Outlook

The Delegation Debrief | August Edition

From Delegation of German Industry and Commerce in Washington, DC <[redacted]
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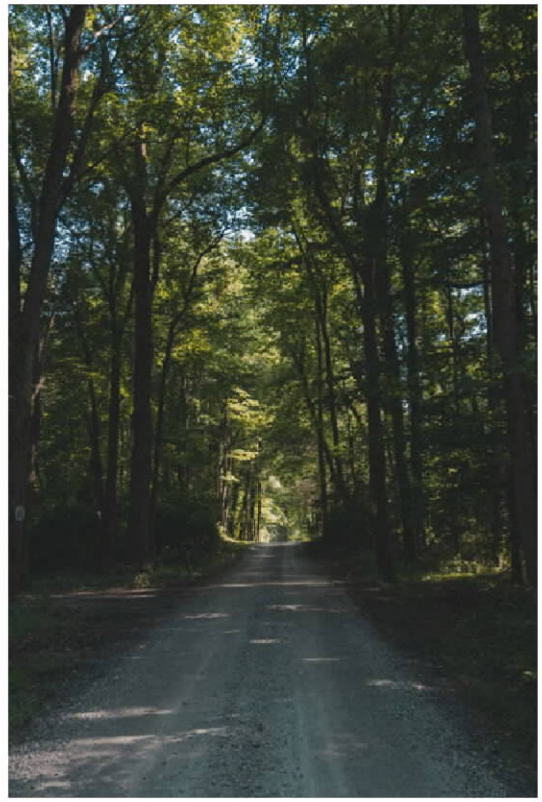
AHK Delegation of German Industry and Commerce in Washington, DC
Delegation der Deutschen Wirtschaft in Washington, DC

Dear DGIC Friends,

This edition of the Delegation Debrief rounds up the latest shifts in transatlantic trade and business, from investment trends and supply chain shake-ups to breaking developments in North American trade relations. We cover Germany's growing direct investment position in the U.S., which climbed by $49 billion in 2025, along with the broader restructuring of North American supply chains. We also break down the latest flashpoint in U.S.-Canada trade relations, following the collapse of tariff negotiations and the retaliatory measures now set to take effect. Whether you're looking to stay informed or expand your network, this edition offers valuable insights and opportunities. Read on to learn more.

Focus on Greater Washington

New Maryland EO boosts forestry industry



Maryland is taking steps to strengthen its forestry industry and support rural economic development through a new executive order signed by Governor Wes Moore. The order directs the state to promote the use of Maryland-grown and harvested wood in publicly funded construction projects, creating new opportunities for local loggers, sawmills, manufacturers, and suppliers. Maryland's forest products industry contributes approximately $4 billion annually and supports up to 18,000 jobs, but the sector has experienced significant decline in recent decades. The initiative also supports the state's broader efforts to expand markets, encourage innovation, and strengthen the forestry supply chain through the newly formed Forest Markets Council.

Read more from Maryland Business

Image courtesy of unsplash.com | Joshua Case

Economic Policy Highlights

The latest on U.S.-Canada trade talks

U.S.-Canada trade talks collapsed Friday, and Washington followed through with 50% tariffs on select Canadian goods worth about $20 billion, covering items like wine, furniture, dairy, and clothing; Canada responded by planning matching retaliatory tariffs starting September 8 on steel, dairy, farm equipment, and paper. U.S. Trade Representative Jamieson Greer said Canada abandoned agreed terms, while PM Mark Carney argued Washington's last-minute changes were unreasonable, saying the U.S. "asked too much and offered too little" despite Canada's offer to drop retaliatory tariffs on steel, aluminum, and autos. Greer signaled no talks were currently planned, insisting Canada had rejected a strong deal. The collapse deepens tension already strained by July's failed USMCA renewal and earlier tariffs imposed over alleged Canadian trade discrimination against U.S. industries.

Read more on these developments from CNBC

Image courtesy unsplash.com | Hudson Thomas

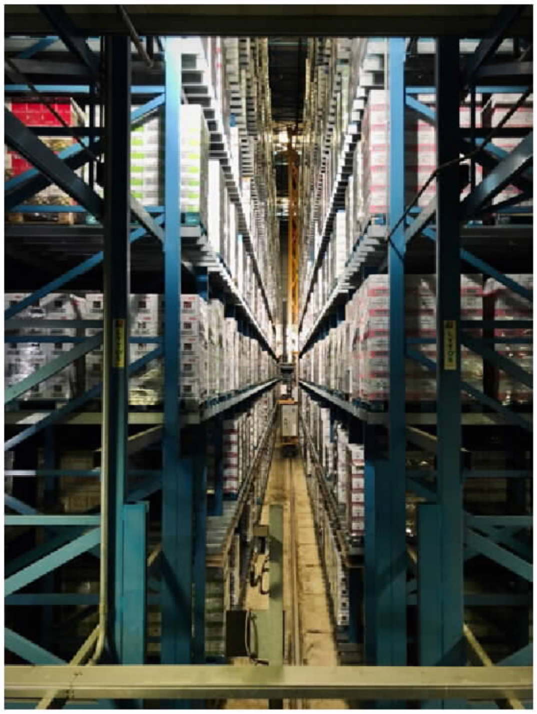
German FDI climbs in the U.S.

According to newly published Bureau of Economic Analysis figures, inbound foreign direct investment into the United States climbed $266 billion in 2025, bringing the running total to $5.86 trillion by year's end. Europe accounted for the biggest share of that growth, contributing $350.2 billion, with Germany alone responsible for $49 billion of the increase.

Looking at ultimate beneficial owner (UBO) data Germany's cumulative FDI position in the U.S. climbed to $706.2 billion, up from $677 billion the year before. That keeps Germany in third place among source countries, trailing Japan ($827.1 billion) and Canada ($819.8 billion).

Read more from the Bureau of Economic Analysis

Image courtesy unsplash.com | Jakob Zerdzicki



North American supply chains face reorganization

Growing uncertainty around U.S. trade policy is forcing a reorganization of North American supply chains. German manufacturer Claas illustrates this shift, now supplying Canada from Germany instead of treating the U.S. and Canada as one market, part of a broader trend of companies separating production and distribution by target market.

The bigger issue isn't individual tariffs but unpredictability itself, highlighted by Washington's refusal to extend the USMCA to 2042, leaving it subject to annual review instead. This undermines the long-term planning behind investments like GM's defensive U.S. spending, Stanley Black & Decker's shift from China to Mexico, and Volkswagen's cross-border battery supply chain in Canada. Mexico, once nearshoring's biggest winner, now finds its close U.S. ties a liability, while German suppliers at every tier face pressure to prove regional presence and component origin. In short, eroding predictability, not any single tariff, is reshaping investment decisions across the region.

Read more from our partners at Germany Trade & Invest (in German)

Image courtesy unsplash.com | Arno Senoner

ICYMI

Want to grow your professional connections or keep up with what's happening in the DMV business scene?

Our site now includes a hand-picked events calendar spotlighting happenings across Washington, D.C., Maryland, and Virginia that may interest professionals and organizations in the area. The page covers everything from industry conferences and networking mixers to policy-focused discussions, giving you a range of options worth checking out. We'll refresh the listings periodically as new events come up, so check back often.

Keep in mind these events are organized by outside groups and are simply shared here as a resource for our community. Click below to explore what's coming up and find ways to connect, learn, and get involved.

Image courtesy: unsplash.com | Jakob Dalbjoern

Upcoming DMV Events

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We'd love to hear from you! If your company has any exciting insights or topics you'd like us to cover in our newsletters, reach out to Jayne Peters!

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