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German Business Matters

A State-by-State Analysis of Imports, Exports, and Jobs



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FOREWORD

Our flagship publication, "**German Business Matters**," provides a detailed overview of the number of jobs created by German-owned affiliates, as well as the volume of German trade by each individual state in the United States of America. Such an overview is important information for investors and politicians alike — on the local, state, and federal level.

Successful trade relations promote inward investment for both the U.S. and Germany, which in turn creates well-paying jobs. The total bilateral trade relationship between the U.S. and Germany amounted to $174 billion in 2015, the latest data we were able to process for this report. The U.S. is the #1 export market for Germany. For the U.S., Germany is its 6th-largest export market. Total German investment in the U.S. was $255 billion as of 2015. Around 4,700 U.S.-companies benefit from German investment. German affiliates employ around 672,000 people. These German companies are the 3rd-largest foreign employer in the U.S., with almost half of these jobs created in the manufacturing sector.

As these numbers reveal, the United States and Germany are important partners that benefit from open and flourishing markets within a trusted business environment and reliable regulatory frameworks. While this transatlantic economic relationship is already very strong, we look forward to further deepening these ties.

Caroll H. Neubauer,
Chairman of the Board of Directors
of the German American Chambers of Commerce of the USA

Daniel Andrich,
President and CEO, Representative of German Industry and Trade

AHK German American Chambers of Commerce Deutsch-Amerikanische Handelskammern

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German-owned affiliates play an important role in the U.S. economy, with German businesses contributing to its economic health and prosperity. Most importantly, these affiliates create jobs in all regions: from California to Virginia and from Minnesota to Texas. They are also a vital part of the daily life of American employees and their families. About 672,000 American jobs were "insourced" and supported by German-owned affiliates in states across the country.

This report, "German Business Matters: A State-by-State Analysis of Imports, Exports, and Jobs," offers an objective and comparative analysis of German business activity in the United States by employment and trade.

Data

When reading this report, it is important to keep in mind that the employment statistics refer only to majority-owned affiliates that are under German control (that is, German-owned affiliates in the U.S. that are more than 50 percent-owned by German investors). The U.S. Bureau of Economic Analysis (BEA) defines a Majority-owned U.S. affiliate as a "U.S. affiliate in which the combined ownership of all foreign parents exceeds 50 percent."

All data are publicly available from the Department of Commerce and its agencies — the International Trade Administration, the U.S. Census Bureau, and the Bureau of Economic Analysis. The various data are published at different times during the year and generally refer to the previous two years.

Trade numbers are published monthly. Year-end data for trade are available in mid-February of each year for the previous year. Investment data for U.S. direct investment abroad and for foreign direct investment in the U.S. are published each year by mid/end of July for the previous year. Finally, employment numbers for German companies in the U.S. and for U.S. companies in Germany are published in August and December of each year and refer to the previous two years.

For this brochure, all data are current as of January 27, 2017.

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INVESTMENT

Total investment from Germany in the U.S. is $ 255 billion.

Germany is a significant investor in the U.S. More than 8 percent of foreign direct investment in the U.S. comes from Germany. Per the U.S. Department of Commerce, German investment in the U.S. reached a total of about $255 billion by the end of 2015. If calculated by the "Ultimate Beneficial Owner" (UBO), then German investment amounts to $319 billion and Germany ranks fourth. UBO statistics consider the entity that ultimately owns or controls the U.S. affiliate, independently from the location of that entity. Manufacturing is by far the largest sector targeted by German investment. Other areas of German activity include trade, insurance, and finance.

Traditionally, German companies are strongly present in the U.S. Their affiliates represent efficient technologies, a high degree of value added, and attractive jobs. According to the German Federal Bank (Bundesbank), about 4,700 companies in the U.S. benefit from German investment. Most of these are affiliates of small- and medium-sized enterprises.

Foreign direct investment in the United States*

Rank	FDI in the U.S. From	2015 *(in USD Billions)*	2014 *(in USD Billions)*	Change *2015/14 (in %)*
1	United Kingdom	484	449	7.8
2	Japan	411	373	10.2
3	Luxembourg	328	243	35.0
4	Netherlands	283	305	-7.2
5	Canada	269	261	3.1
6	Switzerland	258	224	15.2
7	**Germany**	**255**	**224**	**13.8**
8	France	234	223	4.5

** Position on a historical-cost basis*
Source: U.S. Department of Commerce

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JOBS

German companies are the third largest foreign employer in the U.S.

German affiliates support more than 670,000 jobs in the U.S. Therefore, German companies are the third-largest foreign employer, following companies from the United Kingdom and Japan. Overall, German companies accounted for about 10.5% of the total 6.4 million U.S. jobs created by foreign affiliates. Nearly half of the jobs created by German affiliates in the U.S. are in manufacturing. Among the foreign investors, Germany was the second-largest job creator in this sector. German companies thus play a key role in U.S. efforts to strengthen the industrial base.

U.S. jobs in companies under foreign control

Rank	Country of the Headquarters	2014 *(number of jobs in 1,000)*	2013 *(number of jobs in 1,000)*	Change *2014/13 (in %)*
1	United Kingdom	1,099	1,030	6.7
2	Japan	839	801	4.7
3	**Germany**	**672**	**641**	**4.8**
4	Canada	621	553	12.1
5	France	574	557	3.1

Source: U.S. Department of Commerce

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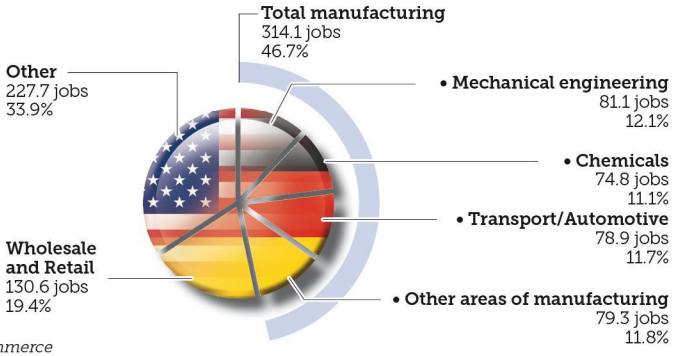
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JOBS

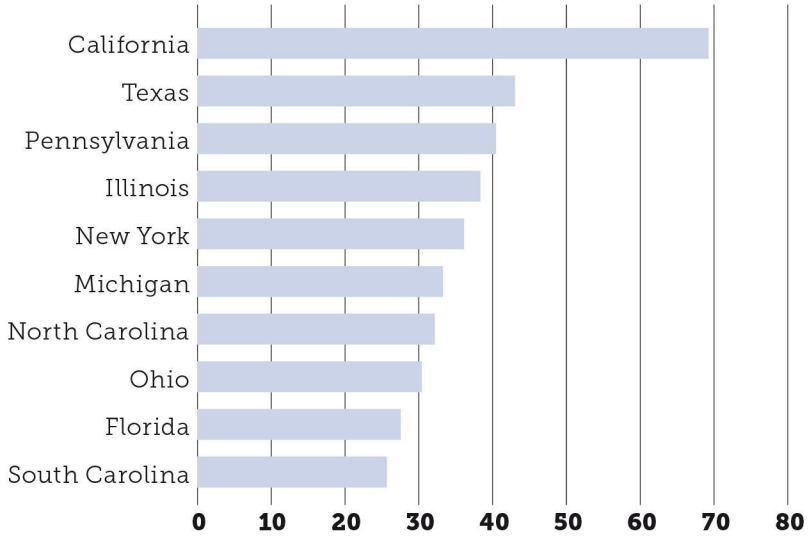
Employees in German majority-owned U.S. affiliates, 2014
(in 1,000)



Source: U.S. Department of Commerce

German-created jobs are also spread out across all regions of the U.S. This table reflects the states with the most jobs. While California (West Coast) is number one, the North, South, Great Lakes, and Mid-West are all strongly represented.

Top 10 states with jobs created by German-owned affiliates, 2014
(in 1,000)



Source: U.S. Department of Commerce

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The U.S. is Germany's most important export market

Germany → U.S.

The U.S. was the most important export destination for Germany in 2015. With total exports valued at $124.8 billion, U.S. goods purchased from Germany increased by 0.5% compared to the previous year. The majority of U.S. imports from Germany were in transportation equipment, chemicals, and machinery.

U.S. imports of goods by country, 2015

Rank	Country	Imports *(in USD Billions)*	Share *(in%)*	Change *2015/14 (in %)*
	Worldwide	2,248.2	100.0	-4.6
1	China	483.2	21.5	3.2
2	Mexico	296.4	13.2	0.2
3	Canada	296.2	13.2	-15.2
4	Japan	131.4	5.8	-2.3
5	**Germany**	**124.8**	**5.6**	**0.5**

Source: U.S. Department of Commerce

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Germany is the 6th largest U.S. export market

U.S. → Germany

With exports totaling around $50 billion, Germany was the sixth largest export market for the U.S. in 2015. Transportation equipment, chemicals, electronic products, and machinery accounted for the most exports.

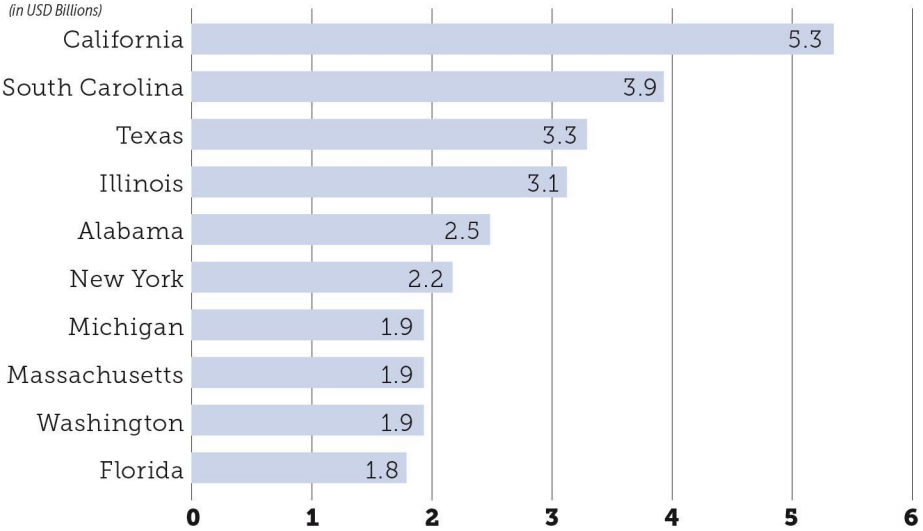
U.S. exports of goods by country, 2015

Rank	Country	Exports (in USD Billions)	Share (in %)	Change 2015/14 (in %)
	Worldwide	**1,502.6**	**100.0**	**-7.3**
1	Canada	280.6	18.7	-10.3
2	Mexico	235.7	15.7	-1.9
3	China	116.1	7.7	-6.1
4	Japan	62.4	4.2	-6.6
5	United Kingdom	56.1	3.7	4.2
6	**Germany**	**50.0**	**3.3**	**1.2**

Source: U.S. Department of Commerce

Of course, exports are important to a region's economy. This table demonstrates which states exported the most to Germany.

Top 10 exporters to Germany



Source: U.S. Department of Commerce

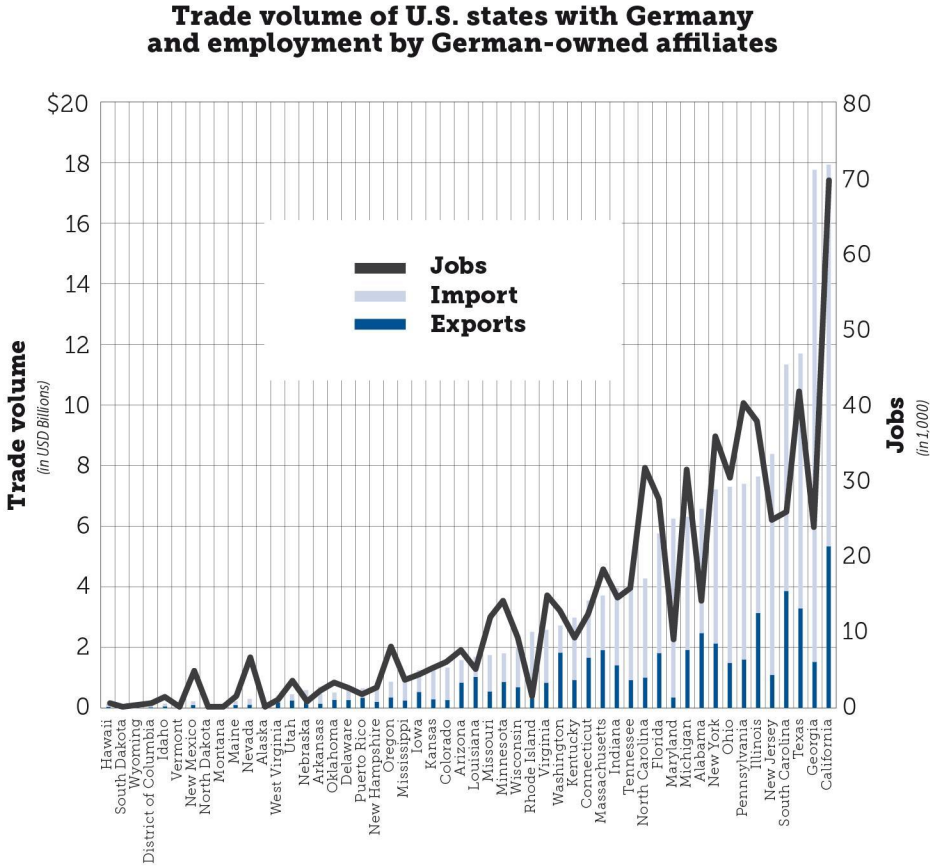
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TRADE

By overlaying import and export numbers with the total of German-created jobs in any given state, one can see a general trend between increased trade activity and higher job amount. In other words, states that import and export the most also have the most German-created jobs.



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THE UNITED STATES IN GERMANY

U.S. investment is $108 billion in Germany.

With its 81 million residents and role as a leading economy in Europe, Germany is also an attractive location for U.S. companies to invest. By the end of 2015, U.S. investment in Germany reached a total of $108 billion (without indirect involvement of third countries). Therefore, the U.S. was the largest non-European investor in Germany. The most significant U.S. investments are found in manufacturing, as well as in holding companies, insurance, and finance. The high-ranking of the Netherlands and Luxembourg is due to their extraordinarily large investments in holding companies. U.S. companies are of considerable importance for the German labor market. They have created over 677,000 jobs in Germany. At the same time, they invest billions each year in research and development.

U.S. direct investments abroad*

Rank	Country	Investments year-end 2015 *(in USD Billions)*	Investments year-end 2014 *(in USD Billions)*	Change *2015/14 (in %)*
	Total	**5,041**	**4,920**	**2.5**
1	Netherlands	858	753	13.9
2	United Kingdom	593	588	0.9
3	Luxembourg	503	465	8.2
4	Canada	353	386	-8.5
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11	**Germany**	**108**	**116**	**-6.9**

** historical cost basis (book value)*
Source: U.S. Department of Commerce

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SUMMARY

	Germany → USA	USA → Germany
Number of Companies, 2014 *Source: German Federal Bank (Bundesbank)*	4,725	1,372
Investments, 2015 *Source: U.S. Department of Commerce (DOC)*	$255 billion	$108 billion
Jobs, 2014 *Source: U.S. Department of Commerce (DOC)*	672,000	677,000
Exports, 2015 *Source: U.S. Department of Commerce (DOC)*	$124.8 billion	$50 billion

With a total trade relationship totaling just over $174 billion, the U.S. and Germany benefit mutually from close trade relations with one another. Such trade encourages investment, and both countries are heavily invested in the other. In turn, German companies have created thousands of jobs across the U.S. and vice versa.

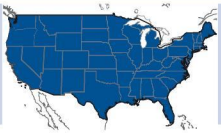
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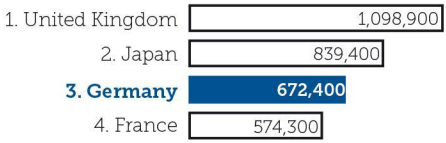
GERMAN BUSINESS IN THE UNITED STATES OF AMERICA



Population: 324,418,820

Employment by Foreign-Owned Affiliates 2014

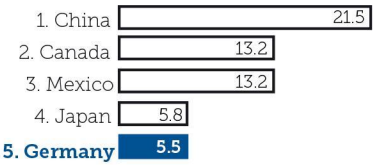
Total: 6,370,900 jobs created by foreign-owned affiliates in the United States.



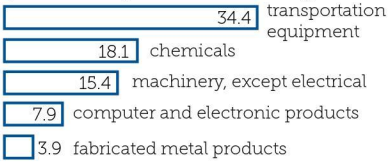
Foreign Trade 2015



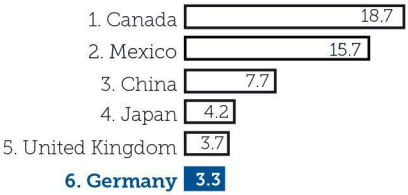
Imports to the USA (%)



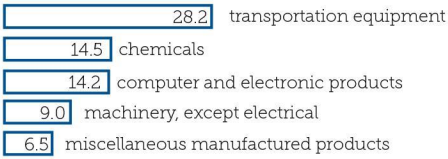
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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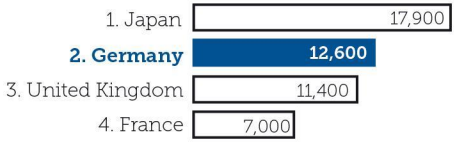
GERMAN BUSINESS IN ALABAMA



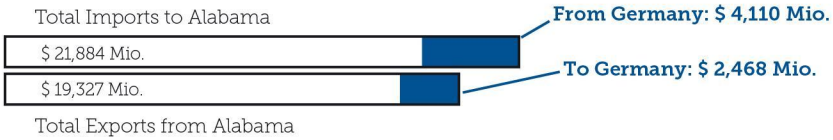
Population: 4,858,979

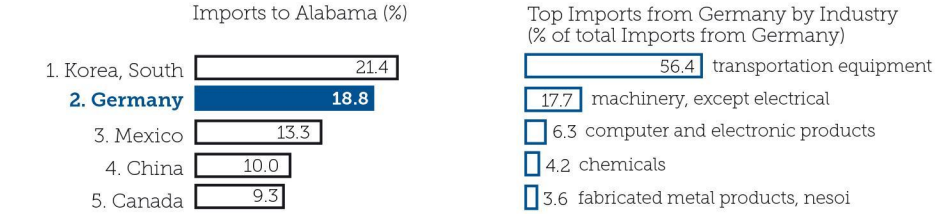
Employment by Foreign-Owned Affiliates 2014

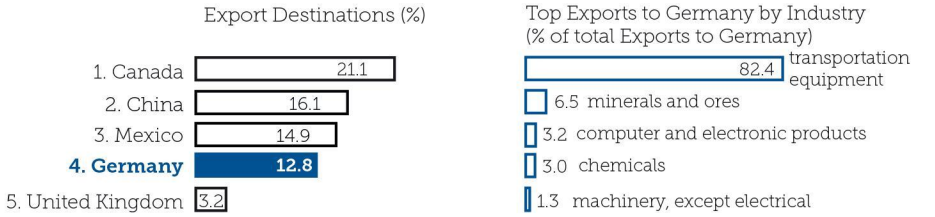
Total: 92,700 jobs created by foreign-owned affiliates in Alabama.



Foreign Trade 2015







Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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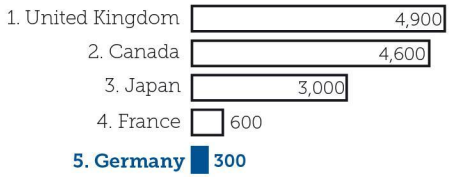
GERMAN BUSINESS IN ALASKA



Population: 738.432

Employment by Foreign-Owned Affiliates 2014

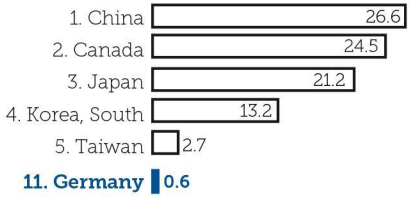
Total: 17,500 jobs created by foreign-owned affiliates in Alaska.



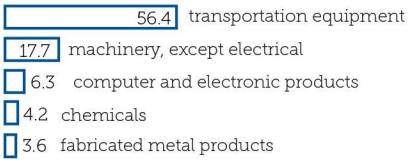
Foreign Trade 2015



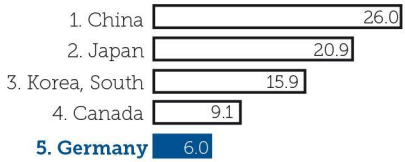
Imports to Alaska (%)



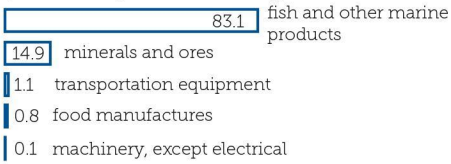
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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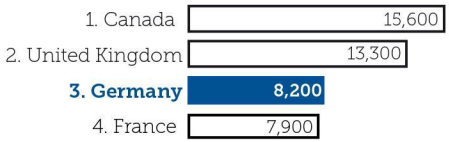
GERMAN BUSINESS IN ARIZONA



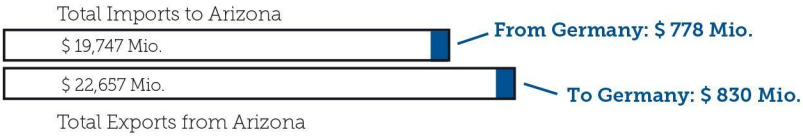
Population: 6,828.065

Employment by Foreign-Owned Affiliates 2014

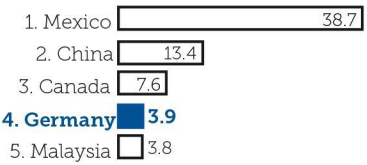
Total: 88,600 jobs created by foreign-owned affiliates in Arizona.



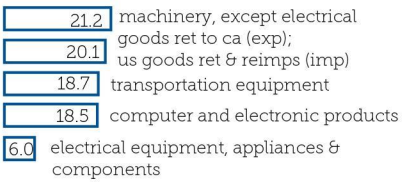
Foreign Trade 2015



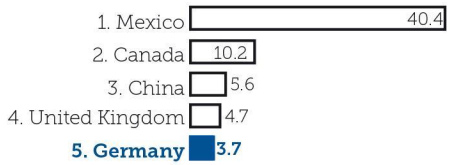
Imports to Arizona (%)



Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN ARKANSAS



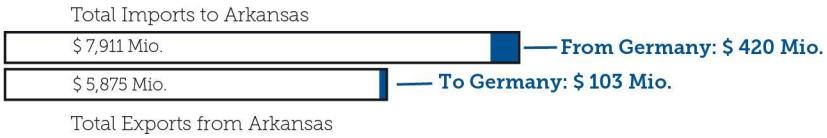
Population: 2,978,204

Employment by Foreign-Owned Affiliates 2014

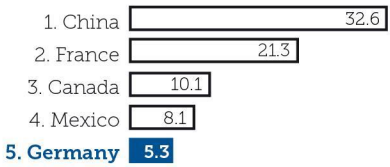
Total: 46,400 jobs created by foreign-owned affiliates in Arkansas.



Foreign Trade 2015



Imports to Arkansas (%)



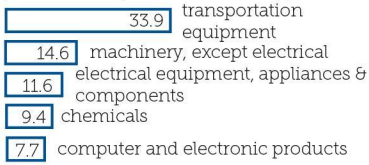
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN CALIFORNIA



Population: 39,144,818

Employment by Foreign-Owned Affiliates 2014

Total: 665,000 jobs created by foreign-owned affiliates in California.



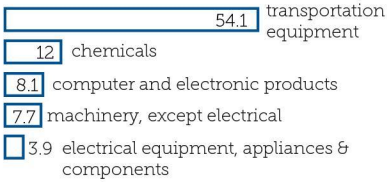
Foreign Trade 2015



Imports to California (%)



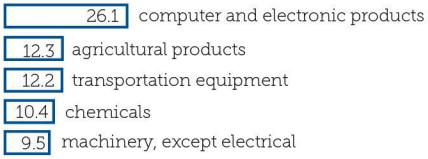
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN COLORADO



Population: 5,456,574

Employment by Foreign-Owned Affiliates 2014

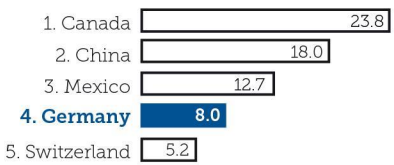
Total: 90,800 jobs created by foreign-owned affiliates in Colorado.



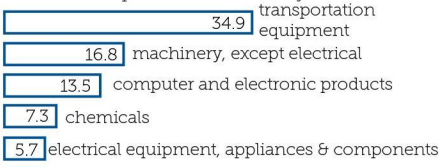
Foreign Trade 2015



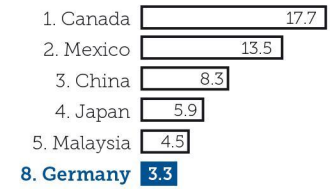
Imports to Colorado (%)



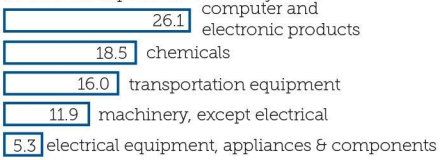
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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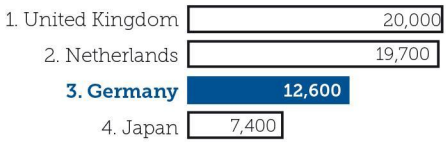
GERMAN BUSINESS IN CONNECTICUT



Population: 3,590,886

Employment by Foreign-Owned Affiliates 2014

Total: 99,400 jobs created by foreign-owned affiliates in Connecticut.



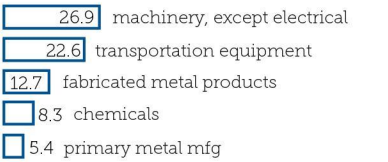
Foreign Trade 2015



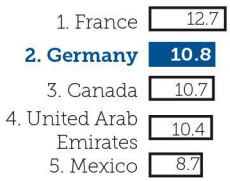
Imports to Connecticut (%)



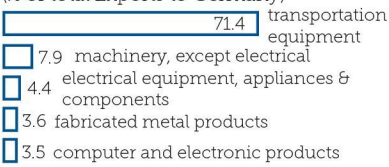
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN DELAWARE



Population: 945,934

Employment by Foreign-Owned Affiliates 2014

Total: 28,300 jobs created by foreign-owned affiliates in Delaware.



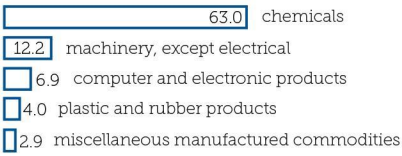
Foreign Trade 2015



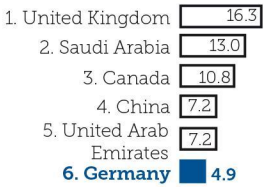
Imports to Delaware (%)



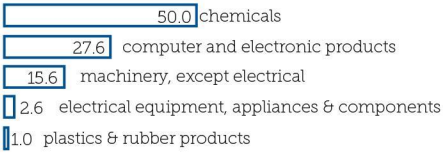
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN

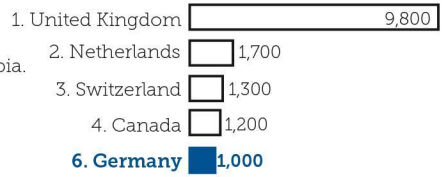
DISTRICT OF COLUMBIA



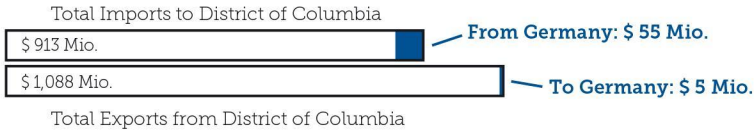
Population: 672,228

Employment by Foreign-Owned Affiliates 2014

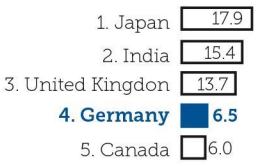
Total: 24,000 jobs created by foreign-owned affiliates in District of Columbia.



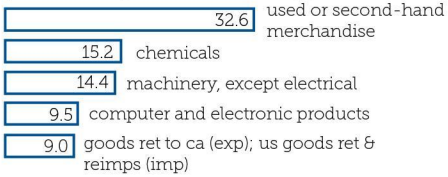
Foreign Trade 2015



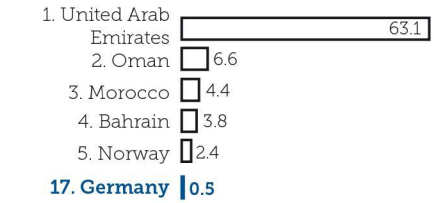
Imports to D.C (%)



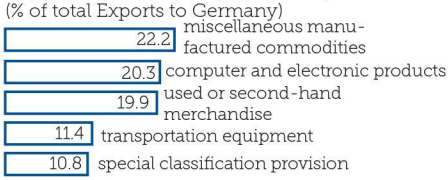
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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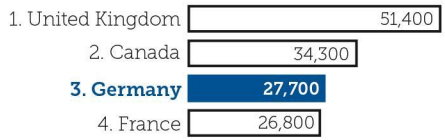
GERMAN BUSINESS IN FLORIDA



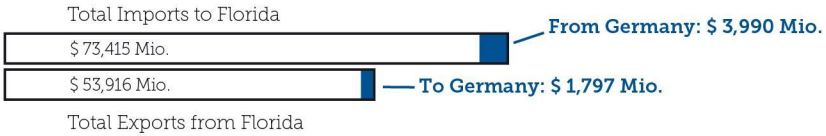
Population: 20,271,272

Employment by Foreign-Owned Affiliates 2014

Total: 266,500 jobs created by foreign-owned affiliates in Florida.



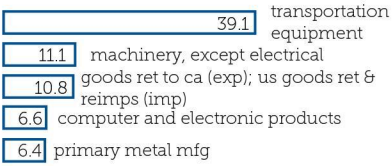
Foreign Trade 2015



Imports to Florida (%)



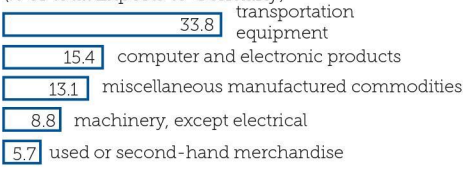
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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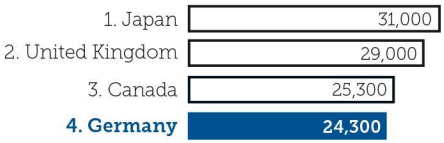
GERMAN BUSINESS IN GEORGIA



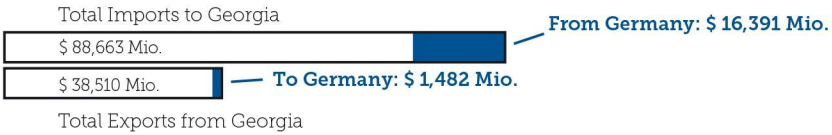
Population: 10,214,860

Employment by Foreign-Owned Affiliates 2014

Total: 217,500 jobs created by foreign-owned affiliates in Georgia.



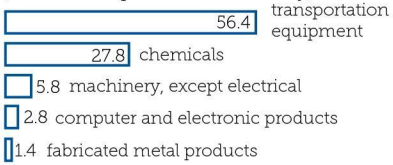
Foreign Trade 2015



Imports to Georgia (%)



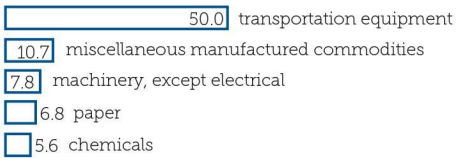
Top Imports from Georgia by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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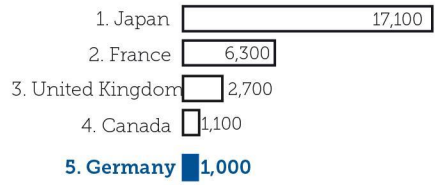
GERMAN BUSINESS IN HAWAII



Population: 1,431,603

Employment by Foreign-Owned Affiliates 2014

Total: 37,000 jobs created by foreign-owned affiliates in Hawaii.



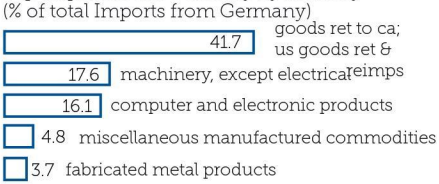
ForeignTrade 2015



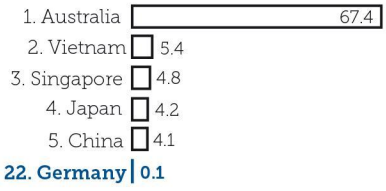
Imports to Hawaii (%)



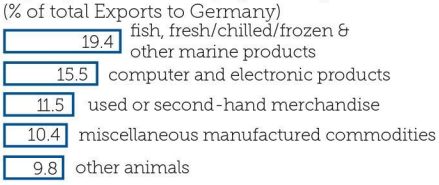
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN IDAHO



Population: 1,654,930

Employment by Foreign-Owned Affiliates 2014

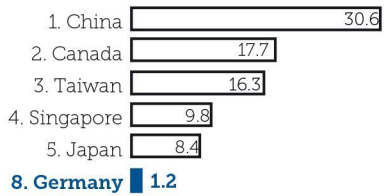
Total: 16,100 jobs created by foreign-owned affiliates in Idaho.



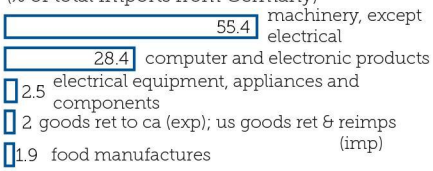
Foreign Trade 2015



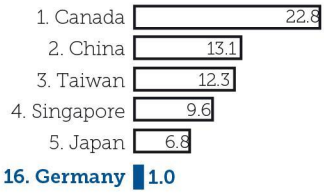
Imports to Idaho (%)



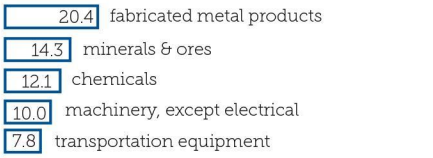
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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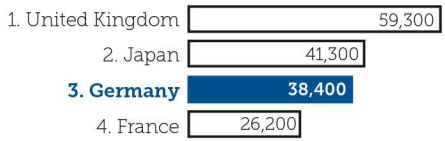
GERMAN BUSINESS IN ILLINOIS



Population: 12,859,995

Employment by Foreign-Owned Affiliates 2014

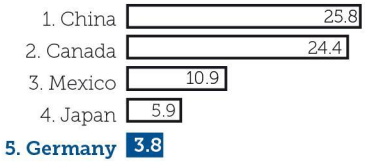
Total: 292,600 jobs created by foreign-owned affiliates in Illinois.



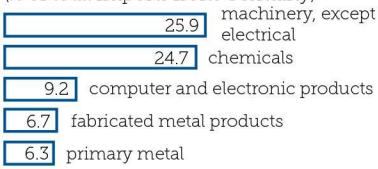
Foreign Trade 2015



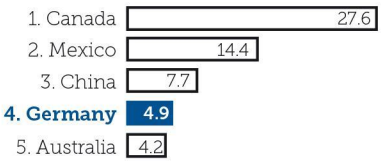
Imports to Illinois (%)



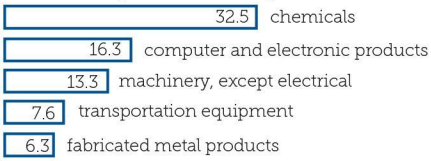
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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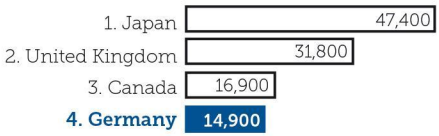
GERMAN BUSINESS IN INDIANA



Population: 6,619,680

Employment by Foreign-Owned Affiliates 2014

Total: 170,800 jobs created by foreign-owned affiliates in Indiana.

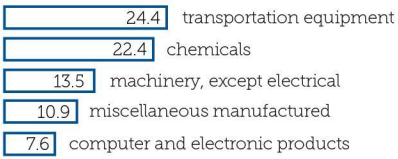


Foreign Trade 2015



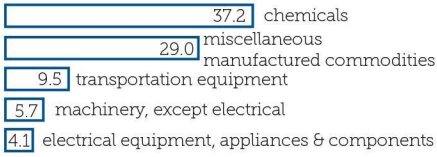


Top Imports from Germany by Industry (% of total Imports from Germany)





Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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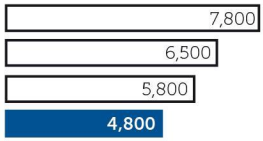
GERMAN BUSINESS IN IOWA



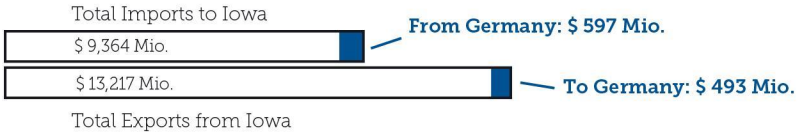
Population: 3,123,899

Employment by Foreign-Owned Affiliates 2014

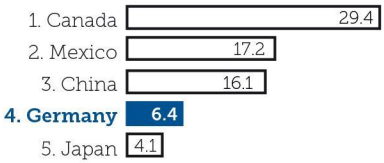
Total: 55,800 jobs created by foreign-owned affiliates in Iowa.



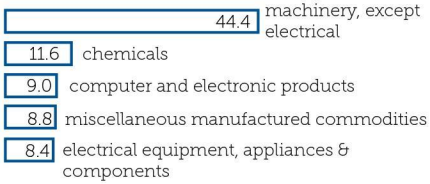
Foreign Trade 2015



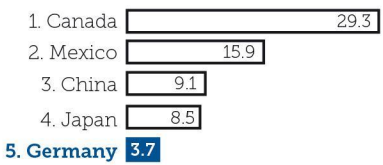
Imports to Iowa (%)



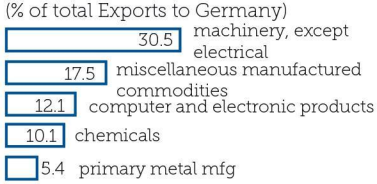
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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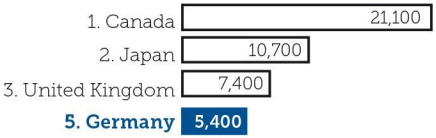
GERMAN BUSINESS IN KANSAS



Population: 2,911,641

Employment by Foreign-Owned Affiliates 2014

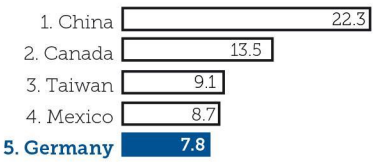
Total: 70,600 jobs created by foreign-owned affiliates in Kansas.



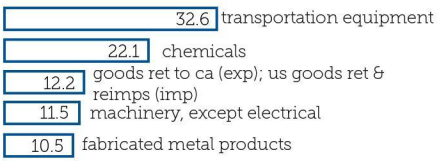
Foreign Trade 2015



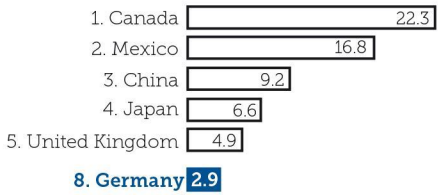
Imports to Kansas (%)



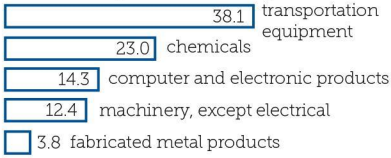
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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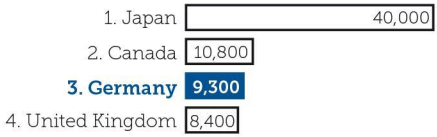
GERMAN BUSINESS IN KENTUCKY



Population: 4,425,092

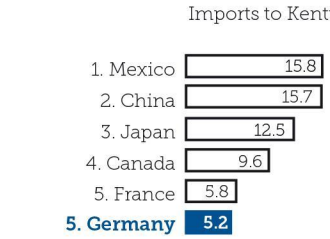
Employment by Foreign-Owned Affiliates 2014

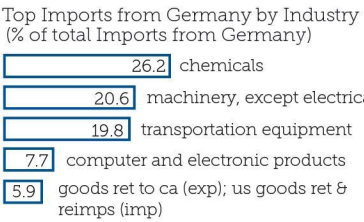
Total: 107,500 jobs created by foreign-owned affiliates in Kentucky.



Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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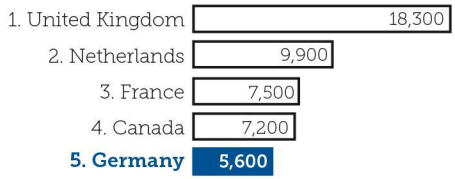
GERMAN BUSINESS IN LOUISIANA



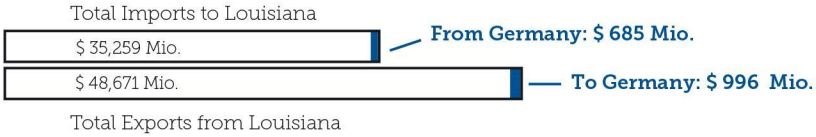
Population: 467,724

Employment by Foreign-Owned Affiliates 2014

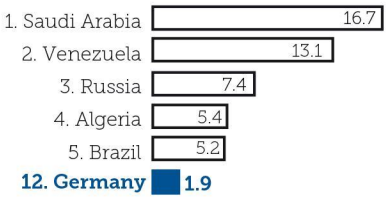
Total: 74,300 jobs created by foreign-owned affiliates in Louisiana.



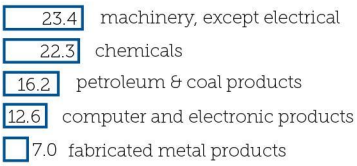
Foreign Trade 2015



Imports to Louisiana (%)



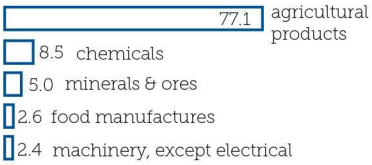
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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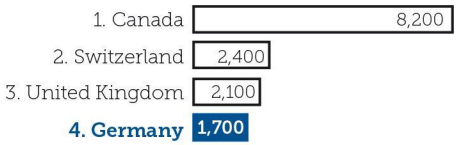
GERMAN BUSINESS IN MAINE



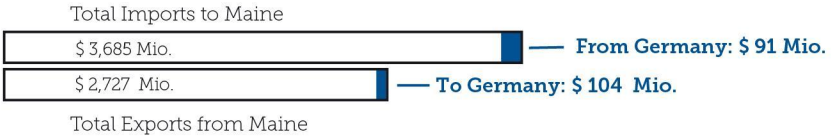
Population: 1,329,328

Employment by Foreign-Owned Affiliates 2014

Total: 32,500 jobs created by foreign-owned affiliates in Maine.



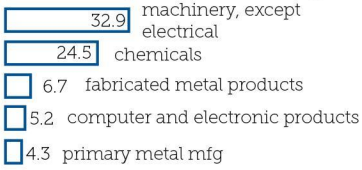
Foreign Trade 2015



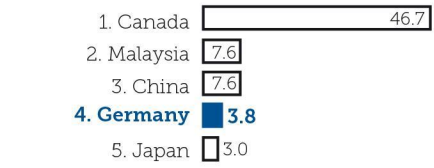
Imports to Maine (%)



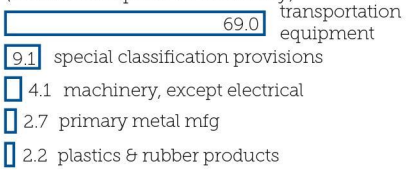
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN MARYLAND



Population: 6,006,401

Employment by Foreign-Owned Affiliates 2014

Total: 103,800 jobs created by foreign-owned affiliates in Maryland.

1. Netherlands	22,000
2. United Kingdom	20,400
3. France	9,800
4. Canada	8,700
5. Germany	**7,900**

Foreign Trade 2015

Total Imports to Maryland

$ 31,517 Mio. — **From Germany: $ 5,873 Mio.**

$ 10,053 Mio. — **To Germany: $ 378 Mio.**

Total Exports from Maryland

Imports to Maryland (%)

1. Germany	**17.0**
2. China	10.8
3. United Kingdom	9.4
4. Mexico	9.0
5. Japan	6.9

Top Imports from Germany by Industry (% of total Imports from Germany)

79.0	transportation equipment
9.2	machinery, except electrical
4.2	computer and electronic products
2.0	chemicals
1.1	miscellaneous manufactured commodities

Export Destinations (%)

1. Canada	15.4
2. Saudi Arabia	7.8
3. United Kingdom	5.6
4. China	4.8
5. Mexico	4.4
9. Germany	**3.8**

Top Exports to Germany by Industry (% of total Exports to Germany)

25.0	transportation equipment
18.5	chemicals
13.5	computer and electronic products
8.6	machinery, except electrical
8.0	plastics & rubber products

Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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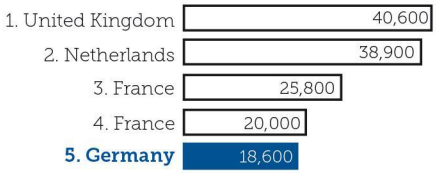
GERMAN BUSINESS IN MASSACHUSETTS



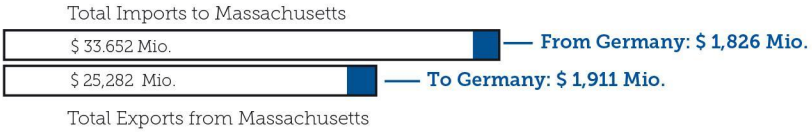
Population: 6,794,422

Employment by Foreign-Owned Affiliates 2014

Total: 216,000 jobs created by foreign-owned affiliates in Massachusetts.



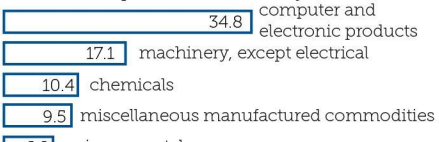
Foreign Trade 2015



Imports to Massachusetts (%)



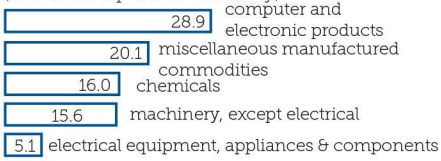
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN MICHIGAN



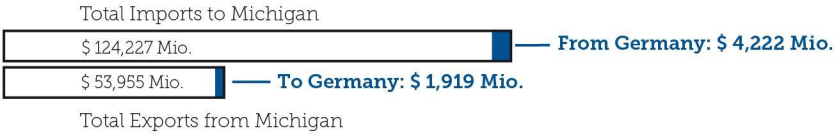
Population: 9,922,576

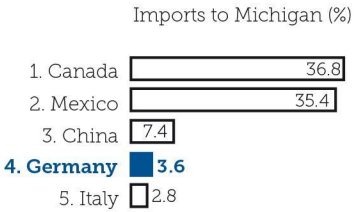
Employment by Foreign-Owned Affiliates 2014

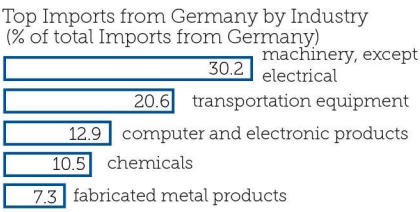
Total: 217,100 jobs created by foreign-owned affiliates in Michigan.



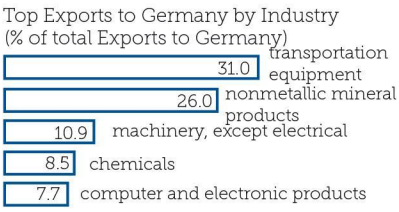
Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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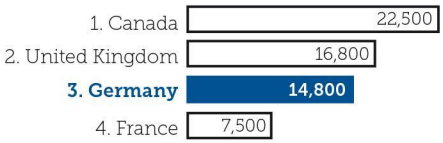
GERMAN BUSINESS IN MINNESOTA



Population: 5,489,594

Employment by Foreign-Owned Affiliates 2014

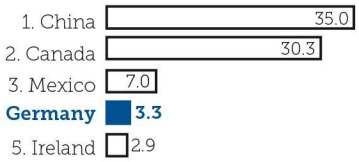
Total: 106,100 jobs created by foreign-owned affiliates in Minnesota.



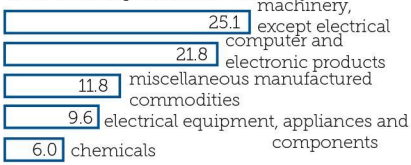
Foreign Trade 2015



Imports to Minnesota (%)



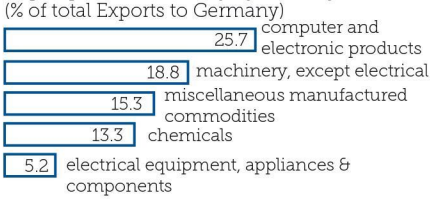
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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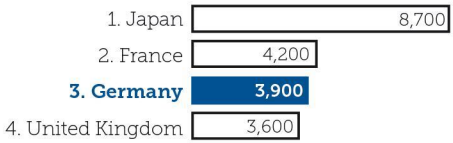
GERMAN BUSINESS IN MISSISSIPPI



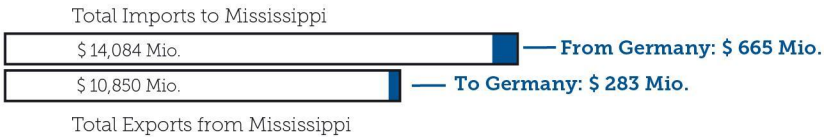
Population: 2,992,333

Employment by Foreign-Owned Affiliates 2014

Total: 34,000 jobs created by foreign-owned affiliates in Mississippi.



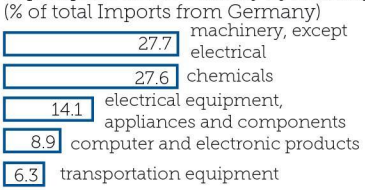
Foreign Trade 2015



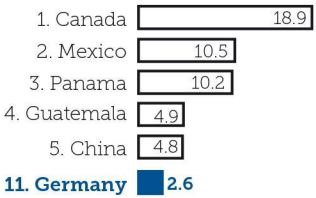
Imports to Mississippi (%)



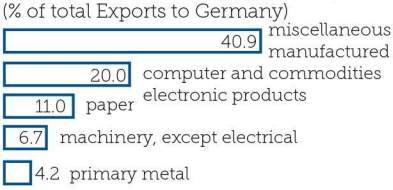
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN MISSOURI



Population: 6,083,672

Employment by Foreign-Owned Affiliates 2014

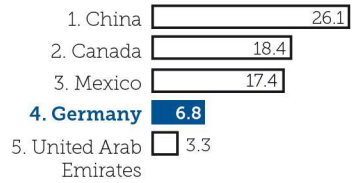
Total: 104,300 jobs created by foreign-owned affiliates in Missouri.



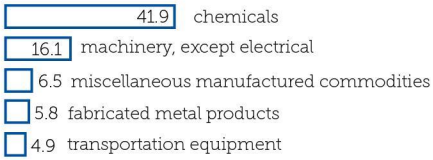
Foreign Trade 2015



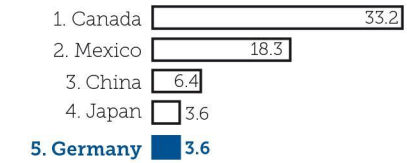
Imports to Missouri (%)



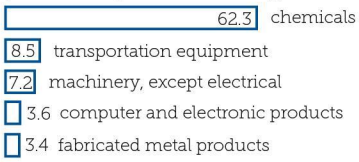
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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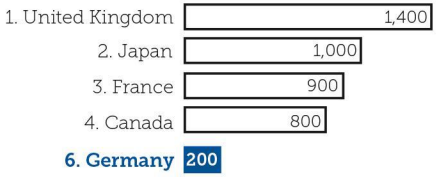
GERMAN BUSINESS IN MONTANA



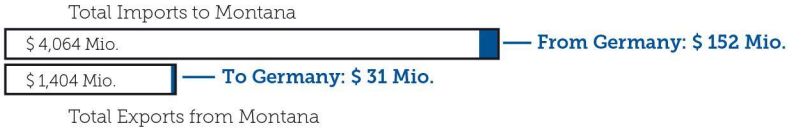
Population: 1,032,949

Employment by Foreign-Owned Affiliates 2014

Total: 6,900 jobs created by foreign-owned affiliates in Montana.



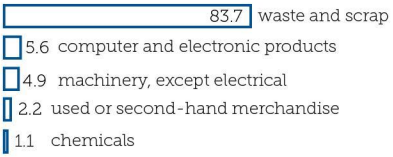
Foreign Trade 2015



Imports to Montana (%)



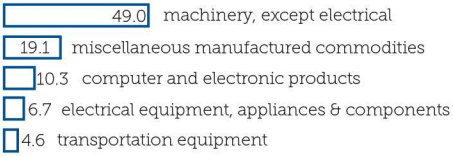
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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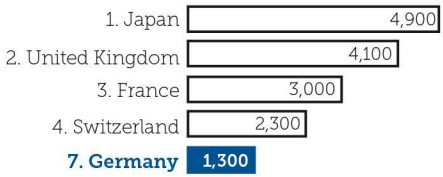
GERMAN BUSINESS IN NEBRASKA



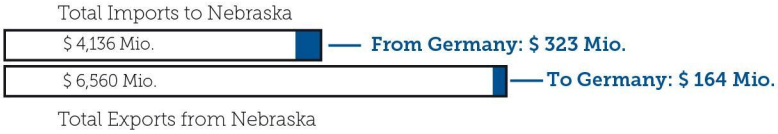
Population: 1,896,190

Employment by Foreign-Owned Affiliates 2014

Total: 32,500 jobs created by foreign-owned affiliates in Nebraska.



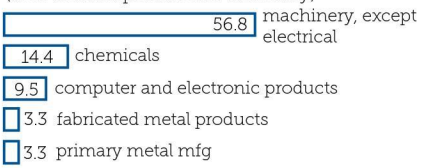
Foreign Trade 2015



Imports to Nebraska (%)



Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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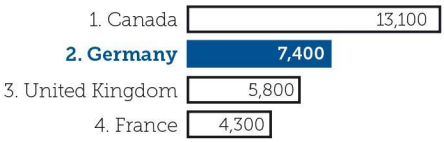
GERMAN BUSINESS IN NEVADA



Population: 2,890,845

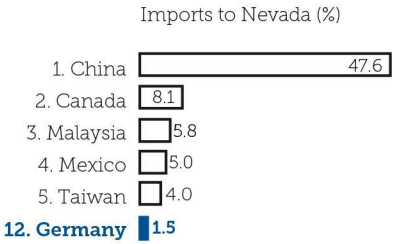
Employment by Foreign-Owned Affiliates 2014

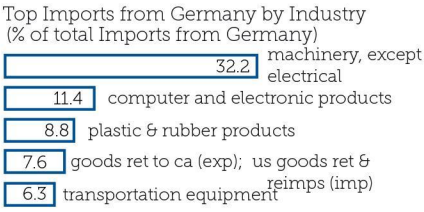
Total: 45,800 jobs created by foreign-owned affiliates in Nevada.



Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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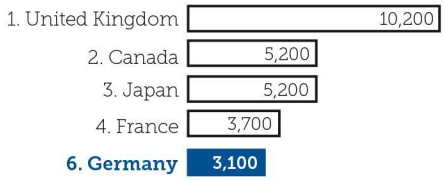
GERMAN BUSINESS IN NEW HAMPSHIRE



Population: 1,330,608

Employment by Foreign-Owned Affiliates 2014

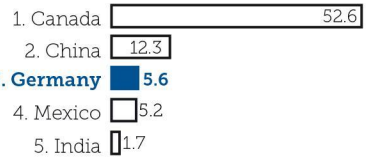
Total: 42,500 jobs created by foreign-owned affiliates in New Hampshire.



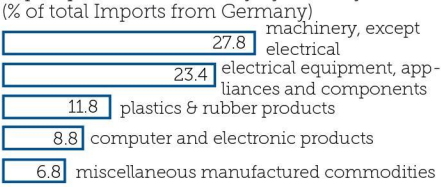
Foreign Trade 2015



Imports to New Hampshire (%)



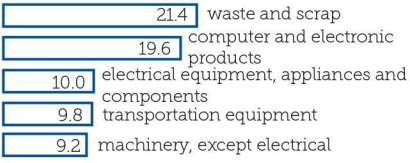
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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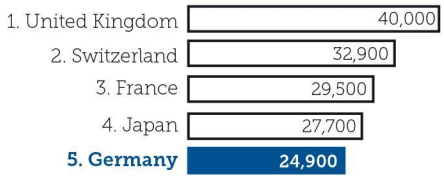
GERMAN BUSINESS IN NEW JERSEY



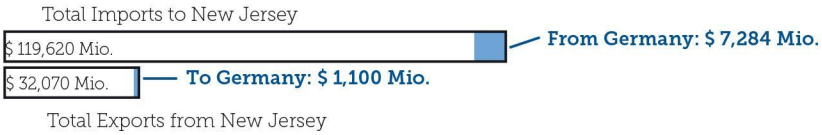
Population: 8,958,013

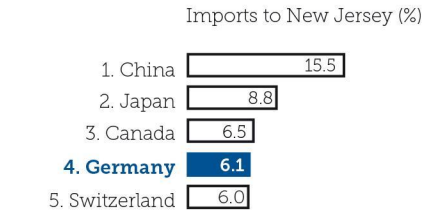
Employment by Foreign-Owned Affiliates 2014

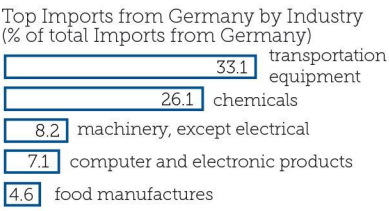
Total: 244,800 jobs created by foreign-owned affiliates in New Jersey.



Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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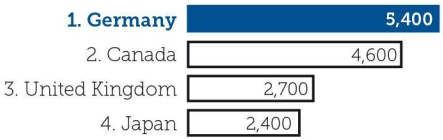
GERMAN BUSINESS IN NEW MEXICO



Population: 2,085,109

Employment by Foreign-Owned Affiliates 2014

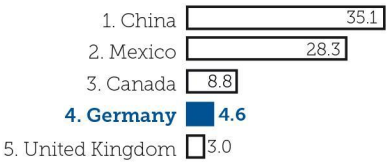
Total: 22,400 jobs created by foreign-owned affiliates in New Mexico.



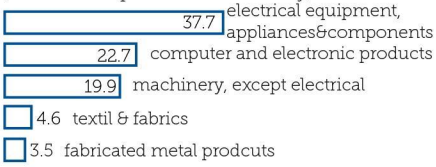
Foreign Trade 2015



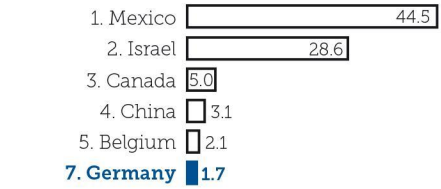
Imports to New Mexico (%)



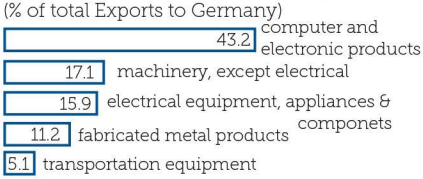
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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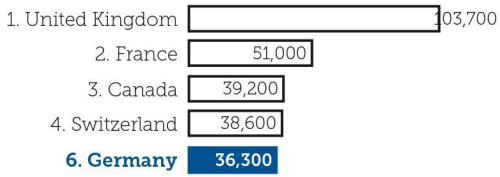
GERMAN BUSINESS IN NEW YORK



Population: 19,795,791

Employment by Foreign-Owned Affiliates 2014

Total: 428,000 jobs created by foreign-owned affiliates in New York.



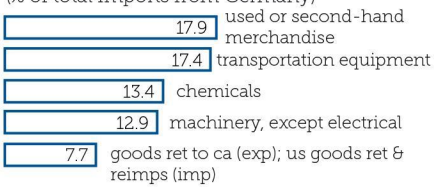
Foreign Trade 2015



Imports to New York (%)



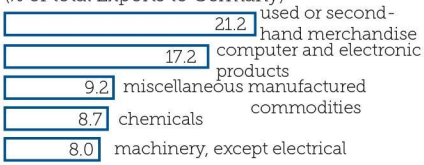
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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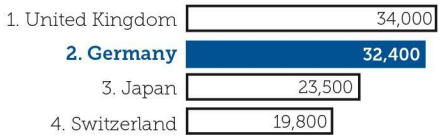
GERMAN BUSINESS IN NORTH CAROLINA



Population: 9,848,060

Employment by Foreign-Owned Affiliates 2014

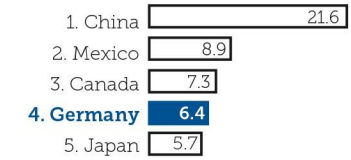
Total: 242,700 jobs created by foreign-owned affiliates in North Carolina.



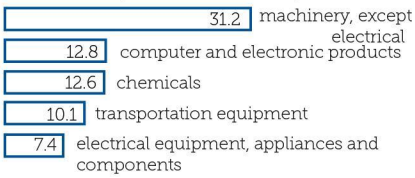
Foreign Trade 2015



Imports to North Carolina (%)



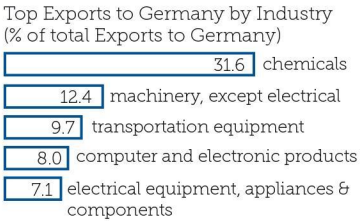
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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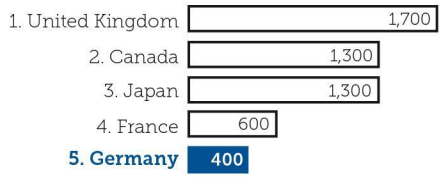
GERMAN BUSINESS IN NORTH DAKOTA



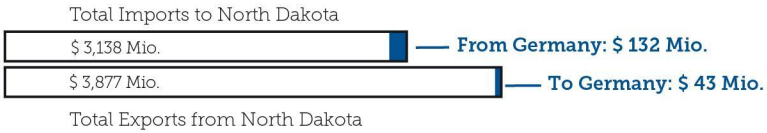
Population: 756,927

Employment by Foreign-Owned Affiliates 2014

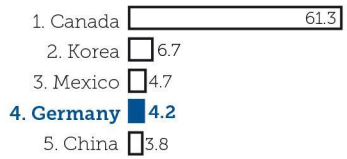
Total: 13,400 jobs created by foreign-owned affiliates in North Dakota.



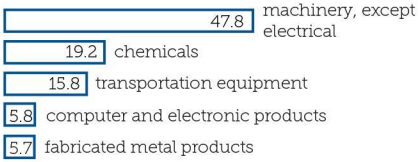
Foreign Trade 2015



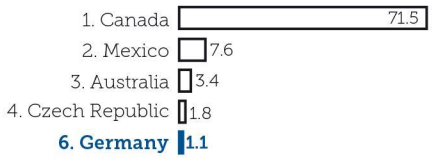
Imports to North Dakota (%)



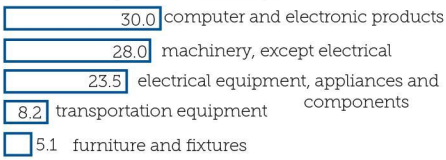
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN OHIO



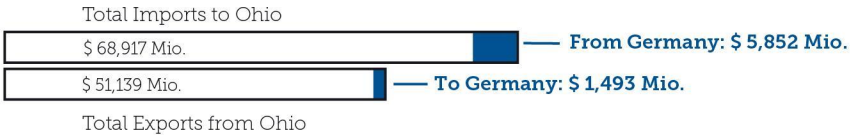
Population: 11,613,423

Employment by Foreign-Owned Affiliates 2014

Total: 253,000 jobs created by foreign-owned affiliates in Ohio.



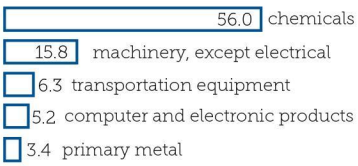
Foreign Trade 2015



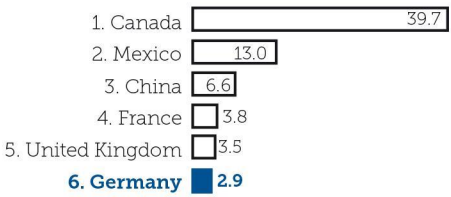
Imports to Ohio (%)



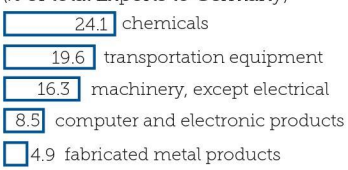
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN OKLAHOMA



Population: 3,911,338

Employment by Foreign-Owned Affiliates 2014

Total: 49,700 jobs created by foreign-owned affiliates in Oklahoma.



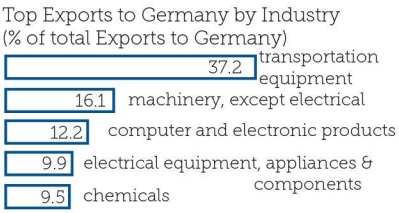
Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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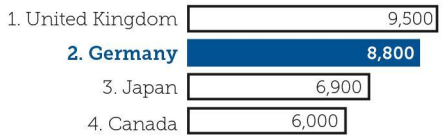
GERMAN BUSINESS IN OREGON



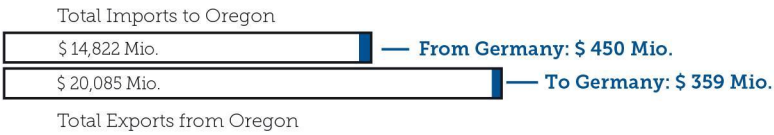
Population: 4,028,977

Employment by Foreign-Owned Affiliates 2014

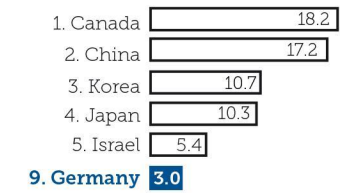
Total: 52,800 jobs created by foreign-owned affiliates in Oregon.



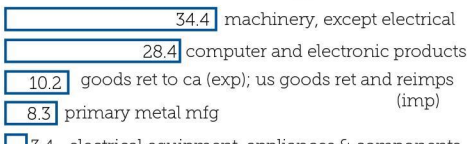
Foreign Trade 2015



Imports to Oregon (%)



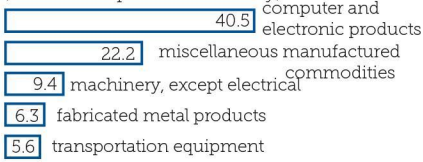
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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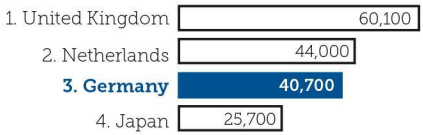
GERMAN BUSINESS IN PENNSYLVANIA



Population: 12,802,503

Employment by Foreign-Owned Affiliates 2014

Total: 299,700 jobs created by foreign-owned affiliates in Pennsylvania.



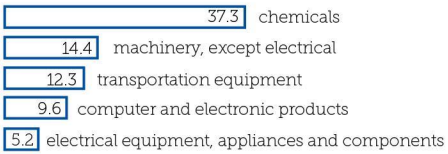
Foreign Trade 2015



Imports to Pennsylvania (%)



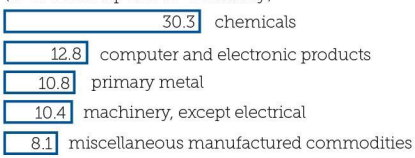
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN PUERTO RICO



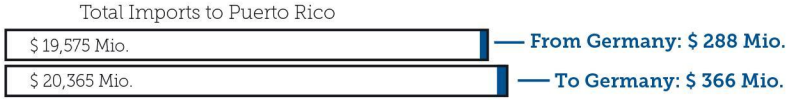
Population: 3,474,182

Employment by Foreign-Owned Affiliates 2014

Total: 21,200 jobs created by foreign-owned affiliates in Puerto Rico.



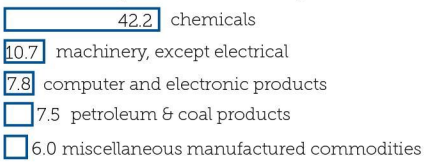
Foreign Trade 2015



Imports to Puerto Rico (%)



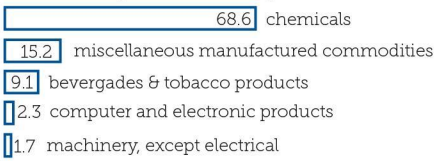
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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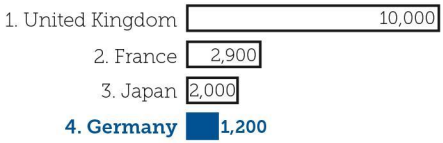
GERMAN BUSINESS IN RHODE ISLAND



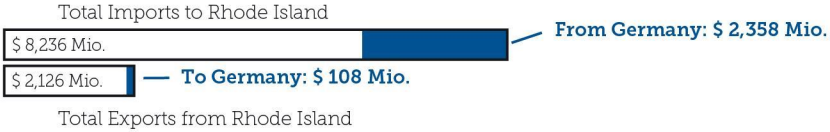
Population: 1,056,298

Employment by Foreign-Owned Affiliates 2014

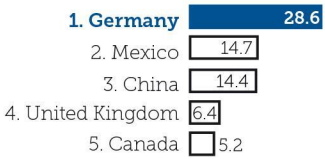
Total: 29,700 jobs created by foreign-owned affiliates in Rhode Island.



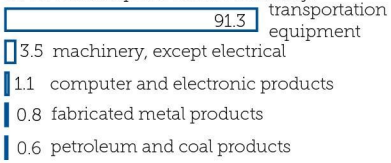
Foreign Trade 2015



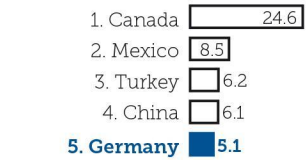
Imports to Rhode Island (%)



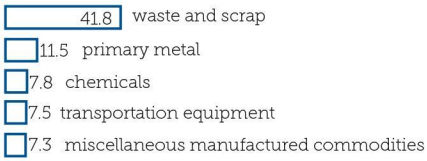
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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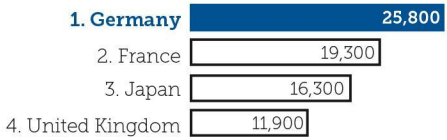
GERMAN BUSINESS IN SOUTH CAROLINA



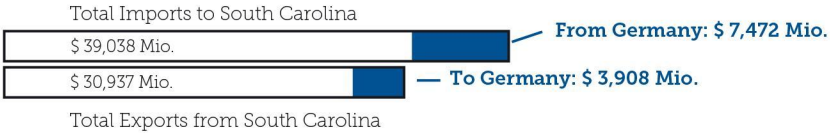
Population: 4,896,146

Employment by Foreign-Owned Affiliates 2014

Total: 131,900 jobs created by foreign-owned affiliates in South Carolina.



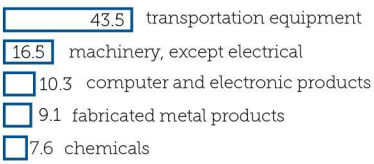
Foreign Trade 2015



Imports to South Carolina (%)



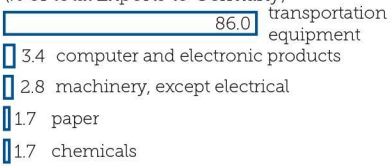
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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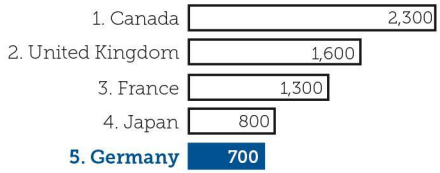
GERMAN BUSINESS IN SOUTH DAKOTA



Population: 858,469

Employment by Foreign-Owned Affiliates 2014

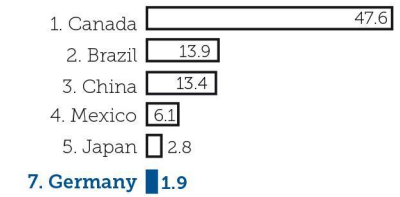
Total: 13,000 jobs created by foreign-owned affiliates in South Dakota.



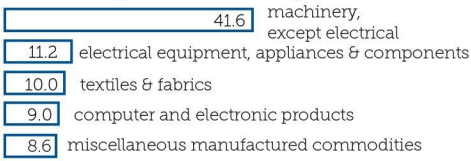
Foreign Trade 2015



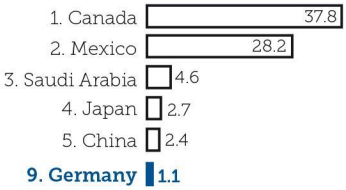
Imports to South Dakota (%)



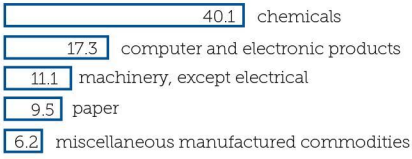
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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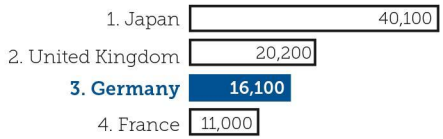
GERMAN BUSINESS IN TENNESSEE



Population: 6,600,299

Employment by Foreign-Owned Affiliates 2014

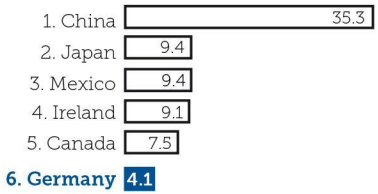
Total: 139,400 jobs created by foreign-owned affiliates in Tennessee.



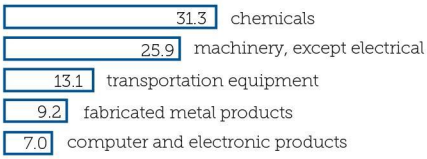
Foreign Trade 2015



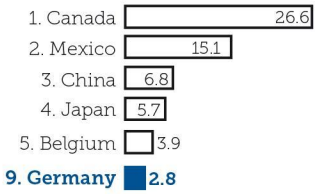
Imports to Tennessee (%)



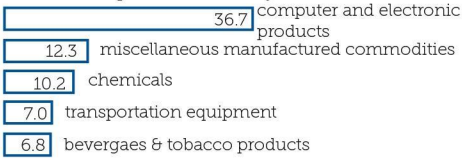
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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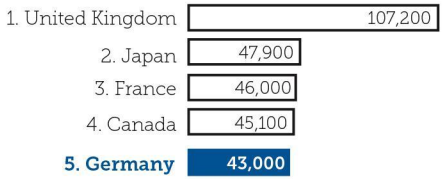
GERMAN BUSINESS IN TEXAS



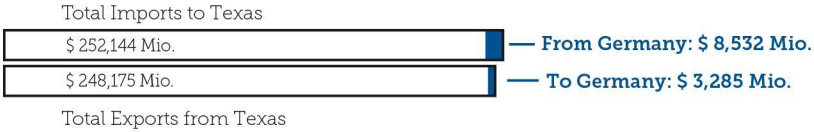
Population: 27,469,114

Employment by Foreign-Owned Affiliates 2014

Total: 544,800 jobs created by foreign-owned affiliates in Texas.



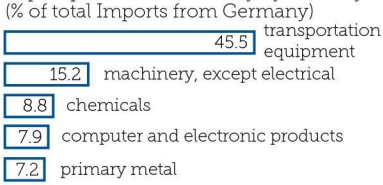
Foreign Trade 2015



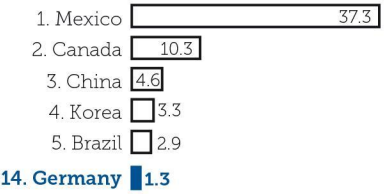
Imports to Texas (%)



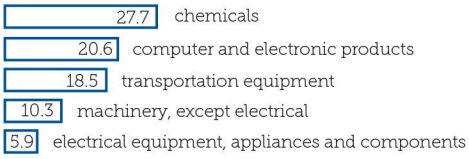
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

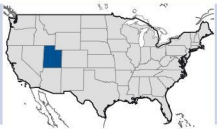
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GERMAN BUSINESS IN UTAH



Population: 2,995,919

Employment by Foreign-Owned Affiliates 2014

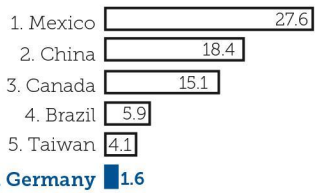
Total: 38,000 jobs created by foreign-owned affiliates in Utah.



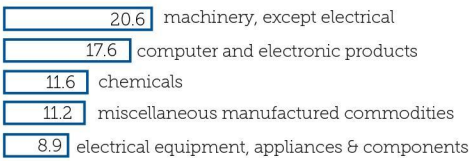
Foreign Trade 2015



Imports to Utah (%)



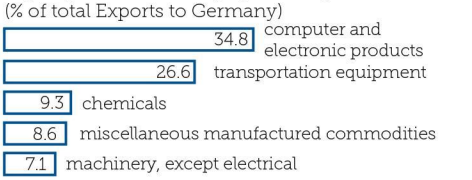
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN VERMONT



Population: 626,042

Employment by Foreign-Owned Affiliates 2014

Total: 11,600 jobs created by foreign-owned affiliates in Vermont.

1. Canada	2,200
2. United Kingdom	1,400
3. France	1,200
4. Switzerland	1,200
7. Germany	**600**

Foreign Trade 2015

Total Imports to Vermont

$ 4,063 Mio. — From Germany: $ 52 Mio.

$ 3,182 Mio. — To Germany: $ 60 Mio.

Total Exports from Vermont

Imports to Vermont (%)

1. Canada	71.8
2. China	6.5
3. Vietnam	1.8
4. United Kingdom	1.6
5. India	1.6
10. Germany	**1.3**

Top Imports from Germany by Industry (% of total Imports from Germany)

38.2	machinery, except electrical
15.4	computer and electronic products
6.3	chemicals
6.2	goods ret to ca (exp); us goods ret & reimps (imp)
5.2	electrical equipment, appliances & components

Export Destinations (%)

1. Canada	36.8
2. Hong Kong	9.5
3. Malaysia	7.3
4. China	6.9
5. Mexico	6.7
13. Germany	**1.9**

Top Exports to Germany by Industry (% of total Exports to Germany)

53.0	computer and electronic products
17.9	machinery, except electrical
13.3	miscellaneous manufactured commodities
6.4	transportation equipment
1.8	primary metal

Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN VIRGINIA



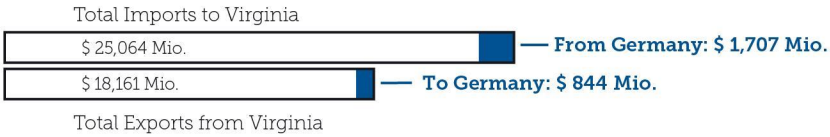
Population: 8,382,993

Employment by Foreign-Owned Affiliates 2014

Total: 175,800 jobs created by foreign-owned affiliates in Virginia.



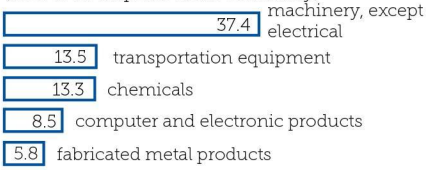
Foreign Trade 2015



Imports to Virginia (%)



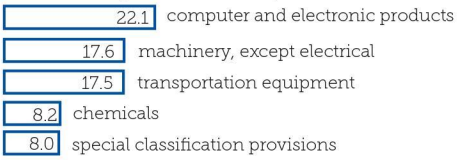
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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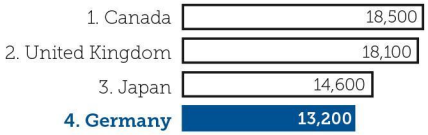
GERMAN BUSINESS IN WASHINGTON



Population: 7,170,351

Employment by Foreign-Owned Affiliates 2014

Total: 105,600 jobs created by foreign-owned affiliates in Washington.



Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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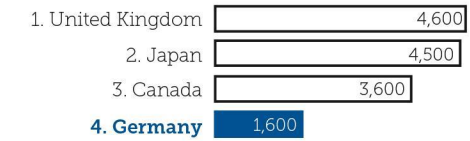
GERMAN BUSINESS IN WEST VIRGINIA



Population: 1,844,128

Employment by Foreign-Owned Affiliates 2014

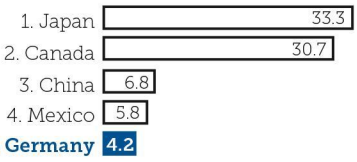
Total: 29,000 jobs created by foreign-owned affiliates in West Virginia.



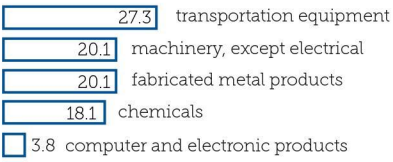
Foreign Trade 2015



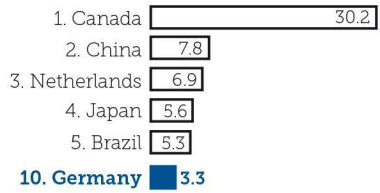
Imports to West Virginia (%)



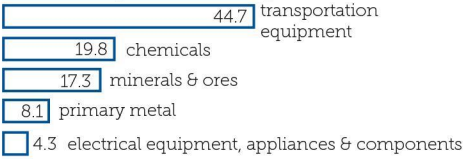
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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GERMAN BUSINESS IN WISCONSIN



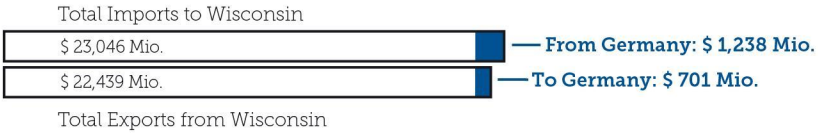
Population: 5,771,337

Employment by Foreign-Owned Affiliates 2014

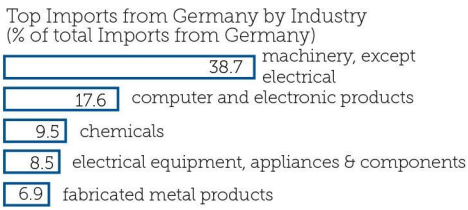
Total: 90,000 jobs created by foreign-owned affiliates in Wisconsin.



Foreign Trade 2015











Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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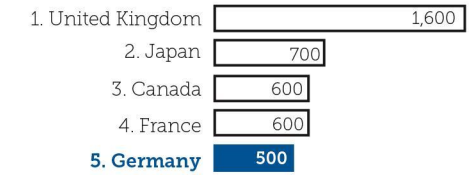
GERMAN BUSINESS IN WYOMING



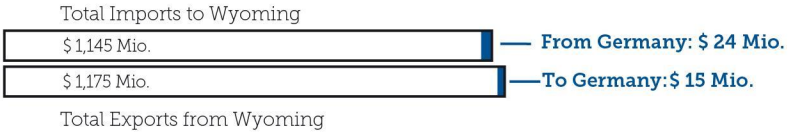
Population: 586,107

Employment by Foreign-Owned Affiliates 2014

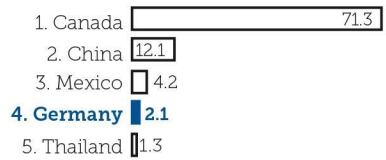
Total: 8,400 jobs created by foreign-owned affiliates in Wyoming.



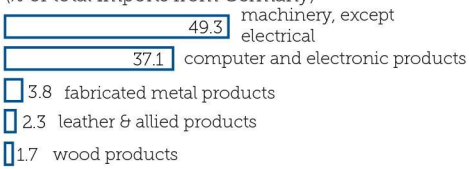
Foreign Trade 2015



Imports to Wyoming (%)



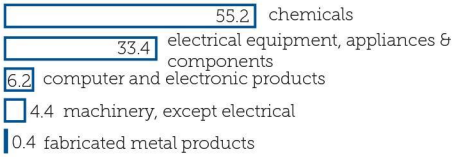
Top Imports from Germany by Industry (% of total Imports from Germany)



Export Destinations (%)



Top Exports to Germany by Industry (% of total Exports to Germany)



Sources: U.S. Department of Commerce (2016) - International Trade Administration, U.S. Census Bureau, Bureau of Economic Analysis

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ABOUT US

RGIT — Deepening the transatlantic marketplace

The **Representative of German Industry and Trade (RGIT)** encourages the deepening of the U.S.-German economic and trade relationship. RGIT represents the interests of German industry in the U.S. on behalf of its principals, the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK).

The transatlantic economic relationship is very close. The United States and Germany are important partners in shaping globalization. Deep transatlantic economic integration is based on a trusting business environment, a reliable framework, and open markets. This is what RGIT supports – on both sides of the Atlantic.

Cooperation – Partnership – Integration – Reliability – Openness

GACCs – A strong network

The **German American Chambers of Commerce (GACC)** with their three main offices in Atlanta, Chicago, and New York, as well as branches in Detroit, Houston, Philadelphia, and San Francisco, all work together under the network of GACCs. With approximately 2,500 members and an extensive national and international business network, the GACCs offer a broad spectrum of activities and services. Other German American organizations and chapters are affiliated with the GACCs.

Additionally, our partner office in Washington, DC, the Representative of German Industry and Trade (RGIT), represents the interests of the German business community vis-à-vis both the U.S. administration and other international organizations based in Washington, DC. The German Chambers of Commerce Abroad (AHK) are closely connected to the Chambers of Industry and Commerce (IHKs) in Germany. The umbrella organization of the IHKs is the German Association of Chambers of Industry and Commerce (DIHK), which speaks for 3.6 million business enterprises in Germany and also coordinates and supports the AHKs.

The German Chambers of Commerce Abroad (AHK) provide experience, connections, and services worldwide through 130 locations in 90 countries. The service portfolio of the AHKs is unified worldwide under the brand name DEinternational. The AHKs cooperate closely with the foreign trade and inward investment agency of the Federal Republic of Germany – Germany Trade & Invest (GTAI).

GTAI GERMANY TRADE & INVEST

Supported by:

Federal Ministry for Economic Affairs and Energy

on the basis of a decision by the German Bundestag

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U.S. investment is $108 billion in Germany

With its 81 million residents and its role as a leading economy in Europe, Germany is also an attractive location for U.S. companies to invest. By the end of 2015, U.S. investment in Germany reached a total of $108 billion (without indirect involvement of third countries). Therefore, **the U.S. was the largest non-European investor in Germany**. The most significant U.S. investments are found in manufacturing, as well as in holding companies, insurance, and finance.

U.S. companies are of considerable importance for the German labor market. They have created over 677,000 jobs in Germany. At the same time, they invest billions each year in research and development.

U.S. direct investments abroad, 2015 *

Rank	Country	Investments, year-end *(USD Billions)*
	Total	**$5,041**
1	Netherlands	$858
2	United Kingdom	$593
3	Luxembourg	$503
4	Canada	$353
--	----	----
11	**Germany**	**$108**

** historical cost basis (book value)*
Source: U.S. Department of Commerce



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Cooperation
Partnership
Integration
Reliability
Openness

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BDI DIHK

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Data analysis provided by
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Germany Trade & Invest (GTAI) is the foreign trade and inward investment agency of the Federal Republic of Germany. The organization advises foreign companies looking to expand their business activities in the German market. It provides information on foreign trade to German companies that seek to enter into foreign markets.

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German-American Trade, Investment, and Jobs



- **672,000 Jobs Supported by German Companies**
- **German Investment in the U.S. is $255 Billion**
- **Germany is the 6th Largest U.S. Export Market**

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INVESTMENT

Germany is a significant investor in the U.S.

Traditionally, German companies have a strong presence in the U.S. Their affiliates represent efficient technologies, a high degree of value added, and attractive jobs. According to the German Bundesbank, about 4,700 companies in the U.S. benefit from German investment. Most of these are affiliates of small- and medium-sized enterprises.

Foreign direct investment in the U.S., 2015 *

Rank	Country	Investment (USD Billions)
1	United Kingdom	$484
2	Japan	$411
3	Luxembourg	$328
4	Netherlands	$283
5	Canada	$269
6	Switzerland	$258
7	**Germany**	**$255**
8	France	$234

** Position on a historical-cost basis*
Source: U.S. Department of Commerce

More than 8 percent of foreign direct investments in the U.S. come from Germany. If calculated by the "Ultimate Beneficial Owner" (UBO), then German investments amount to **$319 billion** and Germany ranks fourth. UBO statistics consider the entity that ultimately owns or controls the U.S. affiliate, independently from the location of that entity. Manufacturing is by far the largest sector targeted by German investment. Other areas of German activity include trade, insurance, and finance.

Investments by German companies lead to jobs in all regions of the United States.

Top 5 states with jobs created by German-owned afiliates, 2014

State	Employment (in 1,000)
California	69.6
Texas	43.0
Pennsylvania	40.7
Illinois	38.4
New York	36.3

Source: U.S. Department of Commerce

JOBS

German companies are the 3rd largest foreign employer in the U.S.

German affiliates employ around 670,000 workers in the U.S. Therefore, German companies are the third-largest foreign employer. Overall, German companies accounted for about 10.5% of the total 6.4 million U.S. jobs created by foreign affiliates.

U.S. jobs in companies under foreign control, 2014

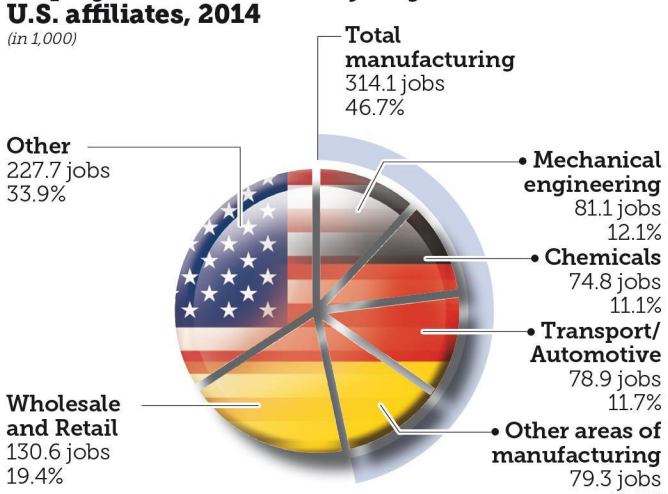
Rank	Country of the Headquarters	Employment (in 1,000)
1	United Kingdom	1,099
2	Japan	839
3	**Germany**	**672**
4	Canada	621
5	France	574

Source: U.S. Department of Commerce

Nearly half of the jobs created by German affiliates in the U.S. are in manufacturing. Among the foreign investors, Germany was the second-largest job creator in this sector. German companies thus play a key role in U.S. efforts to strengthen the industrial base.

Employees in German majority-owned U.S. affiliates, 2014

(in 1,000)



Source: U.S. Department of Commerce

TRADE

The U.S. is Germany's most important export market

Germany → U.S.

The U.S. was the most important export destination for Germany in 2015. With total exports valued at $124.8 billion, U.S. goods purchased from Germany increased by 0.5% compared to the previous year. The majority of U.S. imports from Germany were in transportation equipment, chemicals, and machinery.

U.S. imports of goods by country, 2015

(USD Billions)

Rank	Country	Imports	Share (in%)	Change 2015/14 (in %)
	Worldwide	2,248.2	100.0	-4.6
1	China	483.2	21.5	3.2
2	Mexico	296.4	13.2	0.2
3	Canada	296.2	13.2	-15.2
4	Japan	131.4	5.8	-2.3
5	**Germany**	**124.8**	**5.6**	**0.5**

Source: U.S. Department of Commerce

Germany is the 6th largest U.S. export market

U.S. → Germany

With exports totaling around $50 billion, Germany was the sixth largest export market for the U.S. in 2015. Transportation equipment, chemicals, electronic products, and machinery accounted for the most exports.

U.S. exports of goods by country, 2015

(USD Billions)

Rank	Country	Exports	Share (%)	Change 2015/14 (%)
	Worldwide	**1,502.6**	**100.0**	**-7.3**
1	Canada	280.6	18.7	-10.3
2	Mexico	235.7	15.7	-1.9
3	China	116.1	7.7	-6.1
4	Japan	62.4	4.2	-6.6
5	United Kingdom	56.1	3.7	4.2
6	**Germany**	**50.0**	**3.3**	**1.2**

Source: U.S. Department of Commerce

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QUARTERLY

2nd Quarter 2017
Vol.28 No.2 $7.50





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Importing into the US During the Time of Trump

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WASHINGTON ★ UPDATE ★
NEWS FROM INSIDE THE BELTWAY

German Jobs for American Workers – Competitiveness through Apprenticeships

by Freya Lemcke, RGIT Vice President

"German business matters" – this is the message the Representative of German Industry and Trade (RGIT) conveyed at a launch event for its flagship publication on German-U.S. trade investment and job creation in March 2017. Distinguished speakers in attendance included: Dale Tasharski, Deputy Assistant Secretary for Europe at the U.S. Department of Commerce; Boris Ruge, Deputy Chief of Mission at the German Embassy in Washington, D.C.; Dr. Markus Kerber, Director-General of the Federation of German Industries; Judy Marks, CEO of Siemens USA and Bryan Riley, Senior Trade Policy Analyst at Heritage Foundation, who discussed the depth and importance of German-U.S. economic relations.

German business matters

German companies have invested $255 billion in the USA, securing 672,000 jobs throughout the country - more than 10% of all U.S. jobs created by foreign affiliates. These firms are an integral part of the U.S. economy and help strengthen the competitiveness of the regions in the U.S. where they operate by investing in research, infrastructure and workforce development.

The number of German companies introducing apprenticeship programs at their U.S. branches is increasing every year. In particular, jobs in the manufacturing sector and high-tech fields require specific skills that are hard to find in the job market. As such, more companies see the benefits of growing their own specialized workforce. The crucial role of German-style dual apprenticeships in fighting youth unemployment and addressing skills gaps was also discussed at the recent meeting between German Chancellor Angela Merkel and U.S.-President Donald Trump.

German-American apprenticeships

While big companies took the lead in establishing their own in-house training programs incorporating key elements used at their headquarters in Germany, many small and medium-sized companies have started following their example during the last years. The German American Chambers of Commerce work as accelerators and facilitators offering interested companies hands-on advice and support in developing curricula, approaching community colleges, marketing available programs and certifying apprenticeships programs, to assure that apprentices receive degrees that fulfill pre-defined standards that are fully equivalent to German degrees.

Through this support, U.S.- and other

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foreign-owned companies have also joined apprenticeship clusters like the Industry Consortium for Advanced Technical Training in Illinois (ICATT) or the Georgia Consortium for Advanced Technical Training (GA CATT). This illustrates that the dual model works for any company that makes a long-term commitment to workforce development.

Policy makers have been discussing how apprenticeships can be expanded in the U.S. Germany and the U.S. signed a Joint Declaration of Intent on exchanging best practices and cooperating in this field. The aim is not to simply copy the German model, but to create structures within the existing U.S. education and employment systems, leading to successful regional examples like those the consortia listed in this article.

Key factors for successful apprenticeship programs

Several aspects are of key importance when attempting to expand apprenticeship programs: First and foremost, the curricula and criteria for final exams must be industry driven and reviewed regularly by industry representatives, e.g. in the form of an apprenticeship board that verifies whether the apprentices are being taught a comprehensive set of necessary skills, both technical and social. This review also suggests adaptations to integrate new technologies or other skills that might become relevant. Moreover, apprenticeships are a medium to long-term approach to avoiding skills gaps and do not work for short-term labor shortages. Companies must be committed to investing at the beginning of the program, knowing that it will take several years for that investment to pay off. This means apprenticeships must become an integral part of the companies' overall strategies, including HR. This is why scaling the number of apprenticeships cannot be quick or exclusively driven by financial incentives like tax benefits. The programs must be designed in a way that adds real value to the company's development and convinces them to commit to a long-term basis. The focus should, therefore, be on quality rather than quantity. Only through continuous and healthy growth will it be possible to establish apprenticeships that encourage companies and trainees alike.



RGIT panel discussion on German Business Matters

Apprenticeships are just the start

It is particularly important to stress that apprenticeships are not the end of a career, but just the beginning. If they are designed in a comprehensive way, providing apprentices with a thorough understanding of their work, the materials and the functions of the company, they are the first step on a career path that will lead to increased responsibilities: becoming an apprentice supervisor, further dual training or studies and ultimately a managerial function. ■

For further information:

The publication "German Business Matters" can be found online at

>> www.rgit-usa.com/german-business-matters/

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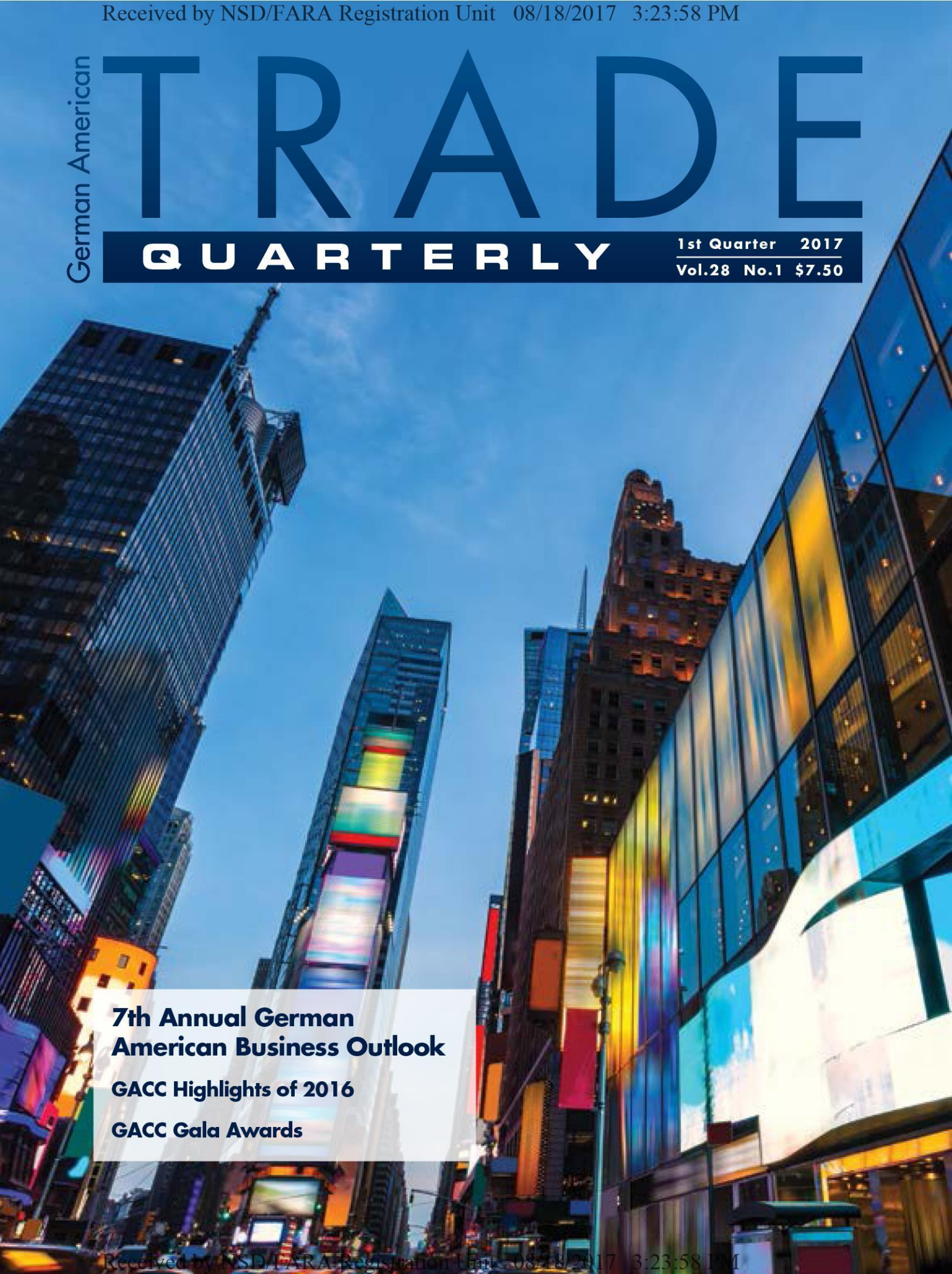
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TRADE

QUARTERLY

1st Quarter 2017
Vol.28 No.1 $7.50



7th Annual German American Business Outlook

GACC Highlights of 2016

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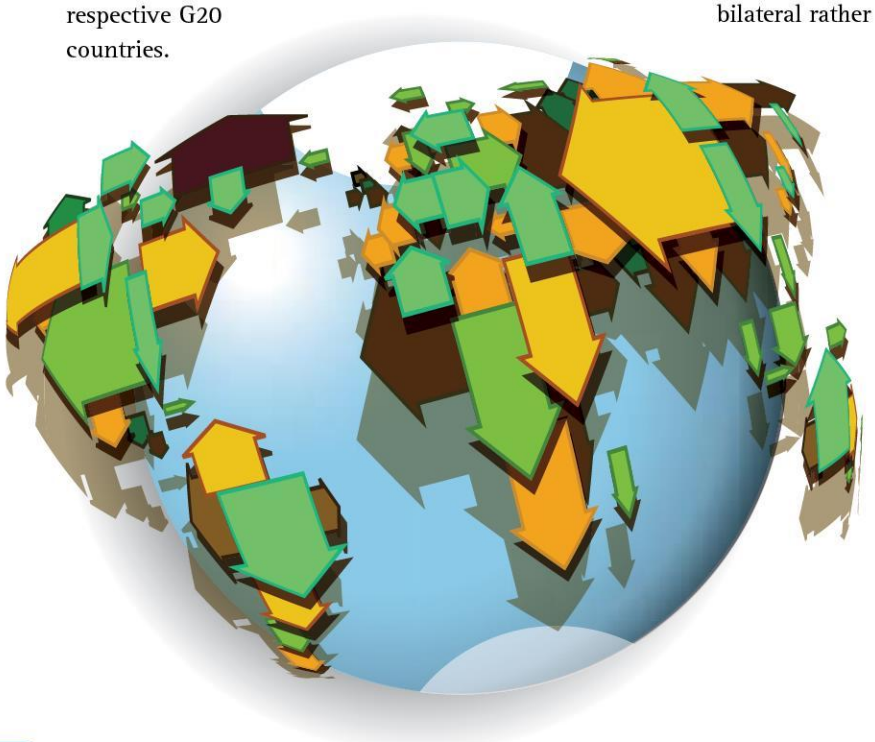
WASHINGTON ★ UPDATE ★
NEWS FROM INSIDE THE BELTWAY

Uncertain Times in Washington Regarding Trade Policy

by Caitlin Hickey, RGIT

The United States is one of Europe and Germany's most important partners in shaping globalization, stimulating the world economy, and tackling geopolitical crises. This is a bond built not just on history, but that also looks towards the future. Now that President Trump has entered the White House, both countries will continue to cooperate and build on the already strong relationship on the political and economic stage, especially as Germany assumes the next G20 presidency in 2017. In this regard, RGIT's principals – BDI and DIHK – will chair the B20, which is the official dialogue with the business communities of the respective G20 countries.

The recent presidential campaign revealed some misgivings about the effects of globalization. Free trade agreements like the North American Free Trade Agreement (NAFTA) and Trans-Pacific Partnership (TPP) were characterized as reasons for job loss and economic decline. Instead, President Trump promotes a trade policy of "America First." To recap, he has promised to renegotiate or withdraw from NAFTA, withdraw from TPP, label China a currency manipulator, enact higher tariffs on China, impose tariffs on American companies who move abroad, and encourage more trade enforcement rather than liberalization. He has also stated a preference for bilateral rather than regional trade deals. It is unclear if the Transatlantic Trade and Investment Partnership (TTIP) fits into the picture, as it was never mentioned during or after the campaign.



But as some parts of the United States and the rest of the world begin to question the merits of globalization, it exposes the need to highlight the rewards of open markets. The German-American bilateral trade relationship alone provides an excellent example of how two countries can work together to not only improve themselves, but the other as well. The total bilateral trade relationship stood at $174 billion in goods in 2015, representing an increase for both countries from previous years. For the first time in history, the United States was the number one export destination for German goods. Moreover, Germany is the sixth largest export market for American companies. Investments also remain high. The United States is the biggest recipient of foreign direct investments and Germany is one of its top five investors, with cumulative investments totaling $319 billion. Similarly, the United States is the largest non-European investor in Germany. Finally, turning to job creation: German companies are the third largest foreign employer in the United States and are responsible for 670,000 jobs, almost half of which are in manufacturing. These

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companies reach all corners of the country. The locations with the most German-created jobs are California, Texas, Pennsylvania, Illinois, and New York, thereby representing the West Coast, South, Midwest, and East Coast.

To ensure that the German-American bilateral trade relationship continues to flourish, companies need assurance that a trust-based transatlantic business environment will be maintained. This could be achieved when markets remain open and stable political and legal conditions prevail. Now that President Trump has offcially taken office, the first weeks and months will show the direction his trade policy will go. While some of his positions have evolved over time, he has remained consistently critical of some free trade agreements since the 1980s. However, he is not against all free trade deals in general. Instead, he favors "smarter" deals that advance American interests.

A final consideration is the role Congress plays in the development and implementation of trade policy. The President does not possess unlimited authority in this area because the Constitution grants broad powers to Congress regarding foreign commerce. Indeed, it is unclear whether President Trump can carry through on some of his proposals without the consent of Congress. Furthermore, he may encounter unwillingness to cooperate on his trade platform because traditional Republican policy favors free trade. The Republican leaders of the two most important Congressional Committees dealing with trade – Senate Finance and House of Representatives Ways and Means – have already indicated they will continue to advocate on behalf of free trade agreements.

> German companies are the third largest foreign employer in the United States and are responsible for 670,000 jobs, almost half of which are in manufacturing.

Essentially, the phrase most-used these days regarding trade policy is "uncertainty." There are many scenarios that could play out over the coming weeks and months. Nevertheless, greater transparency and more tangible communication on globalization is needed, including emphasis on its benefits and the acknowledgment that some communities may feel that they been left behind. In approaching the G20/B20, Germany and the United States will work alongside their partners to address these concerns and promote the shaping of an interconnected world. This includes the recognition that free and fair trade and investment are a means to increase prosperity on a global scale. The opening of markets results in the exchange of ideas, goods, services and finance. This type of exchange has brought along many advantages, including more efficient production, less resource consumption, strengthened competition, lower consumer prices coupled with more diverse choices and technology and knowledge transfer. To guarantee that these benefits continue to flourish, more integration rather than isolation is necessary. ■

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Received by NSD/FARA Registration Unit 08/18/2017 3:23:58 PM

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RGIT REPRESENTATIVE of German Industry + Trade

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Washington News

Nr. 4 vom 2. Februar 2017

Informationen des Representative of German Industry and Trade (RGIT) in Washington, DC

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Die Washington News erscheinen wöchentlich
und berichten über aktuelle wirtschafts- und handelspolitische Entwicklungen
in den USA

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Diese Woche in Washington

Die Idee einer *Border Adjustment Tax* findet Gegner und Fürsprecher aus der US-Wirtschaft. Die Gegner haben sich gestern zu den *Americans for Affordable Products* zusammengeschlossen und umfassen in erster Linie importorientierte Einzelhändler und die Autoindustrie. Die heute offiziell ins Leben gerufene *American Made Coalition* setzt sich dagegen aus exportorientierten US-Produzenten wie *General Electric* und *Dow Chemical* zusammen.

Auf einer Veranstaltung der *US Chamber of Commerce* hat der Vorsitzende des Finanzausschusses im Senat Orrin Hatch (R-UT) mitgeteilt, er werde solange keine Position bezüglich der *Border Adjustment Tax* beziehen, bis er wisse, wie sich diese auf die US-Konsumenten auswirken werde. Er zeigte sich optimistisch, dass eine umfassende Steuerreform dieses Jahr realisiert werden kann, sagte aber auch, dass der Entwurf aus dem Senat ganz sicher anders als die Version des Repräsentantenhauses aussehen werde.

Die *Information Technology and Innovation Foundation* (ITIF) hat einen an den US-Präsidenten adressierten Bericht mit Strategien für das verarbeitende Gewerbe vorgestellt. Die Administration solle sich weniger auf die Schaffung von Arbeitsplätzen konzentrieren, als viel mehr auf die Reduzierung des Handelsdefizits als strategisches Ziel. Ein ähnlicher Ansatz wird auch vom *Economic Policy Institute* vorgeschlagen. Die Administration müsse dem Handelsdefizit gegenüber China mehr Beachtung schenken. (cs)

GLOBAL: Kanada bereit für NAFTA-Anpassungen

Laut des kanadischen Botschafters in den USA David MacNaughton betrachtet sein Land inhaltliche Anpassungen von NAFTA durchaus als notwendig. Im Rahmen interner Beratungen habe man dementsprechend bereits einzelne Bereiche des Abkommens auf ihr Anpassungspotenzial hin untersucht. Kanada entwickele nun konkrete Vorschläge zum Erhalt der praktischen Bedeutung und Lebendigkeit des Abkommens. MacNaughton betonte, dass etwa 9 Millionen Arbeitsplätze in den USA vom Handel mit Kanada abhängen. US-Präsident Donald Trump hat wiederholt seine Absicht zum Ausdruck gebracht, NAFTA neu verhandeln zu wollen. Der amerikanische *Congressional Research Service* (CRS) geht in seiner rechtlichen Analyse von einer bestehenden Legitimation des US-Präsidenten aus, Verhandlungen möglicher NAFTA-Anpassungen eigenständig zu initiieren. Hierfür bedürfe es keiner Zustimmung des Kongresses. Grundsätzliche inhaltliche Anpassungen des Handelsabkommens setzten jedoch die prozessuale Einbeziehung des Kongresses voraus.

Der frühere Chefökonom des US-Landwirtschaftsministeriums Joe Glauber mahnt unterdessen, dass eine durch NAFTA-Anpassungen hervorgerufene Schwächung der US-Handelsbeziehungen mit Mexico insbesondere amerikanischen Agrarproduzenten schaden könnte. Mexiko sei einer der wichtigsten US-Exportmärkte für Landwirtschaftsprodukte. Auch der frühere US-Landwirtschaftsminister Mike Espy warnte vor einer umfangreichen NAFTA-Neuverhandlung. Der Handel mit Agrarprodukten habe sich für die USA in Form von Exportüberschüssen zu einem florierenden Sektor entwickelt. NAFTA sei insgesamt

Kurzmeldungen

GLOBAL: Handelsabkommen zwischen USA und Großbritannien

US-Präsident Donald Trump und die Premierministerin von Großbritannien Theresa May hatten vergangenen Freitag angekündigt, die für ein bilaterales Handelsabkommen notwendigen Schritte untersuchen zu wollen. Ziel sei es, ein zur Unterschrift fertiges Abkommen unmittelbar nach Großbritanniens Austritt aus der EU vorlegen zu können.

Die Financial Times geht davon aus, dass die Verhandlungen Großbritannien zum Nachteil gereichen werden. Zum Vergleich wird das Abkommen zwischen den USA und Australien genannt, bei dem Australien zugunsten der USA weitreichende Kompromisse eingegangen sei. Insbesondere im

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Agrarbereich sei ein US-Marktzugang für australische Produkte nur bedingt möglich. Hiermit müsse auch Großbritannien rechnen. Eine Einigung im Bereich der Finanzdienstleistungen zu finden sei ebenso schwierig. Dies sei schon bei den TTIP-Verhandlungen nicht gelungen. (bp)

GLOBAL: Trumps Handelsberater kritisiert deutsche Wirtschaftspolitik

Peter Navarro, Leiter des im Weissen Haus neu eingerichteten *National Trade Council* (NTC) äußerte, dass Deutschland das größte Hindernis für ein transatlantisches Handelsabkommen sei. Deutschland beute mit einem unterbewerteten Euro die anderen EU-Länder und die USA aus. Das US-Finanzministerium hatte bereits im April 2016 Deutschland, China und Japan auf eine „Watchlist" möglicher Währungsmanipulatoren gesetzt.

Die Trump Administration bevorzuge bilaterale Handelsabkommen mit einzelnen Ländern, so Navarro. Das „strukturelle Ungleichgewicht" im Handel zwischen der EU und den USA zeige die wirtschaftliche Heterogenität innerhalb der EU. TTIP sei deswegen ein multilaterales Abkommen, das aber ohnehin nicht mehr realisierbar sei. (ch)

Verbraucher geben mehr Geld aus

Neueinstellungen, steigende Gehälter und geringe Fremdfinanzierungskosten haben die Konsumentenausgaben erneut steigen lassen. Laut des US-Wirtschaftsministeriums gaben amerikanische Verbraucher im Dezember 0,5 Prozent mehr aus als im Vormonat. Gleichzeitig wird weniger gespart. Die Sparquote sank auf 5,4 Prozent. Autohersteller erzielten im vergangenen Jahr mit 17,5 Millionen Verkäufen von Pkws und Leicht-Lkws ein erneutes Umsatzhoch. 70% des US-amerikanischen Bruttoinlandprodukts werden über den Konsum generiert. (cs)

wirtschaftlich vorteilhaft für die US-Landwirtschaft – mögliche Barrieren durch Neuverhandlungen könnten dies einschränken und so das Einkommen amerikanischer Landwirte reduzieren. (mh)

Umgestaltung der Gesundheitsreform weiter unklar

Die Republikaner im US-Kongress arbeiten weiter an einem umfassenden Plan, wie der *Affordable Care Act* („Obamacare") aufgehoben und mit welcher Alternative er ersetzt werden kann. Gegenwärtig sehen die Gesetzesentwürfe vor, dass zunächst das US-Krankenversicherungswesen stabilisiert werden soll, indem unter anderem die Legitimation von Antragstellern genauer überprüft werden soll. Das dann neu aufzubauende Krankenversicherungssystem soll Patienten mehr Auswahlmöglichkeiten bieten. Unter den Republikanern bleibt allerdings unklar und umstritten, wie der Umbau der Gesundheitsreform kostenneutral finanziert werden kann.

Derweil verteidigen die Demokraten den *Affordable Care Act*. Die Minderheitenführerin im Repräsentantenhaus Nancy Pelosi (D-CA) verwies auf einen Bericht des *Congressional Budget Office*, wonach die Abschaffung des Gesetzes in den kommenden fünf Jahren zirka 32 Millionen Amerikaner aus einem funktionierenden Krankenversicherungssystem ausschließen würde. Ebenso äußerte sie sich kritisch zur Informationsgrundlage vieler ACA-Bewertungen. Vor allem steigende Kosten müssten stets in Relation zu alternativen Kostenentwicklungen gesehen werden, so Pelosi.

Unterdessen kündigte US-Präsident Donald Trump im Rahmen eines Treffens mit Vertretern der Pharmaindustrie am Dienstag an, Medikamentenzulassungen in den USA künftig beschleunigen zu wollen. *America First* werde auch für Pharmaprodukte gelten. Dementsprechend beabsichtige er, andere Länder in Zukunft an den Kosten von in den USA produzierten Medikamenten zu beteiligen, so Trump. Gleichzeitig forderte er die Pharmabranche auf, die Preise für Präparate in den USA zu senken. Sie seien aktuell auf einem "astronomischen" Niveau. (mh)

Investitionen in die Infrastruktur

Eine der obersten Prioritäten des neuen Präsidenten ist die Modernisierung der US-Infrastruktur, darunter Straßen, Brücken, Flug- und Seehäfen. Die Trump Administration hat eine Liste von 50 möglichen Bauprojekten bereits erstellt, die 140 Milliarden US$ kosten und 240.000 neue Arbeitsplätze schaffen könnten. Fast die Hälfte der Kosten (44%) soll auf den Schienenverkehr entfallen, insbesondere auf den ÖPNV. Energieprojekte sollen 21,2 Milliarden US$ kosten, darunter 16,7 Milliarden US$ für erneuerbare Energieprojekte wie einen Windpark im Bundesstaat Wyoming. Die neue Verkehrsministerin Elaine Chao hat sich für *Buy American*-Voraussetzungen bei zukünftigen Infrastrukturprojekten ausgesprochen.

Das Weiße Haus benötigt die Zustimmung des Kongresses, um diese Pläne zu realisieren. Derzeit sind viele Themen in Washington politisch umstritten, aber eine Verbesserung der Infrastruktur könnte überparteiliche Unterstützung erhalten. Allerdings sind sich die Republikaner und Demokraten über die Finanzierung nicht einig. Trump möchte Steuergutschriften an private Unternehmen anbieten. Der Minderheitenführer im Senat Chuck Schumer (D-NY) hat diesen Vorschlag bereits abgelehnt.

Am Mittwoch fand die erste Anhörung des 115. Kongresses zur Infrastruktur im Repräsentantenhaus statt. Mehrere Unternehmens- und Gewerkschaftsvertreter wurden zu ihren Vorstellungen befragt, in welche Bereich prioritär investiert werden sollte und welche Finanzierungsmöglichkeiten sie sähen. (ch)

US-Druckmaschinenmarkt verlässt Wachstumskurs

Marktinformation von Germany Trade and Invest (GTAI)

Die Auslieferungen von in den USA gefertigten Druckmaschinen brachen in den ersten drei Quartalen 2016 ein. Auf dem Importmarkt war hingegen ein Zuwachs zu verzeichnen. Mittelfristig dürfte die Inlandsnachfrage leicht sinken. Die Digitalisierung in den Bereichen Information und Kommunikation stellt die Druckindustrie vor große Herausforderungen. Zeitungs- und Buchverlage reduzieren ihren Maschinenbedarf. Verpackungshersteller gewinnen als Abnehmer an Bedeutung. Den vollständigen Beitrag finden Sie kostenfrei hier. (gtai)

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A Publication of The Representative of German Industry and Trade
Washington, DC (Delegierter der Deutschen Wirtschaft)

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RGIT is the Washington liaison office of the Federation of German Industries (Bundesverband der Deutschen Industrie - BDI) and the Association of German Chambers of Commerce and Industry (Deutscher Industrie- und Handelskammertag - DIHK)

Delegierter der Deutschen Wirtschaft: Daniel Andrich

Received by NSD/FARA Registration Unit 08/18/2017 3:23:58 PM

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Washington News

Nr. 8 vom 2. März 2017

Informationen des Representative of German Industry and Trade (RGIT) in Washington, DC

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Die Washington News erscheinen wöchentlich
und berichten über aktuelle wirtschafts- und handelspolitische Entwicklungen
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Kurzmeldungen

Supreme Court Entscheidung zur extraterritorialen Geltung von US-Patentrecht

Der *US Supreme Court* hat sich im Fall *Life Tech Corp vs. Promega Corp* zu der Frage geäußert, wann das Inverkehrbringen eines patentrechtlich in den USA geschützten Produktes als Komponente im Ausland eine Verletzung des US-Patentrechts darstellt. Das Bundesberufungsgericht hatte *Promega Corp* bei einer Patentsrechtsklage Recht gegeben, nachdem *Life Tech Corp* den Vertrieb eines Test-Sets aufgenommen hatte, obwohl dieses eine US-patentrechtlich geschützte Komponente enthält. *Life Tech Corp* hatte vor dem *Supreme Court* Klärung verlangt, ob eine von fünf Komponenten tatsächlich einen „substanziellen

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- GLOBAL: Mexiko lehnt mögliche US-Zölle im NAFTA-Rahmen ab

Diese Woche in Washington

US-Präsident Trump hat seine erste Ansprache vor beiden Kammern des Kongresses gehalten und sein politisches Programm somit formal vorgestellt. Im Ton gemäßigter als während seiner Inaugurations-Rede unterstrich er erneut, die Interessen Amerikas und seiner Bürger allen anderen Themen voranzustellen. Die inhaltlichen Schwerpunkte seiner Rede lagen auf den Themen Stärkung des Militärs, innere Sicherheit und Wirtschaftswachstum. Wirtschaftswachstum und Arbeitsplätze könnten am besten über Infrastrukturmaßnahmen, eine Steuerreform, Deregulierung und eine auf die Interessen der USA ausgerichtete Handelspolitik generiert werden. Das Thema innere Sicherheit verwob er eng mit dem Thema Einwanderung.

Mit 240 zu 185 Stimmen hat das Repräsentantenhaus den *Searching for and Cutting Regulations that are Unnecessarily Burdensome Act* (SCRUB) verabschiedet, der eine fünfköpfige Kommission zur Überprüfung bestehender Regulierungen ins Leben rufen soll. Die Kosten des Gesetzes liegen bei 30 Millionen US$. Der Abgeordnete Jamie Raskin (D-MD) warnte davor, dass die Kommission eigenmächtig alle zum Schutz der Öffentlichkeit erlassenen Regulierungen ins Fadenkreuz nehmen könne. Zudem gäbe es keinen Kontrollmechanismus, der gegen die Einflussnahme auf die Kommission durch Interessenvertreter greife. Trump forderte in seiner Ansprache, dass für jede neue Regulierung zwei alte abgeschafft werden müssten.

Neben dem Abbau von Regulierungen sorgt in den Bundesministerien und -behörden das vom Weißen Haus vorgestellte Budget für Verunsicherung. Die Anhebung der Militärausgaben in Höhe von 54 Milliarden US$ ohne Kürzungen bei Programmen für Veteranen, beim Polizeivollzugsdienst oder bei Anspruchsberechtigungen soll durch Streichungen in allen anderen Bereichen realisiert werden. Gewerkschaften befürchten, dass die vorgeschlagenen Budgetkürzungen nur mit Entlassungen von Bundesangestellten bewerkstelligt werden können. (cs)

GLOBAL: Administration kündigt Plan zur Steuerreform an

Finanzminister Steven Mnuchin hat angekündigt, dass die Administration in naher Zukunft einen Plan zur Steuerreform veröffentlichen wird. Das Weiße Haus arbeite derzeit mit dem Kongress zusammen. Mnuchin zeigte sich optimistisch, dass das Gesetz bis Ende August 2017 verabschiedet werden könne. Die letzte große Steuerreform wurde vor 30 Jahren beschlossen. Damals forderte Präsident Ronald Reagan eine umfassende Steuerreform in seiner *State of the Union*-Rede im Januar 1984. Zehn Monate später stellte seine Administration einen detaillierten Plan vor. Das Gesetz wurde im Oktober 1986 verabschiedet. Eine Steuerreform in nur wenigen Monate zu verabschieden, wie von Mnuchin geplant, erscheint vor diesem Hintergrund ambitioniert.

In seiner ersten Rede vor beiden Kammern des Kongresses betonte Präsident Trump, dass sein Plan insbesondere der Mittelklasse und Unternehmen zu Gute kommen soll. Seiner Ansicht nach werden US-Unternehmen unfair behandelt, weil ihre Produkte mit einer Mehrwertsteuer im Ausland belegt werden, gleichzeitig Importe aus dem Ausland in den USA aber nicht besteuert würden. Sein Ziel sei es, einheitliche Wettbewerbsbedingungen für US-Unternehmen und ihre Produkte zu schaffen, so Präsident Trump. Trumps Ansatz ähnelt somit einer möglichen *Border Adjustment Tax* (BAT). Eine offizielle Befürwortung aus dem Weißen Haus zu einer BAT gibt es jedoch noch nicht. Stattdessen haben sich

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Anteil der Komponenten“ darstelle. Dies ist laut US-Recht Voraussetzung, damit der extraterritoriale Patentschutz greift. Der *Supreme Court* hat dem Bundesberufungsgericht widersprochen und festgestellt, dass eine von mehreren Komponenten noch kein substanzieller Anteil sei und deshalb nicht zu patentrechtlichen Verpflichtungen führe. Eine genauere Definition, wie umfangreich ein „substanzieller Anteil“ sein muss, findet sich in der Entscheidung nicht. Der BDI und der DIHK hatten *Life Tech Corp* in dieser Sache durch einen amicus curie Brief unterstützt. (fl/ch)

Gallup-Umfrage zu Wirtschaft und Handel

In der jüngsten Umfrage des Meinungsforschungsinstituts Gallup bezeichneten 19% der Befragten die „Unzufriedenheit mit der Regierung“ als das größte Problem der USA. Die Sorgen zur wirtschaftlichen Lage erreichten hingegen das niedrigste Niveau seit der Finanzkrise. Seit den 1930er Jahren befragt Gallup die amerikanische Bevölkerung monatlich zum „größten Problem“ des Landes.

In einer separaten Gallup-Umfrage beurteilten 48% der Befragten das nordamerikanische Freihandelsabkommen NAFTA als positiv für die USA. Befragt man nur Republikaner, bewerten lediglich 22% das Abkommen als positiv; bei den Demokraten liegt der Anteil bei 67%. (ch)

GLOBAL: Mexiko lehnt mögliche US-Zölle im NAFTA-Rahmen ab

Der mexikanische Wirtschaftsminister Ildefonso Guajardo hat verdeutlicht, dass er zu Verhandlungen über mögliche US-Einfuhrzölle grundsätzlich nicht bereit sei. Eine derartige Forderung von US-amerikanischer Seite würde zum Ende eventueller NAFTA-Reformgespräche mit seinem Land führen. Davon abgesehen sei Mexiko jedoch um den Erhalt des Handelsabkommens bestrebt. (mh)

Präsident Trump und Finanzminister Mnuchin für eine sogenannte *Reciprocal Tax* ausgesprochen. Es ist derzeit unklar, was dies im Detail bedeutet. Der Vorsitzende des *Ways and Means Committee* Kevin Brady (R-TX) zeigte sich dem Vorschlag gegenüber grundsätzlich offen. (ch)

GLOBAL: Richtung der Handelspolitik zeichnet sich ab

Die Leitlinien und Personalien für die zukünftige US-Handelspolitik werden klarer. Am 27. Februar wurde der US-Wirtschaftsminister Wilbur Ross vom Senat bestätigt und konnte somit sein Amt aufnehmen. Der 79-jährige Unternehmer hat während seiner Karriere vor allem in kriselnde Betriebe aus verschiedenen Branchen investiert, unter anderem Stahl, Kohle, Telekommunikation und Textil. Er unterstützte Trump bereits während des Wahlkampfes als Wirtschaftsberater und wurde von ihm bereits zwei Wochen nach der US-Wahl als potenzieller zukünftiger Wirtschaftsminister genannt.

Darüber hinaus erhielt der Kongress am 1. März die handelspolitische Agenda aus dem Büro des US-Handelsbeauftragten (USTR) für 2017. Der USTR stellt in diesem Dokument jedes Jahr seine Ziele und Prioritäten vor. Das Dokument richtet den Fokus auf bilaterale statt auf multilaterale Abkommen und bekräftigt die Absicht, bestehende Abkommen nachzuverhandeln, sofern sie nicht zu den aus US-Sicht gewünschten Resultaten geführt haben. Unterstrichen wird auch, dass die Souveränität bei handelspolitischen Entscheidungen im Vordergrund stehe und dass bei Streitfragen eher auf unilaterale Retorsionsmaßnahmen gesetzt werden soll als auf den WTO-Streitbeilegungsmechanismus. Außerdem sollten Handelspartner, die ihre Märkte nicht für US-Produkte öffnen, ebenso mit verstärkten Handelshemmnissen auf US-Seite rechnen. Der designierte USTR Robert Lightizer ist noch nicht vom Senat bestätigt worden. Nach seinem Amtsantritt soll der USTR laut des nun vorliegenden Dokuments eine detaillierte Handelsagenda erarbeiten und veröffentlichen. (fl)

KLIMA: Geplante Budgetkürzungen bei EPA

Um unter anderem die Militärausgaben um 54 Milliarden US$ zu erhöhen, sieht der Budgetvorschlag des Weißen Hauses Kürzungen bei allen Bundesministerien und -behörden vor. Sollte der Vorschlag umgesetzt werden, wären hiervon insbesondere das US-Außenministerium und die US-Umweltbehörde EPA betroffen. Bei letzterer soll das Budget um 25 Prozent bzw. um rund zwei Milliarden US$ gekürzt werden. Zusätzlich ist geplant, die Belegschaft um 20 Prozent bzw. um 3.000 Mitarbeiter zu reduzieren. Der neue Behördenchef Scott Pruitt sagte, dass er die im Budget enthaltenen Fördergelder für die einzelnen Bundesstaaten von rund 3,5 Milliarden US$ gegen die geplanten Budgetkürzungen verteidigen will. Unter der Obama Administration hatte die EPA im Jahr 2010 ihren bis dahin größten Haushalt von 10,3 Milliarden US$.

Seitens der Industrie sprechen sich insbesondere Chemie- und Agrarverbände gegen die geplanten Kürzungen bei der EPA aus. Sie seien auf einen reibungslosen Genehmigungsprozess angewiesen. Die drohende Schließung verantwortlicher EPA-Büros könne dem Geschäft schaden. Hersteller von Pflanzenschutz- und Desinfektionsmitteln finanzieren die Genehmigungsprozesse der EPA durch Gebühren teilweise mit. (bp).

Großes Wachstumspotenzial auf dem US-Markt für Lasertechnik

Marktinformation von Germany Trade and Invest (GTAI)

Anbietern von industriellen Lasern und Lasersystemen bieten sich in den USA aufgrund wachsender Anwendungsbereiche gute Absatzchancen. In der Gesundheitswirtschaft ist ein steigender Bedarf zu verzeichnen, vor allem im Bereich kosmetischer Anwendungen. Zunehmend gefragt sind Lasersensoren im Automobilsektor. Die laseradditive Fertigung gewinnt ebenso an Relevanz wie die laserbasierte Zustandsüberwachung von Komponenten. Den vollständigen Beitrag finden Sie kostenfrei hier. (gtai)

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REPRESENTATIVE of German Industry + Trade

BDI DIHK



Washington News

Nr. 14 vom 13. April 2017

Informationen des Representative of German Industry and Trade (RGIT) in Washington, DC

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Die Washington News erscheinen wöchentlich
und berichten über aktuelle wirtschafts- und handelspolitische Entwicklungen
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Diese Woche in Washington

Der US-Kongress ist in den Sitzungsferien und wird erst in der letzten Aprilwoche wieder zusammenkommen. Oberste Priorität wird dann die Finanzierung des verbleibenden Haushaltsjahres haben. Die gegenwärtige temporäre Finanzierung des Haushalts mit einer *continuing resolution* endet am 28. April.

Der Senat musste die Bestätigung von Robert Lighthizer als zukünftigen US-Handelsbeauftragten (USTR) auf einen späteren Termin nach den Sitzungsferien verschieben. Die demokratischen Senatoren sind weiterhin nicht bereit, Lighthizer mit einer Sonderfreigabe (*waiver*) aus seiner Verantwortung zu nehmen, dass er in seiner beruflichen Vergangenheit die Interessen einer ausländischen Regierung gegenüber den USA vertreten hat. Die Demokraten würden auf den *waiver* verzichten, sollten die Republikaner im Rahmen der Haushaltsfinanzierung Fördermaßnahmen im Gesundheitsbereich für Bergarbeiter zustimmen.

Mit seiner Entscheidung, China nicht als Währungsmanipulator zu benennen, ist Präsident Donald Trump von einem seiner am häufigsten genannten Wahlkampfversprechen abgerückt. Er habe seine Ansicht dahingehend geändert, dass China derzeit nicht seine Währung manipuliere, so Trump gegenüber dem *Wall Street Journal*. Er fügte an, er habe die Hoffnung, Chinas Hilfe zu gewinnen, die nukleare Gefahr aus Nordkorea einzudämmen. (cs)

GLOBAL:100-Tage-Plan für Handelsgespräche mit China

Während des Besuchs des chinesischen Präsident Xi Jinping in Mar-a-Lago (Florida) wurden intensive Gespräche geführt, wie die Zusammenarbeit mit China in verschiedenen Bereichen gestärkt und gestaltet werden kann. Von Seiten der USA nahmen neben Präsident Donald Trump auch Außenminister Rex Tillerson, Wirtschaftsminister Wilbur Ross und Finanzminister Steve Mnuchin an den Gesprächen teil. Beschlossen wurde ein neuer Rahmen für die US-chinesische Zusammenarbeit. Der bisher bestehende *High Level Strategic and Economic Dialogue* wird ersetzt durch den *US-China Comprehensive Dialogue*, der von den Präsidenten selbst geleitet werden und aus vier Säulen bestehen soll: Dem *Diplomatic und Security Dialogue*, dem *Comprehensive Economic Dialogue*, dem *Law Enforcement and Cybersecurity Dialogue* sowie dem *Social and Cultural Issues Dialogue*. Der *Comprehensive Economic Dialogue* liegt in der gemeinsamen Verantwortung von Wirtschaftsminister Ross und Finanzminister Mnuchin.

Zum Thema Handelspolitik wurde bei dem Treffen ein 100-Tage-Plan entwickelt, der einen festen Zeitrahmen für Gespräche zur Steigerung von US-Exporten und zur Reduzierung des US-Handelsdefizits geben soll. Laut Administration habe Präsident Trump mehrfach betont, dass der Handel ausgewogener gestaltet werden und Marktzugang beidseitig gewährt werden müsse. Auch China habe erklärt, seinen Handelsüberschuss senken zu wollen, da dieser negative Effekte auf Geldangebot und Inflation habe, so Ross. Konkrete Inhalte oder Meilensteine der 100-tägigen Gespräche wurden nicht

Kurzmeldungen

DIGITAL: FCC-Vorsitzender plant Änderung der Regelungen zur Netzneutralität

Der Vorsitzende der *Federal Communication Commission* (FCC) Ajit Pai plant Medienberichten zufolge, die unter der Obama-Administration aufgestellten Regelungen zum Schutz und zur Förderung eines offenen Internets zu ändern. Diese 2015 beschlossenen Regelungen sehen vor, dass der Datenverkehr im Internet gleichbehandelt werden muss. Das heißt, dass es verboten ist, Internetverkehr zu blockieren, zu drosseln oder gegen Bezahlung eine Bevorzugung zu gewähren. Zudem klassifiziert diese Regelung Breitband-Anbieter als Telekommunikationsdienstleister,

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was zur Folge hat, dass die FCC für ihre Regulierung zuständig ist.

Pai erklärte letzte Woche, er wolle, dass die Netzneutralität künftig über freiwillige Selbstverpflichtungen der Breitband-Anbieter sichergestellt werde. Zudem würde er es befürworten, wenn deren Regulierung künftig von der F*ederal Trade Commission* (FTC) übernommen werde. (ak)

DIGITAL: Tests selbstfahrender Autos im Staat New York zugelassen

Letzte Woche wurde im Staat New York im Rahmen der *State Budget Bill* eine bis April 2018 befristete Regelung für Tests selbstfahrender Autos verabschiedet. Damit ist New York der 13. US-Bundesstaat, der neben Washington, D.C., ein Gesetz oder eine Direktive des Gouverneurs zu selbstfahrenden Autos hat. Die Regelung in New York sieht unter anderem vor, dass die Tests von der Polizei überwacht werden und im Testauto eine Person mit Führerschein sitzen muss. Im Juni 2018 sollen das *Department of Motor Vehicles* von New York und die Polizei einen gemeinsamen Bericht über die Auswirkungen auf Verkehr, Notfallservices und Sicherheit vorlegen. (ak)

Nominierung im Bereich geistiges Eigentumsrecht

Präsident Trump hat Vishal Amin für die Position des *Intellectual Property Enforcement Coordinator* (IPEC) im Weißen Haus nominiert. Amin muss noch vom Senat bestätigt werden. Zurzeit arbeitet er als Senior-Berater beim Justizausschuss im Repräsentantenhaus. IPEC ist für die Entwicklung und Umsetzung der Durchsetzungsstrategie des geistigen Eigentumsrechts zuständig. Amins Vorgänger konzentrierten sich auf die Verletzung der Urheber- und Markenrechte amerikanischer Unternehmen im Ausland. (ch)

bekannt gegeben bzw. sind laut Ross Inhalt der Gespräche selbst. Es ginge jedoch um eine große Anzahl an Produkten, so dass die 100 Tage-Frist sehr ambitioniert sei. Medienberichten zufolge erwägt China eine Aufhebung von Importrestriktionen für US-Rindfleisch sowie die Möglichkeit, Mehrheitsbeteiligungen von US-Firmen im Finanz- und Versicherungsbereich zuzulassen.

Der Minderheitenführer im Senat, Charles Schumer (D-NY), kritisierte Trump nach dem Treffen dafür, dass er mit „leeren Händen“ und ohne konkrete Zugeständnisse Chinas nach Washington zurückgekehrt sei. Der 100-Tage-Plan sei unkonkret und der Präsident habe eine gute Chance verstreichen lassen, ausgewogenere Handelsbeziehungen mit der Überwachung von Nordkoreas Atomprogramm zu verknüpfen. (fl)

GLOBAL: ExIm-Bank soll bestehen bleiben

Befürworter der Export-Import Bank (*ExIm*) haben den Besuch des chinesischen Präsidenten Xi Jinping zum Anlass genommen, auf die weiterhin eingeschränkte Funktionsfähigkeit der Bank aufmerksam zu machen. Der Präsident der Bank, Charles Hall, sagte, dass die Kapazitäten der ExIm-Bank weit unter denen chinesischer Einrichtungen zur Exportförderung lägen. Letztere seien für den exponentiellen Anstieg chinesischer Exporte verantwortlich. Laut der Weltbank überholten im Jahr 2015 chinesische Waren- und Dienstleistungsexporte die der USA. 2015 erreichten chinesische Exporte einen Gesamtwert von 2,4 Billionen US$, US-Exporte lagen bei 2,26 Billionen US$.

Im Dezember 2015 hatte der US-Kongress die ExIm-Bank bis 2019 zwar neu bevollmächtigt, allerdings ist die fünfköpfige Kommission der Bank nach wie vor unvollständig besetzt. Dies wiederum limitiert deren Beschlussfähigkeit. Nur eine vollständig besetzte Kommission darf über Transaktionen, die grösser als 10 Millionen US$ sind, entscheiden. Im vergangenen Fiskaljahr erreichte die Bank mit lediglich fünf Milliarden US$ an Finanzierungszusagen ein Rekordtief, so Hall. Der US-Wirtschaftsminister Wilbur Ross betonte während des Jahrestreffens der Bank, dass diese ein wichtiges Werkzeug der Administration bei handelsrelevanten Themen bleiben werde. Auch Mick Mulvaney, Chef des *Office and Mangement and Budget* (OMB), versicherte, die Bank werde unter Präsident Trump bestehen bleiben. Dieser hat gestern angekündigt, die zwei unbesetzten Aufsichtsratsposten baldmöglichst nachbesetzen zu wollen. Es habe sich gezeigt, dass die Bank vielen kleinen Unternehmen helfe. Noch wichtiger aber sei die Tatsache, dass andere Länder auch Exportförderung anböten. Die USA könnten dem nicht nachstehen, so Trump. (cs)

Zweites CEO-Treffen im Weißen Haus

Am Dienstag kamen mehrere Geschäftsführer US-amerikanischer Unternehmen erneut im Weißen Haus zusammen, um die Trump-Administration über wirtschaftliche Themen zu informieren. Das im Februar auf Initiative des Weißen Hauses eingeführte *Strategic and Policy Forum* soll zukünftig regelmäßig stattfinden. Ziel ist es, mehr Arbeitsplätze zu schaffen, das Wirtschaftswachstum anzukurbeln und die administrativen Aspekte der Bundesregierung zu optimieren. Das erste Treffen im Februar war ein Gespräch am Runden Tisch. Diesmal wurden die Geschäftsführer in thematische Arbeitsgruppen aufgeteilt, die sich mit Handel, Berufsbildungsprogrammen, Energie und Klima, Deregulierung, Steuerreform und Infrastrukturinvestitionen beschäftigten. Wirtschaftsminister Wilbur Ross, Verkehrsministerin Elaine Chao, der Chef der Umweltbehörde (EPA) Scott Pruitt, Bildungsministerin Betsy DeVos und der Leiter des *Office of Management and Budget* (OMB) Mick Mulvaney leiteten die Arbeitsgruppen.

Der Geschäftsführer der *Cleveland Clinic* bezeichnete den Dialog als positiv, insbesondere weil die Teilnehmer innovative Ideen vorstellen konnten. Präsident Trump lobte den wertvollen Input der Geschäftsführer und charakterisierte die ersten Monate seiner Amtszeit als erfolgreich. Er erwähnte, bereits eine Vielzahl von Durchführungsverordnungen unterzeichnet zu haben, die das Wirtschaftswachstum fördern. Seit seinem Amtsantritt wurden rund 600.000 Arbeitsplätze geschaffen, so der Präsident. Mit Blick auf die kommenden Monate versprach Präsident Trump eine Senkung des Steuersatzes und eine 25-prozentige Reduzierung der Regulierungen des Bundes. Vor allem möchte er Vorschriften der *Dodd-Frank*-Finanzregulierungen abschaffen. (ch)

Kalifornien erhöht Benzinsteuer für Infrastrukturmaßnahmen

Der Kongress von Kalifornien hat vergangene Woche ein Gesetz verabschiedet, mit dem durch eine erhöhte Benzin- und Dieselsteuer sowie durch erhöhte Fahrzeugzulassungsgebühren Infrastrukturmaßnahmen des Bundesstaates finanziert werden sollen. Die Steuern für Benzin und Diesel werden um 12 bzw. 20 US-Cent pro Gallone erhöht, also auf 30 bzw. 36 US-Cent. Damit erhöht Kalifornien erstmals nach 23 Jahren die Benzin- und Dieselsteuer.

Die Erhöhung bei den Fahrzeugzulassungsgebühren bezieht sich stufenweise auf den Marktwert des Pkw. So sollen die Gebühren für Autos mit einem Marktwert von beispielsweise unter 25.000 US$ um 25 bis 50 US$ und für Autos mit einem Marktwert von mehr als 60.000 US$ um 175 US$ pro Jahr erhöht werden. Die Gebühren für Elektroautos sollen unabhängig vom Marktwert des Autos um 100 US$ erhöht werden.

Kalifornien verspricht sich durch diese Maßnahmen Mehreinnahmen von 52 Milliarden US$ in den kommenden zehn Jahren. Hiervon sollen 33,7 Milliarden US$ genutzt werden, um die bestehende Infrastruktur zu erhalten und zu reparieren. Weitere 9 Milliarden US$ sollen in den Öffentlichen Personennahverkehr (ÖPNV) investiert werden. Kaliforniens Mittelbedarf für den Erhalt und Ausbau seiner Infrastruktur liegt derzeit bei 130 Milliarden US$, so der Gouverneur des Staates Jerry Brown. Andere Bundesstaaten wie Louisiana und Montana erwägen, ähnliche Maßnahmen wie Kalifornien zur Finanzierung ihrer Infrastruktur zu verabschieden. (bp)

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"Industrial Internet of Things" (IIoT) gewinnt in den USA an Stellenwert

Marktinformation von Germany Trade and Invest (GTAI)

Die Verschmelzung der IT-Welt mit der Automatisierungstechnik ist in den USA ein wichtiges Thema. Initiativen seitens der ehemaligen Obama-Administration sowie von Großunternehmen forcieren Forschungs- und Entwicklungsaktivitäten. Im verarbeitenden Gewerbe sowie in vielen weiteren Sektoren wächst das Interesse an IIoT-Lösungen, unter anderem in der Öl- und Gasindustrie. Es bestehen allerdings einige Hindernisse für eine weitreichende Digitalisierung der Fertigung im Land. Den vollständigen Beitrag finden Sie kostenfrei hier. (gtai)

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THE HILL

G-20 Summit comes at critical juncture for global trade

BY STORMY-ANNIKA MILDNER AND DANIEL ANDRICH, OPINION CONTRIBUTORS - 07/08/17 11:20 AM EDT

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German Chancellor Angela Merkel has hosted President Donald Trump and the other G-20 leaders on Friday and Saturday in Hamburg. Merkel chose the location for the G-20 Summit with care. The city is a symbol for openness and has been a center of international trade dating back to the Hanseatic League in the 11th century.

Undoubtedly, trade has played a big role at the summit. However, the meeting must be difficult, as disagreements over the meaning of free and fair trade have emerged within the G-20. The impact of trade imbalances has shaped the debate — especially on the transatlantic level.

Against the backdrop of the recession in 2008, the G-20 leaders — including then-U.S. President George W. Bush and Chancellor Merkel — took decisive action. They committed themselves to an open global economy grounded in free market principles: rule of law, respect for private property, open trade and investment, competitive markets and efficient, effectively-regulated financial systems.

Moreover, the leaders strongly rejected protectionism and isolationism. By mandating the World Trade Organization (WTO) to monitor G-20 trade policies, the leaders helped prevent a protectionist spiral like the Great Depression of the 1930s.

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Almost a decade later, the G-20 members are unable to find common ground on trade. The WTO, the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) have just delivered their report on G-20 trade and investment measures, which shows yet again an increase in trade barriers.

From mid-October 2016 to mid-May 2017, the WTO recorded a total of 42 new trade-restrictive measures: new or increased tariffs, customs regulations and rules of origin restrictions. Since 2012, the WTO counted 430 new trade restrictions — not taking into account new antidumping and anti-subsidy measures. Trade growth has been sluggish, at just 1.3 percent last year. This is well below the growth rate since 1980, when trade increased on average about 4.7 percent annually. In many industrialized countries, anti-globalization sentiments are rising.

The G-20 leaders should send a strong signal for open markets as they meet in Hamburg. Without a doubt, they need to address trade policies that distort competition: products being dumped on world markets because of overcapacities, intellectual property rights violations, or discrimination in government procurement. But the preoccupation with trade balances is misguided.

Rather than resulting from unfair trade, imbalances are more often due to structural factors: competitiveness of businesses and products, currency effects, capital flows, domestic investment, demographics and savings rates. Take Germany, for example. With 81 million inhabitants, the domestic market is relatively small, so the country depends on foreign markets.

Germany is deeply integrated in regional and global value chains: imported inputs account for almost 30 percent of its exports. Moreover, German companies invest massively abroad. The U.S. has been an important destination for German foreign direct investment, totaling $255 billion by the end of 2015. Through this investment, German companies contribute to economic growth and job creation in the U.S. They account for 672,000 jobs, with almost half in manufacturing.



It is not just German companies that contribute positively to the U.S. economy. By the end of 2015, total foreign direct investment in the U.S. stood at approximately $3.1 trillion, and foreign affiliates created around 6.4 million jobs. It is clear: The United States benefits greatly from globalization.

Protectionism is not the right solution for unfair trade policies or growing skepticism about globalization. The Business 20 — the official dialogue of

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the G-20 constituting more than 700 members of the world's business community, including many U.S. companies — agrees: Trade rules need to be enforced. But rather than unilateral retaliation, the best way is through the strong dispute settlement procedure of the WTO.

In addition, trade rules should be modernized to reflect 21st-century trade, particularly by opening trade in services and digital trade — areas in which the United States is especially competitive. Finally, the G-20 needs to find solutions for those who feel left behind. This means better explaining the benefits of globalization. But it also means investing more in education and providing people with appropriate and future-oriented skills.

The German dual system of vocational training is one prominent example. Many young people have participated in these programs — including in the U.S. — that combine on-the-job training with classroom education. This not only closes the skills gap faced by many industries, but more importantly enables young people to confidently enter the workforce knowing they are prepared to meet the challenges of a global economy.

In Hamburg, the G-20 should stand together to regain people's trust in globalization by strengthening what has been built over the past decades: open global markets that promote economic growth and inclusiveness.

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The views expressed by contributors are their own and not the views of The Hill.

TAGS **DONALD TRUMP** **ANGELA MERKEL** **PROTECTIONISM** **FREE TRADE** **GLOBALIZATION** **G20** **INTERNATIONAL TRADE** **TRADE POLICY**

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Public Comment

BDI

External Economic Policy

Comments Regarding Causes of Significant Trade Deficits for 2016 (DOC-2017-0003): Comments by the Federation of German Industries (BDI)

Datum
May 9, 2017

About BDI

The **Federation of German Industries (Bundesverband der Deutschen Industrie, BDI)** is the umbrella organization of German industry and industry-related service providers. The BDI speaks for 37 sector associations, 15 regional offices, and approximately 100,000 companies with a total workforce of about eight million people. The **Representative of German Industry and Trade (RGIT)** represents the interests of German Industry, in particular the members of the BDI, of the Association of German Chambers of Commerce and Industry (DIHK) and of the German-American Chambers of Commerce to the U.S. Administration and to the U.S. Congress.

Executive Summary

Germany's trade surplus vis-à-vis the United States and other countries is a result of a variety of factors. These factors are market-driven and not the result of an explicit export-promotion strategy by the government or by the business community. They include the openness of Germany's economy, the competitiveness of German businesses and products, currency effects, a large foreign direct investment (FDI) position, as well as domestic factors like demographics, the low level of domestic investment, and a relatively high savings rate.

We believe that the U.S. trade deficit with Germany cannot and should not be addressed through trade-related measures. German businesses can contribute to a strong U.S. manufacturing base through investment, exports, employment, workforce development, and R&D activities, only because of an open and rules-based trade and investment relationship between the United States and Germany. The transatlantic trade and investment relationship is vibrant. Yet there are still barriers to trade on both sides of the Atlantic. Removing these barriers would further spur economic growth in the United States and Europe.

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The German economy is extremely open. German companies are deeply integrated in world trade and global value chains.

Germany's trade ratio, i.e. German imports and exports relative to its GDP, is at 84.4 percent (46 percent exports, 38.4 percent imports), compared to roughly 28 percent in the United States. Thus, Germany is not only a leading export nation, but also a leading import nation. The deep integration of German businesses in global value chains contributes to the high competitiveness of German businesses and products "Made in Germany". In transatlantic trade, the trade-weighted average of tariffs is at 2.1 percent in the United States and 2.3 percent in the EU. Thus, while average tariffs in the EU are slightly higher than in the United States, these differences are unlikely to contribute to the German surplus vis-à-vis the United States.

German companies contribute to a strong U.S. manufacturing sector.

German FDI in the United States is at $255 bn (2015), making Germany the 7th largest foreign investor in the United States. At the same time, U.S. investment in Germany is at $108 bn (2015). These investment flows underline the strong economic relationship between the two countries. According to the U.S. Department of Commerce, German companies and their subsidiaries account for 672,000 jobs in the United States, almost half of them in the manufacturing sector. Some of our companies are leading U.S. exporters. German business stands ready to further contribute to the strength of U.S. manufacturing. To that end, market access and strong transatlantic value chains are key.

The German economy is competitive because of a highly educated work force and a strong "Mittelstand".

The German system of dual apprenticeships plays a key role in workforce development. It is a highly skilled workforce, not cheap labor that makes German products attractive and competitive for global customers. In the United States, our companies have created cutting-edge dual apprenticeship programs in various professions and U.S. states, thus contributing to a highly skilled U.S. workforce, in particular in the manufacturing sector. This is especially true for SME companies of the German "Mittelstand". These companies are often highly specialized and world market leaders in their fields.

Domestic factors contribute to Germany's trade surplus. Most of these factors are not the result of political decisions or subject to political influence.

We recognize that a low level of domestic investment contributes to Germany's current account surplus. Currently, the ratio of public investments to GDP is at 2.2 percent in Germany compared to 2.8 percent in the Eurozone. Public and private investment in future-oriented and sustainable projects in Germany should therefore be increased. However, some factors cannot and should not be subject to public policy or political influence. This is, first and foremost, the value of the Euro, which is determined by the politically independent European Central Bank. Wage levels in Germany are by and large negotiated through collective bargaining between individual trade unions and employers' organizations and not politically induced. The high savings rate (17 percent for German households compared to 12.5 percent in the Eurozone) is equally not politically induced and will likely continue due to demographics. The demographic development itself cannot

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be altered by political decisions in the short-term. Over time, an aging society is likely to consume more and produce (export) less, thus having a potentially mitigating impact on Germany's trade surplus. Furthermore, the high export quota of Germany is favored by the high share of industrial production in German GDP.

Reference to Specific Questions

Assess the major causes of the trade deficit including, as applicable, differential tariffs, non-tariff barriers, injurious dumping, injurious government subsidization, intellectual property theft, forced technology transfer, denial of worker rights and labor standards, and any other form of discrimination against the commerce of the United States or other factors contributing to the deficit.

In transatlantic trade, average U.S. tariffs on industrial goods are at 3.2 percent, whereas average EU tariffs on industrial goods are at 4.2 percent. However, the trade-weighted average is at 2.1 percent in the United States and 2.3 percent in the EU. In addition, while 72 percent of EU tariff lines for industrial goods are between 0 and 15 percent, this is only true for 49 percent of U.S. industrial goods. Thus, while average tariffs in the EU are slightly higher than in the U.S., these differences are unlikely to contribute to the German surplus vis-à-vis the U.S. (Source: WTO Tariff Profiles, April 2017).

Non-tariff barriers (NTBs) play a larger role in transatlantic trade than tariffs. While it is hard to quantify NTBs, a study by the Centre for Economic Policy Research (2013) estimates that EU NTBs against U.S. goods exports account on average for 21.5 percent of total trade costs. In contrast, U.S. NTBs against EU exports account on average for 25.4 percent of costs. For services exports, the numbers are 8.5 percent (EU NTBs) vs. 8.9 percent (U.S. NTBs). These barriers are significant in some sectors and occur in an asymmetrical way. However, it is hard to argue that NTBs tip the overall trade balance in favor of Europe or Germany in a significant way.

In government procurement, the U.S. market is less open to foreign bidders than the EU market. An Ecorys Study (2009) estimates that a reduction of restrictions in government procurement could lead to annual welfare gains in Europe of $12.7 billion, while for the United States, the annual gains in national income would be around $1.2 billion. While these numbers need to be taken with a grain of salt, the dimensions indicate that NTBs in government procurement are much higher in the United States than in the EU (e.g. through "Buy-American-Rules"). In Germany, the granting of state subsidies to companies is severely restricted by EU legislation.

Injurious dumping, injurious government subsidization, intellectual property theft, forced technology transfer, or the denial of worker rights and labor standards are not part of the German business model and not a cause of Germany's trade surplus.

Assess whether the trading partner is, directly or indirectly, imposing unequal burdens on, or unfairly discriminating in fact against, the commerce of the United

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States by law, regulation, or practice and thereby placing the commerce of the United States at an unfair disadvantage.

The German economy is one of the most open economies in the world. U.S. and other foreign companies are not discriminated against in the German market. In Germany, foreign investors are not confronted with unequal burdens compared to German companies.

Assess the effects of the trade relationship on the production capacity and strength of the manufacturing and defense industrial bases of the United States.

According to the U.S. Department of Commerce, German FDI in the U.S. is at $255 bn (2015), making Germany the 7th largest foreign investor in the U.S. Our companies and their subsidiaries support 672,000 jobs in the U.S., almost half of them in the manufacturing sector. German businesses contribute to a strong manufacturing base in the United States.

Assess the effects of the trade relationship on employment and wage growth in the United States.

According to the U.S. Department of Commerce, German companies employ about 672,000 workers in the USA (about 314,000 in the manufacturing sector). Manufacturing jobs are on average better paid than jobs in other sectors.

Identify imports and trade practices that may be impairing the national security of the United States.

The activities of German industry in the United States do not harm national security of the United States.

Which bilateral trade deficits are structural or cyclical rather than mercantilist-driven?

Germany's high external surplus is not a policy goal of German government. Germany does not influence the external value of the euro. The development of the exchange rate reflects the relatively weaker recovery in the Eurozone relative to the United States, transatlantic interest rate differentials, and different stages in monetary policy normalization. The German government has no influence on monetary policy decisions of the independent ECB.

The aging society of Germany, on the other hand, has a major influence on trade surplus. People save relatively much and many savings are invested abroad. Consumption and imports are correspondingly low. The trade surplus is partly due to the overhang of national savings on investments for capital export and the current account surplus. Because of this demographic reason, a fast reduction in the saving rate of private households is hardly to be expected. A noticeable increase in domestic demand, which would result in significantly higher imports of private households, can take several years of high wage agreements. The past three years have already had a corrective effect, but they have also become possible only because of the increasingly good labor market situation. A quick remedy is not possible as investment activity, wage developments (and private con-

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sumption), and the net position of the state are only gradually changing. Corrections could, in principle, occur more quickly over the exchange rate and/or the oil prices.

To what extent are non-market economies operating within a market-based system create trade imbalances?

This question does not apply to the German economy.

To what extent does chronic industrial overcapacity resulting from government subsidies affect the U.S. trade deficit?

This question does not apply to the German economy.

Have free trade agreements contributed to bilateral trade deficits and how?

There is no free trade agreement between the United States and Europe or Germany. Free trade agreements therefore have no influence on the trade balance between the United States and Germany. We strongly advocate for continuing talks about a transatlantic trade agreement, which would benefit both markets. Through the division of competences between the EU and its member states, Germany cannot negotiate trade agreements on its own. Therefore, such an agreement could only be reached between the EU and the United States.

To what extent have weak enforcement and dispute resolution mechanisms inadequately addressed trade issues that result in trade deficits?

The WTO is of great importance for the fair regulation of international trade. The application of dispute-settlement mechanisms or the implementation and enforcement of trade rules have no bearing on the overall trade balance between the United States and Germany. It is the WTO that settles trade conflicts, including those between the United States and the EU. So far, both sides of the Atlantic usually adhere to the findings of the WTO dispute settlement mechanism and are strong in the implementation of the rulings of its appellate body.

Are there any other factors related to trade deficits that the report should consider?

In addition to trade between Germany and the USA, the positive contribution of German industry to the U.S. economy by its high direct investment in the USA must be considered. German companies employ about 672,000 workers in the USA. 1.9 percent of the exports of the United States are made by German subsidiaries. 2.6 percent of private spending on research and development in the United States comes from U.S. subsidiaries of German companies. The German system of dual apprenticeships plays a key role in workforce development.

With regard to manufacturing and the defense industrial base (with specific focus on electronics, aerospace, avionics, materials, machinery, and equipment), com-

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ments may address how the following requirements or practices of trading partners have affected opportunities for increased U.S. exports, profitability, and employment:

(a) Mandated coproduction and licensed production;

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning mandated coproduction and licensed production.

(b) mandated subcontracting; counter trade;

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning mandated subcontracting or counter trade.

(c) required technology transfer;

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning technology transfer.

(d) required collaborative research and development;

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning collaborative research and development.

(e) mandated joint ventures and intellectual property transfer; and

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning mandated joint ventures and intellectual property transfer.

(f) required capital investments.

This question does not apply to the German economy. In Germany, there are no restrictions or obligations concerning required capital investments.

Annex: Brochure "German Business Matters"

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BDI
Bundesverband der Deutschen Industrie e.V.

DIHK
Deutscher Industrie- und Handelskammertag

Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

waysandmeans.submissions@mail.house.gov

June 6, 2017

Public Submission in response to the hearing on "Increasing U.S. Competitiveness and Preventing American Jobs from Moving Overseas"

About BDI

The Federation of German Industries (Bundesverband der Deutschen Industrie, BDI) is the umbrella organization of German industry and industry-related service providers. The BDI speaks for 37 sector associations, 15 regional offices, and approximately 100,000 companies with a total workforce of about eight million people.

About DIHK

The Association of German Chambers of Commerce and Industry (Deutscher Industrie- und Handelskammertag, DIHK) is the central organization for 79 Chambers of Commerce and Industry, CCI (Industrie- und Handelskammern, IHKs) in Germany. All German companies registered in Germany, with the exception of handicraft businesses, the free professions and farms, are required by law to join a chamber. Thus, the DIHK speaks for more than three million entrepreneurs – not only big companies but also retailers and innkeepers. It does not represent any specific corporate group but all commercial enterprises in Germany.

Introductory Comment

BDI and DIHK very much welcome the opportunity provided by the Committee on Ways and Means of the House of Representatives to publicly discuss tax reform with interested stakeholders.

In our comments, we focus, as requested, on border adjustment and international tax modernization as core elements of comprehensive tax reform and on the implications of these policies for increasing jobs, investment, and economic growth in the United States.

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Executive Summary

BDI and DIHK are aware of the need to modernize the U.S. tax system. However, we are opposed to the introduction of a border adjustment tax (BAT), which would effectively tax imports to the United States while subsidizing exports from the United States. We believe that such a measure would harm trade flows and would therefore have negative repercussions for both foreign-based companies and U.S.-based companies. This measure would thus be detrimental to the aim of fostering economic growth and increasing jobs in the United States.

We would like to highlight the following three reasons for this assessment:

I) **Open markets are at stake:** A BAT would have negative effects on any company in the U.S. that is dependent on imports - U.S. companies and U.S. affiliates of foreign-owned companies. These affiliates have created 6.4 million jobs in the United States. German companies and their subsidiaries alone account for 672,000 highly-qualified and well-paid jobs, with almost half of them in manufacturing. These jobs depend on open markets and could be at stake if a BAT were introduced.

II) **A BAT is not a VAT:** While a VAT is neutral vis-à-vis the origin of the products and leads to a level playing field for foreign and domestic products, a BAT would be a protectionist measure and would discriminate against foreign goods.

III) **Inconsistency with the international tax system:** A BAT is inconsistent with the existing global tax regime, which is based on taxing profits where value is created. For large and small companies with global value chains, a coherent international tax system is very important.

In effect, a BAT would disrupt global value chains for foreign-based and U.S.-based companies. In a globalized world with countless interlinkages between companies, markets, and technologies, a BAT would affect companies in the U.S. regardless of the location of their headquarters. There would be winners and losers, but it would not be a zero-sum-game. Trade flows would suffer, and there would therefore be an overall loss. The intended stimulus for growth and investment within the United States could actually have the opposite effect.

Moreover, exchange rates do not exclusively depend on international trade flows, but also on other factors such as cross-border investment decisions at capital markets. Therefore, while some have predicted an appreciation of the U.S. dollar that would offset the effects of the BAT, such an appreciation is not a given. Thus, besides distorting international trade, taxing imports will also raise costs for consumers, households, and the manufacturing industry in the United States.

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Specific Comments

I) Open markets are at stake: Effects of a BAT on jobs created by U.S. subsidiaries of German companies

The economic relationship between the United States and Germany is very close. Both countries are important partners in shaping globalization. Deep transatlantic economic integration is based on a trusting business environment, a reliable framework, and open markets. This is what BDI and DIHK support – on both sides of the Atlantic.

With regard to the proposed BAT, we are very concerned that these important pillars of transatlantic and global trade are at risk – to the detriment of all large and small companies with global value chains, whether U.S.-based or not. While the protectionist effect of a BAT may indeed be intended to increase U.S. competitiveness and foster growth in the United States, we would like to take the opportunity to highlight some considerations that might shed a different light on this intention.

German direct investment in the U.S. reached a total of around $255 billion by the end of 2015. German affiliates play an important role in the U.S. economy, contributing to its economic health and prosperity. Most importantly, these affiliates create jobs in all states and are a vital part of the daily life of American employees and their families:

- About **672,000 American jobs** were "insourced" and supported by the roughly 4,700 German-owned affiliates located in states across the country.
- German affiliates are the **third-largest foreign employer** and thus account for 10.5 percent of the total 6.4 million U.S. jobs created by all foreign affiliates.
- According to the German Federal Ministry for Economic Affairs and Energy, the **average salary** in German affiliates in the U.S. **is higher than both in domestic and other foreign-owned companies**.
- **Nearly half of the jobs** created by German affiliates in the United States are in **manufacturing.**

German companies therefore play a key role in the United States' efforts to strengthen its industrial base. These affiliates represent innovative technologies, a high degree of value added, and attractive jobs. Moreover, a lot of them are successfully implementing cutting-edge workforce development programs following the German dual model of public-private partnership that combines on-the-job training with targeted classroom education. These programs help close the skills gap.

Thus, German investment contributes to boosting U.S. competitiveness in many ways. A BAT would harm these trade and investment relationships between the U.S. and Germany – and between the U.S. and any other country.

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II) A BAT is not a VAT: A VAT is neutral vis-à-vis the product origin and leads to a level playing field for foreign and domestic products. A BAT would discriminate against foreign goods and thus have a protectionist effect.

An often-heard argument in favor of the BAT has three parts:

1) First, proponents claim that it would be similar to the Value Added Tax (VAT) regime applicable in other parts of the world, including the European Union.
2) Second, they argue that the VAT system is protectionist and puts U.S. businesses at a competitive disadvantage vis-à-vis local (ex. European) producers.
3) Third, they conclude that a BAT in the U.S. would level the playing field for U.S. businesses and thus increase U.S. competitiveness.

This conclusion is a common misperception. A VAT system as it exists within the European Union and a BAT have very different effects on businesses. They are not the same and are not even comparable:

EXPLANATION: What is a VAT?

According to the official definition provided by the European Commission[1], a Value Added Tax, or VAT, is a general, broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services that are bought and sold for use or consumption within the VAT jurisdiction.

Value added tax is

- *a general tax that applies, in principle, to all commercial activities involving the production and distribution of goods and the provision of services.*
- *a consumption tax because it is borne ultimately by the final consumer – like a sales tax. It is not a charge on businesses.*
- *charged as a percentage of price, which means that the actual tax burden is visible at each stage in the production and distribution chain.*
- *collected fractionally, via a system of partial payments whereby taxable persons deduct from the VAT they have collected the amount of tax they have paid to other taxable persons on purchases for their business activities.*
- *paid to the revenue authorities by the seller of the goods, who is the "taxable person", but it is actually paid by the buyer to the seller as part of the price. It is thus an indirect tax.*

There are some important differences between a BAT and VAT:

1) **A VAT is neutral with regard to competitiveness**. Everything that is sold in a VAT country gets taxed at the same tax rate, which depends on the local VAT rate (ex. 19 percent). This is the case for both imports and domestic production. Thus, a VAT results in equal treatment of

[1] http://ec.europa.eu/taxation_customs/business/vat/what-is-vat_en

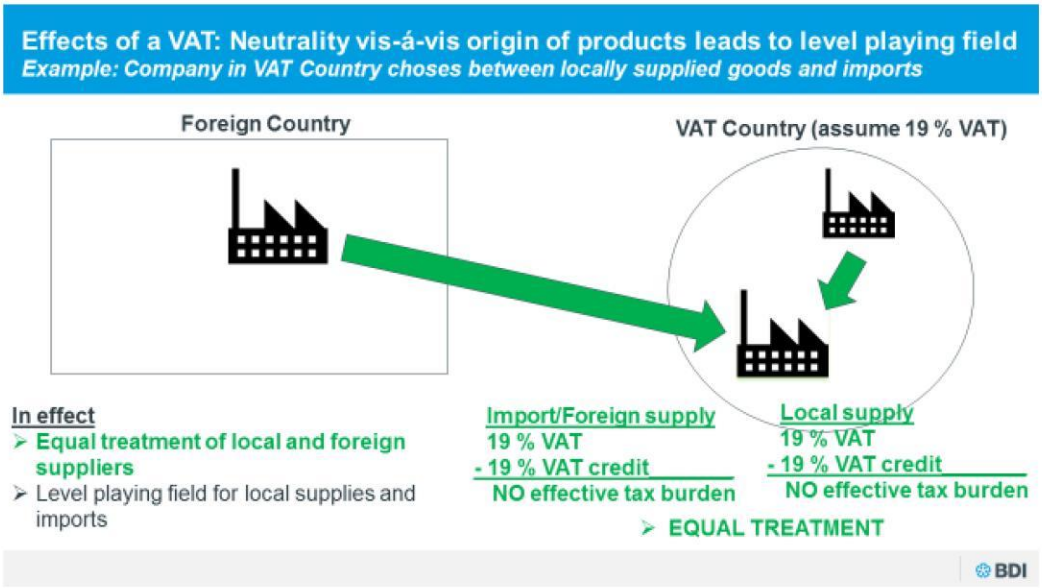
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imports and domestic production. Exports are sold outside the VAT country and are therefore not subject to a VAT in the VAT country. This is not an export subsidy.

Therefore, a VAT provides a level playing field for all producers and suppliers selling to consumers within the jurisdiction of the VAT country, so there is no difference in the overall VAT burden of domestic producers or suppliers and importers. The VAT is neutral towards the origin of the products sold in the VAT country; their origin does not make any difference with respect to the tax burden. Therefore, the concept of a VAT is not protectionist. Rather, the VAT system is neutral with regard to competitiveness. It does not distort trade chains and importers of foreign products are not discriminated against.

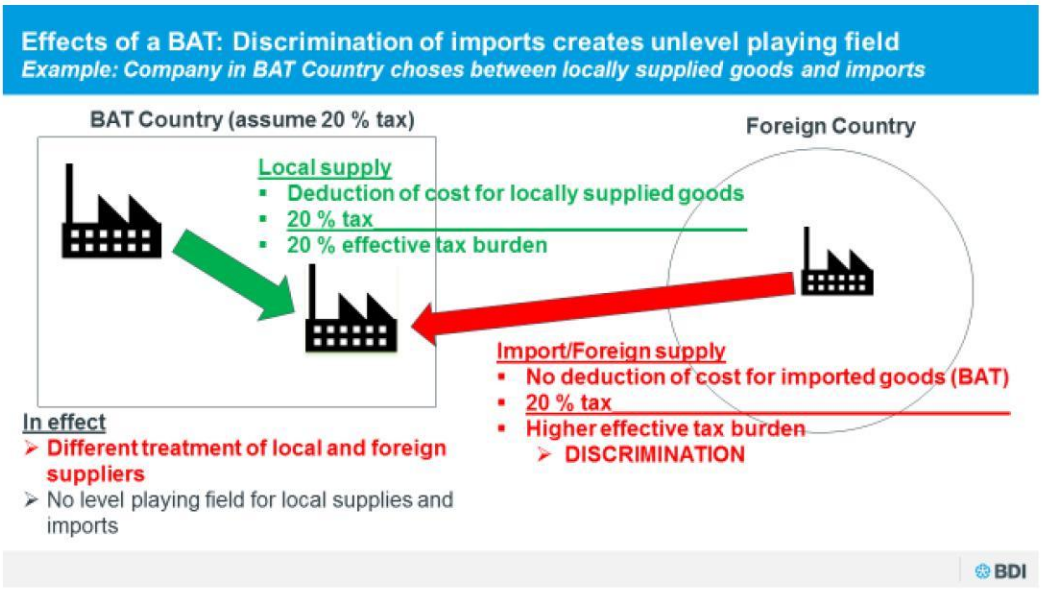
This can be illustrated by the following example:



2) **A BAT is a protectionist measure.** The BAT entails a discrimination of imports into the United States against local production: while the purchase of local products would still be deductible from the tax base, imported intermediates could not be deducted. U.S. importers as well as clients of domestic producers would both pay a 20 percent tax. But the corporate tax base for importers would be much higher.

This effect is illustrated by the following example that shows the distortive effect that a BAT would have on importers. Effectively, a BAT would not level the playing field for local sellers and foreign importers in the United States, but rather is a protectionist measure with regard to imports.

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To sum up, there are at least two major misconceptions when comparing a BAT to a (European-style) VAT:

- First, a VAT does not put U.S. exporters to the EU at a competitive disadvantage against EU companies. Therefore, the argument that the United States needs a BAT to compensate for the alleged disadvantage is flawed.
- Second, introducing a BAT would not be the same as a VAT, as it would not be neutral with regard to the origin of the products. The key difference between a BAT and VAT is their respective impact:

  - The total VAT cost across a supply chain is solely dependent upon the location of the final consumer. With a consumer in a VAT country, the total VAT cost, which is borne by the final consumer, will always be the same VAT rate (ex.19 percent) regardless of whether the goods and services are produced and supplied by businesses from the EU, the United States, China or any other region of the world. With a foreign consumer, the total VAT cost will always be zero, regardless of the location of the suppliers. This is why a VAT is neutral with regard to competitiveness.

  - With a BAT – on the other hand – the overall tax burden for businesses does not solely depend on the location of the final consumer. It will also be influenced by the location of the supplier. While the supplier or producer who buys domestic products and the buyer of imports are subject to a 20 percent tax, the buyer of domestic products can deduct the cost from its corporate tax base. The buyer of imports is not allowed this deduction. This is a direct discrimination of imports and is why a BAT is *per se* a protectionist measure.

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III) Inconsistency with the international tax system

We acknowledge the need to modernize the U.S. tax system and the priority of a comprehensive tax reform. However, deliberations on elements of reform should be within the internationally agreed path to a modernization of the international tax system. A BAT would deviate from this path and would adversely affect the international tax system as a whole. It is inconsistent with the existing global tax regime based on taxing profits where value is created. Under a BAT, companies would be taxed based on where they sell their goods or services, i.e. on a destination basis rather than – as in current corporate taxes – primarily on an origin basis.

Thus, a BAT would diverge from the globally accepted basic concept in international taxation. No country in the world disallows the deductibility of imports. For companies with global value chains, a consistent international tax system is very important. Inconsistency leads to uncertainty, uncertainty increases compliance risks and the risk of double taxation, which eventually leads to a rise in disputes. What is needed for sustainable investment that boosts economic growth in the United States is legal certainty, also for cross-border transactions. This can only be achieved by globally coherent tax rules and international cooperation.

IV) Conclusion

A BAT is a protectionist measure. It therefore cannot be compared to a VAT, as a VAT does not differentiate between locally supplied and imported goods. A BAT would harm U.S. affiliates of foreign-based companies and also U.S. companies that are dependent on imports. Open markets are at stake and free trade would suffer. Even more so, as a BAT is not in line with internationally agreed taxation principles. Many well-paid and highly-qualified jobs in the United States could be at risk. We therefore urge you to refrain from implementing a BAT. Such a measure would be detrimental to the aim of fostering economic growth and increasing jobs within the United States.

Contact information

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RGIT REPRESENTATIVE of German Industry + Trade

BDI DIHK





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Reception for a German Business Delegation travelling with Sigmar Gabriel,
German Minister of Foreign Affairs
May 17, 2017
7-9 PM
RGIT Conference Room

List of participants

Delegation:

Business Delegation:
Ulrich Dietz, Bitkom, Vizepräsident;
Claudia Grosse-Leege, Verband deutscher Unternehmerinnen (VdU), Geschäftsführerin
Dr. Jochen Köckler, Deutsche Messe AG, Vorstandsmitglied
Dr. Stefan Mair, BDI, Mitglied der Hauptgeschäftsführung
Christian Miele, Bundesverband Deutsche Startups, Vorstandsmitglied
Volker Schult, Salzgitter Mannesmann Handel GmbH, Vorstandsvorsitzender
Wayne Smith, BASF, CEO von BASF Nordamerika, Vorstandsmitglied von BASF SE
Dr. Martin Wansleben, DIHK, Hauptgeschäftsführer

Auswärtiges Amt:
Mr. Peter Fischer, Unterabteilungsleiter, Beauftragter für Energie- und Klimapolitik und Exportkontrolle
Ms. Brigitt Ory, Referatsleiterin Außenwirtschaftsförderung

Guests:

Ms. Kristin Nadji
Director for Western and Northern Europe
U.S. Department of Commerce, International Trade Administration

Mr. David Langdon
Senior Policy Advisor, Office of the Secretary
U.S. Department of Commerce

Ms. Romina Boccia
Deputy Director, Thomas A. Roe Institute for Economic Policy Studies and Grover M. Hermann Research Fellow, Institute for Economic Freedom and Opportunity
The Heritage Foundation

Dr. Jason Furman
Senior Fellow
Peterson Institute for International Economics

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REPRESENTATIVE of German Industry + Trade

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Mr. Martin Wiekert
Director
Germany Trade and Invest

Dr. Jürgen Drescher
Head of Washington Office
German Aerospace Center (DLR)

Mr. Max Voegler
Head of Washington Office
German Research Foundation (DFG)

Host:

Mr. Daniel Andrich, President and CEO, Representative of German Industry and Trade (RGIT)

Ms. Freya Lemcke, Vice President, Representative of German Industry and Trade (RGIT)

Dr. Anne Kleinschrodt, Special Liaison Officer, Federal Ministry for Economic Affairs and Energy (Bmwi)

German Embassy:

Mr. Peter Rondorf, Minister, Head of Economic Affairs

Mr. Otto Graf, Counsellor International Development

Mr. Georg Hellmich, Economic Counselor

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Reception for German Business Delegation travelling with Sigmar Gabriel, German Minister of Foreign Affairs

May 17, 2017

7-9 PM

Opening Remarks

Good evening, I would like to thank our business delegation and guests, many whom have travelled far and wide, for attending tonight's reception and am delighted to host all of you at the RGIT. I extend a special thank you to Dr. Martin Wansleben, the Chief Executive of the Association of German Chambers of Industry and Commerce, and to Ms. Kristin Nadji, Director for Western and Northern Europe at the US Department of Commerce, with whom we work in close coordination. Here at the Representative of German Industry and Trade, we are the liaison office for the Association of German Chambers of Industry and Commerce and the Federation of German Industries, representing German business interests before the US administration, Congress, and international organizations in Washington. German companies are the third largest employer in the US, creating over 670,000 jobs and playing a key role in advancing American manufacturing innovation and capacity. Moreover, German foreign direct investment in the US totals $255 billion, benefitting over 4,700 domestic companies. We look forward to working with the new administration in the coming years to deepen our transatlantic relationship and are hopeful at the prospects of deregulation, reduced corporate tax rates, and infrastructure development. We remain committed to promoting the values of open markets, free trade, and transatlantic cooperation. I thank all of you again for joining us tonight and welcome you to the RGIT.

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Caitlin Hickey

Subject:	DA: Panelist: Global Business Dialogue Discussion in Two Parts on The EU's Trade with the World and with North America
Location:	The St. Regis Hotel, 923 16th Street, NW
Start:	Fri 6/23/2017 9:00 AM
End:	Fri 6/23/2017 12:00 PM
Recurrence:	*(none)*
Organizer:	Daniela Berger-Huza

The Global Business Dialogue, Inc.

Changing the Conversation

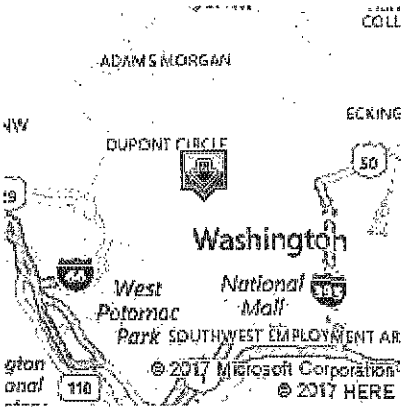
When

Friday, June 23, 2017 from 9:00 AM to 12:00 PM EDT

Add to Calendar

Where

The St. Regis Hotel
923 16th Street, NW
Washington, DC, DC 20036



Driving Directions

Contact

R. K. Morris
Global Business Dialogue
202-559-9316
rkmorris@gbdinc.org

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EU OUTREACH:
A GBD Discussion in Two Parts on
The EU's Trade with the World and with North America

Friday, June 23, 2017
9:00 a.m. to 12 Noon
(Registration opens at 8:30 a.m.)
The St. Regis Hotel
923 16th Street, NW
Washington, DC 20006

The Andrew Jackson Room

Endless Outreach: Trade and the European Union
Keynote Address By
H.E. David O'Sullivan
EU Ambassador to the United States

&

Across the Pond: The EU and North America
with perspectives from business and the diplomatic community

The Diplomatic Panel. The Moderator for this Panel will be John Magnus of TradeWins LLC. The spekaers will be speakers on these two panels will include **Colin Bird** from the Embassy of Canada, **Damien Levie** of the European Union, **Kenneth Smith Ramos** from the Embassy of Mexico,=.

The Business Panela. The Moderator will be **John Murphy** of the U.S. Chamber of Commerce. The confirmed speakers are **Daniel Andrich** from the Representative of German Industry and Trade, **Shawna Morris** of the Consortium for Common Food Names, and others to be announced. The moderators of the two panels have been asked to offer their thoughts in the issues in addition to managing the discussions. .

Price: General Admission $60. There is no charge for GBD Members, U.S. Government staff, or press.

To Register, simply click the link below, follow the prompts. We look forward to seeing you on June 23.

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REPRESENTATIVE of German Industry + Trade

BDI DIHK

Embassy of the Federal Republic of Germany Washington

Dear Mr. Alameddin,

We look forward to seeing you for the launch of our publication

German Business Matters – A State by State Analysis of Imports, Exports, and Jobs

and the panel discussion on

Current Challenges and Opportunities for the Transatlantic Marketplace

at the

Representative of German Industry and Trade (RGIT)
1130 Connecticut Avenue NW,
Suite 1200
Washington, D.C. 20036

March 13th, 2017 – 3:15 pm to 5:00 pm

Reception to follow

Agenda

3:15 pm	Registration
3:45 pm	Welcome and Opening Remarks: "German Business Matters" *Daniel Andrich*, President and CEO of Representative of German Industry and Trade Welcoming Address *Dale Tasharski*, Deputy Assistant Secretary for Europe, U.S. Department of Commerce
4:00 pm	Panel Discussion: "Current Challenges and Opportunities for the Transatlantic Marketplace" • *Boris Ruge*, Deputy Chief of Mission, German Embassy in Washington, D.C. • *Dr. Markus Kerber,* Director-General, Federation of German Industries, Berlin • *Judy Marks,* CEO, Siemens USA • *Bryan Riley*, Senior Trade Policy Analyst, Heritage Foundation Moderated by *Moritz Koch,* Handelsblatt, Washington Bureau
5:00 pm	Reception

We have designed this event to fully comply with Rule 35.1(d)(1) of the Senate Code of Conduct, House Ethics Manual pp. 41-47, and 5 CFR 2635.204(g)(2) of the Standards of Ethical Conduct for Employees of the Executive Branch regarding the "widely attended event" or "widely attended gathering" exceptions to the aforementioned rules of conduct. Senate and House staff are advised to consult with the Senate and House Ethics Committee to confirm this analysis. Executive branch employees are advised to consult with their respective agency's counsel.

DRAFT

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Good Afternoon and Welcome Everyone to RGIT!

My Name is Daniel Andrich. I am the head of this office, the "Representative of German Industry and Trade".

We represent the interests of German industry in the U.S. on behalf of our two principals, the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK).

It is my pleasure to welcome from Berlin the Director-General of one of our principals:

Dr. Markus Kerber, of the Federation of German Industries,

As well as:

Boris Ruge, Deputy Chief of Mission of the German Embassy

Judy Marks, Chief Executive Officer of Siemens USA,

And Bryan Riley, Senior Trade Policy Analyst at the Heritage Foundation

.....

Etc.

German-American Relationship

As RGIT, we encourage the deepening of the trade links and economic integration between the United States and Germany. We consider ourselves the cheerleaders of the German-American economic relationship.

And that relationship is very close. It is close because on both sides of the Atlantic, that foundation is based on a trusting business environment, a reliable framework, and open markets. Together, the United States and Germany seek to shape globalization under these shared values of trust, openness and reliability.

When we look closer at how Germany is invested in the US, and vice-versa how the US is invested in Germany, it reveals a success story of economic integration within a broader transatlantic marketplace.

Today, we reveal the latest update of our flagship publication "German Business Matters." This handy reference booklet provides a detailed overview of the number of jobs created by German-owned affiliates, as well as the volume of German trade with each individual state in the United States of America, as well as – let's not forget – Puerto Rico and the District of Columbia. By the way, RGIT with its 8 employees contributes almost 1% to the 800 jobs created by German-owned affiliates in the District of Columbia.

We are convinced, that such an overview, as provided in our brochure, is important information for investors and politicians alike — on the local, state, and federal level.

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We believe that successful trade relations promote inward investment for both the U.S. and Germany, which in turn creates well-paying jobs. "German Business Matters" seeks to highlight this connection, and I would like to briefly emphasize just a few choice numbers:

Trade

The U.S. is the #1 export market for Germany. For the U.S., Germany is its 6th-largest export market. Altogether, the total bilateral trade relationship between the U.S. and Germany amounted to $174 billion in 2015.

Investment

4,700 companies benefit from German investment in the US, and most of these firms are affiliates of small- and medium-sized enterprises. Altogether, German companies have invested more than $255 billion in the US.

Jobs

More importantly, is that these investments translate directly into jobs. German-owned affiliates are the 3rd largest foreign employer in the United States, creating more than 672,000 jobs, half of them in the manufacturing sector.

US -> Germany

The U.S. is the largest non-European investor in Germany, with investments totaling over 108 billion USD. The most significant U.S. investments in Germany are in manufacturing, as well as in holding companies, insurance, and finance. U.S. companies are of considerable importance for the German labor market, having created over 677,000 jobs in Germany.

Conclusion

As these numbers reveal, the United States and Germany are important partners that benefit from open and flourishing markets within a trusted business environment and reliable regulatory frameworks. While this transatlantic economic relationship is already very strong, we look forward to further deepening these ties.

I'd like to turn this over to Dale Tasharski, Deputy Assistant Secretary for Europe at the Department of Commerce. Previously, Dale was at the US Embassy in Berlin as Minister-Counselor for Commercial Affairs, where he too strengthened the German-American economic relationship in promoting bilateral trade and investment ties.

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INVEST IN AMERICA!

Invest in America! 2017 Summit
May 18, 2017
8:00 a.m. – 3:00 p.m.
Unless otherwise noted, all events will be held in the Hall of Flags

8:00 a.m. **Registration Opens** (*Location: Front Lobby*)
Breakfast (*Location: Briefing Center*)
Hall of States Exhibit Opens (*Location: Lee Anderson*)

8:30 a.m. **Welcome from Robert Schroder, Senior Vice President, U.S. Chamber of Commerce**

8:37 a.m. **Remarks from Manuel Mencia, President, State International Development Organizations**

8:40 a.m. **Remarks from Sponsors**
- Gold Sponsor –
- Program Partner—Keidanren
- Silver Sponsors—China General Chamber of Commerce, FKI

9:00 a.m. **Remarks from U.S. Secretary of Commerce Wilbur Ross (*invited*)**

9:30 a.m. **Industry Focus—Infrastructure**
How can we bridge the gap between cross-border M&A and Greenfield Investment in the infrastructure industry? Is it possible? What barriers do foreign companies face in this industry? Are there best practices for entering the infrastructure industry in the U.S.?
Moderator: Ed Mortimer, Executive Director, Congressional & Public Affairs, USCC
Panelists:
- Jim Metcalfe, Partner and Head of Sourcing, Alinda Capital
- Daniel Andrich, President and CEO, Representative of German Industry & Trade
- Karl Reichelt, Senior Vice President and Global P3 Lead, AECOM
- John Dionisio, Investment Director, Meridiam Infrastructure North America

10:00 a.m. **Invest in Arizona!—Remarks from Governor Doug Ducey**

10:30 a.m. **State Success Stories and New Opportunities**

U.S. CHAMBER OF COMMERCE

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Hear from state executives on FDI success stories, where they are hoping to see investment into their states, and opportunities for partnership on the horizon.
Moderator: Nancy McLernon, President & CEO, Organization for International Investment
Panelists:

- New York Lieutenant Governor Kathy Hochul
- Texas Secretary of State Rolando Pablos
- Rhode Island Secretary of Commerce Stefan Pryor

11:00 a.m. **Invest in Kentucky!—Remarks from Governor Matt Bevin**

11:30 a.m. **Networking Break & Hall of States Exhibition**
(*Location: Briefing Center & Lee Anderson*)

12:00 p.m. **Networking Lunch**

12:30 p.m. **Keynote Address, Vice President Mike Pence**

1:30 p.m. **Remarks from U.S. Secretary of Treasury Steve Mnuchin**

2:00 p.m. **Investment for Economic Development**
How can FDI promote economic development at the state level while benefitting all partners involved? All perspectives from the state, foreign, and intermediary will chime in on how best to use FDI to create new jobs, encourage revenue growth, and generally boost development at home.
Moderator: Gray Swoope, President and CEO, VisionFirst Advisors LLC
Panelists:

- Saud H. Al Nowais, Commercial Counselor for the United Arab Emirates to the United States
- Mark O'Connell, CEO, OCO Global
- Stephanie Copeland, Executive Director, Colorado Office of Economic Development and International Trade
- Steven Johnson, CEO, Missouri Partnership

2:30 p.m. **Networking Break & Hall of States Exhibition**
(*Location: Briefing Center & Lee Anderson*)

3:00 p.m. **Program Ends**

U.S. CHAMBER OF COMMERCE

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REPRESENTATIVE of German Industry + Trade

BDI DIHK

SELECTUSA

The Representative of German Industry and Trade

cordially invites you to a networking reception in honor of the German and Austrian delegation to the SelectUSA Investment Summit 2017

on

Sunday, June 18, 2017,

6:30 pm to 8:00 pm

National Harbor 8

Gaylord National Resort & Convention Center

201 Waterfront Street, National Harbor, MD 20745

The Representative of German Industry and Trade (RGIT), the Washington, DC liaison office of the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK), is pleased to partner with the U.S. Commercial Service and Select USA.

Please RSVP to the Representative of German Industry and Trade by June 14 at eventregistration@rgit-usa.com

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Opening Remarks

June 18th, 2017

Select USA Investment Summit

Good evening, I would like to thank Select USA and the German and Austrian delegation for hosting this year's Summit USA Investment Summit at the Gaylord Center on this wonderful Sunday evening. I warmly welcome to everyone in attendance and extend a special thank you to Jeff Hovenier, Acting Deputy Chief of Mission from the US Embassy in Berlin, Dale Tasharski, Deputy Assistant Secretary for Europe at the Department of Commerce, and Jens Acker, Counselor for Energy and Climate Policy at the German Embassy in Washington. Select USA and the German and Austrian delegation for their invitation to tonight's reception. At the Representative of German Industry and Trade, we are the liaison office for the Association of German Chambers of Industry and Commerce and the Federation of German Industries, representing German business interests before the US administration, Congress, and international organizations in Washington. Active for over 29 years in Washington, DC, RGIT has been at the forefront of fostering German-US business relations and can confidently attest to the benefits of working in the US market, such as a strong rule of law and powerful economy. In the spirit of promoting investment opportunities for foreign firms in the US, I would like to emphasize the important role that German businesses play in strengthening the American economy and providing high-quality jobs. German companies are the third largest foreign employer in the US, creating over 670,000 jobs and advancing American manufacturing. Moreover, German foreign direct investment in the US totals $255 billion, benefitting over 4,700 domestic companies. Despite some

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recent political uncertainty and structural challenges in the US market, we are hopeful at the prospects of deregulation, reduced corporate taxes, and infrastructure development, and remain committed to promoting the values of open markets, free trade, and transatlantic cooperation. Working closely with the business and political world in Washington and throughout the country, we are encouraged by recent talks with members of the new administration and various German firms working in the US. Furthermore, our close coordination with the German American Chambers of Commerce and local governments across many states on workforce development, particularly in the Carolinas, Texas, and California, provides a useful avenue in closing the skills gap in the US labor market. We are excited and committed to furthering the deep and mutually beneficial commercial ties between the US and Germany. I thank you again for the opportunity to attend tonight's reception.

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German American
Chambers of Commerce
Deutsch-Amerikanische
Handelskammern

German American Chamber of Commerce of the Southern U.S., Inc.
1170 Howell Mill Rd., Suite 300
Atlanta, GA 30318
Tel. +1 404 586-6800 | Fax +1 404 586-6820
info@gaccsouth.com | www.gaccsouth.com

Luncheon with Keynote
Daniel Andrich
Ballroom 1 & 2
12:30pm-2:00pm

12:30pm- 2:00pm

Lunch Buffet (food (buffet) in meeting room)

12:30pm

People will be asked to start taking their seats by all GACC South staff

12:35pm

Steffi will introduce the sponsor Hampton Johnston from Chase Bank

12:40pm

Steffi will then give the floor to Hampton Johnston (J.P. Morgan Chase) who will introduce the keynote speaker

Hampton Johnston will give the stage to **Daniel Andrich** who will give a Keynote.

12:45pm

Daniel Andrich, gives Keynote

1:20pm

Time for Q&A

1:40pm

Steffi thanks **Daniel Andrich**

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GERMAN MITTELSTAND

Southern **SME** Forum

April 3, 2017 | The Chattanoogan | Chattanooga, TN

AGENDA

Monday, April 3

7:30 am **Registration**

8:00 am **Breakfast with Keynote**
The Honorable Bill Haslam, Governor of Tennessee (tbc)

9:15 am **Workshop Sessions I** *(Please choose one)*

- **Cybersecurity for Small Businesses**
  Today's world is more interconnected than ever before. But increased connectivity also brings increased risk of theft, fraud, and abuse. This workshop aims to address important issues in cyber security and the protection of information systems and network infrastructure

  - **Presenter: tbd**

- **Innovation through collaboration - leveraging university partnerships**
  Companies increasingly recognize that successful innovation requires talent and skills beyond internal R&D and in consequence external partners to fill this gap are sought after. Universities are a prime partner for such innovation projects, since they provide access to an enormous global pool of talent and skills as well as cutting-edge research.

  - **Sebastian Pokutta**, Associate Director of the Center for Machine Learning, GaTech

- **The Benefits and Costs of Apprenticeships: A Business Perspective**
  Apprenticeships seems the way to go for many companies to create their own skilled workforce. The biggest investment in apprenticeship programs, however, is made by businesses themselves. Yet surprisingly little is known about the payoff to businesses from these investments. What motivated them to create apprenticeships? What are the costs and benefits?

  - **Martin Pleyer,** Chief Operation Officer, Grenzebach Corporation
  - **Sebastian Patta,** Representative of Volkswagen Group of America Chattanooga Operations, LLC (tbc)

10:30 am *Coffee Break*

11:00 am **Workshop Sessions II** *(Please choose one)*

- **Cybersecurity for Small Businesses**
- **Innovation through collaboration - leveraging university partnerships**
- **The Benefits and Costs of Apprenticeships: A Business Perspective**

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GERMAN MITTELSTAND

Southern **SME** Forum

April 3, 2017 | The Chattanoogan | Chattanooga, TN

12:30 pm **Luncheon with Keynote: The new era for U.S. – German Relations**
Daniel Andrich, President & CEO of the Representative of German Industry and Trade

Sponsored by: CHASE

1:30 pm **Dessert**

2:00 pm **Panel Discussion: Startups meet Grownups**

Emerging startups from all over the world are interested in getting access to decision-makers from established industries. "Grown-up" companies, whether big or small, consider opportunities for cooperation with innovative business models, to always be the critical step ahead.

Moderator: **tbd**
- **Thomas Felis**, Vice President Innovation, ThyssenKrupp Elevator Americas (tbc)
- **Dr. Hendrik Witt**, Chief Executive Officer, Ubimax GmbH (tbc)

Sponsored by: Bank of America Merrill Lynch

3:30 pm *Coffee Break*

4:00 pm **Annual General Meeting** (for Members in Good Standing only)
Election of the Board of Directors and State of the Chamber Report

6:00 pm **Evening Reception at the Coker Tire Museum**
Announcement of Board of Directors' election results

Sponsored by: Haltermann Carless

Tuesday, April 4

10:00 am **Facility Tours** (please choose one):

Volkswagen Group of America Chattanooga Operation, LLC, Academy Tour
or
Wacker Polysilicon North America LLC, Factory Tour

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The New Era for U.S.-German Relations

Ladies and Gentlemen,

I would like to thank Steffi Jehlitschka and the GACC South for the opportunity to speak here today at the German Mittelstand Southern SME Forum.

As some of you might not know what RGIT is or does, let me start by providing you with a brief overview of our mission.

We are based in Washington, DC, and our outreach focuses on the U.S. Administration and of course both chambers of Congress.

Our mission is to deepen the transatlantic market place. We do this by creating awareness among U.S policymakers and stakeholders that both Germany and Europe are reliable and important trade partners. We are focusing on the concept of a transatlantic market place that is united, integrated, and strong.

Our office is supported by our two principals, the Federation of German Industries and the Association of German Chambers of Industry and Commerce. Both decided in 1988 to jointly open RGIT in Washington. Now, all these years later, the United States has indeed become the number one export market for Germany.

With a new President in the White House, I'm sure you can imagine that these are exciting times to be in Washington. At RGIT, we promote open markets in a globally connected economy. We are reaching out to the new Administration and Congress and engaging in dialogue about trade. We are pleased to see that the concept of open markets is still valued and finds willing listeners, especially in Congress. As German Industry, we are convinced that open markets benefit every region worldwide. We believe in global cooperation, and German companies are partners all over the world when it comes to creating jobs, especially in the manufacturing sector.

With that being said, I would like to structure my remarks today around the political agenda in Washington – especially its effects on businesses – and the status of the U.S.-German trade relationship.

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The title of my speech is "The New Era for U.S.-German relations." But I find myself asking whether there should be a question mark after this phrase. Are we truly in a new era?

In just a few weeks on April 29th, we will officially hit the 100-day point of President Donald Trump's time in office. Historically, this is considered an important benchmark of the President's term because this is when he addresses his top priorities.

President Trump made his mark in the business world before jumping into politics. This is necessary to keep in mind because he understands the business world and what it needs to run successfully.

From the beginning of his time in office, he sent positive signals to the business community that he is open to innovative ideas to get the economy growing. He has held listening sessions and roundtable discussions with various industries and has asked for their feedback on how the Administration can help make it easier to do business and create jobs. For example, when Chancellor Merkel recently visited, she and President Trump co-chaired a roundtable with American and German CEOs to discuss workforce development and vocational training.

I also see other areas of possible cooperation, for example:

- Modernizing and investing in the physical and digital **infrastructure** will be beneficial to both American companies and foreign investors.
- A **tax reform** might not only help to lower corporate taxes but make life for small and medium enterprises much easier,
- as would **deregulation** in certain areas. As a businessman, President Trump understands how some regulations can make it more difficult to operate efficiently.

Like many presidents before him, President Trump has started implementing his policy by using his power of executive action. His executive actions have touched on a wide variety of topics. I'm sure you're already familiar with many of them, as they've been widely reported on in the news. From immigration to security, from energy to deregulation, President Trump has addressed many of his campaign promises.

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Allow me instead to focus on what the Administration has done with regards to trade policy. I'll start by introducing the trade team. This is comprised of the Secretary of Commerce Wilbur Ross, the Director of the newly created National Trade Council Peter Navarro, the Director of the National Economic Council Gary Cohn, and the Secretary of Treasury Steven Mnuchin. Missing from this list is the US Trade Representative, who is generally responsible for negotiating trade agreements. Robert Lighthizer was nominated to this position, but has not yet been confirmed. Instead, his nomination is being held up in the Senate finance committee due to a technicality. It is unclear when his nomination will be brought to a committee vote, much less a full floor vote.

So, there is the trade team, and now I'll turn to substance. As promised during the campaign, President Trump announced that the US would withdraw from the TPP. In the future, the White House will try to focus on bilateral trade deals rather than large multilateral deals like the TPP.

He also stated his intention to open renegotiation of NAFTA. At the moment, it is unclear whether the Trump Administration will seek a brand-new deal or simply change certain parts of the existing deal. Furthermore, it is uncertain if he will approach NAFTA as a trilateral or two separate bilateral deals for Canada and Mexico respectively.

Considering that NAFTA was enacted during the early 1990s, there has been support in Congress for a modernization. This could include new ways to expand agriculture, manufacturing, and services trade among the countries, as well as addressing newer issues such as digital trade. Because this will be the first trade deal negotiated by the Trump Administration, Germany – and of course RGIT – will be watching closely to see what happens.

What about Europe? While the Obama Administration and the EU were unable to conclude the negotiations for the Trans-Atlantic Investment Partnership (TTIP), the Trump Administration has sent mixed signals about its position. During the confirmation process, Lighthizer left the door open for a resumption of talks following the upcoming elections in Europe. Others in the administration, most notably Navarro, have stated a preference for bilateral talks with individual countries such as Germany. However, it should be noted that such an approach is not possible under EU law. For his part, President Trump offered no official position

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either for or against TTIP, even when Chancellor Merkel specifically raised TTIP in the press conference held during her trip to Washington. Thus, TTIP remains in limbo.

Trade policy isn't the only subject happening around Washington. At the beginning of the current session of Congress, Speaker of the House Paul Ryan revealed a 200-day legislative agenda. First up would be the repeal and replacement of Obamacare. Second would be comprehensive tax reform. In the meantime, the Senate would have the additional task of confirming cabinet appointees, other posts within the administration, and a Supreme Court justice. Last but not least, funding for the federal government is set to expire on April 28th, which means a budget must be agreed-upon to avoid a federal government shutdown.

Regarding healthcare reform, the House Republicans revealed a draft bill called the American Health Care Act (AHCA). This was a major campaign promise by the Republicans for the last few election cycles, so of course it made sense to tackle health care first. However, there was not enough support within the Republican party to eventually bring the bill to a vote in the House.

Now that healthcare reform is on the back burner, Congress will move on to the budget and tax reform.

I won't go into too many details over the budget because not much is known from Congress. What we do know is that current funding for the federal government expires on April 28th. That means the government will shut down if funding is not extended. The House and Senate Appropriations Committees have indicated they will have a bill ready by the week of April 24th. But this is just a fiscal year 2017 budget, which is set to expire on September 30th. Congress also needs to finalize the fiscal year 2018 budget at some point before September 30th.

While this is going on, the House is still finalizing its tax reform proposal. There is no firm deadline, but it appears that we should see something in April or May.

I'd like to take a closer look at tax reform because it could affect the business community and trade policy. The key phrase around Washington is the Blueprint. This was a policy paper released by the House Republicans in June 2016. It outlines their vision for the largest individual and corporate tax reform since the Reagan Administration in the 1980s. A theme of the Blueprint is a simplification of the tax

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code coupled with lower individual and corporate tax rates. For example, the federal corporate tax rate would be reduced from 35% to 20%.

But perhaps the most controversial and talked about portion of the Blueprint is the border adjustment tax -- also known as the BAT. One of the main features is that it would move the US away from a worldwide tax system to a destination based system. This means corporate income taxes would be calculated based on where goods are sold, regardless of where production, management, or income are located. Border adjustability comes into play because export related costs can be deducted while import related costs cannot.

I'm sure you're all well-aware of the reactions to the BAT within the business world. Some see positives, while others see negatives. In my conversations around Washington, I am often reminded to wait for the publication of the House bill. Only then will we know the finer details and its implications.

Even within Congress, there are Representatives and Senators on both sides of the fence. There will be no Democratic support, according to House Minority Leader Nancy Pelosi. From the Republicans, we all know Paul Ryan and Kevin Brady's positions in favor of the BAT, but it is less clear what the other Republicans in the House think. In the Senate, some Senators have also expressed doubt about whether there is enough support among the Republicans. In the White House, President Trump once remarked that border adjustability is too complicated. Since then, there has been no official position from the Trump Administration.

As you can see, tax reform is complex. Paul Ryan and Kevin Brady have floated a timeline for finishing it by August, but we might not want to forget the last great tax reform during the Reagan Administration. That took more than a year from start to finish.

What this means is that other legislative priorities might not find their way onto the agenda right away.

But whatever happens in Washington, the United States and Germany remain important partners that mutually benefit from close ties with one another. In the run-up to Chancellor Merkel's visit, RGIT hosted an event to illustrate just how much German Business Matters in the US.

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I firmly believe that successful trade relations promote inward investment, which in turn creates well-paying jobs. For all of this to occur, we need open markets within a trusted business environment and reliable regulatory frameworks

The U.S.-German trade relationship is already strong: the total bilateral trade relationship between the two countries amounted to $174 billion in 2015. Accordingly, this made the U.S. the #1 export market for Germany and Germany was the 6th largest export market for the U.S.

More than 4,700 companies benefit in the U.S. from German direct investment. Most of these are affiliates of small- and medium-sized enterprises. As of today, investment by German business in the U.S. reached about $255 billion, comprising approximately 8% of all foreign businesses that have invested in the U.S. economy. As such, Germany is the 7th largest foreign investor in the U.S. Manufacturing is by far the largest sector targeted by German investment, with other areas including trade, insurance, and finance.

On the other side of the Atlantic, Germany is an attractive location for American businesses as well. Direct investment from the U.S. in Germany totaled $108 billion in 2015, making Germany the 11th largest destination of U.S. direct investment abroad. The U.S. is the largest non-European investor in Germany. The most significant U.S. investments are found in manufacturing, as well as in holding companies, insurance, and finance.

The picture of an interconnected and integrated transatlantic marketplace begins to emerge by looking at these investment numbers. But there is even more to it: These investments create jobs on both sides of the Atlantic.

German companies create approximately 672,000 jobs in the U.S. and account for almost 11% of the nearly 6.4 million insourced jobs in the U.S. This also makes Germany the 3rd largest foreign employer in the U.S. Almost half of the jobs created by German affiliates are in manufacturing and Germany was the 2nd largest foreign job creator in this sector. By encouraging open markets for foreign direct investment into the United States, we can achieve the manufacturing renaissance that is a major goal of the Trump Administration. German businesses can play a key role to strengthen the industrial base of the U.S.

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As I've already mentioned, German business is strongly invested in the U.S., particularly in manufacturing. These are the types of high-skilled jobs President Trump wants to help implement his vision of a manufacturing renaissance. Moreover, there has been interest in the German apprenticeship system. This was discussed by President Trump and Chancellor Merkel and perhaps the dialogue will continue on this and other topics when President Trump visits Germany for the upcoming G20 summit in July.

I want to close by emphasizing that this type of added value can only continue to exist if there is a trusting business environment, a reliable legal framework, and most importantly, open markets. This is what RGIT supports on both sides of the Atlantic.

Thank you very much for your attention.

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