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**Moderator questions in Bold,** Respondents in Regular text.

**KEY: Unable to decipher** = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Linda von Delhaes-Guenther: Hello to everybody and thank you for inviting us to talk in the Spotlight Germany webinar. My name is Linda von Delhaes-Guenther, I'm the Managing Director of the international consulting company, AHP International, and we have been consultants for German speaking European countries in the (mw 00.32) project since almost two years and this is why we are really happy to have the opportunity to present you our market.

Franziska Wegerich: Good day, my name is Franziska Wegerich, I'm Senior Manager and Consultant at AHP International for almost seven years now and look forward to deliver this webinar today and also work with all of you in the future, hopefully.

Linda von Delhaes-Guenther: Yes, who is AHP International? We are a consulting company, we are on the market since more than three decades and since then, we have been helping and assisting specifically small and medium sized enterprises in the internationalisation processes. We have helped small and medium sized companies to internationalise, to find the opportunities to find markets world wide. Yeah, let's come, now, to the market overview, the megatrends and the Covid-19 impact on Germany. Germany is, as you might now, already, Europe's strongest economy and one of the strongest economies worldwide. We are one of the export champions worldwide and the political leader of the European Union. The interesting thing about Germany is that we have about, yes, 3.5 million companies and out of those companies, the majority, so 99.5, are small and medium sized companies and we have a lot of hidden champions Germany wide. Germany is decentralised, we will talk about this later on. Hidden champion means companies that are market leaders in different segments but are not known because they are not producing the end product, they are producing components or sub-contracting products, right? And, they are really excellent and have-, yes, have a world leading position and they are all over Germany. Positive trade balance, which is really one core factor for the German economy. Yes, it has still been maintained during the Corona crisis, even if it has decreased, both imports and exports-, you'll see exports in the blue line and imports in the red line and the (mw 02.49) below them, but it has still has been maintained and this is really something that is really important to know, that global opportunities continue to be essential for Germany.

In June 2020, there had been issued a big stimulus package for two years of £130 billion Euro in Germany and it is interesting to know that 50% of this has been spent for general purposes, of course, of stabilizing the economy, ensuring employment and stability and support investments but a big part, also, has been spent to modernise the country and the economy. One is transition to e mobility so everything

centring around environment and the other one is digitalisation of the country. And, of course, some money has also been spent to better be protected against future pandemics and was spent in education and research and development. Let's come to the megatrends. Healthcare, stimulus and reshoring, digitalisation and environment.

Franziska Wegerich: So, of course, when looking at those megatrends, that Linda just mentioned and explained, we can also see that the new Government, that was just elected last year and, of course, now formed our new Government, which is also headed by the Green Party-, we can really see that sustainability and climate action referring to the megatrend environment and, of course, environmental friendly technologies and products and general concepts. Of course, digitalisation now and digitalisation in all different aspects of the daily life, so not only on, like, public services but also in education, healthcare and, overall, in the whole economy is very much pushed now with the new Government. Infrastructure and mobility, also referring, of course, to the environment but at the same time, looking at cities being very much crowded and few people live in rural and remote areas. There are new infrastructure and mobility concepts. Construction is also something forced a lot by the new Government, in terms of not only building more sustainable building but also in terms of building multi-purpose buildings, which was, of course, a megatrend but also became a push due to the whole Covid pandemic. The energy supply was definitely with the green deal, always a big topic in the last Government but, of course, with the new Government and the new Chancellor, as well as the new minister for economics and climate action. Energy, energy supply and renewable energies is a huge topic. So, this will reflect in different opportunities of market sectors, as mentioned, here, on the right side of the slide, but maybe let's have a look at the next slide because we wanted to, also, show selected key trends in certain industries but, also, to highlight again that there are megatrends that were already there but then, of course, the Covid pandemic gave a big push to this megatrend in addition to the ongoing process.

So, looking at healthcare and medical technology, of course, it was a trend before because of, as Linda mentioned, an elderly society and more chronic diseases but, nevertheless, there are different key trends, of course, in the healthcare and medical technologies industries. Looking at, for example, hygiene and disinfectant concepts for hospitals, for the point of care but, of course, also for the educational sector and the industry and companies, in general. The demand for personal protective equipment and disinfection solutions, as well as respiratory care is also still existing. Looking at the sector for ICT and, in general, IT and digitalisation solutions, this has been a megatrend but, of course, due to several lockdowns in Germany and in whole Europe in the past two years, this was also something that was highly pushed again by the Covid pandemic. Looking at the mechanical engineering industry, of course, the megatrend of restructuring value and supply chains was always there but at the same time, the Covid pandemic also pushed towards a reshoring and, of course, (mw 07.54) on the supply chain in order to be not so dependent from Asia, for example. But, in general, the term, 'Industry 4.0 or Industry of Things, Internet of Things.' Smart technologies and smart manufacturing for robots, cooperative robots named, 'Cobots.' Or any kind of AI technology was always there but, of course, in some markets and regions, there are different and own supply chains that are really increasingly built up in order to be no longer so dependent on imports or imports from far away markets. Which, of course, opens doors for companies, such as from Northern Ireland, to really enter the German market from Europe. Of course, due to the lockdowns and everything, the retail and e-commerce was highly digitised in the whole pandemic but, of

course, this trend for higher availability and more, yes, self checkout technology was already there.

Sustainable packaging solutions and, also, packaging machinery, therefore, is also very important as a key trend. As I mentioned before, mobility was always a big topic in the whole country but now, of course, with electro mobility and hydrogen and any kind of alternative drive technology and battery cells, it's definitely a key trend that we see arising. And, also for the maritime and in general transport logistics and infrastructure to really have the supply chains more stable and not as much disrupted as we all saw it in the last two years. Looking at, of course, the agriculture sector and Agriculture 4.0 also referring to this Industry 4.0, automation and digitalisation in the process is very important for improvement of productivity and, of course, again, the optimisation of supply chains. But, at the same time, we also see a lot of biotechnology and life signs and innovative crops and seeds also due to the fact of climate change and the new Government, also, of course, forcing more-, a more sustainable crops and seeds at the same time that also comply with our changing weather. Of course, Aerospace and MRO faced a huge push from the Covid pandemic, as well, not only for, of course, hygienic treatments for aerospace but also in terms of materials, lightweight materials and, in general, more sustainable technology. Logistics, I mentioned before, as well, and, of course, international freight from and to Europe because this whole supply chain and value chain topic was there. Renewable energies is, of course, more actual nowadays as we see our energy supply will be-, or might be disrupted but, in general, it's really also renewable energies within not only the residential use but, also, the commercial use in the industries looking at the European Green Deal.

Well, what does that mean for market and business development for the German market or entering the German market? Well, yeah, Germany's global footprint, let's look at this slide. I mean, Germany is more than ever dependent on exports and global opportunities. As mentioned before, also, by Linda, there is this trade surplus but, of course, Germany is more than ever dependent on global business, on global supplies but, also, on, then, the own exports. The fundamentals of doing business with Germany and the German business culture, that we will touch on in a minute, will still remain valid and are still in place but, and this is very important to mention here, it's more competitive than ever and there is, really, this-, yeah, outreach and some contacts remain harder to reach because there are less working hours, more strategic obligations and, of course, also, a lot of internal and, yeah, strategic discussions to be made on value chains and supply chains. Face to face meetings, however, are, of course, still essential for building trust and cooperating in a more complex environment and, of course, more strategic cooperation because, of course, Germans are still extremely risk averse. But, yeah, what does that mean? Having first meetings and presenting your company works well virtually, we all saw that in the last two years, and developing cooperations and joint projects work also well online. Sharing letters of intent, for example, signing NDAs or pre-contracts or trial orders is still possible, even without meeting a person face to face. However, to really close a deal and to really start a strategic cooperation and a long term business, the personal meeting is still essential. But, well, we see German companies are really open for win win proposals and these strategic long term cooperations despite the pandemic.

Linda von Delhaes-Guenther: Franziska, I think this is the slide you would show-, if you would have one

slide on the German market, this would be the one, right, to show, with the most important (talking over each other 13.59)

Franziska Wegerich: Yes, definitely and it's actually my favourite slide because the main important message on this slide is really the regional diversification in Germany because there is really no centre. Looking at France, for example, which is quite centred around Paris and maybe some industry in Lyon but in Germany, it's the opposite. There are different sectors in different regions and different federal states. Of course, you can see the strong federal state but at the same time, it's really-, there is no centre. The main important point, here, is looking, also, at the cluster map on the lower left side. Looking at where is your industry and your market segment represented and located in Germany. For example, the German automotive (mw 14.47) and supplier industry is quite dense in the west and south west, for example, and, of course, Bavaria but the golden rule, here, really is to know the landscape of your sector but, of course, that's also what we are helping in when supporting our clients entering the markets. But, looking at the next success factor, I think it's the people and the German people are quite-, yeah, maybe different to other European business characters.

Linda von Delhaes-Guenther: Now, if you look on one or two slides, at the Germans you have to know, that, if I should sum up the German business mentality, Germans are security driven, they are quality driven, they are number driven, (mw 15.36) driven. To give the German sense of security and reliability before then you come to pitching your product, you have to show him or her the quality, the technology and the experience and to show the reliability, of course, the tradition, the team, the international success and things like this. So, Germans very much want to know about do you have quality certifications? Do you have international business relations? Who is your business partner? You know, how traditional your company is, how experienced your team is.

Franziska Wegerich: So, this was it for today and we thank you for your attention and we look forward to any questions in the Q&A session. Captions by www.takenote.co