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Communication

VDMA: 'Producing more intelligently' boosts the competitiveness of German industry

VDMA President Lindner warns politicians against capital-based taxation

Hanover, September 16, 2013 – “We are seeing what challenges we face as an industry, but also as a country, in the world today. There is an important issue at stake here – both in the election and of course also afterwards in the government program.” VDMA President Dr. Thomas Lindner opened the VDMA congress “Producing more intelligently” as part of the EMO 2013 with these words on Monday in Hanover. “As a businessman, I am happy to be reminded of the responsibility I have – to my company, its employees and shareholders, as well as to society. And incidentally this applies not only in Germany, but in the same way to foreign subsidiaries. However, this culture of responsibility cannot be a one-way street,” the VDMA president emphasized.

Mechanical engineering sector expects key strategic measures from the next German government

The next German government has to take key strategic measures to ensure that business conditions are right for the mechanical and plant engineering sector, Lindner said. After all, with almost one million employees in more than 3,000 companies, it is Germany's largest industrial employer, he noted. One of the largest worries that are currently weighing on companies at the moment is the concern about the introduction of a capital tax or a capital levy, he said. “Capital-based taxation will undermine the capability of industrial small and medium-sized companies (*Mittelstand*) to invest. Every capital-based taxation measure threatens competitiveness and thus also jobs. If taxation of business assets occurs directly or indirectly, then the financial opportunities for regional social and cultural involvement will disappear with it. A world without the support of the German *Mittelstand* will become grayer, not fairer,” Lindner said.

In addition, the mechanical engineering sector is demanding clear business conditions in energy policy and the introduction of a general tax relief for research that would be open to all companies. “All too often,

random occurrences and irrelevancies decide where millions in research aid go. Tax incentives for research would help in this area, for this instrument, which has no thematic restrictions, has long since become a reality in most OECD countries. In Germany too – but unfortunately only on paper. For example, yet again in almost all election programs. Thus a supporting instrument that is free from state dirigisme and technological control is still waiting to be implemented. We will remind every new German government of its promises during the election campaign,” the VDMA president explained. “As a worldwide technology leader, we have to remain competitive. To do this, skilled workers and investments in new plant and machinery in Germany are decisive.”

German engineering sector has delivered

“It is neither an Old nor a New Economy: producing more intelligently is one thing above all – Best Economy,” was how Hartmut Rauen, a member of the VDMA Executive Directorate, underscored the significance of the congress motto. Companies, their engineers and their skilled workers had delivered technologically, he said. Rauen cited the examples of Germany’s leading position in Industry 4.0, resource efficiency and technologies for electric mobility. “Politics should make its contribution too,” Rauen said. “With more courage in the battle against student drop-out rates and in favor of more industry-oriented production research.”

**Have you any more questions? Hartmut Rauen, member of the VDMA Executive Directorate, tel.: +49 69 66 03-13 31,
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