



# AHK World Business Outlook UAE

Spring 2026



German Emirati Joint Council  
for Industry and Commerce  
المجلس الألماني الإماراتي  
المشترك للصناعة و التجارة

## Summary

Recent regional developments have significantly weakened **business sentiment**, with the share of companies rating their situation as good falling from 65% to 28%. 52% still consider the status satisfactory.

Looking ahead, **business expectations** for the next 12 months are more cautious. Only 24% of companies foresee growth in their UAE operations, while 41% anticipate a decline. Confidence in the wider economic outlook has also weakened, with 66% of companies expecting the **UAE economy** to be weaker.

**Investment** intentions have followed a similar downward trend. The majority of companies (65%) predict lower or no investments in the next 12 months. The proportion of companies planning higher investments has decreased sharply from 41% to 14%.

Despite this more cautious outlook, **workforce expectations** remain relatively stable, with 52% of companies anticipating no major changes in employment levels. However, sentiment is weakening, as 33% expect a decrease in employment over the next 12 months.

In terms of **risks**, companies identify supply chain disruptions and demand uncertainty as the most significant challenges (61% each). Rising energy costs are increasingly seen as a concern (39%), while raw material costs remain a persistent issue, cited by 32% of respondents.

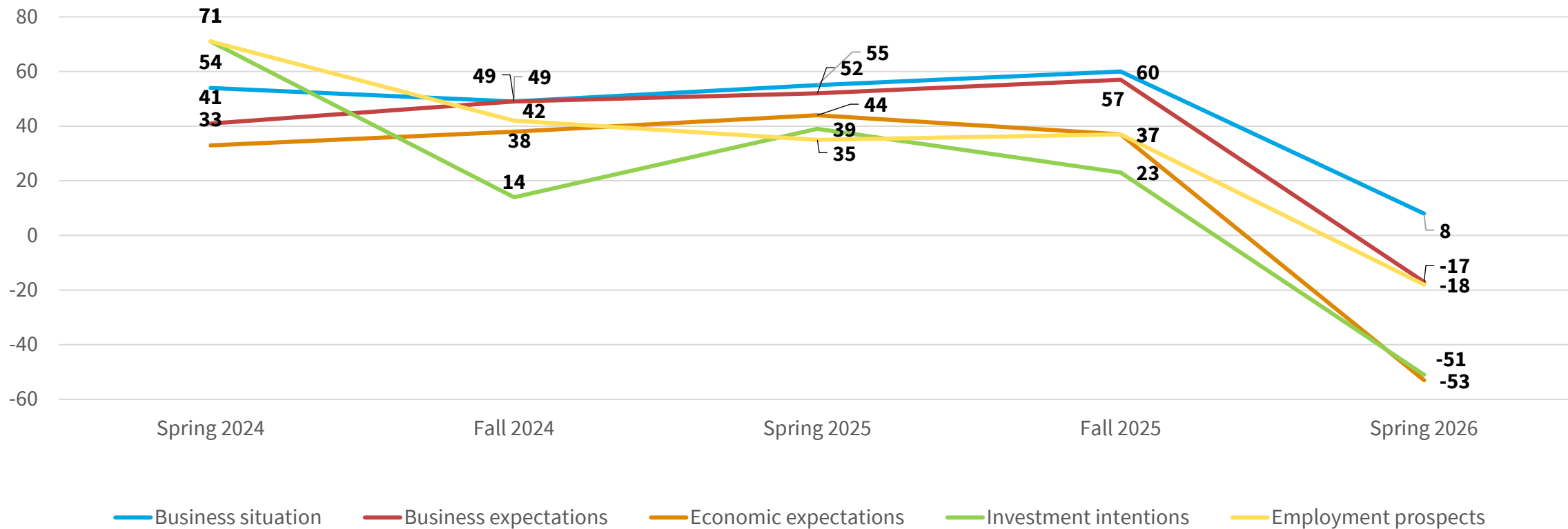
The current business environment is shaped by geopolitical tensions. The **escalation in the Middle East** is leading to supply chain disruptions for 76% of companies, while 40% foresee challenges in deploying employees abroad.

Most companies remain prudent, with 51% not expanding their supplier networks and the majority avoiding inventory increases. In contrast, market development remains active, as 40% are already entering new sales markets and 41% plan further expansion.

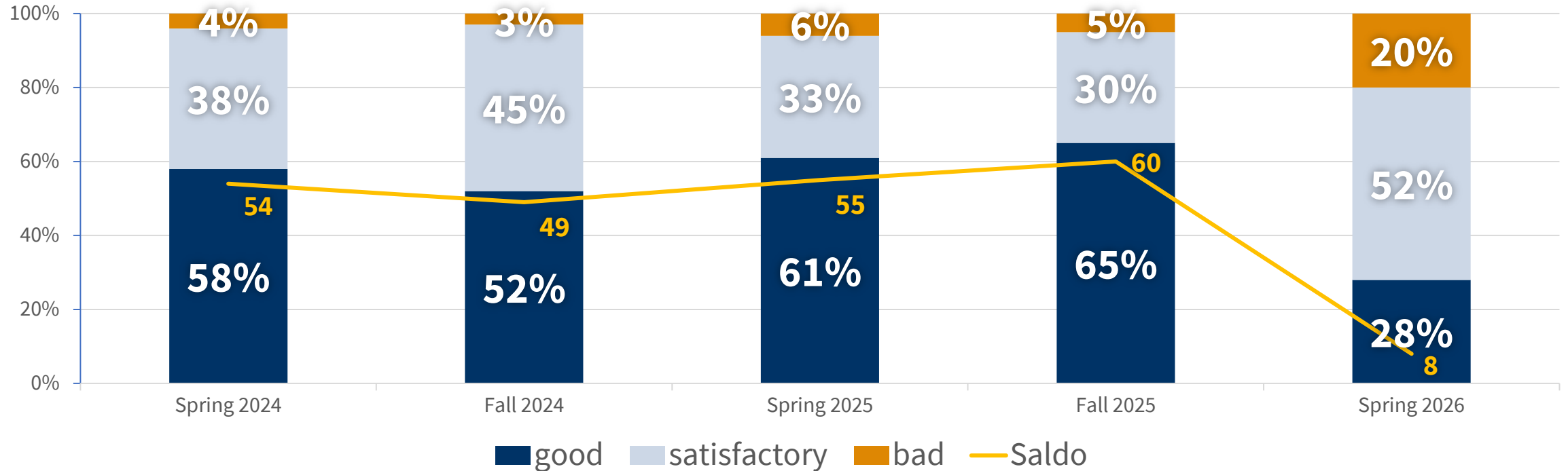
Despite these challenges, confidence in the UAE remains strong, with 70% of companies having no plans to relocate.

# Summary: Situation and forecast - German companies in the UAE

## Saldo in points

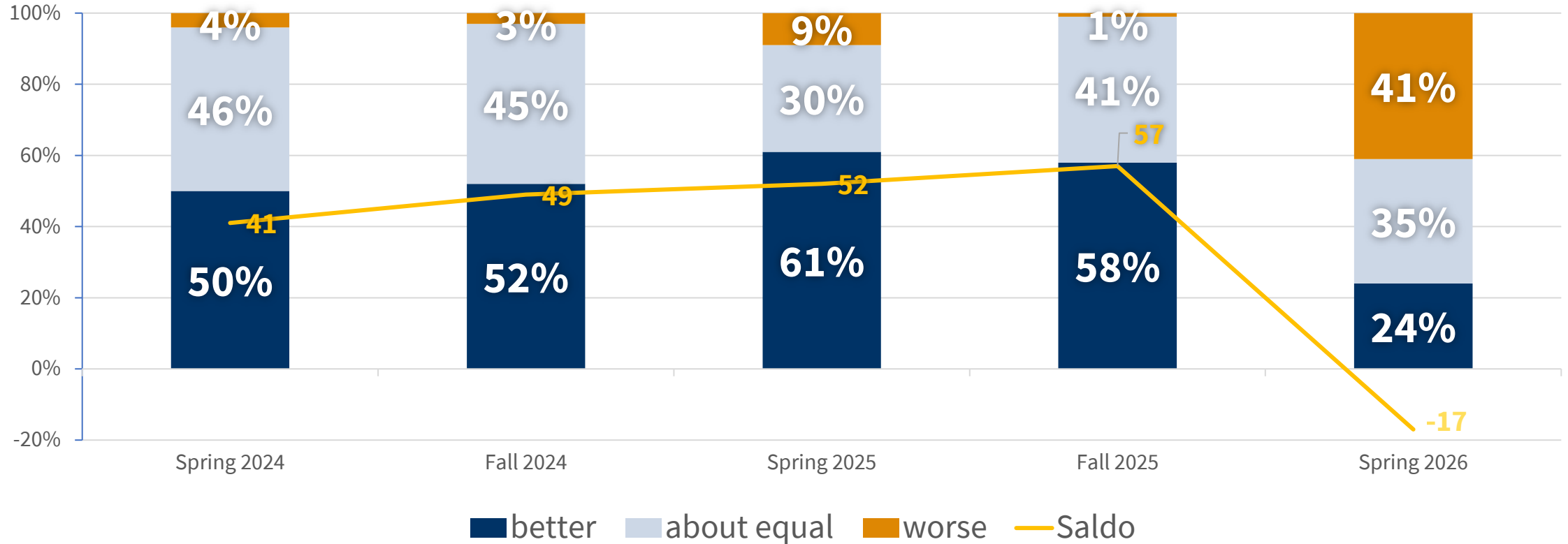


# 1. How do you assess the current business situation of your company?



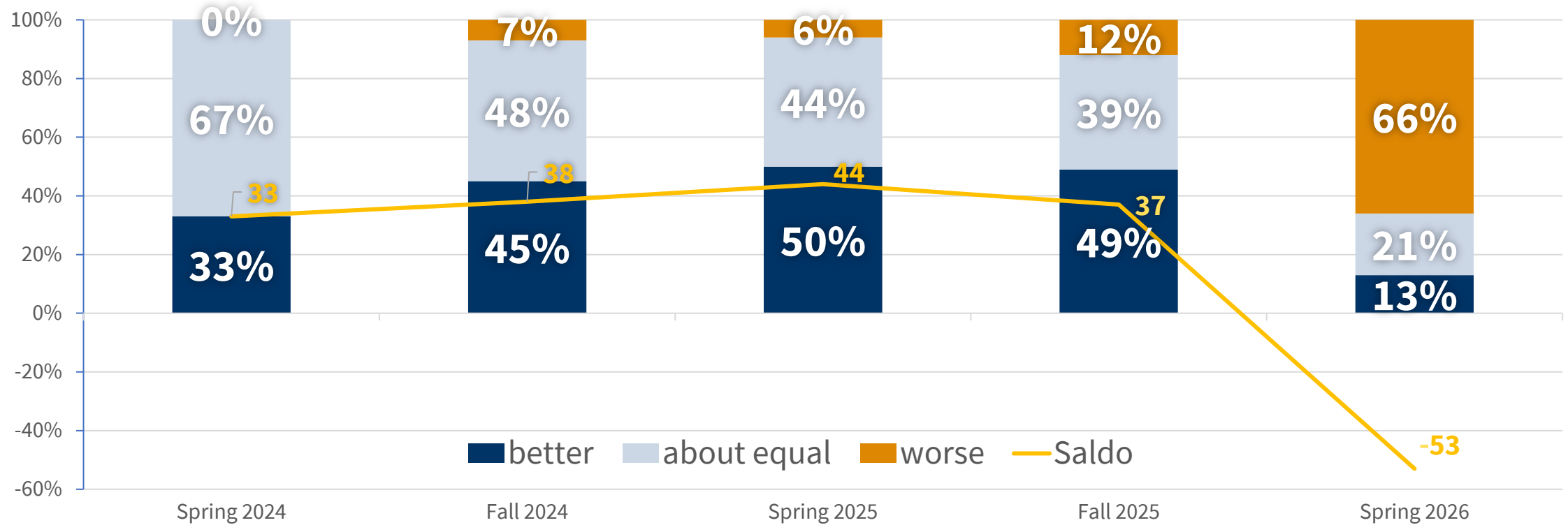
Due to the recent developments in the region, the number of companies assessing their own current business situation as good decreased from 65% to 28%. One in five companies consider their business situation as bad, whereas a majority of 52% remain satisfied. The saldo (positive answers minus the negative answers) decreased to 8 points.

## 2. Which business development does your company expect for the next 12 months?



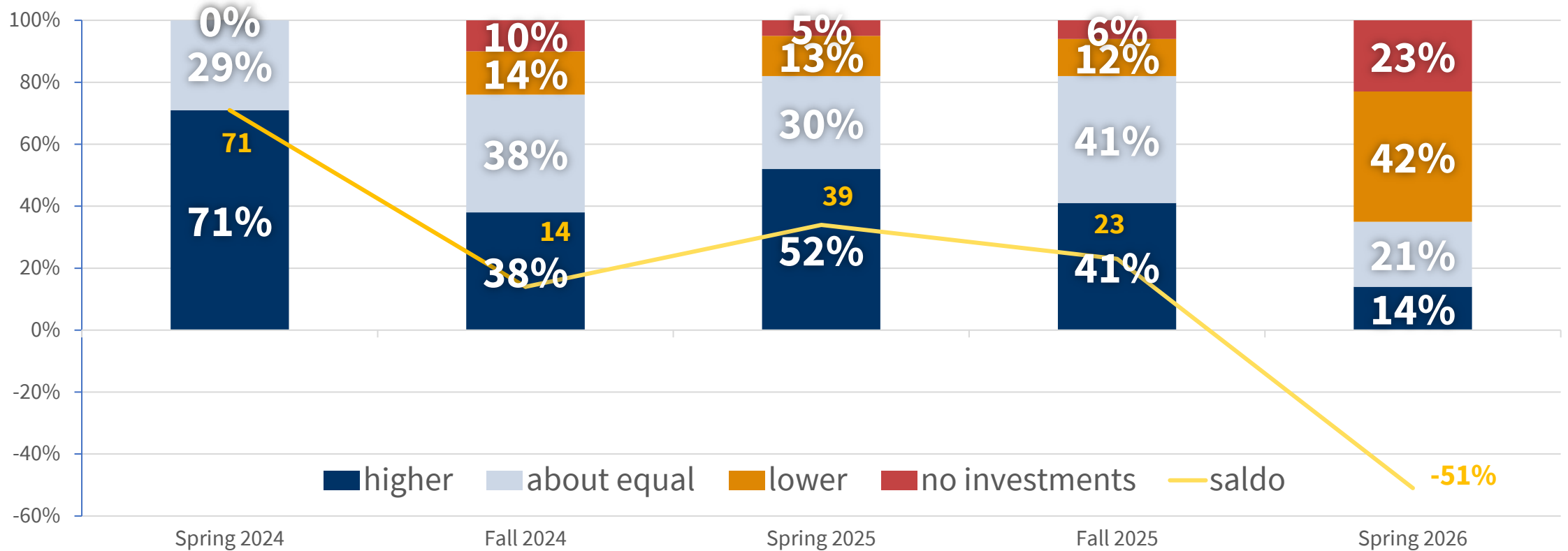
Companies anticipate a more significant impact on business development in the coming year. Only 24% of companies expect growth in their UAE operations over the next 12 months, while 41% foresee a decline.

### 3. How do you judge the local economic development in the next 12 months?



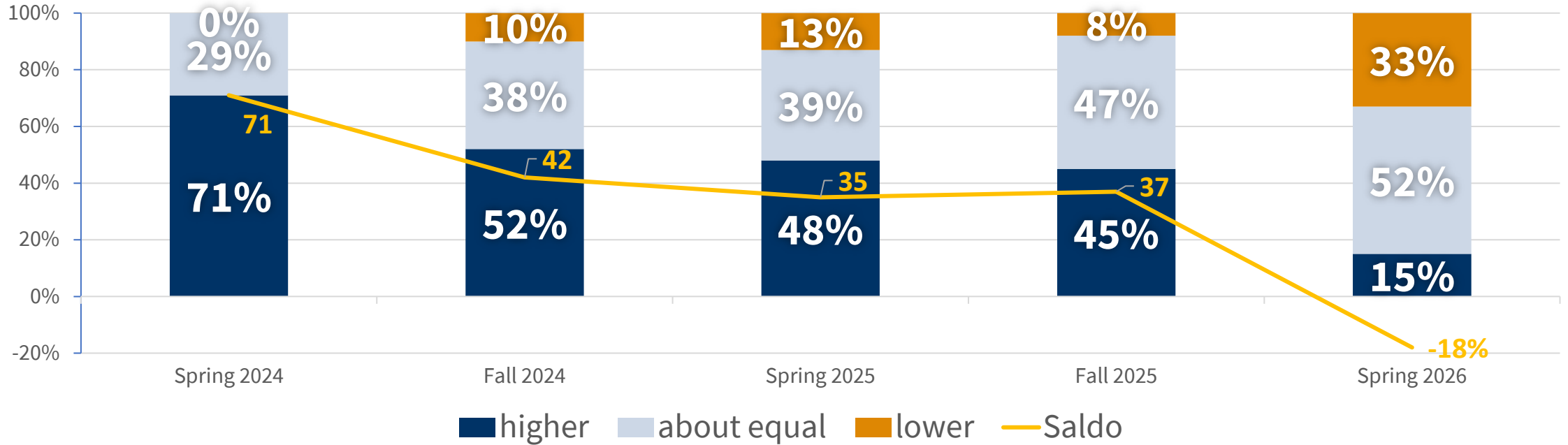
Expectations for the UAE’s economic development are even more pessimistic, with 66% of companies anticipating worsening conditions.

## 4. How do you think local investments of your company are likely to develop in the next 12 months?



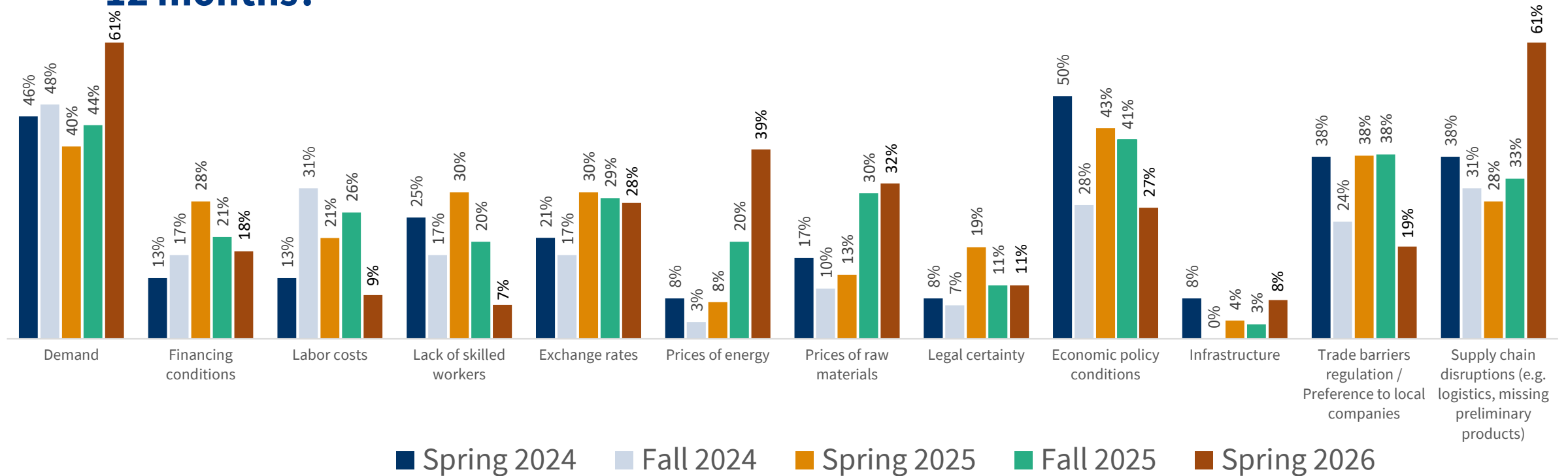
In terms of future investments, the percentage of companies projecting higher investments drastically decreased from 41% to 14%. The majority of companies (65%) predict lower or no investments in the next 12 months.

## 5. How do you think local employment of your company is likely to develop in the next 12 months?



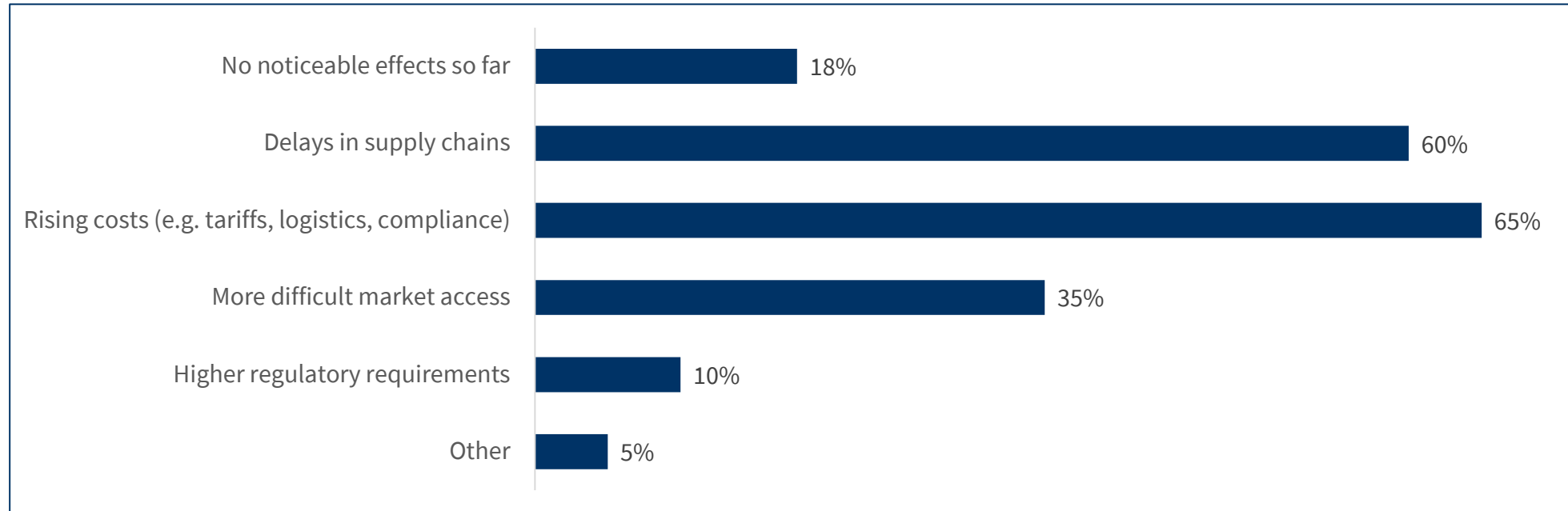
Despite the current situation most companies anticipate stability in their workforce (52%). However, the overall trend looks less optimistic compared to previous years. 33% of businesses expect a decline in employment numbers within the next 12 months.

## 6. What are the biggest risks for your company's economic development in the next 12 months?



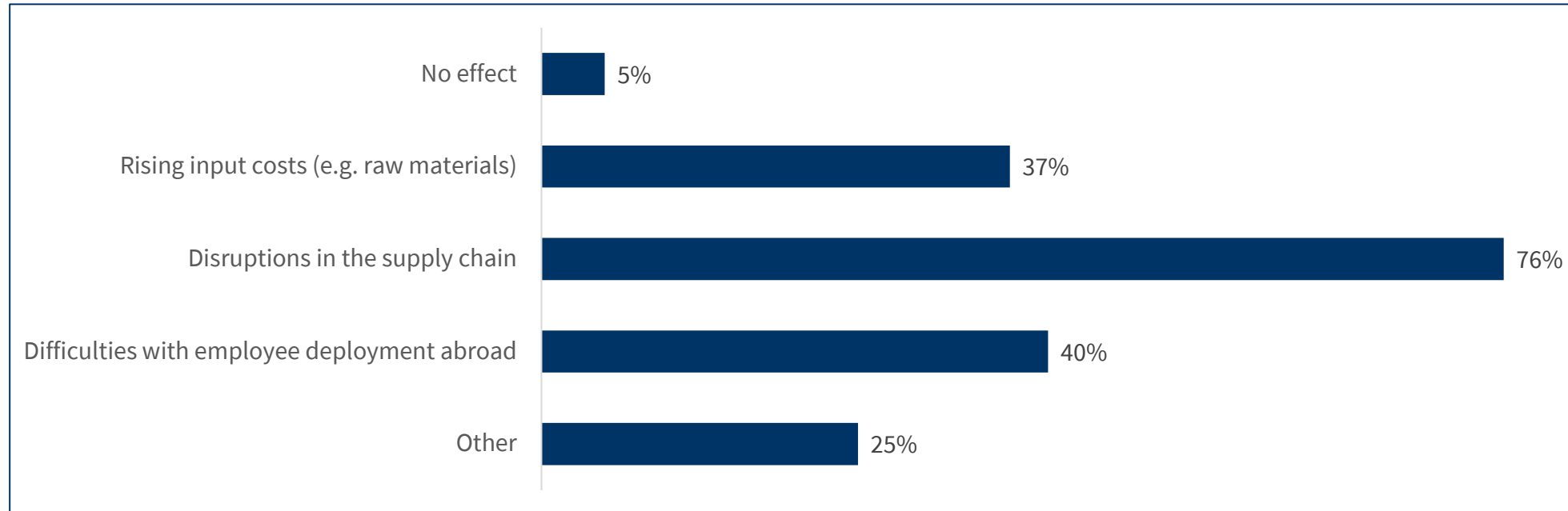
Supply chain disruptions and demand are currently perceived as the greatest risks by companies (both with 61%). Additionally, there is a significant increase in the number of companies indicating rising energy prices as a growing challenge (39%). Raw material costs remain a significant issue, cited by 32% of respondents. Exchange rates are considered a risk by 28% of companies, while 27% express concern about economic policy conditions.

## 7. What specific effects are current trade policy developments having on your company's business?



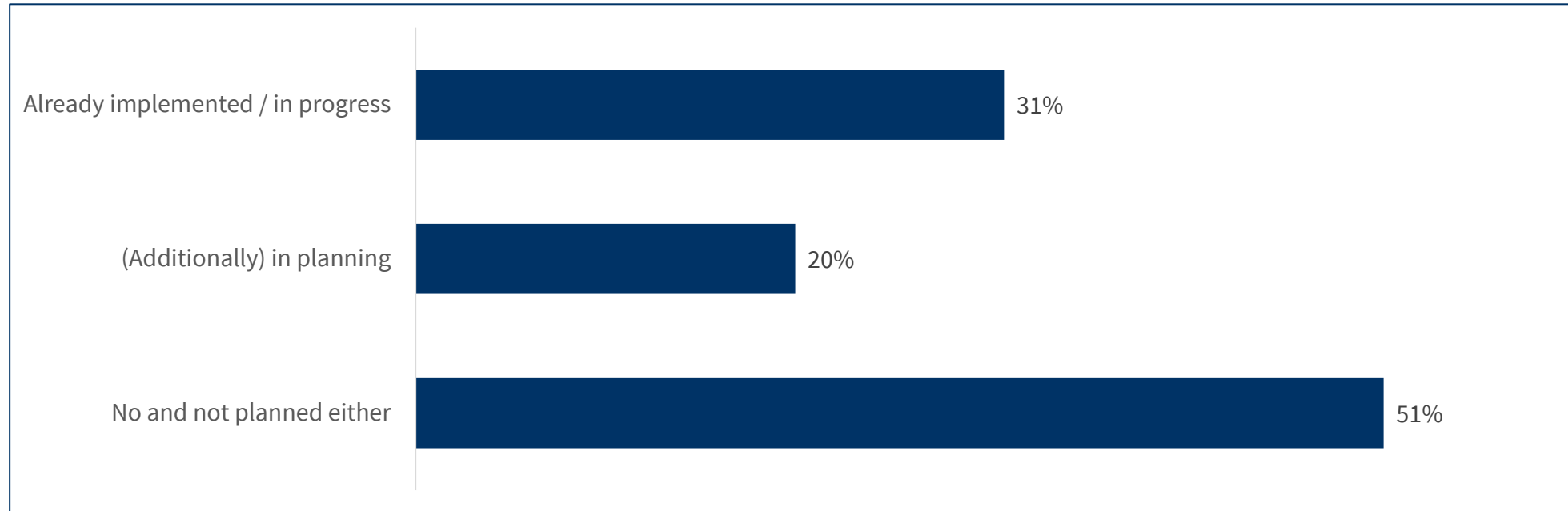
Current trade policy developments are contributing to rising costs, for example through logistics and tariffs. Furthermore, 60% of the companies experience supply chain delays, while 35% face challenges in accessing markets.

## 8. What effects of the escalation in the Middle East conflict do you fear or already experience in your company's business?



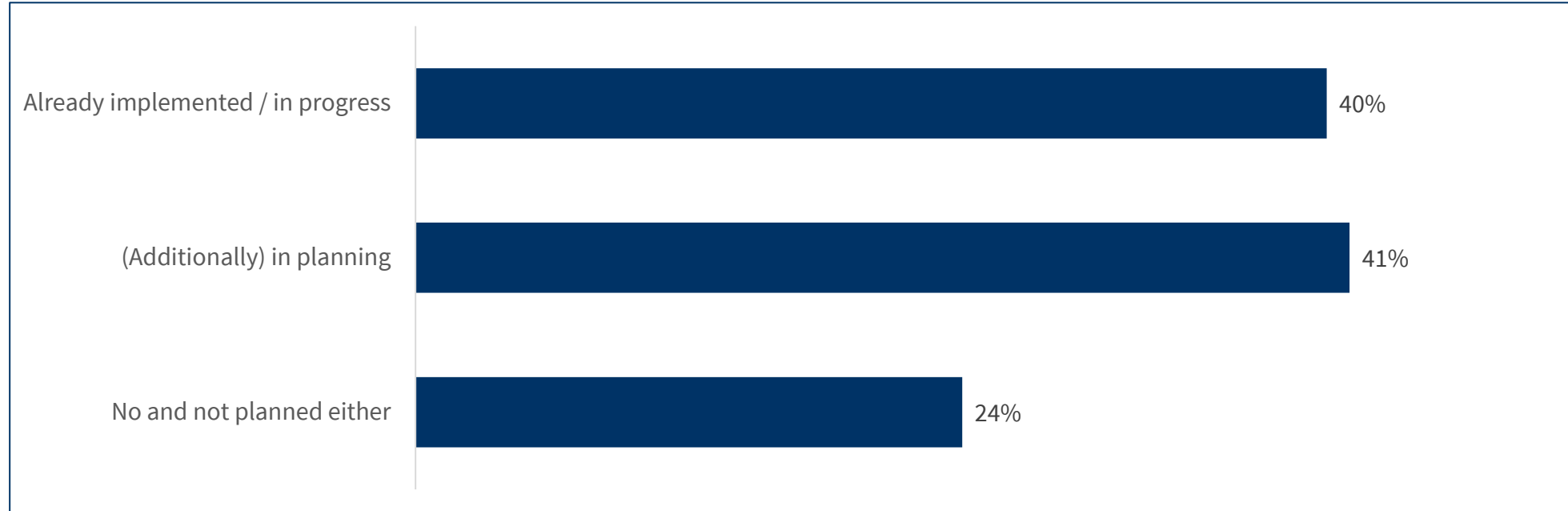
The escalation in the Middle East is leading to severe supply chain disruptions, cited by 76% of companies. 40% also expect challenges in deploying employees abroad. Rising input costs, such as for raw materials, are an additional strong concern.

## 9. Do you plan an expansion of supplier network



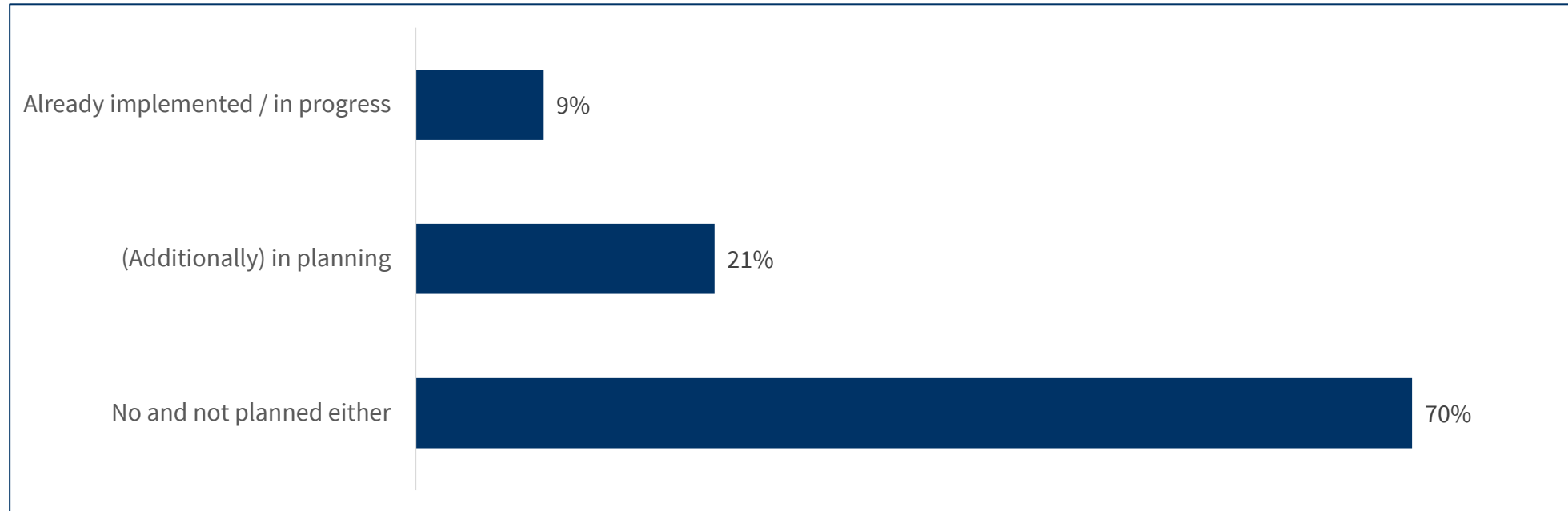
51% of companies neither currently expand nor intend to expand their supplier network, while 31% have already implemented or are currently implementing such measures.

## 10. Do you explore new sales markets?



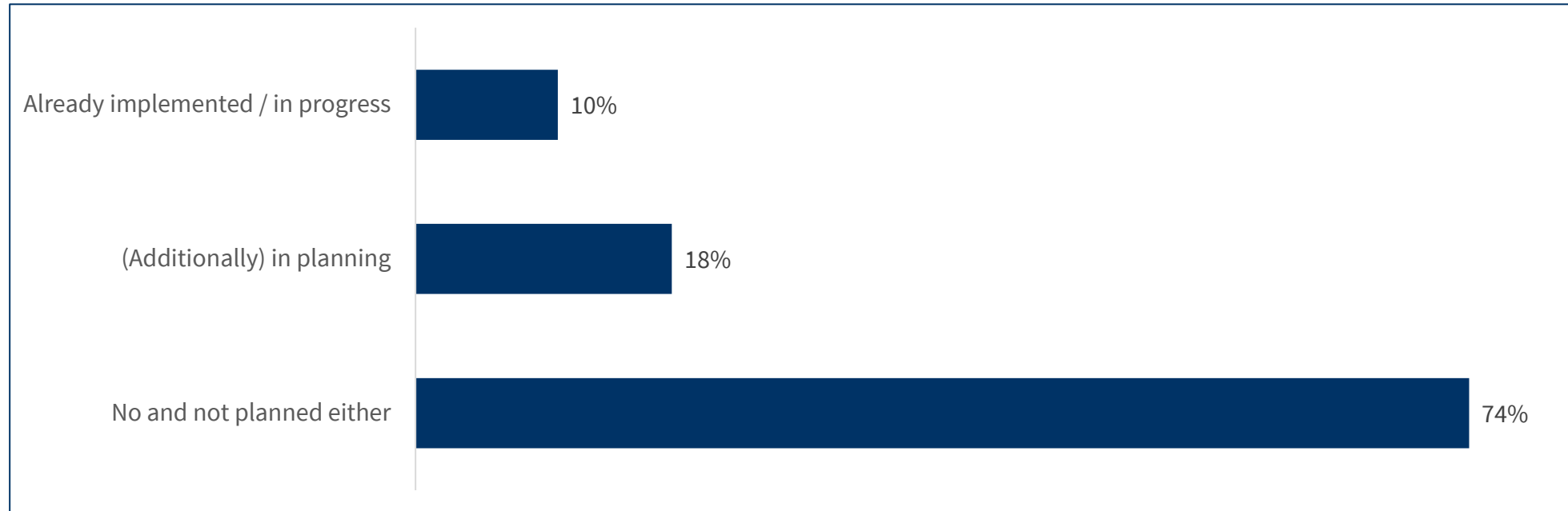
40% of companies are already exploring or have implemented new sales markets, while 41% plan to expand into additional markets.

# 11. Do you consider a relocation of production/facilities to new location?



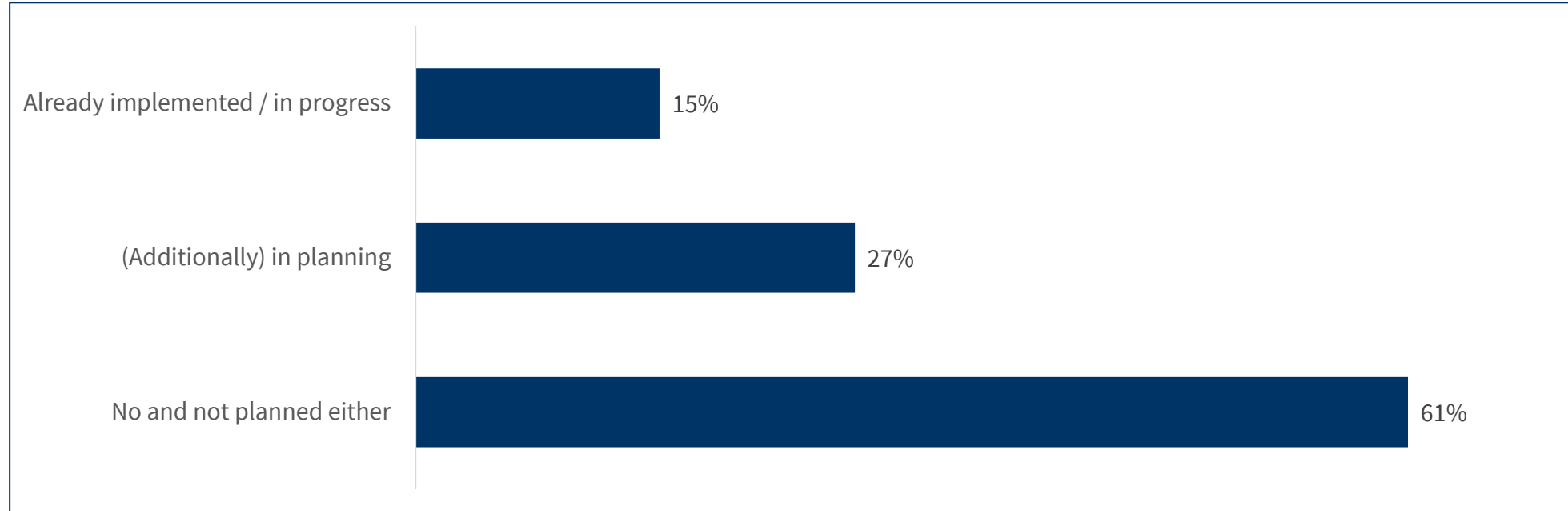
Confidence in the UAE as business location remains solid, with 70% of the companies indicating no intention to relocate their local operations.

## 12. Do you consider an increase in investments at local site ?



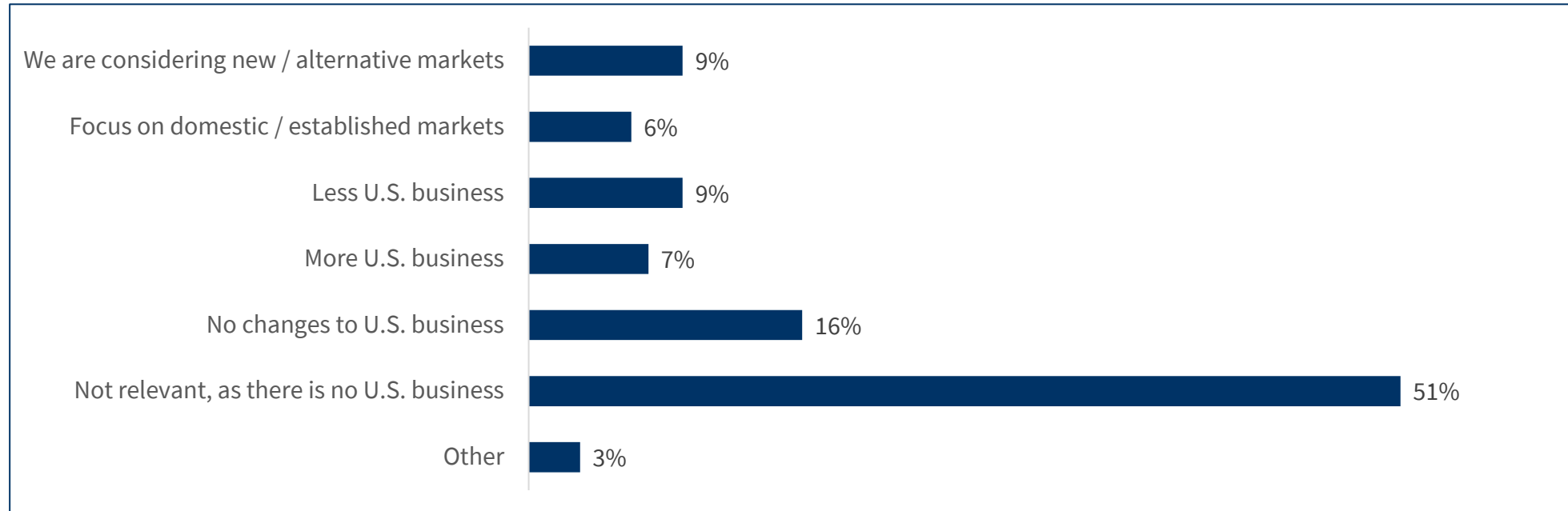
Investment sentiment remains cautious, with 74% of companies not planning to increase investments at their local sites. However, 10% are already in the process of further investing locally.

### 13. Do you consider an increase in inventory ?



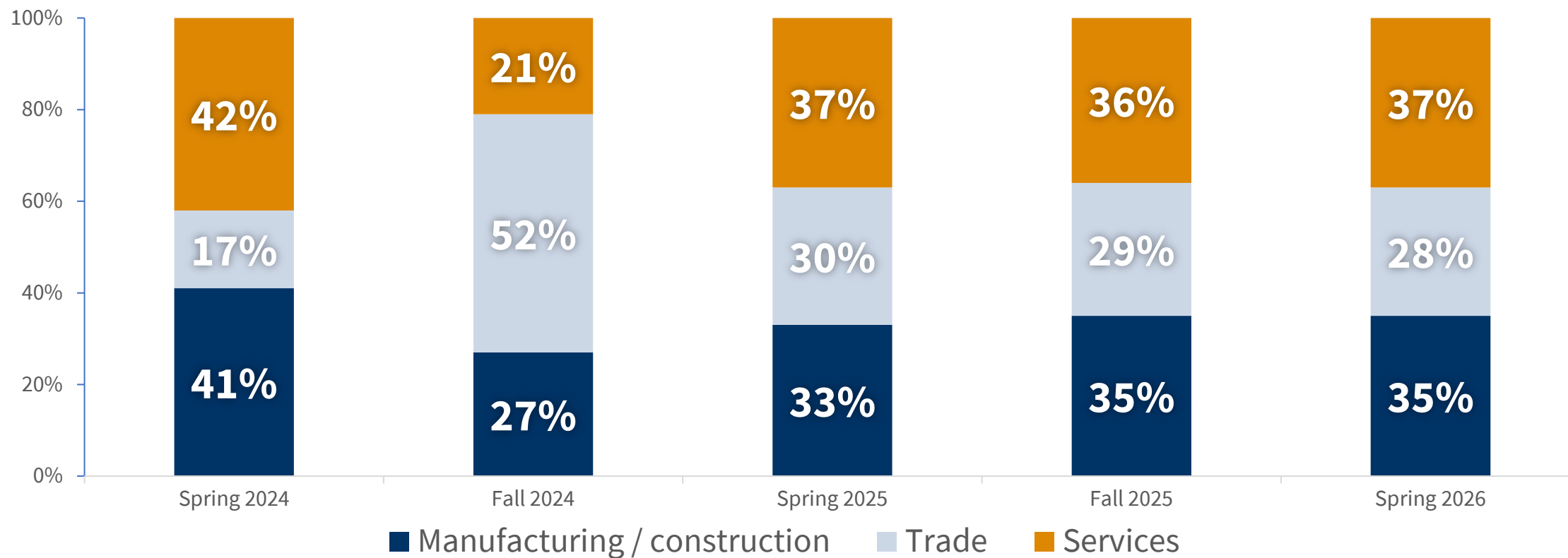
The majority of companies are neither considering nor planning any increase in inventory, while 15% have already increased or are currently increasing their stock levels.

## 14. Which consequences is your company drawing in response to U.S. trade policy?

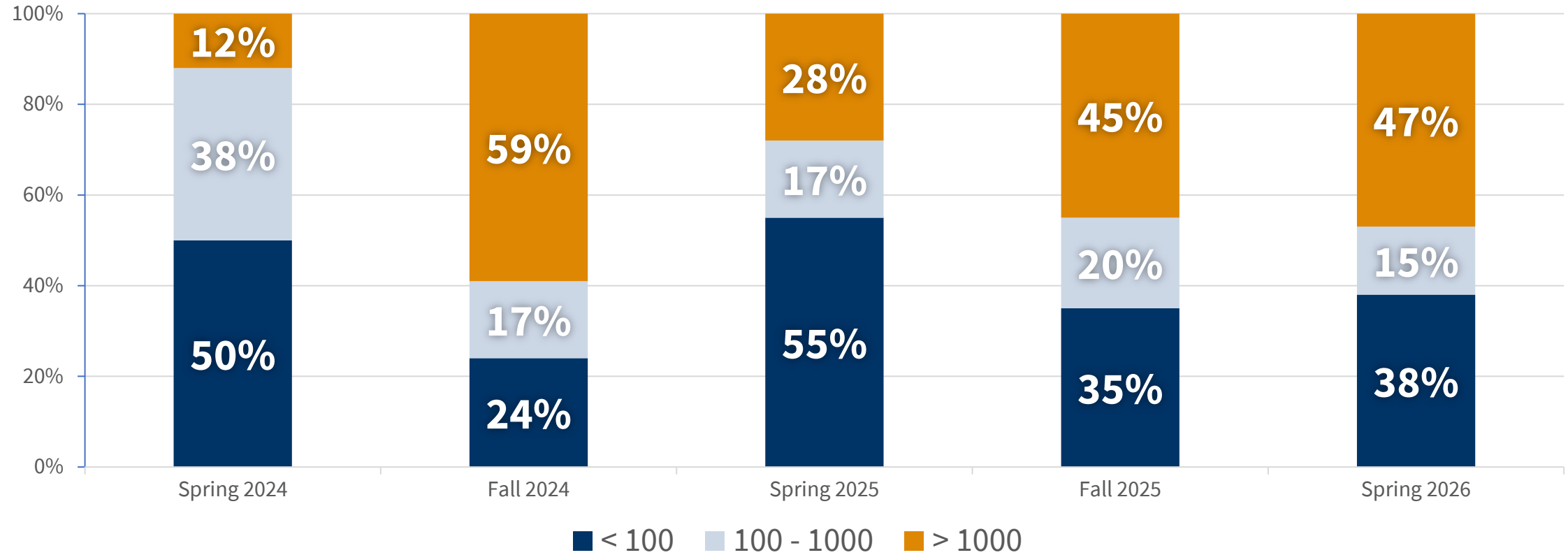


The impact of U.S. trade policy appears limited, with 16% of companies reporting no changes to their U.S. business. For a further 51%, it is not applicable, as they have no business activities in the United States.

## 15. Participating companies per sector



## 16. Participating companies per number of employees worldwide



**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).**

This survey collected feedback from more than 4,500 German companies, branches and subsidiaries worldwide as well as companies with close ties to Germany. This includes a relevant sample size of participants from the UAE whose replies are documented in this country specific evaluation.

The survey was conducted from 16 March till 10 April 2026.

The global results are also available on the AHK UAE website ([www.ahkuae.com](http://www.ahkuae.com)).

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