

## Macro Roundup Article

**Headline:** [Germany's Niche Companies Are a Model for Life After Globalization](#)

**Article Link:** <https://www.bloomberg.com/opinion/features/2023-04-11/germany-s-economic-future-depends-on-its-non-fortune-500-companies?sref=U3dOGIDF>

Author(s)	Adrian Wooldridge
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**Summary:** The real engine of the German economy is not the big corporations but middle-sized companies that you've probably never heard of — companies that management gurus have dubbed “mighty minnows” (Tom Peters), or “hidden champions” (Herbert Simon) and the Germans call the “Mittelstand.” Germany only had 28 companies in the Fortune 500 in 2020 compared with China's 134, America's 130, Japan's 62 and France's 40. But it has more than a thousand companies that rank in the top three in their respective markets. Poeschl Tabak GmbH has 50% of the world market in snuff, for example; Flexi has 70% of the market for retractable dog leads. All told, the Mittelstand accounts for the overwhelming majority of businesses in Germany, and some 60% of all jobs. These companies are “hidden” in three senses: They dominate tiny global niches; they prefer to keep themselves to themselves and they are usually located in small towns.

**Primary Topic:** Investment

**Topics:** Factoid, GDP, Investment, News article, Productivity, Trade (not deficits)

**Permalink:** <https://www.edwardconard.com/macro-roundup/germanys-mittelstand-are-well-positioned-to-continue-to-thrive-as-their-relatively-small-global-niches-may-help-insulate-them-from-new-entrants-markets?view=detail>

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