



AHK World Business Outlook Fall 2020

Results of a survey among the
German Chambers of Commerce Abroad (AHKs)

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The AHK World Business Outlook is based on a survey of member companies of the German Chambers of Commerce Abroad, Delegations and Representative offices (AHKs). More than 3,500 German companies, branches and subsidiaries as well as companies with close ties to Germany participated in the October 2020 survey.

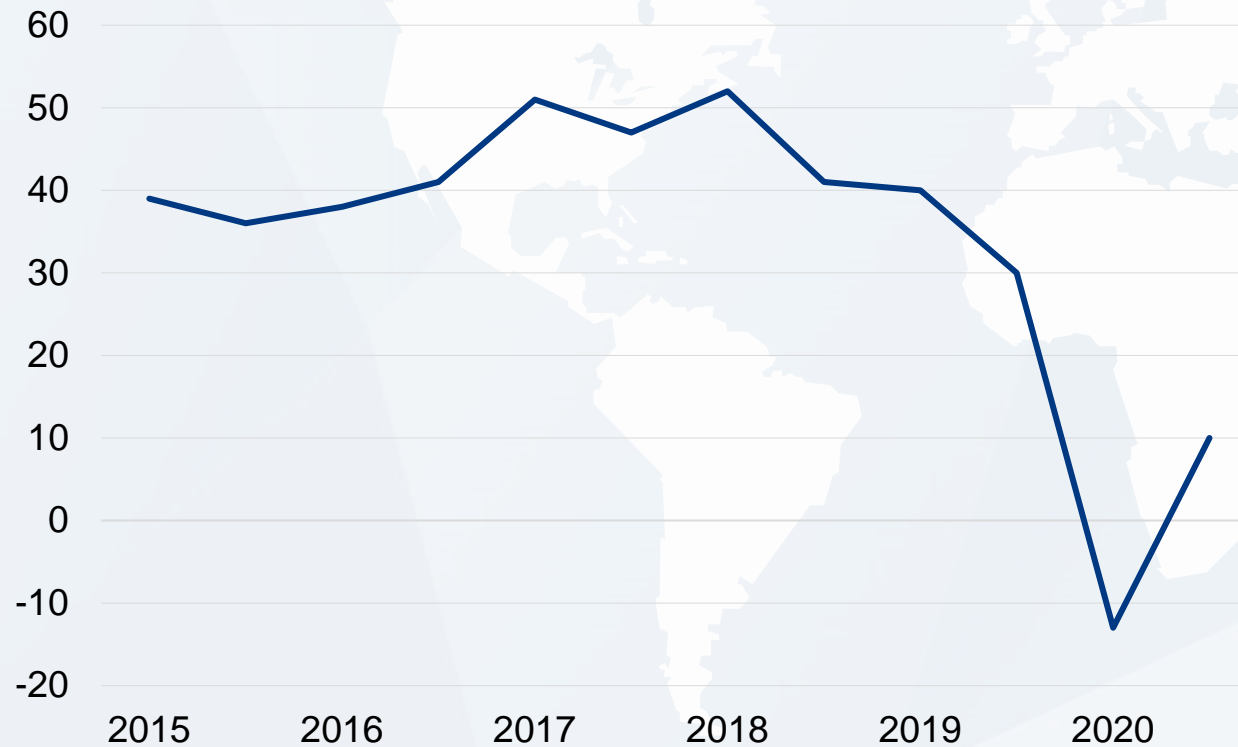
39 percent of the responding companies come from the industry and construction sector, 40 percent from the service sector and another 21 percent are trading companies. Smaller companies with less than 100 employees account for 47 percent of the responses. 24 percent of the companies employ 100 to 1,000 employees. Large companies with more than 1,000 employees worldwide account for 29 percent of respondents.

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Business situation of German companies abroad

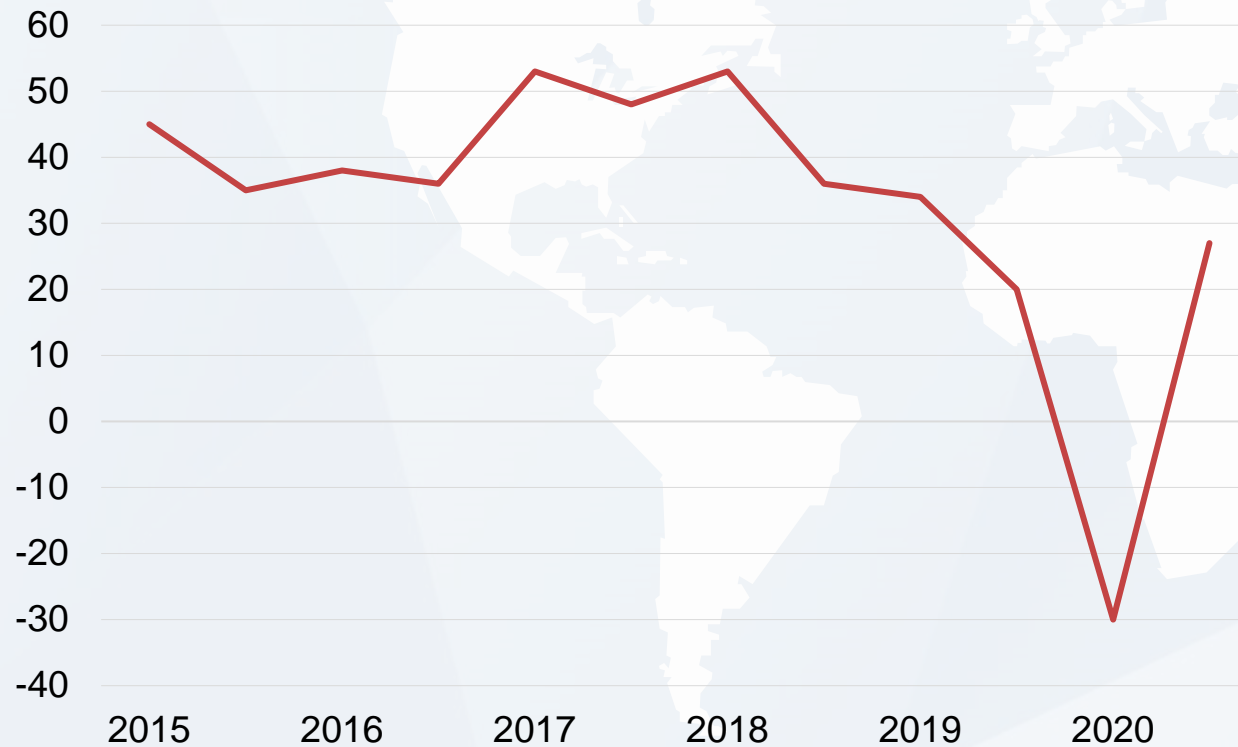
Balance in points



The business of German companies abroad is recovering compared to the spring. However, they are still far from reaching pre-crisis levels. 32 percent of the companies assess their situation as good, 22 percent as bad. The resulting balance is 10 points.

Business expectations of German companies abroad

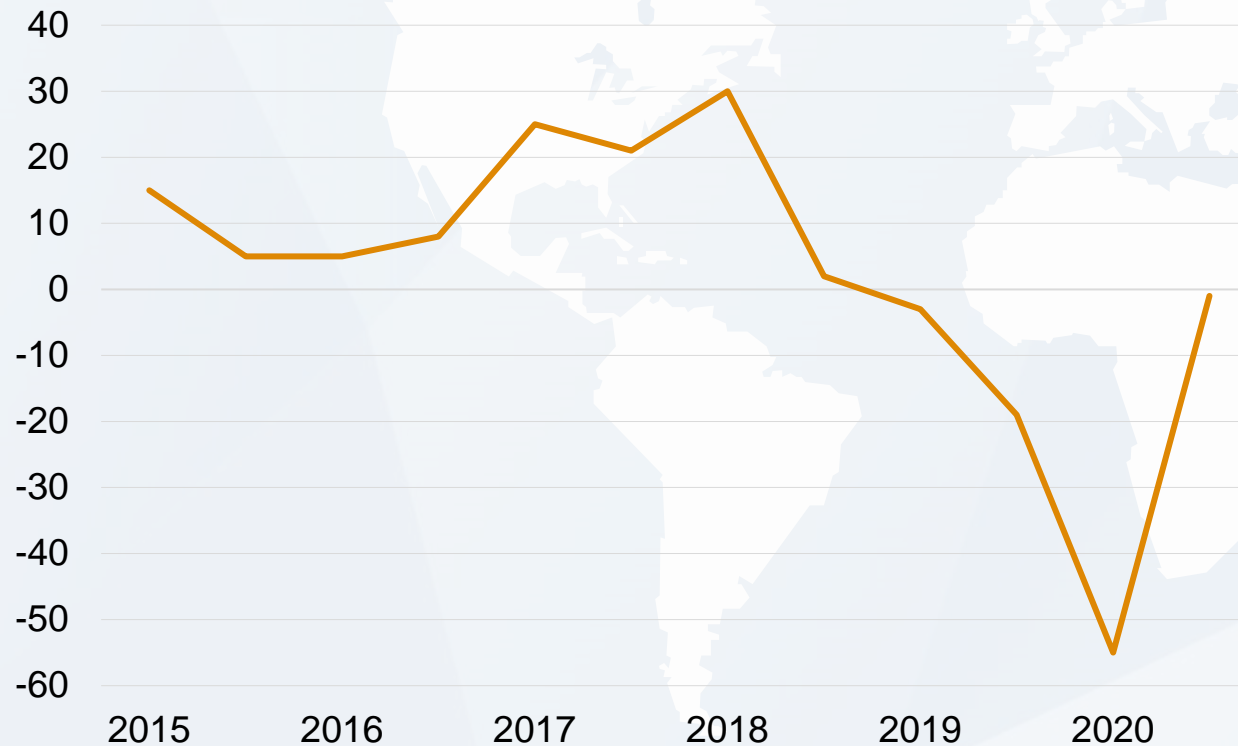
Balance in points



Based on the poor assessment of the situation, companies' business expectations for the next twelve months have already returned to pre-crisis levels. The balance of better and worse ratings is 27 points, but still below the long-term average of 33 points.

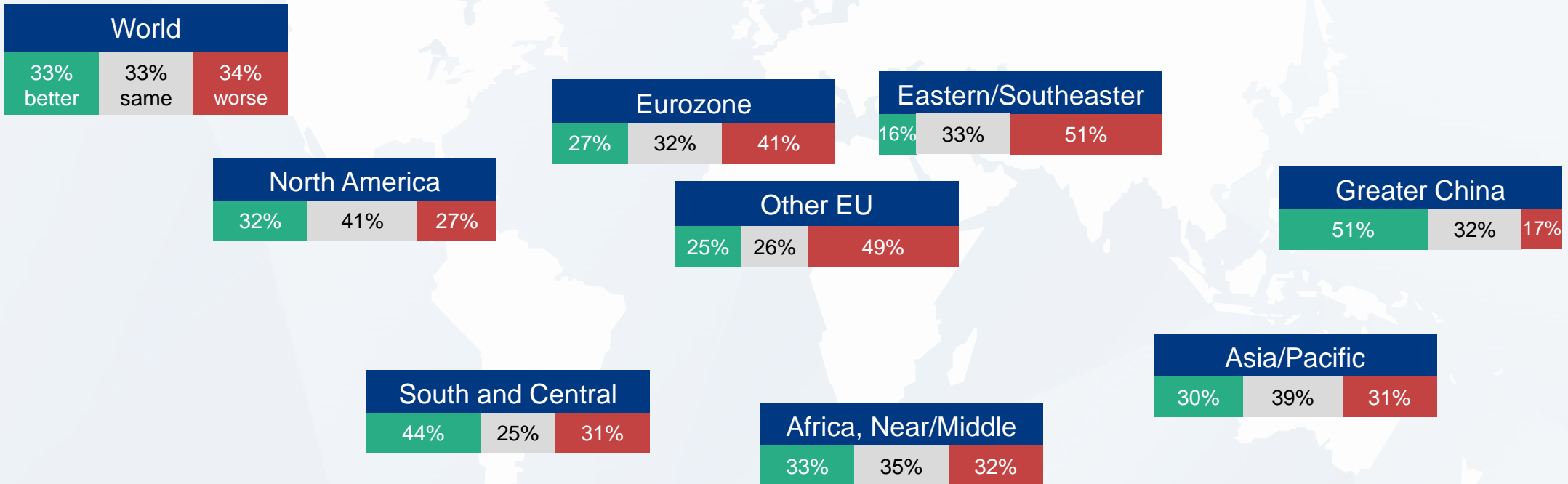
Economic expectations of German companies abroad

Balance in points



The expectations of German companies abroad regarding the economic situation in their respective countries are better than in the spring, but they differ significantly from region to region. Overall, the global balance is balanced at minus one point. 33 percent expect the economy to improve, 34 percent expect it to deteriorate in the next twelve months. The long-term average before the crisis is 9 points. All in all, this results in a rather weak global economic recovery in 2021.

Expected economic development in the next 12 months: German companies in China with great confidence



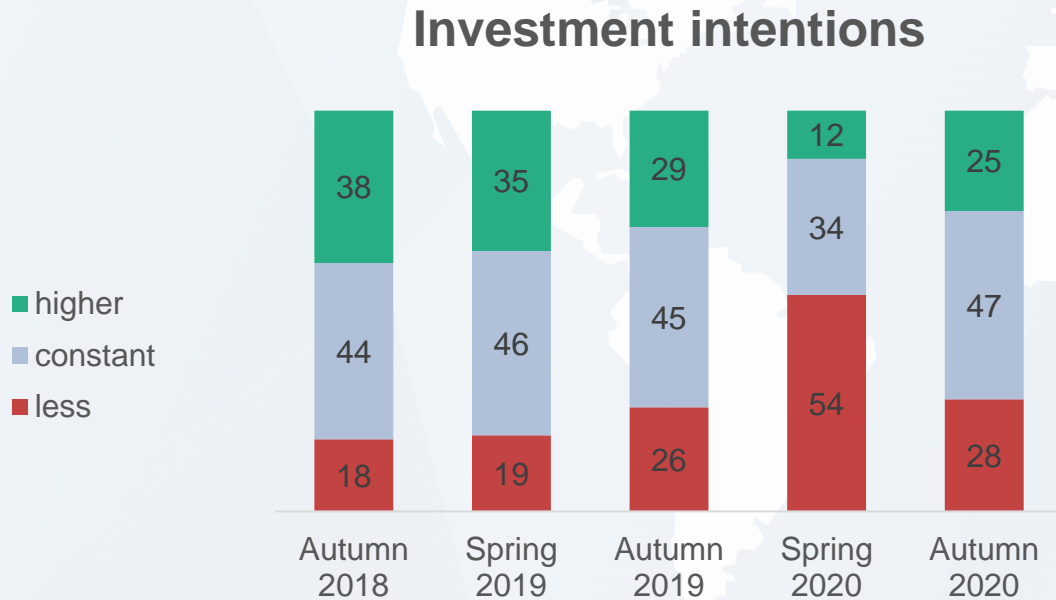
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When do companies expect the economy in your country to recover

Continent (in percent)	Recovery in the course of 2020	Recovery in the year 2021	Recovery in the year 2022	An economic recovery will take longer	We do not expect a return to normality
Africa, Near and Middle East	4%	39%	30%	21%	6%
South and Central America	2%	34%	40%	22%	2%
Asia/Pacific (excluding China)	2%	40%	41%	16%	1%
China	25%	44%	20%	9%	2%
Eurozone	2%	32%	44%	19%	2%
Other EU, Switzerland, Norway	2%	35%	34%	25%	3%
North America	4%	34%	43%	18%	1%
Rest of Europe incl. Turkey/Russia	1%	30%	45%	20%	3%
WORLD	4%	36%	38%	19%	3%

Investment intentions

Shares in percent

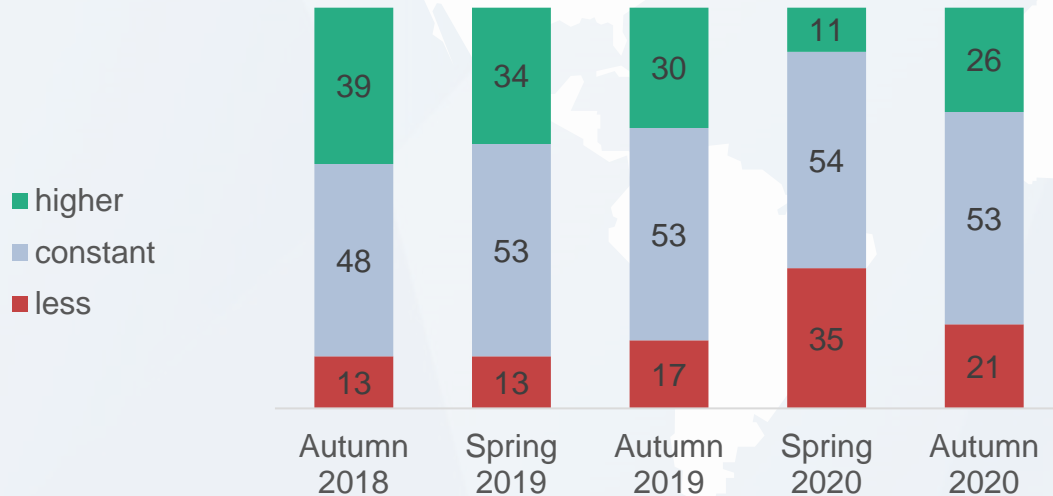


A quarter of German companies abroad want to invest more, 28 percent are planning to reduce their investments in the next twelve months. A year ago, investment intentions were already at a negative record of plus three points on balance, and are currently only at minus three points. Of the companies affected by travel restrictions, only one in five even wants to invest more.

Employment intentions

Shares in percent

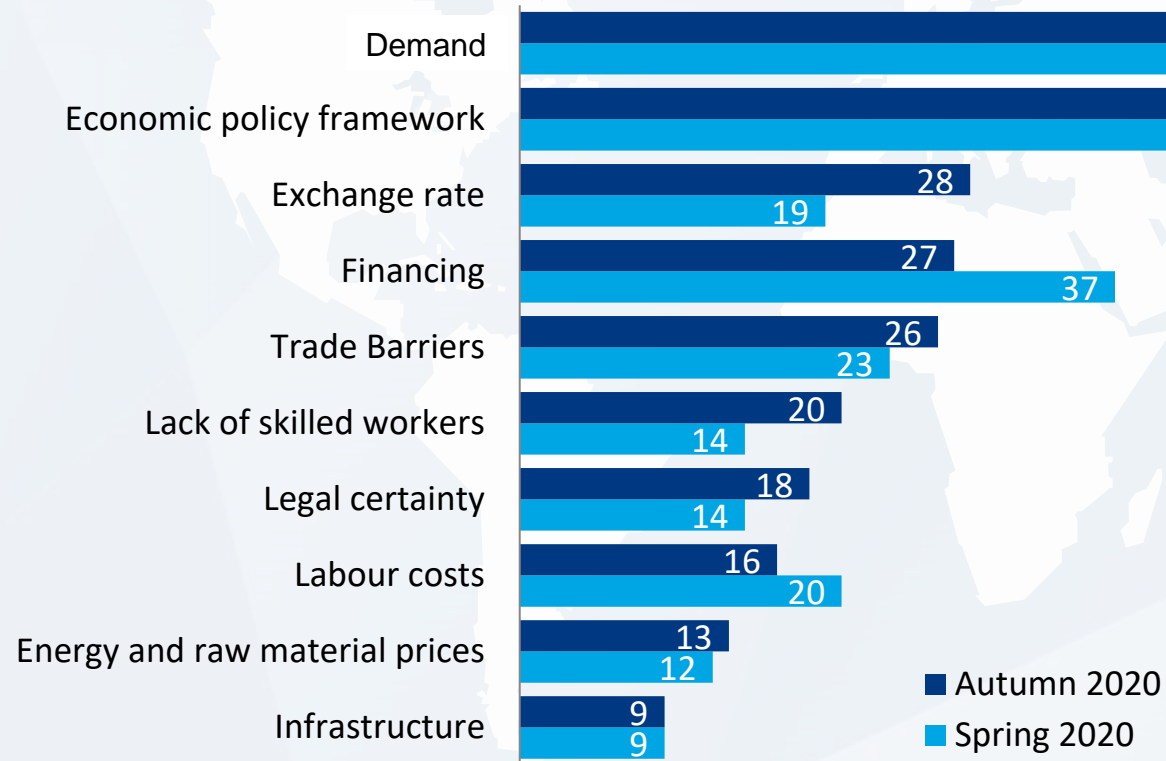
Employment intentions



26 percent of German companies abroad want to hire more staff. In contrast, 21 percent expect to cut jobs in the next twelve months. The employment intentions do not match the expansionary plans in the pre-crisis period.

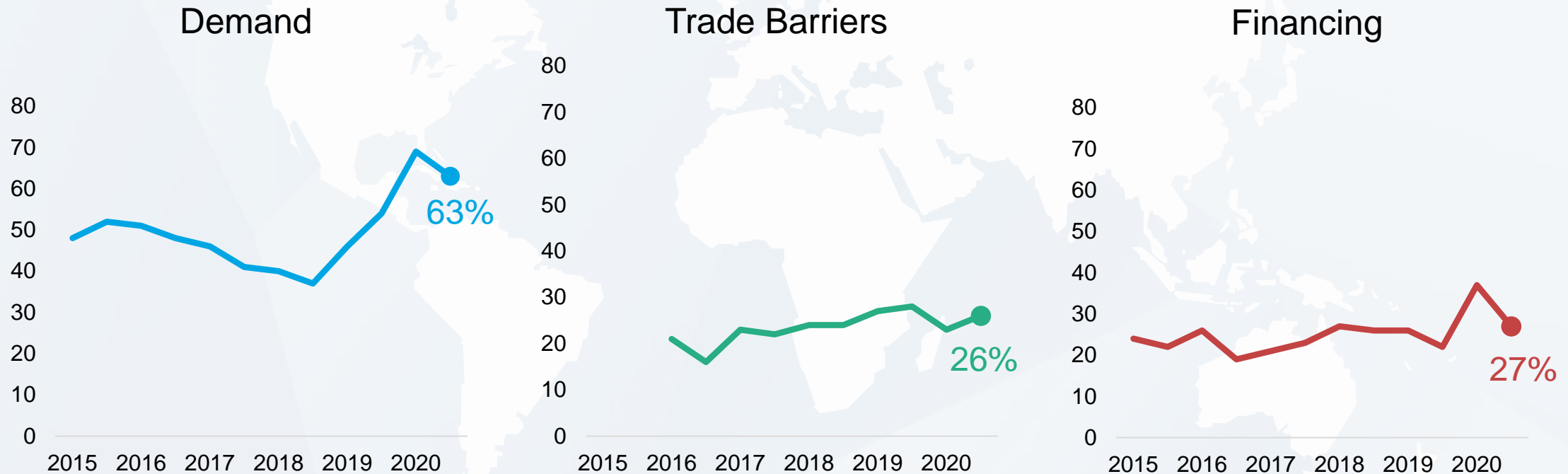
Risks for the global economy in the coming twelve months

in percent

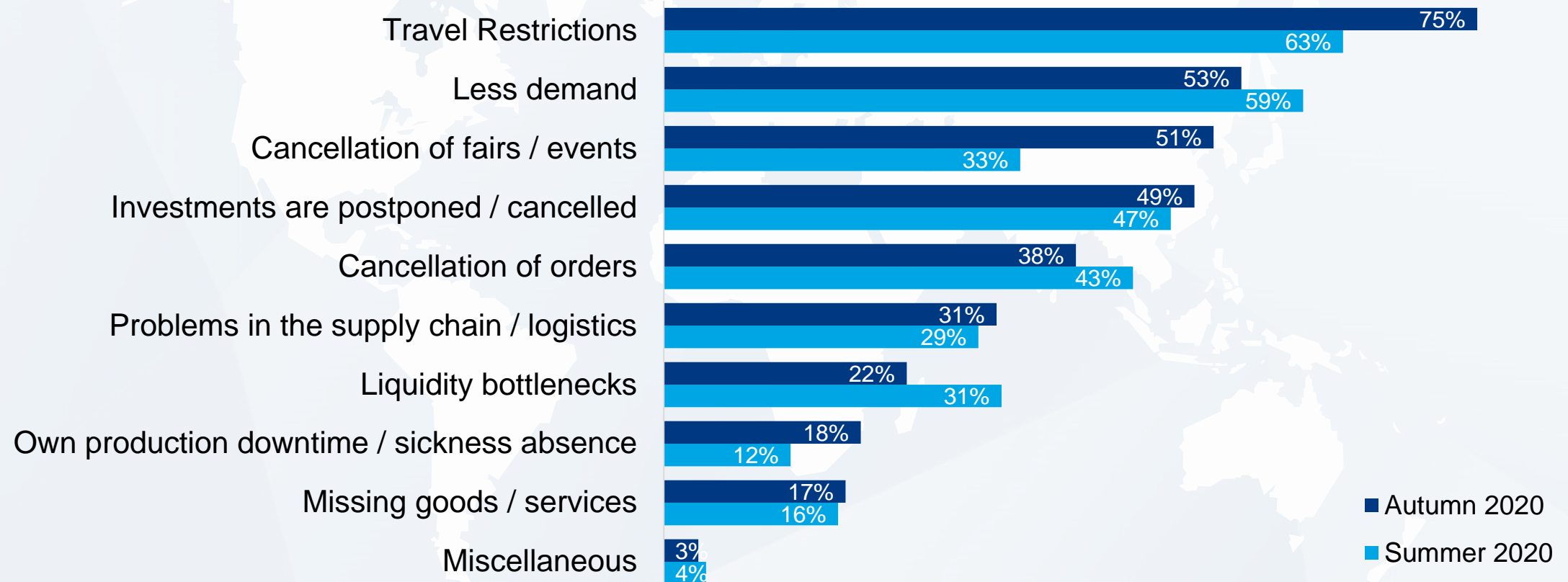


Demand, economic policy conditions and the exchange rate are the most frequently mentioned risks for German companies abroad. The financing risk has decreased compared to the spring, but still affects more than a quarter of the companies and thus significantly more than a year ago.

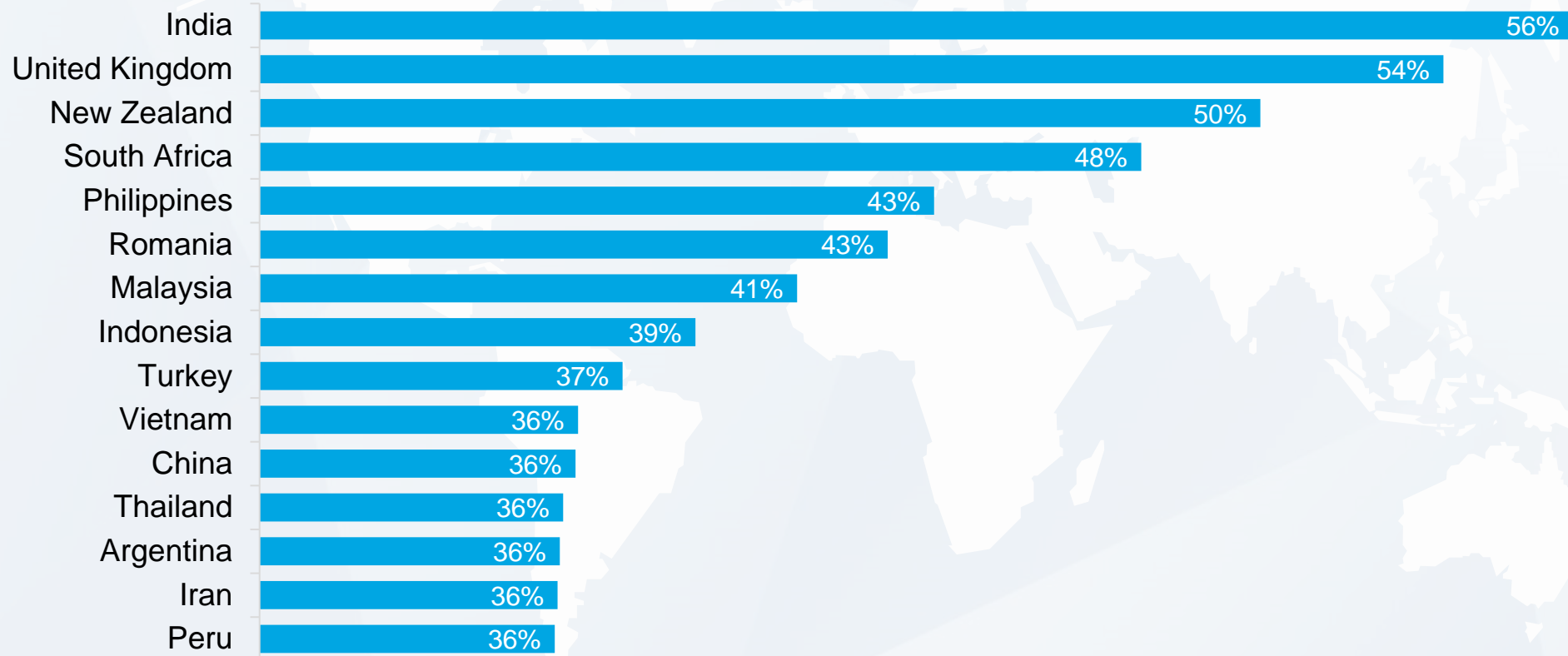
Risks: Individual factors over time



Effects of the Covid-19 Pandemic on companies

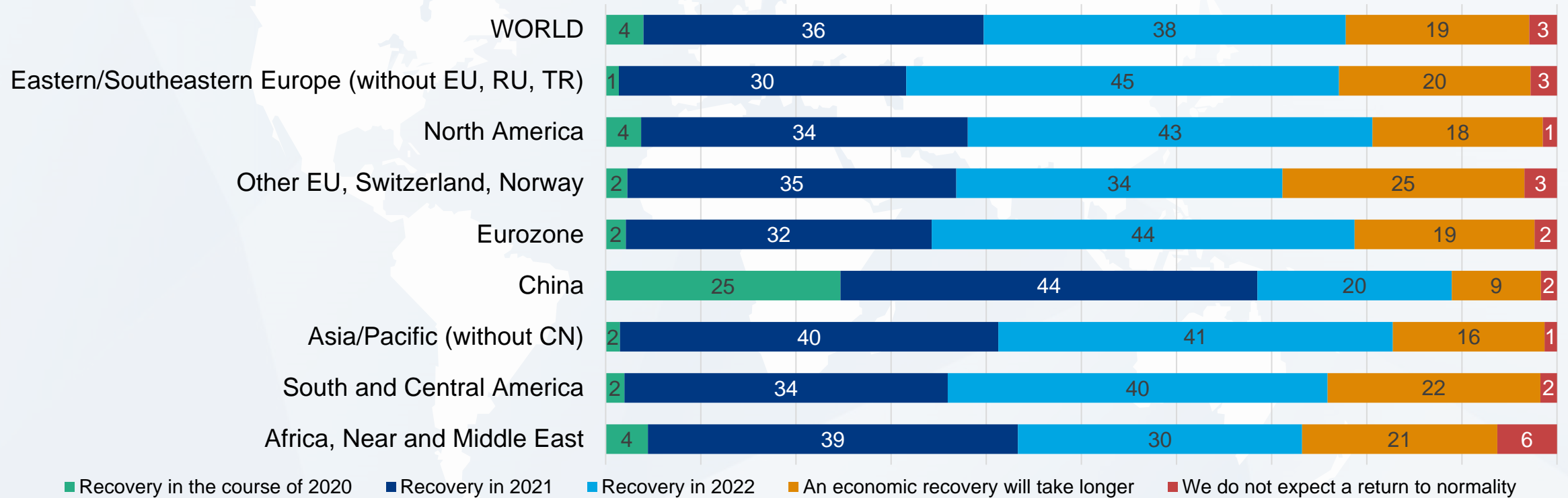


In these countries, the most frequently mentioned problems in the supply chain / logistics are

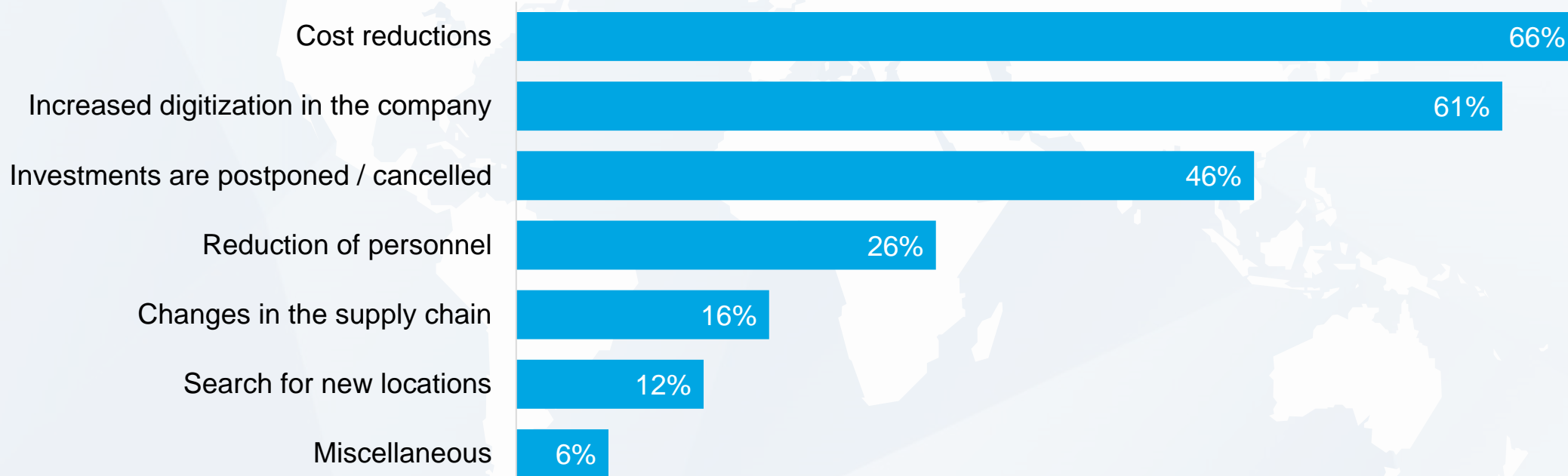


When do the companies expect Return to normality of business?

(figures in percent)



What measures do companies plan or take due to the effects of the Covid-19 pandemic?

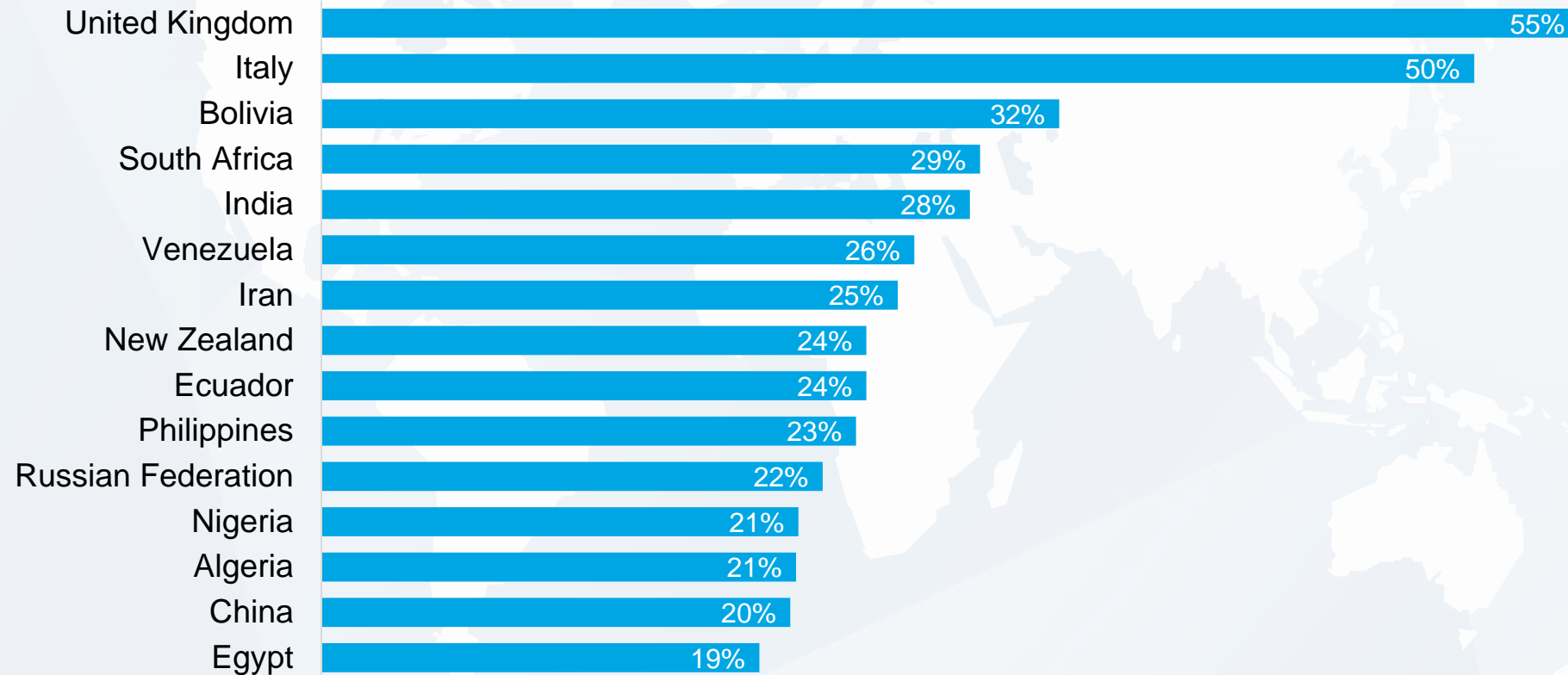


16% of companies plan changes in the supply chain. For these reasons ...

(multiple answers possible)

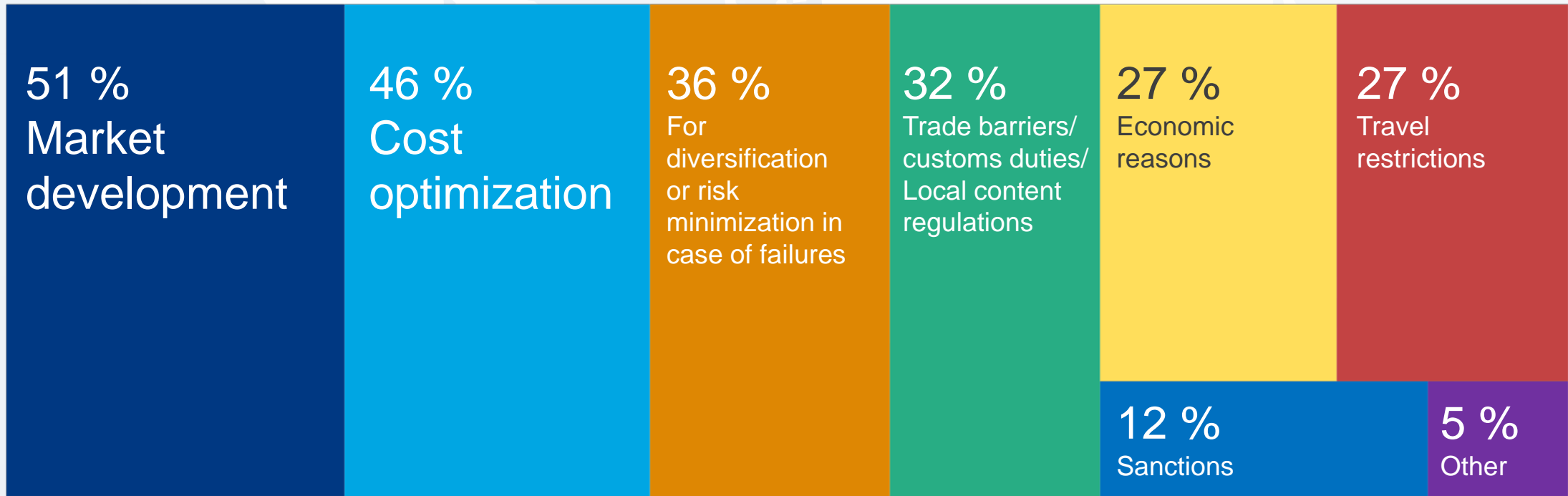


Companies from these countries are planning changes in the supply chain

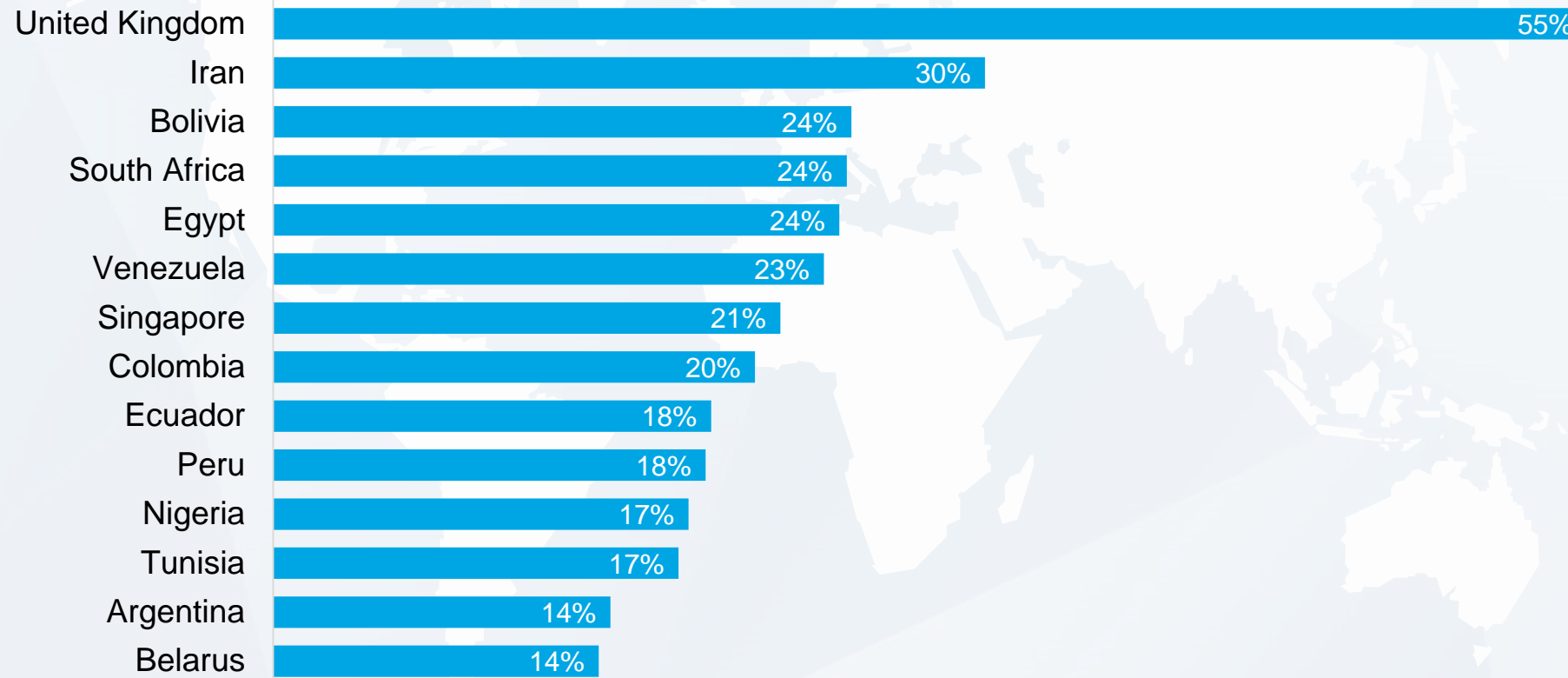


12% of companies are looking for new locations. For these reasons...

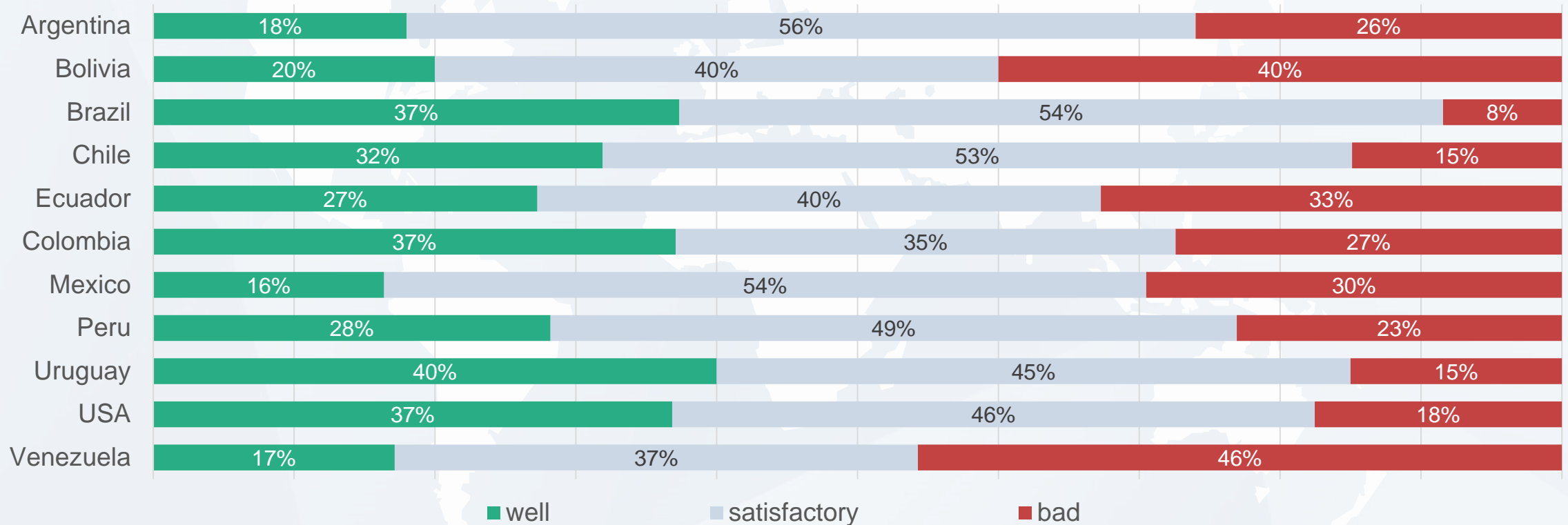
(multiple answers possible)



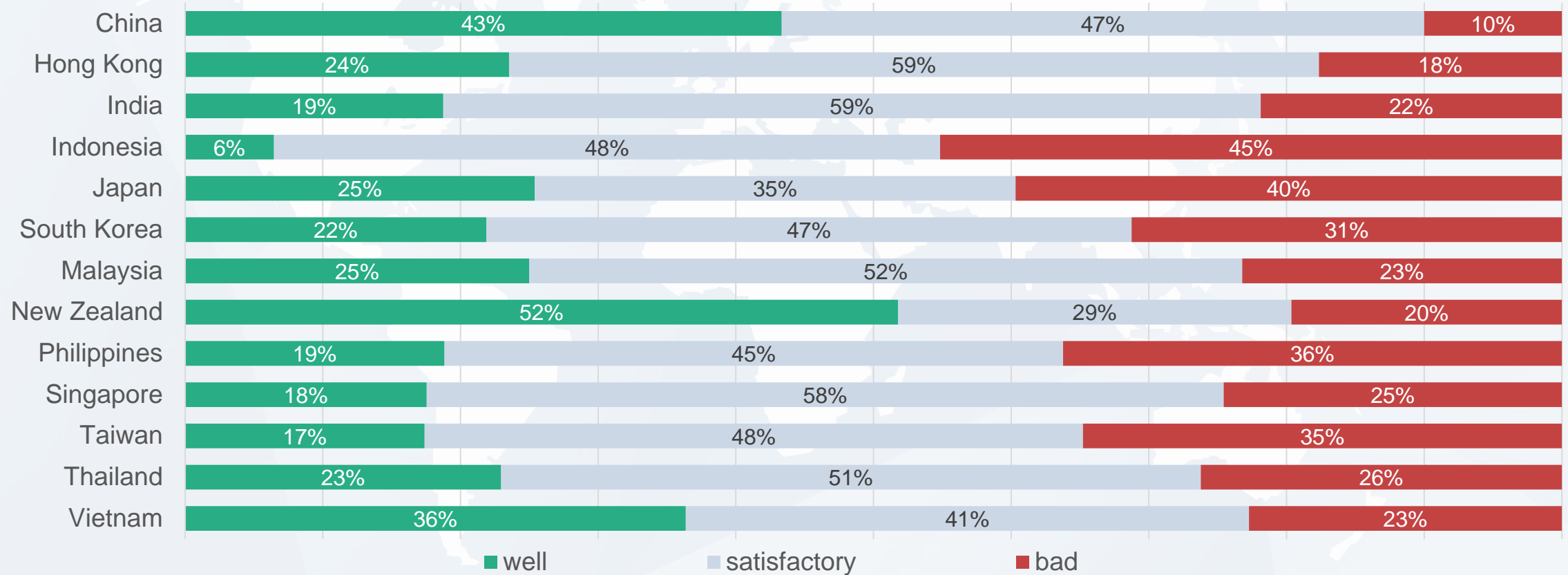
Companies from these countries are looking for new locations



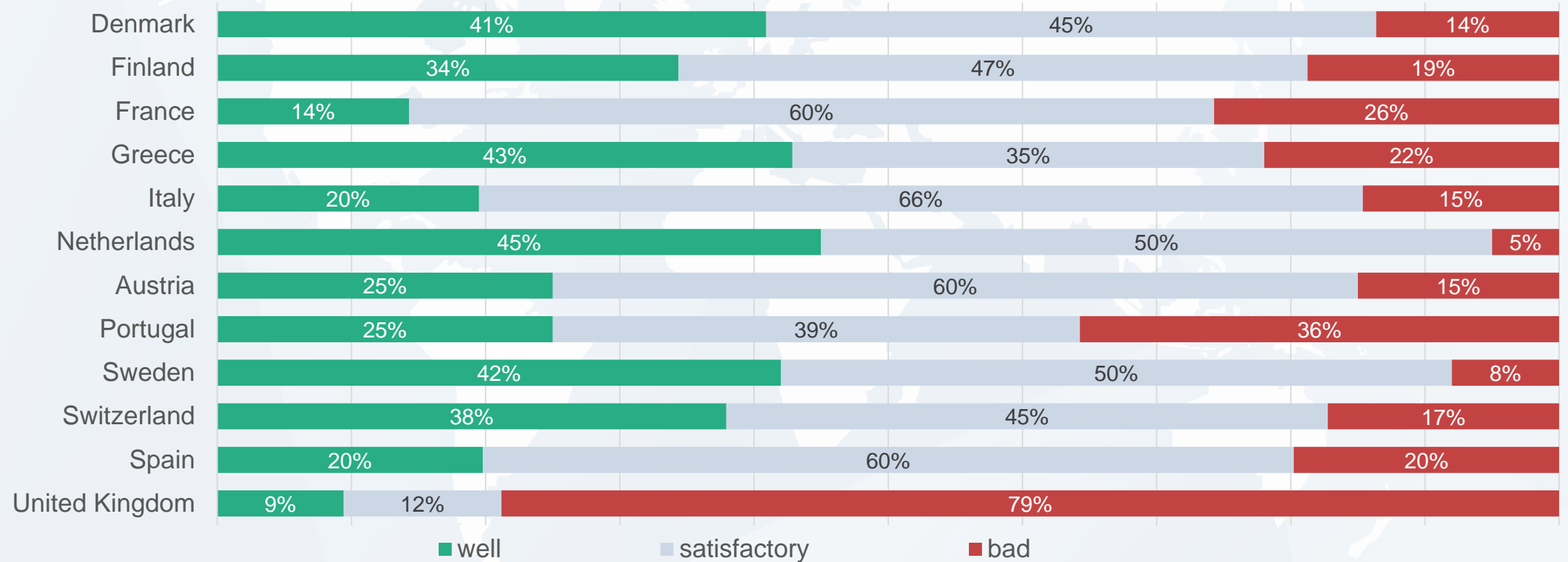
Business situation - America



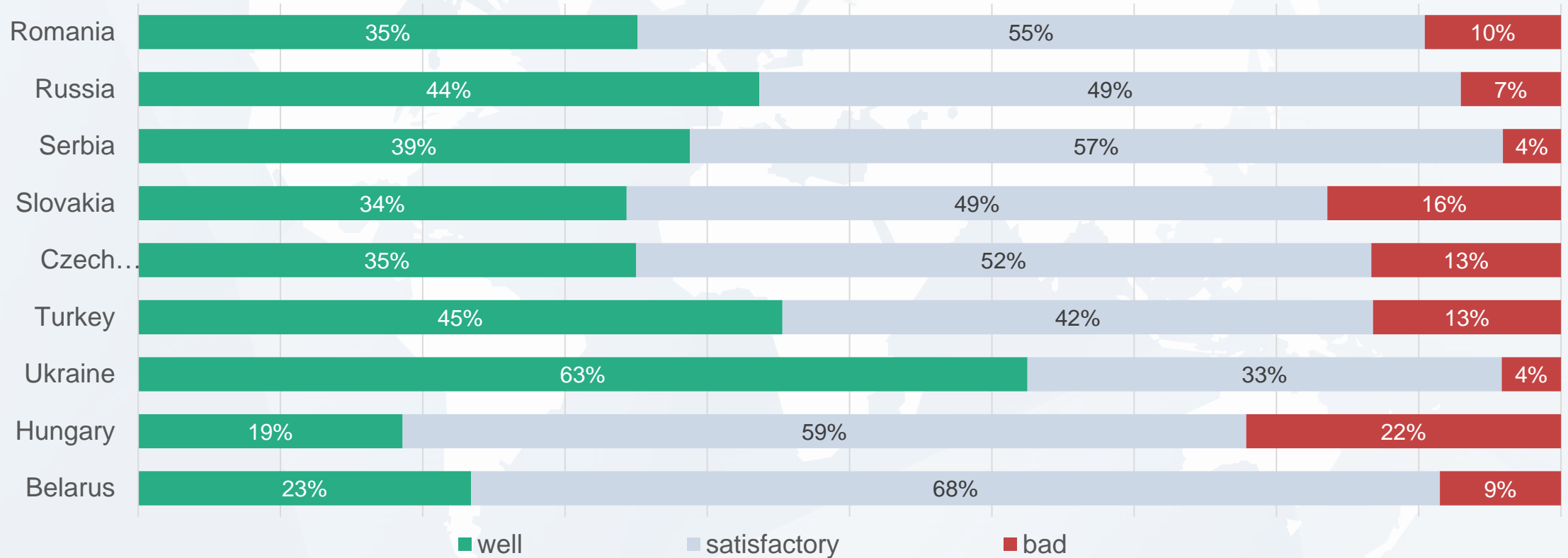
Business situation - Asia/Pacific



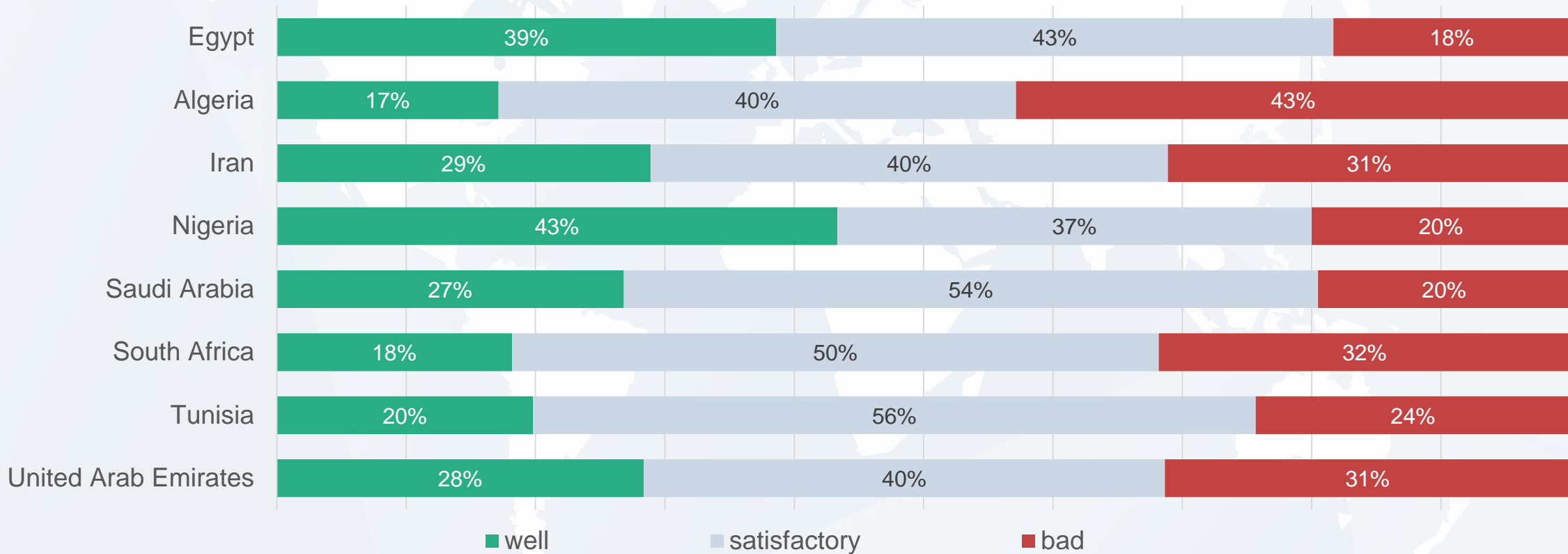
Business situation - Europe



Business situation - Central/Eastern Europe



Business situation - Africa/Middle East



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