The export prospects for the industry are suffering a significant setback. The balance of export expectations has reached its lowest level since the global financial and economic crisis ten years ago. Growing protectionism in numerous markets, increasing trade conflicts and the Brexit are taking the wind out of the sails of the global economy - exporters are seeing this already in their business numbers. Companies have little confidence that the global economy will recover in the short term. Uncertainty about foreign demand is therefore rising significantly.

The employment intentions of the companies are more restrained - despite the continuing shortage of skilled workers. In the industry sector in particular, the deterioration in the business environment is having an impact on companies’ personnel plans. In the construction industry, recruitment plans remain high due to continued strong demand. The shortage of skilled personnel is lowering the dynamics of employment growth, particularly in the healthcare sector and in the IT sector.

The propensity to invest is still above its long-term average. However, the deterioration in business expectations is also having an impact on investment budgets. Export-oriented industrial companies in particular are scaling back their investment plans. The trade sector is also slightly lowering its investment plans. Construction and service companies want to invest at a consistently high level. When considering the reasons for investment, the need for replacement continues to dominate.
The business expectations of companies are declining for the fourth time in succession. Skepticism is growing, particularly in the industry sector, where its outlook is as low as it was since 2012. A certain stabilization is coming from the interior: the construction industry and trade are somewhat more optimistic than at the beginning of the year. Here there seems to be continued confidence in a stable domestic economic development. From the companies' point of view, the shortage of skilled workers remains the greatest risk for the company's development.

The business situation of German companies is noticeably worse than at the beginning of the year. The export-oriented industry in particular will have to cope with further setbacks. The slowdown in global trade is becoming increasingly apparent in weaker demand for industrial products. Service providers are also rating their business noticeably worse. By contrast, more domestically-oriented sectors such as construction and retail continue to feel comparatively solid business.