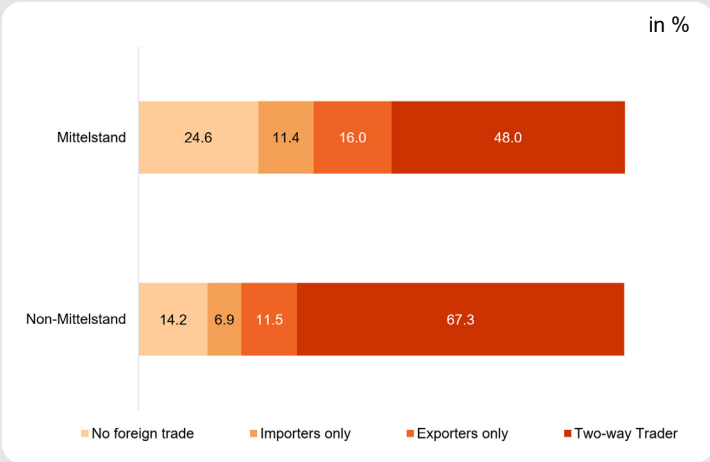


Geopolitical developments and Brexit have an impact on German foreign trade

Three of four companies in the industrial Mittelstand in Germany are part of global value chains. Most of these so-called "two-way traders" maintain business relationships with suppliers and customers abroad. Therefore, these companies' value creation is characterised mainly by international trading relationships.

Foreign trade activity of companies by exports and imports

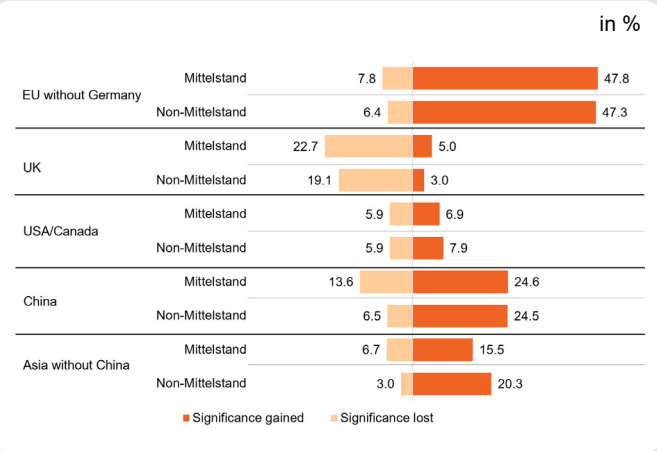


SMEs benefit significantly from the EU internal market

Over the past five years, the role of the European Union as a sales and purchasing market has increased for more than half of all larger manufacturing companies. For less than ten per cent of companies, the EU is irrelevant in foreign trade.



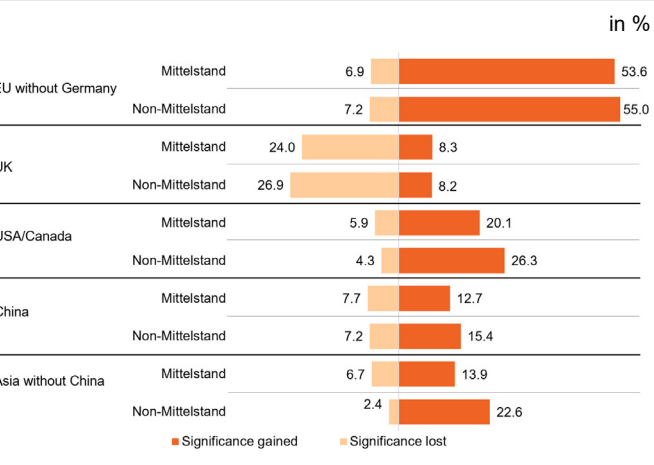
Gains and losses in the importance of selected regions in the sourcing of precursors



However, less than half of the companies still maintain foreign activities with Great Britain. That clearly shows the effects of the Brexit.

North America, on the other hand, has gained importance as a sales region for German goods in the past 5 years.

Gains and losses in the importance of selected sales regions



Despite its continued central role in German imports, China has become less important in sourcing precursors. In contrast, German companies' import and export interest has risen in other Asian countries.

The study "Development Trends in Global Value Chains from the Perspective of Small and Medium-Sized Enterprises" with more results will be published in the upcoming weeks.