



Germany

Is Germany a good country to do business in now?

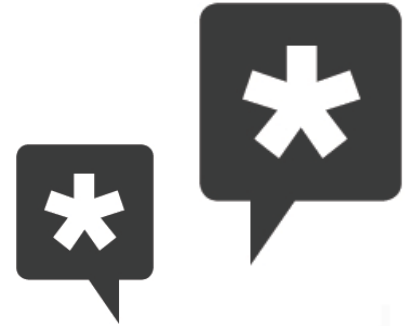
Yes, we believe it is. Although beware - it is a highly competitive market.

Here's why.

Germany is Europe's biggest economy and the world's fifth largest. West Germany was a founding nation of the European Union in 1957 and Germany continues to play a leading role in both European and world politics.

Germany is renowned for its efficiency and technological achievements and as such has a huge export economy. The economic cost of reunification of East and West Germany has been high, and the German export economy suffered badly in the global economic crisis. It did, however, return to growth in the second quarter of 2009 - one of only three industrialised nations to do so - and strong growth is predicted for 2011.

Fast Facts



Population: 82,329,758

Language: German

Religion: Secular; Roman Catholic 34%; Protestant 34% Muslim 4%

Land area: 357,022 square km

Currency: Euro

Capital: Berlin

Internet domain: .de

International dialing code: +49

Innovation ranking¹: 6 (out of 82 countries)

Digital economy ranking¹: 18 (out of 70 countries)

Macroeconomic indicators:¹

	2010	2011	2012
GDP (US\$)	\$3.0 trillion	3.1 trillion	\$3.1 trillion
GDP per capita (US\$)	\$36,726.39	\$37,360.56	\$38,280.81
Real GDP growth (per cent change)	3.5	2.5	2.2
Consumer price index (per cent change)	1.0	1.2	1.4

Economy

According to the OECD, Germany's economy is recovering strongly on the back of the improvement in world trade. Private consumption, investment and government spending on infrastructure have also been strong. The labour market remains resilient and unemployment has fallen to its lowest level since reunification. Germany will be one of the fastest growing "advanced" economies in 2011 and its growth rate is well ahead of its European neighbours.



Fast Facts



Politics

Germany is a representative democratic republic with a parliamentary system based on two houses - the Bundestag (the lower house) and the Bundesrat (the upper house). The Bundestag is elected through direct elections by proportional representation. The Bundesrat represents the governments of the 16 federal states and are members of the state governments.

German reunification officially occurred on 3 October 1990 and is governed by the 1949 constitution. Germany is led by a Chancellor, currently Angela Merkel, and a President, Christian Wulff, whose role is mainly ceremonial.

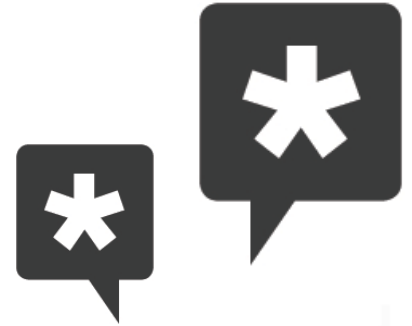
Angela Merkel was first elected in 2005 and was returned to power in the 2009 general elections. She now leads a centre-right “grand coalition” and has won national and international respect over her handling of the global financial crisis and the role she has played in international politics.

Doing business

When conducting business in Germany, remember the following few guidelines:

- A hand shake is the most common form of greeting and men wait for women to extend their hand.
- In business, titles and surnames are still most commonly used (although this is changing).
- Punctuality is appreciated. The working day begins early!
- Business is business. Don't be offended by a terse greeting or abrupt farewell.
- Dark, conservative business dress is commonly worn. Dress up rather than down.
- Expect proposals to be examined with care; Germans have a great eye for detail.





References

¹ Taken from the Economist Intelligence Unit's report: 'A new ranking of the world's most innovative countries' that ranks innovation in 82 countries. Innovation is defined as the application of knowledge in a novel way, primarily for economic benefit. Companies deem it vitally important as a competitive tool. Government policymakers see it as essential for economic growth.

¹ Digital economy ranking is the Economist Intelligence Unit's measure of the quality of a country's information and communications technology (ICT) infrastructure and the ability of its consumers, businesses and governments to use ICT to their benefit. When a country uses ICT to conduct more of its activities, the economy can become more transparent and efficient.

¹ Source: Organisation for Economic Co-operation and Development, www.oecd.org (Real GDP growth and inflation), and International Monetary Fund, www.imf.org (GDP and GDP per capita). 2009 and 2010 figures are OECD and IMF staff predictions. Real GDP growth and inflation are defined in percentage change from previous period.



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