

Business Monitor DACH – Q4 2024  
**Summary of results**

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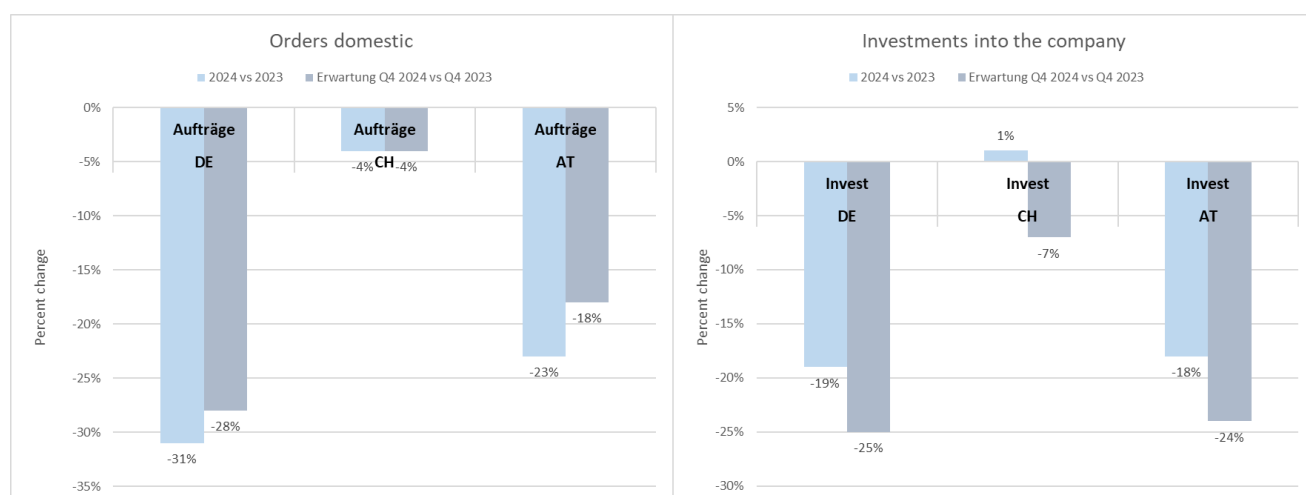
Zürich, October 8th, 2024

## Econcast: Insight into the Mittelstand

Germany and Austria, along with Switzerland, form the DACH region, home to many globally recognized companies. Beyond these global giants, a strong network of small and medium-sized enterprises (SMEs) plays a crucial role as the engine of economic development. These so-called Mittelstand companies are often more flexible and adaptable than large corporations, forming the backbone of the region's economy.

### The DACH region is under pressure.

The results of our survey conducted 10 days ago highlight significant challenges across the DACH region, excluding Switzerland. In Germany, entrepreneurs have become noticeably more pessimistic about their revenues compared to the previous year. While 25% of respondents reported improvements, nearly half (48%) saw declines, leading to a negative balance of -23 percentage points. These challenges are partly driven by sharply decreasing order volumes.



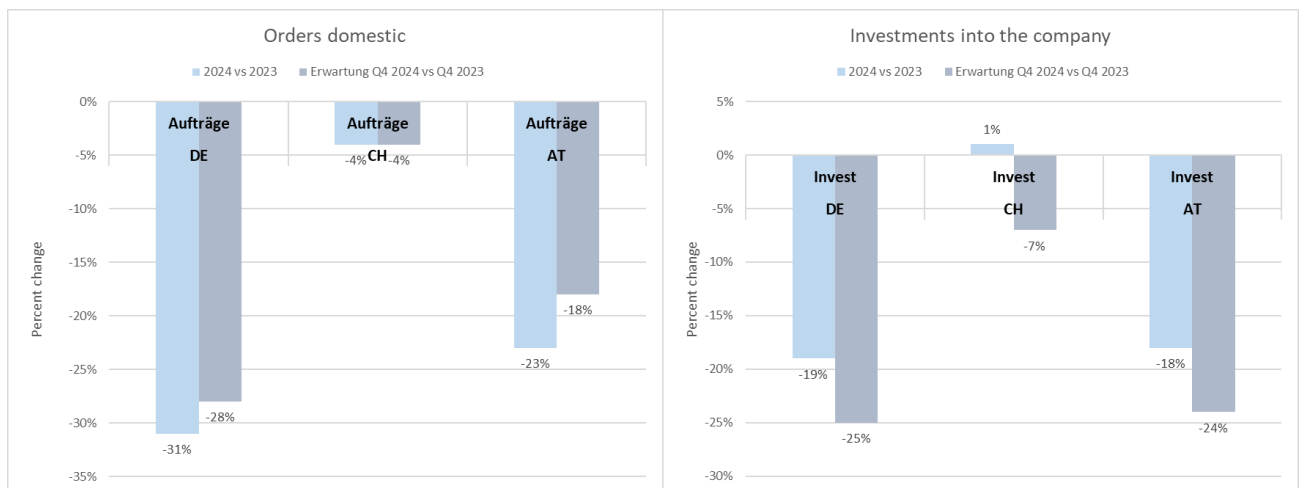
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## Econcast – Economic research without political bias. From Switzerland.

Although some entrepreneurs foresee improvements, expectations remain subdued. Only 23% anticipate revenue increases by the end of the year, while 46% expect further declines. Order volumes, though showing slight improvement, continue to remain below last year's levels.

This trend is mirrored in the ifo Business Climate Index, which has shown a significant decline in the business expectations of German companies over the past four months. The Econcast survey results are even lower, painting an increasingly bleak picture.

These figures raise the question of whether Germany's traditional industries are losing competitiveness. Entrepreneurs, who tend to act more nimbly and take risks compared to larger publicly traded companies, often serve as early indicators of broader economic developments. Their business trends may be interpreted as an early warning system for potential larger economic problems in Germany, with clear signs already emerging, particularly in the automotive sector.



### The situation in Austria

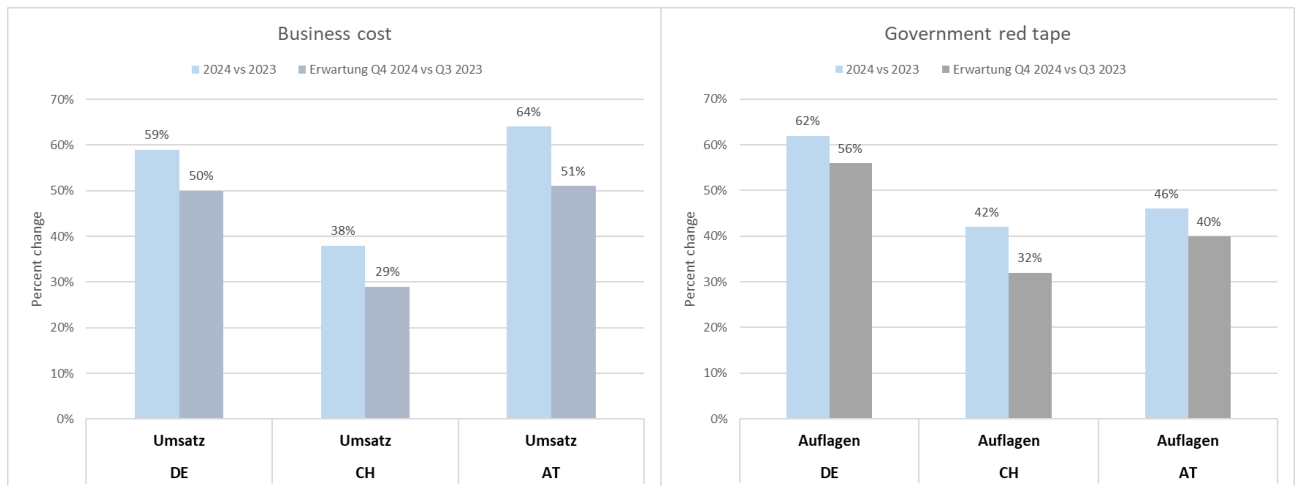
Austrian entrepreneurs share much of the pessimism of their German counterparts. While 29% of respondents reported revenue increases compared to 2023, 45% noted declines, resulting in a negative balance of -16 percentage points. The revenue outlook for the fourth quarter of 2024 is also cautious: 23% of SMEs expect growth, while 41% foresee further declines.

### Switzerland is faring better

In Switzerland, the situation is less dire. While revenues have also slightly declined compared to the previous year, the drop has been more moderate. Thirty percent of companies reported revenue increases, while 36% noted declines. The outlook, however, is relatively more optimistic: 29% of Swiss companies expect revenue growth, slightly exceeding the proportion of those expecting further declines.

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### Our Conclusion: The DACH region is ablaze.

Germany and Austria are grappling with serious challenges—shrinking revenues, a pessimistic outlook, and ongoing weaknesses in order volumes. Switzerland, though more stable, is not entirely immune to these pressures. However, it remains in better shape than its neighbors, although the sparks of concern are beginning to be felt.

Econcast is a brand of Connect4B AG, based in Zurich, a privately owned company. The Econcast survey is distinguished by its particular focus on business owners and stands out for the rapid availability of results. This direct and timely feedback provides valuable forecasting insights into the development of the Mittelstand in the DACH region. The November survey will be expanded to include the United Kingdom, France, and Spain, with more countries to follow. For a copy of the primary data report, interested parties can contact Stefan James Lang at [stefan.lang@connect4b.net](mailto:stefan.lang@connect4b.net).