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German Industrial Competitiveness and the Metaverse

By **Hosuk Lee-Makiyama** and **Robin Baker**, *Director and Economist at ECIPE*

Brussels, 15 February 2024 - [New ECIPE report](#) in the wake of EU and German strategies for immersive technologies.

The metaverse is the next iteration of the internet as an immersive, 3D, virtual, shared world where activities can be carried out with the help of extended reality services. But it is much more than headsets and virtual games. The metaverse is increasingly conceptualised in tandem with Industrie 4.0 innovations at the centre of productivity growth over the next decade.

The IMF and the OECD both expect Germany to be the worst-performing leading economy in the world in 2023. Beyond recent shocks, German competitiveness is being steadily eroded by structural factors. In this context of sclerotic growth, immersive technologies show much promise.

As well as enhancing the productivity of existing operations, immersive technologies and smart factories can enable the reshoring of profitable activities back to the German economy, particularly in technology and engineering.

But these economic gains are not inevitable. Neglecting immersive technologies would have a significant effect on Germany's remaining competitive advantages. The costs of late adoption are only underscored by the current salience of global competition. US firms have a strong track record of successfully integrating internet products into industry, while China and its own technology giants are developing strategic initiatives to capitalise on the metaverse.

Publication details: [German Industrial Competitiveness and the Metaverse](#), ECIPE Occasional Paper No. 02/2024,

This Occasional Paper is also **available in a German-language version:** [Wettbewerbsfähigkeit der deutschen Industrie und das Metaverse](#).

Contact the author: Hosuk Lee-Makiyama, hosuk.lee-makiyama@ecipe.org

Media inquiries: info@ecipe.org or +32 2 289 13 50