

# Germany



## Opportunities in Germany

The top opportunities for U.S. exporters in Germany include:

- Computer Software
- Computer & Peripheral Equipment
- Drugs & Pharmaceuticals
- Medical Equipment
- Automotive Parts & Services
- Management Consulting Services
- Telecommunications Equipment
- Scientific & Laboratory Instruments
- Agricultural Sectors
- Biotechnology
- Renewable Energies

For further information, download the [Country Commercial Guide](#) in our [Salesforce Content Pack](#).

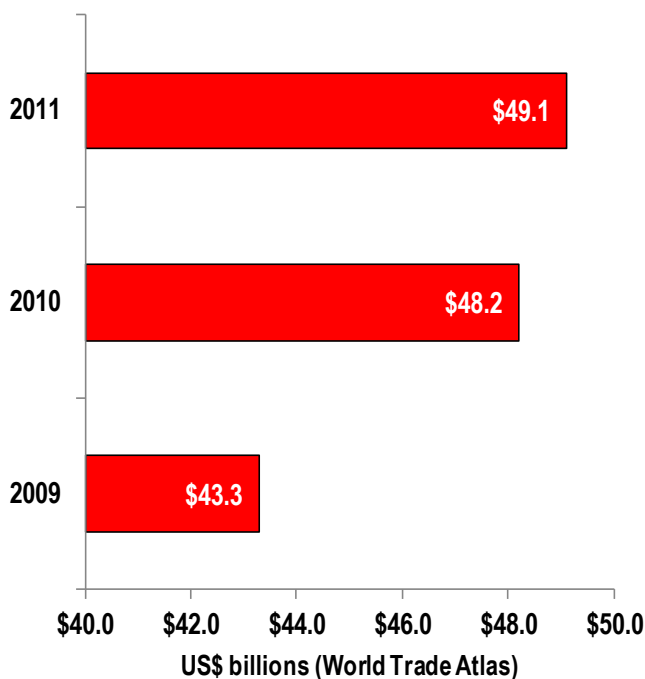
## Map of Germany



In 2011, Germany was the **#6** export destination for the U.S. and the **#5** destination for Virginia exporters.

(Photo: U.S. Central Intelligence Agency, Data: World Trade Atlas)

## Total U.S. Exports to Germany



## Top Virginia Exports to Germany

Export Category	2011	Change 10/11
Total Exports	\$ 867.6	2%
Industrial Machinery	\$ 259.6	22%
Electrical Machinery	\$ 147.1	4%
Aircraft, Spacecraft & Parts	\$ 117.2	12%
Plastics	\$ 56.8	102%
Organic Chemicals	\$ 38.6	-28%
Paper And Paperboard	\$ 37.2	-13%
Optical & Medical Instruments	\$ 35.3	-2%
Mineral Fuels	\$ 31.8	∞
Vehicles [not Railway]	\$ 20.9	8%
Misc. Chemical Products	\$ 14.7	39%

In US\$ millions (World Trade Atlas)

## Opportunities in Germany for Exporters

### Computer Software

Together with the UK, the German market for software represents one of the top software markets in Europe. A number of IT users postponed or cancelled some of the planned IT projects during the economic and financial turmoil and now have the need to upgrade or replace existing technology. Even though German software companies are very competitive, U.S. companies have a very strong position on the German market. Analysts estimate that approximately 75% of software products sold in Germany are supplied by U.S. companies (the majority of large U.S. software developers have subsidiaries in Germany). Top prospects for U.S. computer software exporters are in the following industries:

- Banking
- Insurance
- Medical
- Utilities
- Government/Public Sector

### Computer & Peripheral Equipment

The estimated total market for computers & peripheral equipment in Germany is \$46 billion. U.S. computer products are generally viewed as innovative, with superior quality and leading edge technology. Germany accounts for approximately one quarter of the EU's total IT market. Exports exceed production due to considerable amounts of imported equipment being directly resold abroad or included as value-added equipment in locally manufactured products that are exported. CeBIT tradeshow, hosted in Germany, is the world's largest trade fair for ICT products and services.

Top products in this sector include:

- Leading Edge ICT Products
- Servers
- Laptops
- W-LAN Equipment
- Memory
- Networking Products

This information is adapted from the U.S. Commercial Service. [Click here to view more export opportunities.](#)

### Scientific & Laboratory Instruments

After many years of growth, the German market for Scientific and Laboratory Instrumentation experienced a decline of approximately 8.5% due to the overall economic crisis. Industry insiders estimate that the market will grow again in the near future by a healthy 9%. Due to the strong export orientation of German manufacturers, the industry also depends greatly on imported technologies. Imports derive mainly from European countries (approx. 41%), followed by imports from the United States and Asia with 29% each. The U.S. should remain an important foreign supplier of Laboratory and Scientific Instruments to Germany. Top opportunities in this sector include:

- Pharmaceutical and Chemical Companies
- the Environmental Sector
- Chemical and Medical Laboratories
- Biotechnology

### Biotechnology

Germany, with the largest number of biotechnology firms in Europe, a world-class research infrastructure and internationally renowned scientists, has firmly established itself as an international medical biotechnology hot spot. Medical biotechnology is the most important segment in the German biotechnology arena. Medical biotech is largely characterized by small companies with less than 15 employees. While agricultural biotech applications (in Germany, often referred to as "green biotech") are still very controversial, demand for so-called "white biotechnology" applications, aimed at making industrial processes more eco-friendly, is on the rise. Medical applications, referred to as "red biotech," remain an important area for German pharmaceutical research and product development. Top opportunities for U.S. exporters include:

- Personalized Medicine & DNA-based tests
- Cardio-, Cancer-, Neuro-therapeutical products
- Peptides and Enzymes

## Market Overview

---

The German economy is the world's fourth largest and accounts for more than one-fifth of European Union GDP. Germany is the United States' largest European trading partner and is the sixth largest market for U.S. exports. Germany is the largest consumer market in the European Union with a population of over 82 million. An enormous volume of worldwide trade is conducted in Germany at some of the world's largest trade events, such as MEDICA, Hannover Fair, Automechanika, and the ITB Tourism Show. The volume of trade, number of consumers, and Germany's geographic location in the European Union make it a cornerstone around which many U.S. firms seek to build their European and worldwide expansion strategies.

Price is not necessarily the determining factor for the German buyer, given the German market's demand for quality. The German market is decentralized and diverse, with interests and tastes differing dramatically from one German state to another. Successful market strategies take into account regional differences as part of a strong national market presence. Experienced representation is a major asset to any market strategy, given that the primary competitors for most American products are domestic firms with established presences. U.S. firms can overcome such stiff competition by offering high-quality products, services at competitive prices, and locally based after-sales support.

The German economy is characterized by its small and medium-sized companies - approximately, 99% of all companies are Small & Medium Enterprises (SMEs). Most SMEs are family owned and have been passed from one generation to the next.

(United Kingdom Trade & Investment (UKTI), U.S. Commercial Service)

## Cultural Guide

---

- First names are rarely used in German Business relationships and should be used only after permission is given.
- Be direct. Small talk is fine, but preferably after business hours or when the contract has been signed.
- Meetings are generally more formal in Germany. You should shake hands with all those present.
- Never underestimate the importance of punctuality in German business culture. Arriving even five to ten minutes after the appointed time is perceived as late; a fifteen minute variance would be considered a very serious faux pas and could mean a shaky start to any potential business relations.
- Be prepared to make an appointment for most things. The preferred times for business appointments are between 10:00 a.m. and 1:00 p.m. or between 3:00 p.m. and 5:00 p.m. Also, avoid scheduling appointments on Friday afternoons, as some offices close by 2:00 p.m. or 3:00 p.m. on Fridays.
- Be patient but politely persistent in your negotiations. In order for negotiations to be a success it is important to be very well prepared for the first meeting. Technical data and prices are very often discussed right from the outset and you should be ready to talk about terms of any proposed collaboration from the word go.

**It is important to send the most senior manager that can be spared for the first meeting. Whoever is sent must be in a position to speak for the company in all matters and have the authority to make decisions on the spot.**

(United Kingdom Trade & Investment (UKTI), U.S. Commercial Service)

# Germany



Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including group market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: [www.exportvirginia.org](http://www.exportvirginia.org).

## Additional Resources

### Market Reports

[Country Commercial Guide Germany](#)

U.S. Commercial Service

[Country Commercial Guide European Union](#)

U.S. Commercial Service

[Doing Business in Germany](#)

United Kingdom Trade & Investment

[Ease of Doing Business Report](#)

World Bank

[Sector Opportunities in Germany](#)

United Kingdom Trade & Investment

### Website Links

[EU Standards and CE Marking Information](#)

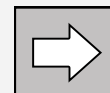
U.S. Commercial Service

[Tips for a Successful Tradeshow](#)

Info Canada - Small Business

[United States Embassy in Germany](#)

Click here to access market reports and data in our custom Salesforce Content Pack for Germany.



**Last Revised: May 3, 2012**

*Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*