

STRENGTH DESPITE POLITICAL UNCERTAINTY – GERMAN COMPANIES EXPANDING THEIR FOOTPRINT IN THE US

- **Investment:** 84 % of German subsidiaries in the US plan to increase their investments over the next 3 years. 27 % without a production facility plan to build one in the next 3 years, excluding professional services and logistics firms
- **Workforce:** 88 % plan to grow their US workforce by 2029
- **Global impact:** 74 % of companies report US revenue and 72 % report profits as significant or dominant in their global company results
- **Tariffs:** 81 % expect impacts from potential tariffs to affect their business in the US

Orlando, FL [February 28, 2025] – The German American Chambers of Commerce (GACCs) published the **2025 German American Business Outlook (GABO) results** today at the German American Executive Summit. With 207 respondents from German companies active in the US, this report offers a first look into German companies' expectations for transatlantic business in the coming years.

"The 2025 German American Business Outlook reaffirms the strong and enduring commitment of German companies in the US market. Year after year, we see growing investments that drive innovation, expand manufacturing, and create high-quality jobs across the country. This continued growth underscores the deep economic ties between Germany and the United States, fostering a business environment that is resilient, forward-looking, and built for long-term success."

- Matthias Amberg, Chairman of the German American Chambers of Commerce

Strength of German Companies in the US Drives Investment & Optimism

German companies expect a strong US market in 2025, with 95 % predicting economic growth. Out of these, 37 % predict strong or very strong growth — significantly more positive than 2024.

This positivity also extends to German investment, where 84 % of respondents plan to invest in the US over the next 3 years. Of those, 43 % plan to invest more than \$5 million. Specifically, regarding manufacturing investments, 27 % of German subsidiaries without a production facility plan to build one in the next 3 years (excluding professional services and logistics firms). This continues a trend of increased investment year-over-year for more than a decade, with a compound annual growth rate of +7.6 %. The main reasons cited for this ongoing investment are the US market size & customer demand as well as proximity to the customer base.

Growth requires making workforce a priority: 88 % of the surveyed German subsidiaries plan to grow their US workforce by 2029, especially in the industrial manufacturing, automotive, and construction & infrastructure sectors. In 2025, 32 % predict strong or very strong growth of their US workforce, up from 22 % in 2024.



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First Signs of Divergence

Noticeably, fewer companies report staffing, manufacturing and R&D growth at their German headquarters coupled to their US growth; despite +2.1 % export growth* in 2024 from Germany to the US. For example, in 2024, 40 % of companies cited US growth as a driver of production expansion in their German operations. This is now down to only 28 %. Similar data holds true for both German employment and R&D activity.

Despite this, three-fourths of German companies report their US revenues and profits as significant or dominant in their global company results, an increase from 2024. As one respondent summarized, “‘Local for local’ will be the driving engine within the US market this year.”

* Federal Statistical Office of Germany, 2024

The US and Germany Face Similar Challenges, with Differing Local Concerns

Among leading concerns for both countries are political uncertainty and inflation/cost increases. However, these challenges do not stop German companies from investing in the US. Still, companies would like the new administrations in both countries to prioritize reducing inflation.

Countering the optimism, 81 % of German companies in the US expect the Trump administration’s potential tariffs to affect their business, one in four to a great extent. In addition, 93 % report challenges finding skilled workforce. Visa & immigration matters and trade tensions are top concerns for their US operations.

For Germany, market and political uncertainty (62 % & 41 %), growing bureaucracy (45 %) and declining domestic demand (35 %) are key concerns for the surveyed companies. Respondents urge the new German administration to address these challenges.

Conclusion & Outlook

German subsidiaries in the US have confidence in the US market, continuing their investments in 2025 and beyond. Their US operations are driving revenue and profits for their global groups. However, signs of divergence are present. The responding companies share concerns regarding political uncertainty and inflation/cost increases for the US and German markets and push for support from the new administrations.

About the German American Chambers of Commerce

The German American Chambers of Commerce (GACCs) have five main offices located in Atlanta, Chicago, New York, San Francisco, and Washington, D.C. as well as branches in Detroit and Houston. The GACCs cater to an extensive network of members and National Partners with a wide variety of services for market entry USA, apprenticeships in the US, and industry events for their German American business network.



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About the German American Business Outlook

Conducted annually since 2009 by the German American Chambers of Commerce, the German American Business Outlook (GABO) is a survey of German subsidiaries in the US assessing current economic developments and trends in transatlantic business. This year's survey was conducted in January 2025, with 207 respondents from German companies active in the US market.

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