



Business Destination Germany 2022

Focus topic The German start-up scene
Survey

German startup scene

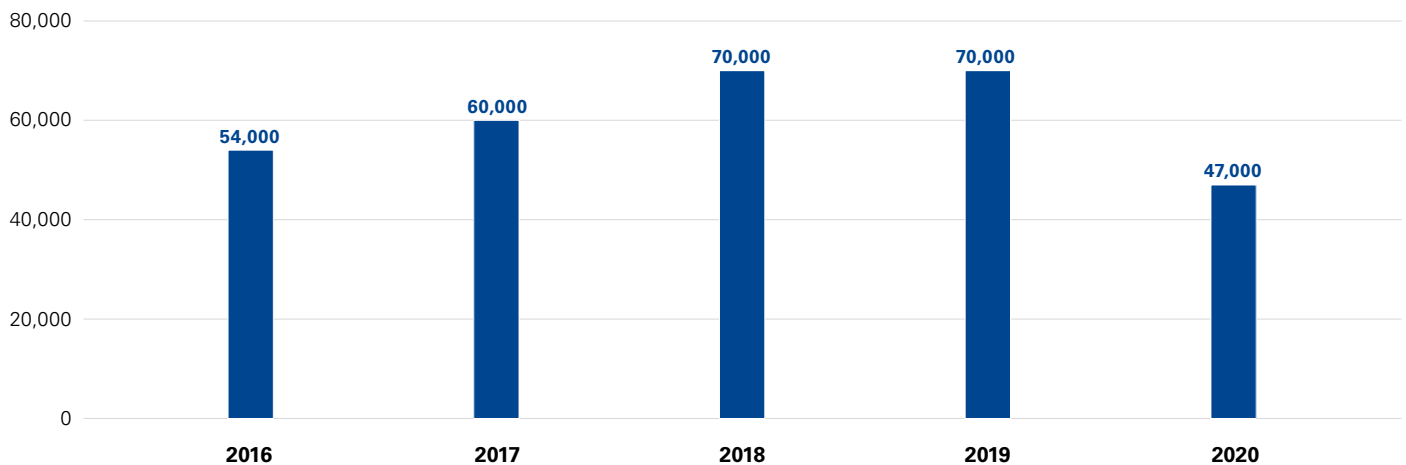
According to the 'KfW Startup Report 2021', the number of startups in Germany has increased dynamically from 54,000 in 2016 to 70,000 startups in 2018, the number remained at this level in 2019. The Corona crisis weighed on the stock of startups in Germany in 2020. The number of innovation or growth-oriented young companies fell to 47,000 in 2020.

The most important sectors for startups in Germany are IT and software development, but also industrial technology and hardware development, e-commerce and online marketplaces. In terms of the number of startups and investments made in them, the most important startup ecosystem in Germany for many years has been Berlin. The capital city is also one of the Top 10 global 'startup ecosystems', with constant movement up the rankings. Other important 'startup hubs' are Brandenburg, the Rhine-Ruhr metropolitan region in North Rhine-Westphalia, Frankfurt, Munich, Stuttgart, Karlsruhe and Hamburg. The Federal Government supports the development of 'startup hubs' through, among other channels, the 'Digital Hub Initiative', which promotes 12 German regions and 16 cities as digital ecosystems.

Frankfurt is strong when it comes to FinTech, for instance, fledgling companies that focus on the analysis of large amounts of data and cyber security. Health and mobility are cited as the most important startup fields for Munich.

The Bavarian juggernaut seems rather unstoppable with regard to its importance to successful startup activity. Internet giant Google is building its new German headquarters in Munich. Google settles where it sees creative potential in terms of talent and innovative nous. The state capital has long been home to tech companies from all over the world. Google's choice of Munich is certainly an expression of sincere faith in a very innovative tech and startup environment. Thanks to its universities that are talent breeding grounds, especially in the technical field, the tech and the startup scene in Munich has gained international appeal. The Munich-based software startup Celonis has recently made it into the ranks of the "unicorns".

Number of startups in Germany 2016–2020



Source: KPMG (based on the KfW Startup Report 2021)

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