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STEIGENBERGER ON TRACK FOR THE FUTURE

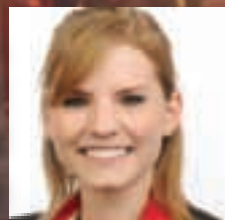
International expansion
& optimized structures

Dr. Bernd Pfaffenbach,
State Secretary
of Economics on
The Transatlantic
Economic Council

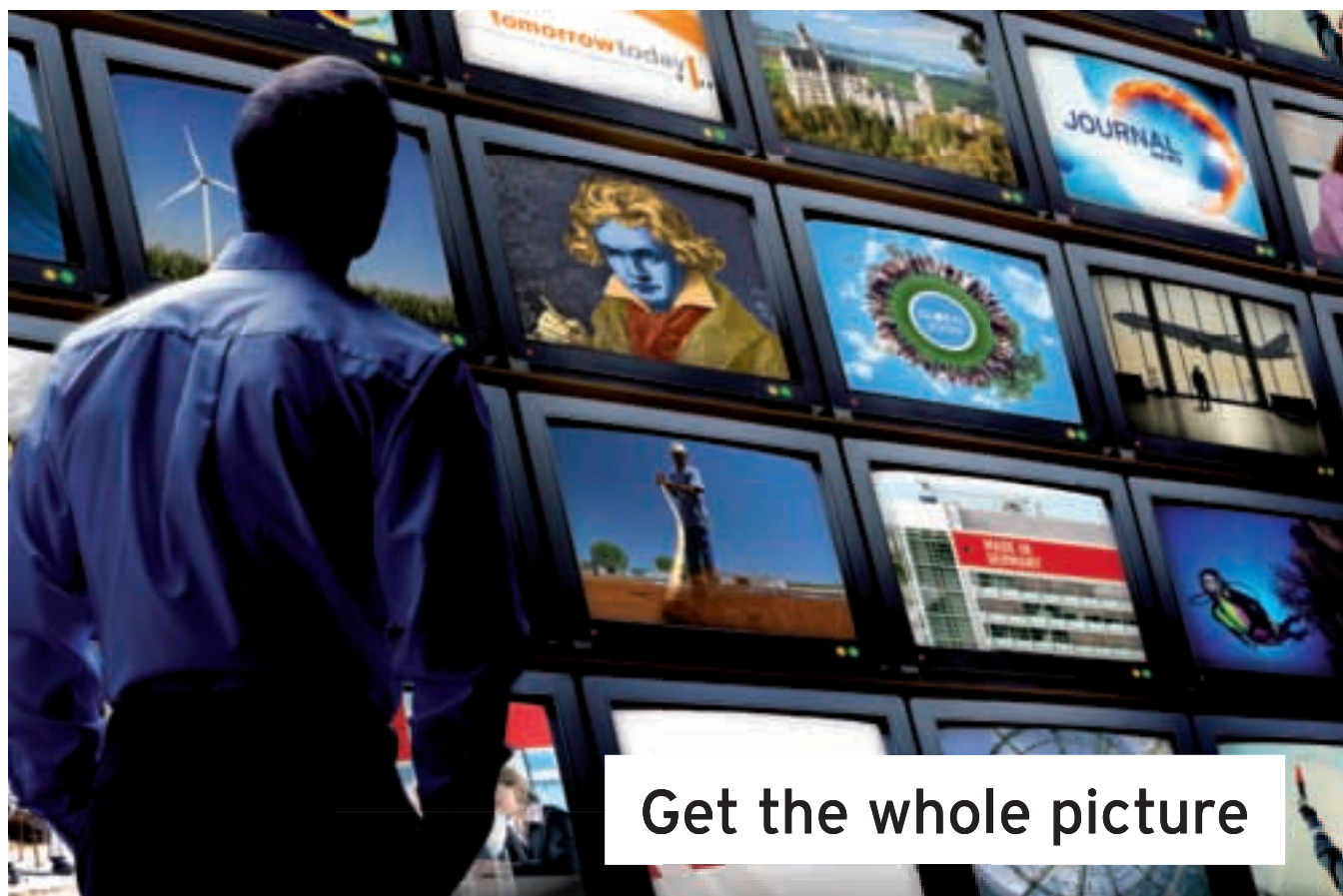


Discover German Roots:
Carl Laemmle
and the Founding
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Morgan Moretz ponders
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EDITORIAL

Starting the Spring Thaw

We are entering the season when, hopefully, we finally get to shed the heavy coats and snow boots and start seeing the sun a bit. It has been a harsh winter for us all, with weather patterns flipped and the northeast United States all but buried in snow. But we know that the articles in this magazine have kept your brain from going into hibernation!

In this issue, we take a look at how the 112th United States congress is shaping up in **Learning their ABCs**, from their view on immigration reform to patent reform legislation, and other key issues. Deutsche Kreditbank AG discusses **Reaching Germans & German Speakers Abroad** and gives us an idea of the resources available in their banking systems.

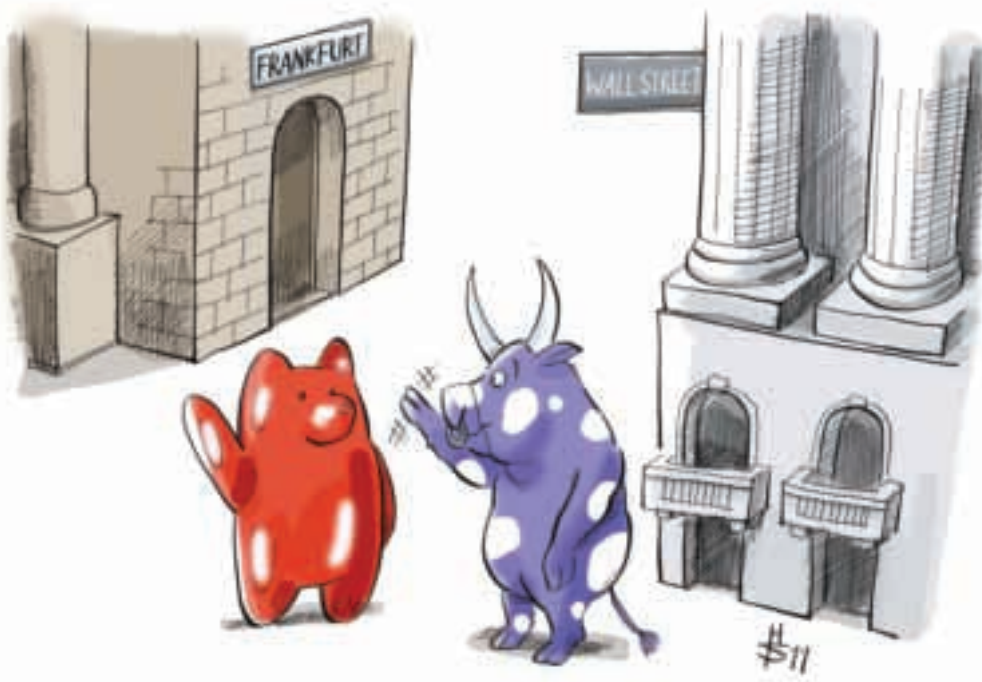
We also take a glimpse into the lone star state in our **Texas State Special**, where we learn that despite the cowboy-western reputation, the state is at the forefront of much innovation. The second in-magazine article of **How We Sink** (also available online) goes over the difference in Americans' versus Germans' views on risk-taking.

We hope that you get to enjoy this magazine outside somewhere, basking in some new-found sunlight.



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Stefanie Jehlitschka



Exclusive cartoon for German American Trade Magazine by Heiko Sakurai www.sakurai-cartoons.de

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Nordex USA contracted for 45-MW wind farm

Wind turbine builder Nordex USA, Inc. will develop a 45-MW wind-energy farm in Idaho for CG Power Solutions USA Inc., formerly MSE Power Systems. The project will be completed by September 2011 at a site in Power County, in the southeastern part of Iowa. Nordex USA is a subsidiary of Germany's Nordex Energy GmbH. • www.americanmachinist.com

EMD Serono marks opening of Billerica R&D facility

EMD Serono, the Massachusetts biopharmaceutical division of Mer-

ck KGaA, held an opening ceremony for a new \$65 million research-and-development facility in Billerica, MA that will create at least 100 new jobs. Merck, a chemical and pharmaceutical giant headquartered in Germany, will now have 4 research hubs deployed around the globe. • www.boston.com

German lock leader Abus sets up U.S. office

Abus, the market leader for locks in Germany, has set up a U.S. subsidiary to help grow its bicycle, motorcycle and marine security business in North America. The company, named Abus Mobile Security, Inc., is

based in Chicago, Illinois. • www.bicycleretailer.com

HeroEngine owner Idea Fabrik founds new U.S. dev studio

Germany-headquartered Idea Fabrik purchased the HeroEngine development platform and technology from Simutronics late in 2010, and now the company's founded a new game development studio in northern Virginia called Second Star Interactive. • www.gamasutra.com

Sybac Solar builds largest privately-held solar farm in Florida

Sybac Solar LLC, the US subsidiary of the German solar engineering

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and construction firm is building a 2MW solar power plant, the largest privately-held solar power generation facility in the southeast in Gainesville, Florida, introducing a new solar investment model to the US. Gainesville Regional Utilities (GRU) will purchase the electricity produced for twenty years at a fixed rate under the terms of their feed-in tariff program (FIT). • www.prweb.com

German specialty press maker Ettlinger opens U.S. office

Ettlinger Kunststoffmaschinen GmbH, a German maker of specialty injection presses and filters for recycled plastics, has a new majority owner and is opening a U.S. office in the Chicago area. Ettlinger makes low-pressure presses that can mold very large, thick-walled products. • www.plasticnews.com

Rochling Automotive to put North American headquarters in Duncan, SC

Mannheim, Germany-based Röchling Automotive AG announced its plans to invest several million dollars to establish a new 75,000-square-foot manufacturing facility in Akron, Ohio. The move is in response to new contracts with Ford Motor Co. and General Motors. Also, the company's subsidiary Röchling Automotive in Duncan, SC will become the North American headquarters. •

www.goupstate.com

Mercedes-Benz puts \$1.6 billion into updating dealerships

Daimler AG's Mercedes-Benz

and its dealers are completing a \$1.6 billion makeover of U.S. stores to lure younger buyers as the automaker expands its lineup. About 300 of Mercedes' 350 U.S. dealers will spend as much as \$1.4 billion to update their facilities Mercedes will contribute as much as \$250 million to the project. • www.bloomberg.com

Centrosolar America to install solar PV modules on rooftops in the U.S.

Centrosolar America, the U.S. subsidiary of Centrosolar Group AG, headquartered in Munich, Germany, announced the rollout of the much-anticipated German-made C-Series photovoltaic module in the United States. Centrosolar America's C-Series, designed exclusively for residential rooftop installations, is the company's first entirely German-made panel to be introduced in the United States' solar market.

• www.solarserver.com

German tech firm coming to Chattanooga, TN

The Chattanooga Chamber announced that German technology firm ATN Hölzel GmbH will build a new facility in the Scenic City. ATN Hölzel specializes in robotic gluing solutions for the automotive and solar equipment industries. • www.wrcbtv.com **GAT**



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Steigenberger on track for the future

International expansion & optimized structures



*Steigenberger Grandhotel
Heringsdorf Hotel und Residenz*

Steigenberger Hotels AG might not be a household name in the United States, but it is one of the leading hotel companies in Europe. The firm's new CEO, Arco Buijs, now in his seventh month on the job, has sharpened the corporate strategy to increase profitability and – most of all – to accelerate international growth for the Frankfurt-based hotel company.

“Steigenberger Hotels and Resorts and InterCityHotels need to be the fastest-growing brands in the luxury and mid-range segments in Germany, Austria and Switzerland”, says Arco Buijs, CEO of Steigenberger Hotels AG. In the future, there shouldn't be any gaps in these three core markets, and the internationally experienced hotel manager also sees enormous potential for global development. By 2013, twelve new hotels are planned for Germany, Austria and





Room at the Steigenberger Grandhotel Heringsdorf

Switzerland alone, including two four-star superior hotels in Bremen and at the new capital city airport, Berlin Brandenburg International, as well as two Grandhotels, in Leipzig and on the Baltic Sea island of Usedom. Arco Buijs sees 15 new contracts per year as a realistic goal. The focus will be on European cities and airports plus popular international destinations.

The basis for long-term growth, according to Buijs, lies in the reorganization of the company with a strong focus on sales and expansion. He has already laid the foundation for this development.

New sales structure

One key strategic component is the introduction of a new sales structure for the Steigenberger Hotel Group. The international Sales and Marketing division will be strengthened by the addition of four Global Sales Agencies. In addition, regional sales will be expanded with sales offices in Hamburg, Berlin, Frankfurt, Düsseldorf, Stuttgart and Munich. There will also be dedicated specialist sales teams for the areas of Leisure, Consortia and

Airport Sales. Finally, a Telesales team will be put in place.

Around EUR 100 million will be invested by 2014

Increased profitability is a declared goal of the Steigenberger strategy. This will be achieved not just through optimized processes and structures and an accelerated expansion program but also through investments in the existing hotels. Thus, for example, the Steigenberger Hotels in Düsseldorf and Stuttgart are currently undergoing comprehensive renovation work to the tune of approx. EUR 30 million. In 2011, another EUR 20 million will be spent on the company's flagship hotel, the Steigenberger Frankfurter Hof. Along with its partners Steigenberger Hotels AG is investing around EUR 100 million in Steigenberger Hotels and Resorts and Inter-CityHotels until 2014.

"We are facing up to the challenges of international competition and creating the conditions that will enable us to play a competitive role in the market in the long term", claims CEO Arco Buijs. >>



Steigenberger Grandhotel Handelshof in Leipzig

C O N T A C T I N F O

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Interview with CEO Arco Buijs

The Steigenberger Hotel Company was founded in 1930 by Albert Steigenberger and owned by the Steigenberger family for almost 80 years. Since September 2009 the prestigious hotel company has had a new majority shareholder in the Egyptian tourism entrepreneur Hamed El Chiaty, owner of the Travco Group. Travco Group is the largest tourism company in Egypt and a leading player in the Middle East. The Steigenberger Hotel Group currently operates 77 hotels in Germany, Austria, Switzerland, the Netherlands and Egypt and is now in an expansion phase, as CEO Arco Buijs explains.



GAT: How would you characterize the Steigenberger Hotel Group?

BUIJS: Steigenberger is a pioneer in the European luxury hotel industry since 1930. We have two brands in our portfolio: Steigenberger Hotels and Resorts and InterCityHotel. InterCityHotel is a midscale brand with 32 hotels located mainly in Germany near train stations and airports. The Steigenberger Hotels and Resorts are our luxury brand with 45 four- or five-star hotels as well as five-star-plus Grandhotels. Every Steigenberger hotel is a work of art in its own right. Renowned architects and designers take pains to reflect the history and location of the properties. No two are alike, yet all breathe the spirit of distinguished hospitality.

GAT: Is your company more traditional or innovation-minded?

BUIJS: Innovation is our tradition. It was Steigenberger, for example, which introduced the idea of airport hotels to Germany, launched one of the first electronic reservation systems, and built catering facilities at airports. As early as the 1970s, our company

developed new holiday hotel and vacation concepts featuring animation, sport, culture and wellness that became trendsetting for the entire industry, and founded its own hotel management school. We are real experts in the field of hospitality and we always strive for innovative individuality rather than run-of-the-mill conformity.

GAT: What are the expansion plans for your company?

BUIJS: Until the end of 2013 we will open 12 new hotels, including two Steigenberger Hotels in Bremen and at the new German capital city airport, Berlin Brandenburg International, as well as two Steigenberger Grandhotels, in Leipzig and on the Baltic Sea island of Usedom. Our aim is to contract 15 new hotels each year, which might be located in metropolitan European centers, international airports and attractive holiday regions, as well as worldwide destinations in high-demand regions such as the Near and Middle East, Asia and Africa. Our brands are very well known in Germany, Austria and Switzerland, and we focus in our expansion strategy on places that

are well frequented by German-speaking travelers.

GAT: Do you want to expand mainly with your luxury Steigenberger brand or also with the midscale InterCityHotels?

BUIJS: The InterCityHotel brand is very successful and just as important for our expansion as the Steigenberger Hotels and Resorts. We are convinced that the InterCityHotels have excellent chances for international growth. With the InterCityHotel brand we offer a modern, lean concept that appeals because of its great value for money. The cost of public transport in the city or region, for example, is already included in the price of the room.

GAT: Will your expansion focus on new developments or on the acquisition of existing hotels?

BUIJS: We are looking for new builds as well as takeovers, where we convert hotels into our brands. It really depends on the location. In popular cities and resort destinations it might be easier to go for an existing hotel to get the best location.



Room at the Steigenberger Grandhotel Handelshof in Leipzig

Luxury-class relaxation in exceptional jewels of hotels

The next months will see the opening of three fascinating Steigenberger hotels: Two Steigenberger Grandhotels will set new hotel standards in Leipzig as well as on the Baltic island of Usedom in the coastal resort of Heringsdorf in spring 2011. In 2012, a 4-star Superior Steigenberger Hotel at the new Berlin Airport will welcome its first guests.

The Steigenberger Grandhotel Handelshof will open in the "Handelshof" historical exhibition building in Leipzig in the middle of April 2011. The elegant hotel skillfully combines the history of its location with modern design and the lifestyle of an international Grandhotel. In the refurbishment of the Handelshof, special care was given to restoring the historical original. Thus, for example, the façade and the two fourteen-meter-high copper-clad and gold-plated towers radiate in new brilliance. On the inside, the

guests will find 163 luxurious rooms, 13 suites, a presidential suite, two restaurants and a wellness area of a premium category with sauna, steam bath, massage/ beauty room as well as two separate workout areas. There is a conference area of 750 qm in size available for events.

Salty Baltic Sea air, long beaches, unspoiled nature and magnificent coastal resorts: Starting in May 2011, guests of the new Steigenberger Grandhotel Heringsdorf on the Baltic Sea island of Usedom can enjoy all of this. The hotel, located directly on the promenade, in classic coastal resort design, offers 120 rooms of at least 36 qm in size, 40 seaside residencies and eleven villa apartments. A highlight of the Steigenberger Grandhotel Heringsdorf will be the Steigenberger Spa World Luxury, an exclusive wellness area of over 2,000 qm in size, with a 20-meter outdoor pool, relaxation pool, whirlpool, several saunas and steam baths, and with a spacious fitness and



Steigenberger Hotel Berlin Airport

workout area. From a culinary standpoint, the Grandhotel also offers a first class menu: In the modern fine dining fish restaurant appetizing international fish dishes are served. Guests can enjoy delicious food and serene evenings on the beautiful summer terrace of the restaurant. The bistro on the beach promenade offers a delightful selection of fine snacks and drinks.

Travelers will enjoy the splendor of the 4-star Superior Steigenberger Hotel Berlin Airport starting in 2012. The modern business hotel will contain 322 rooms, of which 27 are suites. The offerings are complemented by nine excellently furnished and equipped conference and event rooms spanning a congress area of 1,500 qm, international cuisine and a generously dimensioned wellness area. In a premium location directly in front of the terminal in the urban surroundings of the Airport Plaza, the hotel is ideally connected to the local infrastructure. **GAT**

By Dr. Bernd Pfaffenbach

The Transatlantic Economic Council

2010-2011: A continuous process, tangible results, & new momentum



www.bmwi.de/en

Even as fast-growing emerging economies increasingly assert themselves on global markets, there is no question that the transatlantic economic area retains particular significance as the backbone of the global economy. Out of all the economic regions in the world, it is Europe and the United States that enjoy the closest and most comprehensive trade and investment relations.

Germany attaches tremendous significance to transatlantic economic relations. The lynchpin of these relations is the direct investment that takes place in both directions. The United States is the number one destination for investment by German firms. In turn, the U.S. is the second-largest investor in Germany, behind only the Netherlands. When it comes to trade, the United States is Germany's most important trading partner outside the EU. Similarly, Germany is America's top European trading partner.

However, we still haven't tapped the transatlantic partnership's full potential for boosting growth and jobs and for enhancing competitiveness on both sides of the Atlantic. That's the main reason why the Transatlantic Economic Council (TEC) was launched under Germany's EU Presidency in 2007. The TEC can help to further intensify the close links in

the transatlantic economic area and stimulate mutual growth.

Customs tariffs are not the main barrier to trade between the EU and the United States (tariffs currently average between 3-4%). For this reason, the German government, the European Commission, and our American partners are placing a greater focus on non-tariff barriers to trade. The TEC's aim is bring into line divergent standards and regulations that unnecessarily impede trade and raise production costs. In particular, by engaging in forward-looking ("upstream") cooperation and coordination, the TEC will strive to ensure that no non-tariff trade barriers arise on new markets. In this way, the TEC is laying the decisive policy groundwork for more intensive economic relations in the future.

In 2010, the TEC's work clearly picked up speed:

- In May, the Council's co-chairs – EU Trade Commissioner Karel de Gucht and U.S. Deputy National Security Advisor Michael Froman – introduced new features that will boost the TEC's momentum. Both sides appointed senior officials as facilitators, whose task is to ensure that the TEC makes swift headway in achieving its priorities. Furthermore, in addition to the TEC's



*Dr. Bernd Pfaffenbach
State Secretary at the Federal
Ministry of Economics
and Technology*

cooperation on regulatory issues, both sides agreed to launch an informal strategic dialogue on global economic challenges.

- In November, the EU-U.S. Summit highlighted the central role that the TEC plays in fostering growth and jobs on both sides of the Atlantic. The Summit tasked the TEC with the development of a transatlantic agenda for key emerging sectors and technologies – the objectives here are to promote innovation, to streamline regulatory procedures, and to eliminate barriers to trade and investment.

On 17 December 2010, the fifth meeting of the TEC (and the second to be held with the Obama administration) took place in Washington, D.C.

The outcome that sealed the meeting's success was the decision to expand the TEC from a cabinet-level meeting that takes place once or twice a year into a continuous process: both sides agreed on a series of deadlines by which transatlantic working groups – now pooled within the framework of the TEC – will present (interim) results to the

TEC. This is a key development, which will help ensure that TEC meetings generate concrete improvements to transatlantic trade and investment. In addition, this step will create firm links between EU-U.S. working groups (some of which were established fully independently of the TEC) and the TEC itself, which will function as a superior coordinating body.

The TEC Meeting also produced concrete agreements to collaborate in key policy fields. These include:

- A memorandum of understanding between the European Commission and the U.S. Department of Health and Human Services on cooperation in the field of e-health;
- A statement of intent by the European Chemicals Agency and the U.S. Environmental Protection Agency to exchange information;
- A joint declaration on product-specific technical cooperation between the European Commission's Ecodesign Regulatory Program for Energy-related Products and the U.S. Department of Energy's Appliances and Commercial Equipment Standards Program.

In addition, the TEC agreed on a detailed work plan for the Innovation Action Partnership, which will focus, among other things, on the development of effective innovation policies and ensuring access to raw materials.

Germany's government supports the TEC process by making specific proposals that target especially promising sectors. In our view, col-

laboration particularly in the areas of energy efficiency, chemicals law, and electric mobility has the potential to give a major boost to transatlantic trade. And this would generate new, stable jobs on both sides of the Atlantic.

In 2011, it will be crucial to put the successes of last year's TEC meeting into effective action and to press forward with the TEC process. Tangible improvements for transatlantic commerce must be achieved in our agreed areas of cooperation. In addition, we must strive to identify new and promising fields of collaboration. Furthermore, we need to generate synergies by comprehensively coordinating the work of the TEC, the EU-U.S. High-level Regulatory Forum, the EU-U.S. Energy Council, and other transatlantic bodies.

Across the globe, no economic region matches the strength of the transatlantic economic area. It is the source of prosperity for many millions of Europeans and Americans. And it demonstrates the prosperity, progress and freedom that our shared democratic economic and social order can achieve. There is much that we have achieved. But much more is possible. In the coming years, a stable TEC process can lend crucial momentum to the intensification of transatlantic trade in key sectors. In this way, it has the potential to become an integral, stabilizing component within the system of multilateral trade coordination. For this reason, the German government will continue to provide steadfast and ambitious support to the Transatlantic Economic Council. **GAT**

Reaching Germans & German Speakers Abroad



*Thomas Teuber
Head of the DKB Internet Bank
International Department*

With its head office in Berlin, Germany, DKB was founded in 1990. Over the past few years, the bank has been able to achieve particularly strong growth as a direct bank for private clients. Today, more than two million private clients take advantage of its range of accounts and financing options. Most notably, these include DKB-Cash, which has won several awards, private loans and real estate finance. DKB-Cash is held in high esteem, particularly among people who travel a great deal or who work abroad, as it provides the opportunity to withdraw money anywhere in the world for free thanks to the DKB-VISA-Card. The bank has already received several awards for its customer service and for being a top employer.

Responsibility

DKB has a modern work culture and encourages its employees through targeted training programs and the use of models to achieve the correct work-life balance. One of its most important objectives is also corporate social responsibility. The DKB Foundation for Corporate Social Responsibility (DKB Stiftung für gesellschaftliches Engagement),

which was founded in 2004, combines various DKB projects together within one institution.

Achieving sustainable economic management goes without saying for DKB. As such, projects are undertaken with various cooperation partners, which contribute to the further education and training of young people, students, and adults, for example, and hence maintain and improve Germany's position as a place of education and development.

DKB's International Business

For more than two years now, DKB has been expanding its range of services to encompass German and German-speaking clients living abroad. Its clients include expatriates, students during their 'year abroad' or young people taking part in 'Work & Travel' programs. The core focus of DKB's international business is to deal comprehensively with client requirements and each country's underlying market framework. In doing so, it becomes paramount to understand the particular needs of clients and develop specific solutions.

Cooperation Partners

DKB's cooperation partners support the bank as multipliers and are a valuable source of information at the same time. DKB works closely with the German Foreign Office (Auswärtiges Amt) to increase its knowledge of international markets and stay abreast of changes to market frameworks. The bank also conducts regular interviews with its cooperation partners. Last year it commissioned the Dutch university Fontys Hogeschool in Venlo to carry out a research project on a subject related to the bank's international business.

It is important for DKB to work with its cooperation partners in order to create additional benefits for its clients. Since the end of 2009, DKB is a financial services partner of Lufthansa's frequent-flyer program, Miles & More. As a result, clients can collect premium miles on the DKB products they take out. This represents another attractive bonus system for DKB clients in addition to the bank's own DKB-Club.



DKB-Cash

With its entry-level account, DKB-Cash, DKB can now reach German and German-speaking clients in over 140 countries. Besides a free online Euro bank account with a DKB-VISA-Card and free cash withdrawals worldwide, DKB-Cash also offers attractive credit interest rates. In particular, German clients and clients living abroad value the

advantages offered by a German bank account. They benefit thanks to stable currency savings (Euro) and the comprehensive deposit protection fund provided by the German Federal Government. Clients also appreciate the ability to communicate with the bank in German. Consequently, DKB-Cash is used by clients living abroad to process transactions involving Germany, since - in many cases - the link to Germany is maintained over a long period. **GAT**



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The panelists (from left): Rolf Meyer, President & CEO - HARTING Inc. of North America; Diane Swonk, Chief Economist - Mesirow Financial; Moderator Michael Backfisch, Middle East Correspondent; Caroll Neubauer, President & CEO - B. Braun Medical, & Prof. Dr. Joachim Scheide, Head Forecasting Center & Research Economist - Kiel Institute for the World Economy

Optimism – within Reason



www.gaccomm.org/ef-webcast

Annual Economic Forum 2011

by Theresa Toewe, GACC of the Midwest

For the sixth consecutive year, the Annual Economic Forum was held in Rosemont, IL, by the German American Chambers of Commerce (GACCs) and the Representative of German Industry and Trade (RGIT). A German-American panel of chief economists and top-notch company executives discussed the U.S. and European economic outlook under the moderation of Middle East Correspondent Michael Backfisch.

Prof. Dr. Joachim Scheide from the Kiel Institute for the World Economy provided a comprehensive insight into current developments in Germany and Europe, while Chief Economist Diane Swonk, Mesirow Financial, assessed the economic situation in the United States. Besides global pent-up demand, Prof. Dr. Scheide pointed out that Germany's swift recovery and surging export figures also owe to largely unpopular, but effective structural adjustments made under the

"Agenda 2010" reform package, highlighting in particular the efforts to create a more flexible labor market. "While good crisis management played an important role for the recovery we are now witnessing, the reforms tackled in recent years have contributed greatly to a dynamic and healthy German economy."

Diane Swonk suggested that the crisis may have served as a wake-up call for economic decision makers in the U.S. and beyond, and that the lessons learned over the past two years could now lead to more sustainable economic growth going forward. She as well recommended an honest assessment of challenges such as growing structural unemployment in the United States.

In 2011, optimism abounds

The panel agreed that – despite challenges lying ahead – 2011 will allow for a stable recovery on both sides of the Atlantic. Rolf

Meyer, President & CEO of HARTING Inc. of North America, as well as Caroll Neubauer, Chairman & CEO of B. Braun Medical, Inc., shared this optimism. Meyer emphasized that the manufacturing industry is picking up well in the United States. Thanks to extensive automation of production lines, more companies are considering onshoring. Neubauer pointed out that the medical industry has good potential for further growth, referring to demographic change and improved health care systems. Both company executives highlighted the importance of a skilled workforce and their plans to hire new personnel in 2011 – an intention that 69% of German subsidiaries in the U.S. expressed in the recent German American Business Outlook survey.

The Annual Economic Forum was again broadcast live on the internet, videos are available at www.gaccomm.org/ef-webcast. **GAT**



A German aviation success story with roots in the U.S.



From its humble beginnings as a Berlin-based vacation airline that started out in 1979 to the award-winning internationally renowned carrier it is today, airberlin continues to thrive in the challenging airline industry. With 33.6 million passengers transported in 2010, 8,900 employees worldwide and a fleet of 169 aircraft flying to 39 countries, airberlin is now the second-largest airline in Germany and the sixth-largest carrier in Europe. In the last couple of years, the U.S. market has developed to become a key market for the company and has ever since continued on the path of growth. Yet, what most of its U.S. passengers are not aware of, is the fact that airberlin is the prototype of an American success story, both in the symbolic as well as in the most literal sense. Thus, the company's origin can be traced back to the U.S. where it was incorporated by Kim Lundgren, a former PanAm pilot, in the State of Oregon. Reason for its unusual establishment was the fact that after World War II only aircraft of the allied powers were allowed to take off and land in Berlin. Lundgren viewed this as a viable business opportunity and wanted to provide Berliners with access to great value vacations by

taking advantage of a historic legal loophole.

Fall of the Berlin Wall brings big changes to airberlin

The fall of the Berlin Wall brought new opportunities and rapid change for airberlin. The allies lost their sovereignty over airspace in Berlin and Lundgren was faced with the need for German majority shareholders to continue operating. On April 16th, 1991 Joachim Hunold became sole managing director and majority shareholder in the company. Along with additional partners and financial backers Joachim Hunold realized a new era of German ownership and continued to foster the pioneering spirit of airberlin.

An entrepreneur by conviction, Hunold had a clear-cut vision for airberlin to make it one of the best airlines in the business, offering high-quality, friendly service while maintaining affordable fares. In 1992, he set about putting a plan in motion to increase service not only from Berlin, but to establish additional hubs in strategic cities throughout Germany and eventually also in Spain.



Made it: On April 23rd, 1979 Kim Lundgren (left) was presented with an operating license for "Air Berlin Inc." from the US Federal Aviation Administration. The first jet took to the skies six days later.

Starting March 2011
Daily service
New York-Düsseldorf

Starting May 2011
4 weekly flights
New York - Berlin



airberlin European destination network within easy reach of airberlin's North American gateways New York, Los Angeles, San Francisco, Miami and Ft. Myers

Continued growth and success – airberlin becomes Germany's second-largest airline

Under the direction of Joachim Hunold airberlin quickly became the second-largest German airline, started being traded at the stock exchange in 2006 and continued to expand and optimize its route network through carefully selected acquisitions. In 2004, airberlin bought a 24 percent stake in NIKI Luftfahrt, an airline founded by former Formula 1 pilot Niki Lauda. The companies set about establishing a low-fare alliance, with the mutu-

al goal of further expansion and exploitation of synergies.

By going public, the airline was able to continue to grow its business both nationally and internationally. One goal was achieved shortly thereafter, and in August 2006 airberlin announced its takeover of dba Luftfahrtgesellschaft München. The Munich-based airline had a strong German domestic route network and was a perfect fit for airberlin. The route network complemented the existing airberlin network perfectly because there were no overlaps. The German cartel office took less than

one month to approve the deal and the new German domestic routes were quickly integrated into airberlin's European network thus providing a substantial increase in the number of business travelers. By the end of 2006, the company had transported a record 19.7 million passengers, recording a profit of EUR 50.1 million. airberlin was on its way to becoming a force to be reckoned with in Europe. In March of 2007, airberlin announced the takeover of LTU, the Düsseldorf-based airline, making the airberlin group the industry's largest service provider in one of the most important

>>

German markets with over 18 million residents within the catchment area of Düsseldorf airport. Approval from the cartel office came in August of 2007, giving airberlin the ability to offer long-haul flights to its loyal customer base.

A strong commitment to the U.S. with new year-round services from NY to Germany and upcoming membership in the oneworld® alliance in 2012

For the company's positioning in the U.S. market the year 2010 was of paramount importance: it began operating codeshare flights with its U.S. partner American Airlines, providing access to additional major U.S. cities such as Boston, Washington, D.C. and Seattle to name a few. airberlin further announced that it will join the oneworld alliance in 2012. Full integration into the alliance will provide its topbonus members the ability to accrue mileage on oneworld carriers and take advantage of the oneworld group, which encompasses 190 destinations worldwide in 150 countries. As a result of these recent strategic developments, the expansion of the U.S. network is a major goal for the future. Already in November 2010, airberlin launched a new nonstop service between Miami and Berlin, operating twice a week. Another milestone was the announcement that airberlin will also connect New York's John F. Kennedy airport with the German capital. Beginning in May

Joachim Hunold, CEO of airberlin

Joachim Hunold began his career in aviation in 1978 with Braathens Air Transport, a Norwegian Airline. From 1982 through 1990 he held the position of Sales and Marketing Director for the Düsseldorf based LTU Group. In April 1991, Joachim Hunold founded the Air Berlin GmbH & Co Luftverkehrs KG. After the acquisition of Air Berlin Inc., he headed the Air Berlin Group, initially as the Managing Partner, and since the creation of the new holding company structure, as its CEO, as of 1 January, 2006.



2011, airberlin will offer four weekly flights to Berlin complementing the existing service the airline has already offered for many years to Düsseldorf. To demonstrate its commitment to further growth in the U.S., airberlin now also offers these strategic routes from the "Big Apple" to its two German hubs in Berlin and Düsseldorf as year-round services. Thanks to the excellent German domestic and European network of airberlin, it is easy for U.S. passengers to discover Europe's top destinations by flying airberlin. Via Berlin or Düsseldorf there are numerous connections to metropolitan cities such as Paris, Moscow or Stockholm. Also, popular holiday resorts in the Mediterranean like Mallorca or Barcelona are only a short flight away from Berlin or Düsseldorf. The U.S. network currently includes flights from five major destinations: New York, Los Angeles, San Francisco, Miami and Fort Myers.

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US Investment Climate Brightens

German Economy to Profit / Corporate Tax to be Reformed

New York (gtai) - In 2011, the German economy is advancing for the second year in a row in the US - regarding export of capital goods and vehicles as well as direct investments. In both areas German companies currently report significant growth. In 2010, exports from Germany to the US increased by 15-20% compared to the previous year; final figures have not yet been reported. Given the current state of affairs, this dynamic will remain the same in 2011.

In general, it is assumed that for a short to medium time frame, the US economy will show an increased propensity to invest. German exports will benefit from this fact. The reason for this well-funded engagement is on the one hand the modernization of many industry sectors, postponed well until after the recession, which created a substantial investment backlog. On the other hand, there is considerable liquidity in many major American companies.

Despite this year's dwindling impact of ARRA (American Recovery and Reinvestment Act), the public economic stimulus package, private initiative will neutralize any negative effect for the most part, although with some help of public stimulation. The reduced tax rate for private income,



recently extended for 2 years, sets a positive prevailing mood. The reduced tax rate is also valid beyond the limit of US\$ 250,000, which will especially help small and medium-sized companies.

In November 2010, the Federal Reserve initiated its second program, known as "Quantitative Easing" (QE2), through which it will buy short-term government bonds totaling US\$ 600 billion, which in turn stimulates current economic conditions. The proclaimed goal to reduce long-term interest rates on the capital markets, while the short-term interest rates have been approaching zero for a while, has not been met yet. However, the volume of high-risk financial transactions has decreased, while the stock index is climbing – both is seen as positive.

The alteration of the amount of money in the economy, which hap-

pens when government bonds are bought by the Fed, drives inflationary tendencies. However, up until now, the increase remains within the given target corridor (consumer price index 1.5% in December 2010). A deflation, which could have still been possible in 2010, was thus averted. If nothing else, the value of the dollar abroad decreased, which made US goods and services more attractive on the world market – even if the Fed denies having intended this development.

Among other things, the great money supply in many major American corporations is a result of curbing spending, which was in effect during the financial crisis. On the one hand, it was unclear for a while which effects the crisis would have and how much the corporation sector would be affected. On the other hand, credits for finance projects were almost impossible to get, at least temporarily. As a result, investments were delayed and cost-cutting measures were implemented, among others via a massive personnel layoff.

In 2010, recovery on the labor and finance markets was noticeable. In the 4th quarter, the BIP growth reached substantial 3.2%, consumer spending was at 4.4%. At the same time, globally-operating corporations generated

By Ullrich Umann
(Germany Trade and Invest)

profit abroad, in the emerging markets of Asia and Latin America, partially also in Europe.

After the landslide victory of the Republicans during the recent congressional elections in November 2010, President Obama is now inching closer to fulfill some Republican core demands, for example curbing expenses. With this, in the last two years of him being in office, he hopes to avoid being blocked by Congress, a political Pott situation. According to chairmen of major US corporations, the political conditions for privately-funded economic projects have since improved. This should further uplift the propensity to invest as well as give hope to major investors at the New York Stock Exchange for their dreams about a future.

Initiatives to increase exports, to reimplement an economic climate driven by innovation and to restore a somewhat stumbling US industry are a priority on the political agenda. Determining topics for the next couple of years will be fighting the unusually high unemployment rate of officially more than 9% as well as reducing the excessive national debt.

In 2011, a depreciation allowance of 100% for investments in capital goods, research and development joins the reduced income tax rate, which was extended for another two years. The current configuration of an economy-friendly political climate, the current tax

policy and an increased demand for goods and services in the US and abroad has the effect that investments are being ramped up and pushed up instead of delayed. First signs are the tentative recovery of the labor market and improved macroeconomic figures.

A substantial reformation is needed when it comes to corporate taxes: In April 2011, Japan plans to lower business taxes. Subsequently, the US would look bad with its standard rate of 35% in a global comparison. Goal of a reformation should be the drastic curbing of tax-reducing factors and exceptional cases. In return, the standard corporate tax rate can decrease.

Observers might ask whether a readjustment of tax laws can be achieved while President Obama is still in office.

The Republicans are not quite ready yet to cooperate with the president. Attracting the media, they question why the White House only offers its cooperation now that the Republicans have won back the majority in the House of Representatives.

In mid-January 2010, the US Secretary of the Treasury, Timothy F. Geithner, started informal talks with chief financial officers of 18 corporations, in an effort to explore the possibilities of a tax reform. He plans to have further talks with economists and representatives of influential unions. (U.U.) **GAT**



GTAI INDUSTRY TALK

A new series with detailed industry reports, written by the US-correspondents of Germany Trade and Invest (GTAI), the official German foreign trade and inward investment agency.



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*German translation
by Sandy Jones, GACC New York*

By Cristina Stanca Mustea

A "Pioneer Among Pioneers"

Carl Laemmle and the Founding of Universal Pictures



www.ghi-dc.org/entrepreneurship

Carl Laemmle, the founder of Universal Pictures, arrived in New York in February 1884. Fifty years later, he was the recognized founding father of Hollywood, a movie mogul with a constant international media presence, and the owner of a film empire, which earned him a fortune of \$5,000,000 – more than \$78,000,000 in current value.

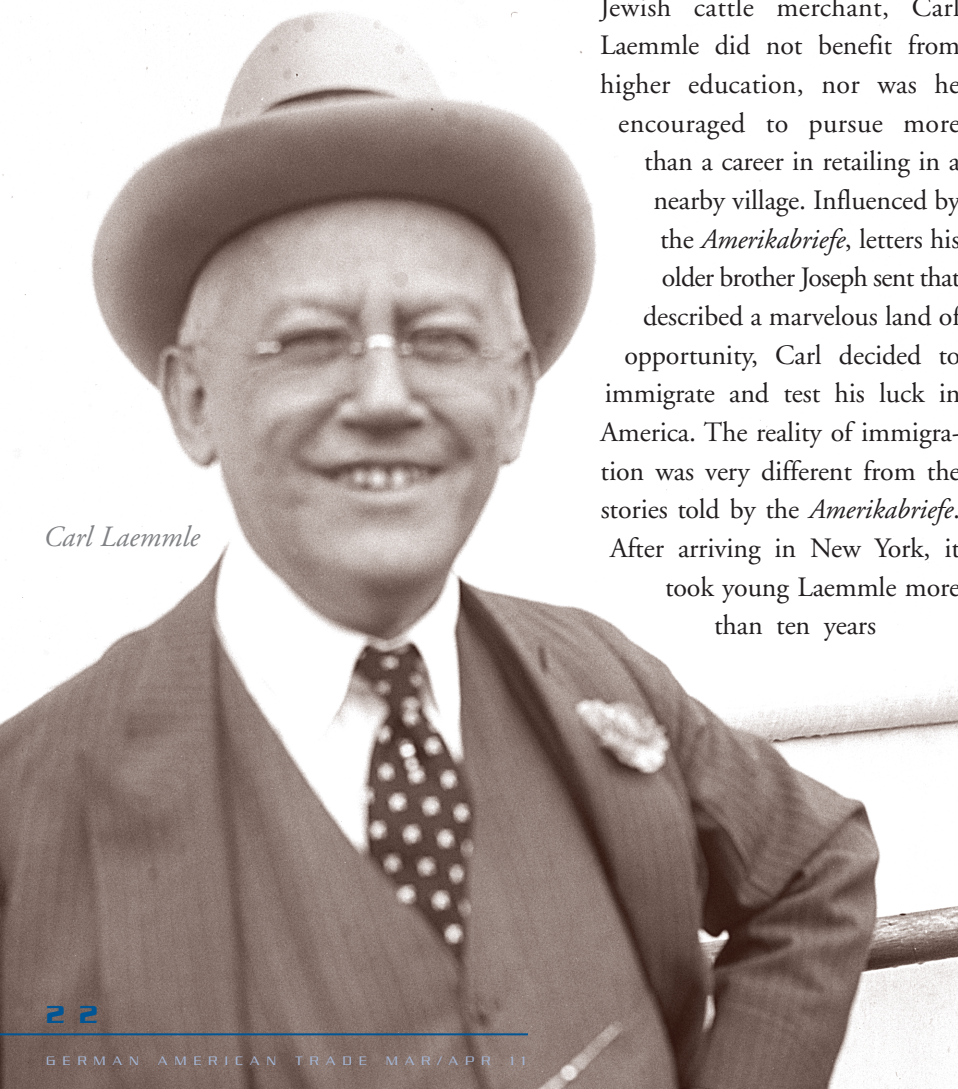
Born in Laupheim, a small town in Württemberg in southwestern Germany, in 1867 to a German-Jewish cattle merchant, Carl Laemmle did not benefit from higher education, nor was he encouraged to pursue more than a career in retailing in a nearby village. Influenced by the *Amerikabriefe*, letters his older brother Joseph sent that described a marvelous land of opportunity, Carl decided to immigrate and test his luck in America. The reality of immigration was very different from the stories told by the *Amerikabriefe*. After arriving in New York, it took young Laemmle more than ten years

of odd jobs and poverty before he found steady employment as an accountant at a clothing store in Oshkosh, Wisconsin. Quickly thereafter he became the manager of the local branch and was famous for creating bold advertising campaigns for his wares.

By 1906 Laemmle had set aside \$3,000 and decided to start his own business. His initial plan was to open a five-and-dime chain in Chicago, a booming enterprise at the time, but changed his mind after stopping by a nickelodeon. He came out with a new idea for his investment: motion pictures.

Laemmle opened his first movie theater The White Front on Milwaukee Avenue in Chicago and only weeks later a second one on Halstead Street called The Family Theater. From that point onwards, Laemmle's investment grew at an incredible rate and by the end of 1906 he expanded his business interests from motion picture theaters to film exchanges. By 1908 the Laemmle Film Service had expanded across the U.S., and within two years Laemmle had become the largest film distributor in America. His rapid ascension as an exchange-owner was based on his successful use of advertising and his business strategy that focused on breaking the reigning monop-

Carl Laemmle



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*From studio to theme park:
Universal Studios today*

Laemmle's liberal views and his constant plea for international peace brought him not only supporters but also many enemies, especially in Nazi Germany. The turning point was the making of *All Quiet on the Western Front* in 1929, an anti-war film that won an Academy Award as well as the

support of European and American peace organizations. For the National Socialist Party, which was gaining momentum in Germany, the film represented a threat and the party representatives managed to impose a ban on it. Three years later, the same party forbade Laemmle from entering his native land and confiscated all his business assets in Germany on racial grounds.

When Carl Laemmle died in 1939 as one of the richest American movie moguls, he left behind not only a considerable fortune in real estate and securities but also a legacy of philanthropy and humanitarianism. **GAT**



This article is an excerpt from a new project at the German Historical Institute Washington DC. **Immigrant Entrepreneurship: German-American Business Biographies, 1720 to the Present** will feature a collection of 250 biographical articles of 1st & 2nd generation German-American business people along with contextual information and a wealth of visual material.

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Texas

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Not everything is bigger in Texas. As we've entered the 21st century, Texas has been at the forefront of making things smaller, cleaner and more efficient. It's not just cowboys and railroads anymore. These days, the state leads in the agriculture, energy, computers, electronics,

aerospace and biomedical industries.

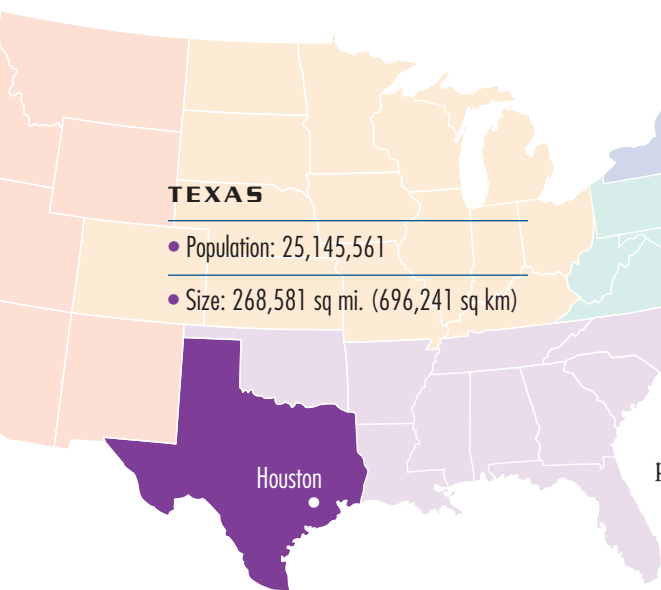
Texas is at the forefront of the nation's renewable energy development, producing the most wind power in the country and moving towards major potential in solar power. A state that once ran on cattle and oil is now ensuring the rest of the country's steps into a sustainable future.

od of economic stagnation, until oil initiated a boom in the state beginning in 1901. Cattle and oil industries lent to rapid growth, the ability to develop complex transportation systems and a general independence from the rest of the nation.

The geographic diversity of Texas is contrary to the typical image of southwestern deserts and rolling plains. There are also rich forests, coastal swamps, and the mountains of the Big Bend. Over 79 thousand miles of highway sweep through the landscape and over 1,000 seaports dot the coast, employing nearly one million people. The Port of Houston is currently the busiest port in the United States in terms of international shipping. Texas has the most airports of any state in the nation, with the largest in Dallas-Fort Worth. The state has led the country in railroad length since 1911, currently operating over 14,000 miles of track, and features light rail systems in both Dallas and Houston.

The GACC South Texas Office operates out of Houston, where it works primarily with companies in the energy sector, especially in renewable Energies, energy efficiency as well as the oil & gas/petrochemical industries. They invite companies from all industries who have an interest in US expansion, particularly in the South and the State of Texas, to take advantage of their services.

Texas is the second largest of the United States, next to Alaska, and is the second most populous, next to California. It was ruled by Spain, France, then Mexico until 1836, when the state won its independence. The years that followed contained the Mexican-American war and succession from the United States during the American Civil War. After rejoining the Union, Texas came upon an unfortunate peri-



www.gacctexas.com

By Pamela Jackson, GACC South

seats in a concentrated downtown area; Fort Worth holds the oldest museum in the state, the Modern Art Museum of Fort Worth, founded in 1892. Austin, known best for giant festivals such as South by Southwest, a film, music and multimedia summit, is the live music capital of the world, with more live music venues per capita than even Nashville, Memphis, New York City or Los Angeles. San Antonio is known as the Tejano music capital of the world, a form of folk and popular music stemming from the mix of Mexican and Texan cultures, as well as the original influence of the German and Polish waltz and polka brought by European immigrants in the 1850s.

Industry in Texas

At its peak in 1972, Texas averaged three million barrels of oil per day. The “black gold” was invested heavily in the state’s university system, which led to the development of an extremely diversified and high-tech economy. Austin and Dallas are jokingly nicknamed Silicon Hills and Silicon Prairie, respectively, in a testament to the large amount of technological innovation in each city. Texas is home to 57 Fortune 500 companies, sharing the top of the list with California.

With a focus on international business, Texas has been the number one state in export revenues for eight years in a row. The state’s largest export markets

are its NAFTA trading partners, with Mexico as number one followed by Canada, China, the Netherlands and Korea.

In addition to the high-tech fields, agriculture and mining are still mainstays in the Texan economy. Texas has the most farms in the United States, with cattle as its most valuable product and sheep and goat products leading the nation’s production.

Renewable Energy in Texas

Although a leader in both oil and natural gas production, Texas has steadily become a leader in renewable energies over the last decade. Because Texas operates on its own energy grid, and has a deregulated electric service, the state is free to develop its renewable energy industry on its own terms. The world’s largest wind farm is Roscoe Wind Farm in Roscoe, Texas, with a 781.5 megawatt capacity. The second largest, Horse Hollow Wind Farm, is also in Texas. There are 6,430 wind turbines in the state, with 197 more currently under construction. The growth has created thousands of jobs and millions of dollars in royalty income for Texans. The Electric Reliability Council of Texas released a report in April 2010 showing the state’s renewable energy capacity in excess of 10,000 megawatts. The US Energy Information Administration also cites a large possibility for development in both biomass and solar energy.



Doing Business in Texas

Innovation in Texas is no accident. The Texan government has put many processes in place to ensure that the state attracts and supports the brightest minds and ideas in educational and business ventures. There are a wide variety of business owner and property tax deductions offered, as well as corporate economic development credits for renewable energy related activities or systems, including wind energy. In the coming years, Texas intends to focus on economic growth that exceeds the US average, creating stronger business ties to the far corners of the world and supporting a younger and more ethnically diverse population. >>

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Leitz Tooling Systems, Inc.	Garland	www.leitztooling.com	Leitz GmbH & Co. KG
Leschaco, Inc.	Houston		Anker Leschaco Group GmbH & Co. KG
LEUTERT INSTRUMENTS, INC.	Bellaire	www.leutert.de	Friedrich Leutert GmbH & Co. KG
LSG SKY CHEFS SERVICE HOLDING	Irving	www.lsgskycheffs.com	Lufthansa Technik
MAASS FLANGE CORPORATION	Houston	www.maassflange.com	Wilhelm Maass GmbH
MAN B&W Diesel North America, Inc.	Houston	www.manbw.com	MAN Aktiengesellschaft
MASTERDUCT	Houston	www.masterduct.com	Masterflex AG
Mexinox USA Inc. - Distribution Center	Brownsville		ThyssenKrupp AG
Mineral and Pigment Solutions Southwest	Houston		Brenntag Management GmbH
NEAC Compressor Service	Katy	www.neuman-esser.com	Neuman & Esser Maschinenfabrik
NEUMAN & ESSER USA, INC.	Katy	www.neuman-esser.de	Neuman & Esser Maschinenfabrik
Offset Paperback Manufacturers	Dallas		Bertelsmann Arvato AG
OILTANKING HOUSTON LP	Houston	www.oiltanking.com	Marquard & Bahls AG
Orange	Orange	www.us.lanxess.com	Kloeckner Desma Elastomertechnik GmbH
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PULSION MEDICAL, INC.	Irvine	www.pulsion.com	PULSION Medical Systems AG
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Learning their ABCs

The 112th Congress Learns the Ropes in Washington

For those old enough to remember the first Earth-orbiting artificial satellite, the reference to a “sputnik moment” in President Obama’s most recent State of the Union (SOU, in Washington’s acronym- and abbreviation-mad parlance) address may or may not have struck a chord. Perhaps predictably, the Commander-in-Chief’s (CIC, or, if one prefers, POTUS – President of the United States, for those who must ask) economic call-to-arms went largely unheeded by a good many in the newly-constituted 112th Congress, who channeled the Grand Old Party’s (GOP) response through Representative Paul Ryan, demanding from the Administration a clear indication of where the budgetary chips and axe might fall with an eye toward ginning up the still moribund economy.

In addition to demanding details from the executive branch on forthcoming budget cuts as well as taking a side-trip to allow the House a chance to vote for repeal



of the recent health-care reform legislation championed by the President, Congress has found itself increasingly occupied with mundane, yet highly relevant and critical legislation, much of which will undoubtedly have an impact on transatlantic trade and investment patterns.

Immigration, a perennial favorite on both sides of the aisle in Congress, has again risen to the fore. Texas Republican Lamar Smith, Chairman of the House Judiciary Committee, has made workplace immigration enforcement a prior-

ity issue, with a string of hearings scheduled to commence in February. Among the immigration-related bills that have thus far been floated are H.R.140, the Birthright Citizenship Act of 2011, a bill which would redefine who is a U.S. citizen by amending the Immigration and Nationality Act to grant so-called birthright citizenship only to those children who upon birth have at least one parent who is a U.S. citizen, legal permanent resident, or actively serving in the armed forces. Moreover, the largely voluntary “E-Verify” system currently in place would be augmented by H.R.98, the Illegal Immigration Enforcement and Social Security Protection Act of 2011, which speaks for itself. Further shaping the immigration-related climate is the U.S. Citizenship and Immigration Services (USCIS) requirement, effective February 20, 2011, that employers filing for a nonimmigrant employment visa certify compliance with the “deemed export rule” as set forth under the Export Administration



Peter Esser, Legal Counsel

Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). In brief, the deemed export rule requires that U.S. persons, including employers, seek and receive authorization from the U.S. government before transferring, releasing or disclosing, within the United States, certain technology or technical data to foreign nationals unless those nationals are U.S. permanent residents or citizens.

Also sure to be a game changer, if enacted, is the newest version of patent reform legislation unveiled some weeks ago. For the past several years, attempts at updating the U.S. patent system have advanced to varying degrees on Capitol Hill before succumbing to lobbying attacks or more pressing items on the legislative agenda. True to form, Congress has churned out yet another iteration of the patent reform bill. S. 23, the Patent Reform Act of 2011, introduced by Senators Leahy, Chuck Grassley, and Hatch. Based principally upon last year's patent reform legislation, which itself is

structured along the lines of legislation first introduced in the House in 2005, the new legislation is basically intended to do three things: improve the application process by transitioning to a first inventor-to-file system; improve the quality of patents issued by the USPTO by introducing a number of quality enhancement measures; and provide more certainty in litigation. In addition, the bill also aims at remedying the problem of false patent marking actions.

Recent actions on the part of the courts have provided a strong foundation legislative patent reform. One prime concern in recent years for has been that patent quality is often questionable, stemming from a patent examination route that often makes it rather easy to obtain dubious patents that prove to be difficult to challenge. Several rulings have taken on this issue, although the Supreme Court's (SCOTUS, if anyone is interested) ruling in the *Bilski* case leaves much to be desired with regard to so-called business method patents. Another area of concern addressed in part by the legislation but also quite recently by the Court of Appeals for the Federal Circuit (CAFC) is the need to limit rapidly escalating damage awards. The CAFC questioned the utility of basing awards on unreliable numbers with no realworld connection to licenses and royalties as they actually apply in most cases.

Never one to be outdone by Congress, on January 18, President

Obama issued an Executive Order (yes, it is indeed EO, as in EO 13563) aimed at improving and streamlining regulations as well as undertaking a general and comprehensive review of existing regulations to determine which regulations may be duplicative, excessive in scope or otherwise may serve as unnecessary impediments to economic redevelopment and growth in and of the country. The order also extends to a requirement that all new regulations be published within a specific time frame in advance of respective effective dates so as to allow for a period sufficient for receipt of comments as well as an adequate review of comments received. Should this come to pass, it would likely be heralded by many in the business community as a technical knockout (TKO) to some of the more overly burdensome and useless dross produced in Washington in years past. **GAT**



Obama calls for doubling of exports

US companies need to use new tools to address credit risk

During his recent State of the Union address, President Obama reiterated his call for a doubling of American exports, especially by small and medium-sized companies, which traditionally create the most new jobs.

Unlike Germany, where more than half of small and medium-sized enterprises (SMEs) export their goods and services, only a tiny fraction of U.S. SMEs sell their products overseas.

Most American SMEs have avoided exporting largely for two reasons: First, they think they don't need to. After all, there's plenty of potential for growth right here. But that is no longer true. Today, more than 95% of the world's population and 75% of the world's spending power is located outside the US.

Secondly, exporting is complex. Sending products overseas means dealing with not one, but two government bureaucracies, different languages and legal systems, additional taxes, unexpected tariffs and a host of risks such as currency risk, market risk, transportation risk, and political risk to name just a few. And then there is the greatest risk of all – credit risk. Will your overseas customers pay? What if they default or go bankrupt? A large credit event could be ruinous.

Traditionally, those few U.S. SMEs that did export addressed trade credit risk in one of two ways: channeling payments through the Export-Import Bank of the United States or requiring their overseas customers to provide letters of credit. Both of these methods have serious drawbacks.

Most European exporters, on the other hand, use an alternative method for mitigating credit risk through trade credit insurance. For a small

premium, exporting companies can be sure they'll get paid. A company can insure a single transaction or all of its accounts receivables, foreign and domestic.

When compared with traditional methods of addressing credit risk, trade credit insurance provides users the advantage of speed and simplicity. For example, the Ex-Im, while efficient and well-established, is a large government-sponsored institution, that moves at a deliberate pace and requires goods to contain certain levels of domestic content. Letters of credit require the involvement of two banks, lots of administration and careful adherence to processes, which need repeating with every transaction. Worse still, letters of credit tie up a customer's bank account.

For companies that know how to use it, credit insurance is more than just a way to mitigate credit risk; it's a sophisticated financial tool that provides users a competitive advantage.

For example - with payment assured - companies, that have credit insurance, can negotiate aggressively and provide customers with better terms. Better terms mean more sales, especially in foreign markets, where terms play a very important role in negotiations.



I hear variations of the same story all the time: An American company offers a product of superior quality at lower cost and still loses the deal. Why? Because a competitor offered better terms. And how could the competitor offer better terms? Because they had credit insurance. So, to compete on a level playing field, American SMEs need to use credit insurance.

Exporting companies also find that purchasing trade credit insurance improves their financial profile and borrowing power. Lenders are more likely to advance working capital at lower cost when receivables are protected. Lower interest rates enable exporters to pass the savings on to customers. Again, the result is improved sales.

Credit insurers can also provide their customers information on foreign markets and local conditions. They are experts in areas such as political risk, sovereign risk, currency risk, and legal transparency. And, of course, they know about the creditworthiness of potential customers. What is their payment history? Have they ever defaulted? What is their current situation?

The larger credit insurers collect and constantly update the credit histories of literally millions of foreign companies.

With interests aligned as they are, the relationship between exporters and trade credit insurers often moves beyond just trading risk and evolves into partnership. With their knowledge of what one's business has to offer and their understanding of local markets, trade credit insurers are in a unique position to provide valu-

able market intelligence. Most of the larger insurers maintain a staff of economists and industry experts that monitor a nation's market conditions and the performance of business sectors. They know where there may be a need for chemicals, electronic parts or medical devices. Likewise, they know where markets are contracting or where the political climate may be deteriorating.

In addition to making sure their customers get paid, some credit insurers even provide accounts receivable management services. Essentially, they become a company's foreign credit and accounts receivable department, which could mean substantial cost savings.

Trade credit insurance is sold either directly from carriers or through brokers. Global premium written is just under \$7 billion. Europeans account for the lion's share with \$4.8 billion. The American market is currently only \$800 million. However, many estimate U.S. premium income will double in just five years as American exports begin to soar.

While American companies are renowned for their creativity, innovation and resourcefulness, they still need to make full use of all the financial tools available to compete in the global marketplace. That means credit insurance. Fortunately, American SMEs are catching on. **GAT**



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Cash Cow Procurement

DM Procurement Consulting LLC



www.dm-procurement.com

It is becoming increasingly more difficult to keep or increase the competitiveness and cost structure of companies in today's environment. It is especially important for companies to have procurement and a supply chain system in place to support their future strategic direction. Every company feels the threat of their competition on their heels from the emerging markets and how important it is to find the right answer to sustain technology leadership and being competitive on a global basis.

Particularly for small and mid-sized companies a miscalculated purchasing price or a wrong decision regarding the supply chain can put an offer for a customer in disadvantage; and then it is ultimately the final quote that decides which company will be awarded a contract. In addition, if companies don't have the best procurement market information for them to understand competitive pricing, both the company and the product are destined to fail. It is a known fact that procurement organizations spend about 50% of their companies' revenues on suppliers on average; in many cases spending is even higher.

In consequence of this fact and because procurement and supply chain organizations do spend so much of their companies' revenues on the outside, they do not use their capabilities and potential to their full extend in returning cash to the company's budget (Cash Cow Procurement). Procurement and supply chain should be



established 'upstream' right at the beginning of the development process. The market knowledge needs to strategically influence the design phase to optimize the cost structure of services and products.

Our long-term experience shows that procurement itself is not prepared well enough, organized and/or equipped for this important future task. Procurement does not use its purchasing power to leverage procurement volume through a more aggressive 'Commodity Management Organization' to achieve 'Best Price Policy'. It is about time for companies to make strategic decisions, move into the global markets and exploit their potential, which often remains nearly untouched.

There is an immense potential readily available for savings, competitive analysis, reduction of process and manufacturing costs, quality cost improvement and cost reduction within the supply chain. Companies should focus on market-entry strategies and global sourcing as well as the optimization of logistics networks. The US, Asian and European markets offer a huge potential in regards to cost reduction, positive currency values, technology products and services and flexibility in a very well-developed supplier market.

Our Field of Expertise and What We Can Do For Your Company

With over 16 years of experience in the US, Asia and Europe, our understanding of markets and their cultural differences, mentality, legal understandings and potential produced excellent results. In analyzing and benchmarking your procurement organization against today's highest industry standards, we will support you with the experience we have gained for procurement and supply chain in small, mid-sized and big corporations in local and emerging markets. It is our goal to improve your global market intelligence and procurement strategy as well as enhance the potential for your contracts and prices.

Our DM Procurement Executives are highly experienced in analyzing, restructuring and training procurement and supply chain for today's industry standards and competitive organizations. We can act as your procurement organization or support an already-existing structure. We developed a highly effective process to understand and analyze problem areas and potential for improvements; and ultimately, we will offer you a proposal to solve said problems. **EAT**

“DM Procurement acts as part of your procurement and supply chain organization and follows your rules and decisions.”



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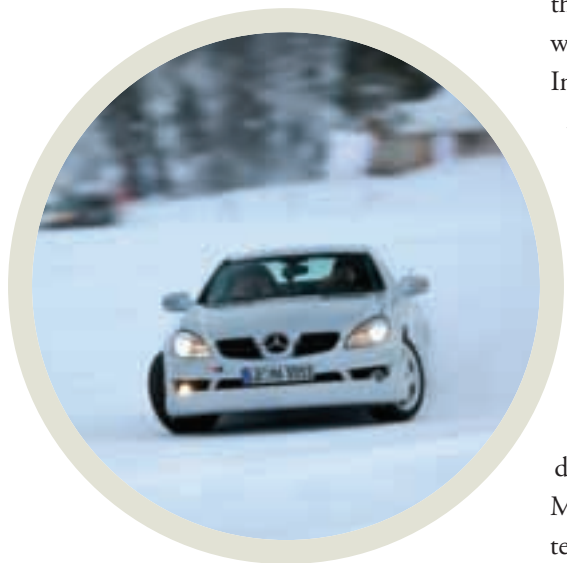
www.dm-procurement.com

How to treat your customers



www.wempe.com

Wempe Jewelers, Fifth Avenue's premier watch retailer, invited a small group of watch and car enthusiasts on a trip to Europe to have the "time of their lives". Starting with a visit to the SIHH, Salon International De La Haute Horlogerie in Geneva, where esteemed manufacturers introduced their latest creations, followed by a watchmaking course at the IWC factory in Schaffhausen. And as if that in itself wasn't exciting enough, the 9 guests ventured on to Sweden to hone their driving skills on ice in amazing Mercedes AMG vehicles while testing their very own timepieces' performance under extreme conditions. Snow, ice, G-forces and plenty of shocks while snowmobiling across the deep frozen trails. "The group walked away with an even higher appreciation for the art of watchmaking and for being a loyal Wempe client", says Ruediger Albers, president of Wempe US. **GAT**



Time flies – when you're having fun

WEMPE



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EVENT CALENDAR

March 1 - April 30, 2011

Mar 1

German-American Chamber Night
with the Philadelphia 76ers
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Held by GACC PHL
Philadelphia, PA
www.gaccphiladelphia.com

Mar 1

GACCConnect — Business
Networking "Stammtisch"

Held by GACC SF
San Francisco, CA
www.gaccsanfrancisco.com

Mar 7

1st German American
Bioenergy Conference

Held by GACC South
Atlanta, GA
www.gaccsouth.com



Mar 8

BuildingEnergy 11:
Building Efficiency
in Germany and the U.S.

Held by GACCNY
Boston, MA
www.gaccny.com

Mar 10

Business Seminar with Intelliverse
Communicating with your
Customers

Held by GACC South
Atlanta, GA
www.gaccsouth.com

Mar 11

Scholarship Award Dinner

Held by GACCoM MN Chapter
Minneapolis, MN
www.gacom-mn.org



Mar 16

EC Monthly Stammtisch

Held by GACCoM
Chicago, IL
www.gacom.org

Mar 22

"After Hours" Business
Networking @ AGG

Held by GACC South
Atlanta, GA
www.gaccsouth.com

Mar 22

Lunch Seminar:
Cross-Border-Investments
& Taxation

Held by GACC SF
San Francisco, CA
www.gaccsanfrancisco.com

Mar 23

Business Seminar
Defensive Writing Skills:
Email and Social Networking

Held by GACCNY
New York, NY
www.gaccny.com



Mar 31

Business Seminar @ HBSS

Held by GACC South
Atlanta, GA
www.gaccsouth.com

Apr 4-8

GACCoM Delegation
to Hannover Fair

Held by GACCoM
Hannover, Germany
www.gacom.org



Apr 5

Informationsveranstaltung:
Smart Grid in den USA

Held by GACCoM
Hannover, Germany
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Apr 6

Informationsveranstaltung:
E-Mobilität in den USA

Held by GACCoM
Hannover, Germany
www.gacom.org



Apr 7

Euro-Networking

Held by GACCoM CO Chapter
Denver, CO
www.gaccco.org

Apr 7

Breakfast Seminar: Health Care
Reform @ The Union League
of Philadelphia

Held by GACC PHL
Philadelphia, PA
www.gaccphiladelphia.com



Apr 7

YEC Seminar: "Don't Worry...
Everyone Speaks English."
The Traps of Speaking
a Global Language
and How to Avoid Them

Held by GACCNY
New York, NY
www.gaccny.com

Apr 12

SAE Reception 2011

Held by GACCoM MI Chapter
Detroit, MI
www.gaccmi.org

Apr 14

Annual Meeting

Held by GACCNY
New York, NY
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Apr 20

YEC Monthly Stammtisch

Held by GACCoM
Chicago, IL
www.gacom.org

Apr 28-30

Annual General Meeting

Held by GACC South
Asheville, NC
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Navigating cultural differences to keep your business afloat

By Pamela Jackson
and Morgan Moretz



<http://howwesink.wordpress.com>

Risk is in the eye of the beholder

Put yourself in your thirteen year-old mind. Did you think about the repercussions of every action or did you just do it, assuming that nothing bad would happen and if something did, you'd be able to figure out a solution? Chances are it's the latter.

Welcome to the American way of risk-taking. It's not that we see risk and are immediately attracted. We see the potential positive outcome and assume there's a good chance we can make it happen. Therefore, we don't really classify it as a risk in the same way our German counterparts might. If it doesn't work out, it is disappointing but at least we tried and we now have those experiences to support our future endeavors. There's always a positive spin. *Que sera, sera.*

Pamela is going to have to go ahead and put the spotlight on her lovely family member, Pete. Pete is from Northern Germany and helped Pamela pick out her first car. Pete and Pamela ended up in a rather large argument because Pete saw Pamela's nonchalant approach at picking out a car (requirement: it runs) as irresponsible. Pete wanted to step back from the choice, look at all angles, figure out what was the best option, then debate the pros and cons of each to finally rest on the best possible choice. While this was appreciated immensely

and Pamela's car (that Pete picked out) has been nicknamed "the little Mazda that could" because of its reliability, there was clearly a difference in approaches.

Americans are primed from an early age to take a quick look at the possibilities and then jump. If/when that plan doesn't work, we try a new one. The ability to experience something new means we can potentially expand ourselves and our goals. Risk then becomes protection from something stale and predictable. Being able to predict where an American is in his or her career path in 10-20 years isn't really considered positive, it's considered stuck.

Conversely, Germans tend to like a plan that they can rely on, something that they know works -- taking a risk just doesn't fit into that plan most of the time. And while we Americans are happy with our risk-taking selves, the German path of prediction cannot be written off as negative. Look at the American versus German economies over the past two years. Case and point.

What we're emphasizing is the understanding that, essentially, risk is in the eye of the beholder and its definition can be somewhat fluid and intangible. This translates into almost every

aspect of business life. What your colleague Bill sees as an impromptu, yet completely worthwhile, investment of company funds may to you seem to be an un-researched, unreliable, and unnecessary change to the existing plan. But to Bill, for example, your hesitancy to upgrade the current marketing campaign motif from navy blue to an eye-catching bright blue doesn't even constitute as "taking a risk." It's all about perspective and from what we've seen, there is a difference between how Americans and Germans view it.

Before any decision, just remember the importance of taking a step back from the issue. Is the risk at hand worth fretting over? Could the potential positive outcome outweigh the potential negative? Can you shoulder that potential negative outcome?

So the next time you're up at night, tossing and turning with worry about whether or not the CEO approved your new innovative, albeit daring idea, remember that you didn't even second-guess yourself when crossing a six-lane road for lunch. Risks are perceived and we can come to a balance in the middle where Americans learn to think through plans a touch more and Germans learn to let go a bit. **EAT**

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Now, FlyNet™ lets you go wireless
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