AHK

World Business Outlook Spring 2024

Results of a survey of the German Chambers of Commerce Abroad, Delegations and Representative offices

DIHK German Chamber of Commerce and Industry

AHK German Chambers of Commerce Abroad

Contents

Methodology

The AHK World Business Outlook is based on a regular DIHK survey of the member companies of the German Chambers of Commerce Abroad, delegations and representative offices (AHKs). In spring 2024, it collects feedback from around 4,300 German companies, branches and subsidiaries worldwide, as well as companies with close ties to Germany. The survey was conducted from March 25 to April 21, 2024. 38 percent of the responding companies come from the industry and construction sector, 42 percent from the service sector and a further 20 percent are trading companies. Smaller companies with fewer than 100 employees accounted for 53 percent of the responses. 25 percent of the companies employ 100 to 1,000 employees. Large companies with more than 1,000 employees account for 22 percent of respondents worldwide.

49 percent are subsidiaries/branches of German companies, 39 percent are local or (non-German) international companies without a branch in Germany and a further 12 percent are local or (non-German) international companies with a branch in Germany.

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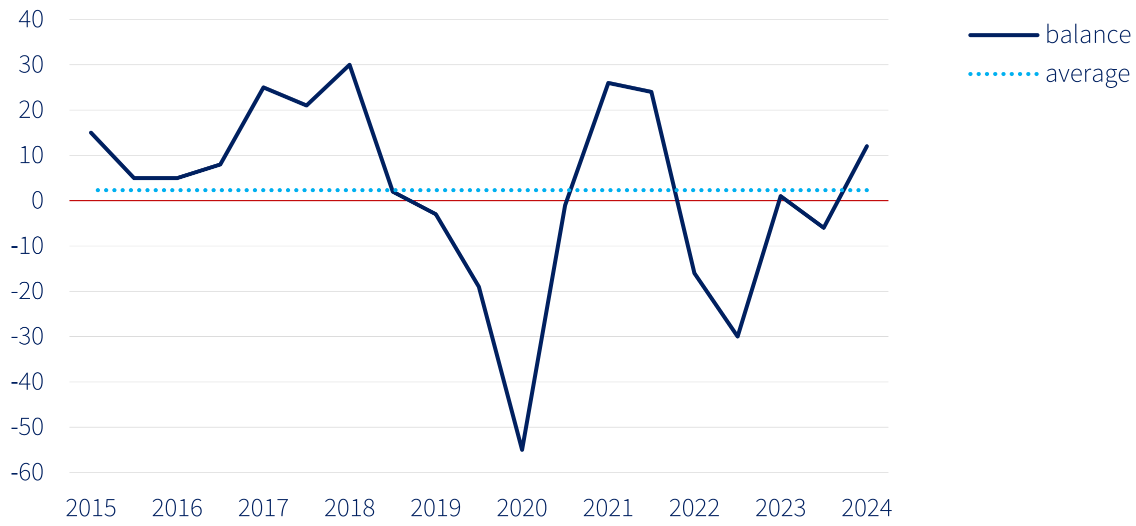
Development of the global economy

Economic expectations of German companies abroad

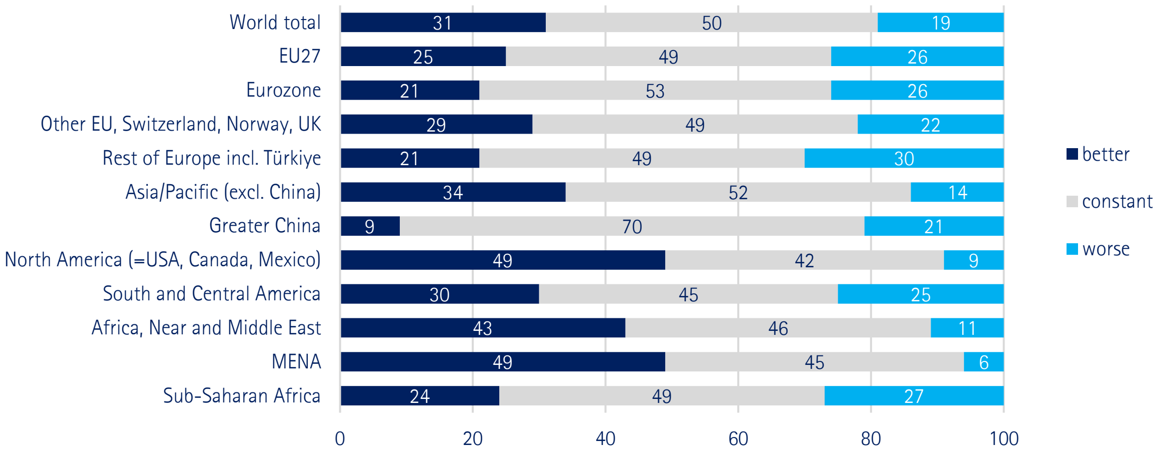
From the perspective of German companies at their international locations, the global economy will develop somewhat more dynamically overall in the coming twelve months than recently. In spring 2024, the around 4,300 companies surveyed by the AHKs worldwide are much more optimistic about economic development than in fall 2023. 31 percent of companies expect economic development at their locations to improve over the next twelve months (fall: 22 percent). In contrast, 19 percent expect the local economy to slow down (fall: 28 percent). Every second company expects stable development based on the current economic situation (fall: 50 percent). The resulting balance of better and worse assessments has thus risen from minus six points in the fall to currently twelve points and is therefore clearly back in positive territory. The balance is once again noticeably above the long-term average of two points (recorded since 2015). The companies' assessment of economic development at their international locations is more confident than it has been for two years.

The global economy has recently shown resilience. Global supply chains are functioning despite the persistently uncertain security situation in the Red Sea. In addition, inflation rates have fallen in many advanced economies, meaning that the first interest rate cuts are possible from the second half of the year. Private consumption may also develop positively as a result of lower inflation rates and higher wages. There are risks in particular that inflation rates could rise again, for example due to rising energy and commodity prices caused by geopolitical tensions in the Middle East. The continuing weakness of the Chinese economy on the demand side also represents a damper for globally active companies.

Economic expectations of companies worldwide (balance of "better" minus "worse" - answers in points)



Economic expectations of companies worldwide (proportion of mentions in percent))



There are significant divergences between the regions in terms of expected economic development. Positive assessments predominate in most of the world. In parts of Europe, Greater China and sub-Saharan Africa, however, economic expectations are still negative.

In Europe, expectations for economic development remain subdued despite a significant improvement on the previous survey. In the **Eurozone**, the majority of companies still anticipate a further economic slowdown in the coming months (balance minus five points after previously minus 29 points, long-term average minus one point). Consumption is still weak. However, inflation rates have recently become closer to the two percent target of the European Central Bank (ECB), which could lead to higher demand in addition to higher wages. The ECB's interest rates are still high, which is slowing economic momentum. However, interest rate cuts are expected from summer, which could provide an additional boost to the economy. Energy prices have fallen further, but remain high by global standards.

As in fall, companies are most optimistic about economic development in Greece (balance 29 points). Companies in Italy (balance of five points), the Netherlands (balance of eight points) and Portugal (balance of nine points) are also largely expecting stronger economic development. Expectations have improved significantly in Italy in particular. The Italian government is currently promoting construction investment, for example, which is driving growth. In Slovakia (balance minus 38 points) and Slovenia (balance minus 39 points), on the other hand, companies tend to expect weak economic development over the next twelve months.

In the group of **other EU countries as well as Switzerland, Norway and the United Kingdom (UK),** economic expectations improved more significantly and turned positive again, i.e. more companies expect an economic upturn instead of a downturn (balance seven points after previously minus 27 points, long-term average minus eight points). Companies in Norway (balance of 22 points), Poland (balance of 17 points) and Sweden (balance of 15 points) in particular are expecting an economic upturn. More companies in the UK also expect the economy to improve, after high inflation rates had dampened consumption recently (balance 16 points). In Romania (balance minus 19 points), Hungary (balance minus five points) and the Czech Republic (balance minus four points), however, expectations are predominantly negative. Production and foreign trade have recently been weak in these countries, partly due to the lack of momentum in the eurozone and Germany.

Economic expectations in **Eastern and South-Eastern Europe (excluding the EU, including Türkiye)** have also improved compared to the previous survey, although the balance remains in negative territory (balance minus nine after previously minus 20 points, long-term average minus 17 points). Companies in Turkey remain pessimistic about economic development (balance unchanged at minus 18 points). Despite substantial interest rate hikes, the national currency, the lira, remains weak and inflation in the country is high. In the Western Balkan states of Kosovo (balance 13 points), Bosnia and Herzegovina (balance five points) and Serbia (balance five points), companies expect economic development to be better than six months ago.

The already largely positive economic expectations of companies in North America (USA, Canada, Mexico) in fall have improved once again and are well above the global average (balance of 40 points after 13 points previously, long-term average 14 points). Growth in the US economy has weakened somewhat recently and inflation rates are still above the Fed's two percent target. However, despite high interest rates, there has been no recession to date due to robust private consumption and the labor market.

In South and Central America, too, the majority of companies again expect economic development to improve over the next twelve months (balance of five points after previously minus ten points, long-term average of four points). In the previous survey in fall, companies expecting a negative development were still in the majority. The weak global demand for raw materials has recently made itself felt in the commodity-exporting countries. Economic expectations for Argentina in particular have brightened compared to the previous survey, more than in any other country (balance of 55 points compared to minus 29 points previously). In Brazil, on the other hand, companies are once again more pessimistic about the coming months (balance of eight points).

In the Asia-Pacific region (excluding Greater China), companies' economic expectations have improved compared to the previous survey and are above the global average (balance 20 points after previously nine points, long-term average ten points). Despite high interest rates in some countries and the interdependence with the weakening Chinese economy, the economies in Asia-Pacific have developed resiliently, in particular due to stable consumption. As in the fall survey, companies expect strong economic development in India in particular, partly due to high public infrastructure investments (balance 59 points). In Vietnam (balance of 40 points), the Philippines (balance of 45 points) and Japan (balance of 28 points), expectations are also positive and in some cases significantly better than in the fall. In Thailand, on the other hand, economic expectations have cooled and positive and negative voices balance each other out (balance of zero points). Companies at their locations in Greater China remain predominantly pessimistic about economic development (balance minus twelve points after previously minus 16 points, long-term average two points). Weak private consumption and problems in the real estate sector are still weighing on the Chinese economy.

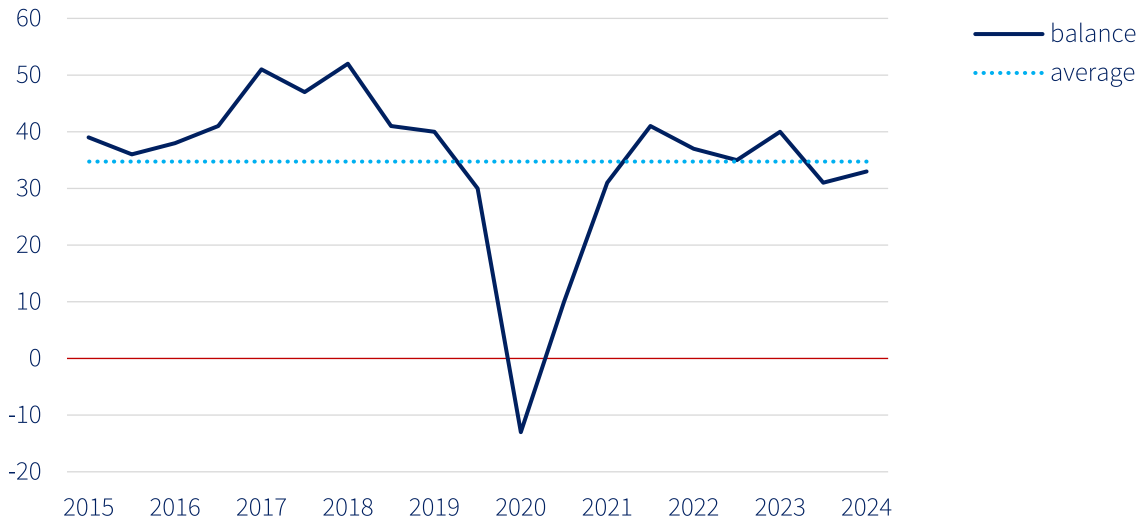
German companies in the MENA region are currently the most confident about local economic development worldwide. The balance of better and worse expectations has risen to 37 points (balance 43 points after previously six points, long-term average 19 points), despite the ongoing conflict in the region and the associated uncertainty about the economic impact. While companies in Saudi Arabia (balance 58 points) and the United Arab Emirates (UAE, balance 33 points) continue to expect good economic development with slight deductions compared to the previous survey, expectations have improved compared to the previous survey, particularly in Morocco (balance 52 points) due to stable consumption and tourism and Egypt (balance 45 points). Due to some easing of last year's liquidity crisis, the Egyptian economy is stabilizing again.

In sub-Saharan Africa, companies' positive and negative assessments of economic development are almost in balance. Compared to the previous survey, however, expectations have improved significantly (balance minus three points after previously minus 38 points, long-term average minus eleven points). While the outlook for economic development has generally improved, financing risks remain, for example due to high debt in US dollars.

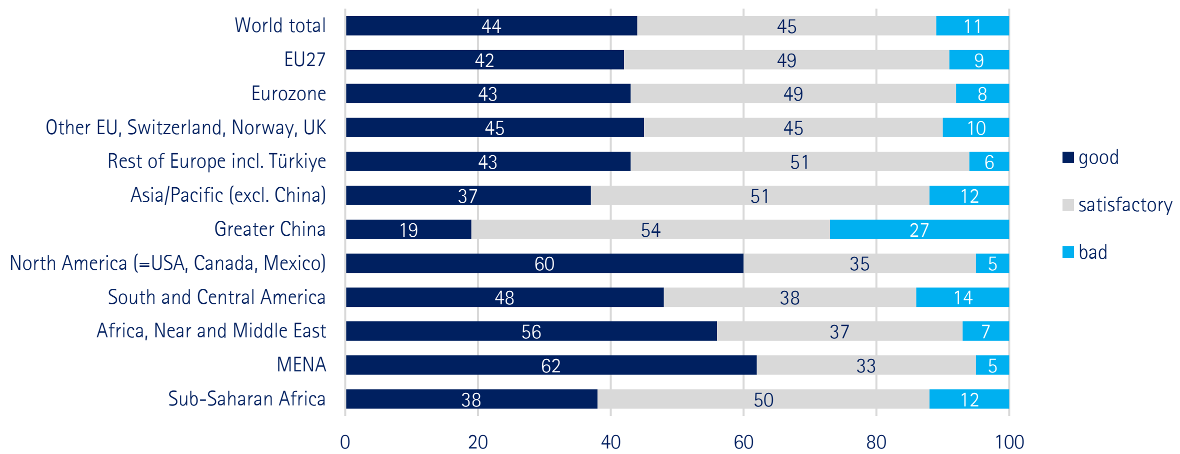
Business situation and business expectations

In view of moderate growth in the global economy and falling inflation rates in many places on the one hand and existing uncertainties due to geopolitical risks on the other, companies at their international locations are currently reporting a stable **business situation**. 44 percent of companies (fall 2023: 45 percent) report a good business situation. 45 percent (fall 2023: 41 percent) report a satisfactory business situation. Eleven percent are currently experiencing a poor business situation (fall 2023: 14 percent). The balance of good and poor assessments rose slightly from 31 to 33 points compared to the previous survey. This means that the assessment of current business is still slightly below the average of 35 points in recent years.

Business situation of companies worldwide (balance of "good" minus "bad" - answers in points)



Business situation of companies worldwide (proportion of responses in percent)

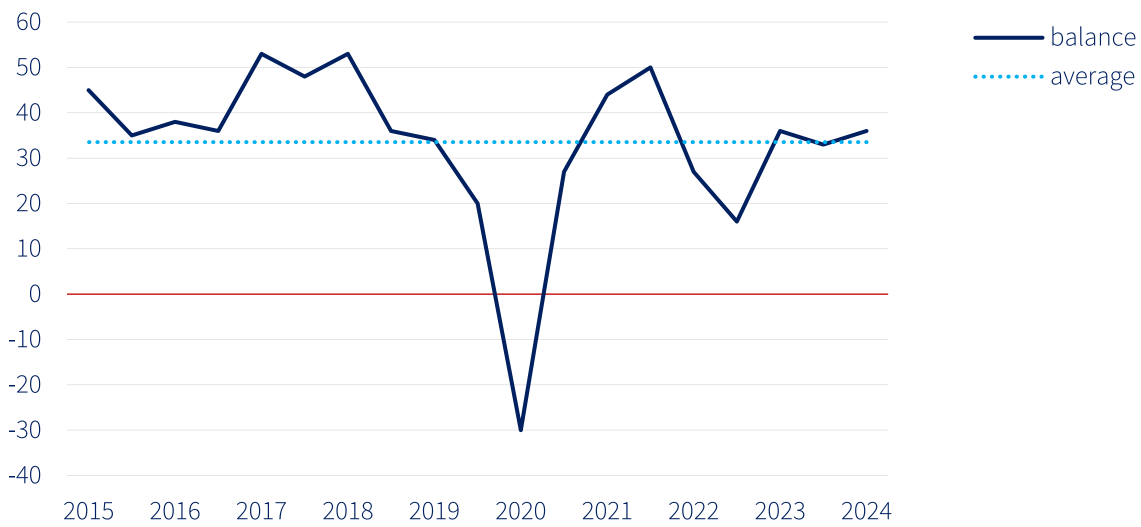


As in the previous survey, service providers rated their business situation significantly better than industrial, construction and retail companies. While 48 percent of service providers report a good business situation and only eight percent report a poor business situation (balance of 40 points), business is slightly less good for industrial and construction companies (39 percent good, 13 percent poor, balance of 26 points) and retail companies (40 percent good, 11 percent poor, balance of 29 points).

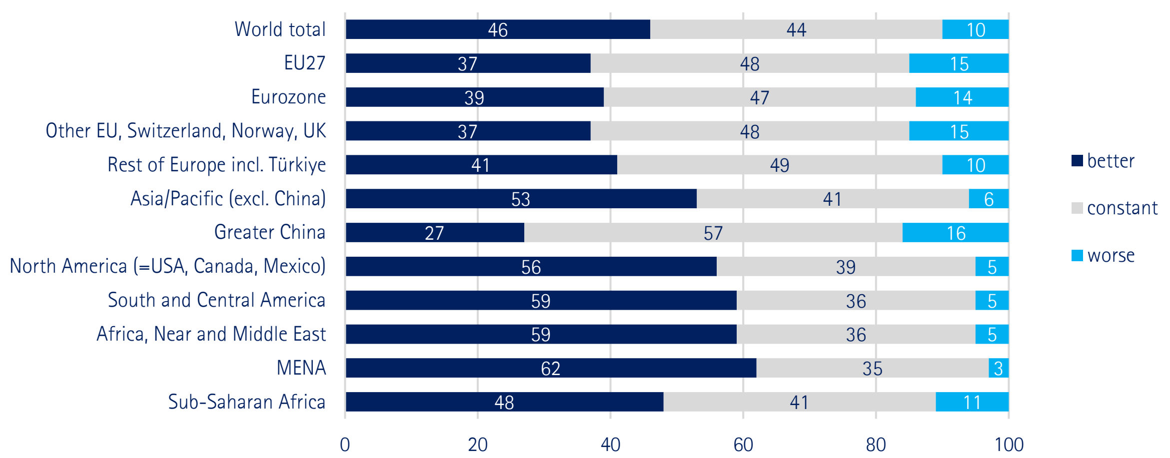
Similar to the slightly improved assessment of current business, companies' **business expectations** for the coming twelve months have brightened somewhat compared to autumn 2023. Falling inflation rates in many places, expected increases in demand due to higher wages and expectations of interest rate cuts mean that German companies at their international locations are largely positive about the coming months. 46 percent of companies expect business to improve (fall 2023: 45 percent). 44 percent expect business to remain stable (fall 2023: 43 percent). Only one in ten companies (fall 2023: twelve percent) expect business to deteriorate. The balance of better and worse assessments rises to 36 points (fall 2023: balance of 33 points) - and is therefore back above the long-term average of 34 points. This means that companies are slightly more optimistic about future business than they are about the present. They are also more confident about their own business than about the development of the economy as a whole - the balance of business expectations is 24 points higher than the balance of economic expectations.

In terms of business expectations, service companies (balance 41 points) are also more confident than industrial and construction companies (balance 28 points) and retail companies (balance 31 points).

Business expectations of companies worldwide (balance of "better" minus "worse" - answers in points)



Business expectations of companies worldwide (proportion of mentions in percent)



Companies in the eurozone continue to report stable business. The assessment of the business situation is at the level of the previous survey (balance 35 points after previously 36 points, long-term average 38 points). In particular in the southern eurozone countries Italy (balance 42 points), Portugal (balance 53 points) and Spain (balance 54 points), companies assess their current situation as better than in the fall. In France (balance of 15 points), Slovakia (balance of 28 points) and Slovenia (balance of 25 points), on the other hand, the business situation is assessed as worse.

Business expectations have improved more significantly compared to the previous survey, but are still below the global average and the long-term average for the region (balance 25 points compared to 18 points previously, long-term average 29 points). In addition, business expectations are more cautious than the assessment of the current business situation.

The picture is similar for companies in EU countries outside the eurozone, as well as Switzerland, Norway and the United Kingdom. At 35 balance points, the current business situation is roughly on a par with the previous survey and slightly above the global average (fall 2023: 34 points, long-term average 39 points). Companies in Poland (balance of 51 points) and the UK (balance of 45 points), for example, are reporting good business.

Business expectations for the region have brightened considerably (balance 22 points after previously eight points, long-term average 25 points). In Norway, expectations have improved significantly (balance 43 points). In Hungary, too, companies are once again expecting predominantly better business in the coming months, after having predominantly poor expectations in the fall (balance of four points).

Although companies in Eastern and South Eastern Europe (excluding the EU, incl. Türkiye) continue to rate their current business situation as good, the assessment is worse than six months ago (balance 37 points after previously 49 points, long-term average 36 points). The business climate in Türkiye has cooled slightly compared to the fall (balance 45 points). Companies in the region largely expect an improvement over the next twelve months - business expectations are up on the previous survey (balance 31 points compared to 19 points previously, long-term average 19 points).

For two years now, companies in North America have been reporting an above-average global business situation. The assessment of current business is as good as in the fall (balance 55 points after previously 56 points, long-term average 50 points). The robust US economy in particular is providing companies with good business, from which neighboring countries Canada and Mexico can also benefit. Business expectations for the coming twelve months also remain at a high level (balance 51 points compared to 50 points previously, long-term average 44 points).

Companies operating in South and Central America are once again reporting a better business situation than in the previous survey, with the assessment slightly above the global average (balance 34 points compared to 23 points previously, long-term average 25 points). The assessment of the situation has risen more significantly here than in other regions. In Argentina (balance 27 points) and Chile (balance 21 points) in particular, the business situation has improved compared to the previous survey. Companies' business expectations have improved even more significantly. They are much more optimistic about future business than in many other regions (balance 54 points compared to 38 points previously, long-term average 42 points). The increase in expectations is mainly driven by Brazil (balance 63 points) and Peru (balance 67 points). Expectations have also improved significantly in Argentina, after negative sentiment predominated in the fall (balance 36 points).

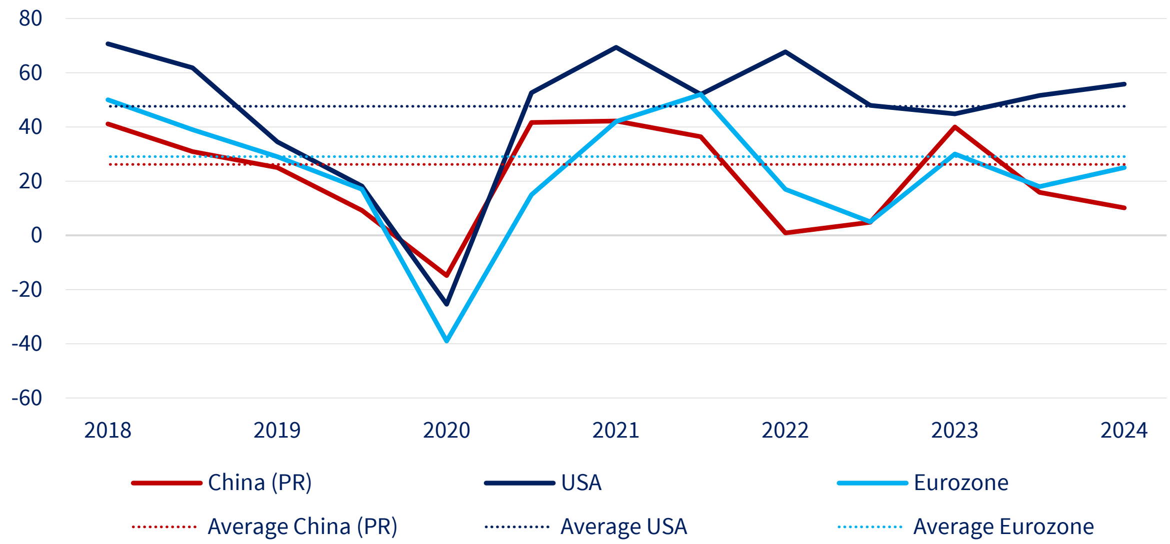
Companies in Asia-Pacific (excluding Greater China) are slightly below the global average in their assessment of the business situation and rate it only slightly better than in fall (balance 25 points after previously 23 points, long-term average 32 points). While business is currently better than in the fall for companies in Japan (balance 14 points), Vietnam (balance 21 points) and Australia (balance 55 points), the situation assessments for India (balance 38 points) and Thailand (balance 15 points) are somewhat more subdued than in the fall.
Business expectations for the region have risen somewhat more significantly compared to the previous survey (balance 47 points compared to 40 points previously, long-term average 43 points). This is due in particular to the improved expectations in Vietnam (balance of 52 points) and Australia (balance of 55 points).

Companies from **Greater China** continue to report predominantly poor business performance. Weak consumption and the ongoing real estate crisis in China are depressing the current mood. As in the previous survey, the balance is in negative territory (balance minus eight points after previously minus seven points, long-term average 24 points). The last time the situation was rated even worse was in spring 2020 at the start of the coronavirus pandemic, with a balance of minus 37 points. As in the spring, companies therefore rate their business in the Far East as worse than in any other region at present. At 11 balance points, business expectations fell slightly compared to the previous survey (fall balance 16 points, long-term average 26 points) and are well below the global average (balance 41 points).

In the **Middle East and North Africa (MENA),** current business is going better for companies than in almost any other region (balance 57 points compared to 30 points previously, long-term average 36 points). In no other region has companies' assessment of the situation improved so much compared to the previous survey. Companies in Egypt in particular (balance 69 points) reported good business, while business in Saudi Arabia (balance 69 points) and the UAE (balance 54 points) also improved again at a high level. Companies in the region also have a more optimistic outlook for future business than in any other region (balance 60 points compared to 48 points previously, long-term average 48 points). Expectations are well above average.

Companies in **sub-Saharan Africa** also report a significantly better business situation than in the fall (balance 26 points compared to 17 points previously, long-term average 20 points). Companies from South Africa, for example, are reporting better business conditions than in the fall (balance 32 points). Business expectations for the coming twelve months are slightly worse compared to the previous survey (balance 37 points after previously 40 points, long-term average 41 points).

Business expectations of companies in the eurozone, China and the USA (balance in points)

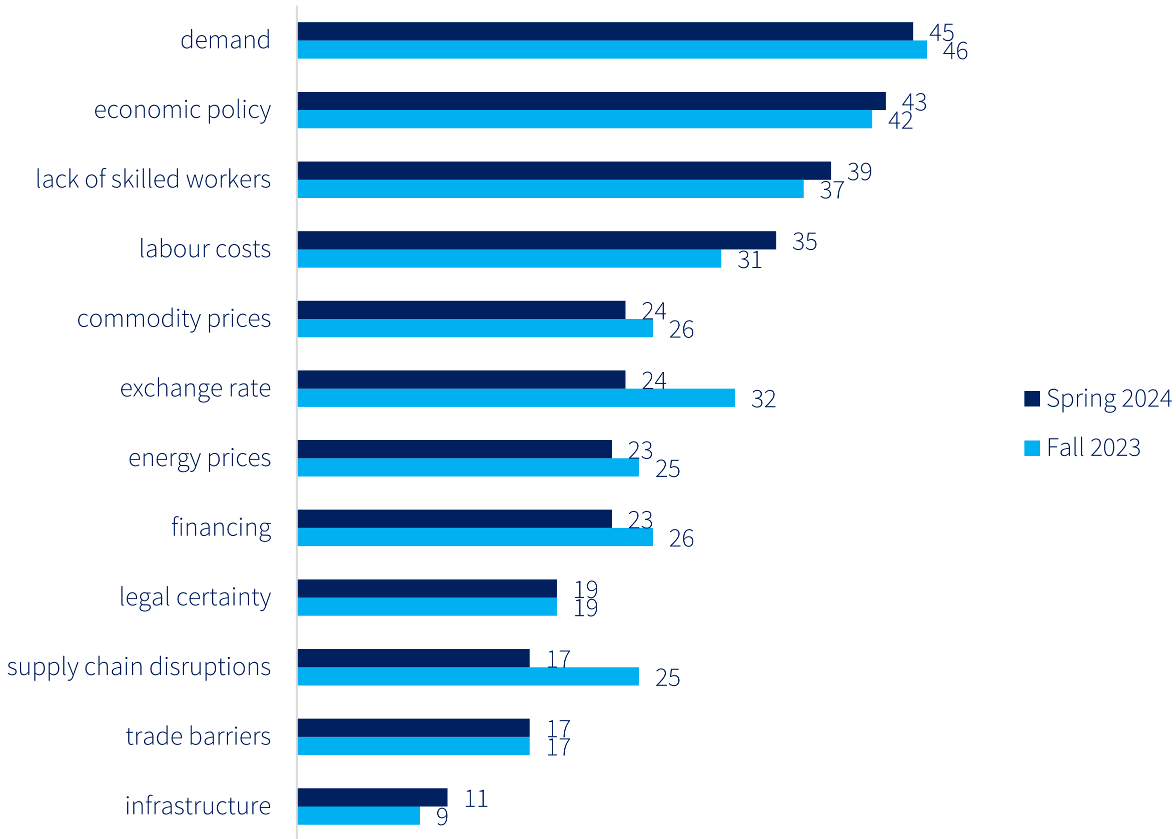


Risks for German companies abroad

Even though the global economy has shown resilience in the face of the crises and conflicts of recent years and the outlook for the coming months has improved, globally active companies are confronted with numerous business risks. While demand is still subdued in many places, general uncertainty about future economic policy developments and existing geopolitical risks are also presenting companies with challenges.

Companies at their international locations still see low **demand as** the greatest business risk (45 percent, fall 2023: 46 percent, long-term average 47 percent). Inflation rates are falling in many places and rising wages are increasing consumers' purchasing power. However, interest rates are still high. Industrial and construction companies (48 percent) and retail companies (47 percent) are more concerned about low demand than service companies (41 percent). At 80 percent, the risk is mentioned more frequently than average in China. Companies in European locations are also more concerned about low demand than in other regions of the world (eurozone: 50 percent, other EU: 53 percent).

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



For the second time in a row, the risk of uncertain **economic policy conditions** has risen slightly to 43 percent (fall: 42 percent, long-term average: 45 percent) and was last mentioned more frequently in fall 2020 during the coronavirus pandemic. In North America in particular (50 percent, previous survey 40 percent) and in the eurozone (43 percent, previous survey 38 percent), the risk has increased compared to the previous survey, for example due to a high bureaucratic burden and uncertainty about the future shape of economic policy. The economic policy environment also continues to unsettle companies in South and Central America (54 percent), although the risk here has decreased at a high level compared to the previous survey (fall 2023: 60 percent).

In addition to economic risks, the structural challenge of a shortage of skilled workers remains a key risk for companies with 39 percent of responses (fall: 37 percent, long-term average: 31 percent). In Europe in particular (Eurozone: 50 percent, other EU 44 percent, Eastern Europe: 46 percent), companies are finding it difficult to fill vacancies. In North America, however, the risk has decreased in comparison to the previous survey due to the somewhat cooler economy (38 percent, fall 52 percent).

A record 35 percent of companies see rising labor costs as a business risk (fall: 31 percent, long-term average: 26 percent). Wage adjustments have been made in some sectors and countries as a result of high inflation rates. Companies in Europe (eurozone: 45 percent, other EU 48 percent, Eastern Europe: 41 percent) cite this risk with above-average frequency.

Energy prices represent a business risk for 23 percent of companies (fall: 25 percent), particularly in Europe. Compared to the previous survey, the risk has decreased against the backdrop of lower energy prices. At the same time, uncertainty remains regarding the future development of energy prices due to geopolitical tensions in the Middle East. Fluctuating commodity prices are a risk factor for a quarter of companies (24 percent, fall: 26 percent), particularly in the MENA region (32 percent).

After the financing risk increased last year, for example due to the rise in interest rates as a result of the restrictive monetary policy of some central banks, it is now mentioned less frequently again (23 percent, fall: 26 percent, long-term average: 24 percent). In sub-Saharan Africa (50 percent) and in the MENA region (30 percent), however, it still represents an above-average business risk. The risk of fluctuating exchange rates has also decreased compared to the previous survey (24 percent, fall 2023: 32 percent, long-term average 29 percent). Companies in sub-Saharan Africa (60 percent) state this with above-average frequency. The recent slight rise in inflation in the US could lead to the Fed lowering interest rates later than previously expected. This would cause the US dollar to appreciate against numerous currencies. Accordingly, goods traded in US dollars will become more expensive and debts denominated in US dollars will remain high.

Meanwhile, supply chains have stabilized further. 17 percent still see disruptions in their supply chains as a business risk (fall: 25 percent). Despite the tense security situation in the Red Sea since December 2023, which is still causing shipping companies to avoid the strait and the Suez Canal and sail around the Cape of Good Hope instead, global supply chains are largely stable. In the free text field, some companies mention the increased freight costs in this context. However, companies in the Netherlands (62 percent), Saudi Arabia (63 percent), Asia-Pacific (excluding China) (32 percent) and Greater China (26 percent) see an above-average risk of supply chain disruptions. As the Suez Canal is an important route for Asia-Europe trade and the bypass around Africa leads to longer delivery times, freight capacities are reduced and the effects are more noticeable at important hubs on the route such as the Saudi port of Jeddah in the Red Sea or the Dutch port of Rotterdam.

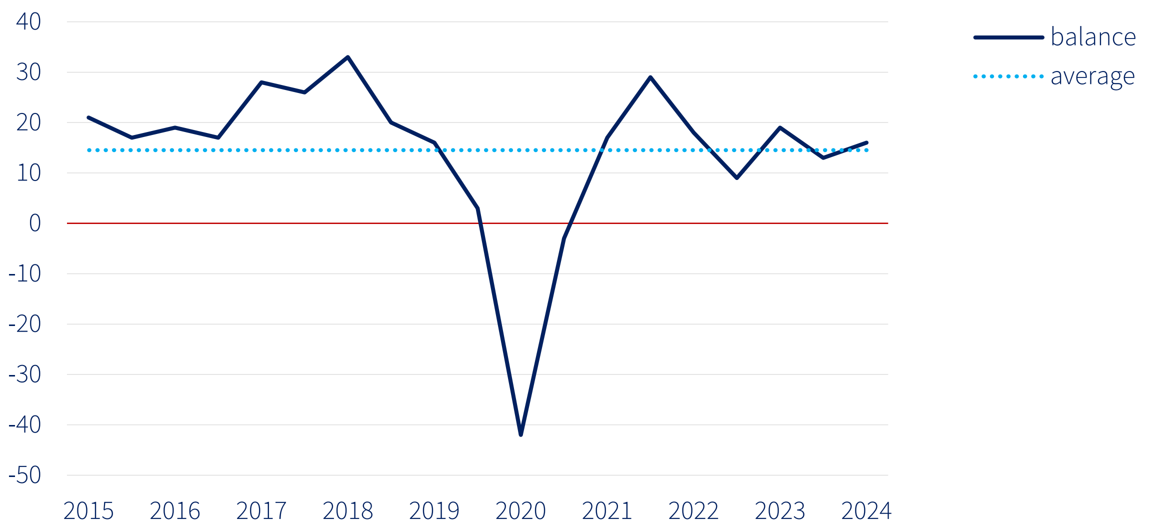
Trade barriers and preferential treatment of domestic companies remain a business risk for companies that should not be underestimated. The global average remains constant at 17 percent, which is slightly below the long-term average of 21 percent. In individual countries such as the USA, however, the risk has increased significantly compared to the previous survey (20 percent, previous survey 13 percent).

In addition, the companies had the opportunity to name further risks in a free text field. In particular, they addressed geopolitical risks and conflicts as well as the general uncertainty surrounding economic policy developments, for example with regard to inflation and interest rates. They are also concerned about bureaucracy, unfair competition and trade conflicts.

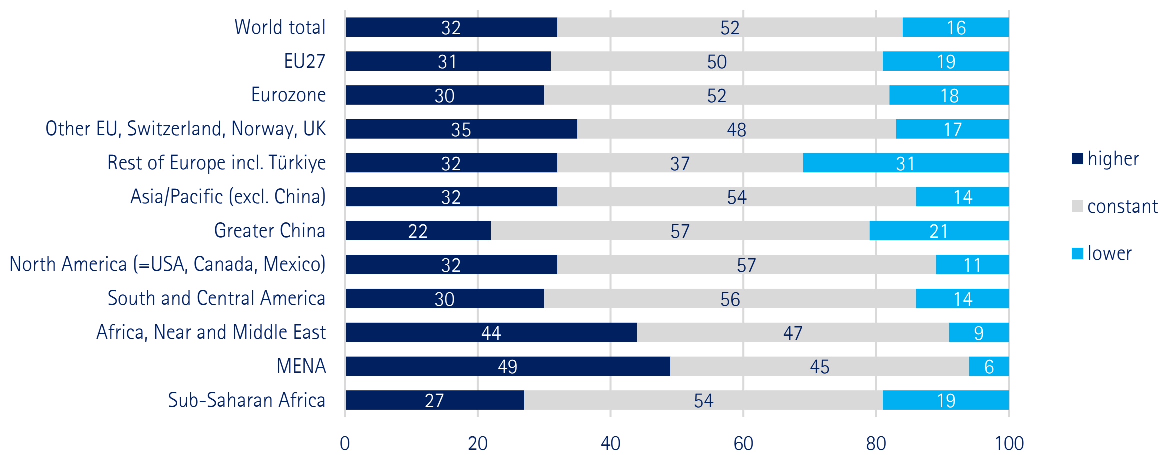
Investment plans of the companies

The persistently high level of interest rates and the uncertainty caused by geopolitical tensions and economic policy developments are still reflected in companies' rather low **investment intentions**: 32 percent plan to invest more in the next twelve months (fall: 33 percent). 16 percent of companies plan to invest less (fall: 20 percent). The resulting balance of higher and lower investment plans rose slightly to 16 points (fall 2023: 13 points) and is therefore slightly above the long-term average of 15 points.

Companies' investment intentions (balance of "higher" minus "lower" responses in points)



Investment intentions of companies (proportion of mentions in percent)



In the European Union (EU), companies' investment plans have improved more significantly compared to the previous survey than the global average (eurozone: balance twelve points after six points previously, average 13 points; other EU: balance 18 points after zero points previously, long-term average twelve points). Investment intentions are even higher in Eastern and South-Eastern Europe (balance 21 points after 20 points previously, long-term average two points).

Companies' investment plans at their North American locations are more expansive than the global average, although they have hardly changed compared to the previous survey (balance 21 points compared to 20 points previously, long-term average 22 points).

In South and Central America, companies also have only slightly higher investment intentions than in the fall (balance 16 points after 14 points previously, long-term average twelve points).

The investment intentions of companies in Asia-Pacific (excluding Greater China) are above the global average, but have fallen slightly compared to the previous survey (balance 18 points after previously 21 points, long-term average 18 points). At their locations in Greater China, companies' investment intentions are stagnating at a low level (balance unchanged at one point, long-term average 11 points).

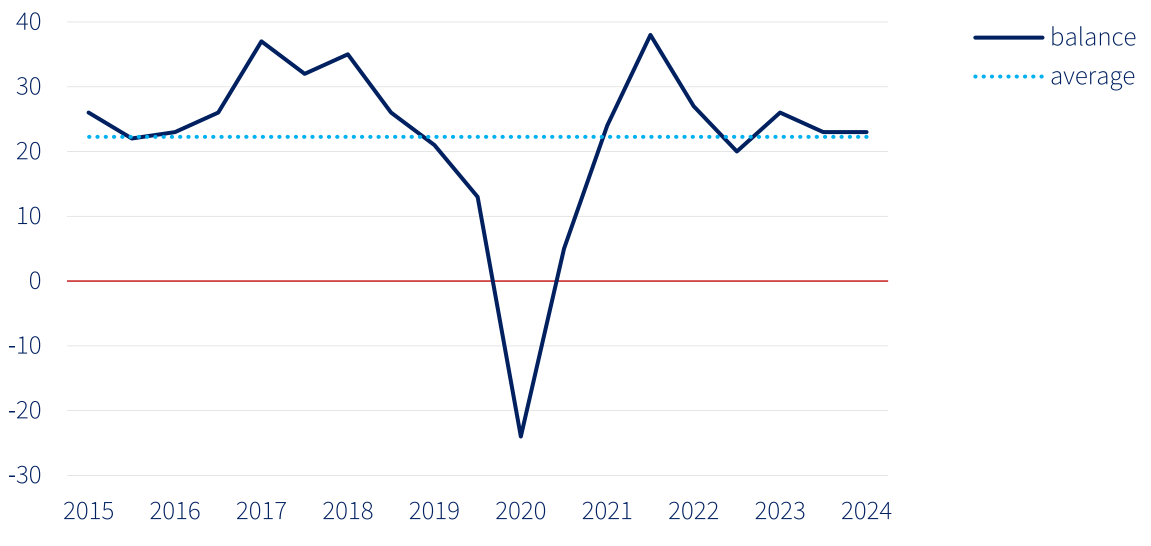
As in the fall, companies in the MENA region currently have the most expansive investment plans. Compared to the previous survey, the balance has also increased more than in any other region (balance 43 points compared to 25 points previously, long-term average 27 points).

In sub-Saharan Africa, investment plans are better again than in the previous survey but not yet at the level of spring last year (balance eight points after previously minus two points, long-term average 13 points).

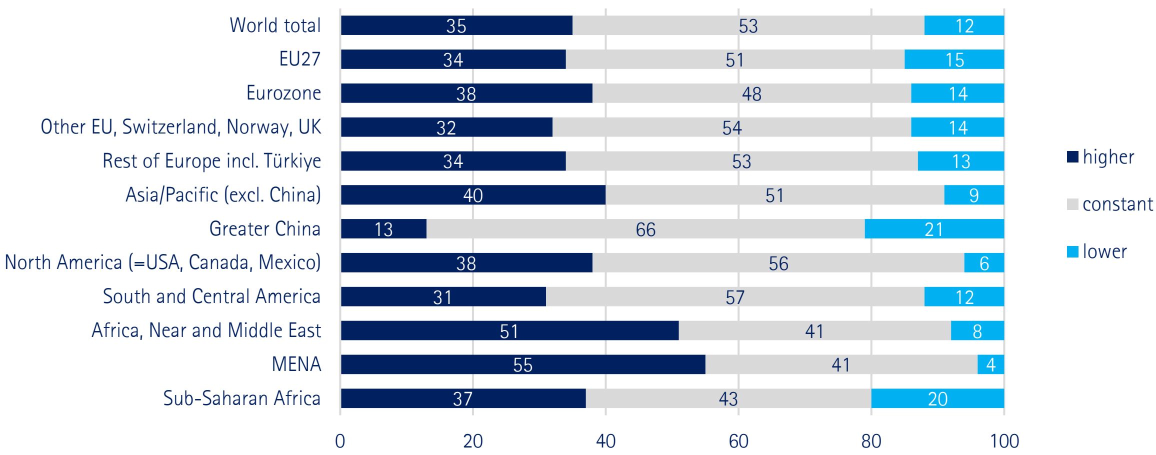
Employment intentions

Despite the improved expectations for economic development at their locations, companies are not adjusting their employment plans compared to the fall. While 35 percent of companies are planning to increase their headcount over the next twelve months (fall: 36 percent), twelve percent (fall: 13 percent) are planning to reduce their headcount. The balance of higher and lower employment intentions remains unchanged at 23 points, which is still above the long-term average of 22 points. The shortage of skilled workers in many regions of the world means that companies are not always able to fill their vacancies. At 49 percent, companies planning with a higher headcount cite the business risk of a shortage of skilled workers more frequently than companies planning with a lower headcount (30 percent).

Employment intentions of companies (balance of "higher" minus "lower" reports in points)



Employment intentions of companies (proportion of mentions in percent)



In Europe, the picture is mixed when it comes to companies' employment intentions. In the eurozone, plans are somewhat more defensive compared to the previous survey (balance 24 points after previously 26 points, long-term average 21 points). In the rest of the EU, plans are more cautious than in the Eurozone but significantly higher than in the fall (balance 18 points compared to eight points previously, long-term average 23 points). In Eastern and South-Eastern Europe, intentions are declining (balance 21 points after previously 33 points, long-term average 15 points).

At their North American locations, companies are also scaling back their employment plans slightly (balance 32 points after previously 37 points, long-term average 32 points). In South and Central America, employment intentions improved significantly (balance 19 points after previously nine points, long-term average 13 points).

In Asia/Pacific (excluding Greater China), companies with higher employment intentions clearly predominate and remain stable compared to the previous survey with a slight upward trend (balance 31 points after previously 29 points, long-term average 26 points). Personnel plans in Greater China, on the other hand, remain pessimistic (balance unchanged at minus eight points, long-term average 21 points). Only in spring 2020 at the start of the coronavirus pandemic were employment intentions even worse, at minus 13 balance points.

In line with the positive business expectations and expansive investment plans, companies in the MENA region have particularly high employment intentions (balance 51 points after 30 points previously, long-term average 30 points).

After a slump in fall 2023, companies' employment intentions in sub-Saharan Africa have improved significantly again (balance 17 points after previously two points, long-term average 16 points).

Diversification is progressing

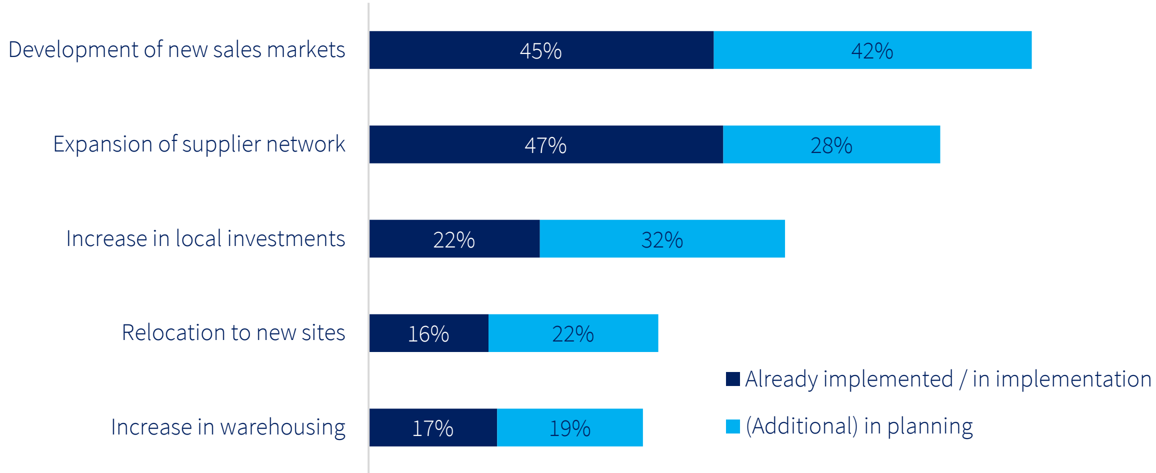
Due to geopolitical challenges and the experience of supply chain disruptions, particularly during the coronavirus pandemic, companies are working on the resilience of their supply chains at their international locations. This is intended to reduce the risk of future supply disruptions, for example due to interruptions on transport routes or the sudden loss of production or sales locations.

45 percent of companies have already opened up new sales markets for their goods and services in the wake of the crises in recent years. In addition, 42 percent are still planning to do so.
An important component of diversification is a supplier network that is as diverse as possible. 47 percent of companies have already found new or additional suppliers for the raw materials, preliminary products or goods they need. A further 28 percent are still looking. In a similar survey in fall 2022, 35 percent of companies stated that they had already found new or additional suppliers and 30 percent that they were still planning to do so. The trend shows that companies have already successfully expanded their supplier network during this period.

The changed geopolitical conditions are also causing companies to review the locations of their production facilities and branches. While 22 percent of companies are increasing investments at their current location and a further 32 percent are still planning to do so, others are looking into relocating to new locations. 16 percent of companies have already relocated parts of their production or branches to new locations or set up new ones. A further 22 percent are planning to do so. This increases the proportion of companies that have already relocated or are planning to relocate compared to a survey in fall 2022, in which ten percent of companies had relocated and 16 percent were planning to relocate.

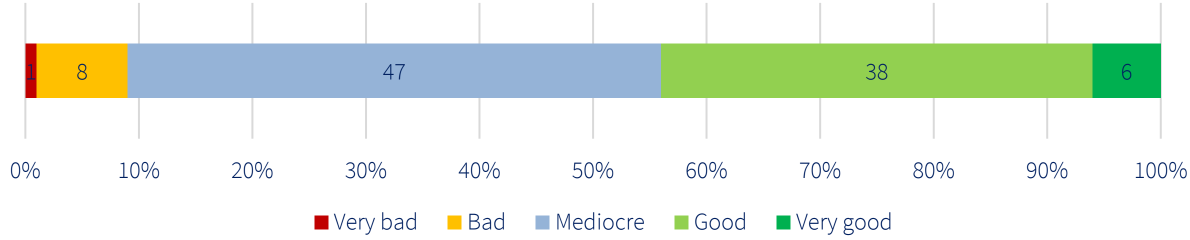
17 percent of companies have already increased their stock levels or are in the process of doing so in order to have a reserve in case of future delays in the delivery of raw materials, preliminary products and goods, while 19 percent are still planning to do so. This means that a similar number of companies want to keep a larger stock than one and a half years ago. In fall 2022, 21 percent had increased their stock levels and 17 percent were planning to do so.

In view of increasing geopolitical challenges: Which measures have the companies already implemented or which are planned? (multiple answers possible)



With the measures already implemented, the majority of companies consider themselves well or satisfactorily positioned to counter international crises and geopolitical risks, for example because they have a diversified supplier network, short transportation routes or diversified procurement and sales markets. 44 percent of companies believe they are well or very well positioned. Just under half (47 percent) rate their own resilience as neither good nor bad. Only nine percent of companies currently see themselves as poorly or very poorly prepared for crises.

How well positioned do you think your company is to counter international crises and geopolitical risks (e.g. diversified supplier network, short transportation routes, diversified procurement and sales markets)?



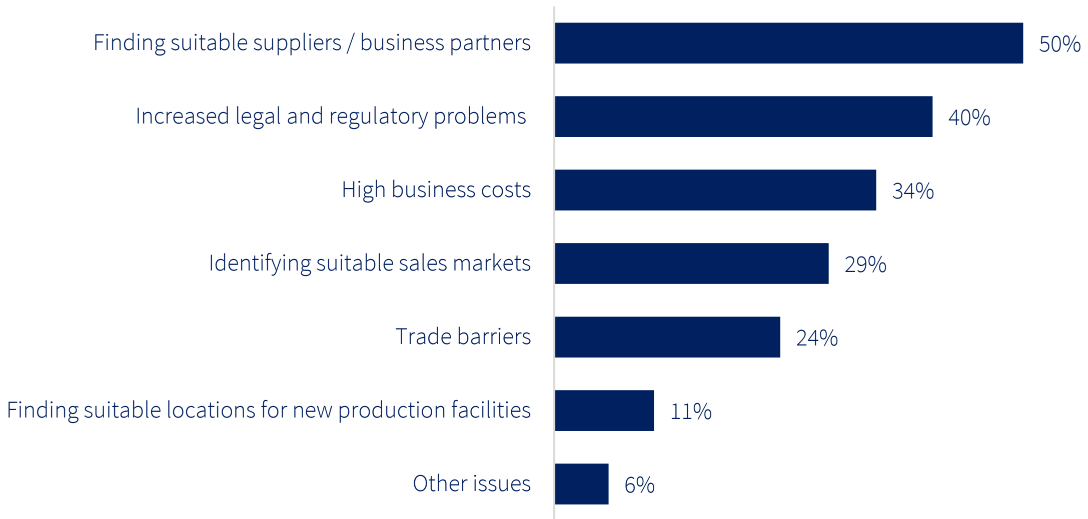
Even though the majority of companies are increasing the resilience of their supply chains by diversifying their sales markets and expanding their supplier network and consider themselves to be largely resistant to crises, this process is not without its challenges.

85 percent of companies face challenges when it comes to diversification. For half of these companies (50 percent), the search for suitable suppliers remains one of the main difficulties. Supply chains are structures that have evolved over decades and can only be changed at short notice to a limited extent. The search for suitable sales markets continues to pose challenges for almost one in three companies.

The diversification of supply chains means greater security and increased resilience for companies, but also higher operating costs, at least in the short term. One in three companies (34 percent) that face challenges with diversification report increased costs. Switching to strategies such as "multi-sourcing" and the associated market analyses and quality controls of new suppliers not only cost companies time, but also money. In particular, the reduction of volume discounts due to lower order quantities and distribution among several suppliers often increases costs.

In addition to increased operating costs, 40 percent of companies affected by challenges now report increased legal and regulatory problems. In 2023, the figure was still 34 percent. Local certifications are driving up costs and planning efforts for companies. But the challenges are also growing on the German and European side. For example, the majority of German companies affected by the Supply Chain Duty of Care Act (LkSG) complain of increased bureaucracy. Increasing protectionism in the form of rising trade barriers is also making it more difficult for companies to access new procurement or sales markets and represents a significant hurdle to the necessary diversification for a quarter of companies (24 percent).

85 percent of companies see hurdles in diversifying their supply chains and/or sales markets - including the following:
(in percent, multiple answers possible)



Statistical appendix

Evaluation of the results by country

In each case, balance of good/better answers minus bad/lower answers

	Current business situ-ation	Business expectations	Local economic expectations	Investment intentions	Employment in-tentions
Worldwide	33	36	12	16	23
EU27	33	22	-1	12	19
Eurozone	35	25	-5	12	24
Estonia	36	31	-13	25	36
France	15	42	-9	0	24
Greece	68	64	29	38	46
Italy	42	33	5	24	37
Croatia	49	45	11	27	36
Latvia	38	24	-12	39	30
Lithuania	48	23	-11	20	34
Netherlands	4	2	8	0	26
Austria	26	10	-3	-13	-5
Portugal	53	50	9	13	26
Slovakia	28	-4	-38	-7	-3
Slovenia	25	6	-39	-12	5
Spain	54	30	-8	17	22
Other EU, Switzerland, Nor-way, UK	35	22	7	18	18
Bulgaria	25	13	-4	23	6
United Kingdom	45	33	16	39	27
Norway	41	43	22	25	29
Poland	51	16	17	15	20
Romania	26	18	-19	14	23
Sweden	27	24	15	23	18
Switzerland	29	25	0	0	0
Czech Republic	24	20	-4	7	4
Hungary	13	4	-5	3	7
Eastern/Southeastern Europe (excluding EU), Türkiye	37	31	-9	1	21
Albania	7	18	-4	7	0
Bosnia and Herzegovina	31	49	5	27	30
Kosovo	33	45	13	34	31
North Macedonia	28	15	-21	-9	17
Serbia	33	41	5	18	27
Türkiye	45	29	-18	-14	21
Belarus (Belorussia)	24	4	-22	-3	0
Asia/Pacific (excluding Greater China)	25	47	20	18	31
Australia	55	55	-9	13	15
India	38	59	59	41	31

	Current business situation	Business expectations	Local economic expectations	Investment intentions	Employment intentions
Japan	14	51	28	37	39
Kazakhstan	24	44	16	55	28
Korea, South	17	31	-5	-16	14
Malaysia	27	42	12	24	37
New Zealand	32	16	-28	-19	12
Philippines	44	59	45	36	52
Singapore	23	12	-8	-21	15
Sri Lanka	30	53	32	5	30
Thailand	15	42	0	2	17
Uzbekistan	60	35	15	16	55
Vietnam	21	52	40	12	31
Greater China	**-8**	**11**	**-12**	**1**	**-8**
People's Republic of China	-13	10	-13	4	-9
Taiwan	19	14	5	-11	7
North America	**55**	**51**	**40**	**21**	**32**
Mexico	48	36	0	16	26
USA	56	56	49	24	35
South and Central America	**34**	**54**	**5**	**16**	**19**
Argentina	27	36	55	10	13
Bolivia	20	10	-63	-42	-32
Brazil	43	63	8	27	27
Chile	21	34	-16	4	13
Costa Rica	38	40	-3	18	18
Ecuador	9	58	-4	7	-3
Colombia	42	42	-42	-24	17
Paraguay	65	61	58	55	47
Peru	29	67	7	38	26
Uruguay	41	62	29	34	24
Africa, Near and Middle East	**49**	**54**	**32**	**35**	**43**
MENA	**57**	**59**	**43**	**43**	**51**
Sub-Saharan Africa	**26**	**37**	**-3**	**8**	**17**
Egypt	69	61	45	44	45
Ethiopia	0	10	-45	-28	-20
Kenya	46	50	7	4	25
Morocco	25	72	51	29	52
Saudi Arabia	69	70	58	55	63
South Africa	32	32	-9	31	27
Tanzania	5	57	38	20	14
Tunisia	11	32	-17	17	19
United Arab Emirates	54	46	33	71	71

Business risks for German companies abroad

in percent, multiple answers possible

	Demand	Financing	Labor costs	Skills shortage	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Disruptions in the supply chain
Worldwide	**45**	**23**	**35**	**39**	**24**	**23**	**24**	**19**	**43**	**11**	**17**	**17**
EU27	**52**	**19**	**49**	**48**	**14**	**33**	**29**	**17**	**39**	**9**	**13**	**8**
Eurozone	**50**	**18**	**45**	**50**	**2**	**24**	**23**	**13**	**43**	**7**	**12**	**13**
Estonia	62	35	47	40	4	27	16	0	40	11	16	0
France	79	21	27	52	0	12	6	6	36	6	0	15
Greece	39	36	32	61	4	14	21	11	36	4	7	32
Italy	57	11	32	51	1	15	20	8	42	5	10	19
Croatia	35	13	49	54	1	25	26	24	32	9	12	0
Latvia	47	29	41	51	3	30	25	7	54	3	4	0
Lithuania	47	26	60	58	2	26	16	8	35	2	11	0
Netherlands	15	19	43	36	8	30	32	6	23	11	66	62
Austria	53	13	45	58	0	24	11	8	61	5	8	21
Portugal	50	21	32	35	0	21	35	9	41	9	3	44
Slovakia	57	5	51	58	1	26	20	35	49	8	9	0
Slovenia	50	17	69	56	3	38	31	10	51	11	10	0
Spain	65	13	28	40	3	11	25	17	54	4	3	28
Other EU, Switzerland, Norway, UK	**53**	**20**	**48**	**44**	**27**	**40**	**33**	**21**	**35**	**11**	**15**	**4**
Bulgaria	42	17	53	55	4	20	22	19	31	16	13	0
United Kingdom	46	7	20	21	0	9	16	27	43	18	34	23
Norway	51	24	22	36	28	15	17	1	33	4	7	11
Poland	53	24	67	44	37	71	66	40	39	17	20	0
Romania	49	22	58	58	11	34	34	22	45	11	11	0
Sweden	48	16	13	45	29	13	32	3	13	13	10	19
Switzerland	48	15	30	30	33	26	30	19	48	7	19	22
Czech Republic	58	13	44	48	25	46	29	6	23	8	11	0
Hungary	59	25	55	44	43	44	28	24	40	8	17	0
Eastern/Southeastern Europe (excl. EU), Türkiye	**32**	**27**	**41**	**46**	**23**	**20**	**22**	**22**	**49**	**11**	**16**	**11**
Albania	34	14	52	57	41	18	23	32	36	25	32	2
Bosnia and Herzegovina	30	17	41	43	2	29	29	25	60	13	5	0
Kosovo	32	29	35	44	5	14	14	14	35	14	22	0
North Macedonia	40	26	55	68	2	30	30	34	45	26	9	11
Serbia	35	13	32	45	8	25	20	21	48	6	10	0
Türkiye	20	58	58	39	71	19	26	19	56	3	18	15
Belarus (Belorussia)	43	24	22	39	37	7	9	17	63	4	35	59
Asia/Pacific (excluding Greater China)	**46**	**20**	**24**	**42**	**39**	**20**	**22**	**12**	**35**	**10**	**21**	**32**
Australia	52	15	52	48	27	12	6	12	42	0	21	30
India	52	14	28	41	21	14	21	3	31	0	34	34
Japan	43	4	18	42	82	18	29	3	8	3	6	27

	Demand	Financing	Labor costs	Skills shortage	Exchange rate	Energy prices	Commodity prices	Legal certainty	Economic policy	Infrastructure	Trade barriers	Disruptions in the supply chain
Kazakhstan	16	44	20	76	32	12	12	24	36	24	28	56
Korea, South	53	15	36	29	25	20	22	15	44	3	32	19
Malaysia	61	24	29	57	55	22	29	8	31	4	22	33
New Zealand	72	16	24	28	24	16	36	0	36	12	4	48
Philippines	30	27	19	34	19	39	30	25	44	38	19	38
Singapore	68	8	56	44	12	20	16	4	20	4	24	28
Sri Lanka	38	32	17	45	64	21	13	9	62	9	26	38
Thailand	63	19	19	46	29	21	27	8	35	6	19	21
Uzbekistan	35	50	10	45	35	10	5	30	30	5	25	40
Vietnam	38	19	10	33	19	19	19	10	38	17	29	33
Greater China	**70**	**10**	**19**	**23**	**14**	**10**	**18**	**10**	**43**	**4**	**29**	**26**
People's Republic of China	80	12	25	20	13	10	12	10	54	3	30	22
Taiwan	60	5	10	25	18	8	25	5	23	8	23	28
North America	**43**	**16**	**29**	**38**	**31**	**9**	**14**	**22**	**50**	**14**	**15**	**17**
Mexico	34	13	33	23	59	8	15	43	59	18	10	18
USA	45	19	30	53	13	10	12	11	46	11	20	16
South and Central America	**41**	**26**	**24**	**25**	**30**	**10**	**17**	**30**	**54**	**14**	**15**	**18**
Argentina	70	21	30	12	52	15	18	27	70	6	15	12
Bolivia	29	29	15	17	83	10	20	49	61	5	20	39
Brazil	38	18	20	40	28	4	27	33	35	20	18	25
Chile	48	16	26	16	34	5	15	31	79	10	5	5
Costa Rica	43	28	30	23	50	20	10	15	33	20	20	20
Ecuador	43	36	23	8	8	14	19	40	64	14	15	19
Colombia	56	33	19	28	31	14	22	33	67	25	36	19
Paraguay	23	45	16	55	13	0	23	35	32	13	19	23
Peru	42	10	13	19	23	3	10	29	81	16	10	16
Uruguay	36	18	39	36	44	8	11	0	24	6	8	7
Africa, Near and Middle East	**28**	**36**	**21**	**26**	**39**	**22**	**29**	**18**	**42**	**14**	**23**	**33**
MENA	**27**	**30**	**21**	**26**	**28**	**21**	**32**	**14**	**38**	**10**	**22**	**35**
Sub-Saharan Africa	**30**	**50**	**21**	**25**	**60**	**26**	**23**	**26**	**51**	**22**	**25**	**28**
Egypt	11	35	17	23	50	29	37	7	35	4	10	26
Ethiopia	25	60	10	15	55	25	30	30	65	25	30	45
Kenya	36	46	21	7	71	25	21	21	57	4	36	14
Morocco	38	39	22	17	19	16	28	19	25	8	31	31
Saudi Arabia	27	33	31	47	4	12	22	12	29	14	25	63
South Africa	41	41	32	41	45	18	32	27	50	36	23	36
Tanzania	25	30	10	40	80	25	5	30	55	20	25	25
Tunisia	43	14	25	32	32	32	41	23	57	18	18	25
United Arab Emirates	46	13	13	25	21	8	17	8	50	8	38	38

In view of increasing geopolitical challenges: What measures have companies already implemented and what measures are still being planned?

in percent, multiple answers possible, difference to 100 = answer "Not yet and not planned"

	Expansion of supplier network		Development of new sales markets		Relocation to new sites		Increase in in-vestments investments on site		Increase in warehousing	
	Realized	in planning	Realized	in planning	Realized	in planning	Realized	in planning	Realized	in planning
Worldwide	47	28	45	42	16	22	22	32	17	19
EU27	49	23	42	39	15	15	20	31	15	16
Eurozone	49	22	42	38	16	15	21	30	15	16
France	45	16	43	50	13	10	14	38	11	7
Greece	60	12	56	37	9	13	32	32	21	21
Italy	50	23	46	48	18	18	31	30	20	10
Netherlands	28	43	29	37	12	14	15	38	8	41
Austria	58	19	30	54	15	12	11	25	11	6
Portugal	64	18	58	26	10	16	23	32	23	7
Spain	59	15	44	21	23	16	24	17	15	20
Other EU, Switzerland, Nor-way, UK	37	27	39	41	14	12	17	30	13	9
Norway	26	25	31	31	18	15	12	32	4	7
Sweden	55	19	45	39	7	20	17	30	17	20
Switzerland	41	30	27	46	8	4	19	15	12	0
United Kingdom	38	27	52	47	18	8	22	25	19	8
Eastern/Southeastern Eu-rope (excl. EU), TR	54	32	43	48	14	17	17	29	17	19
Türkiye	53	26	49	47	15	23	19	28	18	18
Belarus (Belorussia)	62	40	43	53	8	5	7	20	2	20
Asia/Pacific (excluding CN)	44	31	50	39	18	20	24	32	15	20
Australia	44	30	52	41	23	23	25	18	15	8
India	52	43	30	56	37	16	33	33	35	30
Japan	32	31	52	33	18	15	16	32	6	17
Kazakhstan	41	32	36	45	10	5	18	45	24	29
Korea, South	50	30	41	46	20	36	14	41	16	22
Malaysia	61	20	57	37	14	23	38	29	8	30
New Zealand	25	29	46	38	8	21	25	17	9	26
Philippines	47	34	55	35	14	26	24	31	14	32
Singapore	44	32	68	36	20	28	21	38	30	4
Sri Lanka	47	33	50	48	15	13	33	31	15	25
Thailand	39	29	45	39	16	14	20	32	13	10
Vietnam	50	32	58	28	21	26	20	43	18	12
Greater China	54	22	44	40	20	23	20	20	14	13
Taiwan	52	26	57	31	34	20	8	23	25	5

	Expansion of supplier network		Development of new sales markets		Relocation to new sites		Increase in in-vestments investments on site		Increase in warehousing	
	Realized	in planning	Realized	in planning	Realized	in planning	Realized	in planning	Realized	in planning
People's Republic of China	53	18	35	43	8	24	26	21	10	17
North America	46	33	52	30	18	23	28	35	13	15
Mexico	38	49	45	40	16	26	19	36	17	17
USA	47	22	59	24	20	18	37	34	8	13
South and Central America	44	30	44	45	15	27	23	30	16	19
Argentina	56	15	57	43	18	25	15	26	23	15
Bolivia	27	35	28	58	10	41	11	34	8	28
Brazil	57	16	60	33	13	27	34	33	17	11
Chile	45	35	51	40	15	27	12	25	14	14
Costa Rica	44	21	38	49	25	19	29	23	19	10
Ecuador	39	36	31	55	14	33	19	31	12	28
Colombia	47	32	49	37	18	30	13	25	13	16
Paraguay	41	41	34	48	26	37	38	31	38	23
Peru	39	32	45	45	4	28	17	21	17	25
Uruguay	44	35	42	44	17	17	25	33	19	14
Africa, Near and Middle East	52	30	46	47	13	32	26	42	27	30
MENA	57	32	46	48	16	38	30	47	32	33
Sub-Saharan Africa	42	27	47	46	8	22	18	33	17	22
Egypt	68	24	51	45	25	58	25	58	33	51
Kenya	40	16	42	46	0	8	12	32	13	21
Morocco	56	39	41	52	11	22	34	38	28	33
Saudi Arabia	43	43	47	51	9	23	33	49	29	26
South Africa	52	24	50	45	11	21	15	20	15	20
Tanzania	50	33	62	43	0	41	29	35	33	28
Tunisia	53	33	41	54	17	23	32	24	29	17
United Arab Emirates	52	35	58	42	9	43	38	50	45	5

Hurdles to diversifying supply chains and/or sales markets

in percent, multiple answers possible, except for "No challenges"

	Share of companies without hurdles	Share of companies with hurdles	Identify suitable sales markets	Find suitable suppliers / business partners	Suitable locations for new production facilities	High operating costs	Trade barriers	Increased legal and regulatory problems	Miscellaneous
World	15	85	29	50	11	34	24	40	6
EU27	15	85	28	51	7	30	17	41	4
Eurozone	15	85	27	49	7	30	17	42	3
France	19	81	28	56	0	44	24	32	4
Greece	19	81	36	55	14	32	5	18	9
Italy	19	81	32	62	1	27	17	37	0
Netherlands	2	98	12	10	10	40	24	84	2
Austria	17	83	30	50	10	47	33	53	0
Portugal	12	88	28	45	0	24	10	34	3
Spain	13	87	26	64	16	14	12	29	7
Other EU, Switzerland, Norway	20	80	32	52	8	30	24	32	18
Norway	38	63	18	44	11	31	16	27	7
Sweden	7	93	31	65	8	27	15	35	4
Switzerland	15	85	26	48	4	30	22	61	9
United Kingdom	4	96	46	54	7	28	37	26	39
Eastern/Southeastern Europe (excl. EU), TR	15	85	14	44	4	49	39	50	1
Türkiye	15	85	13	39	6	69	30	42	0
Belarus (Belorussia)	4	96	9	42	0	23	70	65	0
Asia/Pacific (excluding CN)	15	85	30	56	11	37	24	43	5
Australia	9	91	33	53	3	57	30	57	3
India	21	79	39	78	17	30	39	43	4
Japan	19	81	30	63	5	22	19	27	4
Kazakhstan	13	88	14	48	10	52	24	62	5
Korea, South	18	82	15	43	9	47	30	47	2
Malaysia	14	86	40	72	9	42	23	35	5
New Zealand	25	75	33	50	11	28	6	33	11
Philippines	11	89	21	58	14	39	19	63	4
Singapore	20	80	45	55	25	40	20	40	0
Sri Lanka	13	87	36	38	8	49	26	33	5
Thailand	13	87	33	58	13	30	15	30	8
Vietnam	10	90	29	71	24	29	32	47	8
Greater China	19	81	32	55	14	31	27	32	3
Taiwan	20	80	16	53	16	28	19	31	3
People's Republic of China	19	81	43	61	13	34	30	30	2
North America	22	78	21	62	5	26	20	45	9

	Share of companies without hurdles	Share of companies with hurdles	Identify suitable sales markets	Find suitable suppliers / business partners	Suitable locations for new production facilities	High operating costs	Trade barriers	Increased legal and regulatory problems	Miscellaneous
Mexico	17	83	29	55	2	20	16	53	10
USA	25	75	18	65	7	27	22	37	10
South and Central America	14	86	36	46	13	35	23	36	6
Argentina	16	84	35	50	8	27	31	35	0
Bolivia	2	98	28	40	15	60	38	58	3
Brazil	16	84	26	39	6	36	18	41	10
Chile	21	79	35	52	9	28	17	26	2
Costa Rica	17	83	38	48	21	34	14	34	7
Ecuador	6	94	44	49	17	34	23	40	5
Colombia	11	89	41	47	16	31	31	44	6
Paraguay	3	97	36	50	18	25	25	39	4
Peru	14	86	20	52	4	28	8	24	16
Uruguay	23	77	38	38	10	40	22	13	6
Africa, Near and Middle East	9	91	27	46	16	34	27	42	5
MENA	9	91	25	46	19	29	30	36	4
Sub-Saharan Africa	10	90	29	48	10	43	22	55	7
Egypt	4	96	21	37	23	31	25	26	5
Ethiopia	10	90	39	28	17	56	28	61	22
Kenya	7	93	15	42	4	46	35	62	0
Morocco	10	90	32	57	15	21	38	30	0
Saudi Arabia	8	92	28	55	13	43	30	43	4
South Africa	5	95	33	57	10	38	10	38	5
Tanzania	14	86	28	50	6	56	17	67	11
Tunisia	19	81	31	34	14	17	29	34	9
United Arab Emirates	17	83	15	55	25	35	20	65	10

How well positioned do companies believe they are to counter international crises and geopolitical risks?

in percent, scale from 1 - 5; 1 = very poor, 5 = very good

	Very bad	Bad	Medium	Good	Very good
World	**1**	**8**	**47**	**38**	**6**
EU27	**0**	**5**	**48**	**41**	**6**
Eurozone	**0**	**4**	**48**	**42**	**6**
France	0	3	43	48	6
Greece	0	7	57	36	0
Italy	0	2	44	50	4
Netherlands	0	6	60	30	4
Austria	0	13	48	36	3
Portugal	0	3	37	47	13
Spain	0	3	45	43	9
Other EU, Switzerland, Norway, UK	**0**	**6**	**43**	**45**	**6**
Norway	0	5	37	47	11
Sweden	0	10	49	35	6
Switzerland	0	4	46	50	0
United Kingdom	2	8	35	53	2
Eastern/Southeastern Europe (excl. EU), TR	**2**	**6**	**51**	**37**	**4**
Türkiye	0	0	46	49	5
Belarus (Belorussia)	2	20	62	16	0
Asia/Pacific (excluding Greater China)	**1**	**9**	**46**	**40**	**4**
Australia	3	18	34	30	15
India	3	3	39	55	0
Japan	3	15	37	43	2
Kazakhstan	0	0	72	28	0
Korea, South	0	7	49	42	2
Malaysia	0	6	41	49	4
New Zealand	0	4	52	44	0
Philippines	0	9	55	34	2
Singapore	0	16	40	36	8
Sri Lanka	6	4	48	38	4
Thailand	0	11	53	30	6
Uzbekistan	0	15	40	40	5
Vietnam	0	10	42	38	10
Greater China	**0**	**8**	**56**	**31**	**5**
Taiwan	0	2	66	32	0
People's Republic of China	0	13	53	28	6
North America	**0**	**5**	**51**	**37**	**7**
Mexico	0	3	52	43	2
USA	0	7	48	33	12
South and Central America	**2**	**10**	**49**	**33**	**6**
Argentina	0	6	37	44	13
Bolivia	0	25	62	10	3

	Very bad	Bad	Medium	Good	Very good
Brazil	0	4	41	44	11
Chile	2	5	56	34	3
Costa Rica	5	13	51	31	0
Ecuador	4	15	57	21	3
Colombia	6	11	44	36	3
Paraguay	3	3	53	31	10
Peru	0	3	58	29	10
Uruguay	4	7	40	38	11
Africa, Near and Middle East	2	7	47	37	7
MENA	2	8	45	38	7
Sub-Saharan Africa	1	7	46	37	9
Egypt	1	4	49	37	9
Kenya	0	4	33	52	11
Morocco	5	13	39	38	5
Saudi Arabia	0	12	37	41	10
South Africa	0	5	58	32	5
Tanzania	0	5	45	45	5
Tunisia	2	5	52	36	5
United Arab Emirates	0	8	50	42	0

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 over the next twelve months?
- better
- constant
- worse

How do you see the local economy developing over the next twelve months?
- better
- constant
- worse

How do you expect your company's spending on local investments to develop over the next twelve months?
- higher
- constant
- lower
- No investments

How do you expect your company's local workforce to develop over the next twelve months?
- higher
- constant
- lower

Where do you see the greatest risks to the economic development of your company in the next twelve months? (multiple answers possible)
- Demand
- Financing
- Labor costs
- Skills shortage
- Exchange rate
- Energy prices
- Commodity prices
- Legal certainty
- Economic policy framework
- Infrastructure
- Trade barriers / preferential treatment of domestic companies
- Disruption s in the supply chain (e.g. logistics, lack of preliminary products)

Do you see any other risks for the economic development of your company?

In view of increasing geopolitical challenges: What measures has your company already implemented and what measures is your company still planning? (Multiple answers possible, except for "Not and not planned")

	Already imple-mented/ in imple-mentation	(Additional) in planning	Not and not planned
Expansion of supplier networks			
Development of new sales markets			
Relocation of production/branches to new loca-tions			
Increase investment at your local site			
Increase in warehousing			
Other (free text)			

What obstacles do you see in diversifying your supply chains and/or sales markets? (Multiple answers possible, except for "No hurdles")

- No hurdles
- Identify suitable sales markets
- Finding suitable suppliers/business partners
- Finding suitable locations for new production facilities
- High operating costs
- Trade barriers
- Increased legal and regulatory problems (compliance with country regulations or the Supply Chain Duty of Care Act, etc.)
- Other (free text)

How well positioned do you think your company is to deal with international crises and geopolitical risks (e.g. diversified supplier network, short transportation routes, diversified procurement and sales markets)? (Scale from 1 - 5; 1 = very poor, 5 = very good)

1	2	3	4	5
Very bad	Bad	Medium	Good	Very good