Thanks to the growth of the global economy, the foreign business outlook for German companies in the coming months is bright. However, there are risks, particularly in connection with fiscal policy measures by individual countries and protectionist tendencies. The euro zone economies are growing again and demand for German goods and services in China and other Asian countries is also growing thanks to stable growth rates, while oil-producing countries are benefiting from rising oil prices. Net expectations for global trade are positive by a margin of four points, up from two points in the previous year. But at the same time, businesses are more uncertain about the stability of this trend, with a few of the key concerns including Turkey, Russia and the United Kingdom.

One big obstacle for companies which operate internationally are growing trade barriers. 32 percent report that barriers increased in the past year. Many different measures have the potential to hinder business, from tariffs to additional certification requirements and measures to favour local production. The protectionist statements by the new US president have created additional uncertainty. The possible renegotiation of NAFTA and plans to impose tariffs and afford preferential treatment to domestic businesses call the existing trade relationships into question from the perspective of German companies and represent a high risk for the growth of international business with the US.

The withdrawal of the United Kingdom from the European Union will be a significant drag for German companies operating internationally, in the opinion of the companies surveyed. The business outlook has worsened noticeably. Expected cost burdens due to taxes and tariffs and increasing bureaucratic hurdles at Europe's new borders will negatively affect business on both sides. The magnitude of this effect largely depends on negotiations between the United Kingdom and the EU.
The nationwide survey “Going International 2017” of the Association of German Chambers of Commerce and Industry (DIHK) has been created with the support of 79 Chambers of Commerce and Industry (IHKs). A total of 2,200 companies which are active abroad and have a registered office in Germany participated in the online survey in January/February 2017. The current survey continues the analyses of the same name from 2005 to 2016.

Contact: Kevin Heidenreich | heidenreich.kevin@dihk.de