

GERMAN INDUSTRY UK

THE VOICE OF GERMAN INDUSTRY IN THE UNITED KINGDOM



GERMAN BUSINESS IN THE UK AND THE REFERENDUM

The UK has long been one of Germany's most important investment locations and markets worldwide, the third largest market abroad after France and the United States.

15,000 German companies do business with the UK. 8,000 sell direct and 4,500 via agents and distributors. 2,500 set up subsidiaries here, of which 2,000 are sales and services and 500 manufacturing companies, employing some 500,000 people.

The UK is not only important as a market but also of great strategic significance for German international business. Many takeovers of British companies confirm this. To mention a few: BMW (Mini and Rolls-Royce), Celesio (Lloyds Pharmacy), Deutsche Post (DHL), Deutsche Bahn (Arriva), E.ON (Powergen), Linde (BOC), RWE (Npower), TUI (Thompson and First Choice) and Volkswagen (Bentley).

The UK is an attractive location for German business. An ever expanding market and low costs are good arguments for a German company to set up in the UK. Also, the British investment climate has been favourable since the 1980's and government has been stable. Both Labour and Conservative Governments since: less state and more market.

The challenges to German business are, amongst others, a poor UK infrastructure (road and rail) and (vocational) training. Massive long term investments and something like the German Dual Vocational Training System would be welcome.

A more recent concern is the Referendum on the EU.

German business in the UK strongly agrees with Prime Minister David Cameron that there must be significant reductions in EU costs, bureaucracy and regulations. Nevertheless, we, as much as British business, are concerned at the prospect of a UK outside the EU which could be the outcome of an In-Out Referendum. We respect the decision made by the Prime Minister to hold a Referendum and the people's decision in the Referendum, but believe it is in the UK's best interest to stay in the EU for the benefit of our employees and ultimately, the general public.

After he achieves the necessary reforms we would urge the Prime Minister to convince the British people of the financial, economic and social benefits of the EU for the UK and give a firm commitment to remain in the EU.

Our statement is based on a survey amongst German business in the UK conducted by GIUK last summer to find their views. Some 90 companies (67 major and 23 SMEs) with a workforce of more than 220,000 in the UK and 4,400,000 globally took part.

The Prime Minister is trying to reach a reform deal with the other 27 EU countries in Brussels today and we hope he succeeds. Once a deal is reached, we will look at it closely before we comment further.

Dr Bernd Atenstaedt
Chairman
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