

AmCham Germany **TRANSATLANTIC** Business Barometer 2021

**How companies rate
Germany and the US as
investment locations**



The AmCham Germany Transatlantic Business Barometer is an exclusive survey among US investors in Germany and German investors in the US.

The survey provides a well-founded analysis of investment sentiment as well as a business assessment of both countries.

For over 15 years, US companies have been surveyed as part of the AmCham Germany Business Barometer.

As in the previous three years, German companies in the US were also surveyed this year.

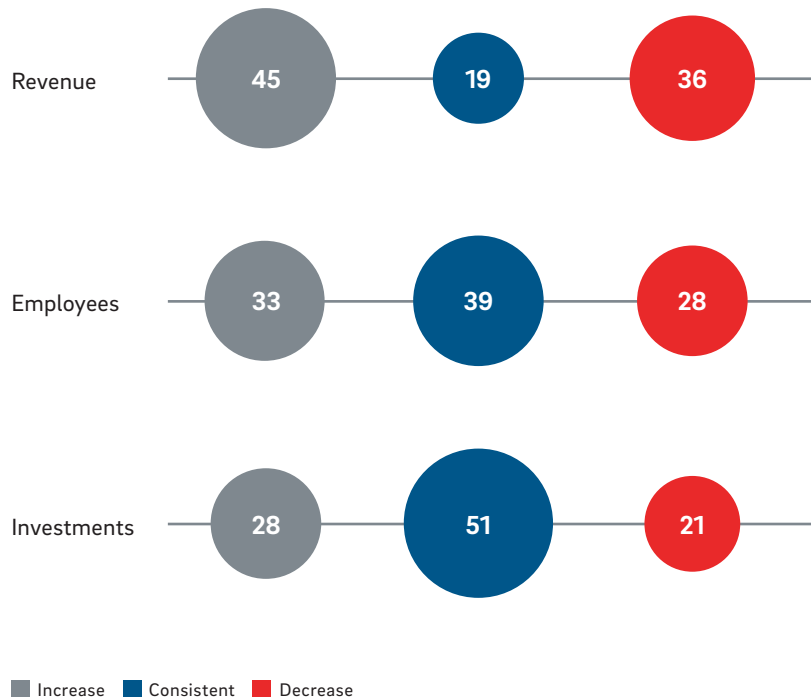
How US companies view Germany as an investment location in 2021

Germany in early 2021. Despite the Coronavirus pandemic, the previous business year was good or stable for the overall majority of surveyed companies and respondents are particularly optimistic about the current year. Germany still receives good marks overall as an investment location, although three-quarters of those surveyed hope for improvements. More transatlantic cooperation is needed with regard to digitalization and climate change, whereas companies already anticipate that US-EU trade relations will improve in 2021.

1 US SUBSIDIARIES – AFFECTED BY CORONA BUT RESILIENT TO CRISIS

Despite the economic downturn, the majority of US companies were able to maintain or expand their business operations in Germany in 2020.

How did the year 2020 turn out for your company? [%]

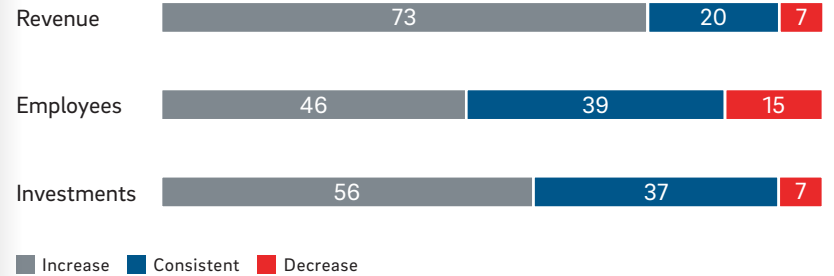


Source: AmCham Germany Transatlantic Business Barometer 2021

2 POSITIVE OUTLOOK FOR 2021

The majority of US companies in Germany expect a good business year in 2021.

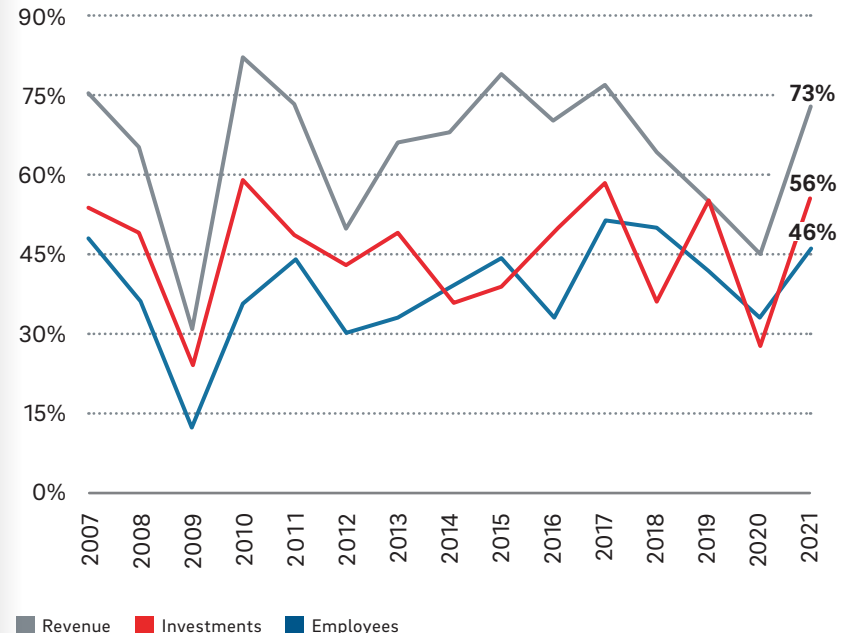
How will your revenue, number of employees and investments develop in 2021? [%]



FAST RECOVERY EXPECTED

From the perspective of US companies, the pandemic will not have a lasting negative impact on Germany's business climate.

Percentage of companies that experienced an increase in revenue, number of employees and investments for the respective year (2007-2020) or anticipate this in 2021.

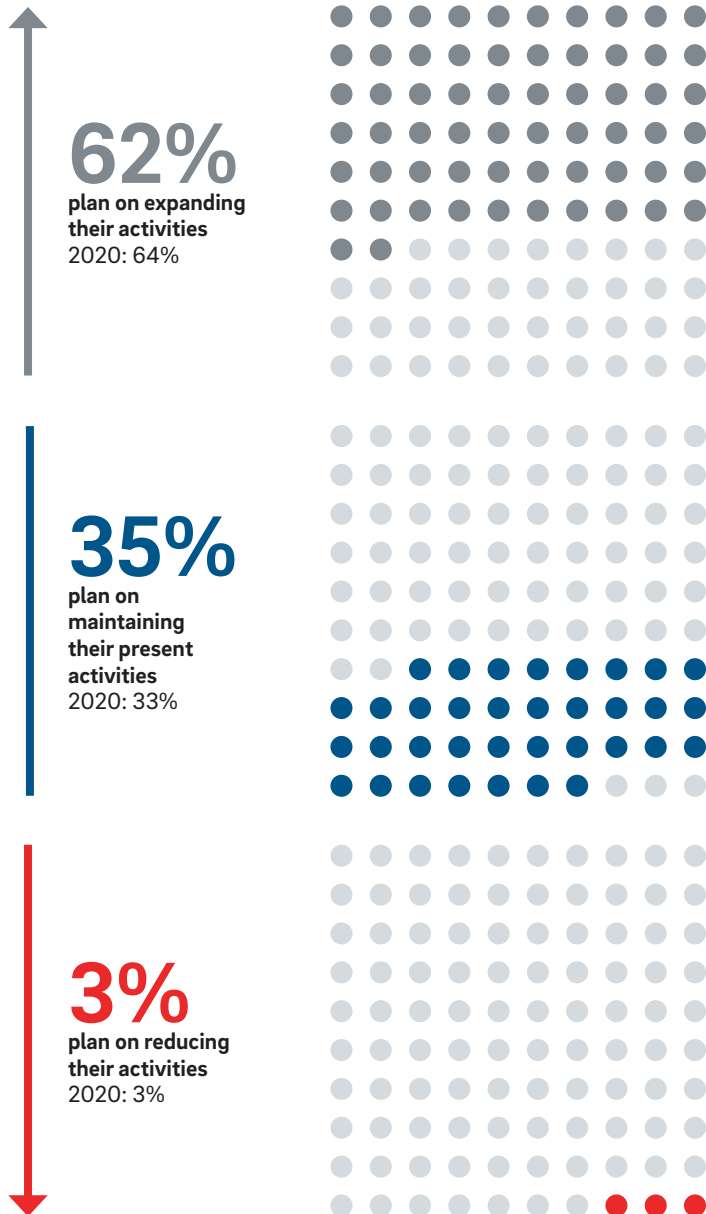


Source: AmCham Germany Transatlantic Business Barometer 2021

3 US COMPANIES CONTINUE TO EXPAND IN GERMANY

The majority of those surveyed plan to expand their activities in Germany in the next three to four years.

Will you expand, maintain or reduce your activities in Germany over the next three to four years?

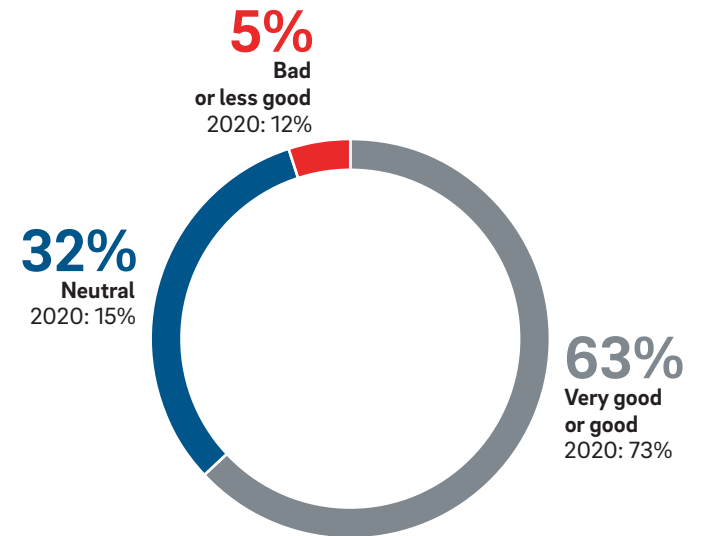


Source: AmCham Germany Transatlantic Business Barometer 2021

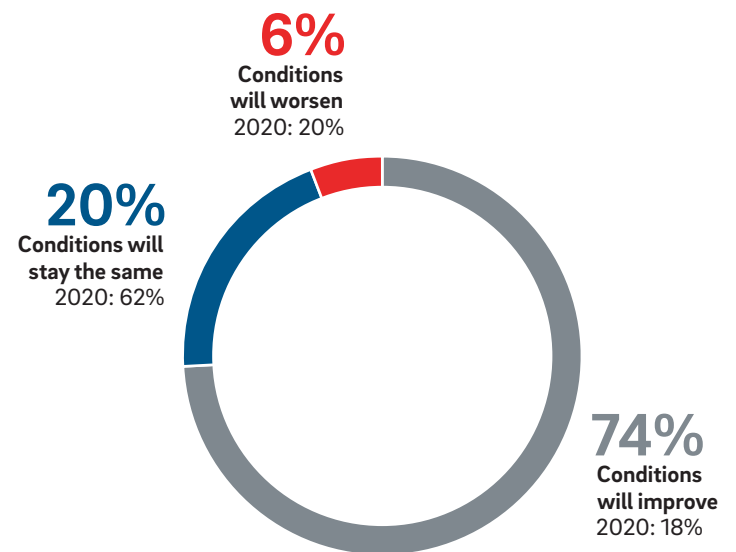
4 HOPE FOR REFORMS

Nearly two-thirds of surveyed companies assess the investment location as either good or very good. Almost three-fourths of respondents hope for improvements.

How would you rate the current investment conditions in Germany?



How will investment conditions in Germany develop over the next three to four years?

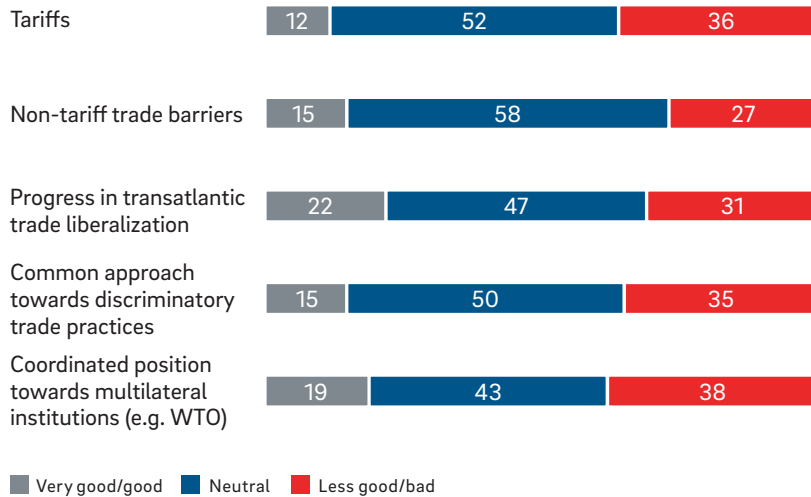


Source: AmCham Germany Transatlantic Business Barometer 2021

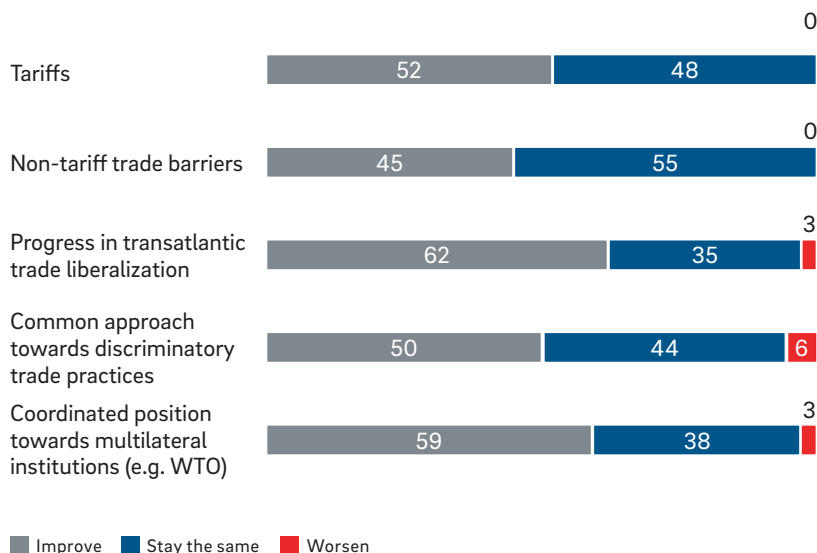
5 DISMANTLING OF TARIFFS AND TRADE BARRIERS DEMANDED

The majority expects an improvement in transatlantic trade relations in 2021. This applies in particular to bilateral trade liberalization and greater transatlantic coordination in multilateral institutions.

How would you rate transatlantic trade relations in the following areas? [%]



What are your expectations for transatlantic trade relations in 2021? [%]

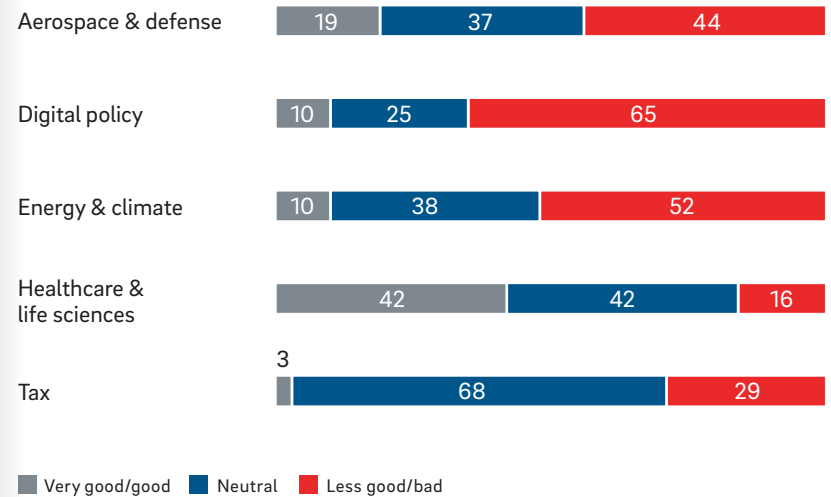


Source: AmCham Germany Transatlantic Business Barometer 2021

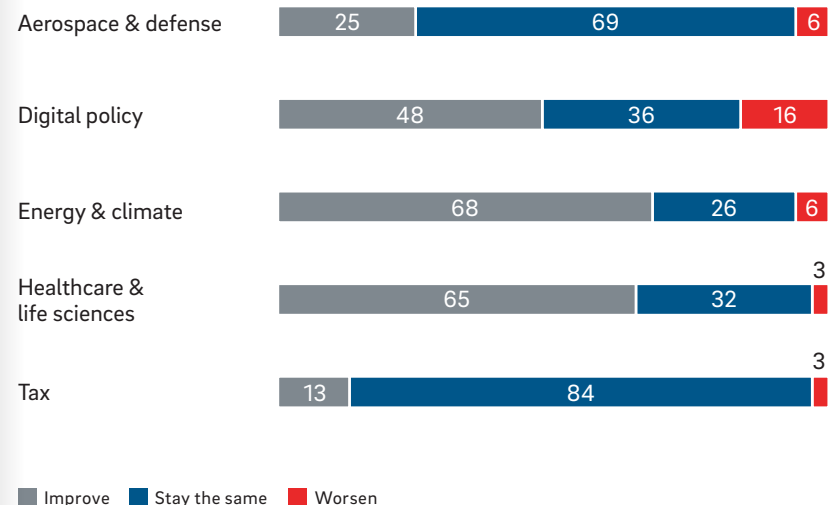
6 COOPERATION ON DIGITAL AND ENERGY POLICY NECESSARY

In the areas of digitalization, climate change and healthcare, respondents expect transatlantic business relations to improve significantly.

How would you rate transatlantic business relations in the following areas? [%]



What are your expectations for transatlantic business relations in the following areas in 2021? [%]

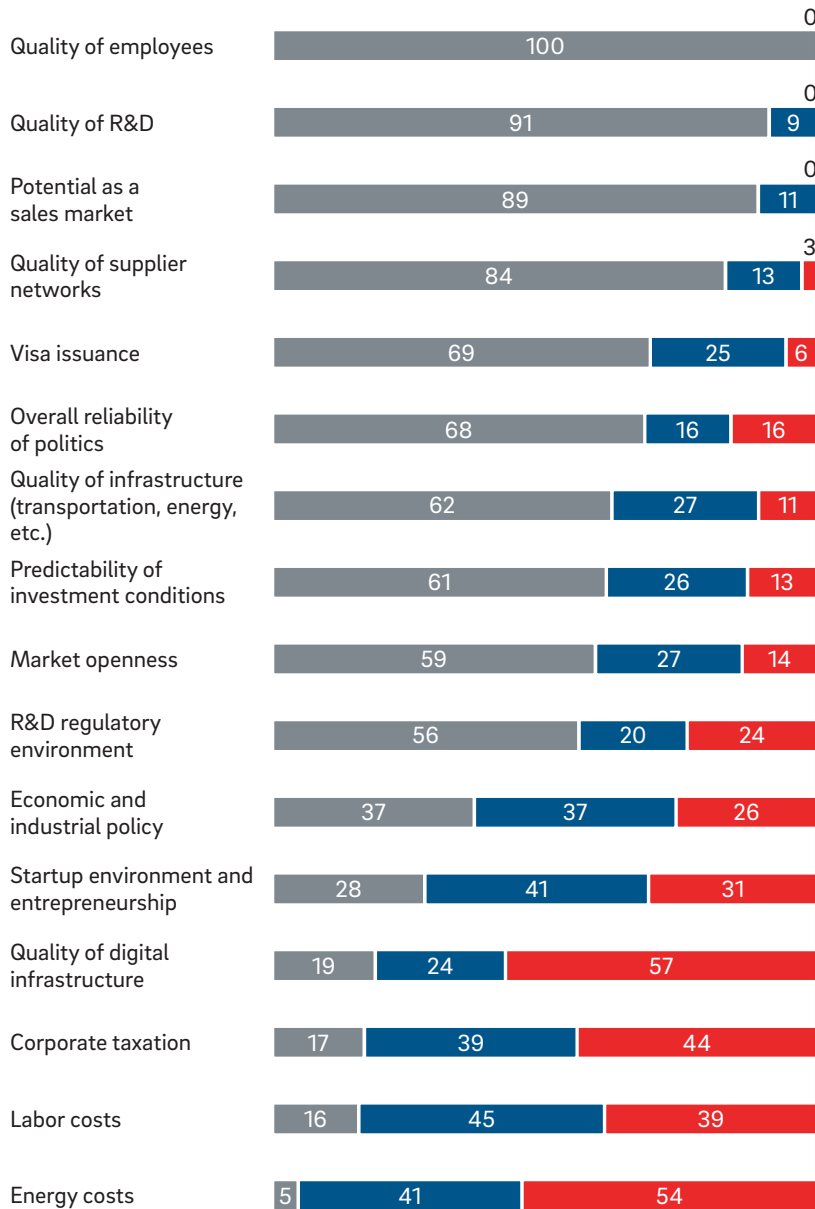


Source: AmCham Germany Transatlantic Business Barometer 2021

7 GERMANY CHECK: GOOD QUALITY, BUT HIGH COSTS

The quality of employees and the potential for innovation are outstanding. Labor and energy costs as well as corporate taxation and digital infrastructure remain challenges.

How would you rate the following investment conditions? [%]



■ Very good/good ■ Neutral ■ Bad/less good

Source: AmCham Germany Transatlantic Business Barometer 2021

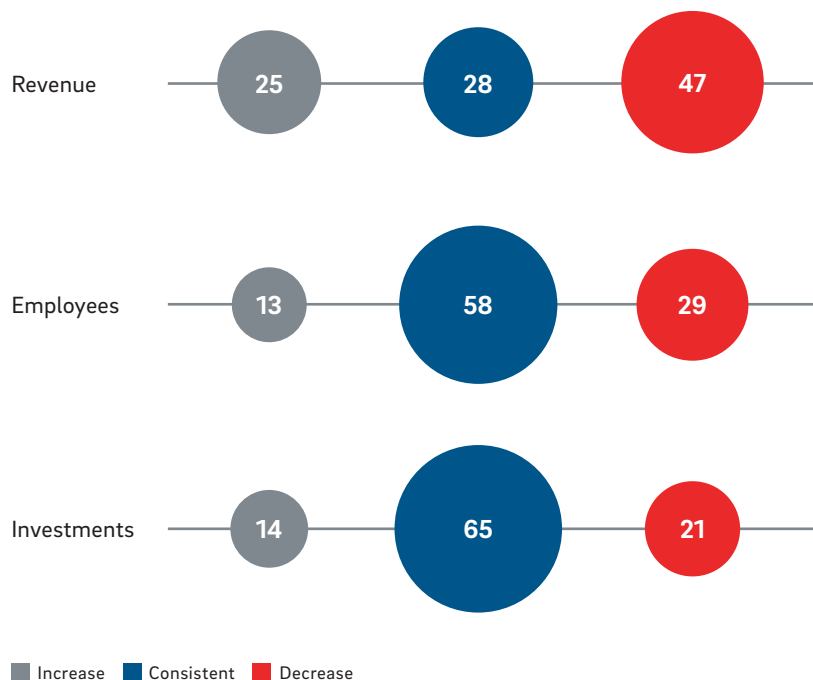
How German companies view the US as an investment location in 2021

The US in early 2021. The Coronavirus pandemic greatly impacted German companies in the US last year. Almost half witnessed a decline in sales revenue. Expectations are correspondingly high for the current year, as three-quarters of those surveyed anticipate an increase in sales. As an investment location, the US is particularly attractive due to its market size and its good entrepreneurship environment. German companies have high expectations for an improvement in trade relations and closer cooperation on digital policy, climate change and healthcare.

1 CORONA SLOWED DOWN COMPANIES

Almost half of the German companies in the US recorded a decline in revenues in 2020, and very few companies increased their number of employees or investments.

How did the year 2020 turn out for your company? [%]

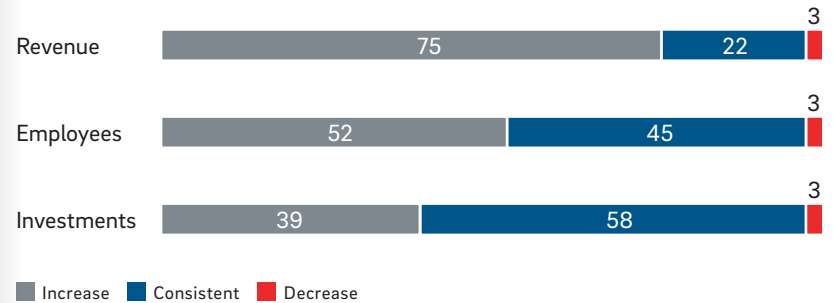


Source: AmCham Germany Transatlantic Business Barometer 2021

2 HIGH EXPECTATIONS FOR 2021

Three-quarters of those surveyed expect sales revenue to rise in the current year, while investments will likely be more subdued.

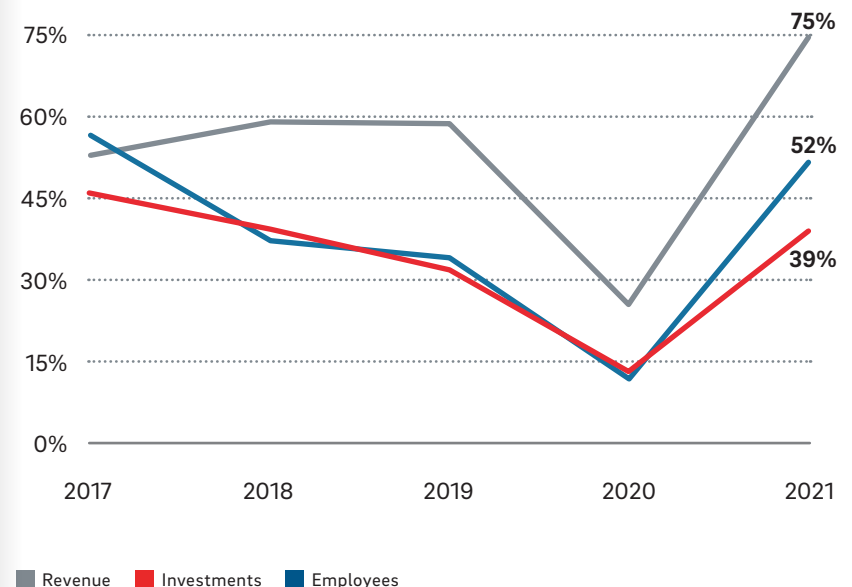
How will your revenue, number of employees and investments develop in 2021? [%]



OPTIMISTIC FOR THE FUTURE

Despite the pandemic, many companies are once again focusing on growth in 2021.

Percentage of companies that experienced an increase in revenue, number of employees and investments for the respective year (2017-2020) or anticipate this in 2021.

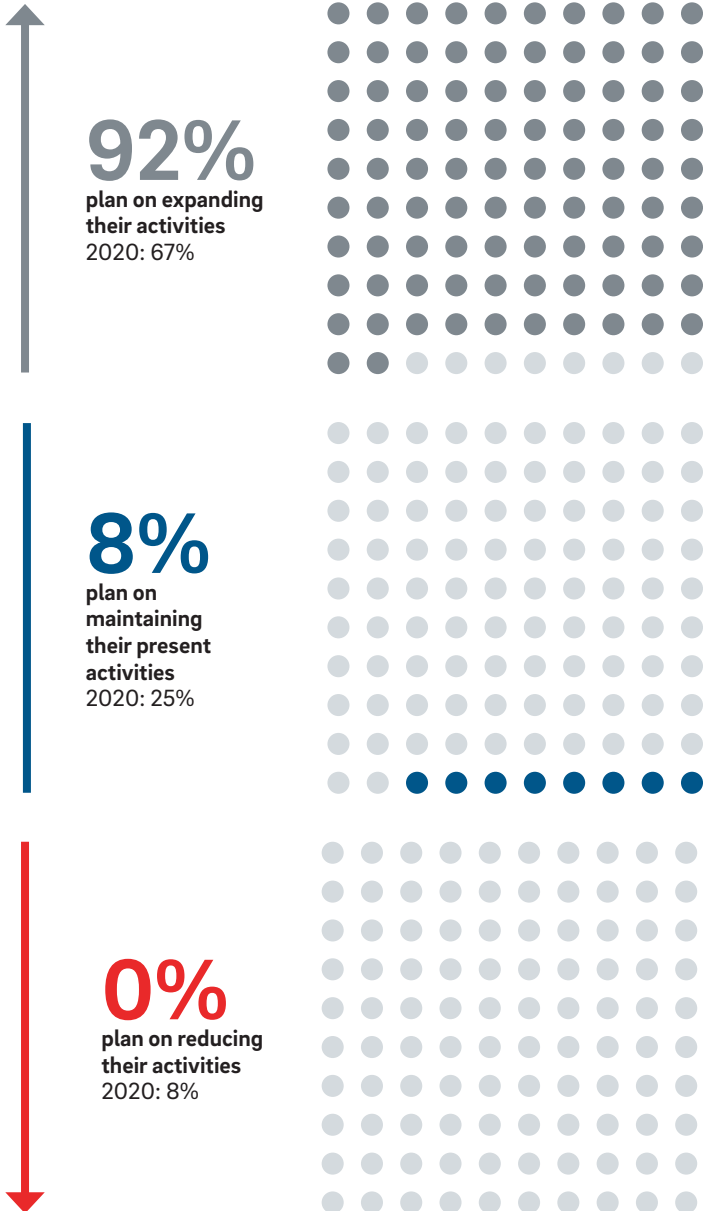


Source: AmCham Germany Transatlantic Business Barometer 2021

3 ON TRACK FOR GROWTH

More than nine out of ten German companies would like to expand their business operations in the US in the near future.

Will you expand, maintain or reduce your activities in Germany over the next three to four years?

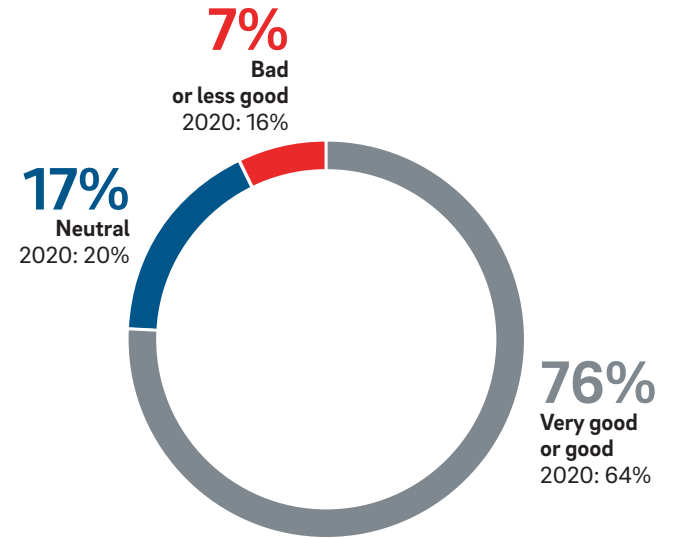


Source: AmCham Germany Transatlantic Business Barometer 2021

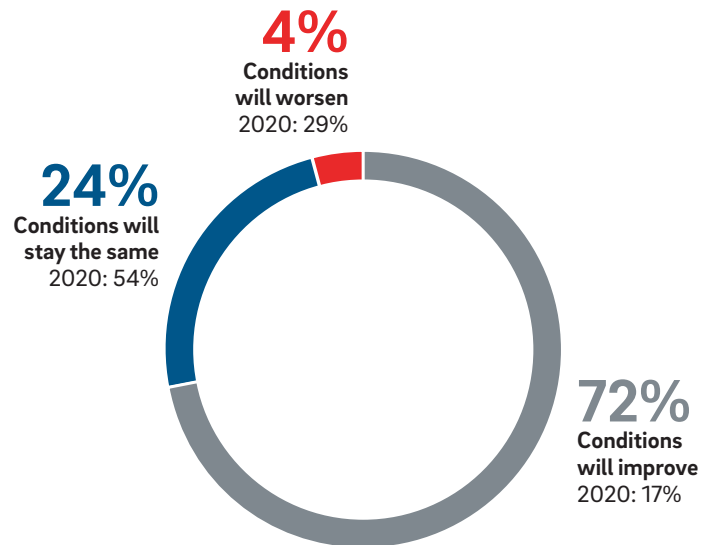
4 THE US MARKET: GOOD, BUT ROOM FOR IMPROVEMENT

More than three-quarters of companies surveyed rate the US as good or very good. More than 70% hope for even better conditions.

How would you rate the current investment conditions in the US?



How will investment conditions in the US develop over the next three to four years?

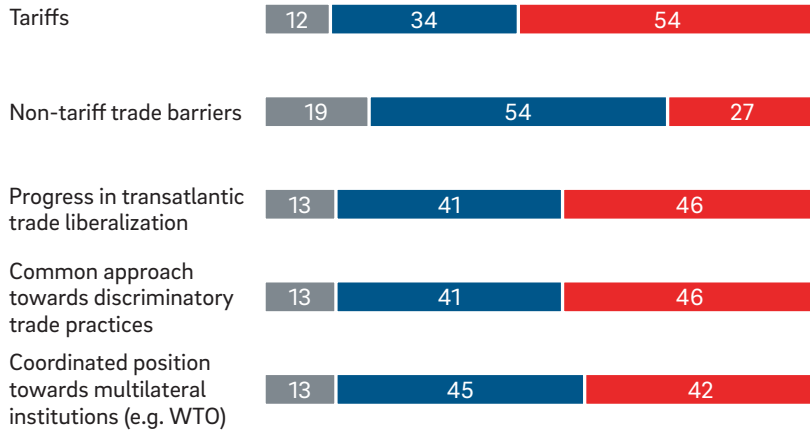


Source: AmCham Germany Transatlantic Business Barometer 2021

5 TRADE RELATIONS: LIGHT AT THE END OF THE TUNNEL?

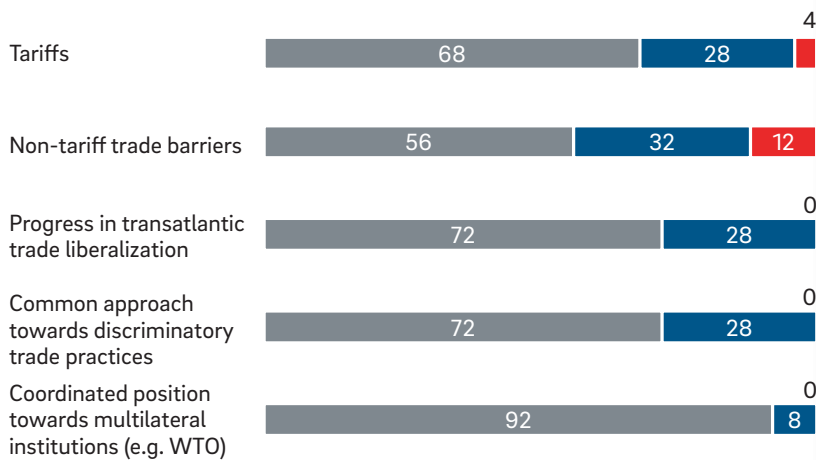
German companies in the US view current trade relations critically, although they anticipate that these will improve over the year.

How would you rate transatlantic trade relations in the following areas? [%]



Very good/good Neutral Bad/less good

What are your expectations for transatlantic trade relations in 2021? [%]



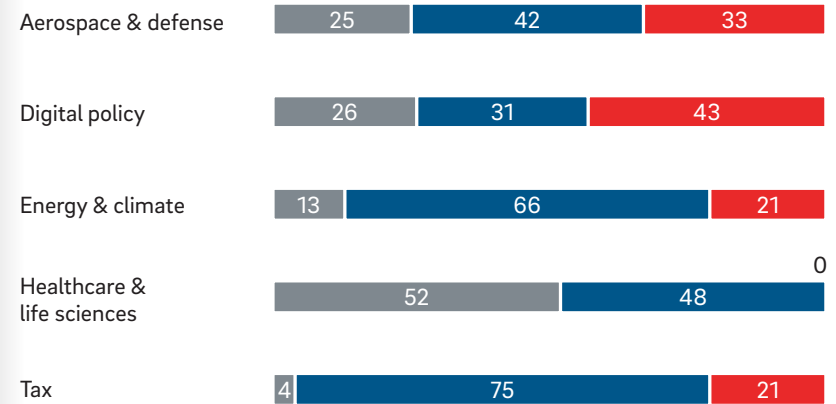
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Source: AmCham Germany Transatlantic Business Barometer 2021

6 THREE AREAS WITH GREAT POTENTIAL

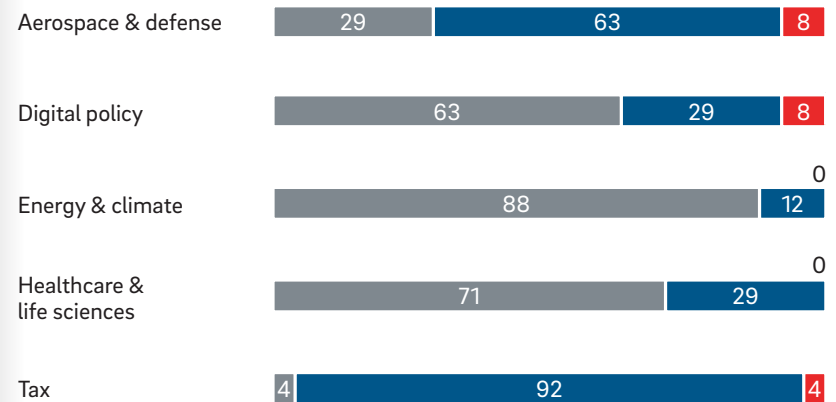
In the areas of digital policy, energy and climate as well as healthcare and life sciences, a significant improvement in relations is expected.

How would you rate transatlantic business relations in the following areas? [%]



Very good/good Neutral Bad/less good

What are your expectations for transatlantic business relations in the following areas in 2021? [%]



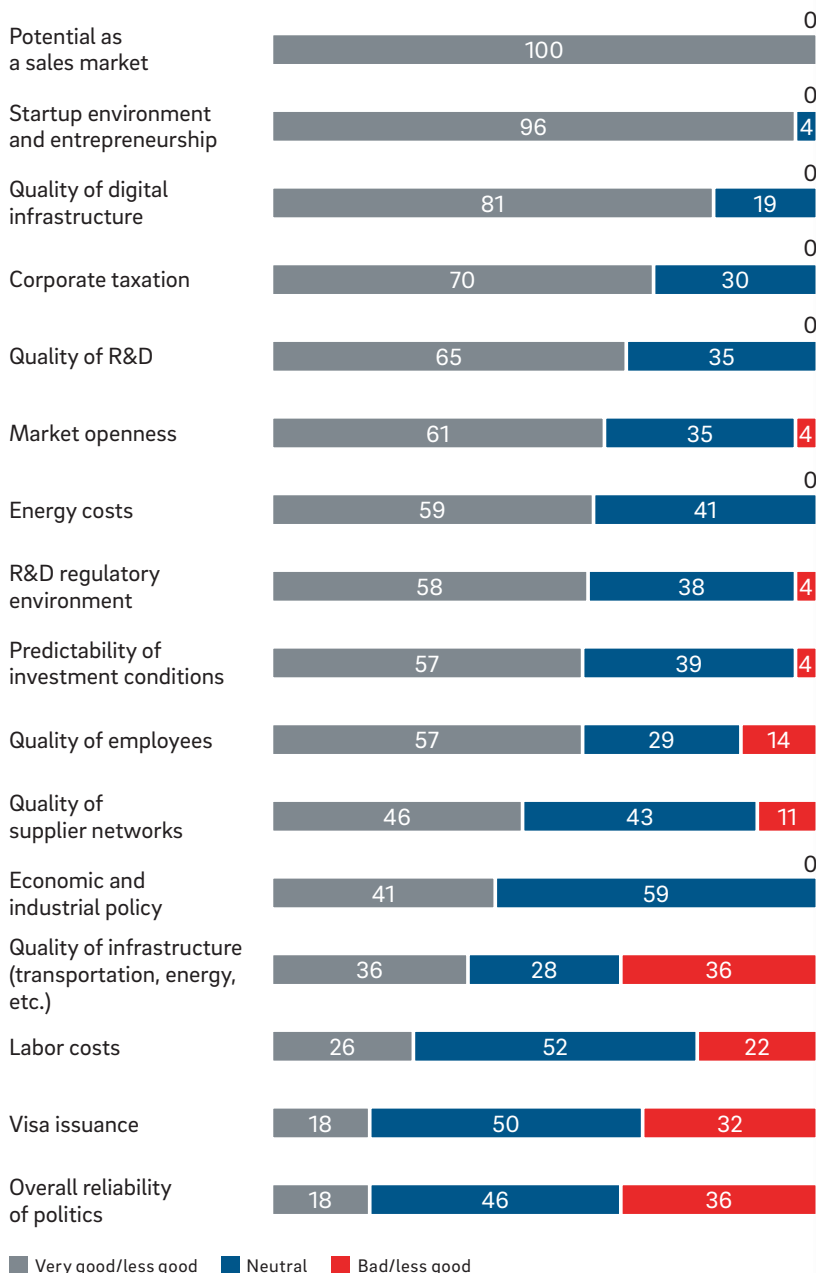
Improve Stay the same Worsen

Source: AmCham Germany Transatlantic Business Barometer 2021

7 US CHECK: A STRONG INVESTMENT LOCATION

German companies appreciate the many strengths of the US. The reliability of politics has already improved, but has further upward potential.

How would you rate the following investment conditions? [%]



Source: AmCham Germany Transatlantic Business Barometer 2021

18 Transatlantic Business Barometer 2021

About AmCham Germany

The American Chamber of Commerce (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.

About Roland Berger

Roland Berger, founded in 1967, is the only leading global consultancy of German heritage and European origin. With 2,400 employees working from 34 countries, we have successful operations in all major international markets. Our 50 offices are located in the key global business hubs. The consultancy is an independent partnership owned exclusively by 250 Partners.

About the participants

A total of 41 US companies with locations and revenue of roughly €75 billion in Germany as well as 31 German companies with locations and revenue of more than €50 billion in the US participated in this year's AmCham Germany Transatlantic Business Barometer. The survey was conducted in February and March 2021.

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