Doing Business in Germany – Energy Transition

If you are thinking about where to do business in Europe, Germany will most definitely come up on the list as it is offering a highly skilled talent pool, a large consumer base and central access to Europe's largest markets as well as the European Union's single market with about 450 million people. Unlike more centralised economies such as France or the UK, Germany's business landscape is very decentralised, with several important regional economic hubs rather than a single business centre.

For companies planning to make investments or planning to expand, Germany offers a range of opportunities due to ongoing trends. The country's ongoing green transition continues to generate significant investment potential supported by strategic fiscal benefits and subsidies. At the same time, Germany is pushing for digitalisation across industries while maintaining its position as a global innovation leader, particularly in Industry 4.0 technologies and research and development.

The above points are creating attractive opportunities across a range of sectors, for example in energy, automotive or pharma, making Germany an important location for international businesses seeking long-term growth in Europe.

Energy Transition in Germany

For more than two decades Germany has been transitioning towards renewables and in the first half of 2026, more than half of the power supply in Germany was generated from renewable resources. Driven by energy security considerations following Russia's invasion of Ukraine and supported by the EU's Green Deal, the country is committed to achieving climate neutrality by 2050. Moreover, the German government has launched a EUR 500 billion infrastructure fund to modernise the country's infrastructure, including substantial investments in decarbonisation projects.

On the regulatory side, at the EU level, the Carbon Border Adjustment Mechanism (CBAM) promotes fair pricing by countering dumping prices regarding carbon-intensive goods imported into the EU creating protective measures within and incentives for investment within the European market.

Opportunities for Businesses

Germany's energy transition is reshaping the business environment, particularly for energy-intensive industries such as chemicals, pharmaceuticals, and steel. Companies seek to reduce energy costs and meet decarbonisation targets.

The evolving regulatory framework also has significant legal implications in areas such as M&A transactions, due diligence and commercial agreements while at the same time, the EU's protective measures may affect your businesses' supply chain.

While the situation presents challenges to some companies, there are opportunities for others, such as investments in the renewable energy sector, the grid expansion or delivery

Cross-Border Perspectives

Businesses entering the German energy market should remember that that the energy market is a rather regulated market, which may be regulated differently to the US or other countries. Energy-related regulatory issues can arise not only for companies active in the sector itself but also in the context of supply arrangements and corporate investments.

From an acquisition and investment point of view, an increasingly important consideration is the foreign direct investment (FDI) screening as it is becoming stricter and governments are taking a closer look both in Germany and at the EU level. Infrastructure and in particular energy infrastructure is often deemed critical and therefore there will be a higher degree of scrutiny which needs to be factored into the timeline of an acquisition or project.

Impact Beyond Legal and Tax

Rising energy costs and scarcity of energy supply have a growing impact on businesses operating in Germany. For multinational groups, the cost structure of German subsidiaries should be assessed carefully, creating opportunities for financial advisory services. Energy-related figures and forecasts are also becoming an increasingly important element of financial due diligence in M&A transactions. In addition, the demand for digital solutions that improve monitoring of energy usage, supply and defects are becoming increasingly important to utilities and other suppliers which provides for enormous potential in consulting work.

Energy is becoming an increasingly important topic across a broad range of industries. Driven by the energy transition, climate targets and rapid technological innovation, the market is evolving at a rapid pace, creating significant opportunities for businesses. At the same time, legal and regulatory requirements are becoming increasingly complex.

Our team advises national and international clients on all aspects in the areas of M&A, Corporate, Labor, Tax, Real Estate, Financing and Regulatory as well as commercial contracts such as power purchase agreements and further supply agreements relating to other energy sources.

Drawing on extensive industry expertise and an interdisciplinary approach, we provide advice across the entire lifecycle of energy projects. Where required, we seamlessly integrate our global network.

We support our clients in navigating regulatory challenges and technological developments in the energy sector, ensuring that contractual structures remain future-orientated and aligned with market developments. Partner with us to successfully bring your projects to life.

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