DIHK German Chamber of Commerce and Industry

DIHK Economic Survey Fall 2026

DIHK Chief Executive Helena Melnikov: "The recovery must be more than a short-lived rebound"

Government money and exports give the economy a breathing space. A genuine upturn, however, requires lasting reforms

November 5, 2026 – Sentiment in the economy is brightening slightly, but the outlook for the coming year remains subdued. This is shown by the Fall 2026 economic survey of the Association of German Chambers of Commerce and Industry (DIHK), which reflects the sentiment of around 23,000 companies from all sectors and regions. 26 percent of companies rate their current business situation as good, three percentage points more than in Early Summer. Almost as many, namely 23 percent, rate it as poor. The situation remains particularly gloomy in Trade. Electrical engineering, by contrast, is on the rise: in view of the continuing AI boom, more than a third of businesses there report good business.

Looking ahead to the next twelve months, the economy as a whole remains skeptical. Despite the improvement, business expectations are clearly in negative territory. Only 15 percent of businesses expect better business, above all in electrical engineering, the defense industry and the insurance and banking sector. Almost twice as many, by contrast, expect a deterioration. Following the slump in expectations at the start of the Iran war, the values are thus returning to the modest level of the previous year.

Despite the slightly better figures, it is too early for optimism, explains DIHK Chief Executive Helena Melnikov: "The economy is granting us a breathing space, but no more than that. What we are currently seeing is an upturn on borrowed money. The state is spending money on infrastructure and defense, plus a little tailwind from exports. We are a long way from self-sustaining growth."

The DIHK Sentiment Index, the average of the assessments of the situation and expectations, recovers somewhat and rises from 88.1 points most recently to 94.7 points. It thus remains in pessimistic territory. The DIHK is raising its growth forecast for 2026 from 0.3 percent to one percent. For 2027, the DIHK also expects growth of one percent.

Export expectations improve, structural problems at home remain

"This growth has been bought with taxpayers' money and new public debt. State aid must not obscure the deep structural problems of Germany as a business location," says Melnikov. "Anyone who wants sustainable growth again must release the brakes on investment and innovation."

The business risks cited by businesses have remained almost unchanged for several surveys. In view of the higher gasoline, oil and gas prices caused by the Iran war, 67 percent of companies cite energy and raw material prices as the biggest business risk. In addition, they are burdened above all by homegrown structural problems; in particular, the economic framework conditions (58 percent) and high labor costs (56

percent) are major problem areas according to a majority of businesses. These values have already been at this high level for three years.

Only foreign demand is currently assessed somewhat better by export-oriented manufacturing companies. Only 38 percent still see international sales as a major business risk, after 45 percent in Early Summer 2026. The export expectations of the Manufacturing Industry, which had suffered a severe setback in spring with the start of the Iran war, are also recovering. They are brighter than at any time since the start of the war in Ukraine. Nevertheless, the expectations value for exports over the next twelve months remains well below its long-term average.

Investment and employment remain in the doldrums

Despite the better business situation and export prospects, companies remain very cautious about investment. Not even one in four companies wants to increase its investment, while almost a third have to reduce it. When businesses invest, budgets flow mainly into replacing machinery and plant rather than into product innovation or additional capacity. Only one in five manufacturing businesses plans to expand capacity – only half as many as in 2018.

Employment intentions also remain at a low level. Only around one in ten companies wants to create new jobs, while one in four has to cut jobs. Compared with Early Summer, there is hardly any movement. This is also reflected in the shortage of skilled workers. While a few years ago the search for suitable skilled staff was still a significant risk for more than half of businesses, today only just over one in three companies is concerned about it.

“As long as private companies do not invest more again, neither more growth nor new jobs will be created,” says Melnikov. Companies’ fixed capital investment is still around ten percent below the pre-COVID level. What is needed, she says, are competitive energy prices, lower labor costs, faster approval procedures and, above all, less bureaucracy, so that companies once again have more time and resources for their actual business.

“The fragile economic recovery we are currently experiencing must be more than a short-lived rebound. The Federal Government is at a crossroads. It can carry on with piecemeal measures or it can seize the opportunity to turn the recovery into a genuine new departure. This requires a clear picture of where this country wants to go economically, and the courage to take the first steps in that direction today. The slight tailwind can be the jump-start for bold reforms and sustainable growth,” says Melnikov. The Federal Government’s numerous promising reform plans, from social reforms to cutting bureaucracy, must now finally be implemented. “Precisely because we have hardly any influence on the global situation, we have to do our homework ourselves. We will strengthen the competitiveness of our companies if we create the conditions for production, investment and new technologies in Germany today and pursue a plan for the economy of tomorrow.”