



SAXONY-ANHALT

REPORT INVEST JANUARY 2012

WELCOME TO THE FIRST EDITION FOR 2012 OF THE SAXONY-ANHALT REPORT „INVEST“.

We would like to surprise you in the new year by appearing every fortnight from now on. We would like to start off by looking at the federal state's successes in the food industry.

When the **International Green Week** in Berlin opens its doors from **20th to 29th January 2012**, Saxony-Anhalt will showcase itself for the 22nd time at this important „networking event“. Here representatives from the food and agricultural sector will directly obtain customer opinions about their products. The predominantly small and medium-sized enterprises from the **Saxony-Anhalt's food industry**, with approximately 182 companies and around 21,700 employees, are overall the largest employer in the manufacturing industry. The federal state's food industry generates an annual turnover of approximately 7 billion euros.

By way of this newsletter, we would like to invite you to attend the Green Week. 80 exhibitors from Saxony-Anhalt will showcase their company and products in **Hall 23b**. Saxony-Anhalt day is on **23rd January 2012**.

We hope you enjoy reading our newsletter and look forward to receiving your suggestions, comments, press releases and news again this year. invest@img-sachsen-anhalt.de.



INVESTMENT LOCATION OF SAXONY-ANHALT IN JANUARY 2012



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

Saxony-Anhalt's **industry is growing in its domestic and international business**: Saxony-Anhalt's industry benefited from an upturn in 2011. As told by a spokesperson from the Federal Statistical Office, the around 670 larger companies in the state generated a total turnover of just under 189 million euros in the first half of the year. The majority of this turnover was generated domestically with 13.5 billion euros, while 5.5 billion euros were generated by selling products abroad.

Find out more about the figures concerning the state's economic situation [here](#).

The rail vehicle manufacturer **VIS Halberstadt** has received a multi-million order from Finland. VIS Halberstadt will modernise and equip ten trams for the city of Helsinki. The order will be worth 4.5 million euros, according to Managing Director Dirk Ballerstein. Together with other orders, around 100 jobs are thus assured until 2013.

The automotive supplier **ElringKlinger AG** has bought metal casing supplier Thawa GmbH, headquartered in Thale, Saxony-Anhalt, for 3.0 billion euros. The company was sold to ElringKlinger AG on 3rd January 2012. With the acquisition, ElringKlinger consolidates its activities in the waste gas purification technology sector. Thawa is principally a sub-contractor and manufacturing partner for Swiss waste gas specialist Hug Engineering AG, also bought by ElringKlinger in May 2011.

[Read more.](#)

Contego Packaging Group in Saxony-Anhalt is expanding: after a construction phase lasting several months, the British Contego Packaging Group, one of the leading European manufacturers of pharmaceutical packaging leaflets, celebrated the roofing ceremony of its new production hall in Bitterfeld-Wolfen on 20th December 2011. Contego plans to finish off the construction measures for the approx. 6500m² factory by mid-2012 and to also carry out production in the new factory halls in 2012.

[Read more.](#)



GISA GmbH from Halle (Saale) is taking over the office IT landscape of the largest East German gas provider, Verbundnetz Gas AG. With a volume of over 40 million euros, the order will extend over several years. For GISA, this is the largest order in the company's history, making 2011 the most successful year ever for the IT company from Halle.

More and more passengers are choosing to set off for their holidays from **Leipzig Halle Airport**. Since the last quarter, there has been an improvement in performance compared to the same period of the previous year, according to airport Managing Director Dierk Näther. He spoke about „positive effects“ including those created by the routes offered by Ryanair. After downturns in previous years, the number of passengers in November alone was said to have increased by more than seven per cent compared to the same month of the previous year to 170,720 passengers.

Read more.

Saxony-Anhalt in pole position for social media: the consulting company Faktenkontor carried out the „Social Media-Atlas 2011“ study with market research company Toluna in cooperation with the IMWF [Institut für Management- und Wirtschaftsforschung]. Overall, 4,230 German internet users were questioned for this study. The study showed that Saxony-Anhalt is anything but a state of social media phobes. According to the study, the percentage of social media users in Saxony-Anhalt was 66%. Compared to other federal states, this puts Saxony-Anhalt in 6th place. In direct comparison with the other new federal states, the result is even better: the early birds in Saxony-Anhalt are in pole position!



A PROFESSIONAL FUTURE BASED ON CHEESE



Börde Käse GmbH has showcased itself at the International Green Week in Berlin for 22 years. However, the livelihood of the small company does not depend on the increasing types of cheese and new business contacts alone. In the 22nd year after reunification, the business management in Vahldorf – similar to that of many other companies which were (newly) founded at the time – is considering passing on the baton to the next generation. But to whom? A difficult question given the demographic development. The answer can be found in the „NeLE“ project funded by the European Union and the state of Saxony-Anhalt. Support and encouragement is given for areas such as the fostering of young talent and career planning.

„We will be in Saxony-Anhalt Hall 23B this year. Lots of tasting will take place here,“ says Mike-Sören Dietrich and hands his latest press release over the table. It summarises the successes of the previous year: three gold medals at the „International Cheese Show“ in Nantwich, as well as securing a gold in the category for best smoked cheese at the „World Cheese Award“ in Birmingham.

In the cupboard of the executive’s office of Börde Käse GmbH in Vahldorf, certificates from several years are piled up as well as the decorative medals which go with them. In the cooled „treasure chest“ alongside, what the company from Vahldorf will be presenting this year in Berlin is currently being kept quiet. The only thing that they will give away is that the flavour is rather „spicy“ – something for modern cuisine.

The world’s biggest trade fair for food, agriculture and gardening is a key networking event for the family run company. Mike-Sören Dietrich is responsible for marketing and heads the „export“ business sector. The young man, born in 1976, talks about his markets, particularly in the new federal states, but also those in the UK, Japan, Korea, Spain, Dubai, etc. He has studied their food traditions in order to establish the company there with the right cheese flavour.

The smoky Börde bacon, for example, was particularly popular with the British, he says. „Our strength, however, is the niche market,“ stresses Mike-Sören Dietrich. This means that products are developed together with customers according to their expectations and wishes.



Such as a special cheese for a pizza manufacturer that does not go black during baking. Or a cheese which can be heated for hours for a cinema chain. For the FIFA World Cup, a hearty cheese with a football design was created for a supermarket chain. Business contacts in Dubai are also particularly worth mentioning for the company from Vahldorf. Their customers here include hotels, mainly headed by Austrian or Swiss management. Via catering companies, Börde cheese has also made it onto the speciality platters for Business Class travellers with „Emirates Airlines“.

10 to 15 new cheese varieties from Börde come onto the market every year. All recipes are self-developed at the premises of the business in Vahldorf. In the process, the Managing Director and trained food engineer Hans-Peter Dietrich is in charge. Together with Rosemarie Appel, he turned the traditional company into a GmbH after reunification. Both are now considering passing on the business to the next generation.

Börde Käse GmbH has already concluded a contract during the first few days of the new year 2012 in this regard. MA&T Organisationsentwicklung GmbH – standing for interaction between people, work and technology – will assist the company over the next year and a half for matters concerning young talent and career planning. MA&T is the supporter of a project that has been initiated by the federal state government. This is called „NeLE“ – standing for demographic oriented young talent development and career planning in food industry companies in Saxony-Anhalt. As it is precisely this most demanding sector of the manufacturing industry in Saxony-Anhalt in terms of human resources which is significantly effected by the demographic development.

MA&T Managing Director Oliver Lilie will sit with the executive board for the business activities of Börde Käse GmbH over the next 18 months. „As in most small and medium-sized enterprises in the food industry, it seems that excellent products are being produced here in Vahldorf and the marketing is good, but the strategic and practical expertise is not sufficient for long-term personnel development,“ says Oliver Lilie.

As there will be very few young specialist personnel in the next few years, companies must showcase themselves as attractive employers. For most of them, it will be necessary to (re) fill key positions from within their own ranks. „This is something which also has potential for conflict,“ says the personnel expert. „Gradual assumption of managerial activities firstly means that these specialist staff must be taken from another area. Secondly, the proven and successful business management already in place should be open to the new perspectives and methods of the upcoming next generation.“

Oliver Lilie brings along the individually tailored „tools“ and outside perspective in order to solve internal problems of this kind in a way that appeals to everybody.

He is welcome at Börde Käse GmbH. The company is expected to remain family-run. In practice, this also concerns Mike-Sören Dietrich's career planning. Together with the NeLE project in persona by Oliver Lilie, the next steps will now be taken internally, leading all of the personnel involved in promising directions.

„Young talent“ Dietrich has already taken personal responsibility for Kaufland and Rewe. The business management has entrusted him with sole responsibility for both of these retail chains.

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DISTILLERY SEES DOUBLE: TWO OTTO LIQUEURS COME TOGETHER



The International Green Week in Berlin is the world's largest trade fair for food, agriculture and gardening. From 20th to 29th January, companies from Saxony-Anhalt will showcase their products, business philosophy and partners. A traditional company - originally a subsidiary of the „Marienhof“ winery founded in 1924 in Magdeburg and known for its production of spirits such as liqueurs and brandies since 1928 - is also setting up its stand in the trade fair halls: the speciality distillery „Abtshof“ will serve liqueur specialities and absinth this year. Above all, however, the team has a lot of experience behind them. We talked to Ilona Borchers, Head of Sales and Distribution at the Abtshof Magdeburg GmbH, about the Green Week, the „double Otto“ and about how difficult it is even for traditional companies to assert themselves on the market.

What does taking part in the International Green Week mean for you?

As a regional manufacturer, we try to have a nationwide presence by taking part in the Green Week. For us, the exhibition is a place where we can present our products and make contact with customers and people in the manufacturing industry. But Green Week is also a test and research site for both our own and external products. We therefore hope that our participation in the Green Week will be a success once again this year.

What has been your experience of previous appearances in Berlin?

Communication with customers is important for us, particularly beyond the sector in which we are known. In this regard, we use the trade fair in order to receive feedback from interested parties. To date, the visitors at the Green Week have been very open-minded and curious towards our products and our company. One of the highlights, as every year, was the Minister President's visit to our stand.

Which innovations will you score points with in Berlin?

This year, we are represented by the „double Otto“. As an ambassador for the city of Magdeburg, we have developed two liqueurs as part of the Otto campaign and marketed these under the names „Otto von Guericke“ and „Otto the Great“.

„The double Otto“ is made up of two bottles in a semi-spherical shape which are placed together and are sold in decorative gift packaging. The product was presented last May in the town hall by the mayor of Magdeburg, Dr. Lutz Trümper.

**You are a traditional company. How difficult is it to assert yourself on the market today? And what kind of force is behind this?**

We are not only a company with a 88 year tradition, but also a family business which is owner-managed. Therefore, we are unable to afford large investments or significant advertising expenses like other larger spirits companies or brands. The market is becoming smaller and smaller. We know that trends come and go. Many consumers are thinking about their regions once again. This is a factor which we focus on among other things.

You've opened an Absinth cellar. Why have you decided to do this?

We have a national brand with „Absinth 66“ and offer our visitors extensive cultural activities at our works premises. We had already been considering expanding our old tasting cellar into an absinth cellar for quite some time. For brand politics reasons alone, this is simply part of bringing a brand to „life“ - particularly as there is a legend surrounding the brand.

Where do you envisage your focal points to be over the next two years from a purely entrepreneurial perspective?

In the next two years, successful product development and product marketing shall be crucial for the success of „Abtshof“. To ensure that we can distinguish ourselves from the competition and uniform products, we will mainly focus on these key factors in the near future.

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QUINOA BISCUITS GO DOWN A TREAT: TASTY, FAIR-TRADE PRODUCE WHICH CONTAINS COCOA



The Wittenberg based company „Wikana“ – founded in 1906 as the „Kant Chokoladenfabrik AG“ – came up trumps at Anuga, the largest trade fair worldwide for the food industry in Cologne, winning the Taste Award for a fair-trade product. We talked to „Wikana“ Managing Director Yvonne Böhm about the prize winning biscuit, fair-trade and the Green Week.

What went into the prize winning fair-trade quinoa cocoa biscuit?

Quite a lot. The fair-trade biscuit contains a lot of cocoa and above all quinoa, an old Incan cereal which is cultivated in South America. Quinoa has been one of the main food products there for 6,000 years. After the successful launch of our fair-trade quinoa double biscuit, we decided to expand our range of fair-trade products. The fair-trade quinoa cocoa biscuit with chocolate chips is very tasty and has a high cocoa content.

What does it mean to produce a fair-trade biscuit and why are you developing products of this kind?

Any manufacturer who sells fair-trade products must use ingredients which consist of at least 30% fair-trade raw materials. In terms of taste all I can say is that this biscuit is really quite special.

First and foremost, we wanted to support a good cause. Fair-trade helps peasant families and plantation workers in developing countries to sustainably lead a humane life due to the fair product prices. Customers are also becoming increasingly aware of fair-trade products. These products are becoming a market segment for which there is an increasing demand and which is developing further. For this reason, we are also working on addressing customers. In addition to emphasising the ethical approach, we are also focusing on the particular quality of the products. The perception often used to be that if you buy a fair-trade product, you have to make sacrifices but you are doing a good deed. This notion is now changing: doing a good deed and getting good quality are now compatible.

How does a new recipe come about at your business? Who tries the new products?

The products are mixed, baked and tasted in the development laboratory. We have very strict quality standards which must be adhered to. A team made up of product developers and quality testers tries and checks the new product until the recipe is found.

**From the development up to the shop shelf – how long does it take to develop a new variety?**

In this case the process was very quick; it took us around 3 months. We normally anticipate a year for product developments on average. The quinoa cocoa biscuit was in fact an assortment extension. We already precisely knew where we could source the ingredients from. All raw materials for which there are fair-trade standards must be 100% bought from fair-trade certified producing organisations following fair-trade conditions. This means that we know precisely which country, cooperation and farmers our raw material comes from.

Will there soon be even more new varieties of the „Wikana“ biscuits?

Certainly. We have been and are still very busy with our trade fairs preparations. We will present three new products at the ISM trade fair in Cologne at the end of January.

On the subject of trade fairs, you will also be represented with a stand at the Green Week in Berlin from 21st to 30th January. What will you present to the visitors?

Our classics such as our Othello biscuits, Viking biscuits and shortbread biscuits of course. But as we are aware that visitors always ask us about new products, we also want to offer something new and will therefore present our Othellino biscuit. We launched the Othello biscuit's little brother on the market in 2011. The special recipe for this classic has been enhanced with a cocoa filling and I can ensure you that it is very tasty.

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HOLIDAY DESTINATION SAXONY-ANHALT AT THE „GREEN WEEK“: ANHALT ANNIVERSARY AND OTTO EXHIBITION ATTRACT VISITORS TO SAXONY-ANHALT



Visitors of the Saxony-Anhalt Hall (Hall 23b) at the International Green Week in Berlin (20th to 29th January 2012) can look forward to both samples from the local food industry and tips for the upcoming holiday season. This is ensured by the Investitions- und Marketinggesellschaft Sachsen-Anhalt mbH (IMG) which will have an information stand of approx. 30m² (stand number 32) and new brochures for travellers who enjoy active holidays and culture cultures.

Key areas include exciting cultural travel themes for 2012 such as the ANHALT | 800 anniversary and the events of the current Martin Luther decade under the motto of „reform and music“. Furthermore, it will also be possible to talk to experts from the Culture Historical Museum, Magdeburg [Kulturhistorisches Museum Magdeburg] and the Magdeburg Marketing Kongress und Tourismus GmbH (MMKT) and to find out about the state exhibition „Otto the Great and the Roman Empire“ which can be combined with excursions to the emperor sites along the „Romanesque Road“.

To help you plan your holidays and excursions in 2012, there will also be free brochures and promotional catalogues offering information for culture vultures and travellers who enjoy active holidays. The current Reiseträume magazine, which publishes exciting stories about Saxony-Anhalt and its people on over 50 pages, is a source of ideas for tours of the federal state. Readers can find out information about worthwhile holiday destinations and also find the corresponding prices in the promotional supplement. The magazine marks the ANHALT | 800 anniversary among other things, offering a journey into Saxony-Anhalt's past in 2012.

The Saxony-Anhalt Hall at the Green Week will be coordinated by Agrarmarketinggesellschaft Sachsen-Anhalt mbH. IMG will be responsible for the central presentation of holiday destination Saxony-Anhalt.

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