

10.01.2019 – 10:53 Uhr

BDI President Kempf: Strengthen the European Union to better compete with China

Berlin (ots) -

- The organisation formulates 54 demands addressed to the German Federal Government and the European Commission
- Making the market economy more resilient
- Calls for new security controls on foreign investments

The President of the Federation of German Industries (BDI), Dieter Kempf, has called on the German Federal Government and the European Commission to strengthen the European Union (EU) in the face of competition with China. The BDI has outlined 54 demands addressed to Berlin and Brussels for the New Year in order to better meet the growing challenges posed by the state-dominated Chinese economy. The demands are summarized in a new policy paper which the BDI published on 10 January in Berlin, titled "Partner and systemic competitor - How do we deal with China's state-controlled economy?"

Contrary to what was previously expected, China will not develop into a market economy or embrace liberalism in the foreseeable future. "The People's Republic is establishing its own political, economic and social model," Kempf said. The country has entered into systemic competition with liberal market economies such as Germany. This development must be assessed realistically to develop a response.

Kempf made it clear that China remains the driving force of the global economy and an important sales and procurement market for German industry. As such, German industry wants to continue to use the opportunities of economic exchange with China. "However, no one should simply ignore the challenges China poses to the EU and Germany."

In the policy paper, the BDI calls for a strengthened economic policy framework for the European single market. This should ensure that companies from non-market economy countries are bound to the liberal market economy regulations of the EU if they want to be active in Europe. It is more important than ever for the EU to not only point out the significance and binding force of its order and values internally, but also to more forcefully advocate them externally.

"It is essential that the German government once again becomes the standard bearer for a stronger EU," demanded the BDI President. At the same time, Germany and the EU must invest significantly more in research, development, education, infrastructure and future technologies. "The EU needs an ambitious industrial policy for its leading companies that focusses on innovation, intelligent regulation, social partnership, infrastructure and free trade.

The Federation of German Industries proposes sharpening EU state aid legislation and anti-subsidy instruments. Europe must take effective action against companies that do not produce in the EU and receive state subsidies. Therefore, the BDI advocates introducing a new type of subsidy control for foreign investments. This should help control state-financed takeovers of European technology companies and prevent them if necessary. High quality standards should become a must in public procurement. Dumping prices offered by foreign suppliers must be investigated for potential subsidies. The 54 demands should be a compass in the political debate.

"The German industry measures the Chinese government by its own internationally announced obligations. It is in Beijing's own interest to open up its domestic market further and to vigorously implement long-announced economic reforms," explained Kempf. The faster China creates competitive equality between Chinese and EU companies on the world market through economic reforms and market openings, the fewer new control instruments will need to be used.

The German-Chinese trade volume last reached 187 billion euros, almost 30 per cent of the total trade between the EU and the People's Republic (2017). China is Germany's most important trading partner outside the EU. German exports to and imports from China amounted to 86 billion and 101 billion euros respectively.

According to the latest official figures, German direct investment in China totalled 76 billion euros (2016). Approximately 5,200 German companies with over one million employees were active in China. The BDI estimates the stock of Chinese investments in Germany at the end of 2017 to be 13 billion euros.

You can read the BDI policy paper on China here <http://ots.de/b7bVxl>

The Federation of German Industries (BDI) is the umbrella organization of German industry and industry-related services. It speaks for 35 trade associations and more than 100,000 enterprises with around 8 million employees in Germany and 3.5 million employees in other countries. Membership is voluntary. 15 organizations in the regional states represent the interests of industry at the regional level.

Contact:

The Federation of German

Industries Member association of
BUSINESSEUROPE

Contact numbers

T: +49 (0)30 2028 1479

F: +49 (0)30 2028 2479

Website

www.bdi.eu

Email

Presse@bdi.eu

Original content of: BDI Bundesverband der Deutschen Industrie, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/6570/4162306> abgerufen werden.