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# Germany's Major Investment Partners USA

## I. The Big Picture

## II. Individual Analysis of Selected Countries

- North America (USA)

## III. Contacts

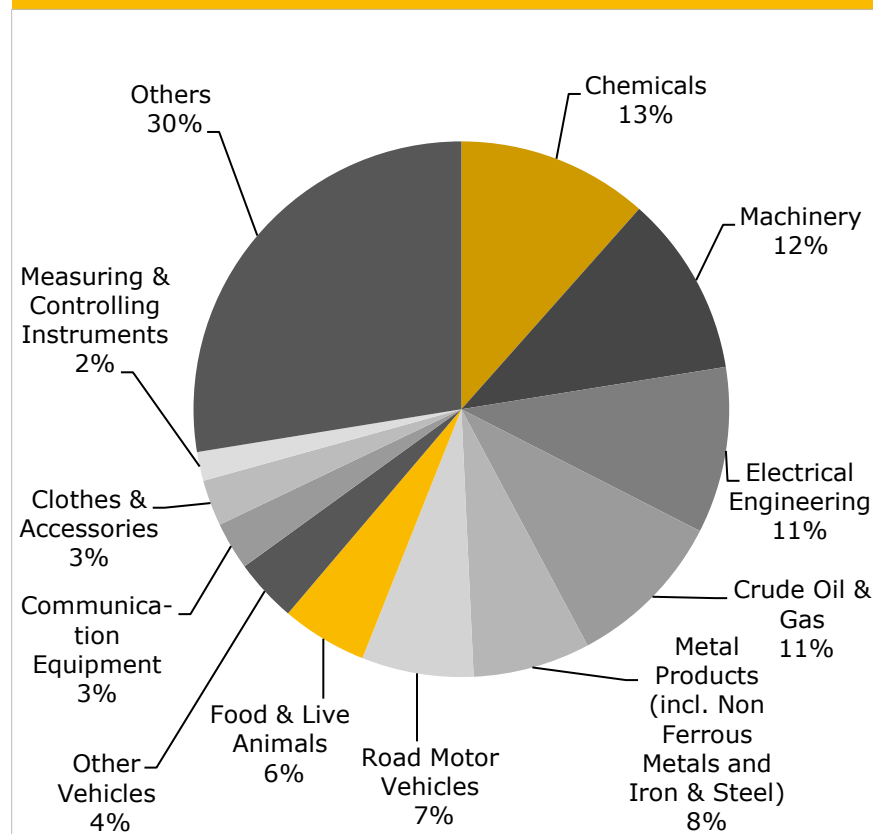
Germany's Main Import Sectors are Chemicals, Machinery and Electrical Engineering.

## German Imports (2010)

Ranking	Country of Origin	EUR (m)
1	China	76,528.0
2	Netherlands	68,767.2
3	France	61,751.2
4	USA	45,063.0
5	Italy	43,666.7
6	UK	38,593.5
7	Austria	34,315.1
8	Belgium	33,699.5
9	Switzerland	32,485.0
10	Russia	31,780.2
11	Czech Rep	29,623.2
12	Poland	28,416.4
13	Spain	22,258.5
14	Japan	22,064.8
...		
18	Sweden	13,229.7
19	South Korea	11,102.5
26	India	6,193.2
31	Canada	4,182.7

Source: Federal Statistical Office, 2011

## Germany's Main Import Sectors (2010)



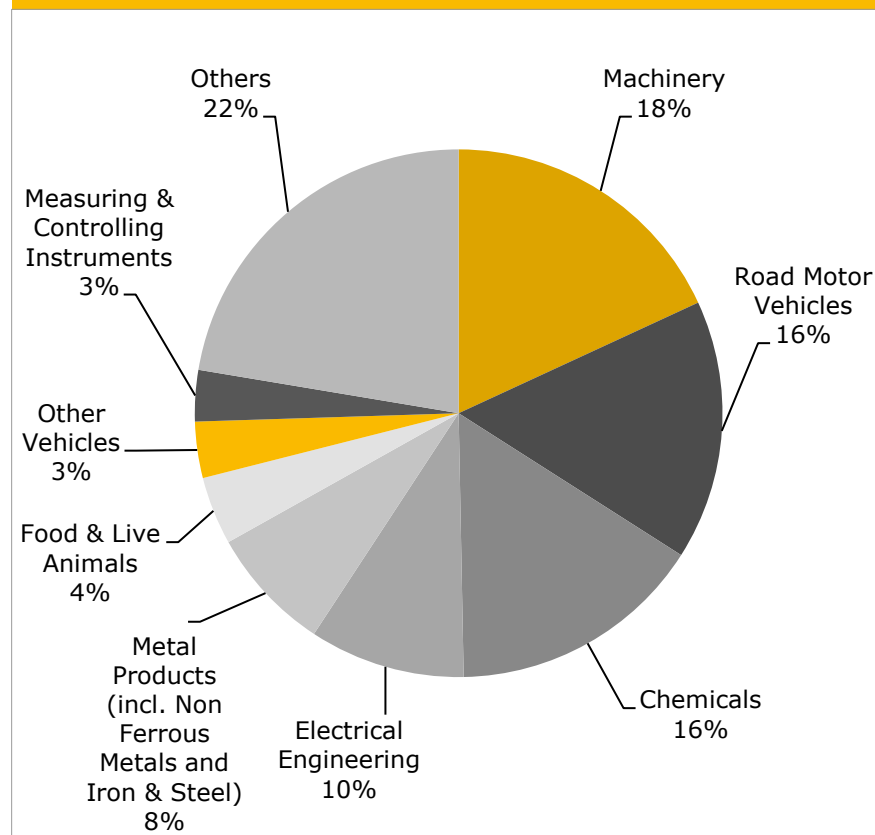
The Main Export Sectors for Germany are Machinery, Vehicles and Chemicals.

## German Exports (2010)

Ranking	Country of Destination	EUR (m)
1	France	90,694.4
2	USA	65,570.3
3	Netherlands	63,235.2
4	UK	59,487.4
5	Italy	58,476.8
6	Austria	53,721.1
7	China	53,636.4
8	Belgium	46,406.7
9	Switzerland	41,711.5
10	Poland	38,053.3
11	Spain	34,380.8
12	Czech Rep	26,967.6
13	Russia	26,360.9
14	Sweden	19,634.1
...		
18	Japan	13,113.8
20	South Korea	10,259.1
21	India	9,253.5
31	Canada	6,438.4

Source: Federal Statistical Office, 2011

## Germany's Main Export Sectors (2010)



The *Bundesbank* (German Central Bank) collects FDI statistics for Germany on the basis of notification requirements for German companies with foreign capital assets.


## Statistics include all forms of capital transactions:

- New investments by foreign shareholders
- Foreign M&A
- Foreign credit or loans

## All German companies which meet the following criteria are included:

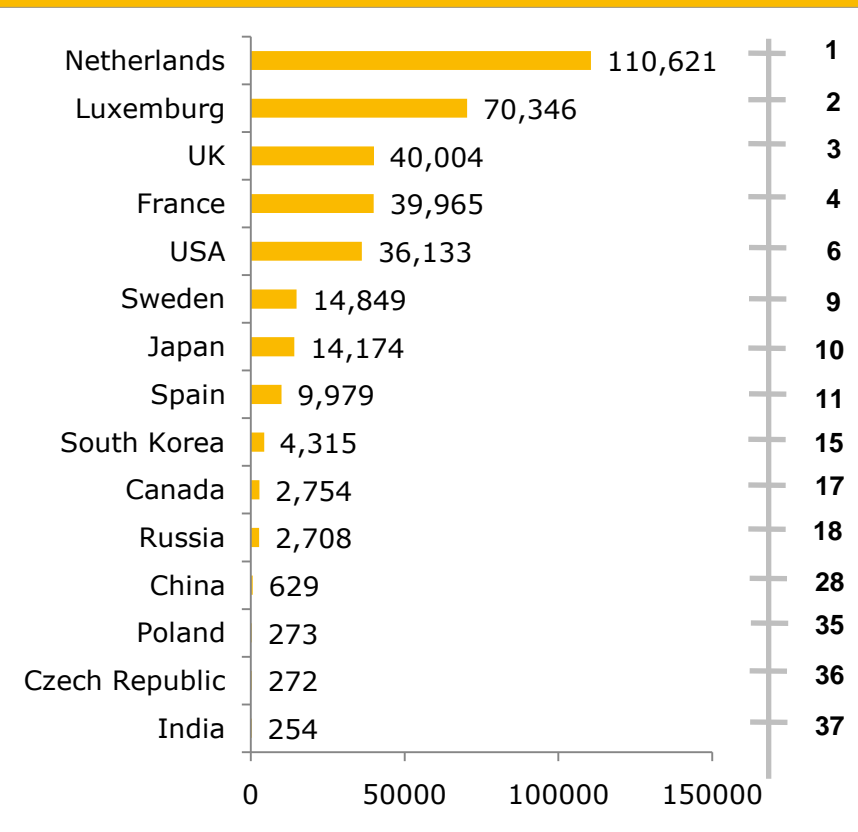
- Balance sheet has a total of more than EUR 3 million.
- Foreign investor holds more than 10% of shares or voting rights.

## The *Bundesbank* differentiates between “primary” and “secondary” FDI stocks:

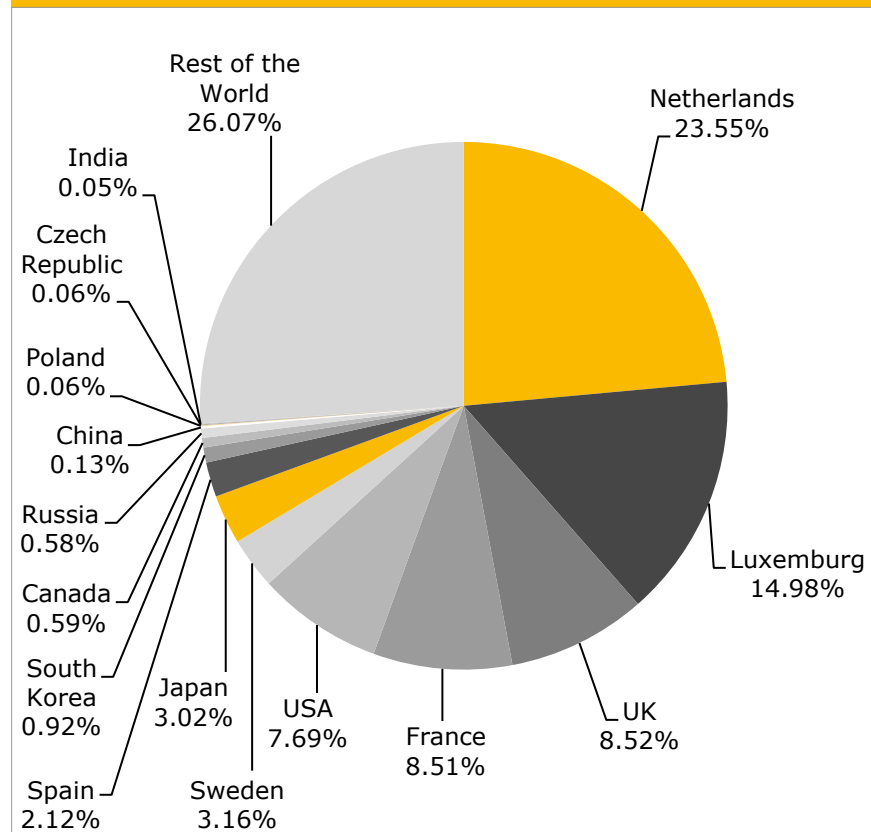
1. Primary direct investment constitutes the direct capital links arising from a foreign investor’s participation in enterprises in Germany (e.g. directly held capital including shares and direct lending).
2. Secondary direct investment refers to indirect capital links that are held via dependent holding companies.
3. Primary and secondary direct investments are consolidated to provide statistics which are as comprehensive as possible.  **Germany Trade and Invest uses this data!**

More than 20% of Germany's FDI stocks are held by investors from the Netherlands.

## Total FDI Stocks ranked in Germany by country of origin (2009, in EUR m)



## Share of total FDI Stocks in Germany by country of origin (2009)

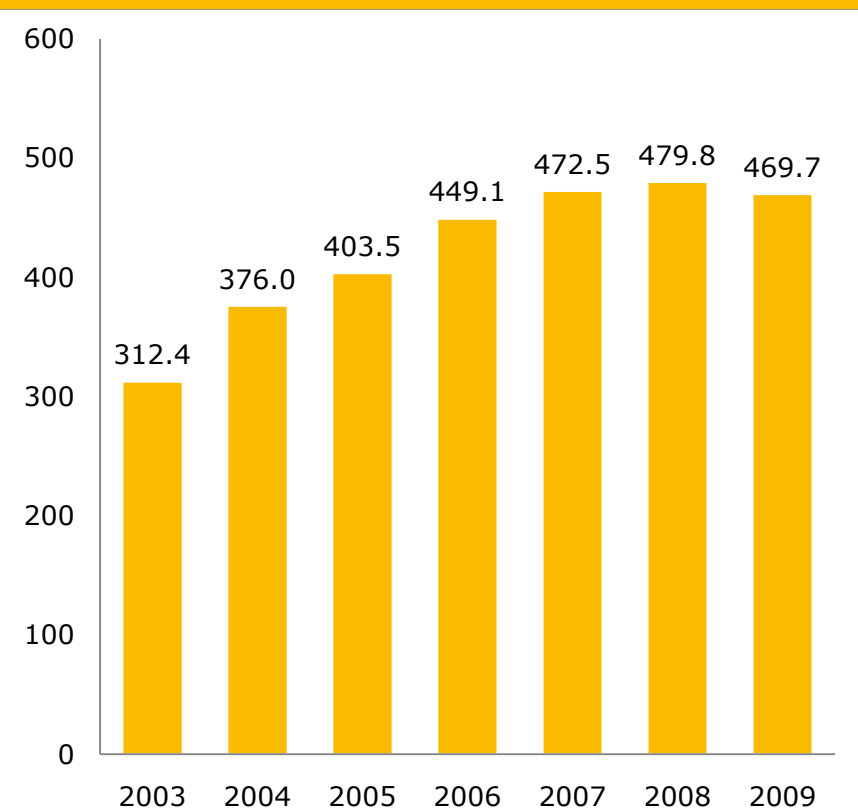


Source: Bundesbank, 2011

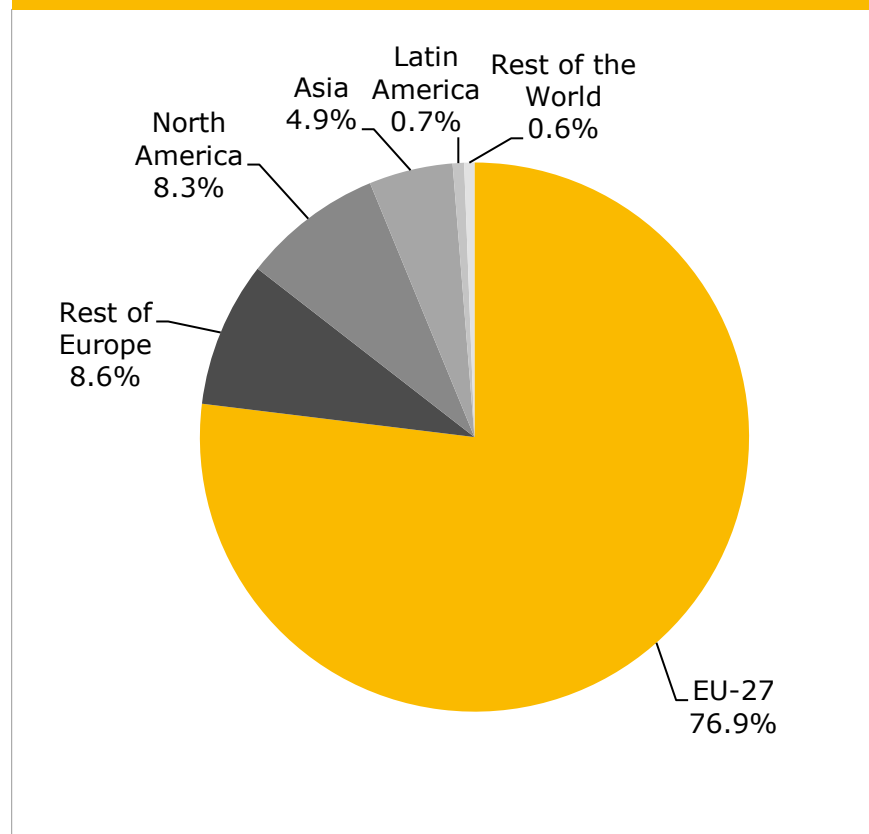
# I. The Big Picture – FDI Stocks

Total FDI stocks grew by more than 50% over the past seven years.

### Total FDI Stocks in Germany (2003-2009, in EUR bn)



### Share of total FDI Stocks in Germany by region of origin (2009)



Source: Bundesbank, 2011

fDi Markets is a commercial FDI database which focuses on worldwide investment **project data**.

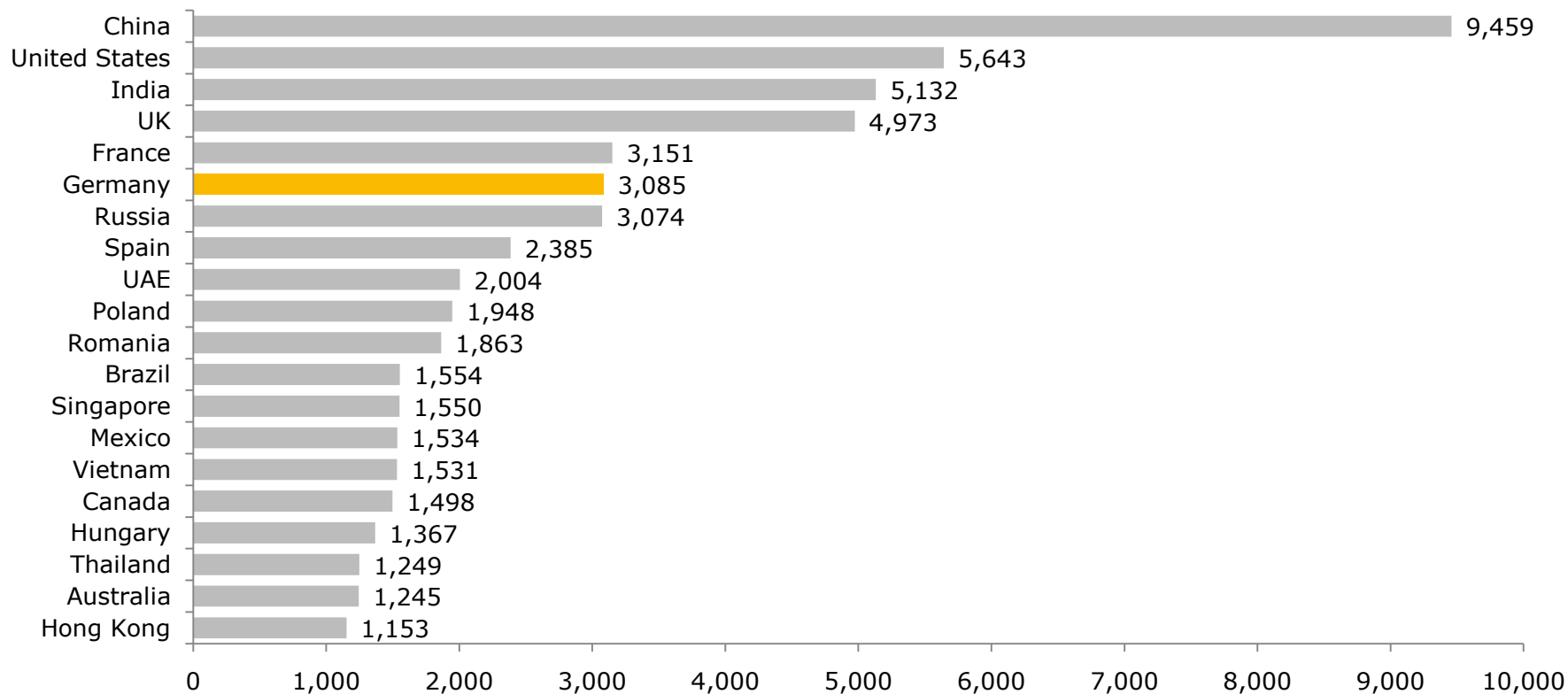
Focus on:	
<ul style="list-style-type: none"><li>Greenfield (new operations) investment projects.</li><li>Brownfield (expansion/re-investment) investment projects.</li><li>Joint ventures when investing in a new project.</li></ul>	
Provided data:	Project classification:
<ul style="list-style-type: none"><li>Number of projects</li><li>Number of jobs created</li><li>Invested capital</li></ul>	<ul style="list-style-type: none"><li>Sector</li><li>Cluster</li><li>Business activity</li></ul>

- Data collected on the basis of investment announcements by official national sources, investors, and national and international press releases. This is a crucial factor for significant deviations in the data of these databases.
- All investment projects are recorded as there are no restrictions in terms of balance sheet totals or minimal shareholder share (as is the case with the *Bundesbank* statistics).



China and the USA have been the most attractive markets for investors from 2003-2009.

## Top 20 destination countries by number of FDI projects (2003-2009)



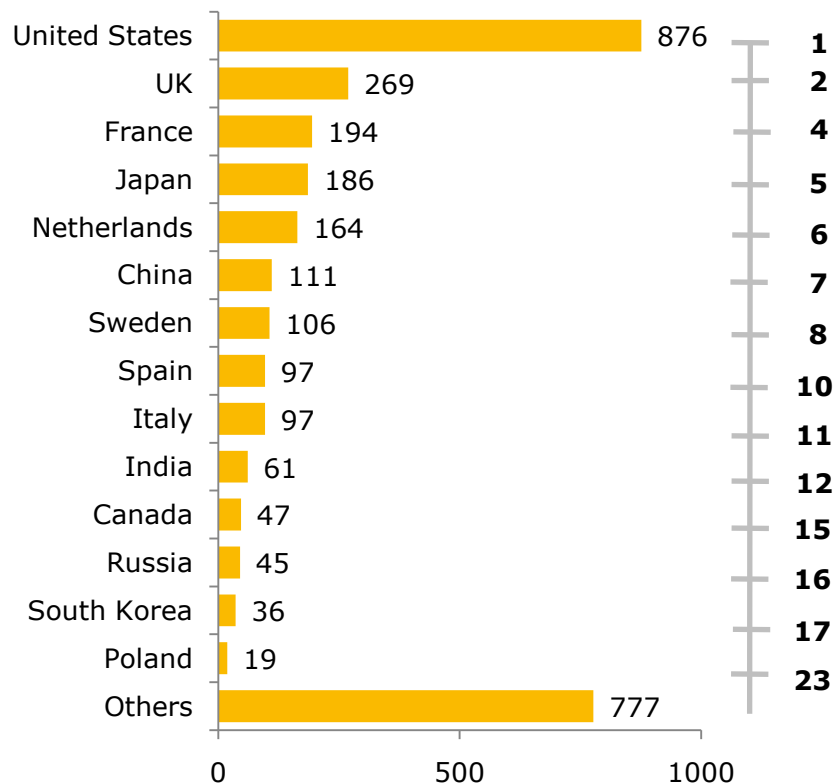
Source: fDi Markets, Oct. 2010

Note: FDI projects refer to greenfield and expansion investment projects. M&A projects are not included.

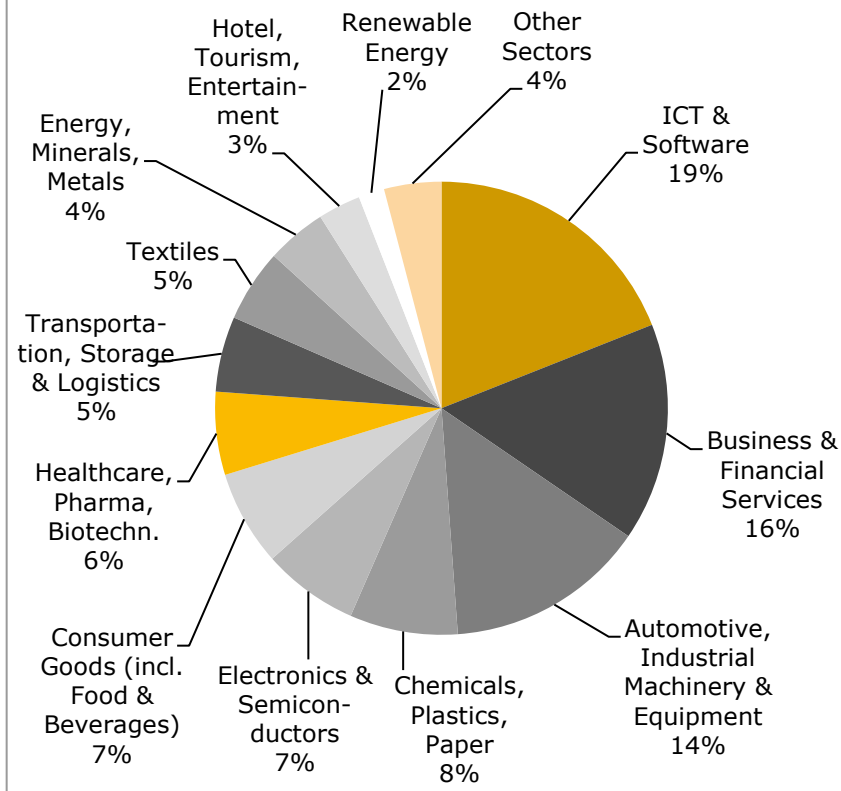
# I. The Big Picture – Investment Projects

The USA have invested 28% of all FDI Projects in Germany since 2003. The majority of FDI projects consisted of ICT & Software services.

## Projects ranked in Germany by country (2003-2009, total number and rank)



## Projects in Germany by Sector (2003-2009)



Source: fDi Markets, Oct. 2010

Note: FDI projects refer to greenfield and expansion investment projects. M&A projects are not included.

May 17, 2011

Germany's Major Investment Partners

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The Markus Database (Bureau van Dijk Electronic Publishing) monitors companies and employees as they are recorded in the German commercial register.

## The Markus Database is not a typical FDI recording database.

- Its **data** can be used as an **FDI indicator** as it is possible to **track foreign companies** and their **employees** in Germany on a **shareholder basis**.

- However, the data set only provides an approximate value and makes no claim to be complete. Branch offices, representative offices, restaurants, etc. are not included.

- It is possible to make distinctions concerning an **adequate definition** of a “**foreign company**” as Markus allows **share percentages to be altered**.
- It is therefore possible to identify companies where a foreign investor holds shares between 1-100%.



**Germany Trade and Invest's** definition of a foreign company:  
The **global parent company** or **the direct shareholder** have their registered office abroad and **hold at least 51%** of the company's shares.

Most foreign companies in Germany come from the Netherlands, while US companies employ the majority of people.

## Number of Foreign Companies and Employees in Germany (2010)

Country	Number of Companies (Approx. Value)	Number of Employees (Approx. Value)
Netherlands	8,000	476,000
USA	6,200	741,000
UK	5,200	303,000
France	3,700	328,000
Sweden	1,300	151,000
Spain	1,100	71,000
Japan	980	95,000
Russia	950	4,600
China	700	6,600
Canada	390	18,700
Poland	370	4,700
India	280	13,000
Czech Rep.	250	2,100
South Korea	125	4,700

Source: Bureau van Dijk Electronic Publishing, Markus Datenbank, May 2011

## I. The Big Picture

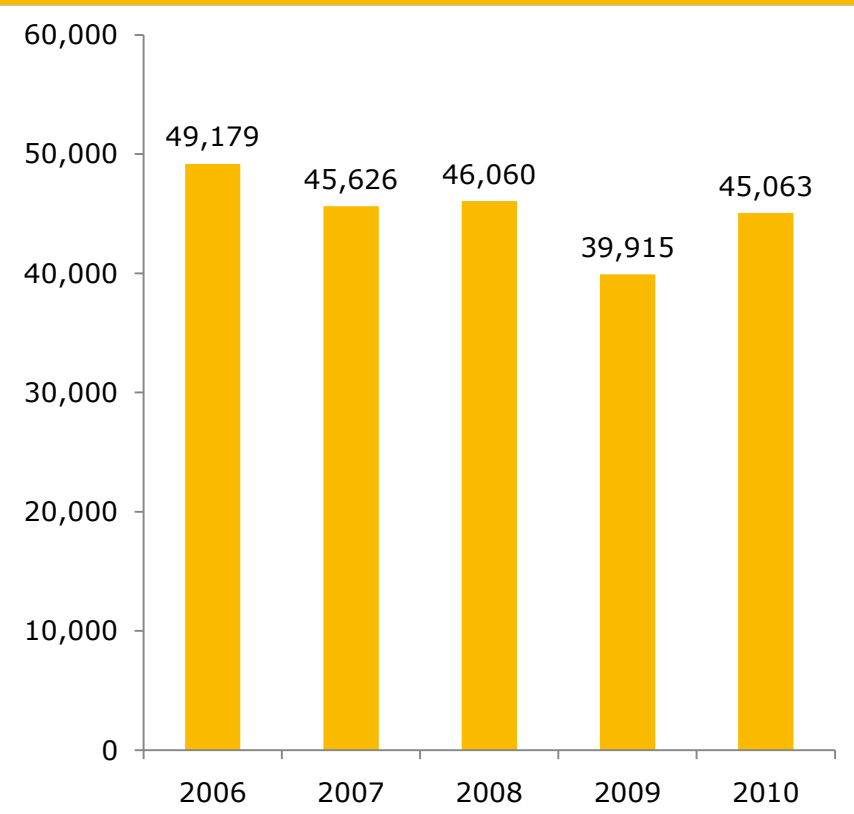
## II. Individual Analysis of Selected Countries

- North America (USA)

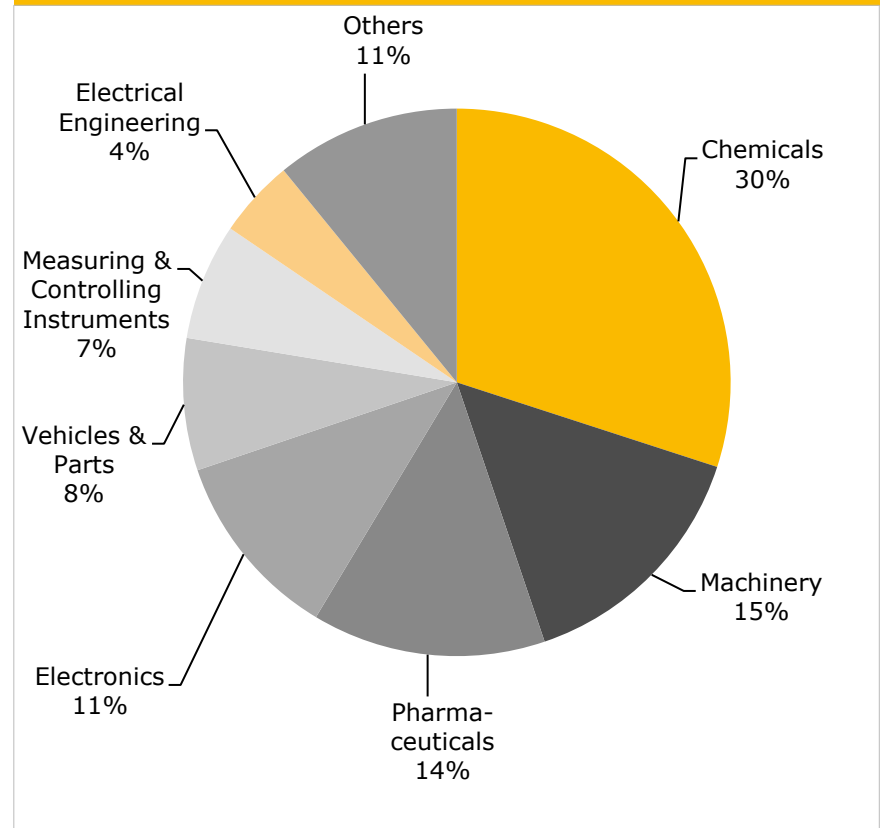
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In 2010, Germany imported primarily Chemicals, Machinery and Pharmaceuticals from the US market.

### Imports from the USA to Germany (2006 - 2010, in EUR m)



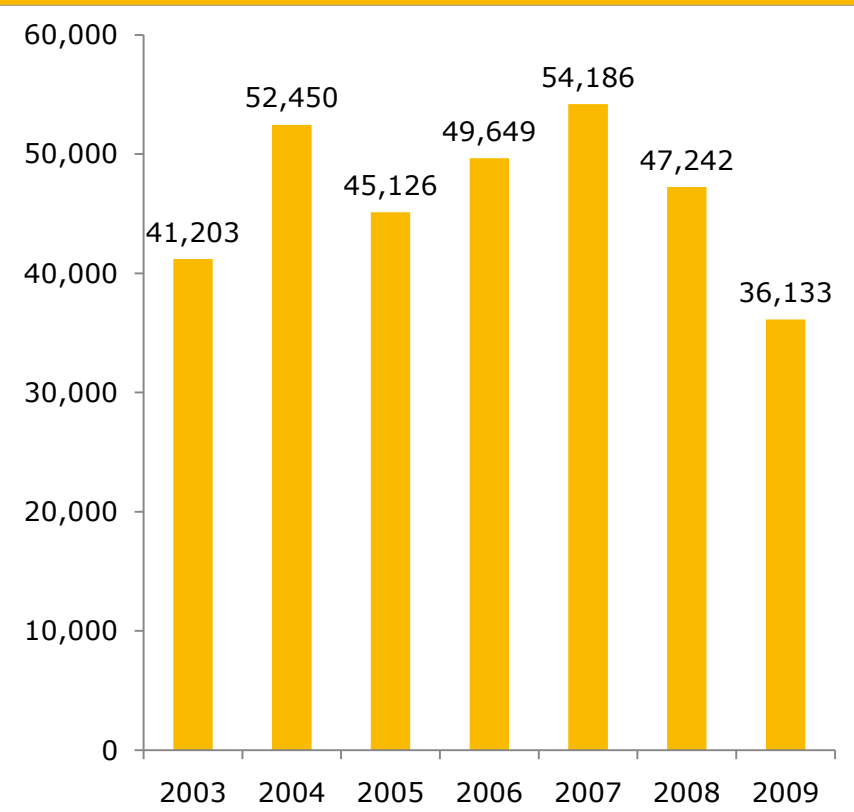
### Imports from the USA to Germany by sectors (2010)



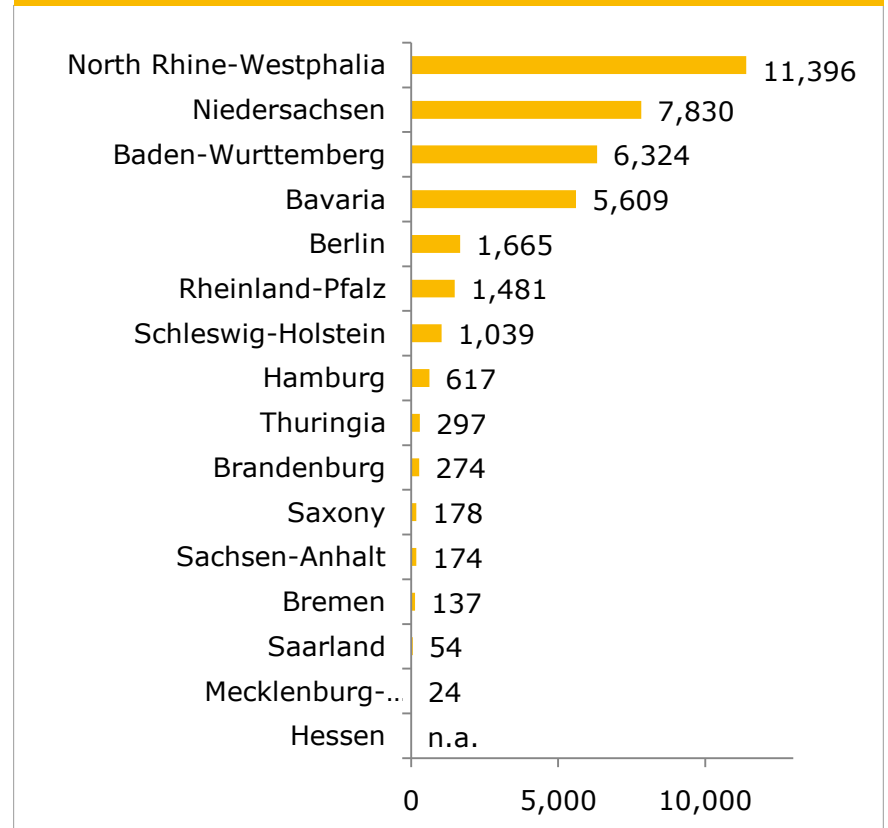
Source: Federal Statistical Office 2011, GTAI 2011

The USA rank 6th in terms of FDI stocks in Germany.

### US FDI Stocks in Germany (2003-2009, in EUR m)



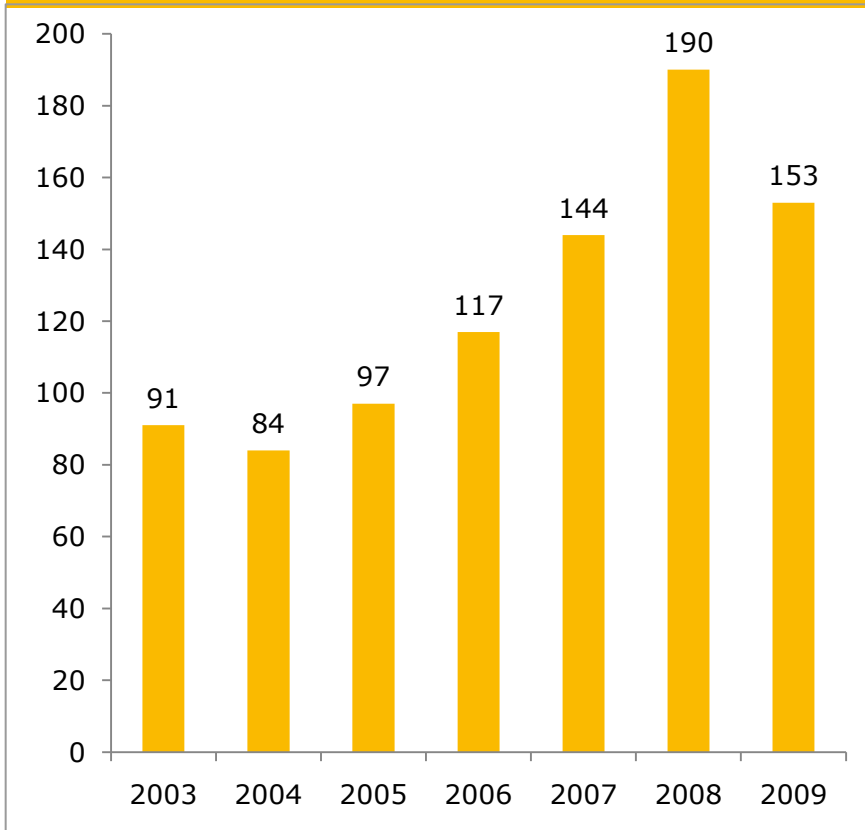
### US FDI Stocks in Germany by Federal State (2009, in EUR m)



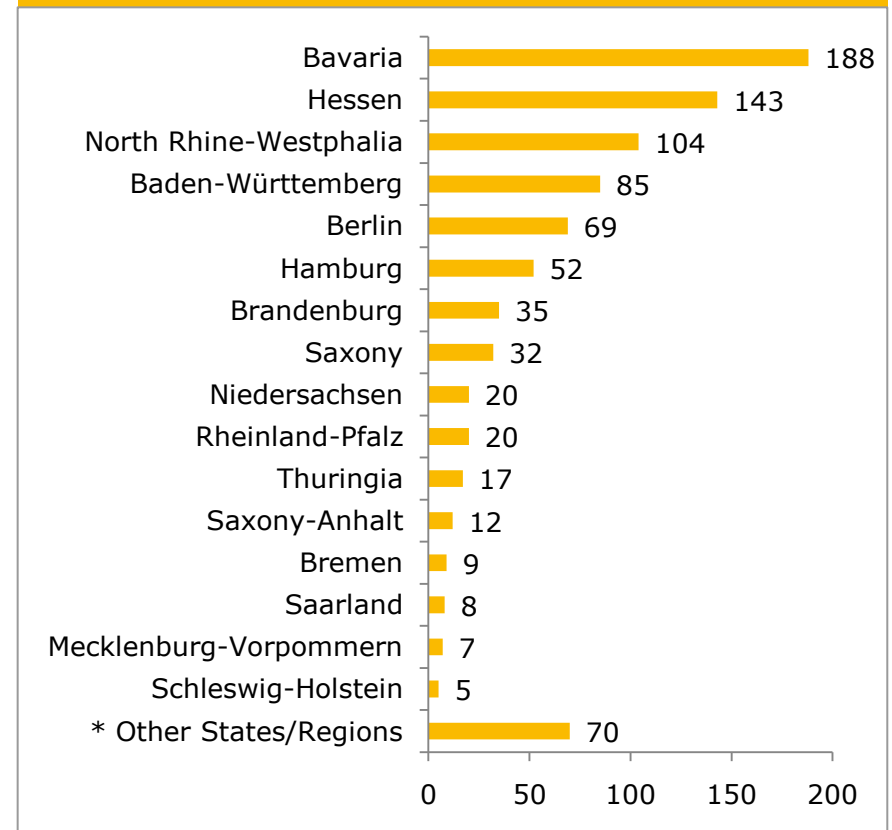
Source: Bundesbank 2011; Note: n.a. means data confidential

Until 2008, the number of US investment projects in Germany has been rising significantly. Bavaria is the top destination for US investors.

### Number of US Projects in Germany (2003-2009)



### Number of US Projects in Germany by Federal State (2003-2009)



Source: fDi Markets, Oct. 2010

Note: FDI projects refer to greenfield and expansion investment projects. M&A projects are not included.



The USA ranks first in greenfield and brownfield projects in Germany.

### Ten important US projects by jobs created since 2003.

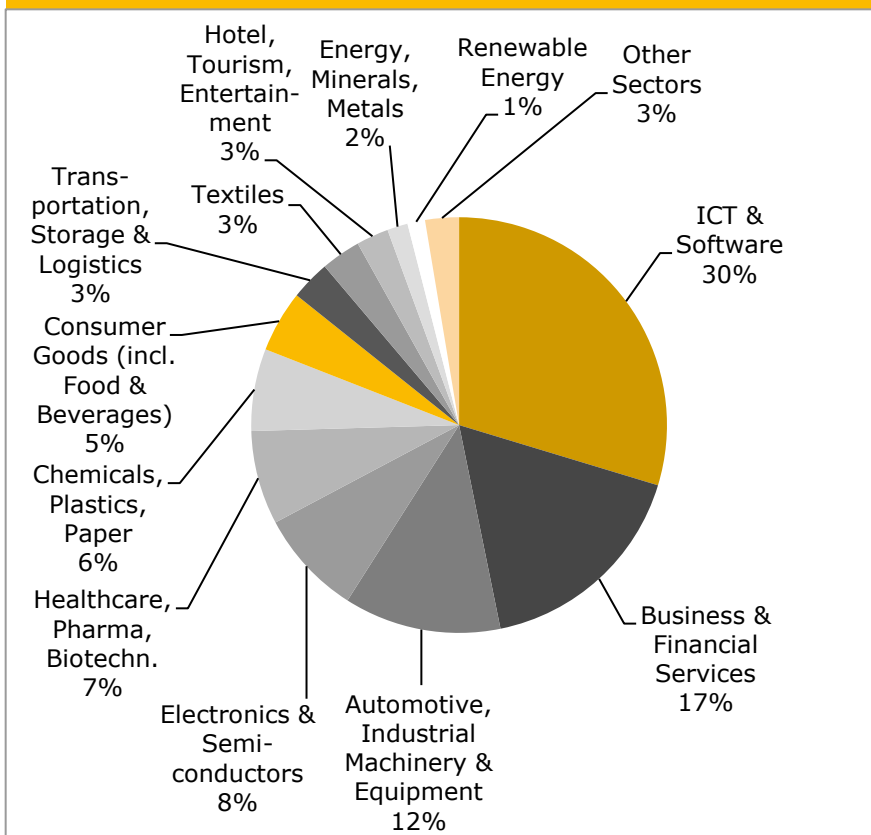
Company Name	Destination State	Jobs created	Sector
General Motors (GM)	Hessen	500	Automotive OEM
Federal Express (FedEx)	North Rhine-Westphalia	450	Transportation
Liberty Media	Hessen	400	Software & IT Services
Johnson Controls	Baden Württemberg	300	Automotive Components
Bausch & Lomb	Berlin	300	Pharmaceuticals
Boston Consulting Group (BCG)	Not specified	235	Business Services
Deere & Company	Rheinland-Pfalz	200	Industrial Machinery, Equipment & Tools
EPV Solar (Energy Photovoltaics)	Brandenburg	200	Electronic Components
Dolce International	Bavaria	150	Hotels & Tourism
Signet Solar	Saxony	130	Electronic Components

Source: fDi Markets, Oct. 2010

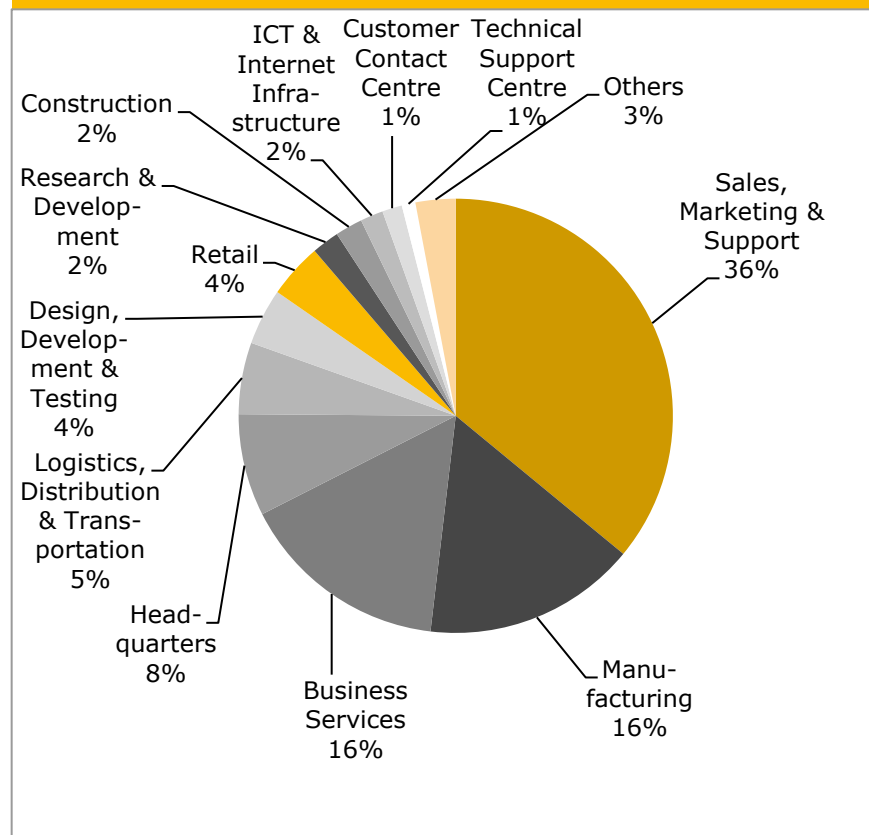
Note: FDI projects refer to greenfield and expansion investment projects. M&A projects are not included.

The ICT & Software sector is highly attractive to US investors. Sales, Marketing & Support account for the majority of all FDI projects.

### US Projects in Germany by Sector (2003-2009)



### US Projects in Germany by Business Activity (2003-2009)

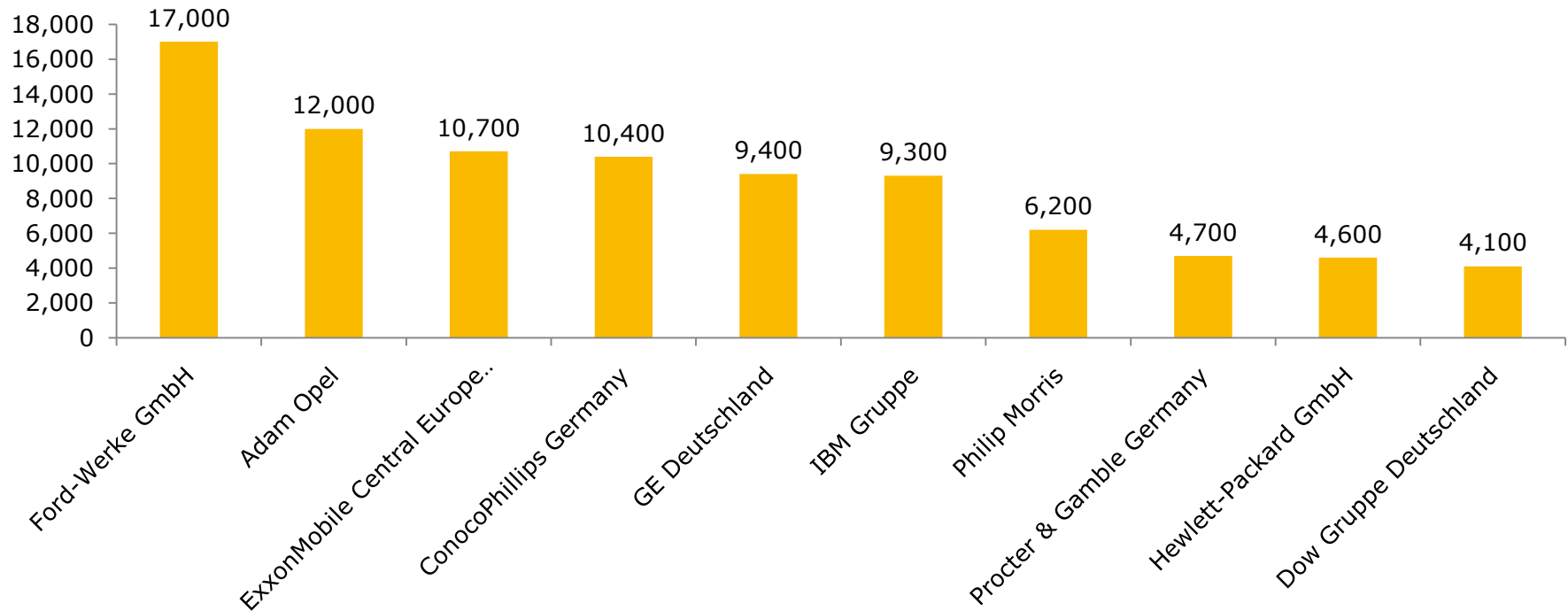


Source: fDi Markets, Oct. 2010

Note: FDI projects refer to greenfield and expansion investment projects. M&A projects are not included.

The USA rank second in terms of foreign companies in Germany.

### Ten biggest US companies in Germany by sales (2009, in EUR m)



Source: AmCham, Oct. 2010

Most US firms are located in North Rhine-Westphalia and Bavaria.

### Number of US Companies and Employees in Germany by Federal State (2010)

Federal States	US Companies (Approx. Value)	Employees (Approx. Value)
North Rhine-Westphalia	1,300	175,000
Bavaria	1,300	115,900
Hessen	1,200	160,800
Baden-Württemberg	730	162,400
Berlin	390	25,300
Hamburg	370	14,100
Niedersachsen	250	24,000
Rheinland-Pfalz	200	22,000
Schleswig-Holstein	130	11,250
Saxony	90	7,300
Brandenburg	70	3,600
Bremen	50	6,300
Saxony-Anhalt	45	5,500
Thuringia	40	4,750
Saarland	25	2,250
Mecklenburg-Vorpommern	10	550
Total	6,200	741,000

Source: Bureau van Dijk Electronic Publishing, Markus Datenbank, May 2011

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