Press Release | Brexit
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New Record: Foreign Direct Investment in Germany

The US is the number-one foreign investor in Germany, and Brexit makes UK firms look abroad.

Berlin (GTAI) - 2,062 foreign companies opened up businesses in Germany in 2018 – a new record. That is the result of the FDI Report drawn up by Germany Trade & Invest (GTAI). The EU is the most important source of Greenfield and expansion projects in Germany. The US holds its position as the top investor country leading the way with 345 investment projects – also a new record. The Americans were followed by Switzerland (229 projects), China (188) and the UK (168).

The number of British firms established in Germany since the Brexit referendum (2016 - 2018) has risen by 34 percent. Meanwhile the number of new Chinese companies in Germany fell by 33 percent compared to the same period (2016 – 2018). The number of mergers and acquisitions (M&As) also went up, from 1925 in 2017 to 2825 in 2018 – an increase of more than 47 percent.

"These figures conclusively demonstrate that Germany is a popular investment location for foreign companies. Never before have so many British companies set up their business in Germany as last year. Around 45 percent of all British companies surveyed by GTAi said that Brexit had played a role in their decision to invest in Germany," says Germany Trade & Invest CEO Robert Hermann. "Many investors appreciate the positive environment for establishing a business in Germany. The size of the German market and its position within the EU are also powerful arguments."

The most popular sectors last year were business and financial services, followed by IT, communications and software, consumer goods, and machine and parts manufacturing. Roughly a third of foreign companies concentrated on marketing and distribution while 17 percent used Germany as a location for production and R&D.

FDI Reporting 2018 (Germany)