

## 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)

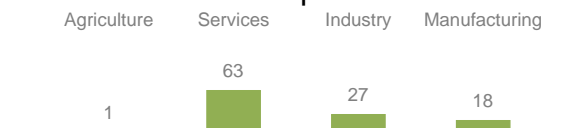
Export Promotion Agency: [agaportal.de](https://www.agaportal.de)

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

## U.S. Embassy

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