

Doing Business in Germany

British companies in their thousands recognise Germany as the key international marketplace on the doorstep. Situated in the heart of Europe, just an hour by air from the UK, Germany is the UK's number one European export market and number two world-wide, with annual sales of more than €2 trillion in goods and services.

What are the Opportunities?

The successful export sectors from the UK to Germany include; vehicles and automotive components, petroleum and gas, healthcare, aerospace, ICT, chemicals and creative industries. But potentially any goods may sell in Germany if they fit the needs of this sophisticated market.

Biotechnology sector in Germany

Market overview

Despite slowing growth in the overall diagnostics market, molecular diagnostics in particular remains an important growth driver, with global revenues of US\$52 billion and a projected CAGR of 7% for the years 2012 to 2017. This development is closely linked to the rise of personalized medicine and the increasing relevance of companion diagnostics. The field is also very much dominated by new technologies.

The financing of Germany's biotechnology sector seems to fluctuate rather than go on an upward trend. The venture capital financing doubled from €87m to €207m; private company financing still 35% below pre-crisis levels (2006/07). The increase is solely due to two major financing rounds from family offices (CureVac/Dietmar Hopp, BRAIN/Putsch family). The remaining venture capital decreased further to only €25m, the public financing doubled from €44m to €80m.

Thinking more broadly – bioeconomy and biologisation of industries

Current economic forecasts in Germany are positive and provide more confidence again. This is mainly driven by a strong technology base ensuring the manufacturing of high value products with an excellent reputation in global markets. Nevertheless, there are concerns as well, e.g. about the increasing cost of energy or the growing ecological damage with its consequences for public health. This situation generates a need to "Rethink". This rethinking refers to reconsidering actual strengths as well as to analyzing and identifying fields with high demand for biotechnologies. Fields in which, at the same time, biotech can secure a valuable share of associated value chains and benefit from attractive business models.

Even though biotechnology is mostly associated with medical applications, the scope of "bio-technologies" is much broader. Even in the public discussion, the term "biologization" has been introduced to indicate that "bio-technologies" can affect many different industries. Experts estimate that by 2030 one third of industrial production may come from biotech processes. Since these developments are expected to also gain commercial impact, the term "bio-economy" has become popular.

Major drivers are:

- Technical progress in biotechnology
- Simplification of complex chemical processes
- Cost advantages
- Energy savings
- Resource conservation (renewable energy vs. fossil fuels)
- Environmental protection (CO2 emission)

Broadening the scope includes the identification of potential new target markets.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>) and Ernst & Young
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