

Press Release

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VCI ON THE coalition agreement

Boost for industrial transformation

- Positive approaches, but important details remain open
- EEG abolition and halving of authorisation times are the right signals
- The continuation of the price moratorium weakens the pharmaceutical location

The Association of the Chemical industry (VCI) sees the coalition agreement presented today as an effort to successfully shape the long and demanding transformation of Germany. The agreement contains important policy decisions for a climate-neutral industrial country, but the real details of implementation are crucial, the VCI underlines. For example, the coalition agreement lacks concrete measures to address the two key challenges: The rapid development of the necessary infrastructure for renewable energies and the competitive price of electricity. "We cannot see a booster at this stage, but many good approaches to actively accompany the transformation of the industry," emphasised VCI CEO Wolfgang Große Entrup.

With the abolition of the EEG levy from 2023 and the intention to halve the duration of planning and authorisation procedures, the traffic lights confirm their claim to initiate decisive changes. "Supporting the financing of the transformation through a climate and transformation fund and through other instruments such as climate agreements is a good decision. This is a great opportunity to push ahead with important investments," said the VCI's CEO.

The VCI also finds it positive that the coalition recognises innovations such as biotechnology and hydrogen as the key to the success of the transformation and that chemical recycling is to be included as a recycling option.

The VCI also welcomes the new government's constructive involvement in the debate on the EU chemicals strategy and stresses the need for a risk assessment for the safe use of chemicals. The goal of strengthening the research and production of sustainable chemicals in Germany is resolute within the framework of the Green Deal.

The project looking at a law to reduce bureaucracy is also to be welcomed. "The mere fact that a new law is required for urgently needed relief dampens my euphoria," said Große Entrup. "It is now very important to create real and fast relief for small and medium-sized businesses."

The VCI welcomes the clear commitment to an innovative health economy as a guarantor of medical progress, employment and prosperity. The strengthening of Europe as a production location is also to be welcomed. However, this should not be achieved through subsidies, but through competitive production and reimbursement conditions. Against this background, the continuation of the moratorium on prices and the reduction of the free pricing of innovative medicines are not the way to go, the VCI stresses. "The Corona pandemic in particular demonstrated the importance of Germany as a strong pharmaceutical location. Future health policy challenges will no longer be manageable from a position of the strength of the pharmaceutical industry, with a continued focus on cost savings," said Mr Große Entrup.

From the viewpoint of the VCI, Germany, with the concept of the coalition agreement, will fall back even further in the coming years in terms of tax policy in competition with other locations. Although, as stated in the exploratory paper, no new substance taxes will be introduced, the overdue reform of corporate taxes is not covered. Große Entrup: "We need new tax policy impulses for Germany as a location in order to gain potential and strength in international tax competition."

The VCI represents the economic interests of more than 1,700 German chemical and pharmaceutical companies as well as German subsidiaries of foreign companies toward politics, authorities, other areas of the economy, science and the media. In 2020, the industry generated almost 190 billion euros and employed around 464,000 people.

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