

Press Release



“New Decade, New Growth”

Encouraged by 2010 Business Results, 69% of German Firms in the U.S. Look to Expand their Workforce in 2011

New York City, November 30, 2010 – After seeing a significant rebound in revenues in 2010, 91% of German companies in the United States expect positive growth for their operations in 2011, and 69% plan to create new jobs over the course of the year. While German-American businesses seem to have gotten a handle on exchange rate fluctuations, last year’s top cross border business risk has been replaced with a growing concern about potential raw material shortages on the global market.

These key findings come from the German American Business Outlook 2010, an annual survey evaluating transatlantic trade relations and assessing German investors’ projections for the U.S. economy. This fall, the German American Chambers of Commerce (GACCs) in cooperation with the Representative of German Industry & Trade and Roland Berger Strategy Consultants surveyed headquarters of 1,900 German subsidiaries in the U.S. 10% of senior management responded, over 80% of whose firms belong to the German *Mittelstand* (small and medium sized companies).

Firms streamlined their operations and focused on innovation and diversification during the economic downturn, expanding product portfolios to reach out to new customer segments. As a result, sales volumes increased for 66% in 2010. A majority of respondents will continue to drive product innovation while also expanding sales staff and entering new geographies in 2011.

Although clearly more optimistic in their individual outlook, most German firms see the U.S. economy on a good path as well: 63% expect positive growth in 2011, and 68% do not deem further stimulus measures necessary to sustain the current recovery. Speaking for the German American Chambers of Commerce, Benno Bunse, President & CEO of the New York office, noted: “Free trade remains the driving force for growth and employment in both the German and the American market.”

Currency fluctuations, named the top cross border business risk by 73% of German companies in 2009, in retrospect only had a negative impact on one third of companies in 2010, but continue to be a challenge. Two thirds of companies currently have hedging strategies in place to protect them from future volatility.

Going forward, raw material shortages on the global market are increasingly becoming a concern for the respondents. 54% see their operations as going to be adversely impacted over

the next 12 months, and 58% foresee moderate or strong impacts over the next 2-5 years. Two traditional German strongholds, the automotive and renewable energy sectors are particularly susceptible to this trend and were among those voicing the strongest concerns.

Total investment by German business in the U.S. reached \$218 billion as of year-end 2009. German companies support and employ 188,000 U.S. manufacturing workers and create over 650,000 American jobs.

The **German American Chambers of Commerce** (GACCs) in Atlanta, Chicago, 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. RGIT represents the interests of the German business community vis-à-vis both the U.S. administration and the international organizations based in Washington, D.C. info@rgit-usa.com, www.rgit-usa.com

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