



Double crisis for the German economy: Middle East conflict & structural weaknesses

DIHK Economic Survey: Early Summer 2026

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Legal notice

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As of: May 2026

Key findings from the survey

Forecast: The DIHK expects only modest growth of +0.3 per cent for 2026.

- The war in the Middle East is dealing a severe blow to business confidence. The difficult operating conditions here at home also continue to weigh heavily on companies. All the indicators surveyed as part of the DIHK Economic survey are pointing downwards.
- In early summer, businesses predominantly assess their **business situation** as negative. 26 per cent report a poor situation, 23 per cent a good one. The Balance of 'good' and 'poor' responses has fallen by four points compared with the previous survey at the start of the year, to minus three percentage points. This is the lowest figure since the coronavirus pandemic
- Business **expectations** are plummeting. 33 per cent of firms expect business to deteriorate, whilst only 13 per cent anticipate an improvement over the next twelve months. The balance of business expectations has fallen by eleven points to minus 20 points.
- By far the most frequently cited **business risk** at present is Energy and raw materials (70 per cent, up from 48 per cent). However, business risks previously perceived as serious also remain at a high level: labour costs (57 per cent, down from 59 per cent), domestic demand (56 per cent, down from 59 per cent), and Economic policy (unchanged at 58 per cent).
- **Export expectations** in the Manufacturing Industry are deteriorating sharply in the face of current supply chain disruptions: 29 per cent of companies expect exports to fall, whilst only 19 per cent anticipate an increase in exports. The Balance of higher and lower export expectations falls from zero to minus ten points.
- Companies' **investment and staffing plans** are also deteriorating. Both have fallen to their lowest levels since the start of the coronavirus pandemic. The balance of employment plans has fallen from minus 11 to minus 14 points. The balance of investment plans has fallen from minus 8 to minus 11 points.

DIHK forecast for economic development in Germany

Use of gross domestic product (GDP) in Germany

Change on the previous year, in per cent, price-adjusted, chained

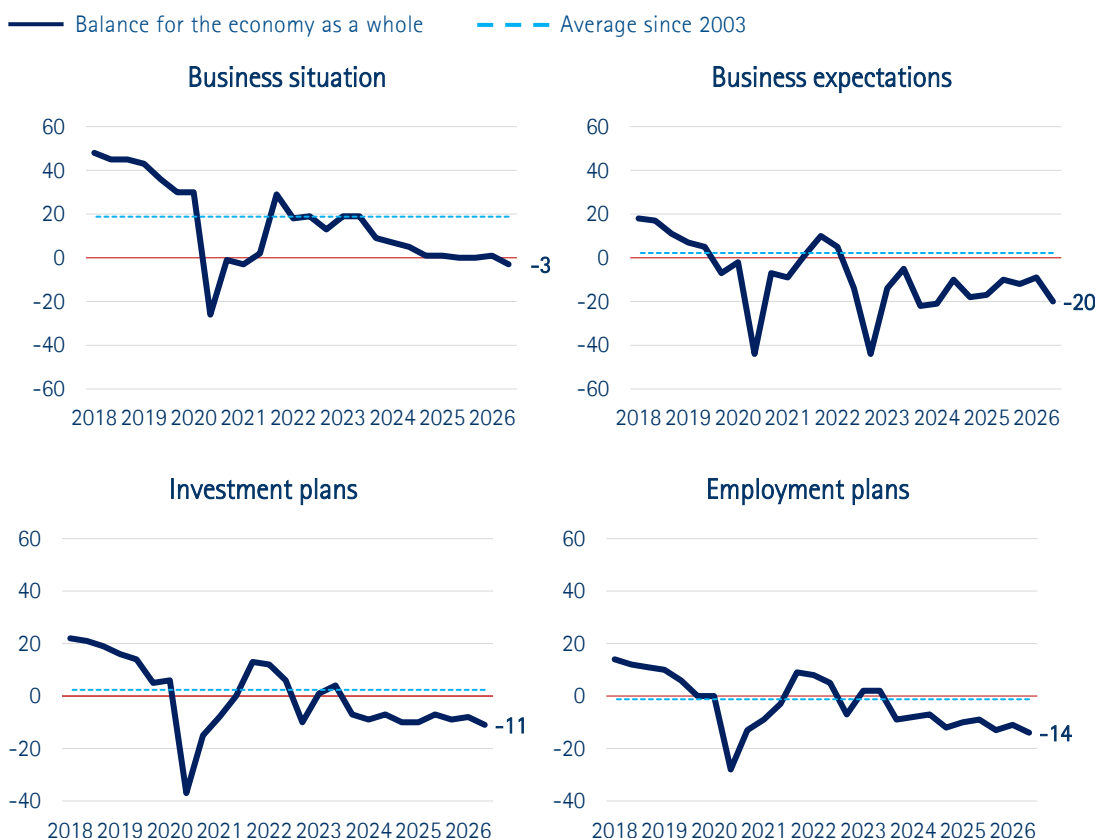
| | 2024 | 2025 | DIHK forecast 2026 |
|--|------|------|-----------------------|
| GDP | -0.5 | 0.2 | 0.3 |
| Household final consumption expenditure | 0.5 | 1.6 | 0.0 |
| Government final consumption expenditure | 2.6 | 1.3 | 2.0 |
| Gross fixed capital formation | -3.3 | -0.2 | 1.6 |
| - Gross fixed capital formation in machinery and equipment | -5.4 | -1.9 | 0.5 |
| - Other fixed assets | 0.2 | 3.8 | 3.5 |
| - Gross fixed capital formation in construction | -3.4 | -0.6 | 1.5 |
| Exports (goods and services) | -2.1 | -0.4 | 0.0 |
| Imports (goods and services) | -0.6 | 3.6 | 1.5 |
| Employment (change in thousands) | +52 | -5 | -100 |
| Consumer prices | 2.2 | 2.2 | 3.3 |

Overall assessment

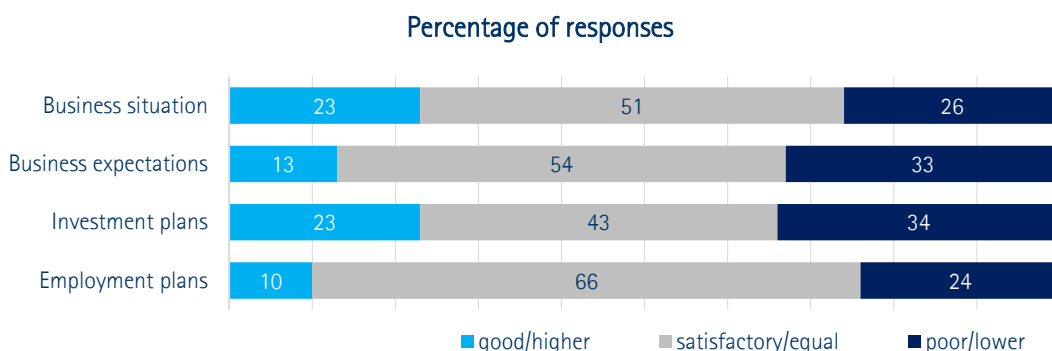
The Middle East conflict is dashing hopes of an economic upturn in Germany this year. Even before the war, only a weak recovery was expected, driven mainly by fiscal stimulus. The energy price shock and supply chain disruptions are weighing on the economy as a whole in early summer 2026. According to [the DIHK flash survey on the consequences of the conflict](#), 83 per cent of businesses are feeling the negative effects, particularly due to rising energy, transport and material costs. Overall, business sentiment in Germany is deteriorating significantly.

Indicators from the DIHK economic survey

Balances in points, percentages

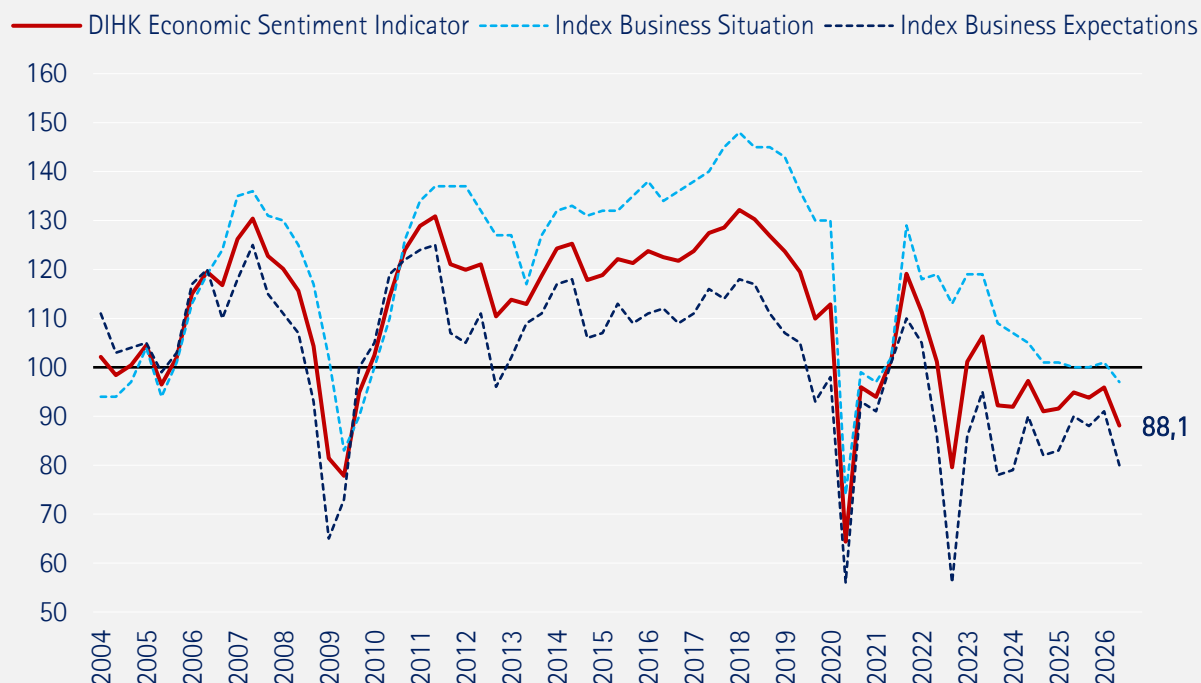


Survey results, early summer 2026 (percentage of responses)



DIHK Sentiment Index

Business confidence is already taking another hit. This brings to an end the weak upward trend that had been observed since Fall 2024. The current DIHK Sentiment Index, which captures the assessments of more than 23,000 businesses across almost all sectors and regions, stands at 88.1 points – a pessimistic figure that has fallen significantly from the previous level of 95.9 points.



The DIHK Sentiment Index is the geometric mean of the Business Situation Index and the Business Expectations Index. The Business Situation Index is calculated as 100 plus the proportion of companies reporting a good business situation minus the proportion reporting a poor business situation. The Business Expectations Index is calculated as 100 plus the proportion of companies with positive business expectations minus the proportion of companies with negative business expectations.

Values above 100 mean that companies assess their sentiment, Situation and expectations as predominantly positive, and vice versa.

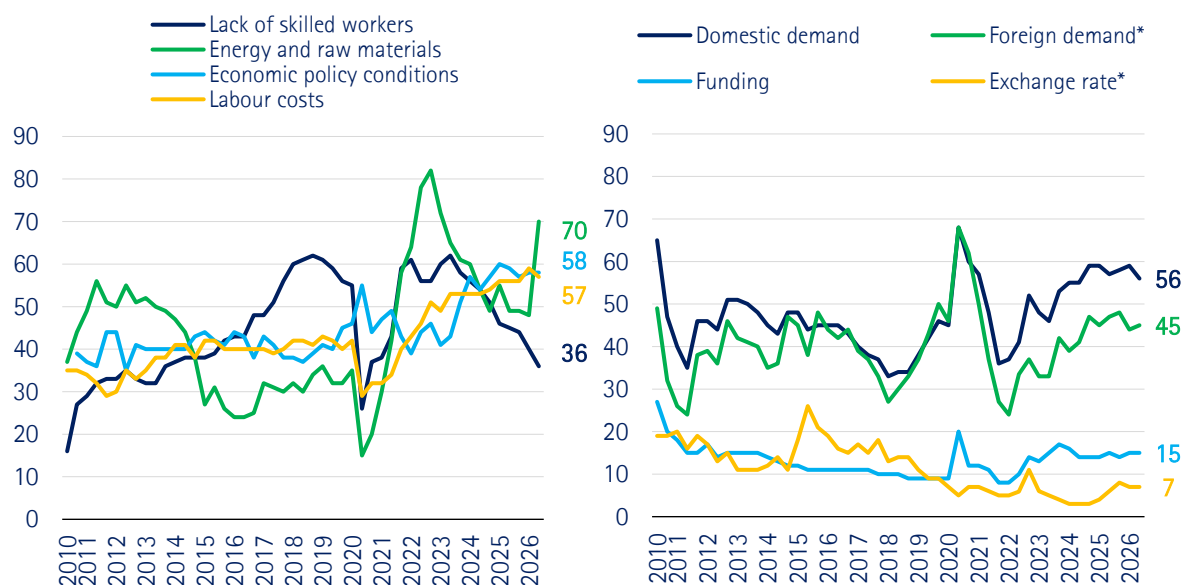
Companies currently rate their **business situation** as worse than at any time since the start of the coronavirus pandemic: the proportion of companies reporting a poor situation in early summer has risen from 24 per cent to 26 per cent. For the first time in over five years, this exceeds the proportion of firms reporting a good situation (23 per cent, down from 25 per cent). The situation balance has fallen by four points to minus three. Even at the start of the Russian war in Ukraine, the balance remained at a clearly positive level. The business situation is becoming increasingly dire, particularly in the retail sector, with the balance falling to minus 21 points (previously minus 14 points). In contrast, the assessment of the situation among service providers remains positive (Balance at plus three, down from plus ten points).

Business **expectations** are also taking a turn for the worse – and quite significantly so. A third of companies expect business to deteriorate over the next twelve months (33 per cent, up from 25 per cent). Only 13 per cent (down from 16 per cent) now expect an improvement. The balance of business expectations has fallen by eleven points to minus 20 points. The balance of expectations is ten points below the previous year's figure and as much as 22 points below its long-term average. The outlook is considered least bleak in the Manufacturing Industry, though the slump in expectations is particularly sharp here (the balance falls by twelve points to minus 16 points).

The economic consequences of the Middle East conflict are having a noticeable impact on companies' **business risks**. The most common risk is **Energy and raw materials** (70 per cent, up from 48 per cent previously). Shortly after the war began, there were sharp price rises for oil, gas and petrol, and prices for building materials and plastics have also risen significantly in the meantime. Consequently, companies across all sectors are feeling increased cost pressure.

Business risks faced by companies

in per cent, multiple answers possible, *export Manufacturing Industry only

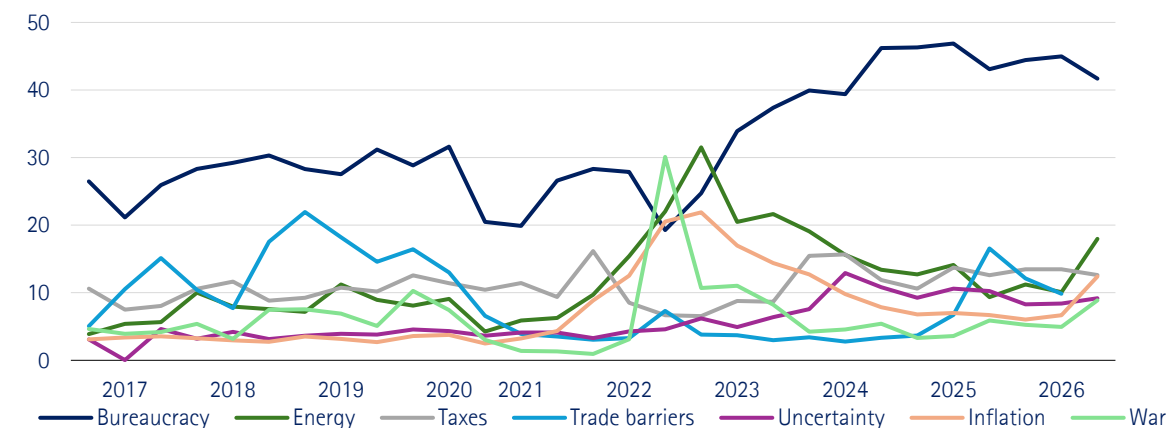


In early summer, companies cited demand risks as a business risk almost as frequently as they did before the escalation in the Middle East. For 57 per cent of companies, **labour costs** are a business obstacle. This means that labour costs are cited only marginally less frequently than at the peak at the start of the year (59 per cent). This reflects not only general wage increases in the wake of high inflation rates, but also rising social security contributions and the increase in the statutory minimum wage.

Businesses cite **domestic demand** as a risk factor almost as frequently (56 per cent, down from 59 per cent). Due to the prolonged period of macroeconomic weakness, a lack of orders and consumer reluctance are widespread problems across the economy. The conflict in the Middle East has led to further uncertainty among consumers and businesses. All of this is reflected in the frequent mention of the business risks 'domestic demand' and 'foreign demand'.

Analysis of free-text field on the business risk "Economic policy"

Percentage share, analysis of 5,700 responses

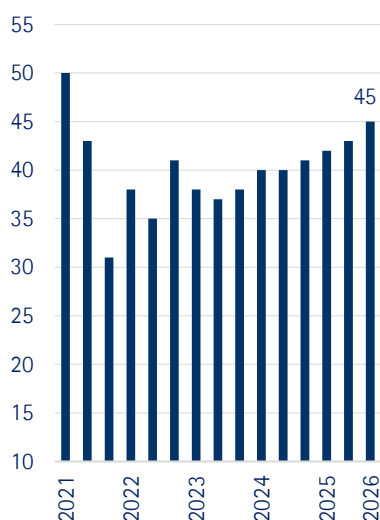


In second place is the risk posed by **Economic policy**. 58 per cent of companies cite this as a problem area for their own business. This business risk is thus just three percentage points below the peak recorded at the start of 2025. Just under 5,800 companies took the opportunity to specify their concerns in more detail in a free-text field: bureaucratic issues were cited most frequently (42 per cent), followed by energy prices (18 per cent). Just under one in ten businesses expressed concern about the war in the Middle East (nine per cent), whilst twelve per cent see rising prices and inflation as a problem. International trade conflicts, by contrast, have receded somewhat into the background: for example, only seven per cent of free-text responses now mention US tariffs or sanctions (previously ten per cent).

Overall, it can be noted that the pressure on businesses has continued to rise and that companies are facing a multitude of business risks. Whilst structural risks and uncertainties regarding demand remain at almost the same high level, new concerns have emerged with the rise in Energy and raw materials. The Economic survey questionnaire offers a choice of eight different business risks. Currently, companies cite an average of 3.1 risks. This is almost on a par with the peak (3.2) recorded at the start of the Russian invasion of Ukraine in February 2022.

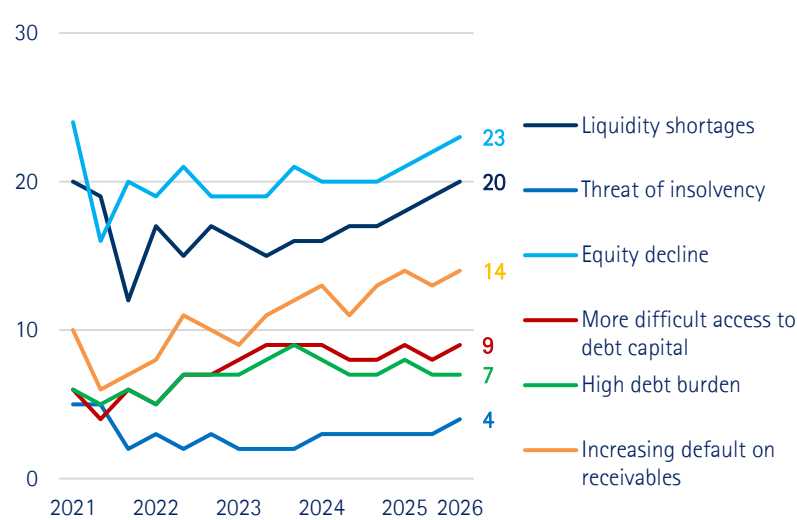
The prolonged period of economic weakness, unresolved structural problems and renewed rises in energy and raw material costs are sapping companies' resilience. Weakened demand coupled with rising costs is placing an increasing strain on companies' budgets. Almost half of companies report **financial** difficulties (45 per cent, up from 43 per cent last year). This is the highest figure since the start of the COVID-19 pandemic (50 per cent at the start of 2021). One in five businesses is suffering from liquidity constraints (20 per cent), whilst nearly one in four reports a decline in equity (23 per cent). 14 per cent are facing increasing bad debts.

Proportion of companies reporting a problem with their financial situation (percentage)



Companies report the following financial problems

(Percentage, multiple responses possible)

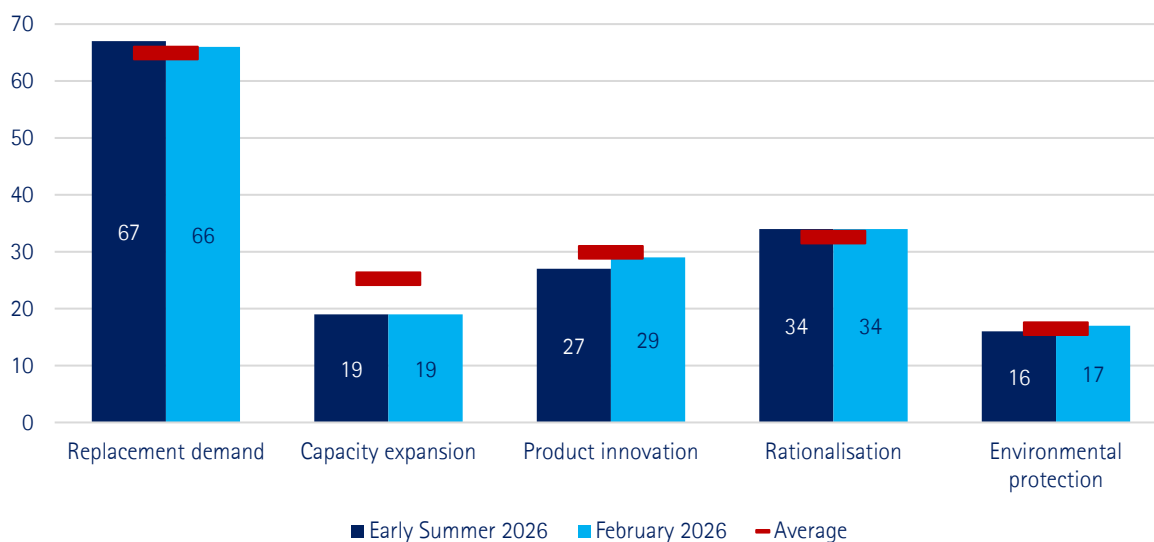


The poor sentiment among companies is accompanied by a significantly clouded outlook for growth and investment. Many companies state that [they are postponing investments or projects](#) due to the crisis in the Middle East: only 23 per cent intend to increase their investment budgets (previously also 23 per cent), whilst more than a third (34 per cent, up from 31 per cent) plan to reduce their budgets. The resulting balance has fallen from minus eight to minus eleven points. Investment plans have been consistently in negative territory since the Fall of 2023, with companies living off their reserves. Accordingly, private investment by businesses and households has also fallen over the past three years. In 2025, according to the Federal Statistical Office, private investment was 11 per cent below the pre-pandemic level of 2019. Given the weak investment plans, a rapid closing of this gap is not to be expected.

When businesses do invest, they are currently doing so mainly to replace machinery, plant or equipment. At 67 per cent, the motive of replacement need is at an all-time high. In contrast, expanding capacity currently plays a role for only a few. At 19 per cent, the figure is at a level last seen during the financial crisis. Product innovation, too, plays only a minor role at 27 per cent (average 30 per cent).

Investment motives of domestic companies

as a percentage; multiple responses allowed



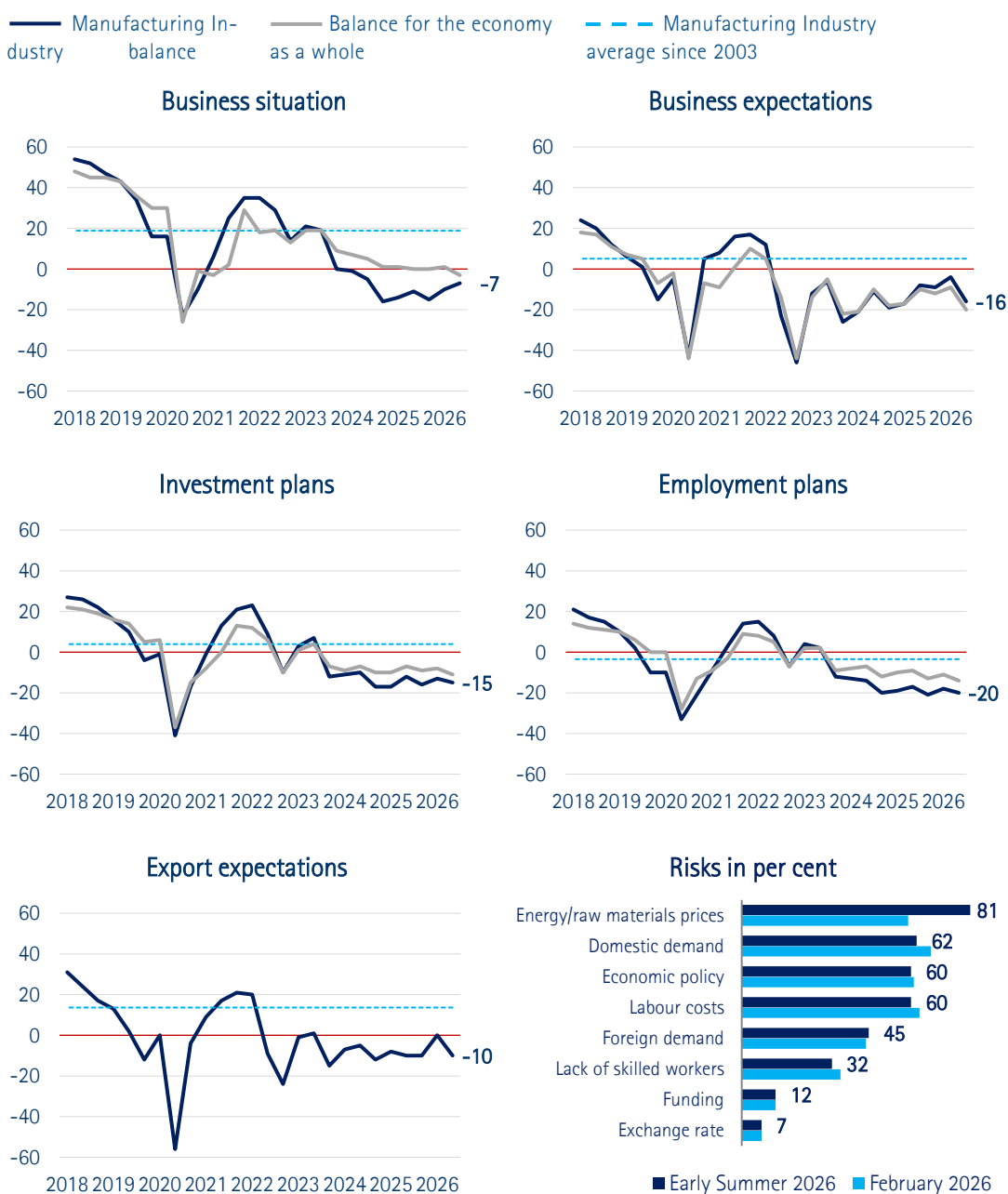
The gloomy mood has long since reached the labour market. There are no signs of a turnaround in **employment plans**. Just under a quarter of businesses (24 per cent, up from 23 per cent) expect to reduce their workforce, whilst only one in ten businesses plans to increase staff numbers (10 per cent, down from 11 per cent). The balance has fallen from minus 11 to minus 14 points compared with the start of 2026. This is the lowest figure since the start of the coronavirus pandemic (balance of minus 28 points in early summer 2020). The overall negative employment plans are reflected in the trend regarding the Lack of skilled workers. Whilst shortly before, and also shortly after, the pandemic, the Lack of skilled workers was a significant risk for over 60 per cent of companies, currently only 36 per cent are concerned about a shortage of qualified staff. This figure is well below the long-term average (45 per cent). Employment plans are lowest in the Manufacturing Industry (balance of minus 20, down from minus 18 points) and in retail (balance of minus 20, down from minus 17 points). The construction sector offers the comparatively best employment prospects (balance remaining at minus nine points). The prospect of orders from the special fund is preventing employment plans from slipping further.

Manufacturing Industry

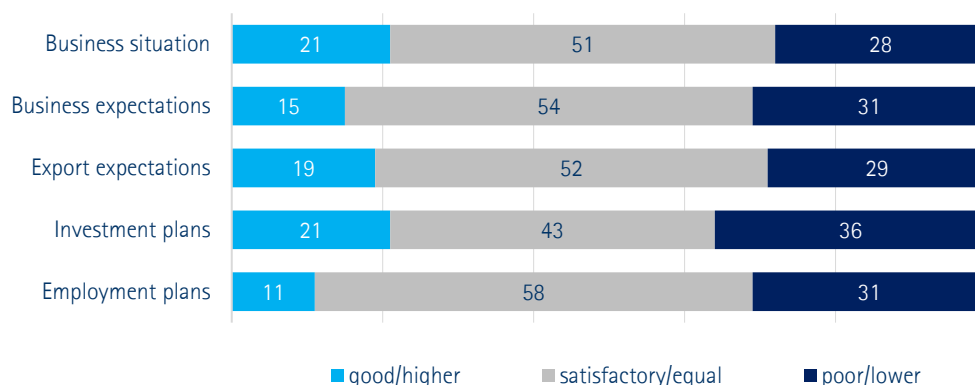
The signs of recovery in the Manufacturing Industry that were still evident at the start of the year began to fade as early as the start of summer. The energy price shock and supply chain disruptions caused by the war in Iran are casting a shadow over the outlook for the coming months. Manufacturing companies are particularly struggling with energy and raw materials prices. The risk here has jumped from 59 per cent at the start of the year to 81 per cent by the start of summer. Similarly high figures were last seen during the energy price crisis following Russia's invasion of Ukraine (85 per cent at the start of 2023). Among energy-intensive companies, more than nine in ten firms see this as a problem (90 per cent, up from 68 per cent). At the same time, economic

indicators for the Manufacturing Industry

Balances in points, shares and risks in per cent



Survey results, early summer 2026 (proportion of responses in per cent)



and structural risks facing the Manufacturing Industry are at near-record levels. No significant easing is evident either in the business risk of labour costs (60 per cent, down from 63 per cent) or in Economic policy (60 per cent, down from 61 per cent). Weak domestic demand is also a cause for concern for just under two-thirds of manufacturing firms (62 per cent, down from 67 per cent).

Three in ten industrial firms rate their **situation** as poor (28 per cent, down from 30 per cent). Only one in five firms (21 per cent, up from 20 per cent) rate their current business as good. The situation therefore appears less bleak than in the previous survey or the previous year. Comparatively good order and export figures have stabilised industrial business somewhat in the first two months. The Balance has therefore risen slightly from minus ten to minus seven points. However, this figure is still well below the long-term industrial average (plus 19 points). This slight change is also reflected in the financial situation of companies: 57 per cent of firms consider their financial situation to be unproblematic. A year ago, the figure was only slightly higher at 58 per cent. Energy-intensive companies assess their current business situation as far worse than the industry average. Although the Balance has risen by nine points, it remains deep in negative territory at minus 16 points. The situation is predominantly positive in the electrical engineering sector, for example. The sector is one of the beneficiaries of digitalisation (Balance of four points, up from three). Companies in the pharmaceutical industry assess their current situation more favourably: however, with a balance of 25 points, they remain below the figure from the previous survey (42 points) and below the long-term sector average (34 points). Uncertainty regarding US tariffs on pharmaceutical products is taking its toll.

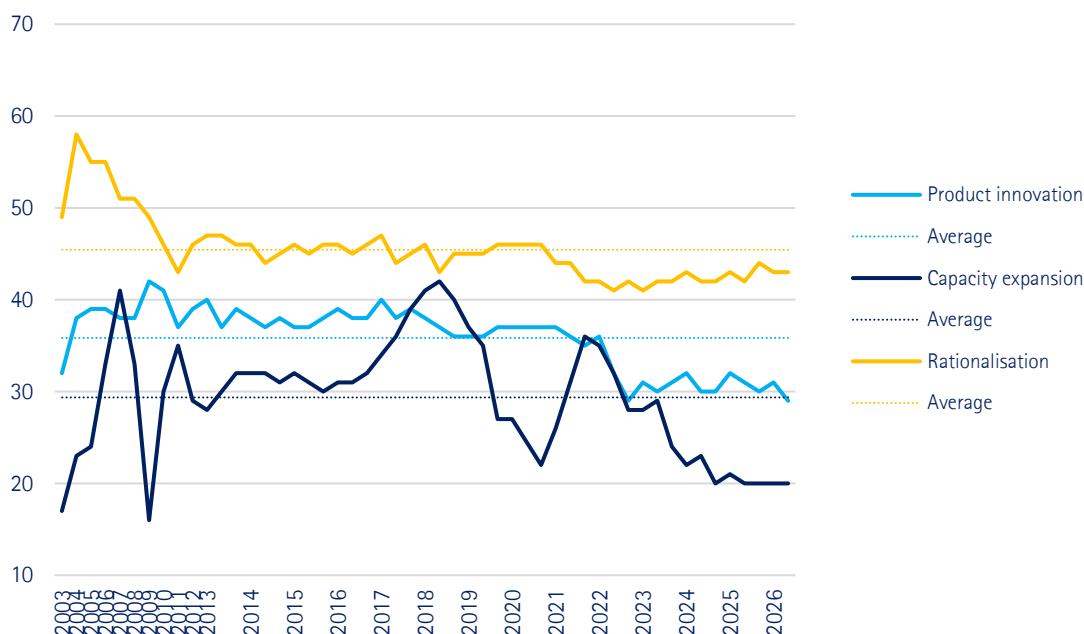
Meanwhile, **business expectations** in the Manufacturing Industry are plummeting. Rising costs, weakened global demand and supply chain disruptions are clouding the outlook for the coming twelve months. The proportion of firms with negative expectations is rising significantly (31 per cent, up from 23 per cent previously). Only 15 per cent (previously 19 per cent) expect an improvement. The Balance of business expectations has fallen by twelve points compared with the previous survey to minus 16 points. Pessimism is prevalent across all industrial sectors.

Following initial signs of a recovery in **the export sector** at the start of the year, a setback has now set in. Not only are supply bottlenecks and price rises caused by the conflict in the Middle East creating uncertainty in the external economy, but so too is a slowing global economy. 45 per cent of exporting industrial firms view weak foreign demand as a business risk (up from 44 per cent to 45 per cent; long-term average 40 per cent). Against this backdrop, the export expectations of the Manufacturing Industry are deteriorating noticeably once again. Only 19 per cent of the Manufacturing Industry now expects exports to rise, whilst almost a third anticipates a decline in export volumes (29 per cent, up from 22 per cent). The balance of export expectations has fallen from zero to minus ten points. Pessimism is prevalent across almost all industrial sectors. The downturn is particularly pronounced among firms in the rubber and plastics industry, which are often not only energy-intensive but also reliant on petrochemical precursors. The export balance here falls by twelve points to minus 15 points. The only positive picture is seen in the pharmaceutical industry. The sector has so far been less severely affected by the Middle East conflict than others. The balance deteriorates only slightly from plus 17 to plus 16 points. Manufacturers of data processing equipment and electrical and optical prod-

ucts are also positive on balance, albeit less so than at the start of the year (Balance of ten, down from 13 points previously). There are also positive signs in the automotive sector. The transformation of the German automotive industry has progressed further, and companies' efforts towards consolidation and rationalisation appear to be bearing their first fruits. The balance of export expectations has risen slightly from minus three to zero points.

Reasons for investment in the Manufacturing Industry

in per cent, multiple answers possible



The poor sentiment across the sector is weighing on the Manufacturing Industry's already restrictive **investment plans**. More than a third of firms intend to scale back investment (36 per cent, up from 35 per cent). By contrast, only 21 per cent (down from 22 per cent) plan to expand their investment. The balance of investment plans among industrial firms has fallen by two points to minus 15. For three years now, companies' investment plans have thus been predominantly negative. The last time there was such a prolonged phase of investment restraint was at the beginning of the 2000s. According to the latest figures published by the Federal Statistical Office, commercial investment in 2025 was 11 per cent below the 2019 level. Given the current negative investment plans, a return to pre-pandemic levels is not expected for the time being.

A look at the reasons behind industrial investment also offers little cause for hope of any significant growth. The proportion of companies planning to invest in expanding capacity remains at 20 per cent. Lower figures were recorded only during the financial crisis (16 per cent in Fall 2009). Product innovation also plays only a minor role, standing at just 29 per cent (previously 31 per cent, long-term average: 36 per cent). By far more significant for industrial firms are rationalisation (unchanged at 43 per cent) and replacement needs (68 per cent, up from 67 per cent). Consequently, companies' focus remains on maintaining assets and cutting costs.

The investment plans of the predominantly energy-intensive manufacturers of intermediate goods are even more negative than the industry average. Due to the poor location factors for energy-intensive production, deindustrialisation is visibly advancing in this sector. At minus 20 points, the balance of investment plans is three points below the previous year's level and two points below the level of the previous survey. Investments aimed at expanding capacity or product innovation have reached near-record lows at 18 per cent and 28 per cent respectively. Investment plans among capital goods manufacturers are somewhat less gloomy. Although they remain in predominantly restrictive territory at minus 12 points, they have actually improved slightly since the previous survey (Balance of minus 14 points at the start of the year).

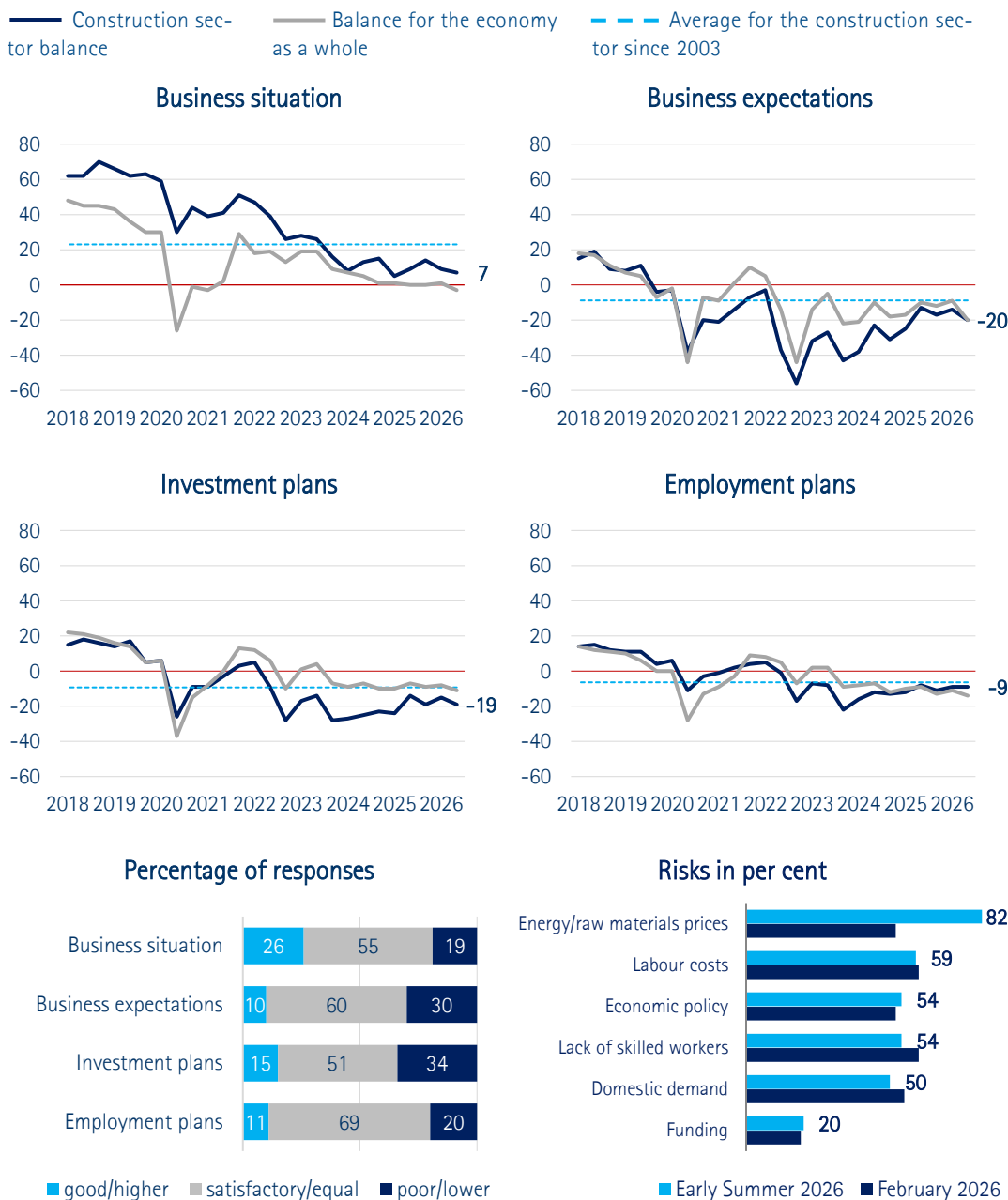
The weakness of the Manufacturing Industry is also evident in the **labour market**. The number of people employed in the Manufacturing Industry has fallen by half a million since 2019. This trend is continuing. Only just over one in ten companies (remaining at 11 per cent) expect to take on more staff. The proportion of industrial firms planning to reduce their workforce has risen from 29 to 31 per cent. The balance has deteriorated by two points to currently minus 20 points. This is the lowest level since early summer 2020 (minus 43 points). The labour market-related business risks faced by companies are developing in line with the low demand for labour. The Lack of skilled workers is now a concern for only a third of firms (32 per cent, down from 35 per cent). The business risk is now well below the long-term average in the manufacturing sector (40 per cent). At the same time, labour costs remain a problem for almost two-thirds of companies (60 per cent, down from 63 per cent). According to the Federal Statistical Office, labour costs in Germany stood at 45 euros per hour, 22 per cent above the EU average. Employment trends remain particularly strained in key sectors of the German Manufacturing Industry, such as motor vehicle manufacturing. There, more than half of companies are planning staff cuts (51 per cent). The employment balance remains deep in the red at minus 42 points (previously minus 45 points).

Construction sector

The Middle East conflict is putting the brakes on the construction industry. Companies are being affected in several ways. For instance, prices for building materials have risen significantly since the start of the war: glass, steel and cement are energy-intensive products. Bitumen, which is used in road construction, amongst other things, is a by-product of oil refining. Furthermore, the proportion of costs accounted for by fuel and transport in the construction sector is comparatively high. Consequently, 82 per cent of construction firms view the rise in Energy and raw materials prices as a business risk (previously 52 per cent). Added to this is the concern over a renewed rise in construction lending rates should the ECB raise interest rates again to counter inflationary pressures. In many areas, these pressures are overshadowing the positive impetus from public spending on infrastructure modernisation or the construction stimulus.

Construction sector indicators

Balances in points, shares and risks in per cent



Structural reforms, such as the amendment of the Building Code, which could bring relief to the sector, are, however, still in the political process.

Around a quarter of construction firms rate the current **business situation** as good (26 per cent, down from 28 per cent), but 19 per cent continue to rate it negatively. The balance of opinion has fallen slightly by two points to seven. This figure is thus well below the long-term average for the construction sector (23 balance points). Building construction firms are taking a very moderate view of their current business (Balance of plus one, down from zero points previously). The situation is most positive in the finishing trades, where the balance has improved slightly by two points to plus 19.

Business expectations in the construction sector are easing again. The upward trend in expectations, which had been observed since the low point during the energy price crisis at the start of the war in Ukraine (Balance of minus 56 points in Fall 2022), is not continuing. On the contrary: despite rising building permits, the proportion of pessimists has risen from just over a quarter to just under a third (30 per cent, up from 26 per cent). Only one in ten firms now has positive expectations (down from 13 per cent). The Balance of business expectations in construction has fallen by six points to minus 20 points. This is below both the previous year's figure (minus 14 points) and the long-term average (minus nine points).

As is the case for the economy as a whole, **labour costs** are one of the most common business risks for construction firms (59 per cent, down from 60 per cent, the previous high). The statutory minimum wage has also applied to the construction sector since 2024. Construction firms are also feeling the impact of the significant increase in the minimum wage since the start of the year to €13.90. Nevertheless, **employment plans** in the construction sector remain stable for the time being. As at the start of the year, just over a tenth (11 per cent) plan to take on more staff, whilst twice as many anticipate a decline (20 per cent). At minus nine points, the Balance remains only slightly below the long-term average (minus six points). The prospect of further contracts from the special fund, as well as the increasing number of employees retiring, are having a positive effect on staffing requirements in the construction sector. Accordingly, compared to the economy as a whole, the **Lack of skilled workers** in the construction sector remains above average (54 per cent, down from 60 per cent previously).

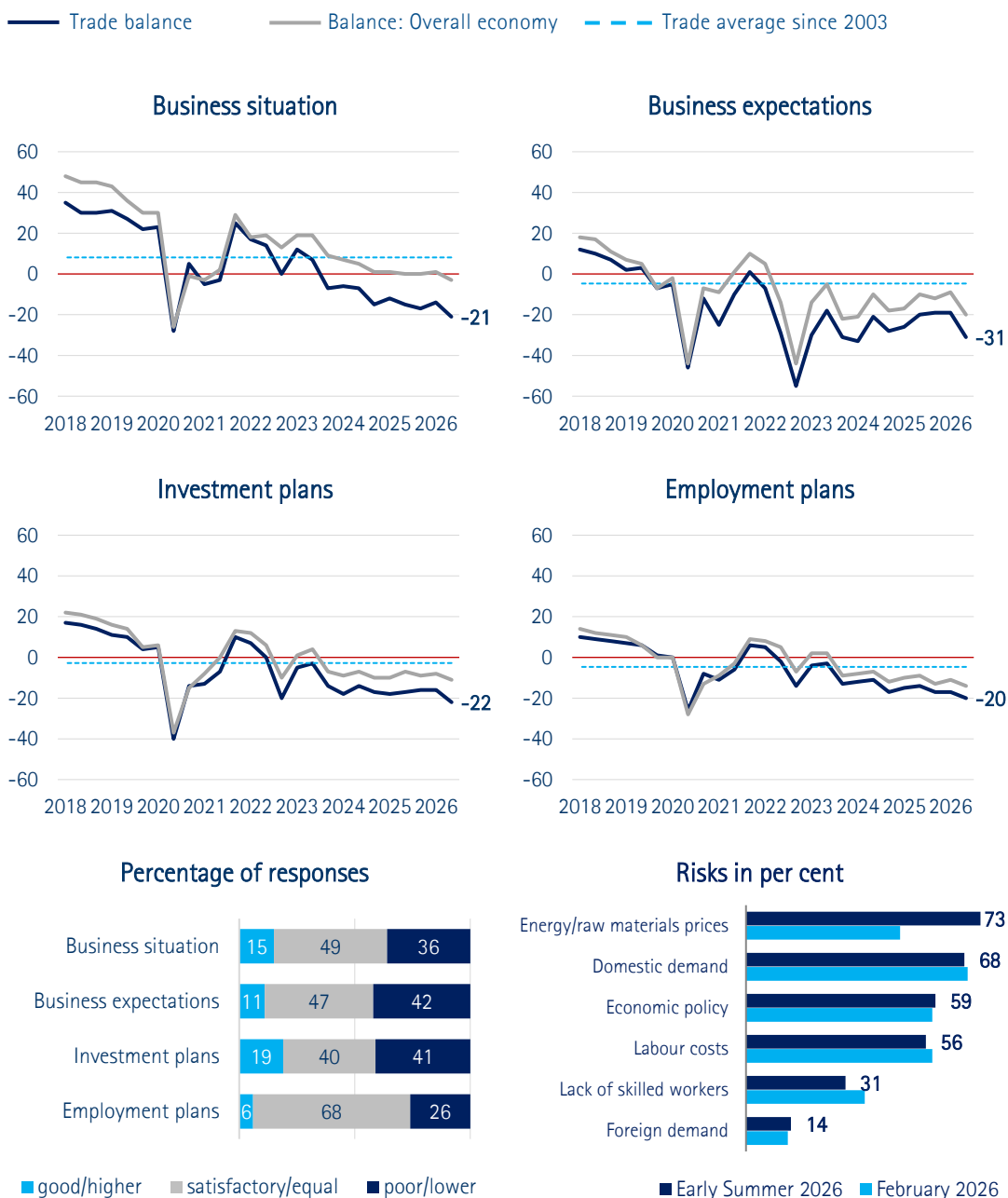
The upward trend in **investment plans** within the construction sector has come to a halt. Just over a third of companies – and thus more than at the start of the year – plan to reduce their investment budgets (34 per cent, up from 29 per cent), whilst only 15 per cent are considering an increase (up from 14 per cent). The Balance has fallen by four points and, at minus 19 points, is well below the long-term average (minus nine points). The dominant reason for investment remains the need for replacement (79 per cent). However, the need to expand capacity is also cited more frequently than average (21 per cent, up from 17 per cent previously; the long-term average is 19 per cent). This suggests that, despite the current difficult macroeconomic situation, construction firms are anticipating higher order volumes in the long term.

Trade sector

Sentiment in the retail sector is deteriorating rapidly. Even before the crisis in the Middle East, consumer and business demand was weak due to the prolonged economic stagnation. Now, businesses are also facing significantly higher energy costs and supply chain disruptions. Furthermore, the war is putting an additional damper on private consumer sentiment. Furthermore, small and medium-sized retailers in particular are suffering from growing competition from large online retailers and non-European platforms. Both the business situation and business expectations in the retail sector are deteriorating noticeably.

Trade sector indicators

Balances in points, shares and risks in per cent



Of all economic sectors, the retail sector has the most negative view of its current business situation. Whilst the proportion of businesses reporting a good situation has fallen to 15 per cent (from 18 per cent previously), more than a third rate the situation as poor (35 per cent, up from 32 per cent). Consequently, the net balance has fallen from minus 14 to minus 21 points.

As in other sectors, the risk posed by energy and raw materials in the retail sector has jumped to 73 per cent (up from 48 per cent), a figure that is now only slightly below the peak reached during the energy price crisis (85 per cent). In second place is the problem of weak domestic demand (68 per cent, up from 69 per cent). Among wholesalers, as many as three-quarters (75 per cent) of businesses fear a weak order situation over the coming twelve months. This is just below the peak of 76 per cent. In addition, 56 per cent of retailers are concerned about rising labour costs. Even more frequently, they cite Economic policy as a business risk (59 per cent). High costs and weak demand are weighing on the financial situation of many retailers. Just under half of companies report a problematic financial situation (49 per cent), the highest figure since the coronavirus pandemic.

In light of the difficult business climate, **business prospects** in the retail sector are looking increasingly bleak. 42 per cent of businesses (up from 33 per cent previously) expect business conditions to deteriorate in the coming months, whilst only 11 per cent (down from 14 per cent previously) are hopeful of an improvement. The balance has fallen significantly from minus 19 to minus 31 points. This is well below the long-term average of minus five points.

The lack of prospects for an economic upturn is weighing on the **investment and employment plans** of many retail firms. These are at their lowest level since the pandemic began: only one in five businesses (19 per cent, down from 20 per cent) intends to increase its investment budget, whilst 41 per cent will be making cuts (up from 36 per cent). Compared with the previous survey, the investment balance has fallen by six points to minus 22. Overall, as in other sectors of the economy, replacement investment is the main focus in the retail sector (67 per cent, a record high). More than a third of retailers (unchanged at 35 per cent) plan to invest in rationalisation. This is the highest figure in 20 years (36 per cent in the Fall of 2005). Mirroring the low level of investment, retailers' staffing plans are deteriorating. Hardly any companies are currently planning to increase their workforce. Only six per cent expect their workforce to grow, whilst 27 per cent are planning job cuts. The balance of **employment plans** has fallen by three points to minus 20.

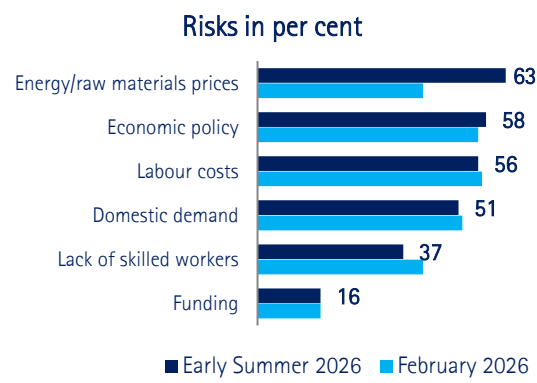
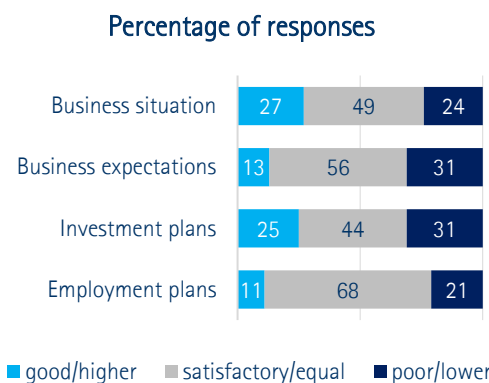
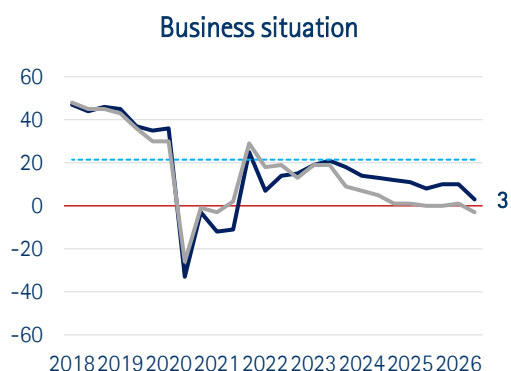
Service sector

Companies in the highly diverse services sector had previously reported relatively stable assessments of their Situation and outlook. However, business is now also slowing down for service providers. Companies in the transport sector, in particular, are being hit by additional costs resulting from the sharp rise in fuel prices. Travel agencies are also feeling the effects of the Middle East conflict keenly. However, sentiment is also turning among less energy-intensive service providers, as consumer uncertainty is leading to a reluctance to spend.

Service sector indicators

Balances in points, shares and risks in per cent

— Balance for Service sector — Balance for the economy as a whole - - - Average for Service sector since 2003



Three years without economic growth are putting the resilience of businesses in the services sector to the test. With the latest price and cost shock caused by the war in the Middle East, the **business climate** is now deteriorating significantly. Only 27 per cent of service companies now rate their situation as good (down from 30 per cent), whilst 24 per cent rate it as poor (up from 20 per cent). The balance of sentiment has fallen from ten to just three points. The economic downturn is also worsening the financial situation of many businesses. Just under half of service providers report financial problems (46 per cent, up from 44 per cent last year). It is declines in equity (24 per cent), liquidity bottlenecks (20 per cent) and increasing bad debts (13 per cent) that are causing concern in the service sector. Companies in the transport and logistics sector are coming under particular pressure due to rising fuel prices. For 89 per cent, energy and raw materials represent a business risk. Even if the increased costs are passed on in full to customers, liquidity problems can arise because there is usually a gap of several weeks between paying for fuel and receiving payment from customers. Consequently, 54 per cent of firms in the transport sector report a problematic financial situation, a quarter (24 per cent) are already reporting liquidity bottlenecks, and six per cent even see themselves at risk of insolvency. As a result, the Balance of the assessment of the situation in the transport sector has fallen to minus 15 points (previously minus nine points), its lowest level since the pandemic began.

Business is generally going well for companies in the health and social services sector – although the Situation has deteriorated here too (13 points, down from 19). Whilst demand for health and care services remains high due to demographic factors, companies are under considerable cost and structural pressure: 61 per cent of firms view high labour costs as a risk. For 59 per cent, rising **energy** and raw materials represent a key challenge – at the start of the year, this figure stood at just 36 per cent. The price rises are affecting both inpatient facilities and outpatient services. At the same time, the Lack of skilled workers remains a major challenge for 62 per cent of businesses.

The outlook for service providers over the next twelve months is also looking bleaker. Just under a third of businesses (32 per cent, up from 24 per cent) have negative **expectations**, whilst only 13 per cent (down from 16 per cent) anticipate an improvement. The Balance has fallen from minus eight to minus 18 points. The downturn is particularly pronounced among **service providers** whose **business** is predominantly **people-oriented**. The balance has fallen by 18 points to minus 26. In travel agencies, the balance of expectations has plummeted by 38 points to minus 49. This marks one of the lowest figures in the entire service sector. However, **service providers** predominantly **servicing businesses** are also looking at their business with increasing concern. They fear a decline in orders given the difficult macroeconomic situation. Their most common business risk is domestic demand (unchanged at 60 per cent). The balance of business expectations falls from minus four to minus twelve points.

Pessimistic business outlooks are pushing service providers' **investment plans** further into negative territory: overall, only a quarter (unchanged at 25 per cent) of service providers intend to increase their capital budgets, whereas three in ten (31 per cent, up from 27 per cent) plan to cut back on investment. The balance has fallen from minus two to minus six points; the long-term average stands at plus four points. As in the economy as a whole, the most common reasons for investment are replacement needs (65 per cent) and rationalisation (30 per cent). Investment plans in **the transport and logistics sector** are particularly restrictive. The balance has fallen from minus eight to minus 13 points. The hospitality sector is also planning significantly more restrictive investment (minus 16, down from minus five). Companies in the **leasing and brokerage services** sector also remain cautious (balance falls from minus twelve to minus 14 points). By contrast, **financial and insurance service providers** have significantly above-average investment plans. At plus 16 points (previously 18 points), the Balance is well above the long-term sector average of plus nine points.

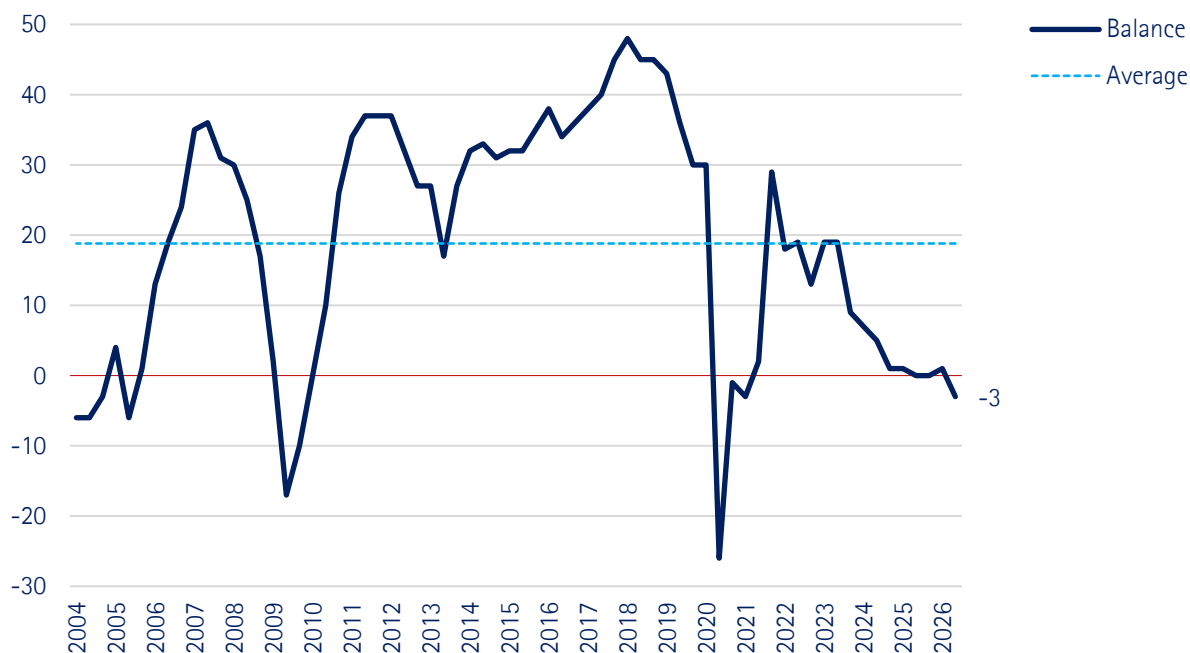
Like the economy as a whole, businesses in the service sector are becoming increasingly cautious in their **recruitment plans**. Only one in ten now plans to expand their workforce (11 per cent, down from 13 per cent), whilst one in five intends to operate with fewer staff in future (21 per cent, up from 20 per cent). As a result, the Balance has fallen again, from minus seven to minus ten points. These cautious staffing plans are accompanied by a further decline in the risk of a Lack of skilled workers. Only 37 per cent (down from 42 per cent) of service providers now view the lack of qualified staff as a business problem. This is now well below the long-term average (48 per cent). Only a few sectors still report predominantly positive employment plans, including insurance (Balance of plus six, up from five points), legal and tax advisors (Balance of plus nine, down from 15 points) and companies in the health and social services sector (Balance of plus six, down from ten points).

Time series from the DIHK surveys

Business situation of companies (percentages, Balance in points)

| | Overall | | | | by economic sector | | | | by company size | | | |
|-------------------|---------|--------------|------|---------------------|---------------------------------|-----------------------|-----------------------|-------------------------|------------------------|--------------------------|---------------------------|---------------------------------|
| | Good | satisfactory | poor | Balance for Germany | Balance: Manufacturing Industry | Balance: Construction | Balance: Trade sector | Balance: Service sector | Balance 1-19 employees | Balance 20-199 employees | Balance 200-999 employees | Balance 1,000 or more employees |
| Early summer 2020 | 19 | 36 | 45 | -26 | -23 | 30 | -28 | -33 | -32 | -20 | -21 | -20 |
| Fall 2020 | 28 | 43 | 29 | -1 | -10 | 44 | 5 | -3 | -3 | 1 | -2 | 1 |
| Start of 2021 | 29 | 39 | 32 | -3 | 6 | 39 | -5 | -12 | -12 | 1 | 13 | 17 |
| Early summer 2021 | 32 | 38 | 30 | 2 | 25 | 41 | -3 | -11 | -11 | 10 | 26 | 32 |
| Fall 2021 | 43 | 43 | 14 | 29 | 35 | 51 | 25 | 25 | 20 | 35 | 39 | 45 |
| Start of 2022 | 39 | 40 | 21 | 18 | 35 | 47 | 17 | 7 | 6 | 24 | 40 | 41 |
| Early summer 2022 | 36 | 47 | 17 | 19 | 29 | 39 | 14 | 14 | 11 | 26 | 31 | 35 |
| Fall 2022 | 32 | 49 | 19 | 13 | 14 | 26 | 0 | 15 | 7 | 19 | 18 | 21 |
| Start of 2023 | 34 | 51 | 15 | 19 | 21 | 28 | 12 | 19 | 12 | 25 | 25 | 30 |
| Early summer 2023 | 34 | 51 | 15 | 19 | 19 | 26 | 7 | 21 | 13 | 24 | 24 | 25 |
| Fall 2023 | 30 | 49 | 21 | 9 | 0 | 16 | -7 | 18 | 7 | 12 | 9 | 16 |
| Start of 2024 | 29 | 49 | 22 | 7 | -1 | 8 | -6 | 14 | 2 | 9 | 12 | 23 |
| Early summer 2024 | 28 | 49 | 23 | 5 | -5 | 13 | -7 | 13 | 3 | 6 | 9 | 13 |
| Fall 2024 | 26 | 49 | 25 | 1 | -16 | 15 | -15 | 12 | 1 | 0 | 0 | 5 |
| Start of 2025 | 26 | 49 | 25 | 1 | -14 | 5 | -12 | 11 | -1 | 0 | 5 | 8 |
| Early summer 2025 | 25 | 50 | 25 | 0 | -11 | 9 | -15 | 8 | -3 | 0 | 6 | 7 |
| Fall 2025 | 25 | 50 | 25 | 0 | -15 | 14 | -17 | 10 | -1 | -1 | 2 | 4 |
| Start of 2026 | 25 | 51 | 24 | 1 | -10 | 9 | -14 | 10 | -1 | 0 | 7 | 16 |
| Early summer 2026 | 23 | 51 | 26 | -3 | -7 | 7 | -21 | 3 | -8 | -2 | 8 | 15 |

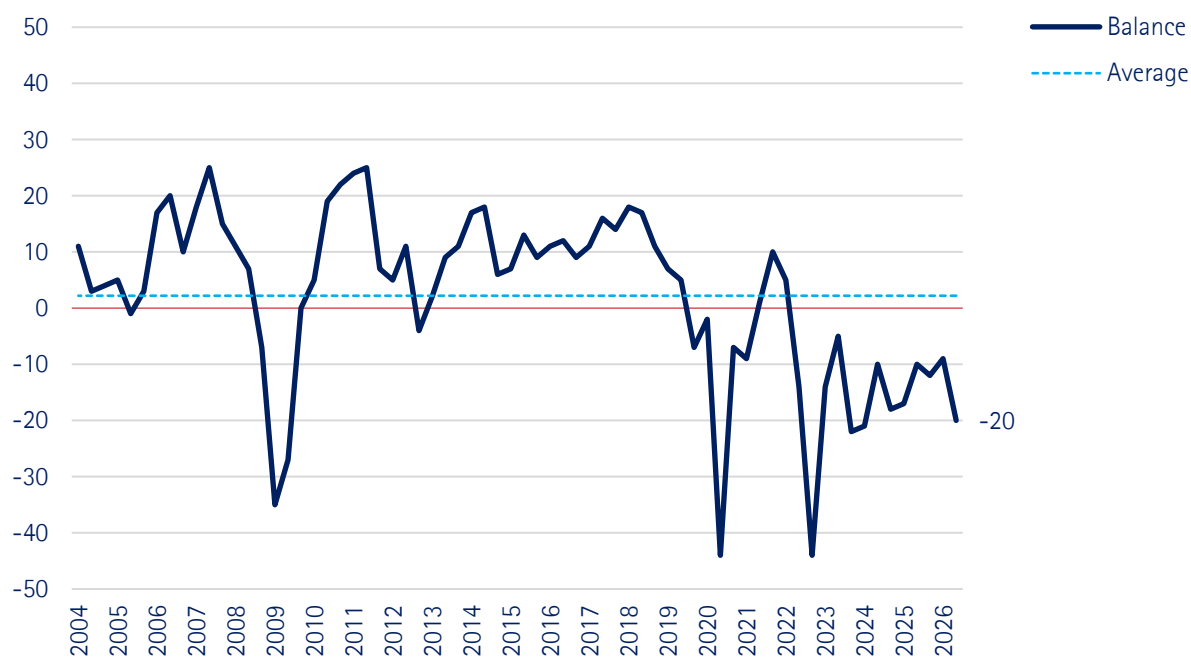
Business situation of companies (Balance in points)



Business expectations of enterprises (percentage shares, Balance in points)

| | Overall | | | | by economic sector | | | | by company size | | | |
|-------------------|---------|-----------|-------|---------------------|---------------------------------|-----------------------|-----------------------|-------------------------|------------------------|--------------------------|---------------------------|---------------------------------|
| | better | unchanged | worse | Balance for Germany | Balance: Manufacturing Industry | Balance: Construction | Balance: Trade sector | Balance: Service sector | Balance 1-19 employees | Balance 20-199 employees | Balance 200-999 employees | Balance 1,000 or more employees |
| Early summer 2020 | 13 | 30 | 57 | -44 | -43 | -38 | -46 | -45 | -42 | -45 | -45 | -50 |
| Fall 2020 | 21 | 51 | 28 | -7 | 5 | -20 | -12 | -10 | -14 | -5 | 6 | 14 |
| Start of 2021 | 22 | 47 | 31 | -9 | 8 | -21 | -25 | -12 | -18 | -6 | 9 | 14 |
| Early summer 2021 | 25 | 51 | 24 | 1 | 16 | -14 | -10 | -2 | -9 | 5 | 16 | 22 |
| Fall 2021 | 27 | 56 | 17 | 10 | 17 | -7 | 1 | 12 | 5 | 13 | 18 | 28 |
| Start of 2022 | 24 | 57 | 19 | 5 | 12 | -3 | -7 | 5 | -2 | 8 | 16 | 25 |
| Early summer 2022 | 19 | 48 | 33 | -14 | -23 | -37 | -29 | -3 | -14 | -15 | -19 | -8 |
| Fall 2022 | 8 | 40 | 52 | -44 | -46 | -56 | -55 | -39 | -45 | -47 | -41 | -33 |
| Start of 2023 | 16 | 54 | 30 | -14 | -12 | -32 | -30 | -9 | -18 | -14 | -7 | 2 |
| Early summer 2023 | 18 | 59 | 23 | -5 | -6 | -27 | -18 | 0 | -8 | -5 | 0 | 6 |
| Fall 2023 | 13 | 52 | 35 | -22 | -26 | -43 | -31 | -16 | -24 | -25 | -17 | -7 |
| Start of 2024 | 14 | 51 | 35 | -21 | -21 | -38 | -33 | -16 | -24 | -23 | -11 | 0 |
| Early summer 2024 | 16 | 58 | 26 | -10 | -11 | -23 | -21 | -6 | -14 | -10 | -4 | 5 |
| Fall 2024 | 13 | 56 | 31 | -18 | -19 | -31 | -28 | -14 | -21 | -19 | -11 | -2 |
| Start of 2025 | 14 | 55 | 31 | -17 | -17 | -25 | -26 | -13 | -21 | -18 | -9 | 3 |
| Early summer 2025 | 16 | 58 | 26 | -10 | -8 | -13 | -20 | -8 | -14 | -8 | -2 | 6 |
| Fall 2025 | 15 | 58 | 27 | -12 | -9 | -17 | -19 | -10 | -17 | -10 | -3 | 10 |
| Start of 2026 | 16 | 59 | 25 | -9 | -4 | -14 | -19 | -8 | -15 | -7 | 2 | 11 |
| Early summer 2026 | 13 | 54 | 33 | -20 | -16 | -20 | -31 | -18 | -25 | -19 | -8 | 0 |

Business expectations of companies (Balance in points)

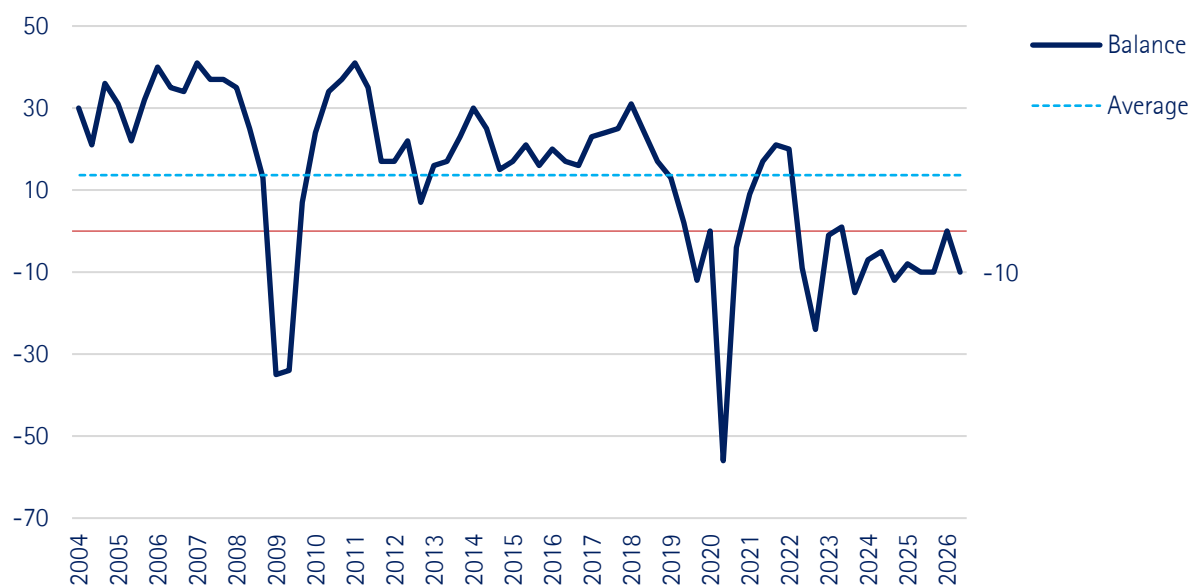


Export expectations of the Manufacturing Industry (percentage shares, Balance in points)

shares, Balance in points)

| | Overall | | | | by main groups | | | by company size | | | |
|--------------------------|-----------|-----------|-----------|---------------------|--|-------------------------------------|---|------------------------|--------------------------|---------------------------|---------------------------------|
| | higher | stable | lower | Balance for Germany | Balance for intermediate goods producers | Balance for capital goods producers | Balance of consumer and durable goods producers | Balance 1–19 employees | Balance 20–199 employees | Balance 200–999 employees | Balance 1,000 or more employees |
| Early summer 2020 | 8 | 28 | 64 | -56 | -56 | -61 | -50 | -56 | -55 | -55 | -63 |
| Fall 2020 | 26 | 44 | 30 | -4 | -5 | -1 | -10 | -18 | -11 | 8 | 26 |
| Start of 2021 | 30 | 49 | 21 | 9 | 10 | 10 | 1 | -7 | 3 | 25 | 31 |
| Early summer 2021 | 33 | 51 | 16 | 17 | 15 | 24 | 8 | -1 | 10 | 35 | 39 |
| Fall 2021 | 33 | 55 | 12 | 21 | 16 | 31 | 18 | 3 | 16 | 35 | 43 |
| Start of 2022 | 33 | 54 | 13 | 20 | 15 | 31 | 17 | 1 | 13 | 36 | 50 |
| Early summer 2022 | 19 | 52 | 29 | -9 | -14 | -3 | -9 | -20 | -15 | -2 | 17 |
| Fall 2022 | 16 | 44 | 40 | -24 | -35 | -10 | -21 | -35 | -32 | -13 | 4 |
| Start of 2023 | 23 | 53 | 24 | -1 | -8 | 11 | -4 | -15 | -8 | 9 | 30 |
| Early summer 2023 | 23 | 55 | 22 | 1 | -5 | 10 | 2 | -12 | -4 | 13 | 23 |
| Fall 2023 | 18 | 49 | 33 | -15 | -23 | -7 | -9 | -25 | -22 | -5 | 9 |
| Start of 2024 | 21 | 51 | 28 | -7 | -12 | -1 | -5 | -22 | -13 | 3 | 23 |
| Early summer 2024 | 21 | 53 | 26 | -5 | -9 | -3 | 0 | -16 | -10 | 6 | 10 |
| Fall 2024 | 19 | 50 | 31 | -12 | -17 | -9 | -5 | -25 | -15 | -7 | 8 |
| Start of 2025 | 20 | 52 | 28 | -8 | -13 | -5 | 2 | -19 | -13 | 0 | 13 |
| Early summer 2025 | 19 | 52 | 29 | -10 | -13 | -7 | -9 | -21 | -14 | -2 | 9 |
| Fall 2025 | 19 | 52 | 29 | -10 | -14 | -6 | -8 | -23 | -15 | -2 | 14 |
| Start of 2026 | 22 | 56 | 22 | 0 | -5 | 5 | 0 | -16 | -6 | 12 | 22 |
| Early summer 2026 | 19 | 52 | 29 | -10 | -14 | -3 | -10 | -21 | -16 | -1 | 16 |

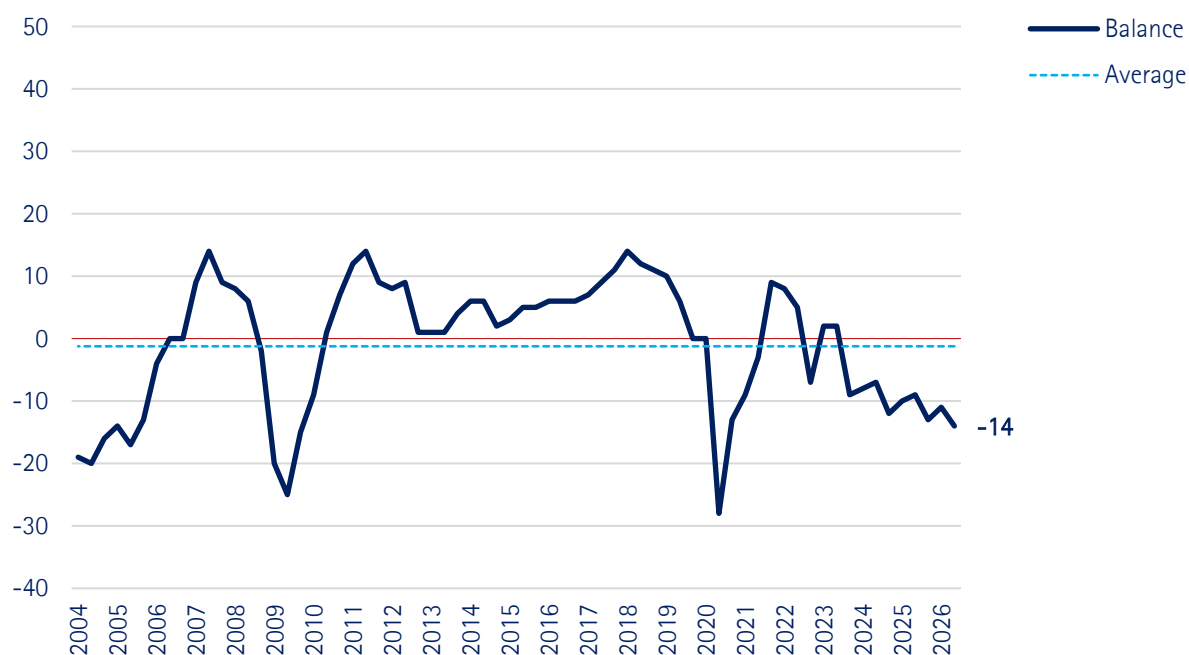
Export expectations of industrial firms (Balance in points)



Companies' employment plans (percentage shares, Balance in points)

| | Overall | | | | by economic sector | | | | by company size | | | |
|-------------------|---------|--------|-------|---------------------|--|-----------------------|----------------------|--------------------------|------------------------|--------------------------|---------------------------|---------------------------------|
| | higher | stable | lower | Balance for Germany | Balance for the Manufacturing Industry | Balance: Construction | Balance Trade sector | Balance Service Provider | Balance 1-19 employees | Balance 20-199 employees | Balance 200-999 employees | Balance 1,000 or more employees |
| Early summer 2020 | 6 | 60 | 34 | -28 | -33 | -11 | -26 | -28 | -24 | -30 | -37 | -34 |
| Fall 2020 | 11 | 65 | 24 | -13 | -21 | -3 | -8 | -12 | -10 | -12 | -24 | -26 |
| Start of 2021 | 13 | 65 | 22 | -9 | -9 | -1 | -11 | -9 | -9 | -8 | -12 | -13 |
| Early summer 2021 | 16 | 65 | 19 | -3 | 3 | 2 | -6 | -6 | -7 | 1 | 0 | -5 |
| Fall 2021 | 22 | 65 | 13 | 9 | 14 | 4 | 6 | 8 | 4 | 15 | 12 | 8 |
| Start of 2022 | 21 | 66 | 13 | 8 | 15 | 5 | 5 | 5 | 2 | 13 | 14 | 15 |
| Early summer 2022 | 19 | 67 | 14 | 5 | 8 | -1 | -2 | 7 | 1 | 10 | 8 | 13 |
| Fall 2022 | 13 | 67 | 20 | -7 | -7 | -17 | -14 | -5 | -10 | -7 | -2 | 0 |
| Start of 2023 | 17 | 68 | 15 | 2 | 4 | -7 | -4 | 4 | -1 | 5 | 6 | 10 |
| Early summer 2023 | 17 | 68 | 15 | 2 | 2 | -8 | -3 | 4 | -2 | 4 | 4 | 11 |
| Fall 2023 | 13 | 65 | 22 | -9 | -12 | -22 | -13 | -5 | -9 | -9 | -8 | -2 |
| Start of 2024 | 14 | 64 | 22 | -8 | -13 | -16 | -12 | -3 | -9 | -8 | -9 | 1 |
| Early summer 2024 | 13 | 67 | 20 | -7 | -14 | -12 | -11 | -2 | -8 | -7 | -9 | 3 |
| Fall 2024 | 12 | 64 | 24 | -12 | -20 | -13 | -17 | -6 | -11 | -13 | -13 | -4 |
| Start of 2025 | 12 | 66 | 22 | -10 | -19 | -12 | -15 | -4 | -9 | -12 | -13 | -6 |
| Early summer 2025 | 13 | 65 | 22 | -9 | -17 | -8 | -14 | -4 | -7 | -11 | -12 | -5 |
| Fall 2025 | 11 | 65 | 24 | -13 | -21 | -11 | -17 | -7 | -11 | -15 | -13 | -13 |
| Start of 2026 | 12 | 65 | 23 | -11 | -18 | -9 | -17 | -7 | -9 | -13 | -15 | -13 |
| Early summer 2026 | 10 | 66 | 24 | -14 | -20 | -9 | -20 | -10 | -12 | -16 | -14 | -20 |

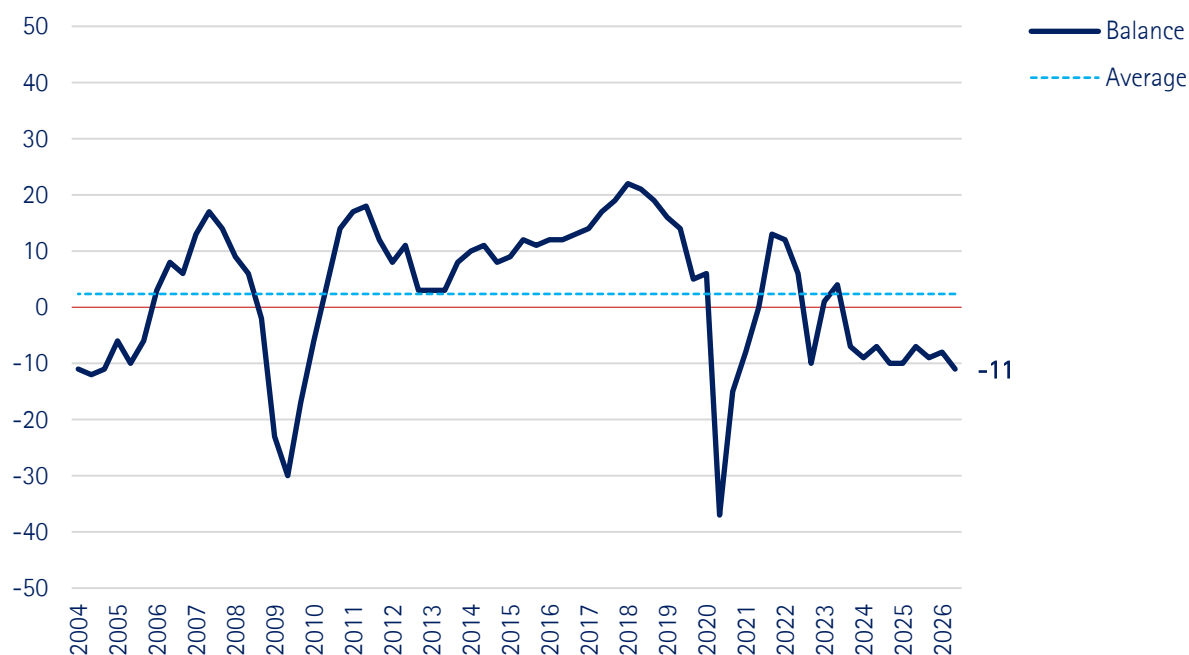
Companies' employment plans (balance in points)



Companies' investment plans (percentage shares, Balance in points)

| | Overall | | | | by economic sector | | | | by company size | | | |
|-------------------|---------|--------|-------|---------------------|---|-----------------------|-----------------------|-------------------------|---------------------------|-----------------------------|------------------------------|---------------------------------------|
| | higher | stable | lower | Balance for Germany | Balance for the Manu- facturing Industry | Balance: Construction | Balance: Trade sector | Balance: Service sector | Balance 1-19 employees | Balance 20-199 employees | Balance 200-999 employees | Balance 1,000 or more employees |
| Early summer 2020 | 12 | 39 | 49 | -37 | -41 | -26 | -40 | -35 | -36 | -38 | -35 | -36 |
| Fall 2020 | 19 | 47 | 34 | -15 | -17 | -9 | -14 | -15 | -17 | -13 | -13 | -14 |
| Start of 2021 | 22 | 48 | 30 | -8 | -1 | -9 | -13 | -11 | -15 | -6 | 3 | 4 |
| Early summer 2021 | 26 | 48 | 26 | 0 | 13 | -3 | -7 | -4 | -9 | 4 | 15 | 16 |
| Fall 2021 | 31 | 51 | 18 | 13 | 21 | 3 | 10 | 12 | 5 | 18 | 24 | 28 |
| Start of 2022 | 31 | 50 | 19 | 12 | 23 | 5 | 7 | 9 | 2 | 17 | 27 | 33 |
| Early summer 2022 | 29 | 48 | 23 | 6 | 9 | -9 | 0 | 7 | -2 | 9 | 15 | 27 |
| Fall 2022 | 24 | 42 | 34 | -10 | -10 | -28 | -20 | -6 | -15 | -9 | -3 | 6 |
| Start of 2023 | 27 | 47 | 26 | 1 | 3 | -17 | -5 | 4 | -6 | 3 | 10 | 23 |
| Early summer 2023 | 28 | 48 | 24 | 4 | 7 | -14 | -3 | 7 | -3 | 5 | 16 | 27 |
| Fall 2023 | 24 | 45 | 31 | -7 | -12 | -28 | -14 | -1 | -12 | -6 | 1 | 8 |
| Start of 2024 | 24 | 43 | 33 | -9 | -11 | -27 | -18 | -4 | -15 | -8 | 0 | 8 |
| Early summer 2024 | 24 | 45 | 31 | -7 | -10 | -25 | -14 | -1 | -13 | -5 | 1 | 11 |
| Fall 2024 | 23 | 44 | 33 | -10 | -17 | -23 | -17 | -3 | -13 | -10 | -7 | 4 |
| Start of 2025 | 23 | 44 | 33 | -10 | -17 | -24 | -18 | -2 | -13 | -10 | -3 | 5 |
| Early summer 2025 | 24 | 45 | 31 | -7 | -12 | -14 | -17 | 0 | -11 | -7 | 1 | 11 |
| Fall 2025 | 22 | 47 | 31 | -9 | -16 | -19 | -16 | -2 | -12 | -8 | -3 | 8 |
| Start of 2026 | 23 | 46 | 31 | -8 | -13 | -15 | -16 | -2 | -13 | -6 | 1 | 7 |
| Early summer 2026 | 23 | 43 | 34 | -11 | -15 | -19 | -22 | -6 | -16 | -11 | -3 | 7 |

Companies' investment plans (balance in points)

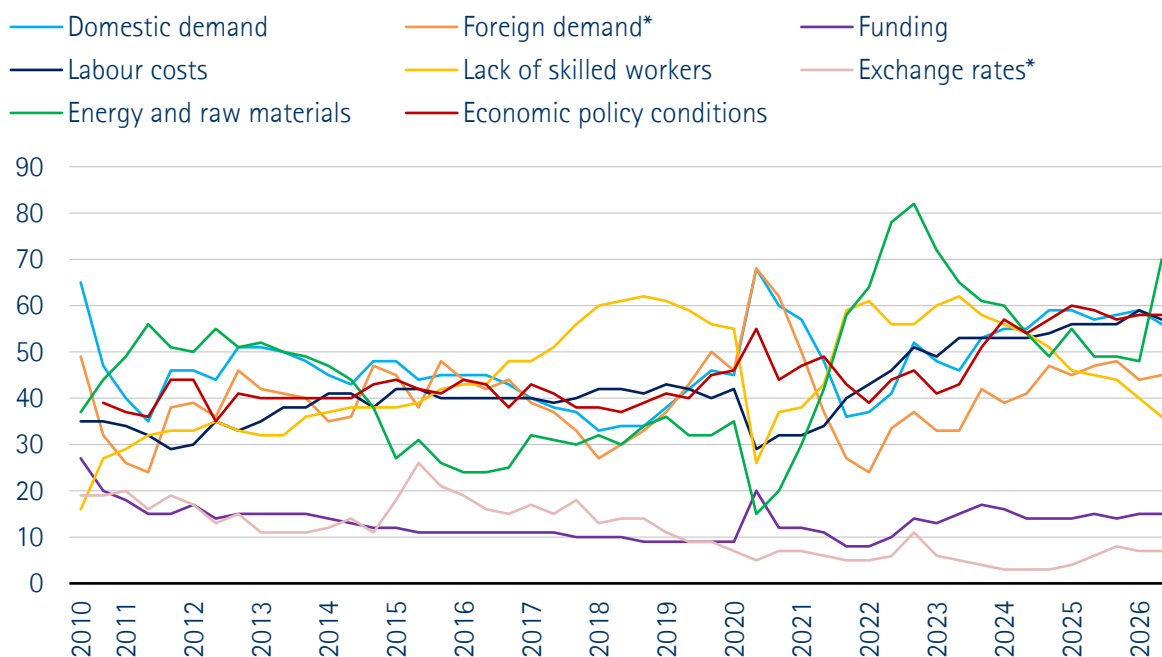


Business risks and investment motives

(in per cent, multiple responses possible, *exporting industrial companies)

| | Business risks | | | | | | | | Motives for investment | | | | |
|--------------------------|-----------------|-----------------|-----------|--------------|-------------------------|----------------|--------------------------|-----------------|------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Domestic demand | Foreign demand* | Funding | Labour costs | Lack of skilled workers | Exchange rate* | Energy and raw materials | Economic policy | Rationalisation | Product innovation | Capacity expansion | Environmental protection | Replacement demand |
| Early summer 2020 | 68 | 68 | 20 | 29 | 26 | 5 | 15 | 55 | - | - | - | - | - |
| Fall 2020 | 60 | 62 | 12 | 32 | 37 | 7 | 20 | 44 | 34 | 32 | 22 | 18 | 65 |
| Start of 2021 | 57 | 50 | 12 | 32 | 38 | 7 | 30 | 47 | 33 | 32 | 23 | 21 | 64 |
| Early summer 2021 | 48 | 37 | 11 | 34 | 43 | 6 | 42 | 49 | 33 | 31 | 25 | 21 | 64 |
| Fall 2021 | 36 | 27 | 8 | 40 | 59 | 5 | 58 | 43 | 31 | 32 | 29 | 26 | 63 |
| Start of 2022 | 37 | 24 | 8 | 43 | 61 | 5 | 64 | 39 | 31 | 31 | 28 | 27 | 63 |
| Early summer 2022 | 41 | 34 | 10 | 46 | 56 | 6 | 78 | 44 | 31 | 29 | 25 | 28 | 65 |
| Fall 2022 | 52 | 37 | 14 | 51 | 56 | 11 | 82 | 46 | 33 | 26 | 22 | 29 | 64 |
| Start of 2023 | 48 | 33 | 13 | 49 | 60 | 6 | 72 | 41 | 31 | 28 | 23 | 29 | 65 |
| Early summer 2023 | 46 | 33 | 15 | 53 | 62 | 5 | 65 | 43 | 31 | 27 | 22 | 29 | 66 |
| Fall 2023 | 53 | 42 | 17 | 53 | 58 | 4 | 61 | 51 | 32 | 27 | 21 | 27 | 65 |
| Start of 2024 | 55 | 39 | 16 | 53 | 56 | 3 | 60 | 57 | 32 | 28 | 20 | 25 | 67 |
| Early summer 2024 | 55 | 41 | 14 | 53 | 54 | 3 | 54 | 54 | 32 | 27 | 20 | 24 | 66 |
| Fall 2024 | 59 | 47 | 14 | 54 | 51 | 3 | 49 | 57 | 32 | 28 | 19 | 23 | 67 |
| Start of 2025 | 59 | 45 | 14 | 56 | 46 | 4 | 55 | 60 | 33 | 28 | 20 | 21 | 67 |
| Early summer 2025 | 57 | 47 | 15 | 56 | 45 | 6 | 49 | 59 | 33 | 28 | 19 | 21 | 67 |
| Fall 2025 | 58 | 48 | 14 | 56 | 44 | 8 | 49 | 57 | 33 | 28 | 19 | 18 | 67 |
| Start of 2026 | 59 | 44 | 15 | 59 | 40 | 7 | 48 | 58 | 34 | 29 | 19 | 17 | 66 |
| Early summer 2026 | 56 | 45 | 15 | 57 | 36 | 7 | 70 | 58 | 34 | 27 | 19 | 16 | 67 |

Business risks (in per cent; multiple responses possible; *export Manufacturing Industry)

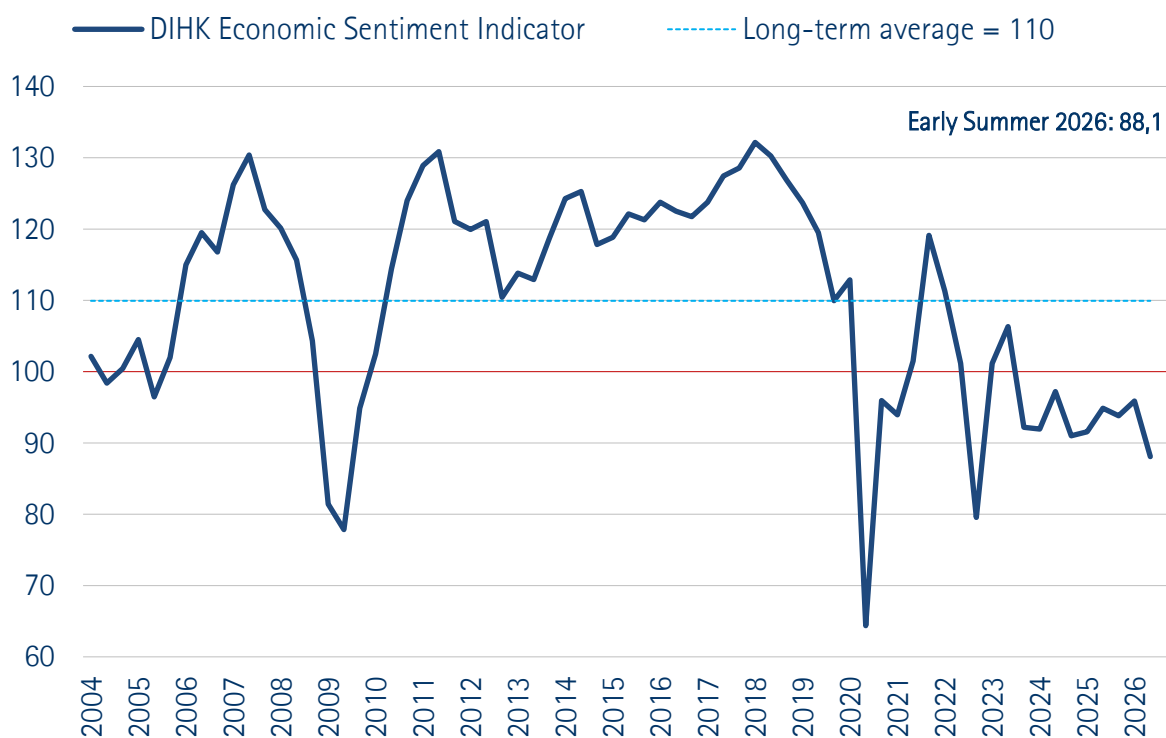


DIHK Sentiment Index

(geometric mean of business situation and business expectations)

| | Manufacturing Industry | Construction | Trade sector | Service sector | Total |
|--------------------------|------------------------|--------------|--------------|----------------|-------------|
| Start of 2020 | 105.0 | 124.2 | 108.1 | 116.6 | 112.9 |
| Early summer 2020 | 66.2 | 89.8 | 62.4 | 60.7 | 64.4 |
| Fall 2020 | 97.2 | 107.3 | 96.1 | 93.4 | 96.0 |
| Start of 2021 | 107.0 | 104.8 | 84.4 | 88.0 | 94.0 |
| Early summer 2021 | 120.4 | 110.1 | 93.4 | 93.4 | 101.5 |
| Fall 2021 | 125.7 | 118.5 | 112.4 | 118.3 | 119.1 |
| Start of 2022 | 123.0 | 119.4 | 104.3 | 106.0 | 111.3 |
| Early summer 2022 | 99.7 | 93.6 | 90.0 | 105.2 | 101.2 |
| Fall 2022 | 78.5 | 74.5 | 67.1 | 83.8 | 79.5 |
| Start of 2023 | 103.2 | 93.3 | 88.5 | 104.1 | 101.2 |
| Early summer 2023 | 105.8 | 95.9 | 93.7 | 110.0 | 106.3 |
| Fall 2023 | 86.0 | 81.3 | 80.1 | 99.6 | 92.2 |
| Start of 2024 | 88.4 | 81.8 | 79.4 | 97.6 | 91.9 |
| Early summer 2024 | 92.0 | 93.3 | 85.7 | 103.1 | 97.2 |
| Fall 2024 | 82.5 | 89.1 | 78.2 | 98.1 | 91.0 |
| Start of 2025 | 84.5 | 88.7 | 80.7 | 98.3 | 91.6 |
| Early summer 2025 | 90.5 | 97.4 | 82.5 | 99.7 | 94.9 |
| Fall 2025 | 87.9 | 97.3 | 82.0 | 99.5 | 93.8 |
| Start of 2026 | 93.0 | 96.8 | 83.5 | 100.6 | 95.9 |
| Early summer 2026 | 88.4 | 92.5 | 73.8 | 91.9 | 88.1 |

Business sentiment index



Economic situation in the north

Bremen, Hamburg, Lower Saxony, Schleswig-Holstein;

Balance in points; *Industrial enterprises

| | Business situation | Business expectations | Export expectations* | Investment intentions | Employment plans |
|-------------------|--------------------|-----------------------|----------------------|-----------------------|------------------|
| Early summer 2020 | -29 | -68 | -64 | -46 | -31 |
| Fall 2020 | -7 | -18 | -11 | -19 | -14 |
| Start of 2021 | -2 | -19 | -1 | -10 | -11 |
| Early summer 2021 | -2 | -10 | 7 | -6 | -7 |
| Fall 2021 | 23 | 3 | 11 | 10 | 7 |
| Start of 2022 | 16 | -5 | 15 | 10 | 5 |
| Early summer 2022 | 10 | -29 | -18 | 4 | 3 |
| Fall 2022 | 2 | -55 | -28 | -14 | -9 |
| Start of 2023 | 10 | -31 | -6 | -3 | 0 |
| Early summer 2023 | 8 | -16 | 1 | 1 | 0 |
| Fall 2023 | -1 | -34 | -16 | -13 | -11 |
| Start of 2024 | 0 | -34 | -6 | -13 | -10 |
| Early summer 2024 | -5 | -20 | -7 | -9 | -8 |
| Fall 2024 | -8 | -27 | -17 | -13 | -11 |
| Start of 2025 | -2 | -22 | -4 | -10 | -8 |
| Early summer 2025 | -6 | -18 | -11 | -12 | -10 |
| Fall 2025 | -8 | -22 | -17 | -15 | -14 |
| Start of 2026 | -6 | -21 | 0 | -12 | -12 |
| Early summer 2026 | -10 | -29 | -13 | -15 | -14 |

as a percentage; multiple responses possible; *industrial companies

| | Business risks | | | | | | | | Reasons for investment | | | | |
|-------------------|-----------------|-----------------|---------|--------------|-------------------------|----------------|--------------------------|-----------------|------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Domestic demand | Foreign demand* | Funding | Labour costs | Lack of skilled workers | Exchange rate* | Energy and raw materials | Economic policy | Rationalisation | Product innovation | Capacity expansion | Environmental protection | Replacement demand |
| Early summer 2020 | 67 | 46 | 20 | 28 | 30 | 5 | 14 | 59 | - | - | - | - | - |
| Fall 2020 | 59 | 45 | 11 | 31 | 39 | 7 | 17 | 53 | 32 | 32 | 23 | 15 | 59 |
| Start of 2021 | 56 | 34 | 11 | 31 | 39 | 8 | 25 | 56 | 31 | 31 | 23 | 18 | 59 |
| Early summer 2021 | 50 | 26 | 11 | 33 | 42 | 6 | 34 | 59 | 33 | 30 | 24 | 18 | 59 |
| Fall 2021 | 35 | 21 | 9 | 42 | 61 | 4 | 54 | 48 | 30 | 31 | 28 | 24 | 58 |
| Start of 2022 | 38 | 16 | 8 | 45 | 62 | 4 | 58 | 46 | 30 | 30 | 27 | 24 | 61 |
| Early summer 2022 | 40 | 24 | 10 | 45 | 56 | 5 | 75 | 55 | 30 | 28 | 25 | 24 | 62 |
| Fall 2022 | 54 | 26 | 15 | 51 | 58 | 9 | 79 | 53 | 33 | 25 | 20 | 24 | 63 |
| Start of 2023 | 50 | 23 | 14 | 49 | 61 | 7 | 72 | 47 | 32 | 27 | 21 | 25 | 64 |
| Early summer 2023 | 45 | 23 | 16 | 54 | 62 | 4 | 62 | 50 | 29 | 27 | 21 | 25 | 63 |
| Fall 2023 | 52 | 30 | 18 | 53 | 60 | 5 | 57 | 57 | 33 | 27 | 18 | 23 | 64 |
| Start of 2024 | 53 | 25 | 16 | 54 | 58 | 3 | 57 | 62 | 31 | 28 | 19 | 21 | 65 |
| Early summer 2024 | 51 | 26 | 15 | 54 | 56 | 4 | 47 | 60 | 32 | 25 | 20 | 20 | 63 |
| Fall 2024 | 57 | 32 | 14 | 55 | 54 | 3 | 42 | 62 | 32 | 26 | 19 | 19 | 64 |
| Start of 2025 | 55 | 28 | 14 | 55 | 50 | 4 | 49 | 65 | 32 | 29 | 23 | 20 | 60 |
| Early summer 2025 | 54 | 31 | 15 | 57 | 48 | 3 | 44 | 63 | 33 | 28 | 19 | 16 | 63 |
| Fall 2025 | 55 | 32 | 14 | 56 | 45 | 7 | 44 | 63 | 35 | 27 | 20 | 14 | 61 |
| Start of 2026 | 56 | 31 | 14 | 58 | 43 | 7 | 41 | 64 | 34 | 28 | 19 | 13 | 61 |
| Early summer 2026 | 54 | 30 | 15 | 54 | 37 | 6 | 65 | 64 | 34 | 25 | 20 | 13 | 63 |

Economic situation in the east

Berlin, Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, Thuringia;

Balance in points; *Industrial enterprises

| | Business situation | Business expectations | Export expectations* | Investment intentions | Employment plans |
|-------------------|--------------------|-----------------------|----------------------|-----------------------|------------------|
| Early summer 2020 | -23 | -59 | -54 | -9 | -26 |
| Fall 2020 | 7 | -10 | -10 | -5 | -9 |
| Start of 2021 | -2 | -16 | 0 | -3 | -5 |
| Early summer 2021 | -4 | -10 | 5 | 2 | -4 |
| Fall 2021 | 29 | 1 | 13 | 16 | 7 |
| Start of 2022 | 13 | -5 | 7 | 11 | 4 |
| Early summer 2022 | 17 | -16 | -14 | 4 | 4 |
| Fall 2022 | 10 | -48 | -25 | -11 | -11 |
| Start of 2023 | 17 | -20 | -8 | -1 | -1 |
| Early summer 2023 | 18 | -9 | -1 | 3 | -1 |
| Fall 2023 | 12 | -25 | -12 | -6 | -10 |
| Start of 2024 | 7 | -25 | -8 | -9 | -8 |
| Early summer 2024 | 8 | -15 | -7 | -5 | -6 |
| Fall 2024 | 7 | -21 | -14 | -6 | -10 |
| Start of 2025 | 6 | -21 | -8 | -5 | -9 |
| Early summer 2025 | 3 | -13 | -13 | 1 | -8 |
| Fall 2025 | 5 | -15 | -13 | -1 | -11 |
| Start of 2026 | 5 | -15 | -2 | -3 | -11 |
| Early summer 2026 | -2 | -23 | -9 | -7 | -13 |

as a percentage; multiple answers possible *Industrial companies

| | Business risks | | | | | | | | Reasons for investment | | | | |
|-------------------|-----------------|-----------------|---------|--------------|-------------------------|----------------|--------------------------|-----------------|------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Domestic demand | Foreign demand* | Funding | Labour costs | Lack of skilled workers | Exchange rate* | Energy and raw materials | Economic policy | Rationalisation | Product innovation | Capacity expansion | Environmental protection | Replacement demand |
| Early summer 2020 | 67 | 39 | 30 | 39 | 27 | 5 | 16 | 62 | - | - | - | - | - |
| Fall 2020 | 52 | 36 | 12 | 36 | 43 | 5 | 27 | 46 | 29 | 29 | 25 | 15 | 70 |
| Start of 2021 | 52 | 30 | 13 | 37 | 43 | 5 | 38 | 50 | 29 | 30 | 25 | 17 | 68 |
| Early summer 2021 | 46 | 25 | 12 | 39 | 46 | 3 | 47 | 52 | 31 | 29 | 25 | 16 | 69 |
| Fall 2021 | 33 | 17 | 10 | 46 | 58 | 2 | 62 | 42 | 28 | 29 | 30 | 18 | 68 |
| Start of 2022 | 34 | 16 | 9 | 49 | 60 | 3 | 67 | 42 | 30 | 30 | 29 | 20 | 68 |
| Early summer 2022 | 36 | 18 | 10 | 52 | 55 | 3 | 80 | 49 | 28 | 28 | 26 | 19 | 69 |
| Fall 2022 | 48 | 18 | 12 | 56 | 54 | 6 | 85 | 52 | 31 | 27 | 23 | 21 | 70 |
| Start of 2023 | 45 | 18 | 12 | 52 | 58 | 3 | 77 | 48 | 28 | 28 | 25 | 20 | 69 |
| Early summer 2023 | 42 | 19 | 14 | 56 | 58 | 3 | 71 | 49 | 29 | 26 | 24 | 21 | 69 |
| Fall 2023 | 49 | 23 | 16 | 53 | 52 | 2 | 68 | 56 | 30 | 27 | 23 | 19 | 69 |
| Start of 2024 | 50 | 23 | 15 | 57 | 53 | 3 | 68 | 60 | 30 | 27 | 22 | 18 | 72 |
| Early summer 2024 | 50 | 22 | 14 | 56 | 52 | 2 | 63 | 58 | 28 | 27 | 22 | 18 | 70 |
| Fall 2024 | 52 | 27 | 14 | 56 | 48 | 2 | 57 | 60 | 28 | 26 | 21 | 18 | 73 |
| Start of 2025 | 55 | 27 | 14 | 59 | 44 | 3 | 61 | 62 | 29 | 28 | 21 | 16 | 71 |
| Early summer 2025 | 52 | 30 | 15 | 60 | 42 | 4 | 56 | 64 | 29 | 26 | 22 | 22 | 73 |
| Fall 2025 | 53 | 26 | 15 | 58 | 41 | 4 | 57 | 59 | 26 | 26 | 23 | 13 | 72 |
| Start of 2026 | 54 | 25 | 16 | 61 | 38 | 3 | 56 | 61 | 30 | 27 | 21 | 12 | 70 |
| Early summer 2026 | 52 | 27 | 14 | 61 | 35 | 3 | 74 | 62 | 30 | 27 | 21 | 13 | 72 |

Economy in the south

Baden-Württemberg, Bavaria

Balance in points; *Industrial companies

| | Business situation | Business expectations | Export expectations* | Investment intentions | Employment plans |
|-------------------|--------------------|-----------------------|----------------------|-----------------------|------------------|
| Early summer 2020 | -26 | -21 | - | -32 | -32 |
| Fall 2020 | 3 | -2 | 10 | -11 | -16 |
| Start of 2021 | -5 | -5 | 16 | -5 | -13 |
| Early summer 2021 | 6 | 9 | 27 | 7 | -5 |
| Fall 2021 | 35 | 18 | 28 | 17 | 9 |
| Start of 2022 | 22 | 14 | 30 | 16 | 8 |
| Early summer 2022 | 26 | -3 | 0 | 8 | 7 |
| Fall 2022 | 24 | -38 | -23 | -8 | -7 |
| Start of 2023 | 28 | -4 | 7 | 5 | 4 |
| Early summer 2023 | 26 | 1 | 6 | 6 | 2 |
| Fall 2023 | 18 | -18 | -12 | -5 | -10 |
| Start of 2024 | 14 | -15 | -2 | -6 | -9 |
| Early summer 2024 | 12 | -4 | -1 | -3 | -8 |
| Fall 2024 | 6 | -15 | -8 | -9 | -14 |
| Start of 2025 | 5 | -13 | -3 | -9 | -13 |
| Early summer 2025 | 3 | -5 | -3 | -5 | -12 |
| Fall 2025 | 5 | -6 | -1 | -7 | -15 |
| Start of 2026 | 7 | -3 | 6 | -5 | -13 |
| Early summer 2026 | 4 | -11 | 0 | -7 | -15 |

as a percentage; multiple answers possible *Industrial companies

| | Business risks | | | | | | | | Reasons for investment | | | | |
|---------------------|-----------------|-----------------|---------|--------------|-------------------------|----------------|--------------------------|-----------------|------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Domestic demand | Foreign demand* | Funding | Labour costs | Lack of skilled workers | Exchange rate* | Energy and raw materials | Economic policy | Rationalisation | Product innovation | Capacity expansion | Environmental protection | Replacement demand |
| Early summer 2020** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fall 2020 | 64 | 51 | 11 | 35 | 39 | 6 | 22 | 37 | 35 | 34 | 20 | 26 | 69 |
| Start of 2021 | 59 | 41 | 12 | 33 | 39 | 5 | 32 | 41 | 36 | 33 | 22 | 28 | 67 |
| Early summer 2021 | 49 | 30 | 10 | 35 | 45 | 5 | 46 | 42 | 35 | 33 | 25 | 30 | 67 |
| Fall 2021 | 39 | 23 | 7 | 40 | 62 | 4 | 59 | 39 | 34 | 34 | 29 | 34 | 64 |
| Start of 2022 | 39 | 19 | 8 | 43 | 64 | 4 | 67 | 32 | 34 | 34 | 28 | 37 | 64 |
| Early summer 2022 | 43 | 26 | 10 | 46 | 59 | 5 | 80 | 35 | 33 | 31 | 26 | 40 | 66 |
| Fall 2022 | 53 | 29 | 13 | 50 | 59 | 10 | 83 | 39 | 34 | 28 | 21 | 44 | 64 |
| Start of 2023 | 49 | 28 | 14 | 50 | 65 | 5 | 72 | 35 | 33 | 31 | 23 | 41 | 66 |
| Early summer 2023 | 50 | 26 | 16 | 54 | 66 | 4 | 65 | 37 | 32 | 28 | 23 | 41 | 67 |
| Fall 2023 | 58 | 37 | 18 | 55 | 61 | 4 | 62 | 46 | 33 | 29 | 21 | 38 | 66 |
| Start of 2024 | 58 | 35 | 17 | 54 | 58 | 3 | 59 | 53 | 35 | 31 | 20 | 36 | 67 |
| Early summer 2024 | 60 | 35 | 15 | 55 | 55 | 3 | 55 | 50 | 35 | 30 | 21 | 35 | 66 |
| Fall 2024 | 64 | 42 | 14 | 56 | 51 | 2 | 51 | 53 | 36 | 30 | 19 | 33 | 67 |
| Start of 2025 | 63 | 38 | 14 | 57 | 46 | 3 | 55 | 56 | 34 | 31 | 19 | 31 | 68 |
| Early summer 2025 | 63 | 41 | 15 | 57 | 44 | 6 | 50 | 54 | 35 | 31 | 20 | 28 | 69 |
| Fall 2025 | 62 | 40 | 14 | 58 | 44 | 7 | 50 | 50 | 35 | 31 | 19 | 26 | 68 |
| Start of 2026 | 64 | 38 | 15 | 61 | 42 | 6 | 49 | 51 | 35 | 32 | 18 | 26 | 68 |
| Early summer 2026 | 60 | 36 | 15 | 60 | 36 | 6 | 71 | 52 | 34 | 31 | 20 | 25 | 67 |

** No results for early summer 2020

Economic situation in the west

Hesse, North Rhine-Westphalia, Rhineland-Palatinate, Saarland;

Balance in points; *Industrial companies

| | Business situation | Business expectations | Export expectations* | Investment intentions | Employment plans |
|-------------------|--------------------|-----------------------|----------------------|-----------------------|------------------|
| Early summer 2020 | -25 | -40 | -54 | -37 | -24 |
| Fall 2020 | -5 | -4 | -16 | -19 | -12 |
| Start of 2021 | -3 | -6 | 7 | -12 | -7 |
| Early summer 2021 | 4 | 3 | 11 | -2 | 0 |
| Fall 2021 | 26 | 11 | 19 | 11 | 12 |
| Start of 2022 | 18 | 5 | 15 | 10 | 11 |
| Early summer 2022 | 18 | -17 | -16 | 5 | 6 |
| Fall 2022 | 10 | -43 | -25 | -9 | -6 |
| Start of 2023 | 15 | -13 | -6 | 0 | 4 |
| Early summer 2023 | 16 | -5 | -4 | 4 | 3 |
| Fall 2023 | 6 | -20 | -19 | -7 | -6 |
| Start of 2024 | 3 | -19 | -11 | -10 | -6 |
| Early summer 2024 | 2 | -9 | -9 | -9 | -6 |
| Fall 2024 | -3 | -15 | -15 | -11 | -10 |
| Start of 2025 | -4 | -16 | -15 | -11 | -10 |
| Early summer 2025 | -2 | -9 | -16 | -8 | -7 |
| Fall 2025 | -4 | -10 | -18 | -9 | -11 |
| Start of 2026 | -3 | -7 | -8 | -9 | -10 |
| Early summer 2026 | -6 | -21 | -19 | -14 | -15 |

as a percentage; multiple responses possible; *industrial companies

| | Business risks | | | | | | | | Reasons for investment | | | | |
|-------------------|-----------------|-----------------|---------|--------------|-------------------------|----------------|--------------------------|-----------------|------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Domestic demand | Foreign demand* | Funding | Labour costs | Lack of skilled workers | Exchange rate* | Energy and raw materials | Economic policy | Rationalisation | Product innovation | Capacity expansion | Environmental protection | Replacement demand |
| Early summer 2020 | 68 | 58 | 19 | 27 | 24 | 4 | 15 | 51 | - | - | - | - | - |
| Fall 2020 | 62 | 53 | 13 | 29 | 33 | 5 | 17 | 45 | 35 | 31 | 22 | 15 | 62 |
| Start of 2021 | 58 | 42 | 12 | 29 | 35 | 5 | 27 | 48 | 34 | 31 | 23 | 17 | 63 |
| Early summer 2021 | 48 | 29 | 11 | 30 | 40 | 5 | 41 | 51 | 31 | 31 | 25 | 18 | 62 |
| Fall 2021 | 37 | 21 | 8 | 35 | 55 | 4 | 56 | 45 | 31 | 31 | 28 | 24 | 63 |
| Start of 2022 | 37 | 20 | 8 | 39 | 57 | 4 | 63 | 40 | 29 | 30 | 27 | 24 | 63 |
| Early summer 2022 | 41 | 31 | 10 | 43 | 53 | 5 | 77 | 44 | 30 | 28 | 24 | 23 | 64 |
| Fall 2022 | 53 | 32 | 14 | 48 | 54 | 8 | 81 | 46 | 32 | 25 | 24 | 22 | 61 |
| Start of 2023 | 47 | 27 | 13 | 45 | 58 | 4 | 69 | 41 | 31 | 27 | 23 | 24 | 63 |
| Early summer 2023 | 46 | 27 | 16 | 49 | 59 | 4 | 62 | 43 | 31 | 27 | 22 | 25 | 64 |
| Fall 2023 | 52 | 34 | 16 | 50 | 57 | 3 | 58 | 52 | 31 | 26 | 20 | 23 | 64 |
| Start of 2024 | 54 | 32 | 15 | 51 | 54 | 2 | 58 | 57 | 32 | 27 | 19 | 21 | 66 |
| Early summer 2024 | 54 | 34 | 14 | 49 | 53 | 2 | 51 | 54 | 31 | 26 | 19 | 20 | 65 |
| Fall 2024 | 58 | 37 | 14 | 51 | 51 | 3 | 46 | 57 | 32 | 27 | 18 | 19 | 65 |
| Start of 2025 | 59 | 36 | 13 | 54 | 46 | 3 | 53 | 61 | 34 | 26 | 18 | 16 | 67 |
| Early summer 2025 | 56 | 39 | 14 | 53 | 45 | 5 | 48 | 59 | 33 | 27 | 17 | 16 | 66 |
| Fall 2025 | 57 | 38 | 13 | 53 | 45 | 6 | 46 | 58 | 34 | 26 | 17 | 15 | 66 |
| Start of 2026 | 58 | 37 | 14 | 56 | 39 | 5 | 46 | 58 | 35 | 28 | 18 | 13 | 67 |
| Early summer 2026 | 56 | 38 | 14 | 54 | 36 | 5 | 70 | 59 | 35 | 25 | 17 | 12 | 68 |

Early Summer 2026 Questionnaire

How do you assess the current situation of your company?

- Good business situation
- satisfactory business situation
- poor business situation

What developments do you expect for your company over the next 12 months?

- Improved business situation
- business situation to remain the same
- worse business situation

Where do you see the greatest risks to your company's economic development over the next 12 months? (Multiple answers are possible)

- Domestic demand
- Foreign demand
- Funding
- Labour costs
- Lack of skilled workers
- Exchange rate
- Energy and raw materials
- Economic policy

What export growth do you expect for your company over the next 12 months?

- Higher exports
- Stable exports
- lower exports

How do you expect your company's expenditure on domestic investment to develop over the next 12 months?

- higher expenditure
- Stable expenditure
- lower expenditure

What are the main reasons behind your company's planned domestic investment for the next 12 months? (Multiple answers are possible)

- Rationalisation
- Product innovation
- Capacity expansion
- Environmental protection
- Replacement needs

How do you expect the number of employees at your company in the UK to develop over the next 12 months?

- Increase in workforce
- Stable number of employees
- lower number of employees

Methodology

The DIHK results are based on surveys of companies conducted by a total of 79 Chambers of Commerce and Industry (IHKs). In early summer 2026, the IHKs analysed around **23,000 responses**. You can also access the IHKs' regional analyses online at www.dihk.de.

By economic sector, the responses are distributed across the Manufacturing Industry (25 per cent), construction (six per cent), trade (21 per cent) and services (48 per cent). The classification of sectors and economic sectors in the DIHK Economic Survey is based on the Federal Statistical Office's classification of economic sectors (WZ). Until the survey in early summer 2025, WZ 2008 will be used. From Fall 2025, the classification will be based on WZ 2025.

The DIHK provides tables with the results by sector as an Excel file on its [website](#).

The responses are broken down by company size as follows: 40 per cent of companies with up to nine employees, 14 per cent of companies with ten to 19 employees, 36 per cent of companies with 20 to 199 employees, six per cent of companies with 200 to 499 employees, two per cent of companies with 500 to 999 employees, and two per cent of companies with more than 1,000 employees.

The Chambers of Industry and Commerce (IHKs) design their sample in such a way as to provide a representative picture of sentiment within the local commercial sector (a sample stratified by sector, region and company size). Aggregation at national level is carried out using regional and sector-specific weighting. Responses to the 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 by a factor of 3. For business risks, weighting by size class is not applied. For supplementary questions, size-class weighting is omitted if the unweighted proportion of enterprises is more meaningful.

In response to the question on business risks, companies can provide a free-text response to the answer option 'Economic policy'. The current survey yielded around 5,700 free-text responses. These were categorised as precisely as possible based on the terms mentioned and the topics covered. The most frequent responses are presented as a word cloud. The larger a term appears, the higher the number of free-text responses on that topic.

The IHK Business Climate Indicator is calculated as the geometric mean of the situation and expectations balances. The indicator therefore has the following mathematical form:

$$\sqrt{(L_1 - L_3 + 100) * (E_1 - E_3 + 100)}$$

, where L_1 represents the proportion of companies with a positive assessment of the current situation, L_3 the proportion of companies with a negative assessment of the current situation, E_1 the proportion of companies with improved business expectations and E_3 the proportion of companies with worsened expectations.

The survey took place from **23 March 2026 to 8 May 2026**.