

# GERMANY

## Capital Assets

Driven by strong employment and record export growth, the German economy has been the best performer among its G-20 counterparts. Buoyed by much optimism, the country's gross domestic product (GDP) is expected to grow by 2.5% in 2018.

Despite concerns over Brexit and growing populism in Europe, German businesses remain confident. According to **IHK Bremen Managing Director Volkmar Herr**: "Growth has not been dampened by domestic political turbulences. And these domestic issues are not high on the agenda of exporters and manufacturers. Germans realize that free trade is paramount for continued growth."

**Manrico Paulitschke**, CEO of Berlin-based biotech company **Provitro**, says, "In spite of their cultural, economic and historical diversity, Germans have common characteristics: a strong work ethic and attention to process and detail. Our social market economy also values the interplay of free enterprise and a strong protection of a highly skilled permanent workforce."

This socioeconomic model has made Germany a leading exporting nation. A manufacturing power in the 19th century, Germany focused on developing its export sector by supporting its small and medium-sized businesses in the mid-20th century. Collectively known as the *mittelstand*, these companies account for more than 70% of GDP and are a major job generator.

"In 2015, German companies numbered 3.5 million and employed close to 29 million people. Small-medium sized companies accounted for 99.3% of those companies, about 61% of those employees and about 82% of company apprenticeships," says **Burkhard Schneider**, executive director of Berlin-based **BASCH Consult**, which specializes in cross-border SME mergers and acquisitions.

Over the past decade, these little-known small and medium-sized companies have intensified their focus on the Asian region.

"Rising spending power in Asia, with its population of more than four billion, means that the high standard of German brands is becoming more valuable," says Bremerhaven-based international moving company **Brauns International CEO Wolfgang Makurat**.

"The *mittelstand's* strength stands on a long-term commitment towards its permanent employees. It is also characterized by a more personalized approach to customer service. This means we are able to respond faster to our clients' needs, especially in the

industry of international moving, where punctuality and attention to detail is the foundation of long-lasting relationships," he adds.

An outstanding example of the *mittelstand* that has had exceptional success on the global stage is luxury kitchen manufacturer, **Poggenpohl**. Built on a strong foundation of exquisite craftsmanship 125 years ago, the company continues to rely on the artistry of its homegrown workers, while incorporating state-of-the-art technology to deliver customized high-end kitchens around the world.

"Our brand is distinguished by quality, exclusivity and innovative developments that have resulted in worldwide recognition," says **Managing Director Thomas Kredatus**.

While eastern Germany lags behind the Ruhr area and the automotive belt in the south, the reconstituted state of Brandenburg has cultivated fast-growing economic clusters in IT and Industry 4.0, a government-coined term to describe its project to automate and digitize manufacturing.

"With our plans to list on the stock exchange next year, we will launch a software service model for our expansion to other countries," says **Benjamin Akinci**, the founder and CEO of **abl social federation**, which provides data solutions for Cisco Systems and Weston-Comstor, among others.

Located at Europe's center, Brandenburg is ideally positioned to benefit from China's ambitious "One Belt, One Road" project.

"Brandenburg possesses advanced infrastructure that makes the region an ideal place for Asian companies to launch their operations throughout the EU," says **Brandenburg Invest Deputy Head for International Business Kirstin Wenk**.

Because of their size and lean management structure, the *mittelstand* are also characterized by quick decision-making and agility. Looking beyond China, Asia figures largely in their long-term strategies.

"German companies have been greatly involved in giant markets such as China and

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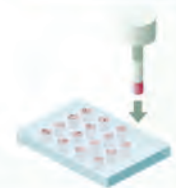
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# Poggenpohl: Shining a new light into Asia's kitchens



Anywhere in the world, the kitchen is central to the life of the family. The so-called heart of the home is where our bodies are nourished, close relationships are strengthened and fond lifelong memories are made. And one German superbrand has been at the forefront of providing families around the world with efficient, comfortable and good-looking kitchens.

In 1892, Friedemir Poggenpohl set up a small company with a simple mission: to improve the kitchen. By introducing white lacquer kitchen furniture, storage innovations and ergonomic worktop heights to the German home, the furniture maker has always been the pioneer in the industry.

Over the past 125 years, the company has stayed true to that innovative spirit and has set the global standard in craftsmanship and modern design. Among Poggenpohl's other product and technique innovations were the "reform kitchen" in 1928 and the durable and luxurious looking "ten-layer" polished lacquer technique in 1930. The "reform kitchen" was the predecessor of the built-in kitchens that became popular in the 1950s. Until today, this innovative continuous countertop workspace and matching wall units made built-in kitchens synonymous with "German kitchens."

In 2004, Poggenpohl launched the first kitchen that featured entertainment and smart home technology. Truly unique was the iconic Poggenpohl Kitchen P'7340 Design by Studio F.A. Porsche, the most exceptional and expensive kitchen produced along industrial manufacturing standards.

Over the past decades, the company has become renowned around the world as a top luxury brand and de-



**Poggenpohl Managing Director Thomas Kredatus**

sign innovator. It has continuously received various prestigious international awards, such as the Red Dot Design Award and the Good Design Award.

From its headquarters in Herford, Poggenpohl manufactures bespoke "Made in Germany" kitchens in its 54,000-square-meter facility to fulfill orders made at 450 Poggenpohl studios located in more than 70 countries around the world.

"Our most prominent job is to listen to our customers' dreams and aspirations, consider particular cultural



**The first Porsche Design Tower in Miami, Florida.**

differences at the same time, and turn them into reality," Poggenpohl Managing Director Thomas Kredatus says.

"There is so much more to what we do than innovation and design. What you find in every piece is passion, heart and a true commitment to enhance the quality of life of our most discerning clients. And we want to spread this legacy around the world," Kredatus adds.

Already present in all major luxury markets worldwide, including a flagship store in Tokyo, Poggenpohl is looking to further sharpen its presence across Asia.

"Poggenpohl has been very successful in the Asian market thus far thanks to our highly committed retail partners. And, looking ahead, we want to significantly strengthen our partner network," says Kredatus, referring to the company's strong interest in attracting Asia's most renowned property developers to grow the multi-unit project business.

To date, the company has maintained a three-decade long presence in Hong Kong through such a type of partnership. Poggenpohl also has formed similar partnerships in Beijing and Shanghai, which has resulted in multiple high-



**Poggenpohl at the KI Cubus showroom in Causeway Bay, Hong Kong.**

profile projects in major Chinese cities. Last July, the new Poggenpohl KI Cubus showroom opened in Causeway Bay, Hong Kong.

As part of its 125th anniversary celebrations, Poggenpohl will unveil a new kitchen design at the International EuroCucina Trade Show to be held in Italy in April this year.

"We are pleased to extend an invitation to visit us in Milan at our grand opening in April 2018. In addition to unveiling a new holistic brand image, we will launch a new kitchen concept that opens up interesting design possibilities that also combine well with existing Poggenpohl kitchen concepts," Kredatus says.

The Poggenpohl Design Center Milan will feature for the first time a global showroom concept with a new look and feel, one that will open up a variety of collaboration possibilities for current and future partners.

"We see luxury not only in the product but as the sum of many details that make the whole experience perfect. The kitchen is the heart of the home and luxury kitchens are a growth area all over the world. We want to firmly anchor ourselves there in the long term," Kredatus says.

As Poggenpohl stakes its long-term growth plans on what is expected to be the global economy's most dynamic region, countless families in Asia can look forward to well-designed kitchens and more fond memories in their homes. ■

[www.poggenpohl.com](http://www.poggenpohl.com) / [www.125years.poggenpohl.com](http://www.125years.poggenpohl.com)



## Brauns International: The business of moving people

Established in 1884, Bremerhaven-based **Brauns International** has assisted countless individuals and companies with the difficult job of moving. In 1989, the company became a full-service moving, relocation and storage operation with a network on six continents.

Brauns International epitomizes the often-praised *mittelstand*, the small, family-owned companies often credited for Germany's economic might. These thousands of companies have achieved their success because of their lean, highly skilled workforce and their precision to detail.

"The first opportunity for us to become a global player happened because Brauns International was chosen as the relocation partner of the German embassy in Washington, D.C. The company's exposure to the diplomatic community in the U.S. capital allowed us to take on high-profile moves for international governments and multinational corporations," recalls CEO Wolfgang Makurat,



**Brauns International**  
President Patrick  
Makurat

who has been with the company for more than 30 years.

Germany's brand reputation also helped Brauns International build its trustworthy image. As Asia and Germany grow closer, the company is seeking new business partners in the Asia-Pacific region.

"As a service-driven company, we visit our clients before, during and after they have moved to their new country of assignment. Our customers get a sense of relief not only because of our personal customer service but also because they are assured a high level of legal expertise," Makurat says.

"One fact in the relocation-services industry that cannot be overlooked is that we are ultimately a people business.

Moving to a new country fundamentally changes lives and families. So, we make sure that we act as the guiding hand for the customers," **President Patrick Makurat** says.

"The Brauns reputation is that we go above and beyond the expectations of our partners. Our promise is to keep on doing that," he adds. ■

[www.brauns-international.com](http://www.brauns-international.com)



## abl social federation: Casting a wider net

Founded in 2013, **abl social federation** began with an aim to spread free Wi-Fi coverage across Germany. After several projects with the public and private sectors, abl soon developed its product into an omni-channel marketing portal.

Combining elements of digital customer communication at the point of sale, abl has more than 8,000 touch points in Germany, including 20 of the largest shopping streets in the country. Based on valuation, it is among the country's five highest-earning companies under five years old.



With its headquarters in Nuremberg and an office in Berlin, abl also has set up operations in Switzerland, the U.A.E. and Singapore.

"Asia is a reference market that is growing and one of our target markets for the next years where we definitely want a market share," says **Founder and CEO Benjamin Akinci**.

While planning its initial public offering this year, abl hopes to link up with technology partners to build a distribution model in Asia. ■

[www.abl-sf.com](http://www.abl-sf.com)

## Capital Assets

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Japan. However, India and the rapidly growing Association of Southeast Asian Nations region, with a combined population of almost 1.9 billion, offer excellent business opportunities for German enterprises in a wide range of sectors," says **German Asia Pacific Business Association Managing Director Timo Prekop**.

These family-owned firms have become increasingly active in developing high-tech products for niche markets and supply chains of large companies. In 2014, more than 42% of these companies introduced an innovation in their products or processes.

Many foreign companies that found success in the EU adopted this German growth model. Tokyo-based petrochemicals company **Asahi Kasei** moved its European headquarters from Brussels to Düsseldorf in 2016.

"As a foreign petrochemicals player and manufacturer of microsensors, we cannot match the size of German giants on their own turf. We do not intend to compete at their level. But our personalized approach to customer service and hands-on collaboration with local universities gives us an edge and allows us to become a contributor to industrial and environmental innovation in the local market," **Asahi Kasei Europe President Hideki Tsutsumi** says. ■

## Formulating growth toward a sustainable future

**Asahi Kasei**, a 95-year-old chemical manufacturer from Tokyo, established its European headquarters in Düsseldorf to be nearer to customers in high value-added industries and introduce new products more speedily.

"While Asahi Kasei has been creating value in Europe's automotive, materials and medical markets for decades, the establishment of our European headquarters in Düsseldorf improves our service response time and allows us to anticipate our customers' needs," **Asahi Kasei Europe President Hideki Tsutsumi** says.

"In Europe, we have positioned ourselves as a leader in innovation by setting up a R&D center in North-Rhine Westphalia, Germany, and establishing technical partnerships with universities there," Tsutsumi says.

In Europe's automotive market, Asahi Kasei supplies environmentally sustainable resins, smart-sensing technology and technical fibers, all of which have passed stringent performance tests in Japanese cars.

Its Tufdene™ S-SBR rubber and Leona™ nylon 66, a heat-resistant and collision-proof filament, are among the raw material components of fuel-efficient tires.

In May 2017, Asahi Kasei unveiled AXKY, its first drivable concept car, which embodies the spirit of innovation of the company because it incorporates 27 of its own materials, components and systems.

"The AXKY concept car represents Asahi Kasei's promise to be the leader in sustainability and smart mobility. By harnessing Asahi Kasei's values, such as sincerity and creativity, we are able to respond to present challenges and the future needs of the European market," Tsutsumi says. ■

[www.asahi-kasei.eu](http://www.asahi-kasei.eu)



[www.eurasianresources.lu](http://www.eurasianresources.lu)