



# AHK World Business Outlook Pakistan

Spring 2026



**AHK**

German Emirati Joint Council  
for Industry and Commerce

المجلس الألماني الإماراتي  
المشترك للصناعة و التجارة

# Summary

Despite the current situation in the region, **business sentiment** in Pakistan is positive, though showing a slight downward trend. 46% of companies assess their current situation as good and 46% as satisfactory.

Looking ahead, **business expectations** for the next 12 months remain positive, but less optimistic than last year. 46% of companies expect growth and 46% anticipate stable conditions. **Economic expectations** have softened. While the majority of companies still foresees stability, 23% expect a decline.

**Investment sentiment** stays broadly stable: 35% of companies plan higher investments, 42% expect no change, and 23% foresee lower or no investments. **Employment expectations** appear steady, with 69% maintaining current staffing levels, while more companies signal plans to reduce headcount, indicating a slightly more cautious outlook.

In terms of **risks**, companies identify rising energy prices as a key concern (84%). Supply chain disruptions (56%) and raw material costs (52%) are also increasingly seen as major challenges.

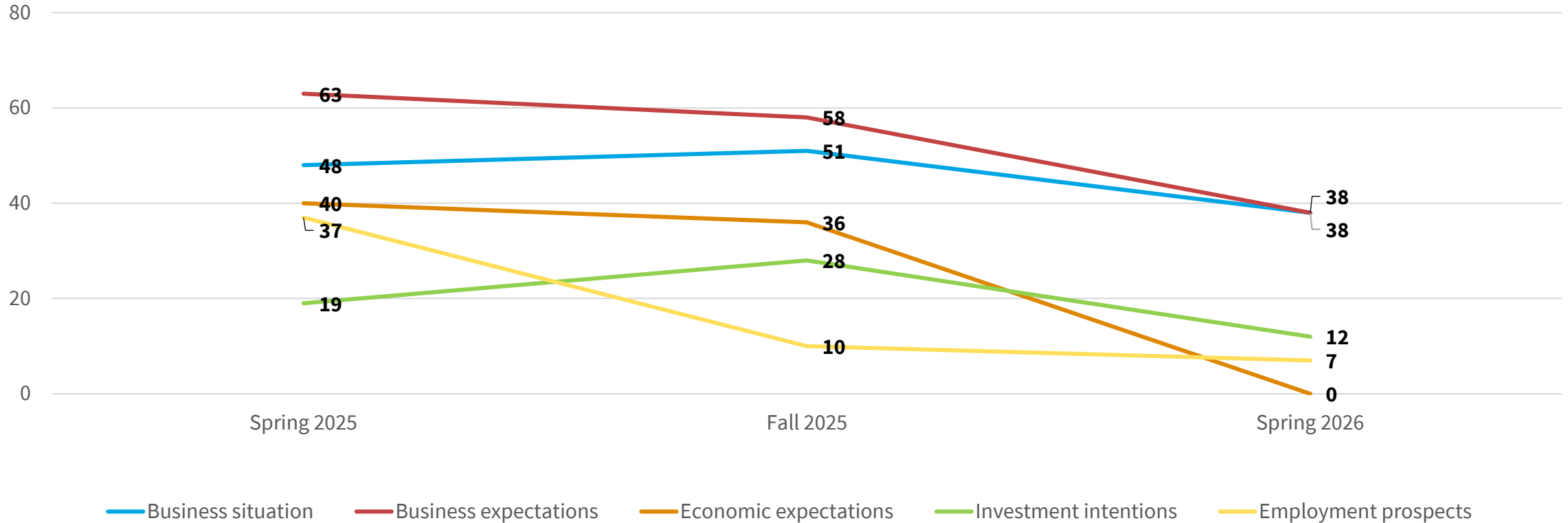
The **escalation in the Middle East** is contributing to significant supply chain disruptions for companies, as named by about 4 out of 5 respondents. 81% expect challenges in deploying employees abroad, while 19% foresee continued increases in input costs.

40% of companies are adjusting or planning adjustments to their **supplier networks**, while 43% are exploring or have entered **new sales markets**. 21% have already increased or are increasing **inventory levels**, with a further 37% planning to do so.

Despite these pressures, confidence in the Pakistani market remains solid, as 58% of companies do not intend to relocate their operations.

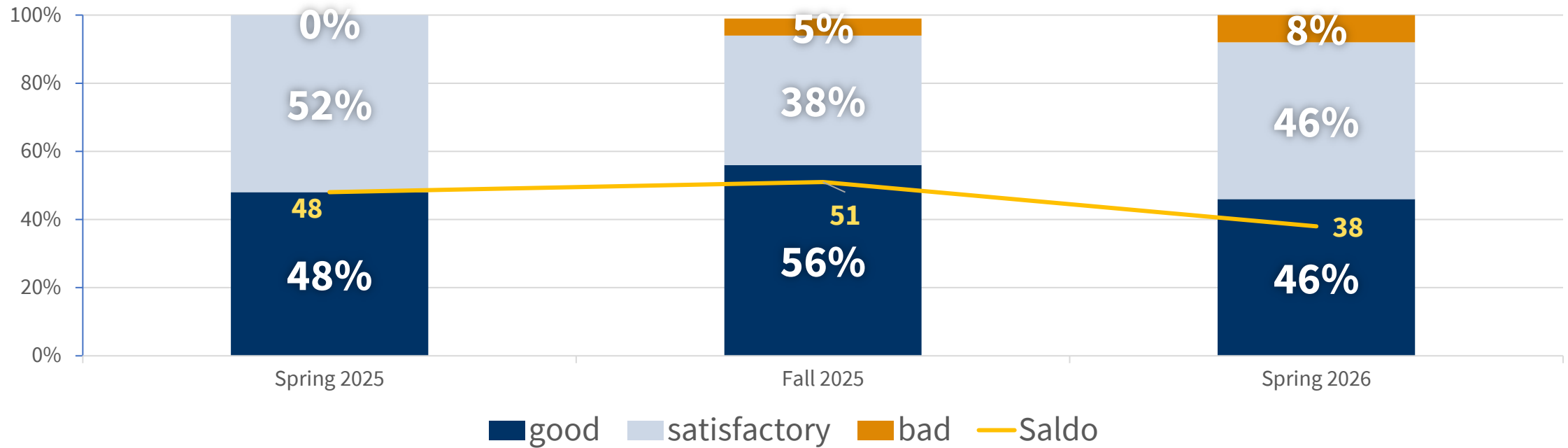
# Summary: Situation and forecast - German companies in Pakistan

## Saldo in points



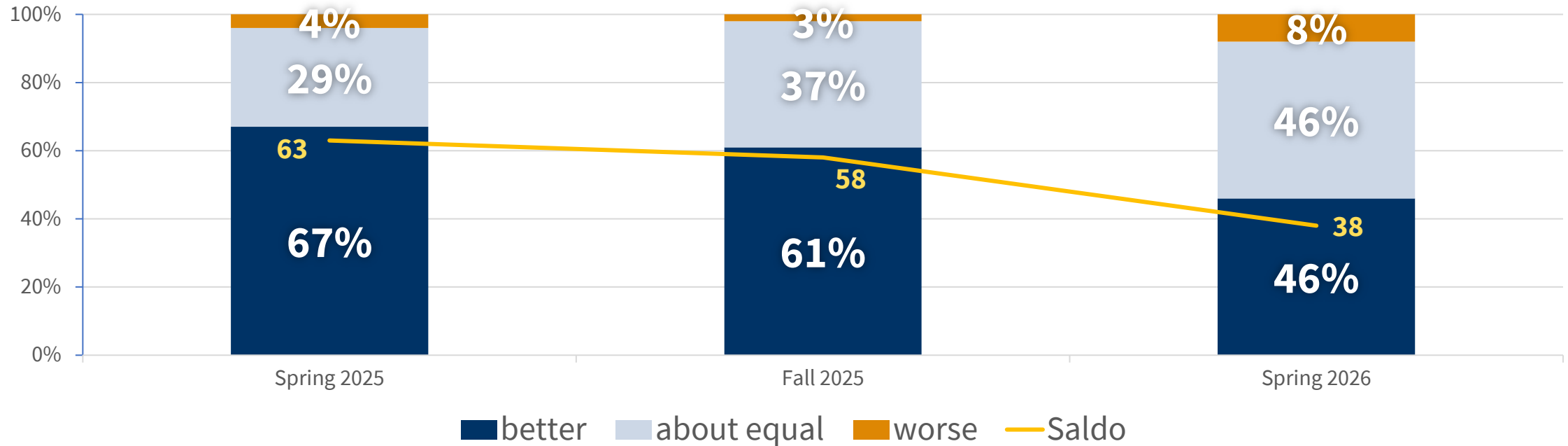
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# 1. How do you assess the current business situation of your company?



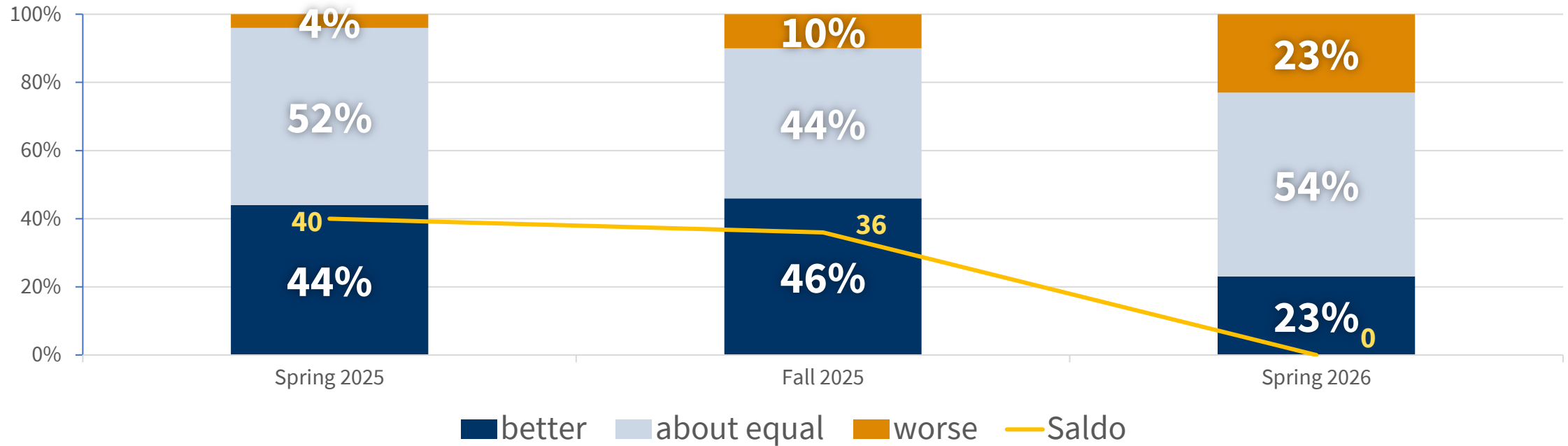
The current business situation among companies in Pakistan remains positive, although it shows a slight downward trend. 46% of companies assess their current situation as good, while an equal 46% continue to be satisfied. The saldo decreased from 51 to 38 points.

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



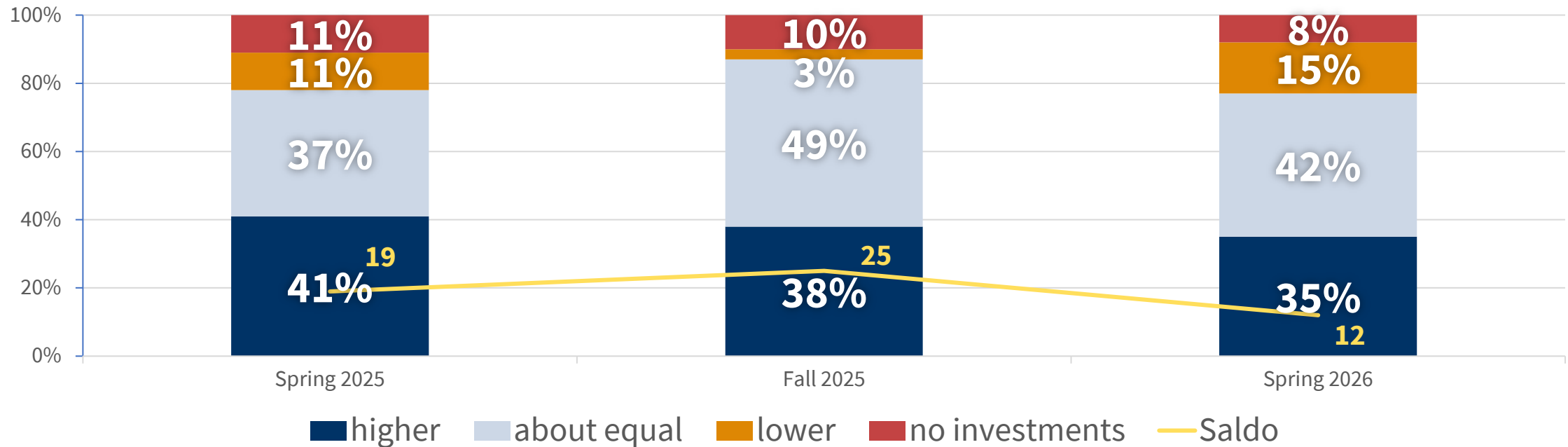
The overall expectation for the own business development follows a similar trend. The outlook remains positive, with 46% of companies forecasting growth. An equal share (46%) expect conditions to remain unchanged. However, companies are less optimistic compared to last year.

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



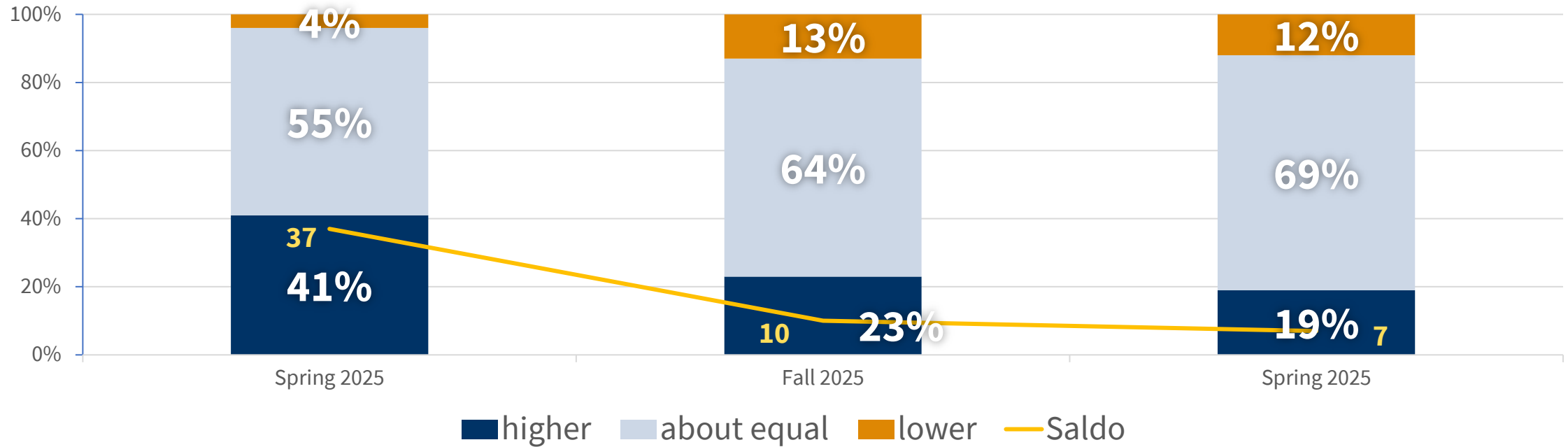
Expectations for Pakistan’s economic development are less optimistic compared to previous months. Nevertheless, the majority of companies expects an economic situation compared to last year, while those forecasting a worsening and those anticipating a bettering stay at equal numbers with 23%.

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



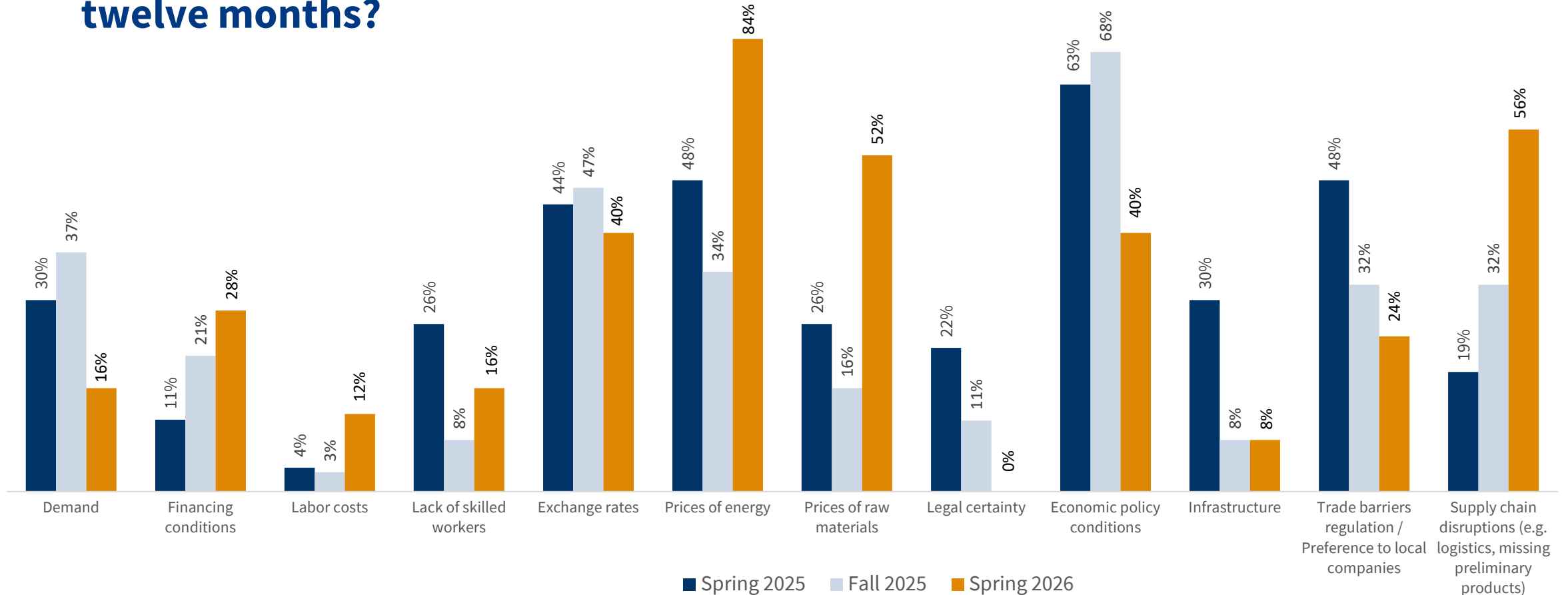
When it comes to forecasting their local investments within the next 12 months, 35% expect higher local investments while 42% anticipate no change. However, 23% plan lower or no investments. Some companies are acting more cautiously in the current situation, but overall, the appetite for investment appears to remain relatively stable over the past year.

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



Over the next year, the outlook for local employment appears stable: 69% of companies expect to maintain current staffing levels. 19% plan to expand their workforce, while 13% intend to reduce staff. Compared to last year, this reflects a slight downward trend.

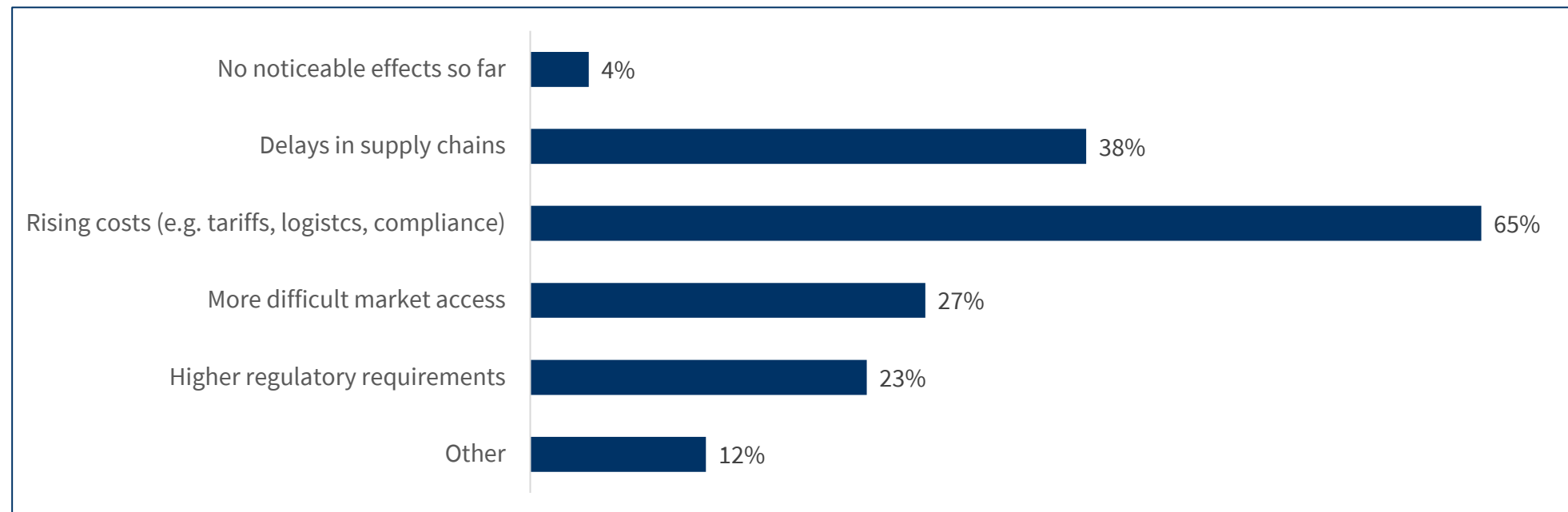
## 6. What are the biggest risks for your company's economic development in the next twelve months?



The current situation in the Middle East has a clear impact on businesses in Pakistan. There is a significant increase in the number of companies indicating rising energy prices as a growing challenge (84%) . Additionally, supply chain disruptions (56%) and increasing raw material prices (52%) are currently perceived as the greatest risks by companies.

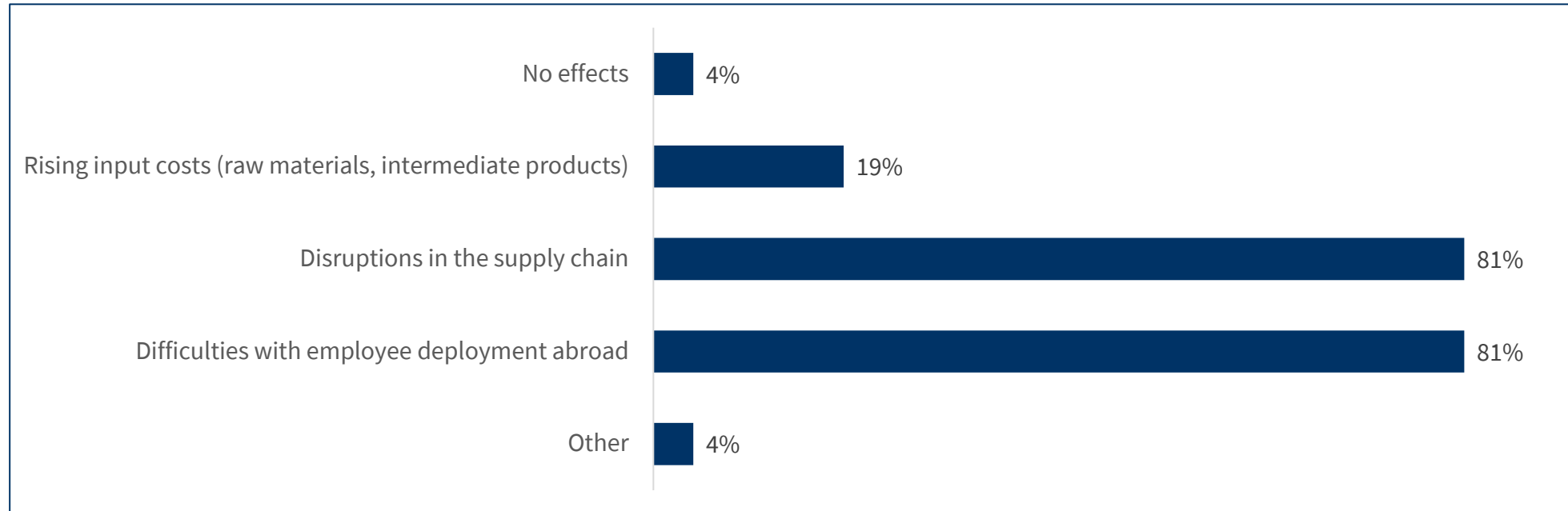


## 7. What specific effects are current trade policy developments having on your company's business?



Current trade policy developments are contributing to rising costs, for example through logistics and tariffs, reported by 65% of the companies. Furthermore, 38% of the companies experience supply chain delays, while 27% 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 around 4 out of 5 respondents. The same number names challenges in deploying employees abroad. Rising input costs, such as for raw materials, is an additional concern.

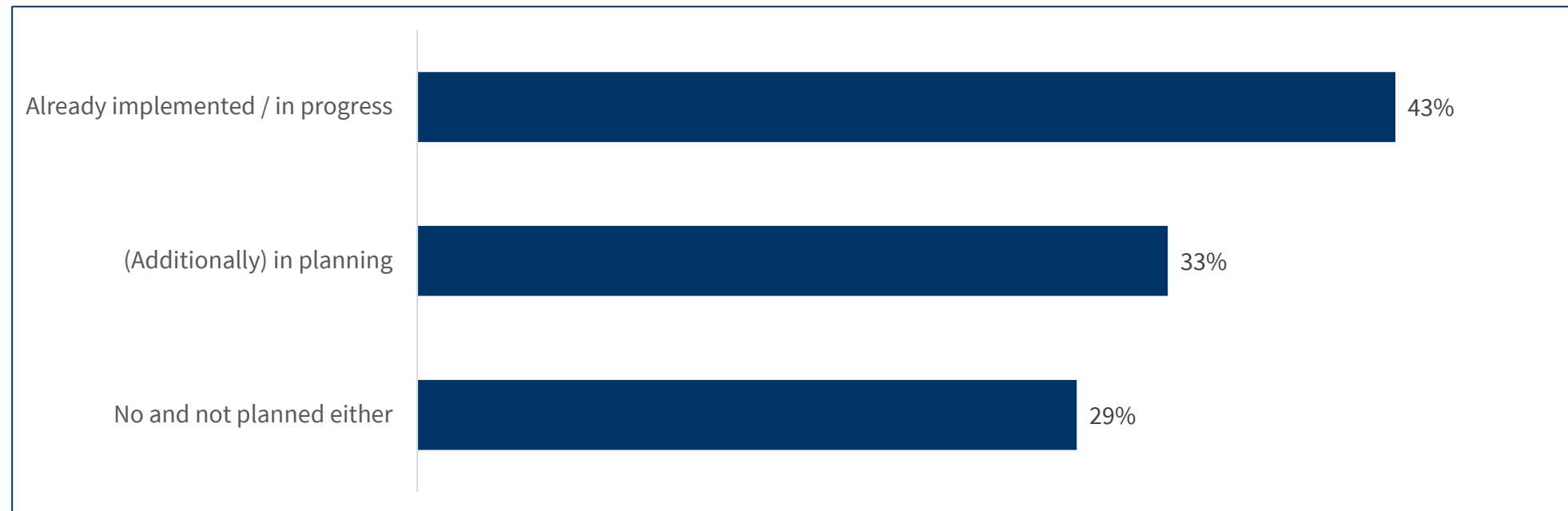
## 9. Do you plan an expansion of the supplier network?



40% of the companies have already implemented or are currently implementing such measures, while 35% of companies plan to do so. 30% neither currently expand nor intend to expand their supplier network.

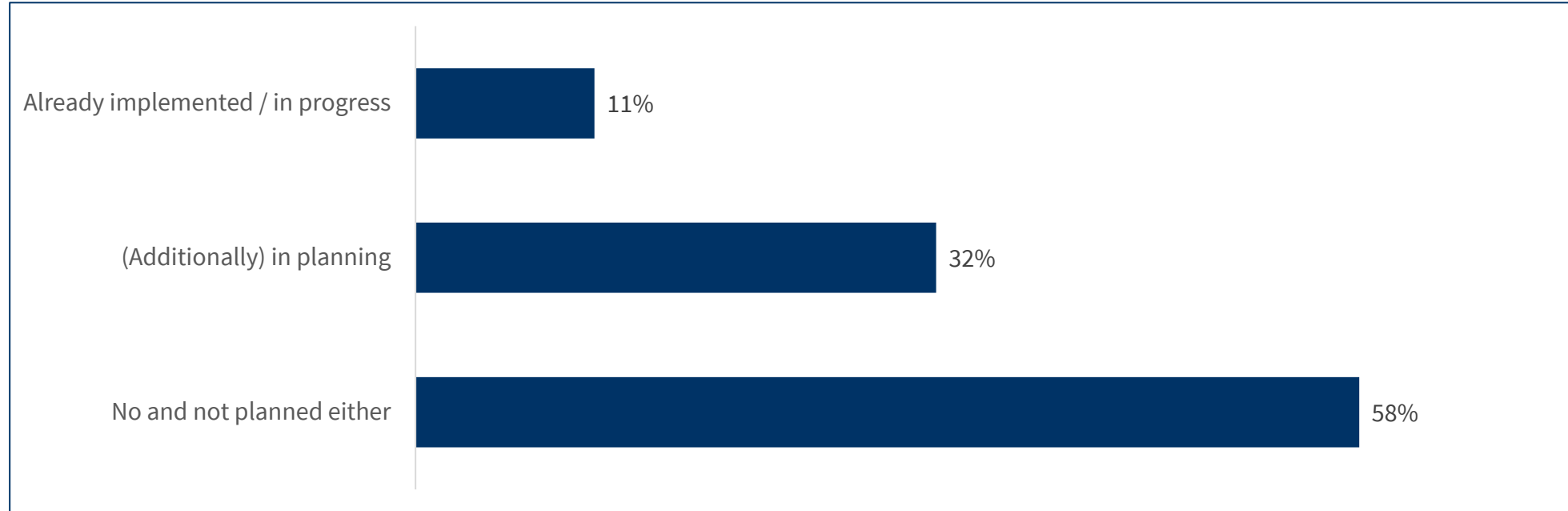


## 10. Do you explore new sales markets?



43% of companies are already exploring or have implemented new sales markets, while 33% plan to expand into additional markets.

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



Confidence in Pakistan as business location remains solid, with 58% of the companies indicating no intention to relocate their local operations. Only 11% have already implemented such measures or are currently in the process.



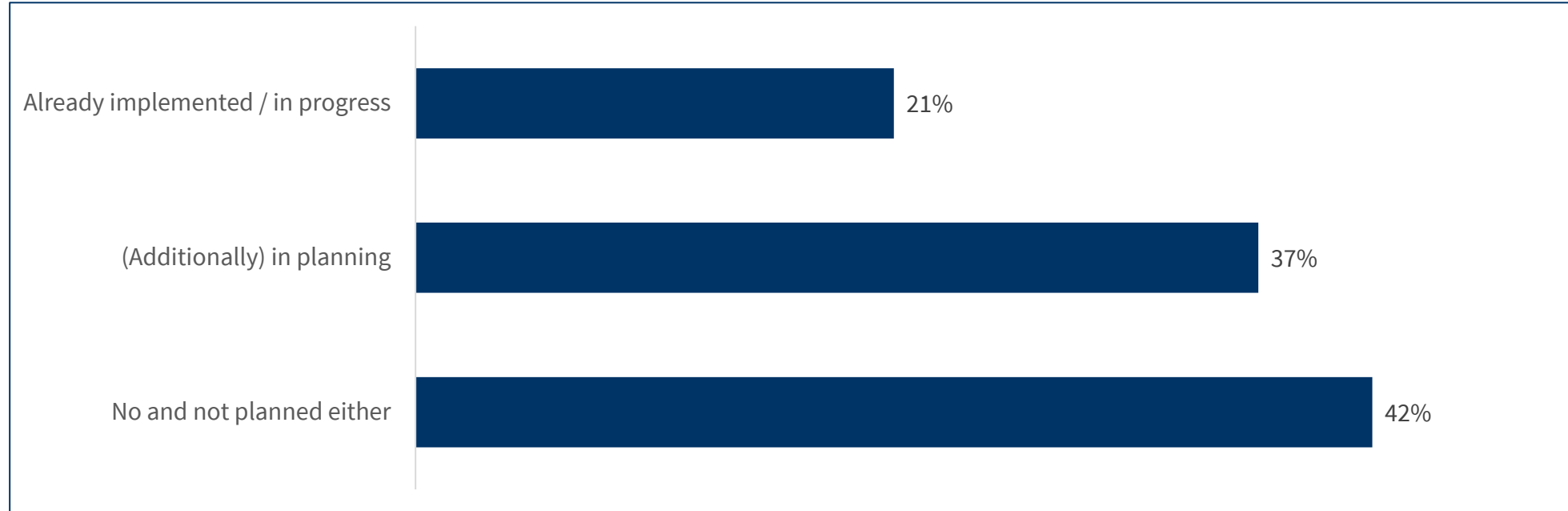
## 12. Do you consider an increase in investments at local site?



Investment sentiment remains somewhat stable, with 32% of companies already in the process of or having implemented further local investments, and 37% planning additional investments. However, 32% of the companies remain more cautious and do not plan to increase their investment activity.

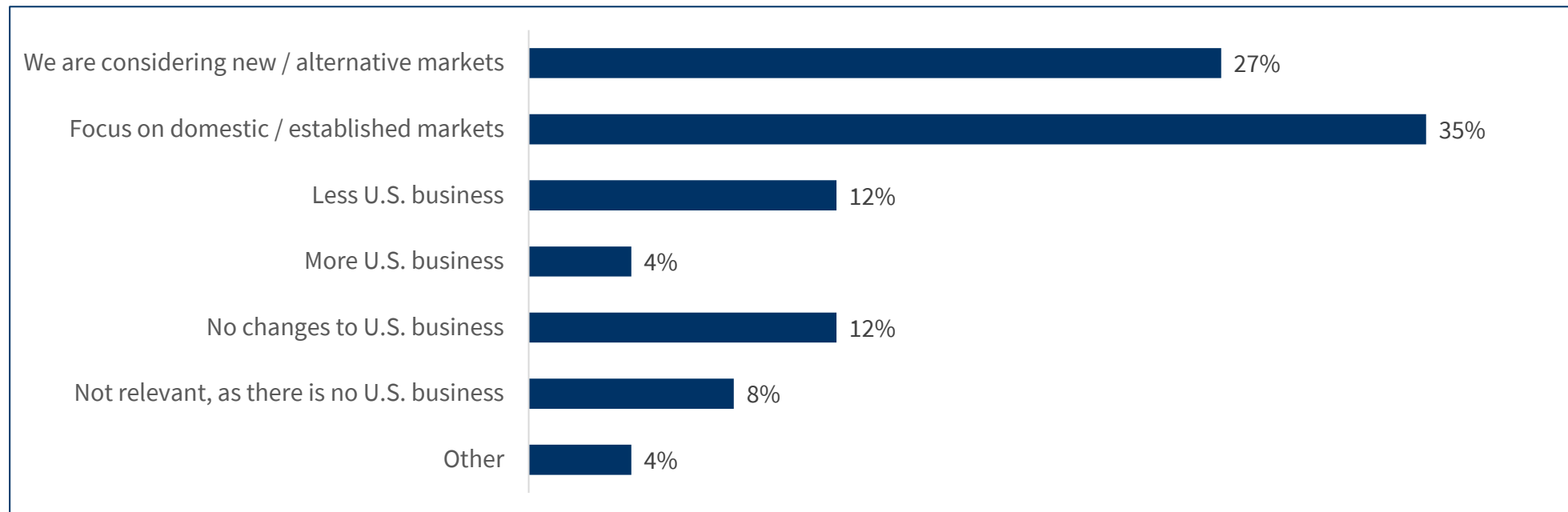


### 13. Do you consider an increase in inventory?



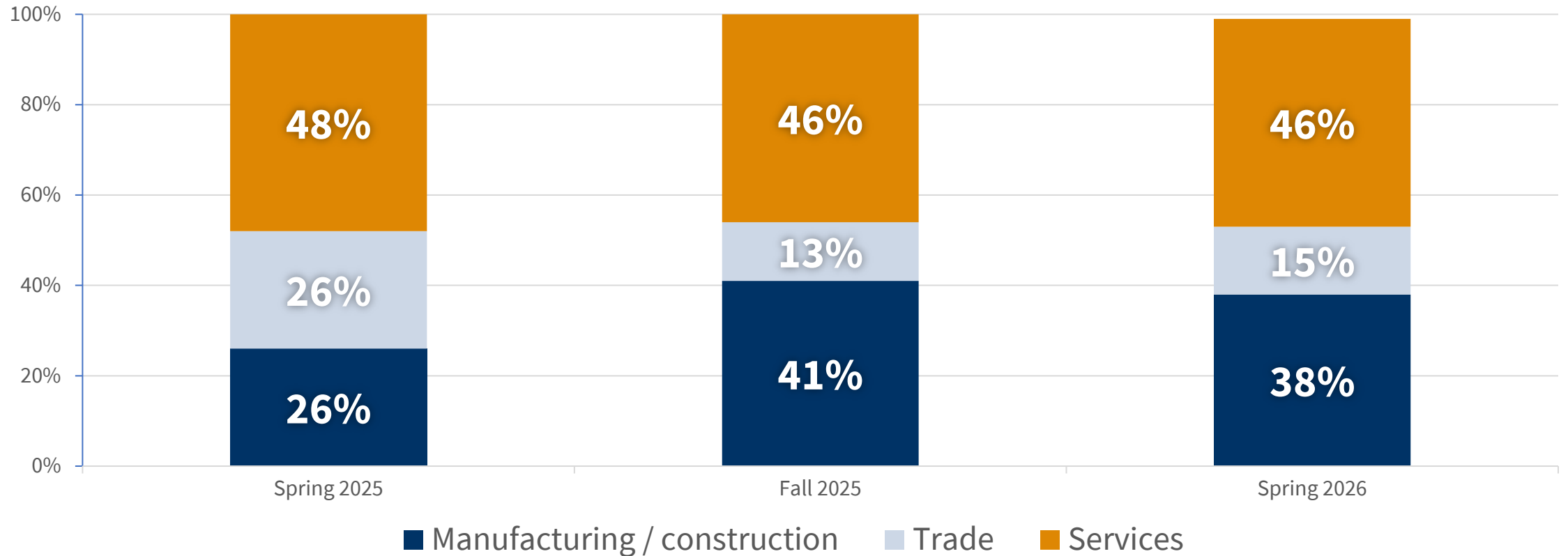
42% of the companies have not increased or plan to increase their inventory. 21% have already increased or are currently increasing their stock levels while an additional 37% are planning to do so.

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

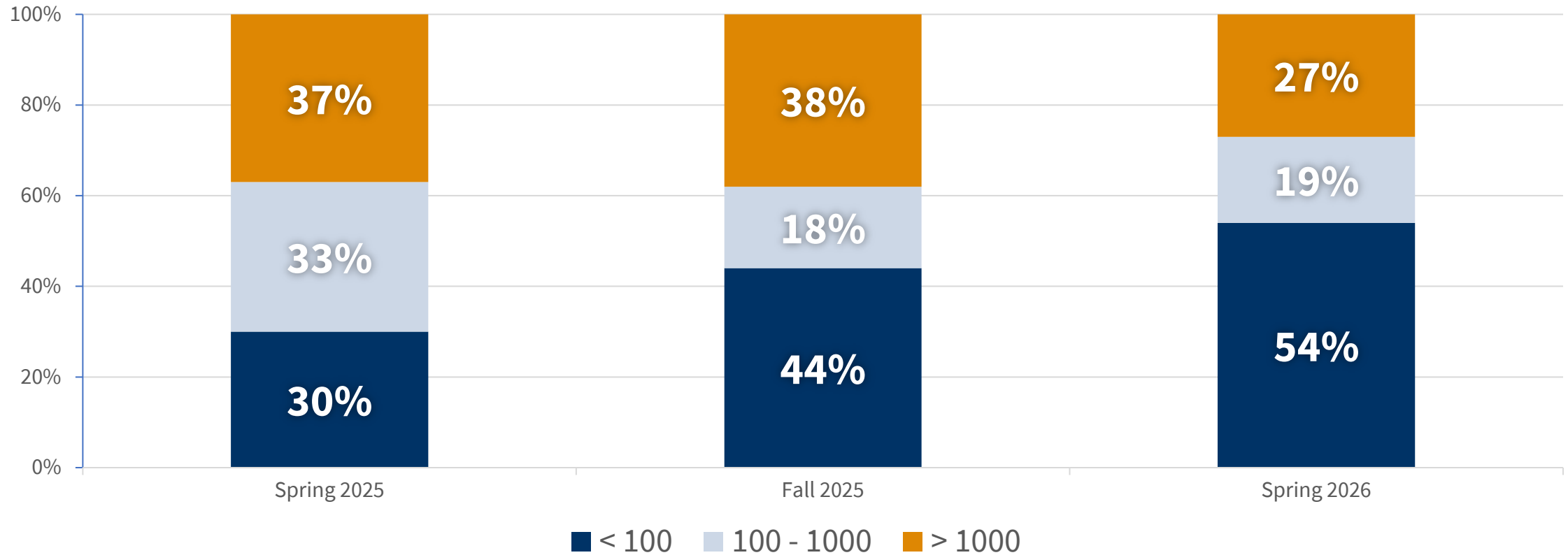


The impact of U.S. trade policy is leading companies to focus more on domestic and already established markets (35%). 27% of businesses are considering exploring new and alternative markets.

## 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 Pakistan 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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