Attracting Foreign Investment

A presentation by
The German American Chamber of Commerce
of the Southern U.S., Inc.

July 19, 2011
A bit about us…
OUR MISSION

Fostering German-American trade relationships.

To deliver the best possible service to our clients and members, respecting clients’ and members’ time, and being partners in their endeavors.
Our Region

The GACC South:
- 11 states
- 5 chapters
- 2 affiliates
OUR PURPOSE

We are…

- A business membership organization.

706 members in the region – primarily small and medium sized businesses with German ties.
OUR PURPOSE

We are…

• A consulting services company.
  – Market entry and expansion services
    – Business representation, incubator, or own location
    – HR & recruiting
    – Debt collection
    – Market research
    – Administration & back office
    – Event management & marketing services
  – Project management and development services
  – Delegation planning
  – Other outsourced services
OUR BUSINESS COMMUNITY

Our business community at a glance:

• **1,500** German subsidiaries in the southern US
• **41** current business representation clients in 2011
  • **Gained 7** new clients so far in 2011
  • **3** clients departed in 2011
    • **1** established own US facility
    • **2** withdrew from the US market
• **10** market entry projects
• **8** site selection projects
  • **5 – 15** companies per year
  • **$20 – $100** million average investment
  • **100 - 200** jobs created on average
The “Big Players”
THE “BIG PLAYERS”

Some of the Major Companies:
THE “BIG PLAYERS”

ThyssenKrupp

Mobile, Alabama
ThyssenKrupp steel plant
- State provided an incentives package worth an estimated $811 million to help land ThyssenKrupp's $5 billion investment
- Hired 1,900 people since 2007, 80 percent of them from Alabama, and paid them $100 million in wages
- Created 9,000 construction jobs
- Spent $800 million with Alabama companies
- Generated $34 million in state tax revenue
- The company said it plans to hire another 800 workers for the steel plant.

Cleveland, Tennessee
Wacker Chemie AG polysilicon-production complex
- $1 billion investment
- Expected to create around 650 new jobs
- Groundbreaking in April, 2011
- Scheduled for completion by late 2013
- Will have an annual capacity of 15,000 metric tons
- The project is the single largest investment in WACKER’s history
THE “BIG PLAYERS”

Gainesville, Georgia
ZF Group wind energy plant
- To create wind turbine gearboxes for systems that convert wind energy into electricity
- The company is being provided a customized employee training from the state’s Quick Start economic program
- **$90 million investment**
- Expected to create **215 jobs**
- Start of production – January 2012

Boca Raton, Florida
Max Planck Florida Institute
- First Max Planck Institute established in the US
- Research institute focuses on brain function and neural circuits, using the most advanced techniques to visualize microscopic molecular processes
- $94 million invested from Florida Atlantic University, Palm Beach County and partners to establish Institute
- Will support the creation of more than **1,800 jobs**, both directly and indirectly, over the next two decades
- Will generate more than **$2 billion in economic activity**
- Will create **high-salaried jobs** and pay unparalleled educational and social dividends to the community.
**Chattanooga, Tennessee**
VW auto manufacturing plant
- **$1 billion investment**
- Anticipates **$12 billion in income growth** for Tennessee
- Expects **$1.4 billion in total tax revenue**
- 9,500 indirect jobs through suppliers in addition to the 2,000 jobs planned at the plant, which now employs 1,700
- Goal to build U.S. sales to 1 million units by 2018

**Waycross, Georgia**
RWE Innogy bioenergy pellet plant
- Production of wood pellets for energy production from forest industry byproducts
- Plant has a 750,000 ton annual production capacity
- Plant began full production in May, 2011
- **$175 million investment**
- 85 jobs
The “Backbone”
THE BACKBONE

How do we best support our small & medium sized businesses?
Case Study: SAERTEX

“SAERTEX USA is creating nearly 180 new jobs in the next three years in Huntersville, near the commercial centre of Charlotte in the state of North Carolina. With an investment volume of $6.5 million, SAERTEX USA wants to satisfy the rapidly increasing demand for ultra-light materials for the wind industry and further expand the production area.”

– from saertex.com

"It encourages us to remain in the Huntersville location for the long-term and to invest more in North Carolina.”

- Dr. Christian Kissinger, SAERTEX USA General Manager

At the expansion of the SAERTEX facility in Huntersville, North Carolina
Case Study: MAGE SOLAR

Dublin, Georgia’s competitive assets for the energy sector attracted the attention of global energy leaders. Solar energy companies lit up the landscape in Dublin and Atlanta. MAGE SOLAR chose Dublin for its North American headquarters and a manufacturing facility, creating 350 jobs and investing $30 million.
Case Study: Grenzebach

Grenzebach has been in Newnan, Georgia since August 1988. The company manufactures specialized equipment for large industries, such as a conveyor for Ford Motor Company, a multi-stacker for Guardian, and an accumulator for Chrysler. The company started with a handful of employees and now employs more than 100 people.

"You are certainly one of our prize international companies," said (former Georgia Governor) Perdue, attracting the "best and brightest" minds to the state to manufacture "the high-end products that this company makes. We are glad to have this company in Georgia," he said. "I am very proud of the continual growth you have had."
The Result
Our activities have helped create jobs and economic growth in 11 Federal States.

The US invested $117 billion in Germany in 2010.

US affiliates employ 621,300 workers in Germany.

In 2010, Germany was the US’ 6 largest Export Market: $43 billion in exports to Germany.
Germany invested $218 billion in the US in 2010

German affiliates employ 653,900 workers in the US

Of those, 187,900 are manufacturing jobs

Recent announcements by large German manufacturing subsidiaries will continue to boost employment in our region.
German affiliates employ 203,800 workers within the SLC region.

German-owned affiliates account for 11% of the 5.6 million jobs created by foreign-owned affiliates in the United States.

German companies sell $14,947,000 in exports to Germany from the SLC region.

Nationwide, German companies sell 48.2 billion in exports to Germany.
GERMAN INVESTMENT IN THE SLC REGION

Total Jobs from German Companies in SLC Region

2005/07: 193,100 jobs  2008/10: 203,800 jobs

- Total Jobs from German Companies 2005/07
- Total Jobs from German Companies 2008/10
- Total Jobs from Foreign Owned Companies 2005/07
- Total Jobs from Foreign Owned Companies 2008/10
GERMAN INVESTMENT IN THE SLC REGION

Exports Sold to Germany

2005/07: $16,923,000,000  
2008/10: $14,947,000,000
The Goal
ATTRACTING FOREIGN INVESTMENT

1. Workforce education
2. Efficient logistics
3. Non-prohibitive immigration law
4. Energy prices
5. Limited bureaucracy
6. …
ATTRACTIONG FOREIGN INVESTMENT

Our industry focus in 2011:

Renewable Energy  Food  E-mobility & Automotive  Health Care
Thank you!

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