

Germany's Business Environment: A Brief Guide

Issue 2010/2011

Business Location Germany



GERMANY
TRADE & INVEST

Germany in Numbers

Economy (2009 figures)

GDP: EUR 2.4 trillion
 GDP per capita: EUR 29,406
 GDP per sector:

- Services 55.1%
- Industry 26.6%
- Trade 17.5%
- Agriculture 0.8%

GDP growth: -4.9%
 Inflation rate: 0.4%
 Exports: EUR 808 billion
 Imports: EUR 674 billion

Economic Structure (2008 figures)

- Number of companies: 3.63 million
 Percentage of which are SMEs: 99.7%
- Total turnover of all companies (2007): EUR 5.15 trillion
 Total SME turnover: 37.5%
- Total employees: 30 million
 Number of employees in SMEs: 70.5%

Constitutional Order

- Form of government: Parliamentary federal republic
- Head of state: State President Christian Wulff
- Head of government: Federal Chancellor Dr. Angela Merkel
- Legislative body: Bundestag (Parliament) and Bundesrat (Council of Constituent States)
- Administration: 16 state parliaments

Population and Land Area

Area: 357,114 km²
 Coastline: 2,389 km
 Population: 82 million
 Working population: 40 million
 Biggest cities:

- Berlin (3.4 million)
- Hamburg (1.8 million)
- Munich (1.3 million)

Infrastructure

International passenger airports: 23
 Seaports: 22
 Inner harbors: 250
 Waterways: 7,500 km
 Roadways: 231,000 km (of which 12,600 km highway)
 Railways: 37,900 km



Europe's Economic Hub

Europe's Largest Market

Germany is the largest market in Europe. It constitutes 20 percent of European GDP, and is home to 16 percent of the total European Union (EU) population. The German economy is both highly industrialized and diversified; with equal focus placed on services and production.

Quick Recovery

Stable annual average GDP growth of 1.8 percent during the years 2004 to 2008 underpins the economic potential of Germany. After a difficult year in 2009, the positive development forecast for 2010 and the coming years will give new opportunities to entrepreneurs from all over the world.

Global Player

The German economy has proven resilient in the face of the turbulence caused by the international financial downturn. Germany's products have continued to be export hits worldwide. Since 2003, exports have grown by around eight percent each year. In fact, Germany overtook the United States to become the world export leader for the sixth year in succession in 2009. The previous year, German trade figures marked a high point in Germany's trade history. Imports and exports in 2009 amounted to EUR 674 billion and EUR 808 billion respectively.

German-produced goods from the chemical, automotive, and machinery & equipment industries are in particularly high demand worldwide. Germany's main trading partners number European countries such as France, UK, Italy, and the Netherlands as well as international markets including the United States, China, Russia, and Japan.

Share of Total GDP and Population in the European Union 2009

	GDP (in EUR billion)	Share of Total GDP (EU-27)	Population (in million)	Share of Total Population (EU-27)
Germany	2,407	20%	82	16%
France*	1,943	16%	64	13%
UK	1,567	13%	62	12%
Spain	1,051	9%	46	9%
Netherlands	570	5%	16	3%
Poland	310	3%	38	8%
Czech Rep.*	135	1%	10	2%
Slovak Rep.	63	1%	5	1%
USA	10,221		309	
Japan	3,638		128	
EU-27	11,806		500	
Eurozone	8,979		329	

* Estimates
Source: Eurostat 2010; US Census Bureau 2010; Japanese Statistics Bureau 2010

Sixty-three percent of all exports are exported to European countries, of which 15 percent go to eastern European countries. In 2009, the number two region for German exports was Asia, receiving approximately 14 percent of all goods from Germany, followed by the Americas at approximately ten percent.

Manufacturing Location Germany

German companies in the manufacturing industry represent 8.5 percent of Europe's manufacturing companies and generate 26 percent of the EU's manufacturing turnover. In fact, the manufacturing industry represents nearly one fifth of Germany's "value added" – one of the highest shares in Europe. Increasingly more foreign companies are placing their faith in Germany as a vital production site location, and are benefiting from the country's excellent business framework and superior productivity rates.

SMEs: Germany's Economic Backbone

Exports are driven by Germany's backbone of highly innovative small and medium-sized enterprises (SMEs). These constitute 99.7 percent of all companies, employing 70.5 percent of all employees in Germany. Many of these SMEs are world market leaders in their respective niche segments. Together with internationally leading large companies – such as Bayer, BASF, Daimler, Volkswagen, and Siemens to name but a few – they make up Germany's manufacturing industrial base.

Paving the Way for Foreign Direct Investment

Free and Open Markets

Germany has a welcoming attitude towards foreign direct investment (FDI). The German market is open for investment in practically all industry sectors, and business activities are free from regulations restricting day-to-day business. German law makes no distinction between Germans and foreign nationals regarding investments or the establishment of companies. The legal framework for FDI in Germany favors the principle of freedom of foreign trade and payment. There are no restrictions or barriers to capital transactions or currency transfers, real estate purchases, repatriation of profits, or access to foreign exchanges.

Global FDI Magnet

According to the United Nations Conference on Trade and Development (UNCTAD), Germany ranks among the world's leading countries for foreign direct investments with more than EUR 503 billion in inward FDI stocks in 2009. This represents a growth of 5.3 percent from 2008 to 2009.

According to official *Bundesbank* ("German Central Bank") statistics for 2008, seventy-five percent of all FDI stocks in Germany originate from within the EU-27, with a further nine percent stemming from the remaining European non-EU countries. Investments from outside the EU are continuing to grow. North America accounts for 11 percent of FDI stock, while Asia holds a five percent share. Asian countries in particular have increased their FDI stocks in Germany in recent years. Both China and India recorded growth rates of more than 30 percent in 2008.

International FDI Stock Ranking 2009 (in EUR billion*)

Rank	Country	Stocks
1	USA	2,237.3
2	France	812.3
3	UK	806.6
4	Hong Kong	654.0
5	Belgium	595.1
6	Germany**	503.0
7	Spain	480.7
8	Netherlands	427.8
9	Canada	376.4
10	China**	339.2
	Japan	143.5
	Poland	131.0
	Czech Rep.	83.1
	Slovak Rep.	36.0
	EU-27	5,339.8
	World	12,721.1

* Exchange rate – annual average 2009

** Estimates

Source: UNCTAD WIR 2010

First Choice Business Location

A recent study conducted by the American Chamber of Commerce highlights the positive regard in which the German business environment is held by US companies. Invited to indicate their main medium-term investment focus within the EU, 80 percent of participating American companies named Germany as their first choice; followed by Eastern Europe (38 percent), and the UK (32 percent) respectively.

The UNCTAD World Investment Prospects Survey 2009-2011 confirms Germany's reputation as one of the most attractive business locations in continental Europe.

UNCTAD World Investment Prospects Survey 2009-2011

Responding companies highlighted the following criteria as the reasons why they cherish Germany as a great place to do business.

- Skilled labor
- Availability of sufficient suppliers
- Quality of infrastructure
- Access to the regional market

Germany ranks second within the EU-15, and seventh internationally in the "most attractive business locations in the relevant regions 2008-2010" category.

Supporting Investment Projects

Incentives in Germany are designed to meet the immediate capital needs of investors. Early stage investment financing provides funding at the beginning of the new investment project. These incentives, mostly provided as cash grants, are important as they guarantee liquidity at a stage in the investment process when investor capital requirements are typically high. Later stage investment incentives are made available in the form of a raft of programs created to support putting together a workforce in Germany (e.g. through wage subsidies) and provide generous R&D project assistance.

Incentives in Germany are available to all investors – regardless of investor country of provenance. Funding to the tune of EUR 26.3 billion has been freed up by the EU (co-financed using means obtained from German national and federal budgets) through 2013. As well as this, Germany and its individual federal states also make their own incentives funds available to prospective investors.

Discovering Germany: New Investment Projects

Foreign Direct Investment Projects

Every year more and more companies discover Germany as a secure and rewarding investment location. More than 45,000 foreign companies are already operating in Germany, employing around three million people – proof positive of Germany's attractiveness as an international business location.

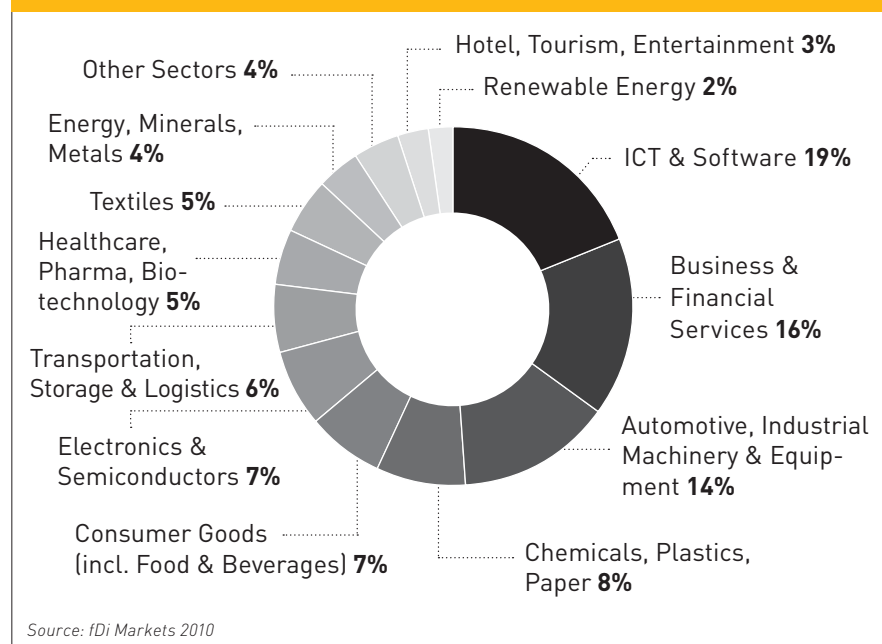
Between 2003 and 2009, fDi Markets recorded a total of 2,870 investment projects from 2,150 foreign companies. With 478 projects, 2009 proved to be a very successful year – with Germany again placing fifth internationally in terms of FDI projects attracted. The most important countries as sources for new investment projects are the USA (29 percent of all investment projects), UK (nine percent), and France (six percent). In 2009, China emerged as a major source of investments, with the number of Chinese investment projects into Germany more than doubling within just one year.

Diverse Industry Opportunities

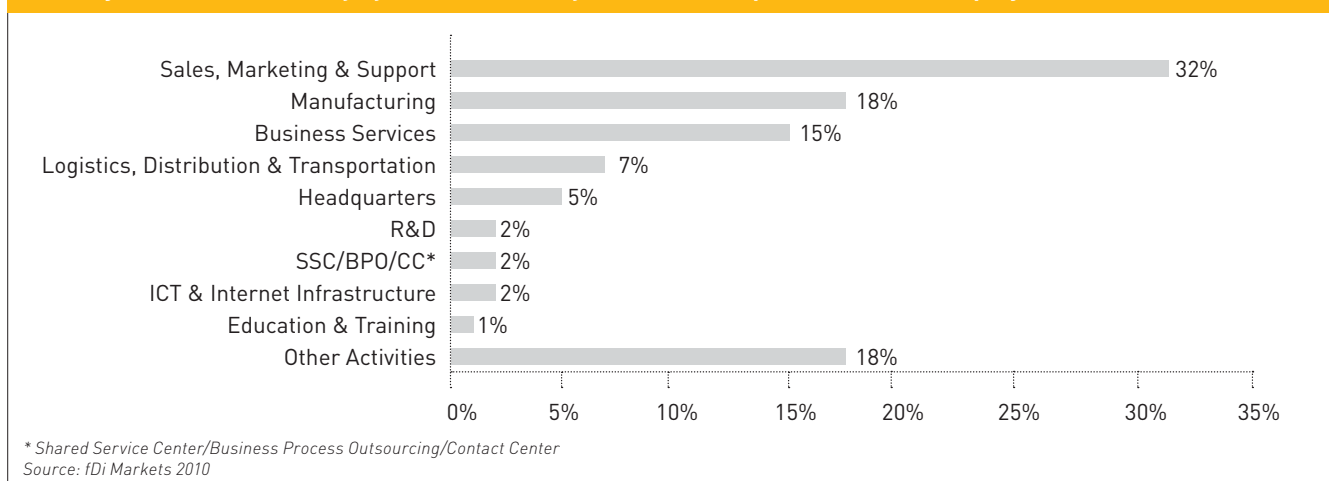
According to fDi markets, foreign companies invested in 39 different sectors – underlining Germany's highly diversified economy. Most new investment projects were realized in the ICT & software industry (19 percent of new projects). Business and financial services follows with 16 percent of all projects, while

automotive and industrial machinery & equipment are close behind (14 percent respectively). Most new projects open sales and marketing & support offices. Almost every fifth investment project is manufacturing-site located – making this the second most important business activity in Germany.

FDI Project Share in Germany by Sector 2003-2009
(as percent of total FDI projects)



FDI Project Share in Germany by Business Activity 2003-2009 (as percent of total FDI projects)



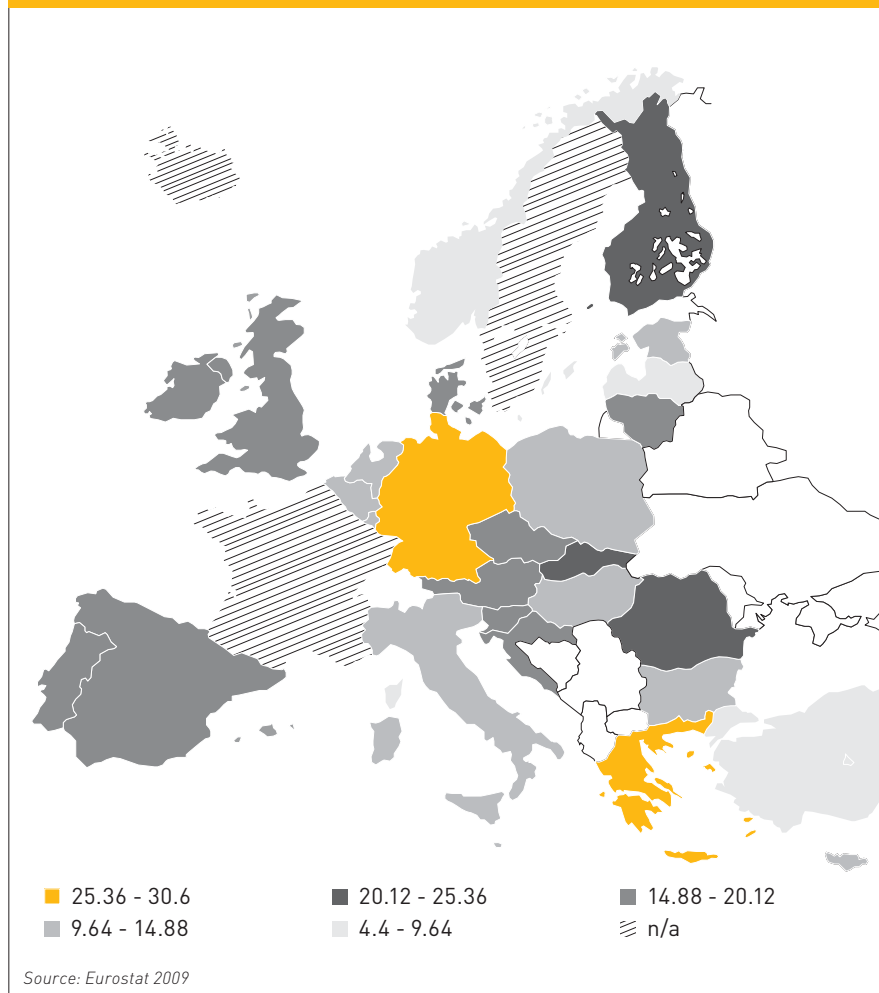
High-Tech Germany

High Innovation Rate

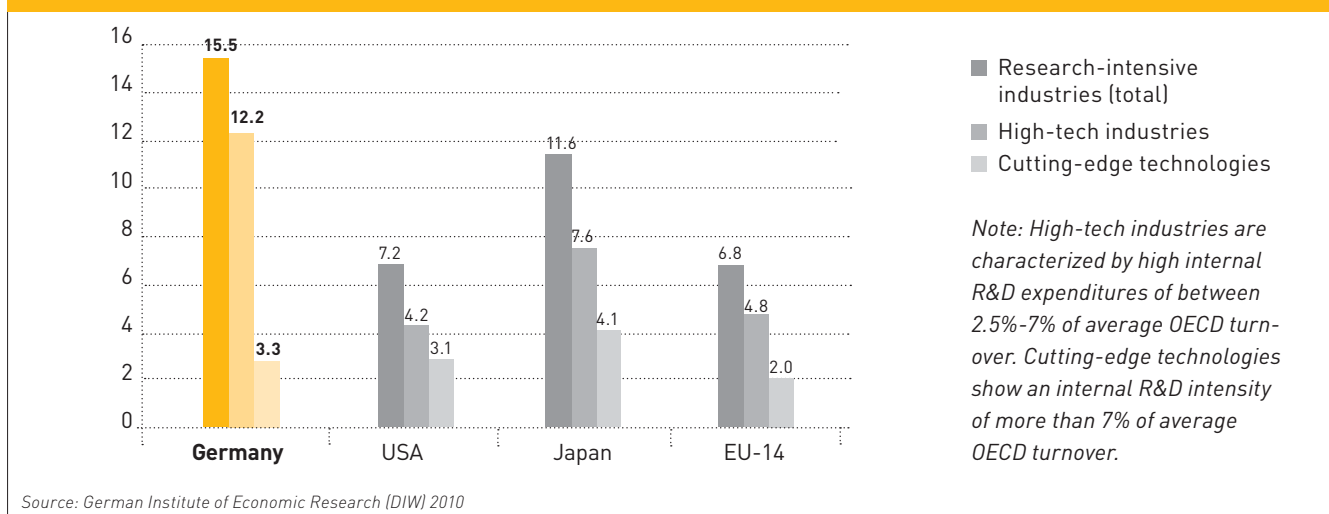
Over 27 percent of German manufacturing company turnover is generated from innovative products. These are products which are new to the enterprise and to the market. In France and the UK, this ratio is comparatively low at around 16 percent, whereas in Finland the level lies at 21 percent. The European average lies at 19 percent.

A 2010 study carried out by the German Institute of Economic Research (DIW) found that no other industrialized country produces a larger share of gross value added in research-intensive manufacturing industries than Germany. This includes cutting-edge technology products which use more than seven percent of their turnover for R&D expenses, and high-tech products whose R&D budgets range between 2.5 and 7 percent of revenue generated. By quickly implementing the very latest innovations, companies are able to swiftly secure their leading roles in their respective fields.

Innovation Turnover 2006 (as percent of total turnover)



Share of Research-intensive Industries in Selected Countries 2007 (as percent of gross value added)



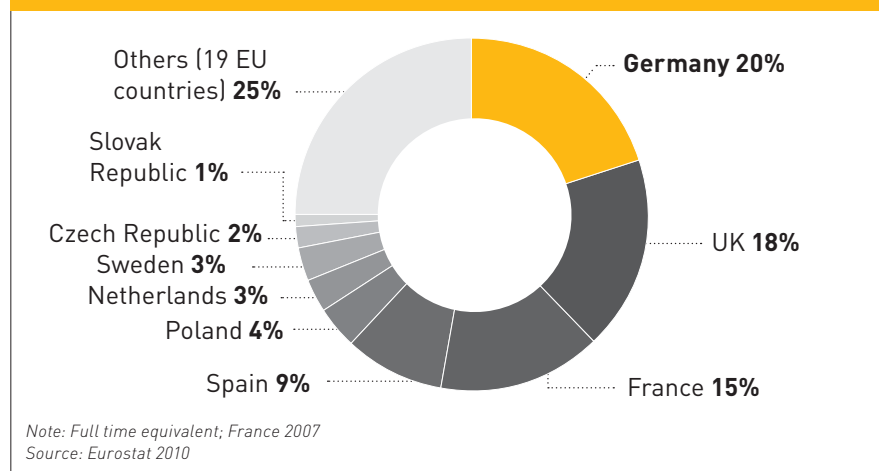
High-Tech Products Made in Germany

German companies are global leaders in the development of new technologies. Standing for high quality and innovation, the “Made in Germany” brand has been a seal of quality for over a century. In 2008, Germany exported high-tech goods to the value of EUR 110 billion – making it the top high-tech goods exporter in Europe and third worldwide. In a 2007 study by Eurostat, six German regions counted amongst the top 20 high-tech regions in Europe in terms of absolute employment in high-tech sectors. While the majority of these regions provided most jobs in high-tech knowledge intensive services, German regions stood out for jobs in high-tech manufacturing sectors.

Public R&D Support: Germany’s High-Tech Strategy

As R&D is considered to be among the most important areas for the development of the German economy, both industry and the public sector have made a commitment to spend around three percent of national GDP per year on R&D activities (current level of 2.64 percent amounting to EUR 66 billion in 2008). An unprecedented campaign to foster the advancement of new technologies has been launched by the German government. This campaign – known as the “High-Tech Strategy” – is combining the resources of all government ministries, to commit approximately EUR 4 billion annually for the development of cutting-edge technologies. R&D projects can accordingly count on numerous forms of financial support. Interest-reduced loans and special partnership programs complete Germany’s public R&D project support.

Share of EU Researchers 2008 (as percent)



World Class Know-How

While Germany is home to the largest population of researchers in Europe (20 percent of all EU scientists live and work in Germany), German scientists work on projects all around the world. For example, research results within the Max Planck Society are achieved through fruitful partnerships with more than 5,000 partners in research institutions across 108 countries. Cooperation projects between companies and academic research institutes provide an efficient way to close knowledge gaps. Scientists can be easily integrated into the team of developers and researchers of the companies and, more and more often, institutes provide for the necessary laboratory facilities.

Innovation Leader Germany

German patent figures pay testimony to the innovation work done in German companies: with over 11,000 patents granted at the European Patent Office in 2009, Germany’s share is twice as large as that of France and the UK combined. Germany is also the leading European nation in triadic patents (patents registered at the three major global patent offices: the European Patent Office, the United

States Patent and Trademark Office, and the Japan Patent Office). With 75 triadic patents per million inhabitants in 2007, Germany ranks third only after Switzerland and Japan.

Profiting from Innovation Clusters

The German R&D landscape is best exemplified by close cooperation between the worlds of science and industry. Germany’s publicly funded research bodies provide an internationally unique selling point. The applied research institutes of the Fraunhofer Society and Leibniz Association provide companies – particularly SMEs – with unparalleled access to world class research. With more than 80 institutes and 15,000 employees, the Fraunhofer-Gesellschaft utilizes EUR 1.4 billion in research funding every year. The Leibniz Association has established a network of 83 research institutions with almost 14,000 employees. The world’s most renowned fundamental research institutes are also located in Germany. The Max Planck Society and the Helmholtz Association allow companies to outsource costly research activities. This lowers the risk of developing new products and decreases research and development costs.

Germany also provides business opportunities in a number of other industries. Please visit our website to find out more about the exciting investment opportunities opening up in various industry sectors: www.gtai.com/industries



Information and Communication Technologies (ICT)

The German ICT industry is the largest in Europe and fourth largest internationally. The sector plays a significant role in promoting successful R&D outcomes in Germany: over 80 percent of innovations in key industries are reliant on ICT technologies. A number of ICT industry segments display significantly positive growth rates; the foremost being the outsourcing services, mobile data services, and gaming market sectors. High levels of public sector investment in broadband and a significant number of private sector innovations made possible by healthy R&D incentives levels all contribute to creating a flourishing and dynamic investment environment.

- 20% of total EU market in terms of revenue volume
- 2009 turnover of EUR 130 billion
- Approximately 835,000 employees in 2009
- 2,100 patents granted in 2009 – level surpassed only by the USA and Japan
- Availability of broadband coverage is close to 97%.

► Read more at: www.gtai.com/ict



Energy Efficient Mobility

Domestic and international market potential for energy efficient passenger cars is huge. The global market is expected to grow by 29 percent annually through 2020. In Germany, automotive engineers are hard at work improving internal combustion engine energy efficiency, developing alternative drive technologies (like electric, hybrid and fuel cell cars), and adapting lightweight materials and electronics. Carbon emission reduction targets, smart traffic management and the government's electric mobility initiative are impulses driving sustainable mobility in Germany.

- German government target: One million electric cars by 2020
- Global market potential for sustainable mobility in 2020: EUR 280-330 billion
- Over one third of German R&D expenses are automotive related
- 65% turnover through innovative products
- One in five potential car buyers in Germany is currently delaying the purchase of a new car in order to wait for electric vehicles.

► Read more at: www.gtai.com/automotive



Wind Energy Industry

Wind is the dominant source of renewable electricity production in Germany. With over 16 percent of globally installed capacity, Germany is home to the world's largest wind industry. Major turbine and component manufacturers are well represented through production facilities in Germany. The recent take-off of the German offshore wind energy market has given the industry new impetus. Investments in the region of around EUR 45 billion are forecast through 2030, mainly driven by offshore projects.

- German wind energy market growth rate 2009: 15%
- Total installed capacity and production in 2009: 25,777 MW and 38 billion kWh respectively
- Estimated workforce: 85,000 employees
- By the end of 2009, installed offshore capacity around 60 MW.
- Project developments of over 90 offshore wind parks in progress.

► Read more at: www.gtai.com/windenergy



Energy Storage

Germany is the key player in Europe for the emerging energy storage devices and fuel cells market, as well as efficient energy management systems (i.e. smart grids). Germany is helping set the standards in these fast-growing segments, with German R&D institutes, suppliers, system developers, and energy companies working in close partnership. Within a dynamic European context, Germany is positioning itself as a lead market by creating lighthouse projects, a supportive cluster policy as well as a subsidy landscape for energy storage technologies.

- Current storage in Germany at 7 GW; by 2025 compensating capacity of 28 GW required (100 GW in Europe).
- Over 350 suppliers and R&D institutes in Germany – 70% of European pilot projects.
- German National Research Program on Energy budget: EUR 2.2 billion including energy storage (2008-2011).
- National Innovation Program for Hydrogen and Fuel Cell Technology (NIP) budget: EUR 1.4 billion – biggest program of its kind in Europe.
- Demonstration projects are being rolled out.

► Read more at: www.gtai.com/energystorage



Printed and Organic Electronics

Printed and organic electronics has the potential of revolutionizing mass production in many areas of electronics. Companies in Germany are at the forefront of technological advances, covering everything from displays, solar cells and batteries to sensors. Radio frequency identification (RFID) tags are one close-to-market growth area. Germany is home to some of the leading developers and producers of printed and organic electronics. There is significant room for collaboration as the sector is very much still in its infancy.

- Global market volume forecast 2020: USD 55.1 billion (2010: USD 1.89 billion)
- German electrical and electronics industry innovation spending: EUR 10 billion in 2009
- Focus of activities: photovoltaics, transistors, displays, and lighting
- In terms of per capita microelectronics consumption, Germany dominates the European market and occupies the second spot in international comparison.

► Read more at: www.gtai.com/electronics



Medical Biotech

The medical biotech field is recording steady growth rate and is increasingly in demand. Germany is the largest biopharmaceutical producer in Europe, developing new medicines, diagnostic tests, and industrial biotechnology products. Germany's large health care market and growing international demand provide plenty of business opportunities for innovative companies. Though mainly small in size, medical biotech firms thrive thanks to close links with the pharmaceutical and medical device industries at both home and abroad.

- 400 companies active in medical biotech in Germany
- Biopharmaceuticals was biggest market segment in 2009 with a turnover of EUR 4.7 billion and growth of 5.4%.
- In 2009, 12 out of 44 new drugs were biopharmaceuticals.
- In 2009, 12% more new medicaments were in clinical phase compared to 2008.
- Regenerative medicine has significant market potential.

► Read more on: www.gtai.com/medicalbiotech

Cost Effectiveness

High Productivity

Germany experienced a major increase in productivity the past decade – a marginal increase over the respective labor cost increase. This has led to falling unit labor costs which represent a genuine competitive cost advantage – particularly in manufacturing. In marked contrast to other European countries which have experienced an overall increase in unit labor costs, Germany's unit labor costs decreased by a yearly average of 0.2 percent for the period 2005 to 2009.

Germany's high productivity is closely linked to its excellent employee and production process standards. This has been confirmed by a study of international executives conducted by the World Economic Forum. According to the study findings, Germany is seen as a country where the best and most efficient process technology is applied.

Stable Labor Costs

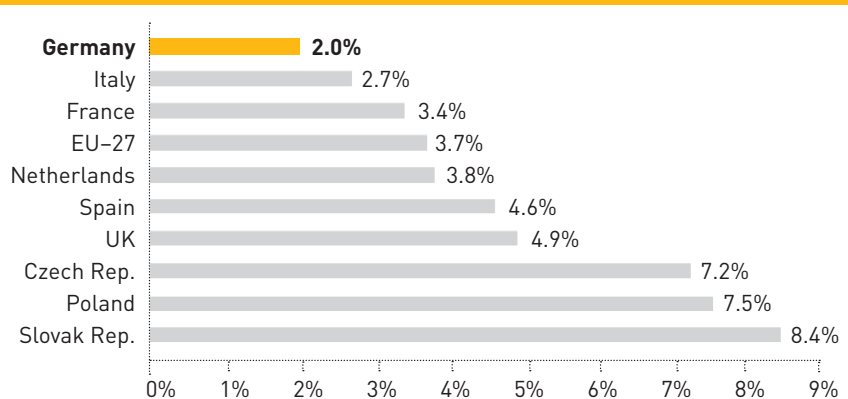
Another decisive argument in favor of Germany as a premium business location has been the significant closing of the labor cost gap between Germany and its eastern European neighbors. In fact, Germany has gained the labor-cost edge in recent years. Since 2000, wages have risen in most European countries (EU-27). The growth rate averaged 3.7 percent. While some countries – particularly those in eastern Europe – experienced a rise of more than seven percent, Germany recorded the lowest labor cost growth within the EU at just two percent.

Competitive Tax System

Germany offers a competitive tax system providing attractive tax rates for companies. In recent years, the German government has implemented root and branch reforms of the tax system to make the country a more attractive business location. The German tax system allows for differing tax rates in German municipalities. On average, corporate

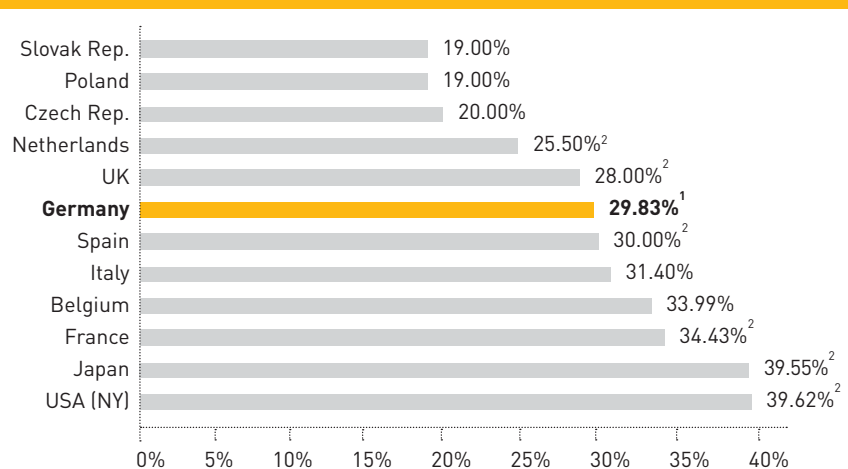
companies face an overall tax burden of less than 30 percent. Significantly lower tax rates are available in certain German municipalities – up to eight percent less. The overall tax burden can therefore be as low as 22.83 percent. This makes Germany's corporate tax system one of the most competitive tax systems among the major industrialized countries.

European Labor Cost Growth 2000–2008 (yearly average in percent)



Source: Eurostat 2009

Average Corporate Tax Burden of Selected Countries 2009 (in percent)



Note: ¹ National German average; lower overall tax rates in certain areas are possible, e.g. 22.83% in certain municipalities.

² Top corporate income taxation rate; lower starting rates or other special tax rates available. Example USA: progressive rate from 15% to 35%.

Source: German Federal Ministry of Finance 2009

Labor Market Availability

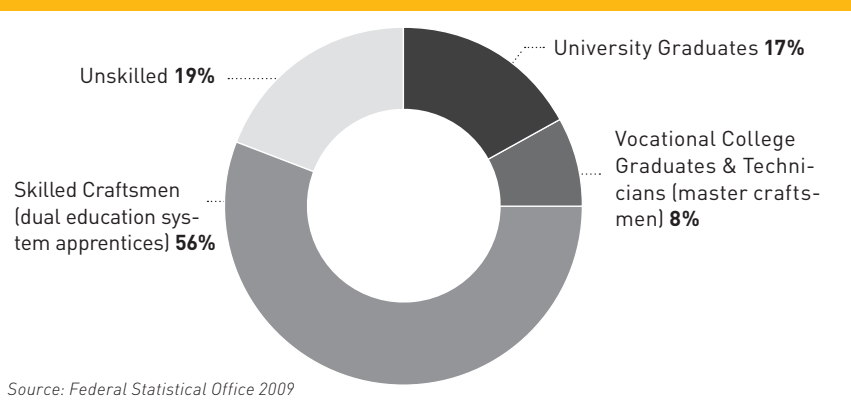
Highly Skilled and Flexible Workforce

The German workforce comprises over 40 million people – making it the largest pool of ready labor in the EU. Germany’s world-class education system ensures that the highest standards are always met. More than 80 percent of the German workforce has received formal vocational training or is in possession of an academic degree. German federal and state governments agreed in 2008 to increase public and private education investment levels to seven percent of gross domestic product by 2015. This far-reaching commitment will see the creation of additional training places and promotional scholarships for the provision of a steady flow of highly trained labor, which has already resulted in a record number of student enrollments. More than 422,700 students in more than 400 universities started their academic studies in the academic year 2009/2010, and technical fields experienced an undergraduate enrollment level increase of seven percent.

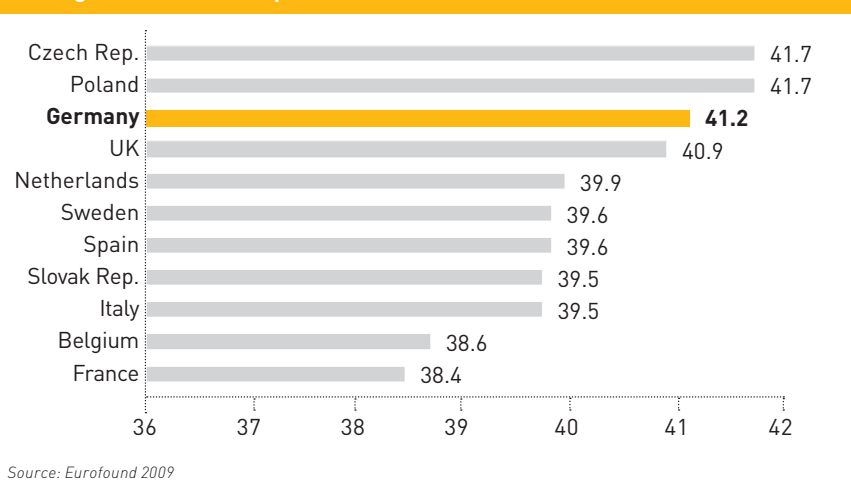
Engineering Excellence

Highly skilled and specialized employees are a key feature of the German labor market and will remain so in the future. According to OECD statistics, Germany has one of the highest rates of graduates with a doctoral degree. With 315 PhD graduates per million inhabitants, it ranks second in a comparison of OECD countries. Germany’s share of university students in the sciences, mathematics, computer sciences, and engineering is the second highest in the EU, with 31 percent of all students. German universities have introduced masters and bachelor degrees for improved international acceptance and comparison.

Workforce in Germany by Level of Professional Education 2008 (as percent of total workforce)



Average Hours Worked per Week in Selected Countries 2008



Dual Education System

Germany provides direct access to a highly qualified and flexible labor pool. The country’s dual education system – unique in combining the benefits of classroom-based and on-the-job training over a period of two to three years – is specifically geared to meet industry needs. There are currently around 350 occupations recognized by the system. The German Chambers of Industry and Commerce (IHKs) ensure that exacting standards are rigidly adhered to, guaranteeing the quality of training provided across Germany.

Outstanding Reputation

German labor flexibility is reflected in higher than average employee motivation levels – exceeding those of most leading industrialized nations. In fact, according to the IMD World Competitiveness Yearbook, German employee motivation levels are greater than those of their counterparts in the US, China, Russia, Poland, France and the UK. A direct corollary of this is the fact that Germans work more than their international peers (41.2 hours per week) and lose less days per annum to strike action than other European nations (significantly below the EU-27 average according to Eurofound).

Closer to Market with First Class Infrastructure

Europe's Global Logistics Hub

With state-of-the-art transportation networks by road, rail, sea, and inland waterways as well as a dense network of both national and international airports, Germany provides easy access to domestic and international markets. Little wonder that Germany is a global logistics hub. More goods pass through Germany than through any other country in Europe. Its approximately one quarter share of the European logistics market (EU-27, Norway, Switzerland) reflects Germany's role as the major player in the continent's economy.

World Class Transport Infrastructure

Germany's infrastructure excellence is confirmed by a number of recent studies including the Swiss IMD's World Competitiveness Yearbook and various UNCTAD investor surveys. The 2009-2010 Global Competitiveness Report of the World Economic Forum ranked Germany first for infrastructure; singling out Germany's extensive and efficient infrastructure for highly efficient transportation of goods and passengers for special praise. Accumulated in this score for Germany are high marks for the quality of roads and air transport, excellent railroads and port infrastructure, as well as its communications and energy infrastructure.

World Class Network Infrastructure

Among the highlights of the country's network infrastructure are Europe's second largest port in Hamburg (measured in container port traffic), Europe's largest port container

terminal in Bremerhaven, and over 250 inland ports. The Rhine and Elbe rivers serve as major arteries for barge traffic to the deepwater ports in various river bights and the north and northwest coastlines.

Germany has a dense network of airports (of which 23 are international airports). Among them, Frankfurt is the world's seventh and ninth largest airport in terms of cargo and passenger volume respectively. The country's highway system has one of the highest highway kilometer density levels in Europe, and the 37,900 km of railway tracks are nearly enough to circle the globe. Its high-speed railway network, with speeds of up to 300 km/h, is the fourth largest in the world.

Bringing East and West Together

In the north, Germany's seaports are an important conduit for trade with the UK, Scandinavia, and the Baltic states. Moreover, road and rail links through the Jutland peninsula provide easy access to Denmark and the rest of Scandinavia. In the west, an extensive network of roads, rail links and inland waterways feeds into France and the Benelux countries.

To the south, Germany has strong commercial ties with Switzerland and Austria and direct road, rail and water links with the Balkan states. Turning eastwards, Germany's borders with Poland and the Czech Republic also bring Slovenia, the Slovak Republic and Hungary within easy reach and make the more distant markets in Greece, Turkey, Ukraine, and Russia readily accessible.

Logistics Giants

Not only is Germany's logistics infrastructure among the best, its companies are also global logistics leaders. In fact, the world's largest logistics services provider is a German company – Deutsche Post World Net (DPWN). Deutsche Bahn is the world's second largest transportation and logistics company and Lufthansa Cargo is the global air freight services leader. With turnover of EUR 218 billion in 2008, Germany's logistics industry grew by six percent compared with 2007. No other EU country comes close to Germany's market size.

Overall Quality of Infrastructure 2009

Country	Rank
Germany	1
Hong Kong	2
France	3
Singapore	4
Switzerland	5
UAE	6
Canada	7
USA	8
Austria	9
Finland	10
Netherlands	15
UK	20
Spain	22
China	46
Czech Republic	48
Slovak Republic	63
Poland	103

Source: World Economic Forum 2009

Providing for a Sound Business Environment

Stable and Transparent Legal System

Germany is home to a legal environment rightly renowned for its stability and transparency. The World Economic Forum ranked Germany among the leading countries of 133 competitors for its judicial independence. Solid codifications and an effective enforcement system provide investors with a secure legal framework and the possibility to quickly enforce their rights.

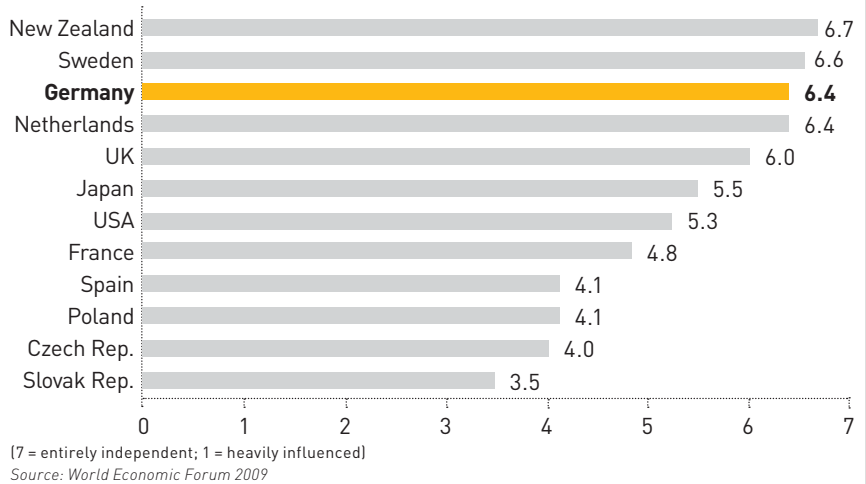
A Safe and Secure Business Landscape

Intellectual property rights enjoy a high level of protection in Germany. For technical and commercial innovations, property rights can be registered in the form of patents, utility models, trademarks, and designs. The same conditions apply to foreigners as they do German nationals when registering property rights. The World Economic Forum ranked Germany among the leading countries in the "intellectual property" category.

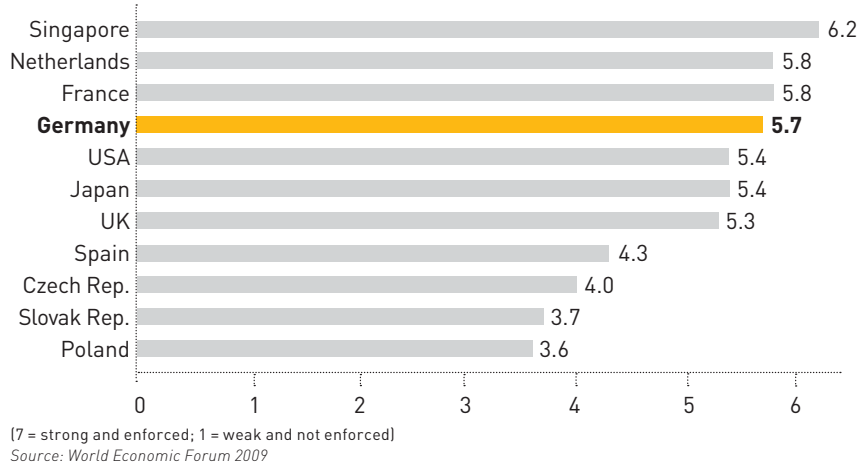
Efficient Company Formation Procedures

Company formation procedures in Germany are swift and efficient, requiring only a few simple steps to establish a new company. Company establishment costs are moderate and more importantly, can be easily determined from the outset. The German private limited liability company (GmbH) is the most widely used legal corporate form in Germany. It combines high flexibility with relatively few obligations.

Judicial Independence Assessment 2008



International Intellectual Property Security Assessment 2008



The GmbH Act underwent a complete review in 2008. The reform has facilitated the establishment and the running of a GmbH. For instance, the act provides a set of model articles of association, which can be used for uncomplicated standardized formations of a GmbH. Business investor rights are expressly set out and all business activities are legally

secured. Public business registers provide transparent information pertaining to company legal representation and individual personnel authorized to conduct business transactions. This information is freely accessible to everyone. As such, the risk of fraud and manipulation is effectively negligible in Germany.

Our Investment Project Consultancy Services

Germany Trade & Invest Helps You

Germany Trade & Invest's teams of industry experts will assist you in setting up your operations in Germany. We support your project management activities from the earliest stages of your expansion strategy.

We provide you with all of the industry information you need – covering everything from key markets and related supply and application sectors to the R&D landscape. Foreign companies profit from our rich ex-

perience in identifying the business locations which best meet their specific investment criteria. We help turn your requirements into concrete investment site proposals; providing consulting services to ensure you make the right location decision. We coordinate site visits, meetings with potential partners, universities, and other institutes active in the industry.

Our team of consultants is at hand to provide you with the relevant background information on Germany's tax and legal system, industry regulations, and the domestic labor market. *Germany Trade & Invest's*

experts help you create the appropriate financial package for your investment and put you in contact with suitable financial partners. Incentives specialists provide you with detailed information about available incentives, support you with the application process, and arrange contacts with local economic development corporations.

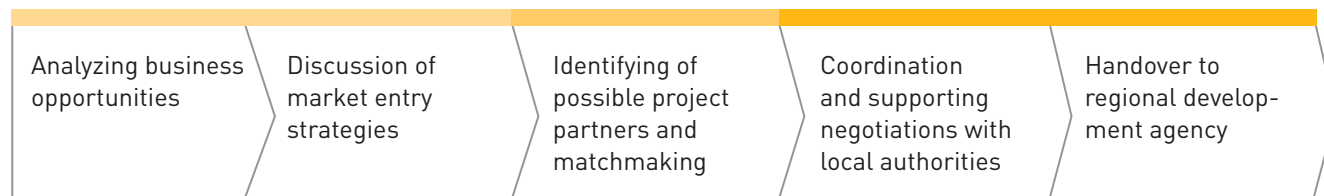
All of our investor-related services are treated with the utmost confidentiality and provided free of charge.

Strategy

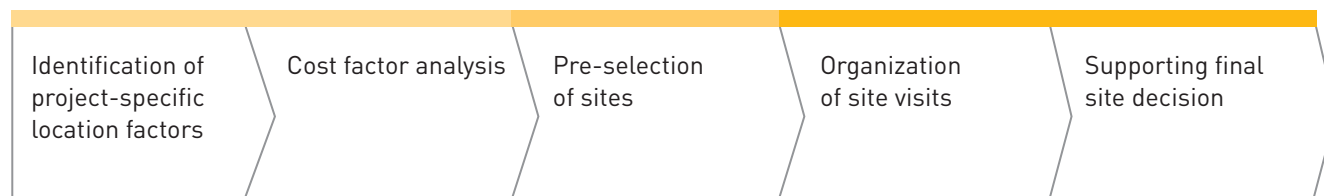
Evaluation

Decision & Investment

Project Management Assistance



Location Consulting /Site Evaluation



Support Services



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About Us

Germany Trade & Invest is the foreign trade and inward investment agency of the Federal Republic of Germany. The organization advises and supports foreign companies seeking to expand into the German market, and assists companies established in Germany looking to enter foreign markets.

All inquiries relating to Germany as a business location are treated confidentially. All investment services and related publications are free of charge.

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