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Investment Guide Germany

INTERGEST®
GERMANY

Contents

Foreword

Dear Reader,

This is the first edition of our investor‘s guide to Germany. It contains all of the essential information you need to successfully find your way around Europe‘s most important market.

We have intentionally avoided going into too much detail, as the specialists you have elected to turn to will have all the respective information at their fingertips. In actual fact, we see our investor‘s guide as a decision-making tool which provides you with concise data that allows you to check whether the general assumptions you have based your current strategy with regards to doing business in Germany on are indeed correct.

InterGest has long-standing experience in successfully supporting international companies seeking to enter the German market. Our local team members are thoroughly familiar with different international business mentalities, particularly with the specific cultural backgrounds.

I would like to give you some helpful hints that will hopefully spare you some potentially costly fiascos in your business dealings with Germany:

Six golden rules for doing business in Germany

1. Foreigners believe Germans to be disciplined, determined and somewhat brash. There is certainly more than a grain of truth in this perception, which also applies to the way Germans do business. For example, in the southern neighbouring countries, it is considered rude to come straight to the point or to talk business whilst enjoying a meal, whilst your German business partner expects to receive well-prepared, qualified information from you. Any personal introduction should be kept as brief as possible; your line of argument should be purposeful and focus on the facts. You should therefore also not feel offended if you are not offered a drink, or invited to lunch if your meeting is scheduled to take place at that time of day.

2. The golden rule ‚keeping business local‘ also applies in the champion export country Germany. If you want to sell successfully here, you must be perceived as a local firm. In the medium term, it is therefore a good idea to establish your own distribution company in Germany. Do you prefer to buy your new computer from a local specialist retailer, or do you buy it online abroad? In many industries, local advice and after-sales services are an important selection criterion.

3. In many German companies, English is now the language all business is officially conducted in. Yet it is still very important that you are in a position to provide professionally produced printed media and a website in German from the outset. Just like in your own country, potential customers will reach positive or negative conclusions about the quality of the services you provide and your respective commitment to the German market from these. You should also remember that technical details and level of expertise are important criteria in Germany.

4. Germany is a very diverse country, organised in a federal system, whose individual regions all have their own peculiarities and centuries-old traditions. Your German business partners will usually be extremely proud of the achievements of their respective federal state, region or home town. Regardless of whether the region – or the city – that you hail from is 20, 50 or even 100 times bigger, show your appreciation for the beautiful little town on the Rhine, the Isar or up in the mountainous back country. The same applies to the regional cuisine.

5. In this respect, do not underestimate the cosmopolitanism of the young generation of German business people: a good command of foreign languages and a familiarity with foreign cultures and foreign cuisine, plenty of experience with foreign customers and business partners, and the continued strong focus on successful internationalisation - all of these make your German business partners extremely open-minded, yet have also given them the ability to question. You are well advised not to attempt to pull the wool over their eyes when it comes to the realities in your home country.

6. Germany has one of the world's most complex legal systems, a confirmation of its reputation as a pedantic and bureaucratic country, smothered in red tape. However, things are slowly changing: The country's successful internationalisation over several decades has also shaped the way in which companies, and even the local authorities, deal with foreign business partners. Still, at some stage, things will always get down to the nitty-gritty and the small print, and particularly so in Germany, which is why you should always rely on professional support right from the outset.

We hope that these tips will help you as you prepare to enter our modern, quality-conscious and competition-focused market. Germany is eminently suitable as an initial base for the development of your European market.

The InterGest team will be happy to support you at every stage of this process. On a personal level, we are looking forward to your suggestions and to any questions you may have, and wish you every success in Germany.

Yours,

Martin Drescher
Director

Prof. Peter Anterist
Director