



TOP 50 U.S. COMPANIES IN GERMANY

**Update on the Status of
Transatlantic Business Relations**

**Assessment of Germany as a
Business Location**

November 2022

2022



Executive Summary



MAIN FINDINGS

- The year 2021 was successful for the TOP 50 U.S. companies in Germany and was driven by strong **post-pandemic recovery**.
- Especially companies in the service and IT industries experienced **organic growth** in 2021, and companies in the raw materials, energy, and chemicals industries benefited from **rising raw material prices**.
- Declining demand and **supply chain disruptions** resulted in a difficult environment for the automotive and supplier sectors in 2021.
- A high level of investments and M&A activities emphasizes the economic **attractiveness of the German market**, but also indicates continuous structural change in Germany.

OUTLOOK

- The outlook for 2022 and 2023 shows a **mixed picture**.
- The sharp rise of energy prices coupled with increasing inflation and interest rates has resulted in **declining GDP forecasts** from major economic institutes.
- Nevertheless, the TOP 50 U.S. companies in Germany were able to **further increase their revenues** in the first half of 2022 compared to the first half of 2021, and labor markets are robust. These both are stabilizing factors for the upcoming quarters.
- Even so, there are several **areas of action** for the German government. These include high energy prices and inflation rates, geopolitical tensions, and a growing talent shortage.

Table of Contents

| | |
|--|----|
| Executive Summary | 2 |
| Strengthening Transatlantic Sovereignty by <i>Simone Menne</i> | 4 |
| Companies on a Prosperous Journey by <i>Christina Raab</i> | 5 |
| <hr/> | |
| I. REVENUE AND EMPLOYEE DEVELOPMENT | |
| <hr/> | |
| General Overview TOP 50 Companies in Germany and in the U.S. | 6 |
| Comparison Annual Revenue Growth of the TOP 50 | 7 |
| TOP 50 U.S. Companies in Germany | 8 |
| Individual Industries: Impacted to Varying Degrees in Germany | 10 |
| Employee Headcount & Revenue: Positive Outlook | 11 |
| Development of the TOP 30 U.S. Employers in Germany | 12 |
| TOP 30 Largest U.S. Employers in Germany | 13 |
| <hr/> | |
| II. TRANSATLANTIC RELATIONS | |
| <hr/> | |
| Transatlantic Business Relations: Facts & Figures | 14 |
| Transatlantic Partnership: Close, Stable, Based on Shared Values | 15 |
| <hr/> | |
| III. GERMANY AS A BUSINESS LOCATION | |
| <hr/> | |
| Survey Results: Challenges and Opportunities | 16 |
| Good Rating for Germany | 16 |
| Business Enhancement: U.S. Investors Contribute to Germany's Attractiveness | 18 |
| Strategic Chances: Germany as a Business Location | 20 |
| Business Expectations: Short-term and Long-term Challenges | 21 |
| International Trade: Need for Diversification | 22 |
| Scarce Goods: Energy and Semiconductors Are Most Important | 23 |
| Energy Scarcity: Rising Prices | 24 |
| Interest Rates: Little Impact on Investment | 25 |
| Dealing with Inflation: No Reduction of R&D Budgets | 26 |
| COVID-19: Concerns about Lockdowns | 27 |
| Digital Transformation: Cloud and Process Automation Are Key | 28 |
| Talent Crisis: Impacting Growth | 29 |
| Talent Crisis: Skilled Workforce in High Demand | 30 |
| About the Survey | 31 |
| About AmCham Germany and Accenture | 31 |
| Contact Information | 32 |



Strengthening Transatlantic Sovereignty

In the fall of 2022, our economy is facing major challenges from the war against Ukraine and ongoing uncertainty by the Corona pandemic. We are currently experiencing the greatest geopolitical and economic shifts in decades.

Global trade has been shaken, inflation is reaching levels not seen in decades, and a global recession is looming on the horizon. The energy landscape is also being reshaped. Across Europe and the U.S., governments, businesses, and civil society face challenges to democracy and freedom, and the transatlantic partners are also tasked with securing prosperity and jobs as well as driving digitalization and ecological transformation. Finally, we are seeing a strategic shift in defense policies and trade alliances.

From a transatlantic perspective, this presents us with a unique opportunity. For generations, Germany and the U.S. have been united by a stable partnership — especially in times of dramatic upheaval. In the face of current challenges, the transatlantic partnership is rising to the occasion and entering a new era. In light of these changes, it is necessary to strengthen the competitiveness, resilience, and responsiveness of the transatlantic economy, thus fostering U.S.-European sovereignty and innovation for decades to come.

In this brochure, we depict current investment sentiment among U.S. companies in Germany and how they currently assess transatlantic relations.

We stay confident in these turbulent times.

Enjoy reading.

Simone Menne
President
AmCham Germany



Companies on a Prosperous Journey

The TOP 50 U.S. companies in Germany enjoyed a successful 2021. Business was thriving, and direct investments between the two countries also grew significantly, further underpinning the importance of the transatlantic relationship. Service and IT industries in particular were able to bounce back and enjoy healthy post-pandemic revenue growth. At surface-level, 2022 looked uncertain, especially given the geopolitical situation, declining GDP forecasts, increasing cost of raw materials, and consumers' limited spending willingness. But despite all this, the TOP 50 U.S. companies in Germany confirmed improved revenue in the first half of 2022.

As companies today operate in circumstances of multi-dimensional, accelerated change, they must focus in order to keep up this momentum. This means pushing for total reinvention of the enterprise, while becoming a part of an unstoppable tech revolution and focusing on sustainability as well as talent management. For example, AI and the Digital Twin can future-proof much more than just engineering and manufacturing processes. Technology has the power to transform ways of working, customer interactions, create a more sustainable operation, and so much more. The right talent makes all of this possible and is a sought-after success factor. That requires new sources to bring skilled employees in, a culture to keep them, and a strategy to hone their skills.

U.S. companies in Germany find themselves on a prosperous journey — one well worth joining.

Christina Raab
Market Unit Lead Accenture ASG
Vice President, AmCham Germany

I. REVENUE AND EMPLOYEE DEVELOPMENT

General Overview TOP 50 Companies in Germany and in the U.S.

Increase in revenue and stable employee headcount in both countries.

Companies on both sides of the Atlantic have benefited from economic recovery after Corona.

- The number of employees of the 50 largest U.S. companies in Germany is stable. The number of employees in 2021 was around 275,000, compared to 275,500 in 2020 (-0.2%). In the U.S., the 50 largest German companies secured around 580,000 jobs. These figures reflect the robust labor markets in both countries.
- Foreign direct investment (FDI) and the number of M&A deals increased on both sides as well. This shows the mutual importance of business in both countries.
- Only the volume of M&A deals decreased. The year 2021 saw less large deals, but many small M&A deals, which speak for more careful expansion.

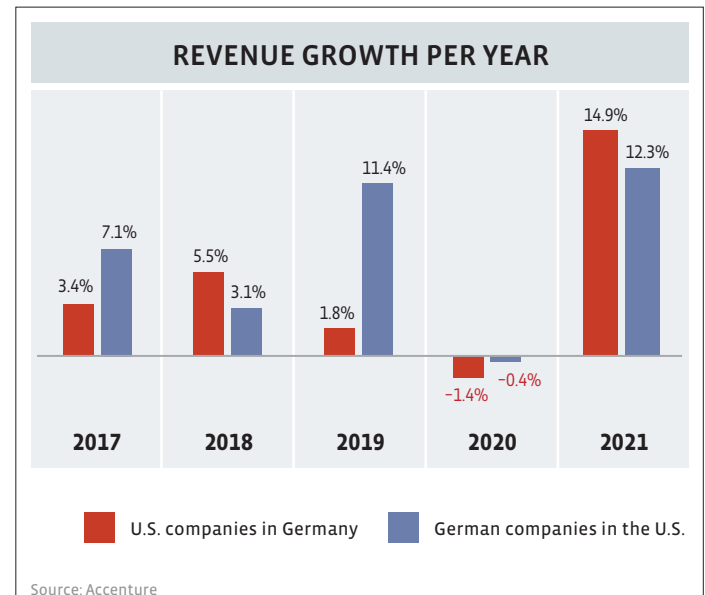
| 2021 | TOP 50 U.S. Companies in Germany | TOP 50 German Companies in the U.S. |
|---------------------------------|---|---|
| Revenues TOP 50 Total | 218 bn EURO | 443 bn EURO |
| Revenue growth | +14.9% ↑ | +12.3% ↑ |
| Employees (total) | 275,000 | 580,000 |
| Growth of number of employees | - 0.2% | + 1.9% |
| | U.S. Companies in Germany (total) | German Companies in the U.S. (total) |
| Foreign Direct Investment (FDI) | 201.2 bn EURO +16.5% ↑ | 477.1 bn EURO +20.3% ↑ |
| M&A Deals | 170 (+53.2% ↑) | 87 (+27.9% ↑) |
| M&A Deal volume | 19.4 bn EURO -30.0% ↓ | 27 bn EURO -38.1% ↓ |

Sources: AmCham Germany, Accenture, Capital IQ, Statista, Bundesanzeiger, Company Websites

Comparison Annual Revenue Growth of the TOP 50

Companies in the U.S. and Germany benefited from post-Corona recovery in 2021.

- The strong increase in consumer demand and the end of pandemic lockdowns boosted recovery on both sides of the Atlantic.
- During the height of the pandemic, the decline in TOP 50 sales in Germany was around three times greater than sales in the U.S. The TOP 50 U.S. companies in Germany had more to catch up on, which was one reason for their faster growth in 2021.



TOP 50 U.S. Companies in Germany

Refers to sales in 2021

| Company | Sales in 2021 (€) | Branch/industry |
|---|-----------------------------|----------------------------------|
| 1. Amazon Deutschland | 31,577,796,000 ² | Services and Trade |
| 2. Ford-Werke GmbH | 14,220,000,000 ¹ | Automotive |
| 3. ExxonMobil Central Europe Holding GmbH | 9,500,000,000 | Raw Materials, Energy, Chemicals |
| 4. GEHE Pharma Handel GmbH | 8,859,312,000 ² | Services and Trade |
| 5. TK Elevator GmbH | 8,000,000,000 ² | Mechanical Engineering |
| 6. John Deere GmbH & Co. KG | 7,910,000,000 ¹ | Mechanical Engineering |
| 7. Microsoft Deutschland | 7,730,000,000 ¹ | Telecom, IT, IT Services |
| 8. PHILIP MORRIS GmbH | 7,190,000,000 ¹ | Consumer Goods |
| 9. JET Tankstellen Deutschland GmbH | 6,987,729,000 ² | Raw Materials, Energy, Chemicals |
| 10. Google Deutschland | 6,520,000,000 ¹ | Telecom, IT, IT Services |
| 11. HAVI Europe Management GmbH & Co. KG | 5,380,000,000 ¹ | Services and Trade |
| 12. Tech Data GmbH & Co. OHG | 5,000,000,000 ¹ | Telecom, IT, IT Services |
| 13. Intel | 4,180,000,000 ¹ | Telecom, IT, IT Services |
| 14. Thermo Fisher Scientific Germany | 3,659,000,000 | Pharma |
| 15. GE Deutschland | 3,520,000,000 ¹ | Mechanical Engineering |
| 16. McDonald's Deutschland LLC | 3,460,000,000 ¹ | Services and Trade |
| 17. Arrow Central Europe GmbH | 3,390,260,400 ² | Telecom, IT, IT Services |
| 18. Procter & Gamble Germany | 3,300,000,000 ¹ | Consumer Goods |
| 19. Johnson & Johnson Gruppe | 3,280,000,000 ¹ | Pharma |
| 20. Stada Arzneimittel AG | 3,249,500,000 ² | Pharma |
| 21. AGCO GmbH | 3,060,000,000 ¹ | Mechanical Engineering |
| 22. Linde | 3,046,446,000 ² | Raw Materials, Energy, Chemicals |
| 23. Dell GmbH | 2,940,000,000 ¹ | Telecom, IT, IT Services |
| 24. Facebook | 2,890,000,000 ¹ | Telecom, IT, IT Services |
| 25. LyndellBasell | 2,872,170,000 ² | Raw Materials, Energy, Chemicals |

Sources: The basis for the employer rankings is information from relevant companies or estimates by AmCham Germany and Accenture that are marked as such.

1) Estimate; 2) Taken from Annual Report or company website.

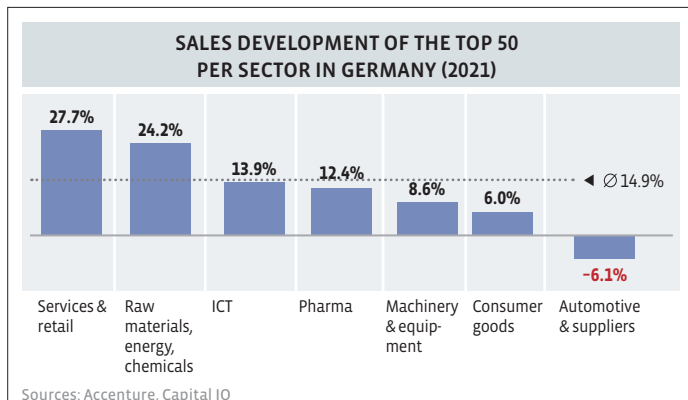


| Company | Sales in 2021 (€) | Branch/industry |
|--|----------------------------|----------------------------------|
| 26. Bristol-Myers Squibb GmbH & Co. KGaA | 2,850,000,000 | Pharma |
| 27. Dow Deutschland Inc. | 2,820,000,000 ¹ | Raw Materials, Energy, Chemicals |
| 28. Cargill | 2,800,000,000 | Consumer Goods |
| 29. HP Deutschland GmbH | 2,780,000,000 ¹ | Telecom, IT, IT Services |
| 30. 3M Deutschland GmbH | 2,746,911,000 | Mechanical Engineering |
| 31. MBCC Group | 2,700,000,000 ¹ | Raw Materials, Energy, Chemicals |
| 32. Coca-Cola | 2,660,000,000 ¹ | Consumer Goods |
| 33. Texas Instruments | 2,630,000,000 | Telecom, IT, IT Services |
| 34. SKY Deutschland | 2,560,000,000 ¹ | Services and Trade |
| 35. J.P. Morgan SE | 2,384,900,000 ² | Services and Trade |
| 36. MSD SHARP & DOHME GmbH | 2,350,000,000 ¹ | Pharma |
| 37. Celanese | 2,263,050,000 ² | Raw Materials, Energy, Chemicals |
| 38. ADM Germany | 2,220,000,000 ¹ | Raw Materials, Energy, Chemicals |
| 39. Abbott Deutschland | 2,137,842,000 ² | Pharma |
| 40. Nike Deutschland | 2,110,000,000 ¹ | Consumer Goods |
| 41. Mondelez Deutschland | 2,100,000,000 ¹ | Consumer Goods |
| 42. zooplus | 2,093,000,000 ² | Services and Trade |
| 43. United Parcel Service Deutschland S.à.r.l. & Co. OHG | 1,920,000,000 ¹ | Services and Trade |
| 44. AbbVie Deutschland | 1,890,000,000 ¹ | Pharma |
| 45. Tenneco | 1,862,892,000 ² | Automotive |
| 46. Pfizer Deutschland GmbH | 1,820,000,000 ¹ | Pharma |
| 47. Caterpillar Gruppe | 1,815,000,000 ¹ | Mechanical Engineering |
| 48. Honeywell Deutschland Holding | 1,730,000,000 ¹ | Mechanical Engineering |
| 49. Adient Germany Ltd. & Co. KG | 1,720,000,000 ¹ | Automotive |
| 50. Mars Deutschland | 1,690,000,000 ¹ | Consumer Goods |

Industries: Impacted to Varying Degrees in Germany

The logistics and pharmaceutical sectors witnessed strong growth during the Corona crisis.

- The strong growth of services & retail as well as information & communication technology (ICT) reflects the ongoing structural change in Germany. The Corona pandemic is still driving growth for online retailers, and the end of lockdowns bolstered revenue for traditional retailers as well. At the same time, ICT profits from the ongoing digital transformation.
- The raw materials, energy, and chemicals industries grew predominantly due to steadily increasing oil prices, which were an outcome of global recovery and subsequently higher demand for oil.
- The pharmaceutical sector experienced mixed growth. Companies that focused on Corona topics such as vaccinations and laboratory equipment grew strongly, whereas companies that engaged in other areas of the pharmaceuticals market saw slower growth in 2021.
- Manufacturers of agricultural and construction machinery drove growth in the machinery and equipment industry in 2021.
- The consumer goods industry grew steadily without major outliers.
- For automotive manufacturers and suppliers, 2021 was another difficult year. New car registrations declined by around 10% compared to 2020 in Germany, and the industry was impacted by supply chain disruptions.



Employee Headcount & Revenue: Positive Outlook

Companies anticipate stable development of revenue and employees in Germany in 2022.

The majority of companies expect an increase for their respective business in 2022, both in sales (65%) and in the number of employees (50%) (according to the results of AmCham Germany's survey from September 2022 among the largest U.S. companies in Germany).

- One-quarter of the companies surveyed said they expect a decrease in revenue in their company and industry.
- One-third of the companies anticipate no major changes in the number of jobs provided by their company or industry. Half of the companies expect the number of jobs provided by their own company to increase.
- However, companies are impacted by the talent crisis and are in need of skilled workers to fill positions, and a lack of qualified professionals can already be felt (see also pages 29 and 30 in this brochure).

How do you assess your revenue and employee development in Germany for 2022 for your industry and your company?

Revenues of own company



Revenues of respective industry



Employment in own company



Employment in respective industry



decrease no change increase

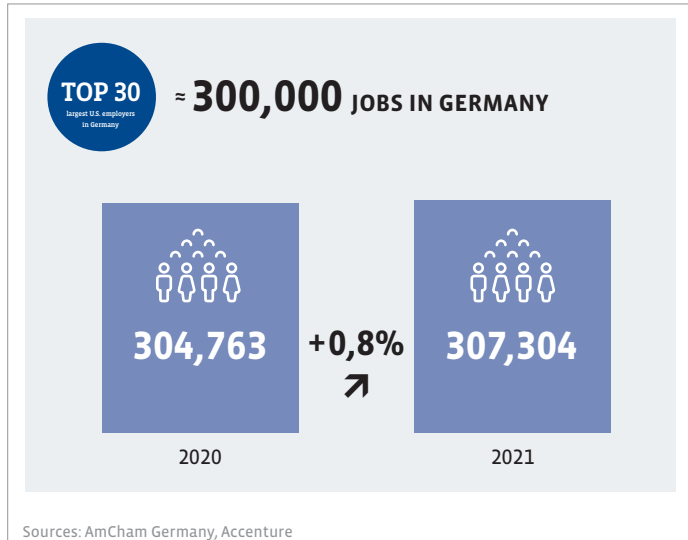
Sources: AmCham Germany, Accenture

Development of the TOP 30 U.S. Employers in Germany

U.S. subsidiaries continue to secure and create jobs in Germany.

The 30 largest U.S. employers in Germany provide more than 300,000 jobs in Germany.

- Online retail and logistics companies drove the increase in employee numbers.
- The second biggest group of companies that pushed employment growth in 2021 were agricultural and construction machinery manufacturers.
- For automotive and supplier companies, 2021 was not only challenging in terms of revenue but also for the employment situation in this industry.



TOP 30 U.S. Employers in Germany



Ranking presents the number of employees of U.S. companies in Germany in 2021.

| | | |
|-----|--|---------------------|
| 1. | McDonald's Deutschland LLC | 54,900 ¹ |
| 2. | Amazon Deutschland | 28,000 ¹ |
| 3. | United Parcel Service Deutschland S.à.r.l. & Co. OHG | 21,000 |
| 4. | Ford-Werke GmbH | 20,000 ² |
| 5. | ManpowerGroup Deutschland | 14,000 ¹ |
| 6. | John Deere GmbH & Co. KG | 10,900 ¹ |
| 7. | FedEx | 10,700 ¹ |
| 8. | Procter & Gamble Germany | 9,600 ² |
| 9. | TJX Deutschland Ltd. & Co. KG | 9,600 ¹ |
| 10. | Aramark Holdings GmbH & Co. KG | 8,600 ¹ |
| 11. | Hymer GmbH & Co. KG | 8,500 ¹ |
| 12. | AGCO GmbH & Co. KG | 8,400 ¹ |
| 13. | Tenneco | 8,200 ¹ |
| 14. | Yum! Restaurants International Ltd. | 7,500 |
| 15. | Goodyear Dunlop Tires Germany GmbH | 7,300 ¹ |
| 16. | Coca-Cola | 7,000 ² |
| 17. | Subway | 7,000 ² |
| 18. | Honeywell Deutschland Holding | 6,200 ¹ |
| 19. | LKQ/Stahlgruber | 6,114 ² |
| 20. | Linde | 6,100 ¹ |
| 21. | 3M Deutschland GmbH | 6,090 |
| 22. | Thermo Fisher Scientific Germany | 5,700 |
| 23. | GE Deutschland | 5,000 ¹ |
| 24. | Adient Germany Ltd. & Co. KG | 5,000 ¹ |
| 25. | Danaher | 4,700 ¹ |
| 26. | MBCC Group | 4,500 ¹ |
| 27. | BorgWarner | 4,400 ¹ |
| 28. | Lear Corporation | 4,300 ² |
| 29. | Johnson & Johnson Group | 4,000 ² |
| 30. | Caterpillar Gruppe | 4,000 ¹ |

Sources: AmCham Germany, Accenture. The basis for the employer rankings is information from relevant companies or estimates by AmCham Germany that are marked as such.

1) Estimate. All estimates were conducted solely by AmCham Germany and Accenture.

2) From Annual Report or company website.

II. TRANSATLANTIC RELATIONS

Transatlantic Business Relations: Facts & Figures

The EU and the U.S. have the largest bilateral trade and investment partnership.

The economic relationship between the EU and the U.S. stands for:

- 1/3** of world GDP in terms of purchasing power
- 1/2** of total global personal consumption
- 1/2** of global GDP
- 40%** of global purchasing power

German Companies in the U.S.

- Around 5,600 German-owned affiliates secure around 885,000 U.S. jobs (in comparison: foreign companies have created 6.8 million jobs in total in the U.S.).
- The jobs created are distributed across all regions in the U.S. In Michigan, New Mexico, and South Carolina, German companies are the largest foreign employer.

Sources:
RGIT www.germanbusinessusa.com; Dan Hamilton The Transatlantic Economy 2022;
European Commission https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-states_en

Transatlantic Partnership: Close, Stable, and Based on Shared Values

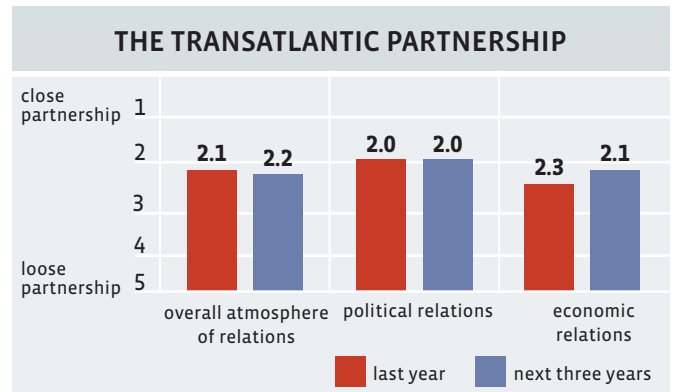
According to AmCham Germany's TOP 50 survey, companies anticipate stability in the transatlantic partnership.

Even closer economic relations are expected. Shared values and ideas will gain even more significance.

- Respect for human dignity, the rule of law, and democracy are the basis for a strong political and cultural partnership. Europe and the U.S. have a close and stable partnership that is founded on these principles.

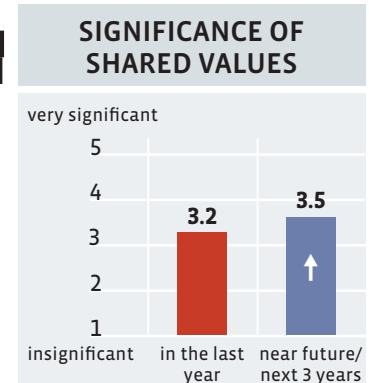
**How have transatlantic relations developed in the last year?
How do you think they will develop over the next three years?**

Please rate on a scale from 1 (relations becoming significantly closer) to 5 (relations becoming significantly looser).



What is the significance of shared values (e.g., democracy, freedom, rule of law) for closer transatlantic relations today and in the near future?

Please rate on a scale from 1 (not significant) to 5 (very significant).



Sources: AmCham Germany, Accenture

III. GERMANY AS A BUSINESS LOCATION

Survey Results: Challenges and Opportunities



Results of AmCham Germany's survey among the largest U.S. companies in Germany.

This year, the TOP 50 and TOP 30 rankings are accompanied by a presentation of important challenges for transatlantic business relations and how the companies assess Germany as a business location.

- An online survey among the largest U.S. companies in Germany was conducted by AmCham Germany and Accenture in September 2022 to gain insights into how U.S. companies assess Germany as a business location.
- A total of 19 U.S. companies representing 47.5 billion EUR in revenue in Germany and 60,000 employees in Germany participated.
- The results of this online survey are presented in the following pages. The survey presents the summarized and anonymized companies' assessments of various topics.

Good Rating for Germany

Germany retains its good rating as a place for doing business from a U.S. perspective.

Despite the economic measures taken by the German government during the pandemic, Germany has been given slightly worse grades than last year due to the current energy crisis.

- Germany is the largest economy in Europe. It constitutes 25% of Europe's GDP (EU-27) and is home to 19% of the total EU population.
- Germany is an attractive location for U.S. companies with a central geographic location in Europe and excellent infrastructure.

- The German economy is both highly industrialized and diversified—with equal focus placed on services and production. Germany is a global leader in innovation.
- Positive highlights during the pandemic included government measures such as short-time work allowance (*Kurzarbeit*), rescue packages for the self-employed and SMEs, extra child benefit for families, economic aid for artists and creative professionals, and bridging aid for students.
- However, the mood was dampened by high energy prices and inflation rates.
- Companies see shortcomings particularly in the areas of digital infrastructure, workforce skills, and energy costs, which are additionally burdened by the war against Ukraine.

How would you rate Germany as a place for doing business from a U.S. perspective? (1 = excellent; 6 = unsatisfactory)

The assessment of Germany as a business location has deteriorated slightly compared to previous years.



GERMANY AS A BUSINESS LOCATION

| | 2021 | 2022 | 2023 |
|-------------------|------|------|------|
| Grade | 1.9 | 2.4 | 2.7 |
| Change ↑ ↓ | | -0.5 | -0.3 |

Source: AmCham Germany, Accenture

Business Enhancement: U.S. Investors Contribute to Germany's Attractiveness

U.S. companies are strong in innovative products and services.

The surveyed U.S. companies see an increase in efficiency and productivity as their main contributions to the German economy and society. This is perceived as a result of increasing diversity and inclusion as well as further digitalization.

What are currently the most significant contributions by your company to the economy and society in Germany? Please select your top three.



Three-Year Outlook: Sustainability more important in the near future.

The U.S. companies see themselves contributing significantly to the German economy by fostering innovation in products and services and by increasing the sustainability of their business operations.

What are the most significant contributions by your company to the economy and society in Germany you planning for the next three years? Please select your top three.



Sources pp. 18 and 19: AmCham Germany, Accenture

Both tables show the proportion of how often an option was mentioned as one of the three most important contributions.

Strategic Chances: Germany as a Business Location



Green tech and biotechnology provide strategic opportunities for Germany.

The best strategic opportunities for Germany lie in the areas of green tech (e.g., the photovoltaic industry, wind turbines), eMobility, and biotechnology.

- In Germany, environmental technology and resource efficiency have become powerful drivers of economic growth.

How do you assess Germany's strategic opportunities for industries and services in finding solutions for key areas in the next 5 years?

| | very low 1 | | | very high 5 |
|--|---------------|--|---|----------------|
| Green tech | | | ● | 4.3 |
| eMobility | | | ● | 4.1 |
| Internet of Things (e.g., smart home, smart manufacturing) | | | ● | 4.1 |
| Biotechnology | | | ● | 4.0 |
| Sustainable construction | | | ● | 3.9 |
| Energy storage (e.g., batteries) | | | ● | 3.8 |
| Circular economy solutions | | | ● | 3.8 |
| Artificial Intelligence solutions | | | ● | 3.6 |
| Semiconductor manufacturing | | | ● | 3.4 |
| Cyber security solutions | | | ● | 3.4 |
| eHealth (e.g., telemedicine, telesurgery, ePrescriptions) | | | ● | 3.4 |
| Cloud-based solutions | | | ● | 3.3 |
| Quantum technology solutions | | | ● | 3.1 |

Sources: AmCham Germany, Accenture

Business Expectations: Short-term and Long-term Challenges



Rising energy prices are currently the main challenge. The majority of companies are also concerned about a shortage of talent and skills in the workplace in the next years.

Concerns about skills shortages in the near future outweigh concerns about rising energy and raw material prices.

- Energy prices must be lowered to a competitive level to keep the international competitiveness of companies in Germany. Energy-intensive production and consumption-related sectors of the economy are hit particularly hard.

Which are currently the main challenges for the success of your operations in Germany?

Rising energy and raw material prices

74%



Supply chain disruptions

58%



Talent and skills shortage

42%



Which main challenges for the success of your operations in Germany do you see in 3 years from now?

Talent and skills shortage

79%



Rising energy and raw material prices

53%



Supply chain disruptions

32%



Sources: AmCham Germany, Accenture

International Trade: Need for Diversification



Uncertainty in international trade and investment has increased.

Tensions between the U.S. and China, the impact of the war in Ukraine, and Brexit implications have led to uncertainties.

- German-U.S. operations mitigate negative impacts from decoupling and prepare for business going forward.
- Most of the companies are diversifying their business partners. They are adjusting supply chains or sales partners.

The possibility of international trade decoupling has increased (e.g., tensions between the U.S. and China, impact from Russian war against Ukraine, Brexit implications). How do your German operations react to mitigate respective consequences?

Diversify ecosystem partners (e.g. supply chain or sales partners)

63%

Strengthen strategic resiliency

63%

Diversify customer base geographically

32%

Diversify product/service portfolio

32%

Diversify production sites geographically

26%

Increase local production and service capacities

26%

Hedge risks financially

11%

Sources: AmCham Germany, Accenture

Scarce Goods: Energy and Semiconductors Are Most Important



Oil and gas as well as other energy supplies are the most important scarce goods for U.S. operations in Germany. Semiconductors rank second.

The semiconductor industry plays an important role in supplying downstream industries. Semiconductors are important for Germany as a business location.

- In addition to a competitive energy supply strategy, it is important to have a comprehensive, long-term, sustainable, and effective strategy to strengthen the semiconductor industry.

Which of the below listed scarce goods are most important for your operations in Germany?

Please select the top three.

Oil, gas and other energy supplies

58%

Semiconductors and chips

21%

Non-precious metals (nickel, copper, aluminum, etc.)

16%

Construction material

16%

Agricultural products

16%

Rare earths elements (dysprosium, scandium, yttrium, etc.)

11%

Precious metals (gold, platinum, silver, etc.)

5%

Other

21%

Not applicable

21%

Sources: AmCham Germany, Accenture

Energy Scarcity: Rising Prices



Energy costs in Germany are currently incalculable.

The war in Ukraine has exacerbated the energy crisis, which in turn is further impacted by the Corona pandemic. This continues to drive up prices, especially for fossil fuels. Companies are coping in different ways. The majority of surveyed companies state that they are mostly saving energy in administration and production as well as changing their energy supply and sources.

- AmCham Germany advocates for more international cooperation and diversification of energy sources in order to ensure affordable energy in Germany and Europe.
- In order to break free from the dependence on fossil fuels and drive the transformation to climate neutrality, renewable energy must be expanded. Government and business stakeholders must swiftly implement necessary projects such as the development of hydrogen-ready LNG infrastructure as well as its respective approval process.

How do you cope with (or are planning to cope with) energy scarcity and rising prices? Please select the top three.

Save energy in administration

79%

Save energy in production

58%

Change energy supply/source

47%

Save energy in services

42%

Other

16%

Sources: AmCham Germany, Accenture

Interest Rates: Little Impact on Investment



Rising interest rates only have a moderate impact on the postponing of business investments.

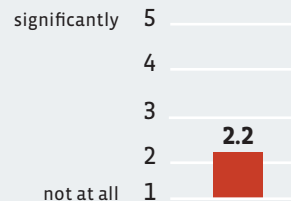
Currently, political and public discussions in Germany are focused on unprecedented inflation rates, which are fueled by high energy and living expenses, uncertainty about the Corona pandemic, and supply chain challenges.

- However, companies have indicated that the impact from changes in interest rates on postponing investments is not very significant for them.
- On the other hand, companies such as financial institutions, banks, and insurance companies may benefit from rising interest rates.

To what extent do the changes in interest rates lead to postponing your investments?

Please rate on a scale from 1 (not at all) to 5 (significantly).

EXTENT OF POSTPONING INVESTMENT



Sources: AmCham Germany, Accenture

Dealing with Inflation: No Reduction of R&D Budgets nor Dismissal of Staff



Price adaptation strategies are one measure to respond to increasing inflation rates.

Inflation in Germany rose to 10.0% in September 2022, thereby reaching the highest level since reunification. This underscores the impact of the ongoing energy crisis and COVID-19 supply chain constraints.

- Nearly half of participating companies are reacting to high inflation by adapting their products and prices. One-fourth of the companies surveyed are adjusting their supply chains, while another quarter states that inflation has no impact on their business operations.
- None of the participating companies selected one of the following options: reducing R&D budgets, decreased investment in production sites, less employee training, or the dismissal of employees.

With regards to your German operations, what do you currently regard as the most effective measure to respond to increasing inflation rates?

Product/service price adjustments

47%

Procurement/supply adjustments
(e.g., new suppliers, alternative materials)

26%

Currently no concerns

26%

Sources: AmCham Germany, Accenture; tradingeconomics.com/germany/inflation-cpi

COVID-19: Concerns about Lockdowns

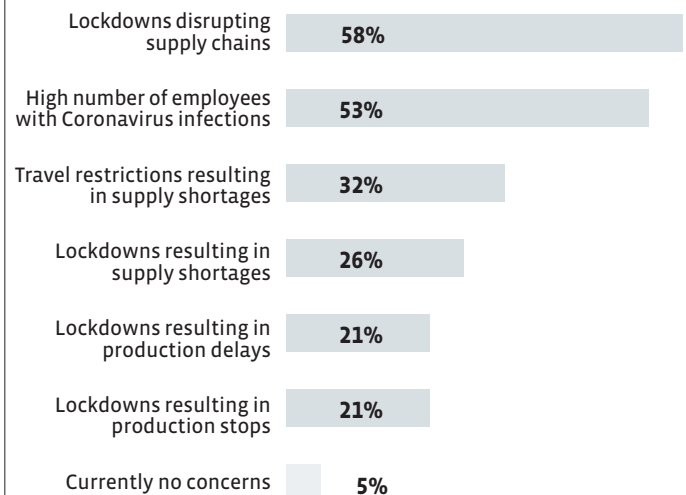


Companies are concerned about new waves of Corona. Despite being prepared, most companies fear that further lockdowns will impact production.

It has been two years since COVID-19 was declared a global pandemic. The German government has moved swiftly to counteract the Corona crisis, introducing a far-reaching package of financial measures to safeguard health, jobs, and the economy.

- The majority of the companies surveyed fear lockdowns impacting supply chains.
- Against the backdrop of the current economic slowdown and skills shortage, half of the surveyed companies fear that a high number of employees will suffer from Corona-virus infections.

What is your company most concerned about with regard to new COVID waves? Participants selected all that apply.



Sources: AmCham Germany, Accenture

Digital Transformation: Cloud Solutions and Automation Are Key



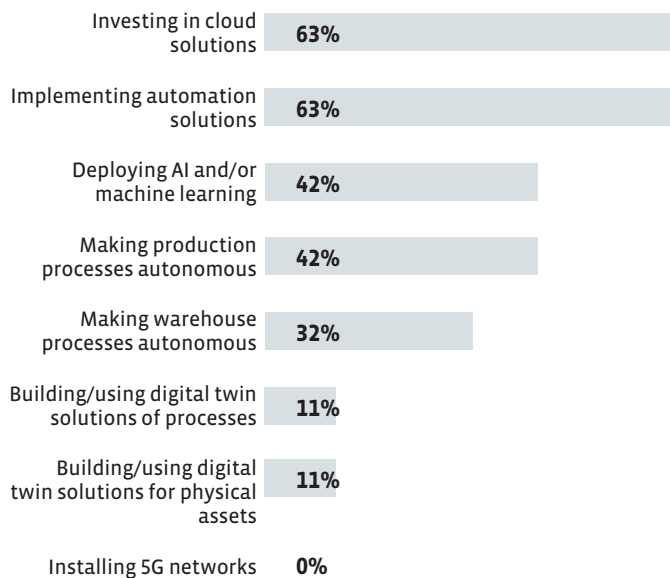
U.S. companies in Germany are focusing on cloud solutions in Germany and process automation.

For the EU and the U.S., value creation and innovation through industrial data are of central importance.

- Close transatlantic cooperation toward a successful and value-creating digital transformation can promote innovation in transatlantic economy. Existing European projects such as Gaia-X or the planned data space for mobility data can serve as examples.
- AmCham Germany calls for a digital transatlantic economic zone that aims to include a digital transatlantic domestic market, which can serve as an attractive point of contact for other regions, such as emerging markets. The zone should be established in a joint transatlantic effort.

What is currently the focus of your company's digital transformation efforts?

Participants selected all that apply.



Sources: AmCham Germany, Accenture

Movement icon by joway san - thenounproject.com

Interest icon by Blair Adams - thenounproject.com

Talent Crisis: Impacting Growth

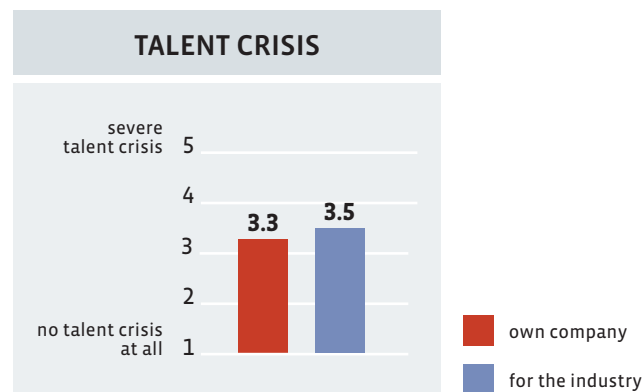


The shortage of skilled labor represents one of the biggest challenges to growth. Skilled employees are in demand in all sectors.

- For their own company, U.S. companies assess the lack of skilled workers on a scale of 1 (no talent crisis at all) to 5 (severe talent crisis) as 3.3.
- For their respective industries, the companies indicated that this value is slightly higher at 3.5.
- The right talent is a sought-after success factor. The shortage requires new sources to bring employees in, a culture to keep them, and a strategy to hone their skills.

How do you assess the shortage of skilled workers for your company and your industry?

Please rate on a scale of 1 (no talent crisis at all) to 5 (severe talent crisis)



Sources: AmCham Germany, Accenture

Talent Crisis: Skilled Workforce in High Demand



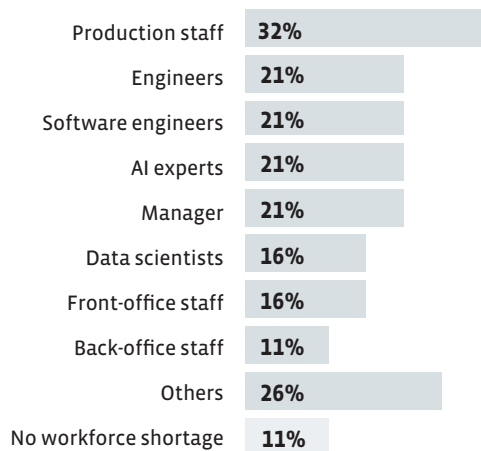
Companies see a talent crisis. The highest demand is for production staff.

Companies face a challenge due to the talent crisis and experience difficulties in filling key positions. There is not one predominant skill that is missing.

- The companies surveyed indicated a lack of industrial engineers, software engineers, AI experts, and managers (21% respectively). Companies also indicated a shortage of truck drivers and technicians (Others, 26%).
- Data scientists as well as front-office and sales staff are lacking by 16% each.
- A minority of companies indicated that they do not have a skills shortage in Germany (11%).

What kind of talent does your company lack the most in Germany?

Participants selected all that apply.



Sources: AmCham Germany, Accenture



ABOUT THE TOP 50 SURVEY

Each year, AmCham Germany releases its ranking of the TOP 50 U.S. companies in Germany and the TOP 30 largest U.S. employers in Germany. The TOP 50 ranking lists the largest companies with more than 50% U.S. capital in Germany in terms of revenue. It refers to the 2021 fiscal year. The revenue and employee figures are based in part on estimates conducted solely by AmCham Germany and Accenture. Companies for which no substantiated estimate is possible are not included in the ranking. All other data is given by companies or compiled from company websites and/or annual reports pursuant to SEC reporting requirements.

Each year, the rankings are accompanied by a presentation of important challenges for transatlantic business relations and how U.S. companies assess Germany as a business location. An online survey among the largest U.S. companies in Germany was conducted by AmCham Germany and Accenture in September 2022 to gain insights into how U.S. companies assess Germany as a business location.

A total of 19 U.S. companies representing 47.5 billion EUR in revenue in Germany and 60,000 employees in Germany participated. The summarized and anonymized results of this online survey are presented in this brochure.



ABOUT AMCHAM GERMANY

The American Chamber of Commerce in Germany (AmCham Germany) strives to enhance global economic and trade relations built on a strong foundation of American and German partnership. We actively support and promote our members' interests through our global networks in business, politics, and AmChams worldwide. AmCham Germany enables cross-cultural understanding, cooperation, and new investment through our commitment to transparent dialogue, unrestricted trade, and a competitive and open business climate.

www.amcham.de

ABOUT ACCENTURE



Accenture is a global professional services company with leading capabilities in digital, cloud, and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Technology and Operations services, and Accenture Song—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 721,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners, and communities. www.accenture.de

Contact Information

FRANKFURT OFFICE

American Chamber of Commerce in Germany e. V.
Börsenplatz 13–15
60313 Frankfurt am Main
T +49 69 929104-0

BERLIN OFFICE

American Chamber of Commerce in Germany e. V.
Charlottenstr. 42
10117 Berlin
T +49 30 2130056-0

General Manager: Daniel Andrich

E amcham@amcham.de

www.amcham.de

Follow us:



CONTRIBUTORS

AmCham Germany:

Daniel Hawk, Patricia Limburg, Maik Luckow

Accenture:

Andreas Egetenmeyer, André Schlieker, Lea Treese

Concept and Design: Patricia Limburg, M8 Medien GmbH

© AmCham Germany; published in November 2022; all rights reserved.