

Biodiversity – an underestimated economic factor for Germany

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More than 50 per cent of the world's gross domestic product depends directly or indirectly on intact ecosystems – pollination, fertile soils, clean water and climate regulation. According to the World Economic Forum, the economic value of the services provided by nature is between USD 44 and 150 trillion. The current rapid loss of this ecological "infrastructure" is jeopardising key foundations of prosperity, including in industrialised nations: 14 out of 18 ecosystem services studied are declining.

Ecosystem services

Direct and indirect contributions of intact and species-rich ecosystems that benefit people. These include food, water, raw materials and regulatory services such as greenhouse gas sequestration and water purification. Intact ecosystems protect against floods, droughts and other natural disasters and thus make a key contribution to the stability of the economy and society.

Biodiversity secures resources and supplies

For the German economy, the decline in biodiversity means rising commodity prices, unstable supply chains and growing climate risks. According to the European Central Bank, around 75 per cent of EU companies are highly dependent on ecosystem services. In sectors such as agriculture, construction, chemicals, tourism and energy, security of production and employment even depend directly on the state of nature. Prevention is much cheaper than restoring biodiversity: according to the EU Commission, every euro invested in nature conservation can save up to EUR 38 in follow-up costs.

Regulation ensures fair competition

With the Kunming-Montreal Global Biodiversity Framework (GBF), the EU Biodiversity Strategy 2030, the Corporate Sustainability Reporting Directive (CSRD) and the new EU Regulation on Deforestation-Free Supply Chains (EUDR), companies must disclose nature-related risks and assume responsibility along global supply chains. The "Taskforce on Nature-related Financial Disclosures" (TNFD 2024) sets new market standards: 620 organisations with total assets of more than 20 trillion US dollars have already committed to nature-related reporting.

This increases regulatory pressure on companies – at the same time, transparency enables fair competition, including for investors. And new markets are opening up for sustainable raw materials and financial products or nature-positive innovations, for example in biotechnology, certification or monitoring. Biodiversity is thus becoming a key competitive and investment issue.

Green economy drives development

The additional business potential of the green economy is gigantic: the World Economic Forum estimates that a nature-positive economy could generate a global business value of USD 10.1 trillion annually by 2030. In addition, 395 million future-proof jobs will be created. Already, the green economy is estimated to be worth USD 8 trillion on the stock market in 2024.

Through green bonds and innovative financial instruments, biodiversity targets are directly linked to capital flows and thus act as an economic lever: they stabilise global markets, create investment security and strengthen

Germany's role in a nature-positive global economy.

German companies benefit from German help abroad

By promoting sustainable supply chains through biodiversity conservation projects, advising companies and governments in partner countries on disclosure requirements, and helping to shape international standards, German development cooperation contributes to fairer competitive conditions worldwide and to the transparency of global value chains. German companies also benefit from these framework conditions.

By investing in forests, wetlands, coastal, marine and agricultural ecosystems in the partner countries of German development cooperation, the natural resources on which numerous value chains in Germany and Europe depend are protected. In this way, the projects not only strengthen local livelihoods, but also secure the supply of European markets, contribute to preventing migration and mitigate climate-related production losses. A high level of biological diversity also protects against animal-to-human disease transitions, thereby preventing pandemics – and thus major global economic losses.

Biodiversity is therefore a strategic economic factor. Protecting them is not an environmental issue, but a prerequisite for food security, climate resilience and competitiveness – both nationally and globally. ■