

Better Prospects in Uncertain Times

AHK World Business Outlook Fall 2026

DIHK AHK

Key Findings

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The global economy has largely absorbed the setback it suffered in the spring as a result of the crisis in Iran and the closure of the Strait of Hormuz. However, the economic recovery remains fragile, and geopolitical tensions and a more difficult trade and industrial policy environment are putting a ceiling on it. This leaves less room to cushion new crises. In many countries, shrinking fiscal space due to higher debt levels further limits financial buffers. Companies, too, have had to be flexible and have already adapted to a series of geopolitical and trade policy shocks.

The AHK World Business Outlook Fall 2026 shows renewed confidence among German companies at their international locations: The global economy and their own business are recovering, and investment and hiring plans are becoming more expansionary. However, the recovery is proceeding at different speeds across regions. Economic expectations, the business situation, and business expectations are improving particularly markedly in North America and in the Asia-Pacific region outside China. There, the increasing use of artificial intelligence and global demand for semiconductors and data center components are supporting growth. In China, by contrast, business opportunities are being held back by weak domestic demand and trade barriers, while Europe continues to lag behind economically despite some improvement.

Risks are not decreasing, but they are shifting. Even though energy and commodity prices and supply chain disruptions are less of a focus for many businesses, they are still cited more often than before the crisis. In the Gulf states, supply chain disruptions remain the biggest business risk for nearly two-thirds of German companies. A renewed escalation could put additional strain on key energy and trade routes. At the same time, companies are once again citing economic policy conditions as a risk more frequently, and lack of demand almost as often as in the spring. Trade barriers, on the other hand, are cited as a business risk somewhat less often worldwide. However, nearly half of the companies in the two countries where the biggest trade barriers currently originate – the U.S. and China – name trade barriers as a business risk. Tariffs, sanctions, and export controls are causing companies particular difficulties in precisely these countries.

Overall, companies are looking ahead with more confidence again, but they continue to face a wide range of persistent risks. On top of this, competitive pressure from Chinese rivals is being felt worldwide. Many businesses are responding by tapping new sales and sourcing markets. This strengthens their competitiveness while reducing dependencies. Open markets, reliable trade relations, affordable energy, and access to technologies and raw materials are therefore becoming key prerequisites for harnessing growth potential while increasing resilience to new shocks.

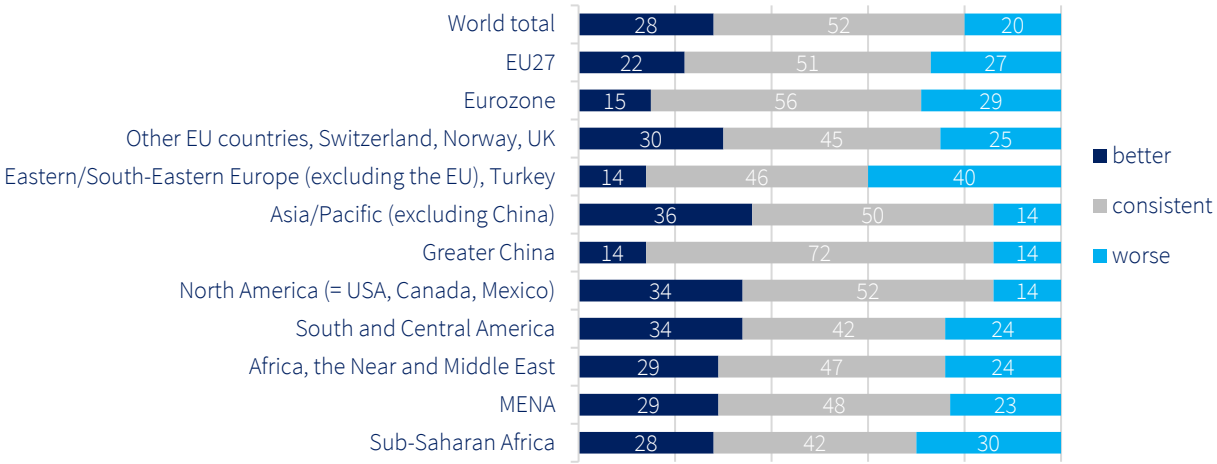
Companies' Economic Expectations Worldwide

The global economy is proving more resilient than expected in the spring. The marked improvement in German companies' assessments of economic developments at their respective locations points to stabilization, but not to an all-clear: Geopolitical and trade policy risks persist, and the recovery varies widely from region to region. Worldwide, 28 percent of German companies expect the economy at their foreign location to pick up over the next twelve months. That is seven percentage points more than in spring 2026. One in five companies still expects the economy in the region where it is located to weaken (20 percent, down from 32 percent). The balance of global economic expectations has thus turned positive again, climbing by 19 points to plus eight points. This is also higher than a year ago (balance of plus two points in fall 2025). Particularly optimistic economic prospects are currently found in the Asia-Pacific region (excluding China) and in North America. In Europe, by contrast, pessimistic assessments still predominate, although economic expectations in the EU have also improved noticeably compared with the spring.

Companies' economic expectations for the next 12 months
Balance of "better" minus "worse" responses



Companies' economic expectations for the next 12 months
Share of responses in percent

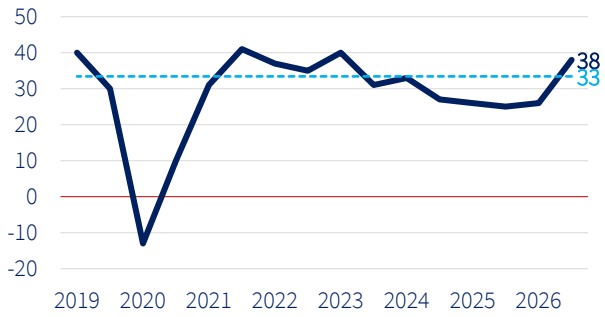


Companies' Business Situation and Expectations

Business at German companies' foreign locations is recovering. Currently, almost half of the companies (48 percent) rate their business situation as good (spring 2026: 39 percent), and only one in ten as poor (10 percent, down from 13 percent in spring 2026). The balance of positive and negative assessments rises from 26 to 38 points, exceeding the long-term average of 33 points for the first time since spring 2023. The business situation is improving particularly sharply in North America (50, up from 28 points) and in the Asia-Pacific region (excluding China), where the balance more than doubles to 41 points. Assessments of the current situation are weaker than last time in South and Central America (15, down from 28 points).

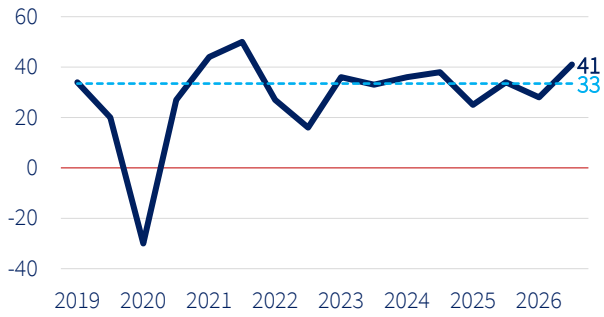
Business situation

Balance of "good" minus "poor" responses



Business expectations

Balance of "better" minus "worse" responses



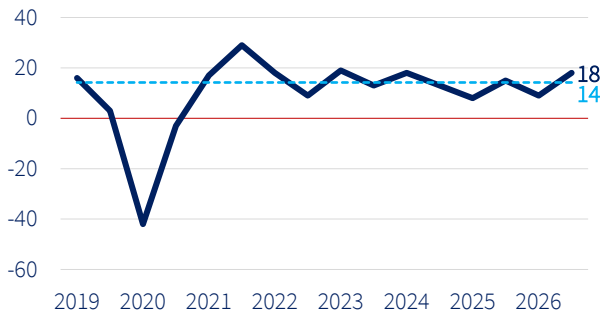
International business at German companies should also develop positively over the next twelve months. Their outlook for their own business is brightening considerably: One in two companies expects business to improve (49 percent, up from 43 percent in spring 2026). Only 8 percent still expect their business activity to deteriorate (spring 2026: 15 percent). The balance of positive and negative expectations rises from 28 to 41 points—the highest level since fall 2021. The expectations balance is thus once again above the long-term average of 33 points. German companies are most confident at their locations in the Asia-Pacific region (excluding China), with a balance of 52 points. The outlook for North America is also improving significantly (51, up from 31 points). In South and Central America, companies remain similarly optimistic (51, compared with 52 points previously). German companies are, however, much less confident than last time about business in Greater China (26, down from 40 points). In China in particular, German companies are struggling with the sluggish economy as well as with increasing competitive pressure from local manufacturers.

Companies' Investment and Employment Plans

The improved business situation and higher business expectations go hand in hand with more expansionary investment and hiring plans. Thirty-five percent of companies plan to increase investment over the next twelve months (spring 2026: 31 percent), while 17 percent intend to reduce capital spending (spring 2026: 22 percent). Just under half of the companies intend to keep investment at its current level. The balance rises from nine to plus 18 points, once again above the long-term average (14 points). Companies are also more confident about staffing: 37 percent plan to increase their headcount over the next twelve months, while 14 percent expect a decline. The balance of rising and falling employment intentions improves from 15 to plus 23 points, slightly above its long-term average (21 points). Investment and hiring plans are particularly expansionary in the Asia-Pacific region (excluding China) and in the MENA region. In Greater China, German companies are planning significantly more hiring (balance of 24, up from three points). In North America, investment plans are rising slightly (balance of 23, up from 20 points), and employment plans are even rising noticeably (30, up from 22 points).

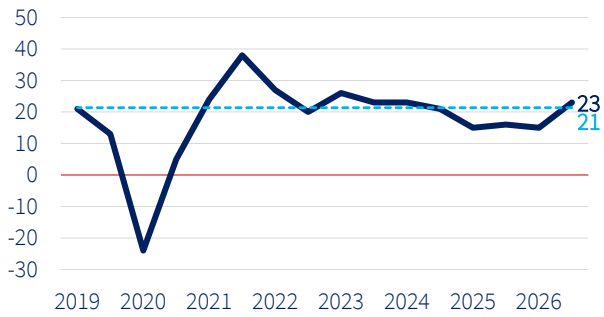
Investment intentions

Balance of "higher" minus "lower" responses



Employment intentions

Balance of "higher" minus "lower" responses



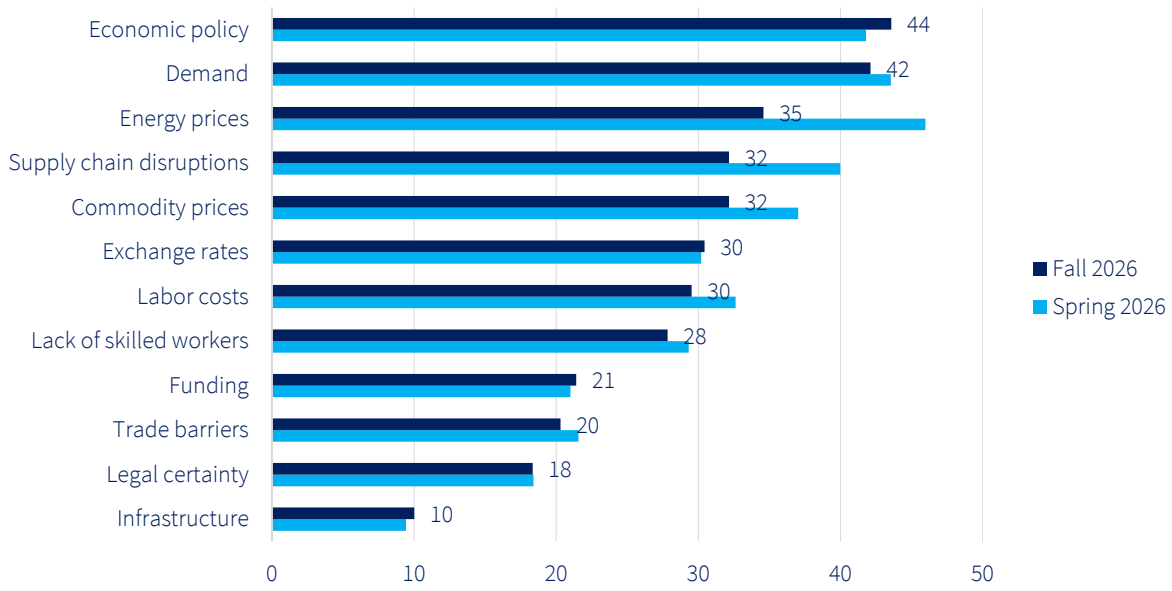
Companies' Business Risks

However, better economic and business expectations do not mean a fundamental easing for international trade and business activity. The risk situation is improving only in places; risks have shifted and are increasingly concentrated in individual markets and trading areas: While economic policy uncertainty and weak demand are moving back into the foreground, the energy and commodity prices that rose in the wake of the Middle East war are becoming less pressing.

The business risk currently cited most often is economic policy conditions (44 percent, up from 42 percent in spring 2026). Demand risk also remains particularly high. More than four in ten companies (42 percent, down from 44 percent) are concerned that insufficient demand for their products and services will slow business. Although oil prices remain high, significantly fewer companies cite high energy prices as a concern than in the spring (35 percent, down from 46 percent; long-term average: 31 percent). Concern about supply chain disruptions is also declining (32 percent, down from 40 percent), as is the risk of high commodity prices (32 percent, down from 37 percent). Overall, this points to a degree of adjustment to the effects of the Middle East war and to further diversification of supply chains. In the Gulf states, however, supply chain disruptions remain by far the biggest business risk, at 61 percent. In addition to the blockade of the Strait of Hormuz, passage through the Bab el-Mandeb Strait has now also become riskier due to attacks by Houthi rebels.

The trade barriers risk is declining worldwide (20 percent, down from 22 percent). In the U.S. and China, however, it remains one of the most frequently cited risks, at 47 and 46 percent, respectively. In addition, exchange rate risk plays a much larger role in, for example, Bolivia (77 percent), Japan (75 percent), and Türkiye (72 percent) than on global average (30 percent overall).

Companies' business risks over the next twelve months
Multiple answers possible; shares in percent



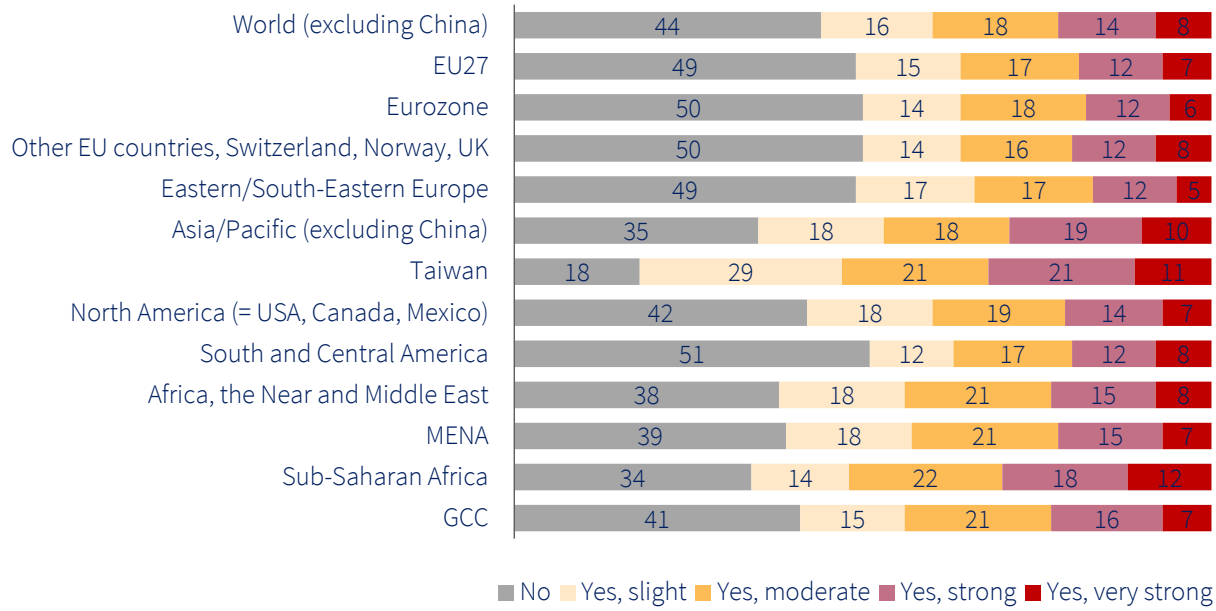
Increasing Competition from China

Competition with Chinese manufacturers is becoming increasingly fierce for German business. This applies both to companies in Germany, as the DIHK special survey on China from September 2026 shows, and to German companies at their international locations worldwide:

Fifty-six percent of German company locations abroad (excluding China) are experiencing growing competition from Chinese rivals, and more than one in five companies (22 percent) even describe it as strong or very strong. Forty-four percent do not perceive any increase in competitive pressure. Growing Chinese competition is being felt worldwide but is particularly pronounced in certain regions: In the Asia-Pacific region (excluding China), 65 percent of companies report growing Chinese competition, compared with 62 percent in Africa and the Near and Middle East and 58 percent in North America. In the EU, the figure is 51 percent, and in South and Central America, 49 percent.

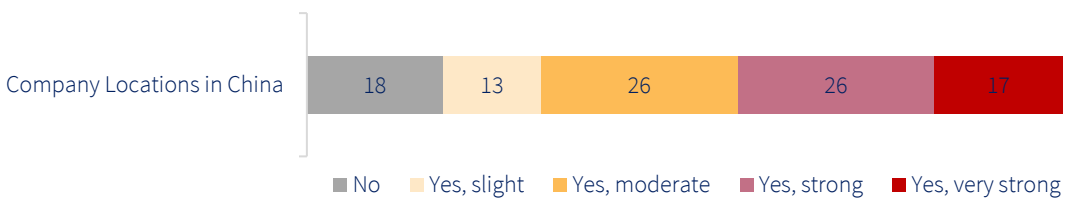
At the country level, Thailand (83 percent), Taiwan (82 percent), and Kazakhstan (81 percent) stand out, followed by South Korea and Spain (78 percent each). Competitive pressure is perceived as comparatively low, by contrast, in Croatia (23 percent) and in Albania and Greece (29 percent each).

Is your company experiencing growing competition from Chinese competitors?
Figures in percent



In China itself, competitive pressure is even more pronounced: 82 percent of German companies in China and Hong Kong are experiencing growing competition from local rivals, and 43 percent even describe it as strong or very strong. In China alone, the figure is 88 percent.

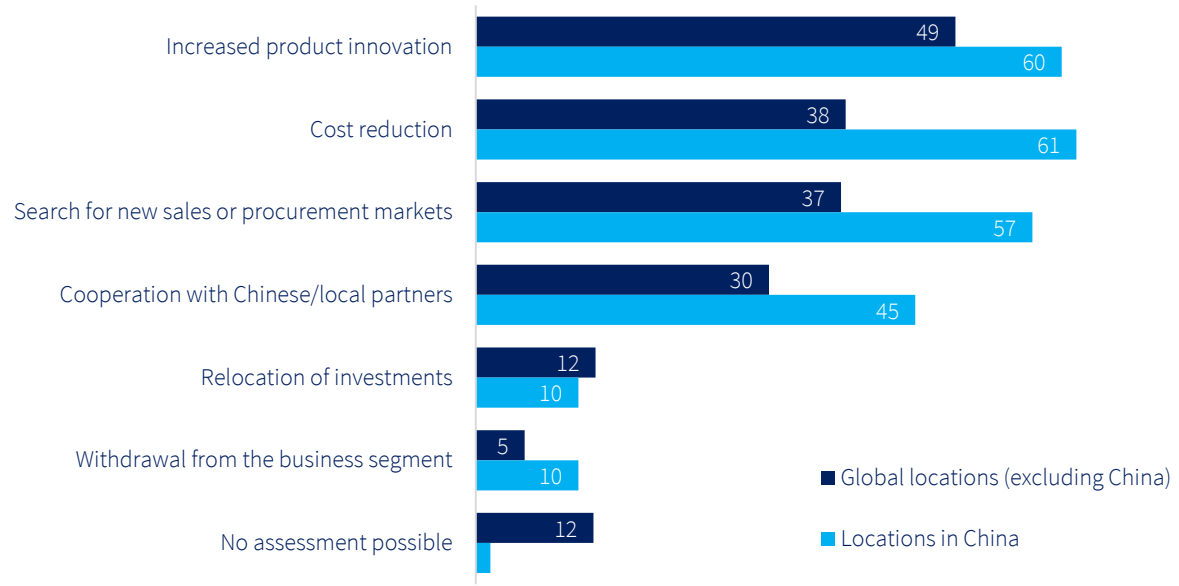
Is your company experiencing growing competition from local competitors?
Figures in percent



How Are Companies Responding?

Companies that perceive growing competition from China are pursuing various strategies to hold their own: Just under half (49 percent) are responding with greater product innovation. Thirty-eight percent are relying on cost cuts, and 37 percent are looking for new sales or sourcing markets. Just under a third (30 percent) want to step up cooperation with Chinese partners. Relocating investments (12 percent) or even withdrawing from the business area (5 percent) remain the exception so far. Companies in the eurozone focus particularly often on innovation (62 percent) and those in North America on cost cuts (44 percent), while in Africa and the Near and Middle East, cooperation with Chinese partners is above average at 36 percent.

How is your company responding at its location to increasing competition from China?
(only if companies indicated that competitive pressure from China or from local manufacturers has increased; multiple answers possible)



The Chinese domestic market is perceived as even more competitive, so German companies there depend even more heavily on a mix of several strategies. With the exception of relocating investments (10 percent), all other responses are cited significantly more often than by German company locations in the rest of the world:

Companies at their Chinese locations rely most often on cost cuts (61 percent), closely followed by greater product innovation (60 percent) and the search for new sales and sourcing markets (57 percent). Forty-five percent are expanding cooperation with local partners. At ten percent, the share of companies in China responding by withdrawing from a business area is twice the global average. This, too, reflects the intensity of competition.

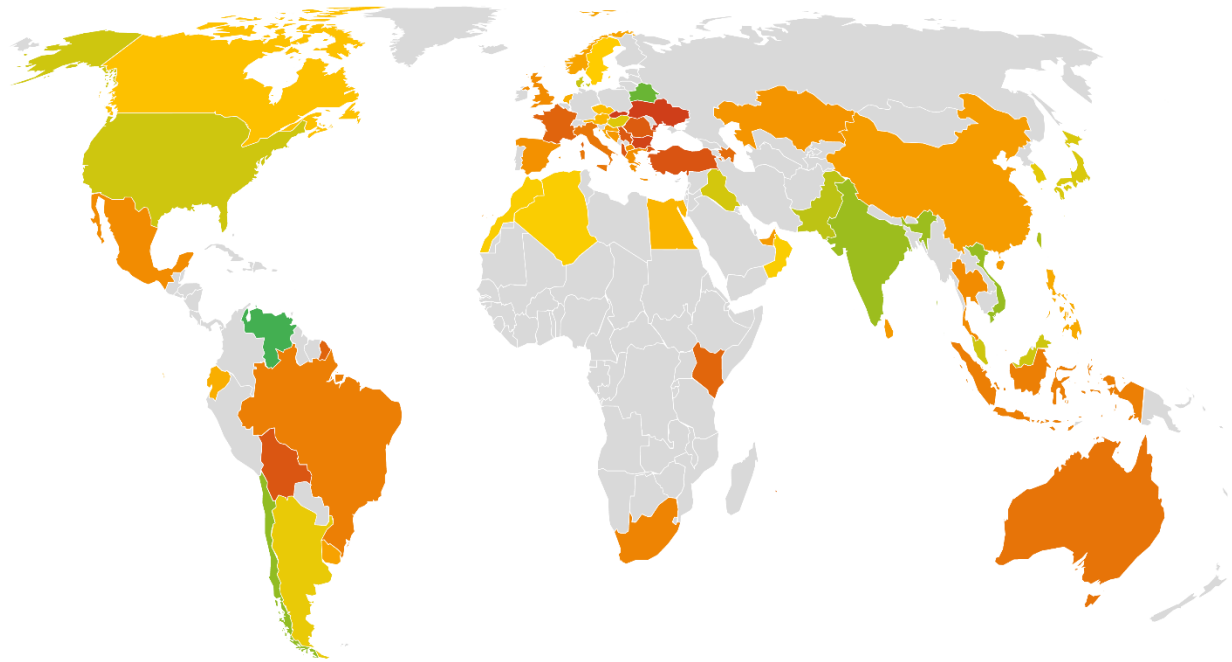
World Regions in Focus

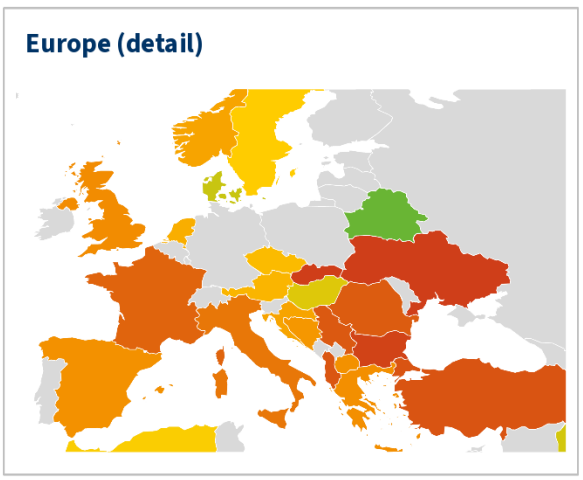
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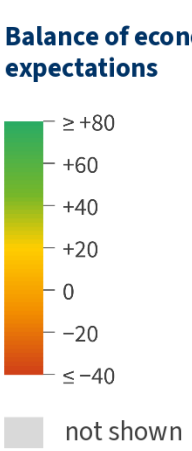
The AHK World Business Outlook Fall 2026 shows a resilient global economy that has stabilized noticeably again after the setback in the spring. The tense situation in the Middle East, trade policy disputes with China, and volatile U.S. economic policy persist. Nevertheless, the global economy is proving robust. German companies' economic expectations for their foreign locations are once again above the long-term average. Regional differences remain large, however: In the Asia-Pacific region (excluding China) and in North America, the increasing use of artificial intelligence and demand for semiconductors as well as for data center components and equipment are giving the economy a boost. In Europe, on the other hand, a pessimistic view prevails overall. In the MENA region, economic expectations are below their long-term average as a result of the war. For Greater China, companies expect average economic development.

Companies' economic expectations at their locations

Balance of "better" minus "worse" responses





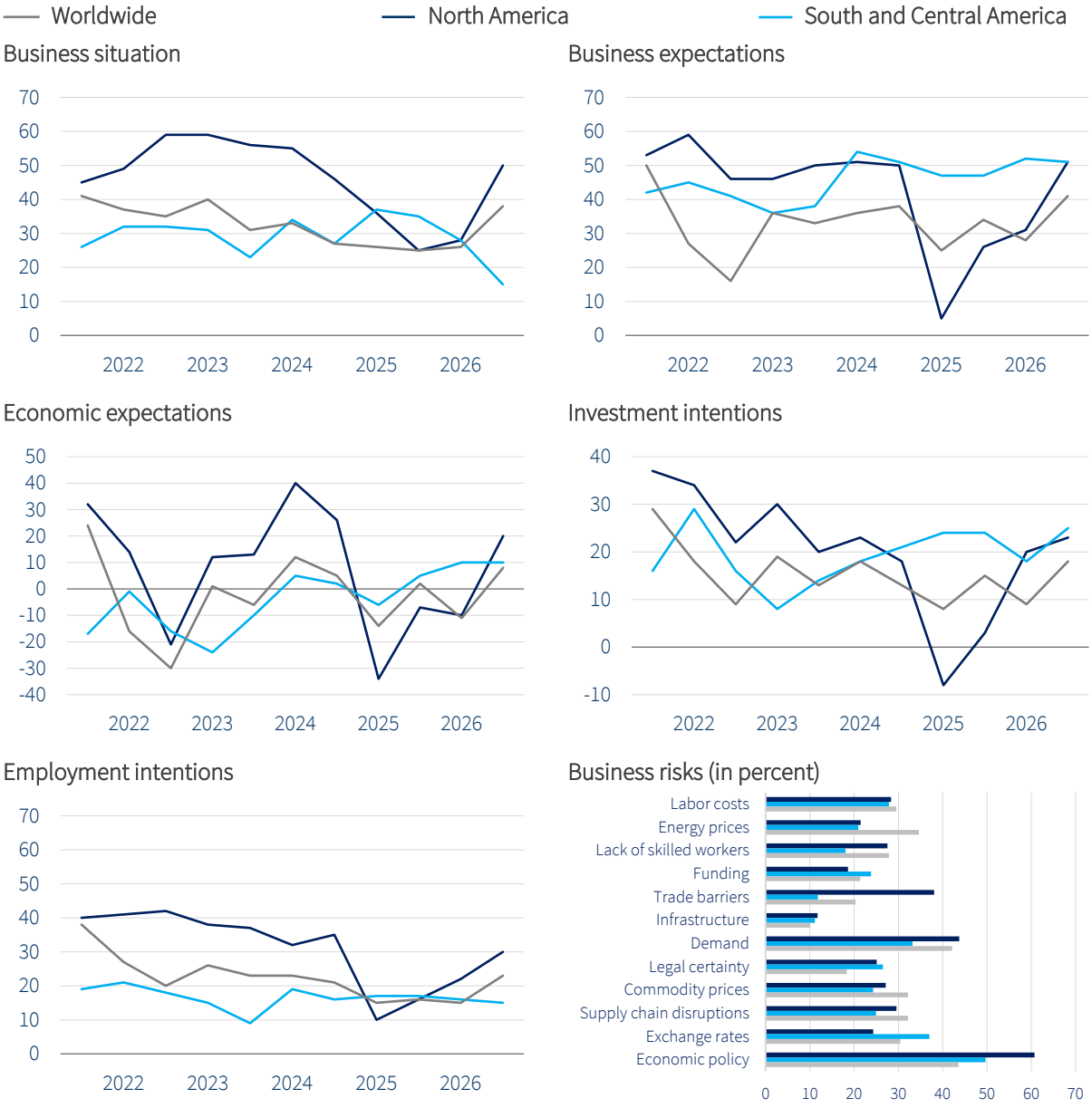


The Americas (North, South, and Central America)

German companies in the Americas are considerably more optimistic about the economic environment at their locations than German companies in European countries. Although the North American economy is also losing momentum, it remains robust overall – which is also reflected in companies' significantly better business expectations: The U.S. in particular continues to be supported by high AI investment, whereas Canada and Mexico are growing more slowly. At the same time, however, rising consumer prices, trade policy uncertainty, and geopolitical risks are limiting growth prospects. Thirty-four percent of companies in North America expect economic conditions to improve over the next twelve months, and only 14 percent expect them to worsen. The balance rises from minus 10 to plus 20 points, well above the long-term average of 11 points.

South and Central America is seeing moderate growth, supported primarily by commodity exports and, in some cases, robust domestic demand. However, political uncertainty is preventing stronger economic momentum. Thirty-four percent of companies expect the economy to improve, while 24 percent expect it to deteriorate. The balance remains unchanged at 10 points, above the long-term average of four points.

All charts show the balance of better/higher/good minus worse/lower/poor responses.



North America (U.S., Canada, Mexico)

In North America, German companies' assessments are brightening: The business situation and business expectations are improving significantly. However, uncertainty regarding U.S. economic and trade policy persists.

In the U.S., German companies are noticeably more confident about their business development again in fall 2026 (the business situation balance rises from 31 to 59 points, the business expectations balance from 31 to 54 points). The Turnberry deal has been ratified and is in effect, tariffs are below their spring levels, and the first tariff refunds are being paid. At the same time, the U.S. economy is proving robust. Against this backdrop, German companies have largely adjusted to the "new normal" in the U.S. market and once again see greater opportunities for their business there.

However, the more positive sentiment should not obscure the fact that the U.S. market involves considerable uncertainty. Economic policy conditions (51 percent, down from 53 percent) and trade barriers (47 percent, down from 56 percent) are still among the biggest business risks cited by companies there. The "new normal" therefore still does not mean that trade policy uncertainty has come to an end. Rather, many companies have learned to cope with higher tariffs, changed conditions, and an unpredictable trade policy environment.

In Canada, too, confidence is returning despite increasing trade barriers. Sentiment has improved across the board compared with the spring. Business expectations are rising sharply (the business expectations balance rises from 10 to 38 points). German companies in Canada have apparently also adjusted to the changed trade environment—which is shaped above all by relations with their large neighbor, the U.S. Nevertheless, the situation remains fragile. The share of companies citing trade barriers as a business risk rises from 50 percent to 62 percent. In no other country are trade barriers cited as a risk this often.

In Mexico, German companies have above-average business expectations despite a subdued economy (the business expectations balance rises from 37 to 45 points; average: 36 points). Above all, the easing of risks related to legal certainty (34 percent, down from 44 percent), supply chains (26 percent, down from 36 percent), and trade barriers (24 percent, down from 30 percent) is brightening business prospects. By far the most frequently cited business risk remains economic conditions (68 percent).

South and Central America

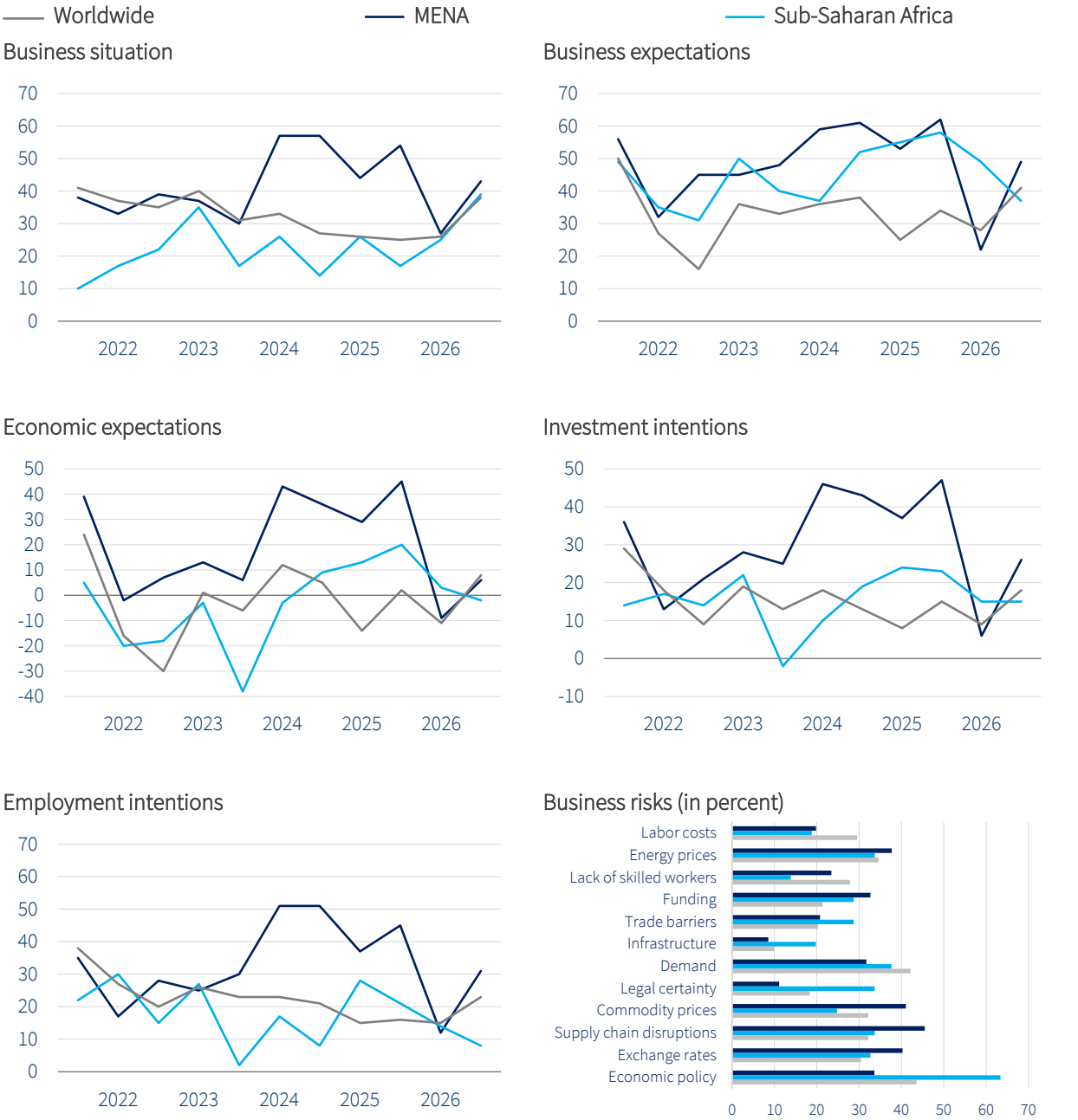
The current business situation of German companies in South and Central America is deteriorating. The balance of positive and negative assessments of the situation drops by 13 points to a current level of 15 points. The difficult economic policy situation in many countries and, in some cases, high government debt are weighing on many companies' current business. German companies' business expectations there, by contrast, remain high: They are falling only slightly, and the balance of 51 points (spring 2026: 52 points) signals business confidence. Improved trade policy conditions with key partners through the EU-Mercosur free trade agreement and the EU's free trade agreement with Chile are providing greater legal and planning certainty, making it easier to tap new sales and sourcing markets and further strengthening the region's strategic importance.

However, this is not leading to more expansionary investment plans in all countries of the region. While German companies in South and Central America as a whole expect investment budgets to rise (the investment intentions balance rises from 18 to 25 points), concerns about eroding legal certainty in Brazil (59 percent) and about exchange rate fluctuations in Bolivia (77 percent) are dampening the willingness to invest (investment balance in Brazil: minus three points; Bolivia: minus two points).

Africa, Near and Middle East (MENA, Sub-Saharan Africa)

Economic expectations in Africa and in the Near and Middle East are diverging. In Sub-Saharan Africa, German companies expect a rather subdued economy (economic expectations balance: minus two, down from plus three points). The economy in the MENA region took a considerable hit from the crisis in the Gulf, especially in the first half of the year, albeit from a high level. Now – from the perspective of companies on the ground – economic tensions appear to be easing somewhat. Risks remain exceptionally high, however. German companies there once again expect somewhat better economic development in the region than shortly after the start of the Middle East war (economic expectations balance: plus six, up from minus nine points). However, economic expectations are still far from their long-term average (20 points).

All charts show the balance of better/higher/good minus worse/lower/poor responses.



MENA

In the MENA region, the consequences of the war are still being felt. The blockade of the Strait of Hormuz and Houthi activity in the Bab el-Mandeb Strait in particular are reflected in the business risks of German companies in the region. Supply chain disruptions thus remain the most frequently cited business risk at 45 percent; in the Gulf states, the figure is as high as 61 percent. Commodity prices (41 percent) and exchange rate risks (40 percent) follow in second and third place.

Despite the crisis, the business situation and expectations of German companies in the region are recovering noticeably after the slump in the spring (situation balance: 43, up from 27 points; expectations balance: 49, up from 22 points). However, the figures do not yet match the high levels of the previous year (54 and 62 points, respectively). Investment and employment plans are also picking up strongly again (investment balance: 26, up from six points; employment balance: 31, up from 12 points). Plans are more restrictive, however, among companies in the Gulf states. Although companies there also report visibly better business expectations, they remain considerably more cautious about future investment in the crisis region (the investment balance rises from minus 16 to plus six points).

Sub-Saharan Africa

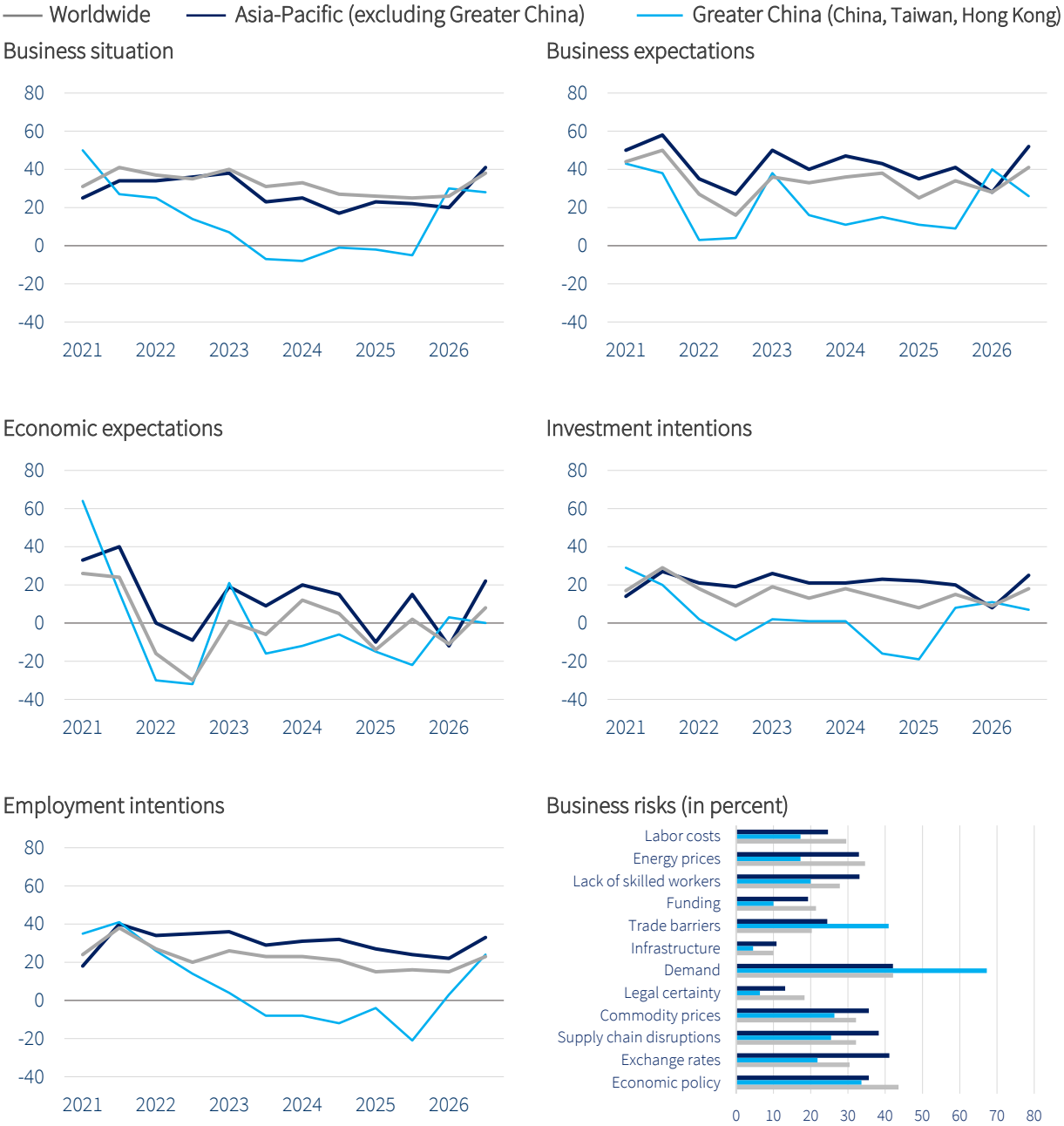
In Sub-Saharan Africa, business at German companies is going better than average and also better than in the spring. The business situation balance rises from 25 to 39 points (average: 22 points). Macroeconomic risks are receding into the background. Companies see particular easing with regard to energy prices (34 percent, down from 45 percent), exchange rates (33 percent, down from 44 percent), and financing (29 percent, down from 39 percent).

Nevertheless, German companies' business expectations at their African locations for the next twelve months are deteriorating noticeably (expectations balance: plus 37 points, down from 49 points in the spring). Companies in the region experience growing competitive pressure from Chinese manufacturers more often than average (66 percent). Thirty percent say the pressure has increased strongly or very strongly. In addition, homegrown problems are moving into the foreground: 63 percent see uncertain economic policy as a business risk (spring: 42 percent), and 34 percent cite eroding legal certainty (spring: 17 percent).

Asia-Pacific

In China, economic growth remains at rather modest levels compared with the high rates of past years – despite strong exports and considerable government support. The real estate crisis and weak domestic demand dominate the economic picture. German companies in Greater China therefore have only muted economic expectations for the region (economic expectations balance: zero, down from plus three points). The rest of the Asia-Pacific region is developing more dynamically overall, benefiting above all from global demand for semiconductors and artificial intelligence technology. After the shock of the Middle East war in the spring, companies there once again have predominantly positive expectations. The balance swings from minus 12 to plus 22 points, well above the long-term average of nine points. In no other world region is the economic expectations balance this high.

All charts show the balance of better/higher/good minus worse/lower/poor responses.



Asia-Pacific (excluding China)

At locations in the Asia-Pacific region (excluding China), German companies' business situation and business expectations are improving significantly. One in two businesses rates its current situation as good (49 percent), and fewer than one in ten report poor business (8 percent). The situation balance thus rises from 20 to 41 points. More than half also expect business to improve over the next twelve months, while only 4 percent are pessimistic. The expectations balance increases significantly – by 24 points to 52 points.

At the same time, investment and hiring plans are more expansionary. In addition to a technology boom in certain countries, the economic momentum of some markets in the region offers German companies new sales and investment opportunities. The investment plans balance rises by 17 points to plus 25 points, and employment intentions increase by 11 points (current balance: 33 points).

Compared with the spring, business risks have shifted to several focal points, similar to the global picture: Supply chain disruptions and energy prices are cited as business risks less often than before. The share citing supply chain disruptions falls from 53 to 38 percent, and the share citing energy prices from 50 to 33 percent. Demand is the most frequently cited business risk at 42 percent, closely followed by the exchange rate at 41 percent (previously 51 percent).

In India, companies are particularly optimistic (situation balance: 50 points; expectations balance: 60 points). Robust private consumption, a revival in private investment, and recent tax reforms are generating economic momentum that also benefits German locations on the subcontinent. In addition, concerns about supply chain disruptions (44 percent, down from 58 percent) and high energy prices (30 percent, down from 40 percent) are easing somewhat. As a result, companies at their Indian locations want to expand investment and employment substantially.

In Japan, it is the AI boom that is fueling the economy. German companies there currently have above-average expectations and expansionary plans (expectations balance: 51 points; investment balance: 24 points). Employment intentions even reach a record high, with a balance of 46 points. Implementation is likely to be challenging, however, as Japan has a rapidly aging and shrinking population. German companies therefore once again increasingly see the shortage of skilled workers as a business risk (41 percent, up from 29 percent). The exchange rate remains another risk for three-quarters of companies (75 percent, down from 84 percent). While the weak yen supports the competitiveness of Japan's export sector, it makes imports of intermediate goods more expensive.

At the same time, the region's strong momentum goes hand in hand with particularly intense competitive pressure from China. Sixty-five percent of German companies in Asia-Pacific (excluding China) perceive growing competition from Chinese rivals, compared with 56 percent worldwide. Competitive pressure is particularly pronounced in Thailand (83 percent) and South Korea (78 percent).

Greater China (China, Taiwan, Hong Kong)

In China, the economy remains stable but lacks momentum from the perspective of German companies: With a balance of minus four points, assessments of general economic development are at an average level by long-term standards. German companies' own business situation there is deteriorating slightly (balance: 26, down from 29 points), and their business expectations are significantly weaker than in the spring (24, down from 42 points).

German companies in China are more reluctant to commit additional capital: The investment balance falls from 12 to seven points, below its long-term average (nine points). At the same time, employment intentions are rising significantly: 39 percent of companies plan to hire additional staff in the coming year (balance: 25 points, up from three points). The diverging trends in investment and employment plans suggest that the planned increase in staff is not linked to a broad expansion of capacity. Companies continue to invest primarily in personnel in order to remain competitive despite strong competition and heavy price pressure in the Chinese market.

Weak domestic demand remains by far the biggest business risk there, at 74 percent. Intense competitive pressure is also likely to be a factor in companies' adjustment strategies. Eighty-eight percent of German companies in China perceive growing competition from local rivals in their business area, and just under half (48 percent) even describe it as strong or very strong. Among the companies affected, 65 percent each are responding with cost cuts and greater product innovation, 58 percent are looking for new sales or sourcing markets, and 46 percent are expanding cooperation with local partners. Nine percent are withdrawing from business areas. Among business risks, trade barriers are gaining significantly in importance (46 percent, up from 27 percent). High energy prices, on the other hand, are cited less often (14 percent, down from 29 percent).

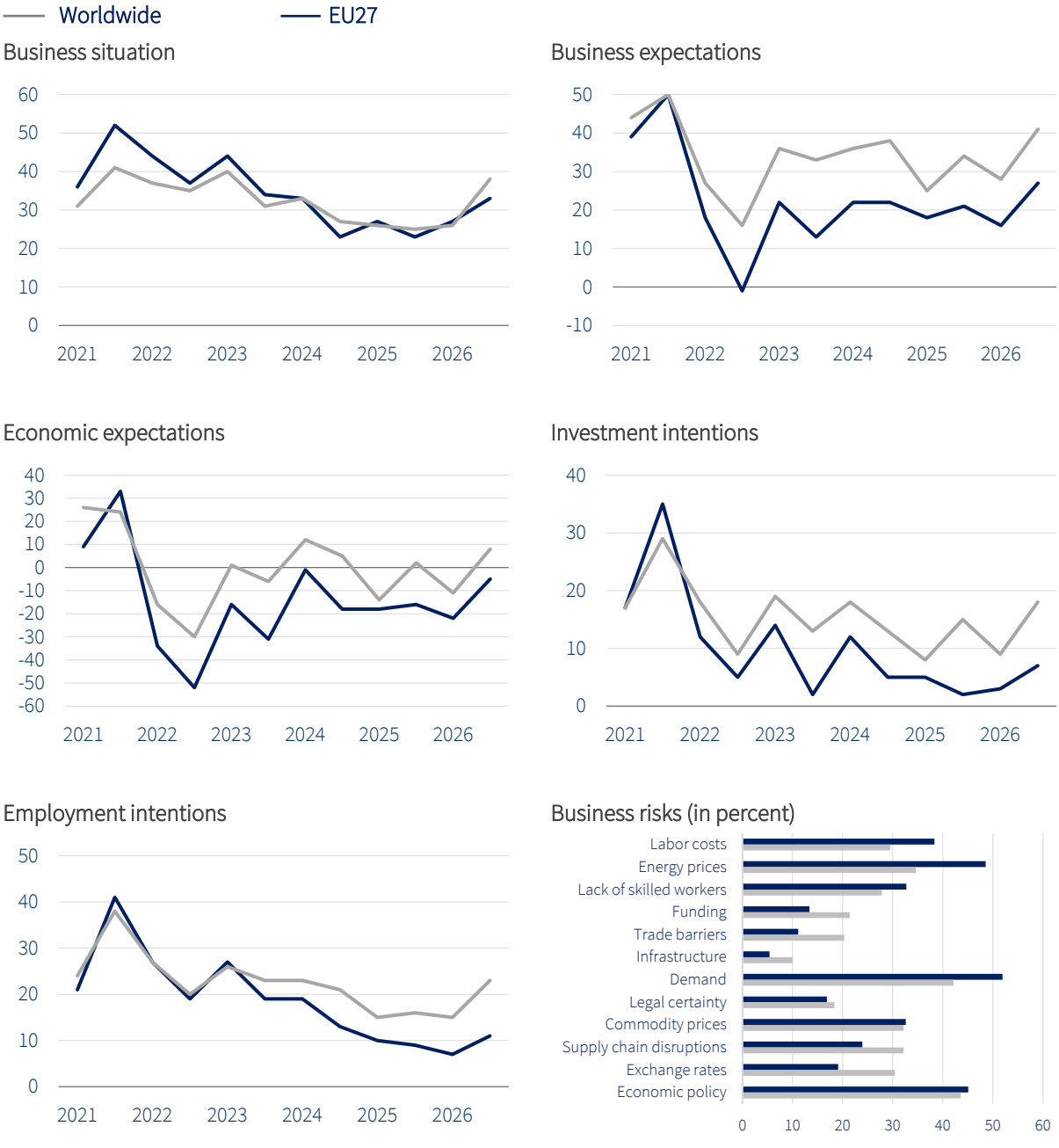
In Taiwan, the picture is quite the opposite. German companies are very positive about their own business: 54 percent rate their business situation as good, and only 14 percent as poor (balance: 40 points). Expectations for the coming year are above average, with a balance of 50 points. Businesses are also particularly confident about the economy, similar to the rest of the Asia-Pacific region: 39 percent expect positive developments in the coming year. Companies in Taiwan are benefiting from global demand for semiconductors and high-tech components for data centers, which is boosting corporate profits and, increasingly, private consumption as well.

At the same time, competitive pressure from China in Taiwan is among the strongest worldwide: 82 percent of companies perceive increasing competition from Chinese rivals. Here, too, the response is above all innovation: 70 percent of the companies affected are stepping up product innovation. The promising prospects tied to global demand for semiconductors and technology thus meet intense regional competition.

Europe

Economic prospects in Europe are brightening noticeably after the setback in the spring but remain subdued. In the EU, 22 percent of German companies expect economic conditions to improve over the next twelve months, while 27 percent expect them to worsen. The balance rises from minus 22 to minus five points and is thus once again above the long-term average (minus 14 points), despite the ongoing war in Ukraine, uncertainty surrounding the Strait of Hormuz, and rising government debt in some countries. Assessments vary widely among the member states: In Hungary (plus 26 points) and Austria (plus eight points), optimists once again predominate, whereas pessimists clearly prevail in Slovakia (minus 47 points) and France (minus 26 points). Companies in Eastern and Southeastern Europe outside the EU (minus 26 points) and in Türkiye (minus 32 points) are considerably more skeptical than in the EU. In Ukraine, intensified Russian attacks on energy, logistics, and production infrastructure are darkening the outlook dramatically (minus 71, down from minus 21 points). In the United Kingdom, by contrast, pessimism is easing considerably (minus 11, up from minus 61 points). In many places, companies assess their own business much more favorably than the overall economic environment.

All charts show the balance of better/higher/good minus worse/lower/poor responses.



EU 27

Business at German companies in the EU is recovering after the setback in the spring. The business situation balance rises from 27 to 33 points, now only slightly below the long-term average of 34 points. Forty-three percent of companies rate their situation as good, and only 10 percent as poor. Business expectations are brightening even more markedly: The balance rises from 16 to plus 27 points (long-term average: 22 points). The upturn in investment and employment, however, is weaker. The investment balance rises from three to seven points, and the employment balance from seven to 11 points. Both remain below their long-term averages (10 and 19 points, respectively) and below the global balances (18 and 23 points, respectively). The improved sentiment is therefore not yet translating into a broad expansion of business activity.

Companies in the EU face considerable burdens. The business risks they cite most often are weak demand (52 percent), high energy prices (49 percent, down from 56 percent), and economic policy (45 percent). Supply chain disruptions (24 percent, down from 35 percent) and labor costs (38 percent, down from 45 percent) are cited less often than in the spring. Competition from China is creating additional pressure to adjust: Just over half of the companies (51 percent) report increasing Chinese competition.

The picture is mixed in France. Although the business situation is recovering significantly (balance of 19, up from three points), companies' plans point in the opposite direction. Business expectations fall from 24 to 16 points, well below the long-term average (26 points). In investment and employment, companies planning cuts predominate: The investment balance remains at minus 23 points, far below the EU average and France's own long-term average (seven points each). Employment intentions turn negative (minus five, down from plus nine points). This is likely driven primarily by political uncertainty: 59 percent of companies cite economic policy as a business risk, 20 percentage points more than in the spring. The ongoing political deadlock over the national budget is also holding back the economy as a whole, which contracted slightly in the third quarter. In addition, weak demand is cited as a risk by 68 percent of companies, significantly more often than the EU average. Trade barriers, on the other hand, play a smaller role than in the spring (14 percent, down from 30 percent).

Things are looking up significantly in Italy. Business expectations jump from six to 37 points, and the investment balance swings from minus 12 to plus 17 points. Employment plans are also becoming more expansionary (19, up from eight points). This is helped by an easing of business risks related to demand (53 percent, down from 65 percent), energy prices (51 percent, down from 62 percent), and supply chains (27 percent, down from 40 percent). With the upturn, however, the shortage of skilled workers is becoming a risk more often (33 percent, up from 25 percent).

The front-runner among the large EU countries is Spain. Just over half of the companies (51 percent) rate their situation as good, and none as poor (balance of 51, up from 38 points). Business expectations (40, up from 20 points), investment intentions (26 points), and employment intentions (30 points) are also well above the EU average. This positive development comes at a price, however: The shortage of skilled workers (45 percent, up from 32 percent) and labor costs (34 percent, up from 23 percent) are cited much more often as business risks, and economic policy is cited by as many as two-thirds of companies (66 percent). At the same time, companies feel competition from China more strongly than in any other EU country (78 percent).

EU Neighborhood

In Eastern and Southeastern Europe outside the EU, business at German companies remains stable, but plans are becoming more cautious. The business situation remains virtually unchanged (balance of 27, up from 26 points), but the balance is still below the long-term average (34 points). Business expectations, however, are deteriorating (14, down from 20 points). In terms of investment intentions, companies planning to cut their budgets now predominate (balance of minus four, down from plus three points), and employment intentions are almost stagnating (balance of plus one, down from plus four points). Hiring plans are thus well below their long-term average (balance: 13 points). In addition to concerns about economic policy (48 percent) and high labor costs (42 percent), this is likely to reflect the close ties of many locations to the automotive industry, whose transformation in Germany has a direct impact on suppliers in the region—especially in Serbia. There, German companies' business situation is improving noticeably (balance of 28, up from 17 points), but in terms of hiring plans, business units planning to cut jobs once again predominate (balance of minus five, down from plus eight points). Competition from China is somewhat less pronounced in the region than worldwide: 51 percent of companies are experiencing growing competition from Chinese suppliers, compared with 56 percent worldwide.

In Türkiye, most companies report a good business situation (balance: 32 points) and positive business expectations (balance: 18 points). However, planning uncertainty is high. Although price increases have slowed considerably, inflation remains very high at around 30 percent. The continued depreciation of the lira is intensifying imported price pressure and making cost and investment planning more difficult for companies. For 72 percent of companies, the exchange rate is therefore a business risk, and 64 percent cite economic policy as a risk factor. A possible exclusion of Türkiye from a "Made in Europe" rule under the Industrial Accelerator Act (IAA) could further undermine planning certainty for German companies in Türkiye, given the country's close integration with the European automotive industry. Accordingly, companies are holding back on investment (balance: minus nine points) and hiring (balance: minus eight points).

In the United Kingdom, business at German companies is weakening. They rate their situation significantly worse than in the spring, and their expectations are easing slightly (situation balance: 28, down from 45 points; expectations balance: 21, down from 23 points). Companies increasingly see labor costs as a risk (42 percent, up from 29 percent in the spring). Among other things, the minimum wage was raised in April. This is reflected in more restrictive hiring plans (employment intentions balance: four, down from 23 points). Accordingly, the shortage of skilled workers is becoming less important as a risk (14 percent, down from 23 percent).



Methodology

The AHK World Business Outlook is based on a regular DIHK survey of member companies of the German Chambers of Commerce Abroad, Delegations and Representative Offices (AHKs). In fall 2026, it captured responses from nearly 3,500 German companies, branches, and subsidiaries worldwide, as well as from companies with close ties to Germany. The survey was conducted from October 5 to 23, 2026. Forty percent of the responding companies are in industry and construction, 41 percent in the services sector, and a further 19 percent are trading companies. Smaller companies with fewer than 100 employees account for 49 percent of responses. 25 percent of the companies employ between 100 and 1,000 people. Large companies with more than 1,000 employees account for 26 percent of respondents worldwide. Fifty percent are subsidiaries/branches of German companies, 36 percent are local or (non-German) international companies without a branch in Germany, and a further 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 of each country is based on its average gross domestic product (GDP) in U.S. dollars for the years 2017–2021. The questions on the business situation, expectations, the economy, investment, and employment are weighted accordingly.

The Statistical Annex contains the questionnaire and detailed data for the individual countries.

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