

## **PRESS RELEASE**

XIV. AmCham Germany Business Barometer

### **Revenue expectations reach ten-year high**

### **Majority of US companies anticipate stable business ties between Germany and the US**

### **Clear responsibilities for the new German government: Strengthen free trade and create framework conditions for a modern digital economy**

***Berlin/Frankfurt, April 27, 2017*** – The 2016 fiscal year was successful for US companies in Germany. Seven out of ten companies generated more sales revenue compared to 2015, nearly half increased their investments and one-third employed more workers. The majority of remaining companies were able to maintain current levels from the previous year. Only a fraction of companies witnessed a decrease in sales revenue, employees or investments. Moreover, 55 percent of surveyed companies plan on expanding their business activities in Germany over the next three to four years – a significant increase from 46 percent last year. These are the main results of the XIV. Business Barometer, which was presented today by the American Chamber of Commerce in Germany (AmCham Germany) and the consulting firm Roland Berger.

„US investors are optimistic about 2017,“ says Bernhard Mattes, President of AmCham Germany. “The results show that there is a great deal of confidence among investors that Germany is and will remain an attractive business location. Eighty-five percent of companies anticipate an increase in sales revenue in 2017. Half of the companies expect more investments compared to 2016, and one-third want to increase the number of employees.”

The results show that companies are profiting from continued economic growth in Germany. Nevertheless, stable growth cannot be taken for granted. Germany is integrated in global supply and sales chains, making it susceptible to changes in US foreign and economic policy, the future of the EU and growth prospects for emerging markets.

#### **Germany remains an attractive investment location – but the outlook is mixed**

The overall majority of companies (75 percent) rate Germany’s investment environment as good or very good. The quality of the workforce, supplier networks and the potential for research and development are all held in high regard by more than 90 percent of respondents.

As satisfying as these results might be, one-fourth of respondents still believe that investment conditions in Germany will worsen over the next three to four years. From

the perspective of US companies, there is room for improvement when it comes to energy and labor costs as well as corporate taxation rates.

### **US companies call for reforms during the next legislative period**

The urgency for reforms is seen by nearly all the companies as high or very high. With regard to the next legislative period, US companies feel it is necessary for the new German government to strengthen free trade and set the framework conditions for a modern digital economy (94 percent respectively). The companies feel it is nearly as important for legislators to strengthen research and innovation (91 percent), foster entrepreneurship and start-ups (88 percent) and create sustainable labor policies (88 percent). US companies aren't just referring to problematic areas but also beginning to worry about Germany's strength when it comes to its research potential.

According to Mattes, "Germany's positive ranking shouldn't blur our vision for the areas where action is needed. Along with the perpetual topic of energy, government officials are called upon to take important steps. US companies have sent a clear signal: More free trade and the promotion of digitalization."

### **German-American business ties continue to remain stable**

Even if 48 percent of US companies aren't yet able to discern the impacts of the new US administration on their business in Germany, the majority (58 percent) still maintain that economic relations between Germany and the US will remain stable. US investors in Germany are optimistic that the long-term cooperation on an economic level will persevere. The German-American investment volume totaled more than 360 billion US-dollars in 2015 and currently secures roughly 1.4 million jobs in both countries.

### **About AmCham Germany's Business Barometer**

AmCham Germany's Business Barometer is an exclusive survey among US subsidiaries regarding Germany as an investment location. Respondents are asked to rate business prospects as well as the overall conditions in Germany – also in international comparison. A reoccurring general part makes it possible to compare the results over the years. The study was first conducted in 2003.

The XIV. Business Barometer was published by AmCham Germany along with the consulting firm Roland Berger. The survey took place in February 2017 via an online questionnaire. Thirty-four companies participated in this year's survey. They represent a total annual turnover of roughly 85 billion Euros and account for nearly 150,000 jobs in Germany.

### **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.

### **About Roland Berger**

For half a century, Roland Berger has helped its clients manage change. Looking at the next 50 years, we are committed to supporting our clients conquer the next frontier. To us, this means navigating the complexities that define our times. We help clients draft and implement the responsive strategies essential to success that lasts. Roland Berger's

2,400 employees are based in 50 offices and 34 countries. The firm is solely owned by its 220 partners and is the only leading global consultancy of European origin with German roots.

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