The Consumer Goods Market in Germany
Issue 2011
Germany – Europe’s Largest Consumer Goods Market

Home to a population of 82 million, Germany is Europe’s largest consumer goods market. Retail trade is the third largest generator of revenue in Germany after industry and the crafts. Dynamic market conditions, moderate living costs, and a low inflation rate are important factors contributing to healthy and robust consumer spending power. Domestic purchasing power has continued to show stable growth in recent years. Even during the recent global economic crisis, overall purchasing power only decreased by 0.5 percent for the year 2010. It is little wonder that Germany is one of Europe’s most affluent and thriving private consumer markets. According to the A.T. Kearney Foreign Direct Investment Confidence Index 2010, Germany is also the most attractive FDI destination in Europe. For example, Germany’s logistics infrastructure is world class – a fact confirmed in the World Economic Forum’s 2010-2011 Global Economic Competitiveness Report.

These and other factors have helped create a booming retail market with a total annual volume of around EUR 398 billion – equivalent to around 14 percent of the overall European retail market.

Source: Financial Times; Germany Trade & Invest, February 2009
The Industry in Numbers

The German retail industry generated revenue of EUR 398 billion in 2009, placing it amongst Europe’s leading top three retail markets (France, Germany and the UK). The German retail sector is home to a rich and diverse market environment, largely constituted of small and medium-sized enterprises. With more than 400,000 companies employing around 2.9 million employees, the German retail sector is one of the most important industries in the country, producing a 10 percent share of GDP.

In 2009, German consumers spent a total of EUR 147 billion on non-food consumer goods – equivalent to around 24 percent of available private spending. The leading non-food segments are computer & consumer electronics (13 percent), DIY (12 percent) and fashion & shoes (11 percent). The German consumer is typically affluent and price sensitive but no “panic-saver.” The most affluent consumers are the “50+ of age” and “one to two-person household” groups.

Increased use of the internet for information and purchase purposes has created a fast-growing B2C e-commerce market. Distance and online sales reached the EUR 29 billion mark in 2009 – equivalent to an annual growth rate of 1.7 percent. E-commerce in particular is rapidly expanding its market share: 6 out of 10 Germans shop online today. Fifty-one percent of all distance purchases were performed online in 2009, with the remaining 49 percent ordered via traditional distance sales channels (e.g. mail order and teleshopping).

The winners in this online trend are retail players who understand and practice multi-channeling; combining the know-how of stationary retail with the possibilities of online retail.

However, the expected negative effects on classic high street retailing have been negligible. Shopping centers have increased their space by around 50 percent over the last 10 years, with the trend particularly prominent in smaller inner-city areas. Of Germany’s major cities, the top three leading point-of-sale (PoS) locations in 2009 were Berlin (EUR 17.2 billion), Hamburg (EUR 10.4 billion) and Munich (EUR 9.6 billion).
Europe’s Leading Market

According to an international survey of 200 top retailers in 56 countries, Germany is the most popular EMEA (Europe, Middle East, Africa) country expansion target. Apparel retailers in particular have an above average level of interest in the German market. The Ifo (Institute for Economic Research) Business Climate Index confirms the mood of optimism among German retailers for further positive economic developments in 2010 and beyond.

German retail partners provide excellent international retail opportunities, as German retailers are the most globally active in international comparison. On average, German companies operate in 11.7 countries and generate over 40 percent of their sales from foreign operations.

Stable and Affluent Consumer Base

Despite the effects of the global financial crisis, retail revenues remained relatively constant as a result of stable consumer spending. Domestic private spending power has remained strong thanks to the relative absence of personal debt levels and threat of unemployment common in other European countries.

Per capita private income remained stable at EUR 18,904. Of this sum, 29 percent was spent in retail. Although the distribution of buying power in Germany is still influenced by structural difference within the country, the western part displays a stronger purchasing power base, while the former Eastern part shows stronger growth.

Around one third of the population is made up of so-called “best agers” – consumers over 50 years of age who control almost half of total consumer spending power and constitute one-third of the domestic population. More active, healthy and affluent than previous generations of consumers, best agers place a premium on lifestyle product consumption and modern retail and sales delivery models.

Other consumer trends include growth in demand for high quality, organically sourced, and fair trade-branded products. Demand for fair-trade products increased by 11 percent to sales of EUR 213 million in 2008. The ethically sourced trend is set to continue, with fair-trade branded product turnover recording an increase of 50 percent over the same period. Although quality remains a top priority of German consumers, brand loyalty spans the broad spectrum from high-end luxury brands to low-cost trademarked products.

Consumer Electronics & Domestic Appliances

Market

The consumer electronics and domestic appliances market in Germany has been hardly affected by the worldwide economic crisis of 2009. In fact, the different product groups have recorded variable growth. After five years of continuous growth, 2009 figures achieved a balanced result, with total sales of EUR 24 billion for consumer electronics. According to the federal industry association BITKOM, 86 percent of all German households have at least one mobile phone; 58 percent own a digital camera; 41 percent an MP3 player; 32 percent a flat screen television; 26 percent a portable navigation device, and 24 percent own a gaming console.

Similarly positive are the results for domestic appliances with an annual growth of three percent and total sales of EUR 7 billion. New kitchen products – like capsule espresso machines – proved to be the main growth drivers, but demand was also created through new energy-efficiency standards.
Competitive Landscape
While retail is dominated by the MediaMarkt and Saturn retail brands (both belonging to the Metro group) with a market share of around 45 percent, cooperative buying and marketing groups are impacting on the market more and more. These groups centralize the purchasing and marketing efforts of small private-owned specialized stores. The annual IFA fair in Berlin is the largest industry fair in Europe, offering the opportunity to present trends and innovations and connect with business partners.

Opportunities
Innovative products and product features are driving this market. A record 8.3 million plasma flat screens and LCD televisions were sold in 2009. Other consumer entertainment products are also reaching mass market levels. Around 45 percent of all televisions sold in 2009 are “HD ready” (high definition ready). Sales of blue-ray players increased by a remarkable 280 percent (equivalent to 524,000 devices sold). Private IT equipment has seen the strongest growth with a 19 percent increase in 2009. This is due in part to new product segments like the “smart phone” but also thanks to a strong notebook market (6.3 million units sold). The energy efficiency trend is no longer just a single performance feature but has become a strong purchasing criterion, especially with regard to domestic household appliances.

Home and Garden
Market
Germany is the biggest home and garden market in Europe with the highest per capita spending. Stable results were achieved throughout the member industries in 2009. Furniture and kitchen total sales grew around 1.5 percent to EUR 30 billion (of which 28 percent was spent on kitchen furniture; 18 percent on upholstered furniture; and 12 percent on bedroom and living room furniture). Sales for home textiles, accessories and carpets remained stable at EUR 6 billion. Turnover in the do-it-yourself (DIY) segment topped out at EUR 18 billion; a 2009 growth level of two percent. The garden segment secured the major share with 22 percent of overall home and garden segment revenue. Another DIY segment that has displayed growth potential is the pet market. In 2009 it grew by 2.2 percent – generating total sales of EUR 4 billion (of which EUR 3 billion was generated by complete pet food products and EUR 1 billion through pet supplies and accessories).
Competitive Landscape
The furniture market, with a variety of services from "ready-to-go" to custom-made, is still dominated by small and medium-sized enterprise (SME) retailers. Thanks to strong purchasing associations, which around 80 percent of all furniture retailers belong to, it is possible for smaller independent stores to do business successfully. The DIY retail sector has witnessed increased consolidation in recent years. This has resulted in a concentration of DIY retail brands with growing shop space in the market. There are currently around 2,455 DIY stores operating in Germany, with total sales space of around 14 million square meters.

Opportunities
The "homing" trend in Germany has had a profound effect on the home and garden segment. Around seven percent more households improved their home living environment with fireplaces, tile stoves, or plants. Garden furniture and other garden ornament sales increased by four percent over the same period.

Apparel
Market
Germany accounts for 19 percent of total European apparel retail industry value. Total textile retail sales of EUR 55 billion was generated in 2008. Womenswear constitutes the main apparel segment, with total turnover of EUR 29 billion. Germany is amongst the leading womenswear market in Europe; generating almost 19 percent of total market revenue right after Italy (19.0 percent) and ahead of UK (14.4 percent) and France (12.9 percent). The second largest apparel segment is menswear with EUR 15 billion, followed by childrenswear (EUR 3 billion) and home textiles (EUR 8 billion). Shoe retail generated annual sales of EUR 8 billion in 2009. Products intended for female consumers proved once again to be the major segment (56 percent market share).

Competitive Landscape
Specialized retail is the dominant fashion & shoe sales channel. Of the total textile retail sales, 64 percent coverage was generated in the form of apparel specialized retail. Specialized retail largely consists of chain stores and mono-label stores as well as franchise concepts. The second largest retail channel for fashion & shoes is distance order and internet with 12 percent.

In Germany, fashion & shoes are the most frequently online purchased product group, recording an increase of 12 percent in 2009 alone. The "others" sales channel category, which makes up around nine percent of the market, has recorded dynamic growth. This category includes discounter, drug store, and TV shopping sales.
Opportunities

The apparel retail market in Germany is still fragmented and has seen a number of market entries from larger chain stores (such as Vero Moda/ Jack & Jones in 2004 and Desigual in 2009). In line with the universal health trend, the outdoor segment has seen strong growth in Germany. Sport retail sales of EUR 8 billion grew by 3.5 percent in 2009 - above the European average of three percent. Increased awareness and demand for organic materials has seen a strong move from the baby clothing category to adult apparel.

Fast-moving Consumer Goods: Cosmetics & Body Care

Market

Both the cosmetics & body care market saw stable growth in 2009. The body care segment generated sales of total EUR 13 billion, an annual growth of 1.7 percent. Decorative cosmetics remained an industry growth driver with 7.8 percent reaching sales of over EUR 1 billion. Overall per capita cosmetics and body care spending of around EUR 157 positions Germany in the midfield among western European markets. Hair products constitute the largest subsegment with 2009 sales of EUR 3 billion. Skin care, as the second largest segment within body care, grew by 1.6 percent in 2009, generating sales of EUR 3 billion (facial care being the strongest product segment).

Competitive Landscape

In Germany, almost 49 percent of all cosmetic and body care sales are made in drugstores. The five largest drugstore chains are Schlecker (36 percent market share), dm (25.1 percent),rossmann (22 percent), Müller (15 percent), and Budnikowsky (2 percent). Other important retail channels are specialized retailers (16 percent market share), discounters (11.6 percent) and department stores (11.5 percent). Around 14 percent of the personal care market in Germany is private label. This is gaining market share, especially among universal food retail and drugstore chains.

Opportunity

Germany has around 43,000 successful cosmetic institutes which work for known brands as well as private label. Their success is based on guaranteed “made in Germany” quality which is also valued highly abroad. Professional cosmetics with a total value of around EUR 250 million are exported annually.

As the wellness trend continues to gain ground in Germany, German consumers are looking for more custom-made and “all natural” ingredients cosmetics. This current consumer trend also creates market openings for international brands. Imported cosmetic goods witnessed an increase in the makeup and perfumes & fragrances segments, with both segments recording increases of 10 percent.
Germany’s Thriving Franchise Sector

Germany’s franchise sector is a fast-growing market which has continued to deliver excellent results despite the international downturn. Within the last ten years, the industry managed to almost triple its turnover to EUR 44 billion in 2009. Turnover is expected to maintain strong growth, reaching around EUR 70 billion by 2015.

Franchising allows start-up operations to benefit from the advantages of working within the security of a renowned brand whilst simultaneously benefiting from the support of strong partners. Proven business models are likewise expanded thanks to high franchisee take-up levels which, in turn, have helped establish a modern SME business sector. The industry today employs 459,000 people within 980 franchisors and 61,000 active franchisees in Germany.

International and national franchise systems alike are thriving in Germany, with the top five by ranking being TUI (travel - 1,405 outlets), McDonald’s (convenience food - 1,334 outlets), Schülerhilfe (private tuition - 1,023 outlets), Studienkreis (private tuition - 1,008 outlets), and Kamps (bakery - 930 outlets). The service sector in particular is an important franchise market growth driver, occupying more than 49 percent of total franchise market share.

However, the retail (27 percent) and restaurant & hotel chains (16 percent) and handicrafts (eight percent) sectors are fast catching up, having expanded considerably in recent times.
Online Shopping Trend

E-Commerce Opportunities

Exciting new business opportunities for producers and retailers alike are opening up online as more consumers turn to the internet to exercise their buying decisions. German consumers are better informed than ever before.

According to BITKOM, more than half of the population conducts research on the internet prior to making a consumer purchase. As a result, consumer purchases are becoming more and more multi-channeled. Around three quarters of German private households have internet access, making Germany one of the largest e-commerce markets in Europe. In 2009 around EUR 31 million people made purchases online. Of this group, more than half are men. The strongest overall growth in online shopping is recorded amongst buyers in the 50-59 years of age segment (15 percent increase).

Online sales reached a new high in 2009, with growth of more than 13 percent creating total turnover of EUR 22 billion. Of this, around EUR 16 billion was generated from hard products and EUR 6 billion from online downloads (e.g. music files, online tickets and hotel bookings). Fashion & shoes proved to be the strongest revenue generator, recording overall growth of 12 percent to create revenue of EUR 5 billion. Multimedia sales (e.g. books, CDs, DVDs) recorded a leap of almost 20 percent in sales to generate total turnover of EUR 2 billion. Consumer electronics is the third largest e-commerce segment with EUR 1 billion online sales (12 percent annual increase).

Around 36 percent of revenue generated is created by purely online market actors. Companies with a mail order background account for one third of the total market, with traditional retail background companies securing just over one fifth of the online sales market. Online retail is expected to continue growing, with two percent growth forecast for the year 2010.
Dynamic Labor Market

Highly Skilled and Flexible Workforce
Germany has the largest labor pool within the European Union (EU), with sixty-one percent of Germany’s 82 million population (around 50 million people) of working age. Eighty-four percent of the German population have been trained to university entrance level or possess a recognized vocational qualification – above the OECD average of 67 percent. Germany outperforms the EU average in terms of languages spoken: more than 70 percent of German adults can speak at least one other foreign language; more than 30 percent are able to speak two or more foreign languages.

Germany’s Dual Education System
Germany’s dual education system – unique in combining the benefits of classroom-based and on-the-job training over a period of two to three years – is specifically geared to meet industry needs. The country’s dual system helps reduce hiring and training costs, thus minimizing recruitment risks.

Competitive Labor Costs
High productivity rates and steady wage levels make Germany an extremely attractive investment location. Average labor cost increases in Germany are the lowest in Europe. Highly flexible working practices such as fixed-term contracts, shift systems, and 24/7 operating permits enhance Germany’s competitiveness as an international investment location.

Investment Stability

Sound and Secure Legal Framework
According to the World Economic Forum (WEF), Germany is one of the world’s best locations in terms of planning and operating security. Germany’s overall attractiveness as a business location is also documented by its improved ranking in the latest fDi Markets direct investment statistics.

According to the A.T. Kearney Foreign Direct Investment Confidence Index 2010, Germany is the most attractive foreign direct investment (FDI) destination in Europe. Internationally participating business executives also conclude that ongoing investment in sustainable business is an absolute imperative for successful market competition and shareholder satisfaction.

Open and Transparent Markets
German law makes no distinction between Germans and foreign nationals regarding investments, available incentives or the establishment of companies. The legal framework for foreign direct investment in Germany favors the principle of freedom of foreign trade and payment. There are no restrictions or barriers to capital transactions or currency transfers, real estate purchases, repatriation of profits, or access to foreign exchanges.
World-Class Infrastructure

Germany’s infrastructure excellence is confirmed by a number of recent studies including the Swiss IMD’s World Competitiveness Yearbook and various UNCTAD investor surveys. The 2009-2010 Global Competitiveness Report of the WEF ranked Germany first for infrastructure; singling out Germany’s extensive and efficient infrastructure for highly efficient transportation of goods and passengers for special praise. Accumulated in this score for Germany are high marks for the quality of roads and air transport, excellent railroads and port infrastructure, as well as its communications and energy infrastructure.

With its state-of-the-art transportation and logistics capabilities serving over 82 million Germans, 150 million consumers in nine neighboring countries, and nearly 500 million EU residents, Germany is your direct link to western and eastern European markets.

Classic retail locations have not seen any noticeable negative developments in regards to demand, although the economic downturn has made floor space demand more selective. Nevertheless, German shopping centers have increased their supply of space by around 50 percent in the last 10 years, whereby the trend today is towards smaller inner-city type locations.

Internationally Competitive Tax Conditions

Germany offers a competitive tax system providing attractive tax rates for companies. In recent years, the German government has implemented root and branch reforms of the tax system to make the country a more attractive business location. The German tax system allows for differing tax rates in German municipalities. On average, corporate companies face an overall tax burden of less than 30 percent. Significantly lower tax rates are available in certain German municipalities – up to eight percent less. The overall tax burden can therefore be as low as 22.83 percent. This makes Germany’s corporate tax system one of the most competitive tax systems among the major industrialized countries.

Germany – The Most Attractive Business Location in Europe

The American Chamber of Commerce in Germany’s “AmCham Business Barometer 2010” finds that US firms consider Germany to be the most attractive business location in Europe in terms of regional investment focus for the years ahead.

American interview partners singled out German R&D - and partnerships with German universities and research centers – for specific praise. German R&D excellence is held in such high esteem that a number of US companies have established their own research centers here – many of them with global reach.

### Average Corporate Tax Burden of Selected Countries 2009 (in percent)

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovak Rep.</td>
<td>19.00%</td>
</tr>
<tr>
<td>Poland</td>
<td>19.00%</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>20.00%</td>
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<tr>
<td>Netherlands</td>
<td>25.50%²</td>
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<tr>
<td>UK</td>
<td>28.00%²</td>
</tr>
<tr>
<td>Germany</td>
<td>29.83%¹</td>
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<tr>
<td>Spain</td>
<td>30.00%²</td>
</tr>
<tr>
<td>Italy</td>
<td>31.40%²</td>
</tr>
<tr>
<td>Belgium</td>
<td>33.99%²</td>
</tr>
<tr>
<td>France</td>
<td>34.43%²</td>
</tr>
<tr>
<td>Japan</td>
<td>39.55%²</td>
</tr>
<tr>
<td>USA (NY)</td>
<td>39.62%²</td>
</tr>
</tbody>
</table>

**Note:**
- ¹ National German average; lower overall tax rates in certain areas are possible, e.g. 22.83% in certain municipalities.
- ² Top corporate income taxation rate; lower starting rates or other special tax rates available. Example USA: progressive rate from 15% to 35%.

**Source:** German Federal Ministry of Finance 2009
Financing & Incentives in Germany

In Germany, investment projects can receive financial assistance through a number of different instruments. These instruments may come from private sources or consist of public incentives programs available to all companies – regardless of country of provenance. They fit the needs of diverse economic activities at different stages of the investment process.

**Early Stage Investment Project Financing**
Technologically innovative start-ups in particular have to rely solely on financing through equity such as venture capital (VC). In Germany, appropriate VC partners can be found through the German Private Equity and Venture Capital Association (BVK). Special conferences like the German Equity Forum provide another opportunity for young enterprises to come into direct contact with potential VC partners. Public institutions such as development banks (publicly owned and organized banks which exist at the national and state level) and public VC companies may also offer partnership programs at this development stage.

**Later Stage Investment Project Financing**
Debt financing is a central financing resource and the classic supplement to equity financing in Germany. It is available to established companies with a continuous cash flow. Loans can be borrowed for day-to-day business (working capital loans), can help bridge temporary financial gaps (bridge loans) or finance long-term investments (investment loans). Besides offers from commercial banks, investors can access publicly subsidized loan programs in Germany.

These programs usually offer loans at attractive interest rates in combination with repayment-free start-up years, in particular for small and medium-sized companies. These loans are provided by the state-owned KfW development bank and also by regional development banks.

**Cash Incentives for Investment Projects**
When it comes to setting up production or service facilities, investors can count on a number of different public funding programs. These programs complement the financing of an investment project. Most important are cash incentives provided in the form of non-repayable grants applicable to co-finance investment-related expenditures such as new buildings, equipment or machinery.

**Labor-related Incentives and R&D Project Grants**
After the location-based investment has been initiated, companies can receive further subsidies for building up a workforce or the implementation of R&D projects. Labor-related incentives play a significant role in reducing the operational costs incurred by new businesses. The range of programs offered can be classified into three main groups: programs focusing on recruitment support, training support, and wage subsidies respectively.

R&D project funding is made available through a number of different incentives programs targeted at reducing the operating costs of R&D projects. Programs operate at the regional, national, and European level and are wholly independent from investment incentives. At the national level, all R&D project funding has been concentrated in the so-called High-Tech Strategy to push the development of cutting-edge technologies. Substantial annual funding budgets are available for diverse R&D projects.

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**Types of Incentives in Germany**

<table>
<thead>
<tr>
<th>Investment Incentives Package</th>
<th>Operational Incentives Package</th>
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</thead>
<tbody>
<tr>
<td>Cash Incentives</td>
<td>Labor-related Incentives</td>
</tr>
<tr>
<td>Investment Grants</td>
<td>Recruitment</td>
</tr>
<tr>
<td>Investment Allowance&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Training</td>
</tr>
<tr>
<td>KfW Loans (National Level)</td>
<td>Grants</td>
</tr>
<tr>
<td>State Development Bank Loans</td>
<td>Loans</td>
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<tr>
<td>Public Guarantees</td>
<td>State</td>
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<tr>
<td>Combined State/Federal</td>
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<tr>
<td>Interest-reduced Loans</td>
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</tbody>
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<sup>1</sup> only in Eastern Germany
Success Story

Germany Trade & Invest – Setting the Stage for Success

Germany Trade & Invest provides a comprehensive range of inward investment-related services to international investors. After careful consultation with the individual investor, Germany Trade & Invest puts together a support program of consultancy and information services designed to set the stage for investment success. Here we provide a typical example of the types of services provided to a recent investment project.

Company Information
- Medium-sized company from Turkey

Product Information
- Electrical household appliances

Project Information
The company was looking to expand its existing distribution network into the western European Market. Germany provided the ideal starting point, thanks to available opportunities to win strong distribution partners with solid international networks and the chance to optimize products in a high-quality standard environment. The first step was to identify a suitable business location that not only provided access to business partners but also offered a network for product design and R&D innovation.

Support Required
- Market analysis and benchmarking
- Location scouting and selection
- Market and business development services
- Tax and legal information
- Financing and incentive consulting
- Touring the German market and meeting relevant partners

Creating a new Business Opportunity
Germany Trade & Invest supported the company throughout the process with intensive market research and competitive analysis services. Comprehensive legal, tax, and investment framework consultancy services were also provided. All information required to identify the appropriate geographical site was also prepared and made available to the prospective investor. After identifying a short list of suitable and cost-efficient locations, personal site visits with the investor to the locations identified were organized.

Supplementary support services specific to company formation, personnel recruitment, incentive application processes, and company expansion procedures were also provided. All efforts resulted in the company’s decision to start operations in Munich, Bavaria.

Project Milestones

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2009</td>
<td>Investor initiates contact with Germany Trade &amp; Invest through German Chamber of Commerce Abroad (AHK).</td>
</tr>
<tr>
<td>April 2009</td>
<td>Meeting with Germany Trade &amp; Invest and investor in Turkey to discuss project details and requirements.</td>
</tr>
<tr>
<td>March until July 2009</td>
<td>Customized market analysis and legal and financial information prepared by Germany Trade &amp; Invest and discussed in a number of conference calls with the investor. Preparation of the location tour itinerary with the investor.</td>
</tr>
<tr>
<td>August 2009</td>
<td>Investor decision maker site visit to Germany and three-day location scouting tour. Meetings with local business development agencies, network representatives, universities, local chambers of commerce, head hunters and lawyers.</td>
</tr>
<tr>
<td>October 2009</td>
<td>Final site decision taken [Munich, Bavaria].</td>
</tr>
</tbody>
</table>

Source: Germany Trade & Invest 2010
Germany Trade & Invest Helps You

Germany Trade & Invest’s teams of industry experts will assist you in setting up your operations in Germany. We support your project management activities from the earliest stages of your expansion strategy.

We provide you with all of the industry information you need – covering everything from key markets and related supply and application sectors to the R&D landscape. Foreign companies profit from our rich experience in identifying the business locations which best meet their specific investment criteria. We help turn your requirements into concrete investment site proposals; providing consulting services to ensure you make the right location decision. We coordinate site visits, meetings with potential partners, universities, and other institutes active in the industry.

Our team of consultants is at hand to provide you with the relevant background information on Germany’s tax and legal system, industry regulations, and the domestic labor market.

Germany Trade & Invest’s experts help you create the appropriate financial package for your investment and put you in contact with suitable financial partners. Incentives specialists provide you with detailed information about available incentives, support you with the application process, and arrange contacts with local economic development corporations.

All of our investor-related services are treated with the utmost confidentiality and provided free of charge.

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**Strategy**

**Evaluation**

**Decision & Investment**

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### Project Management Assistance

- Business opportunity analysis and market research
- Market entry strategy support
- Project partner identification and contact
- Joint project management with regional development agency
- Coordination and support of negotiations with local authorities

### Location Consulting/Site Evaluation

- Identification of project-specific location factors
- Cost factor analysis
- Site preselection
- Site visit organization
- Final site decision support

### Support Services

- Identification of relevant tax and legal issues
- Project-related financing and incentives consultancy
- Organization of meetings with legal advisors and financial partners
- Administrative affairs support
- Accompanying incentives application and establishment formalities

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14 Industry Overview 2011
The information contained in this brochure has been compiled from the following sources:
BHB – Bundesverband Deutscher Heimwerker-, Bau- und Gartenfachmärkte e.V.
BITKOM – Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.
BTE – Bundesverband des Deutschen Textileinzelhandels e.V.
BVDM – Bundesverband des Deutschen Möbel-, Küchen- und Einrichtungsfachhandels
BVH – Bundesverband des Deutschen Versandhandels e.V.
DFV – Deutscher Franchise Verband
EHV Retail Institute
GIK – Gesellschaft für Konsumforschung
HDE – Handelsverband Deutschland
IHV – Industrieverband Heimtierbedarf
IKW – Industrieverband Körperpflege und Waschmittel e.V.
Metro Handelslexikon 2009/2010
Textilwirtschaft
VKE – Verband der Vertriebsfirmen Kosmetischer Erzeugnisse e.V.
ZVEI – Zentralverband Elektrotechnik- und Elektronikindustrie e.V.
About Us

Germany Trade & Invest is the foreign trade and inward investment agency of the Federal Republic of Germany. The organization advises and supports foreign companies seeking to expand into the German market, and assists companies established in Germany looking to enter foreign markets.

All inquiries relating to Germany as a business location are treated confidentially. All investment services and related publications are free of charge.

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