



The Philippines  
**AHK World Business Outlook  
Survey Results**

Spring 2026



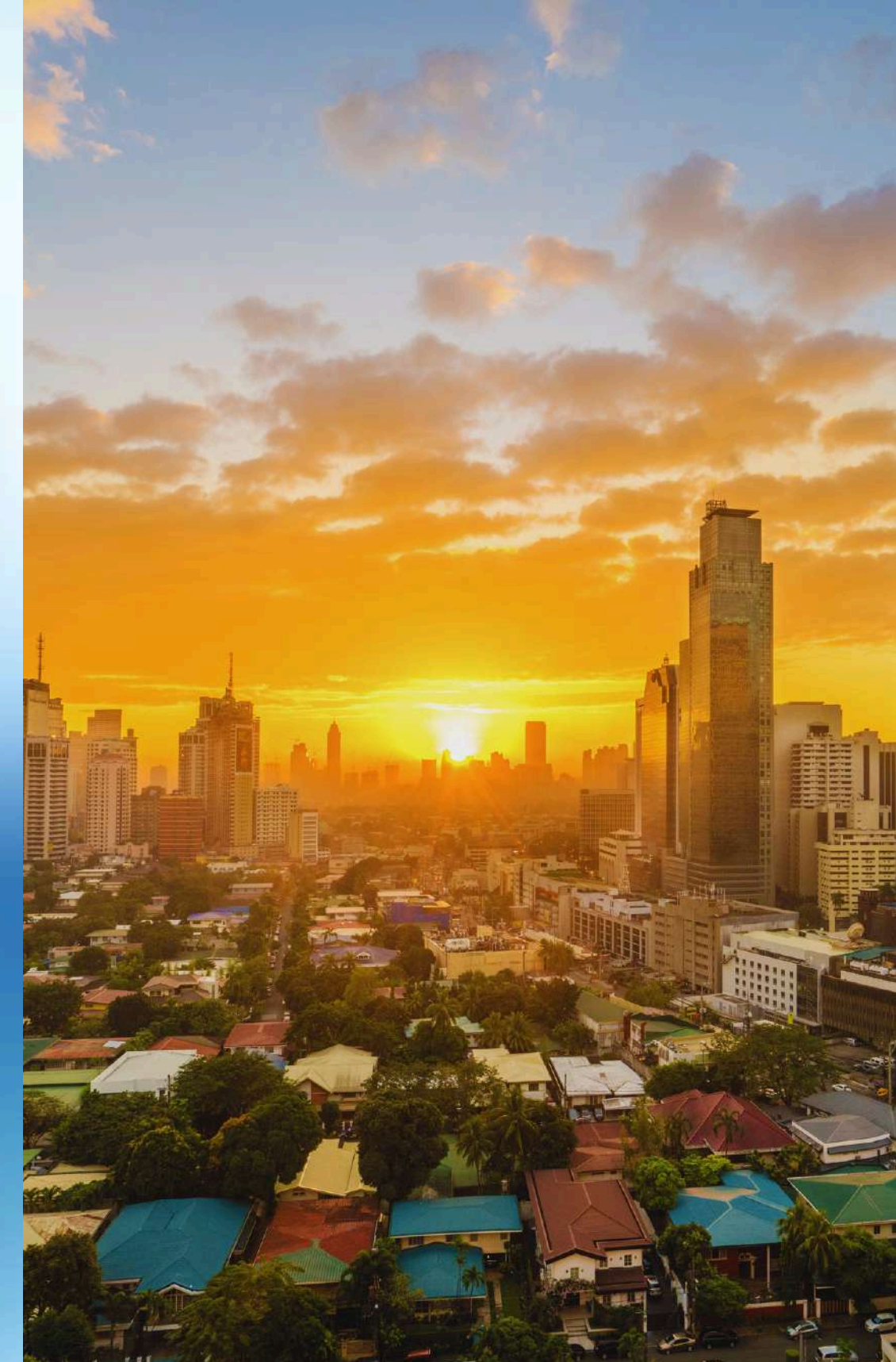
# Key Insights

**Operations remain stable, but confidence is constrained by uncertainty.**

**Investment and employment decisions are becoming more cautious.**

**External shocks are amplifying cost pressures and operational risks.**

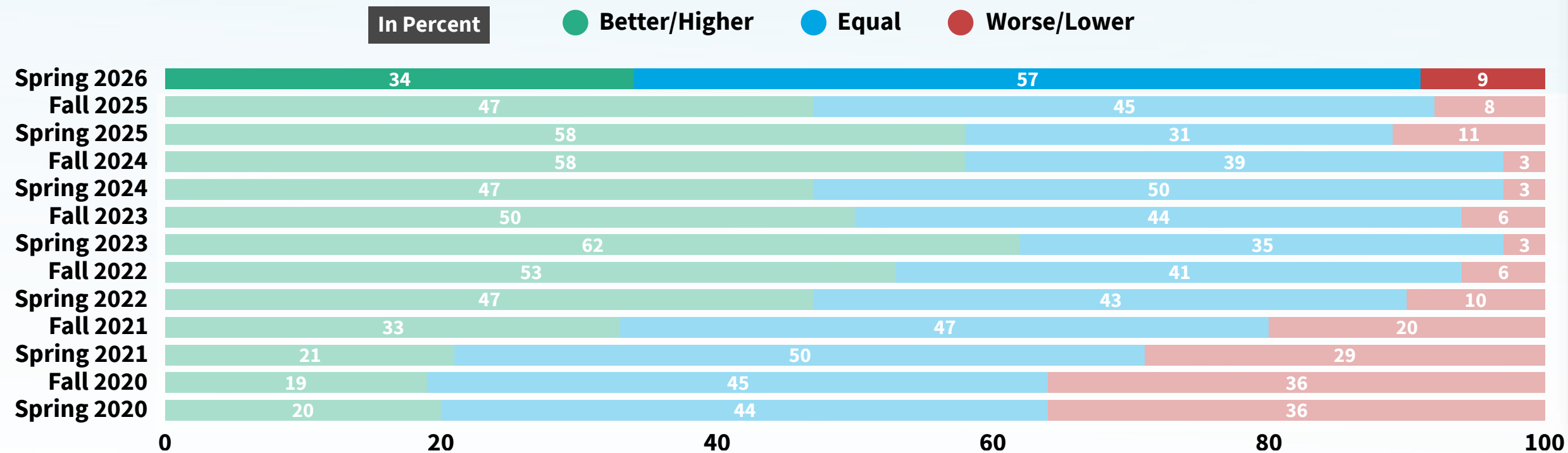
**Strengthening crisis response mechanisms will be key to sustaining business resilience.**



# Stability is holding, but sentiment is becoming more cautious.

- A clear majority (57%) report stable conditions, up from 45% and 31%, showing increasing caution.
- About 34% report improvements, continuing a downward trend since 2023, from 47% and 58%.
- Only 9% report worse conditions, close to 8% last period

Q1. How do you assess the current situation of your company?

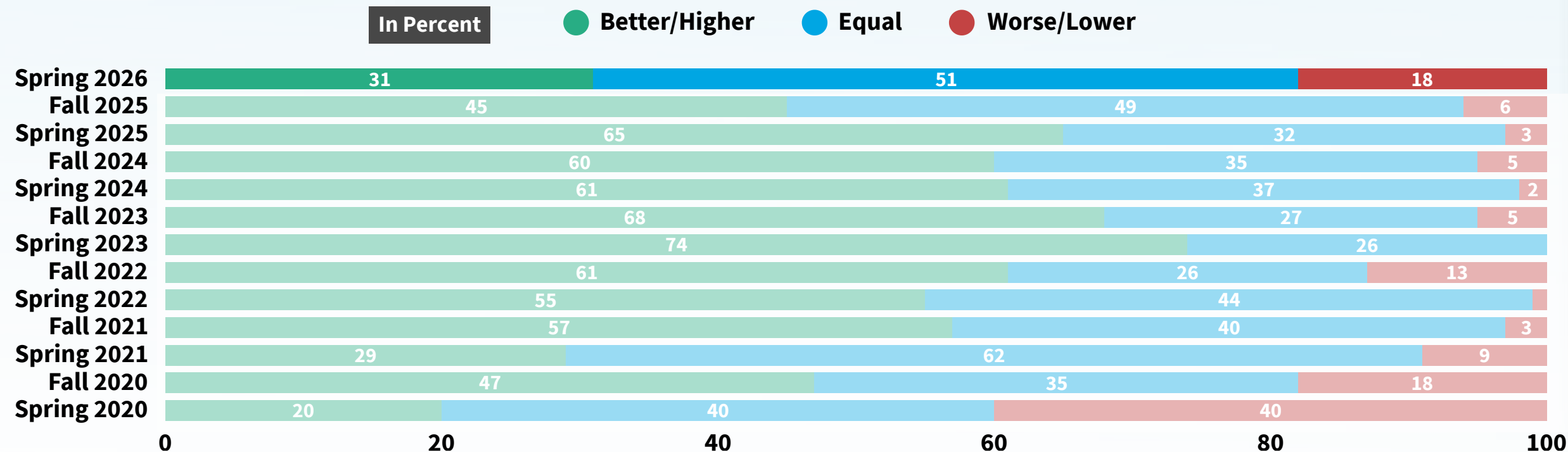


**Stable operations continue, but business confidence is clearly softening.**

# Expectations soften as fewer companies anticipate growth ahead.

- A slight majority still expect stable business conditions, indicating a stable outlook.
- Only 31% expect improvement, continuing a declining trend since 2023.
- 18% expect worse conditions, rising significantly from 6% in Fall 2025, showing growing downside concerns.

Q2. Which business development does your company expect for the next twelve months?

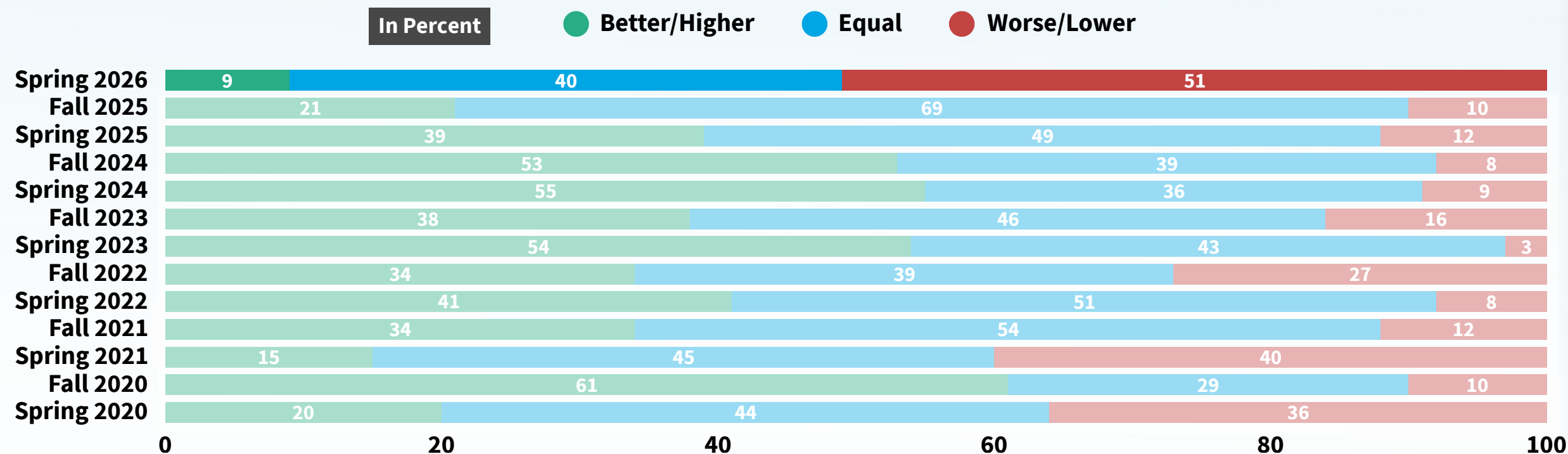


**Growth expectations remain positive but have softened as uncertainty increases.**

# Majority anticipate more challenging local economic conditions ahead

- A majority (51%) expect more challenging local economic conditions over the next 12 months
- Only 9% expect improvement, down sharply from 21% and 39%, showing a continuing a clear downward trend.

Q3. How do you judge the local economic development in the next twelve months?

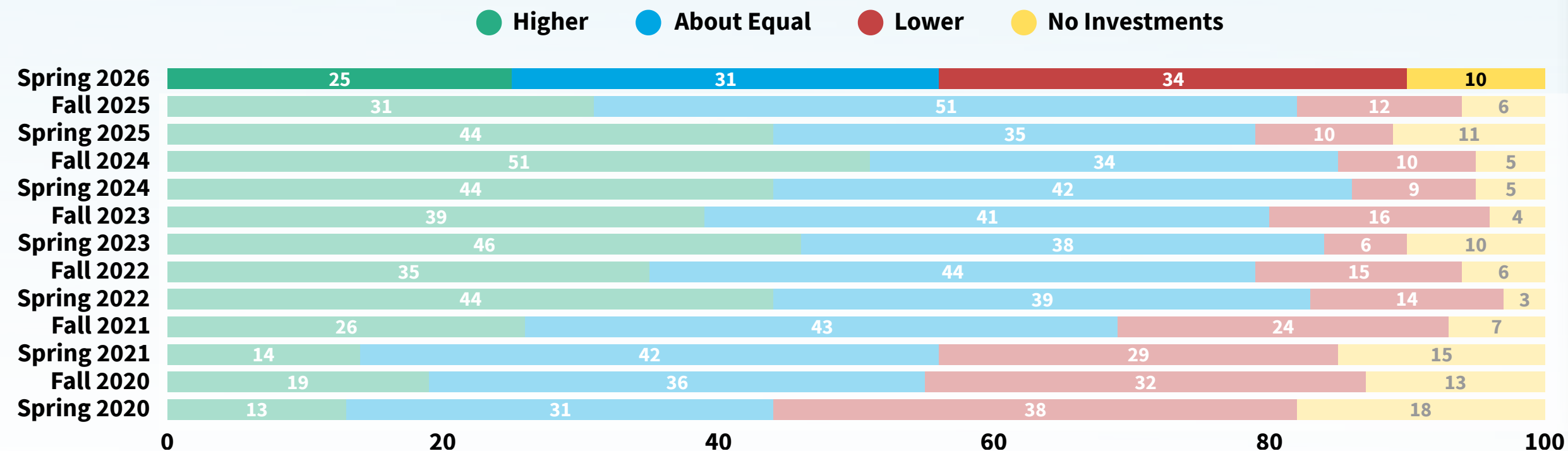


**Local economic sentiment reflects a notable shift, more cautious than pandemic levels.**

# Companies take a more cautious approach to investments amid rising uncertainties.

- 34% expect to recalibrate local investments over the next twelve months.
- Only a quarter (25%) plan higher investments
- 31% expect stable investment levels, reflecting a more measured approach.

Q4. How do you think local investments of your company are likely to develop in the next twelve months?

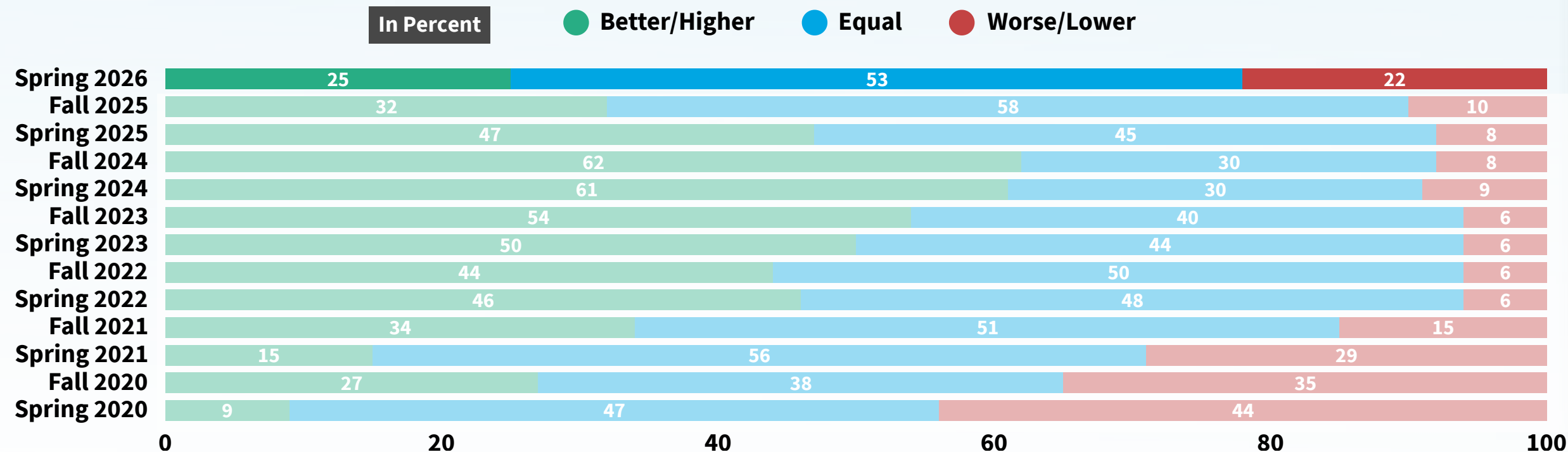


**Companies are taking a more deliberate approach to investment planning amid evolving global conditions**

# Local employment softens as more firms take a cautious approach.

- A majority (53%) still expect stable employment levels.
- Only a quarter (25%) plan to increase hiring, continuing a decline since 2024.
- 22% anticipate adjusting workforce levels downward.

Q5. How do you think local employment of your company is likely to develop in the next twelve months?



**Hiring plans moderate as companies balance growth with rising uncertainty.**

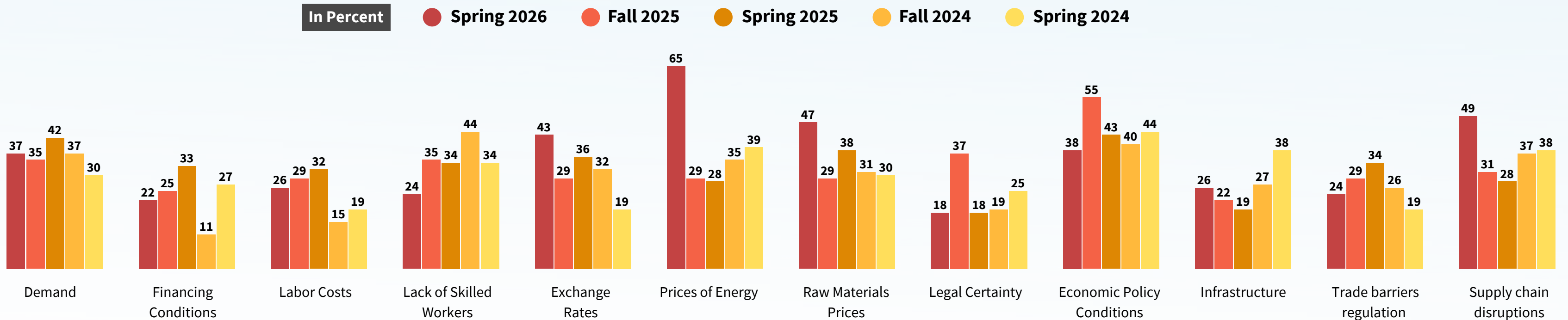
# Cost pressures and global disruptions remain the top business risks.

- Energy prices (65%) remain the top concern, reflecting exposure to global supply shocks and geopolitical tensions.
- Supply chain disruptions (49%) and raw material prices (47%) continue to weigh on operations.
- The concentration of risks clearly highlights strong dependence on external markets and global developments.

## Top 3 Risks

- 1** **65%** **Prices of Energy**
- 2** **49%** **Supply Chain Disruptions**
- 3** **47%** **Prices of Raw Materials**

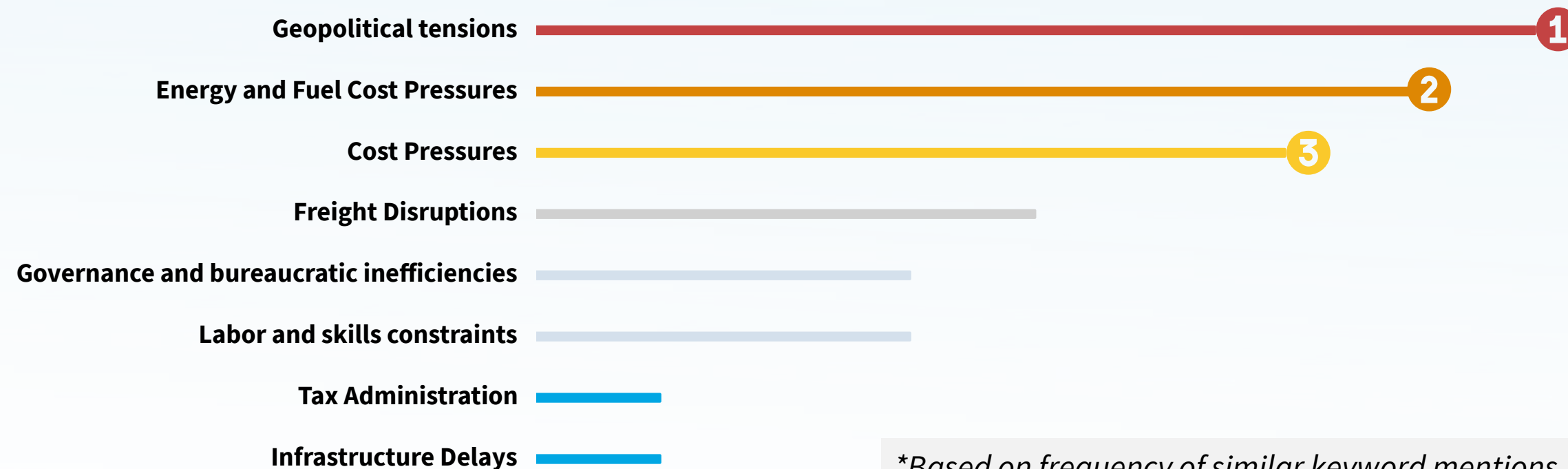
Q6. What are the biggest risks for your company's economic development in the next twelve months?



# External pressures and response capacity shape business outlook.

- While operations remain stable, rising global tensions and cost volatility are weighing on business confidence.
- Companies face growing exposure to energy price movements and supply chain disruptions linked to global developments.
- These trends underscore the need for effective coordination and timely policy responses to manage external shocks.

Q6.1. Do you see any further risks to the economic development of your company?



*\*Based on frequency of similar keyword mentions*

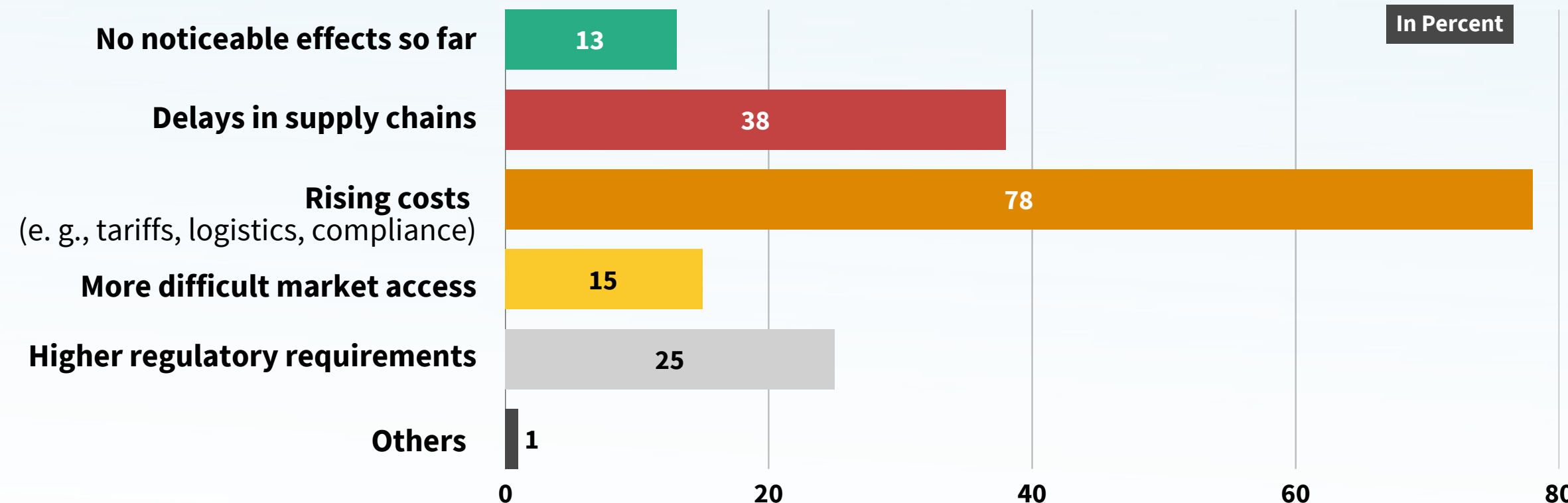


**Global shocks shape outlook, affecting operations and requiring responsive policy action.**

# Rising costs dominate impact of trade policy developments.

- Trade policy impacts are felt primarily through cost increases (78%).
- Persistent supply chain delays suggest that policy changes continue to affect operational efficiency, not just pricing.
- Only 13% report no noticeable effects, while 25% face higher regulatory requirements, indicating that most companies are already adjusting to trade-related pressures.

Q7.1. What specific effects are current trade policy developments having on your company's business?

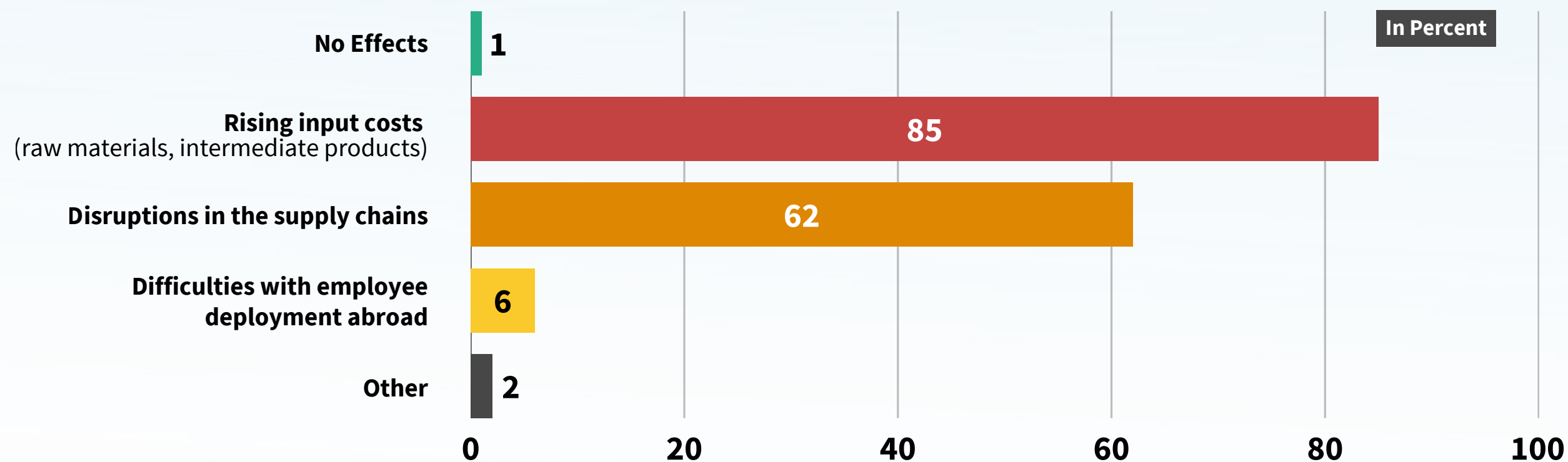


**Most companies report higher costs and operational disruptions.**

# External geopolitical conflict emerges as major external shock.

- The overwhelming reports on rising input costs (85%) indicates that the conflict is expected to directly affect production and operating expenses.
- 62% cite supply chain disruptions, indicating widespread operational challenges.
- Only 1% report no impact, this shows that the conflict is viewed as relevant to most businesses, even beyond those directly operating in the region.

Q7.2. What effects of the escalation in the Middle East conflict do you fear or already experience in your company's business?

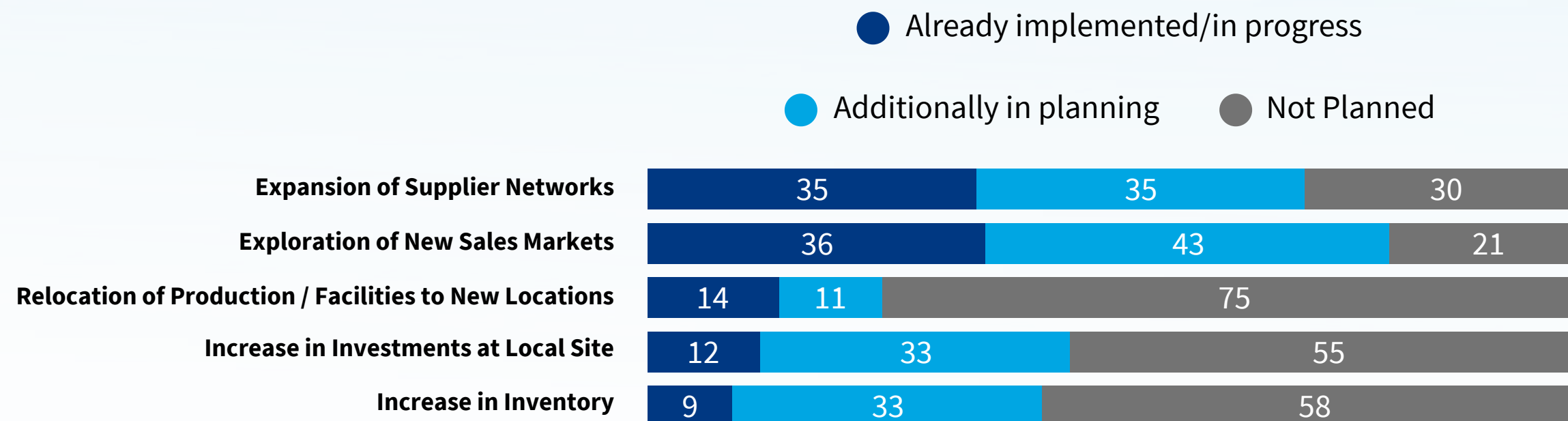


**The Middle East conflict is translating into higher costs and supply chain disruptions for most businesses.**

# Firms adapt through diversification while limiting structural adjustments.

- Around 70% are expanding or planning supplier networks, supporting diversification.
- Nearly four in five (79%) are exploring new sales markets to mitigate external risks.
- Structural shifts remain limited, with three-quarters (75%) not relocating and over half not increasing investments or inventory.

Q8. What other measures have you taken due to geopolitics?

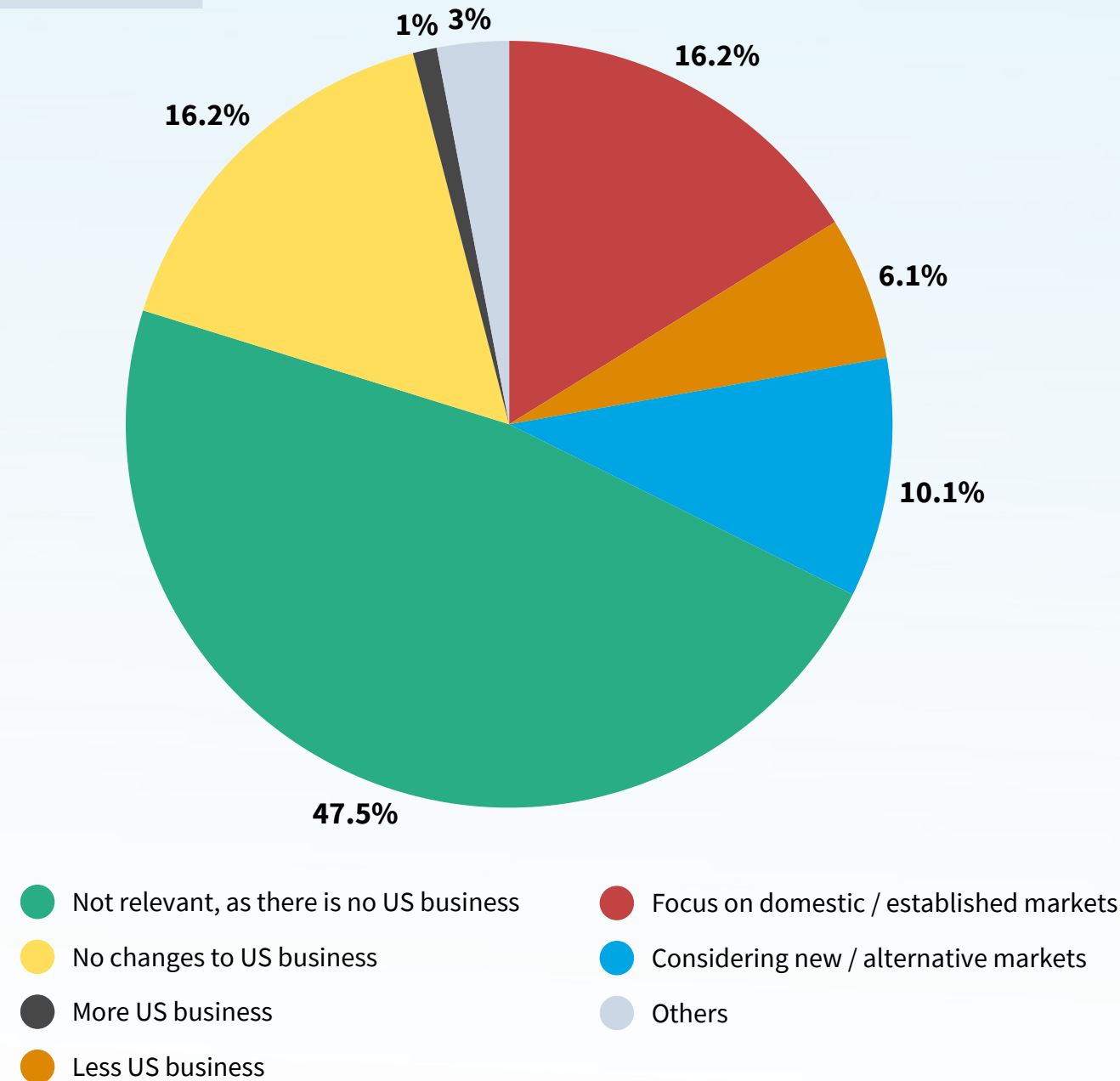


**Companies diversify externally while limiting major structural operational changes.**

# US trade policies affect firms indirectly through costs, not market access.

- Nearly half of respondents report that U.S. trade policy is not directly relevant to their business, indicating limited direct exposure.
- Among affected firms, responses favor maintaining the status quo or shifting focus to domestic and established markets, rather than expanding U.S. engagement.
- The small share increasing U.S. business suggests that trade policy changes are raising caution and costs rather than improving market access.

Q9. Which consequences is your company drawing in response to U.S. trade policy?

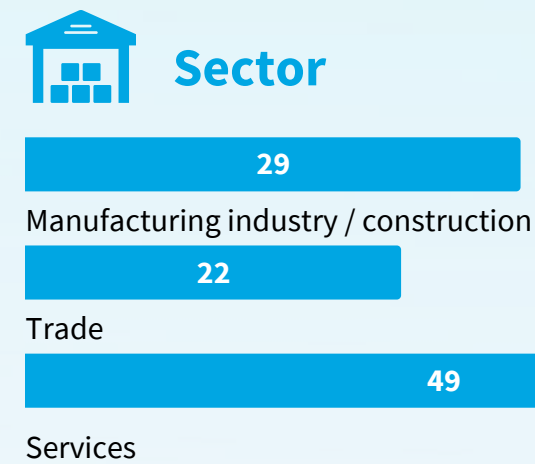


**U.S. trade policy impact remains limited, with effects concentrated among exposed firms.**

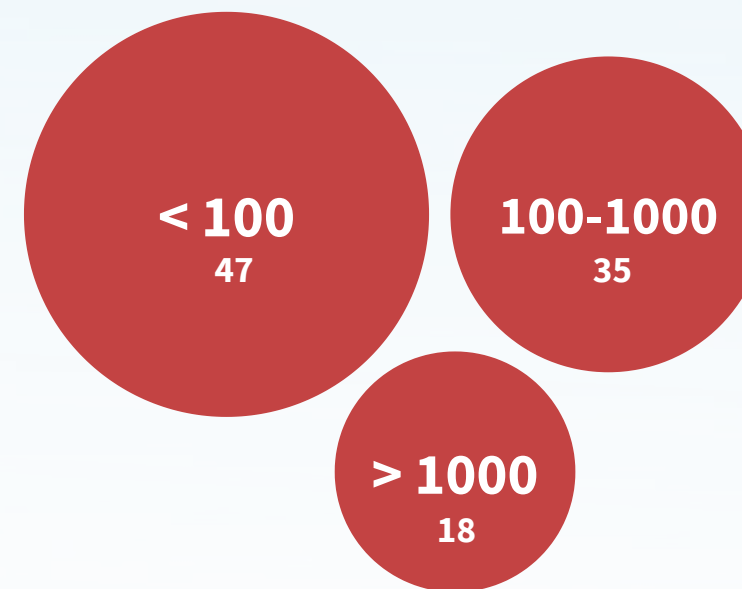
# About Our Survey

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). **The Spring 2026 Survey was conducted 16 March to 10 April 2026.**

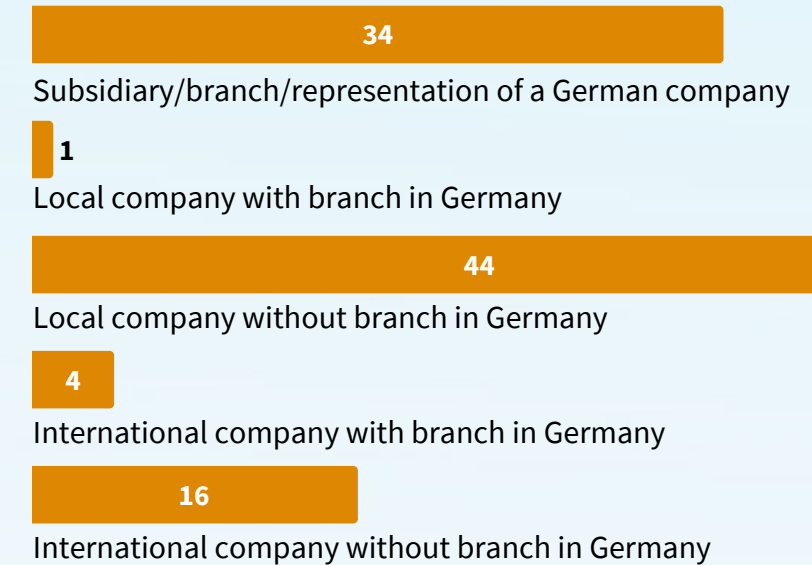
It collects feedback from almost 3,200 German companies **(68 from the Philippines in Spring 2026)**, branches and subsidiaries worldwide as well as companies with close ties to Germany.



## Number of employees worldwide



## Company details



Scan QR code to read our **Fall 2025** survey:



## Imprint

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