



## German-British Business Outlook Spring 2026



German-British  
Chamber of Industry & Commerce  
Deutsch-Britische  
Industrie- und Handelskammer

 **PartnerForYourSuccess**

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**German-British businesses remain resilient with strong current performance in the UK, but weak economic confidence is driving more cautious investment and key structural challenges persist.**

**Strong current performance:** 51% of firms view their UK operations positively, a clear improvement since autumn, with 43% reporting stable and only 6% negative conditions.

**Cautious short-term outlook:** Despite current strength, expectations for the near future are more subdued and largely unchanged from six months ago.

**Low economic confidence:** Sentiment toward the UK economy remains weak, with just 2% expecting improvement. 35% foresee continued sluggish growth and 63% take a negative view on growth prospects.

**Reduced investment appetite:** Expansion plans in the UK have declined (14% vs. 23% in autumn), indicating increased caution among businesses.

**Continued labour demand:** 31% of companies plan to employ additional staff, suggesting resilience in employment despite broader economic concerns.

**Drivers and challenges remain consistent:** The UK market continues to be the main attraction for investment, while key challenges include political uncertainty, weak demand, Brexit-related barriers, and rising energy costs.

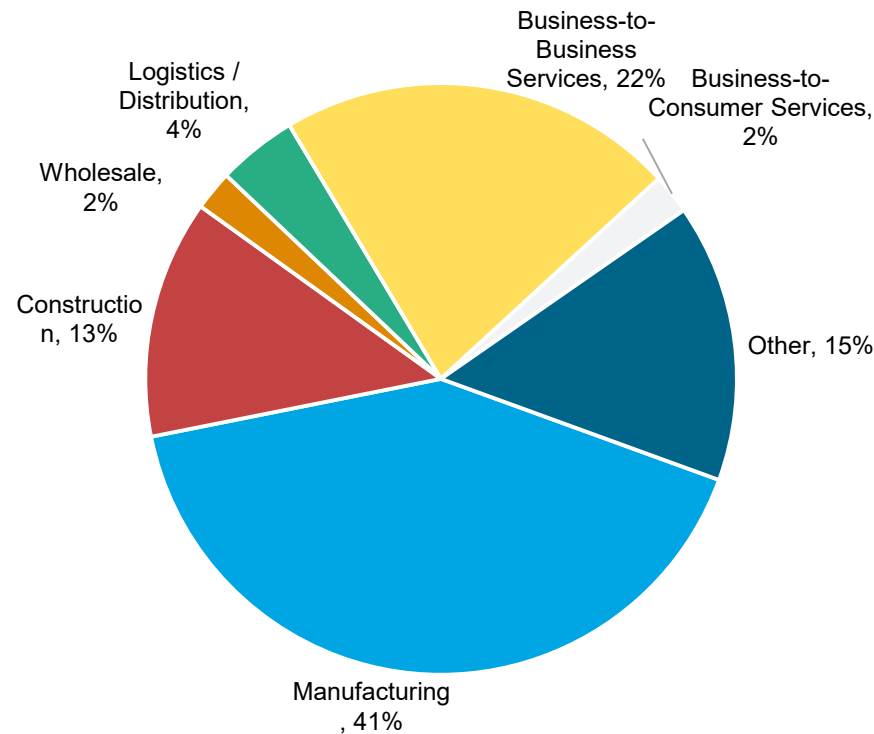
**Policy priorities and adaptation:** Businesses continue to call for improved UK-EU relations and reduced administrative burdens, while also adapting to geopolitical risks through measures such as nearshoring, market diversification, and increased stockpiling.

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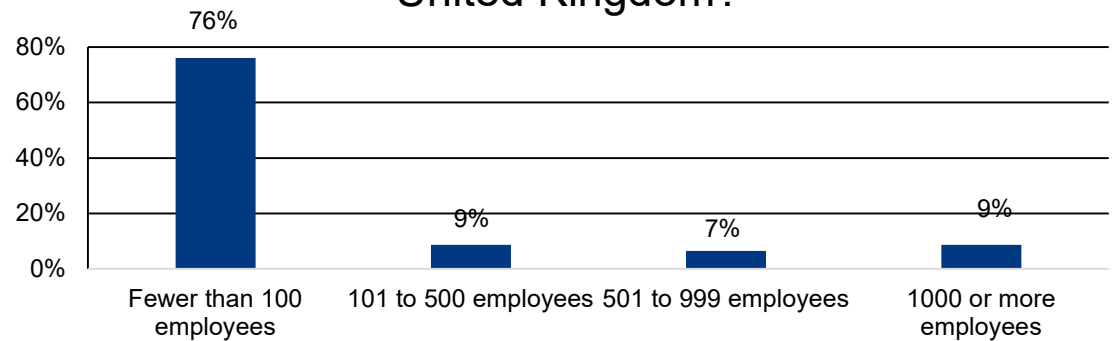
## The survey and its participants:

51 online interviews between 26 March and 10 April 2026 with companies from the German-British business community, which have operations in the UK

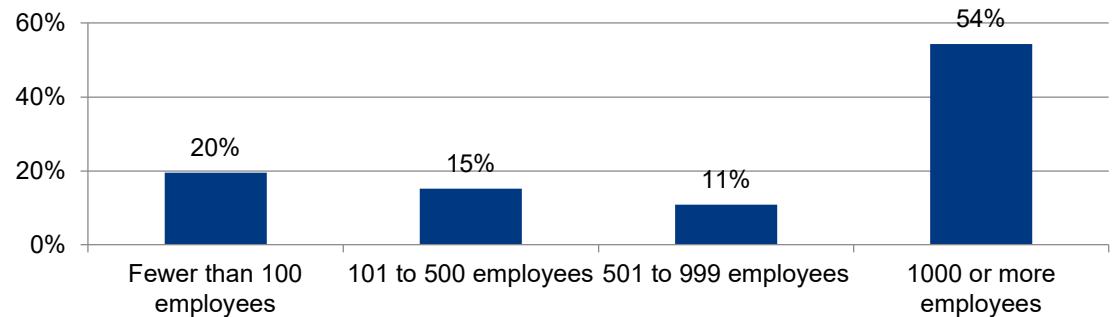
In which sector is your company predominantly active?



How many employees do you have in the United Kingdom?



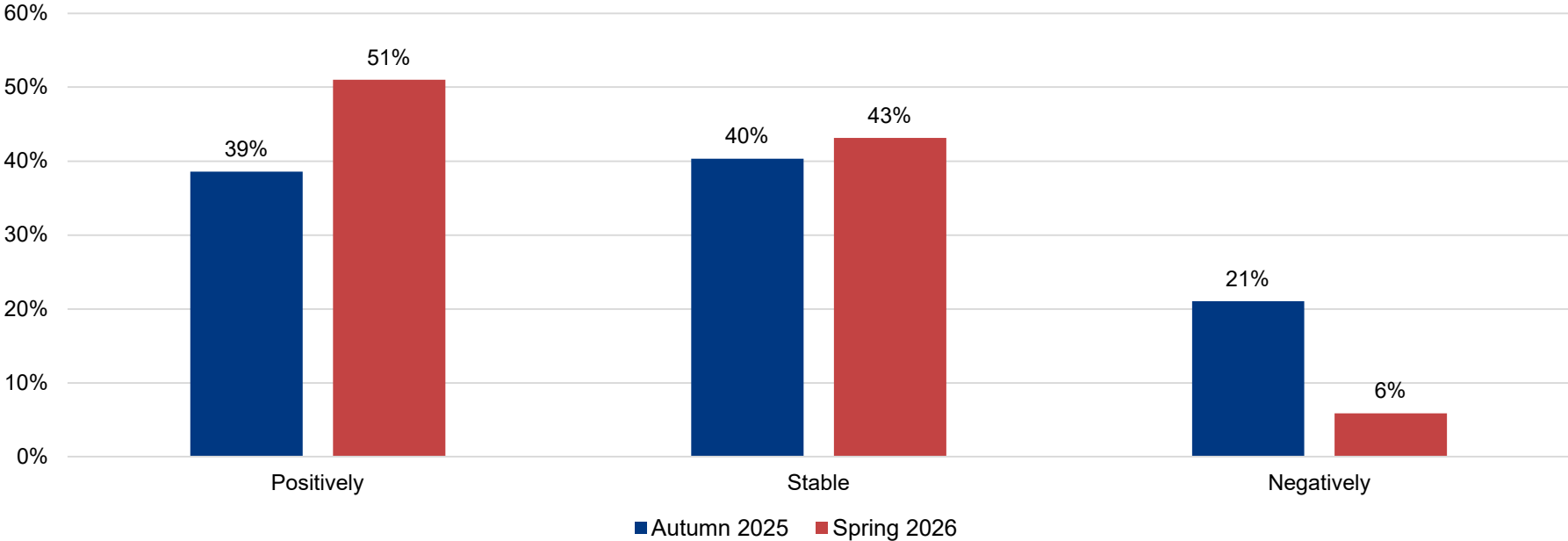
How many employees do you have worldwide?



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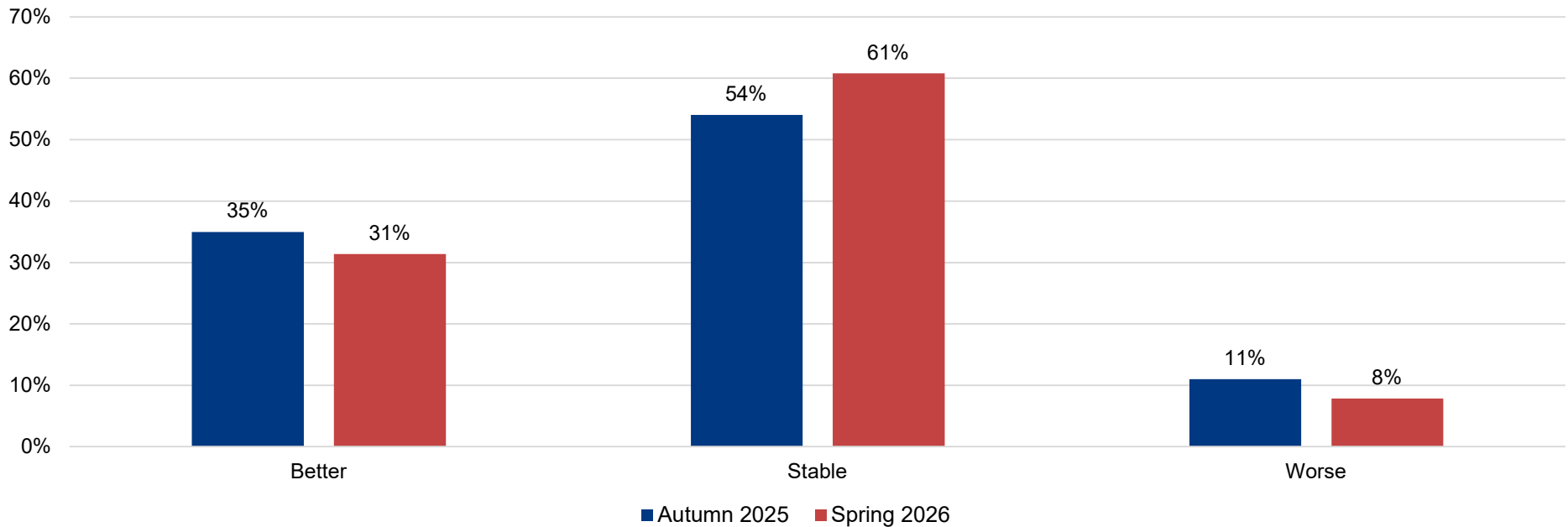
How do you view the current situation / performance of your operations in the United Kingdom?



At present, 51% of respondents view their UK operations positively, 43% as stable, and only 6% as negative. These figures represent a marked improvement since autumn, suggesting that the German-British business community is currently thriving despite the overall challenging economic environment in the UK.

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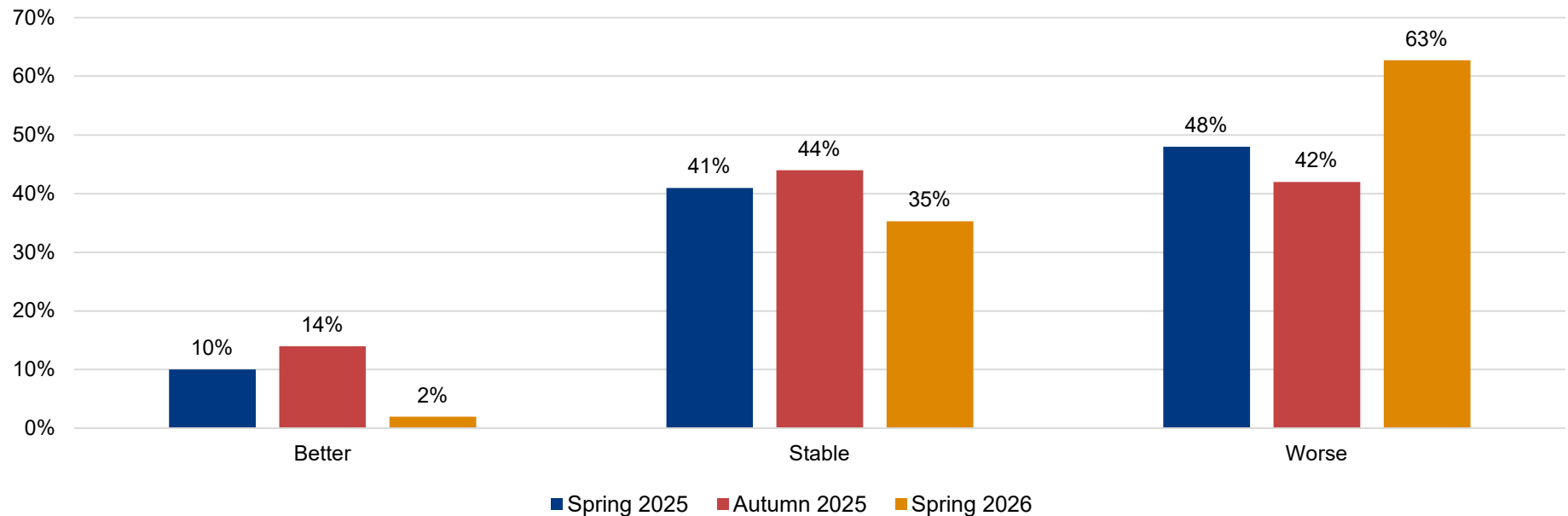
How do you expect your operations in the United Kingdom to develop/perform over the coming 12 months?



Despite the positive assessment of their own current situation/performance, the overall outlook for the immediate future is not as positive (but comparable to six months ago).

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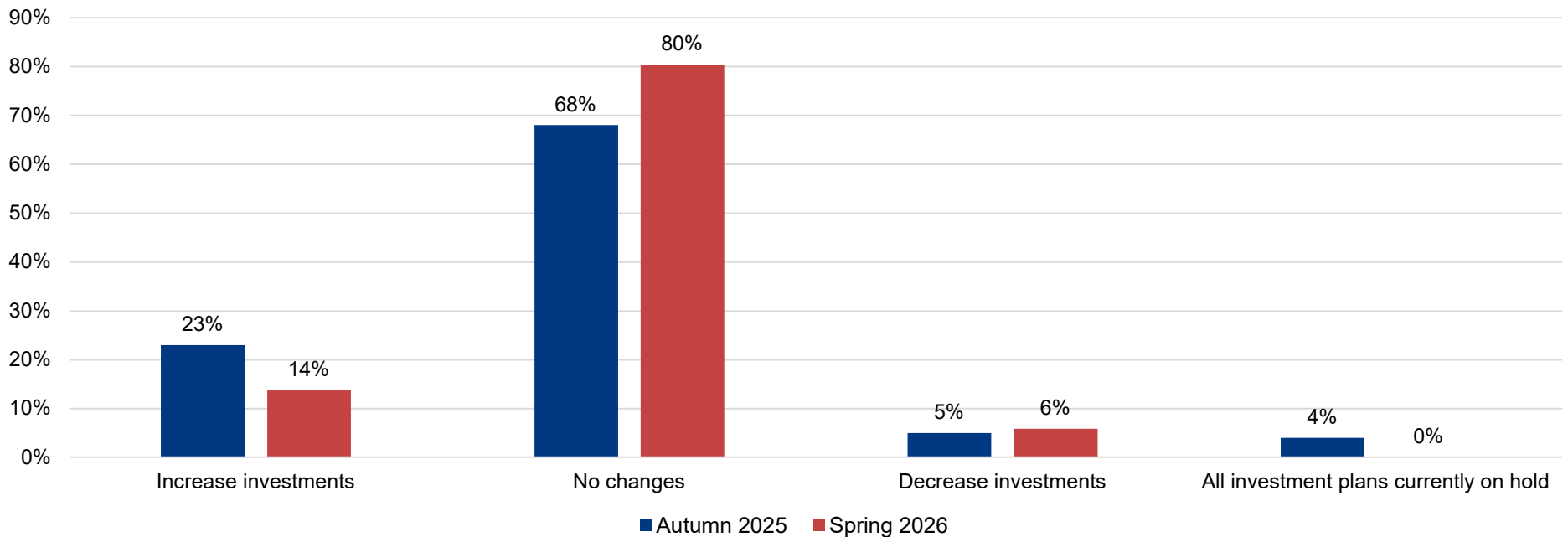
How do you expect the United Kingdom's economy as a whole to develop/perform over the coming 12 months?



Confidence in the UK economy has worsened and remains very subdued. Only 2% expect improvement in the coming year, while 35% foresee continued sluggish growth and 63% have a negative view on growth prospects.

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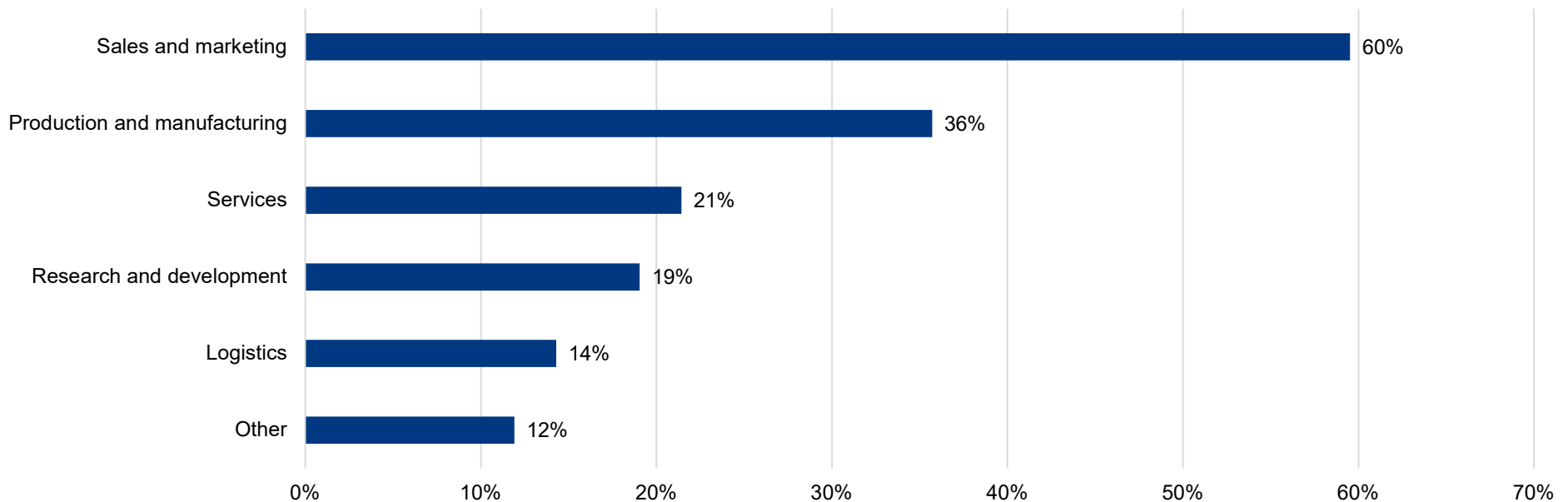
What are your medium-term investment plans?



In comparison to the autumn survey's findings, the investment plans within the German-British business community have been scaled back to some extent, with only 14% (versus 23% last autumn) aiming to expand their activities.

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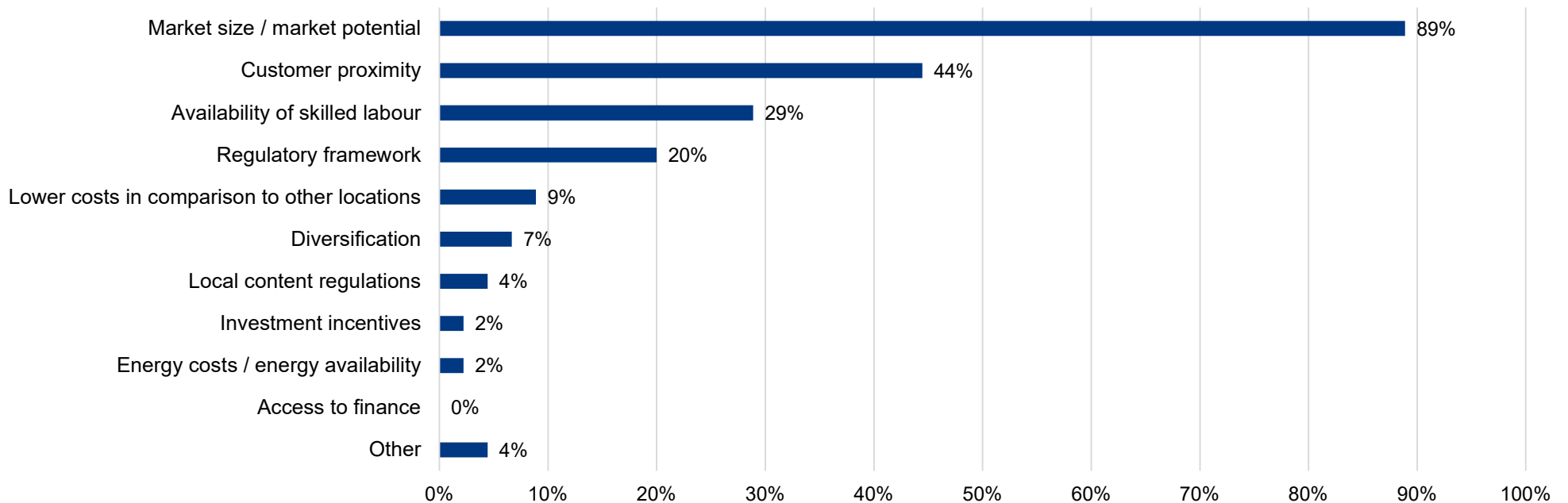
In which areas do you currently make or are planning to make significant investments in the UK? (Multiple answers possible)



As in the past, the main reason for investing in the UK continues to be the importance of the British market, but the appeal as a location for manufacturing, services, and research and development should not be underestimated.

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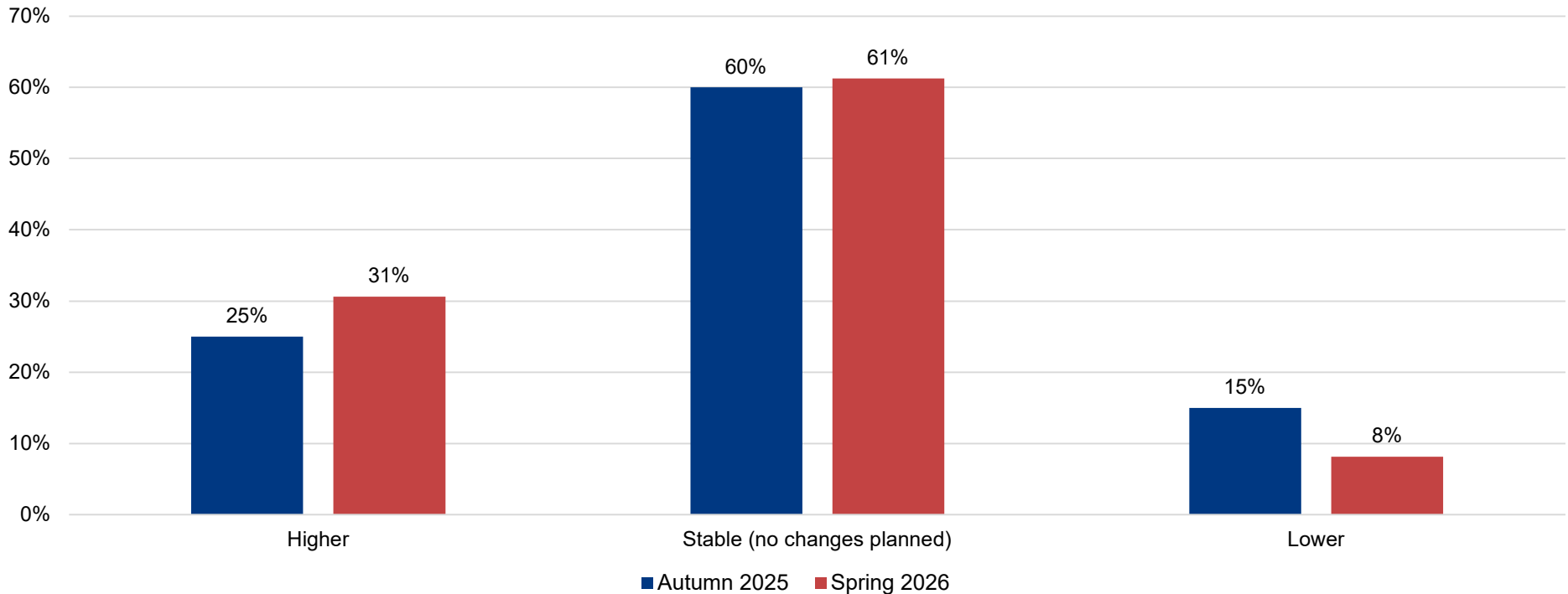
Which factors play a dominant role in your decision to continue to invest in the UK? (Multiple answers possible)



As aforementioned, the significance of the UK market is the key driver of German investment in the UK and the weighting of the other factors is comparable to previous surveys.

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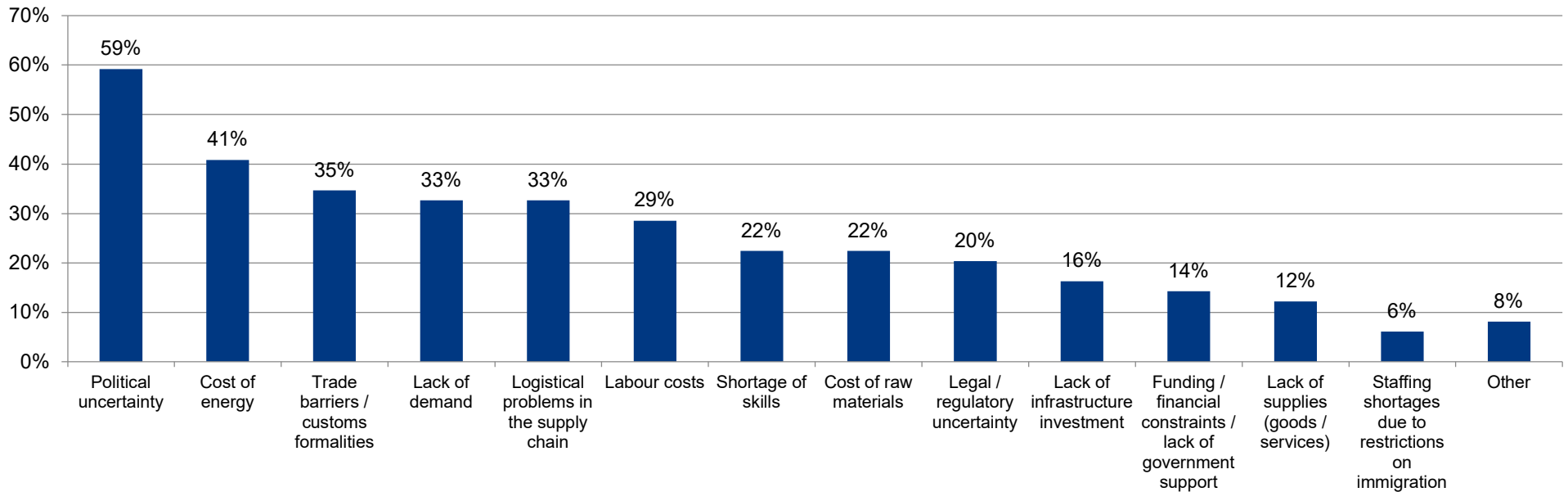
What will your staffing levels look like in 12 months' time?



31% of companies expect to hire new employees over the coming year – this is a slightly higher figure compared to autumn 2025, suggesting that despite the more cautious overall economic outlook, the demand for labour continues to be strong.

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What will be the largest challenges for your business in the coming 12 months? (Multiple answers possible)



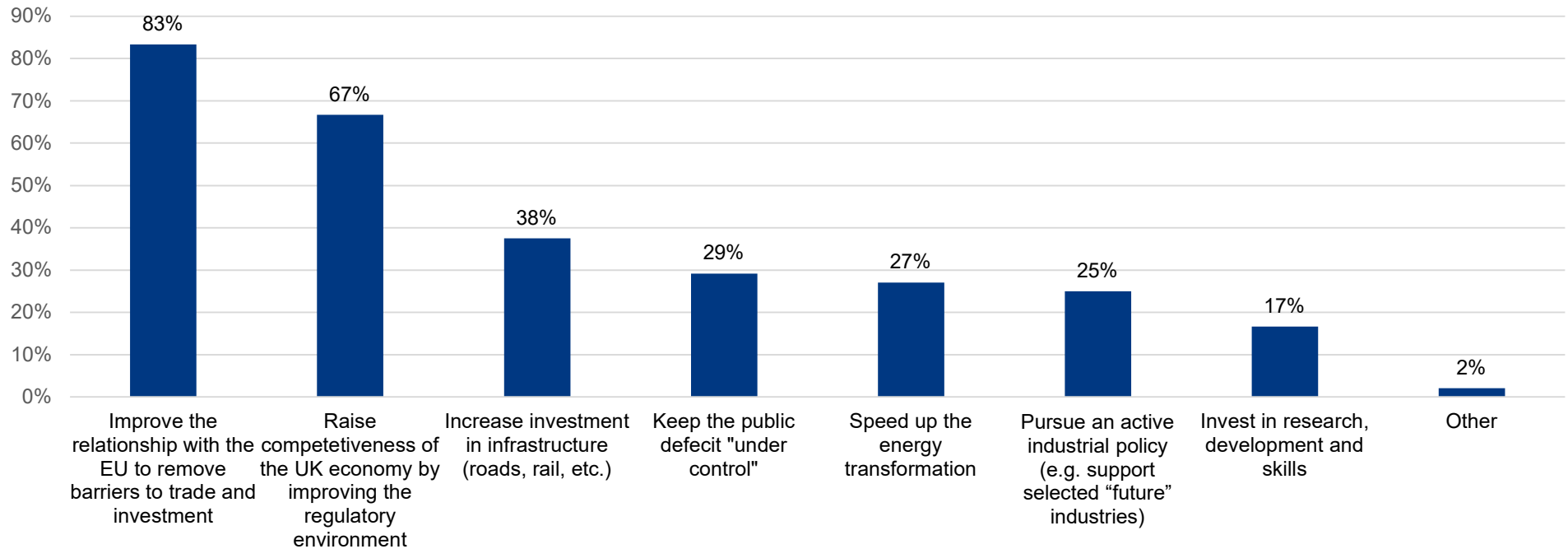
Due to the war in the Middle East, the cost of energy has moved into the second position as a challenge for our community, otherwise the rankings are similar to past surveys with political uncertainty, lack of demand (as a result of the expected weaker economic development), and administrative hurdles resulting from Brexit, continue to be major challenges for doing business in the UK.



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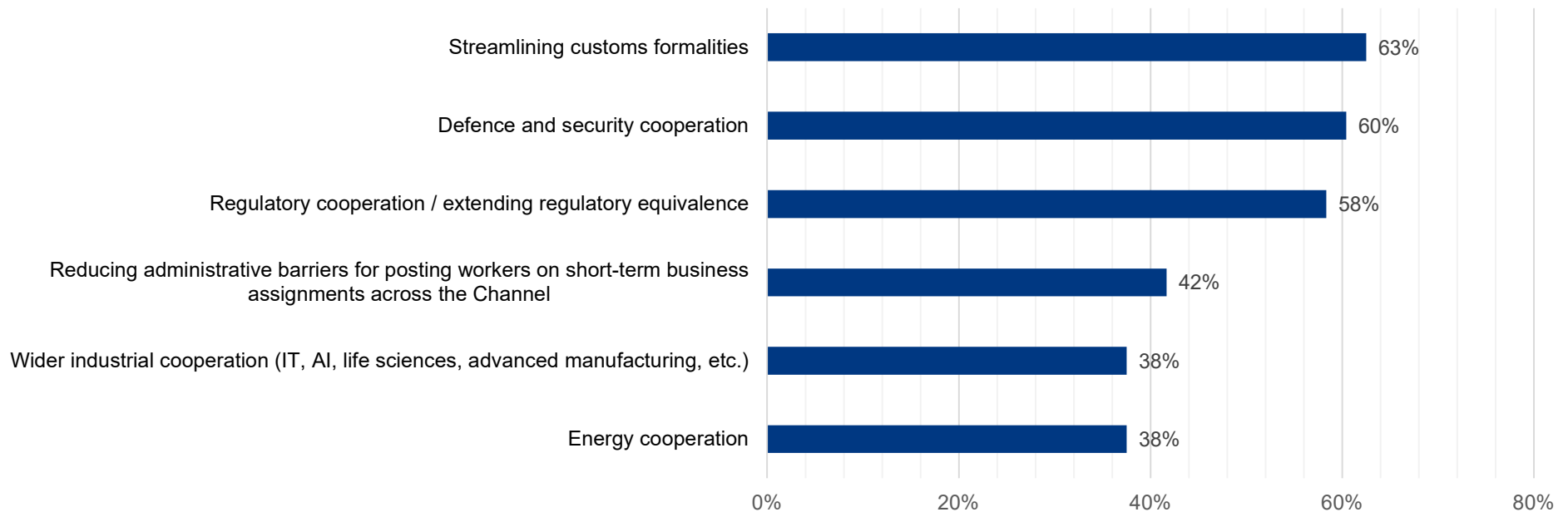
What are the top three economic priorities the current UK government should focus on?



By a substantial margin, our community thinks that the UK Government's utmost priority should be to continue to improve relations with the EU (a similar figure to autumn 2025) but measures to improve the competitiveness of the UK regulatory framework also continue to be important for the business world.

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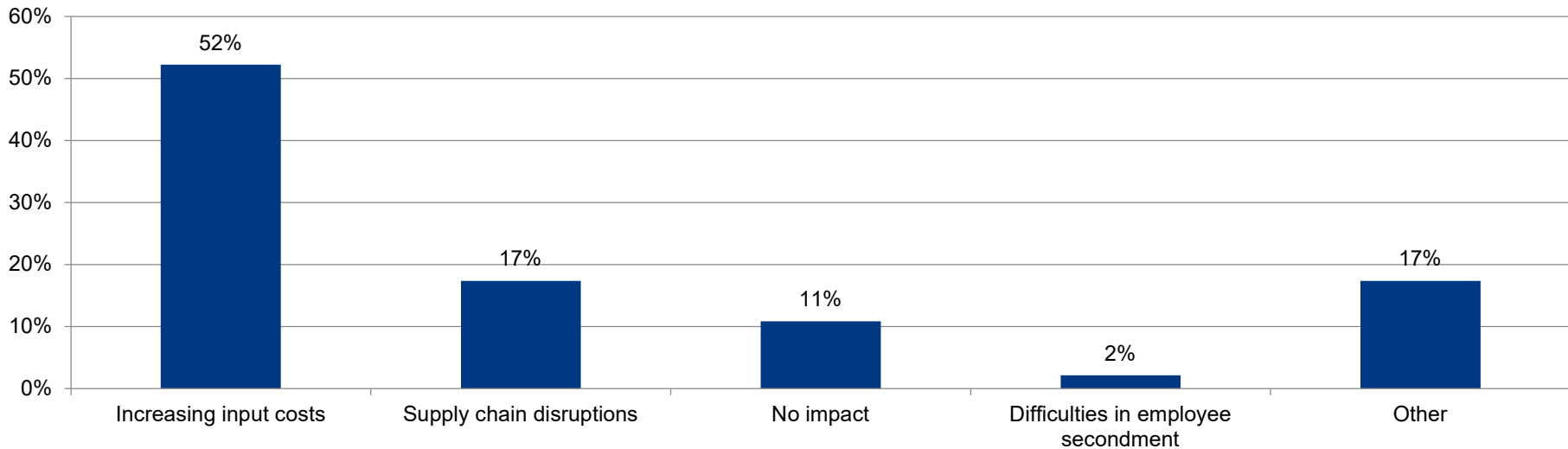
In light of the concluded in the summer of 2025 EU-UK agreement and the British-German Friendship Treaty (Kensington Treaty), in which sectors or areas do you see the highest need for an increase in cross-channel cooperation? (Multiple answers possible)



The business community's wish list with regard to practical improvements, as a result of the recent cooperation agreements, focusses not only on reducing the administrative hurdles (customs formalities, immigration rules, regulation, etc.) but also on closer economic cooperation (especially in defence and security).

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What impact do you anticipate or are you already experiencing from the escalation of the conflict in the Middle East on your company's business operations? (Multiple answers possible)

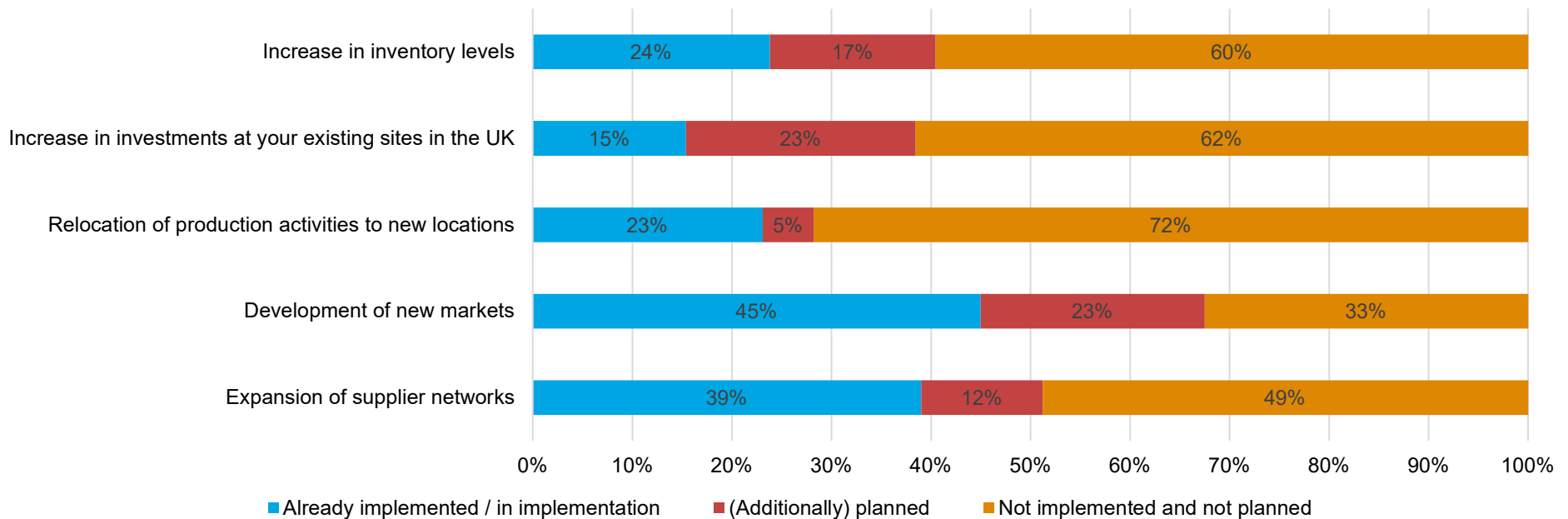


That energy costs have become the second largest challenge for our businesses (see page 11) is a result of the war in the Middle East – 52% of respondents expect it to have a significant effect on input costs like energy or raw materials.



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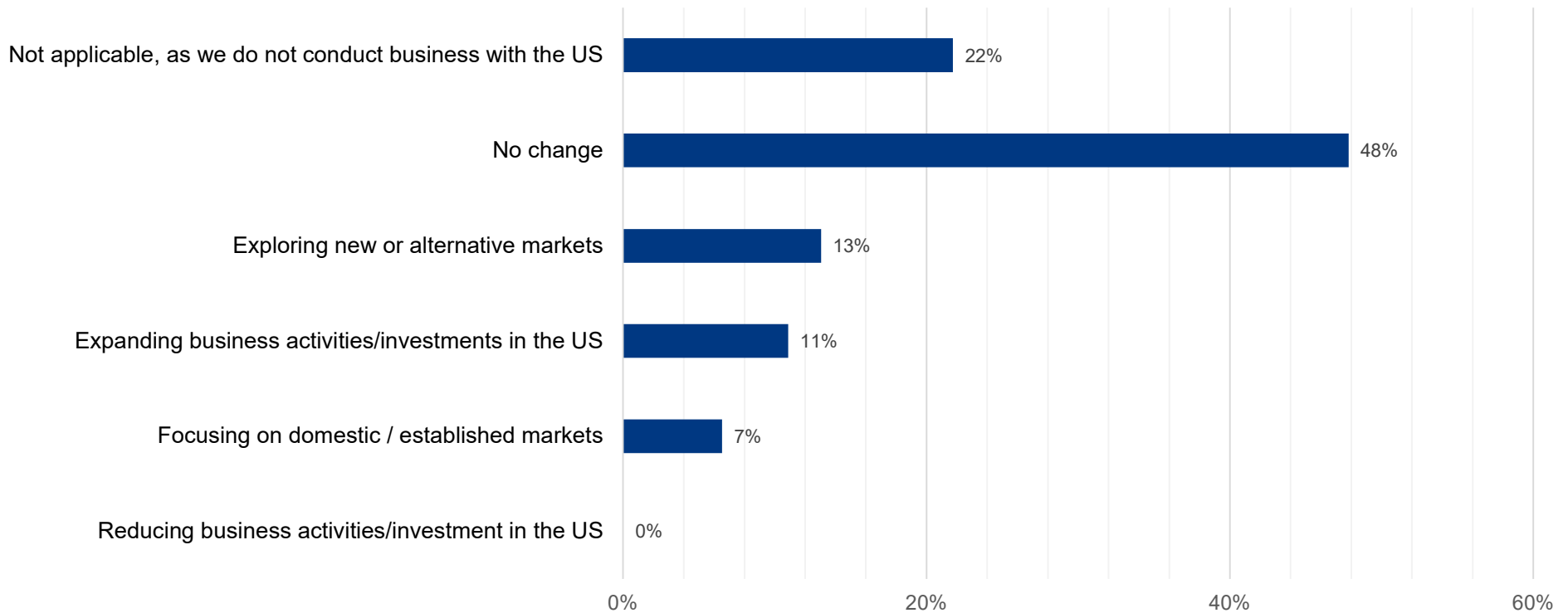
In view of increasing geopolitical challenges: What measures has your company already implemented and which measures is your company planning to implement?  
(Multiple answers possible)



The overall figures show that many companies have already implemented key measures to address the increasing geopolitical challenges but nearshoring activities, developing new markets, and increasing stock levels are high on the list in terms of further measures to be introduced.

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What actions is your company taking in response to US trade policy?



Two thirds of the companies surveyed are not significantly affected by US trade policy but the ones who are, are now focussing more on established markets or are developing alternatives (20%). Only one in ten is planning to expand activities/investments in the US.