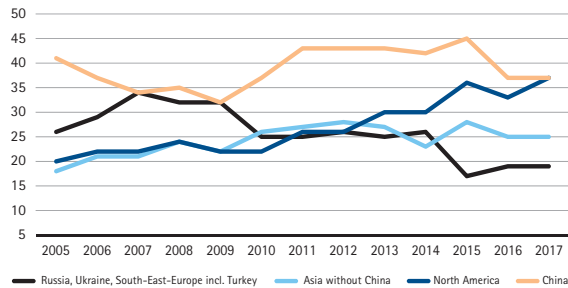


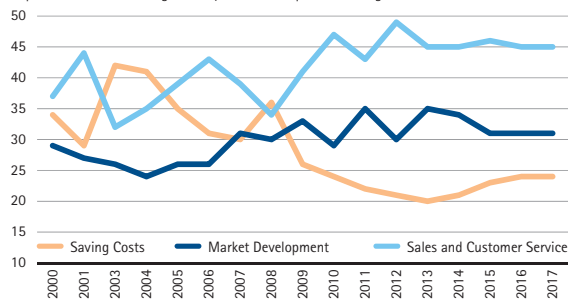
Foreign Investments by Region

in per cent; manufacturing industry; multiple answers possible



Reasons for Foreign Investments

in per cent; manufacturing industry; 2002 no request for foreign investments



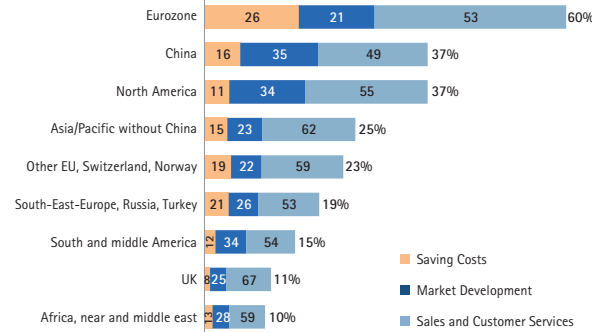
■ Asia stable

China and the Asia-Pacific region are following the expansion in German foreign investments at the same rate with other destinations. As in the previous year, 37 per cent of companies state that they wish to invest in China. Thereby, the Middle Kingdom remains the second most important region for the foreign investments of German industrial companies. Admittedly, just a few years ago – from 2011 to 2013 – China was the number one target for foreign investments. China's middle class is growing – and wages are rising. As a consequence, cost aspects are becoming less im-

portant, while at the same time the opportunities for selling high-quality consumer goods are growing. In other Asian countries or the Pacific region, every fourth company – an unchanged level – that wants to invest abroad is planning to commit funds towards these ambitions. The region remains attractive to German investors above all due to the development perspectives in India, the „Tiger states“ and other Southeast Asian countries.

Foreign Investments of Manufacturing Industry by Region and Reason

in per cent; multiple answers possible;



■ Foreign investments lead to more employment

German foreign investments lead to approximately 200,000 new jobs in 2017 worldwide. Overall, German companies will employ around 7.5 million workers abroad by the end of the year. Germany as an industrial location is at large benefitting from foreign investments. Companies strengthen their position on the worldwide market. DIHK expects that roughly 20,000 additional industrial jobs in Germany are created because of this.

Editor: © DIHK | Deutscher Industrie- und Handelskammertag e. V.  
Breite Strasse 29 | 10178 Berlin-Mitte | www.dihk.de | April 2017  
Responsible: Dr. Michael Liecke | Kevin Heidenreich | Sophia Krietenbrink

# Foreign investments in 2017 higher than ever before

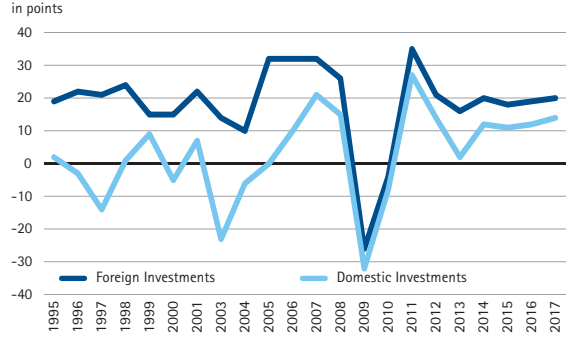
■ Spring 2017

Results of a DIHK Survey among the Chambers of Commerce and Industry on the Foreign Investments of Manufacturing Industry

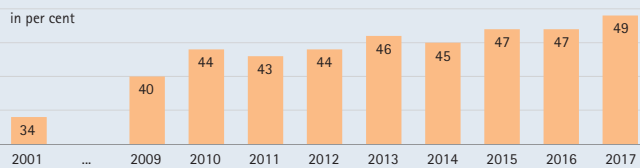




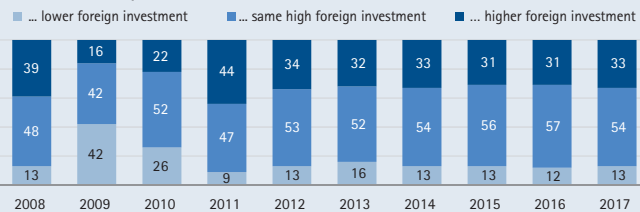
### Domestic and Foreign Investment Intentions



### Share of industrial companies with plans for foreign investment



### Industrial companies that want to invest abroad ...



### Foreign investments in 2017 higher than ever before

With the improving world economy, the global investments of German companies are also increasing. Even more industrial companies than last year are planning to make foreign investments. The share of enterprises that intend to invest abroad has risen to a record level (49 after 47 per cent previously). The budgets used for this are also undergoing expansive development (balance: 20 compared to the previous level of 19 points). Almost every third business that operates abroad is planning to increase spending compared to 2016 (32%).

### Germany as an industrial location can benefit from foreign investments

Investments abroad secure the sales of domestic industrial companies. By means of foreign manufacturing facilities they are often able to develop new markets. Companies are taking advantage of the international division of labour. Businesses which invest abroad also have better business expectations on the domestic market (expectation balance: 23 compared to the industrial average of 17 points). Furthermore, they also intend to increase their employment levels here in Germany (employment balance: 13 compared to seven points last time) and carry out domestic investments (investment balance: 18 compared to 14 points previously) more often than businesses without foreign investments.

### Domestic investment and employment plans of industrial enterprises investing abroad

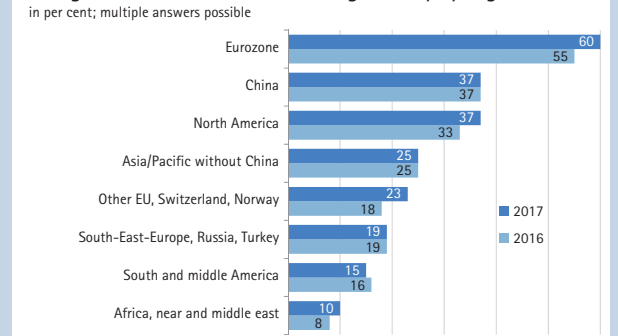
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Domestic investment balance of industrial ...</b>										
... total	15	-32	-8	27	14	2	12	11	12	14
... with plans for foreign investment	20	-32	-6	37	17	6	18	17	16	21
... with foreign investment for cost savings	16	-41	-6	32	9	-5	13	11	7	15
... with foreign investments for market development	24	-30	-5	40	16	7	21	17	14	18
... with foreign investment for sales / customer service	22	-28	-6	38	21	10	18	20	21	25
<b>Domestic employment balance of industrial enterprises ...</b>										
... total	11	-33	-19	16	8	-4	5	2	4	7
... with plans for foreign investment	23	-32	-16	29	15	1	12	6	8	16
... with foreign investment for cost savings	12	-51	-29	19	-1	-14	-1	-7	-5	2
... with foreign investments for market development	27	-28	-15	30	15	-1	13	10	5	12
... with foreign investment for sales / customer service	30	-25	-10	34	20	9	17	10	16	24

### Europe in the ascendant

The Eurozone is increasingly becoming the target of German foreign investments. The region was already investment destination no. 1 and is now able to expand significantly once more (60 compared to 55 per cent previously of all companies operating on the international market – multiple answers possible). Spain, Ireland as well as Lithuania and Slovenia continue to enjoy dynamic development. In addition, the favourable exchange rate is contributing to the renaissance of Europe as a production location. More German companies are also planning to invest in the other EU countries, as well as Norway and Switzerland (23 compared to 18 per cent). The United Kingdom's share of the investment projects planned for the future is below its

previous levels in terms of direct investments. Central Eastern European countries in particular, such as Poland and the Czech Republic, as well as Sweden, are drawing in investments with high growth rates and attractive locational conditions. One further positive aspect for Europe is the fact that many German companies there have a tried and tested network of business partners.

### Foreign Investments of Manufacturing Industry by Region



### Competitiveness of the Eurozone continues to improve

63 per cent of the investment decisions taken to save costs are now aimed at the Eurozone (previous year: 53 per cent). Many Eurozone countries have improved their competitiveness through economic policy reforms and moderate developments in unit labour costs. At the same time, the labour and energy costs in Germany are rising more quickly compared to several Eurozone countries.

### More production in North America

More German industrial companies are planning investments in North America (37 compared to 33 per cent previously). The region is now running neck and neck with China. Further impetus for the group of countries of Canada, the USA and Mexico is coming mainly from the imminent entry into force of CETA, as well as from the increasing economic activity in the USA. It is possible that the threatened import duties will also create more added value in the world's largest sales market, the USA.