



## THE U.S. COMMERCIAL SERVICE GERMANY



U.S. – Germany

### **Green Building Initiative**

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## The U.S. Commercial Service Germany

- The U.S. Commercial Service Germany is part of a global network of domestic (108) and overseas offices (160).
- The German offices are located in Berlin, Frankfurt, Düsseldorf and Munich
- Focused on assisting American companies to do business overseas.
- CS-Germany: 30 personnel to assist American clients.



## CS Germany Provides

Market Intelligence



- Country Commercial Guide
- Industry Sector Reports/Insights
- Counseling by Officers/Specialists
- Flexible Market Research

Trade Contacts



- International Partner Search
- Gold Key Matching Service/Video GK
- Trade Missions/Int'l Buyer Program
- BUY USA

Market Promotion



- Trade Exhibitions/Shows
- Single Company Counseling/Promotion
- Advocacy



## Germany

- Size – 356,970 Square Kilometers/  
137,826 sq. miles,
- Population – 82.5 Million,
- GDP (2007)– \$3.3 Trillion (nominal),
- GDP (2007) per capita \$40,000 (nominal),
- Nearly one-fifth of EU GDP





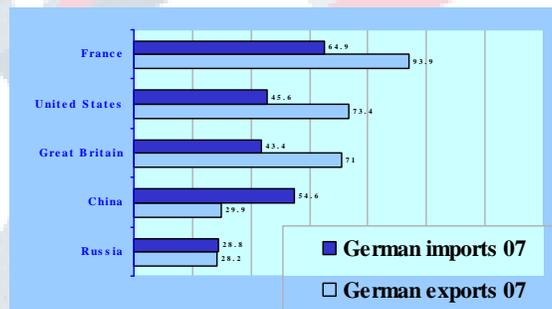
## Strengths of Germany

- First class infrastructure
- High level of productivity
- Highly skilled labor force, quality engineering
- Decentralized and diverse market as the U.S.
- Centrally located in Europe
- Strong, versatile industrial base



## U.S.-German Trade Relations

- 2007 – U.S. goods and services worth EUR 45.6 billion were exported to Germany
- Germany – largest trade partner for the U.S. (EUR 64.8 billion), the largest EU market and the sixth largest market for U.S. exports
- The U.S. are the second largest trade partner for Germany after France





## U.S.-German Trade Relations

- Few formal barriers to U.S. trade or investment (Restrictions on gene modified agricultural products)
- Market continues to be attractive in numerous sectors (see next slide)
- Germany supports reducing regulatory burdens, however, bureaucratic procedures can prove baffling
- Testing and certification, safety and environmental standards can complicate market access
- Large bilateral FDI



## Best Prospect Sectors

- Automotive Parts and Services
- Biotechnology
- Computers, Computer Services & Computer Software
- Electronic components
- **Energy/Renewable Energy**
- **Construction/Building materials/Green Building**
- Industrial Chemicals
- Medical Products & Health Care, Drugs and Pharmaceuticals
- Scientific and laboratory equipment
- Synthetic materials
- Security Equipment & Defense
- Telecommunication Equipment



## Foreign Direct Investment 2006

- U.S. invested \$ 66 billion in Germany (2005)
  - 11.5 % of all FDI invested in Germany
- 1,266 American companies with investments in Germany
- Germany invested \$ 342 billion in U.S. (2005)
  - 29 % of all German foreign direct investment
- 3,200 German companies with investments in U.S.



## Market Facts

- German Construction Market valued at \$ 264 billion in 2007 (+ 2.1% compared to 2006).
- 17.3 million residential buildings in Germany
- 1.5 million non-residential buildings (40.000 schools)
- $\frac{3}{4}$  of residential buildings built before 1979, energy saving potentials up to 80%





## Market Facts

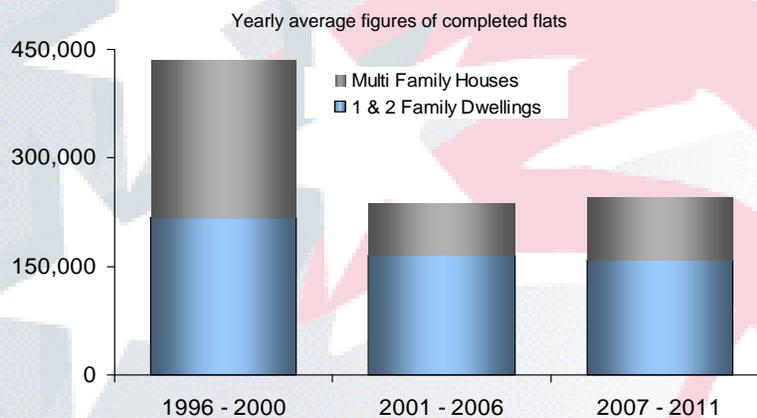
- About 2,000 companies in the building construction and civil engineering
- 120,599 Qualified Architects

Rank	Company	Building Works and Supplies 2006 in EUR billion	Change 2005-2006 in %
1	Hochtief AG	16.719	12.56
2	Bilfinger Berger Ag	7.936	12.39
3	Strabag	4.611	6.22
4	ED Züblin	2.559	65.10
5	Max Bögl	1.010	7.45
6	Bauer	980	18.88
7	Kaefer Isoliertechnik	940	13.25
8	Wolff & Müller	786	5.50
9	Eurovia (VINCI)	776	6.01
10	Goldbeck	757	37.64
11	Lindner	610	15.27



## Facts & Figures

### Completion in new constructions





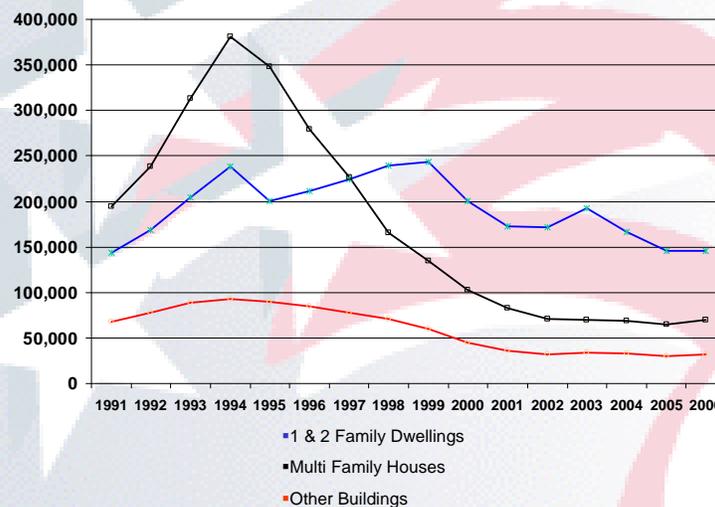
## Residential Construction

- The number of permits fell in 2007 by 35% whereas the prices for construction rose as the result of the raise of the value added tax.
- Frame houses enjoyed an increase in construction permits from 14,2% to 14,7%
- However, the prognosis for construction and green building especially shows an upward trend due to smaller households as an expression of the change in society (more senior citizens and singles, need for energy efficiency). The proprietary quote is rising.
- It is expected that by 2010 the new building demand will rise to 280,000 accommodation units per year.



## Facts & Figures

### Permits in Residential Construction





## Market Facts

### Focus on Green – What is Green?

Green building/architecture (sustainable design) is the practice of increasing the efficiency with which buildings use resources like energy, water, and materials.

- Low environmental impact
- Energy and water control
- Waste management
- Low maintenance construction
- Thermal energy control
- Acoustic control, and visual comfort
- Odor control, and sanitary quality
- Air and water pollution control



## Market Facts

### Associations

- German Association for Sustainable Building  
(Deutsche Gesellschaft für nachhaltiges Bauen e.V.)  
Wankelstr.14  
70563 Stuttgart  
Mail: [info@dgnb.de](mailto:info@dgnb.de)  
Website: [www.dgnb.de](http://www.dgnb.de)



- Bundesverband Gesundes Bauen und Wohnen e.V.  
Association for healthy living and construction  
Postfach 1543  
38005 Braunschweig  
<http://www.bv-gbw.de/>



## Market Facts Building Materials

- Ecological Construction:
  - Building refurbishment, clay boards, insulating boards, insulating material, loam construction, natural building materials, natural paints, natural stones, thermal insulation materials, natural energy supply, roof greening, photovoltaics
- Natural Building Materials:
  - Hemp, wood, loam, flax, cork, slate, lime paint, silicate paint
  - About 35 Manufacturers, 158 Distributors
- Federal association of sound building and living (Bundesverband Gesundes Bauen und Wohnen e.V)  
[www.bv-gbw.de](http://www.bv-gbw.de)  
Provides information about architects, manufacturers and dealers



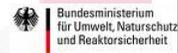
## Market Facts Climate Change Program

- Energy consumption in buildings makes up 40% of total energy consumption in Germany
- Target: Reduction of Germany's GHG-emissions by 21% until 2012 compared to 1990 (Kyoto)
- Government provides low-interest loans and direct subsidies for private house builders and refurbishers and supports the R&D for renewable energy in general



## Market Facts Loans and Subsidies

- The implementation of the climate change program is supported by governmental institutions via loans and subsidies:
  - the KfW Förderbank (Development Loan Corporation):  
Programs: CO2 Building Restructuring Program, Build Ecologically Program, Housing Modernizations Program)
  - the Federal Environmental Ministry: [www.bmu.de](http://www.bmu.de)
  - the Federal Ministry of Economics and Technology:  
[www.bmwi.de](http://www.bmwi.de)
  - the German Energy Agency (dena): [www.dena.de](http://www.dena.de)
- For further information on Europe - Intelligent Energy Europe Executive Agency for Competitiveness and Innovation (EACI)  
Tour Madou  
B - 1140 Brüssel  
[http://ec.europa.eu/energy/intelligent/index\\_en.html](http://ec.europa.eu/energy/intelligent/index_en.html)



## Market Facts Integrated Energy and Climate Program (2007)

- Target: Increase the share of energy from renewable energy from 6% today to 14 % in 2020
- Mandatory share of energy from renewable energy for new houses from 2009 on
- Governmental subsidies in 2008: \$ 513 million
- Governmental subsidies in 2009: \$ 733 million

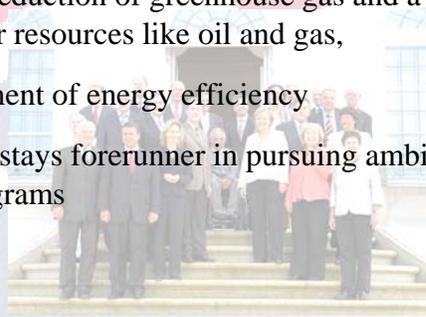
<http://www.bmu.de/english/aktuell/4152.php>

[http://www.bmu.de/english/current\\_press\\_releases/pm/42126.php](http://www.bmu.de/english/current_press_releases/pm/42126.php)



## Market Facts Investment Volume

- **Meseberg-plus-Study** by BMU forecasts an investment volume of **\$ 250 billions** for building and refurbishment for the years 2008-2020
  - Measures in public and private construction shall lead to a massive reduction of greenhouse gas and a decrease in the need for resources like oil and gas,
  - Improvement of energy efficiency
  - Germany stays forerunner in pursuing ambitious energy saving programs



## Market Facts Legislation

### **Energy Saving Ordinance 2007 (to be revised 2009)**

- Special sponsorship for passive houses (< 15 kWh/m<sup>2</sup>/a) or zero-energy houses
- Guidelines for green building (e.g. u-values of walls and windows)
- “Blue Angel” certification for building products, evaluation of environmental sustainability of building products by Federal Environmental Agency (UBA) and Committee for Health-related Evaluation of Building Products (AgBB)





## Market Facts Legislation

### Energy Performance Certificate (Energieausweis)

- Provides information of energy requirements and energy quality of a building
- 1 July 2008: mandatory for residential buildings completed before 1965
- 1 January 2009: compulsory for newer buildings, 1 July 2009 for non-residential buildings
- Certification by engineers, architects or craftsmen:
  - Costs are matters of negotiation with 10 years validation
  - Energy efficiency will become a criterion in the housing sector
  - Stimulates investment and competition

<http://www.dena.de/en/topics/thema-bau/projects/projekt/energy-performance-certificate>



## Market Facts Certification

- Ecological assessment certification for buildings developed in 2008 (cf. LEED Certification)
- Awarded by the Ministry of Transport, Building and Urban Affairs, and the German Society for Sustainable Building (DGNB)
- Evaluation in 6 different sectors (ecology, economy, location, technique, processes, functional and socio-cultural aspects)

[http://www.dgnb.de/de/news/presseinfos/index.php?we\\_objectID=285](http://www.dgnb.de/de/news/presseinfos/index.php?we_objectID=285)



## Market Entry Strategy

- Highly competitive commercial environment, but U.S. goods and services are well received.
- Marketing in Germany comparable to U.S. approach.
- **Trade shows:** Germany hosts the world's leading international trade fairs. For U.S. manufacturers and exporters wishing to sell in Germany (and in Europe) it is important to attend and advertise at one of Germany's major international fairs. The strength and scope of the competition can be assessed, contacts with others "in the trade" can be established and third countries can be reached.



## Market Facts Market Opportunities

- **Glass and Window Construction:**
  - Three-glass-windows; 73% of German homes were built before 1979 and are environmentally inefficient.
- **Insulation Materials:**
  - Thermal insulation composite system with good growth rates in 2006 and 2007
- **Renewables:**
  - Record high installation of heat pumps, pellet-heatings, solar-thermals (254.000 installations) in 2006



## Market Facts Market Opportunities

- Renewable Energy Equipment:
  - Because of current tax credits, and anticipated future tax credits, this industry is projected to continue to show strong growth.
  - 2007 saw a 30% growth for Germany's heating pump market with a total of 69,000 new units.
- Wood Industry:
  - Almost 6,400 wooden homes (4% of housing market) are built every year. As the benefits of wood, including "green" production and better insulation, are recognized in Germany, a large increase is expected in the coming years as the market reaches economies of scale.



## Market Facts

- Expected Legislation:
  - Tightening Green Building provisions via Energieeinsparverordnung (EnEV), which is the German regulation for energy saving in buildings and building systems - <http://www.enev-online.de/>
  - Increase of mandatory renewables' share
- Cons:
  - Fear of long-term bonds by owners and tenants



## Market Facts Events

- **Zukunft Haus Kongress:**

Strategies for Energy Efficiency;  
28.10.2008 – 29.10.2008, Berlin

<http://www.zukunft-haus.info/de/service/veranstaltungen/zukunft-haus-kongress-2008.html>



- **BAU 2009:**

The most important event of the European building industry

12.1.2009-17.1.2009, Munich

<http://www.bau-muenchen.com/>



## Market Facts Events

- **International Conference on Passive Houses:**

17.4.-18.4.2009, Frankfurt am Main

[http://www.passivhaustagung.de/twelf/english/01\\_start\\_home.html](http://www.passivhaustagung.de/twelf/english/01_start_home.html)



- **Consense** 23.6. - 24.6.2009, Stuttgart

International congress and trade fair for sustainable building

<http://www.messe-stuttgart.de/cms/consense-aussteller0.0.html?&L=1>

- **various “dena”-dialogue regional forums:**

<http://www.dena.de/de/themen/thema-bau/veranstaltungen/>





## Market Facts

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