



Business Destination Germany 2022

Focus industry: Mechanical engineering
Survey





**Mechanical engineering:
Industry 4.0; R&D in new business fields**

Industrial manufacturing is one of the most important sectors of German industry and the country's largest industrial employer. With sales of more than 204 billion EUR and more than one million employees in 2020, the mechanical and plant engineering sector ranked second among all sectors of German industry. In spite of the pandemic-related sharp decline in turnover, Germany has still consolidated its ranking as the 3rd largest machinery producer worldwide. The sector combines future technologies, such as electronics, robotics, 3D printing and software to support industrial manufacturing in its quest to save energy and resources, to make production more effective and to meet regulatory and environmental requirements. Well-trained skilled workers, superior technological know-how, high quality standards in production and an excellent infrastructure for business all create ideal conditions for international investors. Digital transformation, especially, offers far-reaching opportunities due to changing customer needs and newer business models. The experiences from the pandemic with regard to security of supply for companies, plus new regulatory requirements (Supply Chain Act) will lead to a realignments along supply chains and, as a result, offer additional opportunities for international investors.

“Even before the pandemic, the increasing digitalization of the manufacturing industry and the vision of Industry 4.0 put established business models under continuing review and required new solutions and services. German companies established themselves as leading supplier, as well as a market for virtual systems and extremely efficient production systems. In no other German industry segment are there so many hidden champions and innovative medium-sized companies as there are in the mechanical engineering industry. Their strength is based on building very close customer loyalty and tailoring innovative technologies to specific customer needs. For international investors, collaborative activities, cooperation and joint ventures in R&D, production and marketing create sustainable opportunities to benefit from German know-how, while the German companies open up new markets and areas of application.”



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