



# AHK World Business Outlook Fall 2025

## Iraq



**AHK**

Deutsches  
Wirtschaftsbüro Irak

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

# Executive Summary

## Current Business Situation

Share of companies rating their situation as good rose from 73 % (spring) to 85 % (fall).

Those rating it as bad dropped from 3 % to 0 %.

Balance (positive minus negative responses) increased from +70 to +85 points.

## Economic Outlook

Companies forecasting an improving local economy: 60 % (spring) → 63 % (fall).

Those expecting deterioration dropped from 10 % to 4 %.

Balance rose from +50 to +59 points, signaling greater confidence in the local economy.

## Business Expectations

77 % in spring expected better business over the next year vs. 70 % in fall.

Negative expectations declined from 7 % to 2 %.

Balance remained strongly positive (+70 → +68 points), showing optimism despite slight moderation.

## Investment Plans

63 % of firms planned higher local investments in both surveys.

Reduction plans: 3 % (spring) → 2 % (fall).

No investments: 3 % → 4 %.

Balance stable at +57 points, showing sustained investment appetite despite minor caution.

# Continuation of Executive Summary

## Employment Plans

Plans to expand hiring increased from 63 % to 67 %.

Those anticipating cuts declined from 10 % to 7 %.

Employment balance rose from +53 to +60 points, suggesting a stronger job-creation outlook.

## Qualitative Comments

Free-text responses highlighted:

Structural challenges: post-election uncertainty, anti-corruption measures.

Bureaucracy in Iraq and Germany.

Policy unpredictability, currency and exchange-rate issues.

Political instability and security concerns.

These comments underscore that beyond macroeconomic conditions; companies view governance and administrative factors as key obstacles to growth.

## Risk Factors

Financing conditions: Dominant risk in spring (55 %) but fell sharply to 29 % by fall.

Demand: Remained a concern for roughly one-third of companies.

Economic-policy risks: Became the most-cited issue in fall (33 %).

Legal certainty concerns increased (10 % → 24 %).

Exchange-rate volatility rose (24 % → 29 %).

Worries over labor costs and shortages of skilled workers roughly halved.

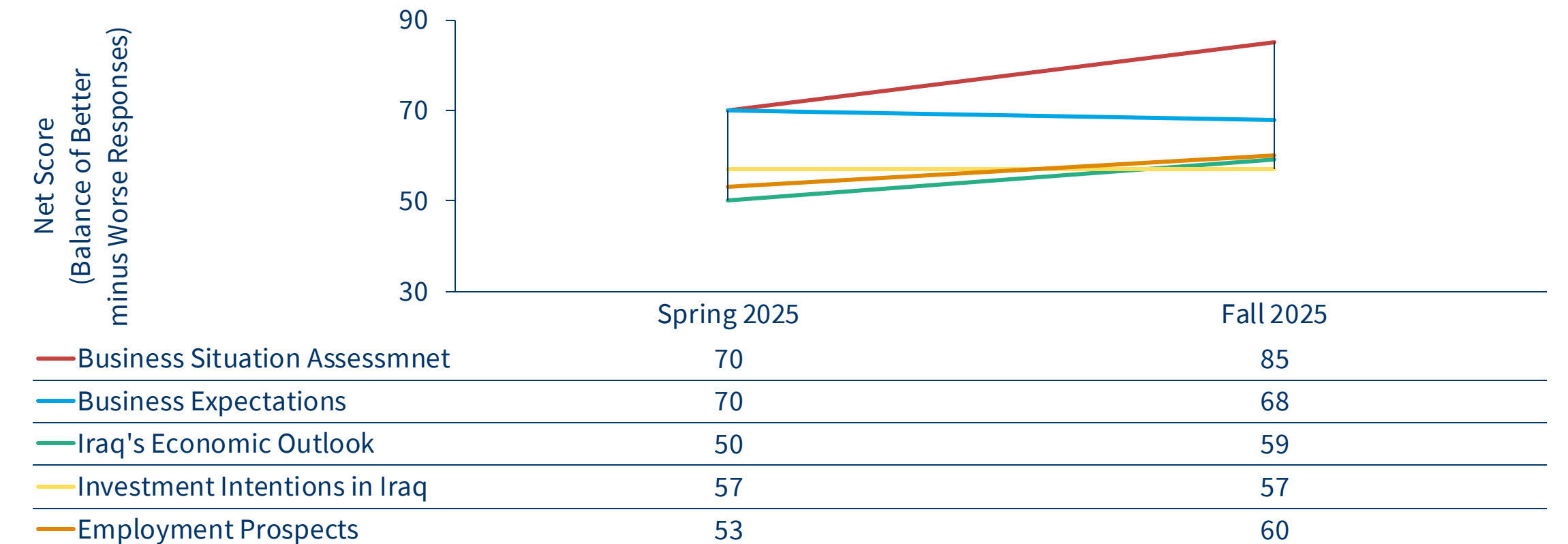
## US Trade Policy

Spring: 43 % expected negative impacts (23 % major, 20 % minor); 50 % saw no impact.

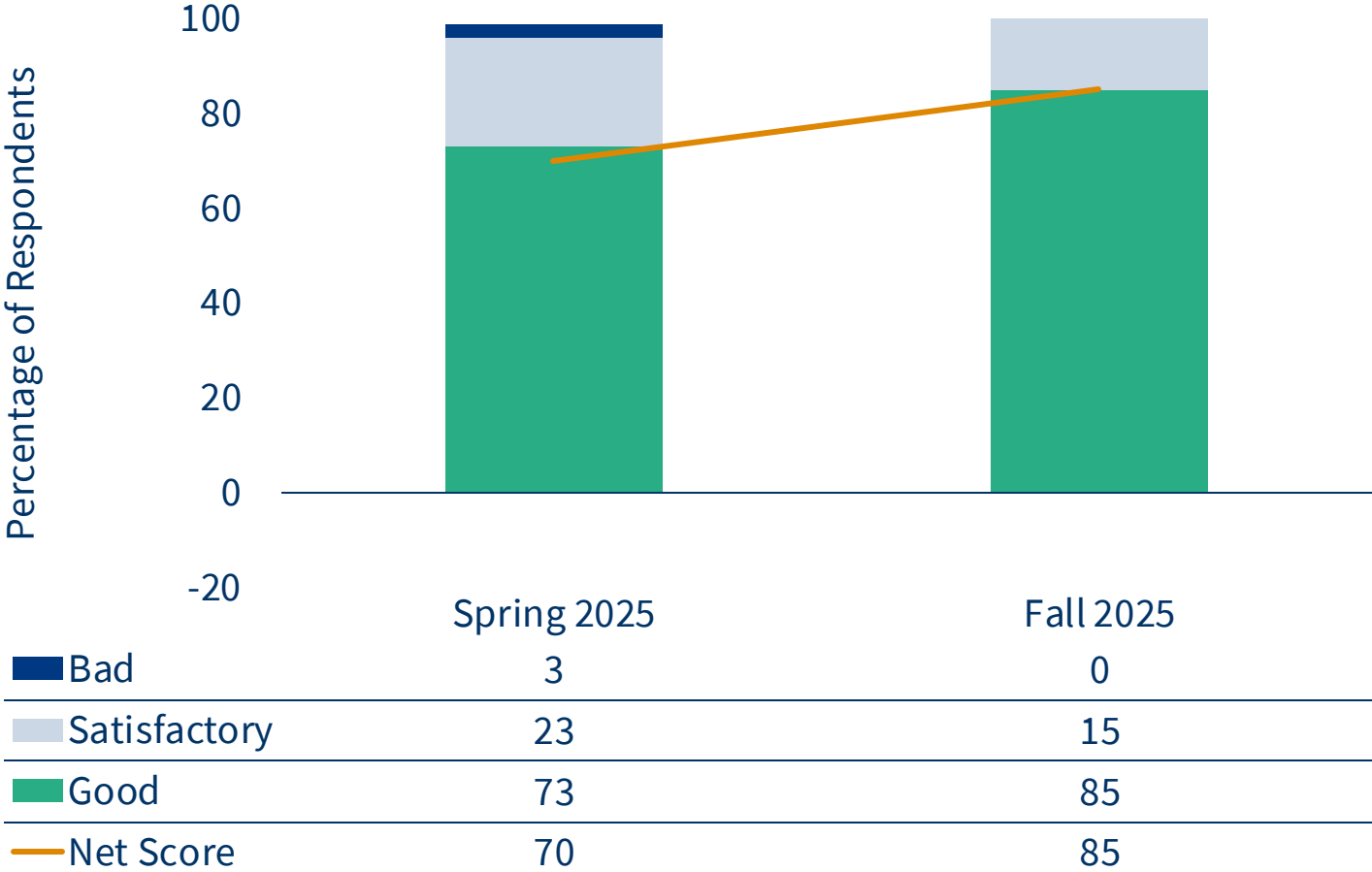
Fall: Negative expectations declined to 40 % (22 % strong, 18 % moderate); no impact rose to 56 %.

Positive expectations remained low (7 % → 4 %).

# Overview of the Market Situation and Forecast for German Companies in Iraq

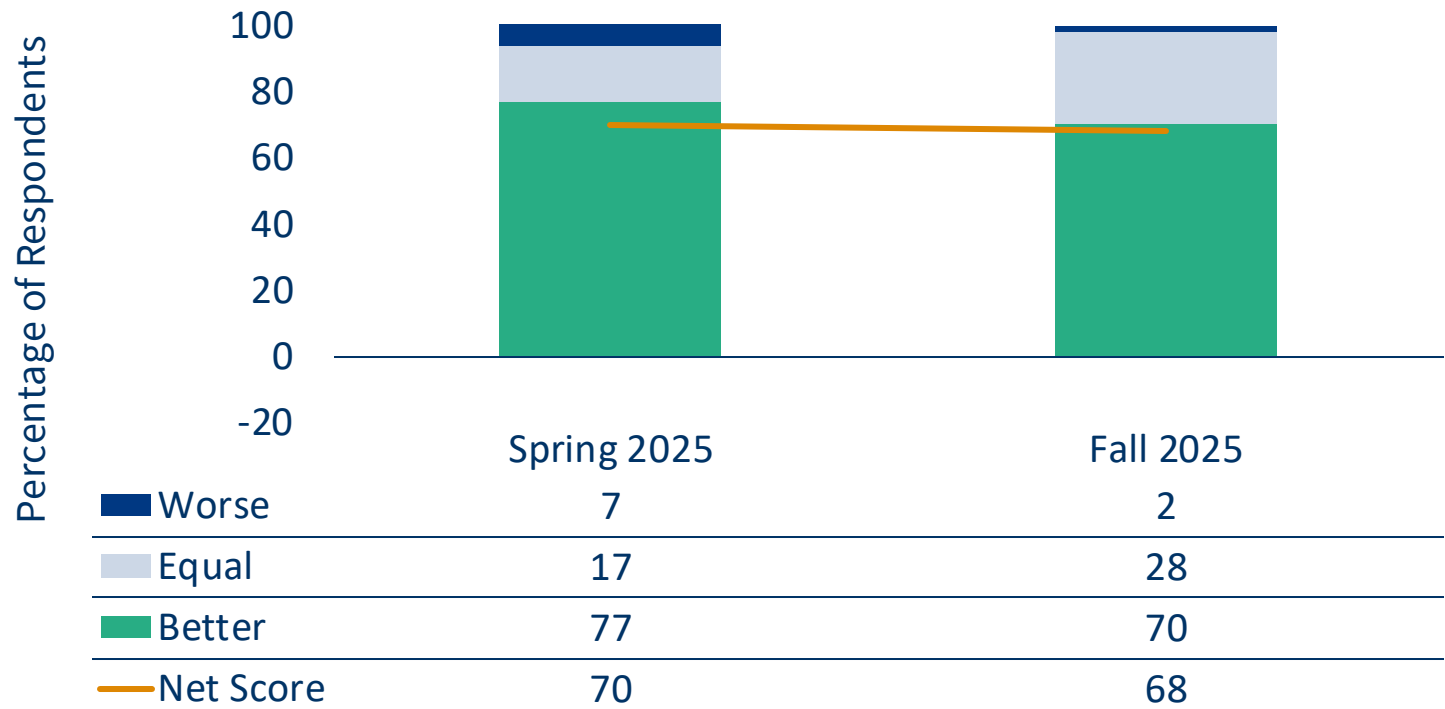


# Respondents' Current Business Situation Assessment



Most German companies active in Iraq continue to view their business situation positively. In Spring 2025, 73% rated their situation as good, rising to 85% in Fall 2025. The share of companies reporting a negative situation dropped to zero, leading to a steady balance improvement from +70 to +85 points. This reflects growing stability and confidence in the Iraqi market environment.

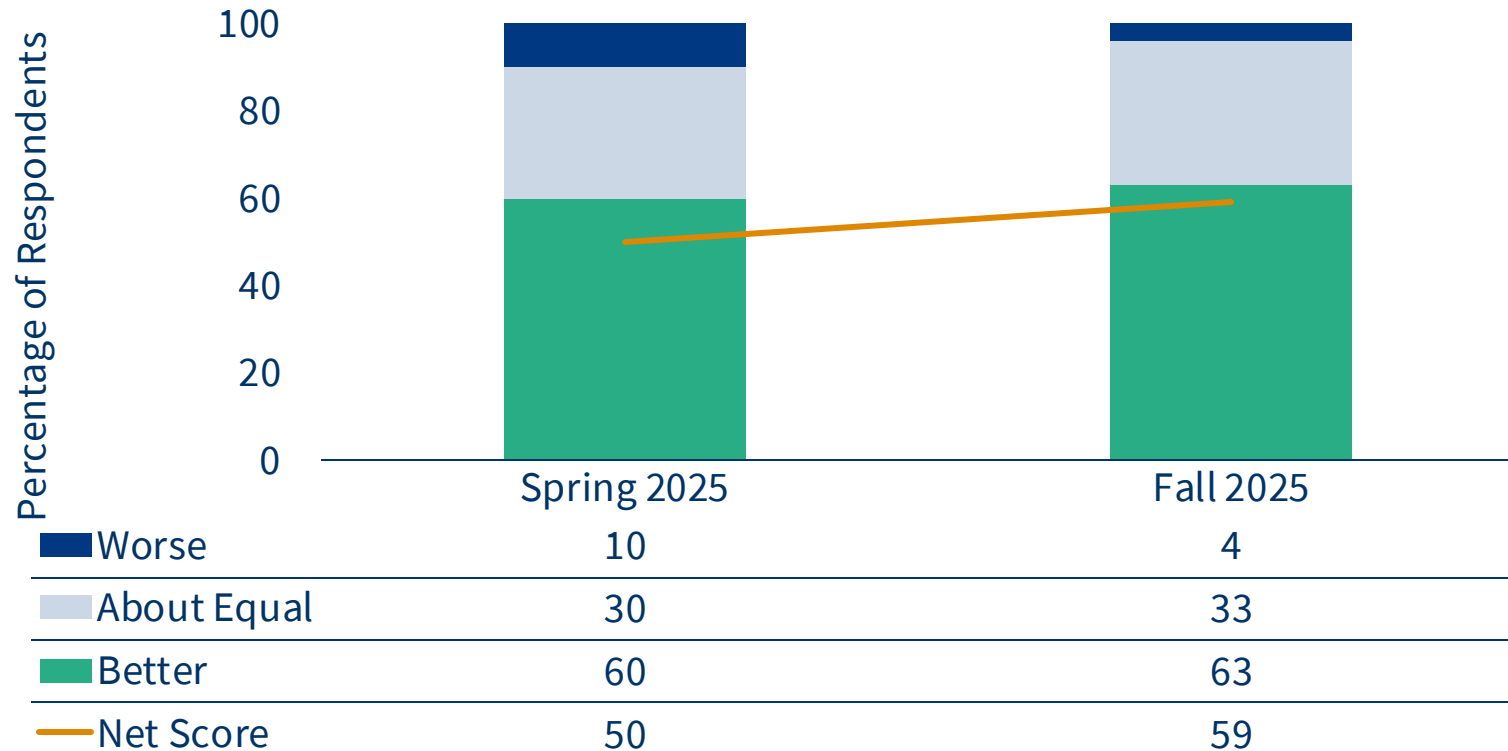
# Respondents' Business Expectations for the Next 12 Months



Expectations for the next 12 months remain optimistic, though slightly less dynamic than in spring. In Spring 2025, 77% anticipated better business development, compared to 70% in Fall 2025. The balance declined marginally from +70 to +68 points, suggesting companies remain confident but are more cautious about short-term growth potential.

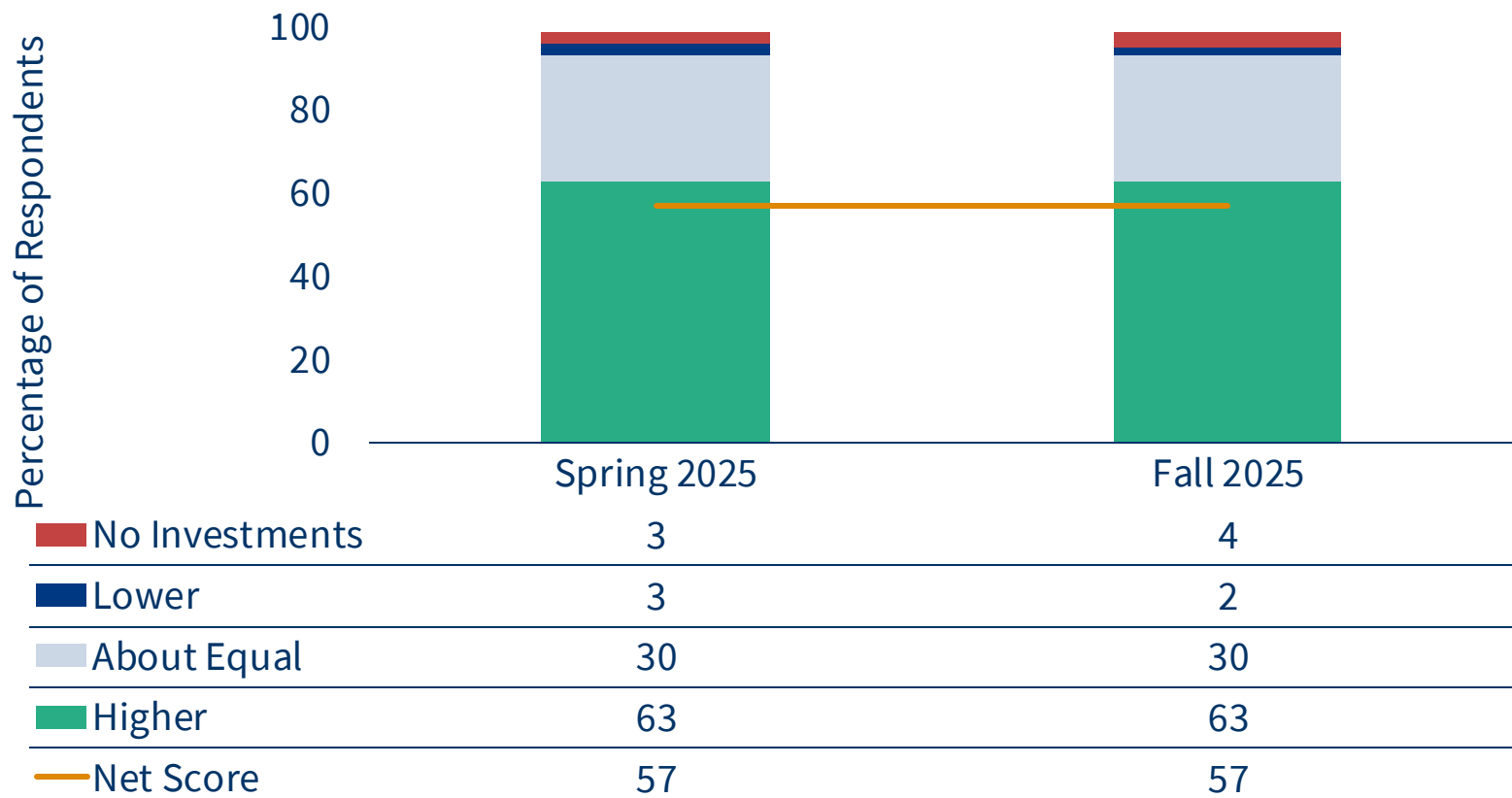


# Iraq's Economic Outlook: The Next 12 Months



Assessments of Iraq's broader economic outlook remain optimistic. In Spring 2025, 60% of respondents expected improvement in the Iraqi economy, rising slightly to 63% in Fall 2025. Pessimistic responses fell from 10% to 4%, improving the balance from +50 to +59 points. This indicates a gradual recovery in business sentiment, supported by macroeconomic stability and increased project activity.

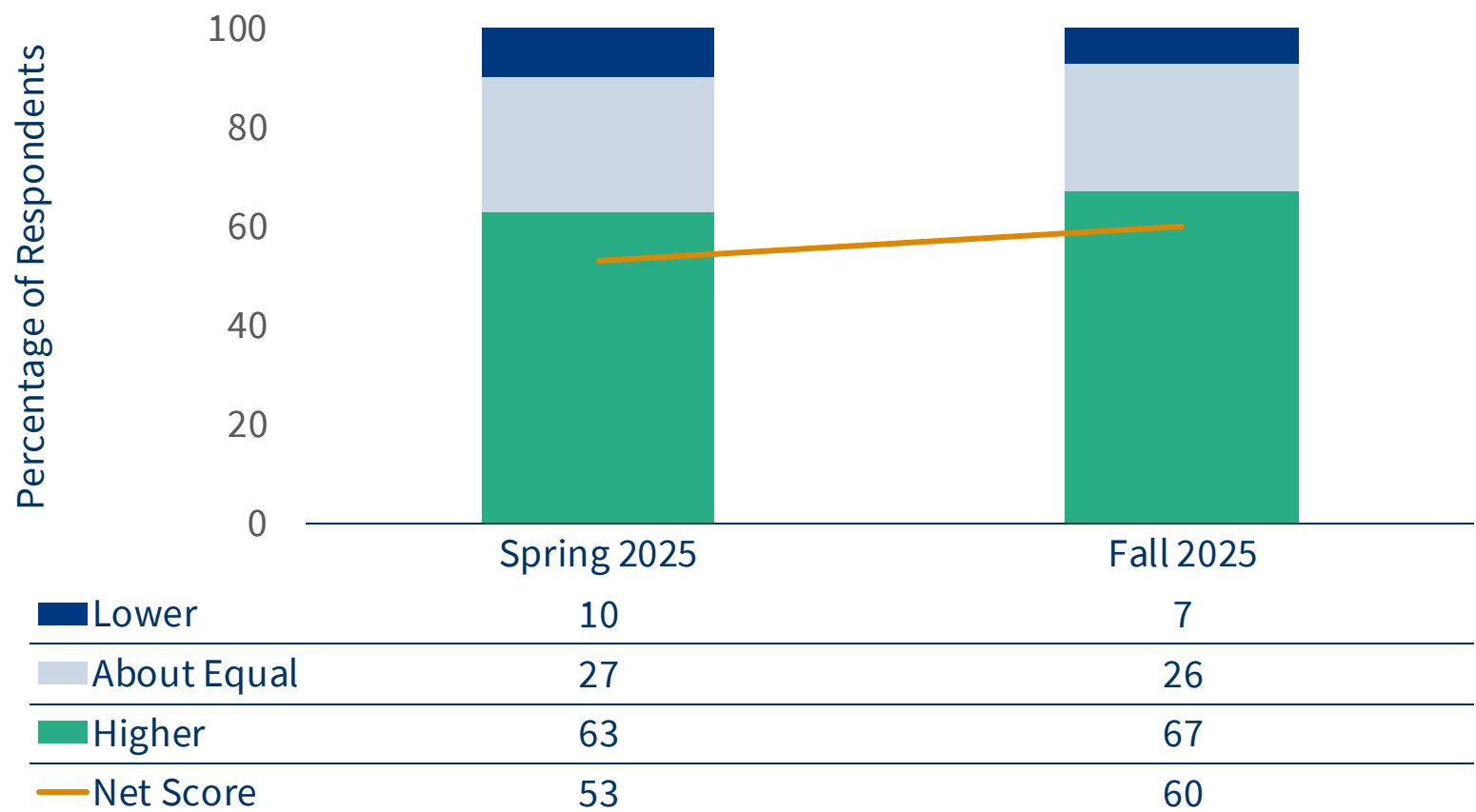
# Projected Development of Investments in Iraq in the Next 12 Months



Investment expectations remain consistently high. 63% of companies plan to increase investments in both Spring and Fall 2025, while only 3–4% expect reductions or have no investments planned. The balance remained stable at +57 points, reflecting sustained confidence in Iraq’s market potential and expansion opportunities.

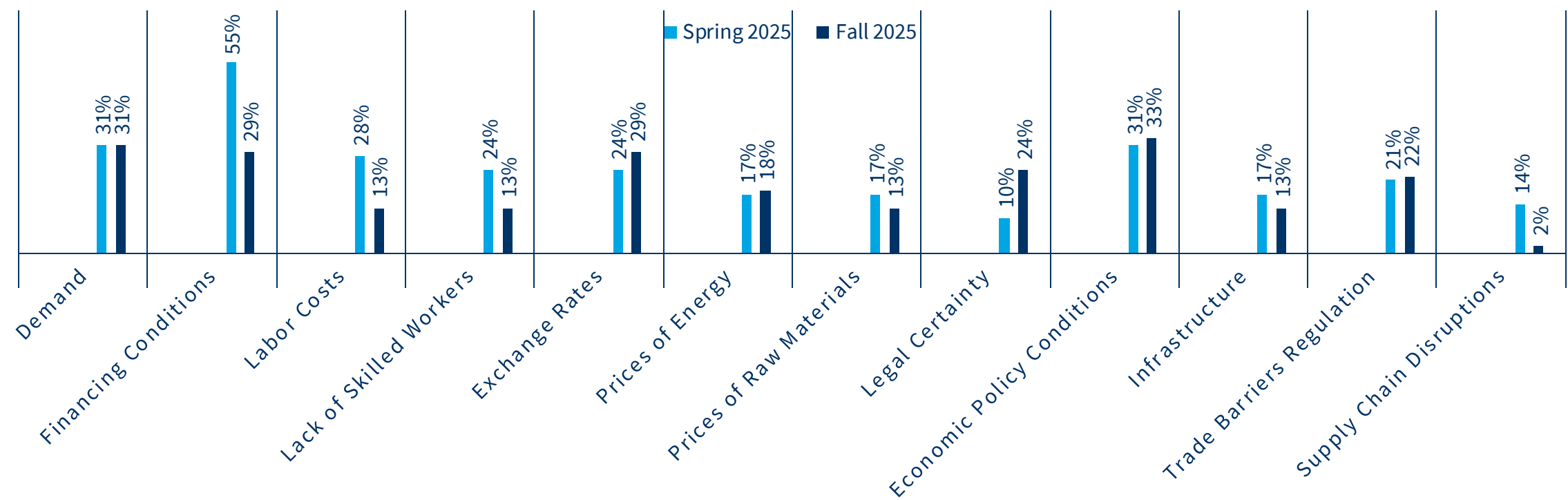


# Projected Development of Local Employment in the Next 12 Months



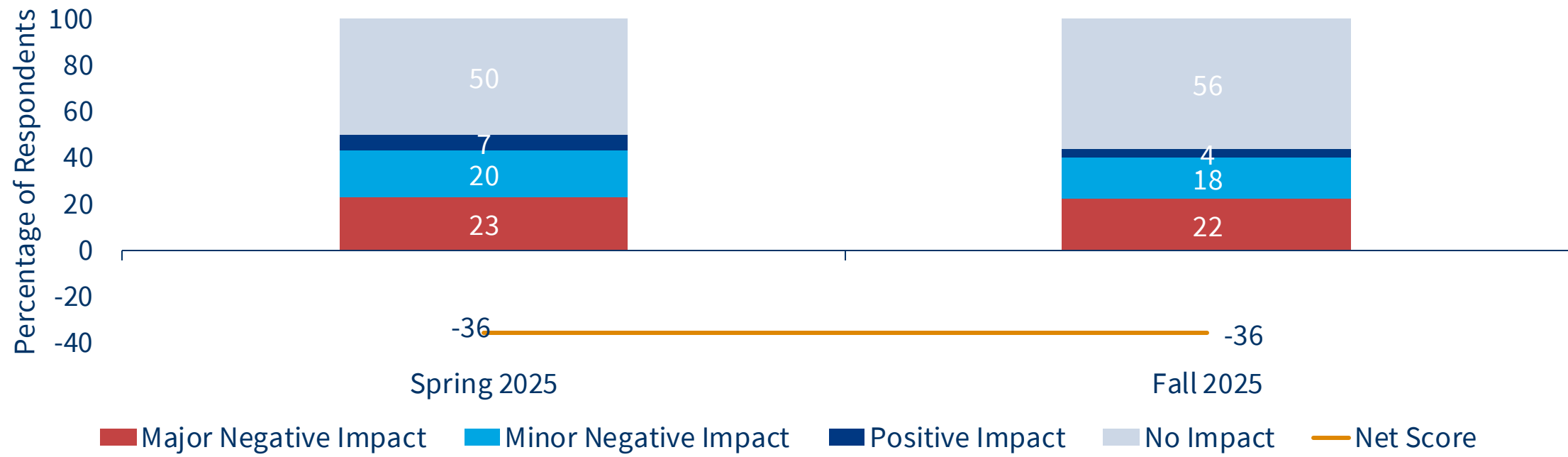
Employment prospects have improved slightly since spring. The share of companies expecting to hire more employees increased from 63% to 67%, while those anticipating reductions fell from 10% to 7%. Consequently, the balance rose from +53 to +60 points, confirming that German businesses in Iraq are strengthening their local workforce and long-term commitment.

# Key Risks to Economic Development in the Next 12 Months



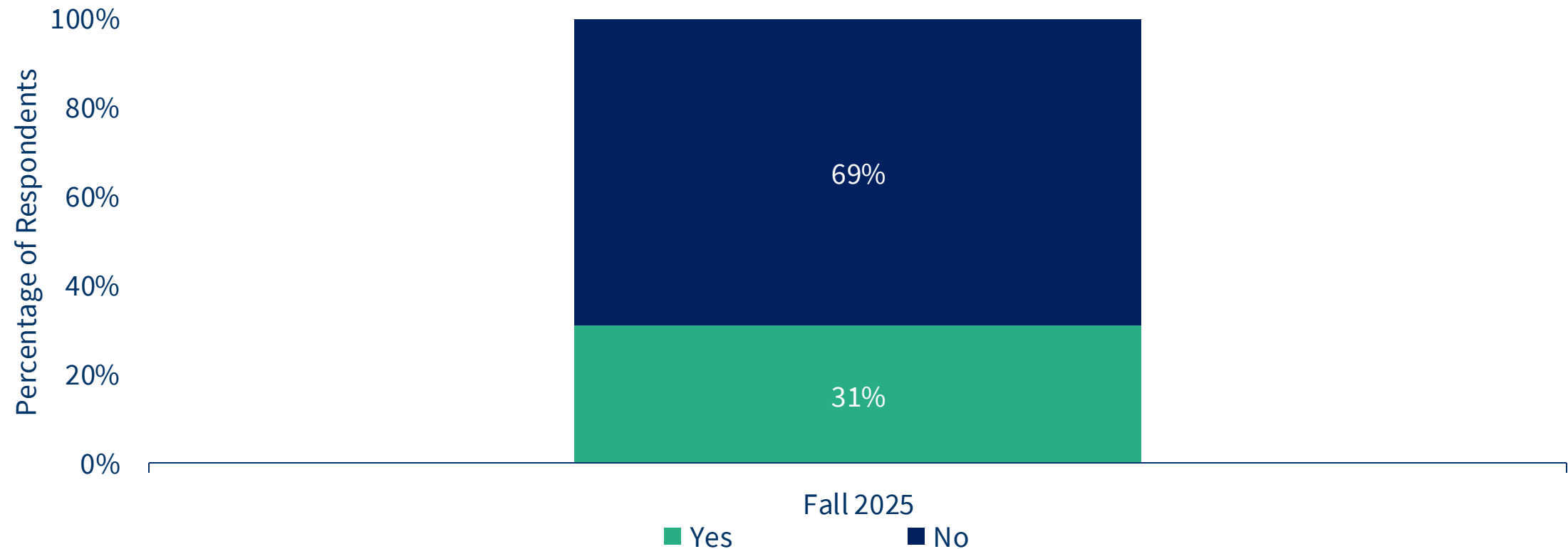
The perception of risk has shifted significantly between the two surveys. Financing conditions, which dominated in Spring 2025 (55%), declined in relevance to 29% in Fall 2025. Meanwhile, concerns about economic policy conditions (33%) and exchange rate volatility (29%) have increased. Demand (31%) remains a consistent challenge, while labor costs and shortages of skilled workers are now considered less critical. Overall, political and structural risks outweigh operational ones.

# Impact of New US Trade Policy on Local Business

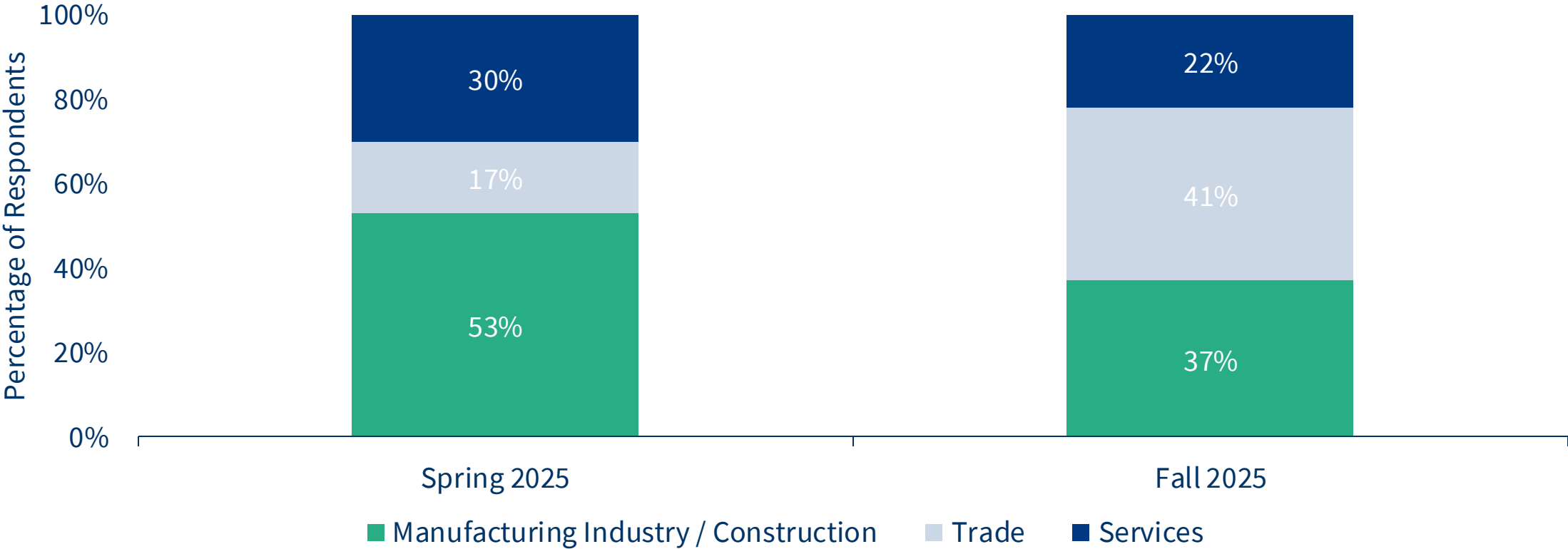


Most companies expect the new U.S. trade policy to have limited influence on their Iraqi business. In Spring 2025, 43% anticipated negative effects (23% major, 20% minor), while 50% expected no impact. By Fall 2025, these shares shifted slightly to 40% (22% major, 18% minor) and 56% no impact. The balance remained at -36, indicating stable neutrality toward U.S. policy changes.

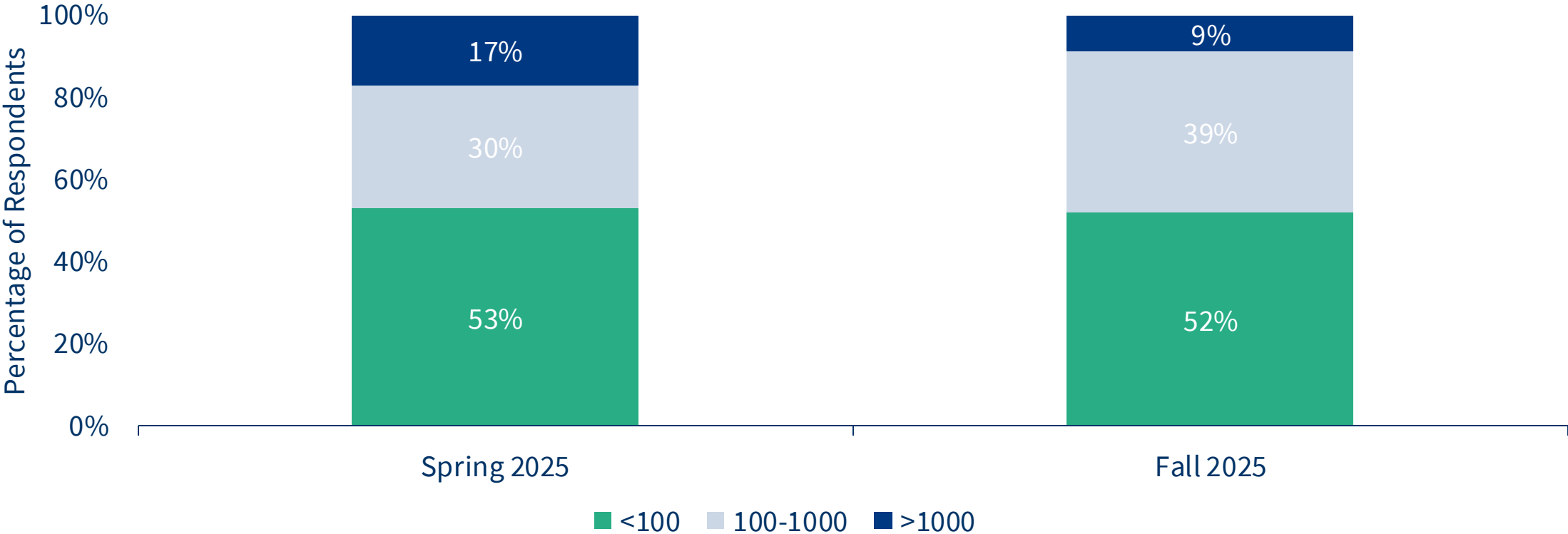
# Share of Respondents with U.S. Business Activities



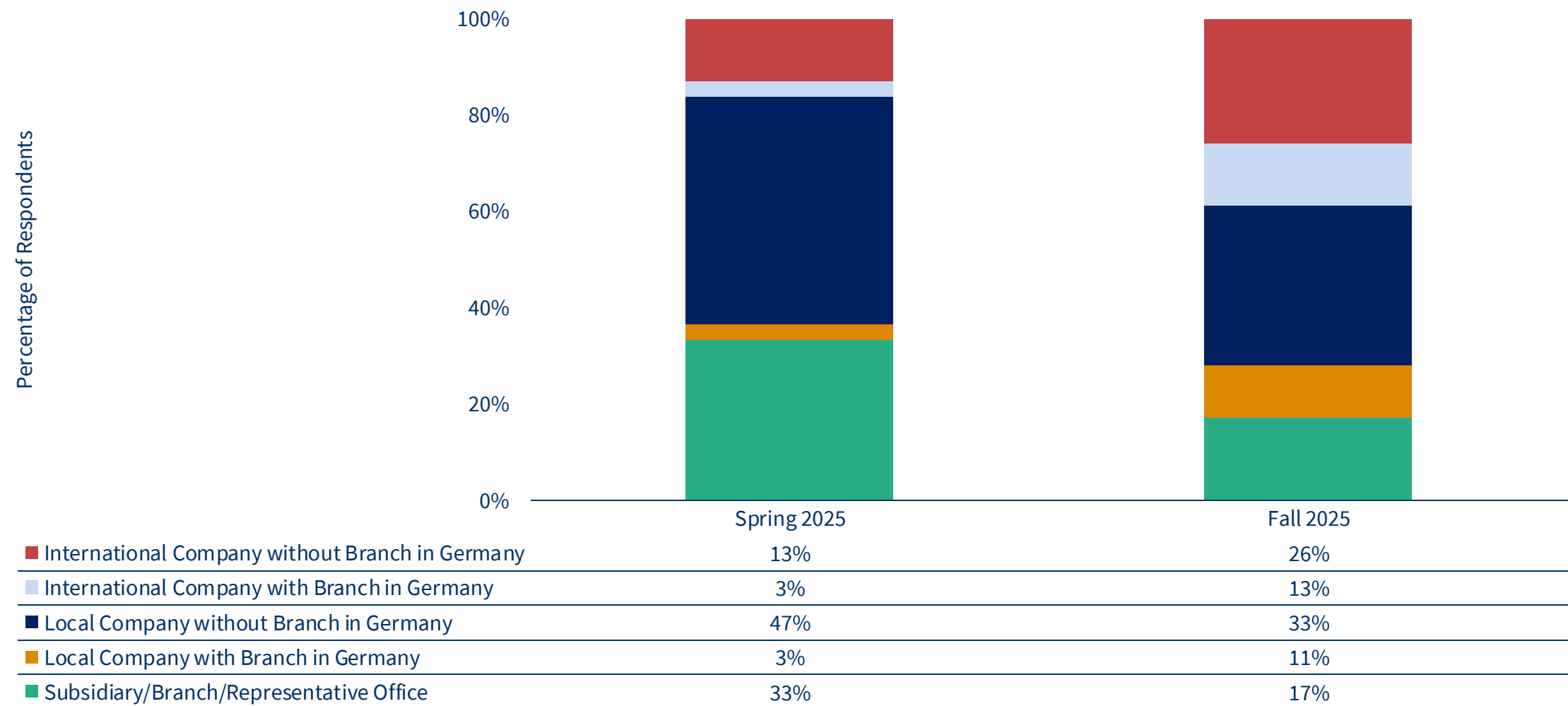
# Industry Sectors Represented by Respondents



# Distribution of Participating Companies by Global Employee Count



# Company Structure of Respondents: Spring vs. Fall 2025





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. It includes a relevant sample of participants from Iraq. The survey was conducted from 29 September to 17 October 2025.

The global results are available on the AHK Iraq website: <http://www.iraq.ahk.de>

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