

# CONTACT GERMANY

**WELCOME TO GERMANY**

**WILLKOMMEN IN DEUTSCHLAND**



**How the U.S. Commercial Service Can Help you Do Business  
in the Federal Republic of Germany**



U.S. Commercial Service  
American Embassy Berlin  
Federal Republic of Germany  
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## Germany at a Glance



### The Federal Republic of Germany

**President:** Johannes Rau  
**Chancellor:** Gerhard Schröder  
**Capital:** Berlin  
**Official Language:** German  
**Currency:** Euro  
**Exchange Rate:** \$1 = 1.01 Euro (Oct 3, 02)

**Population:** 83 million

All figures 2001

**Per Capita Disposable Income:** \$26,000

**GDP:** \$1,724.84 billion

**GDP Growth:** +0.7 % to 2000

**U.S. Imports from Germany:** \$59 billion

**U.S. Exports to Germany:** \$ 30 billion

**Germany's Largest Trading Partners:**  
 France, United States, The Netherlands,  
 Italy

### States And Population (in million) (2001)

Baden-Württemberg: 10.37	Hessen: 6.03	Saxony: 4.55
Bavaria: 12.04	Lower Saxony: 7.82	Saxony-Anhalt: 2.72
Berlin: 3.45	Mecklenburg-Vorpommern: 1.82	Schleswig-Holstein: 2.74
Brandenburg: 2.55	North Rhine-Westphalia: 17.95	Thuringia: 2.49
Bremen: 0.68	Rhineland-Palatinate: 4	
Hamburg: 1.71	Saarland: 1.08	

### Major Cities And Population (2001)

Berlin: 3,458,800	Essen: 612,300	Duisburg: 533,900
Hamburg: 1,708,500	Dortmund: 601,500	Hannover: 522,700
Munich: 1,232,800	Stuttgart: 585,400	Nürnberg: 492,000
Cologne: 964,400	Düsseldorf: 570,800	Dresden: 466,600
Frankfurt: 646,400	Bremen: 548,900	Leipzig: 459,800

## Market Overview

### DID YOU KNOW

You can access up-to-date industry market research reports and country information prepared by our staff online under [www.export.gov](http://www.export.gov) for free.

The German economy is the world's third largest, and accounts for about one third of Euroland's GDP. It is the United States' largest European trading partner and the fifth largest global partner. Germany practices a 'social market' economy that largely follows free-market principles but with considerable degree of government regulation and generous social welfare protections.

The tense economic situation since 2001 has holding back a quick recovery of Germany's economy. Compared to other EU members, Germany has been falling behind in annual GDP growth. GDP forecast for 2002 vary from 0.75-1.5%.

The center-left coalition government of Chancellor Gerhard Schroeder which took office in late 1998 secured parliamentary approval for significant tax reforms that will be phased in over 2001-2005. The reform will cut business and personal income tax rates, close loopholes and eliminate capital gains from cooperations.

For American companies, the German market, Europe's largest, continues to be attractive in numerous sectors, and remains an important element of any comprehensive export strategy in Europe. While U.S. investors must closely study the bottom line before buying into Germany or expanding their position, they can count on high levels of productivity, a highly skilled labor force, quality engineering, a first-class infrastructure, and a location in the heart of Europe making it the ideal location to enter Eastern Europe.

Successful market entrants are those that have innovative products featuring high quality and modern styling. Particularly in the consumer goods sector, Germans appreciate innovative and high technology. New solutions in the multi-media area, and technologies and services which will help Germans join the Internet generation, offer great potential. U.S. products are especially well regarded when they offer cutting edge technology: computers and computer software, electronic components, health care and medical devices, synthetics and automotive technology. Price will not always be the determining factor for the German buyer, even for inputs in the intermediate stages of production, where the manufacturer cares deeply about his own product and service reputation.

Approaching the German market, exporters must recognize the country for what it is: a decentralized and diverse collection of states and regions: Bavarian and Rhineland tastes, for example, differ distinctively. An American company seeking sales in Germany must ensure that its marketing strategy takes these differences into account and should choose a distributor or partner with countrywide capability, often necessitating several regional locations. Too often, U.S. exporters seek to service their clients from a single European location, or even directly from the United States. After initial entry into the German or European market, this is likely to be inadequate, especially recognizing that the chief competition faced by most American companies are the German domestic firms themselves,

with their natural advantages of proximity. Success in the marketplace can be achieved by countering these comparative disadvantages with high quality products and service, at the right price.

Establishing a physical presence in Germany may be the right solution for some firms. German efforts to privatize the energy, telecommunications and transportation sectors are being assessed by numerous American firms because of the attractive opportunities they imply. For investors, the still high marginal tax rates despite modest cuts and complicated tax laws may constitute an obstacle, although deductions, allowances and write-offs help to move effective tax rates to a more internationally competitive level.

Germany presents few formal barriers to U.S. trade or investment interests (with the exception of the EU Common Agricultural Policy). Germany's regulations and bureaucratic procedures however, can prove a baffling maze, blunting the enthusiasm of U.S. exporters. While not discriminatory in the classic sense, government regulation is often complex and may offer a degree of protection to already established local suppliers. Safety or environmental standards, not inherently discriminatory but sometimes zealously applied, can complicate access to the market for U.S. products. American companies interested in exporting to Germany should do their homework thoroughly and make sure they know precisely which standards apply to their product, to extent EU-wide standards are developed, there is a high probability that the existing German standard will form the basis for the eventual European standard.

The Market overview text was taken from the Country Commercial Guide 2003 Germany. You can find the complete version online at [www.buyusa.de/en](http://www.buyusa.de/en)

For more information and an overview on specific industry sectors in Germany you may view reports at [www.usatrade.gov](http://www.usatrade.gov) or contact our industry specialists.

### Best Prospects

- Franchising
- Computer Software
- Drugs & Pharmaceuticals
- Management Consulting
- Computers and Peripheral Equipment
- Electronic Components
- Computer Services
- Process Control Instrumentation
- Scientific & Laboratory Instruments
- Medical Equipment & Supplies
- Automotive Parts & Services
- Pollution Control Equipment
- Travel & Tourism



## How The Embassy Can Help You

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### Commercial Section

The Commercial Service, which is a part of the Department of Commerce, is the largest U.S. Government agency devoted to promoting American commercial interests abroad. Our concentration is to assist small to medium-sized companies by offering customized market-entry services, market research, trade leads and access to business partners. Through our regional knowledge of the German market the Commercial Service can help you improve your access to the German market.

### Agricultural Section

The Foreign Agricultural Service (FAS) works to increase the sale of U.S.-agricultural products to Germany. It is the U.S. farm and food industry's link to world markets. FAS offices in Berlin and Hamburg provide trade contacts for German buyers looking for U.S. food and beverage products, market briefs to help U.S. firms enter and compete in the German food market, promotional materials for U.S. foods, a directory of American food suppliers in Europe, and trade shows assistance for U.S. suppliers.

### Economic Section

The Economic Section (Department of State) monitors U.S.-German economic policy as well as issues such as money and banking, trade and commerce, communication and transportation, economic development and government finance. In addition, economic officers deal with environmental, scientific and technology matters such as cooperation in space, global warming and decreasing biodiversity.

### Public Affairs Section

The mission of the Public Affairs Section is to promote understanding of U.S. political, economic and social issues -- explaining to German audiences both the current Administration's foreign policy agenda and the complexities of U.S. society and culture. Public Affairs offices operate out of the U.S. Embassy in Berlin; the Amerika Haus facilities in Berlin, Cologne, and Frankfurt and from special sections of the U.S. Consulates in Hamburg, Leipzig, and Munich. Posts also work closely with German-American Institutes in their respective areas.

### Consular Section

The Consular Section protects the interests of American citizens who travel or reside in Germany, and adjudicates applications for non-immigrant and immigrant visas. Services for American citizens include passport renewals and notarial services. The consulate also provides information on a variety of topics for American and German citizens

## How The U.S. Commercial Service Can Help You

### DID YOU KNOW

The U.S. Commercial Service has more than 1,800 trade experts located in embassies and consulates in over 260 cities around the world.

### Gold Key Service

Commercial Service staff will identify and arrange appointments with prescreened potential sales representatives and business partners, helping you to get the most out of your business trip. In addition you will receive customized market and industry briefings by our staff before your scheduled appointments. We will help you organize your trip, assisting you travel, accommodation, interpreter service, and clerical support. In case your schedule or budget should prevent you from travelling, you can chose to meet with your potential business partners via videoconference.

### International Company Profile

International Company Profiles provide you with background reports on companies you are considering to work with. Our trade specialist will analyze the overall strength of the company and will provide you with:

- A list of the company's senior management
- Banking and other financial information about the company
- Our insight on whether the prospective partner can meet your needs
- Our opinion as to the strength of the company versus its competitors
- Our insight into the strength of the industry in your target market

### Platinum Key Services

The Platinum Key Service offers you comprehensive, customized ways to achieve your business goals through long-term (typically six months to a year) sustained support. Whether yours is a small, medium, or large business, we can tailor the Platinum Key to your needs. Commercial Service officers and specialists will work with you to identify your requirements and develop a plan to achieve your goals.

### International Partner Search

Our staff will assist you in locating the most suitable licensees, distributors, agents and strategic partners. Using our network and extensive contacts in Germany, we will identify and provide you with detailed description of prospectus business partners in Germany.

### Trade Events

Get high-profile exposure for your products and services by exhibiting in attractive, high profile U.S. Pavilions at major German trade shows, such as CeBIT, which are among the world most recognized trade events.

## U.S. Commercial Service Offices in Germany



At the U.S. Commercial Service we draw upon years of on-the-ground networking, local industry contacts and a number of business directories and guides to put you in touch with the contacts and resources you need to do business in Germany.

Visit us online at [www.buyusa.de/en](http://www.buyusa.de/en)

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