



BAVARIA IN THE NEWS

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Germany's growth leader steps on the gas

Bavaria's GDP grew at a 3.5% rate in the first half of 2007. That was the state's largest jump since 2000 – and was a full six tenths of a percentage point greater than the Germany-wide average. One main engine of Bavaria's growth: its manufacturing sector, whose turnover rose a surging 8% on a year-to-year basis (see Big Story on page three).

The six-months figures set forth one of Germany's most enduring trends: of Bavaria's topping the tables of long-term growth among the country's 16 states. Over the last decade, Bavaria has outgrown perennial runner-up Baden-Württemberg by some eight percentage points. Bavaria's rate of growth, in fact, has been double that of Germany as a whole.

From Bavaria: food and fuel for the world

Great news for Bavaria's farmers. The world can't get enough of their homegrown food, fuels and wood. Thanks to this red-hot demand, Bavaria and the rest of Germany are going to smash all their agricultural export records.

cultural power in Germany. The state accounts for one sixth of the country's total agricultural output.

Germany's exports of agricultural products came to more than €45 billion in 2007 – by far an all-time record for the country, and up a surging 14.5% over 2006, states CMA, the country's agricultural marketing association.

Many of the state's products are among the best-known, loved and selling in the world, including beer and dairy products. Other best-sellers are recent creations of the state's puissant technology sector. Case-in-point: bio-fuels.

Bavaria is the largest among Germany's 16 states, and is largely rural. It is thus not surprising that Bavaria is the leading agri-

In 2006, boosted by such innovations, Bavaria exported agricultural products worth 5.19 billion, up a strong 11% from 2005. Following the countrywide trend, this figure is expected to amount to some €6 billion in 2007.

Gerhard Ertl wins 2007 Nobel Prize for chemistry

The awarding of the Prize to Ertl on October 10th, his 71st birthday, got the champagne corks popping at Munich's Technical University (TU) and Ludwig Maximilians University (LMU). It was at these institutions of higher education that Ertl made the breakthroughs that led to his winning the award.

In 1965, Ertl received his doctorate in chemistry from the TU for his development of what has become known as the "chemistry

of surfaces" – the study of how chemical reactions take place on surfaces.

Further explored during Ertl's subsequent tenures as a lecturer at the TU (1965–1968) and as head of the physical chemistry department at LMU (1973–1986), his studies led to both a better understanding of natural phenomena (such as the rusting of iron and the working of the atmosphere's ozone layer) and to creation of a wide

range of innovations. These include fuel cells, catalytic converters and other staples of renewal energy and environmental protection.

Ertl's award comes just two years after Theodor Hänsch's having received the 2005 Nobel Prize for Physics. Other Bavaria-based scientists having won the Nobel Prize for Chemistry include Hartmut Michel, Robert Huber and Ernst Otto Fischer.

New from Bavaria

High-tech, all-fun DIY restaurants

"Faster than fast food, as much fun as an amusement park, as high-tech as a state-of-the-art factory!"

"The world's first fully automated restaurant."

"No more rude waiters, no more waiting."

That's how 's **Baggers**[®] has been described in the world's press. Located in Nuremberg, the restaurant has come up with a system that represents the most fundamental revolution in dining since the invention of the carhop.

Patrons at the restaurant use a table-side touchscreen to place their orders. Contained in "hotpots", their food then slowly slides its way down spiral tracks linking the tables with the kitchen some five meters above. In a change from fast food restaurants, there's no need to wait for service personnel to take and deliver orders.

Invented by Michael Mack, a successful foundry entrepreneur and the restaurant's owner, the system uses smart cards to track payment, which is made upon leaving the restaurant.

People – and especially kids – love the DIY (do it yourself) concept. The enthusiasm is so high, in fact, that many come simply to watch the hotpots in motion on their track. This enthusiasm has induced restaurateurs in countries as far away as South Korea and New Zealand to apply for franchises.

For further information:
www.sbaggers.de

mehr:wert: the masters of multimedial interaction and interfaces

Even for the most hardened of high-techers, this feels like magic. You face a large burnished metal square frame and start moving your arms inside it. By doing so, you design products, order services, or enter of worlds of discovery – all rendered in sophisticated multimedial environments.

The "magic" stems from a melding of contact-less infrared beams, of state-of-technology motion tracking and capturing systems, and of image and information processing and provision networks. The company putting all these together – mehr:wert – is headquartered in Munich and was founded in 2003.

"Actually, our greatest expertise is what we call 'mediatecture', the working of media and architecture into user-delighting appliances and assemblies, and then equipping them with easy and fun-to-use interfaces," states Martin Schäffler, mehr:wert CEO.

He adds: "This delight is tapped by companies such as Intel, Siemens and Caterpillar to get customers interested in their products – and to assist them in the configuring and using of them. Our mediatecture also represents, if I may say so, a delightful way to liven up company presentations and other in-house events!"

Schäffler's assessment of his company's products and services is shared by no other than the jury at this year's Corporate Media awards. Meeting in Bonn, the jury conferred three "masters of excellence" upon mehr:wert productions.

That was the first time in the award's 25-year history that a company was a three-time winner.

mehr:wert, in fact, actually won a fourth award – for extraordinary lifetime achievement. Recipient: Martin Schäffler.

For further information:
www.mehrwert.cc



Bavaria in Europe

Inside technology

Bavaria's big breakthrough: lighting up the life of cells

Over the last few decades, Bavaria's life sciences sector has come up with a number of big breakthroughs.

Developed by a prize-winning team led by Dr. Ulrich Rothbauer and Professor Heinrich Leonhardt, chromobodies may well be the biggest of all. These fluorescent antibodies are small (nano-scale) and relatively reaction-inert. That makes them capable – in a first – of making their way through living cells – and of casting green light while doing so.

This gives pharmaceutical researchers an incredibly powerful tool. They can now actually watch antibodies go about their jobs of identifying and, if necessary, defeating intracellular substances.

The chromobodies are expected to cause a new precision, efficiency and speed in the testing and biotechnical production of medications

It took an act of sheer technology wizardry by Rothbauer and Leonhardt, both researchers at the Biosciences Center of Munich's Ludwig Maximilians University, to produce the chromobodies. The researchers took snippets of antibodies produced by camels and alpacas and "welded" them to fluorescing proteins.

Locating in and rerelocating to Bavaria

They're all turning or returning to manufacture and develop in Bavaria

A wave of investment is sweeping over Bavaria's manufacturing sector, in such metropolises as Munich, Nuremberg and Augsburg, and in such small cities and towns as Hof, Meitingen, Tirschenreuth.

Stemming from international companies locating in the state and from Bavarian companies rerelocating production operations to their home areas, the wave is helping Bavaria's economy to chalk up some very impressive figures. These include 3.5% GDP growth as of mid-year. The number of gainfully-employed in the state is set to break the record mark of 4.5 million by mid-fall.

Going hand-in-hand with a corresponding fall in unemployment (to a seven-year low of 4.8%), this rise has been powered by a net increase of nearly 160,000 in the state's work force over the past two years. Many of these jobs – more than 34,000 during the last year alone – have been created by Bavaria's white-hot manufacturing sector.

A hard act to beat. In 2006, setting forth a string of stellar performances, the state's manufacturers registered 7% and 11% rises in turnover and exports. An act which is being beaten. On a year-to-year basis, the sector's turnover and exports were up 8% and 11% as of July 2007, with output and new orders ranging even higher. Some areas of the sector – including, notably, industrial facilities and equipment – are growing at rates not seen since the late '60s.

A state of entrepreneurs

Claus Hipp: the prophet of purity and profits

Within a twelve-month period in late 2005 and early 2006, Claus Hipp received two of Germany's major prizes. The first was conferred for his lifetime achievements as an entrepreneur, the second for his contributions to environmental protection.

Both prizes were well-deserved and interlinked. During his forty years at the helm of his family's firm, headquartered in the central Bavarian town of Pfaffenhofen, Hipp

To see how the wave of investment is producing these increases in output and jobs, you have to go to Hof. In 2005, the northern Bavarian city commissioned its Automotive Supply Park. Since then, the Park has been the object of more than 100 million in investment by such international manufacturers as France's Nexans, one of the world's leading automobile suppliers.

The question arises: with literally the whole world to choose from, including putatively low-cost, high yield countries in eastern Europe and Asia, why are international manufacturers locating their new factories in Bavaria?

One good answer is "wages". Over the last three years, reports Germany's Statistics Office, wages in the country (based on output) have actually declined. This is in sharp contrast to countries in the east, in which wages have been routinely shooting up at double digit annual rates. These rises, in turn, have joined with infrastructure, logistics and quality assurance-necessitated expenditure in erasing any differentials in operating costs which may have existed between Germany and the east.

By way of example: infrastructure. Germany's power supply grid is among the most extensive, reliable and capacious in the world. Different story in some countries in the east, in which manufacturers not willing to put up with endemic blackouts (and with the resultant interruptions in operations and deficiencies in output qual-

ity) are often forced to build their own power plants. Other items in strong and reliable supply in Bavaria: water, a healthy environment, quick official approvals, high-capacity transport links and technological innovations.

The wish to tap this flow of innovations, produced by the state's nonpareil technology creation and transfer networks, has led a long string of international producers to set up R&D centers in the state.

The latest of these: SGL Carbon's facility in the western Bavarian town of Meitingen. Commissioned in October, the center is to develop the advanced carbon fibers incorporated into such state-of-technology aircraft as Boeing's Dreamliner. Soon to follow is the major life sciences R&D center now being built by Japan's Olympus in Munich.

Key figures

Number one. Bavaria has 170 golf courses. That's more than any other state in Germany. The newest course in the state signals a revolution in the game, which was previously largely the province of the well heeled. On August 24, 2007, Germany's first public-access, municipally-owned golf course was commissioned. Its location is the eastern Bavaria spa of Bad Birnbach.

Eight of the 30 companies comprised in the Dax, Germany's Dow Jones, are headquartered in Munich. That's more than any other city in the country.

has turned it one of Europe's largest producers of baby food.

One secret of his success: he further developed his father's policy of exclusively using pure products – those grown without the employment of pesticides or non-natural fertilizers, and those not having any additives of any kind. To assure his company of having a supply adequate to meet its sustained growth, Hipp helped foster the

"organic" revolution now gripping German agriculture.

Another secret of Hipp's success: his insistence on minimizing costs by instituting strict environmental management systems. These have reduced his company's consumption of energy and resources. Those employed are largely regenerative in nature.

Small wonders:

Bavaria's prettiest villages

It's Regensburg. No, it's Bamberg. Wrong, it's of course Wasserburg am Inn. Or Passau. Or Rothenburg ob der Tauber.

Trying to pick the prettiest of Bavaria's pretty cities is difficult. There are so many of them, and each has its own charm.

The only thing that's harder is picking Bavaria's prettiest village. There are literally thousands of them, each embedded in an enchantingly beautiful countryside, each with its own time-crafted village square and the half-timbered and red-bricked local inns, homes and farm buildings surrounding it.

The job becomes excruciatingly difficult in summer, when the buildings' owners compete to see who can adorn their structures with the most glorious Blumenpracht (profusions of flowers).

Convened by Germany's federal government, one brave panel has undertaken this task for each of the last 22 years. The panel's job is to pick the villages which have been most successful in prettifying and upgrading themselves. The scope of this competition is impressive: all of Germany.

Among the gold medal winners of this year's competition are Bernried (located on the west banks of southern Bavaria's idyllic Lake Starnberg and also home to the Buchheim Museum of Fantasy) and Schönau (in eastern Bavaria). The competition also awarded bronze medals to Schönbrunn (in northern Bavaria) and Markt Nordheim (in central Franconia).

A good way to discover your personal "gold-medal" winners is to take to the hiking and cycling paths crisscrossing Bavaria. The season for such voyages of village discovery starts on May 1st, when the villages join to put up their tall and



Schönau

heavy Maibäume (maypoles), and ends in mid-autumn with the staging wine and other harvest festivals.

Useful listings of routes and festivals are to be found at Bavaria's tourism portal www.bayern.by.

Foundation stone

The development of western Munich's huge (350 hectares) **Freiham development** has moved into its main phase, with the commissioning of the first of its hyper-markets. When completed, the development will be home to companies employing 7,500 staff members, to a technology center, and to 20,000 residents.

Person to watch

The American **Melody Harris-Jenbach** is the Herzogenaurach-headquartered Puma's new head of product development and design. In hiring an international executive, the manufacturer of sports shoes and sportswear is setting forth a trend sweeping Bavarian business. Peter Löscher, Siemens new CEO, is an Austrian who spent much of his career working in Germany, Japan, the UK and the USA.

Our representative in ...

United Arab Emirates is **Dr. Dalia Abu Samra-Rohte**. Holding a Ph.D. in political science from the Free University of Berlin, Dr. Abu Samra-Rohte began her career at the American University in Cairo. Subsequent stints as a market analyst and consultant took her to Brussels, Bonn and Essen. After occupying a senior position at the German-Arab Chamber of Commerce and Industry in Cairo from 2001–2004, Dr. Abu Samra-Rohte assumed the directorship of the Abu Dhabi office of the German Chamber of Industry and Commerce for the UAE. In September, 2007, she took on the further position of representing the state of Bavaria.

... in Munich ...

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Trade fairs ...



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