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far left courtesy of Cologne Bonn Airport left courtesy of Koelnmesse

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Cologne's better blend

A VIBRANT CITY AT THE HEART OF EUROPE, AWASH WITH STRONG TRANSPORT LINKS, A YOUNG AND EDUCATED WORKFORCE AND WORLD-RENOWNED CULTURAL EVENTS, COLOGNE IS AN EASY SELL TO OUTSIDERS. HOWEVER, LOCAL OFFICIALS ARE NOT RESTING ON THEIR LAURELS. WENDY ATKINS REPORTS

Ask the average person what image Cologne conjures up for them, and they'll usually mention the cathedral, the river, perfume, the city's carnival or its Christmas market. This conjures up a varied image, and it is this variety that makes the city so attractive to visitors. When it comes to business and investment, it also offers a surprisingly diverse range of opportunities, from media and software to services, trade, manufacturing, science, aviation and logistics.

The city's location places it at the heart of the EU. "We're situated in North Rhine-Westphalia [NRW], the largest federal state in Germany with the highest population density," says Karl-Heinz Merfeld, director of the City of Cologne's office of economic development. "We're the fourth largest city in the country and the largest in NRW. About 1 million people live in our 405 square kilometres, and the Cologne economic region is the third largest industrial region nationwide. Within a 100-kilometre radius of the city live about 17 million people. And current forecasts predict this population will continue to rise to 2025."

Sectors and investors

"Cologne is a base for many sectors, which is both an advantage and a disadvantage," says Mr Merfeld. "It's a disadvantage because we're not famous for just one area of business – such as Frankfurt with finance. But it's an advantage because if one sector suffers, there are plenty of others that still provide opportunities, so we fared OK during the financial crisis."

About 10,000 foreign companies operating in industries as diverse as IT and hi-tech, logistics, chemicals, pharmaceuticals and biotechnology, radio and TV, trade fairs and science and research have set up base in the city.

Major international names present in Cologne include Ford-Werke, AXA Konzern, AMB Generali Gruppe, UPS, Ineos Köln, Oerlikon Leybold Vacuum, Strabag, Ford

Bank, Shell & DEA Oil and RTL Television.

This puts Cologne in an enviable position. "Compared with other German cities and regions, Cologne is growing rapidly," says Jürgen Roters, the city's mayor. Hand in hand with this rapid expansion, though, comes a host of challenges. "We are increasingly facing the challenges of balancing metropolitan growth and meeting people's expectations for services, while ensuring the liveability and economic competitiveness of the city. Further complexity is added by the challenges of growth-related issues such as stress on the infrastructure and the shortage of resources as well as sustainability in the context of climate change and urban inequity and segregation," says Mr Roters.

But the city is working hard to find and implement solutions. "We are developing strategies that are built around an inclusive and holistic vision," says Mr Roters. "We are focusing on integrated planning, transparent governance and rigorous monitoring of the implementation of our strategies and measures. Our holistic view of a well-functioning whole as well as the smart use of finance and other resources combined with a locally rooted, democratised culture of sustainability and the participation of all stakeholders will help us build a solid foundation for a successful urban development."

Building connections

While Cologne has much going for it, one common grumble among its citizens is that there is too much traffic. As one worker in the city says: "Public transport works. But if you want to take your car you notice that the whole city is blocked." That said, visitors from many other cities are often pleasantly surprised by the ease of movement throughout Cologne and the wider area.

"We're well served by road, rail, air and water, which helps connect us to the rest of Europe," says Ulf C Reichardt, general executive manager of the Cologne Chamber of Commerce and Industry. "Local public transport is good. Rail services to other cities are great: it takes less than two hours by train to travel to Brussels and just over three hours to Paris. Also, the road network puts other major cities within easy reach. Access to the rest of the world via the Cologne



Towering high: Cologne's varied image reflects a city of many talents, and while its cathedral (left) and carnival (top right) attract millions of visitors every year, its transport links (bottom right), young workforce and focus on technology mean that investors have been increasingly moving to the city, too

Bonn, Düsseldorf and Frankfurt airports, which are all less than an hour away, make this a very well connected city."

With its favourable location in mind, the city's authorities have been behind a number of initiatives to encourage foreign investment. "Investors from outside the EU can often have problems with the length of time it takes to get a visa, so we started our 'Cologne China Offensive' programme in 2004 to address this," says Michael Josipovic, deputy director and head of the international development department at Cologne's office of economic development. "We've held roundtables with the immigration office, labour office and chamber of commerce and have shortened the time it takes to carry out all the local procedures to obtain a visa."

Cologne is also working to improve its hard and soft location factors, as Ute Berg, the deputy mayor of Cologne for economic development and real property, explains. "Supply-side policy is responsible for our city's biggest assets, which itself leads to foreign direct investment [coming to] Cologne. Our infrastructure, for example, has not only to be maintained but also strengthened and expanded. We also have to consider sustainability and implement and monitor strategies that enable us to use our assets more effectively and wisely. So we have developed and we are applying coherent and comprehensive action plans," she says.

"In addition, we have a number of schemes aimed at attracting investment from certain sectors and countries which we have identified as being a perfect match for Cologne's economy and which can play a vital role in

the future economic development of our city. The growth sectors that we have identified and are targeting using a range of measures include the media and ICT sectors. We do thorough analysis of target countries and regions, and focus on attracting investment from them. We have already attracted about 200 companies from China."

The fun factor

According to Cologne's business leaders, it is not difficult to attract the people to the city. "It's a cool city," says Mr Reichardt. "I've been here for two years, and I love it. It has a good economy and it's vibrant with plenty of things going on. Students come here from all over the world and stay here because they love the city."

Cologne has many cultural, sporting and historical attractions, including the Philharmonic Hall, the Lanxess arena, the Unesco World Heritage-listed cathedral and many museums and art galleries. Its world-famous carnival attracts hundreds of thousands of visitors to the city every year. "The carnival is part of the social life of the city," says Marcel de Rycker, chief executive officer at car manufacturer Peugeot Deutschland. "I met people at the carnival when I first arrived in Cologne who are still very good friends, so it's a perfect networking opportunity."

"It's a lot of fun," agrees Mr Reichardt. "But it's important economically as well. According to 2010 research from Boston Consulting, the carnival brings €450m to the city from spend on taxis, restaurants and hotels."

He adds: "In short, what Cologne stands for can be reduced to a double 'e': a strong economy and strong emotions." ■



Euro star: Cologne's impressive logistical offering has helped attract companies such as UPS (top right) and Ford (bottom right) to the city

Photo: Häfen und Güterverkehr Köln

An extended reach

COLOGNE'S STATUS AS A HUB FOR INDUSTRIES ACROSS MYRIAD SECTORS IS IN NO SMALL PART DOWN TO ITS EXCELLENT ROAD, RAIL, RIVER AND AIR LINKS, WHICH PUT THE REST OF EUROPE WITHIN EASY REACH. WENDY ATKINS REPORTS

Cologne's manufacturing base comprises a broad mix of chemical, automotive and engineering companies as well as a handful of other industries that have chosen to locate in the city because of its central location within Europe, its proximity to the Rhine and its strong transportation links.

The city is also well served by air with three airports being located within an hour of its centre. The closest, Cologne Bonn, carried 740,000 tonnes of cargo in 2013, putting it third in Germany behind the air transport hubs of Frankfurt and Leipzig. This level of freight handling is typical for a major airport, so although this figure is 2% down on 2013, officials at the airport are still looking towards a bright future. Indeed, when passenger and cargo volumes are combined, Cologne Bonn ranks fifth among German airports. "We're one of only six airports in Germany that makes a profit," says Ulrich Stiller, director, marketing and sales, at Cologne Bonn Airport.

The airport operates 24 hours a day, which has enabled it to develop a solid freight business. Mr Stiller says: "This has helped us to be efficient as we can achieve more economies of scale by using airport machinery and facilities around the clock for both passenger and freight movements."

Airport investment

Cologne Bonn has seen significant investment in recent years. This includes the expansion by US shipment and logistics company UPS of its European air hub facilities and FedEx's joint €140m investment with the airport to establish a new hub aimed at central and eastern Europe.

UPS's enlarged facilities, which opened earlier this year, created an additional 200 jobs, bringing the company's total workforce at the airport to 2500.

"With this upgrade, we now have the equivalent of 15 football fields of sorting space for a growing export economy on the move," said Cindy Miller, president of UPS Europe, during the inauguration earlier this year. "All of this ensures that UPS's Cologne Bonn air hub remains the centrepiece of the company's European express network, a key component of UPS's global air operations, and one of the largest and most advanced sorting facilities in the world."

FedEx started operating its new hub – which can process up to 18,000 packages and documents per hour – in 2010 after relocating from Frankfurt. It is the company's second solar-powered 'Express' hub and the fifth of its type within the FedEx group.

On the ground, a major multi-lane ring-road with access to 10 motorways encircles Cologne. Rail travellers are also well served, with more than 800 trains departing from Cologne Central Station every day. The city is also a European rail junction, connecting with high-speed services to Amsterdam (a journey time of 2 hours and 37 minutes), Brussels (1 hour and 45 minutes), Paris (3 hours and 15 minutes) and London (less than 4 hours by 2015).

On the water, Cologne is home to Germany's second largest inland port area, which consists of four port terminals. Its container terminals are capable of handling three ships at once. Meanwhile, the Eifeltor, Germany's biggest combined freight terminal, lies just south of Cologne. Rail and inland shipping logistics specialist Häfen und Güterverkehr Köln started operating a new freight terminal in the north of Cologne at the beginning of 2014.

Why Cologne?

Many major manufacturing names as well as innovative small and mid-



UPS'S COLOGNE BONN AIR HUB REMAINS THE CENTREPIECE OF THE COMPANY'S EUROPEAN EXPRESS NETWORK



sized enterprises have set up shop in Cologne. They include chemical, pharmaceutical and biotech behemoths such as Bayer, ExxonMobil Chemical, Lanxess and Ineos. "These industries are well supported by their close proximity to science and research establishments as well as the BioCologne, BioRiver and Chem-Cologne industry networks, which are helping to promote location development and company creation," says Michael Josipovic, deputy director and head of international development department of Cologne's economic development office.

The automotive sector is also well represented in Cologne. The city's largest private employer is the Ford plant, which has a workforce of about 17,300 comprising staff from more than 50 countries. Engine manufacturer Deutz has a production facility in the city, which is joined by Toyota Motorsport's high-performance testing and development facility. Cologne is also the home of the German or European head offices of a number of vehicle manufacturers, including DAF, Mazda, Nissan, Renault, Volvo and PSA Peugeot Citroën.

According to Ford, when Ford Europe first established its operations in Germany back in the 1920s, it picked Cologne as the location for its regional headquarters because of its access to the rest of Europe and

its proximity to a waterway. The company says these features remain important today. In 2013, about 350,000 Ford Fiestas rolled off the assembly line in the north of Cologne, and in June 2014, the company announced that its Cologne operations in the city will be the single source of European production of the next generation of the model.

Cologne is also home to Ford's European parts distribution centre as well as the John-Andrews Development Center, a centre of excellence for passenger cars, product planning and design, safety, human-machine interface, and craftsmanship.

Headquarter hub

In 2012, PSA Peugeot Citroën set up the joint German headquarters of the two car brands in Cologne. Previously, Peugeot had been based in Saarbrücken and Citroën in Cologne.

"There were many reasons why PSA Peugeot Citroën selected Cologne, but its position as the fourth biggest city in Germany and home to a lot of automotive companies – which helps when recruiting new teams of experts in the sector – were factors," says Marcel de Rycker, chief executive officer at Peugeot Deutschland. "It also has great infrastructure putting us within minutes of trains, airports and motorways. We can connect to our worldwide

headquarters using the Thalys high-speed train to Paris, taking us door to door in just over three hours."

The firm says local authorities supported its move into a new building in Cologne. "We were put in touch with the relevant property investors and renters who built the new base in Cologne Gremberghoven in just one year," says Mr de Rycker. "Additionally, they provided support during the construction and licensing phase. The city authorities also helped with finding lodgings and housing for employees that relocated from Saarbrücken. And Cologne's office for economic development visited Saarbrücken to give Peugeot employees information about the city before the relocation started."

As manufacturers look to cut costs and possibly head off to lower cost destinations in Asia, what is keeping investors in Cologne? According to Ford, its approach is to build its vehicles in or near its actual markets, especially when it comes to high-volume models such as the Fiesta and Focus. It says Germany is an ideal location to meet the demand of its other European markets, and also offers many advantages such as good logistics. These help to support both of its production sites, which are, it says, among the most efficient vehicle manufacturing plants in the world. ■

Digitally driven

COLOGNE'S STATUS AS A 'PLACE TO BE' FOR YOUNG PEOPLE GIVES THE CITY AN ADVANTAGE WHEN IT COMES TO DIGITAL AND HI-TECH INDUSTRIES, A FACT NOT LOST ON THE LIKES OF ELECTRONIC ARTS, IBM AND MICROSOFT, WHICH ARE LOCATED WITHIN THE CITY.
WENDY ATKINS LOGS IN

Cologne's ability to attract young, imaginative and creative types has led to the city developing a thriving digital media and wider ICT sector. It hosts a number of educational institutions offering specialist media and ICT courses. This, combined with Cologne's vibrant cultural scene and high quality of life, look set to shift its demographic profile. According to the city council, by 2025 Cologne will have a significantly smaller proportion of its population aged over 65 than other German cities and regions.

The area is also attracting its fair share of ICT companies. Figures from the Cologne Chamber of Commerce and Industry show that the number of businesses operating in this sector totalled 11,185 in 2013.

Media capital

Cologne is the German media capital, employing about 13,000 people in television and broadcasting alone. WDR, the largest public service radio and television broadcasting corporation in continental Europe, has its headquarters in the city, as does the largest European commercial TV station, RTL. Other leading studios, service providers and broadcasters have a presence in the city as well, including Action Concept, which produces the long-running 'Alarm for Cobra 11 – The Autobahn Police' drama series, which is broadcast in 140 countries.

The city is also a hotspot for software, telecommunications, computer games and smartphone apps producers, hosting big names such as Adobe, IBM, Microsoft, Electronic Arts and Wipro Technologies. According to the City of Cologne, network operator NetCologne has positioned itself as



Game on: games business fair Gamescom attracts visitors from 40 countries

the most successful regional carrier in the EU. Its optical fibre network – with transmission rates of 100 megabits per second – is already regarded as the most modern and efficient regional telecommunications network in Europe.

Major events in the city also boost its reputation as a digital destination. Its main exhibition centre, Koelnmesse, hosts leading games business fair Gamescom. With about 635 exhibitors from 40 countries, Gamescom attracted more than 340,000 visitors in 2013. Koelnmesse is also the venue for new technology trade fair UrbanTec.

Community spirit

An important aspect of the city's new media and ICT sector is its ecosystem of freelancers and media start-ups. These are supported by a raft of organisations and initiatives, including business incubators and the Office of Economic Development's Startercenter, aimed at business start-ups. Co-working spaces are also available throughout the city.

Microsoft moved to Cologne in 2008 and now employs about 420 people in the city. Johannes Rosenboom, manager of Microsoft Germany's office in Cologne, says:

"Cologne's central location, very good traffic infrastructure and important location at the centre of the economy and public sector are important to us."

The city is also good for technology firms, as Mr Rosenboom points out. "The presence of important media companies, universities, higher education organisations, major fairs such as Gamescom and the cosmopolitan flair of an interesting city make it ideal."

For Martin Lorber, PR director at computer games manufacturer Electronic Arts Germany, it is the city's soft factors that make it attractive to new media and ICT companies. He says: "Cologne is known for being open, so it's easy to come here, set up your private network and find people. Electronic Arts was previously in another German city, and it was difficult to find people to work there, so it's really important to have a nice city with good infrastructure to get the right people to work here."

Being a popular city has its downsides, though, such as higher property prices. However, Mr Lorber says: "Finding a flat is not too difficult. Of course, we have high rents, but it's not as crazy as London or Munich, so that helps when attracting young people." ■



Cologne Bonn Airport's ties with Cologne's educational establishments give it a lift



Photos courtesy of Cologne Bonn Airport, photo on left by Rainer Becken

Propelled status

THE CONTINUED PRESENCE OF OTHER LEADING AEROSPACE AND AVIATION COMPANIES, CLOSE PROXIMITY TO THREE LARGE AIRPORTS AND CLOSE LINKS WITH EDUCATIONAL ESTABLISHMENTS COMBINE TO GIVE COLOGNE CONFIDENCE THAT ITS AEROSPACE SECTOR CAN RISE ABOVE THE LOSS OF LUFTHANSA'S HEADQUARTERS. **WENDY ATKINS** INVESTIGATES

If the Rosetta spacecraft's Philae lander successfully makes the first soft touchdown in history on a comet in November, a loud cheer will go up in Cologne. That is because the city is home to the mission's 'Lander Control Center' (LCC).

With a strong history in aviation and aerospace, Cologne is also a base for the European Aviation Safety Agency (EASA), German aeronautics and space research centre DLR (which houses the LCC), the European Astronaut Training Centre, Cologne-Bonn Airport and low-cost airline operator Germanwings. The city is also the home of Germany's largest airline, Deutsche Lufthansa, although the company has announced plans to move its head office to Frankfurt by 2017.

The aerospace and aviation sector is supported by several of Cologne's educational establishments, including the University of Cologne, which hosts a number of specialist air transport institutes, such as the Institute for Air and Space Law. Other institutes are involved in aerospace-linked alliances, such as the German Sport University Cologne's Institute of Physiology and Anatomy, which is researching how the body reacts to stress and weightlessness in space.

"Cologne is a good place to recruit people with a scientific and engineering background," says

Thomas Weissenberg, head of the department of international relations at the DLR. "People like to live here, so it is easy to attract the right calibre of employee. Its reputation for space research and DLR's long-standing co-operation with the University of Cologne in areas such as space law make it a place where people with these skills will come."

International location

EASA's offices currently dominate the skyline of the Deutz district of Cologne, although there are plans to move the organisation to the other side of the Rhine, close to the city's central railway station. Its location in the centre of Europe is a big attraction for many of its staff. "Our 700-strong workforce comes from across Europe," says Dominique Fouda, safety information and communications officer at EASA. "We have about 140 French employees and an equal number of Germans. UK and Italian nationals are also well represented. It's easy to access for all of them."

Three airports are reachable within an hour of Cologne. The Skytrax award-winning Cologne Bonn Airport takes about 15 minutes to get to by train, and Düsseldorf and Frankfurt are also easy to reach. "The Cologne region has very good prevailing weather conditions, with little or no fog, so aircraft from Frankfurt and Düsseldorf are some-

times diverted here," says Ulrich Stiller, director, marketing and sales, at Cologne Bonn Airport.

"We have 47 airlines serving 148 destinations in 44 countries. We're trying to attract more long-haul flights with a service to the Caribbean starting this winter," he adds.

Links to business

The city's aviation and aerospace organisations have created strong links with industry. "We've instigated partnerships with numerous major firms," says Mr Weissenberg. "Last year we teamed up with [French multinational] Alstom and [aerospace company] Rolls-Royce to invest almost €50m in gas turbine research infrastructure, including a combustor test facility."

Although Cologne looks set to lose its status as the home to Lufthansa's headquarters – something that insiders say is no real surprise given the size of the airline's base at Frankfurt Airport – those working in the sector are upbeat about the city's future prospects. Lufthansa is already in talks with Cologne Bonn Airport over using it as the base for its potential new low-cost, long-haul hub, while DLR has plans to expand further and EASA is on track to move to its new location in the city, all of which look set to propel the city further as a European aerospace and aviation hub. ■



Picture this: Koelnmesse exhibition centre hosts major events such as the Photokina photography fair

Trading on a good name

COLOGNE'S REPUTATION AS A STRONG TRADE DESTINATION DATES BACK FOR CENTURIES, BUT MORE RECENTLY THE CITY HAS MADE ITS NAME THROUGH ITS HOSTING OF TRADE FAIRS AND CONFERENCES AT ITS HUGE KOELNMESSE EXHIBITION CENTRE. WENDY ATKINS VISITS

Cologne is proud of its history as a major European trade centre, one which dates back more than 2000 years. Its favourable location at the heart of the continent, which has attracted international traders for the past two millennia, has been enhanced by 21st-century road and rail links as well as access to three major airports.

Today, Kaufhof and Rewe, two leading international trade groups, are based in Cologne, while the German headquarters and distribution centres of large international companies such as beverage company Pernod Ricard and retailer Toys 'R' Us are also based in the city. And according to statistics from Cologne officials, the Schildergasse, located in the heart of the city, is the most heavily frequented shopping street in Europe. This and the neighbouring HoheStrasse are often used by retailers as a test market for their German operations.

Cologne also boasts the fifth largest exhibition centre in the world, Koelnmesse, which covers 284,000 square metres of indoor space com-

prising 11 connected exhibition halls as well as about 100,000 square metres of outdoor space. The grounds can accommodate conferences with up to 19,500 delegates.

Diverse offering

Global trade fairs hosted in Cologne cover sectors as diverse as food and food technology, interior design, digital media and entertainment, education, art, homes, garden and leisure, tools, machinery and technology, health, energy and the environment.

"Events were staged at Koelnmesse on approximately 180 days during 2013," says Gerald Böse, CEO of Koelnmesse. "This demonstrates Koelnmesse's significance for Cologne as a business location. The money spent by the trade fair participants in the city, whether it is at hotels, restaurants or shops, is extremely important for Cologne's economy. They account for an annual turnover of about €1bn in this city."

Major events such as Gamescom (for computer and interactive games), Anuga (food and beverages), Dmexco (digital marketing) and Photokina (photography and imaging) are helping put Cologne on the map. "Through the events staged by Koelnmesse, international companies are becoming aware of Cologne as a business location and beginning to use it as a base to expand their operations into the German and European markets," says Mr Böse.

Martin Lorber, a PR director of computer gaming company Electronic Arts Germany, agrees:

"More than 300,000 people come to the city each year for the Gamescom fair. It's the biggest fair for interactive media, and is definitely a bonus for companies such as ours. It's good for networking and for raising the profile of the city as a centre of new media, which helps when attracting staff."

Infrastructure issues

Unlike many trade fair locations, Koelnmesse is centrally located, giving visitors a chance to enjoy the sights and sounds of Cologne while also attending meetings and business functions. But this central location can be a double-edged sword, as it can create a logistical headache that out-of-town locations do not have to worry about.

"A good infrastructure is an important prerequisite for the success of our trade fairs," says Mr Böse. "That's why we are in constant contact with the City of Cologne and other Cologne institutions so that we can coordinate the traffic situation with them during trade fairs and also co-operate with them over the long term on planned infrastructure projects."

"In addition, in the years ahead, we will carry out a number of infrastructure projects on our side of the Rhine, which will greatly enhance the immediate surroundings of the trade fair complex. One of these projects is MesseCity [Trade Fair City], which will involve the construction of offices, a hotel, shops and restaurants on a vacant area near the Messe/Deutz train station." ■



Cologne Bonn Airport

9.3 m passengers p.a.

115 destinations

ICE high-speed
train connectivity

30 airlines

Cargo hub of
UPS & FedEx

12,600 parking
spaces



BEST REGIONAL AIRPORT EUROPE
Cologne Bonn Airport

Skytrax Winner 2014
Best Regional Airport Europe



And when can we welcome you to Cologne?

The key success factor for the economic location of Cologne is its central situation at the heart of the European single market. Within a radius of 100 kilometres of the city, you can reach 17 million potential customers and thus far more than in most of the other European metropolises. Whether by land, on water or in the air – Cologne offers the fastest possible connections in all directions. For example, with the airports in Frankfurt and Düsseldorf, as well as Cologne Bonn Airport, no less than three international airports can be reached in less than an hour. Cologne Bonn as a hub of the low-cost airlines is particularly interesting for costconscious companies.

Cologne's infrastructure, its balanced mix of industries and its higher education scene, as well as its art and culture, have already convinced companies like Adobe, Lanxess, Mindtree, PSA Peugeot Citroën, SCOR or Turkcell.

As a multicultural metropolis in which over 30 percent of the men and women who live here have other national backgrounds, Cologne makes it easy for people and companies from all over the world to quickly feel at home. See for yourself.