

■ Export slump...

Germany may lose its title as the world's leading exporter following a 22.9 percent fall in exports in the first half of this year, according to Federal Statistics Office data released Sept. 22. Exports to China dropped 3.9 percent, while business with Russia plummeted by almost 40 percent. Exports to other EU countries – particularly the UK, Spain and Ireland – were also down. Exports during this period were valued at €391.2 billion (\$571 billion) while imports fell by 13.2 percent to €333.5 billion.

■ ...and recovery?

At the same time, there was a glimmer of hope in the month of July, when German exports rose 2.3 percent, the Federal Statistics Office reported Sept. 8. This marked the continuation of the positive trend started in June, when month-on-month exports rose 6.1 percent. That said, July's exports of €70.5 billion were still 18.7 percent lower than in July 2008. "But the worst is over," said Commerzbank economist Ralf Solven, adding that exports would once more contribute to growth in the third quarter.

■ Job figures

The Kiel Institute for the World Economy forecasts German unemployment will not rise as much as initially feared when the recession began. In a Sept. 9 report, the institute predicted the current number of unemployed totaling nearly 3.5 million would rise to 4.2 million by the end of 2010. Labor market reforms and wage moderation in recent years have reduced structural unemployment, the report said. On Sept. 15, the Federal Labor Office issued a forecast of 4.1 million jobless in 2010, adding it was unlikely the amount would rise above 5 million even during the difficult winter months.

■ Earnings down

Real wages in Germany fell an average 1.2 percent in the second quarter, the Federal Statistics Office reported Sept. 21. With inflation at a low 0.3 percent, the drop in real earnings was largely due to the cancellation of bonuses and reduced-hours-for-reduced-pay schemes. Finance and insurance sector workers lost about 20 percent of their usual bonuses, leading to an average drop in gross income of 4.1 percent. Gross earnings in the engineering sector fell an average 12 percent, and auto sector workers lost 8.8 percent. Overall earnings in manufacturing were down 5 percent. However, some real wages rose – educators grossed 5 percent more; health and social-service workers 3.8 percent; and public servants 3.2 percent. The biggest gross earnings jump was among auditors and job agencies – 7.4 percent.

■ Sick days

Nearly every second worker in Germany goes to work sick, according to the Bertelsmann Foundation's 2009 health monitor survey released Sept. 9. Forty-two percent of respondents said they had gone to work at least twice in the past 12 months despite being ill. Fifty-two percent of the self-employed took their ailments to the workplace – well below the 74 percent of regular employees that did. Nearly 80 percent of single employees went to work sick, compared to 69 percent of those with a partner or family.

■ Price pills

Germans pay more for their medicines than others in western countries, according to the state-backed health insurers' 2009 prescription drugs report, unveiled on Sept. 17 in Berlin. The author of the report, Ulrich Schwabe, said international comparisons showed Germans should be paying several billion euros less each year. Despite pressure to lower costs, spending on prescription medicines in 2008 rose 5.3 percent to €29.2 billion. "...new drugs remain far more expensive in Germany than in other countries," said Schwabe, citing the cost of a new vaccine against cervical cancer: It costs €477 in Germany. The same shots cost €247 in the U.S. he added, and €314 in Switzerland.

Want to invest in Germany?

The American Chamber of Commerce can help – they have just opened a branch in Atlanta
By Katja Ridderbusch



The largest American Chamber of Commerce in Europe has a new transatlantic bridgehead. The liaison office in Atlanta is being hosted by the appropriately named BridgehouseLaw, an international alliance of law firms, whose founder Christoph Rüchel is a long time AmCham Germany member.

The organization is 106 years old and the list of its more than 3,000 members reads like a Who's Who of transatlantic business: Boeing and Coca-Cola, Daimler and Deutsche Bank, GE and Google, Microsoft, McDonald's and Mercedes, Porsche, PepsiCo and VW. The biggest companies and most illustrious brands of Germany and the United States come together at the American Chamber in Germany (AmCham), the oldest bilateral trade association in Germany and the largest American Chamber of Commerce in Europe.

But no organization is too old for a premiere. On Sept. 30, AmCham Germany opened its first business liaison office on American soil – in Atlanta, Georgia. Previously, the chamber had only had a political liaison in Washington, D.C. who serves as occasional point of contact for political matters.

The mission of the new office is twofold. The point of contact in Atlanta will serve as a bridgehead, said Dierk Müller, AmCham's Frankfurt-based general manager. It will primarily help iden-

tify American companies in the southeastern U.S. as potential investors in Germany and hence future members of AmCham. But it will also act as a source of first hand information and expertise from the other side of the pond, according to Müller.

AmCham's new U.S. liaison office is hosted by the German-American law firm and longtime AmCham member with the fitting name of Bridgehouse Law. Bridgehouse founder Christoph Rüchel, who has lived in Atlanta for 20 years and holds German-American dual citizenship, will be AmCham's newly appointed American representative, with the title of senior advisor. Rüchel has

been a fierce supporter of transatlantic relations his entire professional life and with his monthly commute between his offices in Munich and Atlanta, he practices what he preaches.

Along with a global team of foreign law attorneys, tax and business consultants, he helps German companies and entrepreneurs settle in the United States – and American companies to get a smooth start in Germany. He is convinced that AmCham Germany's move into the United States comes at the right time. "American companies seem to better understand that Germany might be an interesting gateway

to the European market," said Rüchel. A comparison of combined corporate tax rates in 2008, published by the Wall Street Journal, shows that companies in the U.S. are paying an average of 39.2 percent in taxes, while their counterparts in Germany are subject to only 30.1 percent combined corporate tax. "As a result of the credit crunch, places like London that used to be the traditional place for American companies to enter the European market, have become less attractive," Rüchel added.

Why did AmCham choose Atlanta for its American liaison office? "From a German economic standpoint, there are two

interest for American companies from the region to invest in Germany and further foster German-American trade.

German high-tech firms like Siemens and chemical and pharmaceutical companies such as Bayer and BASF have a viable footprint in the region, with production plants and distribution facilities. Also, the southeast has become a new center for – mainly foreign-owned – auto manufacturing. Volkswagen is currently building a \$1 billion assembly plant in Chattanooga, Tennessee. German carmakers Mercedes and BMW already have production sites in Alabama and South Carolina.

Strengthening transatlantic business is only one of AmCham Germany's goals in entering the United States. The other is to create a pool of future German-American business "Ambassadors" by launching the German Internship Program.

The program, under the patronage of former UN ambassador and mayor of Atlanta Andrew J. Young and Minister President Günther H. Oettinger of the state of Baden-Württemberg, will help American students intern with companies in Germany. Program partners in the initial phase will be universities and colleges in the greater Atlanta area, among them Emory University, the all-male and historically black Morehouse College and Kennesaw State University.

For Rüchel, international exchange programs are a secure investment in the transatlantic future, one with a high return. "Every young American returning from the internship in Germany will be a passionate and knowledgeable promoter of German-American friendship." ■

“The traditional places for U.S. companies to enter the European market, have become less attractive.”

great locations for doing business in the United States," said Müller. "One is the southeast with Atlanta as an epicenter and the other is the metropolitan region of Chicago."

The southeastern United States, from Texas to North Carolina, is the fastest-growing business region in the country. Over the past two decades, many foreign corporations have moved their American headquarters or major production facilities to the region. More than 1,200 German companies alone have opened businesses in the region. AmCham is hoping that the robust German presence in the southeast might trigger

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