



AHK World Business Outlook Pakistan

Spring 2025



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

Summary

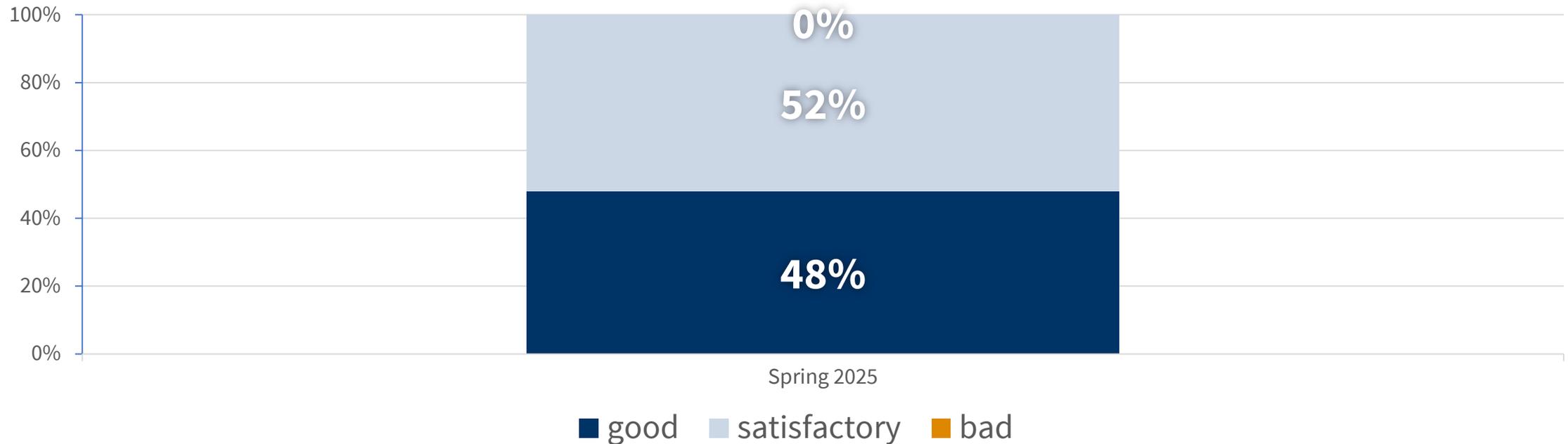
Recent assessments indicate a highly positive sentiment among companies in Pakistan regarding their **current business situation**, with 52% of respondents expressing satisfaction. This optimism extends to expectations for **future business conditions**, as a significant majority foresees improvements over the coming year. Specifically, 29% anticipate stable conditions, while only 4% expect a downturn.

Companies are optimistic about local **economic development**, with more than half expecting stability and 44% predicting growth. Investment outlooks are cautiously favorable, with 41% of companies planning to increase **local investments**, although 37% foresee no changes. **Employment** projections are bright, with 41% of businesses planning to expand their workforce, and only 4% that may reduce staff.

Despite this positive outlook, companies are cautious about **potential risks**, primarily economic policy conditions, exchange rates, energy prices, and trade barriers. Additionally, external factors like **uncertainty in US trade policy** could negatively impact 54% of businesses, with 8% fearing significant consequences.

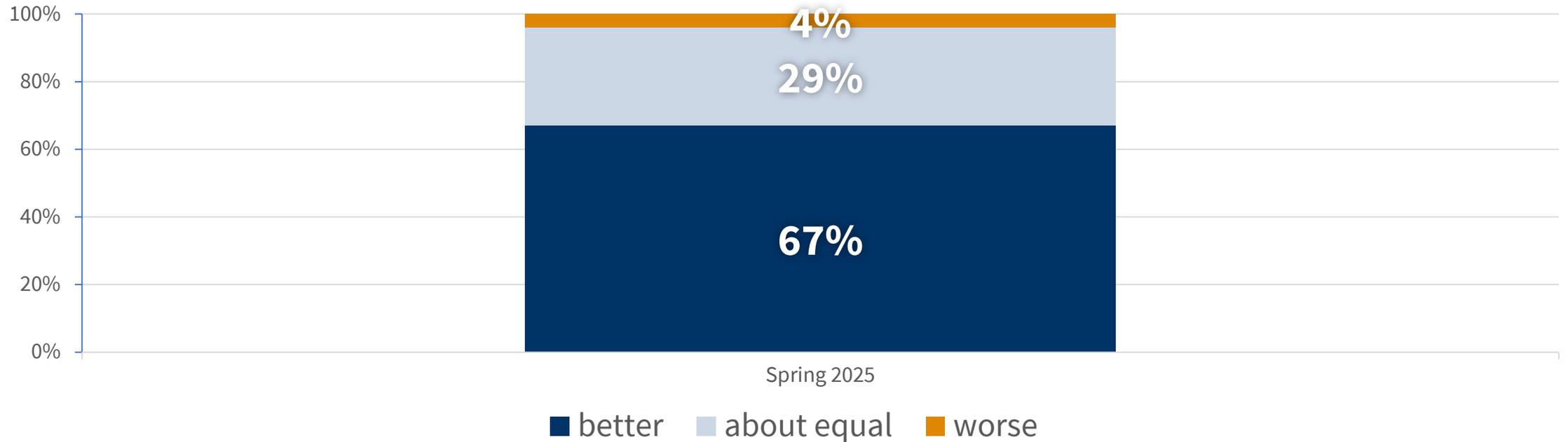
Looking ahead, over 85% of companies identify trade barriers and conflicts as the foremost **global challenge** expected within the next five years. Concerns also extend to inflation and monetary policy, but the predominant threat arises from anticipated tariffs and counter-tariffs, which 74% of companies believe will be significant, along with political influences on supply chains.

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



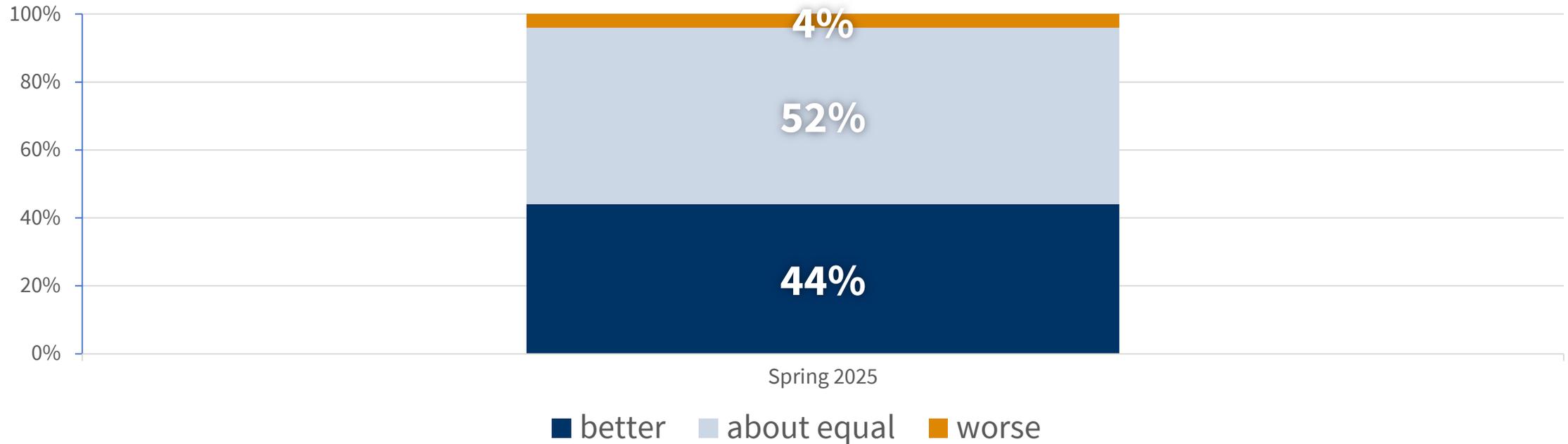
The outlook among companies in Pakistan is positive. 48% assess their current situation as good and 52% expressing satisfaction with their current situation.

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



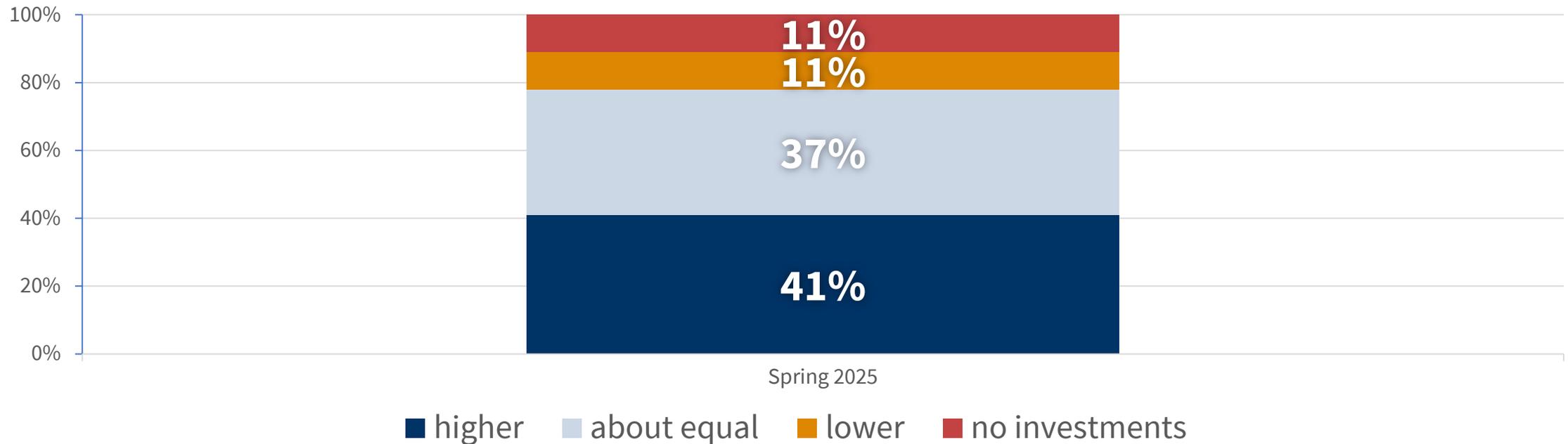
The overall expectation for the business development within the Pakistani market is good with 67% forecasting a positive development. 29% foresee a situation similar to the current one.

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



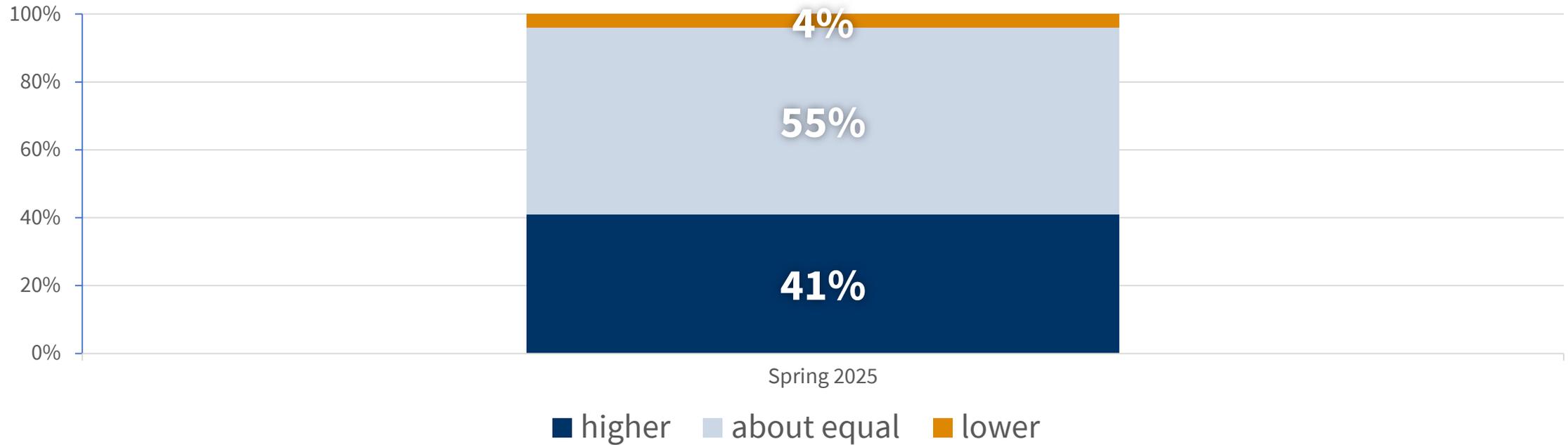
The local economic development within Pakistan is mostly (52%) expected to stay similar. 44% anticipate an improvement while 4% expect the general local economic development to worsen.

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



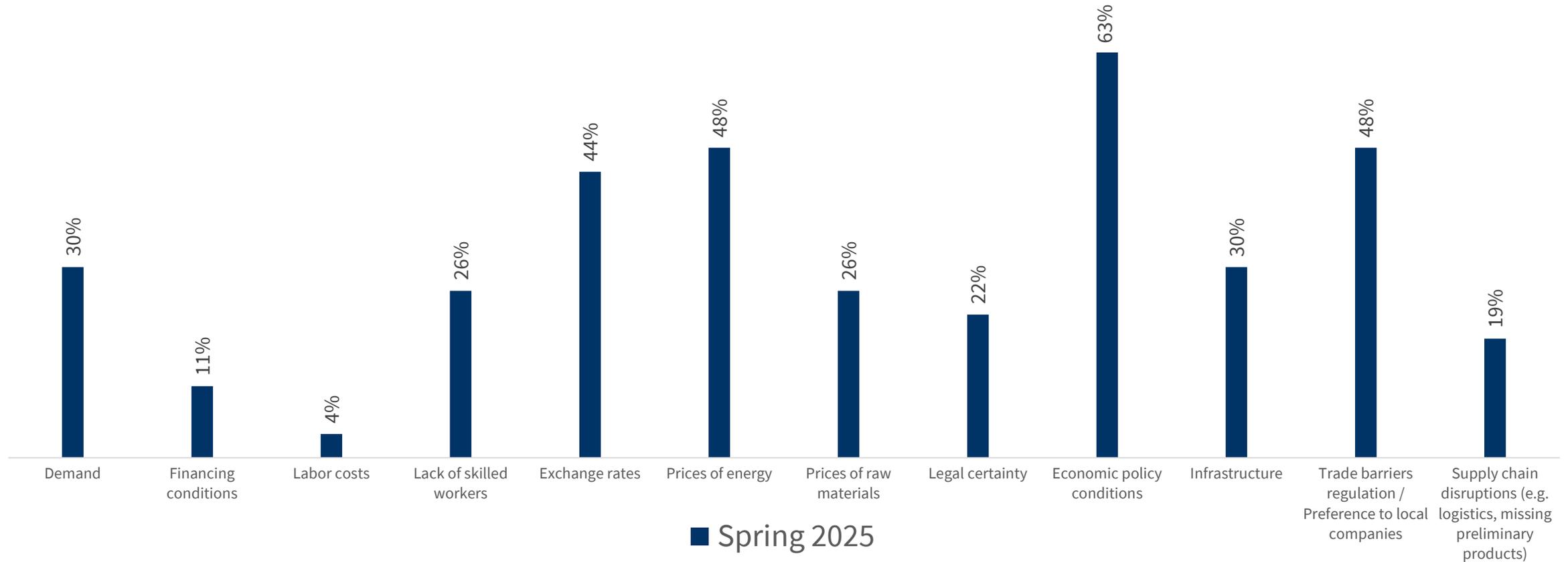
When it comes to forecasting their local investments within the next 12 months, 41% expect higher local investments while 37% anticipate no change. However, 22% plan lower or no investments.

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



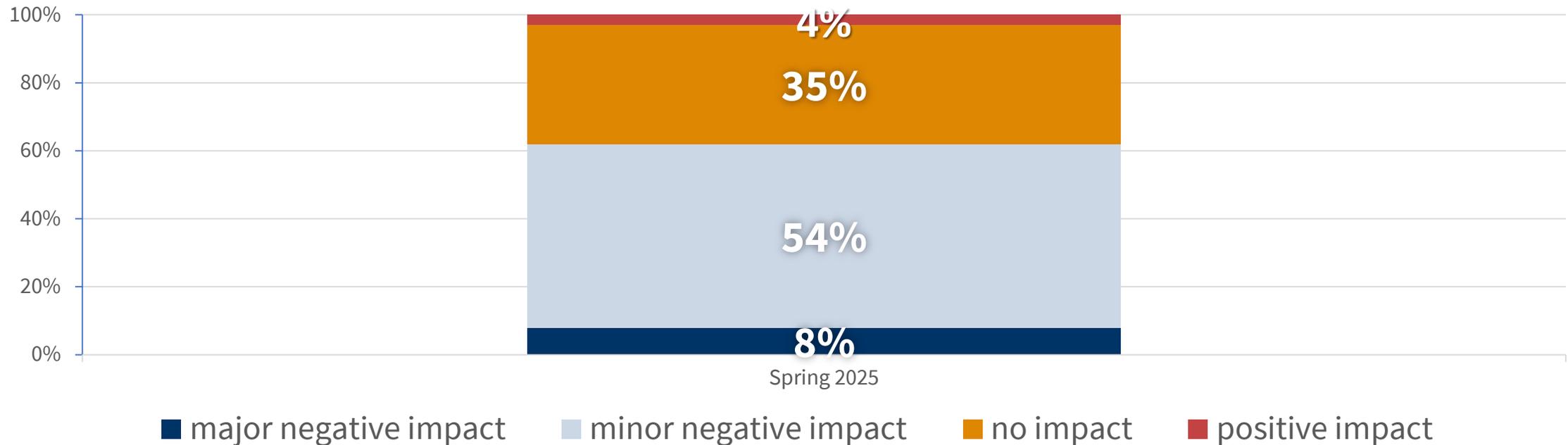
Within the next year, the outlook for local employment is positive. 41% plan to grow the work force. Just 4% of companies expect the numbers of employment to go down while 55% foresee a stable labour force.

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



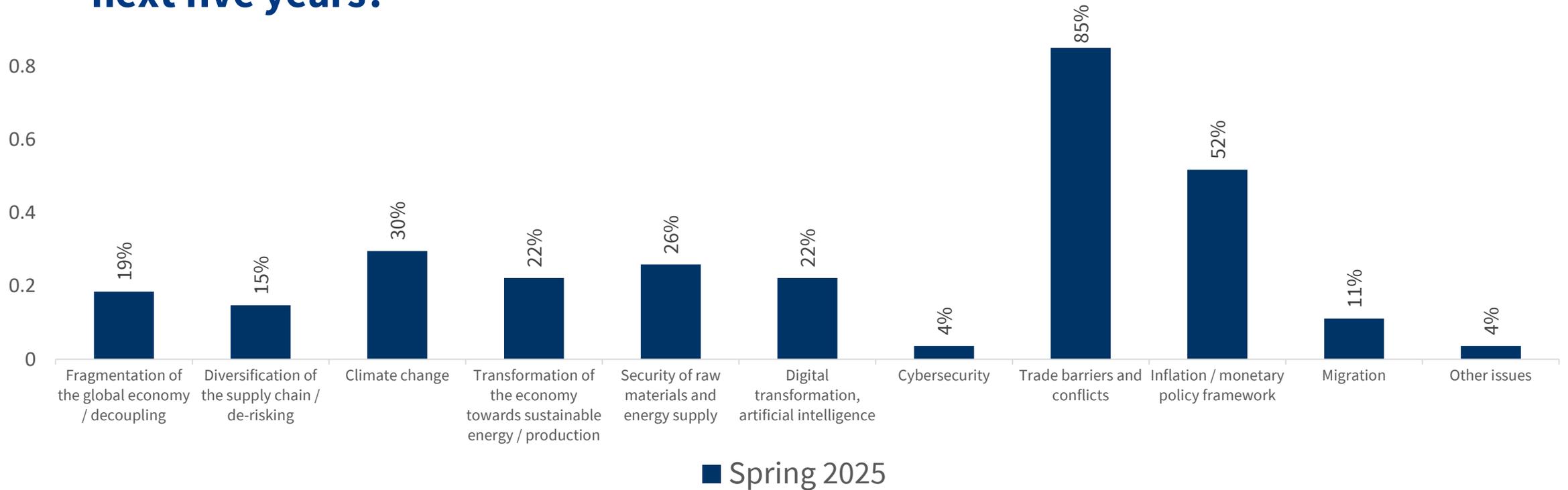
63% of participants view economic policy conditions as a significant risk to a company's economic development. This concern is closely followed by issues related to trade barriers and energy prices.

7. What impact do you expect the new US trade policy to have on your company's local business?



The current uncertainty surrounding U.S. trade policy is affecting the expectations of local businesses. 62% of the companies anticipate negative impacts on their business, whether major or minor. 35% foresee no consequences while 4% expect a positive impact because of the US trade policy.

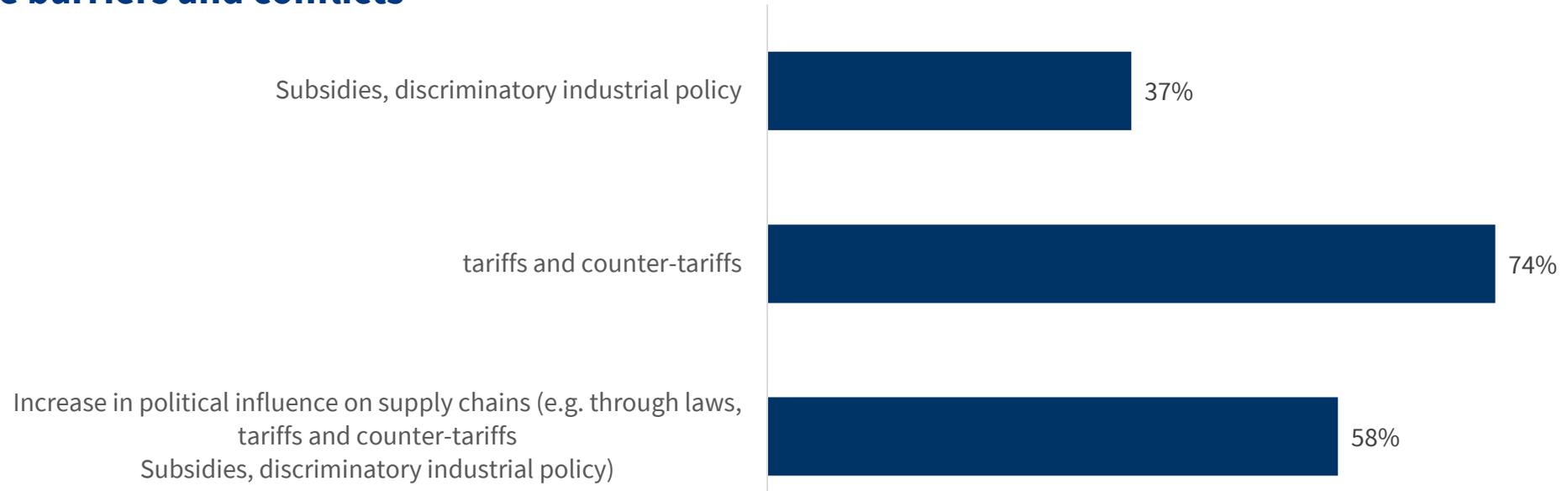
8. From your company's perspective, what are the biggest global challenges in the next five years?



When asked about the biggest expected global challenges within the next five years, 85% of the companies mark trade barriers and trade conflicts. Every second company sees the risk of inflation and monetary policy framework.

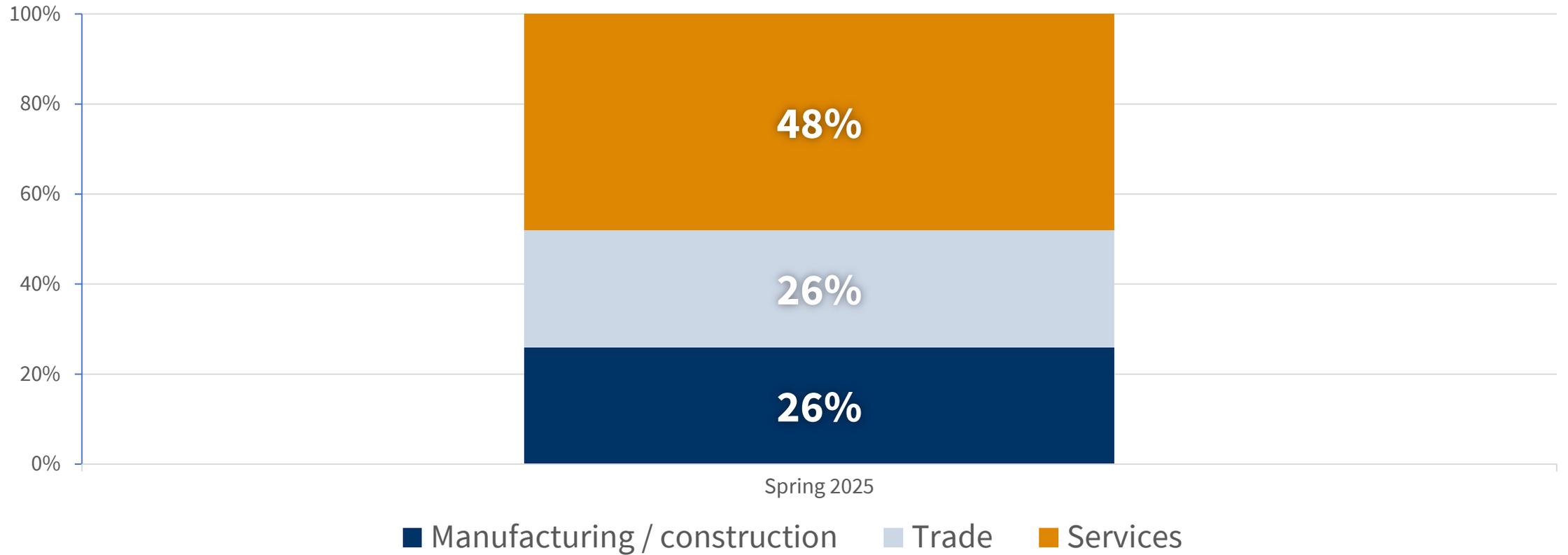
8.1. From your company's perspective, what are the biggest global challenges in the next five years?

Trade barriers and conflicts

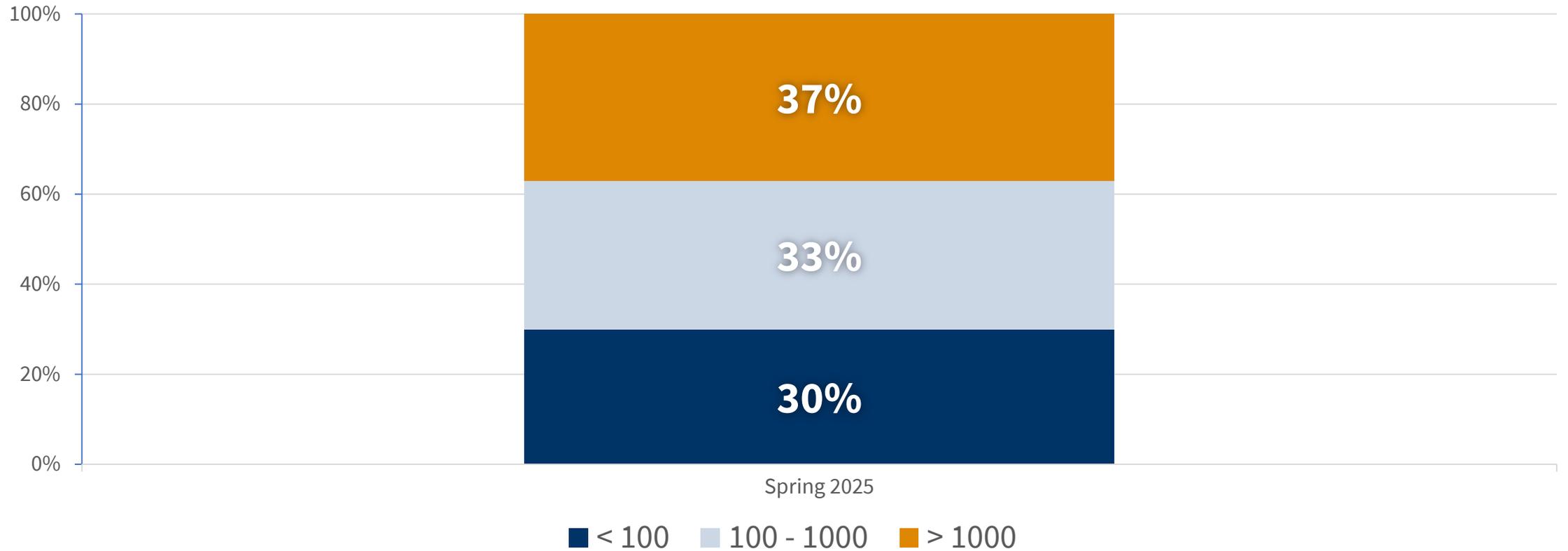


Of the companies considering trade barriers and conflicts a threat, 74% are marking tariffs and counter-tariffs to be the biggest challenge.

9. Participating companies per sector



10. 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 4,600 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. The survey was conducted from 17 March to 14 April 2025.

The global results are also available on the AHK UAE website (www.ahkuae.com)

For inquiries, please contact: info@ahkuae.com



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