

Shaping trade for the 21st century

“Trade can secure peace and freedom, but trade is facing disruption.”

The above quote by Dr. Marcus Chromik of Commerzbank at the opening of our 12th Transatlantic Business Conference set the tone for two days of speeches, panels and breakout sessions in the German capital. This year we relocated the event to Berlin, fostered a greater integration of our NextGen community and incorporated new elements such as site visits.

Free trade as a global force for good

The fact that free trade is more than the exchange of goods and services was emphasized over and over, including by CEOs from the US.

As James R. Fitterling, CEO of The Dow Chemical Company, explained: “When we weaken trade, we weaken our ability to collaborate on solving global challenges.” He also pointed out that challenges like climate change and inequality — coupled with nationalism, populism and protectionism — showed that no country can afford to go it alone.

12th TRANSATLANTIC BUSINESS CONFERENCE

In Trade We Trust - Shaping the Global Marketplace in Times of Disruption



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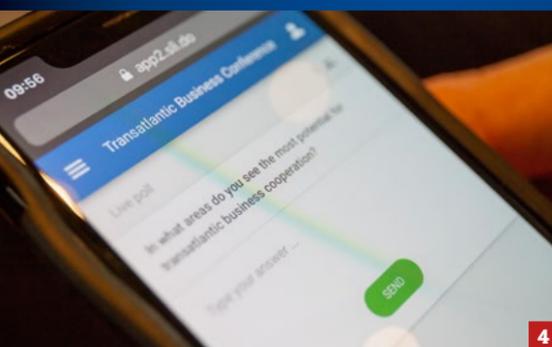


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- 1 Richard A. Grenell, Ambassador of the United States of America to Germany.
- 2 Alexander Linn, Partner, Deloitte, and Donatus Kaufmann, Member of the Management Board, thyssenkrupp AG, participated in a panel discussion on “The Transatlantic Partnership — Catching Opportunities and Facing Challenges.”
- 3 AmCham Germany members took part in a site visit to Commerzbank #openspace.
- 4 Former US Secretary of Transportation Rodney Slater, Partner, Squire Patton Boggs.



- 1 Member of the AmCham Germany Executive Committee Dr. Sylvia Rothblum, SVP of German Speaking Territories & Israel, Warner Bros. Entertainment GmbH.
- 2 Theresa Fallon, Director, Center for Russia, Europe, Asia Studies.
- 3 AmCham Germany members learn about the Dell EMC Pivotal Labs.
- 4 Participants gave direct feedback on current transatlantic issues through live polls.
- 5 James R. Fitterling, CEO, The Dow Chemical Company.

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Keeping with this global focus, Member of the Siemens Managing Board Lisa Davis spoke about the impact of tariffs and how global supply chains spur competition. She also pointed out that trade agreements have the benefit of setting transparent rules for everyone.

The conference speakers agreed: We need to shape trade responsibly. For Fitterling, that meant promoting business investment and fostering workforce development.

Europe must act now

Topics like tariffs were in the spotlight, but speakers also issued a clear mandate to Europe. For the EU to avoid becoming a pawn of other powers, it must step up to the plate and develop a unified strategy — whether on trade or digitalization. Speakers called for similar political foresight when reforming international institutions such as the World Trade Organization and shaping trade for the 21st century.

US and German government representatives: Different views, similar challenges

We also welcomed US Ambassador to Germany Richard A. Grenell, who emphasized that the US remained committed to free trade as long as it is fair trade. At the same time, State Secretary Dr. Ulrich Nußbaum from the Federal Ministry for Economic Affairs and Energy recognized that while the German and US governments have different views, both countries are confronted with similar challenges.

Great potential in transatlantic relations

Our conference also gave us the opportunity to talk about areas of US-EU cooperation, for instance through live polls with the audience. These revealed that participants saw the most potential for cooperation in the automotive sector, digitalization, cybersecurity and advanced manufacturing, and the majority expected their profits in the US to increase in 2019.

When all is said and done, the critical point is this: We must actively make the case for strong transatlantic ties. Or, as our President Frank Sportolari: "Talking on its own does nothing. We need to act."

Lisa Davis participated in this year's Transatlantic Business Conference in Berlin. During the event, we had the opportunity to talk with her about energy efficiency and the transition to renewable energy.



Energy efficiency: A win-win for business and the environment

Lisa, what trends are shaping future energy systems?

The share of renewables in the energy mix is continuously increasing. This is primarily because of efforts to combat rising CO₂ emissions, but also because of renewables' competitiveness against fossil energy sources. At the same time, the global need for electricity is growing — even in traditional primary-energy sectors like heat and mobility. With the systems' rising level of intelligence, these different elements must be linked to optimally exploit the advantages of each. Connecting and integrating more and more assets offers great efficiency potential to the energy system as well as to individual companies, which mutually profit from efficiency gains and cost savings.

The UN has stepped up its call to enhance energy efficiency and curb global CO₂ emissions. How will this affect businesses?

The recent IPCC (Intergovernmental Panel on Climate Change) report calls for urgent action to limit global warming to just 1.5 degrees Celsius to avoid the most serious consequences of global warming for our climate. Companies must take this challenge seriously; it's part of our responsibility to society. Policies will certainly address this decarbonization goal by introducing greater regulation and higher savings targets. The bottom line is this: Energy efficiency is not a burden for companies, rather it often constitutes a readily available potential for reducing a company's costs. It's a win-win for business and the environment.

How should companies approach the goal of decarbonizing their operations?

The cheapest, most environmentally friendly energy is always the energy you don't use. There

INTERVIEW WITH LISA DAVIS

are countless ways to save energy depending on where a company consumes energy: in its transportation systems, in its offices, or even in its industrial plants.

Efforts at Siemens prove that much can be done today. In 2015, our company pledged to become climate neutral by 2030. Siemens has since been able to lower its CO₂ emissions from around 2.2 million tons of emissions in fiscal 2014 to 1.6 million tons in 2017 — a reduction of about 27%. We're reducing our carbon footprint by, for example, using distributed renewable energy systems, investing in smart e-mobility solutions, and increasing the energy efficiency of our processes.

What role does German-American cooperation play in the energy transition?

The added value of transatlantic collaboration to Siemens, a global company, is obvious: We leverage people skills and know-how from Germany and the US as well as many other countries. Development of our flagship gas turbine, the HL-class, was, for example, driven by experts from Berlin, Mülheim and Erlangen as well as from Charlotte and Orlando. Such a project benefits considerably from the diversity, specialized know-how and the customer proximity on both sides of the Atlantic.

This shared value creation naturally extends beyond our company. We work with partners and suppliers around the globe to develop and deliver the best, most innovative products, solutions and services. The technological progress needed to shift our energy systems gains a lot from the close interaction of our innovative economies.

Lisa Davis

*Member of the Managing Board of Siemens AG
www.siemens.com*

Lisa Davis is responsible for the global energy business at Siemens and is Chair and CEO of Siemens Corporation, USA.

Previously a vice president at Royal Dutch Shell in the US and Great Britain, Davis joined Siemens in 2014 where she continues to serve as a member of the Siemens AG Managing Board.