

A wealth of opportunities

A member of the world community

Since 1945, Germany has gone through a profound metamorphosis. From dictatorship to democracy, from division to unity, from inflation and currency reforms to stability, and from devastation to dynamism, a new Germany has arisen from the ashes of the past. This Germany is a strong, steady ally and one of Canada's closest friends. And this Germany is emerging in the 1990s as one of the world's leaders.

Germany is a bulwark of the NATO alliance. Today, with the largest population and the strongest economy in the EU, Germany has become the main driving force toward European integration, including monetary union. The road to Brussels goes through Bonn.

Long an economic superpower, Germany for many years has played a discreet role on the world political stage. Conscious of its broader responsibilities, Germany is beginning to participate in peacekeeping missions. Most plans for UN reform now include reference to an increased role for Germany. It works actively toward political stability and peace in eastern Europe, sponsoring several of its neighbours in their efforts to join the EU and NATO.

Germany, an economic giant

Germany is an economic giant, a champion of free trade and the powerhouse of Europe. Its strength is expressed by the depth of its economy, the reach of its foreign investments, the capabilities of its research community and the strategic significance of its location. It also faces economic challenges: high costs of production, inflexible labour laws and a very strong currency.

If history repeats itself, the country will likely overcome these obstacles and remain:

- the world's third largest economy
- the world's second largest importer
- the world's second largest tourism market
- the world's fourth largest foreign direct investor
- the world's third largest contributor to research and development (R&D)

Germany is the world's third largest economy. Thanks to savings, outstanding education, infrastructure investment, a stable currency and low inflation, Germany has grown to become the third largest economy in the world. Employment has shifted away from agriculture and manufacturing towards services and industry has invested heavily to raise its productivity to the highest possible levels.

Table 1 - Comparative figures 1994

Population (millions)	260	125	81
GNP (US\$ bill.)	6 737	4 321	2 075
GDP/cap (US\$)	25 860	34 630	25 580
Imports 1989-95 (US\$ bill.)	40131	1 763	2 550
	USA	Japan	Germany

World Bank Atlas 1996 and IMF, Direction of Trade Statistics, Yearbook 1996

Germany is the world's second largest importer. Later in this document, a review of statistics indicates that a wide variety of products, from raw material to capital goods and consumer goods, is imported every year.

Germany is the world's second largest tourism. Due to generous annual leave, one of the highest per capita incomes in the world and a keen interest in travel, Germany stands at the top of tourism spenders per capita and second in total expenses in the world.

Table 2 - World Top Tourism Spending (1994)

Total spending (US\$ millions)	43 562	41 419	30 715	22 185	13 773
Spending/capita (US\$)	167	515	246	382	238
% of world spending	14.6	13.9	10.3	7.4	4.6
	USA	Germany	Japan	United Kingdom	France

World Tourism Organization, Tourism Market Trends, 1996

Germany is the world's fourth largest foreign direct investor. German companies maintain a low profile, but they are among the most active foreign investors. The recent appreciation of the DM compared with other currencies has eliminated the gains in productivity registered domestically. This has forced a number of major corporations to contemplate foreign manufacturing and research to maintain their competitiveness.

