



GERMAN-AMERICAN BUSINESS COUNCIL OF BOSTON, INC.

Dedicated to encouraging and cultivating German-American business and trade.

January 2008 German-American Business Council Newsletter

With the kickoff of the New Year, the German-American Business Council is about to announce a number of changes to you, our valued members. The first is the introduction of this quarterly Newsletter that will give you a closer view of your fellow members, our GABC Board and the activities we provide for you. This first issue will focus on biotechnology, which is a growing source of business between the two countries, especially between Massachusetts and Germany.

An additional new service for you is the introduction of the "Intranet" service. Please, familiarize yourself with the new opportunities offered through this program that is explained below in our "Hot Topic" section. You are able to change your own information and much more. Please let us know if you have any questions.

I would also like to draw your attention to the 2007/08 German American Business Council Membership Directory. Please check your listing in your new directory and contact [Kirsten Furman, our Executive Director](#), if you find errors or omissions. Updating the Directory is an ongoing process for which we need your continuous support.

I am proud to lead this initiative of providing you with more value and a stronger connection with the members than ever before, including our brand new website which will list the dates and updated activities as well as providing you with an opportunity to communicate better to the Board of Directors.

We hope to see you all at our Fasching Party on January 17th at the Goethe Institute. Everyone can use some carnival fun to brighten up these winter days. We have great plans for the group in 2008 and I trust you'll love our many improvements.

I look forward to seeing you soon!

Sincerely,

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Upcoming Events

January 17th: Fasching Party at the Goethe Institute

February: 12th: International Forum with our EU partners, arranged by the EU-BABCNE

March: Luncheon at the Union Club, Dr. Bunse, German American Chamber of Commerce, New York

April: Immigration / Tax program at Mintz, Levin. Rob Duggan

May 8th: EU Anniversary Celebration, at the Goethe Institute with our EU partners, Horst Dornbusch beer presentation, and Vino De Vito, wine presentation including sampling of foods from European countries

June: Sommerfest



[Brigitte Carangelo](#)
[President](#)

Germany's Growing Biotechnology Industry and the Success Dynamics of German-American Cooperation

by Dr. Robert Hermann
Director, Renewable Energies and Resources/
Healthcare/Chemicals
[Invest in Germany](#)



Though relatively new compared to other industries, biotechnology has been a global industry from day one. Knowledge migration has been especially concentrated between the United States and Europe, as companies sought out the latest in research and development (R&D), markets for new products, or strategic partners in the same or a related field. Over the past decade however, Germany has prominently risen as the key European biotech partner in the transatlantic exchange of business and ideas.

The United States and Germany have pioneered the development of many biotechnology-related innovations. Collectively, they account for nearly 50 percent of patent approvals with the European Patent Office (24.4 percent for the United States, 23.5 percent for Germany). The development of an expansive biotechnology network across Germany (including the Biotech-Region Munich in Bavaria and BioTOP Berlin-Brandenburg) has opened opportunities for new markets, licensing agreements, partnerships for clinical trials, and collaborative research projects between US and German companies and research institutes.

The greatest potential for US-German partnership lies in health and medicine, in which more than 80 percent of all German biotech companies are active. US-based companies have pursued numerous partnerships with German companies and research institutes. In September of this year, the Berlin-based biotech enterprise Epigenomics AG announced a partnership with US pharmaceutical and diagnostic manufacturer Abbott for the development and marketing of its intestinal cancer test. This important product, expected to be introduced in Europe by 2009, was only made possible by the mutually beneficial linking of the innovative potential of a small biotech firm with the financial resources of a large pharmaceutical company.

Another exemplary collaborative project involves the Berlin-based biotech Silence Therapeutics AG (formerly Atugen AG) and Pfizer Inc., the US's second largest research-based pharmaceutical company. In a deal from September 2006 valued at approximately

September: Member Participation Luncheon. Introduction of Board of Directors. Input of members including suggestions for special events and possible nominations of new Board Members for the following year

October: Political/ Economic topics

November: Luncheon, (speaker to be announced)

December: Christmas Party (date to be determined)

For a complete listing, go to: [2008 Calendar](#)

Member Profile



Timothy J. Brown
Managing Partner, Founder
Brevis Consulting

What's your connection with German-American business?
I have a number of German clients who are comfortable working with a knowledgeable experienced bilingual American advisor and the association with the GABC reinforces my commitment to working with German companies.

What keeps you busy when you're not working?
I hike, sail, read, make music and fly.

What do you like most about the GABC?
I enjoy the opportunity to get informed about a variety of subjects and socialize with other business people with a common interest in the

\$95 million, Pfizer agreed to finance Silence Therapeutics to develop an RNAi therapeutic product used in the treatment of age-related macular degeneration. In a similar type of agreement from 2003, US-biotech enterprise MedImmune Inc. partnered with Munich-based Micromet AG to co-develop the German company's cancer drug, a novel type of antibody derivative.

Experts believe that 30 percent of the German economy will depend on biotech in some regard by 2015. Germany is already home to more biotech companies-nearly 500 according to the latest estimates-than any other country in Europe. In addition, another 56 companies have been classified by the OECD as "innovative biotechnologically active companies." According to 2006 data, German biotech and biotechnologically-active companies employ more than 30,000 people, amounting to over one-third of all European biotech employees.

In both the United States and Germany, most biotech companies tend to be relatively young, developing their first products and depending on venture capital for survival. Since the German biotech industry as a whole still does not generate financial profits due to long development times and associated high costs, external financing is especially important. In Germany, venture capital investments amounted to approximately €365 million (\$520.7 million) in 2006. In fact, 40 percent of all European biotech venture capital is invested in Germany.

To date, grants from the German Federal Ministry for Education and Research (BMBF) and other public sources have made up approximately 10 percent of total German financing. This scenario is changing, however. The German government has pledged to turn Germany into "the most research-friendly nation in the world by 2020." To this end, the BMBF has allotted €430 million (\$619 million) to various initiatives for biotech-related projects and an additional €800 million (\$1.2 billion) to health research in the period 2006 to 2009.

There are limitless opportunities for US biotech companies to pursue more activities in research, development and production in Germany. Invest in Germany, the inward investment promotion agency of the German government, can assist US companies seeking to open a subsidiary in Germany or partner with a German company free of charge. Biotechnology industry experts and project teams are available to plan each stage of the investment process, from identifying a business partner to selecting a business location and everything in between. Scientific and financial progress achieved in the German biotech industry thus far, increasing private R&D expenditures, and renewed governmental interest in public funding for R&D support sustained confidence in future prospects for German-American cooperation and business partnerships.

Germany and Massachusetts: A Great Biotech Combination

by Christa Bleyleben

German language and culture.

What are you looking forward to seeing the GABC do in the future?

I would like to hear more from the members (interesting panels) and increase the percentage of business related topics covered in guest presentations.

Board Profile



Robert Duggan

Attorney, Business & Finance Section and
International Property Section
Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.

What's your connection with German-American business? The legal representation of a number of German companies with their operations, investments or contracts in the US with US entities. Some outbound work to Germany.

What keeps you busy when you're not working? Three children, one wife, two cats; various seasonable athletic endeavors like skiing, windsurfing, running and biking; reading of various kinds, primarily nonfiction, evolution is one favorite topic.

What do you like most about the GABC? Getting together socially with people with an interest in Germany and German business topics.

What are you looking forward to seeing the GABC do in the future? Improve GABC offerings with an emphasis on attracting members with a genuine

Germany and Massachusetts: A Great Biotech Combination

by Christa Bleyleben

[Massachusetts Office of International Trade & Investment \(MOITI\)](#)



Massachusetts is powered by ingenuity. The telephone was invented here, as were fiber optics. The first railroad, the first electrical transformer, even the first computer, were all invented right here in Massachusetts. And that's just the beginning.

From the first mutual fund to the first use of anesthesia, Massachusetts has led the way in innovation. In fact, Massachusetts' ingenuity has led to the creation of entire new industries such as biotechnology. Biotechnology was born in the Commonwealth as a result of the research conducted at the state's world-class academic and medical institutions. The first biotechnology firm in the state, Biogen, was founded in 1979. Since then, the biotechnology industry in Massachusetts has grown to more than 250 companies and now represents a major cluster in the state.

When deciding where to establish an international presence in the United States, Massachusetts is the obvious answer. Arguably the international hub of biotechnology, complete with both public and private organizations as well as some of the best academic institutions in the United States, we are the clear cut leader in biotechnology. If an existing powerhouse biotechnology cluster is not enough reason to locate in Massachusetts, it is easy to look to the factors that helped the growth of the cluster. One factor that is currently helping the biotechnology industry grow and flourish is the Commonwealth's government itself. Massachusetts has numerous tax incentives, finance opportunities and grants available to local companies in order to assist them in their growth. Massachusetts has long outgrown the nickname "Taxachusetts."

Massachusetts is committed to the growth of our industries and actively attracts and assists foreign-based companies in their expansion or relocation to the state. Currently, there are thousands of foreign-owned establishments in Massachusetts, over 300 of which are from Germany alone. German owned companies employ well over 13,000 workers in the state, representing a significant impact on the local economy and workforce. Ensuring that these companies flourish in the Commonwealth is a key objective of the Massachusetts Office of International Trade and Investment (MOITI). MOITI is the international arm of the Commonwealth, aiming to further foster economic growth in the state resulting from these strong relationships.

Most recently, MOITI hosted Transbio, a two year European Commission funded project aimed at trans-Atlantic cooperation ultimately leading to a stronger European and global biotechnology market. More specifically, MOITI organized the matchmaking event portion of Transbio in November 2007 to profile and promote some of the most innovative technologies in biotechnology, from both

interest in getting together on a regular basis.

Alternative Energy Luncheon at the GABC

About 40 of our members and friends joined us to hear Dr. Warren Leon and Mr. Anthony Eames speak on "A Ripe Time for Alternative Energy" at the Union Club in Boston on November 15. Dr. Leon is Director of the [Renewable Energy Trust](#), which seeks to maximize environmental and economic benefits for the Commonwealth's citizens by pioneering and promoting clean energy technologies and fostering the emergence of sustainable markets for electricity generated from renewable sources. Mr. Eames is Sr. VP of [Calvert Distributors](#), whose latest fund in Alternative Energy allocated 60% of its investments in Europe. With Europe, and especially Germany having made great strides in this area, and the thrust Massachusetts is making as an example for America as well, it was a fitting subject and drew a lively discussion after the presentation.

foreign and domestic based companies. Bavaria was among the seven regions that were hand picked for this unique experience. MOITI worked hand-in-hand with Bayern Innovativ in order to support the technologies coming out of Bavaria and the other regions by setting up over 170 individualized, one-on-one meetings with Massachusetts based biotechnology companies. While Massachusetts may be the current global focal point for the biotechnology industry, Massachusetts is well aware that international cooperation and collaboration are of the utmost importance for continued prosperity.

For assistance in bringing international companies to Massachusetts and to learn more about MOITI, please visit www.mass.gov/moiti or call 617 973 8650.



The German-American Business Council of Boston, Inc. (GABC), www.gabc-boston.org, is a non-profit organization of companies, business people, and other professionals dedicated to encouraging and cultivating German-American business and trade. Through its speaker series, seminars, and special events the GABC provides a forum for the exchange of knowledge and ideas, and for business and professional contacts between its members.

The GABC membership is open to all interested professionals. Our members represent all facets of the international business community including import and export managers, manufacturers, trade specialists, bankers, financiers, insurance agents, government officials, attorneys, consultants, educators and entrepreneurs.

The German-American Business Council is a member of GBANE, the Global Business Alliance of New England.

Hot Topic:

GABC's Intranet Site

Introducing the GABC Intranet Site - an award-winning collaboration suite by WebEx WebOffice that uses the power of the Web to make it easy for everyone to stay connected - from anywhere in the world.

WebOffice brings together professional Web-based business applications specifically designed to make collaboration easy and cost-effective. It just got easier to share and collaborate with your fellow GABC members, Board of Directors and the Executive Director - our Intranet Site with WebOffice keeps you connected. Share documents, access databases, update membership information and more - all right from your desktop.

WebOffice keeps you up to date and informed - simply and easily. Everyone will have the latest membership directory, newsletter, event presentations and more. Everything is safe and secure, in a password protected member access environment.

In the coming weeks, you will be getting an email invitation to join our Intranet Site. This invitation will contain your personal registration code, with a link to the enrollment site. Complete your registration and enjoy exploring our Intranet Site - it's that simple!

