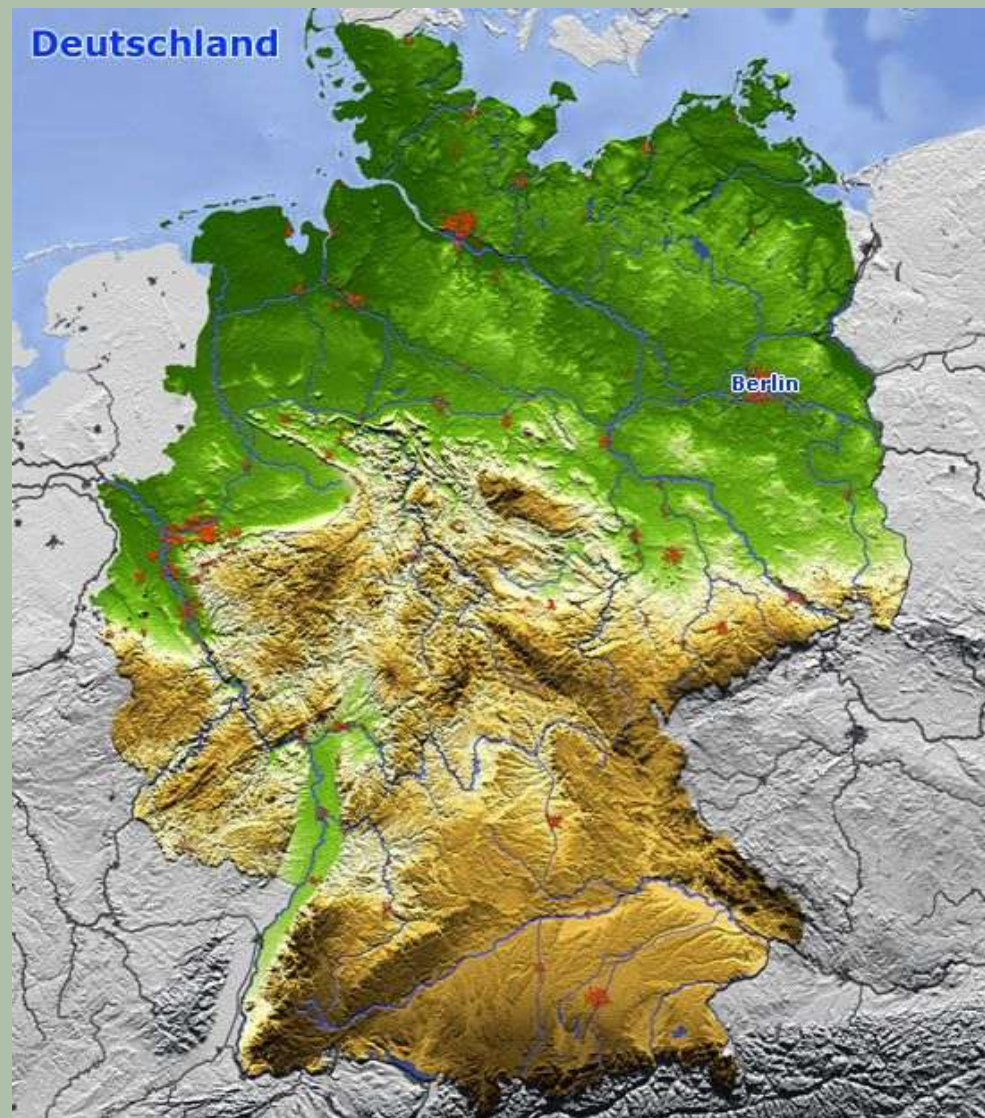


Germany – Sick Man of Europe?

Where Has All the Growth Gone?

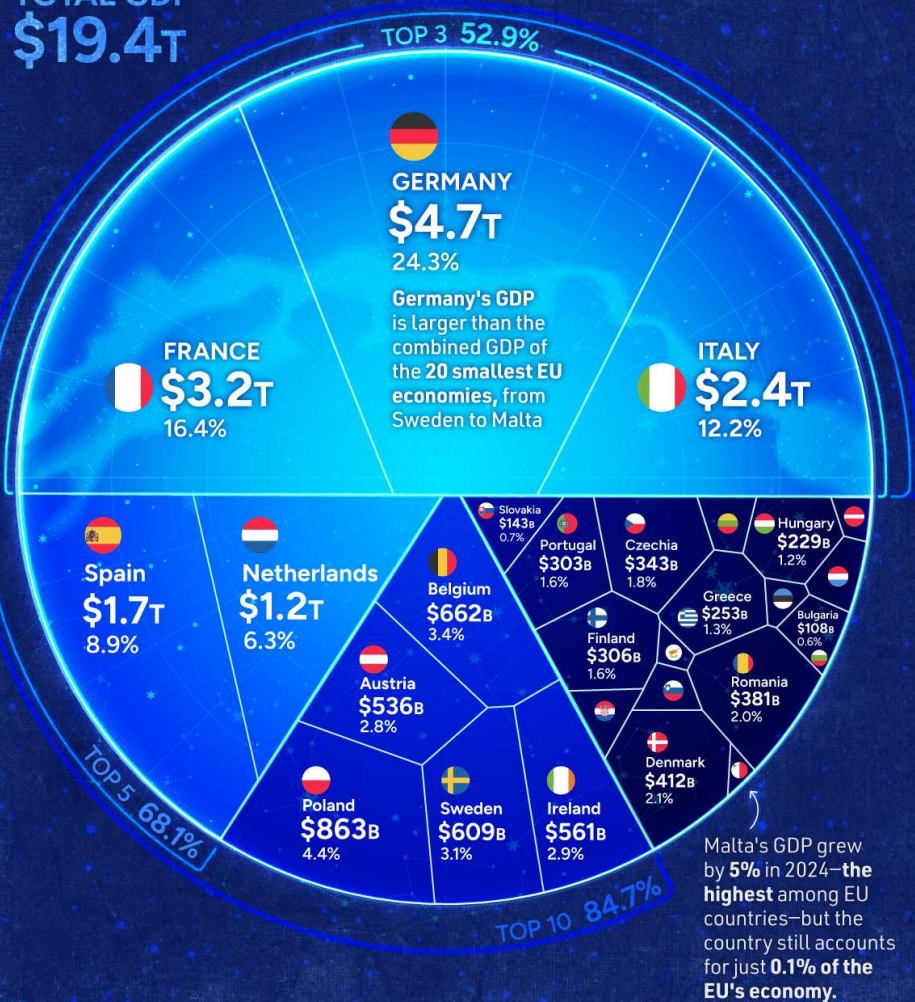
Holger Sandte
2 October 2025





European Union GDP

TOTAL GDP
\$19.4T



Germany

- › Largest GDP and population in the EU
- › Globally the 4th largest economy, 3rd largest exporter and importer
- › High degree of trade openness for an economy that size
- › Large current account surpluses
- › Larger share of (energy-intensive) industry than many other high-income countries
- › Moderate public debt, AAA-rated
- › High degree of political stability



Source: International Monetary Fund (2024)

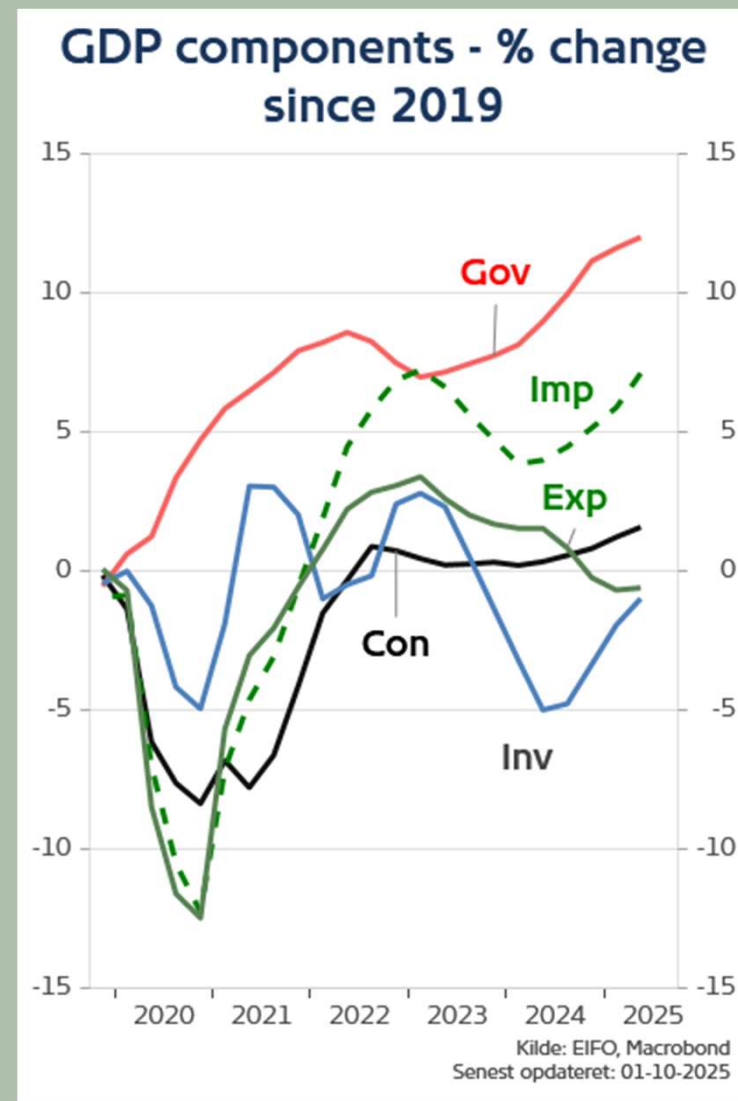
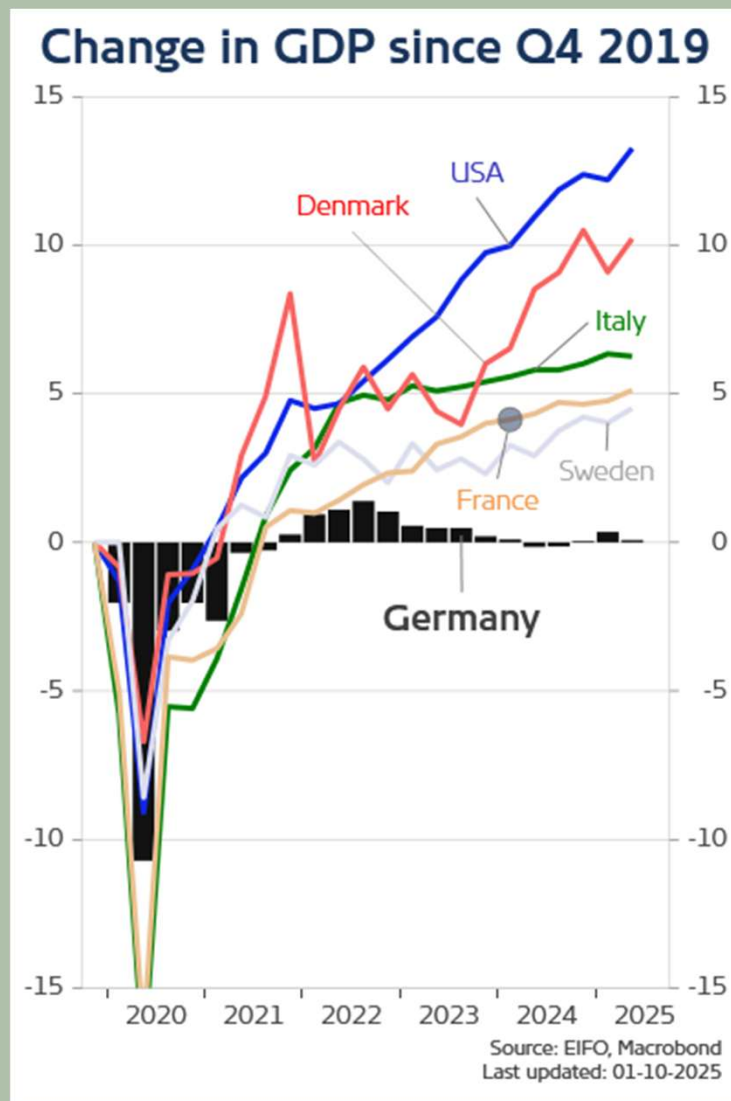
voronoi
BY VISUAL CAPITALIST

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No GDP Growth in Germany Since 2019



Germany in the World Competitiveness Ranking (IMD, 67 countries)

Rank over time



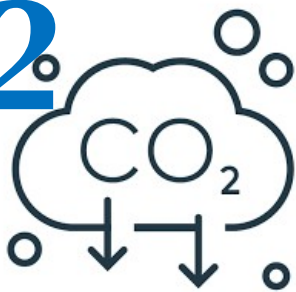
- | | |
|---|-------------------------------|
| 1 st Singapore | 13 th Australia |
| 2 nd Switzerland | 14 th China |
| 3 rd Denmark | 15 th Finland |
| 4 th Ireland | 16 th Saudi Arabia |
| 5 th Hong Kong SAR | 17 th Iceland |
| 6 th Sweden | 18 th Belgium |
| 7 th UAE | 19 th Canada |
| 8 th Taiwan (Chinese Taipei) | 20 th Korea Rep. |
| 9 th Netherlands | 21 st Bahrain |
| 10 th Norway | 22 nd Israel |
| 11 th Qatar | 23 rd Luxembourg |
| 12 th USA | 24 th Germany |

Challenges

1



2

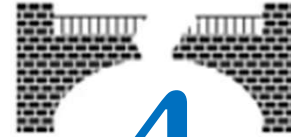


3



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4



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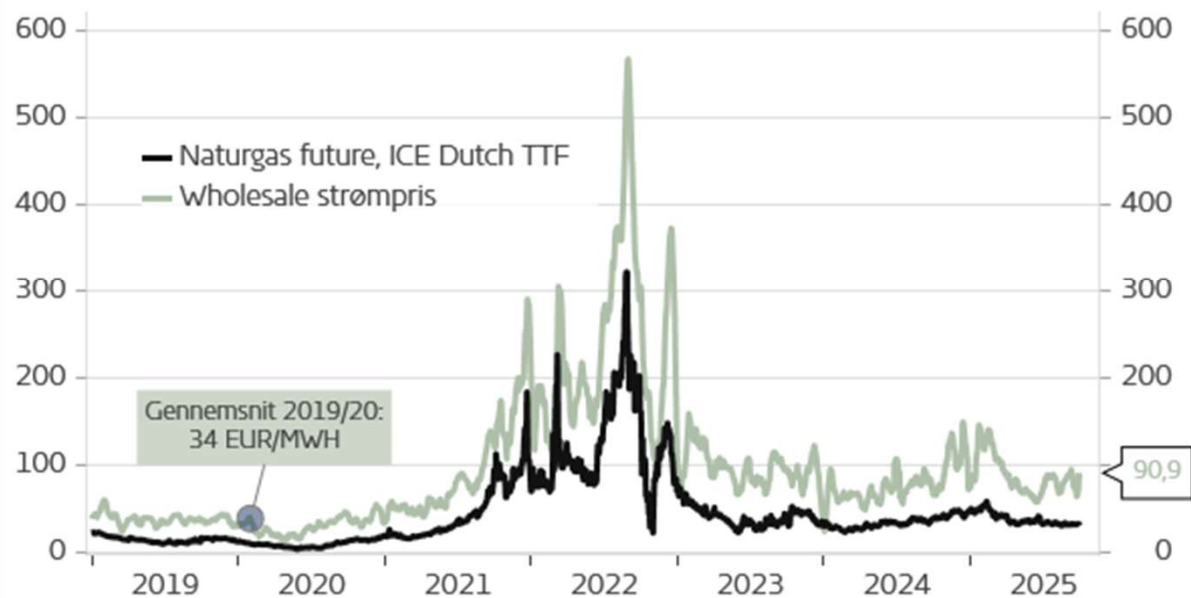


6



Germany: Electricity and Gas Price

EUR/MWh



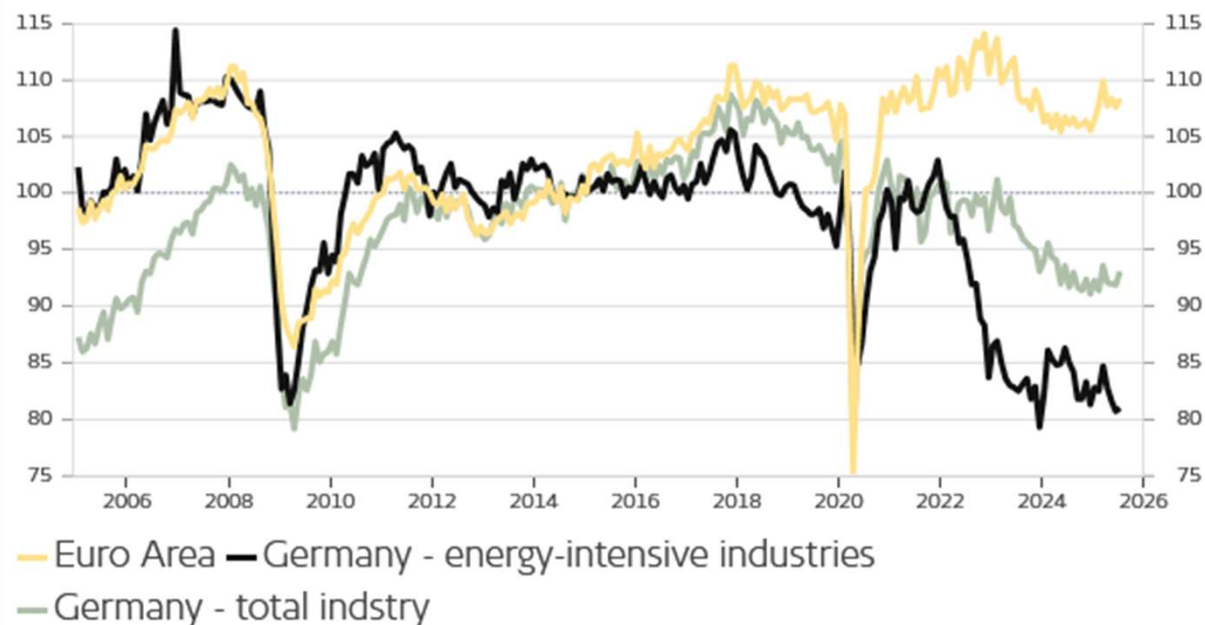
Kilde: EIFO & Macrobond
Senest opdateret: 01-10-2025



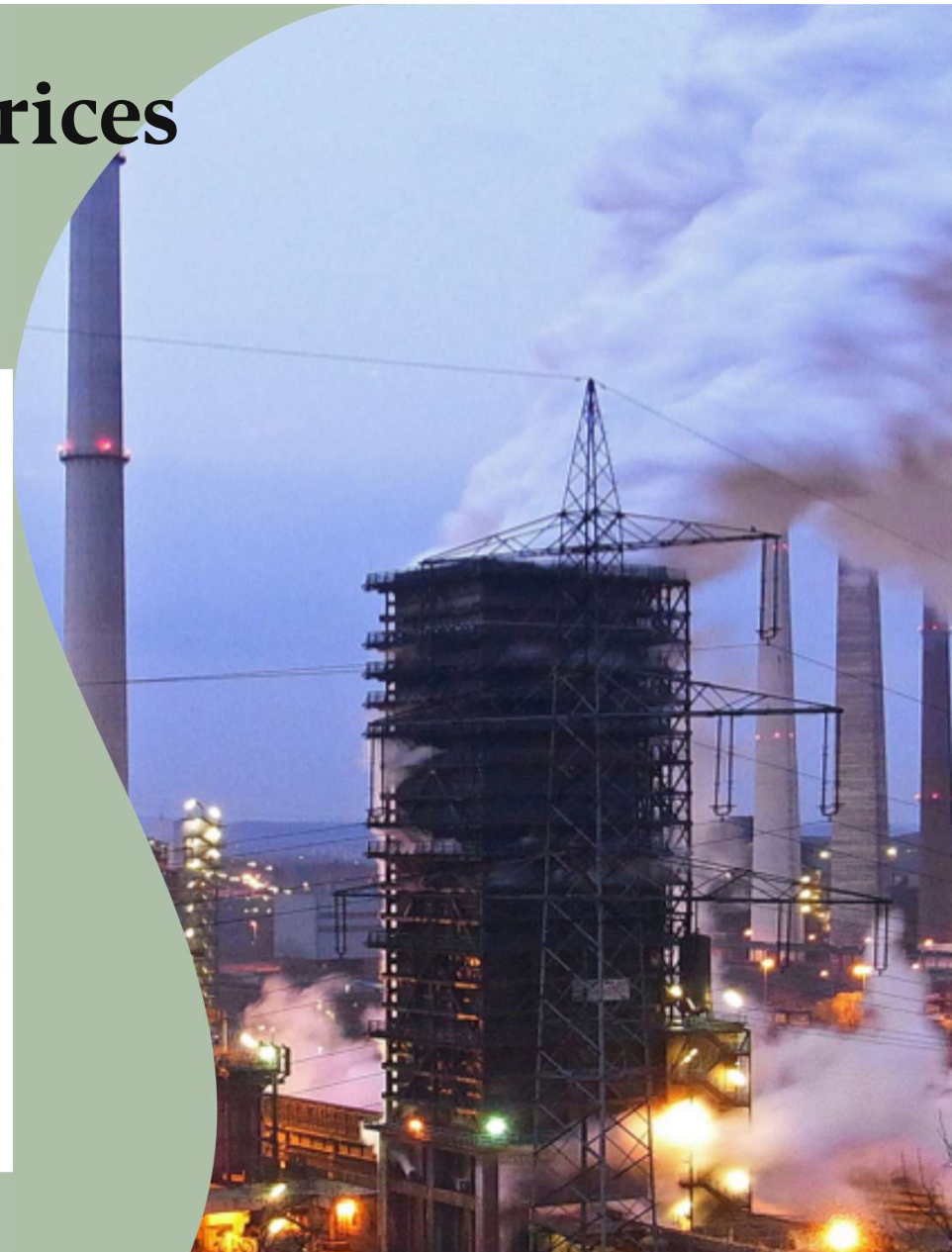
Permanently higher energy prices → Deindustrialisation?

Higher energy costs strike a blow to German industry

Industrial production, Jan. 2015=100

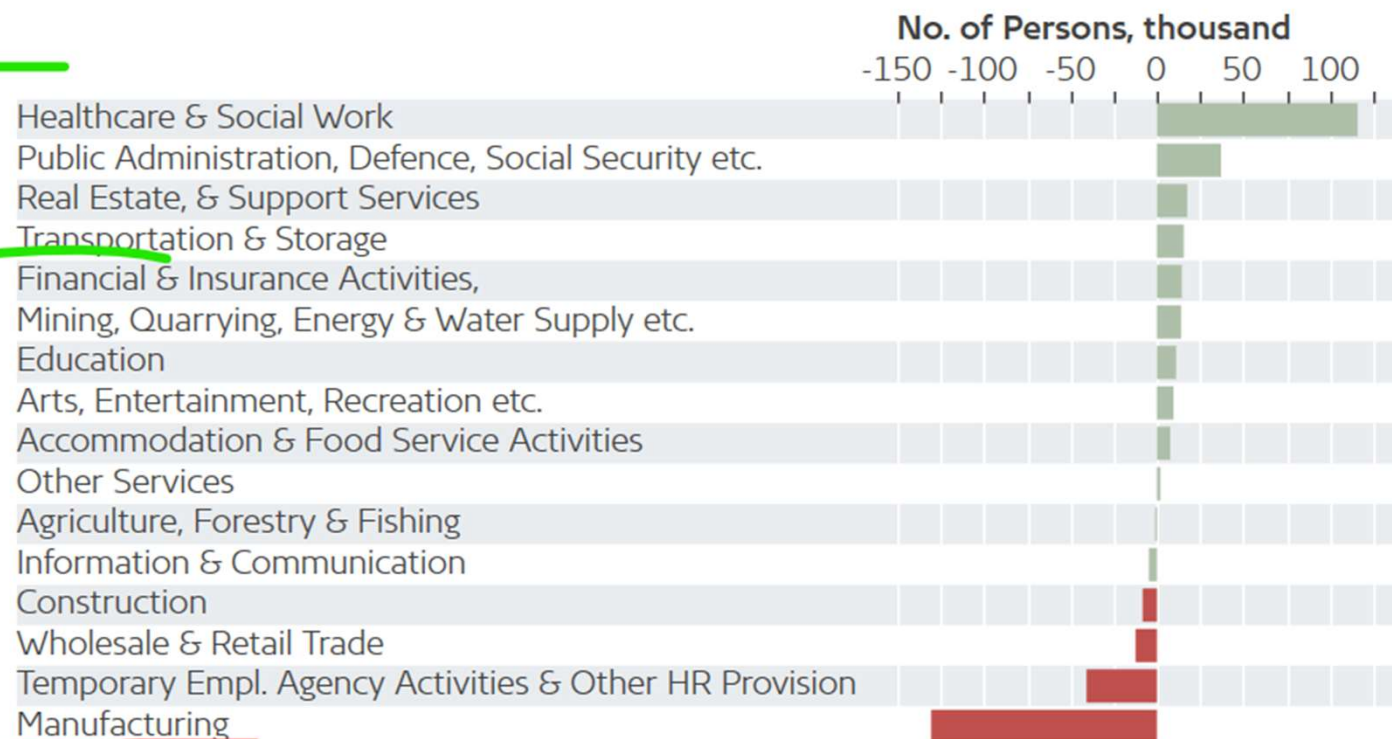


Source: EIFO & Macrobond



- **10.000 industrial jobs** each and every month

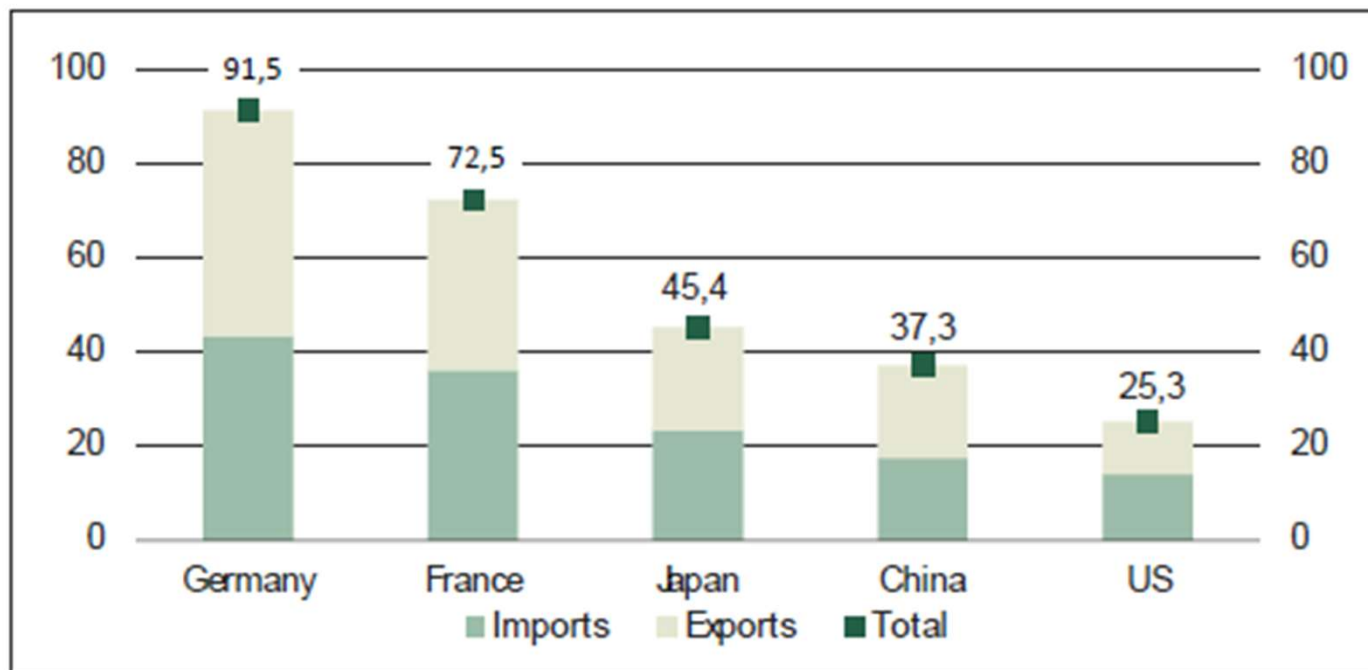
Jobs gains and losses during the most recent 4 quarters



Source: EIFO, Macrobond
Last updated: 27-09-2025

Trade Openness in Selected Countries

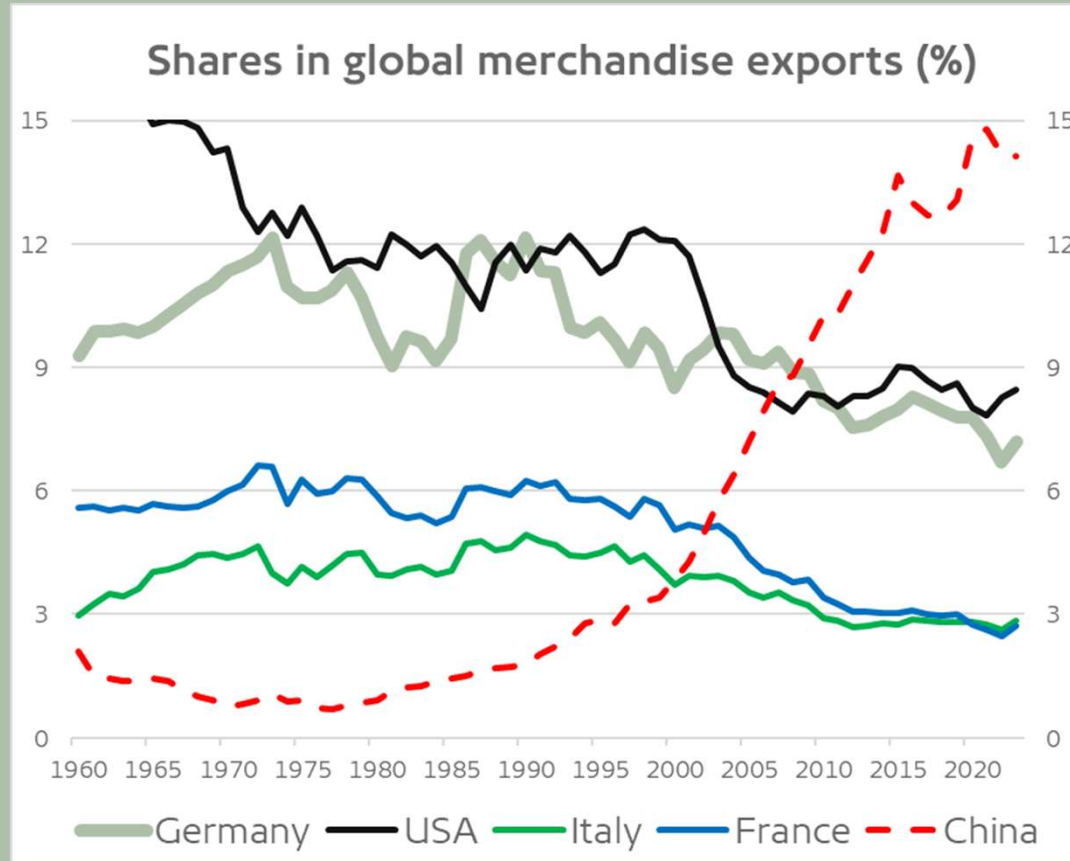
Figure 1. Exports and Imports of Goods and Services as % of GDP (2023)



Source: World Bank











China's impressive rise



How dependent German DAX companies are on China and the Asia-Pacific region

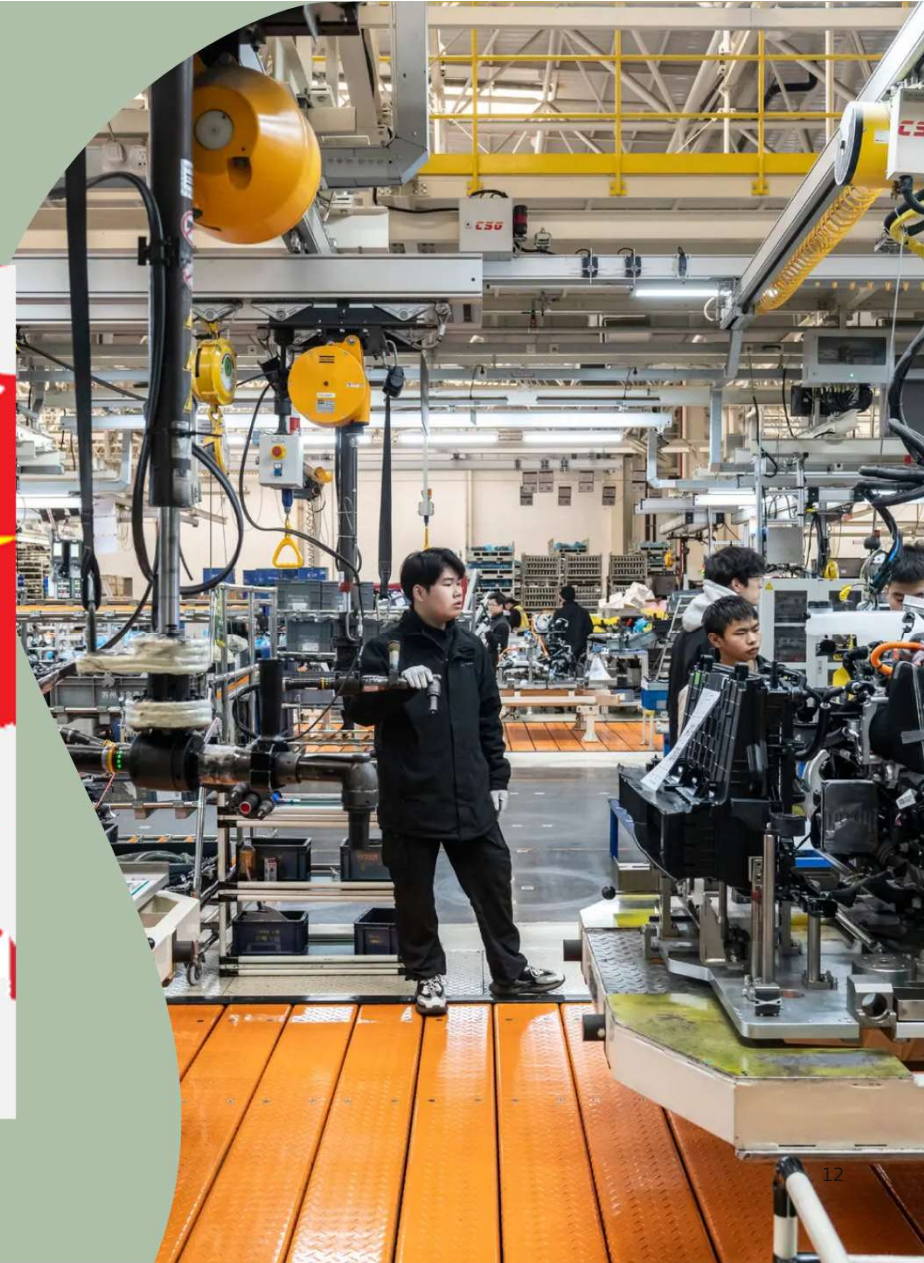
Share of sales in percent

Company		Asia Pacific	thereof China
Volkswagen		40.2	36.3
BMW		42	32
Infineon		58	32
Mercedes Benz		40.4	30.9
Porsche		24.8	24.8
Covestro		32.7	21
adidas		26.0	15
BASF		25.4	14

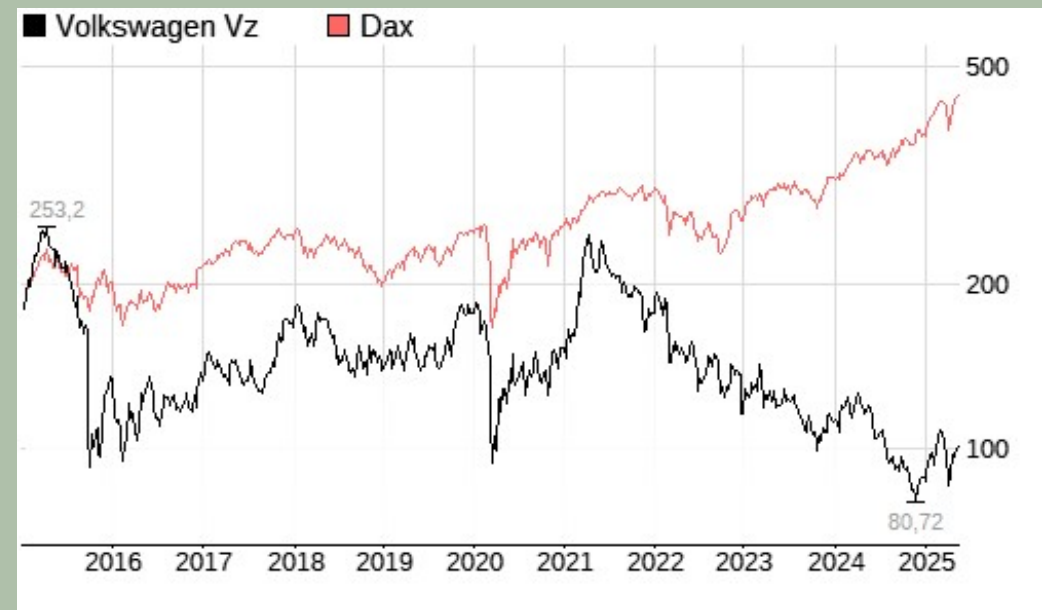
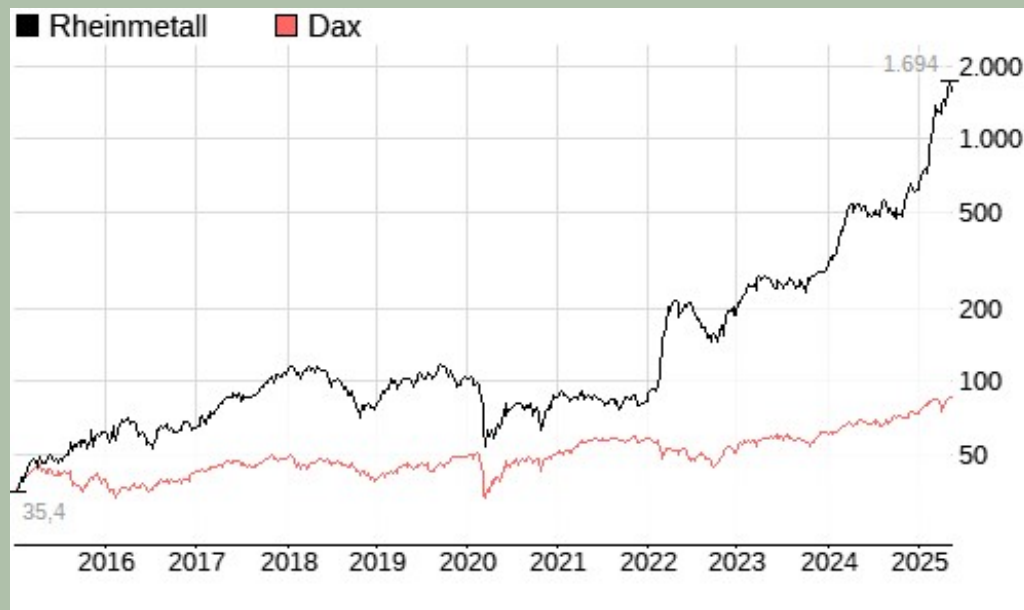
 www.Table.Media

Source: GTAI 2024

European Countries' Largest Trading Partners

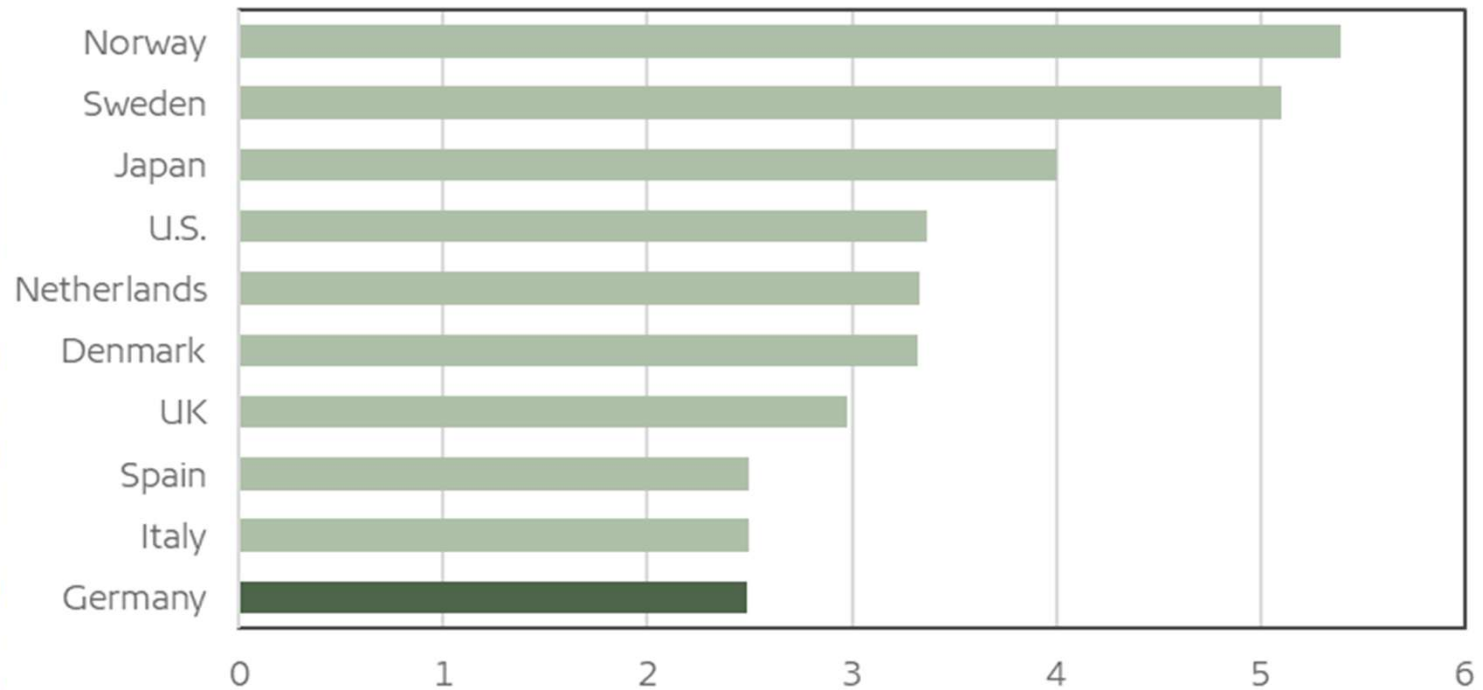


Equity Markets Betting on the New Germany



Low public investment

Gross Public Investment, % of GDP, 2018-22 average



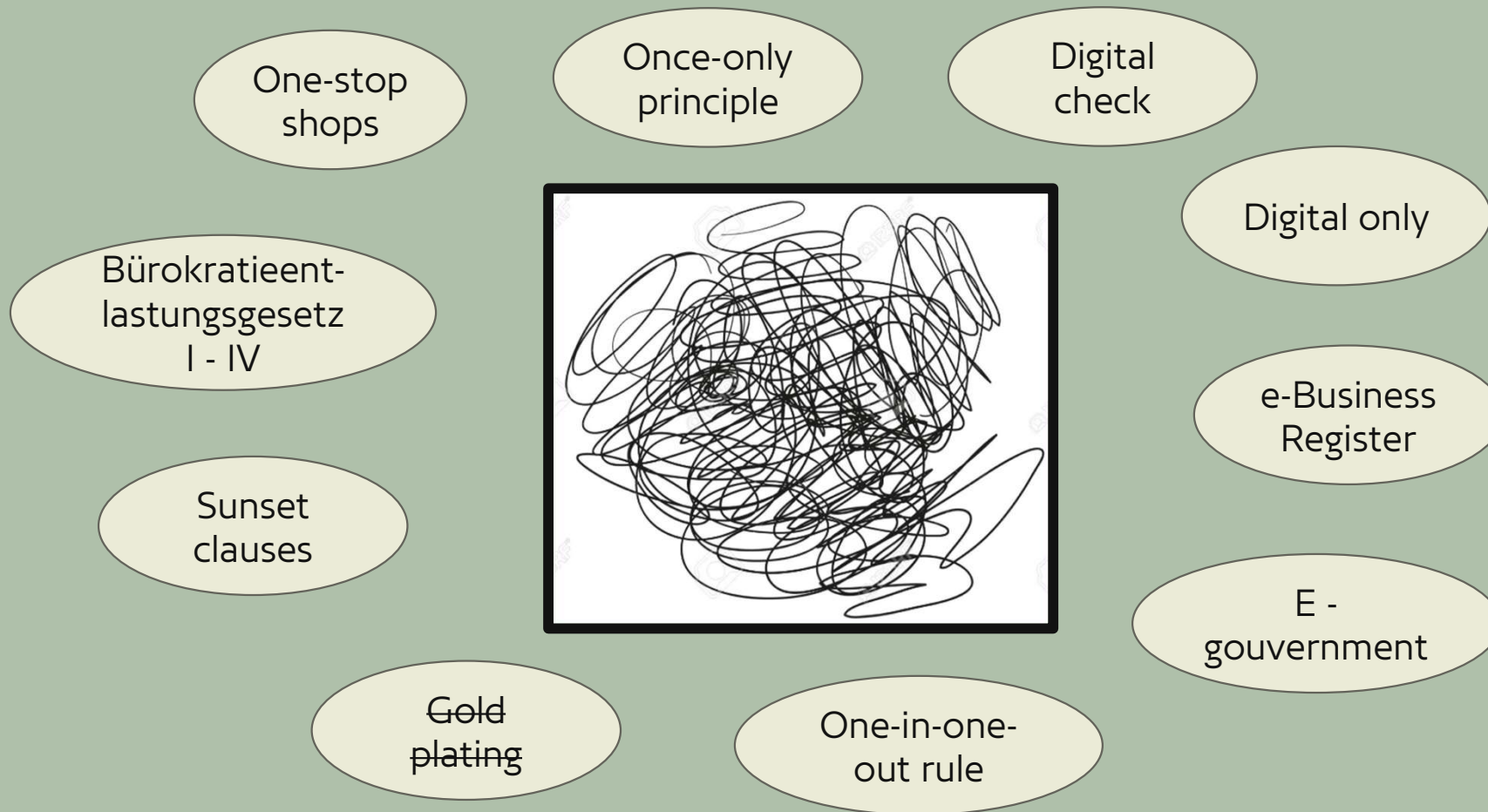
Not much change in Germany's tax ranking

International Tax Competitiveness Index (OECD countries)

	Overall Rank (number of countries)	Corporate tax Rank	Indiv. taxes Rank	Cons. Taxes Rank	Property taxes Rank
2024	16 (38)	31	35	13	12
2023	18 (38)	31	35	14	12
2022	15 (38)	30	26	15	11
2020	15 (34)	29	25	12	11
2015	17 (34)	23	13	13	31

Source: Tax Foundation, International Tax Competitiveness Index, different years.

Promoting digitization and fighting red tape



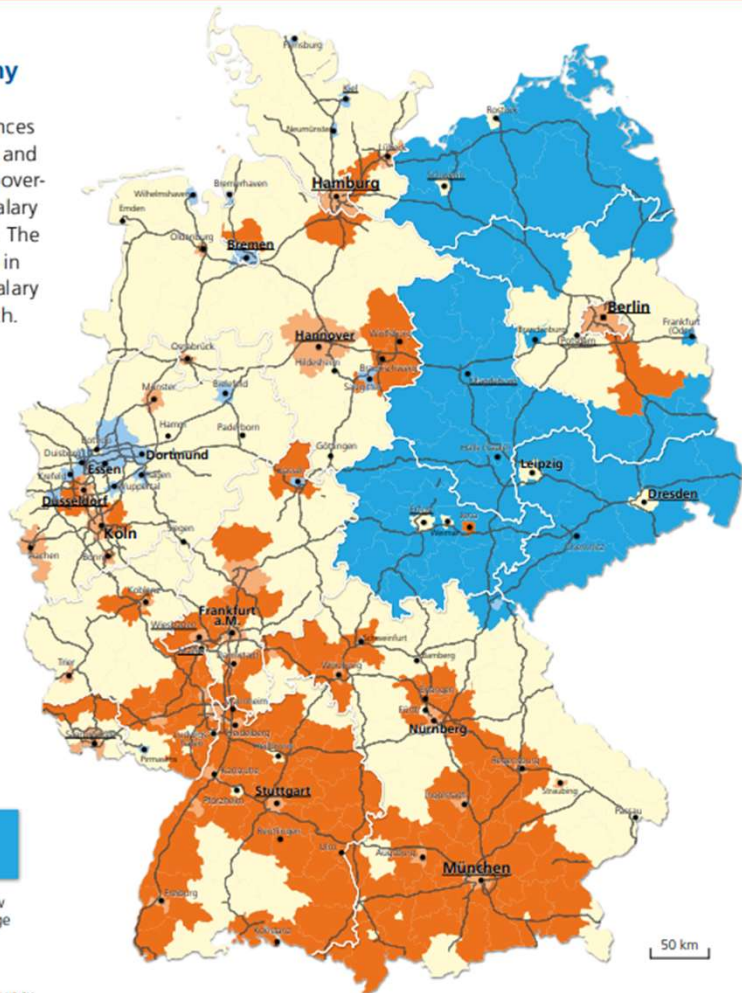
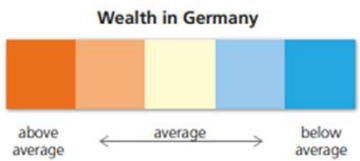
Company headquarters



FIGURE 2

Wealth and poverty in Germany

The five spatial areas represent differences in wealth and poverty across Germany and are based upon four indicators: child poverty, old-age poverty, average monthly salary by residence, and average rental costs. The order of the spatial areas as illustrated in the key is based on average monthly salary as the main indicator of regional wealth.



Source: Authors, based on Bertelsmann Stiftung: Federal Employment Agency statistics, regional statistics, Empirica, GeoBasis-DE/BKG 2021

Federal Election results in 2025

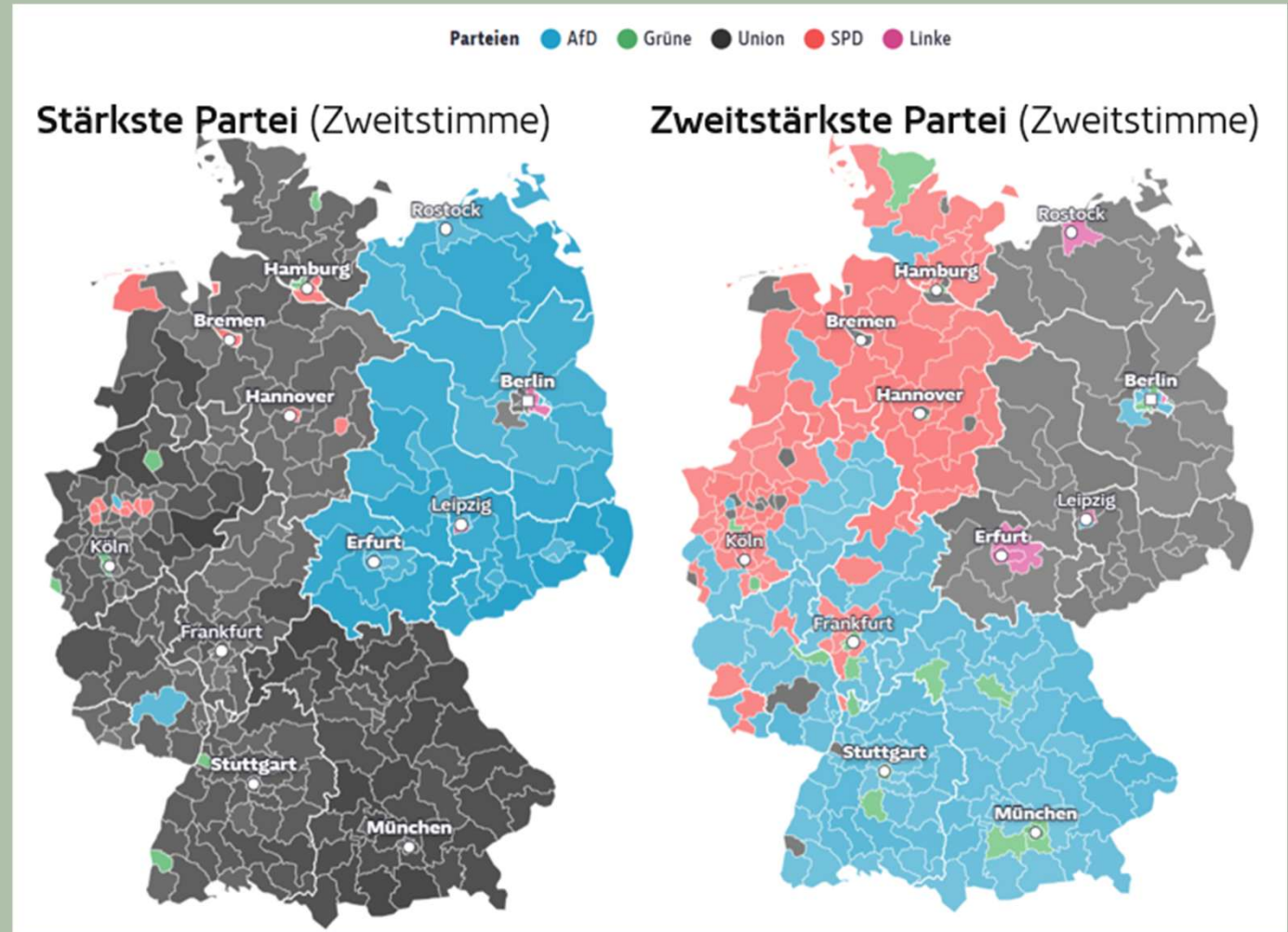
Union: CDU/CSU centre-right, conservative party

SPD: centre-left, social-democratic party

Grüne: centre-left, green party

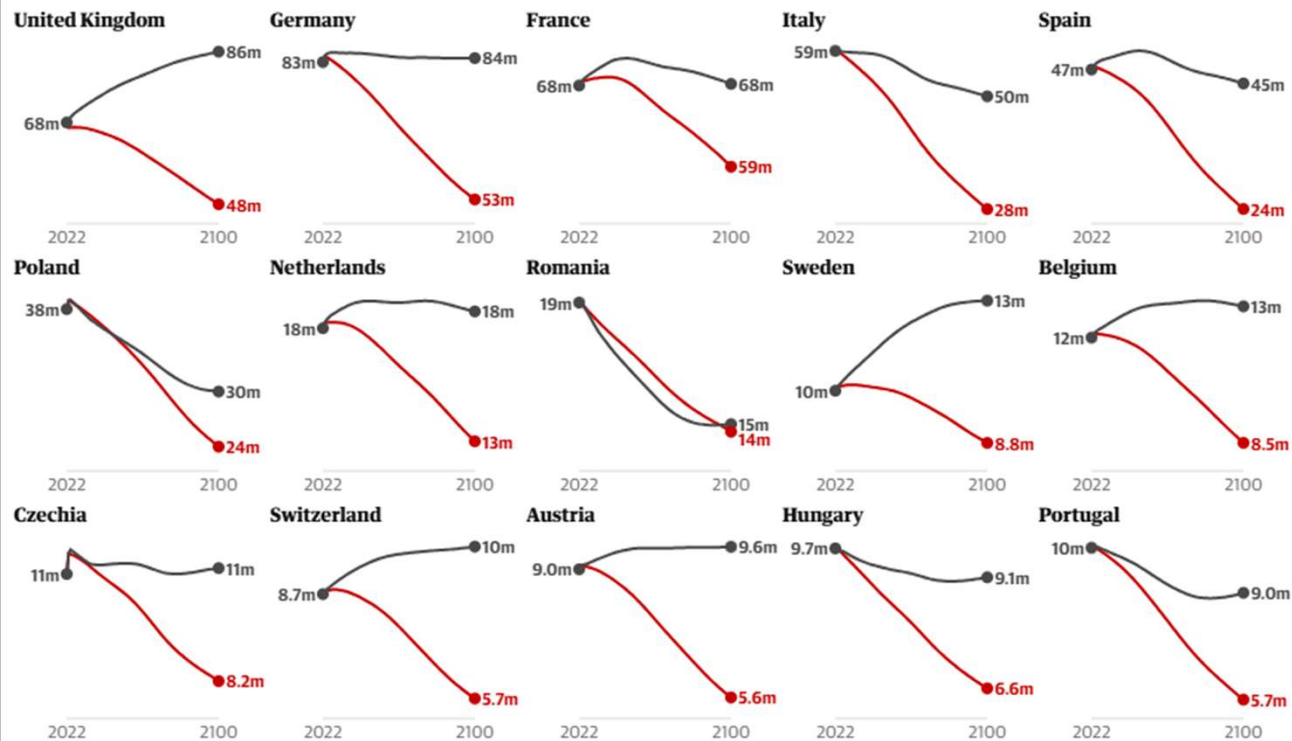
AfD (Alternative für Deutschland): right-wing, national-conservative party

Linke: Left-wing socialist party



Europe faces large population declines without immigration

Population projections across Europe, scenario **with migration** versus scenario **without migration**



Guardian graphic. Source: Eurostat population projections, UK Office for National Statistics. Scenario with migration is based on a country's average net migration levels from up to 20 years ago, depending on data availability. Scenario without excludes this input in the projection model and is based on natural population dynamics

[Show more](#)

Europe's population crisis: see how your country compares – visualised | Migration | The Guardian