

Country Profile for Germany: Trade Relations With Palestine

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❖ The Germany country profile: Facts:

- **Full name: Federal Republic of Germany**
- **Population: 82 million (UN, 2012)**
- **Capital: Berlin**
- **Area: 357,027 sq km (137,849 sq miles)**
- **Major language: German**
- **Major religion: Christianity**
- **Life expectancy: 78 years (men), 83 years (women) (UN)**
- **Monetary unit: 1 euro = 100 cents**
- **Main exports: Motor vehicles, electrical machinery, metals**
- **GNI per capita: US \$44,230 (World Bank, 2011)**
- **Internet domain: .de**
- **International dialling code: +49**

1. COUNTRY GDP

(List the country GDP figures and include general state of the economy)

The Gross Domestic Product (GDP) in Germany was worth 3634.82 billion US dollars in 2013. The GDP value of Germany represents 5.86 percent of the world economy. GDP in Germany averaged 1733.36 USD Billion from 1970 until 2013, reaching an all time high of 3634.82 USD Billion in 2013 and a record low of 208.90 USD Billion in 1970. GDP in Germany is reported by the World Bank Group.

Germany is the largest national economy in Europe, the fourth largest by nominal GDP in the world, and fifth by GDP (PPP) . Since the age of industrialisation and beyond, the country has been a driver, innovator, and beneficiary of an ever more globalised economy. Germany's economic policy is based on the concept of the social market economy. The country is a founding member of the European Union and the Euro zone. Germany is the third largest exporter in the world with \$1.516 trillion exported in 2012. Exports account for more than one-third of national output. In 2013, Germany recorded the highest trade surplus in the world worth \$270 billion, making it the biggest capital exporter globally. Among the top 10 biggest economies in the world, Germany is the only country with a stable Triple-A (AAA) credit rating.

Germany is the largest producer of lignite in the world. Germany is also rich in timber, iron ore, potash, salt, uranium, nickel, copper and natural gas. Energy in Germany is sourced predominantly by fossil fuels, followed by nuclear power, and by renewable energy like biomass (wood and biofuels), wind, hydro and solar.

The service sector contributes around 70% of the total GDP, industry 29.1%, and agriculture 0.9%. Most of the country's products are in engineering, especially in automobiles, machinery, metals, and chemical goods. Germany is the leading producer of wind turbines and solar power technology in the world. Combination of service-oriented manufacturing, R&D spending, links between industry and academia, international cooperation and the Mittelstand contribute to the overall competitiveness of the economy of Germany (Wikipedia, 2014).





Table 1: Germany GDP, (Source: Tradingeconomics, 2014):



GDP	Last	Previous	Highest	Lowest	Unit	
<u>GDP Growth Rate</u>	0.80	0.40	2.10	-3.70	Percent	[+]
<u>GDP</u>	3634.82	3425.95	3634.82	208.90	USD Billion	[+]
<u>GDP Annual Growth Rate</u>	2.50	1.30	5.20	-6.80	Percent	[+]
<u>GDP Constant Prices</u>	630.63	625.52	630.63	466.33	EUR Billion	[+]
<u>Gross National Product</u>	715.87	712.10	715.87	375.74	EUR Billion	[+]
<u>GDP per capita</u>	38291.62	37479.11	38291.62	16932.49	USD	[+]
<u>Gross Fixed Capital Formation</u>	112.51	108.99	112.51	89.49	EUR Billion	[+]
<u>GDP per capita PPP</u>	34765.90	34572.94	34765.90	20860.68	USD	[+]

Table 2 : Top ten countries by GDP (nominal) by the World Bank 2013
(Wikipedia,2014):



Rank	Country/Region	GDP (Millions of US\$)
	<u>World</u>	74,899,822
	 <u>European Union</u>	17,350,853 ^[17]
1	 <u>United States</u>	16,800,000
2	 <u>China</u>	9,240,270
3	 <u>Japan</u>	4,901,530
4	 <u>Germany</u>	3,634,823
5	 <u>France</u>	2,734,949
6	 <u>United Kingdom</u>	2,522,261
7	 <u>Brazil</u>	2,245,673
8	 <u>Russia</u>	2,096,777 ^l
9	 <u>Italy</u>	2,071,307
10	 <u>India</u>	1,876,797

2. LEADING ECONOMIC SECTORS

(The country's most leading economic sectors)

The service sector contributes around 70% of the total GDP, industry 29.1%, and agriculture 0.9%.

Germany's six main areas of expertise are (Source: Germany, 2011):

1- Medicine and healthcare:

➤ *Including fields such as medical technology and the healthcare industry. Germany has the largest healthcare market in Europe – offering outstanding services in the fields of healthcare, research and teaching.*

2- Transport and logistics:

Including automotive engineering, transport system engineering and aerospace. Germany is the most important logistics hub in Europe, thanks to its central location, excellent infrastructure and state-of-the-art services,

3- Chemicals and pharmaceuticals Industry:

Including disciplines such as life sciences and biotechnology. In terms of investment and revenues, as well as applications for research and development, the German chemicals industry is the number one in Europe. With regard to exports, it is the world leader. All good reasons why top international industry events such as the chemical industry exhibition congress ACHEMA (every three years in Frankfurt, approx. 170,000 attendees) are regularly held in Germany.

4- Technology and innovation:

From nanotechnology and microelectronics to mechanical engineering and IT, Germany is a world leader in many different areas of innovation.

5- Energy and the environment:

Through pioneering political initiatives and innovative greentech products, Germany is setting the global trend in the field of climate protection and energy efficiency.

6- Financial services:

Germany plays an important role in Europe as a financial location. It's one of the reasons why the European Central Bank is based in Frankfurt am Main.

Germany has the largest economy in Europe and this gives it great economic strength as a financial location. The country has several important banking and stock market centres such as Munich, Hannover, Stuttgart, Berlin and Frankfurt. Alongside London and Paris, Frankfurt is one of the three main financial hubs in Europe and hosts a number of important industry events such as the annual Euro Finance Week.

3. INVESTMENT

(The country's investment figures, fields of investment, which sectors)

➤ **Foreign Direct Investment:** Germany is a very attractive country in terms of foreign direct investment, but FDI flux have declined after the beginning of the global recession in 2008 and the euro zone crisis which followed in 2012. They should recover in 2014. According to UNCTAD, the country is world's sixth largest investor. Prior to the crisis, it experienced rapid growth of FDI flows from Asia, especially from China and India.

Among the country's strengths are its very high and powerful industrial network, a highly skilled workforce with a good command of English and a location in the heart of Europe. Its main weakness is a high tax rate (for both individuals and businesses).

➤ **Investment opportunities:** The Key Sectors of the Germany National Economy are:

- Consumer goods: since the number of inhabitants is the highest in Europe.
- Subcontracted goods: as Germany is the machine tool champion.
- High technology products and the renewable energies.
- High Potential Sectors for Investments:
- Services to consumers.
- High-tech.
- Multimedia.
- Electronic sectors.

Table 3 : FDI in figures (Source: Santander, 2014):

Foreign Direct Investment	2010	2011	2012
FDI Inward Flow <i>(million USD)</i>	57,428	48,937	6,565
FDI Stock <i>(million USD)</i>	716,704	709,779	716,344
Performance Index* , Ranking on 181 Economies	107	86	-
Potential Index** , Ranking on 177 Economies	-	8	-
Number of Greenfield Investments***	1,421	1,485	1,326
FDI Inwards <i>(in % of GFCF****)</i>	9.9	7.5	1.1
FDI Stock <i>(in % of GDP)</i>	21.7	19.7	21.1

Table 4 : FDI inflows by countries and industry (Source: Santander,2014):

Main Investing Countries	2012, in %
The Netherlands	25.0
Luxembourg	14.3
USA	10.0
France	9.1
Switzerland	8.6
UK	8.2

Main Invested Sectors	2012, in %
Financial mediation	47.7
Real estate, renting and business activities	26.8
Transport, storage and logistics	13.5
Trade and repairs	9.7

4. TRADE MOVEMENT

(The country's trade movement figures, leading trade partners including Palestine)

➤ *Table 5 : Top Exported & Imported products of Germany (Atlas, 2014):*

➤ <i>Top Imported Products:</i>	➤ <i>Top Exported Products:</i>
<ul style="list-style-type: none"> • <i>Crude Petroleum (5.6%),</i> • <i>Petroleum Gas (5.2%),</i> • <i>Cars (3.8%),</i> • <i>Vehicle Parts (3.0%),</i> • <i>Refined Petroleum (2.8%)</i> 	<ul style="list-style-type: none"> • <i>Cars (11%),</i> • <i>Vehicle Parts (4.1%),</i> • <i>Packaged Medicaments (3.6%),</i> • <i>Planes, Helicopters, and/or Spacecraft (2.4%),</i> • <i>Refined Petroleum (1.3%)</i>

➤ ***Top Importing & Exporting trading partners:***

- ✓ In 2013, about 69% of exports of goods "made in Germany" were shipped to European countries. 57% of all goods were delivered to the member states of the European Union. The second important sales market for German goods in 2013 was Asia with a share of about 16%, followed by America, with a share of 12%. Africa and Australia / Oceania only accounted for small percentages of German exports (2% and 0.9%, respectively).
- ✓ The majority of German imports also came from Europe (71%), followed by Asia (18%) and America (8%). Goods from Africa and Australia / Oceania played just a subordinate role in imports too (3% and 0.4%, respectively).
- ✓ In **2013** the top country of destination for German exports was France followed by the United States and the United Kingdom. Germany exported goods worth 100.3 billion euro to France (9.2% of total German exports), 88.4 billion euro to the United States (8.1%) and 75.6 billion euro to the United Kingdom (6.9%).
- ✓ Most of the goods imported to Germany **in 2013** originated from the Netherlands. The countries ranking second and third were the People's Republik of China and France. Germany imported goods worth 89.1 billion euro from the Netherlands (9.9% of total German imports), 73.6 billion euro from the People's Republik of China (8.2%) and 64.1 billion euro from France (7.1%) (Destatis, 2014).

➤ *Table 6 : Top Importing & Exporting trading partners of Germany in 2012 (Indexmundi, 2014):*

➤ <i>Top Importing Trading Partners (2012):</i>	➤ <i>Top Exporting Trading Partners (2012):</i>
<ul style="list-style-type: none"> • <i>Netherlands 14%,</i> • <i>France 7.5%,</i> • <i>China 6.7%,</i> • <i>Belgium 6.4%,</i> • <i>Italy 5.5%,</i> • <i>UK 4.9%,</i> • <i>Austria 4.4%,</i> • <i>Russia 4.4%,</i> • <i>Czech Republic 4.1% .</i> 	<ul style="list-style-type: none"> • <i>France 10.2%,</i> • <i>UK 7%,</i> • <i>Netherlands 6.9%,</i> • <i>US 6.3%,</i> • <i>Austria 5.6%,</i> • <i>Italy 5.4%,</i> • <i>China 5.1%,</i> • <i>Switzerland 4.7%,</i> • <i>Belgium 4.3%,</i> • <i>Poland 4.1% .</i>

➤ *Table 7 : Top Exported & Imported products of Palestine (Atlas, 2014):*

➤ <i>Top Imported Products:</i>	➤ <i>Top Exported Products:</i>
<ul style="list-style-type: none"> • <i>Cars (16%),</i> • <i>Frozen Bovine Meat (5.1%),</i> • <i>Packaged Medicaments (4.7%),</i> • <i>Baked Goods (4.1%),</i> • <i>Wheat Flours (3.9%)</i> 	<ul style="list-style-type: none"> • <i>Scrap Iron (13%),</i> • <i>Building Stone (13%),</i> • <i>Packaged Medicaments (9.6%),</i> • <i>Other Prepared Meat (6.8%),</i> • <i>Tropical Fruits (6.2%)</i>

➤ *Table 8 : Top Importing & Exporting trading partners of Palestine (Atlas, 2014):*

➤ <i>Top 5 Import origins of Palestine</i>	➤ <i>Top 5 Export destinations of Palestine</i>
<ul style="list-style-type: none"> • <i>Jordan (18%),</i> • <i>Turkey (13%),</i> • <i>Germany (13%),</i> • <i>Egypt (10%),</i> • <i>South Korea(9.5%)</i> 	<ul style="list-style-type: none"> • <i>Jordan (56%),</i> • <i>Belgium-Luxembourg (11%),</i> • <i>Algeria (8.8%),</i> • <i>United States(4.2%),</i> • <i>France (3.9%)</i>

➤ **Table 9 : Import origins value of Palestine (2012) (Source: Atlas, 2014):**

#	Id	Name	Value	Percent
1	asjor	Jordan	\$86,248,227.00	17.72%
2	astur	Turkey	\$62,669,057.00	12.87%
3	eudeu	Germany	\$62,441,369.00	12.83%
4	afegy	Egypt	\$50,471,683.00	10.37%
5	askor	South Korea	\$46,252,190.00	9.50%
6	aschn	China	\$40,462,112.00	8.31%
7	euche	Switzerland	\$29,136,430.00	5.99%
8	sabra	Brazil	\$22,479,017.00	4.62%
9	eufra	France	\$12,096,140.00	2.48%
10	euesp	Spain	\$9,208,081.00	1.89%
11	eugbr	United Kingdom	\$8,598,701.00	1.77%
12	eunld	Netherlands	\$7,997,495.00	1.64%
13	asjpn	Japan	\$5,386,056.00	1.11%
14	euukr	Ukraine	\$5,362,866.00	1.10%
15	eublz	Belgium-Luxembourg	\$5,267,420.00	1.08%

➤ **Table 10 : Export destinations value of Palestine (2012) (Source: Atlas, 2014):**

#	Id	Name	Val	Percent
1	asjor	Jordan	\$48,803,759.79	56.16%
2	eublz	Belgium-Luxembourg	\$9,317,487.61	10.72%
3	afdza	Algeria	\$7,671,103.00	8.83%
4	nausa	United States	\$3,622,271.86	4.17%
5	eufra	France	\$3,425,032.71	3.94%
6	eugbr	United Kingdom	\$2,494,481.65	2.87%
7	eunld	Netherlands	\$1,420,911.27	1.64%
8	eusvk	Slovakia	\$1,193,037.62	1.37%
9	asidn	Indonesia	\$987,489.52	1.14%
10	eupol	Poland	\$902,731.94	1.04%
11	euita	Italy	\$880,838.76	1.01%
12	asyem	Yemen	\$844,733.87	0.97%
13	eunor	Norway	\$769,146.12	0.89%
14	afegy	Egypt	\$632,663.05	0.73%
15	askor	South Korea	\$588,867.53	0.68%
16	euche	Switzerland	\$541,684.63	0.62%
17	eudeu	Germany	\$464,943.33	0.54%
18	astur	Turkey	\$457,000.23	0.53%
19	aschn	China	\$306,892.08	0.35%
20	eublz	Belarus	\$264,700.00	0.30%

5. TRADE AGREEMENTS WITH PALESTINE

(List if the host country has any trade agreements with Palestine, highlight important information that should be included)

1- Agreement on the Promotion and Reciprocal Protection of Investments :

Agreement between the Government of the Federal Republic of Germany and the Palestine Liberation Organization about the Promotion and Reciprocal Protection of Investments.

Agreement link:

http://translate.googleusercontent.com/translate_c?depth=1&hl=ar&rurl=translate.google.ps&sl=de&tl=en&u=http://www.pgd-online.de/images/stories/Abkommen_Kapitalanlagen.pdf&usg=ALkJrhjHabNcu3k5lly5LSRddQIMbcKCJQ

2- Joint Declaration on the recognition of higher education qualifications of 15 February 2006:

Joint Declaration The Chairman of the Working Group on Academic equality and recognition in Secretariat of the Standing Conference of the Ministers of Education in the Federal Republic Germany, on behalf of the institutions represented in the above group as Responsible for the recognition of foreign academic certificates and qualifications and recommendations regarding their equality and recognition, and Palestinian Minister of Education and Higher Education as responsible for Recognition of foreign academic certificates and degrees as well as recommendations with respect to their equality and recognition, explain after appropriate consultations and taking into account all relevant Information.

Agreement link:

http://translate.googleusercontent.com/translate_c?depth=1&hl=ar&rurl=translate.google.ps&sl=de&tl=en&u=http://www.pgd-online.de/images/stories/Abkommen_Anerkennung_von_Hochschulabschlussen.pdf&usg=ALkJrhj0zcSCmZFXzF-Kos5OID3OW5tqqQ

6. MAJOR ECONOMIC EVENTS

(List the country major economic events on trade and investment, conferences, exhibition, conventions, etc.)

➤ **Trade Fairs and Exhibitions in Germany (Source: 10times, 2014):**

- ✓ ***Hogatec Essen (31 August- 3 September 2014) in Essen:*** promises to be one of the most comprehensively organized fair, which will deal with food and beverages industry. The show is scheduled to take place in Essen. The fair will be held over a period of four days. The organizer of the chief fair is Messe Essen GmbH. The exhibitors of the show will display the various products including food, beverages and related equipments and services. The fair will be very informative for the visitors. Hogatec Essen will be a grand event, which will facilitate the exhibitors with the opportunity of marketing their products among the visitors present in the show. The new concept of the fair, including the optimum participation from the ambience and design related to the food and beverages industry, will cover the needs of the visitors to the fullest.

- ✓ ***Esoteric Fairs Berlin (12-14 September 2014):*** is one of the top most events with focus on esoteric subjects such as alternative therapies for healing and supernatural powers. The event will host varieties of product related to the field such as Amulets, aromatherapy oils, Asian, Aura Photography, Aura-Soma, Aura-Chakra-analysis, Ayurveda, bioenergy products, books, perfume oils and fragrance lamps, didgeridoos, angel pictures, gems, essences, energy and protective amulets, gemstone jewelry, feng shui products, health products, Himalayan Salt, living wood, light beings essences, magic oils and condiments, meditation music, magnetic therapy, Indian arts and crafts, wind chimes, crystals, classical singing bowls, herbs so many more. Esoteric Fairs Berlin will provide an excellent opportunity for all the exhibitors to find their target customers, retailer and manufactures.

- ✓ ***International Geothermal Industry Fair (11-13 November 2014) in Essen:*** is a one of its trade show dealing with geothermal heat which is one of the fast emerging technologies in the field of renewable energies. This event will take place on a global level where market leaders in future energy sector will meet and discuss commercial and other important aspects of this sector in the most suitable environment. International Geothermal Industry Fair will create a unique platform that will bring together the major market players of national as well as international stature, this event gives immense opportunities to companies and organizations to showcase their products and services to the trade public.
- ✓ ***Tire Technology Expo (10-12 February 2015) in Cologne:*** is the world's most important Tire Manufacturing Technology Exhibition and Conference. It offers the visitor a technology showcase covering materials and equipment through the complete spectrum of the tire manufacturing process. Tire Technology Expo 2015 also offers visitors, exhibitors, and conference delegates an unrivalled networking opportunity within the Tire manufacturing sector.

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