1,100 headquarters of German subsidiaries were approached for this survey in the fall of 2014. Approx. 10% of senior management responded, mostly from Mittelstand firms (German SMEs).
Dear Members and Friends,

The German-American business community relies on a unique mix of qualities that contribute to its reliability and its prosperity. In fields like research & development, skills and workforce training, business development, and expansion, German companies are combining the traditional with the innovative, the cautious with the courageous.

As our 2015 German American Business Outlook confirms yet again, German subsidiaries in the U.S. are eagerly looking toward the next year, expecting strong growth and increasing investments. And, worth noting, a majority of respondents plan on expanding their workforce in 2015, thus adding new jobs in the German-American market. At the same time, topics surrounding workforce remain crucial issues, ranging from heightened awareness of labor costs to additional investment in training and workforce development.

As a result of strong demand for their products and proximity to customers, a solid 60 percent of responding companies intend to even sharpen their focus on the U.S. market in 2015.

The question remains: How much potential does the implementation of Industry 4.0 – a consistent digitalization and linkage of productive units – have for German companies in the U.S.? Introducing dynamic and innovative production concepts might soon become a pivotal aspect for fostering future competitiveness.
Dear Members and Friends of the German American Chambers of Commerce,

The year 2014 has proven once again that a strong transatlantic relationship is crucial for stability, prosperity, and peace in Europe, the U.S., and throughout the world. Our shared values of freedom, democracy, human rights, and the rule of law provide the basis for our joint efforts in addressing the global challenges that lie ahead. Continued transatlantic cooperation will be of utmost importance in the year to come, and I look forward to working together with our partners at the German American Chambers of Commerce and our business communities on both sides of the Atlantic.

One of our most important economic projects is the Transatlantic Trade and Investment Partnership (TTIP). In the past year, we have achieved progress during the negotiations; however, 2015 will be even more decisive for this initiative. TTIP would not only enhance the ability of our businesses to compete in today’s globalized economy, but would also set an ambitious benchmark for the world. As the two largest global economies the European Union and the United States have a unique opportunity to boost jobs and growth on both sides of the Atlantic with the successful conclusion of TTIP.

Skilled workforce development continues to be another crucial issue for jobs and growth. By bringing together German and American businesses and local education providers, we are able to tap this potential by spreading best practices and scaling up successful approaches. Quality education combined with professional training fosters new ideas, creativity, and innovation, which ultimately allows our businesses to succeed in today’s global markets. The German American Chambers of Commerce continue to play a vital role in this process.

No matter which area of cooperation we choose to highlight, the fact remains that Germany, Europe, and the United States could not wish for better partners. I am confident that we will be able to tackle the challenges of the future together if we cooperate closely and in a spirit of friendship and mutual trust.

I look forward to working with you in 2015.
All the best,

Peter Wittig
Ambassador of Germany to the United States of America
Ladies and Gentlemen,

The positive developments that our German American Chambers of Commerce (GACCs) have witnessed this past year have been confirmed by the 2015 GABO results: German business in the U.S. continues to thrive and prosper, despite the global economy headwinds of slow growth.

Similar to the reliable Mittelstand in Germany, German business in the U.S. is steadily growing, and German strategic investment in the U.S. continues to be strong, with 98% of respondents anticipating growth for the year ahead.

The Transatlantic Trade and Investment Partnership (TTIP) has gained increasing visibility and importance among the surveyed companies. The elimination of tariffs and coordination of standards are considered the most immediate benefits of TTIP. Our GACCs are confident that with the ongoing support by the European and U.S. administrations, TTIP negotiations can progress steadily toward completion.

Addressing the skills gap is another key topic for German-American businesses. With the strong influx of German investment, German companies demand better access to a skilled workforce that fits their needs. To facilitate implementation of German-style practical training combined with in-class learning to develop better skilled workers, the GACCs are driving forward several initiatives to combat the skills gap and implement training programs in cooperation with companies, partner organizations, and educational institutions.

As Chairman of the GACCs, I am excited about another year of positive developments for the German American business community generally, and I am proud to say that our Chamber network is actively supporting this community with our Chamber services and events.

Thank you all for contributing to our dynamic and progressive German-American business community.
KEY TAKEAWAYS

GERMAN COMPANIES GROW WITH RISING DEMAND IN THE U.S.

Change in Sales Volumes (%)

Strategic Focus on U.S. since Last Year (%)

Top Reasons for Future Investment in the U.S.1 (%)
90% report same or better sales volumes, slightly offset by higher labor costs. 64% have moderately or greatly increased their strategic focus on the U.S., driven by close customer proximity and fueled by strong demand. 98% expect general growth for their business.

1) Flat is defined as <1%, moderate is defined as +1–3%, while strong is defined as >3%
SKILLED WORKFORCE
Almost 65% of companies report difficulties finding candidates with the right skill set in the U.S. labor market, up from 49% last year. As a result, investment in K-12 education, more affordable university education and dual training grants top the reform agenda.

Ease of Access to Skilled Workforce in the U.S. (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Difficult access</th>
<th>Neutral</th>
<th>Good access</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>49</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>65</td>
<td>1</td>
<td>35</td>
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</tbody>
</table>

TOP 10 Reform Agenda

1. Strengthen K-12 education
2. Simplify/reform the tax system
3. Financial incentives for companies to invest in dual training programs
4. Address federal and state fiscal concerns
5. More affordable university education
6. Invest in transportation infrastructure
7. Data Security
8. Public consulting on vocational training for companies to educate about the system
9. Invest in (renewable) energy infrastructure
10. Improve grant access for R&D
TTIP GAINS SUPPORT

TTIP is finally gaining support with 69% seeing it as an important measure in comparison to just over 50% last year. Companies are hoping to see an elimination of tariffs, a harmonization of standards and better regulatory cooperation.

Relative Importance of TTIP to Respondents (%)

![Bar chart showing the relative importance of TTIP to respondents in 2013 and 2014.](chart)

Greatest Potential Benefits of TTIP (%)\(^1\)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of tariffs</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Harmonization of standards</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Better regulatory cooperation</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Greater access to U.S. procurement market</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Easing of local content requirements</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Facilitation of trade in services</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Easing of investment restrictions</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Multiple responses allowed, normalized results to 100%
INDUSTRY PANEL

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THOMSON REUTERS
Editor of Reuters Breakingviews

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President & CEO
Porsche Cars North America, Inc.

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OTHER U.S. LOCATIONS: Texas, Louisiana, Michigan, North Carolina, New York, Alabama, Ohio, Pennsylvania, Georgia, California
EMPLOYEES: U.S. ~15,000, Worldwide ~112,000

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EMPLOYEES: U.S. ~500, Worldwide ~20,000

PORSCHE CARS NORTH AMERICA, INC.
U.S. HEADQUARTERS: Atlanta, GA
OTHER U.S. LOCATIONS: Easton, PA · Ontario, CA
EMPLOYEES: U.S.: ~700, Worldwide: ~19,000

WITTENSTEIN HOLDING CORP
U.S. HEADQUARTERS: Bartlett, IL
OTHER U.S. LOCATIONS: Santa Clara, CA
EMPLOYEES: U.S. ~80, Worldwide more than 1,700

Hans Engel was appointed Chairman and CEO of BASF Corporation and CFO, BASF SE in May 2011. He leads all activities related to Finance, Catalysts, the region North America, Information Services & Supply Chain Management, Corporate Controlling and Corporate Audit. He has been a member of the Board of Executive Directors since 2008. Since joining BASF's legal department in 1988, Engel has served in a variety of roles including Managing Director of BASF Schwarzheide, Germany, Executive Vice President and CFO of BASF Corporation and President, Legal, Taxes & Insurance. A lawyer by training, Engel holds a doctorate from the University of Göttingen, Germany.

Jim Sharp is the President of Carl Zeiss Microscopy, LLC and President & CEO of Carl Zeiss, Inc. headquartered in Thornwood, NY. Jim began his career over 40 years ago as a Zeiss service technician with an undergraduate degree in electrical engineering. Jim has served Zeiss in North America as well as in Germany, supervising operations in both light and electron microscopy. Over the years he has moved up through various regional and national managerial positions, becoming President of the Microscope Division in 1991. After spending four years at Carl Zeiss Jena GmbH in Germany as Senior Vice President and General Manager of the Microscope Business Unit, Mr. Sharp returned to the U.S. to as head of Carl Zeiss MicrolImaging.

Detlev von Platen is President and CEO of Porsche Cars North America, Inc. based in Atlanta, GA. Following studies in Economics and Business Management, von Platen joined BMW France in 1988 as Marketing Manager of the motorcycle division. In 1991, he joined BMW AG, the parent company, where he held several sales and marketing positions. In 1997, he joined Porsche AG and then assumed the management of the Porsche brand in France. In 1999, he established and then oversaw the PAG subsidiary, Group Porsche France as President and CEO. He assumed his position at Porsche Cars North America on April 1, 2008, as its President and CEO.

Dr. Anna-Katharina Wittenstein is the Chairwoman of the Board of WITTENSTEIN Holding, Inc. (USA). Prior to that, she served as General Manager and Business Development Manager for WITTENSTEIN AG in Switzerland and Germany respectively. She holds a Doctorate in Engineering from the University of Stuttgart. Dr. Wittenstein also served as a research assistant and consultant for the Fraunhofer Institute for Manufacturing Engineering and Automation IPA (Fraunhofer-Institut für Produktionstechnik und Automatisierung) in Stuttgart (Germany), specializing in process management, lean management and project/process management in product development.
For the third time, the German American Chambers of Commerce are presenting the GACC Award, recognizing outstanding German subsidiaries that demonstrate excellence in workforce training by fostering advanced skills and competence development, especially in young people.

At 7.6% (September 2014), Germany has the lowest youth unemployment rate of any industrialized nation in the world. This is largely a result of the traditional German vocational training path, chosen by 55% of all school graduates.

Opportunities to gain specialized technical skills significantly improve job prospects. High-level vocational training offers students viable leads to advanced employment positions and provides companies with a powerful tool for filling workforce needs across a spectrum of specialties and positions.

Sponsored by FESTO, the Trainee of the Year receives the GACC Award on Dec. 8, 2014, in New York City. The ceremony is part of a presentation of the German American Business Outlook, an economic survey conducted by the German American Chamber network in Atlanta, Chicago, Detroit, Houston, New York, Philadelphia, San Francisco, and Washington, DC.

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RICHARD ZOLLINGER
Vice President for Learning & Workforce Development  
Central Piedmont Community College, Charlotte, North Carolina
GACC AWARD – Trainee of the Year
THE WINNER: Nigeria Williams
Trainee in the two-year Skilled Metal Worker Program at MTU America Inc.

As the first young woman in MTU’s Skilled Metal Worker Program, Nigeria illustrates, by example, that women can be successful in the manufacturing environment. Nigeria started her apprenticeship after high school graduation and has shown great commitment, eagerness to learn and a strong work ethic from her first day on at MTU. During her apprenticeship program, she has taken on assigned tasks and has consistently set a new higher standard of success in each assignment. Her leadership serves as an example of excellence to other apprentices.

Besides her outstanding technical achievements, Nigeria is also a valued team player. “I learned that engineers have a lot of responsibility and that everyone has to work together to get a successful finished product.” She comes to work with a “can-do” attitude and is always positive about her day.

Nigeria shows great dedication in sharing her positive training experience and rising interest in the apprenticeship program – especially for young women. She participated in a “Girls Day” event where she gave a speech to 80-90 young high school women about the manufacturing workplace. Additionally she gave interviews to the local TV news stations, illustrating that the MTU apprenticeship program represents an exciting career training opportunity for young people throughout the area.

After completing the program, Nigeria plans to study mechanical engineering and wants to continue working for MTU. “Although while in college, I would still like to work at MTU. Then once my four years of college are completed, I would like to have a permanent job at MTU, and help play a big role in supporting the plant realize its higher goals.”
MTU America is the first company to have established a two-year Skilled Metal Worker Program in the United States fully accredited by the Association of German Chambers of Commerce and Industry (DIHK) as well as the German American Chambers of Commerce (GACCs).

Such distinction puts MTU at the forefront of establishing quality standards for vocational training that are identical with the requirements in the German Vocational Education and Training Network (VET). What makes this program so unique is the fact that, like in Germany, trainees are able to begin their company career path at the age of 16, a pioneering milestone in the US. Upon completion their educational pathway does not have to end here. Graduates have the possibility to apply for company support in order to obtain an Associate's, Bachelor's or even a Master's degree.

JURY STATEMENTS:

“She is well-rounded in all areas, is an outstanding operator, a leader, and illustrates by example that women can be successful in the manufacturing environment.”

“She is valued for being both a good team member and a good apprentice.”

“Nigeria shows us that we could do just what the Germans are doing for the age group of high school graduates.”
The German American Chambers of Commerce (GACCs) with their three main offices in Atlanta, Chicago and New York, as well as branches in Detroit, Houston, Philadelphia, and San Francisco, all work together under the network of the GACCs. With approximately 2,500 members and an extensive national and international business network, the GACCs offer a broad spectrum of activities and services. Other German American organizations and chapters are affiliated with the GACCs.

AHKs are closely connected to the Chambers of Industry and Commerce (IHKs) in Germany. The umbrella organization of the IHKs is the German Association of Chambers of Industry and Commerce (DIHK), which speaks for 3.6 million business enterprises in Germany and also coordinates and supports the AHKs.

The German Chamber Network (AHK) provides experience, connections, and services worldwide through 130 locations in 90 countries. The service portfolio of the AHKs is unified worldwide under the brand name DEinternational. The AHKs cooperate closely with the foreign trade and inward investment agency of the Federal Republic of Germany – Germany Trade & Invest (GTAI).
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REPRESENTATIVE OF GERMAN INDUSTRY AND TRADE

The Representative of German Industry and Trade (RGIT) is the Washington, DC liaison office of the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK). RGIT’s mission is to foster free trade and a welcoming business environment on both sides of the Atlantic to achieve sustainable growth, jobs, and innovation for the German-American economic relations. Founded in 1988, RGIT is supported by Germany’s Federal Ministry of Economics and Technology and serves as the voice of German Industry and Trade towards U.S. politics, American business organizations, and the general public. RGIT is part of the AHK USA network and cooperates closely with Germany Trade & Invest. www.rgit-usa.com

Dr. Thomas Zielke
President and CEO, Representative of German Industry and Trade
Roland Berger Strategy Consultants, founded in 1967, is one of the world’s leading strategy consultancies. With around 2,400 employees working in 50 offices in 36 countries worldwide, it successfully operates in all major international markets. Roland Berger Strategy Consultants advises major international industry and service companies as well as public institutions. Services cover all issues of strategic management – from strategy alignment and new business models, processes and organizational structures, to technology strategies.

Roland Berger is an independent partnership owned by around 220 partners. Its global Competence Centers specialize in specific industries or functional issues. Interdisciplinary teams are selected from these Competence Centers to devise tailor-made solutions. At Roland Berger, consultants develop customized, creative strategies together with their clients. The firm’s approach is based on the entrepreneurial character and individuality of its consultants – “Let's think:act!”

At the intersection of many of our Competence Centers is Industry 4.0. Industry 4.0 is the idea of consistent digitization and linking of all productive units in an economy. This next industrial revolution lies directly ahead, and will likely prove to be a source of huge opportunities for established companies and emerging competition. Roland Berger helps its clients adapt and succeed to the changing dynamics of Industry 4.0. www.rolandberger.us

Marc Winterhoff is Senior Partner and head of the North American Automotive Practice of Roland Berger. Winterhoff studied electronic engineering and business in Darmstadt, and started his career in the software industry in the United States. He then worked for Arthur D. Little for over 11 years, focusing on the automotive industry. He joined Roland Berger in October 2011 and took over his responsibility for the North American automotive market beginning January 2012.
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