

# German American TRADE QUARTERLY

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**German American  
Business Outlook 2016:  
Strong Growth on Both  
Sides of the Atlantic**

**The Lufthansa Group  
Helps to Rebuild Haiti  
through Entrepreneurship**

**GACC Highlights of 2015**







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# Comeback of the Eurozone Stimulates the Global Economy

Last summer, the DIHK conducted its first "AHK World Business Outlook" gathering feedback from roughly 3,000 German companies operating in global markets. The overall expectations, especially on the performance of the North American economy, were largely met as the 2016 German American Business Outlook confirms: 87% of German companies reported much better sales volumes in 2015 and are expecting more growth and investment in the year ahead. Also worth noting is the fact that 75% plan on increasing their workforce in 2016. At this point in time, approximately 3,900 German headquarters and branch offices create over 620,000 jobs in the United States and investment stands at \$208 billion.

German companies are clearly seeing a renaissance of the industrialized countries in the western world.

Although some of these positive developments were exchange rate related – the weaker euro helped make German manufactured goods more competitive in the U.S. and vice versa, German companies manufacturing in the U.S. shifted their focus toward local markets instead of exporting abroad.

It is exactly this ability to react to global fluctuations which is the key strength of Germany's small-medium sized companies, the "Mittelstand", because of their smaller size and often family-owned structures. Their agility has clearly helped the German economy to ride out regional slow-downs in other, particularly emerging markets such as China, Russia, Brazil or Turkey, as the "AHK World Business Outlook" confirmed.

The German economy relies on this unique mix of qualities which support its good performance. In areas like research and development, skills and workforce training, and business



Dr. Volker Treier,  
Deputy Chief Executive Officer, DIHK

development and expansion German companies are merging the traditional with the innovative, and the cautious with the courageous.

Looking ahead, the Industrial Internet of Things or Industrie 4.0 as we call it in Germany will be the field that offers the greatest potential for economic growth. The main benefits German companies will experience are the automation of production processes and enhanced external connectivity with customers and suppliers. Data security and the actual implementation of cyber-physical systems remain the top challenges. Companies of all sizes will need to address those issues in order to reap the rewards of smarter production.

Dr. Volker Treier,  
Deputy Chief Executive Officer,  
Association of German Chambers  
of Commerce and Industry  
(Deutscher Industrie- und  
Handelskammertag, DIHK)

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## MERGERS & ACQUISITIONS

### Springer Gives General Atlantic Shares for Classified Ads Stake

Axel Springer (SPRGn.DE) has agreed to buy the 15 percent of its digital classified advertising business it doesn't own from General Atlantic in exchange for shares, leaving the private equity firm with an 8.3 percent holding in the German publisher. Springer will give the U.S. buyout group 8.95 million new shares, it said on Wednesday, making the deal worth about 465 million euros (\$507.83 million) based on Tuesday's closing share price of 51.94 euros.

>> [www.reuters.com](http://www.reuters.com)

### Domino's to Acquire German Pizza Chain

Domino's Pizza Enterprises will expand its European operations with an up to 79 million euros (\$A120 million) acquisition of Germany's largest pizza chain Joey's Pizza. Domino's will acquire 212 stores in Germany from UK-listed Domino's Pizza Group Plc, which holds the Domino's master franchise agreements for the UK, Ireland, Germany and Switzerland.

>> [www.finance.yahoo.com](http://www.finance.yahoo.com)

### Firm American HomePatient Chronicle Daily

Linde (LING.DE) has agreed to buy respiratory therapies specialist American HomePatient to bolster its health-care gases business amid weakness at

its industrial divisions, the German gases maker said on Monday. American HomePatient, based in Brentwood, Tennessee, specializes in respiratory therapies for patients with chronic obstructive pulmonary disease, or COPD, and obstructive sleep apnea, or OSA. The company didn't disclose the price it will pay the seller, the investment firm Highland Capital Management LP. The acquisition is through Lincare Holdings Inc., headquartered in Clearwater, Florida and expected to close in the first quarter of 2016. "It also reinforces our position as global leader in this area of healthcare services. Now we are striving towards the further internationalization of our healthcare business".

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### Intel Acquires German Company Ascending Technologies To Dominate Drone Market

Intel, the world's biggest chip maker, is positioning itself at the forefront of the rapidly growing drone market by acquiring German company Ascending Technologies to help it deploy its camera technology, which allows drones to avoid obstacles automatically. The acquisition comes after some of Ascending Technologies' drones incorporated Intel's RealSense camera technology and the U.S. company last year made an investment in the German company. Intel has not revealed how much it has paid for the drone

maker but has said all Ascending Technologies' employees will be offered positions within Intel.

>> [www.ibtimes.com](http://www.ibtimes.com)

### Edelman Acquires Germany's Ergo Kommunikation

The world's biggest PR agency makes fourth European acquisition in 18 months, buying 100-person German independent to boost corporate and public affairs offering. Edelman has acquired German independent firm Ergo Kommunikation, in a bid to boost its offering in Europe's second-largest PR market. The acquisition of Ergo, which reported fee income of \$13m in 2014, takes Edelman to approximately \$37m in Germany, adding Ergo's 100-odd headcount to

its existing operations in the market.

>> [www.holmesreport.com](http://www.holmesreport.com)

### KKR Launches \$2 Billion Sale of German Tableware Maker WMF

Buyout firm KKR (KKR.N) is launching preparations to divest German tableware and coffee machine maker WMF in a potential 1.8 billion euro (\$2 billion) deal, taking advantage of high equity prices, people familiar with the matter said. The private equity firm is working with Citi (C.N) and Deutsche Bank (DBKGn.DE) to explore possible options, which include a sale as a whole or in parts as well as a stock market listing, they added.

>> [www.reuters.com](http://www.reuters.com)

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## MARKET ENTRIES & RELOCATIONS

### Germany's Sonnen Takes on Tesla Powerwall in the U.S.

Sonnen (formerly Sonnenbatterie), not content with a strong presence in its German home market, hopes to steal a march on Tesla's Powerwall systems. "We have seen overwhelming interest in the Sonnenbatterie," Boris von Bormann, Sonnen CEO, said. He said the company has "a very ambitious timetable for wide-spread introduction to the U.S. market before year's end." Sonnen intends to quickly ramp up production from its production facilities in San Jose, Calif., in anticipation of meeting even higher demand for its storage systems.

>> [www.utilitydive.com](http://www.utilitydive.com)

### IBM Makes Munich its Global Center for Industrial Internet Push

IBM will make Munich the global headquarters for its push to build out the industrial Internet, capitalizing on a critical mass of automotive, electronics, health-care, insurance and manufacturing companies centered in southern Germany. IBM said on Tuesday that it will employ 1,000 staff to work with customers on industrial Internet projects in the Bavarian capital and is opening up eight satellite centers worldwide to help clients create smarter network-connected services.

>> [www.reuters.com](http://www.reuters.com)

### University of Phoenix Parent Company Pays \$105M for School in Germany

Apollo Education Group Inc.'s (Nasdaq: APOL) wholly-owned subsidiary Apollo Global Inc. is making its debut in Germany with a \$105 million acquisition of Career Partner GmbH. Apollo Global now operates nine schools, where approximately 2,000 employees serve about 150,000 students in 40 countries.

>> [www.bizjournals.com](http://www.bizjournals.com)

## INVESTMENTS & EXPANSIONS

### Röchling Automotive USA Invests \$5.8 Million To Expand Production At Duncan, South Carolina, Manufacturing Complex

Germany-based Röchling Automotive USA, a North American subsidiary of Röchling Automotive Group, is expanding its operations to a 150,000 square foot facility in Duncan, South Carolina. The company is investing \$5.8 million in the facility, which serves as its North American headquarters, creating 25 new jobs in Spartanburg County.

>> [www.areadevelopment.com](http://www.areadevelopment.com)

# Sluggish Investment is Really Just a Commodity Story

## German Auto Parts Maker Fritz Winter North America LP Plans Simpson, KY plant

German-owned automotive parts maker Fritz Winter North America LP plans to build a \$193.7 million foundry and production facility in Franklin, bringing 343 jobs to Simpson County, Kentucky Gov. Matt Bevin's office has announced. "The decision by Fritz Winter to select Kentucky for its new foundry underscores the advantages our state offers automotive suppliers," said Gov. Bevin. "Our thriving automotive industry and central location provide quick access to assembly plants in the South and Midwest."

>> [www.courier-journal.com](http://www.courier-journal.com)

## International Company Krohne Inc. Plans Move, Expansion in Beverly, MA

A Germany-based company plans to drop about \$20 million on an expansion into Beverly and bring 54 new jobs with it. Krohne Inc., which creates measurement tools for water, temperature and other industrial uses, intends to buy 55 Cherry Hill Drive, currently home to an empty office building, and make Beverly its headquarters in North America.

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The recovery in the U.S. has, once again, been primarily driven by private households. Over the past three years, consumption expenditures contributed no less than 80% of total GDP growth. Spending by businesses, on the other hand, has not only been very benign, it even lost further momentum in the course of last year. Over the past four quarters, real fixed investment in equipment merely edged up by 1.7%, while real fixed investment in structures even contracted by 1.2%.

The list of possible explanations for this weakness is long. It includes headwinds from the global economy, the strong U.S. dollar, weak profits and dim sales prospects, as well as lower commodity prices. From a theoretical perspective, there is definitely something to all of these factors. But a closer empirical inspection of the data reveals that there is really only a single culprit: the plunge in commodity prices.

As a result of sharply lower energy prices, investment in mining and drilling activities has plummeted. That includes mining exploration and new oil and gas wells, as well as mining and oilfield equipment. In addition, the sharp decline in prices for agricultural commodities has triggered a plunge in spending for agricultural machinery and equipment. Finally, weak activity in energy and agricultural sectors spilled over to investment in transportation (notably railroad) equipment. If we strip out these commodity sensitive components, which only account for 8% of total business fixed investment, we find that real investment activity has actually gained some momentum over the past several



**Dr. Harm Bandholz, CFA**  
Chief U.S. Economist  
UniCredit Research

>> [harm.bandholz@unicredit.eu](mailto:harm.bandholz@unicredit.eu)

>> [www.unicreditgroup.eu](http://www.unicreditgroup.eu)



quarters. Real business fixed investment outside of the commodity sectors has been rising by no less than 8.25% between 3Q14 and 3Q15. That is more than it did between 2003 and 2005, i.e. the height of the housing boom.

To be sure, these commodity sensitive sectors are part of the economy, and the described weakness did weigh on total growth over the past several quarters. However, it is important to understand the cause of the problem. And the fact that it seems to be primarily, not to say entirely, the drop in commodity prices should bode well for the medium-term outlook. As prices stabilize – even at these low levels – the negative impact on investment activity should fade, which means that investment spending is bound to regain some momentum throughout the course of next year. ■

## German American Business Outlook 2016

# Strong Growth on Both Sides of the Atlantic

97% of German Firms in the U.S. Expect Increasing Revenues

Fueled by the strong dollar and positive currency translation effects, German exports to the U.S. increased by almost 25 percent in 2015. As a result, and for the first time since 1959, the U.S. surpassed France as Germany's most important export market.

By: Jan Vater & Nicola Michels, GACC

**G**erman subsidiaries in the U.S. continue to grow, hire, and invest, as reported by the sixth annual German American Business Outlook (GABO) 2016. GABO is an annual survey highlighting the state of German companies in the United States, their outlook on future growth, and the attractiveness of the U.S. as a business location. It is conducted by the German American Chambers of Commerce, the Representative of German Industry & Trade, and Roland Berger Strategy Consultants.

Hosted, as in the previous year, by Thomson Reuters on December 14th, 2015 at their prestigious Times Square offices, the sixth GABO attracted a large audience. Peter Wittig, German Ambassador to the U.S., who took the stage after Chairman GACC New York Caroll H. Neubauer's opening words, conveyed a clear message: "The 'Made in Germany' brand remains strong and a synonym for quality".

This positive image was reflected in the results of the GABO survey, presented by Marc Winterhoff of Roland Berger Strategy Consultants:



German American Business Outlook 2016 at Thomson Reuters' Times Square office



The “Made in Germany” brand remains strong and a synonym for quality.

– **Caroll H. Neubauer**

97% of German firms expect positive revenue growth and 75% plan to expand their workforce in 2016. While confident in a moderately growing U.S. economy, German subsidiaries expect even stronger revenue growth for their own businesses. Due to the ongoing demand for their products and services, German firms are not only focusing on introducing new product lines and investing in R&D, 41% are planning to expand their manufacturing capabilities to meet the sustained demand.

Yet the search for qualified employees continues to be a challenge, as Martin Richenhagen, Chairman of the German American Chambers of Commerce, depicts: “With German firms ready to expand, skills remain a key topic for our businesses. While three-quarters of our respondents plan to hire, the labor market’s current skills gap remains a challenge for 69%.”

As a result, German companies emphasize the need for investments in K-12 education as critical factors to make the U.S. even more competitive.

In addition to the challenges of an increasing skills gap, the demand for a transatlantic trade agreement was another dominant result of the survey. TTIP, which would reduce tariffs and improve market access, remains important for many companies. “Last year alone, German companies invested \$224 billion in the U.S. They would not only benefit from TTIP, but also from the Trans-



*Caroll H. Neubauer, Vice Chairman GACCs, Chairman & CEO B.Braun Medical, Inc. welcoming the guests at the sixth GABO*



*Peter Hoecklin, President & CEO, TRUMPF, Inc; Dr. Walter Maisel, President & CEO, KOSTAL North America and Vice Chairman, GACC Midwest; Peter Wittig, Ambassador of Germany to the United States of America; Barbara Lang, CFO, MAN Diesel & Turbo North America Inc.; Dr. Thomas Zielke, President & CEO RGIT; Martin Richenhagen, Chairman, President & CEO, AGCO Corp. (Chairman AHK USA)*

## Industry Panel



*Peter Hoecklin, President & CEO,  
TRUMPF, Inc*



*Martin Richenhagen, Chairman, President  
& CEO, AGCO Corp. (Chairman AHK USA)*



*Dr. Walter Maisel, President & CEO,  
KOSTAL North America  
(Vice Chairman, GACC Midwest)*



*Barbara Lang, CFO,  
MAN Diesel & Turbo North America Inc.*



New technologies and consequences for manufacturing were a hot topic during the industry panel discussion.

Pacific Partnership (TPP), which will be voted on soon,” stated Dr. Thomas Zielke, Representative of German Industry and Trade.

The 2016 GABO also revealed that the topic of “Industrie 4.0” or the “Industrial Internet of Things” is receiving more attention. The main benefits German companies expect are the automation of production processes and enhanced external connectivity with customers and suppliers. However, security and the actual implementation of cyber-physical systems still remain top challenges and companies of all sizes will need to address those issues to reap the rewards of smarter production.

New technologies and consequences for manufacturing were a hot topic during the industry panel discussion, hosted by Rob Cox, Editor of Reuters Breakingviews. Peter Hoecklin, President & CEO, Trumpf Inc., Barbara Lang, CFO MAN Diesel & TURBO North America Inc., Dr. Walter Maisel, President & CEO, Kostal North America, and Martin Richenhagen, Chairman, President & CEO, AGCO Corp. and Chairman AHK USA, gave energetic insights into their respective industries.

*Peter Wittig, Ambassador of Germany to the United States of America, addressing German-American business relations*

## Executive Summary

### GERMAN COMPANIES CONTINUE TO GROW

- 97%** of German companies expect positive revenue growth for their own business in 2016. New product lines and investment in R&D are the most popular initiatives.
- 87%** of German companies reported the same or much better sales volumes in 2015, continuing their recovery from the economic slowdown.
- 41%** more German companies plan to expand manufacturing capabilities over the prior year, indicating German companies' confidence in long-term growth in the U.S.

### SKILLS GAP

Skilled labor remains the key need for companies looking for growth in the U.S. market. The GACCs are driving forward several initiatives to combat the skills gap and implement training programs in cooperation with companies, partner organizations, and educational institutions.

- 75%** of German companies plan to increase their workforce in 2016, up from 63% last year. Especially large companies hired more than expected in 2015.
- 69%** of German companies report difficulties identifying employees with adequate skills. To face this challenge, the majority of respondents rely on in-house training programs.

### ELECTION YEAR 2016

- German-American companies believe that public investment in education, R&D and infrastructure is most critical for long-term economic competitiveness.
- Tax reform and simplification of the tax system would further restore market confidence.
- Investment in Research & Development as well as infrastructure are critical factors for sustained economic growth.
- Companies are capitalizing on digitization/Industry 4.0 to gain a competitive advantage through enhanced automation and connectivity – Investment requirements in IT and cyber security infrastructure still present obstacles to adoption, especially for SMEs.



Panel moderator Rob Cox, Thomson Reuters, Editor of Reuters Breakingnews



Marc Winterhoff, Senior Partner & Head of the North American Automotive Practice of Roland Berger, presenting the results of the GABO 2016 survey



# The Lufthansa Group Leads Initiative to Rebuild Haiti through Entrepreneurship

*By: Christina Semmel, Manager, Corporate Communications North America  
Lufthansa Group, Lufthansa German Airlines / Austrian Airlines / Brussels Airlines*

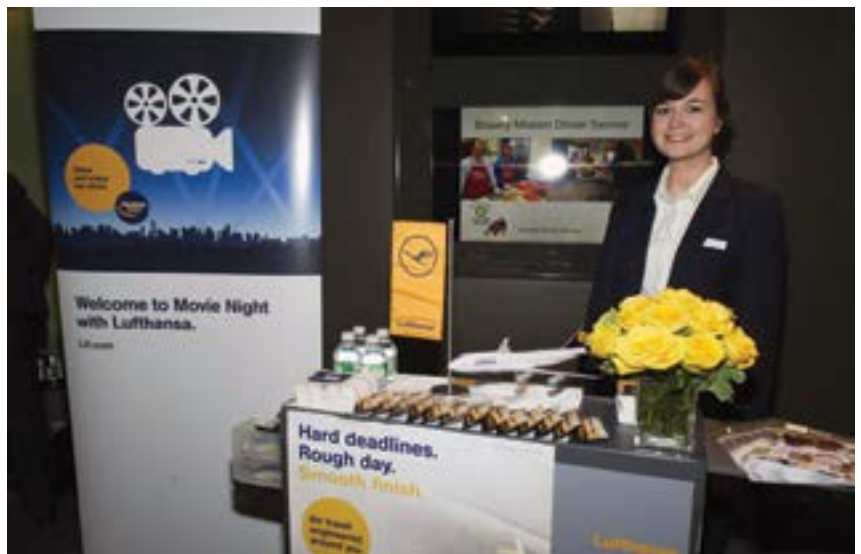
Haiti is the poorest country in the Western Hemisphere, with 60% of its population living on less than \$2 per day. But dozens of fledgling entrepreneurs are involved in an initiative designed to equip them with the know-how needed to establish and maintain a successful business. In the process, these budding business-owners are empowering themselves and, in turn, their country.

**S**ince 2014, the Haiti Entrepreneurship Camp has connected participants with volunteers from throughout the Lufthansa Group's global network who impart their expertise as mentors. The annual program, which is supported by the Lufthansa's Group's employee charity organization HelpAlliance and is free for participants, hones professional and personal skills through classroom instruction and interactive exercises.

"Entrepreneurship is a powerful driver of change. By emboldening people with core business skills, the Haiti Entrepreneurship Camp enables participants to establish an economic foundation that will enhance them, their community and the country as a whole," said program co-creator Jan Holz, who works for Lufthansa Technik Logistik America and is a member of the Rotary Club of Wall Street, a co-sponsor of the Camp.

Mr. Holz was inspired by Jude Tranquille, the founder of Devoted Servants Haiti, a non-governmental organization (NGO). The two met at the Rotary Young Leadership Conference in Washington in the summer of 2013 and decided to establish an initiative that could stimulate sustainable economic growth.

"The Camp curriculum provides tools and background knowledge needed to run a successful business and retain sustainable profit with courses addressing developing a business plan, understanding costs, finances and calculating profitability, motivational training, and legal sessions," explained Alexandra Heinrich, LHT Project Manager Entrepreneurship Camp. "We challenge participants to see their business from another perspective, including identifying improvement fields and developing measures to implement stated goals."



“Entrepreneurship is a powerful driver of change.”

– **Jan Holz**, Lufthansa Technik Logistik America

Nearly 60 entrepreneurs have participated in the program, representing an array of business sectors, among them food services, healthcare, tourism and solar energy. “To have a job in Haiti is only a short-term solution. [But] to have your own business, which you can build upon, is a better solution here,” said Holdson Denis, an alumnus from the inaugural Haiti Entrepreneurship Camp in 2014.

“We believe that investing in people is the right thing to do and that the Haiti Entrepreneurship Camp contributes to sustainable economic and community development by encouraging, educating and empowering the participants,” explained past speaker and member of the core team of the Haiti Entrepreneurship Camp, Susanne Gellert, who serves as the Rotary International Representative to

the United Nations, and who is Director of the Legal Department & Business Development Consulting at the German American Chamber of Commerce in New York, and was founding president of the Rotary Club of Wall Street.

The initiative will take place again in the summer of 2016 and organizers are considering opportunities for expanding the Entrepreneurship Camp to other countries, with continued support from the Lufthansa Group with funding and volunteers. ■



### Made in Ayiti

The 2015 Haiti Entrepreneurship Camp is chronicled in a documentary, *Made in Ayiti* (Ayiti is the Haitian Creole word for Haiti), which debuted in November to an international audience at a Rotary Day at the United Nations event as part of the 6th Annual Film Screening & Fundraiser of the Rotary Club of Wall Street.

The film is available for viewing at:  
 >> <http://entrepreneurship-camp.org/2015/11/12/made-in-ayiti-entrepreneurship-camp-documentary-launched>



# GACC Highlights of 2015

## **GACC New York New Year's Reception and Office Inauguration January 15th, 2015 Downtown Association, NY**

The GACC's New Year's Reception, which was the first annual highlight of the GACC New York, was a great way to welcome the New Year. There were more than 150 participants, including high-level representatives of German and U.S. firms, as well as their guests, who came together to enjoy networking opportunities and to receive new economic insight from the guest speaker. Following the event, the GACC had an inauguration for their new office at Pine Street. ▼



## **GACCs Annual Economic Forum January 29, 2015 Chicago, IL**

We were very pleased to see so many of our members at the Annual Economic Forum. This year, Dr. Peter Wittig, German Ambassador to the United States, was our keynote speaker and guest of honor. Adolfo Laurenti, Chief International Economist at Mesirow Financial, presented his transatlantic business outlook for 2015, followed by an interesting discussion by a cross-industry panel. With speakers from CLAAS, Rational North America, Kalle USA and B. Braun of America and B. Braun Medical Inc., our panel proved to be one of the most engaging to date. Besides starting the year on a highly informative note, our executive audience used this opportunity for networking over lunch. ▼



## **GACC South Port of Charleston Tour March 12, 2015 | Charleston, SC**

Long-time partner, Kuehne + Nagel, Inc., hosted the South Carolina Chapter of the GACC South for an exclusive tour of the Port of Charleston on March 12th, 2015. Welcoming a group of over 50, the tour explored the inner operations and procedures of the globally recognized Wando Welch Terminal, the Port of Charleston's largest terminal in terms of volume and physical size. Known for its innovative design and overall terminal productivity, the port tour was an exciting and interesting afternoon for attendees.

## **GACC New York Automotive Forum April 2nd, 2015 KPMG – Heritage Conference Center, NY**

The dream of self-driving vehicles has been with us since the 1950s, but advanced electronic safety systems are now teasing us with hints of vehicles that can react and manoeuvre autonomously. What is possible today and how will these systems evolve? What are the hardest challenges that automakers face? And where will we first see entirely self-driving cars? For the third time, our panel of automakers and industry experts discussed and debated these questions, emphasizing the reality of the technologies today and tomorrow while also considering the huge benefits – for safety, to traffic flow, to energy efficiency – that self-driving cars could bring to the world of the near future.



### **GACC South – 3rd Southern SME Forum** April 13, 2015 | Charlotte, NC

The GACC South hosted its third German Mittelstand- Southern SME Forum in Charlotte.

The all-day business conference offered a platform to small and medium sized German businesses located in the



Southeastern U.S. to network and fortify relationships. Attendees also had the opportunity to exchange innovative ideas on how to strengthen their presence within the U.S. market.

The forum featured engaging keynote speakers from diverse backgrounds, including NC Governor Pat McCrory, with informative workshops on online marketing, risk management and intercultural competence, as well as panel discussions on “The Future of Manufacturing and The Southern U.S. - Gateway to Latin America.”

### **GACC Midwest** **MI Chapter: SAE Reception** April 21, 2015 | Detroit, MI

Once more, the 2015 SAE World Congress assembled the best talent in the automotive industry. On the occasion of the congress, the GACC Midwest Michigan Chapter hosted its annual SAE Reception at the Detroit Athletic Club focusing on the growing importance of STEM education and technical jobs in Southeast Michigan. Former NASA astronaut and Dean of the College of Engineering and Computer Science at the University of Michigan’s Dearborn campus Anthony Wayne England served as guest speaker at the very well attended event. While the focus was on addressing the engineering shortage in the region, Mr. England also delighted the crowd with insights from his flight on the Challenger and time spent at the Space Lab.

### **GACC South** **11th Gateway** **Award luncheon** May 6, 2015 | Charlotte, NC

The North Carolina Chapter of the GACC South hosted its 11th Gateway Award Luncheon on May 6th, 2015 in Charlotte, NC. Recognizing German-American business achievement, the Gateway Award was awarded to STEAG Energy Services LLC. The luncheon welcomed over 90 attendees, as guests enjoyed building new connections while celebrating the success of the community.

### **GACC West** **White Asparagus Gala Dinner** May 9, 2015 | Westin St. Francis, San Francisco

This year for its annual White Asparagus Gala Dinner, the GACC West managed to hire a German chef to prepare a delicious three-course menu around the exquisite vegetable. German Consul General in San Francisco, Stefan Schlüter, welcomed the guests and congratulated the GACC West on organizing the event for its fourth consecutive time. Managing Director Rene van den Hoevel took the opportunity to introduce the GACC’s new chapter in Arizona, as well as two new GACC advisory circle members, Alexander Helmke for IT and Helge Biernath for renewable energies. The gala was concluded with a



stunning performance by the opera singer Karen Buck, accompanied by pianist Matthias Baumhof. The performance was kindly organized by the German International School of Silicon Valley (GISSV).

**GACC New York –  
White Asparagus Dinner  
May 14th, 2015  
United Nations, NY**

Once again, 300+ guests – GACC members, high-level representatives of German and U.S. companies and their guests – came together to enjoy prime networking opportunities, new economic insights and a unique taste of German cuisine at the Delegates' Dining Room of the United Nations this past May. The iconic United Nations Headquarters in New York City offers a breathtaking panoramic view of the East River and city skyline and provides a perfect international ambience.



**GACC New York  
Women in Business Forum  
May 21st, 2015  
Austrian Consulate General, NY**

An evening of inspiring discussions, story sharing, and networking opportunities, the second event of the new series "Women in Business Forum NYC", initiated by the Austrian-, German and Swiss American Chambers of Commerce, featured a podium shared by four high-caliber female leaders and international policy makers who discussed career perspectives and key elements for female leadership. Do we need public policy and quota for women to stay in and make the game? Is it an equal mix of men and women that create a diverse, yet equal work environment?

**GACC Midwest, MN Chapter:  
Annual Gala & Stern des  
Nordens Awards  
May 30, 2015  
Minneapolis, MN**

Our Minnesota Chapter celebrated its Annual Gala where the winners of its 2015 Companies of the Year Award were announced: Allianz Life Insurance Company was selected as Service Company of the Year and Heraeus Medical Components won the award for Manufacturing Company of the Year. Allianz Life has a long history of community service and environmental stewardship in Minnesota. Heraeus also shares a strong record of community participation in White Bear Lake, and is a leader in energy efficiency and 'green building' technology. We congratulate them both on the awards!



**GACC South – German American Bioenergy Conference  
June 23 & September 22, 2015 | Raleigh, NC & Atlanta, GA**

The GACC South promoted sustainability through hosting two German-American Bioenergy Conferences in Raleigh, NC and Atlanta, GA in 2015. With over 130 combined attendees, the conferences presented recent and future



**GACC Midwest  
Light-Weighting in the  
Automotive Industry  
Delegation  
June 4-5, 2015  
Detroit, MI**

Our Michigan Office hosted four German companies participating in a trade mission focused on light-weighting in the automotive industry. The trip featured an array of networking opportunities, individual meetings, and facility tours. The Detroit Regional Chamber welcomed the participants with a kick-off meeting and an evening reception in downtown Detroit. Especially well-received was an automotive supplier networking event hosted by Ford Motor Company, thanks to the excellent support of our Michigan Chapter Board member Birgit Behrendt, Vice President of Global Programs & Purchasing Operations of Ford Motor, who hosted several meetings. Delegates presented their company's capabilities and met with a variety of Ford Motor product development, purchasing, and manufacturing experts.

market developments, and discussed challenges and possible solutions for the bioenergy sectors of the U.S. and Germany.

Throughout the conferences' presentations and networking breaks, attendees and speakers exchanged stimulating and informative insights between theory and application, while discovering new business opportunities and making valuable connections.

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### **GACCs – German American Business Forum**

**June 24, 2015  
Munich, Germany**



The German American Business Forum (DAWT) at the IHK München had its largest attendance ever, with over 260 participants. The engaging panel on German-American business was joined by all of our three AHK USA Chairmen: GACC Midwest Chairman W. David Braun, Partner at Quarles & Brady LLP; GACC New York Chairman Caroll H. Neubauer, Chairman and Chief Executive Officer at B. Braun Medical Inc., and GACC South and GACC Chairman Martin Richenhagen, Chairman, President & CEO of AGCO Corporation. Dr. Thomas Zielke from RGIT in Washington, D.C., and Michael Gotschlich, Head of Division for Foreign Trade Policy North America joined them in the panel discussion. Once again, DAWT provided an excellent platform for professional exchange among participants.

### **GACC Midwest, WI Chapter: German Fest**

**July 25, 2015  
Milwaukee, WI**

Over 100 of our members and friends came together this July to celebrate the German Fest at the annual VIP Reception of our Wisconsin Chapter – what a great turnout! Together they enjoyed some traditional German food and used the opportunity to meet new people as well as reconnect with others from the German-American business community. GACC Midwest President & CEO Mark Tomkins and his family enjoyed meeting so many of our Wisconsin members at the German Fest.

### **GACC Midwest CO Chapter: Biergarten Festival**

**July 10-12, 2015  
Morrison, CO**

At the 19th Annual Biergarten Festival in Morrison, CO, GACC Midwest President & CEO Mark Tomkins joined our Colorado members to celebrate some German Gemütlichkeit. The setting in Morrison was spectacular, right along the front range with a view of the Red Rocks area outside of Denver. The 2015 Biergarten Festival was its most successful yet.

### **GACC South – Quarterly Women's Series** **Quarterly | Atlanta, GA**



In 2015, the GACC South partnered with the French American Chamber of Commerce, the Netherlands American Chamber of Commerce, the American-Israel Chamber of Commerce, and Women in Bio to present a quarterly women series to their diverse networks, aimed at providing

a platform for discussion on various relevant and significant topics affecting women in business today. Topics included professional etiquette, economic outlook, enhancing your executive presence, and managing your work-life balance.

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**GACC Philadelphia  
Summer International  
Chambers Business  
Networking Event  
July 29, 2015 | Philadelphia, PA**



For the fifth consecutive year, members of the international business community joined forces to host a summer international business networking reception to celebrate Philadelphia's status as a top U.S. destination for foreign direct investment and commercial trade. Over 300 people gathered together to network and listen to Philadelphia's Mayor-elect Jim Kenney speak about his future goals for the city. This annual event was organized by 14 international chambers within the region and its yearly growth reaffirms Philadelphia's economic, political, and commercial impact as an influential global city.



**GACC Midwest – ICATT  
Inauguration Ceremony  
August 15, 2015  
Palatine, IL**

The first cohort of apprentices of our ICATT program came together with their participating companies Felsomat, Harting, Herrmann, Komet, Scot Forge, Wieland, Wittenstein, and ZF to celebrate the official inauguration of the program at Harper College. As pointed out by speaker Jim Nelson, Vice President of the Illinois Manufacturer's Association, ICATT demonstrates that there are other options than the traditional college-path for young people.

Following the structures and globally recognized standards of the German dual model of vocational training, this three-year program combines on-the-job training at companies and theoretical training at a college. ICATT is especially valuable for SMEs, which would not be able to create a program like this on their own.

**GACC Philadelphia  
1st Annual GACC Biergarten  
August 20, 2015  
Philadelphia, PA**



GACC Philadelphia celebrated summer's end with a biergarten at The Shambles at Headhouse Square - Philadelphia's first and America's oldest open air market. The sounds of The Happy Polkateers and fare from The Flying Deutschman and Brauhaus Schmitz transported members to a real, small-town German biergarten for a night filled with dancing, frivolity and friendship.

**GACC New York  
New Member Reception  
September 10th, 2015  
Wilkhahn, Inc., NY**

At the New Member Reception 2015 all of our new members who became part of the chamber network over the last year were welcomed and introduced. Participants were able to connect with our newcomers, mingle with familiar faces, and meet the staff of the German American Chamber of Commerce in a casual networking atmosphere.





### **GACC South – Webinar Series: “Secrets from the Pros!**

#### **Strategies to Enhance your Success in the U.S. Market”**

**September 23, 2015**

The GACC South launched its first webinar with the “Secrets from the Pros! Strategies to Enhance your Success in the U.S. Market” webinar series in September 2015. The webinar series aims to provide exclusive insight from leading experts on various topics affecting SMEs across the U.S.

The first webinar focused on “Recruitment Strategies in the U.S.,” providing attendees with valuable methods for improving personnel search and recruitment/training approaches in the U.S. The GACC South looks forward to continuing the series in 2016, and to offering executive members the opportunity to host a webinar through our network as well.

### **GACC South Oktoberfest**

**September 25, 2015 | Houston, TX**

Germany’s most famous festival, the Oktoberfest, made its way down to Houston, TX on September 25th, 2015. Hosted at Saint Arnold’s Brewery, the GACC South welcomed over 300 guests to celebrate over traditional German food and local brews, while building new connections within Houston’s German-American community. With live German oompah music, guests enjoyed

### **GACC West GACC Oktoberfest**

**October 1, 2015**

**Presidio Observation Post, San Francisco**



On October 1, the GACC West hosted its third annual Oktoberfest. This year around 250 guests enjoyed a high-spirited evening at the Presidio Observation Post with tasty German food and original Oktoberfest beer, imported from Munich. The bands Blow Musik! and Bayern Maiden entertained the crowd. The new Executive Director of the Bavarian U.S. Offices for Economic Development, Antonia Zierer and the new Liaison Officer for the Technical University Munich, Dolores Volkert, selected the winners of the Tracht’n contest (traditional Bavarian outfit), who received a Bayern Munich fan set, as well as a voucher for Speisekammer, which provided the food for the event.



dancing together across the room, with some even dressed in traditional Dirndls and Lederhosen.

### **GACC Midwest GACC Awards Gala**

**October 9, 2015**

**Chicago, IL**

On the evening of October 9th, we revealed the nationwide winners of the 2015 GACC Awards. Chairman W. David Braun and GACC Midwest’s new President & CEO Mark Tomkins led through the evening’s program. They were joined by a special guest to honor the occasion of the 25th Anniversary of German Reunification: Former U.S. Ambassador to Germany, J.D. Bindenagel, shared an emotional eyewitness account of the happenings during the Fall of the Wall that truly captured the entire audience - which included many



representatives from German federal states for this special anniversary gala. We would like to congratulate our winners: Dow Chemical Company (Outstanding U.S. Investment in Eastern Germany), RITTAL (Excellence in Innovation/GACC Midwest), Schmidt Technology Corporation (Excellence in Innovation/GACC New York), Bosch Rexroth (Excellence in Innovation/GACC South), DACHSER Logistics (Excellence in Services) as well as Jack S. Richter who was honored with the MERLIN Award for Outstanding Contribution to the German-American Business Community in the Midwest.

### **GACC Midwest Smart Factory Industry Forum October 9, 2015 | Chicago, IL**

On October 9, 2015, GACC Midwest hosted the Smart Factory Industry Forum in collaboration with Key Partners Germany Trade & Invest and Hannover Messe - and there could not have been a more perfect location to host this forward-looking event than the DMDII in Chicago. Recently established as part of the National Network for Manufacturing Innovation (NNMI), DMDII and its partners aim at creating the tools and technologies to solve today's most pressing manufacturing challenges. The goal of our Forum was to support that mission by creating an exchange between leaders in innovation and technology. Our expert speakers and panelists included global industry leaders, and provided valuable insights into Industry 4.0, the IIoT, and how to make transatlantic companies' processes better, faster, and smarter.

### **GACC Philadelphia Aerzen Open House: Collaborating Cultures with Reed Smith October 21, 2015 Coatesville, PA**

Aerzen USA opened its doors to GACC Philadelphia members for a look into their collaborative, international culture and a behind-the-scenes tour. The evening started with discussing how they opened their organization to a collaborative culture and the challenges and differences when doing business in both Germany and the United States. Reed Smith concluded the event by advising members how to protect their business and ideas when working in such a cooperative environment.

### **GACC West – Civil Aviation Business Delegation October 19-23, 2015 Seattle & Los Angeles**

The first leg of the aerospace delegation took the 10 German companies and representatives of the German Aerospace Industries Association (BDLI) to Seattle, where they were welcomed and briefed by the Seattle Trade Alliance. On October 20th, the GACC West organized a day conference, giving the companies the opportunity to present in front of an expert audience. In the following days the delegation visited Boeing, where they toured the factory and had B2B meetings. The second leg of the business trip took the companies to Los Angeles, where they visited Northrop Grumman and the World Trade Center Los Angeles helped organize a successful matchmaking event with local aerospace companies at the LA Cleantech Incubator for the German delegation.

### **GACC New York East Coast Industry Forum October 28th, 2015 Mac Mahon Center Saint Peter's University, NJ**



With over 200 representatives of German and American businesses located throughout the North East in attendance, The East Coast Industry Forum offered a perfect platform to connect with potential business partners and peers, gain unique perspectives on current business topics, and gather valuable insights into economical and industry trends. The all-day conference featured keynote speeches, panel discussions, and in-depth workshops addressing a wide range of issues affecting companies doing business in the U.S. and in a transatlantic context.

### **GACC South – 20th Annual Gala October 24, 2015 | Atlanta, GA**

The GACC South celebrated a monumental milestone as they hosted the 20th Annual Gala on October 24th, 2015. Uniting 530 elite guests at the InterContinental Buckhead Atlanta, the 20th Annual Gala paid tribute to the achievements of the German-American business community of the Southern U.S.

The elegant evening was filled with dancing, photoshoots and the exciting silent auction. Honorary guests Dr. Peter Wittig, the Ambassador of the Federal Republic of Germany to the United States and Chairman of

the German American Chambers of Commerce, Martin Richenhagen, presented inspiring words, acknowledging the strengthening transatlantic relationship and continued success it has brought to the community.



**GACC South – “German Engineering & Made in Japan Meet in the Southeastern U.S.”**  
**November 3, 2015 | Atlanta, GA**

On November 3rd, 2015 the GACC South united with the Japanese Chamber of Commerce of Georgia and the Metro Atlanta Chamber for a culturally diverse seminar and networking reception titled, “German Engineering & Made in Japan Meet in the Southeastern U.S.” Following the recent wave of investment from both German and Japanese businesses across the Southeastern U.S., the event focused on the influence and development of German & Japanese industry in the South. With over 50 attendees, the event provided an opportunity to redefine business networks, exchange experiences and of course, enjoy classic German & Japanese delicacies, including Sake, sausage and sushi.

**GACC Midwest**  
**T’was the night before Christkindlmarket**  
**November 20, 2015 | Chicago, IL**

One night before the official opening of the Christkindlmarket 2015, members and friends of GACC Midwest came together to celebrate the 20th Anniversary of the Christkindlmarket Chicago with a special performance by the Christkind. Attendees had the chance to stroll around the market without the usual crowds and to explore some selected booths and walk-in cabins at the market. Next to Glühwein, guests enjoyed some traditional German food including Schnitzel, Sauerkraut and of course Pretzels in a cozy tent atmosphere. Naturally traditional entertainment was provided as well: a trio with accordions and trumpets in Lederhosen as well as a Victorian Christmas caroling ensemble set the holiday mood.

**GACC Philadelphia**  
**Germany Day:**  
**A Celebration of Sister Cities**  
**November 13, 2015**  
**Philadelphia, PA**



In celebration of Philadelphia’s new Sister City relationship with Frankfurt, Germany, nearly 400 people attended four events, including Philadelphia’s Mayor Michael Nutter and Frankfurt’s Lord Mayor Feldmann. The day started with a breakfast sponsored by the American Council on Germany, which was directly followed by the first ever German flag raising ceremony at City Hall, where Mayor Nutter declared it Germany Day in the city. Brauhaus Schmitz also joined in the Sister City celebration by having a Frankfurt-themed lunch menu. Later in the evening GACC members held their annual Gala with special guests from Lord Mayor Feldmann’s delegation and Mayor Nutter as the keynote speaker.



**GACC New York**  
**Martinsgans Dinner**  
**November 17th, 2015**  
**The Ritz Carlton**  
**Battery Park, NY**

For the 6th time, GACC members, high-level representatives of German and U.S. firms and their guests came together to enjoy prime networking opportunities, new economic insights and a unique taste of German cuisine. This year’s dinner, which took place at The Ritz-Carlton New York in Battery Park, also featured the first annual Newcomer of the Year award, which was presented to a company that stood out for its products and services, creative spirit, and innovative approach.



**GACC – German American Business Outlook 2016**  
**December 14th, 2015 |**  
**Thomson Reuters, NY**

For the sixth consecutive year, the German American Business Outlook (GABO) monitored the state of German-owned subsidiaries in the U.S. The annual survey is conducted by German American Chambers of Commerce, the Representative of German Industry & Trade, and Roland Berger Strategy Consultants.



# GACC AWARD – Trainee of the Year

## The Winner: A. J. Scherman

Apprentice in the four-year Mechatronics Technician apprenticeship program at STIHL Inc.

*By: Nicola Michels, GACC*

He works and attends college classes while supporting his family. He maintains a perfect 4.0 grade point average.

### – Jury Statement

**A**.J. Scherman is currently enrolled in the four year Mechatronics Technician apprenticeship program at STIHL Inc. in Virginia Beach, VA. Only the highest caliber, most qualified candidates make it through the tough selection process at STIHL – just 4-5 applicants out of every 300 plus that apply every year are offered a spot.



*from left to right:*

*Juergen Siebenrock/Lufthansa, Ralf Hermkens/Festo Didactic, W. David Braun/GACC Midwest, A.J. Scherman/STIHL INC., William Johnson/STIHL INC.*

He puts a hand out and helps others behind him up the path to success by mentoring new, incoming first year apprentices.

A.J. Scherman took the initiative to start a new life by making the decision to join the STIHL apprenticeship program.

## – Jury Statements

At STIHL, A.J. works in various departments under the supervision of experienced journeyman Mechatronics Technicians and Engineers to help design, build, up-grade and improve STIHL's manufacturing operations and equipment. Specifically, A.J. just completed work on designing, building and programming five new Siemens Program-

mable Logic Control (PLC) trainers that will be used by certified Siemens instructors to train Apprentices, Engineers, Mechatronics & Maintenance Technicians. A.J. is currently working on a project in STIHL's Technical Training Center to upgrade and modify their Festo training simulators which are used by

certified Festo instructors for training the Apprentices, Engineers, Mechatronics & Maintenance Technicians. ■

### Contact:

**STIHL Inc.**

536 Viking Drive  
Virginia Beach, VA 23452

>> [www.stihlusa.com](http://www.stihlusa.com)



### A.J. Scherman

#### Why I chose this field:

"I have always had an interest in modifying, fixing, and rebuilding anything that I could get my hands on. When I heard about the STIHL Inc. apprentice program, I knew that it was right for me. I made the decision to join

the STIHL Inc. apprenticeship program so that I would have a chance at starting a new life. I was working at an event management company and was going nowhere fast. I chose Mechatronics because of the idea that mechatronics is the future of several different vocations merged together; it offers a lot of diversity and flexibility to learn numerous skills. This field allows me to feel like I am part of making something of more permanent value. Mechatronics is the future of the manufacturing world and the gateway to where I ultimately want to end up which is being an engineer."

#### How my training furthers my overall professional development:

"At the beginning of my apprenticeship I was a layman; and the training that I have received starting from day one is crucial for my success and allows me to excel professionally. STIHL Inc. has some

of the greatest training facilities, with state of the art technology, to help us become better in our field. However, it is not only access to excellent facilities and training classes that helps me succeed, it is the availability of a vast experience pool which I can tap into when I have questions or just want to discuss my ideas. STIHL Inc. has master tradesmen, some with over forty years of experience, that provide on the job training which gives me skills and experience that I would not gain in a classroom. The training I receive at our training center: the specialized Festo, Siemens, and Fanuc classes we receive, the thousands of hours of hands-on technical and on the job training, and our advanced college courses all give me the basis I need to be successful and advance professionally. Without these resources, there would have been no way for a novice like me to last for more than a few weeks in this fast paced highly robotized industrial environment."

# Moderate-Growth Economic Activity in the U.S. Industry Could Deliver a Stimulus for Investments into Machinery in 2016

By Christian Janetzke, Germany Trade and Invest · Translation from German by Sandy Jones, GACC

In the fall of 2015, many indicators for manufacturers of machines destined for the industrial sector point towards a moderately positive market environment in the U.S. in the medium term. In the first two quarters of 2015, a decrease in industrial production was noticeable. In the 3rd quarter, a trend reversal was possible thanks to an increase of 1.8% projected onto the year as a whole and compared to the quarter of the previous year.

In 2016, the growth is said to slightly accelerate with a plus in industrial production of 2.1%. With this, the output would approximately reach the pre-crisis level of 2007 again. Private gross fixed capital formation (without residential construction) is expected to increase by 4.2% in 2016. Besides an uplift in consumer behavior, an urgent need for modernization in many areas of industrial assets could make for growing investments (into machinery amongst other things).

Within the industry sector, the automotive sector is the most significant buyer for a multitude of machine segments. Compared to the same timeframe of the previous year, approx. 3.8% more passenger cars as well as light vehicles up to 6.3 t came off the assembly line in the first three quarters of 2015. The majority of industry experts expect moderate growth again for 2016. In the entire automotive sector (including heavy

trucks and the partial segment of passenger vehicles) the Manufacturers Alliance for Productivity and Innovation (MAPI) predicts a production plus of approx. 7% for 2016.

With the aviation industry, another important consumer sector is on a growth curve. According to a forecast of the Aerospace Industries Association, value-based deliveries of the sector's businesses in the civil aviation industry are to increase by 6.2% in 2015. The positive trend is said to continue in 2016. Increased demand in machinery is to be expected from the very wide network of suppliers of Boeing.

## Good prospects for metal-processing machines

According to the U.S. Census Bureau, in the first three quarters of 2015, the orders for metal-processing machines grew by 12.4% to USD 25.9 billion compared to the same timeframe of the previous year. The signs bode well for the order value to also increase in 2016. According to the Federal Reserve, capacity utilization in the metal-processing industry was at a high of 80.7% in the third quarter of 2015.

According to forecasts of MAPI, the production of metal products in the country will increase by some 3% in 2016. The market research institute IBIS World predicts a growth in

value-based demand for metal-processing machines of 3.4%. According to the market research institute Gardner Business, an especially good sales potential is to be expected in the area of milling machines (and here especially in the area of high-speed cutters).

## Machine tools segment waiting for trend reversal

Not all segments of metal-processing machinery have recorded growths on the U.S. market in the course of the year up to now. According to a survey among member companies of the Association for Manufacturing Technology (AMT), orders of machine tools decreased by 10.0% to USD 2.7 billion in the first eight months of 2015.

According to expectations of the AMT, the market for machine tools is likely to go through the trend reversal in the second half of 2016 in line with the economic recovery of the industry and increasing capital investments in the automotive industry. According to information of IBIS World, tool and die shops will make significant investments into their machinery in 2016. According to a survey of the consulting firm Harbour Results Inc., especially high-quality machines such as five-axis machining centers and machine tools with computerized numerical control (CNC machines) are near the top on the shopping list.





### About the Author

#### Christian Janetzke

Director, Germany Trade and Invest  
101 Montgomery Street, Suite 2050  
San Francisco, CA 94104  
T 212-584-9717

>> christian.janetzke@gtai.de

>> www.gtai.de

### Industrial machines are likely to be in higher demand in 2016

Slow dynamics in a multitude of industry sectors in the first half of 2015 has heavily affected suppliers of industrial machinery. Corresponding equipment is used in the manufacturing industry outside of metal processing. Industrial machinery orders fell in the first three quarters of 2015 by 9.3% to USD 24.6 billion compared to the same timeframe of the previous year. The paper, printing and plastics industries have announced a relatively low demand in new machinery in this timeframe.

Market experts expect demand to increase in the medium term. The food industry is likely to expand its deliveries, and the textile and plastics industries are said to expand their investments into machinery. According to forecasts of MAPI, the production of industrial machinery in the United States will increase by some 9% in 2016.



## GTAI INDUSTRY TALK

Detailed industry reports, written by the U.S. correspondents of German Trade and Invest (GTAI), the official German foreign trade and inward investment agency.

### Hopes of increasing momentum on the import market

After strong growth in the area of metal-processing machines in 2014 to a record level of some USD 18.8 billion, a significant slump in the first three quarters of 2015 was registered. Germany is the second-most important supplier after Japan. In the course of decreased domestic demand, the growth rate of the previous year could not be upheld for industrial machinery. Germany leads the import market in the segment of industrial machines. For example, the machine building industry "Made in Germany" claims a top position, amongst others, in the segments of plastics and rubber machinery as well as foodstuffs and packaging machinery.

Due to the expected rise in demand for industrial and metal-processing machinery as well as the U.S. dollar

likely continuing to be strong, market experts expect moderate import increases in both segments in 2016. IBIS world predicts a growth of 1.6% in value-based imports of metal-processing machinery.

### Modernization of machinery in the industry

Industry experts see the lack of skilled labor in the manufacturing industry as a major growth driver in the medium term regarding the demand for flexible, automated machines. Requirements for industrial and metal-processing machinery to adapt to changed production requirements in a self-guided fashion (material, speed) increase at a tearing pace. Integration of various machining processes such as turning, milling and grinding in a machine for the processing of the respective materials is gaining relevance. ■

### Imports of metal-processing and industrial machinery

(NAICS 3332 and 3335, in USD million)

NAICS goods number	Description of goods	2014	Changes 2013/14 (in %)	1st-3rd quarter 2015	Changes 1st-3rd quarter*
3335	Metal-processing machines	18,851	14.5	14,270	-12.8
	from Germany (2nd)	2,290	5.5	1,693	-1.8
3332	Industrial machines	12,492	7.2	9,540	0.0
	from Germany (1st)	2,382	6.9	1,783	-2.1

\* Compared to the timeframe of the previous year in % Source: U.S. International Trade Commission

WASHINGTON  
★ UPDATE ★

NEWS FROM INSIDE THE BELTWAY

## Eye on Skills in DC

by Kevin Heidenreich (RGIT)

**F**or German and US companies the Skills Gap is an ongoing issue. For years the American labor market registered a shortage of skilled workers in the manufacturing sector. Companies are concerned about the discrepancy between job skill requirements and skills acquired in schools. In recent years, Congress and the White House started several initiatives to support vocational education and apprenticeships to address this gap.

Late last year, business representatives and politicians met at the office of the Representative of German Industry and Trade (RGIT) in Washington, DC, to talk about the success and future of German-American apprenticeships. The event focused on the advantages of the German dual training system and

the need for a comparable system in the United States.

The keynote speech was delivered by Congresswoman Virginia Foxx (R-NC), Chair of the Subcommittee on Higher Education and Workforce Training. She made the case for expanding vocational training in the U.S. and talked about her efforts in passing the Workforce Innovation and Opportunity Act, which aims at modernizing the nation's workforce development system and filling the skills gap.

### German-American Apprenticeships

Another highlight was the presentation of various regional initiatives, which have been established with the support of the German American Chambers of Commerce (GACC) in the last couple of years to address the issue of skills shortage. More and more subsidiaries of German companies in the US are currently beginning their own vocational training programs in cooperation with local community colleges in order to meet labor demands.

Big companies like Siemens and Volkswagen established successful trainings program after the German model in the US. But in recent years, many small and midsize companies from Germany, sometimes together with US companies, created regional initiatives to solve



Congresswoman Virginia Foxx (R-NC)

the problem of the shortage of skilled labor. The success of these programs can in particular be attributed to the work of the GACCs and their effective coordination between the education and employment systems.

The following panel discussion featured Deputy Secretary of Labor, Christopher P. Lu, who underpinned the keen interest of the United States in fostering company-driven education models and discussed with government and business representatives how to expand apprenticeship programs.



Deputy Secretary of Labor Christopher P. Lu

# RGIT REPRESENTATIVE of German Industry + Trade

## Government Activities

Consequently, in recent years the interest of the United States has risen sharply on business-related educational opportunities. Therefore the ministries of Economy, Labor and Education of the United States and the Federal Republic of Germany, signed in June 2015 a joint declaration of intent on cooperation in vocational training. Prior to this, the German Embassy in Washington has launched their successful “Skills Initiative”, a great marketing tool to show the benefits of dual vocational training.

One of the central tasks for the future is to improve the reputation of apprenticeships in the US. The US Department of Labor has brought to life a program called “Leaders of Excellence in Apprenticeship, Development, Education, and Research (LEADERS)” to share innovative ideas and present role models of dual training. RGIT is also part of this initiative and will contribute through various events to educate and promote apprenticeships.

This point goes hand in hand with sustainable financial support. In 2015 President Obama announced grants totaling 175 million US-Dollar for training programs and regional initiatives. In some US states, companies with apprenticeship programs receive tax benefits, which can be an



*Kevin Heidenreich, Deputy Representative of German Industry and Trade*

important incentive. But in the long run it's the companies who pay for the programs, tuitions and of course wages for the apprentices.

## Future of Apprenticeships

Numerous notable successes of regional initiatives show that the dual training system works in the United States and may reduce the American lack of skilled workers. The goal is not just to copy the German model of success, but to create conditions for effective coordination between the education and employment system within the given structures and opportunities.

While the regional approach has been proven through numerous

examples, it should not be about attracting as many students in order to increase the quantitative importance of dual training. Only through continuous and healthy growth, it will be possible to establish high-quality vocational programs that encourage companies and trainees alike.

In addition to the interaction between the individual interest groups, it is particularly important to communicate the benefits of dual vocational training. In DC and throughout the US, companies and politics work together to ensure that the training is understood not just as a profession, but the beginning of a career. ■



## Gerner Kronick + Valcarcel, Architects, DPC

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**F**ounded in 1995, GKV's three original principals, Randy Gerner, AIA, Richard N. Kronick, AIA, and Miguel Valcarcel, AIA, have been collaborating for over 32 years. Principals Benita Welch, AIA, Joe Barbagallo, AIA, and Michael Fontaine, AIA, round out a staff of 60. Presently, the firm has completed work on over 40 million square feet of space.

Gerner Kronick + Valcarcel, Architects sees each new project as an exciting challenge. Instead of simply maintaining a specific aesthetic throughout our Work, we take our design cues first and foremost from the needs and identity of our Client. We then strive for an optimal relationship within our client's program and its relationship to the site or existing conditions, the climate, and the local culture. This helps us to establish respectful guidelines with relation to context, scale, site, detail and materials for each project.



*Gerner Kronick + Valcarcel, Architects, DPC Staff*

Top GKV projects have been featured in Architectural Digest, Interior Design, Interior Design's Best of Hospitality, The New York Times, Interiors, Architectural Record, Contract Design, The New American Apartment, Building Design and Construction and Real Estate Weekly. The firm has also garnered multiple industry awards for outstanding residential and commercial design.

One of our exemplary projects hailed in Interior Design as a "sophisticated, ecofriendly interior that capitalizes on natural illumination and 360 degree views," consists of a 160,000 square foot office fit out for the German Bank West LB.

Encompassing the top 3 floors of New York City's 7 World Trade Center, West LB encompasses an open layout design with private offices located along the interior. Utilization of an open layout promotes a communal work environment, provides light and openness to the space while also taking advantage of the spectacular views.

Working with West LB for the interior design of the space, GKV utilized a large art collection of modern and contemporary works from Dusseldorf to create a high-end aesthetic for the New York Headquarters. The reception area contains one of these pieces, two cogwheels

which stand across from the reception desk facing the waiting room.

One of West LB's top priorities was energy efficiency in their New York Headquarters. In response GKV designed each step of the space with sustainability in mind earning West LB a Platinum LEED certification. ■

#### Contact:

**Gerner Kronick + Valcarcel,  
Architects, DPC**

443 Park Avenue South,  
New York, NY 10016

Tel. 212-679-6362

Fax. 212-679-5877

>> [contact@gkvarchitects.com](mailto:contact@gkvarchitects.com)

>> [www.gkvarchitects.com](http://www.gkvarchitects.com)



*Reception area designed by GKV Architects*

# New Business Development: The Value of Social Media

By Katrin C. Lieberwirth

**S**ocial Media is innovating Marketing and Sales. Demonstrating to current and prospective clients how its effective and strategic use can support their business and corporate branding objectives is a core focus for many of our activities at Stanton Public Relations & Marketing.

Often times, this entails coaching and encouraging management to move beyond traditional (or “safe”) communications strategies and tactics and engage in the use of social media channels (such as LinkedIn, Twitter, Facebook or YouTube, etc.) for marketing corporate successes, news or perspectives. However, to fully harness the power of social media for an integrated marketing communications program and to help a firm extend its reach and build heightened, positive market awareness with key audiences, a targeted, tailored and proactive approach is needed.

While some businesses – in particular in the financial sector – have been slower to embrace and leverage social media for the benefit of generating visibility with relevant audiences, we have been able to demonstrate the value of tailored programs that translate into meaningful

results: New business leads, with potential to convert into new clients. It comes as no surprise that this is when you get executives to listen, including the fiercest skeptics of social media.

When discussing social media with management, what raises red flags with them, and what social media approaches have delivered value?

As a starter, there is no one-size-fits-all approach to building market awareness through social media. Social media outreach,

if unleashed without a strategic approach and not fully integrated into a corporate program, can lead to adverse results. Its viral nature, the relative lack of control over dialogue unfolding across social media platforms, and potential negative exposure are a risk and concern for corporate brands. Further key considerations include regulatory constraints and a firm’s ability to support an ongoing integrated communications program inclusive of social media. Importantly, corporate business objectives vary from firm to firm.





With the right approach, however, significant benefits can be derived from leveraging social media for marketing and sales efforts, including lead generation. According to industry experts, social media has a 100% higher lead-to-close rate than outbound marketing.

Social media is also a useful tool to learn about your audiences. Typically, social media posts or campaigns prompt instant feedback, lending insights into customers' attitudes, valuable new contact information and market intelligence. If used strategically, posts can help strengthen traffic to a corporate website, in

turn leading to new inquiries about the firm's experience and capabilities as well as the development of new business relationships.

Furthermore, social media can significantly enhance content marketing initiatives aimed at driving visibility with customers. The reasons are obvious: Provide rich, insightful and timely content that gets your audience to listen and weigh in. According to research firm Demand Metric - per dollar spent,

Per dollar spent,  
content marketing  
generates  
approximately  
three times  
as many leads  
as traditional  
marketing,  
at about  
60% less cost

content marketing generates approximately three times as many leads as traditional marketing, at about 60% less cost. Social media, if strategically deployed, can meaningfully extend marketing communications efforts.

For example, consider an executive thought leadership piece supported by insightful data or a video interview that -- on the back of a corporate news event -- can be pushed out via LinkedIn, YouTube or Facebook (depending on your target audiences), potentially leading to inquiries from industry peers or contacts looking to

learn about your firm. Links embedded in materials can help increase traffic to a corporate website. Activities can be coupled with brief posts to Twitter or LinkedIn to stimulate discussion.

As with all efforts, it is important to demonstrate success. New business leads as well as positive feedback from industry contacts have generally been the leading factors for management to reconsider traditional marketing and sales approaches. ■

### About the Author



Katrin C. Lieberwirth is a Vice President at Stanton Public Relations & Marketing, a full-service strategic communications firm.

We bring a strong and successful track record in supporting mid-sized and global firms with corporate, financial, and B2B communications. We typically act as an integrated communications partner and strategic counsel to clients across a broad spectrum of vertical sectors, including the financial industry.

Ph: +1 646-502-3548

>> [klieberwirth@stantonprm.com](mailto:klieberwirth@stantonprm.com)

#### Stanton PR & Marketing

880 Third Avenue  
New York, NY 10022

Ph: +1 212-366-5300

>> [www.stantonprm.com](http://www.stantonprm.com)

>> [@Stanton\\_PR](https://www.linkedin.com/company/stantonprm)

# The One Thing Many Accountants Aren't Equipped to Address – but Should Be!

By Mathew Heggem

**F**rom tax regulations and legal challenges to cultural differences and language barriers, numerous hurdles need to be cleared when bringing your business to the U.S. One task that absolutely cannot be rushed is vetting your accounting team.

With many options available to today's entrepreneur, there's little doubt you can find an option to fit your needs. But that doesn't mean you should close your eyes and pick

the first name in the Yellow Pages – nor should you take the first name suggested by a colleague.

You need to do your homework to ensure the accountant you partner with is going to provide the highest level of service possible for your startup. Cloud-based technology is transforming the landscape at a rapid pace – it's what makes this industry so challenging in the U.S.

Today, your accountant should be

concerned not only with taxes, but also with how critical data will flow through your company. To that end, nothing is more crucial to business operations than proper accounting technology. If you don't hire an accountant who's up-to-date on it, you're likely putting your money in the wrong hands.

So as you vet potential hires, I urge you to ask this simple question: "Do you know what digital plumbing is and how it will impact my business?"

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## Connecting the Components of Your Company

As more and more businesses realize the value of mining the data they harvest, it becomes even more important to maximize its value by using it to drive business decisions. In the accounting world, this is where digital plumbing becomes relevant.

You see, digital plumbing fits into the overall accounting ecosystem (i.e., the people, practices, and products that make up the industry landscape). Through the use of digital plumbing, these layers will move in sync to power the entire system.

### Digital Plumbing:

Want to learn more about digital plumbing and its effect on the modern accounting ecosystem?

Download our whitepaper online at:  
>> <http://bit.ly/DigitalPlumbing>

Think of it this way: Your business will likely use a number of providers: Bill.com for managing payables, QuickBooks or Xero for your general ledger, FreshBooks for invoicing, Shopify for e-commerce, etc. Proper digital plumbing connects all these systems together by feeding the information from

different sources exactly where you need it to be – not only among your financial systems, but also throughout your entire organization.

As a result, your accountant no longer has to manually sort through piles of disconnected data and instead can focus on taking your company one step closer to #Zero-DataEntry.

Traditional accountants who balk at the idea of digital plumbing or, worse, haven't heard of it won't propel your business into the future and will actually hold it back from progressing altogether. If you encounter this during your process, it may be time to move on. The accounting industry is transforming in the U.S., and your accountant needs to add value well beyond a few good tax tips.

Your vetting process should, of course, be comprehensive. Above all, though, the accountant you choose must embrace digital plumbing and have a clear perspective on how technology is transforming the industry. With multiple platforms and tools available for companies to use, this method of streamlining access and improving overall functionality is critical. ■

## About the Author



Mathew Heggem is the CEO of a New York City-based accounting practice, SUM Innovation. As a 15-person team, SUM Innovation is on a mission to transform its clients' businesses by empowering entrepreneurs and CEOs with the financial data they need to make smarter growth decisions. Mathew is the founder of the #SUMTech Summit and the #AccTech Cooperative meetup group in NYC, which explores the intersection between accounting, technology, and entrepreneurship. In 2015, he was recognized as one of the CPA Practice Advisor's 40 Under 40, and his firm was a recipient of Smart-CEO's Corporate Culture Award.

Learn more about SUM Innovation at:

>> [www.suminnovation.com](http://www.suminnovation.com)



# GACC Midwest Shares Expertise about Skills – in the U.S. and Worldwide

*By Jasmin Welter, GACC*

## **Bold Bets: The Future of Manufacturing**

In November 2015, the Atlantic, a nationally renowned editorial magazine, invited GACC Midwest to participate in their Bold Bets: The Future of Manufacturing event, hosted in partnership with Siemens. Our Skills Director Mario Kratsch was invited to share our GACC Midwest leadership in the field of skills as a panelist; and he was in good company: After introductions by Margaret Low Smith, President, Atlantic-LIVE and Eric Spiegel, President and Chief Executive Officer, Siemens USA, Chicago Mayor Rahm Emanuel delivered a keynote. Mario introduced the German dual vocational training model on the panel on Building a 21st Century Workforce and discussed its benefits with Linda Holmes, Senator and Chairperson, Committee on Commerce and Economic Development, Illinois State Senate as well as Jorge Ramirez, President, Chicago Federation of Labor.

## **The Need for Proactive Companies**

The panel discussed local and national efforts to improve manufacturing skills and the workforce, and looked at what advancements



A video of the panel can be accessed on our website: >> [www.gaccmidwest.org/skills](http://www.gaccmidwest.org/skills)

will set the stage for the future of manufacturing. All panelists agreed that, when facing challenges in recruiting employees, companies have to become active in shaping their own workforce. Based on industry needs, GACC Midwest developed their ICATT training program together with several SMEs to create a program that specifically fits their needs.

## **Conference on Dual Vocational Training Abroad**

Just one month later, in December 2015, GACC Midwest was invited to share more of their expertise in the

field of skills as the DIHK in Berlin hosted their annual Conference on dual vocational training abroad. The conference aimed at ensuring a global standard for educational programming throughout the AHK network. The meeting was also conceptualized to promote the cooperation between IHKs, AHKs and DIHK when it comes to the “export” of the German dual vocational training model. GACC Midwest, along with the sister chambers in the US, are one of the leading AHKs in developing and implementing those programs for single companies and company clusters.

When facing challenges in recruiting employees, companies have to become active in shaping their own workforce.

### Global Standards for Training

The German American Chambers of Commerce influenced this group's discussion, which developed world-wide standards when it comes to AHKs being involved in German style dual training. This is to ensure that the same standards apply whenever it comes to dual vocational training. In this regard, the AHK network ensures that companies can rely on the same quality provided by AHKs whether in the US, Mexico, Portugal or any other country. The group also developed a handbook with guidelines regarding the establishment of AHK-organized dual training programs abroad.

During this week, the GACCs also shared their expertise at this conference and in addition attended meetings on several topics, such as the annual meeting of the "Steuerungsgruppe Berufsbildungsexport" at DIHK in Berlin.

### Finding Global Solutions for Common Challenges

Experts in dual vocational training from different IHKs and AHKs got together to learn more about the following topics: How do you organize a final PAL examination for apprentices? How do you build a new apprenticeship program?

Questions about the local adaption of training regulations and curricula were also discussed. The overall goal of these discussions is to come up with ideas and best practices as to how IHKs, AHKs and DIHK can solve training challenges for companies around the world.

Back in the US, the GACCs are facing an ever increasing demand of companies for our training models. In addition to GACC Midwest's current involvement in the Mechatronics Technician track of the MAT2 program in Michigan, preparations for additional summer 2016 exams are on the way; starting with the formation of GACC Midwest's exam board for Technical Product Designers just recently. Exam preparation has also

started for the KY FAME program in Kentucky, where GACC Midwest's exam board prepares the examinations for 40 students in 2016 and is looking forward to 170 participating students in 2017. Wisconsin based companies are looking into GACC Midwest's ICATT program and a first cohort of apprentices is going to start in Wisconsin in 2016 too.

GACC Midwest is looking forward to expanding their skills activities with a growing team in 2016 and beyond. ■

Stay tuned for more news regarding our skills program ICATT, the DoL funded IAAC, and further initiatives.

>> [www.gaccmidwest.org/skills](http://www.gaccmidwest.org/skills)

>> [www.gaccsouth.com/en/services/vocational-education-and-training/](http://www.gaccsouth.com/en/services/vocational-education-and-training/)



# German Accelerator New York Captivates the NYC Startup Scene For a Third Time



David Keil, Business Development at favendo



Konrad Gulla, Founder and CEO of Keeb

**F**or the third time this year, Captivate took over the German – American entrepreneurial scene in New York City. In collaboration with the German American Chamber of Commerce (GACC) and support from community partners German Center for Research and Innovation (GCRI), the German Consulate General in New York as well as NYU Tandon School of Engineering, German Accelerator New York welcomed over 90 guests from the NYC startup and innovation community. The event was hosted at Rise New York and featured startups that have recently completed GA's three-month acceleration and immersion program. This time, the event's focus was geared to the pitches of the recent program graduates as well as one alumnus company from German Accelerator Silicon Valley:

**favendo** helps brick-and-mortar retailers increase sales through a powerful system providing indoor location-based services to shoppers and in-depth analytics for retailers.

**Nightadvisor** empowers venue managers to intelligently create and manage automated ad campaigns with just one simple log in. Being both, a B2B tool for venue managers and a location-based B2C nightlife platform for users, Nightadvisor's customers benefit from extensive

data that strongly increases their marketing efficiency and gives them a deeper understanding of their target audience.

**Keeb** is an enterprise-level, knowledge curation product – a SaaS discovery engine that increases worker productivity by more than 20%. It is a Lotus Notes reinvented for the Internet, a Pinterest platform

## About German Accelerator:

The German Accelerator is a growth acceleration program that supports German startups from ICT related sectors to enter the U.S. market. It provides startups with hands-on mentoring and office space at its locations in Silicon Valley, San Francisco, and New York City. German Accelerator identifies and selects the most promising German startups and assists them in their pursuit of becoming category leaders with lasting competitiveness and success in the global market place. The accelerator's vision is to establish a permanent bridge between Germany and the U.S. that facilitates transatlantic startups, provides inspiration and drives demand, innovation, research and development in Germany.

Participation in the German Accelerator program is free of charge for all selected companies. For more information and to submit an application visit  [>>germanaccelerator.com](http://>>germanaccelerator.com) engage on Facebook or follow us on Twitter.





# GERMAN ACCELERATOR

for corporate knowledge, and an Evernote for the enterprise. Finds hidden information, eliminates duplicate research, automates the "searching, saving, and sharing" of business intelligence.

After each pitch the judge panel consisting of Jessica Peltz-Zatulove (Principal at kbs+ Ventures), Mitchell Kleinhandler (Venture Partner at Scout Ventures) and Deepen Parikh (Venture Partner at Interplay Ventures) provided immediate feedback for the startups' products and their success potential in the U.S. market.

In addition, German Accelerator New York was delighted to welcome John R. Patrick as guest moderator for this quarter's Captivate. Dr. Patrick was formerly vice president of Internet technology at IBM and a founding member of the World Wide Web consortium at MIT. After a short introduction by James Kollegger, CEO of German Accelerator New York, John entered the stage and shared his insightful perspective on the future of digital technology.

During and after the pitches the audience had the chance to vote for their favorite pitch of the night. The winner of the evening got to pick one of three prestigious prizes: A conference ticket of his choice, one full day of mentoring, or a round

trip flight from Germany to NYC. This night's award went to Konrad, CEO of Keeeb, who happily accepted the award.

The next edition of Captivate events will take place on March 22 (New York City) and on March 24, 2016 (San Francisco). ■



*Participants of German Accelerator New York's third edition of Captivate – Konrad Gulla (Keeeb), Lisa Gradow (Nightadvisor), Johannes Herzer (Nightadvisor), Lukas Schwoebel (favendo), Anna Keil (favendo) and David Keil (favendo) (l to r)*

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## Anika Austin

Manager, Membership & Events  
GACC New York



**From:** Cologne, Germany

**Interests:** Traveling, arts, photography

**Past Career:** International PR Management at GERRY WEBER International AG

**Contact:** Tel: (212) 974-8841

>> [aaustin@gaccny.com](mailto:aaustin@gaccny.com)

>> [www.gaccny.com](http://www.gaccny.com)

## What do you like best about your job?

What I love about my job is that I am working with companies from every imaginable sector – no day is ever the same. Each day I am presented with new challenges and situations which really help me to stay focused and interested. I also enjoy being able to be creative in terms of developing new event ideas and continually looking for new formats and benefits to make the GACC a valuable institution for our members. In a nutshell – my job at the GACC perfectly combines my passions and interests: Meeting and connecting people, working in an international environment and the creative aspect of planning and producing multiple events in a fast paced area.

## Most Inspiring Projects?

There are a lot of truly inspiring projects that we are working on, but one that stands out for me is our Step NYC program that gives German startup companies the opportunity to come to New York, meet Business Angels and

VCs and get first practical business experiences on the U.S. markets. In past programs, I have met many inspiring and innovative entrepreneurs and it's great to track their further development and eventually see them successfully expanding to the U.S. Market. Another inspiring project is our Women in Business Forum – a networking event series that we organize together with other European chambers focusing on professional women's issues featuring high-caliber female business leaders.

## Upcoming Project?

We have many exciting events coming up in the next months. For example our New Year's Reception Luncheon in the middle of January – our first annual highlight event where more than 150 members of the German Chamber will gather at the Harvard Club in New York. At the end of February another startup group is coming to New York and also we are working on some new event concepts for 2016! ■

# Welcome, New Members!

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 <b>Event Calendar</b> January 7 – March 16		<b>January 7</b> Luncheon & Discussion: Economic Transformation in East Germany 25 Years after Unification 	<b>January 7</b> German Heritage Night @ PHL 76ers	<b>January 7</b> Networking & Discussion: Economic Transformation in East Germany 25 Years after Unification	<b>January 8</b> New Year's Reception
<b>January 13</b> New Year's Reception and Luncheon	<b>January 14</b> New Year's Reception	<b>January 19</b> New Year's Reception	<b>January 20</b> European Business Networking 		<b>January 28</b> German American Business Stammtisch
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	<b>January 28</b> The Future of Transatlantic Trade with EU Ambassador 	<b>January 28</b> New Year's Reception	<b>February TBA</b> MI Chapter: Winter Networking	<b>February TBA</b> HR Circle	<b>February 1</b> 9th Women's Series: Women in Entrepreneur- ship
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<b>February 4</b> 2016 German American Business Outlook for the South	<b>February 10</b> Luncheon Series 		<b>February 11</b> "Doing Business in the U.S." Panel Discussion & Reception 		<b>February 17</b> European Business Networking
Held by GACC South Atlanta, GA <a href="http://www.gaccsouth.com">www.gaccsouth.com</a>	Held by GACC Midwest Schaumburg, IL <a href="http://www.gaccmidwest.org">www.gaccmidwest.org</a>	Held by GACC South Atlanta, GA <a href="http://www.gaccsouth.com">www.gaccsouth.com</a>	Held by GACC South Atlanta, GA <a href="http://www.gaccsouth.com">www.gaccsouth.com</a>	Held by GACC Midwest Chicago, IL <a href="http://www.gaccmidwest.org">www.gaccmidwest.org</a>	Held by GACC Midwest Chicago, IL <a href="http://www.gaccmidwest.org">www.gaccmidwest.org</a>
<b>February 22-26</b> Energy Efficiency in Industry Business Delegation 		<b>February 23</b> Energy Efficiency in Industry Business Conference 	<b>February 25</b> Hax'n Essen	<b>March 1</b> German American Hydropower Conference	<b>March 2</b> Step NYC Pitch Night
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<b>March 10</b> EACC Finance Forum	<b>March 13-18</b> Study Trip to Germany on Dairy 		<b>March 16</b> European Business Networking	<b>March 16</b> Midwest SME Forum & Members Meeting	
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# German American TRADE QUARTERLY

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## Atlanta

**German American Chamber of Commerce of the Southern United States, Inc.**  
1170 Howell Mill Road, Suite 300  
Atlanta, GA 30318  
T 404-586-6800 F 404-586-6820  
info@gaccsouth.com  
www.gaccsouth.com

## Chicago

**German American Chamber of Commerce of the Midwest, Inc.**  
321 North Clark, Suite 1425  
Chicago, IL 60654  
T 312-644-2662 F 312-644-0738  
info@gaccmidwest.org  
www.gaccmidwest.org

## Detroit

**German American Chamber of Commerce of the Midwest, Inc.**  
One Woodward Avenue, Suite 1900  
PO Box 33840  
Detroit, Michigan 48232  
T 313-596-0399  
info@gaccmidwest.org  
www.gaccmidwest.org

## Houston

**German American Chamber of Commerce of the Southern United States, Inc.**  
Houston Office  
1900 West Loop South, Suite 1185  
Houston, TX 77027  
T 832-384-1200 F 713-715-6599  
info@gacctexas.com  
www.gacctexas.com

## New York

**German American Chamber of Commerce, Inc.**  
80 Pine Street, 24th Floor  
New York, NY 10005  
T 212-974-8830 F 212-974-8867  
info@gaccny.com  
www.gaccny.com

## Philadelphia

**German American Chamber of Commerce, Inc.**  
200 South Broad Street, Suite 910  
Philadelphia, PA 19102  
T 215-501-7102 F 215-968-0973  
info@gaccphiladelphia.com  
www.gaccphiladelphia.com

## San Francisco

**German American Chamber of Commerce, Inc. Office for the Western United States**  
101 Montgomery Street  
Suite 2050  
San Francisco, CA 94104  
T 415-248-1240 F 415-627-9169  
info@gaccwest.com  
www.gaccwest.com

## Washington, DC

**Representative of German Industry and Trade**  
1130 Connecticut Ave NW, Suite 1200  
Washington, DC 20036  
T 202-659-4777 F 202-659-4779  
info@rgit-usa.com  
www.rgit-usa.com

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## Design and Production

**Thinkersdesign**  
328 Commerce Street  
Hawthorne, NY 10532  
T 914-741-0445 F 206-203-3640  
ideas@thinkersdesign.com  
www.thinkersdesign.com

## GAT Editorial Team

**Nicola Michels** GACC NY  
**Editor & Advertising Coordinator**  
T 212-956-1770 F 212-974-8867  
nmichels@gaccny.com

**Jan Vater** GACC NY  
**Editor**  
jvater@gaccny.com

**Stefanie Jehlitschka** GACC South  
pr@gaccsouth.com

**Sandra Jones** GACC NY  
sjones@gaccny.com

**Julia Prestel** GACC West  
jprestel@gaccwest.com

**Jayne Riemer-Chishty** GACC Midwest  
riemer-chishty@gaccmidwest.org

**Lydia Sarson** GACC NY  
Philadelphia Branch  
lsarson@gaccphiladelphia.com

**Jasmin Welter** GACC Midwest  
welter@gaccmidwest.org



Volkswagen Group of America with its five brands Audi, Bentley, Bugatti, Lamborghini and Volkswagen is a strong partner of the German American Chamber of Commerce.

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