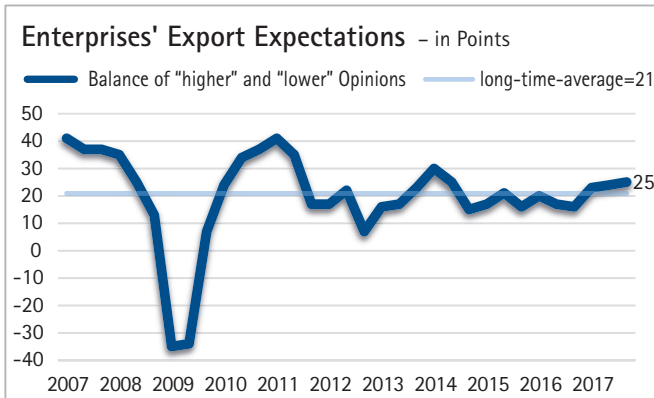
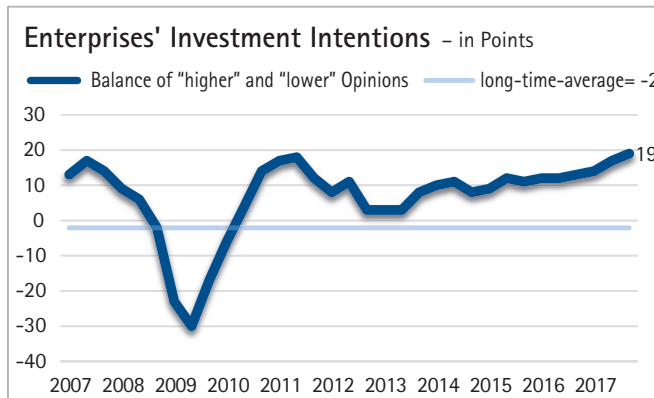


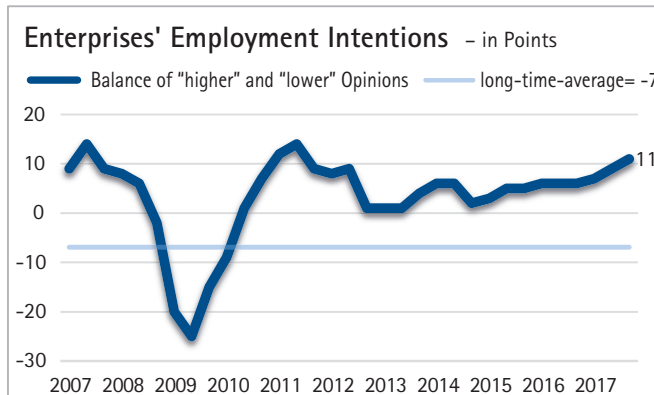
■ The **export expectations** again improve only slightly. The many challenges posed by foreign trade are preventing a more pronounced rise in export expectations. These include the still unclear course of the US government, the imminent Brexit, developments in Turkey and increasing trade barriers with important trading partners. Concerns about the development of the exchange rate are also rising again. Even so, the recent increase in the external value of the euro is primarily a sign of further economic recovery in the EU, Germany's most important foreign market. Other sales markets are also developing positively: For example, companies are again doing better business with the BRICS countries – admittedly starting from a low level.



■ The **investment intentions** of the German economy are improving once again – and thereby reaching record levels. The main driver of the upturn in investment is the manufacturing industry. However, companies are also planning to increase their investment budgets across the economy as a whole. With regard to the investment motives, expansions and rationalizations are gaining in importance across all industries. Digitalization and changing consumer behavior are leading to capacity expansion in the sectors involved. The greatest limiting factor – especially for companies with expansionary investment plans – remains the availability of qualified personnel.



■ Companies in Germany want to further increase **employment levels**. With the renewed improvement in their employment balance, companies are more willing to hire new employees than they have been over the last six years – and this despite the fact that employment has already increased significantly in recent years. Almost all sectors of the economy are planning to expand. At the same time, the shortage of skilled workers has increased significantly in the risk assessment of companies. It represents a limitation to the increase in employment in Germany. Labor costs are now the second largest business risk – four out of ten companies see these as a threat to their economic development.

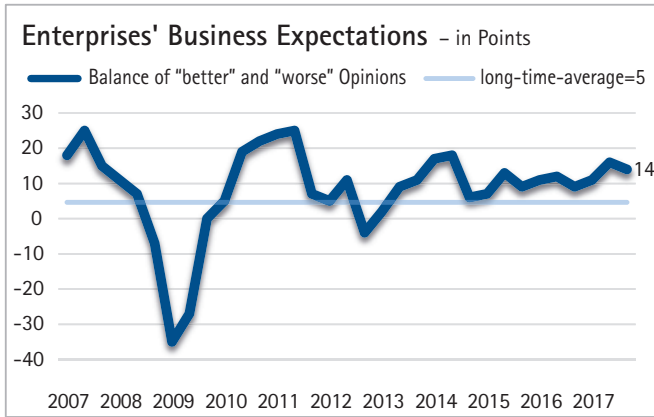


DIHK-Economic-Survey Fall 2017

■ 79 Chambers of Industry and Commerce ask, approximately 27,000 Enterprises answer

economy data at a glance



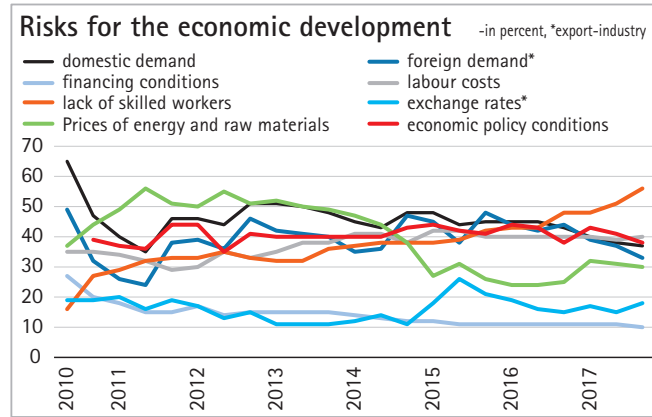


■ The economy continues to operate at high speed. Investments are a new additional driver. The dynamic employment growth, low interest rates and the good international competitive position of industrial companies also continue to contribute to the good mood. In this fall a slightly smaller number of companies are **expecting** a further improvement in their business. Nevertheless, more companies are expecting their businesses to continue to perform well. Only few are expecting a deterioration. Companies are also less worried about decreasing demand at the moment. The main risk remains the shortage of skilled workers, followed by labor costs and the economic policy framework conditions.

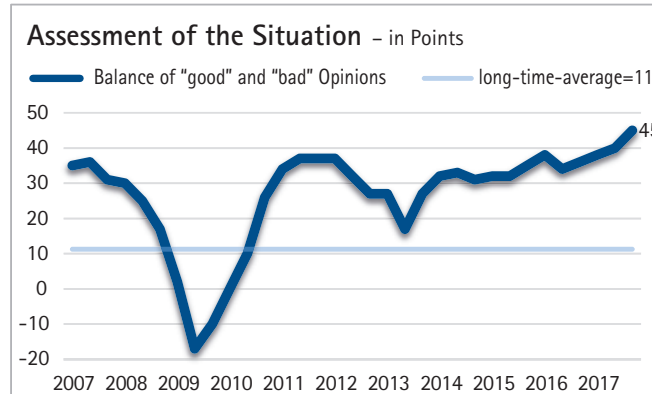
What are the biggest risks for the economic development of your company in the next twelve months?

(in percent; multiple answers possible; *export industry)

	Fall 2015	February 2016	Early Summer 2016	Fall 2016	February 2017	Early Summer 2017	Fall 2017
domestic demand	45	45	45	43	40	38	37
foreign demand*	48	44	42	44	39	37	33
financing conditions	11	11	11	11	11	11	10
labour costs	40	40	40	40	40	39	40
lack of skilled workers	42	43	43	48	48	51	56
exchange rates*	21	19	16	15	17	15	18
prices of energy and raw materials	26	24	24	25	32	31	30
economic policy conditions	41	44	43	38	43	41	38



■ The **business situation** of companies is better than ever before. The improved expectations from spring have been fulfilled. The economy profits from strong domestic demand as well as solid exports. This is an advantage for companies in almost all industries. The situation is particularly positive in the construction sector, where the assessment reaches its highest level for the third time in a row. The service providers also set a new record. The mood in the manufacturing industry is improving significantly - cutting-edge technology in particular is in high demand. However, the car trade sector is an exception to the underlying good mood.



Germany, changes on the previous year

in per cent, use of the gross domestic product (GDP), price-adjusted, chain-linked	2016	DIHK-Forecast 2017	DIHK-Forecast 2018
GDP	1.9	2.0	2.2
Final consumption expenditure of private households	2.1	1.7	1.7
Government final consumption expenditure	3.7	1.6	1.7
Gross fixed capital formation (GFCF)	3.1	3.3	3.9
GFCF in machinery and equipment	2.2	2.0	4.5
Other fixed assets	5.5	4.0	4.0
GFCF in construction	2.7	4.0	3.5
Exports	2.6	4.0	4.5
Imports	3.9	4.5	5.0
Unemployment (in millions)	2.691	2.54	2.43
Employment (change in thousand)	+568	+650	+600
Consumer price	0.5	1.7	1.7