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Moderator questions in Bold, Respondents in Regular text.

KEY: Unable to decipher = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

Robert Scheid: Good morning everyone, Ambassador (mw 00.12), partners and colleagues that invest in Northern Ireland. Thank you for having me on today. My name is Rob Scheid, I am the director of the London office of Germany Trade and Invest, and here very briefly are my contact details. So, my role in London is essentially the first point of contact for British and Irish companies looking to set up an office in Germany and expand into the German market. Now, just very briefly, Germany Trade and Invest is Germany's federal economic development agency, we're more or less the equivalent to the Department for International Trade on the German side. We've got our headquarters in both Berlin and Bonn and we've got 50 offices worldwide to speak with companies where they are. So, what we do on the one hand is we support German companies with export information on 180 different markets, that includes things like customs and tax and legal implications and market developments and, and anything that a German company could be interested in.

On the other hand, we also assist international companies, expanding into the German market, with a full service package of, of consulting that is all free of charge. So, on the next slide here, we can see that, that we, we provide international companies with market information on Germany, with obviously sector-specific and product-specific information, we have a full package of site selection support. So, whether you're looking for a warehouse or a factory with a certain number of loading bays and electricity requirements, or if you just need a, a co-working space, we can help you with all of those things. Also, and what's critical for most companies, is our tax, legal and financial support. What that means is we can help companies decide what legal form they need in Germany, what makes sense if you're operating in the German market, what are the tax implications, how do corporate tax rates differ across the countries, also incentives, and this is important because there's a new incentives map for Germany, so companies that are investing in the country can receive generous support for their investment and we can provide information on all these things.

Now, I know very well that many of you companies out there are in stage one of the internationalisation process towards Germany, you're just looking at business development, you're looking at finding clients, getting your products or services on the German market first and foremost. Don't worry, that's, that's not our core remit, but that's why we work with partners on an intentional level, so you can still reach out to us and we can point you in the right direction and, and help you to find clients and things like that. Now, once you do decide, 'Okay, our German

market operations are running well, we would like to consider having an office,' that's when we can provide you with our full service packages. So, why have I been asked to come and speak with you today? Well, as we know, Germany has a new government that's about three months old now, this government is headed by Olaf Scholz of the centre-left SPD party, the Social Democrats.

On one hand, it represents continuity with the sixteen years of Angela Merkel, because Olaf Scholz was the last finance minister of Angela Merkel's last government, so therefore he had his hands on the purse strings and was deciding how money was allocated. On the other hand, this marks a complete shift, because a red, green and yellow coalition, a so-called traffic light coalition, between the Social Democrats, the Green Party and the Liberal Democrats, which are a more economically liberal party compared to the Greens, which have more of an environmental focus, and the Social democrats, which represent the German social market economy. This coalition is, is brand new, Germany has never had one of these three-way coalitions before of this type, so there are some shifts in tone and in the trajectory of the way the German economy should evolve and move forward. And at this point I would like to play just a short video for you that we've put together that summarises the major points.

Video: Hello there. Germany has a new government with a new parliamentary majority in the Bundestag. It's a three-way coalition consisting of the centre-left Social Democrats under Chancellor Olaf Scholz, the Environmentalist Green Party, with economics minister Robert Habeck, and the business-friendly Free Democrats, under finance minister Christian Lindner. The three parties drew up a 177-page coalition agreement, laying out what their mutual governments' policies will be. What's in it, and what's potentially in it for you? The title of the agreement contains the words 'More progress' and that in a nutshell is what this government will be about. Let's start with environmental technologies. On page five of the agreement we read, 'The social market economy must be re-established as a social ecological market economy.' The new government wants to accelerate the timeline for Germany to transition to clean energy and electric mobility.

Significantly, the part of the agreement that focuses on climate also immediately talks about the implications, challenges, and opportunities for businesses. Government incentives in this area will likely amount to hundreds of billions. 'I, I strongly believe that this is a historical chance for national as well as international companies, and not just in (mw 06.56) but across the whole spectrum of clean technologies. We see vast growth for renewable energy such as wind and solar, for energy efficiency, for smart grid and energy storage technologies, and of course also for hydrogen and recycling technologies.' And we will need the best ideas from the whole world to meet our very ambitious goals we have here in Germany.'

The new government is also adopting a holistic approach when it comes to digitalisation and technology. The new agreement treats digitalisation as a topic unto itself and as a component of nearly all of the government's plans. Massive sums will be invested in not only hard infrastructure, like fibre optic cable

networks, but further improving Germany's excellent research landscape. The agreement states, 'Germany is a land of innovation, strong science and research are the guarantees for prosperity, quality of life, social solidarity and sustainability. 'The new government promises a quantum leap in the drive to digitalise Germany. This not only means mobile phones or fibre optic networks. The coalition puts digitalisation at the very heart of all its government policies, including research and innovation, so the outlook is for broad change in the German economy, from which innovative international companies can benefit.'

While we're on the subject of innovation, the Coronavirus pandemic has highlighted the need for creative healthcare solutions and the coalition proudly mentions the revolutionary mRNA vaccine, co-developed by BioNTech and (mw 08.29). The new government wants to enable more such success stories in the realms of biotech, life science and medical technologies in coming years. The agreement reads, 'An innovative health economy is a basis for further medical progress. We intend to further invest in research to pave the way for top medical achievements. International companies can benefit from this. 'Whether we're talking about pharmaceuticals, biotechnology or medical devices, Germany's not only the largest market in Europe, but it's also leading in terms of research and development.' So, what international companies appreciate about Germany, besides the market size, is that they can find excellent partners, outstanding talent, and a great infrastructure, including access to funding and state-of-the-art equipment.'

And what about Germany's great historical strengths, manufacturing, mechanics, and industry? The coalition agreement acknowledges that these sectors are crucial to German prosperity, even if changes will be needed. The deal names, as its first central field of the future, modern technologies for competitive climate-neutral industry, such as steel and primary materials. The government's plans in this area include everything from securing markets for ecological German-made products to guaranteeing competitive prices for green electricity, to encouraging domestic semiconductor production. 'The new government is fully committed to strengthening Germany's position as an industrial and high-tech production location, therefore we see great potential for international players and innovators in segments like robotics and automation, microelectronics and semiconductor production, and as well in the whole value chain for sustainable electric and connected mobility. And the presence in Germany will greatly help you to get closer to your key customers, your key suppliers, and-, as well as your business and technology partners.'

The coalition agreement makes it clear that Germany is going to have to dare to do many things differently if it wants to make progress and assure national prosperity. The upshot, lots of room for innovative international companies to take part in all the change. As a government agency, Germany Trade and Invest can assist your expansion project free of charge. Get in touch at GTAI.com and give us a like or share if you've found this video useful. Until next time, remember that Germany is ringing in a new era and you can get in on it.

Robert Scheid: Okay, so, some of the key takeaways that we've seen in this video and I-, I've highlighted them on the right here, Germany Goes Greener. Now, Germany already has a green

reputation in many areas, it's-, it is a leader in renewable energy, for example, but now what's changed is that this has become accelerated and prioritised in a way that it hasn't been before. So, the current government, while it's some holdovers from the previous government, is that nuclear power should be completely offline in Germany by the end of this year, marking the phase-out that started with Fukushima. Then coal should be-, coal power generation should be phased out completely by 2030, as currently stands, and, and in its place, Germany has increased its targets for offshore wind by 50%. This is a massive target increase. And they've decided they would like to allocate 2% of German lands, German territory, to onshore wind power generation, not to mention a huge boost to solar energy.

So, energy generation is one aspect of the greening of Germany's economy. A second aspect is greening Germany's industry. Everyone knows that Germany is the industrial powerhouse of Europe, but how do you make sure that the, the, the country's economy is manufacturing in a green way? Well, they have created a new climate and transformation fund which has currently been allocated €200 billion, to be used by 2026, and this will go towards, on one hand, greening Germany's industry. What does that mean? There will be bridge technologies, so the government will subsidise, subsidise greener technologies, more energy-efficient technologies, compared to conventional technologies, as-, and, and cover the cost difference of those, those technologies for a time period. This fund will also go towards decarbonising Germany's infrastructure and promoting clean technologies and a number of other areas. So, I'd just like to mention that this €200 billion was money that has been reallocated. 60, 60 billion of that has come from earmarked money for Covid relief that is currently not needed and can be put into this pot.

Under the green banner, mobility is obviously a key area. Germany's automotive manufacturers have started to put out a lot more models of full electric vehicles. The infrastructure is being built out at an accelerated rate for charging, and what's most important is the consumer uptake has increased in recent years. So, Germans can receive €6000 per electric vehicle, up to €6000, for-, in subsidies, to make it more affordable to buy a fully electric vehicle, and there's an additional €3000 dealer rebate available. So, this is really pushing that development forward. Now, moving on, and these, these five points on the right side are all, kind of, interlinked and I think there's a logic to the sequence here. The second-, so, greening and digital, digitalisation Germany are the two, kind of, overarching issues that run a thread through all of the policy making in the current coalition agreement. So, digitalisation obviously goes to things like building out the fibre optic infrastructure and 5G deployment and things like that, but also accelerate the digitalisation of healthcare, which already sped up quite a lot during the Covid pandemic, and they would like to use that momentum to keep propelling digitalisation in healthcare forward.

And, and how we can segue to the next point of cutting red tape, well, Germany's economy is still, unfortunately, quite a lot of times, paper-based. So, when you are running a business in Germany and you have to go the notary to have documents signed, it slows things down. So, by digitising

processes in Germany, you're inevitably speeding things up and that can count towards cutting red tape. So, one other point I would like to mention on cutting red tape is that starting up a business in Germany currently takes about two weeks to have a business up and running, notarised, have a bank account opened, all of those things. However, the current government has said they would like to decrease this to 24 hours. This sounds fairly normal, for someone listening in the UK, it is possible to start a business in the UK in, in just a couple of hours, but for Germany this is now. So, they, they have also benchmarked the UK as, as, as they-, what they would like to strive for.

And this inevitably links to the next point, Innovation and Start-ups. So, if you cut red tape, if you make it easier to start and run a business, you're facilitating new start-ups across the economy. So-, and, and to connect this to innovation, what the country would like to do is use its strong research base and strong network of research institutions and, and link that better with start-ups and link that better with operating a business. Last but not least, social policy. There are a couple of issues that the new German government has signalled that it would like to change, that you should be aware of. Number one is they would like to raise the minimum wage to €12 an hour. Now, in some sectors, in some areas, this will increase the cost of labour. On the other hand, this will put more money in the pockets of German citizens, so if you're selling products or services to German citizens, then you can count on higher purchasing power.

The last two aspects of social policy that they've touched on are, well, taxes, and they've signalled that they would like to keep tax rates stable and not increase taxes in Germany, and immigration policy should be liberalised, especially with a view of the labour shortages in a number of industries. So, Germany is facing, like many countries, a shortage in, in skilled workers and a shortage in labour on the whole. So, they would like to liberalise immigration and also some aspects of citizenship policy, to enable some citizens to hold two passports, for example, that was up to now only possible in limited terms. So, I would stop here. On the next slide, I just have my contact information, our website. I would encourage you to contact us for more up-to-date information. Last but not least, we do have a dedicated website for companies based in the UK. We have tried to pare down the the information that's most relevant, especially given the changes that have taken effect following the UK leaving the European Union, just to make it easier for businesses to continue operating and, and maintain the status quo and find additional business opportunities going forward, under new circumstances.

So, I would encourage you to have a look at that website and, like I said, if you need any, any help, please don't hesitate to reach out, and I'm sure we and our partners would be happy to help you. So, I will wrap up there. Thank you very much for having me. Captions by www.takenote.co