

Industries in Germany



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Germany is a world-renowned business and manufacturing location. From the historically-famous automobile industry, through chemicals and engineering, to digital innovations and Industrie 4.0, Germany has consistently been at the forefront of industrial leadership.

Now celebrated as a global place of innovation and a pioneer of the new Industrie 4.0 concept, Germany is continuing to evolve into the digital age and embrace new industries, such as environmental technology, additive manufacturing and the digital economy. With a world-class infrastructure, a skilled and flexible labor force and a national strategy geared to wards innovation, Germany is a place for all-comers to invest in.

Gross value added in the manufacturing sector

Manufacturing contributed 23.4 percent to gross value added in Germany in 2017. By comparison: in France, the share was 12.7, in the UK 10.1 percent.

Turnover in industry

Turnover in the manufacturing companies amounted to 1,893 billion euros in 2017. The top sector was the automotive industry with 425 billion euros.

Employees in industry

6.2 million employees worked in Germany in 2017 in 45,308 industrial enterprises with 20 or more employees. That's more people than Denmark has inhabitants.

Germany's most important industries

Four sectors dominate industry in Germany: the automotive, mechanical engineering, chemical and electrical industries. The global players are Volkswagen, Daimler, BMW (all automotive), BASF (chemical) and Siemens (electrical). Mechanical engineering is characterized by small and medium-sized enterprises.

Industry's export quota

Industry's export ratio is 48.4 percent – and German automotive manufacturers produce twice as many cars abroad than at home.

Investment in research

The manufacturing sectors invested 53.4 billion euros in research and development in 2016. The figure for the rest of the economy was 9.5 billion euros.

Aerospace Industry

The German aerospace industry has enjoyed unprecedented success over the last two decades. Since the mid-90's, industry revenues have more than quadrupled – to over EUR 40 billion in 2018. Today, the sector belongs to the country's most innovative and best-performing industries.

In addition, the sector keeps on growing: Industry analysts forecast that between 30 to 35 thousand new aircraft will be put into service in the next 20 years to meet increasing global aviation demand – leading to a new golden

age of aviation. As a global aerospace hub, Germany is home to leading players from civil and defense aviation market segments.

The country's world-class R&D infrastructure and a powerful manufacturing base empowers international investors to develop cutting-edge technologies for tomorrow's aviation needs. Compared with other major aviation manufacturing countries like the US, Canada and France, Germany's rare mix of a powerful manufacturing base, ready availability of talent, and cost efficiency are unique competitive advantages for current and prospective investors.

Besides its supply and manufacturing power, the country is also home to two major passenger airlines as well as one of the world's biggest freight and logistics carriers.

Automotive Industry

Germany – The World's Automotive Hub of Innovation

Germany is recognized the world over for its outstanding automotive industry and excellence in engineering. From Asia to the Americas, German cars embody highly cherished values of innovation, reliability, safety, and design. Germany is by some distance Europe's leading production and sales market. The country's world-class R&D infrastructure, complete industry value chain integration, and highly qualified workforce create an internationally peerless automotive environment. It enables companies to develop cutting-edge technologies, which perfectly address tomorrow's mobility needs.

BPO/Shared Services Industry

An Industry to Count on in Germany

Germany is one of the biggest growth markets for the BPO & SSC industry in Europe. More and more German companies and global players operating in Germany are using these innovative concepts to optimize their back office and non-core functions.

An increasing number of companies are choosing to locate in Germany as the country increases in attractiveness thanks to moderate wage cost developments and low fluctuation rates. International outsourcers are also starting to produce at German locations in order to meet the high quality and data security requirements of their German customers.

With a large pool of highly qualified and motivated people from an intercultural background, often with international work experience and foreign language backgrounds, Germany is also an excellent location for pan-European and other international projects.

Building Industry Landscape

Germany is Europe's leading construction market and home to the continent's largest building stock. A number of drivers have led to a boom in German construction investment and this is largely expected to continue in the foreseeable future.

As part of its ongoing transition to a sustainable energy system, Germany aims to have an almost climate-neutral building stock by 2050. Three quarters of buildings in Germany were built before 1980, making the renovation

of existing stock key to meeting energy efficiency targets. With buoyant demand and tight building codes, Germany offers providers of energy efficient building products and services a highly dynamic market.

Germany's Chemical Industry

Whether in the reinforcement of traditional industry products or the sustainable development of emerging technologies, Germany's chemical sectors play a keystone role. Supported by world-renowned R&D institutes, knowledge laden graduates, and dependable supply-chains, Germany offer investors fertile ground for their product development and market integration within Europe's largest economy. In addition, all this at the center of the world's largest market: the European Union.

Food & Beverage Industry

Supplying the Full Spectrum of Consumer Needs

Few industries are as broad as the food & beverage industry, but Germany does well on all fronts: confectionery, convenience, frozen, and chilled foods.

Our market – Europe's largest – brings almost every international food player here; everyone wants a taste. This strength is only expected to improve as consumption trends and the good reputation of our products promise higher future sales. For investors, the time is ripe. A mainly fragmented industry allows overseas investors access to the market, its distribution channels, and its technological capabilities.

Plastics Industry

Germany is Europe's No.1 Plastics Location

Germany is Europe's largest producer and manufacturer of plastics. The country's plastics industry value chain includes plastics manufacturers and processors, machine manufacturers, the application industries and the plastics and rubber recycling industry. One of the most important industry sectors in Germany, the plastics industry generates annual turnover of over EUR 101 billion. The industry enjoys more than a six percent share of domestic industrial production and plays a major role in providing new and innovative products and solutions to a number of key industries including the automotive, mechanical engineering, packaging, electrical engineering, and construction industries. In addition, plastics are used in the medical, furniture and household goods industries as well as in agriculture – broad applications in a competitive European consumer market.

German plastics producers, processing industries and industry-related research institutions and centers of excellence are setting international standards with their excellent infrastructure, know-how and their results in research and development. Foreign companies located in Germany benefit from the advantages of the single European market and the existing structures along the entire value chain to access innovative clusters and high quality research.

Software Industry

Germany is home to the single largest software market in Europe – accounting for around a quarter of the European market by value. Innovation comes as standard in an industry best characterized by a thriving Mittelstand of small and medium-sized enterprises. Increased business demand for smart data products and

services in the cloud are driving domestic software market growth, as Germany embarks on a far-reaching program of digitalization that promises to transform the economy.

Sources :

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