

Media Release: How Germany's Investment Gap Could Be Its Biggest Opportunity

- **Germany has fallen up to EUR730bn behind the U.S. in investment since 2019, but this gap could hold one of Europe's largest investment opportunities.**
- **Public spending alone will not be enough to close it. Simpler permitting and procurement, pension reform and de-risking vehicles such as the "Deutschlandfonds" are key to rebooting sustainable growth by channeling private capital into energy, digital infrastructure, transport and defense.**
- **Domestic savings can also play a bigger role: shifting just 5% of German households' EUR9trn in financial assets from deposits into productive investment would mobilize around EUR450bn.**

Munich, 16 October 2026

Germany is well positioned to turn its current investment shortfall into a powerful new growth cycle, according to a [report](#) published by Allianz Research ahead of the German government's "[Invest in Germany summit](#)". The study finds the country's enduring strengths outweigh its recent weakness, confirming its value as an investment destination.

Germany combines economic scale, export strength, top-tier creditworthiness, world-class research and a uniquely strong "Mittelstand." It remains the EU's largest economy and the world's third-largest exporter, is the only G7 country rated 'AAA' by all three major agencies and spends 3.1% of GDP on research and development. Its "Mittelstand" includes some 1,700 hidden champions – many of them world market leaders that generate around 25% of German exports. This combination creates a strong platform for a return to growth.

What has been missing is investment. Between 2019 and 2025, aggregate investment in Germany fell by 6.4%, while it rose by 6.7% in the rest of the eurozone and by 20.2% in the U.S. This leaves an investment gap of around EUR390bn relative to the eurozone and up to EUR730bn relative to the U.S. High energy costs, the OECD's second-highest tax wedge, excessive bureaucracy and high corporate borrowing costs are to blame. Initial reforms have released funding worth hundreds of billions of euros for infrastructure, defense, energy and digitalization, and years of capital scarcity have already raised the potential returns on new investment.

*"For an investor, Germany represents a compelling opportunity: industrial strength, stable institutions, scalability, leading research, and highly skilled talent," said **Andreas Wimmer, Member of the Board of Management at Allianz SE**. "But the investment gap of up to EUR730bn that has opened in recent years shows that investment does not manifest on potential alone. Germany needs to simplify and speed up, reducing regulation, providing faster approvals, and creating attractive public-private projects to mobilize its vast private capitals resources.*

Allianz has been a part of Germany's economic history since 1890. Today, we invest approximately EUR100bn across the country covering a wide range of investments, including infrastructure, wind farms, or power networks. If Germany implements the necessary reforms with urgency and predictability, it can turn years of underinvestment into a powerful new growth cycle."

Mobilizing private capital

German households hold around EUR9trn in financial assets, including EUR3.4trn in cash and bank deposits. Redirecting these funds into capital markets is essential. Shifting just 5% of household financial assets out of deposits into productive investment would mobilize around EUR450bn. The state-subsidized private pension account, or "Altersvorsorgedepot," launching in January 2027, could become the catalyst for a new investment mindset in Germany.

*"To attract this capital, Germany needs to focus on four key prerequisites: faster and simpler permitting and procurement; clear standards for public-private partnerships; pension reforms, to create a pool of patient, long-term capital; and standardized investment structures, including blended finance to ensure more stable cash flows for riskier investments," explained **Ludovic Subran, Chief Economist and Chief Investment Officer at Allianz SE**.*

The "Deutschlandfonds," started in December 2025 with around EUR30bn in public guarantees aimed at unlocking around EUR130bn in total investment is a good example of how to target private investors' need for a public backstop to take on risk.

Opportunities in energy transition and digital infrastructure

Allianz has identified several major opportunities for investment. The energy transition requires around EUR1.3trn by 2045 (roughly 30% of 2025 GDP) in renewables, grids, storage and hydrogen. Digital infrastructure, including AI data centers, needs EUR275–500bn by 2030, with multiyear grid-connection queues now the main constraint. Transport will receive EUR166bn in federal government support between 2025 and 2029. Defense financing is expected to reach around EUR734bn over five years.

Allianz is already putting its own balance-sheet capital to work in Germany. With total exposure of approximately EUR100bn, 12% of its global EUR791bn investment portfolio (as of June 30, 2026), Allianz is one of the country's largest institutional investors. The portfolio spans debt, equities, real estate and infrastructure, including transmission systems, wind farms, and battery storage.

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In addition, Allianz's asset managers PIMCO and Allianz Global Investors invest significantly in Germany on behalf of third-party clients, including investments in large-scale energy and digital infrastructure projects.

The study is available on the Allianz website:

[Allianz Research Report Invest in Germany, Yes, But How?](#)

Further Links:

[The Longevity Dividend: How patient capital can spur economic growth | Allianz](#)

For further information please contact:

Melissa Eddy
(Allianz Research)

Tel. +49 89 3800 16891

Email: melissa.eddy@allianz.com

Heidi Polke-Markmann
(Allianz Group)

Tel. +49 89 3800 90777

Email: heidi.polke@allianz.com

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers, active in almost 70 countries and serving around 97 million private and corporate customers*. Our customers benefit from a broad range of personal and corporate insurance services, including property, life and health insurance, as well as assistance services, credit and global business insurance. Recognized for the seventh consecutive year as the number one global insurance brand in Interbrand's Best Global Brands 2025 ranking, Allianz's success is built on technology-enabled customer centricity – providing peace of mind, protection, and prevention for our customers and strengthening the resilience of individuals, communities, and societies. We are one of the world's largest investors, managing around 791 billion euros** on behalf of our insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage about 2.2 trillion euros** of third-party assets. Thanks to our systematic integration of environmental and social criteria in our business processes and investment decisions, Allianz received an MSCI ESG Rating of AAA (as of March 2026). In 2025, our 156,000 dedicated employees achieved a total business volume of 186.9 billion euros and an operating profit of 17.4 billion euros for our shareholders.

* As of December 31, 2025. Customer count reflects Allianz customers in consolidated entities that are part of the customer reporting scope only.

** As of June 30, 2026.

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Such deviations may arise from changes in factors including, but not limited to: (i) the general economic and competitive situation in the Allianz Group's core business areas and markets, (ii) the performance of financial markets (in particular market volatility, liquidity and credit events), (iii) adverse publicity, regulatory actions or litigation

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