The future of mobility is a megatrend in our global society. The increase in traffic worldwide – especially in cities – is exponential, creating many challenges, but also many opportunities. Be these in electromobility, autonomous and networked transport, or new innovations and resource-conserving production technologies: the German automotive industry is pursuing these opportunities.
Industry & Market Numbers

- The automotive industry is the largest industry sector in Germany. In 2018, the auto sector listed turnover of EUR 426.2 billion – around 20 percent of total German industry revenue.
- Germany is Europe's number one automotive market, accounting for around 30 percent of all passenger cars manufactured (5.12 million) and approximately 20 percent of all new car registrations (3.43 million).
- One in every five cars worldwide carries a German brand.
- Germany is home to 40 automobile assembly and engine production plants with a capacity of over one third of total automobile production in Europe.
- In 2017, Germany’s domestic internal automotive industry R&D expenditure rose 17 percent to EUR 25.7 billion – equivalent to 37 percent of total R&D expenditure in Germany.
- Sixteen of the world’s top 100 automotive suppliers are German companies.*
- Around 78 percent of cars produced in Germany in 2018 were ultimately destined for international markets – a new record.
- More than 40 percent of patent registrations in Germany originate from the automotive industry.
- R&D personnel within the German automobile industry reached around 126,400 in 2018. Around 833,900 are employed in the industry as a whole.

Source: VDA 2019
* Source: Crain Communications 2017
More than 130 years after inventing the automobile, the country remains the world’s automotive innovation hub – leading the way forward into a new automobile era. More »
Everything you need to know about Europe's best-performing automotive industry. More ▸
Testimonials for Germany

Sankar Das Gupta, Ph.D, DIC, Chairman & CEO, Co-Founder | Electrovaya Inc

"Investing in Germany brings the immense German quality trademark for our customers and the ability to grow our business using the excellent infrastructure, locational advantage, value-for-money labor and favorable economic conditions. This investment is an integral part of our global strategy for batteries and already is giving outstanding returns." (2016)

Michio Koike, General Manager | TOYODENSO Deutschland GmbH
Michio Koike, Geschäftsführer TOYODENSO Deutschland GmbH | © TOYODENSO Deutschland GmbH

"After just a few months on the ground, being here has already paid off: My small team has secured two contracts, and several projects are in the works."

Kritika Chauhan, Deputy General Manager - Human Resources | TATA Autocomp System LTD

"Moving to Germany gives us new opportunities both in the present and the future. We have the quality now, and thanks to the excellent benefits we also have a chance to push forward our R&D and European sales activities apace."

Dr. Rob Smith, Vice President & General Manager | TRW Automotive

"Germany offers an excellent labor force and unbeatable know-how in auto construction and mechanical engineering. Germany is a 'must have' for anybody who wants to be at the center of things in the auto industry."
Business Opportunities

International investors benefit from numerous competitive advantages when doing business in Germany. Germany’s favorable geographical location in the heart of Europe enables business without trade barriers, thanks to its integration in the European Union and the Eurozone. A stable single currency and close proximity to other major European markets consolidate the German automotive industry’s advantageous position.

"Germany has established itself as one of the most attractive investment destinations worldwide. It is the only western European country that plays a significant part in the so-called “global Champions League.” Source: Ernst & Young, Standort Deutschland 2013

Germany’s high concentration of auto-related R&D, design, supply, manufacturing and assembly facilities makes it possible for companies to successfully partner across the whole value chain. It also explains why recent studies see the German automotive industry outperforming other countries when it comes to innovative power, product quality and productivity.

Around 38% of all premium segment cars were produced in Germany in 2017. By becoming part of the world’s automotive innovation hub, investors have the opportunity to boost their businesses through innovating, producing, and marketing world-leading technologies and products “Made in Germany.”
The German automotive industry is a substantial and integral part of the global automotive industry. Suppliers and OEMs in Germany are on top of the technological market transformation. Automotive engineers are hard at work improving internal combustion engine energy efficiency, developing alternative drive technologies (including electric, hybrid, and fuel cell cars), and adapting lightweight materials and electronics.

Tighter carbon emission reduction targets and the government’s electric mobility initiative (“National Electromobility Development Plan”) are major innovation drivers for future growth. As a result, demand for connected cars equipped with driver-assistance systems and information components will increase significantly - especially in the premium segment.

Smart technologies will revolutionize the driving experience further. Germany’s industry strength in electronic technologies and software solutions allied to its innovative business networks bolster technological development in one of Germany’s major fields of expertise.
"7 out of 10 premium cars produced in Europe are manufactured in Germany – A number which impressively illustrates the country’s innovation power – particularly important for the premium segment."

*Oliver Seiler, Director Mechanical & Electronic Technologies, Germany Trade & Invest*

As well as technological transformation, the automotive industry is undergoing a continuous value shift from OEMs to suppliers. According to a study conducted by Oliver Wyman and the German Automotive Industry Association (VDA), OEM share of global R&D value creation will decline from 60% today to 47% in 2025 (Source: FAST 2025). Strategic alliances between OEMs and suppliers - as well as within the supplying industry - will grow in importance and offer significant growth potential. Be part of Germany’s automotive success story and locate your business in the world’s largest automotive innovation hub.

**CONTACT US**

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