

# News Release

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## S&P Global Business Outlook

### Business investment spending outlook gloomiest since pandemic

#### Key findings

Global business confidence unchanged from June, but investment intentions sink lower

Employment expectations remain among the lowest on record

Emerging markets optimism picks up, but developed markets sentiment wanes

Inflation expectations still higher than prior to the COVID-19 pandemic

The S&P Global Business Outlook Survey – based on responses from a panel of 12,000 companies between October 08-29 – signalled stable business confidence on balance in October. This masked differing patterns across the various economies surveyed, however, with improving sentiment in emerging markets contrasting with a downgrade to optimism in developed markets. Hiring and investment plans remained muted, the latter down to a record low if the pandemic is excluded. Inflation expectations were again relatively elevated.

The net balance of companies worldwide predicting a rise in business activity over the coming year was +24% in October, unchanged from June and continuing the broad stability seen in expectations over the course of 2025. Manufacturing confidence ticked up, while optimism among service providers was unchanged from June and the joint-lowest in three years.

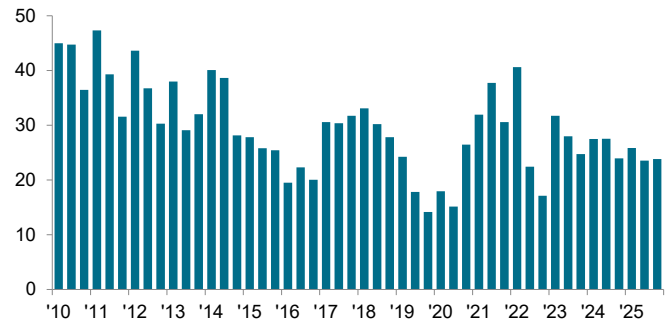
Companies often cited improving economic conditions and the prospect of market expansion as opportunities for growth, with investment in innovation and technology another important factor.

On the other hand, the prospect of economic and political instability, as well as concerns around the strength of consumer demand were seen as threats to the outlook. Tariffs and trade issues remained one of the most mentioned issues affecting confidence for the year ahead.

Below the global figures, data showed a strengthening of business confidence in emerging markets, including brighter sentiment in mainland China and India. This

Global Business Activity expectations

% net balance



Source: S&P Global PMI.

Data were collected 08-29 October 2025.

#### Comment

Commenting on the Global Business Outlook survey data, Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

*"Global business expectations are ending 2025 in a similar position to how they began the year, with companies somewhat uncertain in the future but hopeful of an improvement in economic conditions. Overall sentiment was unchanged from the June survey in October, as improved sentiment in emerging markets offset fading optimism in developed nations.*

*"Inflation also looks set to remain sticky heading into 2026, with no appreciable sign of expectations moderating back to pre-pandemic levels. These still elevated inflation expectations are potentially impacting plans around hiring and investment, which remained subdued in October. In the case of employment, expectations were unchanged at a level only above that seen during the worst of the COVID-19 pandemic.*

*"Companies will be hoping that 2026 brings greater stability in terms of economic conditions, helping them to plan for growth and potentially invest in workforce numbers and the technology needed to unlock productivity gains. On this note, some special questions alongside the Outlook survey this month show that firms around the world are looking to increase their investment in AI technologies."*

was balanced out by weaker optimism in developed markets, with sentiment dropping in particular in France and Germany. The US also posted a slight easing of confidence since June.

Global business hiring intentions were also unchanged from June, thereby remaining subdued and among the weakest since comparable data became available in 2009. Muted optimism around staffing levels was seen in both the manufacturing and service sectors. Pessimism regarding employment was recorded in Germany and mainland China.

Companies are also set to remain reluctant to expand investment over the next 12 months, with the respective net balances for capital (+5%) and R&D (+3%) spending only just inside positive territory. In fact, firms in a number of economies predicted that their R&D expenditure will decrease over the coming year, including the US, Germany, France and the UK.

While some companies noted that investment in innovation and technology could help to boost growth over the coming year, anecdotal evidence also suggested that the muted plans around hiring and investment in part reflected continued predictions of relatively elevated inflationary pressures. In fact, inflation was seen as one of the key threats to the overall outlook by companies.

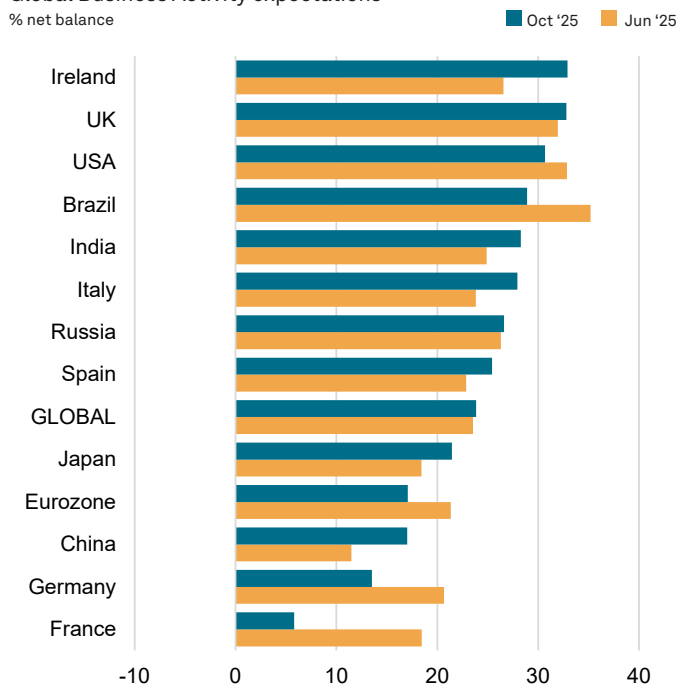
At +24% in October, the net balance of firms forecasting a rise in non-staff input costs was up slightly from +22% in June. Although just below the average since the COVID-19 pandemic, inflation expectations were still higher than at any point prior to the pandemic. Non-staff input cost expectations were higher in manufacturing and services, and across both emerging and developed markets alike.

Similarly, staff cost inflation was also projected to tick higher, with the respective net balance rising to a one-year high of +34%. Expenses related to staff were projected to increase most quickly in the UK and Ireland.

While cost pressures were expected to intensify slightly from the position in June, the opposite was true with regards to output prices, with the net balance ticking down to +23%. That said, predictions around selling price inflation were still broadly in line with those seen consistently since the middle of 2023. As was the case with non-staff input costs, output price expectations were stronger than at any stage prior to the COVID-19 pandemic. Predictions of increased charges were more pronounced in Europe and Japan, but eased in the US. Emerging markets posted an unchanged net balance from that seen in June.

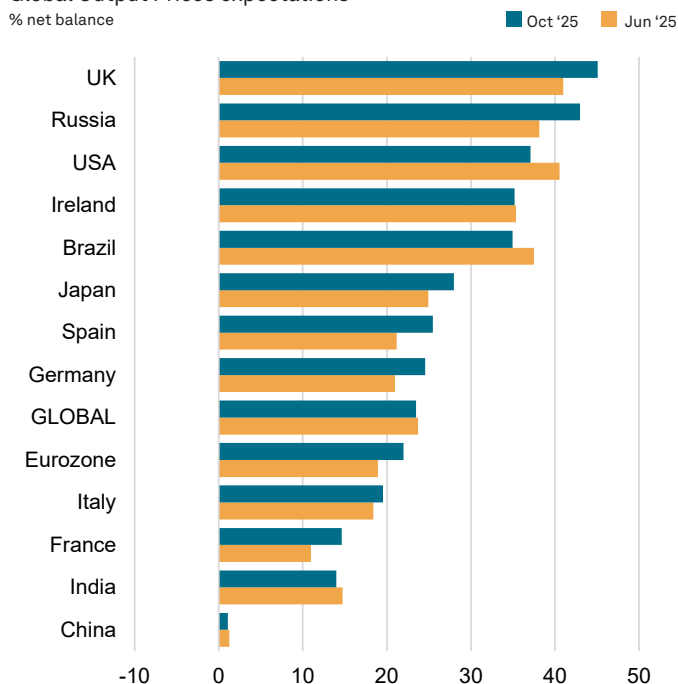
Profits expectations were little-changed in the latest outlook survey, with the net balance ticking up to +9% in October from +8% in June. Companies in the Eurozone posted a negative profits outlook for the first time in a year, with pessimism centred on Germany and France.

Global Business Activity expectations



Source: S&P Global PMI.

Global Output Prices expectations



Source: S&P Global PMI.

Full data available on request from [economics@spglobal.com](mailto:economics@spglobal.com).

## Survey methodology

The Global Business Outlook Survey for worldwide manufacturing and services is produced by S&P Global and is based on a survey of around 12,000 manufacturers and service providers that are asked to give their thoughts on future business conditions. The reports are produced on a tri-annual basis, with data collected in February, June and October.

Interest in the use of economic surveys for predicting turning points in economic cycles is ever increasing and the Business Outlook survey uses an identical methodology across all nations covered. It gives a unique perspective on future business conditions from Global manufacturers and service providers.

The methodology of the Business Outlook survey is identical in all countries that S&P Global operates. This methodology seeks to ensure harmonization of data and is designed to allow direct comparisons of business expectations across different countries. This provides a significant advantage for economic surveillance around the globe and for monitoring the evolution of the manufacturing and services economies by governments and the wider business community.

Data collection is undertaken via the completion of questionnaires three times a year at four-month intervals. A combination of phone, website and email are used, with respondents allowed to select which mechanism they prefer to use.

The Business Outlook survey uses net balances to indicate the degree of future optimism or pessimism for each of the survey variables. These net balances vary between -100 and 100, with a value of 0 signalling a neutral outlook for the coming 12 months. Values above 0 indicate optimism amongst companies regarding the outlook for the coming 12 months while values below 0 indicate pessimism. The net balance figure is calculated by deducting the percentage number of survey respondents expecting a deterioration/decrease in a variable over the next twelve months from the percentage number of survey respondents expecting an improvement/increase.

Questionnaires are sent to a representative panel of around 12,000 manufacturing and services companies spread across the global economy\*. Companies are carefully selected to ensure that the survey panel accurately reflects the true structure of each economy in terms of sectoral contribution to GDP, regional distribution and company size. This panel forms the basis for the survey. The current report is based on responses from around 7,700 firms.

*\* The countries with manufacturing and service sector surveys are Brazil, China, France, Germany, India, Italy, Japan, Russia, Spain, the Republic of Ireland, the UK and the USA. Manufacturing data are collected for the Netherlands, Austria, Greece, Poland and the Czech Republic.*

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