



AHK World Business Iraq

Spring 2025



AHK

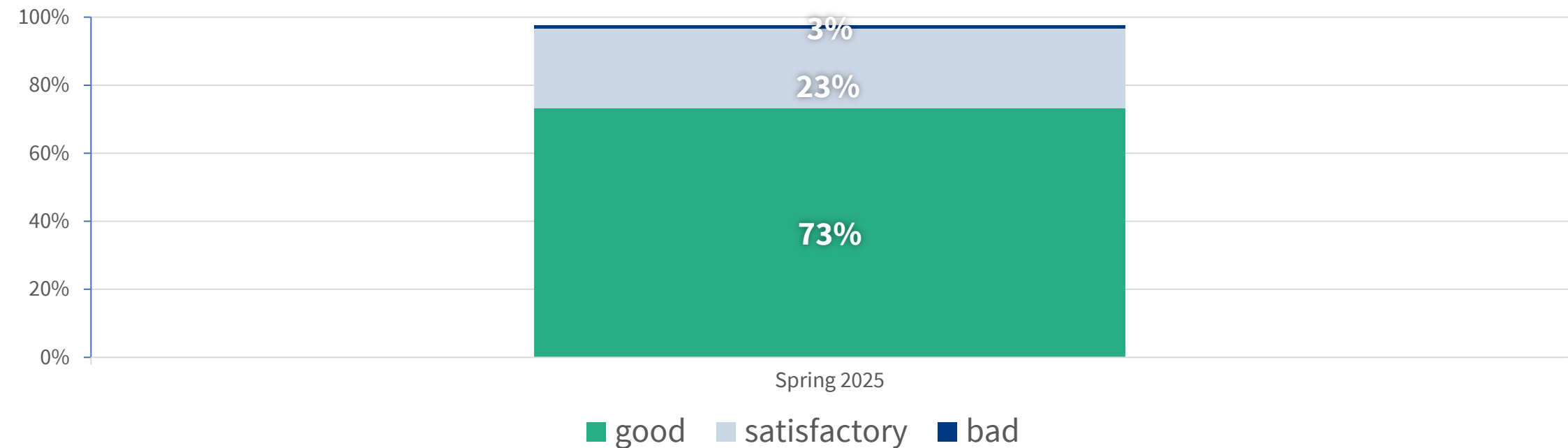
Deutsches
Wirtschaftsbüro Irak

مكتب الارتباط الألماني للتجارة و الصناعة في العراق
نوسینگهی آلمانی برای بازرگانی و پیشه‌سازان
آلمانی له عراق

Summary

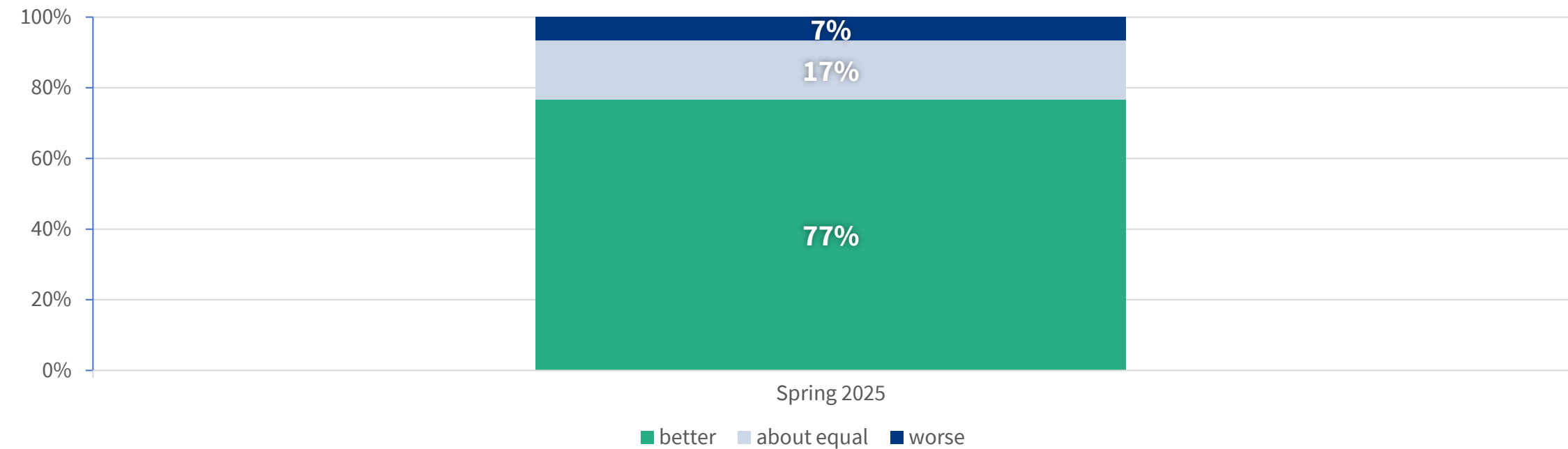
- The feedback among companies in Iraq is largely positive. 73% rate their current business situation as good, and 77% expect better business development over the next 12 months, while 17% foresee stable conditions. 60% anticipate an improvement in Iraq's local economy, and 30% expect it to remain unchanged.
- Investment expectations are strong: 63% of companies plan to increase local investments, while 30% expect no change. The employment outlook is similarly optimistic, with 63% expecting to expand their workforce.
- The main risks identified include financing conditions (55%), demand (31%), and labor-related challenges such as labor costs and a shortage of skilled workers (24%). Other notable concerns include exchange rates, energy prices, and raw material costs.
- Regarding U.S. trade policy, 43% of companies expect negative impacts, while 50% foresee no significant consequences.
- On a global scale, 53% of companies cite trade barriers and conflicts as the biggest challenge, followed by climate change (47%) and digital transformation (37%). Among those concerned about trade conflicts, 77% anticipate increased political influence on supply chains through laws and regulations.

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



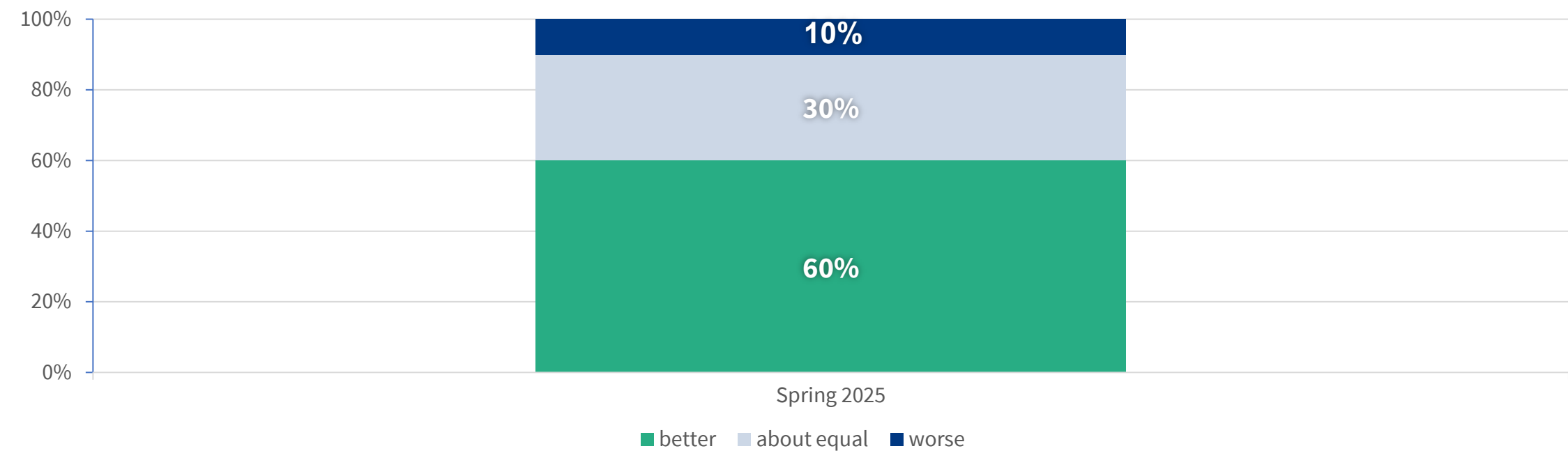
The outlook among companies in Iraq is highly positive, with 73% expressing their current situation as (good), 23% are satisfied and only 3% of the companies assess their current business situation as bad.

2. Which business development does your company expect for the next 12 months?



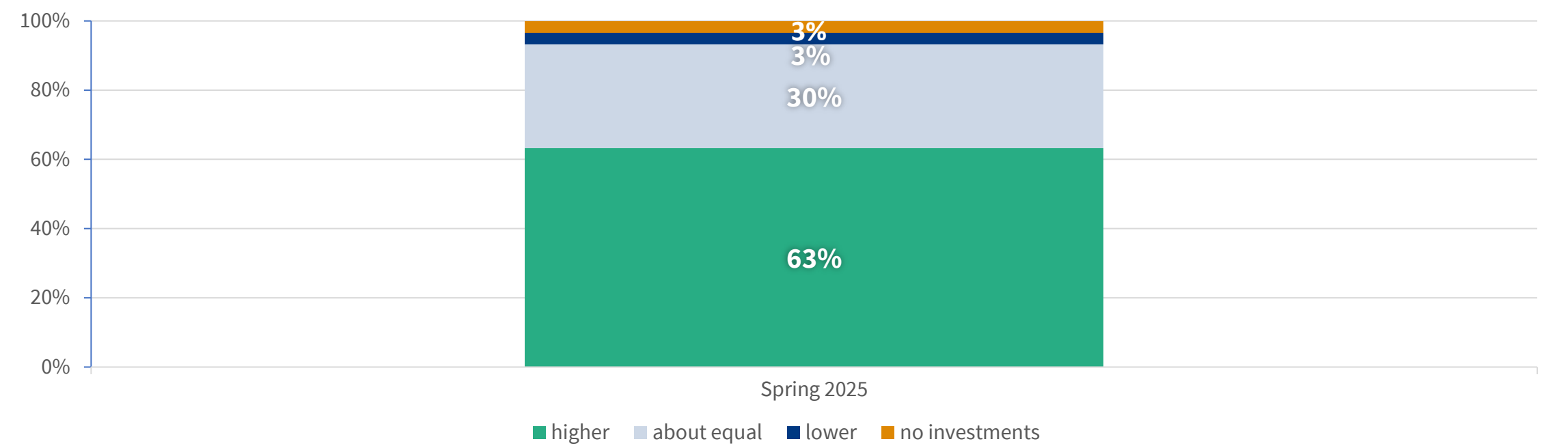
The overall expectation for business development within the Iraqi market in the next 12 months is very optimistic, with 77% forecasting a positive development. Only 7% expect a worsening of their business situation, highlighting a confident outlook for growth.

3. How do you judge the local economic development in the next 12 months?



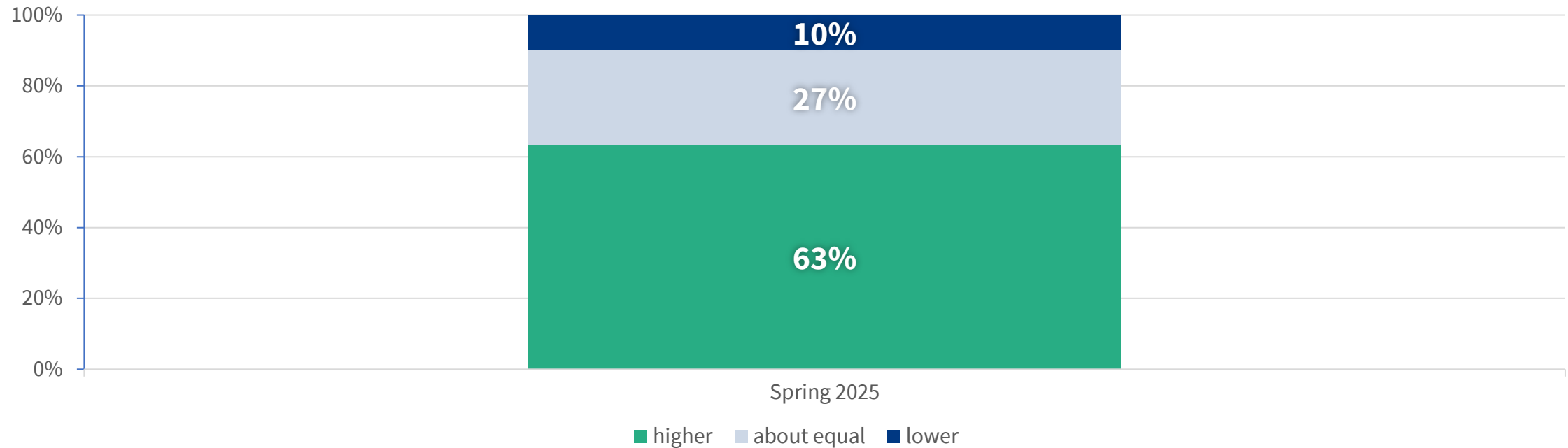
The local economic development within Iraq is mostly expected to improve, with 60% of companies anticipating better changes. 30% foresee conditions remaining similar, while 10% expect a deterioration of the economic environment.

4. How do you think local investments of your company are likely to develop in the next 12 months?



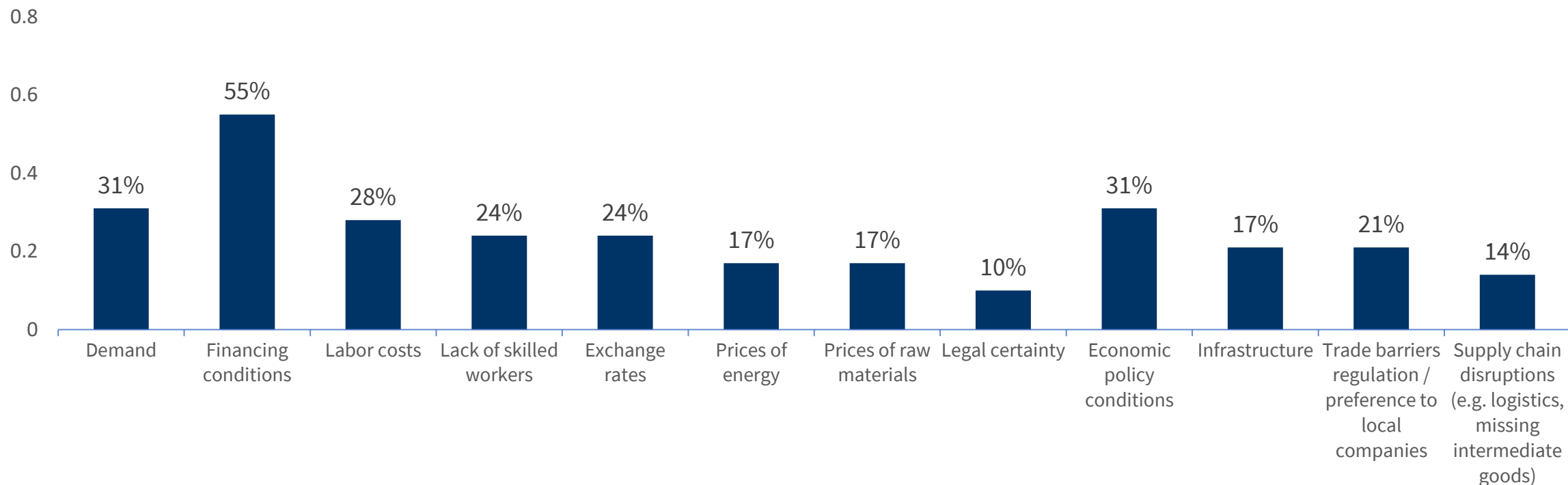
The expectation for investments in the Iraqi operation within the next 12 months is largely positive. 63% of companies foresee higher investment while 30% anticipate no significant change.

5. How do you think local employment of your company is likely to develop in the next 12 months?



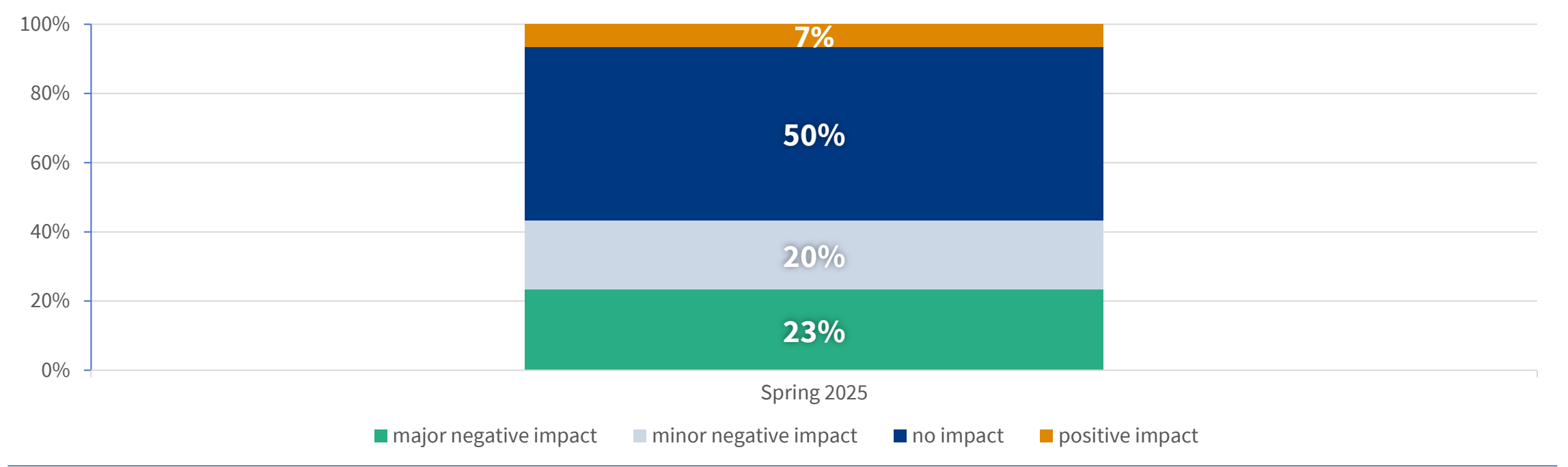
Within the next year, the employment outlook remains positive. 63% of companies plan to grow their workforce, 27% expect no change, and 10% foresee a reduction in employment numbers.

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



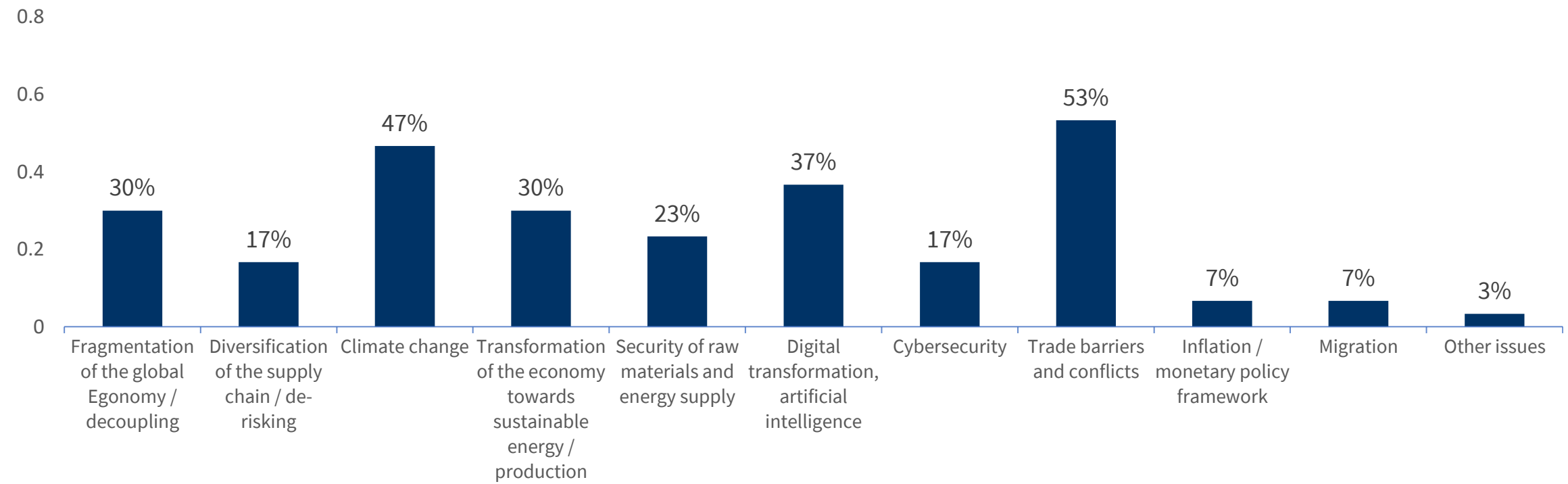
Financing conditions are considered the biggest risk by 55% of the surveyed companies, followed by demand 31%, economic policy conditions 31% and labor costs (28%). Other notable concerns include the lack of skilled workers and exchange rate volatility, each mentioned by 24% of respondents. These risks reflect ongoing concerns about operational costs, market stability, and workforce capacity.

7. What impact do you expect the new US trade policy to have on your company's local business?



The current uncertainty surrounding U.S. trade policy affects expectations among businesses operating in Iraq. 43% of companies anticipate negative impacts (major or minor), while 50% foresee no consequences. 7% expect a positive impact from the new trade measures.

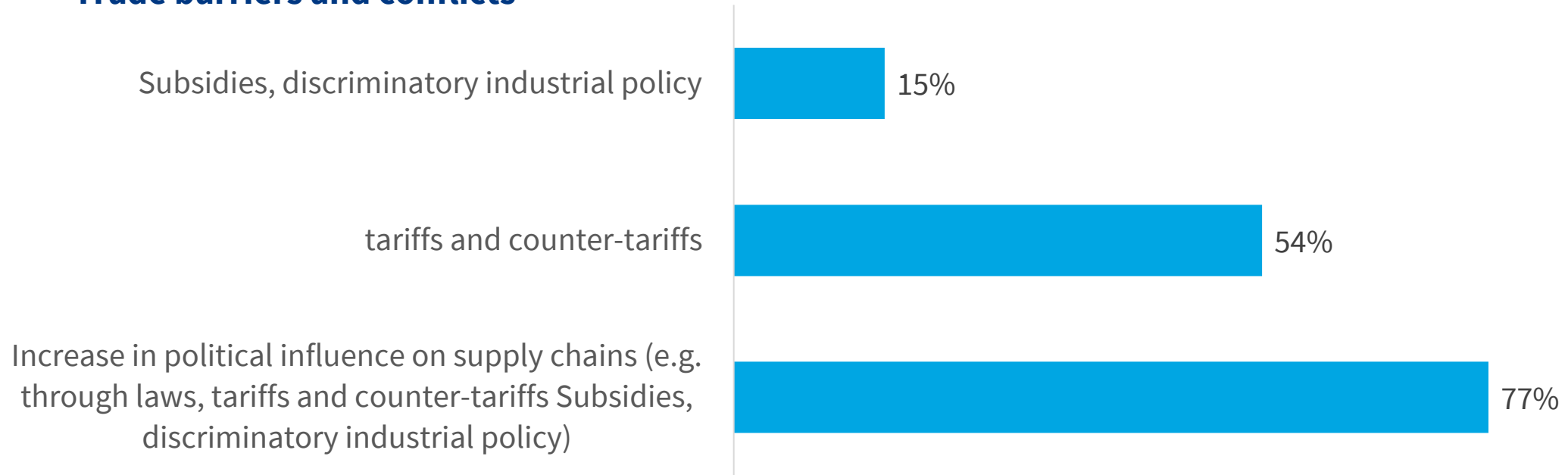
8. From your company's perspective, what are the biggest global challenges in the next five years?



When asked about the biggest expected global challenges within the next five years, 53% of companies identified trade barriers and conflicts as a major concern. 47% pointed to climate change, followed by digital transformation and artificial intelligence (37%). Other concerns include supply chain fragmentation, energy security, and migration, reflecting the complexity of today’s international business environment.

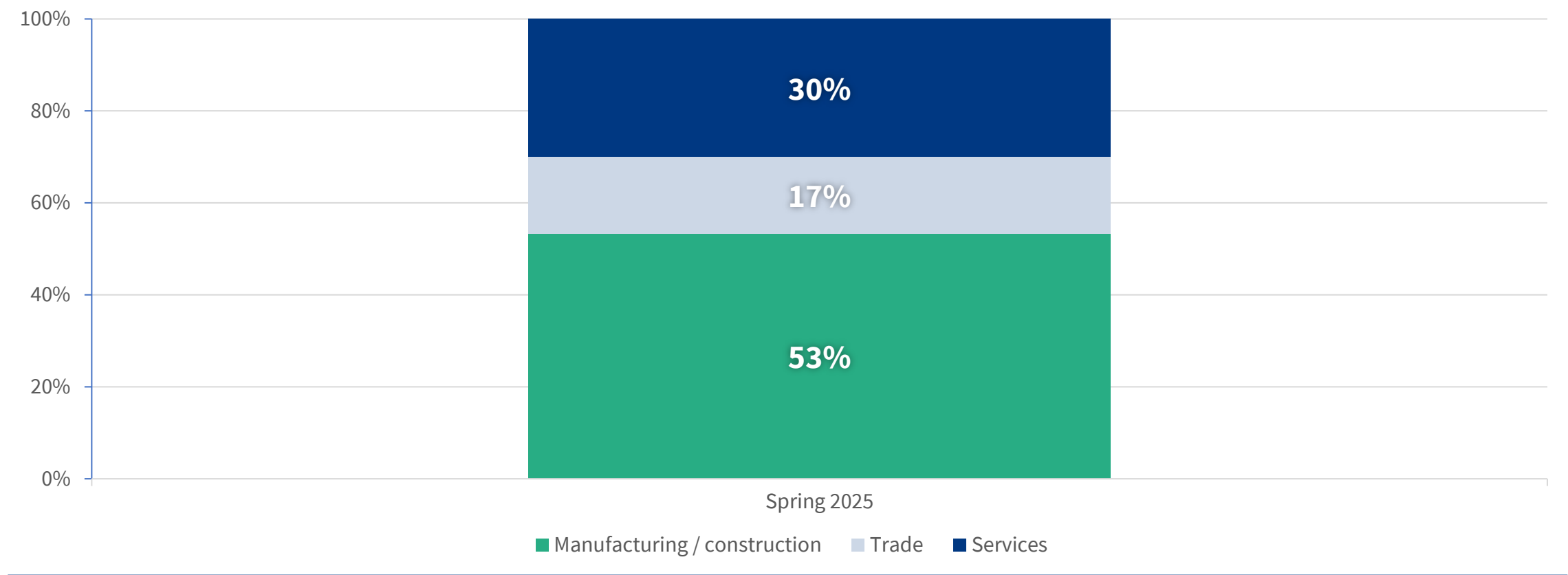
8.1. From your company's perspective, what are the biggest global challenges in the next five years?

Trade barriers and conflicts

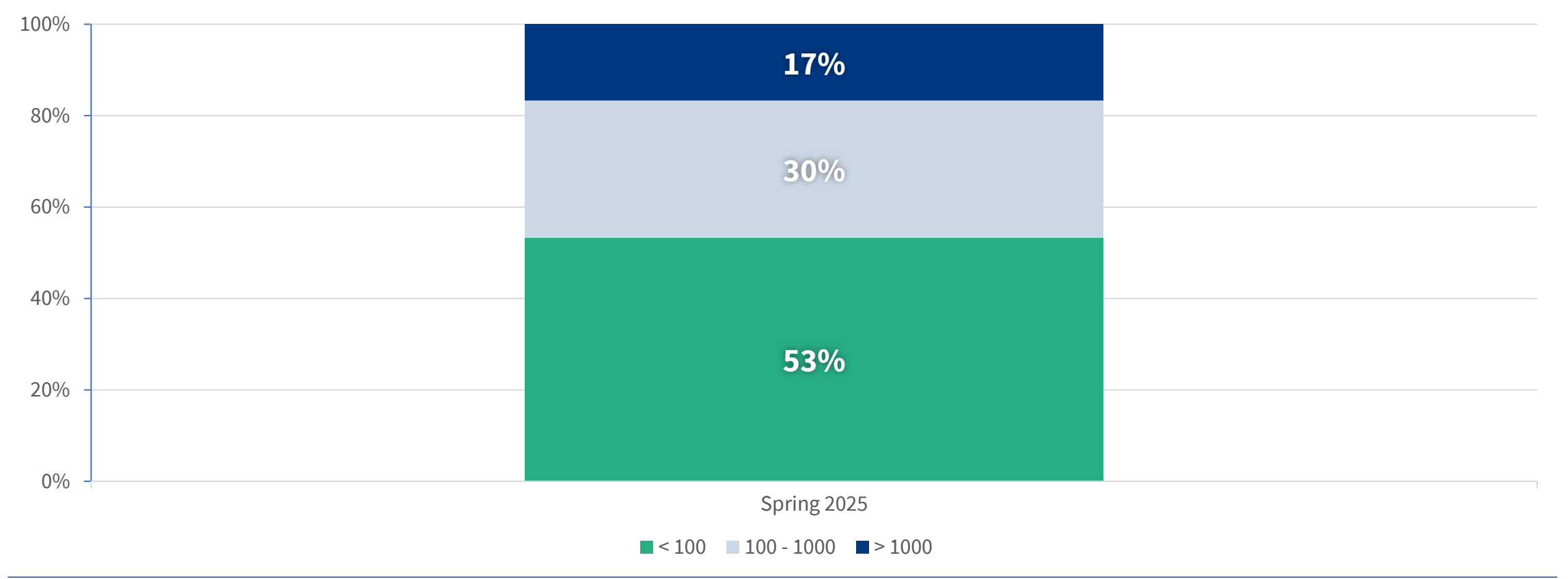


Among companies identifying trade barriers and conflicts as a risk, 77% expect increased political influence on supply chains, such as through new laws or restrictions. 54% foresee challenges related to tariffs and counter-tariffs, while 15% point to subsidies and discriminatory industrial policies as potential obstacles.

9. Participating companies per sector



10. Participating companies per number of employees worldwide



The AHK World Business Outlook is based on a regular DIHK survey of member companies of the German Chambers of Commerce Abroad, Delegations and Representative Offices (AHKs).

This survey collected feedback from more than 4,600 German companies, branches and subsidiaries worldwide as well as companies with close ties to Germany; this includes a relevant sample size of participants from Iraq. The survey was conducted from 17 March to 14 April 2025.

The global results are also available on the AHK Iraq website (www.iraq.ahk.de)

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