In Focus: Renewable Energies

Pilot Group from Mexico
21 Mexican executives successfully trained in Germany
Page 24

Hermes cover for Mongolia
German federal export credit guarantees.
By Andreas Steinborn
Page 58
Dear Friends of the Manager Training Programme!

Each edition of the Fit for Partnership with Germany journal features a particular sector or topic within the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy (BMWi). After the mining and extractive sector, health sector, and ‘Mittelstand’ (SME), the focus is on renewable energies this time round.

In times of climate change, rising energy costs, and particularly the nuclear disaster in Japan, Germany is not alone in turning to renewable energies. In fact, they are on the rise worldwide. One quarter of Germany’s energy needs is now generated with renewable energies, and the country has further ambitious goals. The term ‘energy turnaround’ is today as much a part of the international jargon as the term ‘Mittelstand’. Known in Germany as ‘Energiewende’, the energy turnaround has attracted a great deal of attention worldwide, and a lot of MP partner countries keep a keen eye on the success of its implementation in Germany.

Following the general elections in Germany last autumn, responsibility for all energy issues was bundled within the renamed German Federal Ministry of Economic Affairs and Energy (BMWi). This new name is also indicative of the growing importance this issue has for the MP’s contracting entity.

‘A reliable, affordable, environmentally-friendly supply of energy is one of the central challenges of our time – in Germany and our partner countries,’ Dr Eckhard Franz emphasises in his article in this journal. Dr Franz has headed up the Directorate-General for foreign trade at the BMWi, which is responsible for programmes such as the MP, since February 2014. I am pleased that he highlights the partnership-based approach within the MP. With his many years of experience in Mittelstand policy, Dr Franz will provide important impetus for further development of the MP.

The pilot competence system introduced into the programme this year constitutes one further development. It serves to enhance structuring of the training component and allows participants to obtain a qualified certificate.

Finally, just a quick note that the ‘MP family’ will continue to grow in this year: in spring, we welcomed a pilot group of Tunisian management executives in Germany.

I wish you yet another interesting read; the editorial team and I look forward to receiving your feedback and suggestions!

Warm wishes

Reimut Düring
The Manager Training Programme: An Asset to Germany and its Partner Countries

By Dr Eckhard Franz

A Mittelstand policy that improves the framework conditions for medium-sized companies and foreign trade promotion that supports medium-sized companies in their overseas endeavours – these are important goals for the new federal government, which have been firmly anchored in the coalition agreement.

Federal Minister for Economic Affairs and Energy Sigmar Gabriel emphasised the special status of these tasks during his inaugural speech at the BMWi in January 2014. I was therefore delighted to be named head of the external economic policy Directorate-General at the start of the year, and to be able to contribute my many years of experience in Mittelstand policy.

The Manager Training Programme (MP) is an important and successful tool within our economic policy. At the same time, it is an excellent example of just how the Mittelstand and external economic policy goals of the federal government can be bundled within one single programme. I was already familiar with and appreciated this programme during my many years in Mittelstand policy. I am delighted to now be able to help shape it.

We pursue two strategic courses with this programme:

On the one hand, we wish to strengthen the German Mittelstand (SME). One in four Mittelstand companies is today active on the international market. Many others, however, hesitate to venture overseas. We wish to provide targeted support for the foreign trade activities of German Mittelstand companies. Besides other foreign trade promotion programmes we offer, the MP provides an excellent opportunity.

The MP provides an opportunity for German companies to establish business relations with foreign managers during their time in Germany – be it by inviting groups to the German company, participating in cooperation exchanges, or engaging in well-prepared one-on-one talks. Around half of the foreign representatives conclude business contracts with German companies during or after participating in the programme.

On the other hand – and this is particularly important to me – the MP is far more than just a funding programme for German companies’ foreign trade activities. The MP is above all a partnership-based programme. We wish to help drive economic development in partner countries and especially to strengthen their small and medium-sized companies in the process.

Within this, I see a number of different aspects that all help boost a company’s competitiveness: firstly, companies from the partner countries enhance productivity, quality and innovative power at their companies by acquiring modern equipment and technology. Secondly, they are able to access new markets by making contact with German companies and thus create the conditions necessary to increase their exports. And thirdly, when management executives implement the modern management methods or experience of German companies acquired during their training in Germany in their own company, this can lead to a decisive improvement in the internal company structures, help optimise business practices, and motivate employees. The programme thus creates a real win-win situation for both sides – and this is the real reason for its success.

What’s more, the participants generally remain true to the MP and act as important multipliers in their home countries and as contacts for interested German companies. Regional networks develop from the alumni associations already established in a great many countries, which in turn become an important component of the business community in our partner countries and are increasingly networked among themselves.

Today we look back on over 15 years of development and experience within the MP. And you may be assured that, together and on an equal footing with our partners, we will continue to develop this external economic policy tool and adapt it to the latest tasks and challenges.

Allow me to outline two topics, which will continue to be important to us in the future, by way of example:

• A reliable, affordable, environment-friendly supply of energy is one of the central challenges of our time – in Germany and our partner countries. The MP can offer invaluable starting points for economic cooperation and an exchange of experiences in the fields of energy efficiency and renewable energy.

• Signing of the association agreements, including the comprehensive free trade agreement between the EU and selected Eastern Partnership countries, helps drive the economic integration of these countries into the European Economic Area. This opens up new opportunities and markets for companies in the partner countries. At the same time, the pressure on the economy to adapt grows – companies are forever facing major new challenges. We will also have to implement and develop the MP further to support the necessary transformation process.

The BMWi Manager Training Programme with the Republic of Kyrgyzstan

Berlin. The BMWi Manager Training Programme with the Republic of Kyrgyzstan will be continued over the coming three years. At a reception for a Kirgiz delegation at the BMWi on 17 January 2014, State Secretary from the Ministry of Economy of the Kyrgyz Republic Ayday Kurmanova and State Secretary at the BMWi Stefan Käpperlein signed the agreement to continue the ‘Fit for Partnership with Germany’ programme until 2016.

Interest in the MP and its alumni – and the concrete results from the programme in particular – has reached the highest level at the Kirgiz Ministry of Economics. A one-hour meeting of MP alumni with Deputy Minister of Economics Davit Brayer took place on 12 June 2014. Seven alumni reported on the results of their participation in the MP. In their presentations, they demonstrated the positive effects the programme has had on the people of Kyrgyzstan and the national budget. The Deputy Minister expressed great respect for and interest in the programme.
Tunisia – A New Partner Country for the Manager Training Programme

The Manager Training Programme (MP) is continuing to expand. While trade and investment partners.

Tunisia is not alone in its endeavours. German companies are reliable economic partners in this regard. The dictatorship has been overthrown, and the new constitution, Tunisia is moving in the direction of a peaceful and democratic transition. This new beginning can now also lead to a sense of economic optimism. Tunisia is not alone in its endeavours, German companies are reliable trade and investment partners.

In 2013, Tunisia's exports and direct investments. However, as a result of globalisation, China has made up a lot of ground and could knock Germany from its third place ranking. Tunisia is not alone in its endeavours. German companies are reliable trade and investment partners.

From what is needed to tackle high unemployment rates of 16-18 per cent. There is a need here for new investment from home and abroad and more political stability in the country is an essential prerequisite for investment. Although Tunisia is relatively low on raw materials, it still has its own oil and gas reserves. At the moment, those can still guarantee 40 per cent self-sufficiency but there is a downward trend. The exploitation of renewable energy, particularly wind and solar energy, still plays a subordinate role; the proportion of wind and solar energy in energy production currently only amounts to four per cent. However, a medium-term energy strategy aims for renewable energy to represent a 30 per cent share by 2030. Tunisia is the fourth-largest producer of phosphates and the third-largest olive oil exporter in the world. German-Tunisian trading volume reached 2.84 billion euros in 2013. German exports accounted for approximately 1.4 billion euros of this figure. Germany exports to Tunisia fell by 3.4 per cent compared to the previous year and amounted to 1.35 billion euros. Exports primarily include fabrics, electronics, machines, cars, chemicals and foodstuffs. German imports from Tunisia increased by 3.8 per cent and totalled 1.49 billion euros in 2013; these included textiles, electrical components, car accessories (including cables), leather goods, crude oil, foodstuffs, fuels, lubricating oils and carpets. An investment promotion and protection treaty and a double taxation agreement are in place between Germany and Tunisia.

In 2013, German-Tunisian trading volume reached 2.84 billion euros

5,000 Russian Executives

Germany welcomed the 5,000th Russian participant in the Manager Training Programme (MP) last autumn. On 22 November, Sergei Nasonov, deputy manager of the health department in the south Siberian Altai region, was symbolically honoured by the German Federal Ministry for Economic Affairs and Energy (BMWi).

The cooperation between Russia and Germany has been extended to allow representatives from German companies to also complete further training in Russian regions. At the invitation of the Russian government, they learn about local framework conditions and practices. This scheme is of particular interest to small and medium-sized companies, as the establishment of contact with Russian business partners tends to be greatly facilitated in this way. MEDICA, held in Düsseldorf, to maintain his contacts at German companies as well as to forge new ones.

The Manager Training Programme with the Russian Federation was embedded in the German-Russian modernisation partnership and the BMWi export initiatives from the outset. In 15 years of bilateral relations, over 5,000 executives from Russian companies have now completed the MP. In the early years, the BMWi's cooperation with the Russian Ministry of Economic Development concentrated on supporting Russian companies in their modernisation endeavours and accessing foreign markets. Today the cooperation is primarily about developing and expanding bilateral business cooperations, the search for investors, and ultimately the economic development of the Russian regions.

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State Secretary Zypries Praises the Manager Training Programme with India

Parliamentary State Secretary Brigitte Zypries of the Federal Ministry for Economic Affairs and Energy (BMWi) headed up the 15-strong delegation that accompanied Federal President Joachim Gauck on his nine-day visit to India and Burma at the start of February. During their time in Delhi, the business delegation had the opportunity to speak with Indian alumni from the BMWi’s Manager Training Programme (MP) and to learn from their experiences of the development and expansion of business relations with German companies.

Brigitte Zypries and Dr. Bhatia and Khushboo Luthra (FICCI) during Business Networking Meeting with Delhi Chamber of Commerce and Industry (DCCI) at the German Embassy in India. The German-Ukrainian Steering Committee of the Programme ‘Fit for Partnership with Germany’ met in Ukraine on 15 and 16 October 2013. The Committee’s message: the MP enables Ukrainian companies to gain expertise that is essential for cooperation with German firms. It helps to establish business contacts, to modernise the companies of the participants and thus to increase their competitive capacity.

Meanwhile, engineer Ravi Mahadeoskar is planning a German-Indian joint venture to manufacture machines in India together with the German company, Strama MPS Maschinenbau based in Bavarian Straubing. The contract is due to be signed soon. This is also a direct consequence of the business contacts he was able to forge during the MP.

Since the end of 2008, the MP with India has prepared around 270 Indian executives predominantly from medium-sized companies for business cooperations with German companies. The programme is backed by the BMWi from the German side as well as by the Indian Ministry of Commerce and Industry. GIZ implementation partners on the Indian side are the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI).

New Director of the Federal Resource Center

L-R: Alexey Bunkin, Julia Mikheeva (Ministry of Economic Development of the Russian Federation) and Ramiz Dzhair (GIZ)

Moscow. The partner organisation of the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi) in Russia, the Federal Resource Center (FRC), has been under new management since 24 April 2014. Alexey Sergeyevich Bunkin, who was delegated by the Ministry for Economic Development of the Russian Federation, is the new Director and thus now responsible for the organisation of the national training programme for executives from the middle and upper management levels in Russia. Young Russian managers can not only develop their knowledge further through extra-occupational training within the framework of this ‘Presidential Programme’, but subsequently also have the opportunity to participate in various training programmes abroad. The GIZ has been the FRC’s partner for the training in Germany for 16 years now.

As a sidetab to the Steering Committee, its members visited the company TELECARDO Pribor in Odessa, which has established several stable business relationships with German companies thanks to the MP. As one of the largest Ukrainian manufacturers of equipment, TELECARDO Pribor has sent six top managers to the Programme in the past few years. MP alumni and Marketing Director (CMO) Alexey Kozlov said that the executives gained intercultural skills and finesse in negotiating with international partners. With that, their understanding of German partners grows, benefiting cooperation with German companies.

Delhi. State secretary Zypries praised the MP with India as a ‘highly successful German-Indian project’, for it helps to impart invaluable expertise and information on cross-border business relations and in the adjustment to new economic framework conditions. The MP brings German and Indian medium-sized companies together and provides excellent insight into the German corporate culture, Zypries continued. She expressed her openness to the idea of German companies in future also having the opportunity to complete similar training in India. The MP bilateral steering committee recently held preliminary discussions on this (see article on p. 10).

During the meeting, Cord Meier-Klodt, who is the Deputy Chief of Mission (DCM) at the German Embassy in India, praised the MP as a ‘jewel of the BMWi’. A number of Indian companies reported on their contract with German companies, which came about through their participation in the MP. The Director of Marketing at Metafilm Auto automotive supplier, Nishant Jairath, was able to win new business in Germany, for example. He now supplies BMW, among other companies. During his time in Germany, Jairath saw how German companies presented themselves. He subsequently reviewed his own company’s image accordingly, particularly at trade fairs – with visible success.

‘The MP is a jewel of the BMWi.’
Cord Meier-Klodt, Deputy Chief of Mission (DCM) of the German Embassy in India

‘A Genuine Partnership’

The bilateral Steering Committee of the Manager Training Programme (MP) ‘Fit for Partnership with Germany’ met in Ukraine on 15 and 16 October 2013. The Committee’s message: the MP enables Ukrainian companies to gain expertise that is essential for cooperation with German firms. It helps to establish business contacts, to modernise the companies of the participants and thus to increase their competitive capacity.

Odessa. The German-Ukrainian Steering Committee of the Programme ‘Fit for Partnership with Germany’ with representatives of the German Federal Ministry for Economic Affairs and Energy (BMWi) and the Ukrainian Ministry for Economic Development and Trade met for the second time in the Ukrainian city on the shore of the Black Sea. The President of the BMWi, Olaf Benken, Director of the Department for Regional Development, and Dr Hans-Joachim Henckel, BMWi Director for the Promotion of Foreign Trade and Development Policy, spoke of a ‘genuine partnership’, which brought major benefits to the economies of both countries. They said that, furthermore, the MP played a significant role for the social and economic development of the regions in Ukraine. It contributed to strengthening the Ukrainian SMEs and consolidating the bilateral economic relationships. It was intended to adapt the MP more closely to the specific requirements of German-Ukrainian cooperation, particularly considering the EU Association Agreement. The focus is on agriculture, energy efficiency for industry and for the refurbishment of buildings, renewable energy and the health sector.

The MP has already been completed by 800 Ukrainian executives from the middle and upper management levels, some of whom attended the Steering Committee to give an account of experiences with the MP from the alumni perspective. The BMWi extended an invitation to the next meeting for 2014 in Germany.
Manager Training Programme with Egypt Extended to 2017

Berlin. The Manager Training Programme with Egypt is to be extended and expanded. The steering committee for the German-Egyptian programme reached this decision when it met at the German Federal Ministry for Economic Affairs and Energy (BMWi) in Berlin at the end of April 2014. Both sides endorsed continuation of the programme launched in 2012. Egyptian managers are now also to participate in transnational industry and subject-related training in Germany. The Egyptian side expressed particular interest in the aspects of waste management and recycling, energy and agriculture.

A win-win situation

To date, 77 Egyptian executives have participated in the bilateral programme. The training in Germany has motivated around half of these to implement restructuring measures and to boost product quality at their own companies. The perception of almost all executives of employees as a cost factor could be changed to considering them as a business asset. Two thirds of participants invested in further training for their staff as a consequence and began involving employees in business decisions more.

The German co-chairman of the steering committee, Karl Wendling (Head of the BMWi) and Ahmed Hassan Elshahat, ITC, (CII, FICCI) as well as representatives of the two responsible ministries (BMWi and DIPP (Department of Industrial Policy & Promotion) and the implementing organisations (GIZ, CII, FICCI) as well as representatives of the German Federal Foreign Office, the Indo-German Society, the Senior Experten Service (SES) and Baden-Württemberg International attended the meeting.

The first meeting of the Steering Committee for the MP with India took place on 13 January 2014, chaired by Karl Wendling from the German Federal Ministry for Economic Affairs and Energy (BMWi) and Shri Ajit Gupte from the Indian Embassy in Berlin. On the occasion, it was decided to continue the MP, which has been running successfully since 2008. A joint statement on the extension of the MP term up to 2017 is expected to be signed before the end of this year.

First Steering Committee with India

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In view of India’s economic potential and the strong demand from Indian candidates, increasing the number of groups was discussed. This could be achieved with additional industry-specific groups with focal points such as renewable energies (especially solar energy) and waste management – as is the wish of the Indian side.

‘Fit for Business with India’

The suggestion to implement a ‘Fit for Business with India’ programme component for German executives was received with approval. Both sides expressed their interest and arranged to examine the matter. If the result is positive, the new MP component could be included in the next joint statement.

The Steering Committee is an important instrument for evaluating and steering the MP. It is intended that it should meet every two years in future, alternately in India and Germany. The next meeting has been proposed for the beginning of 2016.

The programme for German executives from middle and upper management levels planning to travel to Russian or Chinese regions for training has its own subpage. All important information and the registration form can be found here. Everything is presented in a modern design which takes the user to the desired contents with just a few mouse clicks. We will continue to offer all publications such as programme brochures or the Journal as downloads or for browsing through virtually on the monitor. Nothing has changed for users of the internal website. Users log in as usual with their ID and password and, with that, enter their virtual classrooms or the virtual marketplace.

The new MP internet presentation is complemented by our (also new) Facebook page. We look forward to receiving your feedback on our new internet presentation – perhaps via our contact form.

We are interested in your opinion!

Give us your feedback about this Journal at http://feedback.managerprogramm.de.
An Anniversary in Moscow

180 guests attended a conference in Moscow to celebrate the 15th anniversary of Germany’s contribution to the Russian Presidential Programme, the name given to the Manager Training Programme (MP) in Russia. Official representatives from Germany and Russia travelled to the event on 18 October 2013 along with graduates of the programme from 36 Russian regions and Germany.

Moscow. In his welcome speech, the German ambassador to the Russian Federation, Ulrich Brandenburg, described the cooperation within the Presidential Programme as a positive example of bilateral economic relations. The Deputy Director of the Department for Economic and Social Affairs and Priority Programmes at the Ministry for Economic Development of the Russian Federation, Julia Mikhailova, thanked the German government and emphasised that Germany is the first strategic partner in implementing the Presidential Programme. Both Hartmut Roben, Head of Division at the German Federal Ministry for Economic Affairs and Energy (BMWi), and GIZ Country Director Russia, Julia Grischtschikova, offered their congratulations on this anniversary. Participants were then divided into three working groups.

Contribution to Regional Development

The German organisers of the MP and representatives of the Russian Regional Commissions and Resource Centres came together in the first working group. Representatives of the German and Russian Ministries of Economy reported on the results and the development of the MP. ‘The programme is going from strength to strength because it adapts itself to current requirements,’ explained Mikhailova, and Roben underlined that the training trip provides the impetus for cooperation, which then creates a basis for sustainable development of foreign trade relations. He pointed out that MP participants ensured there was dynamic development of cooperation. Now foreign trade conditions should be created that keep up with the times.

Dr Gerd Schimsansky-Geier, who first initiated ‘Germany’s contribution’, reported how the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy (MP), which now has 16 partner countries, developed from a partnership with Russia. He pointed out that the 15th anniversary shows that Russians and Germans can implement large, long-term projects together.

The MP promoted the development of economic cooperation between the Russian regions and Germany and made it possible to develop an understanding of intercultural differences. This is the main message of a flash poll on the benefits of the MP for the regions, which was carried out by GIZ colleagues Iosel Heinz, MP Project Manager, and Vladimir Bogdanov, Head of the Moscow MP project office.

From Theory to Practice

The second working group mainly focused on the work of the German training centres that conduct the training in Germany on behalf of GIZ. They also focused on the new skills system. Seminars in training centres and training sessions in German firms complement training in Russian universities and specifically prepare Russian managers to create international contacts. Stanislav Nikolayev, Technology Director at OOO Ekologiya Urals, had already been to Germany several times and thought he was well prepared to develop contacts with German companies – until he took part in the MP. The training modules in Germany helped him to gain a better understanding of his future partners and to secure additional advantages in negotiations. Mareike Droge from the Carl Duisberg Centre (CDC) spoke about how the German training centres work with the participants’ requests, how they select suitable German firms and organise business contacts.

Verena Freyünk, GIZ Project Manager, spoke on the introduction of the new skills system which should allow the training offered to be more precisely tailored to each participant. Online tests, project tasks and long-term project monitoring are expected to help implement this system (see article on p. 16). This requires close cooperation between Russian universities and German training centres. Galina Lapushinskaya, Deputy Head of the Presidential Programme at Tver State University, praised the high quality of GIZ training offered to Russian lecturers taking part in the MP.

Alumni Activities

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The ‘Programme is like a matryoshka made of many components, enabling development in many different directions.’

Dmitry Oskolov, Head of the Regional Resource Centre in Samara

In the ten years since they were created, Russian alumni associations have worked together with GIZ to conduct over 100 activities with a total of approximately 5,000 participants. These also include large projects: the First Eurasian Forum for Business Communities in Novosibirsk which was organised by the Sibir Consortium to improve the region’s image; the international conference ‘Challenges of Our Times – The Manager Community’s Responses’ (see Journal 2-2013), as well as projects by the North Caucasus Consortium to improve the region’s image; the international conference ‘Challenges of Our Times – The Manager Community’s Responses’ (see Journal 2-2013), as well as projects by the North Caucasus Consortium to improve the region’s image; and the festival ‘The Hospitable Caucasus’.

Representatives of the German alumni association (DRMN) underlined the need for further cooperation with the Russian alumni associations. At the moment, alumni organisations from both countries are actively participating in setting up training trips in Germany and Russia and supports alumni to cooperate with the local authorities and companies on the one hand, which supports the development of their regions. On the other hand, GIZ helps to develop international and international cooperation, particularly with Germany.

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Innovations in Germany

The GIZ has released a new Russian textbook for lecturers and participants in the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy.

'Innovations in Germany' is the title of the new textbook which GIZ released at the end of 2013. Its author, Dr Alexander Kobyshev, is a longstanding GIZ expert and lecturer at the Saint Petersburg State Polytechnic University, one of the largest and most prestigious technical universities in Russia. In his book, Prof Kobyshev illustrates the key role innovations play in successful company management.

The body of the text describes innovative developments in ten German companies. Small and medium-sized companies are given the same consideration as large corporations, bakeries are treated in the same way as high-tech firms. The chosen companies are markedly different from one another, even in terms of how they were formed, as is demonstrated in the description of the establishment of a small family company and the creation of an independent research institute. The author vividly portrays the path of innovations, beginning with the idea and ending with introduction to the market. Pioneering management decisions that are essential for success are also carefully examined.

Other chapters in the book cover the current innovation climate in Germany, the research and development system, state support for innovations as well as the protection of intellectual property in Germany. A section covering methods promotes the idea of a German-Russian energy efficiency project for the refurbishment of a tower block in which German know-how is applied. Here, among other things, detailed information is provided on technical, financial, legal and institutional framework conditions as well as specific refurbishment plans. The question of whether Russian regions can utilise this experience for themselves is critically examined.

Presentations and working documents developed by Dr Belov and Schwarz and also presented in the GIZ seminars form a large part of the publication. Methodological tips for carrying out seminars on energy-efficient refurbishment of residential buildings round off the collection of materials. It is published in Russian and an overview of possible sources of innovative ideas complete the account.

The textbook is intended for university lecturers who train executives from the middle and upper management levels within the framework of the Russian Presidential Programme. However, it is also expected to support participants of the Manager Training Programme with their private study.

Energy Efficiency in Tower Blocks

Collection of materials from the GIZ seminars for MP participants has been published

A reference book has been published on one of the most important topics for the Russian regions – the energy-efficient refurbishment of tower blocks. It comprises a collection of materials from the GIZ seminars which Dr Vladislav Belov and Bernhard Schwarz offer for participants of the BMWI Manager Training Programme. Dr Belov is in charge of the Center for German Studies at the Institute of European of the Russian Academy of Sciences. Schwarz is one of the leading experts in this field and is currently working for the Housing Initiative for Eastern Europe in Berlin.

The analysis at hand concentrates on the comprehensive energy-efficient refurbishment of tower blocks like those common in many MP partner countries as a legacy of the planned economy. The subject of the publication is the experience gained in this respect in the new German Länder, and the focus is on specific projects and project management. Business cases and role play supplement the analyses. Special attention is paid to a German-Russian energy efficiency project for the refurbishment of a tower block in which German know-how is applied. Here, among other things, detailed information is provided on technical, financial, legal and institutional framework conditions as well as specific refurbishment plans. The question of whether Russian regions can utilise this experience for themselves is critically examined.

Presentations and working documents developed by Dr Belov and Schwarz and also presented in the GIZ seminars form a large part of the publication. Methodological tips for carrying out seminars on energy-efficient refurbishment of residential buildings round off the collection of materials. It is published in Russian and addresses a broad readership, primarily alumni and participants as well as lecturers of the Manager Training Programme.

Contacts in Central Asia

The MP hosted executives from Central Asia in Dresden, 17 February through 14 March 2014. Participants from Kazakhstan, Kyrgyzstan and Uzbekistan represented a wide spectrum of different industries. Thanks to a contacts forum, they got the opportunity to enhance their individual programme, make a whole host of follow-on contacts and arrange company visits.

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Dresden. In the ARGE Konsortium Neue Bundesländer NBL, contacts forums have been part of the MP for years. The success model is based on cooperation with the Chambers of Industry and Commerce (IHK). Before the event, the participants’ profiles and cooperation aims are communicated and published on relevant IHK platforms. Therefore, it is important that this information is retrieved and processed as precisely as possible beforehand. The more precisely cooperation aims are worded, the more interest they will arouse among German companies. At the beginning of a contacts forum, the German companies introduce themselves, their potential for cooperation and their desires to those participating in the training course. Individual discussions then get ‘to the point’, discussing issues such as technical specifications, supply and service conditions and time periods.

At the end of February, the Central-Asian MP group also had the opportunity to get to know 16 Saxon companies at a contacts forum at the Leipzig IHK. MP participants made many new contacts, including SMEs from the region, who would hardly have been able to pinpoint companies on foreign markets with which to initiate links.

‘You should not let such an opportunity pass you by!’ says Vladik Tumbaudyan of Leipzig’s Trade Centre for Central Asia and the South Caucasus. ‘Entrepreneurs and executives from Central Asia, which seems so far away to us, with know-how and market knowledge delivered free to our door, it couldn’t have gone any better. We would like to thank the organisers for this meeting; the rest lies in the hands of the entrepreneurs themselves.’ Promising exploratory talks took place in the areas of mobile electricity supply, steel construction, training for medical staff and the delivery of medical services in Germany.

Roman Bannack has worked as a specialist tutor at NBL in Dresden since 2006 and currently contributes to heading the MP. He primarily supports groups from Eastern Europe, Central Asia and Vietnam.
Introducing the Skills System to the MP

The Skills System, a toolbox of teaching methods to provide specific skills to participants, has been part of the MP since early 2014. It creates a new toolbox of teaching methods which structures the training process specifically so that participants acquire defined skills. These skills were complemented with a toolbox of training methods reflecting recent German and international experience in management training.

To become better able to assess how participants use the skills acquired,

TheCATalogue of Skills

The catalogue defines the management skills that a foreign executive from the upper and middle management levels of an SME participating in the MP uses when he/she develops a long-term economic partnership with a German firm.

‘The Skills System increases the MP’s attractiveness to participants as well as to German and foreign companies.’

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The skills mentioned are the focus of training throughout the whole programme period. At the same time, participants also work on an international cooperation project – which is also carried out throughout the whole programme period.

The International Cooperation Project

The cooperation project establishes substantial, individual goals for individual participants. At its core is a specific task that the company sending participants wants to complete; that is to initiate contact with a German firm.

1. Basics in Leadership
2. Human Resource Management
3. Quality Management
4. Marketing, Logistics
5. Innovation, Change Management
6. International Project Management

The Skills System dates back to a demonstration project for the German and international experience in management training.

The Skills System facilitates an MP qualification.

In a final presentation, participants present the project paper’s findings, the first practical results of initial contact with German firms and use a roadmap for the coming months to present their strategy for the continued implementation of the cooperation project in their company at home.

Monitoring Skills

Skills are monitored in order to guide the participants from thinking and acting according to individual expertise to thinking and acting in an integrated way in international business, with a focus on cooperation with German companies. In line with the latest international research practice, existing skills are measured in the checks based on specified evidence or by completing tasks.

The focus of the preparatory phase in participants’ homelands is on participants mastering the individual skills in the aforementioned catalogue. At the same time, autonomy and motivation are encouraged among the participants and in defining the cooperation project. Participants self-check by filling out multiple-choice tests on their skills mastery. An assessment system shows participants their individual skill level and to what extent this meets the level required. The individual checks build upon one another.

1. A practical business exemplar on the theme ‘The challenges of successful cooperation with a German company’ provides a content framework for a case study in both the preparatory phase and the cooperation project as well as a maximum of 30 points for the individual cooperation project as well as a maximum of 25 points for each test in the multiple-choice test and the oral presentation. The equal weighting of the skill level required and the cooperation project underscores the MP’s practical focus.

Together with the cooperation project, the checks guide participants towards the training qualification.

The Qualification

The Skills System facilitates an MP qualification, which has three components:

1. A practical business exemplar on the theme ‘The challenges of successful cooperation with a German company’ provides a content framework for a case study in both the preparatory phase and the cooperation project as well as a maximum of 30 points for the individual cooperation project as well as a maximum of 25 points for each test in the multiple-choice test and the oral presentation. The equal weighting of the skill level required and the cooperation project underscores the MP’s practical focus.

2. The completed paper on the cooperation project;
3. The final presentation.

The overall assessment comprises a maximum of 50 points for the individual cooperation project as well as a maximum of 25 points each for the case study, the multiple-choice test and the oral presentation. The equal weighting of the skill level required and the cooperation project underscores the MP’s practical focus.

Throughout the participant’s total score, the certificate acknowledges the acquisition of the required skills and their application in complex situations.
GIZ cooperates with 14 business training centres to run the MP in Germany. At the start of the year, these centres were invited to a workshop with the BMWi and GIZ on 11-12 February. The workshop served to familiarise all those involved in the MP with the new training centres, exchange experience, and develop the MP further.

Last year, a total of 14 training centres were identified within the scope of a tender procedure as partners for implementation of the MP in Germany. These included four new centres, which had not been involved in the programme in the past. The workshop in Bonn with the 14 centres began with a review and outlook of the innovations detailed in the tender. One day earlier, the representatives from the four new training centres in Berlin, Lower Saxony, North Rhine-Westphalia and Saxony had the opportunity to familiarise themselves with the MP procedures and guidelines.

In 2013, the number of participants in the MP grew to over 1,000 – in his review, programme leader Reimut Düring describes this as a unique situation in the programme’s 15-year history. Among the total of 49 groups, there were also eight international and eleven sector-specific groups.

With the support of the BMWi department, two sector groups from the field of renewable energies could be created in 2013 (see pp. 42 and 43). The focus also lay on renewable energies in this year, with two groups from Egypt and Tunisia (see p. 41) as well as Viet Nam. Further MP focal topics are agriculture, health, waste management, mining, and energy efficiency. There will be a total of nine industry-specific MP groups in 2014.

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Hartmut Röben, Head of Division at the BMWi said: ‘Following Mexico’s integration into the programme last year, a pilot group from Tunisia will come to Germany this year. Tunisia is the sixteenth partner country to be taken up into the programme. Besides the existing partner countries, several other countries are also interested in joining. However, further expansion of the circle of MP partners is not foreseen at present. Rather, it is now a matter of consolidating the high level achieved with the existing partner countries.’

At the workshop, particular emphasis was also on the newly-developed Skills System for the MP (see p. 16). The Skills System is a methodological-didactic tool enabling targeted orientation of the training process on the mediation of all competences forming the basis of successful international business. It provides participants with new opportunities to orientate their training to their individual needs and to actively shape the learning process through self-management. The Skills System reflects the latest German and international experience in management training. It also allows for the evaluation of participants’ ability to master competences whilst engaging in economic cooperations with German companies. The basis for the awarding of a qualified certificate at the end of the training in Germany is thus created within the MP for the first time. While the Skills System will first undergo practical testing within four of the 42 groups planned for this year, it is to be introduced for all groups from 2015. Individual elements will already be implemented in all groups this year. The major annual meeting of the programme’s implementing actors, represented by the BMWi, GIZ and 14 training centres, will be continued in 2015.
Back in Germany –
A Year After the Programme

Last November for the first time a follow-up meeting for the MP was held directly at the GIZ in Bonn: exactly one year after executives from six countries completed the programme with a focus on health care management at Cognos International in Hamburg.

As a rule, the follow-up to time spent in Germany takes place in the MP participants’ homelands. This was impossible, of course, for a group with attendees from six different countries. So GIZ and Cognos International decided to hold the first follow-up meeting in Germany for this international health care group. The pilot run was well-received by all. One key factor was the fact that the event was carefully planned to coincide in both time and location with the largest global exhibition for the health care industry, the MEDICA in Düsseldorf. Many alumni had already planned to come to Germany to attend the exhibition where they had no successfully established new contacts the year before.

In Bonn they talked about the results of the training programme, starting with the personal progress made that even included concrete joint business ventures. One very important issue raised was whether or not the business contacts established in Germany were still active and if new contacts to additional companies and institutions could be established. The guests from abroad also exchanged ideas with GIZ and Cognos representatives about the possible obstacles that resulted in the termination of business contacts with German firms and whether GIZ or the training centres involved might be able to offer additional support.

GIZ used this information to evaluate the programme, gather ideas and impulses for training in Germany, and use these to further improve the programme.

A presentation by Sarah Galander on the ‘Health made in Germany’ initiative was enthusiastically received. This BMWi initiative brings together the most important information about German health products and services on the internet.

Like at every follow-up, there was some expert input, this time from Christof Siebner (Cognos) on the topic of change management in health care. The focus was primarily on how a company could develop based on the personal motivation of its employees. The MP had left participants highly motivated to transfer the ideas and skills learned into practice in their firms. They reported on changes in their companies they had initiated as the result of their time in Germany, and shared the most important results of their programme participation with the group in prepared presentations. Vladimir Gorbachev, for example, from MEDING in Minsk (Belarus) reported that he is able to communicate better with international partners, and not just from Germany. He is also using some of the organisational and motivation techniques he learned in the seminars. Amol Bhardwaj from Medicaid Systems in the Indian Chandigarh emphasised that he now understands different cultures better. He shared the knowledge gained in the MP with his company’s directors and area managers by offering an in-house training seminar. The most important change was a detailed plan of customer relations Bhardwaj introduced. Medicaid Systems’ customers are primarily important hospitals. Additionally Bhardwaj now places greater value on feedback from his customers. All participants agreed that they would encourage others to participate in the programme. Now they are most interested in keeping their contacts active – in the German health care sector in particular, but also with each other.

GIZ places great importance on follow-up events. Contact with alumni in international groups is maintained over the long-term through alumni events on both a national and international level.

The Consulate General of the Russian Federation hosted the German-Russian Entrepreneur Talks for the sixth time in late 2014, called for intensified dialogue and understanding at business level to reinforce mutual trust, in keeping with the long tradition of Russian-German business relations. The new head of division at the BMWi and Russia expert, Ulrich Benterbusch, also highlighted the similarities in the mentalities of Germans and Russians, which are favourable to business relations even if discrepancies exist in social development.

In light of recent events, the speakers oriented their presentations to the crisis in the Ukraine and the associated political and economic implications. Experts from the Düsseldorf Chamber of Commerce and Industry and the Chamber of Foreign Trade in Moscow in addition to a German specialist from the Moscow branch of consulting company Beiten Burkhardt, spoke on the business practices of Russian entrepreneurs in Germany facilitated by the German MP alumni association DRMN proved particularly popular.

Early Bird Discounted Rates

The Consulate General of the Russian Federation hosted the German-Russian Entrepreneur Talks for the sixth time in cooperation with the BMWi and GIZ. Over one hundred company representatives, most of whom are alumni from the ‘Fit for Business with Russia’ programme, responded to the invitation to Bonn on 6 June 2014 to exchange on German-Russian business relations, foster new contacts and refresh old ones in a relaxed setting.

Bonn: When entrepreneurs speak with one another and politicians remain silent, the children can sleep easy’, stated Consul General Yevgeny Shmagin, with his typical acuteness, of the meeting’s purpose. The Consul General, whose term will end in late 2014, called for intensified dialogue and understanding at business level to reinforce mutual trust, in keeping with the long tradition of Russian-German business relations. The new head of division at the BMWi and Russia expert, Ulrich Benterbusch, also highlighted the similarities in the mentalities of Germans and Russians, which are favourable to business relations even if discrepancies exist in social development.

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Four weeks they spent in Germany, the 20 Tunisian managers had 63 meetings with potential business partners from different branches. These resulted in some very concrete approaches to future cooperation, which is reflected in the results achieved by two participants (see information boxes).

The programme was very positively received by all participants. They emphasized the interesting and varied mix of interactive training, company visits to different branches and networking events with a range of associations and chambers of commerce. The Tunisian managers were very impressed by the importance of medium-sized companies for the German economy, something they experienced first-hand during a visit to family-owned hidden champions, such as Mankiewicz GmbH & Co. KG and Stulz GmbH.

As a target group, the Tunisian managers were a perfect fit for the MP. Their close proximity to Europe and European-influenced educational system means they have similar views and experience, which allowed them to adjust seamlessly to conditions in Germany. This also meant they were able to process the information gained during the programme to their advantage. On the other hand, participants were astonished to see how much Germany differs from France and Italy. Most participants had prior business experience with these two countries. The Tunisian managers were very active and open to new ideas and information in Germany. Their hard work contributed to the programme’s success.

The Tunisian pilot programme ended with a reception at the BMWi. In addition to the group and representatives of Cognos International and GIZ, Ulrich Benterbusch, Head of Division at the BMWi, Heiko Wildner from the BMWi’s Country Desk Tunisia and Wacif Chaha from the local Tunisian embassy were there to draw their own conclusions about the results of the pilot group.

For the first time entrepreneurs and high-ranking managers from Tunisia came to Germany, from 27 April to 24 May. The branches represented included automotive, IT, food, textile, and industrial services. Cognos International organized an exciting and varied programme in Hamburg, Hannover and Berlin. Three representatives from the Tunisian Ministry for Industry, Energy and Mines also accompanied the group of business people.

Adnen Khadraoui is the plant manager at Altrision in Tunisia. The company assembles television sets for the North African market, for example. Altrision also produces a range of electronic components. Khadraoui was looking for offshore projects for this area in Germany – companies looking to outsource part of their production. To this end he met with the Emi Electronics GmbH from Baden-Württemberg, BHC power solutions GmbH from Saarland, General Telecommunications Corporation (GTC) GmbH from Bavaria and Native Instruments GmbH from Berlin. Negotiations with the first three companies have progressed quite far and Khadraoui will be sending them quotes for different projects by the third quarter of this year. Follow-up meetings are also scheduled to take place in Tunisia.

The reasons for interest in cooperation are very different, such as the desire to find an alternative to a Chinese supplier, the collapse of production in Syria, or outsourcing production to lower costs – but everyone agrees on one thing: the services Khadraoui and his company offer are very professional and competitive. Klaus Bunge, Vice President Quality & Supply Chain Management at Native Instruments, confirmed the positive impression Khadraoui made during their meeting: “We met Mr Khadraoui during a business meeting in Tunisia. From the outset, I was impressed with Altrision’s professional and organized approach. The production line is state-of-the-art and its close proximity to Germany is very convenient. When Mr Khadraoui visited us in Berlin, his presentation of the company was very professional, which reinforced that initial positive impression.”

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Mexican Executives in Bavaria and Berlin

While the Mexican and German ministries of economic affairs are preparing to sign a government statement as the basis for the bilateral cooperation within the framework of the MP, the pilot group has already successfully completed its training at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria.

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First successes during the MP

First results show that the participants have achieved their targets. According to their own accounts, 13 agreements have already been concluded with German cooperation partners and further offers are being solicited. Product tests and product training as well as follow-up meetings have been arranged.

Rosado Puerto has also scored a success; the managing director had planned to make business contacts with German companies interested in Mexican honey. Thanks to the MP, she was able to contact four interested German companies. Since returning to Mexico, she has been driving the quality improvement of her processes and produces forward – with her sights set on certification in order to be able to supply the German partner. Rosado Puerto also visited the machinery manufacturer Bernhard Rietsche GmbH in Biberach in the Baden region and contracted it to repair a machine. She convinced herself on site of the quality of new technologies – and will soon be receiving a quotation for new equipment.

‘Normally, a business process takes a whole year before an agreement with the corresponding party is signed. Thanks to programmes like this one, processes are speeded up,’ said Raúl Cuevas Campillo, Commercial Head of INADEM, which was commissioned by the Mexican Ministry of Economy to prepare the MP. All participants stood out through their professionalism, thirst for knowledge and passion for discussion. They supported and motivated each other during their stay in Germany, and the atmosphere within the pilot group was positive and dynamic.

Erwin Feldhaus, Commercial Councillor at ProMéxico in Germany, welcomed the Mexican executives at the opening event at the Mexican Embassy in Berlin. The atmosphere was positive and dynamic. The possibility of getting to know companies from different industries is particularly interesting for the participants, who used the opportunity to speak with company representatives. Elizabeth Rosado Puerto, Managing Director of Tropical Honey Company S.A. de C.V., said that the group visits were very suitable for putting the knowledge gained in the MP into practice. The family enterprise processes and markets high-quality Mexican natural honey. Rosado Puerto also finds that the information on the administration and management of companies, building successful teams, export business and German business culture is tremendously important as it provides the participants with very helpful tools. Visits to trade exhibitions and cultural fringe events, which also included the reception for the participants at the Mexican Embassy in Berlin, rounded off the programme.

‘The participants have proved that high potential for cooperation exists and there is demand for this Training Programme,’ Rosado Puerto’s advice to those Mexican executives still considering whether they should apply to participate in the MP: ‘Don’t let the thought of being away from your company for such a long time stop you. It is hard to distance yourself and not allow yourself to think that you are neglecting the business, but it is worth it to invest this time in the Programme!’ And she adds with a wink: ‘Be careful with German beer – it’s delicious, but it is much stronger than Mexican beer!’

Energy (BMWi) was a highlight. Representatives of the BMWi, the Mexican Embassy and the representation of the Mexican Ministry of Economy in Brussels came to the farewell event for the pilot group. ProMexico, the Chamber of Industry and Commerce for Munich and Upper Bavaria and GIZ representatives were also there to hear about the participants’ personal results. Sandra Peters, Project Manager at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria, is very glad that Mexico is now one of the MP partner countries.
In a guest article, Michael Harms, Global Spokesman of the German Chambers of Commerce Abroad (AHK) and Executive Director of the German-Russian Chamber of Commerce, speaks about the objectives and the work of AHK worldwide and particularly in Russia.

The AHK worldwide offer comparable services, complemented by location-specific services.

**German-Russian Chamber of Commerce**

The German-Russian Chamber of Commerce has its headquarters in Moscow, a branch office in St. Petersburg and so-called regional authorised representatives in the Volga, South, Ural and Siberian/Far East regions. With them, we have reacted to the lasting trend towards localisation. The German-Russian AHK currently represents the interests of around 850 companies, of which 70 per cent are German, 20 per cent Russian and 10 per cent of international origin.

Lobbying activities account for a large part of the daily work. We primarily cooperate with all relevant Russian ministries, federal, regional and municipal authorities as well as business and lobby associations. But we also maintain close contacts with Germany and – as in the current situation – provide all decision makers with necessary information and clearly represent the point of view of the business sector. Direct contact partners are the Federal Ministries for Economic Affairs and Energy, Education and Research, and Food and Agriculture. The programmes for business travel worldwide covering the export initiatives on renewable energies and energy efficiency as well as the areas of agriculture and vocational training are also implemented through these federal ministries.

The members receive up-to-date, first-hand information on the latest developments in the Russian market. There are 18 committees and working groups, in which the various specialists in their fields meet to make their expertise available in a condensed form to all the other companies. Topics are, among others: customs duties, technical regulations, matters concerning migration and labour law, localisation, legislation, compliance, energy efficiency, etc. The local availability of this competence is a unique feature of the German-Russian AHK.

The so-called AHK worldwide spokesman conveys these issues in a unique way. The Executive Director of the German-Russian AHK, Michael Harms, was confirmed in office for another two years. He is the ‘face’ of all chambers of commerce abroad all over the world, their spokesman and interest representative in talks with national and international associations and organisations, and equally in coordination with political bodies as well as business, specialist and lobby associations in Germany.

The AHK are therefore also very open to all forms of cooperation with current and future decision makers or interested parties, e.g.: the alumni of the BMWi Manager Training Programme. The staff of the AHK are always available to help. In addition, support and information on a local basis are also possible, e.g. in the form of briefings, thematic events and discussion forums.

**Contact:**

Michael Harms
Executive Director
German-Russian Chamber of Commerce
Tel.: +7 (495) 234 49 50
E-Mail: harms@russland-ahk.ru

Wladimir Nikitenko
Member of the Management
Department Head DEinternational
Managing Director of the Information Centre of German Economy
German-Russian Chamber of Commerce
Tel.: +7 (495) 234 49 50 ext. 2281
E-Mail: nikitenko@russland-ahk.ru

Jens Böhlmann
Department Head GR & PR
Member of the Management
Consultant from the Federal State of Hesse at the AHK
German-Russian Chamber of Commerce
Tel.: +49 (6171) 349 50 ext. 2233
E-Mail: boehlmann@russland-ahk.ru

Deutsch–Russische Auslandshandelskammer
Российско-Германская внешнеторговая палата

**Services of ‘DEinternational’ in locations all over the world:**

- All around market entry
- Personnel search / location search
- Organisation and accompanied delegation trips
- Special events (trade fairs for component suppliers / investment forum)
- Business presence (office in office)

**Intensive cooperation with German partner organisations:**

- Association of German Chambers of Industry and Commerce (IHK) and Chamber of Industry and Commerce (HK)
- GTAI (Germany Trade and Investment)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- DERA (German Mineral Resources Agency)
- dena (German Energy Agency)

**Functions:**

- Official representatives of the German business sector
- Member organisations for companies
- Service provider for companies

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AHK worldwide: 85 countries, 125 locations

**The Federal Ministry for Economic Affairs and Energy, Sigmar Gabriel, put it in a nutshell at the AHK World Conference in Berlin on 13 May: ‘Our AHK are the first contact partners for companies seeking to establish themselves and grow abroad. Small companies especially benefit from the long-standing networks in the respective countries and receive excellent advice.’ The AHK are the most important partners abroad for the promotion of foreign trade through the Federal Ministry for Economic Affairs and Energy (BMWi). Together with the German diplomatic representatives (embassies and consulates), they officially represent the interests of German industry and commerce towards political and administrative bodies in the respective host country. For more than 100 years now, the network of the Chambers of Commerce Abroad has been smoothing the way for German companies that wish to extend their business activities to other countries.**

The AHK are voluntary member organisations and, as such, an association in the interest of German industry and commerce in the respective host country. Almost all AHK have bilateral or multilateral structures; thus, they also serve as ‘ice-breakers’ for foreign companies in Germany. Under the service brand ‘DEinternational’, the
New Energy

The hardware factory Metallwarenfabrik Gemmingen (MG) supplies electricity generating systems to countries all over the world. A group of entrepreneurs from the CIS countries who visited the Mittelstand business a few years ago within the scope of the BMWi Manager Training Programme included several future customers. A dealer from Turkmenistan even became a general importer shortly after that visit – and brought fresh momentum to MG’s sales efforts in the former Soviet Republic.

Gemmingen. On his own, he would probably not have been able to so easily gain access to this difficult market. Turkmenistan in Central Asia, a country rich in oil and gas resources bordering on Iran in the south, is isolated. Stanislav Hoerdt says import regulations are strict and customs duties high; the authorities have a slow and roundabout way of working. He is responsible for Eastern European sales at Metallwarenfabrik Gemmingen (MG) and sells sophisticated emergency generators of the Geko and Eisemann brands in the CIS countries.

Regarding Turkmenistan, however, MG had always run up against a brick wall. ‘You need a trustworthy local contact who is familiar with the situation there’, says Hoerdt. Looking back, the sales manager is glad that in 2007 his company welcomed to its headquarters in Gemmingen a group of business people from the CIS countries who were visiting Germany for the MP. One of the participants was Zafar Tagyev, who turned out to be just the trustworthy Turkmen that MG needed.

Metallwarenfabrik Gemmingen manufactures its own die cast bodies, high-precision stators and rotors. The company also makes reliable electricity generating systems with sophisticated control electronics and remote maintenance systems – internationally renowned electricity generators are produced in the main plant in Baden-Württemberg. MG supplies emergency generators for hospitals and mobile radio and communication companies as well as the civil protection and rescue services plus extremely robust electricity generators for building sites, which supply energy for the most diverse electric consumers despite rain and dust. As one of few suppliers, MG is even authorised to sell electricity generators to the armed forces because the stators and rotors made of hundreds of the finest metal bits function with such precision that practically no electrical interference fields occur.

A total of 380 employees work in currently three plants – in addition to the main plant, MG now also produces in Hungary and China. They cast generator nacelles from aluminium under high pressure, press fine bits out of metal strips and bundle them, wrap endless kilometres of copper wire to form coils. Finally, they install sensors, fuses and even mobile radio modules with which, for instance, oil companies can monitor the generators from a distance. After all, the purpose of these generators is to supply electricity for a pump somewhere in the Siberian tundra. The vertical range of manufacture of this medium-sized company is up to 80 per cent – MG only purchases the combustion engines for the power units from suppliers of many years’ standing such as Deutz. An MG employee even bakes the powder coating for the nacelles into the metal in the Gemmingen plant’s own stoving oven.

MG supplies very compact small generators that only weigh 22 kilos, but also megawatt plants weighing tons, which can easily supply a small town with electricity. ‘Demand is strong’, says Sales Manager Hoerdt. ‘In many emerging economies, the supply of electricity is still unreliable; many mobile communication companies equip their masts with our generators.’ Exports account for 40 per cent of the turnover of approximately 47 million euros. The medium-sized enterprise, which has belonged to a group of financial investors since owner Robert Spill left the company in 2008, is growing steadily.

Some particularly exotic markets such as Turkmenistan, however, remained unknown territory for a long time until GIZ enquired whether MG would host a group from the CIS countries. ‘This visit was exceptionally successful for us’, says Hoerdt, ‘because in countries like those, nearly every industry needs generators.’ Shortly after the visit, first orders arrived from countries of the former Soviet Union. However, of greater importance was the participant from Turkmenistan, Zafar Tagyev, Managing Director of the Turkmen wholesaler Alamat Energo, who became MG’s general importer in his country a short time later. In the meantime, the Swabian company supplies up to 150 generators a year to Turkmenistan and has achieved turnover of about 2.5 million euros there since 2007.

And Hoerdt, who today speaks to Tagyev on the phone almost every day and visits the Turkmen capital of Aşgabat every two years, is certain: ‘Without the MP, we would probably not have received orders from Turkmenistan so easily.’ The market is isolated, the conditions difficult. ‘You need someone on the spot.’

David Selbach is a freelance business journalist based in Cologne. His focus is on medium-sized companies.
Catching Up in Cairo

From mid-2012 to the beginning of 2013, the first Egyptian managers participated in the Manager Training Programme (MP) in Germany. At the beginning of December 2013, the GIZ issued invitations to a follow-up meeting in Cairo – and most Egyptian alumni accepted.

Cairo

For one manager group it had been six months since they had attended training in Germany, and around 18 months had passed for the pilot group. Enough time to draw conclusions about the advantages of participation in the programme. The effects on business in particular were more than satisfactory. Despite the ongoing problematic domestic political situation in Egypt, MP participants concluded business deals for the import and export of goods amounting to a total of around 5.5 million euros.

Many managers applied ideas from Germany to change processes in their companies. The programme considerably raised their awareness of the importance of the human resource factor. In response MP alumni have begun involving their employees in decision-making processes more and investing in human resource development, such as through training. The managers learned about these models on a visit to North Rhine-Westphalian companies. Negotiations with potential business partners also inspired many to increase their product quality.

The goal of the event in Cairo was to intensify existing business contacts. Dr Rainer Herret, Managing Director of the German-Arabic Chamber of Foreign Commerce, explained what a foreign chamber of commerce (AHK) can do to help. He sees the Manager Training Programme as: ‘a lighthouse project in German-Egyptian cooperation.’ The services provided by the AHK for market research and to support the search for potential partners for new business areas were received with great interest.

The GIZ country office is also located in Cairo. Country Director Dr Thomas Engelhardt was glad to take advantage of the opportunity to present GIZ activities in Egypt. These focus on the working fields of water supply and distribution, renewable energies and administration.

The Carl Duisberg Centres (CDC) from Cologne organised both trainings in Germany. During the Cairo event, CDC Project Manager Jörg Kalmbach ran a training seminar on networks. This inspired participants from both groups to found an Egyptian Alumni Club. Frank Nichte – responsible at the BMIW for the MP with Egypt – feels that the results achieved exceeded the expectations of the pilot group. This is a very positive place from which to start negotiations for the continuation of the MP with Egypt starting in 2015 at the first ever meeting of the German-Egypt steering group (see article p. 10). Currently cooperation is based on a government declaration from December 2011 as a preparation for the time period from 2012 to 2014.

Kiev

Something nobody expected: in 2014 there were so many applications to participate in the programme ‘Fit for Partnership with Germany’ that a large number of applicants will have to wait until the selection process for 2015. This shows that there is continued interest in the Programme. The MP gains strong impetus through the EU-Ukraine Association Agreement, of which the political provisions were signed on 21 March and the economic provisions on 27 June 2014 as a sideletter to the European Council. The Agreement is an important signal for the Ukrainian business world that the economic cooperation with the EU is gaining in significance. The commitment of the partner networks throughout the country (see article in Journal 2-2013), supported by MP alumni and the Ukrainian Ministry of Economic Development and Trade, is showing positive effects.

Enterprises from the agricultural sector, which plays an important role in the Ukrainian economy and has weathered the global financial crisis well, showed particular interest in the Programme. Already one third of Ukrainian export and import business is done with EU markets. Cooperation with the EU is decisive for the modernisation of the Ukrainian economy and for reducing dependency on the energy sector. Therefore, for the Ukrainian executives one of the primary training objectives is to become familiar with energy-efficient technology and its use in production.

Info in the Ukrainian Language: http://ukraine.managerprogramm.de

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Strong Demand Despite the Crisis

The political crisis in Ukraine worsened dramatically in winter and spring 2014 and brought several international projects to a standstill. In spite of this critical situation, the Manager Training Programme (MP) ‘Fit for Partnership with Germany’ is entering the next round and demand for it is even increasing.

Kiev

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Electricity Production in the MP Partner Countries
Source: www.iea.org, 2011
Germany is developing its renewable energies and promoting their implementation worldwide through a number of foreign policy tools. German companies from the renewable energies sector are actively being supported, among others through the ‘renewables – Made in Germany’ export initiative and the Manager Training Programme of the Federal Ministry for Economic Affairs and Energy (BMWi).

**In Focus:** Renewable Energies

The German federal government coined the term ‘Energiewende’, the energy transition, to describe its decision to develop German energy supplies from renewable energies and increase in energy efficiency, says Uwe Beckmeyer, Parliamentary State Secretary at the BMWi. Among other goals, the energy transition aims to boost present-day power generation from around 25 per cent renewable energies to at least 80 per cent by 2050. ‘We not only wish to meet our climate protection goals but also to reduce our dependence on international oil and gas imports in the long term with the two pillars of renewable energies and energy efficiency’, Beckmeyer continues. At the same time, this route develops new technologies and new growth paths to create new jobs. While this must be a medium to long-term strategy, it is already having an impact today. ‘In 2012 alone, Germany saved 36 billion euros in import costs through energy efficiency measures and the use of renewable energies. This is money that can instead be invested locally’, Beckmeyer emphasises.

Opportunities for the German Mittelstand

It therefore comes as no surprise that renewable energies are ‘an important economic factor and offer work for many people’ (see Germany, says BMWi State Secretary Rainer Baake. In 2013, around 371,400 jobs were employed in the development of renewable energies for the generation of electricity, heat and biofuels. Of these, some 261,500 jobs can be attributed to the EEG. The wind power industry, in particular, is experiencing a boom, with wind energy now the largest contributor to the total number of jobs in renewable energies.

In 2013, the renewable energies sector provided jobs for 370,000 people.

This is good news for the German Mittelstand working on implementation of the energy transition here in Germany. German companies command extensive expertise that is in demand worldwide. Large federal states such as Bavaria, North Rhine-Westphalia, Baden-Württemberg and Lower Saxony offer the most jobs in the renewable energies sector. However, when regional jobs in renewable energies are compared with the total number of employees in the federal state, there is a clear shift in the ranking. It can then be seen that renewable energies are in fact above all an important job factor in small federal states such as Bremen and Thuringia.

With its renewable energies export initiative, the BMWi helps German businesses – and particularly small and medium-sized companies – access foreign markets and export renewable energies technologies (see pp. 36–37). The BMWi strives to promote German expertise in this way and to boost the market potential for German technologies abroad. This contributes to the reinforcement of Germany as a business location and to attainment of the global climate protection goals. The renewable energies export initiative was launched in 2002 following a Bundestag resolution, and has been managed and financed by the BMWi and with the support of count less partners both in Germany and abroad ever since.

Manager Training Programme with a focus on renewable energies

As one further element and a module of the German foreign trade promotion, the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy helps transfer German expert ise in the renewable energies sector to countries in Eastern Europe, Asia, North Africa and Latin America. German medium-sized companies are offered a unique opportunity to meet high-ranking foreign management executives, present their own company and products, and establish business cooperations.

Interest in the use of renewable energies technologies is also on the increase in...
For some time now, the German federal government has called for the increased expansion of renewable energies through Hermes cover. In the past five years alone, a multitude of projects worth a total of 3.5 billion euros in value have been guaranteed. "We are convinced of the advantages of renewable energies and campaign for these internationally. We therefore also support German companies with Hermes cover in the development of renewable energies in other countries. In this way, we reinforce our Mittelstand, who count among the world’s leading manufacturers of environmental technologies," says Federal Minister for Economic Affairs and Energy Sigmar Gabriel. In contrast, this cover should in future no longer be offered for nuclear plants abroad. This applies for both new and existing plants. This decision demonstrates the federal government’s readiness for an energy transition also in an international context, and their commitment to increased nuclear safety abroad.

For the MP partner countries. In 2013, two manager groups with a focus on the renewable energies sector therefore visited Germany for one month for the first time. The participants came from Russia and Ukraine as well as from Uzbekistan and Kazakhstan (see pp. 42 and 43). Interest was high from both the German side and the partner countries. Indeed, a number of preliminary sales contracts were agreed upon the stay in Germany. Follow-up meetings have also been arranged in the partner countries. In light of these successes, the ‘renewables – Made in Germany’ export initiative will support two groups with a focus on renewable energies again this year. In June, a 22-strong group from Egypt and Tunisia travelled to Germany specifically to meet with German companies from the fields of solar thermal energy, photovoltaics, wind energy and biomass (see p. 41). A visit by a Vietnamese company group is also planned for this year.

Source: BMWi

20% of today’s global energy supplies are obtained from renewable sources

Renewables – Made in Germany

Innovative Technologies to Meet Energy Needs

Global demand for energy is growing. In the face of rising energy prices and the challenge of climate change, renewable energy (RE) is gaining importance. All over the world, new sales markets are being created for solar energy, bioenergy, wind energy, geothermal energy and hydropower. Here, the system integration of RE is also playing an increasingly important role.

RE can be used for generating electricity and heat as well as in the mobility sector. Whereas the wind and sun provide a varying energy production dependent on weather conditions, bioenergy, hydropower and geothermal energy are almost continuously available or storable and controllable. This enables a continuous, reliable energy supply that meets demand. Due to the enormous power range from a few watts to hundreds of megawatts, renewables can be adjusted to any kind of energy service. In close dovetailing with modern energy technologies, they can make a considerable contribution to supply of energy.

More and more market participants worldwide rely on technologies and services ‘made in Germany’. The continuous promotion of renewables in Germany since 1991 has led to an upswing in the RE industry. Today this industry offers world-leading technologies. The sector comprises several hundred small and medium-sized enterprises that have specialised particularly in research, development, planning and production. They have many years of experience and know-how and offer reliable, durable and sustainable technologies.

Publications

Further information on the initiative ‘renewables – Made in Germany’ as well as current event dates and publications can be found at www.renewables-made-in-germany.com. Contact: renewables@dena.de

Networking at the informative event of the Export Initiative

The initiative ‘renewables – Made in Germany’ is designed to provide information on German companies in the fields of solar thermal energy, photovoltaics, wind energy and biomass (see p. 41) to foreign economic partners. In this way, representatives of German companies and the German community in the respective countries can learn more about innovative technologies.

Networking at the informative event of the Export Initiative

Networking opportunities abroad

• Conferences and individual business meetings with German companies
• The initiative ‘renewables – Made in Germany’ brings potential cooperation partners together. Information on German technologies is provided first-hand at seminars and networking events.
• German community stands at trade fairs abroad

At leading trade fairs all over the world, visitors can speak directly with representatives of German companies at the German community stand and learn more about innovative technologies.

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### Renewable Energies Are on the Rise

A turnaround in energy policy as in Germany is not yet in sight anywhere else in the world. Fossil fuels and nuclear power remain the most important sources of energy for the time being. In view of rising global energy demand, the significance of renewable forms of energy is, however, growing everywhere, as a survey by Germany Trade & Invest shows. In a guest article, Dr Hans-Peter Hüssen, the editor responsible for this study, summarises the most important findings.

**Bonn.** Global energy demand will continue to grow strongly in the coming decades. In the World Energy Outlook 2013, the International Energy Agency (IEA) forecasted annual growth of 1.2 per cent for the period 2011 to 2035. However, the increases differ strongly among the regions. While demand in the OECD countries remains almost constant, it increases by about 1.8 per cent in the non-OECD countries. Especially Asia, Latin America, the Middle East as well as Africa need new power station capacities.

Here renewable energies (RE) play a particular role. The IEA forecasts growth of 77 per cent to 3,059 Mtoe (megatons of oil equivalent) in demand for primary energy supply. In most countries, this is to be achieved through onshore wind power. China has the most extensive plans. According to IEA forecasts, electricity generation from this energy carrier ought to increase rapidly from a comparatively low 434 TWh in 2011 to almost 2,600 TWh in 2035 — which means growth of over 2,200 TWh or by 539 per cent.

The proportion of electricity generated from renewable energy carriers will increase between 2011 and 2035 from 20 per cent to 31 per cent of total electricity generation. Approximately a half of the increase in global electricity generation forecasted up to 2035 will be from RE. This means that, by 2035, electricity generation from regenerative energy carriers will almost reach the level of electricity generated from coal, currently the most important energy carrier.

The IEA forecasts that swift growth in wind and solar energy will be accompanied by a steady increase in hydropower and bioenergy.

According to the World Energy Outlook 2013, two thirds of growth in electricity generation from RE will be in non-OECD countries, and this group of countries’ share of total electricity generation from RE is likely to increase from 53 per cent in 2011 to 62 per cent in 2035.

From a regional perspective, electricity generation with the aid of RE will increase most strongly in Asia (in absolute figures more than 1,800 TWh), according to the IEA forecast. This is equivalent to growth of almost 140 per cent. The People’s Republic of China will probably have by far the highest growth of all individual countries, with an increase by 1,990 TWh or 244 per cent; this is equivalent to 28 per cent of the total increase in electricity production from RE and is a higher absolute increase than in the EU, the USA and Japan together. But high growth rates must also be expected for Africa and the Near and Middle East with over 370 per cent and almost 3,000 per cent respectively. In Africa, the proportion of electricity from fossil fuel carriers will increase by about 19 per cent points to 36 per cent between 2011 and 2035. With that, the proportion on this continent would be clearly above that of Asia (27.2 per cent) and Eastern Europe/Eurasia (21.8 per cent) as well as that of Asia/Oceania (25.5 per cent) and the Middle East (12.9 per cent).

The global installed wind-powered electricity generation capacity was over 318,000 MW at the end of 2013, according to the Global Wind Energy Council. About 28 per cent of this was due to China. The USA (with a share of 19 per cent) and Germany (almost 11 per cent) followed far behind. Thus approximately 58 per cent of all installed capacities belonged to these three countries. Africa, Latin America and the Pacific Region had erected particularly few wind turbines; together, their share of the global capacities amounted to 3.1 per cent. However, all regions plan to expand wind energy in the coming years. According to IEA forecasts, electricity generation from this energy carrier ought to increase rapidly from a comparatively low 434 TWh in 2011 to almost 2,600 TWh in 2035 — which means growth of over 2,200 TWh or by 539 per cent.

In most countries, this is to be achieved through onshore wind power. China has the most extensive plans. According to official plans, the installed capacity of wind power is to be increased from 44.7 GW (2010) to 100 GW by 2015 and 200 GW by 2020. Of this capacity, 95 GW (2015) and 170 GW (2020) will be achieved with onshore plants. Other Asian countries – among them Vietnam and India – also want to expand onshore wind power. In Europe, the onshore segment is being expanded in almost all countries. Germany was in third position worldwide at the end of 2013 with a wind power capacity of 34 GW. These capacities were primarily installed in onshore wind power plants, but also 280 MW (end of 2012) in offshore plants.

Offshore plants often only account for a small proportion of a country’s total wind generation capacities. With a few exceptions, the situation is not likely to change in the future as many countries do not have the preconditions for offshore plants and others are either only in the initial stages of expanding capacities or do not wish to do so. Nevertheless, business opportunities for offshore technology are also good, particularly in Europe and China. China, for instance, wants to expand its capacities to 30 GW by 2020.

### Water

According to the IEA forecast, electricity generation from hydropower will grow by about two thirds to over 5,800 TWh by 2035 in comparison to 2011, which means growth similar to that of electricity generation from wind.

For some countries, among them Germany’s neighbours Switzerland and Austria, water is the most important energy carrier – at least with regard to RE; however, expansion possibilities are often limited, or there is need for modernisation in parts.

Many countries want to utilise their so far unused water power potential more in the future. Therefore, various European countries – among them Russia – intend to invest considerably in hydropower. Various Latin American countries, too – including Mexico – plan to expand their capacities considerably by building large, medium-sized and small power stations. While in some Asian countries, e.g. Viet Nam, hydropower is expanded rather cautiously, it could grow significantly in the future in other countries. In China, the utilisation of hydropower is to be increased from 280 GW in 2013 to 400 GW by 2020.
Sun or solar energy is the energy in the sun’s rays which can be technically utilised in the form of electricity, heat or chemical energy. With the aid of solar technology, solar energy can be used in different ways. In photovoltaics (PV), solar cells generate direct current electricity, whereas concentrated solar power plants (CSP) use solar heat through absorbers as the primary energy source.

The IEA forecasts an increase from 63 TWh (2011) to 1,196 TWh (2030) in the global utilisation of solar energy (PV+CSP) for electricity generation, even if its share of total electricity production will still be small with 3.2 per cent (2011: 0.3 per cent). At the same time, the installed capacity (not including CSP) will increase sevenfold to 690 GW.

China (+150 GW) and India (+90 GW) will have particularly high growth rates. The USA and the EU will follow, each with 80 GW growth, as well as Japan with an increase of 50 GW. However, in the opinion of the IEA, these growth rates are strongly dependent on government subsidies. According to its current five-year plan, China wants to have more than 35 GW of installed solar capacities at its disposal by the end of 2015 (of which 34 GW are PV, 1 GW CSP) and even over 50 GW by 2020 (47 GW PV, 3 GW CSP); in 2010, the figure was only 80 GW growth, as well as 333 per cent to 299 TWh and from tidal and wave energy power stations. The IEA expects that the proportion of bioenergy would increase by almost 250 per cent to 1,477 TWh. Electricity generation from geothermal energy would grow by 33 per cent to 299 TWh and from tidal and wave energy power stations by 3,800 per cent to 39 TWh.

In the area of geothermal energy, growth of 24.2 MW (2010) to 100 MW (2015) is planned, according to the Chinese five-year plan. The China National Renewable Energy Centre estimates that the country’s potential for geothermal energy makes up about eight per cent of worldwide resources. In Mexico, too, geothermal energy is to be developed. Tidal and marine current power stations are still in an early development stage, but have strong potential. Research institutes and project developers want to expand their cooperation further – with the objective of combining offshore wind and wave power ( combination power stations).

In most European countries, solar energy capacities will be expanded in the next few years. Here investments in solar energy also depend on feed-in tariffs. As they were high in the past in some countries, solar capacities were rapidly expanded. So rapidly that the government has now lowered the tariffs to curb this development; this measure has slowed it down considerably.

Further country-specific reports can be found at www.gbaie.de

**IN FOCUS**

**BIOGAS/BIOMASS, GEOTHERMAL ENERGY, TIDAL/MARINE CURRENT POWER STATIONS**

Throughout the world, abundant unutilised potential exists in the areas of geothermal energy, biogas/biomass, tidal and marine current power stations. This is currently being comprehensively researched on all continents. Depending on the natural circumstances, they either are already being or will be utilised more intensively in the future. Furthermore, individual countries are experimenting with additional forms of bioenergy generation such as biochar, biofuel or wave energy systems. There is also a continuously increasing number of refuse incineration plants. The IEA forecasts an increase in the generation of energy from bioenergy by 2035, i.e. from biomass, biogas and refuse incineration (including geothermal energy and tidal power stations). Compared with 2011, the proportion of bioenergy would increase by almost 250 per cent to 1,477 TWh. Electricity generation from geothermal energy would grow by 33 per cent to 299 TWh and from tidal and wave energy power stations by 3,800 per cent to 39 TWh.

India’s expansion target for its twelfth five-year plan is 2.7 GW for total biomass-based capacities including urban waste-to-energy systems. Potential – not including biogas (remains from sugar production) – is estimated to be 17 GW.

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18 executives from Egypt and Tunisia visited Germany in June for a four-week training programme. True to the motto ‘Fit for Partnership with Germany’, they wanted to start off with training on cooperation with German partners and especially to learn about current technologies for utilising renewable energy.

Aachen / Munich. The MP with a focus on renewable energy (RE) was jointly organised by the GIZ partners tAIRDe and International Academy of the Aachen University (RWTH ). In addition to seminars on business culture for dealings with German partners, it includes visits to manufacturers of solar, wind and biogas power plants. The Programme participants are given the opportunity to talk with representatives of German companies from the RE industry. These are just the technology providers that the Renewable Energies Export Initiative, which the office of the Export Initiative and GIZ soon agreed that an MP participant should inform the Export Initiative and GIZ.

In the opinion of Sofiane Khalil, Managing Director of Shams Energy Access, ‘the Tunisian on-grid market for small photovoltaic systems is developing rapidly and offers opportunities for cooperation with German companies. After its start in 2010, systems with a total capacity of four megawatts were installed already in 2013. The total capacity of the projects should double to eight megawatts for the current year.’

Rashad Hassan, Project Manager of Sun Infinite Energy in Egypt, finds the timing ideal for a RE industry programme in 2014 within the scope of the MP. ‘Interest is there, demand is growing in the market and legal framework conditions are being prepared at the political level. And the situation will become even more dynamic when the government subsidies of electricity prices, which have curbed investments in own photovoltaic systems so far, are reduced by the end of the year.’ All in all, 129 appointments for talks had been planned for the two days at the trade fair.
Pilot Group Renewable Energy

At the invitation of the BMWi, the Export Initiative Renewable Energies and GIZ, 22 executives from Russia and Ukraine were guests at Wirtschaftskademie Schleswig-Holstein GmbH from 10 September to 5 October 2013 within the framework of the MP.

The emphasis of training was on increasing the efficient utilisation of energy by expanding regenerative energy sources and growth in innovative technology for the efficient conversion of energy and the optimisation of energy systems. The participants represented five different segments of the industry: biomass, wind energy, solar energy, geothermal energy and energy efficiency. The primary objective of the training was to gain an overview of the current situation as well as the development and implementation of renewable energy, to receive information on the German Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG) and, in technical discussions with company representatives, to become familiar with the latest technologies in this field. Subjects included the energy efficiency of electricity grids, Smart Grid Systems, and production and processing methods in the area of pelletising or for biogas plants. Government promotion and subsidies, particularly in the biogas sector, were a controversial aspect.

The participants were backed by renowned German partners and companies such as the German Energy Agency (dena), the Centre of Excellence of Biomass (CE Biomass), the Training Centre for Renewable Energy (BZEE) or Deutsche Gesellschaft für Sonnenenergie (German section of the International Solar Energy Society) in order to increase their awareness of special topics to do with regenerative energy and support them – with the latest technologies and pilot projects – in coping with these global challenges. Altogether, more than 80 organisations and companies were involved in the implementation of the Programme.

Kiel. Germany puts a focus on sun, wind and water – and thus on climate protection, supply certainty, regional value creation and the consistent expansion of regenerative energy. Schleswig-Holstein has a lead within Germany as the federal state between the North Sea and the Baltic Sea has been expanding its capacity for renewable energy for many years now. Electricity generated from renewable energy sources reached a share of 49 per cent of gross electricity consumption in 2010, which is a leading position in the entire country. Regenerative generation made up ten per cent of total energy consumption. A look at the national comparison puts the northernmost federal state’s favourable position clear: 28,884 companies throughout the country are active in the renewable energy industry; 2,127 of these companies are in Schleswig-Holstein.

The Manager Training Programme with the industry focus on Renewable Energy specifically offered the participants the opportunity to inform themselves comprehensively and to initiate business contacts and economic cooperation. More than 15 cooperation agreements concluded during the stay in Germany were impressive results of this intensive Programme.

The company Deutsche Windguard in Varel near Bremen deals with site analysis and wind measurement, acceptance and operation of wind power plants, and related occupational health and safety issues. It tests aerodynamic wind measurement in the wind tunnel at its own test centre. Here the MP participants dealt with the subjects of wind measurement, energy yield assessment, noise propagation, ice shedding and remote wind-sensing methods. The professionalism with which site identification and planning is carried out and the high expenditure for the continuous accompanying research and development of wind measuring equipment and site analysis technology were very impressive. Especially the more difficult climatic conditions – with regard to both site identification and plant operation – were discussed, which are characterised by more extreme temperatures and higher dust concentrations. In the test centre, the focus was on the topics of quality assurance.
Repowering in Germany

The company REpower (Senvion) in Hamburg manufactures generators and rotor blades for offshore and onshore plants and has a worldwide installed capacity of ten gigawatts to show for itself. Depending on the site, high-quality wind turbines with nominal capacities ranging from 1.8 to 6.15 megawatts and rotor diameters between 82 and 152 meters are erected. The plant concept consists of a spur and planetary gear and a double-fed asynchronous generator with a partial converter. The Central Asian entrepreneurs were shown the impressive Automatic serial production. The participants were shown the production and assembly areas for the nacelles. A video about the Central Asian entrepreneurs was shown.

The visit to the German Wind Energy Association (Bundesverband Windenergie - BWE) in Berlin, where they received information, among other things, on experience to date, was also an important point of discussion was how to drive the utilisation of renewable energy forward and make it available on a broad scale. The German Renewable Energy Act (Erneuerbare-Energie-Gesetz, EEG) on the priority of renewable energy was presented as the key for achieving this; the Act regulates the prioritisation of electricity from renewable sources into the grid and guarantees the producers fixed feed-in tariffs. Of particular interest to the participants were the current approach to repowering to expand the installed capacity at existing sites and the problems involved in energy transport from generation sites to consumers. During the journey from Hamburg to Berlin, the guests from Central Asia were able to gain an impression of the distribution of wind power plants and solar parks, which are lined up along the motorway, and hence of the progress made in Germany with the expansion of renewable energy.

 Contacts with Azerbaijani Company

The Manager Training Programme (MP) definitely opened new doors for wind-power service provider Stefan Simon, though he was active internationally even before a manager from Azerbaijan contacted him in 2009.

Before Faig Mamedov from Azerbaijan contacted Stefan Simon in 2009 within the framework of the MP, Managing Director Simon visited it in 2009 within the framework of the MP. Managing Director Simon was already informed about the project at the time and had visited Azerbaijan once. “But through the cooperation with Faig and later visits to Azerbaijan with him, I have learned a lot more about the country and the interrelations in business life there.” He has been to Azerbaijan about 20 times since 2009; Corporate Energies now also has its own office with two employees in Baku, Azerbaijan. “For us, having our own representation in the country is a symbol of our long-term approach to projects abroad,” Simon continues.

Simon’s relationship to the former MP participant from Azerbaijan is also of a long-term nature; they have become friends in the meantime. “So I have also benefited personally from the BWE programme,” he says, adding that personal relations to business partners certainly do play a role in Azerbaijan. He considered the MP as an opportunity right from the start: “Actually, the Programme was a kind of catalyst for our activities in emerging markets.” Before, Corporate Energies was only active in Europe. Now there are concrete plans for projects in Cuba and Brazil, which are to be carried out this year.

Alpha NTS is currently also carrying out a large-scale project in Azerbaijan for a new wind park with a capacity of 48 megawatts. “The planning stage has already been finalised, the foundations for the plant have been cast, and the infrastructure on site has been prepared,” Simon explains. There are some hitches concerning the financing, but he expects that the wind power plants for this huge project will be ordered before the end of this year. He believes that the new plant is definitely a result of the Manager Training Programme. “That is not the only reason why, in retrospect, he considers this training project to make absolute sense. ‘It opened the doors to Azerbaijan for us – and we are open to new international activities.’

We would have gone to Azerbaijan anyway. Through the MP, we have gained a lot of helpful knowledge about the country and the people, and this has brought us a long way.’

© BWE
German Know-How for Renewable Energies in Azerbaijan

Rasim Melikov, marketing manager at the Azerbaijani solar factory AzgünTex, took part in the Manager Training Programme (MP) at the end of 2012. He came to Germany with the intention of learning about the latest developments in the renewable energies sector, particularly the production of solar power installations, and he also planned to establish contacts with solar power installation manufacturers.

Although Azerbaijan, which is rich in both oil and gas, can supply its own energy, the government has launched several initiatives for the use of renewable energies (RE). Climate protection and the finite supply of fossil resources play a big role here as the plan to supply remote regions with local energy. The sunny country on the Caspian Sea has very favourable natural conditions for both solar and wind energy. As part of its National Strategy for the Development of Alternative and Renewable Energy Resources for the Period from 2012 to 2020, the State Agency for Alternative and Renewable Energies (ABEMDA) and its subsidiary Azalternativenerji LLC were established. ABEMDA coordinates, regulates and promotes the use of RE. Azalternativenerji LLC is in charge of project development and the construction and operation of buildings. In doing so, Azalternativenerji LLC also relies on technology and know-how from abroad.

German RE technologies and know-how were also of interest to MP participant Rasim Melikov, who visited several companies in Germany, including the firm TBS Technische Beratung und Service in Grevesmühlern. The owner, Bernd Daniels, has already provided complete electrical planning and installation for an Azerbaijani juice factory. The German specialist then helped the manager from Baku to evaluate different solutions available in the RE sector. Melikov got the chance to see what is important in the field of solar panels at the firm’s own solar centre. While there, the manager became aware of panels by Hanwha Q Cells GmbH, a leading supplier of photovoltaic solutions from Bitterfeld-Wolfen in Saxony-Anhalt. 4,000 units of the Q Cells panels are expected to subsequently increase the experimental station in Baku’s capacity from four to five MW.

With this station, Azerbaijan is putting the concept of hybrid power stations – made of wind power and solar power installations – to the test. In 2012, TBS was commissioned to test the electricity generation concept. Daniels and Melikov worked successfully together on the ground. The station went into operation at the beginning of 2013 after the main supply line had been converted.

There is a long tradition of cooperation between Azerbaijan and Germany in the field of RE. One of the largest projects, which gave the ‘Made in Germany’ technology a chance to shine, is the fully automated AzgünTex solar plant in Sumgait. It is expected to supply Azerbaijan with solar panels and LED lamps. The establishment of AzgünTex dates back to the government initiative ‘1,000 houses – 1,000 power plants.’ The Southern German firms Teamtechnik Maschinen und Anlagen GmbH from Freiburg am Neckar and Buckle GmbH from Freudensadt supplied the most important components for the first solar panel production line, which came into operation in 2012. 120,000 panels, currently produced by the factory every year, are intended for municipal buildings and regions that are not connected to an electricity grid. It is expected that private houses will subsequently be able to get their own power plants, like in Germany.

‘Our international group visited many companies that work in the RE sector. We received a great welcome and the firm’s own training courses were very interesting. Germany remains our reliable point of contact for many of our projects,’ says Melikov.

We’re Building the Future Together

Unusually, ‘sunny’ Tashkent was unable to shine with sunny weather when the graduates of the Manager Training Programme, hailing from a total of seven countries, arrived for the fourth alumni conference in Uzbekistan this April. Disappointment amongst the 120 alumni from Central Asia, Azerbaijan, Russia and Germany was minimal though, thanks to the prevailing sunny and cheerful mood. The wide range of topics reflected in six workshops: renewable energy, energy efficiency in business, environmental protection technology/water management, waste processing/recycling, food certification and tourism.

Tashkent. There was a broad consensus that collaboration between the MP graduates offers enormous potential for their further professional qualification as well as being a great opportunity for a spot of international networking. After all, there are plenty of examples of successful economic partnerships, successful restructuring measures in posting companies or, for example, greater market presence at home and abroad. Commercial success for the MP graduates doesn’t always materialise immediately after leaving Germany, it needs a little further support. In MP terminology, this is referred to as follow-up contract work.

But how is it possible to devise the follow-up contact work in such a way that this support is actually effective and the graduates are either helped onto the road to success or stay on the right track? A question that a lot of people have already racked their brains in the search for an answer to. GIZ’s MP Central Asia team – which looks after Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan – also posed itself this same question. To arrive at an answer, the team adopted a methodical approach and made it the subject of the 2012 regional alumni conference (see article in Journal 1–2013). At the end of the conference we were able to collect a lot of suggestions for the future direction of the follow-up contact work. A few weeks after the event there was a long list of topics on GIZ’s desk in Bonn. They are a mixture of what alumni in Central Asia actually need in order to be ‘fit for a partnership’ and what GIZ is able to offer them.

This approach turned out to be very successful. All of the follow-up contact workshops held in 2013 dealt with the list of topics determined in 2012 and they proved very popular. It wasn’t just MP graduates who took part, but also selected participants in the forthcoming training sessions in Germany. A course on communicating with German business partners made a welcome change for the alumni and was an important professional and cultural warm-up for the newcomers. Thanks to the lively demand, the workshop dealing with innovation management was held in several places. The participants praised it as being mixture of information dissemination and hands-on innovation exercises.
The Development of the Moldovan Alumni Association

Chisinau. At a World Café Seminar in April, the alumni analysed the association’s own milestones, the Russian alumni associations’ experiences of the Presidential Programme and German experience of running associations. They discussed the Moldovan alumni association’s plans for 2014 and 2015 and its medium-term development strategy under the motto ‘Opportunities and Risks 2020’. The participants defined the following as particularly important goals for the association up to 2020: networking with other alumni associations, cooperation with state institutions in implementing social projects and participation in other projects by deploying teams of experts.

INVENT Moldova has worked with GIZ to conduct several workshops led by German business trainers, they have signed cooperation agreements with ten alumni associations from different MP partner countries, they organised a contacts forum for Moldovan MP alumni and, recently, a multi-regional alumni forum between Moldova, Ukraine and Belarus (see article on p. 50). The association maintains contacts not only with GIZ, but also with the Federal Association for Economic Development and Foreign Trade (BWA) and it has signed an agreement to begin cooperation with Germany Trade & Invest (GTAI).

Cooperation with the German Economy

Cooperation with the German economy has become a permanent feature of alumni activities. All meetings are of great benefit to the alumni in terms of strategic decision-making. This is how a meeting with German experts from the Public Private Partnership (PPP) took place. Representatives of the first Moldovan PPP on medical diagnostic services were introduced to similar German projects. The meeting helped them to assess which ideas could be adopted in Moldova. Members of the alumni association work closely with the German economy in the healthcare sector – the first PPP in Moldova was given German equipment in 2013. There is also close cooperation in the field of trade and mechanical engineering – for example, the firm MM Comert from Chisinau represent the German firms Ce-dima Diamantwerkzeug- und Maschinen- baugesellschaft GmbH, Stark GmbH and Prospalan Präzisionswerkzeuge GmbH.

In mid-April, a seminar on the institutional development of the Moldovan alumni association took place in the country’s capital. At the seminar, members of INVENT Moldova defined their association’s main goals and strategic stages of development up to 2020. MP alumni activities remain its main focus. A report by Marina Cristea.

In doing so, the alumni association wants to also provide consulting services. In the future, the alumni association is going to offer its expertise to university graduates and entrepreneurs by organising events.

CONTACT

Dr. Marina Cristea is an MP alumna and board member of the INVENT Moldova alumni association.

Frankfurt / Hahn. The Changes in Russian Economic Relations through Russia’s Accession to the WTO was the theme of the event to which the DRMN invited the German MP alumni at the Central and Eastern European Centre (MOEZ) at Frankfurt Hahn Airport. Dmitry Kamenev, a doctoral candidate at Martin-Luther University in Halle, described, among other things, the laws issued by Russia to protect its domestic economy. The provisions on the share of local production caused a stir and led to intensive discussions. The so-called ‘local content’ applies to companies that manufacture their products in Russia. According to the act, 40 per cent (referring to the production value) of the parts used must be of Russian origin; otherwise punitive tariffs are likely to be imposed.

In his contribution, Vladimir Pyatin, Deputy Consul General of the Russian Federation in Bonn, also addressed the general economic development in German-Russian economic relations prior to and following the accession to the WTO. Dr. Sergei Nikitin, Head of the Russian Chamber of Commerce and Industry in Berlin, gave his view on the accession. Sebastian Ernt from the auditing and consultancy services company Kroll & Partner described the advantages and disadvantages of the Russian market, bureaucracy and corruption. He said that, while bureaucracy was a German invention, it was not appreciated in Russia; today, numerous bureaucratic obstacles were lower there than in Germany.

The event was organised and run by the DRMN in cooperation with the MOEZ. Up to the end of 2013, the MOEZ was an independent institution for the promotion of foreign trade; it is now once again integrated into the Ministry of Agriculture (GTAI) of the Russian government. The event was incorporated into the Ministry’s programme and was supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Sebastian Ernt from the auditing and consultancy services company Kroll & Partner described the advantages and disadvantages of the Russian market, bureaucracy and corruption. He said that, while bureaucracy was a German invention, it was not appreciated in Russia; today, numerous bureaucratic obstacles were lower there than in Germany.

At the annual meeting, among others, Marina Cristea, Director of the firm LEFRUCOM, led a workshop on the role of Russian design engineers; Marina Kogar, Dr. Marina Cristea is a PhD student in Germany, and board member of the INVENT Moldova alumni association.

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The fourth Central Asian alumni conference, which took place 4-6 April 2014, offered an opportunity to perfect the tried and tested concept. In contrast to the local workshop, this event was international and interdisciplinary – a massive advantage for widespread networking and for emotional identification with the MP as well as with everyone involved in it. The specialist workshop wasn’t just organised by internationally renowned subject specialists and experienced speakers from various different countries, the alumni themselves had also sent in questions for the conference in advance, enabling them to have an influence on the content of the various sections, and several alumni spoke, too.

The 2013 annual meeting of the German-Russian Management Network (Deutsch-Russisches Management Netzwerk – DRMN) took place on 26 October and focused on Russia’s accession to the World Trade Organisation. The German alumni of the Manager Training Programme (MP) and a large number of guests received details about the event in advance, enabling them to have an influence on the content of the various sections, and several alumni spoke, too.
Contacts – Ideas – Partnership

The Forum for Graduates of the Manager Training Programme (MP) from three Eastern European countries took place in Chisinau for the first time in October 2013. The alumni forum provided a platform for business contacts and exchange between executives from the upper and middle management levels who took part in the MP and promoted multi-regional cooperation between Ukraine, Moldova and Belarus. An overview by Mihai Bostan.

Chisinau. More than 140 MP alumni took part in the fourth multi-regional Alumni Forum under the motto ‘Contacts. Ideas. Partnership’. In Chisinau, 82 Moldovan alumni, 26 Ukrainian graduates and 33 participants from Belarus shared their experiences of international cooperation. They learned new things about managing small and medium-sized enterprises (SMEs) and used the opportunity to establish further business contacts. The panel discussion ‘Multi-Regional Cooperation – Challenges and Prospects’ gave an overview of the biggest challenges for the business community in the three countries. Matthias Meyer, the German ambassador to Moldova, acknowledged the work of the forum in his welcoming speech. Valeriu Prohniuc, Economic Affairs Advisor to the Moldovan Prime Minister, spoke about prospects for cooperation.

In discussion forums topics included problems for SMEs and why family-run companies are so successful in Germany yet have lower chances of survival in the participating countries’ home-lands. The alumni discussed the unexpected boom in the service industry and the agricultural sector’s growth prospects in Moldova, Belarus and Ukraine just as intensively.

The second day of the alumni forum involved workshops with German experts. Christina Schauder-Simon from the training centre Baden-Württemberg International (bwi) led the business game ‘UN Global Compact’, which gave the alumni the chance to improve their inter-cultural focus on business values based on concrete examples. Winfried Bostelmann (ESC – Entrepreneurial SolidConsult, Hamlin) provided training in English which covered team building for international cooperation projects. Thomas Starke from the Cologne-based Carl Duisberg Centres (CDC) spoke on distribution channels and their optimisation. Olga Niesenhoim (School of Business Communications, Chisinau) analysed how to actively sell products on passive markets. To close the event, the Belarusian and Moldovan alumni associations signed a partnership agreement.

Active Alumni Associations in Kazakhstan

Two alumni organisations unite graduates of the BMWI Manager Training Programme (MP) from Kazakhstan: the Alumni Organisation for Kazakh MP Graduates and the Association of Alumni from the International Programme Kazakhstan. At regular meetings and events, participants expand their knowledge, refresh old contacts and create new ones. Together the alumni explore opportunities for cooperation and realising synergy effects.

Almty / Astana. ‘Working together to find solutions to problems is much easier than fighting alone,’ sums up Tatjana Batakina. She is a GIZ expert and active member of the Alumni Association of Kazakh MP graduates founded in 2011. Currently its members meet twice a month in the city of Almty, Kazakhstan’s former capital. ‘The more often we meet, the more interesting it gets because we deal with the really burning questions from business life here,’ says Batakina. Contacts from different organisations with interesting skills to offer also participate in the meetings.

A representative from the DAMU Entrepreneurship Development Fund informed about the programmes currently available in Kazakhstan and how they might be useful for entrepreneurs. Experts from the SES in Bonn (Senior Expert Service, see article in the Journal from 2-2013) have also visited Almty – together the group brainstormed about how German experts from different branches could assist with corporate activities. A Q&A session is in planning.

Mihai Bostan is Chairman of the alumni association EAST(Moldova) and participated in the MP in 2012. He holds a degree in business administration and works as CEO at the Moldovan company MODO-CODEX.

5 Years of the MP with Azerbaijan

Baku. The Manager Training Programme ‘Fit for Partnership with Germany’ with Azerbaijan celebrated its fifth anniversary last year. On the occasion, GIZ invited 173 representatives of Azerbaijani alumni companies, all of them MP graduates, to the First Forum of Azerbaijani Executives. In Chisinau, on 1 November 2013 in Baku, which provided a solid platform for professional exchange and networking. Representatives of both countries’ Ministries of Economy, the German Embassy, the German Chamber of Commerce in Baku and Azerbaijan’s employers’ association took part in the event.

Alumni-meeting in Almty

Additional meeting to discuss flourishing issues is also being discussed.

The Association of Alumni of the International Programme Kazakhstan was founded in May 2011 and consists of 45 members. It is open to the alumni of all international programmes. At the quarterly meetings attendees exchange information about potential partners, including from abroad and current news about participation in international projects. Aidyn Jesemchunov, Mija Schappagora and other alumni actively drive forward the association’s work, which aims to improve communication between companies, governmental agencies and foreign partners. They have all already enjoyed success, and some large events with representatives from governmental decision-makers have taken place, such as a round table meeting to discuss ‘international integration’, along with numerous regional meetings.

From the German side there were representatives from the German Chambers of Commerce Abroad (AHK), the investment agency Germany Trade and Invest as well as the German Business Association in Vietnam, who promoted strong Vietnamese involvement in Germany and offered their services as a mediator to the German business community.

Both Wolfgang Hombrecher from the BMWI and Hans-Jorg Brunner from the German embassy in Hanoi as well as the Vietnamese branch of the German Embassy in Hanoi and Le Viet Anh from the Vietnamese Ministry of Planning and Investment encouraged the alumni to put the bilateral economic relations on a broader footing and take advantage of existing opportunities for cooperation. The alumni also gained additional input from four workshops on the topics of quality improvement and productivity, strategic planning, social media as a marketing instrument and international business development.

Meetings like this give Vietnamese alumni an opportunity to meet alumni from other regions and to develop ideas for local alumni activities. The Vietnamese alumni's annual meeting, which took place on 29-30 March, has a long tradition: this was the fourth time that it offered a platform for discussions and new contacts. It was organised by GIZ and the Vietnam Chamber of Commerce and Industry (VCCI).
SUCCESSFUL PARTICIPANTS

Setting Up a Subsidiary in Germany

Yu Yajun had one clear goal when she applied to participate in the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy. She planned to establish a subsidiary of her firm Amate Technology in Germany. Therefore, she wanted to gather detailed information on the ground regarding the economic climate and investment conditions before taking such a step.

Wuhan. Amate Technology is a supplier of temperature monitoring wireless sensor systems. In 2006, CEO Yu Yajun founded the company together with her partners in the Central Chinese city of Wuhan. The firm grew quickly and became the market leader for these high-tech products in China. Although her products were already on the European markets, Yu Yajun was convinced that real expansion without a local subsidiary would be extremely difficult. She was also convinced that it would be best to establish this subsidiary in Germany – Europe’s most important industrial base.

This is how Yu Yajun came to attend manager training at the German Management Academy of Lower Saxony (DMAN) in the Lower Saxon town of Celle. Yu Yajun visited various companies and several trade fairs in Germany, including the industrial fair in Hannover. By exchanging experiences with entrepreneurs from the high-tech sector, the manager had her conviction confirmed that an SME in the technology industry must concentrate on one key area. She should not try out several new areas of business without a sound strategy, as many Chinese companies do after seeing initial success.

In order to expand the business in Germany and Europe, Yu Yajun commissioned the Aachen agency TEMAT Technologie Marketing AG to advise on and implement necessary measures. With TEMAT’s support, Amate Technology became a member of the M2M Alliance in November 2012. M2M stands for ‘Machine to Machine’ and represents the automated exchange of information between machines themselves or between machines and a central control centre. The M2M Alliance is the largest association in this sector. It represents the economic interests of its members and promotes cooperation and information exchange between individual industries and companies. Yu Yajun began to set up the Aachen subsidiary in April 2013. A German team was charged with establishing business relationships with German and European customers for Amate Technology. From her own experience, Yu Yajun understood the importance of knowing and understanding the differences between China and Germany. Therefore, in June 2013, she invited her German employees to attend a ten-day training programme in China. The successful businesswoman believes that this gave her colleagues in Aachen a better understanding of the parent company, Chinese corporate culture and a different management style.

A relevant experience on the ground is much more effective than simply relaying information that lacks practical relevance – Yu Yajun has been convinced of this since she participated in the MP in Germany.

‘Massive Dimensions’

An SME in the technology industry must concentrate on one key area.

Mr Wensing, so today even a smaller medium-sized company from Munsterland is globally active?

Jens Wensing: Yes, of course. We sell our machines to Poland, Ireland and England, and now to China as well. Our export business is growing at around ten per cent a year.

How do you secure orders from abroad?

Customers almost always approach us, and we supply the machines to meet their individual needs. We don’t advertise – and the only place we have a distribution partner is China.

Who you found as part of the ‘Fit for Business with China’ programme?

We were already in contact with a local agent, but I had the opportunity during my time in the country to visit the potential distribution partner with him. It is very different to actually be in the country and meet the people there.

Preparing for the trip helped me to better understand what I needed to consider when dealing with potential business partners. I really learned a lot during the two-day cultural training seminar before we left for China.

Such as?

How to correctly offer someone a business card with both hands. How important it is to respect and take the hierarchy in Chinese firms into account. Or simply the way participants at a business dinner toast one another. So when I met with the company that is my distribution partner – just me sitting across from twelve people – I knew that it was normal to have so many company representatives participate at such meetings in China. To listen, but also to demonstrate how important the potential business partner is.

How did that contact turn out?

We reached a deal that very day, and today this partner distributes our stretch benders exclusively from Peking. We have already sold several machines to large automotive suppliers. Altogether, we have in the meantime received orders for EUR 4.5 million from China. Machinery worth EUR 1.5 million has already been supplied, and the rest is still being built.

Was the visit to China worth it in other ways?

Definitely. I would recommend that anyone interested in the market go on a training trip like this one. We visited a lot of exciting companies and saw a great deal. It was amazing to see that you can walk through a workshop in China for an hour and it never seems to end! These are massive dimensions that we cannot even begin to imagine here. It really gives you a feel for this huge market.

Would you like to add more foreign markets to this way in future?

For right now, we are happy to have found the right partner in China. This is more than enough for our company for the time being.

Günther Wensing GmbH & Co. KG Stadtlohn

In the beginning, company founder Günther Wensing produced a patented bottle opener used to open all the bottles in a case of beer at the same time. Now his son Jens (Managing Director), Hans-Gerd Heming (Managing Director) and Dieter Dasbeck (Partner) manage the business, where 70 employees build 20 to 40 machines a year. These are mostly plants for metal processing exclusively from Peking. We have already sold several machines to large automotive suppliers. Altogether, we have in the meantime received orders for EUR 4.5 million from China. Machinery worth EUR 1.5 million has already been supplied, and the rest is still being built.

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JOURNAL | 2014

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SUCCESSFUL PARTICIPANTS

Günther Wensing GmbH & Co. KG Stadtlohn

In the beginning, company founder Günther Wensing produced a patented bottle opener used to open all the bottles in a case of beer at the same time. Now his son Jens (Managing Director), Hans-Gerd Heming (Managing Director) and Dieter Dasbeck (Partner) manage the business, where 70 employees build 20 to 40 machines a year. These are mostly plants for metal processing exclusively from Peking. We have already sold several machines to large automotive suppliers. Altogether, we have in the meantime received orders for EUR 4.5 million from China. Machinery worth EUR 1.5 million has already been supplied, and the rest is still being built.
**Growth through Improved Motivation**

Anna Grigoryeva, Managing Director of the family-run ‘Special System’ company in Belarus, was looking to better her management skills through training. In 2011 she participated in the BMWi Manager Training Programme.

Vitebsk. The ‘Special System’ research and production centre in the Belarusian city of Vitebsk works in the development, production and implementation of measuring systems. These monitor gas, water or heat consumption for industry, electricity producers, municipalities and agriculture. The family firm was founded in 1992, is now one of the oldest private companies in Belarus and employs 35 people. In 2003 Anna Grigoryeva joined her parent’s firm as Marketing Director before becoming Managing Director in February 2014.

While training in Germany, the young entrepreneur wanted to expand her knowledge of management and gather ideas to drive the future development of the ‘Special System’. She was particularly interested in innovative management methods, marketing instruments, budgeting and modern production processes. On company visits and during the management seminars, Grigoryeva learned how to streamline her company’s cumbersome organisational structure. Today the firm is structured more logically; processes can be controlled better making them more dynamic. The entrepreneur also implemented some restructuring while introducing a quality management system in accordance with ISO 9001. She clarified duties and areas of responsibility for individual employees, simplifying traceability. The introduction of CRM software for customer relations management made the firm more transparent and efficient – and promptly doubled turnover from 2011 to mid-2013. Additional innovations: employees share the profits generated by the company’s success, which can amount to an entire month’s salary. This has also promoted growth and brought recognition. In 2012 the Vitebsk city government honoured ‘Special System’ for their good working conditions and team spirit as ‘best employer in Vitebsk’ in the small company category.

Grigoryeva is an active member of the ‘Association of Employers and Entrepreneurs’ and the chairman of its ‘Club of Young Entrepreneurs’. With other club members she has already organised six meetings with students from Vitebsk universities where the young chief executives talked to the students about their practical experience as entrepreneurs.

As an alumnus of the Manager Training Programme, Grigoryeva maintains many important contacts to MP graduates in other countries: ‘During the programme I made some really good friends who share my ideas and interests. Informal exchange is sometimes just as fruitful as the seminars. And at the most recent alumni meeting in Alma-Ata, I even found a Kazakh business partner.’

The Manager Training Programme in Germany decisively changed Mikhail Boyarkin’s professional life. The Managing Director of Lesnaya Niva, a company that has primarily specialised in animal husbandry and agriculture to date, discovered new business areas and found German partner companies who could offer the right know-how to support his plans. The highlights included a German-Russian joint venture for particle boards, wood pellet production, and tractor technology. The ‘Special System’ research and production centre in the Belarusian city of Vitebsk works in the development, production and implementation of measuring systems. These monitor gas, water or heat consumption for industry, electricity producers, municipalities and agriculture. The family firm was founded in 1992, is now one of the oldest private companies in Belarus and employs 35 people. In 2003 Anna Grigoryeva joined her parent’s firm as Marketing Director before becoming Managing Director in February 2014.

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**Made in Viet Nam**

**From Low-Wage Country to Quality Seal?**

How can companies cater to the increased demand for productivity and quality? Vietnamese alumni of the Manager Training Programme (MP) of the Federal Ministry for Economic Affairs and Energy considered just this question in March 2014. The outcomes of their seminar are not only relevant to Vietnam – they can also be transferred to other MP partner countries. Guest article by Jana Ackermann.

According to a study by the management consultants at the McKinsey Global Institute, Viet Nam's future growth will no longer primarily be achieved through cheap labour or the structural shift from an agricultural to an industrial state. Rather, significant productivity increases in production and services must ensure lasting growth. According to the study, growth rates of around 50 per cent can ensure lasting growth. According to the MP alumni's case studies and experience reports were based on concepts to sustainably boost the productivity and quality of their businesses in the long run. While the outcomes of this seminar specifically apply to Viet Nam, a similar analysis could also be prepared for the other MP partner countries.

How can productivity and quality be enhanced?

Changes to productivity and quality by no means follow a simple formula. Three fields can be identified in which an analysis can help achieve lasting improvements: structure, processes and workforce. As a rule, productivity issues are the result of deficits in all three areas, which exacerbate one another. However, for analysis purposes, these three fields can be considered individually.

**Structure**

Primarily the question of the most appropriate company structure is considered here. This depends on a number of factors, such as the company size, internationality, product and history. Notwithstanding this, Vietnamese and locally-managed companies often follow hierarchical structures, whereby one single person is responsible for the majority of decisions, external contacts and permits. Such a structure with centralised powers is not necessarily a disadvantage. However, the potential for flexibility to adjust to changes is lacking. What's more, a feeling of a lack of control and transparency can soon arise, which is incompatible with the requirements of the global market (e.g. standards) and the demands of potential investors and the parent company. In addition, there is a risk that incorrect or slow decisions may be reached, which contradict the goal of increased productivity and quality. To remain competitive in the long term, the structures should particularly be questioned when companies grow rapidly.

**Processes**

To review a company's process landscape, the term 'process' should first be understood correctly. 'A process' is commonly understood to be activities linked through a set of relationships. Processes primarily the management executives can influence the work climate accordingly. Within this, it should be made clear to the employees that constructive criticism and suggestions for improvement are always welcome. Not only product and process training is necessary here, but also a cultural understanding to accompany a rethink. Formalised rules and requirements can also help.

In a first step, the core processes within the company are identified to determine how responsibilities and activities are assigned. The core processes should be derived from the company purpose, i.e. a bank has different core processes to a logistics company or architecture firm. What are the core activities? Where is value created? What does the company stand for? In a second step, weaknesses in the existing processes are identified. Are responsibilities correctly allocated? Are activities duplicated? Do sufficient controls exist? In a third step, changes are implemented and responsibilities defined. The establishment of measurable indicators and definition of binding target values is advisable to enable lasting and continuous improvements.

**Workforce**

Training and the advancement of employees is particularly necessary in labour-intensive companies to improve productivity and quality. Among others, this includes the reward and bonus systems, which contribute significantly to employee motivation. Those who train primarily the management executives can influence the work climate accordingly. Within this, it should be made clear to the employees that constructive criticism and suggestions for improvement are always welcome. Not only product and process training is necessary here, but also a cultural understanding to accompany a rethink. Formalised rules and requirements can also help.

**‘Decisions are often made by one single person here. But how can this person really have all aspects in check?’**

Participant in the MP alumni seminar, Viet Nam 2014

- Management executives should learn to negotiate on the basis of rules and principles rather than emotions.

Participant in the MP alumni seminar, Viet Nam 2014

*Input might include a fraction of resources consumed in the delivery cycle.*

**SUCCESS OF A COMPANY?**

**HOW DO PROCESSES CONTRIBUTE TO THE SUCCESS OF A COMPANY?**

**PROCESSES**

- Input
- Transformative Process
- Output

- Efficiency = Output / Input
- Flexibility = A Output / A Input (time)
- How much output can I get for a given unit of input?
- Are we getting the maximum output?
- How much extra input do I need to change my output?
- *Input might include a fraction of resources consumed in the delivery cycle.*

A process consists of:

- A set of activities
- Linked through a set of relationships (process flow)
- With a start and an end (termination criteria, process boundary)
- Conceptualized to transform input into output

The factor of cheap labour will naturally continue to influence the choice of location as it has in the past. However, in the long term, systematic and continuous improvement processes should become an integral component of every company to meet the challenges of the global market regardless of the location. Only in this way can the ‘Made in Viet Nam’ seal become a quality seal.

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Hermes Cover for Mongolia

Growth rates of 11 per cent and more have been recorded in Mongolia in the past three years – and all indicators point to a continuation of this trend. Yet this rapid pace of development also comes with a growing need for financing. How to meet these financing needs with the assistance of the export guarantees offered by the German government was the main topic explored by MP alumni at a seminar held in Ulan Bator on 19 and 20 May 2014. An article by guest contributor Andreas Steinborn.

Participants learned about a broad range of topics: from an introduction to potential financing options for companies in general to the principals of collateral instruments for all types of financing, the presenters discussed the methodological foundations and their practical experience with credit evaluation of companies. This is a crucial aspect, since those responsible for granting credit require companies to have assessed credit that can nevertheless result in positive credit decisions in the company’s favour. In the past two years the Development Bank of Mongolia, Golomt Bank and the Trade and Development Bank of Mongolia have been accepted as issuers of bank guarantees.

There are also financing options for medium to long credit terms of one year or more – but only following assessment of the specific situation. Project financing and other forms of structured financing can also be provided, in some cases on an off-set transaction basis. Even investment guarantees for German investors with long-term commitments are conceivable for projects in Mongolia.

This German government instrument was for a long time, rather symbolic in relation to Mongolia. From 1999 to 2010 approved financing lay in the range of EUR 0.4 million to 3.3 million. Then in 2011 the volume increased significantly, to EUR 32 million and an impressive EUR 137 million in 2013 – with an increasing number of applications.

The later seminar sessions dealt with how Hermes cover could be exploited to ensure that this growth does not diminish. The great interest among participants was reflected in the numerous applications, some for extremely concrete project proposals. The impression of Khantantiul Enkhbold, a representative of the Mongolian Agriculture Ministry, likely reflects the experience of most participants: “The two-day seminar was very interesting. Although a lot of information was presented, it was presented effectively.” Basantantesen Semsjid of the Nanometal company underscored how important such seminars are for the development of the medium-sized business community in Mongolia: “First of all I would like to express my thanks to the organizers for this seminar, which is so important to us. Although we have a wealth of ideas on how to develop new business opportunities, it is often extremely difficult to realise them. This is why it is crucial for us, the investors, to know whom we can contact for information on how to properly fill out the numerous documents, prepare for negotiations and get answers to any remaining questions.”

During the final ceremony at which the certificates of participation were conferred, Dambadaranja Damdinyas, Managing Director of the MongGer Alumni Association, praised the involvement of GIZ within the framework of the MP, he emphasized how it is contributing to the very positive growth of Mongolian companies in close cooperation with German medium-sized companies – specifically through continuing education opportunities, practical observational opportunities in Germany as well as the referral of experts on Mongolia. At the closing group dinner, everyone expressed their personal impressions and expectations for the future, especially with regard to cooperation with German companies.

Hermes cover is also available for exports to Mongolia. According to a recent country resolution, there are no formal financing restrictions for short-term credit terms up to one year. In this context, the creditworthiness of a Mongolian company purchasing supplies is reviewed and a decision is made whether to grant the credit. If the company’s creditworthiness is rated as insufficient, bank guarantees can nevertheless result in positive credit decisions in the company’s favour. In the past two years the Development Bank of Mongolia, Golomt Bank and the Trade and Development Bank of Mongolia have been accepted as issuers of bank guarantees.

Hermes cover for Mongolia

OECD country risk scale. This categorisation is the reason many private credit providers are not yet providing protective cover for deliveries to Mongolian companies. Similarly, those responsible for credit matters at German companies generally require that applications for granting credit terms be backed up by valuable collateral.

Yet 88 years ago, an instrument intended for precisely such circumstances was devised in Germany: a government export financing instrument in which the state assumes the majority of the payment default risk in connection with exports to countries with a high risk rating. This financing instrument is known as Hermes cover, after Hermes (since 2002, Euler Hermes) Kre ditversicherungs-AG, a provider of services on behalf of the government, which has been involved in the scheme since the outset alongside the management consultancy PoC.

Mongolian companies face a special set of challenges. Despite the impressive growth of recent years, Mongolia’s country risk is still categorized as problematic – the country is still in Category 5 of the 7-point OECD country risk scale. This categorisation is the reason many private credit providers are not yet providing protective cover for deliveries to Mongolian companies. Similarly, those responsible for credit matters at German companies generally require that applications for granting credit terms be backed up by valuable collateral.

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The Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy on the Internet:

Lots of information at a glance for participants or anyone interested in the programme!

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