

# Germany Investment MAGAZINE

Special Edition

December 2011

## Top Investments of 2011



- **Where Ideas Work**
- **The Location for Success**
- **An Automotive and Aviation Center**



GERMANY  
TRADE & INVEST

# Contents

## Editorial

Dr. Jürgen Friedrich, Chief Executive <i>Germany Trade &amp; Invest</i> .....	3
--	---

## Foreign Direct Investment

Direct Investment in Germany is Booming .....	4
---	---

## Germany at a Glance

Map of the German Federal States .....	6
--	---

## Baden-Württemberg

Where Ideas Work .....	8
------------------------	---

## Bavaria

The Place to take off for Logistics and IT .....	9
--	---

## Berlin

A Capital Investment .....	10
----------------------------	----

## Brandenburg

First Solar Expands in Brandenburg .....	11
--	----

## Bremen

Business in Bremen – A Success Story .....	12
--	----

## Hamburg

New EU-LAC Foundation Stimulates Dynamism .....	13
---	----

## Hessen

The Location for Success .....	14
--------------------------------	----

## Mecklenburg-Vorpommern

An Automotive and Aviation Center .....	15
---	----

## Lower Saxony

Investment Offensive in Key Technologies .....	16
--	----

## North Rhine-Westphalia

The Trend Continues .....	17
---------------------------	----

## Rheinland-Pfalz

Ampco Pumps Selects Rheinland-Pfalz for its European Headquarters .....	18
--	----

## Saarland

Online Games from Saarland .....	19
----------------------------------	----

## Saxony

50 Years of Microelectronics in Saxony – A Success Story .....	20
---	----

## Saxony-Anhalt

At the Center of Attention of Foreign Investors .....	21
---	----

## Schleswig-Holstein

Swiss Company Pfiffner Powers Ahead .....	22
---	----

## Thuringia

Unique Thuringia .....	23
------------------------	----

## On the cover:

**Ground-breaking event for the new arvato AG logistics and distribution center in the industrial park Halle-Queis, Saxony-Anhalt**

(from left to right) Olaf Heinrich (Mayor of Landsberg), Markus Schmedtmann (Member of the Managing Board of arvato AG), Dr. Reiner Haseloff (Minister President of the Federal State Saxony-Anhalt), Frank Bannert (Head of the District Authority Saalekreis), Patric Hofmann (Managing Director of arvato online service GmbH)

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## Publisher:

Germany Trade and Invest  
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und Standortmarketing mbH  
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**Print:** Chudeck Druck Service, Bornheim

**Circulation:** 8,000

## Support:

*Germany Trade & Invest* is promoted by the Federal Ministry of Economics and Technology and the Federal Government Commissioner for the New Federal States in accordance with a German Parliament resolution.

## Distribution:

*This special edition of Germany Investment Magazine is distributed by the publisher all over the world.*

## Notes:

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**Order Number:** 16499



We asked our partners – the various federal state business development agencies – to name their most important projects of the year. We are delighted to bring these investment success stories to you in this special edition of the Germany Investment Magazine.

Looking back on the previous year from our own perspective, we can only conclude that *Germany Trade & Invest* has emerged from the global economic and financial crisis unscathed. We recorded no fall in the number of enquiries from foreign investors – in fact, we experienced a marginal increase.

Dozens of new projects were launched and many already underway were successfully concluded. A definite highlight was the opening of Norwegian company Innotech Solar's 20 million euro production facility in Halle, Saxony-Anhalt. A number of other foreign companies similarly discovered the advantages of Eastern Germany: Chinese packaging manufacturer GA Pack likewise decided to build its new EUR 50 million factory in Halle. Decisive to the Chinese company's choice was Halle's excellent infrastructure and proximity to Leipzig/Halle Airport.

Together with the regional business development agencies, *Germany Trade & Invest* proved successful in attracting a number of Asian companies to Germany. For example, the Korean engineering firm Korloy opened its new European headquarters in Frankfurt am Main, while Chinese online games developer and publisher Kunlun is set to open its German agency in Hamburg. The Shangdong Luxi Chemical Group, also Chinese, is setting up a distribution center in Düsseldorf to supply machines and equipment to Europe.

We also provided assistance to a number of Israeli firms expanding to Germany this year. S.B. Security Ltd., the largest Israeli provider of security technology and services, entered the German market through a joint venture with a German partner and a branch office in Wildau (Brandenburg). The company has ambitious plans for its German operations and is expected to create up to 500 new jobs. The Israeli catering system retailer "Juice Land" has been awarded the contract for a salad and juice bar at the soon-to-open "BER Airport Berlin Brandenburg" and is planning further market penetration through franchising.

Turkish business interest in Germany has also noticeably increased. GENPOWER Generator, a Turkish manufacturer of generators and power supply systems, is developing a production site in Frankfurt (Oder) under the "CRATHOS" brand with a view to improving its international market positioning using the "Made in Germany" label. Synthetics firm Askim is launching production for PVC additives in Düren, North Rhine-Westphalia.

Of course, we also recorded a number of successful projects with companies from the USA and elsewhere in the European Union. For example, Amazon announced plans to increase its Ger-

man operations with a new customer service center in Berlin. Irish company Xtratherm intends to set up a rigid foam insulation production plant in North Rhine-Westphalia – creating 120 new jobs at a total investment cost of 20 million euros. A further high point of the past year was the arrival of French company Talentsoft on German soil. The firm provides innovative software for human resources processes and talent management solutions. Noteworthy here is the fact that the company learnt about our services from an advertisement on the LinkedIn business social networking website. *Germany Trade & Invest* held its first webinar on the internet in 2011 and will continue to develop the potential offered by social media. We also have a new website ourselves. Of course, we can also be reached in a number of other ways. You can meet our industry experts in person at all of the major international exhibitions and conferences held at the world's business hubs. We look forward to seeing you in 2012.

**Dr. Jürgen Friedrich**  
Chief Executive

# Direct Investment in Germany is Booming

2011: a successful year

Germany is more attractive than ever for foreign investors. "The country is increasingly seen as an investment location of the future," says Dr. Robert Hermann, Managing Director Investor Consulting at *Germany Trade & Invest*. The number of foreign investment projects supported by *Germany Trade & Invest* in the first six months of 2011 was nearly as high as that for the whole of 2010.

## ■ Gaining a market foothold

However, one emerging development has been the fact that while project numbers are up, projects are becoming smaller in size. At present, most foreign investors are initially only seeking to gain a foothold on the German market, with the most common approach being to open sales offices or headquarters — usually in major cities such as Frankfurt, Düsseldorf, Munich or Berlin. Large conurbations have the advantage of customer proximity and swift access to extant logistics networks. A generally cautious international investment climate has inevitably led to a reduction in research and development and production. However, this situation should change in the foreseeable future as businesses already established invest in expansion.

The increase in interest from Chinese investors is particularly striking, accounting as they now do for approximately 20 percent of all *Germany Trade & Invest* projects. US investors are the second most frequent group to contact *Germany Trade & Invest*. Of enormous benefit in generating new projects is the close cooperation with the German Chambers of Commerce Worldwide Network (AHK). A third of all projects transferred to the various German states are brokered by the AHK — a clear indicator of just how well the AKH collaboration with *Germany Trade & Invest* is working.

Investors are most interested in the renewable energy sector and more specifically, the solar and offshore wind power subsectors. "The core advantage is our broad value chain. Germany offers all of the links in the solar industry value chain: from research institute to plant manufacturer and installation engineer," says Dr. Hermann. The same is true for the personnel situation. Graduate engineers from all of the relevant disciplines and vocational training at all levels (for example, as a solar fitter) are further signs of a unique labor location.

Number of Foreign Companies and Employees in Germany (2010)

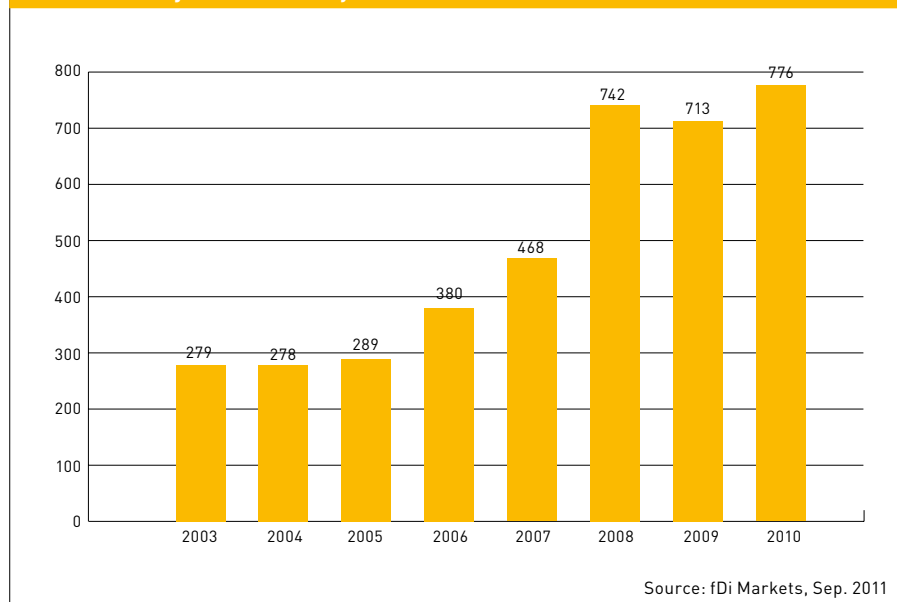
Country	Number of Companies (Approx. Value)	Number of Employees (Approx. Value)
Netherlands	8,000	476,000
USA	6,200	741,000
UK	5,200	303,000
France	3,700	328,000
Sweden	1,300	151,000
Spain	1,100	71,000
Japan	980	95,000
Russia	950	4,600
China	700	6,600
Canada	390	18,700
Poland	370	4,700
India	280	13,000
Czech Rep.	250	2,100
South Korea	125	4,700

Source: Bureau van Dijk Electronic Publishing, Markus Datenbank 2011

## ■ Positive image of Germany

*Germany Trade & Invest's* encouraging results prove that international investors have an extremely positive image of Germany as a business location. Established location studies confirm global investor interest in the country. Ernst & Young's annual "European Attractiveness Survey" of several hundred global managers recently found that Germany is the most attractive location in Europe. The majority of decision-makers surveyed consider the economic policy pursued by Germany to be attractive for international investors. Nearly half of all foreign investors expect Germany to become even more attractive over the next three years. The Ernst & Young report pays vivid testimony to the competitive advantages offered, the high quality of life and the strong and extensive spirit of innovation in the country. According to the survey, Germany will remain a research and development "hotspot" and leader in environmental technology ten years from now.

Number of Projects in Germany (2003-2010)





This year's "AmCham Business Barometer," published by the American Chamber of Commerce comes to a similar conclusion. The US companies surveyed see Germany, as in previous years, as the most important investment location in Europe. Alongside the country's central location in Europe, the US investors value the highly diversified mix of industries, high product and process quality, and the qualification and motivation levels of German employees.

#### ■ Record figures

Germany's success is also reflected in the statistics. The *Financial Times* "fDi Markets" foreign direct investment (FDI) database recorded top figures for Germany in 2010. fDi Markets registered 776 investment projects in 2010, a level

place for the first time since the database was set up (behind only the USA, China and the United Kingdom, and pushing India back into fifth place).

In total, the database recorded over 3,900 foreign investment projects in Germany for the period from 2003 to 2010. This puts Germany more than 300 projects ahead of France and Russia and over one thousand ahead of Spain. The statistics also put Germany well ahead of its eastern European competitors.

#### ■ USA and China

Investors from the USA are, as might be expected, behind the majority of investments. Nearly one in four projects in 2010 came from the USA. Nine percent of new business sites were set up by Chi-

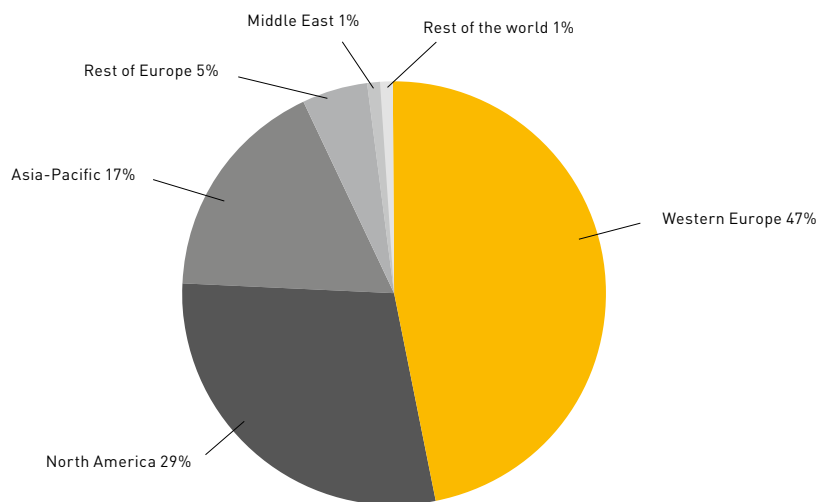
Kingdom or France. Germany has been the most popular country in the world for Chinese greenfield projects since 2008. In 2010, Germany was the destination for an impressive 23 percent of all new investments made by Chinese companies globally.

The 3,900 plus projects mentioned above come from nearly 3,000 different companies active in 39 different sectors. The ICT and software industry registered the largest proportion of new investments (18 percent), followed by financial & business services and vehicle manufacturing & mechanical engineering (15 percent of new project sites each respectively). Most investments are for the opening of new sales offices. However, Germany's pronounced industrial character also helps attract a high number of industrial projects. Nearly one in five companies chooses Germany with a view to launching production. To make a comparison, this figure is only one in ten for the United Kingdom.

#### ■ Economic reforms

The economic reforms of recent years and making the right decisions during the global financial crisis are now bearing fruit. Germany is emerging stronger from the past years' economic problems like no other country. International investors from different industries, corporate cultures and of different sizes value this strength. That is why Germany is Europe's most important investment location.

Number of Projects in Germany by Region of Origin (2003-2010)



Source: fDi Markets, Sep. 2011

which breaks the previous record of 2008 (742 projects). By "projects" are meant new investments ("greenfield" projects) and expansion investments that do not include mergers and acquisitions (M&As). After a comparatively small – by European terms – downturn of 3.9 percent in 2009, Germany is once again powering ahead. The results are also excellent at an international level. In 2010, Germany ranked fourth

nese investors, followed by Swiss companies. Many investment projects in Germany are also launched each year by companies from the United Kingdom, France, the Netherlands, and Japan.

As noted, one striking development in recent years has been the sharp rise in projects from China. The source of 78 projects in 2010, the "central kingdom" was a bigger investor than the United

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# Germany's Federal States

## Hamburg

The city state is a major gateway to the world with its bustling port – Europe's second largest – and a major international commercial hub. Hamburg has grown to become the world's third-largest civil aviation center and the heart of Germany's unmatched logistical infrastructure.

Population: 1.7 million; GDP per capita: EUR 50,640

(page 13)



## Bremen

Bremen and its deepwater port on the Weser River, Bremerhaven, make up the smallest federal state of Germany. Bremen. The city is Germany's second-largest shipbuilding and maritime trade location, although the main employer in the state is Daimler.

Population: 547,000; GDP per capita: EUR 41,918

(page 12)



## Lower Saxony

The state is home to some of the world's largest trade fairs, including the Hanover Industrial Trade Fair and CeBIT, the world's largest IT trade fair. The region's major industry is the automotive sector, thanks in no small part to Volkswagen's presence in Wolfsburg.

Population: 7.9 million; GDP per capita: EUR 26,902

(page 16)



## North Rhine-Westphalia (NRW)

This state has Germany's strongest economic output and largest population, and is attracting the most foreign investment of all German states. NRW has developed into a high-tech location of world renown and one of the densest research landscapes in the whole of Europe.

Population: 17.8 million; GDP per capita: EUR 30,421

(page 17)



## Hessen

With a population of 6.06 million, Hessen is home to continental Europe's premier banking center and airport in Frankfurt, and cities such as Darmstadt, Marburg, Kassel and state capital Wiesbaden. As a leading high-tech region, Hessen attracts many international companies such as GE, Canon, Motorola, Honda and Procter & Gamble that profit from the region's many strategic advantages. Hessen is the most productive state in Germany with a GDP of EUR 36,382 per capita.

(page 14)



## Rheinland-Pfalz

The region has the good fortune to share borders with France, Luxembourg and Belgium – countries with which it has close business connections. Major industries include pharmaceuticals, vehicle manufacturing and mechanical engineering. BASF, the world's largest chemical company, is also based here.

Population: 4.00 million; GDP per capita: EUR 26,874

(page 18)



## Saarland

Saarland's ideal position at the center of Europe allows it to serve as a logistics and distribution hub. Over 300 companies in the sector are already working out of the region. Due to its international strategy, it is also a first class destination for research intensive projects. The main industry clusters of the state are those belonging to the following branches: automotive, communications/IT, logistics, nanotechnology, biotechnology and healthcare.

Population: 1.02 million; GDP per capita: EUR 30,168

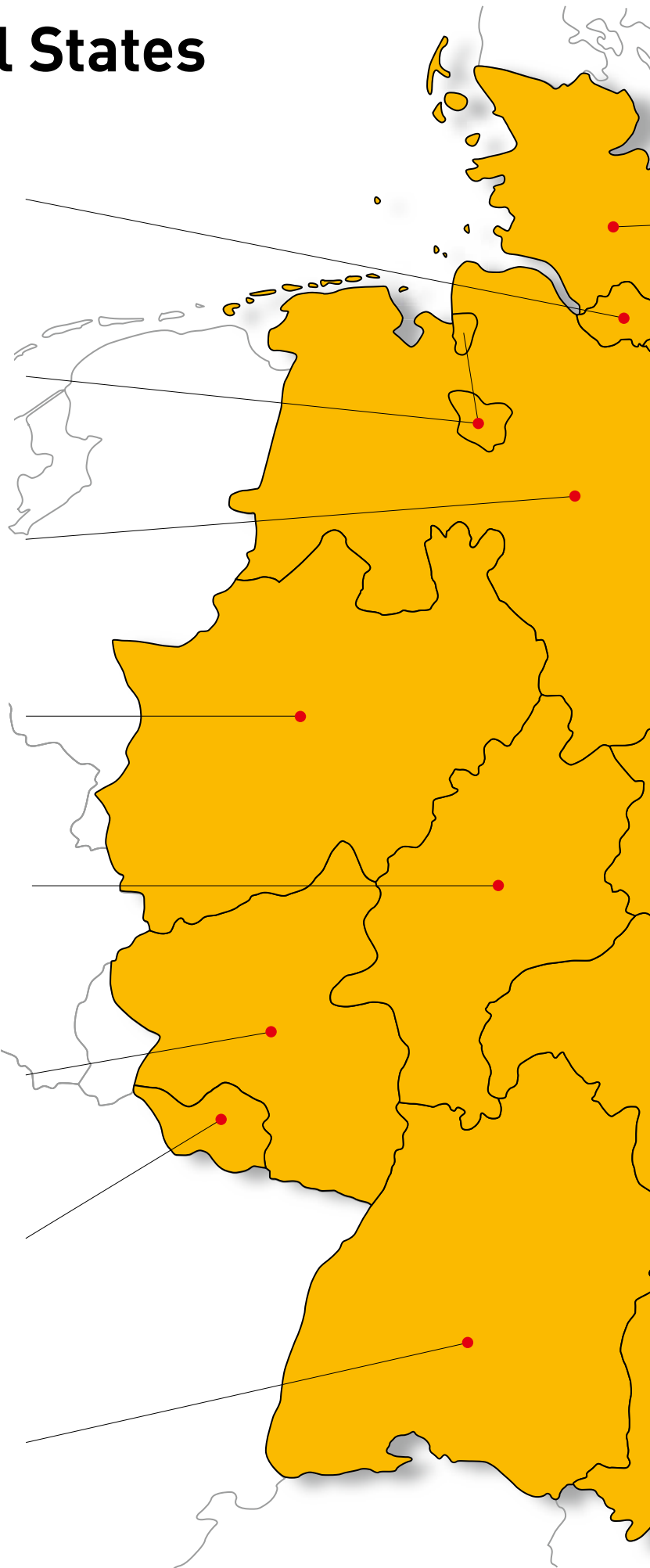
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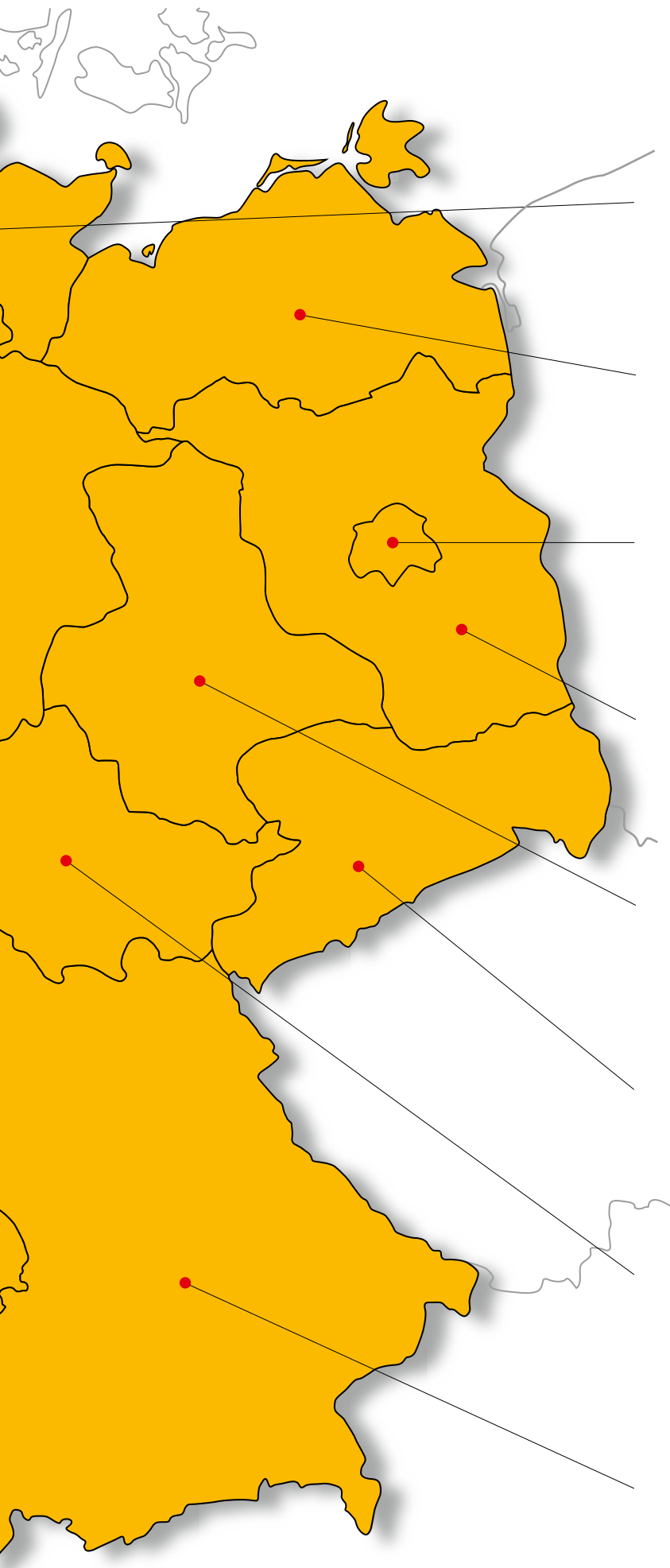


## Baden-Württemberg

It's not just the titans of German industry – such as Daimler, Bosch, Porsche and SAP – that are based in Baden-Württemberg thousands of small and medium-sized companies thrive there, too, and drive the economy. The region files more patent registrations than any other German state. Population: 10.7 million; GDP per capita: EUR 33,876

(page 8)





#### ■ Schleswig-Holstein

Located at the crossroads between the North and Baltic seas. A globally renowned research landscape lends wings to the state's sunrise industries. The motors of growth in Schleswig-Holstein – environmental technology, life sciences, communications technology, renewable energies, high-end mechanical engineering, food and logistics – are playing a key role in the dynamic upturn of the state's economy.

Population: 2.8 million; GDP per capita: EUR 26,712

(page 22)



#### ■ Mecklenburg-Vorpommern

Over the last 10 years, more than EUR 500 million have been invested in Mecklenburg-Vorpommern's shipyards and harbor infrastructure, making it one of Northern Europe's premier regions for the shipbuilding and maritime trades. The state offers some of the highest investment incentives in the EU.

Population: approx. 1.6 million; GDP per capita: EUR 21,439

(page 15)



#### ■ Berlin

Germany's largest city offers unbeatable infrastructure, affordable prices, proximity to major decision makers, targeted funding to promote development, a skilled workforce and an attractive quality of life. Many large firms – such as Daimler, Pfizer, Siemens, Sony and Vattenfall have head offices here.

Population: 3.4 million; GDP per capita: EUR 25,554

(page 10)



#### ■ Brandenburg

The region around the capital city Berlin is a major aerospace cluster, with over 70 industry companies, including Deutsche Lufthansa, MTU Aero Engines and Rolls-Royce Germany. Renewable energies, boosted especially by photovoltaics producers, has also become an important industry in Brandenburg.

Population: 2.5 million; GDP per capita: EUR 21,721

(page 11)



#### ■ Saxony-Anhalt

The main economic powerhouses are the logistics the chemical and plastics industry, and renewable energies. The chemical and plastics industry in Saxony-Anhalt, for example, employs approximately 25,000 people. Big names like Bayer, Total and Dow Chemical back a flourishing chemical industry.

Population: 2.3 million; GDP per capita: EUR 22,427

(page 21)



#### ■ Saxony

Over 650 suppliers in "Autoland Saxony" feed their products to five vehicle and engine production sites for Volkswagen, Porsche and BMW. "Silicon Saxony" is the center of Europe's microelectronics industry. It has nearly 200 companies in the semiconductor industry, employing more than 20,000 people.

Population: 4.1 million; GDP per capita: EUR 22,620

(page 20)



#### ■ Thuringia

The state is home to famous names like Opel, Rolls-Royce, Jenoptik, Bosch and Zeiss. Medium-sized businesses also thrive in Thuringia and the state's government is making major investments over the coming years to build bridges between these businesses, research centers and universities.

Population: 2.2 million; GDP per capita: EUR 21,875

(page 23)

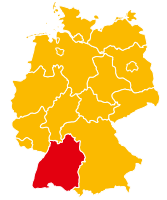


#### ■ Bavaria

The state is famous for its world-class manufacturing and service industries: BMW, Audi, Siemens, EADS and Airbus are only a few of the household names that have made Bavaria a powerhouse in manufacturing and exporting. The state is attracting numerous foreign companies, such as GE, Merck & Co., Olympus and Pfizer.

Population: 12.5 million; GDP per capita: EUR 34,397 (2009)

(page 9)



# Where Ideas Work

A multifaceted investment location: from holiday parks to research centers

The diversity of Baden-Württemberg's business landscape is reflected in the domestic and international investor projects. Quality of life and work go hand in hand in this region of thinkers and inventors.

## ■ DECATHLON to build German logistics center in Schwetzingen

The French sports manufacturer and retailer DECATHLON has chosen to set up its first logistics center in Germany in the Rhine-Neckar region. A logistics center for the company's German branches is due to open in 2013 on the site of a former Deutsche Bahn train repair works. Around EUR 40 million will be invested in Schwetzingen and up to 300 new jobs created.

## ■ Goodman develops automotive logistics center in Malsch for the Seifert Group

The Australian project developer Goodman is building a 46,000 m<sup>2</sup> automotive logistics center in Malsch, near Karlsruhe, for the Ulmer Seifert Group. Goodman has invested around EUR 30 million in the former concrete works site. The new complex is to supply vehicle components to the Mercedes-Benz factory in Rastatt and will employ 200 staff.



*Model of the new Decathlon logistics center in Schwetzingen*

## ■ Center Parcs to build holiday park in Leutkirch

Dutch leisure group Center Parcs intends to start work on a holiday park in 2012 on the site of a former munitions dump. The company is investing EUR 350 million in the construction of 800 holiday cottages, a covered swimming pool complex with tropical gardens, Jacuzzis and saunas, artificial lakes and restaurants. A workforce of 800 will be employed at the 180 hectare site. The park is expected to welcome a million overnight guests a year.

## ■ Businesses in Baden-Württemberg expanding

The region is not only welcoming new investments from enterprises elsewhere in Germany and abroad: many German and international businesses already op-

erating in Baden-Württemberg are planning to expand. US company Shure has set up its European headquarters in Eppingen. The audio specialist already had a presence in Baden-Württemberg. The new building is a model for innovative audio and video solutions and offers its staff enormous scope for creative development.

VARTA Microbattery is investing around EUR 11 million in the construction of the world's largest hearing aid battery production plant in Ellwangen. This investment will further increase Varta's lead in the global market. Together with the innovation and research center opened in Ellwangen in 2010, the site will create 50 new jobs in total.

The Japanese firm Minebea Co. Ltd. is expanding its existing miniature ball bearing production plant in Leutkirch im Allgäu. Production space is being increased by 3000 m<sup>2</sup> at a cost of EUR 5.5 million. Twenty to thirty new jobs will be created in the region.

One of the most ambitious investment projects in Baden-Württemberg is the construction of the new Bosch research center in Renningen, near Stuttgart. The company has earmarked over 160 million euros for the first stage of construction. Up to 1,500 employees will work at the site.



**Contact** Baden-Württemberg International  
Stuttgart  
[www.bw-i.de/](http://www.bw-i.de/)

*The new Shure European headquarters in Eppingen*





# The Place to take off for Logistics and IT

Bavaria is an investment location with a number of impressive qualities

Bavaria — one of the markets boasting the highest purchasing power and the largest state in Germany. For anyone wanting to reach their customers in the shortest possible time, the state of Bavaria is the obvious choice as a logistics location. And Bavaria also enjoys an excellent reputation worldwide as an IT location.

## ■ Bavaria – the fast line to the customer

Amazon is the world's largest online retailer. In 2011, the go-ahead was given for a new logistics center at Augsburg. The US group is now building its new facility on a site roughly the size of sixteen football pitches in the Swabian community of Graben, where 1,000 permanent and 2,000 seasonal jobs will be created. Besides the availability of well-qualified and motivated employees, one of the key conditions for the site was the construction of a new railway station adjacent to the industrial park. According to Armin Cossmann, Regional Director at Amazon, another reason for choosing this site was the high level of support received from the public authorities.

A large number of markets can be quickly reached from Bavaria. Tremco illbruck, a subsidiary of the US group RPM International from Ohio, has also opted for Bavaria. In future, Tremco illbruck will supply its products to central and eastern Europe from its base in the Upper Palatinate. Since 1983, Tremco illbruck has had a production site at Bodenwöhr, where it employs a workforce of some 250. A new central warehouse is being constructed here with a total investment of EUR 5.5 million. The site at Bodenwöhr has won out in the face of tough intergroup competition from other German states and eastern European countries.

## ■ IT location Bavaria – I like it!

Bill Gates once referred to Bavaria as "Europe's high-tech Mecca". Other major groups have long since recognized Bavaria's potential as an attractive IT location: Google opened its research & development center here some years ago and Texas Instruments its European headquarters. In 2011, many other IT

firms also chose Bavaria as a base, setting a clear trend: IT companies benefit from much more than the vibrant IT environment they find in Bavaria. Synergies with IT-supported applications in other sectors including the life sciences, aerospace, automotive engineering and logistics sectors also make Bavaria an attractive location.

Another dynamic IT company that has opted for Bavaria is the software development and consultancy company mi-soft systems from Romania. At its base in Munich, it will cater for the IT consulting and the support needs of its customers in Germany, Austria, Switzerland and the Netherlands.

The French software manufacturer Squoring Technologies GmbH has also decided to set up shop in Bavaria. The company intends to expand not only its sales activities, but also its R&D operations. Conditions in Bavaria are ideal for the company to perform successfully, especially in light of its main sales markets (embedded systems in the automobile, aerospace and medical technology industries).

The Dutch IT provider Republic M! has also opened a subsidiary in Bavaria — its first in the German-speaking countries. From its base here, the company will develop the markets in Austria and Switzerland. To quote Raymond Francot, Managing Director of Republic M! Deutschland GmbH, the reasons for doing business in Bavaria are manifold. "Bavaria scores well with a strong focus on technology and a major life sciences industry."

*Ground-breaking ceremony for Amazon's new logistics center in Graben*



*(From left to right) CSU Member of the Landtag Max Strehle, Director EU Operations Real Estate Amazon Raimund Paetzmann, Bavarian Minister of Economic Affairs Martin Zeil, CEO of Goodman Germany Andreas Fleischer, Vice President EU Engineering & Infrastructure Amazon Jochen Dittrich, Mayor of Graben Andreas Scharf, Regional Director of the Amazon Logistics Center in Germany Armin Cossmann, Head of the district authority of Augsburg Martin Sailer*



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# A Capital Investment

Businesses in Berlin are investing in the future



*Sony Center at Potsdamer Platz*

Berlin was able to record a positive economic development over the past years. Between 2005 and 2010 the real economic performance grew by 13 percent: twice as strong as the national average. In 2011, the Berlin Senate expects an increase in real economic performance of three percent.

## ■ Thriving sectors

The city's communications, biotechnology, environmental services, transportation and service sectors are all expanding rapidly, as are creative fields such as music, design and the media. Accordingly, jobs are being created in the city: the number of social security contributions increased by 29,600 between May 2010 and May 2011.

Location factors such as infrastructure, real estate and a skilled workforce are attracting a number of companies to

settle in the city. Helping companies to get everything they need is the city's own integrated development and location marketing agency, Berlin Partner. The company assists foreign investors in the locating process and accompanies Berlin-based enterprises in questions regarding foreign trade, location support and expansion. As a public-private partnership, Berlin Partner is supported by more than 170 private enterprises. The service packages include the business welcome, business financing, business locating and business recruiting packages. Since 2005, Berlin Partner has assisted more than 500 companies to settle in the capital, bringing in around EUR 2 billion in investment funding and creating over 25,000 new jobs.

(further information:  
[www.businesslocationcenter.de/en](http://www.businesslocationcenter.de/en))

## ■ A balanced mix

Berlin is one of Europe's most attractive destinations for property investors and companies, the main reasons for this being the positive economic development, balanced industry mix and the attractiveness for highly qualified workers.

Companies like the Mercedes-Benz Bank and BASF have already chosen Berlin as the location for their service center, thereby making a major investment in the potential of the capital. BASF currently runs a European Service Center with 100 employees in the city and Deutsche Bank moved its Risk Management Center from London to Berlin.

The world's largest online retailer, Amazon, has opened a huge service center in the city – creating 500 new jobs in the service sector. But it's not just Amazon that found Berlin suitable as a location, company Fujitsu intends to open a service center in Berlin as well. This fall the Japanese multinational computer hardware and IT services company opened a service center – creating 400 jobs. For Fujitsu, the key factors influencing the decision to invest in Berlin included the city's well-developed infrastructure and its attractiveness to potential employees who possess the language and sales skills required. "We systematically worked our way through a list of 20 cities," said Rolf Schwirz, CEO of Fujitsu Technology Solutions. "Four of those made our short list. In the end Berlin and Barcelona came out on top. The excellent support that we received from government agencies in Berlin, not least from the city's economic development agency Berlin Partner, was a crucial factor for us."

**Contact** Berlin Partner GmbH  
**Berlin**  
[www.berlin-partner.de](http://www.berlin-partner.de)





# First Solar Expands in Brandenburg

The world's largest manufacturer of modern thin film solar modules is doubling its production capacity in Germany

After less than a year's construction work and an investment of EUR 173 million, First Solar's new production plant began operations in 2011. Eight production lines are now up and running instead of the previous four. Each year, the nearly 50,000 m<sup>2</sup> site will produce solar modules with a total output of over 238 MW. For First Solar, this is a German production capacity increase of almost 100 percent to a total of 477 MW – enough to supply a city with solar power for 20 years. First Solar's investment is creating up to 500 new permanent jobs. The new factory will use clean electricity from its own solar collector on the roof of the production hall.

## ■ Key production location

"Germany is and will remain a major market for solar power and a key production location for First Solar," says Bruce Sohn, president of First Solar. "Support from the government is important for our investment and is helping us lower the costs of solar power to those of conventionally generated electricity. The decision to steadily reduce solar funding instead of capping the market is both a necessary one and an incentive to further increase cost efficiency. Doubling our capacity in Frankfurt (Oder) will enable us to meet the growing demand for clean, affordable renewable energy at low costs in Germany, in Europe and across the world."

Establishing thin film solar module production in Germany for the European market is also aimed at securing the company against exchange rate risks. "We started small with a factory in Frankfurt (Oder). For us, this and the second factory are the foundation for further projects in Europe and beyond," says Sohn, adding that First Solar sees the site as a springboard for serving customers around the world. The firm has also acquired the option for another site to be able to construct a third factory.



*First Solar employees in Frankfurt (Oder)*

## ■ Reinvestment is a signal

According to Burghard von Westerholt, plant manager and managing director of First Solar Manufacturing GmbH, First Solar is proud to be able to double capacity just four years after its first site was opened. "This is thanks not just to political support but also to our highly qualified and extremely motivated workforce. Our reinvestment sends a further signal to our customers and staff in Germany that they can count on our continued commitment to this key market." The facility in Frankfurt (Oder) was the only eastern German manufacturing company awarded "Great Place to Work" status by the international Great Place to Work Institute.

The solar industry in Brandenburg has become one of the most innovative growth sectors in the federal state. Nearly every second solar module produced in Germany now comes from Brandenburg. As a result of new sites and expansion

by leading manufacturers, players from across the value chain are now operating in the region. First Solar was instrumental in sparking the solar boom in Brandenburg through its initial investment in 2007. The eastern German state is now home to ten solar factories with a total workforce of 2,600.

"We are seeking to establish a complete solar product cycle, which is why we are particularly pleased with First Solar's decision to reinvest here," says Martin Wilke, mayor of the City of Frankfurt (Oder). "With its prefunded solar module collection and recycling program, First Solar is a pioneer in the region and offers a real, cost-effective alternative to traditional power generation."

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# Business in Bremen – A Success Story

Tradition and high-tech give distinction to the city

A donkey, a dog, a cat and a cock — is there anyone who does not know these Grimm's fairy tale characters? The Bremen Town Musicians are famous throughout the world as a symbol for Bremen. Yet Bremen has much more to offer than an old fairy tale. Cosmopolitanism and innovational drive, entrepreneurial spirit and the art of trade have been the foundations of economic success here since time immemorial. Today, Bremen is a north German business center offering around 300,000 jobs in a wide range of industries. The stage has been set for ongoing structural change.

Maritime traditions are as alive as never before. The fast-growing port, transport and logistics sector is an increasingly important lynchpin of the Bremen economy. With an annual cargo volume in excess of 75 million tons in 2008, the Bremen ports achieved their best ever results.

## ■ The "Mobile City"

High technological standards are also set in Bremen in the fields of production, marine and electronic engineering. In the up-and-coming communication and information technology industry, Bremen has positioned itself well as "Mobile City Bremen". Other promising and potentially expanding fields of competence are microsystem

engineering, environmental engineering, the health care industry, food technology, and biotechnology. A research infrastructure with four higher education institutes and around 50 research institutes provide the basis and source for growth and development. Offering more than 60 degree courses in all the academic disciplines, the University of Bremen occupies a leading position in the research landscape. The Bremen University of Applied Science (an internationally focused and application-oriented university) the Bremen College of Art and the International University Bremen complete the range of higher education institutes.

One of the most important fields of expertise in Bremen is aerospace technology. Innovative, globally operating companies such as EADS Space Transportation and OHB-System AG (Europe's leading enterprise in the construction of small satellites) and research centers like the Center for Applied Space Technology and Micro-gravitation (ZARM) are based in the Free Hanseatic City of Bremen.

As Germany's fifth largest industrial center, Bremen is particularly strong in aircraft construction. Bremen is also

*"Überseestadt" Bremen – the port and its surroundings*

the car-making capital of northern Germany. Daimler has expanded its Bremen plant to make it the second biggest German production site — with a 13,000-strong workforce — within the group.

The food and beverage industry is yet another key industry in the "brand capital", with many famous brands being packed or traded in this city by the Weser, including coffee, cereals, beer, wine, ham and chocolate.

## ■ Industrial estates with distinct profiles

Bremen has succeeded admirably in forging close links between the business and research communities. This was one reason among many why the city was designated "City of Science" in 2005. One center of crystallization for transdisciplinary collaboration is the Bremen Technology Park, one of the most successful and efficient of its kind in Germany. It is home to more than 400 high-tech enterprises with a total workforce of 10,000 — engineers developing new satellites, mechanical engineers creating new production processes, and computer experts engineering new software. The Technology Park has advanced to become a model for other centers — for example, the Airport City around Bremen Airport and the engineering faculties at the Bremen University of Applied Science. Airport City is a highly modern and attractive location for business and now has more than 16,000 people employed in around 500 companies and a wide range of industries. Having international air traffic on the doorstep is not the only factor that makes the location of Airport City so popular — Bremen's city center can also be reached in a matter of minutes.



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# New EU-LAC Foundation Stimulates Dynamism

The formation of a competence center for Latin America and the Caribbean is expected to stimulate relocations of companies from that region to the Hanseatic city

Hamburg's successful wooing of foreign direct investment from Latin America and the Caribbean is a prime example of the city's international location marketing in successfully promoting the city's assets worldwide – and attracting new companies.

Hamburg and South America have a centuries-old tradition of close ties – not only rooted in the port. The Elbe metropolis has another trump card, making it even more attractive to Latin American companies: in late 2011, the European Union's Latin America Foundation (EU-LAC Foundation), will set up headquarters in Hamburg. One of the anticipated effects of the formation is to enhance the business environment for Latin American corporate settlements in Hamburg.

## ■ EU-LAC Foundation with impact all over Europe

The EU-LAC- Foundation will be a center of competence with impact all over Europe. Its main responsibilities will cover the following areas: strengthening the cooperation between EU and LAC states, promotion of mutual understanding, and implementation of the priorities agreed upon at the EU-LAC sum-

mits. Activities such as seminars, conferences, exhibitions, training, and public relations will play a prominent role in the organization's remit. Further focal points are the promotion of research, and the integrated networking of actors from business, science, politics, and culture. The decision to set up the EU-LAC Foundation in Hamburg was taken during the EU-LAC Madrid summit in January 2011. The approval was granted after an application procedure, which saw Hamburg see off the competition from Paris and Milan.

The president-elect of the EU-LAC Foundation is the former EU commissioner Dr. Benita Ferrero-Waldner. The current Peruvian ambassador to the European Union, Jorge Valdez, has been appointed managing director.

## ■ Investment in logistics, aviation and renewable energies

Numerous companies with strong Latin American ties are already active in Hamburg. Within Hamburg Süd Group, the Brazilian shipping line Aliança is an independent brand for container cargo, while Aliança Bulk (Aliabulk) operates bulk carriers under the Brazilian flag. The Chilean shipping line CSAV set up

its headquarters for Europe, Scandinavia and the Mediterranean in Hamburg, while Brazil's orange juice exporter CitroSuco is organizing its European sales from Hamburg. Meanwhile, the first small and medium-sized companies from Mexico, Uruguay and Chile are following in their footsteps and settling in Hamburg. Further investments are expected. Aviation and renewable industries are further important sectors with settlement of companies from Latin America and the Caribbean on the agenda. Alongside Brazil, for instance, Hamburg shares mutual interests in aviation. In the sector of renewable energies, Mexico plays an important role.

## ■ Experienced partners pave the way to Hamburg

When considering relocation, expansion or restructuring, the Hamburg Business Development Corporation is the first point of contact, offering all services free and confidentially. One of its main goals is to attract more acquisitions from Latin America and the Caribbean. However, Brazilian companies heading to Northern Germany are already able to receive this support in their home country where two Hamburg Ambassadors and a soon-to-be-opened Hamburg representative office support them along the way. Those needing advice and assistance in Hamburg will find both at the European Trade Center for Latin America (EZLA), expanded with the support of HWF. EZLA's concept bundles the expertise of industry professionals to set up a business center, a showroom and a distribution center available to companies. All this clearly shows that companies interested in moving to Hamburg can count on many competent partners.



Opening ceremony of EULAC in November 2011 in the City Hall of Hamburg; (from left to right): Christian Leffler, Managing Director for the Americas of the European External Action Service; Olaf Scholz, First Mayor of the Free and Hanseatic City of Hamburg; Benita Ferrero-Waldner, President of the Foundation; Dr. Guido Westerwelle, German Foreign Minister; S.E. Jorge O'Ryan Schütz, Ambassador of the Republic of Chile.

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# The Location for Success

Hessen is Germany's Profit Center and first choice for many foreign companies which have established their German and European headquarters there

## ■ Plexus announces engineering expansion in Darmstadt

Plexus Corp. (NASDAQ: PLXS), will lease approximately 1,400 m<sup>2</sup> of space in the Europa Arkaden building in Darmstadt, which is expected to be operational by the end of the year. It will house a design center including engineering offices and product development facilities that will be consistent with other Plexus design centers worldwide, providing engineering solutions for electronics OEMs (original equipment manufacturers).

## ■ DB Schenker concentrates its management in Frankfurt am Main

DB Schenker, the transport and logistics division of Deutsche Bahn, is consolidating its corporate headquarters from other cities in Germany into Frankfurt. Around 330 members of management from both DB Schenker Logistics and DB Schenker Rail will be concentrated in the city. "As an outstanding internationally economic region, Frankfurt is a very attractive logistic hub," said Dr. Karl-Friedrich Rausch, Member of the Board of Transport and Logistics of DB ML AG. "We will be developing our international business from Frankfurt. The future of the logistics sector con-

sists of efficient intermodal transport options for our clients. With a united management we are set up optimally. Frankfurt offered the best qualification as a traffic hub in the heart of Germany and Europe," said Rausch.

## ■ Clariant invests in an innovation center in Frankfurt am Main

Clariant (Switzerland), the global leader in specialty chemicals, is expanding its worldwide research and development activities at the Frankfurt-Hoechst Industrial Park with a more than EUR 50 million investment. By the end of 2012 the new "Clariant Innovation Center," in a space of 23,000 m<sup>2</sup>, will house 500 employees. It will unify the Technology Services Group, which will include the chemical R&D, the technical laboratories and technical marketing of several other business units.

## ■ VietinBank – first vietnamese bank in Frankfurt am Main

On September 6, 2011, the Vietnamese Deputy Prime Minister Hoang Trung Hai and Dr. Hung Pham Huy, VietinBank Executive Chairman, participated

*Frankfurt am Main skyline*



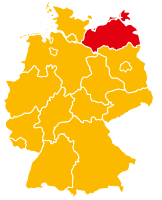
*Airport Frankfurt am Main*

in a ribbon-cutting ceremony to celebrate the opening of VietinBank's new European head office in Frankfurt. VietinBank's fourth largest bank, it is now also the first Vietnamese bank to establish a presence in Frankfurt and the bank's first office outside of its country. It has space for up to 30 employees and offers a comprehensive range of services from corporate loans to trade financing and private deposit accounts.

## ■ Gazeley builds new logistics center at GVZ Kassel

Gazeley, a global developer of cost effective logistics space expands further at the Güterverkehrszentrum (GVZ – "goods transportation system") in Kassel. The new logistics facility will be built for the solar company, SMA Technology AG, with 45,100 m<sup>2</sup> of storage space and over 2,000 m<sup>2</sup> of office space – making it the largest real estate development in Northern Hessen. The region of Northern Hessen is strategically located in the center of Europe and has Germany's shortest cut-off time. Gazeley is operational in the UK, Europe, the Middle East and China, and is an important part of Economic Zones World Group.

**Contact** HA Hessen Agentur GmbH –  
Economic Development Corporation  
of Hessen  
**Wiesbaden**  
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# An Automotive and Aviation Center

The two industries have been developing dynamically in Mecklenburg-Vorpommern

## ■ The automotive industry

Mecklenburg-Vorpommern is the northern hub for trade with Scandinavia, Poland and the Baltic – a fact which offers attractive business prospects for the automotive industry in the region. An advanced structure with highly specialized suppliers and a workforce of several thousand has developed; one which harnesses synergies in networks and draws on excellent links between science and industry. Rising turnover and the creation of new jobs reflect the positive economic development in the region. Around 100 companies, employing a four thousand plus strong workforce, generate an annual turnover of around EUR 1.2 billion. The production range of businesses here is broad and technologically complex. Suppliers come from

universities and other academic and research institutions in Mecklenburg-Vorpommern, with an engineering and development department being set up to coordinate this work. Oberaigner is also extending its activities into the aviation sector, which will significantly expand available competencies at the Rostock/Laage site.

Wilhelm Oberaigner, managing director of the Oberaigner Group, believes Rostock/Laage is “the ideal location for our company’s expansion into new markets. Invest in MV was an excellent partner both before and during the project, a partner which showed us new options, speeded up procedures and sometimes even made the (almost) impossible possible.”



*Wilhelm Oberaigner GmbH Rostock/Laage site (rendering view)*

many different segments of the manufacturing industry, including plastics, rubber and metal processing, electronics and electrical manufacturing, and production-related services.

Mecklenburg-Vorpommern is an attractive location for suppliers. Firms often control niche markets and achieve success in specialist fields. Wilhelm Oberaigner GmbH from Austria is currently building a production site for off-road vehicles in Laage, where it will employ up to 200 new staff, including everything from skilled production workers to mechanical engineers. A new 16,000 m<sup>2</sup> assembly shop for all-wheel trucks is under construction at the new company site of around nine hectares. Operations are set to begin in early 2012. Research and development will also be pursued in cooperation with

## ■ The aerospace industry

A modern supply industry is developing with strong and successful companies in close proximity to the metropolitan region of Hamburg, one of the leading European centers of civil aviation. The environment is an excellent one for engineering service providers, manufacturers, product developers and companies involved in collaborative research for targeted product development. Companies like Rostock System-Technik GmbH (RST) pay testimony to this fact.

RST is a multidisciplinary development company based in Rostock. A combination of the core competencies of mechanics, electronics and software enables RST to carry out a diverse range of

complex work for customers from the aerospace industry and research sectors. The company has built on the successes of numerous projects to develop a new business segment: the development and manufacture of cabin simulators. These training devices are almost identical to real airplane cabins and allow on-board personnel to practice emergency and service situations in a true-to-life setting. The most common simulators are the Cabin Emergency Evacuation Trainer (CEET), the Door Trainer (DT), the Overwing Exit Trainer (OWET) and the Cabin Service Trainer (CST).

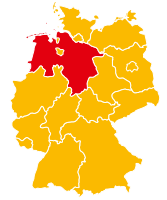
RST acquired a major international customer in China Eastern Airlines (CEA). CEA cabin stewards are trained in Shanghai using a cabin emergency evacuation trainer from Rostock. Alongside CEA, other international airlines and training center operators – in Finland, Russia, Brazil and the USA – are also among the company’s customers. RST Rostock System-Technik has also been awarded the contract for the development, manufacture and supply of the very first simulators for the new Airbus A350.

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*RST training systems*







# Investment Offensive in Key Technologies

Lower Saxony – an innovative location with a broad industrial base

Investments in crossover and key technologies confirm Lower Saxony's attractiveness as a research and production location. A broad industry base is drawing investments in the automotive, aviation, logistics and energy/renewable growth sectors which constitute the region's core industries.

## ■ Cutting-edge products in global demand

In the home state of Volkswagen, multiple independent contractors, a wide range of aviation and aerospace production plants, and long-term investments are creating cutting-edge products in global demand. International players are entering future growth markets with major investments – for example in CFRP (carbon-fiber-reinforced polymer) and battery technology. Lightweight materials produced from CFRP are increasingly being used in the aviation industry. In the major supply centers of Varel, Nordenham and Stade, unique competence in CFRP component production is being created through the development of technology centers thanks to a total investment of EUR 100 million. In the logistics segment, Lower Saxony has more seaports per square mile than any other region in Europe. The state has become a leading wind power producer with the development of offshore bases along the Lower Saxon coast. Lower Saxony will further cement

its position as a global trade hub once JadeWeserPorts Wilhelmshaven (JWP) starts operations in August 2012.

## ■ Major investments in logistics

Sports manufacturer Adidas is investing EUR 100 million in a fully automated distribution center near Osnabrück. This will be the group's largest logistics center and will serve both retail and e-commerce functions across the whole of western Europe. Not far from Hanover, in Lauenau, food wholesaler EDEKA Minden-Hannover has invested EUR 119 million in a modern logistics center to improve stock turnover, while the Polish freight-exchange TRANS has set up its new German subsidiary in the same town. Pharmaceutical wholesaler Noweda has set up a fully automatic logistics center in Peine at a cost of EUR 25 million.

A key development in the automotive industry is investment in e-mobility: Daimler and Bosch have agreed to produce electric motors in a joint venture in Hildesheim where Bosch already has a factory. Vietnamese Tagong Group has also opened a subsidiary in Hildesheim. Johnson Controls in Hanover (the site of the European hybrid battery integration center) is increasing capacity for "start-stop" batteries. The US group is

*JadeWeserPort Wilhelmshaven*

investing over EUR 200 million in the medium term to expand production and R&D capacity.

## ■ Branch offices and joint ventures

Chinese automotive supplier YAPP Automotive has set up a separate branch office in Wolfsburg to serve the German market. Roadtec, a subsidiary of US road construction machinery manufacturer Astec Industries, is investing in a new production plant for high compaction screeds in Hameln. The Austrian Polytect Group, a synthetic components and parts manufacturer, is planning to invest EUR 5 million to extend the capacity at its factory in Lohne, while US company Dow is set to significantly increase its production capacity for epoxy resin at its Stade works.

A joint venture by Asahi Kasei Medical Europe from Japan and NX Stage from the USA is building a new production plant for medical products in Göttingen. A new research center for pharmaceutical process technology is under construction in Braunschweig at a cost of EUR 29 million. In Bad Lauterberg, the Austrian company Unique Lights is setting up a new LED lamp production plant.

**Contact** Niedersachsen Global GmbH  
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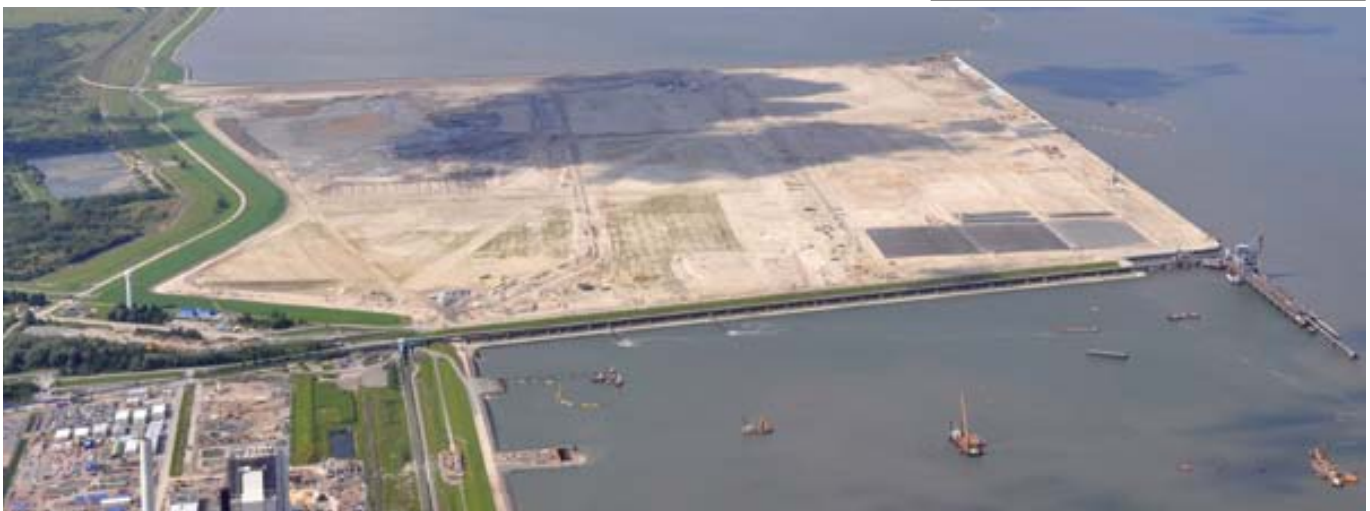


Photo: JadeWeserPort, Wilhelmshaven





# The Trend Continues

## NRW.INVEST's review of the year

For some time, NRW.INVEST has been experiencing three fundamental trends which have continued into 2011. Firstly, there is distinct evidence of agglomeration. This means that investors are more likely to decide in favor of a particular location if companies from the same country of origin or the same sector are already based there. Secondly, logistics centers are continuing to settle in the region to a substantial degree. And, thirdly, as a research and development location Germany is still perfectly capable of holding its own in the face of international competition. Foreign companies are currently expanding their capacities at their present sites or establishing R&D centers.

### ■ CYBERDYNE sets up German branch in Bochum

In May 2011, the Japanese company CYBERDYNE established its German branch at the BioMedicineCenter in Bochum. CYBERDYNE Germany GmbH is preparing to launch the robot suit HAL® (Hybrid Assistive Limb®) on the German market. Developed by Prof. Dr. Yoshiyuki Sankai of Tsukuba University, HAL® is what is known as an exoskeleton. It provides the human body with an additional supportive function. Body movements can be supported by the robot suit or, given certain conditions, even

initiated — something which is particularly relevant for the elderly and people suffering from paraplegia. The first clinical trials and research in Germany with the innovative robot suit are taking place at the Bergmannsheil University Clinic in Bochum. One of the reasons why the company is locating in North Rhine-Westphalia is the proximity to Bayer MaterialScience, which supplies high-quality materials for HAL®.

### ■ Amazon opens a second location in North Rhine-Westphalia

In July 2010, Amazon gave the green light for a new logistics center in Werne, Münsterland, providing jobs for up to 800 people. In February of this year, Amazon announced its intention to settle in Rheinberg in the Wesel district of the Lower Rhine region. The 110,000 m² logistics center already commenced operations in September. Around 1,000 long-term jobs will be created here over the next three years.

### ■ Chinese construction machinery manufacturer in Krefeld

The Düsseldorf China Center (DCC) was founded in 2005 and, last year, saw the foundation of the Chinese Enterprise Association e.V., a network of Chinese companies in the state. Numerous Chinese banks, insurance companies and lawyers now provide a comprehensive range of services for Chinese firms based



Robot suit HAL® of CYBERDYNE

in North Rhine-Westphalia. For several years now, North Rhine-Westphalia has been developing into the leading location for Chinese companies in Europe. At present, 700 Chinese companies employ over 5,000 people in the state. And the quality of the location activities has increased significantly in recent years. In addition, the first sector-specific agglomerations are taking place.

In 2008, for example, NRW.INVEST assisted with the location of the Chinese construction machinery manufacturer SANY Heavy Industry Co. Ltd., which invested around EUR 100 million in its European production site, a research and development center and a training facility. The investment in North Rhine-Westphalia was the largest Chinese investment in a greenfield project in Europe. This year, the Chinese competitor Xuzhou Construction Machinery Group (XCMG) followed suit, investing EUR 3.25 million in a German-Chinese joint venture in Krefeld. XCMG is also planning to establish a research and development center in North Rhine-Westphalia.

Sany opening ceremony in Bedburg





# Ampco Pumps Selects Rheinland-Pfalz for its European Headquarters

Major US manufacturer of high quality metal products sets up business in Germany

With its headquarters based in Milwaukee, USA, the home market was traditionally Ampco's strongest for many decades, but recent years have seen an ever-increasing demand for high quality pumps all over the world. Ampco aims to provide customers and distributors with a better service worldwide, with greater spare-parts availability and faster deliveries.

## ■ Leading manufacturer

Ampco Pumps Company has been a leading manufacturer of stainless steel, duplex stainless steel and nickel aluminum bronze centrifugal pumps for the sanitary, marine and industrial mar-



*Ampco's new ZP 3 line – currently in testing at EHEDG*

kets. From metallurgy and corrosion resistance to demanding seal requirements, customers have come to rely on Ampco's heavy duty construction and efficient design for difficult pump application solutions. The recently added positive displacement pumps complete the pump line, allowing them to respond even more purposefully to customer requirements.

Their areas of activity lie mainly within the food, beverage (dairy and brewery) and pharmaceutical industries, and, increasingly, in desalination processes which are implemented globally to transform sea water into drinking water. Some typical application examples: evaporation process in the juice

industry, mixing of powders into liquids (e.g. dissolving sugar, milk powder et al.), positive displacement pumps in the chocolate and tomato industry, high-pressure pumps for membrane filtrations, special polished pumps for water for injection applications.

The company is upgrading its pump portfolio to meet European requirements with regard to CE marking and certification. For example, European Hygienic Engineering & Design Group (EHEDG) cleanability tests for the sanitary markets are currently in progress at the Weihestephane Research Centre for Brewing and Food Quality (BLQ) at the TU Munich.

## ■ At the heart of Europe

The German State of Rheinland-Pfalz is situated at the heart of Europe and provides an excellent location for the new company Ampco Pumps GmbH. In Herxheim, in the southern Pfalz region, directly on the A65 motorway, the company has a central office with stock and a small production plant to serve the European market and other parts of the world. In the midst of one of Germany's prime wine growing regions and very near to Alsace in France, Ampco Pumps aims to enjoy similar success to that already experienced on the Californian wine market.



*Ampco Shear Blender SB*

## Rheinland-Pfalz: the perfect place for SMEs

99 percent of the companies in the federal state are small and medium-sized enterprises. The state export quota rate of 52 percent in 2010 is one of the highest in Germany. Centrally located in Europe, Rheinland-Pfalz is one of the most important business centers of the future. The *Investitions- und Strukturbank Rheinland-Pfalz (ISB) GmbH* – the economic development corporation of the state – assists in the realization of investment projects for entrepreneurs and informs investors about attractive sites, incentives and financing.

Another advantage for Ampco Pumps GmbH is its close proximity to Frankfurt Airport, which enables the direct and speedy shipment of products to destinations all over the world.

From Ampco Pumps' German facility, the company links up with local suppliers of motors, couplings and stainless steel products to serve local customers, OEMs and distributors in Germany, as well as Europe and international markets such as Asia. Having already set up a network of partners in many countries, the investor hopes to expand its presence all over the world. The team in Germany has been selected on the basis of long standing experience in the pump and food industry sectors. This experience allows them to help customers reduce their costs at all levels by providing energy-saving concepts, spare-parts organization and advice on maximizing pump service life.

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# Online Games from Saarland

IT research landscape increasingly attractive for businesses

A growing number of companies with no link to research are joining project partnerships in the region – a recent case in point being international semiconductor manufacturer Intel's cooperation with the German Research Center for Artificial Intelligence (DFKI). One example is from the growing social gaming market.

San Francisco, Redwood City, Beijing and Luxembourg are just some of the locations where the company is located; Saarbrücken can now be added to that list. In May 2011, games developer and social gaming trendsetter Kabam set up its German site in the capital of the Saarland. Kabam Deutschland GmbH follows Kabam Europe in Luxembourg.

## ■ Saarland offers investors excellent conditions

"We have ideal conditions here at Science Parc Saar 2, right beside the Saarbrücken University campus," says managing director Dirk Ackermann. "Saarbrücken is only around 80 kilometers from Kabam Europe in Luxembourg, so we are close to the European headquarters geographically, too. The site in Saarbrücken was also within our budget." The online gaming specialist is still in the development phase, but that should soon change. "We aim to increase our workforce in Saarbrücken to around 50 by mid-2012." Ackermann is confident about the prospects in his home state.

## ■ Online gaming booming around the world

Kabam games are currently played primarily on the facebook social network. Members of the community can "meet" to play, form alliances and much more. There are millions of Kabam players on facebook around the world. "Dragons of Atlantis," "Glory of Rome" and "Global Warfare" are the company's best-known games. "Kingdoms of Camelot" was voted 2010 Game of the Year by the leading news and review network IGN. Kabam

is particularly proud of the upcoming launch of its brand-new game "The Godfather: the Five Families", which is based on the classic Francis Ford Coppola series of films.

At the Saarbrücken site, a number of recent games are being translated and the company also runs a multilingual gamer support service. Kabam Deutschland finds the native language skills for German, French, Italian and Spanish translations very easily and quickly at the university campus. At around 18 percent, the University of Saarbrücken has a higher proportion of foreign students than any other German university. "Notices in the hallways are all it takes to rapidly find native speakers. That is another great advantage of this location," says Ackermann.

## ■ Saarland: a springboard for Kabam

Budding academic talent at Kabam is also employed in the multilingual support team. Students respond to queries from gamers and, to do so, must be extremely familiar with the online games. In other words, before their first support call the 18 to 25-year-olds can first play the games to their heart's content. For some, this could open up good long-term career prospects as Kabam is also looking to move into new business segments. Integration of the games (as on the facebook platform) is spreading to

"Saarland offers all 'Made in Germany' qualities and a central location at the heart of Europe. This gives foreign investors an ideal environment for the establishment of their western European sites. In the case of Kabam, the proximity to Luxembourg played a key role. Other companies benefit from being so close to France. Foreign investors in Saarland start in Germany and arrive in Europe."

(Thomas Schuck, Managing Director, gwSaar Saarland Economic Promotion Corporation)

more and more social networks. Qualified IT specialists are needed here, and they are also readily available at Saarland University. The tutors in the Saarbrücken information technology department have an excellent international reputation and their graduates rapidly find good jobs and promotion.

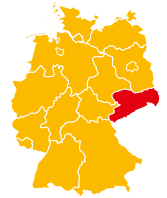


Kabam's "Kingdoms of Camelot" – a major player in the gaming market is now active in Saarland.

The Saarland economic development agency gwSaar has supported Kabam from the outset. "gwSaar made it easy for us to decide to invest here," says managing director Dirk Ackermann. "We quickly established a good working relationship and we always had a competent contact person."

**Contact** gwSaar  
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# 50 Years of Microelectronics in Saxony – A Success Story

2011 was a year of anniversaries and promising new business developments in “Silicon Saxony”

It is an unprecedented success story which began 50 years ago, on August 1, 1961, with eight employees at a small research institute in Dresden. With the founding of the AME – *Arbeitsstelle für Molekularelektronik Dresden* (“Workplace for Molecular Technology”), the cornerstone was laid for Saxony’s development into Europe’s leading and the world’s fifth largest microelectronics/ICT cluster. Very few people then expected such rapid development; today, every second chip produced in Europe is “Made in Saxony.” Saxony’s microelectronics branch association, Silicon Saxony e. V., also celebrated an important anniversary this year. Ten years ago the network was set up to foster links between local businesses, universities and research institutions. Today, it has more than 280 member companies which generate an annual turnover of more than EUR 4 billion and currently employ around 35,000 people.

The region’s innovative business environment prompted Infineon Technologies AG to further strengthen its location in Saxony. The corporation will invest EUR 250 million into a new production site for energy-saving power electronics with 300-millimeter thin wafers in Dresden.

## 20 Years of Success

The Saxony Economic Development Corporation (WFS) can look back on a successful 20-year history. Since its foundation, the corporation – wholly owned by the Free State of Saxony – has assisted in the establishment of 430 new business sites which have created over 47,300 jobs. Companies have invested over EUR 7 billion in Saxony to date. Most of the new jobs are in the microelectronics/ICT, mobility (above all automotive and logistics), plant and machinery, and environmental technology/energy industries.

## Follow-up investments

Many more foreign companies have also strengthened their commitment to Saxony. On June 10, 2011, the US American semiconductor company Intel officially opened a development center in Dresden (which is a part of the Intel Mobile communications unit). Here, new mobile communication chips are to be developed, primarily for the new LTE cell phone data transmission technology. Intel plans to increase its Dresden staff to 100 employees by the end of 2011.



Wafer production at Infineon

Fellow US business GLOBALFOUNDRIES installed the first production systems in an additional production facility at its Fab 1 in Dresden this summer – after just ten months of construction work. Employing over three thousand highly qualified engineers, technicians and specialists, the Dresden site has received investments of over USD 7 billion since 1996 and will be – after completion of the latest extension – the largest wafer fab for leading-edge technology in Europe.

The Polish IT company Comarch AG started construction on its new German headquarters in Dresden this year, where it also plans to set up a computer center to meet the highest of performance and security standards.

In May this year, the Solarworld AG Group put Germany’s largest solar module production site into operation. With the ultramodern Solarfactory III, Freiberg’s annual capacity in module production will increase from 170 to 600

megawatts. Six thousand solar modules “Made in Saxony” will be produced in the new plant every day. In Freiberg, six subsidiaries of the SolarWorld AG Group manufacture all the products within the photovoltaic value creation chain.

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# At the Center of Attention of Foreign Investors

Germany's powerhouse Saxony-Anhalt region has become Eastern Germany's leading destination for foreign direct investment

Saxony-Anhalt's ideal location in central Europe, its state-of-the-art infrastructure, its excellent investment incentives and its innovative R&D environment have made Saxony-Anhalt Eastern Germany's leading FDI destination. Numerous companies contributed to the success of Saxony-Anhalt. Since 1991, foreign investors from around the globe have poured almost EUR 9.7 billion into the state, creating or securing roughly 41,000 jobs. Saxony-Anhalt has been the number one choice for a number of companies.

## ■ We've got chemistry

Belgium's Domo Capro Leuna has invested EUR 20 million to boost capacity at its caprolactam and nylon plant in Leuna, as well as an additional EUR 30 million for a storage site. Italy's Manuli Stretch, Europe's largest manufacturer of stretch film, plans to expand its facility in the Dow Value Park in Schkopau. The company will invest EUR 21 million by 2012 to erect two new plants and a production hall. US-American Styron has expanded its synthetic rubber production facilities at Dow Value Park as well, investing EUR 91 million and creating 30 new jobs. Lanxess has opened a new chemical plant for water technology in Bitterfeld, investing EUR 300 million and generating 200 new jobs.

## ■ Logistics is top

Austrian Gunz Warenhandels GmbH has invested EUR 17 million into the construction of a new distribution centre in Magdeburg, creating 100 new jobs. German Arvato AG has built a new distribution centre in Landsberg, investing EUR 50 million and generating 100 new jobs. REWE-Group, Germany's second largest supermarket retailer, has invested EUR 27 million to build its new logistics centre in Landsberg as well, creating 80 new jobs and securing 40 existing jobs. German Hermes Fulfilment GmbH has invested EUR 70 million to enlarge its dispatch centre in Haldensleben, which is now the largest automatic returns centre world-wide. The company has generated 360 new jobs.

## ■ Sunny prospects

Norwegian ITS Innotech Solar has invested roughly EUR 40 million in a new facility in Halle (Saale). ITS has developed a technology to recondition defective cells deemed unsuitable for manufacturing PV modules. The company has generated 95 new jobs. The CEO of Innotech Solar, Thor Christian Tuv, explained the choice of Halle (Saale) as a location: "Our decision was based on the infrastructure, such as the direct connection to the highway, state and municipal funding, availability of

trained personnel and the efficient solar competence network in the region." Also from Norway, Vetro Solar has invested EUR 34 million in a manufacturing facility in Sandersdorf-Brehna to supply photovoltaic glass products to several nearby solar-module producers. The company has created 70 new jobs.

## ■ The American Dream – German style

Saxony-Anhalt also succeeded in attracting companies from much farther afield: from the United States. AGCO Corporation, one of the world's largest manufacturers of tractors and agricultural equipment, has set up a production unit in Hohenmölsen, where 70 employees manufacture components for its Fendt tractor subsidiary.

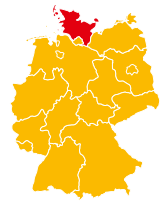
## ■ First class conditions

Chinese Greatview Aseptic Packaging (GA Pack) has invested EUR 50 million in its new facility in Halle (Saale) for the production of sterile packaging materials – generating 110 new jobs. HNG Global GmbH, a subsidiary of the Indian Hindusthan National Glass & Industries Ltd., the biggest glass producer of India, has invested in a glass production facility in Gardelegen, securing 150 jobs. German IDT Biologika GmbH, has invested approximately EUR 40 million in its new building of an end production facility for vaccines in Dessau-Roßlau. The company specializes in R&D and manufacturing of biologics for the national and international market.



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*GA Pack ceremony: laying the foundation stone on July 15, 2011 – (from left to right, in the front) Hong Gang (Chairman, GA Pack); Jeff Bi Hua (CEO, GA Pack), Dr. Reiner Haseloff (Minister-President of Saxony-Anhalt), Wolfram Neumann (Deputy Mayor for Economy and Work of the town Halle/Saale), Peter Beggren (Director, International Business, GA Pack)*



# Swiss Company Pfiffner Powers Ahead

Innovative high-voltage instrument transducers from Schleswig-Holstein

The Swiss company Pfiffner Messwandler AG from Hirschthal near Zurich launched a subsidiary in Schleswig-Holstein in 2010: Pfiffner Deutschland GmbH. Pfiffner has been producing low, medium and high-voltage instrument transducers for safe energy distribution and transmission for over 80 years. The Schleswig-Holstein site will now develop and distribute innovative, modern high-voltage instrument transducers for the Pfiffner Group for the European and global market.

## ■ Commitment to European production

In August 2011, the newly constructed production hall and high-voltage test room at *Innovationsraum Itzehoe Nord* ("Innovation Area Itzehoe Nord") industrial park were ready for use. The first transducers will be supplied this year.

"Pfiffner's corporate philosophy includes a clear commitment to producing in Europe. The infrastructure and proximity to the Fraunhofer Institute for Silicon Technology (ISIT) and Itzehoe Innovation Center (IZET), not to mention rapid project implementation, convinced the management in Switzerland that Itzehoe was the right location," explains Dr. Hans-Jürgen Voss, managing director of Pfiffner Deutschland GmbH.

For Itzehoe, attracting a major foreign company from the electronics sector means another boost to the region's research, development and production potential. "Pfiffner's new site in Itzehoe highlights the town's role as a center of

## ■ Quality of life a priority

Alongside the concrete advantages in Schleswig-Holstein, such as the attractive rates of business tax and low labor costs, the new managing director of Pfiffner Deutschland GmbH has recog-



*The new factory in Itzehoe*

competence for power electronics. Home to the Fraunhofer Institute ISiT and the IZET Innovation Center, Itzehoe offers an ideal framework for businesses in the electronics industry. We should see exciting synergies and collaboration opportunities developing," continues Voss.

*Test hall with 2.4 million voltage lightning surge generator*

nized other points in favor of the location: "Schleswig-Holstein lies between two seas; it has a unique character and its people have a great outlook on life. Quality of life is a priority here," says Voss, who is impressed with the qualifications of his new staff.

Instrument transducers are precision transformers required at all stages of energy generation and distribution from the power station to the user. Special "current and voltage transformers" are needed for the exact measurement of both the current and the voltages in high voltage lines. Pfiffner produces transformers from 1 to 45,000 amperes and converters from 400 to 555,000 volts.



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# Unique Thuringia

The eastern German federal state provides an excellent mix of hard and soft location factors

What defines Thuringia? In the run-up to its new promotional campaign for the region, that was the question the state government put to those who ought to know – namely the local population. For who, if not the people who live and work in the heart of Germany and Europe, has a sense of what makes his or her environment unique?

The answer? The books in the rococo reading room at the Anna-Amalia Library in Weimar; the bright and inquisitive brains at the state's many universities; and, of course, the dark green treetops of the Thuringian Forest. Thuringia is all of this and much more besides.

## ■ “Global Best to Invest” location

The region boasts, for example, a dynamic business area and a leading investment location – as locals and US “Site Selection” magazine agree: Thuringia appeared on the list of “Global Best to Invest” sites for the third time in a row and came first in central and western Europe for the second time. And not for nothing: Thuringia's excellent mix of hard and soft location factors is one of its main attractions. The region lies at the center of Europe (close to emerging eastern European markets) and has a first-rate transport infrastructure. A strong network of applied research institutions and universities and the range of attractive industrial development sites were other factors which placed Thuringia among the “Global Best to Invest” sites. Soft location factors in the state include a rich cultural and leisure scene. “Investors’ interest in Thuringia as a business location is high. More and more companies from around the world are recognizing the benefits this region offers and are coming to Thuringia,” says Andreas Krey, chairman of the State Development Corporation of Thuringia (LEG).

What is more, they are coming to stay, as the “Erfurter Kreuz” illustrates. What a few years ago was simply the name of a highway interchange is now synonymous with a leading and dynamic industrial center. Over 50 companies have set up business at the “Erfurter Kreuz” park since 2006, including such international groups as N3 Engine Overhaul Services (the Rolls Royce and Lufthansa joint venture), Masdar, Borg Warner, Gonvauto, Carpenter and Bosch.

## ■ Expansion is the right move

Since 2009, Japanese-German joint venture IHI Charging Systems International GmbH (ICSI) has been among the companies to appreciate the location's advantages. Such is the firm's confidence in the area that the production site for turbochargers run by the IHI Group and Daimler AG will be expanded this year. “After just two years of successful operations, we are pleased to be able to expand the Ichttershausen plant. The high quality of our products and the benefits of the location have once again impressed our clients and shareholders and convinced them that this is the right move,” was how ICSI managing director Jörg Steins explained the decision to expand at the “Erfurter Kreuz” site.

Daimler AG is even going a step further: a further EUR 90 million is the automotive manufacturer's planned investment in the construction of a new production site in Thuringia (also at the “Erfurter Kreuz”). As early as next year, the plant should employ 80 highly qualified staff in innovative nanoslide spray coating for engines.

To ensure companies in the state can manufacture and grow competitively and sustainably, the regional government plans to turn Thuringia into the “green driver” of Germany. ThEGA, the Thuringian energy and green tech agency, acts as a consultancy and competence center for businesses, research and academic institutions, and local authori-

ties on matters of energy efficiency, renewable energies and green technology. One indicator that this strategy is bearing fruit is Robert Bosch GmbH's decision to construct a center of competence in Eisenach for the development and manufacture of lithium-ion batteries for non-automotive applications. “Battery technology is a field of the future, and strengthens Thuringia's profile as a center of innovation and green technology,” said a pleased Matthias Machnig, Thuringia's Minister of Economic, following the decision in August of this year.



*Nanoslide spray coating for engines*

Many more companies could follow the example of Daimler, IHI and Bosch, as Thuringia offers attractive conditions and space for further facilities. The State Development Corporation of Thuringia (LEG) is an experienced partner and offers a comprehensive service free of charge.

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