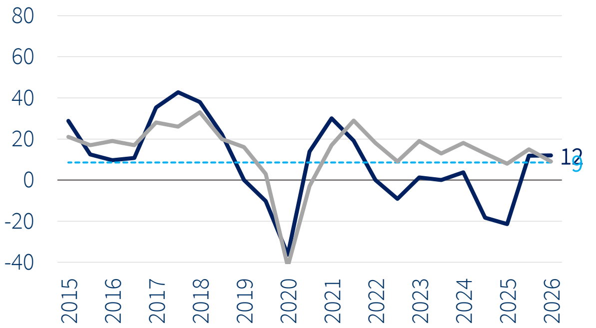
Business expectations



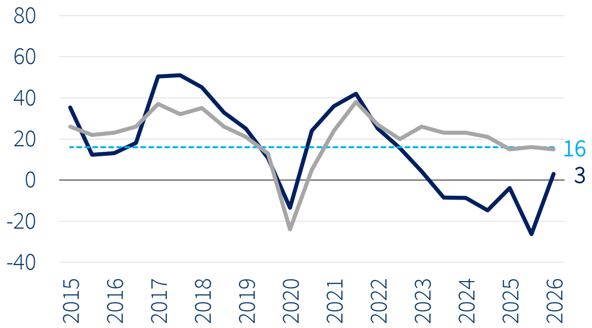
Economic expectations



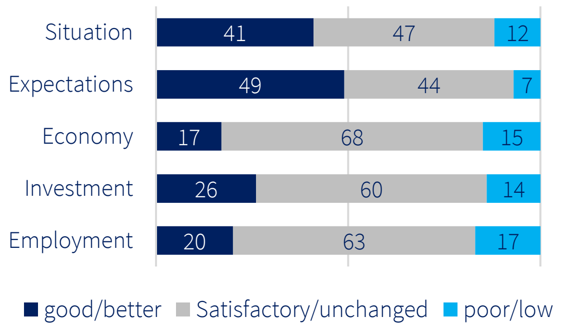
Investment plans



Employment plans



Proportion of responses



Balance China

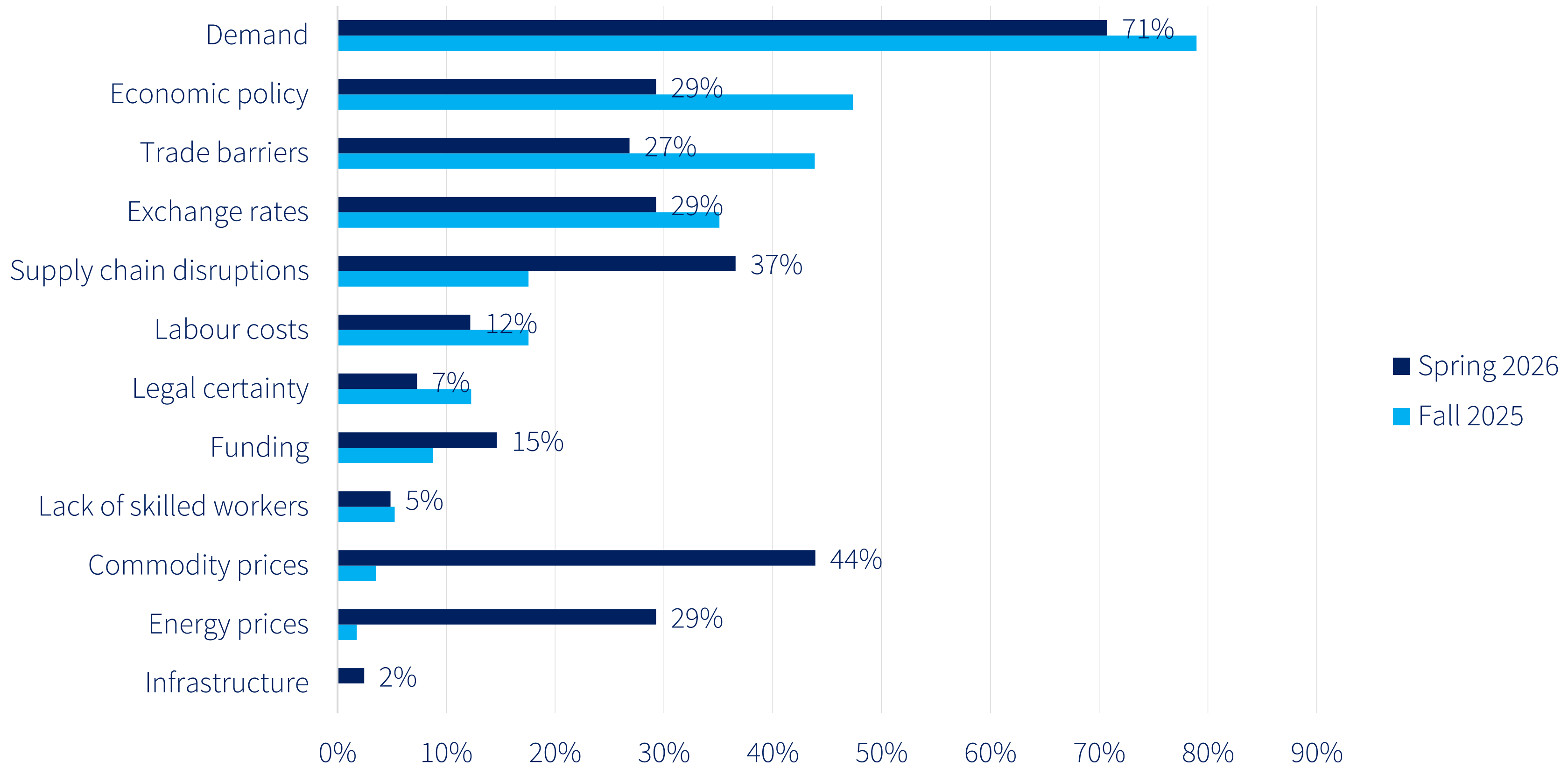
Average for China

Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN CHINA

in per cent, multiple answers possible



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REGIONAL BUSINESS OUTLOOK

NORTH AMERICA / USA

AHK German Chambers of Commerce Abroad

HIGHLIGHTS NORTH AMERICA

Sentiment in North America more positive than globally

Overall, sentiment in North America is showing a positive trend. The business climate and expectations have improved overall, although there are significant differences between Canada, Mexico, and the United States. The current business climate for German companies in Canada has deteriorated dramatically, while at the same time there has been a significant increase in investment intentions among companies in the United States.

Trade policy and business risks

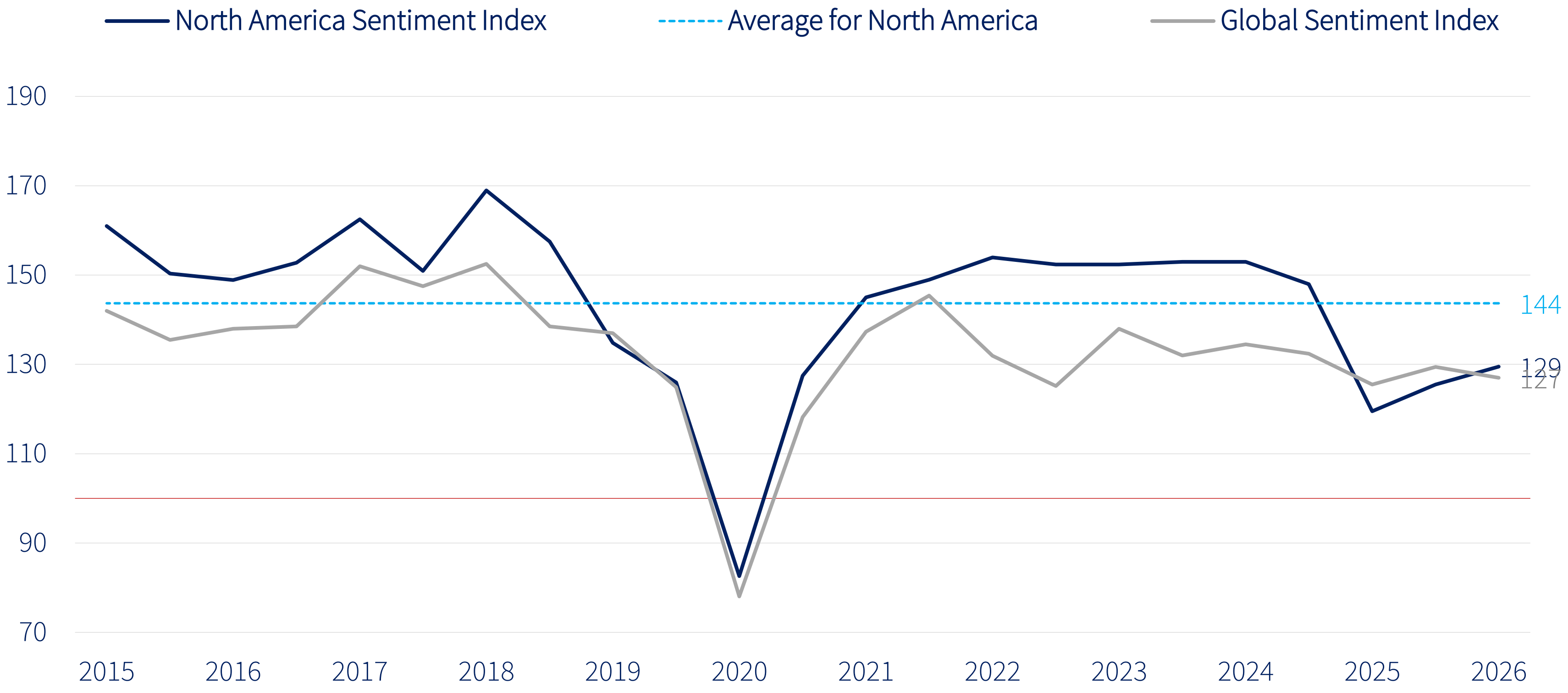
Trade barriers and the economic policy environment remain the primary business risk for German companies in the United States. The more deeply companies in North America are integrated into trade with the United States, the higher the perceived risk posed by economic policy uncertainties. While some companies are expanding their U.S. operations thanks to USMCA exemptions, others are responding to the uncertainty surrounding U.S. trade policy by increasing diversification and withdrawing from the market.

Regional differences within North America

In Canada and Mexico, the macroeconomic environment poses the greatest business risk, with the focus in Canada being primarily on trade barriers and in Mexico on the lack of legal certainty. Consequently, investment and hiring intentions are declining in Mexico, accompanied by a greater shift away from the U.S. market.

GERMAN COMPANIES IN NORTH AMERICA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

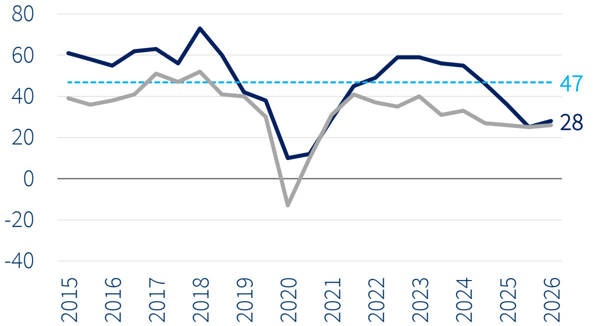


German Chambers of Commerce Abroad

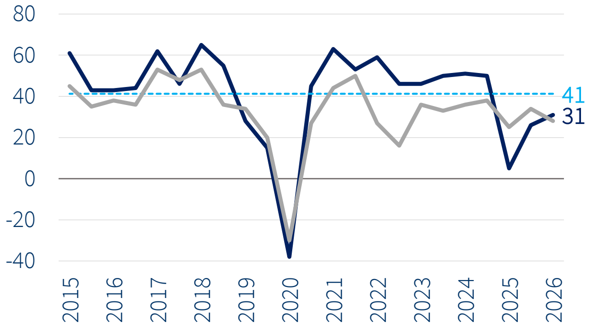
GERMAN COMPANIES IN NORTH AMERICA

Balance in points, percentage of mentions

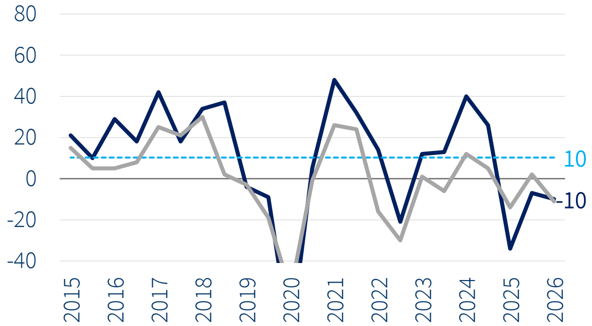
Business situation



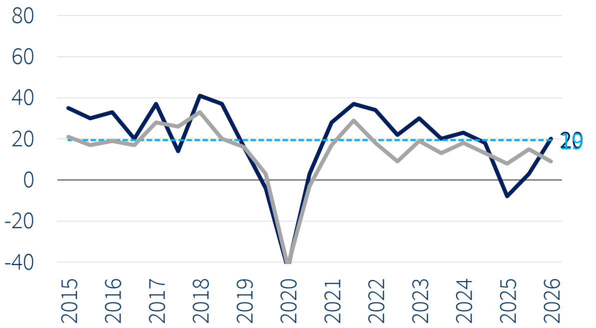
Business expectations



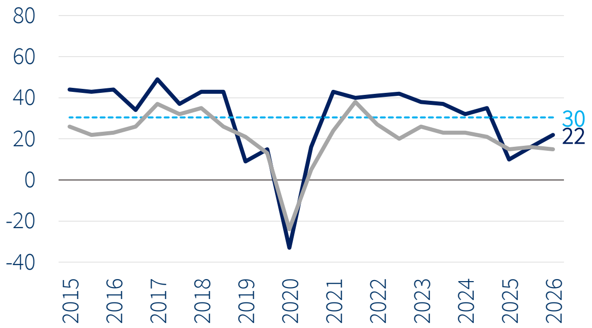
Economic expectations



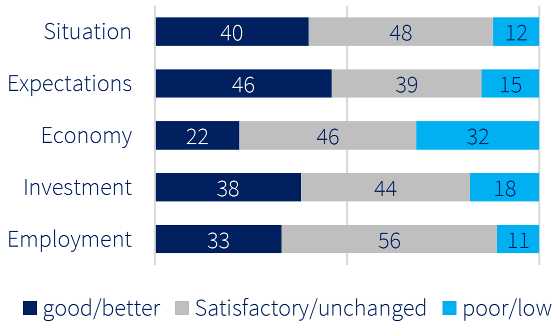
Investment plans



Employment plans



Proportion of responses



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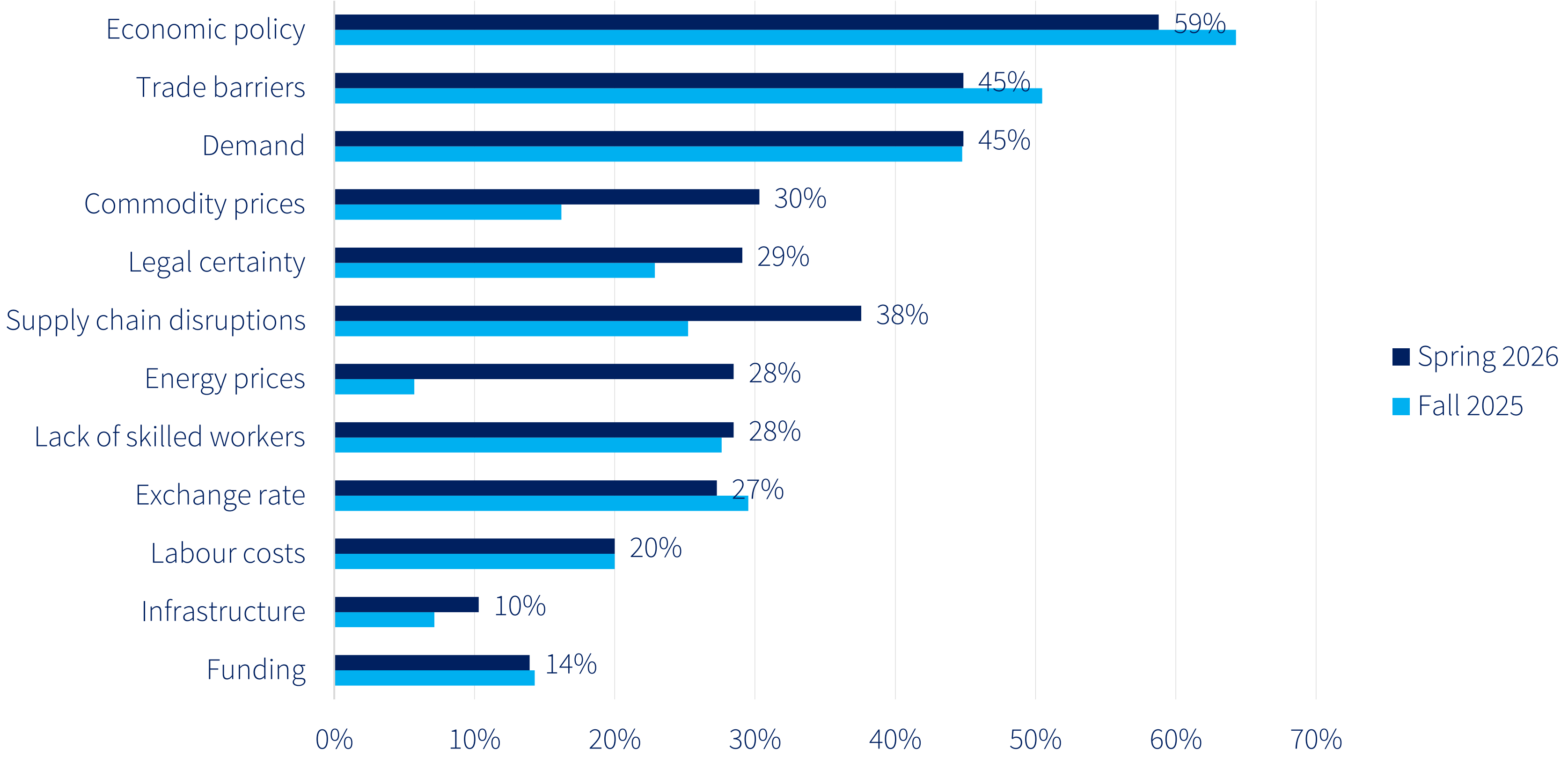
Balance for North America · Average for North America · Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN NORTH AMERICA

in per cent, multiple answers possible



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HIGHLIGHTS USA

Sentiment in the USA

In the U.S., both the current business climate and expectations for their own operations in the coming year have improved. With the massive increase in tariffs and other trade barriers, German companies in the U.S. are increasingly adopting a “local for local” approach and continuing to expand their U.S. operations.

Economic outlook gloomy, investment plans positive

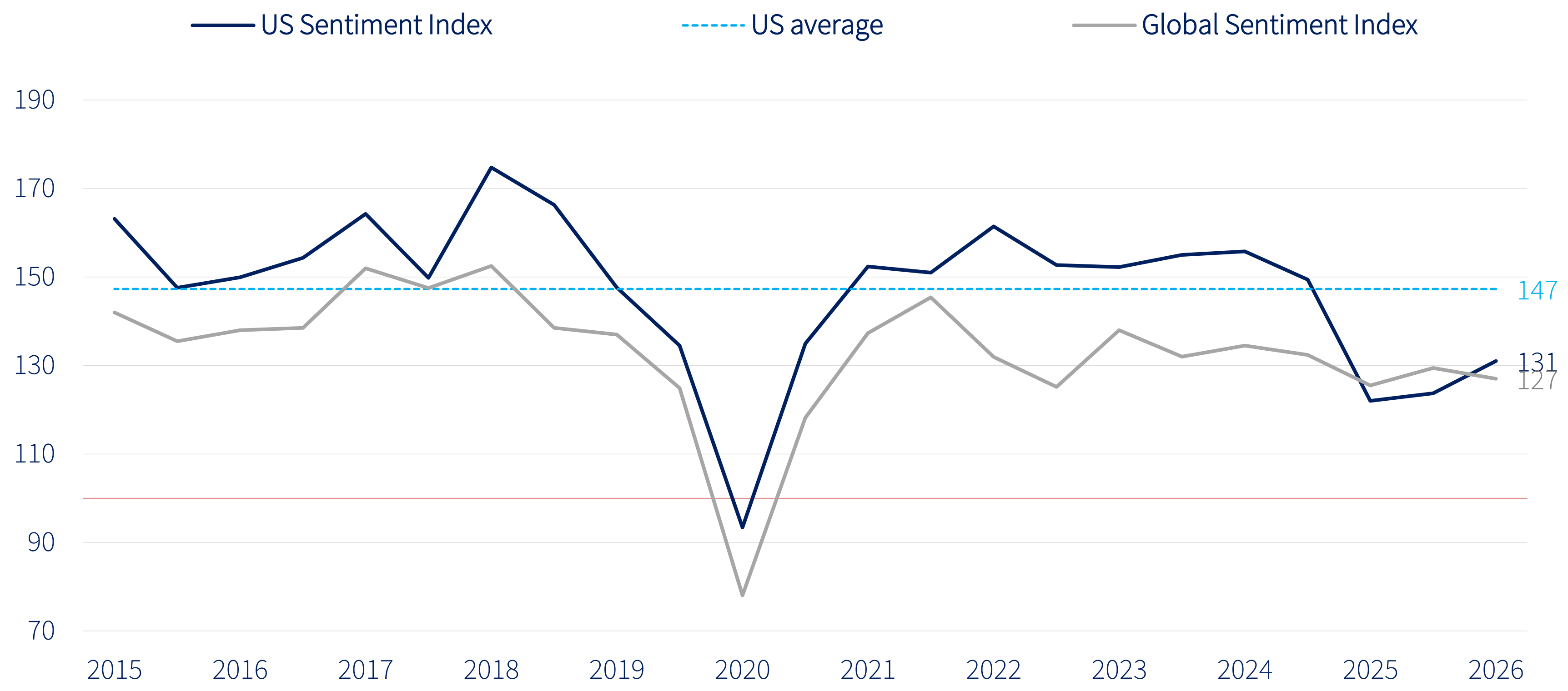
Economic expectations provide a snapshot of the current situation, with a generally pessimistic outlook due to geopolitical uncertainties, particularly the conflict in the Middle East. For German companies based in the U.S., positive investment conditions now once again prevail, following the sharp decline resulting from last year’s so-called Liberation Day. Investment intentions are approaching the long-term U.S. average.

Trade Policy and Business Risks

Trade barriers remain the greatest business risk in the U.S., followed by the economic policy environment and changes in demand.

GERMAN COMPANIES IN THE USA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



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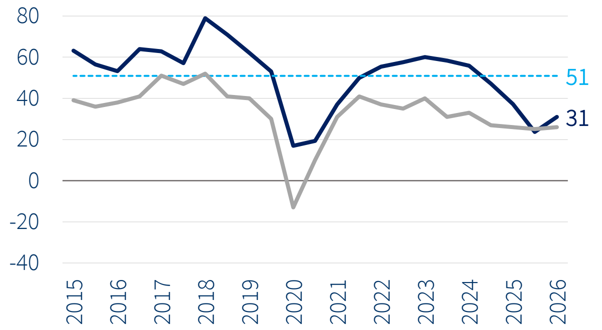
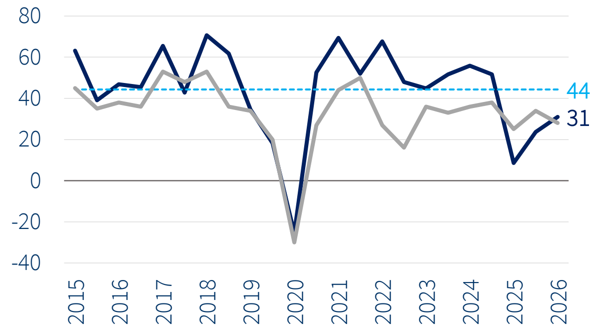
GERMAN COMPANIES IN THE USA

Balance in points, percentage of mentions

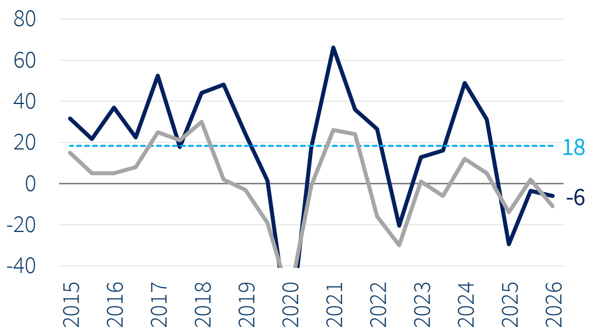
Business situation



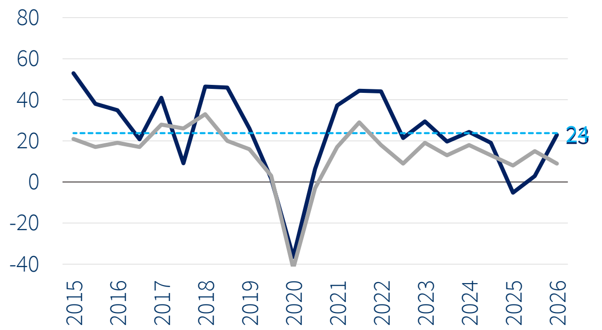
Business expectations



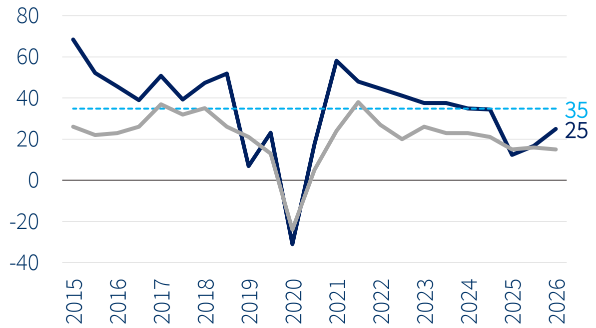
Economic expectations



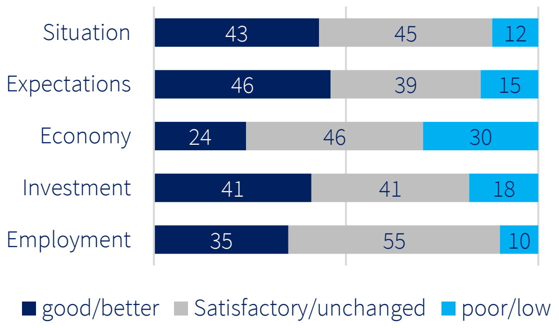
Investment plans



Employment plans



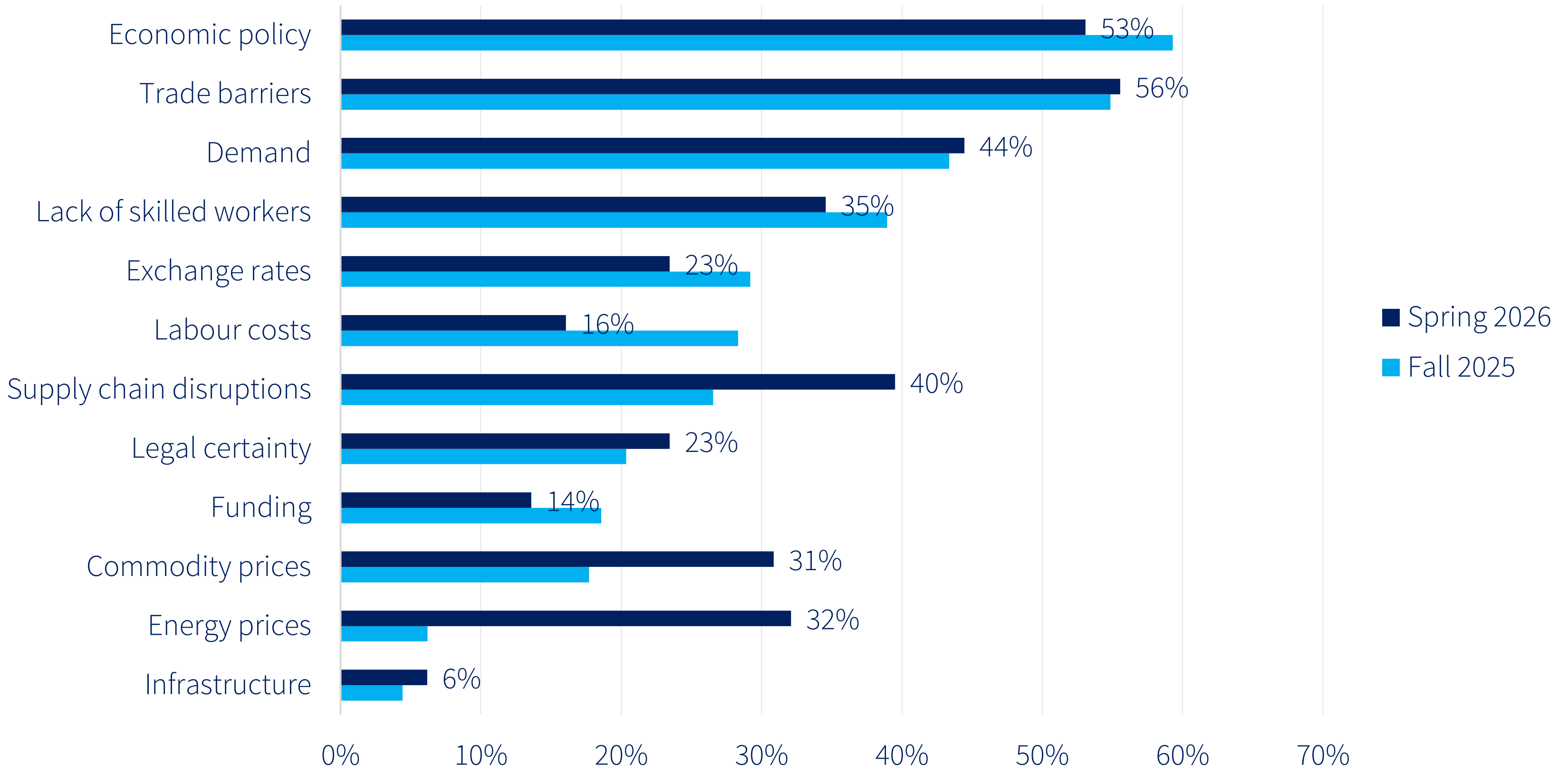
Proportion of responses



Balance USA Average USA Balance worldwide

RISKS FOR BUSINESSES IN THE US

in per cent, multiple answers possible



REGIONAL BUSINESS OUTLOOK

SOUTH AND CENTRAL AMERICA

AHK German Chambers of Commerce Abroad

HIGHLIGHTS SOUTH AND CENTRAL AMERICA

Overall positive outlook

The overall sentiment in South and Central America is currently more positive than the global average. Key factors include the election of business-friendly governments in several countries, the Mercosur agreement, and the growing strategic focus of German companies on the region. In addition, many countries have their own oil reserves and are therefore less dependent on imports from the Gulf region.

Regional differences and trading partners

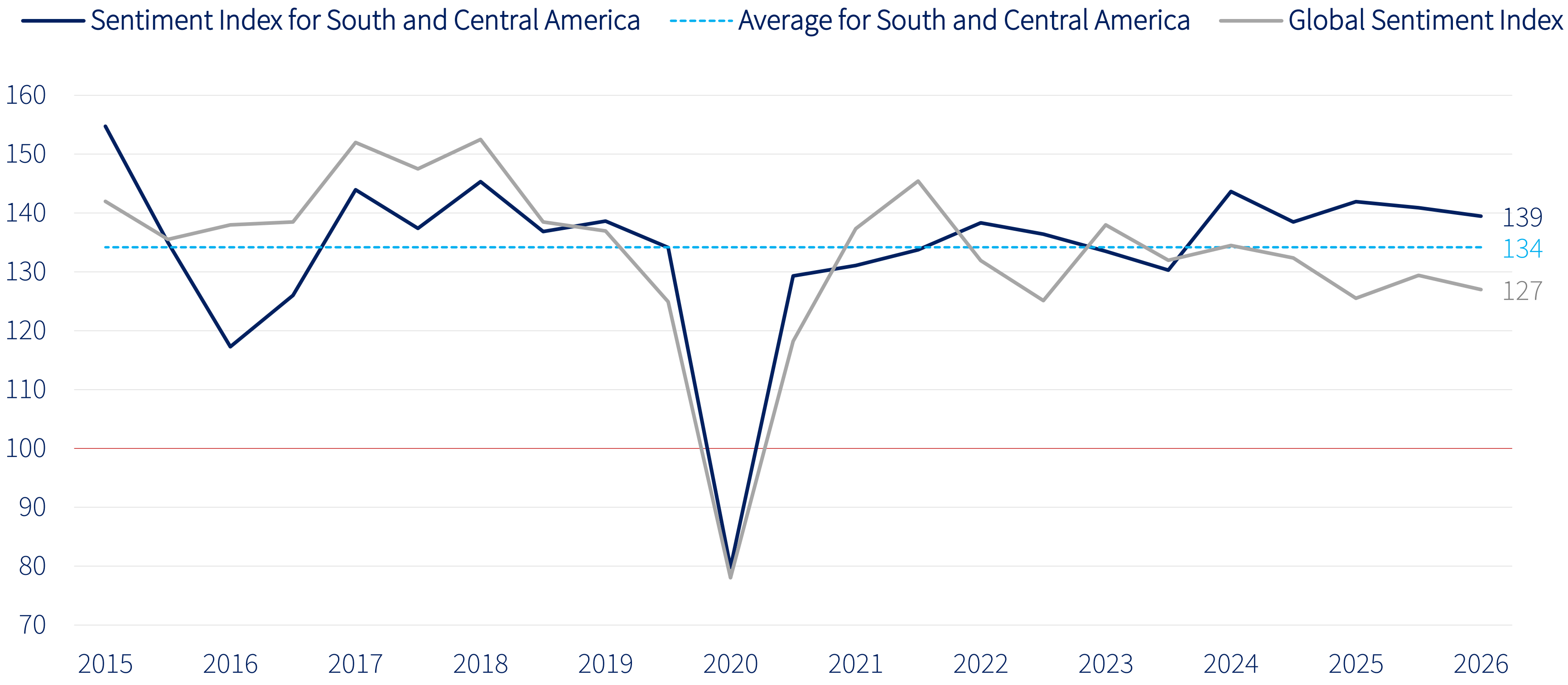
In Central America, expectations are also subdued. Trade barriers, tariffs, and the high level of uncertainty surrounding U.S. trade policy are hampering trade with the United States, on which the region is heavily dependent. In countries outside Mercosur, geopolitical and global economic risks are also weighing on sentiment.

Business risks and economic policy framework

In most countries, the economic policy environment poses the greatest business risk. Differing economic policy environments and persistent corruption increase planning uncertainty for companies in many countries.

GERMAN COMPANIES IN SOUTH AND CENTRAL AMERICA

Sentiment index, geometric mean of companies’ current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists

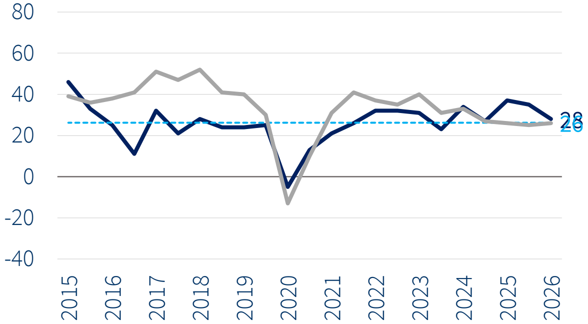


AHK German Chambers of Commerce Abroad

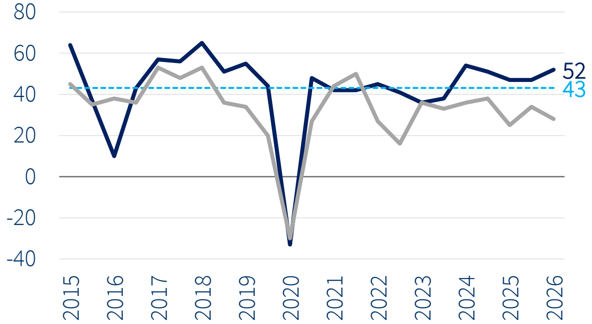
GERMAN COMPANIES IN SOUTH AND CENTRAL AMERICA

Balance in points, percentage of mentions

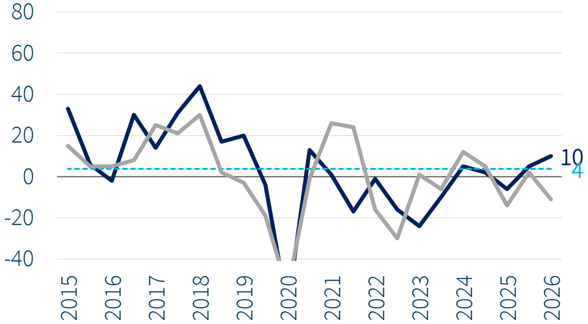
Business situation



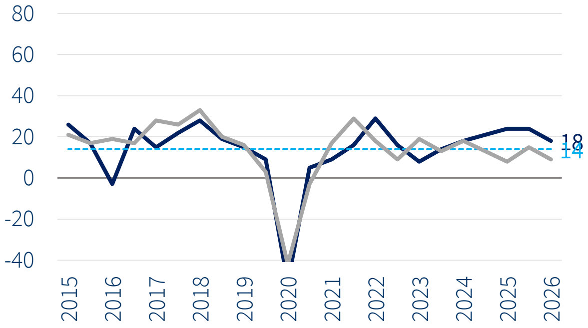
Business expectations



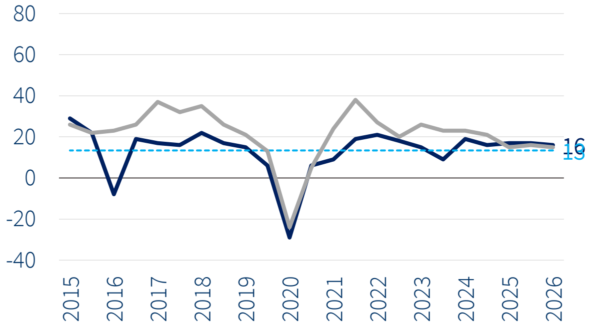
Economic expectations



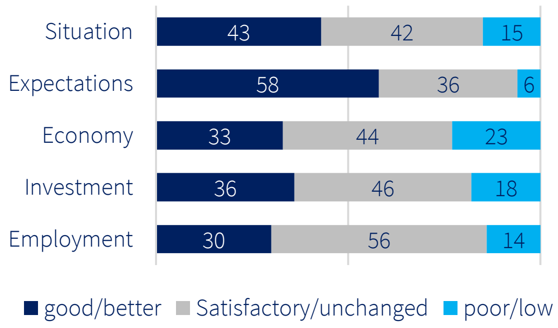
Investment plans



Employment plans



Proportion of responses

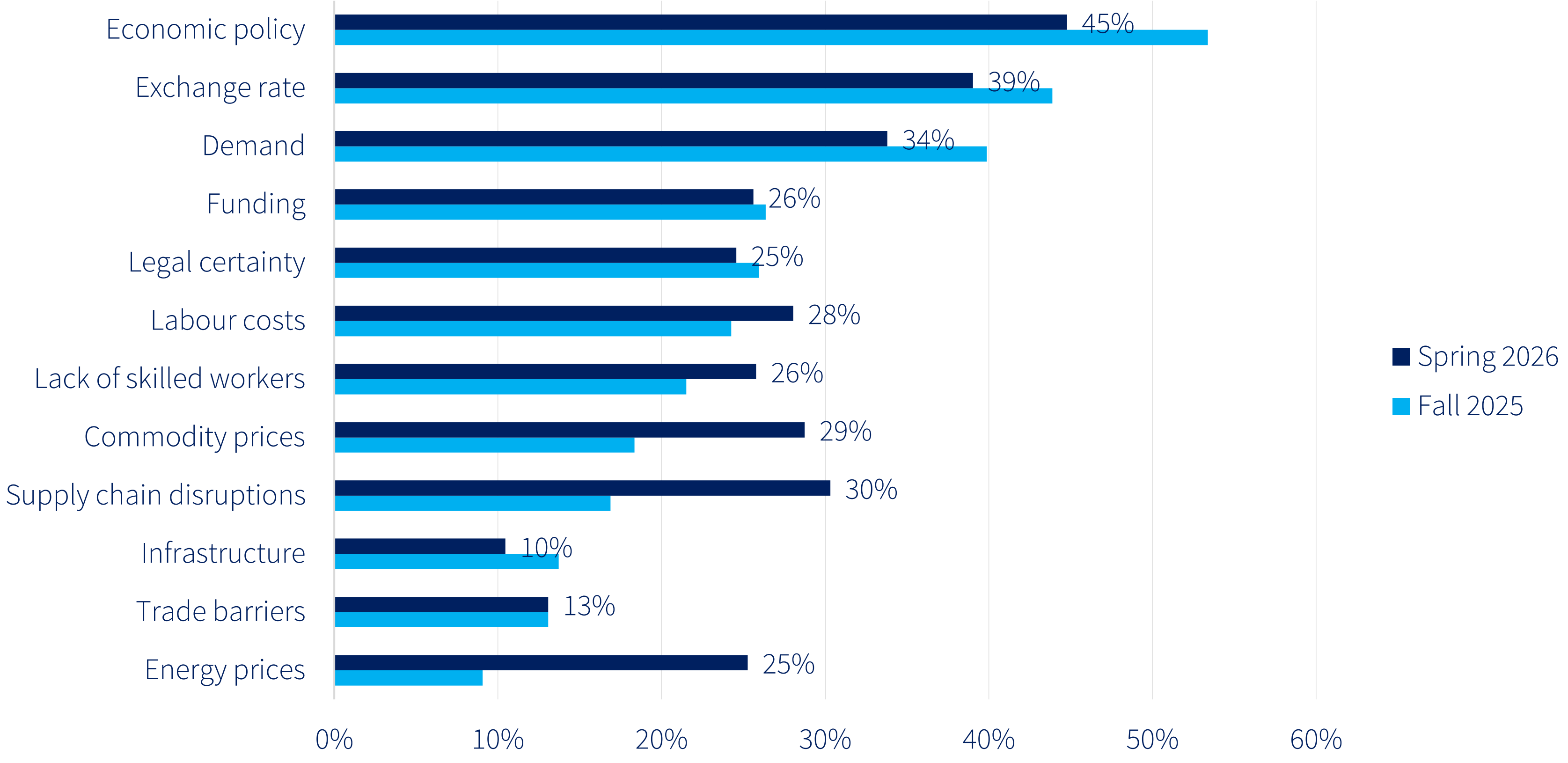


South and Central America   Average for South and Central America   Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN SOUTH AND CENTRAL AMERICA

in per cent, multiple answers possible



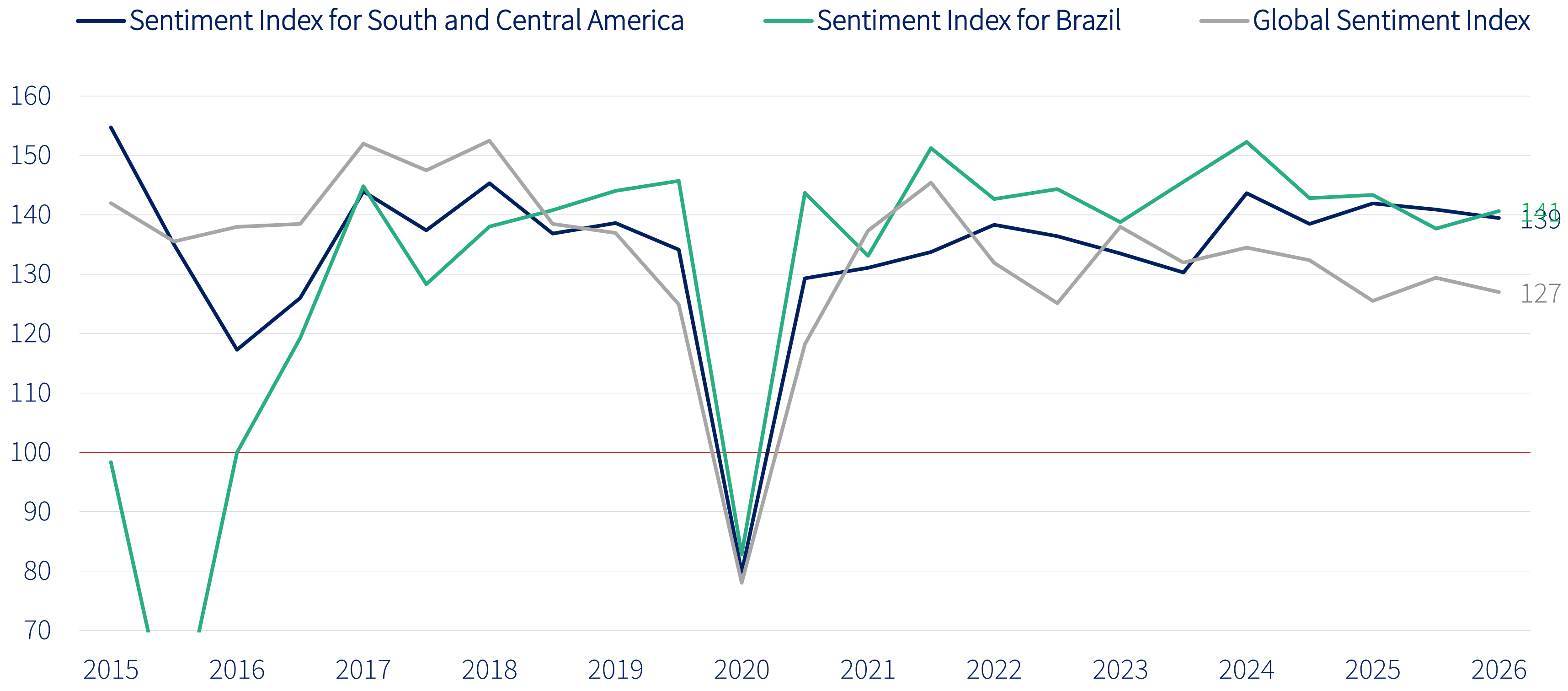
AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

BRAZIL

GERMAN COMPANIES IN BRAZIL

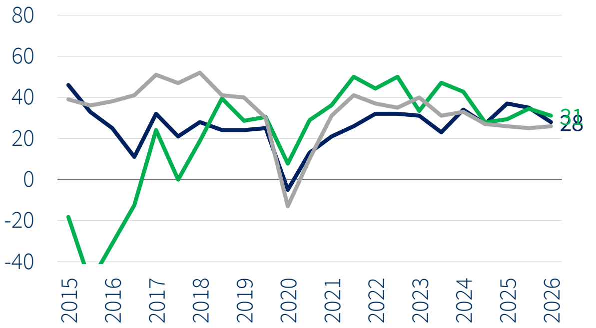
Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



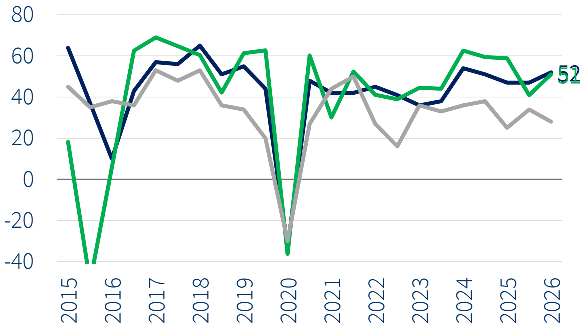
GERMAN COMPANIES IN BRAZIL

Balance in points, percentage of mentions

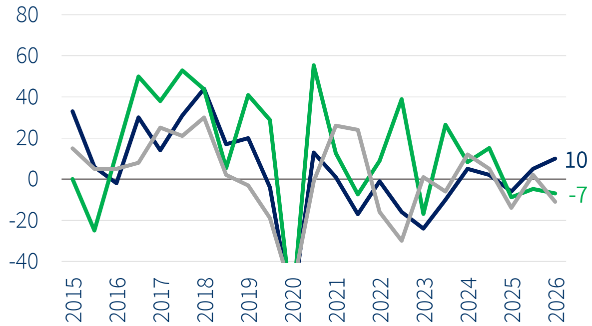
Business situation



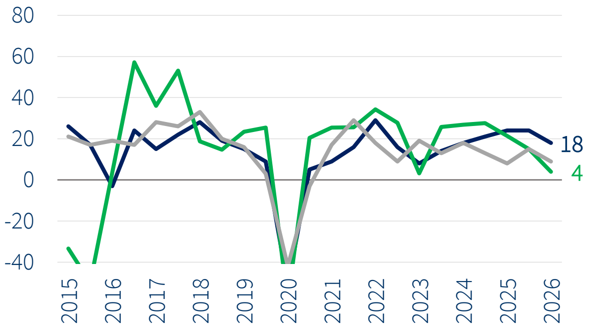
Business expectations



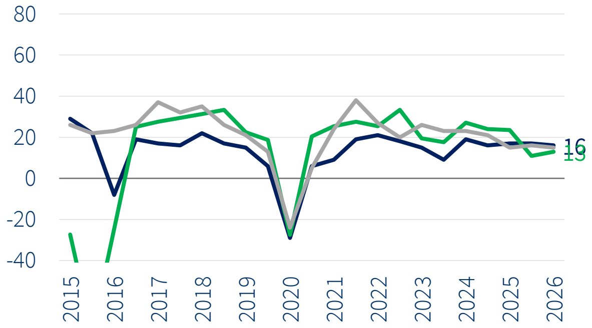
Economic expectations



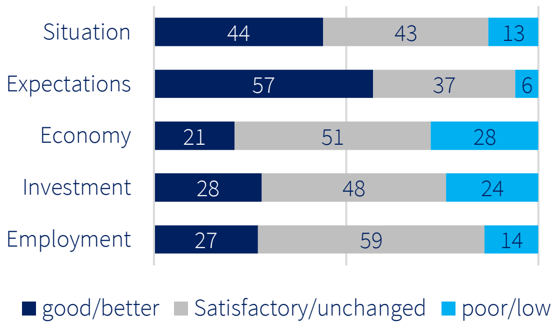
Investment plans



Employment plans



Proportion of responses



South and Central America

Brazil

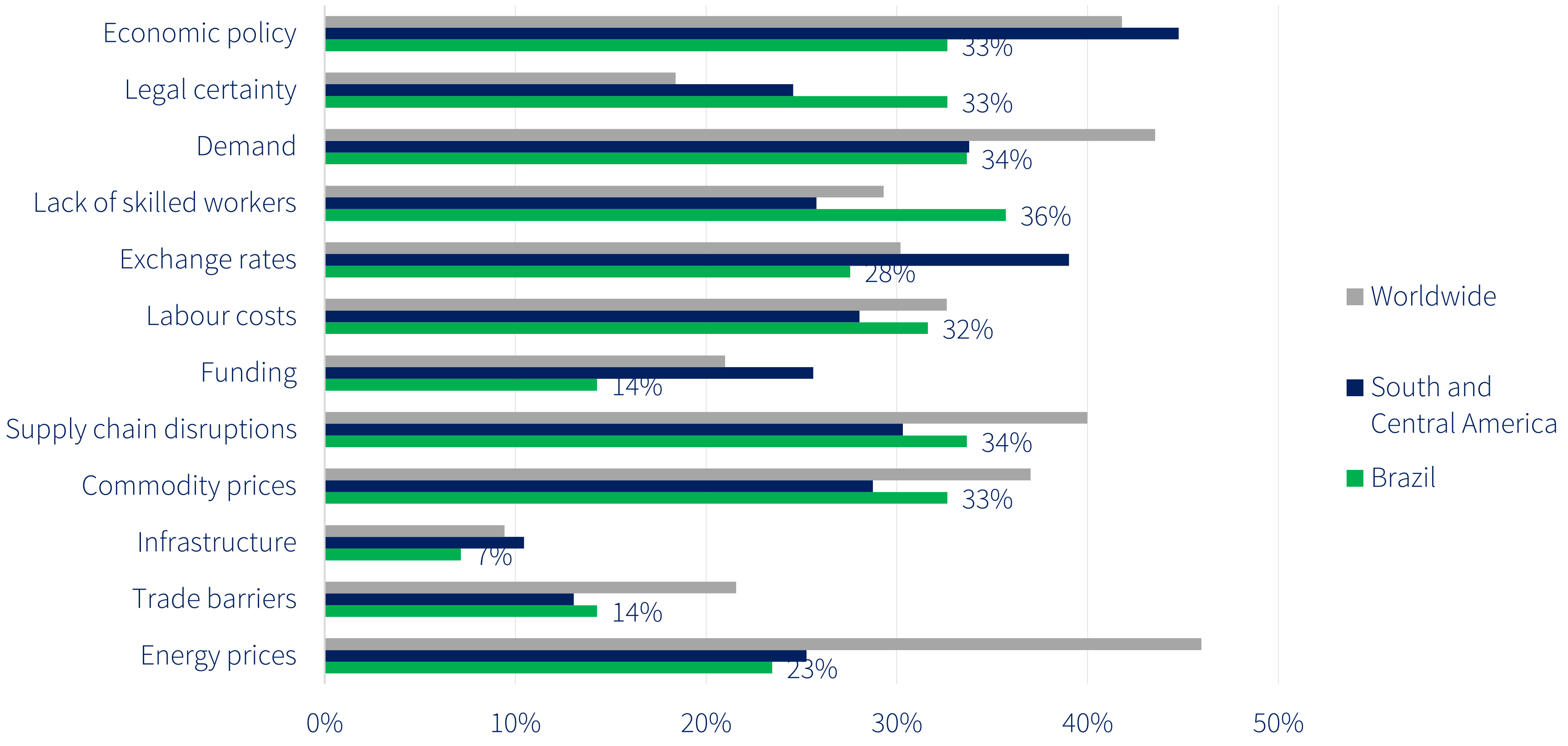
Balance Worldwide

AHK German Chambers of Commerce Abroad

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN BRAZIL

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

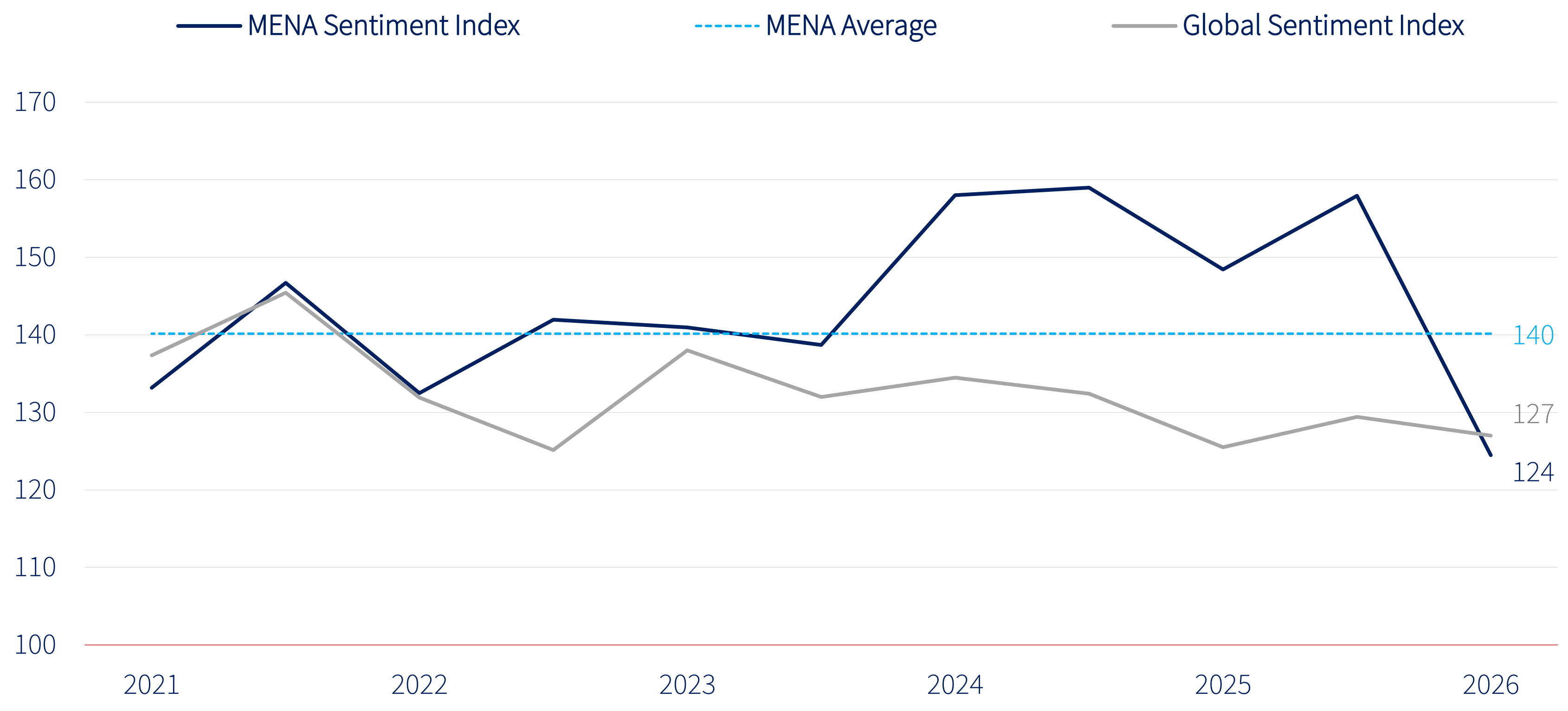
REGIONAL BUSINESS OUTLOOK

MENA

AHK German Chambers of Commerce Abroad

GERMAN COMPANIES IN THE MENA REGION

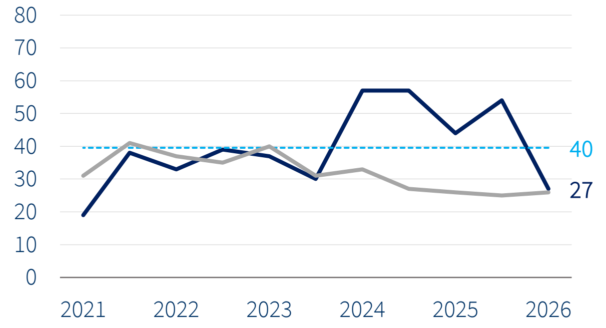
Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



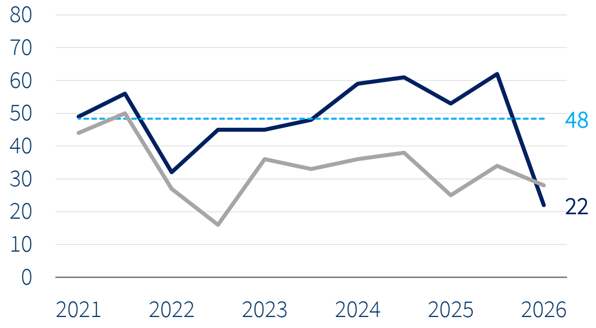
GERMAN COMPANIES IN THE MENA REGION

Balance in points, percentage of mentions

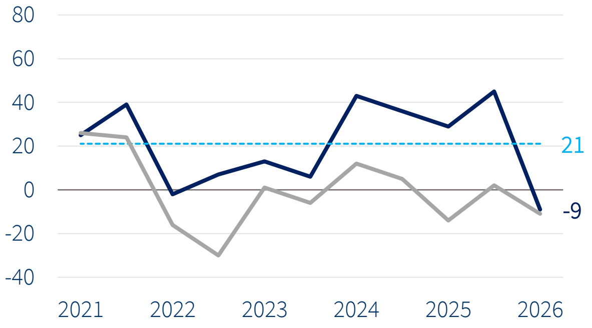
Business situation



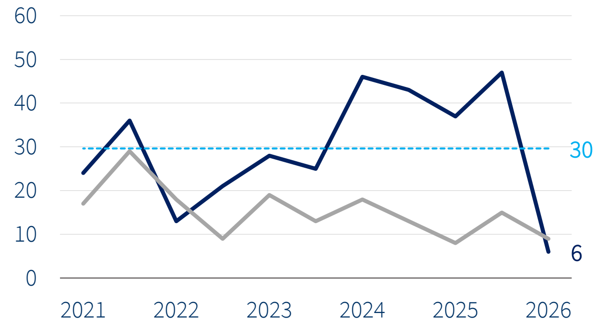
Business expectations



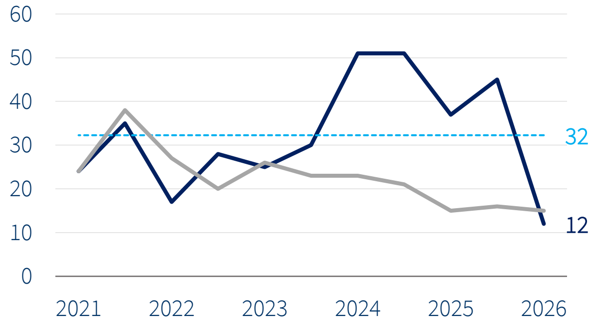
Economic expectations



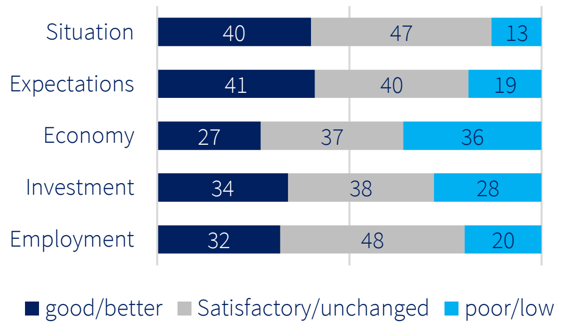
Investment plans



Employment plans



Proportion of responses

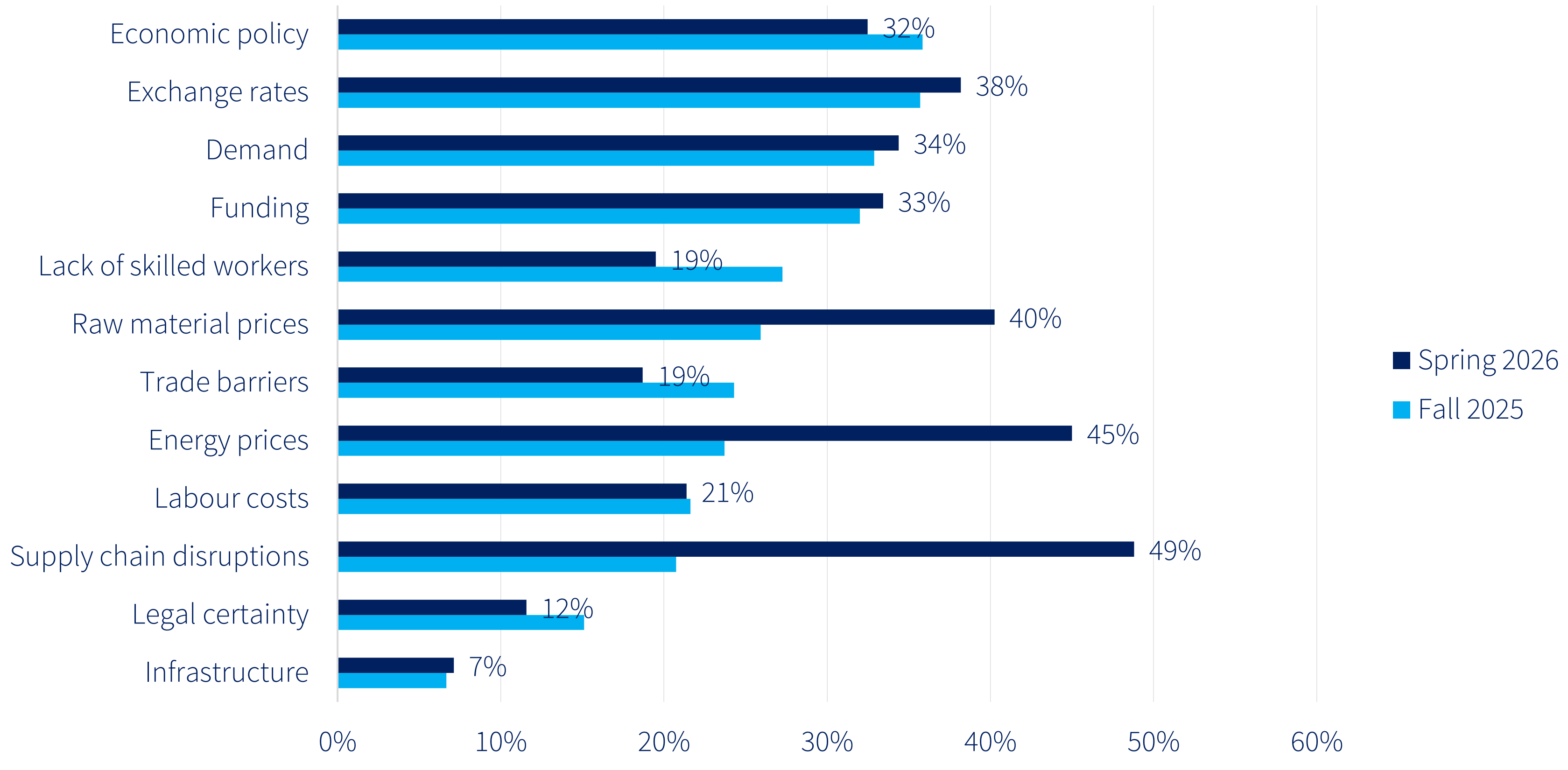


Balance MENA MENA average Balance worldwide

AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN THE MENA REGION

in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

GCC

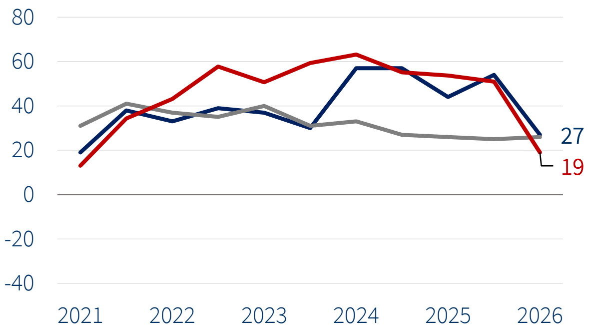
Saudi Arabia, United Arab Emirates (UAE), Kuwait, Qatar, Bahrain and Oman

AHK German Chambers of Commerce Abroad

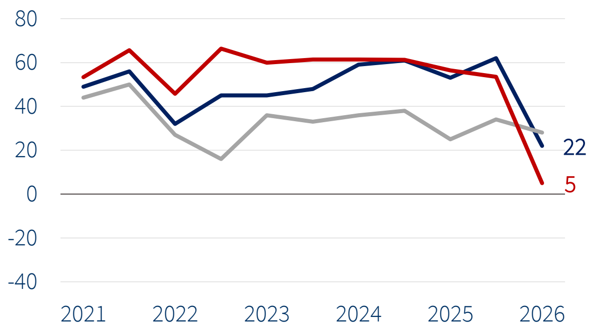
GERMAN COMPANIES IN THE GCC REGION

Balance in points, percentage of mentions

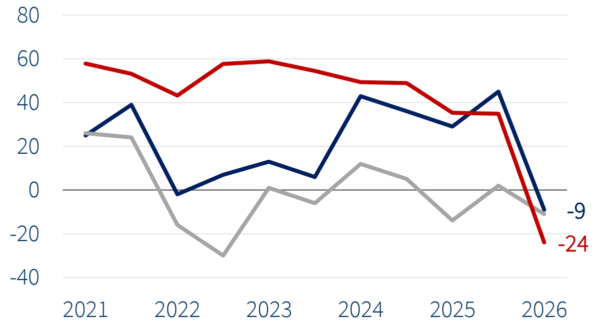
Business situation



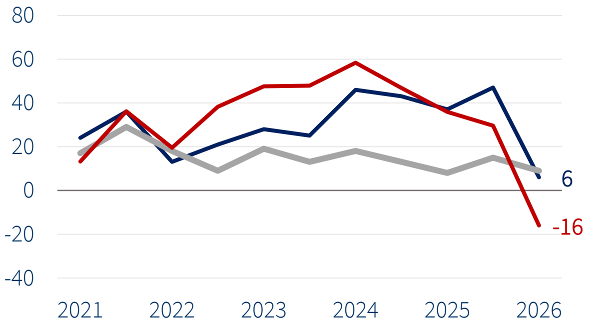
Business expectations



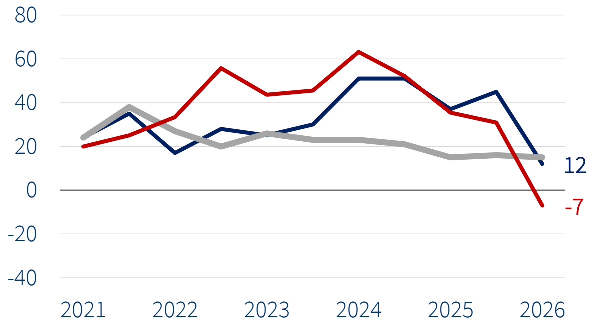
Economic expectations



Investment plans



Employment plans



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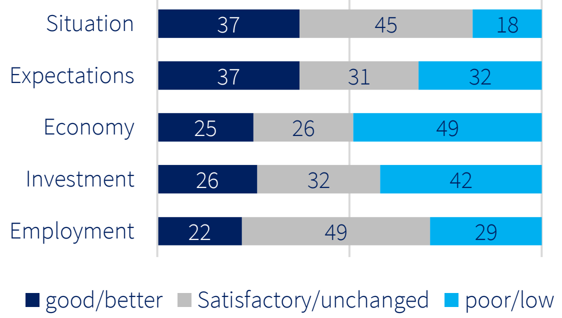
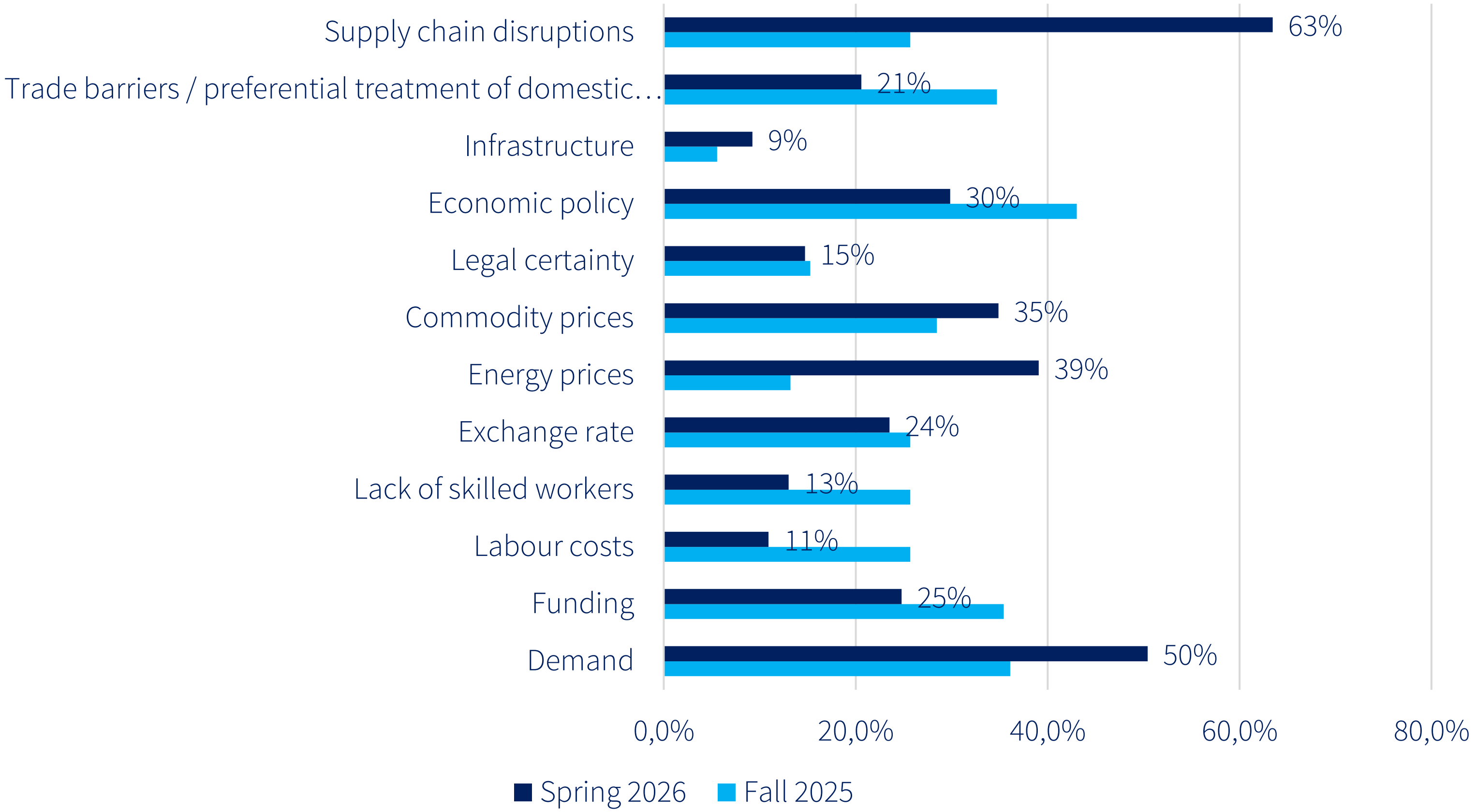


AHK German Chambers of Commerce Abroad

MENA balance
Balance GCC
Balance worldwide

RISKS FOR BUSINESSES IN THE GCC REGION

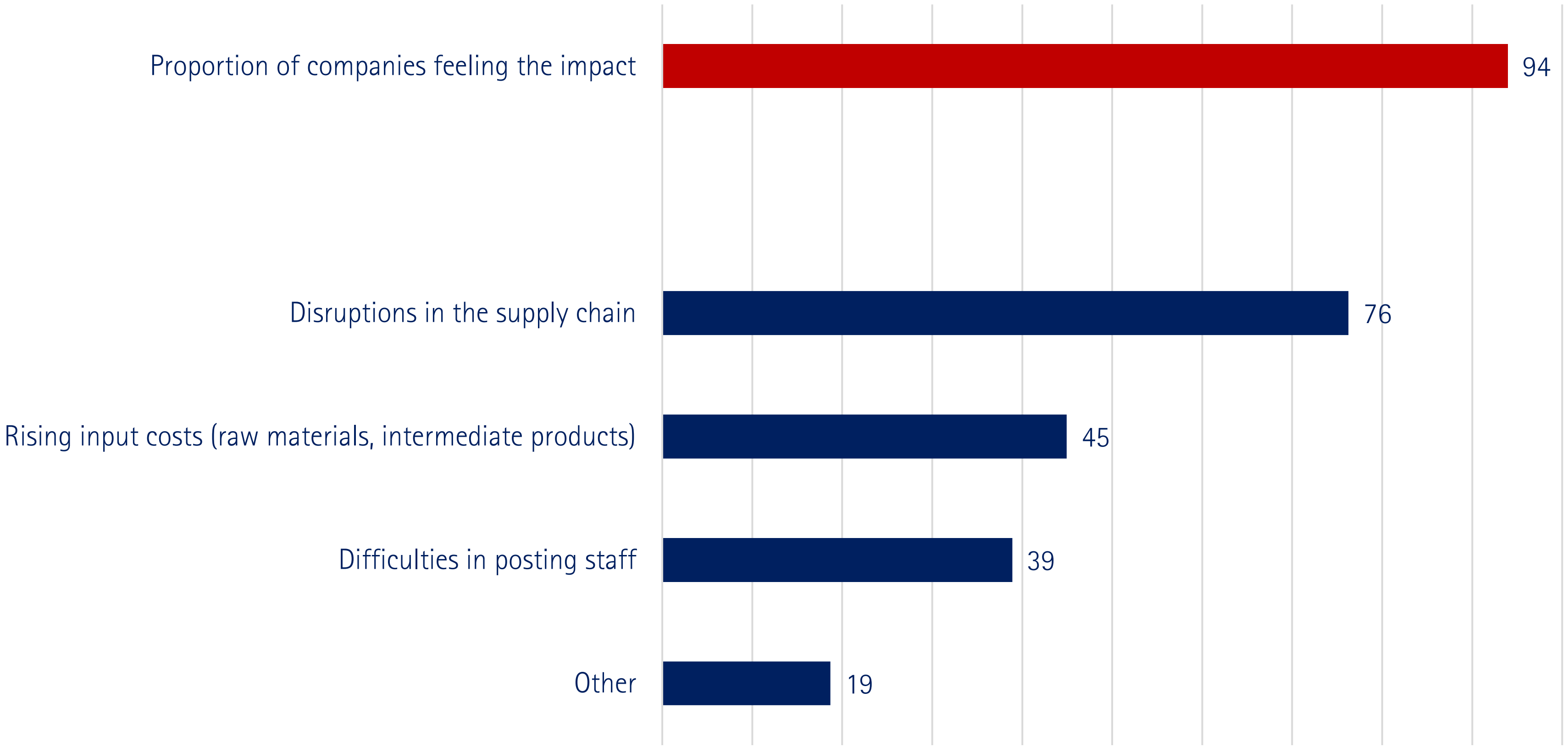
in per cent, multiple answers possible



AHK German Chambers of Commerce Abroad

THE IMPACT OF THE WAR IN THE MIDDLE EAST ON BUSINESS IN THE GCC REGION

per cent, multiple answers possible



German Chambers of Commerce Abroad

REGIONAL BUSINESS OUTLOOK

SUB-SAHARAN AFRICA

AHK German Chambers of Commerce Abroad

HIGHLIGHTS SUB-SAHARAN AFRICA

South Africa, Ghana, Kenya: Situation stabil

Business sentiment among German companies in the region remains stable at an above-average level. At the same time, expectations for local economic development are dimming due to the state of the global economy and the ongoing conflict in the Middle East.

Economic policy improving

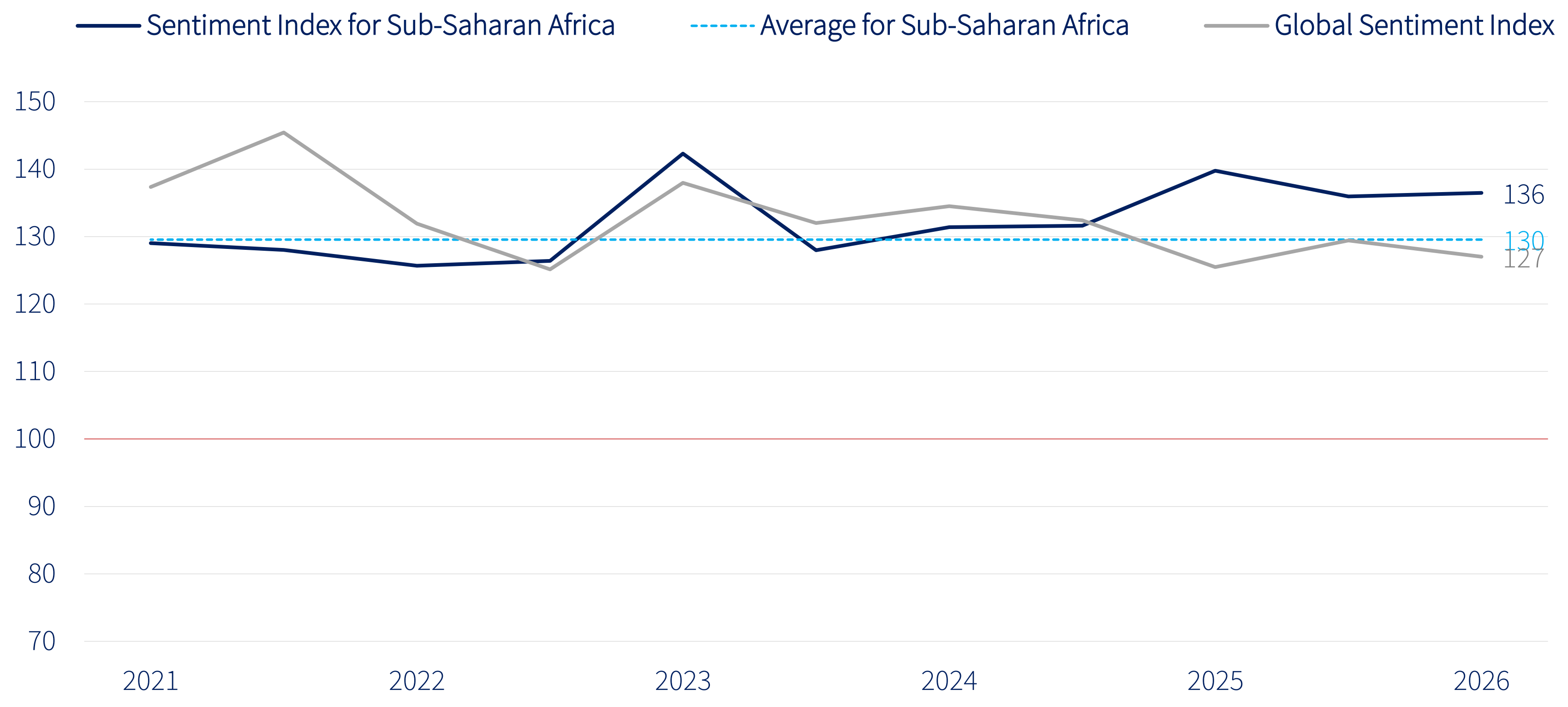
In Kenya and South Africa, the business risk associated with the economic policy environment has nearly halved. Business-friendly reforms by the governments there are boosting German companies' confidence in these markets.The exchange rate remains a business risk. Weak local currencies and a shortage of foreign exchange are eroding local purchasing power.

The global impact of the Middle East conflict is being felt

High energy prices and disruptions in supply chains are causing problems for German companies. The business risk posed by high energy prices has more than doubled: the responses came mainly from South Africa, Kenya, and Ghana. These countries rely on oil and gas imports.

GERMAN COMPANIES IN SUB-SAHARAN AFRICA

Sentiment index, geometric mean of companies' current situation and business expectations
Value above 100 = more optimists than pessimists, value below 100 = more pessimists than optimists



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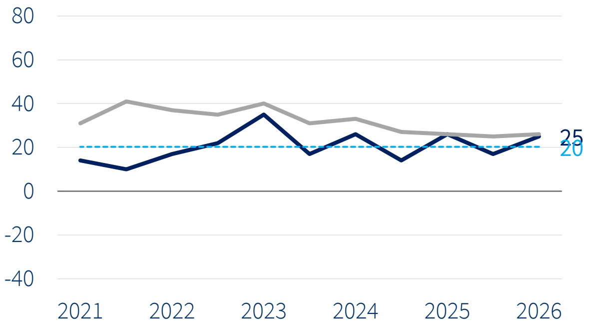
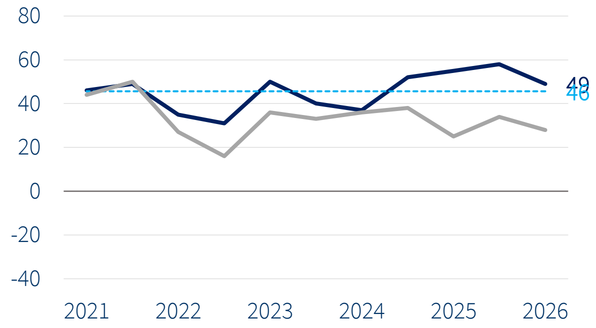
GERMAN COMPANIES IN SUB-SAHARAN AFRICA

Balance in points, percentage of mentions

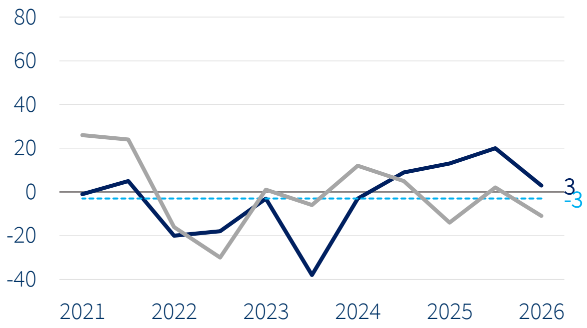
Business situation



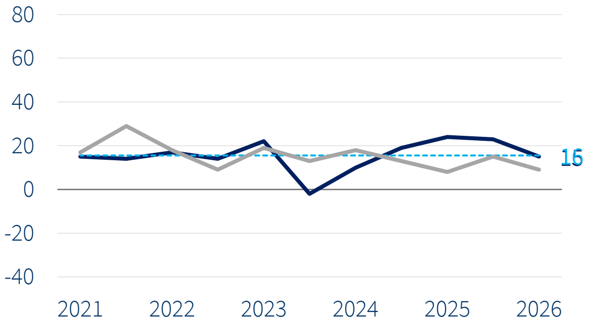
Business expectations



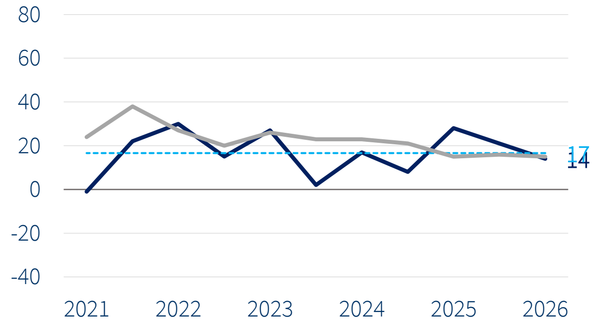
Economic expectations



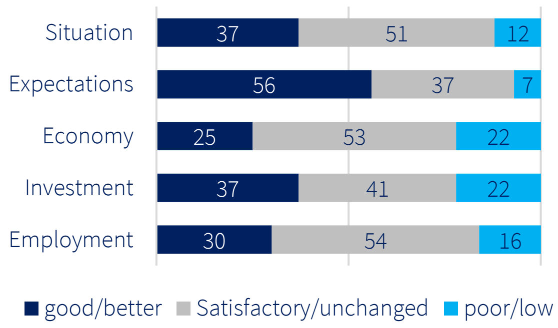
Investment plans



Employment plans



Proportion of responses



Balance for Sub-Saharan Africa

Average Sub-Saharan Africa

Balance worldwide

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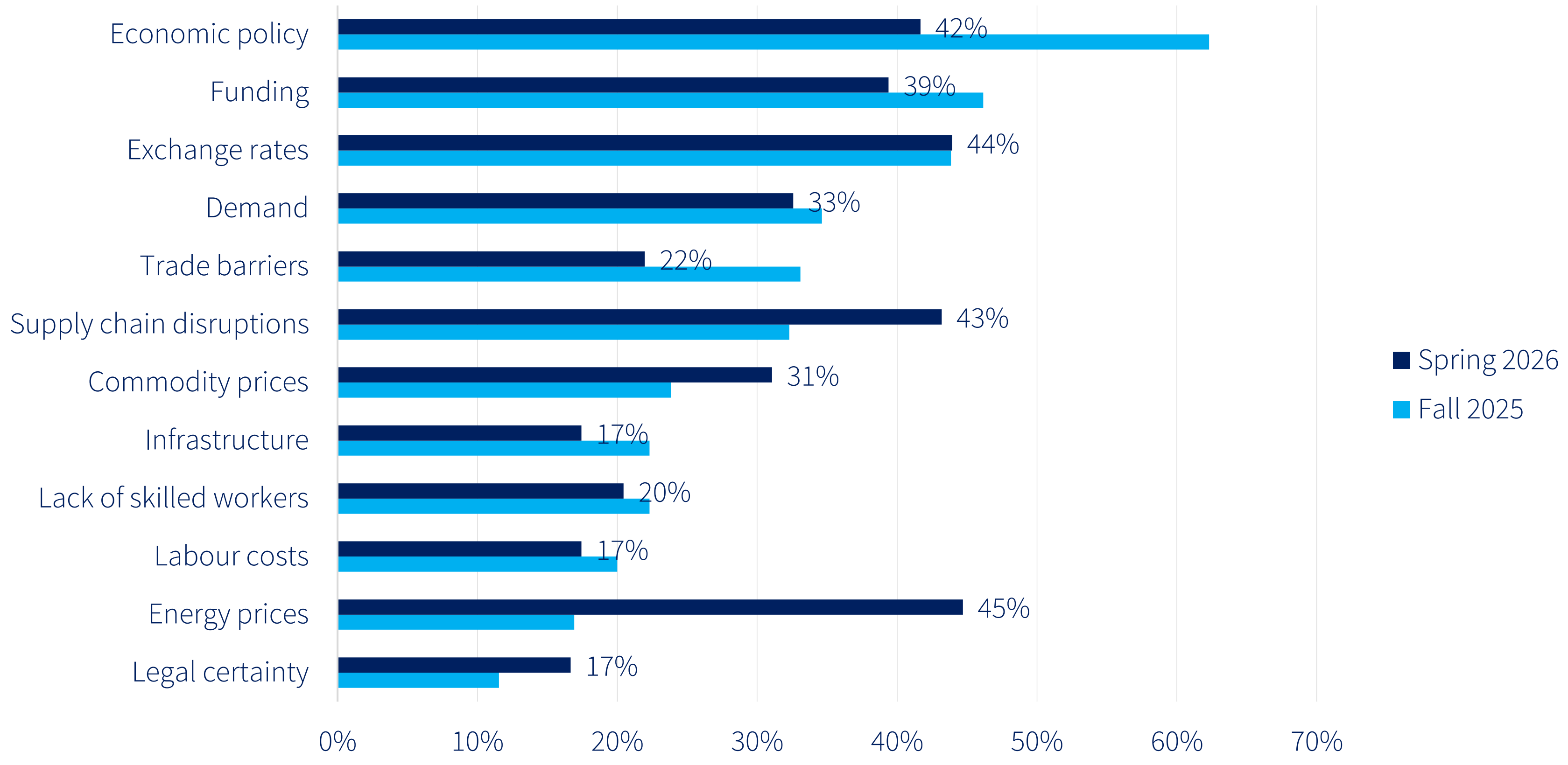
AHK WORLD BUSINESS OUTLOOK

RISKS FOR BUSINESSES IN SUB-SAHARAN AFRICA

in per cent, multiple answers possible



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STATISTICAL APPENDIX

The questionnaire, notes on methodology and detailed results are available as

downloads on the DIHK website.

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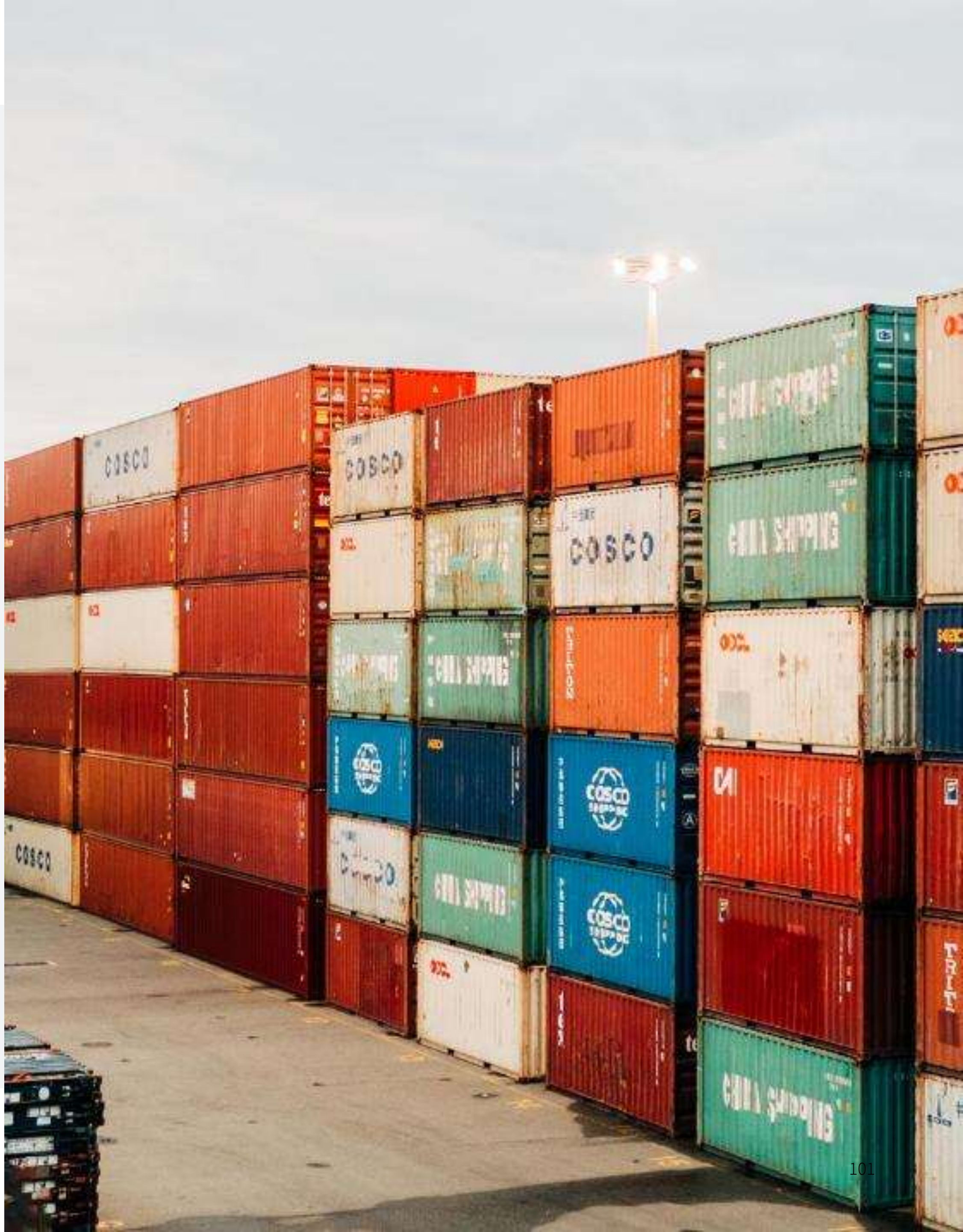

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