

## **Transatlantic companies: Assessments of Germany and the U.S. as investment locations drift further apart**

**Rating for Germany as a business location has further declined.**

**Securing skilled workers, reducing bureaucracy and driving digitalization are crucial to improving Germany's attractiveness as an investment location, in addition to a stable, cost-effective energy supply.**

**German companies in the U.S. fear trade conflicts and call for a stronger transatlantic orientation in economic policies.**

*Berlin, March 16, 2023* – The U.S. companies in Germany and the German companies in the U.S. that participated in the Transatlantic Business Barometer 2023 recorded a solid fiscal year 2022 despite geopolitical uncertainties. More than two-thirds of the U.S. companies surveyed in Germany were able to increase their revenue. Expectations for growth are more subdued for 2023, with only 53% again expecting an increase in revenue. Optimism was higher a year ago: Ninety percent of the participating U.S. companies expected an increase in sales back then; the survey period at that time covered the days immediately before and after the start of Russian aggression against Ukraine. Despite the reserved expectations this year: One-third of respondents plan to increase the number of employees in 2023, and 42% plan to invest more.

The vast majority of German companies in the U.S. (74%) and every second U.S. company in Germany (53%) would like to expand its business activities. Simone Menne, President of AmCham Germany, emphasizes: "In order to create growth, prosperity and also more jobs, it is necessary to strengthen transatlantic partnership in our economic policies. This is especially true in times of difficult geopolitical circumstances."

Transatlantic companies see the biggest room for improvement in trade liberalization, coordinated digital policy and tax policy. "The road may be long. But the EU should commit itself to a free trade agreement. Industrial tariffs and market entry barriers must be dismantled and common standards found. This is important in general, but even more imperative for future technologies such as decarbonization and digitalization," Simone Menne continues, pointing to the leverage effect of the successful transatlantic partnership for the German economy: "We want to survive in global competition, secure affordable supplies of raw materials and at the same time manage the transformation of our economy in the areas of energy and digitalization."

German companies active in the U.S. are taking current trade-distorting developments very seriously – both by legislators and in the public debate. Nine out of ten of the companies surveyed are concerned about possible effects of trade-distorting measures. Among U.S. companies in Germany, 17% share this view, while more than 80% of them are neutral or unconcerned about such effects.

**Germany's dilemma as a business location: Attractive due to a highly qualified workforce and unattractive due to high labor and energy costs**

Germany's rating as an investment location deteriorates for the third time in a row: In last year's Business Barometer survey, 59% of the U.S. companies operating here gave the location a rating of "good or very good"; in 2023, the figure is 34%. They particularly emphasize the quality of the workforce (94%), supplier networks (68%) and research and

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development (68%). Thirty-eight percent of the companies expect that Germany will improve as a business location in the next three to four years (2022: 43%).

U.S. companies in Germany see disadvantages particularly in the cost of labor (53%) and energy (79%), digital infrastructure (47%) and the availability of skilled employees (45%). Marcus Berret, Global Managing Director at the international consulting firm Roland Berger – our partner in the Transatlantic Business Barometer – underscores: “It is crucial for Germany as a business location that we address the current challenges in the areas of energy, infrastructure and the labor market quickly and pragmatically. This includes reducing dependencies and expanding renewable energies much more quickly – for example, by promoting cutting-edge technology in the field of photovoltaics. We also need a more efficient digital infrastructure quickly, as well as more speed and flexibility in the immigration of skilled workers.”

### **U.S. companies in Germany continue to expand business activities**

Many U.S. companies in Germany reported an increase in revenue (68%), employees (42%) and investments (42%) in 2022. For 2023, 53% of respondents expect an increase in revenue, and the same number say they will expand their activities in the next three to four years.

### **The outlook for the U.S. as a business location: The high level of attractiveness will increase further in 2023**

Despite concerns about developments in trade policy, the majority of German companies surveyed in the U.S. anticipate rising revenue (70%) and an increase in employees (53%) in the current year. Among those surveyed, 74% intend to further expand their activities in the U.S. The proportion of those who rate the U.S. as “good or very good” as a business location is equally large (2022: 78%).

An improvement in investment conditions in the next few years is expected by 63% (2022: 58%). German companies particularly appreciate the potential as a sales market (96%), the low energy costs (78%) and the good startup and entrepreneurship environment (74%). Companies see the greatest need for improvement in the overall reliability of politics (39%) and visa issuance (50%).

### **About the Transatlantic Business Barometer**

In January and February 2023, AmCham Germany, in cooperation with Roland Berger, surveyed its member companies on business location conditions in Germany and the United States as part of the Transatlantic Business Barometer 2023. Twenty-four German companies in the U.S. and 33 U.S. companies in Germany participated in the survey. The participants account for at least €97 billion in revenue in the U.S. and at least €36 billion in revenue in Germany.

Further information for download:

- The results of the Transatlantic Business Barometer 2023 can be found here in [German](#) and [English](#).

You can follow our media reporting of the barometer via the hashtag #TransatlanticBusinessBarometer.

The AmCham Germany Transatlantic Business Barometer is an exclusive survey among U.S. investors in Germany and German investors in the U.S. The survey provides a well-founded analysis of investment sentiment as well as a business assessment of both countries. For over 17 years, U.S. companies have been surveyed as part of the AmCham Germany Business Barometer. As in the previous six years, German companies in the U.S. were also surveyed this year.

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### **About AmCham Germany**

The American Chamber of Commerce in Germany (AmCham Germany) is the voice of transatlantic business. We strive 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.

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### **About Roland Berger**

Roland Berger is the only management consultancy of European heritage with a strong international footprint. As an independent firm, solely owned by our Partners, we operate 51 offices in all major markets. Our 3000 employees offer a unique combination of an analytical approach and an empathic attitude. Driven by our values of entrepreneurship, excellence and empathy, we at Roland Berger are convinced that the world needs a new sustainable paradigm that takes the entire value cycle into account. Working in cross-competence teams across all relevant industries and business functions, we provide the best expertise to meet the profound challenges of today and tomorrow.

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