



BAVARIA IN THE NEWS

Bavaria sweeps rankings of top regions in Germany

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What's inside

Another year of record inward investment in Bavaria

Bavaria has done it again. As of December 15, 2006, the number of foreign high-techs in Bavaria came to 1267. Up 61 companies from the December 15, 2005 mark, the total represented a new record for Bavaria and for any other state in Germany.

The rise is attributable to several factors. After buying up many of the country's niche manufacturers and much of its commercial real estate, foreign investors are now snapping up Germany's providers of technical services – or extending their networks of affiliates. Thanks to the strengths of its Europe-best IT, aerospace, automotive and life sciences sectors, Bavaria is a center of such services. As such, it is a main recipient of this inflow of investment. The number of foreign-owned providers of high-tech services in Bavaria rose 26%, from 62 to 85, making it the fastest growing sector of investment.

The other fastest growers among the top ten were the life sciences (7.3%, 124 to 133), automotive (7.1% 98 to 105) and industrial technology (5%, 100 to 105) sectors. The largest sector remained ICT, which registered a 3.8% rise, going from 395 to 410, followed by the life sciences and electronics (up 3.7%, 108 to 112).

Fastest-growing major country of investment was Sweden. The number of Swedish-owned high-techs in Bavaria went from 33 to 43, a rise of 30%. Other fast-growers were Switzerland (up 18%, 61 to 70), Finland (up 18%, 24 to 28) and France (16%, 82 to 95).

Largest country of investment remained the USA. As of December 15, 2006, there were 580 American-owned high-techs in Bavaria, up 2% from the previous year's figure. Numbers two through four were Japan (99, unchanged), France and Austria (73, down 1%).

Munich and Nuremberg account for the lion's share of investment in Bavaria. Munich is home to 396 foreign high-techs, up 21 or 6% from 2005; Nuremberg to 64, up 6 or 10%. Factor in their metropolitan areas, and the two cities' dominance is even more pronounced. Greater Munich has 856 foreign high-techs – or two thirds of the statewide total. The corresponding figure for Greater Nuremberg: 100.

Foreign high-techs in Bavaria

(as of December 15th)

2006	1,267
2005	1,206
2004	1,162

The best year in history: tourists flock to Munich

8.5 million overnight stays (2005: 8.35 million; 2004: 7.7 million), five million privately-accommodated visitors, 87 million 'day-trippers' – 2006 was the best year ever for Munich's €6 billion-a-year tourism industry, long number one in Germany on the international level.

The year's main draws were such every-year mainstays as the Oktoberfest, the Opera Festival, the English Garden, the

museums and downtown pedestrian area, which is one of international shoppers' favorites.

What does 2007 have in store for Munich? More records, predicts tourism head Gabriele Weishäupl. The reasons for her optimism: 'Royal Munich' – the tagline for a lineup of blockbuster events to be held in 2007 in the city's palaces and their adjoining squares and gardens.

Other bound-to-be-hits include the opening of the Museum of Judaism in March. Like the strikingly beautiful synagogue and Jewish community center – both commissioned in November, 2006, and 'must sees' for residents and visitors – the museum is located on Jakobsplatz. The heart-of-downtown square fronts on Munich's municipal and film museums, and is a short walk away from the Schrammehalle, the city's recently rebuilt answer to Covent Garden.

Inside technology

Mapping Mars with a made-in-Bavaria balloon

Set to take place in 2013, the Archimedes mission will provide humankind with an ultra-detailed map of Mars – all of it. Building on the work of the vehicles roving the planet's surface and the satellites orbiting above it, the mapping will be done by a camera borne by a helium-filled balloon floating over the red planet's surface.

The balloon is the brainchild of Dr. Hannes Griebel from the department of space flight technologies at Munich's University of the Federal Armed Forces, long a leader in developing cutting-edge aerospace technologies. And such technologies are very

much needed to realize the project, which entails safely conveying the balloon and its protective sheathing to Mars, and to then inflating the balloon under zero-gravity conditions. The final and greatest challenge: creating a balloon skin and a camera robust enough to survive the ultra-high temperatures prevailing upon entry into Mars' atmosphere.

Another unusual thing about the mission: it is privately-funded. Coordinating and financing Archimedes is the Munich-based German Mars Society.

Inside the state

Cham: the champion county

Cham has been receiving awards nearly as fast as it has been creating jobs. Or at least it seems that way. Over the last few years, the eastern Bavarian county, whose 'capital' is the city of the same name, has been honored for its Germany-greatest potential, for its business-friendliness, for the excellence and innovativeness of its local administration and for its outreach to national and international-level investors.

During the last few years, the county has transformed itself from a business backwater with a serious unemployment problem into one of Europe's trendsetters in regional development. The transformation is the product of the pursuit of a three-pronged strategy, reports Klaus Schedlbauer, head of business development for the county.

As he reports, Cham has implementing policies parlaying what had been wide perceived to be a liability – the 39-community county borders on the Czech Republic – into a great asset. Today, availing themselves of a dedicated E-platform created for what is now a transnational region, companies on both sides of the border invest in and work with each other in a large variety of profitable ways.

How these policies were formulated is Cham's second major achievement. "We opened up our policy-making to our residents and companies. We get together to bounce ideas off on each other. We tell them about our plans. They tell us what they need. The result of this dialogue are projects which keep companies growing – and which enjoy the wholehearted support of local residents," says Schedlbauer.

The third 'prong': forging local companies and institutions into a cluster of 'mechatronic' (industrial engineering) develop-

Number one. That's how Munich county ranks among Germany's 435 regions, reports the late-autumn study compiled by the authoritative INSM market research organization. In compiling its study, INSM used no less than 47 individual indicators – including per capita and corporate income, employment, and makeup of local business community.

The country's number two region is also in greater Munich – the northern suburb of Freising. Number four (and highest ranking city) is the municipality of Munich itself. Completing Munich's near-sweep is the number five ranking of Dachau, Munich's north-western suburb.

All told, six of the top ten regions in the country are located in the Munich metropolitan area, and thus, correspondingly in Bavaria. The state's dominance is equally pronounced in the top 20 rankings: 14 of 20.

Key figure

ment. The companies in the cluster account for a large portion of job growth in the county. The size of this growth is shown by three simple statistics: during the first nine months of 2006, thanks to a 600 job-increase in the county's gainfully employed, the rate of unemployment in Cham declined 28% (the greatest increase in all of fast-growing Bavaria) – to below 5% by Germany's strict standards.

Cham's turnaround, points out Erwin Huber, Bavaria's minister of economic affairs, infrastructure, transport and technology, has impelled and is part of eastern Bavaria's rise to being a role model for Germany as a whole.

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Bavaria in Europe

Envirotech in Bavaria

Made in Bavaria and making the world cleaner and greener

The world is crying for ways to clean up its air, water and land, and to thus reduce disease and drought and to reverse environmental degradation.

Heading the call is the world's environmental technologies sector (envirotech for short), which is one of the largest and fastest growing areas of the world economy. Total envirotech revenues now come to €550 billion a year, states the EU Commission, which forecasts this figure to rise to €750 billion by 2010.

Comprised of 10,000 core companies, Germany's envirotech sector is one of the largest in the world. Of these companies, more than a fifth are headquartered in Bavaria. One of Bavaria's leading envirotech companies is Huber Technology. Run by Hans Huber, the family-owned company is from a small town (Berching, Bavaria) and has taken on a big, big problem.

Because their sewage isn't adequately treated, 40% of the world's population – 2.6 billion people – drink and live with contaminated water. High rates of disease, affliction and mortality are the result – along with drought.

This number and these rates are going to decline over the next few years, thanks to Huber's membrane-based sewage treatment systems. These systems are easy to set up and operate, and are run on a stand-alone basis, obviating the need to build 'on-line' water treatment facilities (which are also one of Huber's main lines of products). As Huber's sales figures – a surging €89 million in 2005 – show, these features have not gone unnoticed by sewage treatment authorities.

Nor by environmental organizations. Among them: Germany's Federal Foundation for the Environment, which conferred in November, 2006 its €500,000 Environmental Prize (Europe's largest and most important) upon Huber.

Huber received another honor in 2006. He was named spokesperson for Bavaria's environmental cluster, which was officially called into being in October. The cluster's main responsibility is to foster the forging

of working relationships among its member companies, many of which are SMEs (small and medium-sized enterprises) and institutes.

A typical member of the cluster is Erdwich. From the southwestern Bavarian town of Kaufering, the family-owned company is the world's leading manufacturer of machines shredding and recycling refrigerators, solar cells, metal wastes and other difficult-to-process devices and materials. A main customer: South Korea's Samsung.

One of the state's envirotech institutes is the Bavarian Institute of Applied Environmental Research and Technology. It forms the node of Augsburg's powerful and extensive envirotech community, which is also comprised of a dedicated incubation center, the two local universities, 11 core companies and of the main office of the cluster's operating organization.

Additionally there is BAIKUM – the Bavarian Innovation and Cooperation Initiative for Environmental Technology – an open network for small and medium-sized enterprises in Bavaria. BAIKUM supports eco-companies in order to strengthen their innovation ability and their international competitiveness.

BAIKUM also provides potential business partners from abroad with information

about technologies and contacts to industry and science in Bavaria. The catalogue of companies and institutes on the website www.baikum.de gives users a detailed overview of Bavarians environmental excellence in technology and application.

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Our representative in ...

Dubai is Dr. Jürgen Friedrich. Born in 1958, Friedrich received his Ph. D. in 1988. His distinguished career included stints in academia and at Germany's economics ministry. In 1999 and 2000, he headed the office of Germany's business community in Washington, which he left to assume his present position as CEO of the community's office for UAE, Oman and Qatar. Friedrich recently also took on the responsibility of representing the state of Bavaria in the region.

A state of entrepreneurs

**Winfried Herrmann: the most modern,
successful and unusual builder of yachts**

That Winfried Herrmann became one of the world's leading manufacturers of sailboats is one of the most unusual stories around. Herrmann started out in 1978 knowing nothing about producing sailboats. Unlike the rest of the world's manufacturers, Herrmann's shipyard isn't located on a sea-coast – but rather in an airport canteen situated in Giebelstadt, a town located in the hills of Lower Franconia.

Thanks to his years of successfully producing plastic-frame windows, Herrmann did

know, however, a lot about state-of-technology and lean methods of production, and he has deployed these over the last three decades to turn his Bavaria Yachtbau GmbH into the most cost-efficient and quality-reliable manufacturer around. In 2006, the company sold 2850 sail and 700 motor-powered yachts. Total turnover: more than €270 million. Forecast for 2007: a rise of at least of 15%.

For further information:
www.bavaria-yachtbau.de

A state of pleasures

Traveling to Bavaria's unspoiled nature

In 2006, some 840 million tourists traveled abroad, reports the World Tourism Organization in its latest report. By 2010, this figure is expected to rise to over one billion.

According to the WTO, the biggest pulls were beaches, ski slopes, historic communities, museums, shopping and "unspoiled niches". The fastest-growing of all categories, the latter includes everything from the Great Barrier Reef to the Himalayas and the Amazonian rain forest.

With some of Europe's most famous patches of unspoiled nature, Bavaria, long the leading draw in Germany, stands to greatly benefit from the travel-to-nature trend.

These patches are preserved in no less than 584 nature conservation areas, of which two are national parks.

Alone in the Alps

The Alps are the world's favorite playground. Every year, some 500 million skiers, hikers, rafters and canoeists ski down or climb up the Alps, or make their ways down the rivers lining the valleys separating the ranges.

This influx helps local economies – and harms the flora and fauna. To provide a sanctuary for the Alpine's embattled nature, the Berchtesgaden National Park was created in 1978. The park is located in the southeastern corner of Bavaria in 1978. Comprised in its 210 square kilometers is the storied Watzmann, Germany's fifth highest mountain, and the Königssee, the majestic, mysterious lake lying at its base.

More than three quarters of the national park is reserved exclusively for nature. This hauntingly beautiful assemblage of snowy peaks. Down their flanks run **Germany's highest water falls**. The falls flow



The lynx has come back to the Bavarian Forest

into pristine lakes. Especially numerous in the upland meadows and forests are chamois, eagles and other rare and endangered species. To provide nature lovers with ample – if carefully controlled and monitored – access to these sights, a 230 kilometer-long grid of trails has been laid down.

The remaining one-quarter of the park is reserved for the tradition-honed farming and husbandry which has given the Alps its highly distinctive and well-loved 'look and feel'.

The forest primeval

Give nature the time and the place to do its awesome thing: that was the idea impelling the founding of the Bavarian Forest National Park, the oldest (1970) and largest (240 square kilometers) land-based one in Germany. Located on the eastern Bavarian side of the border separating Germany and the Czech Republic (which has set up the Sumava national park on its side), this sweep of woods-clad mountains offers spectacular glimpses of nature at work rejuvenating itself. Now once more at home in the forest: self-regulating forests and such 'returnees' as the lynx.

Other 'don't miss' sights for nature tourists in Bavaria: the Alpine Partnach, Höllental and Leutasch **gorges** (each with its each breathtaking walkway), the birds-filled belt of **wetlands and moors** lying between southern Bavaria's 'Lake Country' and the Alpine foothills, the **bayous and marshes** lining stretches of the Inn, Danube, Altmühl and other rivers in the state.

For further information:
www.bayern.by

Foundation stone

On November 7, 2006, the ground was broken for **Galileo's ground control center (GCC)**. To coordinate the operations of the 30 satellites in the €4 billion Galileo grid (set to offer advanced, Europe-style GPS services starting in 2011), the ground control center will be located in Oberpfaffenhofen, home to Germany's Space Operations Center and seven other DLR (German Aerospace Agency) institutes.

... in Munich ...

BAUMA + Mining

The world's largest trade for construction and mining equipment and vehicles
April 23 – 29, 2007

TRANSPORT LOGISTIC 2007

Logistics and other transport-related services and technologies
June 12 – 15, 2007

For further information:
www.messe-muenchen.de

... and Nuremberg

Two blockbuster trade fairs – both at one place (Nuremberg) and at one time – March 27 – 29, 2007:

Powtech

Processing and analytic technologies

TechnoPharm

Processing technologies for the life sciences sector

Partec

International congress on particle technology
March 7 – 29, 2007

For further information:
www.nuernbergmesse.de

Trade fairs ...



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