

AmCham Germany **TRANSATLANTIC** Business Barometer

2022

**How companies rate
Germany and the U.S. as
investment locations**



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 15 years, U.S. companies have been surveyed as part of the AmCham Germany Business Barometer.

As in the previous four years, German companies in the U.S. were also surveyed this year.

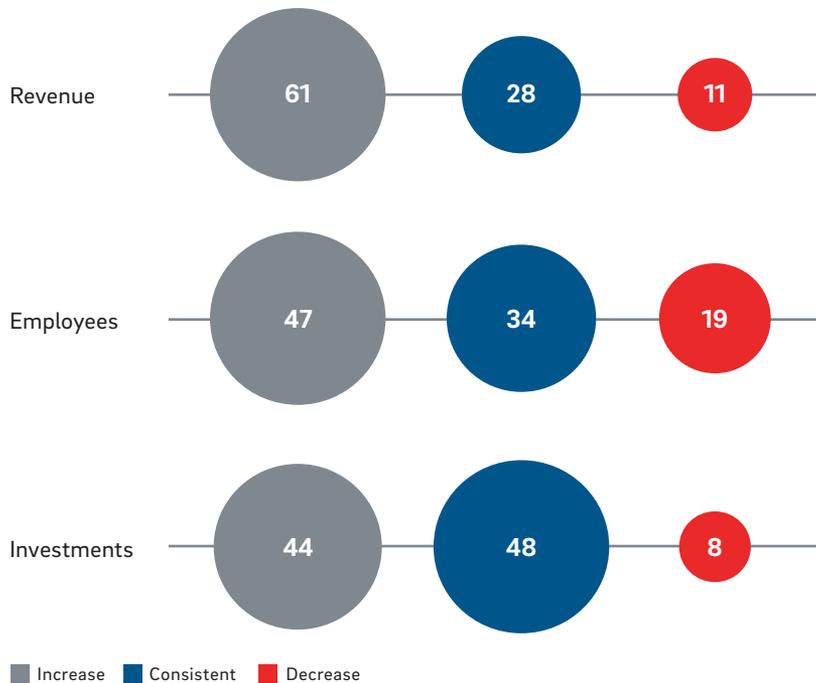
How U.S. companies view Germany as an investment location in 2022

Germany in early 2022. The conflict in Ukraine dominates the debate. This year's Business Barometer was conducted between February 14, shortly before the outbreak of the war, and March 11. Thus, the survey reflects sentiment towards the ever-worsening situation. In spite of the conflict, 90% of the surveyed U.S. companies in Germany expect revenue to increase in 2022. The majority rate Germany as a good business location. However, companies see shortcomings particularly in the areas of digital infrastructure and energy costs, which are additionally burdened by the war in Ukraine.

1 U.S. COMPANIES IN GERMANY – RECOVERY AFTER COVID-19

After subdued developments in 2020, U.S. companies in Germany were able to expand business further last year.

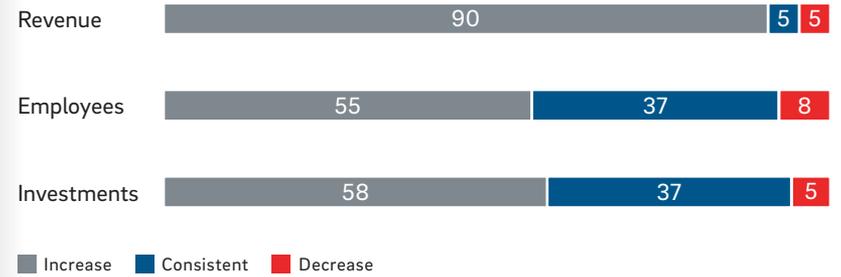
How did the year 2021 turn out for your company? [%]



2 BIG EXPECTATIONS FOR THE CURRENT YEAR

The vast majority of U.S. companies in Germany expect a good business year in 2022.

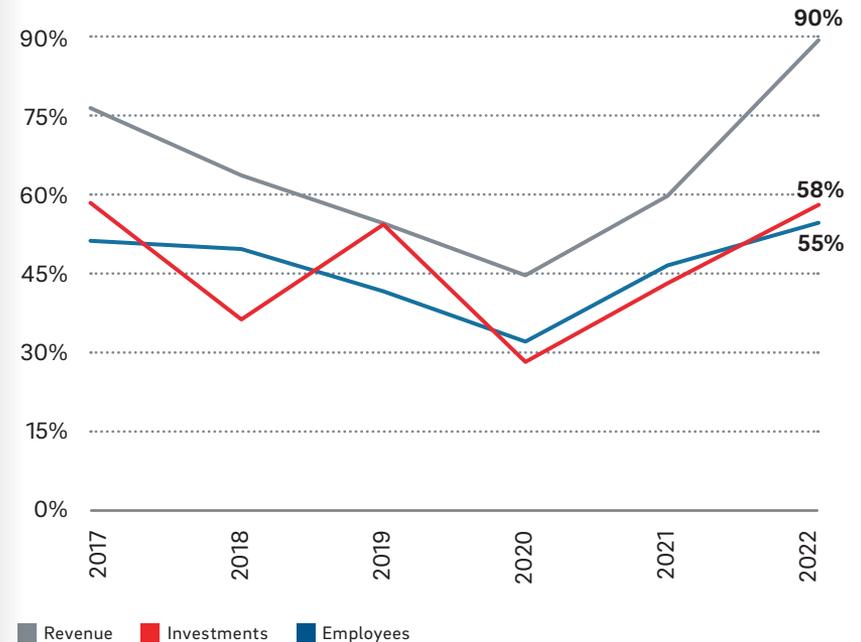
How will your revenue, employees and investments develop in 2022? [%]



LOOKING UPWARD

American companies in Germany already grew last year. They expect the trend to continue this year and are particularly optimistic that revenue will increase.

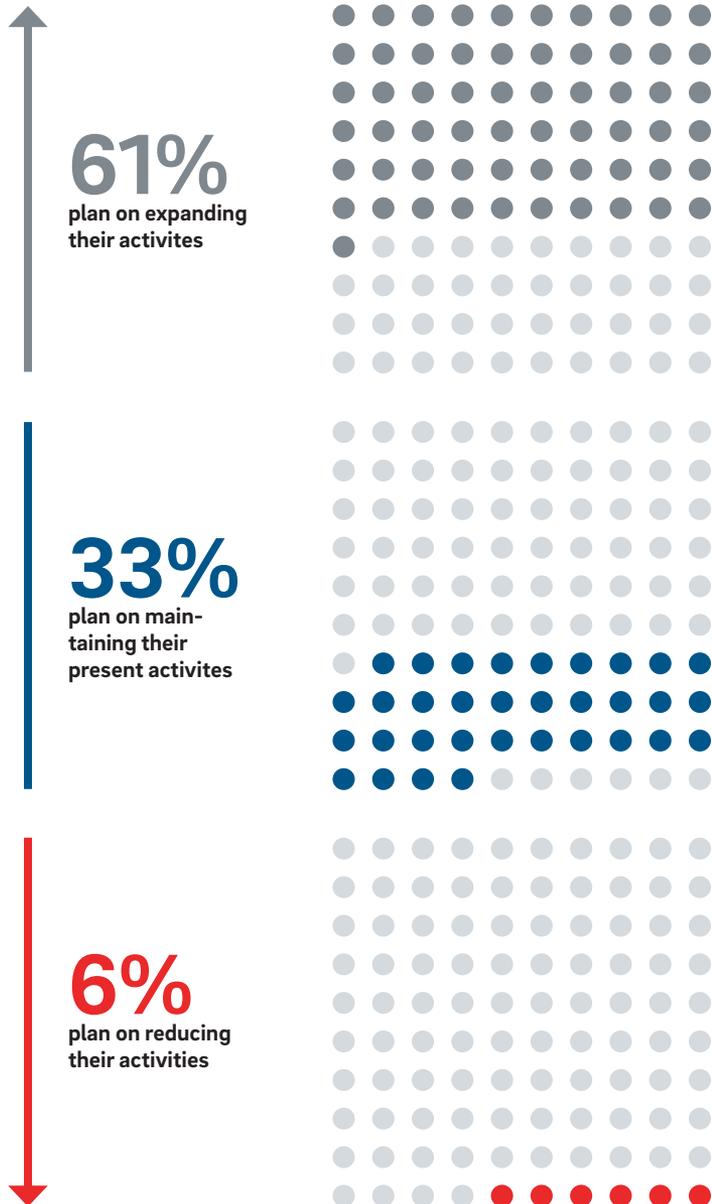
Percentage of companies that experienced an increase in revenue, number of employees and investments for the respective year (2017–2021) or anticipate this in 2022.



3 U.S. COMPANIES ALSO ON COURSE FOR GROWTH IN GERMANY IN THE MEDIUM TERM

Six out of ten U.S. companies in Germany plan on expanding their activities over the next three to four years.

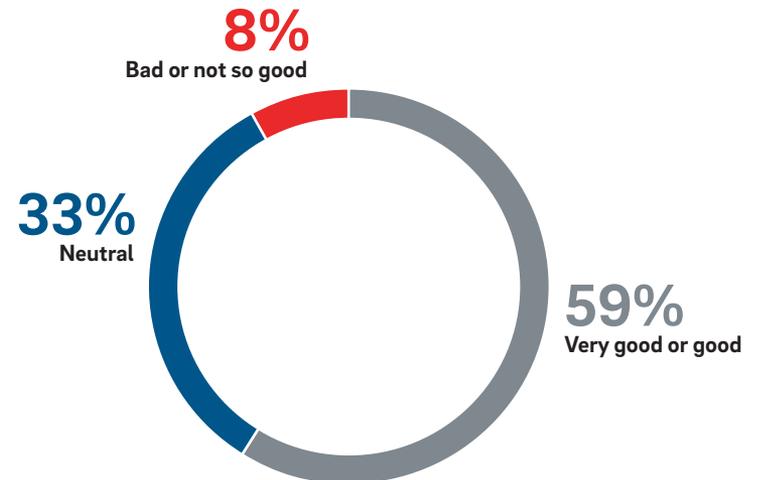
Will you expand, maintain or reduce your activities in Germany over the next three to four years?



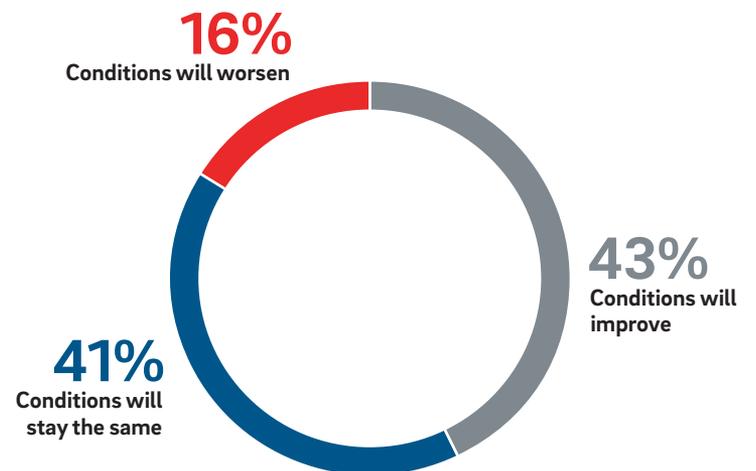
4 GERMANY: A GOOD BUSINESS LOCATION WITH ROOM FOR IMPROVEMENT

Almost 60% of companies rate Germany as good or very good. Opinions on the future reveal mixed expectations. The fact that only 43% of companies expect an improvement in investment conditions shows the need for action.

How would you rate the current investment conditions in Germany?



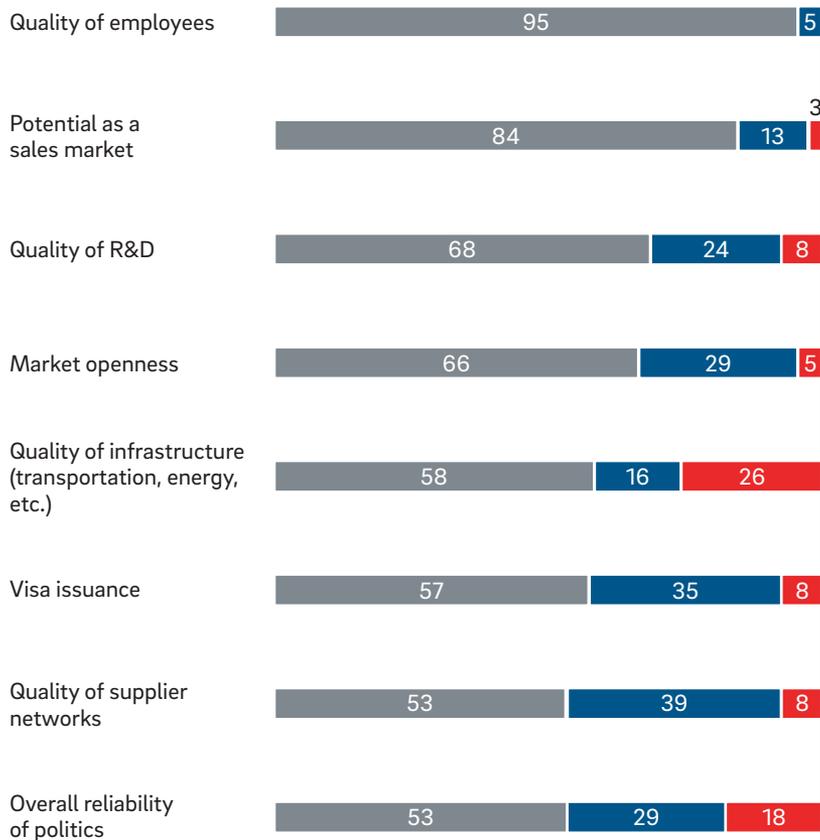
How will investment conditions in Germany develop over the next three to four years?



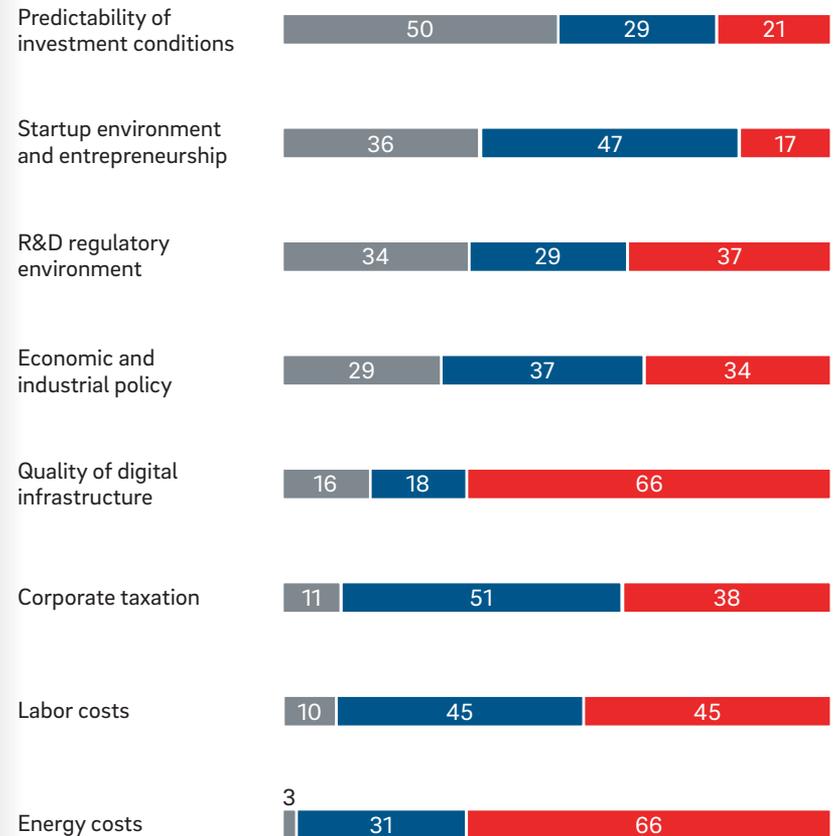
5 GERMANY CHECK: EXCELLENT EMPLOYEES BUT HIGH COSTS

U.S. companies in Germany value the quality of employees, the potential as a sales market and the quality of research and development the most. There is also praise for the quality of infrastructure, although a quarter of the companies see room for improvement in this area.

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



Energy costs are generally a pressing issue in Germany. In the wake of the war in Ukraine, their importance has increased and expanded to include the issue of energy security. The deficits in digital infrastructure are well known and need to be addressed quickly.

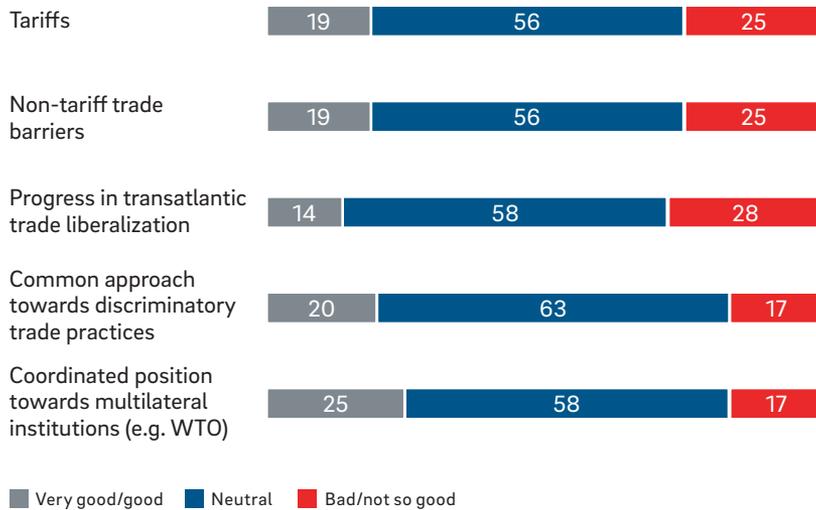


Very good/good Neutral Bad/not so good

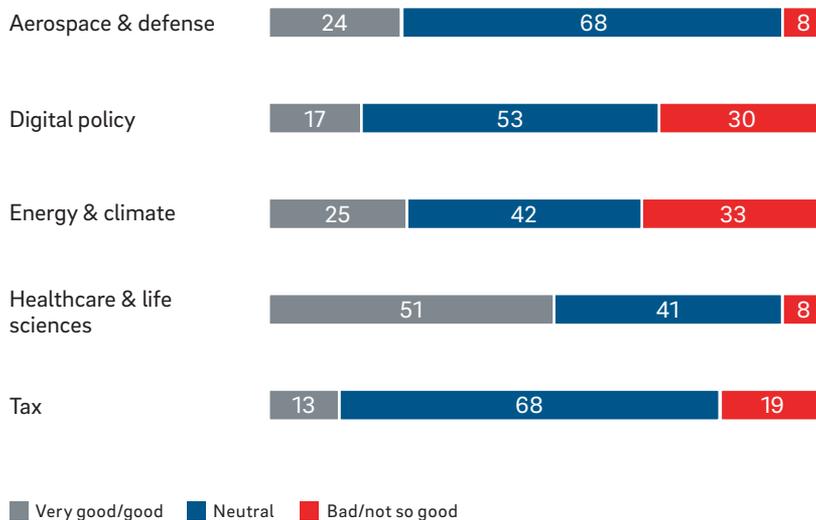
6 TRANSATLANTIC TRADE AND BUSINESS RELATIONS REQUIRE ACTION

When it comes to transatlantic trade and business relations, there is still a great deal of room for improvement. In particular, action is needed on trade liberalization, digital policy as well as energy and climate policies.

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



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



7 DIGITAL ECONOMIC ZONE: A COMMON APPROACH IS THE HIGHEST PRIORITY

In creating a Digital Transatlantic Economic Zone,¹ U.S. companies in Germany see a stronger positioning on digital policy issues and the transatlantic exchange of personal data as a priority.

In your opinion, what are the three most important areas of action in creating a Digital Transatlantic Economic Zone?² [%]

Stronger joint transatlantic positioning on digital policy issues

67

Securing the transatlantic exchange of personal data

61

Cooperation for more cybersecurity

58

Trustworthiness as a regulatory standard

50

Safeguarding value creation through industry data

31

Using artificial intelligence as a key transatlantic technology

17

Transatlantic collaboration in semiconductors

17

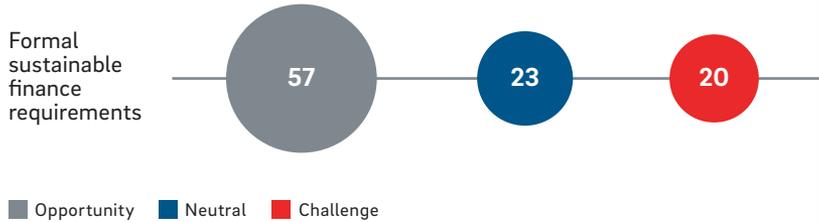
¹ AmCham Germany is committed to the future creation of a Digital Transatlantic Economic Zone. This refers to a digital transatlantic single market that aims, among other things, to remove direct or indirect trade barriers and harmonize regulatory framework in the transatlantic relationship.

² Respondents could specify three areas.

8 SUSTAINABILITY REQUIREMENTS AS AN OPPORTUNITY

More than half of U.S. companies in Germany view the formal requirements regarding sustainable finance as an opportunity. In the area of communication, many companies already see themselves as well positioned, but they have the most catching up to do in terms of reporting requirements.

Do you see the formal requirements for sustainable finance (e.g. EU taxonomy, financial market requirements, environment, sustainability, ESG reporting) more as an opportunity or a challenge? [%]



How prepared do you feel your company is in the following areas related to EU and U.S. taxonomy requirements? [%]

Reporting: Increased requirements regarding reporting



Strategy: Identify and evaluate company activities based on taxonomy criteria and adjust product strategy as necessary



Communication: Adapt internal processes to improve communication with investors and other stakeholders on the topic of sustainability and transparency



Dealing with incoherence: Implementation problems due to a lack of comparable international standards (e.g. no uniform set of rules in the U.S. to date)



Legend: ■ Very good/good ■ Neutral ■ Bad/not so good

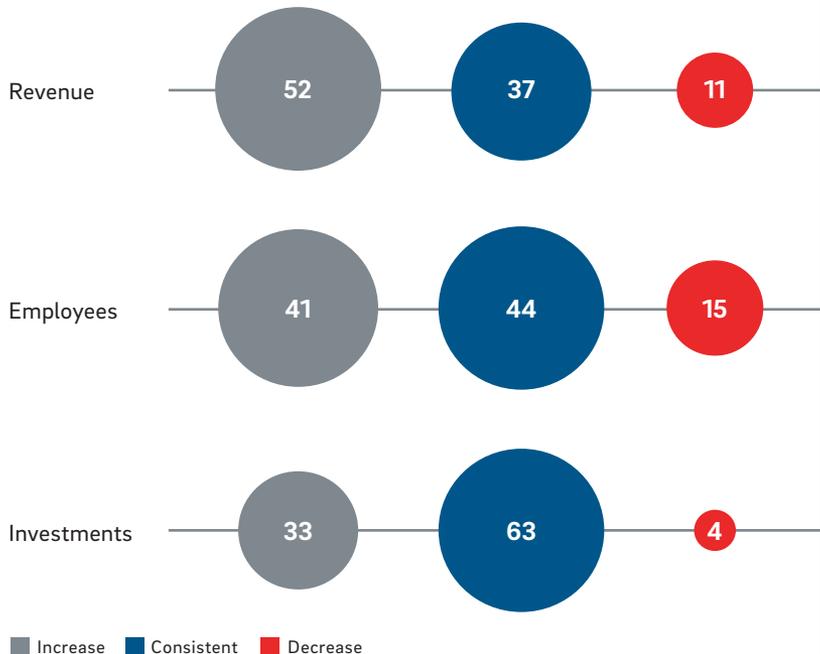
How German companies view the U.S. as an investment location in 2022

The U.S. in early 2022. In the U.S., the war in Ukraine is also having a negative impact on the economic outlook. However, current forecasts of German companies in the U.S. that took part in our survey shortly before and after the outbreak of the war are proving to be robust. Around four out of five companies expect revenue to increase in 2022. As an investment location, the U.S. receives top ratings from companies. However, like the U.S. companies in Germany, German companies in the U.S. see room for improvement in transatlantic trade and business relations.

1 GERMAN COMPANIES IN THE U.S. – REVENUE HAS INCREASED

Over half of the German companies in the U.S. reported that they were able to increase their revenue in 2021. By contrast, they were more cautious in expanding investments.

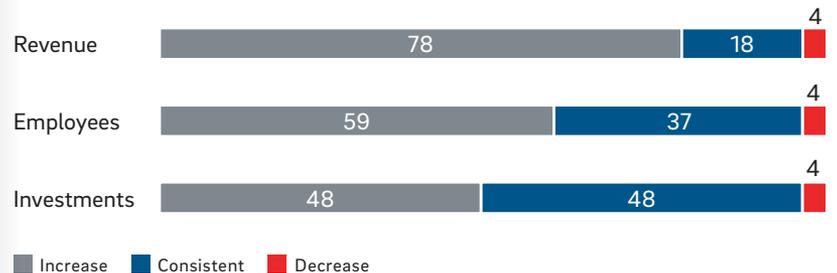
How did the year 2021 turn out for your company? [%]



2 A POSITIVE OUTLOOK FOR 2022

Nearly four-fifths of surveyed companies expect their revenue to increase in the current year. The majority also anticipate a rise in their number of employees.

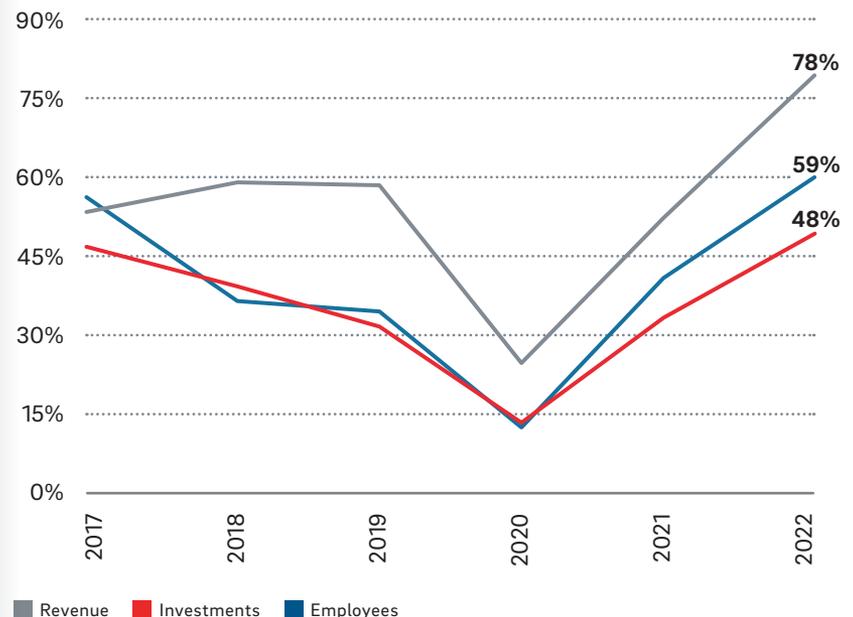
How will your revenue, employees and investments develop in 2022? [%]



QUICKLY OUT OF THE VALLEY

Following the downturn in 2020 caused by the effects of the Covid-19 pandemic, the German companies in the U.S. were able to ramp up their activities in 2021 and expect further growth this year.

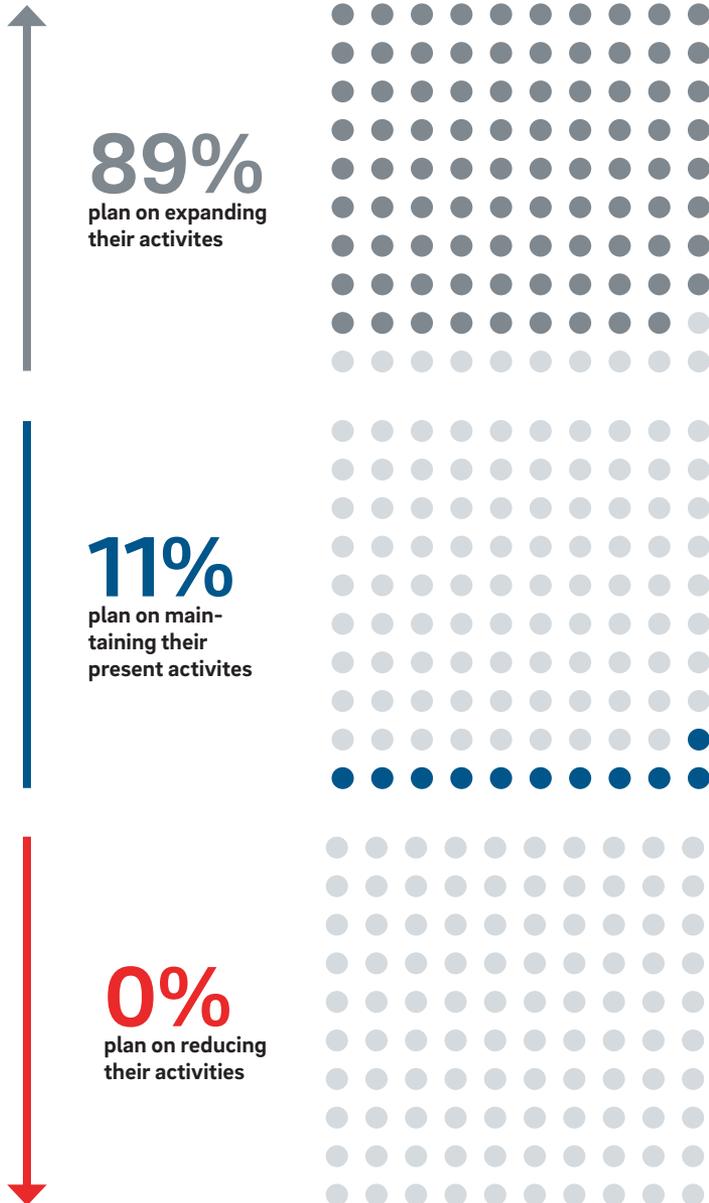
Percentage of companies that experienced an increase in revenue, number of employees and investments for the respective year (2017–2021) or anticipate this in 2022.



3 CONTINUED GROWTH

Nine out of ten surveyed companies plan to expand their activities in the U.S. in the medium term.

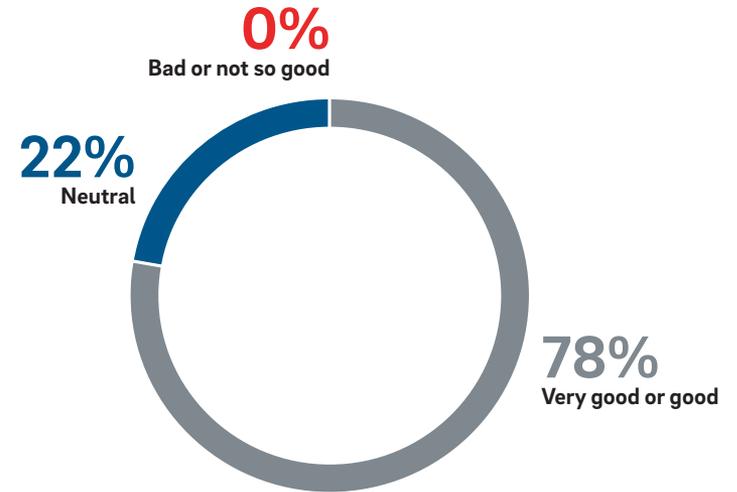
Will you expand, maintain or reduce your activities in the U.S. over the next three to four years?



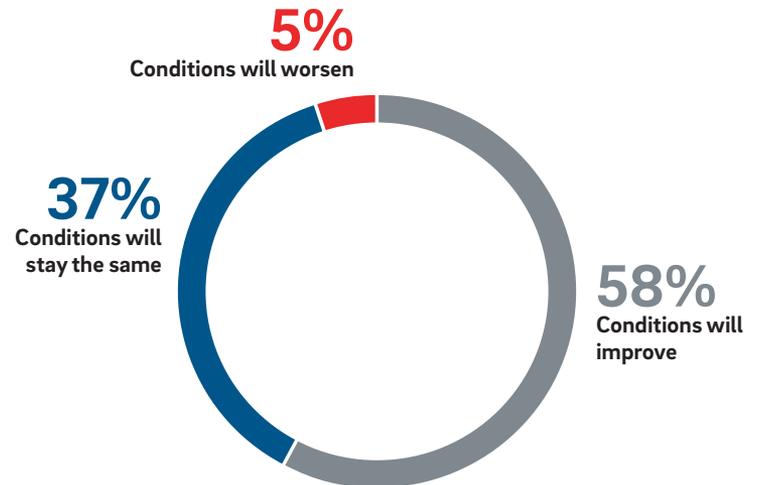
4 THE U.S.: EXCELLENT TODAY, EVEN BETTER TOMORROW?

German companies already give the U.S. an excellent score. More than half of those surveyed expect a further improvement in investment conditions.

How would you rate the current investment conditions in the U.S.?



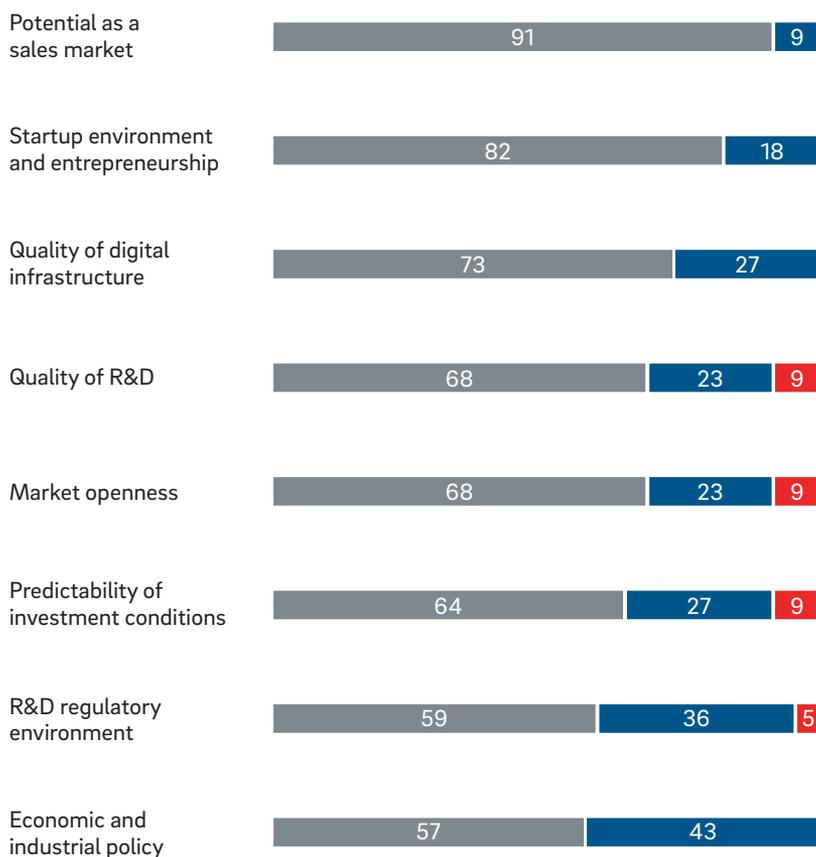
How will investment conditions in the U.S. develop over the next three to four years?



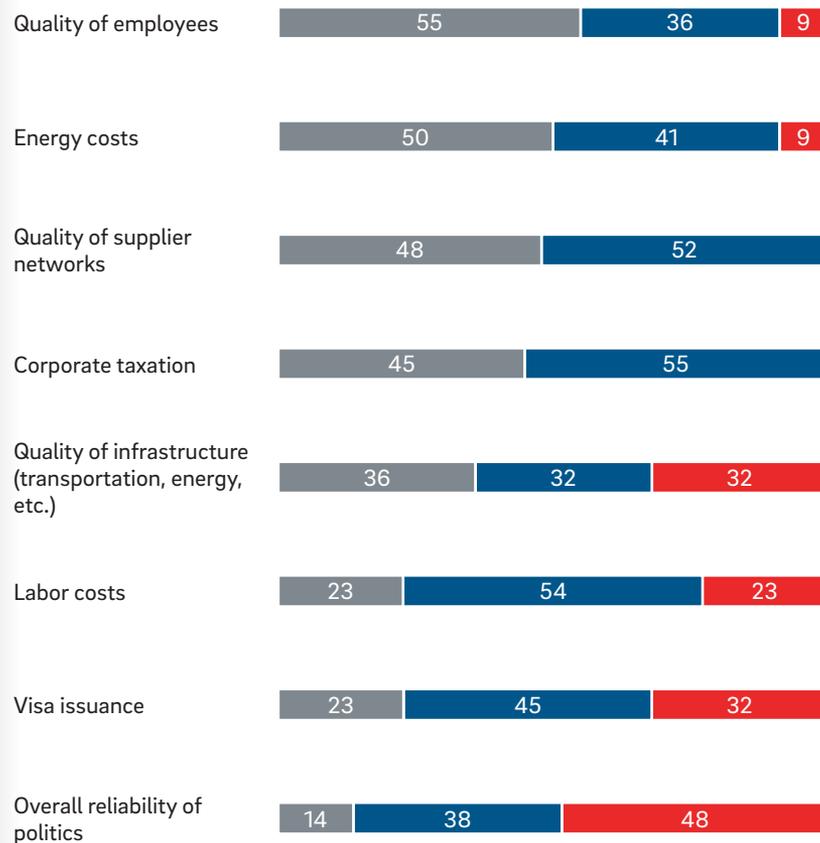
5 U.S. CHECK: A STRONG INVESTMENT LOCATION WITH FEW WEAKNESSES

German companies value the many strengths of the American market. The potential as a sales market, the framework conditions for startups and entrepreneurship and the quality of digital infrastructure are particularly emphasized.

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



German companies see the greatest need for improvement in the quality of infrastructure, labor costs, visa issuance and the overall reliability of politics.

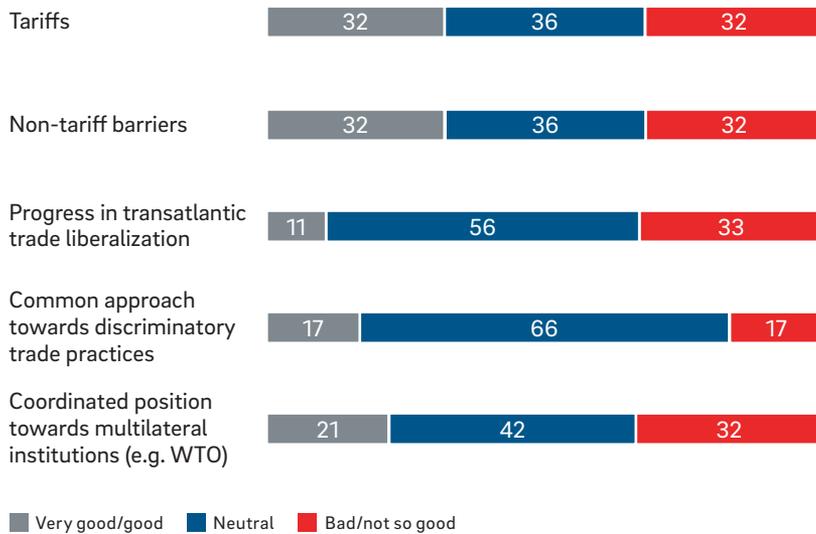


■ Very good/good ■ Neutral ■ Bad/not so good

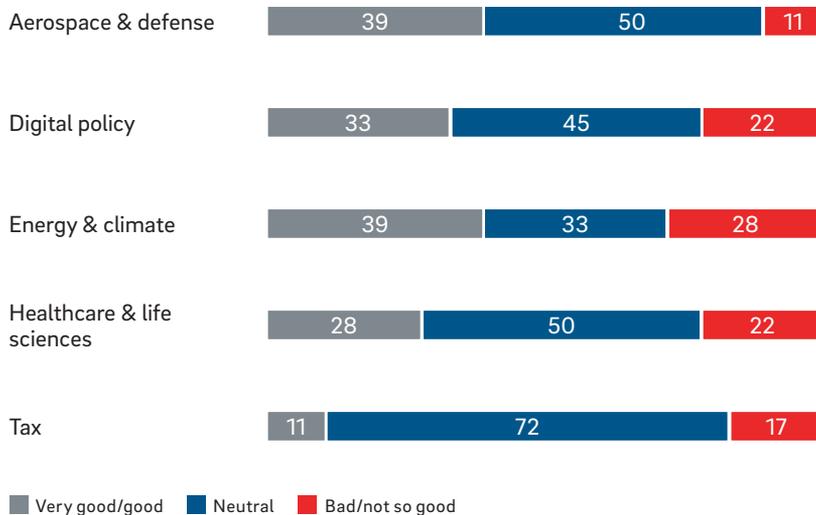
6 TRADE AND BUSINESS RELATIONS SHOW ROOM FOR IMPROVEMENT

The assessment of transatlantic trade and business relations paints a mixed picture. In the area of trade, a number of companies would like to see progress in trade liberalization and a better coordinated position towards multilateral institutions.

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



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



7 DIGITAL ECONOMIC ZONE: A COMMON POSITION AND CYBERSECURITY ARE IMPORTANT

Similar to the U.S. companies in Germany, joint transatlantic positioning on digital policy issues is a top priority for German companies in the U.S. Cooperation for greater cybersecurity is also particularly important.

In your opinion, what are the three most important areas of action in creating a Digital Transatlantic Economic Zone?^{1,2} [%]

Stronger joint transatlantic positioning on digital policy issues



Cooperation for more cybersecurity



Trustworthiness as a regulatory standard



Safeguarding value creation through industry data



Using artificial intelligence as a key transatlantic technology



Securing the transatlantic exchange of personal data



Transatlantic collaboration in semiconductors



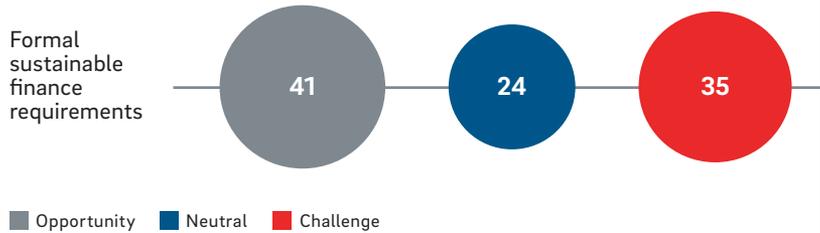
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² Respondents could specify three areas.

8 SUSTAINABILITY REQUIREMENTS: NON-UNIFORM STANDARDS ARE A HURDLE

Forty-one percent of German companies in the U.S. tend to perceive formal sustainable finance requirements as an opportunity. Strategically, many companies already see themselves as well positioned. The greatest need to catch up is in dealing with incoherence.

Do you see the formal requirements for sustainable finance (e.g. EU taxonomy, financial market requirements, environment, sustainability, ESG reporting) more as an opportunity or a challenge? [%]



How prepared do you feel your company is in the following areas related to EU and U.S. taxonomy requirements? [%]

Reporting: Increased requirements regarding reporting



Strategy: Identify and evaluate company activities based on taxonomy criteria and adjust product strategy as necessary



Communication: Adapt internal processes to improve communication with investors and other stakeholders on the topic of sustainability and transparency



Dealing with incoherence: Implementation problems due to a lack of comparable international standards (e.g. no uniform set of rules in the U.S. to date)



Very good/good Neutral Bad/not so good

Unless otherwise specified, the AmCham Germany Transatlantic Business Barometer 2022 is the source for all data and graphs.

22 Transatlantic Business Barometer 2022

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.

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 50 offices in all major markets. Our 2400 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 and enables us to meet the profound challenges of today and tomorrow.

About the participants

A total of 62 member companies from AmCham Germany participated in the survey, whose responses were incorporated into the Business Barometer. Thirty-six U.S. companies with locations and revenue of at least € 55 billion in Germany as well as 26 German companies with locations and revenue of at least € 100 billion in the U.S. participated in this year's Transatlantic Business Barometer. The survey was conducted in February and March 2022.

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