

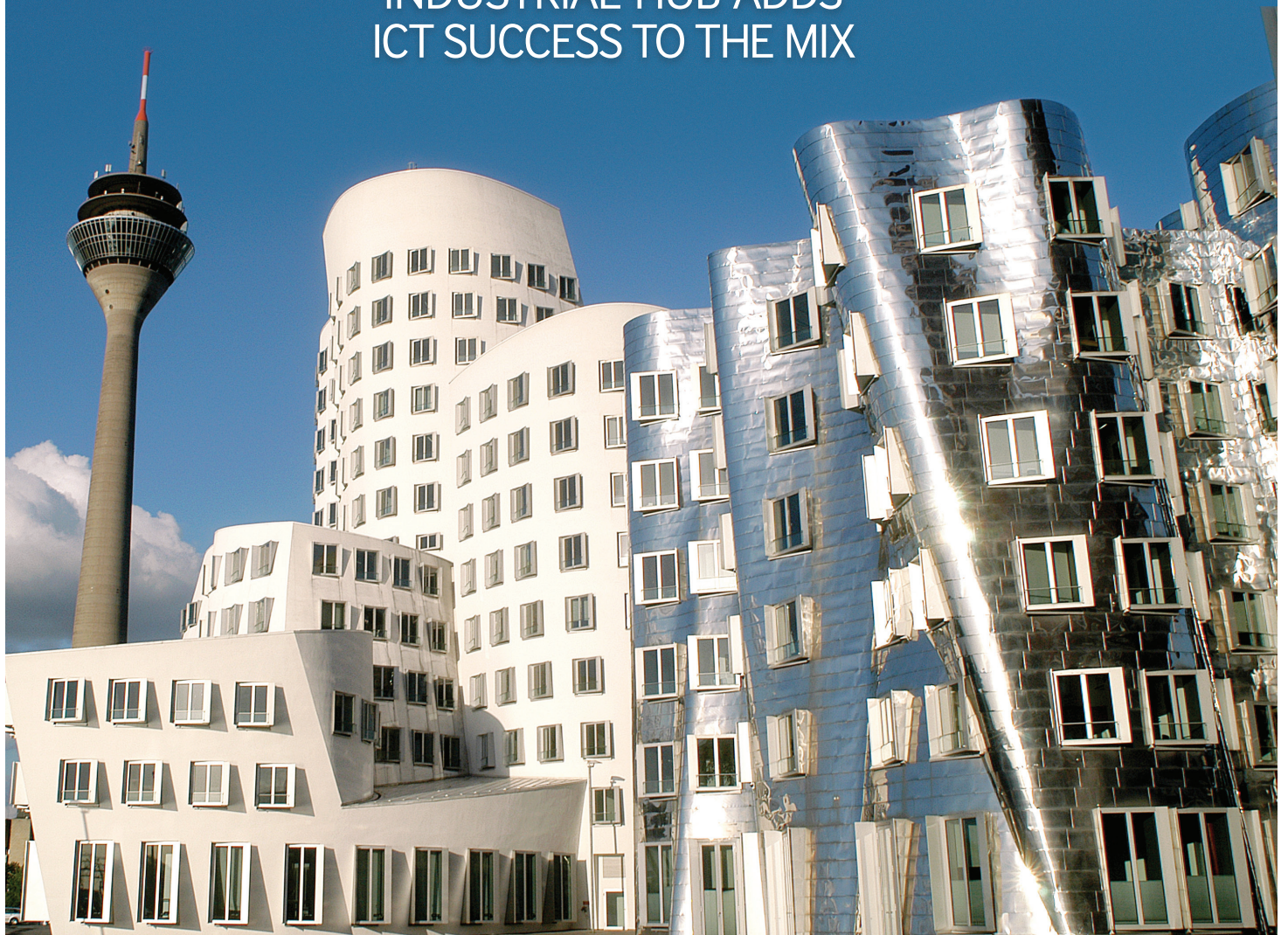
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Düsseldorf's subtle charm

NOT ONE OF THE MORE RENOWNED CITIES IN EUROPE FOR CULTURE OR TOURISM, DÜSSELDORF IN NORTH-WEST GERMANY NEVERTHELESS HAS FORGED A NAME FOR ITSELF AS AN FDI HOTSPOT. WENDY ATKINS LOOKS AT HOW THE CITY'S ACCESSIBILITY, HIGHLY SKILLED WORKFORCE AND QUALITY OF LIFE ARE DRAWING IN INVESTORS FROM ALL OVER THE WORLD

Many cities in Germany and the Benelux countries lay claim to being at the heart of Europe, often due to strong transport infrastructures linking them to the rest of the continent. But the criteria for being judged the go-to destination for FDI are somewhat different. Düsseldorf believes it ticks all the boxes in this respect.

The city is home to a diverse mix of companies encompassing a broad range of sectors such as fashion, advertising, life sciences, law, business consultancy, technology, telecoms, banking, insurance and manufacturing. Its increased focus on digitalisation is matched by a growing start-up sector, inspired by the meteoric rise of locally based travel giant Trivago. The city hosts 9540 foreign firms, with the leading countries being the Netherlands (581), the US (431), the UK (405), China (385) and Switzerland (268).

"The city is attractive for companies because it doesn't have a mono business struc-

ture," says Marcel Abel, managing director of real estate agency JLL Düsseldorf. "But it has a host of top international companies in various sectors such as advertising, media, law, DAX [Germany's blue-chip stock market index] and service provision, such as WPP and Omnicom, both of which are global multicorporate enterprises. There's also Clifford Chance, Hogan Lovells, Linklaters, White & Case, Freshfields and many more of the 'magic circle' of partnerships located in Düsseldorf."

Living in style

Hans Van Bylen, chief executive officer of chemical and consumer goods company Henkel agrees. "It is home to many DAX companies, a thriving 'mittelstand' [Germany's SMEs], which are the backbone of Germany's economy, as well as renowned universities and scientific institutions," he says. The city's roll call of academic institutions includes 22 universities, including the Academy of Fine Arts and the Heinrich Heine University.

Düsseldorf's population of about 600,000 is well served by its retail boulevard, the Königsallee (locally dubbed 'the Kö'), the modern Medienhafen (Media Harbour district) and the Old Town, which offers a good range of cultural, food and fashion experiences.

These aspects of city life, together with good connections with the rest of the world and an open and friendly atmosphere, are



A BEAUTIFUL CITY WITH QUALITY FACILITIES HAS ENABLED US TO BUILD A NEW TEAM VERY QUICKLY





Waterside location: Düsseldorf's Medienhafen district is a fashionable area and the key to the city's importance as a media hub

what international investors and workers say is key to their decision to locate in Düsseldorf.

Easy accessibility

Located at the heart of the Ruhr region of North Rhine-Westphalia, Düsseldorf is the capital of Germany's largest federal state, and one of Europe's most important commercial, services and media centres. "Not only has the economy consistently developed in a positive way but the number of employees has increased over the past couple of years," says Mr Abel. "Düsseldorf has significant advantages in terms of excellent transport connections, such as its airport, which acts as an intercontinental hub connecting the city and wider region with locations around the world."

Michael Reinartz, director of innovation at Vodafone, says: "The airport has direct links to many locations around the world, and it's really easy to reach from the city centre by train or car. The railway system is also good, offering connections to leading destinations throughout Europe, including Brussels, Paris, London and Amsterdam, as well as other German cities. And its proximity to Belgium and the Netherlands is a bonus in terms of crossborder business."

Düsseldorf airport has a catchment area of 18 million people living within a radius of 100 kilometres. Annual passenger numbers are currently around the 23.5 million mark with an average daily throughput of almost 64,400. There are flights to 200 intercontinental and European destinations, as well as cities throughout Germany, serviced by 70 airlines.

Creative thinking

Düsseldorf has attracted several big names from the creative sector, such as Grey, Bugatti, Breuninger and Gerry Weber. Many have established a base in the fashionable waterside Media Harbour area. Leading the way is Filmstiftung NRW, one of Europe's largest film funds, with Landesanstalt für Medien LfM, Europäische Zentrum für Medienkompetenz ECMC and the WDR broadcasting centre also setting up bases in the area.

The fashion industry is important to Düsseldorf, and accounts for 7.6% of its economy compared with 3% in the rest of the country. C&A, P&C, TK Maxx and L'Oreal are among the major firms headquartered here.

"Düsseldorf is a fashion industry hotspot that attracts international specialist visitors and buyers from around the world, year in, year out" ►

out,” says Angelika Firnrohr, managing director of the Fashion Net Düsseldorf association. “Whether it is garments, shoes or accessories, Düsseldorf’s trade fairs showcase what will be fashionable for the coming season. Nowhere else in Germany is there the same density of showrooms as there is here. We have 800 exclusive stores that offer domestic and international retail specialists the opportunity to order and sell the latest fashion brands and trends.”

Grey’s bright spark

Düsseldorf is one of advertising agency Grey’s global hubs, alongside New York and London. From its base here it is the global brand lead for companies such as Deichmann and C&A as well as for Boehringer Ingelheim and Grohe. “We first entered the German market in 1953,” says Michael Rewald, Grey’s chief marketing officer. “Düsseldorf has always been a key location for us because it is the main city in Germany for marketing spend – even higher than Hamburg and Berlin – plus it has many major companies that require our marketing, PR, branding and advertising services.

“When I started working for the firm in 2002, we had 65 agencies/brands in Germany. We’ve since consolidated that number and now have 10, with Düsseldorf acting as the hub. This makes sense because Germany is such a [relatively] small country and we can fly everywhere from here in one hour.”

The company employs 350 people in the city with an average age of 36 across the workforce. However, Mr Rewald admits it is not always easy to attract good creatives. “They want to live in Berlin or Hamburg, or if they’re looking on a global level, Barcelona, New York, London or Singapore captures their attention.

But once people have visited Düsseldorf and have seen what it’s like in terms of infrastructure, size, value for money and cultural activities – and realise why it ranks well compared with other German cities – they mostly change their opinion and are persuaded to stay.”

Links with universities are important for the creative sector, as they are for the fashion industry, in which firms and organisations collaborate with institutions such as AMD Akademie Mode und Design Düsseldorf and MD.H Mediadesign Hochschule Düsseldorf.

Trade fairs add to the city’s international credentials, with local company Messe Düsseldorf claiming to be one of the five most successful organisers of these events worldwide. Düsseldorf’s trade fairs cover a variety of sectors, from beauty and hairdressing to tourism and catering, as well as packaging and engineering.

A history in making

The city has long been a manufacturing centre, and traditional industries now rub shoulders with 21st century companies, including UK handmade cosmetics company Lush, which began production at its new European manufacturing base in Düsseldorf in a 7000-square-metre plant. It employs a workforce of 320 made up of 45 different nationalities.

“Having looked at locations for our newest digital fulfilment and manufacturing facilities in Germany, the Netherlands and France, Düsseldorf stood out as the ideal location for Lush in central Europe,” says Jason Muller, the firm’s global manufacturing director. “With its long history in manufacturing and excellent distribution links to all major markets, the decision was easy in the end. A diverse and beautiful city with quality manufacturing facilities has enabled us to build the new team very quickly, with many staff relocating to Düsseldorf to help make this exciting opportunity a success.”

At the other end of the production scale is manufacturing giant Henkel, which has been headquartered in the city for 140 years. Mr Van Bylen says even back then the city was an attractive location for a fast-growing company, offering space for future expansion and good transport connections with the railway and nearby river Rhine. He adds: “Today, more than 5000 people from more than 60 nations work for Henkel Düsseldorf – in R&D, supply chain, marketing and management functions. It is our largest production facility worldwide and a global centre for R&D across all our businesses, ranging from adhesives technologies to beauty care as well as laundry and home care.”

Henkel is expanding its fully automated warehouse for the latter to the size of two football fields with capacity for more than 25 million packages. “We also have one of our largest test salons for hair care, where we explore new hair colour and styling products,” says Mr Van Bylen. ■



[DÜSSELDORF] IS
ATTRACTIVE BECAUSE
IT DOESN'T HAVE
A MONO BUSINESS
STRUCTURE



INTERVIEW: THOMAS GEISEL

Tradition and ambition

DÜSSELDORF MAYOR THOMAS GEISEL TELLS WENDY ATKINS HOW THE CITY HAS BUILT ON ITS HISTORY OF MANUFACTURING AND APPETITE FOR INNOVATION TO STAY AT THE FOREFRONT OF INDUSTRIAL DEVELOPMENTS

Thomas Geisel, Düsseldorf's charismatic mayor, has earned a reputation for a high-energy approach to his role since his election in June 2014.

"Our city has a very successful track record when it comes to attracting FDI," he says. "We host the largest Japanese community in continental Europe. Added to this, we've been extremely successful in attracting Chinese companies in recent years. In fact, we have 480 German or European headquarters of Chinese companies and we're home to a Chinese community of 4000."

At the cutting edge

Mr Geisel believes Düsseldorf's success is driven by its industrial heritage. "The city has been at the cutting edge of industrial development ever since the industrial revolution. Today, we play host to an extremely diverse range of industries," he says.

"We have a sizeable number of blue-collar manufacturing jobs. For example, the Mercedes Sprinter is produced here and secures 6500 jobs. We have Henkel, which has been extremely successful with a major takeover in the US worth a couple of billion [dollars]. And we are still the second most important location for finance in Germany.

"In addition, we have established an ICT cluster, which continues to attract businesses, and we are the

fashion and advertising capital of Germany. Plus, we have all the high-end consulting and law firms here. This diversity makes us more robust and stable than other cities, but we're still innovative and dynamic. We've created 6000 extra jobs locally each year for the past 10 years."

The ability to transform and take advantage of change is at the heart of the city's success, according to Mr Geisel. "In the Ruhr area, they talk about *strukturwandel* – structural change that involves transforming industry; in places where they've had a hard time managing this change, they constantly talk about *strukturwandel*. Düsseldorf has always managed this change," he says.

"We never talk about it – we simply ensure we're always at the cutting edge of nearly every phase of industrial development. There are very few places like Düsseldorf, where you have the sense that moving forward and being innovative is an integral part of the city's DNA."

Making a start

The mayor has been pursuing an initiative to attract and support start-ups since he took office. "We have attracted 80 to 90 start-ups in the past two years," he says. "We have a lot of well-established major companies that are willing to work with start-ups because the corporates



need their input. Other cities have an active start-up scene, but they don't have the same robust industrial infrastructure as we have here in Düsseldorf."

The city is also set to take centre stage for several sporting events throughout 2017. "We're organising the Grand Départ du Tour de France in the summer, which will broadcast pictures of the city to an audience of 300 million worldwide," says Mr Geisel. "We're also hosting the World Table Tennis Championship and a European Championship triathlon this year."

In the current populist political climate, Mr Geisel is keen to highlight the city's outward-looking credentials. "We're building on our heritage as a melting pot. More than 20% of our inhabitants do not have a German passport and 40% have an immigrant background. This part of Germany has always been open-minded, liberal and hospitable with a culture that is welcoming, making it attractive to foreign companies looking for the best place to locate in continental Europe." ■



WE HAVE ATTRACTED
80 TO 90 START-UPS IN
THE PAST TWO YEARS



A taste of Asia in Germany

DÜSSELDORF HAS BEEN A POPULAR DESTINATION FOR JAPANESE BUSINESSES WANTING TO SET UP A EUROPEAN BASE SINCE THE 1980S, AND MORE RECENTLY CHINESE COMPANIES HAVE FOLLOWED SUIT. WENDY ATKINS LOOKS AT WHAT THE CITY OFFERS INVESTORS FROM THE FAR EAST AS WELL AS THE REST OF THE GLOBE

Düsseldorf has become a popular location for international companies from multiple sectors seeking to establish a European or Europe, Middle East and Africa (EMEA) base. Asian firms, in particular, have favoured the city, enticed by its track record of attracting big name Japanese and Chinese firms.

The city's long association with Japan can be seen in the level of activity at the Japanese Chamber of Commerce (JIHK). "There are approximately 1800 Japanese companies in Germany at the moment, and about one-third of them are based in North Rhine-Westphalia, but mainly Düsseldorf," says Seiichi Kuroiwa, president of the JIHK in Düsseldorf.

"Our chamber currently has more than 500 members, making it the biggest Japanese community in Europe. The size of companies involved varies from those with a

European headquarters with hundreds of staff to very small firms with just five to 10 employees."

Big in Japan

Mr Kuroiwa says that Düsseldorf and the surrounding state are attractive to JIHK members because it has the largest GDP growth in Germany. "Many large company headquarters are also here and there's a large market for our members," he says. "The quality of the local workforce is very high and the labour and real estate costs are pretty reasonable compared with other areas such as Munich and Frankfurt."

According to Mr Kuroiwa, three types of Japanese firm operate in the city. "There's almost no company that covers only the German market from Düsseldorf. Some have their EMEA headquarters here. Others operate their European headquarters here, and others use the city as a base to cover Germany plus another area, such as northern Europe or Switzerland," he says.

He adds that the JIHK is very active in supporting Japanese businesses to set up shop. "We provide local information in Japanese and put people in contact with members who are lawyers and tax advisers," says Mr Kuroiwa.

Japanese chemical company Asahi Kasei has set up a European base in the city employing about 50 people. This houses Asahi Kasei

Europe, which became an operating holding company in April 2016. The company's European headquarters were in Belgium in the 1980s. "Our business is focused on the automotive industry, so the German market is better for us," says Hideki Tsutsumi, managing director at Asahi Kasei Europe. "It's also geographically the centre of the eurozone and very convenient for accessing suppliers."

Moving on

Another firm to relocate is Chinese telecoms giant Huawei. It moved its European headquarters from London to Düsseldorf in 2007. "We had to make a decision because the business had grown in Europe and we had to extend our operations as well as our European back office," says Torsten Küpper, vice-president and director, corporate and public affairs, at Huawei Technologies Deutschland.

"We therefore had to move our location. One option was to move to a bigger location in the UK, which had the major advantage of language. However, the disadvantage was that the UK was not part of the Schengen area [the 26 countries of the EU that have abolished border controls], so if a Chinese member of staff wanted to travel from UK to a back office in any other European country, they would always have to apply for a visa. But if they're based in Düsseldorf and already have a Schengen visa, they can very easily travel to other European locations to visit other European operations."

The ability to travel easily to other major continental business locations is a key attraction for firms that have established their headquarters in the city. "If you're here and want to go to Benelux or France, it's easy to do so by car, but in the UK, you always have to take a plane, so there's a lot more flexibility," says Mr Küpper.

Home from home

Düsseldorf's history of hosting Asian cultures has also encouraged firms

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GEOGRAPHICALLY [DÜSSELDORF IS] THE CENTRE OF THE EUROZONE AND CONVENIENT FOR ACCESSING SUPPLIERS

LL



Home from home: Chinese telecoms giant Huawei relocated from London to Düsseldorf in 2007 as its European business increased in size

from the region to establish a base there. “Even in the 1980s, Düsseldorf was very successful in attracting the Japanese community, making it into a kind of European headquarters for Japan,” says Mr Küpper.

Today, this reputation is proving a big attraction for Asian employees and becoming a major factor in their decision to take up posts in the city. With the area around Immermannstrasse often referred to as ‘Little Tokyo’ and 90% of all Japanese companies in the state based in the city and neighbouring districts of Mettmann and Neuss, this popularity comes as no surprise. “People receive information from colleagues who are already here that tell them how good it is for their work-life balance,” says Mr Küpper. “Also, there’s a low crime rate and the city is a good size.”

Centre for telecoms

Mr Tsutsumi agrees. “As a Japanese company, with expats and families, it’s very convenient here. There’s a very big Japanese society, Japanese food is easily available and it’s a very safe and compact city,” he says.

Another plus for firms such as Huawei is that Düsseldorf is Germany’s centre for telecoms, which has led to the creation of an ecosystem of suppliers that it and firms such as ZTE can tap into.

Direct flights to Asia from Düsseldorf are also a big bonus. “Cathay Pacific flies directly to Hong Kong and that’s only 60 kilometres from our headquarters in Shenzhen, so it’s very convenient,” says Mr Küpper. Japanese travellers are well served as well with direct daily flights to Tokyo Narita. According to Asian firms, Düsseldorf’s and Germany’s authorities are switched on to the needs of Japanese and Chinese employees – including the visa process, which businesses find pretty straightforward.

It is inevitable that there is talk that cities such as Düsseldorf could become even more attractive as a relocation hub for firms post-Brexit. But businesses are remaining tight-lipped about their intentions. “We haven’t noticed an increase, but watch this space. We are still in a wait-and-see situation,” says Mr Kuroiwa. ■

The Trivago template

DÜSSELDORF'S START-UP SCENE HAS A HUGE SUCCESS STORY TO BOAST OF IN THE SHAPE OF GLOBALLY SUCCESSFUL HOTEL SEARCH BRAND TRIVAGO. HOWEVER, AS WENDY ATKINS DISCOVERS, THE CITY'S COLLABORATIVE APPROACH TO TELECOMS, ICT AND ALL THINGS DIGITAL MEANS THAT HOPES ARE HIGH THAT MANY MORE MULTINATIONAL PLAYERS WILL EMERGE IN THE COMING YEARS

Düsseldorf may not be as famous as Berlin for its start-up scene, but the city is building on a strong ICT sector to develop an ecosystem where tech firms of all shapes and sizes can do business.

Telecoms giant Vodafone has had a presence in the city since 2000, when it merged with Mannesman and Düsseldorf became a co-headquarters for the Vodafone Group. In 2012, it opened the Vodafone campus, which employs 5000 people and hosts some group entities as well as testing facilities and other activities. "It's the biggest testing facility for telecoms in Europe," says Michael Reinartz, director of innovation at Vodafone. "Big telecoms providers and handset manufacturers from around the world test their equipment here before it is released to the market.

"The biggest industry here is ICT. More than 2000 ICT companies are based in Düsseldorf. This has helped some of our investments. We recently opened a new innovation lab, and in February we opened our narrowband Internet of Things [IoT] lab as a co-investment with Huawei and Ericsson. This gives companies, network partners and start-ups the opportunity to test new technology. We're also involved in trials of autonomous and connected driving and smart cities."

Telecoms cluster

However, what Mr Reinartz says really marks the city out for him is the number of telecoms companies with bases in Düsseldorf. He adds: "We're all within walking distance. Names such as Amdocs, Sony, Huawei and Ericsson are all very close."

Efforts to get tech firms in Düsseldorf and the wider region to collaborate are being promoted by the city authorities, the federal state government of North Rhine Westphalia as well as the companies themselves. "We're seeing people from the airport, Huawei, insurance companies, Henkel and other different firms working together to foster the ecosystem for start-ups," says Mr Reinartz. "We're getting together and trying to find new ways to monetise new ideas such as big data and IoT."

However, while progress has been

made, he points out that the city's universities have not traditionally focused on the ICT sector. He adds: "This has been discussed with the mayor and government, and is something people are aware of, so I anticipate that the issue will be addressed within the next three years."

Support network

Organisations such as innovation centre Digihub are supporting start-ups. "Digihub was established by the city and federal state to bring together universities, start-ups, medium-sized companies and corporates that had traditionally been operating in their own territories," says Peter Hornik, a Digihub managing director. "The science of innovation management shows that innovation happens on the periphery of a sector, or even better, at the interface between two different sectors, and between different groups of people in institutions. So the task of Digihub has been to bring them together, enable them to work together and to innovate."

Although still in its infancy, Digihub has hosted events, boot camps and acceleration programmes to bring organisations together and devise new ideas. Klemens Gaida, a Digihub managing director, says: "We held a hackathon, where eight major companies were introduced to eight start-ups. The big companies discussed their challenges and ideas about big data. The start-ups could then decide which team they wanted to work with. We created four new projects, and we're already seeing innovations.

"For example, a supplier of wind turbine drives had problems with their maintenance. They met with a start-up from the hi-fi sector that specialises in analysing and detecting anomalies in noise signals and audio streams. Although on the surface the two firms had nothing in common, they worked out that they could apply the work taking place in the hi-fi space to the wind generation sector to analyse the noise of the wind turbine and train the system to understand any problems with the turbine.

"It's a great example of innova-



Calling home: Vodafone is one of the big names attracted by Düsseldorf's reputation as a tech hub

trivago



Success story: travel-focused search site Trivago was founded in Düsseldorf in 2005 and has remained loyal to its home city even as its business went global

tion happening on the edge between different sectors, and has resulted in a win-win: there's new innovation for the big company to optimise its wind turbines and the start-up has a new customer and a new business opportunity.

"Some people compare digitisation with a football match. Clearly, Germany lost the first half to US and Asian companies, and now we have to make up time in the second half if we want to be a substantial global player. If we want to be successful in the future – as we have been in previous decades – especially with all our export companies, we have to start now."

Trivago's home comforts

One of the city's most famous start-ups to have emerged from Digihub is global hotel search brand Trivago, established in 2005 as a 'Wikipedia for travellers'. Today, the company employs more than 1000 people and will soon move into a new campus in the city's Media Harbour, with space for up to 2000 people and room to add another 1500 by

expanding into the next building.

"Companies such as Trivago are important if you want to create an ecosystem," says Mr Hornik. "Its three founders have started investing in new start-ups. Additionally, about 100 of their employees have grown with them over the years. These people know how to build a company and they will hopefully create new businesses."

Although Trivago has helped put Düsseldorf on the start-up map, Mr Gaida believes it is important to be realistic. "We will not be the next Silicon Valley or the next Tel Aviv but we have our own strengths," he says. "We have a lot of successful hidden champions here, and our strength in comparison with Berlin is that industry is really well represented in the city. We have many corporate headquarters here, and there's a lot of innovation potential inside those organisations. At the same time, we're focused on ensuring that our strong companies don't miss out on the opportunities of the digital revolution and become the next Nokia or Kodak." ■

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THE BIGGEST
INDUSTRY HERE
IS ICT. MORE
THAN 2000
ICT COMPANIES
ARE BASED IN
DÜSSELDORF
11

INTERVIEW: ANDREAS SCHMITZ

Adding value

ITS CENTRAL LOCATION HAS HELPED ATTRACT FOREIGN INVESTORS TO DÜSSELDORF, BUT PROACTIVE MEASURES SUCH AS CREATING A ONE-STOP SHOP FOR CHINESE INVESTORS ARE CRUCIAL TO SPREAD THE WORD, ANDREAS SCHMITZ, THE PRESIDENT OF THE DÜSSELDORF CHAMBER OF COMMERCE, TELLS WENDY ATKINS

As president of Düsseldorf's Chamber of Commerce, Andreas Schmitz has an eye for what makes the city an enticing place for businesses looking to build and expand. The city is the capital of Germany's biggest state, North Rhine-Westphalia, so it has long been a preferred place for companies to locate their headquarters, according to Mr Schmitz.

"Düsseldorf was once the traditional centre of the German coal and steel industry. Today, it is the home of many more businesses, national and international," he adds, "Among our 80,000 members we have an especially strong presence of industrial companies as well as the service sector, in particular telecoms, advertising, law and management consulting. Düsseldorf is also a major hub for the wholesale and retail business."

Heart of Germany

Mr Schmitz believes that what makes Düsseldorf a good place in which to base a business is its position as a gateway to Germany and the rest of Europe. He says: "Düsseldorf is where the market is. More than 4000 international investors choose Düsseldorf because they can operate from the heart of the biggest metropolitan area in Germany with 12 million consumers. There's good accessibility thanks to our airport, railway and road networks, and the city offers an international and business-friendly environment. Almost every major country has a reasonable business community in Düsseldorf, with more than 400 from the UK alone."

It is also attractive to investors, particularly from outside Europe. Mr Schmitz says: "The biggest increase in FDI in recent years has come from Asian investors. Düsseldorf is not only the biggest and most traditional centre for Japanese companies on

the continent, but it has also, over the past few years, become the top location for Chinese investment in Germany. So the Chamber of Commerce has got together with the city administration and Messe Düsseldorf to set up the China Competence Centre as a one-stop shop for Chinese investors."

International outlook

Mr Schmitz prides himself on the chamber's international outlook. "Last year, we had 30,000 practical and strategic enquiries about international markets and regulations governing foreign trade," he says. "We issued 50,000 trade documents and organised more than 100 international business events which attracted almost 5000 participants."

"Of course, we don't handle this all by ourselves. We are part of the global network of German chambers of commerce in 90 countries, which includes the German-British Chamber in London. In co-operation with our colleagues in these bilateral chambers of commerce, we operate an Indian, Israeli, Japanese and South Korean desk. We have also set up the Russia Competence Centre, again with Düsseldorf's city administration and Messe Düsseldorf."

He adds: "We have very good relations with many other organisations, both abroad and here, as we are home to the British Consulate and its Department for International Trade and many other consulates general. We are co-operating extensively with the Japanese Chamber of Commerce, which has its office in our building, the Japan External Trade Organization and the Chinese Enterprises Association."

"As all these institutions receive delegations and get many requests from companies, we are often asked to meet with these business people, something which can result in them setting up here." ■



A warm welcome

ONE OF DÜSSELDORF'S KEY FOCUSES IS IN PROVIDING A HIGH QUALITY OF LIFE FOR BOTH ITS CITIZENS AND OVERSEAS WORKERS. **WENDY ATKINS** REPORTS ON THE PROGRESS IT IS MAKING

Attracting the right calibre of personnel to live in a new location can be as important as factors such as infrastructure quality and access to markets. And with a cultural scene that includes museums, theatres and arts academies, as well as events such as Japan Day – a celebration of Japanese culture on the banks of the Rhine – not to mention the longest bar in the world, Düsseldorf has real pulling power.

Expatriate workers and their families are also wooed by other soft factors, such as the city's promise of good educational opportunities, including a number of leading universities, as well as easy access to two international airports. In fact, a survey by expat network InterNations shows that the city ranks fourth worldwide in terms of quality of life and career opportunities. More than 12% of employed residents in the city hold foreign citizenship, a total of 46,000 people.

One-stop shop

International workers often comment on the city's open-mindedness,



Welcoming environment: Düsseldorf is keen to offer residents a superior quality of life

and report that the people of Düsseldorf are generally easy to get on with. Keen to foster this welcoming approach, the city's authorities have set up the Expat Service Desk, which offers information and advice to foreign professionals and their families as well as SMEs on living and working in the city of Düsseldorf and the wider district of Mettmann. As well as providing this initial information, it acts as a hub for networks and institutions such as government agencies and departments, international schools, expat organisations, international associations and investment promotion agencies to support expats in dealing with regional authority partners in areas such as professional qualifications and careers, social integration and aspects of everyday life.

The Expat Service Desk also supports employers with an international workforce in areas such as the recruitment of international specialists, official procedures and professional development and qualifications.

"We have more than 80 staff who have relocated here from around the world so far, from the UK, Croatia, Australia and Canada to name but a few," says Jason Muller, global manufacturing director for cosmetics company Lush. "When we announced that we would be opening a central European manufacturing unit in Düsseldorf, there was no shortage of staff interested in the possibility of relocating. The facilities are fantastic for us."

Hans Van Bylen, chief executive officer of adhesives specialist Henkel, agrees. "We find it easy to attract talent – from Germany as well as from abroad – to come to Düsseldorf. The city is home to a highly international community, offers attractive places to live and several international schools as well as a vibrant cultural life. I'm constantly impressed by the diversity of art and culture in the city," he says.

Easy access

Michael Reinartz, an expat from Austria and a director of innovation at Vodafone, is also complimentary about the city. "Düsseldorf is often referred to as 'the city of small distances'. One of the real advantages for frequent travellers like me is that it's easy to access the airport by car and public transport," he says. He adds that when it comes to weekends, there is plenty to do with the family within a short drive.

Meanwhile, the city's education system offers something for everyone, including kindergartens, and local and international schools that are praised by many expats for being on a par with what is available in other international cities. The Japanese International School, for example, is highly regarded by the many Japanese expats living and working in the city.

Rolf Schrömgens, one of the founders of tech company Trivago, says: "We feel at home here. It is no coincidence that Düsseldorf is a city with a high quality of life." ■

I'M CONSTANTLY IMPRESSED BY THE DIVERSITY OF ART AND CULTURE IN THE CITY

A full house?

WHILE DÜSSELDORF'S REAL ESTATE MARKET IS ATTRACTING INVESTMENT AND HELPING TO DRIVE URBAN RENEWAL IN THE CITY, SOME OBSERVERS FEAR THE REDEVELOPMENT OF BUSINESS PREMISES INTO RESIDENTIAL AREAS WILL PUSH OUT MANUFACTURING AND OFFICE SPACE. WENDY ATKINS REPORTS

Düsseldorf's reputation as a safe haven with stable growth has helped the city's real estate sector flourish and attract investors. However, analysts say that land availability could become a challenge.

The city has seen some major developments in recent years, with more on the horizon. These include the start of construction of Kö-Bogen II – the transformation of the city centre – with the demolition of the Tausendfüßler (a former flyover) and cars being routed through tunnels under the city. Additionally, the opening of the Wehrhahnlinie metro line, the establishment of a high-rise building for L'Oréal, the completion of Le Quartier Central in 2018 with residential tower blocks, offices and hotels, and the creation of Media Harbour have all garnered headlines.

The city's favourable location, positive economic indicators, excellent transport connections and above-average spending capacity have fed into the residential and retail markets, making it particularly attractive for both national and international investors.

Home comforts

"The city of Düsseldorf has initiated the 'ZukunftWohnen' action plan for the future residential market," says Marcel Abel, managing director at real estate agency JLL Düsseldorf. "This aims to further improve and develop all parts of the market, ensure the development of residential housing in all price segments and guarantee the quality of urban development and architecture."

Many people in the city talk



Redrawing the landscape: Düsseldorf has undergone several major urban renewal projects in recent years

about the challenge of land availability for residential and business use, however. "The scarcity of land in the city has pushed the transformation of office space into residential areas," says Mr Abel.

For example, the area around the Seestern office district is currently in the spotlight for residential developers. One example of a successful transformation from office space into residential areas is the White Max, Düsseldorf's tallest residential building. There has also been the creation of skyscrapers for residential housing in high-quality areas, such as Pandion d'Dor and Ciel et Terre.

Andreas Fleischer, business unit director for northern Europe at property investment and development company Segro, is also concerned about land availability. "We think it's very important to keep industrial sites inside cities because you want short distances not only for residential and office but also for production. We see new technology, such as 3D printing, bringing production back into cities," he says.

A good alternative

Düsseldorf's commercial property market is becoming increasingly interesting to investors. It is typically

a location for investments of about €30m to €70m. "Only a few transactions have been greater than €250m, such as that for Kö-Bogen I, prospective Kö-Bogen II and Headquarter WestLB," says Andreas Siebert, team leader for retail investment at JLL Düsseldorf. "It's still relatively unknown, so it's a good alternative for international investors. The yield, currently at 3.9% to 4%, is slightly higher compared with the yield across Germany, but will end up [at] about 3%."

Segro's north European headquarters are in Düsseldorf, and companies located on its sites include Lush and Tesla. Its business units in the Düsseldorf region currently take up 340,000 square metres of letting space, at a value of €328m. "Our portfolio of light industrial and warehousing premises is growing, mainly driven by e-commerce and opportunities in the fresh logistics market," says Mr Fleischer.

The company is actively looking for another location in the city. "Düsseldorf has more demand than we can provide for at the moment. The urban logistics market is growing so we will see a further push coming from fresh logistics and food," adds Mr Fleischer. ■