



AHK World Business Outlook UAE

Spring 2025



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

Summary

The number of companies assessing the own **current business situation** as good remains stable over the past year with a slight increase compared to the past 6 months from 52% to 61% .

Looking to the future, 61% anticipate **growth in their business operations**, although predictions of decline have slightly increased from 3% to 9%. Meanwhile, 30% expect conditions to remain unchanged.

With regard to the **development of the local economy**, half of the companies anticipate an improvement, 44% expect stability, and only 6% forecast a downturn.

Investment intentions are strengthening, with companies planning to increase investments rising from 38% to 52%. The number of companies planning lower or no investments has decreased, reaching only 13% and 5%.

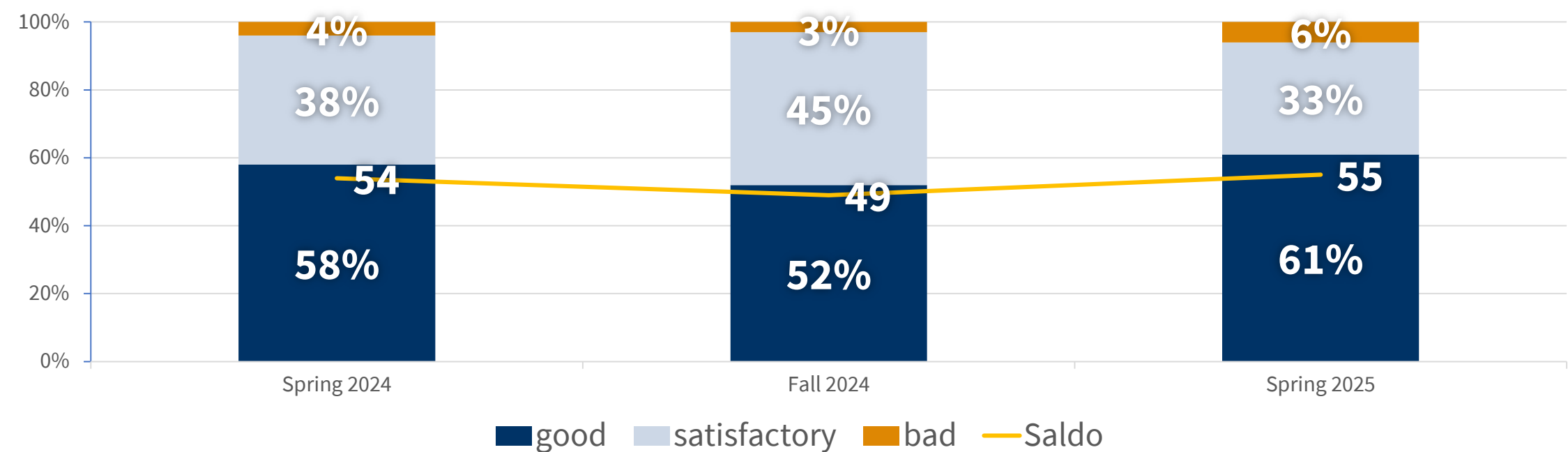
The outlook for **local employment** is positive, as 48% of companies plan to increase the workforce, while only 13% expect layoffs. However, we see a significant drop in overall employment sentiment from 71 to 35 points over the past year.

Major **risks for company's economic development** include economic policy conditions with 43%, followed by demand and trade barriers. Growing worries include fluctuating exchange rates, skilled labor shortages, and financial conditions. The current uncertainty surrounding **U.S. trade policy** is affecting the expectations of local businesses with 60% of the companies anticipating negative impacts on their business, whether major or minor.

Looking ahead, the biggest expected global challenge within the next five years, with 74% of the companies agreeing, are trade barriers and conflicts. 42% of participants see inflation and the monetary policy framework with unease, and 40% consider the digital transformation and AI as a big challenge as well a potential fragmentation of the global economy.

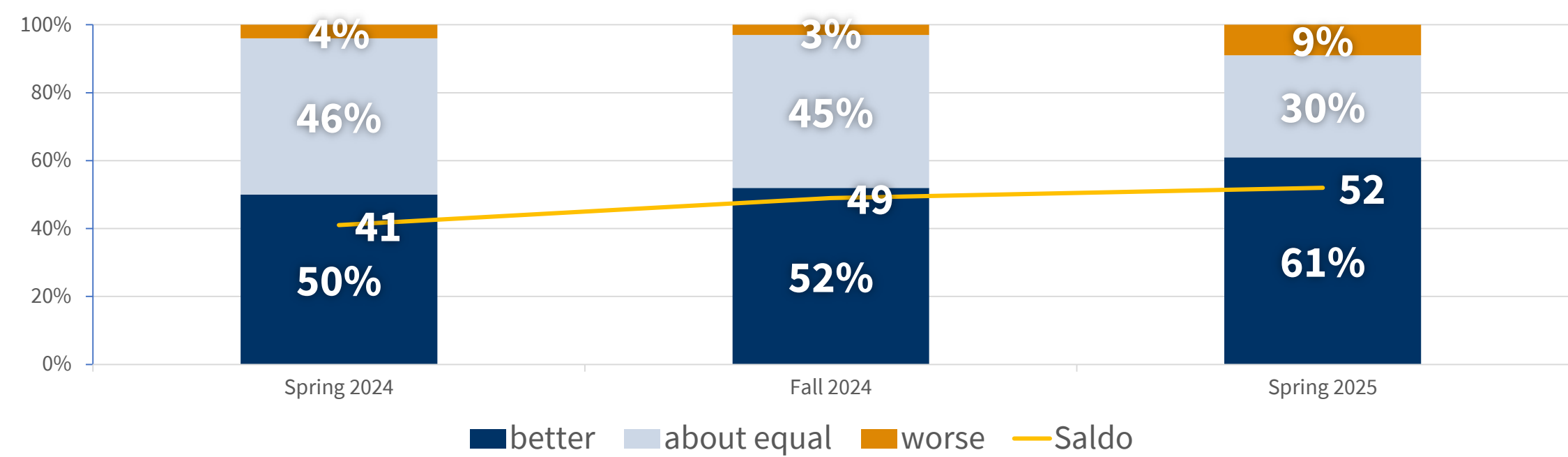


1. How do you assess the current business situation of your company?



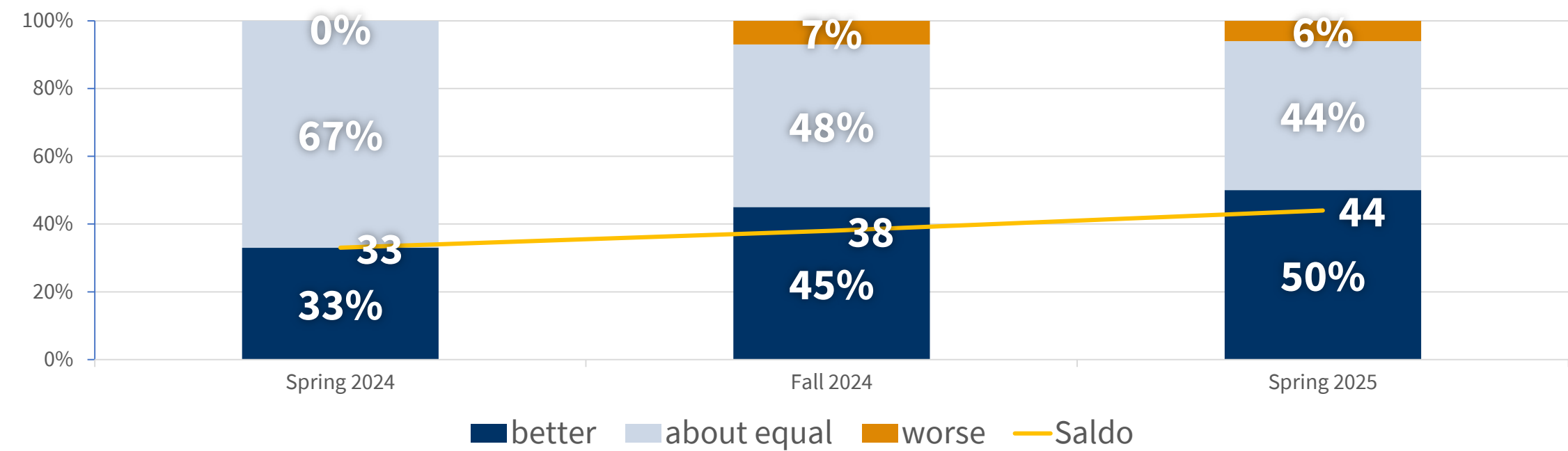
The number of companies assessing the own current business situation as good increases from 52% to 61% compared to six months ago. With only 6% of companies considering their business situation as bad, the saldo (positive answers minus the negative answers) improves to 55 points.

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



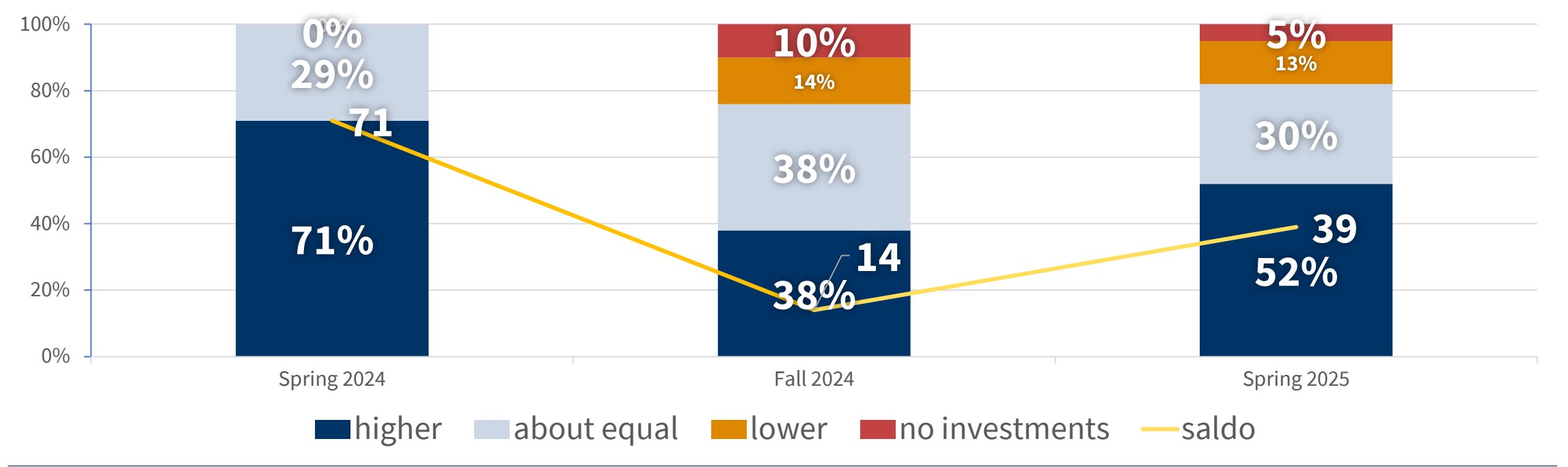
Since fall 2024, the proportion of companies expecting growth in their UAE operations over the next 12 months has risen from 52% to 61%. Meanwhile, the percentage of those anticipating a worsening situation has increased from 3% to 9% as well over the past 12 months. 30% of companies anticipate that conditions will remain about the same.

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



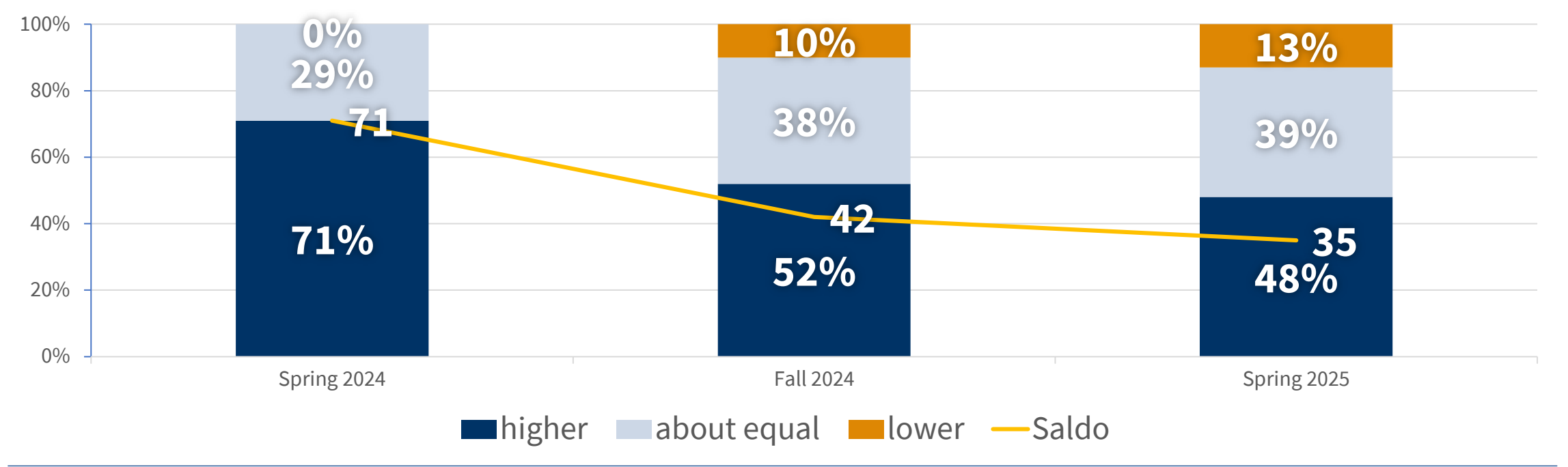
The local economic development within the UAE is mostly expected to improve or stay similar. Half of the companies see an improvement, 44% expect the situation to remain about equal, while only 6% expect the general local economic development to worsen.

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



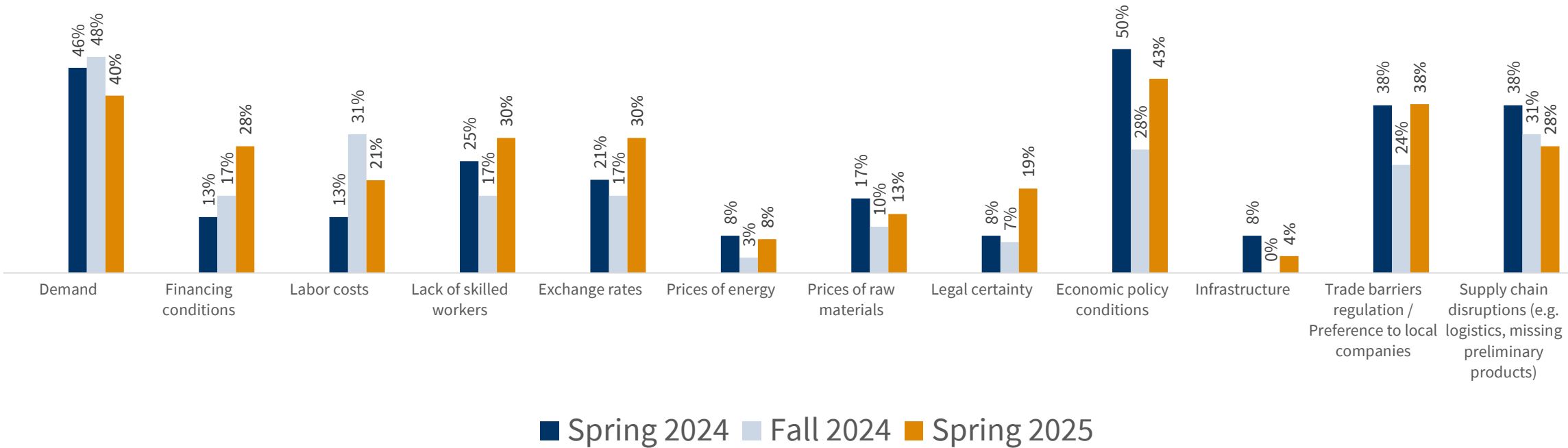
In terms of future investments, the percentage of companies projecting higher investments have increased significantly from 38% to 52% within six months. The number of companies that plan lower or no investments at all has decreased, reaching only 13% and 5%.

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



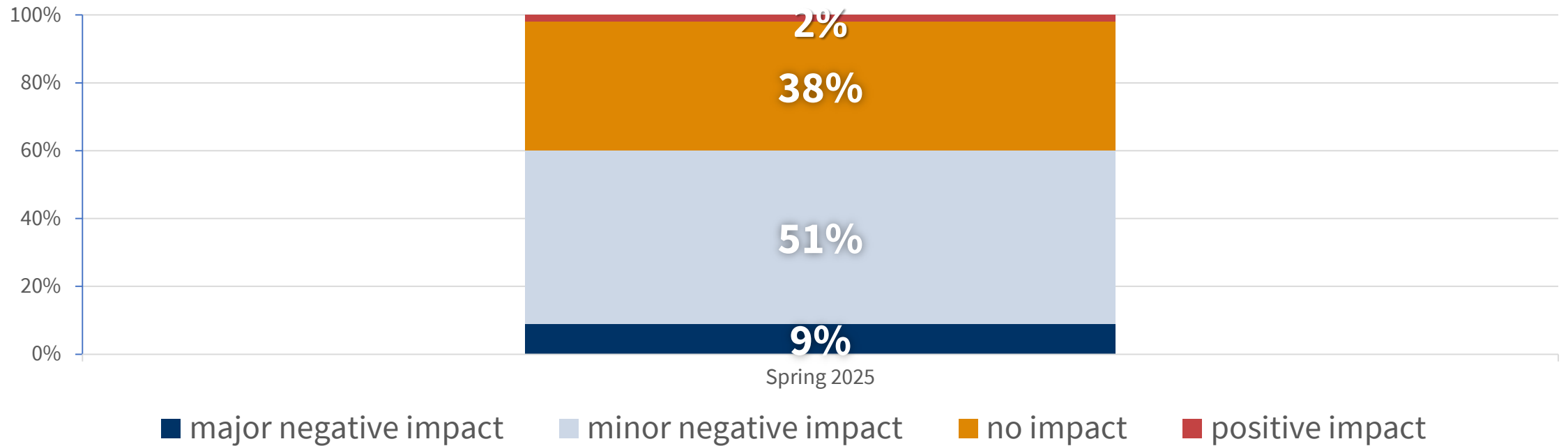
In the coming year, the prospects for local employment appear positive, with the majority of companies anticipating either growth or stability in their workforce. While only 13% of businesses expect a decline in employment numbers, 48% foresee an increase, suggesting an overall optimistic outlook. However, compared to spring 2024 the figures show a less optimistic outlook with points dropping from 71 to 35.

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



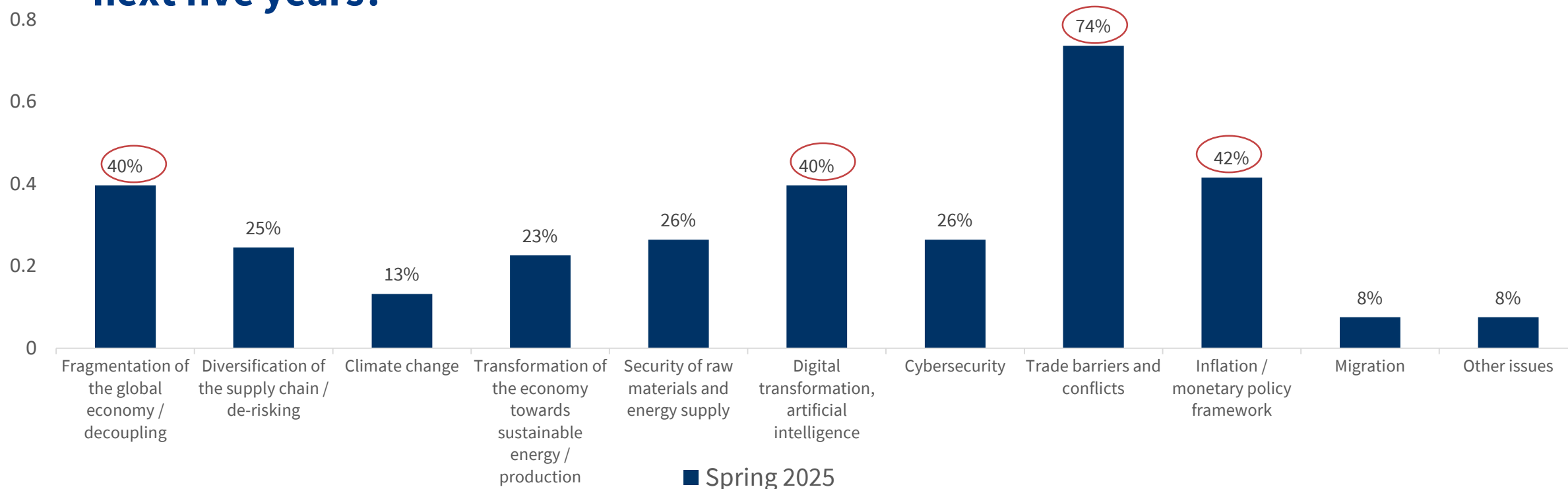
Economic policy conditions are the main concern, marked by 43 % of the companies. The number of companies worried about the demand go down to 40% (from 48% in fall 2024), while the percentage of companies uneased about possible trade barriers increase from 24 % to 38%.

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. 60% of the companies anticipate negative impacts on their business, whether major or minor. 38% foresee no consequences while 2% expect a positive impact because of the US trade policy.

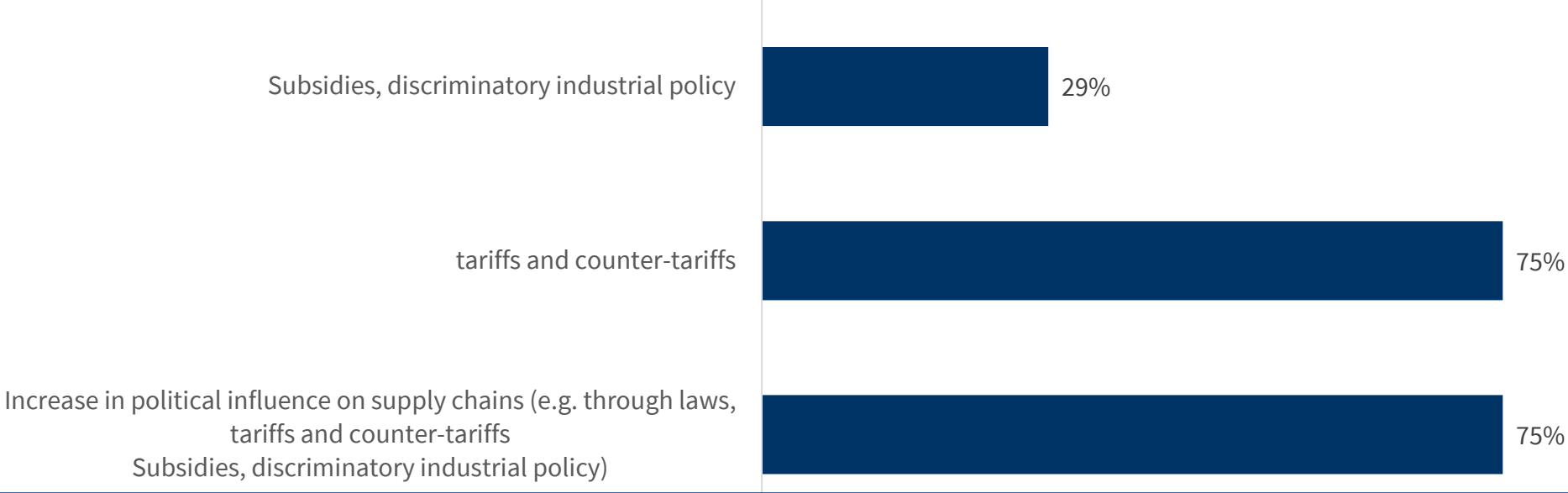
8. From your company's perspective, what are the biggest global challenges in the next five years?



The biggest expected global challenge within the next five years, with 74% of the companies agreeing, are trade barriers and conflicts. 42% of participants see inflation and the monetary policy framework with unease, 40% consider the digital transformation and AI as a big challenge as well a potential fragmentation of the global economy.

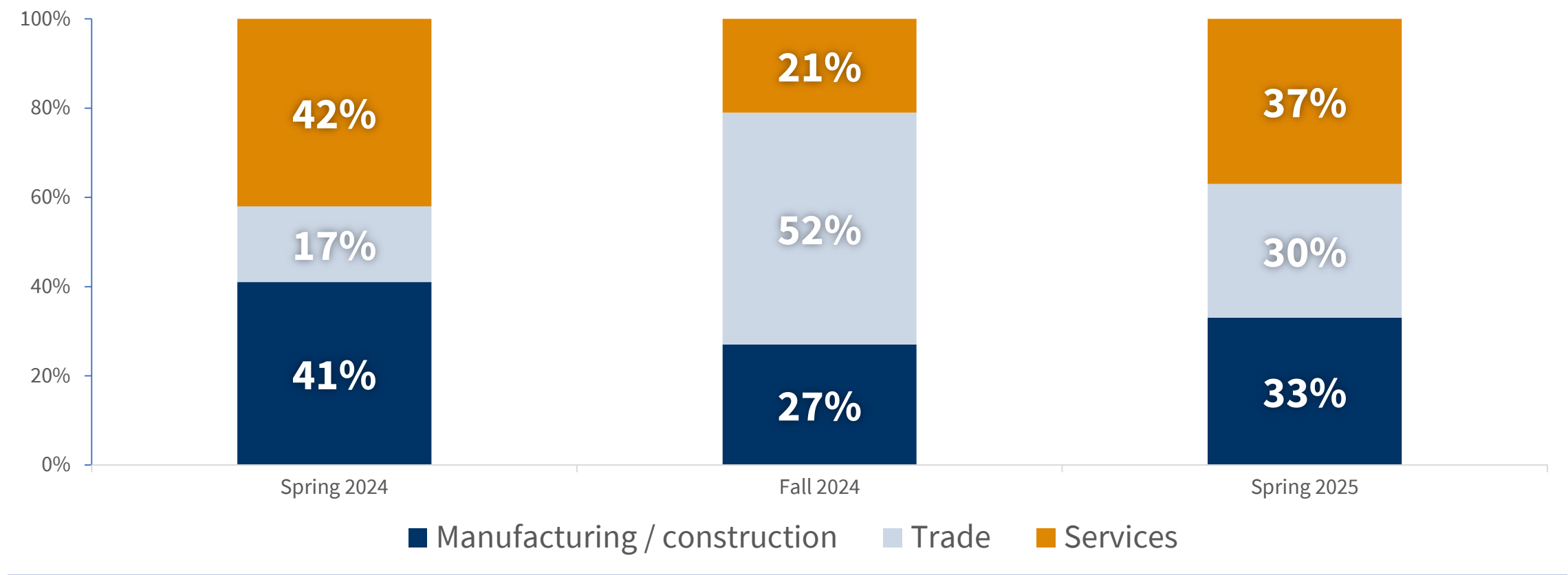
8.1. From your company's perspective, what are the biggest global challenges in the next five years?

Trade barriers and conflicts

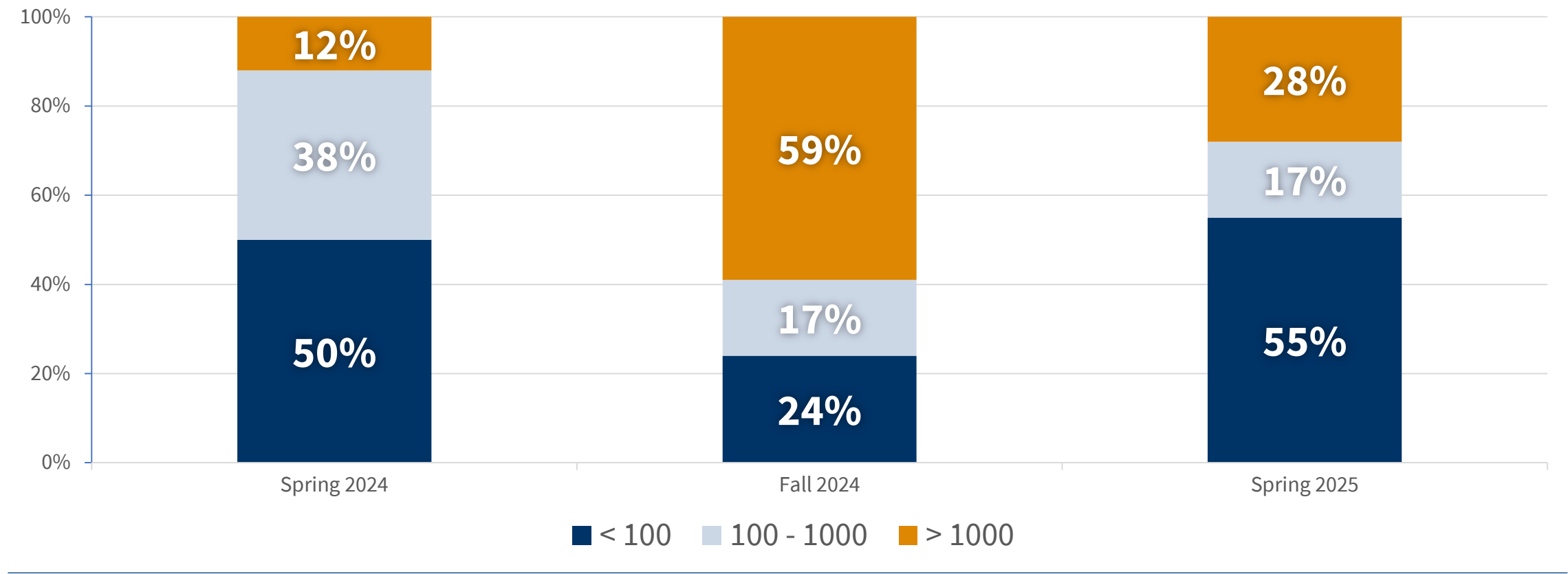


Of the companies considering **trade barriers and conflicts** as a challenge, 75% are expecting political influence on supply chains as well as tariffs and counter-tariffs to be the biggest global challenges within the next five years.

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 the UAE. 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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