

## Germany

### 1. Industrial Strategy (Including Objectives/Goals)

The German economy is the largest in Europe<sup>1</sup> and the industrial sector accounts for approximately a quarter of its GDP<sup>2</sup>. The German automotive, chemical, pharmaceutical, and mechanical engineering industries are central to the country's industrial base. Germany's industrial strategy has been shaped by ordoliberalism and the Social Market Economy, as well as the European internal market<sup>3</sup>. Germany's strategy is also characterized by the country's need to protect the *Mittelstand*, a network of small and medium-sized enterprises that form the backbone of its economy<sup>4</sup>.

In 2019, the German Government released its “**Industrial Strategy 2030–Strategic Guidelines for German and European Industrial Policy**”<sup>5</sup>, which is centered around the following three pillars:

- **Germany as a centre for industry–improving the policy environment.** This pillar emphasizes expanding German infrastructure and reducing regulatory barriers for corporations to support such expansion. It also advocates for the mobilisation of Germany's skilled workers and the modernisation of its labour market<sup>6</sup>.
- **Strengthening new technologies–mobilising private capital.** This pillar promotes investment in key enabling technologies, particularly in the context of sustainability and digitisation<sup>7</sup>.
- **Maintaining technological autonomy.** The final pillar focuses on managing Germany's strategic engagement with foreign nations in the context of technology. It also highlights the need to strengthen cybersecurity across critical infrastructure<sup>8</sup>.

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<sup>1</sup> Christoph Steitz, 'German Debt Brake Reform Won't Happen During Current Government Term, Bild Reports' (*Reuters*, 11 April 2026) <<https://www.reuters.com/business/german-debt-brake-reform-wont-happen-during-current-government-term-bild-reports-2026-04-11/>> accessed 12 April 2026.

<sup>2</sup> World Bank, 'Industry (Including Construction), Value Added (% of GDP) — Germany' (*World Bank Open Data*) <<https://data.worldbank.org/indicator/NV.IND.TOTL.ZS?locations=DE>> accessed 12 April 2026.

<sup>3</sup> Justus Lenz, 'Social Market Economy: The Principles Behind Germany's Economic Success' (*Friedrich Naumann Foundation for Freedom*, May 2021). <[https://www.freiheit.org/sites/default/files/2023-09/2021\\_fnf-focus\\_a5\\_social\\_market\\_web\\_final\\_0.pdf](https://www.freiheit.org/sites/default/files/2023-09/2021_fnf-focus_a5_social_market_web_final_0.pdf)> accessed 12 April 2026, 4.

<sup>4</sup> Federal Ministry for Economic Affairs and Energy, 'A Modern Industrial Policy' (*BMWE*) <<https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Dossier/modern-industry-policy.html>> accessed 12 April 2026.

<sup>5</sup> Federal Ministry for Economic Affairs and Energy (Germany), 'Industrial Strategy 2030: Guidelines for a German and European industrial policy' (*BMWi*, 2019) <<https://www.celis.institute/wp-content/uploads/2020/08/industrial-strategy-2030.pdf>> accessed 12 April 2026.

<sup>6</sup> *ibid*, 13–19.

<sup>7</sup> *ibid*, 20–24.

<sup>8</sup> *ibid*, 27–28.

However, the limitations of this strategy were revealed during the post-pandemic era, when shifts in the geopolitical landscape, supply chain disruptions, rising energy costs, and the implementation of large-scale subsidies in the United States placed the German economy under stress; during this period, Germany's economic interdependence was perceived as a vulnerability<sup>9</sup>.

Germany therefore published its "Industrial Policy in Changed Times". The document highlighted the need to "safeguard [Germany's] industrial base"<sup>10</sup>. This would involve building domestic manufacturing capacity, securing access to critical resources, and diversifying trade relations. It also promoted the expansion of the circular economy and the the progressive decarbonisation of energy-intensive industries<sup>11</sup>.

However, the government faced challenges in implementing the new industrial strategy. In November of 2023, the reallocation of funds to the Special Climate and Transformation Fund (KTF) was deemed unconstitutional under the German debt brake<sup>12</sup>, a ruling that ultimately contributed to the collapse of the governing coalition in 2024<sup>13</sup>.

Developed under a new coalition government, the "Responsibility for Germany" Coalition Agreement 2025 reaffirmed the German commitment to the Social Market Economy<sup>14</sup>. It endorsed the use of a €500 billion special fund for infrastructure, €100 billion of which would go towards climate protection<sup>15</sup>; this amendment could help prevent a recurrence of the 2024 constitutional crisis.

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<sup>9</sup> Federal Ministry for Economic Affairs and Climate Action (Germany), 'Industrial policy in changed times: Safeguarding our industrial base, renewing our prosperity, boosting our economic security' (*BMWK*, October 2023) <[https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Publikationen/Industry/industrial-policy-in-changing-times.pdf?\\_\\_blob=publicationFile&v=1](https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Publikationen/Industry/industrial-policy-in-changing-times.pdf?__blob=publicationFile&v=1)> accessed 12 April 2026, 12–13.

<sup>10</sup> *ibid*, 24.

<sup>11</sup> *ibid*, 28.

<sup>12</sup> Reuters, 'Special funds: how Germany gets round the debt brake' (17 November 2023) <<https://www.reuters.com/markets/europe/special-funds-how-germany-gets-round-debt-brake-2023-11-17/>> accessed 12 April 2026.

<sup>13</sup> Sophie Kiderlin, 'Germany's 'debt brake' rule helped collapse its government—and it could be about to change' (*CNBC*, 22 November 2024) <<https://www.cnbc.com/2024/11/22/the-debt-brake-rule-that-helped-collapse-germanys-government.html>> accessed 12 April 2026.

<sup>14</sup> Moritz Püstow, 'Coalition Agreement 2025: What the plans mean for the economy' (*KPMG Law*, April 2025) <<https://kpmg-law.de/en/coalition-agreement-2025-what-the-plans-mean-for-the-economy/>> accessed 12 April 2026.

<sup>15</sup> Federal Government of Germany, 'A Start Has Been Made' (*Bundesregierung*, 7 August 2025) <<https://www.bundesregierung.de/breg-en/issues/europe/the-beginning-is-complete-2377326>> accessed 12 April 2026.

## 2. *Digital (Development) Strategy*

Germany's digital policy from 2022 to 2025<sup>16</sup> was centered around three areas of action:

- **Connected and digitally sovereign society:** This area promoted fibre-optic infrastructure, the digital transformation of the healthcare sector and labour market, and digital literacy education; it also emphasized the need to ensure that such a transformation remained compatible with individual rights.<sup>17</sup> (5-6)
- **Innovative economy, work, science, and research:** This area highlighted the need to leverage digitization in research, strengthen the workforce's digital skills base, and develop technology for the protection of German and European digital sovereignty. It also discussed technological investment aimed at promoting sustainable agriculture and protecting the climate.<sup>18</sup>
- **Learning, digital government:** The final area addressed the digitalisation of public administration and taxation, open data frameworks, digital sovereignty within the public sector, and cybersecurity.<sup>19</sup>

Germany currently participates in the EU's Digital Decade Policy Program, which prioritizes a digitally skilled population and highly skilled digital professionals, secure and sustainable digital infrastructures, the digital transformation of businesses, and the digitalisation of public services<sup>20</sup>. Germany allocates one percent of its GDP to meeting the digital decade targets and outlines its plan for doing so in its **National Digital Decade Roadmap**<sup>21</sup>.

While a new official digital strategy has not been published since 2024, in the Coalition Agreement 2025, the following were referenced as priorities for the country's digital development strategy<sup>22</sup>:

- **Data protection and sharing:** Public data should be accessible; non-commercial and low-risk data processing should be exempt from the scope of the General Data Protection Regulation.

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<sup>16</sup> Federal Ministry for Digital and Transport (Germany), 'Digital Strategy: Creating Digital Values Together' (BMV, 15 September 2022) <<https://www.bmv.de/SharedDocs/EN/Documents/Press/pm-063-en-long-version.pdf>> accessed 12 April 2026.

<sup>17</sup> *ibid*, 5–6

<sup>18</sup> *ibid*, 7–8.

<sup>19</sup> *ibid*, 8–9.

<sup>20</sup> European Commission, 'Digital Decade – Policy Programme' <<https://digital-strategy.ec.europa.eu/en/policies/digital-decade-policy-programme>> accessed 12 April 2026.

<sup>21</sup> European Commission, 'Germany 2025 Digital Decade Country Report' <<https://digital-strategy.ec.europa.eu/en/factpages/germany-2025-digital-decade-country-report>> accessed 12 April 2026.

<sup>22</sup> Greenberg Traurig, 'Digital Policy: Highlights of the German Coalition Agreement 2025' (22 April 2025) <<https://www.gtlaw.com/en/insights/2025/4/digital-policy-highlights-of-the-german-coalition-agreement-2025>> accessed 12 April 2026.

- **Online platforms and social networks:** Platforms must be transparent and the risks associated with their use (e.g. misinformation, unregulated bot usage) should be minimized.
- **Public sector digitalization:** Administrative staff should be reduced and a new “Federal Ministry for Digital Affairs and State Modernization” should be established. The public sector should move towards a “digital-only” approach for the use of its services by citizens; this minimizes the number of times individuals will be required to share their data with the government.
- **Digital sovereignty:** This involves strategic investment in key technologies and open source solutions.
- **Artificial intelligence:** This will involve the establishment of an “AI gigafactory” in Germany. AI must be integrated in a manner consistent with copyright law; the government should minimize the burden of the Artificial Intelligence Act to promote innovation.

In alignment with Germany’s priorities in the area of digital development, the government has drafted individual Gigabit<sup>23</sup>, Cybersecurity<sup>24</sup>, and Artificial Intelligence<sup>25</sup> strategies.

### 3. *Main Constitutional Provisions*

Germany’s “Basic Law” or its constitution, has a number of provisions relating to digital strategy<sup>26</sup>.

- **Article 87f: Posts and Communications.** This provides the federal government with the exclusive competence over telecommunications services<sup>27</sup>.
- **Article 91c: Information technology systems:** This establishes the relationship between the federal and state governments with regard to the planning, construction, and operation of information technology systems<sup>28</sup>.
- **Article 143h: Special fund for investments in infrastructure:** This establishes that the federal government may create a fund of up to 500 billion euros for investments in infrastructure<sup>29</sup>.

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<sup>23</sup> OECD, 'Gigabit Strategy' (*OECD Digital Policy Platform*) <<https://depp.oecd.org/policies/DEU1004>> accessed 12 April 2026.

<sup>24</sup> OECD, 'Cybersecurity Strategy' (*OECD Digital Policy Platform*) <<https://depp.oecd.org/policies/DEU900>> accessed 12 April 2026.

<sup>25</sup> OECD, 'Artificial Intelligence Strategy' (*OECD Digital Policy Platform*) <https://depp.oecd.org/policies/DEU962> accessed 12 April 2026.

<sup>26</sup> ‘Basic Law for the Federal Republic of Germany’ (*Grundgesetz für die Bundesrepublik Deutschland*) 1949.

<sup>27</sup> *ibid*, Art. 87f GG.

<sup>28</sup> *ibid*, Art. 91c GG.

<sup>29</sup> *ibid*, Art. 143h GG.

Under the Coalition Agreement 2025, the government aims to amend Article 91(c) of the Basic Law, permitting the federal operation of IT systems and the federal regulation of digital administrative procedures.

#### **4. Main Regulatory Provisions and Policy Developments**

Germany has several regulatory provisions that support the implementation of its digital and industrial strategy. Much of the regulation shaping Germany's digital policy comes from the European Union, but the nation has domestic legislation that supplements EU law and supports Germany's national interests.

Relevant European Union regulation includes:

- Artificial Intelligence Act (2024)<sup>30</sup>;
- Digital Markets Act (2022)<sup>31</sup> and the Digital Services Act (2022)<sup>32</sup>;
- The Data Governance Act (2022)<sup>33</sup> and Data Act (2023)<sup>34</sup>; and
- European Chips Act (2023)<sup>35</sup>, which has contributed to a €623 million investment in Germany to establish semiconductor manufacturing facilities in the country<sup>36</sup>.

Relevant German regulation includes:

- IT Security Act 2.0 (2021)<sup>37</sup>;

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<sup>30</sup> Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) [2024] OJ L 2024/1689.

<sup>31</sup> Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act) [2022] OJ L 265/1.

<sup>32</sup> Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a single market for digital services and amending Directive 2000/31/EC (Digital Services Act) [2022] OJ L 277/1.

<sup>33</sup> Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance and amending Regulation (EU) 2018/1724 (Data Governance Act) [2022] OJ L 152/1.

<sup>34</sup> Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (Data Act) [2023] OJ L 2023/2854.

<sup>35</sup> Regulation (EU) 2023/1781 of the European Parliament and of the Council of 13 September 2023 establishing a framework of measures for strengthening Europe's semiconductor ecosystem and amending Regulation (EU) 2021/694 (Chips Act) [2023] OJ L 229/1.

<sup>36</sup> European Commission, 'Commission Approves €623 Million German State Aid to Support Set-up of Two First-of-a-Kind Chips Factories in Germany' (10 December 2025) <[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_3020](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_3020)> accessed 12 April 2026.

<sup>37</sup> IT Security Act 2.0 (Zweites Gesetz zur Erhöhung der Sicherheit informationstechnischer Systeme/IT-SiG 2.0) v 23.4.2021, BGBl I 2021 S 1122 (Germany) <[https://www.bsi.bund.de/EN/Das-BSI/Auftrag/Gesetze-und-Verordnungen/IT-SiG/2-0/it\\_sig\\_2-0.html](https://www.bsi.bund.de/EN/Das-BSI/Auftrag/Gesetze-und-Verordnungen/IT-SiG/2-0/it_sig_2-0.html)> accessed 12 April 2026.

- Federal Data Protection Act/BDSG (2018)<sup>38</sup>;
- Act against Restraints of Competition, 10th amendment (2021)<sup>39</sup>;
- Telecommunications Act, amended June 2025<sup>40</sup>; and
- Supply Chain Due Diligence Act/LkSG (2023), which will be replaced by national legislation implementing the EU's Corporate Sustainability Due Diligence Directive<sup>41</sup>.

### 5. *(Regional) Economic Treaties to which Germany is a Signatory*

As a member of the European Union, Germany does not independently conclude trade agreements. The European Union has an extensive network of economic treaties.

In the context of digital strategy, the EU has made digital trade deals, as follows:

- EU-Singapore Digital Trade Agreement (in force from 1 February 2026)<sup>42</sup>
- EU-Republic of Korea Digital Trade Agreement (negotiations concluded in March 2025; awaiting signature and ratification)<sup>43</sup>.

The EU and Canada have also launched negotiations for a Digital Trade Agreement<sup>44</sup>.

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<sup>38</sup> Federal Data Protection Act (Bundesdatenschutzgesetz/BDSG) v 30.6.2017, BGBl I 2017 S 2097 (Germany) <[https://www.gesetze-im-internet.de/englisch\\_bdsge/](https://www.gesetze-im-internet.de/englisch_bdsge/)> accessed 12 April 2026.

<sup>39</sup> Telecommunications Act (Telekommunikationsgesetz/TKG) v 23.6.2021, BGBl I 2021 S 1858 (Germany); M Salevic and B Beierle, 'TKG Amendment Act 2025 to Promote Rapid Grid Expansion' (*Pinsent Masons*, 5 December 2025) <<https://www.pinsentmasons.com/out-law/news/tkg-amendment-act-2025>> accessed 12 April 2026.

<sup>40</sup> Act against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen/GWB) v 18.1.2021, BGBl I 2021 S 2 (Germany); Bundeskartellamt, 'Amendment of the German Act against Restraints of Competition' (*Bundeskartellamt*, 19 January 2021) <[https://www.bundeskartellamt.de/SharedDocs/Meldung/EN/Pressemitteilungen/2021/19\\_01\\_2021\\_GWB%20Novelle.html](https://www.bundeskartellamt.de/SharedDocs/Meldung/EN/Pressemitteilungen/2021/19_01_2021_GWB%20Novelle.html)> accessed 12 April 2026.

<sup>41</sup> Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz/LkSG) v 16.7.2021, BGBl I 2021 S 2959 (Germany) <<https://www.bmas.de/EN/Europe-and-the-World/International/Supply-Chain-Act/supply-chain-act.html>> accessed 12 April 2026.

<sup>42</sup> European Commission, 'EU–Singapore Digital Trade Agreement Enters into Force' (*Trade and Economic Security*, 2 February 2026) <[https://policy.trade.ec.europa.eu/news/eu-singapore-digital-trade-agreement-enters-force-2026-02-02\\_en](https://policy.trade.ec.europa.eu/news/eu-singapore-digital-trade-agreement-enters-force-2026-02-02_en)> accessed 12 April 2026.

<sup>43</sup> European Commission, 'EU and Korea Deepen Ties with Landmark Digital Trade Deal' (10 March 2025) <[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_732](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_732)> accessed 12 April 2026.

<sup>44</sup> European Commission, 'EU and Canada Launch Negotiations for a Digital Trade Agreement' (5 March 2026) <[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_26\\_553](https://ec.europa.eu/commission/presscorner/detail/en/ip_26_553)> accessed 12 April 2026.

## 6. *Plurilaterals*

As an EU member, Germany actively participates in several plurilateral agreements. Notably, Germany is party to the Government Procurement Agreement (GPA)<sup>45</sup> and the Information Technology Agreement (ITA)<sup>46</sup>.

## 7. *Proceedings Initiated Against Germany, or by It, Before International Fora for the Adoption/Implementation of Industrial Policy Measures (e.g., Before WTO Panels, the WTO's AB)*

Germany participates in the WTO through the European Union and has been actively involved in several disputes. Given Germany's export-led industrial economy, it has been implicated in multiple disputes involving anti-dumping measures and countervailing duties, often as a country from which the relevant goods originate. Significant cases include:

- **DS316 (US v EU):** Germany, France, Spain, and the United Kingdom were named as direct respondents; specific German subsidies were found actionable under the SCM agreement, resulting in the largest authorisation of countervailing measures in WTO history<sup>47</sup>.
- **DS294 and DS350 (EU v. US):** German industrial goods were implicated in this case that successfully challenged the American practice of “zeroing” in anti-dumping calculations<sup>48</sup>.
- **DS213 (EC v. US):** The EU was partially successful in challenging countervailing duties imposed by the United States on corrosion-resistant carbon steel from Germany<sup>49</sup>.

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<sup>45</sup> World Trade Organization, 'Agreement on Government Procurement'

<[https://www.wto.org/english/tratop\\_e/gproc\\_e/memobs\\_e.htm](https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm)> accessed 12 April 2026.

<sup>46</sup> World Trade Organization, 'Information Technology Agreement'

<[https://www.wto.org/english/tratop\\_e/inftec\\_e/inftec\\_e.htm](https://www.wto.org/english/tratop_e/inftec_e/inftec_e.htm)> accessed 12 April 2026.

<sup>47</sup> World Trade Organization, European Communities and Certain Member States — Measures Affecting Trade in Large Civil Aircraft (United States v European Communities and Certain Member States) WT/DS316

<[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds316\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds316_e.htm)> accessed 12 April 2026.

<sup>48</sup> World Trade Organization, United States — Laws, Regulations and Methodology for Calculating Dumping Margins ('Zeroing') (European Communities v United States) WT/DS294

<[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds294\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds294_e.htm)> accessed 12 April 2026; World Trade Organization, United States — Continued Existence and Application of Zeroing Methodology (European Communities v United States) WT/DS350

<[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds350\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds350_e.htm)> accessed 12 April 2026.

<sup>49</sup> World Trade Organization, United States — Countervailing Duties on Certain Corrosion-Resistant Carbon Steel Flat Products from Germany (European Communities v United States) WT/DS213

<[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds213\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds213_e.htm)> accessed 12 April 2026.