PRESS RELEASE
XL. AmCham Germany Business Barometer

US companies in Germany anticipate an above-average financial year for 2014

Germany remains an attractive business location, yet uncertainties regarding energy prices pose a risk

Seventy percent of US companies expect a surge in growth from the Transatlantic Trade & Investment Partnership

Berlin/Munich, March 18, 2014 – US companies in Germany want to continue to invest heavily and create new jobs. Germany as a business location is appealing, yet economic parameters must further remain attractive. For instance, businesses hope that costs related to Germany’s energy policy do not get out of hand. In the long run, Europe must compete with Asia as an investment location. Approximately 70 percent of respondents anticipate a much-needed boost from the Transatlantic Trade and Investment Partnership (TTIP).

These are among the main results of the XL. AmCham Germany Business Barometer, which the American Chamber of Commerce in Germany (AmCham Germany) presented today in cooperation with Roland Berger Strategy Consultants in Germany, Berlin. The exclusive survey provides an overview of how top US companies assess their business prospects here in 2014. The signs point to growth: Nearly eight out of ten surveyed companies anticipate an increase in sales. Forty-eight percent of top managers want to intensify investments this year and 41 percent expect new hires.

“US companies here look to the future with great confidence. Our questionnaire shows that Germany remains popular with US investors as an investment location,” Bernhard Mattes, President of AmCham Germany, stated.

Favourable business conditions boost growth

Nearly 60 percent of survey respondents plan on increasing their business activities in Germany in the next three to four years. “US investors’ positive sentiment here is an indication that the entire German economy is likely to attain growth this year of approximately two percent,” Klaus Fuest, Chief Economist at Roland Berger Strategy Consultants, said. “Germany has impeccable opportunities to consolidate and even increase its growth in the next few years.”

According to survey participants, the following are among Germany’s particular strengths: the high level of education and training among workers (98 percent), excellent supplier networks (86 percent) and significant potential as a location for research and development (86 percent).
Germany’s energy policy: A risky project for US companies

There is a degree of scepticism among American investors regarding whether enough steps are being taken by policymakers to modernize Germany’s economic parameters. For instance, 20 percent of respondents feel that business conditions will become worse in the next few years.

Many US companies see a backlog demand regarding Germany’s economic and industrial policy. In particular, Germany’s energy policy (the Energiewende) is viewed to have a negative impact. Seventy-one percent of American companies believe that the uncertain development of energy costs resulting from the Energiewende poses a risk to the attractiveness of Germany as an investment location. Roland Berger Economist, Klaus Fuest, noted the following: “Despite a growing global market for green technology, Germany can only stay strong if companies are able to count on competitive energy prices and reliable economic parameters.”

Similarly, only 11 percent of respondents feel that the level of labor costs is good or excellent. The message is clear: Germany as an investment location cannot become more expensive and needs more active economic and industrial policies.

The Transatlantic Trade and Investment Partnership is an important opportunity

Given the European Elections this May, AmCham Germany’s spring edition of the Business Barometer grants a business perspective of Europe in international comparison. Germany is a forerunner in this regard: For nearly every third American company, Germany is the top business location in Europe, followed by Great Britain (17 percent) and Poland (12 percent). Nonetheless, three-quarters of respondents believe that Asia will take the lead within the next ten years to become the most important location for industry worldwide. Likewise, the European Elections seem unlikely to usher in an atmosphere of renewal: Eighty-eight percent of respondents anticipate few tangible changes after the elections.

In contrast, roughly 70 percent of US businesses expect a surge in growth from the Transatlantic Trade and Investment Partnership. And this for good reason: Both regions together account for approximately 50 percent of global economic output and over 40 percent of global purchasing power. As a result, they represent the largest market on the planet. US top managers seem to agree: Although the Transatlantic Trade and Investment Partnership has recently been the subject of debate, nearly 80 percent of survey participants believe that the negotiations will reach a successful conclusion.

“If the two largest economic areas on the planet are able to agree on a comprehensive partnership now, we will be able to set global standards,” AmCham Germany’s President, Bernhard Mattes, said. “In order to ensure that Germany and Europe remain leading locations for doing business, it is imperative that we enhance our relations with one another. This agreement poses many benefits, especially for Germany.”
About the Study:
The spring edition of AmCham Germany’s Business Barometer was conducted in cooperation with Roland Berger Strategy Consultants. It is based on a survey among the top 100 companies with American capital in Germany. The 44 participating companies achieve a turnover of 92 billion Euros overall and employ more than 177,000 people in Germany.

The complete study can be found at:
www.amcham.de
or
www.rolandberger.de/pressemitteilungen

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:
Founded in 1967, Roland Berger Strategy Consultants is one of the world’s leading strategy consultancies. With 2,700 employees and 51 offices in 36 countries, the company has successful operations in all major international markets. The strategy consulting firm is an independent partnership owned exclusively by roughly 250 partners.

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