

7 Misconceptions about France and Germany

#7 “Because it grows faster, Germany should invest more than France.”
Wrong!

The German economy has outperformed the French economy in recent years. Capacity utilization in the German manufacturing sector is above its long-term average. Thus, one could expect higher investment activity in Germany.

Yet in 2016, the **investment-to-GDP ratio** stood at 22% in France, and only 20% in Germany. The French public and corporate sectors have higher investment ratios than their German counterparts (+1.3 pp and +1.0 pp, respectively).

+2pp
French lead in
total investment
ratio vs Germany*

* 2016 figure

Sources: Eurostat, Allianz, Euler Hermes

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