

The Philippines

AHK World Business Outlook Survey Results

Fall 2026

AHK Deutsch-Philippinische Industrie- und Handelskammer
German-Philippine Chamber of Commerce and Industry

#PartnerInThePhilippines #PartnerInAdvocacy

Key Insights

Business sentiment rebounds sharply after the Spring shock

61% of firms now rate their situation as good, up from 34% in Spring, and two in three expect business to improve over the next 12 months.

Firms trust their own business more than the economy around them

Expectations for the local economy have barely recovered. Domestic policy conditions, from slow decisions to inconsistent application of rules, are once again firms' main concern.

Companies are holding steady rather than expanding

Planned investment cuts have nearly disappeared (from 34% to 5%), but most firms are keeping investment and hiring at current levels.

Diversification and the EU-Philippines FTA open a window for the Philippines

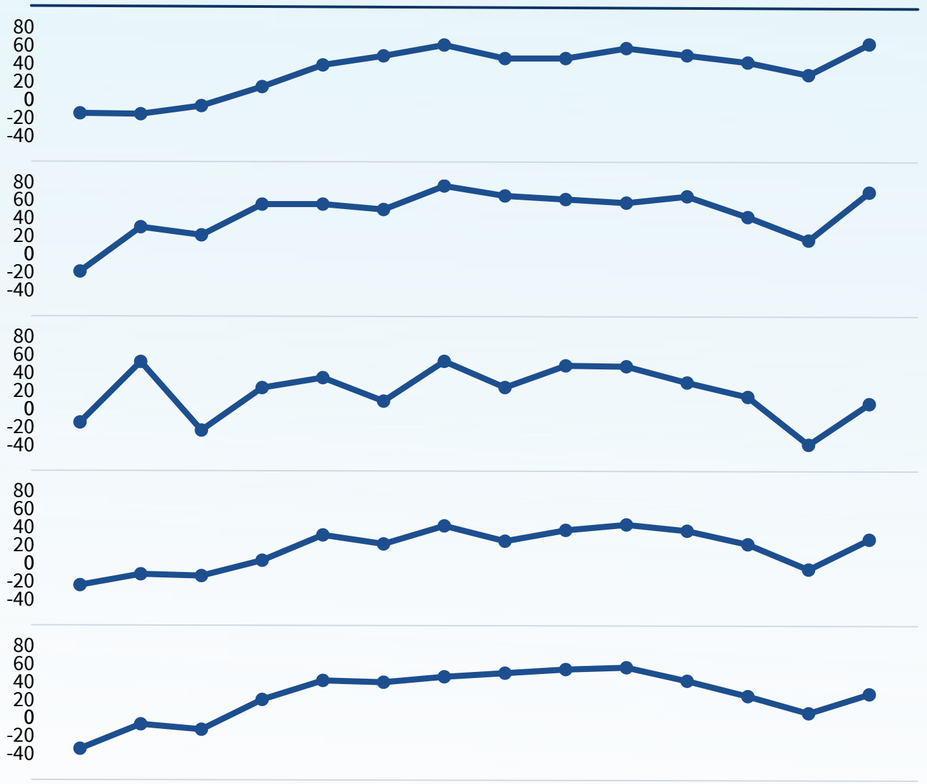
Firms are responding to global competition by innovating and diversifying, and see the FTA as an investment opportunity.



At a glance: local business rebounds, the economic outlook lags

INDICATOR	SPRING 2026	FALL 2026	CHANGE
Current business situation	+25	+59	▲ +34
Business expectations	+13	+66	▲ +53
Local economic outlook	−42	+3	▲ +45
Investment plans	−9	+24	▲ +33
Employment plans	+3	+24	▲ +21

TREND: Spring 2020 to Fall 2026



Figures above report a "net balance", a share of positive minus share of negative answers. **Green** = positive (+6 or higher), **gray** = balanced (−5 to +5), **red** = negative (−6 or lower). Trend lines share one scale; dashed line = 0; green segment = Spring to Fall 2026.

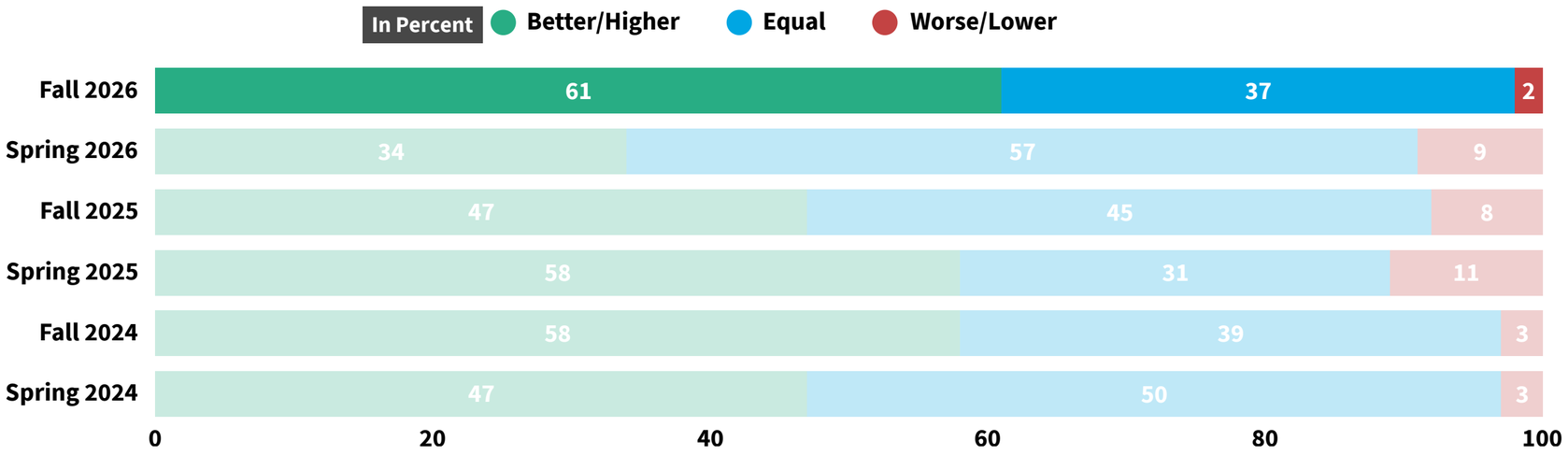
AHK Deutsch-Philippinische Industrie- und Handelskammer
German-Philippine Chamber of Commerce and Industry

#PartnerInThePhilippines #PartnerInAdvocacy

Business conditions recover strongly from the Spring dip

- 61% rate their current situation as good, up from 34% in Spring 2026 and 47% a year ago.
- 37% call it satisfactory. Virtually none (2%) call it bad.
- The net balance of +59 matches the Spring 2023 high.

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



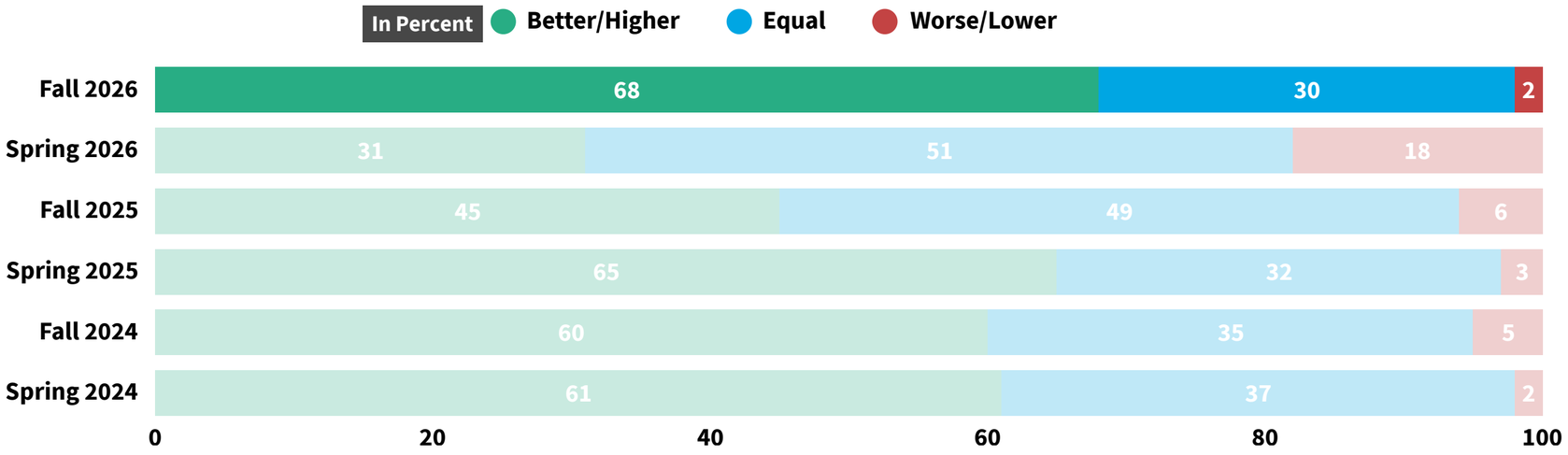
61%

rate their business situation as good

Business expectations reach a stronger level

- 68% expect their business to improve over the next 12 months, more than double the Spring figure (31%).
- Only 2% expect a decline, down from 18%.
- The net balance of +66 is the second-highest since 2020, behind Spring 2023 (+74).

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



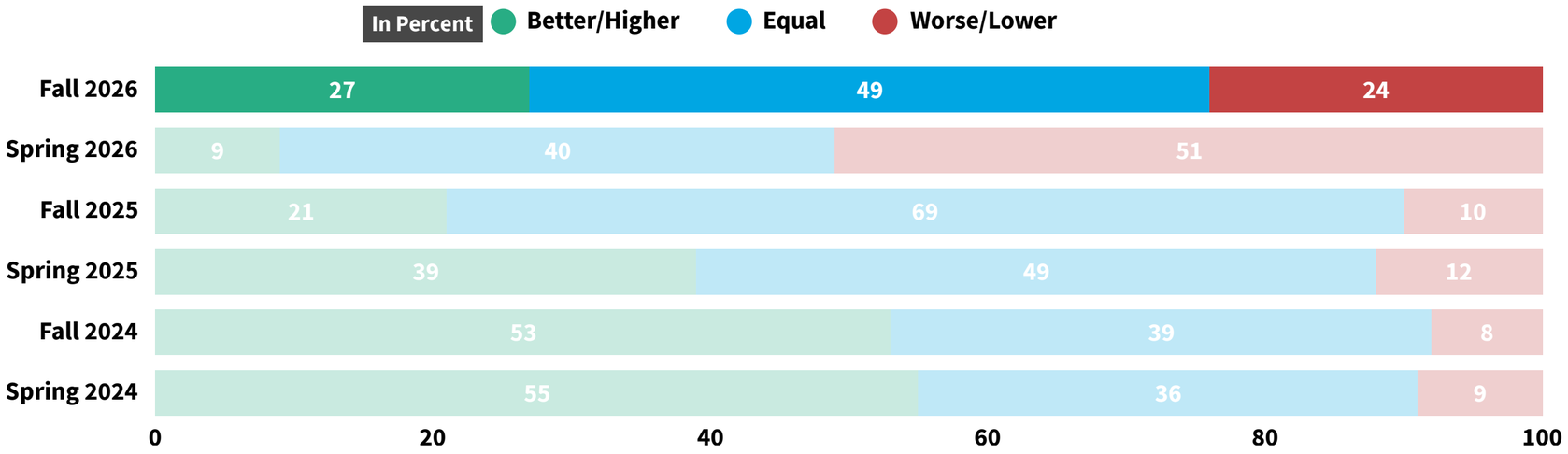
68%

expect business to improve in the next 12 months

Firms remain cautious on the wider economy

- 27% expect the local economy to improve, and 49% expect no change.
- 24% expect it to worsen: down from 51% in Spring, but more than double the 10% of a year ago.
- The net balance of +3 is the weakest reading since 2021, apart from Spring 2026.

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



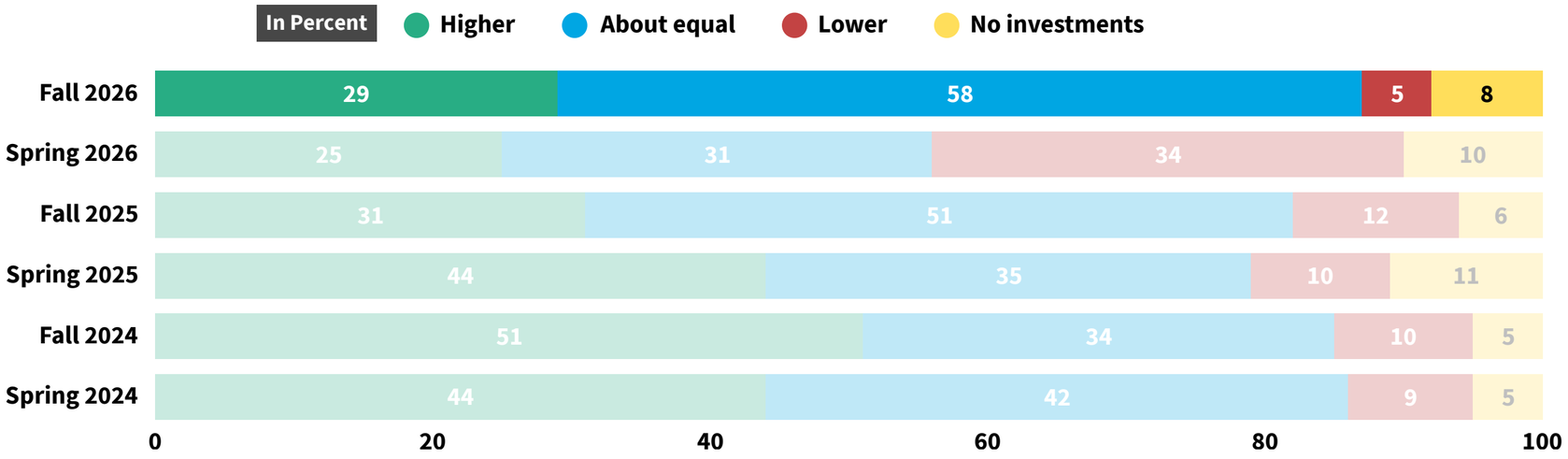
49%

Expect no changes in local economic development

Investment plans stabilize, but expansion remains limited

- The share planning to cut investment falls from 34% to 5%.
- 58% plan to keep investment unchanged, the highest share in the series.
- 29% plan higher investment, still below the 44% to 51% seen from Spring 2024 to Spring 2025.

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



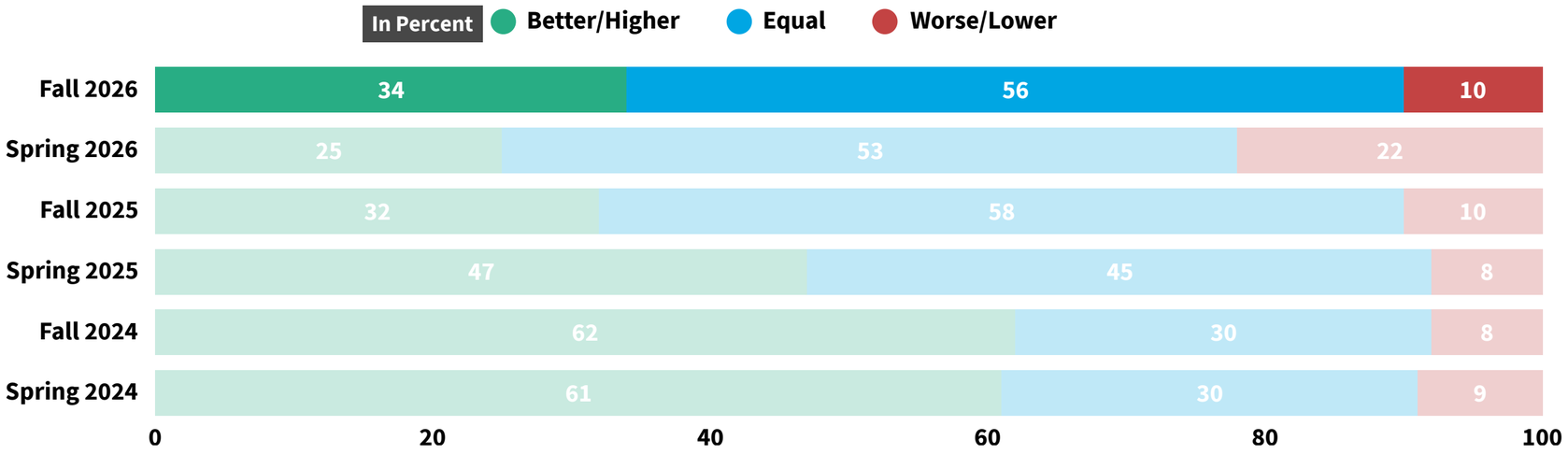
58%

plan to keep investment plans unchanged

Hiring plans return to last year's level

- 34% plan to increase local headcount, up from 25% in Spring.
- Planned reductions fall from 22% to 10%, matching Fall 2025.
- The net balance of +24 is in line with a year ago (+22), but well below 2023 to 2024 (+44 to +54).

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



56%

Plan to maintain their current employment

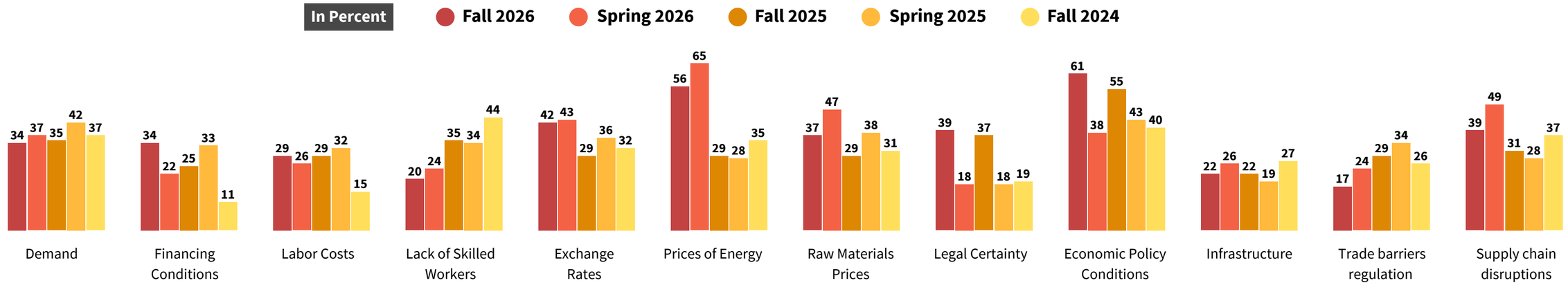
Domestic policy conditions return as the top business risk

- Economic policy conditions (61%) top the list, up from 38% in Spring and the highest share in six waves.
- Energy prices (56%) ease from 65% but remain the second-largest risk. Concern about exchange rates (42%) stays elevated for a second wave.
- Concern about legal certainty more than doubles to 39%, and financing conditions rise from 22% to 34%.

Top 3 Risks

1	2	3
61%	56%	42%
Economic Policy Conditions	Prices of Energy	Exchange Rates

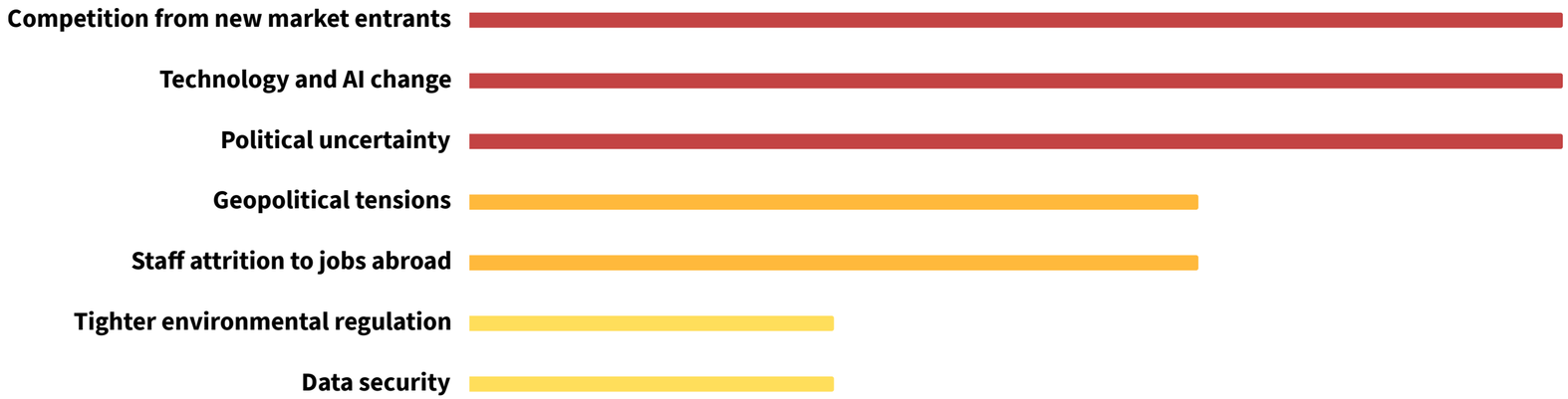
Q6. What are the biggest risks for your company's economic development in the next twelve months?



Beyond the standard risk list: competition, technology and politics

- Outside the 12 standard risks, firms most often raise competition from new market entrants, technological change including AI, and political uncertainty ahead of the next national elections.
- Smaller groups point to geopolitical tensions, staff leaving for jobs abroad, tighter environmental rules and data security.

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



Number of firms mentioning each theme, from 21 substantive open answers; one answer can cover several themes. Themes already covered by the 12 risk categories on the previous slide (e.g., economic policy conditions, energy prices, financing, demand, infrastructure) are excluded. Quotes are excerpts.

In their own words

COMPETITION

"More players and entrants venturing into the same business that could drive down prevailing rates."

TECHNOLOGY AND AI

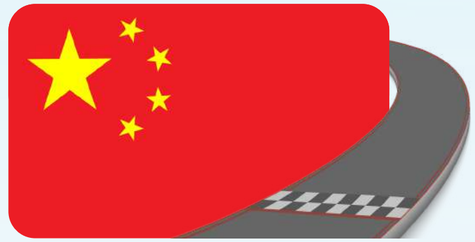
"We recognize the need to continuously adapt to technological advancements, particularly AI, while maintaining data security."

STAFF ATTRITION

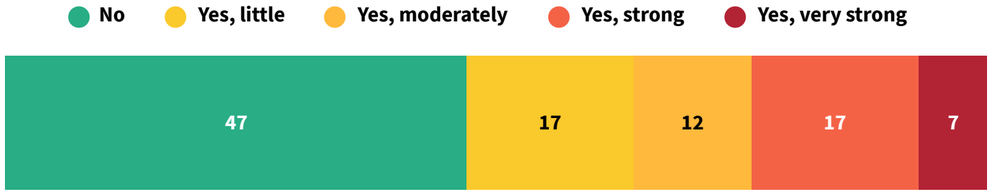
"The major risk we are currently facing is high local attrition because employees are seeking employment abroad."

Global competition from China pushes firms to diversify, opening a window for the Philippines

- 53% of firms report rising competition from Chinese companies, and 24% call it strong or very strong. This reflects pressure across global markets.
- Firms respond by upgrading and diversifying rather than retreating: 63% are increasing product innovation, 47% are looking for new sales or procurement markets, and only 3% are withdrawing.
- One in five firms (20%) already expect to shift sourcing or production from other ASEAN countries to the Philippines once the FTA enters into force.

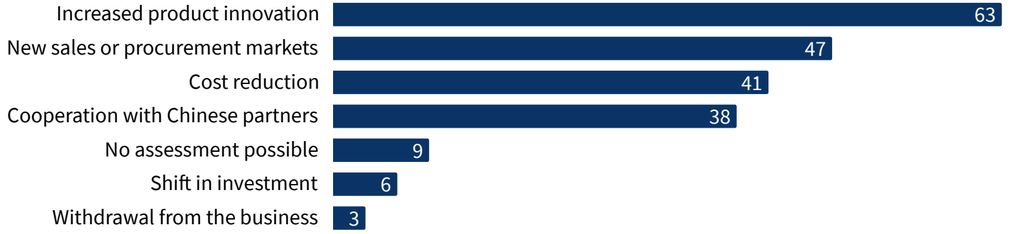


Q7. Is your company experiencing increasing competition from Chinese competitors?



53% report rising competition from Chinese companies

Q7.1. How is your company at your site responding to the growing competition from China?



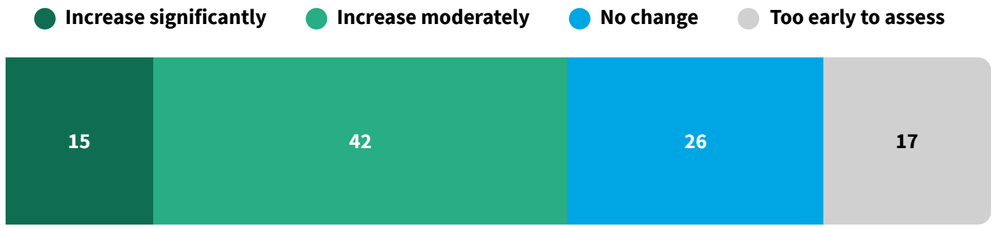
63% respond with more product innovation

Firms see the EU-Philippines FTA as a clear investment upside

- 57% expect to increase investment in the Philippines within three years of the FTA entering into force. None expect a decrease.
- Firms expect more imports of EU machinery and components (44%) and higher investment (37%). 29% expect deeper integration into local value chains.
- Fewer firms (24%) expect higher exports to the EU, so early gains are likely to come through investment and imports.

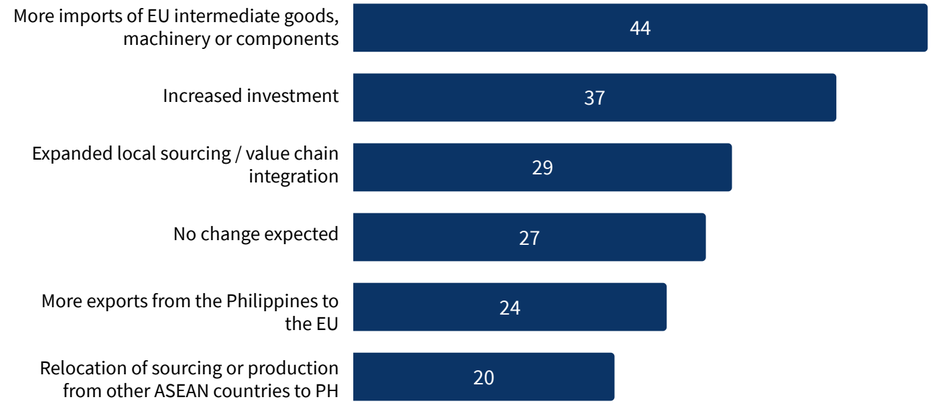


PH.1. Once the EU-Philippines FTA enters into force, how do you expect your company's investment activity in the Philippines to change over the next three years?



57% expect to increase investment once the FTA takes effect

PH.3. What changes to your company's business activities do you expect as a result of the FTA?



AHK Deutsch-Philippinische Industrie- und Handelskammer
German-Philippine Chamber of Commerce and Industry

#PartnerInThePhilippines #PartnerInAdvocacy

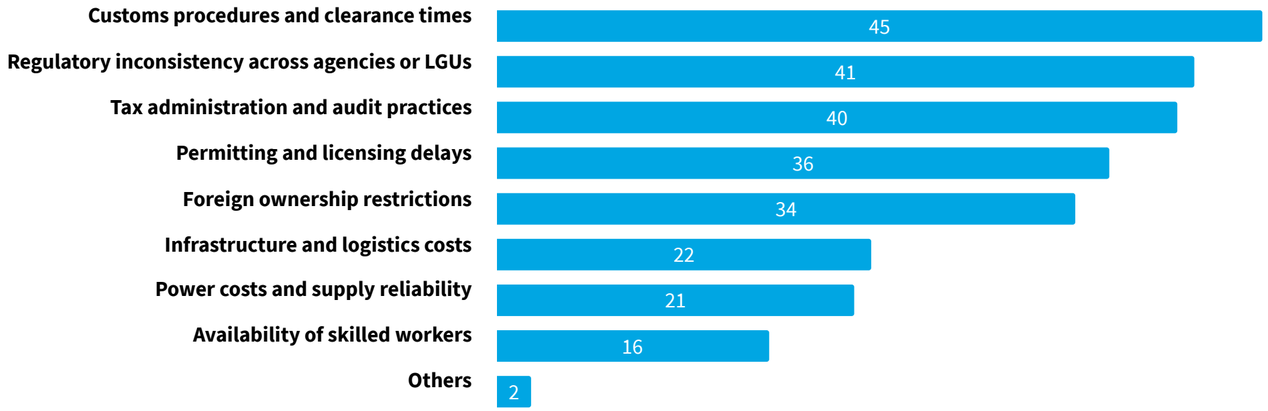
Fall 2026
AHK World Business Outlook Survey (PH)

Regulatory bottlenecks, not costs, could limit FTA gains

- Customs procedures (45%), regulatory inconsistency across agencies and LGUs (41%) and tax administration (40%) top the list.
- Permitting delays (36%) and foreign ownership restrictions (34%) complete the top five.
- Infrastructure (22%), power costs (21%) and skilled workers (16%) rank lower.



PH.2. Which domestic factors would most limit your company's ability to benefit from the FTA?



45%

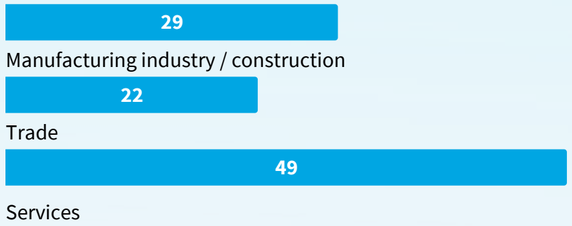
cite customs procedures as the biggest barrier to FTA gains

About Our Survey

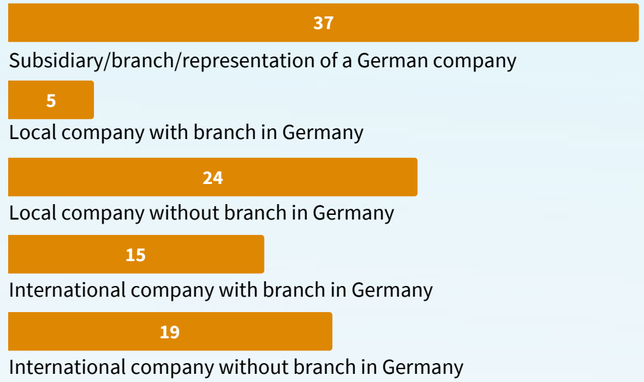
The AHK World Business Outlook is based on a regular DIHK survey of the member companies of the German Chambers of Commerce Abroad, delegations and representative offices (AHKs). **The Fall 2026 survey was conducted from 5 to 23 October 2026.**

It collects feedback from almost **3,500** German companies **(59 from the Philippines in Fall 2026)**, branches and subsidiaries worldwide as well as companies with close ties to Germany.

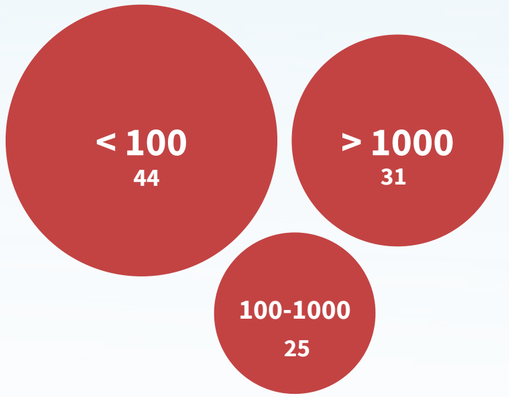
Sector



Company details



Number of employees worldwide



Scan QR code to read our **Spring 2026 survey:**

Deutsch-Philippinische Industrie- und Handelskammer
German-Philippine Chamber of Commerce and Industry

#PartnerInThePhilippines #PartnerInAdvocacy

Imprint

Publisher
AHK Philippinen | German-Philippine Chamber of Commerce and Industry, Inc.
8F Doehle Haus Manila, 30-38 Sen. Gil Puyat Avenue | Barangay San Isidro | 1234
Makati City | Metro Manila | Philippines
Tel +63 2 8519 8110
info@gpcci.org
www.philippinen.ahk.de

Photo / Graphic Credits
Canva

For Inquiries, Please Contact:

Mr. Yves Aguilos
Head of Government Affairs and Data Protection Officer

E: yves.aguilos@gpcci.org
T: +63 (2) 8519 8110 loc. 825
M: +63 917 866 9383
F: +63 (2) 310 3656

GPCCI in Social Media
Facebook: https://www.facebook.com/GPCCI.org/
LinkedIn: https://www.linkedin.com/company/gpcci
YouTube: https://www.youtube.com/channel/UCqXbBFbpoE-LSZPoR2n3sCA