

2023 GERMAN AMERICAN BUSINESS OUTLOOK (GABO)

German American Chambers of Commerce



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2023 GABO: WHY THE US?

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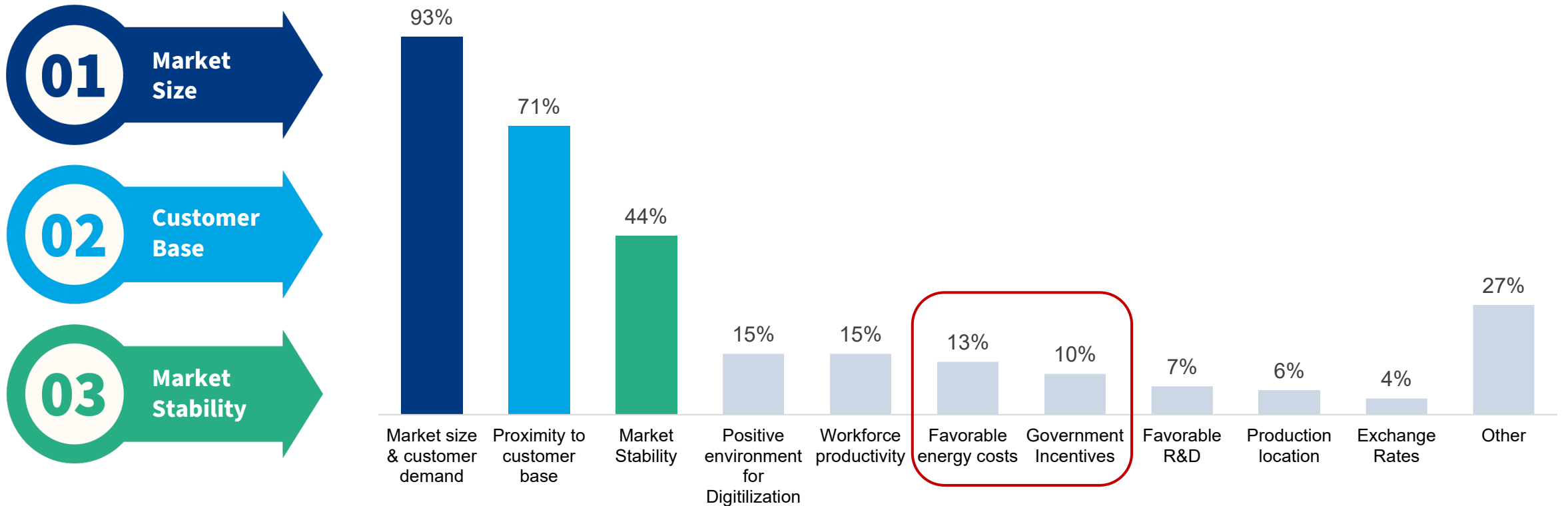


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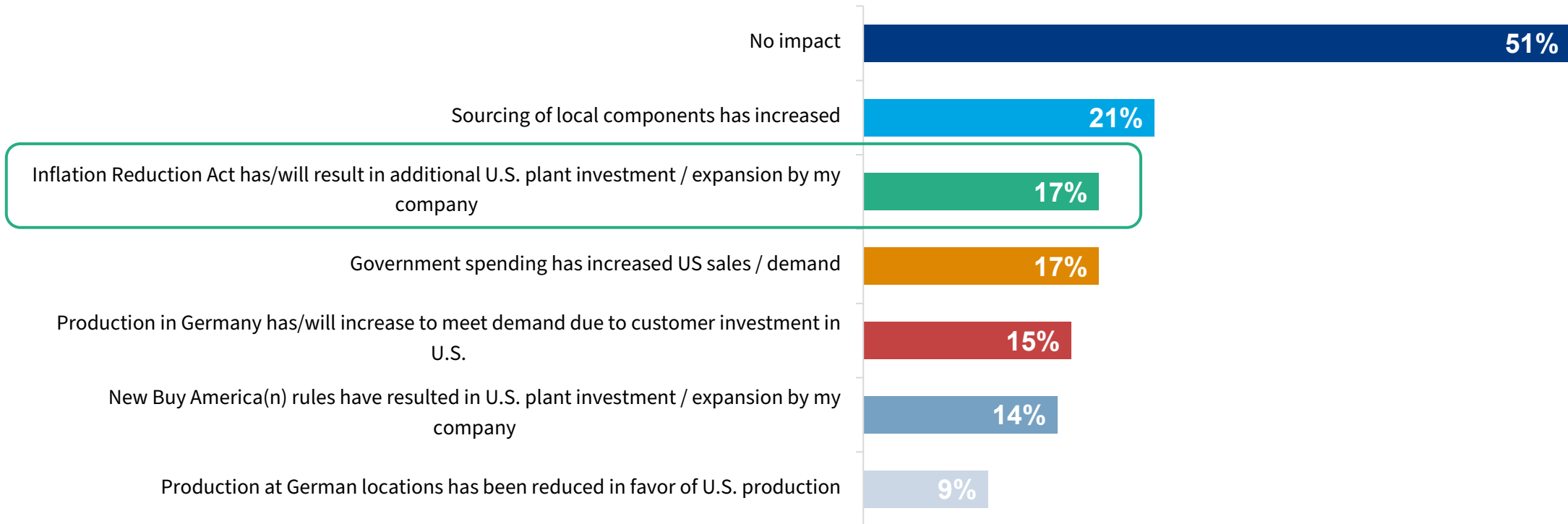
US ATTRACTIVE DUE TO SIZE, CUSTOMERS & STABILITY

What are your group's top 3 reasons for investing in the US relative to other global markets?



GOVERNMENT INCENTIVES HAVE LITTLE IMPACT

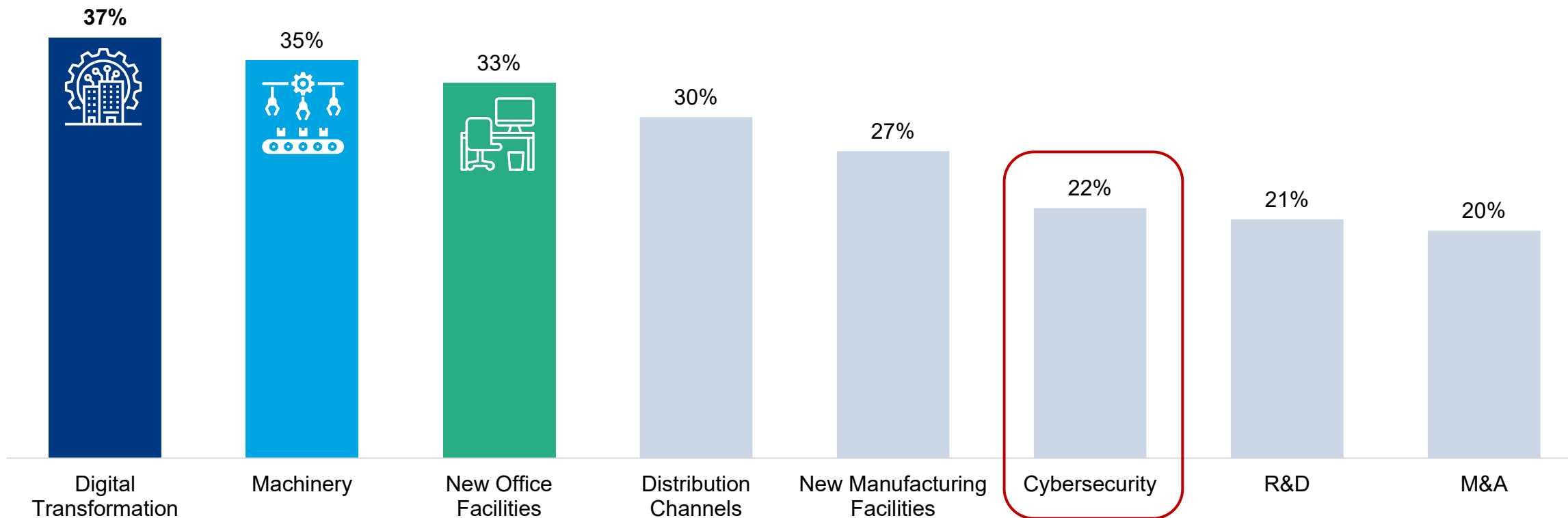
How have changes to Buy America(n) rules, passage of the Inflation Reduction Act or related US federal government incentives affected your business decisions with respect to investment in the US?



Source: GACCs, 2023, figures in percent, multiple answers possible, N=198

TOP AREAS OF INVESTMENT

In which areas are you planning to invest in the US within the next three years (2023 - 2025)?



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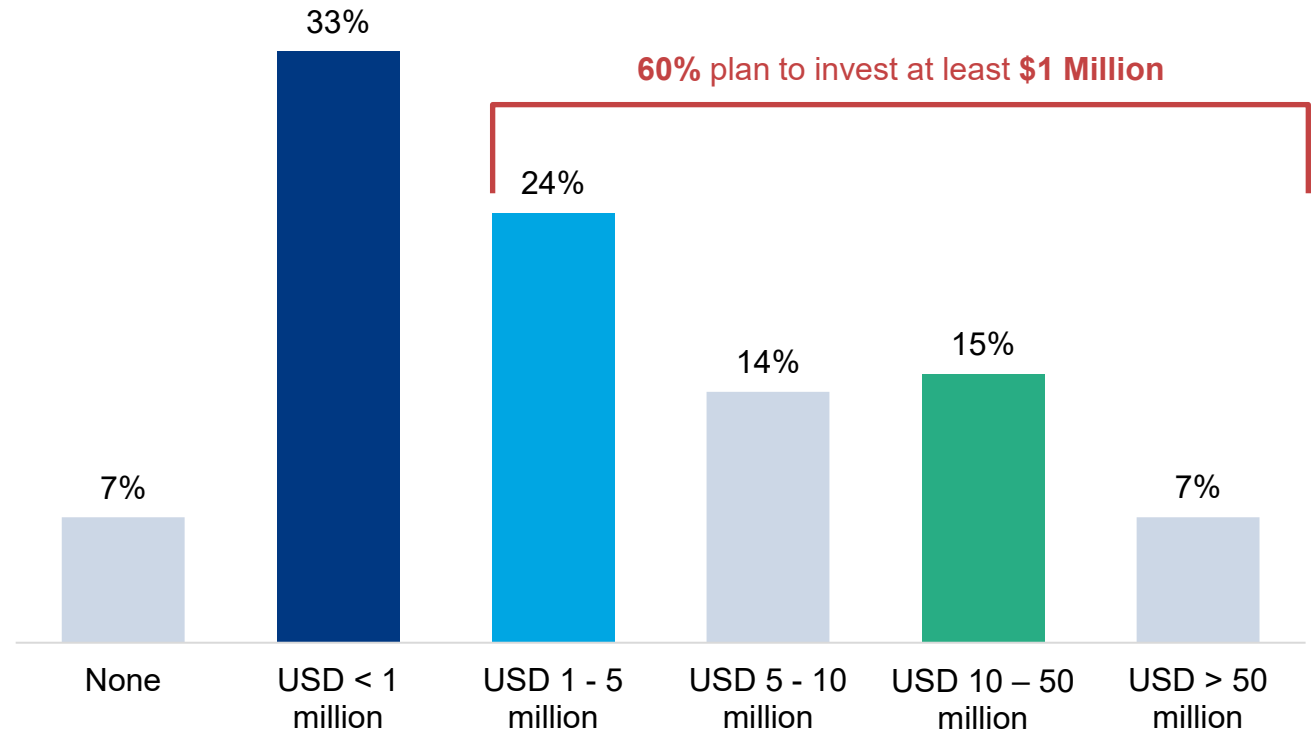
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Source: GACCs, 2023, figures in percent, multiple answers possible, N=187

INVESTMENT IN THE U.S.

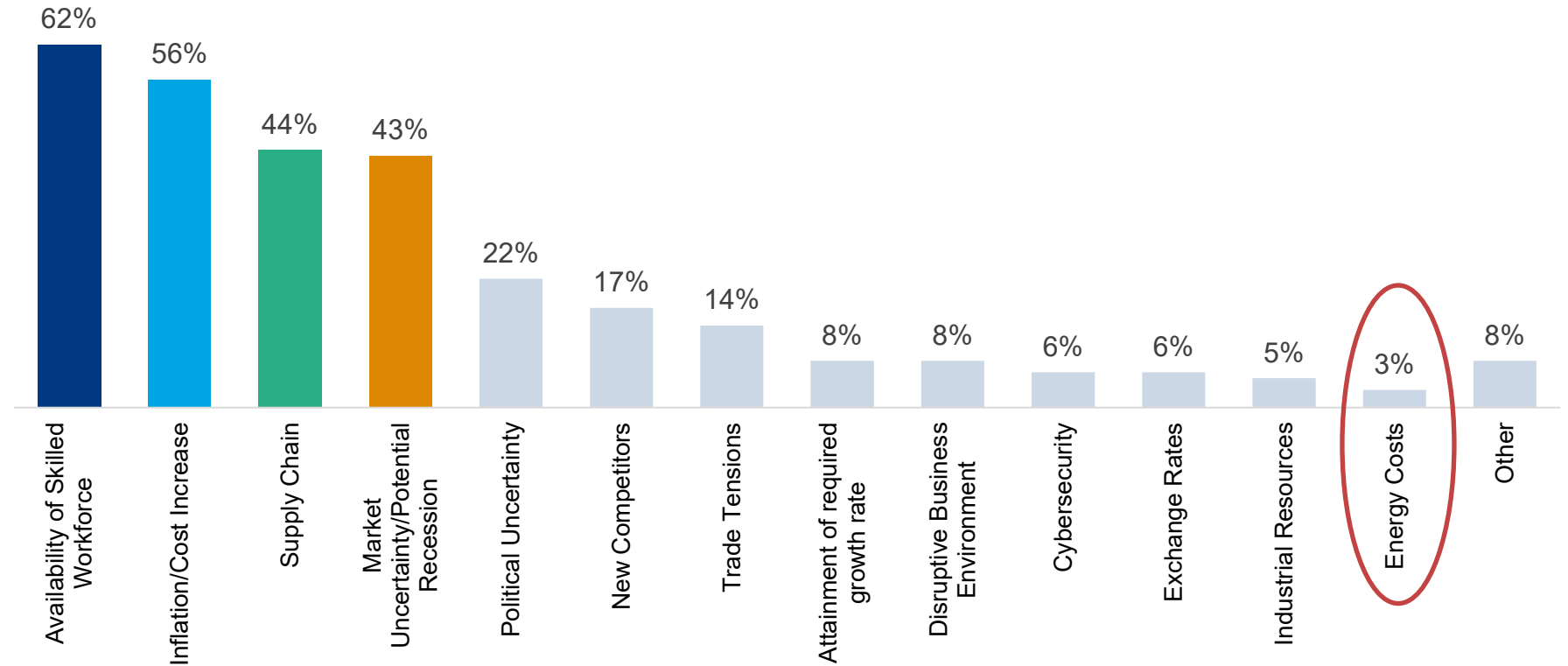
How much is your company planning to invest in the US within the next three years (2023 – 2025)?

93% plan on growing their investments in the next 3 years and **22%** plan to invest over \$10 million



BIGGEST CHALLENGES FOR 2023

What are the 3 biggest challenges for your business in the U.S. today?



Source: GACCs, 2023, figures in percent multiple answers possible, N=200



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CHALLENGE #1: WORKFORCE

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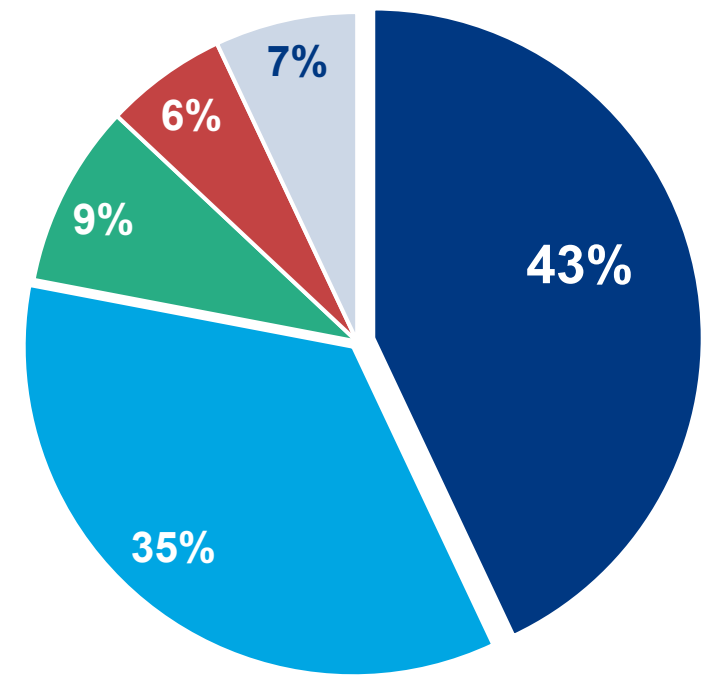
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MOST COMPANIES STRUGGLE WITH RECRUITING

To what extent do you experience difficulties in attracting skilled workers in the U.S.?

87% of German companies have difficulties attracting skilled workers



■ To great extent ■ To some extent ■ To a small extent ■ To no extent ■ N/A

Source: GACCs, 2023, figures in percent, N=200



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CHALLENGE #2: INFLATION

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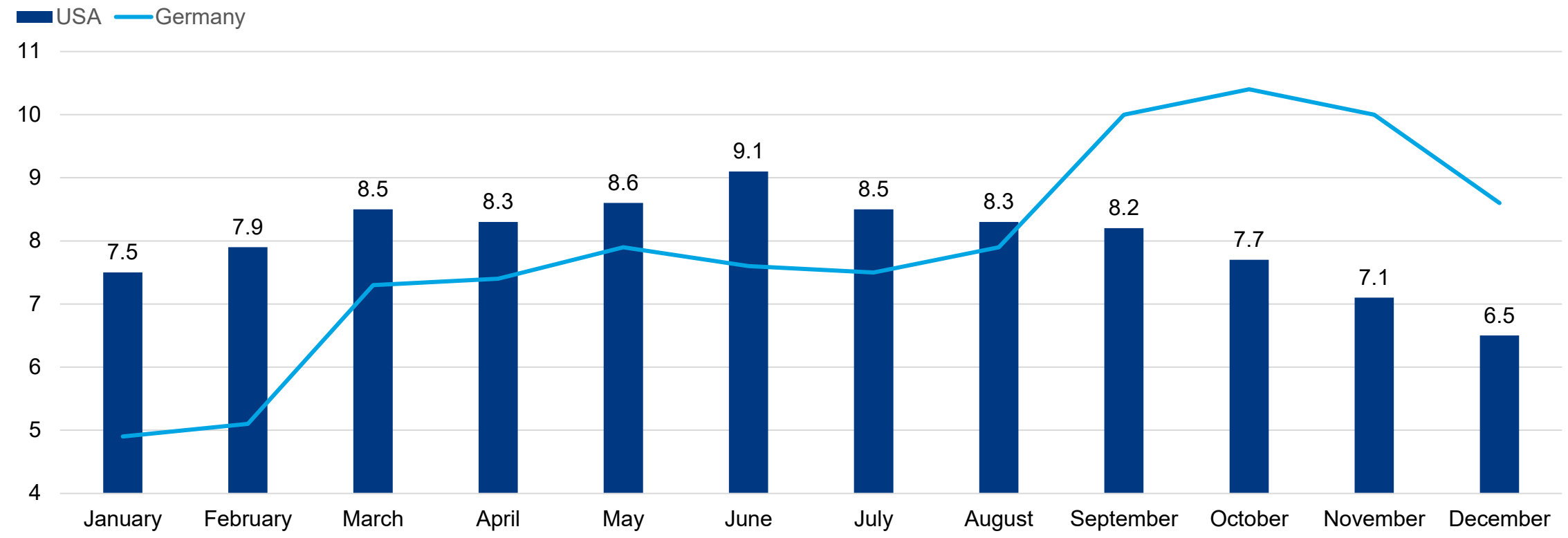
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2022 INFLATION RATE

United States vs. Germany Inflation Rate



Source: U.S. Bureau of Labor Statistics
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CHALLENGE 3: SUPPLY CHAIN

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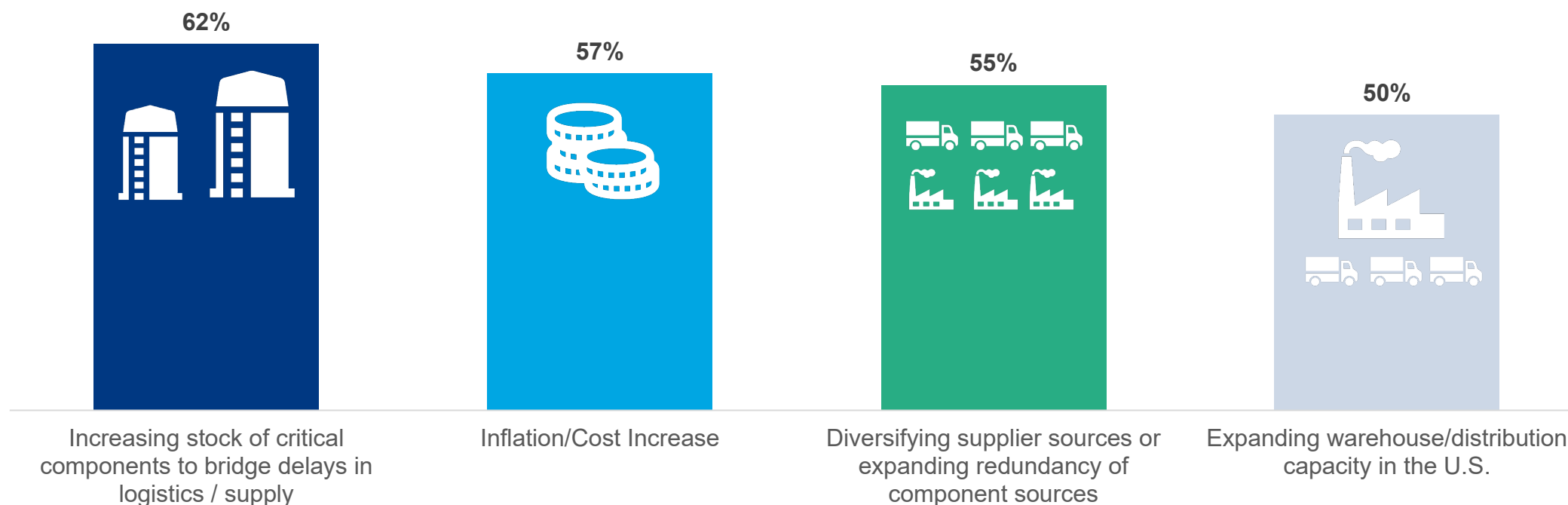
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TOP STRATEGIES TO MANAGE SUPPLY CHAIN

Which of the following strategies for managing supply chains will become more important for your company over the next 3 years (2023 – 2025)?





2023 GABO: EXPERT PANEL DISCUSSION

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PANELISTS

Dimitris Psillakis

Head of Marketing and Sales & CEO

Mercedes-Benz USA

Crispin Teufel

CEO

Lincare

Mark Zumdohme

CEO

Graepel North America

Daniel Zimmer

Senior Director- Office of the MD

SAP Labs



2023 GABO: WASHINGTON PERSPECTIVE

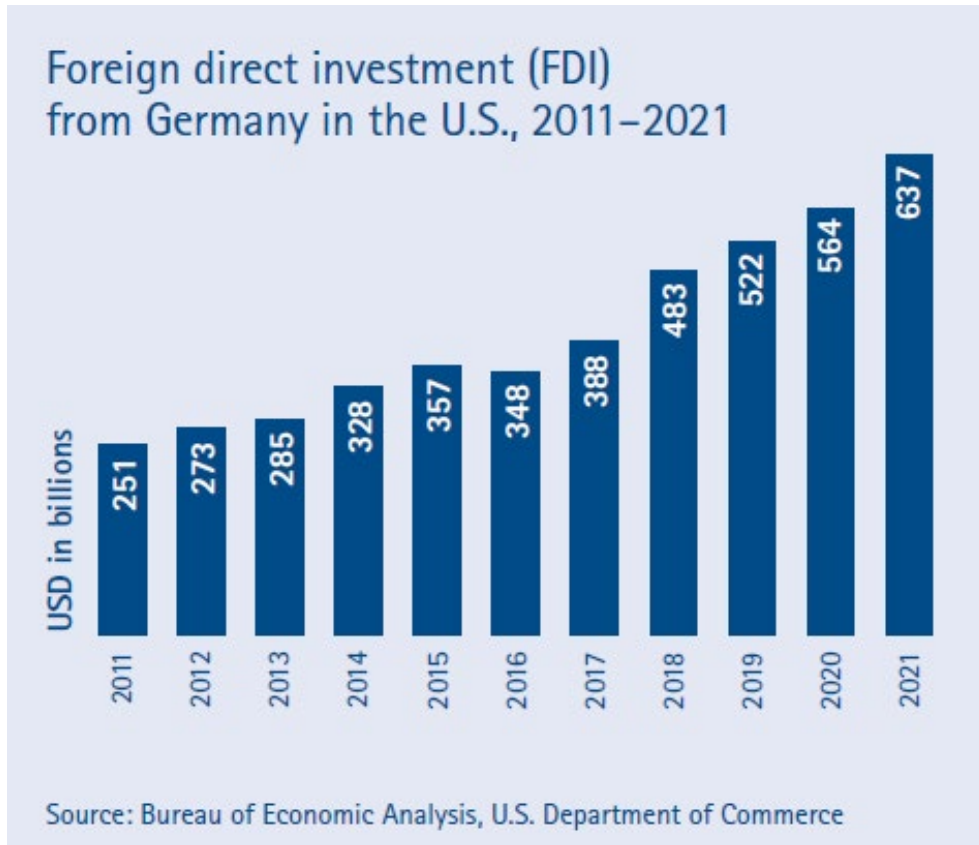
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FDI IN THE US FROM GERMANY



Important Figures

- Investment from Germany in the US has more than doubled over the last 100 years
- **5,601 German companies** have a presence in the US
- **\$637 Billion** in total investments
- **885,100 jobs** with around 40% in the manufacturing sector

GERMAN INVESTMENT AND JOBS IN THE US

Foreign direct investment (FDI) in the U.S. by country, 2021

Rank	Country	Investment (USD in billions)
1	Japan	721
2	Germany	637
3	Canada	607
4	United Kingdom	565
5	Ireland	353

Source: Bureau of Economic Analysis, U.S. Department of Commerce

U.S. jobs in foreign-owned affiliates, 2020

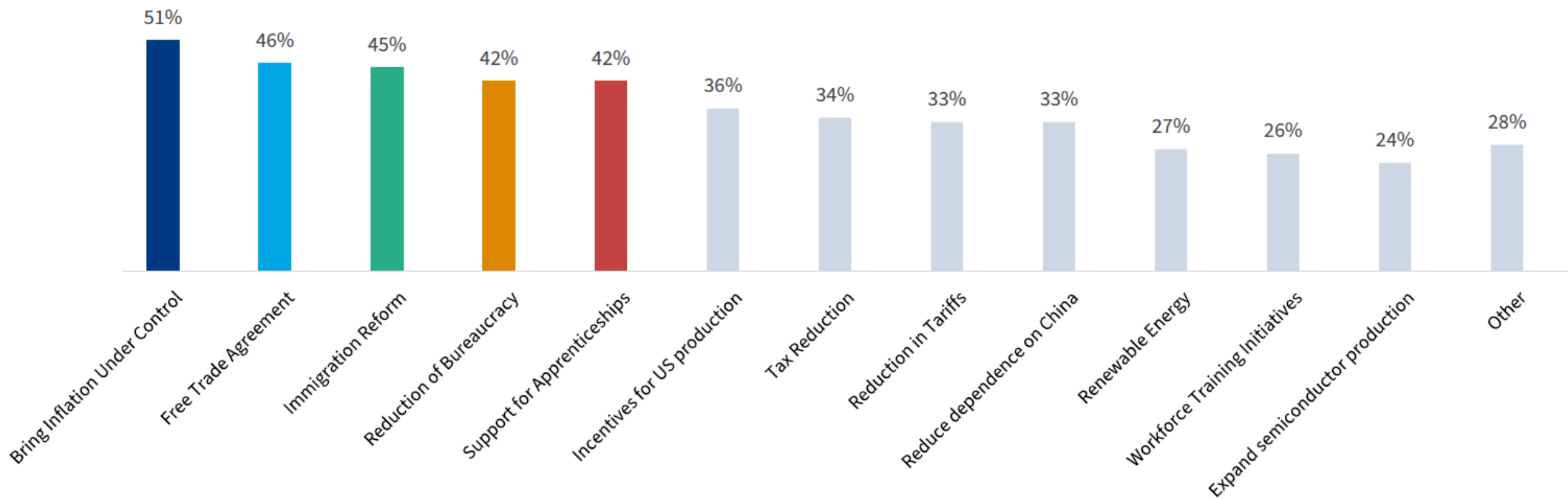


1	United Kingdom	228,800	1,217,600
2	Japan	534,100	931,900
3	Germany	336,700	885,100
4	Canada	149,300	844,600
5	France	219,500	740,100

Manufacturing Jobs
 Total Jobs

Source: Bureau of Economic Analysis, U.S. Department of Commerce

PRIORITIES FOR US GOVERNMENT



THE POLITICAL ENVIRONMENT

WHAT TO EXPECT IN THE NEXT 1-2 YEARS

- Protracted fights over the federal budget and debt ceiling
- Little new legislation from a divided Congress
- Continued implementation of the IRA and IIJA from the Admin
- China – tariffs and export controls

