



SAXONY-ANHALT

NEWSLETTER INVEST DECEMBER 2011

WELCOME TO THE LATEST ISSUE OF THE SAXONY-ANHALT NEWSLETTER INVEST!

There are many reasons why **mechanical engineering and plant engineering** are the biggest and most important industrial sectors in Saxony-Anhalt. Where once it was heavy mechanical engineering, it is now high tech production, however. In this context the Anhaltische Elektromotorenwerk Dessau GmbH has been **customizing electrical engines** for customers all over the world since 1992. In Brehna, the **FEV Group** manages one of the most modern **continuous-running testing centres in the world**.

You can also find out what has been happening in the **chemicals and plastics sectors** and why Saxony-Anhalt is attracting **international film productions** more and more often.

We wish you pleasant reading and look forward to receiving your comments and suggestions at invest@img-sachsen-anhalt.de.



INVESTMENT LOCATION OF SAXONY-ANHALT IN DECEMBER 2011



**What has happened in the local economy?
An overview of the important news items**

Bayer CropScience sets up European wheat breeding centre in Gatersleben

“The new Bayer CropScience wheat breeding centre in Gatersleben is an enormous boost to green biotechnology in Saxony-Anhalt, a field of technology which is key to the region’s continuing economic development.” This was the response of Saxony-Anhalt’s Minister of Science and Economic Affairs Prof. Birgitta Wolff, to plans announced by Bayer CropScience to start work on 1 December. Bayer CropScience, a sub-group of Bayer AG, is one of the world’s leading crop science companies in the fields of crop protection, non-agricultural pest control, seeds and traits.

“Wheat farmers need to improve their yields to remain competitive and meet growing demand. Our team at the European wheat breeding centre will develop first-class varieties adapted to European growing conditions. These new varieties together with our leading portfolio of crop protection products will in future enable us to provide solutions for sustainable grain production - from sowing to harvest”, said Dr Mathias Kremer, Head of BioScience at Bayer CropScience. “Biotechpark Gatersleben offers us the ideal environment and infrastructure for our breeding centre.” Gatersleben is one of the most important crop research centres in the world.

As well as developing new wheat varieties with higher yields and improved properties for the central European market, the new centre is also to coordinate all of Bayer CropScience’s wheat-breeding activities in Europe. Laboratory and greenhouse facilities have been leased from Biotechpark Gatersleben Infrastruktur GmbH. According to Bayer, up to 40 full-time permanent employees are to work at the centre in the future. The facility will be part of Bayer CropScience’s global network of wheat-breeding stations. A network of partnerships with leading international research institutions is also currently being developed to apply the latest advances in biotechnology processes in practice and thus to drive forward development in breeding.

The Halloren Schokoladenfabrik buys Dutch firm ,Steenland‘

Shortly before Christmas, chocolate company Halloren Schokoladenfabrik, based in Halle, went on a big shopping trip. The company bought the firm ,Steenland‘, based in the Dutch town of Gouda. The firm has approximately 80 employees and manufactures chocolate coins, medals, bars and figures with the latest technological equipment. Its product range also includes Disney characters and the Smurfs. Steenland was founded 100 years ago and like Halloren it is a company with a long tradition. The final purchase price is confidential.

**Start of the construction of the northern extension of the A 14**

On 30.11.2011, together with the Prime Minister of the Federal State of Saxony-Anhalt, Reiner Haseloff, and the State Transport Minister, Thomas Webel, Federal Transport Minister Peter Ramsauer turned the first celebratory spade of earth for the new section of the A 14 that is being built between the junctions of Wolmirstedt and Colbitz.

Ramsauer: „The beginning of the construction work today is very important for eastern Germany. A new lifeline is being created for the economic development of the new part of Germany previously under communist rule. An efficient transport infrastructure is an important location factor in the key task of bringing more businesses to eastern Germany.” With the northern extension of the A 14 from Magdeburg to Schwerin via Wittenberge, the connection of the region to the German motorway network will be complete. At the same time a superior connection to the ports of northern and eastern Germany and the trans-European transport network will also be created. To the south of Magdeburg, the A 14 continues through Saxony and on to the Czech Republic via the A 4 / A 17. The section from Wolmirstedt to Colbitz is being subsidised with 20 million Euros from the European Fund for Regional Development (EFRD 2007 - 2013). The cost of the new link, running to just under six kilometres, is set to total in the region of 49 million Euros.



IN BREHNA ENGINES MUST PASS ENDURANCE TESTS WITH FULL MARKS



In Brehna, near the motorway intersection Schkeuditzer Kreuz, in just three weeks it is possible to put car engines through the same level of stress they would be subjected to have covered 50,000 kilometres. The car does not drive on the roads, however. Its engine is simply clamped in an ultra modern test rig. „In bad weather and wind and with varying road conditions a car cannot cover the ground that a test rig creates,“ explains Stefan Trampert, Director of FEV Dauerlaufprüfzentrum GmbH in Brehna (FEV DLP).

The Brehna continuous-running testing centre is part of the Aachen based FEV group, which employs over 2,000 employees world-wide. The abbreviation FEV stands for the name Forschungsgesellschaft für Energietechnik und Verbrennungsmotoren (Research Organisation for Energy Technology and Combustion Engines) which was the original name of the company when it was established by Prof. Franz Pischinger in 1978. In addition to Aachen, further development locations are situated in the USA, China and India. All types of engine, world-wide, are tested on the ultra modern test rigs, including ship engines. The markets in Europe, North and South America and Asia are covered.

At the Brehna location of the FEV group, confidentiality is one of the most important rules. Cameras have to be handed over, mobile phones switched off and customers are never left to their own devices. When journalists visit, engines and machine parts are covered with custom made tarps. „We must ensure absolute levels of confidentiality in order to protect our customers,“ explains FEV DLP Director, Stefan Trampert. And he has good reason to do so: the customers of the FEV group include almost all aircraft and engine manufacturers in the world and they are naturally in competition with each other. In Brehna, drive trains, combustion engines and gears are primarily tested for cars. This enables manufacturers to save both time and costs, highlights Trampert, as the continuous-running testing centre in Brehna does not require any cars - which may not yet be available - for the tests that are completed.

The decision to build the test centre has its roots in the year of 2006. A major German car manufacturer handed over the entire continuous-running testing to the FEV group. At that time, however, the group's resources were insufficient to realise an exceptionally large scale task of this kind. The graduate technician goes on to explain how a new location was therefore found. Its sound logistical connections to the motorway network and the nearby Leipzig/Halle airport



were the key factors in the decision in favour of Brehna. Its distance from the existing structures in Aachen also played a role, however. A modern structure is easier to implement if there is distance from the existing one, explains Trampert, substantiating the decision for Brehna.

This decision is now bearing fruit. The 115 employees, a third of whom are qualified engineers, do their best on 35 fully automatic test rigs. This year, four additional test rigs were upgraded to the latest technological level to extend capacity even further. On each test rig, up to 160 sensors measure the performance of the ‚candidates‘, as Trampert calls the test objects with which he is entrusted. The results in Brehna are also evaluated by the car manufacturers themselves via online link. Winter driving is simulated on a deep freeze test rig. Here, car parts can be tested to their limit for 3,000 hours at minus ten degrees. Electrical engines simulate the behaviour of wheels. All the combustion engine test rigs are monitored and controlled by a central control room. „Our task“ explains Trampert, „is to test until either proof of long term durability is provided or destruction becomes apparent. Losing a candidate must be avoided at all costs, however, as they are frequently very expensive.“ To ensure that does not take place, the employees receive thorough training in Aachen for the work they do in Saxony-Anhalt. According to Trampert, over 50 million Euros have been invested in the buildings, technical installations and in training the engineers, technicians and mechanics in Aachen over several months. Most of the employees originate from the local region but many have returned to central Germany after having worked in western Germany for long periods of time.

The continuous-running test centre does not construct any engines or gears, but develops, tests and optimises them. „We steer them up to series production,“ explains Trampert. There are clear criteria that the ‚candidates‘ have to fulfil in complete form. Even engines from the Formula 1 racing series have been put through their paces by the FEV group. For this reason, Trampert enjoys telling his employees to take the example of Formula 1. He wants the test rigs in Brehna to be as clean as the pits and lanes of Formula 1. And that is indeed the case at the work stations in Brehna.

The tests in Brehna begin roughly one and a half to two years before a new engine enters the market. Each of the ‚candidates‘ stays there for up to six months without the competition finding out. There are certainly more than enough reasons for Trampert and his colleagues to keep quiet - confidentiality is a key part of their business.



THINGS ARE RUNNING SMOOTHLY FOR THE AEM ELECTRIC MOTOR COMPANY IN DESSAU



Electric motors from the AEM-Anhaltische Elektromotorenwerk GmbH in Dessau are tailor-made. Every motor is a one-off production. When large serial manufacturers back out due to small unit numbers, the motor specialists from Dessau come to the rescue. „The machines are tailored to special customer wishes from an order quantity of one unit,“ says the Managing Director Reiner Storch. Because this is successful up to 600 times per year, things are running smoothly for AEM in Dessau.

Electric motors and generators from Dessau built according to special customer wishes rotate in the water and on the land in many countries around the world. For example, they are just as likely to be found on special ships as in cranes, pumps, ventilators, diggers or conveyor systems. Generators from Dessau provide power in water power plants in many countries around the world. AEM products are in operation not just in Europe, but also in China and Chile. They have been supplied to Austria, Italy, Scandinavia, Sri Lanka and South America.

„The orientation towards the construction of special machines has saved the plant,“ says Managing Director Rainer Storch. It was already decided in 1992 that the plant would close. Storch and three other managers had decided at the time to takeover the company via a classic management buy-out to save it from finally closing down. The plan worked out well. Their daringness paid off. The course was altered. Instead of large unit numbers, the specialists from Dessau resorted to building special machines. This new direction is still prospering today. The number of employees has increased from 150 to 225. Significant investments were made between 2006 and 2011. A new hall complex was developed in 2007, in which high-speed lasers cut electric sheets. The year after, the mechanical production moved into a new hall in which drilling, rotating and milling is carried out, reports Storch, who is also Chairman of the „Zweckverband zur Förderung des Maschinen- und Anlagenbau“ (FASA), the association for support of machinery and plant engineering in Saxony-Anhalt.

A large tank was built in order to be able to test submersible motors. According to Storch, the increasingly complex customer wishes pose new challenges to engineers in the case of every new machine. In particular, wishes for particular ramp-up behaviour, extreme mechanical loads and low noise, high levels of efficiency with an unchanged long life-span turn every machine into a development project particularly in the water power sector. In order to cater for this, it is said



that a simulation programme which can fully reproduce machines before they are produced has been jointly developed together with the Magdeburg based Fraunhofer Institute. „The aim is“, says Storch, „to be able to integrate the machine into a concrete project as early as in the project planning phase.“ Through this, particularities and limiting conditions are able to be influenced even during the planning phase in coordination with the customer, says Storch.

The motor company from Dessau is able to manufacture its motors with 3,000 different modifications. There is a lot of handiwork involved due to the one-off production, particularly in the coiling and the colouring. The in-house production depth is very great at AEM. This also assures high quality, explains Storch.

Every year, 500 to 600 motors and generators leave the plant. Their power range varies from approximately one hundred kilowatts to five megawatts. This generates an annual turnover of 20 to 25 million Euro, highlights Storch. According to him, the export share accounts for 50%. To ensure that things continue to run smoothly in the company, AEM also significantly invests in the training of future specialists. For years, AEM has trained its own next generation of specialists itself in eight trained professions. 29 apprentices are currently being trained.



AN ENTIRE HALF-TIMBERED TOWN ACTS AS A FILM DOUBLE



Wetzlar is located in Saxony-Anhalt. Well, in the film ‚Goethe‘ at least, as the town that is actually in the German state of Hesse had to make do with a double. In terms of half timbered buildings and historic backdrops, Osterwieck in the Vorharz region and Quedlinburg were way out in front. It was here that the love story between the young poet and Charlotte Buff was played out. The film, directed by Philipp Stölzl, celebrated its premiere in 2010.

The Harz, Altmark and Burgenland regions all have what it takes to be great filming locations, not forgetting Halle, which has been the location for several episodes of the TV crime show „Polizei-ruf 110“ starring Jaecki Schwarz as Herbert Schmücke. The Location Guide of the Mitteldeutsche Medienförderung (MDM) (Central Germany Media Fund) lists 256 filming locations for Saxony-Anhalt. With these offerings we hope to attract film producers to our region. „We not only view it as an image question but as a kind of economic promotion,“ explains MDM spokesman Oliver Rittweger. For this reason, although the range of possible filming locations is considerable, it is currently limited to publicly managed and accessible buildings or complete townscapes and landscapes. These include the baroque buildings of Blankenburg as well as the Dessau Bauhaus, the old Hermannschacht briquette factory near Zeitz and a former border watchtower near Rhoden.

Everywhere the film teams work, actors, technicians and film crew need accommodation, have to eat and will make use of regional companies. An additional MDM database lists sound editors, special set decoration companies, makeup artists, extras, and music producers, all of whom benefit from the filming work.

It is in this context that the 12.5 million Euros in subsidies that the MDM hands out each year benefit the three participating federal states of Saxony, Saxony-Anhalt and Thuringia. „Our goal is that at the least, the sum of the subsidy which we give to each production is ultimately spent here in Saxony-Anhalt,“ explains Rittweger. This money is given as an interest free loan which flows back into the subsidy fund when a production is a success. At the same time, the goal is that the films should also have an opportunity to do well in the area of DVD rentals or TV. The productions include sophisticated feature films and documentaries.



The MDM estimates that at least 160 films have been made in Saxony-Anhalt since the end of the 1990s. These include 20 animation film productions alone. „The federal state is very well positioned in an international context,“ explains Rittweger. The Halle company MotionWorks GmbH is now a popular partner in the area of media production. „Mollywopp“, „Globi and the Stolen Shadows“, „The Little Polar Bear“ and „Laura’s Star“ are just some of the movies that have been produced in the studios located on the river Saale. The artists there feel at home in all genres of animation. Their skills in 2D and 3D animation and with puppets and animation are talents that are filled with future promise. Halle also has made a name for itself across Germany and beyond as an important location for high quality post production work. In this context, specialists initially complete the editing and digital processing of the images by computer and also add the sound. Contractors’ ideas and visions take form in the Mitteldeutsche Multimediazentrum (Central Germany Multi Media Centre). Since it opened in the summer of 2007, 55 companies from the creative, media and IT sectors have made the Central Germany Multi Media Centre their home, creating almost 600 new jobs. The primary focal points of these firms are on film production, graphics and design work and web development and design.

Next year also promises interesting projects. An international co-production submitted by Bavriapool International Coproductions GmbH, with a budget of 13 million dollars and with the working title of „Der schwarze Schmetterling - Black Butterfly“ has been given a 750,000 Euros subsidy from the Central Germany Media Fund. This production will see Vernica Ferres and Nicolas Cage going before the cameras in the leading roles. In this psycho-thriller, reclusive author Paul shares his house with a strange but very helpful drifter, Jack. Their encounter leads to a dangerous turn of events at the end of which nobody turns out to be the person that they apparently were. The movie is directed by Brian Goodman, with filming in and around Wernigerode planned to take place in early 2012.

That productions of this kind have the chance to achieve considerable success is also proven by the Franco-German coproduction „Carlos the Jackal“ by director Olivier Assayas. Rittweger reminds us that this film was awarded the prize for the best mini-series and TV film at the 68th Golden Globe Awards. The portrait of one of the most wanted terrorists of the 1970s and 1980s is a production by Egoli Tossell Film (D) and Filmen Stock (F) and was released in 2009, having been filmed in Halle/ Saale, Naumburg and Leipzig as well as in Paris, London, Budapest, Yemen and Sudan along with other locations. The film also received a subsidy from the Central Germany Media Fund.

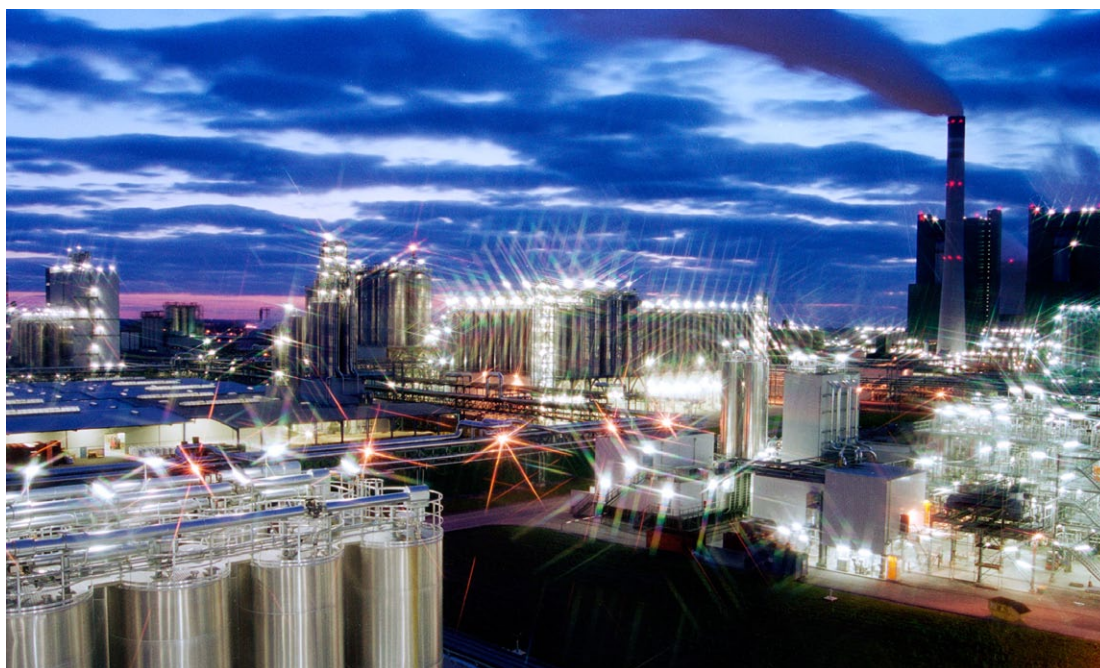
Author: Klaus-Peter Voigt

Contact:
Mitteldeutsche
Medienförderung GmbH
(Central Germany Media Fund)
Hainstraße 17 -19
04109 Leipzig

Personal contact:
Oliver Rittweger
ph: +49 (0)341 / 2698714
E-Mail: oliver.rittweger
@mdm-online.de
Web: www.mdm-online.de



THE CHEMISTRY IS RIGHT AND THE WAY INTO THE FUTURE IS PAVED



From colourful egg cups to sandwich bags, from the garden hose to the sewage pipe, from the interior lining on a car to products for the most modern medical technology - a world without plastic is completely unthinkable. Plastic is one of mankind's greatest achievements because it can be used in many, many different ways and is therefore a material which is much in demand. The chemistry and plastic industry in Saxony-Anhalt can look back over a long tradition and is one of the leading branches of the economy.

As far back as 1916, BASF founded an ammonia plant in the chemistry location Leuna and it is Leuna that is today home to the most modern oil refinery in Europe and is furthermore a conspicuous symbol for the chemistry industry. With the construction of a chemical-biotechnological process centre (CBP) here, however, new routes are also being pursued. This is because a change in raw materials is inevitable. „As a classic chemistry location, our producing companies have thus far been very dependent on fossil fuels. With renewable resources we are able to reduce both this dependency as well as CO₂ emissions. The CPB is an important first step in this direction, a green chemistry plant for the future,“ says Andreas Hiltermann, CEO of InfraLeuna GmbH, which operates in Leuna. The CBP should enable companies to replace oil on an industrial scale with renewable resources such as straw, wood or microalgae.

In 1937 in Schkopau, the world's first industrial plant for the production of synthetic rubber began operating. It was with this that the cornerstone for the chemistry location of Schkopau was laid. It is from the process for the manufacture of synthetic rubber - the polymerisation of butadiene with sodium - that the word „Buna“ comes and it is this word which gave the location its name. The former Buna combination, which was also known by its advertising slogan „Plaste und Elaste aus Schkopau“ [Plastic and Elastic from Schkopau], was acquired in 1995 by US Investor Dow Chemical. Today, more than 2200 employees work at Dow Oelfinverbund GmbH in Schkopau (Saale district) which is a one hundred per cent subsidiary of the US Group. Here too the traditional areas of business, rubber and chlorine, have been extensively modernised. Today the company enjoys a leading position in the production and sale of synthetic rubber and it is practically impossible to imagine the chemistry region in Saxony-Anhalt without its presence.



However, linking-up economy and science as well as the synergies which arise from this are indispensable. The map showing the research and development institutions in the chemistry and plastic industry in Saxony-Anhalt is diverse. Even though most of the companies are in the south of the Federal state, addresses such as those of the Zentrum für Faserverbunde Haldensleben [Centre for Fibre Composites in Haldensleben], Institut für Lacke und Farben [Institute for Varnish and Colours] in Magdeburg, the Institut für Kunststofftechnologie und- recycling [Institute for Plastic Technology and Recycling] in Weißandt-Gözlau or the Agrochemisches Institut Pietritz AIP [Agrochemical Institute Pietritz AIP] demonstrate that the whole of Saxony-Anhalt is a state for chemistry and plastic. The city of Halle is of particular significance. Situated close to the chemistry locations Bitterfeld, Schkopau and Leuna, the city is a centre from teaching and research institutions. These include, but are not limited to, the Martin Luther University Halle-Wittenberg with its special institutes and professors which are devoted to chemistry, the Fraunhofer-Institut für Werkstoffmechanik [Fraunhofer Institute for Mechanics of Materials] IWM Halle as well as the Max Planck Institute for Micro Structure Physics MPI. The city of Merseburg boasts a similar allure in terms of research institutions. The Merseburg University of Applied Sciences is distinguishing itself more and more with regards to chemistry and plastic. The Fraunhofer Pilotenanlagenzentrum für Polymersynthese und -verarbeitung PAZ [the Fraunhofer Pilot Plant Centre for Polymer Synthesis and Processing PAZ] is situated in Schkopau, in the direct vicinity to the industry. The Institut für Neuwertwirtschaft (IFN) [Institute for New Value Economy] operates not far from Zeitz in Elsteraue. In Bitterfeld-Wolfen, the technology and new business centre offers good conditions for the companies on-site. In Halle, the technology and new business centres on the Weinberg Campus are also available.

In view of the tradition as well as the concentration of chemistry and synthetic material-producing companies, it is not surprising that there are also many networks which stretch across borders. These include, but are not limited to, the Central European Chemical Network CeChemNet, the innovation cluster „Polymertechnologie“ [Polymer Technology] Halle-Leipzig or POLYKUM, the association for the promotion of polymer development and synthetic material technology in Central Germany.

Other clusters in Central Germany, with which the chemistry / synthetic material cluster cooperates, operate in the solar industry, the car construction industry, logistics, optoelectronics, in machine and plant construction and in biotechnology. Twelve Universities and ten non-University research institutions as well as six competence centres, each with a respective specific profile are active in these clusters. These strengths can be traced back to high investments, the high degree of innovation which results from this, the very good qualifications of employees and effective organisation forms, such as is found in chemistry parks, for example.

Therefore, chemistry parks are one of the most important initiators for economic development in the region as a whole. The chemistry triangle, which has a chemistry park area of more than 5500 hectares in total, has comprehensive potential in terms of raw materials and synergies and this potential is used by all the companies together. Central Germany is the „birth state“ of the chemistry park concept. This was achieved, for example, through the construction of infrastructure companies like InfraLeuna GmbH, which had a turnover of 276 million euros in 2009, InfraZeitz Servicegesellschaft mbH, the ValuePark of Dow Olefinverbund GmbH, or P-D ChemiePark Bitterfeld-Wolfen GmbH. The chemistry locations are pursuing new basic approaches in their co-operation. So it's also not surprising that Manuli Stretch Deutschland GmbH, the world's largest manufacturer of stretch film, expands their factory in the Dow ValuePark in Schkopau.