



invest  
in  
bavaria

# BAVARIA:

Your partner in  
the heart of Europe

Bavarian Ministry of Economic Affairs and Media, Energy and Technology





# NEWS

## Munich, Europe's #1 Tech Hub & the World's #4 in Quality of Living

**#1 European tech hub**, as rated by the European Commission

**#4 worldwide in overall quality of living**, as rated by Mercer



## IBM makes Munich its global headquarters for Watson IoT

**1,000+ employees** in Munich's HQ

**Biggest investment** in Europe in two decades

**\$3 billion investment** in Munich's HQ and 8 other global centers

**Why Munich:** by Dr. John E. Kelly, SVP, Cognitive Solutions and IBM Research

- unique combination of **industrial sector participants**
- tremendous **technical expertise**
- tremendous **universities**
- tremendous **infrastructure**



## German Federal Ministry of Economy awards Bavaria with 3 digital hubs

**Digital Hubs to foster cooperation** between German and international founders, researchers, investors and large corporations

**Digital Hub for Mobility** at Munich's UnternehmerTUM, Europe's biggest center for innovation and business creation

**Digital Hub for InsurTech** at Munich's Werk.1 Accelerator

**Digital Hub for Health** at Medical Valley, Bavaria's medtech cluster and global center for medical excellence in European Metropolitan Region of Nuremberg (Northern Bavaria)

# ABOUT BAVARIA

- Bavaria by the numbers
- Bavaria, Europe's premier high-tech business location
- Bavaria's economy
- Bavaria's foreign trade
- Bavaria's corporate ecosystem
- Bavaria's labor force
- Bavaria's education system
- Bavaria's tax environment
- Bavaria's world class infrastructure
- U.S. – Bavarian relationship





# Bavaria by the numbers:

## Area | GDP | Population

- **Area:** 70,550 km<sup>2</sup> / 27,241 sq miles  
Germany's largest Federal State
- **GDP:** €522 billion  
Ahead of 21 of 28 Member States
- **Population:** 12.7 million  
No. 9 in EU



# Bavaria by the numbers:

## Top rankings

- **#1 Large European cities** for Economic Potential (Munich)
- **#1 European IT** location
- **#1 Biotech** region in Germany
- **#1 VC** region in Germany
- **#1 Insurance** region in Germany
- **#1 Media** location in Germany
- **#1 Large European cities** – Overall (Munich)
- **#4 Quality of living** worldwide ranking (Munich)
- **#2 German State in GDP**

### TOP 10 LARGE EUROPEAN CITIES – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Munich	Germany
2	Stuttgart	Germany
3	Dresden	Germany
4	Cologne	Germany
5	Amsterdam	Netherlands
6	Dusseldorf	Germany
7	Oslo	Norway
8	Frankfurt	Germany
9	Hamburg	Germany
10	Hanover	Germany

### TOP 10 LARGE EUROPEAN CITIES – OVERALL

RANK	CITY	COUNTRY
1	Munich	Germany
2	Amsterdam	Netherlands
3	Glasgow	UK
4	Rotterdam	Netherlands
5	Birmingham	UK
6	Lisbon	Portugal
7	Leipzig	Germany
8	Wroclaw	Poland
9	Katowice	Poland
10	Bordeaux	France

Source: fDi 2014, European Commission, Invest in Bavaria

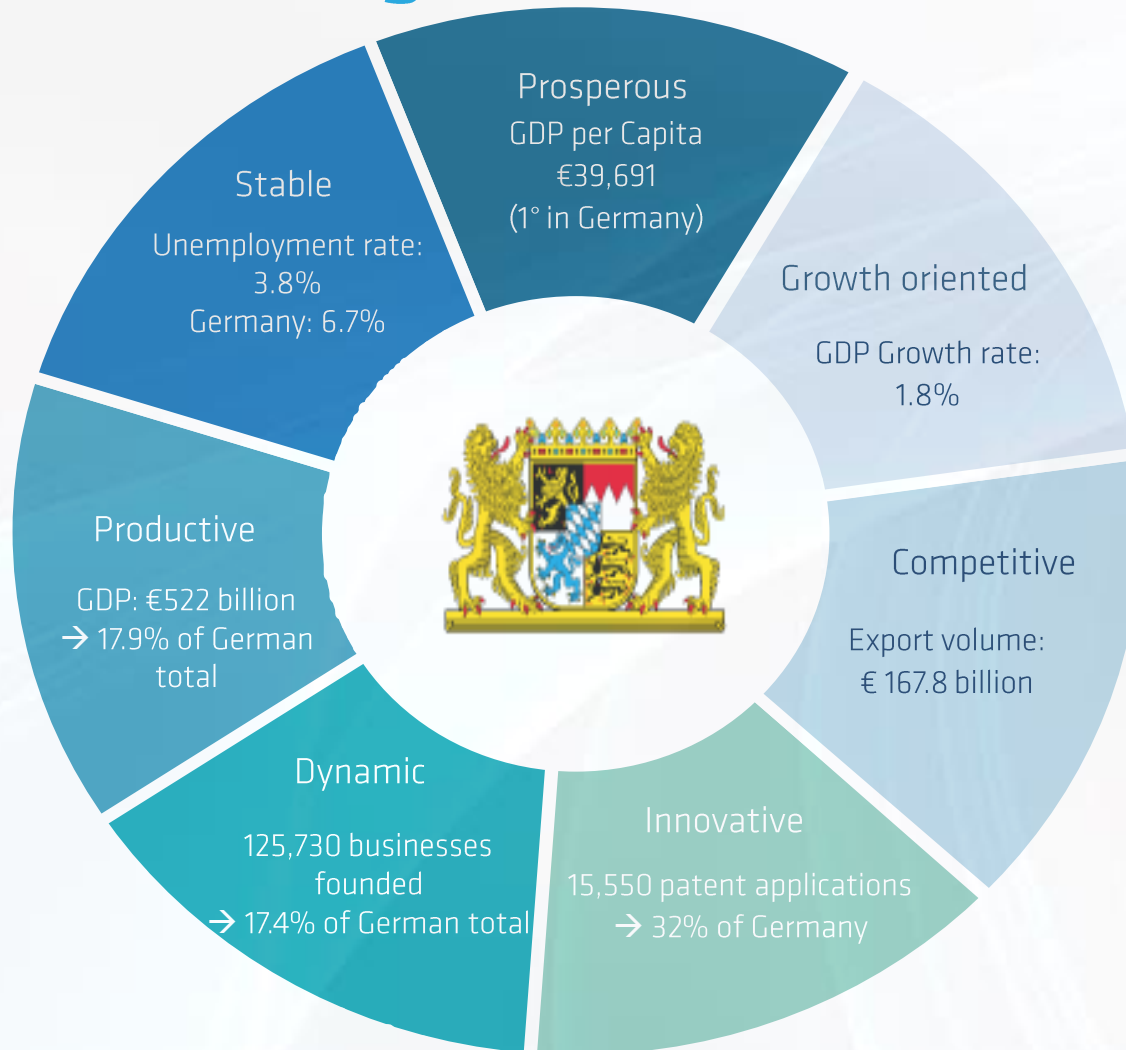
# Bavaria:

## Europe's premier high-tech business location

- Easy access to **500 million EU-consumers** (12% German speaking) with a GDP of EUR 1.4 trillion
- Economic hub for **international trade**
- Gateway to **Central and Eastern Europe**
- Close to **high performing regions** in Austria, Switzerland and Northern Italy

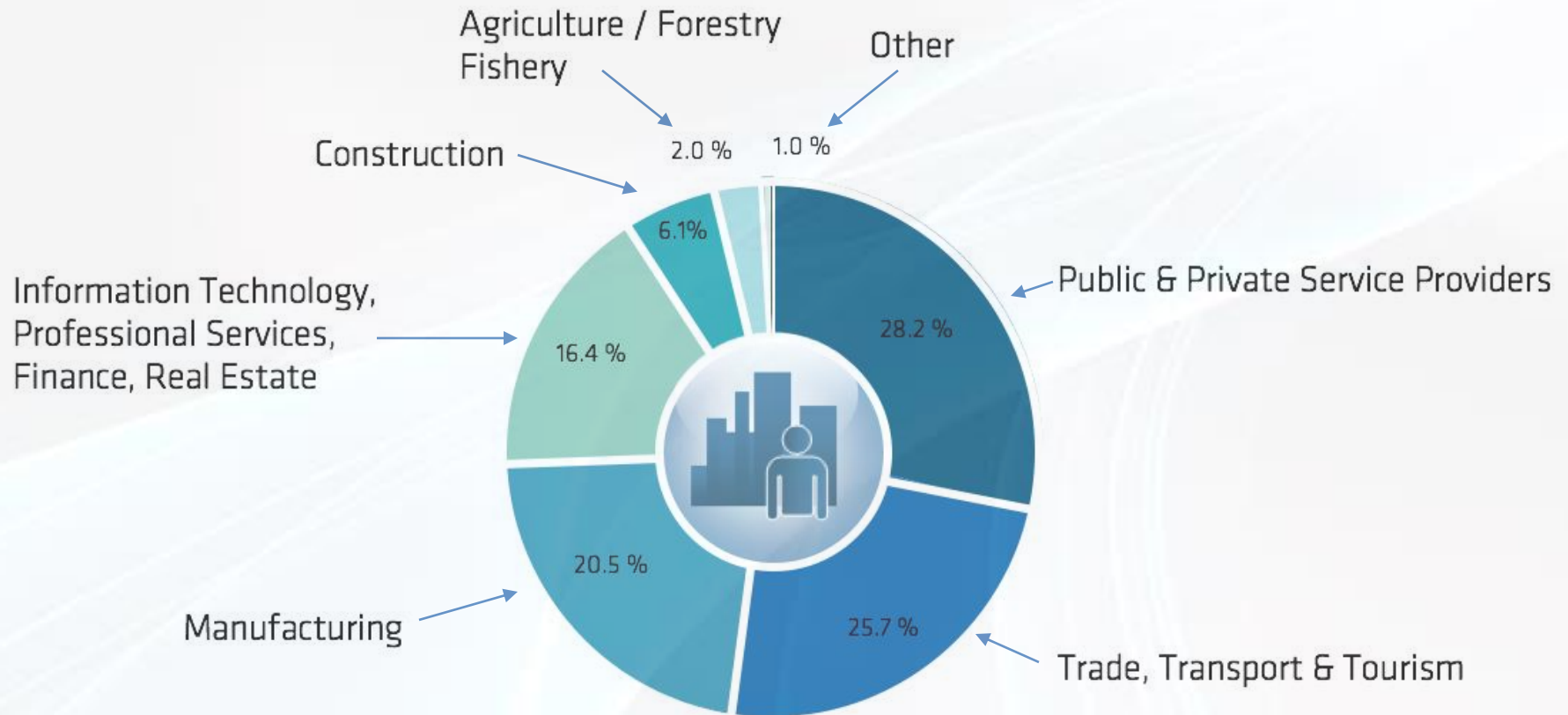


# Bavaria's economy: Dynamic and strong



# Bavaria's economy:

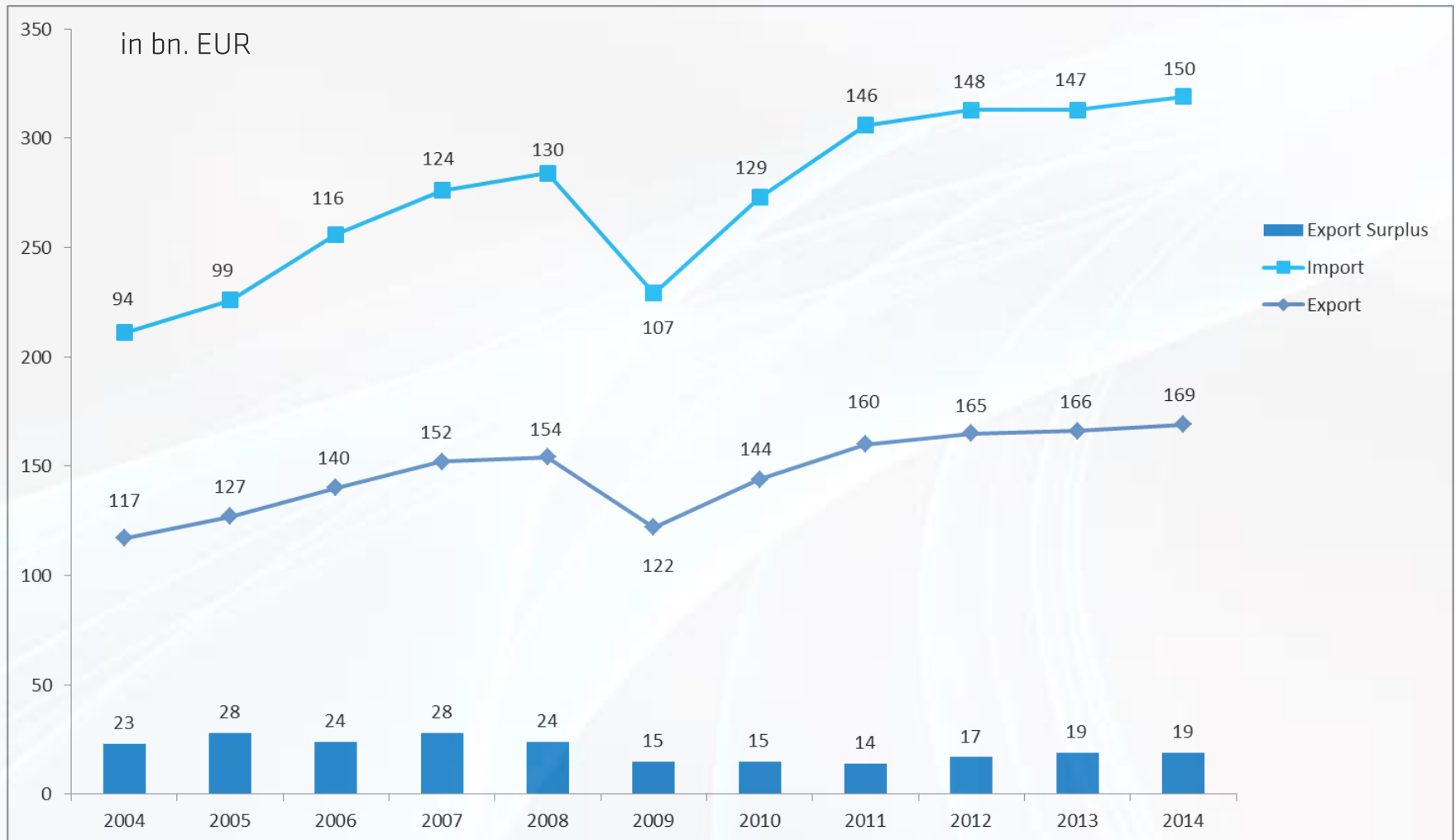
## Primary industries





# Bavaria's foreign trade:

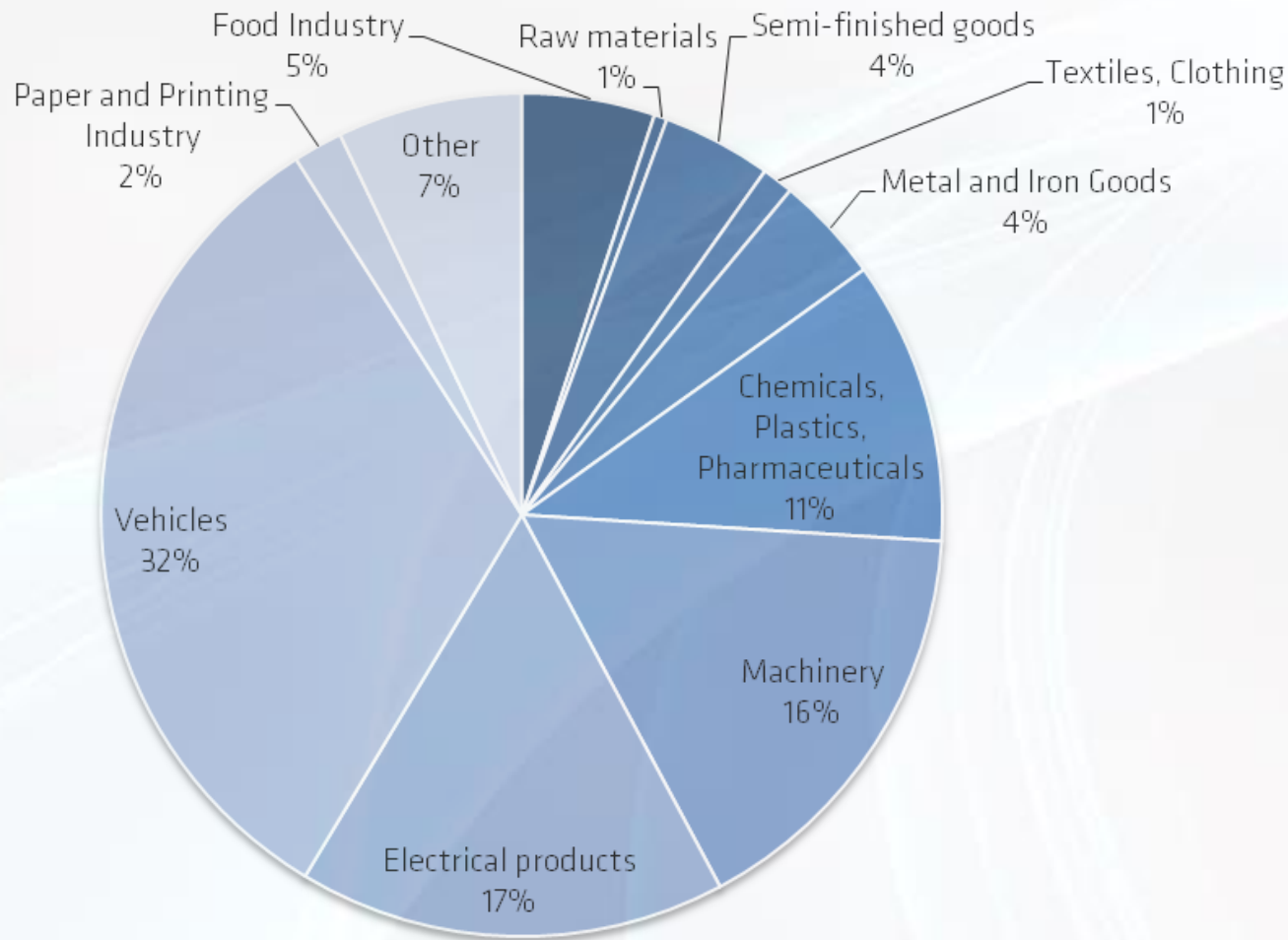
## Strong exports for years



Source: Bayerisches Landesamt für Statistik und Datenverarbeitung | 2013

# Bavaria's foreign trade:

## Key exports



# Bavaria's foreign trade:

## Leading trading partners

*The 20 Main Foreign Export Partners of Bavaria | Germany in 2014*

AUSFUHR IN MIO. EUR NACH STAATEN EXPORTS IN M EUR BY COUNTRIES	Bayern   Bavaria 2014		Deutschland   Germany 2014	
	Mio. EUR m EUR	(±) zu 2013 in % (±) to 2013 in %	Mio. EUR m EUR	(±) zu 2013 in % (±) to 2013 in %
1. USA   USA	19.685	4,1	96.077	7,5
2. China   China	16.432	6,4	74.504	11,4
3. Österreich   Austria	12.974	-2,6	56.234	-0,1
4. Vereinigtes Königreich   United Kingdom	12.723	17,6	84.067	11,4
5. Frankreich   France	11.414	-1,5	102.067	2,1

*The 20 Main Foreign Import Partners of Bavaria | Germany in 2013*

EINFUHR IN MIO. EUR NACH STAATEN IMPORTS IN M EUR BY COUNTRIES	Bayern   Bavaria 2014		Deutschland   Germany 2014	
	Mio. EUR m EUR	(±) zu 2013 in % (±) to 2013 in %	Mio. EUR m EUR	(±) zu 2013 in % (±) to 2013 in %
1. Österreich   Austria	14.974	1,2	36.432	-1,0
2. China   China	12.044	2,7	79.349	6,4
3. Tschechien   Czech Republic	10.645	11,3	36.880	11,7
5. Italien   Italy	10.448	1,9	48.487	3,3
4. USA   USA	9.481	2,5	48.600	0,0



# Bavaria's corporate ecosystem:

## Local players are global players

**Over 25% of German DAX 30** listed companies are located in Bavaria

**Over 20% of Germany's global market leaders** are from Bavaria

**Allianz**

World's leading insurance company



THE LINDE GROUP

World market leader in gas and engineering sectors

**SIEMENS**

World's leading company in industry, energy and health sectors

**WACKER**

World market leader in the development of cyclodextrins (ring-shaped sugar molecules)



World's leading premium car manufacturer



Second-biggest sportswear manufacturer in the world



World market leader for diesel engines



World's third-largest sporting goods manufacturer



Second-biggest aerospace manufacturer in the world



Global market leader in power semiconductors

# Bavaria's corporate ecosystem:

## Home to 1,200+ US companies
































# Bavaria's labor force: Highly skilled employees

- Outstanding school education and excellent universities
- World renowned dual system of professional education and training
- 4,400 ICT (Information & Communication Technology) university graduates per year
- Leading companies in R&D are attracting top researchers from around the world


“Bavaria has a **great pool of talents**. That's partly thanks to the **industry** in Bavaria that attracts people from outside the state as well, but it's also thanks to its **great universities**. [They] are **leaders in academic research**, and in **educating top, top people** – nationwide [...]. You might even go on a global scale and say that you wouldn't find many universities like the ones in Bavaria that have the same level of quality in the **education of young engineers**.

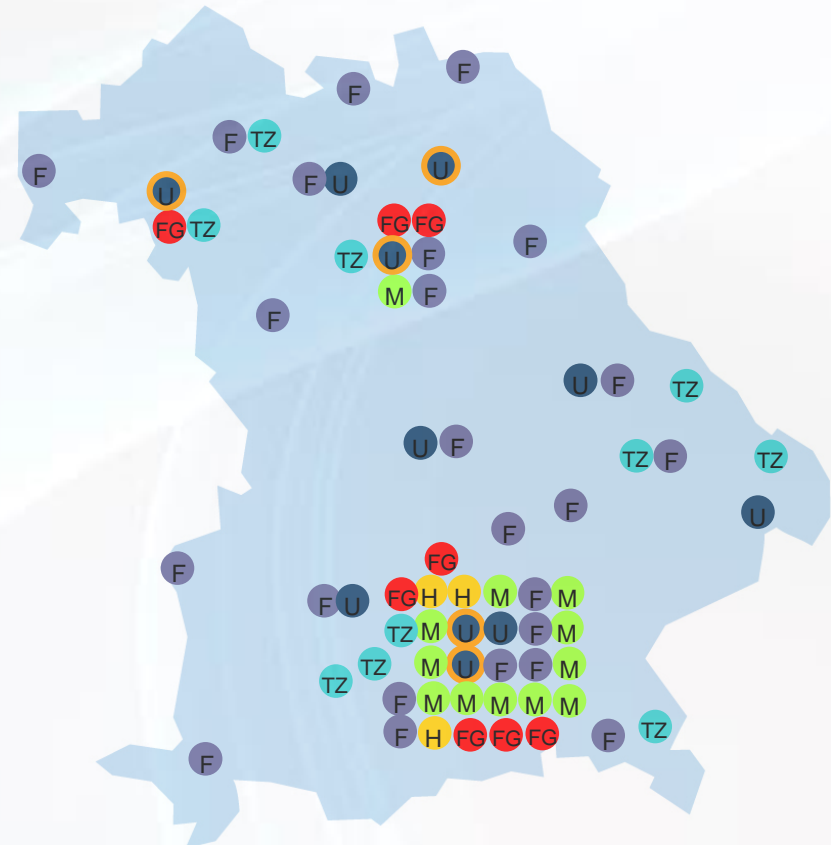
– Dr. Carlos Härtel, CEO, **GE Germany & GE European Research Center**



# Bavaria's outstanding education system.

## 88 universities and research institutions

- **11 Universities** 
- **2 Elite Universities: LMU & TU** 
  - + **3** further successful Universities within the Initiative for Excellence (Wurzburg, Bayreuth, Erlangen-Nuremberg)
- **24 Universities of Applied Sciences** 
- **13 Max Planck Institutes** 
- **3 Institutes of the Helmholtz association** 
- **8 Institutions of the Fraunhofer Society** 
- **10 Research and transfer centres** 
- **14 Research associations**



# Bavaria's labor system: Social security and costs

## Social Security Contributions in Germany

Social Security Insurance Components <sup>1</sup> (in % of gross wage)	Employer/Employee Share (in % of gross wage)
18.9% pension insurance	9.45% employer
	9.45% employee
15.5% health insurance	7.3% employer
	8.2% employee
3.0% unemployment insurance	1.5% employer
	1.5% employee
2.05% nursing care insurance	1.025% employer
	1.025% employee <sup>2</sup>
1.3% accident insurance	1.3% employer <sup>3</sup>

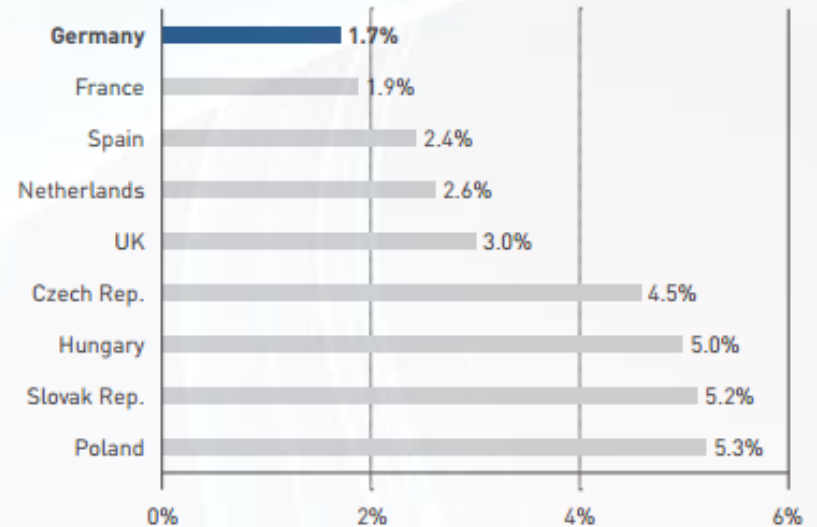
1 plus minor allocations

2 plus additional contribution

3 childless employees aged above 23 years pay an extra 0.25% nursing care insurance. Specific regulations apply in the federal state of Saxony.

4 average accident insurance contribution 2013 according to the German Social Accident Insurance (DGUV)

**Labor Cost Growth in Total Economy 2004-2013**  
(annual average growth in percent)



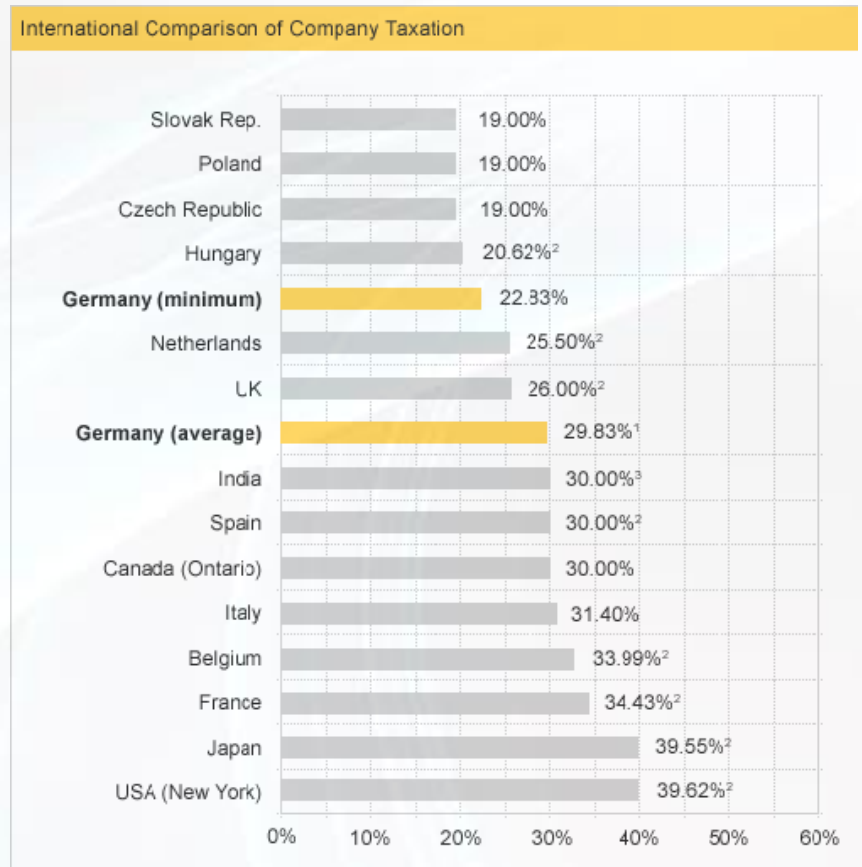
Source: Eurostat 2014

Source: Germany Trade & Invest 2014, Eurostat 2013

# Bavaria's tax environment:

## Competing with low tax countries in Europe and overseas

- One of the most competitive tax systems among big industrialized countries
- Germany's overall corporate tax burden for companies = average of 29.83 %
- Bavaria's Corporate lowest tax burden is 23.88%
- Corporate taxation in Germany
  - corporate income tax 15 % nationwide
  - solidarity surcharge 0.825 % nationwide
  - trade tax (municipal tax) 7%-14%





# Bavaria's world class infrastructure: Gateway to the world

## International Airport Munich

- **World's #4 best** Airport, World Airport Awards (2017)
- **Germany's #2 largest** Airport
- **240** Destinations in **68** Countries
- **42 million** Passengers (2016)
- **380,000** Aircraft Movements (2016)
- **12 cities in North America** connected non-stop to Munich
  - Atlanta
  - Boston
  - Charlotte
  - Chicago
  - Los Angeles
  - New York
  - Montreal
  - Philadelphia
  - San Francisco
  - Toronto
  - Washington



# U.S. – Bavarian relationship:

## The United States in Bavaria

- **Largest U.S. community** in Germany (23,00 Americans in Bavaria)
- **31 city partnerships** between Bavaria and the USA
- **243 university partnerships** between Bavaria and the USA
- **6 U.S. State representative offices** in Bavaria (CO, FL, GA, SC, VA, WV)
- **U.S. Consulate General**, Munich: [www.munich.usconsulate.gov](http://www.munich.usconsulate.gov)
- **U.S. – German organizations in Bavaria:**
  - German-American Institute, Nuremberg: [www.dai-nuernberg.de](http://www.dai-nuernberg.de)
  - Bavarian-American Academy, Munich: [www.amerika-akademie.de](http://www.amerika-akademie.de)
  - Council of American States in Europe, Munich: [www.case-europe.com](http://www.case-europe.com)
  - American Chamber of Commerce in Germany, Munich: [www.amcham.de](http://www.amcham.de)
  - Bavarian-American Center, Munich: [www.amerikahaus.de](http://www.amerikahaus.de)
  - American-German Business Club, Munich: [www.agbc.de](http://www.agbc.de)
  - Bavaria-California Technology Center, Erlangen: [www.bacatec.de](http://www.bacatec.de)

# ABOUT INVEST IN BAVARIA

- Tailored services for your business expansion
- Making the right connections
- Growing internationally from Bavaria
- Companies we have helped to successfully expand
- Invest in Bavaria's representative offices around the world
- Your contact at Invest in Bavaria



# Invest in Bavaria:

## Tailored services for your business expansion



### Planning and Preparation

- Information on market and business environment for your company
- Information on relevant sector and technology networks
- Overview of fundamental legal and taxation issues
- Brokering of contacts to (industry) experts and service providers
- Overview of support and financing instruments for your company



### Site Search

- Development of project-related location criteria
- Presentation of ideal locations in Bavaria and organization of site visits
- Identification of suitable commercial properties and spaces
- Identification and brokering of contacts to the relevant support institutions



### Implementation

- Coordination with all project partners
- Brokering of contacts to sector/technology networks, support and financing partners
- Communication with authorities and local economic promotion agencies
- Assistance with human resources issues (e.g. Federal Employment Agency)

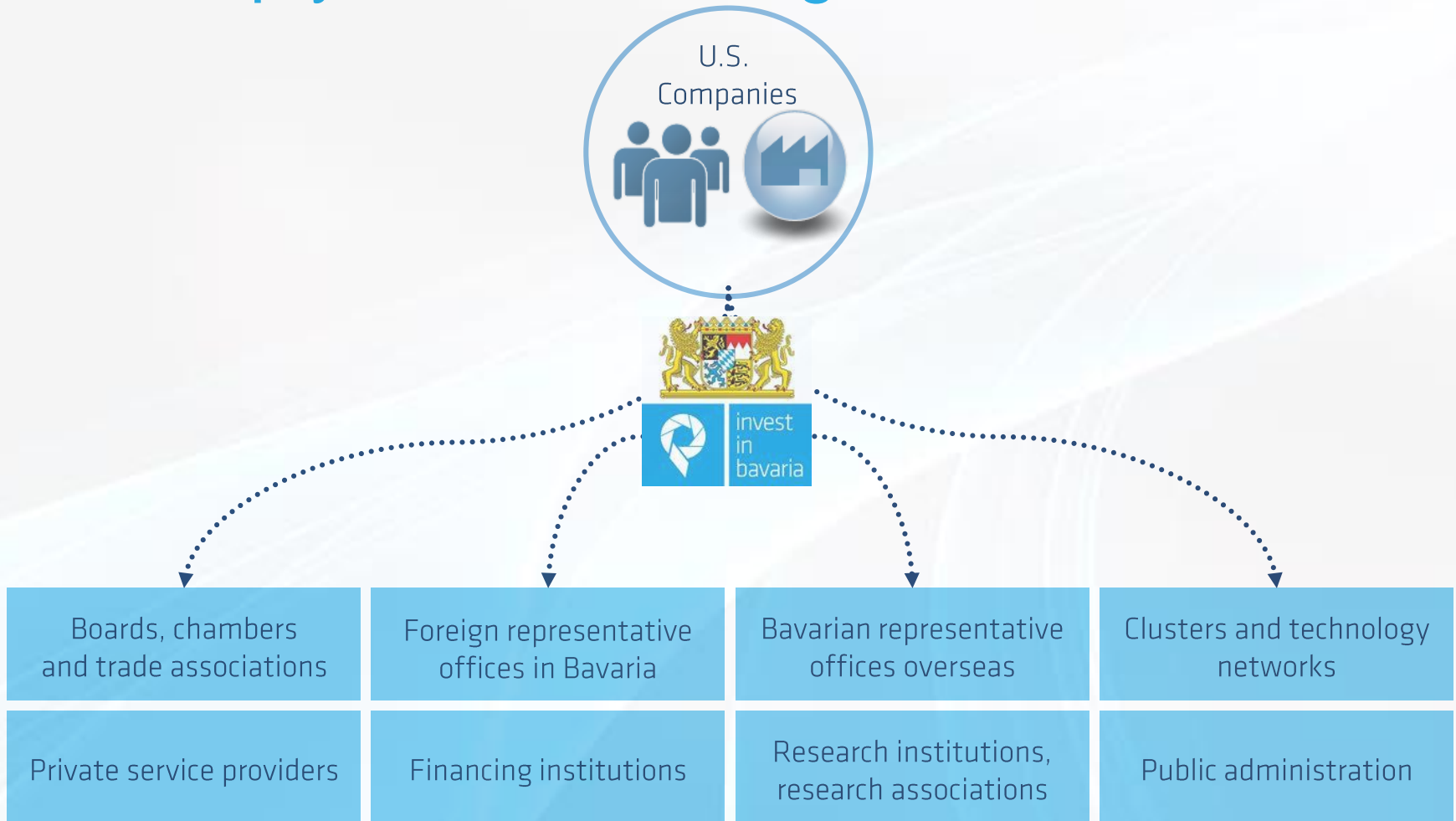


### Grow in Bavaria and Beyond

- Information on programs and networking (e.g. trade shows, international cooperation, R&D)
- Worldwide network of Bavarian representatives abroad for your internationalization plans
- Information about useful company databases and sector networks which serve your purposes

# Invest in Bavaria:

## We help you make the right connections



# Invest in Bavaria:

## We help you grow internationally from Bavaria

Participation in overseas Trade Fairs

Bayern – Fit for Partnership

Sector-specific (overseas)  
business trips to key markets

**BAYERN INTERNATIONAL**  
Competence for International Business

Go International

[www.bayern-international.de/en](http://www.bayern-international.de/en)

Official outgoing and incoming  
trade delegations

Funding and financial support via  
LfA Förderbank Bayern

# Invest in Bavaria:

Companies we have helped to successfully expand

**DACHSER**  
Intelligent Logistics

**Pfizer**

**OLYMPUS**

**Google**

**BOREALIS**

**SANDOZ**  
Eine gesunde Entscheidung

**THE LINDE GROUP**

**GE**

**Roche**

**OMV**

**HUAWEI**

**INGRAM  
MICRO**

**SIEMENS**

**Johns Manville**

**Nexans**

**HUK-COBURG**  
Da bin ich mir sicher

**Oberbank**

**trans-o-flex**  
Logistics Group

**SAINT-GOBAIN  
CORPORATION**

**Geis**

**Global Logistics**

**MERCK**

**Rosetta  
Stone**

**MYLLYKOSKI**

**THE  
HUFFINGTON  
POST**



# Invest in Bavaria with 24 representations.

## We are there for you locally worldwide



# Your contact at Invest in Bavaria:

## We look forward to discussing your opportunities



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