

Trend & Innovation Scouting

The Digital Hub Initiative

Germany is establishing itself as a **first-choice investment location for foreign investors**. Become a part of The Digital Hub Initiative! [Contact us now](#)  to find out how!

The Digital Hub Initiative

- **promotes new digital business models and a strong culture of innovation.**

Here is how: By bringing together the expertise of established companies with innovative start-up concepts and scientific excellence.

- **comprises of 12 Digital Hubs, each with different fields of expertise and focus areas.**

What's the point? By networking these hubs with each other and with national and international experts from business, science and society, the [Initiative](#)  drives the digitalization of core areas of the German economy. German digital companies are among the world's most valuable, while traditional corporations and SMEs continue to lead the markets and are at the forefront of digital development in their industries too.

"Our Trend & Innovation Scouts help foreign investors find the perfect place to settle and become a part of the Digital Hub Initiative here in Germany."

Josefina Nungesser / Director of Trend & Innovation Scouting

Growth in Times of Crisis

Germany proves a reliable location for start-ups amidst the corona pandemic.

Corona crisis affecting Germany's start-ups

The coronavirus crisis has changed the German start-up landscape: Nine out of ten companies have been affected economically, and over 70 percent fear for their existence - these are the results of a study by the German Startups Association. It found that the crisis is already impacting the entire breadth of the German start-up ecosystem, especially the human resources and tourism segments.

The study also shows start-ups being affected no matter what phase they are in. Smaller companies suffer from the lack of customer contact due to cancelled trade fairs and events, while large start-ups with many employees are primarily concerned about sales, liquidity and future financing. The global market has always filtered out weaker start-ups - a process that will intensify because of the crisis. One result, however, will be less competition. Technology start-ups able to complete financing rounds in this environment will have an advantage.

Governmental support measures: two pillar concept

The federal government is trying to ease the situation with a package of more than two billion euros aimed specifically at German start-ups. The initiative was announced on April 1, 2020, and over the past few weeks, the German Ministry for Economic Affairs and Energy (BMWi) and the Ministry of Finance have worked out the details together with the KfW Banking Group and KfW Capital. "Covid 19 must not be allowed to slow the growth of our highly innovative companies," said Thomas Jarzombek, the BMWi's point man on the digital economy and start-ups. "That is why we have worked hard to ensure that the two-billion-euro package of measures is ready and can now be accessed by start-ups and small and medium-sized companies. This is how we secure jobs and innovation in Germany."

The package of measures is based on two so-called pillars: In Pillar 1, called the "Corona Matching Facility," the government provides additional monies to venture capital funds so that investors can finance highly innovative and future-oriented start-ups despite the crisis. The idea is to protect young companies' growth during their development phases. The Corona Matching Facility uses existing cooperation with public partners such as KfW Capital and the European Investment Fund to quickly make public support available to start-ups via venture capital funds.

Pillar 2 is aimed at start-ups and small and medium-sized companies without access to the corona matching facility. It opens up further ways of securing financing. To this end, there will be close cooperation with Germany's 16 regional states, particularly via their investment authorities.

Taking advantage of accelerator programs

The [Digital Hub Initiative](#) and its network have also adapted many existing structures. Enabling start-ups, for example, to participate in accelerator programs like the top-ranked [SpinLab](#) [↗](#) - the HHL Accelerator in Leipzig. Within six weeks, the accelerator team went over to a digital format. That allows eight innovative teams to continue to work on energy, smart infrastructure and e-health topics in the coming semester. During the six-months program, startups receive help from a broad network of partners, investors, mentors and coaches in order to set up successful cooperation projects. The aim is to promote entrepreneurship and innovation in start-up funding in Leipzig and beyond.

Stability in start-up location Germany

These various measures illustrate Germany's reliability as an international start-up location. Conversely, start-ups represent a core strength of Germany's future-oriented and competitive economy.

The Corona crisis has had differing impacts on various parts of Germany's start-up landscape: Whereas travel and mobility start-ups have suffered sharp drops in sales, business software developers have thus far only experienced slower growth. Other segments such as collaboration tools or e-health even have good prospects of emerging from the crisis stronger. During the crisis, digital business models have proven remarkably robust.

The German start-up ecosystem will not disappear – that much is already evident. Compared with other actors in the economy, entrepreneurs and investors will be empowered and emerge from the crisis more quickly. The hope is that young tech companies will become even more central to the overall economy because they are more engaged in innovation and change and more adaptable than other sectors of the economy.

Introducing The Digital Hub Initiative



WE CONNECT TO INNOVATE. WE UNFOLD DIGITAL POTENTIAL.

- The Digital Hub Initiative **aims to position Germany as a globally leading digital ecosystem.**

Combining the innovative approach of entrepreneurs and startup talents with the profound resources and skills of established enterprises, the initiative creates digital business opportunities and adds cultural and economic value to both established and growing businesses.

- The Digital Hub Initiative **links together various fields of technological and economic expertise**, rooted in [twelve digital hubs across Germany](#).

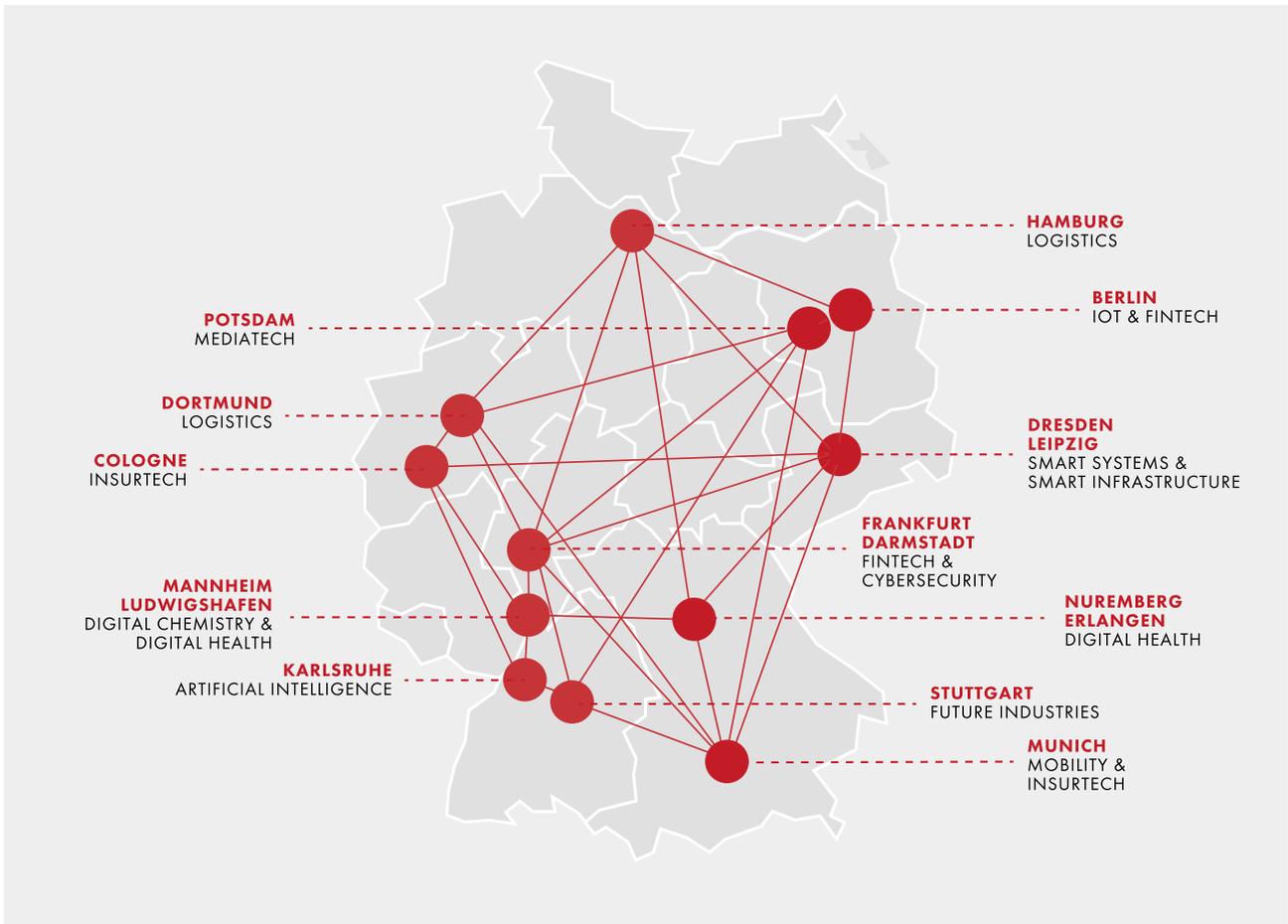
Each hub constitutes a unique innovation hotspot. Here, entrepreneurs, startups, corporations and research facilities cooperate to develop concrete programs for the challenges of the digital age. Together the twelve digital hubs form a strong network, enabling the exchange of experts, programmes and ideas.

- The Digital Hub Initiative **strives to build innovative solutions and bring economic growth** driven by strong market expertise.

Its goal is to strengthen Germany's position as a world-leading digital economy, whilst enabling international talents to realise their business ideas and inviting global companies to invest in the digital innovation built within this network.

The Digital Hubs of Germany

The Digital Hub Initiative hosts a total of 12 hubs. They are spread all over Germany with a specific industrial focus:



ONE DIGITAL NETWORK. TWELVE HUBS.

HUB	INDUSTRY
BERLIN	IOT
	FINTECH
COLOGNE	INSURTECH
DORTMUND	LOGISTICS
DRESDEN / LEIPZIG	SMART SYSTEMS
	SMART INFRASTRUCTURE

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	FINTECH	
FRANKFURT / DARMSTADT	CYBERSECURITY	
HAMBURG	LOGISTICS	
KARLSRUHE	ARTIFICIAL INTELLIGENCE	
	DIGITAL CHEMISTRY	
MANNHEIM / LUDWIGSHAFEN	DIGITAL HEALTH	
	MOBILITY	
MUNICH	INSURTECH	
	DIGITAL HEALTH	
NUREMBERG / ERLANGEN	MEDIATECH	
POTSDAM	FUTURE INDUSTRIES	
STUTTGART		

Not sure what exactly you are looking for? [Contact us](#)  for more information. We are happy to help!

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