

Press release

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Biotech in Germany has significant potential, but lack of collaboration hampers growth

A joint report by the [Institute for Deep Tech Innovation \(DEEP\)](#) at [ESMT Berlin](#) and the [Bertelsmann Stiftung](#) highlights Germany's immense innovation potential in the biotech sector. However, this potential remains underutilized.

The report "Assessing Deep-Tech Innovation Hubs in Germany: The Case of Biotechnology" evaluates Germany's performance in deep-tech innovation within biotech using a comprehensive index and examines five key hubs: Berlin, Heidelberg, Munich, Nuremberg-Erlangen, and Stuttgart. These hubs were analyzed in terms of fundamental research, research and development in biotech, startup activity, public infrastructure, and business environment.

Berlin, Munich, and Heidelberg are the leading biotech hubs

Berlin leads the index due to its strong public infrastructure and extensive clinical research. Munich follows in second place, excelling in startup support and late-stage financing. Heidelberg ranks third, distinguished by its strength in fundamental research. Nuremberg-Erlangen benefits from a specialized ecosystem in medical technology, while Stuttgart boasts a highly diversified economic structure with strong potential for interdisciplinary innovation.

"Biotech is essential for addressing challenges in healthcare and climate protection and has the potential to drive groundbreaking breakthroughs," explains [Francis de Véricourt](#), professor of management sciences, Joachim Faber Chair in Business and Technology, and academic director of the DEEP Institute at ESMT. "For the first time, our index provides a structured evaluation of Germany's biotech hubs across the entire value chain." The study covers an eight-year period.

"Despite their unique strengths, most leading biotech hubs have seen a decline in their ability to transform research into market-ready solutions over the past decade. Apart from Munich, all top hubs have lost efficiency, despite a temporary boost during the COVID-19 pandemic," explains Daniel Posch, innovation expert at Bertelsmann Stiftung.

Germany's biotech sector falls short of its potential

Germany has strong conditions for biotech innovation, including world-class fundamental research in several future-oriented fields, a robust industrial base in the chemical and pharmaceutical industries, and a steady influx of international science, technology, engineering, and mathematics (STEM) students. However, the country is not fully capitalizing on its research strengths, leaving significant economic potential untapped. This is mainly due to a weaker knowledge transfer into market-ready applications compared to international peers.

"Germany's innovation potential is essentially lost in translation," says Posch. Technology transfer in deep tech is inherently challenging due to high technological and economic risks. Moreover, the comparatively high fragmentation of Germany's biotech landscape creates additional hurdles.

To enhance innovation dynamics in the domestic biotech sector, de Véricourt sees potential in targeted collaboration among Germany's leading hubs: "Our research shows that German biotech hubs have different but often complementary strengths. Expanding and better connecting these key domestic hubs could transform them into an integrated ecosystem."

In addition to fostering collaboration and networking—also on a European level—resources should be strategically allocated to support a select few, particularly promising German hubs. This approach could help achieve a critical mass of research and entrepreneurship in the medium term. Posch adds, "Future policy initiatives in this sector should prioritize excellence over broad-based funding."

The full report "*Assessing Deep Tech Innovation Hubs in Germany: The Case of Biotech*" can be accessed [here](#).

About ESMT Berlin

ESMT Berlin is a leading global business school with its campus in the heart of Berlin. Founded by 25 global companies, ESMT offers master, MBA, and PhD programs, as well as executive education on its campus in Berlin, in locations around the world, online, and in online blended format. Focusing on leadership, innovation, and analytics, its diverse faculty publishes outstanding research in top academic journals. Additionally, the international business school provides an interdisciplinary platform for discourse between politics, business, and academia. ESMT is a non-profit private institution of higher education with the right to grant PhDs and is accredited by AACSB, AMBA, EQUIS, and ZEvA. It is committed to diversity, equity, and inclusion across all its activities and communities. esmt.berlin

About the DEEP Institute at ESMT Berlin

The Institute for Deep Tech Innovation (DEEP) at ESMT Berlin is dedicated to advancing deep-tech innovation by fostering dynamic ecosystems that accelerate technology transfer and the global scaling of startups. Through strategic collaborations with research institutions, corporations, and investors, DEEP cultivates science-based innovations. By pioneering transformative initiatives, the institute empowers a new generation of deep-tech innovators to shape the technological future of Europe.

About Bertelsmann Stiftung

Bertelsmann Stiftung is one of Germany's leading think tanks on innovation policy. It strives to explore how innovation can drive both positive societal change and economic competitiveness. Serving the public good and achieving sustainable impact are fundamental principles guiding its work. To this end, Bertelsmann Stiftung conducts evidence-based studies, identifies good practices in Germany and internationally, formulates actionable recommendations for policymakers and business leaders, and brings together stakeholders from business, academia, politics, and civil society.

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