Investing in Germany today

Materializing the Chances for Profitable New Business in Europe´s Industrial Powerhouse

Your Gateway to Germany

A fresh new look on the world's #3 Economy and Europe's #1

In a volatile world of conflicts, tensions and uncertainties, Germany remains one of the most attractive destinations for international investors. Germany offers stability, reliability, rule of law and safety for long-term investors and has one of the most innovative and technologically advanced ecosystems with a global footprint. In 2024, 1,724 foreign companies chose Germany newly for greenfield and expansion projects, representing an investment volume of EUR 23.2 billion – the third-highest result ever, according to Germany Trade & Invest (GTAI). Foreign enterprises play a vital role in the German economy: more than 40,000 foreign-controlled companies generated revenue of more than EUR 2.2 trillion which represents more than one-fifth (22 %) of the revenue of all companies operating in Germany.

"The highest-rated factors are public safety, political stability, attractiveness to foreign investors, the logistical location in Europe, the size and purchasing power of the local sales market, and the outstanding research landscape. These location factors continue to form the stable and solid foundation on which international companies plan and develop their activities in Germany.

The reform agenda of the federal government, Germany's major upcoming transformation tasks, the comprehensive package for financing infrastructure projects, and defence spending are also viewed positively. The international companies surveyed see great opportunities for profitable new business in these areas and are, therefore, planning investments in Germany."

Andreas Glunz
Managing Partner
International Business

Scan here:
International
Business Website

Germany´s strongest location factors

- **Public safety and political stability** are Germany's top 2 location factors for international investors; 66% resp. 65% rank Germany among the Top 5 within the EU.
- 63% perceive Germany as one of the five most **attractive locations for foreign investors** in the EU.
- The **central logistical location in the heart of Europe** is also highly valued by 58%.
- 57% perceive Germany as one of the five **most attractive sales markets in the EU** in terms of **size** and **purchasing power.**
- **Germany** is assessed as a **future-oriented R&D, innovation and technology center** in the EU; 52% rank Germany among the top 5 in the EU.

Some of the main reasons to invest in Germany

Reform agenda of the German Federal Government

- Modernization agenda for state and administration
- Reduction of bureaucracy
- Social & Tax reform

Major transformations in Germany

- Energy transition
- Digitization, Data center, AI infrastructure, Chip industry
- Physical infrastructure modernization
- Expansion of defense capabilities
- Strengthening the pharmaceutical sector's independence
- Reduction of dependencies from rare earths
- Various high tech sectors, e.g. quantum technologies

EUR 1,000 billion infrastructure and defense package

- Modernization of physical and digital infrastructure
- Expansion of defense capabilities

Source: Business Destination Germany 2026

Germany: Europe´s Economic Powerhouse

1st	**2nd**	**3rd**	**3rd**	**3rd**
in population, industrial base and GDP in Europe	**in Europe by number of university graduates**	**biggest FDI stock in Europe**	**largest economy in the world**	**largest export nation**
2025	2026	2025	2026	2026

International investors see opportunities in Germany

Since 2016, KPMG is surveying international investors biannually on Germany's attractiveness as a business location.

According to respondents, the top 3 drivers of new investment in Germany are: the **German government´s reform agenda** (19%), the **business opportunities arising from major transformation tasks** (17%) – particularly the energy transition, climate neutrality and digitalization – and the **German infrastructure and defense package** (17%).

Approximately one-third (31%) of respondents plan to increase their **investment in Germany** in the coming year, and 27% plan to invest more than EUR10 million.

48% of them **expect their economic situation in Germany to improve** over the coming five years.

Germany remains in the upper-mid range in an EU comparison for about half of the location factors.

Germany is among the leaders or the top five countries in the EU with regard to

public safety (66%),

political stability (65%) and

attractiveness to foreign investors (63%).

57% rank Germany among the top five countries in terms of the **size and purchasing power of its local sales market**, and 54% in terms of **technological openness** and an **innovation-friendly environment.**

52% rank Germany among the **top five research locations** in the EU, and 51% rank it among the top five countries for the **practical application of research**.

60% of the international companies surveyed use Germany as their European headquarters, and 63% use it as a base for activities outside of Europe.

Business Destination Germany 2026

International investors see opportunities in Germany, yet challenges remain. Explore what CFOs are prioritizing now, which location factors matter most.

Download now

Opportunities for your investment in Germany

Germany's strengths as an investment destination

Germany is not only Europe's largest economy; it is also a hub for innovation and industrial leadership. Supported by a EUR 500 billion investment program, the country is accelerating its transformation in key strategic sectors. Regions such as Saxony – often referred to as **Germany's "Silicon Valley"** – are attracting multi-billion-euro investments in semiconductors, while major data center investments are concentrated in Frankfurt am Main, creating exceptional opportunities for foreign investors.

Industries with the biggest potential for EU market entrants

- Related to **climate change**
  - Climate-neutral energy solutions (Photovoltaics, wind, hydropower)
  - Battery storage systems
  - Electric vehicles (EVs)
- Related to **sovereignty of EU**
  - Circular economy/ Recycling business
  - Pharmaceuticals
- Related to **infrastructure weakness**
  - Physical infrastructure (roads, bridges…)
  - Digital infrastructure (connectivity, networks…)
- Related to **future technologies**
  - Physical robots
  - Advanced manufacturing
  - Urban Aerial Logistics
  - Biotechnology
- Related to **defense**
  - System providers and SMEs
  - Weapons for land forces


Hamburg
Bremen
Berlin
Wolfsburg
Salzgitter
Muenster
Dortmund
Essen
Duesseldorf
Cologne
Aachen
Jena
Erfurt
Dresden
Frankfurt
Mainz
Saarbruecken
Heidelberg
Karlsruhe
Stuttgart
Munich
Defense
Data Center
EV & Battery Storage
Life Science & Pharma
Automotive
AI
Semiconductors/Chips
Green Tech

We know your business

Are you seeking profitable investment opportunities in one of the world's most dynamic economies? Whether you are an experienced investor or entering the global market for the first time, one requirement remains the same: your advisors must understand both the local market and the economic and cultural context of your home country. We support you at every stage of your market entry:

Why is KPMG your ideal partner?

KPMG in Germany offers years of experience and a global network of partners. We go beyond advice by delivering insight, cultural understanding, and practical, tailored solutions.

- **„Facilitator"**, who deeply understands the background/position/thinking of the foreign investor
- **Relevant insights – tailored** to your demands and explained appropriately
- **One-stop shop – removing** complexities of Europe and EU regulations

What is special about Europe?

- **49 countries** (thereof 27 are members of the EU), **all with widely differing regulations, habits, languages, working styles and cultures**
- Just as many **individual local KPMG member firms,** all with **different structures and leadership** and often divergent, if not even competing interests and investment areas

What is special about a foreign investor entering the European market?

- **Limited knowledge** regarding the regulatory environment, cultural nuances, do´s and don'ts
- **Limited network and partner connections**

Market entry strategies

Possible market entry options

- Build/invest (Greenfield)
- Joint venture/ Public-Private Partnership (PPP)
- Buy/acquire (M&A)
- Brownfield

1 Assessing

- Assessment of market access constraints
- Evaluation of political, regulatory, and operational risks
- Assessment of the rationale for shared control
- Definition of the strategic role (financial vs. industrial)

2 Designing

- Definition of the target partner archetype (public, private, operator)
- Design of governance principles (control, veto rights, economic interests) Risk-sharing philosophy
- Definition of the risk-sharing framework and philosophy
- Testing of strategic alignment and partnership fit

3 Structuring

- Development of the JV/PPP entry and operating model
- Definition of the partner value creation logic
- Design of governance structures and decision-making rights
- Definition of exit mechanisms and flexibility options

4 Committing

- Evaluation of concession and JV terms
- Assessment of risk-adjusted returns
- Alignment of stakeholder and public-sector interests
- Final evaluation and investment entry decision

5 Scaling

- Management of ongoing partner relationships
- Evaluation of strategic option development (step-in, step-out, expansion)
- Monitoring of performance and strategic alignment
- Assessment of repositioning and consolidation opportunities

KPMG offerings are modular & tailored to your specific needs

Pre-phase
Planning, designing and implementation

- **Location** assessment and planning
- **Foundation services*** & **Contract assistance***
- **Subsidy** application and management*
- **Business planning support**

Build-Phase
Preparation for regular operation

Core business processes

Procurement & inbound logistics	Production	Sales & outbound logistics
Development **of sourcing strategy**	Planning, setup and optimization of **production process**	**Sales channel** optimization
Digital contract lifecycle management	**Cyber Security** Advisory in **production process**	Establishing **key-account management**
Inbound logistics		**Distribution** logistics
Setting up the **procurement department** (including processes, controls and tools)		**Aftersales & other services**

**Legal services are provided by KPMG Law*
*Note: various of the above services are offered as **managed services** (depending on auditor status of KPMG)*

Legal services*
(Employm. Law, Legal Real Estate, Environm. and Planning Law, Legal Financing Assistance and Public Procurem. Law)

Debt financing/raising
(Optimizing/securing sources of financing)

Capital raising

Construction advisory
(Project mgt., cost mgt., mechanic. & electric cost mgt.)

Tax efficient structuring
of your investment and supply chain

Support processes

HR	Finance and accounting	Tax	IT
Cultural trainings	Analysis of **GAAP differences**	**Corporate tax** and **international tax planning**	Design and implementation of **Digital/IT Strategy**
Global mobility services	Implementation of **reporting structures** (financial and non-financial/CSRD)	**Transfer pricing**	**Cloud** & **Technology sourcing**
Work from anywhere	**Bookkeeping** support: **continuous** und **ramp-up**	**Customs** and **duties** (incl. CBAM management)	**Implementation** of **IT systems** and **modules**
Development of a **recruiting strategy**	**Accounting** advisory	**Expatriate taxation**	
Setting up an **HR department**		**VAT/indirect** taxes	
External staff-management system*		**Tax CMS**	

Implementation of **Shared/Outsourced** Services

Our expertise – Your benefit

Audit

Our **Audit services** – comprising Attestation and Finance & Governance Advisory – are designed to empower **international investors** with confidence and clarity when entering the **German market.**

Attestation focuses on the audit of annual and consolidated financial statements, ensuring full compliance with both German and international accounting standards. By combining advanced technology with deep local expertise, we deliver consistently **high-quality audits.** This approach enables foreign investors to build trust with stakeholders, meet regulatory requirements, and operate transparently within Germany's business environment.

Finance & Governance Advisory supports investors across key financial milestones. Whether preparing for **market entry,** navigating an **IPO,** or managing post-deal integration, our experts provide strategic guidance on financial reporting, internal audit, compliance, and sustainability.

We help identify risks and uncover opportunities – providing investors with the insights needed to make **well-informed decisions** and establish a strong foundation for **long-term success in Germany.**

Carsten Nölgen
Partner, Head of International Business Audit, KPMG
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Deal Advisory

Our **Deal Advisory services** support international investors throughout every stage of their investment journey in Germany, with a focus on **sustainable value creation** and long-term success.

Whether you require support with **M&A transactions,** financial due diligence, valuations, capital markets advisory, or accounting advisory, our specialists provide **actionable insights** and practical solutions tailored to the German market.

Through our **KPMG Diligence+** approach, we combine **risk assessment** with the identification of value enhancement opportunities, helping investors make informed decisions and maximise investment outcomes.

By combining local expertise with a strategic perspective, we help international investors navigate complexity, **unlock value potential,** and successfully grow their presence in Germany.

Christian Specht
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Law

Our legal experts at KPMG Law offer **360° legal support** to help international investors confidently navigate the German business landscape. With extensive experience advising global clients, our lawyers provide pragmatic, tailored guidance across all phases of **market entry and expansion.**

Whether you are conducting **legal due diligence,** negotiating share purchase agreements (SPA), or implementing cross-border tax optimization and entity restructuring, we ensure your investments are **legally sound and strategically structured.**

We also help **mitigate risks** and ensure compliance with **German and EU regulations** – including antitrust, data protection and foreign trade law – to avoid sanctions and reputational damage.

Our team supports global entity management, contract lifecycle optimization, HR legal structuring and immigration challenges, enabling **smooth operations and workforce mobility.**

Dr. Dr. Boris Schilmar
Partner, Head of International Business Legal, KPMG Law
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Managing Partner
International Business
Andreas Glunz

Performance & Strategy

Our Performance & Strategy specialists support international investors in enhancing profitability and adapting their business models to succeed in the **German market.**

In today's dynamic economic environment, **performance optimization** is critical – particularly for publicly listed companies under investor scrutiny. We offer a holistic approach that combines financial restructuring, operational reorganization, and strategic execution to stabilize operations, boost earnings, and ensure **long-term profitability.** Leveraging deep functional expertise and hands-on implementation experience, we deliver **measurable results** across the entire value chain.

Through close collaboration with KPMG's Deal Advisory and Consulting teams, we provide **integrated solutions** that align strategy with execution – enabling foreign investors to **compete effectively** and thrive **in Germany's demanding business environment.**

Tax

Navigating Germany's complex and evolving **tax landscape** is essential for international investors. Our **Tax Services** provide tailored guidance for foreign businesses, investment groups, and individuals entering the **German market.**

Whether establishing a subsidiary, acquiring a local company, or expanding existing operations, our tax experts help ensure **compliance,** optimize **tax efficiency,** and address **cross-border tax challenges.**

Leveraging deep expertise in the German regulatory framework and KPMG's global network, we support clients with effective transaction structures and international tax requirements.

Through innovative solutions such as **KPMG Digital Gateway GenAI,** we help clients streamline tax processes, generate **AI-driven insights,** and support confident decision-making and **sustainable growth in Germany.**

Consulting

Our Consulting services support international investors in establishing and optimizing their **operations in Germany** by combining deep process expertise with **cutting-edge technology.**

We deliver integrated solutions across financial processes, procurement and supply chain optimization – ensuring efficiency and transparency from day one.

Our specialists also advise on ERP implementation, regulatory compliance, and digital transformation initiatives, helping investors meet **German regulatory requirements** while leveraging global best practices. By applying advanced business intelligence and data analytics, we generate **actionable insights** that drive performance and strengthen governance.

To safeguard business operations, we additionally develop **tailored security solutions** that ensure **resilience** and build trust in a new market environment.

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KPMG locations in Germany

28
locations

Welcome to Germany – We are by your side

Are you seeking profitable investment opportunities? Are you looking to expand your research and development activities in one of the world's most innovative and forward-thinking economies? Or are you exploring new business opportunities and reliable partners to support your international expansion? Whatever your objectives for entering the German market, we are here to support you.

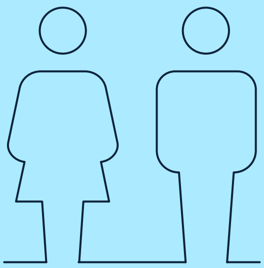
Germany remains one of the most attractive destinations for international investors within Europe, consistently ranking among the world's top ten markets for foreign direct investment. Despite current economic and geopolitical challenges, the country is undergoing a far-reaching transformation driven amongst others by digitalization, and the pursuit of climate neutrality. These developments are creating new, attractive business opportunities, often supported by targeted government incentives.

Germany also serves as your strategic gateway to Europe, offering a stable political environment, a strong legal framework, and an outstanding business infrastructure. Leading universities and focused public funding programs foster innovation and long-term growth. Future-oriented technologies – including sustainable energy solutions, next-generation mobility, hydrogen infrastructure, and digital transformation – are shaping Germany's economic landscape and future competitiveness.

As your trusted partner, KPMG in Germany provides expert guidance through a team of highly qualified professionals in business consulting, tax, audit, law, P&S, and deal advisory- supported by many years of international experience. We support you in successfully positioning your business in the German market, from establishing your company to reaching the right target audience with your products and services.

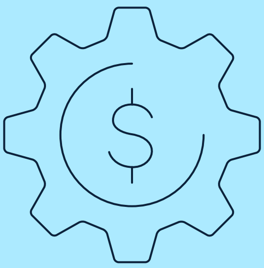
The following pages introduce our experienced and highly qualified country practice teams. Please feel free to contact us at any time – we look forward to supporting you in turning your vision into reality.

About KPMG in Germany



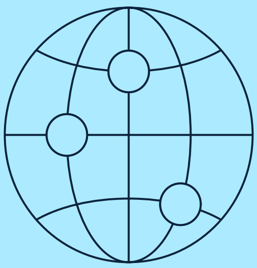
14.100

professionals in 28 locations



2.72

bn euros in sales in 2025



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nationalities

Get updates on Germany regularly

Business in Germany Newsletter

Are you interested in the German marketplace and would like to learn more about Germany as a business location? What are the key challenges of operating in Europe's largest economy, and which opportunities does Germany provide? Subscribe to our newsletter to receive regular insights.

Investing in Germany

Germany is one of the most international locations in the world, with over 40.000 foreign subsidiaries that generate more than 20 percent of the total revenue of all companies in the country. Learn more about Greenfield/Brownfield Investments and Market Entries in Germany.

Economic Key Facts Germany

Published monthly, KPMG's Economic Key Facts deliver concise, data-driven insights into Germany's economic performance, combining key indicators with an expert assessment of current economic trends and developments. Scan here to find out more.

Business Destination Germany 2026

On a biannual basis we survey the CFOs of the 400 biggest international investors in Germany about their view of the business location Germany across 24 location factors in comparison with all other EU countries. The current survey was undertaken end of 2025 and published in the first quarter of 2026.

Country experts and first point of contact at KPMG in Germany

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