German American Business Outlook:
Survey Reflects Upbeat Attitude and Growth for 2018

Top 50 German Companies in US
Apprenticeships in the US
Chocolate makes you happy.
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As we wrap up the first quarter of this year, it’s evident that many of 2017’s pivotal economic developments continue to unfold on a daily basis. So far, the economies of the US and Germany are experiencing sustained growth and low unemployment. There is also a lot of corporate optimism about the positive effects of US tax reform – an improved environment for investment, wage growth, etc. That is the good news.

There is, however, now also a deep concern in both political and financial circles within the US and abroad about President Trump’s 25% tariff on steel imports and 10% tariff on aluminum imports. Such activities, quite rightly, raise fears of initiating trade wars with ping-pong retaliation that can very negatively impact both businesses and consumers worldwide.

There’s acute anxiety on both sides of the Atlantic over what these tariffs could directly mean, for example, for the vital automotive industry. We should keep in mind that German companies, especially those in the auto industry, have invested heavily in the US – over $300 billion and supporting nearly 700,000 US jobs. The tariffs could directly and indirectly put brakes on that.

There are no winners in trade wars. That’s why dedicated negotiations and a true commitment to realistic compromise are imperative. Partners talk and find solutions, they do not draw weapons on each other.

Literally all of the companies that participated in the GACC’s annual German American Business Outlook (GABO) expect growth this year for their businesses in the US. Let’s hope that optimism will not diminish due to isolationist economic policies…

We at the GACC are committed to fostering the positive economic and cultural ties between the US and Germany. That includes promoting the interests of our members to ensure that their businesses thrive in the US. Among other things, we will do so by collaborating with public and private US institutions on issues such as apprenticeship programs, by curating startup programs and by fostering industry cluster collaborations and transatlantic exchanges – all of which have been so effective in providing German companies with the strategic tools they need to thrive in the US.

Our idealism will remain a guiding force... especially during these dramatic times!

Caroll H. Neubauer
Chairman of the German American Chambers of Commerce
German American Business Outlook Survey Reflects Upbeat Attitude and Growth for 2018

GACC members as well as other key representatives of the German-American business community converged this past December for an exclusive presentation of the annual German American Business Outlook (GABO) Survey results. Dietmar Rieg, President & CEO of the GACC NY, welcomed the more than 170 guests to the midtown New York conference center of J.P. Morgan.

The survey results were tabulated by KPMG and presented by Achim Wolper, Head of German Practice, KPMG US. He was joined by Jesse Edgerton, Senior Economist at J.P. Morgan, who provided insights on the current US economic outlook, postulating that, “consumer and business sentiment have both jumped post-election (presidential), suggesting upside risks to consumption and capital expenditure.”

Overall Positive Outlook
Despite domestic and global uncertainties, for the first time since the inception of the GABO survey, 100% of the participating German companies are expecting growth for their own businesses. At the same time, only 2% expect the US economy to contract. Harnessing the power of digitalization is a key trend for the German-American business community, with 59% of participants facing challenges in data analysis. Similarly, companies are driving innovation in R&D through cooperation with universities and startups.

Continued Growth Expected
As German companies are expanding through mergers & acquisitions (M&A), or the creation of new manufacturing capabilities in the US,
“German companies continue to view their prospects in the US very positively and anticipate consistently robust business opportunities. They are eager for continued investment in a skilled workforce, and they look forward to the resulting comprehensive tax reform.”

Caroll H. Neubauer,
Chairman of the German American Chambers of Commerce

they continue to struggle with the ever-increasing shortage of skilled labor. As a result, the skills gap is motivating companies to take the initiative and grow their own workforce. An impressive 25% of German companies are leading the charge by establishing apprenticeship programs as a solution to keep their productivity at maximal capacity.

Participating companies by sector

- Industrial manufacturing: 24%
- Automotive: 7%
- Chemicals, pharma and healthcare: 5%
- Consumer goods and retail: 5%
- Professional services: 8%
- Energy and natural resources: 9%
- Financial services: 9%
- Transportation and logistics: 9%
- Construction and infrastructure: 9%
- Other: 19%

Guests mingle at a reception prior to the conference.
German American Business
Leaders Weigh in on Results

A panel discussion and audience Q&A rounded out the December GABO conference, featuring candid discussions on the implications of the survey results. The panel was comprised of GACC chairmen who are business leaders in the German-American business community: Caroll H. Neubauer, Chairman & CEO, B. Braun Medical, Inc., Klaus Zellmer, President & CEO, Porsche North America, Inc. and Dr. Walter Maisel, President & CEO, KOSTAL North America. Daniel Andrich, President & CEO, Representative of Germany Industry + Trade (RGIT) moderated the panel.

In his capacity as AHK USA Chairman, Caroll Neubauer was interviewed that evening by some key media attending the event, including Frankfurter Allgemeine Zeitung (FAZ) and Handelsblatt. Articles also appeared in additional German media outlets such as Die WirtschaftsWoche and Börsen-Zeitung.

“Consumer and business sentiment have both jumped post-election (presidential), suggesting upside risks to consumption and capital expenditure.”

Jesse Edgerton, J.P. Morgan

Survey Summary

100% of participants face challenges in data analysis. Among the most challenging issues are data security, lack of in-house know-how and data protection. However, the number of companies reporting data analysis challenges is much lower in the US than in Germany.

59% of participants expect growth for their businesses in 2018. Nearly one out two expects more than 3% growth. This optimism is based on a solid US economy, with only 2% of participants expecting contraction in 2018.

92% of companies rate attracting a skilled workforce an important factor which needs to be addressed by the US administration, followed by openness of markets and digital infrastructure.

61% of companies either participate in an apprenticeship program or are interested in joining a consortium-style apprenticeship program to train their staff.

11% of participating companies plan to expand their businesses in 2018 through M&A, up from a steady 7-8% from 2015 to 2017.

83% of companies conducting research & development (R&D) in the US are collaborating with partners to achieve their R&D goals. The most important partners are universities and community colleges, followed by startups and large tech companies.
Will Small Businesses Walk the Talk?

Small businesses are the backbone of the US economy. But judging from sentiment indicators, they have remained stuck in crisis mode even long after the Great Recession ended. That all changed with the election of President Trump and a Republican-controlled Congress in late 2016. At that point, hopes for lower taxes and less regulation caused a spike in sentiment. And with a lag of seven years, the National Federal of Independent Business’ small business optimism index finally rose back to its pre-crisis levels.

This could bode well for the broader economy. After all, companies with less than 500 workers account for 45% of employment in manufacturing and for 83% of employment in construction. Moreover, a whopping 98% of US exporters are small businesses. At times, however, sentiment indicators can be misleading, and we do not expect the jump in business optimism to translate into a similarly strong improvement in activity.

First, small businesses have over the past several years expanded much more than the sour mood would have suggested. Pent-up demand is therefore limited. While a sizeable majority of small businesses continued to say that it was not a good time to expand, actual capex spending bounced back immediately after the end of the recession. Since the end of the Great Recession, fixed investment of non-financial non-corporate businesses rose on average by 10% per annum. That is as fast as the expansion seen during the 90s, and stronger than the average rise during the previous boom period. The same holds true for the labor market. Since the end of the recession, small businesses have on average created 125,000 jobs per months, while companies with more than 500 employees added around 75,000. Once again, these numbers for small businesses were stronger than they were during the previous boom, and matched the performance seen during the 90s.

Overall, there is therefore no indication whatsoever that the actual situation for small businesses was as dire as the polls had suggested. One possible explanation for the divergence is that the political constellation in Washington had depressed many small business owners ahead of this election. According to a survey by the National Small Business Association, almost 80% of small business owners describe themselves as conservative when it comes to economic and fiscal issues, compared to only 11% who see themselves as liberals. This would explain why the mood among many business owners only brightened after the Republican sweep at the 2016 election.

Second, small business activity may soon be hitting an important speed bump, as companies are facing increasing difficulties to find skilled workers. In fact, the share of small businesses saying that they find few or no qualified applicants for their job openings hit a record high at the end of last year. It is thus higher than it was at any point during the 90s or during the housing bubble. Instead of pushing through a massive fiscal stimulus, that leads to USD 1 trillion deficits when the economy is at full employment, the administration should have focused on lifting education levels. The benefits of broad vocational training on income distribution - as well as on productivity levels - are well documented. And creating the required infrastructure, e.g. schools, would also provide a boost to growth in the short- to mid-term. An education push would have thus helped businesses potentially more than lower taxes – it should at the very least complement it.
How Wrong is Trump On Protectionism?

By Roy C. Smith and Ingo Walter

It’s hard these days to find anyone concerned with the national interest who hasn’t been raised on the idea that tolerably efficient markets are better than rigged markets. Properly structured, they help ensure that resources are put to best use and the public has access to the best products and services at the best price. And when things like technology or consumer preferences shift, market discipline assures structural change in the economy to redeploy resources from activities of the past to those of tomorrow. Of course there are always winners and losers – for sure in the short term – and adjusting to new realities can be painful. But in the end the system is stronger and grows faster than under any other arrangement that’s ever been tried. Best of all, market-based opportunities and market discipline works with human nature, not against it.

That’s the way it is with international trade and the notion of comparative advantage. People, companies and countries should focus on what they do relatively better than others and acquire what they don’t, each on terms determined by the market. In so doing, their welfare will be higher and its growth will be faster than it would be otherwise. Deviate from this principle, and a price will have to be paid in the form of lower welfare and slower growth. There’s no way around it.

So what happened with President Trump’s plan to impose high tariffs on steel and aluminum imports (with some negotiated exemptions) and then doubling-down on protectionism by hitting China on an array of “sensitive” products? Maybe he and his advisers don’t believe basic economics. Maybe they believe international markets are already rigged, so a bit more won’t hurt. Maybe they think that we’ve done a really bad job getting people in distressed industries redeployed, so they deserve a break paid-for by healthier sectors and the general public. After all, politics is politics. And people who believe they are facing a bleak economic future – often an existential threat – form a powerful voting block. Meanwhile, those who will pay the tab for protection may hardly feel it and must rely on arguments based on the overarching principle of liberal markets. It can be an uneven political battle at times. And it’s never hard to point to other countries’ protectionist practices – in trade policy and liberal market access, nobody has clean hands.

But there are plenty of cheaper and more effective ways of addressing the kinds of “fairness” issues that give rise to today’s protectionism. Admittedly, the US has had a poor record of walking the talk and successfully and efficiently helping to redeploy resources, notably labor. Farmers say there are two ways to harvest corn. One is conventional way in the cornfields. The other is to go behind the barn and seek-out the few whole kernels left in the hog manure. The Trump plan seems to fit squarely in the second category, an economic blunderbuss that will hit importers, supply chains, exporters, foreign markets that take massive amounts of US exports, consumers – and maybe the US economy as a whole as some benefits of the Trump tax cuts are wasted on the inevitable costs of protectionism.

Besides the directly affected products in the Trump target-zone and those hit by retaliation, at stake here are the rules of the game that allow the benefits of market economics to work its magic on a global scale, where trade and specialization form one of the key drivers lifting welfare and growth among billions of people worldwide. Since 1937 the US has been the most important advocate of letting global markets do their work. The US has been instrumental in launching every round of global trade negotiations, and every President across the political spectrum from Roosevelt to Kennedy to Nixon and onwards has identified America’s national interest fundamentally with pursuing freer international trade in both goods and services. The core principles are “non-discrimination” in how market-access is opened to competitors, domestic versus foreign, one country versus another, together with “reciprocity” – we open our markets to foreign suppliers in return for their opening markets to ours. Both can be lumped into “fairness,” as in Trump’s “free and fair markets.”

The fact is that well-functioning markets need rules that anchor its basic principles, along with effective dispute settlement procedures. Again the US was the motive force behind both the 1947 General Agreement on Tariffs and Trade (GATT) and later the World Trade Organization (WTO). And when countries want to accelerate the efficiency and growth benefits of freer markets, something that may not be possible on a global basis, they may set up regional trade arrangements like the original European Economic Community (now EU) or the North American Free Trade Association (NAFTA) – not quite as beneficial as
freer global markets, but better than the status quo. That option has likewise been under Trump policy assault in the case of both the Trans-Pacific Partnership (TPP) and NAFTA.

By apparently ignoring the factual power of globally freer markets, the Trump Administration betrays a critical US legacy based on a core belief in market outcomes that has overwhelming evidence to back it up. It also betrays America’s legacy of leadership in creating the global institutions to make it happen, cumbersome as they might seem at times. It puts the US on a slippery slope to some bad outcomes that will gradually become apparent and begin to poison the political chalice. In any case, the Trump tariff increases on steel and aluminum slam the EU and Canada and Mexico, among the leading US partners in seeking to assure sustainably accessible global markets. All three have their own protectionist practices that have not been successfully negotiated over the years, and all three have received Trump exemptions. Shooting yourself in the foot is not the best way to change the behavior of others.

But wait! Maybe Trump actually has a coherent plan, with a bulls-eye painted on China. Everything else may be a side-show – with the Europeans and others quietly cheering him from the bleachers.

Does China practice trade fairness market discipline? Hardly. China takes few prisoners in state support for exports and strategic investments abroad, stiff-arming foreign players in its domestic markets when it suits them, or in the murky calculus of state-owned businesses and banks. And there’s not much light between political targeting and competitive targeting in China. Non-discrimination and reciprocity often don’t seem to be in the Chinese vocabulary. It has violated key commitments under the WTO since it joined in 2001. But like Japan a few decades earlier, China has increasingly come under tough pressure from trading partners to play by the all-important rules of global trade and take its share of responsibility for a viable trading system. Toddlers are cute to have around the house, but not after they grow to 300 pounds.

Most importantly, China will eventually feel the effects of the kind of resource misallocation that results from persistently violating the spirit of those rules. Candidly, Chinese will often say “we will adjust, but on our schedule and terms, not yours.” China to Trump on protectionism in Twitter-speak: “Won’t work. All wrong. Really bad.”

But Trump is also very good at borrowing ideas. His trade initiatives echo targeted measures taken by Richard Nixon, Ronald Reagan and George W. Bush over the years. Each was intended to be shocking, but ended up with some voluntary or negotiated settlements, enough anyway to take the item off the political stage and allow a victory lap. By this logic, Trump aims to make a fuss over China tariffs, which can end in trade arrangements that will entail some backing-off and avoid a downward spiraling trade war that nobody wins. Trump could even include some sort of “surtax” on certain imports with sufficient proceeds (perhaps a few billion) to fund another try at a national worker retraining program – and sell it as a fair price to be paid by millions to fund assistance to the small number who are hurt. Could be a plan, if it can be made to work. But then, Trump is also very good at changing his mind.

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German American Business in 2018

By Dietmar Rieg

In a period of less than two years the discussion about trade across the Atlantic has taken a 180 degree turn. In June 2016, the US was honored as the partner country of the Hannover trade show. With then President Barack Obama and the US trade representative Ambassador Michael Froman present, discussions about TTIP (Transatlantic Trade and Investment Partnership) centered on the infamous chlorine chicken, investor dispute settlement procedures and the Buy America Act of various US-States. Hard to believe that a mere 21 months later the US is implementing tariffs on steel and aluminum products and the European Union is threatening with similar tariffs on Jeans, Whiskey and orange juice. Most of us, who are engaged in international business, are on high alert about the consequences of a “trade war”, with a heated rhetoric adding to a volatile situation.

The German American Chamber of Commerce (GACC) has been founded in March 1947 in New York City, – only 20 months after the end of the devastating World War II – at the initiative of two Americans and one German national. They had the belief that business relationships between the two countries would re-appear and benefit both sides. At the GACC and in that spirit, we continue to stand for facilitating and improving economic relationships across the Atlantic and – figuratively speaking – are in the business to enlarging this economic cake for the wealth of its people. Naturally, the current development is alarming.

Economists from Adam Smith and David Ricardo to the present have long investigated the effects of trade and overwhelming concluded that open markets and fair trade are not only measured in trade balances, but more importantly in welfare effects across nations. But economic relations between countries are a lot more complex than reducing them to trade balances. To start with, our statistical work should be brought to the 21st century and include services and license agreements for digitally-enabled services. The picture would then change considerably. In this sector, the US is running a considerable surplus vis a vis Europe. And these are areas of innovative and new products with significant growth rates. Also, foreign direct investments by German firms in the United States, which amount now to roughly US$ 400 billion are the flip side of trade balances. In turn they create employment and very often generate exports on their own. Those amounts are significant as for example BMW now is the largest exporter of cars by value from the US in the amount of approximately US$ 10 billion. Then again, those amounts are not reflected in the bilateral statistic. Typically German business in the US is very proud to also exhibit good corporate citizenship by being involved in its local communities or developing local workforce.

In 2017 the US registered a trade deficit against Europe of roughly US$ 140 billion. Nonetheless, the US is benefitting mightily from open borders and free trade. From data available, direct sales form US companies and their affiliates in Europe generated corporate profits of
US$ 250 billion in 2017. This is more than twice the amount of the flip side, European corporate profits through sales in the US of about US$ 115 billion. The difference coincidentally amounts to the trade deficit between the two blocks. But more importantly, and clearly a back of the envelop quick calculation, those corporate profits stand for a market capitalization of about US$ 7 trillion.

It is true, you probably will not find many American manufactured cars in Berlin, however, you will also notice that at the same time, the city is inundated with I-phones, I-pads and other high tech devices from the US. In 2017 alone, Apple registered US$ 55 billion in revenues in Europe. At this point no one – at least not yet - has the idea to build up its own European or German smart phone industry and protect it accordingly and/or to tax away respective profits. Quite the opposite, innovative products available from the global market are embraced and each new iteration is cherished.

Likewise German and European designed cars and machinery seem to appeal to many consumers in the US. As a result, international trade and the notion of comparative advantage seem to work very well across the Atlantic, as it worked for cloth from Britain and wine from Portugal before.

Based on American ingenuity and innovation, true global brands and companies headquartered in America have been created over the past 30 years. They owe their success also to open and efficient international markets as being advocated by the US for more than 70 years. Capital markets seem to understand this very well. As a result, market capitalization of the largest high tech global US companies (Amazon, Apple, Facebook, Google, and Microsoft) amount to a staggering US$ 3.500 billion. By comparison, German car manufacturers (BMW, Daimler and Volkswagen) yield a market capitalization of just US$ 295 billion. It takes two sides for making a deal. In a fast escalating economic conflict, all those benefits and valuations could be in jeopardy. It is quite unimaginable what it could mean for stock markets and, more particularly, for wealth accumulation, US pension plans, 401ks, endowments affecting many, many ordinary Americans.

On the heels of the implementation of the US tax reform, Apple announced that it anticipates repatriation tax payments of approximately US$ 38 billion. Given the prevailing tax rates, it can be assumed that it would be on profits the company generated abroad over the past years of at least US$ 300 billion. Coincidentally, in the same statement the company announced that it will contribute US$ 350 billion to the US economy over the next 5 years and create an additional 20.000 jobs. In total, for all US companies accumulated off-shore profits are estimated to be in the range of US$ 2.5 trillion. It is a pretty safe assumption that those profits have been generated to a significant degree in Europe and on the basis of much cherished open market and capitalist mechanics.

We had an extremely good year in Transatlantic economic relationships in 2017 as measured in growth of trade and services in both directions but also on the much wider spectrum of respective foreign direct investments, cross-border Mergers and Acquisitions, and exchanges in research and development and many more. From our own activities at the GACC, we can surely state that German business in the US is strong and intends to invest further. And likewise we support US companies in their efforts to successfully enter foreign markets, mostly through participation in trade shows, where we also witnessed considerable growth in the past year. It would truly be a pity to jeopardize these developments.
2017 was a year of celebration for the AHK, as we mark the 70th anniversary of the German American Chamber of Commerce being established in New York City. That makes the GACC NY older than the Federal Republic of Germany! Thanks to the support of such US initiatives as the Marshall Fund in 1948, the German “economic miracle” took flight and has been soaring ever since.

On June 03, 1947, the New York Times reported on the launch of the United States-German Chamber of Commerce Inc. the previous March by three American officials with headquarters on 71 Broadway in New York City. With just 15 member companies at the time, the goal was to foster trade relationships and compile business data.

With the support and enthusiasm of many members and directors an institution grew which today can be found in 12 American cities, supported by 130 dedicated employees and a network of about 2500 member companies. Our goal continues to be facilitating economic and commercial relationships between the US and Germany in both directions.

Caroll H. Neubauer, who took on the role of chairman of the German American Chambers of Commerce (AHK-USA) in 2017, presented the GABO survey results which showed that German subsidiaries in the US were split on the possible business impacts of the US election. Most companies were, nonetheless, cautiously optimistic about the evolving business environment. More than 120 guests, representing German startups and established businesses attended the GABO forum which took place at the midtown NYC office of J.P. Morgan Securities.
New Years Luncheon 2017  
January 11
Harvard Club, NYC

GACC NY President & CEO Dietmar Rieg welcomed German Ambassador to the US Peter Wittig at the GACC NY annual New Year’s Luncheon. Dr. Wittig served as keynote speaker at the event, which took place at the illustrious Harvard Club in midtown Manhattan. Approximately 160 GACC NY members attended.

AHK World Conference  
March 17
Berlin

The deep-rooted friendship between Germany and U.S is based on mutually beneficial economic, political and cultural ties that have flourished ever since the founding of the Federal Republic of Germany more than 60 years ago. That was the underlying message at the AHK USA which highlighted the German American Chamber of Commerce’s 70 years of fostering German business growth in the USA.

More than 400 participants attended the conference, which opened with welcoming remarks by Dr. Martin Wansleben, CEO of the DIHK (Deutschen Industrie-und Handelskammertages), Caroll H. Neubauer, President of the USA German American Chambers of Commerce and Mattias Machnig, State Secretary at the Federal Ministry for Economic Affairs and Energy (Germany).

AHK USA at World Economy Day  
March 2017
Berlin, Germany

The CEOs and Consulting Department heads of the AHK USA network got together with their peers from around the globe at the AHK World Economy Day in Berlin to strategize on our role and services for German exports. The conference featured keynote speaker Brigitte Zypries, Germany’s Minister for Economics and Energy, who highlighted the service of the global AHK network for German companies. On the occasion of GACC NY’s 70th anniversary, March 17 featured a dedicated USA Conference highlighting the role of the AHK USA in fostering German business growth in the US.

Siemens Energy Plant Tour  
March 2017
Charlotte, NC
STEP NYC Goes Strictly Biotech & Life Science  
March 26 -31  
in NYC and Boston: A Program First

A German delegation of biotech & life science startup Entrepreneurs participated in the STEP NYC’s first Life Science program, March 26 - 31, in New York City and Boston. The group met with experienced mentors in the international startup community, industry-specialized VCs, the German Accelerator Life Science in Boston, industry leaders such as Boehringer Ingelheim, B. Braun Medical and many more. Special thanks to the Alexandria Center for Life Sciences, the Genome Center New York, Flex and MassChallenge for sharing market insights and for opening their doors to German startups.

WCX17 Networking Event  
April 4, 2017  
Michigan Chapter

WCX: SAE World Congress Experience is the premier gathering of automotive industry experts and professionals. Alongside this event, GACC Midwest's Michigan Chapter hosted its annual WCX: SAE Reception at the Detroit Athletic Club. Speaking at the reception was Robert Fascetti, Vice President of Powertrain Engineering at Ford Motor Company. Mr. Fascetti highlighted some challenges the automotive industry is facing, and how best to solve them. With the emerging technologies of autonomous driving and electrification steadily gaining speed, he impressed upon the audience the importance of WCX: SAE as a place to exchange ideas and practices within the industry.

Midwest SME Forum  
April 11, 2017  
Palatine, IL

Mittelstand companies are a vital part of our network. While these small- and medium-sized companies are often the backbone of many industries, competing with larger corporations can pose challenges. Our second annual Midwest SME Forum addressed issues SMEs are facing and featured engaging discussions from high-level executives from mHub, Winzler Gear, etventure, BMW Technology, JP Morgan, Ipsen, Cigna, OAI, Hermle Machine Company, Triple Ink, Hegele Logistic, m/e brand communications, alliant/Mesirow, RSM, and Masuda Funai. Panelists identified key strategies and practices to ensure success for Mittelstand companies in the Midwest in the fields of international marketing, HR and talent retention, growth through M&A, as well as innovation through partnerships with startups.
In line with the first 100 days of the new US administration, David O’Sullivan, EU Ambassador to the United States, spoke before an assembly of the European-American Chamber of Commerce (EACC). He drew a colorful perspective on the developments in Washington: “As China’s premier told Richard Nixon when asked about the French Revolution: It’s too early to tell. Or perhaps it’s more the view of someone who’s just jumped off a building and reached the 32nd floor: So far so good.”

Renewable Energy Roundtable
April 2017
Tampa, FL

Southern Small and Medium Enterprise Forum (SSMEF)
April 2017
Chattanooga, TN

The one day conference featured engaging keynote speakers Bob Rolfe from the Tennessee Department of Economic Development, and Daniel Andrich from the Representative of German Industry and Trade in Washington. Three informative workshops offered attendees the possibility to learn about emerging topics for SMEs: Ralph Pasquariello from Snelling Walters Insurance Brokers talked about cybersecurity for small businesses. Dr. Sebastian Pokutta from the Georgia Institute of Technology shared his knowledge on innovation through collaboration between companies and universities. And Tim Milde from kloeckner.i GmbH demonstrated how established companies can learn from startups and incorporate their innovative concepts.

In the afternoon, the four experts Hannes Barske from DLR Project Management Agency, Nicole Koesling from Volkswagen Group of America, Chattanooga, Ramona Neuse from DIHK Service GmbH and Martin Pleyer from Grenzebach Corporation exchanged their ideas and experiences during a panel discussion on trends and challenges for a 21st century workforce. Stefanie Ziska, President & CEO of the GACC South, moderated the discussion as expert on the topic.

Concluding the conference, the attendees joined our Evening Reception at Chattanooga’s Coker Tire museum, where they could admire an impressive car collection featuring unique models.
Continuing with what has become a very popular tradition, the GACC NY hosted its annual Asparagus Dinner on a balmy NYC evening with an enthusiastic crowd of more than 340 member guests. This year’s dinner took on special meaning, as it was an occasion to celebrate 70 years of the GACC being established in the US - New York City to be more specific!

The event kicked off with a festive cocktail reception at Tribeca Rooftop. Guests eventually made their way to the inside dining area to feast on fresh German asparagus flown in specially from Germany and prepared to perfection in a variety of creative ways.

Dietmar Rieg, President & CEO of GACC NY greeted guests and treated them to a clever and informative video highlighting the successful services the GACC has provided for the German American community in the US throughout the years.

The Gateway Award
May 2017
Charlotte, NC

The Gateway Award has been initiated by the present Honorary Consul of the Federal Republic of Germany, Klaus Becker and was issued for the first time in 2005. Since 2005, the Gateway Award has been presented each year to a company or organization that has excelled in promoting German-American Business and Relations.

Industry 4.0 Forum
May 2017
Gray Court, SC

Asparaguss Dinner
May 2017
Dallas, TX

Future Mobility in Smart cities
June 2017
Dallas, TX
Underscoring a mutual commitment to economic collaboration between the US and Germany, a delegation of 19 business and economic representatives from the Frankfurt Rhine-Main region visited New York, Philadelphia and San Francisco last month for meetings and tours facilitated by GACC teams in each of those cities. The group was headed by Frankfurt Mayor Peter Feldmann.

Their first official appointment was an economic and political briefing with Johannes Bloos, Deputy Consulate General at the German Consulate in San Francisco, organized by the GACC San Francisco team.

A similar meeting was hosted by the GACC NY at its office in Lower Manhattan. Deputy Consulate General Kai Hennig of the German Consulate in NY joined Dietmar Rieg of the GACC NY in welcoming the Frankfurt delegation and participating in discussions with the group.

The GACCs in cooperation with the Industrie und Handelskammer Düsseldorf, kicked off the 4th German-American Business Forum, at the Industrie-Club Düsseldorf with a robust program on current US-German economic and business relations. More than 250 business leaders and other representatives of the German-American business community attended vigorous discussions on transatlantic economic relations, high-profile topics such as digitization and energy management. A series of workshops provided insights on US market penetration, offering practical advice on developing effective sales strategies in the US, legal frameworks, training, and prospects for start-ups. The 5th German American Business Forum will take place in Stuttgart on June 21, 2018.

The CEOs of all AHKs in the Americas came together in Chicago in July. Key partner organizations such as Germany Trade and Invest, along with the DIHK and German Federal Ministry for Economic Affairs and Energy joined the AHKs in discussing strategies for supporting German business in the coming years. Topics included the digitalization of industry and the AHKs, expanding opportunities for membership, and continued growth of the AHK network around the world.

The GACCs in cooperation with the Industrie und Handelskammer Düsseldorf, kicked off the 4th German-American Business Forum, at the Industrie-Club Düsseldorf with a robust program on current US-German economic and business relations. More than 250 business leaders and other representatives of the German-American business community attended vigorous discussions on transatlantic economic relations, high-profile topics such as digitization and energy management. A series of workshops provided insights on US market penetration, offering practical advice on developing effective sales strategies in the US, legal frameworks, training, and prospects for start-ups. The 5th German American Business Forum will take place in Stuttgart on June 21, 2018.

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German Fest VIP Reception
July 28, 2017  Wisconsin Chapter

Once again, our Wisconsin Chapter hosted members, family and friends at their VIP Reception as part of German Fest 2017 in Milwaukee. Attendees kicked off the festivities with traditional German food and beverages, while enjoying the sights and sounds of one of the best German ethnic festivals. Opportunities to network were plentiful, and GACC Midwest President & CEO Mark Tomkins joined the chapter in celebrating Wisconsin’s German heritage.

New Member Reception
August 2017  Greer, SC

European Ambassadors Discuss Future of International Business
September 13  NYC

The GACC NY, together with our partners of the European-American Chamber of Commerce, our sponsor, KPMG and host Thomson Reuters, welcomed the Permanent Representatives to the UN from Belgium, Germany, Spain, Ukraine and the United Kingdom to provide their insights on the most pressing challenges and promising areas of opportunity that face the international business community 2018. This informative briefing took place at Thomson Reuters in midtown Manhattan.
Different countries, different customs, the same bank.

UniCredit International Network

Let’s talk about taking your business global.

When it comes to your international commercial needs, we’ve got it organized. Whether it’s trade and supply chain finance, top-quality clearing throughout Europe, or other banking services, we can help. We have a local presence in 14 European countries, branches and offices that span another 19 countries worldwide, and a strong network of correspondent banks around the globe. That means we’re ready, willing and able to meet your needs both at home and abroad. Wherever you go, your bank will be with you.

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Skills Seminar for Transatlantic Ruhr Fellowship
NYC

In summer 2017, the GACC’s University Relations team put together a one-week Skills Seminar for ten students of the brand new Transatlantic Ruhr Fellowship. In close cooperation with Peter Rosenbaum from the University Alliance Ruhr, the GACC NY scheduled a week of career development workshops, guest lectures and exciting company visits for this new summer program.

The program’s participants were selected from a pool of applicants from the Technical University Dortmund, Ruhr University Bochum and the University of Duisburg-Essen, the three largest universities in Germany’s thriving Ruhr area. The GACC and the Ruhr Alliance placed the selected candidates with various host companies for a six-week summer internship which they started right after the Skills Seminar. Among the host companies are B. Braun Medical Inc., AFS Intercultural Programs, Evonik, and Deutsches Haus at NYU, as well as our friends at the BelCham and French-American Chamber of Commerce who are each hosting one of our Ruhrfellows.

STEP USA New York Trips Continue to be Popular with German Startups

In a major nod to their success, 15 of our popular startup trips have taken place to date. We are proud to have welcomed a total of 183 German companies to New York, Boston and Silicon Valley. Twenty-four of our alumni have been successful at raising capital for their businesses in the US; 44 have founded their own US subsidiaries and 17 have made it into the German Accelerator Program as a logical next step.

New York is an amazing entrepreneurial hub with more than 8,000 startups boosting their businesses in the BIG APPLE. Our STEP USA program assists young German companies to better understand and navigate the U.S. market. And we very successfully assist in opening doors to venture capital providers, clients and local accelerators and incubators.
GACC Awards Gala
October 13, 2017    Chicago, IL

Immediately following the Digitalization Forum, we hosted the annual GACC Awards Gala. During an elegant ceremony, we honored companies that excelled in digitalization, services and innovation within the German-American business sector. GACC Midwest Board Vice Presidents Peter Riehle and Uwe Schoberth, and GACC Midwest’s President & CEO Mark Tomkins welcomed the audience and guided the evening’s program as guests enjoyed a stunning dinner, entertainment and dancing in the festive ballroom of the InterContinental Hotel on Chicago’s luxurious Magnificent Mile. The GACC Awards, the highest accolades in German-American business, were awarded to 5 outstanding companies: Mid-America Overseas, Inc. for Excellence in Services. The Excellence in Innovation Award was awarded to one winner from each of our three regions: Bosch in the Midwest, ESTENSIS in New York, and Buehler Motor, Inc. in the South. Finally, VisiConsult was awarded the 2017 Excellence in Digitalization Award. Former GACC Midwest Chairman and member of the Board W. David Braun revealed some exciting news, announcing the addition of a third Christkindlmarket location at the Park at Wrigley on Chicago’s North Side.

Digitalization Forum
October 13, 2017    Chicago, IL

As GACC Midwest hosted their first Digitalization Forum, what better location to hold this event than at 1871 in Chicago? Keynote speaker Howard Tullman, founder and CEO of 1871, gave an engaging talk on the implications of consumer demands for quicker and easier digital transactions. As Tullman says, “data is the new oil”, commenting on how vital consumer data now is to businesses. After the keynote, event partner CEBIT informed guests of their upcoming innovation festival taking place in June 2018 in Germany. Panelists representing digital leaders such as Siemens, IBM and BMW held open discussions with audience members about how digitalization affects all industries.

Topics discussed included blockchain & cryptocurrency, the importance of data analysis, and the impact digitalization on hiring decisions. Attendees had ample opportunities to network and enjoy German beer courtesy of Paulaner.

Port Tour
October 2017
Charleston, SC

German American Trade Q1 2018
Our independent jury voted Kaia Health the GACC’s Newcomer of the Year 2017. Kaia stood out among many companies vying for the Newcomer of the Year title, presented the GACC’s annual Martinsgans / Goose Dinner gala attended by more than 200 members of the German American business community at the Ritz Carlton Battery Park, New York City. This innovative startup was recognize for its use of artificial intelligence to treat chronic back pain non-invasively. In addition to personalized care, Kaia’s ground-breaking digital therapy may lead to reduced health costs. Kaia lead the pack out of 100 shortlisted Newcomer of the Year candidates. The Huffington Post described Kaia Health’s overarching goal as to provide a tailored and holistic therapy program to reduce - if not eradicate - the prescription of opioids for individuals who suffer from chronic conditions, like back pain.

In addition to Kaia, the following finalists were recognized as Notable Newcomers at the gala dinner: CFturbo, Inc., jetlite,GmbH and Xbird,GmbH.

The gala, which had more than 450 in attendance, is considered the social highlight of the year for the German–American business community in the South. The gala paid tribute to the incredible efforts of the expansion and growth of Germany’s economic presence within the Southern region, and recognized the dedication of the GACC South’s community, partnerships and sponsors. The GACC South has hit some high marks over the past years including their continuous support and promotion of German vocational training.

Brazil was picked as the destination for this year’s gala – as it is an economic power house in Latin America and is a promising market for local and foreign companies in the South. The gala also supported an important cause, the SOS Children’s Villages in Brazil—the world’s largest organization dedicated to orphaned and abandoned children.
**Denver Christkindl Market**  
**November 17 – December 23, 2017   **Colorado Chapter

GACC Midwest’s Colorado Chapter celebrated with its members at the 17th Annual Christkindl Market, featuring Music, Bier & Gluehwein, entertainment, gifts, crafts and, of course, holiday spirit. The market hosted events including a seminar and happy hour hosted by Invest in Bavaria, and a Euro Networking Event. Members enjoyed the networking opportunities, and the chance to speak with German investors. It was a pleasure to once again host this beloved German tradition in Denver.

**Christkindlmarkets**  
**November-December 2017   **Chicago/Naperville, IL

The Christkindlmarket is a beloved tradition GACC Midwest’s subsidiary GAE LLC puts on in Chicagoland. For over 22 years, the Christkindlmarket Chicago has been a purveyor of German-style holiday spirit to the region. For its long-term enrichment of the city’s cultural sphere, the team received the Distinguished Service award from the Chicago Loop Alliance in 2017, a testament to the importance and popularity of the holiday festival throughout the decades. The holiday season on Daley Plaza was kicked off with the exclusive preview opening event “‘Twas the Night before Christkindlmarket” one day before the market opened its gates to the public. Up until its closing on December 24th, the market attracted around 1.5 million visitors this year. Due to its popularity, the Christkindlmarket Naperville returned for a second year and expanding in size after its huge success in 2016. And after its successful expansion to Naperville, the Christkindlmarket added yet another location to its portfolio. In 2017, a third Christkindlmarket opened at the Park at Wrigley to set the holiday spirit for Chicago’s North Side. Enchanting the Park at Wrigley with all the signature charm from the original market, 23 vendors added some festive spirit to Wrigleyville.

**Annual Meeting and Holiday Dinner**  
**December 2, 2017   **Minnesota Chapter

GACC Midwest’s Minnesota Chapter closed out a successful year with their Annual Meeting and Holiday Dinner. Members reconnected and engaged in networking over drinks, discussing their experiences in 2017 and opportunities for the year ahead. Our Minnesota network welcomed its new 2017 members, before being treated to an elegant three-course holiday dinner. After dinner our members enjoyed the festivities of the St. Paul European Christmas Market.
Taking Your Business Global: Transacting in Foreign Currency

By Danielle Cheung and M. Scott Kelly, Business Banking Market Executives, Bank of America Merrill Lynch

In today’s global economy, businesses should consider sourcing and selling in foreign markets to grow their business. Whether your company is a subsidiary of a foreign company or a US-grown business looking to expand overseas, it is important to learn the alternatives to structuring foreign payments and receipts. Managing overseas financial transactions is no easy feat. Currency exposure, pricing, foreign bank services and other risks may leave you feeling overwhelmed. Here are some key considerations for managing your company’s finances in a foreign country.

First, it’s important to address the question of whether you should transact with foreign counterparties in U.S. currency or the counterparties’ local currencies. Many companies believe they can eliminate foreign exchange (FX) risk by conducting international transactions in their own currency. Unfortunately, the truth is that FX volatility risk between two currencies is always present. By transacting in their home currency, companies end up passing on the FX risk to their suppliers – many of whom will charge a premium for assuming the risk, or may fail to manage the risk appropriately. We suggest considering transacting in the foreign currency to avoid this and other problems.

What if you’re sourcing from a related entity, such as a parent company? In that case, it is still important to consider where the exchange rate risk lies and which party to the transaction is best suited to manage it. For example, consider a U.S. subsidiary of a German company that purchases all its inventory from the parent company. The U.S. represents 5% of the overall company, and the German parent sets pricing in U.S. dollars once per year. As the manager of the U.S. business, you may want to ask how the parent company is managing one year’s worth of exchange rate risk. Do they have a strategy in place to protect against market movement, or could pricing change if the market moves significantly? As only 5% of the overall business, this exchange rate risk may not be a priority for the German company, but it is a significant risk for the U.S. entity. We suggest discussing these factors with your suppliers, related or external, and revisiting it regularly, to avoid a shock to your business from an unforeseen market change.

Second, companies who sell internationally may also prefer to accept payments from customers in U.S. dollars. However, accepting payment in foreign currency may open up new markets with customers who don’t have the ability to make payments in anything other than their local currency. Plus, selling internationally in USD means that your products and services become more expensive in a stronger dollar environment, and you may run the risk of losing business to local competitors.

Once your international payments strategy is in place, the next step is to determine the appropriate type of foreign exchange transaction. FX transactions generally fall into two primary categories: spot and forward contracts.
Spot contract- A spot contract is a legally binding agreement to sell one currency and buy another on the nearest, standard settlement (value) date. In other words, this is a ‘buy now, pay now’ deal at the current market exchange rate. According to Trade Global Financial, some benefits of spot contracts include easy operation, 24-hour trade access and zero deposit requirements.

Forward contract – A forward contract is a legally binding agreement to buy one currency and sell another at a rate agreed upon today. In other words, forward contracts are ‘buy now, pay later’ products, which enable you to essentially lock in an exchange rate at a set date in the future. These involve two parties; one party agrees to ‘buy’ at a later date (taking the long position), while another party agrees to ‘sell’ at a later date (taking the short position). The advantages of forward contracts include choosing a rate which is acceptable for your business and managing and budgeting cash flow without worrying about future FX volatility.

As the FX market evolves, new solutions continue to be introduced.

When opening a foreign currency account, however, it is important to determine whether the volume and transaction activity outweighs the fees associated with a foreign currency account.
One recent innovation is the introduction of a guaranteed FX rate program. A spot rate is based on the prevailing market rate two days before settlement, and a forward rate is based on the prevailing market rate for a specific FX amount and settlement date in the future. What if a company would like visibility over their FX rate for future transactions but doesn’t know the exact date the FX payment will be sent or received? A guaranteed FX rate allows a company to have a monthly rate for all their FX transactions without having to specify dates and amounts. New solutions like the guaranteed rate will continue to make global business easier to execute.

Finally, an alternative approach to mitigating an exchange rate risk would be to open a foreign currency account. This is an ideal solution when a customer is selling and purchasing a product in the same currency. By using a foreign currency account, a company effectively protects itself from currency volatility for any amounts where the volumes of the receivables match the company’s anticipated payable needs. When opening a foreign currency account, however, it is important to determine whether the volume and transaction activity outweighs the fees associated with a foreign currency account. A disadvantage of this approach is that a company ties up liquidity, as funds would be held in a foreign currency until later need arises.

A financial advisor or bank partner can help you and your company expand globally. With guidance and planning, you can decide how best to manage your out-of-country assets.

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2016 proved to be another banner year for German businesses in the US, due in great part to profits from a strong dollar that lead to healthy earnings in euros. The Top50 Ranking of German Firms, a survey conducted by the German American Chambers of Commerce, shows that German companies in the US continue to profit from strong domestic demand and the equally strong currency. Revenue generated in US dollars, once converted into euros, resulted in positive earnings for German companies in the US. In total, the Top50 German companies generated more than $350 billion in revenue and employed more than 672,000 people in 2016.

Top ranked Daimler Group boasted a robust 44,960 million in revenue ($52,117) compared to 47,653 million ($55,236) in 2015. Even with the mega challenges faced in the last year, Volkswagon Group of America took 2nd place with 40,997 million ($47,510), compared to 33,911 million ($39,298) in 2015. Rounding out 3rd place is T-Mobile USA, which increased revenue to 32,129 million ($37,242) from 27,655 million ($32,053) the previous year.
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**Sales**
- Listing 14: Express Division Figure
- Listing 16: Gross Premiums Written
- Listing 20: Boehringer Americas
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<th>U.S. Top Executive</th>
<th>Sales (Euro M) 2016</th>
<th>Employees 2016</th>
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<td>t 13,112</td>
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<td>Medical Products &amp; Services</td>
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<td>9,000</td>
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<tr>
<td></td>
<td>t 13,000</td>
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<tr>
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<td></td>
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<td>Marcelino Fernández Verdes / Peter Davoren</td>
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<td>59,774</td>
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<td>Cement</td>
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<td>t 6,516</td>
<td>t 24,275</td>
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<td>t 568</td>
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<td>t 495</td>
<td>t 2,100</td>
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<td>t 462</td>
<td>t 1,067</td>
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**Note:** Some data may be incomplete or incorrect due to lack of response from companies or info otherwise not located.
According to the market research institution Hoovers, the US agricultural machinery market is set to grow by 4.1% in 2018. The upward trend is driven by technology and economic activity. Future market developments will be dependent on continued high levels of agricultural exports and advancement of innovative products. Leading manufacturers are targeting growth with increased research spending.

New products revive business / precision farming is the new guiding principle

Cutting-edge hardware and software is in high demand

Trends show increases several specific technologies, including GPS-equipment for tractors, harvesters and farm trucks as well as high-precision pesticide/fungicide sprayers. Ultra-light tillers and precision irrigation are also seeing increased use. Farms are managing a growing fleet of autonomous and remote-controlled agricultural vehicles and robotics. And flying
Drones are coming into the mix to deploy agricultural chemicals.

Farms are utilizing targeted agricultural software to monitor, analyze and optimize their operations. They can also collect data from this software and sell it back to the manufacturers of seeds, chemicals and machinery.

**Artificial intelligence in farming**

In addition to internal research and development, large agricultural machinery manufacturers are advancing through strategic acquisitions. In September 2017, John Deere acquired California-based Blue River Technology for USD 305 million. Blue River specializes in artificial intelligence and sensor technology for spray systems. In Germany, Bosch is developing a similar system. The goal of the technology is to reduce pesticide use through intelligent targeting and precise application by self-driving systems.

**Positive Growth Outlook for US Manufacturer**

Large US manufacturers such as AGCO, John Deere and CNH Industrial are projecting strong growth for 2018. AGCO increased its sales figures to US 5.8 billion in the first nine months of 2017, up 8.7% compared to the same period the year before. The company’s revenue was driven by US tractor sales as well as increased exports to the Middle East, Africa, and the Asia Pacific region.

AGCO also generated growth through M&A. Their September 2017 acquisition of Precision Planting brought innovative cultivation and planting technology into the organization. The feed technology division of the Lely Group was acquired in October.

**Increased need for research and development spending**

The sales potential is expected to grow across the entire agricultural machinery industry in the US in 2018, driving investment. The recently adopted federal tax cuts as well as increasing US agricultural exports will likely drive farm operators toward larger investments in new machinery.

**Sales forecasts for manufacturers of tractors and agricultural machinery in the US (changes in %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Change compared to previous year</th>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
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<td>2020</td>
<td>4.8</td>
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<td>2021</td>
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Source: Inforum, First Research, 2017

Agricultural exports in 2017 totaled USD 139.8 billion, approximately 8% higher than the previous year. For 2018, the US Department of Agriculture has used harvest forecasts and existing foreign orders to project an even larger increase in export value.

In order to remain competitive in the innovation-focused US market, leading manufacturers will need to accelerate their R&D spending even further in 2018. The funds are clearly available.
Infrastructure – the backbone of a nation’s economy

The attractiveness of a nation as a location to invest in depends on multiple factors: open markets, consumer demand, rule of law, clear regulations, competitive taxes, a skilled workforce, and, finally, a well-functioning infrastructure.

Infrastructure is the backbone of a nation’s economy. It is needed to move goods (in the physical space) and data (in the digital space) as fast as possible from the production site to global markets. In the 21st century, the competitiveness of a nation relies heavily on a sleek transportation network that includes roads, rails, waterways, airports and harbors. Furthermore, companies and their employees alike need reliable power grids, water supply, sewage systems, healthcare facilities, schools and access to broadband.

Businesses, politicians and citizens agree that America’s infrastructure is due for an overhaul. The last major investment took place in the 1950’s, and while this set the foundation for the strong economic growth that followed, the now decades-old system leads to delays, rising maintenance costs and thwarts the nation’s competitiveness.

The American Society of Civil Engineers (ASCE) rates the US infrastructure with a D+, describing it as “mostly below standard” with a “strong risk of failure.” ASCE estimates that over the next 10 years, an additional $2 trillion must be invested to renovate, maintain and build America’s infrastructure.

President Trump’s Infrastructure Plan

Thus, President Trump’s call for major investments in the nation’s infrastructure is widely seen as a step into the right direction. Politicians from both sides of the aisle agree with the general idea to modernize the country’s bridges, roads and communication networks.

In February, the White House released President Trump’s plan entitled “Rebuilding Infrastructure in America.” The 53-page proposal states six principles:

1. $200 billion in Federal funds to spur at least $1.5 trillion in infrastructure investments with partners at the State, local, and private level.
2. New investments will be made in rural America.
3. Decision making authority will be returned to State and local governments.
4. Regulatory barriers that needlessly get in the way of infrastructure projects will be removed.
5. Permitting for infrastructure projects will be streamlined and shortened.
6. America’s workforce will be supported and strengthened.

The $200 billion in direct federal funding over 10 years would be split in $100 billion for the Infrastructure Incentives Initiative to support state and local governments in raising their own public or private revenues. Another $50 billion would be mainly appropriated to states as block grants as part of the Rural Infrastructure Program, securing financing for infrastructure projects in rural areas that are oftentimes not able to attract private financing. To secure financing for higher-risk projects, the Transformative Projects Programs is earmarked with $20 billion. Another $20 billion would go to federal loan programs that underwrite private financing of profitable infrastructure projects. Finally, $10 billion would fund the construction of federal office buildings and similar infrastructure for actual government use.

**Focus on Workforce Development Programs**

Besides requesting additional money, streamlining permitting processes, and focusing on rural America, the White House proposal seeks to foster workforce development programs. The Administration states that infrastructure can only be successfully built and maintained if there is a skilled workforce available. Therefore, the plan suggests reforming career and technical education programs, promoting STEM education, and expanding apprenticeship programs.

**Financing the White House Plan**

The plan, however, does not identify a revenue source for the $200 billion in federal funding. Both Republicans and Democrats in Congress do not show much appetite for passing a law that would increase federal spending by such a large amount. Furthermore, increasing the national debt is highly unpopular, especially before the mid-term election in November 2018. Economists are doubtful that $200 billion in public spending can leverage $1.3 trillion from other sources. Business groups, such as the U.S. Chamber of Commerce, suggest finding other sources of revenues instead, e.g. by increasing the federal fuel user fee by 25 cents.

**Looking ahead**

The White House proposal is now in the hands of Congress. While there is bipartisan support for fixing the country’s infrastructure, the sticking point will likely be how much to spend and how to pay for it. As the national credit card is almost maxed out, it seems unlikely that a bill will pass Congress before the mid-term elections in November 2018. The fact that the Senate needs bipartisan support to pass infrastructure legislation further complicates the matter.
Apprenticeships in the US – A Success Story

By Jasmin Welter, GACC

The Industry Consortium for Advanced Technical Training (ICATT), the leading apprenticeship program in the Midwest, doubled its size again in its second full year in business, with more than 30 apprentices and 35 companies. As high-tech manufacturers and logistics companies seek a long-term solution to their rapidly-diminishing skilled workforce, more are working with the ICATT Apprenticeship Program to deliver a pipeline of talent, and to close the skills gap.

“The ICATT Apprenticeship Program combines company-specific knowledge, theory, and hands-on learning to train a globally competitive workforce, and, ultimately, deliver a pipeline of skilled talent to the company,” says Mario Kratsch, Head of the ICATT Apprenticeship Program. “Our program is the only one in the Midwest fully benchmarked on the time-tested German Dual Education System, and we are elated that more companies are finding that the program is what they need to train and retain employees, so that their company can keep pace with market demands.”

The ICATT Apprenticeship Program works with companies to develop custom company training plans, vet and recruit apprentices, collaborate with community colleges on classroom training, and provide on-going management and support.

This year also marks the first graduating class of the program, with the graduation ceremony taking place in summer. Upon graduation, the apprentices will continue their work at their current ICATT Network Company.

Ready for Further Growth in 2018

As the call for high-tech apprentices gains momentum, the ICATT Apprenticeship Program and its experienced team is well prepared for growth. “Communicating with companies and apprentices is essential. The new website is a robust platform for providing up-to-the-minute updates, resources and events that not only build awareness, but also underscore our proven workforce development solution,” notes Kratsch.

Recently, BBS Automation in Bartlett, IL signed the first apprentice of the 2018 cohort – Jahi Taylor was hired as an apprentice to become an Advanced Manufacturing Technician. As an ICATT Network Company, BBS Automation offers apprentices the ability to learn...
SKILLS AT WORK

“"Our program is the only one in the Midwest fully benchmarked on the time-tested German-style Apprentice System.”

Mario Kratsch, Head of the ICATT Apprenticeship Program

about innovative automation technologies that enable their clients to significantly increase their flexibility and their competitiveness.

The President of BBS Automation, Darragh Staunton, once an apprentice himself, thoroughly believes in apprenticeship programs as a long-term workforce development strategy. In his search to find the right program, the ICATT Apprenticeship Program was the only program that had the seriousness he wanted: company-specific training, an associate degree, and industry-specific certifications.

Contact Information:
If you are interested in joining an apprenticeship program, contact our team and find more info at >> www.icattapprenticeships.com

Apprenticeship return on investment
How do you ensure that something stays cold or warm? How do you transport temperature sensitive goods? How do you comply with international GDP (Good Distribution Practices) standards?

va-Q-tec, a young, medium-sized high-tech company, has the answers. The Würzburg-based company is a leading provider of highly efficient tech solutions in the field of thermal insulation and cold chain logistics.

va-Q-tec develops, manufactures and sells innovative, thin vacuum insulation panels (“VIPs”) and phase change materials (“PCMs”) for reliable and energy efficient temperature control and insulation.

va-Q-tec has been pioneering the thermal insulation industry for more than fifteen years. As the global market demands reliable logistics and packaging in a perfected temperature controlled environment, va-Q-tec’s vacuum insulation panels (“VIPs”) and phase change materials (“PCMs”) offer more effective and sustainable solutions for a global customer base. va-Q-tec’s advanced passive technology keeps the inside temperature of its packaging solutions constant for more than five days without the need for additional external energy sources. Currently, there is no other proven system out there that can reach this level of performance without external sources. In addition, va-Q-tec’s rental service business, offers an extensive fleet of containers and boxes fulfilling highly demanding thermal protection standards in temperature sensitive supply chains. va-Q-tec’s insulation solutions can be found in all areas of daily life, such as healthcare and logistics, home appliances and food, building and construction, technology and manufacturing, as well as automotive and aerospace. The global market demand for its products is driven by the increasing standards for energy efficiency, stricter regulations for product safety and the globalization of supply chains.

The strongest market segment for cold chain logistics is the healthcare, pharmaceutical and biotech space which has been growing healthily and is expected to grow steadily over the next years. It is estimated that 27 of the top 50 best-selling pharmaceutical products will require temperature controlled transportation and handling by 2020. va-Q-tec meets the increasing demand by offering reliable thermal packaging solutions that enable customers to fulfill increasingly stringent product security standards which are vital for clinical trials, commercial distribution, or last mile and lab distribution. CEO Dr. Joachim Kuhn: “Our products provide our customers with dependable, energy efficient temperature control and insulation to comply with international GDP standards, no matter what outside circumstances bring. Our fleet of rental boxes and containers supports all needs of cold chain logistics and will revolutionize the pharmaceutical cold chain.”

As part of its global growth strategy, va-Q-tec recently opened a new North American Headquarters and operations facility in Langhorne, PA. va-Q-tec invested several million USD in the 20,000 square foot facility and
the US market expansion. CEO Dr. Kuhn, “The investment in this new facility is a testament to our commitment to grow the business and expand our footprint in North America. After careful consideration, Langhorne is the perfect location for us – right in the heart of the healthcare cluster, close to several major airport hubs and with easy access to major roads across the country and in close proximity to the pharmaceutical centers in Boston and Durham, NC.”

The new site will become the U.S. welcome and innovation center and showcase va-Q-tec’s latest products. In addition, va-Q-tec will also manufacture its small box containers in Langhorne and will use the location as a key hub for its rental and repair station. The facility has the capacity to produce 2,000 boxes and 50-100 containers per week. Dr. Kuhn, “We want to offer our current and future customers the best solutions for their temperature controlled logistics needs. By opening the new facility, we are not only strengthening our position in the US, it also puts us in a better place to accompany the growth of the pharmaceutical industry and to better serve our expanding US customer base.”

va-Q-tec’s success story started in 2001 in Würzburg, Germany. The founders, CEO Dr. Kuhn and Head of Development Dr. Caps, both worked at the ZAE Bavaria, the Centre for Applied Energy Research at the University of Würzburg, focusing on development of new insulation materials. They developed and tested vacuum insulation panels. When they realized that those had a huge potential to be used in a wide range of commercial applications, they decided to found their own company to bring their innovations to a global market. Within 15 years the company went from startup to global player, winning numerous national and international awards for energy-efficient technologies based on its VIP products. Since September 2016, va-Q-tec is publicly traded on the Frankfurt Stock Exchange (FRA: VQT). The successful IPO marks a significant milestone for the young company. Today, va-Q-tec employs more than 370 people and has subsidiaries in Switzerland, the UK, Latin America, South Korea, Japan, and the United States.

“Our products provide our customers with dependable, energy efficient temperature control and insulation to comply with international GDP standards, no matter what outside circumstances bring.”

– Dr. Joachim Kuhn, CEO and Founder of va-Q-tec

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For more information:
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>> Twitter @vaQtec and
>> LinkedIn va-Q-tec

va-Q-tec’s Container Network Station Frankfurt Airport
WHAT'S ON YOUR DESK?

Heather Broberg
Senior Manager, Membership Development & Engagement

From: Boston, Massachusetts
Interests: Transatlantic relations; travel; networking; Boston sports
Past career: Assistant Director for Recruitment and Admissions at the American University in Washington D.C.; Program Associate at Germany Trade and Invest (GTAI); Foreign Language Assistant in the Economics and Science Department of the German Embassy in Washington, D.C.

What’s your role at the GACC?
In my role, I support our members and work to connect and engage with them in a variety of ways. We primarily support German subsidiaries with their US market entry and overall business success in the Midwest region. Also, the team and I help all members make meaningful connections to support their business goals via membership and other Chamber initiatives.

What do you like about your job?
There are multiple aspects of my job that I enjoy. More specifically, I enjoy being a connector for our members and potential members – whether it be making an internal connection within the Chamber or being the “handshake” between two members. I also enjoy the continuous “learning” aspect of my job – learning about our member companies, company histories, niche industries, and discovering details about evolving family-owned businesses dating back to over a century. Lastly, I like the “storytelling” aspect of my work. I believe relationship building begins with storytelling – and learning about the paths – both personal and professional – which have brought people to where they are today.

Any upcoming projects?
We are currently working on our 2018/19 printed Membership Directory. This is an important annual project which allows us to collaborate with our two sister chambers, GACC New York and GACC South. The Membership Directory includes members from all three US Chambers, totaling approximately 2,500 member companies. This project is a substantial undertaking; however, the Membership Directory is a great asset to our organization and to our members.

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>> www.gaccmidwest.org

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**Event Calendar**

**Q1 2018**

**Mar 5**
AHK USA–Chicago trifft IHK: Inhouse Beratung USA
Held by GACC Midwest www.gaccmidwest.org

**Mar 6**
Digital Manufacturing
New York Held by GACCNY www.gaccny.com

**Mar 7**
Thüringer Außenwirtschaftstag
Held by GACC Midwest www.gaccmidwest.org

**Mar 8**
German American Business Stammtisch powered by Kuehne + Nagel
Charlotte Held by GACC South www.gaccsouth.com

**Mar 9**
Breakfast Networking Monetizing Innovation (Philip Daus)
Houston Held by GACC South www.gaccsouth.com

**Mar 10**
Economic Outlook 2018
Held by GACC South www.gaccsouth.com

**Mar 12**
European Business Networking
Held by GACC South www.gaccsouth.com

**Mar 18 - 23**
GACC Step SV & SF 2nd Edition
Held by GACC West www.gaccwest.org

**Mar 19**
Business Dialogue w/ JKJ&H (trade issues)
Held by GACC South www.gaccsouth.com

**Apr 5**
Spargelfest
PHL Held by GACC PHIL www.gaccphiladelphia.com

**Apr 9**
Southern SME Forum
Birmingham Held by GACC South www.gaccsouth.com

**Apr 9 - 11**
The German American Dialogue for Sustainable Water Infrastructure and Technologies
Tampa, FL Held by GACC Midwest www.gaccmidwest.org

**Apr 10**
SAE Networking Event
Detroit, MI Held by GACC Midwest www.gaccmidwest.org

**Apr 11**
YPN Workshop
New York Held by GACCNY www.gaccny.com

**Apr 12 – 13**
The German American Dialogue for Sustainable Water Infrastructure and Technologies
Milwaukee, WI Held by GACC Midwest www.gaccmidwest.org

**Apr 16**
RSA Teletrust Event for Industry 4.0 & IoT
Held by GACC West www.gaccmidwest.org

**Apr 18**
Automotive Forum
New York Held by GACCNY www.gaccny.com

**Apr 25**
EACC Pitch Night
New York Held by GACCNY www.gaccny.com

**May 5**
14th Gateway Award
Charlotte Held by GACC South www.gaccsouth.com

**May 5**
2018 “Stern des Nordens” Gala
Bloomington, MN Held by GACC Midwest www.gaccsouth.com
May 10
Annual Meeting &
Asparagus Gala Dinner
New York
Held by GACCNY
www.gaccny.com

May 11
White Asparagus Dinner
New York City
Held by GACCNY
www.gaccny.com

May 14 – 18
Delegation Trip to
Germany on Industry 4.0
Baden Württemberg,
Germany & Lower Saxony,
Germany
Held by GACC Midwest
www.gaccsouth.com

May 22
High-fex from German at
Techtextil
Atlanta
Held by GACC South
www.gaccsouth.com

May 23
German American Business
Dialogue
Houston, TX
Held by GACC South
www.gaccsouth.com

Jun 11 – 15
CEBIT
Hannover, Germany
Held by GACC Midwest
www.gaccsouth.com

Jun 21
“Best of STEP USA: Alumni
Pitch 2018”
New York City
Held by GACCNY
www.gaccny.com

Jun 24
EACC Spring Event
New York City
Held by GACCNY
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Jun 24
German American Business
Stammtisch powered by
Kuehne + Nagel
Charlotte
Held by GACC South
www.gaccsouth.com

Jun 24
Midwest SME Forum 2018
Hoffman Estates, IL
Held by GACC Midwest
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Jun 21
STEPS Pitch Night
New York City
Held by GACCNY
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May 24
German American Business
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May 24
Midwest SME Forum 2018
Hoffman Estates, IL
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May 24
Smart City and Sustainable
Transportation Systems
Business Conference –
Chicago
Held by GACC Midwest
www.gaccsouth.com

Jun 5
GACC Soccer Social
Bridgeview, IL
Held by GACC Midwest
www.gaccsouth.com

Jul 21
GACC Soccer Social
Bridgeview, IL
Held by GACC Midwest
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