



德国中国商会

Die Chinesische Handelskammer in Deutschland e.V.

Business Confidence Survey of Chinese Companies in Germany

November 2025



Foreword

The year 2025 marks a turning point in the global business landscape. As geopolitical tensions intensify and economic frameworks shift, Chinese companies operating in Germany are navigating a complex and challenging environment – one that however also presents promising opportunities.

This year's first-ever Business Confidence Survey, conducted jointly by the China Chamber of Commerce in Germany (CHKD) and KPMG in Germany, captures the sentiment of over 100 CHKD members representing the most important globally active Chinese multinationals in the German market. It provides a valuable and very seldomly available outside-in view into Germany's business landscape from the perspective of a Chinese investor. The findings reveal a nuanced picture: while concerns around labor costs, regulatory complexity and limited access to public funding persist, Germany continues to stand out as the most attractive investment destination in Europe.

Chinese companies in Germany are not only maintaining their presence, but they are also actively seeking to expand it. Investment plans increasingly focus on production facilities in Germany and neighboring EU countries, with digitalization, energy transition and automotive innovation emerging as key areas for bilateral cooperation. These sectors reflect shared strategic priorities and offer fertile ground for joint value creation.

At the same time, the macroeconomic context underscores the depth of the German-Chinese relationship. Despite a recent decline in bilateral trade volumes in the year 2024, China remains Germany's top procurement market and ranks among the leading foreign investors. Chinese investment stock in Germany has grown more than eightfold since 2010, and China was the third-largest investing country in Germany last year – driven in part by a surge in renewable energy and R&D projects.

However, to fully unlock the strong and yet untapped potential of this corridor, structural barriers must be addressed. Companies call for simplified administrative procedures, more transparent investment screening and equal access to funding and procurement opportunities. Engagement of Chinese groups in Germany through business associations and local networks is strong and it remains important that Germany keeps the market open for international investors and facilitates doing business in Germany.

We hope this study provides valuable insights for business leaders, policymakers and stakeholders so that the German-Chinese economic partnership continues to grow. Our sincere thanks go to all participating companies for their contributions to this year's survey.



Dr. CHEN Longjian
Executive Chairman,
CHKD



Andreas Glunz
Managing Partner
International Business,
KPMG in Germany



Li Dong
Co-Chairman,
CHKD



Dr. Holger Lampe
Partner, Tax,
Head of Country Practice China,
KPMG in Germany

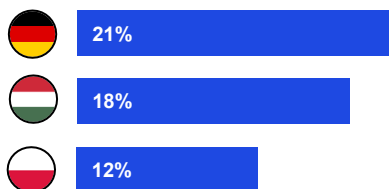


Executive Summary (1/3)

Germany remains the top investment destination in Europe

Despite global uncertainties, Germany is the most frequently cited country for future investment: New investments among Chinese companies in Germany go to Germany (21%), followed by Hungary (18%) and Poland (12%). By region Europe leads with 41% of planned investments.

Top 3 foreign countries for Chinese investment



Source: CHKD and KPMG in Germany Business Survey, 2025

US trade policy raises interest of Chinese groups in Germany/the EU

Due to the recent shift in US trade policy, 30% of Chinese companies in Germany are actively pursuing new business opportunities in Germany and the EU, while an additional 25% are closely observing developments without having initiated concrete steps. Another 22% of Chinese companies report an increased focus on the EU as an alternative sales market.

Impact of US reorientation

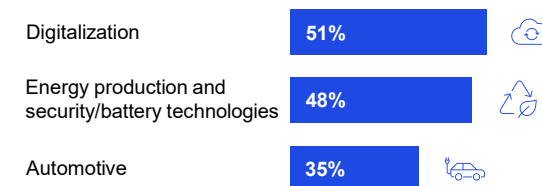


Source: CHKD and KPMG in Germany Business Survey, 2025

Digitalization, energy and automotive are key areas for Sino-German cooperation

51% of surveyed companies identify digitalization as the most promising field for future collaboration, reflecting a strong focus on innovation and process optimization. 48% cite energy-related topics, including battery technologies and energy security, as key areas of joint interest. The automotive sector, especially in e-mobility and smart manufacturing, is mentioned by 35%, underscoring its continued relevance in bilateral cooperation.

Top 3 future business fields for cooperation



Source: CHKD and KPMG in Germany Business Survey, 2025

Germany continues to be a preferred investment destination for Chinese companies globally and in Europe, since it remains open-minded towards Chinese investors and acts in a rule-based manner. Specifically, the change in US politics and the multi-billion-euro German infrastructure investment package have led to a re-positioning of Chinese groups, with Europe gaining ground as a preferred destination – with Germany at its center. In addition, strong sector cooperations continue to grow in the automotive, energy and digitalization sectors.



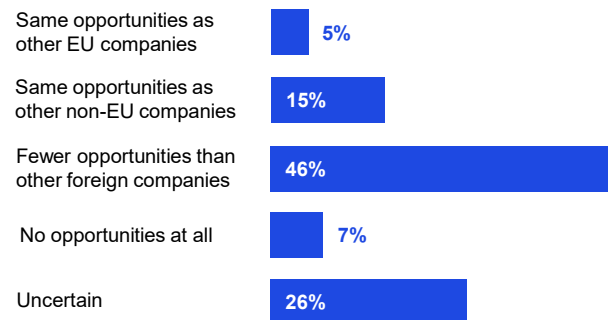
Andreas Glunz
Managing Partner
International Business,
KPMG in Germany

Executive Summary (2/3)

Chinese companies feel disadvantaged in accessing German government funding

46% of surveyed firms believe they have fewer opportunities to receive public funding compared to other foreign companies. Only 5% feel they are treated equally to EU-based firms, and 15% see parity with other non-EU firms. Additionally, 26% remain uncertain about their eligibility, highlighting the need for greater transparency and clearer communication from public authorities.

Chances to receive funding from German government



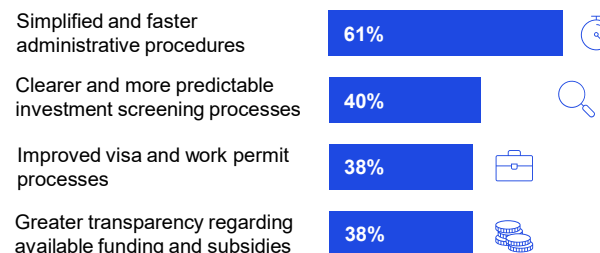
Source: CHKD and KPMG in Germany Business Survey, 2025; rounding differences possible

“ To unlock the full potential of Chinese investment in Germany, we must address structural barriers such as limited access to public funding and administrative inefficiencies. Our member companies are ready to engage – through business associations, legal partnerships and local networks – but they need better access and more transparent processes to do so effectively.

Administrative reforms are crucial to attract more Chinese investment

61% of respondents call for simplified and faster administrative procedures to facilitate investment. 40% demand clearer and more predictable investment screening processes, while 38% emphasize the need for improved visa and work permit processes for Chinese executives and specialists. 38% also call for greater transparency regarding available subsidies and funding programs.

Top measures to attract Chinese investment to Germany

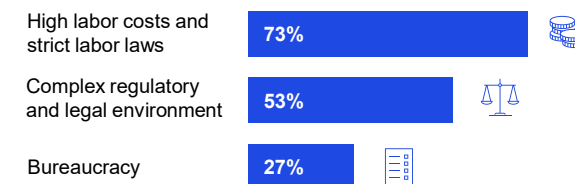


Source: CHKD and KPMG in Germany Business Survey, 2025

High labor costs and regulatory complexity are the biggest barriers

73% of respondents cite high labor costs and strict labor laws as the most pressing challenge for Chinese companies in Germany. 53% highlight the complexity of Germany's legal and regulatory environment, particularly in compliance and permitting. Additionally, 27% point to bureaucratic hurdles, which continue to slow down business establishment and operational processes.

Top 3 business challenges in Germany



Source: CHKD and KPMG in Germany Business Survey, 2025



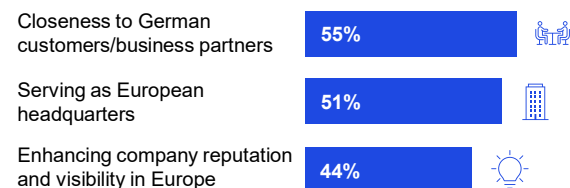
Dr. CHEN Longjian
Executive Chairman,
CHKD

Executive Summary (3/3)

German subsidiaries play a central role in the global strategy of Chinese groups

More than half of surveyed companies (55%) cite proximity to German customers and business partners as the most important strategic function of their German entity. Germany also serves as the European headquarters for 51% of respondents, underlining its regional significance. Additionally, 44% use their German operations to enhance corporate reputation and visibility across Europe.

Top 3 strategic roles of German subsidiary

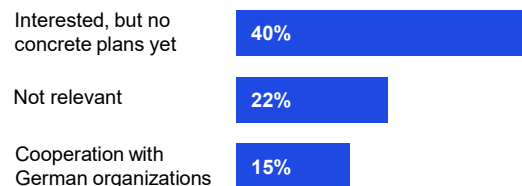


Source: CHKD and KPMG in Germany Business Survey, 2025

Germany's infrastructure package offers potential – but concrete plans remain scarce

40% of Chinese companies express interest in Germany's EUR 500 billion infrastructure package, yet most lack concrete strategies. Only a minority plan to engage – through cooperation with German organizations in infrastructure projects (15%) – while 22% see no relevance to their business.

Top 3 plans to use infrastructure investment package

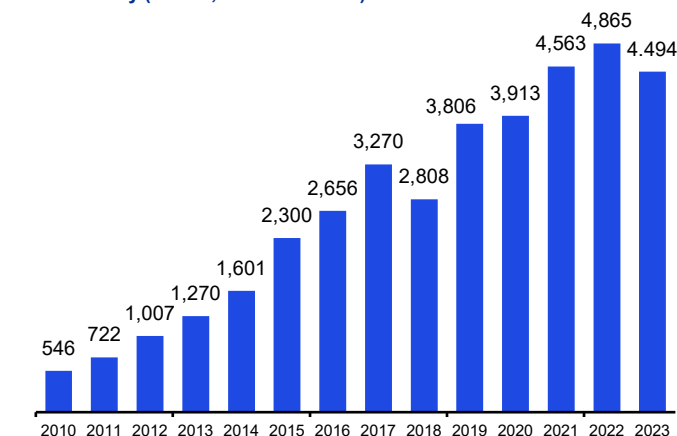


Source: CHKD and KPMG in Germany Business Survey, 2025

Chinese investment stock in Germany has multiplied eightfold since 2010

Despite a slight decline in 2023, the long-term trajectory of Chinese investment in Germany remains strong. Since 2010, the net stock of direct and indirect investments has increased more than eightfold, from EUR 546 million to EUR 4,494 million, underscoring Germany's strategic importance for Chinese companies seeking access to the European market, advanced technologies and stable, reliable and rule-based business conditions.

Direct and indirect investment stock of Chinese companies in Germany (netted; in EUR million)



Source: Deutsche Bundesbank

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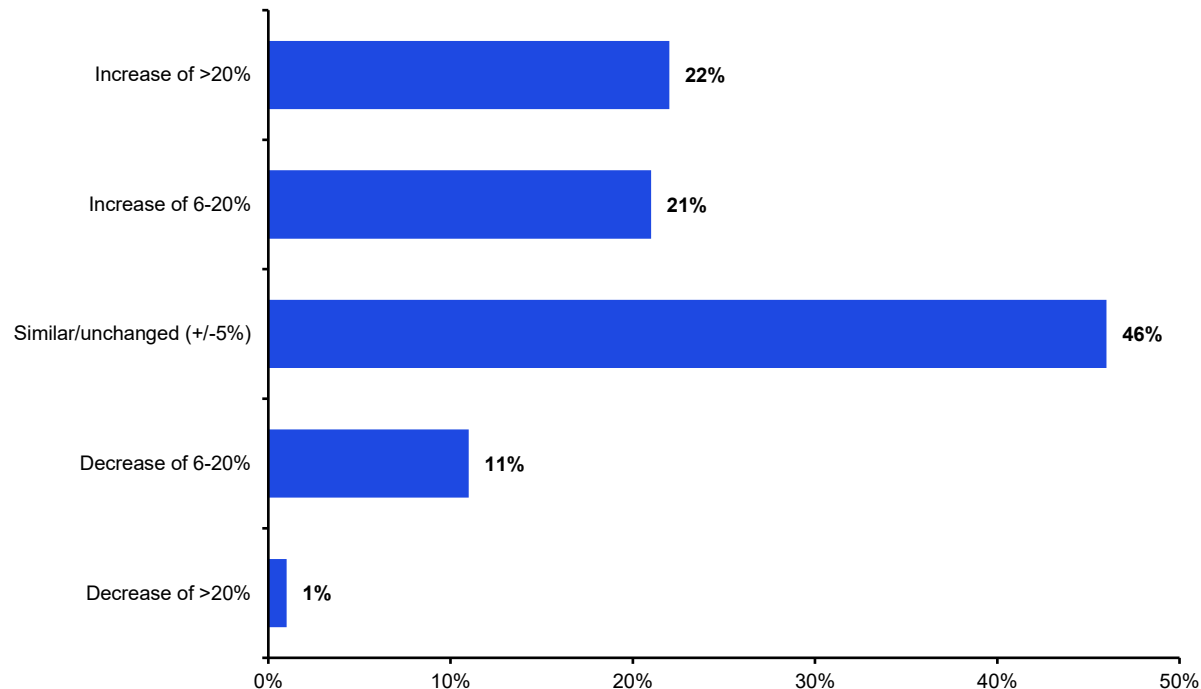
01

Business development and outlook



Revenue expectations remain broadly positive

Figure 1: **Development of revenues in Germany over the next 12 months**



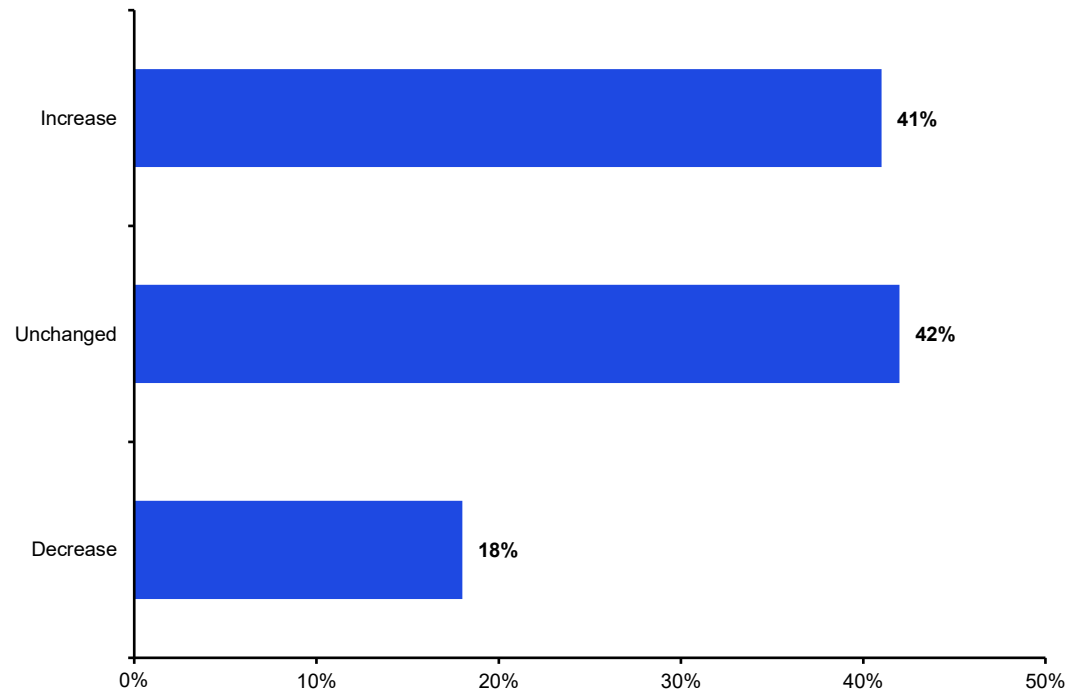
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=101); rounding differences possible

- Chinese companies in Germany are cautiously optimistic about their revenue outlook, with a notable share expecting growth in the coming year.
- While 46% anticipate stable revenues, 43% forecast either moderate or strong growth, indicating confidence despite economic headwinds. Moderate growth is anticipated by 21%, while 22% forecast strong growth exceeding 20%.
- On the downside, 12% expect revenue to decline, with only 1% anticipating a drop of more than 20%.



Workforce expansion exceeds reductions

Figure 2: Development of employee numbers in Germany over the next 12 months



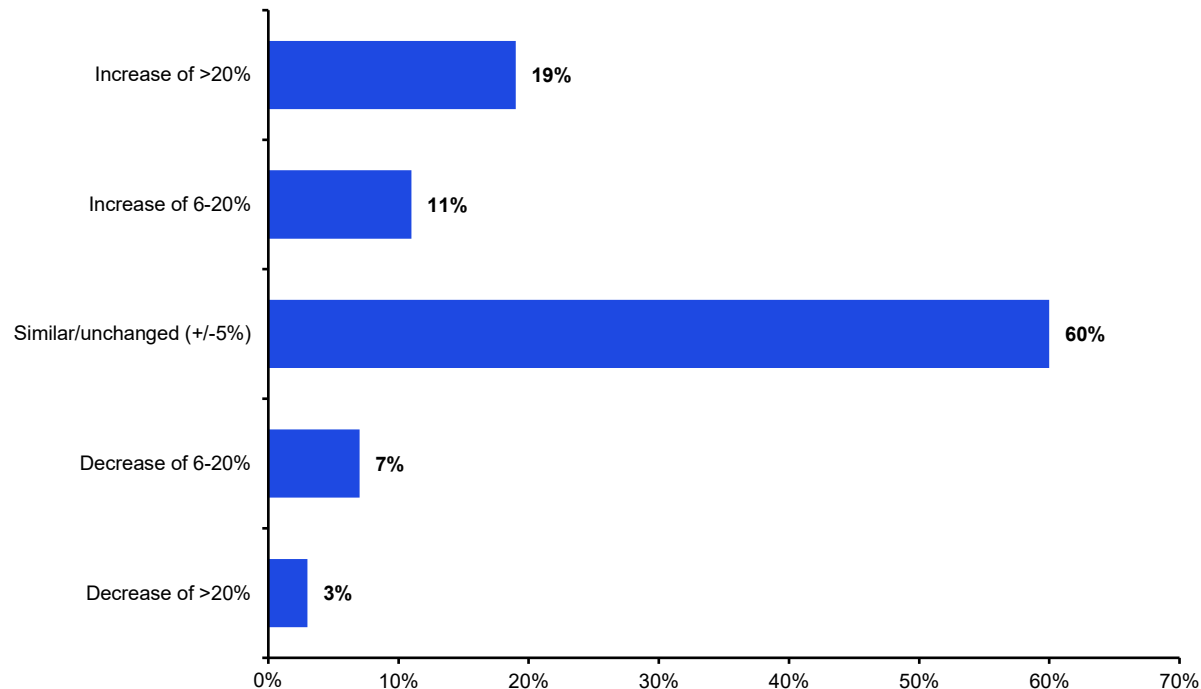
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=101); rounding differences possible



- Employment plans among Chinese companies in Germany present a mixed picture. In the coming twelve months, 41% of respondents intend to expand their workforce, while 42% expect staffing levels to remain unchanged.
- By contrast, 18% of companies anticipate a reduction in employee numbers.

Investment plans signal cautious optimism

Figure 3: **Development of investment in Germany over the next 12 months**



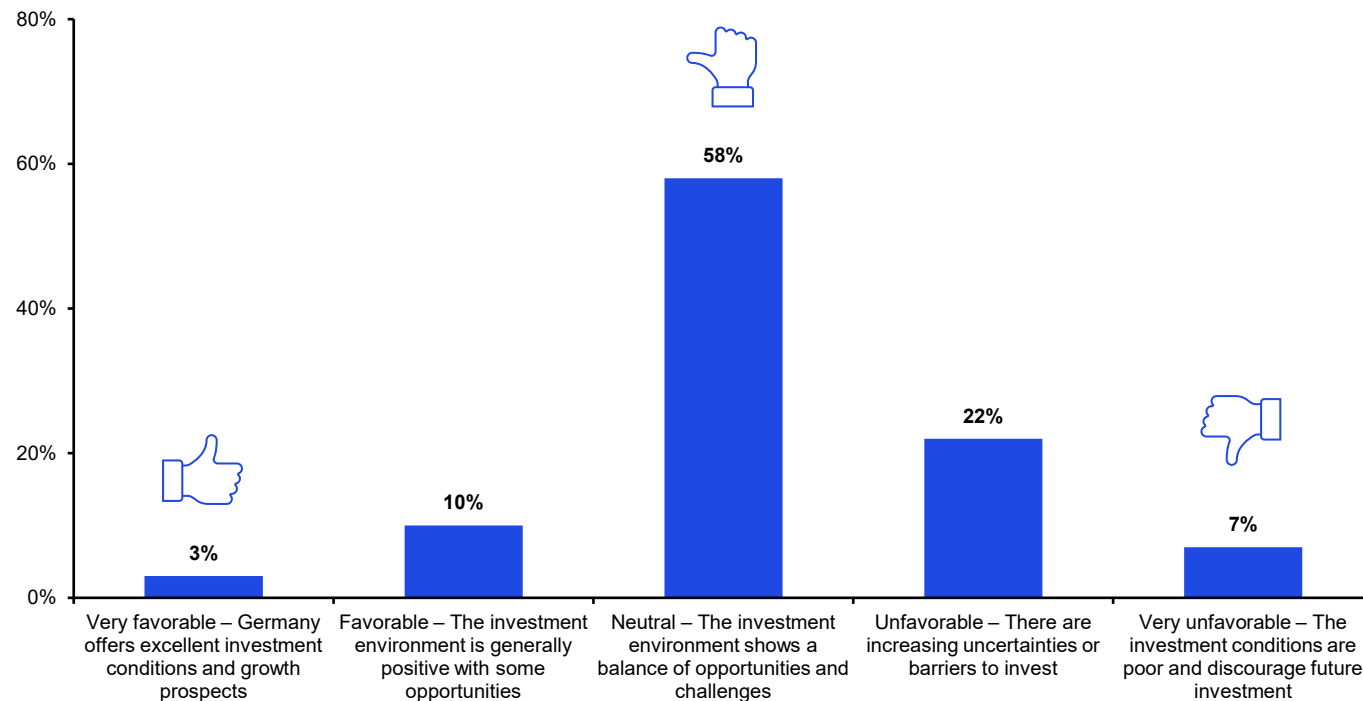
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=101); rounding differences possible

- 60% of surveyed companies plan to maintain their current investment levels in Germany over the next twelve months, indicating a stable outlook.
- 30% intend to increase their investments, with 19% expecting growth of more than 20%, and 11% anticipating a moderate increase between 6% and 20%.
- On the other hand, 10% foresee a reduction in investment volume.



Mixed perceptions of Germany's investment environment

Figure 4: **Assessment of investment environment in Germany over the next 5 years**



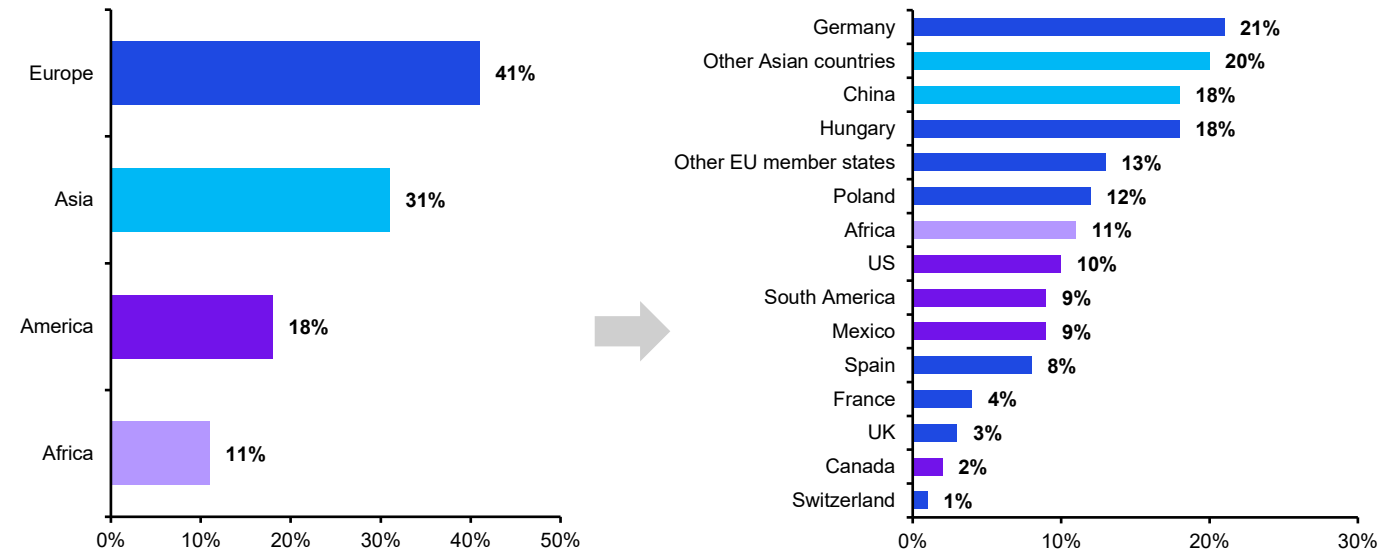
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=101); rounding differences possible



- 58% of respondents rate the investment climate in Germany as neutral, indicating a balanced view of opportunities and risks.
- Positive assessments are less common: 10% consider the environment favorable, and 3% rate it as very favorable.
- Conversely, 22% view conditions as unfavorable, and 7% as very unfavorable, reflecting growing concerns about regulatory and economic factors.

Germany and Asia dominate future investment plans

Figure 5: Regions/countries where Chinese companies plan to invest in production facilities over the next 5 years



25%

No investments in production facilities planned at this time

23%

Undecided

Source: CHKD and KPMG in Germany Business Survey, 2025 (n=101); multiple responses possible



- Europe is the most frequently cited region for future production investments, mentioned by 41% of surveyed Chinese companies in Germany. Within Europe, Germany leads as the top destination (21%), followed by Hungary (18%), other EU member states (13%), and Poland (12%).
- Asia follows closely at 31%, underscoring the strategic importance of the region. On the largest continent, 20% of companies plan to invest in other Asian countries such as Vietnam or India, while 18% are targeting China.
- The Americas are cited by 18% of companies, with the United States (10%), Mexico (9%), and South America (9%) being the most relevant markets.
- Africa is mentioned by 11% of respondents, indicating growing interest in emerging markets.
- Notably, 25% of companies currently do not plan to invest in production facilities, and 23% remain undecided.



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02

Opportunities and challenges

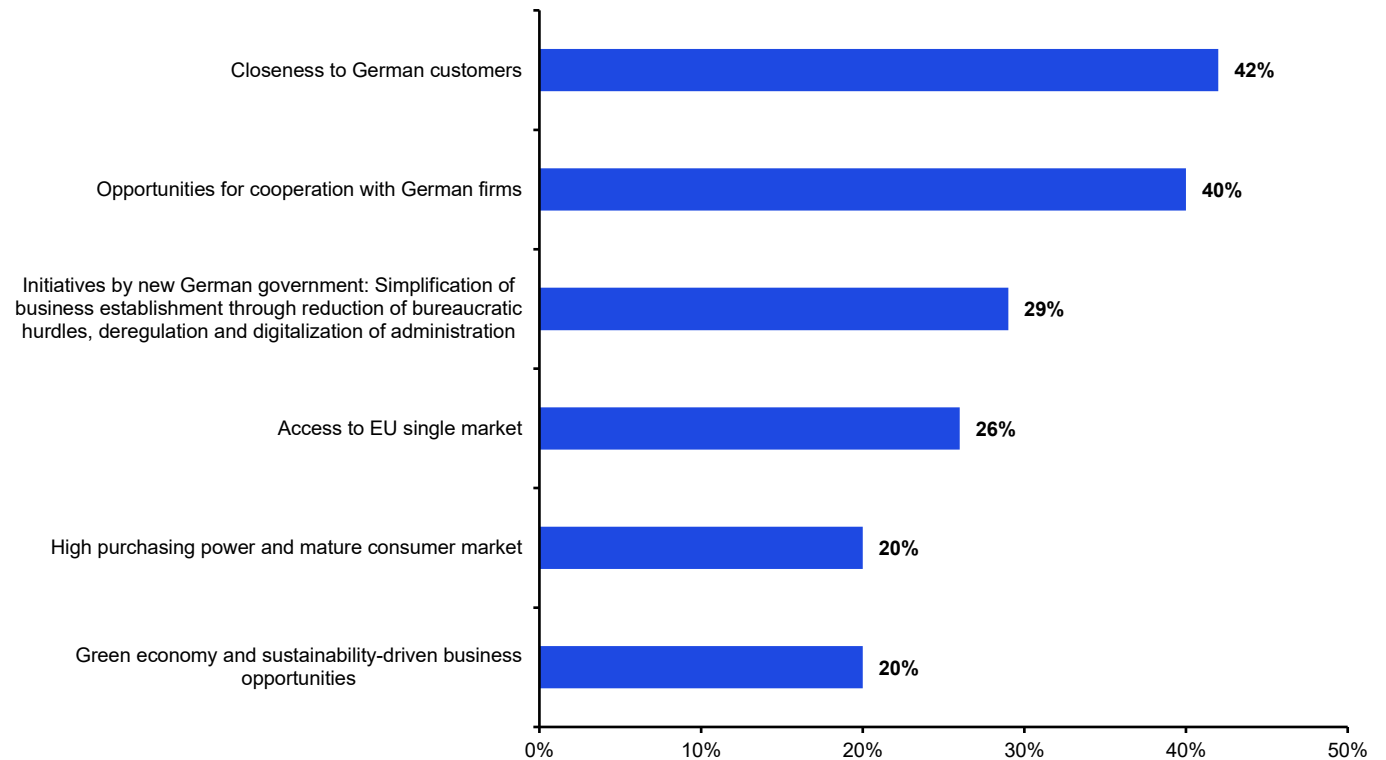


Customer proximity and collaboration represent main business opportunities

- 42% of respondents identify proximity to German customers as the most important business opportunity, enabling direct market access and stronger client relationships.
- Cooperation with German firms is cited by 40%, reflecting interest in joint ventures and strategic partnerships.
- 29% see value in government initiatives aimed at reducing bureaucracy and promoting digitalization.
- Access to the EU single market (26%) and Germany's high purchasing power (20%) further enhance the country's attractiveness.
- Sustainability-driven business models and the green economy are also seen by 20% of respondents as a relevant business opportunity.

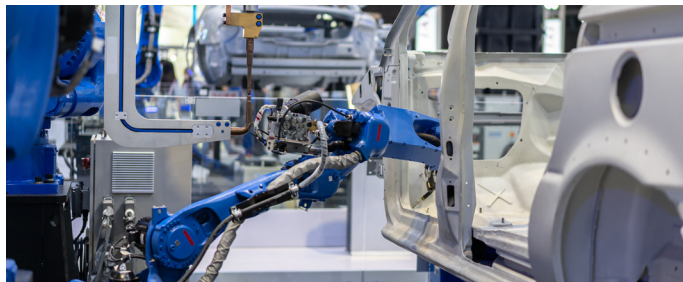


Figure 6: Main business opportunities in Germany



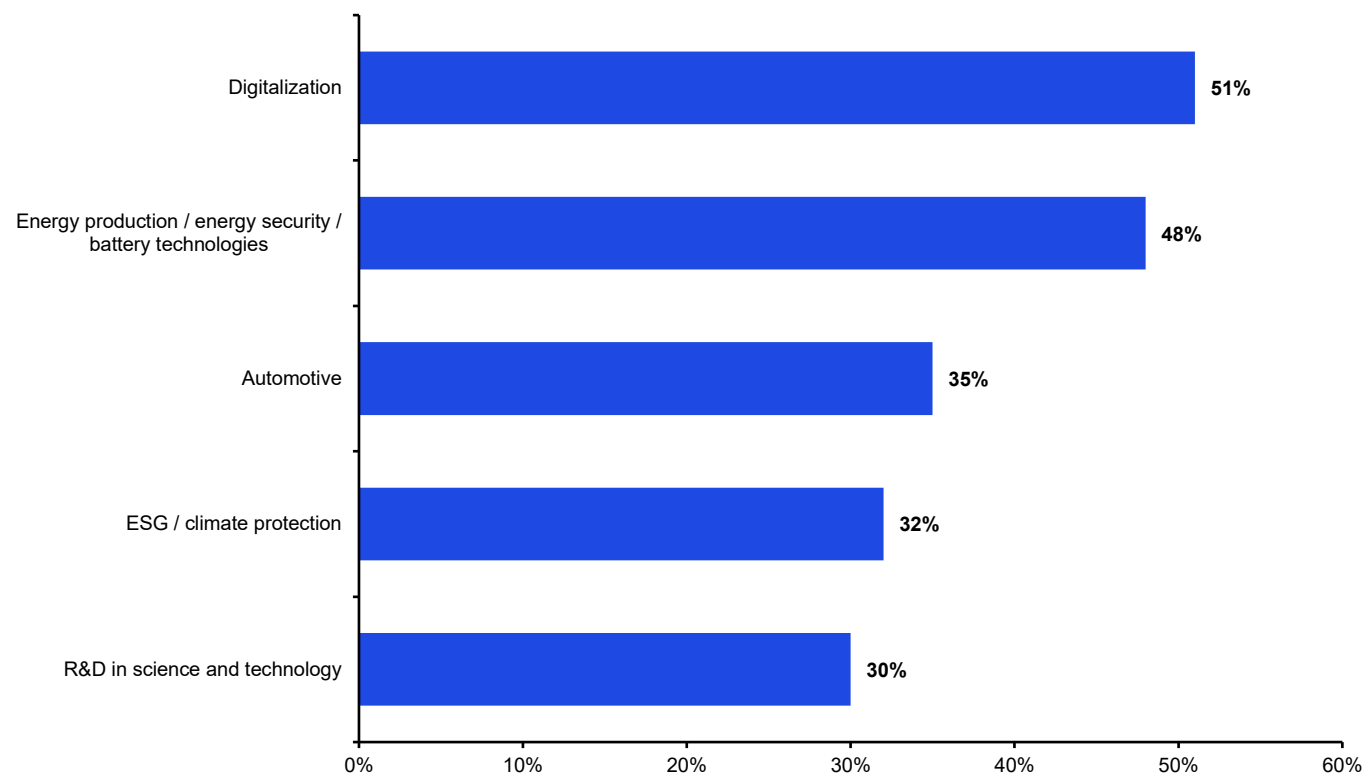
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=99), up to 5 responses possible

Digital, energy and automotive sectors are seen as key cooperation areas



- Digitalization is identified by 51% of respondents as the most promising field for future Sino-German cooperation, reflecting a strong strategic focus on process innovation and technology integration.
- Energy-related topics – including energy production, energy security and battery technologies – are cited by 48% of companies, underscoring the growing relevance of sustainable and secure energy systems.
- The automotive sector remains an important area of collaboration for Chinese companies in Germany due to Germany's strong base of automotive OEMs and suppliers, mentioned by 35% of respondents, particularly in areas such as e-mobility and smart manufacturing.
- ESG and climate protection initiatives are gaining traction, seen by 32% of companies as a future area of engagement.
- R&D in science and technology is also seen as a strategic field, cited by 30% of respondents.

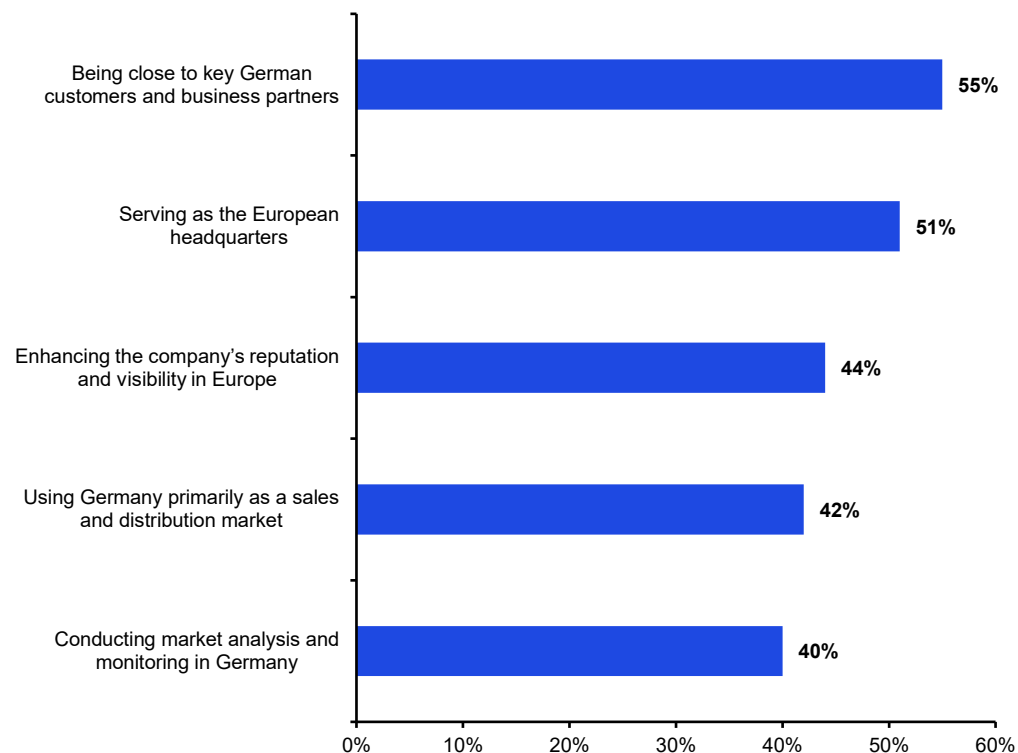
Figure 7: Top 5 future business fields for cooperation between Germany and China



Source: CHKD and KPMG in Germany Business Survey, 2025 (n=99); multiple responses possible

German subsidiaries serve key strategic functions for global Chinese groups

Figure 8: **Top 5 strategic roles of German companies for global Chinese groups**



Source CHKD and KPMG in Germany Business Survey, 2025 (n=98); multiple responses possible



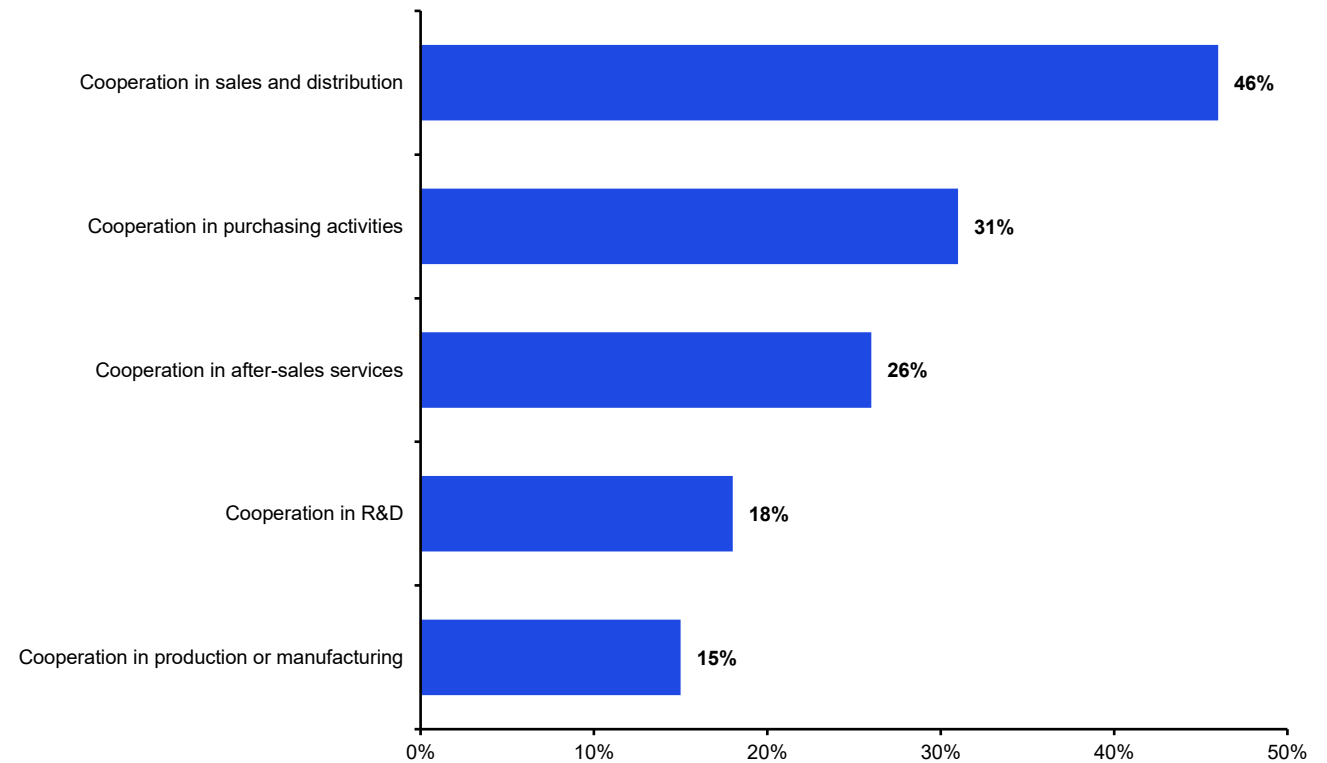
- The most frequently cited strategic role of the German subsidiaries is proximity to German customers and business partners, mentioned by 55% of respondents. Local presence enables direct access to clients and strengthens market positioning in the biggest European market.
- 51% of companies use their German entity as their European headquarters, underlining Germany's central position within regional operations.
- Enhancing the corporate reputation and visibility of the Chinese group in Europe is also a key objective, cited by 44% of respondents.
- 42% of companies use their German subsidiary primarily as a sales and distribution hub.
- Market analysis and monitoring of the German and European markets are conducted by 40% of respondents, reflecting the role of German operations in strategic planning and intelligence gathering for the global groups.

Sales and purchasing dominate current cooperation areas

- Sales and distribution are the most common areas of cooperation between Chinese and German companies, cited by 46% of respondents.
- Purchasing activities rank second, mentioned by 31%, reflecting the importance of sourcing from China to Germany and supply chain integration.
- After-sales services (26%) and joint R&D initiatives (18%) also play a role in bilateral collaboration.
- Production and manufacturing partnerships are less frequent, cited by 15% of companies.



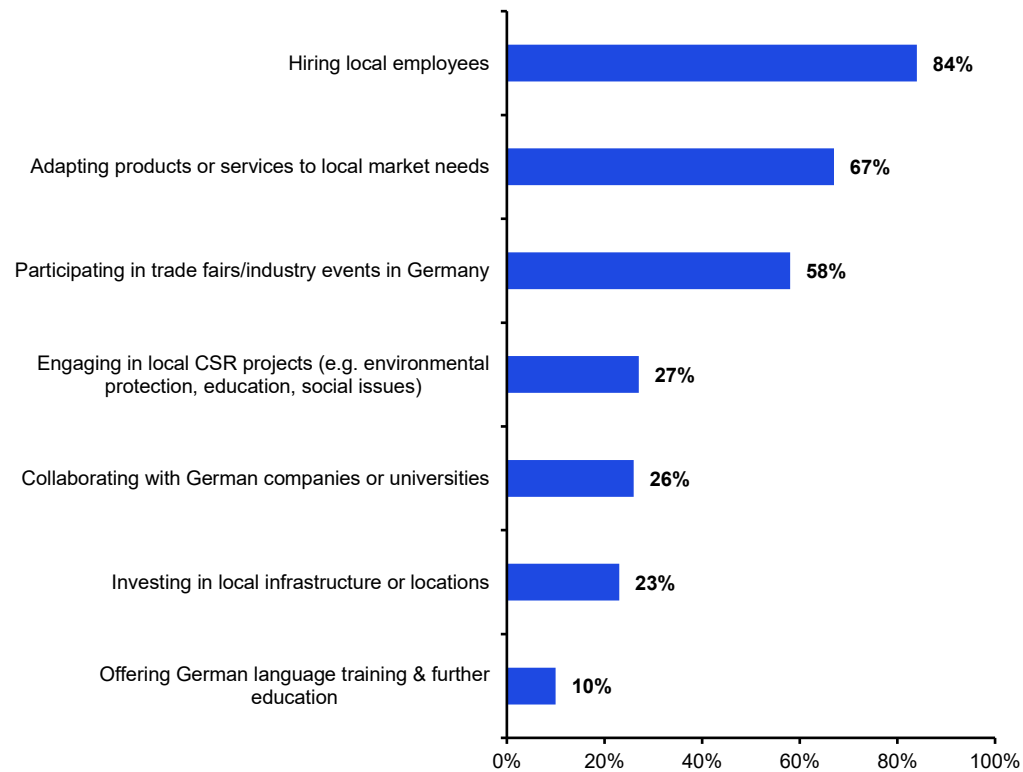
Figure 9: Top 5 current ways of cooperation with German companies



Source: CHKD and KPMG in Germany Business Survey, 2025 (n=98); multiple responses possible

Hiring locals and adapting offerings to local needs help market integration

Figure 10: **Measures to integrate successfully into the German market**



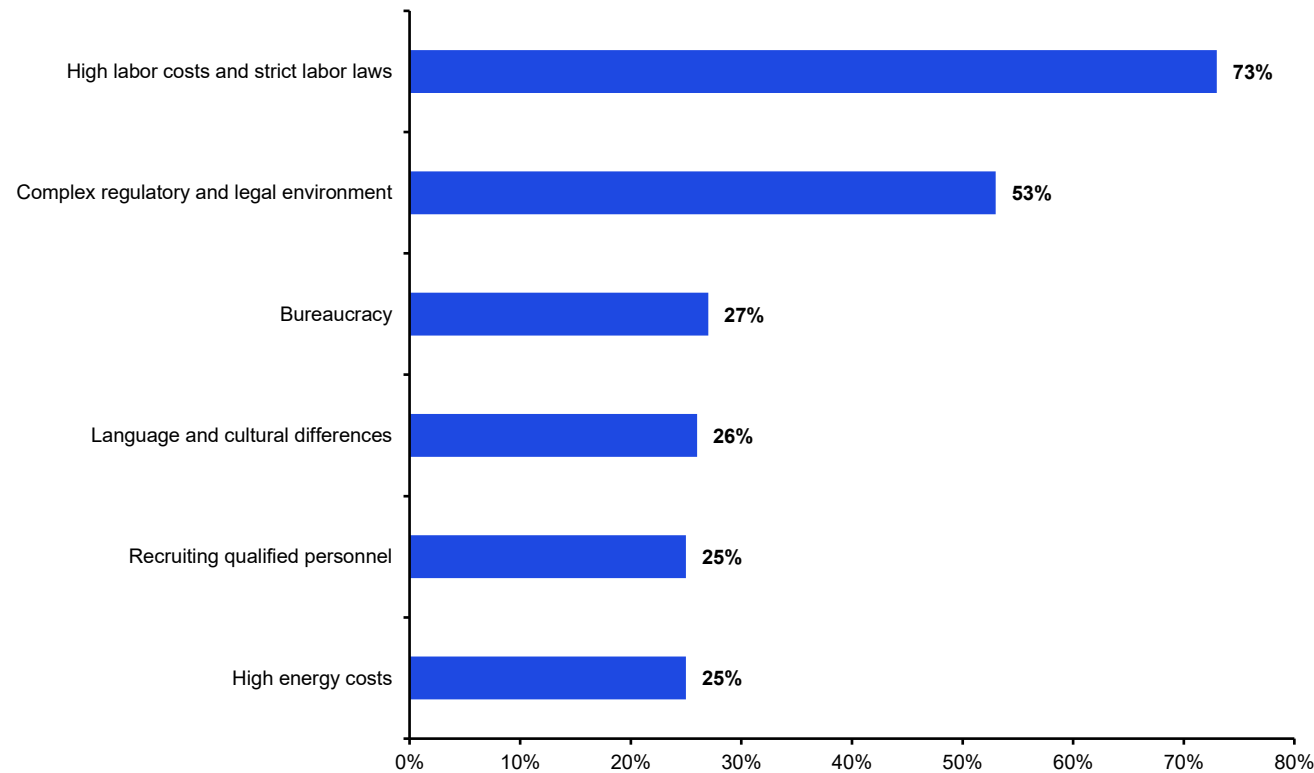
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=97); multiple responses possible

- 84% of respondents consider hiring local employees the most effective measure for integrating into the German market. Employing local talent helps build trust, navigate cultural nuances, and strengthen customer relationships.
- Adapting products or services to local market needs ranks second (67%), reflecting a strong commitment to localization and responsiveness.
- Participation in trade fairs and industry events is also common, cited by 58% of companies as a way to increase visibility and expand their network within the German business community.
- Engagement in local CSR projects (27%) and collaboration with German companies or universities (26%) further support integration efforts.
- Investments in local infrastructure (23%) and German language training (10%) are less widespread but still part of the broader strategy.



Chinese companies face labor-related challenges and regulatory hurdles

Figure 11: Main business challenges in Germany



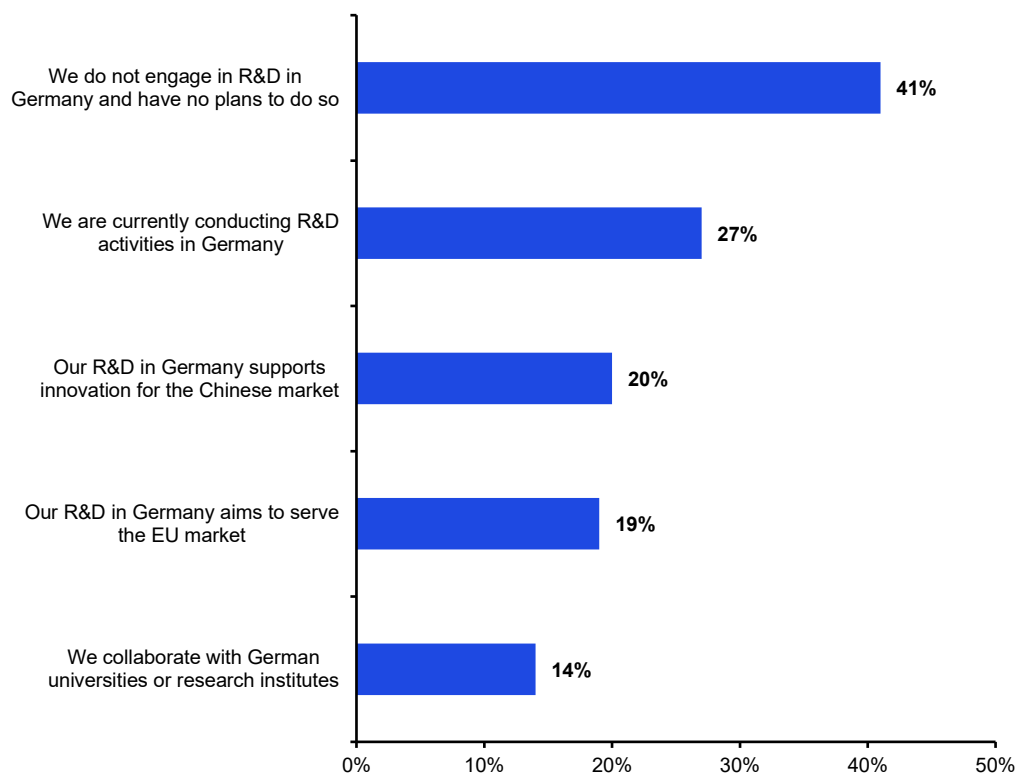
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=99); up to 5 responses possible



- Labor-related challenges are the most pressing issue for Chinese companies in Germany, with 73% citing high labor costs and strict labor laws as a major concern. These include wage levels, social contributions, rigid employment regulations and the co-determination rights of the workers' councils.
- Regulatory complexity is the second most frequently mentioned challenge, with 53% of respondents pointing to difficulties in navigating Germany's legal and compliance landscape.
- Bureaucratic processes continue to hinder operations for 27% of companies, particularly in areas such as permissions and administrative procedures.
- Language and cultural differences (26%) and the recruitment of qualified personnel (25%) also present notable barriers.
- High energy costs are cited by 25% of respondents, adding to the overall cost pressure.

R&D in Germany remains limited

Figure 12: **Top 5 R&D engagements and objectives in Germany**



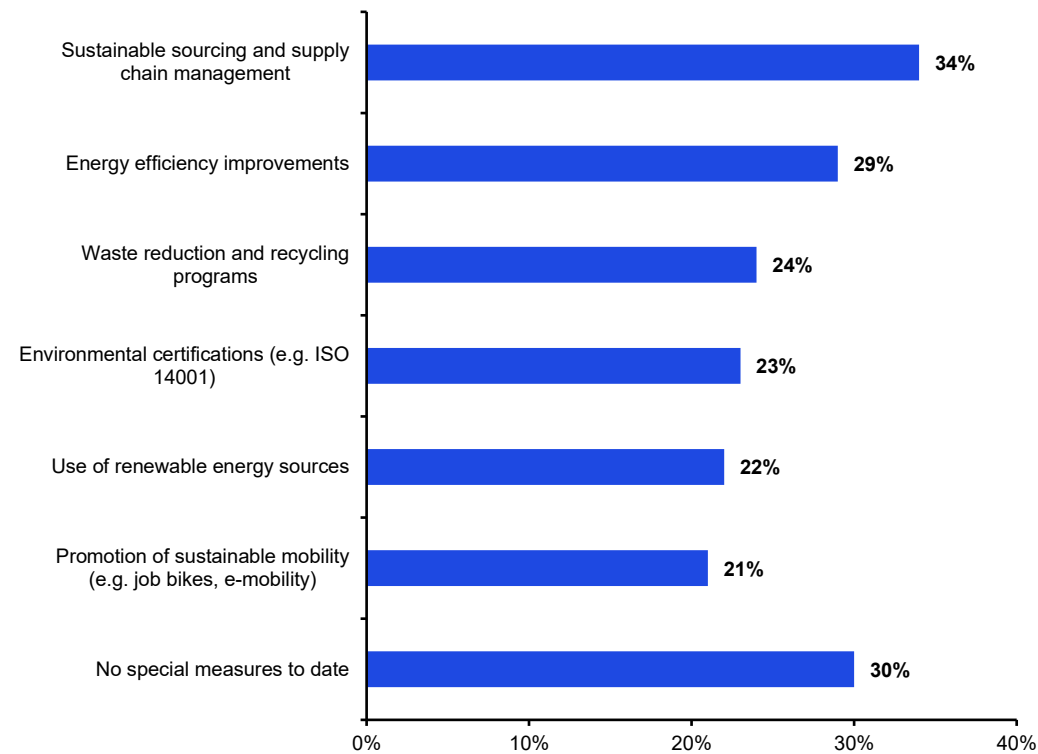
Source: CHKD and KPMG in Germany Business Survey, 2025 (n=97); multiple responses possible



- 41% of surveyed companies report no current R&D engagement in Germany and no plans to initiate such activities, indicating a cautious approach towards local innovation investment.
- In contrast, 27% are actively conducting R&D in Germany, and thus benefitting from Germany's position as a strong global technology and innovation hub.
- Strategic objectives vary: 20% of respondents use German-based R&D to support innovation for the Chinese market, while 19% focus on serving the EU market.
- Collaboration with German universities or research institutes is pursued by 14% of companies, reflecting targeted efforts to tap into local expertise and academic networks.

Sustainability measures not a top priority for Chinese companies in Germany

Figure 13: **Sustainability measures currently implemented in German subsidiaries of Chinese groups**



Source: CHKD and KPMG in Germany Business Survey, 2025 (n=97); multiple responses possible

- 34% of respondents have introduced sustainable sourcing and supply chain management practices, making it the most frequently cited measure.
- Energy efficiency improvements follow closely, mentioned by 29% of companies.
- Waste reduction and recycling programs are in place at 24% of surveyed firms.
- Environmental certifications, such as ISO 14001, are used by 23%, while 22% rely on renewable energy sources.
- Sustainable mobility initiatives – including e-mobility and job bikes – are promoted by 21% of companies.
- Notably, 30% of respondents have not yet implemented any specific sustainability measures.





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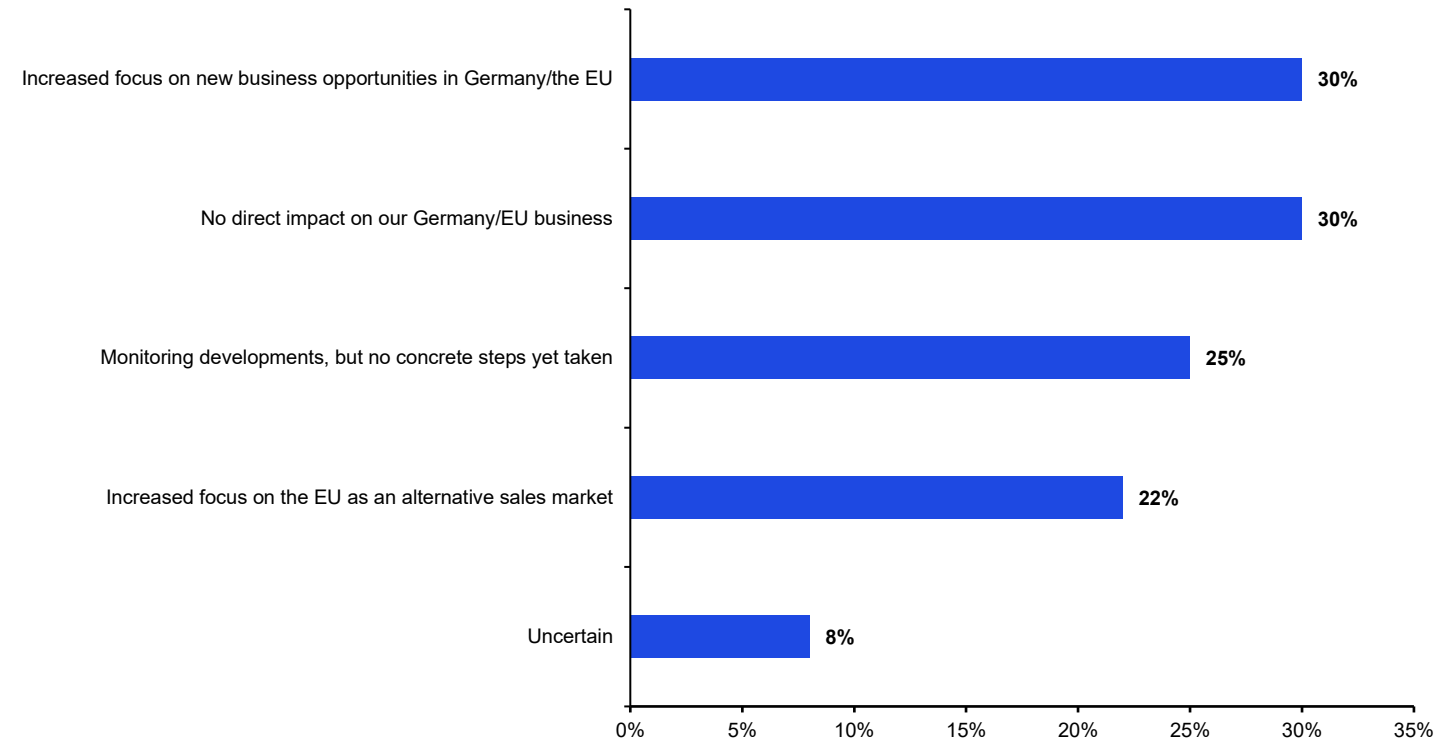
Spotlight on selected topics

US reorientation raises interest of Chinese groups in Germany and the EU



- The recent shift in US trade policy is prompting Chinese companies in Germany to increase their focus on Germany and the EU: 30% are actively exploring new business opportunities in Germany and the EU, while a further 25% are monitoring developments without yet having taken concrete steps.
- Another 22% indicate an increased focus on the EU as an alternative sales market, reflecting a potential pivot in global supply chain strategies.
- In contrast, 30% of the surveyed firms report no direct impact on their business operations in Germany or the EU.
- 8% remain uncertain about the implications, highlighting the complexity of the evolving international landscape.

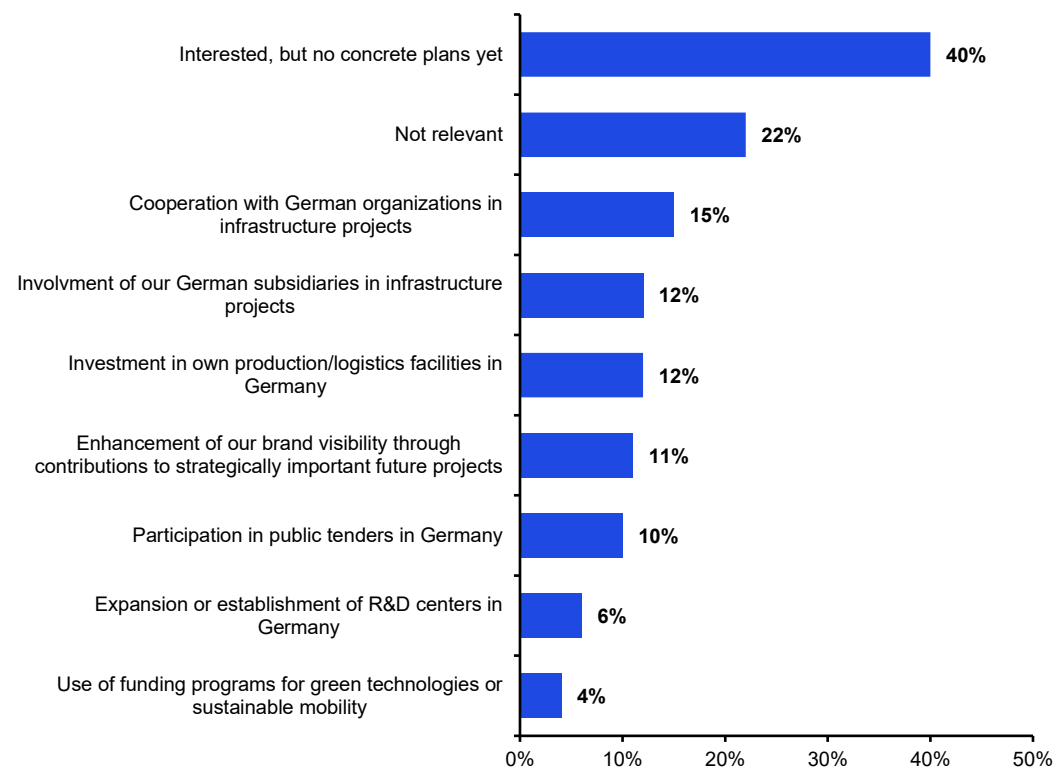
Figure 14: **5 biggest impacts of US reorientation on the Chinese group's business operations in Germany and/or the EU**



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=97); multiple responses possible

German infrastructure investment package sparks interest, but plans remain vague

Figure 15: **Plans on how to use the infrastructure investment package**



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=97); multiple responses possible

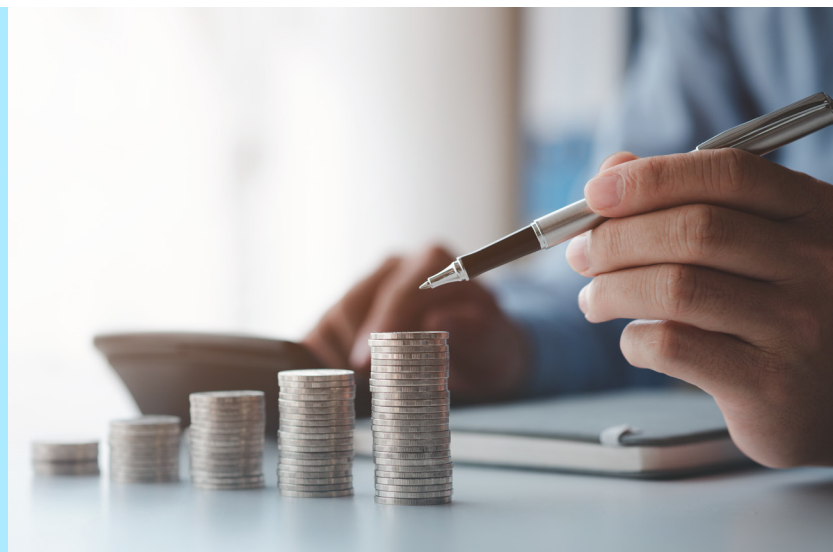
- While Germany's EUR 500 billion infrastructure investment package presents substantial opportunities, concrete plans among Chinese companies remain limited.
- 40% of respondents express interest but have not yet formulated specific strategies.
- 22% do not consider the package relevant to their operations.
- Only a minority have defined plans, including cooperation with German organizations (15%), investment in production or logistics facilities (12%) and participation in public tenders (10%).
- Expansion of R&D centers (6%) and use of green technology funding (4%) are also mentioned, though less frequently.

A total of **EUR 500 billion** in state funds is slated for investment in Germany's infrastructure **over the next twelve years.**



Of this, EUR 100 billion has been allocated to the federal states for their **infrastructure** development, with another EUR 100 billion designated for the special "**Climate and Transformation Fund.**"

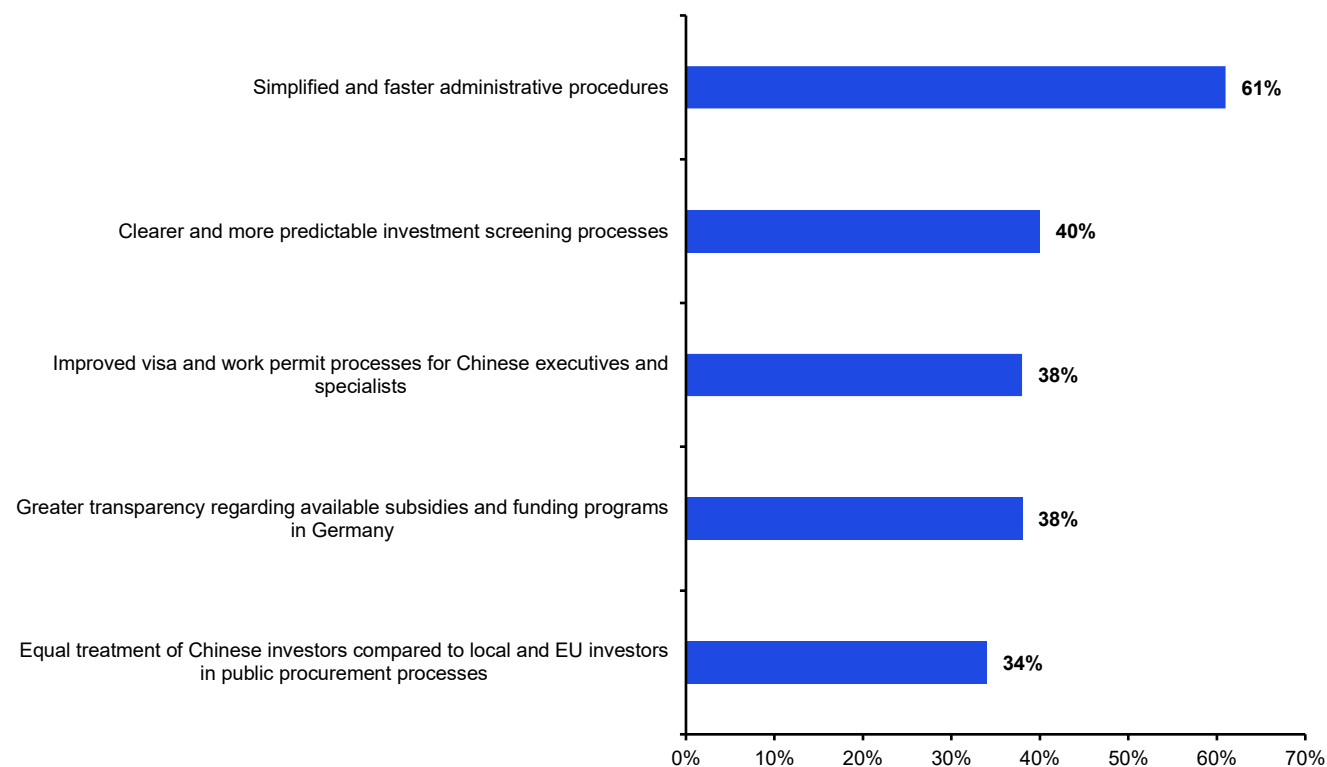
The remaining EUR 300 billion is to be utilized for additional federal investments, which equates to an average of EUR 25 billion per year over the specified period.



Key measures to attract more Chinese investment to Germany



Figure 16: **Top 5 measures to help attract more investments from Chinese companies to Germany**



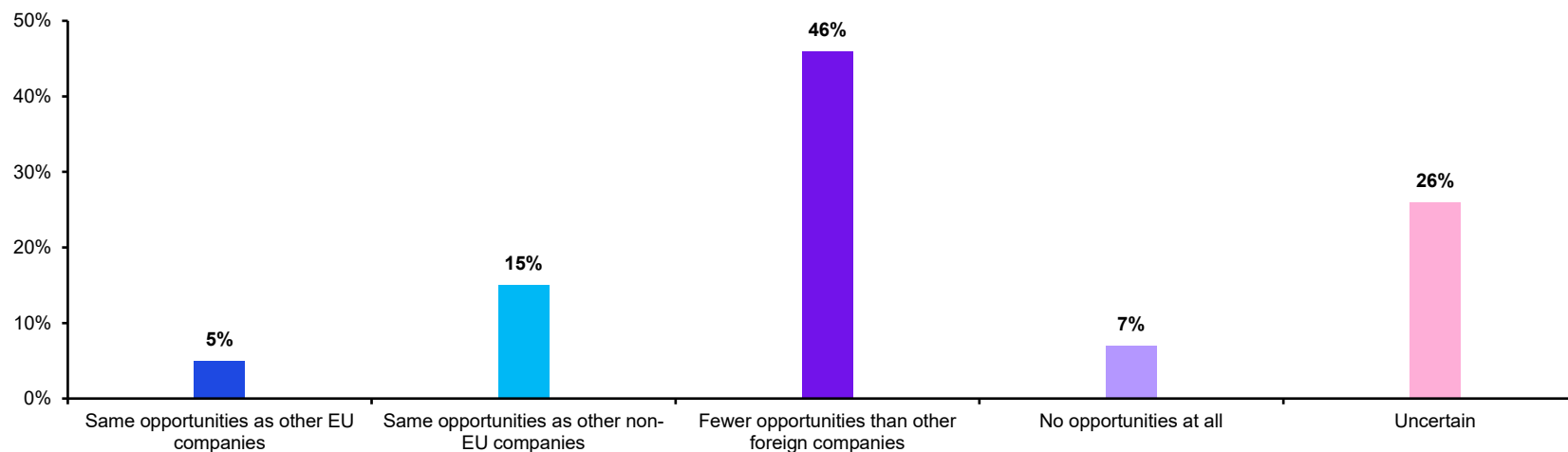
Source: CHKD and KPMG in Germany Business Survey, 2025; (n=97); multiple responses possible

- Simplified and faster administrative procedures are seen as the most effective way to attract additional Chinese investment, cited by 61% of surveyed companies.
- Clearer and more predictable investment screening processes are mentioned by 40%, reflecting the need for more transparency.
- Improvements in visa and work permit processes for Chinese executives and specialists are also considered important (38%). Greater transparency regarding available subsidies and funding programs is also highlighted by 38% of respondents.
- Equal treatment of Chinese investors in public procurement processes compared to local and EU-based firms is cited by 34%, indicating a desire for fair competitive conditions.

Access to German government funding perceived as difficult

- Nearly half of surveyed companies (46%) believe they have fewer opportunities to access German government funding compared to other foreign firms.
- Only 5% feel they are treated equally to EU-based companies, and 15% see parity with other non-EU firms.
- A small share (7%) reports having no access to funding at all.
- A significant portion (26%) remains uncertain about their eligibility, highlighting the need for clearer communication and pro-active guidance from public authorities.

Figure 17: Rating of Chinese companies' chances of receiving funding from the German government

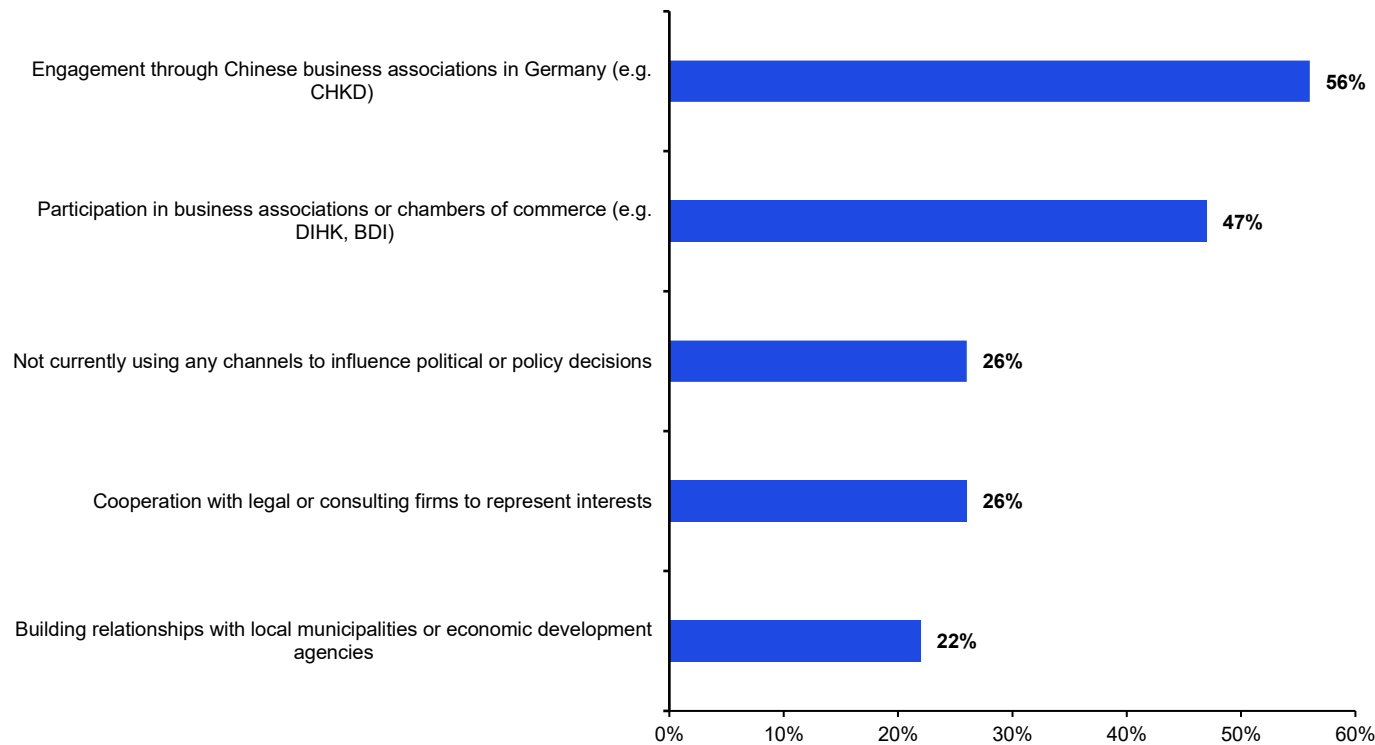


Source: CHKD and KPMG in Germany Business Survey, 2025; (n=97); rounding differences possible



Business associations play key role in political engagement

Figure 18: Top 5 channels for engaging with or influencing political and policy decisions in Germany



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=97); multiple responses possible



- Engagement through Chinese business associations in Germany (e.g. CHKD) is the most frequently used channel to influence political and policy decisions, cited by 56% of respondents.
- Participation in German business associations or chambers of commerce (47%) also plays a significant role.
- 26% of companies report not using any channels for political engagement, while another 26% rely on cooperation with legal or consulting firms.
- Building relationships with local municipalities or economic development agencies is mentioned by 22%, indicating an interest in regional-level advocacy.



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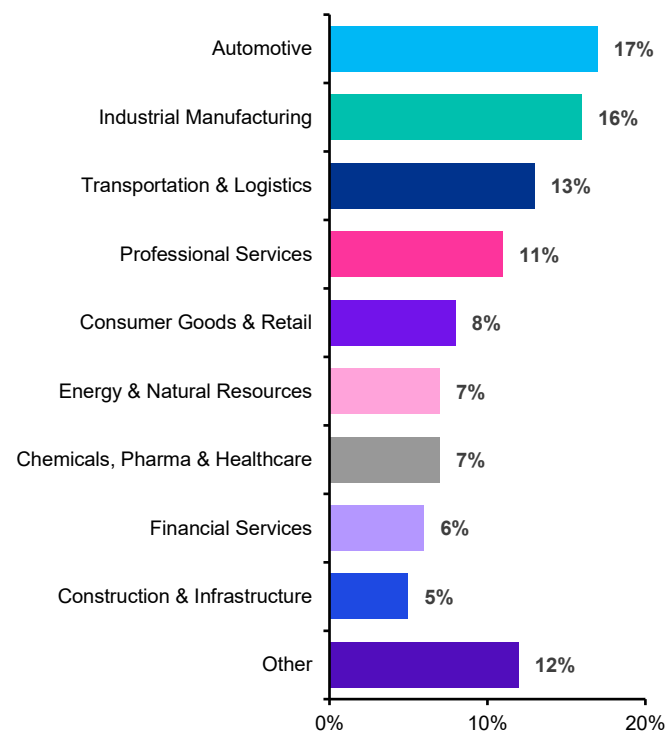
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Profile of the companies surveyed



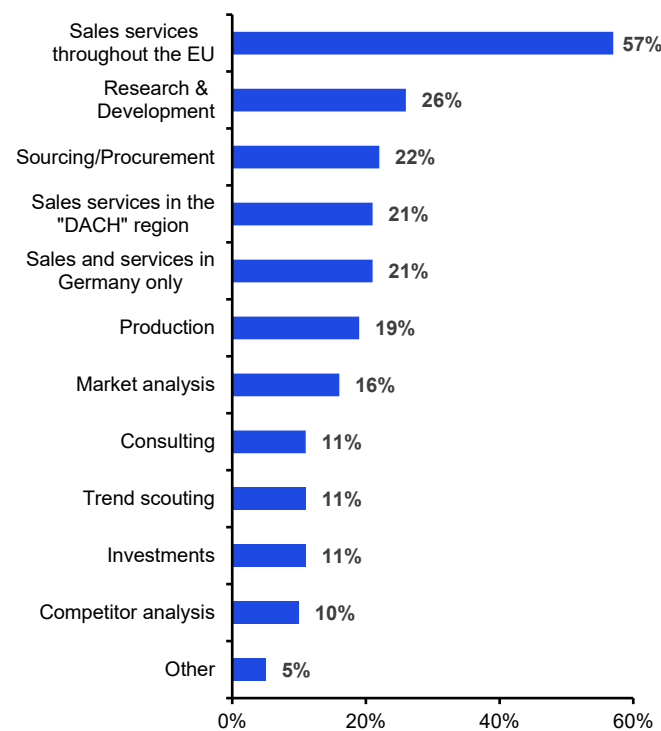
Profile of the companies surveyed

Figure 19: **Breakdown by sector of the companies surveyed**



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=104); rounding differences possible

Figure 20: **Breakdown by business activity**



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=104); multiple responses possible

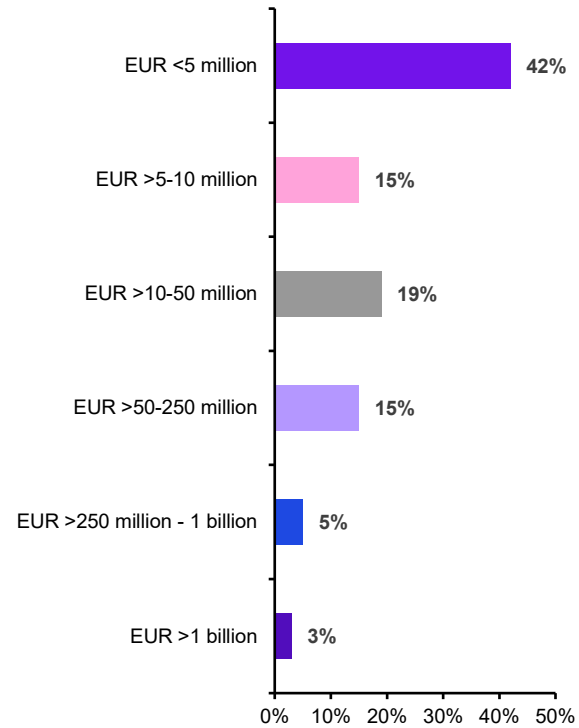


The China Chamber of Commerce in Germany (CHKD) and KPMG in Germany approached German subsidiaries of Chinese corporate groups and companies with operations in Germany for this survey for the first time. A total of 104 companies participated in the survey, which was conducted between August 12 and September 7, 2025.

The questions focused on the economic outlook for Chinese companies in Germany, their views on current developments as well as the challenges and opportunities facing their businesses in Germany.

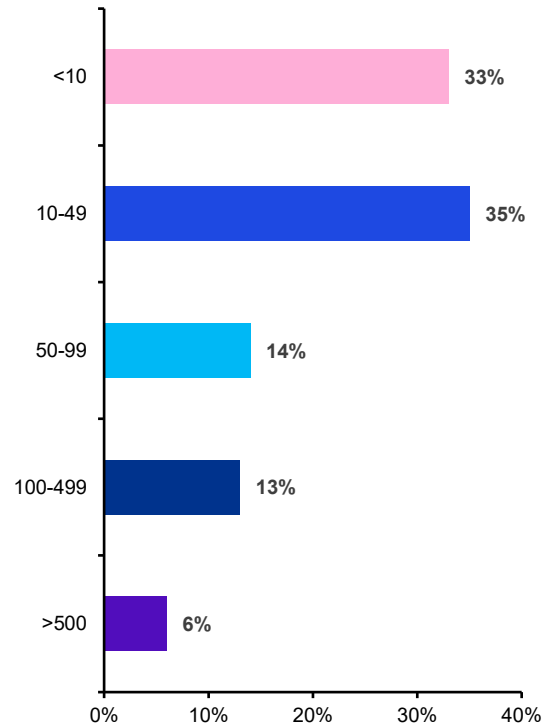
Profile of the companies surveyed

Figure 21: Annual turnover in Germany



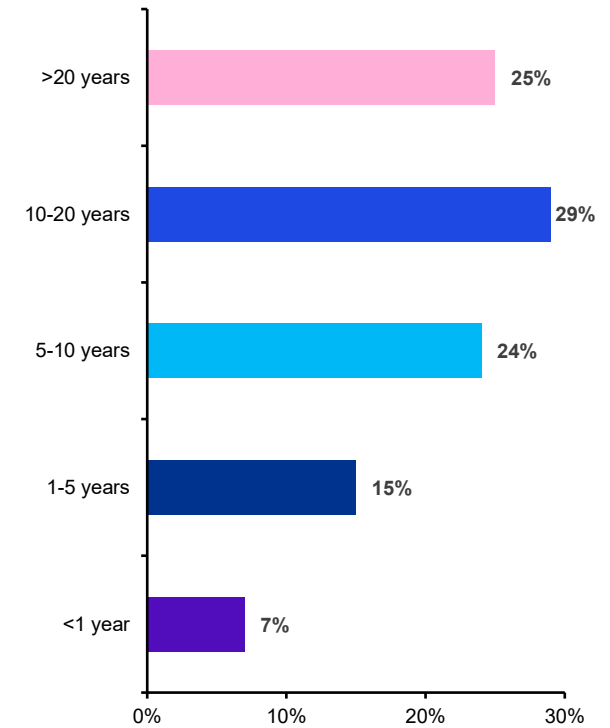
Source: CHKD and KPMG in Germany Business Survey, 2025; (n=104); rounding differences possible

Figure 22: Number of employees in Germany



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=104); rounding differences possible

Figure 23: Duration of activities in Germany



Source: CHKD and KPMG in Germany Business Survey, 2025; (n=104); rounding differences possible



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Macroeconomic overview

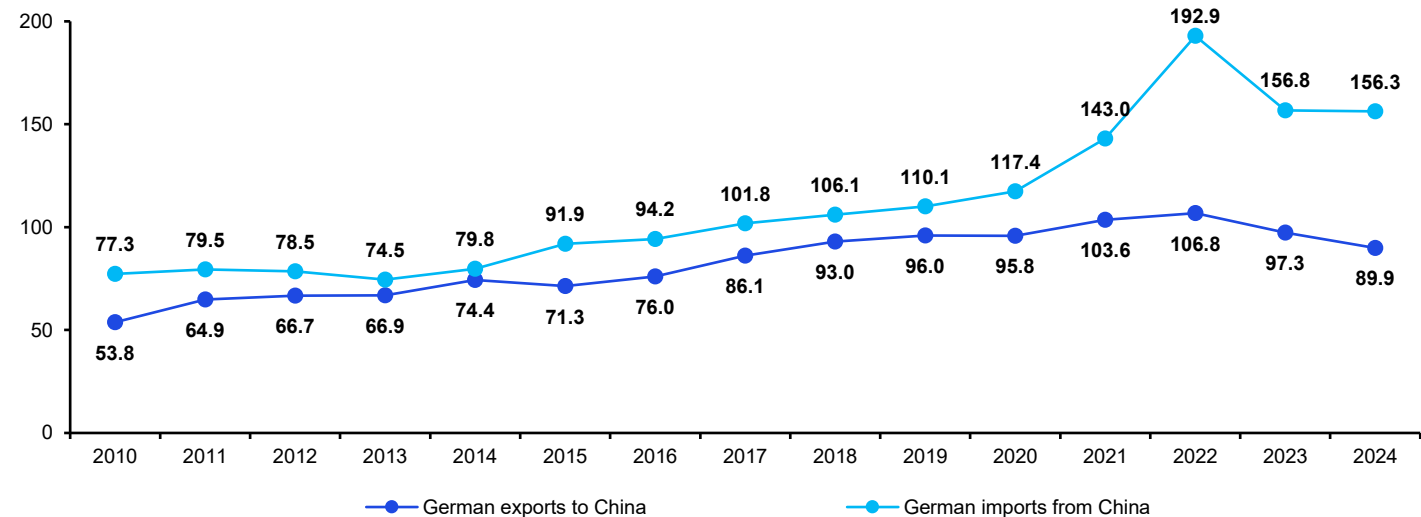


China remains Germany's top procurement partner despite trade deficit

- In 2024, bilateral trade in goods between Germany and China declined for the second consecutive year, falling by 3.1% compared to 2023 to a total volume of EUR 246.2 billion. German exports to China dropped significantly by 7.6%, while imports from China remained relatively stable, decreasing slightly by 0.4%.
- As a result, Germany's trade deficit with China widened further, reaching EUR 66.3 billion – the second-highest level since the pandemic year 2020.
- Despite this decline, China continues to play an important role in Germany's foreign trade. Since 2016, China had been Germany's most important trading partner, although very recently – in 2024 – it was overtaken by the USA for the first time.
- China accounted for 8.6% of Germany's total trade volume in 2024. As a sales market, China ranked fifth among Germany's export destinations, while as a procurement market, it retained the No. 1 position.
- Conversely, Germany was China's eighth most important trading partner, representing 3.0% of China's total foreign trade.



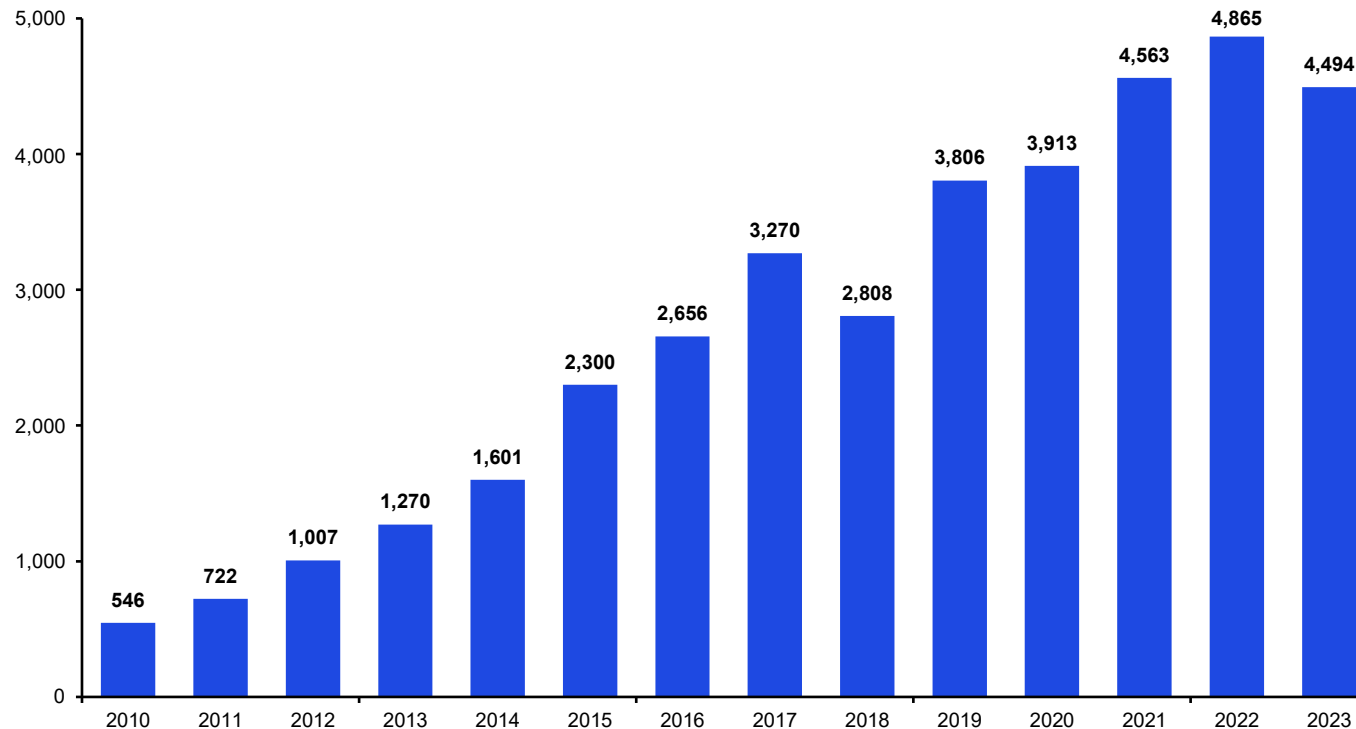
Figure 24: Foreign trade (in EUR billion)



Source: Federal Statistical Office (Destatis)

Chinese investment stock in Germany strong overall, but down in 2023

Figure 25: **Direct and indirect investment stocks of Chinese companies in Germany (netted^(a); in EUR million)**



Notes: (a) most recent figures for receivables/payables available for 2023 only

Source: Deutsche Bundesbank

- Although Chinese investment stock in Germany declined by 7.6% in 2023 to EUR 4.5 billion, the long-term trend remains very positive.
- Since 2010, Chinese direct and indirect investment in Germany has increased more than eightfold.
- This sustained growth reflects the strategic importance of Germany as a partner and hub for Chinese groups seeking access to the European market, advanced technologies and stable, reliable and rule-based business conditions.

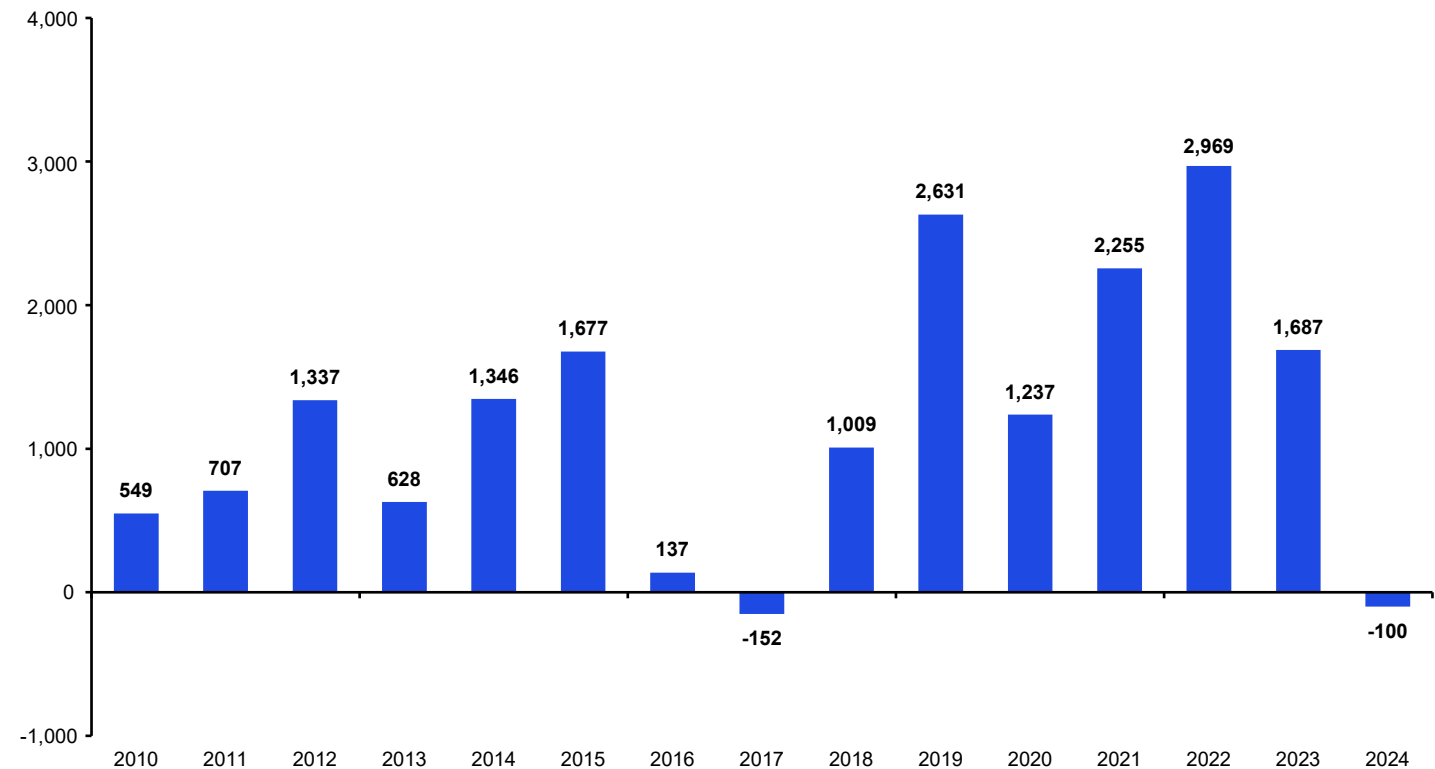


China ranks among top investors in Germany despite recent slowdown

- Chinese investment flows into Germany have been strong since 2010. However, in 2024, they turned negative for the second time, with a slight decrease of EUR 100 million.
- Nevertheless, China remains the third-largest foreign investor in Germany, launching 199 foreign direct investment (FDI) projects.
- Notably, 31 of these projects focused on renewable energy, and roughly one-quarter involved production or R&D activities, underscoring China's continued strategic interest in Germany's innovation ecosystem.



Figure 26: Transaction values for direct investment – Chinese net investment in Germany (in EUR million)



Source: Deutsche Bundesbank, GTAI FDI Report 2024

China and Germany: Global economic powers with complementary strengths

Figure 27: **The world's five largest economies in comparison**

	US	China	Germany	Japan	India
GDP 2024 (in USD billion)	29,185	18,748	4,659	4,026	3,909
GDP per capita 2024 (in USD)	85,812	13,313	54,990	32,498	2,711
Population 2024 (in millions)	340	1,408	85	124	1,441
Unemployment rate 2024	4.0%	5.1%	3.4%	2.6%	4.9%
Public debt to GDP 2024	120.8%	88.3%	63.9%	236.7%	81.3%

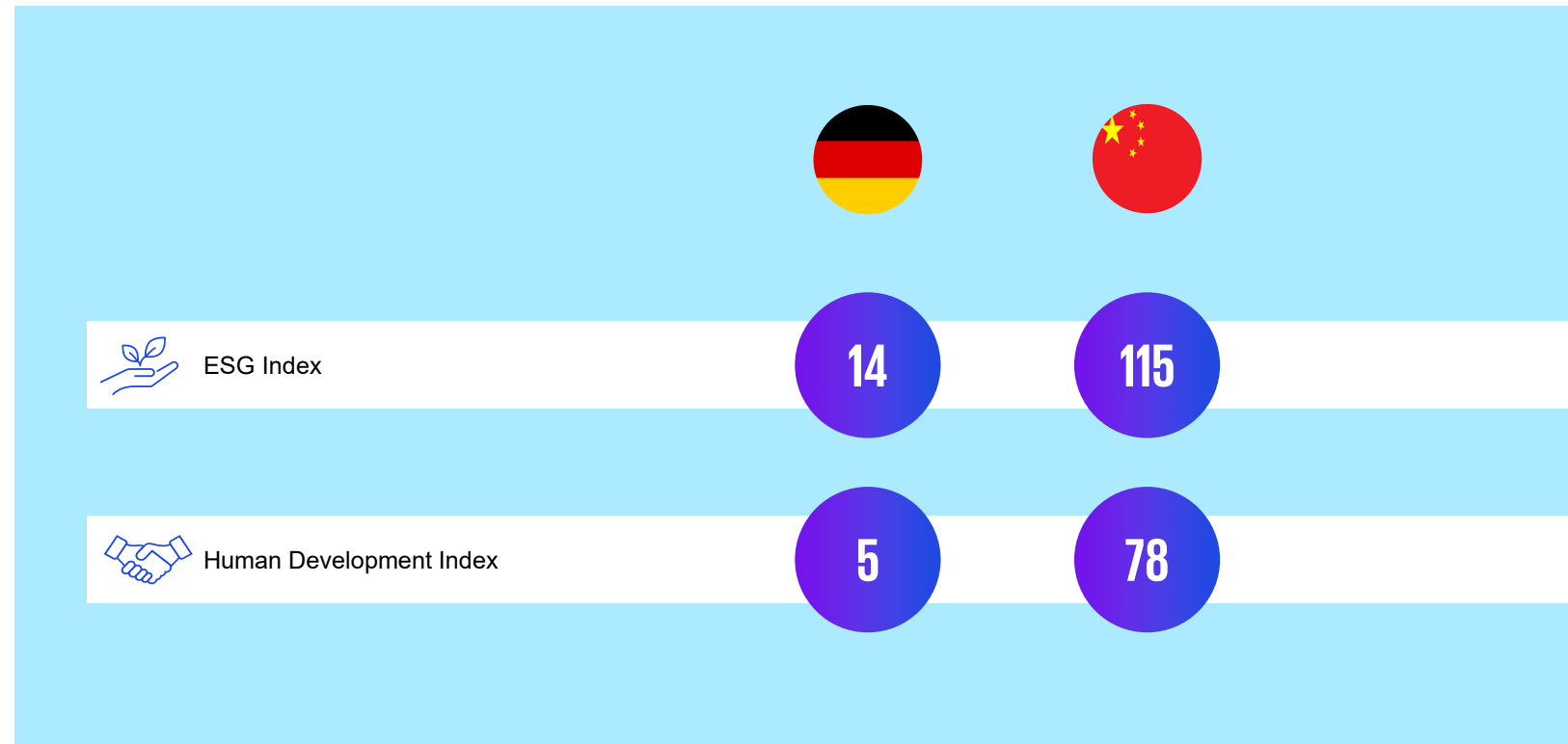
- China and Germany rank as the world's second and third largest economies, respectively; however, Germany trails significantly behind both the United States and China in terms of overall GDP.
- China's GDP (USD 18,748 billion) is approximately four times larger than Germany's (USD 4,659 billion). At the same time, Germany's GDP per capita (USD 54,990) is roughly four times that of China (USD 13,313), highlighting the contrast between overall economic size and individual prosperity.
- Germany maintains lower unemployment and public debt levels than China.
- These differences reflect distinct developments and development models, demographic dynamics and political systems that shape each country's economic outlook.

Source: IMF (Apr. 2025)

Germany and China in comparison (1/3)

- In 2023, Germany ranked 14th and China 115th out of 183 economies on the Risk Watch Initiative's ESG Index. The index encompasses three sub-indexes (environment, human rights and health & safety) based on 65 variables that measure ESG risk exposure.
- In the same year, Germany ranked 5th and China 78th out of 193 economies on the United Nations' Human Development Index (HDI).
- China continued its steady rise on the HDI in 2023. The country saw improvements across all indicators – life expectancy rose to 77.95 years, expected years of schooling reached 8.04 years, and Gross National Income (GNI) per capita rose to USD 22,000.

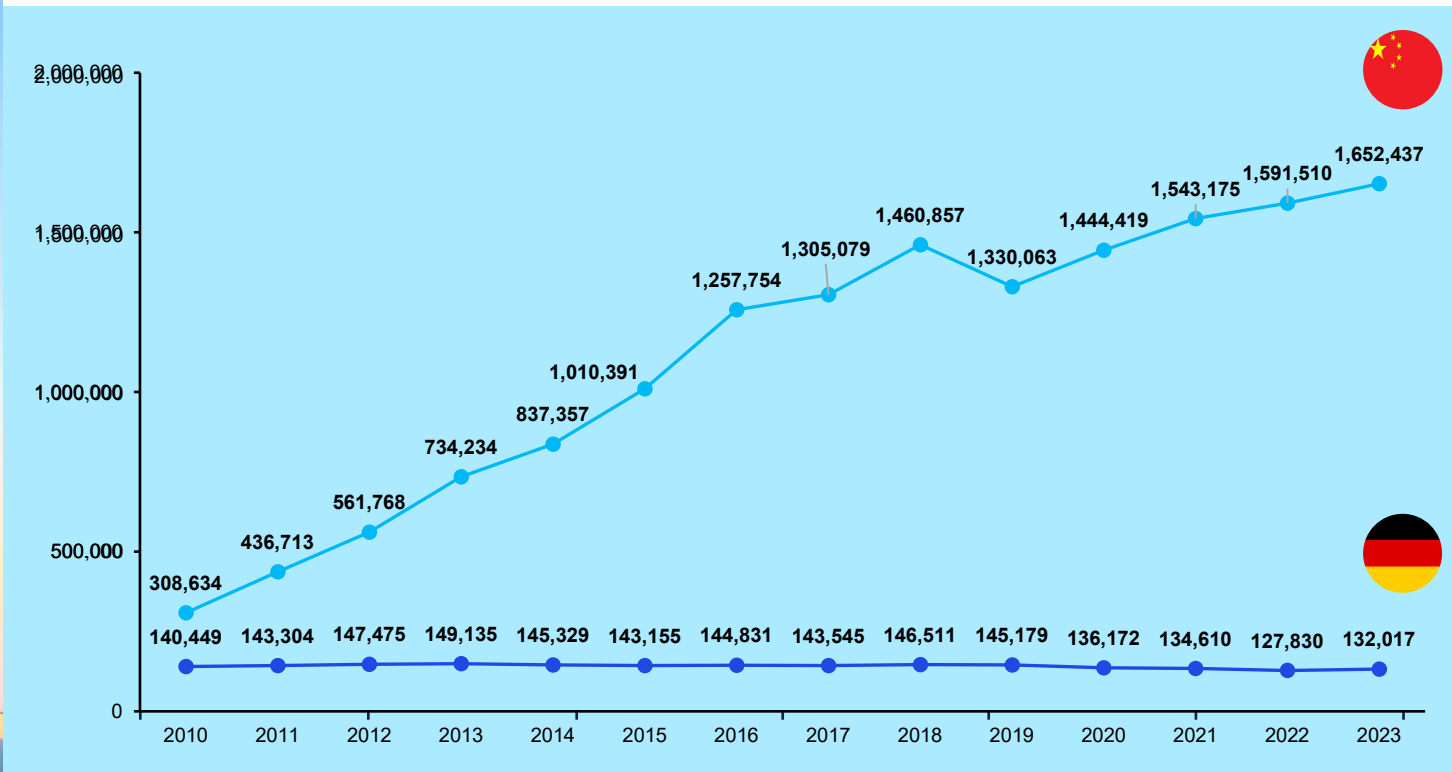
Figure 28: **ESG Index/Human Development Index**



Source: Risk Watch Initiative, 2024; United Nations Development Programme (UNDP), 2025

Germany and China in comparison (2/3)

Figure 29: Number of patent applications



Source: World Intellectual Property Organization



- China's patent applications surged dramatically between 2010 and 2023, increasing more than fivefold to over 1.6 million annually. This growth is primarily driven by government subsidies and policies designed to incentivize patent filings as a key part of the country's innovation strategy.
- In contrast, Germany's patent applications have remained largely stagnant, hovering around 130,000 to 140,000 annually.
- This divergence highlights a fundamental difference: China's focus on rapid, quantity-driven innovation to boost its global standing versus Germany's traditional emphasis on high-quality, incremental improvements and technological leadership in niche markets.

Germany and China in comparison (3/3)

Figure 31: **KPIs for renewable energies**

			
Electricity demand per capita (2024, in kWh)	5,984		7,097
Share of low-carbon sources in electricity generation (2024)	57%		38%
Electric vehicle charging points (Dec. 2024)	0.15 m		12.82 m
Wind installed capacity (2024, in MW)	72,823		520,680

Source: Ember, Electric Vehicle Charging Infrastructure Promotion Alliance (EVCIPA), Car News China, Federal Network Agency, IRENA, National Energy Administration China



- In 2024, per capita electricity demand was 19% higher in China than in Germany. China has the highest electricity demand in the world.
- The share of low-carbon sources in the volume of electricity generated is higher in Germany (57%) than in China (38%). Hydropower remains China's largest source of clean electricity, contributing 13% in 2024.
- At the end of 2024, China had 12.82 million public electric vehicle charging stations serving more than 31 million EVs, compared to Germany with 151,718 stations serving 1.65 million EVs.
- In a global comparison, both countries are far ahead in terms of installed wind power capacity, with China in first and Germany in third place.

About us

KPMG

KPMG is an organization of independent member firms with more than 275,000 employees in 142 countries and territories. KPMG is also one of the leading auditing and advisory firms in Germany and has more than 14,500 employees at 28 locations. Our services comprise Audit, Tax, Performance & Strategy, Deal Advisory and Consulting. Legal services are provided by a separate KPMG company.

KPMG in Germany has established Country Practices for the most relevant business corridors between Germany and other countries/regions. All Country Practices are staffed by experts who understand the characteristics, language, cultural specifics and regulatory environment of these markets, regularly work in and with these countries or are seconded from the respective country and provide German and global multinational companies with advice on their country/corridor-related questions on a daily basis. The Country Practice China at KPMG in Germany is one of KPMG Germany's Focus Country Practices.



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CHKD

The China Chamber of Commerce in Germany (CHKD) is China's first foreign trade chamber in Europe and the official representative of Chinese business in Germany. The Chamber represents the interests of its more than 300 member companies, approximately half of which are among China's 500 strongest companies, vis-à-vis German politics, business and society.

Its goal is to strengthen economic cooperation between China and Germany. The largest network of Chinese companies in Germany also includes German economic development agencies at state level, chambers of industry and commerce with a focus on China, renowned German companies as supporting members, and other long-standing partners.



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