



## March 2009 German-American Business Council Newsletter

Dear GABC Members and Friends,

During the last few months we have been able to welcome many new members and are happy to report that events have been very well attended which tells us that you have enjoyed the many programs the GABC has sponsored. Your commitment to the GABC helped us to continue and to further grow a dynamic networking platform for the German-American business community in Greater Boston.

I encourage you to look at our website: [www.gabc-boston.org](http://www.gabc-boston.org) and also to check out the GABC Newsletter in order to familiarize yourself with the services and events we offer. During these economic times it is especially important to stay in contact with members and business associates by attending interesting events and utilizing the services we offer including the GABC Intranet which allows you to be in direct contact with all GABC members.

We also offer a large networking platform by collaborating during several events with our EU partners and by continuing to work closely with German organizations such as the German Consulate General, the Goethe Institute, the German American Chamber of Commerce among others.

Lastly, please also note that it's time to renew your membership for 2009, so I encourage you to do so online at <http://www.gabc-boston.org/membership/index.html> or email Marian LeMay at [info@gabc-boston.org](mailto:info@gabc-boston.org).

If you have any questions or concerns please contact the Members of the Board of Directors or Marian LeMay at [info@gabc-boston.org](mailto:info@gabc-boston.org).

Thanks again you for your continued support; we are looking forward to seeing you at many of our events in 2009.



Sincerely,

Brigitte Carangelo  
President

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### Upcoming Events

March 10, 2009:  
BIOTECH UPDATE:  
"Trends in US – European Biotechnology",  
Goethe-Institut  
Boston, 170 Beacon Street, Boston, 7PM

April 16, 2009:  
"Business Challenges in a Down Economy"  
– A discussion on legal issues that come to the forefront in a down economy. Featured topics: "How to protect yourself from the financial distress of your customers," and the other side of the same troubling coin: "How to avoid liability when laying off personnel." To be held in the Law Offices of Mintz Levin, One Financial Center, Boston. Time to be announced.

April 23, 2009:

# The German-American Partnership - Stronger Economic Ties than Ever Before



By [Karsten Xander](#)  
[President and CEO](#)  
[TUV SUD America](#)



Dinner at the InterContinental Hotel with the representatives from the German-American Chamber of Commerce New York and a delegation from Berlin and Leipzig, representing the train industry

May 7, 2009  
European Food Festival

June 7, 2009:  
Sommerfest. Location to be announced

As usual, the GABC will send invitations to each event via e-mail. Should you ever have any questions, please contact our Executive Director, Marian LeMay at [info@gabc-boston.org](mailto:info@gabc-boston.org). Registration for all events is available on-line at [www.gabc-boston.org](http://www.gabc-boston.org).

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

**Did you know ...** that the United States is the top export market for Bavaria, Baden-Württemberg and Berlin?

**Could you imagine ...** that Porsche sells more than half of its annual production in the United States?

**Are you baffled ...** by the fact that the U.S. Army employs more than 35,000 people in Bavaria, making it the third largest employer after BMW and Siemens?

**Isn't it hard to believe ...** that up to one-tenth of Germany's private sector jobs depend on U.S. investment?

Latest findings provided by the U.S. Embassy confirm that the U.S.-German partnership remains as strong and vibrant as ever. The economic data consistently demonstrates that our partnership is deeper, more interconnected, and more important than ever before. The extent of our economic integration is unprecedented. In short, we are increasingly responsible for each other's economic prosperity which provides associations like the German American Business Council even more gravity and importance.

Major facts describe best why today, Germany and the United States have one of the largest and most important bilateral economic relationships in the world.

## Investment: Underpinning the Relationship

Bilateral investment has reached stunning levels with more than \$1 trillion in assets controlled by German companies in the U.S., and American companies operating in Germany. Only the UK and Japan have invested more in the United States. The United States is by far Germany's number one investment target. In fact, German investment in the American Southeast alone is greater than all of European investment in China. For example, the United States is the leading investment market for Baden-Württemberg with almost 30% of all German foreign direct investment in the United States coming originating there.

### Germany's Top 10 Investment Destinations

Rank	Country	Total Investment Stock (millions of euros, 2005)
1	United States	155,282
2	Netherlands	73,963
3	United Kingdom	65,819
4	France	39,079
5	Luxembourg	36,958
6	Italy	30,549
7	Austria	26,210
8	Belgium	20,137
9	Spain	17,584
10	Sweden	17,241

Source: Bundesbank, 2005

## Board Profile



[Warwick Davies](#)  
[Principal](#)  
[The Event Mechanic!](#)

What's your connection with German-American business?  
*I am the principal of The Event Mechanic! which helps event organizers make their conferences, tradeshows and meetings more successful and profitable. Some of my past clients have had an interest in running their events in Germany, and I*

There has been a similar and perhaps even more dramatic growth in capital markets. The

U.S.-based investors' share of German equities grew rapidly from just over 2% in 2001 to almost 18% by the end of 2006.

**Trade: Increased Investment Stimulates Trade**

Germany is the U.S.'s most important trading partner within the EU - accounting for roughly one-quarter of all U.S.-EU trade in 2007. Germany sends approximately 60% more exports to the U.S. than the second largest European exporter. The United States ranks among the top five export markets for 13 of Germany's 16 Länder and for many of them like Saxony it is the number one. 38% of all exported goods from Baden-Württemberg to the United States come from the automotive sector. From the U.S. side, Germany is among the top five export markets for 21 of the 50 U.S. states.

Bilateral trade has benefited both countries enormously and grown rapidly. Since reunification, U.S. exports to Germany have more than doubled, and German exports to the U.S. have more than tripled. Germany has had a trade surplus with the United States for decades. In 2007, it was nearly \$45 billion.

**Jobs: Increasingly Working for Each Other**

One of the most important elements of our relationship is the extent to which jobs are created for both partners. Sources indicate that nearly 1.5 million jobs and approximately 6,000 companies in both countries directly depend on the U.S.-German economic relationship. On the broader global level, the United States and Germany support the largest and second largest workforces worldwide through their foreign affiliates: U.S. affiliates employ 9 million workers worldwide and German affiliates employ 4.6 million.

**U.S. Job Creation in Germany:**

2,700 U.S. firms operating in Germany account for 800,000 German jobs. Jobs that are indirectly supported by U.S. investment activities (the so-called multiplier effect) are estimated to be roughly 1.3 to 2.6 times that amount, or up to 2 million German private sector jobs.

Top 10 U.S. Employers in Germany	
Company	Estimated employees (2007)
McDonald's Deutschland Inc.	55,000
IBM Gruppe Deutschland	25,000
Ford-Werke GmbH	24,000
Adam Opel	23,500
Procter & Gamble	16,000
United Parcel Service Deutschland Inc. & Co. OHG	16,000
Burger King GmbH	15,300
Coca-Cola Deutschland	12,000
TRW Automotive Gruppe	11,400
Johnson Controls	10,000

*Source: American Chamber of Commerce in Germany*

**German Job Creation in the United States:**

There are more than 3,000 German companies in the United States, together creating more than 670,000 jobs. Germany is the second largest European employer of Americans. Indeed, one in every 200 Americans working in the private sector now works for a German firm.

*used to run a Customer Relationship Management in Duesseldorf every year. I also try and visit friends in Nuremberg annually.*

**What keeps you busy when you're not working?**

*Besides travelling (and I highly recommend the Hudson Valley for a weekend), I like to follow European soccer, and do quite a bit of non-fiction reading.*

**What do you like most about the GABC?**

*With the introduction of the new website, newsletter and intranet this year as a foundation, we are looking to building our value to our members and sponsors in 2009. You'll be able to look forward to even more interesting programs, and we will continue to raise the quality of membership.*

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

*The programming especially the Sommerfest and Weihnachtsfeier celebrations for the way they bring the group together. I've made some good friends in the group and am sure many of my fellow members have done the same.*

**Christmas Party** ↑



December, 2008

The GABC hosted its magical annual Christmas party in the elegant ballroom of the Goethe-Institut Boston on December 4. The sold-out event

## Top 10 German Employers in the U.S.

Company	U.S. employees	German Parent Company
Siemens USA Holdings	67,000	Siemens AG
The Great Atlantic & Pacific Tea Company Inc.	50,000	Tengelmann Group
Fresenius Medical Care Holdings Inc.	37,541	Fresenius SE
DHL Holdings USA Inc.	30,000	Deutsche Post AG
T-Mobile USA	29,000	Deutsche Telekom AG
ThyssenKrupp USA Inc.	25,000	ThyssenKrupp AG
Robert Bosch LLC	17,700	Robert Bosch GmbH
Bayer Corp.	17,200	Bayer AG
Bertelsmann Inc.	17,000	Bertelsmann AG
BASF Corp.	13,275	BASF AG

Source: American Chamber of Commerce in Germany

### R&D Collaboration: Growing Vital Links

While the importance of U.S.-German trade and investment is broadly recognized, the vital R&D links between the United States and Germany are less well known, even though they are key drivers of innovation and scientific breakthrough. A recent study found that the United States and Germany were rated as the first and third most dynamic countries in terms of innovation.

High tech is a growing component of bilateral trade. Germany purchases more biotech from the United States - \$2.34 billion in 2007 - than any other country. By the same token, Germany is second only to Ireland in selling biotech products to the United States. Only Japan surpasses Germany as a market for American opto-electronic products. Asian manufacturers dominate in information and communication technologies, but Germany is the United States' biggest European supplier.

## Bilateral Trade in Advanced Technologies

	US Exports to Germany in 2007	German Exports to the US in 2007
Biotechnologies	\$2.34 billion	\$1.24 billion
Life Sciences	\$2.30 billion	\$3.73 billion
Information and Communication Technologies	\$3.22 billion	\$1.43 billion
Electronics	\$1.82 billion	\$861 million
Manufacturing Technologies	\$727 million	\$969 million
Advanced Materials	\$82 million	\$200 million
Opto-Electronics	\$716 million	\$507 million

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

In the 21st century, energy security will be defined by environmental responsibility and innovation. German-American cooperation in the field of wind and solar energy has resulted in an estimated \$1 billion in cross investment, the implementation of alternative environmental technologies, and the creation of good jobs in both countries.

In addition to economic aspects, other areas of interdependence like students, tourists, and sister-city partnerships, as well as U.S. Military and Government presence should not be disregarded.

The full study on German-American relations is available online at:  
<http://germany.usembassy.gov/benchmarks/>

featured a delicious traditional German dinner, a live auction that raised well over \$6,000, a raffle and German Christmas goodies. The children of the German International School Boston (GISB), gave a sweet musical performance and Santa made a surprise visit. Our honored guest was Dr. Benno Bunse, President of the German-American Chamber of Commerce, NY. GABC is able to make a \$2,000 donation to GISB from the money raised.

### Lunch Program



January, 2009

Our Jan. 21 Lunch Program "Fraud Examination and Forensic Auditing" was very well received. Speaker Erik Dilger, of Deloitte Financial Services LLP clearly enjoys his work and shared his enthusiasm with the more than 30 attendees, some of whom were paying especially close attention during the segment on "red flags that every professional should be aware of"! The GABC thanks Deloitte Financial Services LLP for the use of their excellent facilities and the French-American Chamber of Commerce New England for joining us



[By Bob Coughlin](#)  
[President](#)  
[Mass Biotechnology Council](#)



## Annual International Networking Evening and Business Forum



February, 2009

**Mr. Coughlin will be speaking on Tuesday, March 10th, to the German-American Business Council audience. We asked him for his perspective on the current work of the Mass Biotech council as a preview of his presentation, "BIOTECH UPDATE: Trends in US – European Biotechnology."**

With the 2008 passage of the landmark \$1 billion Life Science Initiative, Massachusetts let it be known that this is a place where biotechnology and life sciences are welcome and valued.

Subsequently, companies like EMD Serono, a subsidiary of the Germany-based Merck KGaA, have chosen Massachusetts on the basis of our best-in-class workforce and strong R&D cluster. The strength of those assets led EMD Serono to announce a \$50 million 125,000 square foot expansion to their Billerica location. A spokesman told the media at the time that the company considered expanding in Germany or Switzerland, but was impressed with Massachusetts' roster of top research universities and its cluster of biopharmaceutical companies, which could make it easier to find scientists to hire.

But in today's troubled economy and shifting global landscape, Massachusetts' efforts alone will not sustain biotechnology here. We must continue to lobby for policies that promote innovation nationally and internationally. That is why MBC recently rolled out Working Together Today to Ensure a Healthy Tomorrow, a policy white paper aimed at helping President Obama and members of the 111th Congress to navigate policy discussions with an eye toward encouraging innovation and investment in biotechnology and the life sciences.

The 2009 policy white paper outlines 10 impact issues that may be addressed with legislation in the course of the 2009-2010 session. A number of these issues will lay the groundwork for how competitive Massachusetts—and the companies who call Massachusetts home—can be in the global marketplace. None of the issues has the potential to reshape the health care landscape as significantly as federal health care reform.

First and foremost, MBC supports health care reforms that ensure efficient and effective delivery of quality health care and that provide affordable medical care to all Americans. To succeed, a reformed system should embrace and make accessible innovative medical technologies, incorporate best practices such as chronic disease management, and overhaul outdated payment methods. Biotechnology, whose products add great value to health care in cost-effective ways, must be an integral part of any new federal system.

As Senator Kennedy has pointed out, however, expanding coverage to those who need it is but half the battle. We need to ensure that health care provided to the newly covered as well as to all Americans is of the highest quality and designed to be delivered in a cost effective manner that takes maximum advantage of state-of-the-art medical technologies and management practices.

Biopharmaceuticals are a relative health care bargain, making up barely 10% of all health care spending in the U.S. Our members will be fully involved in the health care reform

The "15th Annual International Networking Evening and Business Forum" on Feb. 11 attracted over 280 attendees. This event provided excellent opportunity to network with more than 15 international trade associations and business professionals with international interests from over 3,000 New England companies. Featured speakers included Christopher Probyn, Chief International Economist for State Street Corporation, who gave a riveting talk on the economic outlook, and Leslie Schweitzer, Senior Trade Advisor of the US Chamber of Commerce, an expert on the Global Trade Policy outlook.

discussion and are prepared to make the case that biotechnology must be an integral part of the nation's health care coverage system, based on the value biotechnology products add to health care outcomes, particularly when compared to other treatments and therapies. Biotechnology is very much part of the solution to our health care coverage, cost, and outcomes issues.

We share Senator Kennedy's belief that systemic reforms are needed to improve quality and to overhaul archaic payment systems. As President Obama's health advisor Professor David Cutler has pointed out, 30 - 40% of our nation's health care resources are wasted outright, including money spent on inefficient or substandard care. There are substantial savings to gain in health care from eliminating inefficiencies, utilizing best practices, and applying what we already know works. For example, improving compliance for medications used to treat chronic conditions is a critical, often overlooked priority.

This is also true for many of our innovative, single source products, such as cancer therapies that show clear survival benefits, or chronic disease treatments that keep beneficiaries out of hospitals, where the vast amount of health care expenses are incurred. Our membership has a great deal of experience with chronic disease management and other initiatives that will be at the heart of quality improvement.

Additionally, there is a dire need to address how the Congressional Budget Office (CBO) scores health care. Health reform is at risk if CBO's analytical foundation fails to capture productivity gains, long term gains in morbidity and mortality, and reductions in disability due to medical innovation. This is a critical policy and political challenge. New medicines help keep people healthy, productive, employed, and out of hospitals and nursing homes, factors that need to be reflected in government health care policy design and decision making.

MBC and its member companies have been at the table as President Obama and leaders like Senator Kennedy begin to address the issue of health care reform. We truly believe that by joining together, the President, Congress and members of the biotechnology community can set change in motion, and help put hope into action.

## Meet Our New Members



Detlef Gericke-Schoenhagen - Director of the Goethe-Institut Boston

Linda Stewart - President, CEO and Founder of EPOCH

Michael Cetrone - Partner at Nutter, McClennen and Fish LLC

Bobby Reardon - International Payment Consultant at Travelex Global Business Payments

For Membership information, go to: [GABC Membership](#)

## Special Thanks to our Sponsors





German  
Consulate General  
Boston



## Sponsor Spotlight



TÜV SÜD America Inc., a subsidiary of TÜV SÜD AG, Munich, Germany, is a leading globally recognized testing and certification organization. TÜV's Auditing Division provides management system certification services to ISO 9001, ISO 14001, AS9100, AS9120, ISO 13485, TL 9000, Safe Quality Food (SQF), ISO 22000, and more. TÜV's Testing Division offers Electrical and Mechanical Product Safety, Electromagnetic Compatibility (EMC) testing, Environmental Testing, NRTL and SCC certification, CE Marking assistance, Restricted Substance Services, International Compliance Services and more. The company's Industry Division offers a full suite of services for pressure equipment manufacturers and materials producers exporting products to the European Community. Globally, TÜV SÜD has over \$1.5 billion sales and 13,000 employees at over 600 locations worldwide.



## About the GABC



The German-American Business Council of Boston, Inc. (GABC), [www.gabc-boston.org](http://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.