

Paradise Pittsburgh? The city that knows how to attract Germans

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One of 447 bridges in Pittsburgh Source: Getty Images/ANDREY DENISYUK

The US city of Pittsburgh is specifically promoting investments from companies from Germany. The city's German tradition helps, but above all the location advantages are attractive. Large companies are already here - and more want to come.

When Cody Gill drives past his hometown's stadium, he becomes wistful. The 31-year-old sits behind the wheel of his black Lexus RX-350 and points out the side window at the two large grandstands that rise out of the sea of houses. The 68,400 yellow-painted plastic seats shine in the evening sky of Pittsburgh, an industrial city in the US state of Pennsylvania. But something

has changed, says Gill, who works for the Pittsburgh Regional Alliance, a nonprofit organization for economic development.

The entrance to the stadium now has the white lettering "Acrisure" on a black background. It is the name of a large insurance company from far away Michigan. "Everyone still calls it Heinz Field," says Gill. "And I think it will stay that way for a while." After all, the ketchup producer, which has since merged to form Kraft-Heinz, has been the stadium's name sponsor since it was built more than two decades ago. The company, an economic pillar of the city, is part of Pittsburgh's identity.

It is also a German identity. Heinz Ketchup goes back to the son of German immigrants from Kallstadt in Rhineland-Palatinate. There are plenty of stories like this here. For decades, there has been a strong bond between Germany and the city of 300,000 inhabitants in the Appalachians. But now the ties are set to become even closer.

Pittsburgh is deliberately courting German companies. With its local football team, a promising future industry on its doorstep and a feeling of being at home, the city wants to convince Germans to invest. The timing could hardly be better. While the USA is luring people with low production costs and generous subsidies, dissatisfaction is growing in Germany.

Germany is already the largest foreign investor in the region. More than 100 companies have settled here, including some of the highest-revenue companies. The chemical company Covestro has chosen the city in the forests of Pennsylvania as its US headquarters, as has its competitor Lanxess. Its boss, Matthias Zachert, makes no secret of the fact that he sees the future of his company primarily in the USA. Heavyweights such as SAP and Bosch now also have offices here. "Bosch is investing here because we see Pittsburgh as having a promising future," it said at the opening of the technology center.

David Moock knows better than anyone what the connection between the city and the Germans is. After all, it is his job to represent Pennsylvania in Germany. The state even has a special office in Berlin for this purpose. "The economic structure is very similar," says Moock, a consultant at the internationalization service provider AHP International.

“Germans quickly feel at home here”

There is a strong middle class, both places have a strict work ethic and they share a history of coal and steel industries with the Ruhr region in particular. "Germans quickly feel at home here," says Moock. "The network works." The next company, a medical technology company, is already in the starting blocks with its expansion to Pittsburgh. But Moock cannot reveal which one it is. The competition should not find out about it yet.

A few decades ago, it was not foreseeable that German companies would return to the former steel metropolis. After the steel crisis in the 1970s, the economy went downhill and the exodus began. While around 600,000 people lived in Pittsburgh in 1960, 70 years later there were only 300,000. Today, there is no sign of the decline of past years.

In the so-called Strip District, a strip north of the center, the former vacancy can only be guessed at. Old brick warehouses line the banks of the Allegheny River. Companies have long since moved back in, spread out between hip cafés and restaurants where employees spend their breaks.

Mill 19 in the southeast of the city was once one of the most productive steelworks in the region. Today, numerous companies and the local Carnegie Mellon University are working on innovations in the 24,000 square meter building complex with its striking roof structure made of solar panels. The city's energy innovation center is located in a former school that was no longer needed due to the population decline. And the rust-yellow painted steel bridges also shine in new splendor and are illuminated at night. A total of 447 bridges in the city area cross the three rivers, in the middle of which lies Pittsburgh. This means that the metropolis has more bridges than Venice.

All the new companies have also made generous government subsidies possible. The city and surrounding communities recently received almost 63 million dollars from the so-called "Build Back Better" program. The funds are being used for business projects, but also for infrastructure. And so the German companies are not only interested in the homely feeling in the city, but also in the bare numbers.

"There is less bureaucracy than in Germany, political decisions are made more quickly at the regional level. Energy costs are also low," says Thomas Wingens. The entrepreneur has founded an industrial consultancy, helping metal processing companies enter the market. And then there are subsidy programs such as the Inflation Reduction Act (IRA), with which the US government provides hundreds of billions of dollars for green production in the United States. Wingens is feeling the consequences directly. "In recent months, interest in investing here has increased again."

A full 96 percent of German companies with US ties surveyed want to expand in the United States in the next three years, according to a recent survey by the German Chamber of Commerce. Almost a third of them want to invest more than ten million euros. But it is probably not just the strength of the USA that is enticing companies to invest.

The Steelers as ambassadors for the location

While the US economy is expected to grow by 2.6 percent this year, the forecast for Germany is a meager 0.2 percent, according to data from the Organisation for Economic Co-operation and

Development (OECD). According to the survey, almost one in ten companies wants to expand their production in the USA at the expense of the German location.

In Pittsburgh, people know about this. But they prefer to talk less about what entrepreneurs in Germany are missing and more about what they get in Pittsburgh. Cody Gill has now arrived at the stadium and is standing in the Pittsburgh Steelers' dressing room. It is the local football team and Gill's favorite team that plays its home games at Acrisure Stadium.

Dozens of German entrepreneurs followed the economic development officer that evening and were given a private tour of the stadium. "We hope, of course, that there will be many more in the coming years," he says. The doors to the hallowed halls are normally closed to guests. But they do everything possible for the Germans, serve German beer and even invite one of their most legendary players, Matt Spaeth.

The city also wants to bring its Steelers to Germany soon - as ambassadors for the location. A few weeks ago, the team received a brand license for Germany. This means that the Steelers can officially do fan work in Germany, or sign sponsorship contracts more easily than before. "We are really looking forward to expanding our offerings to our loyal fans in Germany," says Steelers team president Art Rooney. The team would also like to play games in the partner country at some point. The American football league NFL has been a guest in Germany since 2022.



Source: Infographic WELT

But the metropolis wants to attract Germans with more than just football. "In recent years, Pittsburgh has developed into one of the most important centers for robotics and automation in

the USA," says Philip Cynar. The 59-year-old is standing in the hallway of a converted hall in the Lawrenceville district, seven kilometers north of the stadium along the highway. Cynar does public relations work for the Allegheny Conference, a non-profit organization that aims to promote urban development. Dozens of start-ups have spread out in the hall, tinkering with their products.

Behind the glass and brick wall, the company Velo AI is developing an AI-controlled bicycle light that plays a warning sound when a car approaches. Not far away is the company Leaficient, which has invented a clever lighting system for greenhouses.

"That's why many well-known companies have settled in Pittsburgh," says Cynar. These include the tech companies Google and Microsoft and chip manufacturer Nvidia. They want to benefit from the collaboration with the start-ups. And the 59-year-old is quick to emphasize: "This is also particularly attractive for German industry and its first-class engineering."

The fact that those in charge in Pittsburgh are leaving no stone unturned in their quest to attract Germans will become clear in late summer. That's when the city's symphony orchestra will go on tour. The musicians from Pennsylvania will play six concerts in various German cities. The orchestra embodies the quality of Pittsburgh as a location and the vitality of Pittsburgh, says Matt Smith, who is responsible for growth at the Allegheny Conference. "After all, these are important selling points for the region."

And while Cody Gill still prefers to talk about Heinz Field, he has come to terms with the stadium's renaming. "Progress is always one of the most difficult things for people," he says. But in the end, it is precisely this change that ensures prosperity.