Germany is increasingly attracting qualified migrants

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Demand for skilled workers and qualified migrants growing

The German economy's demand for skilled workers is growing. However, the working population in Germany will shrink considerably due to demographic developments. According to IAB estimates, the potential labour force will decline by 6.9 million (-15%) by 2025 without immigration and if the labour force participation rate remains constant.

Currently Germany benefits from a high level of immigration of skilled workers. This can help minimise the bottleneck in skilled workers at least in the medium term.

Net immigration and employment of highly qualified foreigners in Germany on the rise

In 2011 and 2012 net migration to Germany reached its highest level since 1997 so that Germany's population is actually slightly increasing again.

The majority of migrants come from other European countries (2011: 75.8%; EU 27: 62.1%).

It is worth noting that more and more qualified foreigners from both EU and non-EU countries are pursuing employment in Germany that is subject to social security contributions.

Reasons for this include improved legal framework conditions and a good economic situation

Since 1st May 2011 the unrestricted free movement of workers applies to the eight new EU member states of Poland, Hungary, Czech Republic, Slovakia, Slovenia, Estonia, Latvia and Lithuania. A total of 252,184 non-Germans migrated from these countries to Germany in 2011 (+44% compared to 2010). Poland has for many years been the main country of origin of those coming to Germany (2011: 163,414).

In addition, the positive development on the German labour market is encouraging more migration from the European crisis countries (2011: 82,818 non-Germans from Greece, Italy, Portugal and Spain; +45% compared to 2010).

Furthermore, in 2011 nearly 26,000 skilled workers arrived from countries outside the EU. The EU Blue Card, which went into force on 1st August 2012, greatly eased labour market access for highly qualified foreigners from non-EU countries and will likely lead to a further increase in the flow of migrants to Germany. After six months 4,000 Blue Cards were granted, considerably more than expected (3,500 per year).

Increasing global competition for skilled workers requires further action

As part of the immigration debate it is often ignored that each year hundreds of thousands of people leave Germany. Already since 2005 there have been more German citizens leaving than entering Germany.

Due to global demographic change the global competition for qualified skilled workers is set to rise further in the long term.

In order to keep foreign skilled workers in Germany in the long term, and in order for Germany to assert itself in global competition for work migrants, it is critically important to establish a welcoming culture and to successfully integrate migrants and their children who are already living here.

Policy measures to deal with demographic change must also target the domestic potential labour force. Key measures include targeted investments in (further) education and family policy issues which enable higher rates of labour participation for parents.

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