AHK
World Business Outlook
Fall 2022

Results of a survey of German chambers of commerce abroad, delegations and representative offices

#GemeinsamWeltweit

DIHK Deutscher Industrie- und Handelskammertag

AHK Deutsche Auslandshandelskammern

Content

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). It collects feedback from more than 3,100 German companies, branches and subsidiaries worldwide as well as companies with close ties to Germany in Fall 2022. The survey was conducted from 4th to 23rd October 2022.

41 percent of the responding companies are from the industry and construction sector, 36 percent from the service sector and another 23 percent are trading companies. Smaller companies with less than 100 employees account for 47 percent of the responses. 26 percent of the companies employ 100 to 1,000 people. Large companies with more than 1,000 employees account for 27 per cent of respondents worldwide.

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November 2022

Development of the global economy

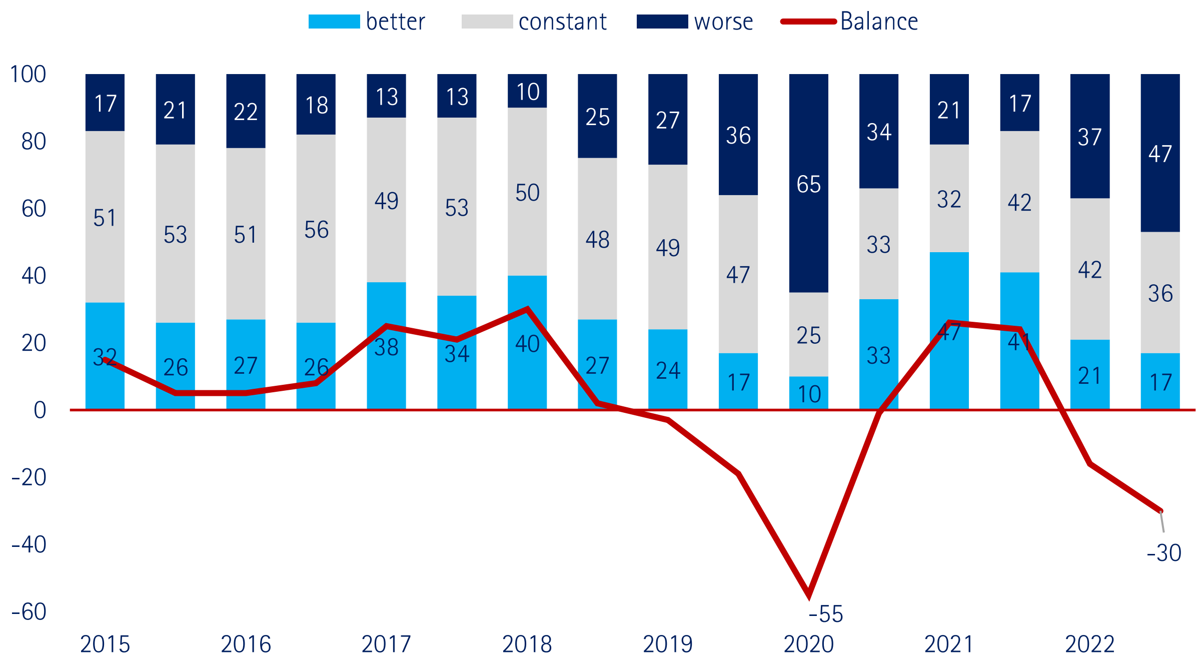
Economic expectations of German companies abroad

The global economy is cooling off noticeably. The economic effects of the Russian war against Ukraine and China's zero-covid policy are weighing on the world economy. In Europe in particular, energy prices have risen to an unprecedented extent and companies are facing uncertainty about future energy supplies and price developments. Supply chain disruptions have not yet been overcome - in fact, the continuation of China's zero covid policy poses a risk to global supply chains. Supply shortages and high energy prices have caused inflation rates to rise in many countries, in some cases to very high levels, and are reducing consumers' purchasing power. To combat inflation, many central banks are raising their key interest rates as part of a more restrictive monetary policy - in the USA, the UK and, with some delay, in the Eurozone. The economic uncertainties pose major challenges for German companies at their international locations, but they are still proving robust facing them - this is shown by the assessments of more than 3,100 companies surveyed by the AHKs in Fall 2022.

On average, 47 percent of the companies surveyed worldwide expect the economic situation at their respective locations to deteriorate (spring 2022: 37 percent). Only in spring 2020, at the beginning of the Corona pandemic, did more companies expect an overall economic slowdown (65 percent). Only 17 percent (spring: 21 percent) of companies expect the economy in their host country to improve in the next twelve months. The resulting balance of better and worse assessments drops significantly for the third time in a row, from minus 16 points in spring 2022 to currently minus 30 points.

Economic expectations of companies worldwide

Shares in percent, balance of "better" minus "worse" - balance in points



Almost in all world regions the outlook of companies on the economic development in fall is gloomier than in spring and expectations are negative in their balance - the only exception is the Africa, Near and Middle East region. Especially in European countries, which are hit harder by high energy prices than countries in other regions, the pessimistic outlook prevails and the outlook is more negative than in other world regions. Compared to the previous survey, expectations in North America (USA, Canada, Mexico) have also dimmed considerably and the balance has fallen into negative territory. In the previous survey, the majority of companies expected economic growth in this region.

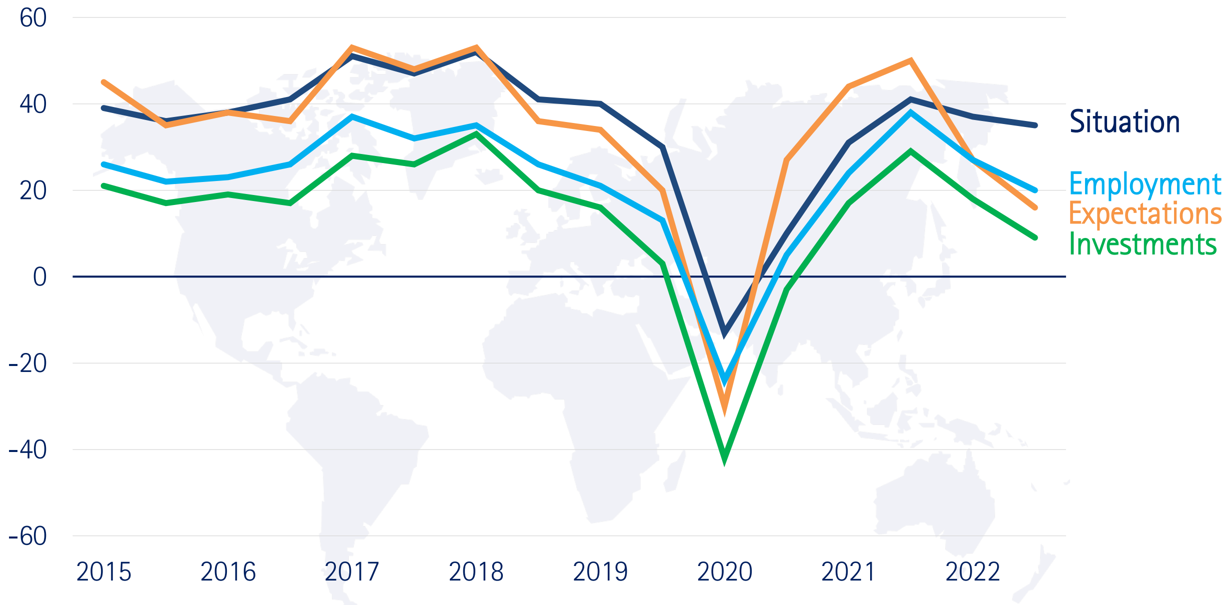
Companies in South and Central America are also more cautious about their economic expectations than in the spring. In China, whose economy continues to be affected by the zero-covid policy and the real estate crisis, the economic expectations - starting from the low level of the previous survey - deteriorate again slightly and are clearly below the expectations of the companies in the rest of the Asia-Pacific region. Expectations have improved in the African countries and in the MENA region.

Business situation and expectations, investment and employment intentions

Despite the numerous challenges and the pessimistic expectations for economic development, companies are currently still reporting a good business situation. At the current margin, there are signs of a slight easing in global supply chains, which benefits industrial companies in the processing of their orders. Service companies, on the other hand, can benefit from the easing of the Corona measures. Companies rate their current business as mostly good, almost unchanged from the previous survey. In Fall 2022, 45 percent said their business situation was good (spring: 48 percent), and 45 percent said their current business was satisfactory. However, every tenth company (spring: eleven percent) reports poor business. Compared to the previous survey, the balance of good and bad ratings fell slightly and is now in line with the long-term average (balance of 35 points after 37 points previously). Companies in North America, Asia-Pacific (excluding China) and Africa, Near and Middle East report better business than in spring. Companies in Greater China have the worst assessment of their current business situation.

German companies abroad - global overview

Balance in points



The companies' assessment of the future development of their own business is still predominantly positive, but significantly worse than their current business situation. Nevertheless, companies in their international locations are generally more optimistic about their own business than about the economic development of their host country. 37 percent of the companies (spring: 42 percent) expect their business to improve in the coming twelve months. Based on the current situation, 42 percent expect business to remain the same, while 21 percent (spring: 15 percent) expect it to worsen. The resulting balance of better and worse assessments sinks to 16 points (spring: 27 points) and is thus clearly below the long-term average of 34 points. Overall, however, companies at their international locations are much more confident about the future than in Germany: there, according to the DIHK business survey Fall 2022, only eight percent expect their business to perform better in the coming twelve months, but 52 percent expect worse. [1]

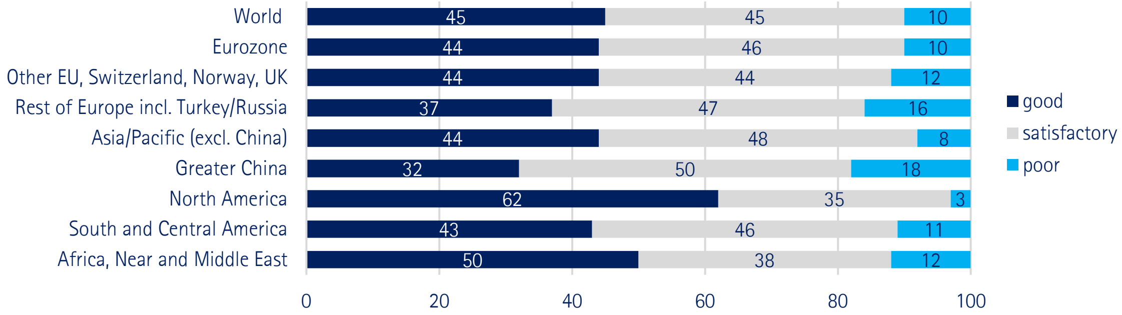
[1] DIHK business survey Fall 2022: https://www.dihk.de/de/themen-und-positionen/wirtschaftspolitik/konjunktur-und-wachstum/konjunkturumfrage-herbst-2022

Analogous to the gloomy business expectations, companies' investment and employment intentions are also shrinking. Uncertainty about the future development of the global economy is inhibiting companies from making additional expenditures or hiring staff. Globally, one-third of the companies (spring: 36 percent) intend to expand investments in the coming twelve months, 23 percent (spring: 18 percent) intend to invest less. The balance of higher and lower investment spending halves from 18 points in spring to nine points. On average in recent years, the balance of investment intentions was 15 points. In line with the lower economic and business expectations in Europe, investment intentions have also dropped more sharply there than, for example, in Asia-Pacific (excluding China), Africa, the Near and Middle East as well as in North America or South and Central America. In Eastern and South-Eastern Europe (as well as Russia and Turkey) and in China, investment intentions are even turning negative. In these regions, companies are strictly cutting back on their investment plans.

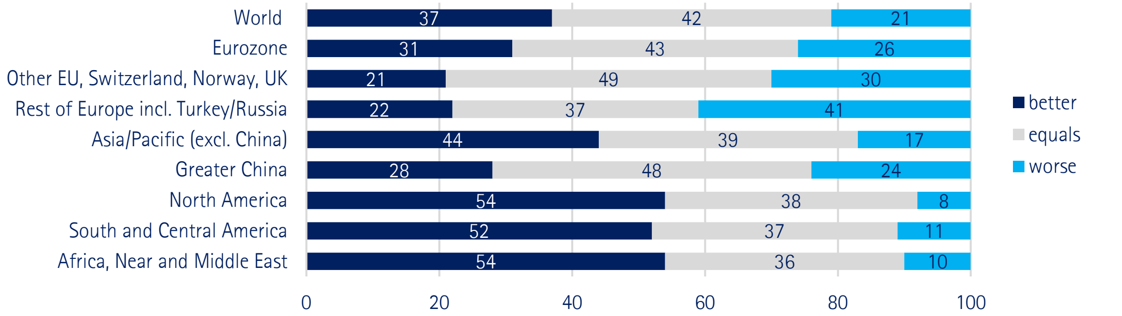
Although the economic outlook is gloomy globally, companies want to hold on to their workforce as much as possible. At 35 percent (spring: 37 percent), more than one-third of the companies are planning to increase staffing levels in the coming months, almost unchanged from the previous survey. Only 15 percent of the companies (spring: ten percent) plan to reduce staff. The balance of higher and lower employment plans falls from 27 points in the previous survey to 20 points. The long-term average is 23 points.

Overview of results by region (shares in percent)

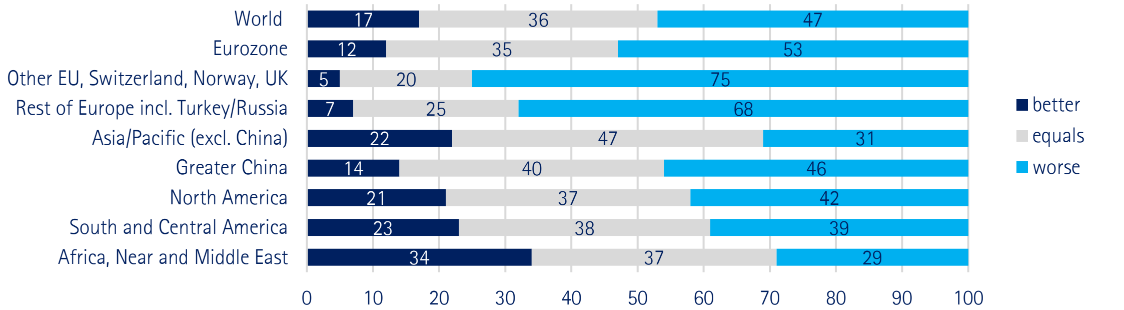
Current business situation of local companies



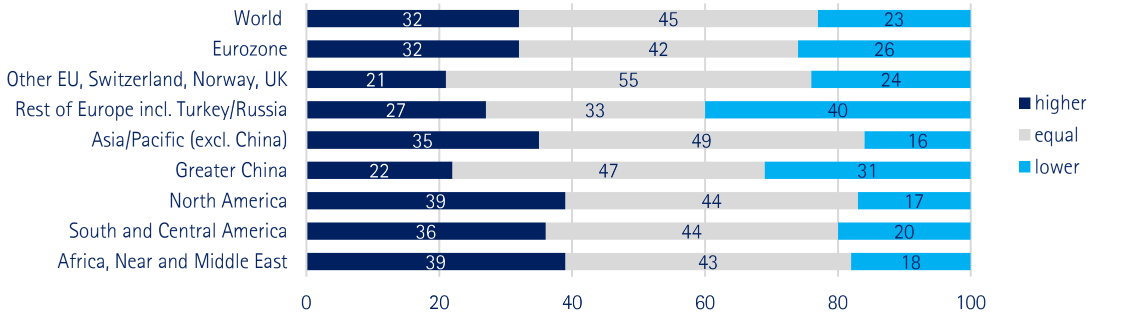
Business expectations of the companies



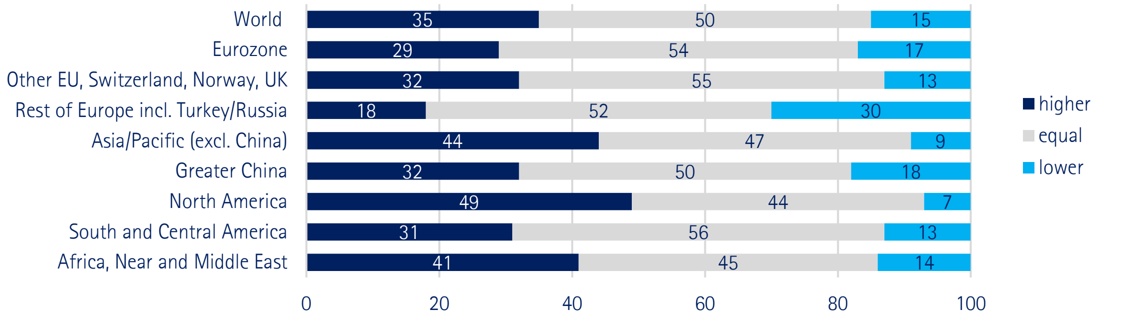
Expectations of the companies about the economic development on site



Investment intentions of the companies



Employment intentions of the companies



Risks for German companies abroad

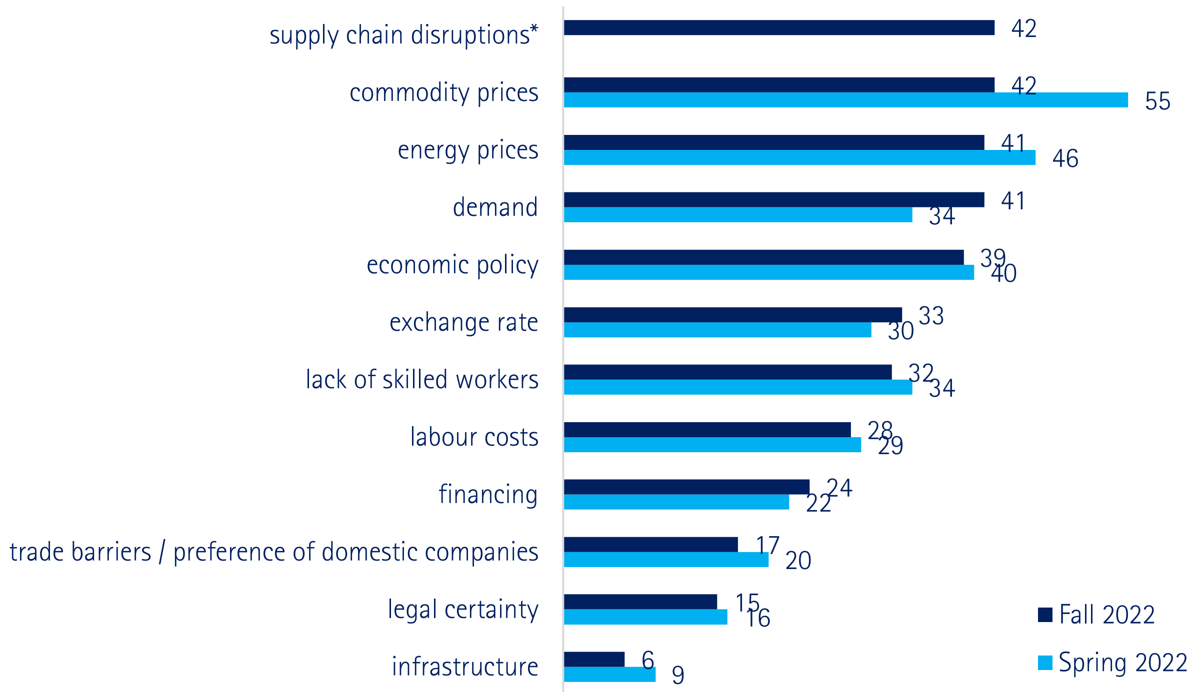
As a result of the numerous crises - especially the Corona pandemic and the Russian war in Ukraine - and their far-reaching economic consequences, companies are confronted with numerous business risks at their international locations. The frequent mentions of geopolitical risks and decoupling as well as an impending recession of the global economy in the free-text responses are an expression of the growing uncertainty among companies.

The Corona pandemic is not yet over. China's zero-covid policy led to considerable disruptions in Chinese production and thus in global supply chains, especially in the spring with the lockdown in Shanghai and other major Chinese cities lasting several weeks. The economic consequences have still not been fully resolved. Even now, (partial) lockdowns are being imposed again and again in Chinese cities. In Fall, 42 percent of companies describe supply chain disruptions as a risk to the development of their business in the coming twelve months. At 58 percent, the number of companies in Chinese locations and 50 percent in the Asia-Pacific region (excluding China) are above average. [2]

The Russian war in Ukraine has led to turbulence on the world markets for raw materials and energy sources. The risks of high commodity prices (42 percent) and high energy prices (41 percent) continue to dominate for companies. In view of the partial fall in commodity prices, the risk has fallen by 13 percentage points compared to the previous survey (spring: 55 percent). However, more than half of the companies (51 percent) in Sub-Saharan Africa and the MENA region still mention the risk. Higher energy prices are mentioned somewhat less frequently as a risk compared to the previous survey (spring: 46 percent) - but it is a central risk in Europe: 57 percent of the companies in the Eurozone and 65 percent of the companies in the EU countries outside the currency union see energy costs as a business risk. In the free text responses, many companies also cite the enormous increase in energy costs.

Risks for the global economy in the coming twelve months

in percent, multiple answers possible, *asked for the first time



As a further obstacle to economic development, labor costs are named as a business risk by 28 percent of the companies, similar to the previous survey. Behind this is also the concern of companies that a wage-price-spiral will develop with higher inflation rates. Companies in North America (33 percent) and in Europe (Eurozone: 32 percent; other EU

[2] Further assessments of companies in Asia are shown in the special evaluation of the AHK World Business Outlook.

(incl. CH, NO, UK): 34 percent) mention this risk with above-average frequency. Although the shortage of skilled workers continues to be a considerable risk factor, it is slightly less important for the second time - due to the other dominant risks - but still represents a risk for just under a third (32 percent) of the companies.

In addition to supply-side challenges - supply chain disruptions, high energy and commodity prices - companies are increasingly facing lower demand. Consumers' reduced purchasing power due to high inflation rates is reducing demand in general and globally. 41 percent of the companies see lower demand as a business risk - with a seven percentage point increase compared to the previous survey, the risk has thus increased the most. Particularly in Chinese locations (58 percent) and in EU countries outside the Eurozone (as well as CH, NO, UK) (55 percent), companies are concerned about weakening demand. In the free text responses, many companies also emphasize lower demand for their products as well as high inflation rates as a challenge.

Measures to contain the Corona pandemic now play a subordinate role in the risk assessment in many countries. The economic policy framework conditions have become slightly less important as a risk compared to the previous survey (39 percent after 42 percent previously). As in the previous surveys, the risk is mentioned more frequently than on average by companies in South and Central America (63 per cent).

The risk of fluctuating exchange rates remains at a high level and is mentioned by one third of the companies. The restrictive monetary policy of many central banks in response to high inflation rates contributes to fluctuating exchange rates. The Fed's interest rate hikes have led to a strong appreciation of the US dollar against the euro and other currencies. This makes commodity imports traded in US dollars more expensive for a number of countries and increases the debt burden of many developing and emerging countries. High volatility of exchange rates also creates planning uncertainties for companies. Companies in Africa, the Middle East (54 percent) and Asia-Pacific (50 percent) mention exchange rate risk particularly frequently.

Uncertainties about business development in the coming months and interest rate increases in the wake of more restrictive monetary policy are having a negative impact on companies' access to financing. Almost a quarter of the companies describe financing as a business risk factor, a slight increase compared to the previous survey (22 percent). Financing risk plays a particularly important role in Africa, and the Middle East (36 percent) - since the survey began in 2015, financing risk in the region has consistently been higher than in the world as a whole.

Compared to the risks mentioned above, trade barriers (17 percent), legal certainty (15 percent) and infrastructure (six percent, the lowest value since the survey began) have taken a back seat compared to the previous survey. In individual regions, however, they pose specific risks. A quarter (24 percent) of companies in China and in Sub-Saharan Africa and the MENA region complain about trade barriers and the preferential treatment of domestic companies. Strategies such as self-reliance or dual circulation are supposed to strengthen the Chinese economy and self-sufficiency. This is also expressed in discriminatory trade barriers. A third of the companies in Central and South America see a lack of legal certainty as a major risk to their own business development. At 13 percent, companies in North America criticize the infrastructure with above-average frequency - as do companies in South and Central America at 12 percent.

Regional Business Outlooks

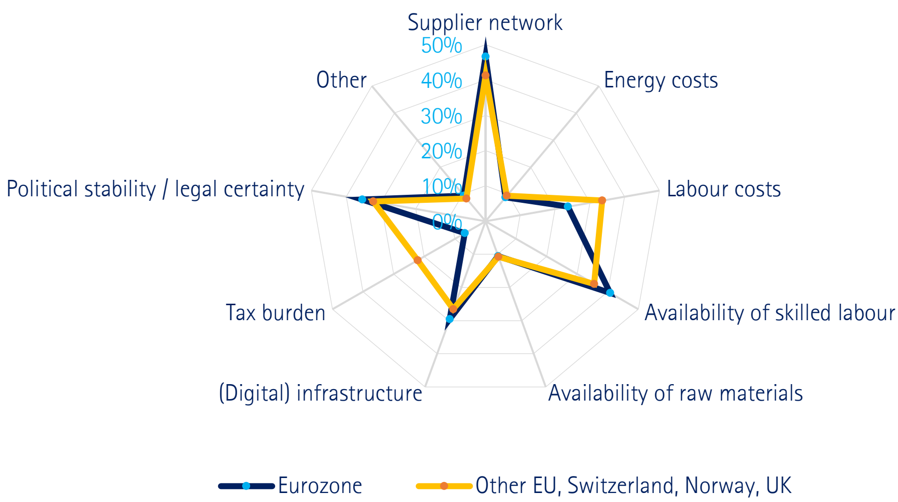
Europe (Eurozone and other EU (incl. Switzerland, Norway, UK))

The European economy is facing challenging times: Enormously high energy prices as well as uncertainty about future energy supplies are particularly dimming the economic outlook. The consequences of the war are felt more strongly here than in other regions. Germany is the most important trading partner for many countries in the region - with the weakening of the German economy in sight, the outlook of the other countries in the monetary union is therefore also clouded. While companies are currently still predominantly reporting good business, they are pessimistic about the economic development at their European locations. In the Eurozone, only one in eight companies expects the economy to grow in the next twelve months, more than half (53 percent) anticipate an economic downturn. The balance of better and worse expectations drops to minus 41 points (previous survey minus 25 points). In the Eurozone, the risks of high energy prices (57 percent) and commodity prices (44 percent) dominate, along with disruptions in corporate supply chains that have not yet been overcome (44 percent) and concerns about weakening demand (44 percent).

Even more pessimistic is the group of countries outside the common currency area, which also includes Switzerland, Norway and the United Kingdom. Only five per cent expect economic growth, three quarters an economic slowdown. The balance plummets to minus 70 points (previous survey minus 31 points) and thus falls to a historic low for this region. In a global comparison, the region has the worst outlook. The survey was conducted at a time when the British government has caused turbulence in the British economy by first announcing and then largely withdrawing stimulus packages. High energy prices (65 percent) are cited as a business risk here more frequently than in any other region. Lower demand (55 percent) and high commodity prices (47 percent) also play a significant role.

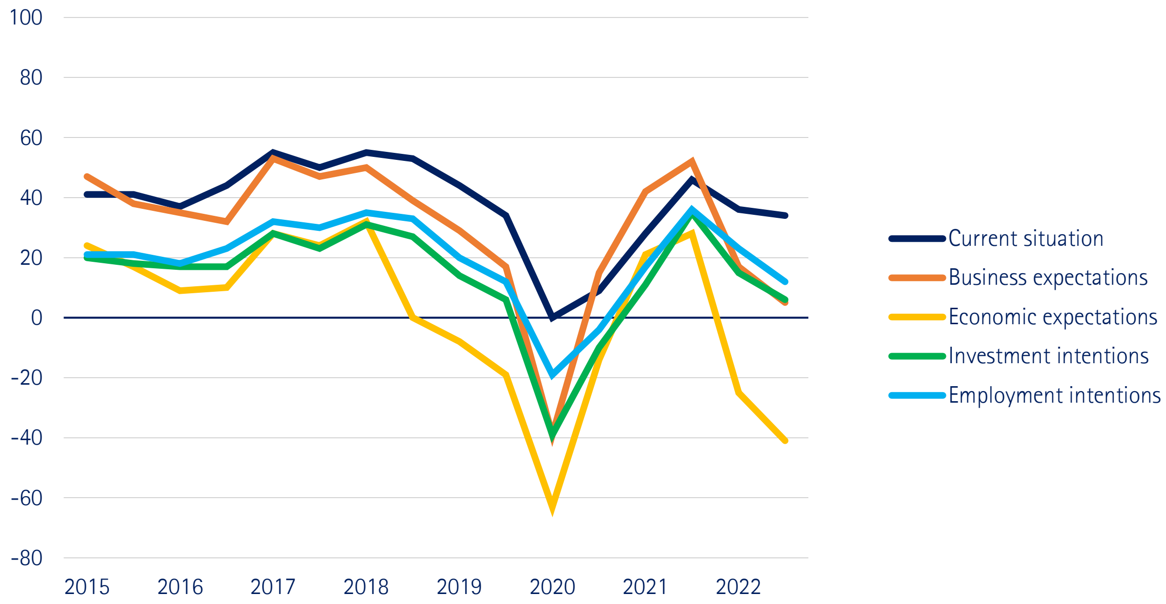
With regard to the advantages that companies based in Europe see in their locations, the supplier network (Eurozone: 47 percent; other EU: 41 percent), the availability of skilled workers (Eurozone: 41 percent; other EU: 36 percent) and political stability and legal certainty (Eurozone: 35 percent; other EU: 32 percent) are particularly valued in both groups of countries. In the free-text field, the companies had the opportunity to name further location advantages and particularly mention proximity to customers, product quality and the central position on the continent. By contrast, energy costs are the least attractive in global comparison (nine percent in each case) - this is to be seen as a location disadvantage in global competition.

What do local companies currently see as the advantages of their current locations?



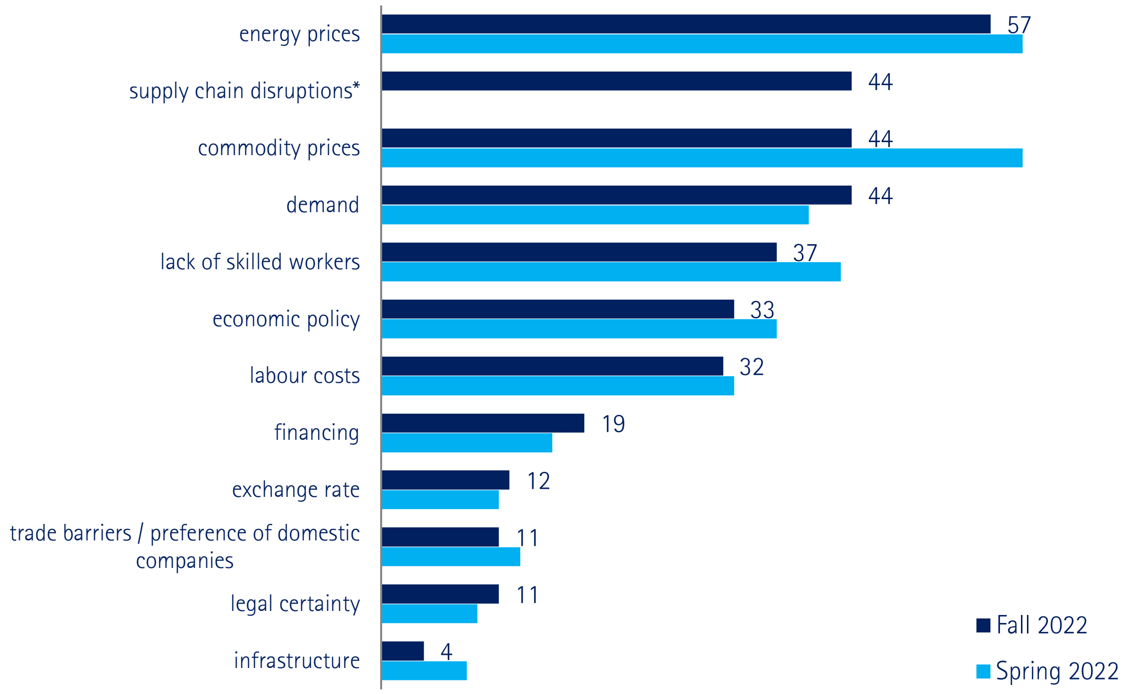
German companies in the Eurozone

Balance in points



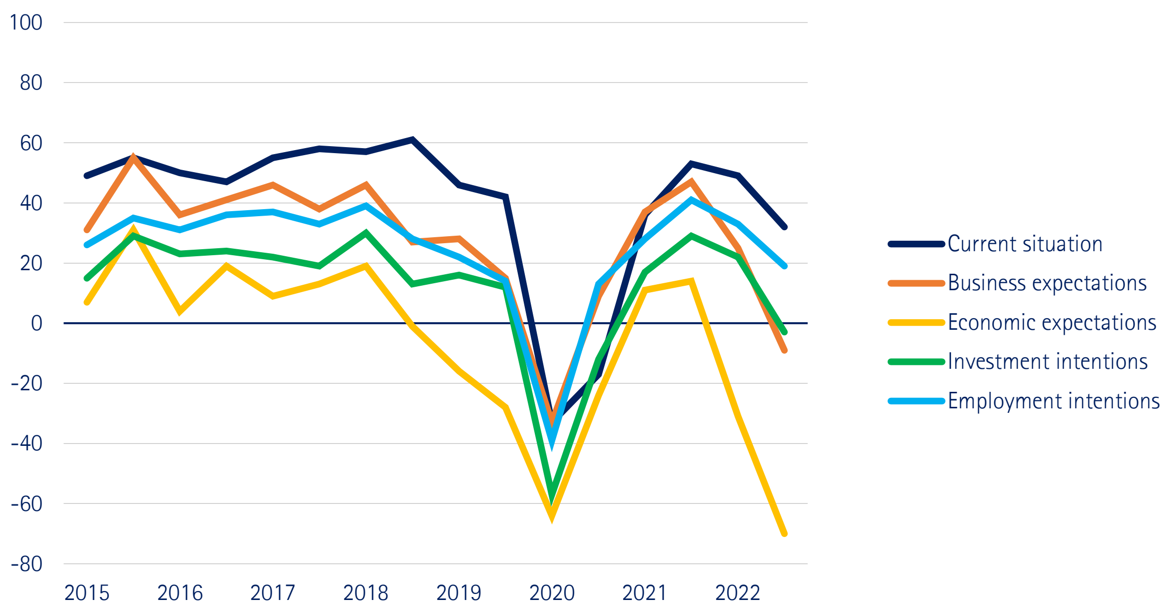
Risks for German companies in the Eurozone

in percent, multiple answers possible, *asked for the first time



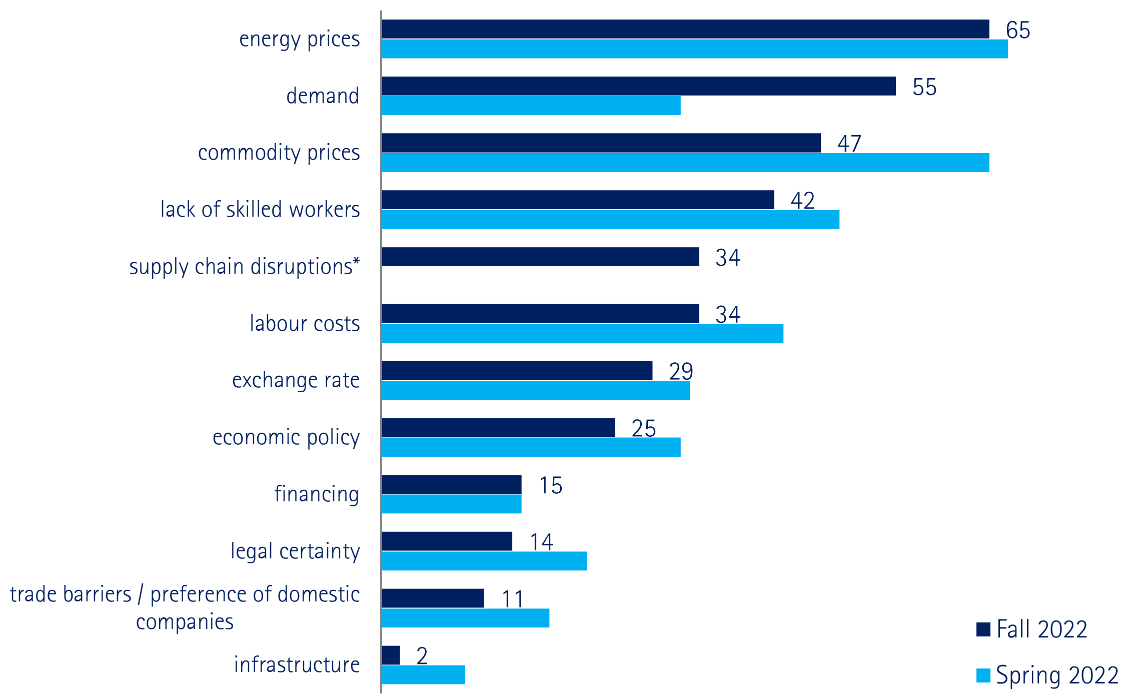
German companies in Other EU countries (plus Switzerland, Norway, UK)

Balance in points



Risks for German companies in Other EU countries (plus Switzerland, Norway, UK)

in percent, multiple answers possible, *asked for the first time



Eastern and South-Eastern Europe (without EU), Russia, Turkey

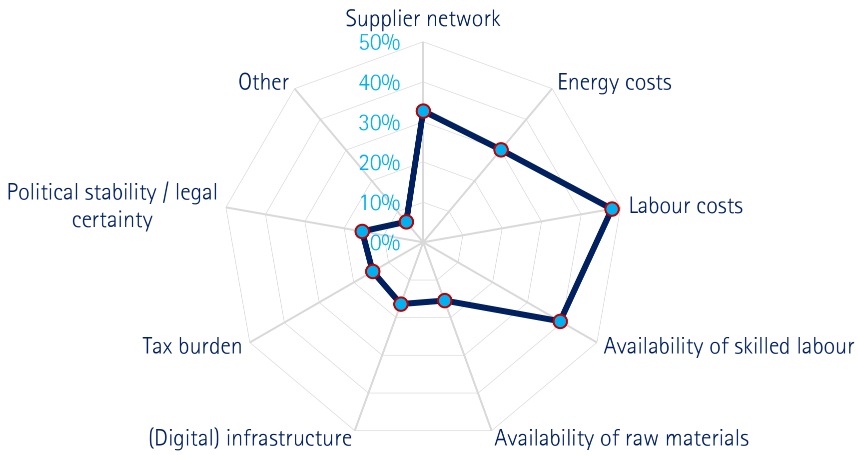
The economies of Russia, Turkey and the European countries in Eastern and South-Eastern Europe outside the European Union are facing challenges: The region is heavily dominated by Russia's war against Ukraine, the related sanctions against Russia and their impact on the economy. Most countries are in crisis mode with regard to energy supply and high inflation. Especially the growing energy prices pose risks for production processes in Eastern/South-Eastern Europe. After the EU states outside the Eurozone, the countries in the region have the second worst economic expectations: Only seven percent of the companies expect economic growth in the next twelve months, more than two thirds (68 percent) assume an economic downturn. The balance of better and worse expectations drops to minus 61 points. Companies' business expectations are more pessimistic than in any other region (balance of minus 19 after previously three points) and the negative voices also predominate most in a global comparison with regard to investment and employment intentions. The companies see the greatest business risks in particular in the economic policy framework conditions (55 percent) - an above-average value worldwide - in fluctuating exchange rates (46 percent) and in lower demand (43 percent).

In turn, almost every second company (48 percent) sees locational advantages in labour costs - more frequently than in any other region. Companies also value the availability of skilled labour (39 percent) and the local supplier network (33 percent).

Russia

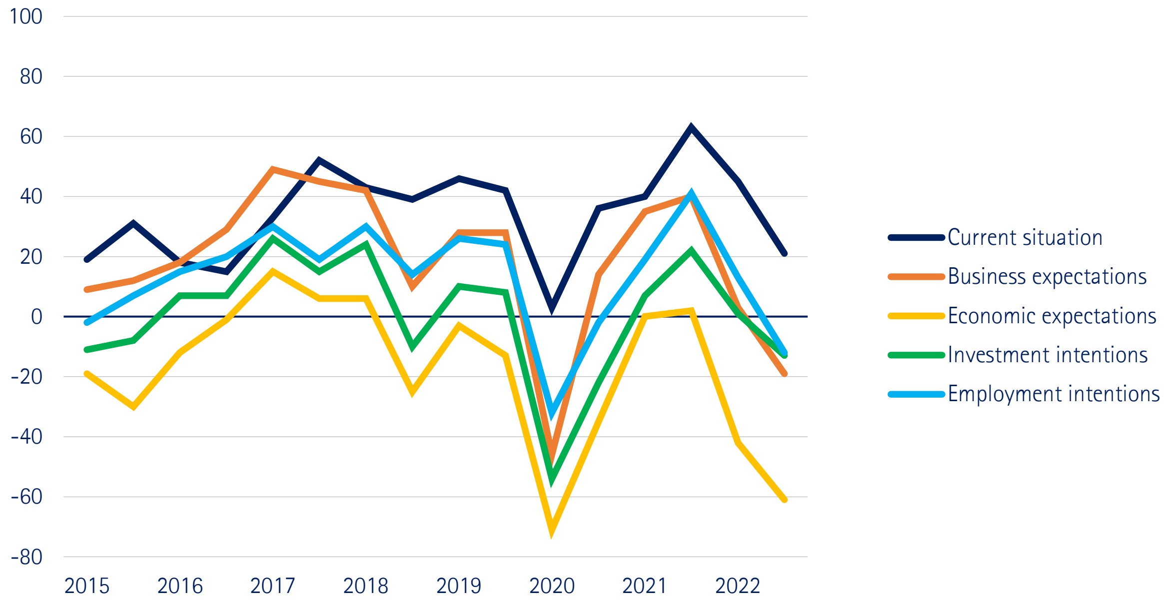
Russia's partial mobilization and the annexation of the four occupied regions in the east and south of Ukraine are a further escalation of the war. Together with the tightened sanctions, this has an impact on the decisions of foreign companies in Russia. In addition, there is an exodus of skilled workers to neighbouring countries. The economic outlook remains predominantly negative. In particular, companies are affected by disruptions in their supply chains (67 percent) and notice low demand for their products (57 percent). Half of the companies (49 percent) see the economic policy framework as a risk and trade barriers or the preferential treatment of domestic companies pose a risk for 47 percent of the companies. Nevertheless, companies' business expectations as well as investment and employment intentions improve slightly compared to the previous survey. The reason for this could be less uncertainty about economic development than in the spring shortly after the start of the war and the first sanctions.

What do local companies currently see as the advantages of their current locations?



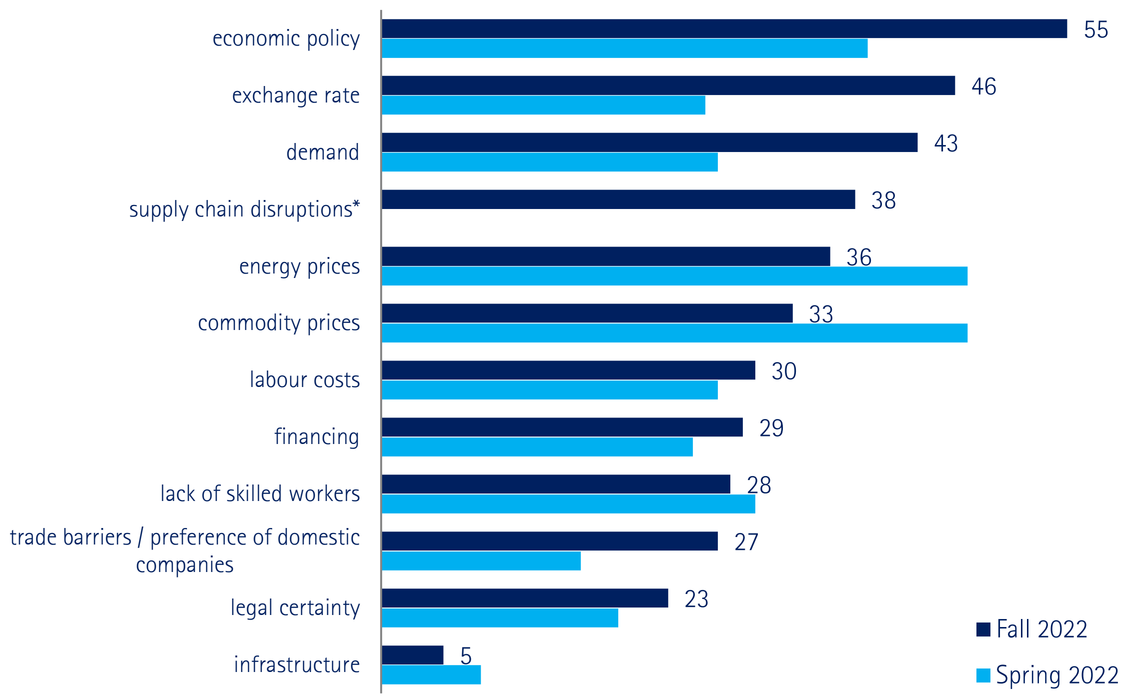
German companies in Eastern and South-Eastern Europe (without EU), Russia, Tur-key

Balance in points



Risks for German companies in Eastern and South-Eastern Europe

in percent, multiple answers possible, *asked for the first time

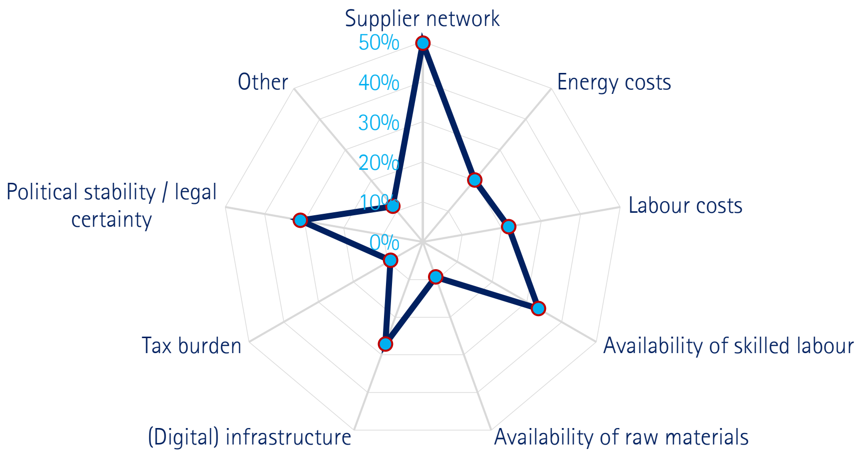


North America

Due to high inflation rates in the US, the US Federal Reserve has raised key interest rates several times this year. Even though the US economy grew again in the third quarter of 2022 after two quarters of negative economic growth, there are still concerns about a recession. This is also felt by companies in Canada and Mexico, which are closely linked to the US economy as neighbouring countries and important trading partners. Thus, the outlook of companies in the region on economic development as a whole is predominantly pessimistic. 21 percent expect the economy to brighten, but twice as many (42 percent) expect it to worsen in the coming twelve months. The balance drops to minus 21 points (previous survey 14 points). Above all, companies are burdened by disruptions in the supply chain (46 percent), concerns about the economic policy framework (44 percent) and the shortage of skilled workers (42 percent). Nevertheless, the North American market with - in global comparison - relatively favourable energy prices offers attractive conditions. Thus, the companies assess their current business situation and future business outlook (balance 46 points, worldwide 16 points) more optimistically than in any other region. 62 percent of the companies assess their current business as good, only three percent as poor; the balance has risen by ten points compared to the previous survey and is far above the global average. Companies' investment and employment intentions are also more expansionary here than in any other region at present.

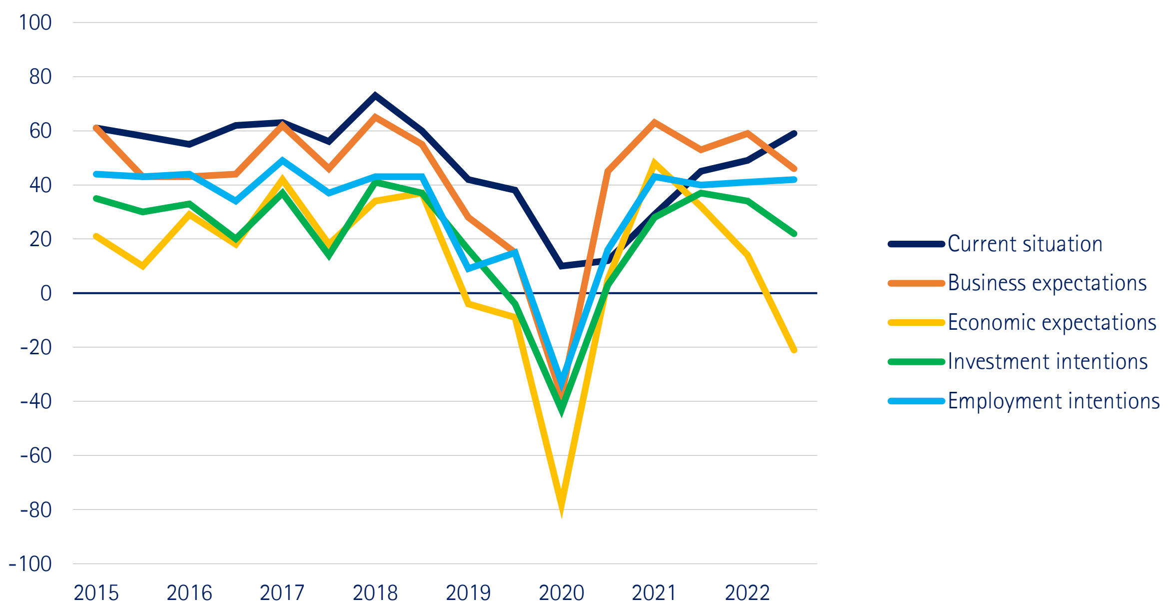
At their North American locations, companies also see an advantage particularly in the supplier network (50 percent), as well as in the availability of skilled labour (33 percent) and political stability and legal certainty (31 percent).

What do local companies currently see as the advantages of their current locations?



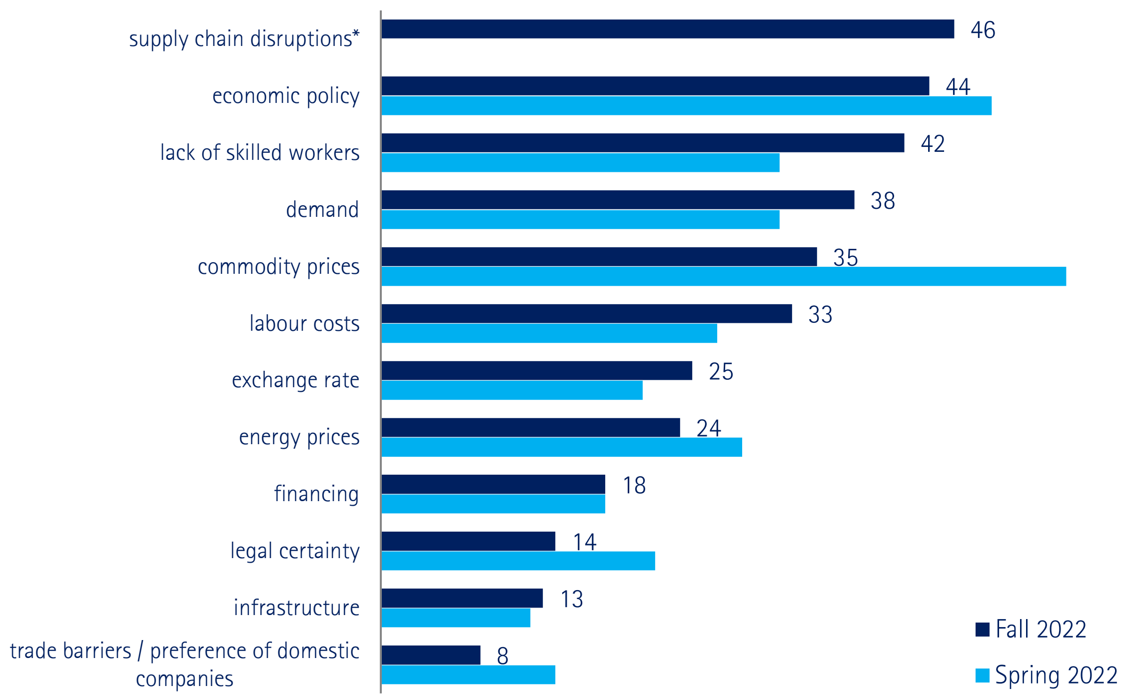
German companies in North America

Balance in points



Risks for German companies in North America

in percent, multiple answers possible, *asked for the first time

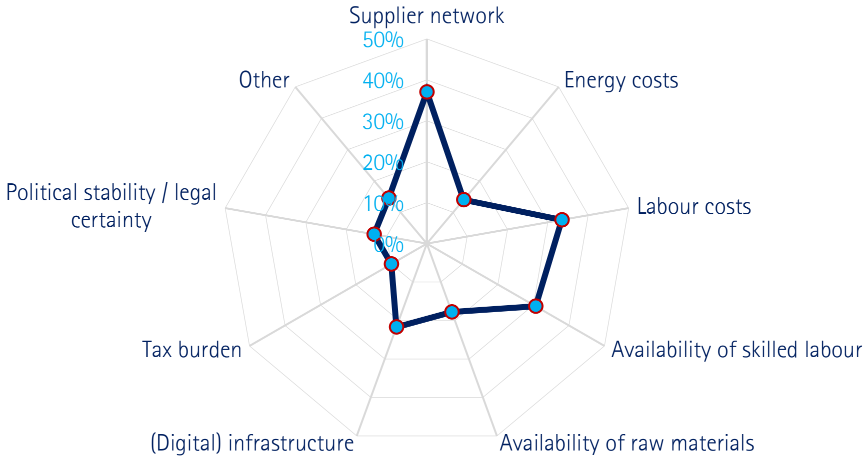


South and Central America

The countries in South and Central America have become the focus of public debate with regard to the extraction of raw materials, especially for renewable energies. Expectations for the region to supply the necessary raw materials are high. Accordingly, the business expectations of companies in their Latin American locations are significantly more positive than the global average (balance 41 points, global 16 points). It remains to be seen to what extent these expectations will materialize. As in the rest of the world, the assessment of economic development is more negative than in the spring: While 23 percent of the companies expect an economic upswing, two out of five anticipate an economic downturn. The balance of better and worse expectations drops to minus 16 points (previous survey minus one point) and thus falls to the level of a year ago. In particular, the economic policy framework conditions - whose stability is, however, particularly relevant for investments - represent a business risk for the companies (63 percent) - in no other region is the risk mentioned so frequently. Companies are also affected by disruptions in their supply chains (34 percent) and a decline in demand (34 percent), albeit less frequently than the global average.

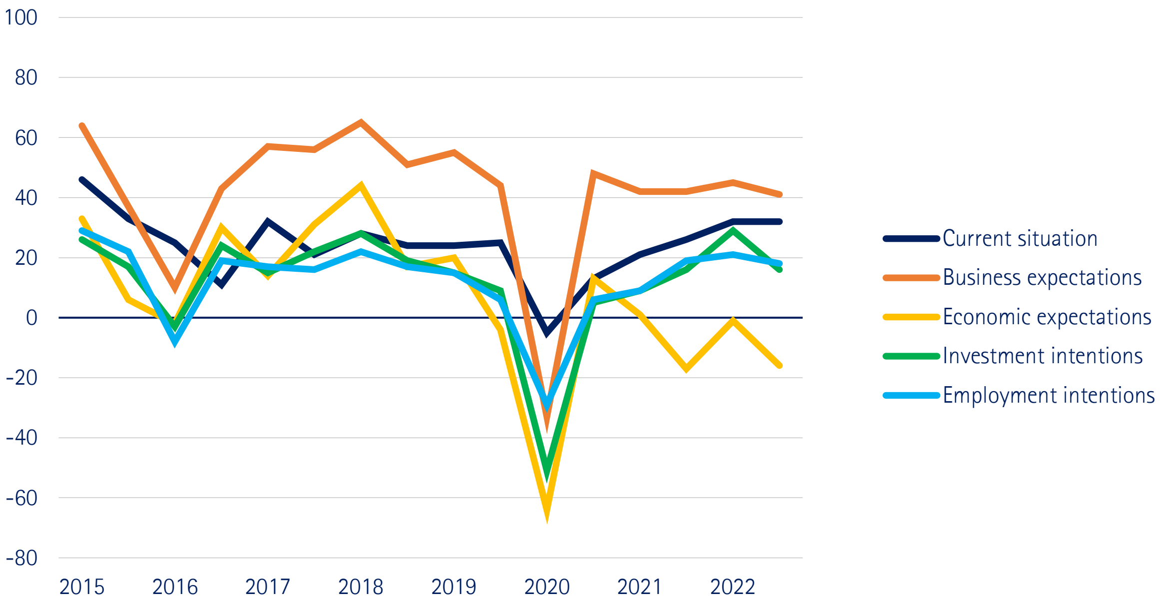
In South and Central America, too, companies see a location advantage in particular in their supplier network there (37 percent). In addition, the level of labour costs (34 percent) and the availability of skilled labour (31 percent) are an advantage for companies.

What do local companies currently see as the advantages of their current locations?



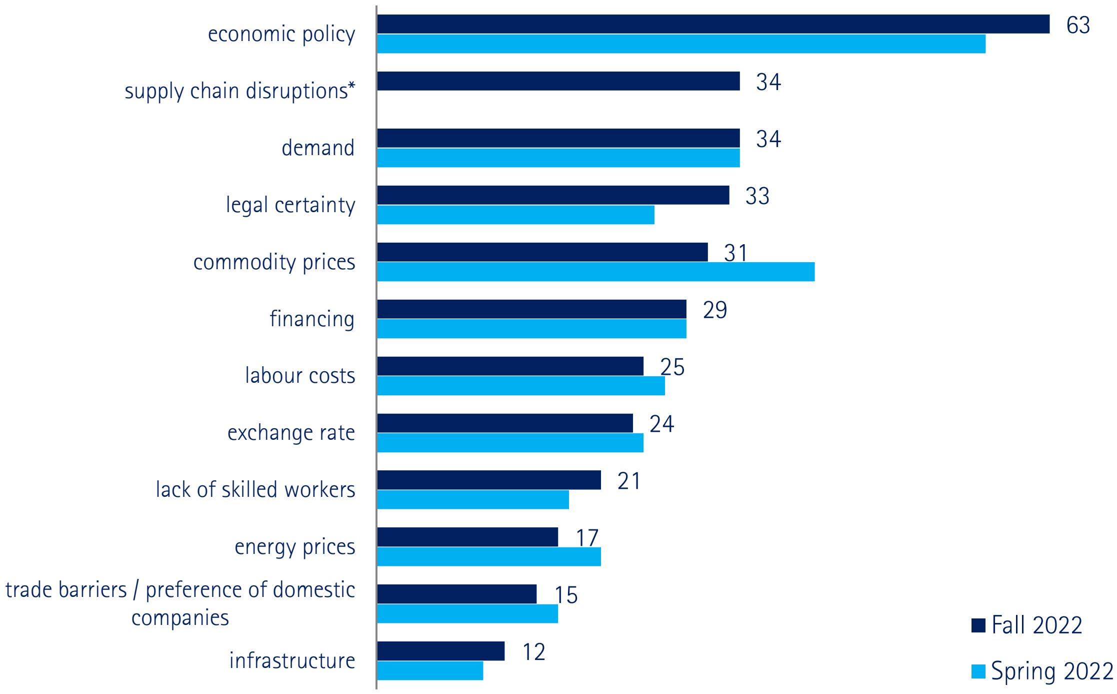
German companies in South and Central America

Balance in points



Risks for German companies in South and Central America

in percent, multiple answers possible, *asked for the first time



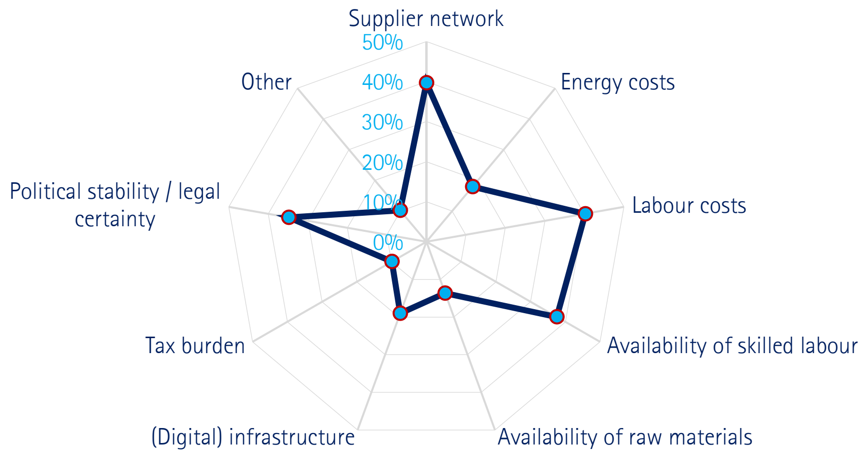
Asia-Pacific (excl. Greater China)

It is true that the outlook in the Asia-Pacific region (excluding Greater China) has also become gloomier due to the weakening global economy. However, expectations are far less pessimistic than in other regions of the world - this may be due to the increased attractiveness of the region as a result of the discussion on the need to diversify supply chains. The region includes countries in Central Asia to Oceania. On average, 22 percent of companies in the region expect an economic upswing, while 31 percent anticipate a slowdown. The balance of better and worse assessments drops to minus nine points (spring 2022: zero points). Only in Africa and the Near and Middle East is the economic outlook for the coming months more positive. Accordingly, companies' business expectations, investment intentions and employment intentions are also significantly above the global average. Investment intentions, for example, remain almost constant compared to the previous survey - while companies in other regions are cutting their investment budgets. Companies' employment plans are even slightly more positive than in the previous survey.

Companies in the region see supply chain disruptions (50 percent) and exchange rate fluctuations (50 percent) as a business risk with above-average frequency. Supply chain disruptions could play a greater role here than in other regions due to China's importance as a trading partner and the lockdown-related production and transport problems there.

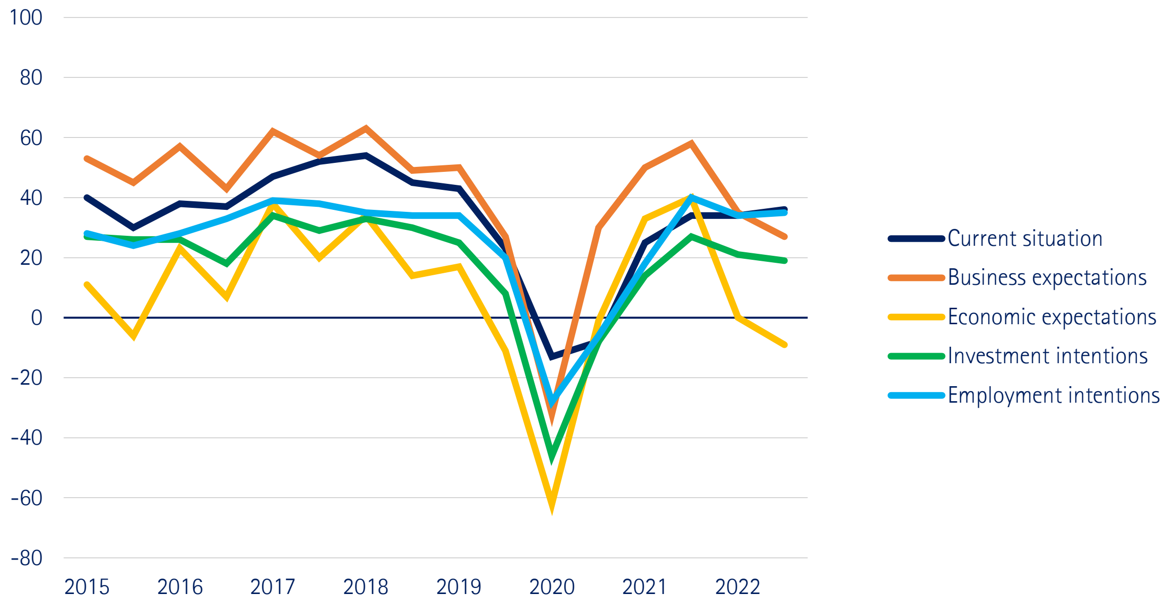
In their current locations, companies particularly value the good supplier structure (40 percent). The availability of skilled workers in the region is also an advantage - 37 percent of companies in Asia-Pacific see this as an advantage - as are the labour costs (40 percent). Companies also particularly value the political stability and legal certainty in the countries (35 percent).

What do local companies currently see as the advantages of their current locations?



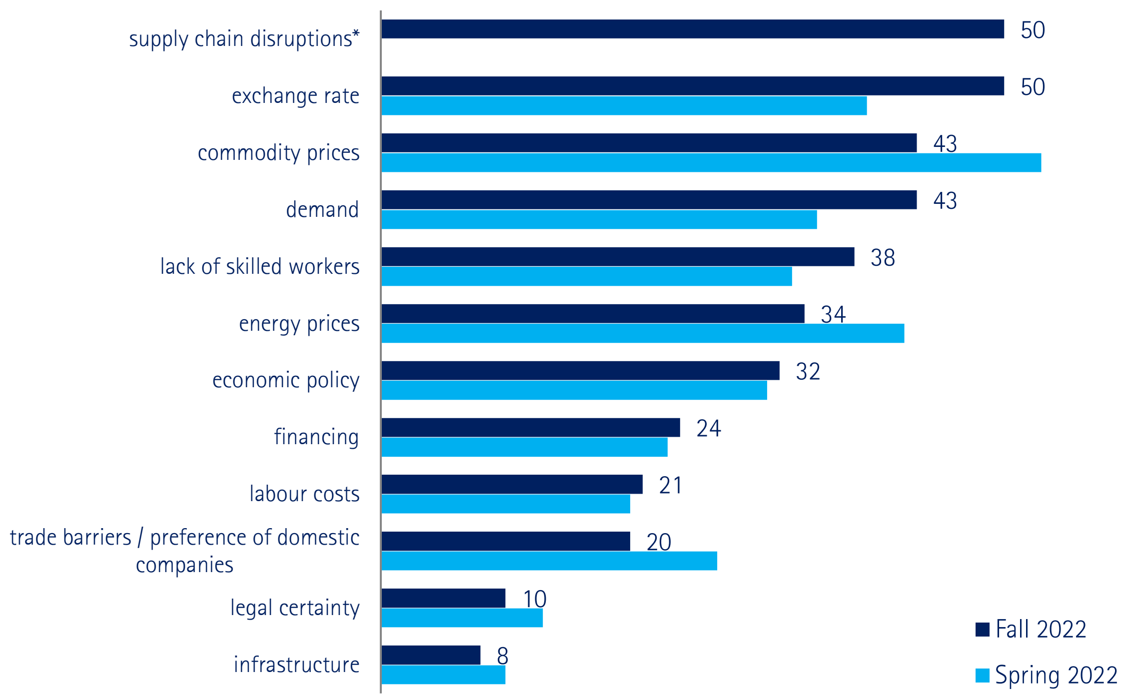
German companies in the Asia-Pacific region (excluding Greater China)

Balance in points



Risks for German companies in the Asia-Pacific region (excluding Greater China)

in percent, multiple answers possible, *asked for the first time



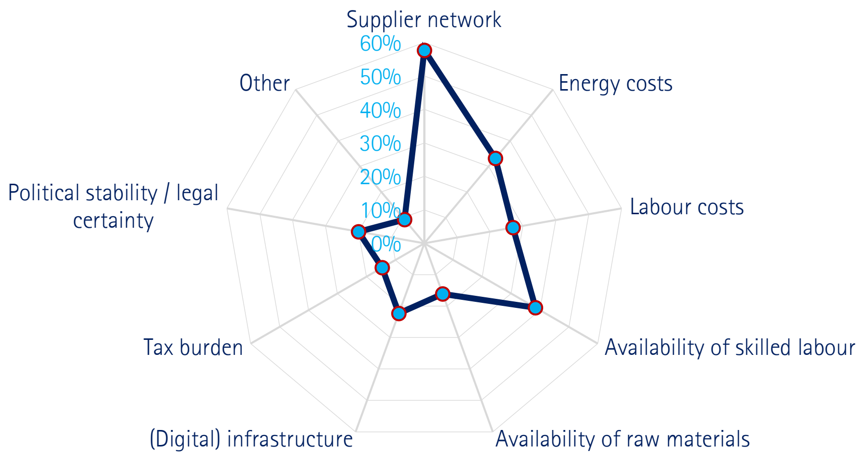
Greater China

In Greater China (PR China, Taiwan, Hong Kong), economic development is marked by the zero-covid policy and the real estate crisis. In particular, the lockdown in Shanghai and other major Chinese cities in the spring, which lasted several weeks, led to considerable disruptions in Chinese production and thus in global supply chains, which have still not been fully resolved. Domestic demand was also slowed down by this. Even currently, numerous cities are still under (partial) lockdowns. Accordingly, the dominant business risks for companies are disruptions in the supply chain (58 percent) and weakening demand (58 percent).

Only 14 percent of the companies expect the economy to brighten up in the next twelve months, 46 percent expect a slower pace. Two out of five companies expect the economic development to remain unchanged. The balance of better and worse assessments falls to minus 32 points (spring 2022: minus 30 points) and is thus below the level at the beginning of the Corona pandemic (spring 2020: minus 29 points). The current business situation is assessed more poorly here than in any other region at present - only in a few individual other countries do companies currently report a worse situation. While positive and negative expectations for the development of business in the coming months roughly balance each other out, companies are slashing their investment budgets.

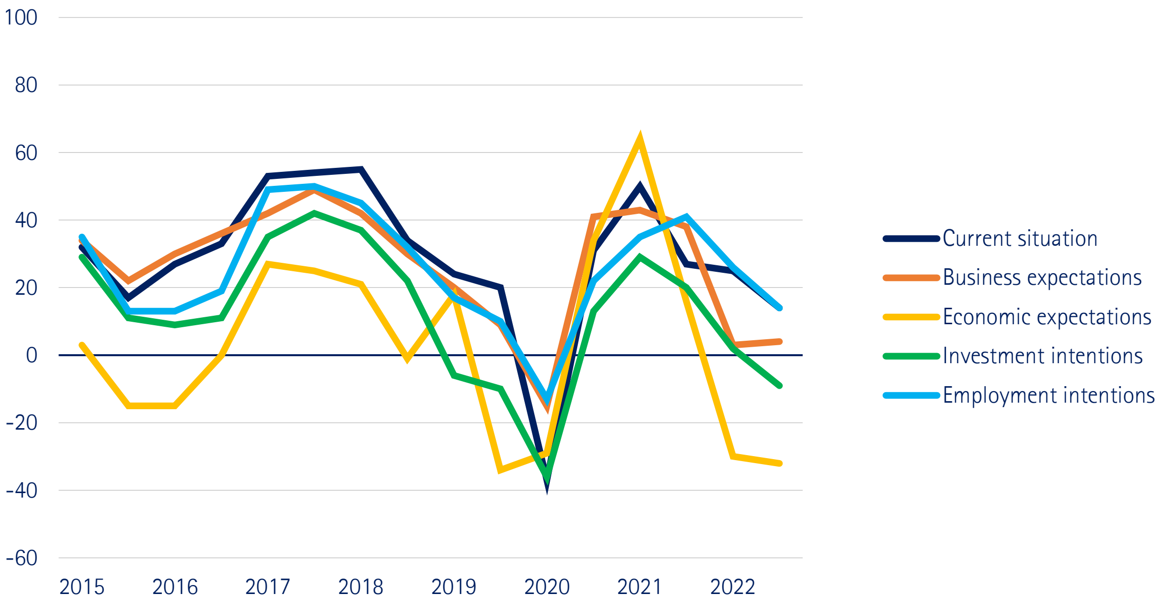
In Greater China, companies particularly appreciate the good supplier structure (58 percent) - more often than in any other region in the world. The availability of skilled workers (38 percent) and labour costs (27 percent) are also an advantage. A third of the companies at Chinese locations see the moderate energy costs there as an advantage, significantly more than in other regions of the world. In the free text field, the size of the Chinese market was also named as an advantage. With a share of around 18 percent of the world's population, China is an important sales market in numerous sectors - and is already the largest sales market for automobiles and the largest market for the chemical industry worldwide.

What do local companies currently see as the advantages of their current locations?



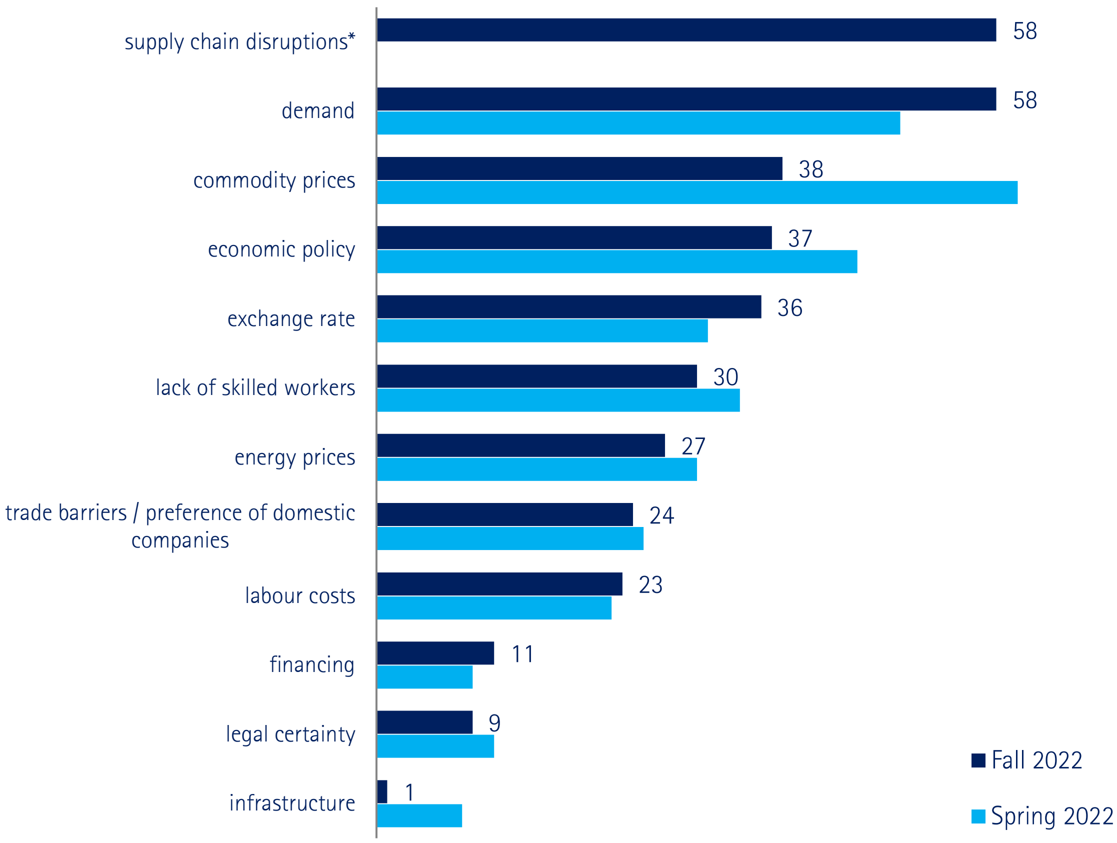
German companies in Greater China

Balance in points



Risks for German companies in Greater China

in percent, multiple answers possible, *asked for the first time



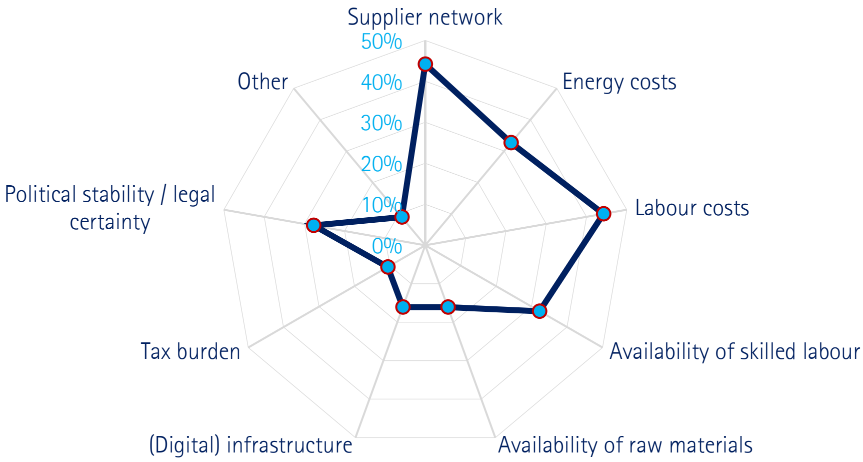
Africa, Near and Middle East

In recent months, the pressure on German companies to further diversify import and export markets has increased considerably. Cooperation between the German and African economies is benefiting from this. On the one hand, many African countries offer themselves as alternative suppliers of raw materials. On the other hand, the rise in commodity prices has increased the possibilities for African governments to expand infrastructure and rely on products and know-how made in Germany. In contrast to all other regions, the outlook in Sub-Saharan Africa and the Near and Middle East has improved compared to the previous survey. 34 percent of the companies expect economic growth in their host countries in the next twelve months, 29 percent expect an economic slowdown. The balance of better and worse expectations rises to five points (previous survey minus five points). The mood among companies in the region has also brightened with regard to their own business. With a balance of 38 points, the current business situation is assessed as better than in spring (balance 30 points) and better than the global average (balance 35 points). In addition, companies are more optimistic or expansionary about their business expectations, investment and employment intentions for the coming twelve months than companies in other regions of the world.

Companies are more concerned than average about exchange rate fluctuations (54 percent), high commodity prices (51 percent) and economic policy conditions (40 percent). In particular, the rise in the US dollar due to the interest rate hikes by the US Federal Reserve affects the economy in the region: on the one hand, it increases the prices of commodities traded in US dollars, on the other hand, it increases the debt burden of developing and emerging countries, which are mostly indebted in US dollars, and causes uncertainty for companies in international business.

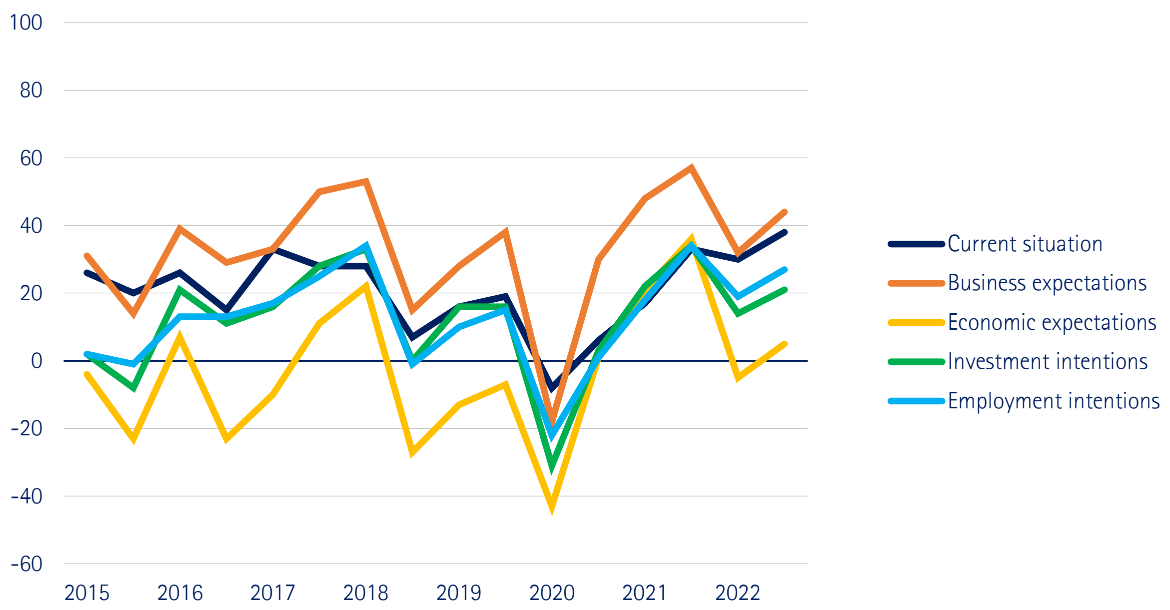
As in all other regions, companies benefit above all from the supplier network (44 percent) in the region. In a global comparison, the companies also most frequently appreciate the labour costs (44 percent) and, on a par with China, the comparatively low energy costs (33 percent). In the free text field, the growth potential of the economy and the expansion potential in the region are named as further advantages.

What do local companies currently see as the advantages of their current locations?



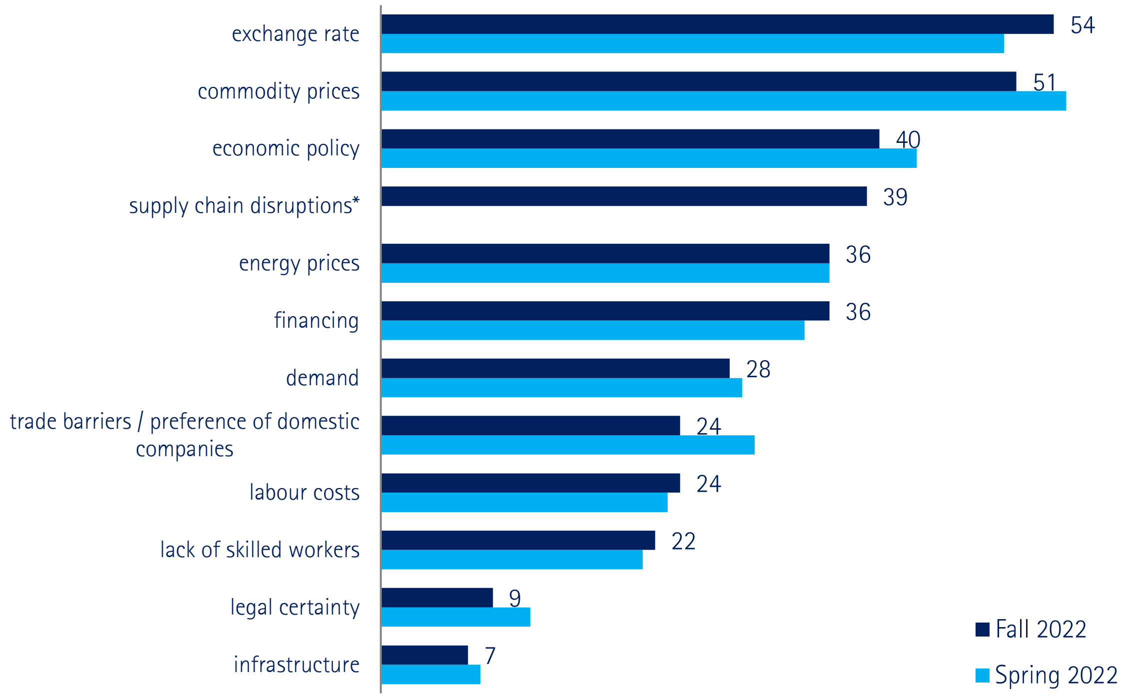
German companies in Africa, Near and Middle East

Balance in points



Risks for German companies in Africa, Near and Middle East

in percent, multiple answers possible, *asked for the first time



Statistical annex

Evaluation of the results by country

Balance of good/better answers minus bad/less answers in each case

	Current business situation	Business expectations	Economic expectations	Investment intentions	Employment intentions
Worldwide	**35**	**16**	**-30**	**9**	**20**
Eurozone	**34**	**5**	**-41**	**6**	**12**
Finland	30	4	-56	-8	15
France	25	-30	-30	19	45
Greece	64	26	-30	19	45
Italy	45	12	-48	12	22
Netherlands	20	7	-7	14	0
Portugal	32	10	-57	-10	10
Slovakia	39	-22	-68	-8	-1
Slovenia	39	-16	-63	-26	-6
Spain	26	4	-61	19	28
Other EU, Switzerland, Norway	**32**	**-9**	**-70**	**-3**	**19**
Denmark	17	28	-66	14	7
Great Britain and Northern Ireland (UK)	22	-3	-74	11	29
Romania	50	-20	-67	-20	23
Switzerland	41	-12	-71	-17	6
Czech Republic	46	-17	-68	-18	27
Hungary	34	-35	-67	-26	6
Eastern/South Eastern Europe (without EU), Russia, Turkey	**21**	**-19**	**-61**	**-13**	**-12**
Russian Federation	-6	-36	-71	-20	-29
Serbia	70	22	-48	40	48
Turkey	58	-4	-54	-11	5
Belarus (White Russia)	-8	-43	-70	-21	-27
Asia/Pacific (without China)	**36**	**27**	**-9**	**19**	**35**
India	29	29	18	46	21
Indonesia	56	44	8	-4	20
Japan	28	26	-12	19	43
Korea (South)	33	0	-56	-21	37
Malaysia	25	38	0	30	46
Philippines	47	48	7	22	38
Singapore	54	7	-11	37	46
Sri Lanka	10	10	-50	-25	-40
Thailand	54	43	-9	21	49
Vietnam	26	3	-3	0	21
Greater China	**14**	**4**	**-32**	**-9**	**14**
China, PR	14	5	-31	-9	16
Hong Kong	3	-7	-24	-35	-17
Taiwan	13	0	-37	3	23

	Current business situation	Business expectations	Economic expecta-tions	Investment intentions	Employment in-tentions
North America (=USA, Canada, Mexico)	**59**	**46**	**-21**	**22**	**42**
Canada	69	35	-23	27	46
Mexico	55	39	-21	25	45
USA	58	48	-21	21	41
South and Central America	**32**	**41**	**-16**	**16**	**18**
Argentina	42	0	-61	13	16
Chile	17	7	-59	0	7
Ecuador	23	62	-13	21	12
Guatemala	29	57	-19	15	24
Colombia	40	64	-16	4	52
Nicaragua	32	64	-29	24	-4
Peru	30	56	-26	-4	4
Africa, Near and Middle East	**38**	**44**	**5**	**21**	**27**
Egypt	39	40	-8	19	20
Iran	-6	17	-36	-18	0
Kenya	18	56	18	29	24
Saudi Arabia	55	62	63	38	54
Tunisia	40	47	-27	54	43
United Arab Emirates	62	74	49	38	59

Business risks for German companies abroad

in percent, multiple answers possible

	Demand	Funding	Labour costs	Skills shortage	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy framework conditions	Infrastructure	Trade barriers / preferential treatment of domestic companies	Supply chain disruptions
Worldwide	**41**	**24**	**28**	**32**	**33**	**41**	**42**	**15**	**39**	**6**	**17**	**42**
Eurozone	**44**	**19**	**32**	**37**	**12**	**57**	**44**	**11**	**33**	**4**	**11**	**44**
Finland	41	11	33	37	4	52	63	4	22	4	7	59
France	45	30	35	45	5	75	60	5	20	5	10	50
Greece	49	26	23	40	11	66	36	4	36	9	11	28
Italy	48	15	23	27	10	67	55	3	37	3	3	40
Netherlands	43	43	57	53	23	57	43	3	0	7	10	23
Portugal	63	20	37	33	7	60	73	13	30	3	7	50
Slovakia	55	12	48	44	0	73	37	5	32	3	5	48
Slovenia	37	20	37	43	2	69	45	4	27	0	2	53
Spain	55	16	26	25	8	64	56	8	38	1	3	49
Other EU, Switzerland, Norway	**55**	**15**	**34**	**42**	**29**	**65**	**47**	**14**	**25**	**2**	**11**	**34**
Denmark	62	17	21	34	14	48	38	3	14	7	7	28
Great Britain and Northern Ireland (UK)	45	8	2	47	0	60	58	23	10	0	38	2
Romania	53	10	53	60	27	83	67	13	30	7	3	60
Switzerland	53	15	29	53	41	29	38	12	29	0	12	50
Czech Republic	63	20	49	46	24	78	37	7	34	5	0	20
Hungary	57	19	49	30	50	77	50	18	27	2	7	42
Eastern/South Eastern Europe (without EU, RU, TR)	**43**	**29**	**30**	**28**	**46**	**36**	**33**	**23**	**55**	**5**	**27**	**38**
Russian Federation	57	16	13	20	35	3	15	33	49	1	47	67
Serbia	48	22	48	48	22	70	39	0	26	9	4	39
Turkey	31	46	41	25	74	60	50	16	71	3	14	31
Belarus (White Russia)	57	27	14	19	38	14	16	38	78	8	35	0
Asia/Pacific (without CN)	**43**	**24**	**21**	**38**	**50**	**34**	**43**	**10**	**32**	**8**	**20**	**50**
India	39	11	14	18	46	21	57	4	14	7	11	36
Indonesia	48	32	12	20	48	44	40	8	44	4	24	48
Japan	45	10	5	47	76	36	52	2	19	5	10	53
Korea (South)	48	11	44	41	41	33	52	7	19	0	33	56
Malaysia	46	33	29	58	42	33	54	4	46	8	33	50
Philippines	28	32	22	40	43	50	41	22	38	9	15	56
Singapore	46	25	39	39	46	39	39	0	39	7	25	54
Sri Lanka	55	50	25	15	60	30	30	15	80	15	45	50
Thailand	60	17	9	49	37	49	51	9	14	3	11	34
Vietnam	53	21	15	26	53	21	35	12	21	12	15	38

	Demand	Funding	Labour costs	Skills shortage	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy framework conditions	Infrastructure	Trade barriers / preferential treatment of domestic companies	Supply chain disruptions
Greater China	**58**	**11**	**23**	**30**	**36**	**27**	**38**	**9**	**37**	**1**	**24**	**58**
China, PR	65	11	27	26	30	22	39	9	39	2	30	59
Hong Kong	48	14	21	31	48	45	28	17	41	0	21	59
Taiwan	47	7	17	37	40	23	47	3	27	0	10	57
North America	**38**	**18**	**33**	**42**	**25**	**24**	**35**	**14**	**44**	**13**	**8**	**46**
Canada	50	15	42	54	35	35	38	0	15	15	12	46
Mexico	42	16	32	26	26	18	39	29	71	8	11	39
USA	33	19	29	44	21	22	31	11	42	15	7	50
South and Central America	**34**	**29**	**25**	**21**	**24**	**17**	**31**	**33**	**63**	**12**	**15**	**34**
Argentina	26	23	16	26	61	13	19	16	77	10	45	48
Chile	59	21	24	24	38	14	34	21	69	0	3	28
Ecuador	25	45	30	14	3	17	28	38	64	8	16	28
Guatemala	33	10	29	29	29	19	33	43	57	48	5	38
Colombia	24	28	28	8	48	16	32	28	60	16	16	36
Nicaragua	39	18	11	36	14	36	32	29	61	7	14	43
Peru	33	11	19	15	30	15	48	33	67	11	11	52
Africa, Near and Middle East	**28**	**36**	**24**	**22**	**54**	**36**	**51**	**9**	**40**	**7**	**24**	**39**
Egypt	27	38	24	13	64	37	60	6	39	3	22	36
Iran	19	56	22	33	53	22	22	17	56	19	44	33
Kenya	41	24	15	21	59	44	35	6	41	3	35	41
Saudi Arabia	31	31	37	43	25	28	49	12	26	8	25	46
Tunisia	30	27	23	37	30	50	53	13	53	17	13	40
United Arab Emirates	18	21	23	26	41	21	54	10	36	3	31	51

Questionnaire

How do you assess the current business situation of your company?
- good
- satisfactory
- bad

What business development do you expect for your local company in the next twelve months?
- better
- consistent
- bad

How do you assess the economic development on site in the next twelve months?
- better
- consistent
- bad

How is your company's spending on local investments likely to develop over the next twelve months?
- higher
- consistent
- Low
- No investments

How do you expect the number of employees in your local company to develop over the next twelve months?
- higher
- consistent
- Low

Where do you see the greatest risks in the economic development of your company in the coming twelve months? (Multiple answers possible)
- Demand
- Funding
- Labour costs
- Skills shortage
- Exchange rate
- Energy prices
- Commodity prices
- Legal certainty
- Economic policy framework conditions
- Infrastructure
- Trade barriers / preferential treatment of domestic companies
- Disruptions in the supply chain (e.g. logistics, missing primary products)

Do you see any further risks for the economic development of your company?

What do you currently see as the advantages of your current locations? (Multiple answers possible)
- Supplier network
- Energy costs
- Labour costs
- Availability of skilled workers
- Availability of raw materials
- (Digital) infrastructure
- Tax burden
- Political stability/legal security
- Other (free text)