Powering opportunity: connecting global capital with German investment

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As German managers expand internationally and global investors pursue opportunities in Germany, Martina Frisch explores how specialist partners can provide the local knowledge, cross-border infrastructure and operational discipline needed to support both.

The first of its kind, Invest in Germany Summit 2026 takes place in Berlin on 19 and 20 October. Its objective is to put Germany's investment ambitions in front of private markets fund managers and investors who can help turn them through long-term partnerships and investment opportunities.

The country has recently put in place its most significant public investment programme in recent history, a €500 billion Special Fund for Infrastructure and Climate Neutrality, which creates a long-term framework for modernising Germany's economy and stimulating additional private investment. For private markets the ask is beyond capital, it is to support the government commitment to turn Germany's economic ambitions into investable projects that can be efficiently delivered, at scale.

According to PwC's survey of 250 partners and managing directors at European private equity firms, 66% of respondents held investments in Germany during the 2025 observation period, compared with 58% a year earlier. Among those already invested, 97% planned follow-on investments over the subsequent five years and 56% intended to increase their allocation. Across the DACH region, comprising Germany, Austria and Switzerland, PwC recorded 557 private equity transactions in 2025. Although the number of deals declined by 3% in 2025 (compared with 2024), aggregate value rose by 69% to €88.3 billion. However, the recovery was uneven. Megadeals drove much of the increase in European transaction value, while the mid-market remained subdued.

How can private capital expertise and public sector ambition work together?

For the German government and private markets, the combined opportunity lies in how they can complement each other's skillsets. Across a variety of strategies and projects, private market investors can contribute long-term equity or debt, and all-important specialist sector knowledge and governance. They can also connect German projects and businesses with international capital and operating expertise.

This contribution is particularly relevant where Germany's public budgets and delivery agencies can't meet the investment requirements of large-scale infrastructure projects. As an example, a 2026 infrastructure report from the Bundesverband Alternative Investments identifies a €346 billion financing gap for German energy utilities until 2045, against total investment needs of €535 billion across electricity and gas networks and heat supply. The report argues that private capital must be part of the mix for the German economy's sustainable transformation.

However, whether these public-private partnerships are successful will depend on each participant assuming the risks it is best equipped to manage. This is also why private investors need to be involved before projects reach their final financing stages. As an example, regional infrastructure investors in the UK interviewed by Infrastructure Investor argued that institutions should be engaged early enough to help shape financing structures, risk allocation and delivery models. They also emphasised the importance of prioritising a manageable pipeline of deliverable projects rather than presenting investors with extensive but insufficiently developed proposals.

Although the German context is different, the principle remains that private capital is most effective when introduced as a delivery partner, not only as a source of financing.

How can local knowledge and global capability blend?

True of any market, success is driven by a better understanding of business best

practice in that jurisdiction. Credibility in Germany is strengthened by preparation, technical knowledge, consistency and long-term commitment. Being able to communicate in German and building local understanding also ensures communication is smoother and demonstrates a willingness to engage with managers and investors on their terms.

Local knowledge also includes familiarity with legal and investment structures, decision-making processes, regulatory expectations and the practical considerations involved in operating funds and investments across borders.

This is especially important in private markets, where relationships are years-long, extending across fundraising, investment, ownership periods, reporting and eventual exit. A partner's value is judged not only by its ability to support an initial fund launch or transaction, but also by whether it can provide consistency as the fund, portfolio and investor base develop.

To operate effectively in the country, investors and managers need to combine international capability with sufficient local understanding to create structures and processes that work for German managers, global investors and the jurisdictions in which their funds operate.

What is the role of multi-jurisdictional partners?

German managers operating internationally may invest across several European jurisdictions, raise capital from institutions in North America, Europe or Asia, and operate vehicles subject to different legal, regulatory and reporting requirements. International managers entering Germany face the corresponding challenge. They need to understand local opportunities and expectations while maintaining consistent governance and reporting across their wider platforms.

This is where specialist fund administration plays an important partnership role. Combining local knowledge with multi-jurisdictional capabilities can help managers coordinate fund accounting, investor servicing, reporting, cash management and regulatory obligations across the fund lifecycle.

That operating discipline is becoming more important as private market platforms grow in scale and complexity. PwC's 2026 mid-year private-capital outlook describes a more selective market in which resilient firms are strengthening their use of data and operating infrastructure, while McKinsey similarly characterises

the environment as more technical and demanding, with disciplined execution becoming increasingly important.

Specialist administration helps to reduce operational friction, improve the consistency of information and helps managers maintain oversight as fund structures and investor requirements become more complex.

How economic opportunity becomes an investable reality?

While the upcoming conference is a showcase of German opportunities, there is already a growing international appetite for German assets.

In September 2026, CVC DIF had agreed to acquire a majority stake in Frankfurt-based data-centre operator Firstcolo, subject to completion, with plans to use the company as a platform for expansion in Frankfurt and other German markets. While Infrastructure Investor recently reported that, as at 31 March 2026, Germany represented 6% of the Japan Government Pension Investment Fund's infrastructure portfolio.

Coupled with interest in their assets are Germany's fiscal reforms which have created additional investment capacity. Yet many of the obstacles that determine whether projects succeed remain, such as planning, permitting, procurement, construction capacity and project economics.

Private markets can help finance German infrastructure, support growing businesses and contribute to the transformation of the country's industrial economy. However, powering the pipeline between international capital and German opportunity must be built by a network of managers, investors, public bodies and their partners combining international reach with local commitment. International firms seeking opportunities in Germany will need also to invest in the people, relationships and infrastructure to become a productive part of this burgeoning market.

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