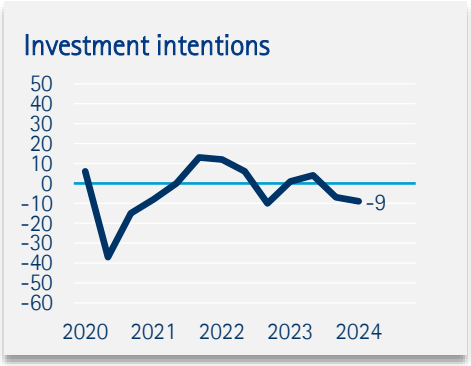
The poor sentiment among companies is solidifying

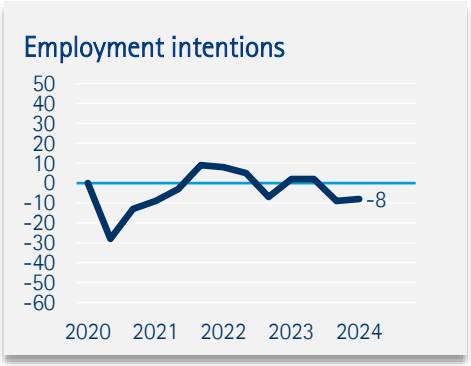
DIHK Economic Survey February 2024

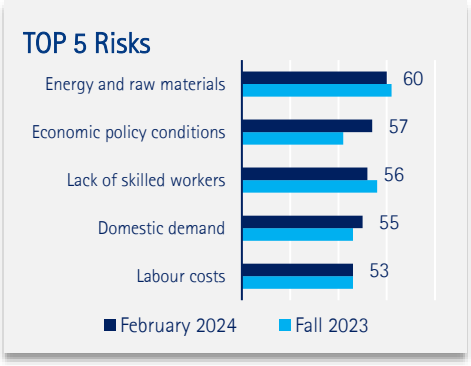
DIHK German Chamber of Commerce and Industry

IHK German Chambers of Commerce and Industry

Overview of the results

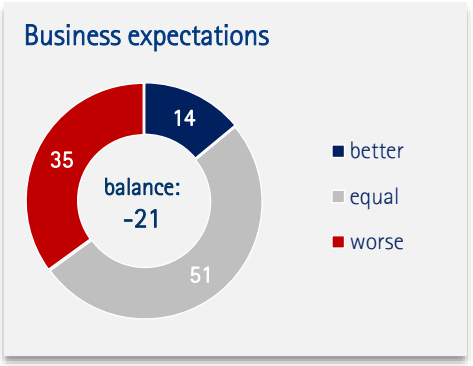


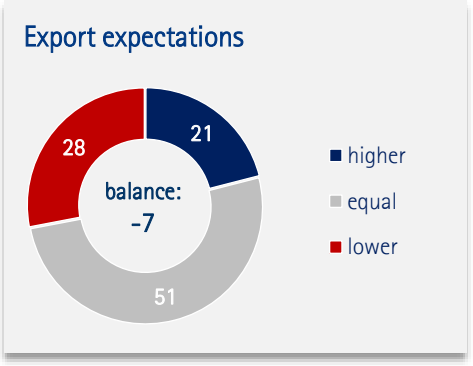


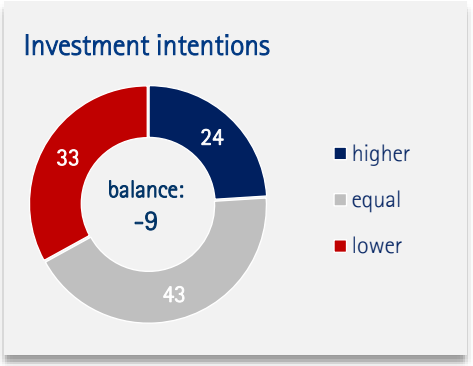


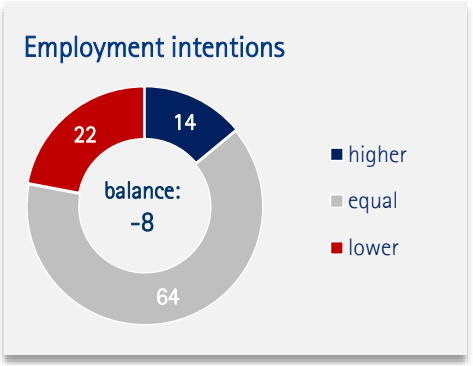
In each case, balance of "better" minus "worse" reports in points, risks in per cent (multiple answers possible)

Overview of the results



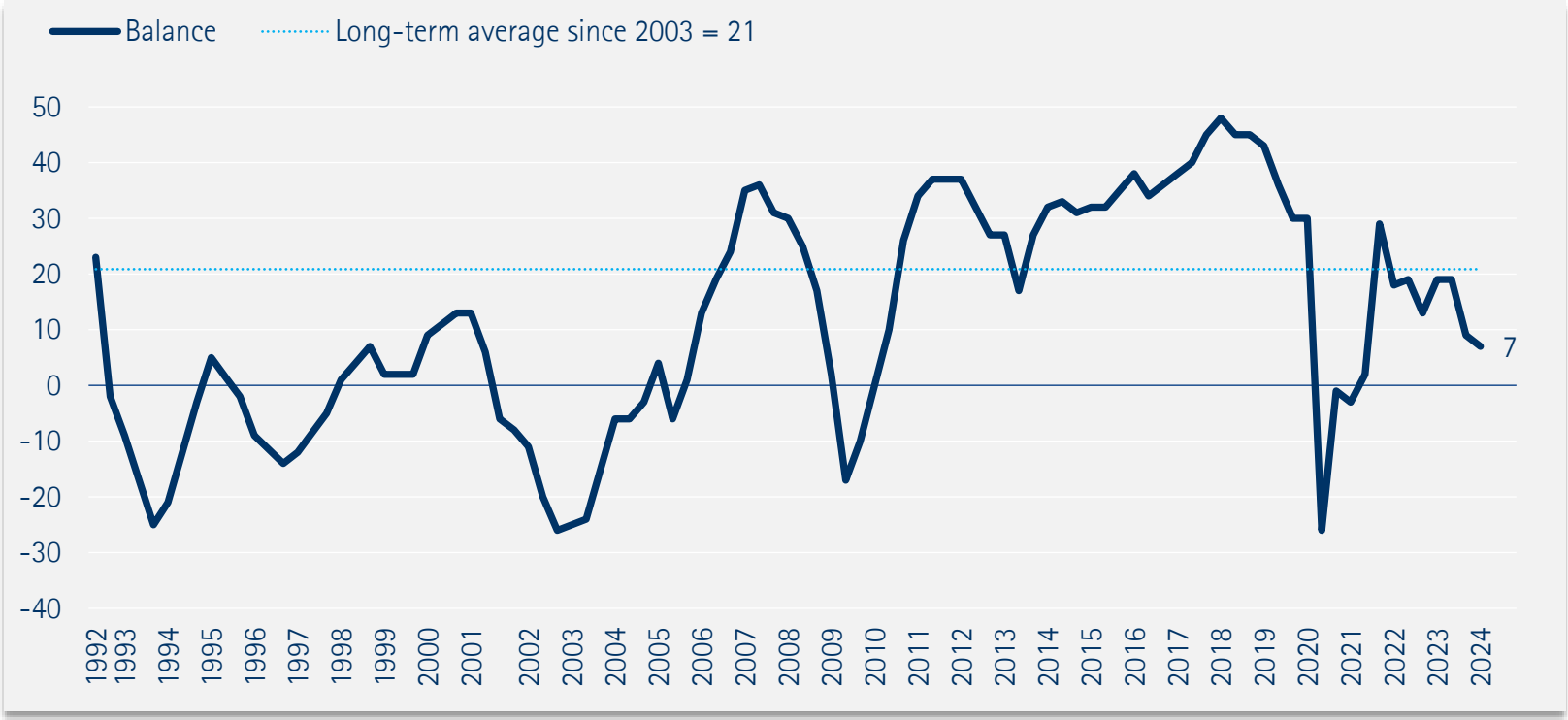






Shares in per cent

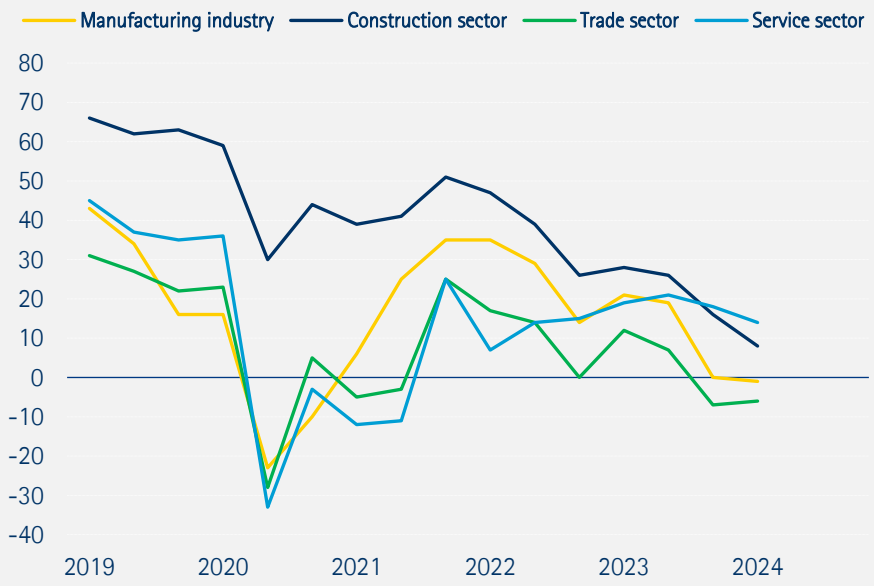
Current business situation of companies



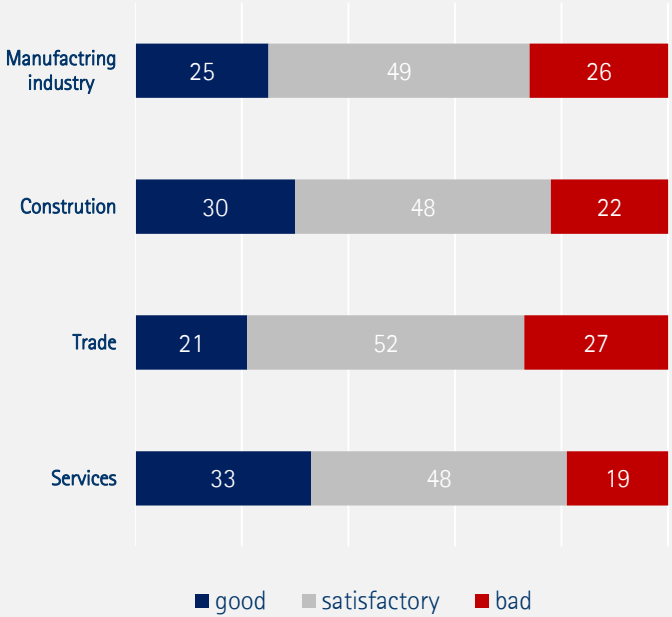
Balance of "good" minus "bad" answers

Current business situation of companies

Balance in points



Current share of mentions in per cent



Balance of "good" minus "bad" answers

Current business situation of companies

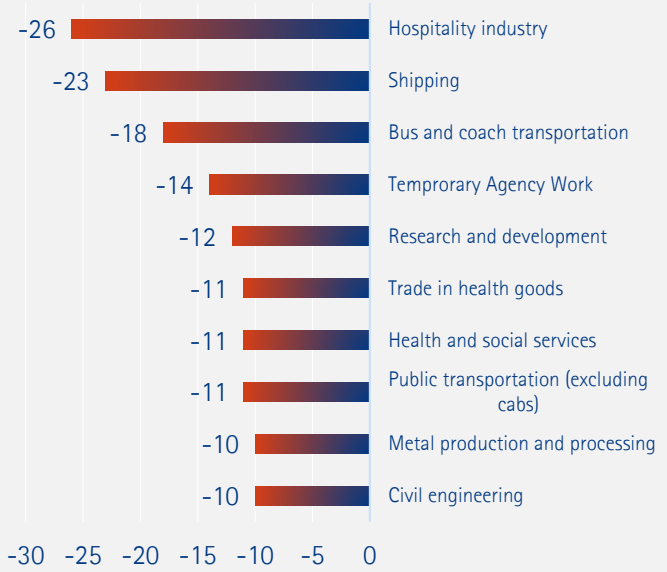
Sectors with poor business situation

Sectors with a good business situation

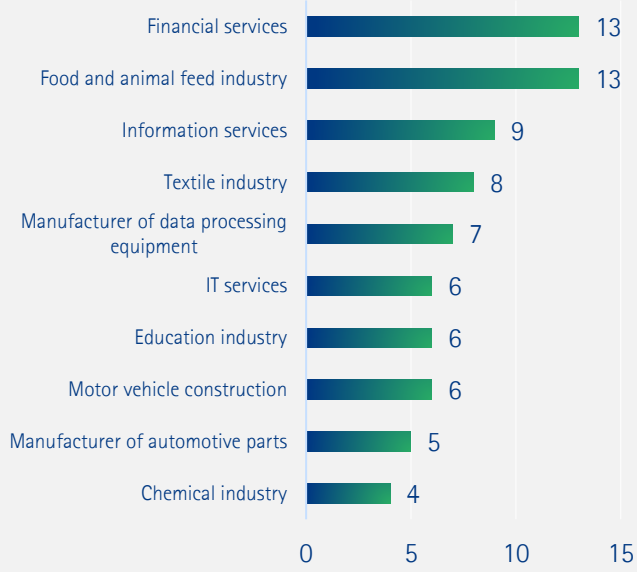
Balance of "good" minus "bad" answers

Development of the business situation of companies

Sectors with deteriorating business situation

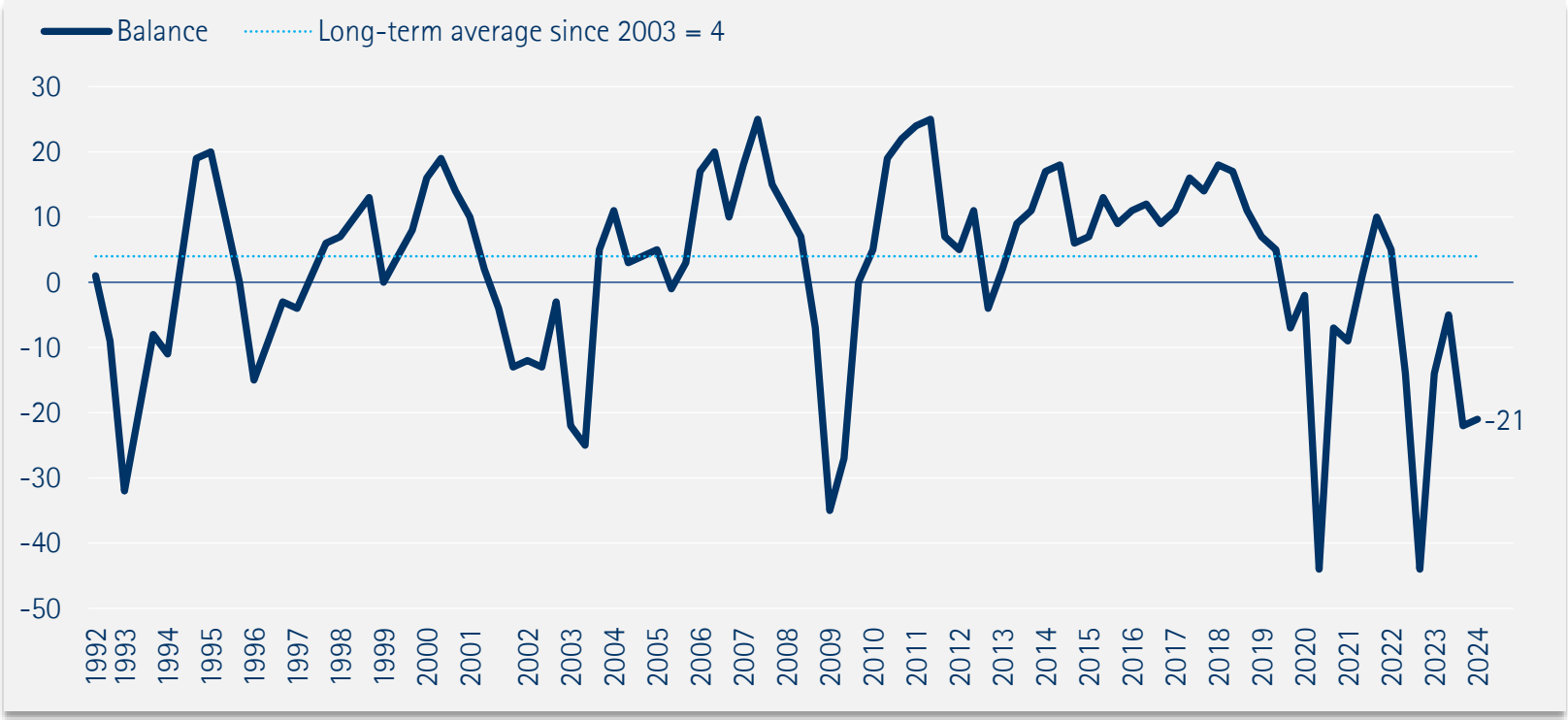


Sectors with improved business situation



Balance of "good" minus "bad" responses, change in balance compared to previous survey

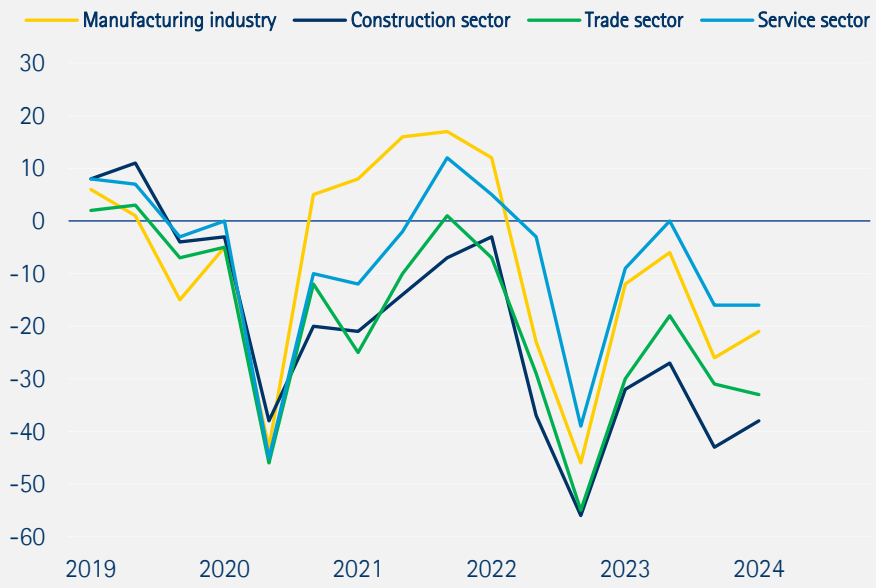
Business expectations of the companies



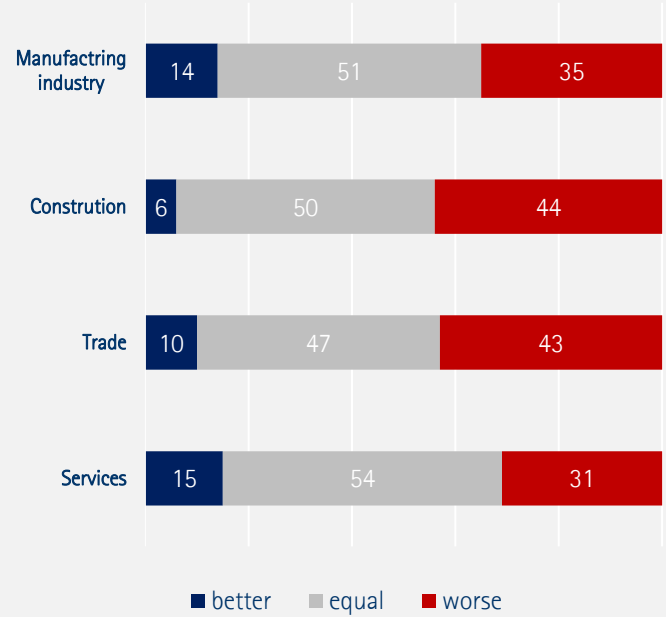
Balance of "better" minus "worse" answers

Business expectations of the companies

Balance in points



Current share of mentions in per cent

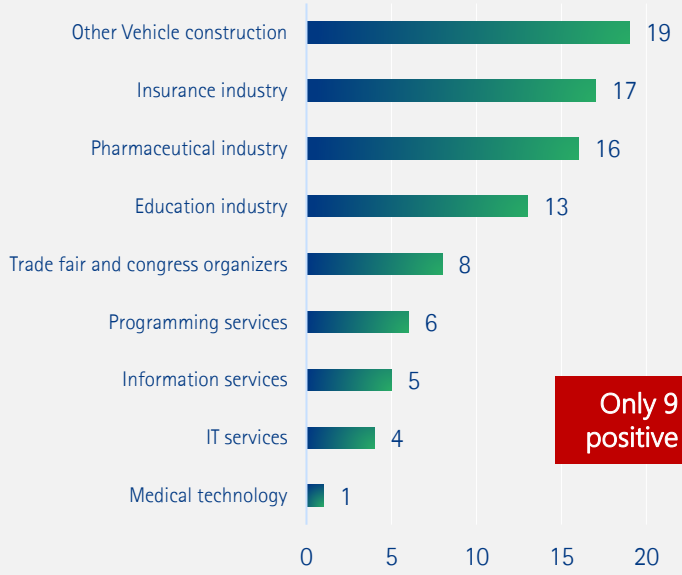


Balance of "better" minus "worse" answers

Business expectations of the companies

Sectors expecting poorer business

Sectors expecting better business

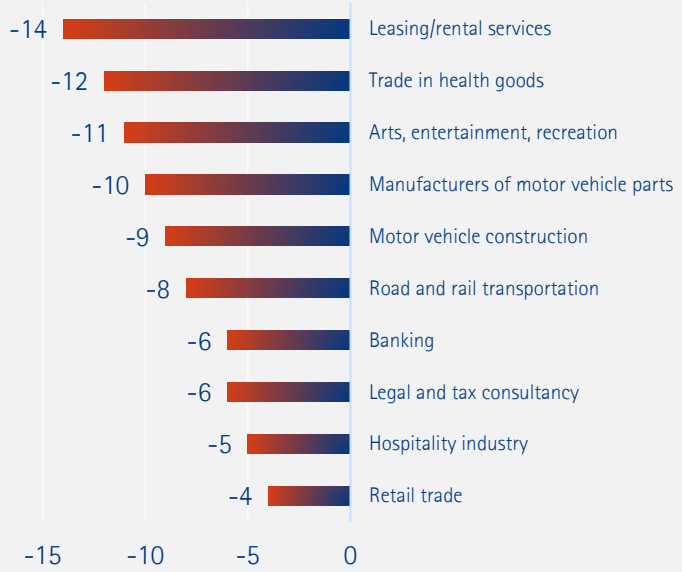


Only 9 sectors with positive expectations.

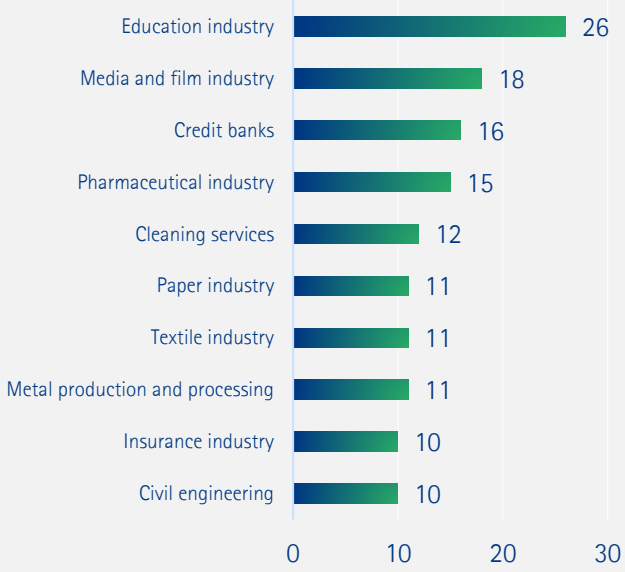
Balance of "better" minus "worse" answers

Development of business expectations

Sectors with deteriorating business expectations

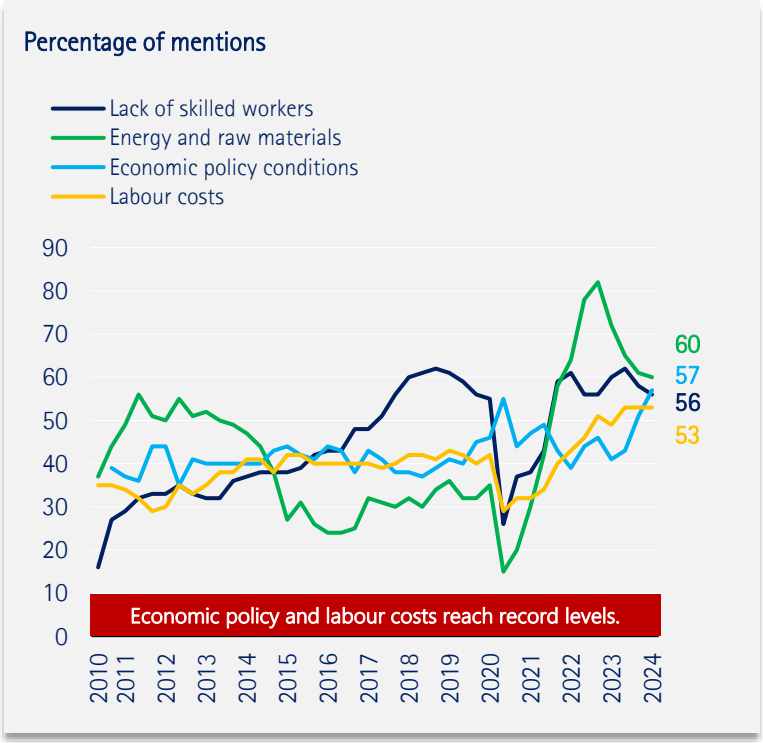


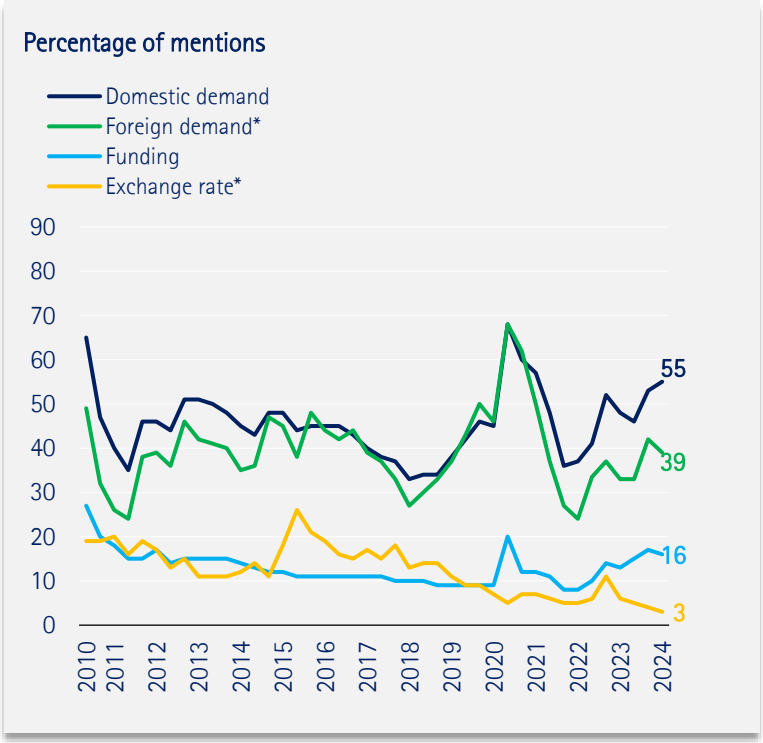
Sectors with improved business expectations



Balance of "better" minus "worse" answers, change in balance compared to previous survey

Business risks of the companies





in per cent, multiple answers possible, *export industry

Business risks of the companies

TOP risks in the sectors

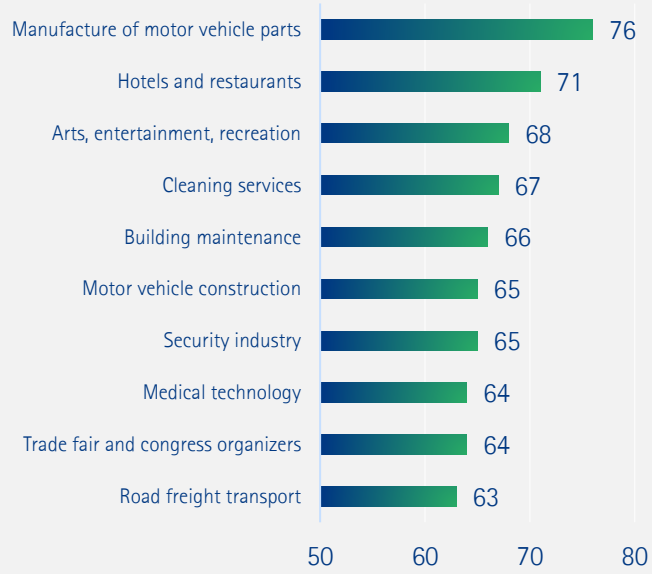
	Industry	Building	Trade	services
1.	70% (71%) Energy and raw materials prices	68% (66%) Energy and raw materials prices	65% (65%) Domestic demand	58% (60%) Lack of skilled workers
2.	65% (64%) Domestic demand	62% (64%) Lack of skilled workers	61% (62%) Energy and raw materials prices	56% (51%) Economic policy conditions
3.	58% (51%) Economic policy conditions	57% (48%) Economic policy conditions	59% (52%) Economic policy conditions	54% (55%) Energy and raw materials prices
4.	56% (55%) Labour costs	55% (58%) Domestic demand	53% (51%) Labour costs	52% (52%) Labour costs
5.	54% (57%) Lack of skilled workers	54% (52%) Labour costs	49% (50%) Lack of skilled workers	47% (45%) Domestic demand

in per cent, multiple answers possible, in brackets value of previous survey, red = all-time high

Business risks of the companies

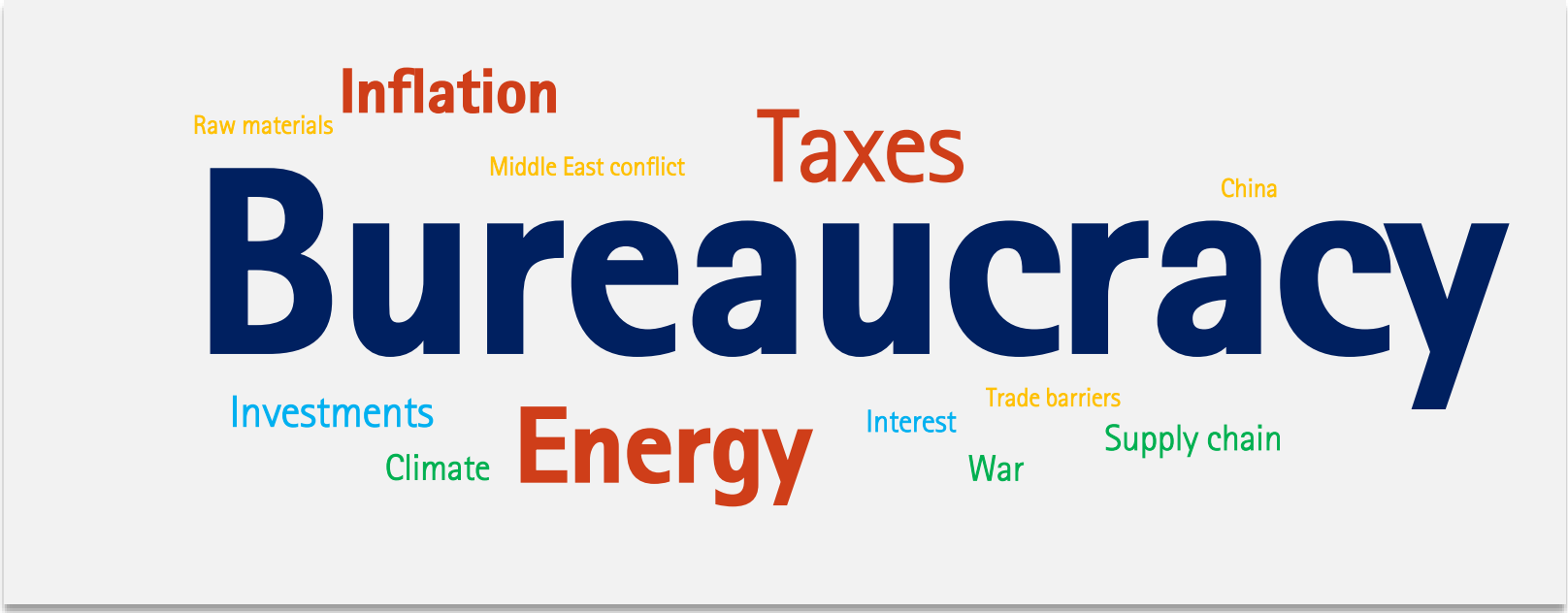
Above-average citation of risk economic policy conditions

Above average mention of risk labour costs



in per cent, multiple answers possible

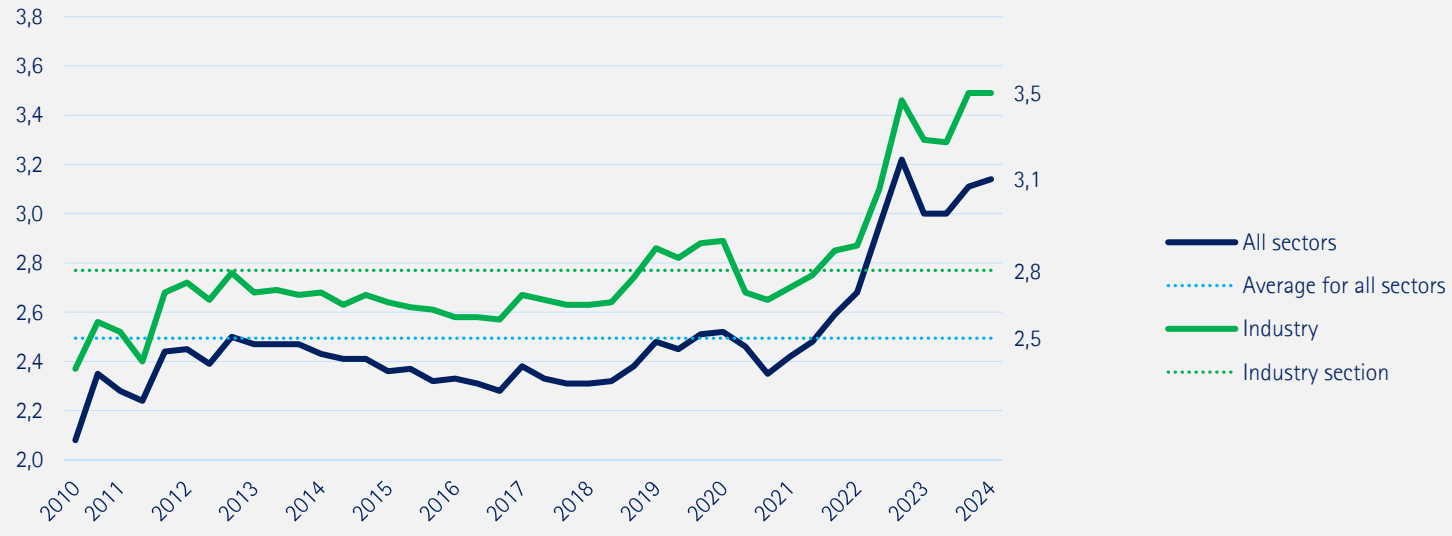
Most frequently mentioned keywords for "Economic policy conditions"



Keywords most frequently mentioned by companies when describing economic risks
(Analysis of around 7,600 free text responses)

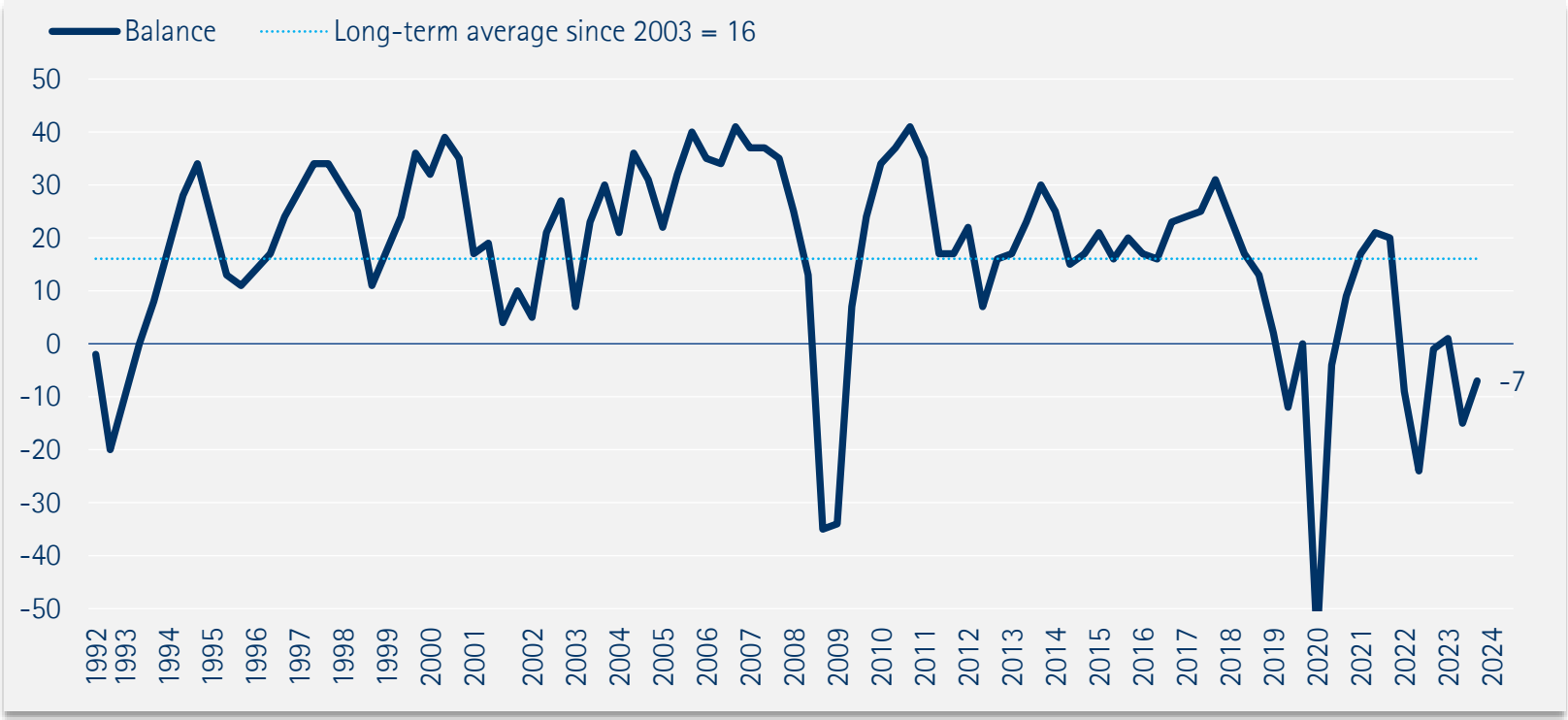
DIHK Risk Indicator

Number of business risks mentioned (8 risks to choose from; multiple answers possible)



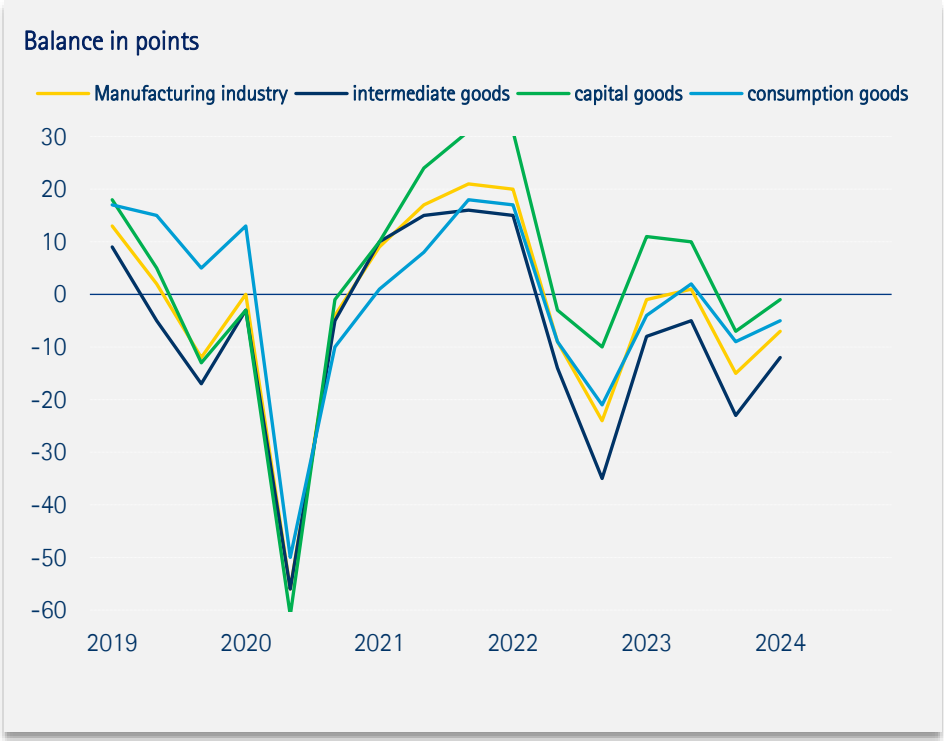
* In each wave of the DIHK economic survey, the following eight business risks are surveyed: domestic demand, foreign demand, lack of skilled workers, labor costs, energy and raw material, funding, exchange rate, economic policy conditions.

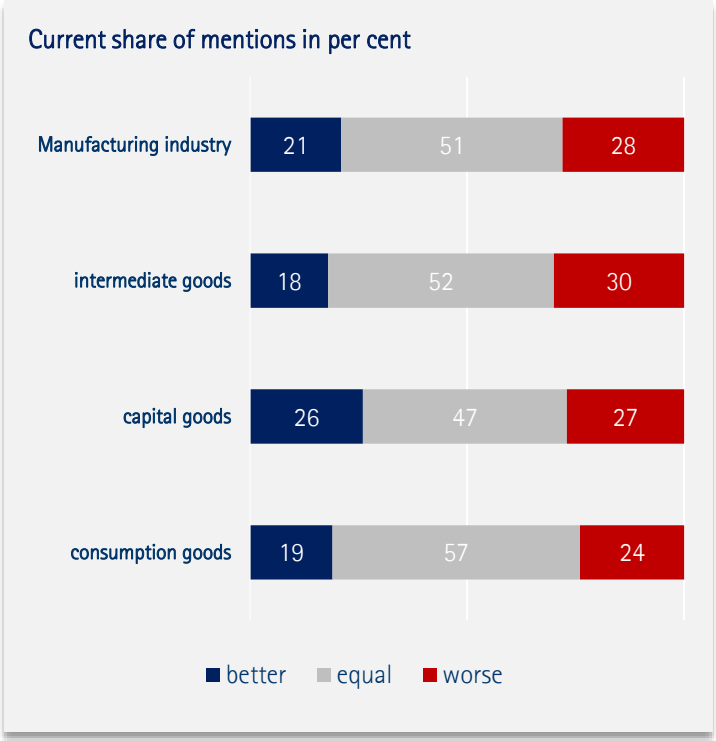
Export expectations of industrial companies



Balance of "higher" minus "lower" responses

Companies' export expectations

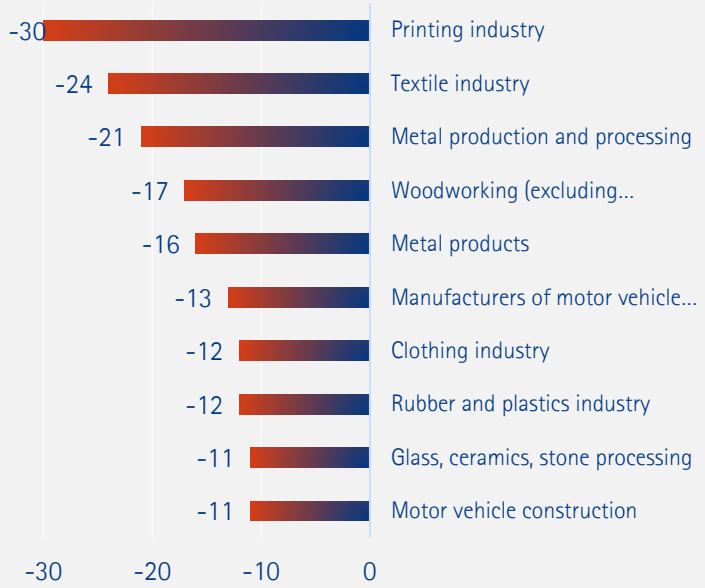




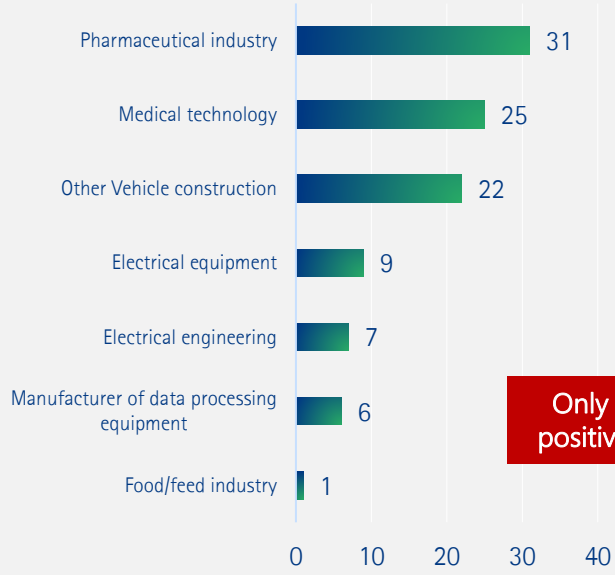
Balance of "higher" minus "lower" responses

Companies' export expectations

Sectors that expect lower exports



Sectors expecting higher exports

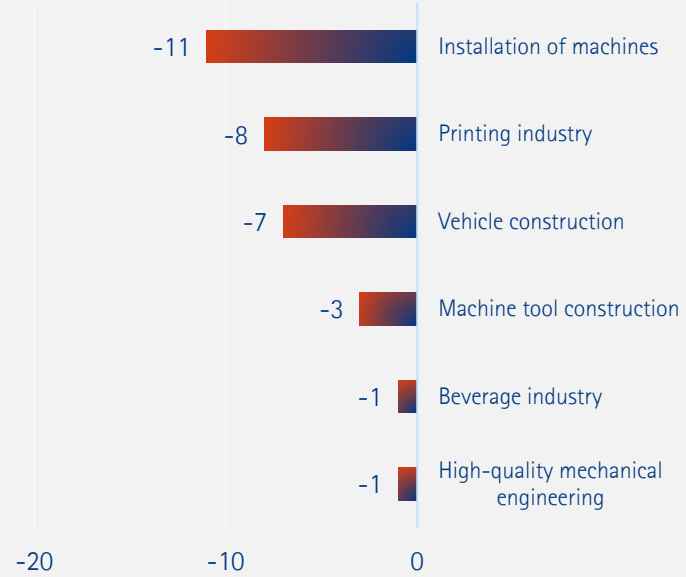


Only 7 sectors with positive expectations.

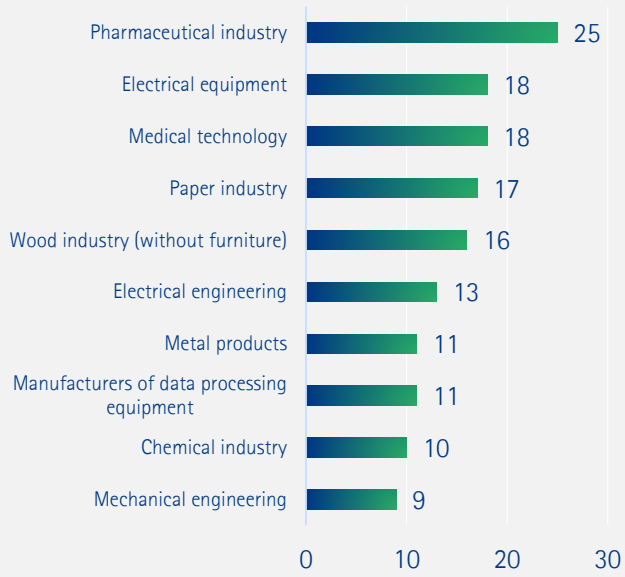
Balance of "higher" minus "lower" responses

Companies' export expectations

Sectors with worsening export expectations

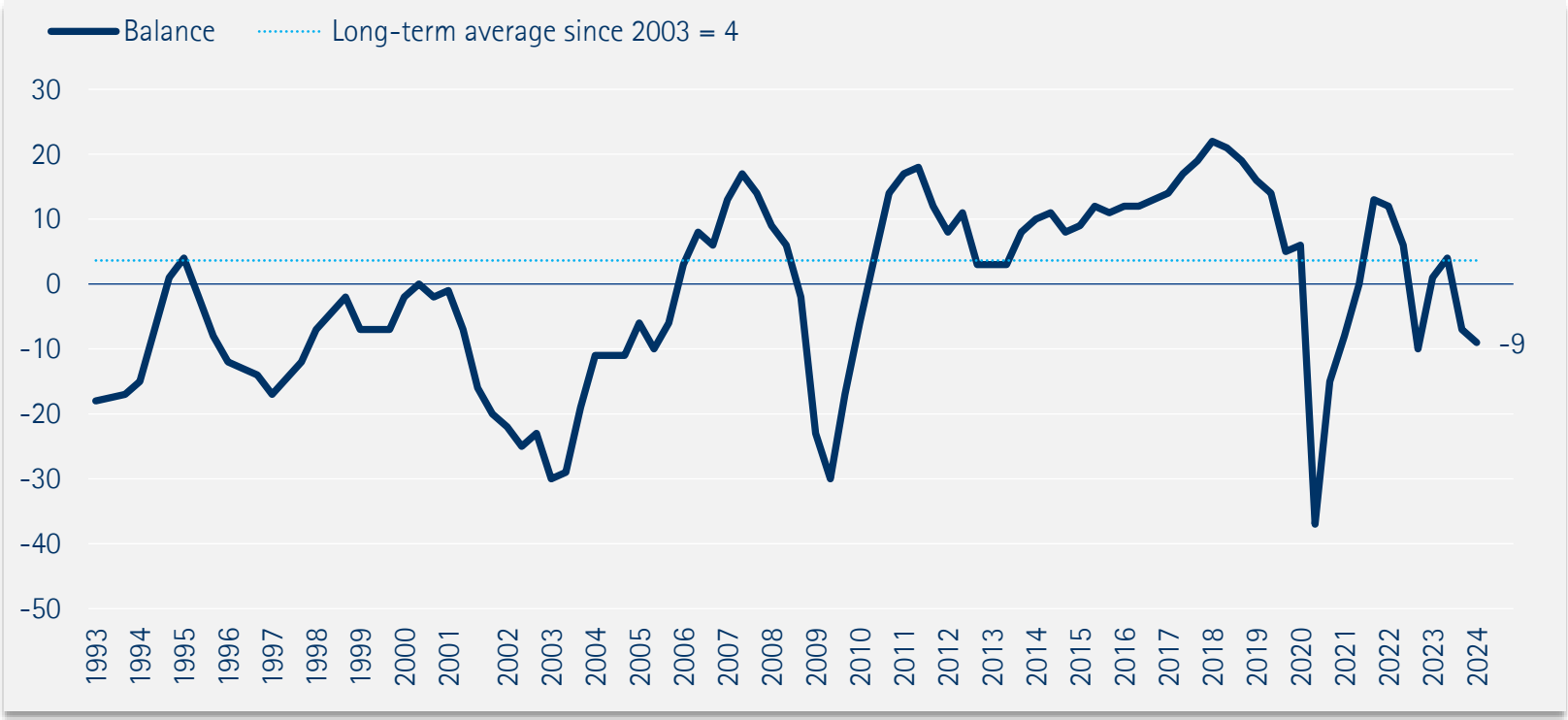


Sectors with improved export expectations



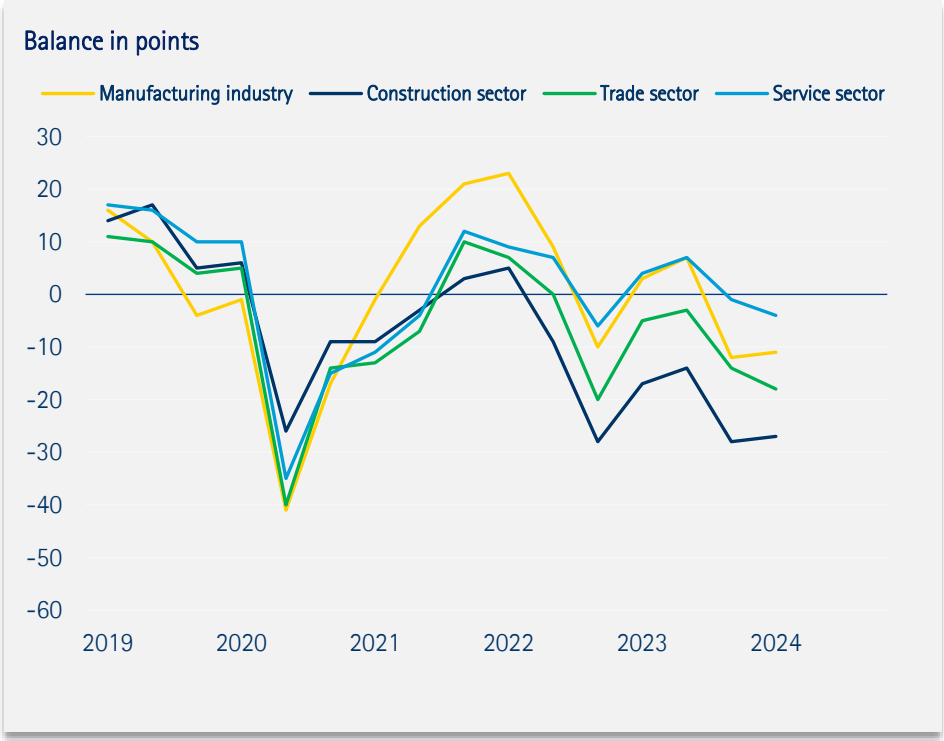
Balance of "higher" minus "lower" responses, change compared to previous survey

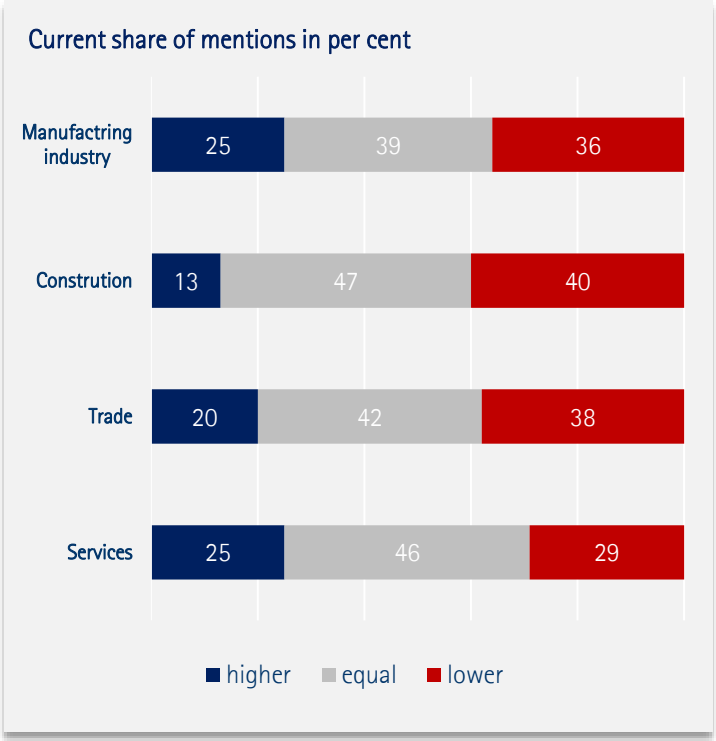
Investment intentions of the companies



Balance of "good" minus "bad" answers

Investment intentions of the companies

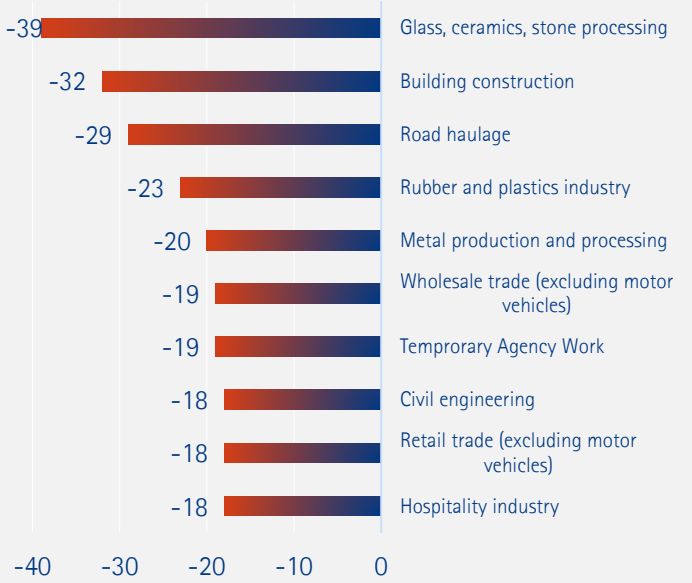




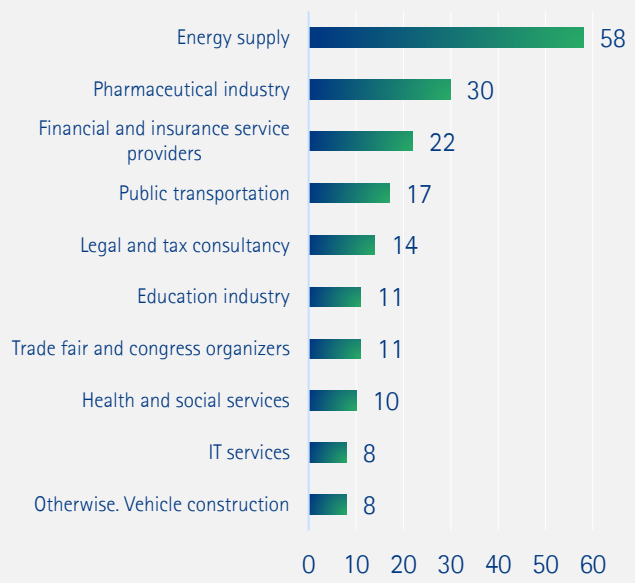
Balance of "higher" minus "lower" responses

Investment intentions of the companies

Industries planning lower investments



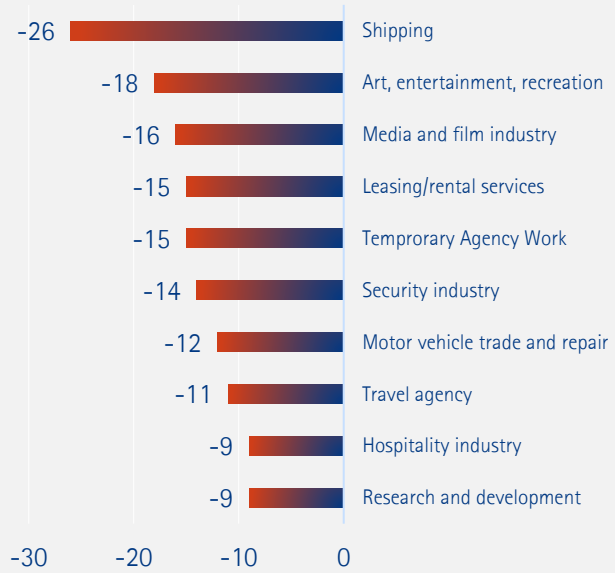
Industries planning higher investments



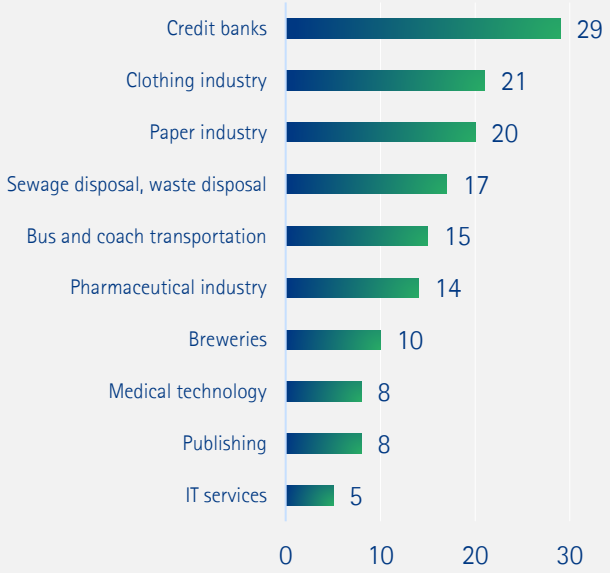
Balance of "higher" minus "lower" responses

Investment intentions of the companies

Sectors with reduced investment plans

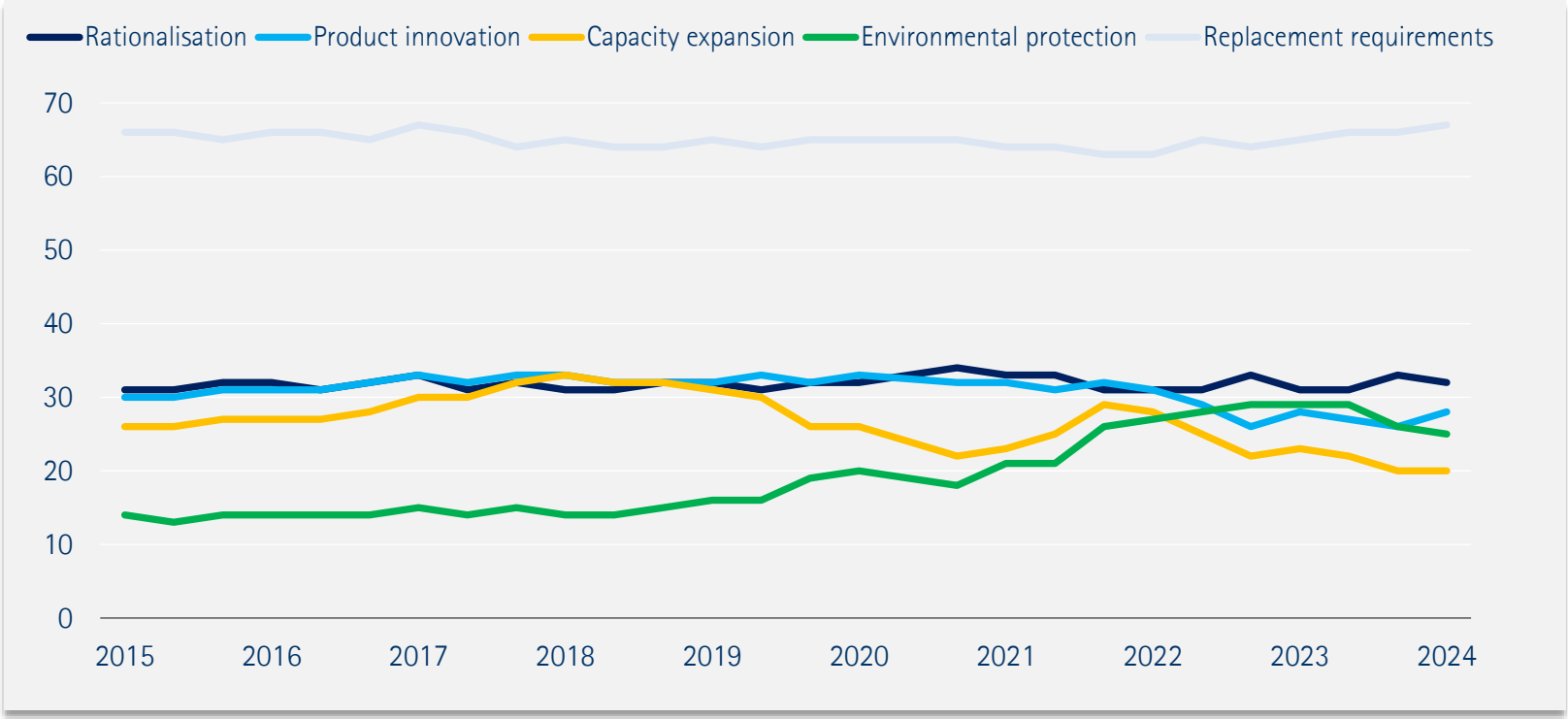


Sectors with increased investment plans



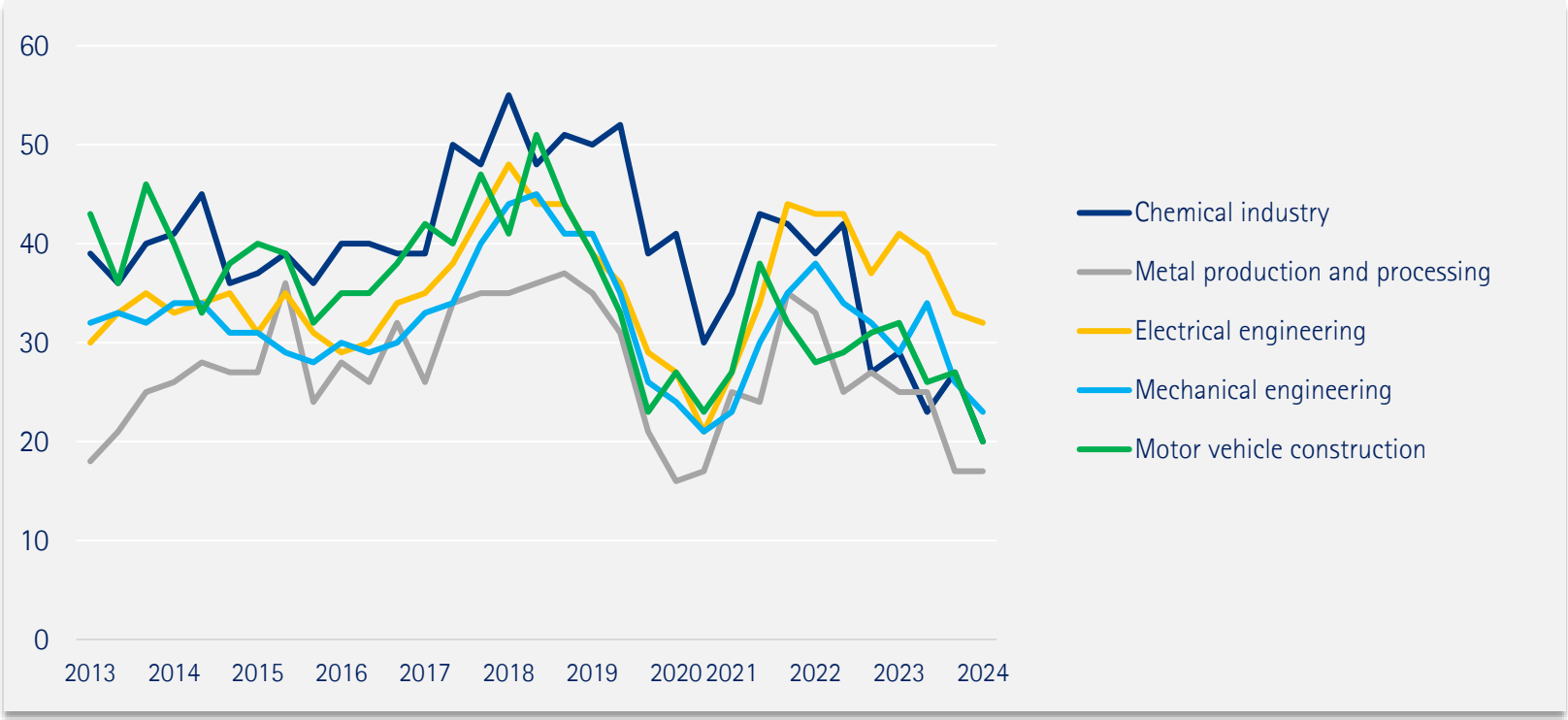
Balance of "higher" minus "lower" responses, change compared to previous survey

Companies' investment motives



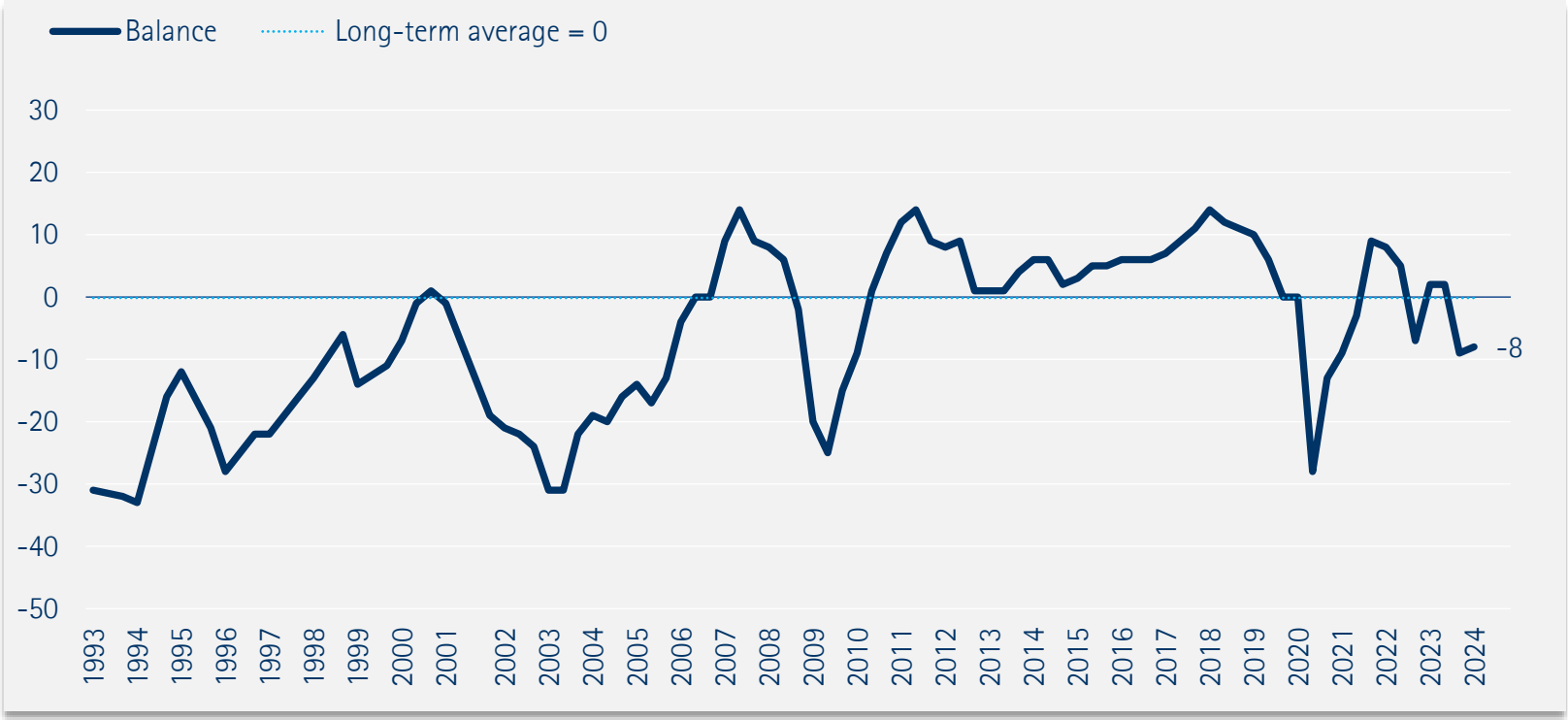
in per cent, multiple answers possible

Investment motive capacity expansion



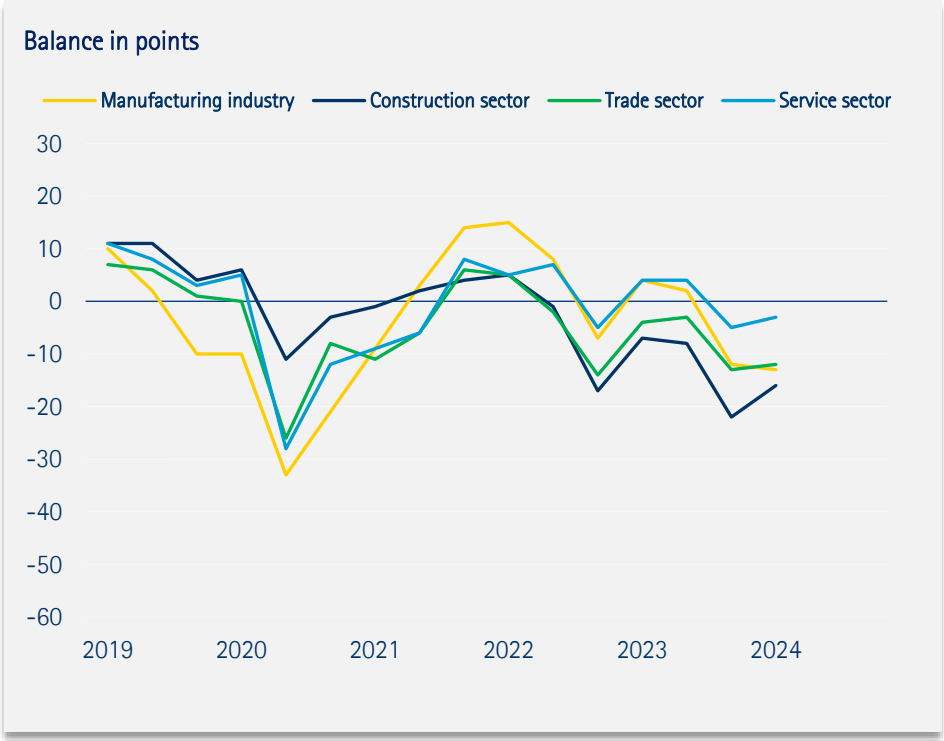
in per cent, multiple answers possible

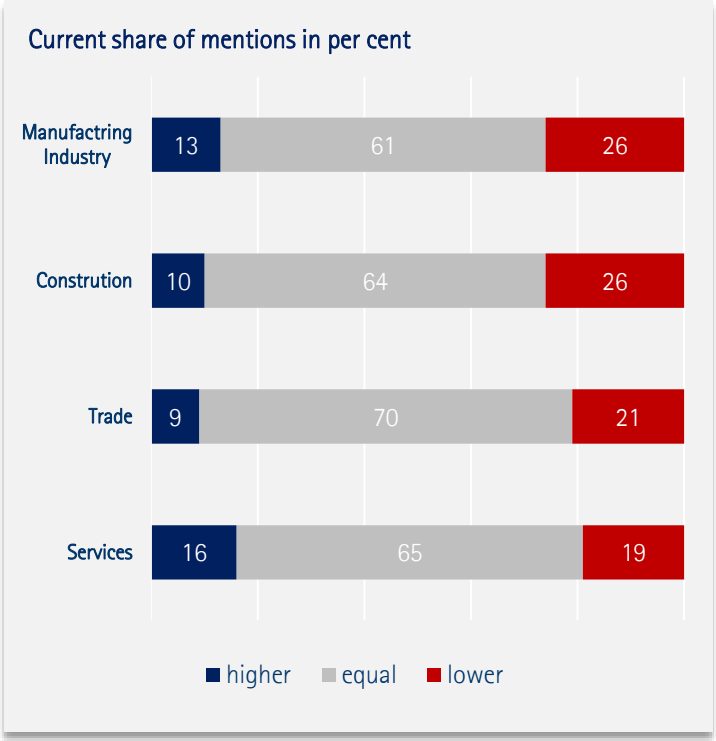
Employment intentions of the companies



Balance of "good" minus "bad" answers

Employment intentions of the companies

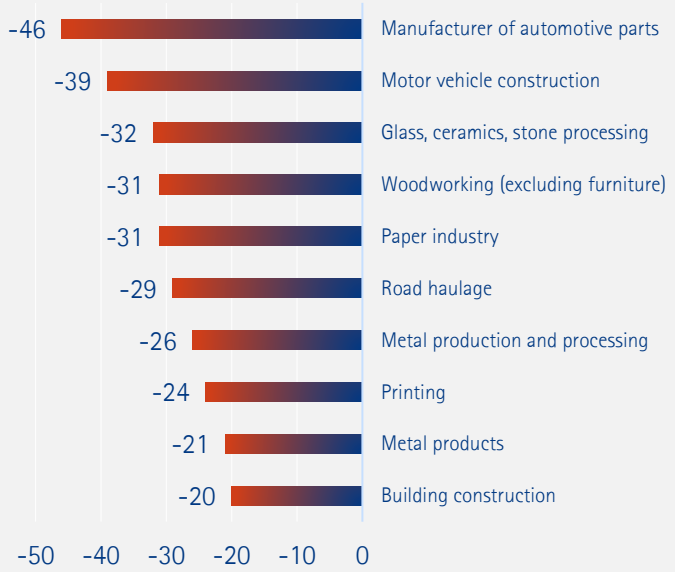




Balance of "higher" minus "lower" responses

Employment intentions of the companies

Industries planning for lower employment

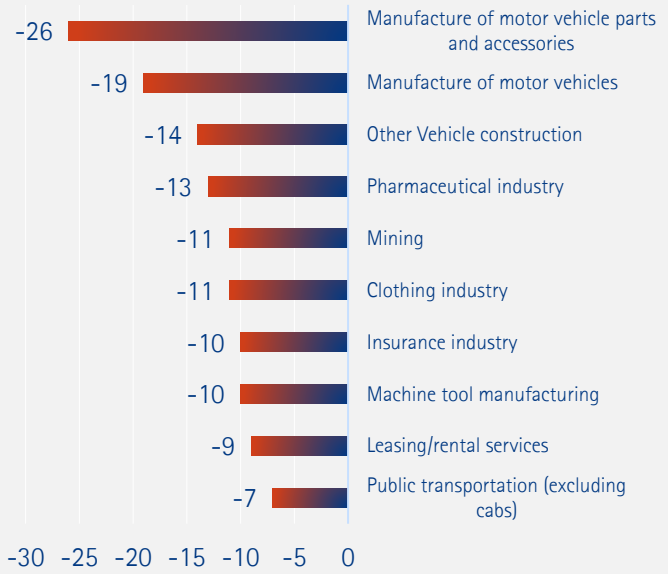


Industries planning for higher employment

Balance of "higher" minus "lower" responses

Employment intentions of the companies

Sectors with reduced employment plans

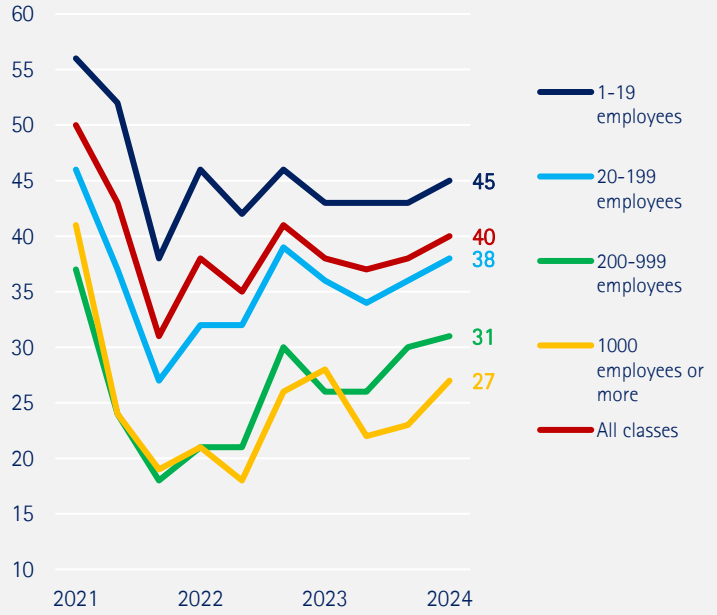


Sectors with increased employment plans

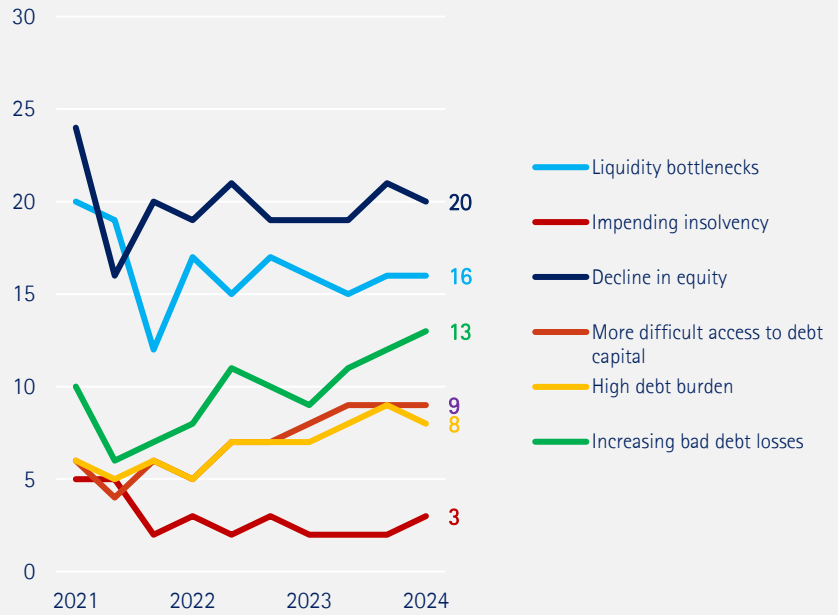
Balance of "higher" minus "lower" responses, change compared to previous survey

Current financial position of the companies

Share of companies with a problematic financial situation



The following financial problems are weighing on companies



Percentage of responses, multiple answers possible

DIHK forecast 2024

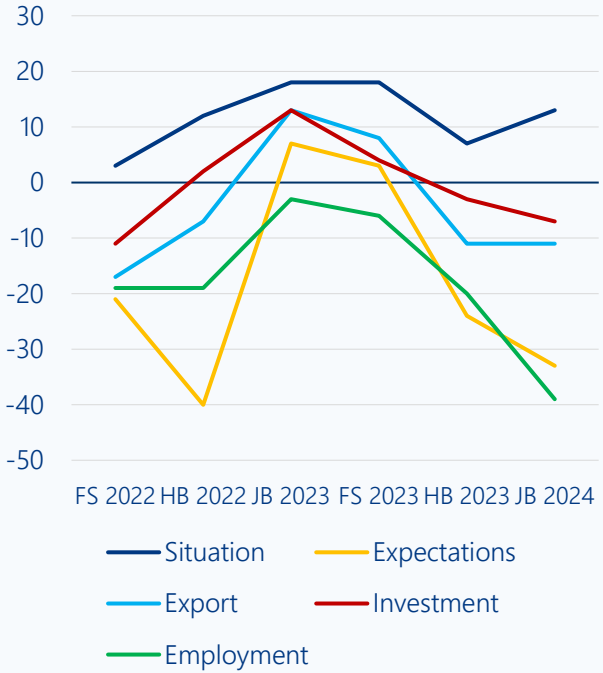
	2022	2023	DIHK forecast 2024
GDP	1,8	-0,3	-0,5
Privat consumption	3,9	-0,8	0,5
Public consumption	1,6	-1,7	0,0
Gross fixed capital formation (GFCF)	0,1	-0,3	-0,9
- GFCF in machinery and equipment	4,0	3,0	0,5
- Other fixed assets	-0,7	-0,6	2,0
- GFCF in construction	-1,8	-2,1	-2,5
Exports	3,3	-1,8	0,5
Imports	6,6	-3,0	0,0
Employed persons (change in thousands)	+612	+333	+50
Consumer prices	6,9	5,9	2,7

Change compared to the previous year in per cent, values 2022 and 2023 DeStatis VGR as at 15.01.2024

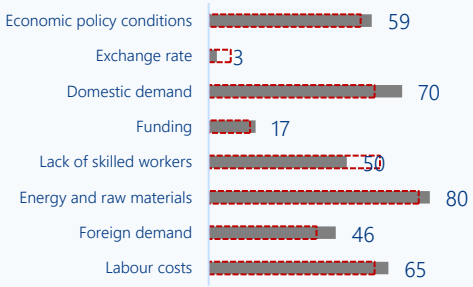
Sectors analysis

Automotive Industry

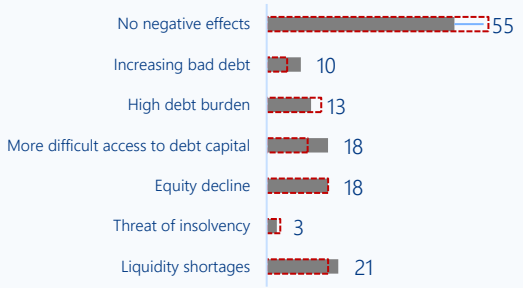
Economic situation



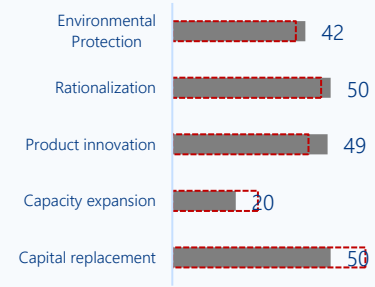
Business risks



Financial position



Investment motives



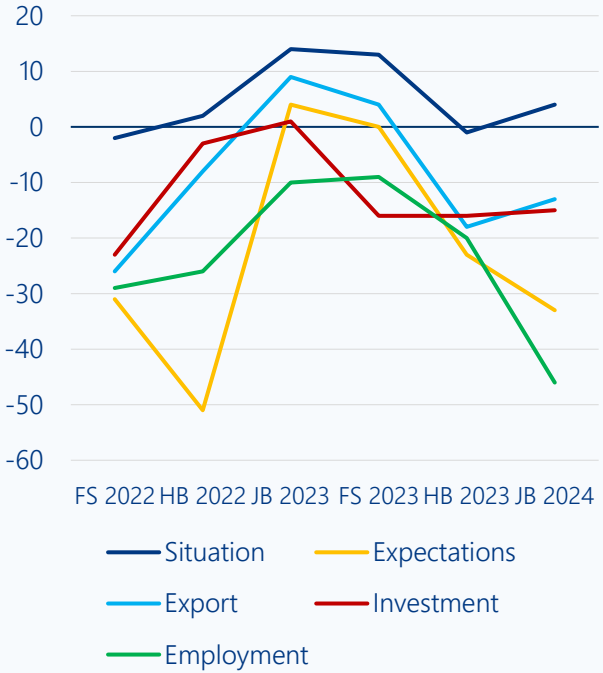
Number of participants

1-19 employees	32
20-199 employees	50
200-999 employees	42
1000 employees or more	37
All classes	161

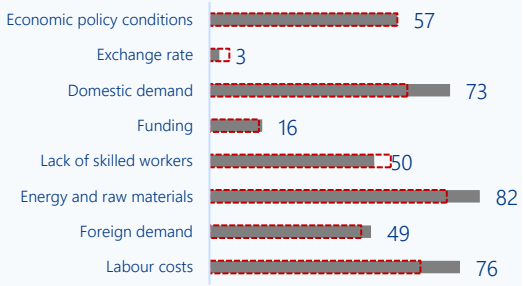
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Manufacture of automotive parts and accessories

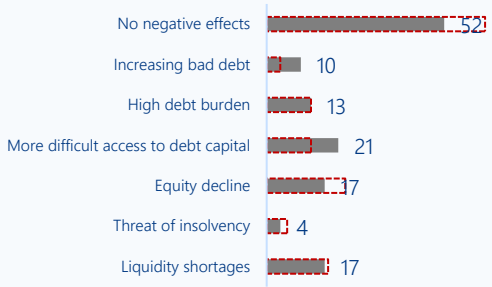
Economic situation



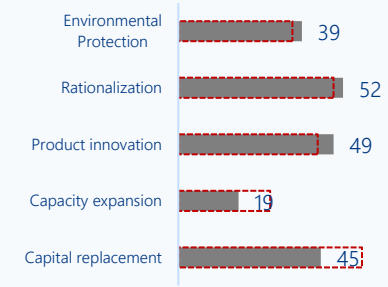
Business risks



Financial position



Investment motives



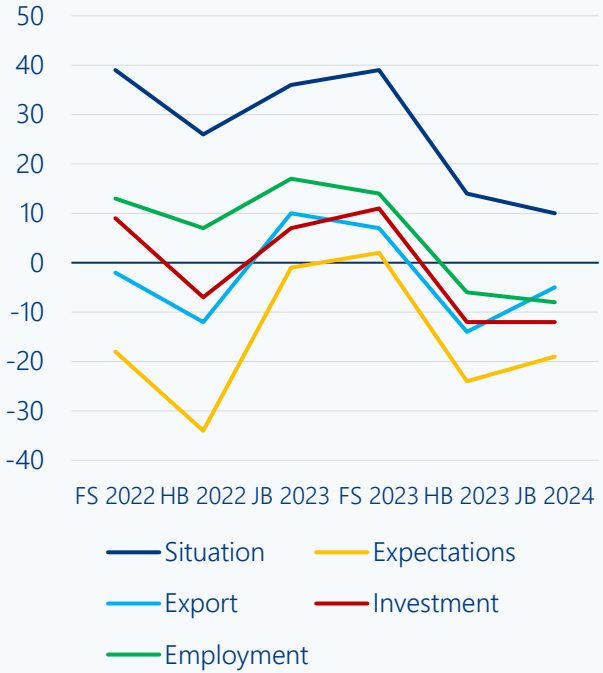
Number of participants

1-19 employees	21
20-199 employees	30
200-999 employees	27
1000 employees or more	22
All classes	100

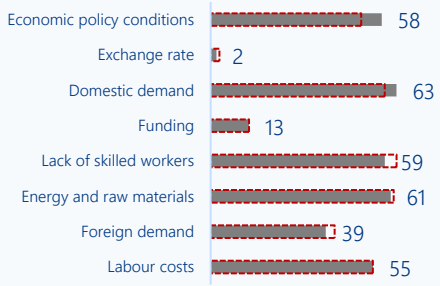
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Mechanical engineering

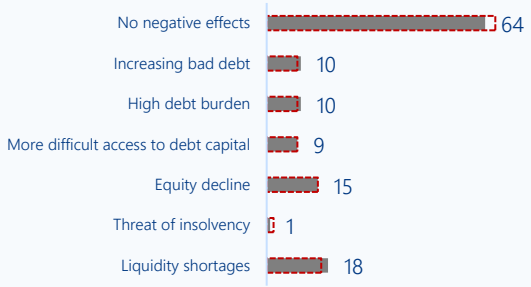
Economic situation



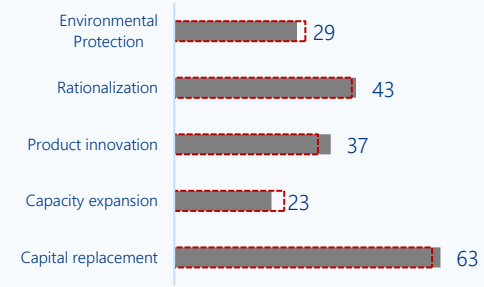
Business risks



Financial position



Investment motives



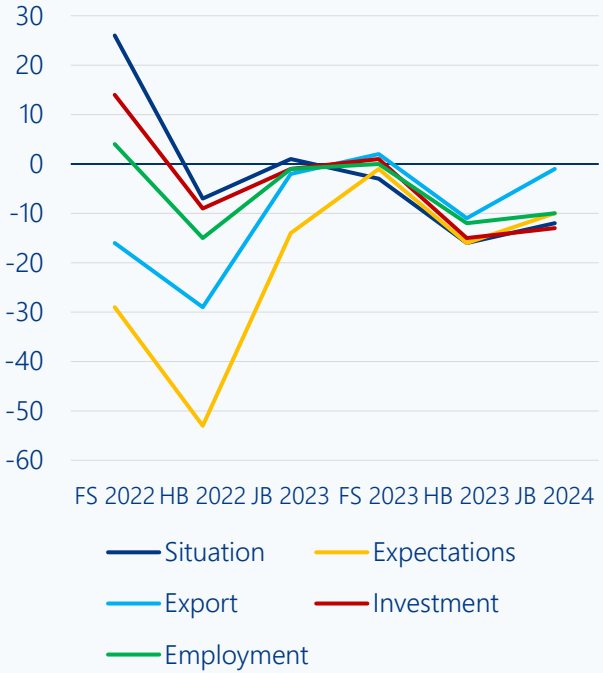
Number of participants

1-19 employees	239
20-199 employees	640
200-999 employees	231
1000 employees or more	55
All classes	1.165

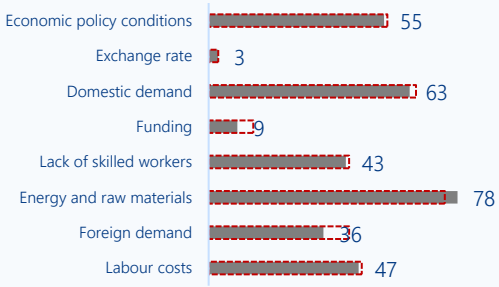
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Chemical industry

Economic situation

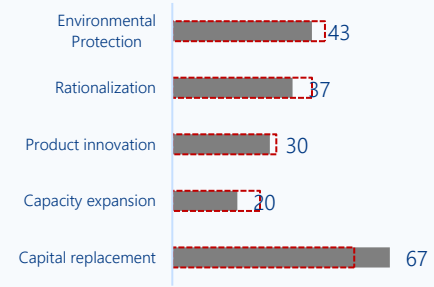


Business risks



Financial position

Investment motives



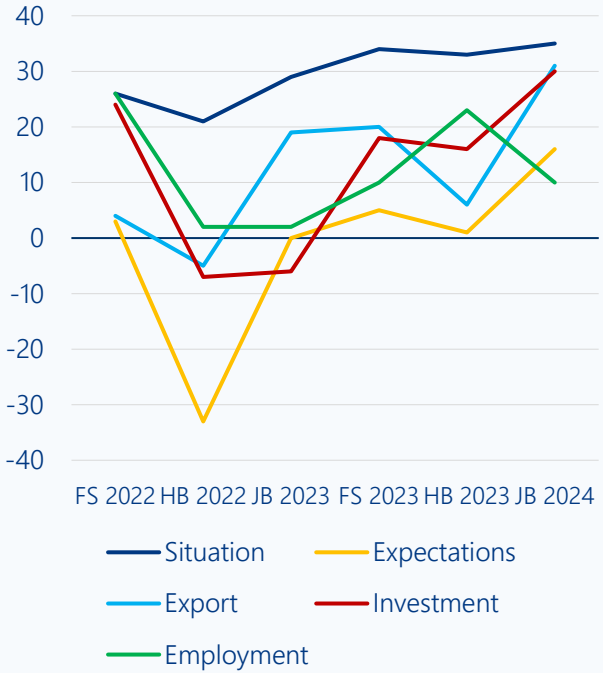
Number of participants

1-19 employees	89
20-199 employees	152
200-999 employees	48
1000 employees or more	10
All classes	299

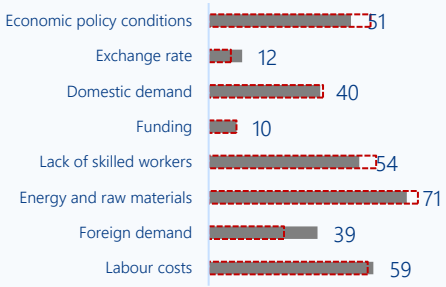
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Pharmaceutical industry

Economic situation

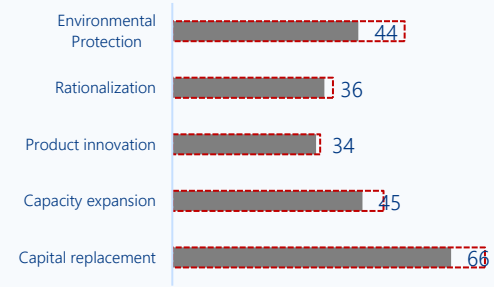


Business risks



Financial position

Investment motives



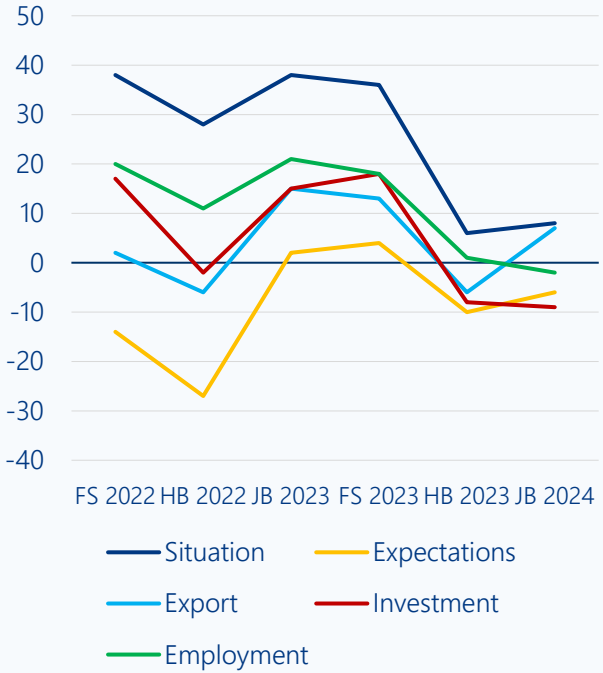
Number of participants

1-19 employees	17
20-199 employees	30
200-999 employees	23
1000 employees or more	12
All classes	82

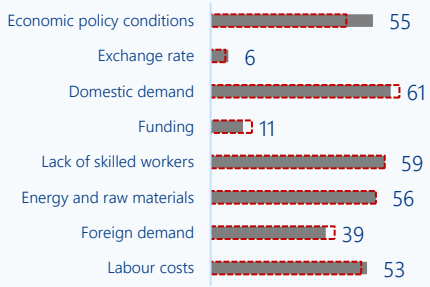
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Electrical engineering

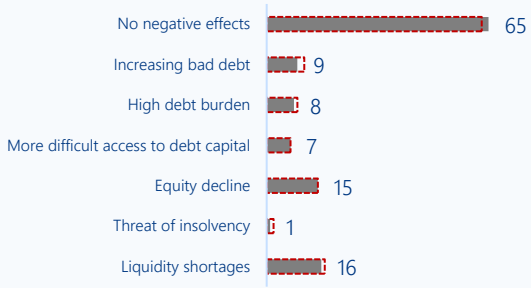
Economic situation



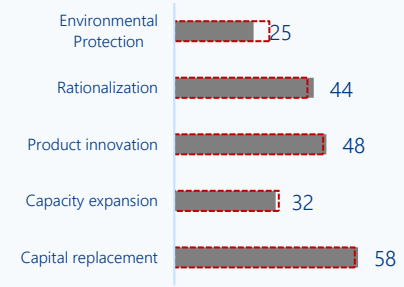
Business risks



Financial position



Investment motives



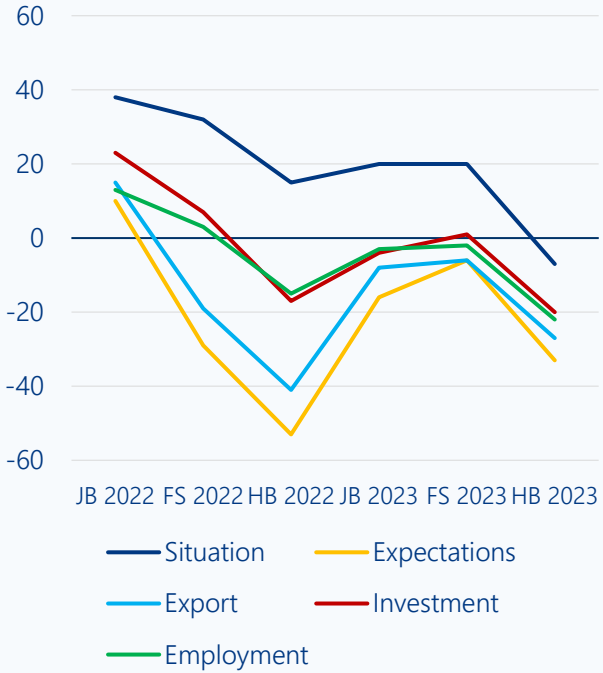
Number of participants

1-19 employees	218
20-199 employees	424
200-999 employees	145
1000 employees or more	41
All classes	828

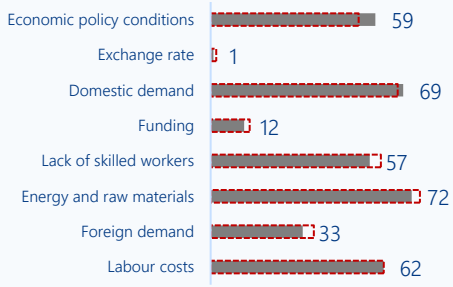
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Metal products

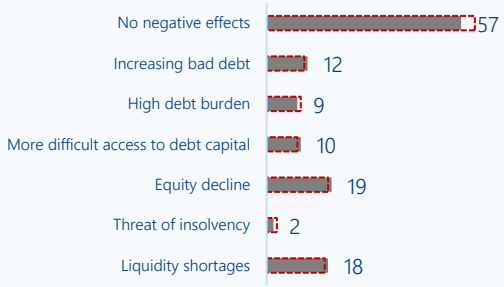
Economic situation



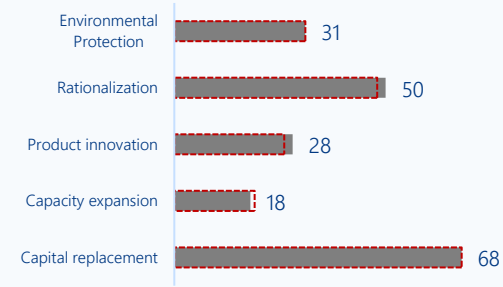
Business risks



Financial position



Investment motives



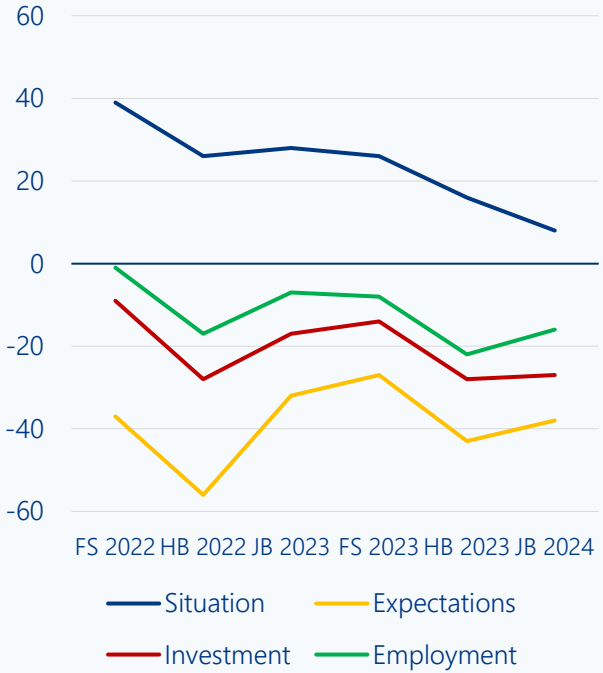
Number of participants

1-19 employees	310
20-199 employees	700
200-999 employees	159
1000 employees or more	13
All classes	1.182

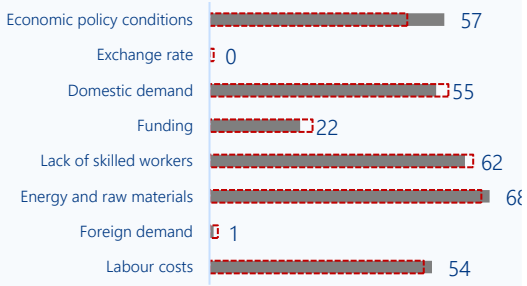
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Construction industry

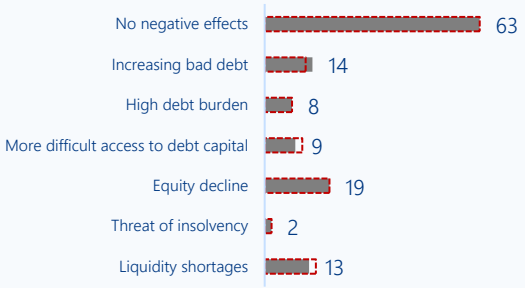
Economic situation



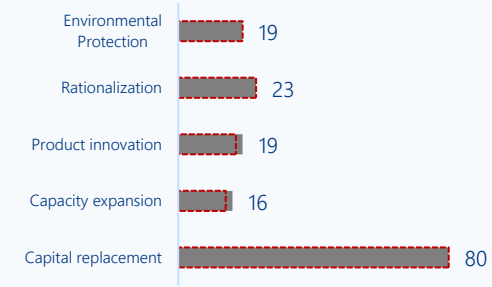
Business risks



Financial position



Investment motives



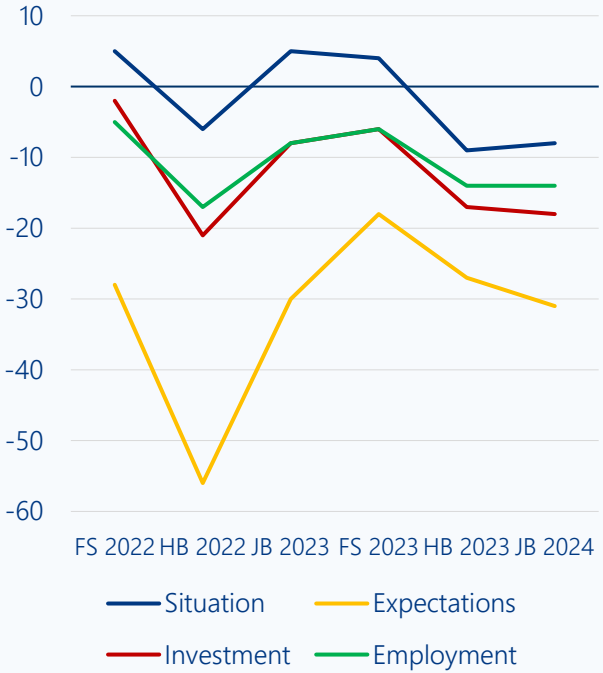
Number of participants

1-19 employees	928
20-199 employees	726
200-999 employees	109
1000 employees or more	9
All classes	1.772

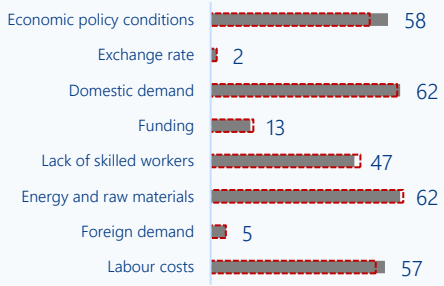
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Retail trade

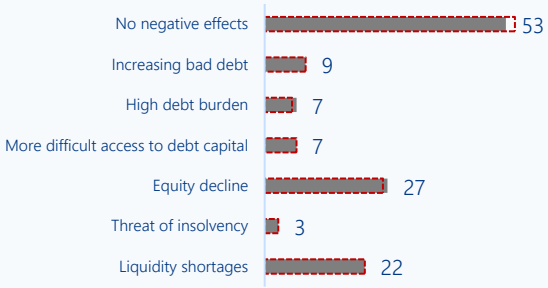
Economic situation



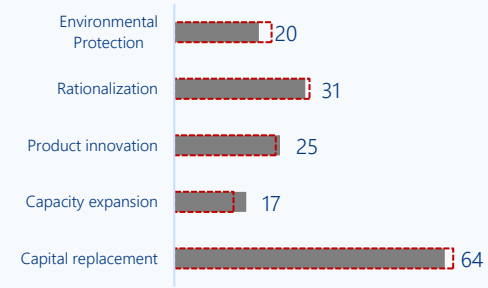
Business risks



Financial position



Investment motives



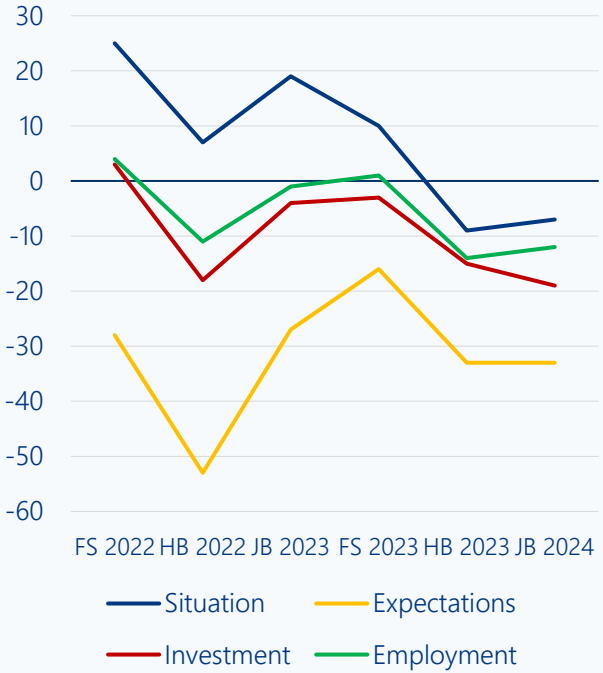
Number of participants

1-19 employees	1.896
20-199 employees	725
200-999 employees	92
1000 employees or more	18
All classes	2.731

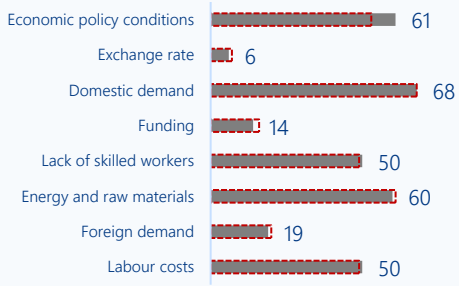
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Wholesale (without motor vehicles)

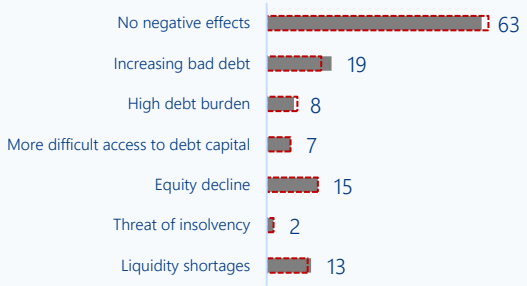
Economic situation



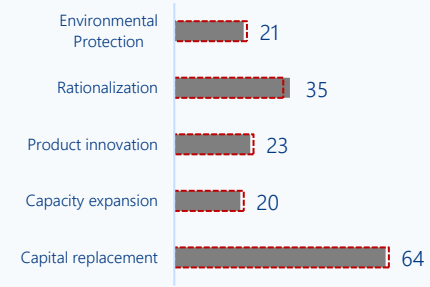
Business risks



Financial position



Investment motives



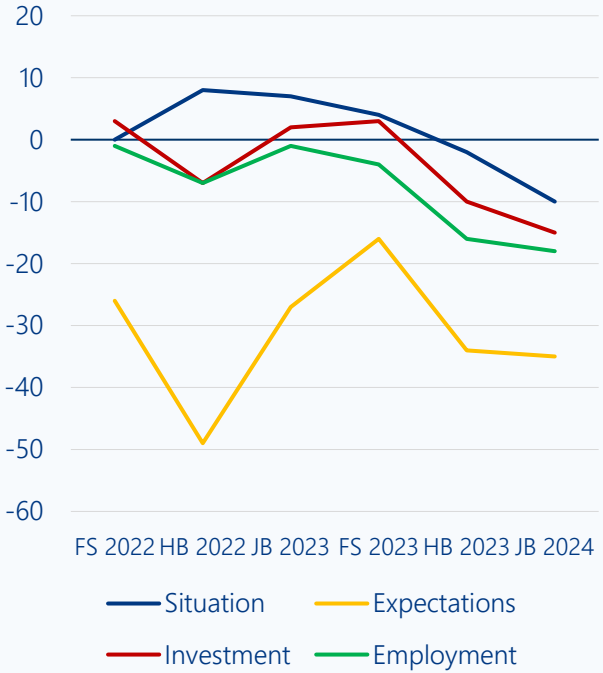
Number of participants

1-19 employees	1.285
20-199 employees	1.029
200-999 employees	158
1000 employees or more	12
All classes	2.484

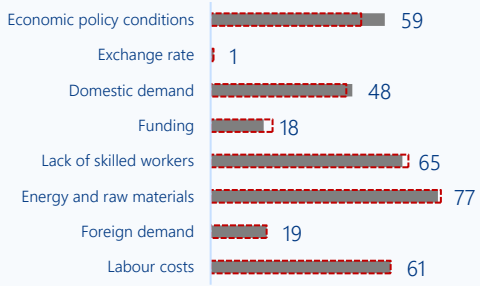
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Transport and warehousing

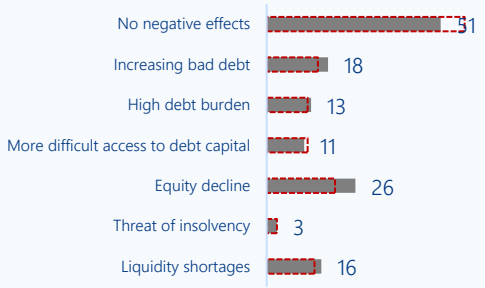
Economic situation



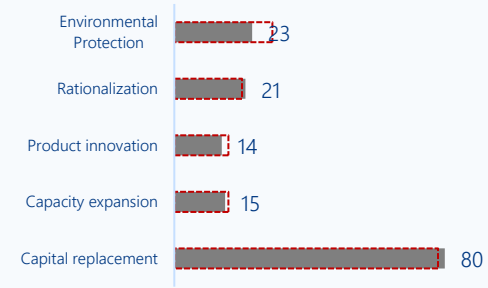
Business risks



Financial position



Investment motives



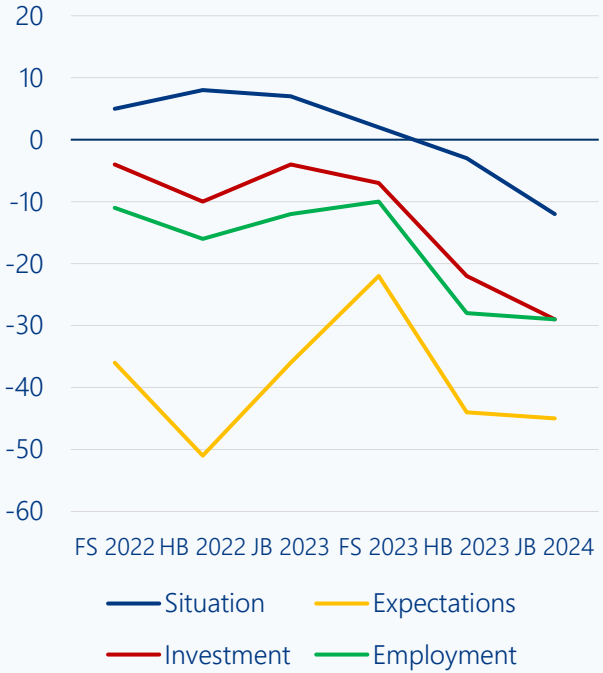
Number of participants

1-19 employees	838
20-199 employees	726
200-999 employees	138
1000 employees or more	21
All classes	1.723

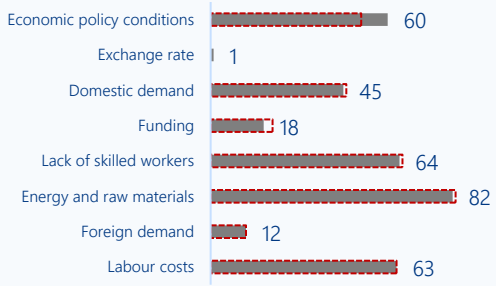
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Road freight transport

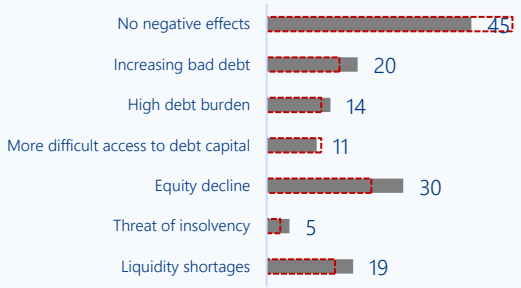
Economic situation



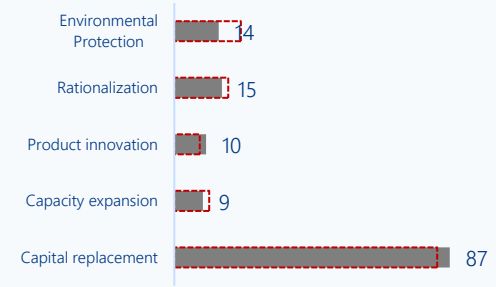
Business risks



Financial position



Investment motives



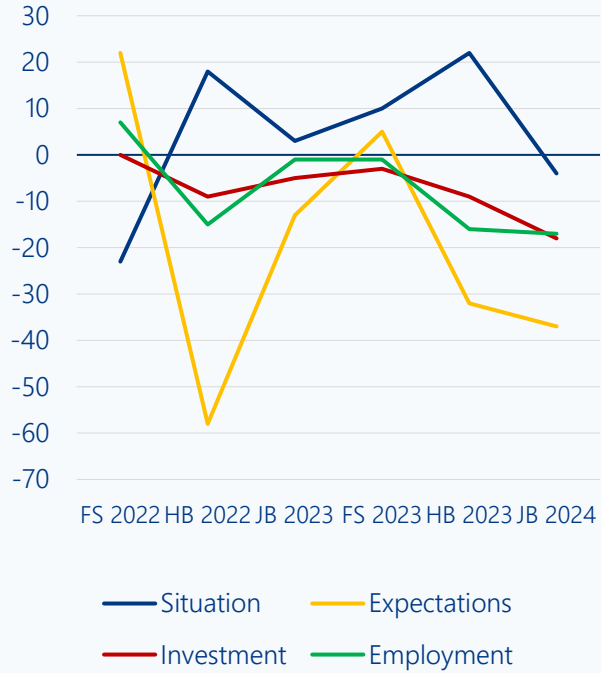
Number of participants

1-19 employees	329
20-199 employees	205
200-999 employees	21
1000 employees or more	0
All classes	555

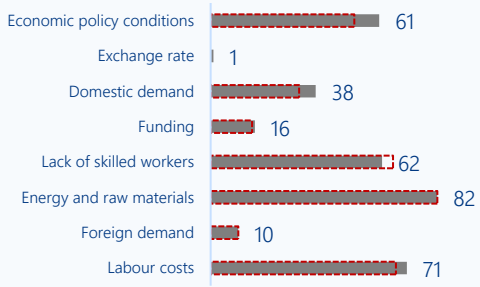
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Hospitality industry

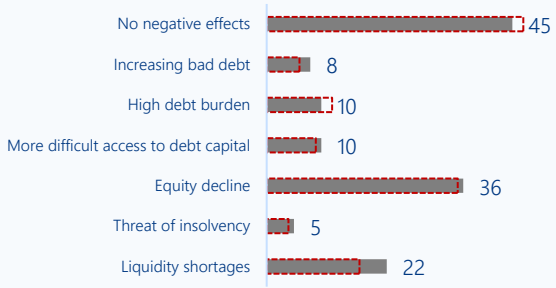
Economic situation



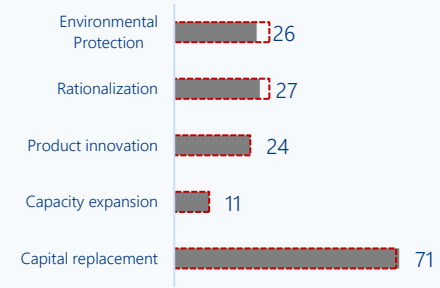
Business risks



Financial position



Investment motives



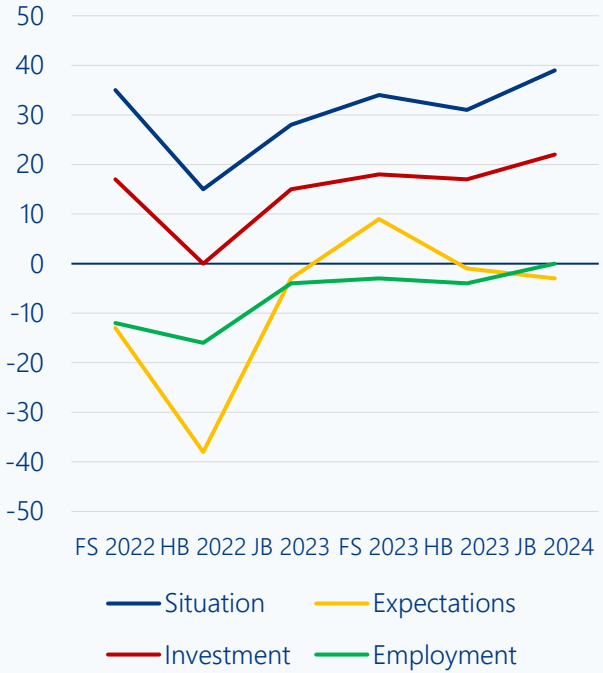
Number of participants

1-19 employees	1.492
20-199 employees	772
200-999 employees	50
1000 employees or more	0
All classes	2.314

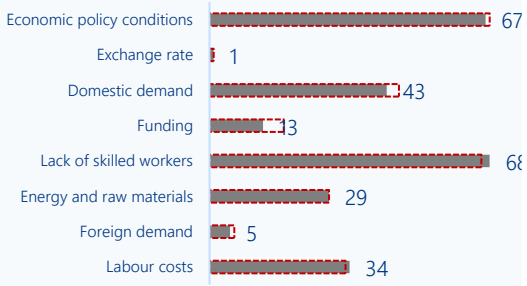
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Financial and insurance services

Economic situation

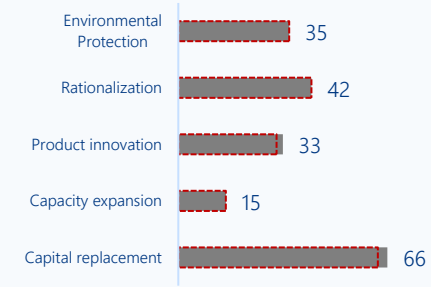


Business risks



Financial position

Investment motives



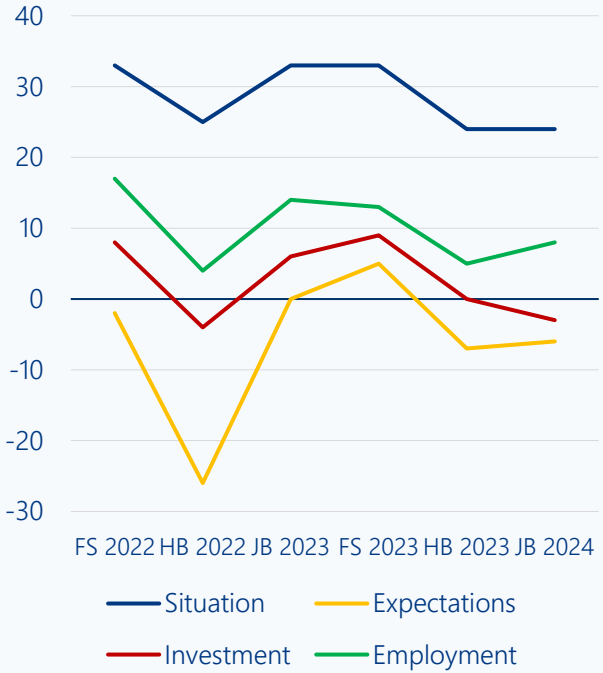
Number of participants

1-19 employees	565
20-199 employees	266
200-999 employees	251
1000 employees or more	82
All classes	1.164

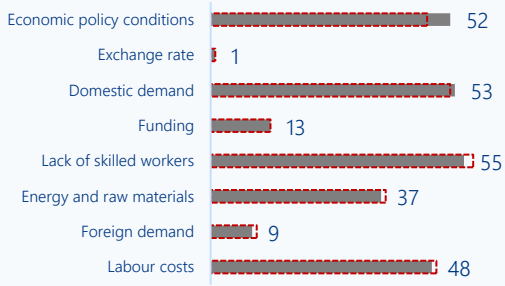
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Business-related services

Economic situation

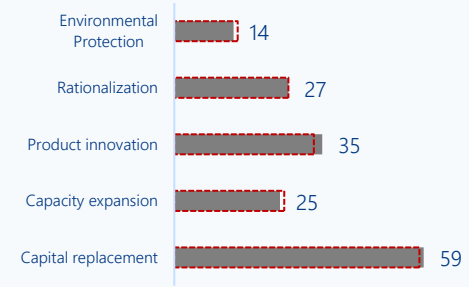


Business risks



Financial position

Investment motives



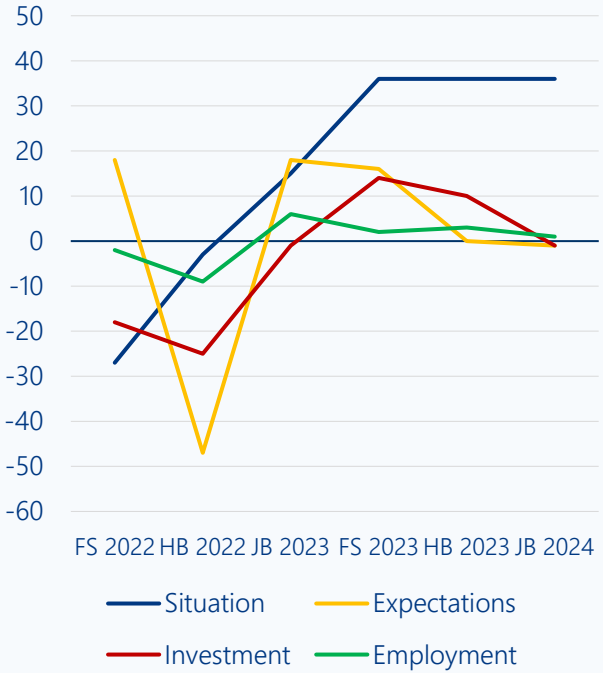
Number of participants

1-19 employees	2.897
20-199 employees	1.429
200-999 employees	202
1000 employees or more	45
All classes	4.573

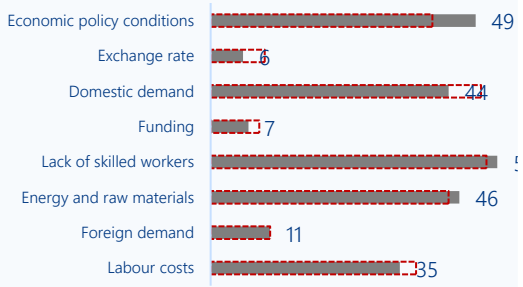
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Travel agency

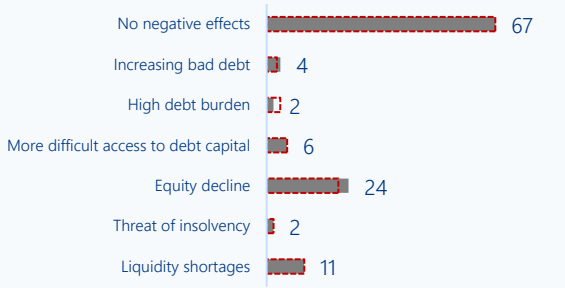
Economic situation



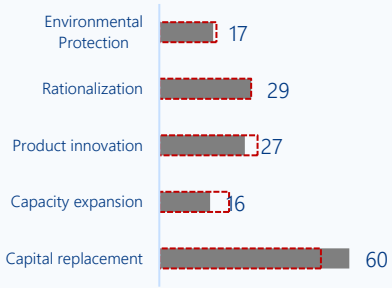
Business risks



Financial position



Investment motives



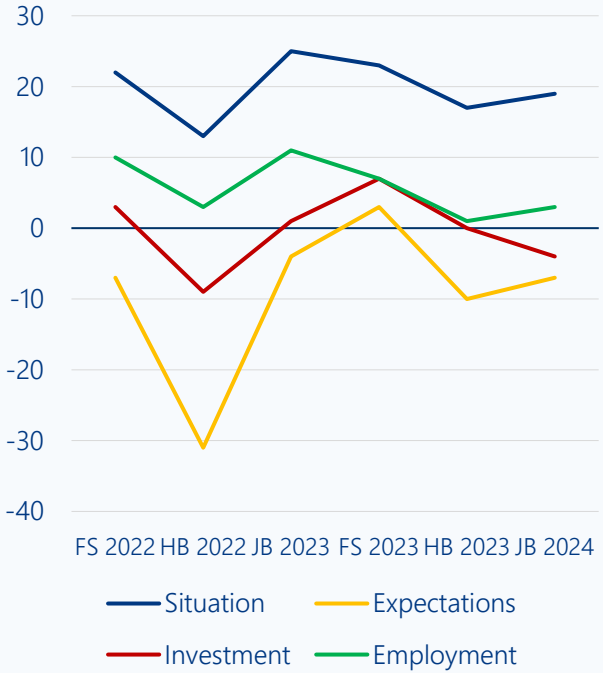
Number of participants

1-19 employees	294
20-199 employees	44
200-999 employees	3
1000 employees or more	0
All classes	341

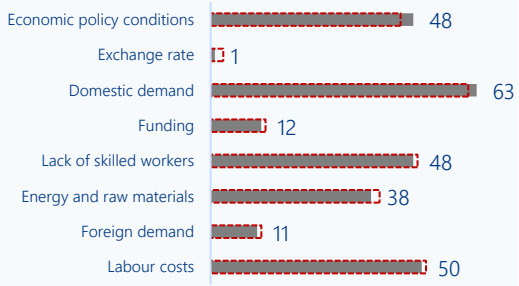
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Cultural and creative industries

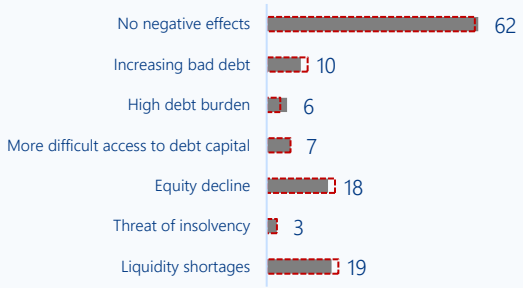
Economic situation



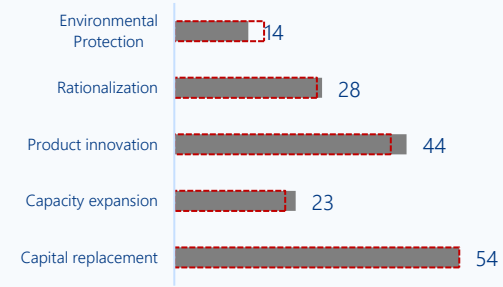
Business risks



Financial position



Investment motives



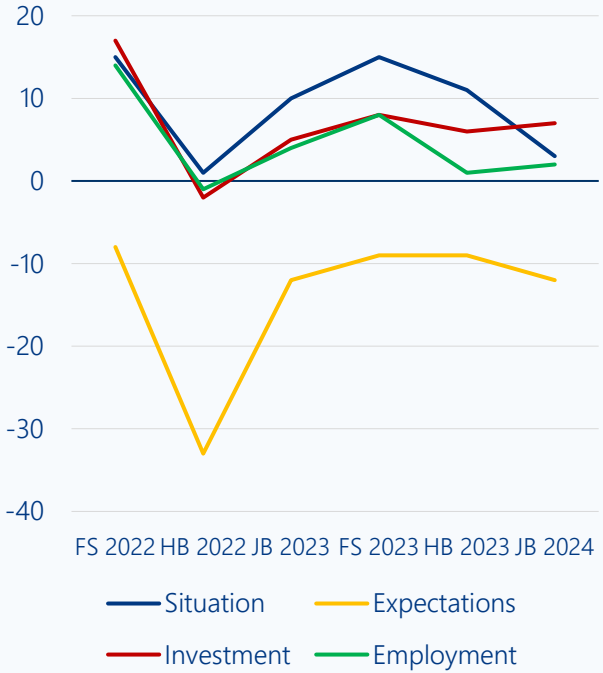
Number of participants

1-19 employees	963
20-199 employees	471
200-999 employees	56
1000 employees or more	10
All classes	1.500

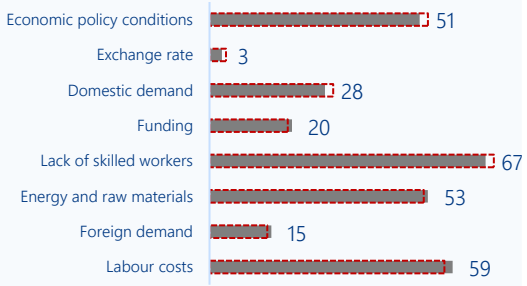
Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Healthcare industry

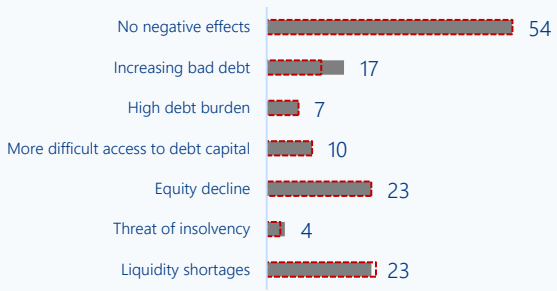
Economic situation



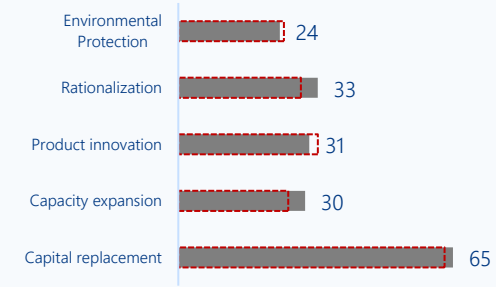
Business risks



Financial position



Investment motives



Number of participants

1-19 employees	352
20-199 employees	310
200-999 employees	98
1000 employees or more	41
All classes	801

Business cycle: balance in points, JB = survey at the beginning of the year (January), FS = survey early summer (May), HB = autumn (October)
Risks, energy costs, investment motives, financial situation: figures in per cent, multiple answers possible, red dotted line value of previous survey

Methodology

The basis for the DIHK results is surveys of companies conducted by a total of 79 Chambers of Industry and Commerce (IHKs). At the beginning of 2024, the IHKs evaluated over **27,000 responses**. You can also access the regional evaluations of the IHKs on the internet at www.dihk.de/konjunktur.

In terms of **economic sectors**, the responses are distributed among industry (26 percent), construction (seven percent), trade (22 percent), and services (45 percent). The classification of economic sectors in the DIHK Economic Survey is based on the official statistics of the WZ 2008.

In terms of **business size classes**, the responses are distributed as follows: 37 percent of companies have up to nine employees, 14 percent have ten to 19 employees, 38 percent have 20 to 199 employees, six percent have 200 to 499 employees, three percent have 500 to 999 employees, and two percent have more than 1,000 employees.

The IHKs design their sample in such a way as to reflect a representative sentiment of the local commercial economy (stratified sample based on industry, region, and company size). Aggregation at the federal level is done through regional and industry-specific weighting. Responses to regular economic questions (see questionnaire) from establishments with more than 500 employees are weighted by a factor of 2, and responses from establishments with more than 1,000 employees are weighted by a factor of 3. Size-class weighting is omitted for additional questions when the unweighted proportion of companies is more meaningful.

Regarding the question about business risks, companies can provide a free-text response under the answer option "Economic policy framework conditions." In the current survey, there were approximately 7,600 free-text responses. These responses were categorized as sharply as possible based on the mentioned terms and topics. The most common responses are depicted as a word cloud. The larger a term, the higher the number of free-text responses on that topic.

The survey took place from **December 18, 2023, to January 19, 2024**.

Imprint

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