



Machinery & Equipment | © Liuhsihsiang - iStock.com

Machinery & Equipment Industry

Market Leadership Powered by German Engineering

Germany's Machinery and Equipment (M&E) sector is the second largest and most innovative industry sector in Germany. The German M&E sector is dominated by small and medium-sized companies that provide customized products and small series to meet the strong demand of both domestic and international manufacturing industries.

The M&E industry is one of the technological motors that drives Germany as a high-tech nation, and a sector that combines all of the key future technologies including electronics, robotics, materials, and software.

German M&E industry strength is driven by a combination of Germany's proven engineering tradition, its position as a technology development leader, and a highly diversified industrial base. The fourth industrial revolution has already begun in Germany with the Industrie 4.0 project to establish the country as a lead market and provider of advanced manufacturing solutions.

Industrie 4.0 will usher in a new age of decentralized production which will transform industry. The dominance and speed of growth of German automation technologies will consolidate Germany's position as the lead provider and market for virtual systems and highly developed production systems. Germany's M&E companies were able to demonstrate their impressive position as leaders in digital production at the Hannover Messe 2016.

2015 proved to be the best year on record for this key industry sector, with the prospects for 2016 looking better still. Impressive M&E industry and market numbers provide a timely reminder that the "Made in Germany" label still stands for the highest-quality products and services in the world.

Industry & Market Numbers

- The M&E sector is Germany's largest industry by level of activity - with 6,419 companies and more than 1 million workers along the value chain.
- The M&E workforce grew by 18 thousand in 2014 – taking employee levels above the one million mark.
- M&E is Germany's second largest industry by level of turnover – generating EUR 230 billion in 2015 alone. M&E turnover levels have increased by around 70% throughout the past decade.
- With an export ratio of 66% and a new export record level of EUR 151.5 billion, the pre-crisis level of EUR 145 billion from 2008 has been surpassed. Germany remains the world's largest machinery supplier, with global machinery trade share of over 16%.
- Company R&D expenditure levels amount to around EUR 5.7 billion – making M&E one of the most innovative industry sectors in Germany. Innovation comes as standard, with German companies registering almost 26% of the world's mechanical engineering patents.
- Germany is the number one destination for M&E foreign direct investments in Europe, with more than 500 projects recorded in the period 2010 to January 2016.

Source: VDMA May 2016, FDI markets January 2016, GTAI research May 2016

Latest Publication



Mechanical Engineering: Industry Clusters in Eastern Germany

The machinery and equipment (M&E) sector is the most innovative and second largest industry sector in Germany.

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The Robotics and Automation Industry in Germany | © GTAI

Fact Sheet: The Robotics & Automation Industry in Germany

Germany's robotics and automation (R&A) industry has enjoyed unprecedented success over the last decade.

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Industry Overview: The Machinery & Equipment Industry in Germany

Machinery & Equipment is the largest and most innovative industry sector in Germany, and so one of major strategic importance.

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Testimonials for Germany

Delta Shelving Systems GmbH - Stephen Eddowes, Managing Director



Stephen Eddowes, Eigentümer und GF, Delta Shelving Systems | © LEG Thüringen, Fotograf: Andreas Hultsch , Jan 2014

"My heart chose Germany. The German culture of quality and excellence is what "Made in Germany" is all about. In terms of surmounting relocation hurdles, Germany Trade & Invest has been absolutely first-class – 10 out of 10!" (2014)

Redpack Maschinen GmbH - Jeremy and Stuart Briston, Managing Directors



Jeremy and Stuart Briston, Managing Directors, Redpack Maschinen GmbH | © Redpack Maschinen GmbH/GTAI

"As Europe's largest consumer market at the heart of Europe, Germany offered an exciting place for our family run business to open a subsidiary. We found out that our quality and bespoke machines are well suited to the German marketplace where reliability, durability, low maintenance and safety standards are of paramount importance." (2014)

GA Pack GmbH - Hong Gang, Chairman of the Board



Hong Gang Chairman of the Board, GA Pack GmbH | © GA Pack GmbH/GTAI

"Germany is traditionally known for improving on what is already good. We greatly value that German employees – much like the entire society – place an emphasis on quality, both in the result and in the process." (2011)

Kingsbury Inc. – William R. Strecker, President and CEO



Kingsbury Inc. – William R. Strecker, President and CEO | © Kingsbury Inc./GTAI

"As Kingsbury (USA) begins its second century of innovation, Germany represents a natural extension for growth throughout the European Union. Many of our OEM customers have home-base operations in Germany, and the technological skills of the German work force is well suited to our business." (2014)

MetoKote Corporation - DeWayne Pinkstaff, President and CEO



DeWayne Pinkstaff, President and CEO of MetoKote Corporation | © MetoKote Corporation/GTAI

"The opening of our new Mannheim facility is another step in achieving our global mission of providing custom coating solutions to our valued customers. We are excited to be centrally located in the heart of Europe and eager to serve both our strategic partners and acquire new customers in the region." (2010)

Market | Personnel | R&D

MARKET - Exceptionally high domestic demand results from Germany's strong industrial structure. The four biggest producing industries (chemistry, electronics, automotive, and food & beverages) are also the four most important client sectors for the M&E industry. Approaching 12 thousand companies - employing a combined

workforce of around 2.3 million - are active in these four sectors; generating total turnover of EUR 694 billion in 2014.

PERSONNEL - Germany's universities and universities of applied sciences produce some of the most highly qualified employees in the business. Almost 30% of all university and college graduates have an engineering or applied sciences degree. Germany's unique dual education system combining classroom and on-the-job training – is specifically geared to meet industry needs, making it attractive to investors and a model for international success.

- [Business Location Germany | Labor Market Availability](#) ▶

R&D - Manufacturers located in Germany work in close partnership with a network of around 100 mechanical engineering university faculties and numerous internationally recognized research institutes.

- [R&D Framework](#) ▶
- [Selected M&E Industry - Related Innovation Clusters in Germany \[pdf\]](#) ▶

[Incentives](#) | [Physical Infrastructure](#) | [Stable Investment Environment](#)

INCENTIVES - Germany offers a broad platform of incentives for all investors - regardless of whether they are from Germany or otherwise. There is a large selection of programs designed to support a wide variety of business activities at different stages of the investment process. Support ranges from cash incentives for the reimbursement of direct investment costs to incentives for labor as well as research and development (R&D).

Within the new High-Tech Strategy, the government offers special support for technology partnerships and provides R&D grants and loans. Germany's INDUSTRIE 4.0 Future Project is one of the declared priorities in the new High-Tech Strategy. The Federal Government is providing comprehensive support to establish Germany as a lead market and provider of key technologies and as a future center for production.

- [Business Location Germany | Investment Incentives](#) ▶

PHYSICAL INFRASTRUCTURE - We offer an extensive and comprehensive logistics infrastructure that integrates state-of-the-art transportation networks with the most modern telematics, IT, and telecommunications systems.

- [Business Location Germany | Infrastructure](#) ▶

STABLE INVESTMENT ENVIRONMENT - Social, economic, and political stability provide a solid base for your corporate projects. Our judiciary and civil services are highly professional. Contractual agreements are secure and intellectual property is strictly protected in Germany.

- [Business Location Germany | Legal System](#) ▶



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