

PRESS RELEASE

Trade conflict between the EU and the US clouds investor sentiment among American companies in Germany

TOP 50 Ranking: Biggest US companies in Germany based on sales revenue are Ford, Amazon and ExxonMobil

Frankfurt, September 27, 2018 – Business prospects for US companies in Germany have clouded after the introduction of tariffs between the US and the EU. The majority of American firms do not consider current US trade policy to be effective. Fewer US companies expect an increase in turnover, the number of their employees and investments in Germany after the introduction of tariffs. Businesses on both sides of the Atlantic are uncertain and erring on the side of caution. These are the results of a survey published today by the American Chamber of Commerce in Germany (“AmCham Germany”).

In addition to the survey, AmCham Germany released its annual TOP 50 ranking of US companies in Germany based on sales revenue today. The ranking pertains to the 2017 financial year and thus to the period prior to the introduction of tariffs. According to the ranking, sales revenue among the largest American companies increased on average by 3.4% (3.2% in 2016). The 30 largest US employers in Germany represent more than 300,000 jobs.

Germany continues to be an attractive location for US companies, receiving a total score of 2.2 on a scale from 1 (excellent) to 6 (unsatisfactory). However, due to the implemented tariffs, only half of US companies expect their sales in Germany to continue to rise – compared with more than two-thirds before the trade conflict. In addition, only 28 percent and no longer 38 percent of companies expect the number of their employees in Germany to rise. An increase in investments is intended by 18 percent of US companies in Germany – before tariffs were implemented this number was nearly 30 percent.

In the survey, three out of four US companies call on the European Union to conclude a comprehensive free trade agreement with the US, and more than two thirds argue in favor of abolishing all tariffs. On the other hand, only a minority of US companies favor solutions via the World Trade Organization (WTO) (37 percent), a shift by the EU to other markets (31 percent) or countermeasures (14 percent). Almost all respondents (93 percent) do not believe that US President Trump’s economic policy will be successful.

AmCham Germany President Frank Sportolari noted: “Business relations between the US and Germany are close and resilient. Above all, though, companies need reliability, transparency and a roadmap for resolving the trade dispute between the EU and the USA.”

There are around 3,700 German subsidiaries in the USA, representing more than 674,000 US jobs. German companies are the fourth largest group of foreign investors in the USA.

“Business relations between the US and Germany have continued to develop very positively,” says Frank Riemensperger, Executive Vice President of AmCham Germany and CEO of Accenture Germany. “US companies have benefited from the good overall economic situation in Germany. In particular, service and technology providers have shown noticeable

growth. The year 2017 was also very successful for German businesses in the US. On the German side, the automotive industry and its suppliers as well as mechanical and plant engineering dominate. If goods and services are considered together, the trade balance between the US and Germany is actually much more balanced than is often shown.”

TOP 50 companies in 2017 based on sales revenue: Ford, Amazon, ExxonMobil

With a turnover of 22.71 billion euros in Germany in 2017, the automobile manufacturer Ford is once again in the lead. The online retailer Amazon came in second place with 15.6 billion euros in sales, while ExxonMobil Central Europe Holding (Esso) came in third with sales of 8.7 billion euros (including petroleum tax). Cigarette and tobacco manufacturer Philip Morris came in fourth place with €6.6 billion in sales revenue (including tobacco tax), while IBM Deutschland completes the top five with sales of €6.3 billion (estimate). The TOP 50 US companies in Germany in 2017 were most active in the automotive, ICT and services sectors, generating total sales of around 171 billion euros.

The 30 largest US employers in 2017: McDonald's, Ford, Manpower

The ranking of the 30 largest US employers in Germany is led by McDonald's Deutschland with 60,000 employees in 2017 (estimate, including franchises). In second to sixth place are Ford-Werke GmbH (24,000), ManpowerGroup Deutschland (23,954), United Parcel Service Deutschland (19,000) and Amazon Deutschland (14,500).

About the TOP 50 ranking:

AmCham Germany's TOP 50 ranking annually lists the largest US companies in Germany and subsidiaries of American parent companies with more than 50 percent American capital in Germany, measured by sales revenue in the previous year. The criteria for sales is net revenue; i.e., sales without value-added tax. The petroleum tax and tobacco tax are an exception. The information is either provided directly by the companies or is based on estimates and research conducted by AmCham Germany and Accenture. A total of 35 US companies took part in the corresponding survey on transatlantic trade and tariffs, 18 of which are among the TOP 50 US companies in Germany based on sales revenue. The participating companies represent a total turnover of ca. 55.8 billion euros and about 128,500 employees in Germany. The survey was conducted in August 2018.

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.

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