



Geography	
Land area	<ul style="list-style-type: none">Germany, officially the Federal Republic of Germany, is located in Central Europe with a total land area of 348 672 sq km. It is a federal republic made up of 16 constituent states ("Länder") each with its own government and legislature. Berlin is the capital of the country and seat of the government.
Demographics	
Population	<ul style="list-style-type: none">Germany had a population of about 81.1 million at end-2014. The majority of the population were German (92%), followed by Turkish (2%) and other ethnic minority groups.
Economy	
Gross Domestic Product ("GDP")	<ul style="list-style-type: none">The German economy was the 4th largest in the world in 2014, with an estimated GDP of US\$3,820 billion (HK\$29,628 billion).At US\$47,201 (HK\$366,091), Germany's GDP per capita ranked 16th in the world in 2014.
Economic structure	<ul style="list-style-type: none">The estimated GDP composition by sector in 2013 was:<ul style="list-style-type: none">(a) agriculture (1%);(b) industry (30%); and(c) services (69%).Germany is traditionally strong in industrial products, as evidenced by its export success in automobiles, machinery and chemicals. Indeed, Germany owes much of its present prosperity to trade with the country being the world's third largest exporter after China and the United States ("US") in 2013.

Economy (cont'd)	
Economic structure (cont'd)	<ul style="list-style-type: none"> • The German economy is dominated by the services sector, employing about 70% of the total workforce. The growth of the services sector has been driven mainly by a strong demand for business-related services. The advent of new technologies in recent years has also fostered the development of knowledge-based services industries in Germany.
Recent economic performance	<ul style="list-style-type: none"> • The export-dependent German economy was hit by the outbreak of the global financial crisis in 2008 and the ensuing slowdown in world trade flows. GDP growth moderated to 0.8% in 2008 from 3.4% in 2007. Germany even slipped into recession in 2009 with its GDP down by 5.1%. • The German economy turned around in 2010 to grow by 3.9% on the back of the revival of its export sector from the global economic rebound and a weak euro. It continued to grow by 3.4% in 2011, as the firm domestic demand helped offset the slowdown in exports consequential to the weak demand from its European neighbours. • The performance of the German economy deteriorated in 2012 and 2013 with its GDP up by a mere 0.9% and 0.5% respectively. The subdued economic performance was attributable to weak economic activity in the euro area and continued slowdown in the world trade flows. The Germany economy picked up in 2014 to grow by 1.5%. Domestic demand was the key growth driver amid a difficult global economic environment. • Recently, the government raised its forecast for Germany's 2015 GDP growth from the earlier 1.3% to 1.5%. The revision reflects, among other things, strong local consumption fuelled by the introduction of a national minimum wage as well as the rise and expansion of state pension payments. Also lending support are lower oil prices and a weak euro that helps support German exports.

Historical background	
Rise and fall of the German Empire	<ul style="list-style-type: none"> In 1871, the German-speaking states in Central Europe were united under the German Empire. The empire rose to a world power by the turn of the 20th century, but it was defeated by the Allied Powers in World War I. Germany was forced to sign the <i>Treaty of Versailles</i> under which it had to disarm, make substantial territorial concessions and pay heavy financial reparations.
Interwar period between two World Wars	<ul style="list-style-type: none"> The Weimar Republic⁽¹⁾ was founded in 1919 to replace the German Empire. Economic difficulties and the rise of political extremes led to the republic's weak hold on power. Adolf Hitler of the National Socialist German Workers' Party (more commonly known as the Nazi Party) came to power in 1933 as he accepted the offer from the then President Paul von Hindenburg for the post of the Federal Chancellor.⁽²⁾ Hitler succeeded as the President when Hindenburg died in 1934.
Outbreak of World War II	<ul style="list-style-type: none"> On 1 September 1939, Hitler ordered the German troops to invade Poland and started World War II. Germany surrendered in 1945 and was divided among four Allied Powers: the Soviet Union in the east, and the US, the United Kingdom and France in the west.
Division and reunification of Germany	<ul style="list-style-type: none"> In 1949, the democratic Federal Republic of Germany was established in the three western occupation zones. It was followed shortly by the formation of the communist German Democratic Republic in eastern Germany as a satellite state of the Soviet Union. In the wake of the democratic reforms in the Soviet Union and the collapse of the communist regimes in Eastern Europe during the late 1980s, the German Democratic Republic held its first free election in March 1990 and was reunited with its western counterpart in October 1990. The reunified Germany has played an important role in the international arena. For example, Germany is a founding member of the European Union and has supported the latter's enlargement with the accession of the East European countries to the bloc.

Notes: (1) The Weimar Republic is the name given by historians to the federal republic and parliamentary representative democracy established in 1919 to replace the imperial government. It was named after Weimar, the city where the constitutional assembly took place.

(2) In Germany, the Federal Chancellor is the head of government and equivalent to the Prime Minister in many other countries.

Political background

Change of government

- The political landscape of Germany has long been largely dominated by two political forces: (a) the Social Democratic Party ("SPD"), and (b) the Christian Democratic Union ("CDU") and its sister party, the Christian Social Union ("CSU"). The latter is collectively known as the CDU/CSU alliance.
- Helmut Kohl of CDU is the longest serving Federal Chancellor in post-war Germany, who held the position in West Germany from 1982 to 1990 and in the reunified Germany from 1990 to 1998.
- In the 1998 general election, Kohl was defeated by Gerhard Schröder of SPD. Schröder then formed a coalition government with the Greens and succeeded as the Federal Chancellor until the general election in September 2005.
- Angela Merkel of CDU led the CDU/CSU alliance to win the 2005 election by a slight margin. The CDU/CSU alliance was unable to form a majority government with its preferred coalition partner, the Free Democratic Party ("FDP"). Instead, it clinched a deal with its rival SPD to form a Merkel-led grand coalition. Merkel was sworn in as the Federal Chancellor in November 2005, being the first woman to hold the chancellorship.
- In the general election held in September 2009, CDU, CSU and FDP secured enough seats to form a coalition without SPD, and Merkel continued to serve as the Federal Chancellor.
- The 2013 general election took place on 22 September 2013, in which the CDU/CSU alliance achieve its best result since reunification. The alliance won 41.5% of the vote or 311 seats, leaving it just five seats short of an absolute majority. However, its coalition partner FDP failed to obtain any seat, forcing Merkel to look for a new coalition partner.
- Two months after election, the CDU/CSU alliance reached a deal with SPD in November 2013 to form the second grand coalition under Merkel's chancellorship. Merkel was sworn in for her third term on 17 December 2013.

Institutions of the *Constitution*

Executive Branch

- Germany is a parliamentary republic under which the executive power is exercised by the Federal Chancellor. The role of the President is mainly ceremonial.
- Being the head of state, the President is empowered to:
 - (a) propose the Federal Chancellor candidate to the Bundestag (lower House of the German Parliament);
 - (b) dismiss the Federal Chancellor based on suggestions made by the Bundestag;
 - (c) appoint and dismiss Ministers and federal judges;
 - (d) dissolve the Bundestag upon the request from the Federal Chancellor;
 - (e) promulgate legislation passed by the Parliament and agreed to by the Federal Chancellor;
 - (f) exercising the power to pardon individual offenders and awarding honours on behalf of Germany; and
 - (g) represent the country at home and abroad.
- After the general election, the President will propose a candidate for the office of the Federal Chancellor after consulting with the parliamentary groups in the Bundestag. To be elected as the Federal Chancellor, the candidate should receive an absolute majority of votes in the Bundestag.
- The Federal Chancellor is the head of government and accountable to Parliament for the government policies. Responsibilities of the Federal Chancellor include:
 - (a) proposing ministerial candidates for appointment by President to the Cabinet;
 - (b) chairing the Cabinet and reconciling the difference among Ministers;
 - (c) determining the government policies; and
 - (d) commanding the armed forces in case the country is under attack.
- Joachim Gauck has served as the President since March 2012, while Angela Merkel has been the Federal Chancellor since November 2005. Both of them come from the former East Germany.

Institutions of the *Constitution* (cont'd)

Legislative Branch	<ul style="list-style-type: none">• The German Parliament is a bicameral legislature made up of the elected Bundestag and the appointed Bundesrat.• As a directly-elected House, the Bundestag is empowered to:<ul style="list-style-type: none">(a) enact and amend legislation;(b) approve the federal budget;(c) elect the President and the Federal Chancellor; and(d) monitor the performance of the Federal government.• The Bundesrat is made up of Members appointed by the state governments, and such membership composition provides a channel for the states to directly involve in federal legislation and administration. Members of the Bundesrat are bound by the instructions of their state governments and can only vote unanimously for their respective states.• The Bundesrat is granted with a number of legislative and scrutiny powers. In particular, the <i>Basic Law</i> provides for the Bundesrat to make initial comments on the draft law before it is submitted to Parliament for scrutiny and vote. The Bundesrat may also veto a bill that substantially affects the state interests.• Since bills must be approved by both Houses to become legislation, the Constitution allows for convening a mediation committee with 16 Members of the Bundestag and an equal number of Members of the Bundesrat to resolve the difference between the two Houses.
Judicial Branch	<ul style="list-style-type: none">• The German court system has two levels comprising the federal and state courts. The Federal Constitutional Court is the highest court dealing with constitutional matters. At the federal level, there are also (a) ordinary courts dealing with criminal and civil cases, and (b) specialized courts dealing with administrative law, taxation matters, labour disputes and social security cases.• At the state level, a number of courts operate with jurisdictions corresponding to those of the federal courts.

Ties with Hong Kong	
Trade	<ul style="list-style-type: none"> • Importance of Germany to Hong Kong's external trade in 2014: <ol style="list-style-type: none"> (a) 10th largest trading partner; (b) 6th largest export market; and (c) 11th largest source of imports.
Tourism	<ul style="list-style-type: none"> • In 2014, visitor arrivals from Germany to Hong Kong decreased by 0.9% year-on-year to 218 530, representing 0.4% of the total visitor arrivals during the year.
Investment	<ul style="list-style-type: none"> • As at October 2014, German companies established 91 regional headquarters, 125 regional offices and 119 local offices in Hong Kong.
Working Holiday Scheme	<ul style="list-style-type: none"> • The bilateral Working Holiday Scheme between Germany and Hong Kong was established in 2009, which opens the way for young people from Germany and Hong Kong to learn about each other's cultures during holiday travels where they can undertake limited employment and study. • Under the scheme, Germany and Hong Kong each puts in place a quota allowing 300 young people aged 18-30 to obtain a working holiday visa each year. Working holiday makers can visit and stay in the host country/territory for up to 12 months, and take up short-term employment and/or study courses.
Local German population	<ul style="list-style-type: none"> • There were about 1 050 German people residing in Hong Kong at end-2013.

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