AHK

World Business Outlook Fall 2025

Special Analysis: USA

REPRESENTATIVE of German Industry + Trade

DIHK German Chamber of Commerce and Industry

The following report was prepared by RGIT's principal, the German Chamber of Commerce and Industry (DIHK). The report is part of DIHK's biannual World Business Outlook.

Contents

Methodology

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). In fall 2025, it collected feedback from over 3,500 German companies, branches and subsidiaries worldwide, as well as companies with close ties to Germany. This included 114 responses from the US. The survey was conducted from 29 September to 17 October 2025. Further information on the methodology and the questionnaire can be found in the full report of the AHK World Business Outlook.

Imprint

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Disclaimer

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Key findings

After a period of great uncertainty at the beginning of the year, the mood of German companies in the US remains tense, but companies are now cautiously optimistic and are hoping for an economic recovery. Compared to spring 2025, economic expectations have improved but remain negative overall. A quarter of companies expect improvement, while 28 percent expect the economy to deteriorate. In spring, only 15 percent expected an economic upturn. Following the tariff shock in the spring, adapting to the "new normal" is a major challenge for German companies in the region. They assess their current business situation as worse than in the spring: only 40 percent rate their situation as good (spring: 51 percent).

US trade policy remains the key source of uncertainty for German companies in the United States. Despite new bilateral agreements between the US and the EU and other trading partners, three-quarters of German companies operating in the US are feeling negative effects – significantly more than the global average (60 percent). Three-quarters of companies cite tariffs as the most influential US economic policy affecting their business. Compared to the global average (66 percent), this is a significantly stronger impact. The main reason for this is that US-based German-owned companies depend directly on internationally interlinked supply chains. Local German companies also feel the effects of US domestic economic policy stronger (just under a third) compared to their counterparts across the globe (19 percent). Despite the improved tax environment resulting from the so-called "One Big Beautiful Bill", the elimination or reduction of investment incentives of the Inflation Reduction Act is putting pressure on German companies in the US. Local industrial policy burdens one-fifth of local companies (globally: 16 percent) with requirements such as "Buy American" and differing technical standards and product requirements. In addition, 13 percent of companies cite export controls as a factor adversely influencing their local business. These can have a profound impact on companies' operational processes, particularly through strict requirements for technology exports, supply chains and complex compliance requirements.

Economic policy is among the biggest business risks in the United States for more than two-thirds of German companies in the US. More than half of all responding companies identified trade barriers as a burden. The role of the US dollar as a reserve currency and its importance for global trade has worldwide implications. Accordingly, Federal Reserve appointments and monetary policy overall should be guided by economic, not political concerns. Finally, structural risks such as the lack of skilled workers and rising labor costs have come back into focus.

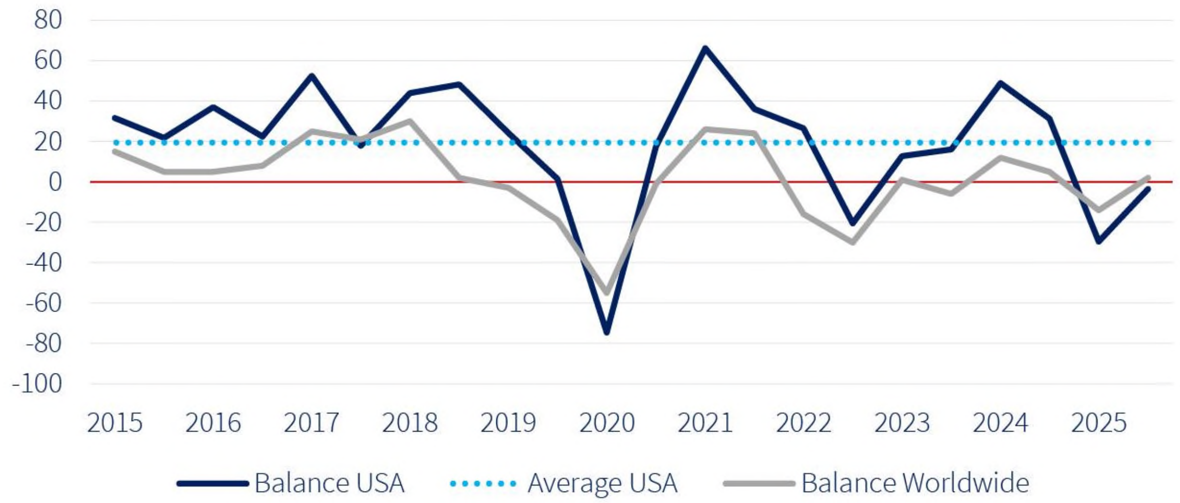
The overall slightly brighter economic outlook also led to improved expectations for local companies' own business: in spring, a quarter of companies still expected business for 2026 to deteriorate, now only 13 percent of respondents are pessimistic about their business in 2026. However, the overall outlook remains well below the averages of recent years. The willingness of local German companies to invest has also improved slightly compared to spring. Expansive investment plans now slightly outweigh cautious ones. However, total investment plans remain well below the global average and far from the usual high level of investment by German companies in the US. Employment plans are also recovering only cautiously and remain well below the long-term average.

Overall, the survey shows that German companies are in the process of adjusting to the "new normal" and the more complicated trade policy environment. They are now realigning their trade strategies. Although the latest agreements create more transparency, the burdens of tariffs, export controls and market access barriers remain significant. Companies that respond flexibly with their supply chain design, can still access intermediate goods and strengthen local value creation can nevertheless continue to take advantage of the opportunities offered by the US market.

Economic development

Current expectations for local economic development have improved significantly compared to the spring. A quarter of companies are optimistic about the economy in the coming twelve months, while 28 percent expect the economy to deteriorate (spring 2025: 14 percent better, 44 percent worse). The balance rose by 26 points from minus 30 to minus four points. However, it remains well below the long-term average of 19 points.

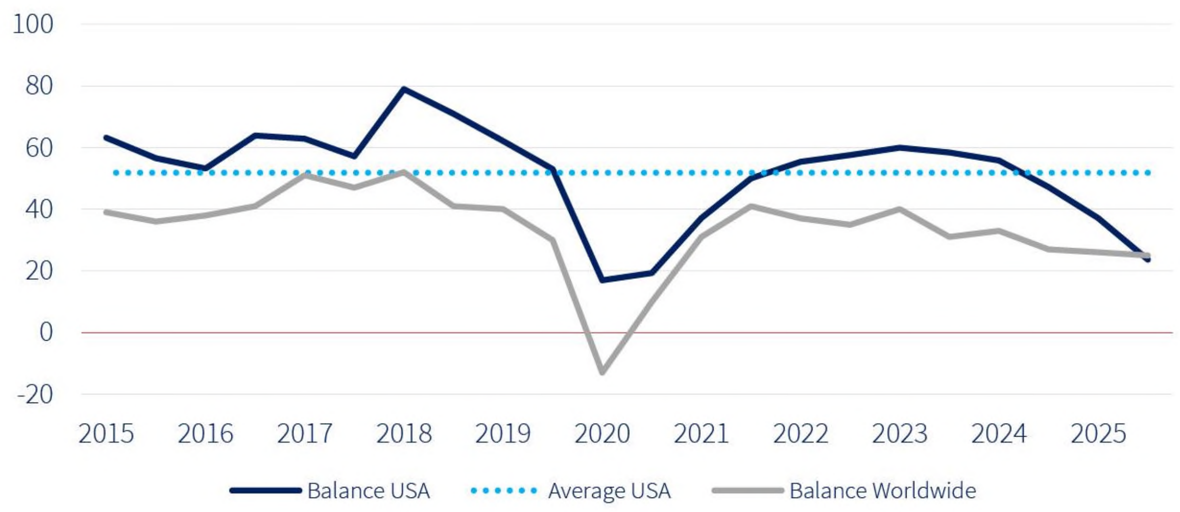
Economic expectations of German companies in the US
(Balance in points)



Current business situation

40 percent of companies rate their current business situation as good. The proportion of negative assessments has increased compared to the spring – from 13 to 16 percent. The balance has fallen significantly from 37 to 24 points and is noticeably below the long-term average (52 points). German companies are feeling the effects of US trade and economic policy both directly and through their supply chains. This is because many German industrial companies in the US are dependent on imports of intermediate goods, which are now subject to US tariffs.

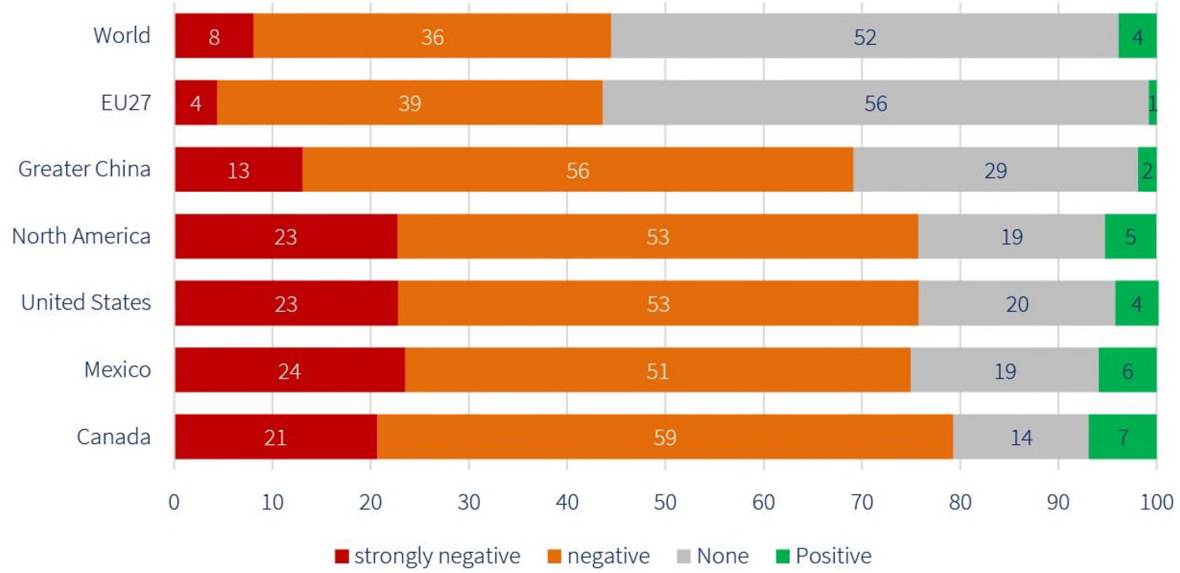
Business situation of German companies in the US
(Balance in points)



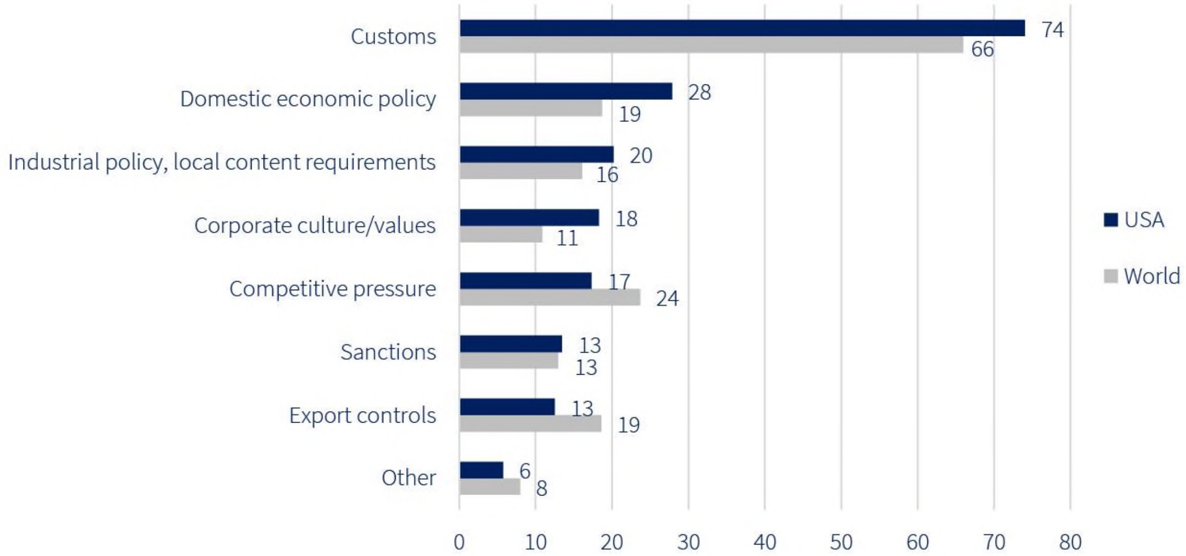
Impact of US trade policy

The proportion of companies that feel the negative or strongly negative effects of US trade policy on their own local business in the US is 76 percent (23 percent strongly negative; 53 percent negative). Previously, the figure was 86 percent (40 percent strongly negative; 46 percent negative). The high figure is a result of the direct impact on companies' internationally interlinked supply chains. Only four percent report positive effects on their business from US trade policy (down from seven percent in spring 2025).

Impact of US trade policy on the business of local companies
(figures in percent)



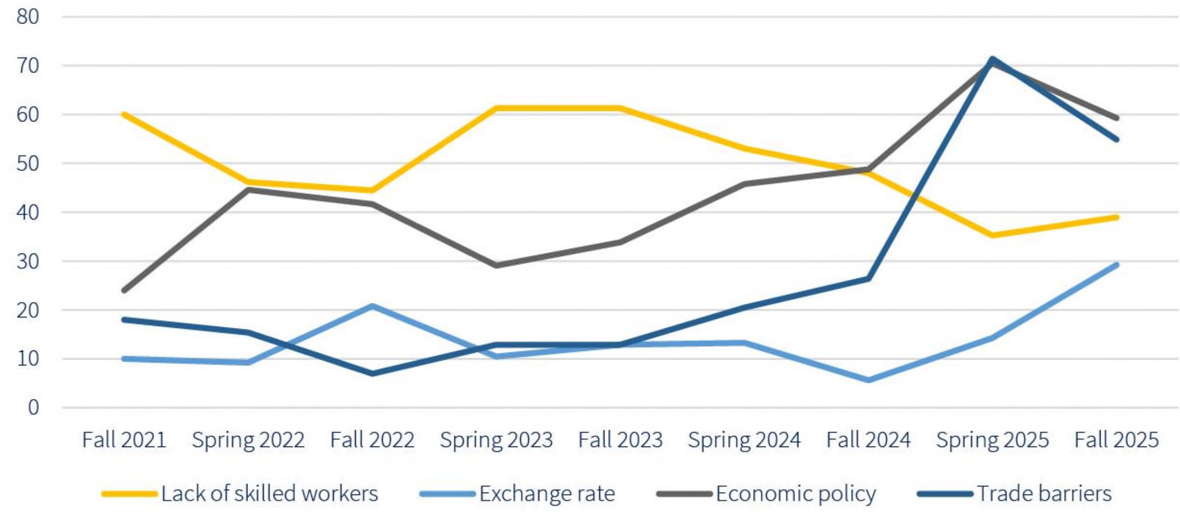
Which aspects of US economic policy are currently having the greatest impact on companies?
(figures in percent, multiple answers possible, only figures from companies with US business)



Risks for German companies abroad

Economic policy is one of the most common business risks, cited by 59 percent of respondents, while 55 percent see trade barriers and preferential treatment of domestic companies as a burden. In addition to trade and customs policies, which remain difficult to predict, existing market access barriers – for example in the area of public procurement – are a particular risk factor. The new uncertainty, which is currently exacerbated by US trade policy, is exchange rate risk (29 percent, up from 14 percent previously).

Business risks for companies in the US over the next twelve months
(in percent, multiple answers possible)



Business expectations of German companies

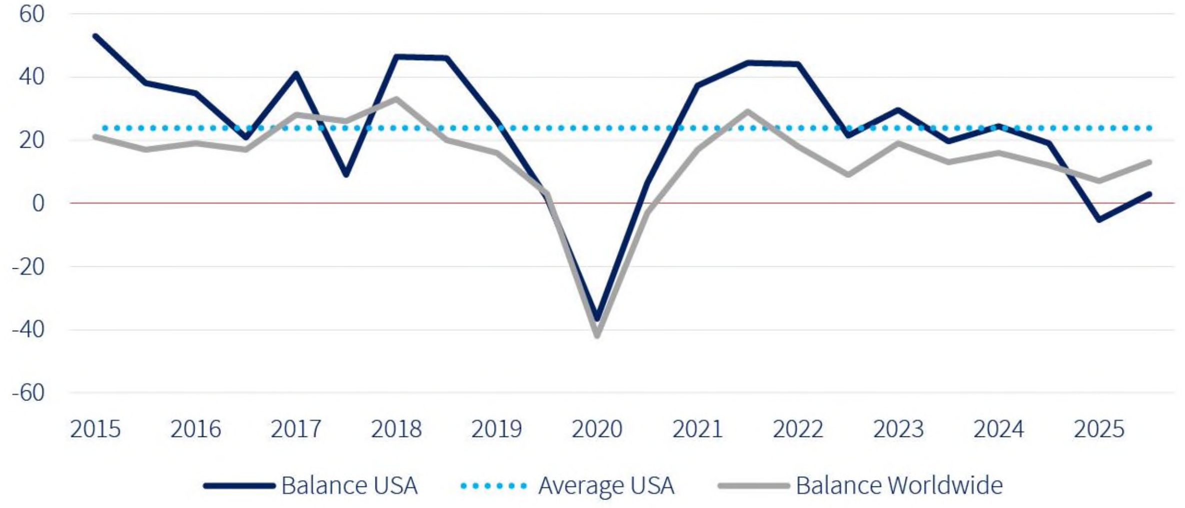
German companies with locations in the United States are confident in their business expectations for the coming year. More than a third (37 percent) of companies expect business to improve, while only 13 percent anticipate deterioration. The balance of business expectations has risen from nine to 24 points but remains well below the long-term average (45 points). German companies in the US expect to benefit more from local economic developments than their international counterparts. In addition, companies with production sites in the US could benefit in some cases from the isolation and resulting reduction in international competition in the US.

Business expectations of German companies in the US
(Balance in points)

Companies' investment plans

The investment plans of German companies in the US are cautious: unlike in the past, plans remain well below global investment intentions. However, there has been a slight recovery since the last survey in spring, around Liberation Day. 24 percent of companies want to increase their investments in the coming year, while 21 percent plan to cut back on investments. The balance has improved slightly from minus five to plus three points. However, investment plans remain well below the global average and far from the usual high level of investment plans by German companies in the US (average value 24 points).

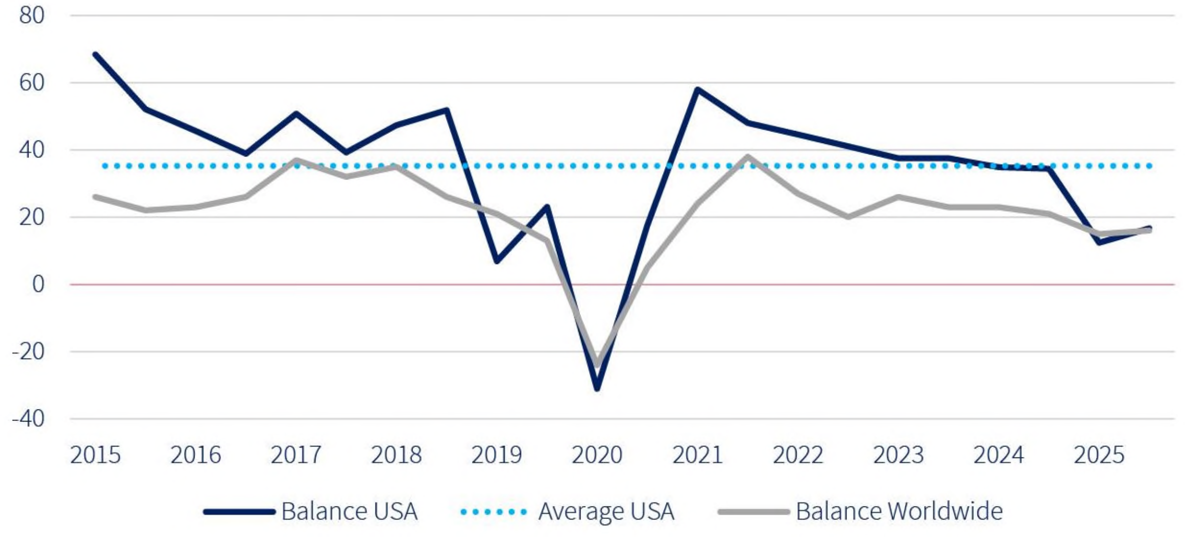
Investment plans of German companies in the US
(Balance in points)



Companies' employment plans

Companies in the US are also slightly more confident about employment than they were in spring. 36 percent plan to hire additional staff, while 19 percent will have to reduce their workforce. The balance has improved from 12 to 17 points but remains well below the long-term average (35 points).

Employment plans of German companies in the US
(Balance in points)



Statistical appendix

Evaluation of results by country

Balance of good/better responses minus poor/lower responses

	Current business situation	Business expectations	Local economic expectations	Investment plans	Employment plans
World total	**25**	**34**	**2**	**13**	**16**
EU27	**23**	**21**	**-16**	**1**	**9**
Eurozone	**24**	**25**	**-13**	**4**	**11**
Greater China	**-5**	**9**	**-22**	**6**	**-21**
Hong Kong, SAR	4	27	0	-21	-19
Taiwan	0	21	-	-10	33
China	-5	7	-25	12	-26
North America	**25**	**26**	**-7**	**3**	**16**
Canada	52	21	-34	-15	-10
Mexico	19	44	-13	14	21
USA	24	24	-4	3	17

Business risks for German companies abroad

in percent, multiple answers possible

	Demand	Funding	Labor costs	Lack of skilled workers	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Supply chain disruptions
Worldwide	**47**	**22**	**30**	**30**	**31**	**19**	**21**	**19**	**48**	**9**	**25**	**20**
EU27	**60**	**16**	**44**	**36**	**13**	**28**	**19**	**20**	**51**	**9**	**18**	**15**
Eurozone	**57**	**15**	**40**	**40**	**3**	**26**	**17**	**15**	**56**	**8**	**17**	**14**
Greater China	**73**	**11**	**14**	**12**	**25**	**3**	**10**	**7**	**46**	**0**	**41**	**17**
Hong Kong	62	15	15	19	8	8	19	0	38	0	46	31
Taiwan	71	13	4	21	21	0	17	4	50	0	29	0
China	79	9	18	5	35	2	4	12	47	0	44	18
North America	**45**	**14**	**20**	**28**	**30**	**6**	**16**	**23**	**64**	**7**	**50**	**25**
Canada	48	3	10	14	41	7	28	10	62	7	62	31
Mexico	46	12	10	15	25	4	9	32	74	12	38	21
USA	43	19	28	39	29	6	18	20	59	4	55	27

Are companies feeling the effects of US trade policy on their local business? In percent

	Strong Negative	Negative	None	Positive	Overall Negative Fall 2025	Overall Negative Spring 2025
World	**8**	**36**	**52**	**4**	**44**	**60**
EU27	**4**	**39**	**56**	**1**	**44**	**61**
Eurozone	**5**	**42**	**52**	**1**	**47**	**66**
Greater China	**13**	**56**	**29**	**2**	**69**	**72**
Hong Kong, SAR	27	38	35	0	65	64
Taiwan	17	54	29	0	71	71
China	5	65	26	4	70	76
North America	**23**	**53**	**19**	**5**	**76**	**86**
Canada	21	59	14	7	79	86
Mexico	24	51	19	6	75	88
USA	23	53	20	4	76	86

Which aspects of US economic policy are currently having the greatest impact on companies?

(in percent, multiple answers possible, only companies with US business)

	Tariffs	Export controls	Sanctions	Competition pressure	Corporate culture / values	Domestic economic policy	Industrial policy, local content requirements	Other
World	**66**	**19**	**13**	**24**	**11**	**19**	**16**	**8**
EU27	**75**	**15**	**7**	**21**	**10**	**18**	**16**	**5**
Eurozone	**72**	**15**	**8**	**26**	**15**	**22**	**19**	**4**
Greater China	**88**	**27**	**23**	**15**	**2**	**10**	**15**	**6**
Hong Kong, SAR	88	24	24	12	6	18	18	12
China	92	38	31	15	0	8	15	0
North America	**77**	**12**	**10**	**17**	**13**	**25**	**21**	**7**
Canada	87	9	4	17	4	35	22	9
Mexico	78	14	4	18	6	16	24	10
USA	74	13	13	17	18	28	20	6