GLOBAL / COUNTRY STUDY AND REPORT

ON

GERMANY

MBA SEMESTER- IV
[Batch: 2011-13]

SABAR INSTITUTE OF MANAGEMENT(751)
Affiliated to Gujarat Technological University Ahmedabad
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Part-1: Overview of Germany

1.1 History

Germany has rarely been united. For most of the two millennia that Central Europe has been inhabited by German-speaking peoples, such as the Eastern Franks, the area now called Germany was divided into hundreds of states, many quite small, including duchies, principalities, free cities, and ecclesiastical states. Not even the Romans united what is now known as Germany under one government; they managed to occupy only its southern and western portions. In A.D. 800 Charlemagne, who had been crowned Holy Roman emperor by Pope Leo III, ruled over a territory that encompassed much of present-day Belgium, France, Germany, the Netherlands and Switzerland, but within a generation its existence was more symbolic than One of the most beautiful, richest, and popular nations - Germany is a part of Central Europe; a nation rich in culture that came together only after 1971.

In the first half of the 20th century after the two World Wars, the country was occupied by triumphant US, UK, France and Soviet Union in 1945. It is the Seventh largest country in Europe. The country is full of river valleys and rising and falling hills, also the snow covered Alps and bushy mountains.

A modest economic recovery from 1924 to 1929 gave the Weimar Republic a brief respite. The severe social stress engendered by the Great Depression, however, swelled the vote received by extreme antidemocratic parties in the election of 1930 and the two elections of 1932. The government ruled by emergency decree. In January 1933, leading conservative politicians formed a new government with Hitler as chancellor.

They intended to harness him and his party (the National Socialist German Workers’ Party, or Nazis), now the country's largest, to realize their own aim of replacing the republic with an authoritarian government. Within a few months, however, Hitler had outmaneuvered them and established a totalitarian regime

Only in 1945 did a military alliance of dozens of nations succeed in deposing him, and only after his regime and the nation it ruled had committed crimes of unparalleled enormity known as the Holocaust.
1.2 Demography of Germany

**Full name:** Federal Republic of Germany

**Capital:** Berlin

**Area:** 357,027 sq km (137,849 sq miles)

**Major language:** German

**Major religion:** Christianity

**Main exports:** Motor vehicles, electrical machinery, metals

**GNI per capita:** US $43,110 (World Bank, 2010)

**Internet domain:** .de

**International dialling code:** +49

**Population**
81,305,856 (July 2012 est.)

**Age structure**
- 0-14 years: 13.2% (male 5,499,555/female 5,216,066)
- 15-24 years: 10.9% (male 4,539,977/female 4,339,221)
- 25-54 years: 42.2% (male 17,397,266/female 16,893,585)
- 55-64 years: 13% (male 5,236,617/female 5,354,262)
- 65 years and over: 20.7% (male 7,273,915/female 9,555,392) (2012 est.)

**Median age**
- total: 45.3 years
- male: 44.2 years
- female: 46.3 years (2012 est.)

**Population growth rate**
- -0.2% (2012 est.)

**Birth rate**
- 8.33 births/1,000 population (2012 est.)

**Death rate**
- 11.04 deaths/1,000 population (July 2012 est.)

**Net migration rate**
- 0.71 migrant(s)/1,000 population (2012 est.)
Urbanization
urban population: 74% of total population (2010)
rate of urbanization: 0% annual rate of change (2010-15 est.)

Major cities - population
BERLIN (capital) 3.438 million; Hamburg 1.786 million; Munich 1.349 million; Cologne 1.001 million (2009)

Sex ratio
at birth: 1.06 male(s)/female
under 15 years: 1.05 male(s)/female
15-64 years: 1.02 male(s)/female
65 years and over: 0.76 male(s)/female

Total population: 0.97 male(s)/female (2011 est.)

Infant mortality rate
total: 3.51 deaths/1,000 live births
male: 3.81 deaths/1,000 live births
female: 3.19 deaths/1,000 live births (2012 est.)

Life expectancy at birth
Total population: 80.19 years
male: 77.93 years
female: 82.58 years (2012 est.)

Ethnic groups
German 91.5%, Turkish 2.4%, other 6.1% (made up largely of Greek, Italian, Polish, Russian, Serbo-Croatian, Spanish)

Religions
Protestant 34%, Roman Catholic 34%, Muslim 3.7%, unaffiliated or other 28.3%

Health expenditures
8.1% of GDP (2009)

Hospital bed density
8.17 beds/1,000 population (2008)
1.3 Country Profile

Germany is Europe's most industrialized and populous country. Famed for its technological achievements, it has also produced some of Europe's most celebrated composers, philosophers and poets.

Achieving national unity later than other European nations, Germany quickly caught up economically and militarily, before defeats in World War I and II left the country shattered, facing the difficult legacy of Nazism, and divided between Europe's Cold War blocs.

Germany rebounded to become the continent's economic giant, and a prime mover of European cooperation. With the end of the Cold War, the two parts of the country were once again united, although the economy of the former east continues to lag behind that of the former west.

Germany's economic success since World War II is to a large extent built on its potent export industries, fiscal discipline and consensus-driven industrial relations and welfare policies. It is particularly famed for its high-quality and high-tech goods.

Germany's export-dependent economy was initially hit hard by the global financial crisis of 2008-9, which triggered the worst recession since 1949. But by 2010, its exports had helped the country to rebound more robustly than most other EU members.

However, an ageing population has led to concern over the continued viability of Germany's high welfare and health spending. There is also a debate about how to improve integration of the many post-war immigrants whose labour helped fuel the economic boom.

In addition, what was once the German Democratic Republic, the former Soviet-dominated east, has struggled to catch up with the more affluent west after reunification, while people in west had to pay a higher than expected financial price.

The pain of Germany's Nazi-era history remains a sensitive element in the country's collective modern-day psyche. Out of the devastation of World War II grew an awareness of the need to guard against any such catastrophe recurring on the continent.

In the 1950s Germany was one of the six founding nations in the original European Economic Community from which the European Union was eventually to develop and in which Germany is a key player. Franco-German cooperation was central to European economic integration in the 1980s and 90s.
After decades of lagging behind its economic strength, Germany's international profile has been growing. The country sent peacekeepers to the Balkans and its forces have been involved in operations in Afghanistan.

The country has famous beer brewing traditions. Beer purity laws dating back to 1516 limit the fermentation ingredients to malted grain, hops, yeast and water.

As the birthplace of Johann Sebastian Bach, Ludwig van Beethoven and Johannes Brahms, among others, Germany's gift to European classical music is colossal, while Goethe, Heine, Kant and Thomas Mann are giants in the world of letters and philosophy.

1.4 Industry Overview

Germany is one of the world's largest and most technologically advanced producers of:

Iron, Steel, Coal, Cement, Chemicals, Machinery, Vehicles, Machine tools, Electronics, Food and beverages, Shipbuilding, textiles

Industry and construction accounted for 29% of gross domestic product in 2011, and employed 29.7% of the workforce.

Major German Companies

Volkswagen, Allianz, Daimler, Siemens, Metro, Deutsche Telekom, BMW, Mercedez Benz, Audi, T-Mobile, Nivea, Porsche, Merck, Adidas

Industry and construction accounted for 29% of gross domestic product in 2010, and employed 29.7% of the workforce. Germany excels in the production of automobiles, machinery, electrical equipment and chemicals. With the manufacture of 6.1 million vehicles in 2010, Germany was the world’s fourth largest producer and largest exporter of automobiles. German automotive companies enjoy an extremely strong position in the so-called premium segment, with a combined world market share of about 90%. Small- to medium-sized manufacturing firms (Mittelstand companies) which specialize in technologically advanced niche products and are often family-owned and form major part of the German economy. It is estimated that about 1500 German companies occupy a top three position in their respective market segment worldwide. In about two thirds of all industry sectors German companies belong to the top three competitors.
Trade Union:
The trade unions in Germany and the system of social partnership and codetermination have undergone a number of developments in recent years the upshot of which is that the workers’ side has been weakened. At the end of 2010 only 19 per cent of employees were members of a trade union. This represents a decrease of around 5 per cent over 10 years.

This has affected wage development insofar as there has been no compensation for inflation since 2004. In most of the years in question, real income fell. In the EU, Germany brought up the rear with regard to real-wage development between 2000 and 2009.

Nevertheless, in the wake of the economic and financial crisis various collectively agreed and company-level instruments have contributed substantially to job security, more specifically collectively agreed and company-level measures involving flexible working time, company-level job security agreements and (further) financial concessions on the part of employees.

The positive employment balance in the crisis applies more to core workforces than to the growing number of precarious employees. Fixed-term employees in many instances did not have their contracts renewed and many temporary workers soon lost their jobs.

Against this background, IG Metal in particular is focusing more strongly on temporary workers. It achieved its first collective bargaining breakthrough in this regard in the steel industry in September 2010: for the first time, equal pay for temporary workers was laid down in an industry-wide agreement.

THE MAIN CHARACTERISTIC OF TRADE UNION:
The Trade union is an organization of employers, employee and independent workers. It is also an organization for the intellectual labor. It is permanently body and structure on nonstop bases. It is created to protect and promote all kinds of welfare like social, economic, political of its member. The organization achieves its goal through collective action and group effort. Debate and collective bargaining are the tools for to complete objectives. Trade unions have shown marked development since their starting and the personality of trade unions has also been changing. In spite of only focusing on the economic benefits of workers, the trade unions are also working for raising the status of labors as a part of industry.
TYPES OF TRADE UNION:

There are four types of trade union.

- **Craft Union:** In Craft union there are for skilled laborers that work in a particular segment or for a particular craft. These types of unions are also called as horizontal unions. For example we can take teacher union.

- **Industrial Union:** In industrial union they stand for the workers of an industry. Means all the workers in that industry, the workers are not considered by their occupation or job.

- **General Union:** General unions are from laborer from all industries and profession. It is not that matter that from which sector of the workforce they come from.

- **White Color Union:** They are for professionals who work from an organization such as those who has a decision-making or administrative position. Trade unions prefer diplomatic methods for achieving their demands, but they can also go additional for strikes and such practices.

Unions engage in three broad categories of activities:

- Political activities
- Traditional wage setting activities
- Maintaining and influencing relationships between their members and employers

The effects of unions – evidence

**Effects on employment**

- Unions reduce employment growth

**Effect on hours of work**

- Convert standard hours into overtime hours - higher pay

**Effect on productivity & profits**

- Positive if ‘voice’ effects occur
- Negative if they succeed in introducing ‘restrictive practices’

Outcome depends on quality of union-management relationship

Trade union representation has shrunk over the last twenty years, but could stabilize with the new statutory recognition procedures.

This report uses large-scale survey evidence to examine the effects of unions upon the employment levels of workplaces and upon the pay of their employees. Although some of the findings show that trade unions are associated with adverse outcomes, these effects are absent when employers jointly determine pay and employment matters with the union.
Part-2: PESTEL Analysis

2.1 Political Environment

System of government

- Germany is a Federal Republic. The Federal Government, based in Berlin, consists of the Federal Chancellor and the Cabinet of Federal Ministers.
- Federal elections are held every four years. In addition, there are 16 state governments and thousands of local government 'communes'. Each state has its own constitution and a state parliament. State elections are held every four or five years.
- The federal legislative authority is the Bundestag (Parliament or lower house equivalent) whose members are elected through a combination of direct election and proportional representation. Following each federal election, the Bundestag elects a Chancellor by absolute majority. The Bundesrat (Federal Council or upper house equivalent) represents the 16 state governments and has 69 seats.
- Based on population size, a state has between three and six votes. The Bundesrat debates all legislation, but only approves legislation affecting state responsibilities (e.g. tax revenue distribution).
- The Federal President, who has ceremonial duties, is elected every five years by the Bundesversammlung (Federal Assembly), a body comprised of all Bundestag members plus an equal number of state representatives. Presidents can serve up to two terms.

Cabinet

- The Cabinet of Germany (Bundeskabinett or Bundesregierung) is the chief executive body of the Federal Republic of Germany. It consists of the Chancellor and the cabinet ministers. The fundamentals of the cabinet's organization are set down in articles 62 to 69 of the Basic Law.
- The head of state is president, elected for a maximum of two to five years terms. The current president is JOACHIM GAUCK
- The head of the government is the Chancellor. The current Chancellor is Angela Merkel of the CDU.
- Day to day government is carried out by a Cabinet, the members of which are formally appointed by the President but in practice chosen by the Chancellor.
- The upper house in the German political system is the Bundesrat.
Political system

Bundestag

The Bundestag (Federal Diet) is elected for a four year term and consists of 598 or more members elected by a means of mixed member proportional representation, which Germans call "personalised proportional representation." 299 members represent single-seat constituencies and are elected by a First Past the Post electoral system. Parties that obtain fewer constituency seats than their national share of the vote are allotted seats from party lists to make up the difference. In contrast, parties that obtain more constituency seats than their national share of the vote are allowed to keep these so-called overhang seats. In the current parliament (elected in 2009) there are 24 overhang seats, giving the Bundestag a total of 622 members. A party must receive either five percent of the national vote or win at least three directly elected seats to be eligible for non-constituency seats in the Bundestag. This rule, often called the "five percent hurdle", was incorporated into Germany's election law to prevent political fragmentation and strong minor parties.
Bundesrat

Bundesrat, (German: “Federal Council”), one of the two legislative chambers of the Federal Republic of Germany. It is the Upper House and acts mainly in an advisory capacity, since political power resides in the popularly elected Bundestag, but its consent is required for a large number of laws and regulations as well as for constitutional amendments. It is formed from members of the Land (state) governments, and the number of representatives from each Land depends on the size of its population. Austria also has a Bundesrat, similar in character. The term also was applied to the federal chamber of the German Empire.

Election system

Germany elects on federal level a legislature. The parliament has one chamber—the Bundestag (or Federal Diet); the Bundesrat, or Federal Council, represents the regions and is not considered a chamber as its members are not elected. The Bundestag nominally has 598 members, elected for a four-year term. Half, 299 members, are elected in single-member constituencies by first-past-the-post voting, while a further 299 members are allocated from statewide party lists to achieve a proportional distribution in the legislature, conducted according to a form of proportional representation called the Mixed member proportional representation system (MMP). Voters vote once for a constituency representative, and a second time for a party, and the lists are used to make the party balances match the distribution of second votes. In the most recent election there were 24 overhang seats, giving a total of 622 seats. This is caused by larger parties winning additional single-member constituencies above the totals determined by their proportional party vote. Germany has a multi-party system with two strong parties and some other third parties also represented in the Bundestag. Since 1990, five parties (counting the CDU and CSU as one) have been represented in the Bundestag. Elections are conducted approximately every four years, resulting from the constitutional requirement for elections to be held 46 to 48 months after the assembly of the Bundestag. The exact date of the election is chosen by the President and must be a Sunday or public holiday. Should the Bundestag be dismissed before the four-year period has ended, elections must be held within 60 days. German nationals over the age of 18 who have resided in Germany for at least three months are eligible to vote. Eligibility for candidacy is essentially the same.
**Voting System**

The voter has two votes. The Federal Election System distinguishes between 'First' and 'Second' vote. However, these terms do neither refer to a hierarchical order (of importance) of the votes, nor do they refer to a logical (chronological) sequence in a valid election process.

According to public polls, about 70% (2002) to 63% (2005) of the voters mistakenly thought the first vote to be more important than the second. In some State Election Systems that have two voting systems which are modeled after the Federal Election setup, the votes are called 'vote for person' and 'vote for list'. It is important that both votes have distinct functions.

Like all political system the German has its strength & weakness.

The great strength of german political system- a deliberate feature of the post war constitutes- is the consensual nature of its decision-making process. The Bundesrate serves as a control mechanism on the Bundestag. Since the executive & legislative functions are closely intertwined in any parliamentary system, the Bundesrat’s ability to revisit & slow down legislative process could be seen as making up for that loss of separation. On the other hand, it can be argued that the system makes decision making paque. Some observers claim that the opposing majorities in the two chambers lead to an increase in backroom politics where small groups of high level leaders make all the important decisions & then the Bundestag representatives only have a choice between agreeing with them or not getting anything done at all. Political events in various parts of the world during the past decade have attracted new attention to the strengths and weaknesses of federal solutions as a means of resolving political problems.

Conceptual distinctions have been drawn between “federalism” as a normative term, “federal political systems” as a descriptive term referring to a broad genus of federal arrangements, and “federation” as a particular species within that genus.

The extensive literature on the design and operation of federal systems is reviewed, with particular attention to asymmetry among constituent units, degrees of no centralization, financial relationships, the impact of federative institutions and the courts, and the development of multi-tiered federal systems. Federal processes illustrated by patterns of formation and evolution, the significance of the increasingly global economy, intergovernmental relations, the impact of cultural, ethnic and national diversities, and the pathology of federal systems are also considered.
2.2 Economic Factors

- 5th largest economy in the world in PPP terms and Europe's largest economy
- Leading exporter of machinery, vehicles, chemicals, and household equipment making Germany a highly competitive country
- Innovation driven economy (WEF, 2012)
- Macro economy still remains remarkably stable in the view of continued economic difficulties in the Euro area
- Reduction in the fiscal deficit (fulfills Maastricht criteria)
- Germany benefited from low interest rates during sovereign debt crisis
- Financing for companies very cheap due to low interest rates
- Decreasing inflation rate to currently 2.0% (October 2012) (2.0% is the maximum level set by ECB to ensure price stability)
- GDP growth of 0.3% in Q2 2012 keeping the overall Euro area out of recession
- Depreciation of Euro against major currencies facilitates exports
- GDP per capita of 31.415,97 € (2011) indicating high purchasing power of consumers
- Prudent economic policies especially regarding lowering of corporate tax rates
- Spillover effects of European Sovereign Debt crisis weighing down on Germany’s economy
- Rating agencies threaten to downgrade Germany (negative outlook according to Moody’s)
- Low GDP growth compared to other developed countries outside Euro area

Germany GDP Growth Rate

The Gross Domestic Product (GDP) growth rate provides an aggregated measure of changes in value of the goods and services produced by an economy. Germany is the largest economy in Europe. The German economy is heavily export-oriented. In fact, exports account for more than one-third of national output. As a result, exports traditionally have been a key element in German macroeconomic expansion, accounting for over half of the economic growth in recent years. Germany is a strong advocate of closer European economic integration, and its economic and commercial policies are increasingly determined within the European Union (EU).
### GDP (purchasing power parity)

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<tbody>
<tr>
<td>Germany</td>
<td>1,864</td>
<td>1,936</td>
<td>2,184</td>
<td>2,271</td>
<td>2,362</td>
<td>2,480</td>
<td>2,630</td>
<td>2,807</td>
<td>2,918</td>
<td>2,815</td>
<td>2,940</td>
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### Unemployment rate:

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<tr>
<td>Germany</td>
<td>10.5</td>
<td>9.9</td>
<td>9.8</td>
<td>10.5</td>
<td>10.6</td>
<td>11.7</td>
<td>7.1</td>
<td>7.8</td>
<td>7.5</td>
<td>7.4</td>
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### Public Debt (% of GDP):

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<tr>
<td>Germany</td>
<td>65.8</td>
<td>67.3</td>
<td>66.8</td>
<td>64.9</td>
<td>64.4</td>
<td>73.2</td>
<td>78.8</td>
<td>81.8</td>
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### Inflation rate (consumer prices) (%)

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<tr>
<td>Germany</td>
<td>0.8</td>
<td>2</td>
<td>1.3</td>
<td>1.1</td>
<td>1.6</td>
<td>2</td>
<td>1.7</td>
<td>2.3</td>
<td>2.7</td>
<td>0.3</td>
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### Industrial production growth rate (%)

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<tr>
<td>Germany</td>
<td>0.9</td>
<td>4.7</td>
<td>-2.1</td>
<td>0.2</td>
<td>2.2</td>
<td>2.9</td>
<td>4.4</td>
<td>5.2</td>
<td>0.1</td>
<td>-15</td>
<td>9</td>
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### Current Account Balance

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<tr>
<td>Germany($ millions)</td>
<td>7,359</td>
<td>11,550</td>
<td>13,480</td>
<td>25,450</td>
<td>24,330</td>
<td>16,810</td>
<td>18,840</td>
<td>18,860</td>
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Exports (Billion $)

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<tr>
<td>Germany</td>
<td>610</td>
<td>578</td>
<td>608</td>
<td>608</td>
<td>696.9</td>
<td>893.3</td>
<td>1,016</td>
<td>1,133</td>
<td>1,498</td>
<td>1,145</td>
<td>1,337</td>
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Imports (Billion $)

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<tr>
<td>Germany</td>
<td>587</td>
<td>505</td>
<td>487.3</td>
<td>487.3</td>
<td>585</td>
<td>716.7</td>
<td>801</td>
<td>916.4</td>
<td>1,232</td>
<td>956.7</td>
<td>1,120</td>
<td>1,198</td>
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Germany Balance of Trade

- Generally meaning of the balance of trade is that the difference between a country's imports and its exports.
- Balance of trade is the largest component of a country's balance of payments.
- Debit items include imports, foreign aid, domestic spending abroad and domestic investments abroad. Credit items include exports, foreign spending in the domestic economy and foreign investments in the domestic economy.
- A country has a trade deficit if it imports more than it exports; the opposite scenario is a trade surplus.
- Germany Balance of Trade averaged a surplus equivalent to 5.59 Billion EUR reaching the best surplus at 20.10 Billion EUR in June of 2008 and the worst deficit at 0.50 Billion EUR in January of 1981.
- German economy is heavily export-oriented (the world's biggest exporter), with exports accounting for more than one-third of national output. Its principal exports are: motor vehicles, machinery, chemical products, electrical devices and telecommunications technology.
- German’s principal imports are motor vehicles, chemical products, machinery, oil and gas and computers. European Union makes 60 percent of the total trade. Other major partners are: U.S. China and Russia.
2.3 Social Environment

- High Human Development Index ranking 9th in the world 2011
- Strong healthcare and education expenditure
- Increasing labor productivity (1.6% growth in 2011)
- Inadequately educated workforce as problematic factor for doing business according to GCR (2012)
- Overall lacking behind in higher education and training compared to other advanced economies (ranked 28th according to WEF, 2012)
- Aging and decreasing population (2011: 31.1% of the population between age of 40-60; 26.6% above 60)
- Growing social divide (considerable number of working poor)
- Ethnic discrimination (pointed out by UN Committee on Economic, Social and Cultural Rights)

Germany has about 82 million inhabitants. It is by far the largest country in the EU in terms of population. Germany is a modern, cosmopolitan country. Its society is shaped by a plurality of life styles and truly different ethno-cultural diversity. Forms of coexistence have become more varied, and the scope individuals enjoy has become greater. Here we have such factors which elaborate the social environment of the Germany is as under. Germany has an elaborate network of social security systems (pension, health, healthcare and unemployment insurance), financed in equal measure by employees and employers alike almost all the German population is covered by health insurance. With spending on health totalling 10.4% (of the GDP) Germany is above the OECD average of 8.9%. It is by far the largest country in the EU in terms of population. Germany is a modern, cosmopolitan country. Its society is shaped by a plurality of life styles and truly different ethno-cultural diversity. Forms of coexistence have become more varied, and the scope individuals enjoy has become greater. Traditional gender roles have been dispensed with. Despite the social changes, the family remains the most important social reference unit and young people have very close bonds with their parents.

Language

German is used as the official language of Germany and of Austria. Historically, German falls into three main periods: Old German (c. 750-c. 1050); Middle German (c.1050- c.1500); and Modern German (c.1500 to the present).
The earliest existing records in German date back to about 750. In this first period, local dialects were used in writing, and there was no standard language. In the middle period a relatively uniform written language developed in government after the various chancelleries of the Holy Roman Empire began, in the 14th cent., to use a combination of certain dialects of Middle High German in place of the Latin that until then had dominated official writings. German is one of the most important cultural languages. It was spoken and written by Goethe, Mozart, Beethoven, Freud, Klimt and Einstein, and numerous other great artists and scientists. Many of the European culture have been written in the German language.

Food:
German food varies from region to region, but concentrates on meat (especially sausage) and varieties of sweet dessert and and Stollen (a fruit cake). Germans also are famous for rye bread. Germany also produces a large quantity of beer, and (mostly white) wine, particularly Riesling, but also Muller-Thurgau and other varieties.

German Life:
Germans are not, contrary to stereotypes, stubborn. They are just argumentative. Things have to be logical to them or they will argue about it until they find the logic. Now that logic does not have to be based in physics or math, but it does have to fit with their view of what is the correct way to live. Germans are passionate about lifestyle and politics an expensive combination from a societal perspective.

A low birth rate and an aging population
Germany has one of the lowest birth rates in the world. In 2012, its national fertility rate was 1.41 children per woman, up slightly from the 2002 rate (1.31), but still well below the replacement rate of 2.1 children per woman. (By contrast, the United States had a fertility rate of 2.06 in 2012). At the same time, Germans are living longer, with a life expectancy of 80.19 years (77.93 years for men and 82.58 years for women) - 2012 estimates.

The role of women
For centuries, a woman's role in German society was summed up by the three words: Kinder, Küche, Kirche (children, kitchen, and church). Throughout the twentieth century, however, women have gradually won victories in their quest for equal rights. Despite significant gains, discrimination remains in united Germany.
Social Infrastructure:

**Roadways (Km)**

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<td>231,581</td>
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**Railways (Km)**

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**Airports:**

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<tr>
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**Telephones - mobile cellular**

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<th>2005</th>
<th>2007</th>
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<tr>
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<td>55,300,000</td>
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<td>79,200,000</td>
<td>97,151,000</td>
<td>105,000,000</td>
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**Internet users**

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<tbody>
<tr>
<td>Germany</td>
<td>18,000,000</td>
<td>32,100,000</td>
<td>39,000,000</td>
<td>50,616,000</td>
<td>42,500,000</td>
<td>61,973,000</td>
<td>65,125,000</td>
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2.4 Technological Factor

Germany's achievements in science and technology have been significant and research and development efforts form an integral part of the country's economy. Germany has been the home of some of the most prominent researchers in various scientific disciplines, notably physics, mathematics, chemistry and engineering. For most of the 20th century, Germany had more Nobel Prizes in the sciences (physics, chemistry, physiology or medicine) than any other nation.

A century ago, with its world-leading chemical industry and its cadre of top physicists, Germany was widely considered a technological heavyweight. But it has now fallen behind in many areas of emerging technology. The German biotech industry, for example, started much too late (it hardly existed until the mid-1990s) and is still trying to make up ground. And while German universities are doing excellent research on nanotechnology, many worry that the country will not turn that basic science into products.

Germany’s greatest strength is its automobile industry. In the years to come, many emerging technologies, from optical communication links to nanotech materials, will find their way into cars. Technological innovation will be critical to creating the opportunities that will lead German carmakers and their suppliers out of their current trouble. In particular, German carmakers are betting on computer-based assistance systems that could make driving safer and more comfortable.

The basic idea is that a car would map information from a variety of sensors, like cameras and radars, into a digital model of the surrounding traffic conditions. In case of danger, the system would issue a warning to the driver. In more-advanced systems, vehicles could use wireless communications to inform each other in real time about oil puddles, traffic jams, or accidents. BMW is working on wireless networks for cars that will automatically set up connections among vehicles in order to exchange critical sensor information; a car that detects a slippery stretch of pavement, for instance, could relay that information to other cars on the same road. The goal is to create networks of intercommunicating cars that could someday form a sort of automotive Internet. Researchers at the University of Stuttgart, in collaboration with DaimlerChrysler and other German carmakers, are also designing and testing systems to assist drivers at intersections. Such systems might combine information from traffic lights or signs with onboard-sensor data about other vehicles and their speed or distance in order to get the drivers safely across.
Although they have introduced prototypes of hybrid gasoline-electric vehicles, carmakers in Germany are betting on the longer-term vision of fuel cell cars that consume hydrogen. DaimlerChrysler, for example, has said it will bring such vehicles to the market by 2010. And in what has the makings of a startling turnaround, the demand for hydrogen that would result could help bring about a nuclear renaissance in Germany. In the late 1990s, after massive antinuclear protests, the government coalition of Social Democrats and Greens decided to shut down Germany’s nuclear power plants by 2020. The country committed itself instead to developing renewable energy sources such as wind and solar power.

But whether renewable energy sources can ever contribute sufficiently to German energy production is much debated—hence the re-emergence of the nuclear option. Developers of so-called third-generation nuclear plants claim that their technology is much less risky. The European pressurized-water reactor, for instance, developed by Siemens and the French company Framatome, has various safety features—such as double-wall containment—that by limiting the release of radioactivity are supposed to make a catastrophic core meltdown much more manageable. Given the availability of such improved reactor technologies, Germans might possibly change their minds about nuclear energy. Though the coalition now in power remains adamantly opposed to it, the Christian Democratic Party has announced that if it regains power—not an unlikely prospect—it will rethink the country’s policy on nuclear energy. Looking further ahead, German researchers are doing world-class basic science in fields ranging from materials science to biomedicine. German neuroscientists have made important contributions to research in brain implants and in noninvasive brain-machine interfaces. But neurotechnology brings with it tricky ethical dilemmas. One concern is that the findings of brain science will undermine our notion of autonomy and individual responsibility.

Innovation and new technologies are of vital importance for maintaining Germany's international competitiveness as an economic performer. An innovation-friendly policy environment, cutting-edge technologies, and broad-based innovation in German industry are essential for achieving growth, job creation and prosperity over the long term.

The present economic situation in particular offers important opportunities for investing in new technology - such as technology to fight climate change and to protect the environment - that will help German companies remain global technological leaders in the future. Only those companies
that consistently invest in research, innovation and skilled workers will be able to weather today's difficult economic climate.

Germany has a long tradition of being a leader in innovation. But Germany also faces global competition as it strives to reinforce its position as a world-class hub for technology. And this competition is only getting tougher: many countries - especially fast-growing Asian economies such as China, South Korea and India - are catching up in their development and application of sophisticated technology.

Nevertheless, Germany is well-equipped to face the challenge: in 2009, research and development accounted for a 2.8% share of German GDP. This is one of the highest R&D rates in the world, surpassing the United States for the first time since 1989.

Over 31,000 companies in Germany engage in ongoing R&D activities, and this provides a strong basis for a positive climate of innovation.

In these activities, companies can draw on the expertise of numerous internationally renowned research institutes (such as the Max Planck Society, the Fraunhofer-Gesellschaft, the Helmholtz Association of German Research Centres, the Leibniz Association, and research facilities associated with government ministries) and universities.

International comparisons highlight Germany's innovative prowess: Germany placed 4th in the European Commission's Innovation Union Scoreboard 2010 (behind only Sweden, Denmark and Finland) and thus ranks among the EU's top nations when it comes to innovation.

Exports of technology-related products already have access to a wide variety of government instruments to support foreign trade and investment, such as Hermes export credit guarantees and investment guarantees.
Technological advancements:

- German companies are among the most innovative in the world, spending heavily on R&D (ranking 4th in GCR 2012))
- High capacity for innovation (ranking 3rd in GCR 2012)
- Very intense local competition
- Well-developed ability to absorb the latest technologies at the firm level (ranking 16th in GCR 2012)
- Government policies to improve R&D further
- Sophisticated technological infrastructure
- Growing ICT sector in Germany
- Lacking behind in tertiary education (according the OECD tertiary-level entry and graduation rates are increasing, but slower and from a lower level as comparable countries)
- More young adults have attained lower education than their parents (22%) (20% achieved higher education than the generation before)
- Germany faces a deficit of skilled engineers and a decline in its technical workforce
2.5 Environmental Factors:

- Temperate seasonal climate in most of Germany (more oceanic climate in northern Germany; more continental climate in eastern Germany)
- Strong environmental record compared to other industrialized countries
- Fall in greenhouse gas emissions since 2008
- CO₂ emissions declining since 2006
- Strong focus on renewable energy
- Efforts to incorporate EU regulation (e.g. emissions trading, sustainable transport policy etc.)
- Dangerous levels of air pollution in different cities (Establishment of “green zones” in urban areas to counteract against this trend)
- Increase in emissions due to coal-fired power plants (Germany phases out the use of its nuclear power plants.
- For those planning to open a business or start business relations in Germany, one key factor could be the environment.
- German ecology could affect a number of different businesses "from clothing retail, determining what people will buy and when, to real estate and land development.
- Therefore, when approaching a business venture in Germany, it is advisable to have at least a basic understanding of the climate, wildlife, and environment in the area, as well as the government policies associated with the protection of the environment
- Knowledge of matters relating to German ecology could spell the difference between success and failure for an individual or small business seeking to expand its operations in Germany.
- Much like North America, Germany is located in a temperate climate zone. However, Germany experiences moderate seasons that are dominated by humid westerly winds.
- The climate is further tempered by warm water, carried into the North Sea by the North Atlantic Drift, which is the northernmost part of the Gulf Stream.
- Germany experiences rainfall during all seasons, but the most rain tends to fall during the summers
- Further from the ocean, the climate tends to become less moderate; winters are colder, summers are warmer, and there is usually less rainfall
• Mostly, in both cases, the temperature does not climb any higher than thirty degrees Celsius, or eighty-six degrees Fahrenheit. This relatively side weather system is a reliable part of German ecology
• Much of Germany’s expansive geography is covered in arable land, amounting to a third of the nation’s acreage. Of the remaining two thirds, nearly the same amount again is covered by forests or woodlands, and pastures, and cities make up the rest.
• German ecology also features a number of flora and fauna that are indigenous to central Europe, such as beech oak, pine, and fir trees that are all present in large numbers.
• Animals commonly found in the region include fish, boars, foxes, badgers, and a few beavers. Also, birds migrate across Germany during their flight seasons, in the spring and autumn
• Another thing that business owners should take note of is the fact that many Germans are environmentally conscious, and support current efforts to “go green.”
• A recent poll showed that many Germans believe that human beings are responsible for global warming. Germans follow the Kyoto Protocol, a United Nations treaty that is designed to regulate environmental policy among its signatory nations.
• The actions endorsed by the Kyoto Protocol include promoting biodiversity, setting strict emissions standards, recycling, and finding new sources of renewable energy.
• Although German emissions are still among the highest in the European Union, the German government is taking steps to correct this.
• The German government has recently started initiatives to reduce pollution, regulate emissions, and use nuclear power instead of coal.
• These steps show how important German ecology is to the German people, as well as their level of commitment in preserving their environment for future generations.
2.6 Legal Factor

The **judiciary of Germany** is the system of courts that interprets and applies the law in Germany. The German legal system is a civil law based on a comprehensive compendium of statutes, as compared to the common law systems. Germany uses an inquisitorial system where the judges are actively involved in investigating the facts of the case, as compared to an adversarial system where the role of the judge is primarily that of an impartial referee between the prosecutor and the defendant. The independence of the judiciary of Germany is historically older than democracy in Germany. The organisation of courts is traditionally strong, and almost all state actions are subject to judicial review. Judges follow a distinct career path. At the end of their legal education at university, all law students must pass a state examination before they can continue on to an apprenticeship that provides them with broad training in the legal profession over two years. They then must pass a second state examination that qualifies them to practice law. At that point, the individual can choose either to be a lawyer or to enter the judiciary. Judicial candidates start working at courts immediately; however they are subjected to a probationary period of up to five years before being appointed as judges for lifetime.

Although the German legal system doesn't match the US constitutional Bill of Rights point for point, legal specialists who have studied it are usually in agreement that it is fair. It provides many safeguards to ensure the fairness of investigations and trials. When authorities question a suspect, they must make it clear that any statement may be used against him or her. A suspect can't be compelled to testify against himself or herself, and has the absolute right, without undue influence, to remain silent. Physical examinations can be made over the suspect's objection. Blood samples, for example, may be taken if the alleged offense is related to drugs or alcohol, provided this doesn't pose a health danger. The authority of German police is about the same as in other developed countries. If a party is required to appear in a German court he or she will be properly served with a summons. Failure to appear in court may be punished. Drug offenses such as importation, sale or possession of narcotics, including marijuana and hashish, are considered serious crimes.

German law has very strict requirements regarding the registration and possession of firearms and other weapons. Anything an individual sells (including a car) automatically carries a six-month warranty under law unless this has been explicitly excluded. Normal wear and tear of a used item is not considered a defect. Under German marriage laws, a party can't file for divorce
Annulments are very rare. The differences between German and American laws are particularly obvious when it comes to contracts. In the US it is common, and usually necessary, to spell out everything in a contract. The rule in German law, on the other hand, is: "a short contract is a good contract." (For example the main issues in rental agreements and leases are codified in a law dealing with landlord-tenant relations. There may be nothing in the lease dealing with notice periods, renovations required or actions in the event of non-payment of rent, but these things are still covered because of the law.) An agreement to rent an apartment or house for a fixed term cannot be terminated early except under extraordinary circumstances. A job transfer is usually not an extraordinary circumstance. It's advisable for expatriates to have a German attorney lead them through this maze.

It is a criminal offense in Germany to show disrespect for the colors, flag, coat of arms or national anthem of the country or any of its states; or to remove, damage or disfigure any publicly displayed national flag or symbol. Insulting an individual can also be a criminal offense, particularly if the individual is an official, such as a policeman or judge, acting under his legal authority. The first phase of a German criminal prosecution is pre-trial investigation to determine if there are grounds for a formal indictment. If a prosecutor determines that there is, the case is transferred to the appropriate German court, where the presiding judge decides if the evidence warrants a trial. This contrasts markedly from the US, where a judge will have little or no knowledge of the facts of a case until evidence has been introduced in the courtroom.

German law requires a prompt and speedy trial, though at least one week must pass between the time of the official notification of the charges and the date of the trial. The defense counsel may make a postponement motion, for example, if more time is needed to prepare the case. The trial will be open to the public unless this is specifically excluded because of public order, public morals or national security. Also, the public is automatically excluded if the accused is a minor. There is no such thing as a jury trial in Germany, though court procedures are otherwise similar to those in the US. Under German law the accused is presumed innocent until proven guilty. In minor cases there may be only a single judge presiding. Or, if the charges are severe and the accused faces heavy penalties, there may be five persons hearing the case; three professional judges and two lay judges.
Legal Framework summary:

- Independent judicial system with hierarchy of courts on state and central levels
- Comprehensive legal structure (influenced by EU and international law)
- Administration of justice is divided into five branches: ordinary, administrative, social, and financial
- Strong business, investment and trade freedom (Ranked 26th in the Wall Street Journal’s 2012 Index of Economic Freedom)
- German law does not differentiate between foreigners and Germans when it comes to investments or establishing companies
- Loopholes in taxation system lead to huge revenue losses for government
- Tax evasion by hiding money in Switzerland or Liechtenstein (German government paid for CDs with data on tax evaders)
- Tax evasion treaty with Switzerland still pending (Federal Council of Germany did not approve it in November 2012)
- Treaties with other tax havens needed to overcome loopholes
- Cut in government subsidies especially in the renewable energy sector complicates business
Part-3: Indo-German Relations

The framework for bilateral relations between Germany and India has been delineated in the *Agenda for German-Indian Partnership in the 21st Century*, which was adopted by the foreign ministers of the two countries in May 2000. This agreement was meant to give a structure to the deepening relations between the two nations that unfolded in the last decade of the 20th century. While focusing on economic, cultural, and scientific cooperation, the agenda also stipulated new fields of cooperation to address global challenges and work towards the mutual fulfillment of each other’s interests. The ten-point agreement became the origin and point of reference of all future agreements between India and Germany. In order to assess the merits and achievements in Indo-German relations over the past years, one should first look at the expectations and goals which were originally formulated by the agreement of 2000, and the following joint declarations between India and Germany in 2006 and 2007. The first point on the agenda dealt with the improvement of bilateral political relations between the two countries by expanding meetings and dialogue between officials of both nations. The governments concluded that the exchange of visits between high-level officials was crucial to maintain and deepen the good relationship between India and Germany. Meetings of foreign ministers on an annual basis were stipulated, and beyond that, consultations between officials at various levels were sought to be extended. Also, both governments wanted to encourage dialogue between nongovernmental actors of the two countries. Surprisingly, the second point on the agenda did not relate to economic and trade relations, but dealt with issues of security policy and disarmament. By giving high priority to this subject, a first clear step in shifting the focus of relations towards a deeper strategic partnership was made. Both governments declared their commitment to worldwide disarmament and to non-proliferation, but recognized that there existed different opinions on how to achieve these goals. Consultations on this matter should address nuclear non-proliferation and disarmament concerns more often to achieve convergence between the different positions of both countries. India and Germany stipulated to engage in confidence-building and conflict prevention and include research institutes from both sides in the dialogue on security and strategy cooperation. With regard to economic relations, both sides declared their commitment to further deepen and strengthen the economic ties between India and Germany by opening markets, simplifying procedures, and overcoming judicial and administrative barriers of bilateral trade.
Closely linked to expectations of profitable cooperation in the high technology, IT, and biotechnology sector is the realization that relations in the field of science and research have to be strengthened and deepened. Science, research and technology cooperation is the centerpiece of Indo-German relations that will shape future relations between the two countries. Thus, the exchange of academics and students from both countries was given high priority and they both pledged to support and fund respective programs.

**Export of Germany**

**Commodities**

Motor vehicles, machinery, chemical products, electrical devices and telecommunications technology

**Import of Germany**

**Commodities**

- German’s principal merchandise imports are motor vehicles, chemical products, machinery, oil and gas, computers

Germany’s main import partners are European Union countries (France, Netherlands, Italy, UK, Belgium), United States and China

**Overview Indian Exports to Germany** - Trade relations between the two nations have increased to a remarkable extent and have recorded a positive growth over the last couple of years. Figures as of 2010, show that India is on 28th position on the list of sourcing countries for Germany and is ranked 27th among the main destinations for German exports. Post to the global recession, there has been an increase in the exports from India to Germany with the figures touching to 21.5% and the total exports amounting to Euro 6.2 billion.

**German Exports to India: overview** - The Indo-German trade volume has increased by 180% from 2.7 Billion EUR in 1990 to 7.6 Billion EUR in 2005, with the German Exports to India have been recorded to have increased by almost 135%. The total volume of the Indo-German trade increased by 22% in 2005 with the amount of German Exports to India increasing by 28% to record 4.2 Billion EUR. In the year 2006, the Indo-German trade increased by 39% with the German Exports to India increasing by 52% to record 6.3 Billion EUR.
• **Indian textile Exports to Germany**
The Indian Textile industry generally comprises of manufacturers, wholesalers, suppliers, and exporters of cotton textiles, handloom, woollen textiles etc. Germany is one of the foremost importers of handmade fibre textile of India. Indian textile export to Germany resulted for the highest share and it amounted to Euro 1.5 billion in 2010.

• **Indian IT Exports to Germany**
One of India’s prime trade facilitation organizations, Electronics and Computer Software Export Promotion Council (ESC) having more than 2,300 members took part in a grand way at the CeBIT held from March 1-5th 2011 at Hannover, Germany.
Roughly 20 Indian ICT companies participated at CeBIT under ESC banner. The mass participation of the Indian companies clearly indicated their increasing interests of investment in the EU region, with Germany being a prime target. ICT products as ERP, business process management, business intelligence, vertical market solutions, managed services, internet solutions, web content management, ecommerce, web design and technologies and many others were on display at the CeBIT. ESC has been a regular participant at the CeBIT since last many years. The Indian companies under ESC have expressed their interests in setting up joint ventures, having further marketing associations with the EU. The ESC has reportedly mentioned that there has been a remarkable rise in ICT exports from India to Germany.

• **India has requested to Germany to remove technology trade restrictions**
For better trade relations, especially high-end technology trade with Germany, India has urged the European nation to ease trade restrictions and thus provide a suitable platform for both the countries to work on and gain mutual benefit.

• **Indian Leather Export to Germany**
The Indian leather export industry eyes Germany as a prime target for exporting its leather items. 80 per cent of the country’s total leather exports are mainly to the US and Europe with Germany accounting to 14 percent, to UK around 13 percent, the US about 9 percent.

• **Indian Agro Exports to Germany**
Agricultural sector is the backbone of the rural Indian economy. Agro Exports to Germany from India has been a significant part of the total export of Indian agricultural items. The major Indian agricultural products exported to Germany are floricultural products, walnuts, dried and reserved vegetables, poultry products, processed meat, natural honey etc.
Indian Glass Industry Trade with Germany

Kolkata based Hindustan National Glass & Industries (HNG), has bought a German company, Agenda Glass, (AG) for an un-revealed amount. HNG is India’s largest maker of glass containers and has a total share of 55% in the market. The new company has been renamed as HNG Global GmbH. The deal was signed May 11, 2011. Saxony Anhalt will continue to be the main centre for glass production in Germany, as ensured by HNG. HNG can benefit from the "excellent conditions" available as high quality raw materials and modern infrastructure.

Items of German Exports to India:

Important items of German Exports to India are like machinery, electro technology as well as plants and metal products followed by aircraft, measurement and control equipment, plastics and plastic products, chemicals and pharmaceuticals and automobile products and components. Of these machinery exports to India comprises one third share of total German Exports to India.

German Foreign investments Exports to India:

India is a lucrative center for foreign investors and in terms of foreign investments, German Exports to India in total from 1991 to December 2005 has been less than one and a half billion dollars. At present there are more than 600 German companies operating in India and a robust German export of investments to India have been in practice.
BANKING INDUSTRY
Overview
The development of the German banking industry is closely related to Germany’s history and its evolving industry. The development of the banking sector was a respond to the industrialization and the accompanying financial needs. Until 1870 the banking sector was dominated by private bankers and influential “banking families”. Some of them are still known today, such as Sal. Oppenheim jr. & Cie. The privet bankers were financed only by equity capital. However as the industrialization went on and the need for money and financing constantly grew, this solely equity was not sufficient anymore to finance the occurring capital intensive industries.
The aim of the cooperated bank was to focus on financing the industry. In the second half of the 19th century and in the beginning of the 20th century, the German banking industry was growing very fast and successful. This growth however was accompanied with a steady concentration process and primarily the private banking houses were diminishing. After the Second World War in 1947/48 those concentrated big banking houses were broken down and 30 successor institutes were founded in West Germany. Later in 1952 those institutes were again merged to three bigger institutes and in 1957 renamed to Deutsche Bank, Dresdner Bank and Commerzbank. Those three banks still form part of the commercial sector of Germany’s banking system. The German economy is a bank economy, with the main role in finance and credit being played by commercial and savings banks while other forms of credit are secondary. Banks provide most of the country's investment capital because of the high German savings rate and because most Germans prefer to put those savings into banks rather than into stocks or bonds. As with many other German economic phenomena, this bank role is not new. Banks have played a central role in German financial and economic history since the middle Ages.
The role of the banks in the economy has raised questions. Some political figures, including FDP leader Otto Lambsdorff, have charged that the banks have accumulated excessive power. Newspapers and magazines, including business journals, periodically make the same charge. But there are no indications that the system is changing or will change in response to those criticisms. One could even argue that it is more pervasive than ever, as banks now also play roles in managing former East German firms that were privatized with western bank funds.
German banks function as universal banks, able to offer a full range of banking, saving, foreign exchange, and investment services to their depositors and clients. They hold funds or other assets, broker securities, underwrite equity issues, give advice on asset placement, and manage accounts, and so on. About one-quarter of German banks are commercial. Most of the remainder are savings banks, mainly owned locally or regionally and operating under public statutes, or cooperatives that perform such specialized services as agricultural, crafts, or mortgage lending.

Martin Blessing, the CEO at Germany’s No. 2 bank, offered candid insights on Europe, his career, and more during a visit to Booth’s London campus in November. The chairman of the board of managing directors for Commerzbank AG said he was growing more confident the Eurozone would survive its financial storm. Talking with students in the Executive MBA Program as well as London-based alumni, Blessing also said he believes the United Kingdom’s political influence on the continent will wane as it remains apart from the 17-nation alliance. Blessing shared brunch with Commerzbank employees enrolled in the program before giving a lunchtime talk open to all students and alumni.

Europe’s struggles made 2012 a rough year for financial institutions, including Frankfurt-based Commerzbank, which is among Europe’s top 20 banks. The financial giant plans further investment in its core businesses and predicts a return on equity after taxes of more than 10 percent until 2016. Blessing, Commerzbank chairman since 2008, has seen a lot of change in the industry and said more lies ahead. He predicted continued consolidation, which will have implications for global growth and jobs in the financial industry. A reshuffling of the industry is likely in the next five years.

**German public banks**

Public banks in Germany are financial institutes, typically held directly or indirectly by the public sector, e.g. the federal government, the states, administrative districts or cities. Not all companies are fully publicly owned. They can also be defined as public by providing services out of a public interest.

The public banks are represented through the Association of German Public Sector Banks as one of the leading associations in the German banking industry. The association counts 34 ordinary members, but to distinguish the different groups of public banks it is important to know, that the
Landesbanken as part of the Sparkassen-Finanzgruppe described below, are also members of this association.

**Top bank in Germany**
1. Deutsche Bank (Frankfurt a.M., 1.5 billion)
2. Commerzbank (Frankfurt a.M., 844 million)
3. Landesbank Baden-Württemberg (Stuttgart, 412 million)
4. KfW Bankgruppe (Frankfurt a.M., 400 million)
5. DZ Bank (Frankfurt a.M., 489 million)
6. Uni Credit bank

**Committee on Payment and Settlement Systems**
The Committee on Payment and Settlement Systems (CPSS) contributes to strengthening the financial market infrastructure through promoting sound and efficient payment, clearing and settlement systems. The CPSS is a standard setting body for payment, clearing and securities settlement systems. It also serves as a forum for central banks to monitor and analyze developments in domestic payment, clearing and settlement systems as well as in cross-border and multicurrency settlement schemes. The CPSS undertakes specific studies in the field of payment and settlement systems at its own discretion or at the request of the Governors of the Global Economy Meeting. Working groups are set up as required.

**The Financial Stability Institute (FSI)**
The Bank for International Settlements and the Basel Committee on Banking Supervision jointly created the Financial Stability Institute (FSI) in 1999 to assist financial sector supervisors around the world in improving and strengthening their financial systems.

**Objectives**
The FSI's objectives are to:
- Promote sound supervisory standards and practices globally, and to support full implementation of these standards in all countries.
- Provide supervisors with the latest information on market products, practices and techniques to help them adapt to rapid innovations in the financial sector.
- Help supervisors develop solutions to their multiple challenges by sharing experiences in seminars, discussion forums and conferences.
Assist supervisors in employing the practices and tools that will allow them to meet everyday demands and tackle more ambitious goals.

Main activities
Events for financial sector supervisors such as conferences, high level meetings, and seminars held in Switzerland and globally, FSI Connect, an online learning tool and information resource for financial sector supervisor publications such as paper and a quarterly newsletter.

The banking system
The German banking system is divided into three pillars: private commercial banks, public-sector banks and co-operative banks with the distinction being made on the basis of their legal form.1 It is dominated by universal banks (accounting for 97% of all institutions and 75% of assets) and the majority of institutions are not strictly profit-maximizing entities (82% of institutions and 44% of assets).

Private commercial banks account for around one-tenth of all credit institutions in Germany and for around one-third of the total business volume. They comprise the large banks and smaller regional banks, private banks and branches of foreign banks. While the large banks are truly universal banks, combining retail and corporate banking business with investment banking activities, the regional commercial banks have a strong local presence and are often engaged in special activities like housing finance. The smaller private banks often specialise in industry financing and wealth management.

Foreign banks play only a small role. Public sector banks include savings banks, which are owned by the state governments (Länder or municipalities), and the Landesbanken, which are usually jointly owned by the savings banks and the state governments.2 Together they account for one-third of total business volume. Savings banks offer a wide range of banking services and have to serve the public welfare (e.g. they are obliged to open up a current account for every applicant). Savings banks are also universal banks but are limited in their regional activity (the ‘regional principle’); thus, they hardly compete with other savings banks, but only with private or cooperative banks in their region. Their core business is retail banking and relationship banking to SMEs and they maintain the largest branch network of all banking groups.

Mortgage banks and building and loan associations (Bausparkassen) operate in all three sectors and account for 13% of the balance sheet total. In addition, a number of banks with special tasks
exist in the private and public sector, such as development banks, the Industriekreditbank and the publicly-owned Kreditanstalt für Wiederaufbau (KfW), which together account for around 11% of business volume.

This three-pillar system has changed little over time as most mergers occur within each pillar. While private-sector banks in general do not have the opportunity to take stakes in public-sector banks, there are no restrictions for public-sector banks to take over private banks. Takeovers of credit co-operative banks are made difficult due to the regulation that each member has one voting right.

Banking regulation and supervision

- Centralize supervision at the Bundesbank as planned but ensure that this leaves the institution with sufficient independence from the Ministry of Finance. Strengthen the macro-prudential elements of supervision.
- Widen the scope for supervision beyond compliance with quantitative requirements. Prevent regulatory arbitrage by continuing to move closer towards a more principle-based regulation. Supervisors should address more clearly than in the past the risks that certain business strategies entail.
- Consider introducing dynamic provisioning as well as a binding overall leverage ratio.
- Introduce a framework for restructuring and winding-up framework systemically-relevant banks that allows for a sufficiently early intervention by the government.

Current Situation of German Banking

Although a little less popular than German banks, foreign banks such as JP Morgan, Goldman Sachs, and Merrill Lynch have also enjoyed success on German soil in recent years. Chances are that their participation in the banking sector will continue to grow with time. In the last century, the German banking industry has been a relatively secure and lucrative part of the economy, offering much-needed stability for the country’s post-WWII rebuilding and development. The current state of German banks, however, marked by the last year’s financial crisis, is not a pretty picture. So, while it is true that no German bank has gone into bankruptcy so far, it is also true that most of them have declared significantly lower profits for the last year.

The state’s intervention, aiming to fight off the crisis, has done little for the improvement of German banking. Actually at present, the German government is the object of severe accusations for having provided financial assistance “too little, too late” (it was not before the last April that
a German bank, Hypo Real Estate, had financial injections administered by the Bundestag for the first time.

All this has forced banks to tighten up their lending procedures with regard to both, private individuals and legal entities, which, in turn, has led to the present stifling of Germany’s industries.

Nowadays, experts are reluctant to make exact predictions about the future of the German economy but one aspect seems certain – Germany’s banking sector is facing a hard and slow road to recovery.
CHEMICAL INDUSTRY
Overview

Germany’s chemical industry is number one in Europe. The industry employs almost half a million highly trained staff. Businesses and research institutes involved in the sector invest substantially in research and development. This makes the industry a driving force for innovation.

By developing new materials, active pharmaceutical ingredients and high-performance chemicals and plastics, the chemical industry sets the benchmarks for advancing state-of-the art technologies. This creates benefits for a number of different fields such as energy efficiency, renewable, energy storage, and mobility. Leading international chemical firms choose to locate in Germany.

They are drawn to Germany because of its highly qualified workforce, an excellent research landscape, state-of-the art logistics, and the presence of world-class infrastructure. Germany’s central geographical location at the heart of Europe provides a further decisive advantage, giving access to a market of more than 500 million customers in the European Union.

With around 11 percent of total manufacturing industry turnover, the chemical industry is the third largest industrial sector in Germany after the automotive and mechanical engineering sectors. Previously an industry which was strongly influenced by domestic considerations well into the 1990s, the chemical industry has undergone major structural transformation brought about by constantly changing world market conditions over the past two decades.

The export strength of the German chemical industry nevertheless remained untouched by the changes outlined in the previous sections. In 2010, Germany was the world’s largest exporter of chemical products – with market share of 11.5 percent. Of these exports, 62 percent remained within the EU-27 zone, while 12 and 10 percent were exported to Asia and North America (NAFTA) respectively.

Chemical industry R&D expenditure spent in developing new products is traditionally very high. In 2010, the expenditure in Germany was EUR 9.4 billion (or 5.5 percent of revenue), making the sector the second strongest R&D industry after the automotive sector. R&D accounts for 19 percent of total industry expenditure, with around one in ten industry workers active in research.
Germany’s chemical industry can continue to place confidence in a reliable and stable business environment. The increased migration of the petrochemical and basic chemical sectors out of Europe in the past decade has led to a fundamental consolidation of the chemical industry. Companies are increasingly focusing their activities in the high-tech and high-margin specialty and fine chemicals segments.

There are three overarching trends which lead to stable growth for the German chemical industry in the future.

Trend 1: From Commodities to Specialties
The development away from mass commodity or bulk chemistry to fine & specialty chemical production can be best observed using a “push-and-pull” model. As a result of high cost pressure, the low-margin equipped mass commodity chemistry is increasingly pushed into the raw materials processing countries (mainly the Middle East). Simultaneously, Europe has access to the necessary technologies and know-how required in the constantly growing specialty chemicals market. Europe, with Germany at the forefront, is proving very attractive to the specialty chemical industry.

Trend 2: Formation of Innovation Alliances
A broad consensus that transfer of “knowledge” to “turnover” and the development of research results into marketable products and processes can succeed exists within the European chemical industry. Both the business and research sectors are equally committed to the generation of a synergy effect leading to a distribution of risk, reduction of costs, and shorter innovation cycles. Research and development in the chemical industry without the existence of such cooperative alliances seems to be an inconceivable prospect for the future. Above all, the industry will profit from the introduction of innovation alliances in the development of new materials and key technologies for new markets in industries including renewable energies, energy storage, and “new” raw materials. Paints and Dyes.

Trend 3: New Materials and Cross-Sector Technologies
“New” raw materials and energy and mobility: these 21st century megatrends offer enormous opportunities for Europe’s technology driven chemical industry.

New Materials
New materials will play an increasingly important role in energy and mobility questions. An increase in the share of renewable energy sources in the energy mix requires smart grid concepts and a sophisticated storage strategy.

**Chemical Infrastructure**

Many chemical parks and sites in Germany are connected to an international pipeline network for raw materials and intermediates, offering almost unlimited possibilities for linked chemical production. Unique value chains are made possible by the wide choice and ready availability of chemicals – with the minimum amount of logistics fuss.

**Attractive Business Models**

All chemical parks offer a wide range of flexible business model which are attractive for potential investors. Subject to their individual requirements, investors can simply buy or lease land from the site owner in order to establish their own production unit. At the other end of the scale, the business model might consist of a site operator investing in and operating new plant for the investor on a custom or toll-manufacturing basis. In some cases, the contract will specify use of the site services as a prerequisite for the investment; in others, the investor may be allowed to “buy in” services on a competitive basis.

**Planning Support**

Investors are supported by a number of investment planning and construction services. The most sought-after service is that for obtaining permits. Licensing procedures are completed quickly and efficiently with the competent public authorities assisting in the process from a very early stage.

**Utilities**

All utilities typically required for the operation of a chemical plant are available to prospective investors, e.g. electrical power (different voltages), steam (different pressure stages), natural gas, industrial gases, water (different qualities), cooling water, compressed air, and nitrogen among other things.

**Services**

Wastewater treatment, thermal treatment of production residue, emergency services, industrial safety, health and safety and fire protection, environmental services, analysis and testing services, rail dispatching, and product storage all are widely available at large chemical complexes.
Pipelines
Of the 145 million tons of chemicals transported annually in Germany, 36 percent are transported by pipeline. Major chemical sites are interconnected through pipelines that transport raw materials such as ethylene within the country and via Belgium and the Netherlands to neighboring chemical production centers and Europe’s northwestern seaports. There are also hydrogen, carbon monoxide and oxygen pipelines between chemical parks with a specialized production focus.

Road and Rail
In road haulage, new highway (Autobahn) building is scheduled across northern Germany. The country’s interurban Autobahn network has a length of more than 231,000 km. Federal trunk roads account for around 53,400 km of this network and highways make up around 40,700 km.

Energy Security
Security of energy supply is a crucial factor in the energy-intensive chemical industry; especially when choosing an investment location and determining the market prospects of any planned facility.

Diversity of Supply
Germany has to rely on imports for around two-thirds of its energy supply. Germany’s energy mix is very broadly diversified. Lignite and hard coal account for around 42 percent of energy, followed by nuclear power (22 percent), and natural gas (14 percent). Renewable energies already account for 17 percent of Germany’s energy mix, making it the third most important energy source. This share has been more than quadrupled in the period 1990 to 2010.

Chemical Parks Benefit from Secure Power Supply
Most chemical parks have gone one step further in their efforts to secure power supplies by constructing and operating their own on-site power plants. In addition to electricity, an undisrupted supply of steam and the overall energy cost are also key success factors.

Opportunity in Germany in Chemical Industry
Worldwide Total chemical product originating in Germany equated to EUR 186.5 billion in 2011 - equivalent to 9% growth annual growth compared to 2010
EUR 9.9 billion R&D expenditures in 2011 - with another EUR 10 billion planned for new investments and facility upgrades.
Industry segments in 2010: 20% fine chemicals and specialty chemistry, 24% polymers, 30% pharmaceuticals, 13% petrochemicals, 7% detergents and body care, and 6% inorganic basic chemicals. In 2011, some two thousand chemical companies - 90% small and medium-sized - employed just over 425,000 people, (2.5% increase on 2010). The domestic industry exported EUR 150.9 billion in 2011, while 2011 imports amounted to EUR 109 billion. In 2010, chemical products provided the largest percent of total manufacturing imports in Germany with 12.7% - ahead of both crude oil and natural gas (7.5%) and motor vehicles and components (7.4%).

Regulatory framework for chemical industry in Germany

Chemical Business Regulations in Germany have mostly resulted from the implementation of European Union legislation.

Swift Construction-Planning Procedure

At present, around 60,000 industrial plant facilities in Germany have received formal authorization in accordance with both European and German law. The authorization process in Germany has been radically streamlined and simplified for investors in recent years. Today, all facility-related approvals and permits (covering industrial safety, construction, emission control, fire protection, and occupational health and safety) are covered by a single application submitted to one authority. A permitting authority is bound by law to grant approval within a maximum period of seven months after the completed documents have been submitted.

REACH

REACH is the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals. The regulation centralizes and simplifies chemicals legislation throughout Europe. The stated objective is to improve the level of knowledge about the potential dangers and risks posed by chemicals. Companies are expected to assume even more responsibility for the safe use of their products.

REACH-CLP

The EU Regulation on Classification, Labelling and Packaging (CLP) of Substances and Mixtures more commonly known as the “CLP Regulation” introduces the globally harmonized system (GHS) of the United Nations for the classification and labelling of chemicals into the EU and is in effect in all EU member states. The objective of the CLP is to guarantee a high level of protection of human health and the environment as well as the free movement of substances, mixtures and certain specific articles within the EU.
Major players in chemical industry in Germany:

BASF
After the chemical giant announced more than a year ago that it would sell its styrenics division, it finally looks like a deal will be done. The price tag originally deterred bidders, but the decision to reorganize its styrenics business and add its copolymer operations to the mix looks likely to bear fruit.

The board of executive directors saw the retirement of Eggert Voscherau, Peter Oakley and Klaus Peter Lobbe, and the addition of Harald Schwager and Hans-Ulrich Engel in January and March, respectively.

2 DOW
Dow Chemical has continued its aggressive cost-control plans and raised efforts to respond more effectively to surging costs. The US-based producer has stolen most of the headlines for major acquisitions this year, particularly with its announcement in July that it would buy specialty chemical maker Rohm and Haas, also of the US, for $18.8bn (£13.3bn).

It also soon hopes to finalize a joint venture with Kuwait's Petrochemical Industries Co. into which it intends to place a large proportion of its commodity petrochemical and polymer businesses.

Apart from these deals, Dow has been among the most vocal regarding the need for hefty price hikes. Its unprecedented across-the-board price increases came hot on the heels of record-high crude and oil prices, highlighting the pressures faced throughout the chain.

3 EXXONMOBIL
The US-based energy and chemical major's achievements this year have been many and varied. In July, Rex Tillerson, chairman and CEO of ExxonMobil said its core focus was on meeting the challenges posed by energy supply and demand.

As part of efforts to improve the supply of its specialty compounds in the Asia-Pacific region, the company has entered into an agreement with Singapore-based Resin & Pigment Technologies (R&P) - a subsidiary of Singapore specialty cement and polymer manufacturer EnGro - where R&P will make a range of ExxonMobil's products, primarily for automotive applications. Other projects have seen the completion of a major expansion at its plant in Baytown, Texas, US, to increase halobutyl capacity, used in the production of tires.
4 SHELL
The past few months have seen numerous deals including the August addition of Canada's Duvernay Oil to its portfolio. In June, Shell signed a preliminary agreement with US-based BPZ Energy to explore for oil and gas in northern Peru.
This followed agreements with Qatargas and PetroChina for the long-term supply of liquefied natural gas (LNG) from Qatar to the rapidly-growing Chinese market. In March, Shell and Virent Energy Systems, in the US, agreed to develop biogasoline, converting plant sugars into gasoline and gasoline blend components, rather than ethanol.

5 LYONDELLBASELL
The nascent business was formed in December 2007 after US-based Access Industries' Basell spent a mammoth $19.4bn (€13.7bn) on the US petrochemical major Lyondell, after an unsuccessful bid for US chemical giant Huntsman.
Among many changes since the deal is the company's decision to stop polypropylene (PP) production at its Morris plant in Illinois, US, in the fourth quarter. The move forms part of an ongoing strategy to rationalize and concentrate production on its Spheripol and Spherizone process facilities.
It also finalized the sale of its Sarnia, Ontario, Canada, site to global oil major Shell in August, having previously announced plans to stop PP production there because of high operating costs. There are also plans to expand its global PP compounding capacity by 30% to 1.2m tonnes/year by the end of next year. A new facility in Guangzhou, China, is due to come on stream, followed by a joint-venture compounding plant in Dammam, Saudi Arabia.

6 INEOS
Expansion has been the mantra of UK-based INEOS. Back in January 2012, INEOS finalized the deal to buy compatriot oil major BP's vinyl acetate monomer (VAM) and ethyl acetate (etac) businesses for an undisclosed sum. This saw a 250,000 tonne/year VAM plant and an etac plant of the same capacity in Hull, UK, change hands, along with the UK’s Teesside-to-Saltend ethylene pipeline.
It then agreed to buy Norwegian oil company Norsk Hydro's polymer operation, which included the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway. INEOS already holds the other half.
7 SABIC
Despite rocketing raw material costs and the global economic slowdown, advantaged natural gas costs has helped SABIC take the mantle of the seventh-largest chemical company by sales. Its ascent has clearly been helped by the $11.6bn (€8.2bn) deal to acquire the US's GE Plastics in August 2007, which boosted SABIC's turnover by nearly 30%. But the year ahead is looking strong; too SABIC has five major expansion projects due on stream in 2008, with another starting production by the end of the decade. These include Eastern Petrochemical (Sharq) and Yanbu National Petrochemical (Yansab).
The Saudi major has also agreed to market polyolefin products made by oil company Saudi Aramco's Fujian joint venture in China - the country's first refining and petrochemical industries integrated project established with a foreign company.
However, it is not all about expansion and growth. SABIC Europe opted to close two UK aromatics units it no longer deemed to be economically viable. The plans will see the closure of the Aromatics 2 unit at North Tees, near Seal Sands, and the paraxylene (PX) plant at Wilton by the end of 2008.

8 SINOPEC
Soaring crude values, combined with the government's vice-like grip on domestic oil product prices, contributed to the company's dismal first-half results. The oil and gas major's operating profit fell by 87% to yuan (CNY) 7.2bn ($1.1bn) from CNY 53.6bn year on year. This was accompanied by a 77% year-on-year dip in net profit for the first half ending June 30, to CNY 8.3bn from CNY 36.4bn.
The greatest erosion of the company's earnings came from its refining segment, which saw an operating loss of CNY 46bn, rather than the operating profit of CNY 5.7bn in the previous period. Sinopec blames this on having to run the refineries at full capacity to meet market demand, despite price control measures imposed by the authorities.
Sinopec says it is raising efforts to optimize its product structure, unit operations and the implementation of energy and cost savings in its chemical segment. It will also focus on researching and developing new products and manufacturing high value-added products.

9 MITSUBISHI CHEMICAL
Japan's largest cracker operator, Mitsubishi Chemical Corp. (MCC), has pledged that by the end of the decade, it will focus on high-performance products and high-value businesses, with growth and innovation high on its agenda.
A major investment was finalized between MCC, its partner Mitsubishi Engineering-Plastics and Chinese Oil Company Sinopec to form a $300m (€212m) joint venture to build bisphenol A (BPA) and polycarbonate (PC) plants in Beijing, China by mid-2010. Poor profitability also forced it to cut the operating rates of its three crackers to 80-85% between September and late December, thanks to weak demand. Earlier this year, MCC had also decided to slash its production of purified terephthalic acid (PTA) by up to 30% in Asia. Separately, Tokyo-based subsidiary V-Tech had closed its 110,000 tonne/year polyvinyl chloride (PVC) unit in Mizushima, Okayama prefecture, because of declining profits.

10 DUPONT

DUPONT plans to harness the potentially lucrative solar photovoltaic (PV) market will help it reclaim its position next year. Its strategy is to more than triple sales to the PV industry. With market growth of more than 30% anticipated each year, the company expects sales in several product lines to exceed $1bn (€707m) within the next five years. As a result, it has announced numerous plans, including a project to establish a PV lab in Hyderabad, India. The country is identified as having huge potential for market growth in solar energy. DuPont is also looking to install a PV array in Hyderabad to generate some of its energy requirements. Furthermore, the company plans to more than double capacity for its Tedlar films by late 2009, to meet growing demand, although site selection is underway.

**SWOT Analysis**

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ELECTRONIC INDUSTRY
(ZERA PVT. LTD.)
Overview:
Germany is the largest electronic equipment market in Europe. Demand in 2009 declined as a result of the economic crisis, to a value of €957 billion (ZVEI, 2010). The year 2010 was marked by moderate market growth, which is also expected for 2011.
The production of electronic equipment in Germany decreased by 17% in 2009 due to the impact of the global recession and the closure or scaling back of production in the computing, communications and consumer audio segments. However, production rebounded in 2010, according to the German Electrical and Electronic Manufacturers’ Association (ZVEI). The industry was also boosted by renewed growth in automobile production and increased demand for electronic components.
The German electronics industry is highly innovative and characterized by frequent product and process introductions. The industry yearly spends around €10 billion on Research and Development and the German Electrical and Electronic Manufacturers’ Association reports that over 40% of the industry turnover is the result of new products younger than three years. Solving complexity and providing value added services are the core competences for success in the German market. The productions of complex electronic components and systems as well as projects that require special engineering know-how are indicated as growth markets.
Electronic Manufacturing Service opportunities in Germany
The European Electronic Manufacturing Services (EMS) provider market is expected to witness a CAGR of 10.1% between 2011 and 2017. Further demand for cost reduction will increase the role of EMS providers in the electronics market.
Germany hosts the entire value chain with Europe’s largest electronics industry accounting for EUR 178 billion in 2011. German EMS accounts for 20% of the European EMS market. Growth drivers include automotive, industrial, medical electronics and renewable energy.
Automotive electronics
Automotive electronics is the biggest segment of the German electronics industry with 39.6% market share. Microelectronics value per vehicle is expected to grow from USD 155 in 2000 to USD 400 in 2020. A low EMS provider penetration rate (less than 12%), and the increasing number of electronic products are attractive factors for EMS providers in the automotive electronics segment.
Industrial Electronics

Industrial Electronics accounts for 25.1% of German electronics. Revenue grew 146% from 2000 till 2011 and constitutes 50% of Europe’s market. Germany’s strength in industrial electronics creates opportunities for EMS providers specialized in this field.

ZERA

The mission of the company is to provide a reliable and hi-tech test and measurement solutions for Energy Meters to the Manufacturers, Laboratories and Electricity Utilities.

Since foundation in 1920, company has developed into a highly specialized company. Company is leading in the field of development and production of high-grade and economical test solutions for all kinds of electricity meters and trans formers. Thanks rich experience, company significantly drive forward the technical development of test engineering. A striking example is the comparator COM3003. At the same time, company has maintained the ideals of our company’s philosophy: quality, reliability, and closeness to the customer.

Right from the beginning, advice and service are also fundamental. This continuous contact supports our business, as companies’ consultants and system specialists also widen their background knowledge, which helps to further improve its’ services and to strengthen market position.

General sphere of application

These General Purchasing Conditions ("GPCs") are the object of contracts concluded by and between ZERA GmbH, Hauptstr. 392, 53639 Königswinter (hereafter referred to as the "Customer"), and its business partners and suppliers (hereafter referred to as "Vendors"). They apply to all business relations between the Customer and the Vendor.

The GPCs particularly apply to contracts concerning the sale and/or delivery of movable goods (hereafter also referred to as "Goods"), irrespective of whether the Vendor manufactures the goods himself or whether he purchases them from suppliers (Sections 433 and 651 of the German Federal Code). The current version of the GPCs will be deemed to be an outline
agreement for future contracts concerning the sale and/or delivery of movable goods with the same Vendor, without having to refer to them again in each individual case.

These GPCs apply exclusively. Any deviating, conflicting or supplementary General Purchasing Conditions of the Vendor will only be accepted if and in as far as they form part of the contract, if the Vendor has explicitly agreed to their validity or if they concur with the GPCs of the Customer.

The requirement of agreement will apply throughout, for example also where the Customer unconditionally accepts the deliveries of the Vendor while being aware of the latter's General Terms and Conditions. Individual agreements with the Vendor entered into on a case-by-case basis (including secondary agreements, additions and amendments) will always take priority over these GPCs. The content of such agreements must be set out in a written contract; alternatively, it is subject to our written confirmation.

Material declarations and information to be provided to the Customer by the Vendor after conclusion of the contract (e.g. deadlines, reminders, and cancellations) must be in writing and will at least have to be in electronic text form to be accepted as valid.

Notes referring to the validity of legal regulations will only be valid for explanatory purposes. Thus legal regulations, in as far as they have not been directly amended or explicitly excluded in these GPCs, will also be deemed valid without such an explanation.

**SWOT Analysis** is a useful technique for understanding the Strengths and Weaknesses, and for identifying both the Opportunities open to company and the Threats for business.

We make the swot of the Zera for knowing the opportunities in the Indian as well as Gujarat market for the technology, and understanding the weakness of the Zera and threat of the same.

**Strengths:**

- **ZERA** is basically German based company and Germany have great and huge innovative country in the European market.
- **ZERA** is well known for its accuracy.
- Zera’s strength basically lies in improving the accuracy of our equipment’s strictly following the IEC and IS Standards
- the skills of first-class hardware and software engineers and a sales and service team
- in India has a calibration laboratory fully equipped with the facilities for testing, calibration, diagnosis and repair of equipment in India itself
• Zera engineers and technician in Germany and around more than 50 country in the world.
• zera bring together the entire expert knowledge of electrical energy metrology, mechanical engineering, power electronics, digital technology, and software under one roof.
• zera use modern 3D-CAD-systems to develop optimal configurations in cooperation with customer and spend very high amount on High R&D and also making innovative product.
• Selling 95% to the government work.

Weaknesses:
• zera not expand its market and not focusing on the india&gujrat.
• High focus on the European other country.
• Only testing meters zera making not any other electronic material.
• For Indian market zera not focusing on high tech. meter they only provide the same as per the government requirement.

Opportunities:
• Electronic market growing in the India.
• Zera is making the product in the Germany not in the India so if zera open the plant for the manufacturing work so its beneficial for India and as well as Germany.
• As it is well known ZERA as pioneered the concept of Hi-Tech & Fully automatic Testing System for Energy Meters to be used in the field and laboratory.
• India is not at very high stage the electronic develop. its increase faster so if the zera expand their business so it’s give very high amount of the profit and good market. Useful opportunities can come from such things as:
• Make Changes in technology and according to Indian markets on both a broad and narrow scale if zera make changes in the product so its give more advantage for zera.
• Changes in government policy for electronic industry and trade barriers.
• Changes in social patterns, population profiles, lifestyle changes, and people use pre paid electronic meter.

Threats
• Threats for Other competitor. like (Zollner Elektronik AG, RAWE Electronic, Aar-em Electronics Pvt. Ltd. (India), Andhra Electronics, Bharat Electronics Limited (BEL), Hightension Electrical, Supertron Electronics)
- If government make any changes in the rule and policy of trade.
- If quality standards or specifications for products or services changing?
- A high change in the technology and upgrading by trends & technology change.
- Establishment of technological and research institute.

Porter’s Five Forces
The Porter's Five Forces tool is a simple but powerful tool for understanding where power lies in a business situation. This is useful, because it helps you understand both the strength of your current competitive position, and the strength of a position you're considering moving into. From this model we clearly understand where power lies, and what is give advantage to the zero and give idea about strength, and for the improve a situation of weakness, and avoid taking wrong steps.

1. Supplier Power: Germany has strong image and the at 2nd rank in the electronics in the Germany. And world famous so the technology and innovation is very strong more than the India. And so that the power of supplier is high as the technological point of view. and if we see other point then it’s not because there are many other provider of this product. in India also in the outside.

2. Buyer Power: there are many buyers here in the india for the electronic. In the India the electronic industry not reach at the high stage so its requires the more technological advancements. So in india the buyers are more as a technological point of view. If zero point of view we see so there is the power is in the hands of customer because there s many other providers as we said before.

3. Competitive Rivalry: many companies working in the india. And many are the competitors of the zero who are making similar kind of product.like(Zollner Elektronik AG, RAWE Electronic, Aar-em Electronics Pvt. Ltd. (India), Andhra Electronics, Bharat Electronics Limited (BEL), Hightension Electrical, Supertron Electronics)

4. Threat of Substitution: Any other equipments for the electric frequency measurement or for the testing reading of the points. Test meters.

5. Threat of New Entry: if there is any other company expands its business in the gujrat or india. So the power of the company and after the relation of india and the germany increass the threat of new entrance increass and with gujrat also. Or if any other company of india starts entering in this business so its also threatful for zero.
INSURANCE INDUSTRY
Life Insurance in Germany

Taking out a life insurance policy can have very different motivations. It can be intended as a benefit for one’s family in case of premature death, but it can also serve as an investment for retirement or as a supplement to one’s pension. There is a variety of policies and tariffs available. If you are interested in obtaining a life insurance policy, we recommend consulting an expert. However, there are some tips that might apply to most people living in Germany. For example, a life insurance policy is highly useful for all persons who have financial dependents to support. Then they don’t have to worry about their loved ones facing ruin if the household’s “breadwinner” dies suddenly. But if you’re worried about serious illnesses before retirement age, about affording a caretaker in old age, or about the amount of your pension, other insurance plans are more suitable. Think about paying into a private retirement funds, about taking out nursing care insurance, occupational disability insurance, or accident insurance instead.

General insurance Non life insurance policies including automobile and homeowners policies provide payments depending on the loss from a particular financial event. General insurance typically comprises any insurance that is not determined to be life insurance

Personal Liability Insurance

Only two thirds of all households in Germany have personal liability insurance, although this is one of the most important forms of insurance coverage. It covers all damage you may cause carelessly, e.g. by forgetting to snuff a lighted candle and causing an entire apartment block to burn down. The definition of damage also includes the physical injuries of others. However, it does not cover any damage to yourself, your family members, or your own property. Furthermore, neither car accidents nor accidents at work are covered. As a rule of thumb, you can assume that personal liability insurance excludes everything for which there is a separate insurance plan. When in doubt about the coverage, ask your insurer or a lawyer. Personal liability insurance deals start at as little as 60€ per year for minimum coverage including an entire family.

Legal Insurance

Legal insurance covers all costs for a trial except fines. This includes a lawyer, fees for expert witnesses, legal expenses as well as the other party’s costs if you should lose the case. A bail may be covered as well. However, you can only make a claim after a certain waiting period that begins upon obtaining the insurance.
When you file a claim, the insurance company usually checks the case and may refuse to cover it if it doesn’t stand much chance. For the latter, you may want to ask your lawyer for advice. Legal insurances are customized to their specific field of coverage, be it work, traffic, housing, or other issues of daily life.

Insurance Supervision in Germany
Functions and objectives of insurance supervision:
Insurance is based on trust: customers expect insurers to be able to honour contractually agreed payments at all times and often over a very long period of time. In its supervision of insurance undertakings BaFin therefore performs important social and economic functions and contributes to the long-term stability of the whole financial sector. In this respect, particular importance is attached to solvency supervision. In particular, insurers must establish adequate technical provisions, invest their assets safely and profitably and observe the principles of good business practice.
The legal basis for insurance supervision is the Insurance Supervision Act Pursuant to section 81 of the Act, the two primary objectives of insurance supervision are:
To ensure that the interests of the insured are adequately safeguarded and
To ensure that the liabilities under insurance contracts can be fulfilled at all times.

Porter’s Five Force Analysis Of Insurance Industry

Competitive rivalry:
There is cut thought competitions among rivals in life insurance industry
Insurance Companies deal in identical policies as services levels offered are similar
Federal Financial Supervisory Authority Controls all the insurance companies in Germany industry at present hence there are less chance of exit

Power of suppliers:
Policy designer tend to have less leverage to Bargain over premium
Insurance is tax exempted so that suppliers bargaining power increases
Solvency of private players is not certain

Threat of Substitutes:
Customers deposits in their amount in to bank & post deposits & purchase gold & silver
Investment in government securities
Money market investment
**Power of buyer:**
Market is highly segmented
Insurance industry very return oriented and switches easily
High Switching cost creates buyers lock in and makes a buyers bargaining power
Exercise bargaining leverage over premium

**Threat of new entrants:**
The German market is highly brand oriented. so it is difficult to introduce new brand
The acceptability of new brand is also very low
Economies of scale is difficult to find in the initial stage of entry in to market
Special permission is required from the Federal Financial Supervisory Authority to enter in the insurance sector

**Major Players:**
**Allianz** is a German multinational financial services company headquartered in Munich, Germany. Its core business and focus is insurance. Its Allianz Global Investors division ranks as a top-five global active investment manager, having €1,443 billion of assets under management (AuM), of which €1,131 billion are third-party assets (as of 2010-09-30), with specialized asset managers including PIMCO (Bonds), RCM (Equities) and Degi (Real estate). Allianz sold Dresdner Bank to Commerzbank in November 2008. As a result of this merger, Allianz gained a 14% controlling stake in the new Commerzbank.

**G. & J. E. Pinckernelle** is a Hamburg insurance broker firm, established on 1 December 1857 by the brothers Gustav and Johann Ernst Pinckernelle (1827–1906).

**Generali Deutschland Holding AG** is the management holding company of the second largest primary insurance group in the German market. It is the parent of the German entities of Assicurazioni Generali which has activities worldwide. Generali Deutschland Holding is the engine for the continuous development of the German business units and has the function of a brace for its Group companies. Generali Deutschland Holding controls the Group and ensures the concentration of expertise and the realization of economies of scale, such as in IT, asset management, issues of value and risk based management and the implementation of major projects.
**ERGO (ERGO Insurance Group)** is one of the major insurance groups in Europe. Worldwide, ERGO is represented in more than 30 countries and concentrates on Europe and Asia. In Europe, ERGO claims to be no. 1 in the health and legal expenses insurance segments, and in its home market of Germany it is among the market leaders. 50 000 people work full-time for the Group, either as salaried employees or as self-employed sales representatives. With premium income amounting to €19bn, ERGO offers different types of insurance and other services and 40 million customers – of which 20 million in Germany – currently buy the services provided by ERGO and its companies.

**Hannover Re** (in German **Hannover Rück SE**), with a gross premium of around €13.8 billion, is one of the leading reinsurance groups in the world. Its headquarters are in Hannover, Germany. The company was founded in 1966 under the name **Aktiengesellschaft für Transport-und Rückversicherung** (ATR). Hannover Re transacts all lines of non-life and life and health reinsurance and has a network of subsidiaries, branches and representative offices on all five continents with a total staff of roughly 2,300.

**Munich Re Group** (Munich Reinsurance Company, German: is a reinsurance company based in Munich, Germany. It is one of the world”s leading reinsurers. ERGO, a Munich Re subsidiary, is the Group”s primary insurance arm. Munich Re's shares are listed on all German stock exchanges and on the Xetra electronic trading system. Munich Re is included in the DAX index at the Frankfurt Stock Exchange, the Euro Stoxx 50, and other indices.
SHIPPING INDUSTRY
Overview

Over 90% of world trade is carried by the international shipping industry. Without shipping the import and export of goods on the scale necessary for the modern world would not be possible. Seaborne trade continues to expand, bringing benefits for consumers across the world through low and decreasing freight costs. Thanks to the growing efficiency of shipping as a mode of transport and increased economic liberalisation, the prospects for the industry’s further growth continue to be strong.

There are around 50,000 merchant ships trading internationally, transporting every kind of cargo. The world fleet is registered in over 150 nations, and manned by over a million seafarers of virtually every nationality.

The worldwide population of seafarers serving on internationally trading merchant ships is estimated to be in the order of 466,000 officers and 721,000 ratings.

The OECD countries (North America, Western Europe, Japan etc.) remain the most important source for officers, but growing numbers of officers are now recruited from the Far East and Eastern Europe. The majority of the shipping industry's ratings are recruited from developing countries, especially the Far East. The Philippines alone provides almost 20% of the global maritime workforce. China and India are also significant maritime labour supply nations, with many seafarers from these countries enjoying employment opportunities on foreign flag ships operated by international shipping companies. Other major labour supply countries include Greece, Japan, Norway, Russia and the United Kingdom.

Trade Routes:

Most of the world's shipping travels a relatively small number of major ocean routes: the North Atlantic, between Europe and eastern North America; the Mediterranean-Asian route via the Suez Canal; the Panama Canal route connecting Europe and the eastern American coasts with the western American coasts and Asia; the South African route linking Europe and America with Africa; the South American route from Europe and North America to South America; the North Pacific route linking western America with Japan and China; and the South Pacific route from western America to Australia, New Zealand, Indonesia, and southern Asia. The old Cape of Good Hope route pioneered by Vasco da Gama and shortened by the Suez Canal has returned to use for giant oil tankers plying between the Persian Gulf and Europe and America. Many shorter routes, including coastal routes, are heavily traveled.
Coastwise Shipping
Technically, coastal shipping is conducted within 32 km (within 20 mi) of the shoreline, but in practice ship lanes often extend beyond that distance, for reasons of economy and safety of operation. In the U.S., coastal shipping is conducted along the Pacific, Atlantic, and Gulf coasts. Under the restriction known as cabotage, the U.S. and many other nations permit only vessels registered under the national flag to engage in coastal trade.

Inland Waterways
A major part of all the world's shipping moves on inland waterways—rivers, canals, and lakes. Usually such shipping employs smaller, lighter vessels, although in some cases oceangoing ships navigate inland waterways, for example, the St. Lawrence Seaway route to the Great Lakes of North America. Containerization, lighter-aboard-ship, and barge-aboard-ship operations have facilitated the shipping of cargoes between oceangoing vessels and those of the inland waterways.

Liner Service:
Liner service consists of regularly scheduled shipping operations on fixed routes. Cargoes are accepted under a bill-of-lading contract issued by the ship operator to the shipper.

Tramp Shipping:
Tramps, known also as general-service ships, maintain neither regular routes nor regular service. Usually tramps carry shipload lots of the same commodity for a single shipper. Such cargoes generally consist of bulk raw or low-value material, such as grain, ore, or coal, for which inexpensive transportation is required. About 30 percent of U.S. foreign commerce is carried in tramps.

Challenges facing the shipping industry:
Succinctly assessing the challenges facing the shipping industry is a challenge in itself. As the custodians of cargo movement in the world of international trade, freight forwarders face many challenges. But which are the most significant? Challenges include:

The ever-increasing demand to meet supply chain security initiatives; Constantly increasing requirements to address environmental and sustainability issues as we go about managing the shipment of cargoes around the globe; Addressing concerns over infrastructure issues and how they impact on logistics operations; The consequences of significant changes to Customs' procedures throughout the European Union;
SWOT Analysis:

Strength:
- Represent 90% of the world trade.
- Most effective form of transportation that costs only 11% and 20% of what transportation.
- High return on capex of 25% per year, as shown by historical data.
- Shipping invests in researching and developing new technology.

Weakness:
- Cyclical industry: depends on global trade and business cycles
- Tend to have a lemming mentality (build the largest fleet, the biggest tanker…)
- which may not best to help the company profitability
- Shortage of skilled labour and management
- Poor image of the industry; Pollution: CO2
- Emissions - dispose of waste - subsea noise.

Opportunity:
- Proactive developments for making ships environmental friendly.
- Long term planning for recruitment.
- Education and training skilled seafarers.
- Improved propulsion technology: larger ships, nuclear ships.
- E-navigation, less resistant.
- Hull forms, more efficient engines.
- Improved computerized cargo handling.

Threats:
- Prolonged recession; Political instability.
- Increase in oil cost.
- Over supply.
- Environmental analysis
Top German Shipping Companies:

MACS Maritime Carrier Shipping:
MACS Maritime Carrier GmbH & Co was founded in 1970 by Felix Scheder-Bieschin Senior and is today involved in Shipping and Transport activities world-wide. The main activity of MACS is the Multipurpose Liner Service between the United Kingdom/Europe and Southern Africa which commenced in 1979. In 1983 MACS incorporated the service of a competitor, AESL, owned by Steenkool & Handelsvereeniging (SHV) of Rotterdam. The integration of AESL into the MACS service substantially increased the lines’ capacity in terms of vessels and containers.

Products:
Vessels and Containers are the elemental parts of a modern shipping company. The MACS operation is spearheaded by its fleet of Multipurpose vessels capable of handling every type of cargo and containers. No other carrier between Europe and Southern Africa offers such flexibility.

HANS PETERSON AND SONS:
It was in 1914, when Hans Peterson, founder of the shipping company which today still bears his name, was born in a small village near Rendsburg, located at the Kiel Kanal in the northern part of Germany.

At the age of fifteen he started his career as a seaman and in 1941 he was entrusted to take over the command of a small 150 taw cargo logger “ADELE” after the former owner and master, Captain Klaus Hageman passed away.

ALIANCA NAVEGACAO LTD:
The history of Aliança Navegação e Logística is inextricably tied to the history of Brazilian commercial navigation. Founded in 1950 by German Carl Fischer, Aliança began with only one ship transporting fruits between Brazil and Argentina.

With Aliança, Carl Fischer established the only private company at the time offering cabotage services. Strengthened by the philosophy of reinvesting profits and constant modernization, the company achieved accelerated growth in 1959, taking 50% of the Brazilian market in refrigerated beef transport between Brazil and Argentina, thus solidifying its presence in Mercosul.
STEEL INDUSTRY
Overview:
Infrastructure development is the key for the economic growth for any country. To keep the economic growth constant and to improve, all the countries invest more in infrastructure development. Steel products play an important role in infrastructure development, where all the steel products are used in every part of the infrastructure development.
The worlds steel output by the end of 2015 will be 1.8 billion tons. The main drivers of this growth are BRIC (Brazil, Russia, India, and China) nations. So the steel industry has immense opportunities not only in domestic level but also in international level.

History of German Steel Industry:
The history of the modern steel industry began in the late 1850s, but since then steel has been basic to the world's industrial economy. This article is intended only to address the business, economic and social dimensions of the industry, since the bulk production of steel began as a result of Henry Bessemer's development of the Bessemer converter in 1857. Previously steel was very expensive to produce and only used in small expensive items such as knives, swords and armour. The German steel industry because its internal structure, management methods, use of technology, and emphasis on mass production replicated the Steel Trust developed a multi-divisional structure and aimed at return-on-investment as a measure of success. The Ruhr Valley provided an excellent location for the German iron and steel industry because of the availability of raw materials, coal, transport, a skilled labor force, nearby markets, and an entrepreneurial spirit that led to the creation many firms, often in close conjunction with coal mines. By 1850 the Ruhr had 50 ironworks with 2,813 full-time employees.
The first modern furnace was built in 1849. The creation of the German Empire in 1870 gave further impetus to rapid growth, as Germany started to catch up with Britain. From 1880 to World War I, the industry of the Ruhr area consisted of numerous enterprises, each working on a separate level of production.

Policies Regarding German Steel Industry
Industrial policy
European policy must return to focusing on economic and industrial needs. All measures that are suitable for achieving the core aims of the Lisbon Strategy should receive particular support. It must be ensured that industrial competitiveness is at the centre of European industrial policy. Therefore more unnecessary legislation should be rescinded and far fewer legislative plans initiated – and those that exist must be accompanied by impact assessments.
Energy and climatic policy
There must be an open discussion as part of the review of the Emission Trading Directive for post-2012. It is necessary to discuss how the hitherto inherent defects can be overcome by a fundamental restructuring to ensure a lasting competitiveness of energy-intensive industries. The conditions required for developing more competitive electricity and gas markets should be improved.

Environmental policy
Clean air preservation must be orientated on the best available techniques. The integrated approach of the Council Directive concerning integrated pollution prevention and control must be developed further. Clear definitions must be given for waste, (by-) products and secondary raw materials. The closed cycle-waste-management-system set up by the industry, and functioning is must be accepted and supported.

Foreign trade policy
The effective EU traded fence instruments must be supported. Any weakening of potential defenses against unfair imports from third countries would considerably endanger the competitiveness of European industry. The Doha Round of the WTO must be brought to a successful conclusion. Parallel to this, it should support the EU’s industries in the opening up of new markets not only through multilateral, but also with bilateral trade agreements.

Raw materials policy
A free access to the sources of important raw materials has to be secured. The European Commission must be asked to act wherever an assured supply of raw materials for the industry faces acute risks.

Research policy
Steel should be permanently integrated within the Framework Programs for Research and Development. The definition of small-to-medium enterprises (SMEs) in the Framework Programs for Research and Development must be extended.

Transport policy
The current proposal to enhance the security of the supply chain must be withdrawn or fundamentally rewritten. The benefits of the introduction of these regulations would be out of all proportion due to the extremely high costs they would involve. All railway networks in EU countries should be opened for competitors. It is especially important to use more precise European definitions to prevent barriers to new competitors.
SWOT Analysis

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<th><strong>STRENGTHS</strong></th>
<th><strong>WEAKNESSES</strong></th>
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<td>(1) Strong regional industry with strong</td>
<td>(1) Dependency on imported raw materials</td>
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<td>competitive position in high-end domestic</td>
<td>(2) Energy intensity of the industry</td>
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<td>markets and equivalent potentials abroad.</td>
<td>(3) Relatively low attractiveness as an investment</td>
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<td>location for steel intensive industries.</td>
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<td>(2) Product development leadership and high</td>
<td>(4) Recruitment of skilled labor.</td>
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<td>Quality output with focus on value creation.</td>
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<td>(3) High R&amp;D capabilities.</td>
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<td>(4) High degree of specialization.</td>
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<td>(5) High degree of recycling</td>
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**Opportunity**

| (1) New market opportunities and improved         | Threat                                              |
| bargaining power through acquisitions and         | (1) Competition from China.                         |
| Mergers.                                          | (2) The Competition from other countries such as    |
|                                                   | the C.I.S, Brazil and India is increasing.          |
| (2) Increased upstream participation and           | (3) Decision power moves out of Europe.             |
| Integration.                                      |                                                     |
| (3) Upstream process and raw material efficiency. | (4) Increasing freight rates, malfunctioning        |
| (4) Cleaner and safer technologies.                | transport markets and logistics infrastructures.    |
| More efficient technologies and processes and     |                                                     |
| intelligent manufacturing                         |                                                     |
Germany is the largest and most mature mobile market in Western Europe. Its high levels of urbanization, literacy and affluence along with its strong economic performance make Germany a welcoming telecommunications market. It is predicted that there will be strong prepaid customer growth in the German mobile market. Major players in 2010 included Vodafone Deutschland with 33.3% market share, T-Mobile Deutschland with 32.2%, E-Plus (a mobile unit of KPN) with 18.6% and O2 with 15.5%.

Since Germany's first commercial 3G services were launched in 2004 by Vodafone, 3G services are becoming increasingly prevalent. All four mobile operators are continuing to invest in the expansion and upgrade of their 3G network. Deutsche Telekom, Vodafone and O2 are in the process of setting up Long Term Evolution (LTE) networks, following the sale of new frequencies in May 2010.

German cable network operator Kabel Deutschland (KDG) acquired approximately 70,000 cable households from PrimaCom in 2010, allowing KDG to directly access households to offer broadband internet, telephony and premium television services. In the same year, Telecom Italia’s German broadband unit HanseNet was acquired by Telefónica O2, which made Telefónica the third largest telecommunications operator in terms of revenue. US-based Liberty Global Inc (LGI) acquired Unitymedia, the second largest cable operator in Germany, in January of 2010.

**TELECOMMUNICATIONS MARKET SNAPSHOT: GERMANY**

**Key Statistics**

- Population: 82,282,988
- GDP: $2.951 trillion
- Per capita GDP: $35,900
- Main lines: 48.7 million
- Teledensity: 63%
- Mobile subscribers: 107.102 million
- Mobile penetration: 132.2%
- Internet users: 65.125 million
- Internet penetration: 75%
- Broadband subscribers: 22,600,000
Regularity Framework
Finally, the fixed-line market is declining due to the rise of the mobile sector and VoIP usage. Deutsche Telekom (DT), held almost 73.2% of the market at the end of 2009, which was a fall from last year’s figures. Telefónica O2’s fixed-line subscriber base has declined as well. Regulatory body in Germany is the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen; BNetzA) headquartered in Bonn. In general, the administrative court of Cologne is the competent body for appeals.

The WTO Basic Telecommunications Agreement has been fully implemented by the Federal Republic of Germany. Operators are privately owned. However, the Federal Republic of Germany currently owns a stake of 14.8% and, via the state controlled KfW Bankengruppe, another stake of 16.9% in Deutsche Telekom AG, the incumbent in the telecommunications sector. The legislative approach of the Telecommunications Act is to establish a regulatory system neutral with respect to different transmission technologies. Thus, the same rules and regulations generally apply to all providers of telecommunications services including wireless, satellite, cable and VoIP providers (e.g. regarding the provision of emergency calls, telecommunications surveillance, and interconnection obligations).

The Telecommunications Act does not apply to broadcasters with respect to delivering content via telecommunications networks. Instead, broadcasters are subject to federal and state regulations such as the Telemedia Act 2007, the State Treaties on Broadcasting and Youth Protection in Media, and the various media laws of the 16 federal states. However, special telecommunications regulations also apply where broadcasters make use of conditional access systems. Operating a satellite earth station requires allocation of the respective frequencies and assignment to the operator of the orbit and frequency usage granted to the Federal Republic of Germany by the International Telecommunication Union (ITU). Competent authority is the Federal Network Agency. No specific telecommunications regulations apply to submarine cable landings. However, general provisions regarding use of the continental shelf apply and may require authorization by the competent authorities.
Future Outlook

Over the last two decades, the telecom industry world over has grown and evolved at an incredible pace and has considerably changed the way people interact. Although, fixed line is still the most penetrated telecom segment; wireless or mobile segment has been the key contributor over the last decade, offering a wide range of opportunities to provider and services to customers. Today, there are more than 4 billion mobile phone users worldwide and this number is expected to reach 5 billion in coming years. The shift of revenue from fixed to mobile and from voice to data is accelerating. Apart from its social and cultural impact on modern society, telecom industry is one of the significant contributors of world economy with an estimated 3% of the global GDP. Driven by strong mobile and broadband penetration in emerging markets and substantial economic recovery in developed markets, global telecom industry is expected to see double digit growth over the next four to five years. Advertising expenditure on the Internet will exceed spending for television and newspaper advertising for the first time in 2011.

Since the innovations from other industries are also based to a great extent on information and communications technologies, the ITC sector also drives growth and inventions in other industries. Around 40 percent of the companies in Germany introduced innovations in 2011 which would not have been possible without information and communications technologies.

Major Players:

Deutsche Telekom:

In Germany, its home market, Deutsche Telekom consolidated its previously independent business units for fixed-network (T-Home) and mobile communications (T-Mobile) services into Telekom Deutschland GmbH. The integration of its portfolio of services under one common corporate "T" brand allows the company to address the needs of its modern private and business telecommunications customers. Deutsche Telekom's five growth areas are mobile Internet, broadband data transmission, intelligent network services, entertainment content, and T-Systems. Drawing on a global infrastructure of data centers and networks, T-Systems, Deutsche Telekom's corporate customers arm, provides integrated ICT solutions for the networked future of business and society.

In 2012 several specialized online mobile communications magazines, such as Chip Online, Connect, Computer Bild and teltarif.de, gave awards for "best network" and "top provider" to Deutsche Telekom.
Citing the BrandIndex from market research company YouGov, the German business magazine "WirtschaftsWoche" has confirmed that DT’s brand image has massively improved, largely thanks to its innovative broadband products such as FTTH and LTE.

In 2012, Deutsche Telekom received the prestigious Max-Spohr award. The well-established diversity prize recognizes employers who lead the way in promoting gay and lesbian employees.

Deutsche Telekom achieved outstanding results in an international investor relations study carried out by the company Thomson Reuters Extel, which surveys more than 10,000 analysts and investors. Chief Finance Officer Tim Höttges was number one in the top 25 CFOs both in Europe and in the telecommunications field.

**E-Plus Mobilfunk GmbH & Co. KG Company Profile**

E-Plus hopes to get an A+ from German mobile phone users, E-Plus Mobilfunk is the third largest wireless telecommunications provider in Germany, trailing T-Mobile and Vodafone. The company provides its about 18 million consumer and business customers with mobile voice and data services, including phone, e-mail, multimedia, prepaid calling cards, and Internet access. The company's brands include BASE (flat fee voice), E-Plus, and simyo (Internet). E-Plus also sells advertising services such as ad placement within free wireless handset video games. It has five regional sales offices located across the country. E-Plus is a subsidiary of KPN Mobile, which is part of Dutch telecommunications giant Royal KPN.

German mobile operator E-Plus Mobilfunk GmbH is negotiating to buy the 3G network of struggling operator MobilCom, which has already established a network covering 17% of the German population. In return, according to a report in Financial Times Deutschland, it will waive E600 million ($582 million) claims resulting from a services contract with MobilCom.

**O2 (Telefonica)**

About Telefónica Deutschland

Telefónica Deutschland GmbH & Co. OHG and its brands O2 and Alice belong to Telefónica Europe and are part of the Spanish telecommunication group Telefónica S.A. The Company offers its German private and business customers postpaid and prepaid mobile telecom products as well as innovative mobile data services based on the GPRS and UMTS technologies. In addition, the integrated communications provider also offers DSL fixed network telephony and high-speed internet. Telefónica Deutschland Holding AG, listed at the Frankfurt Stock Exchange in the Prime Standard, and its wholly-owned, operationally active subsidiary Telefónica Germany GmbH & Co. OHG belong to Telefónica Europe and are part of the Spanish telecommunication group Telefónica S.A.
The company offers its German private and business customers post-paid and prepaid mobile telecom products as well as innovative mobile data services based on the GPRS, UMTS and LTE technologies with its product brand O2.

**Vodafone GmbH**

**Vodafone GmbH** is a mobile telephone company, operating in Germany. It is a non-listed, wholly owned subsidiary of Vodafone Plc (which is based in the United Kingdom).

The company resulted from the 2000 takeover by Vodafone of the German operator Mannesmann Mobilfunk GmbH. D2-Netz, the company's primary asset, was the second digital (GSM) network licensed in Germany. It was rebranded in 2002 to Vodafone D2.

Currently, the Vodafone Germany's network serves both prepaid and postpaid customers on GSM and UMTS (with HSDPA). In December 2010, Vodafone started providing LTE (Long Term Evolution) services.

In February 2011, Vodafone Germany started with IPTV via DSL and VDSL connection. In April 2011, Vodafone Germany started to contribute a lot of Disney content via IPTV.

**TKS – Telepost Kable-Service**

TKS is the leading English-language service provider in Germany, delivering quality telecommunication products and services to the military and civilians for over 20 years. TKS is located on all major U.S. military installations throughout Germany, and also actively serves the British Forces Germany and expat communities.

Proudly supporting the USO mission A major corporate sponsor for over a decade. TKS donates technical solutions, expertise, equipment, and services for USO Centers, and also the office facilities for the USO Europe headquarters now located within the TKS building in Kaiserslautern.

In 2012, TKS became a USO Worldwide Strategic Partner. This title is reserved for organizations that donate $500,000 annually. In a ceremony held at the Ramstein Air Base Passenger Terminal, the USO recognized TKS’s steadfast commitment to their mission and officially bestowed the title of USO Worldwide Strategic Partner to TKS Managing Director Karl-Heinz Stahl.
INFORMATION TECHNOLOGY
Overview

**Information technology (IT)** is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise. The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies such as television and telephones. Several industries are associated with information technology, such as computer hardware, software, electronics, semiconductors, internet, telecom equipment, and e-commerce and computer services.

In a business context, the Information Technology Association of America has defined information technology as "the study, design, development, application, implementation, support or management of computer-based information systems" The responsibilities of those working in the field include network administration, software development and installation, and the planning and management of an organization’s technology life cycle, by which hardware and software is maintained, upgraded, and replaced.

Opportunities & Challenges in Indian Information Technology Sector:

The successful player in the sector has been raised for challenges must be addressed before success can be achieved:
The market is seeing growth driven by new products and services that include opportunities in computer hardware & software services, IT services business process outsourcing and engineering services. These require new skills in sales & marketing, of the services.
It provides them to take advantages of cost-effectiveness in these areas due to new talent pool, Lower wages and greater advantage by making their exports cheaper and competitive.
Have emerged as a major outsourcing and offshore development centre for the IT companies due to the proximity to their major business clientele in the USA.
The wake of US crisis it was observed that the rupee appreciated due to the weakened US economy, Federal bank interest cuts and subsequent FII inflows in the country. Due to this IT companies in India incurred lower profit margins.
The US crisis, Indian IT company suffered major drop in profits because majority of its clientele in the BFSI (Banking Financial Sector and Insurance) due to the recession BSFI clients cut down on their IT spending leading to lower profits so company presence in various verticals.
India is the largest trade partner of Germany after the US, Italy and Saudi Arabia. Major imports to Germany from India are automobile. The Information Technology Sector Consists of Computer Software And Hardware Services. It Also Includes Different Services and IT Services Business Process Outsourcing. The Government of Germany Has Been Currently Undertaking A Comprehensive Reform Strategy For The Services Sector As A Whole And The Computer & Software System In Specific. The Goal of Information Technology Reform Was Creating An Efficient IT Sector Which Offers Better Quality Services. Government Is Rolling Out E-Learning Initiatives, Which Could Because Education. These listed companies of India are providing better data solution, outsourcing facility, online backup, consulting services, implemented services, system and networking alert, security solution, IT infrastructure solution etc. That can make easy life for the Indonesian service & manufacturing industry as well as government.
PHARMACEUTICAL INDUSTRY
Overview:
The global pharmaceuticals market is worth US$300 billion a year, a figure expected to rise to US$400 billion within three years. The 10 largest drugs companies control over one-third of this market, several with sales of more than US$10 billion a year and profit margins of about 30%. Six are based in the United States and four in Europe. It is predicted that North and South America, Europe and Japan will continue to account for a full 85% of the global pharmaceuticals market well into the 21st century. Companies currently spend one-third of all sales revenue on marketing their products - roughly twice what they spend on research and development.

As a result of this pressure to maintain sales, there is now, in WHO's words, “an inherent conflict of interest between the legitimate business goals of manufacturers and the social, medical and economic needs of providers and the public to select and use drugs in the most rational way”. This is particularly true where drugs companies are the main source of information as to which products are most effective.

Even in the United Kingdom, where the medical profession receives more independent, publicly-funded information than in many other countries, promotional spending by pharmaceuticals companies is 50 times greater than spending on public information on health.

Strengths
The strengths of the pharmaceutical industry’s SWOT analysis document the internal industry components that are providing value, quality goods and services and overall excellence. The internal industry components can include physical resources, human capital or features the industry can control. For example, the pharmaceutical industry’s strengths could include low operating overhead, firm fiscal management, low staff turnover, high return on investment (ROI), state-of-the-art laboratory equipment and an experienced research staff.

Weaknesses
The weaknesses of the pharmaceutical industry’s SWOT analysis document the internal industry components that are not providing significant added value or are in need of improvement. The internal industry components can include physical resources, human capital or features the industry can control. For example, the pharmaceutical industry’s weaknesses could include high-risk business modeling, disengaged Board of Directors, dated medical equipment, poor branding, low staff morale or diseconomies of scale.
Opportunities
The opportunities of the pharmaceutical industry’s SWOT analysis document the external industry components that provide a chance for the industry (or factions of the industry) to grow in some capacity or gain a competitive edge. The external industry components should be environmental factors or aspects outside the industry’s control, yet reflective of the business marketplace. For example, the pharmaceutical industry’s opportunities could include recently published research, an increase in health-conscious consumers, increased demand for pharmaceutical products, changes in Food and Drug Administration standards or decreases in employee health care costs.

Threats
The threats of the pharmaceutical industry’s SWOT analysis document the external industry components that could create an opportunity for the industry (or factions of the industry) to decline, atrophy or lose some competitive edge. The external industry components should be environmental factors or aspects outside the industry’s control, yet reflective of the business marketplace. For example, the pharmaceutical industry’s threats could include increased government regulation, a declining economy, increasing research and development (R&D) costs or a decrease in the global population.

R&D
The German federal government invests approximately EUR 4 billion in its “High-Tech Strategy” each year. It will provide EUR 1.2 billion for R&D projects within the health care and biotechnology industries through 2011. Specific provision for the pharmaceutical and biotechnology industries is also made. The Federal Ministry of Education and Research has launched the “Pharmaceuticals Initiative for Germany” to give new Impetus to Germany’s biotechnology and pharmaceuticals sectors. The “BioPharma” competition has also been set up to promote cutting-edge research partnerships. The large, R&D multinational companies have formed their own organization, the Association of Research-based Pharmaceutical Companies, Via, splitting from the existing Federal Association of the Pharmaceutical Industry (representing smaller companies) because of disagreements over reimbursable lists and prescription exclusions.

Germany’s rise to one of the leading industrial economies during the late 19th and early 20th century was, among many other reasons, ascribed to its ability to innovate. In particular, Germany’s success during the ‘second’ industrial revolution was connected to the inventions made in the fields of chemistry, pharmacy, and electrical engineering. In turn, the inventive activity was fostered by the high quality of Germany’s system of higher education, the
substantial governmental support for science, and – last but not least – the emergence of industrial research laboratories (Landes, 1999: 290-291; Cameron / Neal, 2003: 242-243). More specifically, the invention of the company-sponsored research organisation was identified as the undoubtedly greatest single contribution of the German dyestuff industry (Beer, 1959: 73). This path-breaking organisational revolution transformed the firms from fellow-runners to market leaders in synthetic dye production. At least since Beer’s observation, the research laboratories of the dyestuff industry itself had been the object of scientific research. The focus of these studies had been the development at Bayer (e.g., Beer, 1959; Meyer-Thurow, 1982; Murmann, 2006) whereas the two other major dyestuff producers, BASF and Hoechst, were much less intensively investigated (Homburg, 1992; Reinhardt 1997). Yet, the evidence of a science-based second industrial revolution is much less clear for other industries.

The German Biotechnology Sector

Unlike the majority of other industries, German biotechnology has actually grown during the crisis. In 2009, the number of employees exceeded the 30,000 mark for the first time. In terms of turnover, biotech companies managed to maintain their course, even at the height of the crisis. As with the previous year, this figure stood at two billion Euros. Moreover, investments in the future have not been scaled back. At one billion Euros, research spending remained at the same level as the previous year. The effect of this was that the drug candidate pipeline continued to grow in 2009. Nevertheless, concerns remain about the difficult financial environment. These are the central results of the company survey carried out at the beginning of 2010 by the information platform biotechnologie.de on behalf of the Federal Ministry of Education and Research (BMBF). The data are in compliance with the guidelines laid out by the Organization for Economic Cooperation and Development (OECD; see pages 27 ff for methodology). According to the survey, at 531, the number of companies occupied primarily with biotechnology in 2009 is higher than the 2008 figure (501).
Industry Forecast

Increasing incomes & healthcare spends to spur domestic growth With increasing affordability, shifting disease patterns and healthcare reforms, the total consumer spending on healthcare products and services in India has grown at a CAGR of more than 14% since 2000. According to a research report by the Mckinsey Global Institute, spending on healthcare in India will witness the highest growth rate among all spending categories over the next two decades. Healthcare spend is expected to grow to 13% of average household income by 2025 from 7% in 2005. This will be driven largely by increase in per capita disposable income which is expected to increase to US$765 in 2015 from US$463 in 2005.

Significant patent expiries in developed markets present good growth opportunities for Indian generic companies: A slew of patents will expire in the US and EU over 2011-15, including top-selling brands Lipitor, Nexium, Zyprexa and Plavix. Over this period, products with estimated annual sales of ~US$ 80 bn in the US alone will lose patent exclusivity, and this will translate into an estimated incremental generic sales opportunity of US$ 18 billion (~60% of current US generic drug market); a similar incremental opportunity in developed European markets exists as well. A big share of this revenue will go to companies that secure high-margin first-to-file (FTF) sales which offer marketing exclusivity for 180 days.

Emerging markets to become the next destinations for pharma companies “Pharmerging” markets, including the BRIC countries, South Africa, Mexico, Turkey, Poland, Indonesia and Romania, are growing faster than developed markets. According to IMS, a well-known industry research firm, “Pharmerging” markets will increase their share in global pharma from 16% in 2009 to around 25% in 2014-15. Indian generics are replicating their domestic success in markets like Russia, Brazil and Mexico which like India are branded in nature.