

# *Attracting Foreign Investment*

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

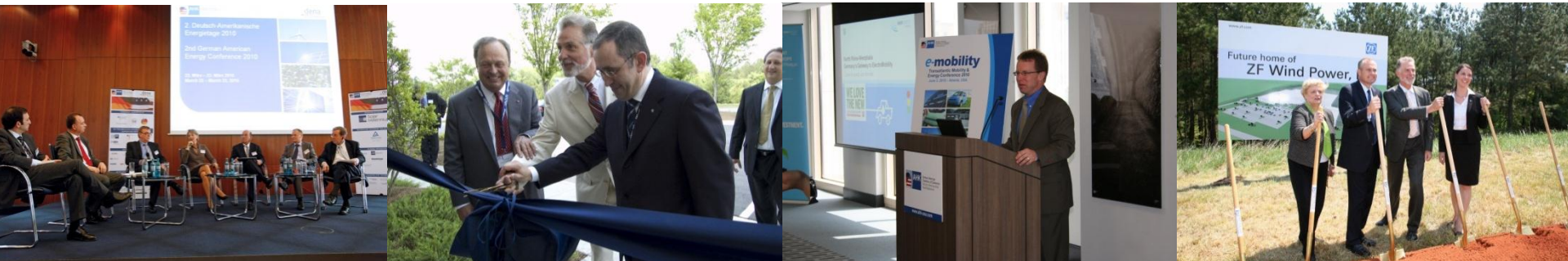
*July 19, 2011*

# A bit about us...

# OUR MISSION

*Fostering German-American trade relationships.*

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



# OUR REGION

## The GACC South:

- 11 states
- 5 chapters
- 2 affiliates



# OUR PURPOSE

We are...

- A business membership organization.

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



# OUR PURPOSE

We are...

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

# OUR BUSINESS COMMUNITY

## Our business community at a glance:

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





# The “Big Players”



# THE “BIG PLAYERS”

*Some of the Major Companies:*



ThyssenKrupp



Mercedes-Benz

**PFAFF**® Industrial



Hoffmann+  
Krippner

**SIEMENS**



PORSCHE

**HEIDELBERG**



KUEHNE+NAGEL



**Continental**®



**BLG** LOGISTICS

**MBtech**

Mercedes-Benz technology



Bayer CropScience



# THE “BIG PLAYERS”

## ThyssenKrupp



### Mobile, Alabama

ThyssenKrupp steel plant

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



## WACKER

### Cleveland, Tennessee

Wacker Chemie AG polysilicon-production complex

- **\$1 billion investment**
- Expected to create around **650 new jobs**
- Groundbreaking in April, 2011
- Scheduled for completion by late 2013
- Will have an annual capacity of 15,000 metric tons
- The project is the single largest investment in WACKER's history



# THE “BIG PLAYERS”



## Gainesville, Georgia

ZF Group wind energy plant

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



**MAX PLANCK**  
FLORIDA INSTITUTE

## Boca Raton, Florida

Max Planck Florida Institute

- First Max Planck Institute established in the US
- Research institute focuses on brain function and neural circuits, using the most advanced techniques to visualize microscopic molecular processes
- \$94 million invested from Florida Atlantic University, Palm Beach County and partners to establish Institute
- Will support the creation of more than **1,800 jobs**, both directly and indirectly, over the next two decades
- Will generate more than **\$2 billion in economic activity**
- Will create **high-salaried jobs** and pay unparalleled educational and social dividends to the community.

# THE “BIG PLAYERS”



## Chattanooga, Tennessee

VW auto manufacturing plant

- **\$1 billion investment**
- Anticipates **\$12 billion in income growth** for Tennessee
- Expects **\$1.4 billion in total tax revenue**
- **9,500 indirect jobs** through suppliers in **addition to the 2,000 jobs** planned at the plant, which now employs 1,700
- Goal to build U.S. sales to 1 million units by 2018



## Waycross, Georgia

RWE Innogy bioenergy pellet plant

- Production of wood pellets for energy production from forest industry byproducts
- Plant has a 750,000 ton annual production capacity
- Plant began full production in May, 2011
- **\$175 million investment**
- **85 jobs**



# The “Backbone”

# THE BACKBONE

How do we best support our small & medium sized businesses?



# SUPPORTING OUR BUSINESSES

## Case Study: SAERTEX

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

– from *saertex.com*

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

- Dr. Christian Kissinger, SAERTEX USA  
General Manager



*At the expansion of the SAERTEX facility  
in Huntersville, North Carolina*



# SUPPORTING OUR BUSINESSES

## *Case Study: MAGE SOLAR*

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



*MAGE SOLAR meeting with former Georgia Governor Sonny Purdue*

# SUPPORTING OUR BUSINESSES

## Case Study: Grenzebach

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

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



# The Result

# THE TRANSATLANTIC PARTNERSHIP

Our activities have helped create jobs and economic growth in **11 Federal States**

The US invested **\$117 billion** in Germany in 2010

US affiliates employ **621,300** workers in Germany

In 2010, Germany was the US' 6 largest Export Market: **\$43 billion** in exports to Germany



# THE TRANSATLANTIC PARTNERSHIP



Germany invested **\$218 billion** in the US in 2010

German affiliates employ **653,900** workers in the US

Of those, **187,900** are manufacturing jobs

Recent announcements by large German manufacturing subsidiaries will continue to boost employment in our region.

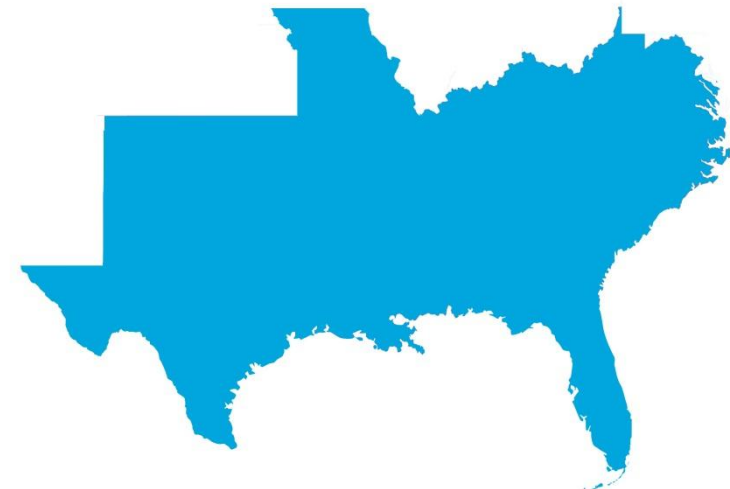
# GERMAN INVESTMENT IN THE SLC REGION

German affiliates employ **203,800** workers within the SLC region.

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

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

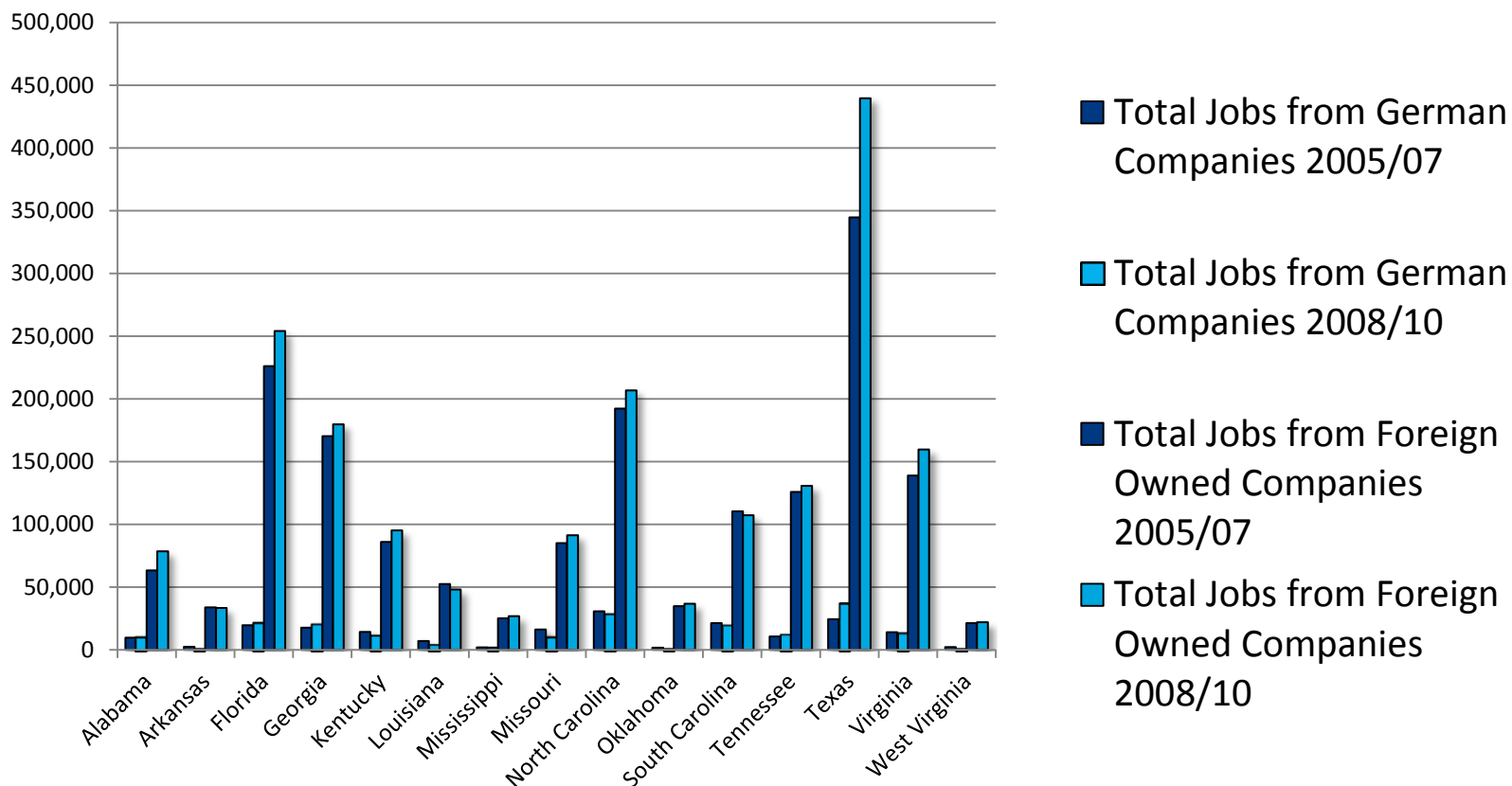
Nationwide, German companies sell **48.2 billion** in exports to Germany.



# GERMAN INVESTMENT IN THE SLC REGION

## Total Jobs from German Companies in SLC Region

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

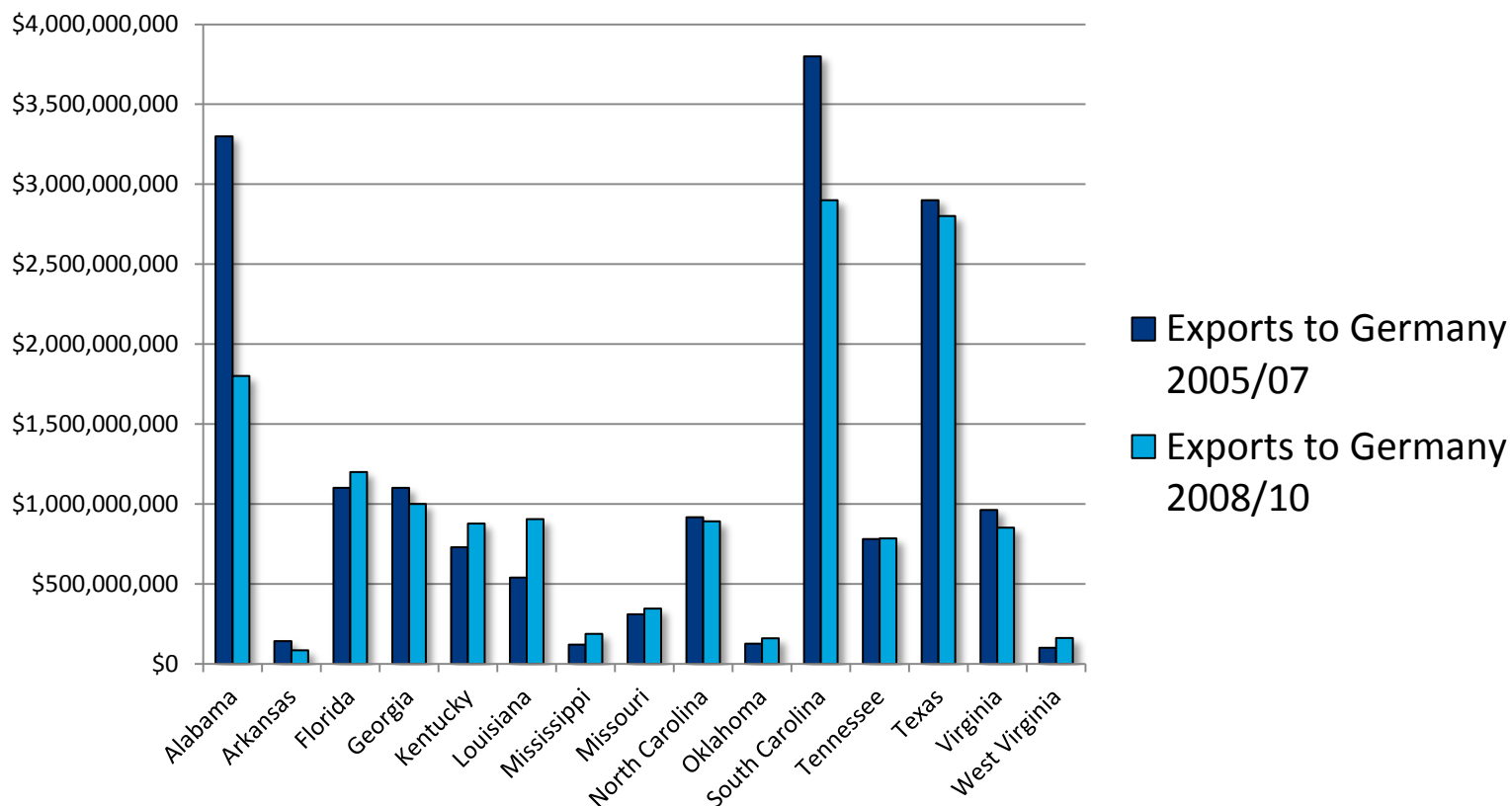




# GERMAN INVESTMENT IN THE SLC REGION

## Exports Sold to Germany

2005/07: \$16,923,000,000    2008/10: \$14,947,000,000



# The Goal

# ATTRACTING FOREIGN INVESTMENT

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



# ATTRACTING FOREIGN INVESTMENT

Our industry focus in 2011:



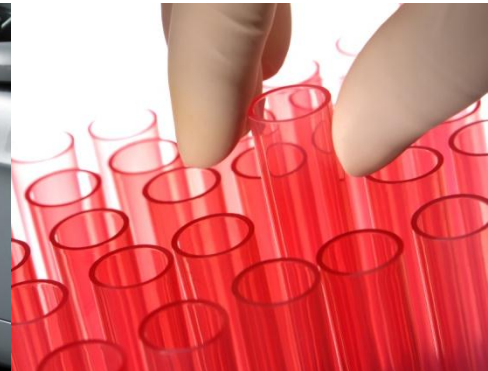
*Renewable Energy*



*Food*



*E-mobility &  
Automotive*



*Health Care*

# Thank you!

**Steve Markham**

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