German American Business Outlook 2020

German companies still upbeat about doing business in the US

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Dear Members, Friends, and Readers, as we are entering the year 2020, the German American Chambers of Commerce look back on an eventful decade. Our growing network of German and American companies has worked together tremendously well to navigate challenges and seize opportunities. Our organization has offered programs across industries, from agriculture and automotive to water management and wind energy. We pride ourselves on having forged long-lasting business partnerships between hundreds of German and American companies that move both our economies forward sustainably.

In this new decade, we continue our hard work to foster transatlantic knowledge exchange and innovation. Our programs in automation, battery technology, renewables and more will offer insights to executives and innovators from global holdings to start-ups.

As the results of our German American Business Outlook 2020 have shown, the US and Germany remain key trading partners. The US is a market of significant importance to German business despite lingering uncertainty around international trade. At the same time, German companies have continuously been a driver for the US market, adding jobs and value to the US economy. As more and more German companies enter the US market, execute their R&D in the US, and expand across the country, our team is dedicated to offering support and valuable connections to executives in German-American business.

Our network of companies is expanding, and so is our organization. Globally, we now count 140 offices in over 90 countries. Here in the US, our number of offices, staff, and services is growing: from the first steps of market entry to apprenticeship programs that help fill the skills gap in the US, we aim to offer the best support to our dynamic business community. As the Chairman of the German American Chambers of Commerce, I invite you to connect with our teams, attend our events, and make use of the many resources we offer.

We look forward to supporting you and your company in this next decade and beyond.

Peter Riehle
Chairman, German American Chambers of Commerce
President & CEO,
WITTENSTEIN North America
German American Business Outlook 2020
Companies Remain Confident About US Business Environment

For a third consecutive year, German companies are overwhelmingly optimistic about their business prospects in the US, expecting further growth and robust profit margins. They are a little more cautious, however, when it comes to investments. That’s the key finding of the GACC’s annual German American Business Outlook (GABO) survey which was released the beginning of this year.

GACC members as well as other key representatives of the German-American business community converged in NYC for an exclusive presentation of the GABO survey results. Andreas Fibig, Chairman & CEO of International Flavors & Fragrances (IFF) and Chairman of the GACC NY, welcomed the more than 150 guests to the midtown New York conference center of J.P. Morgan.

In addition to the GABO event in NYC, the GACC Philadelphia presented the survey results in the City of Brotherly Love, while the GACC NY collaborated with the German American Business Council for an event in Boston. In the Midwest, a C-level panel discussed the GABO 2020 results at sold-out events in Illinois and Michigan, marking the first-ever GACC Midwest Business Luncheon event in Michigan and a new opportunity to connect with the region’s extensive German-American business community.

The survey results were tabulated by KPMG Germany and presented by Andreas Glunz, Managing Partner International Business, KPMG Germany. Prior to his
presentation, Jesse Edgerton, Senior Economist, Executive Director, at J.P. Morgan, provided insights on the US economy. One of the things he noted was that although recessions aren’t easy to predict, current factors such as continued uncertainty about fiscal policy, including trade tensions, suggest a lingering caution on behalf of some businesses.

**Positive outlook continues**

Despite global economic uncertainties, 96% of the 177 German companies that participated in the survey expect growth for their own businesses. The prior year’s figure was 91%, so a slight increase.

**US remains Germany’s top market**

The survey shows that globally, the US remains the number-one market for German companies and plays a dominant role for German groups with subsidiaries in the US – and for good reason. Roughly every third company states that its activities in the US account for more than 20% of group sales. One in five German companies indicates that more than 50% of their group sales and group profits are generated in the US.

“US operations are extremely relevant for German groups – and profitable as well,” said Peter Riehle, Chairman, German American Chambers of Commerce. “This is also the reason why German companies grant comprehensive decision-making rights to their US subsidiaries, especially in all operative matters.”

**Concentration on organic growth**

Four out of five German companies in the US are focusing on organic growth in their existing locations. This has remained stable compared to previous years.

85% of German companies in the US intend to **invest at least one million USD** over the next three years.
The fact that 41% of German companies in the US currently conduct R&D in the US reflects the surveyed companies’ focus on their organic growth. This is a sharp rise from 29% reported in 2019. Even though there has been a large overall increase in R&D at German companies in the US, most collaborate with more traditional institutions such as universities and colleges (52%) followed by startups (30%) and large tech companies (20%) in their efforts to innovate.

Every third company (36%) plans to enter new business fields in 2020. One out of four (23%) intends to enter new countries and/or markets. The merger & acquisition market seems to have cooled as 14% of the German subsidiaries surveyed plan to expand through mergers & acquisitions (M&A), which is down from a record 20% the prior year.

Finding skilled workers still a critical challenge

Despite all the positive trends, one big challenge remains: More than half (56%) of the participants are in need of skilled workers. “The lack of skilled workers will become even more acute in the coming years, as half of the German subsidiaries intend to increase their workforce by at least five percent in 2020 and
even 86% plan a similar increase by 2025,” said Andreas Glunz.

“Some German companies in the US have already taken measures, and 28% of them have established apprenticeship programs to close the skills gap. For smaller- and medium-sized enterprises especially, this is an attractive and efficient way to create a pipeline of qualified workers,” added Peter Riehle.

German American Business Leaders Weigh in on Results

The GABO presentation included a candid panel discussion and audience Q&A featuring the implications of the survey results. The panel was comprised of business leaders in the German-American business community: Siegbert Rottach, President & CEO, MAN Capital Corporation, Katrin Zimmermann, Managing Director, The Americas, TLGG and Manuel Merkt, President & COO, Hermle USA, Inc.

Katharina Kort, a New York correspondent at the German business media outlet Handelsblatt moderated the panel.

For More Information

Report and statistics by KPMG in Germany and GACC

Please visit our ahk-usa.com websites to see the complete survey details.

Katharina Kort, a New York correspondent at the German business media outlet Handelsblatt moderated the panel.

Top challenges German companies see in US

56% Availability of skilled workers

50% Trade Tensions

37% Attainment of required growth rate

For More Information

Report and statistics by KPMG in Germany and GACC

Please visit our ahk-usa.com websites to see the complete survey details.

Katharina Kort, a New York correspondent at the German business media outlet Handelsblatt moderated the panel.
The US economy looks brilliant in global comparison. But the economic slowdown will continue in 2020.

Economic development: growth will slow down in 2019

After accelerated growth in 2018, there are increasing signs of a further slowdown in the US economy. The Blue Chip Economic Indicators, a consensus forecast from 51 well-known sources, forecasts growth of 1.8 percent for 2020, after 2.3 percent in 2019. The forecast of the International Monetary Fund from October 2019 was only slightly above. The Federal Reserve also speaks of only moderate growth prospects.

The start of 2019 was still quite promising with an annualized growth of 3.1 percent in the first quarter before a slowdown to 2 percent had to be accepted in the second quarter. This was triggered by declining public sector investments.

There is hope that there has been an interim agreement, a kind of pause for reflection in the long-term trade dispute between the United States and China. The Federal Reserve has also lowered the key interest rate in three steps since July 2019, leaving cheap money available on the financial market.

Due to the low key interest rate, it is easier for companies to borrow cheaply than to fill vacancies: the average unemployment rate of 3.6 percent is a record low that was last measured in 1969.

Investments: 2017 tax cut loses momentum

Companies are only cautiously investing. The Federal Reserve Bank of New York is responsible for the growth rates in capital goods and equipment purchases in 2019, which were below the previous year’s level. The bank attributes this sluggish development to limited planning security. The growth impulses from the last tax reform in 2017, especially the short-term amortization options for investments granted at that time, are noticeably diminishing.

Gross fixed capital formation of all companies included in the S&P 500 stock index increased by only 0.8 percent or $1.38 billion in the third quarter compared to the second quarter of 2019. If it weren’t for the two global corporations Amazon and Apple, which invested $1.9 billion more in the above-mentioned period than in the three months before, the quarterly value would have slipped into the red.

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**Economic development 2018 to 2020**

(real change compared to previous year in %)

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th>Imports (1)</th>
<th>Fixed Capital</th>
<th>Private Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.9</td>
<td>2.4</td>
<td>4.4</td>
<td>3.1</td>
</tr>
<tr>
<td>2019</td>
<td>2.4</td>
<td>2.1</td>
<td>2.5</td>
<td>2.7</td>
</tr>
<tr>
<td>2020</td>
<td>2.1</td>
<td>2.1</td>
<td>2.7</td>
<td>2.2</td>
</tr>
</tbody>
</table>

1) goods and services  
2) forecast  
Source: International Monetary Fund (IMF), October 2019 © 2019 Germany Trade & Invest
Key economic data USA ($ million; change in percent)*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>Comparative data Germany 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (nominal, US $ bn)</td>
<td>20,580</td>
<td>21,439</td>
<td>3,949.7</td>
</tr>
<tr>
<td>GDP per capita (US $)</td>
<td>62,869</td>
<td>65,112</td>
<td>47,642</td>
</tr>
<tr>
<td>Population (million)</td>
<td>327.4</td>
<td>329.3</td>
<td>82.9</td>
</tr>
<tr>
<td>Exchange rate (annual average, 1 euro = US $)</td>
<td>1.1817</td>
<td>1.1058</td>
<td>—</td>
</tr>
</tbody>
</table>

1) forecasts 2) October 2019 average exchange rate  
Sources: International Monetary Fund (IMF); Federal Reserve; Federal Statistical Office Wiesbaden

Consumption: Private expenditure remains an important economic factor

Foreign trade: special levies slow down the exchange of goods

Selected major projects (investments in billion US $)

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Investment</th>
<th>Project Status</th>
<th>Notes</th>
<th>Sources</th>
</tr>
</thead>
</table>
| Construction of a high-speed railroad, Texas Bullet Train, Salini Impregilo and Lane Construction Corp., Houston / Dallas, Texas | 14.0       | Signing a design-build agreement (all from a single source) | Laying 386 km of tracks including building infrastructure  
| Construction of a railway tunnel, Gateway Tunnel, Gateway Program Development Corp., New Jersey / New York | 9.5        | Planning, planned start of construction in 2021     | Railroad tunnel under the Hudson River, connecting New Jersey and New York City  
www.gatewayprogram.org/about.html                                                                                       |                                                                                                                                                              |
| Chemical plant construction, The Sunshine Project, St. James Parish, Louisiana | 9.4        | Planning, obtaining all permits                     | Plant for polyethylene, polypropylene, polymer and ethylene glycol; Environmental impact assessment by the Federal Environment Agency EPA and the Louisiana Department of Environmental Quality  
www.sunshineprojectla.com                                                                                                  |                                                                                                                                                              |
| District construction, Centennial Specific Plan, Tejon Ranch, Santa Clara, California | 8.0        | planning                                            | Construction of 19,333 apartments and 0.78 million square meters of commercial space,  
www.centennialattejonranch.com/about/                                                                                     |                                                                                                                                                              |
| Construction of an offshore wind farm, Dominion Energy, Maryland, New Jersey | 7.8        | Planning, obtaining all permits                     | 220 turbines, connection in three phases between 2024 and 2026  
| Refinery expansion, Motiva Enterprises LLC, Port Arthur, Texas               | 6.6        | Planning, completion scheduled for 2022             | Expansion of the Port Arthur refinery  
o-links/news/saudi-aramco/news/s-motiva-eyes-6-6b-petro-chemical-expansions                                                                 |                                                                                                                                                              |
| Construction of a flat rolling mill, Steel Dynamics Inc., Corpus Christi, Texas | 1.8        | Planning, Construction phase 2020 to mid-2021      | 500 jobs are created  
ir.steeldynamics.com/Steel-Dynamics-Announces-Planned-New-Flat-Roll-Steel-Mill-Site-Selection                                                                 |                                                                                                                                                              |
| Construction of a pumped storage plant, Eagle Mountain Pumped Storage, NextEra Energy Inc., Palms, California | 1.4        | planning                                            | A capacity of 1,300 MW is being created at  
www.eaglecrestenergy.com                                                                                                  |                                                                                                                                                              |

Sources: Research by Germany Trade & Invest; Press releases
For example, industrial companies from the S&P 500 group reduced investments in the third quarter by 10 percent and financial groups by 8 percent. Only telecommunications companies invested 4.5 percent more - the expensive race to build future 5G networks has begun.

**Consumption: Private expenditure remains an important economic factor**

Consumption accounts for 70 percent of GDP formation and remains an important economic factor. Throughout 2019, consumers are expected to spend $14.7 trillion on the purchase of short and long-lived consumer goods and services. According to the latest figures from the Bureau of Labor Statistics, gross weekly wages in October 2019 were 2.7 percent above the October figure of the previous year, with the low-wage sector in particular increasing due to the shortage of personnel.

Nevertheless, the growth impulses emanating from private consumption weaken along the annual track. In the Christmas season, however, the impetus should increase again, Black Friday and Cyber Monday already achieved record sales in 2019.

**Foreign trade: special levies slow down the exchange of goods**

The German-American exchange of goods increased in 2019: Deliveries from Germany in the first nine months of 2019 amounted to $96.1 billion - an increase of 2.5 percent compared to the same period in 2018. Goods were in the opposite direction worth $45.3 billion shipped - an increase of 4.1 percent.

The contribution of the foreign trade to the formation of GDP can hardly increase at the moment: trade conflicts, not only with China, continue to restrict the gloomy global economy and the strong US dollar, the competitiveness of the export industry, especially since imported intermediate goods become more expensive due to special levies.

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**United States Foreign Trade ($ million; change in percent)**

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<tbody>
<tr>
<td>Imports</td>
<td>2,339,884</td>
<td>2,540,806</td>
<td>8.6</td>
<td>1,891,430</td>
<td>-0.3</td>
</tr>
<tr>
<td>Exports</td>
<td>1,546,473</td>
<td>1,665,992</td>
<td>7.7</td>
<td>1,241,969</td>
<td>-0.7</td>
</tr>
<tr>
<td>Trade Balance</td>
<td>-793,411</td>
<td>-874,814</td>
<td>-</td>
<td>-649,461</td>
<td>-</td>
</tr>
</tbody>
</table>

*Trade in goods*  
Sources: US Department of Commerce; US International Trade Commission

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**For More Information**

Further information (e.g. SWOT analysis, industry reports) can be found at:  
>> http://www.gtai.de/usa
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German American Chamber of Commerce, Inc

2019 Holz Technik apprentice class
with New Jersey Governor Murphy May 15, 2019
2019 came to a frenetic close in the trade policy realm. Before Congress and the Trump Administration departed for winter recess, breakthroughs were made with USMCA and the US-China Phase 1 Deal. As the new year settles in, it is worthwhile to assess where trade policy stands and where it might be headed.

**Potential for Additional Trade Deals**

Above all, ratifying USMCA and reaching a deal with China could provide more certainty. The North American market has become intertwined under NAFTA, so the mere threat that it would be torn up was of grave concern. While USMCA offers needed stability, ensuring compliance with certain provisions places a burden on already established supply chains. The Phase 1 Deal allows for breathing room by removing the continuous threat of tariff escalations, but its limited nature falls short of expectations in some areas and questions arise about its WTO compatibility.

Now the question is where will the Trump Administration turn its focus? After Brexit, the US and British governments have made a quick bilateral trade deal a top priority. But this might be easier said than done. Even with the “special relationship,” there are areas of disagreement. Increasing access for American agricultural goods – especially chlorine-washed chicken and hormone-fed beef – as well as changing the way pharmaceutical pricing is done under the National Health Service (NHS) are highly sensitive issues in the UK. Meanwhile, the threat of auto tariffs still hangs over the British automotive industry. The Brits have not backed down from their plans for a digital services tax even though the Americans have labeled a similar French initiative as discriminatory and have consequently proposed tariffs against French imports. Furthermore, London’s handling of Huawei in 5G infrastructure could affect relations.

Another natural partner is the EU. In July 2018, President Trump and former European Commission President Juncker agreed to areas where they could potentially work together. Since then, progress has been made in some of the more technical areas and the Europeans have trumpeted their soy, beef, and liquified natural gas (LNG) purchases. However, controversial topics such as industrial tariffs have not been touched and the Americans have not...
yet been able to convince the Europeans to bring agriculture to the table. Moreover, ongoing disputes in the WTO Airbus-Boeing cases and the French digital services tax have led to tariffs plus the threat for future ones. But even with tensions simmering, new figures within the leadership of the European Commission offers opportunity. Indeed, the new Trade Commissioner Phil Hogan has already traveled to Washington to call for a refreshing of transatlantic trade relations.

Beyond the UK and EU, the Trump Administration has also expressed interest in potential trade deals with other partners such as Vietnam, India, Brazil, Switzerland, and parts of Africa.

**The Role of Congress in Trade**

Getting USMCA ratified was a monumental task that took significant time, concessions, and rare bipartisanship. Perhaps the Trump Administration learned from this experience because its other trade deals – namely Japan and China – were limited in scope and considered as executive agreements. This means the Trump Administration did not have to follow normal protocol by consulting with Congress and getting its approval. The shift towards limited deals instead of comprehensive agreements is contentious among both Republicans and Democrats because of the Constitutional role afforded to Congress in trade. The icing out of Congress plus the overly broad interpretation of existing trade laws such as Section 232 have led to serious discussions about reining in the executive’s trade powers and restoring them to the legislative branch. These discussions are expected to carry on in 2020.

**Elections 2020**

Much of this year will be characterized by election season. The Democratic caucuses and primaries have already started and will continue through spring. As the final candidate emerges, election season really heats up. For this reason, any necessary legislative or executive branch work will most likely be completed in the first half of the year. Trade policy will play a role during the campaign. President Trump will surely highlight jobs and economic numbers and characterize his trade deals and tough stance on China as achievements. An analysis of the Democratic field reveals that trade policy might not return to “normal” under a Democratic President. Several leading candidates are open to using tariffs as a tool. Former Vice President Joe Biden has repeated the phrase “economic security is national security” that has been used as a justification for Section 232 tariffs. Not all candidates support USMCA, with Senator Bernie Sanders even calling for another renegotiation. Regarding China, many candidates support the goal in countering China’s negative practices but differ on how to achieve this.

All that being said, 2020 promises to be an exciting year for trade policy!
Spitzberg Partners

Five Questions for Karl-Theodor zu Guttenberg

GAT: You moved to the US in 2011. Why did you choose the US as your domicile and especially Connecticut?

Karl-Theodor zu Guttenberg (KTG): After leaving politics, I wanted to get back to my roots in the private sector and deep-dive into highly relevant topics like the dynamics of digitization and new technologies. The US offered perfect opportunities to set up an investment and advisory firm for these fields. New York turned out to be an ideal starting point and headquarters for a small, but global operation. Today, we are present on three continents, but we still enjoy the intellectual and creative impulses we get in the US as well as a rather unique talent pool. After years in the limelight, Connecticut finally allowed us a quiet and normal family life and it was an excellent counterbalance to the hectic city.

GAT: As an advisor and board member, you certainly travel a lot. What are some tips you can give your fellow frequent travelers?

KTG: Thoroughly plan time with your family and never sacrifice these moments to superficially highly important business meetings. Sleep at least on one way crossing an ocean. And – bummer – no alcohol while traveling. Try to combine every trip with a cultural element. A museum, concert or theater visit is never wasted time.

GAT: The education system in the US and Germany is quite different. As a parent, what do you value about the US education system and what do you miss about the German school system?

KTG: We have enjoyed the high quality of the schools at our place in Connecticut – well knowing how dramatically different the experiences can be in the US, especially depending on whether a family can afford a private school education. In comparison to here, Germany’s system certainly reflects more fairness and public schools are often the better choice. Another American phenomenon I never encountered in Germany: The competition for college admission can create remarkably disturbing behavior among overambitious parents and students.

GAT: Let’s talk some business: What advice would you give German companies that consider investing or expanding their operation in the US? Where do you see opportunities/risks?

KTG: Most international success stories are based on understanding and fulfilling three core preconditions: cross-cultural skillsets, knowledge of the (geo)political landscape, and expertise regarding regulatory specifics. Many Germans still fall into the trap of thinking that our (not only business-) cultures are more or less similar. Success is regularly based on realizing the differences. A specific and still underestimated risk for European enterprises lies in the antagonism of the US and China. German companies need to realize the impact of the so called transpacific “decoupling” and develop their strategies accordingly.

GAT: We already mentioned your busy schedule. Apart from family time, how do you relax? Any interesting books you read have lately?

KTG: I try to read at least two books per week – non fiction and fiction. As mentioned above, I always plan at least one cultural highlight even in the busiest schedule.

Karl-Theodor zu Guttenberg
Chairman, Spitzberg Partners
Former German Economics and Defense Minister

Karl-Theodor zu Guttenberg is Chairman of Spitzberg Partners LLC. He first served as German Minister of Economics and Technology and then as Minister of Defense in the cabinet of Chancellor Angela Merkel. Mr. zu Guttenberg was a Member of the German Parliament, a Member of the Parliamentary Assembly of the Council of Europe and Secretary General of Germany’s CSU party. He is a Distinguished Statesman at the Center for Strategic and International Studies (CSIS) and served as Senior Advisor to the European Commission. He sits on several corporate and not-for-profit boards, including Edelman, the Institute for Strategic Dialogue, BDT Capital, Barrick Gold’s International Advisory Board, Samsung’s European Advisory Board, ASAPP, Ripple, and Clocktower Technology Ventures. He holds a law degree from the University of Bayreuth.
MEMBERSHIP BENEFITS

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- National and regional publications and directories
- Access to member databases
- Discounts on professional consulting services

Die Deutsch-Amerikanische Handelskammer (AHK USA) ist der richtige Ansprechpartner, um bilaterale Wirtschaftsbeziehungen und Investitionen zwischen den USA und Deutschland zu fördern. Über 70 Jahren ermöglicht die AHK USA durch transatlantische Initiativen und Veranstaltungen den Kontaktaufbau zwischen deutschen und amerikanischen Unternehmen. Durch zahlreiche Dienstleistungen und Tätigkeiten wurde bis heute ein umfangreiches Mitgliedernetzwerk mit circa 2.500 Vertretern aus Wirtschaft und Gesellschaft aufgebaut.

The German American Chambers of Commerce (GACCs) are the first choice when it comes to business between the United States and Germany. As a reliable partner for both American and German companies, we offer excellent services to our 2,500 members and clients. Be a part of this large, influential business network in the U.S. and you will receive invitations to various events, such as networking receptions, economic forums, members-only events, industry-specific conferences, business luncheons, seminars, and much more.
Engaging in controversial topics, whether at the workplace or in private, can be quite tricky and uncomfortable. Germans and Americans have distinct approaches in situations that arise involving controversial topics.

Germans seek out lively discussions. And by “lively” that means discussions involving clear differences of opinion. The more complex and relevant the topic, all the more interesting the conversation.

Aside from topics which are plainly too personal and sensitive, Germans are willing to address almost any controversial topic. They enjoy the intellectual give and take. Controversial discussions are a form of mental chess.

At a deeper level Germans want to demonstrate that they are well informed, are proud of their high level of education, and want to show a broad world view and that they are anything but provincial. Most importantly, Germans want people to know that they think independently and critically and do not simply agree with the masses.

German Approach
When Germans engage outside of the business context, they seek topics which lead to lively discussions.

Germans are intelligent and well-informed. They enjoy intellectual give and take.

And since this means a difference of opinions, Germans often choose controversial topics. They are also critically-minded.

They look for weak points, for what does not work, is suboptimal or just plain wrong. In discussions Germans state their critical opinion in a straightforward manner.

American Approach
Americans choose to discuss non-controversial topics. Divisive subjects are seldom raised. Americans still know the answer to the question
“What are three subjects you don’t bring up at a cocktail party?” Sex, religion and politics.

The American logic is to avoid any contention that can damage a personal or working relationship. They seek out commonalities, look for reasons to relate, not separate.

**German View**
The American inclination to discuss safe topics is often misinterpreted by Germans as being superficial. To Germans, for whom intelligence, deep thinking, even brooding is important, superficiality is considered to be a character flaw.

Germans are disappointed when the discussion involves what they call non-topics. They feel that an opportunity has been lost: to debate, compare and contrast and to learn from each other.

**American View**
Americans have the impression that Germans choose controversial topics in order to provoke. Often Americans feel insulted, for the German approach can lead to criticism of America and Americans.

When that happens, the relationship is damaged. Making things worse, some Americans will report it to colleagues, warning them about contact with “those opinionated Germans.”

**Advice to Germans**
Develop a sense for which topics in America are considered controversial. There are many of them. Choose very carefully with whom, when and how you address them.

Bring them up indirectly. Ask Americans what they think. If asked, state your opinion diplomatically. Seek dialogue, not debate. If you want to make your statement, perhaps phrase it as a question.

**Advice to Americans**
Remember, Germans separate between substance and person. Vigorous intellectual give and take on controversial topics is not personal. In fact, it is one way in which the Germans demonstrate respect for America and Americans.

It means that they take your point of view and America seriously. So, engage with the Germans. Help them to understand the American viewpoint. And put some effort into understanding their point of view. It’s well worth it!

Germans are willing to address almost any controversial topic. They enjoy the intellectual give and take. Controversial discussions are a form of mental chess.

**About the Author:**
John Otto Magee is an American who has lived in Germany for 25+ years. He was a senior-level staff member of the CDU/CSU Parliamentary Group in the Bundestag from 1995 until 1999, advising its leadership on the relations between the United States and Germany. He was a consultant for Siemens AG from 1999 until 2002 supporting the post-acquisition integration of Westinghouse Power Corporation. Since 2002, John has been an independent consultant, advising global companies on cross-border collaboration.

>> www.johnottomagee.com
One company leading the way in apprenticeships is Richard Wolf Medical Instruments Corporation, which was awarded the GACC Apprenticeship Award 2019 for excellence in workforce development and for its holistic approach to training its apprentices. “The GACC Apprenticeship Award highlights remarkable companies and apprentices that exemplify a strong commitment to investment in workforce development for future generations. Richard Wolf has a great program designed to result in well-rounded employees with valuable careers,” said Virginia Rounds, Director, Apprenticeship Networks, GACC Midwest.

In recent years, the need for effective workforce development solutions in manufacturing has grown tremendously. Baby Boomers are retiring, and skilled employees can be difficult to find, leaving as many as 2.4 million open positions in the US by 2030. Enter: apprenticeships. For apprentices, they build successful careers and develop in-demand skills without the burdensome debt of a traditional college education.

The Richard Wolf Medical Instruments Corporation management team and apprentices, as well as representatives from GACC Midwest, gathered for the Apprenticeship Award 2019 ceremony. The award honors companies and apprentices that exemplify a strong commitment to investment in workforce development.
Richard Wolf, a leading manufacturer of technologies for endoscopic diagnosis and therapy, was founded in Berlin in 1906. It entered the US market in 1972 with its facility in Vernon Hills, IL and has been a member of GACC Midwest ever since. The company joined GACC Midwest’s Industry Consortium for Advanced Technical Training (ICATT) Apprenticeship Program in early 2016 to fill its skills gap.

Lisa Browning, HR Manager at Richard Wolf Medical Instruments Corporation, said that hiring for open positions in the medical technology industry can be challenging because of the precision and advanced skills required to produce their high-quality medical instruments. That’s where apprenticeships come in, giving Richard Wolf a leg up in the med-tech industry.

“The [ICATT Apprenticeship Program] helps us to develop that talent from the ground up, increasing our pipeline of talent and ensuring continuous success for the business,” Browning explained.

Richard Wolf apprentices train in all of the company’s manufacturing departments, and this holistic approach creates a solid foundation for a future career in medical device manufacturing that can grow in a variety of directions, “whether it be in manufacturing, assembly, quality, or management,” Browning remarked.

Richard Wolf’s apprentices began writing their own success stories from the very beginning: The company’s first apprentice, Kevork Bardak, grew into such a natural mentor for other apprentices that he was officially promoted to Assistant Trainer after his graduation in September 2019.

Browning emphasized that “it was absolutely the right fit for Kevork to develop into a trainer as someone who can manage this program with the unique insight of having been in the position himself. He understands the challenges, he understands the opportunity, and can communicate with the remaining apprentices at a much different level than perhaps a manager could.”

The jury strongly considered Bardak’s achievements at Richard Wolf when deciding which company should receive the Apprenticeship Program.

“"The German standard for apprenticeship programs is recognized globally for its combination of company-specific knowledge, theory, and hands-on learning.”

Virginia Rounds, Director, Apprenticeship Networks, GACC Midwest

Kevork Bardak demonstrates how to use a milling machine at Richard Wolf Medical Instruments Corporation. A former apprentice, Bardak was promoted to Assistant Trainer after his graduation in September 2019.
Award. Jury members included officials from German governmental organizations covering science and technology, economics, and occupational training and education, with the goal of honoring outstanding US apprenticeship programs aligned to the standards of the German apprenticeship system.

While the ICATT Apprenticeship Program is the largest apprenticeship program fully benchmarked on the German Dual Education System in the US, companies do not need any connection to Germany to reap the benefits of the program.

“The German standard for apprenticeship programs is recognized globally for its combination of company-specific knowledge, theory, and hands-on learning, and this approach can be applied to any company within the ICATT Apprenticeship Program’s regions,” clarified Virginia Rounds. “Two-thirds of participating companies have no ties to Germany at all.”

Browning stated that Richard Wolf is “incredibly honored” to receive the award, and the company looks forward to “enabling future workers and the company to have the best pre-requisites for a successful future.”

Apprenticeships have been “integral” to Richard Wolf GmbH in Germany, and after a successful start, the Illinois subsidiary plans to “continue to grow the program exponentially” to build a solid workforce for years to come.

“[Apprenticeships are] a tremendous opportunity for, not only the apprentice, but also for the company,” Browning said. “It’s a great way to learn how cross-functional teams can be developed by improving how well departments communicate and coordinate with each other to provide training that’s in the best interest of the organization. It provides us with a unique, highly-specialized, highly-customized skilled workforce.”

About the ICATT Apprenticeship Program
The Industry Consortium for Advanced Technical Training (ICATT) Apprenticeship Program helps high-tech manufacturers and companies with complex technologies or logistics tackle the skills gap with a sustainable solution that provides a pipeline of talent over time. ICATT Apprentices gain hands-on experience, a living wage, a debt-free associate degree, and national and international credentials.

To learn more visit > icattapprenticeships.com

Richard Wolf apprentices and trainers pose for a photo at the Apprenticeship Award 2019 ceremony. Richard Wolf’s holistic approach to training apprentices creates a solid foundation for a future career in medical device manufacturing. Apprentices from left to right: Brian Hart, Christian Babiarz, Kevork Bardak, Nathan Leuthner, and Michael Stanciu.
Landesbank Baden-Württemberg supports you in the global competitive environment and wants to be your preferred partner in the key financial centers all over the world. LBBW New York Branch is your gateway to the US financial markets, offering tailor-made solutions for North American subsidiaries of medium-sized and large companies of the German, Swiss and Austrian business community. Please contact our Corporate Desk at 1185 Avenue of the Americas, 41st Floor, New York, NY 10036, phone +1 212 584-1750 or visit us at www.LBBWus.com
Gaining access to the highly competitive US business market is quite challenging for foreign companies. These challenges can be even more daunting for budding startups. That’s why five years ago the GACC NY launched a novel program called STEP USA, providing German startups with valuable insights, support and practical tools to enter and navigate the highly coveted US business market. The program includes intense immersion into the dynamic New York startup ecosystem.

Promising German startups take part in a five-day training bootcamp where they are introduced to a community of US industry experts, mentors and VCs that guide them to market entry success.

The last STEP USA GACC NY Pitch Night at LMHQ in downtown Manhattan was the perfect occasion to showcase the talents of 10 inspiring startups and celebrate the fifth anniversary of the program’s launch. The GACC NY is thrilled that to date it has successfully organized 29 STEP programs/trips comprised of some 300 companies that form a growing list of STEP alumni.

GACC NY’s Dietmar Rieg recalled when he was approached several years ago by someone from a German startup who asked if there was anyway the chamber could help his company gain a foothold in the US. “I realized then that we should create delegation trips to the US specifically for German startups,” Rieg said. “We also felt that to ensure the success of this program it needed to be done with an American partner.” That partner, according to Rieg, was Venture Out, headed by Brian Frumberg.

“It’s the longest partnership Venture Out has ever had,” said Frumberg, who launched Venture Out seven years ago. “We value the experience the GACC brings to this
“People still tend to think of Silicone Valley, but the environment for startups in the New York and Boston metropolitan areas is just as good, if not better.”

**Dietmar Rieg, GACC**

Program along with a massive network of companies and stakeholders who perfectly complement the extensive network Venture Out offers,” he adds.

STEP USA has thrived in great part due to the dedicated work of GACC NY’s startup team headed by Irene Fuchs and Andrea Diewald, and managed by Samira Ghanadyan. Together with Venture Out, they organize all the logistics of the program in New York - from recruiting qualified German startups to coaching them via workshops and presentations, scheduling meetings with potential investors...and ultimately orchestrating pitch nights for the companies to showcase their business models.

Dietmar Rieg commented on how myriad opportunities in the high-tech industry can be highly attractive for emerging German companies. “It’s impressive to see what is happening with startups and technology in this digital world,” he said. “People still tend to think of Silicone Valley, but the environment for startups in the New York and Boston metropolitan areas is just as good, if not better.”

There are currently about 10,000 startups in and around New York, many of which benefit from the talent pool and expertise of the large number of renowned universities and research institutions in the Northeastern US.

Our anniversary STEP Pitch Night featured 10 innovative startups who gave their all by pitching to...
an expert investor panel in front of a full house of interested and supportive guests. After each pitch, the panel provided constructive assessments. This particular panel consisted of: Saul Richter, Founder, Managing Partner of Rittenhouse Ventures, Allison Williams, Partner at Newark Venture Partners and Seth Masters, Investor at New York Angels.

The 10 stellar startups and their founders who pitched were: AIRCLOAK (Felix Schupp), CLOUS (Claas Blume, Thomas Vorsatz), H00TS (Henry Kutz, Frank Hermsdorf); H2RANGE (Fabian Halft, Björn Offermann), IPLYTICS (Tim Pohlmann, Rosann Brandt), MOTOURISMO (Christoph Kaehler, Michael Carlin), PREMANO (Matthias Schnizler, Patrick Gantner, Thomas Jiang), GRENZGAENGER (Stephan-Peter Jaekel), TOPOSENS (Tobias Bahnemann) and VECCNET (Kim Mahler, Tom Piechotta). Kudos to them all!

The evening included a special celebratory performance by singer Greginald Spencer, who happens to be a member of MyPostcard, a thriving company that is also one of our STEP alumni!
Kudos to one of our recent STEP USA alums, Nitrobox GmbH, which has just concluded a financing round in the single-digit million euro range!

The “NeueCapital Partners” fund from Silicon Valley and Porsche Ventures, the venture capital unit of the Stuttgart-based sports car manufacturer, took a stake in Nitrobox, a Hamburg-based software startup.

Nitrobox has developed a cloud platform which can be used for automatic monetization and billing of digital business models. The company intends to use the funds from the financing round primarily to further expand its market position in Germany and to prepare for its entry to the US market.

Since 2014, the GACC NY STEP Startup and Entrepreneurship Program has hosted 29 intensive, week-long delegations of young companies from Germany to the US. These new companies are introduced to New York’s start-up ecosystem, where contacts with customers and potential partners are established and pitch training is organized for them. To date, more than 300 companies have participated in the 29 STEP trips we’ve organized.

The Nitrobox platform enables international corporations to handle financial processes via a central solution and to control them flexibly – from modelling the business model to digital payments, billing, account receivables management and compliance. This enables customers to bring new digital products and services to market quickly, while reducing their process costs.

“With NeueCapital Partners and Porsche as strong partners, we want to accelerate the growth of Nitrobox. Our goal is to become a leading enabler of new business and monetization models,” says Henner Heistermann, Founder and CEO of Nitrobox. “With Porsche we see great opportunities to expand our market position in the mobility market. NeueCapital Partners from California supports our entry to the US market with a large network of partners and clients.”

Nitrobox serves the needs of companies from a variety of industries. In the field of mobility, Nitrobox is already working with several car manufacturers, including Porsche. The start-up supports the order-to-cash process of new business models: services such as car sharing, functions-on-demand, digital parking tickets or charging services can be fully automated via the Nitrobox platform.

“Together with Nitrobox we are developing the necessary financial architecture to offer various billing models for Porsche Connect and Smart Mobility services: from time and volume-based approaches to subscriptions,” says Stefan Zerweck, COO of Porsche Digital GmbH. “In addition to the platform’s flexible customizations and integration capabilities, we were particularly impressed by the Nitrobox team and its visionary approach.”

Christian Janson-Euterneck from NeueCapital Partners: “We invest exclusively in technology companies and support software start-ups seeking to enter the US market. In this respect Nitrobox fits perfectly into our company portfolio. The potential of Nitrobox is huge since every company worldwide has to monetize and bill for their services. Therefore, we are looking forward to a successful and long-lasting partnership,” continues Janson-Euterneck.

For more information on Nitrobox GmbH go to: >> www.nitrobox.com.
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<tr>
<th>Date</th>
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<td>Feb 24</td>
<td>Tax &amp; Legal Considerations for Your US Market Entry</td>
<td>Chicago, IL</td>
<td>GACC Midwest</td>
<td><a href="http://www.gaccmidwest.org">www.gaccmidwest.org</a></td>
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<td>Feb 25</td>
<td>ATL Stammtisch by DB Schenker</td>
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<td>Feb 25</td>
<td>Apprenticeships &amp; Workplace Learning in DFW</td>
<td>Dallas, TX</td>
<td>GACC South</td>
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<td>Mar 4</td>
<td>Houston Stammtisch by Andrews Meyer: Klaus Brewing Co</td>
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<td>Mar 5</td>
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<td>Orlando, FL</td>
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<td>Mar 25</td>
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<td>Mar 18</td>
<td>Educator Workshop: How can educators enable high-tech apprenticeships?</td>
<td>Elgin, IL</td>
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<td>Mar 18</td>
<td>European Business Networking March</td>
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<td>Mar 17 - 20</td>
<td>Train the Trainer Seminar March</td>
<td>Princeton, NJ</td>
<td>GACC New York</td>
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<td>Mar 29 - Apr 2</td>
<td>Joint Chambers: Young Professional</td>
<td>Schaumburg, IL</td>
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<td>Illinois Business Luncheon April</td>
<td>Chicago, IL</td>
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<td>Apr 7</td>
<td>Webinar: US Market Entry &amp; Marketing</td>
<td>Charleston, SC</td>
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<td>Apr 8</td>
<td>Annual Members Meeting</td>
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<td>Apr 15</td>
<td>Automotive &amp; Mobility Forum</td>
<td>New York, NY</td>
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<td>Charlotte Stammtisch by Kuehne &amp; Nagel</td>
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<td>Apr 20-22</td>
<td>Meet AHK USA at Hannover Messe</td>
<td>Hannover, Germany</td>
<td>GACC Midwest</td>
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<td>GACC South</td>
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Have we met yet?

As a national CPA and advisory firm, BKD can help German businesses pursue growth in the United States. Our trusted advisors have proven experience with German organizations and an intimate knowledge of German culture, allowing for a better understanding of the differences and how to bridge them.

We assist German companies in navigating national reporting standards with services such as international audits, tax compliance and group reporting packages. Let’s start building on your success!

Everyone needs a trusted advisor. Who’s yours?

Jeffrey Deane • jdeane@bkd.com • bkd.com
What makes your job special?
Three things: 1) the team! I look forward to coming back to work every morning – that says a lot! 2) I love interacting with people from different backgrounds, cultures and business practices! Each person has their own story and there's always something to learn 3) last, but certainly not least, is being able to help and serve the German startup founders and hearing their success stories!

Any upcoming projects?
New York has limitless opportunities especially in the tech and innovation scene. We receive a great deal of interest in our startup program. Recently, we partnered with the biggest tech event in the US and are bringing together outstanding German startups with industry leaders and potential business partners. This event will take place in New York City from April 20th to 24th.

Interests: Food & wine (I'm a foodie!), traveling, skiing, painting
Past career: My background is in NGO's, UN, microfinance, social entrepreneurship as well as tech & innovation – sounds like a cocktail, hopefully one that doesn't give you a headache the next day!

Welcome, New Members!

Adams Consulting Group, LLC
www.acgresources.com

Airlock GmbH
www.airlock.at

American Commercial Bank
www.acbnd.com

Avantec USA, LLC
www.avantec.de

Bechem Lubrication Technologies, LLC
www.bechem.com

Bennett International
www.bennettinternational.com

Blackboard Insurance
www.blackboardinsurance.com

Bunch.ai, Inc.
www.bunch.ai

Cannyworld - born to run knowledge GmbH
www.cannyworld.com

Clous (Fraunhofer Spin-off)
DAP America Inc.
www.dapamerica.com

Demmel Inc
www.demmel.de/en

Ecclesia Construction Company LLC
www.ecclesiacreation.com

Elanders USA
www.elanders.com

Elokon Inc
www.elokon.com/en-EN

German International School (GISC)
www.germanschoolchicago.com

Global Brand Concepts
www.globalbrandconcepts.com/en

Gresham Smith
www.greshamsmith.com

H2Range GmbH
www.h2range.com

Hodgson Russ LLP
www.hodgsonruss.com

HUB International
www.hubinternational.com

IDENTYTEC USA, Inc.
www.identytec.de/index_en.htm

IPlastics GmbH
www.iplastics.com

Kemper System America, Inc.
www.kemper systems.net

Kilpatrick Townsend & Stockton LLP
www.kilpatricktownsend.com

KINEXON Inc.
www.kinexon.com

Kumpan electric (e-bility GmbH)
Künn Rechtsanwälte
www.kuenrae.de

LiveEye GmbH
www.liveeye.com

Merrill
www.merrill.com/new-york/whiteplains/robin-wells

Middle Branch Partners
www.middlebranchpartners.com

New Braunfels Economic Development
www.businessinnewbraunfels.com

O’Melveny & Myers LLP
www.omm.com

Oders Berndtson
www.odersberndtson.com/en-us

passcon LLC
www.passcon.de

PIA Automation US
www.piagroup.com/en

Pierogies Factory LLC
www.pierogiesfactory.com

PRAMEX International Corp.
www.pramex.com/en

premano GmbH & Co. KG
www.premano.de

Privacy Management Group Inc
www.privacypg.com

Qualtriu LLC
www.qualtriu.com

Schattdecor Inc.
www.schattdeco.com

Scott Insurance
www.scottins.com

SD Grenzgaenger International GmbH
www.grenzgaenger-shop.com

Steam Realty Partner
www.steamrealty.com

Steiff North America, Inc.
www.steiffusa.com

STIWA US
www.stiwa.us

Sustainable Coffee Fruit
www.spltgoodenergy.com

Swabian Alb Guide
www.swabianalbguide.com

Tempreo - temporary work marketplace
www.tempreo.de

Tennessee Language Center
www.tlc.org

The Olde Mecklenburg Brewery
www.omeckbrew.com

Tiba LLC
www.tibalcc.com

Toposens GmbH
www.toposens.com

TriNet
www.trinet.com

Tryon Direct
www.tryondirect.com

UTC Overseas, Inc
www.utcinternational.com

Vecnet
www.vecnet.de

Venjakob Maschinenbau GmbH & Co. KG
www.venjakob.de/en

Vontobel Swiss Wealth Advisors Ltd
www.vontobeladvisors.com

wedi corporation
www.wedi.de

WHITE Communications GmbH
www.white.de

Wilcon Brands LLC
www.wilton.com

ZES Zimmer Inc.
www.zes.com

WHAT’S ON YOUR DESK?

Contact: Tel: (212) 974-8459
gghanadyan@gaccny.com

Samira Ghanadyan
Manager, Startups Events & Communications, GACCNY

for organizing our Startup & Entrepreneur Program “STEP,” where we host German startups 5-7 times per year. In addition, I maintain our GACC NY website and contribute to the online communications and social media.

What is your role at GACCNY?
I’m a manager for Startups & Communications, mainly responsible
When the company just feels right

kearney.com
Because B. Braun
Patients are safe. Clinicians are protected. The environment is healthy.

B. Braun Medical Inc. is proud to support the German American Chamber of Commerce.
Shared values, shared roots.

And close cooperation for shared success

Winning in international business requires a bank with an international presence. That’s why we have a comprehensive network of branch offices and partner banks around the world. So, no matter where you go with your company, come to us. We are already there. For more information, contact us ➤ BayernLB New York, 560 Lexington Avenue, New York, NY 10022, phone +212.310.9940, www.bayernlb.com