

COUNTRY PROFILE



Germany

GLOBAL RANK: 4th= of 104



Germany is one of the top performers in the Prosperity Index, ranking in 4th place with Switzerland, the United States and Singapore. It earns 3rd place for Economic Competitiveness and 15th place for Comparative Liveability.

● BACKGROUND

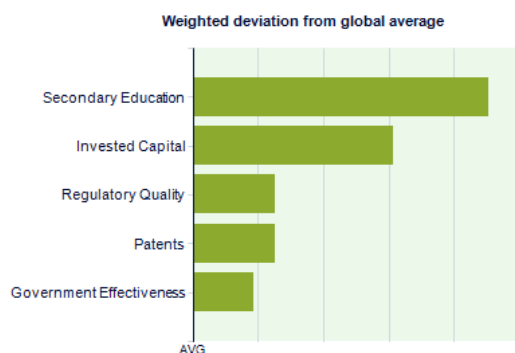
Germany is Europe's largest economy, and has recovered strongly from its malaise earlier this decade to post several years of income growth and rising employment rates. Nearly two decades since German reunification, there are encouraging signs that massive infrastructure investment is continuing to bring the former Communist east out of its long economic stagnancy. The German manufacturing sector is world-class, particularly in electronics and automobiles. Germans live under a robust democracy and enjoy a standard of living that rivals any country in the EU. High personal tax rates feed a large welfare state, and health insurance is compulsory for most taxpayers.

FAST FACTS

Population:	82.4 million (2008 est.)	FDI (net inflow):	2.57% (2006 est.)
Life Today	6.5 (2007 est.)	Exports	38.61% (2006 est.)
GDP (PPP)	\$2.81 trillion (2007 est.)	Imports	31.52% (2006 est.)
GDP (Growth)	2.5% (2007 est.)	Unemployment:	8.4% (2007 est.)
GDP (per Capita)	\$34,200 (2007 est.)	Life Expectancy	79.1 years (2008 est.)
Political System:	Federal Republic		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

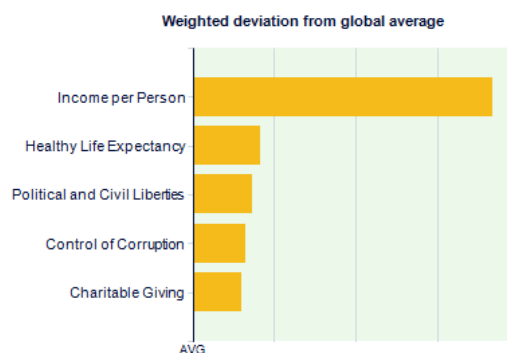
ECONOMIC COMPETITIVENESS



High levels of capital investment and exceptionally high levels of human capital stock per worker are the backbone of a \$2.4 trillion economy that, after Singapore and Hong Kong, ranks third in the drivers of Economic Competitiveness, outranking any other OECD country.

The strength of the economy is reflected in Germany's high scores on innovation. Close to 60,000 patent applications are submitted annually, which is double as many as in the UK and Australia, but only one-fifth of the amount in the United States. 3,200 researchers per million inhabitants are employed in R&D. Germany also boasts an excellent system of mass education which supports this innovation and research.

COMPARATIVE LIVEABILITY



High incomes are key to Germany's life satisfaction, and enhance the country's high scores in a number of other areas. With high incomes comes significant spending on healthcare, which in Germany's case translates into a health-adjusted life expectancy of 71.8 years. 84%⁹ of Germans report satisfaction with their personal health, according to the Gallup World Poll.

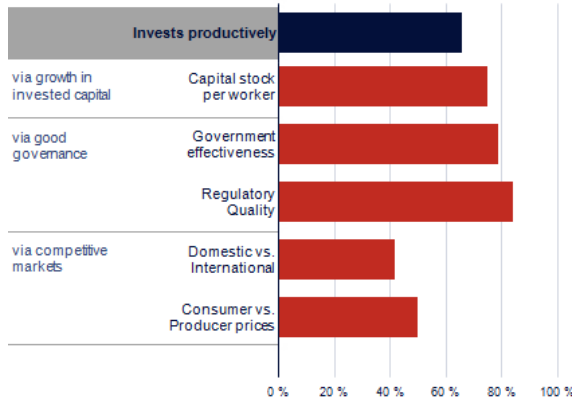
With a great degree of political and civil liberties, high effectiveness in meeting its goals, and very little corruption, Germany has created a very liveable environment for its citizens.

Similarly positive is the level of charitable giving. 56%⁹ of Germans responding to the Gallup World Poll reported having given to charity

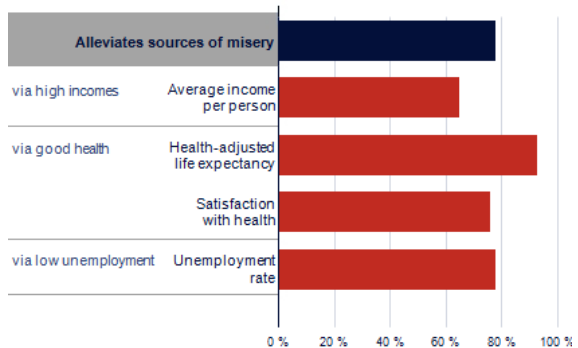
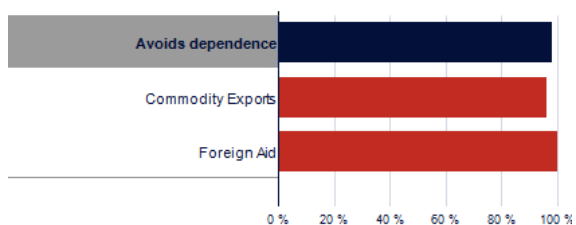
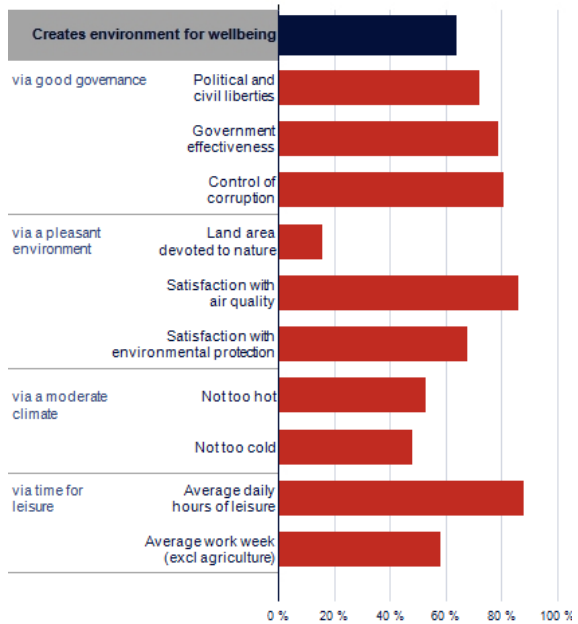
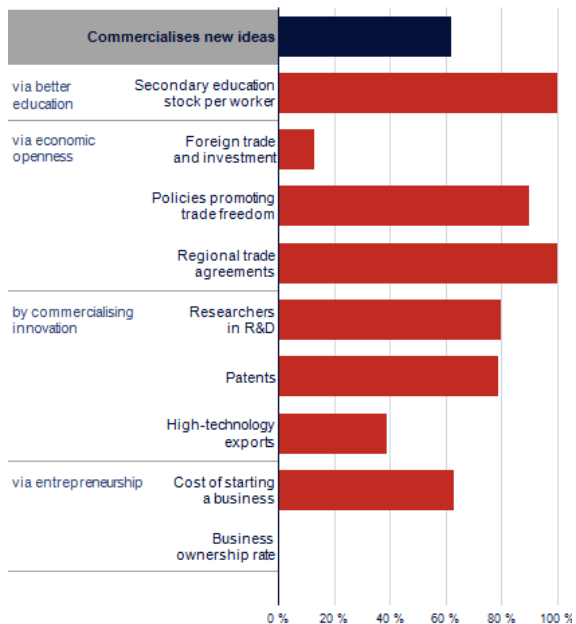
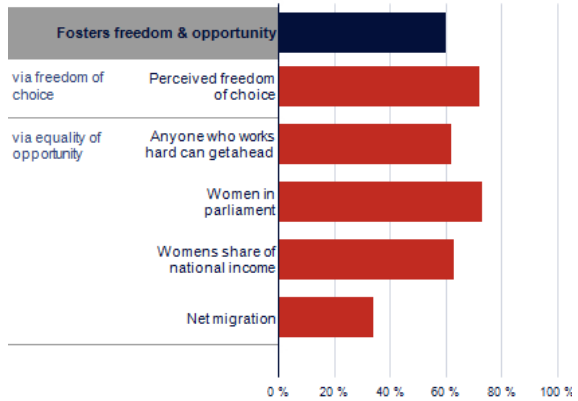
Germany's material wealth is also supported by a high quality of regulation and government effectiveness, which together create an environment in which business and enterprise can thrive.

in the previous month, reflecting the wider picture of a strong community life. However, these positive factors contrast with a low reported satisfaction with freedom of choice.

ECONOMIC COMPETITIVENESS: SCORECARD

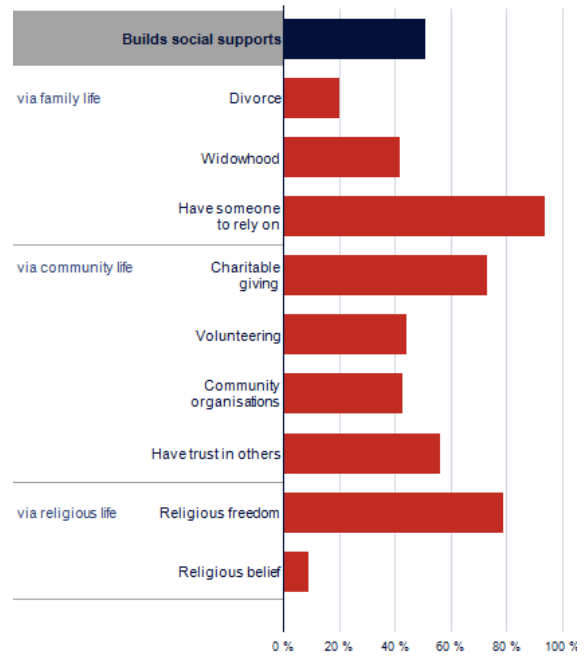


COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue)

are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.