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Press Release

IFT Food Expo 2010: German Food Industry Tapped to Meet European Demand

Berlin/Chicago, July 15, 2010 – The German food industry is an unlikely industry heavyweight. The country's number four industry in total goods produced accounted for products worth approximately USD 209 billion in 2009 and maintained stable production and sales volumes throughout the downturn. This results from a strong domestic market with consumer spending up slightly in 2009 and an export quota above 25 percent. *Germany Trade & Invest* will have representatives on hand to present opportunities in Germany's food and beverage industry at this year's IFT Annual Meeting and Food Expo in Chicago, Illinois, from July 17-20.

Germany's food and beverage industry has benefitted from both inherent location advantages and industry trends in recent years. With its location in central Europe and strong logistics base, Germany's industry has seen a steady increase in exports to, for example, the most recent European member states (over 30

percent rise in 2008) and maintains a high average export ratio amounting to 26 percent of sales. Strong exports are also driven by demand for high quality and safe products as well as competitive prices, a result of Germany's high productivity rates.

At the same time, the industry benefits from increasing domestic demand for functional foods as well as health and wellness products, as consumers – in part Europe's ageing populations – seek to improve their sense of well-being, health and performance for various activities. As a result, a number of previously niche market actors have become significant industry players.

The strength of the industry and steady market demand create lucrative opportunities for international companies across the entire supply chain. The industry generated over USD 225 billion in total food retailing revenue in 2009 and out-of-house sales amounted to USD 88.2 billion. With more than 82 million consumers, Germany is Europe's largest food and beverage retail market.

Innovation and product localization, industry necessities, benefit from continuously increasing public and private R&D spending. A remarkable 54 percent of private R&D spending in the German food and beverage industry is foreign company derived – underpinning the importance of local R&D to adapt products to the local market. Local research teams are able to develop new products according to culinary customs, tastes, and preferences.

Providing a regular supply of food to a population of 82 million as well as Germany's European neighbors creates significant opportunities for the food logistics sector. Companies here can benefit from the world's number one ranked infrastructure, according to a World Economic Forum study, as well as a wide range of highly regarded logistics service providers.

At this year's IFT Annual Meeting and Food Expo, representatives of *Germany Trade & Invest* will be available to answer questions about Germany's food and beverage industry. Together with the regional investment promotion agencies IMG Investment and Marketing Corporation of Saxony-Anhalt and Invest in Mecklenburg-Vorpommern GmbH, *Germany Trade & Invest* will be located at booth # 7035.

Germany Trade & Invest is the foreign trade and inward investment promotion agency of the Federal Republic of Germany. The organization advises foreign companies looking to expand their business activities in the German market. It provides information on foreign trade to German companies that seek to enter foreign markets.