

U.S. Embassy Berlin

FACT SHEET

U.S. - GERMAN ECONOMIC RELATIONS

- Updated in May 2006 -

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I. Overview: U.S.- German economies

1. Basic structural data¹

	Germany	USA
Population:	82.5 million	294 million
Age structure ² : 0-14 yrs.	14.4%	20.6%
15-64 yrs.	66.7%	67.0%
65 yrs. and over	18.9%	12.4%
Population growth rate:	0.0%	0.92%
GDP (purchasing power parity):	\$2.362 trillion	\$11.75 trillion
- per capita (PPP)	\$28,700	\$40,100
- per composition by sector		
Agriculture (%)	1.1	1.6
Industry (%)	29.0	22.8
Services (%)	69.9	75.6
labor force:	40.2 million ³	147.4 million

2. Economic performance³

	2003	2004	2005	2006 (IMF est.)	2007 (IMF est.)
Real GDP growth:					
Ger	-0.2	1.6	0.9	1.3	1.0
USA	2.7	4.2	3.5	3.4	3.3
Unempl. rate:					
Ger	8.8	9.2	9.1	8.7	8.8
USA	6.0	5.5	5.1	4.9	5.1
Employment growth:					
Ger	-0.9	0.4	-0.2	0.5	0.4
USA	0.9	1.1	1.8	1.8	1.2
Growth in real per capita GDP:					

¹ Statistisches Bundesamt: Deutschland im internationalen Vergleich 2005

² CIA World Factbook

³ IMF World Economic Outlook April 2006

Ger	-0.3	1.6	0.9	1.3	0.9
USA	1.7	3.2	2.6	2.4	2.3
Hourly earnings:					
Ger	2.5	0.7	1.9	3.0	3.0
USA	8.3	2.2	6.6	3.5	4.0
Unit labor costs:					
Ger	-1.7	-4.0	-3.3	0.2	0.2
USA	2.5	-3.1	1.8	0.2	1.0
Productivity					
Ger	4.3	4.9	5.4	2.8	2.8
USA	5.6	5.4	4.8	3.3	3.0
Government gross debt in % of GDP					
Ger	62.8	64.5	67.5	69.0	68.7
USA	61.8	62.5	62.9	64.2	65.9
Fiscal balance ⁴					
Ger	-4.0	-3.7	-3.3	-3.3	-2.4
USA	-5.0	-4.7	-4.1	-4.3	-4.0
Current account balance in % of GDP					
Ger	1.9	3.7	4.1	3.6	4.3
USA	-4.7	-5.7	-6.4	-6.5	-6.5
Inflation					
Ger	1.0	1.8	1.9	1.8	2.5
USA	2.3	2.7	3.4	3.2	2.5

3. Exchange rates⁵

	2002	2003	2004	2005	2006 Assumption
U.S. Dollar nominal exchange rates					
Euro	0.944	1.131	1.243	1.246	1.195
Real effective exchange rates ⁶					
USA	102.5	93.8	85.9	85.3	
Germany	101.7	105.4	104.4	102.8	

⁴ all government levels

⁵ U.S. Dollars per national currency unit; IMF World Economic Outlook April 2005

⁶ Defined as the ration, in common currency, of the normalized unit labor costs in the manufacturing sector to the weights of those of its industrial country trading partners; Index, 2000=100

4. Labor cost comparison

Position in international labor cost ranking: Ranking position "1" means highest cost of OECD countries considered.⁷

	Labor costs per hour			Unit labor costs
	Labor costs	Wage	Non-wage labor costs	
Germany				1
- West	3 (euro 27.09)	4 (euro 15.13)	1 (euro 11.96)	
- East	16 (euro 16.86)	17 (euro 10.17)	15 (euro 6.68)	
USA	12 (euro 19.91)	6 (19.91)	16 (euro 5.99)	10

⁷ Institut der Deutschen Wirtschaft (IW): Standort Deutschland 2005, p. 5
Basis of the ranking are manufacturing labor costs in euros. The ranking compares the cost in 24 OECD countries (Norway, Denmark, Germany, Switzerland, Finland, Belgium, Netherlands, Sweden, Austria, Luxemburg, France, USA, UK, Japan, Ireland, Canada, Italy, Spain, Greece, Portugal, Czech Rep., Hungary, Poland, Slovak Rep.)

II. Trade

1. U.S. trading partners

- 2005 figures⁸ -

Exports	Imports	total trade
1. Canada	1. Canada	1. Canada
2. Mexico	2. China	2. Mexico
3. Japan	3. Mexico	3. China
4. China	4. Japan	4. Japan
5. UK	5. Germany	5. Germany
6. Germany	6. UK	6. UK
7. South Korea	7. South Korea	7. South Korea
8. Netherlands	8. Venezuela	8. France
9. France	9. France	9. Taiwan
10. Singapore	10. Taiwan	10. Venezuela

2. German trading partners

- 2005 figures⁹ -

Exports	Imports
1. France	1. France
2. Netherlands	2. US
3. US	3. UK
4. 4. China	4. Italy
5. UK	5. Netherlands
6. Italy	6. Belgium
7. Belgium	7. Austria
8. Austria	8. Spain
9. Switzerland	9. Switzerland
10. Russian Federation	10. Poland

⁸ USITC: <http://dataweb.usitc.gov>

⁹ German Federal Statistical Office:

<http://www.destatis.de/download/d/aussh/rangfolge04.pdf>

3. German - U.S. trade as % share of total German trade¹⁰

	German goods exports to U.S. as % share of total exports	German goods imports from U.S. as % share of total imports
1950 ¹¹	5.1	15.3
.		
.		
1991	6.3	6.6
.		
.		
1999	10.1	8.3
2000	10.3	8.8
2001	10.6	8.3
2002	10.3	7.7
2003	9.3	7.3
2004	8.8	7.0
2005	8.8	6.6

4. Annual bilateral goods trade flows¹²

- billion euros -

	German exports to U.S.	German imports from U.S.	trade balance (goods exports - goods imports)
1950 ¹³	0.22	0.89	-
.			
.			
1991	21.3	21.6	-
.			
.			

¹⁰ AmCham Germany:

http://www.amcham.de/fileadmin/templates/main/pdf/Trade_Import_Export.pdf;

as of 2003: German Federal Statistical Office:

<http://www.destatis.de/presse/deutsch/pm2005/p1590181.htm>

¹¹ West Germany; German Council of Economic Experts:

<http://www.sachverstaendigenrat-wirtschaft.de/gutacht/Tabellen/Tab63jg.pdf>

¹² German Council of Economic Experts: <http://www.sachverstaendigenrat-wirtschaft.de/gutacht/Tabellen/Tab63jg.pdf>; trade balance and

exports/imports as of 2001: Bundesbank:

http://www.bundesbank.de/download/volkswirtschaft/stat_beihefte/zahlungsbilanzstatistik052005.pdf, 2004, 2005:

<http://www.destatis.de/presse/deutsch/pm2006/p1600181.htm>

¹³ euro values for West Germany

1995	27.9	23.2	-
1996	30.7	25.3	-
1997	39.2	30.2	-
1998	45.9	34.9	-
1999	51.4	36.8	-
2000	61.8	47.1	-
2001	67.8	46.0	21.8
2002	68.3	40.4	27.9
2003	61.7	39.0	22.7
2004	64.9	40.7	24.2
2005	69.3	41.3	28.0

5. German current account with the U.S.

Bilateral current account: Net flow of current transactions, including goods, services, and interest payments, between Germany and US.

- billion euros¹⁴ -

1999	10.2
2000	9.5
2001	10.9
2002	27.0
2003	14.6
2004	23.3
2005	27.4

¹⁴ Bundesbank:

http://www.bundesbank.de/download/volkswirtschaft/stat_beihefte/zahlungsbilanzstatistik052005.pdf, p. 12

6. U.S. exports to Germany

- 2005 goods exports at customs values in \$ million¹⁵ -

Nonelectrical machinery, except consumer-type	11,640	9.3%
Nonagricultural, except fuels	5,190	15.2%
AUTOMOTIVE VEHICLES, PARTS AND ENGINES	5,136	-3.1%
Transportation equipment and spacecraft, except automotive	3,520	32.6%
Nondurables, manufactured-except rugs	2,461	0.3%
Durables, manufactured-except automotive	1,845	23.2%
Electric generating, and electric equipment and parts	1,051	1.1%
Domestic exports, n.e.c.	985	0.5%
Agricultural	738	-13.5%
Military-type goods	551	16.2%
Agricultural	324	-4.0%
Nonagricultural (fish, beverages)	304	5.1%
Selected building materials, except metals	246	8.3%
Fuels and lubricants	126	43.3%
Consumer durables and nondurables-unmanufactured	32	2.5%
Total	34,149	8.8%

7. U.S. imports from Germany

- 2005 goods imports at customs values in \$ million -

Automotive vehicles, parts and engines	27,255	2.2%
Nonelectrical machinery, except consumer-type	22,150	14.7%
Nondurables, manufactured-except rugs	7,204	7.0%
Agricultural products, textile supplies and chemicals	5,496	12.1%
Durables, manufactured-except automotive	3,570	4.2%
Imports, N.E.S.	3,446	5.5%
Transportation equipment and spacecraft, except automotive	3,098	35.9%
Electric generating, and electric equipment and parts	2,650	5.0%

¹⁵ USITC: http://dataweb.usitc.gov/scripts/cy_m3_run.asp

Fuels and lubricants	2,148	67.4%
Unfinished metals associated with durable goods output	2,103	26.1%
Nonmetals associated with durable goods output	1,532	5.3%
Finished metals associated with durable goods output	1,520	13.3%
Selected building materials, except metals	942	19.6%
Agricultural	768	5.9%
Paper and paper base stocks	679	7.0%
All other	252	13.7%
Total	84,813	9.8%

III. Investment

1. German FDI in the U.S.

German investment position in the U.S. (end of 2004): 135 billion euros¹⁶

	2002	2003	2004
number of companies	3399	3450	3268
Number of employees	791,000	754,000	746,000
Annual turnover (bill EUR)	393.0	354.2	358.1

- FDI flows in billion euros¹⁷ -

	total German net FDI outflows	German net FDI transfer to U.S.
2001	-44.3	-48.5
2002	16.1	2.7
2003	3.2	569
2004	5.9	7.0

¹⁶ Bundesbank: Kapitalverflechtung mit dem Ausland;
http://www.bundesbank.de/stat/download/stat_sonder/statsol10.pdf

¹⁷ Ministry of Economics and Labor: Deutsche Direktinvestitionen im Ausland nach Laendergruppen und Laendern:
<http://www.bmwa.bund.de/Redaktion/Inhalte/Pdf/C-D/deutsche-direktinvestitionen-im-ausland-nach-laendergruppen-2001-2004,property=pdf,rwb=true.pdf>

2. U.S. FDI in Germany

U.S. investment position in Germany (end of 2004): 87.6 billion euros¹⁸

	2002	2003	2004
number of companies	1429	1338	1266
Number of employees	475,000	450,000	509,000
Annual turnover (bill EUR)	147.0	133.7	178.4

- FDI flows in billion euros¹⁹ -

	total foreign net FDI transfers to Germany	U.S. net FDI transfer to Germany
2001	29.5	7.0
2002	53.7	3.3
2003	24.2	4.8
2004	-31.1	266

¹⁸ Bundesbank: Kapitalverflechtung mit dem Ausland;
http://www.bundesbank.de/stat/download/stat_sonder/statsol10.pdf

¹⁹ Ministry of Economics and Labor:
<http://www.bmwa.bund.de/Redaktion/Inhalte/Pdf/A/auslaendische-direktinvestitionen-im-inland-nach-laendergruppen-2001-2004,property=pdf.pdf>