

U.S.A.: Between Adjustment and Recovery

AHK Regional Business Outlook Fall 2026

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Executive Summary

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Following the trade policy turbulences in recent months, German companies in the U.S. are once again looking significantly more optimistically toward their business performance in the Fall of 2026. The Turnberry Deal has been ratified, tariffs are below spring levels, and the first tariff refunds are being issued. At the same time, the U.S. economy remains robust. Against this backdrop, German companies have increasingly adapted to the "new normal" in the U.S. market and once again see greater opportunities for their business in the U.S..

However, this more positive sentiment should not obscure the fact that the U.S. market continues to be fraught with considerable uncertainties. Economic policy and trade barriers remain among the greatest business risks noted by German companies in the U.S.. The "new normal" therefore does not signal the end of trade policy uncertainty. Rather, companies have increasingly learned to cope with higher tariffs, changing conditions, and a less predictable trade policy environment.

This adaptation is increasingly reflected in concrete strategic decisions: Companies are focusing their supply chains and sales more closely towards the U.S., while at the same time many are planning to shift investments toward the U.S. market. The renewed optimism is not merely an expression of improved sentiment, but also of a stronger strategic focus on the U.S. market.

At the same time, this trend remains fragile. Ongoing tariff investigations and escalating geopolitical conflicts continue to create significant uncertainty. Overall, this paints a mixed picture, though one that is significantly brighter than in the spring: Companies are regaining confidence in the U.S. market and strategically adapting to the changed conditions. However, trade policy risks remain high and are increasingly becoming part of a new, more permanent business and investment environment.

Highlights of the survey results from the U.S.

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Since the last survey in the spring of 2026, **economic expectations** among German companies in the U.S. have improved significantly despite ongoing geopolitical conflicts. This is due in part to the continued strength of the U.S. economy, which is driven by high levels of investment, particularly in the technology sector, as well as stable private consumption. The economic environment thus offers companies a more stable foundation than it did in the spring.

German companies in the U.S. also rate their current **business situation** significantly better. In addition to the improved economic trend and stronger-than-expected economic growth, this indicates that the ongoing adjustment to the "new normal" in international trade is well underway. Companies have increasingly adapted to the changed conditions and once again feel better positioned to benefit from their standing in the U.S. market. The improved business situation is thus not only a reflection of a more robust economy but also the result of ongoing adaptation to a changed trade policy environment.

In this context, the **business outlook** for German companies in the U.S. has also brightened significantly. Companies associate the full implementation of the Turnberry Deal and the associated tariff regulations with a degree of certainty in transatlantic trade. After months of considerable trade policy volatility, the new framework thus creates at least a more reliable foundation on which companies can plan their business operations and investments.

Despite this positive development, doing business in the U.S. continues to involve significant **risks**. While the implementation of the Turnberry Deal established a foundation for transatlantic trade relations, the Trump administration's trade and economic policies remain a key source of uncertainty for German companies. More than half of German companies operating in the U.S. cite Economic policy there as a business risk. The significance of this risk is underscored by the fact that greater planning certainty does not equate to a return to the status quo in trade policy. Reliability and predictability remain crucial for companies.

Trade barriers also remain a significant risk: nearly one in two companies cites them as a challenge, nearly four times as many as three years ago. At the same time, as companies continue to adapt to the "new normal," the challenges that characterized the U.S. market even before the recent trade policy upheavals are once again coming to the fore. About one-third of companies view labor costs and the Lack of skilled workers as business risks. The perception of risk is shifting: Trade policy uncertainty persists, while traditional location factors are regaining in importance.

Despite the ongoing negative effects of U.S. trade policy, companies in the U.S. expect business to improve. Many companies have adjusted their business strategies to cope with the persistent pressures. For example, they are responding to higher import costs by raising prices and passing on at least part of the additional costs to their customers. The ability to pass on tariff costs points to the continued strong market position of many German companies in the U.S.

At the same time, companies are responding strategically to the changed trade conditions and U.S. protectionism. Nearly a quarter plan to align their supply chains more closely with U.S. suppliers and place greater emphasis on the U.S. sales market. Roughly the same number of companies also plan to shift investments to the U.S. Adaptation to the "new normal" is thus increasingly taking place not only at the operational level but also structurally: Companies are changing their supply chains, sales strategies, and investment decisions to secure their long-term position in the U.S. market.

At the same time, companies are responding to legal developments in U.S. trade policy. Following the U.S. Supreme Court's decision to declare tariffs imposed under the IEEPA invalid, companies have begun applying for refunds of tariffs already paid.

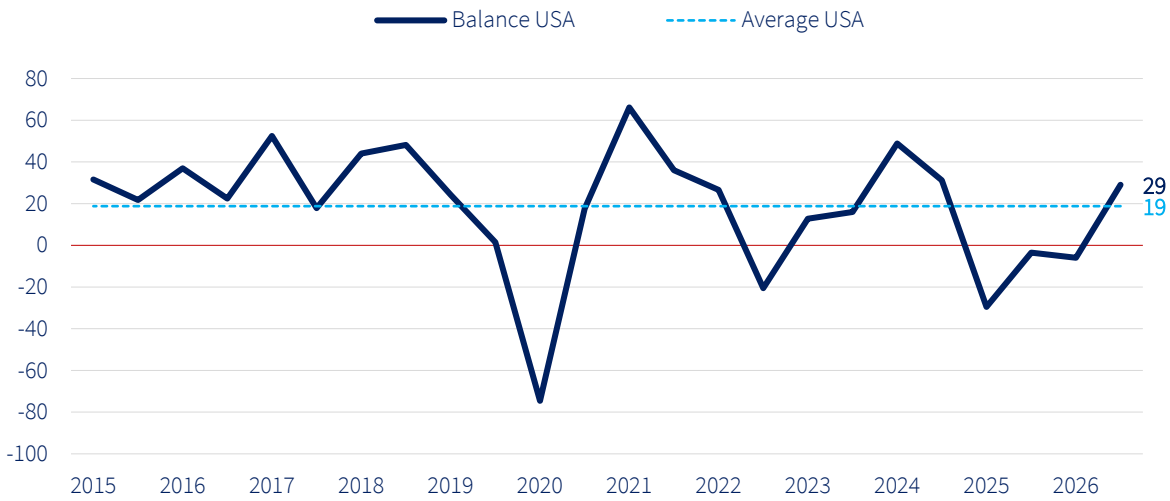
Finally, the stronger focus on the U.S. market, growing optimism, and the continued strong market position of German companies are also reflected in significantly improved investment and employment plans. For the first time in three years, both indicators are once again above their long-term averages. As a result, the improved sentiment is increasingly translating into concrete business action: Companies are not only adapting to the changed conditions but also seeking to further expand their local presence.

Despite higher trade barriers and ongoing economic policy uncertainty, the U.S. market has not lost its strategic importance for German companies. On the contrary: Many companies are responding to the new environment by increasing localization and expanding their local operations. The new optimism is thus based less on a return to previous conditions than on companies' ability to adapt to permanently changed conditions.

Economic Outlook

Despite global geopolitical tensions and high inflation in the U.S., the economic outlook for German companies in the U.S. has brightened sharply compared to the spring: 39 percent of companies expect the economic situation to improve over the next twelve months, while ten percent anticipate a deterioration. The balance of positive and negative expectations has thus risen significantly from minus six to 29 points and, following the setback in the spring of 2025, has returned to positive territory. At the same time, it is noticeably above the long-term average of 19 points for the first time since Donald Trump took office again. These positive economic expectations are attributable, among other things, to solid economic growth and the AI boom. At the same time, however, inflation in the U.S. remains above three percent.

Economic Expectations of German Companies in the U.S.
(Balance in points)



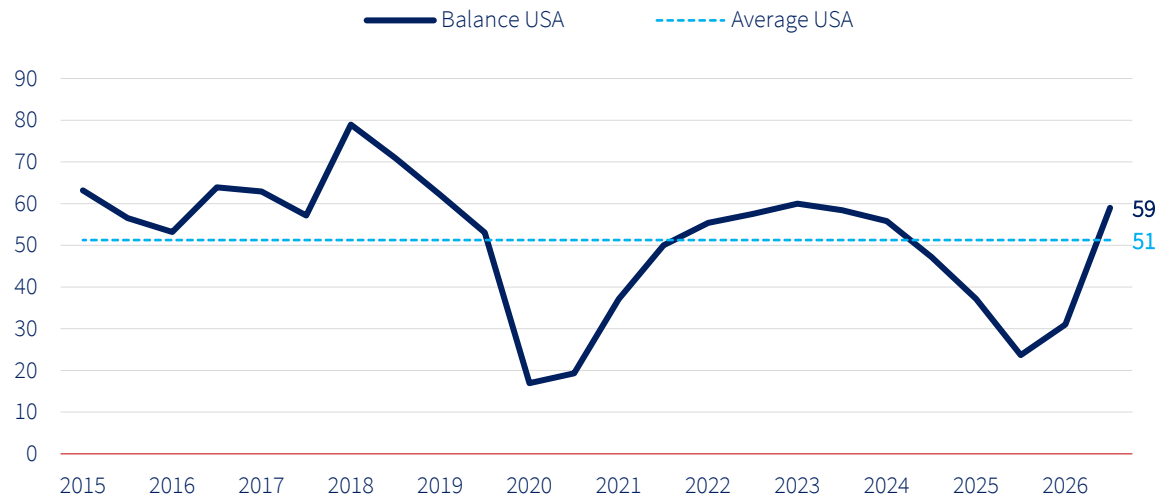
Companies' expectations regarding local economic development
(Percentage of responses, balance calculated as "better" minus "worse")

Country/Region	better	unchanged	worse	Balance
North America (= U.S., Canada, Mexico)	34	52	14	20
Canada	32	50	18	14
Mexico	17	55	28	-11
USA	39	51	10	29

Current Business Situation

The current business climate for German companies in the U.S. has also improved significantly. 64 percent of companies rate their business climate as good, while only five percent rate it as poor. The Balance of positive and negative ratings has thus risen significantly from 31 to 59 points compared to the previous survey and is noticeably above the long-term average of 51 points. Companies in the U.S. are benefiting from favorable location factors in the country, such as low energy prices and streamlined permitting processes. The full implementation of the Turnberry Deal, the reduction of relevant tariffs, and the ongoing stability in the trade dispute, together with robust economic growth, are also contributing to this marked improvement.

Business situation for German Companies in the U.S.
(Balance in points)



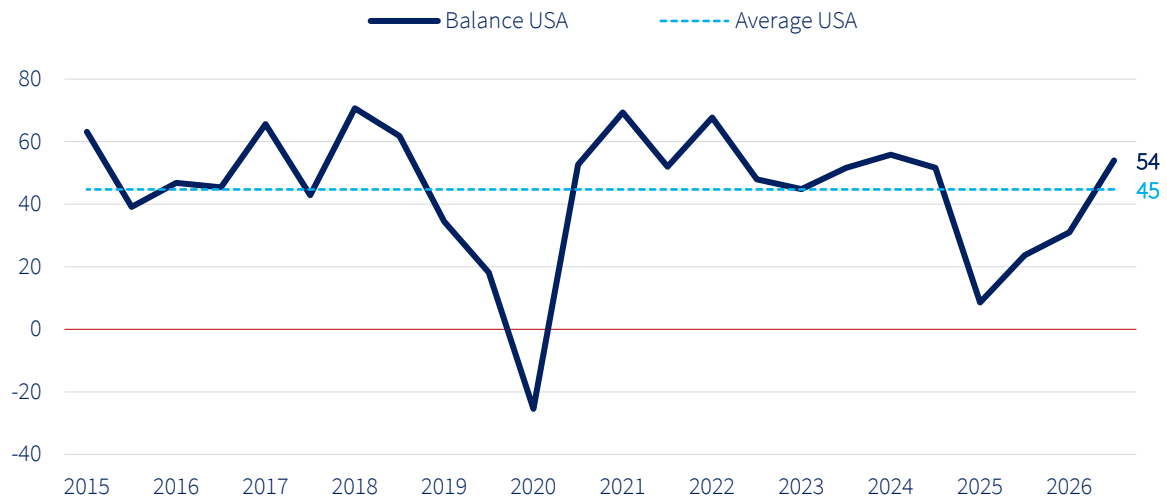
Current business situation of companies
(Percentage of responses, balance of “good” minus “bad” responses)

Country/Region	Good	satisfactory	bad	Balance
North America (= U.S., Canada, Mexico)	58	34	8	50
Canada	50	29	21	29
Mexico	43	43	14	29
USA	64	31	5	59

Business Outlook

Business confidence among German companies in the U.S. has also improved significantly. Fifty-nine percent expect their business performance to improve over the next twelve months, while only five percent anticipate a decline. The Balance of positive and negative business expectations has risen sharply from 31 to 54 points. This puts business confidence above the long-term average of 45 points. Despite ongoing geopolitical conflicts, German companies operating in the U.S. see themselves in a good situation to benefit from local economic developments. At the same time, many companies have adapted to the "new normal" and adjusted to developments in the U.S. market. Furthermore, companies with U.S. production facilities could, in some cases, benefit from reduced international competition in the insular U.S. market.

Business Expectations of German Companies in the U.S.
(Balance in points)



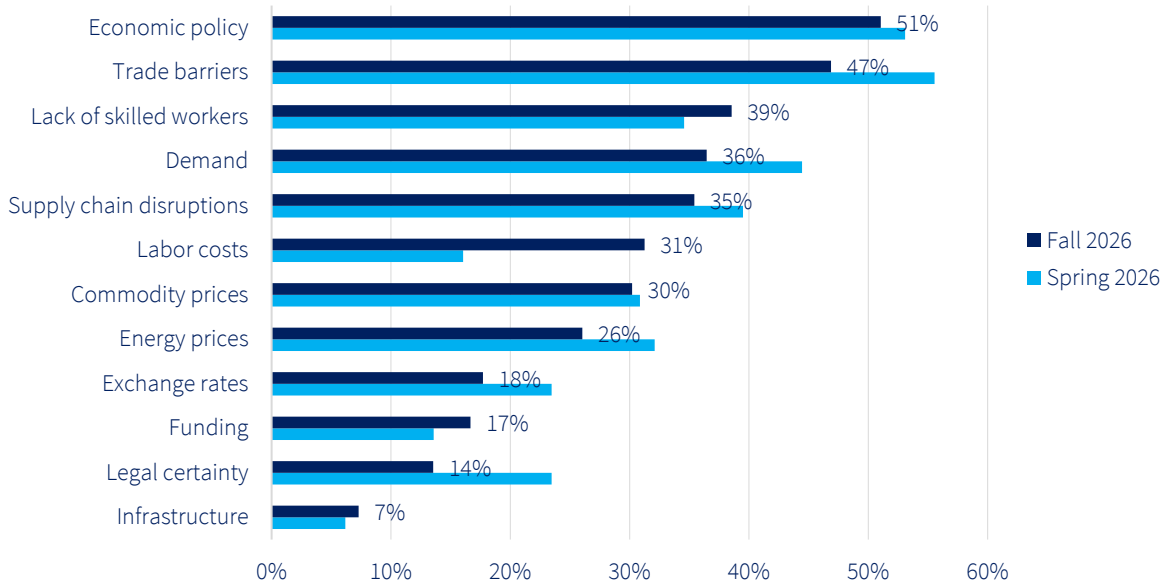
Business expectations of companies for the next 12 months
(Percentage of responses, calculated as the balance between "better" and "worse" responses)

Country/Region	better	unchanged	worse	Balance
North America (= U.S., Canada, Mexico)	56	39	5	51
Canada	44	50	6	38
Mexico	51	43	6	45
USA	59	36	5	54

Business Risks Facing Companies

Despite growing optimism, Economic policy, cited by 51 percent, remains one of the most common business risks for German companies operating locally, particularly in light of the recent midterm elections. 47 percent view trade barriers as a burden. The decline compared to the spring can be partially attributed to the relative easing of the trade conflict. Nevertheless, trade barriers remain the second-most frequently cited risk for German companies in the U.S. Globally, only in Canada do more companies view trade barriers as a business risk. The renewed rise in structural risks, such as the Lack of skilled workers and labor costs, further contributes to the picture of the "New Normal", German companies in the U.S. now once again view domestic political conditions as highly relevant.

Business risks for German companies (in percent, multiple responses allowed)



Business risks for German companies (in percent, multiple responses allowed)

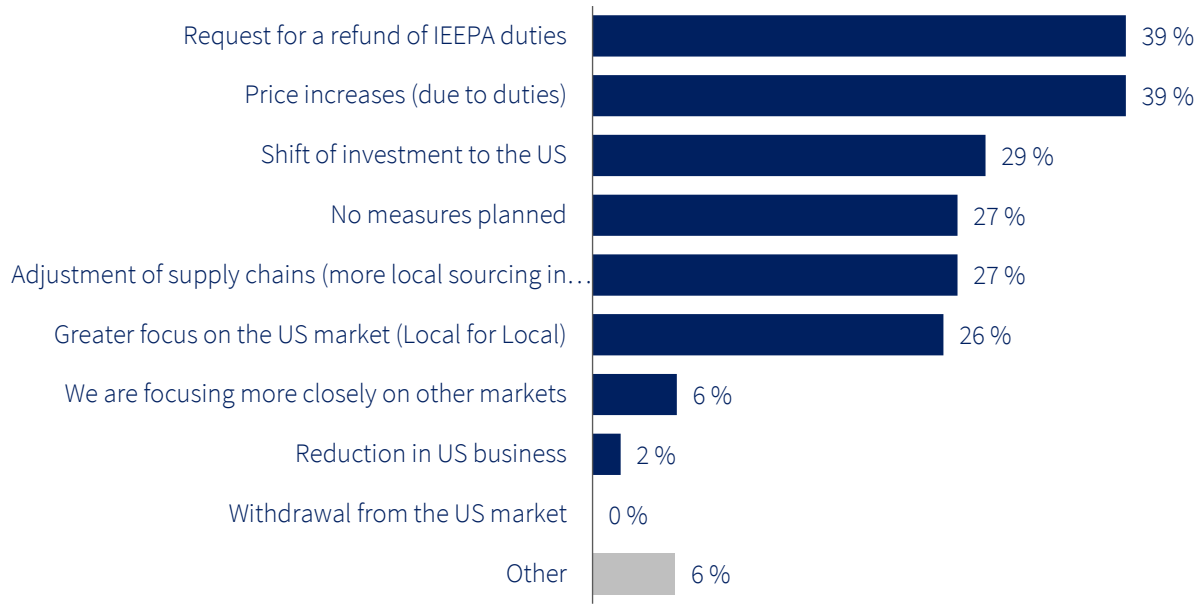
Country/Region	Demand	Funding	Labor Costs	Lack of skilled workers	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade Barriers	Supply Chain Disruptions
North America (= U.S., Canada, Mexico)	44	19	28	28	24	21	27	25	61	12	38	30
Canada	38	21	35	35	26	29	41	26	65	3	62	26
Mexico	51	20	24	16	29	15	21	34	68	18	24	26
USA	36	17	31	39	18	26	30	14	51	7	47	35

Impact of U.S. Trade Policy

German companies in the U.S. are responding to U.S. trade policy primarily by optimizing their market position in the U.S. In addition to applying for refunds of the IEEPA tariff regime which was declared invalid (39 percent of companies), this also includes raising prices due to tariff costs (39 percent of companies). The growing focus on the U.S. market is evident in the shift of investments (29 percent), the adaptation or localization of supply chains (27 percent), and a stronger focus on the U.S. market (26 percent). Only 2 percent of companies plan to reduce their U.S. business; no company plans to exit the U.S. market.

In addition to an increased focus on the U.S. market, passing on increased costs is among the most important responses.

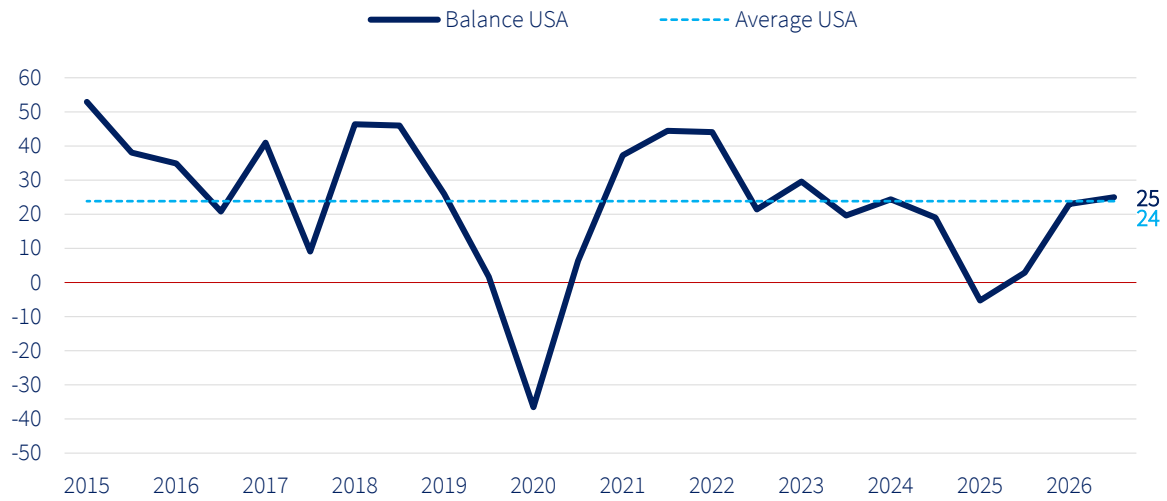
What measures is your company taking in response to U.S. tariff and trade policies? (Multiple answers allowed)



Companies' Investment Plans

The investment plans of German companies in the U.S. remain expansionary. 41 percent plan to increase investments over the next twelve months, while 16 percent intend to reduce their capital expenditure. The resulting net balance rose slightly from 23 to 25 points, placing it just above the long-term average of 24 points. The continued rise in investment plans in the U.S. is both a consequence of the optimism among German companies in the U.S. and part of their adjustments to trade policy.

Investment Plans of German Companies in the U.S.
(Balance in points)



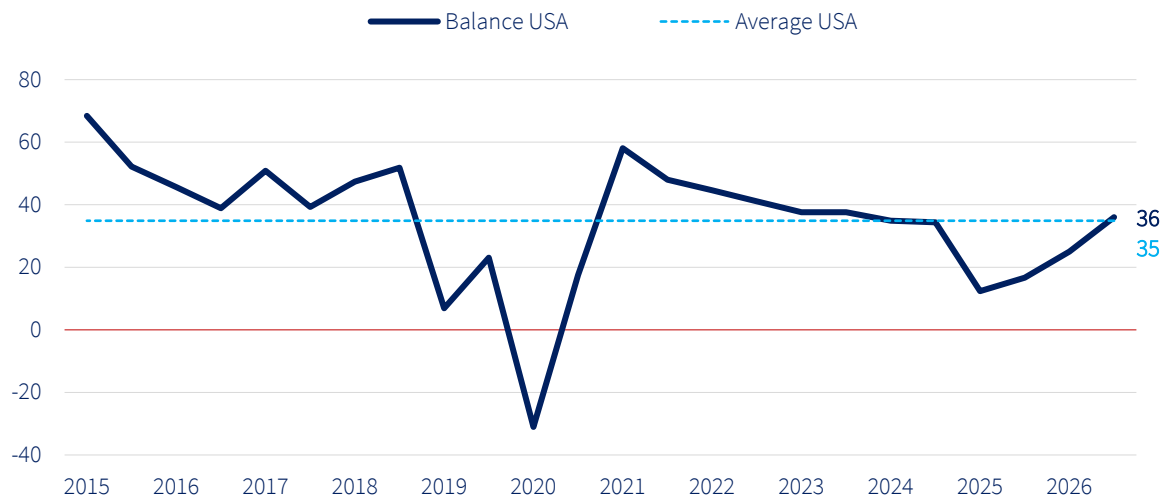
Companies' investment plans for the next 12 months
(Percentage of responses, balance calculated as "higher" minus "lower" responses)

Country/Region	higher	unchanged	lower	Balance
North America (= U.S., Canada, Mexico)	39	45	16	23
Canada	45	32	23	22
Mexico	29	55	16	13
USA	41	43	16	25

Employment plans

Employment plans are also improving. 48 percent of companies plan to increase their workforce over the next twelve months, while 12 percent expect a decline. The balance of rising and falling employment plans has improved from 25 to 36 points, placing it slightly above the long-term average of 35 points.

Employment Plans for German Companies in the U.S.
(Balance in points)



Companies' employment plans for the next 12 months
(Percentage of responses, balance of "higher" minus "lower" responses)

Country/Region	higher	unchanged	lower	Balance
North America (= U.S., Canada, Mexico)	43	44	13	30
Canada	32	47	21	11
Mexico	28	57	15	13
USA	48	40	12	36

Questionnaire

How would you rate your company's current business situation?

- Good / Satisfactory / Poor

How do you expect your company's business to develop locally over the next twelve months?

- better / unchanged / worse

How do you assess the local economic outlook for the next twelve months?

- better / unchanged / worse

How do you expect your company's local investment spending to develop over the next twelve months?

- higher / unchanged / lower / no investments

How do you expect your company's local workforce to change over the next twelve months?

- higher / unchanged / lower

Where do you see the greatest risks to your company's economic performance over the next twelve months? (Multiple answers allowed)

- Demand / Funding / Labor Costs / Lack of skilled workers / Exchange Rates / Energy Prices / Commodity Prices / Legal Certainty / Economic policy / Infrastructure / Trade Barriers, Preferential Treatment of Domestic Companies / Disruptions in the supply chain (e.g., logistics, shortage of intermediate goods)

Do you see any other risks to your company's economic development?

<u>For U.S. Chambers only:</u>

What measures is your company taking in response to U.S. customs and trade policies? (Multiple answers allowed)

- No measures planned
- Relocation of investments to the U.S.
- Requesting a refund of IEEPA duties
- Price increases (due to higher import prices)
- Adjustment of supply chains (more local sourcing in the U.S.)
- Greater focus on the U.S. sales market (local for local)
- We are paying closer attention to other markets
- Reduction of U.S. business
- Withdrawal from the U.S. market
- Other: (Free text)

Methodology

The AHK World Business Outlook is based on a regular DIHK survey of member companies of the German Chambers of Commerce Abroad and Delegations (AHKs). In the Fall of 2026, it collected responses from nearly 3,500 German companies, branches, and subsidiaries worldwide, as well as companies with close ties to Germany. Ninety-nine companies from the U.S. participated.

The survey was conducted from October 5 to 23, 2026. Forty percent of the responding companies are in the Manufacturing Industry and construction sectors, 41 percent are in the service sector, and another 19 percent are trading companies. Smaller companies with fewer than 100 employees accounted for 49 percent of the responses. Twenty-five percent of the companies employ between 100 and 1,000 employees. Large companies with more than 1,000 employees account for 26 percent of respondents worldwide. 50 percent are subsidiaries or branches of German companies, 36 percent are local or (non-German) international companies without a branch in Germany, and another 14 percent are local or (non-German) international companies with a branch in Germany.

The results for the continental regions and the global figure are weighted. The weighting for each individual country is based on the average gross domestic product (GDP) for the years 2017–2021 in U.S. dollars. The questions regarding business conditions, expectations, the economy, investments, and employment are weighted accordingly.

Legal Notice

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As of: November 2026