Seven Reasons why the Time is NOW for European Companies to Enter or Grow in North America

Not long ago, many journalists predicted the "end of the American Century". In a 2010 article, the Huffington Post declared that "the American Century…, will be tattered and fading by 2025, its eighth decade, and could be history by 2030." Pessimists cite a stagnating economy, political gridlock, taxation, unemployment, the growth of BRIC (Brazil, Russia, India, China) economies, and the resurgent military power of Russia as reasons for the decline.

But today, GDP growth in North America exceeds the near zero growth or recession in many European Union Nations and Japan. China's growth is slowing with the end of a real estate boom, polluted cities, and a declining manufacturing cost advantage. Europe suffers from high debt, unfavorable demographic trends, and expensive energy.

Why is now the time for European companies to invest in their North American operations? Consider

1. **Economic growth:** The Economist forecasts 3% GDP growth for the U.S. in 2015, vs. 1.3% for Europe.
2. **Historically low interest financing**: Prime rates of around 3% in the U.S., Canada, and below 3% in Germany.
3. **Aggressive competition from state and local governments to attract foreign investment**. With the support of State and Regional Economic Development organizations, Chambers of Commerce and competent advisors, you will find help with the acquisition of property, investments, tax credits, staffing and infrastructure support.
4. **Favorable Exchange rates:** With the Euro at $1.24 vs. $1.39 only 6 months ago, your exports have gained a 10% price advantage during 2014.
5. **Open and competitive labor markets.** Despite a lower unemployment rate, average U.S. wages remain stable. U.S. labor laws generally provide more flexibility to adapt the workforce to business cycles. Growing subsidiaries can take advantage of competitive outsourcing services for infrastructure, from offices to accounting, tax, IT, and HR administration.
6. **Energy cost**. Manufacturing and distribution companies benefit from rapidly growing domestic energy production, with gasoline at $0.68 / liter vs. $ 1.45 in Germany and 1.72 in Italy. Domestic natural gas is abundant at $4 per million BTU vs. $10-18 in Europe and Asia, and does not depend on imports from Russia. As a result, German industrial consumer rates are 2-4 times higher than those paid by U.S. manufacturers.
7. **Obamacare.** Really? Consider that one of the challenges for foreign company subsidiaries is the recruiting of experienced and well-connected teams. The dependence on employer-provided group healthcare can be an obstacle to hiring talent from larger domestic employers. Obamacare has made private healthcare more available.

Learn more… Download Ten Success Criteria for Establishing a Thriving U.S. Subsidiary