

1. Introduction



Baden-Württemberg is the third largest of the 16 federal states in Germany. It comprises an area of 35,748 square kilometres and has an estimated population of around 11.23 million people (recorded in 2022). Located in Germany's southwest corner and neighbour to three other German states, Baden-Württemberg lies at the very heart of Europe and shares borders with three European countries. Baden-Württemberg is characterised by diverse landscapes. Forest makes up around 40% of the state's total area. The highest mountain is the Feldberg in the southern Black Forest at 1,493 metres. Stuttgart is the state's capital city and is home to a population of around 613,000 people, making it also the largest city in the state. Germany is a federation, with state functions divided between the federation and its federal states. The federal states each have their own parliament and government. Through the organ of the Bundesrat (Federal Council), the states play a role in national legislation and administration, and also in the affairs of the European Union. Minister-President Winfried Kretschmann heads the state government of Baden-Württemberg. He is the head of a coalition made up of two parliamentary parties: the Green Party and the Christian Democratic Union. Alongside the

State Ministry, which represents the authority of the Minister-President, there are eleven ministries in which the various threads of state politics converge. Apart from its cities, Baden-Württemberg is a predominantly rural state characterised by a rural landscape, agricultural and forestry industries (Baden-Württemberg, 2025). General and economic information related to the state is presented in Table 1.

Table 1: General and economic information

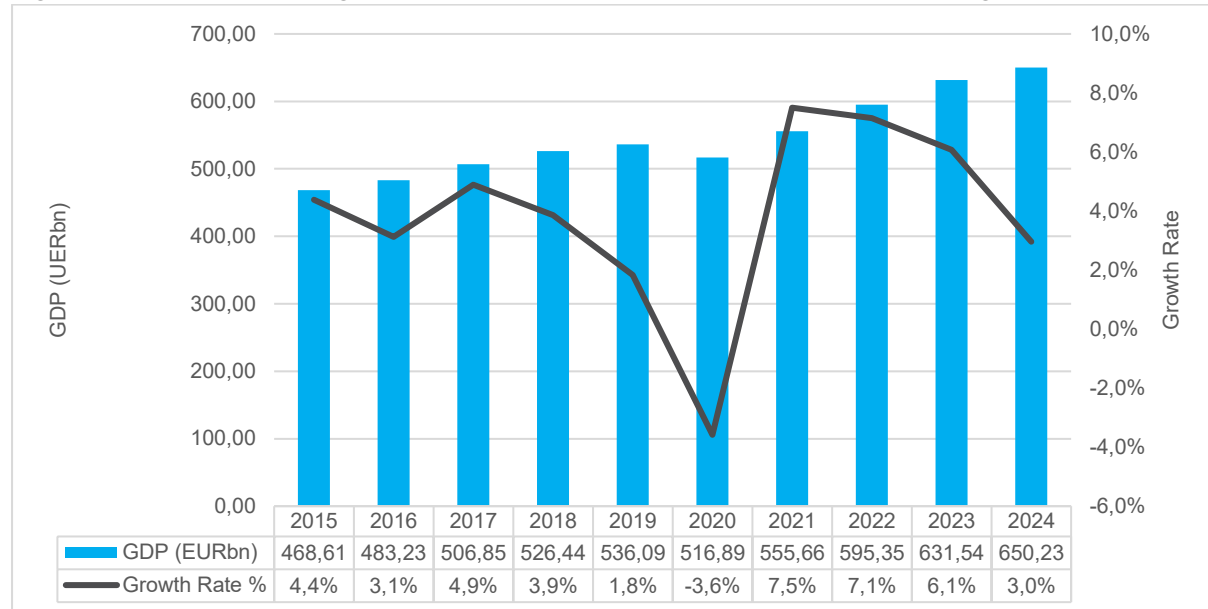
INDICATOR	
Minister-President	Winfried Kretschmann
Capital	Stuttgart
Population estimates (2022 Census)	11,230, 740 (13% of Germany)
Area	35,748 km ²
GDP at market prices (current prices) (2024)	EUR650.23bn
GDP growth rate (2024)	3.0%
GDP per capita (2023\4)	EUR57,294
Unemployment rate (April 2025)	4.5%
Total global exports (2024)	EUR240.26 billion
Total global imports (2023)	EUR216.66 billion

Source: Baden-Württemberg, 2025; Federal Statistical Office of Germany, 2025; Federal Employment Agency, 2025

2. Economic Overview

Figure 1 presents Baden-Württemberg's gross domestic product (GDP) at current prices between 2015 and 2024. In 2023, Baden-Württemberg's GDP increased by 3.0% y-o-y, from EUR631.53bn in 2023 to EUR650.23bn in 2024. The state accounted for 15.10% of Germany's GDP in 2024.

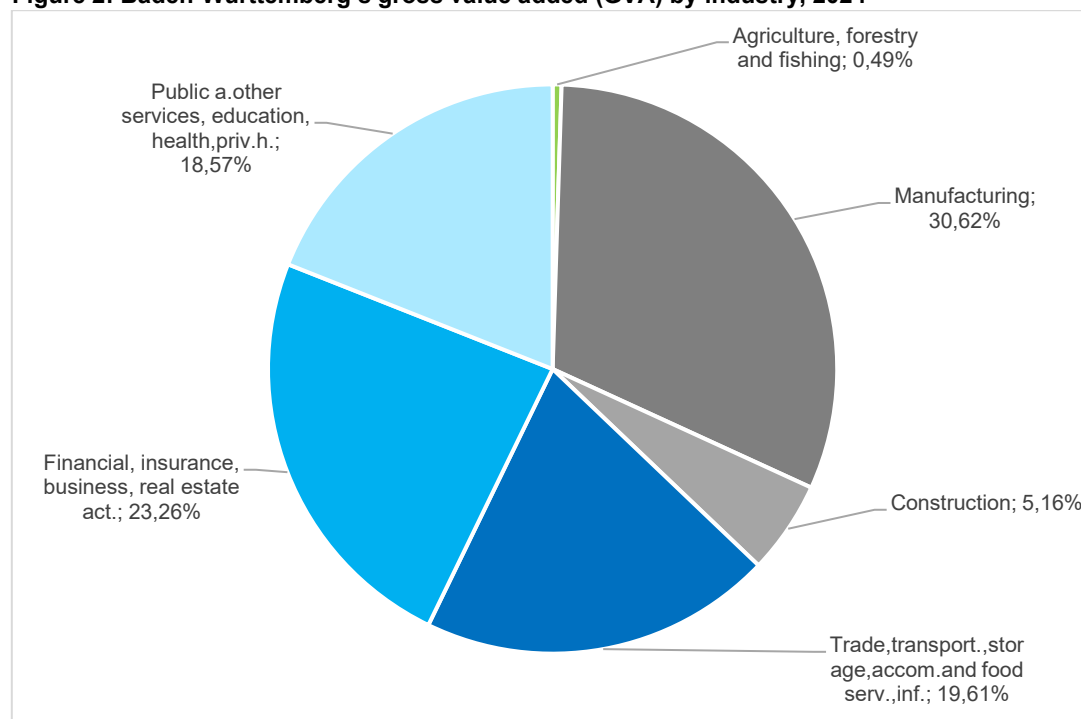
Figure 1: Baden-Württemberg's GDP at market prices (current prices) and economic growth, 2014–2023



Source: Federal Statistical Office of Germany, 2025. Note: Regional accounts (production approach) - GDP at market prices (current prices)

As shown in Figure 2, manufacturing was Baden-Württemberg's top performing sector with a contribution of 30.62% to gross value added (GVA) in 2024. The financial, insurance, business, real estate sector (with a share of 23.26%) was in second place; while the trade, transport, storage, accommodation and food services sector was third (with a share of 19.61%).

Figure 2: Baden-Württemberg's gross value added (GVA) by industry, 2024



Source: Federal Statistical Office of Germany, 2025. Regional accounts (production approach) - gross value added at basic prices (current prices) (EUR mn)

Key industries in Baden-Württemberg are as follows:

The economic structure of Baden-Württemberg is diverse. Mechanical engineering is an important industry in the region, with every third machine manufactured in Germany having its origin in Baden-Württemberg. Other key industries include automotives, medical technology, energy and environment, information and communications technology (ICT), and sustainable building (Baden-Württemberg, 2025).¹

Mechanical engineering: Mechanical engineering is the largest industry in this state and has a complete research and development supporting facility. Of the 30 largest mechanical engineering companies in Germany, one third originate in the southwest. In addition, a large number of globally successful small- and medium-sized enterprises are located in Baden-Württemberg. High-tech is a primary focus of mechanical engineering companies in the region. They invest 6% of their turnover on average in innovative research and development, thus consolidating their position as a leader in cutting-edge technology. Notable companies in this industry include TRUMPF, Heidelberg Printing Machinery, Festo, Voith, Liebherr, etc.

Automotives: Around a quarter of the German turnover in the automotive industry is generated in Baden-Württemberg. Both Daimler AG and Porsche AG have their headquarters in Baden-Württemberg. Furthermore, Audi AG maintains an important research and manufacturing site in the state. In addition, more than 1000 small- and medium-sized subcontractors of the automotive industry are located in Baden-Württemberg.

Healthcare: The state has the largest number of industries involved in medical engineering and the pharmaceutical industry, and the second largest number of biotechnological industries in Germany. The healthcare industry is the third largest export industry in the state. Famous medical companies in Baden-Württemberg are Aesculap AG, Paul Hartmann AG, Karl Storz SE & Co. KG. The three sectors in the healthcare industry include medical technology & engineering, the pharmaceutical industry and biotechnology. Medical technology is the strongest sector in Baden-Württemberg's healthcare industry: the state is the location for manufacturers of classical and generic drugs, and for producers of herbal medicines and homoeopathic remedies.

Energy and environmental technology: There are over 800 companies in the state whose goods and services, including construction, have specialised exclusively in environmental protection. The environmental technology industry consists mainly of small- and medium-sized enterprises active in the areas of air, water, land contamination and waste. However, larger companies such as Siemens, ABB and GEA Wiegand are also represented. Especially dominant in the different technological fields is the "air pollution control" sector, where companies in Baden-Württemberg specialise in emission reduction systems. Furthermore, Baden-Württemberg is one of the leading technology drivers in the photovoltaics sector.

Information and communications technology (ICT): Newly available statistical findings show that there are more ICT companies and ICT employees, positive developments in sales, and substantial investments in research and development (R&D) in the ICT industry. There are several global players in the IT industry in Baden-Württemberg. These include SAP – the international market leader in the field of enterprise software – and IBM which maintains one of the biggest R&D centres outside of the United States.

Sustainable building: There are around 25 000 architects and planners in the construction industry in Baden-Württemberg. They are involved in areas such as energy-efficient building design, building materials recycling, lightweight construction, urban mobility or building information digitisation. In order to comply with urbanisation trends, Baden-Württemberg offers different kinds of sustainable and innovative solutions, as well as initiatives such as energy-efficient buildings and urban quarters, sustainable mobility, green systems, and living and working in the city of futures, etc.

¹ Baden-Württemberg. (2025). Available at : <https://bw-i.cn/bw-en/#page4>.

COMPANIES LOCATED IN BADEN-WÜRTTEMBERG

The Forbes *Global 2000* publishes an annual list of the world's 2000 largest corporations that are publicly listed. The top Baden-Württemberg companies in the Forbes 2000 global rankings in 2024 are listed in Table 2:

Table 2: Baden-Württemberg companies listed in the Forbes 2000 global rankings, 2024

GLOBAL RANK	COMPANY	LOCATION	SALES (US\$bn)	PROFIT (US\$bn)	ASSETS (US\$bn)	MARKET VALUE (US\$bn)	MAIN INDUSTRY
52	Mercedes-Benz Group	Stuttgart	164.3	14.4	288.5	77.1	Automotive (Automotive and Suppliers)
230	SAP	Walldorf	34.5	2.1	78.8	224.7	IT Software & Services
238	Daimler Truck Holding	Leinfelden-Echterdingen	60.7	4.2	79.5	34.4	Consumer Durables
535	HeidelbergCement	Heidelberg	22.9	2.1	40.2	18.97	Construction
714	EnBW Energie Baden-Württemberg	Karlsruhe	41.9	56.1m	71.6	19.7	Utilities
723	Porsche Automobil Holding	Stuttgart	5.7	5.5	68.9	16.53	Consumer Durables
1690	Wuestenrot & Wuerttembergische	Stuttgart	5.8	276.9m	73.8	1.33	Insurance
1790	Südzucker	Mannheim	11.1	602m	11.4	3.13	Food, Drink & Tobacco

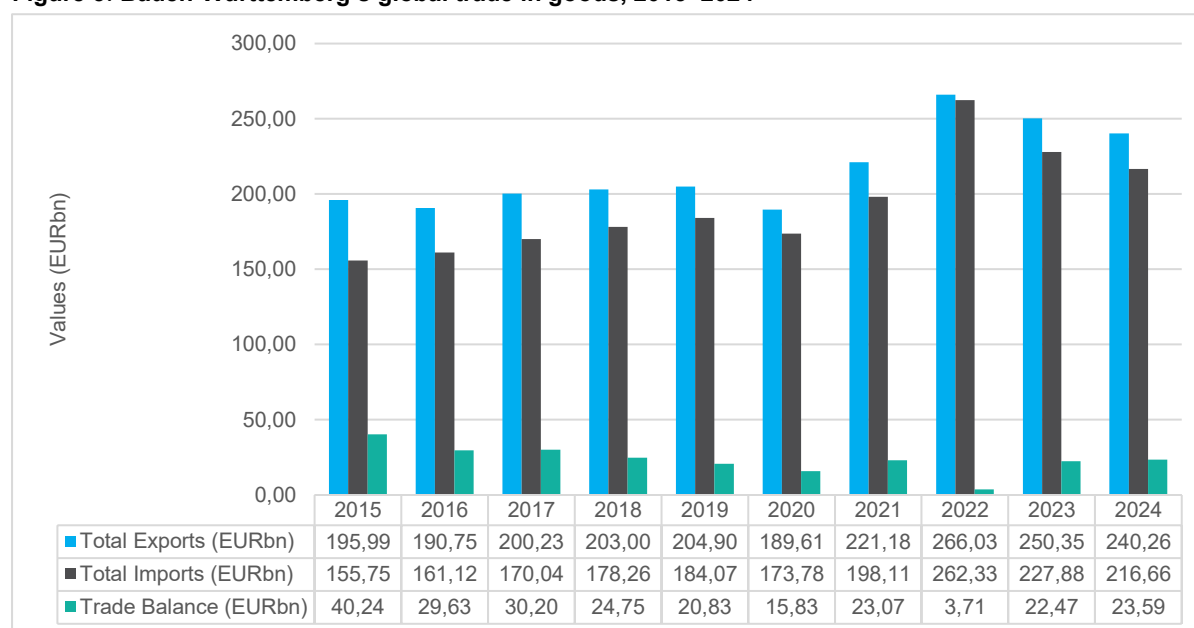
Sources: Forbes 2000, 2024

3. Trade

3.1 Baden-Württemberg's Global Trade in Goods

Figure 3 presents Baden-Württemberg's global trade in goods between 2015 and 2024. In 2024, the state's global exports were valued at EUR240.26bn, having declined by 4.03% y-o-y, from the EUR250.35bn earned in 2023. Imports cost EUR216.66bn in the same year, having decreased by 4.92% y-o-y, from a cost of EUR227.88bn in 2023. The state's trade balance remained in surplus at a value of EUR23.59bn in 2024, up from EUR22.47bn in 2023.

Figure 3: Baden-Württemberg's global trade in goods, 2015–2024



Source: Federal Statistical Office of Germany, 2025

Key trade markets

Regarding key export markets, as shown in Table 3, the United States was Baden-Württemberg's top export market in 2024, with exports to the United States reaching a value of EUR34.80bn. This was equivalent to 14.49% of all export receipts earned by the state in that year. Switzerland followed in second place, with exports reaching a total value of EUR20.18bn (representing a share of 8.40%), while France placed third with exports to this nation reaching a total value of EUR17.88bn (7.44%). South Africa was Baden-Württemberg's 33rd largest destination market for exports in 2024, with goods valued at EUR1.02bn exported to the country in that year.

China was the leading source market for Baden-Württemberg's imports, at a cost EUR20.11bn in 2024. This was equivalent to 9.28% of all import costs incurred by the state in 2024. Switzerland followed in second place with imports reaching a total cost of EUR18.65bn (8.61%). The United States was the third largest import source market, with imports from the country valued at EUR18.32bn (8.45%) in 2024. With regard to South Africa, the country was Baden-Württemberg's 24th largest import source market in 2024, with imports from there costing EUR1.30bn.

Table 3: Baden-Württemberg's top trade markets, 2024

DESTINATION MARKETS				SOURCE MARKETS			
RANK	COUNTRY	VALUES (EURbn)	% SHARE, 2024	RANK	COUNTRY	VALUES (EURbn)	% SHARE, 2024
1	United States	34.80	14.49%	1	China	20.11	9.28%
2	Switzerland	20.18	8.40%	2	Switzerland	18.65	8.61%
3	France	17.88	7.44%	3	United States	18.32	8.45%
4	Netherlands	16.29	6.78%	4	Italy	15.02	6.93%
5	China	15.71	6.54%	5	France	12.78	5.90%
6	Italy	12.11	5.04%	6	Netherlands	12.45	5.75%
7	Austria	11.29	4.70%	7	Austria	9.32	4.30%
8	United Kingdom	11.17	4.65%	8	Czechia (since 1993)	9.27	4.28%
9	Poland	9.19	3.83%	9	Poland	9.13	4.21%
10	Spain	7.56	3.15%	10	Ireland	8.82	4.07%
33	South Africa	1.02	0.42%	24	South Africa	1.30	0.60%
TOTAL EXPORTS		240.26	100.00%	TOTAL IMPORTS		216.66	100.00%

Source: Federal Statistical Office of Germany, 2025

Key trade products

Table 4 shows that motor vehicles and motor vehicle parts was Baden-Württemberg's dominant export category to the world in 2024. Valued at EUR51.92bn, this was equivalent to 21.61% of all export receipts earned by the state in 2024. Machines placed second at a value of EUR47.58bn (19.81%), followed by pharmaceutical and similar products, valued at EUR27.35bn (11.38%).

Motor vehicles and motor vehicle parts dominated Baden-Württemberg's imports in 2024. At a cost of EUR29.62bn, this was equivalent to 13.67% of all import costs incurred by the state in 2024. Machines placed second at a cost of EUR23.15bn (a share of 10.68%), while pharmaceutical and similar products placed third at a cost of EUR20.73bn (a share of 9.57%).

Table 4: Baden-Württemberg's top global export and import products, 2024

EXPORT PRODUCTS, 2024				IMPORT PRODUCTS, 2024			
RANK	PRODUCT (2-DIGIT CODES)	VALUE (EURbn), 2024	% SHARE, 2024	RANK	PRODUCT (2-DIGIT CODES)	VALUE (EURbn), 2024	% SHARE, 2024
1	Motor vehicles and motor vehicle parts	51.92	21.61%	1	Motor vehicles and motor vehicle parts	29.62	13.67%
2	Machines	47.58	19.81%	2	Machines	23.15	10.68%

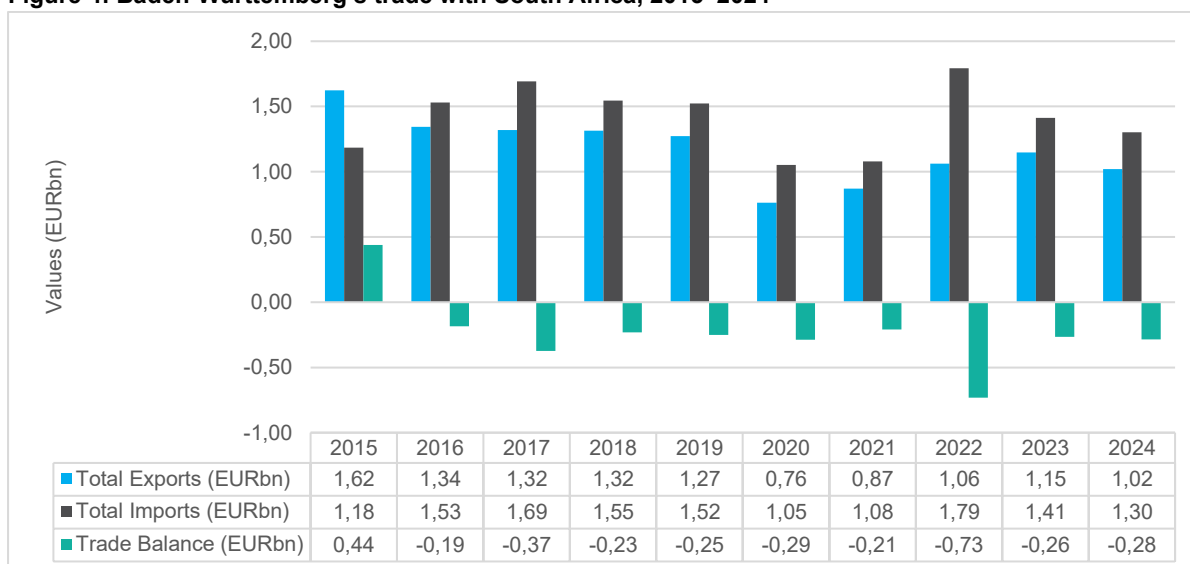
3	Pharmaceutical and similar products	27.35	11.38%	3	Pharmaceutical and similar products	20.73	9.57%
4	Data processing equipment, electrical and optical products	18.09	7.53%	4	Chemical products	19.66	9.08%
5	Electrical equipment	16.65	6.93%	5	Data processing equipment, electrical and optical products	19.33	8.92%
6	Metals	11.74	4.89%	6	Electrical equipment	18.33	8.46%
7	Chemical products	11.67	4.86%	7	Metals	12.21	5.63%
8	Metal products	9.22	3.84%	8	Non-response, exemptions, small consignments	9.77	4.51%
9	Good N.E.C.	8.15	3.39%	9	Food and feed	8.76	4.04%
10	Rubber and plastic products	7.05	2.94%	10	Good N.E.C.	8.08	3.73%
	TOTAL EXPORTS	240.26	100.00%		TOTAL IMPORTS	216.66	100.00%

Source: Federal Statistical Office of Germany, 2025

3.2 Baden-Württemberg's Trade with South Africa

Baden-Württemberg is generally a net importer in respect of its trade with South Africa, as can be seen in Figure 4. In 2024, the German state exported goods to the value of EUR1.02bn to South Africa, while its imports from South Africa amounted to a cost of EUR1.30bn. Baden-Württemberg's exports to South Africa decreased by 11.19% y-o-y from 2023 to 2024, while imports increased by 7.90% y-o-y over the same period. On average, Baden-Württemberg's exports to South Africa registered a negative average annual rate of -1.41% during the period 2020–2024, while imports grew at an average annual rate of 1.77%.

Figure 4: Baden-Württemberg's trade with South Africa, 2015–2024



Source: Federal Statistical Office of Germany, 2025

Motor vehicles and motor vehicle parts was Baden-Württemberg's dominant export product to South Africa in 2024. At a value of EUR373.47m, this was equivalent to 36.65% of all export receipts earned by the state from trade with South Africa in 2024. Machines placed second at a value of EUR203.17m (19.94%), followed by chemical products valued at EUR97.45m (9.56%). These figures can be observed in Table 5.

Motor vehicles and motor vehicle parts was Baden-Württemberg's top imported product from South Africa in 2024, at a cost of EUR634.91m. This was equivalent to 48.72% of all import costs incurred by the state from trade with South Africa in 2024. Metals placed second at a cost of EUR290.12m (22.26%), while in third position was the import product of machines at a cost of EUR130.46m (10.01%).

Table 5: Baden-Württemberg's top exports to and imports from South Africa, 2024

BADEN-WÜRTTEMBERG'S EXPORTS TO SOUTH AFRICA, 2024				BADEN-WÜRTTEMBERG'S IMPORTS FROM SOUTH AFRICA, 2024			
RANK	PRODUCT (2-DIGIT CODES)	VALUE (EURm), 2024	% SHARE, 2024	RANK	PRODUCT (2-DIGIT CODES)	VALUE (EURm), 2024	% SHARE, 2024
1	Motor vehicles and motor vehicle parts	373.47	36.65%	1	Motor vehicles and motor vehicle parts	634.91	48.72%
2	Machines	203.17	19.94%	2	Metals	290.12	22.26%
3	Chemical products	97.45	9.56%	3	Machines	130.46	10.01%
4	Electrical equipment	85.19	8.36%	4	Products of agriculture and hunting	72.61	5.57%
5	Data processing equipment, electrical and optical products	83.87	8.23%	5	Good N.E.C.	46.66	3.58%
6	Paper, paperboard and articles thereof	37.97	3.73%	6	Data processing equipment, electrical and optical products	55.28	4.24%
7	Metal products	26.35	2.59%	7	Chemical products	20.32	1.56%
8	Rubber and plastic products	25.12	2.47%	8	Coal	17.57	1.35%
9	Good N.E.C.	25.10	2.46%	9	Food and feed	12.99	1.00%
10	Food and feed	19.27	1.89%	10	Non-response, exemptions, small consignments	8.03	0.62%
	TOTAL EXPORTS	1019.07	100.00 %		TOTAL IMPORTS	1303.23	100.00 %

Source: Federal Statistical Office of Germany, 2025

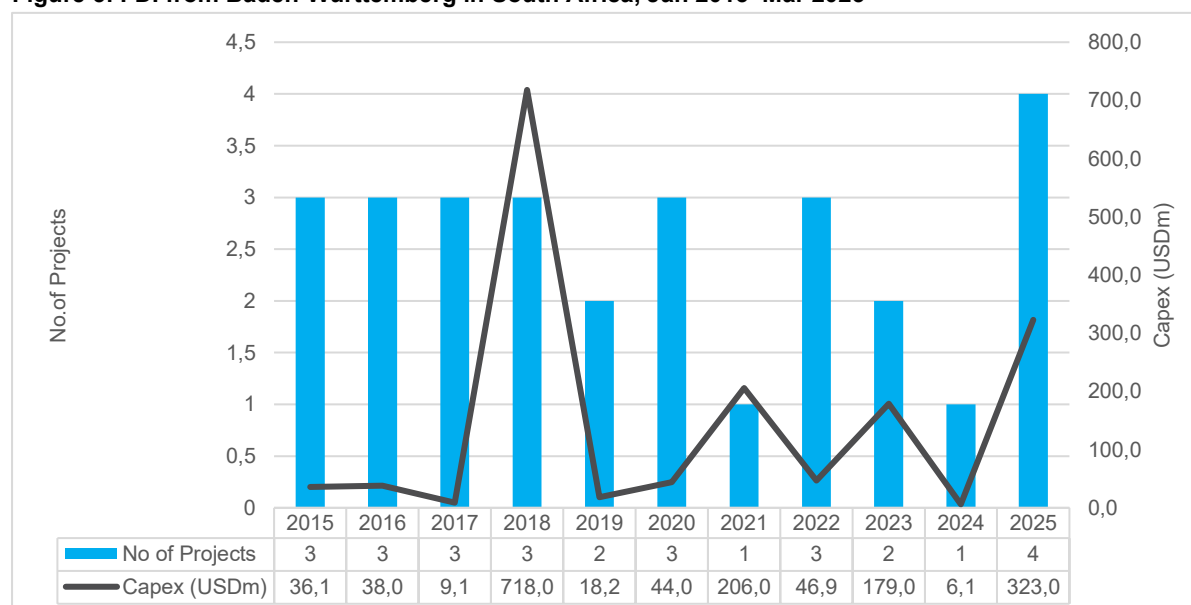
4. Foreign Direct Investment

This section analyses Foreign Direct Investment (FDI) flows between Baden-Württemberg and South Africa, and between Baden-Württemberg and the Western Cape.

4.1 FDI from Baden-Württemberg in South Africa

What follows are FDI trends relating to companies from Baden-Württemberg that invested in South Africa, and vice versa, between January 2015 and March 2025. During the period under consideration, Baden-Württemberg invested in a total of 28 FDI projects in South Africa. These projects brought about a capital investment (capex) of USD1.62bn and created 5,248 jobs. This can be seen in Figure 5.

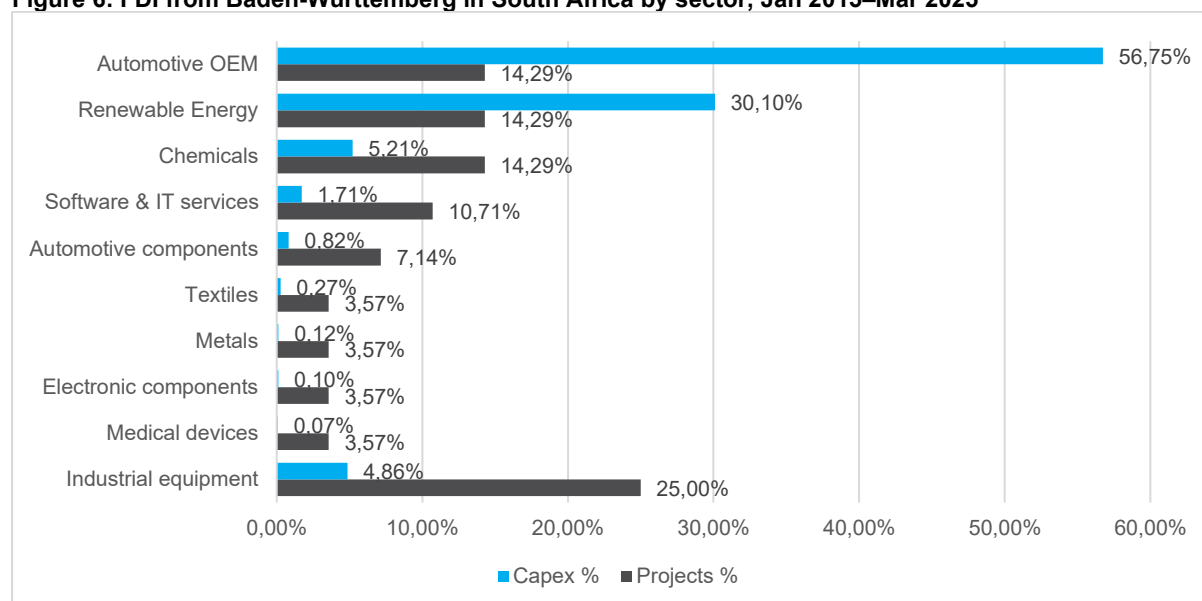
Figure 5: FDI from Baden-Württemberg in South Africa, Jan 2015–Mar 2025



Source: fDi Markets, a service from The Financial Times 2025. All Rights Reserved

The top sectors in terms of capex were automotive OEM; renewable energy; chemicals; software and IT services; and automotive components. This can be seen in Figure 6. The sectors responsible for the largest number of projects were industrial equipment; automotive OEM; renewable energy; and chemicals.

Figure 6: FDI from Baden-Württemberg in South Africa by sector, Jan 2015–Mar 2025



Source: fDi Markets, a service from The Financial Times 2025. All Rights Reserved

Regarding capex, Mercedes-Benz South Africa (MBSA) and Juwi Solar were the leading companies, accounting for 42.77% and 19.75% of capex respectively. Juwi Solar and Fuchs Lubricants South Africa were responsible for the largest share of projects (10.71%) (or three each) as can be seen in Table 6.

Table 6: Companies from Baden-Württemberg investing in South Africa, Jan 2015–Mar 2025

RANK	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)	JOBS
1	Mercedes-Benz South Africa (MBSA)	Automotive OEM	1	695.0	3 000
2	Juwi Solar	Renewable energy	3	321.0	63
3	Mercedes-Benz	Automotive OEM	1	206.4	600
4	Juwi	Renewable energy	1	168.3	21
5	Fuchs Lubricants South Africa	Chemicals	3	74.8	704
6	Mercedes-Benz Group (Daimler)	Software & IT services, Automotive OEM	2	26.3	116
7	SEW-Eurodrive (Pty) Ltd	Industrial equipment	1	24.0	96
8	Festo	Industrial equipment	1	22.1	63
9	Busch South Africa	Industrial equipment	2	14.0	98
10	VEGA Grieshaber	Industrial equipment	1	13.6	54
TOTAL			28	1 625.0	5 247

Source: fDi Markets, a service from The Financial Times 2025. All Rights Reserved

4.2 South Africa's FDI in Baden-Württemberg

A total of three companies from South Africa, which are listed in Table 7, invested in Baden-Württemberg between January 2015 and March 2025. These companies invested in three projects at a value of USD47.7m. Furthermore, 65 jobs were estimated to have been created from these projects.

Table 7: FDI from South Africa in Baden-Württemberg, Jan 2015–Mar 2025

DATE	COMPANY	DESTINATION STATE	SECTOR	BUSINESS ACTIVITY	CAPEX (USDm)	JOBS
Feb-17	Sappi	Baden-Württemberg	Paper, printing & packaging	Manufacturing	46.7	47
Jul-24	Irvine Partners	Baden-Württemberg	Business services	Business services	0.5	9
Oct-25	PeopleSolved	Baden-Württemberg	Business services	Business services	0.5	9
TOTAL					47.7	65

Source: fDi Markets, a service from The Financial Times 2025. All Rights Reserved

4.3 Baden-Württemberg's FDI in the Western Cape

A total of three companies from Baden-Württemberg invested in the Western Cape during the period under consideration. These investment projects, in the textiles, metals and electronic components sectors, involved capex valued at USD8.0m, and resulted in 70 jobs, as shown in Table 8.

Table 8: Companies from Baden-Württemberg that invested in the Western Cape, Jan 2015–Mar 2025

DATE	COMPANY	DESTINATION PROVINCE	SECTOR	BUSINESS ACTIVITY	CAPEX (USDm)	JOBS
Apr-17	Hugo Boss	Western Cape	Textiles	Retail	4.4	50
Nov-17	K2 Systems	Western Cape	Metals	Sales, Marketing & Support	1.9	8
Mar-19	Krannic Solar	Western Cape	Electronic components	Sales, Marketing & Support	1.7	12
TOTAL					8.0	70

Source: fDi Markets, a service from The Financial Times 2025. All Rights Reserved

4.4 Western Cape's FDI in Baden-Württemberg

As shown in Table 9, two FDI projects from the Western Cape materialised in Baden-Württemberg between January 2015 and March 2025. The capex involved in these projects amounted to USD1.0m, and led to the creation of 18 jobs.

Table 9: Companies from Western Cape that invested in Baden-Württemberg, Jan 2015–Mar 2025

DATE	COMPANY	DESTINATION STATE	SECTOR	BUSINESS ACTIVITY	CAPEX (USDm)	JOBS
Jul-24	Irvine Partners	Baden-Württemberg	Business services	Business services	0.5	9
Oct-25	PeopleSolved	Baden-Württemberg	Business services	Business services	0.5	9
TOTAL					1.0	18

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