



German American  
Chambers of Commerce  
Deutsch-Amerikanische  
Handelskammern

## **GERMAN COMPANIES IN THE US: A SURGE OF ECONOMIC OPTIMISM AND INVESTMENT IN 2024**

*The success of German companies in the US leads to transatlantic investment and increased operations in both the US and Germany*

- **99.5% of German companies forecast no recession for the US economy this year; 91% expect their net sales to grow**
- Over the next 3 years, 96% of respondents plan to invest in the US; over 40% more than \$5 million; 30% more than \$10 million.
- **72% plan to expand their workforce in 2024, though 91% struggle with recruitment. By 2028, 82% expect to grow their workforce**
- **Concerns about US inflation, market uncertainty, supply chain, and trade tension decrease ahead of the 2024 US election**

**New York, NY [February 8, 2024]** – The German American Chambers of Commerce (AHK USA) unveiled the comprehensive **2024 German American Business Outlook (GABO)** results today. This report, synthesizing responses from a broad spectrum of 224 German subsidiaries operating in the US, offers an insightful glimpse into the future of transatlantic economic collaboration.

***“I am excited to see the optimism of German subsidiaries in the US in their expansion plans reflected in our 2024 GABO survey results. The dynamic market conditions over the past few years made German companies stronger and more resilient in the face of change. Seeing both Germany and the US benefit from these transatlantic synergies is proof of our strong international relationship.”*** - Jan Heck, Chairman of the German American Chambers of Commerce

### **German Companies in the US Anticipate a Highly Positive Outlook for 2024**

Almost all (99.5%) of the companies surveyed do not expect a recession in the US economy in 2024 - a reflection of the stability of the US market and the associated growth opportunities. This optimism translates into predictions of 91% net sales growth and 75% investment growth in 2024 for the surveyed companies. By 2026, almost all (96%) of the companies surveyed plan to expand their investments in the US - 40% exceeding USD 5 million and 30% with more than USD 10 million, creating diverse and robust opportunities in the US while expressing a true commitment to their US operations and the long-term potential of the market. This investment is focused on workforce training and

apprenticeship, machines for automation and productivity development, new office facilities, and more.

### **US-German Synergies Lead to Symbiotic Growth Pattern**

One of the standout findings of the report is how important the US market is for German companies: For over two-thirds of German companies active in the US, the US has a significant or dominant importance for their global business. 40% have US manufacturing facilities, and excluding professional and financial service providers, another 19% plan to build their first in the next three years. While German subsidiaries report that US government incentives have supported their operations, 43% of surveyed companies report no impact.

### **Future Shoring and Investing in Workforce Development**

A key insight from the 2024 GABO is the focus of German companies on continuing to expand their workforce and investing in training, apprenticeships, and technologies that support growth and productivity amid workforce challenges. 72% of companies plan to expand their workforce in 2024, but 91% face considerable challenges in recruiting a skilled workforce. Companies have higher expectations in the next four years; 82% expect to grow their workforce by 2028, making the recruiting concern even more urgent.

To meet this challenge, 45% of the companies surveyed are investing in personnel development programs that include further education, training, and apprenticeships. Investment plans include machines for automation and increasing productivity (29%), purchasing new office space (27%) or modernizing existing office space (21%) and the digital transformation of business processes (23%). The net increase in sustainable investments of +10% compared to 2023 underlines the growing importance of environmental and social aspects.

### **Addressing Challenges and the 2024 US Elections**

While not fully back to normal, the results show visible relief compared to 2023 on inflation/cost increases (33% in 2024 vs. 56% in 2023), market uncertainty (30% in 2024 vs. 43% in 2023), and supply chain (21% in 2024 vs. 44% in 2023) concerns, while expressing ongoing concern over potential political uncertainty (24%).

The top priority for German companies election-wise in 2024 is to bring inflation under control (43%) and lowering interest rates (37%), along with reducing taxes (38%) and bureaucracy (33%). Linked to the workforce challenges cited above, 31% of German companies are advocating for changes in immigration policies and 27% are seeking enhanced support for apprenticeship programs from the US government.

### **Conclusion and Outlook**

The 2024 GABO paints a picture of a dynamic and forward-looking German business community in the US, poised for growth and innovation. The survey underscores the resilience and adaptability of these companies in the face of global challenges, while also highlighting their commitment to investing in the future – be it through workforce development, technological advancements, or sustainable practices. As they navigate the complexities of the US market, particularly in an election year, their strategies reflect a balance between optimism and strategic agility. The German-American business relationship remains a cornerstone of economic growth and innovation, with both nations benefiting from this robust partnership.

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