

HANDELSBLATT

REPORT: GERMAN AMERICA

Why the US city of Charlotte has become a headquarters of the German economy

Whether BASF, Daimler or Deutsche Post: 213 German companies have a subsidiary in Charlotte. What attracts them to this small town in America?

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Charlotte at night

The city lies between the expensive northeast coast with New York, Boston and Washington DC as well as the hot southeast coast with Miami.

(Photo: Unsplash)

Charlotte. It's a house like so many in this upscale residential area of Charlotte. It is one and a half stories high, built of bright natural stones, the blue front door is decorated with a wreath of autumnal flowers. And yet every guest on this

Monday night knows that he is most welcome here. In the flower pots to the right and left of the entrance stairs are a German and an American flag.

It is the home of Klaus Becker and his wife Concha. He has been the honorary consul of [Germany](#) in Charlotte for seven years . An office that he fills with physical strength and warmth of heart. Just as he once made his money trading in steel, so the 66-year-old looks after [the transatlantic relationship](#) with similar energy . He has been living in Charlotte for 40 years. With his "The N.C. Zeitgeist Foundation," Becker is something like the father of a German-American economic dream in North Carolina.

On this Monday evening a few weeks ago, Becker is back in his element. The reception in his home honors the Minister of Economics of Rhineland-Palatinate, Volker Wissing, who is visiting with a business delegation. With a wide smile, open arms, and such a stylish blue double-breasted suit with gray pinstripes and red handkerchief, he greets his guests: "A warm welcome to my home!"

More than 50 of them pass his German and American flags. They populate dining, living and fireplace rooms, eat roast beef, pasta and brownies and drink Rhineland-Palatinate wine. German and English are spoken. And it's all about business, business, business - and of course the German-ancestry US President Donald Trump.

Charlotte, this 850,000-inhabitant city, whose name many of those present did not know until recently, is one of the fastest-growing business locations in the [US](#) . The list of German companies that have an office here is long. It contains the "who's who" of the German economy. [Half the DAX and MDAX are represented](#) - including [Bayer](#) , [BASF](#) , German Post Office, German National Railway, and [Lufthansa](#) , [Daimler](#) , [Hochtief](#) , [Lanxess](#) , [Siemens](#) , [Thyssen-Krupp](#) . 90 miles away, in Spartanburg, there is the carmaker [BMW](#) and its 11,000-employee plant for the X model production. In addition there are significant, unlisted companies such as [Bosch](#) , [Schaeffler](#) and [ZF](#) as well as many smaller companies.

The business location of Charlotte is a refreshing haven of comfortable normality in a generally crazy period of German-American relations. Punitive tariffs and a trade war dominate the political debates between the two countries. Again and again, the controversial postings of the US President on the social media platform [Twitter](#) cause upset not only in diplomatic circles. These are not really good conditions for business and investment.

The noise is not felt in the city of Charlotte. Here tradition prevails, including German. Founded in 1768, the city and the surrounding region, Mecklenburg County, are named after Queen Charlotte of Mecklenburg-Strelitz, the German wife of the English King George III. And the city and region owe their rise primarily to German companies and managers. And there are more and more of them.

According to *Handelsblatt*, several German companies from the food industry, mechanical engineering, and the automotive industry are ready to move. They are hesitating only because of uncertain US economic policy, waiting for better times. Also Charlotte attracts German firms from other areas within the US. For example, the packaging specialist Pester from Wolfertschwenden in the Allgäu has moved its US branch from New Jersey to Charlotte.

What makes the "Queen City" - as it is also called - so appealing, especially for German enterprises and top managers?

It is the business friendly climate. The corporate tax rate is only 2.5 percent, which is the lowest rate of all US states with a corporate tax. The working-age population is well educated. Almost half have a bachelor or higher degree.

There are 15 research universities in the city and region, including the renowned Duke University. With its location on the East Coast, Charlotte is also relatively cheap for German companies. The time difference is only six hours instead of nine hours on the West Coast. There are daily direct connections to Frankfurt and Munich.

On location in Charlotte

213 German companies

102 new residents arrive every day

Around 2.5 million people live in the region around Charlotte, and every day 102 new people are added. According to the referral portal Yelp, Charlotte is the city in the US that offers the greatest economic opportunities. Since 2001, 200,000 new jobs have been created. The cost of living is below the national average. The income tax is five percent. There are an average of 226 sunny days a year, and Charlotte is outside earthquake and hurricane zones.

The location between the expensive Northeast coast with New York, Boston and Washington DC and the humid Southeast with Miami is so attractive that it survives even structural crises. The textile machinery manufacturer Trützschler from Mönchengladbach, for example, came to Charlotte 50 years ago.

At that time, the region was established as the center of the American textile industry for this family business. For 30 years, Trützschler prospered accordingly with the industry. However, following the accession of China to the [WTO](#) in 2001, the textile industry in the southeastern United States collapsed, with some exceptions. Trützschler was also worried.

The family business, however, held on to the site in North Carolina. New business sectors fields were researched and developed. Today, "American Trützschler" manufactures machinery and systems control equipment and is heavily involved in service. "It would have been the simplest solution to close the plant in the mid-2000s. However, the family and the management have decided to stay. Our staff here are very well trained and loyal. We did not want to give them up and access to the market," explains Stefan Engel, head of American Trützschler.

Another example of local German entrepreneurship is [BASF](#). The chemical company has been in Charlotte since 1985. The city is now the headquarters of the BASF division "Dispersions und Resins". Innovations such as the reflective roof coating "Instant Set" and the binder Acrodur for lightweight components made of natural, glass and synthetic fibers were created here. The location with around 300 employees will therefore be further expanded. "Charlotte excels for our business because of its proximity to industry and our sales markets," explains Denise Hartmann, Managing Director of the division. Also Charlotte is important "in the acquisition of new talent."

The availability of well-educated employees is the main reason for many companies to settle in Charlotte because of their geographical location. And in the field of education, the city has much to offer. It is no longer just the public and private universities that provide the region with graduates.

With the new technical institute of the Central Piedmont Community College (CPCC), newly set up this year, new standards are set. It is based on the German dual training system, works very closely with the established companies and offers its approximately 1000 students training workshops with machines from Festo, [Siemens](#) and Oerlikon.

There is also a lot going on in applied cutting-edge research. For example, the Center for Experimental Software Engineering (CESE) of the US division of the Fraunhofer-Gesellschaft has recently entered into an alliance with universities and the [Ministry](#) of [Economic Affairs](#) of South Carolina. Together, applications for digital transformation will be developed.

"Especially smaller and medium-sized companies, such as those we find in North and South Carolina and also in many rural regions in Germany, will benefit," explains Dieter Rombach, co-initiator of the new alliance and former founder and long-time director of the Fraunhofer Institute for Experimental Software Development (IESE) in Kaiserslautern. The focus is on cybersecurity, healthcare and Industry 4.0.

New self-confidence

And it's not just the Germans who make Charlotte flourish. The city, once dominated by agriculture and later by the processing of cotton and wood, today has a broadly diversified economy. Charlotte is the second largest financial center in the US after New York.

The [Bank of America](#) has its headquarters here and [Wells Fargo](#), since the takeover of the once founded here Bank Wachovia in 2008, its second headquarters. Last year, the city leaders also managed to lure the technology

company [Honeywell](#) from New Jersey to Charlotte. This top 100 company now has its new 23-story headquarters for 750 employees, led by Torsten Pilz - how could it be otherwise - a German.

With economic development, the self-confidence of the inhabitants has grown. Today, the city calls itself the center of the "New South" as reflected in the "Levine Museum of the New South." However, the rapid development of recent years also shows the first negative side effects.

The city of Charlotte, known as "Uptown" due to its elevated position, is characterized by skyscrapers. There are hardly any parks here. Only a historic cemetery offers green space of any real size. A citizens' petition has therefore now argued for tax increases, so that money can be invested in parks and art.

In Charlotte, there is no German Town, no kind of German enclave as an industrial or residential area. Most Germans like Klaus Becker live in the upscale residential areas around Charlotte. But there is a German school, a German church, several German clubs and associations such as the Alemannia Society.

There is also - how could it be otherwise - with the "Olde Mecklenburg Brewery" a brewery that produces Pils, Alt and wheat beer. A meeting point is the Restaurant Waldhorn, run by the German family Maier. There one finds Schnitzel, Black Forest cake and twelve different draft beers and 27 other bottled beers.

And it's not just private life that is often done German-style. This is also possible in business. Large parts of the infrastructure enable business to be done without a dictionary. For example, the tax consulting and auditing firm Rödl & Partner from Nuremberg has been present for 17 years. In the meantime, the office of mid-sized consulting in Charlotte has a staff of 28 employees.

Eight employees speak German. "We are a medium-sized company with 4,900 employees worldwide, know the German and American tax system and speak German," says Oliver Hecking, Partner of Rödl & Partner in Charlotte. And also popular with corporations is the competitive firm KPMG popular, with Kristin Zettlemoyer as a German partner contact person.

"In Charlotte you can no longer complain in German on the street, at least not on the assumption that nobody understands you," says Bernd Losskarn and laughs. "German is now widespread here." The logistics entrepreneur and native of Frankfurt (who this evening at Klaus Becker's wears a shirt made of rugged white fabric with brown staghorn buttons and green oak leaves embroidery) came 25 years ago from California to Charlotte. He appreciates Charlotte because of its favorable location. Meanwhile, his company CVI has 80 employees. And so he states with a glass of Rhineland-Palatinate wine in his hand: "I enjoy living and working here immensely."

And Klaus Becker? He not only ensures that business gets done. With his foundation he constantly brings top-class speakers to Charlotte. In 2018, CDU chair Annegret Kramp-Karrenbauer, in 2017 the chairman of the "Atlantic Bridge" Friedrich Merz and in 2015 the [then Minister of Economic Affairs Karl-Theodor zu Guttenberg](#) . Becker also organizes a kind of art exhibition every two years. And Becker has, just as it is customary in "his" city Charlotte, a weakness for sport.

So he managed to get both Bayern Munich [and Borussia Dortmund](#) for friendly matches at the [Bank of America](#) Stadium. Two years ago, Bayern came and played against Inter Milan, the Black and Yellow won in 2018 against Liverpool.

"Klaus Becker is an enthusiastic person who can easily inspire others," says Volker Wissing, the FDP Economic Minister on a delegation trip. And Dieter Rombach from the Fraunhofer-Gesellschaft, who lived for many years in the USA and researched at NASA, praises: "Klaus Becker enjoys great respect and great trust - on both German and American sides."

In short: Becker is a gifted networker and promoter, almost a persuasion artist. One who has known him for a long time even calls him a "hyperactive social entrepreneur". The manager Bernhard Deutsch gets an impression of his kind on this Monday evening. He originally came to Charlotte with Siemens. He now works in a senior position for the American technology corporation Corning, which has just built its new headquarters for the fiber optics division in Charlotte.

The native of Trier is a guest at the Becker reception. The two got to know each other personally for the first time. When saying goodbye to Deutsch, Becker remarks that he would like to have him with him at his next entrepreneur's lunch. Becker speaks firmly to the two-meter Deutsch, who towers over his head: "You must come!" Deutsch hesitates, does not know if he finds the time. Becker hugs him and says, "I think you have already agreed. I'm looking forward to seeing you! "