



BDI
Bundesverband der
Deutschen Industrie e.V.



ZDH
ZENTRALVERBAND DES
DEUTSCHEN HANDWERKS

**Joint statement for the Munich summit
on 26 February 2016**

Setting the right course for the future

The German economy is facing increasing risks, including a large number of refugees in Germany and Europe, conflicts in the Middle East, and greater uncertainty in important international sales markets. The positive economic situation that the country currently enjoys cannot hide that, which is why we need to take precautions for the future now. One is greater investment, both in the private and public sector, such as in the digital economy and infrastructure. Quickly concluding additional international trade agreements with the United States and other countries can also provide an impetus if high German quality standards are incorporated.

Pressing ahead with digitisation – Building out Business 4.0

Quickly developing the digital economy and building out its infrastructure is a key element for ensuring our international competitiveness. Industry welcomes the federal government's commitment to Business 4.0 in terms of smart data, intelligent connectivity and cloud computing. However, more political resolve and faster implementation are needed. Broadband rollout needs to be pushed forward with the future in mind. For instance, policymakers need to more deeply involve industry in the preparation phase for regional build-out projects. Infrastructure must meet requirements for data volume and speed in rural areas too. Education is a key prerequisite if we are to succeed in seizing the opportunities of digitisation in Germany. Digital competence must be seen as a key qualification and taught comprehensively in schools, universities, professional training and continuing education.

The security and functionality of digital technologies are critical to gaining the trust and acceptance of users – and in turn, to the success of the digital transformation of our economy. That is why IT security needs to be strengthened through greater voluntary cooperation between security services and business at national and international level. Norms and standards must be defined as globally as possible, reliably anchored, and designed in a way that is appropriate for small and medium-sized enterprises. The creation of a single digital market in Europe is a basic prerequisite for the digital competitiveness of our economy. With over 500 million possible users, it has the potential to become a leading international market for digital technologies and their associated standards.

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Avoiding new burdens – Dismantling existing ones

Given the current challenges, we need to avoid homemade burdens for business and employment. These include the trend towards more bureaucracy and less flexibility on the labour market, for example. The planned act on equal pay for men and women as well as restrictions on temporary positions and contracts for work and services would, over time, come at the cost of opportunities, and ultimately growth and jobs. Contracts for work and services enable both a division of labour and specialisation, and they are hallmarks of the German economy and a source of its strength. Temporary positions are indispensable for the weakest in the labour market. No one should call them into question without thinking it through first. Instead, we need to remove labour law mechanisms that slow down the digital society and economy. Making just a few adjustments to, say, the Act on Working Hours could create more flexibility and quality of life for businesses and employees.

The estate tax reform that is currently planned also threatens to place an additional burden on businesses. Companies expect a constitutional, clear, practical solution that is appropriate for SMEs. We also expect an assurance in the coalition agreement that taxes will not be raised and business succession will not be threatened by the estate tax.

Energy costs are creating significant additional burdens for businesses. Electricity prices in Germany rose again at the beginning of the year, and further cost pressure is expected over the next ten years. The main drivers behind the increasing costs are grid expansion, underground cabling, funding for the expansion of renewable energies, and the associated costs of stabilising the system. Further investment is needed in efficiency and climate protection. Unilateral action at national level does not advance climate protection. Additional measures at national level only inflate costs for consumers. With this in mind, the focus should be on bolstering the European Emissions Trading System, proceeding with its systematic implementation, and making the most of its steering effect. In addition, it is important to appreciate the value of investing in efficiency and climate protection at companies that generate their own electricity. Weakening provisions that safeguard existing standards creates new burdens, undermining investor confidence and sapping Germany's long-term strength as a business location.

Tackling growing numbers of refugees as a European challenge

Large numbers of people fleeing from their own countries presents huge challenges for our country. Legitimate refugees with a desire to work need to be integrated in society and working life. Many refugees lack language skills, have little or no job qualifications, and do not yet understand the rules that govern our society. This means that integration measures will be a medium and long-term project. Hurdles that continue to impede access to apprenticeships, training and employment must be dismantled. At the same time, it is clear that these challenges can only be mastered through EU-wide solidarity. We support the federal government and its commitment to securing and controlling Europe's external borders and fairly distributing the burden of receiving and integrating refugees across EU member states over the long term. The reduction or failure of the Schengen area would be a heavy blow to the European Union and its citizens as well as to the internal market.