German American Business Outlook 2019

January 29, 2019
6:00pm to 9:00pm

Deutsche Bank, 60 Wall Street, 47th Floor, New York
6:00 p.m.  Registration
6:30 p.m.  Welcome Remarks
   Michaela Ludbrook  
   Head of Global Transaction Banking, Americas, Deutsche Bank  
   Rainer Bender  
   Global Chairman of Corporate Banking Coverage, Deutsche Bank AG
6:35 p.m.  Introductory Remarks
   Caroll H. Neubauer  
   Chairman & CEO, B. Braun Medical Inc. / Chairman, GACC New York  
   Peter Riehle  
   President & CEO, WITTENSTEIN Holding Corp. /  
   Chairman, German American Chambers of Commerce
6:45 p.m.  Economic Update by Torsten Slok  
   Chief International Economist, Deutsche Bank
7:05 p.m.  Presentation of Business Outlook Survey Results by Mark Tomkins  
   President & CEO, GACC Midwest
7:40 p.m.  Transatlantic Panel Discussion
   Caroll H. Neubauer  
   Chairman & CEO, B. Braun Medical Inc. / Chairman, GACC New York  
   Daniel Andrich  
   President & CEO, Representative of German Industry + Trade (RGIT)  
   Peter Riehle  
   President & CEO, WITTENSTEIN Holding Corp. /  
   Chairman, German American Chambers of Commerce  
   Vincent Halma  
   President & CEO, KION North America  
   Moderator: Dr. Volker Treier  
   Chief Executive of Foreign Trade, Member of the Executive Board, DIHK
8:25 p.m.  Networking Reception
   Hosted by Deutsche Bank

#GABO2019 #GERMANBUSINESS  
#GACCNY #GACC MIDWEST #GACC SOUTH #GACC WEST
Dear Reader,

It is evident that many of the pivotal economic developments in the last year continue to evolve on a daily basis. So far, the economies of the US and Germany remain on a path of sustained growth and low unemployment, though concerns are rising on both sides of the Atlantic.

Our German American Business Outlook (GABO) this year again provides insight into how German subsidiaries in the US view this country as a business location and their expectations for the coming year. The overwhelming majority anticipate moderate growth of up to 3%, though when asked about their own sales, a post-recession high of 9% foresee a contraction in their business. Among the more key topics are a move to diversification and M&A, while also addressing workforce and visa challenges, as well as the importance of open markets on their supply chains. Nonetheless, the overall outlook remains optimistic.

We at the GACC and Representative of German Industry + Trade (RGIT) are committed to fostering positive economic ties between the US and Germany. That includes highlighting the interests of our members to ensure that their businesses thrive. And we, of course, greatly appreciate their continued support of our organization.

Respectfully yours,

DANIEL ANDRICH  
President & CEO, RGIT

DIETMAR RIEG  
President & CEO, GACC New York

MARK TOMKINS  
President & CEO, GACC Midwest

KRISTIAN WOLF  
CEO, GACC West

STEFANIE ZISKA  
President & CEO, GACC South
GROWTH EXPECTATION FOR YOUR BUSINESS IN 2019

Expectations for individual businesses are still positive but 9% expect a contraction for their own business in 2019, the highest since emerging from the recession.

GROWTH EXPECTATION FOR THE US ECONOMY IN 2019

While the general outlook for the overall economy is still very positive, 3% of companies expect a contraction of the US economy in 2019.

STRATEGIC ACTIONS: M&A AND DIVERSIFICATION

20% M&A executed in 2018
20% M&A planned in 2019
9% Diversification executed in 2018
37% Diversification planned for 2019
The US market’s attractiveness for German subsidiaries for future investment is based on customer demand, proximity to the customer base and the relative market stability.

87% of German subsidiaries still have difficulties attracting skilled labor. This highlights the need for pipelines of qualified employees, for example through apprenticeship programs.
IMPORTANCE OF OPEN MARKETS

72% of surveyed companies state open markets as very important, an increase of 19% over last year. An overwhelming 90% stated that open markets are rather or very important to their business.

IMPACT OF NEW TARIFFS AND TRADE CONFLICTS PART 1

While only 39% of German subsidiaries in the US reported sourcing products from China, a staggering 83% of these companies are negatively impacted by the tariffs imposed by the US on China.

IMPACT OF NEW TARIFFS AND TRADE CONFLICTS PART 2

19% of the surveyed German subsidiaries process steel and/or aluminium. Of these, 64% are negatively impacted by the new tariffs on steel and aluminium.
EXECUTIVE SUMMARY

Only 3% of surveyed companies predict a contraction of the US economy, however, 9% see a contraction for their own business, which is the highest since the recession.

A large increase of German subsidiaries are planning diversification of their business and M&A as strategic actions in 2019.

One major challenge continues to be finding skilled labor, and difficulties in obtaining work visas have increased to 78% of surveyed companies.

90% of respondents say open markets are rather or very important to their business.
WELCOME REMARKS

MICHAELA LUDBROOK
Head of Global Transaction Banking, Americas, Deutsche Bank

Ms. Ludbrook is the Head of Global Transaction Banking, Americas. She joined GTB in April 2018 as the Global Head of Strategic Execution. Prior to that, Ms. Ludbrook has held a number of executive positions at Deutsche Bank. Before joining Deutsche Bank, Ms. Ludbrook worked at Goldman Sachs for seven years in the US and at JP Morgan for 15 years with assignments in London, Tokyo and New York in a variety of functions.

RAINER BENDER
Global Chairman of Corporate Banking Coverage, Deutsche Bank AG

Mr. Bender became Global Chairman of Corporate Banking Coverage in September 2018. He has banking experience since more than 45 years and his focus was mainly the client coverage of multinational corporate clients. He started with an apprenticeship in 1970, thereafter worked as branch manager, credit officer and relationship manager. In 1990 he built a team for multinational corporates and since then has held various leading positions. Prior to his global chairman role Mr. Bender has headed the corporate banking Germany, Austria and Switzerland franchise.

INTRODUCTORY REMARKS

CAROLL H. NEUBAUER
Chairman & CEO, B. Braun Medical Inc.

Located in Bethlehem, Pennsylvania, the company is a global leader in infusion therapy and pain management, and a pioneer in passive safety devices and PVC-free and DEHP free products. Mr. Neubauer oversees the company’s North American operations. He also serves on the B. Braun Global Board in Germany and as Chairman of the German American Chamber of Commerce, New York.

PETER RIEHLE
President & CEO, WITTENSTEIN Holding Corp.

As President and CEO of WITTENSTEIN Holding Corp., Mr. Riehle is responsible for all aspects of leading the North American Headquarters of WITTENSTEIN SE. An award-winning manufacturer of motion control and mechatronics systems, WITTENSTEIN is renowned in the industry for the quality of its products and for its innovations in mechatronic drive technology, servo systems and mechanical components. Prior to his current position, Mr. Riehle held notable leadership roles in North America spanning 20 years, including positions as CEO and President at DMG America (DMG/Mori) in Chicago, IL, and Vice President Sales and Marketing at Trumpf Inc. in Farmington, CT.
ECONOMIC UPDATE

TORSTEN SLOK
Chief International Economist, Deutsche Bank

Mr. Slok's Economics team has been top-ranked by Institutional Investor in fixed income and equities since 2010. Prior to joining Deutsche Bank in 2005, Mr. Slok worked at the OECD in Paris and at the IMF in the Division responsible for writing the World Economic Outlook and the Division responsible for China, Hong Kong, and Mongolia. He has published numerous journal articles in Journal of International Economics, Journal of International Money and Finance, and The Econometric Journal.

SURVEY PRESENTATION

MARK TOMKINS
President & CEO, GACC Midwest

Mr. Tomkins is the President & CEO of the German American Chamber of Commerce of the Midwest. He joined the GACC Midwest in March 2006. Prior to this, Mr. Tomkins spent over 10 years in business development consulting, working with businesses throughout the world in developing strategic alliances and long-term cooperations. Prior to this, Mr. Tomkins worked in the automotive and IT industry in Germany and the US. Within the Chamber, Mr. Tomkins has been responsible for building the consulting services department and for assisting German companies in their US market development and has been responsible for numerous initiatives including the Chamber's skilled workforce initiative, multiple conferences, business delegations and pilot projects.
INDUSTRY PANEL

MODERATOR: DR. VOLKER TREIER  
*Chief Executive of Foreign Trade, Member of the Executive Board, DIHK*

Dr. Treier is Member of the Executive Board. As the Chief Executive of Foreign Trade he is responsible for International and European Economic Affairs, the network of bi-national German Chambers, Delegations and Representations of German Industry and Commerce (AHKs) in 92 countries worldwide.

CAROLL H. NEUBAUER  
*Chairman & CEO, B. Braun Medical Inc.*

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DANIEL ANDRICH  
*President & CEO, Representative of German Industry + Trade (RGIT)*

Mr. Andrich is President and CEO, Representative of German Industry and Trade. Prior to this appointment, Mr. Andrich worked for the Federation of German Industries (BDI), one of RGIT’s principals in Berlin, from 2008 to 2016. At BDI, he was Senior Policy Advisor for Global Governance and Trade Promotion and most recently Executive Assistant to BDI President Ulrich Grillo. In 2012, Mr. Andrich worked at RGIT as a visiting fellow and Senior Policy Advisor.

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VINCENT HALMA  
*President & CEO, KION North America*

Mr. Halma is the President and CEO of KION North America Corporation - a member of the KION Group, one of the world’s two leading manufacturers of industrial trucks and supply chain solutions. His prior experience includes roles as Vice President of the Western European subsidiaries and managing director for STILL Netherlands—one of KION Group’s brand companies. Prior to the KION Group, he served in a variety of capacities at Cargotec Corporation—the leading provider of cargo handling solutions.
GACCs

The German-American Chambers of Commerce (GACCs) in Atlanta, Chicago, Detroit, Houston, New York, Philadelphia, Pittsburgh 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.

The German Chamber Network (AHKs) is 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, coordinating and supporting the AHKs.

GLOBALLY CONNECTED

AHKs provide experience, connections, and services worldwide through 140 locations in 92 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).

www.ahk-usa.com

RGIT

The Representative of German Industry and Trade (RGIT) communicates the interests of German business on behalf of its principals, the Federation of German Industries (BDI) and the Association of German Chambers of Commerce and Industry (DIHK) in Washington, DC. Through its actions, RGIT highlights the importance of German business in the U.S. and encourages the further deepening of the U.S. and Germany’s already close economic ties.

This material is distributed by the Representative of German Industry and Trade (RGIT) on behalf of the Federation of German Industries (BDI) and the Association of German Chambers of Commerce and Industry (DIHK). Additional information is available at the Department of Justice, Washington, DC.

www.rgit-usa.com
CONTACT

GACC MIDWEST
Mark Tomkins
President & CEO
T +1 312 494-2172
tomkins@gaccmidwest.org

www.gaccmidwest.org

GACC NEW YORK
Dietmar Rieg
President & CEO
T +1 212 974-8848
drieg@gaccny.com

www.gaccny.com

GACC SOUTH
Stefanie Ziska
President & CEO
T +1 404 586-6815
sziska@gaccsouth.com

www.gaccsouth.com

GACC WEST
Kristian Wolf
President & CEO
T +1 415 248-1241
kwolf@gaccwest.com

www.gaccwest.com

RGIT WASHINGTON
DANIEL ANDRICH
President & CEO
T +1 202 659-4777
dandrich@rgit-usa.com

www.rgit-usa.com