



# BAVARIA IN THE NEWS

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What's inside

## Munich and Nuremberg: now twin cities

A new 300 kilometer-per-hour rail link has cut the travel time between Bavaria's two major metropolises to 78 minutes. Commissioned in late May, the €3.6 billion, 171-km long line is a masterpiece of engineering, having required the building of nine major tunnels and of hundreds of bridges.

Also serving Ingolstadt and its booming automotive cluster, the once-an-hour line will further the merging of Munich and Nuremberg into a single business region inhabited by nearly 3 million people and served by no less than 25 trains each way each day – and by one of the country's major autobahns (freeways).

## Munich: Europe's best airport

Munich is the best airport in Europe and one of the top three worldwide. That's according to Skytrax. In compiling its World Airport Awards 2006, the authoritative London-based air travel specialist polled 7.2 million passengers from 93 countries. The Award's rankings were comprised of the airports' performance in 40 categories, with these including punctuality, times of transfer, ease of navigation and more.

Though gratifying, the results were anything but a surprise. Munich had achieved similar results (number one in Europe, number four in the world) in the 2005 rankings. Skytrax's findings were confirmed by another mid-2006 study, this one published by Capital. The business magazine employed 107 criteria in evaluating Germany's airports. Top ranking: Munich!

The quality of Munich Airport's operations was put to the ultimate test on June 2, 2006. During a period of 24 hours, there were 1,219 takeoffs and landings at the airport, making it the busiest day ever at Munich. The reason behind this all-time high was a mix of long-term trends (the development of Munich into a world-class hub), and of

seasonal changes (the beginning of summer vacation) and special events (the FIFA World Cup®).

The busiest day in Munich's 14-year history has put the airport on course to register yet another record-breaking year of passenger traffic in 2006. Last year, Munich served 28.5 million passengers, up 6% from 2004. The forecast for 2006: at least 30 million passengers.

Numerous though they are, these passengers account for only half of the shoppers patronizing the airport's more than 200 shops, restaurants and service facilities. The rest are comprised of the 24,000 employees working for the some 500 companies based in the airport, and are rounded out by residents from surrounding communities who like to take advantage of the large range of shopping options plus convenient shopping hours.

A single fact – 47% – shows how important these 'non-aviation activities' have become to Munich Airport. The percentage refers to the share of the airport authority's revenues generated by its stores.

## Major prize for the founder of attotechnologies

He works with Theodor Hänsch, who won 2005's Nobel prize for physics. And he's come up with innovations which, like those made by Hänsch, are revolutionizing the way we view the world. Following in the footsteps of Hänsch, he was recently awarded the Leibniz prize, the highest honor in German science.

Therefore, it's no wonder that Ferenc Krausz is being touted as Bavaria's next Nobel Prize laureate.

Born in 1962 in Hungary, Krausz has been a professor of experimental physics at Munich's Ludwig-Maximilians University

since 2004. He is also a director of the Garching-based Institute for Quantum Optics, which is headed by Hänsch.

Krausz's prize-winning breakthrough: a device using ultra-short laser pulses to track and manipulate atomic particles. The device has a resolution of several hundred attoseconds. An attosecond is a billionth of a billionth of a second.

Developed by Krausz himself, the phase-stabilized laser used in his device displays an unexcelled precision and uniformity of operation. These traits have made the laser an essential tool for cancer treatment and

Key figure

**26.1%** – That's how much the Bavarian economy grew over the last decade. The largest of any state in Germany, the rise boosted Bavaria's GDP to €32,400 per capita – also the highest in the country. The strength of the state's economy induced 426,000 people – also a country-wide best mark – to migrate to Bavaria from other states in Germany during 1994–2004.

material processing. The laser was awarded a major prize of its own: The association of the world's leading scientific journals named it one of the world's ten most important breakthroughs in 2002.

## Inside the state

### **Straubing: what's new in renewable fuels**

On May 31<sup>st</sup>, Campa Süd made a major decision. As one of the leading and one of the longest-established (founded in 1992) manufacturer of biodiesel in Germany, the Ochsenfurt, Bavaria-based company announced that it would build a facility turning out 250,000 tons a year of the fuel, which is widely regarded as being a very

good solution to the world's growing shortage of petroleum.

That news came on the heels of Compatec's announcement that it would quadruple the output of its mammoth wood pellet processing complex. Wood pellets are a locally available, environmentally-friendly and highly economic source of energy.

Campa Süd's new facility will be located in the same place as Compatec's existing one: Straubing's aptly-named BioEnergy Park. The 218 hectare-large park is also comprised of an incubation center, of a technical and start-up services complex (to be completed by the end of next year) and of fully-developed plots. Two of these have been taken up by Campa Süd and Compatec.

The companies' choice of Straubing reflects and augments the central Bavarian town's rise into one of the world's centers of renewable fuels. This development was initiated by the state government, which lead-managed the setting up of a Center of Renewable Resources in Straubing. The Center has become the node of the city's burgeoning bioenergy complex.

The state government's selection of Straubing was based on three factors: the success of a pilot project in the area, the city's

Danube-side harbor and the RRR (rail/road/river) freight processing facilities and companies located in it, and the rich agricultural land surrounding the city.

The harbor provides bioenergy companies with quick and inexpensive access to their customers. The land is the source of much of the raw materials processed at the BioEnergy Park, which is, conveniently enough, also located in the harbor.

Although the projects in Straubing are large, they are dwarfed in size by what's going on in the south-eastern Bavarian community of Tacherting. Forming part of Trostberg's chemical cluster, Tacherting is to be the venue of an Austrian-led €250 million biomass heat and power cogeneration plant, biodiesel and bioethanol production facility and a wood pellet manufacturing center.

The expertise in bioenergy amassed in Straubing, Tacherting and other Bavarian communities is finding international application, as the agreement concluded in December, 2005 between Bavaria and Quebec amply details.

To prevent global warming – or to palliate its effects – the agreement fosters the development and deployment of biofuels in both states and in other regions.



Bavaria in Europe

# Bavaria's automobile industry: performance from personnel and production technologies

The best personnel + the best production technologies = the best performance. This simple equation explains why Bavaria's automobile industry is flourishing while others are faltering.

In 2005, writing yet another chapter in its book of personal records, the industry had sales of €72 billion, up 1.2% over 2004's stellar result, which itself was 10% greater than that of 2003. Of 2005's sales, a new high of €44.3 billion – or 61% – were registered outside Germany.

For BMW and Audi, Bavaria's Big Two automobile manufacturers, it was yet another year of all-time highs including the number of cars sold (BMW: 1.3 million, up 10%, and Audi: 829,000, up 6%). And the future looks similar. BMW is forecasting to reach the 1.6 million mark by 2010.

In a total lack of coincidence, BMW, Audi and the rest of the state's automotive cluster have been investing heavily in personnel and facilities. In the first of a six-year, €10.8 billion program, Audi alone spent €1.7 billion on human and technical capital in 2005. As a spate of recently conferred awards details, this investment is paying off handsomely.

Reaping the benefits of a three-year, €14 million skills and equipment upgrading program, Audi's Ingolstadt-based machine tool division won one of Bavarian Quality Prizes in 2006, which are awarded each year to state companies achieving excellence in their fields of endeavor. The division, which received a similar honor in 2004, develops and manufactures the equipment producing and forming the chassis and related components going into the automobiles stemming from the company and from Volkswagen, its corporate parent.

Like BMW, MAN and other state automotive manufacturers, Audi doesn't do it all by itself in turning out its high-performance, highly regarded motor vehicles. Found in the manufacturers' factories are the robots produced by the Augsburg-based KUKA. One of the world's leaders in the field and a pioneer in the employment of software in attaining unexcelled precisions of automation, KUKA is one of the 1800 companies in the BAIKA (Bavarian Innovation and Cooperation Initiative for the Automotive Suppliers Industry) network providing automotive manufacturers with advanced production equipment. The latest from KUKA, itself the recipient of numerous prizes, is a joystick-

controlled robot handling ultra-delicate and often dangerous jobs – such as casting – previously undertaken by human beings.

Also members of BAIKA are 102 providers of development services and 58 research centers. Of the latter, four are located in Upper Franconia. Situated in the northernmost corner of Bavaria, the region is turning itself into a center of automotive engineering.

This development is being impelled by the region's trumps, which include the availability of skilled personnel, low operating costs and excellent transport links. The node of this development is Hof's 156 hectares-large Automotive Suppliers' Park. In addition to offering fully-developed plots, the Park is home to the Automotive Center Bavaria. Commissioned in 2005, the Center serves as a platform for the development and testing of technologies and components by companies and institutes.

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## A state of entrepreneurs

### Michael Käfer and his catering empire

The VIPs attending the 2006 World Cup matches and Formula 1 races. Partygoers at the Oktoberfest. The members of the German parliament. Visitors at the trade fair center, theaters and airport in Munich. They all have something in common with each other, and with Queen Elizabeth II, Michael Jackson and Mikhail Gorbachev.

They relished food provided by Feinkost Käfer, one of Europe's leading caterers and delicatessen retailers. Founded as a delicatessen in 1930, the Munich-based company has been run since 1992 by third generation scion Michael Käfer. Under his able tenure, the company has expanded into a €95 million-a-year business employing 800 people.

How large the business has become is indicated by a few telling facts. Its party service division alone caters some 2,000 events a year. These are attended by up to 10,000 people each. Much of the food served by Käfer is shipped from a 25,000 square meter-large facility located in an eastern

Munich suburb. The facility includes a retailing outlet. His Europe-spanning range of activities notwithstanding, Michael Käfer is often to be seen in Käfer-Schänke. Located in Munich's exclusive Bogenhausen district, the restaurant is the flagship of Käfer's catering empire.

## Inside technology

[www.key-technologies-in-bavaria.com](http://www.key-technologies-in-bavaria.com)

is your free-of-charge link to the best innovation and business partners around: the 8,500 companies, institutes, authorities and associations comprising Bavaria's world-class, 19 sector-strong technology

development community. Maintained in German and English and updated on a daily basis, the website's database is also available on CD-ROM.

## Pleasures to be pursued

### Cruising Bavaria's waterways

Europe's longest waterway is the Rhine-Main-Danube, which links the North and Black Seas and runs through Bavaria. Western Europe's largest body of water is the Lake of Constance. Bavaria has a chunk of its northeast corner.

As the waterway and the lake offer some of the most spectacular scenery in the world, it's no wonder that the cruise ships and ferries plying their waters are hits with the world's tourists. The same holds true for smaller, if no less beautiful expanses of water in Bavaria. Our recommendations:

#### The Danube

Ferries and cruise ships ply the river, with one main stretch being about 400 km between Ulm and Passau. This all-Bavarian route takes visitors through the stunningly beautiful Danube River Gap between Kehlheim and Regensburg. The Gap is 70 meters wide at its narrowest point, and is comprised of chalk crags towering 100 meters above the water.

#### The Lake of Constance

It has the dimensions of an inland sea (being 536 square kilometers large). It has one of the greatest backdrops in the world – the Alps rising in the south. And it is lined by some of the world's most beautiful and lovingly-preserved communities. Among them is the island town of Lindau. Ferries link this delightfully picturesque port with Bregenz, Konstanz and other lake-side destinations.

#### The Chiemsee

Large expanses of water, mountains rising to the south, charming towns – all of these also apply to Chiemsee. The lake has two other attractions – its two main islands – and these make it one of Europe's great tourist destinations.

The Herrenchiemsee island is home to the palace built by Bavaria's King



Passau

Ludwig II and to its sumptuously elegant royal grounds. The Frauenchiemsee is where Christianity took root in Germany. Today the island is a patchwork of Romanesque churches and structures, of gardens, and of restaurants serving the fish caught by local anglers. Jumping off point for a ferry-conveyed tour of Chiemsee and its islands is the community of Prien.

Other "don't miss" attractions: a day spent on the waters of Starnberger See and of Ammersee. The two lakes are located just to the south of Munich and are the epitomes of summertime la dolce vita. And don't miss the scenic view you can get on a boat trip on Lake Tegernsee, just an hour by car from Munich. Another 'must do' is a waterside tour the UNESCO-World Heritage city of Bamberg. Widely considered one of the most beautiful cities in the world, Bamberg has a Venice-like profusion of canals, rivers and ponds.

For further information: [www.bayern.by](http://www.bayern.by)

## Foundation stone

Now under development, the northern Munich suburb of Garching's € 250 million, 230,000 m<sup>2</sup>-large **Business Campus** has a great location: right next to that of Munich's University of Technology, which is the top-ranked institution of higher learning in Germany. The Campus is also on the superhighway linking downtown Munich with the city's airport.

For further information: [www.businesscampus.net](http://www.businesscampus.net)

## Our representative in ...

in Poland is **Lars Bosse**, who also holds the position of managing director of the Warsaw-based German-Polish Chamber of Industry and Commerce. Since earning a degree in Eastern Europe studies, Bosse has worked in both Poland and Germany in the field of facilitating east-west contacts. From 1998 – 2004, he was director of the international business department and of the Euro Info Center at Leipzig's chamber of commerce and industry

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## ... in Munich ...

### MATERIALICA

International Trade Fair for Material Applications, Surface Technology and Product Engineering  
October 10 – 12, 2006

### EXPO REAL

International Commercial Property Exposition  
October 23 – 25, 2006

### SYSTEMS 2006

IIT, Media, Communications  
October 23 – 27, 2006

## ... and Nuremberg

### ENKON

Trade Fair for decentralized Energy Technology, Business and Efficiency

### IKK

Int. Trade Fair for Refrigeration, Air Conditioning, Ventilation  
both October 18 – 20, 2006

Trade fairs ...



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