Service Industry

As in most developed countries, the service sector has become a key pillar of the German economy. Its annual contribution to the country’s GDP is about 70 percent. Seventy two percent of the working population is employed in the service industry. Its growth during the past years was mainly driven by a strong demand for business related services. In addition, the development of new technologies established whole new branches in the tertiary sector.

The service sector embraces all those business activities that deal with intangible goods. This includes the following industries: the construction industry, the wholesale and retail industry, the logistics industry, the consulting industry, financial services, the hotel and catering industry, the real estate industry, health services, the creative industry, education and public services.

Especially knowledge-driven services have a strong impact on the German economy as they contribute around 30 percent to the German gross value added. IT-services, research and development as well as the logistics and communications industries have a high potential for further growth. The creative industries have also become an economic force in the country. Furthermore, the demographic trend in age structure in Germany entails a strong demand for household support and health services.

The high qualification of the German service personnel is widely renowned on the international market. Although in the past years only 14 percent of total exports were realized by the provision of services, Germany ranks second among the service exporting nations worldwide and first in the skill-intensive services like technical services, IT-services, financial services and environmental services.

Even though the exchange of services increasingly contributes to the national economies’ revenues, many businesses still hesitate to cross borders. Since the provision of services is far more dominated by the working process and its legal regulation than the supply of goods, the language barriers, national laws and regulations are still major obstacles for the international trade in the service sector.
area. Therefore, the German Federal Government supports the removal of these barriers in bilateral agreements, in the General Agreement on the Trade in Services (GATS) and through the implementation of the EU services directive.

+ Corporate Services Industry
+ Consumer Industries
+ Logistics Industry
+ Building Industry
+ Tourism & Leisure Industries