

6.3 THE GERMAN TRADE FAIR: GERMAN PRODUCTS

? FOCUS QUESTIONS:

- What products does Germany produce and export to the United States?
- How economically interconnected are the two countries?

STANDARD #7 PRODUCTION, DISTRIBUTION AND CONSUMPTION.

STANDARD #9 GLOBAL CONNECTIONS.

LESSON OVERVIEW:

This lesson focuses on the interdependence of trade between the US and Germany. The United States Census Bureau reports that Germany was the fifth largest trading partner of the USA in 2011, after Canada, Mexico, China and Japan. In that year, Germany's exports to the USA were valued at roughly \$98.6 billion or 4.0% of overall US imports. Germany's imports from the USA amounted to roughly \$54.5 billion worth of goods. That's a lot of trade; Americans are clearly interested in goods "made in Germany." After reviewing current data on imports and exports between Germany and the US, students will gain a better understanding of the economic relationship. As a culminating activity, students will participate in a simulated Trade Fair like those that are held throughout Germany in cities such as Leipzig, Frankfurt, Berlin, and Hanover. Such international trade fairs provide opportunities for German companies to reach potential buyers in countries like the United States by displaying the many products manufactured and produced in Germany. Students will be divided into groups, research a German product, and create a tri-fold corrugated display board to present at the "Trade Fair." Here they will share their knowledge of the product and attempt to interest prospective US buyers. After the experience, students will come to recognize German products in their world. Upon completion of the lesson, students will be able to recognize the many German products imported by the US and thereby understand the economic relationship between the countries.

TEACHER BACKGROUND INFORMATION:

German manufactured goods, the products of its long tradition of engineering and high-tech prowess, have an excellent reputation worldwide. The country's economy is heavily oriented towards exports, and Germans are understandably proud that the words "Made in Germany" are understood as a symbol of quality. Although Americans will likely recognize the names of many of the larger global firms with German roots (e.g., Daimler-Benz, Siemens, BMW, Audi, Deutsche Bank, Bosch, and others), Germany's numerous small and mid-sized firms, often producing precision products of high quality for specialized use, are more typical of the country's economy. Such



companies benefit from good economic conditions and a well-trained workforce. Many of the country's best-known exports are related to engineering, especially in automobiles, machinery, metals, and chemical goods.

A good overview of the current state of Germany's economy can be found in the book *Facts About Germany*, published by a private firm with support from the German Federal Foreign Office. It is also published online in many languages at <http://www.tatsachen-ueber-deutschland.de>. According to Peter Hintereder and Martin Orth's article on the German economy in *Facts About Germany*, "Germany is one of the most highly developed and efficient industrial nations and, after the USA, Japan, and China, has the world's fourth largest national economy. With a population of 82 million, Germany is the largest and most important market in the European Union (EU). The German economy focuses on industrially produced goods and services. In particular, German mechanical engineering products, vehicles, and chemicals are highly valued internationally. Around one euro in four is earned from exports and more than every fifth job depends directly or indirectly on foreign trade." (German Information Center). Germany's most important trading partners are France, the Netherlands, the USA and Great Britain.



The largest annual international trade fairs and congresses are held in several German cities such as Hannover, Frankfurt, and Berlin. Such fairs have a long history in Germany because of the many historical trade routes linking east and west, north and south. Examples of such trade fairs include the Frankfurt Auto Show, the Frankfurter Buchmesse (Frankfurt Book Fair), CeBit (computer expo), and PhotoKina (for photo equipment).

According to the Fortune Global 500 for 2012, of the world's 500 largest stock market listed companies measured by revenue, 32 are headquartered in Germany and 132 in the United States. In 2012 the ten largest in Germany were Volkswagen, E.ON, Daimler, Allianz, Siemens, BASF, BMW, Metro, Munich Re Group, and Deutsche Telekom. Other large German companies include: Robert Bosch GmbH, ThyssenKrupp, and MAN (diversified industrials); Bayer and Merck (pharmaceuticals); Adidas and Puma (clothing and footwear); Deutsche Bank (banking and finance); Aldi, Lidl and Edeka (retail); SAP (computer software); Siemens (electronics); Henkel (household and personal consumer products); Deutsche Post and DHL (logistics); and Hugo Boss (luxury goods). Well known global brands are Mercedes-Benz, BMW, Audi, Porsche, Volkswagen, Adidas, Continental Tire, Nivea, Puma, Hugo Boss, SAP, Aldi, Lufthansa, DHL, Haribo, T-Mobile, Braun, Henkel, Miele, Bayer, Recaro, Stihl, and more.

TIME:



(3-4) 45 minute class periods

INSTRUCTIONAL RESOURCES:

- International Trade Fair Homework (**Handout 6.3.1 on Instructional Resource Disc**)
- International Trade Fair Instructions, Notes and Reflection (**Handout 6.3.2 on Instructional Resource Disc**)
- Additional information about the German economy can be found at:
<http://www.tatsachen-ueber-deutschland.de/en/economy.html>
- Students will require computers, poster board, white foam board or corrugated display board (tri-fold), and art materials such as construction paper, markers, scissors, and glue stick.



PROCEDURE:



DAY 1:

Anticipatory Set: What products found in the US do students already recognize as being made in Germany? Do they have any preconceived ideas about the quality of the products? The teacher solicits answers from the students and should write these on the board listing them in categories, e.g. food, apparel, music. When the students' ideas are exhausted, offer the aforementioned well-known global brands. Now, see if the students can determine the product. For homework, provide students with the International Trade Fair Homework (**Handout 6.3.1 on Instructional Resource Disc**). To assist in analyzing the information students should answer the questions that follow.

DAY 2-3:

The teacher will review the homework assignment and continue the discussion on the interdependence of trade between the US and Germany. The teacher will announce the students' participation in the simulation of an International Trade Fair. The teacher should then distribute the International Trade Fair Instructions, Notes and Reflection (**Handout 6.3.2 on Instructional Resource Disc**). In pairs, students will choose a German product imported by the US, preferably one that they have seen or with which they have a connection. Using a piece of poster board, white foam board, or corrugated display board (tri-fold), students will create a display in which they will introduce, describe, and sell their product to "American importers." The exhibit should both educate and inform the public (American importers) about the subject in an informative and attractive manner. The exhibit should have pictures/photos and text and possibly sample objects (if appropriate). The teacher should provide research time to allow students to complete the research online. (This can be completed at home if the students have access to the internet.)

DAY 4:

Students will transform the classroom into an International Trade Fair with their completed displays set up around the room. Each pair will present their German product to the class. Students will take notes on the presentations. For homework, each student will write a reflection indicating which product, other than their own, they would recommend to be imported into the USA.

WHOLE GROUP REFLECTION:

- What products do the Germans produce and export to the United States? How economically interconnected are the two countries? What product would you import to the USA and why?

MODIFICATION:

- Rather than an International Trade Fair, the teacher may change the project so that students create PowerPoint presentations of the products.

EXTENSIONS:

- The teacher may also elect to form teams of students that represent American cities or states looking to attract foreign investment for local job growth. These students would have to research a particular area and market it towards one of the German product teams looking to establish manufacturing in the United States. Recent examples include the BMW manufacturing facility near Greenville, SC and the Volkswagen manufacturing facility near Chattanooga, TN. What reasons might a foreign company have to establish manufacturing in a specific market? Like the United States, Germany is investing heavily in China and other countries in East Asia. Have the students explore the American and German economic presence in China. Relevant information is available from the International Trade Administration (U.S. Department of Commerce; <http://trade.gov>) and Germany's Federal Statistical Office (<https://www.destatis.de>), which presents some information in English.

Sources

German Information Center USA. (n.d.). *Facts About Germany*. Retrieved 2012, from <http://www.tatsachen-ueber-deutschland.de>

Global 500. (2012, July 23) Retrieved August 2012 from Fortune Magazine:
<http://money.cnn.com/magazines/fortune/global500/2012/countries/Germany.html>

International Trade Administration (U.S. Department of Commerce) <http://www.ita.doc.gov>