30 Years After the Wall

November 9, 1989 marked an end and a beginning: the opening of the Berlin Wall, the conclusion of the Cold War and the reunification of Germany. The challenge of reintegrating the two halves of the country has proved enormous, and there has been no shortage of criticism when things have gone wrong. Nonetheless, Germany’s political and economic reunification has largely been a success – in the past 15 years alone, the GDP of the former east has risen by more than 44 percent to EUR 356 billion.

Christian Hirte, the government’s commissioner for the ‘new federal states,’ says that eastern Germans should be proud. “Today the eastern German states have an economic power comparable to many regions in France or Britain,” Hirte explains. “If we remember where we started thirty years ago, the development has been impressive.”

The blossoming landscapes promised by Chancellor Helmut Kohl back in 1989-90 may have taken time to put down roots and grow, but grow they have. Each of the six federal eastern states – Mecklenburg-Vorpommern, Thuringia, Saxony, Saxony-Anhalt, Brandenburg and, of course, Berlin – have developed in different ways.

Berlin
Burgeoning Biotech

The capital of reunified Germany may be famous for its IT and other start-ups, but the Berlin business ecosystem is by no means restricted to bearded hipsters hacking away at laptops in cafés.

Case in point: JPT Peptide Technologies. This biotech company has become a market leader in its sector, employing some 100 people. Peptides are critical reagents to diagnose diseases such as cancer or infectious diseases and to develop effective, ideally personalized treatments targeting the immune system of patients.

The company attributes part of its success to its location on the Adlershof Campus in eastern Berlin, which is run by the Humboldt University, also in the east. “This location has numerous advantages, beginning with the support we’ve received over the years from the campus management and the possibilities for cooperating with other biotech companies,” says JPT managing director Holger Wenschuh, who was himself born and bred in East Germany. “Connections to the city’s universities are especially important, allowing us to recruit personnel from their chemistry and biology departments.”

Brandenburg
Revving Up with Rolls

When you hear the words Rolls-Royce, you probably don’t immediately think of Brandenburg. But the small village of Dahlewitz in the eastern German state is the spot where the famous British technology heavyweight chose to locate the headquarters of its German airplane-engine subsidiary.

The company was able to build on existing expertise when it established the site in 1990. Close to 3,000 people work there. Mirko Quednau, for instance, cut his teeth with the East German state airline Interflug. Today he’s team leader of the training division in Dahlewitz. “We now hire
apprentices who were born between 2000 and 2002,” he says. “It’s fascinating to work with people who only know the Wall from history books.” Quednau cites the presence of well-qualified and keen people, universities, a very supportive regional government, the airport and autobahn connections as factors making Brandenburg a high-power business location.

Mecklenburg-Vorpommern
Nautical by Nature

Mecklenburg-Vorpommern has not only the largest inland lake in Germany but also the longest (1,905 km) coastline. So it’s not surprising that many companies there have connections to the sea. A good example is Liebherr-MCCtec GmbH, which manufactures a large variety of maritime cranes with a lifting capacity of up to 5,000 tons.

The foundation stone for the Liebherr location in Rostock was laid in 2002 and production began only three years later.

“The connection to the sea is a decisive advantage.”

Since then, the location has grown steadily and commands a market share of more than 50 percent in some areas of the maritime industry. “The decisive advantage is the connection to the sea and its logistical possibilities,” says Liebherr Rostock’s managing director of finance, Steffen Pohl.

“Here our cranes can be transported directly by ship to any part of the world.” Pohl is obviously proud of his region, adding that “other people come to Mecklenburg-Vorpommern for holidays – I live and work here.”
Saxony
An Inventive Family Business

Not many firms in the world can claim to be unique, but Von Ardenne from the Saxon capital Dresden is one of them. The company, which specializes in vacuum coating for the glass, photovoltaic and energy industries, takes its name from one of Germany’s leading twentieth-century inventors, Manfred von Ardenne (1907–1997).

Von Ardenne’s business was one of the few private enterprises allowed in the Communist east, where, with no recourse to government subsidies, it learned to survive in a hostile business environment. After the demise of German socialism thirty years ago, Von Ardenne flourished. COO Pia von Ardenne-Lichtenberg, Manfred’s granddaughter, says the company’s success would have been impossible elsewhere.

“We employ physicists and engineers who grew up and were educated in Saxony,” she says. “There are many research institutions and universities here. We couldn’t imagine advancing our technology anywhere else in the world.” Today Von Ardenne turns over around EUR 280 million a year and employs around 1,000 people in Dresden and across its five subsidiaries worldwide.

Saxony-Anhalt
Software Solutions from a Small City

Businesses in eastern Germany tend to be smaller than in the west, which can be an advantage to ambitious start-ups. Take COMAN Software, which was founded in 2018 in the town of Stendal, Saxony-Anhalt. It provides a software solution for monitoring and digitalizing construction projects in automotive plant engineering, making them more efficient.

COMAN already counts some of the world’s largest carmakers among its customers, and the company is well on its way to becoming the market leader. Its impressive start attracted EUR 1.2 million of venture capital from the federal state of Saxony-Anhalt.

That funding allowed COMAN founder and Saxony-Anhalt native Sven Kägebein (right) to return home and expand his business in the tranquil surroundings of Stendal. The company already has 14 employees and continues to grow. Kägebein’s partner Timur Ripke (left) comes from West Berlin, but together, the two entrepreneurs have their sights firmly set on the prospects of the future and not the divisions of the past. “I look forward to the day when people no longer talk about East and West, but just about Germany,” Kägebein says.

Thuringia
Uniting Past and Present

There is a stereotypical account of reunification that relates how western Germans invaded the east, shutting down businesses and ordering easterners around. But Thuringia provides a great example of cooperation and building on traditional eastern strengths.

For nearly thirty years the Fraunhofer Society, headquartered in Munich, has worked with companies like optics giant ZEISS in eastern German Jena. “The Fraunhofer Society looked around early on in eastern Germany for places with applied research potential that could benefit businesses,” says Fraunhofer Institute for Applied Optics and Precision Engineering IOF Director Andreas Tünnermann. “One was Jena with its special emphasis on optics and photonics based on the area’s traditional industrial strength in those areas. We started in 1992. Our beginnings were humble – with only a few employees and a budget of the equivalent EUR 2 million a year. Today we have 100 employees and a budget of around EUR 45 million.”

At present some 180 companies in Jena operate in this sector and employ 15,000 people, mostly university graduates, making it a shining example of the economic potential in Germany’s east.

To find out more about the economic success of the eastern federal states and companies located there in our video ‘30 Years of the Fall of the Wall’ at: www.gtaf.com/30years

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