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THE AUTOMOTIVE INDUSTRY IN GERMANY

The automotive sector is the backbone industry in Germany, and the German automotive industry is a global leader. Germany is also one of the strongest countries in the world when it comes to high-tech automotive products, including autonomous driving technology.

The auto industry in Germany thrives as a result of the diversity of companies active in the sector: large and medium-sized auto manufacturers alike are to be found there, as are system and module suppliers – not to mention numerous small and medium-sized tier 2 and 3 suppliers. Around 85 percent of auto industry suppliers are medium-sized companies. All of these suppliers provide up to 70 percent of value added within the domestic auto sector – ensuring that the German auto industry remains ahead of the competition.

Moreover, auto manufacturers and suppliers located in Germany are among the world's leading patent applicants. Nine out of the country's top ten patent filing companies are predominately active in the automotive industry – proof positive of the country's importance within the world's automotive market and its enormous innovation power, for example, 24% of total domestic industry revenue generated by automotive industry. 75% of cars manufactured in Germany are destined for export markets. German automobile manufacturers produce over 16 million vehicles, and this number is growing.

Germany is the European car production leader: 3.1 German vehicles were produced in 2021. The German automobile industry is one of the pillars of the German economy and also an established heavyweight on the global economic stage. The country has moved swiftly to counteract the worst effects of the global Covid-19 crisis, implementing a far reaching financial support package for the industry. These include an effective doubling of cash incentives for electric vehicle purchases and significant investment in charging infrastructure as part of a broader EUR 130 billion economic stimulus package to jump-start the German economy. Still, because of pandemic, the result of 2021 was a decrease from the previous year at 3.5 million cars.

Our analysis of statistical data of automotive industry shows that German cars continue to enjoy a globally positive image and are in high demand across the world. 81 percent of those companies surveyed consider Germany to be the most competitive hub in terms of innovative power – ahead of Japan and South Korea, who polled 65 percent and 61 percent respectively. This survey has also proved that more than 40 percent of

German automotive companies want to increase their R&D (Research and Development) investments in the future, while 58 percent will maintain current R&D spending levels.

Domestic and international market potential for energy-efficient passenger cars is huge. Supported by the country's ambitious e-mobility plans, the automotive sector has set itself the goal of becoming a lead provider and market of electromobility solutions. The country also has ambitious e-mobility plans outside Germany, with German OEMs keen to meet rising export demand for vehicles in the USA and emerging economies. Economic growth, the changing mobility requirements of a young and aspirational population, and the relatively low density of passenger cars are driving demand in the emerging economies. This will allow manufacturers located in Germany to successfully follow their proven strategy of increased imports and on-site production.

According to Mordor Intelligence, car connectivity is the fastest-growing feature being adopted into new vehicles, with the connectivity market forecast to generate up to USD 1 trillion by the end of 2030. Germany's industry strength in electronic technologies and software solutions is crucial for technological advancement in this sector.

Our survey shows that such German cars as Audi and BMW are in demand among people from 25 to 40 years. German automobile companies have always been innovative with its technological advancements proving with its infotainment system to be among the best available amongst the other brands. It can be concluded that Germany is the world leader in the sphere of automotive industry. Impressive indicators and positive dynamics, which characterize not only the efficiency of production, but also its compliance with all modern requirements, only confirm this fact. From Asia to the Americas, German cars embody highly cherished values of innovation, reliability, safety, and design.

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