

Press Release

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German Companies Expect to Continue to Outperform Market Lack of skilled workers remains key challenge

New York City, December 14, 2015 – German companies in the US continue to grow, hire and invest. The German American Business Outlook (GABO) 2016 reports that 97% of German firms expect positive revenue growth, and 75% plan to expand their workforce in 2016. GABO is an annual survey highlighting the state of German companies in the United States, their outlook for future growth, and the attractiveness of the US as a business location. It is conducted by the German American Chambers of Commerce, the Representative of German Industry & Trade, and Roland Berger Strategy Consultants.

While confident in a moderately growing US economy, German subsidiaries expect strong revenue growth to continue. Due to the strong demand for their products and services, German firms are not only focusing on introducing new product lines and investing in research and development. 41% more companies than in 2015 are also planning to expand their manufacturing capabilities to meet the sustained demand.

In order to keep up with their growth prospects, German companies continue to search for qualified employees – and look at the labor market in the US critically. Martin Richenhagen, Chairman of the German American Chambers of Commerce of the USA highlights: “With German firms ready to expand, skills remain a key topic for German-American businesses. While three-quarters of our respondents plan to hire, the labor market’s current skills gap remains a challenge for 69%. As a result, German companies see investments in education and better access to a skilled workforce as critical factors to make the U.S. even more competitive.” To facilitate a fast and sustainable development for skilled workers, the GACCs are supporting several vocational training initiatives in cooperation with companies, partner organizations, and educational institutions throughout the United States.

TTIP, which would reduce tariffs and improve market access, remains important for many companies. “Last year alone, German companies invested \$224 Billion in the US. They would not only benefit from TTIP, but also from a Trans-Pacific Partnership (TPP), which will be voted on soon” says Dr. Thomas Zielke, Representative of German Industry and Trade.

The 2016 GABO also revealed that the topic of Industry 4.0 and the Industrial Internet of Things is receiving more attention. The main benefits German companies expect are the automation of production processes and enhanced external connectivity with customers and suppliers. Data security and the actual implementation of cyber-physical systems remain the top challenges, and companies of all sizes will need to address those issues to reap the rewards of smarter production.

For the sixth consecutive year, the German American Business Outlook (GABO) monitored the state of 1,900 headquarters of German-owned subsidiaries in the U.S. The 2016 survey findings and those from previous years can be accessed at www.ahk-usa.com/gabo,

About Us:

The **German American Chambers of Commerce** (GACCs) in Atlanta, Chicago, Detroit, Houston, New York, Philadelphia, and San Francisco all work together under the network of AHK USA. With approximately 2,500 members and an extensive national and international business network, the GACCs offer a broad spectrum of activities and services. news@ahk-usa.com, www.ahk-usa.com

The **Representative of German Industry and Trade** (RGIT) is the liaison office of the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK) in Washington, D.C., RGIT represents the interests of the German business community vis-à-vis Congress, the U.S. administration and the international organizations based in Washington, D.C. info@rgit-usa.com, www.rgit-usa.com

Roland Berger Strategy Consultants, founded in 1967, is one of the world's leading strategy consultancies. With 45 offices in 33 countries, the company has successful operations in all major international markets. Annually, it generates about USD 900 million in revenues with 2,500 employees. The strategy consultancy is an independent partnership exclusively owned by about 180 partners. info@us-rolandberger.com, www.rolandberger.com