

ICT

Looking Optimistic Towards the Future



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Industry Overview

Germany's information and communications technology (ICT) industry is leading the way in shaping Europe's digital future. The German economy as a whole was able to weather the economic downturn much better than many of its European neighbours - thanks in large part to the strong performance of the ICT sector. Germany continues to be one of the world's most important exporters of ICT products, and its ICT industry is the EU's largest - for both customers and producers. Take a look at our impressive figures and see what opportunities the German market can offer you.

Our Industry in Numbers

- Germany is Europe's largest ICT market by share of total sales (20.6% of the EU market)
- Germany is the world's fifth largest ICT market (4.5% of the global market)
- Market volume, including consumer electronics, reached EUR 152 billion in 2013; for 2014 a market volume of EUR 154 billion is forecast

- In 2013, the number of employees in the German ICT industry grew to 917.000 (+2% compared to 2012)
- More than 78% of Germans are online
- 41% of Germans use the internet on their mobile phones
- In 2012, more than 1.7 million apps were downloaded (80% above 2011)

Market Potential

With more than 80 million inhabitants, the German market is very attractive to foreign ICT companies seeking to increase their European and/or global market share. The country is still a net importer of ICT products, especially of hardware and consumer electronics.

Germany's highly diversified economy allowed it to weather the economic crisis much better and in a shorter time than expected. The ICT industry, in particular, has proven to be an important catalyst for the growing German economy. The prevailing mood in Germany's high-tech sector is one of optimism. According to Germany's Federal Association for Information Technology, Telecommunications and New Media (BITKOM), expectations continued to improve in 2013. The most pronounced market trends are the increasing implementation of technologies such as cloud computing and the growing mobile data services segment.

Market Access

Enterprises exporting ICT hardware products to Germany must make sure that their goods are CE certified. The CE Mark identifies a product as complying with EU health and safety standards. Depending on the type of product, conformity can be proven by the manufacturer or with the involvement of an authorized body. Manufacturers and exporters must be aware that in Germany, software and other ICT products should be modified according to the country's customs and language.

Manufacturers, importers and distributors of ICT equipment must also make sure to comply with the Elektro G legislation in Germany. This legislation is based on the EU Waste Electrical and Electronic Equipment (WEEE) and Restrictions on Hazardous Substances (RoHS)

directives and requires that manufacturers and importers of electrical and electronic equipment (EEE) register all electronic products put on the German market with the Foundation Elektro-Altgeraete Register (EAR). The Elektro G also requires that manufacturers and importers offer a collection and waste disposal scheme for these products at their own cost. They may either participate in an existing collection scheme or establish their own collection system. Information on existing recycling firms can be obtained from the **Association for Secondary Raw Materials and Waste Disposal**. Furthermore, the "Elektro G" limits and reduces the use of certain hazardous substances (RoHS) in new electrical and electronic equipment, e.g. lead, cadmium, mercury, etc.

Distribution Channels and Supporting Institutions

Foreign companies wanting to enter the German ICT market must carefully select the distribution channel appropriate for their products. Depending on the nature of the product, foreign ICT companies can contact specialized sales agents or distributors. Another possibility to enter the market is to form a joint venture with a local ICT company or of course to open a subsidiary.

Foreign ICT exporters should keep in mind that German customers prefer to rely on local support for the maintenance of these products. For this reason, Foreign ICT enterprises must make sure that their troubleshooting and service departments are easily accessible to their customers. ICT related institutions in Germany can be of great help in finding the best way of approaching the market. The **German Association for Information Technology, Telecommunication and New Media** (BITKOM) represents 90 percent of the ICT market which comprises more than 2,300 companies including 800 mid-sized companies. BITKOM also offers a Supplier Directory which is the central online catalogue for the entire German IT, Telecommunications and New Media Trade. The directory/database contains around 7,400 entries of companies in the ICT sector.

Other helpful organizations in the ICT sector are the **German Electrical and Electronic Manufacturers' Association** (ZVEI), the **German Federal Association of the Digital**

Economy (BVDW) and the German E-Commerce Association (ECO).

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