

Press Release

Press Contact: Jasmin Welter
Senior Manager, Marketing and Communications
German American Chamber of Commerce
of the Midwest, Inc. – GACC Midwest
321 North Clark Street, Suite 1425 | Chicago, IL 60654
Tel: (312) 494-2162
E-Mail: welter@gaccmidwest.org

German American Business Outlook: German Companies in US Grow Despite Concerns about Free Trade and Workforce

New York City, NY, January 29, 2019 – German subsidiaries in the US are growing and investing heavily despite some skepticism regarding the state of free trade and the availability of a skilled workforce, according to the 2019 German American Business Outlook (GABO) survey conducted by German American Chambers of Commerce (GACCs) and the Representative of German Industry & Trade (RGIT).

Despite concerns related to protectionist tendencies in US trade policy, a vast majority (91%) of the surveyed German companies are expecting growth for their own businesses. The remaining 9% expect a contraction for their own business in 2019 - the highest number since emerging from the recession. Workforce remains a vital issue for German subsidiaries in the US: Companies continue to face a lack of skilled workforce (87%), and difficulties in obtaining work visas have increased from 58% to 78% compared to 2018. Additionally, uncertainty due to trade policy worries German firms, who overwhelmingly argue free trade is crucial to their business (90%).

Despite those challenges, German companies cite *customer demand, proximity to the customer base and the relative market stability as reasons for their current and planned investment in the US*. As part of their continued growth, they are taking advantage of measures like the tax reform to spur investments in M&A activities as well as in business diversification.

“German companies continue to view their prospects in the US very positively. As drivers of growth and skilled workforce development in the US market, they would like to take advantage of further growth opportunities,” says Peter Riehle, the newly elected Chairman of the German American Chambers of Commerce. “The increasingly uncertain investment environment is a roadblock of this positive trajectory, and the GACCs are here to support German subsidiaries with their continued success in the US,” he added.

Key opportunities as per GABO:

- **Business Friendly Reforms**
The 2018 tax reform as well as a reduction of regulations has had a favorable impact on a broad majority of respondents’ business.
- **Expansion on the Rise**
Companies increasingly focus their growth agenda on mergers and acquisitions (M&A). One out of five participating companies plan to expand their business in 2019 through M&A, up from 8% in 2017 and 11% planned for 2018.

Key challenges as per GABO:

- **Workforce Development and Visas**

Challenges with workforce remain a big concern: Both finding skilled labor and obtaining work visas increasingly worry German companies

- **Tariffs and Free Trade**

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

Survey Process:

Immediately following the mid-term elections in November 2018, the GACCs and RGIT approached 1,900 senior executives of German-owned subsidiaries in the US with the German American Business Outlook. The nationwide survey was conducted from November 7-21, 2018, focusing on the attractiveness of the United States as a business location and the opportunities and challenges of business growth. German companies created more than 674,000 jobs in the US and total investments from Germany to the US amount to US\$ 373 billion.

For more details, please see at www.ahk-usa.com/gabo.

About Us:

The German American Chambers of Commerce (GACCs) in Atlanta, Chicago, Detroit, Houston, New York, Philadelphia, and San Francisco all work together under the network of AHK USA. With approximately 2,500 members and an extensive national and international business network, the GACCs offer a broad spectrum of activities and services.

Email: news@ahk-usa.com, Website: www.ahk-usa.com

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.

Email: info@rgit-usa.com, Website www.rgit-usa.com