FDI Reputation

First Choice in Europe

A recent study (2019) conducted by the American Chamber of Commerce highlights the positive regard in which the German business environment is held by US companies. Invited to indicate how attractive the German investment environment is, 81 percent of the participating American companies replied with “very good” or “good”. A further 97 percent want to either expand or maintain their current activities in Germany over the next three to four years. A.T. Kearney’s “The FDI Confidence Index” confirms Germany’s reputation as the most attractive business location in continental Europe. The Ernst & Young study on the attractiveness of the European economic area (2019) also shows that Germany is the number one business location in Europe.

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High Scores in Infrastructure and Workforce

In the above-mentioned Ernst & Young study, over 500 international decision-makers were surveyed on Europe and a further 200 managers of non-German companies were asked questions with a specific focus on Germany. Germany received many great marks for various business location factors. These include infrastructure (telecommunications and logistics), workforce qualification and the attractiveness of the domestic market. 43 percent of those surveyed predict that Germany’s attractiveness will continue to grow in the coming years. The study further shows that Germany’s growth drivers are in the transportation and automotive industries, information and communications technology, environmental technology, the energy/utilities sector, as well as pharmaceuticals and biotechnology, respectively. Surveyed managers expect that in the future most of the investments will go into research and development as well as in manufacturing. It is no surprise that almost two-thirds of the companies surveyed are convinced that Germany is pursuing a policy that attracts international investors.
Foreign Direct Investment

Strengths of the German Business Location (2019)

Source: Ernst & Young 2019
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