



## **Transatlantic Investment: A Long-Standing Pillar of Growth & Innovation in the U.S. & Germany**

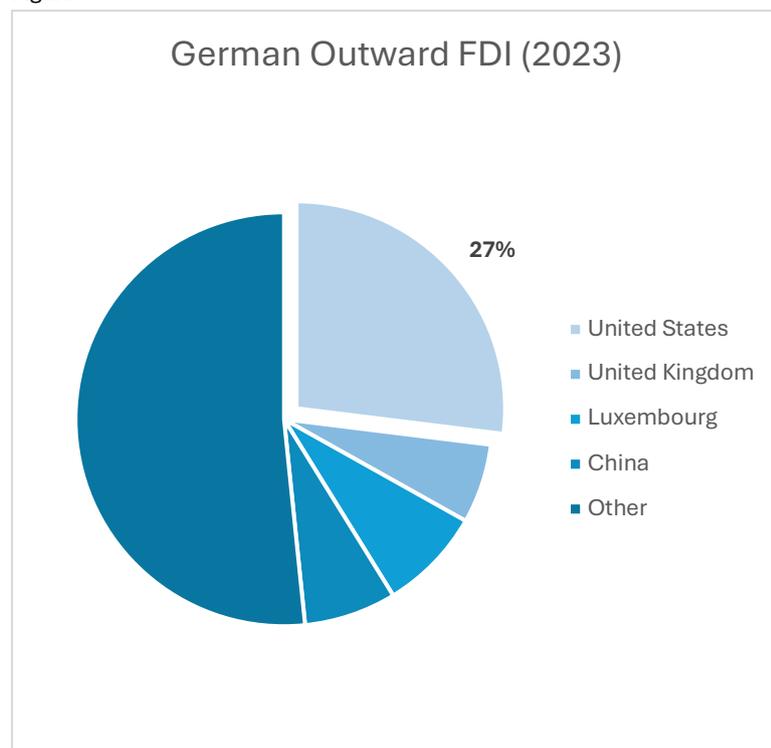
The German-American relationship remains one of the world's most comprehensive and dynamic economic partnerships, spanning trade and investment across a wide range of critical industries. While themes of tariffs and technological sovereignty have featured prominently in discussions on transatlantic relations over the last year, what is often overlooked is the extent to which the German and U.S. economies are deeply interconnected in key strategic areas. As the most recent data shows, **both the U.S. and Germany continue to rank as top investors in each other's economies worldwide, with substantial and growing commitments to critical manufacturing, employment, research & development, and the digital economy.**

To ensure common competitiveness on the global stage, transatlantic partners must strive to **promote continued open transatlantic investment, as extensive cooperation is the best way to push innovation in key strategic sectors.** Promoting these critical areas of cooperation is the best way to ensure both countries remain secure and sovereign, expanding their capabilities and remaining at the forefront of technological developments in the coming years.

### **Deep & Significant Ties**

An analysis of the FDI stocks between Germany and the U.S. reveals the significant scale of transatlantic investment. The latest [data](#) from the Bundesbank released in 2025 reveals that German primary and secondary direct investment in the U.S. stood at around **436 billion Euros** in 2023. Primary investment refers to capital invested directly into newly established enterprises, while secondary investment involves the purchase of assets or stakes in already operating firms.

Figure 1



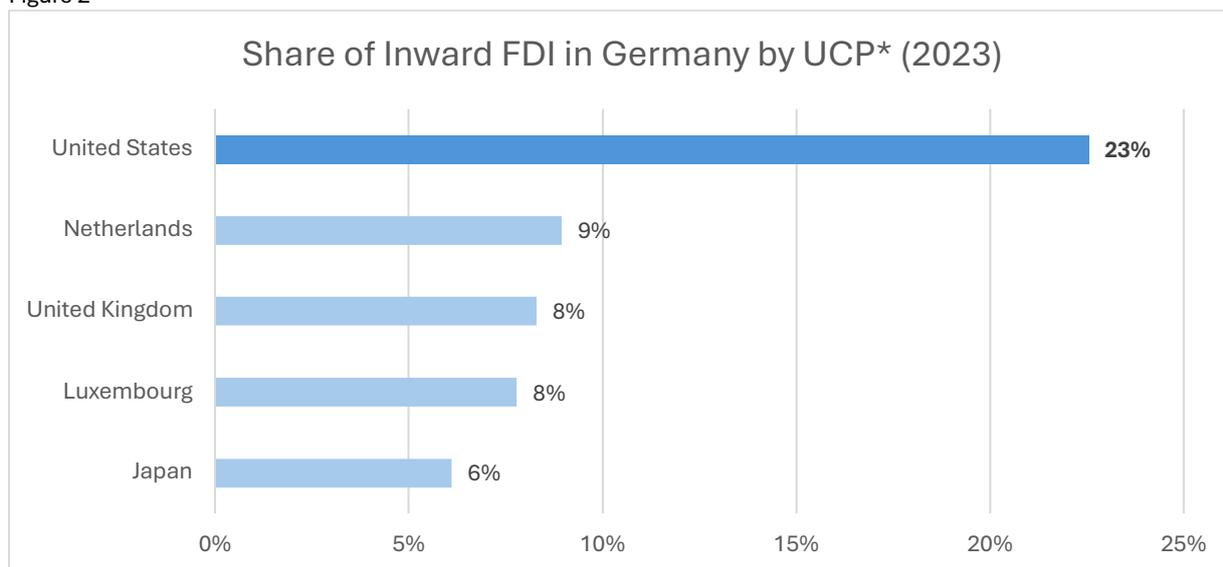
As a share of total worldwide investment, the United States takes a central role in German investment, as data from the Bundesbank shows (Figure 1). In 2023, German total primary and secondary investment worldwide stood at around **1,618 billion Euros**. Of this total, the 436 billion invested in the U.S. constituted a share of around **27%**.

This made the U.S. the leading FDI destination by a wide margin, and larger than the shares of the United Kingdom (around 6%), Luxembourg (around 8%), and China (around 7%) combined.

Data from the Bundesbank, December 12, 2025 ([Direct investment statistics](#))

Among foreign investment in Germany, the U.S. assumes a central importance. Tracing primary and secondary FDI in Germany by its ultimate controlling parent (UCP) reveals that around **164 billion Euros** were invested by companies with headquarters in the U.S. in Germany in 2023. This made the U.S. the most significant ultimate investing economy for Germany. Of the around 726 billion Euros of primary and secondary direct investment worldwide into Germany, companies headquartered in the U.S. claimed the largest share at around **23%**, a share more than twice as large as invested by companies with headquarters in the Netherlands and Luxembourg combined.

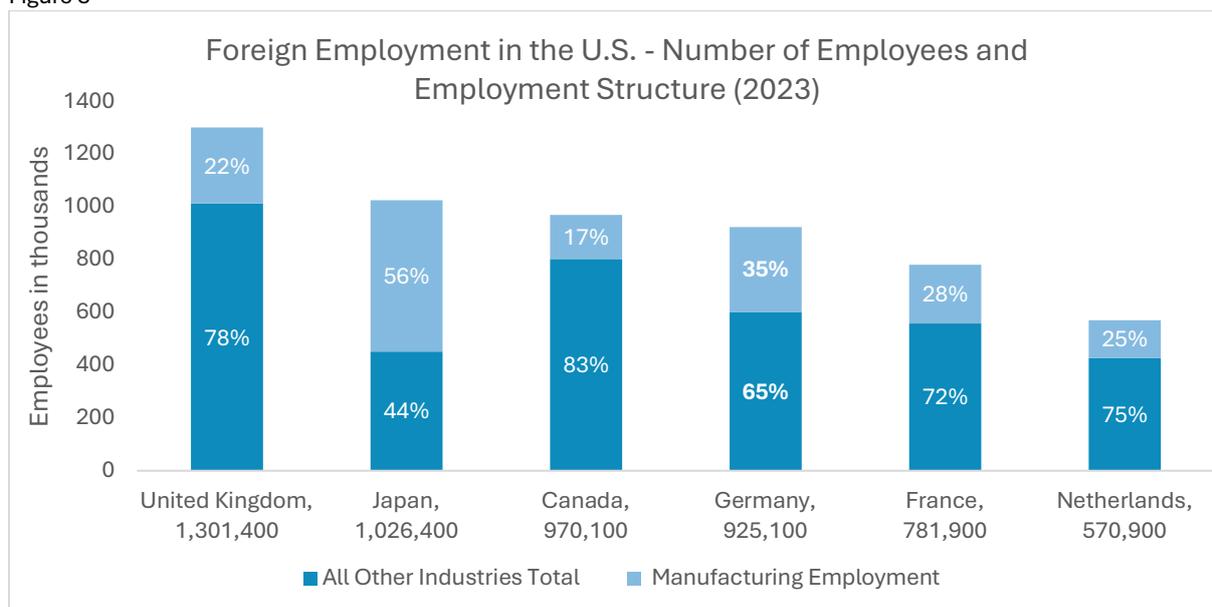
Figure 2



Source: Bundesbank ([Direct investment statistics](#)) \*Country of Ultimate Controlling Parent (UCP)

In return, with regards to its contribution to employment, German investment in the United States takes a prominent position. The most recent [data](#) from the Bureau of Economic Analysis (BEA) shows that German companies employed around **925,100** employees across all industries in the U.S. in 2023, making it one of the top foreign employers in the U.S. (Figure 3). Considering the share of these employed in the manufacturing sector, Germany ranked 2<sup>nd</sup> at around **35%**, following in this respect only Japan at around 56%.

Figure 3



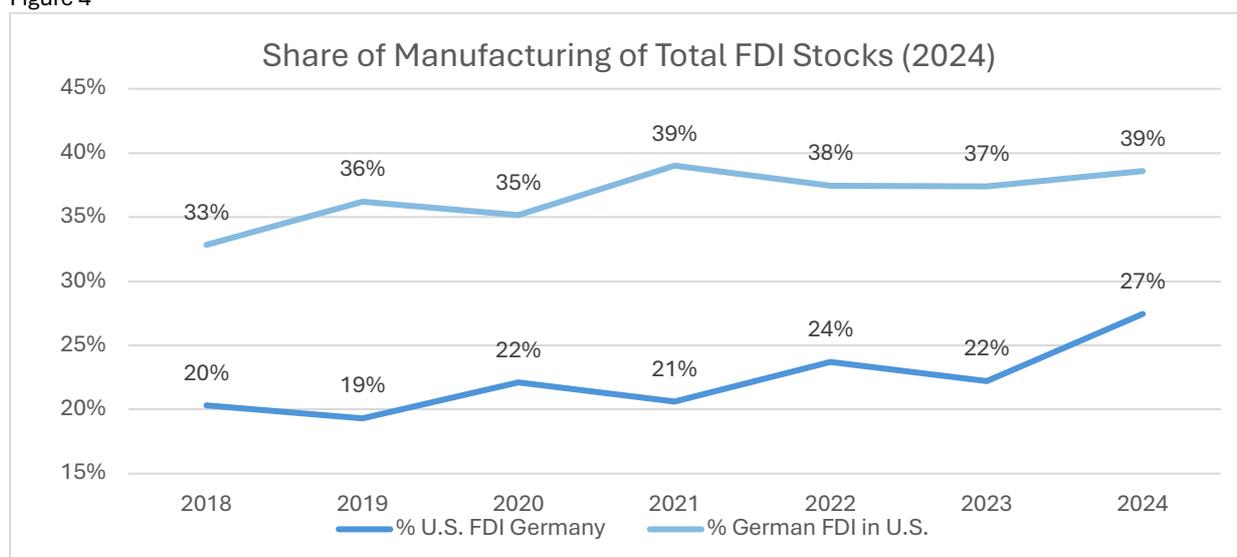
Source: U.S. Bureau of Economic Analysis ([FDI Employment in U.S.](#))

In return, U.S. majority-owned affiliates abroad employed around **592,600** employees in Germany across all industries, making it the largest location for U.S. employment within the European Union. Of this total, around 323,100 employees, or **55%**, were active in the manufacturing sector.

### Strategic Importance: Manufacturing, R&D, & the Digital Economy

A further look at the sectoral breakdown of German-American investment reveals the importance of key manufacturing and technological sectors. As shown below (Figure 4), manufacturing of all types claims a significant share of German-American FDI stocks – **39% for German investment in the U.S.**, and **27% of U.S. investment into Germany**. These shares in manufacturing investment have been increasing from 2018 to 2024, by about 6% and 7%, respectively

Figure 4



Source: U.S. Bureau of Economic Analysis ([German FDI to U.S.](#) ; [U.S. FDI to Germany](#))

Within the manufacturing sector, a closer examination reveals cooperation in critical industries. For U.S. activities in Germany, the top 5 manufacturing industries for investment are displayed below in ranked order, alongside other manufacturing activities (Table 1). In this view, investment in machinery stands out at **38%** of total manufacturing investment, followed by investment in the chemicals industries at **14%**. For German investors, the chemicals and transportation equipment industries claimed a majority of around **54%** of manufacturing investment.

Table 1

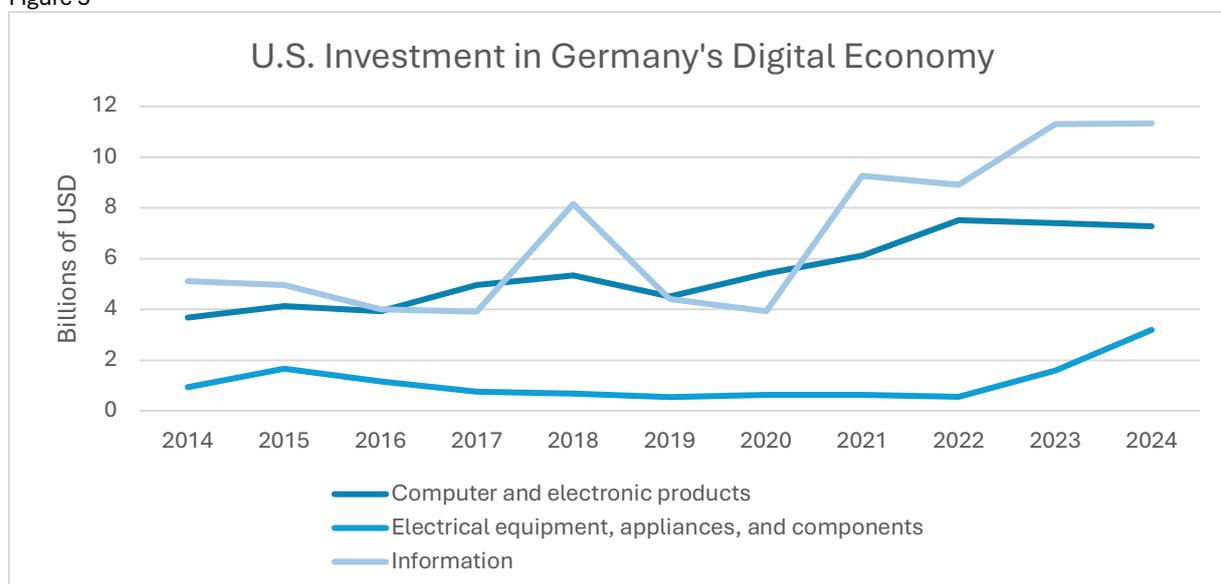
Year: 2024	U.S. FDI to Germany		Germany FDI to U.S.	
Industry	Billions of USD	% of Manufacturing FDI*	Billions of USD	% of Manufacturing FDI*
Machinery	23.4	38%	10.6	5%
Chemicals	8.8	14%	55.5	28%
Computer and Electronic Products	7.3	12%	37.0	19%
Transportation Equipment	6.2	10%	50.6	26%
Electrical Equipment, Appliances, and Components	3.2	5%	5.0	3%
Other Manufacturing	11.9	19%	30.0	15%

Source: U.S. Bureau of Economic Analysis, ([German FDI to U.S.](#) ; [U.S. FDI to Germany](#))

\*Percentages do not add to 100% as not all manufacturing sectors are here represented

Looking at cutting-edge sectors, the data reveals that transatlantic investment has seen a growing commitment to key parts of the digital economy (Figure 5). In 2024, for instance, U.S. direct investment in the information sector in Germany reached a high of nearly **11.3 billion USD**. In the decade since 2014, U.S. investment in computer products and electronic equipment has also grown.

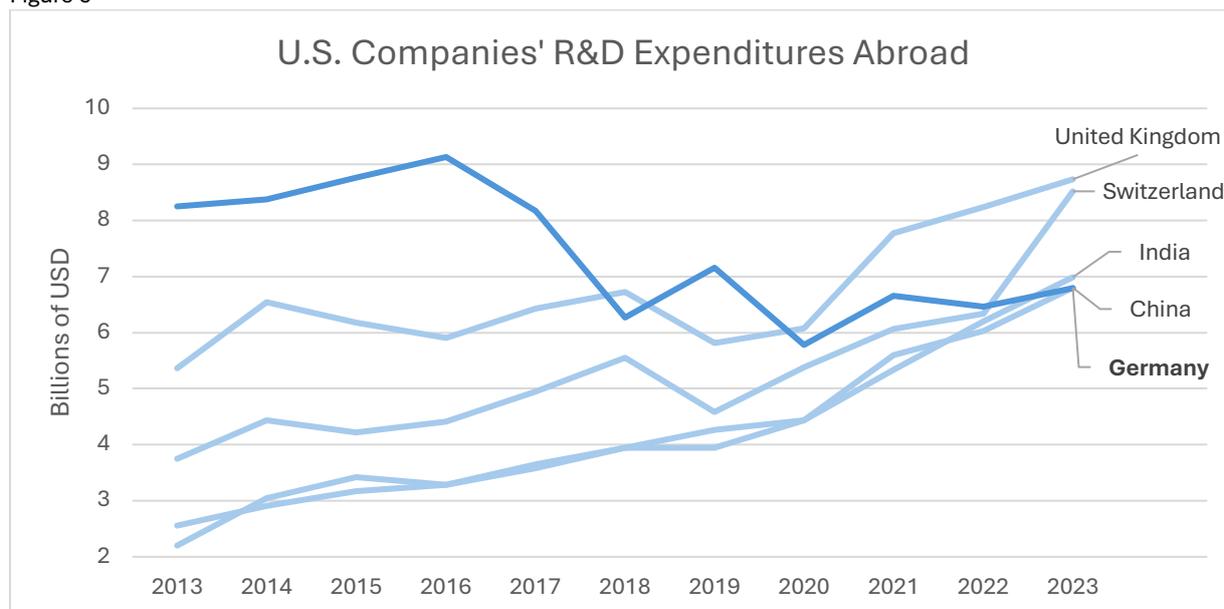
Figure 5



Source: U.S. Bureau of Economic Analysis, ([U.S. FDI to Germany](#))

Data from the BEA also records the expenditures of U.S. companies on research and development (R&D) worldwide (Figure 6). In 2023, Germany ranked 5<sup>th</sup> of all countries in R&D spending at **around 6.8 billion USD**, coming behind the United Kingdom, Switzerland, India, and closely behind China. However, over previous years, Germany consistently ranked as the top country for R&D spending, such as from 2013 to 2017. Summing the expenditure totals over the decade 2013 to 2023, for example, reveals that total R&D across this period in Germany was **82 billion USD**, or some 8 billion above the next highest location, the United Kingdom (around 74 billion).

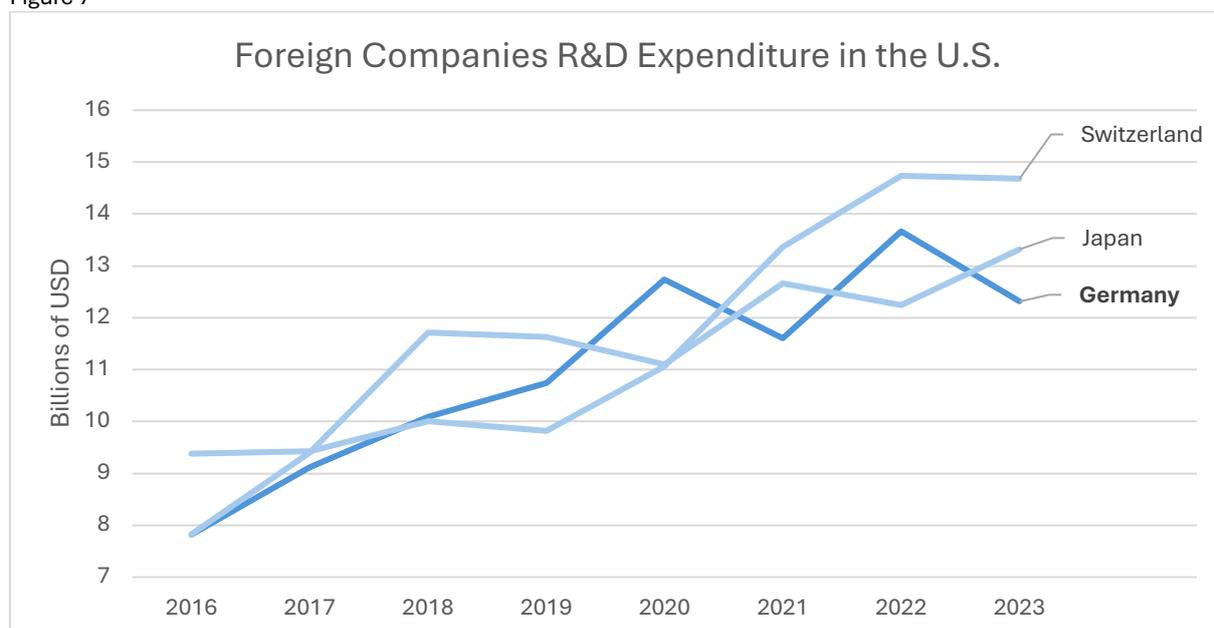
Figure 6



Source: U.S. Bureau of Economic Analysis ([U.S. R&D Abroad](#))

Data on foreign companies' activities in the U.S. similarly shows German companies' prominent role in innovation and key sectors (Figure 7). In 2023, Germany made **12.3 billion USD** expenditures in R&D, and consistently ranked among the top countries over previous years.

Figure 7



Source: Bureau of Economic Analysis ([Foreign R&D in U.S.](#))

Looking forward as well, U.S. and German companies are largely optimistic about future activities due to underlying structural advantages, even if the short-term outlook appears less promising. According to AmCham Germany's [Transatlantic Business Barometer 2025](#), which was released in November 2025 and surveyed the investment attitudes of member companies, German investment sentiment toward the U.S. was mixed. On the one hand, only 26% of German companies expect to increase employment and investment in the U.S. in 2025. Nevertheless, a majority of **53% of German companies surveyed projected higher revenues in the U.S. for 2025**, and 35% anticipated expanding U.S. operations over the next three to four years. Strengths of the U.S. economy remained its **potential as a sales market** (60%) and its **energy costs** (50%).

In return, most of the American companies surveyed plan to expand activities in Germany and expect investment conditions to improve, despite the current lackluster economic outlook. While 27% of American companies rated current investment conditions as “very good or good” and 42% as “bad or not so good,” **62% expected conditions to improve over the next three to four years.** Additionally, **52% of American companies reported plans to increase their activities in Germany during the same period**, a slight rise from 49% in 2024. Overall, companies identified Germany’s **quality of employees** (79%), the **availability of skilled workers** (66%), and its potential as a **sales market** (57%) as its top strengths as an investment location.

## Conclusion

As this report has shown, the U.S. and German economies are deeply interconnected in terms of investment and innovation, with substantial shares of FDI stocks in each other’s economies accumulated over previous decades. **In recent years, investors from both economies have intensified their commitments to critical manufacturing sectors** within their foreign direct investment, such as machinery, chemicals, transportation and sectors of the digital economy.

German investment in particular contributes a significant share to foreign employment in the U.S., with a large portion involved in manufacturing. **Finally, both countries share a long history of research & development expenditures**, with both U.S. companies and German companies dedicating billions of dollars for the discovery of new technologies in each other’s economies.

In today’s environment of global uncertainty, it is understandable that leaders look for ways to strengthen national resilience in key sectors. **Calls for sovereignty and security, however, must recognize the long-standing interconnectedness between the U.S. and Germany in these areas. Only by promoting cooperation and the sharing of resources can both countries remain at the forefront of innovation and competitiveness globally.** Deeper structural advantages, such as Germany’s skilled labour and America’s potential as a sales market, will ensure the strength and centrality of this investment relationship for years to come.

### Authored by:

**Maik Luckow**, Head of Department, Communications & Government Relations,  
AmCham Germany

**Daniel Burgess**, Student Assistant, Communications & Government Relations,  
AmCham Germany, and Student in Global History at Freie Universität Berlin

### Methodology

Methodology descriptions taken directly from BEA statistics tables. Data taken from most recent year available. Foreign direct investment data (Figure 4, Figure 5, and Table 1) report foreign and U.S. direct investment positions on a historical-cost basis. Statistics are attributed to the foreign parent of the U.S. affiliate. Statistics on foreign employment (Figure 3) cover majority-owned bank and non-bank U.S. affiliates. R&D expenditures (Figure 6) capture the activities of all majority-owned foreign affiliates. The R&D expenditures statistics (Figure 7) include majority-owned bank and non-bank U.S. affiliates and are categorized by country of ultimate beneficial owner (UBO). For the Bundesbank statistics provided, FDI stocks record primary and secondary investments and give attribution based on country of the headquarters of UCP (ultimate controlling parent) as indicated.