

INDUSTRY OVERVIEW

The Automotive Industry in Germany

ISSUE 2020/2021



The World's Automotive Innovation Hub

“The automotive sector is the backbone industry in Germany, and the German automotive industry is a global leader. Germany is also one of the strongest countries in the world when it comes to high-tech automotive products, including autonomous driving technology.”

Hui Zhang

Managing Director, NIO Germany GmbH

+60%

R&D growth in Europe created by German automotive sector

24%

of total domestic industry revenue generated by automotive industry

4.6 million

passenger vehicles produced in 2019 making Germany Europe's leading production site

1/3

of global automotive R&D spending made by German OEMs

1 in 5

cars that roll off the international production line is German OEM made

75%

of cars manufactured in Germany in 2019 destined for export markets

Engineering and Production Excellence

Germany is recognized the world over for its outstanding automotive industry and excellence in engineering. From Asia to the Americas, German cars embody highly cherished values of innovation, reliability, safety, and design.

Germany is by some distance Europe's leading production and sales market. The country's world-class R&D infrastructure, complete industry value chain integration, and highly qualified workforce create an internationally peerless automotive environment. It enables companies to develop cutting-edge technologies which perfectly address tomorrow's mobility needs.

Combating the Covid-19 Crisis

The country has moved swiftly to counteract the worst effects of the global Covid-19 crisis, implementing a far-reaching financial support package for the industry. These include an effective doubling of cash incentives for electric vehicle purchases and significant investment in charging infrastructure as part of a broader EUR 130 billion economic stimulus package to jump-start the German economy.

Germany's Automotive Industry in Numbers

Germany's industry numbers speak for themselves and for a secure and successful investment in the country.

Europe's Biggest Automotive Market

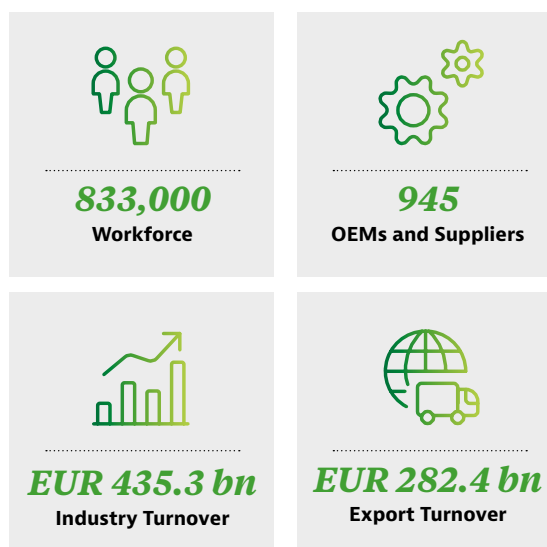
Germany is Europe's number one automotive market in production and sales terms; accounting for around 25 percent of all passenger cars manufactured and almost 20 percent of all new registrations. Germany also boasts the largest concentration of OEM plants in Europe. There are currently 43 OEM sites located in Germany. German OEM market share in the EU was more than 55 percent in 2019.

Manufacturing Leader Germany

German automobile manufacturers produced over 16 million vehicles in 2019. Eighteen of the world's 100 top automotive suppliers are German companies. Germany is the European car production leader: more than 4.6 million passenger cars – and 283,567 commercial vehicles – were manufactured in German plants in 2019.

Export Success

German passenger car and light commercial vehicle OEM generated foreign market revenue of almost EUR 282.4 billion in 2019 – a two percent increase over 2018. Automotive exports account for more than 13 percent of all German exports in 2019 – the product group with the largest export share. Domestic market revenue is EUR 152.9 billion – a two percent increase compared to 2018.



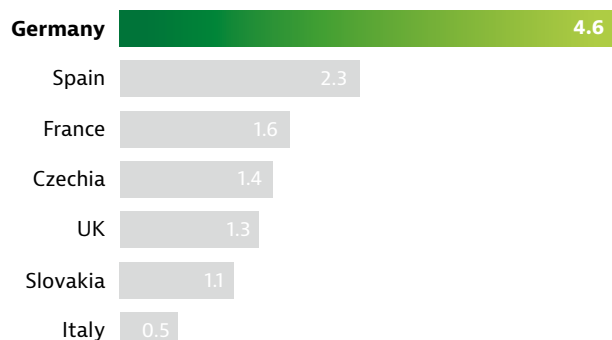
Source: statista.de 2020

R&D Leadership

German OEMs are responsible for R&D investments amounting to almost EUR 25.5 billion in 2018. Germany's automotive sector is the country's most innovative industry sector, accounting for 35 percent of total German industry R&D expenditure of around EUR 72 billion in 2018. Research and development personnel within the German automobile industry reached a level of 126,400.

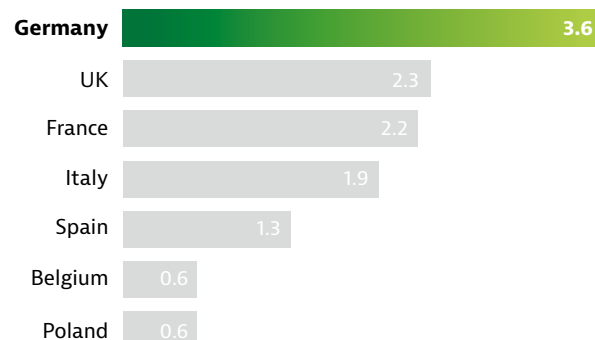
Passenger car production in Europe 2019

in million units



Passenger car registrations in Europe 2019

in million units



Sources: VDA, ACEA 2020

Global Market Perspective



German autos remain in great demand internationally – particularly in the premium market sector

Premium Market Hub

Germany is the world’s premium car production hub. Of all premium branded vehicles produced globally, 67 percent are German OEM-manufactured. Of all vehicles produced globally, 53 percent of vehicles were produced in Europe (36 percent were made in Germany in 2019). Within Europe, more than 80 percent are German OEM-badged vehicles – 67 percent of these vehicles were made in Germany. The western European light vehicle production sector is predominantly premium sector focused. As a result, the scale and range of production is expanding significantly. Production of premium segment cars will continue to grow (currently 38 percent share of western European light vehicle production).

Growing Premium Market

Globally, the premium market segment will grow at a much faster rate than the total passenger car segment in the next decades. Growth can be mainly attributed to growing international demand for high-value, premium small- and compact-sized cars as well as premium SUVs. The German automotive industry is the leading producer of premium cars worldwide. Almost all German and Germany-based manufacturers have already launched or intend to launch new products meeting premium segment demand. The know-how based on the country’s automotive manufacturing tradition will further strengthen Germany as a leading international automotive manufacturing location.

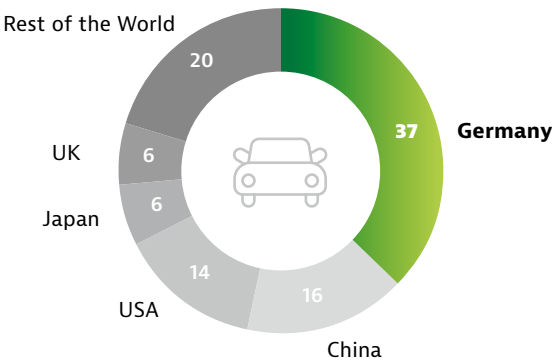
Strong R&D Investment

German automotive company investment in research and development remains strong as manufacturers seek to maintain the competitiveness of vehicles “Made in Germany.” In 2018, German automotive companies spent almost EUR 25.5 billion on internal R&D projects; more than any other domestic manufacturing sector. More than one third of Germany’s total manufacturing industry R&D expenditure is spent by automotive manufacturers and suppliers, with R&D budgets expected to rise. Germany’s automotive companies employ the largest number of research personnel in the manufacturing sector. With 126,400 researchers (full-time equivalent), automotive companies employ more than one quarter of the total R&D workforce in Germany’s private economy.

Innovative Production Location

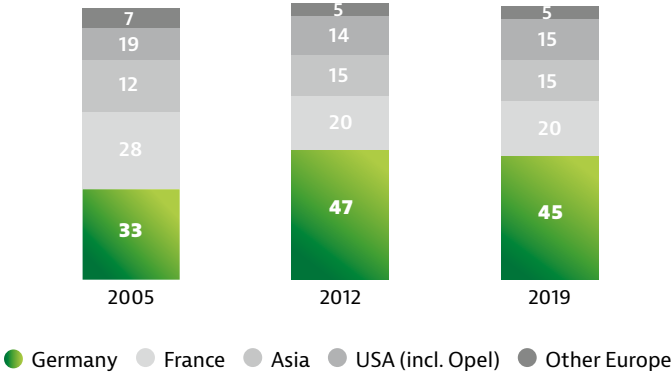
German cars continue to enjoy a globally positive image and are in high demand across the world. A recent Ernst & Young study of 300 companies active in the European automotive sector (15 percent OEMs and 85 percent suppliers) finds Germany to be the most innovative automotive hub in international comparison. Eighty-one percent of those companies surveyed consider Germany to be the most competitive hub in terms of innovative power – ahead of Japan and South Korea who polled 65 percent and 61 percent respectively.

Premium Car Production by Country 2019
in percent



Source: GTAI 2018 (analysis based on data derived from MarkLines database)

Light Vehicle Production Trend
production volume as share of worldwide production



Source: Statista 2018

Technological Trends

Sustainable Mobility

Automotive engineers in Germany are hard at work improving internal combustion engine energy efficiency, developing alternative drive technologies (including electric, hybrid, and fuel cell cars), and adapting lightweight materials and electronics. Carbon emission reduction targets, smart traffic management, and the government's electric mobility initiative are major drivers for future mobility growth. According to McKinsey, the overall market value for new vehicles with optimized combustion engines is set to reach between EUR 280 billion and EUR 330 billion by 2020. Impressive developments have already been made in developing smaller, highly charged-up "homogeneous combustion" engines and dual clutch transmissions (DCTs). Overall market potential for efficient drive systems is valued at between EUR 325 billion and EUR 500 billion through to 2020.

E-Mobility

Domestic and international market potential for energy-efficient passenger cars is huge. The global market is expected to grow by almost 30 percent in 2020. Supported by the country's ambitious e-mobility plans, the automotive sector has set itself the goal of becoming a lead provider and market of electromobility solutions in 2020. The country also has ambitious e-mobility plans outside Germany, with German OEMs keen to meet rising export demand for vehicles in the USA and emerging economies. Economic growth, the

changing mobility requirements of a young and aspirational population, and the relatively low density of passenger cars are driving demand in the emerging economies. This will allow manufacturers located in Germany to successfully follow their proven strategy of increased imports and on-site production.

Car Connectivity

The demand for connected cars is set to increase significantly, nowhere more so than in the premium segment. Facilitating a raft of innovative safety, comfort and information services, smart technologies are revolutionizing the driving experience. According to Mordor Intelligence, car connectivity is the fastest-growing feature being adopted into new vehicles, with the connectivity market forecast to generate up to USD 1 trillion by the end of 2030. Germany's industry strength in electronic technologies and software solutions is crucial for technological advancement in this sector.

Covid-19 and Supply Chain Security

The global Coronavirus pandemic has had far-reaching effects on the global auto industry. Supply chains from China were already partially disrupted or suspended with the initial spread of the SARS-Cov-2 virus in Wuhan. The role of suppliers within the industry had notable increased prior to this as a result of the classical OEM business model being slowly superseded. The Covid-19 crisis has forced all actors to reassess their supply chain and sourcing strategies. However, major changes

in the global structures of supply chains for the auto industry are not currently envisioned, with OEMs most likely to use alternative suppliers for critical components in the future and initiate early warning systems to preempt any potential health or economic crises in the future. Stock volumes in Europe and Germany will most likely be increased as the industry seeks more supply chain independence from China.

Value Added in the Value Chain

Automotive Industry Structure

The auto industry in Germany thrives as a result of the diversity of companies active in the sector: large and medium-sized auto manufacturers alike are to be found there, as are system and module suppliers – not to mention numerous small and medium-sized tier 2 and 3 suppliers. Around 85 percent of auto industry suppliers are medium-sized companies. All of these suppliers provide up to 70 percent of value added within the domestic auto sector – ensuring that the German auto industry remains ahead of the competition. Value added is moving to the supplier side, and increasingly also to non-auto industry sectors (e.g. the

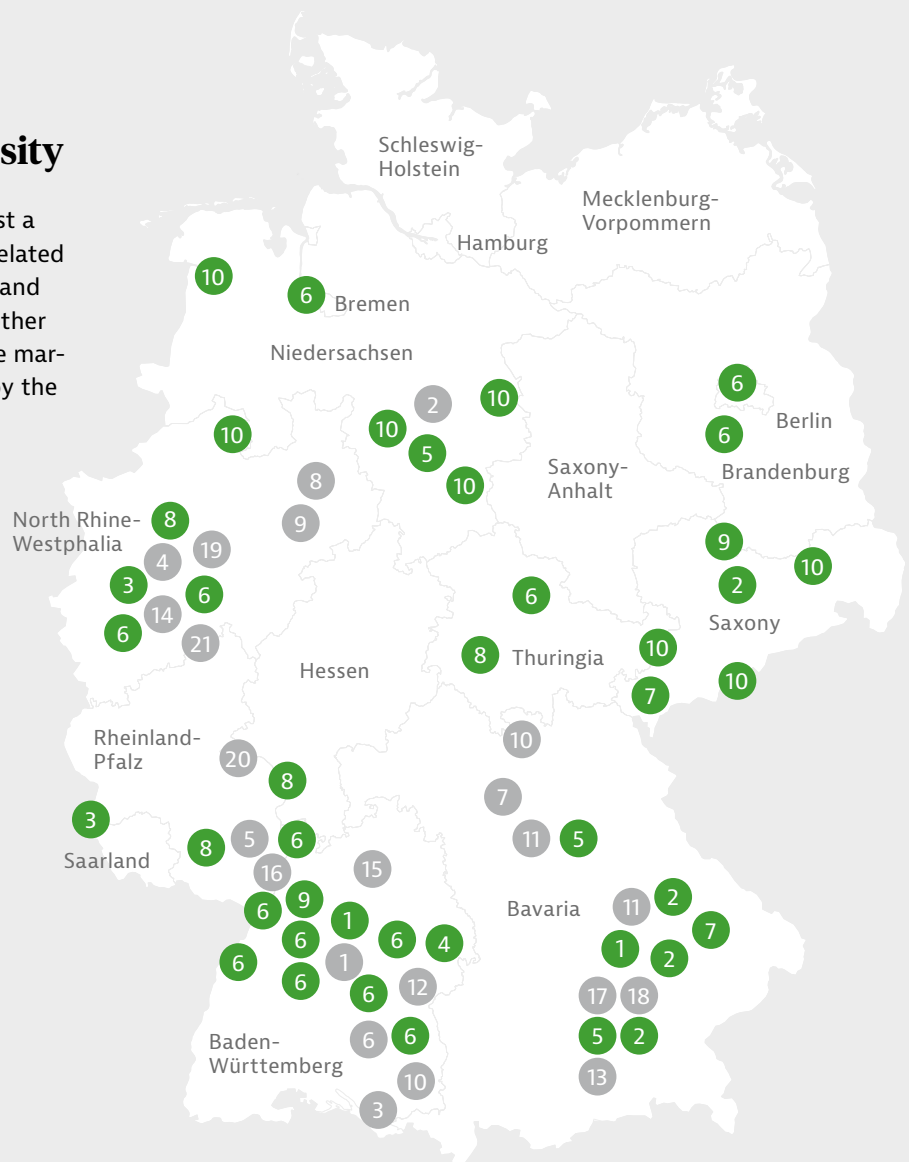
chemical industry in the field of electric mobility). Not unsurprisingly, international suppliers are increasingly attracted to Germany as a business location. To date, the world's ten largest non-German auto industry suppliers have successfully established operations in Germany.

Global OEM Supplier Leader

Germany boasts 18 of the world's top 100 automotive OEM suppliers. Automotive suppliers generated EUR 81.3 billion of total German automotive industry turnover in 2018 – surpassing previous records. The German automotive industry recorded total revenue volume of EUR 435.3 billion

German Automotive OEM and Supplier Density

No other country in Europe can boast a comparable concentration of auto-related R&D, design, supply, manufacturing and assembly facilities. Accordingly, no other country in Europe provides the same market opportunities as those offered by the German auto industry.



Source: GTAI 2020

in 2019 –equivalent to a two percent increase on 2018 revenue. The domestic market accounted for over EUR 152.9 billion of this sum, with more than EUR 282.4 billion turnover generated in foreign markets (equivalent to a two percent increase on 2018 revenue). Looking further afield, OEM exports account for almost 65 percent of generated turnover. Research and development is a crucial factor in maintaining this leading position, as German-based companies strive to stay on top of the trends and developments of a market in transformation. This explains German OEM R&D spending of almost EUR 25.5 billion in 2018 (more than one third of total global automotive R&D expenditure). Central to the successes enjoyed by German OEMs to date are the skilled teams of workers who support ongoing development and

production. The German automotive supplying industry employed a workforce of around 311,000 people in 2019. They also serve Europe's largest automotive market, where more than 4.6 million passenger cars and 283,567 light commercial vehicles were produced in the same year (2019).

OEMs

- 1 Audi
- 2 BMW
- 3 Ford
- 4 Iveco
- 5 MAN
- 6 Mercedes
- 7 Neoplan
- 8 Opel
- 9 Porsche
- 10 Volkswagen

Suppliers (only German headquarters)

- | | |
|------------------------------|----------------------------|
| 1 Bosch | 12 Eberspaecher Holding |
| 2 Continental | 13 Getrag |
| 3 ZF Friedrichshafen | 14 Leoni |
| 4 Thyssen Krupp | 15 KSPG |
| 5 BASF SE | 16 Freudenberg |
| 6 Mahle | 17 Webasto SE |
| 7 Schaeffler | 18 Infineon |
| 8 Bentheler Automobiltechnik | 19 Leopold Kostal |
| 9 Hella KGaA | 20 Trelleborg Vibracoustic |
| 10 Brose Fahrzeugtechnik | 21 Kautex Textron |
| 11 Draexlmaier | |

R&D Infrastructure

Leading Auto R&D Nation

No other industry invests as much in R&D – more than almost EUR 25.5 billion in 2018 alone. As such, the auto industry in Germany accounts for more than one third of the country's total R&D expenditure. Germany has the highest concentration of all European automotive OEM and tier supplier R&D centers. This makes the country the most important automotive development activity location in Europe. Suppliers and service providers located in Germany profit from close client interaction starting from the pre-development stage. They can take advantage of joint research activities with some of the world's leading automotive technology research institutes and universities.

Increasing R&D Investments

Around 126,400 people were engaged in R&D activity in 2019. As well as making provision for significant internal R&D expenditure, the German automotive sector spends about EUR 10 billion on external R&D – this is equivalent to almost half of the country's external R&D investments. Despite record R&D expenditure levels, German companies intend to boost their R&D activities further still.

According to the Ernst & Young European Automotive Survey, more than 40 percent of German automotive companies want to increase their R&D investments in the future, while 58 percent will maintain current R&D spending levels.

World Innovation Leader

Auto manufacturers and suppliers located in Germany are among the world's leading patent applicants. Nine out of the country's top ten patent filing companies are predominately active in the automotive industry – proof positive of the country's importance within the world's automotive market and its enormous innovation power. Germany's automotive industry remains the country's leading industry innovator with a significant share of turnover being generated from new product innovations. Almost 70 percent of companies active in the sector introduced new products or processes. Overall investment in innovation, including internal and external R&D expenditures, is constantly increasing. Complete industry value chain presence ensures that new and innovative products are made to the highest possible technological standards. Bosch, the biggest German automotive supplier, alone files around 19 patents per working day on average.

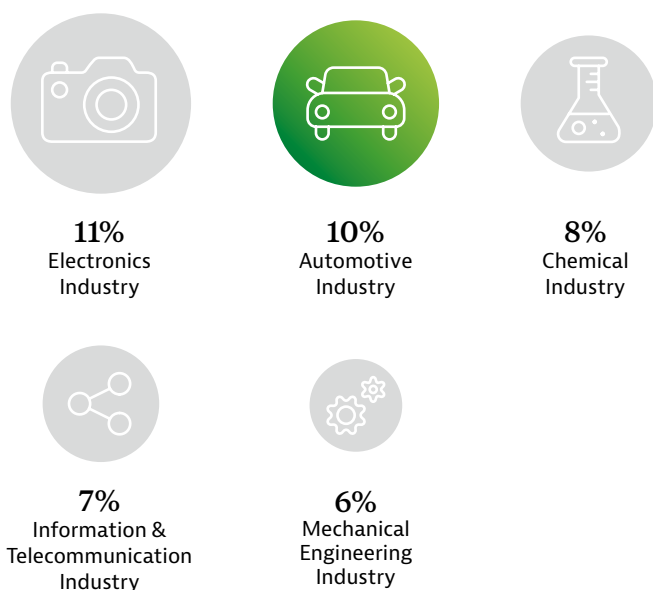
R&D Incentives – High-Tech Strategy

With R&D considered to be among the most important areas for the development of the German economy, industry and the public sector have made a commitment to spend around three percent of national GDP per year on R&D activities. This amounts to approximately EUR 80 billion R&D spending each year. In addition, an unprecedented campaign to foster the advancement of new technologies has been launched by the German government. The High-Tech Strategy represents the first national concept to bring key innovation and technology stakeholders together in a common purpose of advancing new technologies. The initiative combines the resources of all government ministries, setting billions of euros aside annually for the development of cutting-edge technologies (R&D projects can also count on generous financial support in the form of R&D grants).

Automotive Industry Clusters

The decentralized nature of the automotive industry has spurred the development of strong R&D business networks. Non-university research

Innovation Expenditure Share of Industry Turnover 2018



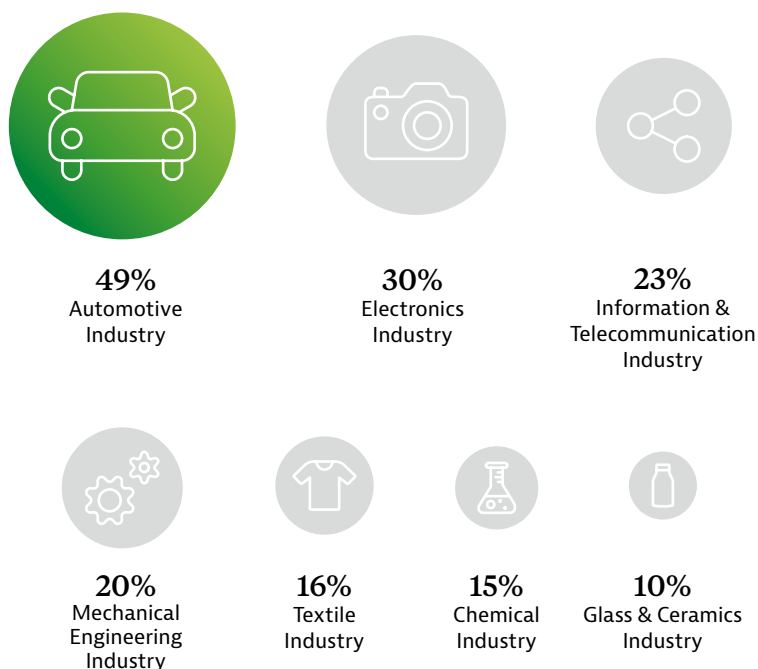
Source: ZEW 2016

institutes, universities and companies work together in numerous industry and research clusters. By connecting individual competencies, major R&D clusters in the automotive industry can be identified. These clusters have gained international recognition by integrating industry, science and education in automotive-related areas including mechatronics, microelectronics, mechanical engineering, manufacturing processes, and material sciences. This has helped the industry to secure an internationally leading position in a number of technology fields and secured its status as the international benchmark.

International Research Partners

Industrial R&D activities in Germany benefit from a broad innovation landscape which is home to a diverse array of potential research cooperation partners. Germany also offers research cooperation opportunities with the more than 250 institutes of the four large research organizations: Fraunhofer-Gesellschaft, Max Planck Society, Helmholtz Association, and Leibniz Association. Their more than 70,000 researchers are globally acknowledged experts in applied and basic sciences and economically successful. The Fraunhofer Institute for Communication Systems ESK, in particular, is developing state-of-the-art vehicle information and communication technologies (ICT). Main competencies lie in the fields of automotive networks, infotainment and driver assistance, and model-driven software.

New Product Turnover Share by Industry 2018



Source: ZEW 2016

New Lightweight Materials for the Automotive Industry

Lightweight construction is a key enabling technology for manufacturing the cars of tomorrow and addressing the challenges of digital transformation, electric mobility and energy and resource efficiency. McKinsey reports that vehicle manufacturers will need to increase lightweight component levels from 30 percent to 70 percent by 2030 in order to compensate for electric drive weight increases, more efficient engine technology and CO₂ reduction goals. Germany boasts a lightweight construction cluster network that covers the complete industry value chain. Two exemplary initiatives are the ARENA2036 platform and the Open Hybrid LabFactory. Arena2036 is the largest and leading research platform for mobility in Germany. The entire value chain of tomorrow's fully digitalized vehicles is being rethought and implemented as part

of the initiative. The research campus has focused its activities in core projects in four research areas including functional integrated lightweight design. Partner competences are anchored in a variety of disciplines that range from simulation and lightweight construction to production technology and ergonomics. The Open Hybrid LabFactory carries out research into new materials and production techniques to help make serial production of cars more environmentally friendly. Production and production technologies suitable for mass production will be developed for the economically and ecologically sustainable production of hybrid lightweight components using metals, plastics and textile structures.

Europe's Most Attractive Automotive Location

Emerging from the Covid-19 Lockdown

Germany remains an internationally competitive and stable auto hub as it emerges from a Coronavirus-enforced production lockdown. The crisis could also see carmakers introduce new efficiencies as they switch their focus to a new age of electric vehicle production. A recent Ernst & Young study concludes that German-based automotive hubs record the highest product quality levels – 88 percent of those surveyed consider Germany to be the most competitive hub with the best quality worldwide. Seventy-four percent of respondents also identified Germany as the world's most product automotive hub.

Growth Markets

The German automotive industry will perform best in the developing world in the years ahead. At home, the sector will consolidate its leading

market position, largely as a result of development and growth in the premium market segment. The European share of value added in the premium vehicle segment will be more pronounced than in other regions, where the segment is comparatively small or irrelevant. China will remain a strong performer in the volume segment, with India also recording a significant increase in demand in the small vehicle segment. The US vehicle market is in upturn mode and one of the most important sales markets for German OEMs. In global comparison, Europe is the most promising automotive investment location in value-added terms.

Manufacturing Location

German companies represent 10 percent of European manufacturing companies and generate 27 percent of total EU turnover in this sector. In fact, the manufacturing sector represents more than one fifth of Germany's "value added" – one of the highest shares in Europe. Increasingly more international companies are placing their faith in Germany as a vital production site location, and are benefiting from superior productivity rates and the country's excellent business framework of stable labor costs, excellent production standards, and a highly skilled workforce.

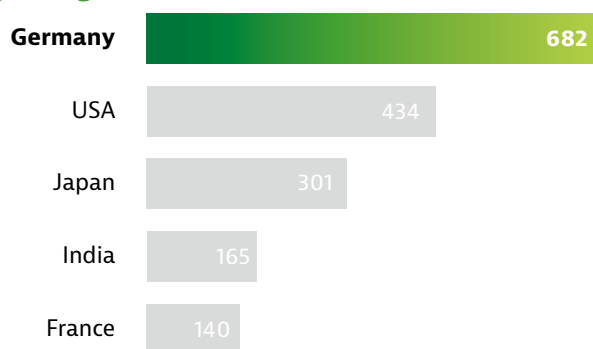
Automotive FDI Magnet

According to Ernst & Young's European Attractiveness Survey 2019, Germany continues to be seen as the most attractive FDI destination in Europe. This is also reflected in the AT Kearney FDI Confidence Index 2020, which places Germany in third place internationally. Germany has been able to further exploit its strong industrial base and highly skilled labor force to attract FDI projects; nowhere more so than in the automotive sector where it ranked as the number one destination in Europe. Companies within Germany also assess the current business situation in Germany more positively than in the rest of Europe.

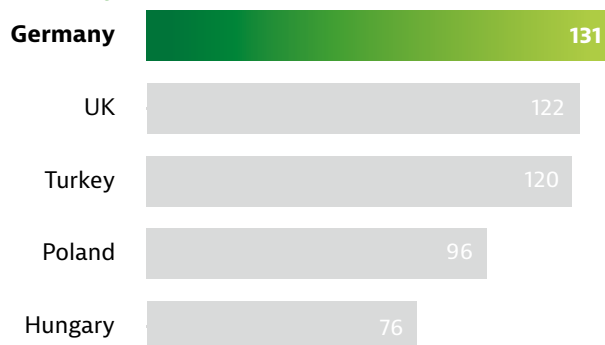
FDI Projects in the Automotive Sector 2015-2019*

total number

by country of origin



by destination country



*Only greenfield investment projects and expansion projects included.
Source: fDi Markets 2018

Financing & Incentives in Germany

Incentives programs in Germany are available through different public funding instruments and for different funding purposes. The individual funding requirements may, for example, result from investment projects, research and development activities, personnel recruitment, working capital needs or other specific purposes. The different incentives instruments including grants, loans and guarantees are generally available for all funding purposes and can ordinarily be combined; thus matching the different business activity needs at different development stages of the company.

Investment Project Financing by Private Equity

Technologically innovative start-ups in particular have to rely solely on financing through equity such as venture capital (VC). In Germany, appropriate VC partners can be found through the *Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V.* (BVK – “German Private Equity and Venture Capital Association”). Special conferences and events like the *Deutsches Eigenkapitalforum* (“German Equity Forum”) provide another opportunity for young enterprises to come into direct contact with potential VC partners. Public institutions such as development banks (publicly owned and organized banks which exist at the national and state level) and public VC companies may also offer partnership programs at this development stage.

Investment Project Financing by Bank Loans

Debt financing is a central financing resource and the classic supplement to equity financing in Germany. It is available to companies with a continuous cash flow. Loans can be provided to finance long-term investments, working capital and operational costs (R&D, personnel) and for bridging temporary financial gaps. Besides offers from commercial banks, investors can access publicly subsidized loan programs in Germany. These programs usually offer loans at attractive interest rates in combination with repayment-free start-up years, particularly for small and medium-sized companies. These loans are provided by the federal development bank KfW and also by regional development banks.

Investment and R&D Incentives

When it comes to setting up production and service facilities, investors can count on a number of different public funding programs. These programs complement investment project financing. Most important are cash incentives provided in the form of non-repayable grants applicable to co-finance investment-related expenditures such as new buildings, equipment and machinery. R&D project funding is made available through a number of different incentives programs targeted at reducing the operating costs of R&D projects. Programs operate at the regional, national, and European level and are wholly independent from investment incentives. At the national level, all R&D project funding has been concentrated in the High-Tech-Strategy to push the development of cutting-edge technologies. Substantial annual funding budgets are available for diverse R&D projects.

Labor-related Incentives

After the location-based investment has been initiated or realized, companies can receive further subsidies for building up a workforce or the implementation of R&D projects. Labor-related incentives play a significant role in reducing the operational costs incurred by new businesses. The range of programs offered can be classified into three main groups: programs focusing on recruitment support, training support, and wage subsidies respectively. Labor-related incentives play a significant role in reducing the operational costs incurred by new businesses.



Please visit our website for more incentives information: www.gtai.com/incentives

Incentives in Germany

Funding purposes				
Investments	Working Capital	Research & Development	Specific Purposes	Personnel
Financing supported by any of the following public funding instruments (combinations of instruments usually possible)				
Public funding instruments				
Grants	Loans	Guarantees	Equity Capital	Mezzanine Capital

Best Practice Example: NIO GmbH

Chinese electric vehicle start-up NIO Group established its global design center in Munich in 2015. It is here in Bavaria that the premium vehicle provider designs its autonomous and electric vehicles including its EP9 model – currently the fastest e-sports car in the world according to the company. The group has invested EUR 80 million in its NIO GmbH German subsidiary operation to date.

“For research and development, particularly in the automotive industry, Germany is the best location in the world. The country offers top talent and excellent infrastructure. Hardware, industrial infrastructure, the right suppliers: They are all here.”

Hui Zhang

Managing Director, NIO Germany GmbH

Company Information

Founded in Shanghai in 2014, NIO is a global start-up that produces high-performance premium electric and autonomous vehicles. NIO investors include Baidu, Lenovo, Tencent, and Sequoia Capital. Demand for battery electric vehicles (BEVs) is growing in China, with Chinese consumers purchasing more than 200,000 BEVs in the first two quarters of 2018. This is best reflected in the increased competition in the premium BEV segment.

NIO also currently operates a number of “NIO Houses” – including charge points, workspaces, lecture theatres, and childcare services. The company also foresees the opening of NIO Houses in a number of major world cities, thereby providing customers with international access to services provided. NIO is seeking to grow its number of sales and service outlets (NIO House and NIO Space) to around 200 by the end of 2020.

In 2018 the company went public on the New York Stock Exchange as part of its plans to scale up its activities in order to consolidate its position in the competitive Chinese market.

Project Information

NIO established its first international operations outside China in Munich in 2015 – just six months after parent group formation. The Munich site serves the dual function of being both the Group's global design center and its vehicle design center. NIO's positioning as a pioneer in the delivery of premium in-car services to create a “mobile living space” is central to the company's ambitious plans to increase its footprint in China's competitive BEV market. Additional services include mobile charging, battery swap, and 24-hour pick-up and drop-off options that make up the USD 2.6 billion in-car services market forecast by NIO for connected and autonomous vehicles. Around EUR 80 million has been invested in the group's global design center in Munich to date.

Location Factors

Germany's longstanding reputation as global auto industry leader and home of the best automotive R&D location in the world was pivotal to NIO's decision to locate its global design center in Munich. This, and access to Bavaria's thriving automotive industry and attendant infrastructure – as well as a highly qualified pool of international labor – proved the decisive factors in the decision to locate to Germany. Innovation in the field of autonomous technology is key to the company's long-term plans to differentiate itself from other BEV manufacturers, with the company holding more than 1,200 battery swapping patents and having contributed to 17 national industry standards for battery swaps. NIO's Chinese name (“Weilai”), means “Blue Sky Coming” and represents the group's commitment to establishing BEVs as the natural vehicle lifestyle choice for a more sustainable future – one being driven by innovation forged in Germany.

Germany Trade & Invest Helps You

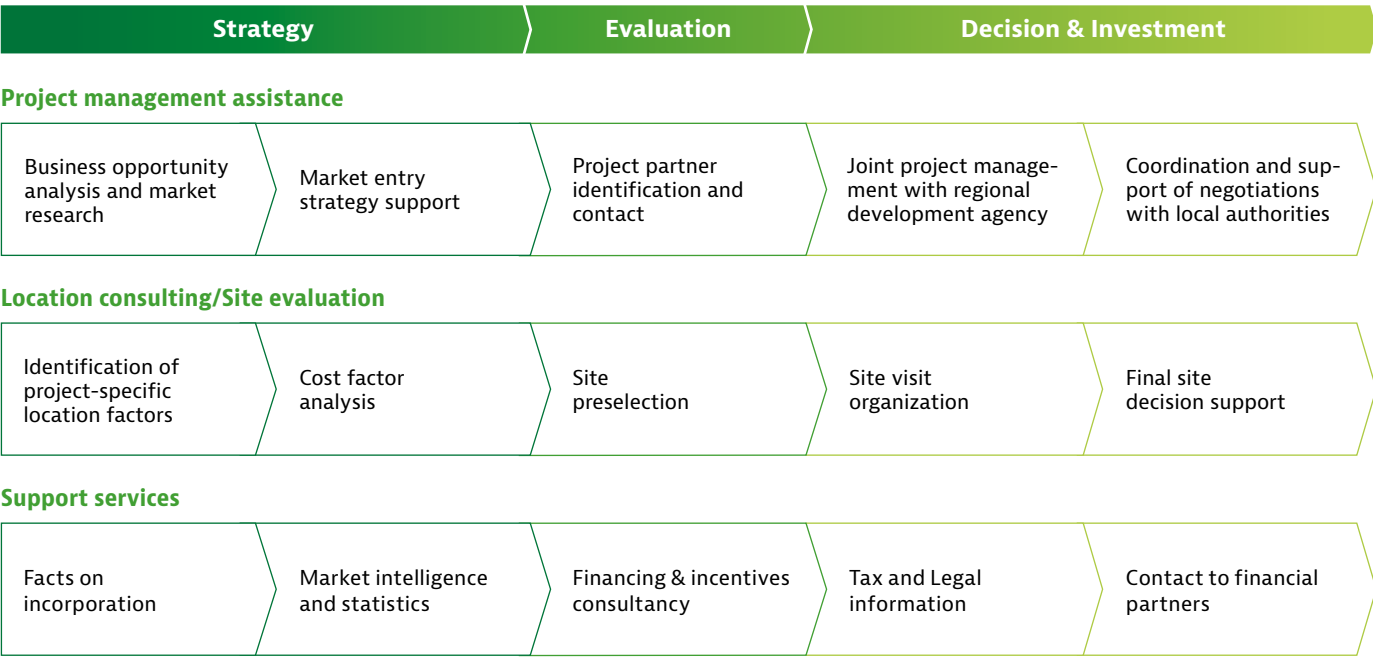
Germany Trade & Invest’s teams of industry experts will assist you in setting up your operations in Germany. We support your project management activities from the earliest stages of your expansion strategy.

We provide you with all of the industry information you need – covering everything from key markets and related supply and application sectors to the R&D landscape. Foreign companies profit from our rich experience in identifying the business locations which best meet their specific investment criteria. We help turn your requirements into concrete investment site proposals; providing consulting services to ensure you make the right location decision. We coordinate site visits, meetings with potential partners, universities, and other institutes active in the industry.

Our team of consultants is at hand to provide you with the relevant background information on Germany’s tax and legal system, industry regulations, and the domestic labor market. Germany Trade & Invest’s experts help you create the appropriate financial package for your investment and put you in contact with suitable financial partners. Our incentives specialists provide you with detailed information about available incentives, support you with the application process, and arrange contacts with local economic development corporations.

All of our investor-related services are treated with the utmost confidentiality and provided free of charge.

Our support services for your investment project



Our Expertise Network

Germany Trade & Invest (GTAI) provides direct access to all of the relevant actors in the German economy. As the hub for a far-reaching network at both home and abroad, GTAI maintains close relations with a number of partners important to international investors setting up business in Germany. These include all federal government ministries and the leading associations of the German economy including the Federation of the German Industry (BDI) and the Association of the German Chambers of Industry and Commerce (DIHK).

As well as this, GTAI also maintains close ties to important trade and industry associations including the *Verband der Automobilindustrie* (VDA – “German Association of the Automotive Industry”). Our working partnership with the VDA allows prospective investors to benefit from the association’s detailed market analyses and industry structure insights. Together with Germany Trade & Invest’s business support services, companies who locate to Germany can do so knowing that the VDA is promoting the interests of the automotive industry both domestically and internationally.



The German Association of the Automotive Industry (VDA) nationally and internationally promotes the interests of the entire German automotive industry in all fields of the motor transport sector, for example in international trade and economic, transport and environmental policy, technical legislation, standardizing and quality assurance. To an equal extent, VDA promotes services in standardization, research and quality. It organizes the world’s largest trade fair for mobility, the IAA (International Motor Show), as well as other congresses and it regularly publishes on all automotive topics.

The members of the association are companies that operate a plant in the Federal Republic of Germany for the industrial production of motor vehicles and their engines, trailers, special bodies and containers as well as vehicle parts and accessories. The VDA consists of about 600 member companies, who have come together to research and produce clean and safe automobility for the future. In the country that is known for its successful invention of both automobiles and trucks, the VDA represents the automotive manufactures and supply companies to ensure the continued competitive utilization of their experience and skills. The cooperation between manufactures and suppliers in the VDA is unique in the world of motoring.

Since 1946, the VDA has lobbied nationally and internationally for the creation of the best possible automobility. Our goals are safety, quality and sustainability at the highest technical level. As the representative of the key industry in the German economy, the VDA is responsible for more than 750 thousand jobs in Germany and leads a lively dialogue with the industry, the public, politicians, and customers.

From 2021 onward, the IAA (International Motor Show), one of the biggest automotive trade shows in the world, will be held in Munich.

The office of the association is situated in Berlin. The VDA also has an office in Brussels as well as a location of the VDA China (QMC) in Beijing.

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For questions on how to establish your business in Germany please contact Stefan Di Bitonto at **stefan.dibitonto@gtai.com**

For more information about the automotive industry in Germany, please visit our website: **www.gtai.com/automotive**

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Imprint

Publisher

Germany Trade and Invest
Gesellschaft für Außenwirtschaft
und Standortmarketing mbH
Friedrichstraße 60
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Layout

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Print

Kern GmbH, 66450 Bexbach
www.kerndruck.de

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August 2020

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Order Number

20851

Supported by:



Federal Ministry
for Economic Affairs
and Energy

on the basis of a decision
by the German Bundestag



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Germany Trade & Invest (GTAI) is the economic development agency of the Federal Republic of Germany. The company helps create and secure extra employment opportunities, strengthening Germany as a business location. With more than 50 offices in Germany and abroad and its network of partners throughout the world, GTAI supports German companies setting up in foreign markets, promotes Germany as a business location and assists foreign companies setting up in Germany. All investment services and related publications are free of charge.

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