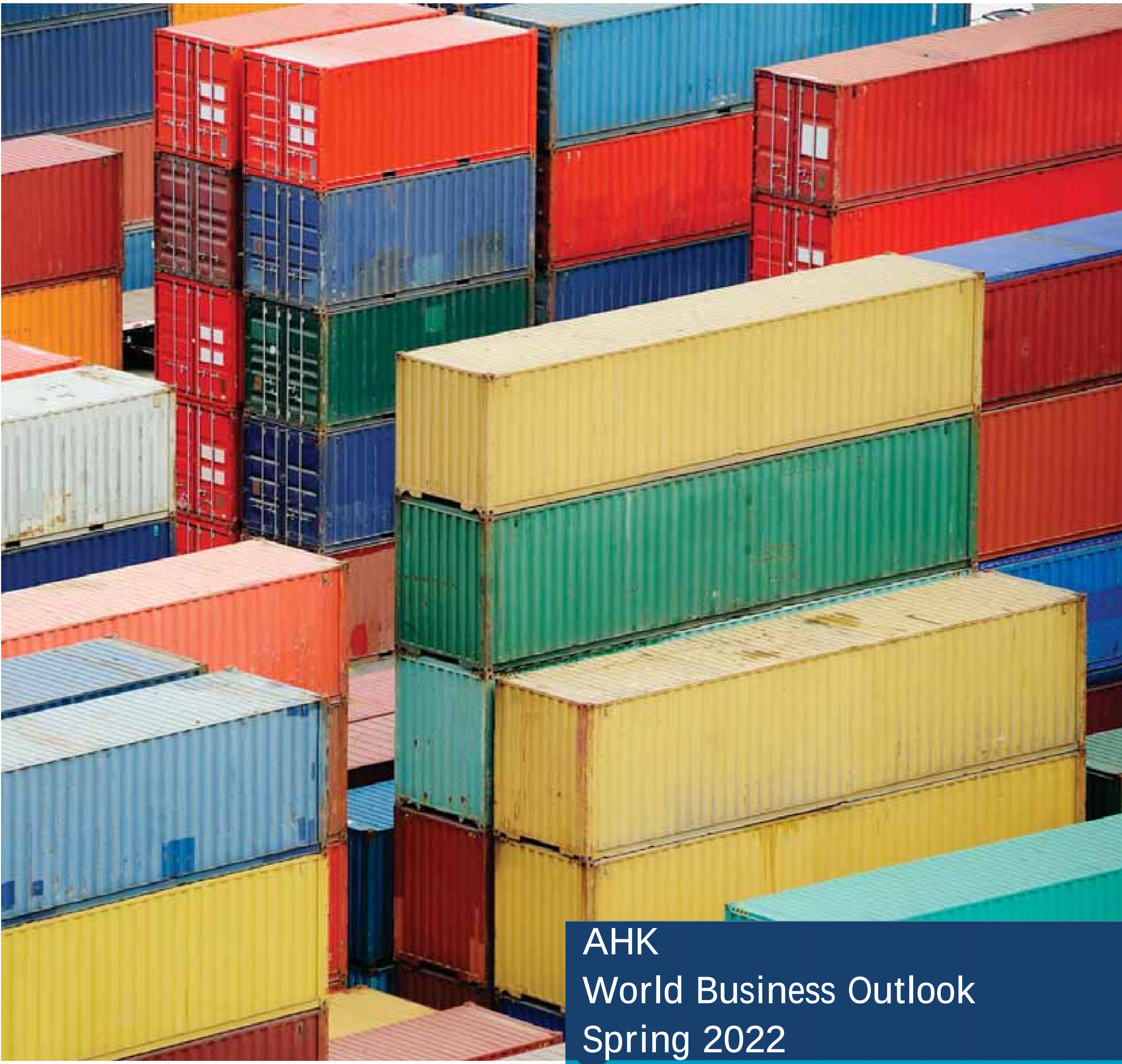


AHK World Business Outlook Spring 2022

Results of the Survey by the Network of German Chambers of Commerce Abroad (AHKs)

DIHK Deutscher Industrie- und Handelskammertag

AHK Deutsche Auslandshandelskammern

Development of the global economy

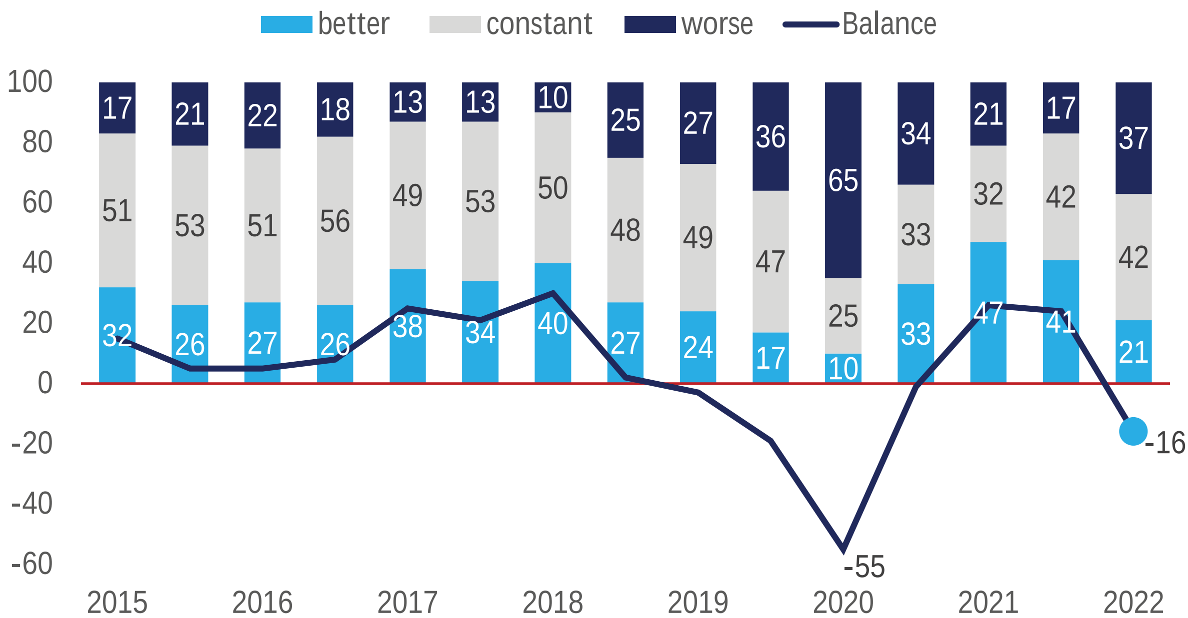
Economic expectations of German companies abroad

The global economy is in crisis mode. The effects of the coronavirus pandemic have not yet been fully overcome; rather, harsh lockdowns in China under the zero-covid policy in the spring are causing exacerbated problems in global supply chains. Added to this is the Russian invasion of Ukraine, the economic consequences of which are clouding the global economy and are also being felt by German companies at their international locations.

Only 21 percent of the more than 4,200 companies surveyed by the AHKs worldwide expect the economy to improve at their respective locations. This is a halving since the last survey (41 percent). By contrast, the share of companies expecting a deterioration in local economic performance has more than doubled from 17 percent to 37 percent. The resulting balance of better and worse assessments has fallen from 24 points in autumn 2021 to the current minus 16 points. The 40-point slump in expectations is thus greater than at the beginning of the coronavirus pandemic (at that time, economic expectations plummeted by 36 points from autumn 2019 to spring 2020).

The gloomy economic expectations can be observed globally. However, there are differences between the world regions. In the Eastern and South-Eastern European states, which - after Ukraine - are most directly affected by the consequences of the war, and in China, whose economy is suffering from the pandemic-related lockdowns, the negative economic expectations are most pronounced. In the EU, some of whose states are highly dependent on Russian energy imports, the outlook is also very negative. Only in North America (USA, Canada, Mexico) do more companies currently expect an improvement in economic development than a deterioration.

Economic expectations of companies worldwide



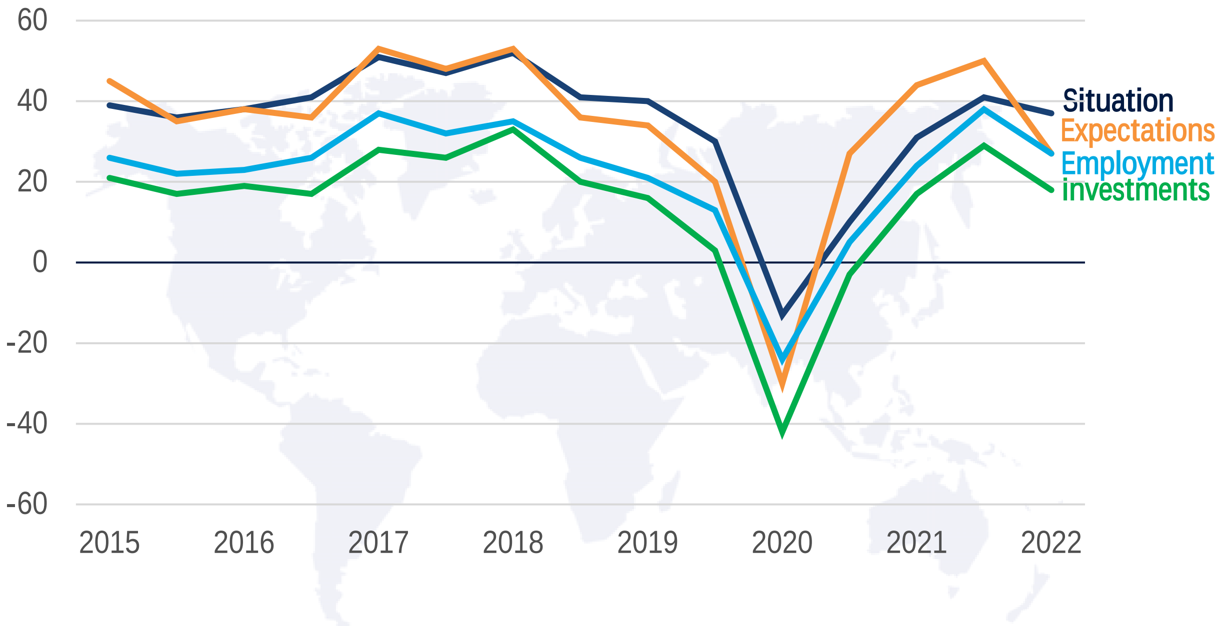
Business situation and expectations, investment and employment intentions

As the global economy worsens, expectations for the development of companies' own business abroad also decline. 42 percent expect better business in the next twelve months, 15 percent worse, 43 percent expect the development to remain the same. The resulting balance of better and worse evaluations sinks to 27 points, almost a halving compared to the previous survey (50 points). The companies are more optimistic about their own business development than about the economic development of their host country as a whole. However, the subdued expectations have a negative impact on planned capital expenditure, as the uncertainties for the coming months are high. Globally, 36 percent plan higher capital expenditure, while 18 percent intend to reduce their investments. The balance of higher and lower investment spending falls from 29 points in the previous survey to 18 points. Employment intentions also fall: 37 percent of the companies worldwide want to increase their workforce, ten percent want to reduce it. The balance of higher and lower employment plans falls from 38 points in the previous survey to 27 points.

Companies worldwide, however, assess their current business situation as predominantly good. 48 percent report a good business situation, only 11 percent a poor one. The resulting balance of good and poor assessments is only slightly lower than in the previous survey (balance of 37 points after 41 points previously). For 41 percent, current business is satisfactory.

German companies abroad

Balance in points



Risks for German companies abroad

Commodity prices (55 percent) and energy prices (46 percent) continue to be among the biggest business risks for German companies abroad - especially in Europe. Due to supply problems and high global demand, the prices of individual raw materials have already risen significantly since last year. High energy prices have been recorded by companies in particular since the beginning of the war in Ukraine. Compared to the previous survey, the risk of high energy prices has increased particularly strongly by 23 percentage points.

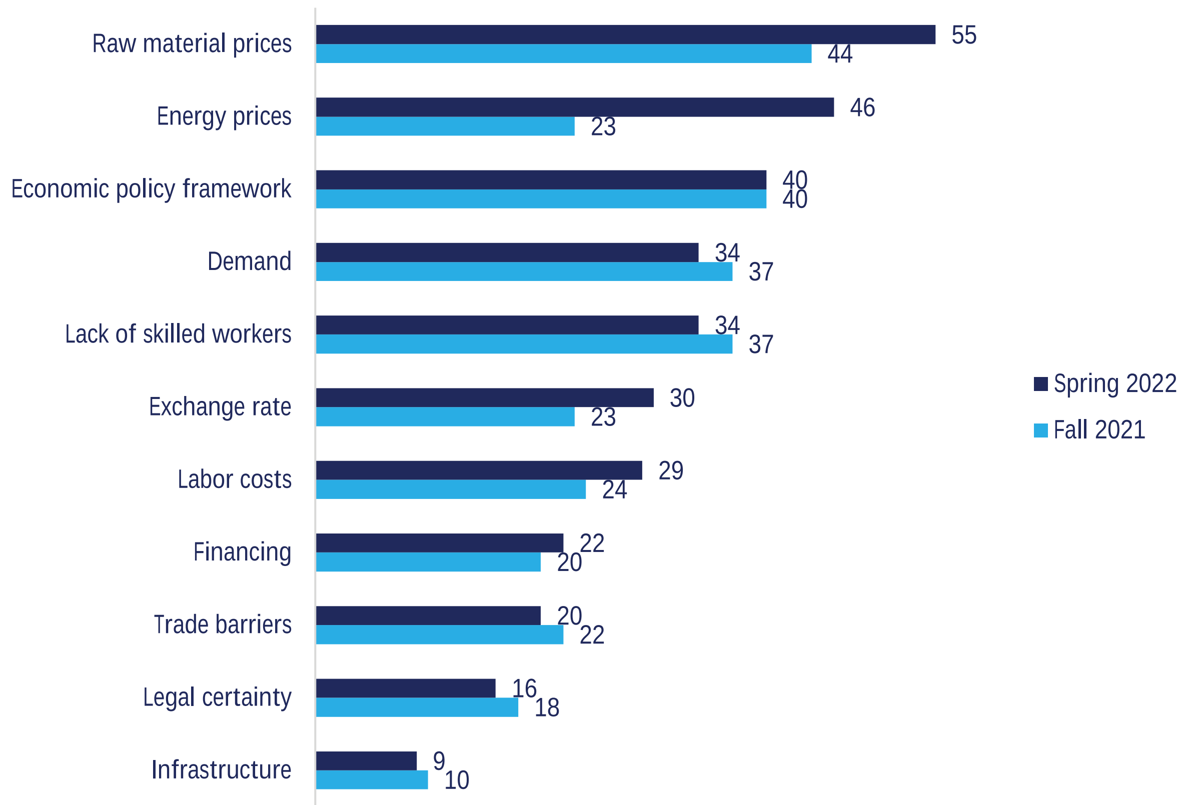
Economic policy conditions are named as a business risk by 40 percent of the companies - especially in South and Central America. The exchange rate risk has increased significantly compared to the previous survey (30 percent after 23 percent previously). Companies in Turkey (74 percent) and Argentina (67 percent) report it particularly frequently. In both countries, inflation rates are very high and thus uncertainty about the future development of exchange rates.

29 percent of companies see labour costs as a risk factor for their business - more than at any time since 2015. This may be due to companies' concern that higher inflation rates will increase employees' wage demands. Due to the somewhat reduced employment intentions, the risk of a shortage of skilled workers loses slightly in importance compared to the previous survey (34 after previously 37 percent). The financing risk rises slightly - to 22 percent.

Fewer companies worldwide rate demand as a business risk than recently (34 percent, down from 37 percent in the previous survey), reaching the lowest level since 2015. Despite a weakening global economy, supply-side bottlenecks and risks appear to dominate over demand risks for companies. Companies in Greater China cite demand risk most frequently (49 percent).

Risks for the global economy in the coming twelve months

in percent, multiple answers possible

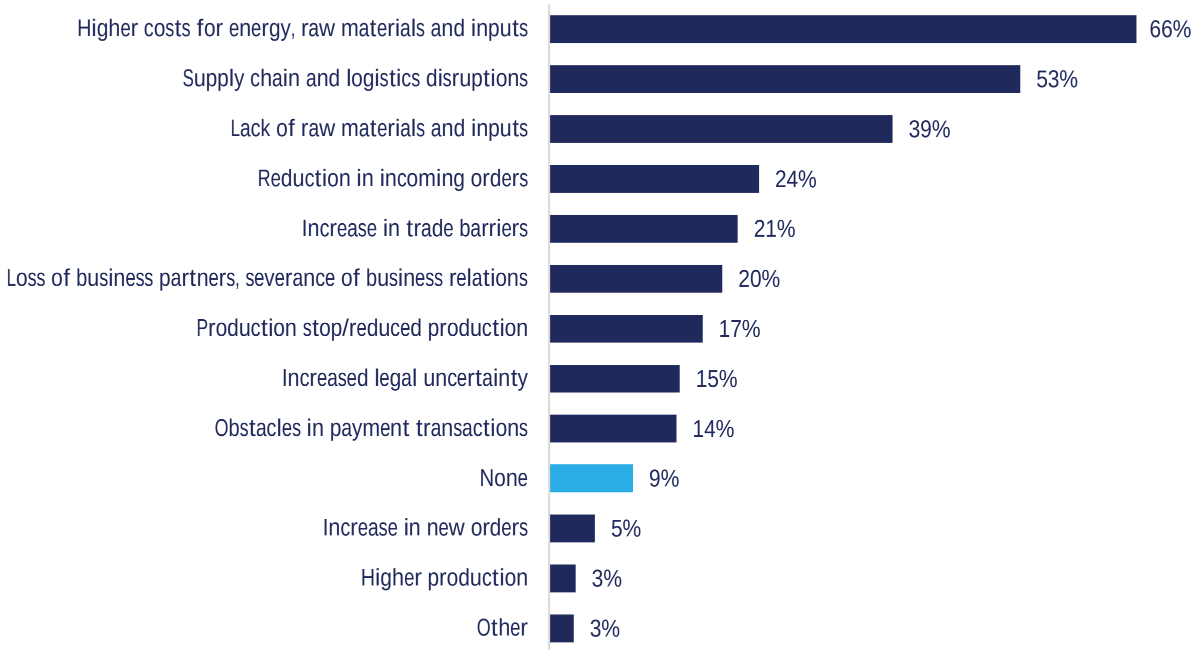


Effects of the Russian invasion to the Ukraine

The Russian attack on Ukraine affects the global economy through various channels - such as supply chain disruptions, price increases and increasing trade barriers - which are also felt by German companies at their international locations.

Impact of the Russian invasion of Ukraine on businesses

in percent, multiple answers possible



Increased costs for energy, raw materials and intermediate inputs are most frequently felt by companies (66 percent). Companies in the Eurozone (77 percent) and in the group of other EU countries such as Hungary or Poland (74 percent) report this with above-average frequency. Europe is highly dependent on Russian energy imports - which is now gradually being reduced. As a result of the war and the sanctions, companies are experiencing significant price increases. In a free text field, the companies had the opportunity to describe the economic consequences in more detail. In addition to energy and raw material costs, the companies often mention increased transport costs.

At 53 percent, more than half of the companies report disruptions in the supply chain and logistics. Companies in the Asia-Pacific region (excluding China) (61 percent), China (58 percent) and North America (60 percent), for example, feel affected with above-average frequency. In addition to the disruptions in international supply chains caused by the Russian invasion, the corona-related lockdowns in major Chinese cities are also making themselves felt in Asia. As a result, there is slower clearance of container ships. 39 percent of German companies worldwide report a lack of raw materials and inputs, 17 percent have to cut back or stop production. In the Eurozone, as many as 22 percent of companies have to cut back production. Among the companies reporting supply chain disruptions, as many as 55 percent report missing materials and 26 percent report reduced production.

In addition to the challenges in their supply chains, companies feel other burdens on international business: 21 percent of companies perceive an increase in trade barriers related to the economic consequences of the war, 20 percent report broken business relationships or the loss of business partners. 14 percent of companies experience obstacles in payment transactions and 15 percent report increased legal uncertainty. In general, these consequences are mentioned more often by companies in EU countries than in other regions.

Due to the sanctions imposed on Russia, companies based there are particularly affected by restrictions in their international business. Among them, 83 percent perceive an increase in trade barriers, 70 percent have lost business partners or broken off business relations themselves, two thirds (65 percent) feel obstacles in payment transactions and every second company reports increased legal uncertainty. The sanctions include export bans on certain goods to the Russian Federation and numerous restrictions on the financial and capital markets for Russian players. Companies with operations in Belarus - the country was also subject to sanctions related to the Russian invasion - also face an above-average number of trade barriers (67 percent), loss of business partners (71 percent) and obstacles in payment transactions (60 percent).

Globally, only nine percent of companies do not perceive any impact in connection with the war in Ukraine. In Europe, the impact is greater than in other regions of the world. In Eastern and South-Eastern Europe, only five percent of companies feel no impact, in the Eurozone it is six percent. The lowest level of concern is in China, where 15 percent of businesses say they do not feel any effects.

Overall, companies report great uncertainty about the future development of their business. Only for a few companies does the impact of the war seem to have a positive effect on business. Five percent report an increase in new orders and three percent report higher production. Slightly more often than average, companies in the US report higher new orders (six percent) and higher production (eight percent).

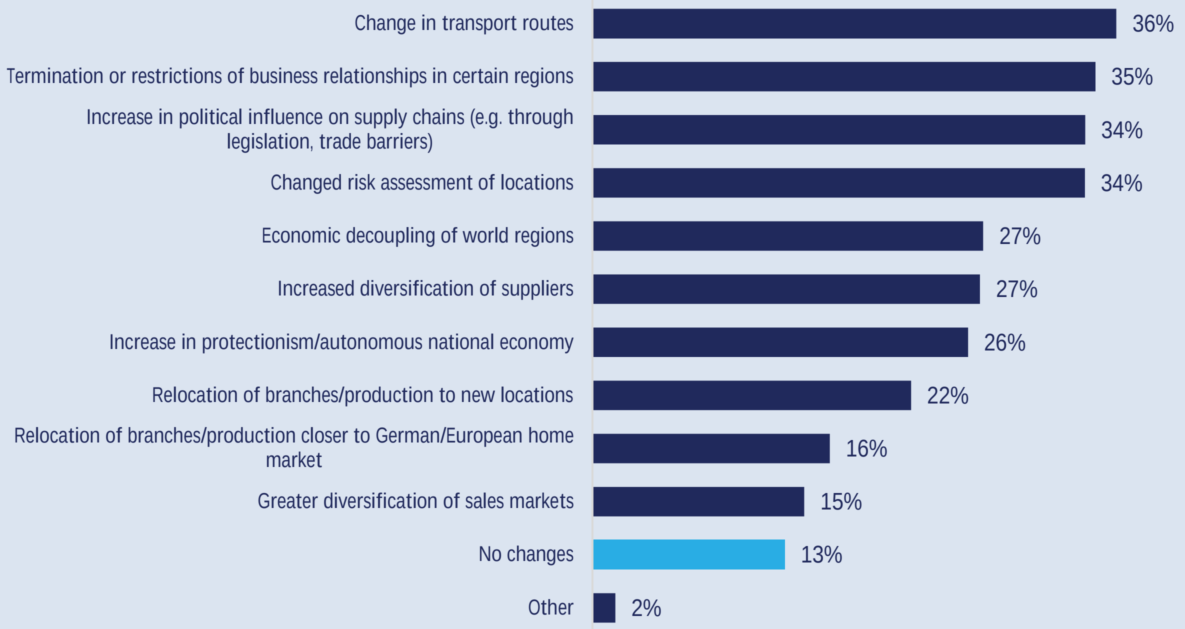
Changes in the international division of labour

The majority of companies expect long-term changes in the international division of labour. Only the Corona pandemic and the Russian war in Ukraine have caused many companies to revise their own strategies or change their perception of the political environment.

Only 13 percent do not expect anything to change in the current business model. The assumptions of the companies differ between the regions as to whether there will be changes, and if so, what they will be. For example, one fifth of the companies based in Africa and the Near and Middle East do not expect any changes. In South and Central America, the figure is 18 percent. Companies based in Greater China and the Eurozone, on the other hand, are more likely to expect changes - only nine percent there expect the current situation to remain unchanged.

Expected long-term changes in the international division of labour

in percent, multiple answers possible



36 percent of German companies worldwide expect a change in transport routes. Companies in Great Britain (78 percent), Russia (74 percent) and China (53 percent) state this with above-average frequency. The current problems in international logistics - e.g. container bottlenecks, lack of truck drivers - are forcing companies to reorganise their logistics.

35 percent of companies will restrict business relationships in certain regions in the future, and over a third (34 percent) will revise the risk assessment for their international locations. This involves a reassessment of geopolitical risk factors, as companies are doing in light of the Russian invasion of Ukraine, but also because of global decoupling trends. It is also about factors such as how to deal with the containment of the coronavirus pandemic. For example, an above-average number of companies, 57 percent in Hong Kong and 47 percent in Mainland China, cite a change in risk assessment. The strict pandemic-related lockdowns and travel restrictions make it difficult for companies based there to maintain operations. In Asia-Pacific (excluding China), companies are also more likely than average to reconsider their risk assessment (42 percent).

Slightly more than a third of companies (34 percent) even expect an increase in political influence on their supply chains, for example through legislation or trade barriers. This means that companies will increasingly have to take political factors into account in addition to purely business factors when making decisions about suppliers, transport routes and production locations. Companies with a branch in Russia (74 percent) and China (42 percent) mention this particularly frequently. Companies in North America (29 percent) and South and Central America (25 percent) state this somewhat less frequently than the global average.

More than a quarter of companies (27 percent) would like to diversify their suppliers more in the future. A larger supplier network or more regional distribution of suppliers can increase resilience in supply chains - but it also increases the costs for the international division of labour. Especially in EU countries (plus Switzerland, Norway, UK) (34 percent), the Eurozone (30 percent) and North America (32 percent), companies are focusing on greater diversification on the supplier side. Diversification of sales markets, on the other hand, plays a somewhat lesser role (15 percent worldwide).

On the basis of various factors, it becomes clear that the companies expect regressions and new hurdles in the international division of labour. A quarter (26 percent) of the companies expect an increase in protectionism or a self-sufficient national economy of states, 27 percent expect an economic decoupling of world regions. Companies are dependent on open markets and international cooperation to diversify their supply chains. Here, too, companies in Chinese and Russian locations are particularly concerned: 56 and 61 percent, respectively, expect more protectionism and 49 and 48 percent, respectively, expect a decoupling of world regions. Companies in South and Central America as well as Sub-Saharan Africa and the MENA region perceive the tendencies towards more protectionism (21 and 18 percent respectively) and economic decoupling (20 percent each) somewhat less frequently.

A change in the international division of labour is accompanied by companies deciding to possibly relocate their branches or production to other locations. 22 percent of German companies worldwide are considering relocating to new locations, 16 percent are specifically planning to move branches or production facilities closer to the European or German home market. In view of the high costs associated with setting up new locations, the share of companies with these plans must be considered quite high. In China, after all, one in eight German companies and in the USA only one in 20 German companies are planning to relocate closer to the European or German home market.

The world regions in the spotlight

Europe

Within Europe, companies' **economic expectations are** predominantly negative. The economic consequences of the Russian war in Ukraine are particularly noticeable for companies in this region due to their geographical proximity. Compared to other regions, expectations have dimmed the most compared to the previous survey. This is mainly due to higher energy and commodity prices, which companies in the euro area cite as a risk more often than the global average.

Top risks Eurozone

60% Raw material prices

60% Energy prices

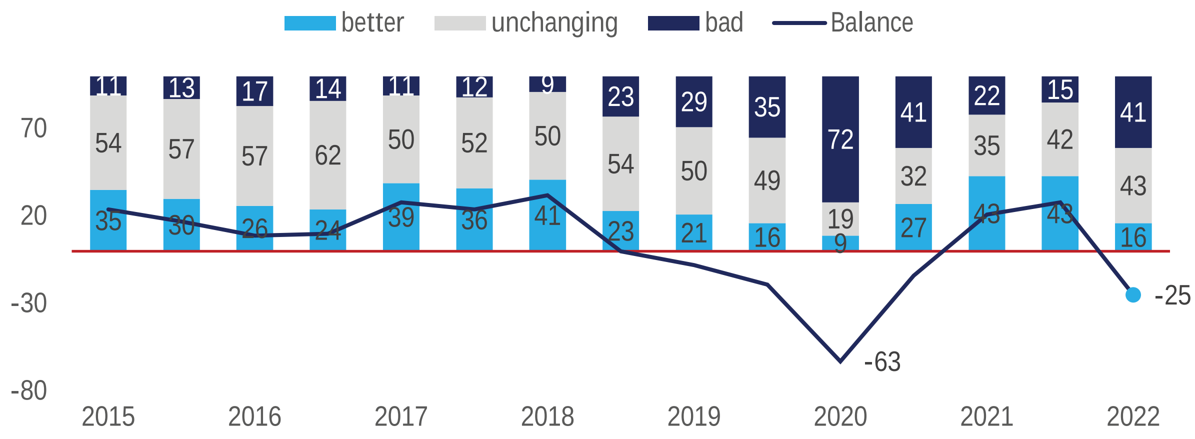
43% Shortage of skilled workers

16 percent of companies in the euro area expect the economy to improve in the next twelve months, while two out of five expect a slowdown (balance minus 25 points). In the group of other EU countries (plus Switzerland, the United Kingdom, Norway), 16 percent expect an improvement and 47 percent a deterioration (balance minus 31 points).

Analogous to the gloomier economic expectations, expectations for the **development of their own business** are also declining. 36 percent of companies with branches in the Eurozone and 39 percent of companies in other EU countries expect a positive business development in the next twelve months. In the Eurozone, on the other hand, slightly more companies (19 percent) expect a deterioration (balance 17 points) than in the other EU states (14 percent, balance 25 points). Business expectations are thus below the global average. In the Eurozone, 34 percent of the companies plan to expand their **investments,** 19 percent want to reduce them (balance 15 points). In the rest of the EU, 36 percent plan to increase investments in the coming months and 14 percent to reduce them (balance 22 points). Companies' **employment intentions** fall to 23 (euro area) and 33 points (other EU).

Compared to autumn 2021, the **business situation is** worsening - but companies with a good business situation still clearly predominate. 46 percent of companies in the Eurozone are currently doing good business, only one in ten bad (balance 36 points). In the rest of the EU, 55 percent of companies are doing good business and only six percent are doing bad business (balance 49 points),

Economic expectations in the euro area



Eastern and South-Eastern Europe (without EU), Russia, Turkey

The **economic expectations of** companies in Eastern and South Eastern Europe are very negative.[1] Only twelve percent of the companies expect an improvement in the coming months; 54 percent expect a deterioration of the economy at their locations (balance minus 42 points). On the one hand, the economic outlook in Russia (balance minus 78 points) and Belarus (balance minus 93 points) is particularly negative due to the sanctions imposed and the resulting economic disengagement from many countries. On the other hand, the other countries in the region are particularly affected by the economic consequences of the Russian war due to their geographical proximity - similar to the EU and the Eurozone.

Top risks Eastern and South-Eastern Europe (without EU), Russia, Turkey

47% Raw material prices

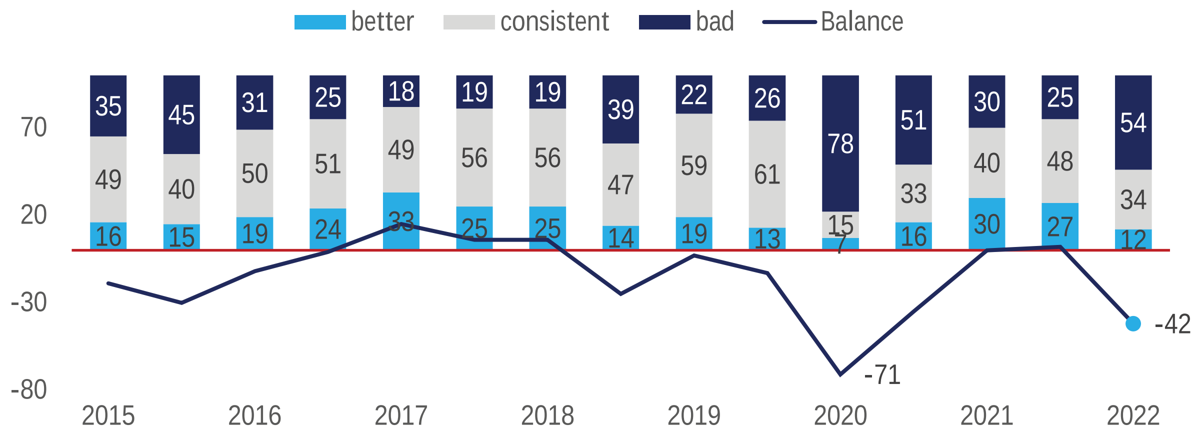
47% Energy prices

39% Economic policy framework conditions

With regard to **business expectations**, positive and negative voices almost balance each other out. 30 percent of the companies in the region expect a better and 27 percent a worse development of their own business (balance of three points).

The **investment intentions of** the Eastern and South-Eastern European countries are the lowest in a global comparison and shrink the most significantly compared to the previous survey. 30 percent with increasing investment plans are compared to 29 percent with lower investment plans (balance of one point). The negative investment intentions are particularly marked by companies in Russia (balance minus 60 points) and Belarus (balance minus 70 points). Here, the uncertainty about the future development of the locations against the background of the sanctions imposed is noticeable. **Employment plans** also fall most significantly compared to autumn 2021: 32 percent want to hire more staff, 19 percent less (balance 13 points after previously 41 points).

Economic expectations



[1] This survey does not include results from Ukraine - otherwise part of this group of countries. Therefore, the results are not fully comparable with those of the previous survey.

Russia

In view of the sanctions imposed on Russia in response to the Russian invasion of Ukraine, companies' expectations for the country's economic development are extremely negative. None of the German companies on site expects an improvement, 78 percent of the companies expect a deterioration. The balance of better and worse assessments is thus at a historically low minus 78 points. Similarly, companies' expectations of their own business sank to minus 61 balance points, while investment intentions fell to minus 67 balance points. Companies see the greatest business risks in the economic policy framework (65 percent), trade barriers or the preferential treatment of domestic companies (57 percent) and demand (57 percent).

Turkey

In Turkey, only 13 percent expect a positive economic development in the country, more than half of the companies expect a slowdown in Turkish economic performance (balance minus 39 points). However, the expectations for their own business are assessed much more optimistically: 34 percent with positive expectations are compared to only 17 percent with negative expectations (balance 17 points). In view of the dominant risks in Turkey - exchange rate risk (74 percent), commodity prices (68 percent), energy prices (64 percent) - German companies on the Bosporus are thus quite robust.

North America

Only in North America do the companies that expect a positive **development of economic performance in the** coming months predominate. 36 percent expect an improvement, 22 percent a deterioration (balance 14 points). The balance is lower than in the previous survey. Nevertheless, the economic situation in no other region is currently assessed so positively by German companies. Current developments in the global economy are having less of a negative impact on the economies of the USA, Canada and Mexico than in other regions.

Top risks North America

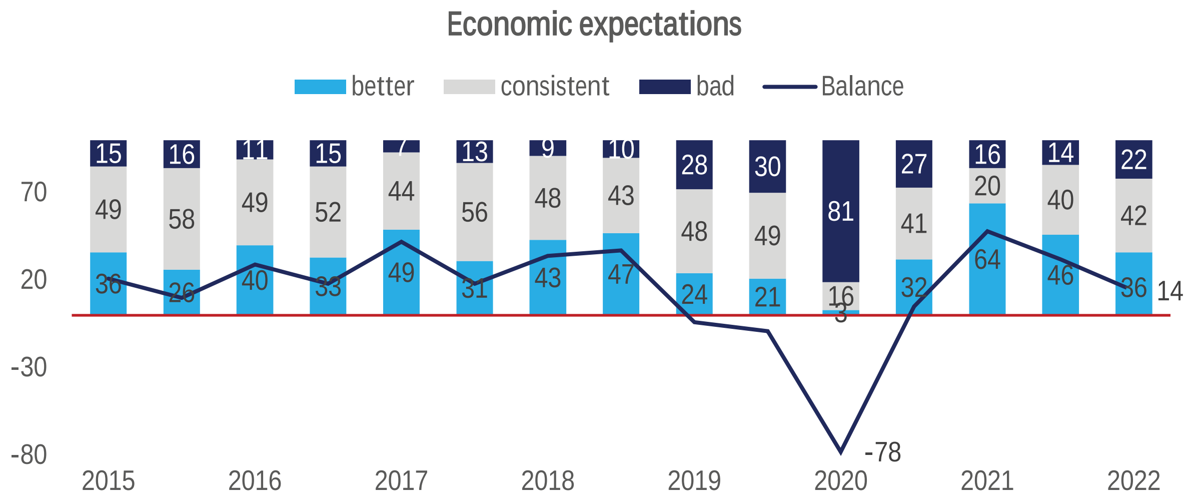
55% Raw material prices

49% Economic policy framework conditions

32% demand and 32% skills shortage

The positive view of the economy is also reflected in the **expectations for their own business**: 65 percent of the companies in North America expect an improvement in their business, only six percent expect a deterioration (balance 59 points). This means that business expectations are rising compared to the previous survey and are currently more positive there than in any other region. This is also reflected in the companies' **investment intentions**, which, although slightly lower than in the previous survey, are currently the highest in the world with a balance of 34 points. **Employment intentions** remain almost constant (balance 41 after 40 points previously) - also the highest value worldwide.

57 percent of companies in North America report a good **business situation** - more than in any other region - and only 8 percent a poor one (balance 49 points). Thus, the business situation of companies at their North American locations is noticeably improving compared to the autumn.



South and Central America

In South and Central America, 29 percent of the companies expect **economic performance** in the region to improve, 30 percent expect it to deteriorate (balance minus 1 point). Although the resulting balance is still slightly negative, positive and negative voices almost balance each other out. The region is the only one in which companies expect economic development to be stronger again than in the previous survey (autumn 2021: balance minus 17 points). 41 percent do not expect any change.

Top risks South and Central America

57% Economic policy framework conditions

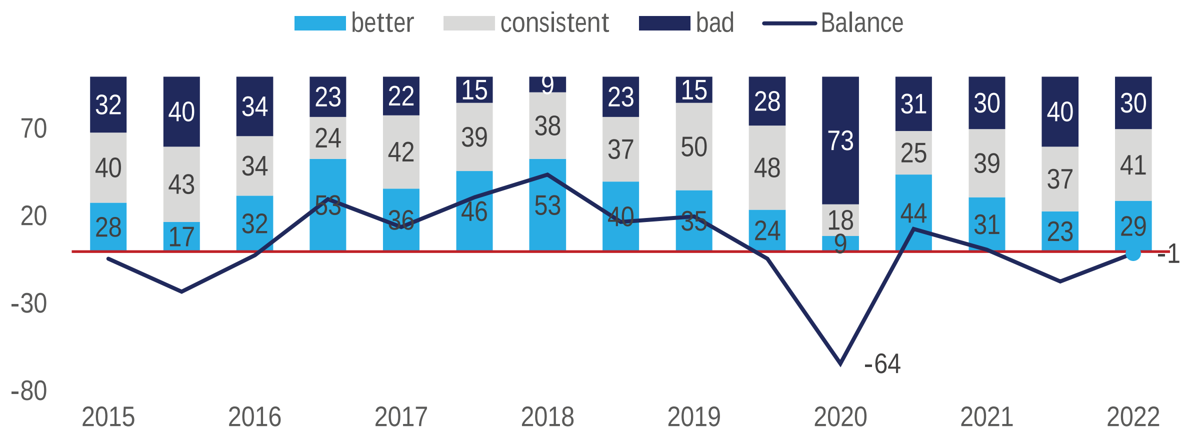
41% Raw material prices

34% Demand

As a result, **business expectations are** also rising: 55 percent expect better business in the coming months and ten percent worse (balance 45 points). After North America, this is the only region where companies' business expectations are rising compared to the previous survey. Analogously, this is reflected in more expansive **investment and employment plans of** the companies. 39 percent of the companies want to increase their investments, one in ten wants to reduce them (balance 29 after 16 points before). Thirty percent want to hire more staff, nine percent plan to reduce staff (balance 21 after 19 points previously). Overall, companies are benefiting from the economic recovery after the Corona pandemic.

Compared to other regions, the **business situation has** even improved the most compared to the previous survey: 44 percent currently report good business and twelve percent report poor business (balance 32 points). Besides North America, it is the only region where companies report a better business situation than before.

Economic expectations



Asia-Pacific (without China)

In the Asia-Pacific region (excluding China), companies that expect the **economic situation to** improve in the next twelve months are balanced by those that expect it to worsen: one quarter each (balance zero points). Every second company, on the other hand, expects the economic development to remain the same.

Top risks Asia-Pacific region

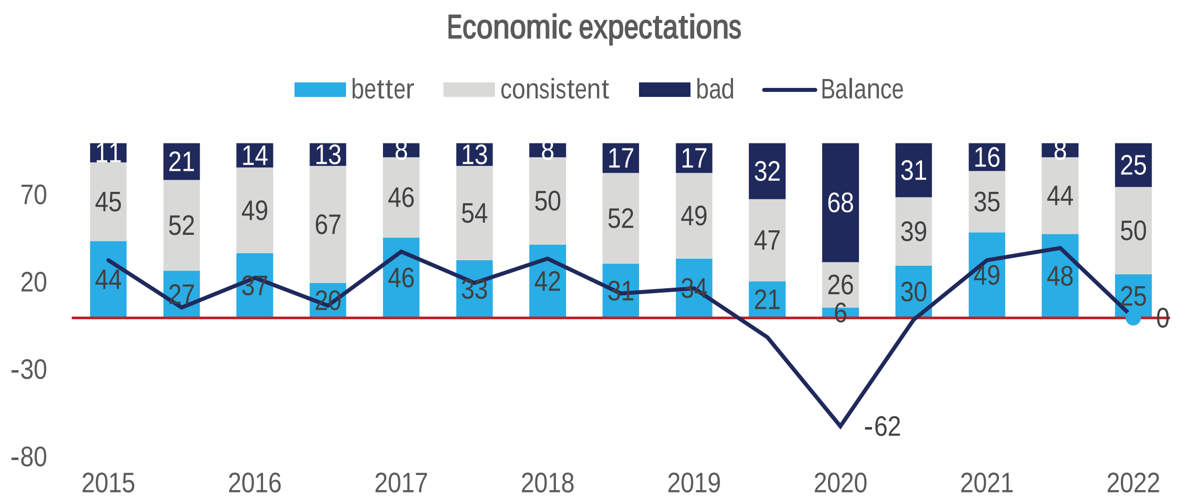
53% Raw material prices

42% Energy prices

39% Exchange rate

However, the **expectations** with regard to the development of their own business are even more optimistic: 47 percent expect better business, 12 percent expect worse business (balance 35 points). Although the even more positive expectations from autumn 2021 cannot be sustained, companies in the Asia-Pacific region (excluding China) are significantly more optimistic about the coming twelve months than companies in China (balance of three points).
The **investment intentions of** companies in this region are slightly higher than the global average: one-third of the companies plan to increase their capital expenditure in the coming months, only twelve percent want to reduce it (balance 21 points). **Employment intentions** fall only slightly compared to the previous survey: 42 percent of the companies want to increase staff, eight percent want to reduce staff (balance 34 points).

The assessment of the current **business situation** in the region remains stable compared to the previous survey: 45 percent of the companies have good business, 11 percent have bad business (balance unchanged at 34 points).



Greater China

In their Chinese locations (China, Hong Kong, Taiwan), companies are significantly lowering their **economic expectations**. Only 14 percent expect an improvement, 44 percent a deterioration (balance minus 30 points). 42 percent expect no change in economic performance. Compared to the rest of Asia, the outlook of German companies in China is thus much more pessimistic. Expectations are also strikingly poor compared to other regions due to the Corona-related lockdowns.

Top Risks Greater China

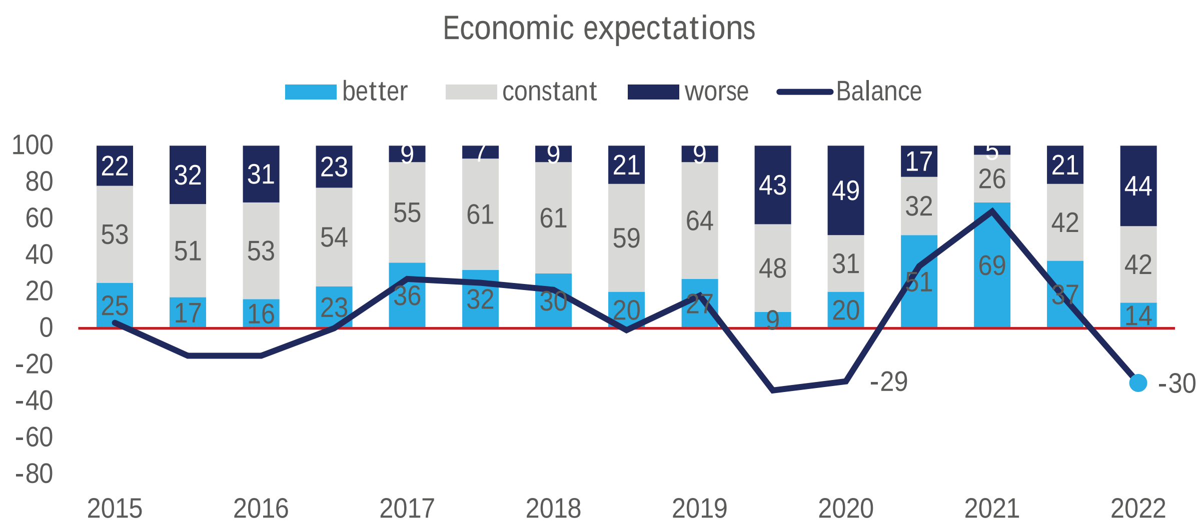
60% Raw material prices

49% Demand

45% Economic policy framework conditions

Analogously, expectations for the **development of their own business are** also very subdued: 26 percent expect an improvement (fewer than anywhere else), 23 percent expect a deterioration (balance of three points). Consequently, companies are also scaling back their **investment and employment intentions.** One-third of the companies want to expand their investments, but 31 percent want to reduce them (balance of two points). After the region of Eastern and South-Eastern Europe (without the EU), Turkey and Russia, investment intentions are lowest in the Middle Kingdom. Thirty-seven percent with plans to increase staffing levels contrast with eleven percent with plans to reduce staffing levels (balance 26 points).

Companies in their Chinese locations also rate their current **business situation the** worst compared to other regions. 42 percent assess their current business as good, 17 percent as poor (balance 25 points).



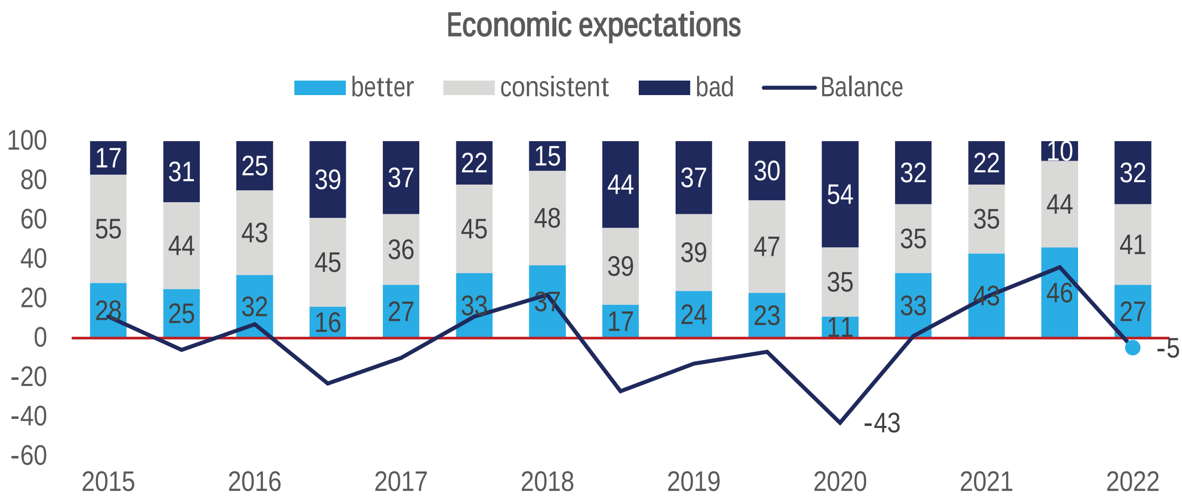
Sub-Saharan Africa, Near and Middle East

> **Top risks Sub-Saharan Africa, Near and Middle East**
>
> 55% Raw material prices
>
> 50% exchange rate
>
> 43% Economic policy framework conditions

In the region of Sub-Saharan Africa, the Near and Middle East, 27 percent expect an improvement of the **economic situation in** their respective countries, 32 percent a deterioration (balance minus five points). 41 percent expect no change. Looking at the other regions, the economic expectations are thus above average.

The business expectations of the companies are clearly down on the previous survey, but still clearly in positive territory. 43 percent expect their business to improve, eleven percent expect it to deteriorate in the next twelve months (balance 32 points). **Investment and employment intentions** are subdued. 34 percent want to make higher investments, 20 percent lower (balance 14 points). 32 percent want to increase staff, 13 percent plan to reduce the number of employees (balance 19 points).

Current business is slightly less good than in autumn: 42 percent currently have good business and twelve percent have bad business (balance 30 points).



Statistical annex

Evaluation of the results by country

Balance of good/better answers minus bad/less answers in each case

	Current business situation	Business expectations	Economic expectations on the ground	Investment intentions	Employment intentions
World total	**37**	**27**	**-16**	**18**	**27**
Eurozone	**36**	**17**	**-25**	**15**	**23**
Germany	34	15	-22	22	23
Estonia	40	10	-37	3	30
Finland	48	22	-44	12	48
France	22	35	22	29	35
Greece	23	6	-32	-3	9
Italy	51	13	-28	-1	28
Latvia	41	5	-45	0	23
Lithuania	30	11	-67	23	19
Portugal	22	17	-35	-27	-9
Slovakia	31	-7	-47	8	12
Slovenia	52	28	-14	10	28
Spain	32	27	-36	16	28
Other EU, Switzerland, Norway, UK	**49**	**25**	**-31**	**22**	**33**
Bulgaria	48	13	-28	25	32
Denmark	52	26	-13	24	17
Croatia	46	41	10	23	35
Norway	45	34	-18	20	29
Poland	60	14	-51	21	36
Romania	41	30	-41	6	21
Sweden	48	39	-3	30	48
Switzerland	60	23	3	22	33
Czech Republic	41	5	-46	5	24
Hungary	36	12	-51	7	18
Great Britain and Northern Ireland (UK)	42	42	-17	37	39
Eastern/South Eastern Europe (without EU), Russia, Turkey	**45**	**3**	**-42**	**1**	**13**
Albania	18	21	-15	26	8
Azerbaijan	14	30	4	14	15
Bosnia and Herzegovina	37	48	0	21	44
Kosovo	38	34	9	40	41
North Macedonia	16	-5	-56	0	18
Russian Federation	0	-61	-78	-60	-57
Serbia	51	41	-26	36	45
Turkey	71	17	-39	1	33
Belarus (White Russia)	0	-74	-93	-70	-58

	Current business situation	Business expectations	Economic expectations on the ground	Investment intentions	Employment intentions
Asia/Pacific (without China)	**34**	**35**	**0**	**21**	**34**
Australia	58	63	38	27	58
Indonesia	50	73	35	29	46
Japan	23	13	-30	13	34
Kazakhstan	37	15	-11	-4	6
Korea (South)	31	35	1	11	19
Malaysia	39	35	4	33	48
New Zealand	29	43	-39	4	39
Philippines	37	53	33	31	40
Singapore	42	31	4	31	53
Thailand	37	34	0	41	37
Vietnam	32	57	43	42	43
Greater China	**25**	**3**	**-30**	**2**	**26**
China, PR	24	1	-34	0	25
Hong Kong	19	0	-16	5	23
Taiwan	41	17	5	32	38
North America (=USA, Canada, Mexico)	**49**	**59**	**14**	**34**	**41**
Canada	41	32	5	-14	36
Mexico	30	43	-21	23	29
USA	55	68	27	44	45
South and Central America	**32**	**45**	**-1**	**29**	**21**
Argentina	17	23	-48	6	17
Bolivia	-6	43	-14	15	-9
Brazil	44	41	9	34	25
Chile	54	33	-71	27	38
Ecuador	18	63	10	30	9
Colombia	44	76	26	37	33
Panama	43	48	48	39	29
Paraguay	59	78	-15	48	56
Peru	16	-3	-65	-23	0
Uruguay	52	62	51	61	28
Venezuela	-38	38	24	33	-20
Africa, Near and Middle East	**30**	**32**	**-5**	**14**	**19**
Egypt	33	26	-13	10	8
Algeria	-23	18	5	21	-5
Iran	36	34	-20	16	25
Kenya	37	22	-37	25	19
Saudi Arabia	40	50	63	23	40
South Africa	8	20	-38	8	33
Tunisia	9	35	-30	18	16
United Arab Emirates	50	46	33	17	33

Questionnaire

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

- good
- satisfactory
- bad

What business development do you expect for your local company in the next twelve months?

- better
- consistent
- bad

How do you assess the economic development on site in the next twelve months?

- better
- consistent
- bad

How is your company's spending on local investments likely to develop over the next twelve months?

- higher
- consistent
- Low
- No investments

How do you expect the number of employees in your local company to develop over the next twelve months?

- higher
- consistent
- Low

Where do you see the greatest risks in the economic development of your company in the coming twelve months? (Multiple answers possible)

- Demand
- Funding
- Labour costs
- Skills shortage
- Exchange rate
- Energy prices
- Commodity prices
- Legal certainty
- Economic policy framework conditions
- Infrastructure
- Trade barriers / preferential treatment of domestic companies

What short-term economic consequences of the Russian invasion of Ukraine do you feel or expect for your company? (Multiple answers possible)

- Higher costs for energy, raw materials and inputs
- Lack of raw materials and inputs
- Supply chain and logistics disruptions
- Increase in trade barriers
- Increased legal uncertainty
- Production stop/reduced production
- Higher production
- Reduction in incoming orders
- Increase in incoming orders
- Loss of business partners, severance of business relationships
- Obstacles in payment transactions
- None
- Other (free text)

What long-term changes in the international division of labour do you expect? (Multiple answers possible)

- Change in transport routes
- Changed risk assessment of sites
- Termination or restrictions of business relationships in certain regions
- Relocation of branches/production to new locations
- Relocation of branches/production closer to German/European home market
- Increase of political influence on supply chains (e.g. through laws, trade barriers)
- Increase in protectionism / autarkic national economy
- Greater diversification of suppliers
- Greater diversification of sales markets
- Economic decoupling of world regions
- No changes
- Other (free text)

The AHK World Business Outlook is based on a regular DIHK survey of member companies of the German Chambers of Commerce Abroad, Delegations and Representative Offices (AHKs). It collects feedback from more than 4,200 German companies, branches and subsidiaries worldwide as well as companies with close ties to Germany in spring 2022. The survey was conducted from 25 March to 22 April 2022.

41 percent of the responding companies are from the industry and construction sector, 37 percent from the service sector and another 22 percent are trading companies. Smaller companies with less than 100 employees account for 49 percent of the responses. 23 percent of the companies employ 100 to 1,000 people. Large companies with more than 1,000 employees account for 28 percent of respondents worldwide.

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