AHK

World Business Outlook Fall 2024

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

DIHK German Chamber of Commerce and Industry

AHK German Chambers of Commerce Abroad

Contents

Methodology

The AHK World Business Outlook is based on a regular DIHK survey of the member companies of the German Chambers of Commerce Abroad, delegations and representative offices (AHKs). In autumn 2024, it collects feedback from almost 3,500 German companies, branches and subsidiaries worldwide as well as companies with close ties to Germany. The survey was conducted from 23 September to 16 October 2024. 39 percent of the responding companies come from the manufacturing and construction sector, 41 percent from the service sector and a further 20 percent are trading companies. Smaller companies with fewer than 100 employees accounted for 48 percent of the responses. 25 percent of the companies employ 100 to 1,000 employees. Large companies with more than 1,000 employees account for 27 percent of respondents worldwide. 52 percent are subsidiaries/branches of German companies, 32 percent are local or (non-German) international companies without a branch in Germany and a further 16 percent are local or (non-German) international companies with a branch in Germany. The results for the continental regions and the global value are weighted. The basis for the weighting of an individual country is the average gross domestic product (GDP) for the years 2017-2021 in US dollars. The questions on the business situation, expectations, economic situation, investments and employment are weighted accordingly.

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German Chamber of Commerce an Industry
Postal address: 11052 Berlin | House address: Breite Straße 29 | Berlin-Mitte
Phone 030 20308-0 | Fax 030 20308-1000

DIHK Online : Homepage | Facebook | X (Twitter) | LinkedIn | Instagram | Youtube

Editor: Lola Machleid

Graphic: Sebastian Titze

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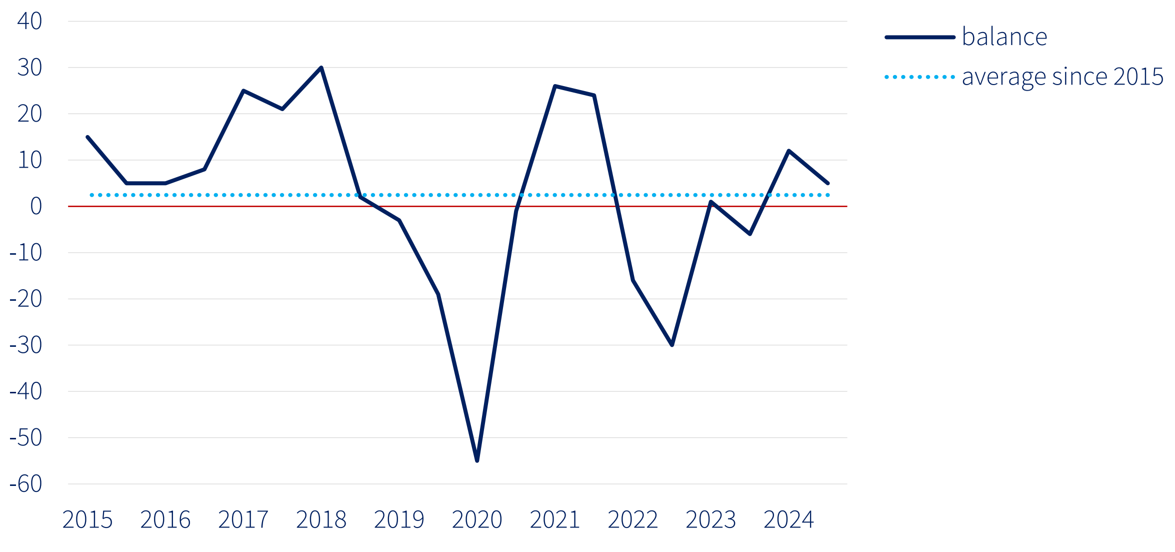
Development of the global economy

Economic expectations of German companies abroad

The development of the global economy and global trade is robust. While the German economy is unfortunately unable to benefit from this global development as in previous times, the mood among German companies at their international locations is far more positive than in Germany. This is because they often find the conditions there that have recently developed unfavourably at domestic locations (See DIHK Industry Network 2023 survey, IHK Energy Transition Barometer 2024).

In autumn 2024, the 3,500 companies surveyed by the AHKs around the world are somewhat more pessimistic about economic development than in spring 2024, but German companies at their international locations are currently more satisfied than average: 27% of companies expect economic development at their locations to improve over the next twelve months (spring: 31%). In contrast, 22 percent expect the local economy to slow down (spring: 19 percent). Just over half of the companies expect stable development based on the current economic situation (51 percent). Although the resulting balance of better and worse assessments fell from twelve points in spring to the current five points, it is still above the long-term average of two points (recorded since 2015). The current reluctance among companies is a reflection of the situation, which is characterised by major upheavals and ongoing uncertainty. Compared to autumn 2023 (minus six points), however, the assessment of the local economic situation has improved significantly, by eleven balance points. The positive trend since 2022 has temporarily clouded over.

Economic expectations of companies worldwide (balance of "better" minus "worse" - answers in points)

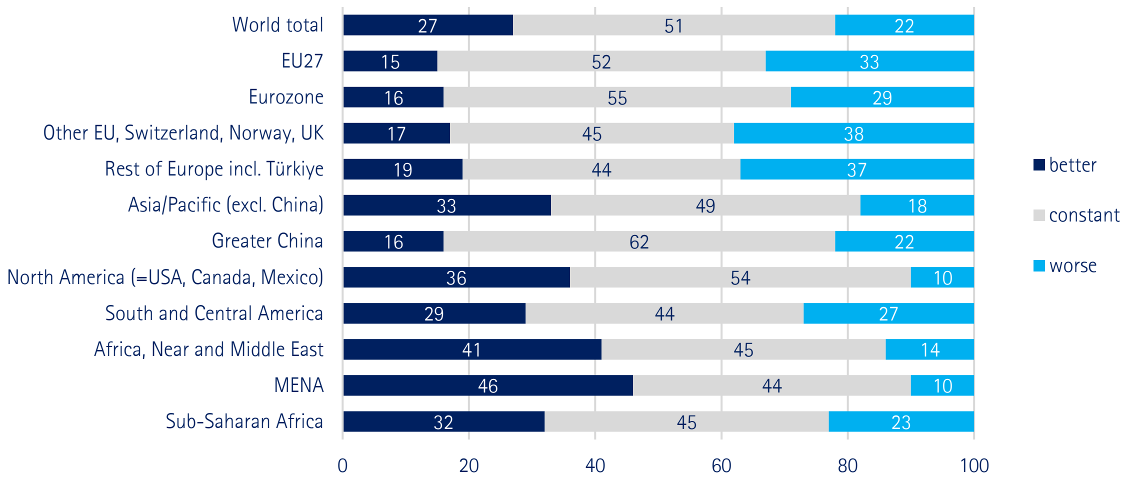


Expectations for economic development differ significantly from region to region. In North America (USA, Canada, Mexico), the MENA region and Africa, Middle East and North Africa, expectations for economic development are largely positive despite a slight decline. In Europe and the Greater China region, they are negative.

In the US, 38 percent of companies expect the local economy to improve over the next twelve months. In spring 2024, 56 percent of companies active in the US had stated this, but economic expectations in the US are still more optimistic than the average of recent years and significantly more positive than globally, where only 27 percent expect the economy to improve.

Compared to the last survey in spring, economic expectations in South and Central America have worsened: 29 percent expect an improvement, 27 percent a deterioration. In Brazil, on the other hand, optimism clearly prevails while 17 percent expect the economy to deteriorate, a third expect it to improve (33 percent).

Economic expectations of companies worldwide (proportion of responses in percent))



Although expectations for the economy in the Asia-Pacific region are gloomier compared to spring 2024, a good one in two companies (51 percent) still expect the overall economy to improve in the coming year. Only eight percent anticipate a deterioration. Confidence is particularly high in India, where two thirds of companies expect the economy to continue to recover over the next twelve months.

Economic expectations in the Greater China region (PR China, Taiwan, Hong Kong) are far more negative than in a global comparison - despite a slight improvement compared to spring. A closer look shows that the economy in the People's Republic of China appears to have bottomed out. Companies there are once again more optimistic about the economic development and their own business expectations for the coming year.

Companies in the EU are the most pessimistic about economic development over the next twelve months. Only 15 percent of companies there expect an upturn, while a third (33 percent) anticipate a further slowdown. In the eurozone in particular, assessments have deteriorated in all indicators compared to the previous survey.

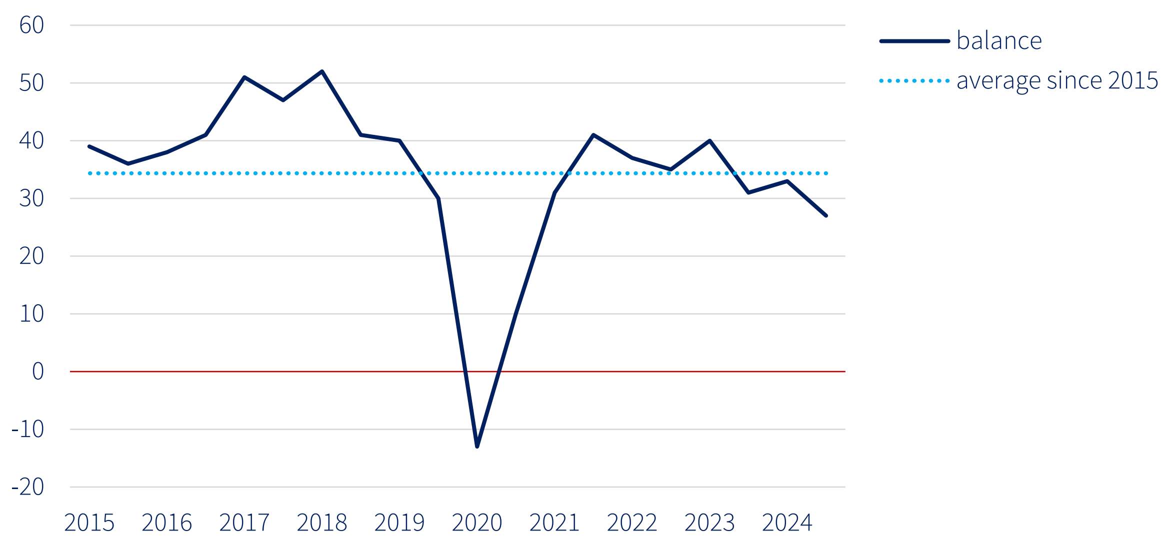
Business situation and business expectations

The global economy is growing moderately, but the tense global situation is dampening the optimism of German companies abroad: Geopolitical risks and structural challenges are weighing on current business. At the same time, robust global growth, falling inflation rates in many places, further interest rate cuts and rising purchasing power due to higher wages mean that German companies at their international locations are largely positive about the coming months.

42 percent of companies (spring 2024: 44 percent) report a good business situation. At least 43 percent report a satisfactory business situation (spring 2024: 45 percent), while 15 percent rate their current business as poor (spring 2024: 11 percent). The balance of "good" and "poor" ratings fell compared to the previous survey - from 33 to 27 points. The assessment of current business is therefore more negative than the global average of recent years (34 points).

In a comparison of economic sectors, service companies still rate their business situation best: 46 percent rate their situation as good and only ten percent as poor (balance 36 points). Manufacturing and construction companies (38 percent good, 17 percent bad, balance 21 points) and retail companies (37 percent good, 16 percent bad, balance 21 points) are somewhat more reserved in their assessment of their current business situation.

Business situation of companies worldwide (balance of "good" minus "bad" - answers in points)

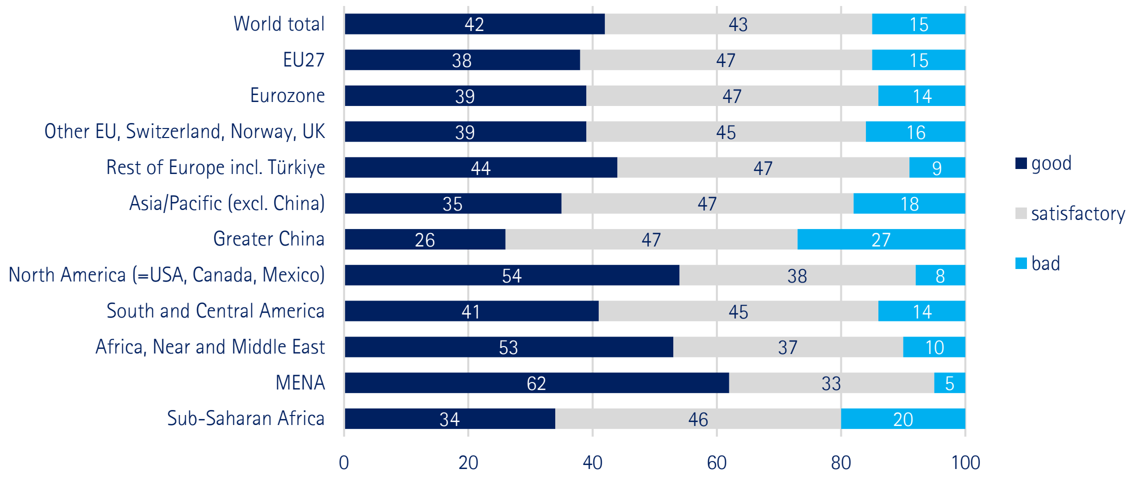


The assessment of the business situation shows considerable differences between the various regions worldwide:

Despite a very heated election campaign (the survey was conducted during the election campaign period), German companies in the United States rate their business situation as very good and also significantly better than the global average: 55 percent of companies operating in the US report a good business situation, while only eight percent rate it as poor.

Compared to the previous survey in spring 2024, the situation assessment of companies in Brazil has deteriorated: 42 percent report a better business situation, compared to 55 percent of companies in the spring. While the business situation for companies in South and Central America has declined overall (balance falls from 34 to 27 points), the deterioration is particularly pronounced in Brazil (balance falls from 43 to 28 points).

Business situation of companies worldwide (proportion of responses in percent)



The current situation of companies in sub-Saharan Africa has decreased significantly compared to the previous survey. 34 percent of respondents said their business situation was good, while 20 percent said their current situation was poor (balance fell from 26 to 14 points).

In Greater China, the situation assessment of German companies is significantly worse than in a global comparison, although the situation of local companies has brightened compared to spring 2024 (balance rises from minus eight to minus one point). The business situation in both Taiwan and China has improved significantly compared to the spring. For example, 27 percent of German companies in China rate their current situation as good, compared to just 16 percent previously. By contrast, the situation assessment of companies in Hong Kong fell sharply: In spring, 40 percent there still rated their situation as good; currently, the figure is only 15 percent.

The current business situation of German companies in the Asia-Pacific region (excluding Greater China) reached another low in autumn 2024 since the COVID pandemic and, with a few exceptions, deteriorated compared to spring (balance fell from 25 to 17 points). By contrast, companies in the Philippines rate their current business situation as good at 58 percent (2023: 50 percent), in Malaysia the figure is 54 percent (2023: 39 percent). There was a significant improvement in both countries compared to the previous year.

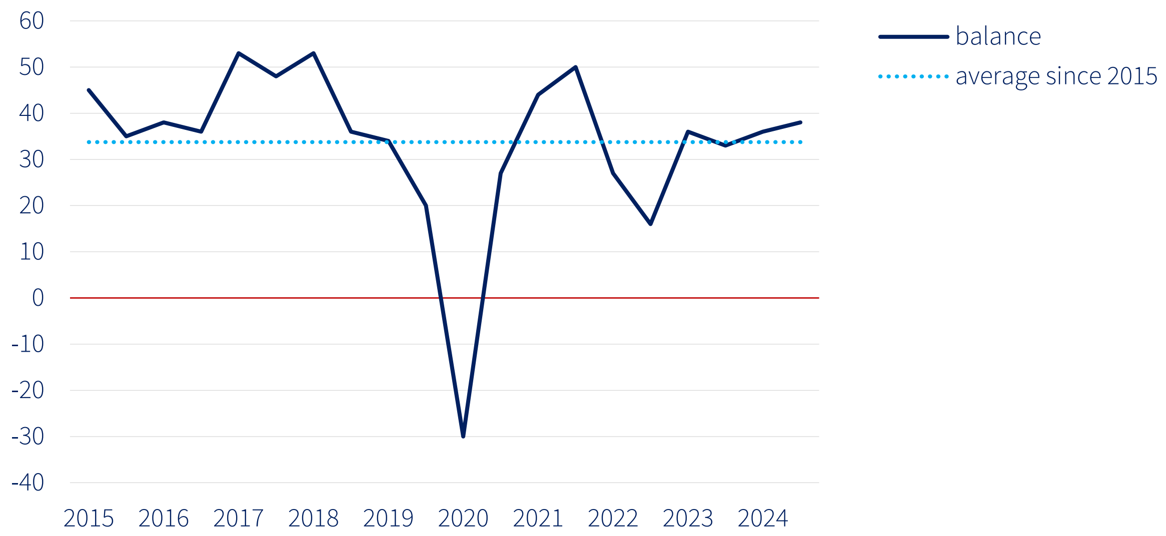
German companies in the MENA region continue to rate their current business situation positively compared to spring 2024: 62 percent state that their situation is good, while only 6 percent rate it as poor (balance unchanged at 57 points). Companies in Africa, Middle East and Africa are also in an above-average positive mood. 53 percent of companies report a good business situation, ten percent a poor one. Compared to spring 2024, however, there was a slight decline (balance fell from 49 to 43 points).

In contrast to the poorer assessment of current business, companies' business expectations for the coming twelve months have brightened compared to spring 2024. 48 percent of companies expect business to improve (spring 2024: 46 percent). 42 percent expect business to remain stable (spring 2024: 44 percent). Only one in ten companies (spring 2024: ten percent) expect business to deteriorate. The balance of better and worse assessments rises to 38 points (spring 2024: balance of 36 points) - and is therefore back above the long-term average of 34 points. This means that companies are significantly more optimistic about their future business than they are about economic expectations (balance of five points).
Service companies are also the most confident of all economic sectors when it comes to business expectations: While 52 percent of service providers expect business to develop well in the coming year and only ten percent expect business to deteriorate (balance 42 points), business is much more positive for retail companies than in the previous survey (48 percent good, 13 percent bad, balance 35 points), manufacturing and construction

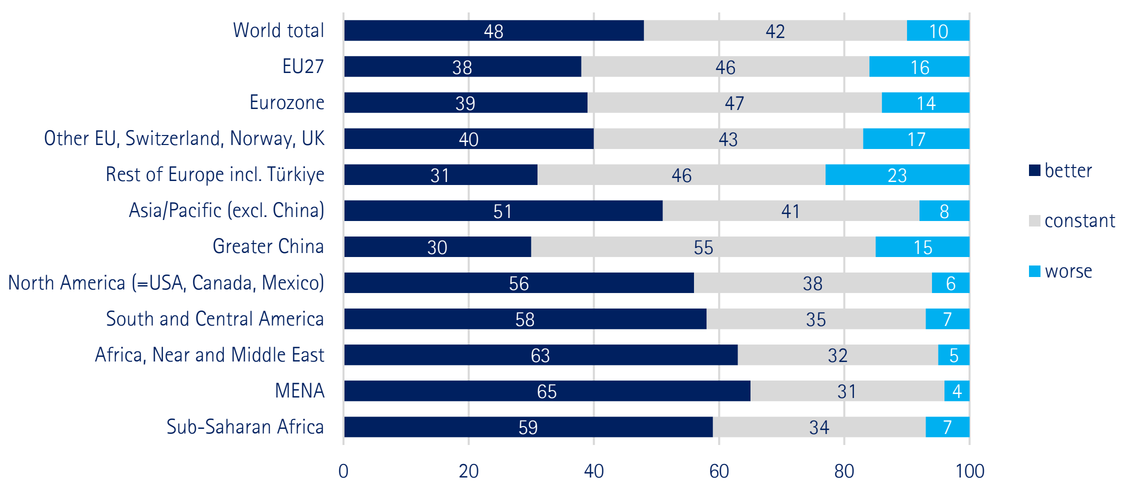
companies (42 percent good, 13 percent bad, balance 29 points) are slightly less positive, albeit better than in the spring.

The overall positive trend in business expectations is being driven in particular by developments in the Asia-Pacific, MENA and North America regions. The outlook in South America is also above average. China appears to have bottomed out. In Europe, however, the picture remains bleak.

Business expectations of companies worldwide (balance of "better" minus "worse" - answers in points)



Business expectations of companies worldwide (proportion of mentions in percent)



In the Middle East and North Africa (MENA), companies' business expectations are better than in any other region (balance unchanged at 58 after 54 and 61 points after 59). In almost every other region, business expectations have deteriorated compared to the previous survey.

Despite a slight downturn, the business expectations of German companies in South and Central America are clearly positive compared to global feedback. For example, 58 percent of companies expect their business to improve over the next twelve months, while only seven percent anticipate a deterioration (balance of 51 points compared to 54 points previously).

German companies with locations in the USA are more optimistic about their business development compared to the global mood. In the USA, 57 percent of companies expect business to improve in the coming year, while only five percent anticipate a deterioration in this period. The balance of business expectations fell slightly by four points to 52 points.

German companies in the Sub-Saharan Africa region are particularly positive about the coming year. 59 percent of respondents active in the region expect business to improve. This means that the outlook has brightened considerably compared to the spring survey (balance rises from 37 to 52 points); local companies are more optimistic than the global average.

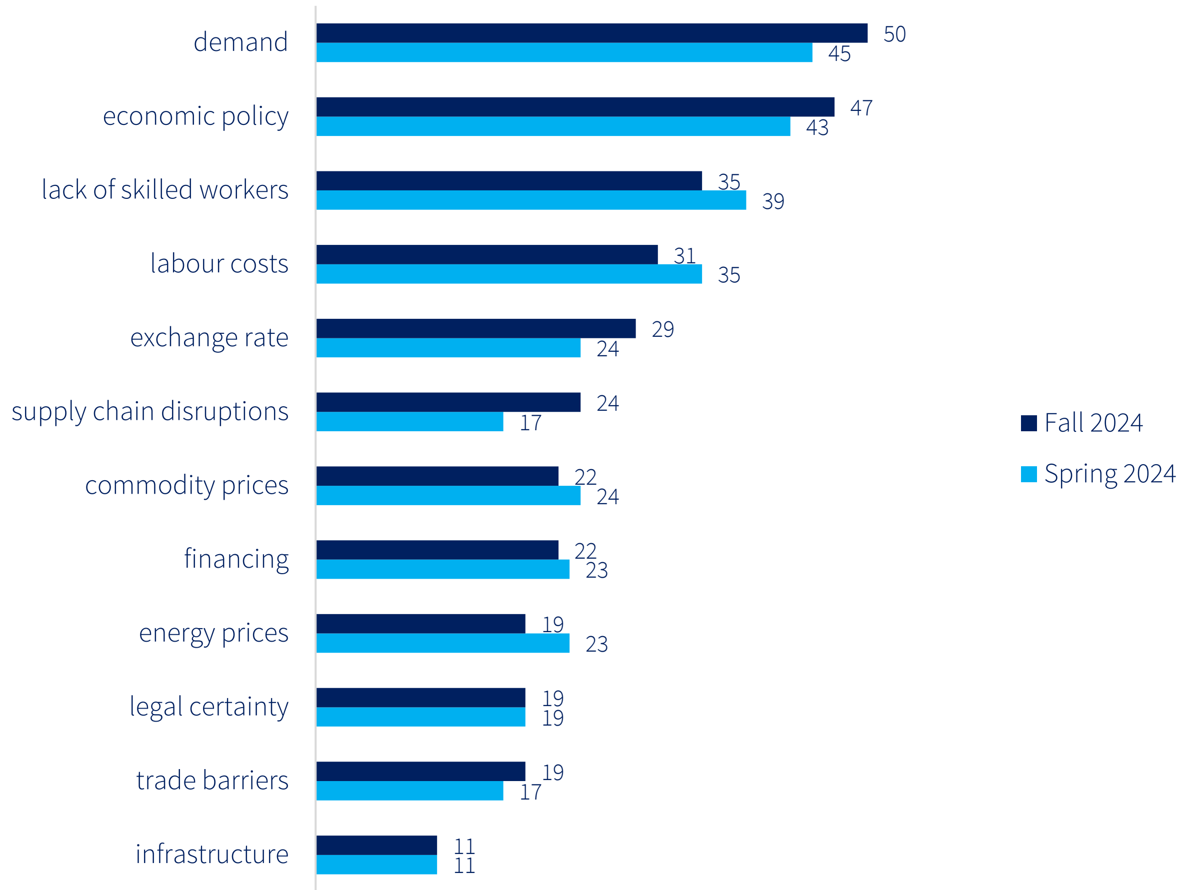
The Greater China region appears to have bottomed out. This is indicated not only by the development of the business situation, but also by the slight improvement in business expectations (balance rises from 11 to 15 points).

In Eastern/Southeastern Europe (excluding the EU) and Turkey, there has been a sharp decline in business expectations compared to spring 2024. Here, only 31 percent expect business to improve, while 23 percent anticipate a deterioration. The tense situation and the ongoing Russian war in Ukraine are dampening the mood. All in all, however, business expectations for the coming year remain cautiously positive.

Risks for German companies abroad

Despite the many geopolitical crises and conflicts, the global economy has developed resiliently in recent years. Nevertheless, the geopolitical tensions and structural upheavals have resulted in a generally high level of uncertainty among companies, which is even increasing at the current margin.

Business risks for companies in the next twelve months (in percent, multiple answers possible)



Companies see low demand as the most common business risk at their international locations (50 percent, spring 2024: 45 percent, long-term average 47 percent). The demand risk has also increased further across all sectors: Manufacturing and construction companies (54 percent) and retail companies (50 percent) are more likely to worry about low demand than service companies (45 percent). Companies in Greater China cite the risk most frequently: three quarters of companies are facing challenges due to a lack of demand; in China the figure is as high as 80 percent. However, companies in Europe are also confronted with the demand risk (EU27: 63 percent; other EU, Switzerland, Norway, UK; 64 percent).

Global industrial production has been stagnating since 2022. This weak phase poses major problems for German companies, not only in Germany but also at their international locations. In addition to demand risks, structural risks such as the economic policy environment (47%, previous survey: 43%), the shortage of skilled workers (35%, previous survey: 39%) and labour costs (31%, previous survey: 35%) are among the most frequently cited business risks for companies worldwide.

A look at the regions reveals differences:

In the Asia-Pacific region, 51 percent of companies see weak demand and 42 percent see exchange rate fluctuations as the biggest challenges. In Greater China, three quarters of companies rate low demand as the most significant business risk (76 percent). In India, in addition to demand (60 percent), companies are particularly concerned about raw material prices, exchange rate volatility and a shortage of skilled workers (38 percent each).

Companies in the USA also see growing risks. In particular, economic policy conditions are mentioned more frequently (49 percent) compared to the spring (46 percent). Concerns about increasing trade barriers (26 percent; previous survey 20 percent) and disruptions in supply chains (33 percent compared to 30 percent previously) have also increased significantly. A particular risk for German companies in the USA is the tariff plans that were repeatedly discussed during the US election campaign. This applies not only to bilateral transatlantic trade relations, but also to business for German companies in other markets, such as China.

In sub-Saharan Africa, the uncertain economic policy situation, the often-inadequate infrastructure, bureaucratic hurdles and financing difficulties pose significant challenges. 56 percent of local companies see the economic policy environment as the biggest business risk. In the spring survey, this figure was 51 percent.

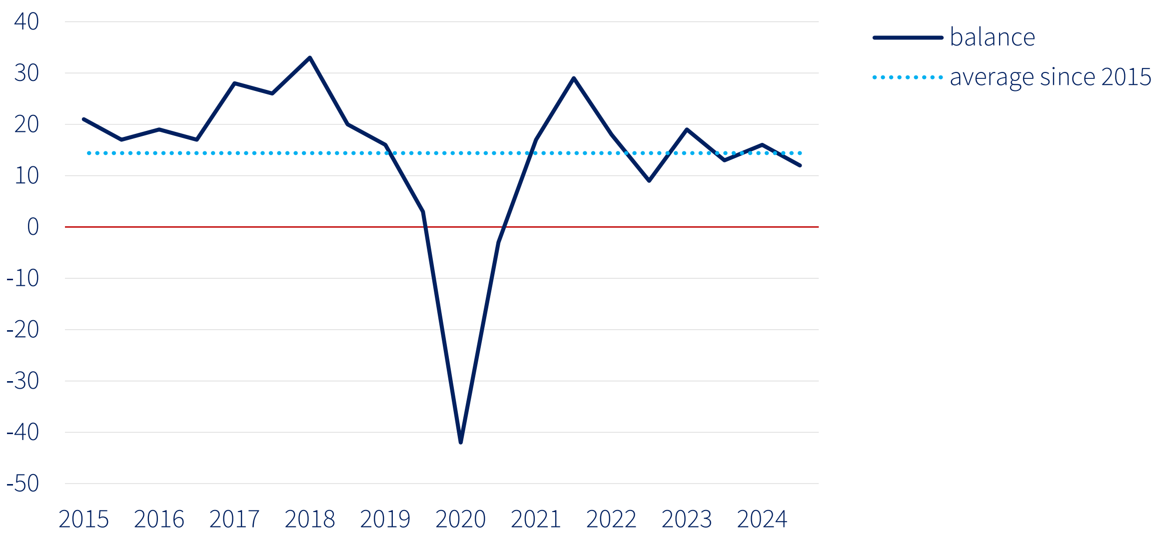
The predicted risks for German companies in Brazil differ considerably from those in other parts of the world. In Brazil, the shortage of skilled labour is considered the greatest business risk (44 percent), unlike in other regions of South and Central America (26 percent). At the same time, the lack of legal certainty remains a problem for 39 percent of companies in Brazil, while only 19 percent worldwide see this as a particular challenge. Inadequate infrastructure is also seen as a business risk by more than twice as many companies in Brazil as globally (Brazil: 28 percent; worldwide: 11 percent).

The companies also had the opportunity to name further risks in a free text field. In particular, they mentioned concerns about an escalation of the numerous geopolitical conflicts and a global recession. They are also concerned about additional bureaucracy and overregulation, corruption and Chinese competition, which is gaining market share through state-sponsored price dumping.

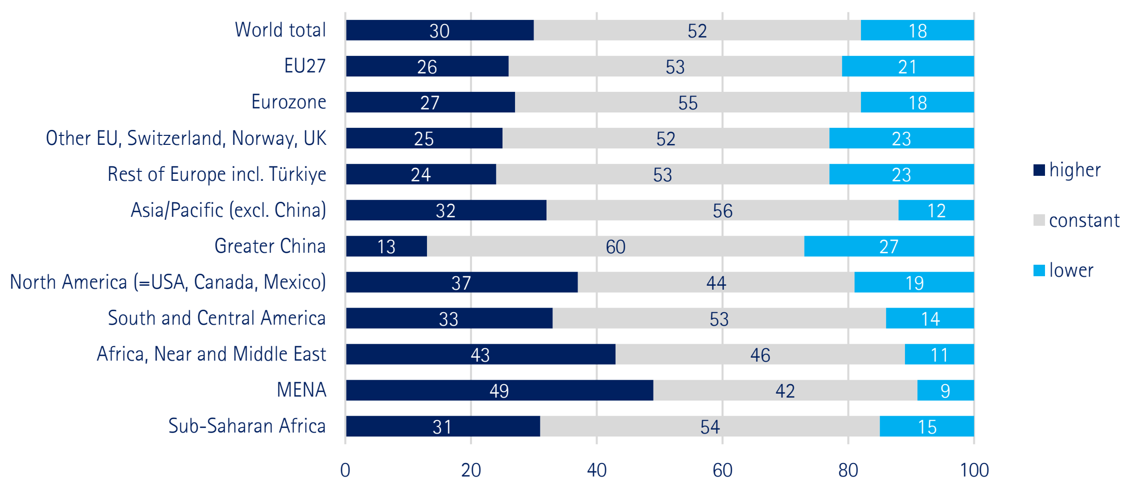
Investment plans of the companies

Against the backdrop of geopolitical tensions and a deterioration in economic expectations, companies' investment plans are rather cautious: 30 percent of companies are planning to invest more in the coming twelve months (spring: 32 percent). 18 percent of companies are planning to invest less (spring: 16 percent). The resulting balance of higher and lower investment plans falls to twelve points (spring 24: 16 points) and is therefore below the long-term average of 14 points. The investment momentum of German companies abroad is therefore slowing somewhat.

Companies' investment intentions (balance of "higher" minus "lower" responses in points)



Investment intentions of companies (proportion of mentions in percent)



In **Asia/Pacific excluding Greater China**, however, companies' investment plans for the next twelve months have improved, particularly in Southeast Asia. 51 percent of companies intend to increase investment in the next twelve months. The balance rises slightly from 18 to 20 points. India in particular is a major attraction for foreign - and especially German - investment (51 percent), just behind the Philippines (52 percent).

In sub-Saharan Africa, companies' willingness to invest has increased compared to the spring survey. For example, 31 percent of the companies involved in the region are planning higher investments and only 15 percent are considering reducing their investments (balance of 16 points compared to 8 points previously).

The USA remains one of the most important markets for German investors. Despite the expected political upheavals, 37 percent of German companies in the USA are planning to increase their investments, while 18 percent want to reduce them. The balance falls from 24 points previously to 19 points currently. The investment plans are therefore below the long-term average for the USA (26 points).

In contrast to the restrained investment intentions worldwide, 33 percent of companies in South and Central America are planning higher investments at their locations in the coming year. The balance of investment intentions rose from 16 to 19 points. Companies are planning their investments in Brazil at a constant but even higher level. The balance stands at 28 points.

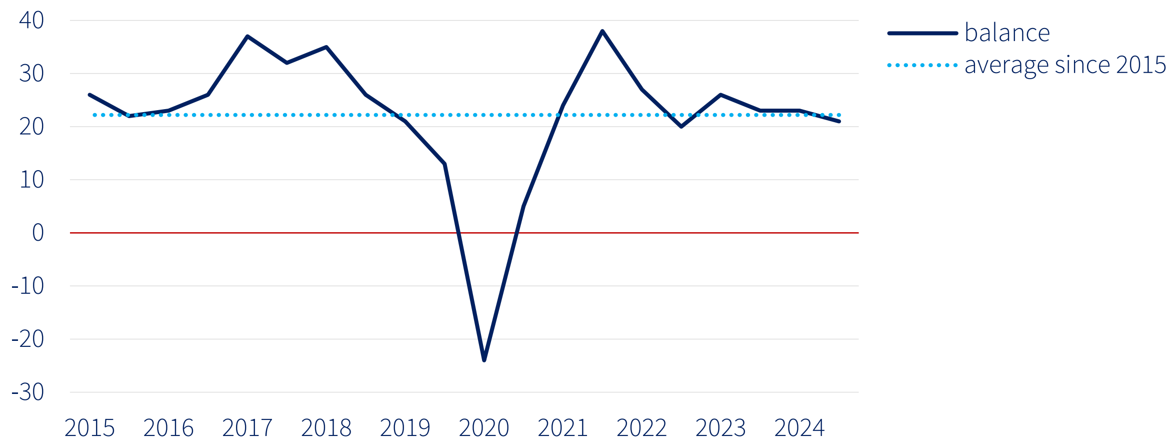
Although the willingness of German companies to invest in the MENA region has decreased slightly compared to the spring, almost half of companies are still planning to invest locally in the coming year. This is significantly more than the global average (30 percent). In the Africa, Middle East and North Africa region, 43 percent of companies are planning to invest more in the coming year.

However, the willingness to invest in Greater China is falling - and significantly so. In mainland China in particular, a good one in four companies (28 percent) are scaling back their investment plans for the next twelve months. Although the business situation here has recovered slightly, companies' investment plans are being scaled back significantly compared to the previous year. Diversification from China into other markets in the Asia-Pacific region is continuing.

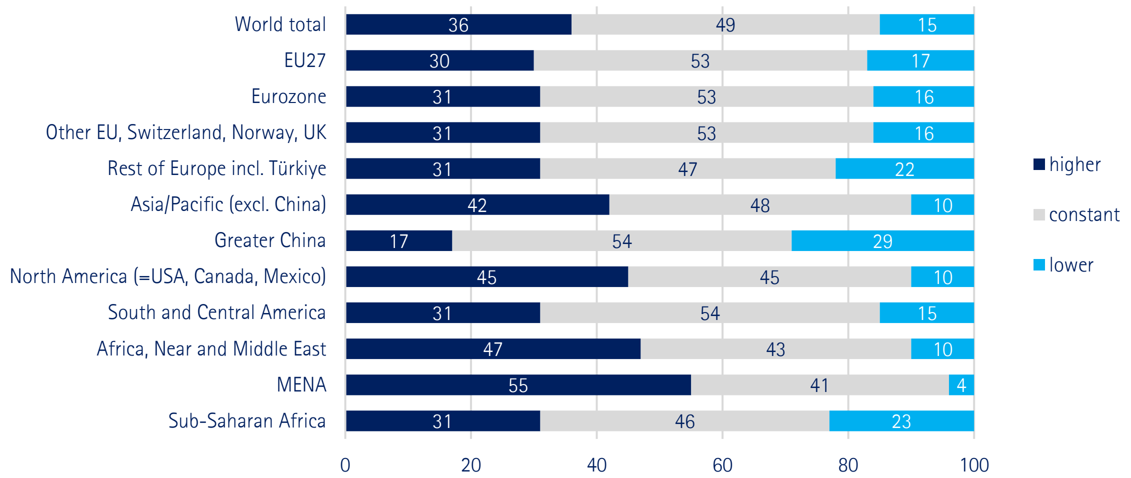
Employment intentions

As with investment intentions, German foreign companies are currently only planning to increase the number of employees at their international locations to a very limited extent. While 36 percent of companies intend to increase their headcount in the next twelve months (spring: 35 percent), 15 percent (spring: 12 percent) plan to reduce their headcount. The balance of higher and lower employment intentions fell slightly from 23 points in spring to 21 points and is therefore now just below the long-term average of 22 points.

Employment intentions of companies (balance of "higher" minus "lower" reports in points)



Employment intentions of companies (proportion of responses in percent)



In a global comparison, companies in the **MENA region** in particular are planning to increase their number of employees in the coming year: The balance remains high at 51 points. In **Egypt**, the balance rose by five points to the current 50 balance points. In **Saudi Arabia**, it fell slightly from 63 to 61 points but remains at a very high level.

Almost one million people are employed by German companies operating in the **US market**. In view of stable employment intentions (46 percent plan to hire new staff), the US remains the central employment location for German companies outside Germany. The balance falls slightly from 35 to 34 points but is still close to the long-term average of 37 points.

In **China,** companies are planning a significant reduction in their workforce: the balance continues to fall to minus 15 after previously minus nine points. The employment intentions of companies in **Taiwan**, on the other hand, rose from seven to 19 balance points.

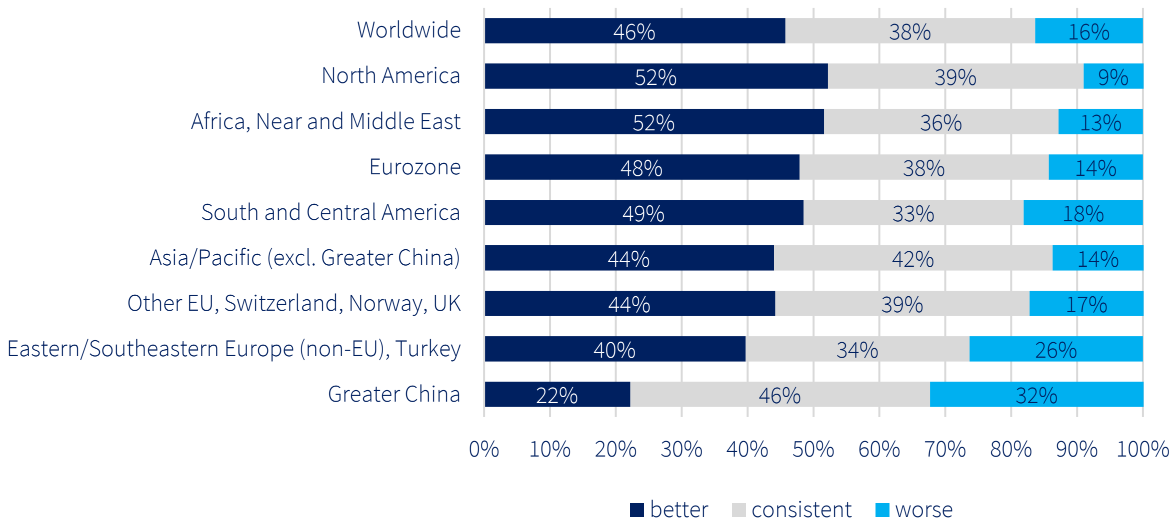
Competitive position of the companies

Worldwide, 46 percent of companies state that their competitive position has improved at their local site in the last five years. Only 16 percent report a deterioration.

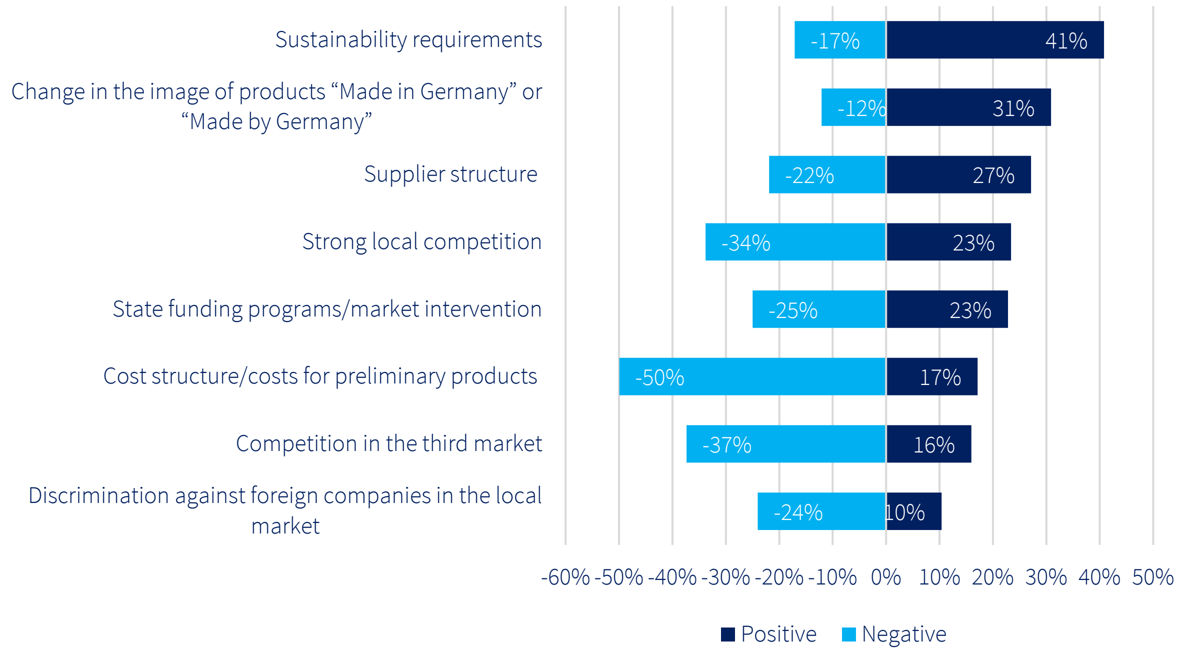
When looking at the reasons for this, it becomes clear that for 41 percent of companies, sustainability requirements contribute positively to the development of their competitive position in international locations. In this area, German products and companies can score points on global markets, partly because they are prepared by stricter regulatory requirements in the EU when these are introduced in other markets. Germany has a good international reputation when it comes to sustainability. Sustainability is increasingly in demand from customers and has a positive impact on the competitiveness of German companies in foreign locations. Companies that already fulfil the requirements have a competitive advantage as a result. The image of products "Made in Germany" or "Made by Germany" also continues to have a predominantly positive influence on the competitive position of German companies at their international locations (See AHK survey on Germany as a business location in 2024).

The cost structure or the costs of preliminary products have a negative impact on the competitiveness of half of the companies worldwide. Strong competition from third markets (37 percent) and local competition (34 percent) also have a predominantly negative impact on the competitive position.

How has the competitive position of your company at your location changed in the last 5 years?
Figures in percent



What influence do the following factors have on your own competitiveness?



More than half - and therefore a particularly large number - of companies in North America and Africa, Middle East and North Africa report an improvement in their competitive situation over the last five years.

The USA is and remains an attractive market with good location conditions for German companies. The competitive position has improved for 54 percent of companies. Sustainability requirements have a positive influence on the improvement of the competitive position for 36 percent of companies, and for 32 percent it is their supplier structure.

Compared to the positive global development of the competitive position of German companies at their international locations, the deterioration of the competitive position in the People's Republic of China is a striking and worrying trend. Only 22 percent of local German companies report an improved competitive position within the last five years, while it has deteriorated for 32 percent. Here, companies are feeling the pressure of stronger local competition in particular.

When comparing the impact of the influencing factors in Germany's two largest trading partners, China and the USA, the assessments of the following factors are particularly striking: The change in image for products "Made in Germany" or "Made by Germany" is rated positively by 31 percent in the USA, compared to only 17 percent in China. At the same time, 29 percent of companies in China rate this change in image as a negative influencing factor, compared to only six percent in the USA. While 30 percent of companies in the USA cite government support programmes or market interventions (such as the Inflation Reduction Act) as a positive influencing factor, only five percent of companies in China rate this positively. There, 46 percent of companies complain in particular about the discrimination of foreign companies on the local market, which impairs their competitiveness. In the USA, only ten percent rate this negatively.

In Taiwan and Hong Kong, however, these negative assessments are less pronounced. In India, Vietnam and Indonesia, on the other hand, companies have recently been able to increase their local competitiveness.

Statistical appendix

Analysis of the results by country

In each case, balance of good/better answers minus bad/lower answers

	Current business situation	Business expectations	Local economic expectations	Investment intentions	Employment intentions
World total	27	38	5	12	21
EU27	**23**	**22**	**-18**	**5**	**13**
Eurozone	**25**	**25**	**-13**	**9**	**15**
France	-3	24	-24	-3	3
Greece	56	44	4	35	46
Ireland	29	20	0	24	15
Italy	29	38	-13	24	29
Croatia	52	28	4	23	36
The Netherlands	63	39	5	25	10
Austria	2	-9	-40	-22	-14
Portugal	19	28	13	0	16
Slovakia	13	-7	-57	-33	-9
Slovenia	14	-12	-56	-47	-16
Spain	20	20	-6	10	17
Other EU, Switzerland, Norway, UK	**23**	**23**	**-21**	**2**	**15**
Bulgaria	36	29	-32	4	25
Romania	26	21	-31	0	5
Sweden	28	44	26	12	18
Switzerland	6	10	-26	-11	-10
Czech Republic	17	34	-29	-10	12
Hungary	14	5	-42	-11	6
United Kingdom	31	39	-13	20	32
Rest of Europe incl. Turkey	**35**	**8**	**-18**	**1**	**9**
North Macedonia	32	43	-4	15	21
Serbia	33	38	17	8	14
Turkey	42	5	-19	1	11
Belarus (Belarus)	6	-11	-36	-10	-9
Asia/Pacific (excluding China)	**17**	**43**	**15**	**20**	**32**
Australia	28	45	-17	19	10
India	30	57	64	44	33
Indonesia	30	57	0	11	37
Japan	-1	39	-1	24	41
Kazakhstan	14	33	-5	32	62
Korea, South	-3	16	-29	-16	11
Malaysia	46	61	50	35	41
New Zealand	-5	40	-21	3	2
Philippines	55	55	45	44	54

	Current business situation	Business expectations	Local economic expectations	Investment intentions	Employment intentions
Singapore	12	2	9	11	5
Sri Lanka	29	70	41	32	16
Thailand	0	36	-7	8	27
Vietnam	16	42	24	20	24
Greater China	-1	15	-6	-14	-12
Hong Kong, SAR	7	24	-15	-14	-7
Taiwan	26	23	5	0	19
People's Republic of China	-3	14	-7	-18	-15
North America (=USA, Canada, Mexico)	46	50	26	18	35
Mexico	41	38	-11	21	39
USA	47	52	31	19	34
South and Central America	27	51	2	19	16
Argentina	40	53	60	23	40
Bolivia	14	23	-78	-24	-19
Brazil	28	59	15	28	24
Chile	11	43	-46	2	-7
Ecuador	14	54	-1	14	5
Colombia	21	28	-48	0	0
Paraguay	61	81	67	69	61
Peru	44	72	28	54	44
Uruguay	54	59	35	41	21
Africa, Near and Middle East	43	58	27	32	37
MENA	57	61	36	40	51
Sub-Saharan Africa	14	52	9	16	8
Egypt	61	61	26	39	50
Ghana	25	55	20	21	-5
Kenya	21	39	-26	23	3
Morocco	24	71	62	34	38
Nigeria	2	59	2	19	2
Saudi Arabia	61	66	55	56	61
South Africa	14	48	40	11	10
Tunisia	33	29	-5	0	33
United Arab Emirates	46	50	39	28	39

Business risks for German companies abroad

in percent, multiple answers possible

	Demand	Financing	Labour costs	Shortage of skilled la-bour	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Supply chain disrup-tion
Worldwide	50	22	31	35	29	19	22	19	47	11	19	24
EU27	**63**	**18**	**45**	**41**	**12**	**25**	**21**	**17**	**48**	**9**	**11**	**17**
Eurozone	**59**	**16**	**43**	**45**	**4**	**22**	**21**	**11**	**49**	**11**	**10**	**19**
France	78	13	38	28	3	16	25	6	63	9	16	9
Greece	33	31	41	57	0	27	20	14	53	14	6	25
Ireland	37	20	49	37	12	29	17	7	39	20	12	37
Italy	62	19	32	40	5	18	25	8	44	12	13	19
Croatia	60	28	60	44	0	12	16	4	28	0	0	20
The Netherlands	23	13	28	46	3	28	18	5	23	5	5	5
Austria	61	17	59	41	10	44	29	5	73	5	2	12
Portugal	72	13	31	31	0	16	34	3	38	3	13	28
Slovakia	63	13	66	57	3	29	14	26	70	18	11	16
Slovenia	65	14	42	60	2	37	19	12	42	14	9	19
Spain	76	5	36	42	2	6	17	20	55	6	14	21
Other EU, Switzerland, Norway, UK	**64**	**20**	**44**	**38**	**21**	**26**	**19**	**24**	**47**	**8**	**15**	**16**
Bulgaria	48	4	59	56	7	33	22	15	63	11	15	11
Romania	53	26	55	45	2	33	16	19	53	9	5	16
Sweden	74	23	8	18	31	10	28	15	41	8	10	18
Switzerland	70	20	40	33	27	13	17	20	50	10	13	13
Czech Republic	59	17	51	54	12	44	32	12	29	10	10	32
Hungary	73	21	49	33	30	27	18	30	48	5	13	12
United Kingdom	40	16	29	43	0	17	13	29	44	14	41	22
Rest of Europe incl. Turkey	**32**	**25**	**40**	**39**	**37**	**19**	**22**	**22**	**51**	**8**	**18**	**26**
North Macedonia	43	14	50	64	0	43	32	21	50	14	18	18
Serbia	48	24	41	38	0	21	31	17	21	7	17	17
Turkey	19	34	54	32	66	16	27	20	56	4	11	15
Belarus (Belarus)	26	17	13	30	30	9	6	21	70	9	36	60
Asia/Pacific (excluding CN)	**51**	**20**	**24**	**36**	**42**	**17**	**24**	**10**	**37**	**13**	**23**	**30**
Australia	55	24	41	38	41	21	14	7	48	3	7	34
India	60	23	21	38	38	13	38	13	26	26	23	34
Indonesia	50	37	17	23	47	13	13	10	57	3	30	23
Japan	38	1	23	38	77	13	39	1	12	1	6	26
Kazakhstan	19	33	19	57	67	14	10	19	19	43	29	52
Korea, South	63	11	37	34	26	21	32	11	24	5	47	21
Malaysia	57	25	27	39	37	7	15	6	40	11	20	30
New Zealand	71	29	29	21	26	14	29	2	38	10	5	26
Philippines	37	11	15	44	32	35	31	19	40	27	26	37
Singapore	67	2	21	30	9	12	21	5	42	5	44	21
Sri Lanka	31	33	20	37	72	28	26	11	67	15	30	31

	Demand	Financing	Labour costs	Shortage of skilled labour	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Supply chain disruption
Thailand	62	18	18	49	40	22	18	11	49	13	29	33
Vietnam	59	19	22	16	14	5	11	22	30	27	24	22
Greater China	**76**	**8**	**20**	**21**	**11**	**10**	**20**	**9**	**40**	**5**	**40**	**21**
Hong Kong	78	2	30	30	7	13	20	13	43	4	46	30
Taiwan	62	2	10	31	14	12	21	2	29	7	26	26
People's Republic of China	82	14	20	11	13	7	19	9	43	3	44	14
North America	**45**	**16**	**25**	**37**	**19**	**9**	**14**	**23**	**55**	**12**	**25**	**27**
Mexico	42	14	10	23	44	8	11	58	66	20	23	17
USA	47	14	33	48	6	8	15	6	49	7	26	33
South and Central America	**43**	**22**	**24**	**26**	**39**	**12**	**19**	**34**	**60**	**12**	**14**	**24**
Argentina	63	30	37	27	50	7	13	27	80	3	13	7
Bolivia	40	24	21	7	83	7	31	48	71	4	19	37
Brazil	22	13	30	44	32	14	24	39	38	28	16	24
Chile	70	13	25	21	25	16	9	30	75	5	5	13
Ecuador	45	37	20	11	11	17	20	34	75	7	14	30
Colombia	48	17	21	14	31	24	14	38	69	3	14	14
Paraguay	33	25	17	50	25	3	19	39	33	31	11	17
Peru	48	16	12	28	20	0	28	24	76	8	20	48
Uruguay	43	11	33	37	35	8	5	3	35	6	5	10
Africa, Near and Middle East	**30**	**40**	**25**	**30**	**45**	**22**	**30**	**15**	**41**	**12**	**20**	**27**
MENA	**26**	**33**	**27**	**32**	**41**	**18**	**31**	**11**	**32**	**6**	**18**	**25**
Sub-Saharan Africa	**36**	**49**	**23**	**28**	**50**	**29**	**27**	**23**	**56**	**21**	**24**	**29**
Egypt	20	34	24	29	66	27	37	7	28	4	15	21
Ghana	40	35	15	25	80	20	20	25	75	20	30	25
Kenya	34	34	21	21	50	21	16	34	53	5	34	29
Morocco	29	41	21	35	21	21	26	12	12	0	29	18
Nigeria	31	77	33	26	66	51	43	15	62	36	20	38
Saudi Arabia	30	33	37	43	9	1	25	12	30	12	12	33
South Africa	64	12	24	29	36	29	26	17	52	24	21	26
Tunisia	55	20	35	20	20	25	35	30	60	20	15	20
United Arab Emirates	50	18	32	14	18	4	11	7	25	0	25	32

How has the competitive position of the companies at your changed at your locations in the last 5 years?

in percent,

	Better	Consistent	Worse
Worldwide	46	38	16
EU27	46	38	16
Eurozone	48	38	14
France	55	39	6
Greece	75	21	4
Ireland	32	36	32
Italy	57	34	9
Croatia	68	28	4
The Netherlands	51	39	10
Austria	28	49	23
Portugal	50	41	9
Slovakia	38	45	17
Slovenia	49	35	16
Spain	39	38	23
Other EU, Switzerland, Norway, UK	44	39	17
Bulgaria	48	37	15
Romania	60	28	12
Sweden	51	39	10
Switzerland	35	49	16
Czech Republic	56	42	2
Hungary	38	39	23
United Kingdom	39	45	16
Eastern/Southeastern Europe (excluding EU), Turkey	40	34	26
North Macedonia	41	55	4
Serbia	45	48	7
Turkey	38	32	30
Belarus (Belarus)	30	21	49
Asia/Pacific (excluding Greater China)	44	42	14
Australia	48	24	28
India	47	42	11
Indonesia	53	37	10
Japan	44	40	16
Kazakhstan	33	43	24
Korea, South	39	37	24
Malaysia	46	44	10
New Zealand	29	64	7
Philippines	48	49	3
Singapore	30	44	26
Sri Lanka	43	40	17
Thailand	44	54	2
Vietnam	53	25	22
Greater China	22	46	32
Hong Kong, SAR	22	56	22
Taiwan	36	50	14
People's Republic of China	16	37	47
North America	52	39	9
Mexico	50	33	17
USA	54	41	5
South and Central America	49	33	18
Argentina	40	33	27
Bolivia	47	31	22
Brazil	54	28	18

	Better	Consistent	Worse
Chile	43	41	16
Ecuador	39	37	24
Colombia	45	31	24
Paraguay	78	14	8
Peru	64	32	4
Uruguay	44	45	11
Africa, Near and Middle East	52	35	13
MENA	57	32	11
Sub-Saharan Africa	43	41	16
Egypt	58	33	9
Ghana	45	40	15
Kenya	41	45	14
Morocco	48	31	21
Nigeria	38	37	25
Saudi Arabia	58	33	9
South Africa	43	40	17
Tunisia	57	29	14
United Arab Emirates	50	39	11

What influence do the following factors have on your own competitiveness?

Figures in percent; + = positive influence / - = negative influence; difference to 100 = statement "neutral/not relevant"

	Strong local competition		Third-market competition		Cost structure/costs for preliminary products		Supplier structure		Sustainability requirements		Image change for products "Made in Germany" or "Made by Germany"		Discrimination against foreign companies on the local market		State subsidy programmes/ intervention in the market	
	+	-	+	-	+	-	+	-	+	-	+	-	+	-	+	-
Worldwide	23	34	16	37	17	50	27	22	41	17	31	12	10	24	23	25
EU27	17	34	10	42	12	54	21	18	36	22	19	15	8	21	21	32
Eurozone	18	35	11	43	13	58	22	22	41	21	23	17	9	19	27	23
France	18	36	0	45	6	58	24	21	45	21	21	24	6	24	41	16
Greece	33	25	18	31	16	44	14	24	44	18	20	10	12	18	35	19
Ireland	15	28	18	43	21	62	19	27	40	25	21	11	8	11	14	22
Italy	11	52	6	43	10	50	24	29	52	11	20	14	16	17	38	15
Croatia	40	32	24	16	4	52	16	16	32	16	28	4	4	16	28	20
The Netherlands	29	27	28	28	33	48	35	25	53	20	37	20	20	33	34	15
Austria	0	31	2	39	2	71	12	24	17	39	7	22	13	8	27	34
Portugal	28	34	17	52	27	43	28	14	35	13	17	10	7	13	27	10
Slovakia	14	27	3	45	9	65	20	18	35	27	18	18	7	20	9	47
Slovenia	21	14	10	45	10	83	20	32	48	26	33	24	2	27	21	21
Spain	14	52	14	60	13	59	27	18	32	27	32	25	3	19	22	21
Other EU, Switzerland, Norway, UK	15	34	9	40	10	52	18	19	28	24	18	12	8	22	13	40
Bulgaria	18	29	15	41	33	37	26	7	33	19	19	19	11	25	37	15
Romania	21	29	13	31	16	48	19	19	39	28	24	11	2	19	35	20
Sweden	23	21	15	26	18	51	36	13	61	18	21	8	5	11	23	28
Switzerland	6	29	4	32	3	57	17	17	17	38	18	18	4	21	14	29
Czech Republic	20	43	18	40	15	60	40	8	35	25	20	3	5	28	15	18
Hungary	12	36	4	45	6	50	15	14	22	23	11	15	5	28	4	60
United Kingdom	15	36	18	45	4	60	5	62	20	31	41	4	32	7	15	15
Rest of Europe incl. Turkey	22	33	15	36	13	50	21	25	33	8	28	12	7	33	17	26
North Macedonia	23	23	8	38	23	46	15	31	38	17	35	8	4	28	24	16
Serbia	31	21	7	38	10	41	21	21	41	7	34	3	10	24	25	11
Turkey	19	43	22	30	16	70	27	23	32	8	29	8	12	36	15	41
Belarus (Belarus)	15	36	6	43	2	30	13	36	23	6	17	26	4	36	9	23
Asia/Pacific (excluding CN)	24	36	19	40	20	45	30	19	44	11	37	9	10	23	20	18
Australia	28	38	7	34	17	45	24	17	59	10	31	10	3	10	31	17
India	30	46	30	28	26	56	37	18	54	12	50	5	13	18	20	24
Indonesia	45	31	31	31	48	34	39	18	48	10	28	10	21	36	29	11
Japan	13	57	12	51	3	64	15	21	25	7	31	10	3	21	12	12
Kazakhstan	10	24	30	35	11	37	28	17	22	6	33	22	6	6	33	6
Korea, South	14	51	25	28	11	54	24	35	38	18	46	11	15	41	15	30
Malaysia	40	28	32	36	31	31	39	18	58	8	44	7	16	21	31	16
New Zealand	8	38	5	38	11	50	26	23	33	15	23	0	0	10	10	18
Philippines	25	17	12	43	22	37	31	21	43	15	36	12	15	25	15	15
Singapore	8	60	2	67	10	52	25	15	45	18	25	18	8	36	15	33
Sri Lanka	23	25	16	36	18	49	36	19	64	8	55	6	6	39	18	20
Thailand	20	40	5	52	30	34	34	14	44	7	33	16	9	27	18	16

	Strong local competition		Third-market competition		Cost structure/costs for preliminary products		Supplier structure		Sustainability requirements		Image change for products "Made in Germany" or "Made by Germany"		Discrimination against foreign companies on the local market		State subsidy programmes/ intervention in the market	
Vietnam	25	33	34	26	21	47	26	11	21	18	37	6	14	8	9	15
Greater China	**11**	**58**	**7**	**31**	**14**	**56**	**34**	**20**	**35**	**16**	**26**	**20**	**7**	**38**	**13**	**25**
Hong Kong, SAR	14	41	5	45	18	41	36	14	39	20	18	11	5	32	14	18
Taiwan	12	41	15	33	13	55	35	25	40	10	54	12	13	28	15	18
People's Republic of China	9	74	5	23	13	65	32	21	31	17	17	29	5	46	11	31
North America	**20**	**28**	**14**	**32**	**23**	**41**	**34**	**17**	**33**	**18**	**33**	**8**	**8**	**20**	**25**	**16**
Mexico	23	26	24	36	28	41	42	18	36	23	42	8	4	24	18	23
USA	21	29	9	30	22	40	32	16	36	13	31	6	10	17	30	10
South and Central America	**32**	**34**	**25**	**32**	**20**	**56**	**33**	**29**	**50**	**17**	**35**	**7**	**12**	**23**	**28**	**27**
Argentina	23	30	25	36	7	72	18	54	46	32	52	7	14	29	32	43
Bolivia	30	40	24	33	21	63	30	40	37	29	30	12	7	30	20	34
Brazil	33	33	26	26	27	45	35	26	49	11	26	3	16	20	21	28
Chile	26	39	20	30	15	58	37	19	63	12	40	4	12	18	34	23
Ecuador	40	40	29	36	21	59	31	30	53	19	43	6	15	36	36	30
Colombia	28	31	14	39	18	43	29	21	46	18	43	11	7	14	14	46
Paraguay	41	22	26	29	31	47	41	22	55	15	30	3	12	21	29	23
Peru	16	40	24	32	16	56	32	20	54	8	50	4	13	17	25	13
Uruguay	25	32	18	35	12	53	36	24	57	7	21	7	16	12	47	12
Africa, Near and Middle East	**34**	**25**	**21**	**36**	**24**	**41**	**31**	**22**	**49**	**16**	**43**	**14**	**16**	**27**	**32**	**23**
MENA	**37**	**24**	**26**	**30**	**24**	**39**	**32**	**22**	**48**	**14**	**45**	**14**	**20**	**23**	**33**	**20**
Sub-Saharan Africa	**30**	**27**	**14**	**43**	**24**	**44**	**30**	**22**	**49**	**17**	**40**	**14**	**10**	**33**	**30**	**26**
Egypt	49	20	37	22	34	31	41	18	60	15	54	9	29	21	38	19
Ghana	20	35	5	53	26	53	33	17	53	11	30	20	0	45	26	21
Kenya	24	35	8	44	16	51	24	22	42	22	49	14	8	33	19	33
Morocco	33	24	25	43	22	33	25	36	24	14	50	14	18	25	48	15
Nigeria	48	20	25	37	35	45	43	23	63	17	38	13	18	27	47	27
Saudi Arabia	30	23	20	30	13	53	29	21	48	8	35	13	10	23	40	18
South Africa	18	45	8	46	15	46	18	23	37	15	38	13	8	50	20	28
Tunisia	20	15	18	35	22	39	17	39	39	17	21	26	6	28	22	22
United Arab Emirates	8	50	4	68	4	52	21	13	36	16	27	35	0	24	12	12

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 over the next twelve months?
- better
- constant
- worse

How do you see the local economy developing over the next twelve months?
- better
- constant
- worse

How do you expect your company's spending on local investments to develop over the next twelve months?
- higher
- constant
- lower
- No investments

How do you expect your company's local workforce to develop over the next twelve months?
- higher
- constant
- lower

Where do you see the greatest risks to the economic development of your company in the coming twelve months? (multiple answers possible)
- Demand
- Financing
- Labour costs
- Shortage of skilled labour
- Exchange rate
- Energy prices
- Commodity prices
- Legal certainty
- Economic policy framework
- Infrastructure
- Trade barriers / favouring domestic companies
- Disruption s in the supply chain (e.g. logistics, lack of preliminary products)

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

How has the competitive position of your company at your location changed in the last 5 years?

- better
- constant
- worse

What influence do the following factors have on your own competitiveness?

	neutral/not relevant	Positive	negative
Strong local competition			
Third-market competition			
Cost structure/costs for preliminary products			
Supplier structure			
Sustainability requirements			
Image change for products "Made in Germany" or "Made by Germany"			
Discrimination against foreign companies on the local market			
State subsidy programmes/ intervention in the market			