

MECHANICAL AND ENGINEERING IN GERMANY

Entering the market in the fields of Automotive, Machinery, Process Technology and Automation Technology.

BDG Industrial Solutions

ENGINE OF THE GERMAN ECONOMY: MECHANICAL ENGINEERING – AN INDUSTRY OVERVIEW

The Mechanical Engineering Industry in Germany

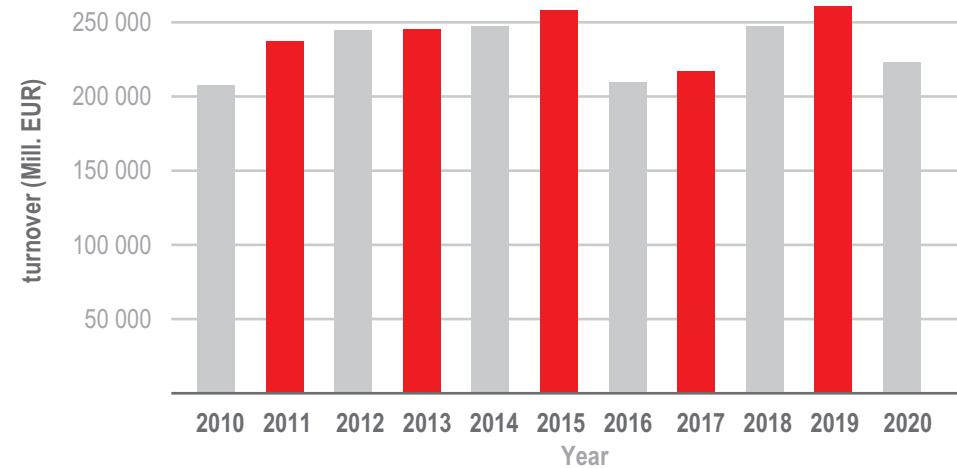
Mechanical Engineering is one of Germany's most innovative industry sectors. Germany is a high-tech nation with an engineering tradition that has become one of the world's leading countries in technological development.

Market Summary

The mechanical engineering market in 2019, has been shaped by structural changes in the automotive industry, the trade war between the US and China, as well as global protectionism. This has resulted in an overall decline in orders. Nonetheless, the German market for mechanical engineering experienced an incline in revenue by 2%, with record figures of EUR 296bn. The Federal Republic thus accounted for around 11% of global machine sales. For 2020 however, DESTATIS expects the market to decline by 1.3%. While the Covid-19 pandemic haunts international and domestic markets, new challenges but also many new opportunities arise.

Market Trends and Opportunities

In the beginning of 2020, companies in this sector have faced a sharp decline in production activity and most implemented cost reduction programs as well as restructuring measures. Essentially, the 4th Industrial Revolution (4IR) shapes this market sector. Digital Transformation, Digitization, Data Management, and Condition Monitoring with the genus Industry 4.0, are the topics of today's world and growing opportunities of the future.



Revenue of the mechanical engineering industry in Germany from 2010 to 2020 (in billion euros)

SECTORS OF THE INDUSTRY



Industry facts

The German mechanical engineering industry holds the leadership position as the country's biggest industrial employer

- 6.400 companies with almost 200.00 employees (out of 1.5 mio employed in the industry sectors)
- annual turnover in the last two years of almost EUR 300bn

Mechanical appliances for process technology

- Compressors, compressed air and vacuum technology; Pumps; etc.
- Machinery imports (Mio. EUR) by the subsectors: Compressors, compressed air and vacuum technology (2818.7), Pumps (2362.6) (total: 6813.8; +31.53 % since 2015)

Machines and components for automation technology

- Power transmission engineering; Fluid power equipment, Electrical automation; Software; Robotics + Automation
- Power transmission engineering has the highest share (15,5 %) on Germany's machinery imports by the industries subsectors

Machines mainly for mobile applications

- Construction equipment and building material machinery; Mining equipment; Agricultural machinery; etc.
- Machinery imports (Mio. EUR) by the subsectors: Construction equipment and building material (5 114. 5), agricultural machinery (3 907.2)

Machines for manufacturing processes

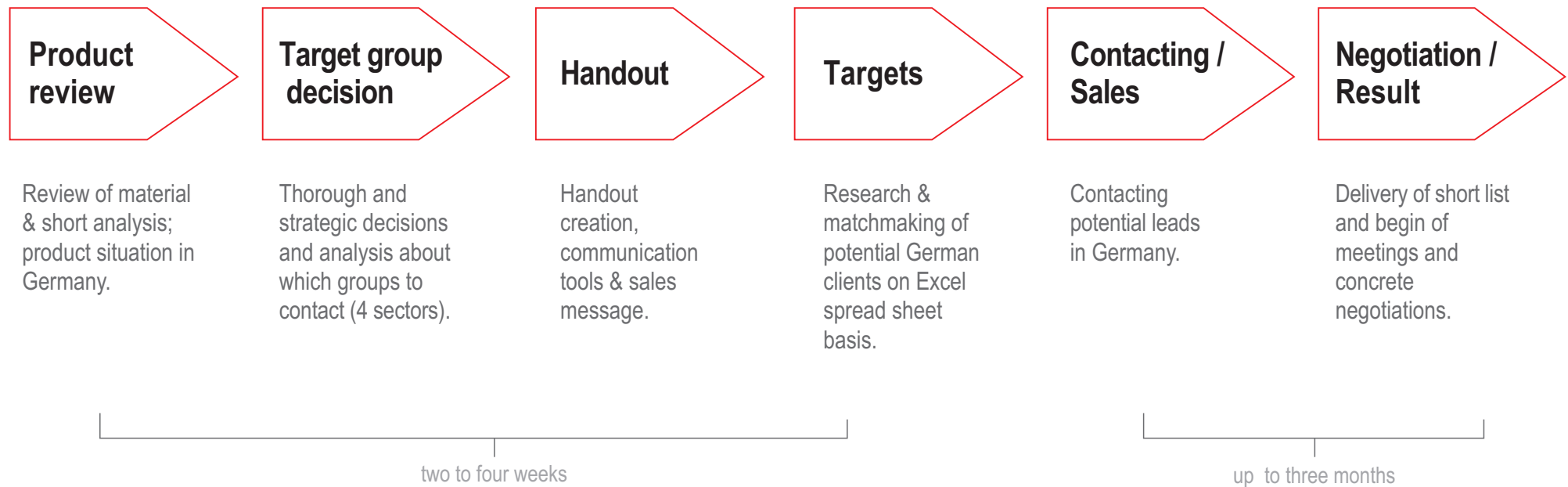
- Machine tools and manufacturing systems; Precision tools; Textile machinery, Food processing and packaging machinery, etc.
- Highly profitable subsector
- Number of manufacturing enterprises: > 37.000; Number of companies producing food and beverages products: > 5.000

Source: VDMA, Statistisches Bundesamt, VDMA-McKinsey-Study ("The future of German mechanical engineering")

MECHANICAL & ENGINEERING MARKET: ENTRY METHOD



We advise our clients to follow a few systematic steps to raise the chances of success in the German market significantly:





business
development
germany

bdg Consulting GmbH
Hansaring 125
50670 Köln

Phone.: + 49 (0)221 - 64 00 90 80
Telefax: + 49 (0)221 - 64 00 90 89
Email: info@businessdevelopmentgermany.com
Web: www.businessdevelopmentgermany.com

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**Market Entry for foreign
Mechanical and Engineering
Companies in Germany.**