Munich -
The Business Location
1. Facts and Figures
City of Munich –
A leading business location

Gross domestic product
€94,3 billion

Workforce
1,027,000

Purchasing power
€30,800 per inhabitant

Companies
94,600
How Munich compares with other cities

1st place

Study: Städteranking 2015, IW Consult and WirtschaftsWoche (12/15)
Sample: 69 German cities
Criteria: labor market, economic structure, real estate market, quality of living

7th place

Study: Regional Economic Growth Index E-REGI (09/15), LaSalle Investment Management
Sample: 294 European metro regions
Criteria: Economic growth, wealth, business operating environment

4th place

Study: Quality of Living Ranking 2015 Mercer (02/15)
Sample: 223 cities worldwide
Criteria: quality of living

5th place

Study: European Cities and Regions of the Future 2016/17, fDi Magazine
Sample: 481 European cities and regions
Criteria: economic potential, human capital and lifestyle, business friendliness, FDI strategy
## Lowest unemployment rate of all major German cities

Unemployment rates in major German cities (employment agency districts, annual average)

<table>
<thead>
<tr>
<th>City</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munich</td>
<td>4.6%</td>
</tr>
<tr>
<td>Stuttgart</td>
<td>4.7%</td>
</tr>
<tr>
<td>Frankfort</td>
<td>6.8%</td>
</tr>
<tr>
<td>Hamburg</td>
<td>7.4%</td>
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<tr>
<td>Dusseldorf</td>
<td>8.5%</td>
</tr>
<tr>
<td>Cologne</td>
<td>9.4%</td>
</tr>
<tr>
<td>Berlin</td>
<td>10.6%</td>
</tr>
</tbody>
</table>
Best employment perspectives

Employees: expected growth until 2030

1,027,000 to 1,208,000  +17.5 %

Employees paying compulsory social security contributions: expected growth until 2030

776,000 to 890,000  +14.6 %
Highest purchasing power in comparison to major German cities

Purchasing power per inhabitant

Munich: €30,800
Francfort: €24,700
Bavaria: €24,300
Hamburg: €24,300
Stuttgart: €23,800
Cologne: €23,300
Germany: €22,400
Berlin: €20,200
Financial power of the city: investment and taxes

Important fields of investment:

- Schools, daycare centers: € 302 m
- Housing: € 151 m
- Road Construction: € 104 m
- Social aids: € 112 m

Most important taxes:

- Trade tax: € 2.4 bn
- Income tax: € 1.09 bn
- Land tax: € 320 m
Quality of living, culture and sport

Mercer Quality of Living Survey 2015:
4th place of 223 cities worldwide

- World renowned orchestras, operas, theaters and museums
- Municipal sporting facilities, proximity to the alps and numerous lakes
- Lowest crime rate of the major German cities
- 14.1 million overnight stays in 2015
Munich – A cosmopolitan city

- 41% of all Munich residents share a migration background
- 26% are foreign nationals
- People from more than 180 countries live in Munich

Bar chart showing the top countries by population in Munich:
- Turkey: 39,400
- Italy: 26,000
- Austria: 22,000
- France: 10,000
- USA: 6,700
- UK: 6,000
- China: 6,000
- Japan: 3,100
Munich – A cosmopolitan city
International facilities in Munich

More than 100 consular representations
More than 90 international business communities
More than 400 international culture and leisure clubs
16 international schools
More than 70 bilingual childcare facilities
International expat services
## Munich Metropolitan Region (EMM)

<table>
<thead>
<tr>
<th>Metric</th>
<th>EMM</th>
<th>As share of Bavaria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>5.9 m</td>
<td>46%</td>
</tr>
<tr>
<td>Surface area</td>
<td>25,500 km²</td>
<td>36%</td>
</tr>
<tr>
<td>GDP</td>
<td>€271 bn</td>
<td>54%</td>
</tr>
<tr>
<td>Employees who pay compulsory social insurance</td>
<td>2.42 m</td>
<td>48%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>3.6%</td>
<td></td>
</tr>
</tbody>
</table>
2. The Business Location
The Munich mix – A diverse economic structure

- Global players and SMEs
- High-tech and production location
- Innovation and knowledge hub
- Start-up city
- Service hub
A broad spectrum of high-capacity industries

- Information and communication technology
- Automotive
- Life sciences
- Aerospace
- Financial services
- Cross-industry technologies
- Skilled crafts
- Media/creative industries
- Corporate services
Automotive industry

- 128,000 employees/386 companies
- Sales revenues: €80 bn

Strengths of the Munich region:
- Vertical integration in supply chain: close proximity of vehicle manufacturers and suppliers
- Strong cooperation with universities and research facilities
- Highly qualified labor force
Information and communication technology

- 147,000 employees/35,000 companies
- Sales revenues: €84.7 bn

Strengths of the Munich region:
- Mix of manufacturers and service providers
- Focus on "embedded systems"
- High research intensity
- EU study: Munich is Europe's best ICT location
Corporate services

- 210,000 employees/35,000 companies

Strengths of the Munich region:
- Close proximity to important customers
- Top German location for insurance
- High-profile consulting sector
- Most important location for (patent) law firms
Cultural and creative industries

- 176,000 employees/30,500 companies
- Sales revenues: €22.8 bn

Strengths of the Munich region:
- Filming: Production and distribution, key location for shootings
- Books: Publishing houses, retail
- Press: Newspaper and magazine publishers
Other important sectors

- Aerospace/satellite navigation: 15,000 employees/240 companies
- Biotechnology & pharmaceuticals: 30,000 employees/400 companies
- Skilled crafts: 79,000 employees/23,000 companies
- Cross-industry technologies: nanotechnology, optics, measuring and control systems, clean technology
- A total of 94,600 companies are based in Munich
- 112 Forbes 500 companies have a presence here

High-tech industries

Service industries
International trade show venue

- Neue Messe München
  New Munich Trade Fair Center
  - 16 exhibition halls with a total of 180,000 m² exhibition space
  - 14 leading international fairs
  - >200 guest events
  - World leading events: analytica, BAUMA, electronica, EXPO REAL, Intersolar, ispo, MATERIALICA
  - International cooperation with:
    - Shanghai New International Expo Centre
    - BAUMA CONEXPO India
International congress venue

- **International Congress Center**
  - Around 100 congresses, conventions and events each year
  - E.g. World Congress of Diabetology (2016)

- **M,O,C**
  - Around 100 exhibitions and congresses each year
  - Incubator for expanding fairs and exhibitions
Munich Airport – An international traffic hub

Destinations worldwide (flight time in hours):

- Amsterdam: 01:25
- Berlin: 01:15
- Brussels: 01:20
- Budapest: 01:15
- Bucharest: 01:55
- Dublin: 02:35
- Hamburg: 01:20
- Istanbul: 02:35
- London: 01:05
- Madrid: 02:45
- Oslo: 02:05
- Paris: 01:35
- Prague: 01:00
- Rome: 01:30
- Stockholm: 02:05
- Vienna: 01:05
- Warsaw: 01:30
- Zurich: 00:55

Destinations in Europe: (flight time in hours)

- Amsterdam: 01:25
- Berlin: 01:15
- Budapest: 01:15
- Bucharest: 01:55
- Dublin: 02:35
- Hamburg: 01:20
- Istanbul: 02:35
- London: 01:05
- Madrid: 02:45
- Oslo: 02:05
- Paris: 01:35
- Prague: 01:00
- Rome: 01:30
- Stockholm: 02:05
- Vienna: 01:05
- Warsaw: 01:30
- Zurich: 00:55

**Example 1**
- Moscow: 3:05
- São Paulo: 12:35
- Johannesburg: 10:25

**Example 2**
- Chicago: 09:32
- New York: 9:10
- Washington: 9:06

**Example 3**
- Dubai: 5:50
- Hong Kong: 11:10
- Tokyo: 11:30
- Seoul: 10:30
- Shanghai: 10:45
- Singapore: 12:05
- Bangkok: 10:50
- Moscow: 3:05
- São Paulo: 12:35
- Johannesburg: 10:25

City of Munich
Department of Labor and Economic Development
Traffic hub

- **Accessibility by car**
  - 7 freeways

- **Accessibility by rail**
  - Munich Central Station is one of Germany’s most frequented train stations with some 450,000 passengers daily
  - Daily connections: About 220 long-distance and 250 regional destinations
Excellent public transport system

- 442 km of commuter train lines
- 95 km of subway lines
- 79 km of streetcar lines
- 462 km of inner city bus lines
- About 680 million passengers each year

Modal Split (share of different types of transportation):
- walking: 28%
- cycling: 17%
- public transport: 21%
- car: 37%
Munich – City of mobility

- Bicycle city with a route network extending over more than 1,200 km (745 miles)

- "Corporate mobility management" program that is unique in Germany

- Electric mobility initiatives:
  - Installation of a system of loading stations
  - Subsidy programs for commercial users

- Mobility stations
3. The Knowledge Hub

Photo: Michael Nagy / LHM
Universities in Munich

115,000 students

at 15 universities in Munich during the winter term 2013/14, including:

- 49,000 at Ludwig Maximilians Universität München (LMU)
- 37,000 at Technische Universität München (TUM)
- 18,000 at Munich University of Applied Sciences
- 11,000 at other institutes of higher education
Munich's world class research facilities

University R&D
- Some 16,000 R&D employees
- Close cooperation with companies

Public and semi-public R&D
- 8,500 employees
- Max Planck Society:
  - Basic research
- Fraunhofer Society:
  - Applied research
- Helmholtz Zentrum Munich:
  - German Research Center for Environmental Health
- ifo Institute:
  - Ifo business climate index
Corporate R&D in Europe's patent capital

Corporate R&D

- Some 20,500 employees in R&D
- BMW, Google, Intel, Knorr-Bremse, Kraft Foods, MAN, MTU Aero Engines, Siemens, NTT DoCoMo, Huawei

Europe's "patent capital"

- Headquarters of the European Patent Office
- Headquarters of the German Patent and Trademark Office
- Headquarters of the Federal Patent Court
- Patent lawyers' association
4. Economic Development
Business in Munich – Information and presentation

- Business delegations and events
- Information about Munich as a place to do business
- Analyses and information about specific industries
- Website (German/English): www.wirtschaft-muenchen.de
  www.business-munich.de
Advice and consulting

• Proposals for company locations, Sourcing of office and commercial space

• Information and coaching for start-up entrepreneurs

• Consulting and support programs for companies

• Single Point of Contact: Assistance with approvals procedures

• Assistance with administrative issues
4. Economic Development

Representation of economic interests, Establishment of Contacts

- Establishment of contact with business associations, institutions and networks
- Focused industry development and networking events
- Representation of business and industry interests in respect of other municipal departments
Thank you for your attention

Rita Roider
Managing Director Marketing & Communication

Tel. +49 89 233 22229
Fax +49 89 233 989 22229
rita.roider@muenchen.de
www.munich.de/business