



# German American Business Outlook

## Annual Survey among German Firms in the U.S.

### Executive Summary 2013

#### Key Take-Away:

**German firms are bullish about the 2013 U.S. market despite economic uncertainties on both sides of the Atlantic. Acting on this market confidence, 95% of firms expect business growth in 2013 and 86% of SMEs plan to hire, thus functioning as powerful engines for both German and U.S. economies.**

- 95% anticipate growth for their own business, while 87% expect a growing U.S. economy.
- 76% of all companies and 86% of SMEs plan to create new jobs in 2013 – an indicator for a very positive economic development.
- 2012 stayed slightly behind expectations in terms of sales volumes and headcount growth. However, sales volumes improved for 65% of firms in 2012, and on average, firms also experienced a slight improvement in sales prices.
- The majority of firms find themselves well positioned to focus on growth, expansion, and innovation by introducing new product lines, optimizing processes, and increasing their workforce in 2013.
- Reforming the tax system and developing an educated workforce are ranked as the highest priority economic and political long-term measures to improve the competitiveness of the United States.
- The crisis in the Eurozone, which has been dominating the global news for the last years, has no to moderate impact on most of the subsidiaries in 2012. In 2013 and in line with an expected depreciation of the Euro, this number increases slightly. Overall, firms reported fairly stable financing conditions and focus on strong to moderate strategic capital investment.
- After the U.S. Presidential election, companies expect the new administration to show greater commitment to economic improvement and the negotiation of a transatlantic trade agreement. Respondents believe that the incoming government will focus on the stabilization of the U.S. economy, followed by SME growth, and support for domestic manufacturing.

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1,900 Headquarters of German subsidiaries were approached for the survey in the fall of 2012. Approx. 12% of senior management responded, mostly from *Mittelstand* firms (German small-medium sized companies).