



Sportscar in Tunnel | © lassedesignen - Fotolia.com

## 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.

Take a look at our impressive numbers and find out why, more than 125 years after inventing the automobile, Germany remains the world's automotive innovation hub.

### Video: The Future of Mobility "Made in Germany"

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 2017, the auto sector listed a turnover of EUR 423 billion, around 20 percent of total German industry revenue. *Source: VDA 2018*
- Germany is Europe's number one automotive market; accounting for over 30 percent of all passenger cars manufactured (5.65 million) and about 20 percent of all new car registrations (3.44 million). *Source: VDA 2018*
- Germany's new car registrations have set a new record mark for this decade - highest since 2009. *Source: VDA One in every five cars worldwide carries a German brand: Source: VDA 2018*
- Germany is home to 40 automobile assembly and engine production plants with a capacity of over one third of total automobile production in Europe. *Source: ACEA 2018*
- In 2017, Germany's domestic internal automotive industry R&D expenditure rose two percent to EUR 21.9 billion, equivalent to 35 percent of Germany's total R&D expenditure. *Source: VDA 2018*
- 16 of the world's top 100 automotive suppliers are German companies. *Source: Crain Communications 2017*
- Around 77,5 percent of cars produced in Germany in 2015 were ultimately destined for international markets – a new record. *Source: VDA 2018*
- R&D personnel within the German automobile industry reached a level of just about 114.000 in 2017. Around 820.500 are employed in the industry as a whole. *Source: VDA 2018*

## Latest Publication



## Fact Sheet Electric Mobility in Germany | © GTAI

### Fact Sheet: The Electric Mobility in Germany | Issue 2017/2018

Germany's internationally leading automotive industry is showing the electric mobility way ahead. [More ▶](#)



The Automotive Industry in Germany | © GTAI

The Automotive Industry in Germany | Issue 2016/2017

Everything you need to know about Europe's best-performing automotive industry. [More ▶](#)



## Fact Sheet: The Automotive Electronics Industry in Germany | © GTAI

### Fact Sheet: The Automotive Electronics Industry in Germany | Issue 2016/2017

With a turnover of more than half a trillion euros, the automotive electronics market remains a lucrative technology field. [More ▶](#)

### Testimonials for Germany

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



Sankar Das Gupta, Ph.D, DIC, Chairman & Chief Executive Officer, Co-Founder | © Electrovaya Inc./GTAI

"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**



Logo TATA Autocomp Systems LTD | © TATA Autocomp Systems 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



Dr. Rob Smith, Vice President & General Manager of TRW Automotive | © TRW Automotive/GTAI

"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.

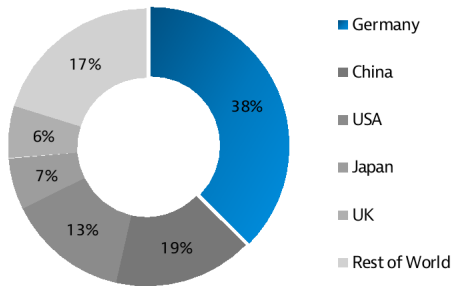
Around **38%** of all **premium segment cars** were produced **in Germany** in 2017. By becoming part of the world's automotive innovation hub, investors have the opportunity to boost their businesses through innovating, producing, and marketing world-leading technologies and products "Made in Germany."



# The Premium Segment

## Germany: World's premium car production and innovation hub

Premium car production by country 2017



38% of all produced premium vehicles are made in Germany

56% of all produced premium vehicles are manufactured in Europe

69% of the premium car production is manufactured by German OEM

The country's strong industrial base, its value chain density, its R&D power and particular strength in the automotive premium business, enables investors to develop cutting edge automotive technologies for today's automotive needs. [...]"

Sources: GTAI Research (2018); MarkLines database (2018)

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Germany: World's premium car production and innovation hub | © GTAI Research (2018); MarkLines database (2018)

## Market Trends

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.





Oliver Seiler | © GTAI

**"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.



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