

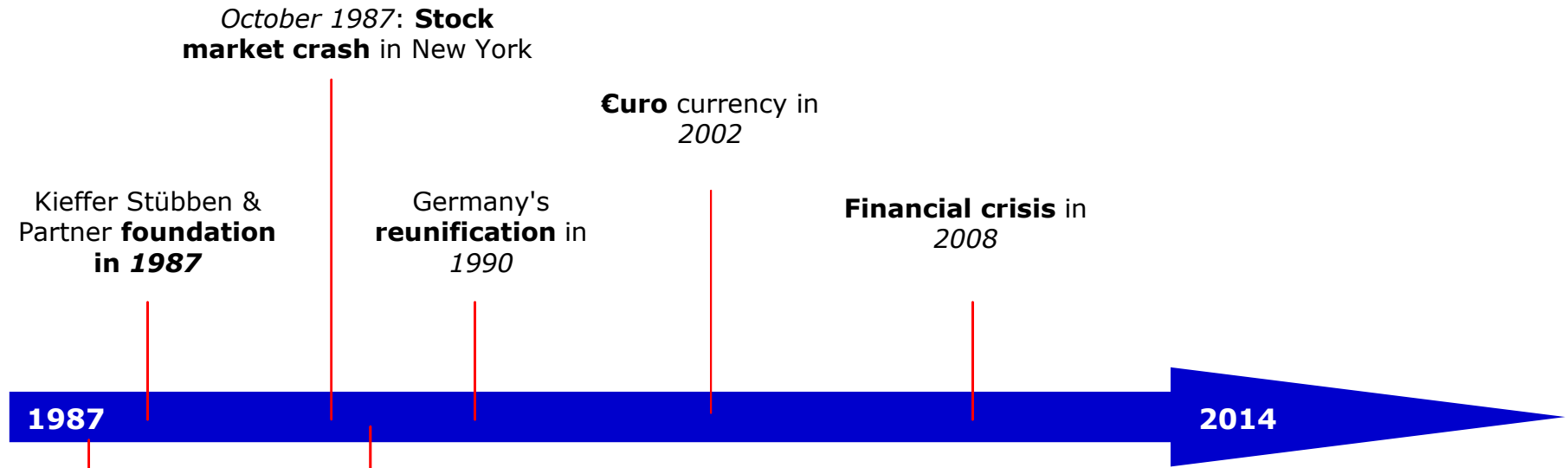
Business Location Germany – Still attractive?



Aufgenommen im K21, Düsseldorf

Kieffer · Stübben & Partner

Development since 1987



1987: **MS Excel** launches; an important tool of technology change & new analysis

- **Since 1987 new legislations** in the 'tax and auditing world': private limited companies audit, stricter documentation, increased number of audit standards
- **Increased governmental requirements** for closing former financial tax loopholes
- **Globalisation** requires international tax laws: 'double taxation agreement', 'transfer pricing'



- What does Germany's **positive reputation** mean to foreign investors?
 - Are **foreign investors still attracted** to establish new business opportunities in Germany?
 - Is **Germany still able to compete** within an international location competition?
-

Central geographic position within Europe & excellent established **infrastructure**

- Worldwide interest: 4% of the global **FDI** invested in Germany
- Today ca. 55,000 foreign companies are located in Germany, employing around three million people

Biggest available **labour market** within Europe

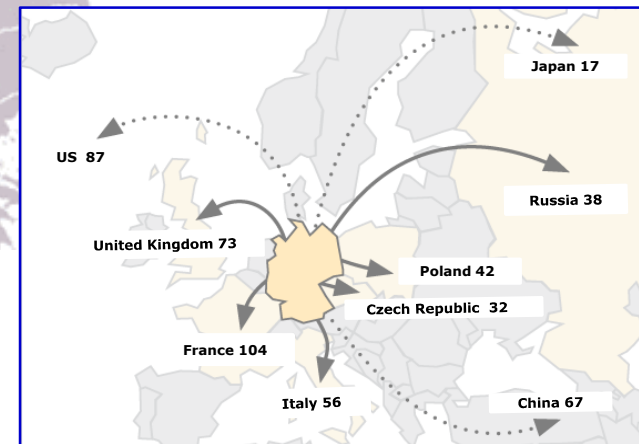
- Highly skilled personnel
- **Innovative leaders**, focus on **R&D**, high number of **patents**
- **'Made in Germany'**

Largest European market

80.707 million inhabitants (2013)

- 16% of the EU population achieve **20% of EU-28's GDP**
- Germany's GDP: €2.64 bn (2013)

Third largest **export nation**:
Export volume: €1.1 quadrillion (2012)



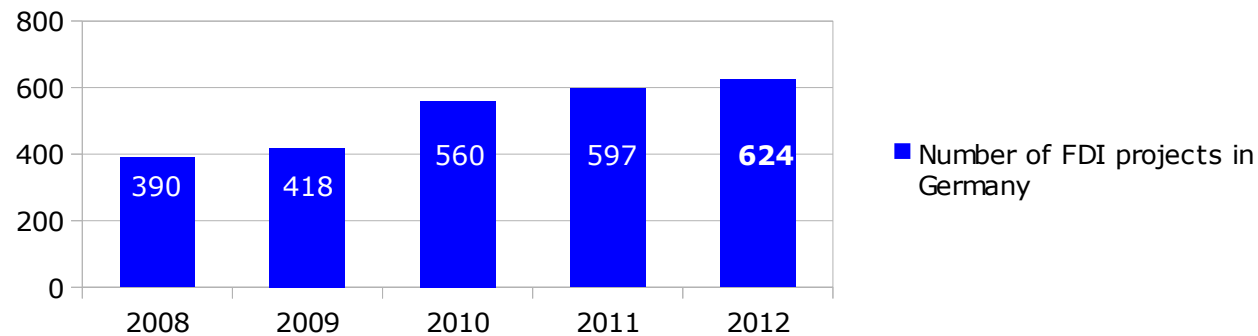
German exports (2012, in €bn)

Source: Statistisches Bundesamt 2013

FDI in Germany

An E&Y's research study (2013) regarding Germany as Business Location identifies the following ...

... FDI in Germany increased over the last years



... from an FDI investor's perspective Germany is the prime location in Europe

1. China	43%
2. Brasil	26%
3. US	25%
4. Russia	20%
5. India	19%
6. Germany	14% (+1% vs. 2012)

➔ Good rating due social and political climate, highly qualified labour market and well developed infrastructure

FDI in Germany

An E&Y's research study (2013) regarding Germany as Business Location identifies the following ...

... countries investing into Germany

Rank	Investing country	Number of FDI in 2012	Market share 2012	Number of FDI in 2011	Market share 2011	Development 2011/12
1	US	132	21%	124	21%	+7%
2	Switzerland	91	15%	64	11%	+42%
3	UK	54	9%	54	9%	0%
4	China	46	7%	45	8%	+2%
5	Japan	36	6%	25	4%	+44%

... especially Chinese companies put their FDI focus on Germany

- 46 FDI projects in 2012
- More than every third Chinese FDI project in Europe was realised in Germany in 2012
- Since 2005 around 230 FDI projects were established by Chinese companies, creating 3,700 workplaces in Germany

Strengths

- Largest European economy
- **Strong industries** (automobile, environmental technology, ...)
- **Innovative power**
- 'Made in Germany'
- Political & social climate
- Infrastructure

Weaknesses

- **Lack of qualified personnel**
- Flexibility of industrial law
- General willingness to reform

Opportunities

- Location
- **Legal framework**
- **Decreased unit labour costs**
- Tax incentives
- Growing FDI
- Highly motivated workforce

Threats

- **Competition**
- Mature market

- ➔ 56% of foreign managers asked in E&Y's research study (2013) predict a further increase of Germany's attractiveness as Business Location
- ➔ 36% of foreign investors plan to start or extend business in Germany in 2014
- ➔ 82% of foreign investors want to maintain production in Germany for at least the next 10 years

Kieffer Stübben & Partner as example

The German economic development compared to Kieffer Stübben & Partner's development:

	Germany			Kieffer Stübben & Partner	
	1987	2012		1987	2012
FDI	DM3.3 bn (Bundesbank, 1997)	€558 bn (E&Y, 2012)	Number of international mandate	6	ca. 75
Employment	25,571 m (destatis, 2013)	36,997 m (destatis, 2013)	Number of employees	4	40
GDP	€1,06 bn (destatis, 2009)	€2,64 bn	Sales	Increased twelve-fold	

- ➔ Kieffer Stübben & Partner sees its future in providing services in particular to **Chinese companies** in Germany
- ➔ Strong increase of Chinese companies in Düsseldorf
 - 80 Chinese firms in 2004, more than 320 in Düsseldorf's city zone in 2014
 - Increase of **+400% within 10 years**

Contact

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