

Introduction

Germany is a country located in the heart of Western Europe. It is bordered by Denmark, Poland, Czechia, Austria, Switzerland, France, Luxembourg, Belgium, Netherlands, the North Sea, and the Baltic Sea. Germany has a strategic location on the North European Plain and along the entrance to the Baltic Sea. The government system is a federal republic; the chief of state is the president, and the head of government is the chancellor. Germany has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Germany is a member of the European Union (EU).



Location: Western Europe

Capital City: Berlin (+1 GMT)

Chief of State: President Frank-Walter Steinmeier

Head of Govt.: Chancellor Olaf Scholz

Currency: Euro (EUR)

Major Languages: <p>German (official); note - Danish, Frisian, Sorbian, and Romani are official minority languages; Low German, Danish, North Frisian, Sater Frisian, Lower Sorbian, Upper Sorbian, and Romani are recognized as regional languages under the European Charter for Regional or Minority Languages</p>

Primary Religions: <p>Roman Catholic 26%, Protestant 23.7%, Muslim 3.6%, other 4.8%, none 41.9% (2021 est.)</p>

Calling Code: 49

Voltage: 230

Key Websites

Main Government Page: [bundesregierung.de](https://www.bundesregierung.de)

Commerce Ministry: [bmwi.de](https://www.bmwi.de)

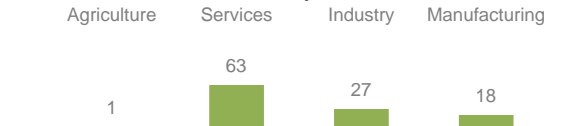
Export Promotion Agency: [agaportal.de](https://www.agaportal.de)

Investment Promotion Agency: [agaportal.de](https://www.agaportal.de)

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$5,309.61 billion (2022)
GDP growth (annual %):	1.79% (2022)
GDP per capita, PPP (current international \$):	\$63,149.60 (2022)
External debt stocks, total (DOD, current US\$):	\$466,463,000.00 (2011)
Manufacturing, value added (% of GDP):	18.45% (2022)
Current account balance (BoP, current US\$):	\$172.72 billion (2022)
Inflation, consumer prices (annual %):	6.87% (2022)
Labor force, total:	44,515,312 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	2.99% (2022)
Imports of goods and services (current US\$):	\$1,966.11 billion (2022)
Exports of goods and services (current US\$):	\$2,049.85 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	10 / 178
EY Globalization Index	11 / 60
Global Competitiveness Index	7 / 141
Global Enabling Trade Index	9 / 136
Global Manufacturing Competitiveness Index (GMCI)	3 / 40
Global Services Location Index	16 / 60
Index of Economic Freedom	14 / 176
International Logistics Performance Index (LPI)	1 / 160
Inward FDI Potential Index	6 / 139
KOF Index of Globalization	16 / 185
Networked Readiness Index (NRI)	15 / 139
Open Budget Index	13 / 114

Risk Assessment (Provided by Coface)

Country rating: A3 - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Strong industrial base (24% of GDP, 2021)
- Low structural unemployment; well-developed apprenticeship system
- Importance of family-owned exporting SMEs (Mittelstand)
- Resilient private household debt (99% of net disposable income, 57.6% of GDI, 2020)
- Consensus orientated politics, institutional system promoting representativeness

Weaknesses

- Declining working population from 2020 onwards, despite immigration
- Low bank profitability
- Strong dependence on international energy imports (e.g. 39% of all German gas imports come from Russia)
- Prominence of the automotive and mechanical industries, particularly in exports (30% of total exports in 2020)
- Capacity constraints, insufficient investment (especially in internet accessibility), and venture capital limit productivity gains

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