

A pivot for Germany

CxO survey

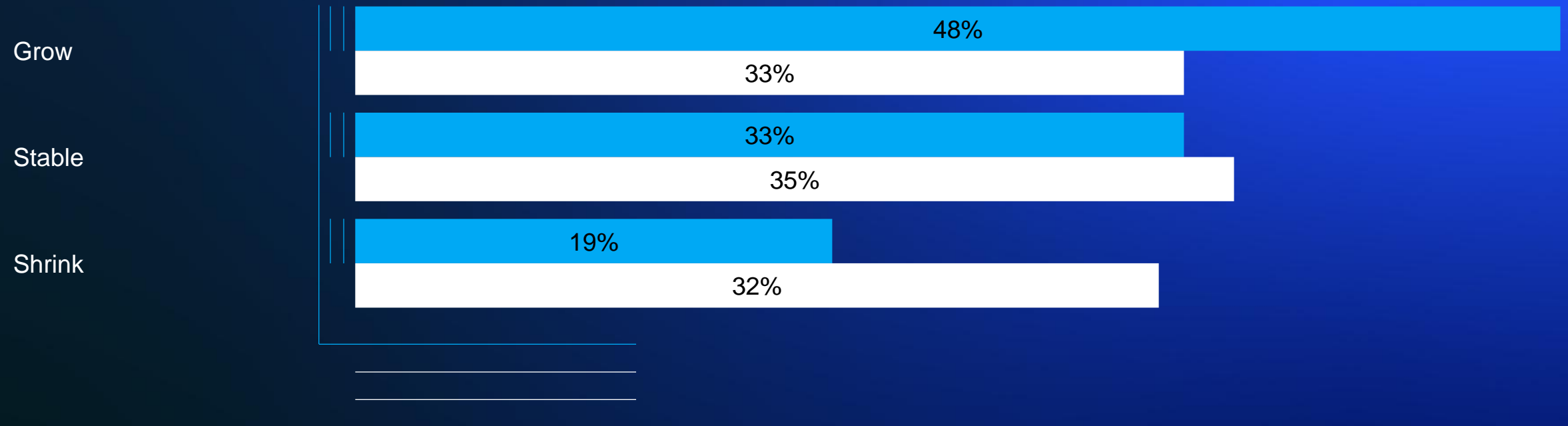
May, 2025



Expanding presence in Germany: Half of companies anticipate growth in their German footprint within 5 years

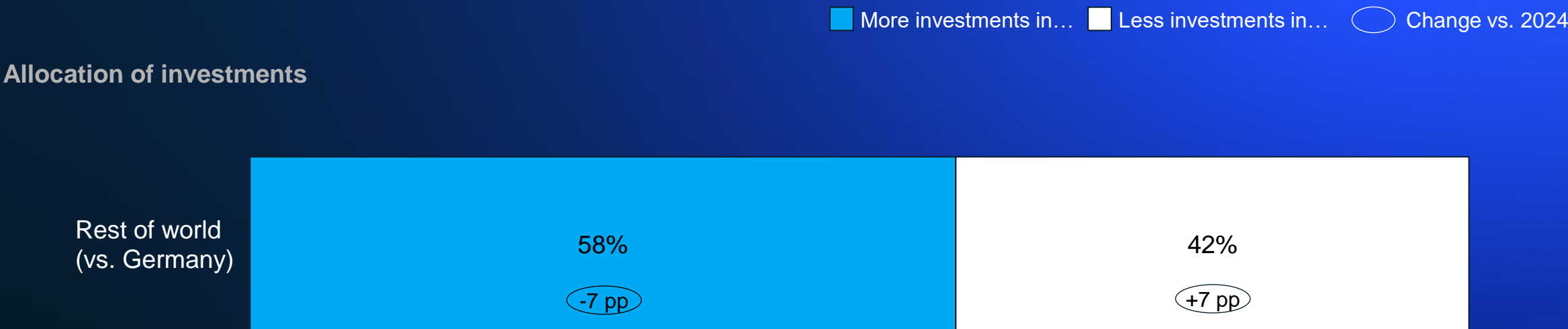
CxO survey Mid-April to Mid-May, 2025

■ Survey 2025 ■ Survey 2024



In Germany, CxOs are more optimistic about achieving a pivot to growth and forecast stronger domestic growth

Prioritizing core business growth: CxOs are more frequently targeting investments in Germany, compared to the previous year



Local markets are gaining more importance for CxOs

Future regions for global trade: Intensified connections with Europe, the United States, and Asia-Pacific

CxO survey Mid-April to Mid-May, 2025

3 to 5-years outlook: Where companies plan to intensify trade, people and data flows

Europe (EU plus UK, Switzerland, Norway)

58%

United States

42%

Asia Pacific excl. China

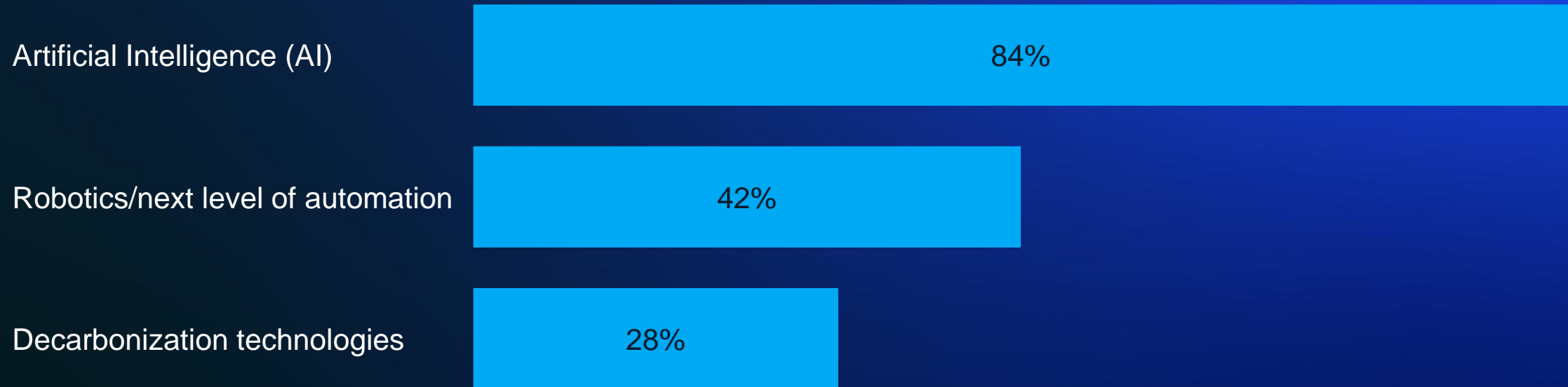
37%

**Geopolitical shifts can
accelerate a global
rebalancing to both mitigate
headwinds and identify
opportunities for growth**

AI, robotics, and decarbonization: Key drivers of future innovation and growth

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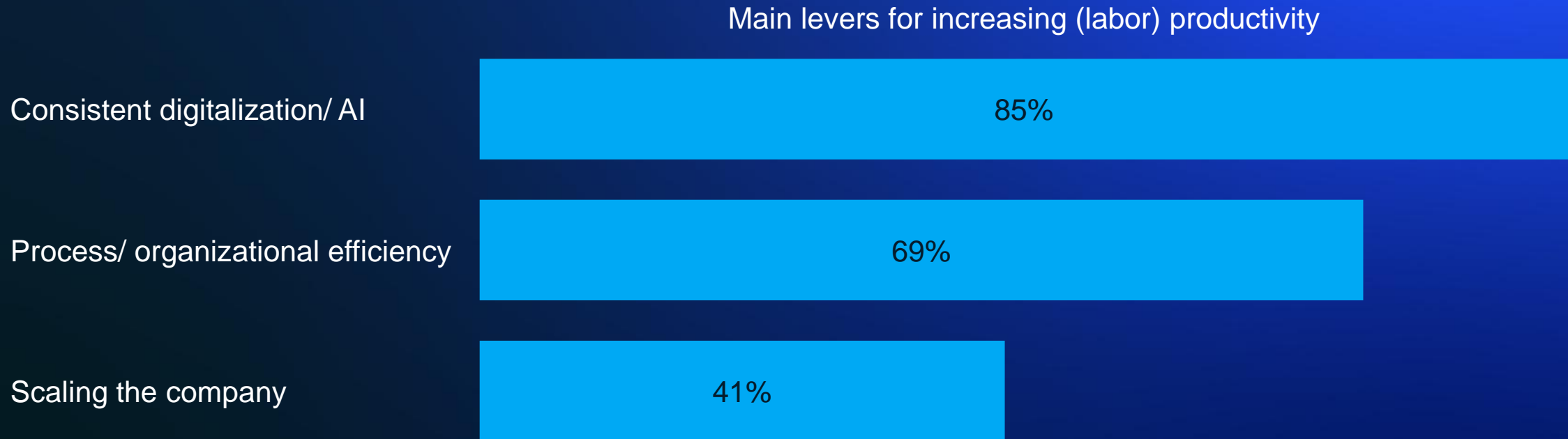
Key technologies for innovation and growth



A shift to innovative technologies offers CxOs new growth potential

Driving productivity: Digitalization, organizational efficiency, and scaling as top priorities

CxO survey Mid-April to Mid-May, 2025



Digitization and AI is the most important lever for CxOs to boost productivity

Unlocking local investments: Talent regulations, innovation support, and competitive energy prices as key enablers

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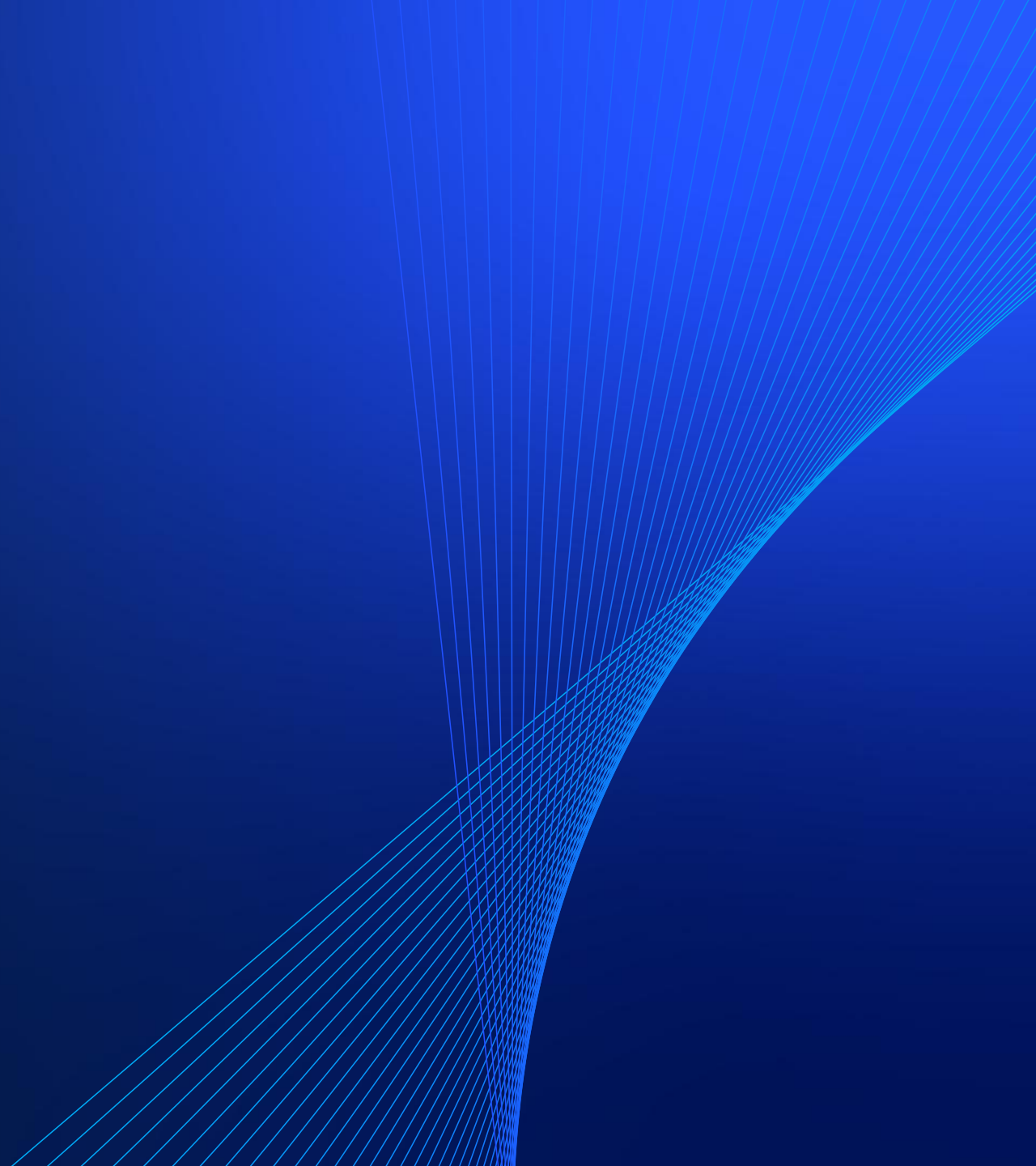
▲▶▼ Change vs. 2024

Ranking: Factors supporting increased investment in Germany

Sorted by average ranking

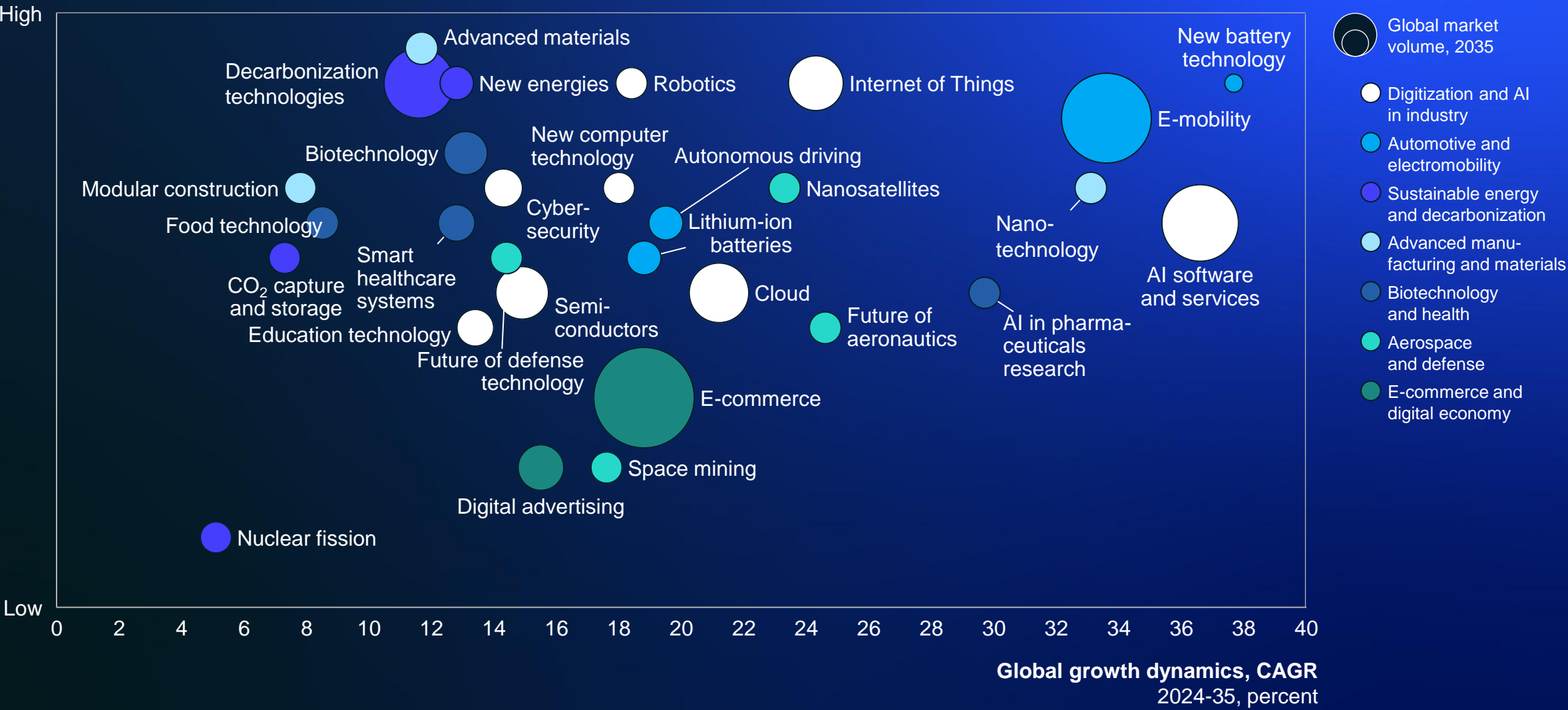
- ▶ ① **Talent:** Increased flexicurity and simplified labor market regulation
- ▲3 ② **Innovation:** Introduction of a public procurement system geared towards strategic technology development.
Partial investment of future defense spending in fields that can also be used for non-military purposes (e.g., drones, lasers, satellite surveillance, new materials)
- ▶ ③ **Energy:** Gas and electricity prices in line with those in the US and China (approximately half of current prices)
- ▲3 ④ **Trade/Supply Chains:** Secured long-term access to essential materials
- ▲3 ⑤ **Competition Policy:** Simplified consolidation processes. Strengthening European players in strategically critical sectors

McKinsey
& Company



Potential future-oriented investment areas for Germany

Compatibility with circumstances in Germany, percent



Source: McKinsey "A pivot for Germany: All for growth and growth for all"