



## The Delegation Debrief | May Edition

From Delegation of German Industry and Commerce in Washington, DC <info@washington.ahk.de>

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To Jayne Peters <Peters@washington.ahk.de>

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Delegation of German Industry and Commerce  
in Washington, DC  
Delegation der Deutschen Wirtschaft  
in Washington, DC



Dear DGIC Friends,

**This edition highlights the dynamism and adaptability shaping today's transatlantic marketplace. In our latest international business outlook, we explore how companies are navigating geopolitical shifts and trade evolving conditions through localized production, targeted R&D investments, and stronger regional partnerships. Notably, the U.S. market continues to stand out as a steady driver of growth and collaboration.**

**Innovation and security take center stage as well. We spotlight key expansions in Northern Virginia that are bringing fresh investment and jobs to the region's tech hub. This aligns with our new German American Business Outlook findings, which reveal a rapid surge in AI adoption among German subsidiaries in the States. Finally, we look back at a successful visit from a German defense delegation, whose engagements with top U.S. industry and government leaders reinforced our shared commitments in aerospace, defense, and advanced manufacturing. Read on to learn more.**

# Focus on Greater Washington

## **Defense tech company expands operations in Northern Virginia**

Innovative Defense Technologies plans to invest \$19 million to expand its headquarters operations in Arlington County, creating 210 new jobs. Founded in 2006 and based in Ballston, the company supports the Department of War by using automation, digital engineering, and advanced integration tools to streamline complex defense systems. Virginia Governor Abigail Spanberger said the expansion highlights Virginia's strength in defense, technology, and innovation while boosting national security and creating high-quality jobs.

[Read more from Virginia Business](#)

*Image courtesy of unsplash.com | Shamin Haky*



# Economic Policy Highlights



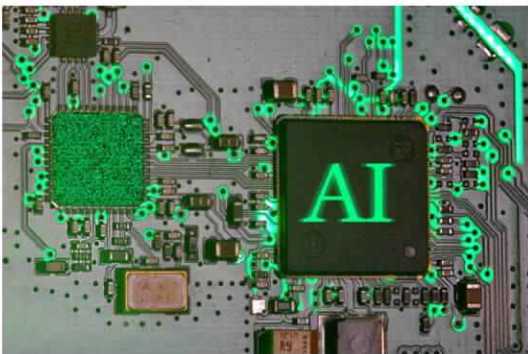
## **German companies brace for global uncertainty**

The latest AHK World Business Outlook for Spring 2026 shows growing concern among German companies operating internationally as geopolitical tensions and the war in the Middle East continue to disrupt the global economy. Rising energy prices, supply chain instability, and uncertain demand are driving companies to scale back investments and adopt more cautious hiring plans. While many businesses still describe their current situation as stable or satisfactory, expectations for the next year have weakened significantly, with far more companies anticipating economic decline than improvement. Markets such as China, the United States, and parts of South and Central America have shown

comparatively stronger resilience than others, supported by local production strategies, diversified energy access, or regional trade agreements.

[Read more from the Association of German Chambers of Industry & Commerce \(DIHK\) in German](#)

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## **AI adoption surges for German subsidiaries**

According to the German American Business Outlook (GABO), AI is increasingly becoming a core business strategy for German subsidiaries across the U.S. AI is rapidly moving from experimentation to enterprise-wide adoption, with 57% of companies reporting they have already implemented AI projects. This is more than double the 28% recorded just one year earlier. This sharp increase signals a major shift in how organizations are approaching innovation, efficiency, and competitive advantage. Businesses across industries are using AI to streamline operations, automate routine tasks, improve customer experiences, and generate data-driven insights faster than ever before.

[View the Full 2026 GABO Results](#)

*Image courtesy unsplash.com | Immo Wegmann*



## **U.S. tariffs create both challenges and opportunities for German companies**

U.S. trade policy is creating both challenges and opportunities for German companies operating internationally. Rising tariffs have increased pressure on foreign exporters, forcing many businesses to rethink pricing and supply chain strategies. However, recent survey data shows that many companies are still

able to pass a significant share of the added tariff costs on to U.S. customers. German firms with established operations or manufacturing locations in the United States are in a stronger position and, in some cases, are even seeing business growth. Despite these advantages, navigating the U.S. market remains complex due to ongoing trade uncertainty and shifting policy decisions.

[Read more from our partners at Germany Trade & Invest \(in German\).](#)

*Image courtesy unsplash.com | Marek Studzinski*

## ICYMI



This week, we had the opportunity to host a visiting German defense delegation in Washington, DC, facilitating a series of meetings and engagements across the U.S. defense ecosystem.

Over the course of three days, nine German defense companies met with leading organizations including Lockheed Martin, American Rheinmetall, the Aerospace Industries Association, and the U.S. Department of War, alongside other innovators and government stakeholders across the national security landscape. These conversations spanned maritime, aerospace, AI, and advanced manufacturing, creating valuable opportunities to exchange insights and explore future collaboration.

The week also included the German American Defense Forum at the German Embassy, which brought together more than 100 representatives from industry, government, and the broader transatlantic defense community. The program featured remarks from Jean P. Froehly, Minister, Head of Economic and Finance Department at the German Embassy and DGIC President & CEO Christoph Schemionek, followed by networking opportunities, company presentations, and a panel discussion focused on the future of transatlantic cooperation in the defense industry. After their engagements in Washington, the group went on to Huntsville, Alabama for additional meetings with organizations like Boeing, L3Harris, and others.

We are especially grateful to the Markterschließungsprogramm and the German Federal Ministry for Economic Affairs and Energy for supporting this important initiative and helping strengthen ties between the German and American defense sectors.

### Meet the Visiting Delegation

## Thank you to our Business Partners



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