U.S. COMMERCIAL SERVICE
United States of America Department of Commerce

U.S. Country Commercial Guides

Germany

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U.S. Department of Commerce | International Trade Administration

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Doing Business in Germany

Market Overview

The German economy is the world's fourth largest and accounts for more than one-fifth of the European Union's GDP. Germany is the United States' largest European trading partner and the sixth largest market for U.S. exports. Germany's "social market" economy largely follows market principles, but with a considerable degree of government regulation and wide-ranging social welfare programs.

Germany is the largest consumer market in the European Union with a population of 82.3 million. The significance of the German marketplace goes well beyond its borders. An enormous volume of trade is conducted in Germany at some of the world's largest trade events, such as MEDICA, the Hannover Fair, Automechanika, and the ITB Tourism Show. The volume of trade, number of consumers, and Germany's geographic location at the center of the European Union make it a cornerstone around which many U.S. firms seek to build their European and worldwide expansion strategies.

As of June 2018, economic forecasters expect about two percent GDP growth for 2018 and a similar rate in 2019, a slight slowdown from 2017 but still above what many analysts consider Germany's long-term growth potential (c. 1.5%/year). Demand has begun to shift from exports to consumption and investment, which are projected to remain the main driving force for growth in the near-term. Despite budget surpluses and strong corporate profitability, investment (other than construction) remains somewhat subdued.

The labor market remained resilient during the economic and financial crisis and was stronger in 2017 than ever before. Employment in Germany has continued to rise for the twelfth consecutive year and reached an all-time high of 44.34 million in 2017, an increase of 638,000 (or 1.5%) from 2016—the highest level since German reunification (October 1990). As of April 2018, approximately 44.62 million people are registered as employed, 592,000 more persons than the 44.03 million registered during April of 2016.

Unemployment fell by more than 2 million since its peak in 2005, and reached in 2017 the lowest average annual value in 26 years. The number of unemployed stood on average at 2.5 million in 2017, down 158,000 from 2016, with an average unemployment rate of 5.7% (down 0.4 percentage points compared to 2016), according to the Federal Employment Agency (BA). Within the European Union, Germany has the second lowest youth unemployment rate (6.3% in 2017; European Union average: 10.9%).

Demographic changes and resulting labor shortages, regulation of the labor market, and higher energy prices due to the phase-out of nuclear energy in favor of renewable sources ("Energy Transition") are seen as factors that could dampen competitiveness. Despite these challenges and the risk of a global trade conflict, all economic institutes expect Germany's current economic upswing to continue due in part to higher government outlays.

Market Challenges

German policy poses relatively few formal barriers to U.S. trade or investment, apart from barriers associated with EU law and regulations. Germany has pressed the EU Commission to reduce regulatory burdens and promote innovation to increase EU member states' competitiveness. Germany's acceptance of the EU's Common Agricultural Policy and German restrictions on biotech agricultural products represent obstacles for key U.S. products. While not overtly discriminatory, government regulation by virtue of its complexity may offer a degree of protection to established local suppliers. Zealous application of safety and environmental standards can complicate access to the market for U.S. products. American companies interested in exporting to Germany should make sure they know which standards apply to their product and obtain timely testing and certification. Compliance with German standards is especially relevant to U.S. exporters, as EU-wide standards are often based on existing German standards.

Market Opportunities

For U.S. companies, the German market - the largest in the EU - continues to be attractive in numerous sectors and remains an important element of any comprehensive export strategy to Europe. While U.S. investors must reckon with a relatively higher cost of doing business in Germany, they can count on high levels of productivity, a highly skilled labor force, quality engineering, a first-class infrastructure, and a location in the center of Europe.

Market Entry Strategy

The most successful market entrants are those that offer innovative products featuring high quality and modern styling. Germans are responsive to innovative high-tech U.S. products, such as computers, computer software, electronic components, health care and medical devices, synthetic materials, and automotive technology. While Germany possesses one of the highest Internet penetration rates in the EU for private households, high-speed internet access for business is only average (and expanding such access is a priority of the current government). Multi-media, high-tech and service areas offer great potential. Certain agricultural products also represent good export prospects for U.S. producers. In many cases, price is not the overriding factor for German buyers, but quality and reliability.

The German market is decentralized and diverse, with interests and tastes differing from one German region 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 and services at competitive prices, and locally based after-sales support. For investors, Germany's relatively high marginal tax rates and complicated tax laws may constitute an obstacle, although deductions, allowances and write-offs help to move effective tax rates to internationally competitive levels.

Political Environment

Political Environment

For background information on the political and economic environment of countries worldwide, please click on the link below to the U.S. Department of State Background Notes.

For Germany specific information.

Selling US Products & Services

Using an Agent to Sell US Products and Services

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than EUR50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted (Commission Notice 2014/C 291/01).

Key Link

The EU also looks to combat payment delays. The new Directive 2011/7/EU covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:
Ombudsman
Europa Index

Establishing an Office

Anyone can open an office in Germany - irrespective of nationality or place of residence. There is no specific investment legislation in Germany, nor is there a minimum percentage of German shareholdings required for

foreigners. Investors can choose the most suitable legal form; i.e., a corporation, a partnership or conduct business via a German branch office.

Foreign companies with a head office and registered business operations outside of Germany can establish a German branch office. This business form is suitable for a foreign company wishing to establish a presence in Germany for the purpose of initiating business and maintaining contacts with business partners.

For more information see below:

Investment Guide

Data Privacy and Protection

As of 25 May 2018, the General Data Protection Regulation (GDPR) applies in the EU. The GDPR is a horizontal privacy legislation that applies across sectors and to companies of all sizes. It replaces the previous data protection Directive 1995/46. The overall objectives and underlying principles of the legislation remain the same. Businesses must inform consumers that they are collecting personal data, have a legal basis to process and retain the data.

However, there are significant differences in definitions of key terminology. The GDPR creates a number of new requirements for organizations that process EU individuals' personal data. Companies have an obligation to demonstrate their compliance, in part through several documentation obligations. Data subjects have a number of rights which include access, corrections, and erasure of their personal data.

The GDPR has extra-territorial reach, which means that it might be applicable to U.S. entities even if they do not have a physical presence in Europe. In that case, such organizations need to have a representative based in Europe, or in certain cases need to appoint a Data Protection Officer.

Fines in case of non-compliance can reach up to 4 percent of the annual worldwide revenue or 20 million euros – whichever is higher. Companies of all sizes and sectors should consider GDPR as part of their overall compliance effort with assistance of legal counsel.

The European Commission and Data Protection Authorities are releasing official guidelines to help companies with their compliance process (see resources below).

Note: the EU is currently updating its e-privacy legislation governing confidentiality of communications. This legislative instrument once enacted will add a number of requirements in addition to the GDPR. We encourage U.S. exporters to monitor this situation as it evolves through the EU legislative process.

For more information:

Full GDPR text

Official Press Release

European Commission guidance:

http://ec.europa.eu/justice/smedataprotect/index_en.htm

https://ec.europa.eu/commission/priorities/justice-and-fundamental-rights/data-protection/2018-reform-eu-data-protection-rules_en

Transferring Customer Data to Countries outside the EU

The General Data Protection Regulation (GDPR) provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders.

The GDPR (Chapter 5 - Article 44 onwards) sets out obligations on data controllers (those in charge of deciding what personal data is collected and how/why it is processed), on data processors (those who act on behalf of the controller) and gives rights to data subjects (the individuals to whom the data relates). These rules were designed to provide a high level of privacy protection for personal data, and were complemented by **measures**

to ensure the protection is maintained when data leaves the region, whether it is transferred to controllers, processors or to third parties (e.g. subcontractors). EU legislators put restrictions on transfers of personal data outside of the EU, specifying that such data could only be exported if "adequate protection" is provided.

The European Commission (EC) is responsible for assessing whether a country outside the EU has a legal framework that provides sufficient protection for it to issue an "adequacy finding" to that country. The U.S. has never sought to be found adequate by the EC. This means that U.S. companies can only receive personal data from the EU if they:

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or,
- Refer to one of the GDPR's derogations,

European Commission's webpage on transfers outside the EU and all mechanisms outlined below:

Data Transfers Outside of EU

Important note:

The legal environment for data transfers to the United States continues to evolve. Companies that transfer EU citizen data to the United States as part of a commercial transaction should consult with an attorney, who specializes in EU data privacy law, to determine what options may be available for a particular transaction.

About the EU-U.S. Privacy Shield

The EU-U.S. Privacy Shield Framework was designed by the U.S. Department of Commerce and the European Commission to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

For more information on the EU-U.S. Privacy Shield

For more information about other mechanisms of transfer, please refer to:

Transferring Personal Data from EU to U.S.

Cybersecurity

The European Network and Information Systems (NIS) Security Directive sets a minimum baseline of requirements to ensure better protection of critical infrastructures in Europe. The legislation targets three groups of stakeholders: 1. it sets basic principles for Member States for common minimum capacity building and strategic cooperation; 2. it directs operators of essential services (OES) and digital service providers (DSP) to ensure they apply basic common security requirements.

DSPs are broadly defined to include: online/e-commerce marketplace (including app stores); online search engine (with the exclusion of search function limited to a specific website); and Cloud computing services. NIS systems are considered the e-communications network, connected devices and digital data.

A DSP and an OES are expected to ensure, "the ability of NIS to resist any action that could compromise the availability, authenticity, integrity or confidentiality of stored or transmitted or processed data or the related services offered by, or accessible via, those systems." Member states must identify OES and establish security and notification requirements for OES and for DSP. The level of security expected from OES should be higher than the level expected from DSP, because of the degree of risk posed to their infrastructure. Among obligations for both OES and DSP are, to take technical and organizational measures to NIS risk management; to prevent and minimize the impact of NIS security incidents; to notify, without undue delay, incidents having a significant impact on the continuity of the essential services they provide.

This Directive has been adopted by the EU in July 2016. Member States had until May 2018 to transpose the Directive into their national legal framework.

Franchising

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU legislation, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation.

Direct Marketing

The EU has yet to adopt legislation harmonizing the direct-selling of consumer products. However, there is a wide-range of EU legislation that impacts direct marketing. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions based on EU-wide rules on distance-selling and on-line commerce. In addition, it is important for exporters relying on a direct-selling business model to ensure they comply with member state requirements.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the Data Privacy section above.

Distance Selling Rules

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive." The provisions of this Directive have been in force since June 13, 2014. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes.

Alternative Dispute Resolution

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation, operational since January 2016, set up an EU-wide online platform to handle consumer disputes that arise from online transactions.

New Legislation

In December 2015, the European Commission released two draft Directives, one on "contracts for the supply of digital content" and another on "contracts for the online and other distance sales of goods." This package addresses the legal fragmentation and lack of clear contractual rights for faulty digital content and distance selling across the EU. The package only addresses B2C contracts, although its scope uses a very broad definition of both digital content (including music, movies, apps, games, films, social media, cloud storage services, broadcasts of sport events, visual modelling files for 3D printing) and distance selling goods so as to cover Internet of Things (such as connected households' appliances and toys). It also applies to transactions whether in the context of a monetary transaction or in exchange of (personal) consumer data. Healthcare, gambling and financial services are excluded. The package is currently under scrutiny at both the European Parliament and Council.

Key Links:
Consumer Affairs Homepage
Consumer Rights

Distance Selling of Financial Services

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

Europa Server

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements for the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be clear and easily accessible. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment: this is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below). The European Commission has performed a stakeholder's consultation and is currently assessing the opportunity to propose a revision of the e-commerce Directive.

Key Link:

Europa Internal Market Commerce

Germany

Most German enterprises use direct marketing to sell their products and services. The most frequently used formats are email and Internet marketing, telephone marketing, direct mail and inserts in publications. It is important to know the pitfalls of using direct marketing as a selling tool in Germany. Data protection and privacy laws are stringent, and consumer protection guidelines and competitive advertising are also highly regulated. Companies should consult with a lawyer before raising, storing or processing any sort of data in Germany. Other potential challenges regard the laws pertaining to unfair competition and rebates.

Joint Ventures/Licensing

Dealing with joint ventures ranks among the most difficult jobs under German competition law. In Germany, joint venture legislation falls under the purview of the Federal Cartel Office (Bundeskartellamt) The law requires that a joint venture must exercise "genuine entrepreneurial" activities. Under German law, this means:

- Organizations which merely carry out auxiliary functions such as purchasing or distribution on behalf of the parents are not considered joint ventures; and
- JVs must have at their disposal sufficient assets and personnel to carry out their activities.

The Bundeskartellamt is required to prohibit a merger if it is, "expected to create or strengthen a dominant position." Market dominance is defined as an undertaking which either has no competitors or is not exposed to any substantial competition or has a paramount market position in relation to its competitors.

Licensing

German antitrust law does not, in the absence of a dominant market position, restrict the owner's freedom to use her/his industrial property rights, including the exploitation of a patented innovation.

Selling to the Government

Selling to German government entities is not an easy process. German government procurement is formally non-discriminatory and compliant with the GATT Agreement on Government Procurement and the European Community's procurement directives. That said, it is a major challenge to compete head-to-head with major German or other EU suppliers who have established long-term ties with purchasing entities.

EU Legislation

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. U.S.-based companies are allowed to bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

The EU directives on public procurement have recently been revised and new legislation on concession has also been adopted. Member States were required to transpose the provisions of the new directives by April 16, 2016. The four relevant legislations are:

- Directive 2014/24/EU (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- Directive 2014/25/EU (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- Directive 2009/81/EC on defense and sensitive security procurement. This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- Directive 2014/23/EU on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The EU has three remedy directives imposing common standards for all Member States to abide by in case bidders identify discriminatory public procurement practices.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for public contracts 4.5 years after the Public Contracts Directive 2014/24 comes into force (i.e. October 2018). For central purchasing bodies, the deadline was three years (April 2017).

Electronic invoicing (e-invoicing) will be introduced from the third quarter of 2018, based on the requirement set forth in Directive 2014/55/EU. The Directive makes the receipt and processing of electronic invoices in public procurement obligatory. Standards for e-invoicing are being developed by the European Committee for Standardisation (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the GPA. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU

contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport sector as described above, and railways in general
- Dredging services and procurement related to shipbuilding

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "*Project Financing"* Section in *"Trade and Project Financing"* for more information.

Distribution & Sales Channels

Germany

Distribution channels are varied and similar to the United States. There are certain restrictions, however, concerning multi-level networking systems, i.e., so-called snowball or pyramid distribution systems. More information can be found here.

Express Delivery

Most international express delivery companies are active in Germany. Large players include DHL and Hermes (both headquartered in Germany), FedEx and UPS. These companies ship domestically and internationally, provide a wide range of delivery options and prices, and have grown significantly as a result of e-commerce. The express delivery industry had 209,000 employees in Germany in 2015; almost 3 billion packages were shipped.

Selling Factors & Techniques

Success in the German market, as elsewhere around the world, requires long-term commitment to market development and sales backup, especially if U.S. companies are to overcome the geographic handicap with respect to European competitors. Germans at times perceive U.S. suppliers as tending to process a U.S. domestic order before taking care of an export sale, or being quick to bypass a local distributor to deal directly with its customer. Some German entrepreneurs with selective experience with U.S. companies are skeptical about their long-term commitment and after-sales support. U.S. firms entering Germany today are generally aware of the factors that make for a successful export relationship and are ready to establish a credible support network. However, U.S. firms should be ready to address any lingering doubts from prospective German clients/partners.

eCommerce

EU Legislation

The European Union's Digital Single Market Initiative

Creating a Digital Single Market (DSM) is one of the ten priorities of the European Commission (EC). The overall objective is to bring down barriers, regulatory or otherwise, and to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current fragmented national markets and create one borderless market with harmonized legislation and rules for the benefit of businesses and consumers alike throughout Europe.

The EC set out its vision in its May 6, 2015 DSM Strategy which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector,

VAT, copyright, audio-visual media services, consumer protection, and telecommunications laws. New legislation has already been finalized on portability of online content and geo-blocking.

Many DSM proposals are still going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe.

In addition, a new data protection legislation, the General Data Protection Regulation (GDPR) entered into force on 25 May 2018.

The three main pillars of the strategy are:

I: e-commerce

- better access for consumers and businesses to online goods and services across Europe
- remove key differences between the online and offline worlds to break down barriers to cross-border online activity.

II: digital networks and services

- achieve high-speed, secure and trustworthy infrastructures and content services
- get the right regulatory conditions for innovation, investment, fair competition and a level playing field.

III: growth potential of the European Digital Economy

- invest in ICT infrastructures and technologies such as Cloud computing and Big Data, and research and innovation to boost industrial competitiveness and skills
- increase interoperability and standardization

For more information: Digital Single Market

DSM Strategy

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content.

Key Link**:** eCommerce

eCommerce in Germany

Total online sales of goods and services was approx. EUR 66.8 billion in 2016. Germany had an online population of 62.9 million of people who were aged 15 and older.

Germany is known for its high return rate. Some reports claim that the percentage of orders being sent back is as high as 50 percent for some retailers. Online customers have the right to cancel orders and return goods or services within 14 days, for any reason and with no justification.

Popular eCommerce Sites

According to statistics from 2017, the 10 largest online retailers in Germany by turnover are: Amazon (EUR 8,123 million), Otto (EUR 2,743 million), Zalando (EUR 1,122 million), Notebooksbilliger.de (EUR 706 million), Bonprix (EUR 587 million), Mediamarkt (EUR 533 million), Cyberport (EUR 517 milion), Conrad (EUR 472 milion), Tchibo (EUR 450 million), and Alternate (EUR 432 milion).

Online Payment

Data from Ernst & Young shows that Paypal is the most popular method of online payment in Germany (43 percent of Internet users), followed by invoice, credit cards, direct debiting and other payment methods.

Mobile eCommerce

The strong e-commerce market in Germany can be attributed to the considerable proportion of the population who own smartphones (62 percent). In 2016, retail sales conducted via mobile devices in Germany were worth an estimated USD 19.14 billion, 33.2 percent of its total retail ecommerce sales. This growth is likely to continue as retailers improve their mobile websites and provide even more convenient ways of shopping on mobile devices.

Demographics suggest a stronger tendency for females to make purchases via mobile devices in most categories, particularly in the clothing and book sectors. 18 to 44 year-olds are also the biggest user group in these sectors but older groups are still showing a strong propensity to use mobile channels.

Value Added Tax (VAT)

The EU's VAT system is semi-harmonized. While the guidelines are set out at the EU level, the implementation of VAT policy is the prerogative of Member States. The EU VAT Directive allows Member States to apply a minimum 15 percent VAT rate. However, they may apply reduced rates for specific goods and services or temporary derogations. Therefore, the examination of VAT rates by Member State is strongly recommended. These and other rules are laid out in the VAT Directive.

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. From 1 January 2015, all supplies of telecommunications, broadcasting and electronic services are taxable at the place where the customer resides. In the case of businesses this means either the country where it is registered or the country where it has fixed premises receiving the service. In the case of consumers, it is where they are registered, have their permanent address, or usually live.

As part of the legislative changes of 2015, the Commission launched the Mini One Stop Shop (MOSS) scheme, the use of which is optional. It is meant to facilitate the sales of ESS from taxable to non-taxable persons (B2C) located in Member States in which the sellers do not have an establishment to account for the VAT.

This plan allows taxable persons (sellers) to avoid registering in each Member State of consumption. A taxable person who is registered for the Mini One Stop Shop in a Member State (the Member State of Identification) can electronically submit quarterly Mini One Stop Shop VAT returns detailing supplies of ESS to non-taxable persons in other Member States (the Member State(s) of consumption), along with the VAT due.

The Commission has received numerous complaints in relation to the new rules on ESS and is in the process of revising them (draft proposal).

The most important pieces of legislation on VAT are the EU VAT Directive 2006/112/EC and its Implementing Regulation 282/2011.

Further information:
VAT on ESS (telecommunications, broadcasting, electronic services)

VAT in Germany

The standard VAT rate in Germany is 19 percent (below the European average). A reduced 7 percent VAT rate applies to some consumer goods and everyday services (food, newspapers, local public transport, hotel stays). Some services (such as bank and health services or community work) are VAT exempt.

Vendors who are not established in the European Union and who make sales that are subject to German VAT must register for tax purposes in Germany. The tax office Bonn-Innenstadt (Service@FA-5205.fin-nrw.de) is responsible for assessing and collecting VAT for U.S. vendors who are not established in Germany.

Under certain conditions international travelers can receive VAT refunds if they are not a resident of the European Union: Tax-free shopping

Trade Promotion & Advertising

Trade Fairs

Few countries in the world can match Germany when it comes to leading international trade fairs. Such a reputation should be no surprise given that the trade fair concept was born in Germany during the Middle Ages. Today, Germany hosts a major world-class trade event in virtually every industry sector, attracting buyers from around the world. Trade fairs thrive in Germany because they are true business events where contracts are negotiated and deals are consummated. The U.S. exhibitors at German fairs should be prepared to take full advantage of the business opportunities presented at these events. While U.S. exhibitors and visitors can conclude transactions, all attendees can use major German trade fairs to conduct market research, see what their worldwide competition is doing, and test pricing strategies. Finally, German fairs attract buyers from throughout the world, allowing U.S. exhibitors to conduct business here with buyers from across Europe, Asia, Africa, Latin America, the Middle East, as well as with other U.S. companies.

German trade fairs, in general, attract impressive numbers of visitors and exhibitors. This reality confirms the conviction that there is no other venue where an American company can get so much product exposure for its marketing dollar. Trade fairs also provide a U.S. company interested in entering Germany with the opportunity to research its market and the potential of its product properly before making a business decision.

Advertising

In addition to exhibiting at major German trade fairs, advertising plays a central role in most companies' broad-based marketing programs. Regulation of advertising in Germany is a mix between basic rules and voluntary guidelines developed by the major industry associations. The "Law Against Unfair Competition" established legal rules at the beginning of the 20th Century. Although it has been modified over time, this law continues to be valid today. The law allows suits to be brought if advertising "violates accepted mores."

Many advertising practices that are common in the United States, such as offering premiums, are not allowed in Germany. Any planned advertising campaigns should be discussed with a potential business partner or an advertising agency in Germany. The German association of advertising agencies can be found online.

There are numerous technical or specialized periodicals that deal with all aspects of technology and doing business in Germany. In addition, Germany has a well-developed array of newspapers and magazines which offer the opportunity to gather information and advertise products and services.

General Legislation

Laws against misleading advertisements differ widely between member states within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as, "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day

maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. This Directive has incorporated into the Consumer Rights Directive mentioned above. For more information on sale of consumer goods and associated guarantees, see the legal warranties and after sales service section below.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Links:
Unfair Trade Index
Audiovisual Media Services

Medicines:

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

Key Link: Information to Patient Index

Nutrition & Health Claims:

On July 1, 2007, regulation 1924/2006 set into force EU-wide conditions for the use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such as "helps lower cholesterol." The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU's positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals, which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states "high sugar content." A European Union Register of nutrition claims has been established and is updated regularly. Health claims

cannot fail any criteria. Detailed information on the EU's Nutrition and Health Claims policy can be found on the USEU/FAS website and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Key Link: NUH Claims

Food Information to Consumers:

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements apply from December 13, 2014 except for the mandatory nutrition has applied since December 13, 2016.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Food Supplements: Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list is updated most recently revised in 2014. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: EU Labelling/Nutrition Supplements

Tobacco:

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A revised Tobacco Products Directive has been adopted and transposed into national legislation by member states as of 2016. The new legislation includes bigger, double-sided health pictorial warnings on cigarette packages and the possibility for plain packaging along with health warnings and tracking systems.

Key link: EU Tobacco Products

Pricing

Germany has become more price-conscious, especially in consumer goods areas. Consequently, price is increasing in importance as a competitive factor, but quality, timely delivery and service remain equally important, especially in B2B relations.

Sales Service/Customer Support

Germany

The German commercial customer expects to be able to pick up the telephone, talk to his or her dealer and have replacement parts or service work immediately available. American exporters should avoid appointing distributors with impossibly large geographic areas, without firm commitments regarding parts inventories or service capabilities, and without agreements on dealer mark-ups.

EU Legislation

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, EU institutions have

launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 EU Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link: EU Single Market Goods

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: EU Consumer Safety Legislation

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);

- Replacement of the good(s);

- A price reduction; or

- Rescission of the sales contract.

Key link: EU Consumer Rights Guarantee

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Intellectual Property

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. For example, your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. It is the responsibility

of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with the EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small- and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit STOP Fakes
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: STOPfakes Business tools. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on Protecting Intellectual Property and also Corruption.

IP Attaché Contact

European Union

Susan Wilson
U.S. Mission to the European Union, Belgium
Phone: +32-2-811-4244
Email: Susan.Wilson@trade.gov

Due Diligence

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Companies interested in taking over German firms should always conduct their own due diligence before entering into business ventures. One of the Commercial Service Programs, the International Company Profile, has been designed to support due diligence processes. All major consulting companies offer due diligence services, and most large U.S. accounting or consulting firms have subsidiaries in Germany

Local Professional Services

Business service providers active in Germany can be viewed on the website maintained by the Commercial Service at the U.S. Embassy in Germany.

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union.

Principle Business Associations

Bundesverband der Deutschen Industrie e.V. (BDI)
(Federation of German Industries)
Deutscher Industrie und Handelskammertag (DIHK)
(Federation of German Chambers of Industry and Commerce)

Bundesverband Grosshandel, Aussenhandel, Dienstleistungen e.V.
(Federation of German Wholesale, Foreign Trade and Services)

Zentralverband Elektrotechnik- und Eletronikindustrie e.V. (ZVEI)
(German Electrical and Electronic Manufacturers Association)

Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA)
(German Association of Machinery and Plant Manufacturers)

Centralvereinigung Deutscher Wirtschaftsverbaende fuer Handelsvermittlung und Vertrieb (CDH) (National Association of German Commercial Agencies and Distributors)

For industry-specific business associations, please visit our leading sectors section, which lists key contacts and resources by industry sector.

Limitations on Selling US Products and Services

We are not aware of any limitations on manufacturing or service sectors that prohibit non-Germans from owning or selling these businesses in Germany.

Web Resources

EU websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC)

Agreements of Minor importance which do not appreciably restrict Competition under Article 101(1) of the Treaty establishing the European Community

Directive on Late Payment

European Ombudsman

EU's General Data Protection Directive (95/46/EC)

Information on contracts for transferring data outside the EU

EU Data Protection Homepage

Consumer Rights Directive

Distance Selling of Financial Services

E-commerce Directive (2000/31/EC)

VAT on Electronic Service

The Unfair Commercial Practices Directive

Nutrition and health claims made on foods - Regulation 1924/2006

Regulation on Food Information to Consumers ***gives link to Volker's folder*

EU-28 FAIRS EU Country Report on Food and Labeling requirements

Guidance document on how companies can apply for health claim authorizations Summary document from EFSA

Health & Nutrition Claims

Tobacco

Product Liability

Product Safety

Legal Warranties and After-Sales Service

Copyright

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC)

European Patent Office (EPO)

Office for Harmonization in the Internal Market (OHIM)

World Intellectual Property Organization (WIPO) Madrid

U.S. websites:

IPR Toolkit

EU Public Procurement

Country Contacts
Federal Ministry of Economics and Technology
Bundesministerium fuer Wirtschaft & Technologie

Germany Trade and Invest

Federal Ministry of Finance
Bundesministerium der Finanzen

Country Market Research Firms

It would exceed the scope of this guide to list even only the major market research or consultant companies. Most of these firms belong to one or both of the following associations and can be contacted through these:

Bundesverband Deutscher Unternehmensberater e.V. (BDU)
(Federal Association of German Consultants)

Arbeitskreis Deutscher Markt- und Sozialforschungsinstitute e.V. (ADM)
(Federation of German Market and Social Research Institutes)

Country Commercial Banks
There are numerous domestic and foreign banks represented in Germany; among the largest German institutions are:

Deutsche Bank AG

Commerzbank AG

Bayerische Hypo- und Vereinsbank AG

Deutsche Postbank AG

U.S. Embassy Trade Personnel
United States Embassy, Berlin
Commercial Service

U.S. Consulates:
Dusseldorf
Commercial Service

Frankfurt/Main
Commercial Service

Hamburg

Leipzig

Munich
Commercial Service

Washington-based Contacts
U.S. Department of Commerce, International Trade Administration

U.S. Department of State

USDA - Foreign Agricultural Service, Agricultural Export Services Division. The website has trade and production statistics, exporter assistance information, marketing information, trade policy news and links to the attaché reports.

U.S. Department of the Treasury

Office of the U.S. Trade Representative, Office of Europe and the Mediterranean

U.S.-based Multipliers

German Missions in the United States

CMA - German Agricultural Marketing Board, North American Office

German American Chamber of Commerce, Inc. (Headquarters)

Representative of German Industry and Trade

Other Contacts

U.S. Commercial Service Germany's trade specialists can help you identify trade opportunities, find local trading partners, launch your company, and obtain market research reports.

U.S. Government Export Portal

As EU member states harmonize their regulations and increase their economic integration, a direct connection to the U.S. Commercial Service at the U.S. Mission to the European Union can be the key to success in the EU market.

American Chamber of Commerce in Germany

Association of American German Business Clubs e.V.

American German Business Club Berlin

The Foreign Agricultural Service website has trade and production statistics, exporter assistance information, marketing information, trade policy news and links to the attaché reports.

Agricultural Affairs Office
American Embassy/Berlin
Clayallee 170
14191 Berlin, Germany
Tel: +49 30 8305-1150
Email: Agberlin@usda.gov

The Office of Agricultural Affairs at the U.S. Mission to the European Union has a very comprehensive website on EU food laws, import requirements, and duties and quotas.

Statistical data on trade between the United States and Germany can be found online.

The German Federal Bank provides information and key indicators on Germany's economy.

Leading Sectors for US Exports & Investments

Agricultural Sector

Overview

Germany is the second largest importer and third largest exporter of consumer oriented agricultural products worldwide, and by far the most important European market for foreign producers. The retail market's key characteristics are consolidation, market saturation, strong competition, and low prices. Germany is an attractive and cost-efficient location in the center of the EU. While many consumers are very price sensitive, the market also provides many wealthy consumers who follow value-for-money concepts. These are looking for premium quality products and willing to pay a higher price. Germany still has the lowest food prices in Europe; German citizens spend less than 11 % of their income on food and beverages. Low food prices result from high competition between discounters and the grocery retail sale segment.

Key market drivers and consumption trends

- Fair trade and organic products have become more important on the German grocery market. Germany is the second largest organic market in the world (behind the US) and presents good prospects for exporters of organic products (for more information, please see the GAIN report: Opportunities for U.S. Organics in German Market).
- Ageing population and increased health consciousness of consumers is fueling the demand for health and wellness products, as well as functional food products.
- Increasingly high-paced society and the rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.
- Ethnic foods, beauty and super foods, clean label foods, "free from" products (e.g. gluten or lactose free), and locally grown are further trends that attract more and more German consumers.
- Increasing share of consumers who view their purchasing decision as a political or life-style statement (no GMO, only free-range eggs, vegetarian or vegan diet).
- Consumers increasingly require traceability and information about production methods.
- Germany remains a price-focused market, but the share of consumers who are willing to pay for quality increases.

Leading Sub-Sectors

Tree Nuts

The category of tree nuts includes almonds, pistachios, pecans, hazelnuts, and walnuts. Germany does not produce significant quantities of these products; therefore, supply comes primarily from imports. The United States is the biggest supplier of tree nuts to Germany. The leading competitor for the United States in the German tree nut market is Turkey. Many U.S. agricultural associations actively promote their products in Germany, including the Almond Board of California, California Pistachio Commission and the California Walnut Commission. Most tree nuts are used as ingredients by the food processing sector. Almonds are the most important commodity within this category. Further products with good sales potential include walnuts, pistachios, and pecans.

in million USD	2015	2016	2017	2018 (Estimated)
Total Local Production	0	0	0	0
Total Exports	1102	1171	1185	1500
Total Imports	3,628	3,137	3,253	3,800

Imports from the US	803	605	660	780
Total Market Size	2,526	1,966	2,068	2,300

Source: Global Trade Atlas query dated June 8, 2018

Fishery Products

Fish and fishery products enjoy growing popularity in Germany. The German market offers lucrative opportunities for fish and seafood products. Fish consumption is growing as consumers associate fishery products with a healthy diet. Best prospects for U.S. seafood exports are salmon, shrimps, crabs, caviar substitutes, cuttlefish and squid, sea urchin, catfish, lobster, and scallops. The two most important U.S. fishery export products to Germany are Alaska Pollock and salmon by value.

in million USD	2015	2016	2017	2018 (Estimated)
Total Local Production	2,186	2,315	2,400	2,500
Total Exports	2,322	2,478	2,522	2,750
Total Imports	4,883	5,302	5,477	5,900
Imports from the US	188	198	211	280
Total Market Size	4,747	5,139	5,355	5,650

Source: Global Trade Atlas query dated June 8, 2018

Wine

Germany is the world's largest importer of wine by volume and third largest by value. In 2017, German wine imports were valued at more than USD 2.9 billion. Italy, France and Spain are the leading suppliers of wine to Germany with a combined import market share of nearly 78%. U.S. wines, together with other “new-world” wines, have developed an increasingly good reputation for quality in the German market. In 2017, the value of Germany's imports of U.S. wines totaled USD 82 million.

in million liters	2015	2016	2017	2018 (Estimated)
Total Local Production	882	901	746	800
Total Exports	368	362	383	420
Total Imports	1,542	1,485	1,514	1,600
Imports from the US	43	40	36	30
Total Market Size	2,056	2,024	1,877	1,980

German production data is only available on a volume basis; therefore, this table is in liters
Sources: German Office of Statistics (German production)
Global Trade Atlas (trade) query dated June 12, 2018

Pet Food

Germany is one of the leading countries for pet ownership in the world. Germans are willing to pay a premium to properly feed their pets and interest in specialty health pet food products is growing rapidly. Most pet foods

are produced domestically and the EU requires pet foods to be derived from meat that can be used for human consumption. Despite the bureaucratic obstacles, opportunities for exporting pet food products to Germany are available given the considerable size of the market.

in million USD	2015	2016	2017	2018 (Estimated)
Total Local Production	3503	3509	3588	3900
Total Exports	1282	1408	1599	1850
Total Imports	982	982	1,187	1,200
Imports from the U.S.	2	3	3	4
Total Market Size	3,203	3,083	3,176	3,250

Global Trade Atlas (trade) query dated June 12, 2018

Web resources:

Agricultural Attaché Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the German food industry. Some standard reports include: Retail Market Report, Exporter Guide, Food Service Report, and market briefs on wine, seafood, and other select products. Attaché reports can be found at https://gain.fas.usda.gov/Pages/Default.aspx. In recent years, many of the German reports have been consolidated and are submitted as EU reports. We recommend that companies interested in the German market also review the EU reports.

U.S. Agricultural Commodity Associations Active in Germany

A number of U.S. agricultural commodity and other trade associations conduct market development programs in Germany. In some cases, these associations maintain field offices in Germany, while others may have a trade representative or public relations company representing their interests. Others may cover Germany from elsewhere in Europe or from offices in the United States. The USDA-operated Market Access Program (MAP) and Foreign Market Development program (FMD) provide a portion of the funding for the market development programs of these associations. For further information about the MAP and FMD program or to know more about which associations are active in Germany, please contact the Office of Agricultural Affairs at the U.S. Embassy in Berlin (http://fas-europe.org/countries/germany/).

Trade Shows

In Germany, trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The major international trade fairs are:

FRUIT LOGISTICA – is the leading show for fruit and vegetables, dried fruits, and nuts. It is held on an annual basis in Berlin. Next show: February 6-8, 2019

Biofach – is the leading European trade show for organic food and non-food products. It is held on an annual basis in Nuremberg. Next show: February 13-16, 2019

Prowein – is the leading wine show in Germany. It is held on an annual basis in Dusseldorf. Next show: March 17-19, 2019

ANUGA – is the world´s leading food fair for the retail trade and the food service and catering market. It is held every two years in Cologne. Next show: October 5-9, 2019

Fish International – is the leading fish and seafood show in Germany. It is held every two years in Bremen. Next show: February 9-11, 2020

Interzoo – is a world leading pet industry exhibition. It is held every two years in Nuremberg. Next show: May 19-22, 2020

Aerospace/ Defense/ Security

Overview

Total market size = (total local production + imports) – exports

Aerospace & Defense Market in USD millions (The security market is not reflected in the table but in the written paragraph below.)

	2015	2016	2017	2018 estimate
Local Production	38,460	41,509	45,188	49,000
Total Exports	26,916	29,886	33,439	36,260
Total Imports	26,308	19,810	18,824	20,580
Total Market Size	37,852	31,433	30,573	33,320
US Imports = US Market Share	6,549	5,801	6,860	6,950
EUR-USD Exchange Rate	1.1095	1.1069	1.1297	1.23 projected

U.S. aerospace & defense manufacturers produce the highest trade surplus, year after year, of all manufacturing sectors. In 2017, U.S. aerospace exports to Germany amounted to $6.86 billion. The trade surplus was USD 3.8 billion, representing a 24 percent increase over 2016 (USD 3.06 billion). Aerospace & defense is complemented by homeland security & public safety, an industry spanning across 16 vertical markets with a projected global turnover of USD 400 billion in 2018. U.S. manufacturers are well-positioned to benefit from a robust market growth in Western Europe, especially Germany.

Germany hosts the world's third-largest trade show for aerospace & defense (ILA Berlin Air Show), the world's largest trade show for aircraft cabin interiors (Aircraft Interiors Expo / AIX) and Europe's largest trade show for general aviation (AERO), making it an ideal platform for U.S. companies to meet with their global partners and buyers. The major safety & security shows that are relevant for the German market are held in Essen (Security Essen), but also in London (DSEI) and Paris (Milipol).

Leading Sub-Sectors

Germany has the third-largest aerospace & defense market in Europe, with 2017 revenues at USD 45.2 billion, following the UK at GBP 72 or USD 92.8 billion and France at USD 65.9 billion. The German homeland security & public safety market has exceded USD 19.2 billion in 2017 and will experience strong annual growth rates until 2020 due to ongoing upgrades of the German internal security and migration enforcement infrastructure technology.

Aerospace is a German Government priority. The Federal Ministry of Economic Affairs and Energy (BMWi) lists aerospace as a key industry with high growth rates and a strong industrial core in Germany. BMWi's "Aerospace Strategy" from March 2014 states that the aerospace sector is of particular importance for Germany as an industrial country both technologically and economically. Moreover, BMWi has announced the 6th

iteration of the Aerospace Research Program—a grant program for aerospace research and technology projects—for the fall of 2018. Best prospects for U.S. exporters exist in the following segments: commercial aircraft, business jets, turboprops, helicopters, UAVs, structures, propulsion systems, subsystems for aerospace vehicles; military aircraft, air defense systems; spacecraft, launch systems, communications systems; access control, identity management, integrated systems, security services.

The main vertical markets for homeland security & public safety in Germany are airport security, smart borders, telecommunications and critical infrastructure, and police modernization.

Policy Objectives and Challenges

U.S. suppliers should be aware of the effects of the U.S. Export Control Reform (ECR) regarding changes to the EAR and ITAR for U.S. aerospace & defense companies. The Commercial Service will continue to support U.S. companies by conducting frequent and active outreach to the Bundeswehr's Federal Office of Equipment, Information Technology and In-Service Support (BAAINBw) in Koblenz, and following the latest aerospace, defense and security policy developments and discussions in Germany. On an international level, we will gain insight from organizations, such as the Aerospace and Defense Industries Association of Europe (ASD), the U.S. Aerospace Industries Association (AIA) and Homeland Security Research (HSR) in Washington, D.C. to understand their positions on transatlantic trade issues, and communicate U.S. objectives.

In a number of recent tenders, the German military and some state police forces have imposed non-ITAR/EAR/PESCO clauses on prospective bidders, asking them to attest that their products do not fall under the respective regimes. This excludes many U.S.-designed and U.S.-made defense-sector goods.

Opportunities

Opportunities include a 4.5 gen fighter jet program for the German Air Force; anti-submarine warfare (ASW) / anti-surface warfare (ASuW) helicopters for the German Navy; exo-atmospheric engagement systems for German F124 frigates; Search and rRscue (SAR) helicopters for the German Federal Armed Forces (Bundeswehr); heavy lift helicopters for the German Army; gas turbines for 4 multi-role combat ships (MKS 180) for the German Navy; Scalable Space Inertial Reference Units (SSIRU-L) for SARah, Germany's radar reconnaissance satellite constellation; lightning detection services to help support the aviation industry clients of the German Meteorological Office (DWD); integrated air and missile defense system (TLVS) for the Bundeswehr.

Web Resources

Trade Events

- **Security Essen**, Essen, September 25-28, 2018
- **Aircraft Interiors Expo,** Hamburg, April 2-4, 2019
- **AERO,** Friedrichshafen, April 10-13, 2019
- **Paris Air Show**, Paris, June 17-21, 2019
- **DSEI** , London, September 10-13, 2019
- **Milipol**, Paris, November 19-22, 2019
- **ILA Berlin Air Show**, Berlin, May 13-17, 2020

Other Web Resources

German Aerospace Industries Association (BDLI)

German Airport Technology & Equipment

HANSE-AEROSPACE e.V. (Largest independent association of aerospace suppliers and service providers in Germany)

ALROUND (Association of Aerospace-oriented SMEs in Germany)

German Helicopter Association (DHU)

Advanced Manufacturing

Overview

Advanced Manufacturing (AM) - the convergence of information and communications technologies with manufacturing processes to drive real-time control of energy, productivity and costs across factories and companies - was identified as one of the highest-priority manufacturing technology areas in need of federal German investment.

The OPC Foundation (Object Linking and Embedding for Process Control) is cooperating with the key German Association, the VDMA the (German Mechanical Engineering Industry Association). In June 2016, these two parties signed an MOU to build an international standards structure utilizing the OPC UA Machine Vision Companion Specification. This will make the machine vision and robotics industry fit for Industry 4.0 and for the factory of the future, andwill help SMEs to implement robotics and machine vision software language with their products.

Policy Objectives and Challenges

A major challenge for industry and government is the definition of reference architecture and frameworks necessary for interoperability. They are also challenged with how to build confidence around new and innovative approaches to security. In April 2016, the two major international players, the International Internet Consortium (IIC) and the German-led Industrie 4.0, agreed to collaborate for the benefit of interoperability of systems from the different domains. In Germany are the relevant associations, such as the ZVEI (The German Association for Electrical & Electronic Industry), VDMA (German Engineering Association), BitCOM (Federal Assocaition for Information Technology, Telecommunications and New Media) are driving the discussions

Leading Sub-Sectors

Advanced Manufacturing is believed to provide best export potential for industries such as Machine Tools/General Industrial Equipment, Robotics, Information and Communication Technology, Process Control Instrumentation and Electronics Industry Production Equipment, Additive Manufacturing and Advanced Materials for the next five to ten years. Through 2025, 84 percent of German manufacturers plan to invest EUR 100 billion plus per year into smart manufacturing technologies, but only 20 percent are already spending money on investments.

Robotics and Automation:

Germany is the fifth largest robot market in the world with about 20,000 industrial robots utilized in various industries each year. The main industries are automotive, electrical and electronics, metal working, chemical rubber and plastics, and the food industry. Please note that the data includes the industrial/commercial use of robotics only. The Robotics + Automation Association in Germany represents three industry segments: Robotics, Machine Vision and Integrated Assembly Solutions with combined annual sales of EUR 14 billion in 2017. Sales are expected to grow by 9 percent in 2018 to EUR 15.4 billion. Future topics are the utilization of artificial intelligence, human-robot collaboration, digital transformation in production, and service robotics in the commercial industry.

Additive Manufacturing and Advanced Materials:

Germany is home to the Europe's largest advanced materials market. The strong growth of its high-tech industries requires appropriate materials. Depending on the material, growth rates can amount to 10 -15

percent annually. Among the materials sectors with the strongest market potential are composites and particularly additive manufacturing. Formnext, the major European additive manufacturing trade fair has just reached a new space record for the upcoming show in November 2018. Traditional materials such as chemicals and plastics are expected to reach more moderate but still good growth rates in 2018, plastics: 3-4 percent. In 2017, this market segment achieved annual sales of EUR 61 billion. In 2019, the triennial K' Show will take place in Dusseldorf, October 16-23. The German chemicals industry is expected to grow an estimated at 5.9 percent in 2018, to approximately EUR 204 billion.

German Machine Tool and Precision Tool Market

The ongoing boom in almost all user industries worldwide had already driven production output to more than EUR 16 billion in 2017. Imports from the USA have been about EUR 120 million for machines and equipment. The capacity utilization was running at about 93 percent, according the German machine tool association. The German market consumption is about EUR 8 billion. The figures for German precision tools precision tools industry - whose most important partner is the USA with more than EUR 500 million imports - are similar with generated increase of 7 percent in 2017 up to EUR 10 billion, and expected production of EUR 11.1 billion in 2018.

Sensors and Instruments:

Sensors and instruments are another growth subsector. In 2015, sales were EUR 125 million, making it the fourth largest purchaser of U.S.-made products in the category. Between 2009 and 2015, sales of these products grew by 8.6 percent annually (CAGR). Major competitors include SICK AG, Siemens Sensor Systems, Bosch Sensortec, and Beckhoff Automation. The German industry expects further growth opportunity in 2018, particularly through the industrial automation/internet of things.

Opportunities

Germany's advanced manufacturing companies usually require in-country partners. These partners could be agents and distributors selling to OEMs as final consumer or OEMs as distributor for an exclusively built component. A facility in-country and a membership in one of the German associations is recommended, and many often system integrators are the ideal partner for automation and internet of things products and services.

Challenges & Barriers

Germany maintains a highly open and transparent business environment, and there are few formal market access barriers. Probably the greatest challenge to entering the German market is conforming with German electro-technical standards and conformity assessment procedures, which differ markedly from those in the United States. For most electrical components such as plugs and cables, U.S. and European standards are nonaligned. In practice, this means that for most U.S. machinery makers, the additional labor required to assemble machinery for the German market will affect pricing, inflating the price paid by the customer while decreasing the cost competitiveness compared with domestic and other European-made machines. As part of the European Commission's "Machinery Directive," machinery sold throughout the EU is required to obtain a CE marking whenever the product is covered by specific product legislation. CE stands for "Conformité Européenne," and it is intended to demonstrate compliance with European safety and environmental standards.

Web Resources

Trade Events

- Sensor & Test, Nuremberg, June 26-28, 2018
- Motek, Stuttgart, October 08-11, 2018
- Formnext, Frankfurt, November 13-16, 2018

- SPS, Nuremberg, November 27-29, 2018
- Hannover Fair, Hannover, April 1-5, 2019
- Laser World of Photonics, Munich, June 24-27, 2019
- CeBIT, Hannover, June 24-28, 2019
- EMO, Hannover, September 16-21, 2019
- productronica, Munich, November 12-15, 2019
- Automatica, Munich, June 16-19, 2020

German Organizations:

- Bitkom
- Federation of German Scientists
- Verein Deutscher Werkzeugmaschinenfabriken (VDW)
- VDMA
- ZVEI

U.S. Associations:

- AIA – Advancing Vision + Imaging
- Association for Advancing Automation (A3)
- Association for Motorizing Technology (AMT)
- International Federation of Robotics (IFR)
- Industrial Internet Consortium (IIC)
- Motion Control & Motor Association (MCMA)
- National Tooling And Machining Association (NTMA)
- OPC Foundation
- Robotic Industries Association (RIA)

Healthcare

Overview

Germany has a long history of producing high quality medical equipment, with a particular emphasis on diagnostic imaging, precision medical instruments, dental products and optical technologies. Not only is Germany the third-largest market in the world after the United States and Japan, but it is also by far the largest European market, twice the size of the French market and three times as large as those of Italy, the United Kingdom and Spain. The German medical devices market ranks no. 1 in Commerce's Top Market Reports.

The Healthcare/Life Sciences (HCT) industry is a priority both for the EU and Germany as reflected in the EU Fund for Regional Development (EFRE)) program 2014-2020 and the German Länder implementation and tendering of this program. Implementation will focus on smart health and aging; the German Government has established councils to pave the way for an integrated and cost-efficient healthcare system. All of this should result in increased opportunities for U.S. suppliers to participate in healthcare infrastructure development projects and partner with German and EU firms and offer export opportunities for U.S. health solutions providers.

Medical Technologies (MED) is the key sector of the HCT industry. The U.S. is home to the world's leading medical device manufacturers, which employ more than 400,000 Americans directly and 2 million indirectly.

Roughly 90 percent of the over 7,000 medical device manufacturers are often export-ready SMEs, and many of the world's largest medical device manufacturers. Germany is Europe's largest market for medical devices, accounting for roughly EUR 30 billion annually. Key industry drivers include the innovative strength of the sector; a solid financial basis of the industry, 80 percent of which are SMEs, and a vibrant startup scene. All major U.S. suppliers, such as GE Healthcare, Johnson&Johnson; Becton Dickinson; Stryker, Zimmer and 3M, have subsidiaries in Germany. U.S. medical device exporters continue to hold a 28-30 percent share of the German import market.

Germany has a strong healthcare system in terms of infrastructure, hospital beds and trained staff. In 2016, there were 498,796 beds in 1,951 hospitals (around 570 public hospitals, 554 non-profit and 827 private hospitals), 3,500 medical supply stores, 1,149 rehabilitation centers, 20,023 pharmacies and 102,000 doctors' offices. Well-established infrastructure makes the healthcare industry the largest employer in Germany with currently 7.3 million employees, 16.6% of the labor market total. Another 4 million jobs depend on the healthcare sector. One out of five jobs in Germany is linked to the healthcare sector, which generates roughly EUR 500 billion, or 12% of Germany's gross natural product; and with EUR 126.4 million, contributes 8.4 percent to Germany's export total.

Market Entry and Best Practices

The German market for medical devices is regulated by German and European Union (EU) directives, standards, and safety regulations. Companies seeking market entry should carefully map their distribution strategy depending on their target group(s). CE marking is mandatory for selling into Europe. Entry strategies to be considered are top-down or bottom-up marketing, picking the right partners and ensuring patient- and customer-centric system solutions and support. Most medical equipment imported into Germany is either sold direct through a local subsidiary with a field sales force, through medical distributors with an established distribution network, often on a regional/territorial basis, or through appointed agents or manufacturer representatives. Local representation or market presence is essential when considering differing standards and certifications, warehousing costs, maintenance, accessibility, and local marketing/sales preferences/discussions. An agency agreement is often a cost-effective mechanism to enter the market, but under German law - even if the agent's performance is not satisfactory - it can be difficult and costly to terminate the arrangement. A representation or distributorship agreement may be harder to arrange, but the German associate will, in fact, purchase the product to be sold, thus sharing the market risk. Licensing, partnering with large corporate partners, or buying a local firm provide alternatives in times where traditional distributors are bought up by corporates and the market increasingly consolidates. Further information is available in Commerce's Global Markets Healthcare Team's annual Healthcare Resource Guide.

Germany hosts the world's largest annual HCT trade show, MEDICA, making Germany a premier marketplace for U.S. companies to reach their global partners and buyers. The U.S. HCT industry, represented by 500+ U.S. exhibitors, converge every year for the 4-day long MEDICA trade show to sell to Europe and the rest of the world.

The German Medical Equipment Market 2015-2018 (USD billion)

	2015	2016	2017 (proj.)	2018 (proj.)
Market Size	31.5	32.8	33.8	35.1
Local Production	30.6	32.6	33.8	35.1
Imports	21.6	22.6	23.3	24.2
Exports	21.2	22.4	23.3	24.2

Imports from the U.S.	6.2	6.6	6.8	7.3

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Spectaris Trade Association; BVMED Trade Association; Eucomed; Statista

General statistics on Germany is available https://www.destatis.de/EN/Homepage.html . This information is published by the German Federal Statistics Office.

Leading Sub-Sectors

Leading HCT sectors include: Health IT, pharmaceuticals, dental products, and biotechnology.

Health IT: Opportunities in health IT are growing in Germany, with health IT applications representing more than $280 million at present, according to Top Market Reports where it ranks no. 7. An ageing society, with significant share of chronic disease, rollout of e-health patient portals by public health plan providers, and high Internet and mobile phone penetration, make Germany a strong health IT market and offers good potential to specialty solution providers. From 2014 to 2017, revenue in m-health increased by EUR 68 million, and growth is expected to continue.

Germany has an excellent base for health IT, with over 80 percent of its workforce holding a degree and a startup-friendly environment. This makes it a very strong market for m-health and e-health products and services. The strong German medical technology clusters develop telehealth and telemedicine solutions and in cooperation with hospitals and industry, form excellency clusters for oncology, neurological disorders, and chronic disease management. The German government's medical informatics initiative aims at improving medical R&D and patient care through innovative IT solutions for specific applications; create integrated health data centers. The multi-million-dollar funding scheme should pose excellent opportunities for U.S. solutions providers.

Pharmaceuticals: The German pharmaceuticals market was valued at USD 60.5 billion in 2017 and remains one of the most attractive worldwide over the coming years. Major growth drivers are the aging population and chronic diseases. It is regarded as a test market for other EU countries for pricing and distribution.

Medical Biotechnology: The German medical biotech market is valued at USD 1.6 billion with over 600 dedicated local players generating revenue of EUR 3.54 billion. In addition, most pharma giants such as Bayer, Merck, Boehringer and U.S. subsidiaries (Pfizer, Amgen, etc.) have their own biotech development in pre-clinical pharma, and also license in/out. There are good opportunities for US biotech startups/SMEs to seek partnerships with large pharma in Germany and incubator/accelerator partnerships.

Dental products: U.S. exports to Germany amounted to USD 112 million for dental equipment & supplies, and USD 49 million for dental laboratory products in 2017. Over 200 companies are actively exporting, with heavyweights Henry Schein, Danaher Corp. and Dentsply having major market share. Germany is Europe's largest market for dental equipment. The 200 members of the German Dental Manufacturers Association reported annual sales of USD 6.4 billion in 2016, up 2.5 percent over previous-year levels. Similar levels are expected for 2017. 61 percent was generated by exports, up 11 percent over previous-year levels. The major U.S. dental technology supplier Henry Schein has a subsidiary in Germany and is one of the largest distributors in in the German dental market, with annual sales of more than USD 123 million and an estimated 10 percent market share. Many U.S. dental technology exporters consider the German market the "test lab" for Europe and make it the first stop for European rollout. Germany hosts the world's largest biennial dental trade show, IDS, making Germany a premier marketplace for U.S. companies to reach their global partners and buyers. The U.S. dental industry, represented by 200+ U.S. exhibitors, converge every second year for the 4-day long IDS trade show to sell to Europe and the rest of the world.

Policy Objectives and Challenges

The Commercial Service will evaluate the broad impact of trade policies on German companies in the HCT and Life Sciences sector, with a particular focus on SMEs by working with the local MED cluster and their members and encourage a positive outlook on transatlantic trade among industry contacts we meet at events and in the context of partner search outreach. We will also organize a workshop on Compliance in Trade with a local strategic partner (1/2019). We will closely monitor impact of the EU's new medical devices directive and its challenges for U.S. exporters to Germany.

We will follow the latest healthcare policy developments and discussions in Germany, and work with U.S. associations, such as the Advanced Medical Technology Association and Medical Device Manufacturers Association based in Washington to ensure fair access and standards interoperability for U.S. firms to the German and European markets.

Opportunities

Germany' healthcare market offers more than just agents and distributors; it is full of different opportunities along the value supply chain route: design and research and development collaboration; strategic partnerships; equity partner and investor engagements; mergers and acquisitions; project collaboration, and other types of opportunities for SME's to get involved with to grow business and expand in the market. For example, one of Germany's lead healthcare companies and a U.S. medical imaging SME have recently partnered in order to advance the realm of digital imaging. Combining the resources and talents of the two entities, we will see a unique and powerful partnership that will enable cutting edge research into radiology.

The German government's health informatics funding initiative and the German states' initiatives on healthcare digitization offer good opportunities for U.S. firms to engage in the market. An example would be a procurement for NRW Public Hospitals re-organizing their system and reconstructing and upgrading of existing facilities. In a four-year span, U.S. companies will have the opportunity to participate in consortia or as sub-contractors.

The German Government is jump starting a "Medical Informatics" funding scheme as part of the Health Research Framework Program. In an aging society where diseases like cancer, dementia, and various cardiovascular, metabolic, and muscular ailments will become more prevalent, it is important to improve the exchange of data across different institutions and locations. The aim of the scheme is that faster diagnoses and treatments will help cut costs and help individuals receive faster and more precise care.

For more information on procurements you can get involved in, visit
http://ted.europa.eu/TED/main/HomePage.do

Web Resources

Trade Events

- **Expopharm,** Munich, 10-13 October 2018
- **Bio-Europe,** Copenhagen, 5-7 November 2018
- **MEDICA,** Dusseldorf, 12-15 November 2018
- **International Dental Show 2019** (IDS), Cologne, 12-16 March 2019
- **Cosmoprof** Bologna, 14-17 March 2019
- **DMEA, formerly ConhIT**, Berlin, 9-11 April 2019
- **HIMSS Europe and Health 2.0 Europe**, Helsinki, June 11-13
- **BIO' Convention,** Philadelphia, 3-6 June 2019
- **American Hospital Association Leadership Summit,** San Diego, July 2019
- **Expopharm,** Dusseldorf, 25-28 September 2019
- **Analytica**, Munich, 31 March – 3 April 2020

Local Associations

BVMED

ZVEI Health Pages

Spectaris

DKGEV

BVITG

BiM

Government Links

- *Federal Ministry of Health*
- *Federal Ministry of Education and Research*
- Federal Institute for Drugs and Medical Devices (Competent Authority)
- *Healthcare Procurement* and *Tenders*

Private provider for tender information

Government Health Plans:

International Federation of Health Plans

Association of Public Health Plan Providers

ICT

Overview

	2015	2016	2017	2018 (Estimated)
Total Local Production	174.8	174.6	182.2	201.7
Total Exports	37.7	39.4	43.0	
Total Imports	64.0	64.5	71.8	
Imports from the U.S.	1.9	2.2	2.4	
Total Market Size	201.1	199.7	211.0	
Exchange Rates	1.1095	1.1069	1.1297	1.23

(in Billion USD | total market size = (total local production + imports) – exports)

Germany has one of the largest ICT markets in the world and the single largest software market in Europe. There is a strong demand for U.S. products and services across all segments. Key players such as Microsoft, IBM, Oracle and SAP have large market shares. At the same time, there are many highly specialized SME's active in the market. According to the German Association for Information Technology, BITKOM, the subsector market sizes in 2017 (in USD billion) were: IT-hardware 27.3, software 25.9, IT-services 44.0, consumer electronics 10.6, telecommunication devices 11.8 and telecommunication infrastructure 7.4.

Germany hosts several key ICT trade shows, making it a premier marketplace for U.S. companies to reach global partners and buyers. U.S. exhibitors have frequently found buyers from Europe, Middle East, Africa, Asia and Latin America at CEBIT, Gamescom, ITA Berlin, or IT-SA.

Computers, electronics and visual products was the largest U.S. ICT export sector to Germany in 2016 with USD 8.5 billion of exports. In 2017, circuits and electronically integrated "IC circuits" worth USD 2.1 billion,

automatic data processing machines worth USD 1.0 billion and telecommunication devices worth USD 0.8 billion were exported from the U.S. to Germany.

ICT is a German Government priority. Germany's economic and innovation policy focuses on digital infrastructure, digital economy, digital workplaces, innovative public administration, digital environments in society, education, research, science, culture and media, security, protection and confidence for society and business, and European and international dimension of the Digital Agenda.

Policy Objectives and challenges

Policy objectives include the digitization of the German economy and the expansion of the German broadband network across the country. Challenges include the impact of the EU Digital Single Market, the General Data Protection Regulation (GDPR), the E-privacy Regulation on U.S. ICT companies, and the latest cybersecurity policy developments.

The U.S. Commercial Service aims to follow these developments and continue to work with associations and multipliers such as BMWi (German Federal Economics Ministry), BITKOM (Association for Information Technology), BDI (Federation of German Industries), GTAI (Germany Trade and Investment) and AmCham (American Chamber of Commerce).

Leading Sub-Sectors

Key segments and topics of interest include Big Data, IT Security, Internet of Things, Health IT, Cloud Computing, Business IT: ERP, Data Centers, Smart Social Business Platforms, Integrated Systems, Virtual & Augmented Reality and Digital Factory.

Major subsectors in 2017 for U.S. exports were computers (USD 589 million), computer accessories (USD 682 million), and telecom equipment (USD1.2 billion.).

Opportunities

- Big Data (hardware, infrastructure, services, database and analytics technologies)
- IT Security
- Health IT
- Artificial Intelligence
- Smart Social Business Platforms
- Enterprise Resource Planning (industry-specific ERP solutions)

Web Resources

Trade events

Gamescom

Interactive games and entertainment

Cologne, August 21-25, 2018

IFA Berlin

Consumer electronics and home appliances

Berlin, September 31 - Aug 5, 2018

it-sa

IT security: cloud, mobile & cyber security, data & network security

Nuremberg, October 9-11, 2018

ISE-Europe

AV and integrated system

Amsterdam, February 5-8, 2019

InfoSecurity Europe

Information security

London, June 4-6, 2019

CEBIT

IT software, hardware & telecommunication technologies

Hanover, June 24-28, 2019

Trade Associations

Bitkom, Federal Association for Information Technology, Telecommunication and New Media

Bitmi, Federal Association for Medium-Sized IT Businesses

Teletrust, IT Security Association Germany

ECO, Association of the Internet Industry

NIFIS, National Initiative for Information- and Internet-Security

German Games Industry Association, Organization that represents the German computer and video games industry

VATM, Association of Telecommunication and Value-Added Service Providers

Government Entities

Federal Office for Information Security, National cyber security authority in Germany

German Regulatory Authority, Ensures compliance with the Telecommunications Act (TKG), Postal Act (PostG) and Energy Act (EnWG) and their respective ordinances

Trade Publications

Computer Woche, Weekly newspaper for CIOs and IT-Managers about computers and information technology

CRN, Computer Reseller News magazine,

Channel Partner, Portal for Technology trends, Channel-News and strategic advice for computer retailers, ICT dealers and distributors

EITO, The European IT Observatory, offering reports on the ICT and Consumer Electronics markets in Europe and Internationally

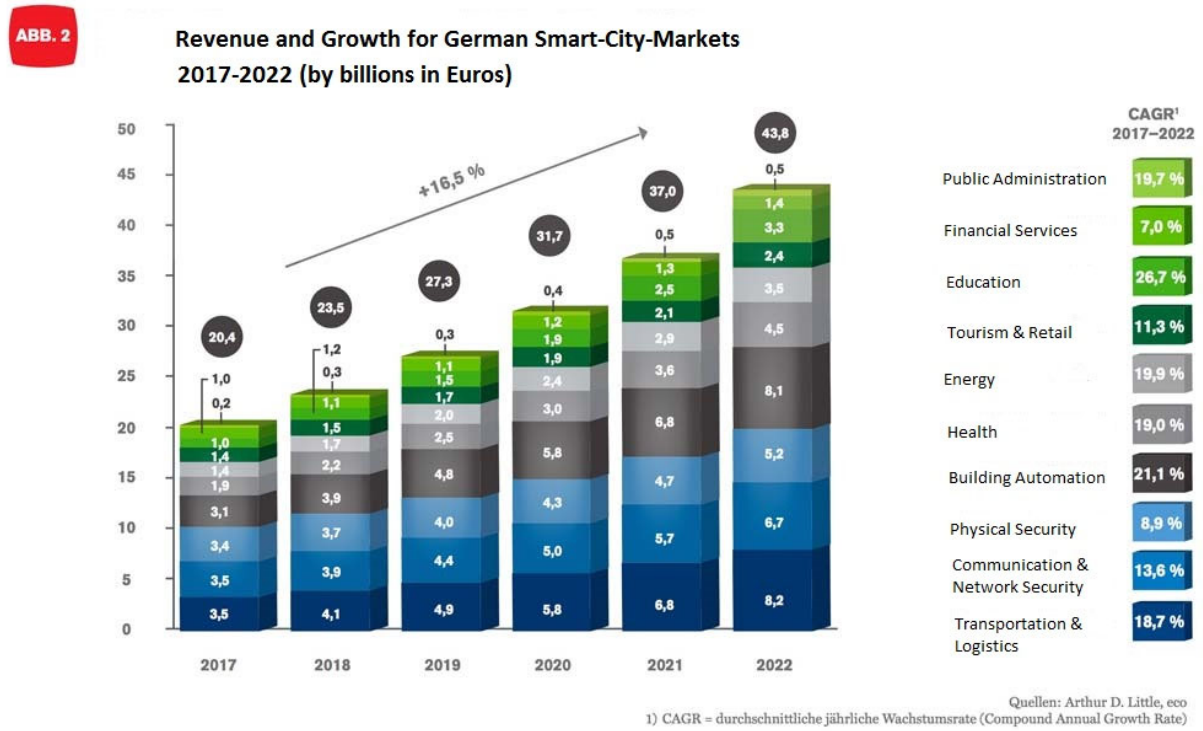
Smart Cities

Overview

Cities consume two-thirds of the world's major resources. By the year 2025, 34 cities worldwide will have a population of more than 10 million people. With 75 percent of Europeans and 80 percent of Americans living in cities it is no surprise that the U.S. and Europe, and especially Germany, are spearheading "smart cities" projects with investments, research and technologies.

Increased demand on city resources – including the demand for municipal water, the reliability of energy and power, the quality of the air, and the flow of traffic – will impact the quality of living.

Germany is actively positioning itself as a lead provider of complete smart technology solutions. In the current 2014-2019 financial framework alone, USD 23.6 billion is available for German cities and municipalities. Additionally, to this, there is the multi-billion Horizon 2020 funds, which is meant to support regional innovation.



Best Prospects for U.S. exports

Building and construction: energy-efficient buildings and modernization, smart homes

Energy: expansion of renewable energy generation, smart grids and distribution, and storage systems

Environmental technology: new solutions for waste recycling and waste-water treatment

Management: Planning and organization, models for financing and cooperation in administration, public facilities and the municipal economy, security for critical infrastructure

Ports: fully automated port where all devices are connected via IoT

Transportation/Logistics: investment in public transport and smart traffic systems, e-mobility

Policy Objectives and Challenges

The major concern is cyber attacks. Unfortunately, most Smart Cities vendors are either unaware of cybersecurity or lack the personnel with the technical know-how on how to address these issues. Smart Cities need to establish operational centers that are specific not only for purposes of sharing information but also for the counter-checking of vulnerabilities across functions and to establish a contingency response.

Selected Opportunities in the Energy and Transportation sector

Energy: Infrastructure projects grid development

- Ultra-High Grid development, existing grid, 4700 to 5200 miles, est. $6.6 billion, 2015-2025
- Offshore grid development 1400 to 2300 miles, 7 to 11.4 GW, est. $4.8 billion, 2018-2030

- Smart meter roll-out, **est.** $1.4 to 2.9 billion, 2018-2028

Transportation

- Autonomous driving, Driver Assistance & Safety, electrification, digital services & sales, advanced manufacturing, Multi- billion USD, 2017-2030
- Electric Vehicle Charging Infrastructure, private and public, est. $300 million, 2017-2025

Trade Events

- Building and Construction:
  - ISH, Frankfurt, March 11-15, 2019
  - Chillventa, Nuremberg, Oct 16-18, 2018
- Energy:
  - PowerGen Europe, Paris, Nov 12-14, 2019
  - E-world of energy and water, Essen, Feb 5-7, 2019
- Environmental technology:
  - Wasser Berlin, Berlin, March 26-28, 2019 (digitalization in the water industry)
  - IFAT Munich, Munich, May 4-8, 2020
- Management:
  - CeBIT Hannover, Hannover, June 24-28, 2019
  - Smart City Expo World Congress Barcelona, November 13-15, 2018
- Transportation/Logistics
  - IAA Frankfurt, Frankfurt, September 12-22, 2019
- Ports:
  - SMM Hamburg, Hamburg, September 4-7, 2018 (smart ports, technology for fully automated ports)

Web Resources

dena German Energy Agency
GTAI Germany Trade&Invest
German Renewable Energy Federation
German Partnership for Sustainable Mobility
Smart Cities Council

Travel and Tourism

Overview

Travel and tourism is the second-largest export industry in the United States and the largest services sector export. Every 40 visitors to the U.S. will create one new U.S job. For 2018, the National Tourism and Travel Organization (NNTO) estimates a total of 78 million international visitors to the United States and 2.1 million visitors from Germany, accounting for 2.7 percent of international arrivals. Germany is ranked 6th worldwide in terms of visitors per year making it a profoundly important market for the United States.

The majority of German visitors to the United States book their travel through German tour operators and/or travel agencies, thus availing of the protection of German consumer travel protection laws safeguarding their holiday investment. German visitors plan ahead and book early. Typically, they stay longer and spend more money than domestic visitors.

The U.S. Travel Association estimates that spending by international travelers to the United States in 2016 reached USD 245 billion and supported directly or indirectly 1.2 million of the 8.8 million American jobs in the tourism industry. (This includes passenger fares on U.S. carriers by international travelers to the United States.) In 2016, German visitors to the United States spent a total of USD 8.1 billion (ranked 10th worldwide and 2nd after the UK in Europe).

Promotion

Germany hosts the world's largest travel show, ITB, making Germany a premier marketplace for U.S. tourism companies to reach their global partners and buyers. VUSA Germany (Visit USA Committee Germany e.V.), together with Brand USA, will promote the Visit the USA brand at 3 major consumer travel shows, 3 trade events, 2 media events, approximately 12 webinars, several networking events and online and in print. In addition, Brand USA will conduct familiarization trips to the U.S. for travel agents, promote their giant screen films on the U.S. National Park Service (as part of its great outdoors theme) and America's Musical Journeys (as part of its music cultural theme), support culinary tourism events and continue its cooperative advertising campaign with major tour operators. The goal is to attract 2.1 million German visitors to the United States in 2018.

Policy Objectives and Challenges

Policies in the German and European markets for travel to the United States which could potentially cause challenges are flight access, visa waiver, ESTA, immigration issues, and drivers' license issues.

The Commerial Service will continue to follow the latest policy developments and discussions in Germany led by trade organizations such as DRV (German Travel Agents and Tour Operator Association) and VUSA (Visit USA Committee Germany e.V.) and monitor travel related media coverage and report these back to NTTO so that U.S. clients are better positioned to maintain the 2.21 million visitor goal from Germany.

Trade Events

Trade events featuring the Visit USA Pavilion in 2018-2019

TC Leipzig

East Germany's largest consumer travel show focusing on tourism ad caravaning, 60,000 visitors in 2017.

Dates: November 21-25, 2018

CMT Stuttgart

Germany's largest and longest travel consumer show, 265,000 visitors in 2018.

Dates: Janaury 12-20, 2019

f.re.e Munich

Bavaria's largest travel consumer show focusing on tourism and leisure, 135,000 visitors in 2018.

Dates: February 20-24, 2019

ITB Berlin

Germany and one of the world's largest travel trade shows, new focus on medical tourism, with 200+ exhibitors in the Brand USA Pavilion. 170,000 total visitors in 2018, with 110,000 trade visitors and 60,000 consumers.

Dates: March 6-10, 2019

IMEX Frankfurt

Worldwide exhibition for incentive travel, meetings and events, 14,055 visitors in 2018.

Dates: May 21-23, 2019

Travel Expo & FVW Congress Cologne (B2B fair)

B2B exhibition event for tourism, business travel and technology organized by Germany's largest travel trade publication, fvw. The congress had 750 visitors, and the travel expo had 1,400 visitors in 2017.

Dates: September 18-19, 2018

Web Resources

Entry and visa regulations information:

U.S. Embassy and Consulates in Germany

DHS

Other:

Official site of the Visit USA Committee Germany

Brand USA's consumer website in German

Consumer travel website on United States in German

German landing page for Recreation.Gov

Customs, Regulations & Standards

Trade Barriers

Germany's regulations and bureaucratic procedures can be a difficult hurdle for companies wishing to enter the market and require close attention by U.S. exporters. Complex safety standards, not normally discriminatory but sometimes zealously applied, complicate access to the market for many U.S. products. U.S. suppliers are well advised to do their homework thoroughly and make sure they know precisely which standards apply to their product and that they obtain timely testing and certification.

For more information and help with trade barriers please contact:

- International Trade Administration

  Enforcement and Compliance
  (202) 482-0063
  ECCommunications@trade.gov

Information on agricultural trade barriers can be found at the following website: http://www.usda-eu.org/.

To report existing or new trade barriers and get assistance in removing them, contact either the Office of Trade Agreements Negotiations and Compliance or the U.S. Mission to the European Union.

Import Tariff

The TARIC (Tarif Intégré de la Communauté), is available to help determine if a license is required for a particular product. Moreover, the European Commission maintains an export helpdesk with information on import restrictions of various products.

Many EU member states maintain their own list of goods subject to import licensing.

For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

Import Requirements & Documentation

The Single Administrative Document
The official model for written declarations to customs is the Single Administrative Document (SAD). The SAD describes goods and their movement around the world and is essential for trade outside the EU, or of non-EU goods. Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs

duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation. Its substantive provisions went into effect on May 1st 2016.

Imported goods must be accompanied by a customs declaration, which has to be submitted in writing, and an invoice in duplicate. Normally the German importer files this declaration. The commercial invoice must show the country of purchase and the country of origin of the goods. The invoice should contain:

(Company) and address of seller and buyer

Place and date of issue

Number, kind of packages

Precise description of articles

Volume or quantity in normal commercial units

Invoice price (in invoice currency)

Terms of delivery and Payment.

In addition, a certificate of origin may be required in some cases. Import duties and taxes are subject to change and companies are well advised to verify the correct tariff level shortly before carrying out any export transaction. For further information, including current customs tariffs, please go online.

Economic Operator Registration and Identification (EORI)

Since July 1, 2009, all companies established outside of the EU are required to have an EORI number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. An EORI number must be formally requested from the customs of the specific member state to which the company exports. Member state custom authorities may request additional documents to be submitted alongside a formal request for an EORI number. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number. Once an operator holds an EORI number s/he can request the Authorized Economic Operator (AEO: see below under "MRA") status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found online.

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please go online.

In 2012 the United States and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the United States' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority and is recognized by all member state's customs agencies. As of April 17, 2017 an AEO can consist of two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplification related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition. Under the revised Union Customs Code, in order for an operator to make use of certain customs simplifications, the authorization of AEO becomes mandatory.

The United States and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above).

Additional information on the MRA can be found online.

Revised AEO guidelines (published March 2016)

Labeling/Marking Requirements

Summary

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an "umbrella" law covering all goods nor any central directory containing information on marking, labeling and packaging requirements. This overview is meant to provide the reader with a general introduction to the multitude of marking, labeling and packaging requirements or marketing tools to be found in the EU.

Introduction

The first step in investigating the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related to mandatory marking, labeling and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States. This report is focused primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and/or labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or

numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

OVERVIEW

Mandatory Marks & Labels

- Textiles
- Cosmetics
- Dangerous Substances
- Explosive Atmosphere
- Electrical & Electronic Equipment
- Household Appliances
- Pricing
- Footwear
- Units of Measurement
- Automotive
- Tire labeling
- Maritime
- Materials in Contact with Food
- Noise Emissions
- Wood packaging
- Energy Efficiency

- Recycling - Separate Collection

Voluntary Marks and Labels

- Cup/Fork Symbol (material in contact with food)
- Eco-Label
- Green Dot
- Energy Star
- 'e' Mark

Recycling Marks

Voluntary and mandatory marks and labels apply to all Member States of the EU, countries in the European Economic Area, European Free Trade Association, as well as candidate countries seeking membership to the EU.

MANDATORY MARKS AND LABELS

CE MARKING

This is probably the most widely used and recognized marking required by the EU. Found in all "New Approach" legislation with a few exceptions, the CE marking demonstrates that a product meets all essential requirements (typically related to safety, health, energy efficiency and/or environmental concerns). CE marking is required for the following products/product families:

- Cableway installations
- Civil explosives
- Construction products
- Electrical/electronic products
- Electromagnetic compatibility
- Low voltage
- Restriction of Hazardous Substances
- Energy efficiency
- Equipment and protective systems in potentially explosive atmospheres (ATEX)
- Gas appliances
- Hot water boilers
- Lifts
- Machinery
- Medical devices (3)
- Non-automatic weighing instruments
- Personal protective equipment
- Pressure equipment
- Radio equipment
- Recreational crafts
- Refrigeration appliances
- Simple pressure vessels
- Toys

For each "New Approach" law there is a separate list of references to harmonized European standards, the use of which provides the manufacturer with the 'presumption of conformity' with essential requirements. While other non-EU standards may be used to demonstrate a product's compliance with the applicable directive(s), the manufacturer will have to provide detailed information regarding the compliance process. An array of standardized safety warning symbols/pictograms may also be applicable to each of the above product categories.

In 2008, the EU adopted a package of measures known as the New Legislative Framework (NLF) which provides a regulatory 'toolbox' for new and revised EU product safety legislation. The framework is designed to improve market surveillance, more clearly define the responsibilities of manufacturers, importers and distributors, and clarify the meaning of CE marking across a wide-range of product groups. In February 2014, to align product harmonization legislation with the provisions of the NLF (most notably Decision 768/2008), the European Union adopted an "Alignment Package" consisting of eight revised CE marking directives. These newly aligned directives are in force since 2016.

Note: The EU is currently finalizing new legislation that will impact CE marking for medical devices. The new regulations have transition period with the new measures coming into force in 2020 for medical devices and 2022 for in-vitro medical devices.

For more information:

CE Marketing

Harmonized Standards

New Legislative Framework

CE Marking Laws Applicable

THE WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE (WEEE)

This directive is designed to tackle the rapidly increasing waste stream of electrical and electronic equipment, and complements European Union measures on landfills and waste incineration. Increased recycling of electrical and electronic equipment, in accordance with the directive requirements, limits the total quantity of waste going to final disposal. This directive affects the following product categories:

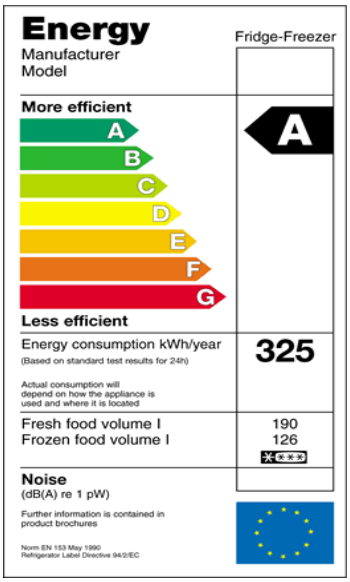
- Large and small household appliances
- Consumer equipment
- Lighting equipment
- IT and Telecommunications equipment
- Electrical and Electronic Tools
- Toys and Sports equipment
- Medical Devices
- Monitoring and control equipment
- Automatic dispensers

The symbol shown above must be displayed on all products that fall under this directive, and indicates that the product is not to be discarded with normal household waste. It is a required mark on batteries. In instances where this symbol cannot be displayed on the equipment itself, it should be included on the packaging.

For more information

Directive 2012/19/EU

ENERGY LABELING



Directive 2010/30/EU "on the indication by labeling and standard product information of the consumption of energy and other resources by energy-related products" sets a framework for the adoption of product-specific directives on the proper energy efficiency labeling for each concerned product. With the adoption of Regulation 2017/136 on energy labeling, which entered into force on August 1, 2017, the original directive 2010/30/EU was repealed; labeling categories were simplified; and the scope was extended.

Suppliers are to supply free of charge labels or product fiches containing information about consumption of electric or other energy sources to their dealers. Dealers display labels in a visible and legible way, and make the fiche available in product brochures or other literature.

For more information

Clearer Energy Labelling

Energy Consumption

DEVICES FOR USE IN POTENTIALLY EXPLOSIVE ATMOSPHERE (ATEX)

In addition to applying a CE marking for products falling under the ATEX Directive (2014/34/EC), it is necessary to display the Ex mark, which is a specific marking of explosion protection. Located next to the 'Ex' mark will be a symbol designating the product group or category as specified in the directive.

The revised ATEX Directive (2014/34/EC) was adopted in February 2014 as part of the New Legislative Framework alignment package. It replaced the existing directive and became applicable on April 20, 2016.

For more information

Mechanical Engineering

Directive 2014/34/EU

NOISE EMISSION OF OUTDOOR EQUIPMENT

Machines used outdoors are subject to CE marking requirements. Noise emission levels are covered separately. The sample mandatory label shown above specifies noise emission levels.

For more information

Noise Emissions

MARITIME

The "steering wheel" mark shown above is the equivalent of CE marking for marine equipment. It applies to equipment for use on board any new EU ship, wherever the ship is situated at the time of construction, and to equipment placed on board existing EU ships, whether for the first time or to replace equipment already carried on board. It does not apply to equipment already on board on the date on which the directive entered into force in 1997. The directive applies to the following equipment categories:

- Life-saving appliances
- Marine pollution prevention
- Fire protection
- Navigation equipment
- Radio-communication equipment

A revised Marine Equipment Directive (2014/90/EC) was adopted in July 2014 and is applicable since September 18, 2016.

For more information

Directive 2014/90/EC

TEXTILES

Textile products must be labeled or marked whenever they are put onto the market for production or commercial purposes (sale). The names, descriptions and details of a textile's fiber content must be indicated on products available to consumers. With the exception of trademarks or the name of the undertaking, information other than that required by the directive must be listed separately. Member States may require that their national language be used on the labeling and marking required by the directive.

For more information

Textiles Legislation

FOOTWEAR

lining & sock

Labels must convey information relating to the upper, the lining and insole sock, and the outer-sole of the footwear article. The information must be conveyed by means of approved pictograms or textual information, as defined by the directive.

The label must be legible, firmly secured and accessible, and the manufacturer or the authorized agent established in the Community is responsible for supplying the label and for the accuracy of the information contained therein. Only the information provided for in the directive need be supplied. There are no restrictions preventing additional information being included on the label.

For more information

Footwear

COSMETICS

Containers and/or packaging (in certain cases) must bear, in indelible, easily legible and visible characters, the following:

- The name, trade name and address, or registered office, of the manufacturer or person responsible for marketing the cosmetic product within the Community
- The nominal contents at the time of packaging (by weight or volume)
- The date of minimum durability indicated by "Best before end", for products with a minimum durability of less than 30 months. In this case the following must figure on the packaging:

- The period after opening during which the product can be used without harm to the consumer, for products with a minimum durability of less than 30 months (indicated by a symbol representing an open cream jar, as shown below):

- Particular precautions for use
- The batch number or product reference, for identification
- The product's function

If it is impossible for practical reasons to print on the packaging all the conditions of use and particular warnings, an enclosed leaflet, label or tape has to be provided and the following symbol has to be on the packaging:

The Member States are to draw up procedures for providing the information set out above in the case of cosmetic products that have not been pre-packaged. The product function and list of ingredients also have to appear on the container or packaging. Member States may stipulate that the information on the label is provided in their national or official language(s).

About the labeling of nanomaterials present in cosmetics:

The Cosmetics regulation indicates that from July 2013 "all ingredients present in the form of nanomaterials shall be clearly indicated in the list of ingredients" and that "the names of such ingredients shall be followed by the word 'nano' in brackets".

For more information

Regulation 1223/2009

Market Research Report on "EU Cosmetics Legislation"

DANGEROUS SUBSTANCES

Regulation on the Classification, Labeling and Packaging of Chemicals

The labeling of dangerous substances must indicate the following:

- The name of the substance
- The origin of the substance (the name and address of the manufacturer or distributor)
- The danger symbol and an indication of danger involved in the use of the substance
- A reference to the special risks arising from such dangers.

The dimensions of the label must not be less than a standard A8 sheet (52 x 74mm), and each symbol must cover at least one-tenth of the label's surface area. Member States may require their national language(s) to be used in the labeling of dangerous substances. Where the packaging is too small, the labeling may be affixed in some other manner. The packaging of products considered dangerous which are neither explosive nor toxic may go unlabeled if the product contains such small quantities of dangerous substances that there is no danger to users.

Symbols must be employed if the substance can be defined as any one of the following (as shown above): explosive, oxidizer, flammable, harmful, toxic irritant, corrosive, or harmful to environment. Containers of hazardous substances should include, in addition to the appropriate symbols, a raised triangle to alert the vision-impaired to their contents. Note that this directive has undergone numerous amendments relating, amongst other things, to the marking and labeling of additional substances. Accordingly, it is advisable to consult all literature.

Regulation 1272/2008 implements the classification, labeling and packaging requirements for chemicals based on the Worldwide United Nation's Globally Harmonized System (UN GHS).

For more information

Regulation 1272/2008/EC on the classification, labeling and packaging

Legal Metrology and Metric Units of Measurement

This legislation specifies permissible ranges of nominal quantities, container capacities and the weights or volumes of prepackaged products. Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable.

For more information

Legal Metrology

PRICE DISPLAY

The directive requires an indication of the selling price, and price per unit of measurement, on all products offered to consumers. The aim is to improve the information available to the consumer and to facilitate price comparison. This information must be unambiguous, clearly legible and easily identifiable. If advertising mentions the item's selling price, it must also indicate its unit price. For products sold in bulk, the unit price is the only item whose indication on the label is mandatory. National authorities may provide alternatives for products sold by small retail business operations.

For more information

Directive 98/6/EC on the indication of the prices of products offered to consumers.

AUTOMOTIVE

e4

Nearly every vehicle component must be certified for safety as specified under the various directives relating to automobiles. The number shown in the rectangle on the label indicates the particular Member State in which the approval process was conducted. A "base approval number" must also be provided adjacent to this certification. This four-digit number will correspond to the directive and type of device in question. The country-number correlation is as follows (this is not an exhaustive list):

1	Germany	6	Belgium	18	Denmark
2	France	9	Spain	21	Portugal
3	Italy	11	UK	23	Greece
4	Netherlands	13	Luxembourg	24	Ireland

For more information:

All existing directives on motor vehicles, in chronological order, available online at:

Existing Motor Vehicles Directives

Photometry

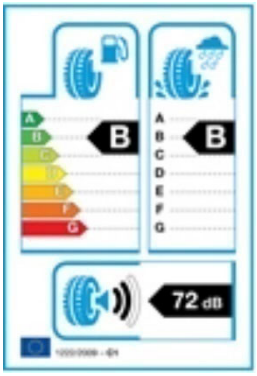
E4

A similar marking is an 'E' surrounded by a circle, which applies to the testing of headlight lamps, brake light lamps and turning signal lamps of all vehicles seeking EU market entry. These include consumer vehicles, low-volume production trucks, light and heavy goods vehicles, trailers, motorcycles, cranes, agriculture and forestry tractors, and special-purpose and off-road vehicles.

For more information:

Automotive Legislation

TIRE LABELING



Tire label legislation requires that tire manufacturers declare fuel efficiency, wet grip and external rolling noise performance of C1, C2 and C3 tires (i.e. tires mainly fitted on passenger cars, light and heavy duty vehicles).

The objective of the regulation is better information for the consumer and a contribution to a more energy efficient transport policy.

For more information:

Energy Topics

Directive 1222/2009/EC

Directive 288/2011/EC

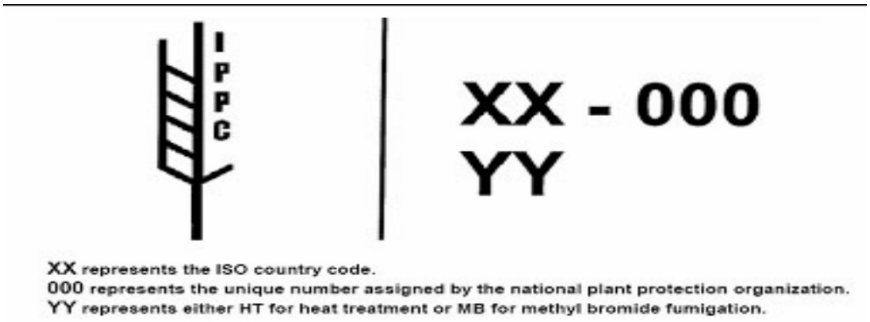
PACKAGING MATERIAL

The EU Packaging and Packaging Waste Directive harmonized member state legislation regarding packaging material composition and the management of packaging waste. Composition of packaging material is addressed in a series of EU-wide standards. For the management of packaging waste through recycling targets and collection and recycling systems, Member States have adopted voluntary marking mentioned in the following pages.

For more information

Directive 94/62/EC

Wood Packaging



Like the United States, the EU has adopted legislation to ensure pest control in wood packaging. The marking used for regulated materials is based on the International Plant Protection Convention compliance symbol shown above.

For more information

Requirements for wood packaging and dunnage

VOLUNTARY MARKS AND LABELS

MATERIALS IN CONTACT WITH FOOD

Manufacturers of containers, plates, cups, and other material that is intended to come into contact with food are required to check the compliance of their product with EU chemical safety requirements. Using the symbol shown above shows compliance with these requirements. It is mandatory to comply with the legislation, but the use of the symbol is voluntary.

For more information

Legislation on Food Contact Materials

THE e-MARK

The e-mark, shown above, acts as a metrological "passport" to facilitate the free movement of prepackaged goods. It guarantees that certain liquids and other substances have been packed by weight or volume in accordance with the directives. While compliance is not mandatory, free movement throughout the EU is guaranteed for prepackaged products that do comply with the provisions of the directive.

Containers with an e-mark also bear an indication of the weight or volume of the product, known as its "nominal" weight or volume. The packer (or importer, if the container is produced outside the EU) is responsible for ensuring that the containers meet the directive's requirements.

For more information

Prepackaging

THE ECO-LABEL

The European Eco-label enables European consumers, including public and private purchasers, to easily identify officially approved green products across the European Union, Norway, Liechtenstein and Iceland.

Introduced in 1992, the label communicates to the customer that the marked products meet specific eco-friendly criteria that have been developed to apply to everyday consumer goods and services.

The symbol may apply to the following 27 product and services groups:

All-purpose cleaners and cleaners for sanitary facilities	Household cleaning products	Textile products
Bed mattresses	Laundry detergents	Tissue paper
Campsite Services	Light bulbs	Tourist accommodation service
Copying and graphic paper	Lubricants	Vacuum cleaners
Detergents for dishwashers	Paints and varnishes	Washing machines
Dishwashers	Personal computers	Wooden coverings
Footwear	Printed paper products	Wooden furniture
Furniture	Refrigerators	
Growing media and Soil improvers	Soaps, shampoos and hair conditioners	
Hand dishwashing detergents	Soil improvers	
Hard floor coverings	Televisions	
Heat pumps	Textile coverings	

Manufacturers should be aware that similar eco-friendly markings are often used nationally, such as the Nordic Swan or the German Blue Angel, shown below.

The Eco-label program has recently been expanded to cover fish and fishery products. This means that eco-labeled products have been produced in accordance with specific environmental standards.

Private Eco labels have been developed by the seafood industry to "influence the purchasing decision of consumers and the procurement policies of retailers selling seafood products, in order to reward producers involved in responsible fishing and aquaculture practices leading towards sustainable use of natural resources."

There are multiple eco-label schemes, and logos, developed by a variety of operators and according to different characteristics. This confusing situation has led to a need for harmonization and coherence. In response, the UN Food and Agriculture Organization (FAO) has developed a "Guideline for the Eco-Labeling of Fish and Fishery Products from Marine Capture Fisheries."

The U.S. government has decided not to engage in the development of such marketing tool. Instead, NOAA Fisheries has developed a comprehensive website where stakeholders, including consumers, can find facts about a specific species of fish and related fisheries. Consumers can then make their own purchasing choice: Fish

The European Commission is currently preparing, at the request of the European Parliament and the Council, a feasibility report on options for a Union-wide eco-label scheme for fishery and aquaculture products. Some EU Member States have already created their own National eco label.

For more information

European Eco-Label website

Eco-labels for Fisheries and aqua products

RECYCLING

The "mobius loop" (sometimes known as the "chasing arrows"), based on an international standard, may be found on products throughout Europe and is meant to help consumers identify and participate in recycling schemes for product packaging and materials. As well as being used on printed packaging, the chasing arrows symbol is sometimes featured in the molds of glass, metal, paper, or plastic products. Various kinds of loops indicate whether the product is recyclable, recycled or contains recycled material.

For more information

http://ec.europa.eu/environment/waste/target_review.htm

Plastics

The symbol above is an example of how a plastic's type may be indicated on a product. As part of the EU voluntary identification system for plastics, the following marks are used for the most common types of plastics (Decision 97/129/EC):

EU Number	Abbreviated Description	Full Plastic Description
1	PET	Polyethylene Terephthalate
2	HDPE	High Density Polyethylene
3	PVC	Poly Vinyl Chloride
4	LDPE	Low Density Polyethylene
5	PP	Polypropylene
6	PS	Polystyrene

Glass

There are no EU-wide symbols used to designate the recyclable nature of glass. However, it is certainly encouraged on the national level with an array of symbols. The one shown above is just one small sample of the total existing to show recyclability.

GREEN DOT

The Green Dot system is a scheme in which participating bodies coordinate the collection, sorting and recovery of used packaging. This system is actually administered according to national packaging laws (adhered to by packaging manufacturers, fillers, retailers and importers), and it should be noted that all participating national systems operate independently. The umbrella organization, PRO-Europe, is responsible for managing the Green Dot labeling system in Europe. More than 460 billion pieces of packaging marked with the Green Dot, shown above, are distributed worldwide. Interested applicants should contact one of the national administering authorities.

Pro Europe

U.S. Export Controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: BIS Exporting Controls

BIS Enforcement

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. The list can be found in the "Know Your Customer" guidance document.

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at: BIS Reporting Violations

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS website.

It is important to note that in August 2009 a broad-based interagency review of the U.S. export control system was initiated, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The reform is being implemented in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website.

Temporary Entry

Specific information on the ATA Carnet Customs procedure used for temporary importation, transit and temporary admission of goods designed for specific purposes, duty-free and tax-free (such as professional equipment for presentations or trade fairs).

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: EU Member States' Country Commercial Guides

Alternatively, search the Commerce Department's Market Research Library, available from: Market Intelligence under Country and Industry Market Reports.

Prohibited & Restricted Imports

The Tarif Intégré de la Communauté (TARIC) is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species

PROHI Import Suspension

RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section.

Key Link: Taxation Customs and Tariffs

Customs Regulations

The following provides information on major regulatory efforts of the EC Taxation and Customs Union Directorate:

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions apply from 1 May 2016. It replaces the Community Customs Code (CCC). In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy which also require an integrated IT system from the customs authorities. In April 2016, the European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The current deadline of December 2020 may be extended until 2025 (draft proposal)

Key Link: Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.

The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link: Customs Procedures

Standards for Trade

Overview

Products tested and certified in the United States to U.S. regulations and standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the Member States and European Economic Area countries to allow for the free flow of goods. An example of the New Approach is CE marking.

The concept of New Approach legislation is slowly disappearing as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Existing legislation has been reviewed to bring them in line with the NLF concepts, which means that, as of 2016, *new requirements are being addressed and new reference numbers are to be used on declarations of conformity.* For more information about the NLF.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, and in January 2002 the EU publicized a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website/

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: FAIRS Export Certificate Report

Standards

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CEN, European Committee for Standardization
2. CENELEC, European Committee for Electrotechnical Standardization

3. ETSI, European Telecommunications Standards Institute

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and delegate experts to participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental, labor and consumer groups. The Commission also provides money to the European standards bodies when it mandates standards development for harmonized standards that will be linked to EU legislation. Mandates– or requests (the Commission requests CEN/CENELEC or ESTI to develop standards) for standards.

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as the Western Balkan countries among others. Another category, called "companion standardization body" includes the standards organization of Morocco, Israel, Kazakhstan and Australia, among others which are not likely to become a CEN member or affiliate for political and geographical reasons.

To view what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal links to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing harmonized standards (EN)[1]. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a relatively recent mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization. The Joint Initiative on Standardization, launched in 2016 with a number of action items to improve European standardization, involves a large group of stakeholders who are committed to deliver results by 2019.

Key Link: Standardization Policy

Germany

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and participate in ongoing European standardization. The German organization that compiles standards is the Deutscher Industrie Normenausschuss - DIN (German Standards Institute). The DIN also compiles the standards that lay down the requirements for a "GS" mark. Since 1975, DIN has been recognized

[1] An EN standard is a standard developed by CEN/CENELEC and ETSI at the request of the EC in order to meet the essential requirements or other provisions of relevant European Union harmonization legislation

by the German government as the national standards body and represents Germany's interests at the international and EU levels. DIN offers a forum in which interested parties meet in order to discuss and define their specific standardization requirements and to record the results as German Standards. In DIN, standard work is carried out by some 26,000 external experts, serving as voluntary delegates in more than 4,000 committees. Draft standards are published for public comment, and all comments are reviewed before final publication of the standard. Published standards are reviewed for continuing relevance at least every five years. According to DIN, standards are designed to promote rationalization, quality assurance, safety, and environmental protection, as well as improving communication between industry, technology, science, government, and the public domain. The input of external experts into standardization is organized through standards committees and working groups. Each standards committee is responsible for a distinct area of activity and coordinates the corresponding standardization work at the EU and international levels. As a rule, the standards committee in DIN includes a number of technical sub-committees. There are standards committees that maintain their own websites. Basic details of their area of activity and a list of the standards are published in English. Links to these committees are available on the German Standards Institute website.

Testing, Inspection and Certification

Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU harmonized legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual Member States are listed in the New Approach Notification and Designated Organizations (NANDO) information system.

Key Link: NANDO

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

To sell products in the EU market of 28 Member States as well as in EFTA (Norway, Liechtenstein Iceland, Switzerland) and Turkey U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. The CE marking process is very complex and this section attempts to provide some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the essential requirements of EU harmonized legislation. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU and EFTA. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of technical regulations

Official Journal of the EU is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees. It also lists the standards reference numbers linked to legislation (Harmonized Standards).

National technical regulations are published on the Commission's website to allow other countries and interested parties to comment.

Germany

Technical regulations are published by the publishing house of DIN, Beuth Verlag.

National Institute of Standards and Technology's (NIST) Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. The **Notify U.S. Service** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: Notify U.S.

Contact Information

U.S. Mission to the EU

Marianne Drain, Standards Attaché

Marianne.Drain@trade.gov

Tel: +32 2 811 5034

Liliana Popescu, Commercial Specialist

Liliana.Popescu@trade.gov

Tel: +32 2 811 5001

National Institute of Standard & Technology

Gordon Gillerman Standards Coordination Office

100 Bureau Dr.

Mail Stop 2100

Gaithersburg, Maryland 20899

Tel: (301) 975-4000

CEN- European Committee for Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.550.08.11

Fax: 32.2.550.08.19

CENELES- European Committee for Electrotechnical Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.519.68.71

Fax: 32.2.519.69.15

ETSI- European Telecommunications Standards Insitute

Route des Lucioles 650

Sophia Antipolis

F-06560 Valbonne France

Tel: 33.4.92.94.42.00

Fax: 33.4.93.65.47.16

SBS- Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: 32.2.285.07.27 Fax : +32-2/230.78.61

ANEC- European Association for the Co-ordination of Consumer Representation in Standardization

Avenue de Tervuren 32, Box 27

B – 1040 Brussels, Belgium

Tel: 32.2.743.24.70

Fax: 32.2.706.54.30

ECOS- European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26

B – 1050 Brussels, Belgium

Tel: 32.2.894.46.68

Fax: 32.2.894.46.10

EOTA- European Organization for Technical Assessment

Avenue des Arts 40

B – 1040 Brussels, Belgium

Tel: 32.2.502.69.00

Fax: 32.2.502.38.14 .

Trade Agreements

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see

EU Trade Agreements

Licensing Requirements for Professional Services

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in correspondence with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission takes initiative to facilitate recognition procedures. For example:

- Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.
- Recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the *Lisbon Recognition Convention*. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognise skills and qualifications an **understanding of the level, content and quality** is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

The "Your Europe" website maintains a webpage dedicated to help citizens identify what the regulated professions are and what document are needed for their recognition in each Member State. Please see: Recognition of Professional Qualification.

Web Resources

EU websites:

TARIC

The Modernized Community Customs Code

ECHA

Taxation and Customs Union

Security and Safety Amendment to the Customs Code

Electronic Customs Initiative

Modernized Community Customs Code Regulation

Legislation related to the Electronic Customs Initiative

Trade Helpdesk http://trade.ec.europa.eu/tradehelp/

What is Customs Valuation?

Establishing the Community Customs Code

Pre-Arrival/Pre-Departure Declarations

AEO: Authorized Economic Operator

Contact Information at National Customs Authorities

New Legislative Framework

Cenelec, European Committee for Electrotechnical Standardization

ETSI, European Telecommunications Standards Institute

CEN, European Committee for Standardization

Standardisation- Mandates

ETSI- Portal- E-Standardisation

CEN- Sector

CEN- Standard Search

NANDO (New Approach Notified and Designated Organizations) Information System

European Co-Operation for Accreditation

Eur-Lex- Access to European Union Law

Standards Reference Numbers

What's New?

National Technical Regulations

NIST- Notify U.S.

European Union Eco-Label Homepage

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers

Agricultural Trade Barriers

Trade Compliance Center

U.S. Mission to the European Union

The New EU Battery Directive

The Latest on REACH

CE Marking

WEEE and RoHS in the EU

Overview of EU Certificates (FAS)

Center for Food Safety and Applied Nutrition

Trade Agreements

Investment Climate Statement

Executive Summary

As Europe's largest economy, Germany is a major destination for foreign direct investment (FDI) and has accumulated a vast stock of FDI over time. Germany has been consistently ranked by business consultancies as one of the most attractive destinations for FDI, thanks to the country's reliable infrastructure, highly skilled workforce, positive social climate, stable, predictable, and transparent legal environment, and world-class research and development. While welcoming foreign investment, however, the German government does review – and can ultimately block –acquisitions that threaten national security. In February 2017, Germany, along with France and Italy, asked the European Commission to develop an EU-wide framework to uniformly address prospective third-country investments in high-risk technological sectors, emphasizing the problem of state-directed acquisitions, including by Chinese enterprises, and the need for reciprocity. As such, German authorities support the European Commission's September 2017 legislative proposal for an EU-wide framework to coordinate governments' efforts to review foreign investments for national security threats.

The United States is the leading source of non-EU foreign investment in Germany, with a stock of $108 billion in 2016. Foreign investment in Germany has been stable in recent years, mainly originating from other European countries, the United States, and Japan. FDI from emerging economies (particularly China) grew substantially over 2012-2015, albeit from a low level.

German legal, regulatory, and accounting systems can be complex, but are generally transparent and consistent with international norms. Businesses enjoy considerable freedom within a well regulated environment. Foreign and domestic investors are treated equally when it comes to investment incentives, and the establishment and protection of property, both real and intellectual. Foreign investors can fully rely on the legal system, which is efficient and sophisticated. At the same time, this system requires investors to pay attention to their legal obligations. First-time investors should ensure they have the necessary legal expertise, either in-house or outside counsel, to meet all requirements.

Germany has effective capital markets and relies heavily on its modern banking system. Majority state-owned enterprises are generally limited to public utilities such as municipal water, energy, and national rail transportation. The primary objectives of government policy are to create jobs and foster economic growth. Labor unions play a generally constructive role in collective bargaining agreements, as well as on companies' work councils.

German authorities continue efforts to fight money laundering and corruption. Smaller companies are joining multinational enterprises in becoming increasingly aware of the due diligence approach to responsible business conduct.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	12 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Business"	2017	20 of 190	doingbusiness.org/rankings
Global Innovation Index	2017	9 of 127	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country ($M USD, stock positions)	2016	107,711	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	$43,940	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness to and Restrictions upon Foreign Investment

Policies Towards Foreign Direct Investment

The German government and industry actively encourage foreign investment. U.S. investment has been strong and continues to account for a significant share of foreign investment. The investment-related problems foreign companies face are generally the same as for domestic firms, for example, high marginal income tax rates and labor laws that impede hiring and dismissals. The 1956 U.S.-Federal Republic of Germany Treaty of Friendship, Commerce and Navigation affords U.S. investors national treatment and provides for the free movement of capital between the United States and Germany. As an OECD member, Germany adheres to the OECD Declaration on International Investment, including a commitment to National Treatment, and the OECD Codes of Liberalization of Capital Movements and of Invisible Operations.

Limits on Foreign Control and Right to Private Ownership and Establishment

While the Federal Ministry for Economic Affairs and Energy may review acquisitions of domestic companies by foreign buyers in specific cases to assess whether these transactions pose a risk to the public order or to national security, (for example, when the investment pertains to critical infrastructure) in practice, no investments have been blocked to date. The Foreign Trade and Payments Act and the Foreign Trade and Payments Ordinance provide the legal basis for this investment review. Growing Chinese investment activities and acquisitions of German businesses – including *Mittelstand* (mid-sized) industrial market leaders – in recent

years have led German authorities to amend domestic investment screening provisions in 2017, clarifying the scope and giving the government more time to conduct reviews.

German law affords foreign investors national treatment: under German law, a foreign-owned company registered in the Federal Republic of Germany as a GmbH (limited liability company) or an AG (joint stock company) is treated the same as a German-owned company. There are no special nationality requirements for directors or shareholders. However, Germany limits the foreign provision of employee placement services, such as providing temporary office support, domestic help, or executive search services.

Other Investment Policy Reviews

The World Bank Group's "Doing Business 2017" and Economist Intelligence Unit both provide additional information on Germany investment climate. The American Chamber of Commerce in Germany annually publishes results of a survey among U.S. investors in Germany on business and investment sentiment called the "AmCham Germany Transatlantic Business Barometer."

Business Facilitation

Before engaging in commercial activities, companies and business operators have to register in public directories, the two most significant of which are the commercial register (Handelsregister) and the trade office register (Gewerberegister).

Applications for registration at the commercial register, which is publically available under www.handelsregister.de, are electronically filed in publicly certified form through a notary. The commercial register provides information about all relevant relationships between merchants and commercial companies, including names of partners and managing directors, capital stock, liability limitations, and insolvency proceedings. Registration costs vary depending on the size of the company.

Germany Trade and Invest (GTAI), the country's economic development agency, can assist in the registration processes (https://www.gtai.de/GTAI/Navigation/EN/Invest/Investment-guide/Establishing-a-company/business-registration.html) and advise investors, including micro, small, and medium-sized enterprises (MSMEs), on how to obtain incentives.

In the EU, MSMEs are defined as follows:

- Micro enterprises: less than 10 employees and less than €2 million annual turnover or less than €2 million in balance sheet total.
- Small enterprises: less than 50 employees and less than €10 million annual turnover or less than €10 million in balance sheet total.
- Medium-sized enterprises: less than 250 employees and less than €50 million annual turnover or less than €43 million in balance sheet total.

Outward Investment

The Federal Government provides political risk insurance for investments by German-based companies in developing and emerging economies and countries in transition. In order to receive guarantees, the host government must guarantee adequate legal protection. The Federal Government does not insure against commercial risks.

Bilateral Investment Agreements and Taxation Treaties

Germany does not share a bilateral investment treaty (BIT) with the United States. However, a Friendship, Commerce and Navigation (FCN) treaty dating from 1956 contains many of the same commitments regarding national treatment, most-favored nation treatment, free capital flows, and full protection and security.

Germany has bilateral investment treaties in force with 127 countries and territories; treaties with former sovereign entities (including Czechoslovakia, the Soviet Union, Sudan, and Yugoslavia) continue to apply in an additional seven cases. These are indicated below with an asterisk (*). Treaties are in force with the following states, territories, or former sovereign entities. For a full list of treaties containing investment provisions that are currently in force, see the UNCTAD Navigator at

http://investmentpolicyhub.unctad.org/IIA/CountryBits/78#iiaInnerMenu.

Afghanistan; Albania; Algeria; Angola; Antigua and Barbuda; Argentina; Armenia; Azerbaijan; Bahrain; Bangladesh; Barbados; Belarus; Benin; Bosnia and Herzegovina; Botswana; Burkina Faso; Brunei; Bulgaria; Burundi; Cambodia; Cameroon; Cape Verde; Central African Republic; Chad; Chile; China (People's Republic); Congo (Republic); Congo (Democratic Republic); Costa Rica; Croatia; Cuba; Czechoslovakia; Czech Republic*; Dominica; Ecuador; Egypt; El Salvador; Estonia; Ethiopia; Gabon; Georgia; Ghana; Greece; Guatemala; Guinea; Guyana; Haiti; Honduras; Hong Kong; Hungary; Iran; Ivory Coast; Jamaica; Jordan; Kazakhstan; Kenya; Republic of Korea; Kosovo*; Kuwait; Kyrgyzstan; Laos; Latvia; Lebanon; Lesotho; Liberia; Libya; Lithuania; Macedonia; Madagascar; Malaysia; Mali; Malta; Mauritania; Mauritius; Mexico; Moldova; Mongolia; Montenegro*; Morocco; Mozambique; Namibia; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Palestinian Territories; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russia*; Rwanda; Saudi Arabia; Senegal; Serbia*; Sierra Leone; Singapore; Slovak Republic*; Slovenia; Somalia; South Sudan*; Soviet Union; Sri Lanka; St. Lucia; St. Vincent and the Grenadines; Sudan; Swaziland; Syria; Tajikistan; Tanzania; Thailand; Togo; Trinidad & Tobago; Tunisia; Turkey; Turkmenistan; Uganda; Ukraine; United Arab Emirates; Uruguay; Uzbekistan; Venezuela; Vietnam; Yemen; Yugoslavia; Zambia; and Zimbabwe.

A BIT with Bolivia was terminated in May 2014, a BIT with South Africa was terminated in October 2014, and BITs with India and Indonesia were terminated in June 2017.

Germany has ratified treaties with the following countries and territories that have not yet entered into force:

Country	Signed Temporarily
Brazil	09/21/1995
Congo (Republic)	11/22/2010
Iraq	12/04/2010
Israel	06/24/1976
Pakistan	12/01/2009
Timor-Leste	08/10/2005
Panama*	01/25/2011

Bilateral Taxation Treaties:

Taxation of U.S. firms within Germany is governed by the "Convention for the Avoidance of Double Taxation with Respect to Taxes on Income." This tax treaty has been in effect since 1989 and was extended in 1991 to the territory of the former German Democratic Republic.

With respect to income taxes, both countries agreed to grant credit for their respective federal income taxes on taxes paid on profits by enterprises located in each other's territory. A Protocol of 2006 updates the existing tax treaty and includes several changes, including a zero-rate provision for subsidiary-parent dividends, a more restrictive limitation on benefits provision, and a mandatory binding arbitration provision. In 2013, Germany and the United States signed an agreement on legal and administrative cooperation and information exchange. (English-language documents:

https://www.irs.gov/businesses/international-businesses/germany-tax-treaty-documents

German-language documents:

https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Internationales_Steuerrecht/Staatenbezogene_Informationen/Laender_A_Z/Verein_Staaten/2013-10-15-USA-Abkommen-FATCA.html).

As of January 2016, Germany had bilateral treaties with respect to taxes on income and assets with a total of 96 countries, including with the United States, and, with respect to inheritance taxes, 6 countries. It has special bilateral treaties with respect to income and assets owned by shipping and aerospace companies with 10 countries and has treaties relating to the exchange of information and administrative assistance with 27 countries. Germany has initiated and/or is currently renegotiating new income and wealth tax treaties with 61 countries, special bilateral treaties with respect to income and assets owned by shipping and aerospace companies with 3 countries, and information exchange and administrative assistance treaties with 9 countries.

Legal Regime

Transparency of the Regulatory System

Germany has transparent and effective laws and policies to promote competition, including antitrust laws. The legal, regulatory and accounting systems are complex but transparent and consistent with international norms.

Formally, the public consultation by the federal government is regulated by the Joint Rules of Procedure, which specify that ministries must consult early and extensively with a range of stakeholders on all new legislative proposals. In practice, laws and regulations in Germany are routinely published in draft, and public comments are solicited. According to the Joint Procedural Rules, ministries should consult the concerned industries' associations (rather than single companies), consumer organizations, environmental, and other NGOs. The consultation period generally takes two to eight weeks.

The German Institute for Standardization (DIN) is open to foreign members.

International Regulatory Considerations

As a member of the European Union, Germany must observe and implement directives and regulations adopted by the EU. EU regulations are binding and enter into force as immediately applicable law. Directives, on the other hand, constitute a type of framework law that is to be implemented by the Member States in their respective legislative processes, which is regularly observed in Germany.

EU Member States must implement directives within a specified period of time. Should a deadline not be met, the Member State may suffer the initiation of an infringement procedure, which could result in high fines. Germany has a set of rules that prescribe how to break down any payment of fines devolving on the Federal Government and the Länder (federal states). Both bear part of the costs depending on their responsibility within legislation and the respective part they played in non-compliance.

The German Länder have a say over European affairs through the Bundesrat (upper chamber of parliament). The Federal Government is required to instruct the Bundesrat at an early stage on all EU plans that are relevant for the Länder.

The federal government notifies draft technical regulations to the WTO Committee on Technical Barriers to Trade (TBT) through a National Notification Office within the Federal Ministry of Economic Affairs and Energy.

Legal System and Judicial Independence

German law is both predictable and reliable. Companies can effectively enforce property and contractual rights. Germany's well-established enforcement laws and official enforcement services ensure that investors can assert their rights. German courts are fully available to foreign investors in an investment dispute.

The judicial system is independent, and the federal government does not interfere in the court system. The legislature sets the systemic and structural parameters, while lawyers and civil law notaries use the law to shape and organize specific situations. Judges are highly competent. International studies and empirical data have attested that Germany offers an efficient court system committed to due process and the rule of law.

In Germany, most important legal issues and matters are governed by comprehensive legislation in the form of statutes, codes and regulations. Primary legislation in the area of business law includes:

the Civil Code (Bürgerliches Gesetzbuch, abbreviated as BGB), which contains general rules on the formation, performance and enforcement of contracts and on the basic types of contractual agreements for legal transactions between private entities;

the Commercial Code (Handelsgesetzbuch, abbreviated as HGB), which contains special rules concerning transactions among businesses and commercial partnerships;

the Private Limited Companies Act (GmbH-Gesetz) and the Public Limited Companies Act (Aktiengesetz), covering the two most common corporate structures in Germany – the 'GmbH' and the 'Aktiengesellschaft'; and

the Act on Unfair Competition (Gesetz gegen den unlauteren Wettbewerb, abbreviated as UWG), which prohibits misleading advertising and unfair business practices.

Germany has specialized courts for administrative law, labor law, social law, finance and tax law. The Federal Patent Court hears cases on patents, trademarks, and utility rights which are related to decisions by the German Patent and Trademarks Office. Both the German Patent Office (Deutsches Patentamt) and the European Patent Office are headquartered in Munich.

Laws and Regulations on Foreign Direct Investment

The Federal Ministry for Economic Affairs and Energy may review acquisitions of domestic companies by foreign buyers in cases where investors seek to acquire at least 25 percent of the voting rights to assess whether these transactions pose a risk to the public order or national security of the Federal Republic of Germany. The Foreign Trade and Payments Act and the Foreign Trade and Payments Ordinance provide the legal basis for screening investments. To our knowledge, the Federal Ministry for Economic Affairs and Energy had not prohibited any acquisitions as of March 2018.

Cross-sector investment review procedures apply to acquisitions of a company resident in Germany by a foreign investor, located outside the territory of the EU or the European Free Trade Association region, where that investor acquires ownership of at least 25 percent of the voting rights. There is no requirement for investors to obtain approval for any acquisition, but they must notify the Federal Ministry for Economic Affairs and Energy if the target company operates critical infrastructure. The Federal Ministry for Economic Affairs and Energy may launch a review within three months after obtaining knowledge of the acquisition; the review must be concluded within four months after receipt of the full set of relevant documents. An investor may also request a binding certificate of non-objection from the Federal Ministry for Economic Affairs and Energy in advance of the planned acquisition to obtain legal certainty at an early stage. If the Federal Ministry for

Economic Affairs and Energy does not open an in-depth review within two months from the receipt of the request, the certificate shall be deemed as granted.

Special rules apply for the acquisition of companies that operate in sensitive security areas, including defense and IT security. In contrast to the cross-sectoral rules, the sensitive acquisitions must be notified in writing including basic information of the planned acquisition, the buyer, the domestic company that is subject of the acquisition and the respective fields of business. The Federal Ministry for Economic Affairs and Energy may open a formal review procedure within three months after receiving notification, or the acquisition shall be deemed as approved. If a review procedure is opened, the buyer is required to submit further documents. The acquisition may be restricted or prohibited within three months after the full set of documents has been submitted.

The German government amended domestic investment screening provisions, effective June 2017, clarifying the scope for review and giving the government more time to conduct reviews, in reaction to an increasing number of acquisitions of German companies by high-risk foreign investors. The amended provisions provide a clearer definition of sectors in which foreign investment can pose a "threat to public order and security," including operators of critical infrastructure, developers of software to run critical infrastructure, telecommunications operators or companies involved in telecom surveillance, cloud computing network operators and service providers, and telematics companies. All non-EU entities are now required to notify Federal Ministry for Economic Affairs and Energy in writing of any acquisition of or significant investment in a German company active in the above sectors. The new rules also extend the time to assess a cross-sector foreign investment from two to four months, and for investments in sensitive sectors, from one to three months, and introduce the possibility of retroactively initiating assessments for a period of five years after the conclusion of an acquisition. Indirect acquisitions, such as those through a Germany- or EU-based shell company, are now also explicitly subject to the new rules.

Any decisions resulting from review procedures are subject to judicial review by an administrative court. The German Economic Development Agency (GTAI) provides extensive information for investors, including about the legal framework, labor-related issues and incentive programs, on their website:

http://www.gtai.de/GTAI/Navigation/EN/Invest/investment-guide.html.

Competition and Anti-Trust Laws

German government ensures competition on a level playing field on the basis of two main legal codes:

The Law against Limiting Competition (last amended in 2017) is the legal basis for the fight against cartels, merger control, and monitoring abuse. State and Federal cartel authorities are in charge of enforcing anti-trust law. In exceptional cases the Minister for Economics and Energy can provide a permit under specific conditions. The last case was a merger of two retailers (Kaisers/Tengelmann and Edeka) to which a ministerial permit was granted in March 2016.

The Law against Unfair Competition (amended last in 2016) can be invoked by regional courts.

Expropriation and Compensation

German law provides that private property can be expropriated for public purposes only in a non-discriminatory manner and in accordance with established principles of constitutional and international law. There is due process and transparency of purpose, and investors and lenders to expropriated entities receive prompt, adequate, and effective compensation.

There have not been expropriatory actions in the last five years and none are expected for the near future. Certain long-running expropriation cases date back to the Nazi and communist regimes. During the 2008-9

global financial crisis, the parliament adopted a law allowing an emergency expropriation if the bankruptcy of a bank would endanger the entire financial system, but the measure expired without having been used.

Dispute Settlement

ICSID Convention and New York Convention

Germany is a member of both the International Center for the Settlement of Investment Disputes (ICSID) and New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, meaning local courts must enforce international arbitration awards under certain conditions.

Investor-State Dispute Settlement

Investment disputes involving U.S. or other foreign investors in Germany are extremely rare. According to the UNCTAD database of treaty-based investor dispute settlement cases, Germany has been challenged a handful of times, none of which involved a U.S. investor. A much-publicized ICSID arbitration request filed in 2012 by a European energy company under the Energy Charter Treaty, challenging Germany's decision to phase out nuclear energy, remains pending.

International Commercial Arbitration and Foreign Courts

Germany has a domestic arbitration body called the German Institution for Dispute Settlement. "Book 10" of the German Code of Civil Procedure addresses arbitration proceedings. The International Chamber of Commerce has an office in Berlin. In addition, chambers of commerce and industry offer arbitration services.

Bankruptcy Regulations

German insolvency law, as enshrined in the Insolvency Code, supports and promotes restructuring. If a business or the owner of a business becomes insolvent, or a business is over-indebted, insolvency proceedings can be initiated by filing for insolvency; legal persons are obliged to do so. Insolvency itself is not a crime, but deliberately late filing for insolvency is.

Under a regular insolvency procedure, the insolvent business is generally broken up in order to release as much money as possible through the sale of individual items or rights or parts of the company. Proceeds can then be paid out to the creditors in the insolvency proceedings. The distribution of the monies to the creditors follows the detailed instructions of the Insolvency Code.

Equal treatment of creditors is enshrined in the insolvency code. Some creditors have the right to claim property back. Post-adjudication preferred creditors are served out of the insolvency assets during the insolvency procedure. Ordinary creditors are served on the basis of quotas from the remaining insolvency assets. Secondary creditors, including shareholder loans, are only served if insolvency assets remain after all others have been served. Germany ranks fourth in the global ranking of "resolving insolvency" in the World Bank's Doing Business Report, with a recovery rate of 80.6 cents on the dollar.

Industrial Policies

Investment Incentives

Federal and state investment incentives – including investment grants, labor-related and R&D incentives; public loans, and public guarantees – are available to domestic and foreign investors alike. Different incentives can be combined. In general, foreign and German investors have to meet the same criteria for eligibility.

The Federal Ministry of Economic Affairs and Energy offers investment grants intended to improve business conditions in certain regions in Germany. These grants are approved by the EU Commission. The KfW Banking Group and development banks of the individual Federal States offer attractive interest rates, especially for small and medium-sized enterprises (SMEs).

Labor-related incentives are offered by the Federal Employment Agency for programs that focus on recruitment support, and pre-employment training.

R&D incentives are provided by the European Union, the German Government, and the German state governments in the form of R&D grants, public loans, and special partnership programs.

Germany Trade & Invest, Germany's federal economic development agency, provides information on incentives in English at www.gtai.com/incentives-programs.

Foreign Trade Zones/Free Ports/Trade Facilitation

There are currently three free ports in Germany operating under EU law: Bremerhaven, Cuxhaven, and Duisburg. The duty-free zones within the ports also permit value-added processing and manufacturing for EU-external markets, albeit with certain requirements. All are open to both domestic and foreign entities. In recent years, falling tariffs and the progressive enlargement of the EU have eroded much of the utility and attractiveness of duty-free zones.

Performance and Data Localization Requirements

In general, there are no requirements for local sourcing, export percentage, or local or national ownership. In some cases, however, there may be performance requirements tied to the incentive, such as creation of jobs or maintaining a certain level of employment for a prescribed length of time.

U.S. companies can generally obtain the visas and work permits required to do business in Germany. U.S. Citizens may apply for work and residential permits from within Germany. Germany Trade & Invest offers detailed information online at www.gtai.com/coming-to-germany.

There are no localization requirements for data storage in Germany. However, in recent years German and European cloud providers have sought to market the domestic location of their servers as a competitive advantage.

Protection of Property Rights

Real Property

The German Government adheres to a policy of national treatment, which considers property owned by foreigners as fully protected under German law. In Germany, mortgages are given based on recognized and reliable collateral. Secured interests in property, both chattel and real, are recognized and enforced. According to the World Bank's Doing Business Report, it takes an average of 52 days to register property in Germany.

The German Land Register Act dates back to 1897 and was last amended in 2015. The land register mirrors private real property rights and provides information on the legal relationship of the estate. It documents the owner, rights of third persons, liabilities and restrictions and how these rights relate to each other. Any change in property of real estate must be registered in the land registry to make the contract effective. Land titles are now maintained in an electronic database and can be consulted by persons with a legitimate interest.

Intellectual Property Rights

Germany has a robust regime to protect intellectual property (IP) rights. Legal structures are strong and enforcement is good. Nonetheless, internet piracy and counterfeit goods remain an issue. Germany has been a member of the World Intellectual Property Organization (WIPO) since 1970. The German Central Customs

Authority publishes annual statistics on customs seizures of counterfeit and pirated goods. The statistics for 2017 can be found under:

http://www.zoll.de/SharedDocs/Broschueren/DE/Die-Zollverwaltung/jahresstatistik_2017.html.

Germany is also a party to the major international intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works, the Paris Convention for the Protection of Industrial Property, the Universal Copyright Convention, the Geneva Phonograms Convention, the Patent Cooperation Treaty, the Brussels Satellite Convention, and the Treaty of Rome on Neighboring Rights. Many of the latest developments in German IP law derived from European legislation with the objective to make applications less burdensome and to allow for European IP protection.

The following types of protection are available:

Copyrights: National treatment is also granted to foreign copyright holders, including remuneration for private recordings. Under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights, Germany also grants legal protection for U.S. performing artists against the commercial distribution of unauthorized live recordings in Germany. Germany has signed the World Intellectual Property Organization Copyright Treaty and ratified it in 2003. Most rights holder organizations regard German authorities' enforcement of intellectual property protections as effective. In 2008, Germany implemented the EU enforcement directive with a national bill, thereby strengthening the privileges of rights holders and allowing for improved enforcement action.

Trademarks: Foreigners may register trademarks subject to exactly the same terms as German nationals at the German Patent and Trade Mark Office. Protection is valid for a period of ten years and can be extended in ten-year periods.

Patents: Foreigners may register patents subject to the same terms as German nationals at the German Patent and Trade Mark Office. Patents are granted for technical inventions which are new, involve an inventive step, and are industrially applicable. However, applicants having neither a domicile nor an establishment in Germany must appoint a patent attorney in Germany as a representative filing the patent application. The documents must be submitted in German or with a translation into German. The duration of a patent is 20 years, beginning on the day following the invention patent application. Patent applicants can request accelerated examination when filing the application provided that the patent application was previously filed at the U.S. patent authority and that at least one claim had been determined to be allowable. There are a number of differences in patent law which a qualified patent attorney can explain to U.S. patent applicants.

U.S. grants of IP rights are valid in the United States only. It is possible to register for trademark and design protection nationally in Germany or for the EU-wide European Union Trademark and/or Registered Community Design. These provide protection for industrial design or trademark in the entire EU market. Both national trademarks and the CTM can be applied for at the U.S. Patent and Trademark Office as part of an international trademark registration system (http://www.uspto.gov), or the applicant may apply directly for those trademarks at the European Union Intellectual Property Office at https://euipo.europa.eu/ohimportal/en/home. U.S. intellectual property owners should also note that the EU operates on a "first to file" principle and not on the "first-to-invent" principle, used in the United States.

For patents, the situation is slightly different but protection can still be gained via the U.S. Patent Office. Although there is not yet a single EU-wide patent system, the European Patent Office (EPO) does grant individual European patents for the contracting states to the European Patent Convention (EPC), which entered into force in 1977. The 38 contracting states include the entire EU membership and several more European countries. As an alternative to filing patents for European protection with the U.S. Patent Office, the EPO, located in Munich, provides a convenient single point to file a patent in as many of these countries as an applicant would like: https://www.epo.org/index.html.

Trade Secrets: Trade secrets, both technical and commercial, are protected in Germany by the Law Against Unfair Competition. According to the law, illegally passing trade secrets to third parties – including the attempt to do so – for reasons related to competition, self-interest, benefit of a third party, or with the intent to harm the business owner is punishable with prison sentences of up to three years or a monetary fine. In severe cases, including commercial-scale theft and cases that involve passing trade secrets to foreign countries, courts can impose prison sentences of up to five years or a monetary fine.

In addition, German law offers the possibility to register designs and utility models.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Country resources:

For additional information about how to protect intellectual property in Germany, please see Germany Trade & Invest website at

http://www.gtai.de/GTAI/Navigation/EN/Invest/Investment-guide/The-legal-framework/patents-licensing-trade-marks.html.

Statistics on the seizure of counterfeit goods are available through the German Customs Authority (Zoll):

http://www.zoll.de/SharedDocs/Broschueren/DE/Die-Zollverwaltung/jahresstatistik_2017.html

Investors can identify IP lawyers in AmCham Germany's Online Services Directory: https://www.amcham.de/services/overview/member-services/address-services-directory/ (under "legal references" select "intellectual property.")

Businesses can also join the Anti-counterfeiting Association (APM)

http://www.markenpiraterie-apm.de/index.php?article_id=1&clang=1 or the Association for the Enforcement of Copyrights (GVU) http://www.gvu.de.

Financial Sector

Capital Markets and Portfolio Investment

As an EU member state with a well-developed financial sector, Germany welcomes foreign portfolio investment and has an effective regulatory system. Germany has a very open economy, routinely ranking among the top countries in the world for exports and inward and outward foreign direct investment. As a member of the Eurozone, Germany does not have sole national authority over international payments, which are a shared task of the Eurosystem, comprised of the European Central Bank and the national central banks of the 19 member states that are part of the eurozone, including the German Central Bank (Bundesbank). There are no restrictions on capital movements into or out of Germany, based on European law, but a European Commission proposal in 2017 on investment screening could provide such basis under EU law. Global investors see Germany as a safe place to invest, as the real economy continues to outperform other EU countries and German sovereign bonds retain their "safe haven" status.

Listed companies and market participants in Germany must comply with the Securities Trading Act, which bans insider trading and market manipulation. Compliance is monitored by the Federal Financial Supervisory Authority (BaFin) while oversight of stock exchanges is the responsibility of the state governments in Germany (with BaFin taking on any international responsibility). Investment fund management in Germany is regulated by the Capital Investment Code (KAGB), which entered into force on July 22, 2013. The KAGB represents the implementation of additional financial market regulatory reforms, committed to in the aftermath of the global

financial crisis. This law goes beyond the minimum requirements of the relevant EU directives and represents a comprehensive overhaul of all existing investment-related regulations in Germany with the aim of creating a system of rules to protect investors while also maintaining systemic financial stability.

Money and Banking System

Although corporate financing via capital markets is on the rise, Germany's financial system remains mostly bank-based. Bank loans are still the predominant form of funding for firms, particularly the small- and medium-sized enterprises that comprise Germany's "Mittelstand," or mid-sized industrial market leaders. Credit is available at market-determined rates to both domestic and foreign investors, and a variety of credit instruments are available. Legal, regulatory and accounting systems are generally transparent and consistent with international banking norms. Germany has a universal banking system regulated by federal authorities, and there have been no reports of a shortage of credit in the German economy. After 2010, Germany banned some forms of speculative trading, most importantly "naked short selling." In 2013, Germany passed a law requiring banks to separate riskier activities such as proprietary trading into a legally separate, fully capitalized unit that has no guarantee or access to financing from the deposit-taking part of the bank.

Germany supports a worldwide financial transaction tax and is currently pursuing the introduction of such a tax along with several other Eurozone countries.

Germany has a modern banking sector, but is often considered "over-banked," as evidenced by ongoing consolidation and low profit margins. The country's so-called "three-pillar" banking system is made up of private commercial banks, cooperative banks, and the public banks (savings banks, or Sparkassen, and the regional state-owned banks, or Landesbanken). The private bank sector is dominated by Deutsche Bank and Commerzbank, with a balance sheet total of €1.3 billion and €452 billion respectively (2017 figures). Commerzbank received €18 billion in financial assistance from the federal government in 2009, which gave the government a 25% stake in the bank (now reduced to 15.6%). Germany's regional state-owned banks (Landesbanken) were among the hardest hit by the global financial crisis and were forced to reduce their business activities but have lately stabilized again.

Foreign Exchange and Remittances

Foreign Exchange Policies

As a member of the Eurozone, Germany uses the euro as its currency, along with 18 other European Union countries. The Eurozone has no restrictions on the transfer or conversion of its currency, and the exchange rate is freely determined in the foreign exchange market.

German authorities respect the independence of the European Central Bank (ECB), and thus have no scope to manipulate the bloc's exchange rate. In a March 2018 report, the European Commission (EC) concluded Germany's persistently high current account surplus – the world's largest in 2017 at $287 billion (7.8 percent of GDP) – "has slightly narrowed since 2016 and is expected to gradually decline due to a pick-up in domestic demand in the coming years whilst remaining at historically high levels over the forecast horizon." While falling prices of oil, other raw materials, and the depreciation of the euro explain a substantial part of this increase in 2015-2016, the high level and persistence of Germany's surplus is a matter of international controversy. German policymakers argue the large surplus is the result of market forces rather than active government policies, while the EC and IMF have called on authorities to rebalance towards domestic sources of economic growth by expanding public investment, using available fiscal space, and other policy choices that boost domestic demand.

Germany is a member of the OECD-based Financial Action Task Force (FATF) and is committed to further strengthening its national system for the prevention, detection and suppression of money laundering and terrorist financing. In 2017, Germany's Financial Intelligence Unit (FIU) was restructured and given more staff. It was transferred to the General Customs Directorate in the Federal Ministry of Finance. At the same time, its tasks and competencies were redefined taking into account the provisions of the Fourth EU Money Laundering

Directive. One focus is now on operational and strategic analysis. On June 26, 2017, legislation to implement the Fourth EU Money Laundering Directive and the European Funds Transfers Regulation (*Geldtransfer-Verordnung*) entered into force. (The Act amends the German Money Laundering Act (*Geldwäschegesetz* – GwG) and a number of further laws).

There is no difficulty in obtaining foreign exchange.

Remittance Policies

There are no restrictions or delays on investment remittances or the inflow or outflow of profits.

Germany is the sixth-largest remittance-sending country worldwide. Migrants in Germany posted c. $22 billion abroad in 2015 (World Bank, Bilateral Remittances Matrix 2015; later estimates are not yet available). The total volume of remittances outflows remained almost stable since 2014 ($23.4 billion), but did not continue its increasing trend of previous years. The most important receiving states in 2015 for remittances from Germany were EU-neighbors such as Poland, France, and Italy. Around $8 billion was sent to developing countries, out of which Lebanon, Vietnam, China, Nigeria and Serbia were the biggest receivers. Remittance flows into Germany amounted to around $15.4 billion in 2015, approximately 0.5 percent of Germany's GDP.

The issue of remittances played a role during the German G20 presidency, when Germany passed an updated version of its "G20 National Remittance Plan." The document states that Germany's focus will remain on "consumer protection, linking remittances to financial inclusion, creating enabling regulatory frameworks and generating research and data on diaspora and remittances dynamics." The 2017 "G20 National Remittance Plan" can be found at:
https://www.gpfi.org/sites/default/files/documents/2017%20G20%20Financial%20Inclusion%20Action%20Plan%20final.pdf

Sovereign Wealth Funds

The German government does not currently have a sovereign wealth fund or an asset management bureau. Following German reunification, the federal government set up a public agency to manage the privatization of assets held by the former East Germany. In 2000, the agency, known as TLG Immobilien, underwent a strategic reorientation from a privatization-focused agency to a profit-focused active portfolio manager of commercial and residential property. In 2012, the federal government sold TLG Immobilien to private investors.

State-Owned Enterprises

The formal term for state-owned enterprises (SOEs) in Germany translates as "public funds, institutions, or companies," and refers to entities whose budget and administration are separate from those of the government, but in which the government has more than 50 percent of the capital shares or voting rights. Appropriations for SOEs are included in public budgets, and SOEs can take two forms, either public or private law entities. Public law entities are recognized as legal personalities whose goal, tasks, and organization are established and defined via specific acts of legislation, with the best-known example being the publicly-owned promotional bank KfW (Kreditanstalt für Wiederaufbau). The government can also resort to ownership or participation in an entity governed by private law if the following conditions are met: doing so fulfills an important state interest, there is no better or more economical alternative, the financial responsibility of the federal government is limited, the government has appropriate supervisory influence, yearly reports are published, and such control is approved by the Federal Finance Ministry and the ministry responsible for the subject matter.

Government oversight of SOEs is decentralized and handled by the ministry with the appropriate technical area of expertise. The primary goal of such involvement is promoting public interests rather than generating profits.

The government is required to close its ownership stake in a private entity if tasks change or technological progress provides more effective alternatives, though certain areas, particularly science and culture, remain permanent core government obligations. German SOEs are subject to the same taxes and the same value added tax rebate policies as their private sector competitors. There are no laws or rules that seek to ensure a primary or leading role for SOEs in certain sectors or industries. Private enterprises have the same access to financing as SOEs, including access to state-owned banks such as KfW.

The Federal Statistics Office maintains a database of SOEs from all three levels of government (federal, state, and municipal) listing a total of 16,206 entities for 2015, or 0.5 percent of the total 3.5 million companies in Germany. SOEs in 2015 had €547 billion in revenue and €528 billion in expenditures. Over 40 percent of SOEs' revenue was generated by water and energy suppliers, 11.9 percent by health and social services, and 11.3 percent by transportation-related entities. Measured by number of companies rather than size, 88 percent of SOEs are owned by municipalities, 10 percent are owned by Germany's 16 states, and 2 percent are owned by the federal government.

The Federal Finance Ministry is required to publish a detailed annual report on public funds, institutions, and companies in which the federal government has direct participation (including a minority share), or an indirect participation greater than 25 percent and with a nominal capital share worth more than €50,000. The federal government held a direct participation in 106 companies and an indirect participation in 469 companies at the end of 2017, most prominently Deutsche Bahn (100 percent share), Deutsche Telekom (32 percent share), and Deutsche Post (21 percent share). Federal government ownership is concentrated in the areas of science, infrastructure, administration/increasing efficiency, economic development, defense, development policy, culture, and real estate. As the result of federal financial assistance packages from the federally-controlled Financial Market Stability Fund during the global financial crisis of 2008-9, the federal government still has a partial stake in several commercial banks, including a 15.6 percent share in Commerzbank, Germany's second largest commercial bank. The 2017 annual report can be found here:

https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Bundesvermoegen/Privatisierungs_und_Beteiligungspolitik/Beteiligungspolitik/Beteiligungsberichte/Beteiligungsbericht-2017.html

Publicly-owned banks also constitute one of the three pillars of Germany's banking system (cooperative and commercial banks are the other two). Germany's savings banks are mainly owned by the municipalities, while the so-called Landesbanken are typically owned by regional savings bank associations and the state governments. There are also many state-owned promotional/development banks which have taken on larger governmental roles in financing infrastructure. This increased role removes expenditures from public budgets, particularly helpful in light of Germany's balanced budget rules, which go into effect for the states in 2020.

A longstanding, prominent case of a partially state-owned enterprise is automotive manufacturer Volkswagen, in which the state of Lower Saxony owns the fourth-largest share in the company at 12.7 percent share but controls 20 percent of the voting rights. The so-called Volkswagen Law, passed in 1960, limited individual shareholders' voting rights in Volkswagen to a maximum of 20 percent regardless of the actual number of shares owned, so that Lower Saxony could veto any takeover attempts. In 2005, the European Commission successfully sued Germany at the European Court of Justice (ECJ), claiming the law impeded the free flow of capital. The law was subsequently amended to remove the cap on voting rights, but Lower Saxony's 20 percent share of voting rights was maintained, preserving its ability to block hostile takeovers.

The wholly-federal government owned railway company, Deutsche Bahn, has been investigated for potential abuse of a dominant market position by the European Commission (EC) and the Federal Cartel Office. The EC closed the investigation in 2013 after Deutsche Bahn implemented a new, competitive pricing system. The German Cartel Office also terminated its proceedings against Deutsche Bahn in May 2016.

Privatization Program

Germany does not have any privatization programs at this time. German authorities treat foreigners equally in privatizations.

Responsible Business Conduct

In December 2016, the Federal Government passed the National Action Plan for Business and Human Rights (NAP). The NAP aims to apply the UN Guiding Principles for Business and Human Rights for the activities of German companies nationally as well as globally in their value and supply chains. The Federal Ministry of Foreign Affairs originally drew up the NAP in November 2014 in collaboration with the Ministries of Labor and Social Affairs, for Economic Cooperation and Development, Justice, Environment, and for Economic Affairs. Its formulation involved broad public consultations with representatives from politics, enterprises, labor unions, civil society, associations and academia in order to foster greatest possible societal acceptance for the action plan. The 2018 coalition agreement for the 19th legislative period between the governing parties—the Christian Democratic Union parties, CDU/CSU, and the Social Democratic Party of Germany (SPD)—states its firm commitment to the NAP, including the principles on public procurement. It further states that, if the NAP 2020's effective and comprehensive review comes to the conclusion that the voluntary self-commitment of enterprises is not sufficient, the government will initiate legislation for a EU-wide regulation.

Germany adheres to the OECD Guidelines for Multinational Enterprises and established an OECD National Contact Point (NCP) in 2000, housed in the Federal Ministry of Economic Affairs and Energy. It is supported by an advisory board composed of several ministries, as well as business organizations, trade unions, and NGOs. The working group usually meets once a year to discuss all Guidelines-related issues. The German NCP for the MNE Guidelines can be contacted through the Ministry's website: https://www.bmwi.de/Redaktion/EN/Textsammlungen/Foreign-Trade/oecd-guidelines.html.

There is general awareness of environmental, social, and governance issues among both producers and consumers in Germany, and surveys suggest that consumers increasingly care about the ecological and social impacts of the products they purchase. In order to encourage businesses to factor environmental, social, and governance issues into their decision-making, the government provides information online and in hard copy. The federal government promotes corporate social responsibility (CSR) through awards and prizes, business fairs, and reports and newsletters. The government also offers practice days to help nationally as well as internationally operating small- and medium-sized companies discern and implement their entrepreneurial due diligence under the NAP. To this end it has created a website on CSR (http://www.csr-in-deutschland.de/EN/Home/home.html in English). The German government maintains and enforces domestic laws with respect to labor and employment rights, consumer protections, and environmental protections. The German government does not waive labor and environmental laws to attract investment.

On the business side, the American Chamber of Commerce in Germany (AmCham Germany) is active in promoting standards of ecological, economic, and social responsibility and sustainability within their members' entrepreneurial actions in keeping with the UN Sustainable Development Goals, adopted in 2015. AmCham Germany issues publications on selected member companies' approaches to CSR. Its Corporate Responsibility Committee serves as a platform to exchange best practices, identify trends, and discuss regulatory initiatives. Other business initiatives, platforms, and networks on sustainable corporate conduct and CSR exist. In addition, Germany's four leading business organizations regularly provide information on a common CSR internet portal to promote and illustrate companies' engagement on CSR: www.csrgermany.de.

Social reporting is voluntary, but publicly listed companies frequently include information on their CSR policies in annual shareholder reports and on their websites.

Civil society groups that work on CSR include 3p Consortium for Sustainable Management, Amnesty International Germany, Bund für Umwelt und Naturschutz Deutschland e. V. (BUND), CorA Corporate

Accountability – Netzwerk Unternehmensverantwortung, Forest Stewardship Council (FSC), Germanwatch, Greenpeace Germany, Naturschutzbund Deutschland (NABU), Sneep (Studentisches Netzwerk zu Wirtschafts- und Unternehmensethik), Stiftung Warentest, Südwind - Institut für Ökonomie und Ökumene, TransFair - Verein zur Förderung des Fairen Handels mit der "Dritten Welt" e. V., Transparency International, Verbraucherzentrale Bundesverband e.V., Bundesverband Die Verbraucher Initiative e.V., and the World Wide Fund for Nature (WWF).

Corruption

Among industrialized countries, Germany ranks 12th out of 180, according to Transparency International's 2017 Corruption Perceptions Index. Some sectors including the automotive industry, construction sector, and public contracting, exhibit political influence and party finance remains only partially transparent. Nevertheless, U.S. firms have not identified corruption as an impediment to investment in Germany. Germany is a signatory of the OECD Anti-Bribery Convention and a participating member of the OECD Working Group on Bribery.

Over the last two decades, Germany has increased penalties for the bribery of German officials, corrupt practices between companies, and price-fixing by companies competing for public contracts. It has also strengthened anti-corruption provisions on financial support extended by the official export credit agency and has tightened the rules for public tenders. Government officials are forbidden from accepting gifts linked to their jobs. Most state governments and local authorities have contact points for whistle-blowing and provisions for rotating personnel in areas prone to corruption. There are serious penalties for bribing officials and price fixing by companies competing for public contracts.

According to the Federal Criminal Office, in 2016, 49 percent of all corruption cases were directed towards the public administration (down from 71 percent in 2015), 30 percent towards the business sector (up from 16 percent in 2015), 18 percent towards law enforcement and judicial authorities (up from 12 percent in 2015), and 3 percent to political officials (up from 1 percent in 2015).

A prominent recent corruption case concerns the BER Berlin Airport construction project. Proceedings were opened in October 2015 against a manager of the airport operating company. In October 2016, the Cottbus district court sentenced the manager to 3.5 years in prison and a fine of €150,000 ($160,000) on the grounds of corruption. Two leading employees of a technical company working on electricity, heating, and sanitary equipment received suspended jail sentences.

Parliamentarians are subject to financial disclosure laws that require them to publish earnings from outside employment. Disclosures are available to the public via the Bundestag website (next to the parliamentarians' biographies) and in the Official Handbook of the Bundestag. Penalties for noncompliance can range from an administrative fine to as much as half of a parliamentarian's annual salary.

Donations to political parties are legally permitted. However, if they exceed €50,000, they must be reported to the President of the Bundestag. Donations of €10,000 or more must be included in the party's annual accountability report to the President of the Bundestag.

State prosecutors are generally responsible for investigating corruption cases, but not all state governments have prosecutors specializing in corruption. Germany has successfully prosecuted hundreds of domestic corruption cases over the years, including large scale cases against major companies. In a February 2017 report, Transparency International states that the German "government has been generally supportive of an anti-corruption environment and has set up a robust regulatory and institutional framework that enables the authorities to be effective in detecting, preventing and tackling corruption in all its manifestations." However,

the report criticized the lack of specific open data regulation that would require government agencies to proactively publish data, following the country's adoption of the G20 Anti-Corruption Open Data Principles in 2015.

Media reports in recent years about bribery investigations against Siemens, Daimler, Deutsche Telekom, and Ferrostaal increased awareness of the problem of corruption. As a result, an increasing number of listed companies and multinationals have expanded their compliance departments, tightened internal codes of conduct, established points of conducts, and offered more ethics training to employees.

The Federation of Germany Industries (BDI), the Association of German Chamber of Commerce and Industry (DIHK) and the International Chamber of Commerce (ICC) provide guidelines in paper and electronic format on how to prevent corruption in an effort to convince all including small and medium sized companies to catch up. In addition, BDI provides model texts if companies with two different sets of compliance codes want to do business with each other.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Germany was a signatory to the UN Anti-Corruption Convention in 2003. The Bundestag ratified the Convention in November 2014.

Germany adheres to the OECD Anti-Bribery Convention which criminalizes bribery of foreign public officials by German citizens and firms. The necessary tax reform legislation ending the tax write-off for bribes in Germany and abroad became law in 1999. Germany actively enforces the convention and is increasingly better managing the risk of transnational corruption.

Germany participates in the relevant EU anti-corruption measures and signed two EU conventions against corruption. However, while Germany ratified the Council of Europe Criminal Law Convention on Corruption in 2017, it has not yet ratified the Civil Law Convention on Corruption.

Resources to Report Corruption

There is no central government anti-corruption agency in Germany.

Contact at "watchdog" organization:
Prof. Dr. Edda Muller
Chair
Transparency International Germany
Alte Schonhauser Str. 44, 10119 Berlin
+49 30 549 898 0
office@transparency.de

The Federal Criminal Office publishes an annual report: "Lagebild Korruption" - the latest one covers 2016.

https://www.bka.de/SharedDocs/Downloads/DE/Publikationen/JahresberichteUndLagebilder/Korruption/korruptionBundeslagebild2015.html;jsessionid=6498B8909CDD2549EBD2BCF686BD3A95.live0601?nn=28078

Political and Security Environment

Political acts of violence against either foreign or domestic business enterprises are extremely rare. Isolated cases of violence directed at certain minorities and asylum seekers have not targeted U.S. investments or investors.

Labor Policies and Practices

The German labor force is generally highly skilled, well-educated, and productive. Employment in Germany has continued to rise for the twelfth consecutive year and reached an all-time high of 44.3 million in 2017, an increase of 638,000 (or 1.5 percent) from 2016—the highest level since German reunification in 1990.

Simultaneously, unemployment has fallen by half or more since 2005, and reached in 2017 the lowest average annual value in 26 years. In 2017, around 2.53 million people were registered as unemployed, corresponding to an unemployment rate of 5.7 percent, according to data and methodology used by Germany's Federal Employment Agency. Using internationally comparable data from the European Union's statistical office Eurostat, Germany had an average annual unemployment rate of 3.8 percent in 2017, the second lowest rate in the European Union. Although the unemployment rate gap between federal states in eastern Germany versus western Germany has narrowed considerably in recent years, the average unemployment rate in the eastern states (7.6 percent) still significantly exceeded that of the western states (5.3 percent) in 2017.

Germany's national youth unemployment rate was 7.0 percent in 2016, the lowest in the EU. The German vocational training system has gained international interest as a key contributor to Germany's highly skilled workforce and its sustainably low youth unemployment rate. Germany's so-called "dual vocational training," a combination of theoretical courses taught at schools and practical application in the workplace, teaches and develops many of the skills employers need. Each year, there are more than 500,000 apprenticeship positions available in more than 340 recognized training professions in all sectors of the economy and public administration. Approximately 50 percent of students choose to start an apprenticeship. The government is promoting apprenticeship opportunities, in partnership with industry, through the "National Pact to Promote Training and Young Skilled Workers."

An element of growing concern for German business is a shrinking labor force due to an aging population and a shortage of skilled labor. Official forecasts at the behest of the Federal Ministry of Labor and Social Affairs predict that the current working age population will shrink by almost 3 million between 2010 and 2030 resulting in an overall shortage of workforce and skilled labor. Labor bottlenecks already constrain activity in many industries, occupations, and regions. According to the Federal Employment Agency, doctors; medical and geriatric nurses; mechanical, automotive, and electrical engineers; and IT professionals are in short supply. The government has begun to enhance its efforts to ensure an adequate labor supply by improving programs to integrate women, elderly, young people, and foreign nationals into the labor market and also by the 2015 introduction of a federal statutory minimum wage, which was increased to €8.84 ($10.94) on January 1, 2018. Sectors in which the labor shortage is particularly severe can pay higher wages. The government has also facilitated the immigration of qualified workers.

The net immigration rate of foreigners (immigrants minus emigrants) rose from a 2008 low of 10,700 to 1.5 million in 2015 and 482,000 in 2016. Whereas in recent years the majority of immigrants came from other EU member states choosing Germany due to its positive labor market situation, the majority of arrivals in 2015 and 2016 were refugees/asylum-seekers. The Federal Ministry of the Interior reported that in 2015, 890,000 refugees/asylum-seekers came to Germany, followed by 280,000 in 2016, and 186,644 in 2017. An updated 2016 forecast commissioned by the Federal Ministry of Labor and Social Affairs predicts that the immigration of refugees will increase the population by 1.4 to 2.1 million until 2030, lifting annual economic growth by 0.25 percent than without immigration. The number of employed will increase by 1.2 million, but unemployment is also likely to rise given the slow integration of many refugees into the labor market.

Labor Relations

Germans consider the cooperation between labor unions and employer associations to be a fundamental principle of their social market economy and believe this has contributed to the country's resilience during the economic and financial crisis. Insofar as job security for members is a core objective for German labor unions,

unions typically show restraint in collective bargaining in weak economic times and often can negotiate higher wages in strong economic conditions. According to the Institute of Economic and Social Research (WSI), the number of workdays lost to labor actions fell to 238,000 in 2017, compared to 462,000 in 2016. WSI assesses this decline was due to unions negotiating somewhat higher wages over longer periods in their collective wage agreements in 2017. All workers have the right to strike, except for civil servants (including teachers and police) and staff in sensitive or essential positions, such as members of the armed forces.

Germany's constitution, federal legislation, and government regulations contain provisions designed to protect the right of employees to form and join independent unions of their choice. The overwhelming majority of unionized workers are members of one of the eight largest unions -- largely grouped by industry or service sector -- which are affiliates of the German Trade Union Confederation (Deutscher Gewerkschaftsbund, DGB). Several smaller unions exist outside the DGB. Overall trade union membership has, however, been in decline over the last several years. In 2013, less than 18 percent of the workforce belonged to unions. Since peaking at around 12 million members shortly after German reunification, total DGB union membership has dropped to 5.9 million with IG Metall being the largest German labor union with 2.3 million members, followed by the influential service sector union Ver.di (1.9 million members).

The constitution and enabling legislation protect the right to collective bargaining, and agreements are legally binding to the parties. In 2016, over three quarters (78 percent) of non-self-employed workers were directly or indirectly covered by a collective wage agreement, 59 percent of the labor force in the western part of the country and approximately 47 percent in the East. On average, collective bargaining agreements in Germany were valid for 24 months in 2075.

Collective bargaining resulted in an overall real wage gain of 0.6 percent in 2017, on top of an inflation rate of 1.8 percent.

Labor costs increased by 2.6 percent in 2017. With an average labor cost of €34.10 ($42.24) per hour, Germany ranked fifth among the 28 EU-members states (EU average: €26.80/$33.20) in 2017. Since the introduction of the European common currency, the increases of the unit labor cost in Germany remained significantly below EU average.

By law, workers can elect a works council in any private company employing at least five people. The rights of the works council include the right to be informed, to be consulted, and to participate in company decisions. Works councils often help labor and management to settle problems before they become disputes and disrupt work. In addition, "co-determination" laws give the workforce in medium-sized or large companies (corporations, limited liability companies, partnerships limited by shares, co-operatives, and mutual insurance companies) significant voting representation on the firms' supervisory boards. This co-determination in the supervisory board extends to all company activities.

OPIC and Other Investment Insurance Programs

OPIC programs were available for the new states of eastern Germany for several years during the early 1990s following reunification, but were later suspended due to economic and political progress which caused the region to "graduate" from OPIC coverage.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2017 2015	€3,263,400 €3,043,700	2016	$3,477,796.27	www.destatis.de (Federal Statistical Office, data only available in €) www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2015	€52,651	2016	$107,711	http://www.bundesbank.de (German Central Bank, 2015 data published in April 2017, only available in €) BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States ($M USD, stock positions)	2015	€227,033	2016	$372,778	http://www.bundesbank.de (German Central Bank, 2015 data published in April 2017, only available in €) BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2015	1.7%	2016	3.1%	

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	786,051	100%	Total Outward	1,335,756	100%
Netherlands	146,029	18.6%	United States	262,202	19.6%
Luxembourg	143,574	18.3%	Luxembourg	128,990	9.7%
United States	74,792	9.5%	Netherlands	128,570	9.6%
United Kingdom	66,523	8.5%	United Kingdom	128,039	9.6%
Switzerland	64,989	8.3%	China, P.R.: Mainland	75,372	5.6%
"0" reflects amounts rounded to +/- $500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
All Countries	3,283,434	100%	All Countries	1,164,329	100%	All Countries	2,119,106	100%
Luxembourg	628,059	19.1%	Luxembourg	521,548	44.8%	France	308,557	14.6%
France	404.412	12.3%	United States	139,305	12.0%	United States	248,626	11.7%
United States	387,932	11.8%	France	95,855	8.2%	Netherlands	225,042	10.6%
Netherlands	264,742	8.1%	Ireland	95,089	8.2%	Italy	151,971	7.2%
United Kingdom	203,215	6.2%	United Kingdom	54,371	4.7%	United Kingdom	148,843	7.0%

Contact for More Information on the Investment Climate Statement

Minister-Counselor for Commercial Affairs
Pariser Platz 2, 14191 Berlin, Germany
+49-(0)30-8305-2940
office.berlin@trade.gov

Trade & Project Financing

Methods of Payment

The majority of import transactions by German customers, especially those involving large German distributors, take place under seller-buyer terms, such as the common 30/60/90-day accounts, or payment against documents. The most popular payment mechanism by which German importers remit payment to their U.S. suppliers is the electronic funds transfer (EFT, equivalent to SWIFT or wire transfers), the fastest and cheapest way to transfer funds. Current technology makes online transfers reasonably secure and transparent.

The letter of credit is still used in some industry sectors but now covers a fraction of total imports, largely due to its cost and time requirements as well as the ease in obtaining credit ratings in Germany, which increases transparency and transactional safety. L/C's for payments under USD 5,000 are almost unknown in Germany. U.S. exporters may also encounter Bills of Exchange (Wechsel), usually payable within two or three months, but this antiquated payment mechanism is also passing from the scene. Cash-in-advance is also rare in German import payment.

Both private and public credit insurance are available in Germany. Euler Hermes (German), Coface (French) and Atradius (Dutch) are among the private providers (which also offer ranking and scoring services); and the main public insurer is the Staatliche Kreditversicherung (Hermes-Bürgschaften), which is administered by Euler Hermes and is used to cover German exports to countries with high political and country risk. United States exporters tend to purchase credit insurance to a much lesser extent than European exporters due to the relatively greater recourse to factoring in the United States.

Overall, German firms continue to enjoy a relatively good reputation for their payment practices and management of credit. Critical industries for U.S. exporters are construction, furniture, paper and publishing. Default risk is somewhat higher for firms in unevenly performing eastern Germany. The U.S. Commercial Service Germany offers the International Company Profile as a tool to help evaluate the creditworthiness of potential customers or partners and recommends that U.S. exporters consider normal, prudent credit practices in Germany in all transactions.

The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States. The Ex-Im Bank's mission is to assist in financing exports of U.S. goods and services to international markets. The Ex-Im Bank enables U.S. companies -- large and small -- to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy. The Ex-Im Bank does not compete with private-sector lenders but provides export-financing products that fill gaps in trade financing. The bank assumes credit and country risks that the private sector is unable or unwilling to accept and helps to level the playing field for U.S. firms by matching the financing that other governments provide to their exporters. The Ex-Im Bank provides working capital guarantees (pre-export financing); export credit insurance; and loan guarantees and direct loans (buyer financing). Primarily focusing on developing markets worldwide. For further information on Ex-Im Bank's objective and programs please see the website.

Banking Systems

Germany has a non-discriminatory, well developed financial services infrastructure. Although corporate financing via capital markets is on the rise, Germany's financial system remains mostly bank-based, with bank loans the predominant form of funding for firms, particularly the small and medium sized enterprises of Germany's famed Mittelstand.

Germany's universal banking system allows the country's more than 36,000 bank offices not only to take deposits and make loans to customers but also to trade in securities. There are no reports of a shortage of credit in the German economy. Credit is available at market-determined rates to both domestic and foreign investors,

and a variety of credit instruments are available. The traditional German system of cross-shareholding among banks and industry, as well as a high rate of bank borrowing relative to equity financing, allowed German banks to exert substantial influence on industry in the past.

Germany has a modern banking sector but is considered "over-banked," as evidenced by ongoing consolidation and low profit margins. The country's so-called "three-pillar" banking system is made up of private commercial banks, cooperative banks, and the public banks (savings banks or Sparkassen, and the regional state-owned banks, or Landesbanken). German banks' profitability is increasingly under pressure given the very low interest rates, high cost structures and increasing compliance costs as a result of new regulation and supervision.

Private banks control roughly 30% of the market, while publicly owned savings banks partially linked to state and local governments account for 50% of banking transactions, and cooperative banks make up the balance. All three types of banks offer a full range of services to their customers. A state-owned bank, KfW, provides special credit services, including the financing of homeowner mortgages, guarantees to small and medium-sized businesses, financing for projects in disadvantaged regions in Germany and export financing for projects in developing countries.

The private bank sector is dominated by Deutsche Bank and Commerzbank, with a balance sheet total of EUR1.3 billion and EUR452 billion respectively (2017 figures). In efforts to raise capital ratios in advance of new international guidelines (the Basel III agreement), both banks continue to shrink the size of their balance sheets. Commerzbank received EUR18 billion in financial assistance from the federal government in 2009, which gave the government a 25% stake in the bank (now reduced to 15.6%). Germany's regional state-owned banks were among the hardest hit by the global financial crisis and continue to face major challenges to their business models. The federal government is currently in the process of winding down several so-called "bad banks" composed of toxic assets of failed banks WestLB (now Portigon AG) and Hypo Real Estate.

Most major U.S. banks are represented in the German market, principally but not exclusively in the city of Frankfurt am Main, Germany's main financial center. A large number of German banks, including some of the partially state-owned regional banks, similarly maintain subsidiaries, branches and/or representative offices in the United States.

Practices regarding finance, availability of capital and schedules of payment are comparable to those that prevail in the United States. There are no restrictions or barriers on the movement of capital, foreign exchange earnings or dividends.

Foreign Exchange Controls

The German government imposes no forms of controls on the purchase or sale of foreign currencies.

US Banks & Local Correspondent Banks

Bank of America N.A.
Neue Mainzer Straße 52 60311 Frankfurt am Main, Germany
Phone: +49 69 589910

Citigroup Global Markets Germany
Reuterweg 16, 60323 Frankfurt am Main, Germany
Phone: +49-69-1366 0

JP Morgan AG
TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany
Phone: +49.69.7124.1601

Goldman Sachs
Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany
Phone: +49-69-7532 1000

Merrill Lynch International
Main Tower, Neue Mainzer Strasse 52, 60311 Frankfurt am Main, Germany
Phone: +49-69-5899 5000

Morgan Stanley
Junghofstr. 13-15, 60311 Frankfurt am Main, Germany
Phone: +49-69-2166-0

Project Financing

Germany possesses the financial framework and institutions to support the development of large infrastructure projects. However, the volume of project finance operations has been relatively modest in Germany in comparison to other EU countries, particularly the U.K. and France. Although the relatively high debt levels of the German federal government and local authorities would seem to favor this type of financing, difficult economic conditions have also limited anticipated rates of return for potential project finance developers. Other inhibiting factors are Germany's complex juridical and federal frameworks, which make project-financed works harder to structure than in other countries. Following reports of a partially insufficient and aging infrastructure the government has begun to seek new ways for private investment of public projects (public-private-partnerships) which had previously not been applied due to legal obstacles. Low interest rates and returns on savings have further contributed to an improved investment climate. One area that has attracted project finance, including that involving a few U.S. developers and investors, is alternative energy production. Clean and renewable energy projects have gained prominence in Germany, particularly since the decision in 2011 to accelerate the phase-out of nuclear energy by 2022. Measures to phase out coal-fired generation, currently under consideration, would further boost demand for alternative energy projects.

The principal German institutions active in facilitating project finance deals are the state-owned KfW Bank Group (which plays a major role in most industries), commercial banks such as the Commerzbank, and several of the publicly-owned savings banks controlled by state and local governments (Landesbanken) located in northern Germany. The KfW Group includes KfW IPEX-Bank, which supports a consortia with German members to design and finance infrastructure projects in Germany and overseas. Another group member, KfW Development Bank (Förderbank), helps municipalities to finance infrastructure. German insurers are pressing for regulatory changes to enable them to finance infrastructure projects.

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

Export-Import Bank of the United States

Country Limitation Schedule

OPIC

Trade and Development Agency

SBA's Office of International Trade

USDA Commodity Credit Corporation

U.S. Agency for International Development

European Bank for Reconstruction and Development (EBRD)

U.S. Commercial Service Liaison Office to the EBRD

KfW Bank Group

The German Bankers' Association

Federal Financial Supervisory Authority

Business Travel

Business Customs

Never underestimate the importance of punctuality in German business culture. Arriving five to ten minutes early for important appointments is the norm. Showing up even five to ten minutes after the appointed time is perceived as late; a fifteen-minute variance could be considered impolite. However, if there is a delay, call ahead and explain the situation and late arrival.

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. Avoid scheduling appointments on Friday afternoons, as some offices close by 2:00 p.m. or 3:00 p.m. on Fridays.

The business culture in Germany is considered to be hierarchy-based. Therefore, formal introductions and the use of official titles should be respected.

Professionalism is highly valued. Acting in a formal and respectful way is important, particularly at first, but following the example of others is a good rule* as companies and people can differ. Personal space is important and greetings generally consist of a firm handshake and nod or polite smile.

Business dress is generally formal and conservative; suits with ties and conservative dresses or suits for women.

Germans generally act and communicate in a straight forward and direct way. This is not meant to be rude but rather to get to the point, and can include honest criticism.

Giving compliments is not part of German business protocol and can often cause embarrassment and awkwardness.

Gift giving among business partners and associates is not common and can be viewed as inappropriate. After negotiations or an agreement have been successfully concluded, a small gift may be acceptable. When giving gifts, they should not be overly expensive but of good quality.

Germans traditionally use: “Wie geht es Ihnen?” [“How are you?”] as a literal question that expects a literal answer, in contrast to the common English usage of “How's it going?” to simply meaning “Hi”. It may, therefore, be considered strange or superficial to ask the question and keep on moving without waiting for an answer.

Travel Advisory

The State Department has advised to exercise increased caution in Germany due to terrorism. The risk of terror incidents has increased in Germany, much like other European countries, in the past years. Like other countries in the Schengen area, Germany’s open borders with its European neighbors allow the possibility of terrorist groups entering/exiting the country with anonymity.

For the latest security information, Americans traveling abroad should regularly monitor the State Department’s Internet web site, where the current Worldwide Caution Public Announcement, Travel Warnings and Public Announcements can be found. Up-to-date information on security can also be obtained by calling 1-888-407-4747 toll free in the United States, or, for callers outside the United States and Canada, a regular toll line at 1-317-472-2328. These numbers are available from 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Friday (except U.S. federal holidays).

Visa Requirements

A passport that is valid for at least six months beyond the stay is required. A visa is not required for tourist/business stays up to 90 days for U.S citizens within the Schengen Group of countries, which includes

Germany. The time of the visit should not exceed 90 days and the visitor must leave the country after this period. Further information on entry visa and passport requirements may be obtained from the German Embassy at 4645 Reservoir Road N.W., Washington, D.C. 20007 telephone (202) 298-4000, or the German Consulates General in Atlanta, Boston, Chicago, Houston, Los Angeles, Miami, New York, or San Francisco and on the Internet.

Inquiries from outside the United States may be made to the nearest German embassy or consulate.

U.S. companies that require travel of foreign business persons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website

Currency

The currency used in Germany, and other countries within the Eurozone, is the Euro (EUR/€).

Exchange rate from EUR to USD:

2015	1.1095
2016	1.1069
2017	1.1297
2018	1.23* Projected

ATMs are as easily found in Germany as they are in North America. They are located at bank branches and in shopping, tourist and other busy areas. Major credit and debit cards, along with all other bank cards carrying the PLUS and NYCE symbols, are universally accepted. When located indoors, you may have to use your card to gain access if the door is locked. The German word for an ATM is Geldautomat.

Credit Cards: Credit cards are not as widely used in Germany as they are in the U.S., and are not typically used for everyday expenses. However, restaurants, hotels, stores, train stations and other places regularly frequented by tourists will almost always accept them.

For more information on money, bank cards and ATMS click here.

Telecommunications/Electric

Thousands of miles of high-quality fiber optical cable make the country ready for the applications of the future. Mobile phones are based on GSM 800 and 1600 Mhz standards. UMTS/IMT 2000 frequencies are 1900 to 2170 MHz.

Cell or mobile phones, or 'Handy' in German, are commonly used. Germany and most of Europe use GSM networks, which some U.S. carriers also use. Most U.S. carriers have international travel packages that include texting, calling and data for better rates rather than roaming without a plan.

The internet is widely accessible in Germany. WIFI is available in most hotels, some public spaces, restaurants, cafes etc.

Power sockets are "Type F", also known as "Schuko", and types C and E can also be used. This socket is used in most of Europe and parts of Africa, Asia, and South America. The standard voltage is 230V with a standard frequency of 50Hz.

Transportation

Travel by plane, train or car meets international standards, but prices exceed U.S. averages. The number of in-country flights has been picking up and the train stations that dot the country provide sufficient access to

nearly all cities (for train schedules) Nevertheless, cars are the most popular means of transport and Germany's famous highway system is extensive.

Geographic distances are relatively short, when compared to the United States, but as Germany is much more densely populated than its European neighbors, it may take a little longer to travel the same distance in Germany than it may take in France or Scandinavia.

Within cities public transportation as well as private cars or taxis are used. The public transit system which includes trains, trams, and buses are generally very reliable and most locations have extensive connections and routes. The Deutsche Bahn website is the easiest way to navigate means of public transit as well as long distance trains. Google maps, and other such search engine maps, often offer public transit options when searching for directions and show where the closest stops/stations are.

Language

German is the official language. In larger towns and cities, many people can communicate in English, particularly in business settings.

Health

Good medical care is widely available. Doctors and hospitals may expect immediate payment in cash for health services from tourists and persons with no permanent address in Germany. Most doctors, hospitals and pharmacies do not accept credit cards.

Medical Insurance: The Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and if it will cover emergency expenses, such as a medical evacuation. U.S. medical insurance plans seldom cover health costs incurred outside the United States unless supplemental coverage is purchased. Therefore, the State Department recommends supplemental insurance to cover any medical issues of evacuation.

The State Department recommends being up-to-date on all vaccinations recommended by the U.S. Center for Disease Control and Prevention. If traveling with prescription medication, check with German Government regulations if the medication is legal in Germany, as it could cause issues in German customs.

There are no known health risks travelers must be aware of when visiting Germany. Updates, news, and current information from the WHO can be found here.

Local Time, Business Hours and Holidays

Central European Time (CET): UTC/GMT +1 hour
Central European Summer Time (CEST): UTC/GMT +2 hours

See the Export.gov website for German holidays. There are many national holidays, some of which fall on different days depending on the year. German school holidays vary by state and year, more information can be found here.

Business hour vary, but generally begin around 8am-9am and end around 4pm-5pm. Most businesses are closed on Sundays.

Temporary Entry of Materials or Personal Belongings

When bringing professional equipment, such as electronic goods, cameras, and musical instruments, into Germany, it is strongly recommended that you first contact the consulate or embassy in your area for customs information. You might also want to consider purchasing an ATA Carnet. The ATA Carnet, which allows for the temporary, duty-free entry of goods into over 50 countries, is issued by the United States Council for International Business by appointment of the U.S. Customs Service.

More details on entry and exit restrictions, for individuals and businesses, from German customs can be found on their website.

Note: Voltage in Germany is 230. Electronic equipment from the U.S. will require an adaptor.

Travel Related Web Resources

U.S. Government Resources:

Dept. of State: Travel

Dept. of State: Travel to Germany

State Department Visa Website

Center for Disease Control and Prevention

CDC on Germany

United States Council for International Business

U.S. Customs and Border protection

German Government Resources:

German Embassy and Consulates in the U.S.

German Customs (Zoll)

German Customs Entry Restrictions

Other Resources:

Germany Travel Website

Business Etiquette in Germany

Money, Bank Cards, and ATMS in Germany

Cell Phones in Germany and Europe

Plugs, Sockets, and Outlets in Germany

Deutsche Bahn

World Health Organization International

WHO Germany

Time Zone Information

German National Holidays

German School Holidays