

AHK World Business Outlook
UAE

Fall 2026

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

AHK World Business Outlook, UAE, Fall 2026

Summary

Overall, **business sentiment** in the UAE has improved compared to the spring survey, with companies showing greater confidence in their own business prospects (increase from 28% to 50%). However, 15% still consider their situation difficult, while 35% describe it as satisfactory.

Looking ahead, **business expectations** for the next 12 months have improved. 44% of companies foresee growth in their UAE operations, while 46% expect the situation to remain unchanged. Confidence in the wider **economic outlook** remains cautious, with 27% of companies expecting the UAE economy to weaken. The majority (51%) expect economic conditions to remain stable.

Investment intentions have improved. The share of companies planning higher investments has increased from 14% to 26%. However, 35% still expect lower or no investment over the next 12 months, while almost every fourth companies now plans to maintain its current investment levels.

Despite the ongoing challenges, **workforce expectations** have gone up with 62% of companies anticipating no major changes in employment levels and 28% intending to hire more over the next 12 months.

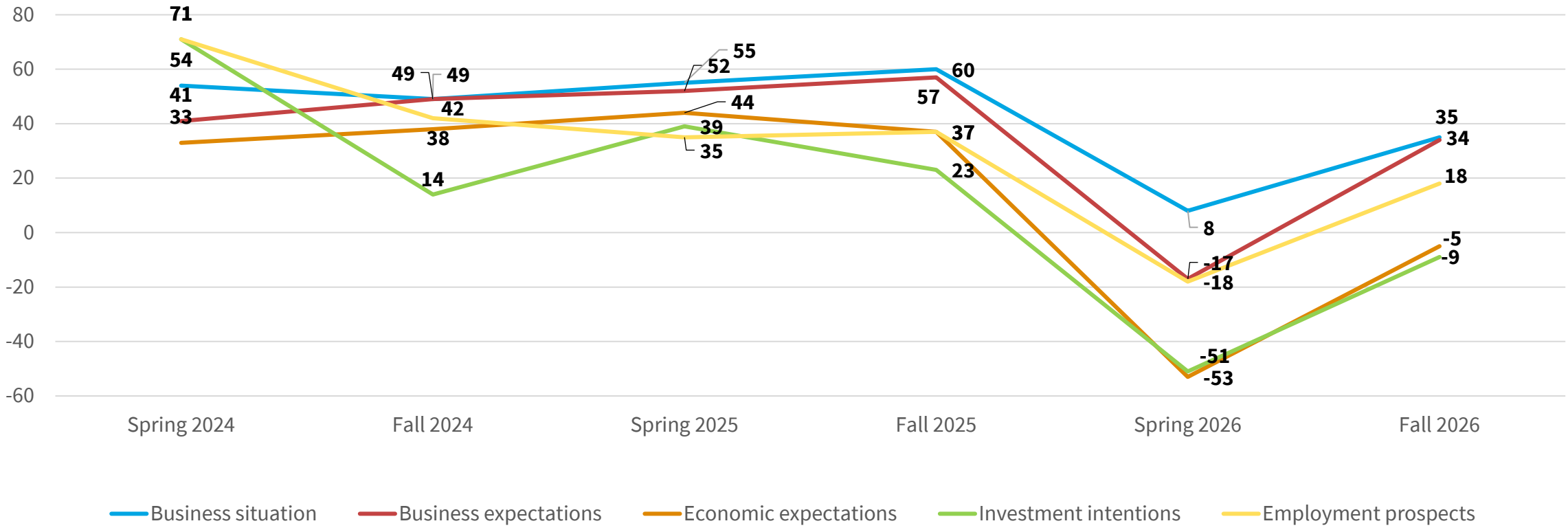
In terms of **risks**, supply chain disruptions continue to be perceived as the greatest risk by companies (69%), a percentage two times higher compared to the pre-conflict level. Second is the concern about demand, now hovering around 40% as in 2025.

The **competitive environment** is increasingly shaped by developments from China. 41% report a moderate to very strong impact of Chinese competition. In response, 65% are placing greater emphasis on product innovation, while 51% are focusing on cost reduction. Exploring new sales and procurement markets and potential cooperation with Chinese partners are also among the measures taken.

Looking ahead, companies continue to view the **UAE as an attractive business location**. 46% of companies see positive market growth potential over the next five years. About every fourth companies expects positive developments regarding infrastructure and logistics.

Summary: Situation and forecast - German companies in the UAE

Saldo in points



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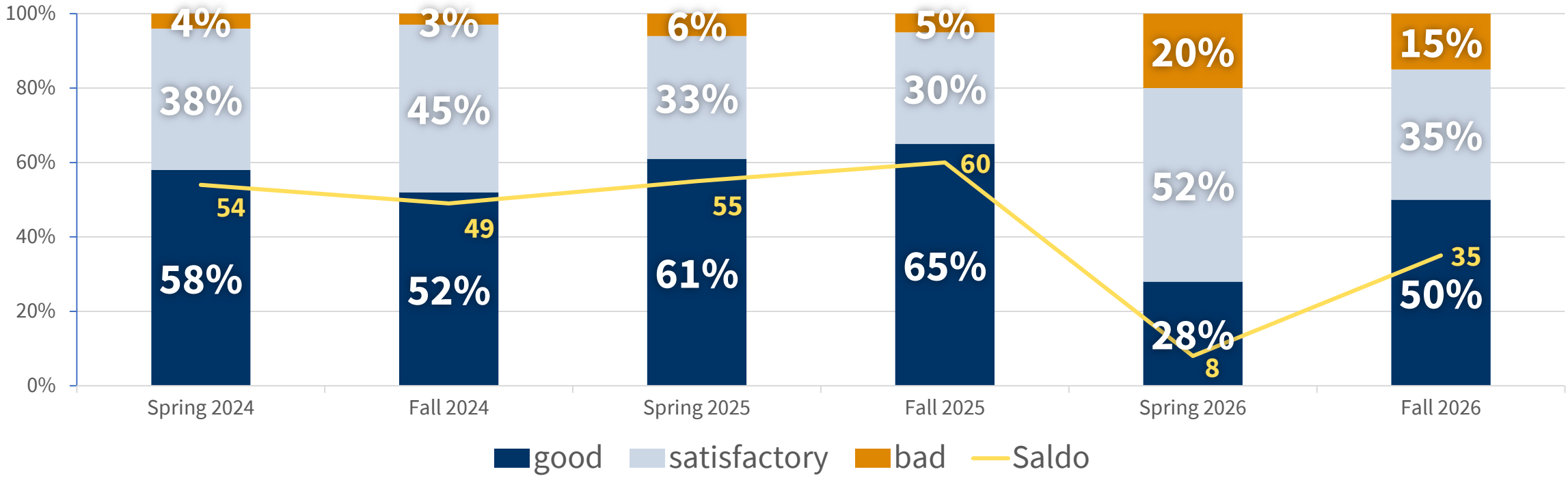
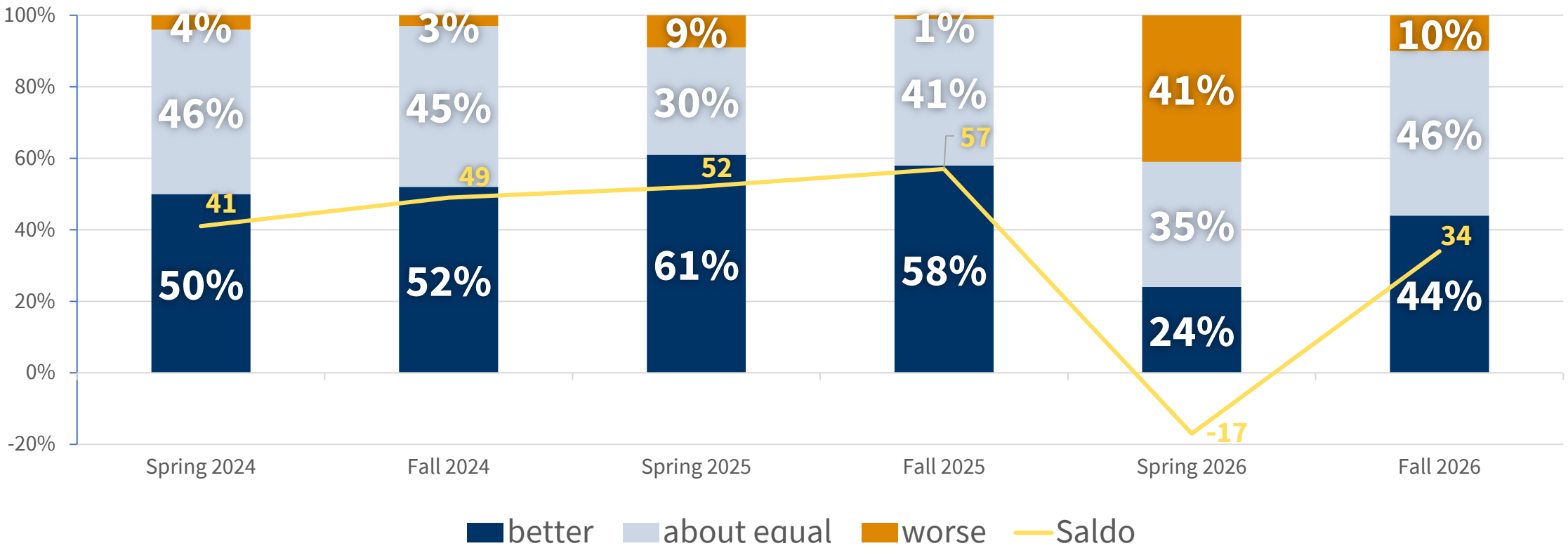
1. How do you assess the current business situation of your company?



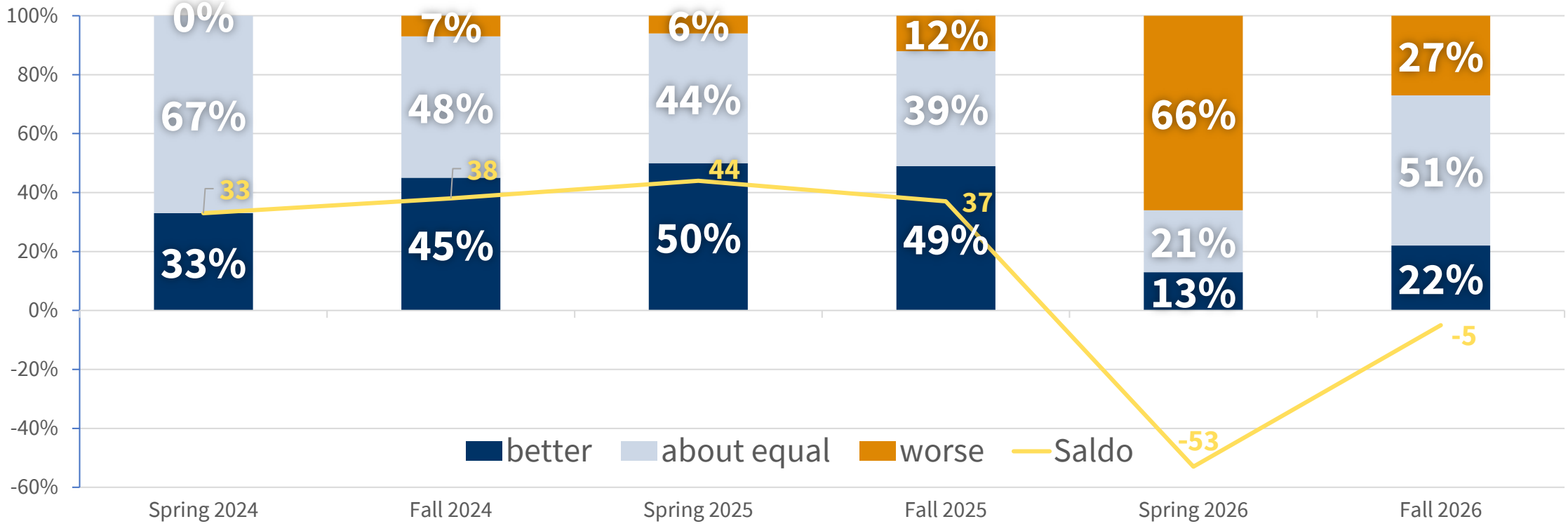
The share of companies assessing their current business situation as good increased from 28% to 50%. 15% of companies continue to face a difficult situation, while 35% describe their situation as satisfying. The saldo (positive responses minus negative responses) increased to 35 points, while it has not yet returned to pre-conflict levels.

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



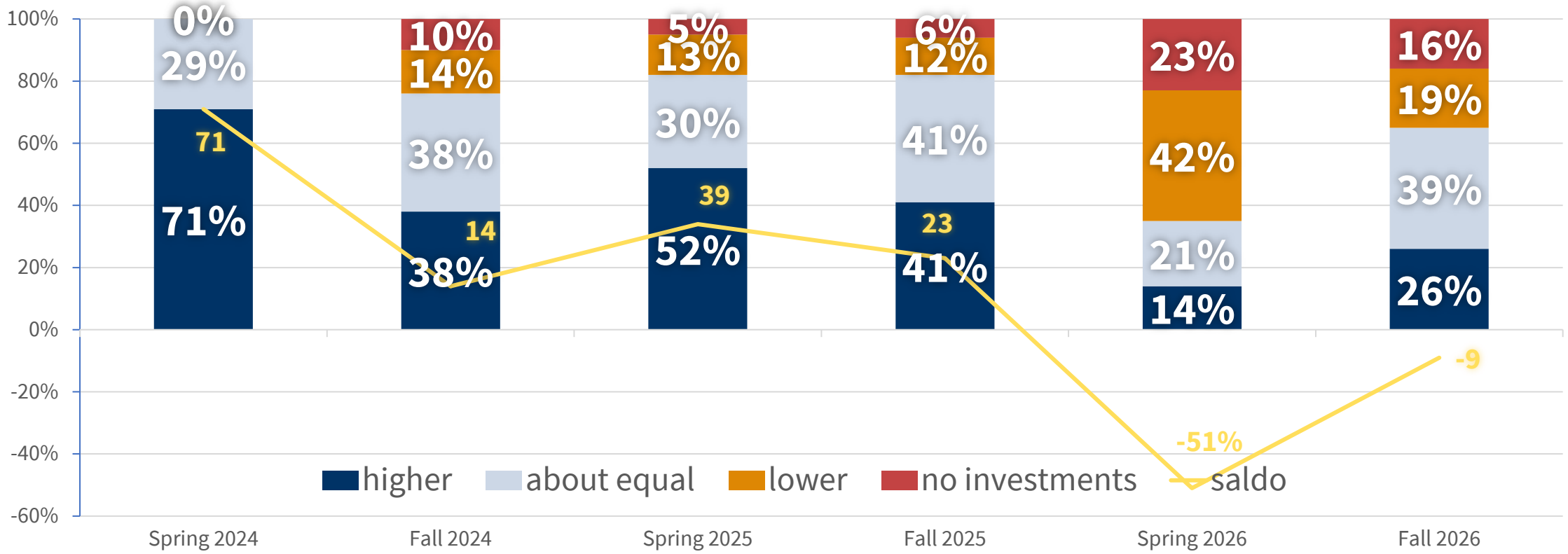
Compared to the spring survey, expectations for business development have improved, with 44% of companies anticipating growth in their UAE operations. A further 46% expect the situation to remain unchanged, while only 10% still foresee a decline.

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



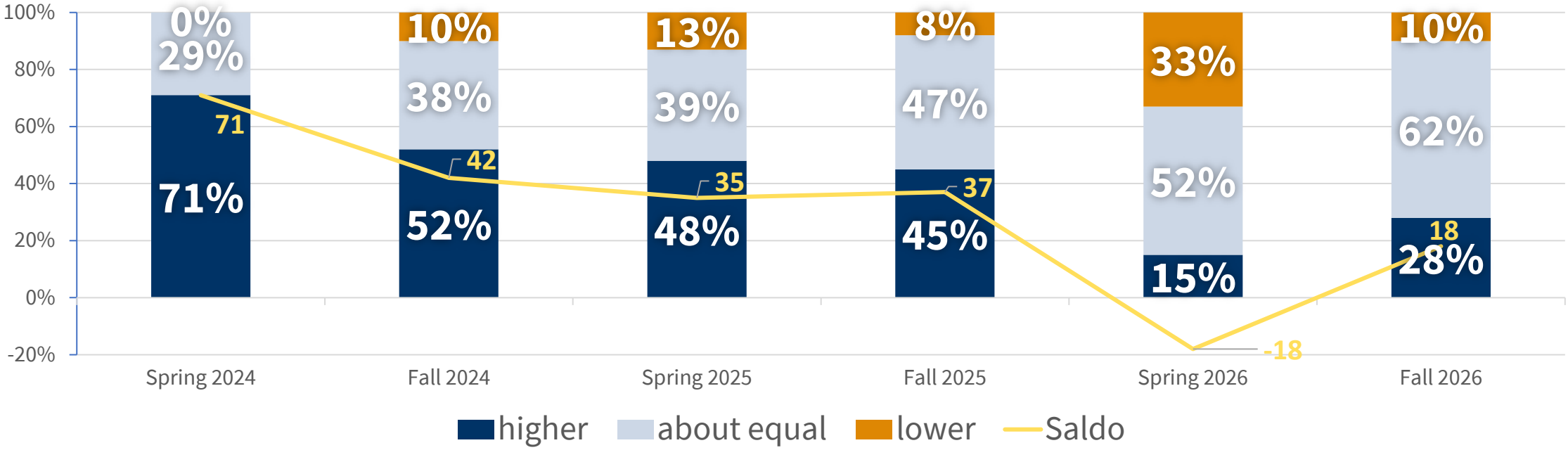
Expectations for the UAE's overall economic development are stabilizing with 51% of companies expecting the economic development to remain about the same. However, with 27% of companies anticipating worsening conditions and only 22% expecting an improvement, the saldo remains on the negative side.

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



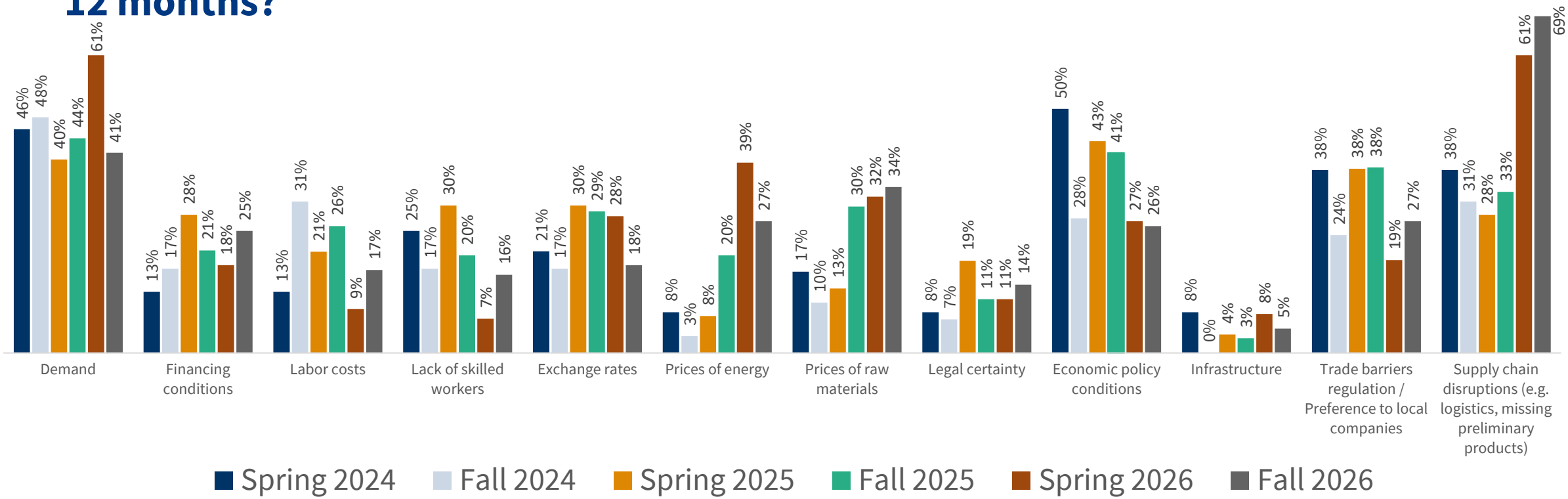
In terms of future investments, the percentage of companies projecting higher investments increased from 14% to 26%. However, 35% expect lower or no investment over the next 12 months, while an increasing number of companies now anticipate maintaining their current investment levels.

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



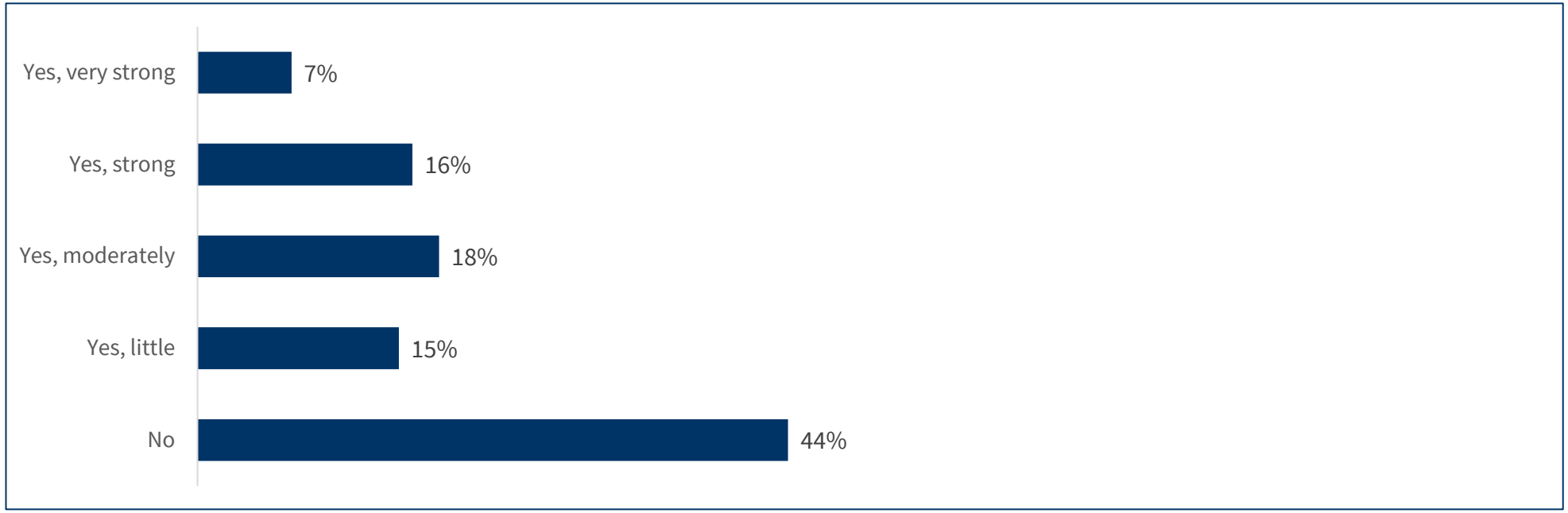
Despite the current situation most companies anticipate stability in their workforce in the coming 12 months (62%). An increasing share of companies plan to hire more staff, from 15% six months ago to 28% in fall 2026.

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



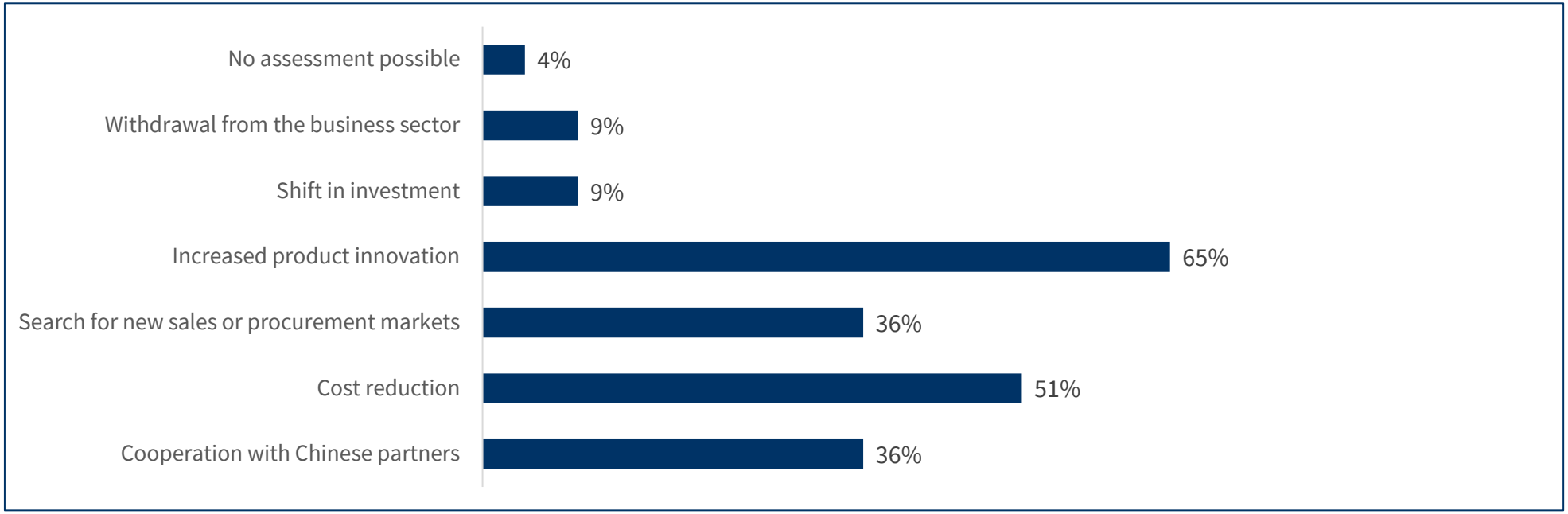
Supply chain disruptions continue to be perceived as the greatest risk by companies (69%), a percentage two times higher than the pre-conflict level. Second is the concern about demand, now hovering around 40%. Additionally, a slightly higher number of companies now identify rising raw material prices as a growing challenge (34%). Energy prices and trade barriers remain concerns, both cited by 27% of respondents.

7. Is your company experiencing increasing competition from Chinese competitors?



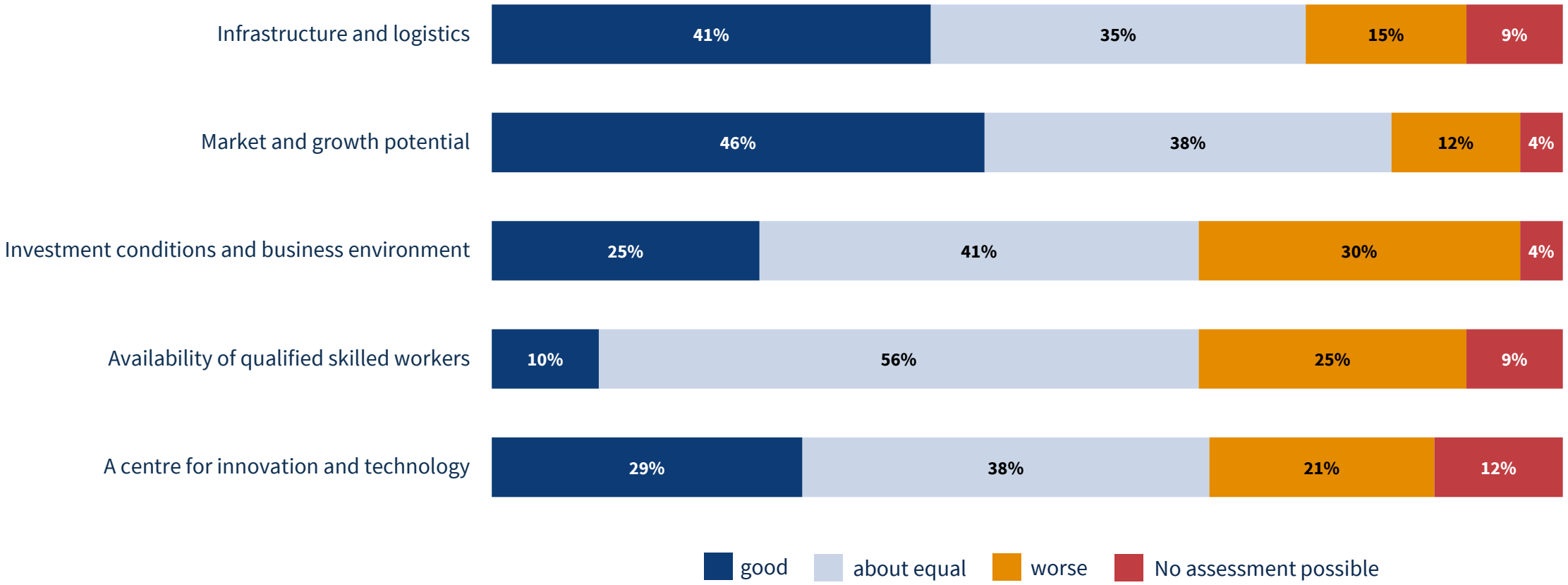
44% of respondents do not perceive any increase in competition from Chinese companies. However, a total of 41% report a moderate to very strong impact.

8. How is your company at your site responding to the growing competition from China?

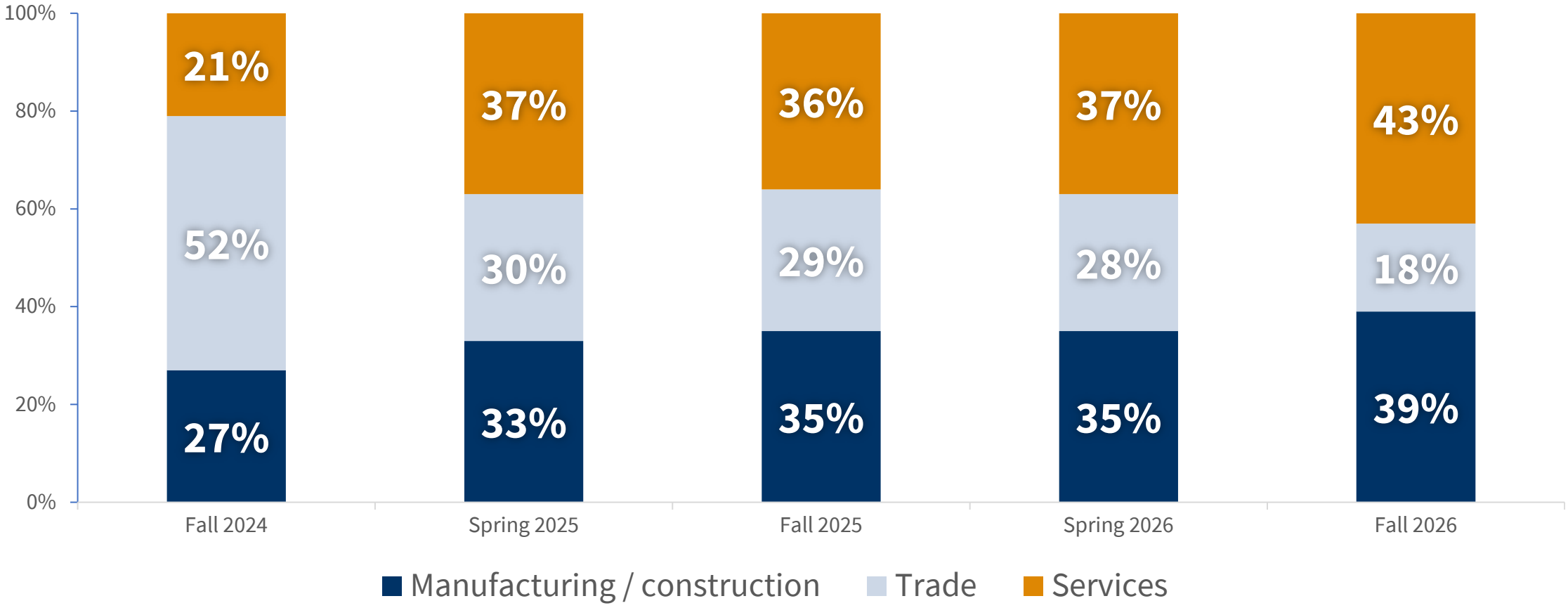


65% of companies state that they are focusing more on product innovation in response to increased competition from China. Cost reduction is mentioned by 51%, followed by exploring new sales and procurement markets and potential cooperation with Chinese partners, both cited by 36% of respondents.

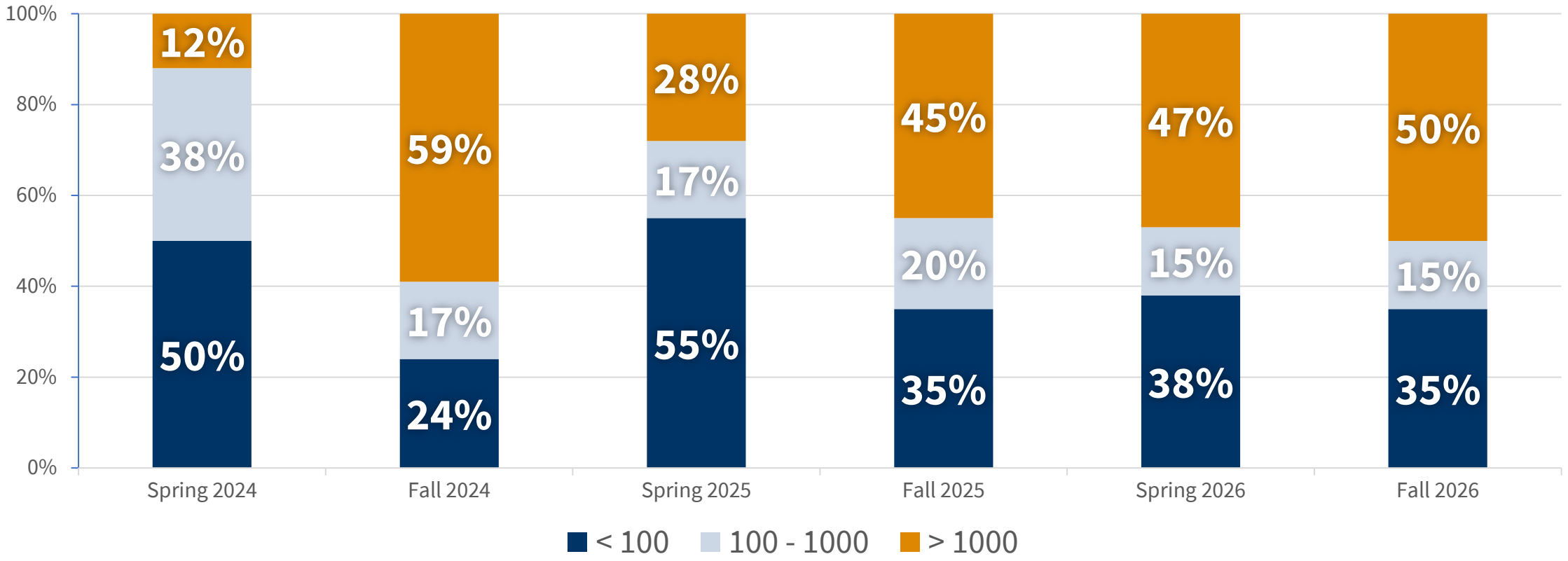
9. How do you expect the following business location factors to evolve over the next five years from your company's perspective?



10. Participating companies per sector



11. 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 3.454 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 05 October till 23 October 2026.

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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