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M THE MESSE MÜNCHEN MAGAZINE 01 2017



Messe München

THE
MESSE
MÜNCHEN
MAGAZINE

02
2017

A THIRSTY WORLD

Water is becoming more scarce. A look at
the future of this precious commodity

SUMMIT MEETING

Entrepreneur Roland Berger and Prince Luitpold of Bavaria
discuss the aristocracy in times of democracy

A MATTER OF VALUES

Messe München head Klaus Dittrich on his company's role

A NEW DIMENSION OF LIGHT



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DEAR
READERS

»
*The future
holds some exciting
prospects.*
«

There aren't many chemical formulas that are immediately recognizable—but everyone knows H₂O. Because it's the source of all life: water.

Every day, in every region, we use too much water. Sometimes, we don't really think about how precious it is. The cover story in our new Messe München Magazine gives an insight into the huge challenges that the world faces with regard to water, including drought, flooding, pollution, and water quality. But the future holds some exciting prospects.

Our magazine also highlights how and why we talk about values here at Messe München. Our interview with Prince Luitpold of Bavaria and Roland Berger looks at this topic by considering the obligations placed on businesspeople and the aristocracy.

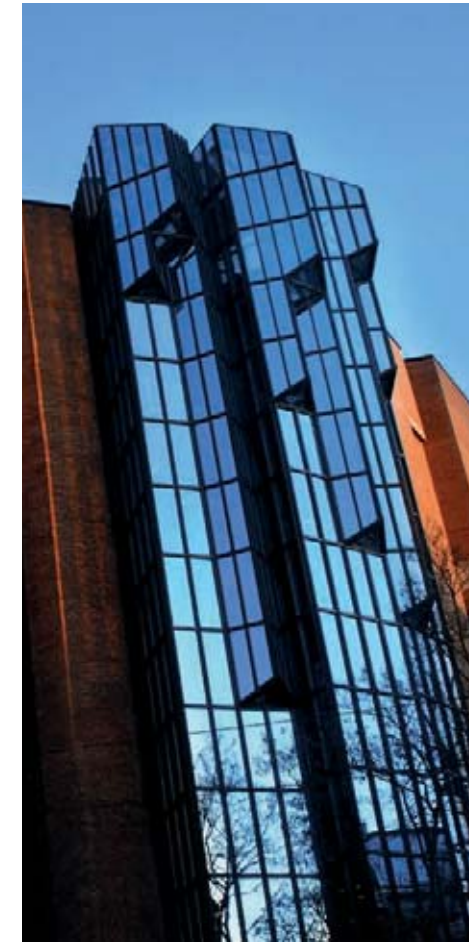
Another very successful year of exhibitions is drawing to a close, and we'd like to thank you for your confidence in us.

If you're short of time during the hectic run-up to the holidays, just keep hold of our magazine so that you can read it at your leisure over the

festive period! During the coming months, our social media channels will be providing background information and more details about the topics covered in this issue.

KLAUS DITTRICH
Chairman of the Management Board
of Messe München





M M


THE
MESSE
MÜNCHEN
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 This symbol indicates fascinating video content that can be found on Messe München’s YouTube channel

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Bavaria’s capital has far more to offer than Weißwurst, Oktoberfest, and soccer. Five insider tips on using a visit to a trade fair as an opportunity to get to know the best aspects of the city and the surrounding area

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ENVIRONMENT



LIVING ON CREDIT

If the Earth were a bank account, the account holders would already be heavily overdrawn. To put it more accurately, their overdraft would have started mounting up on August 2 this year, Earth Overshoot Day 2017. Every year, the nonprofit organization Global Footprint Network calculates when the Earth's sustainably usable resources will come to an end. This is the point at which people have used more credit in the form of food and raw materials than nature provides for them each year. There is some dispute about the methods used to calculate the global average value, but not about the change in the start date for the overdraft. In 1987, Earth Overshoot Day occurred in October, whereas 20 years ago, it fell at the end of September. Never before has it been as early as it was in 2017. The conclusion of observers is that the world population currently needs 1.7 planet Earths to avoid falling into the environmental debt trap.

E-MOBILITY



EVERYTHING'S GREAT. OR IS IT?

Volvo will be manufacturing only electric cars from 2019, Tesla has plans to conquer the mass market, and both France and the United Kingdom have banned the sale of diesel and petrol cars from 2040. The question is where the electricity to power the cars will come from. A back-of-the-envelope calculation based on unanimous expert opinions shows that if all the cars in Germany were replaced at once by 45 million electric cars, around 100 terawatt hours of electricity would be needed, given an average annual mileage of 9,320 miles. That corresponds roughly to the current amount of wind and solar energy in the German energy mix. In this scenario, no environmentally friendly electricity would be left over to power washing machines and toasters. The other option would be to supply the electric cars with energy from conventional coal-fired power stations, but that would hardly be in line with a forward-looking environmental policy and would be even more harmful to the climate than continuing to use combustion engines.

ENERGY BALANCE

100 terawatt hours of electricity per year would be needed if only electric cars were used on German roads.

DYNAMIC PRICING



RETAIL TRANSFORMATION

It has been common practice on the Internet for some time: Online retailers change their prices almost minute by minute, depending on the day of the week and even the weather. Amazon alone makes more than three million price changes every month. The same camera can cost 700 euros in the morning and almost 1,700 by the evening. The strategy is known as dynamic pricing and allows web retailers to exploit market potential more effectively. This often puts bricks-and-mortar stores at a disadvantage because they cannot alter their prices at the click of a mouse. "The introduction of electronic shelf labels means that this situation will very soon be changing," says Florian Stahl, professor of quantitative marketing at the University of Mannheim. "In future, I assume retailers will use facial recognition systems at the entrances to their stores to identify who is coming in. The retailers will be able to draw conclusions about customers' income from their age and clothing style, which will allow them to change the prices on their digital displays. The process will be fully automated and controlled by intelligent algorithms. In technical terms, this is already possible today."

Photos: Global Footprint Network, iStock (3), Andreas Leder

BUILDING TRENDS



A WOODEN CHURCH FOR HOLZKIRCHEN

Building from wood is modern, and not just for traditional alpine chalets or rustic living rooms with fireplaces. Ever since the leading Italian architect and designer Matteo Thun earned widespread acclaim with his minimalist designs in wood, this ancient material has been undergoing an unprecedented revival. A building that is unique in Central Europe is currently being constructed in Holzkirchen near Munich: a church made almost entirely from wood. This was the requirement imposed by the archbishopric when it commissioned the construction of a new church of St. Joseph in 2013 to replace the old one that was in danger of collapse. "More and more architects and developers are recognizing the benefits of wood," says Bavaria's forestry minister Helmut Brunner. "The proportion of new houses built from wood in Bavaria in the past 20 years has more than doubled, from nine to 20 percent." Building a wooden church in a place whose name means 'wooden churches' therefore seems fitting. The church was designed by Munich architect Eberhard Wimmer. Two squat, truncated cones that are 66 feet high and almost 92 feet wide form the worship area. "The cone shape emerged almost of its own accord from the liturgical functions, the congregation gathered in a circle around the altar, and the light coming from above. The cone is an archetypical architectural form similar to a tent that remains modern and fresh," explains Wimmer. In total, nearly 2,370 cubic feet of wood were used to construct the energy-efficient church, mainly spruce from Central European forests, together with beech, oak, and larch for the shingles on the roofs of the cones. The investment amounted to almost 11 million euros. Construction work should be finished by late fall and the church will be consecrated on March 18, 2018, one day before the feast day of St. Joseph, the patron saint of the old and the new church.

KNOCK ON WOOD

The new church of St. Joseph in Holzkirchen will definitely be a topic of discussion at the next Interforst, the Munich trade fair for forestry and forest technology. The event takes place from July 18 to 22, 2018.

DIGITAL ASSISTANTS



SIRI, COME IN PLEASE

Whether you like them or not, they're here to stay. The use of chatbots, computer programs that can conduct conversations, is becoming more widespread across the world. The US market research organization Gartner has predicted that by 2020, 85 percent of interactions between customers and companies will take place via these bots. The average citizen may spend more time talking to machines than to his or her significant other. Customer service managers are very happy about this, because they hope that it will reduce the workload of their employees and free them up to handle more complex inquiries. But what do the customers themselves have to say to this? A survey carried out by the German Federal Association for Digital Technology, also known as Bitkom, shows that only one in four German citizens can currently conceive of using chatbots. This may be the result of past disappointments. For example, anyone who asked Siri, Apple's voice-activated assistant, about the origins of its name in the past will have received the answer: "Siri has many subtle, metaphorical, and frankly contradictory meanings, none of which I am at liberty to discuss." Well, that's that, then.

A THIRSTY WORLD



Find more on this topic
in the full-length multimedia report at
www.messe-muenchen.de/magazine/water

BY STEFAN SCHMORTTE

Wasted, polluted, and underpriced: Water is becoming increasingly scarce throughout the world. Experts are already warning of life-threatening shortages, but innovative processes could help to improve matters

California in May 2013. The worst drought for 1,200 years has hit the Golden State. The once mighty Colorado River, which Las Vegas, Los Angeles, and San Diego rely on for their water supplies, has dried up before reaching the Gulf of Mexico. The state government orders drastic measures. Not until April 2017 does Governor Jerry Brown declare the end of the state of emergency. Immediately afterwards, he warns that the next drought could soon follow. Hundreds of millions of trees die during the five-year period.

China in April 2014. After three decades of unrestrained growth, the Middle Kingdom is suffering from acute water shortages. Xinhua, the country's official press agency, is forced to admit for the first time that 60 percent of China's groundwater is so heavily polluted that it is no longer suitable for use as drinking water. China once had more than 50,000 rivers, but half of these have disappeared, sucked dry by the unquenchable thirst for water of an unprecedented wave of industrialization that has

transformed the country into an economic superpower in record time.

Italy in August 2017. The government in Rome declares a state of emergency in the provinces of Parma, Piacenza, Latium, and Umbria. Even the south of Tuscany has barely seen a drop of rain since March; in parts of Campania, it's been 18 months. The situation is so serious that in many places, all non-essential household water use is banned between 8 a.m. and 9 p.m. Even dishwashers should be used only when full to the brim, according to emergency regulations in the provinces and municipalities.

This may sound like the start of a Hollywood disaster movie, but it is far from exaggerated scaremongering. Water, the basis of all life and, according to the latest scientific findings, older than the solar system itself, is in increasingly short supply: in Africa, as you might expect, but also in countries such as the United States and China, and even in some European nations. Experts at the World Resources Institute estimate the risk of water

THE SOURCE OF LIFE

What you see here meandering so colorfully through Iceland is glacial milk: meltwater from ancient ice that is enriched by rock and sediment to give it a milky color as it wends its way through the volcanic rock south of the Arctic Circle. Water is the source of all life on Earth. Humans are actually made up of 80 percent water, yet they can survive only a few days without drinking it.

»
The availability of clean water is not a problem for individual countries; it is a global challenge.
 «

STEFAN RUMMEL, MESSE MÜNCHEN

THE PERFECT WAVE

Around 75 miles from the Portuguese capital of Lisbon, Nazaré is a small town that is making big waves. Every year, the best surfers in the world meet up here as it is home to some of the biggest waves in the world. This is where the American Garrett McNamara broke the world record for the largest wave ever surfed – 79 feet high. The picture shows one of his main rivals, big wave surfer Ross Clarke Jones.

Photo: Bulis Press

THE DEEP BLUE

In the New Zealand Alps lies Blue Lake, the clearest freshwater lake in the world. Surrounded by dark green beech forests and rugged mountain peaks, the surface gleams with the cleanest H₂O. With visibility up to a depth of 262 feet, it is as clear as the very purest distilled water. Keen divers consider the visibility of 130 feet to be outstanding. Here, they are immersed in the superlative.

Photo: Bulis Press

shortages in Spain and Greece, for example, to be “extremely high.”

According to forecasts produced by the Organisation for Economic Co-operation and Development (OECD), by 2030, almost 50 percent of the world’s population will live in areas with high water stress. These are regions that use more water than is available to them. “When I took up my position more than ten years ago,” says Angel Gurría, Secretary-General of the OECD, “no one realized why I felt compelled to talk about water. Now everyone understands.”

Experts believe the problem is now so serious that in the medium term, it could even overshadow CO₂ issues. It is no surprise, therefore, that there is growing public interest in technologies for reducing resource use, protecting water supplies, and treating water. The main showcase for innovations of this kind is IFAT, the world’s leading trade fair for water, sewage, waste, and raw materials management. “Our partner exhibitions in China, India, Turkey, and South Africa have turned IFAT into a worldwide event,” says Stefan Rummel, Managing Director of Messe München. “The availability of clean water is not a problem for individual countries; it is a global challenge.”

Although the United Nations General Assembly recognized in resolution 64/292 in July 2010 that access to water is a human right, seven years later, this is still more a dream than a reality in many parts of the world. According to Caritas, a confederation of Roman Catholic relief, development, and social service organizations, 768 million people currently obtain their water supplies from contaminated sources. “Every day, 3,600 children die because they do not have access to clean water or basic sanitation,”

says Peter Neher, President of the German Caritas Association.

And it seems as if the situation is likely to get worse. Take Lima, the capital of Peru. With ten million inhabitants, it is the driest megacity in the world. Thousands of people flock there every day from the surrounding mountain districts and provinces in the hope of a better life. But, on average, only a fifth of a gallon of rain per square foot falls there every year. By comparison, in Munich the figure is around 25 gallons per square foot.

Four-fifths of Lima’s wastewater flows untreated into the Pacific and the country’s rivers. One million settlers in the rapidly growing outer fringes have no access to a mains water supply or a sewage system. The people in these areas are supplied with water by the *aguateros*, or water tanker drivers.

By comparison, Germany is in a much more comfortable position. According to statistics from the country’s Federal Environment Agency (UBA), only 6.6 quintillion gallons of fresh water from the total 50 quintillion gallons supplied by nature each year are used by agriculture, industry, and households. Private consumption is also at a record low level of 32 gallons per person per day, as a result of water-saving faucets, showers, and domestic appliances. But that’s not even half the truth.

“Our actual daily water consumption per capita is around 1,400 gallons, which is a much higher figure,” says Martin Geiger, head of the sustainability department at the German Investment and Development Corporation (DEG). The company is part of the KfW Banking Group and finances the investments made by private companies in developing and emerging economies.

We need these 1,400 gallons each per day to manufacture all the goods that we

consume on a daily basis, from cups of coffee to microchips in smartphones. Calculations by the Water Footprint Network organization show that producing a cotton T-shirt requires almost 660 gallons of water, a pound of beef more than 1,847 gallons, and four bars of chocolate weighing a total of one pund around 2,060 gallons. “It’s this virtual water footprint that makes Germany one of the largest water importers in the world,” says Geiger.

The Aral Sea in Uzbekistan is drying up. Only 50 years ago, it was the world’s fourth-largest lake, with an area of around 26,000 square miles, but now many of the ships that used to travel across it have been stranded. Our lifestyles have had a much greater impact on the shrinkage of the Aral Sea than we would like to believe. “Some of the cotton used to produce the jeans we wear, which are made in China and Bangladesh, comes from this region,” explains Geiger. “This is just one example of how the global trade in water-intensive crops is forcing precious water to flow in the wrong direction from the water-poor to the water-rich regions. DEG carries out very careful checks of every investment project it finances using a water-risk filter developed in collaboration with the conservation organization WWF to determine whether water-related risks have been considered to an adequate extent and to identify how water management can be improved.”

German companies are managing the problem relatively well within their own manufacturing plants, both at home and abroad. It is hard to find a DAX-listed company that does not focus on the subject of water in its corporate social responsibility (CSR) strategy. For example, the total worldwide water

IFAT

FROM MUNICH TO THE WORLD

Once visited by just a small number of wastewater experts, IFAT is now the most important meeting place for the industry worldwide. It is also a fine example of the international responsibilities taken on by Messe München

consumption of the Bayer Group fell by 4.8 percent in 2016 to 87 trillion gallons. Compared with the 2012 figure, this represents a savings of over 14 percent. Henkel has reported a reduction in water use of 23 percent for the last financial year, calculated using the figure for the base year of 2010 for one metric ton of products.

“The key consideration for us is not only how much water we save overall, but at which of our sites we succeed in saving it,” says Uwe Bergmann, Head of Sustainability Management at the Düsseldorf-based consumer goods company. “Unlike reductions in CO₂ emissions, which benefit the climate as a whole, water management is always a local and seasonal challenge. We need to save water, particularly in areas in which there is already a shortage.”

One example of this is Egypt. Henkel will soon be opening a new smart factory for liquid detergents near Cairo. In addition to using a traditional process engineering approach (involving a 47 percent reduction in the consumption of fresh water per metric ton of products within ten years), the company aims to exploit the potential for further savings. “By installing the latest measurement systems, we can monitor our water consumption there in real time,” says Bergmann. “That will guarantee us a more detailed view of the situation, which will make it possible for us to compare our different production sites more effectively and to save even more water in future.”

The technology for doing this is already available, even though in many places, precious water is still being wasted, contaminated, and is underpriced. At IFAT, the world’s largest shop window for the industry, exhibitors present their most innovative concepts, together with solutions for almost every problem.

► Continues on page 14



Jia Xu, Deputy Managing Director of Messe München in Shanghai

The IFAT trade fairs in Guangzhou, Mumbai, and Johannesburg, which have once again grown in size, have just come to an end and preparations for the parent event in Munich are progressing at full speed. At least 3,100 exhibitors and 135,000 visitors are expected to attend the world’s leading trade fair for water, sewage, waste, and raw materials management in May 2018. For the first time, the event will also be using the new C5 and C6 exhibition halls and will cover an area of 2.8 million square feet, making it larger than ever before.

It all began in 1966 with an event then known as the ‘specialist trade fair for wastewater technology.’ Just over 50 years ago, 147 exhibitors from nine countries presented their solutions for resource-efficient water management for the first time. This was in an era when the green movement was still in its infancy and protecting the environment was about as popular as wind turbines and muesli bars.

In 1966, roughly 10,000 visitors attended the trade fair from a small circle of German wastewater specialists. Today, the 3,000 exhibitors at IFAT in Munich come from 60 countries and visitor numbers have increased more than tenfold since the early days. This clearly demonstrates the visionary approach of the founders of the trade fair more than 50 years ago. It also proves that water management problems are increasingly attracting public attention, not only in Germany, but around the world.

Over recent years, Messe München has worked to ensure that IFAT is an international event with affiliated industry exhibitions in Turkey, South Africa, India, and China. Two trade fairs are now held each year in China: one in Shanghai and one in Guangzhou, a city some 930 miles further south, not far from Hong Kong.

“Since the government in Beijing has been placing greater emphasis on protecting and conserving water and since it has decided to invest almost five billion euros in water-sensitive urban development by 2018 as part of its Sponge City program, the business potential for foreign suppliers of solutions has increased hugely,” says Jia Xu, Deputy Managing Director of Messe München in Shanghai. “Our trade fairs are essential for international companies that want to conquer the Chinese market.”

The same applies to the event in India and the fair in the South African city of Johannesburg, where exhibitors and visitors are looking for solutions to the continent’s most urgent environmental problems.

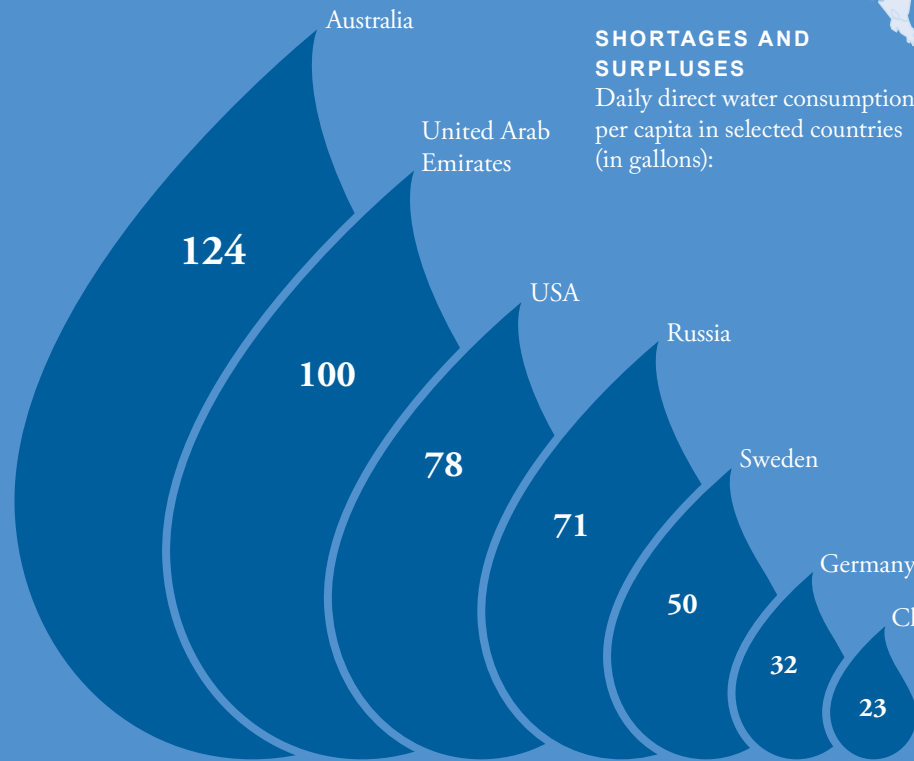
“This year, IFAT Africa was a meeting place for all those working to overcome the water crisis. We saw considerable demand for resource-efficient water management and water treatment solutions,” says Katharina Schlegel, Exhibition Director at Messe München with responsibility for the IFAT trade fairs outside Germany.

IFAT is becoming increasingly important as a global industry platform, with the aim of preserving and improving the quality of life and the environment. For the future of our planet.

TOWARD A BETTER ENVIRONMENT
The next IFAT takes place in Munich from May 14 to 18, 2018. For the first time, the event will also be using the new C5 and C6 exhibition halls. It will cover an area of 260,000 square meters, making it larger than ever before.

AQUA MINIMALE

It is a clear liquid that has no real taste and yet we can only survive for a few days without it. When the global population reaches nine billion in 2050, as forecast by the United Nations, water is likely to be the raw material that is in shortest supply. Here are seven facts about the substance that forms the basis of all life



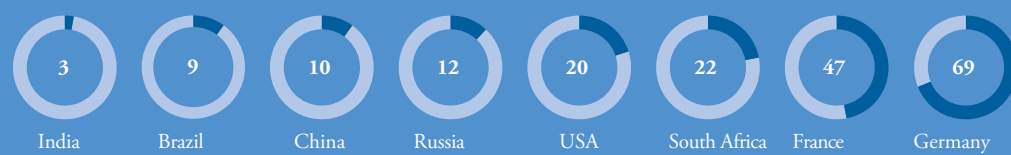
WATER SHORTAGE WORLDWIDE
By 2040, 33 countries worldwide, including some in Europe, are likely to be suffering from extreme water shortages. This map shows the risks by country.

RISK OF WATER SHORTAGE IN 2040

- Low (<10%)
- Low to moderate (10–20%)
- Moderate to high (20–40%)
- High (40–80%)
- Extremely high (>80%)

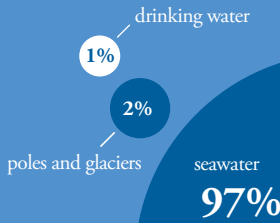
GERMANY, THE WATER IMPORTER

The proportion of the water consumption of selected countries that takes place outside their borders (in percentage points):



GLOBAL WATER SNAPSHOT

A total of 70 percent of our planet’s surface area is covered with water, but only a very small amount of it is suitable for drinking.



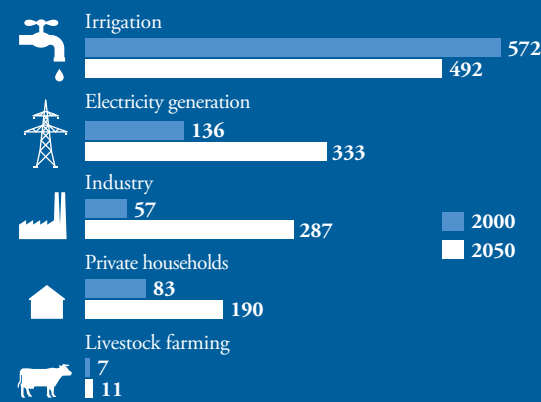
THE HOLE IN THE BUCKET

A total of 8,7 quintillion gallons of precious tap water is wasted every year due to leaks. This is enough to supply New York City for 20 years. In Germany, seven percent of the total volume of water used each year is wasted, while in some developing countries the figure is up to 60 percent.



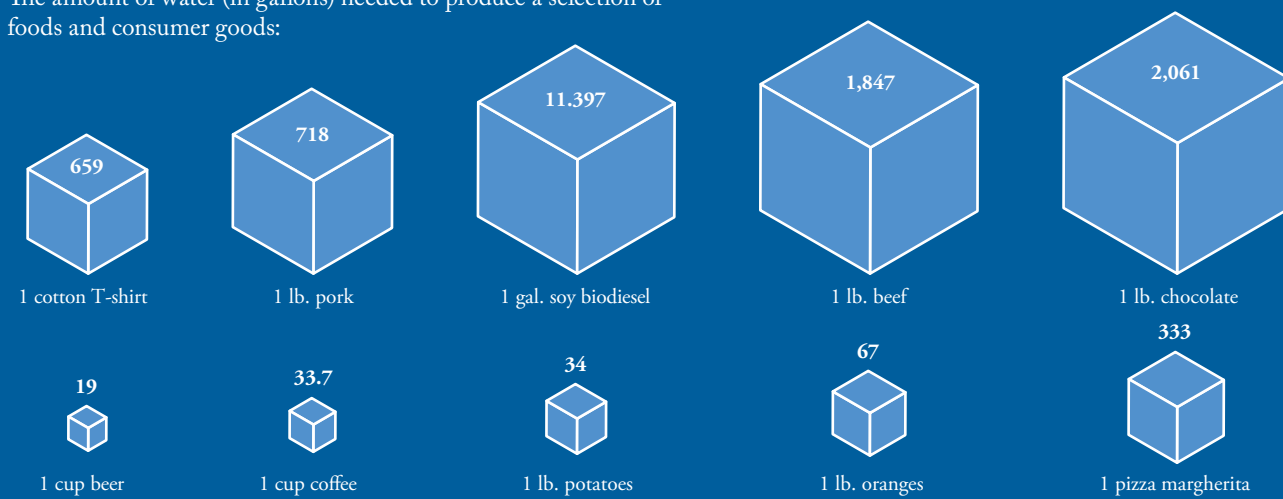
DROP BY DROP

By 2050, the global demand for water will have increased by at least 50 percent. This forecast is broken down by consumers and regions (in cubic miles):



COSTLY CHOCOLATE

The amount of water (in gallons) needed to produce a selection of foods and consumer goods:





THE GREEN NILE

Once a year, between March and April, hyacinths bloom on the banks of the Nile. In some places, it is almost impossible to make out Africa's most important river which, at 4,260 miles in length, is the second-longest in the world after the Amazon. But the countries that it flows through are not so green. Agreements dating back to colonial times give Egypt and Sudan the right to claim almost 90 percent of the Nile's water for themselves—leaving countries like Uganda and Ethiopia with severe water shortages.

Photo: Getty Images



COLD AS ICE, CRYSTAL CLEAR, AND ABSOLUTELY PURE

At 5,387 feet, Lake Baikal in Siberia is the deepest lake on Earth. The lake, which lies above sea level, has a surface area of almost 12,250 square miles and a shoreline that stretches more than 1,250 miles. This makes it the largest freshwater reservoir in the world, bigger than the Baltic Sea and about 500 times the size of Lake Constance in terms of water volume.

Photo: Getty Images

MEGATRENDS

» *We estimate that there is a need for investment of between 400 and 500 billion euros a year in the world water market.*

«

ERIC HEYMANN, DEUTSCHE BANK

One of these exhibitors is Huber, a company from Berching in southern Germany that specializes in wastewater solutions. With more than 40,000 systems installed worldwide, Huber is one of the world's leading suppliers of water, wastewater, and sludge treatment systems. At the company's headquarters, around 700 employees develop customized products and system solutions for industry and the public sector.

In Colombia's second-largest city, Medellín, with a population of around 2.5 million people, Huber is currently installing one of the world's largest sewage sludge utilization plants. It has a daily capacity of 440 million tons. In the German city of Regensburg, the company is constructing a system known as ThermWinR for the Museum of Bavarian History, which will allow the museum's building in the heart of the city to be heated and cooled using wastewater.

"Our aim is always to provide an intelligent overall solution," says CEO Georg Huber. "We use the heat in sewage sludge and the energy that it generates to dry the sludge itself, which means that the process is largely self-sufficient in energy. And we also treat the wastewater so thoroughly that it can be reused as high-quality process water."

The challenge faced by many managers, not only those working for Huber in Berching, is to close the loop. Smart systems for reusing wastewater can reduce the consumption of precious drinking water and play a key role in solving the world's water problems. "Wastewater is a valuable resource in a world where water is finite and the demand for drinking water is growing," says Guy Ryder, Chair of UN-Water.

Because wastewater contains valuable thermal and chemical energy in the form of carbon compounds, recycling it is more than just a sensible solution. "Wastewater is not

waste," says Witold-Roger Poganietz, head of a research department at the Karlsruhe Institute of Technology (KIT). "The warm wastewater from washing machines and bathrooms, for example, can be used to heat fresh water for showers."

This is just one small example of how smart technologies can help us to be more responsible in our use of a scarce resource. It is also an example of why the demand for solutions of this kind is growing throughout the world. After decades of ruthless overexploitation of the natural environment, China launched its Sponge City program in 2015. Instead of increasing the density of its cities even further, the Chinese state is investing around five billion euros in the period up to 2018 in water-sensitive urban development, using reservoirs, filtration pools, and roads with water-permeable surfaces.

Politicians in India are taking an approach that shows a similar level of insight. One of the country's most important projects is known as Namami Gange, which means "Obeisance to the Ganges River." At some 1,600 miles in length, this is the longest river on the subcontinent. Every day, billions of gallons of inadequately treated or untreated wastewater flows into the river, making it one of the most polluted water courses in the world. The Indian government has made available a total of 2.8 billion euros to clean up the Ganges, which is sacred to Hindus, by building new sewage treatment works and expanding existing facilities.

"We estimate that there is a need for investment of between 400 and 500 billion euros a year in the world water market," says Eric Heymann, an environment and climate specialist in Deutsche Bank's research team. "This means that in the next few decades, the potential sales for manufacturers of water technologies will be enormous."

This is a trend that Dortmund-based company Wilo, a world leader in pump manufacturing and the perfect example of a German "hidden champion," is already benefiting significantly from. The firm's highly efficient pumps are in use wherever water has to be moved, including houses, apartment buildings, industrial plants, and the cooling circuits of power plants. The smallest pump that Wilo produces measures nearly a foot, while the largest is 50 feet.

The company's building services, water management, and industry business units had a combined turnover of 1.3 billion euros in 2016. Adjusted for currency effects, this amounts to an increase of almost four percent over the previous year. But Wilo's CEO Oliver Hermes has even greater ambitions. By 2020, he aims to increase the revenue produced by the company's 7,600 employees worldwide to more than two billion euros.

This rise will largely be the result of rapidly growing demand from the Asia-Pacific region, particularly China, which was the main driver of the company's growth in the previous financial year, with a turnover increase of 13.2 percent after adjustments for currency effects. "In its five-year plan for the period up to 2020, which is based on a population increase of 45 million, the government in Beijing has set itself ambitious environmental goals," says Hermes. "These include reducing water consumption by 23 percent in relation to GDP, which will require the use of efficient technologies and will offer huge potential for pump manufacturers like us."

"Wilo, the water solution leader for a smart and resource-efficient world" is the company's vision as stated in its annual report. Its mission is "Inventing and managing responsible water solutions that benefit everyone, everywhere."

This sounds ambitious and perhaps a little like an advertising slogan, but is by no means impossible. Even in Germany, Wilo

► Continues on page 19



THE ICE IS DISAPPEARING

Greenland's glaciers are melting, and billions of tons of water pour into the sea every year. Forty years ago, the icebergs on the coast of Illulissat (pictured here) were twice as high as they are now, according to local fishermen. Experts believe that if all of the ice on Greenland, the world's largest island, were to melt, then sea levels would rise by up to 23 feet. That would spell the end for many low-lying countries on our planet.

Photos: Daniel Bellá, Courtesy of Catherine Edelmann Gallery, Chicago

GROUNDWATER

ON TAP IN GERMANY

Many of us take clean drinking water for granted, but our water bills could soon increase dramatically

Although there is no shortage of water in Germany, supplying the population with water is not without its problems. Levels of nitrates in German groundwater are said to be too high, which is why the EU started proceedings against the Federal Republic in the European Court of Justice last November.

According to EU directive 91/676/EEC, member states are obliged to protect water against pollution. One liter of groundwater must not contain more than 50 mg of nitrates. However, this limit has been exceeded in many areas, largely because Germany is not only a leading industrial nation, but also the third-largest exporter of agricultural products in the world after the US and the Netherlands.

German farms are home to around 200 million cattle, sheep, and poultry. As well as eggs, milk, and meat, they produce large quantities of slurry. This is a valuable fertilizer with a high nitrogen, phosphorus, and potassium content. Unfortunately, the quantities of these substances are higher than the crops in the fields need to grow or are able to absorb, resulting in residues that seep into the soil and pollute the groundwater.

The latest report on nitrates from the German Federal Ministries for the Environment and for Food and Agriculture shows that 50 percent of the measurement sites have an increased concentration and almost one-third are above the permitted threshold. "Excessive use of fertilizers has been putting our drinking water at risk for years," says Gerald Linke, President of the German Technical and Scientific Association for Gas and Water (DVGW). "We need to take action urgently to provide adequate protection for our most important food resource."

German citizens need not worry that drinking tap water will harm their health. In Germany, water quality is very carefully

monitored. However, the work that water companies have to do to provide clean drinking water is increasing year on year. For example, Gelsenwasser, one of Germany's major water companies, used only 136 tons of activated carbon to purify groundwater in 2015. By 2016, the figure had increased to 567 tons. The costs of the treatment process are causing growing problems for all water companies.

A recent study by the German Federal Environment Agency (UBA) estimates the cost of cleaning groundwater that has been polluted by nitrates to be between 580 and 767 million euros per year. Anyone who lives in the German state of Lower Saxony in the area between Meppen and Oldenburg known as the "pig belt," which has a relatively small human population but is home to at least eight million pigs, will already be seeing the effects on their water bills. In other areas, too, water prices could soon rise significantly. The UBA believes that the increase could amount to as much as 45 percent or 76 cents per cubic meter (= 264 gallons), unless the agricultural industry makes a U-turn and begins to pay its share of the cost of protecting the country's water.

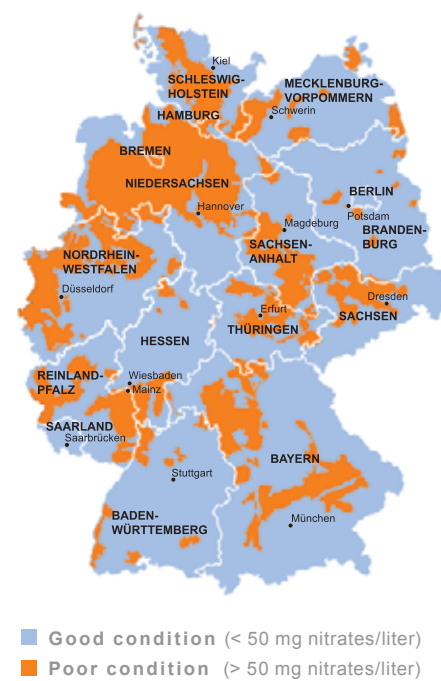
That is not out of the question, as demonstrated by an initiative known as 'Eco Farmers,' which was launched by Stadtwerke München (SWM), the Munich city utility company, back in 1992. Because important sources of the city's water supply are in the alpine uplands, SWM bought up land in these areas and now rents it to organic farmers.

More than 165 farmers have taken part in the program since it was launched. Together, they cultivate some 9,640 acres of land, which makes this one of the largest organically farmed areas in Germany. The subsidy program pays them a bonus of up to 310 euros per hectare (or 2 1/2 acres) per year, and the scheme has been a

success. The quality of drinking water in Munich is among the highest in Germany, while the prices paid by consumers are comparatively low.

"Our subsidy program adds around 0.9 cents to the cost of a cubic meter [= 264 gallons] of drinking water," says Helge-Uve Braun, head of technology at SWM. "That's not much. Sooner or later, the alternative would be water treatment, which would be much more costly. We believe that a forward-looking water protection policy makes more sense and is more cost-effective than an expensive water treatment process."

NITRATE CONTAMINATION IN GERMAN GROUNDWATER



Source: WasserBLick / BfG 2017

OUT OF ROSENHEIM

It may look like an exotic Ganges river delta, but it is in fact the mouth of the Tiroler Ache, a river that runs from the Tyrol in Austria to Lake Chiemsee. Located 25 miles from the Bavarian town of Rosenheim, this inland delta is one of the best-developed in Central Europe. Although Germany is not short of its own water, it is also one of the world's largest importers of this precious resource. The production of one pound of chocolate alone consumes a good 2,000 gallons of water, most of which comes from abroad.

THE JOY OF WATER

Cool water is an elixir of life and a source of joy. However, according to forecasts by the OECD, demand for water will increase dramatically over the next few years, by as much as 50 percent by 2050. We need to use this scarce resource as wisely as possible if we still want to be splashing in the world's fountains tomorrow.

»

Because the cost of water is far too low, we are wasting it.

«

PETER BRABECK-LETMATHE,
FORMER CHAIRMAN AND CEO OF THE NESTLÉ GROUP

estimates that replacing obsolete pumps with highly efficient systems and machines could save the same amount of energy produced by four medium-sized coal-fired power stations. And worldwide, there is still considerable potential for reducing energy and resource use.

With reverse osmosis and ion exchange, specialists have at their disposal processes that make it possible to transform highly contaminated industrial wastewater into process water or even drinking water. However, in many places, there is no incentive for companies to do this, primarily because water is far too cheap. Paradoxically, this is the case in the very countries where blue gold is already in very short supply.

In the Gulf States, drinking water is produced from the water of the Persian Gulf and the Red Sea in desalination plants, which use huge amounts of energy. Around 70 percent of the drinking water in Saudi Arabia is generated in this way. In Dubai alone, which has the largest desalination plant in the world, the Jebel Ali complex, some 530 million gallons of seawater are converted into clean drinking water every day. Although this does not involve the use of chemicals, enormous quantities of oil are needed to generate the heat that evaporates the saltwater, making this technology by far the costliest method of producing drinking water.

You would assume, therefore, that water would be very expensive in the Gulf States, but exactly the opposite is true. For political reasons, water is heavily subsidized by the state, which means that it is almost given away. Nowhere in the world do citizens pay less for their water and there is barely a country where the consumption per capita is higher.

Several years ago, the former CEO of Nestlé, Peter Brabeck-Letmathe, warned that “If something costs nothing, then it is worth nothing. Because the cost of water is far too low, we are wasting it.” This applies not only to the Gulf States but also to countries such as the United Kingdom and the United States, where very few households have domestic water meters. Consumers do not pay for the water they consume, but instead are charged a flat-rate amount, which is often only a negligible sum.

Another problem is caused by the dilapidated piping systems in which precious water seeps out before it even reaches consumers. While in Germany only around seven percent of drinking water is lost as a result of leaks in the mains system, in Spain, France, and Italy the figure is between 20 and 30 percent. In many developing countries, over 60 percent of water is wasted.

This is an area in which the Swiss company Georg Fischer AG (GF) and its piping systems division is involved. Its application-based complete solutions, consisting of pipes, fittings, valves, and measurement and monitoring systems, allow the company not only to renovate old piping systems, for example, in the Polish city of Lublin, but also to connect regions to the mains network where piped water had previously been unavailable. One example is Sri Lanka, where a large-scale infrastructure project lasting until 2025 will provide almost 650,000 people with a drinking water supply for the first time. During the initial phase of the project, 20,000 people in the town of Ampara, some 225 miles east of Colombo, have already been connected and a total of 775 miles of pipes have been laid.

GF almost exclusively uses pipes made of plastic. Unlike metal pipes, they do not

become corroded, are therefore less prone to leaks, and have a long service life of up to 100 years. Their lighter weight is also a benefit—one of the reasons why GF has been contracted to install the water piping system in the world's tallest residential building, the World One Tower in the Indian megacity of Mumbai.

“We have supplied all the piping systems for the fresh water and the wastewater in World One,” says Shashank Sawant, Head of Building Technology in the sales office of GF Piping Systems in Mumbai. “Our innovative jointing method allows the pipes to be installed very quickly and also keeps leaks to an absolute minimum.”

With an overall height of 1,450 feet, the building, which is expected to be completed by the end of 2018, will move by up to a foot at the top in strong winds. This does not present a problem for the plastic pipes supplied by GF, which can easily accommodate this amount of movement. In addition, the residents will not be disturbed by the noise of wastewater. The mineral-reinforced polypropylene pipes in the building are quieter than conventional PVC pipes, allowing noise levels to be reduced from 40 to 13 decibels.

That may be something of a luxury problem, enabling residents at the top of the building to enjoy the hot tubs on their terraces high above the Indian city without being disturbed, however, the GF technology could also help to solve water problems in many other parts of the world.

According to World Bank estimates, 8.7 quintillion gallons of precious drinking water are lost every year through leakage alone in cities across the world. That is enough to supply the needs of New York City for 20 years. ■

A RIGHT ROYAL CONVERSATION

MODERATED BY: STEFAN SCHMORTTE AND INGO WILHELM
PHOTOS: ROBERT BREMBECK



One is the uncrowned king of German management consultancy. The other, as the great-grandson of the last ruling monarch of Bavaria, actually has royal blood in his veins. We talk to Roland Berger and Prince Luitpold about the aristocracy in an age of democracy, equal opportunities in Germany, and why every little girl wants to be a princess

MM | There's this wonderful movie scene with Leonardo DiCaprio. He is standing on the bow of the Titanic and thinking about his destination, New York. He yells out over the ocean waves: "I'm the king of the world!" Professor Berger, when was the last time you felt like a king?

BERGER | That rarely happens to me. If it does, it's when I'm traveling, such as on the Great Wall of China. That was a really special experience for me, especially as I was in the relatively privileged position of not having to share the moment with lots of tourists. Or when the mayor of Pudong was showing me around the Shanghai Tower, which at the time was the tallest skyscraper in the world. When you're up in the clouds looking down at the city from above, it's very exhilarating.

MM | And what about you, Prince Luitpold? With your background, you must feel a little bit like a king every day?

PRINCE LUITPOLD | Not at all. How does a king feel, anyway? I think people have the wrong idea about this. We should actually

think of most kings as being tormented. They were constantly surrounded by their court, which meant they had hardly any personal space. It was perhaps a bit different for Ludwig II. He managed to free himself from all that, but he paid the price because it meant that people no longer understood him. Any king who stayed close to his people must have had a rather difficult life.

BERGER | I agree. This situation is not dissimilar to that of many CEOs today. They are surrounded by people round the clock, have a packed schedule seven days a week, and are basically on 24-hour standby. This kind of straightjacket means they have very little room to maneuver.

MM | All the same, Prince Luitpold, what was it like growing up as the great-grandson of Ludwig III, Bavaria's last reigning monarch? Did you have to help out at Leutstetten Castle? Set the table and so on?

PRINCE LUITPOLD | When I was a child in Leutstetten Castle, so when Crown Prince Rupprecht was still alive, there was a court





THE MANAGEMENT CONSULTANT

Roland Berger, born in 1937, set up his own management consultancy firm in Munich in 1967 and became one of the most sought-after advisors in Germany for both businesspeople and politicians. Today, the global strategy consulting firm is owned by around 220 partners and has 2,400 employees. Berger himself is still closely associated with the company as Honorary Chairman of the Supervisory Board. His foundation, which he established in 2008 with a donation of 50 million euros from his own private fortune, supports gifted children from socially disadvantaged families and presents the annual Roland Berger Human Dignity Award, which is worth one million euros.

of sorts—a marshal, a chauffeur, a steward, and five or six kitchen staff. But later on, after my grandfather died, we lived in a normal household. One room for my parents and one for me. That's it. Of course I had to help out. And it was no problem at all. It was more difficult at school.

MM | In what way?

PRINCE LUITPOLD | Having a name like mine causes a few problems. It's not always easy. When I was at the elementary school in Kaltenberg, which was the most modern in Bavaria at the time, we had a visit from the Minister for Education. We were all introduced to him individually. He asked me my name, so I said: Luitpold. And when he asked me again, I repeated Luitpold. To which he said: "Stupid boy, he doesn't even know his last name." But what was I supposed to say? Prince of Bavaria? Last names can be a bit of a problem in families like mine.

MM | Professor Berger, what were your nicknames at school?

BERGER | There were a few people who tried calling me Rolli, but that didn't last

» *When I was a child, the Gestapo would come to our house every six weeks. You never forget something like that, your parents being scared.*

«

ROLAND BERGER

long. My name doesn't really lend itself to good nicknames.

MM | You started your first business when you were a student: a laundry, which you sold for 600,000 Deutschmarks once you graduated. So, from shirt-washer to practically a millionaire. Can anyone still do that these days?

BERGER | Maybe not just anyone, but certainly anyone who really wants to. In today's digital world, there are even more possibilities than there were then. There are a number of opportunities for entrepreneurs, more than ever before. Incidentally, my mother underwrote the debts I incurred for the laundry. If the business hadn't worked out, our family would have gone broke.

MM | Prince Luitpold, you're the entrepreneur in the House of Wittelsbach ...

PRINCE LUITPOLD | ... Only a very small entrepreneur...

MM | ... but even so, you're the head of the Nymphenburg Porcelain Manufactory and owner of the Kaltenberg Castle Brewery. What do you think? Does everyone in Germany have equal opportunities today?

PRINCE LUITPOLD | Among lawyers, the principle of equality is described as follows: Everyone is equally unequal. In other words, everyone has great opportunities, perhaps even more than ever before, but not everyone has the same talents.

BERGER | And, unfortunately, they don't all have the same opportunities. Every OECD and Pisa study tells us that there is

no country in the world in which children's futures are so influenced by their social background as here in Germany. This is why my foundation supports talented and motivated children who are disadvantaged by their home situation. These children can really suffer. It's fantastic if a child does well despite these complications. When you provide these kids with the proper support, they feel like they're being taken seriously for the very first time. We currently have around 700 scholarship holders in Germany. Three hundred have already passed their high school diplomas, with an excellent average grade of 1.6. I think the German average last year was 2.6.

MM | Prince Luitpold, you've basically been treated with respect since the day you were born. So, let me ask you the opposite question. Have you sometimes found your social background to be a burden?

PRINCE LUITPOLD | Many, many times. During the student riots, if you had a name like mine and ran into a communist teacher, one of those guys with a green sweater and a red scarf, the Royal Highness thing wasn't so great any more. Or at the East German border, the border guard would look at my passport and say: Pull over to the side. I always had to pull over and wait for hours on end. You just have to live with that, and I'm not complaining. A name like mine can work both ways: you get both respect and contempt.

BERGER | I experienced that, too, later on, when my name was better known. Some people think you're a monster.

PRINCE LUITPOLD | In my family, we were told: *Always treat people politely and decently, and never be arrogant.* We never had the feeling that we were something special. We believe our role is to serve the people, not the other way around.

MM | The principle of *noblesse oblige*. Is that just an empty phrase these days?

PRINCE LUITPOLD | No, it's more than just an empty phrase. And I also believe that true nobility differs from adopted nobility. From people who conduct themselves badly. Nobility defines a tradition, a commitment as it were, and also a strong emotional bond with a country or region. The main thing is to have a certain amount of humility.

MM | It's not just nobility that brings certain



obligations, but also entrepreneurship. In what way?

BERGER | It is the job of an entrepreneur to offer good products or services on the best possible terms and to run a profitable company. Entrepreneurs generate wealth for society by creating jobs. They have to ensure their investors are adequately remunerated, otherwise they won't find any more. They also have to abide by our value system: they must always act with decency and integrity, and be loyal to their employees, business partners, and stakeholders.

MM | This image has been tarnished over recent years thanks to the financial crisis, the diesel scandal, and so on. What's going on at the top of the pile?

PRINCE LUITPOLD | These scandals are deplorable, but they are not representative of our economy as a whole. By establishing a social market economy in Germany, we have laid down the marker for the world, and there is still no English translation. It is a uniquely German achievement. Responsibility for other people is implicit in the idea of a social market economy. It is a key element of German business, and particularly our family businesses.

THE PRINCE

Luitpold Rupprecht Heinrich, Prince of Bavaria, born 1951, is a great-grandson of Ludwig III, the last reigning king of Bavaria. He is a qualified lawyer and owner of both the Nymphenburg Porcelain Manufactory and the Kaltenberg Castle Brewery. Today, he exports his beer to 60 countries worldwide and has issued licenses to 15 countries, including India, Mongolia, and Indonesia, granting the right to produce the royal beer in accordance with traditional German brewing practices. Once a year, Prince Luitpold organizes the Kaltenberg Knights' Tournament in the grounds of the castle—a historical medieval stunt show that regularly attracts more than 80,000 visitors.

They account for 75 percent of the jobs in our country and don't tend to think in terms of shareholder value and short-term profit. If this kind of company gets into trouble and asks the bank for a loan, the company CEO puts his own house up as security. It would be a shame if these small and medium-sized enterprises were to fall into the hands of hedge fund managers because of some ill-thought-out inheritance tax on company assets. Different rules would then come into play very quickly, to the detriment of all employees.

BERGER | The whole diesel affair was really stupid, no two ways about it. The idea that you could get away with defrauding the American state was just idiotic. And let's not forget that the diesel scandal was caused by a company that is more than 20 percent owned by the state of Lower Saxony. I'm not trying to apportion blame, but the greatest threat to integrity and risk of descent into corruption always seems to come from organizations that operate on the borderline between state benefaction and private efficiency.

MM | Prince Luitpold, the Nymphenburg Porcelain Manufactory makes you something of a representative of the old economy ...

BERGER | The very old economy.

PRINCE LUITPOLD | Indeed. We still produce our porcelain the same way as in 1747, the year the manufactory was founded.

MM | These days, who wants to buy a porcelain plate that takes 250 hours to make and costs 2,000 euros or more?

PRINCE LUITPOLD | Well, first of all, beer is actually my core business. We now produce under license in 15 different countries, including Indonesia and Mongolia. But to answer your question: We have 70 employees in Nymphenburg, including craftsmen who had to undergo ten years of training to really learn their art. This is why a few months ago, UNESCO awarded our porcelain painting operations Intangible Cultural Heritage status. We're not mass-producers and fortunately there are people who seem to appreciate that fact. When people begin to gather wealth, they start spending money on clothes, watches, and jewelry. Then comes the car. And then the second car. Then they buy a house. And then they invite guests for meals served on cheap plates from the department store. Which is a bit embarrassing, isn't it? By the way, we're not talking here about the kind of floral crockery

our great-grandparents used. We also manufacture extremely contemporary designs, such as the Light Scap flatware by Ruth Gurvich. And we produce limited-series artworks, such as the recent collection with Damien Hirst. It sold like hotcakes.

MM | Have you bought any pieces, Mr. Berger?

BERGER | We've had Nymphenburg porcelain at home for years now...

PRINCE LUITPOLD | ... But you definitely need more.

BERGER | ... For sure, but as an art collector, I prefer to buy a Damien Hirst to hang on the wall.

MM | Let's talk about Bavaria. Chancellor Angela Merkel once said in Munich: "I always like to come to Bavaria because by six o'clock in the evening you've been sitting comfortably with a beer for some time yet you still manage to be the state with the best economic performance. I don't know how you do it." Do you have an answer, gentlemen?

BERGER | I think Chancellor Merkel has been taken in by Bavaria's tourist adverts. The reality is completely different. Agriculture, which still accounted for 25 percent of our gross domestic product in 1950, now accounts for just over one percent. It is our industrial policy that has made us successful. Systematic investment in research, development, and education. In Munich, for example, we now have a biotech industry sector which, together with the one in Mannheim, is one of the biggest around. I don't believe these people are all off drinking beer at six o'clock.

MM | I'm sure Chancellor Merkel didn't mean her comments to be taken literally. But she was referring to a certain sense of comfort and wellbeing.

PRINCE LUITPOLD | That's certainly the case here in Bavaria, because people have a strong sense of connection with the region and feel a real sense of wellbeing. Our great good fortune is that we grew up after the Second World War.

BERGER | Yes, we've now had over 70 years of peace and freedom. I'm very grateful for that, especially as I can still remember when things were very different. When I was a child, the Gestapo would come to our house every six weeks. My father was arrested

»
*Beer is my
core business.
We produce in
15 different
countries.*
«

PRINCE LUITPOLD

several times. You never forget something like that, your parents being scared. This is also one of the reasons why my foundation awards a prize for human dignity every year. It goes to people who work for freedom, tolerance, and human rights around the world.

MM | Prince Luitpold, the Nazi era was also a very dark chapter for your family ...

PRINCE LUITPOLD | ... Members of my family were arrested one by one, whenever they managed to find them. Especially after the Stauffenberg assassination attempt, because Crown Prince Rupprecht had been in contact with the Stauffenberg family in Italy just before that. Word of the meeting somehow got out. Duke Albrecht and his children were arrested in Budapest. They caught my mother when she was at Lake Garda, suffering from typhoid fever. And then at some point they all ended up together in a concentration camp. They wanted to celebrate Christmas anyway, so they made things themselves. Duke Franz of Bavaria puts out a nativity scene in Nymphenburg Castle during the festive season, and this still reminds us of this time. The cardboard box in which he keeps the crib bears the words: Oranienburg concentration camp, Christmas 1944, made by Mama. Duke Albrecht could never enjoy eating fried food after his time in the concentration camp, because they burned the corpses of the prisoners nearby. It put him off for life. Unfortunately, humans also have the capacity for evil.

MM | Prince Luitpold, when you look at neighboring European countries where royal families still enjoy authority and rank, such as Belgium, Denmark, and Spain, do you

sometimes feel a sense of yearning? After all, your family ruled the state of Bavaria for almost 740 years.

PRINCE LUITPOLD | 738 years, to be precise. That's a record in Europe. But no, we are doing very well with our Federal Republic of Germany. However, one can ask oneself whether, in principle, a democracy in the shape of a monarchy or a republic offers the best state system. If you look at a monarchy from the point of view of the separation of powers—a system in which the head of state remains outside party control, then this can also be good for a democracy.

BERGER | Which, of course, depends very much on the reputation of the royal family con-

cerned. The Windsors seem to me to be doing everything right in this respect. The British royal family has maintained an excellent reputation to this day and has managed, so far, to emerge from every scandal unscathed. Even the death of Princess Diana, who died in Paris under rather dubious moral circumstances. The Windsors really know how to market their country.

PRINCE LUITPOLD | And at no cost. The television rights to broadcast royal events generate more money than it costs the state to maintain the royal family. The Windsors practically work for free.

MM | In your own family, Ludwig II was the real rock star among the Wittelsbachers.



INTIMATE DISCUSSION AT THE BAVARIAN COURT
Roland Berger, Stefan Schmortte, Ingo Wilhelm, and Prince Luitpold (from left to right)

What do you think of his mysterious death in Lake Starnberg? Murder or suicide?

PRINCE LUITPOLD | It certainly wasn't murder. I think that's out of the question. Whether it was suicide or some kind of cardiovascular problem, it's no longer possible to say. When you read what was done to him after his death, it's enough to give you the shivers. His head was cut open, his brain removed and examined. His heart was taken to Altötting to be with the hearts of all the Bavarian rulers of the past 500 years. No, I don't believe it was murder. In his youth, Ludwig II was an excellent swimmer. But at the time of his death, he weighed 140 kilos, wasn't fit, and the water was cold. Cardiovascular failure seems the most likely explanation to me.

MM | The age of the fairy-tale king is long gone. Yet most little girls still dream of being a princess. Why is that?

BERGER | Maybe it's the kind of art and culture that has been associated with kings for centuries. Girls are attracted to that kind of pomp and pageantry. Fairy tales also have an effect—the story of Cinderella and the life of Sisi. Girls have a vivid imagination.

MM | Prince Luitpold, will you tell us what your wife said when you asked her to marry you?

PRINCE LUITPOLD | Well, what else could she have said? *Yes*, of course! ■

CHANGES IN THE RETAIL WORLD

BY FLORIAN SEVERIN



For a long time, online stores and bricks-and-mortar retailers were bitter enemies. But that era is over. Now, each side is learning from the other—with both reaping the benefits

If you had asked a selection of small book-sellers a few years ago about the prospects for their stores, you would have got the same panicky responses. “Online retailing is destroying our business.” “Amazon and other big online stores are killing us.” “Our city centers are deserted.”

Now, most experts believe the situation is much more complex, including that of bookstores. After years of apparently unstoppable growth, online retail gradually seems to be reaching saturation point. The latest statistics from the German Retail Federation (HDE) show that Internet stores are responsible for 9.2 percent of the country’s total retail sales of 485 billion euros. In the non-food segments, the proportion is slightly higher at 13.7 percent, but the big boom seems to have come to an end. In 2016, bricks-and-mortar retailing saw an increase in earnings of two percent over the previous year. This is not what a doomsday scenario looks like.

Does this mean that the stores in our shopping malls no longer need to worry about Amazon and other online retailers? Will we be buying most things in town rather than on the Web in future? Yes and no. “Ultimately,” says

HDE managing director Stefan Genth, “the most successful retailers will be those that can best combine their online and offline sales platforms.”

Most companies now understand that customers are not interested in the sales channel itself. “Customers want both,” says Michael Gerling, managing director of the EHI Retail Institute in Cologne. “They like strolling around the stores in town as well as buying something quickly on the Web.”

Multichanneling is the name of this new survival strategy: selling via all channels, from the store around the corner to the World Wide Web. German booksellers such as Hugendubel and Thalia have been marketing their products on the Internet as well as in their stores for a long time. Moving in the other direction seems to be equally easy. The best example of this is the recent acquisition by Amazon, the world’s largest online retailer, of the US organic supermarket chain Whole Foods with its 460 stores. At 13.7 billion dollars, this is by far the largest takeover in the history of the online giant.





BOOK HEAVEN

In the Zhongshuge bookstore in Yangzhou, China, it is difficult to distinguish between real and virtual books

Amazon CEO Jeff Bezos has not yet revealed any details of the objectives behind the acquisition. Perhaps he needs the chain of organic stores for his online food business Amazon Fresh. It is also conceivable that he hopes customers' trust in Whole Foods as far as sustainability is concerned will rub off on its new parent company. Whatever the reason, it is a good example of an exclusively online retailer leaving behind its roots and suddenly moving offline.

Hawesko, Germany's largest premium wine and champagne merchant, based in Hamburg, is taking a similar approach. Some time ago, it opened a cool wine store and wine bar in the heart of Hamburg's St. Pauli district. The product range is taken largely, but not exclusively, from the company's online catalog. "We want to show that Hawesko is a cutting-edge retailer and popular with young wine drinkers," explains Nikolas von Haugwitz, a member of the Hawesko management board. For him, this obviously includes not only a Web presence, but also bricks-and-mortar premises.

Both the online and offline worlds have their own specific advantages. According to a consumer survey carried out by the German E-Commerce Trade Association in collaboration with credit assessment firm Creditreform Boniversum, online retailing does particularly well when bricks-and-mortar stores are closed. For example, in the textile segment, Web retailers earn almost 50 percent of their revenue on Saturdays and Sundays after their offline competitors have shut their doors.

By contrast, main street stores benefit from a quite different type of immediacy. Customers like to touch and feel many products before they buy, in particular, those made from natural materials such as wood, leather, or wool. Despite the progress made in the field of virtual reality, online retailers have not yet found a solution that can meet customers' needs in this respect. A pair of new leather

shoes can only be experienced in full at a real store.

The lesson to be learned from this is relatively simple: Companies that can offer their customers both things—shopping at all times of the day and night and the emotional experience—will be in a good position to maximize their future sales.

The Berlin-based e-commerce giant Zalando aims to go one step further. "We want to be the Spotify of the fashion world," says head of German operations Moritz Hau. His plan is to develop an operating system for fashion retailing. For example, he believes that someone who wants to buy a red cashmere sweater in size 40 does not care which retailer or which online warehouse supplies the knitwear. The only important thing for the customer is to receive the sweater as quickly as possible without a time-consuming search in shopping malls or on the Web.

This is precisely where Zalando comes in. With its platform strategy, it will be the ideal partner for everything, from acquiring customers and retail marketing through to dispatching the goods, if necessary, by courier from the store directly to the customer's front door and, of course, packaged in the familiar orange boxes. The basic idea behind this ambitious plan is to integrate the bricks-and-mortar retailers into the business model instead of competing with them.

In our modern economy, it is more important than ever for retailers to move away from the old approach to sales based on one specific channel. Customers have never been as well-informed as they are today. It has never been easier to gain and lose a buyer in just a few seconds. The most successful sales strategy of the future will no longer be based on the opposition between online and offline. Instead, it will focus on what has always been the most important factor for both sides: commerce. ■



SIE GEHÖREN ZU DEN MENSCHEN, DIE MEHR ERWARTEN?

Ideal gelegen in der Münchner Altstadt, bietet unser Haus 337 individuell gestaltete Zimmer inklusive 74 luxuriöser Suiten. 40 moderne Bankett- und Konferenzräume für bis zu 2500 Personen warten auf Ihre Events. Unsere fünf Restaurants und sechs Bars lassen keine kulinarischen Wünsche offen. Auf 1.300 qm erwartet Sie im – von der französischen Star-Architektin Andrée Putman gestalteten – Blue Spa ein einzigartiges Wellness-Refugium über den Dächern Münchens. Das Live-Entertainment im Night Club ist legendär und die Komödie im Bayerischen Hof steht für bestes Boulevardtheater. Unser hauseigenes Kino astor@Cinema Lounge, das vom renommierten belgischen Kunstsammler Axel Vervoordt gestaltet wurde, garantiert Unterhaltung der Extraklasse auf gemütlichen Lounge-Sofas. Ebenfalls von Axel Vervoordt designt wurden die beiden Gourmetrestaurants Atelier und Garden. Im Atelier verwöhnt Sie Jan Hartwig, welcher mit zwei Michelin Sternen ausgezeichnet wurde, mit seiner leichten, raffinierten und zeitgenössischen Küche. Im Garden wird eine Mischung aus bewährten Klassikern und zeitgenössisch interpretierter Küche serviert.



SOLLTEN SIE ES DANN NICHT AUCH BEKOMMEN?



ARE YOU AMONG THOSE PEOPLE WHO EXPECT MORE?



THEN YOU SHOULD GET IT, SHOULDN'T YOU?

Located directly in the heart of Munich, our hotel offers 337 individual styled rooms including 74 luxurious suites. 40 modern functions rooms for up to 2500 guests wait for your events. Our five restaurants and six bars culinarily leave nothing to be desired. Enjoy the Blue Spa – designed by French star designer Andrée Putman – a unique wellness retreat for body and soul measuring 1,300 m² high above the city's roof-tops. The Live-Entertainment at the Night Club is legendary and the Komödie im Bayerischen Hof stands for best boulevard theatre. At our own cinema astor@Cinema Lounge, designed by the famous Belgian interior designer Axel Vervoordt, you experience cinematic entertainment on comfy lounge sofas. Our gourmet restaurants Atelier and Garden are also designed by Axel Vervoordt. At Atelier chef Jan Hartwig, who is awarded with two Michelin stars, spoils you with his light, sophisticated and contemporary cuisine. An inspiring mix of proven classics and contemporary cuisine awaits you at restaurant Garden.



»WE HAVE A VERY SPECIAL RESPONSIBILITY«

BY STEFAN SCHMORTTE | PHOTOS: ROBERT BREMBECK



Messe München CEO Klaus Dittrich talks about the importance of values, the contribution made by the company to Munich as a business location, and the moral of the honorable salesman

MM | Klaus Dittrich, companies must make a profit. Why is it important for them to have other values as well?

KLAUS DITTRICH | It goes without saying that businesses must be profitable, but at some point, it is important for them to take stock and ask themselves what they stand for. Values are a formal framework for the company's activities and help it to distinguish right from wrong. For this reason, we have not imposed our values from above. Instead, we have worked together with all our employees to formulate them. You cannot simply specify some values; they need to make their way into the hearts of the employees.

MM | Trust, team spirit, dedication, responsibility, and innovation: These are the values that Messe München has given itself. Which of these is most important to you personally?

DITTRICH | Definitely responsibility. Some of our customers invest millions of euros in staging an exhibition for four, five, or six days. We need to take responsibility on behalf

of our customers, but, of course, also on behalf of our shareholders, our employees, and society as a whole.

MM | Other companies have very similar values, such as integrity or reliability. What is special about these values if everyone is saying the same thing?

DITTRICH | Messe München isn't just any company. It is owned by the Free State of Bavaria, the City of Munich, and the local chambers of trade and commerce. In a certain sense, it belongs to the citizens of Munich. I think our ownership structure gives us a very special responsibility. In addition, our sustainable business model helps us on the international stage. During the acquisition process for trade fairs in other countries, we have found on several occasions that our competitors, some of which are listed on the stock exchange, have put much larger amounts of money on the table. But when customers opt for our offer, it is because they see us as a highly reliable and trustworthy partner. This shows that our values have a genuine financial impact.



GROUNDING

For Messe München CEO Klaus Dittrich, values are absolutely key to business success

MM | *Making Munich more attractive as a business location and contributing to public well-being* are the two challenges that the company has set itself, in addition to the values we already discussed. How would you sum up what has been achieved so far?

DITTRICH | We commissioned the Leibniz Institute for Economic Research to identify the effects that the activities of Messe München have had. The hotel and catering sectors, taxi drivers, and retailers in the area all benefit from trade fairs and congresses. This amounts to around 2.6 billion euros per year, and in the years when we hold Bauma, the construction trade fair, it can be as much as 3.6 billion. This means that every euro we earn can bring an additional ten euros into the region. As a result, Messe München with its 750 employees makes a significant contribution to the local economy.

MM | What about the company's own figures?

DITTRICH | In 2016, our revenue exceeded the 400-million-euro mark for the first time, reaching 428 million euros. It was a record year. This means that we have been in the black for seven consecutive years and haven't had to rely on financial support from our shareholders. As part of our Strategy 2021, we aim to achieve an average annual turnover of 420 million euros over the next five years, both in Munich and on the international stage, which is where we currently believe there is the greatest potential for growth.

MM | This increases the scope of your responsibility. How can you meet these requirements in China, Turkey, or India?

DITTRICH | We cannot change the political situation in these countries, but our industry exhibitions do have an influence. One example is IFAT, the largest environmental trade fair in the world, which we have successfully staged at two locations in China: in Shanghai and in Guangzhou, 900 miles further south near Hong Kong. This enables us to contribute towards improving the environmental situation in the Far East.

MM | And what contribution are you making here in Munich?

DITTRICH | When we began work on planning and constructing the new exhibition center in the mid-1990s, one of our objectives was to build a facility that met the requirements of all aspects of sustainability. With more than 2,500 trees and 70,000 shrubs and bushes, we are one of the greenest exhibition sites in the world. We make use of photovoltaic and geothermal systems and in our new C5 and C6 halls we will be collecting rainwater in underground trenches to reduce the impact on the drainage system.

MM | These are the environmental considerations. What about the social factors?

DITTRICH | Our workforce is currently made up of more than 60 percent women. Maintaining the right balance between family life and work is very important to us. This also applies later in life, when elderly parents may need care. We see these things as part of our responsibility. When tens of thousands of refugees began arriving in Munich three years ago, we made our buildings available within just a few hours to give people at least a roof over their heads. By the way, we also employed three refugees, who are now very successfully completing apprenticeships at Messe München.

MM | It is said that young people in particular don't choose their employer solely on the basis of the salary on offer. How important a role do Messe München's corporate values play in the recruitment process?

DITTRICH | The salary must be right, but money isn't everything. There have been several cases where employees took a pay cut

» ***A company's failure to live up to the values it has set for itself can lead to huge financial damage.***
«



THE VALUE PIONEER

Klaus Dittrich was born in 1955 and has been chairman of the board of Messe München GmbH since January 2010. He has a degree in German studies and political science, and before joining Messe München, he had a seat on Munich's City Council and was a member of the Bavarian senate. He is married, has two adult children, and in his spare time enjoys hiking in the mountains and motorbiking.

when they moved to us because the work at Messe München excited them so much. In the conversations I've had with young people, I've discovered that it is very important for them to work for a company that really suits them. Of course, this is also true the other way around. We are increasingly looking for people who will fit in with our culture. I believe that there is some truth in the famous saying by Jack Welsh, the legendary former CEO of General Electric: *"We hire people because of their skills and we fire them because of their personality."*

MM | The annual report of a very large automotive group states: *'We understand corporate social responsibility as being the ability to bring our business into line with the long-term objectives of the global community.'* After the diesel scandal, these words sound rather hollow ...

DITTRICH | ... Indeed. But I believe this will be an important lesson for many people. A company's failure to live up to the values it has set for itself can lead to huge financial damage.

MM | That sounds like the old saying: *We learn from our mistakes.*

DITTRICH | Yes, it is an old and highly traditional approach. Fundamentally, the whole discussion is about the moral of the honorable salesman. Immanuel Kant gave the best explanation of it in the form of his categorical imperative. In simple terms, it means: *Do as you would be done by.* That is a very good principle and we at Messe München try to live by it every day. ■

PRIME MOVER

BY CHRISTIAN BRUNSCHÉDE
PHOTO: REGINA RECHT



Stefanie Mändlein has been the project manager for Inhorgenta since 2015. She orchestrated the event's turnaround, restoring the jewelry trade fair to its former glory and lending it new glamour

P latinum, gold, and diamonds: When the jewelry, precious stone, and watch industries present their latest treasures at Inhorgenta, the halls of the Messe München exhibition center fill with glitz and glamour. However, the event itself, Germany's main meeting place for these industries, had lost some of its importance over recent years.

Exhibitor numbers fell by over 20 percent between 2013 and 2016. Long-term customers such as Fossil suddenly decided not to attend and visitors also increasingly stayed away. It was almost as if the world of pearls and precious stones had become less fashionable.

Until Stefanie Mändlein took over the project management. "Cautious consumer spending, falling revenues in China and the competition of e-commerce put the industry under a considerable amount of pressure," she says. "Against this background, many of our customers had second thoughts about attending."

"A trade fair won't be successful unless you conduct intensive discussions with customers and partners, take their wishes and needs into account and realize these with your own ideas," says Mändlein.

Mändlein did both of these things. She introduced new hall concepts, improved the presentation options, and made the accompanying events more attractive, all of which laid the foundations for the turnaround. She was convinced from the start that the trade fair itself had by no means outlived its usefulness. "Particularly at a time when

GLITTERING
Stefanie Mändlein orchestrated Inhorgenta's turnaround as project manager for Messe München

we are overwhelmed with information and offers, Inhorgenta is the ideal communication platform," she says. "The majority of business is still done through personal contacts. People want to get to know one another."

Inhorgenta is now the perfect place to do this. At the revamped shows, top international models like Nadja Auermann present couture jewelry embellished with diamonds and other precious stones from companies such as Escada. The jury for the newly established Inhorgenta Awards, which go to the best of the best in six categories, is made up of prominent figures from the fashion world, for example, designer Michael Michalsky. At the Inhorgenta Forum, industry experts provide their audience with food for thought: In February, former Google manager Jeremy Tai Abbett gave a presentation on the shop of the future. The Inhorgenta Trendfactory series of fairs in Hamburg, Düsseldorf or Frankfurt have also proved their worth as discussion platforms for the industry.

"These innovations have significantly increased our media presence and given the

trade fair greater emotional appeal," says Mändlein. This is what motivated her to launch another event, known as Fusion: a jewelry and watch show deliberately aimed at a small group of around 60 premium exhibitors that will take place for the first time in fall 2018 in Berlin. The aim is to make this event the permanent second high point of the year.

"We feel very positive about how things are going," says Mändlein, and she knows she has the figures to back her up. In 2017, Inhorgenta saw a significant increase in both exhibitor and visitor numbers. And one old friend returned: the watch and jewelry supplier Fossil. ■

BACK TO THE FUTURE

The next Inhorgenta takes place from February 16 to 19, 2018. By the end of July, the number of exhibitors registered for the event was already ten percent higher than in 2017.



THE WONDERS OF TECHNOLOGY

BY FLORIAN SEVERIN
PHOTO: REGINA RECHT



Automatica, Electronica, and Productronica are three of the most important trade fairs in the field of technology and all three are staged by Messe München. Exhibition organizer Falk Senger describes the advances made in the technology industry

The technology was breathtaking, the best that engineers had ever developed. When 39-year-old Neil Armstrong stepped onto the surface of the moon on July 21, 1969, the first person ever to do so, NASA's control center team celebrated the success of their Apollo Guidance Computer (AGC), the world's first electronic brain with an integrated circuit. The computer could run up to seven processes simultaneously, which were weighted according to their priority. This was a milestone in the field of electronics and the moon landing would have been impossible without it.

And today? Every calculator used by six-year-old school kids has more computing power than the AGC on board Apollo 11. An iPhone 6 could simulate 120 million moon landings—simultaneously, of course. And its weight is only a fraction of the 71 pounds that the machine used by the astronauts measured.

"It's fascinating, isn't it?" This is a sentence that Falk Senger often uses when he talks about the rapid advances in modern technology. He is Managing Director in charge of Messe München's technology trade fairs, including Automatica, Electronica, and Productronica. Through his regular contact with the companies that exhibit at these



shows, he has learned a lot about the latest technological developments. And yet he is still amazed when he attends each trade fair at how the technology industry is constantly revolutionizing business and society in such short periods of time.

"I find it very interesting, for instance, that 80 percent of the innovations in cars are now driven by microelectronics and software. I don't think many people are aware of that," he says. "In the past, cars consisted largely of mechanical components like pistons, con rods, and crankshafts. Now, it is increasingly the microprocessors, sensors, and artificial intelligence systems that are leading to more fuel-efficient engines, improved safety, and smarter driver assistance systems. And in the future, they will enable autonomous driving. It's fascinating, isn't it?"

Another key aspect of Senger's trade fairs is the constantly growing efficiency and personalization of production processes. Increasingly, intelligent networked machines are revolutionizing our factories. They have more compact circuits that can perform more complex computing tasks and ultimately will be able to take on more of the work currently done by people. "Already, we are letting machines do some of the thinking for us," says Senger.

It is obvious that difficult computing tasks of this kind require not only more compact but also more complex microprocessors, but how far can we go? Gordon Moore, co-founder of the chip manufacturer Intel, formulated a law in 1965 which states that the complexity of integrated circuits will regularly double while their manufacturing costs fall by half. However, in 2007, he declared that this process was coming to an end. He forecast that the trend would be over in ten to 15 years at the latest.

Are the advances in computing power already reaching their climax? Will we be focusing on maintaining the status quo in the near future, instead of pushing ahead with further developments? Falk Senger doesn't believe that Moore's Law will become obsolete any time soon. "The efficiency and performance of microprocessors are still improving in giant leaps. I see this every year at our trade fairs," he says.

TECH TIMES THREE

AUTOMATICA is the leading trade fair for intelligent automation and robotics. In 2016, it had 43,000 visitors and 833 exhibitors from 47 countries. The next Automatica takes place from June 19 to 22, 2018.

ELECTRONICA is the leading trade fair for electronic components, systems, and applications. In 2016, it had 73,451 visitors and 2,913 exhibitors from 50 countries. The next Electronica takes place from November 13 to 16, 2018.

PRODUCTRONICA is the world's leading trade fair for the entire value chain of electronics development and production. In 2015, it had 37,191 visitors and 1,161 exhibitors from 40 countries. The next Productronica takes place from November 12 to 15, 2019.

However, Senger is more cautious about the subject of miniaturization. "There may be physical limits to the developments in this area until new research allows for the next technological step forward." Industry 4.0, the Fourth Industrial Revolution, and the Internet of Things would have been mere experimental ideas if the exhibitors at Automatica, Electronica, and Productronica had not continued to develop the technologies behind them and to present their products to an industry audience.

"The solutions that exhibitors put on show at our trade fairs cover all areas of society," says Senger. "Digitization is coming, whether we want it or not, and it will dramatically transform our lives over the next few years." It will also bring changes for Messe München. In five years' time, the company aims to earn five percent of its revenue from digital business models. This is an ambitious goal, but the management board is convinced that it is achievable.

Every day, Senger also has personal experience of the advances made in digitization, for example, when he gets into his car on his way to work. "I find it fascinating that I know which route to the office is least likely to be congested as soon as I switch on the engine."

You could say that it's almost as fascinating as a flight to the moon used to be. ■

THE MICROCHIP MANAGER

Falk Senger, born in 1969, has been Managing Director of the international technology trade fairs at Messe München since 2015. Before that, he was head of the internal services business from 2010 onward, which includes the central purchasing, finance, legal, and domestic shareholding departments. After completing high school in Caracas and studying law in Munich and Passau, he spent 14 years in different roles within the Bavarian state government.

TRAVEL BLOG



AWARD-WINNING BLOG

Initially, it was just a spontaneous idea. When CEO Klaus Dittrich and five members of his management team from Messe München went on a reconnaissance trip to Silicon Valley in October 2016, one of the managers offered to set up a blog about their journey, provided each of them wrote at least one post during their stay in the United States. Now, those involved in ‘Valley16’ have grounds for celebrating the success of their idea, because they have won the 2017 German award for online communication 2017 in the ‘Best Blog’ category, in the face of stiff competition. “The blog allowed us to take colleagues and customers with us on our trip,” says Holger Feist, Chief Strategy Officer at Messe München. “Ultimately, the success of the blog was due to the fact that we wrote honest reports about our experiences at Google, LinkedIn, and Salesforce.”

RANKING



AMONG THE TOP TEN IN THE WORLD

Messe München remains one of the top trade fair organizers in the world. The company has consolidated its leading position as a result of its record turnover of 428 million euros in 2016. A recent survey carried out by the Association of the German Trade Fair Industry (AUMA) shows that Messe München is the trade fair organizer with the sixth-highest turnover worldwide and that it is in third place, after Frankfurt and Düsseldorf, in the German rankings. “We should be very proud of our success,” says Klaus Dittrich, Chairman and CEO. He believes that three key factors have helped the company to achieve this success:

- A highly efficient exhibition site that remains one of the most modern in the world 20 years after it was opened.
- A substantial portfolio of its own events, with a total of ten world-leading trade fairs that are constantly being expanded.
- A judicious internationalization strategy that involves developing the company’s activities in the world’s main growth regions.

“Of course, we won’t rest on our laurels,” says Dittrich, “because the competition on the international stage and the digitization process involve both opportunities and risks.” But he believes that the opportunities for Messe München clearly outweigh any dangers: “We are in an excellent position and we are determined to make the most of these challenges in order to strengthen our international standing even further.”

GLOBALIZATION MADE IN MUNICH

With over 50 of its own trade fairs revolving around capital goods, consumer products, and new technologies, Messe München is one of the world’s leading trade fair organizers. With a network of affiliated companies in Europe, Asia, Africa, and South America as well as some 70 foreign agencies in more than 100 countries, Messe München is represented around the globe.

Photos: Messe München (5)

ENGAGEMENT



4,000 TREES TO HELP FIGHT CLIMATE CHANGE

A major reforestation project organized in Turkey by IFAT Eurasia and its exhibitors is helping to protect the environment. Since February, they have been sponsoring the new IFAT Eurasia Memorial Forest, which consists of 4,000 trees planted on an 11-acre site in the province of Balıkesir: a visible symbol of the fight against climate change. The project is supported by the Turkish Foundation for Combating Soil Erosion, for Reforestation, and the Protection of Natural Habitats (TEMA), the largest Turkish environmental NGO. This reinforces Messe München’s goal not only of setting up an important environmental platform in the region in the form of IFAT Eurasia, but also of making its own contribution to a greener future.

MEETING IN TURKEY

On February 18, 2017, IFAT Eurasia came to an end in Istanbul with new record figures. A total of 230 companies from 18 countries exhibited their products and services at the trade fair, and more than 11,300 visitors from 68 countries attended.

COOPERATION



IN VINO VERITAS

Munich, which is known as ‘Italy’s northernmost city,’ has now moved a little closer to its southern neighbors. For the first time, Munich’s Drinktec, the world’s leading trade fair for the beverage and liquid food industry, organized a joint event in mid-September with Simeì from Milan, Italy’s top exhibition for winemaking and bottling machinery. Every four years, the new partners will hold an exhibition together in Munich. “Almost half of the exhibitors at Drinktec offer solutions for the wine industry and this will give them access to more potential customers,” says Reinhard Pfeiffer, Deputy CEO of Messe München. “In addition, the international nature of Drinktec will benefit the exhibitors at Simeì.”

GERMAN-ITALIAN FRIENDSHIP

The next Drinktec will take place in September 2021 and will once again include Simeì, which in future will alternate between Munich and Milan every two years.

INNOVATION



INVENTOR MARATHON

At almost every event organized by Messe München, the focus is on the achievers of tomorrow. One example is the company’s forums for start-ups. At the leading trade fair Laser World of Photonics, there was even a special platform for talented young people, the ‘Make Light Makeathon,’ which involved a race against time to create something entirely new. A total of 78 students and young engineers from five countries took part in the challenge. With the help of 3D printers, laser cutters, and programming boards, they developed products from the fields of optical technologies, robotics, and automation during the trade fair. The youngsters had only 24 hours to progress from the idea to the finished prototype. One of the many solutions that enjoyed a positive reception from the jury and the visitors to the exhibition was the ‘Smog Dog,’ a robot that uses intelligent sensors to detect air pollution or smoke and then moves toward it.

TRADE FAIR HIGHLIGHTS

EXPO REAL

Real estate is still booming. This was also illustrated by the large number of visitors and exhibitors who flocked to Expo Real. From October 4 to 6, the B2B trade fair for real estate and investment turned the spotlight on the latest market trends and looked ahead to the future. The conference program focused on topics related to trends and innovations.

BUILDING NETWORKS

Messe München CEO Klaus Dittrich with Claudia Boymanns, Expo Real project manager, and Messe München Managing Director Stefan Rummel at Expo Real



MOVERS AND SHAKERS

The Real Estate Innovation Network provides technology start-ups and established companies with a platform to debate digital trends and developments in the real estate sector. Left: Nobel Prize winner Joseph Stiglitz

AWARDWINNER

The Logix Award 2017 went to ECE Projektmanagement GmbH & Co. KG for its work on the STILL logistics center in Hamburg. Right: Klaus Dittrich at the Logix Awards 2017.



Photos: Tanja Huber (8), Doemens/PHOTOGRAPHY by Andreas Gröger



DRINKTEC

There were plenty of reasons to raise a glass at this year's drinktec. A record-breaking 76,000 visitors flocked to the world's leading trade fair for the beverage and liquid food industry, which was held in Frankfurt from September 11 to 15. drinktec also set a new record this year by attracting some 1,750 international exhibitors. For the first time, this year's drinktec featured SIMEI, an exhibition area for Italian wine technology, which proved to be very popular.



SUMMIT MEETING

Bavaria's State Secretary of Economic Affairs Franz Josef Pschierer (top right) celebrated the SIMEI@drinktec partnership by inviting selected guests to a reception at the Munich Residence. The guests included (from left to right): Anna Abbona, Ernesto Abbona (President of the Italian Wine Federation), Dr. Bernhard Widmann (Director of Straubing Technology and Support Center) and Messe München Managing Director Dr. Reinhard Pfeiffer. Photo top left: Stephan Hilbrandt, winner of the Championship of Beer Sommeliers



WOMEN TAKE THE LEAD

Margit Dittrich (left), Monika Dech (right), and Clarissa Käfer (center) invited guests to a Bavarian breakfast at the Oktoberfest

"FRAUEN VERBINDEN" WOMEN'S NETWORK

All good things come in threes: On September 20, the high-level Women's Network met for the third time at Messe München to enjoy breakfast at the Oktoberfest. A total of 150 top names from the worlds of science, media, business, politics, and culture came together in the Käfer Wiesn-Schänke.

INNOVATION JOURNEY

Bits & Pretzels, a festival for start-ups, provided an opportunity for an exclusive group of executives from DAX-listed and mid-tier companies to head out on an exciting adventure—the Innovation Journey. The aim of the mobile think tank was to learn more about the ideas of tomorrow. From September 24 to 26, a series of lectures, workshops, and site visits led the participants to several locations in Munich, including start-ups and development laboratories.



A JOURNEY INTO THE FUTURE

The brainchild of the 'Frauen Verbinden' network and Plan W, the Innovation Journey took guests to visit start-ups at the "UnternehmerTUM Maker-Space" in Munich (above). Bavaria's State Minister of Economic Affairs Ilse Aigner (center) at Bits & Pretzels

EXHIBITION LOCATIONS WORLDWIDE

GERMANY

Munich
ISPO MUNICH
January 28–31, 2018

INHORGENTA MUNICH
February 16–19, 2018

f.re.e
February 21–25, 2018

ceramitec
April 10–13, 2018

analytica
April 10–13, 2018

Die „66“
April 20–22, 2018

IFAT
May 14–18, 2018

AUTOMATICA
June 19–22, 2018

INTERFORST
July 18–22, 2018

BRAZIL

São Paulo
M&T Expo
June 5–8, 2018

CHINA

Beijing
ISPO BEIJING
January 24–27, 2018

Shanghai
electronica China
March 14–16, 2018

productronica China
March 14–16, 2018

LASER World of
PHOTONICS China
March 14–16, 2018

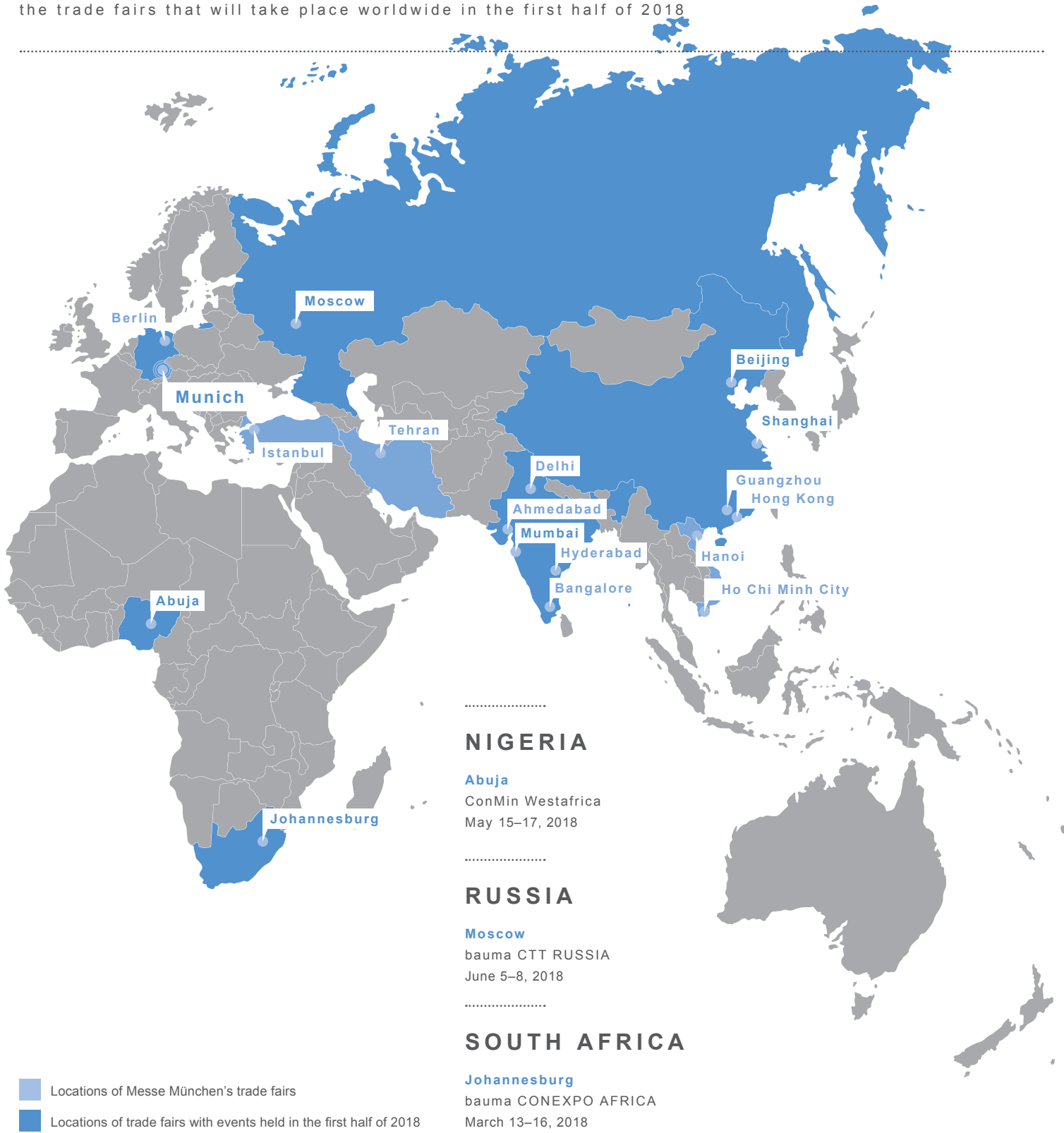
IE expo China
May 3–5, 2018

transport logistic China
May 16–18, 2018

INDIA

Mumbai
transport logistic INDIA @ CTL
January 23–24, 2018

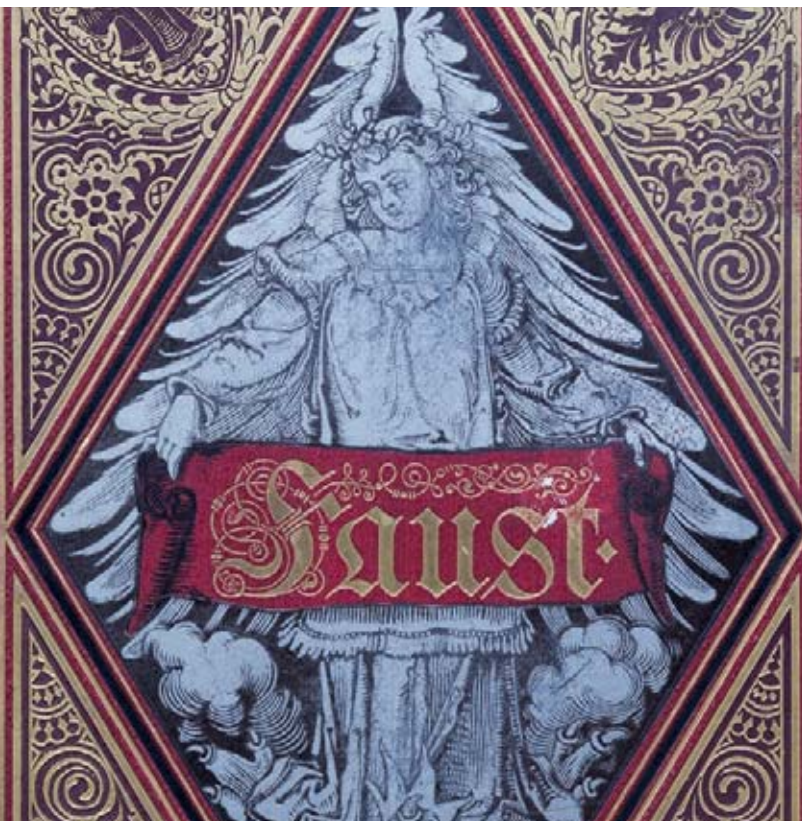
Messe München is represented in the world's most important growth markets. Alongside Munich, this includes China, India, Turkey, Brazil, Africa, Russia, Iran, and Vietnam. The Messe München portfolio includes more than 50 of its own events, with 21 held at its premises in Munich and 35 abroad. Here are the trade fairs that will take place worldwide in the first half of 2018



MUNICH FOR CONNOISSEURS

BY KATARINA BARIC AND FLORIAN SEVERIN

Insider tips can often transform a purchase or meal into a special occasion. These five suggestions will ensure you are well equipped for your next stay in Munich, ready to see the city with new eyes



ART CAN DO MORE

"Here I am Man, I dare it to be." Anyone interested in Faust will want to take a look at Gasteig's upcoming program of events. Why? Because from February 23 to July 28, 2018, Germany's largest cultural center will be holding a wide selection of theater performances, concerts, exhibitions, and much more centering on the literary figure Faust. During this time, Gasteig will take center stage in the city-wide Faust! festival, where Goethe's drama can be experienced with all the senses. Numerous projects and events endeavor to come to terms with this literary work while proposing creative variations, making this celebrated work accessible in new ways. Festival partners are not only from the cultural scene, but also come from Munich's restaurant, retail, and hotel industries.

KUNSTHALLE DER HYPO-KULTURSTIFTUNG
THEATINERSTRASSE 8, 80333 MUNICH

Photo: 100 pro image life (1)



OUT IN THE COUNTRY

If you want to take a trip with scenic views and fresh country air, you don't have to venture far from Munich. Just outside the city is Aying, an idyllic, quintessentially Bavarian village. After taking a walk through its picturesque streets or playing a game of skittles at the historic bowling alley, pay a visit to the Brauereigasthof Aying, a brewery and inn that has belonged to the same family for seven generations. The private brewery sources all its ingredients from the local area and has been brewing in accordance with the German beer purity law for over 130 years. You can also take a guided tour of the brewery or brew your own personal beer with the help of the beer sommelier.

BRAUEREIGASTHOF HOTEL AYING
ZORNEDINGER STRASSE 2, 85653 AYING

FOLKLORE 2.0

Fashion never stands still and the same is true of historic Bavarian dress. That's why Münchner Manufaktur specializes in traditional clothing with a modern touch. In their stylish store, Birgit and Maximilian Oberbigler sell contemporary Tracht for men and women that the company makes itself. There are no kitsch or clichés here: The dirndl skirts, jackets, and frock coats are designed for everyday wear. The current collection includes a loden women's coat with a relaxed cut that reveals its traditional, rustic charm only on closer inspection.

MÜNCHNER MANUFAKTUR – FEINE TRADITION
INNERE WIENER STRASSE 54, 81667 MUNICH



WINE TASTING

A place with surprises, even for wine connoisseurs. The extensive and constantly changing selection of wines at the Grapes wine bar in the Cortiina Hotel comes with a catchy slogan: Wine must be fun. This is why you will find products from young winemakers, unconventional grape varieties, and some genuine rarities. But it's not only wine experts who will feel at home at Grapes. Newcomers to wine and occasional drinkers will also be made to feel welcome by expert sommeliers Stefan Grabler and Markus Hirschler. On the first Friday of each month, the two men hold their Big Bottle Battle, much to the entertainment of guests. Each sommelier brings a rare magnum and allows the guests to taste the wine, who then vote to choose the winner.

GRAPES CORTIINA HOTEL
LEDERERSTRASSE 8, 80331 MUNICH



» *Wine trends come and go. Quality and taste are what really count.*

«
MARKUS HIRSCHLER

CLEANSING AND CONTEMPLATION

Relax in the waters of the Mizu Onsen spa at the Hotel Bachmair Weissach, which combines Japanese-style hot springs with cold water from Lake Tegernsee. Moving between the different temperatures can improve your physical health, but it will also benefit your soul. The extremes of temperature (from 36 degrees to nearly 108 degrees Fahrenheit) stimulate an intense self-awareness, encouraging reflection. Guests can also practice deep breathing, something that is often forgotten in our busy lives. The Mizu Onsen spa has special retreat rooms for this purpose, which are perfectly silent except for the gentle murmur of your own breath. The hotel rooms and the spa can be booked separately, but there is also a range of different packages that deliver a complete experience, including an overnight stay, spa treatments, and other activities.

HOTEL BACHMAIR WEISSACH
WIESSEER STRASSE 1, 83700 WEISSACH



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Find out more by going to bmw-welt.com, contact us directly by email at eventforum@bmw.com or by phone at +49 (0)89 38 25 72 62.

LOCAL STYLE



FORERUNNER

The Munich label VOR sets new quality standards with sneakers that are handmade in Germany. The design of the A-1 sneakers is so sleek that they can even be worn with a suit.

339 euros, available from Oberpollinger or at vor.shoes

THE ART OF BREWING

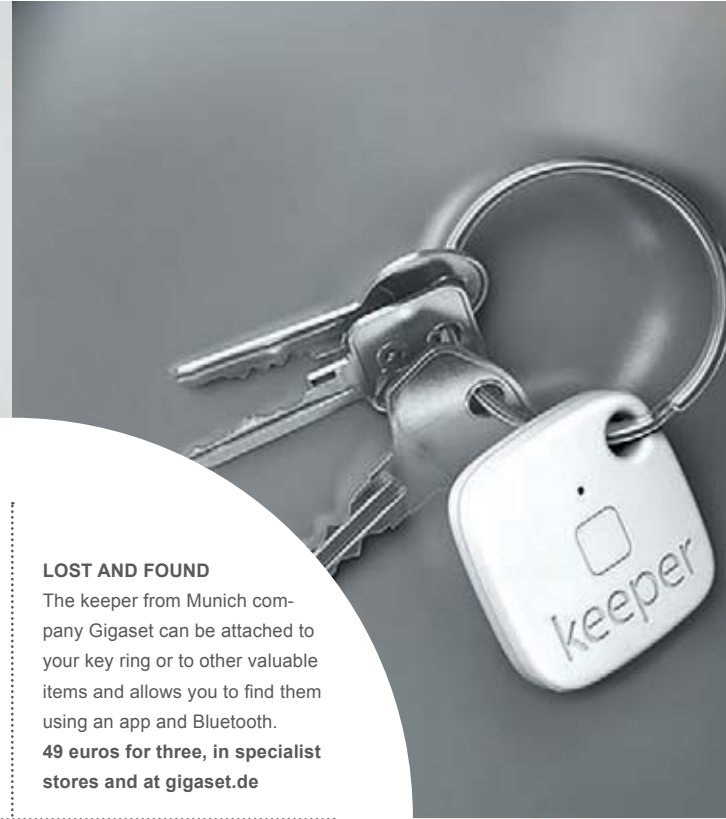
NOAM lager is a sign of good taste: light, dry, and with the looks to appeal to modern esthetes. It is brewed in accordance with the Bavarian beer purity law.

21 euros for three bottles, available from Feinkost Käfer and at noam.beer



A SOUVENIR

HIGH-TECH



LOST AND FOUND

The keeper from Munich company Gigaset can be attached to your key ring or to other valuable items and allows you to find them using an app and Bluetooth.

49 euros for three, in specialist stores and at gigaset.de

MANN'S MANUSCRIPT

Clever thoughts need good paper. Thomas Mann chose stationery made by Franz Anton Prantl, which is still available to style-conscious writers today.

19.90 euros for 50 sheets, available from Ludwig Beck



MUNICH LOVE

Photos: Camillo Büchelmeier (1), www.noam.beer



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