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Mannheim, 23 October 2026

Press Release

GBP Monitor October: Companies in Eastern Germany Are Particularly Critical of Economic Policy—Dissatisfied Companies Invest Less

This text was translated from German by DeepL.

Only 13 percent of companies are satisfied with the federal government's economic policy or view it neutrally. Dissatisfaction has risen particularly sharply in the three states where new state legislatures were elected in September. Companies whose representatives view economic policy critically are also reporting declining profits and investments and are more likely to plan cost-cutting measures. This is shown by the October survey conducted by the German Business Panel (GBP) at the University of Mannheim.

Since June 2025, satisfaction with the federal government's economic policy has dropped significantly. One month after the new government took office, 32 percent of the business representatives surveyed were still satisfied. Now, that figure has fallen to just 13 percent. The last time economic policy was evaluated this poorly was after the collapse of the "traffic light" coalition. The October survey by the German Business Panel examines how dissatisfaction with economic policy relates to regional and political differences, as well as to the economic situation of businesses.

Dissatisfaction with Economic Policy Particularly High in Eastern Germany

Especially in federal states where the AfD, BSW, and Die Linke achieve higher poll numbers, companies are, on average, more dissatisfied with economic policy. This correlation is primarily due to regional differences: In the eastern German states, where these parties achieve higher poll numbers, dissatisfaction with economic policy is greater than in the other states.

However, this is not true without exception. In addition to Saxony (1.7) and Thuringia (1.9), the Saarland (1.8)—a western German state—is also among the states with the lowest evaluations on a scale of 0 to 10. Baden-Württemberg (2.1) also scores only as high as Mecklenburg-Western Pomerania and Brandenburg. Both of these western states are currently undergoing similarly profound structural change.

Dissatisfaction Grows Shortly Before State Elections

Satisfaction with economic policy fell particularly sharply in the three states where a new state parliament was elected in September 2026: In Saxony-Anhalt, Mecklenburg-Western Pomerania, and Berlin, satisfaction fell from 2.9 to 1.8 points between May and October

2026—reaching its lowest point around the election dates. In the remaining states, however, it rose from 1.9 to 2.6 points.

“The data suggests that the campaigns—heavily influenced by populism on both sides of the political spectrum—in the run-up to the elections also shape public opinion on economic policy,” said Jannis Bischof, project manager of the German Business Panel.

Dissatisfaction Goes Hand in Hand with Weaker Business Performance

Dissatisfaction with economic policy is also accompanied by weaker business performance. Companies whose representatives evaluate economic policy below the median are reporting declining profits and investments. Companies with a more positive outlook, on the other hand, continue to show growth in both areas. The gap between the two groups is widening: from 7.3 percentage points in 2024 to 9.7 percentage points in 2026 for profit growth; and from 8.9 to 10.4 percentage points for investment. In addition, companies whose representatives are particularly dissatisfied with economic policy are about twice as likely to plan cuts to fixed costs, bonuses, and dividend payments.

“Among business representatives in particular, their own business performance also shapes their political assessment. A change in the current political climate—which is characterized by strong support for parties at the political extremes—will therefore depend very heavily on the success of economic policy measures,” said Bischof.

Tax Relief and Energy Cost Subsidies in High Demand

In light of these developments, what economic policy measures do companies want? The GBP Monitor shows that, regardless of how satisfied companies are with economic policy, tax relief and energy cost subsidies are in particularly high demand. Tax relief is cited by 64.9 percent of the more dissatisfied and 56.2 percent of the more satisfied business representatives. Energy cost subsidies are supported by 52.3 percent and 55.9 percent, respectively. Overall, business representatives who are somewhat dissatisfied are slightly more likely to want government support.

You can find the “GBP Monitor: Business Trends in October 2026” here:

https://www.accounting-for-transparency.de/wp-content/uploads/2026/10/gbp_monitor_Oktober_2026.pdf

Further Information on the GBP Monitor

The German Business Panel conducts a monthly survey of more than 800 companies on the business situation in Germany, collecting data on 1) expected changes in revenue, profit, and investment, 2) business decisions, 3) the expected closure rate in the industry, and 4) satisfaction with economic policy. In addition, reports on particularly topical issues are published every three months.

Background Information on the German Business Panel

The German Business Panel is a long-term survey panel of the DFG-funded supraregional project “Accounting for Transparency” (www.accounting-for-transparency.de). The Collaborative Research Center (SFB) “TRR 266 Accounting for Transparency” was launched in July 2019. In May 2023, the German Research Foundation decided to extend the SFB for an initial period of four additional years. It is the first SFB with a focus on business administration. More than 100 researchers from eight universities are participating in the SFB: the University of Paderborn (lead institution), Humboldt University of Berlin, and the University of Mannheim, as well as researchers from Ludwig Maximilian University of Munich, Goethe University Frankfurt am Main, the Frankfurt School of Finance &

Management, the University of Cologne, Leibniz University Hannover, and the Technical University of Darmstadt. The researchers are investigating how accounting and taxation influence corporate transparency and how regulations and corporate transparency affect the economy and society. The SFB's total funding amounts to approximately 18 million euros.

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