

# **Industrial strategy BMWK**

## **Short version**

Berlin, 24. October 2023

The BMWK on 24. October, a new industrial strategy. Under the title

*"An industrial policy for the turning in of the time:*

*Industrial site secure, prosperity renew*

*Economic security strengths“*

the strategy stresses the importance of the industry for

Germany, gives a comprehensive and strategic justification for industrial policy Federal government in the Central fields of action and identified additional Needs for action. In challenging and uncertain times of the policy rightly demanded to give guidance and to justify their Actions. That is the purpose of of this strategy.

### **1. Mission and objectives**

The strategy is based on a clear mission statement: We want to see Germany as a strong Industrial site in all its diversity. From the world group about the small and medium-sized Hidden Champions to the small business. From the energy-intensive Basic materials industry and the construction of machines and vehicles to space travel.

Because the industry is just in this width for Germany's prosperity, and the Prosperity of the utmost importance. If we in the future an economically successful country want to be, we must be on our greatest strength build: our ability to develop first-class products and produce. In short: to our industry.

The importance of the industry goes far beyond the Economic. She is wearing a decisive contribution to the social cohesion of our society and also to your democratic stability. The industry is part of the social and cultural identity of our country; it is deeply inscribed in the forms of life and work biographies. The Securing the industrial site is also a vital contribution to the Cohesion in our country.

The preservation of our industrial location also makes us safer. If we Value chains and diversify, and at the same time the creation of value in Germany and Europe in power and rebuild, us independent of autocracies an ever more uncertain world. Acting responsibly means, therefore, our to strengthen economic security and to be on the safe side.

## **2. Strategic Challenges**

Our industry continues to be strong. But she faces strategic challenges:

### **Geopolitical Turning Point:**

The Russian attack on Ukraine marked a

Turn-of-the Chancellor to the beginning of the war on the conceptual Point has brought. With the sustained higher energy prices, this time turning already very tangible impact on our industry. But they are only the most recent The expression of a profound change in the international geopolitical and economic reality. The last three decades have been determined by a market-dominated, but at the same time, rule-dominated globalization. In the last few years however, geopolitical and geo-economic conflict with the full force of the Economic policy returned. Trade, technology and industry policy policy instruments in this dispute.

### **Neglected Location Factors:**

The site conditions have deteriorated, also because of the long time necessary reforms and investments failed to materialize: The Expansion of Renewable energies has been neglected, the infrastructure is not renewed, dangerous dependencies were cemented, or even newly created, the bureaucracy is crazy, the shortage of skilled workers was not being dealt with decisively.

### **Transformation towards climate neutrality:**

The climate crisis obliges us Act decisively. The Transformation towards climate neutrality and the related to the renewal of our prosperity provide medium - and long-term opportunities cause in the Transition but a great deal of effort and cost for the industry and their employees.

## **3. Strategic industry inflection policy**

The backup of the industry, location, required a clear course: A strategic Industrial policy. This describes the industrial strategy along the following approaches:

*Industrial policy in the era is not necessarily always European focused.*

The German industry is intimately in the European internal market intertwined, at the same time, the Green Deal and the European industry strategy strategic framework for our national Act. Conversely, The receipt of the following applies: German industrial site is an essential part of the industrial base in To secure the whole of Europe. It would be sensible to industrial policy, more European thinking, in order to strengthen the integrity of the internal market. But as long as the financial conditions and decision-making structures are not given, it is in the European interest, if the member States with the necessary industrial policy Steps from its own power to go.

***Industrial policy in the turning point of the primarily means of strengthening Site conditions.***

Companies can only be successful and in the

international competition, if you find conditions under which you in the long term, profitable economies and on which you can rely on. Therefore, we improve with a transformative deal policy, the terms and conditions of the site for the industry as a whole

– from the world group on small and medium-sized Hidden Champions to for a small business. The Federal government has already made significant efforts done. Important steps are to go to

– in particular, in the case of the Energy transition in the position of competitive electricity prices, in the further Planning acceleration and streamlining of administration, as well as the concrete implementation of the Skilled labour immigration. The improvement in the terms of the offer must the focus of the second half of the Federal government to form.

***Industrial policy in the era requires, in many cases, an active Funding policy.***

Economic security is a priority in our industry and

Economic policy. To do this, we must engage in strategic settlement policy.

At the same time, it is in the face of substantial subsidies for transformation technologies in China and the United States, our industry from unfair competition and protect the Transition to climate-friendly production technologies allow. And we have to to smooth the hardships of the Transition to a climate-neutral energy system and Companies that can produce durable competitive, a bridge build.

Not for all companies in each Instrument will operate equally, but we want the

The width and depth of the value chains hold in Germany in the future. The

Promotion of industrial enterprises, the run-often decades-long high profits

have, is not an end in itself: it must societal objectives, such as the backup

good work and Welfare participation, climate protection or the

Economic security of our country serve. To do this, the following applies: With the many, often

large-volume Funding programs, the Federal government has shared some important decisions

met. This, however, must be maintained in the long term through to full effect unfold and the

calls on financial issues. Our financial Constitution in times of created by a market-dominated globalization and significantly less geopolitical tensions, was characterized. We need to discuss as a country, as these rules, at the latest, in the next legislature, to the new realities can be adjusted.

#### **4. Fields of action**

Our strategic industrial policy is translated in three fields of action, the Federal government have been edited since its inauguration intensively: We are working with high pressure on the

##### **Improvement of site conditions**

Few months, we have taken action in a number of areas: To the accelerated Expansion of Renewable energies in the electricity networks and the Water industry and infrastructure, and a renewal of the offensive for the Infrastructure, with a focus on Rail and bridges, and road rehabilitation. The Planning and permit the acceleration of, in particular, in the area of infrastructure is in Work. In the next four years, tax incentives for investment, and for the Discharge of the economy and industry in a volume of 50 billion. Euro planned. The shortage of skilled workers and immigration Skilled workers immigration law and the strengthening of education and training is also the priority task of the government decided.

##### **Economic security**

is a key objective of this government. Therefore, we reduce

our dependencies from autocracies through diversification, for example, by new Trade agreements and commodity partnerships. On the other, we build new Production capacity in critical areas: These include v. a. micro-chips, and include Transformation technologies. Just as we need to be able to the relevant shares our needs and those of our closest allies in arms itself to cover. For this, we want to also take steps to increase cooperation in the Security and defence sector, and to further consolidation of the European Arms industry in the attack. This served to strengthen the strategic Sovereignty Of Europe.

##### **The climate-neutral renewal of the German industry**

it is a great opportunity, even in

To remain the future, the world market leader in key technologies. For this, we have the more ambitious and extended emission trading and the new CO2-Border adjustment CBAM driven a clear framework on the European level, enforced. In Germany, we complement this by a comprehensive Decarbonisation package for the industry with the climate protection agreements, as the Central Instrument.

A lot is on the right track and now need to be given time to be implemented. The challenges have been developed over many years, your editing needs Time. At the same time, there are, however, action needs to be sharpened:

- We need, in addition to the relief of small and medium-sized enterprises by eliminating the EEG levy a bridge in the price of electricity for the energy-intensive Industry. Otherwise, Production declines, or even the migration threaten structurally competitive companies from Germany, in particular in the Basic industries. So the output would be chains of points of value creation destroyed, through the whole of Europe. This does not allow, is not only in the German, but in the whole of the European economic as well as security policy Interest. The bridge of electricity price, we want to continue Tip-sharing in the current tax.

- We have seeds as a country with too much bureaucracy and too long Approval procedure is self-tied. Here are the first steps are done, but it remains a lot to do. Important to industry is that the industry itself Approval processes are significantly accelerated. Federal government and the Länder a comprehensive package, under the leadership of Federal Chancellor to Procedures acceleration present.

- In addition to the targeted skilled workers immigration, it is true, domestic potentials on to lift the labour market. Just on the Knowledge, ability, and experience of older people, we should not miss. Therefore, there is a need for more targeted incentives, thus, older people want to volunteer to work longer. A measure of this would be the payment of the employer's contribution to the statutory unemployment and Pension after Reaching the age limit directly to the workers.

Alternatively, a tax would be more tax-free amount for social insurance contributions Employees above the age limit is conceivable. As a further step should together with the social partners to create solutions for a more flexible fixed Termination time point in the contracts of employment upon Reaching the age limit be found.

- Finally, we need new ones for the climate-neutral renewal of our industry Technologies. Germany will reach its carbon neutrality goals if it also uses CCS/CCU. The use of CCS is, in the first place for the areas where there is little or no technological Ways of saving. Therefore, the Federal government is a Carbon Management strategy, which will enable the application of CCS and CCU and selectively promote. This also means the corresponding Transport To build infrastructures in Germany and, together with the European To find partners, a common storage strategy.