

Press Release

Start-ups and R&D both in the limelight

Capital fund given green light to expand generous conditions

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Berlin (gtai) - Germany's industrial strategy of becoming a centre for innovative small-to-medium enterprises (the Mittelstand) took another step forward on Monday, as Minister for Economic Affairs and Energy Sigmar Gabriel officially launched an extension to the INVEST 2.0 programme, a capital fund designed to assist investors with their first steps into the German start-up market.

The fund gives investors in young companies up to €100,000 in add-ons, more than double the previous possible amount, as well as a tax rebate on capital gains. Some 2,700 investors have already been helped as a part of the INVEST programme, adding a capital injection into the German economy of some €200m overall. The news comes on the same day as a study released by Germany's Stifterverband, a nationwide business initiative of companies and foundations, announced that the German government and companies spent a record sum on research and development in 2015. The €64.2bn overall sum represented a 9.5% increase on 2014.

The auto industry was identified as the leading industry, spending around 30% of the overall total as e-mobility and autonomous driving become integral to the future of mobility. "Both these pieces of news showcase how smoothly the German strategy of maintaining and cultivating an innovative Mittelstand is progressing," said Achim Hartig, Managing Director Investor Consulting at Germany Trade & Invest, Germany's economic development agency. "Research and investment are crucial aspects to Germany's strong position as a global hub for young and innovative tech companies. The more active capital is attracted into Germany's Mittelstand landscape, the more chance the huge number of useful innovations being worked on here have of getting themselves into a proper position within the market cycle. Risk for investors is softened, while Germany's track record as an innovation location should underline the potential for enormous value to be created here."

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