



German American
Chambers of Commerce
Deutsch-Amerikanische
Handelskammern

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Top 50 Ranking of German Firms in the U.S.

Low Energy Cost Drives Production and Investments

New York, April 30, 2013 -The majority of German firms operating in the U.S. continued to increase their sales performance, as the annual Top 50 Ranking of German Firms conducted by the German American Chambers of Commerce shows. But overall the picture was slightly more mixed compared to last year's results, when 90% reported gains - now a third of companies reported (mostly minor) losses, among them Allianz, T-Mobile and Heraeus.

Together, the Top 50 generated over \$348 billion sales, thus 6% more than last year. Overall the Top 50 firms employ more than 538,767 workers, almost 2% more than in 2011.

German car makers Daimler, VW and BMW showed healthy double-digit growth rates in the U.S. - Volkswagen recorded its highest growth in North America with a plus +32.2%. For the third year in a row Daimler remains No.1 with Mercedes-Benz Cars and Daimler Trucks as their main power engines. In order to keep up with demand, Daimler increased its staff by over 1,000 in the U.S. and Volkswagen by over 5,000 in North America. But also other industries reported positive employment trends, Fresenius Medical Care Holdings, Inc., the world's largest dialysis provider, now employs 52,577, up from 45,577 in 2011. Many firms are extending their vocational training programs. At the beginning of 2013, Wacker Chemicals and Chattanooga State Community College inaugurated the Wacker Institute, a \$5 million pilot plant and training facility in Tennessee.

Despite these positive trends, a remarkable 40% of companies had to downsize their workforce to reach sustainable levels. Companies such ThyssenKrupp, Bayer Corporation, Random House and Evonik streamlined their business units in order to avoid losses.

The steady gains on the revenue side of the Top 50 firms reflect the ongoing recovery of the U.S. economy during 2012 and its ability to weather economic and political uncertainties like general elections, sequestration and disruptions from Hurricane Sandy. In particular the shale gas boom is driving production and ushering in a manufacturing renaissance in the United States through much lower electricity prices. Last year natural gas prices dropped to a quarter of the European prices. Gas prices in Asia are even higher than in Europe, further channeling investment to the United States. A worldwide survey conducted by the Association of German Chambers of Industry and Commerce (DIHK) confirms this trend, the „rising star“ among German investors are the United States. North America is the only region to attract significantly more investment from Germany than any other region in the world.

BASF for example has channeled more than \$5.7 billion into new investments in North America since 2009, including a formic acid plant under construction in Louisiana, where the company will manufacture a chemical used to de-ice runways, tan leather and preserve animal feed.



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“For manufacturers within the Top 50 companies, the advantage to source/produce locally and distribute internationally has also helped to increase U.S. exports in the 3rd Quarter. The push on free trade agreements is another good sign for foreign companies in the U.S.”, said W. David Braun, newly elected Chairman of the German American Chambers of Commerce (AHK USA).

The flipside of the shale gas boom are uncertainties regarding the U.S. position on renewable energy. A question remains whether long-term climate-protection legislation will be enacted or not. This has led companies like E.ON Climate & Renewables to divest from three wind farms in North America and Schott North America to sell its Solar PV business.

For the remainder of 2013 German companies are confident. While planning to increase their investments, they are cautious regarding job creation as they continue to expand their footprint in the U.S..

For the complete ranking, please go to www.ahk-usa.com/en/publikationen/studies-resources

About us

The German American Chambers of Commerce (GACCs) in Atlanta, Chicago, 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. The GACCs are connected to the Chambers of Industry and Commerce (IHKs) in Germany. The umbrella organization of the IHKs is the German Association of Chambers of Industry and Commerce (DIHK), which also coordinates and supports the GACCs.