

PRESS RELEASE

X. AmCham Business Barometer

Confident: US investors expect a good financial year in 2013

Reforms necessary to strengthen economic growth in Germany

Frankfurt/ Munich, March 13, 2013 – After an average year in 2012, American companies in Germany are optimistic about 2013. Two out of three companies anticipate increased revenue, more than a third are counting on both new investments as well as new hires.

These are the key findings of the X. Business Barometer, created by the American Chamber of Commerce in Germany (AmCham Germany) in cooperation with Roland Berger Strategy Consultants. The Business Barometer is based on a survey of 58 American companies located in Germany. They have a total annual revenue of 95 billion euros and employ more than 240,000 people in Germany.

"The US investors believe 2013 will be a good year. They are still impressed by the inner strength of Germany as a business location," says Bernhard Mattes, Vice President of AmCham Germany. "If every third company intends to increase its investments and its staff this year, and if two out of three companies expect higher revenues than last year – that shows great confidence that Germany will remain a highly attractive location, by international comparison."

2012 was less successful for US companies in terms of sales and investments, as several companies failed to meet growth expectations. While 81% of respondents in 2012 expected increasing sales, these prospects of success materialized in only 50% of cases.

"The optimism of American companies for the year 2013 stands out from the subdued growth prospects of many German research institutes. That should give us a positive outlook," says Martin C. Wittig, CEO of Roland Berger Strategy Consultants. "The survey shows that even if the euro crisis has yet to be fully overcome, American investors in Germany are much less unsettled than in the previous years. They are focusing on their business and on the potential for further growth."

US investors appreciate Germany as a business location

Germany continues to be attractive to US companies as a business and investment location. 81% are satisfied with the quality of the location or are even more satisfied than they were last year. The companies especially appreciate access to highly qualified personnel (60%), economic stability (49%) and political stability in the country (47%). Conversely, bureaucracy and over-regulation (35%) as well as the lack of skilled workers (24%) were identified as weaknesses. For the first time in the ten-year history of the Business Barometer, rapidly increasing energy costs were also identified as a concern (17%).

Further reforms for greater appeal

Despite their collectively optimistic attitude, companies surveyed in the Business Barometer urge further modernization of Germany as a business location in the coming years. 85 percent of companies perceive high or very high pressure on Germany to reform in order to keep up with its international competition. When asked about the importance of reform measures, the need for better schools in a more centralized system was widely acknowledged (96%), closely followed by the desire to reduce bureaucracy (95%) and the need to expand the immigration of qualified workers (93%).

In the debate on the continuing development of the market economy, US companies also take a clear stance in the Business Barometer. 85 percent call for both equal performance assessment and equal opportunity. Almost two thirds (63%) support securing a minimum income for employees so that more people can live on their wages. Somewhat fewer respondents (54%) support the political objective of preventing the gap in income and wealth from further widening.

In this year's Business Barometer, AmCham Germany makes seven proposals for a future German reform agenda:

- 1. Generate an inspirational mindset** - Citizens, politicians, academics and businesses should work together to launch initiatives for growth.
- 2. Aim for technical advances** - By promoting its innovative companies, Germany should strengthen its position as a high-tech location and generate future growth through new technologies.
- 3. Strengthen industrial skills** – Placing importance on achieving a high share of industry in different areas translates into a sustainable model of success for the country.
- 4. Secure entrepreneurial freedom** - Remaining excessive bureaucracy and over-regulation should be further reduced in order to prevent hindering growth.
- 5. Maintain flexible labor markets** - In order to prevent high unemployment, important types of work such as temporary work and limited employment contracts should not be severely restricted.
- 6. Organize a non-ideological energy transition** - A safe, affordable and reliable energy supply is an important prerequisite for strong industry in Germany.
- 7. Give power to education** - The country should sustainably finance kindergartens, schools and institutions of higher education to ensure an excellent education for future generations.

About the AmCham Germany Business Barometer

The AmCham Germany Business Barometer is an exclusive survey of companies with American capital in Germany, regarding business prospects and general conditions in Germany as a business location, while also comparing it internationally. The current study marks the tenth edition of the Business Barometer, created by AmCham Germany in cooperation with Roland Berger Strategy Consultants. Between December 2012 and January 2013, American companies from various industries in Germany were interviewed in a detailed online questionnaire. Participants included a total of 58 companies with aggregate annual revenue of approximately 95 billion euros and approximately 240,000 employees in Germany.

Please find the complete results at:

www.amcham.de

and

www.rolandberger.com/pressreleases

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