



Malaysian-German Chamber
of Commerce and Industry
Deutsch-Malaysische
Industrie- und Handelskammer

FOR IMMEDIATE RELEASE

German businesses in Malaysia remain strongly optimistic amid global uncertainties

The latest World Business Outlook Survey reveals high confidence in local market and growth prospects amid ongoing global headwinds.

Kuala Lumpur, 7 July 2025 – German companies operating in Malaysia remain highly confident in the country's business environment, according to the latest World Business Outlook Spring 2025 Survey conducted by the Malaysian-German Chamber of Commerce and Industry (MGCCI). The survey reveals that 91% of German businesses rate their current business situation in Malaysia as “good” or “satisfactory”, underscoring sustained optimism despite a volatile global economic landscape.

The biannual survey, part of a global initiative by the German Chambers of Commerce Abroad (AHK), captures the outlook of German businesses in over 90 countries. This latest edition reflects a growing sense of resilience, with 93% of respondents expecting business conditions in Malaysia to remain the same or improve over the next 12 months — a 30% increase compared to 2024. This jump signals a rebound in sentiment and renewed trust in Malaysia's position as a stable and attractive business destination.

While optimism is strong, businesses remain alert to global risks. Geopolitical tensions, ongoing supply chain disruptions, and uneven economic recoveries continue to create uncertainty worldwide. In this context, 85% of companies in Malaysia view the local economic outlook as stable or favourable, although this marks a 12% decline from the previous year, indicating tempered expectations amid ongoing global headwinds.

“Despite a complex and evolving global landscape marked by geopolitical tensions, shifting trade policies, and economic uncertainty, German companies in Malaysia remain strongly optimistic about the country's long-term prospects. These results reaffirm Malaysia's position as a strategic business and logistics hub in Southeast Asia — underpinned by its stable infrastructure, competitive cost structure, skilled and multilingual workforce, and strong bilateral relations with Germany and the broader EU. As companies seek resilient, future-ready markets to grow and invest in, Malaysia continues to stand out as a reliable and attractive destination for German businesses across various sectors” Jan Noether said.

While the overall outlook remains positive, survey respondents also highlighted several areas that warrant attention moving forward. These include demand uncertainty (59.8%), economic policy conditions (46.1%), and regulatory considerations such as preferences for local firms (43.1%). These insights reflect the complexities of operating in a dynamic economic environment and underscore the importance of continued dialogue, policy clarity, and adaptive business strategies to ensure sustained growth and competitiveness.

Globally, companies identified key long-term risks over the next five years, including trade barriers and conflicts (66%), global economic fragmentation (51%), as well as inflationary pressures and tightening monetary policy frameworks (36%).

Malaysian-German Chamber of Commerce and Industry (171131-U)

Level 20-01, Letter Box No. 33, Level 20 | Menara Hap Seng 2, Plaza Hap Seng | No. 1 Jalan P. Ramlee | 50250 Kuala Lumpur, Malaysia.

Tel: +60-3-92351800 | Fax: +60-3-92351930 | E-Mail: info@malaysia.ahk.de | Internet: malaysia.ahk.de

The AHK Network is supported by the Federal Ministry of Economic Affairs and Climate Action based on a resolution of the German Bundestag
Das AHK-Netz wird vom Bundesministerium für Wirtschaft und Klimaschutz aufgrund eines Beschlusses des Deutschen Bundestages gefördert



Malaysian-German Chamber
of Commerce and Industry
Deutsch-Malaysische
Industrie- und Handelskammer

The survey also revealed concerns over the impact of the recent US trade tariffs, with 38% of companies anticipating a minor impact on local operations and 20.4% citing a major impact, largely due to expected increases in input costs, shifts in consumer behaviour, and reduced export demand. Interestingly, 36% of respondents said the tariffs would have no impact, with some noting potential opportunities for Malaysian-based operations to fill emerging supply chain gaps.

Despite the global uncertainty, investment sentiment remains strong. A total of 68% of companies plan to either maintain or increase their local investments over the next 12 months — a testament to Malaysia's strategic value and growth potential in regional and global supply chains. Hiring trends also reflect a stable employment outlook: 40% plan to increase hiring while 53% intend to maintain current workforce levels. This reflects a 6% improvement in overall job stability compared to 2024.

In Malaysia, the survey was conducted between 17 March 2025 – 15 April 2025, with 104 respondents from MGCC member companies, comprising mostly German companies with branches or subsidiaries in Malaysia, primarily from the manufacturing, trade, and services sectors.

The survey is part of the broader AHK World Business Outlook, a bi-annual global research initiative conducted by the German Chamber of Commerce and Industry (DIHK). It surveys member companies from the network of German Chambers of Commerce Abroad (AHKs), which represent over 40,000 companies in 93 countries. For more information about the DIHK, please visit www.dihk.de.

###

For media enquiries, please contact:

Melanie Chalil

Manager, Communications & PR

melanie.chalil@malaysia.ahk.de

+6012 223 6976

Malaysian-German Chamber of Commerce and Industry (MGCC®)

The Malaysian-German Chamber of Commerce and Industry (MGCC), or AHK Malaysia as it is known in Germany, is the official representative of German industry and trade in Malaysia with excellent relations to governments and its authorities, to business organisations and to industry both in Malaysia and in Germany. The Chamber represents the interests of more than 460 members and is part of the global network of German Chambers of Commerce Abroad (AHK network) with 150 offices in 93 countries—and counting.

Established in the year 1991, MGCC has since been a strong and reliable partner for its members and clients with a widespread, result-oriented range of services and a successful track record. As the largest bilateral European Chamber in Malaysia, MGCC is the preferred service partner for companies seeking to establish a market presence here or to increase their involvement in Malaysia. The Chamber also offers a platform to share experiences and exchange views at a wide range of forums and events, as well as to establish business relationships within its network. MGCC is supported by the Federal Ministry of Economic Affairs and Energy based on a resolution of the German parliament, the Bundestag.

Malaysian-German Chamber of Commerce and Industry (171131-U)

Level 20-01, Letter Box No. 33, Level 20 | Menara Hap Seng 2, Plaza Hap Seng | No. 1 Jalan P. Ramlee | 50250 Kuala Lumpur, Malaysia.

Tel: +60-3-92351800 | Fax: +60-3-92351930 | E-Mail: info@malaysia.ahk.de | Internet: malaysia.ahk.de

The AHK Network is supported by the Federal Ministry of Economic Affairs and Climate Action based on a resolution of the German Bundestag
Das AHK-Netz wird vom Bundesministerium für Wirtschaft und Klimaschutz aufgrund eines Beschlusses des Deutschen Bundestages gefördert