

**GERMANY**

**At glance:** As Europe's largest economy and second most populous nation (after Russia), Germany is a key member of the continent's economic, political, and defence organizations.



Germany borders the North Sea, the Baltic Sea, and Denmark to the north, the Netherlands, Belgium, Luxembourg, and France to the west, Switzerland, and Austria in the south, the Czech Republic and Poland in the east. Additionally, it shares maritime borders with Sweden and the United Kingdom. The German economy is the fifth largest economy in the world in PPP terms and Europe's largest leading exporter of machinery, vehicles, chemicals, and household equipment. Germany benefits from a highly skilled labour force, but, like its Western European neighbours, faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing pressure on the country's social welfare system and necessitate structural reforms. The capital of country is Berlin which is largest city in Germany.

**Country Risk Classification:** A1\* (ECGC Country Risk Classification List with effect from 31<sup>st</sup> March 2023)

**Political system:** Germany is a federal parliamentary republic with a head of government - the chancellor - and a head of state - the president - whose primary responsibilities are representative. The country comprises 16 states which each have their own constitution and are largely autonomous regarding their internal organisation. 3 of these are city-states: Bremen, Berlin and Hamburg.

**Demographic Indicators**

S No.	Particulars	Details
1.	<b>Ethnic groups</b>	German 86.3%, Turkish 1.8%, Polish 1%, Syrian 1%, Romanian 1%, other/stateless/unspecified 8.9% (2020 est.)
2.	<b>Languages</b>	German (official); note - Danish, Frisian, Sorbian, and Romani are official minority languages; Low German, Danish, North Frisian, Sater Frisian, Lower Sorbian, Upper Sorbian, and Romani are recognized as regional languages under the European Charter for Regional or Minority Languages
3.	<b>Religions</b>	Roman Catholic 26.7%, Protestant 24.3%, Muslim 3.5%, other 4.8%, none 40.7% (2020 est.)

**Geographic Indicators**

S No.	Particulars	Details
1.	<b>Location of Country</b>	Central Europe, bordering the Baltic Sea and the North Sea, between the Netherlands and Poland, south of Denmark
2.	<b>Area Covered</b>	357,022 sq km (134,622 sq miles)
3.	<b>Total Population</b>	82.44 million
4.	<b>Climate</b>	Temperate and marine; cool, cloudy, wet winters and summers; occasional warm mountain (foehn) wind
5.	<b>Area</b>	Total: 357,022 sq km Land: 348,672 sq km Water: 8,350 sq km
6.	<b>Natural resources</b>	Coal, Lignite, Natural Gas, Iron ore, Copper, Nickel, Uranium, Potash, Salt, Construction materials, Timber, Arable land

S No.	Particulars	Details
1.	<b>GDP (Purchasing Power Parity)</b>	\$ 4.42 Trillion (2021)
2.	<b>GDP (Per Capita)</b>	\$53,200 (2021)
3.	<b>Inflation, consumer prices (annual %)</b>	3.14 (2021)
4.	<b>GDP – Composition, by sector of origin</b>	Agriculture: 0.7% Industry: 30.7% Services: 68.6%  <b>Industries:</b> among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, automobiles, food and beverages, shipbuilding, textiles
5.	<b>Currency</b>	Euro (EUR, €), 1 Euro (EUR, €), = 88.56 INR (Jan, 2023)  1 Euro (EUR, €)= 1.08 USD (Jan, 2023)
6.	<b>Total global exports of Germany</b>	\$2.004 Trillion (2021 est.)
7.	<b>Major export partners</b>	United States 9%, France 8%, China 7%, Netherlands 6%, United Kingdom 6%, Italy 5%, Poland 5%, Austria 5% (2019)
8.	<b>Total global imports of Germany</b>	\$1.775 Trillion (2021 est.)
9.	<b>Major import partners</b>	Netherlands 9%, China 8%, France 7%, Belgium 6%, Poland 6%, Italy 6%, Czech Republic 5%, United States 5% (2019)
10.	<b>India-Germany Bilateral Trade (2021-2022)</b>	India's exports to Germany: 9,883.34 USD Million India's Handicrafts exports to Germany: 243.65 USD Million India's imports from Germany: 14,968.10 USD Million India's trade deficit: -5084.76 USD Million (2021-22) (Source: Ministry of Commerce & Industry, GOI)

Source: worldbank.org  
cia.gov

### Strengths & Weaknesses

#### Strengths

- Strong industrial base (24% of GDP, 2019)
- Low structural unemployment (3.54%)
- Importance of family-owned exporting SMEs (Mittelstand)
- Well-diversified export sector (products and trade partners)
- Government stability

#### Weaknesses

- Aging population, decline in the working population from 2020 onwards, despite immigration
- Dependence on exports
- Dominance of the automotive and mechanical industries, particularly in exports (30% of total exports in 2020)
- Strong dependence on international energy imports (e.g. 39% of all German gas imports come from Russia)

**\*Country Risk Classification List as of 31st March 2023 (Medium-and-Long-Term)**

**Country Classification Legend**

<b>ECGC Classification</b>	<b>Risk Category</b>
<b>A1</b>	Insignificant
<b>A2</b>	Low Risk
<b>B1</b>	Moderately Low Risk
<b>B2</b>	Moderate Risk
<b>C1</b>	Moderately High Risk
<b>C2</b>	High Risk
<b>D</b>	Very High Risk