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Investment Guarantees Annual Report 2025

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Foreword

Dear Sir or Madam,

In 2025, the Federal Republic of Germany assumed investment guarantees totaling 1.2 billion euros. Although the new coverage volume is lower than the previous year's figure of 1.5 billion euros, the number of applications approved in 2025 (60) rose compared with the previous year (54), with many applications coming from small and medium-sized enterprises. I am also particularly pleased that the number of target countries in which investments have been covered has increased significantly (2025: 19; 2024: 16) and is at its second-highest level in the last ten years. This shows that the diversification strategy adopted by the German government at the end of 2023 is working. Eleven of the 19 target countries in which guarantees were provided for foreign investments by German companies in 2025 were diversification targets.

It is very important to me that we kept the investment guarantees open for Ukraine even after the start of Russia's war of aggression and were even able to implement coverage improvements for investments in 2025. We have also extended the exemption from application fees for Ukraine applications until the end of 2027. The effect is clear to see: Ukraine ranked first among all investment targets in terms of the number of approved applications for the third year in a row. Demand remains very high. It is and will therefore remain the German government's goal to continue to provide Ukraine with the best possible political and economic support in the future.



In view of the changed geopolitical conditions, we have decided that foreign projects in the security and defense industry are now also eligible for investment guarantees, thereby contributing to the defense capabilities of Germany and Europe.

The measures introduced by the German government in 2024 to simplify and streamline the application and administration of investment guarantees had a positive effect in 2025: reporting requirements for companies have been effectively reduced and the application process has been simplified and streamlined.

Finally, positive effects can be measured in the greenhouse gas (GHG) balance of the guarantee portfolio in 2025. This actively supports both German investors in climate-friendly key technologies and developing and emerging countries in their transition to a climate-neutral economy.

Further details on developments in investment guarantees in 2025 can be found on the following pages. I hope you find this an interesting read.

Katherina Reiche

Federal Minister for Economic Affairs and Energy

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The year at a glance



Result of the business year

- The newly assumed guarantee volume (capital and income) amounted to around 1.2 billion euros in 2025, slightly below the previous year (around 1.5 billion euros). However, the number of approved applications (60) in 2025 rose compared with the previous year (54). The number of projects (2025: 38, 2024: 37) and the diversity of countries also increased (2025: 19; 2024: 16).
- **Regionally**, 32 percent of the approved applications relate to projects in (Eastern) Europe (especially Ukraine and Serbia) and 30 percent to projects in Asia (especially Uzbekistan, the People's Republic of China, and Taiwan). This is followed by projects in South and Central America (Mexico, Peru, and Argentina) with 21 percent and in Africa (especially Egypt and Morocco) with 17 percent. For the third year in a row, Ukraine ranks first in terms of the number of approved applications. For the first time in a long while, projects in Nigeria, Uganda, and Mexico have also been covered.
- 11 of the 19 countries in which guarantees were provided for projects in 2025 were **diversification targets** of the Federal Government's diversification strategy, which came into force at the end of 2023.
- In terms of **industry sectors**, projects in the construction industry ranked first (35 percent) in terms of the number of approved applications, ahead of the automotive industry (10 percent) and the energy sector (8 percent). At 78 percent, the majority of approved applications were again in the industrial sector, ahead of services (17 percent).
- Measured by the number of approved applications, **equity investments (31) and equity-like loans (29)** were covered in roughly equal numbers.
- 43 percent of applications approved in 2025 were submitted by **small and medium-sized enterprises**. Although this is slightly below the previous year's figure (50 percent), it is still well above the average for the last 10 years. This confirms the general trend toward increased demand from small and medium-sized enterprises for guarantee protection for their foreign projects.
- 37 percent of **policyholders** received an investment guarantee for the **first time** in 2025 (2024: 50 percent). This underscores the fact that investment guarantees are of great importance in the current challenging geopolitical environment and are being used by a growing number of companies to safeguard foreign projects.
- In 2025, the Federal Government assumed guarantees ranging from around 2,000 to 160 million euros.
- At 1.2 billion euros, the volume of **new applications** in 2025 is below the previous year's figure (1.6 billion euros). However, the number of new applications has risen significantly to 87 (2024: 65). Argentina, Ukraine, Türkiye, Mexico, and India are the top five markets in terms of the volume of new applications.

- In 2025, the number of **inquiries** increased compared to the previous year and thus remains at a high level (2025: 177; 2024: 166). Inquiries were made for 53 countries, with projects in Ukraine once again attracting by far the most interest from investors (48). As in the previous year, small and medium-sized enterprises submitted 80 percent of the inquiries.
- The Federal Government's maximum liability from the outstanding guarantee portfolio at the end of 2025 fell to 22.1 billion euros (2024: 27.4 billion euros) due to guarantee reductions (e. g., after maturity, (partial) repayments, termination, or compensation payments).
- In 2025, the German government again supported several covered investments to prevent projects from failing and damage from occurring. In addition to projects in Ukraine and Russia, the focus in the area of **crisis management and damage** was on covered projects in Egypt, India, Peru, and Senegal, among others.
- **Internationally**, investment guarantees remain in second place among the investment insurers affiliated with the Berne Union in terms of guarantee portfolio in mid-2025.
- In 2024, the Federal Government adopted **relief measures** in the area of investment guarantees that make it easier for companies to use this instrument. In addition to a significant reduction in reporting requirements for guarantee management, numerous measures were also implemented to further streamline the application process.
- The **greenhouse gas balance** of the investment guarantee portfolio shows a reduction of 34 percent compared to the newly calculated base year 2022.



[Diversification strategy of the Investment Guarantees](#)

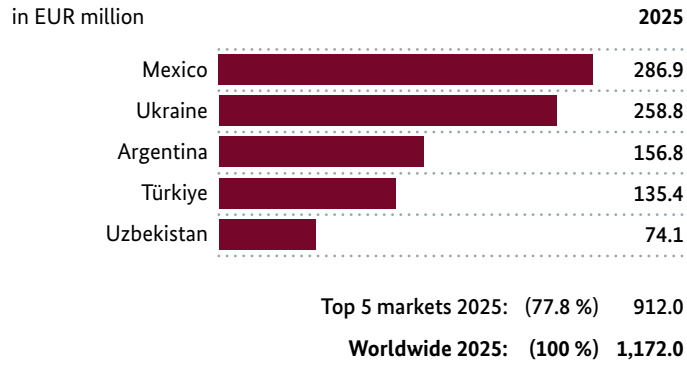


[Relief Package of the Investment Guarantees](#)

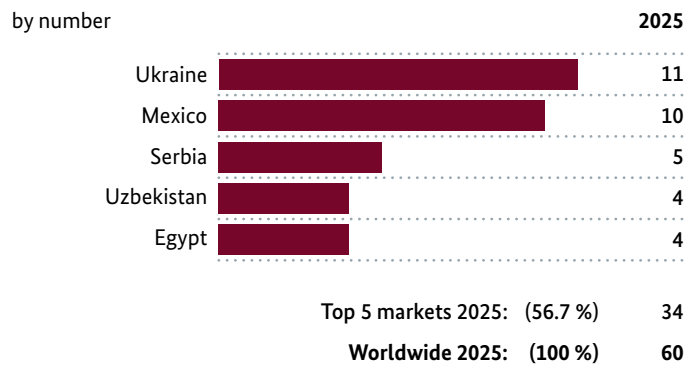


[Climate Strategy of the Investment Guarantees](#)

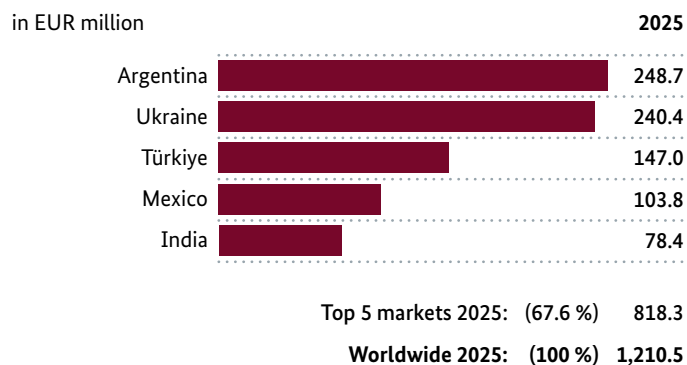
Top 5 markets by volume of approved applications



Top 5 markets by number of approved applications



Top 5 markets by volume of newly registered applications





Project example: Mineral wool production in Uzbekistan

At the end of 2024, the Knauf Group and Texnopark announced a joint agreement on the acquisition of Texnopark's mineral wool activities by Knauf. The acquisition includes a new mineral wool plant in Tashkent, Uzbekistan. The plant is equipped with advanced electric melting furnace technology, which enables low-carbon production of mineral wool. The plant, which employs more than 110 people, opened in mid-2025. At full capacity of 30,000 tons, the plant can produce non-combustible mineral wool of the highest quality for insulating up to 40,000 houses per year. This makes a significant contribution to reducing emissions, with considerable economic, social, and environmental benefits for Uzbekistan. The project was classified as particularly climate-friendly and is also located in a diversification country designated by the Federal Government. As a result, favorable coverage conditions could be granted.

Knauf Insulation Tashkent CA LLC,
Tashkent, Uzbekistan

Host country risk assessment

The **measures introduced by the Federal Government last year to simplify the application** and administration of investment guarantees for German companies were applied to several projects this year. In particular, on the basis of commitments in principle for several investment projects, subsequent new applications for further investment steps could be decided more easily and quickly.

The Federal Government remains willing to support **German investment in Ukraine through investment guarantees, including war risk coverage.**

Applications will be decided on a case-by-case basis, taking into account the current political and economic situation, and particularly the location of the project. In 2025, income from investments could once again be included in the coverage upon application. Most recently, the Interministerial Committee (IMC) also decided to extend the **exemption from the application fee for Ukraine applications**, which was initially limited until the end of 2025, until the end of 2027. These measures are enabling numerous projects by German investors to go ahead despite the continuing difficult conditions. **Since the start of the war of aggression** in February 2022, **50 investment guarantees** have already been provided for German projects in Ukraine.

The suspension of investment guarantees for investments in **Russia** and **Belarus**, which was decided at the start of Russia's war of aggression against Ukraine, remains in place. In view of the changed geopolitical conditions, the IMC has decided that foreign projects in the **security and defense industry** are now also eligible for investment guarantees. This requires that all conditions for a guarantee be met, in particular risk acceptability and eligibility for support.

In addition, in 2025 the Federal Government provided guarantees for new investments in **Egypt, Argentina, Kazakhstan, Malaysia, Morocco, Namibia, Nigeria, Peru, Serbia, Tanzania, Türkiye, Taiwan, Uganda, Uzbekistan, Vietnam**, and the **People's Republic of China**. Guarantee extensions were also approved for projects in **Algeria, Kenya**, and the **United Arab Emirates**. The Federal Government also provided a guarantee for a project in **India** on the basis of domestic law and extended the guarantee periods for investments in **Indonesia** and **Colombia**.

The IMC has also approved applications relating to holding structures in **Mexico** for the first time and granted full coverage for these German investments. With the implementation of the Free Trade Agreement between the **EU and Mexico (EUMFTA)** and the investment protection provisions contained therein, the German-Mexican Bilateral Investment Treaty (BIT) will be replaced as the basis for legal protection. The guarantee protection granted already takes into account the special features of the EUMFTA.

Development in coverage volume Ukraine

As in the two previous years, 2023 and 2024, Ukraine was once again the country with the most approved applications worldwide in the reporting year 2025 (11). The total volume of approved applications, at 258.8 million euros, significantly exceeded the previous year's volume for Ukraine (2024: 106.8 million euros). Demand was particularly high in the energy and infrastructure sectors (27 percent each). Nevertheless, demand was broadly diversified, with guarantees also being provided for projects in sectors such as the food and beverage industry and the construction industry. As a result, Ukraine now ranks second among the top 10 markets in terms of the number of guarantees, with 65 guarantees and a guarantee portfolio of around 558 million euros.

Crisis management and claims payments

Russia's war of aggression against Ukraine and the political environment for German investors in Russia remained the central challenge in 2025. During the reporting period, the Federal Government compensated several covered projects by German investors due to unlawful state measures in Russia. Due to the complexity of the compensation procedures, the processing of compensation claims that have already been submitted is still ongoing in some cases. In view of the continuing threat of interference by the Russian administration in German investment projects, further compensation claims appear likely.

In addition to dealing extensively with compensation claims, the Federal Government also provided diplomatic support for projects by German companies abroad as part of its crisis management efforts this year and helped to find appropriate solutions to a wide range of problems by involving German missions abroad.

In addition to the need for support resulting from Russia's war of aggression, crisis management focused on covered projects in Algeria, India, Iran, Kuwait, Libya, Peru, and Senegal. Most recently, the German government was also able to successfully support a project in Egypt with the intensive involvement of the Embassy of the Federal Republic of Germany, thereby averting damage. Overall, this approach has **prevented** damage to German investments with a coverage volume of more than 1.5 billion euros over the last ten years.



[Crisis management by the Federal Government](#)



Project example: Operation of a farm for growing plant cuttings in Uganda

The German government is granting Gemini Green GmbH & Co. KG, a leading horticultural company and part of the Selecta-One Group, an investment guarantee to hedge its stake in the project company Wagagai Ltd. against political risks. The aim is to secure the project in the long term, strengthen its competitiveness, and expand global export opportunities.

Wagagai has been operating in Uganda for over 25 years, employs more than 2,000 people, and exports more than 500 million cuttings annually. The company focuses on sustainable production methods and reduces environmental impact through resource-saving technologies.

The investment guarantee supports sustainable investments in developing and emerging countries, promotes Uganda's economic development, creates jobs, and strengthens the country's position in international horticulture.

Gemini Green GmbH & Co. KG,
Stuttgart



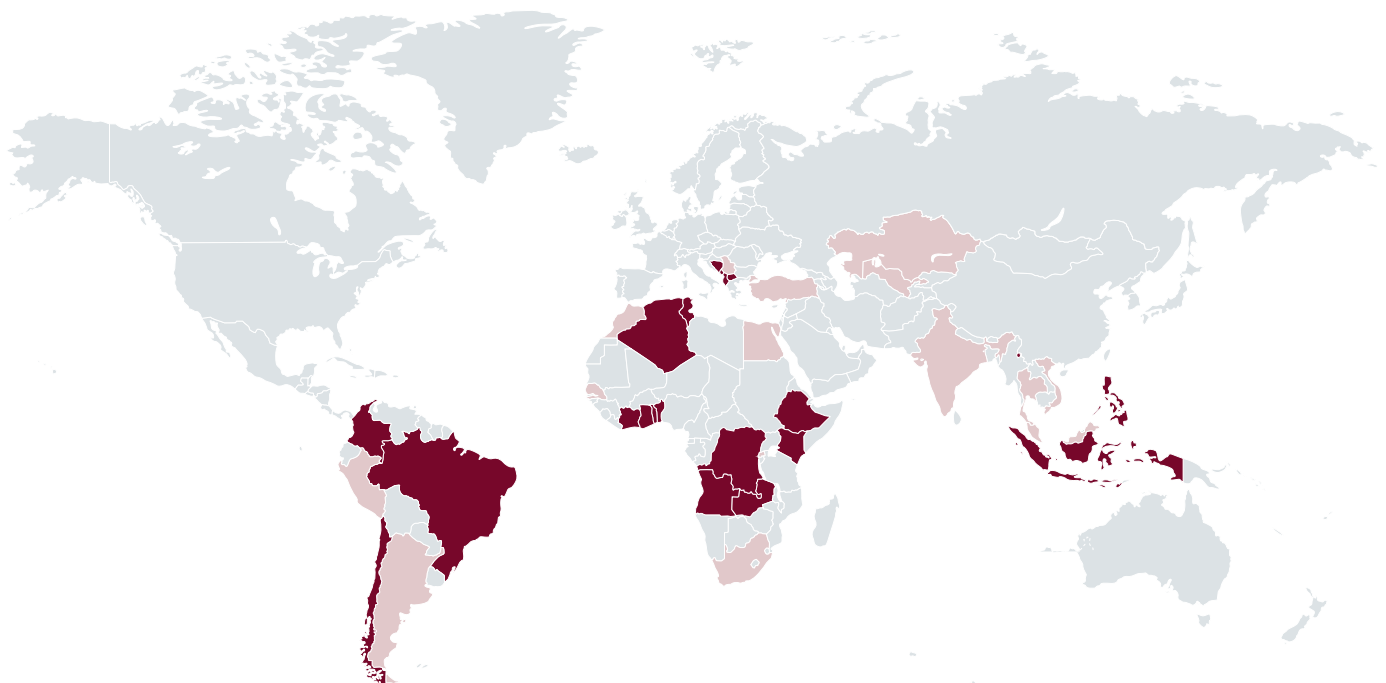
Diversification strategy

German companies are to receive even more effective support in tapping into new markets. To this end, the Federal Government is creating incentives for greater diversification of foreign trade relations and, since the end of 2023, has been offering favorable terms for investment guarantees in 36 countries. The concessions apply to a geographically balanced number of investment targets that offer good conditions for German companies but have so far received less attention from the business community and played a subordinate role in the investment guarantee portfolio.

The following incentives are being offered for projects in the selected countries:

- waiving of the application fee
- a reduced self-retention if an event of loss occurs (2.5 percent instead of 5 percent)
- a discount of 10 percent on the annual premium (for countries in OECD country risk categories 1–5)

Since the diversification strategy came into force, 58 applications in 15 diversification targets have been approved. Overall, the diversity of countries has increased significantly (2025: 19) since the introduction of the diversification strategy (2023: 14).

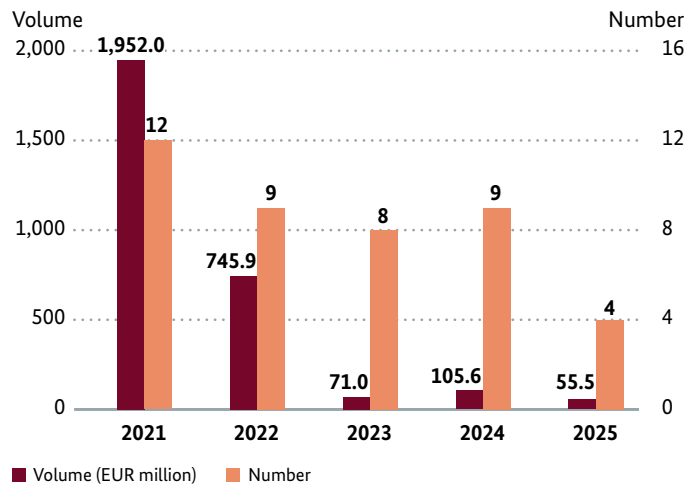


■ Diversification Markets ■ Diversification Markets – Strategy already applied

Part of the diversification strategy involves a moderate but targeted tightening of the conditions of cover for those countries which accounted for a disproportionately large concentration of covered projects in the past. In those countries which had a share of more than 20 percent of the overall cover volume of the scheme, the annual premium will be increased from the standard 0.50 percent to 0.55 percent of the investment volume covered by the guarantee concerned. In addition, a maximum cover

limit of 3 billion euros per company and host country (a so-called cover ceiling) has been introduced. This cover ceiling in particular has led to a significant decline in the assumption of new cover for major projects in the People’s Republic of China compared with previous years. In 2025, the volume of covered investments in the People’s Republic of China amounted to only around 56 million euros (2024: 106 million euros).

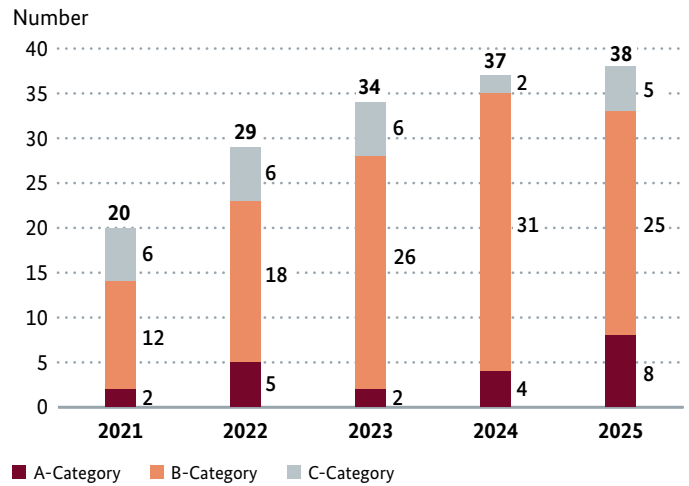
Accepted applications for the People's Republic of China



Eligibility of direct investments for cover

In order for an investment guarantee to be assumed, the project concerned must be assessed as being eligible to receive support. The prerequisite for this is that a positive impact both on the host country for the investment and positive feedback for Germany can be identified. On top of this, the environmental, social and human rights impacts connected with the direct investment are an important priority in determining eligibility. All projects covered by an investment guarantee must implement not only the national guidelines of the host country, but also international standards (the IFC Performance Standards of the World Bank Group) in the principal risk areas. For this reason, every project is first of all audited as part of the application procedure, the relevant project risks are identified and categorized (Category A for high risks, Category B for medium risks and Category C for low risks) and the impacts arising from such risks and mitigation measures considered. Annual monitoring is prescribed following assumption of the guarantee for A projects.

Year-over-year distribution of environmental categories by project



The requirements as to eligibility imposed by the investment guarantee scheme ensure that the covered projects are environmentally, socially and economically sustainable. The investment guarantee scheme supports the mobilization of investments in less developed countries. Thus, covered projects in 2024 involved a total investment volume of one billion euros. In addition, the covered investments created or secured a total of some 6,200 jobs in the host countries. It can be assumed that the number of jobs created through indirect employments effects is in fact much higher.



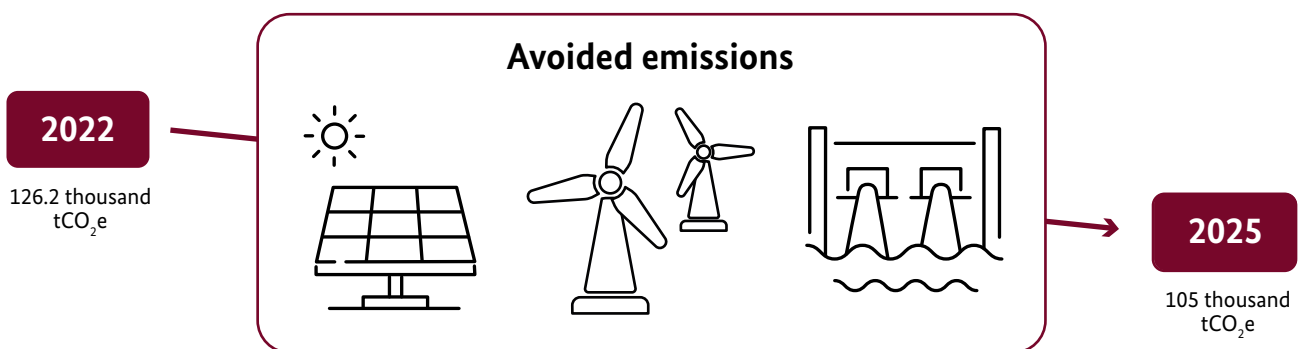
[Assessment of ESHR issues in accordance with national and international standards](#)

The Federal Government actively supports the internationally agreed goal of limiting the global temperature rise to 1.5 degrees Celsius. With the climate strategy for the guarantee instruments in foreign trade which came into force as of 1 November 2023, the investment guarantees were aligned with this pathway. In 2025, projects in the fields of renewable energies (RE), building materials, and recycling were classified as particularly climate-friendly and benefited from improved coverage conditions. In addition, the revision of the climate strategy has begun as planned.

Progress in implementing the climate strategy is measured using the portfolio’s greenhouse gas (GHG) balance. The balance includes all GHG emissions associated with the hedged investments. This balance was calculated for the first time for the year 2022. These results serve as baseline values for measuring future progress and changes in emission values. In the event of changes to the calculation

methodology or the data basis, a recalculation of the base year 2022 is planned to ensure the comparability of results over time. In 2025, the data system for investment guarantees was converted to a new database (CEDA: Comprehensive Environmental Data Archive), resulting in improved data quality. In the course of this conversion, the base year 2022 was recalculated accordingly. As of December 31, 2025, covered emissions¹ for the entire investment guarantee portfolio amounted to around 7.0 million tCO₂e². This corresponds to a reduction of 34 percent compared to the recalculated base year 2022, in which emissions amounted to 10.5 million tCO₂e. This significant decline can be explained, among other things, by a reduction in the hedged investment volume. This effect is further amplified by the fact that the projects released from liability or compensated in recent years were above average in terms of GHG intensity compared to the portfolio, while projects with lower GHG emissions were newly hedged during the same period.

Avoided emissions in 2022 and 2025



1 Emissions include both direct Scope 1 emissions and Scope 2 emissions from purchased energy for hedged projects.
 2 CO₂e stands for “CO₂ equivalents” and combines various greenhouse gases into a single unit of measurement based on their respective global warming potential.

For renewable energy projects, avoided emissions can also be calculated and reported separately in accordance with the internationally recognized Partnership for Carbon Accounting Financials (PCAF) “Financed Emissions” standard. This theoretical indicator shows how much emissions are saved by replacing fossil fuel energy projects, which contributes to decarbonization. As part of this year’s recalculation of the baseline values for the base year 2022, the calculation method for avoided emissions

was also adjusted. RE projects avoided emissions of 105 thousand tCO₂e in 2025. This represents a decline compared to the base year 2022, which is due to the (partial) release of liability for individual renewable energy projects in the DIA portfolio (e.g., through the repayment of covered loans). This effect is reinforced by the fact that comparatively few new renewable energy projects were covered in 2025 and projects in the portfolio have not yet gone into operation.



[Focus Climate Strategy](#)

Results of the Investment Guarantee Scheme



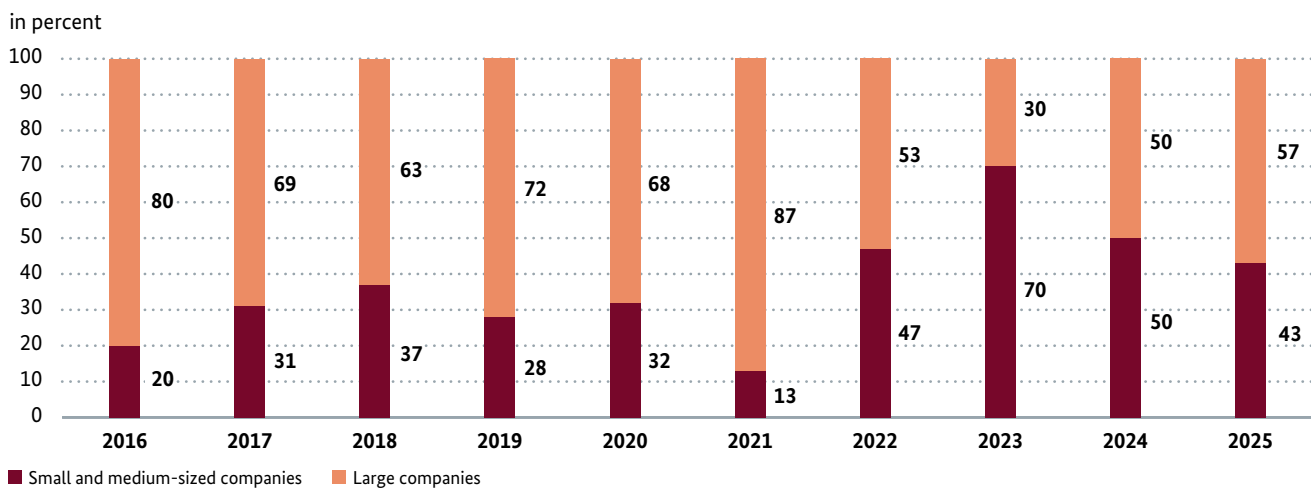
Results of the Investment Guarantee Scheme

The guarantee portfolio amounted to 22.1 billion euros at the end of 2025. Since 2014, Asia has led the guarantee portfolio ahead of South and Central America, followed by (Eastern) Europe and Africa. In the **top 10 markets** by number of guarantees in the guarantee portfolio, Ukraine has now moved up to second place due to the large number of newly assumed guarantees. The industrial sector continues to rank first, with the construction, automotive, and energy industries leading the way. In terms of the guarantee portfolio, “equity investments”

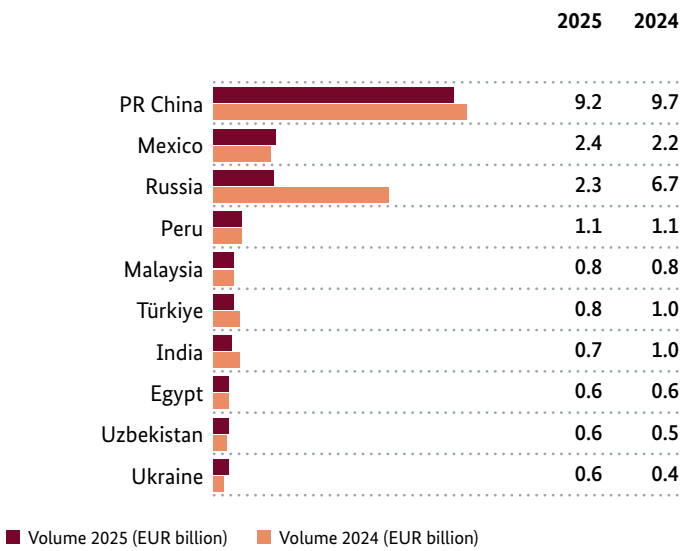
have been significantly ahead of other **insurable forms of investment** such as “equity-like loans,” “other asset rights,” and “endowment capital” for years (number: 75 percent; volume: 82 percent).

The capital cover in the portfolio of **pending applications** amounted to 3.5 billion euros at the end of 2025, which was similar to the previous year (3.7 billion euros). These are often applications submitted to meet deadlines, which are then completed by the applicants during the course of the actual implementation of the projects and submitted to the Interministerial Committee for a decision.

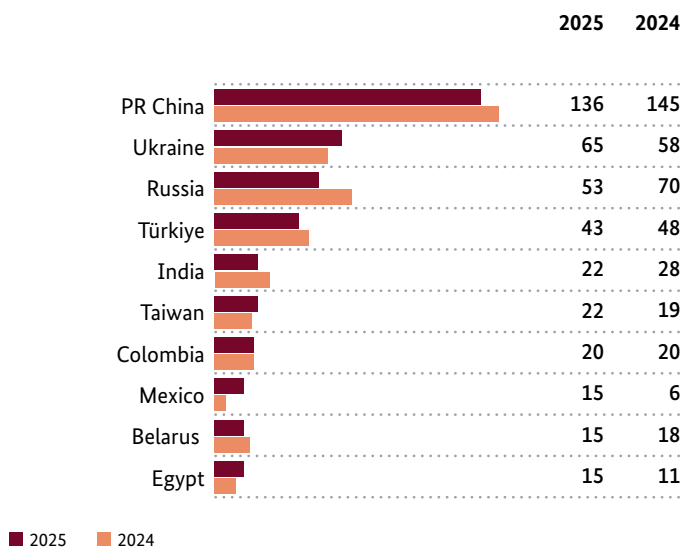
Approved applications by company size



**Top 10 markets by guarantee portfolio
Volume of guarantees in 2025**



**Top 10 markets by guarantee portfolio
Number of guarantees in 2025**



The Federal legislature sets a statutory maximum exposure for the cover of foreign direct investments and other guarantees in connection with untied loans (UFK-guarantees) annually in the Federal Budget Law (§ 3 Par. 1 sentence 1 number 2 letters a and b). This currently stands at 70 billion euros.

The total exposure of the Federal Government for investment guarantees at the end of 2025, at 22.1 billion euros, was 5.3 billion euros lower compared with the previous year (end of 2024: 27.4 billion euros). The maximum liability under all guarantees newly issued in 2025 stood at 1.1 billion euros and was mainly accounted for by projects in Mexico, Ukraine and Argentina. At the same time the outstanding commitments decreased by 6.4 billion euros, mainly due to the expiry of the term of guarantees, repayment of loans, sales of investment projects as well as through fair value adjustments of guarantees.

The number of guarantees in the portfolio (585) fell slightly compared with the previous year (597). The number of policyholders at the end of 2025 decreased slightly compared with the previous year (2025: 198; 2024: 202). The guarantee portfolio comprised projects in 55 target countries, with the volume continuing to be predominantly concentrated on projects in Asia (57 percent). This was followed by projects in Central and South America

and (Eastern) Europe (18 percent each) and, in fourth place, projects in Africa (7 percent). In terms of the volume of projects covered, the People’s Republic of China accounted for the highest value at 9.2 billion euros, followed by projects in Mexico (2.4 billion euros), Russia (2.3 billion euros), Peru (1.1 billion euros), and Malaysia (0.8 billion euros). Together, the projects covered in these five countries account for 72 percent of the total exposure.

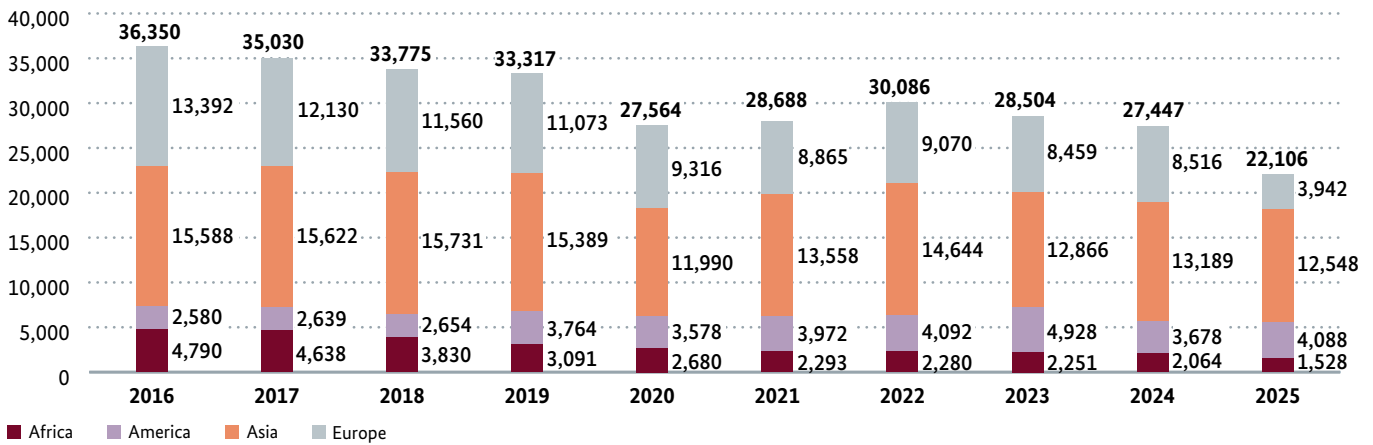
Industries and sectors by number of guarantees in the guarantee portfolio

in percent and number



Maximum liability (commitment) 10-year overview by region

in EUR million



Development of the valued guarantee portfolio in billion EUR

27.4 Status at the end of the 2024

1.1 New exposure

1.1 New in 2025

-6.4 Total reduction

-5.6 expired, repaid, compensated

-0.1 terminated

-0.7 not/partly realized

22.1 Status at the End of 2025



[Fundamentals of the Investment Guarantees](#)



[Application Investment Guarantees](#)

Service and contact information

Investment guarantees from the Federal Republic of Germany

Investment Guarantees have been an established and effective foreign trade promotion instrument of the Federal Government for decades. Investment Guarantees protect eligible German direct investments in developing countries and emerging economies against political risks. This promotion instrument plays an important role in fostering economic growth as well as in protecting and creating jobs both in the host country and in Germany. The Federal Government commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) to manage the federal funding instrument Investment Guarantees. Information on other foreign trade promotion instruments of the Federal Government can be found at <https://www.bundeswirtschaftsministerium.de> under the heading Promotion of foreign trade and investment.

Notes

Rounding differences

For reasons of calculation, tables and figures may show rounding differences of +/- 1 unit (EUR, % etc.).

Small and medium-sized enterprises

Enterprises with a workforce up to 2,000 or a turnover of up to 500 million euros and not belonging to a larger group of companies.

Legal information

The project reports used in this publication were written or authorized by the respective enterprises.

Service

Further information as well as detailed consultation concerning the cover available may be obtained from PwC. You can also access basic information on the investment guarantees of the Federal Republic of Germany on the Internet at <https://investitions Garantien.de/en>.



[Contact Person Investment Guarantees](#)

