

Pest analysis for germany

Business



PEST analysis is a management tool, which helps assess the macro-environmental factors. The analysis can be conducted for companies, projects, and even countries. I have completed a PEST analysis for Germany here. The article is all about the factors affecting Germany. PEST analysis is an acronym for Political, Economic, Social and Technological. I will discuss all of these elements in details.

The Federal Republic of Germany consists of 16 states covering 357, 021 square kilometers. The population is 81. 8 million inhabitants. Germany is among the leading political powers of Europe. In some fields, it is also deemed as the technological leader.

Germany has the 4th largest economy in the world. It is the 2nd largest exporter and 3rd largest importer. Over the years, Germans established a very high standard of living and social security. The nation takes pride as Germany was home to many influential scientists and inventors. But most of all, people know the country for its political and cultural history.

I can say a lot more about the country but let's focus on the key elements of PEST. Below, I have classified the factors which have an effect on Germany.

Political Factors

Germany is a democratic republic. The political system functions under a system called Grundgesetz which was published in the 1949 constitutional document. The Social Democratic Party and the Christian Democratic Union leads the political system since 1949. The legislature, the judiciary, and the executive are the 3 wings which make up Government of Germany.

The Constitution of The Federal Republic of Germany lays down the fundamental structure of the government. It dictates what value system the nation should follow. It is the main source of authority. Following a system that was made so many years ago has some effects on Germany.

Economic Factors

Germany has comparatively low raw materials. It only has potash and lignite in a significant amount. The power plants which burn lignite are among the main sources of electricity for Germans. It is the leading producer of solar power technology and wind turbines. Most of the other resources including natural gas and oil are from other countries. Germany imports about two-third of its energy. In fact, it is the world's 3rd largest energy importer.

The service sector contributes 70% of the GDP. Industry contributes 29.1% while agriculture backs 0.9%. Most products are in engineering.

Automobiles, metals, machinery and chemical goods are some items they are proud of. German cities like Berlin, Frankfurt and Hanover hold the largest annual international trade fairs.

Popular global brands are BMW, Mercedes Benz, Adidas, Porsche, Audi, DHL, Volkswagen, T-Mobile, Lufthansa, Nivea, and SAP. Between the years 1991 and 2010, local firms took part in 301 acquisitions and 40 mergers.

Socio-cultural Factors

Like I mentioned above, Germany has around 82 million residents. This means it is the largest EU country in terms of population. I would describe it as a modern, multicultural country. The society is molded by a variety of

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lifestyles. There are traces of some truly different ethnocultural diversity. Even though a lot of social changes took place, the family is still the most important social reference unit. Young people have really good relationships with their parents.

Local architecture, music, literature, art and sports are fields which reflect the socio-cultural scene of Germany. The unique architectural styles of the country are the result of the fragmentation during centuries. Some mentionable sites include the Abbey Church of St. Michaels, the Speyer Cathedral, and the Cologne Cathedral. Germany has been home to many renowned classical music composers like Ludwig van Beethoven, Johannes Brahms, Johann Sebastian Bach and Richard Wagner. It is flourishing in the music market.

German literature dates back to the Middle Ages. It is world famous. Popular local authors include Johann Wolfgang von Goethe, Friedrich Schiller, Bertolt Brecht, Thomas Mann, and Hermann Hesse. Every year, the Frankfurt Book Fair, which is the biggest book fair ever, is held.

Some of the best art pieces were made in Germany. It is also popular for its old tradition in visual arts. Awesome German innovations include printmaking, Gothic art, and wooden engravings. Some of the Major renaissance artists like Hans Holbein the Younger and Matthias Grunewald were from Germany.

Many international sporting events have represented Germany in the past. This includes FIFA World Cup, Formula One, Summer Olympics, ice hockey

and tennis tournaments. It is among the leading motor sports countries. It manufactures motor brands like BMW and Mercedes.

Technological Factors

Germany backs national science and technology in many ways. It houses independent laboratories. There are national laboratories and also private research. The industry supports several important types of research and development. The Ministry of Science and Technology is an organization which coordinates and decided priorities for the national science and technology programs in Germany.

The Natural History Museum in Berlin has mineralogical, geological, zoological, and botanical components. There are many specialized scholarly societies concerned with agriculture and veterinary science, the natural sciences, medicine, and technology.

Germany's position in the European Union has a noteworthy science and technology components. The country provides funding for broad European research and development. It also offers scientists and laboratories. There are many universities and colleges in the country which offer basic and applied sciences.

As I mentioned repeatedly in this article, Germany's automobile industry is its greatest strength. Optical communication links, nanotech materials, and many other innovations will perhaps be used in cars. German carmakers are hoping that computer-based assistance systems will make driving more comfortable and safer.

The analysis above helps us understand that Germany is a very advanced country. It is spending a lot of money on research and development. Their culture gives emphasizes in music, literature, art and sports. But, they still value family the most. Germany is beautiful. It is very peaceful nation, especially to conduct business. The people are educated and the living standard is high. You must realize that it is a great country, but it still has potential to grow.

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