

2025-05-07

AHK World Business Outlook Spring 2025 - Global mood tilts: Companies feel the headwind

Treier: "The new US trade policy is sending shockwaves through the global economy"

The global economy is faltering - there is no sign of a recovery in German foreign trade. Instead of optimism, there is disillusionment: German companies abroad are facing deteriorating conditions and growing uncertainty in almost all regions of the world. The current AHK World Business Outlook (WBO) for spring 2025 shows: The economic expectations of German companies worldwide have collapsed. The trade policy upheavals in the USA are putting pressure on the global economy. "The USA's new trade policy is hitting German companies at their foreign locations with full force," warns Volker Treier, Head of Foreign Trade at the German Chamber of Industry and Commerce (DIHK). "The US trade policy and the international reactions to it are sending shockwaves through the global economy - investors are losing confidence in reliable framework conditions. As a result, investments are being postponed or cancelled altogether, and traditional trade relations are being reassessed"

Crisis mode instead of new beginnings - business climate turns negative worldwide

The AHK World Business Outlook is based on feedback from around 4.600 German companies in over 90 countries that were surveyed between 17 March and 14 April 2025. The survey period therefore coincided with a phase of significant geopolitical upheaval - including Donald Trump's "Liberation Day" and its immediate consequences for trade policy.

The mood is gloomy worldwide: only 19 per cent of companies expect the local economy to improve - in autumn, the figure was 27 per cent. The proportion of those expecting a deterioration has risen to 33 per cent. "The global upheavals, from the USA to Europe and Asia, are changing the rules of the game in international business. The uncertainty among companies must be seen as a challenge to politicians in Berlin and Brussels to improve the competitiveness of their own locations and enter into new, resilient trade relations worldwide."

Unpredictable course: US line hits German companies hard

Worldwide, 60 per cent of German companies fear that US trade policy will have a negative impact on their local business. Particularly striking: after the so-called "Liberation Day", the proportion of companies worldwide that expect negative effects rose from 56 to 69 per cent. In the USA, as many as 85 per cent of German companies operating there expect restrictions because of US trade policy - more than in any other region worldwide. "The plan to protect our own economy with tariffs and even to increase production there is not working. The protectionist and unpredictable trade policy in the US is causing considerable uncertainty and slowing down economic activity," says Treier

"Confidence in global market mechanisms is eroding - and with it investment momentum," Treier continues. The change in sentiment is particularly noticeable in North America (USA, Mexico, Canada), where optimism was often unclouded in previous years, investment plans are now collapsing. The USA, traditionally a strong investment location, stands out particularly negatively: Only 24 per cent of companies are still planning to expand their investments (down from 37 per cent previously) - a striking decline. The plan to attract investment into the country through the new US economic policy does not seem to be working, on the contrary: 29 per cent even want to cut their budgets. "The figures speak for themselves: the willingness to invest is losing momentum and new projects are increasingly being put on hold," says Treier. "SMEs in particular are currently taking a very close look at where there is still room for maneuvering."

Politics instead of demand: risks rebalanced

For the first time in years, companies cite economic policy conditions as the biggest business risk (49 per cent) - ahead of weak demand (46 per cent). In the USA, the picture is particularly dramatic: seven out of ten companies see politics as the main problem.

Other risk factors include the shortage of skilled workers (34 per cent), rising labour costs (33 per cent) and new trade barriers, such as the preference for domestic suppliers.

Worldwide, 26 per cent of companies feel affected by this - in the USA, the figure is as high as 71 per cent

Companies' caution is also clearly reflected in their investment and personnel plans: only 28 per cent of the companies surveyed worldwide intend to expand their investments - while 21 per cent plan to cut back. Caution also dominates when it comes to employment: 31 per cent are planning to increase staff, but 16 per cent expect to reduce their workforce.

Global challenges remain - and will intensify in the medium term

Companies are not only looking at current burdens - they see themselves confronted with a persistently difficult situation over several years. Above all, trade conflicts and protectionist tendencies (64 per cent) are seen as key challenges for the next five years. In detail, these would be

- Tariffs and counter-tariffs: 77 per cent see this as the main problem
- Political influence on supply chains: 63 per cent
- Distortions of competition due to subsidies and industrial policy: 32 per cent

In addition, there are structural challenges such as inflation and monetary policy (42 per cent), increasing fragmentation (40 per cent) and digital transformation and artificial intelligence (also 40 per cent)

World trade weakens - global growth under pressure

The forecast by the International Monetary Fund (IMF) underlines the economic situation: global growth of just 2.8 per cent is predicted for 2025 - well below the long-term average of 3.7 per cent. Global trade is also showing weaknesses: Trade growth is expected to be just 1.7 per cent in 2025; 2.5 per cent in 2026 - a further indication of the global economy's persistently weak growth. "Our companies are showing remarkable resilience - but even the most adaptable business models are reaching their limits," warns Treier. "Politicians urgently need to create clear, reliable and investment-friendly framework conditions - at home, in Europe and at a global level."

AHK World Conference: Orientation in turbulent times

The AHK World Conference 2025 - the largest network meeting of the German Chambers of Commerce Abroad from 150 locations in 93 countries worldwide - begins in Berlin at the same time as the publication of the WBO. From 13 to 15 May, around 900 representatives from business and politics will discuss global challenges, above all developments in the USA and their impact on German companies. The focus is on international dialogue, the search for viable solutions and new impetus for cooperation in an increasingly fragmented global economy.