

Press Release

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German American Business Outlook **Annual Survey among German Firms in the U.S.**

German Firms Bullish about 2013 U.S. Market, despite Fiscal Cliff Uncertainties and Eurozone Worries

95% Expect Business Growth in 2013, 86% of SMEs Plan to Hire

New York City, December 3, 2012 – **The German American Business Outlook 2013** discovered that German companies in the United States had a successful business year 2012 and look optimistically toward 2013. Even though 2012 stayed slightly behind expectations, German companies are bullish about 2013 and believe in the new administration's focus on economic improvement in the U.S. The majority of firms find themselves well positioned to strategically focus on growth, expansion, and innovation by introducing new product lines and increasing their workforce – 76% (compared to 67% last year) of firms expect to create new jobs in the next year.

These are the key findings of the **German American Business Outlook 2013**, an annual survey monitoring the state of German-owned subsidiaries in the United States. The survey provides these companies with the chance to publicly speak out about their success, challenges, and opportunities. 1,900 firms were approached and 12% of senior management, mostly from the German Mittelstand (small to medium sized companies), responded – despite the dramatic impact of Hurricane Sandy on the people, businesses, and infrastructure on the East Coast. The **German American Chambers of Commerce (GACCs)**, the **Representative of German Industry & Trade (RGIT)**, and **Roland Berger Strategy Consultants** conducted this business study for the fourth consecutive year.

Even though labor and non-labor costs continue to exhibit a mild inflationary trend, their overall expectations remain positive. **95% anticipate growth for their own business**, while **87% expect a growing U.S. economy**. Overall, firms reported fairly **stable financing conditions** and focus on strong to moderate **strategic capital investment**. When asked which economic and political **long-term measures** would most improve the competitiveness of the United States, respondents agree that addressing federal and state fiscal concerns to **reform the tax system** should have first priority. There is also consensus among respondents that the development of an **educated workforce** is critical for future growth. Furthermore, the harmonization of standards and import regulations in transatlantic trade are perceived as significant measures for more efficient production, distribution, and sales.

After the presidential election, businesses expect the new Administration to show greater political commitment to the **stabilization of the U.S. economy**, growth of small and medium-sized enterprises, and support for domestic manufacturing. Respondents also put high emphasis on the negotiation of a **transatlantic trade agreement**. “German businesses expect Congress and the Administration to resolve

the problems that led to the fiscal cliff promptly and constructively. What we need is reliable legislation, not interim solutions. We're convinced that the U.S. will remain a first class investment location for German enterprises," says Thomas Zielke, speaking on behalf of the German American Chamber Network as Representative of German Industry and Trade.

The full results of the study are available at www.ahk-usa.com/gabo.

The **German-American Chambers of Commerce (GACCs – AHK USA)** is one of the largest bilateral trade organizations worldwide. With 2,500 member companies and office locations in Atlanta, Chicago and New York as well as branch offices in Houston, Philadelphia and San Francisco, the members and clients of AHK USA benefit from a nation-wide service network.

The **Representative of German Industry and Trade (RGIT)** is the Washington, DC liaison office of the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK). RGIT's mission is to foster free trade and a welcoming business environment on both sides of the Atlantic to achieve sustainable growth, jobs and innovation for companies involved in German-American economic relations. RGIT belongs to the German-American Chambers of Commerce network.

Founded in 1967, **Roland Berger** is one of the world's leading strategy consultancies. With 51 offices in 36 countries, the company has 2,700 employees contributing to its successful operations in all major international markets. The strategy consultancy is an independent partnership exclusively owned by about 240 Partners.