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HDH GROUP RESEARCH · REPORT ON THE GERMAN MITTELSTAND

Managed from abroad

German corporations with management resident abroad: countries of residence, incorporations since 2022, industries and regions

49,778
Companies with at least one member of management resident abroad

3,612
of which with management in China

5.0%
of all active companies

AS OF 23 OCTOBER 2026

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At a glance

49,778	68.6%	48.8%	11
companies with at least one member of management resident abroad	of these are managed exclusively from abroad	of the companies managed from Turkey were formed since February 2022	incorporations with management in Russia since the start of the war, against 551 in the database

- In 49,778 of 989,627 active corporations, at least one managing director or management board member lives abroad. That is 5.0%. In 34,158 companies, the entire management lives outside Germany.
- Most of these companies are managed from neighbouring countries. Switzerland leads with 6,466, followed by the Netherlands with 6,156 and Austria with 5,802 companies. China follows in seventh place with 3,612.
- Since the Russian attack on Ukraine, the balance has shifted. Of the companies managed from Turkey, 48.8% were formed since February 2022, of those managed from China 33.2%. Over the same period, 11 companies with management in Russia were incorporated.
- The companies managed from China are trading houses: 60.4% of them belong to trade. Companies managed from the United States are most frequently active in manufacturing.
- For inverters, the control technology of solar installations, one in five German companies is managed from China: 20.3%, compared with 0.4% on average across all companies. In the battery storage trade, the figure is 22.6%. Grids and supply are managed almost exclusively from Germany.
- Companies managed exclusively from abroad become insolvent as often as the rest of the database, at 7.9 ‰ compared with 7.9 ‰. Companies with mixed domestic and foreign management reach 3.5 ‰.

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Question and design

Foreign investment in Germany is usually measured through capital flows: through stocks of direct investment, acquisitions and announced settlements. Who actually runs a German company remains invisible in this view. Yet management is where decisions are made, and the residence of management reveals from where a company is steered.

This report describes the German corporations whose managing directors or management board live wholly or partly abroad. It asks how many there are, from which countries they are managed, in which industries and regions they operate and how the picture has changed since February 2022, when the Russian attack on Ukraine reordered Europe's economic relations.

The population comprises 989,627 active corporations for which at least one member of management is known. Insolvent, dissolved and liquidating companies are excluded.

Scale

In 49,778 companies, at least one member of management lives abroad; that is one in twenty. In total, 49,203 people resident abroad manage German corporations, distributed across 29 countries with at least thirty companies each and a multitude of smaller ones.

Foreign management is usually complete. In 68.6% of these companies, nobody in management lives in Germany. The German company is then a branch, a sales or holding vehicle managed from headquarters. Only in just under a third of cases is there, alongside the foreign management, a person in Germany, often as local managing director.

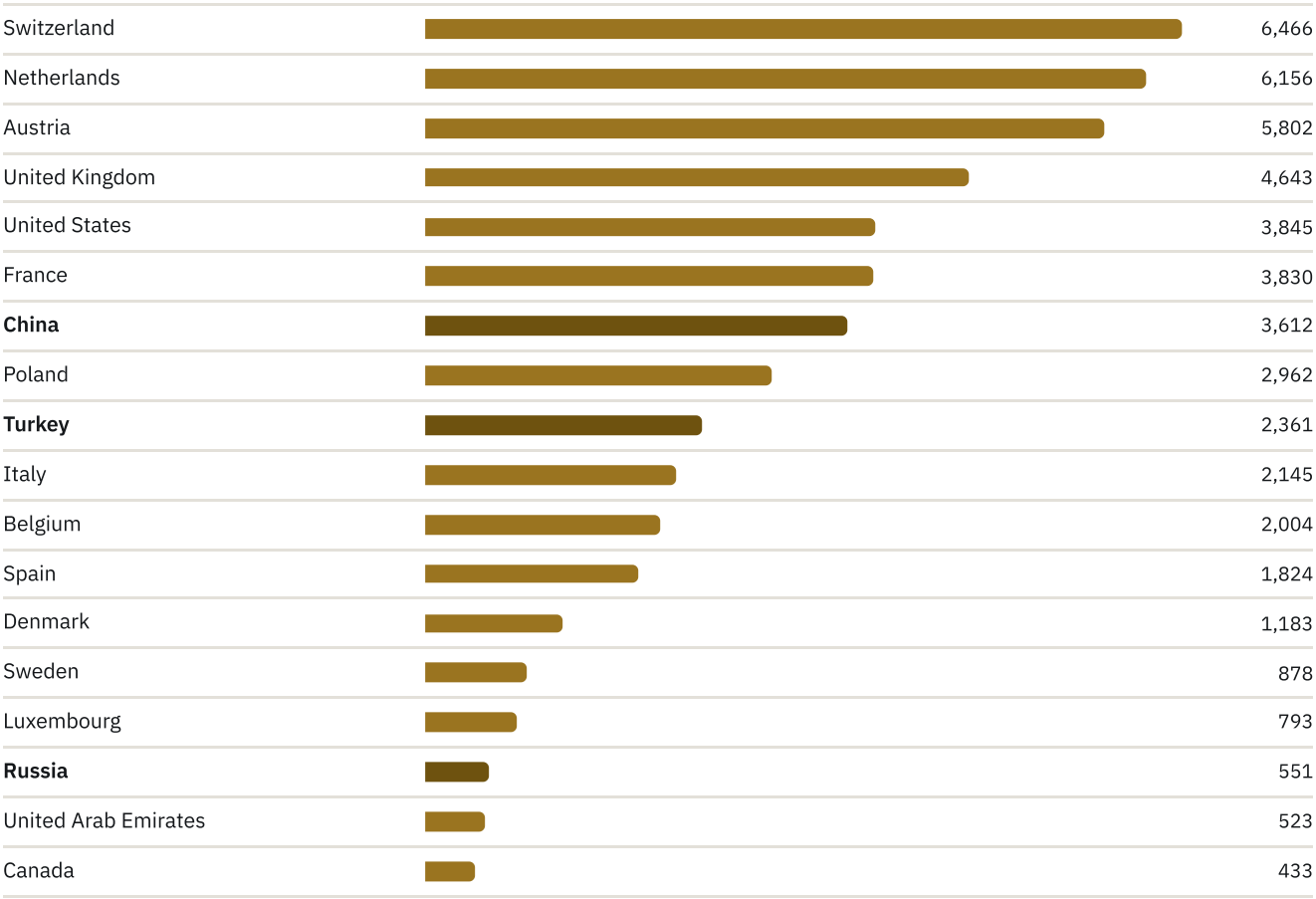
Among the companies incorporated since February 2022, the share with foreign management is 4.7%, somewhat below the average of the database. The share in the incorporations of a year has fallen since 2016 from 6.7% to 4.2% in 2025. Incorporation activity in Germany has grown more strongly in these years than incorporations from abroad.

Countries of residence

Foreign management of German companies is above all European and neighbourly. Switzerland, the Netherlands, Austria, France, Poland, Belgium, Denmark and Luxembourg together account for 29,196 assignments, more than all other countries combined. Switzerland leads with 6,466 companies, just ahead of the Netherlands and Austria. The United Kingdom follows with 4,643, the United States with 3,845.

FIGURE 1

Active companies with at least one member of management in the respective country



A company with management in several countries counts in each. Highlighted: China, Turkey and Russia.

Source: HDH Group, database as of the reference date, own calculation.

China ranks seventh with 3,612 companies. The cohesion of this group is striking: 83.9% of the companies managed from China have no member of management in Germany. Only Poland is higher, at 86.9%. For companies managed from Switzerland the figure is 63.0%, for those managed from the United States 58.3%.

Among countries outside Europe, besides China and the United States, the United Arab Emirates stand out with 523, Hong Kong with 304 and Singapore with 246 companies. 222 German companies are managed from Iran.

TABLE 1

Countries of residence of management: scale, exclusivity and incorporations since February 2022

COUNTRY	COMPANIES	PEOPLE	MANAGED ONLY FROM ABROAD	INCORPORATED SINCE 24 FEB 2022
Switzerland	6,466	5,518	63.0%	24.7%
Netherlands	6,156	5,624	72.8%	23.7%
Austria	5,802	4,966	64.7%	23.1%
United Kingdom	4,643	4,512	60.6%	24.1%
United States	3,845	4,156	58.3%	17.0%
France	3,830	3,397	66.0%	19.7%
China	3,612	3,687	83.9%	33.2%
Poland	2,962	2,891	86.9%	25.6%
Turkey	2,361	2,669	77.1%	48.8%
Italy	2,145	2,262	67.7%	19.1%
Belgium	2,004	1,847	65.9%	19.9%
Spain	1,824	1,723	67.3%	28.5%
Denmark	1,183	1,122	74.4%	19.9%
Sweden	878	877	60.3%	23.2%
Luxembourg	793	504	52.5%	17.9%
Russia	551	593	75.9%	2.0%
United Arab Emirates	523	479	63.9%	25.2%
Canada	433	416	65.8%	22.4%
Portugal	369	372	68.0%	34.1%
Greece	306	307	80.1%	22.5%
Hong Kong	304	306	71.1%	21.4%
Singapore	246	249	61.8%	25.2%
Cyprus	243	202	74.9%	31.3%
IR	222	273	72.1%	13.1%

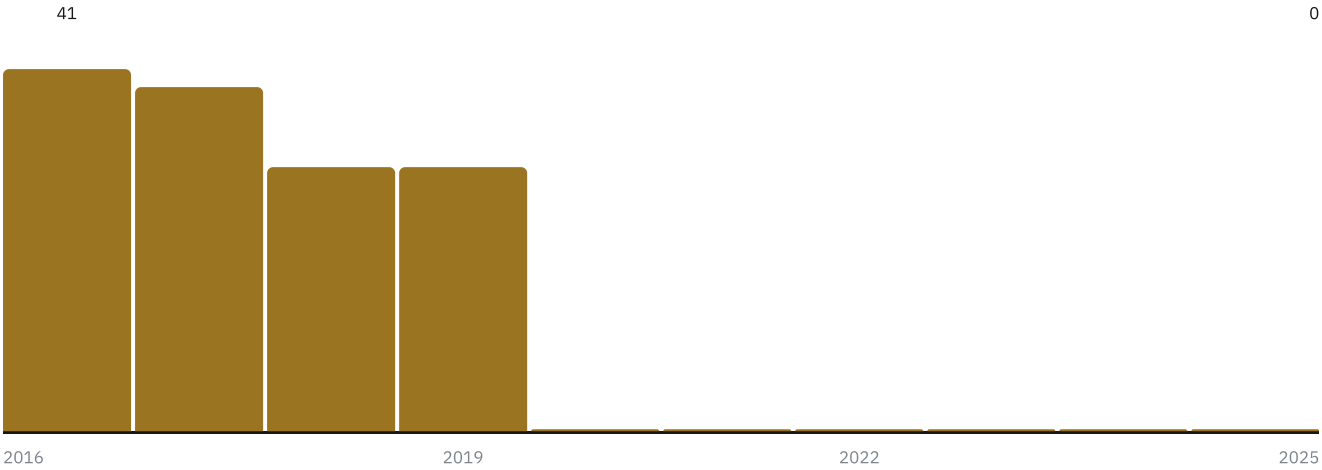
Source: HDH Group, database as of the reference date, own calculation.

Since February 2022

The Russian attack on Ukraine on 24 February 2022 and the subsequent sanctions of the European Union have practically ended incorporations from Russia. In 2016, 41 companies with management in Russia were still formed, in 2019 30. Since the start of the war, there have been 11 over the entire period. The population of 551 companies managed from Russia thus dates almost entirely from before the war.

FIGURE 2

Incorporations of companies with management in Russia, 2016 to 2025



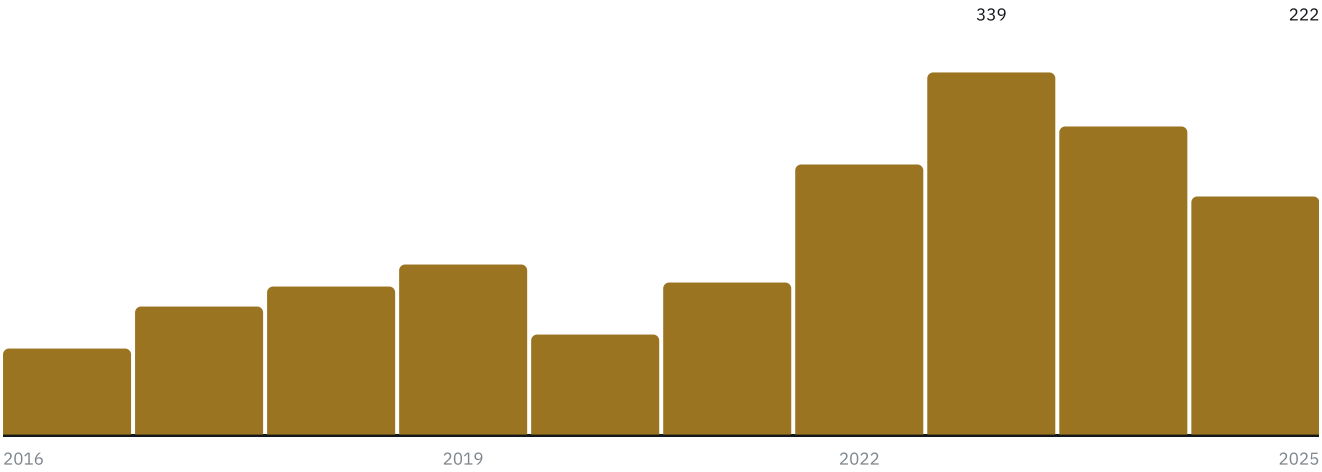
Companies still registered today, by year of incorporation. Years with fewer than ten incorporations appear without a bar.

Source: HDH Group, database as of the reference date, own calculation.

The development for Turkey runs in the opposite direction. Companies with management in Turkey were incorporated 80 times in 2016, 252 times in 2022 and 339 times in 2023. Of all companies managed from Turkey today, 48.8% were formed since February 2022, more than for any other country. The rise falls into the years of high inflation and depreciation of the lira, in which entrepreneurs from Turkey increasingly shifted activities into the euro area. Since 2024 the number has been falling again, to 222 in 2025.

FIGURE 3

Incorporations of companies with management in Turkey, 2016 to 2025



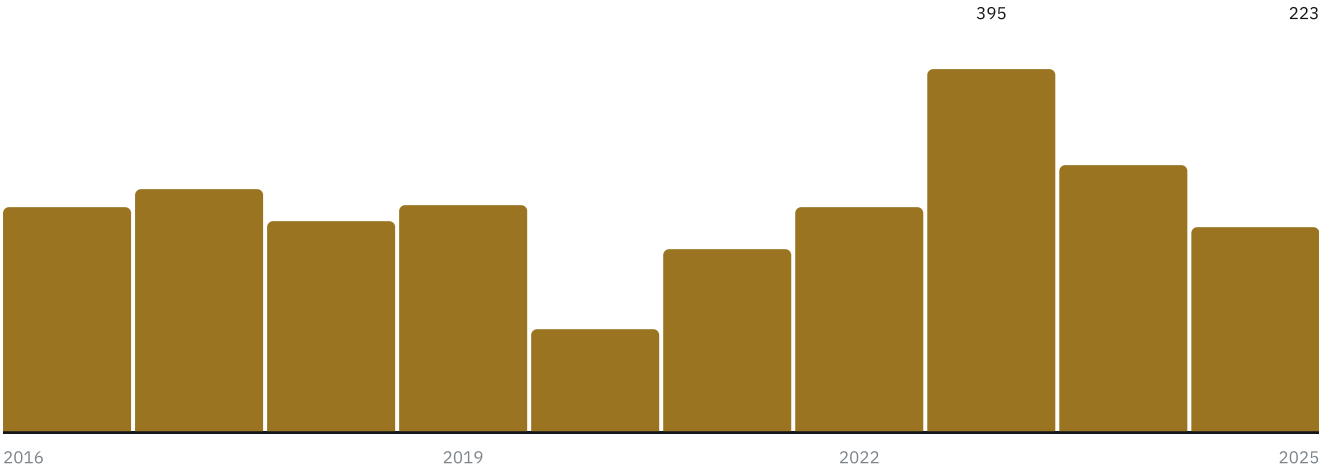
Companies still registered today, by year of incorporation.

Source: HDH Group, database as of the reference date, own calculation.

Incorporations from China follow a rhythm of their own. In 2020 they fell to 113 with the travel restrictions of the pandemic, recovered and reached their peak in 2023 with 395. Since then they have been declining, to 223 in 2025. A third of the companies managed from China today, 1,198, was incorporated since February 2022.

FIGURE 4

Incorporations of companies with management in China, 2016 to 2025



Companies still registered today, by year of incorporation.

Source: HDH Group, database as of the reference date, own calculation.

Incorporations from Switzerland, the United Kingdom and the United States run more evenly over the entire period. Switzerland accounted for 251 incorporations in 2016 and 383 in 2025, the United States for 154 and 155. After the United Kingdom left the European Union, incorporations with British management rose from 178 in 2017 to 331 in 2021; British enterprises thereby secured access to the single market through a German company.

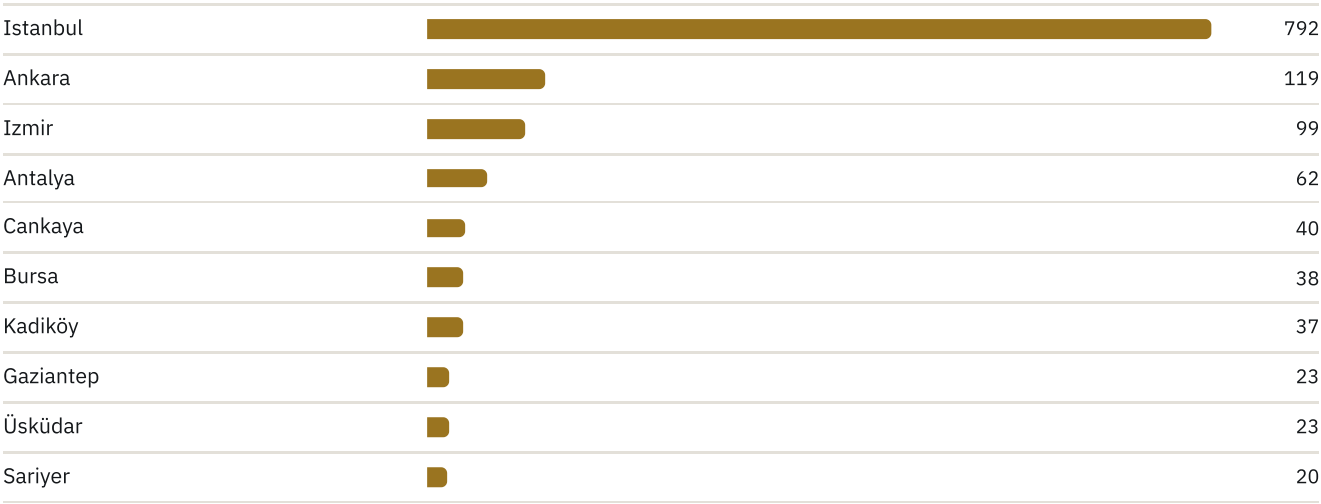
Turkey in detail

Of all countries of residence, Turkey has changed the most since 2022. Of the 2,361 companies with management in Turkey, 1,151 were incorporated since 24 February 2022, 48.8%. 77.1% of them are managed exclusively from Turkey, without a member of management in Germany.

The managing directors live predominantly in the metropolitan areas. Istanbul leads by far with 792 companies; in addition there are entries naming only an Istanbul district, such as Kadıköy (37), Üsküdar (23) and Sarıyer (20). Ankara follows with 119 and the Çankaya district with 40, then Izmir with 99, Antalya with 62 and Bursa with 38 companies.

FIGURE 5

Companies with management in Turkey by place of residence of management



Place of residence as registered. Entries naming only a district appear separately.

Source: HDH Group, database as of the reference date, own calculation.

The profile of the new companies resembles that of the older ones. Trade remains the most important sector with 42.5% of the companies incorporated since 2022; before February 2022 the figure was 41.7%. Real estate has declined, from 9.8% to 6.2%; new among the six largest sectors are telecommunications and information technology with 4.3%.

The new companies are more modestly set up. 67.5% of them are managed by a single person, compared with 58.5% of the older ones; 14.8% have capital of EUR 100,000 or more, against 20.8%. They establish their registered office above all in Düsseldorf (146), Berlin (103), Cologne (89), Frankfurt am Main (74), Hamburg (61), Munich (46).

TABLE 2

Companies with management in Turkey, incorporated before and since 24 February 2022

INDICATOR	INCORPORATED BEFORE 24 FEB 2022	INCORPORATED SINCE 24 FEB 2022
Companies	1,210	1,152
Share in trade	41.7%	42.5%
Share in manufacturing	12.1%	11.8%
Share in real estate	9.8%	6.2%
Managed by one person	58.5%	67.5%
Capital EUR 100,000 or more	20.8%	14.8%
Entrepreneurial company (UG)	4.5%	6.4%

Source: HDH Group, database as of the reference date, own calculation.

Industries

Where management comes from determines what the company does. Of the companies managed from China, 60.4% belong to trade; in the rest of the database the figure is 11.6%. These are import and distribution companies through which manufacturers from China bring their goods into the European market. Manufacturing follows with 14.2%.

The companies managed from Turkey are also predominantly trading enterprises, at 42.1%. The companies managed from Russia show a different profile: besides trade at 30.5%, more than a fifth, 22.5%, are in real estate. These are frequently companies that hold property in Germany.

The companies managed from the United States are the most industrial: 20.2% belong to manufacturing, a further 18.4% to financial and insurance services, which include holding and investment companies. Companies managed from Switzerland are broadly distributed, with the greatest weight in financial and holding companies (19.8%).

TABLE 3

The largest sectors by country of management, share of companies

COUNTRY OF MANAGEMENT	TRADE	MANUFACTURING	FINANCIAL AND INSURANCE SERVICES	REAL ESTATE	PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES
China	60.4%	14.2%	4.4%	·	9.8%
Turkey	42.1%	11.9%	4.8%	8.1%	7.2%
Russia	30.5%	7.3%	9.7%	22.5%	9.3%
United States	18.8%	20.2%	18.4%	3.2%	14.4%
Switzerland	15.6%	14.2%	19.8%	12.4%	13.3%
United Kingdom	17.6%	10.3%	19.8%	8.8%	15.5%
United Arab Emirates	26.4%	8.6%	18.6%	12.8%	10.5%
Management in Germany only	11.6%	8.2%	21.1%	10.4%	15.4%

A dot indicates a sector that is outside the six largest of the country.

Source: HDH Group, database as of the reference date, own calculation.

China and the control technology of the power grid

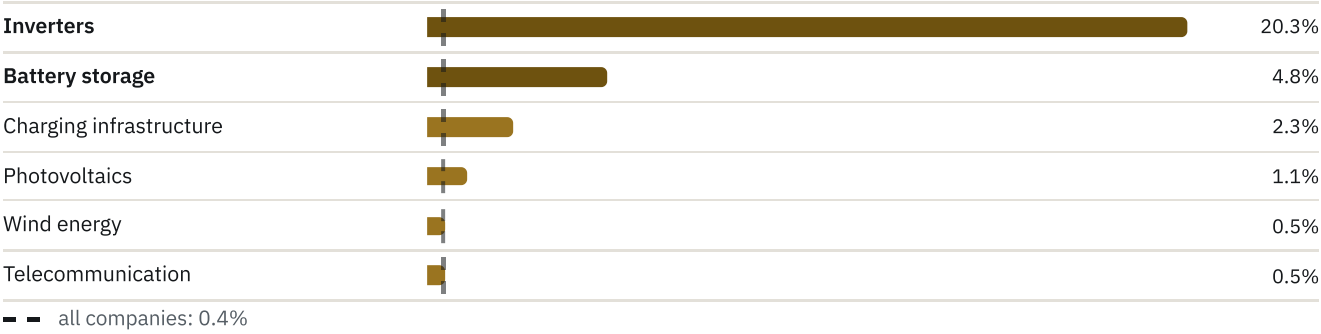
Inverters and battery storage are the control technology of the energy transition. Inverters convert the electricity from solar installations for the grid and regulate how much of it is fed in. Storage systems determine when they take in electricity and when they release it. Both devices are as a rule connected to the internet and can be maintained, updated and switched off remotely. In Europe there is therefore a debate about who may access these devices. Lithuania has prohibited remote access from China to larger solar, wind and storage installations.

From where the market for this technology in Germany is managed is shown by the companies that name it in their corporate purpose. Of the 276 active companies whose corporate purpose names inverters, 56 are managed by a management resident in China or Hong Kong. That is 20.3%, one in five. On average across all companies this share is 0.4%; for inverters it is about 51 times as high. 50 of these companies have no member of management in Germany.

The concentration is recent. Of the inverter companies incorporated since 2022, almost one in four is managed from China, 45 of 186 or 24.2%. Of all companies in this group managed from China today, 80.4% were formed since 2022, in the years in which solar installations on roofs and balconies were added in large numbers.

FIGURE 6

Share of companies with management in China or Hong Kong, by technology in the corporate purpose



Active companies whose corporate purpose names the respective technology. Grids and supply are missing because fewer than ten companies there are managed from China.

Source: HDH Group, database as of the reference date, own calculation.

Battery storage shows a clear division of labour. Overall, 4.8% of the 2,431 storage companies are managed from China, 12 times as many as on average. In the storage trade the figure is 22.6%, in manufacturing 9.7%. Among the 967 energy supply companies that operate storage themselves, there are fewer than ten. Grid operation and energy supply are also managed almost exclusively from Germany: of 2,338 companies with this corporate purpose, fewer than ten have management in China.

The high share goes beyond the general pattern of trading houses managed from China. In trade as a whole, the share of companies with management in China is 1.9%, in the inverter trade 25.7%. Telecommunications provides the comparison with a sector in which the Federal Government agreed with network operators in 2024 to remove components of Chinese manufacturers from the 5G core networks. There, 0.5% of companies are managed from China, hardly more than on average.

TABLE 4

Companies by technology in the corporate purpose and share with management in China or Hong Kong

TECHNOLOGY IN CORPORATE PURPOSE	COMPANIES	MANAGEMENT IN CHINA	SHARE	IN TRADE	IN MANUFACTURING	INCORPORATED SINCE 2022
Inverters	276	56	20.3%	25.7%	·	24.2%
Battery storage	2,431	116	4.8%	22.6%	9.7%	4.7%
Charging infrastructure	1,332	31	2.3%	8.3%	·	2.7%
Photovoltaics	11,455	124	1.1%	4.7%	5.0%	1.3%
Wind energy	4,011	19	0.5%	·	·	·
Grids and supply	2,338	·	·	·	·	·
Telecommunication	8,828	47	0.5%	1.7%	·	0.4%
All companies	989,627	3,908	0.4%	1.9%	0.7%	0.5%

Share in each case of the companies in the group. A dot indicates fewer than ten companies with management in China or a group of fewer than thirty companies.

Source: HDH Group, database as of the reference date, own calculation.

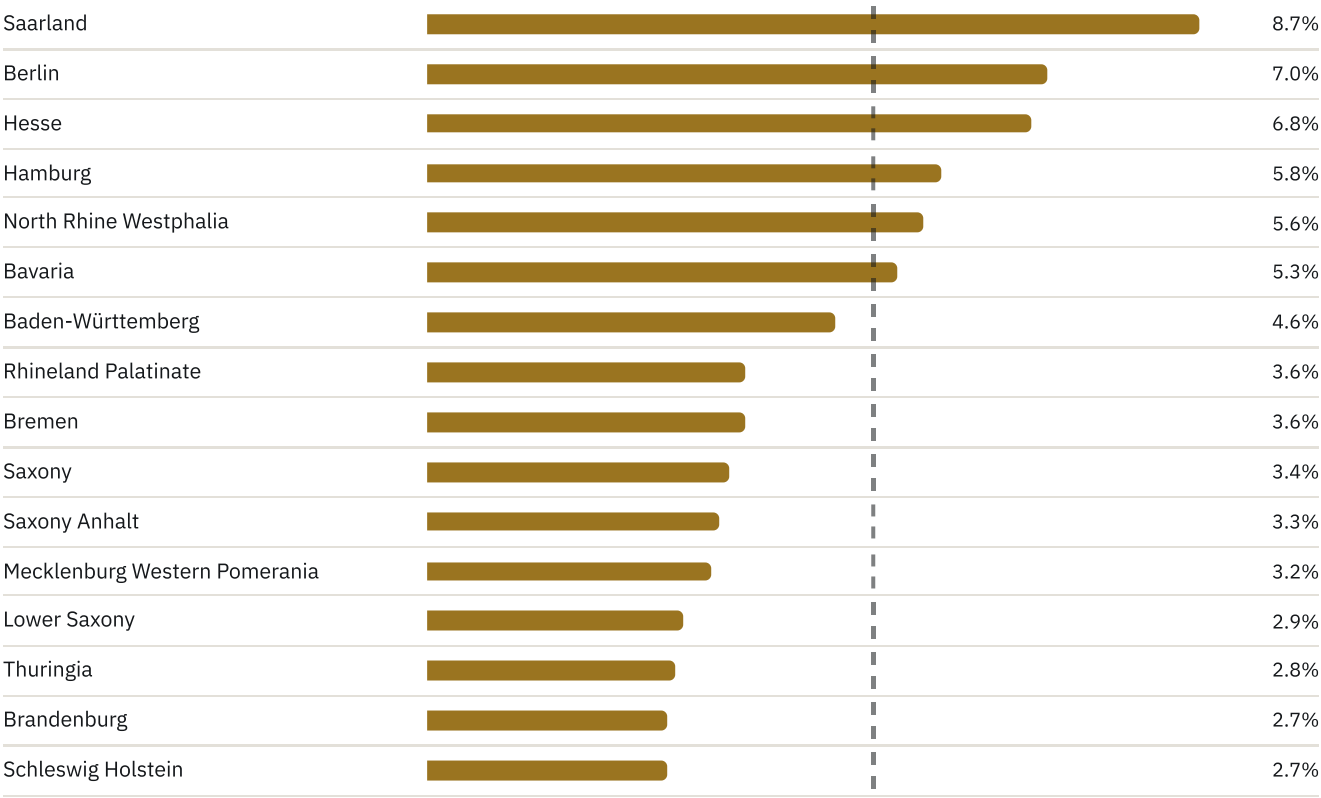
The management of a company says nothing about whether a device can be reached remotely or who accesses it. It shows from where the distribution of the technology is steered that decides on the feed in of millions of installations. For the debate on protecting the power grid, it provides an order of magnitude for the first time.

States and cities

The share of companies with foreign management is highest in Saarland at 8.7%, a consequence of its proximity to France and Luxembourg. Berlin follows with 7.0%, Hesse with 6.8% and Hamburg with 5.8%. In the eastern German territorial states, the shares range between 2.7% and 3.4%.

FIGURE 7

Share of companies with at least one member of management abroad, by federal state



Source: HDH Group, database as of the reference date, own calculation.

The companies managed from China cluster in a few places. Relative to the corporate population, they are most densely represented in Hesse, with 8.96 per thousand companies, followed by Hamburg and Bremen. Most are based in Düsseldorf (404), Frankfurt am Main (394), Hamburg (255), Munich (195). Düsseldorf and Frankfurt am Main have long been regarded as the two centres of the Chinese business community in Germany.

Companies with management in Turkey are concentrated in North Rhine Westphalia, where 39.9% of them have their registered office; most are based in Düsseldorf (248), Berlin (212), Cologne (157), Frankfurt am Main (134). The companies managed from Russia are based mainly in Berlin (145), as well as in Munich, Frankfurt am Main and Hamburg. For the United States, Munich is the most important location, ahead of Frankfurt am Main and Berlin.

TABLE 5

Companies with foreign management by federal state

STATE	COMPANIES	WITH FOREIGN MANAGEMENT	SHARE	MANAGEMENT IN CHINA PER 1,000	MANAGEMENT IN TURKEY PER 1,000
Saarland	8,653	757	8.7%	·	1.85
Berlin	76,705	5,350	7.0%	1.68	2.76
Hesse	80,842	5,487	6.8%	8.96	4.02
Hamburg	46,540	2,707	5.8%	5.48	2.28
North Rhine Westphalia	214,883	12,080	5.6%	5.19	4.38
Bavaria	173,983	9,178	5.3%	2.57	1.41
Baden-Württemberg	144,919	6,640	4.6%	2.87	1.95
Rhineland Palatinate	35,683	1,282	3.6%	4.76	1.49
Bremen	8,762	315	3.6%	5.36	3.31
Saxony	36,660	1,262	3.4%	1.34	0.71
Saxony Anhalt	16,010	529	3.3%	1.31	·
Mecklenburg Western Pomerania	8,323	265	3.2%	·	·
Lower Saxony	79,485	2,323	2.9%	1.80	1.03
Thuringia	15,563	440	2.8%	1.73	·
Brandenburg	22,271	607	2.7%	1.35	0.63
Schleswig Holstein	19,245	528	2.7%	1.09	0.83

A dot indicates fewer than ten companies.

Source: HDH Group, database as of the reference date, own calculation.

Insolvencies

Companies managed entirely from abroad are sometimes regarded as more vulnerable: management is far away, the market unfamiliar. The data does not bear this out. In the twelve months from July 2025 to June 2026, 7.9 ‰ of them became insolvent, exactly as many as in the rest of the database at 7.9 ‰.

Companies with mixed management, in which people from Germany and abroad lead together, are considerably more stable. Their rate is 3.5 ‰, less than half as high. These companies are frequently subsidiaries of international groups with their own local management, equipped with capital and integrated into a group.

Assessment

Management of German companies from abroad is first and foremost a European phenomenon. The neighbouring countries manage more German companies than all other countries combined, and their incorporations have run evenly for years. This matches the picture of a single market in which forming a subsidiary in the neighbouring country is the natural route into a new market.

Geopolitical ruptures nonetheless leave visible traces. Incorporations with management in Russia ended with the war, those from the United Kingdom rose with its departure from the European Union, those from Turkey with the lira crisis. The companies with management in China, finally, form a distinct, cohesive group: predominantly trade, almost always managed entirely from headquarters, concentrated in a few locations.

For economic development agencies, chambers of commerce and supervisory authorities, this view complements capital statistics. It shows where decisions about German companies are made, and it reveals changes early, because an incorporation often precedes the first investment.

Method and limitations

Data basis

The basis is the HDH Group database of registered corporations with their registered office in Germany as of 23 October 2026. 989,627 active companies with at least one known managing director or management board member are evaluated.

Definitions

- **Management abroad:** the registered place of residence of a managing director or management board member lies outside Germany. Holders of registered power of attorney and liquidators do not count as management.
- **Country:** according to the country indication of the place of residence. Russia, Belarus, Iran, Hong Kong and China are additionally recognised by the name of the town, for instance Moscow, Minsk, Tehran or Shanghai.
- **Managed only from abroad:** no member of management lives in Germany.
- **Technology in the corporate purpose:** the registered corporate purpose names the technology, for instance inverters, battery, electricity or energy storage, charging infrastructure, photovoltaics, wind energy, grid operation or energy supply. A company may belong to several groups. China here includes Hong Kong.
- **Since the start of the war:** incorporation on or after 24 February 2022.
- **Insolvency rate:** companies with an insolvency entry between 1 July 2025 and 30 June 2026 per thousand companies incorporated before this period.

Limitations

- The place of residence is the one most recently registered. Anyone who moves to or away from Germany without the entry changing is attributed to the previous place.
- Management abroad says nothing about nationality or owners. A company with owners abroad and German management does not appear here.
- Incorporations are counted for companies still registered today. Companies deleted in the meantime are missing; the early cohorts therefore appear smaller than they were.
- Case numbers below ten are withheld.

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