

A Coalition Agreement for Investments

The CCI Business Barometer for the 2017 General Election



Deutscher Industrie- und Handelskammertag



Unternehmensbarometer

The DIHK evaluated round 1,800 responses. The survey took place from 6th to 13th September 2017.

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The Main Results of the CCI Business Barometer for the General Election 2017

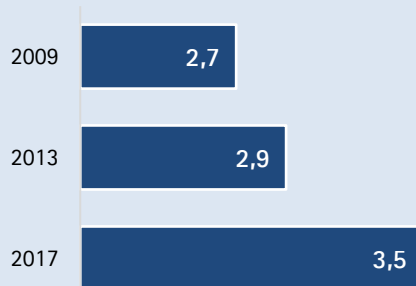
- The newly elected federal government has a lot to work through in terms of competitiveness. Germany as a business location has **lost competitiveness** in the last four years from the point of view of companies. Most of the location factors have received a worse rating than in 2013 – even though the economic situation in Germany is currently considerably better.
- In the long run, growth and prosperity can only be realized by means of **well-trained skilled employees**. In the assessment of companies the vocational training system remains the guarantor of this. In comparison, the quality and practical suitability of university qualifications is falling somewhat short from the point of view of industry. In spite of the high quality: Businesses are very concerned about the **reduced availability of skilled employees**.
- Furthermore, the companies' assessments of the framework conditions for business investments show a number of weaknesses of the domestic location. The corporate taxation system is becoming less competitive in international comparison and is no longer up-to-date from point of view of industry. **The worst rating by businesses is awarded to the bureaucratic processes in Germany – and that by far.**
- Therefore, in the view of companies, **the most urgent task of the new federal government is to reduce bureaucracy – and thereby create more room for manoeuvre in terms of entrepreneurship.** Small companies are particularly negatively affected by the high level of controls and monitoring. Here it is important to take advantage of the digitalisation of administrative services in order to relieve the bureaucratic burden. Moreover, full consideration should be given to EU law with respect to the bureaucratic brake of "one-in-one-out".
- **Digitalisation is in second position in the list of priorities.** The majority of companies are calling for the new federal government to focus in particular on digitalisation topics such as improving broadband networks, e-government and IT security. An across-the-board fibre-optic infrastructure is required by 2025. The hundred most important administrative services should be digitalised as soon as possible.
- Companies also consider the **regeneration and expansion of the traffic infrastructure** to be an urgent concern (third priority for the new federal government). The poor condition of roads, railways and waterways is an obstacle to the business of many companies. The funds for the transport infrastructure therefore need to be permanently increased and the planning capacities adjusted accordingly.
- Nine out of ten companies state that the **level of acceptance of commercial activities is declining** and that society does not really appreciate economic activity. Investments and expansion efforts by companies often receive a negative assessment in the regions. And yet they are the precondition for the creation of jobs and prosperity.

1. Please assess from your company's point of view how competitive Germany as a business location is in the following areas:

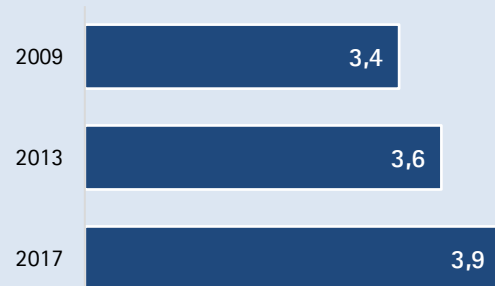
(using school marks 1 = competitiveness very good to 6 = competitiveness unsatisfactory)

	school mark 2017	school mark 2013
Vocational training system	2,2	2,0
Social insurance system	2,5	2,8
Research and Innovation	2,8	2,6
Quality of university qualifications	2,9	/
Labour costs	3,2	3,4
Ease of starting new businesses	3,3	/
Childcare and all-day schools	3,4	3,2
Traffic infrastructure	3,5	2,9
Corporate taxation	3,7	3,4
Digitalisation	3,7	/
Electricity costs	3,7	/
Supply of skilled workers	3,9	3,6
Bureaucracy	4,3	4,4

Assessment of the location factor Traffic infrastructure (school mark)



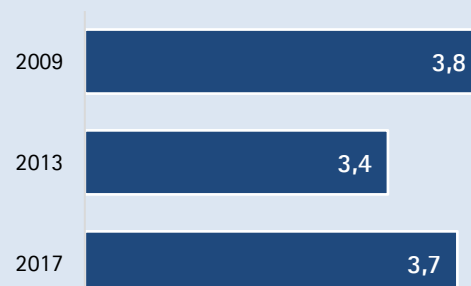
Assessment of the location factor Supply of skilled workers (school mark)



Assessment of the location factor Bureaucracy (school mark)

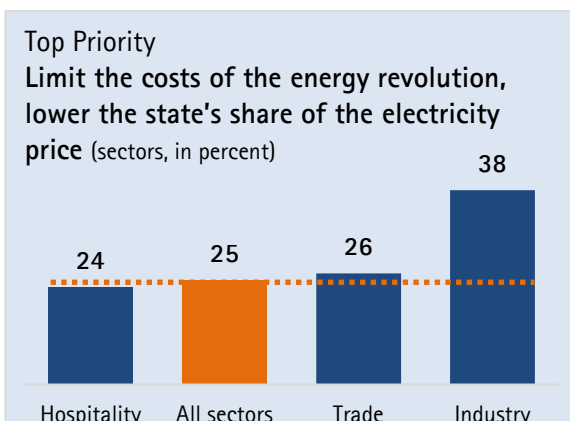
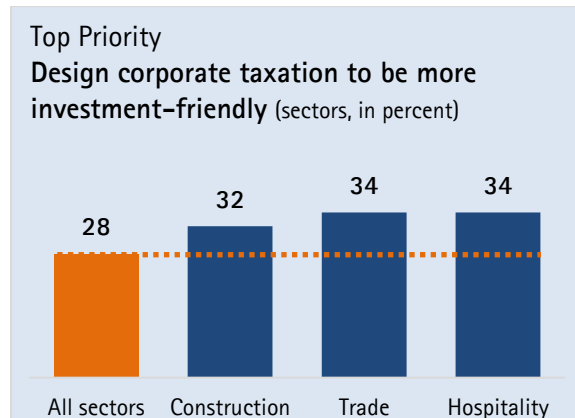
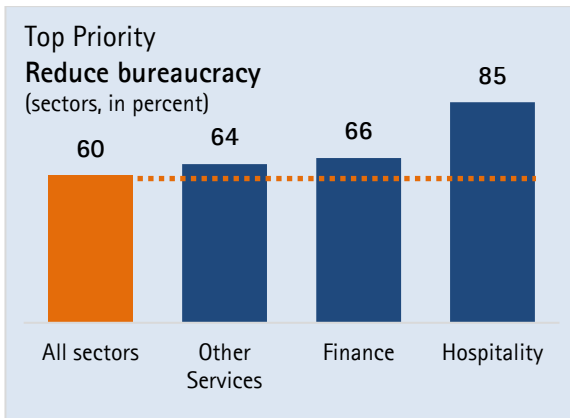
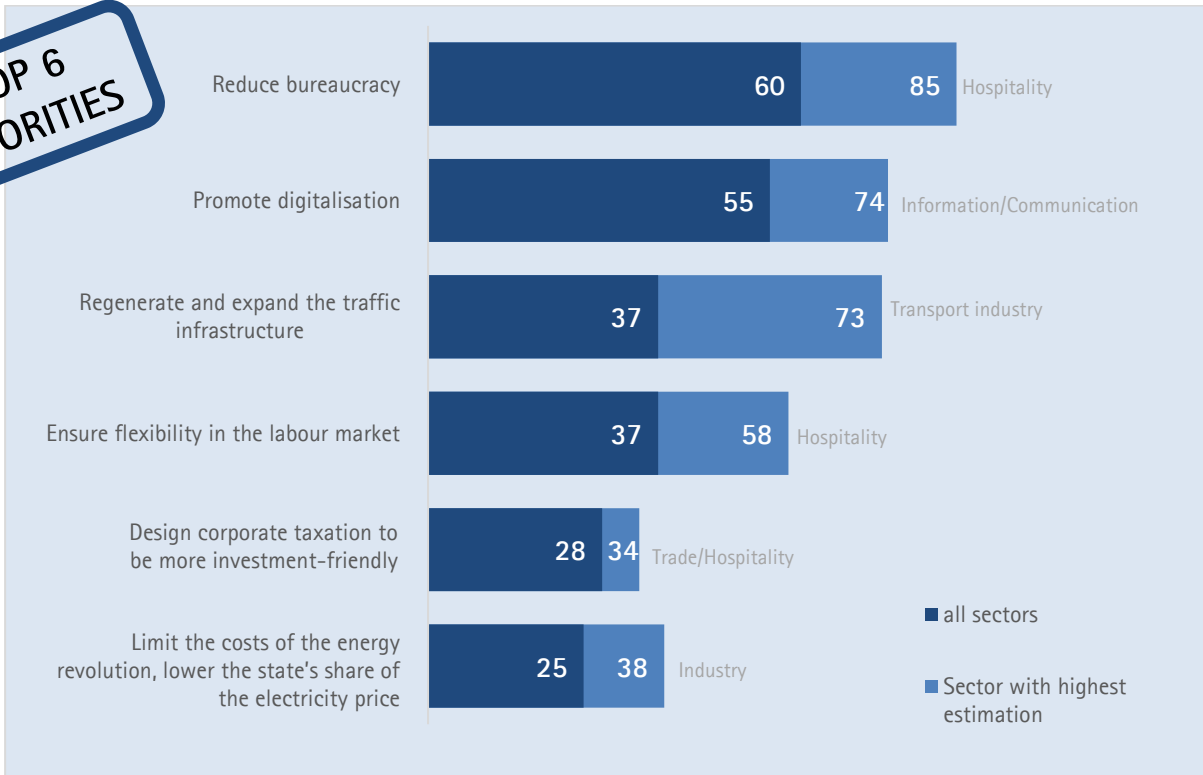


Assessment of the location factor Corporate taxation (school mark)



2. What should the newly elected federal government deal with first from the point of view of your company? (in percent; max. three answers possible)

TOP 6 PRIORITIES



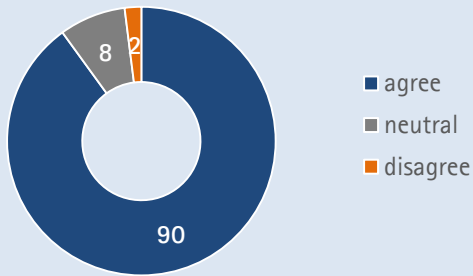
Responses from entrepreneurs regarding digitalization:

"Digital infrastructure is equally important as a power or water connection."
Merchant from Bavaria

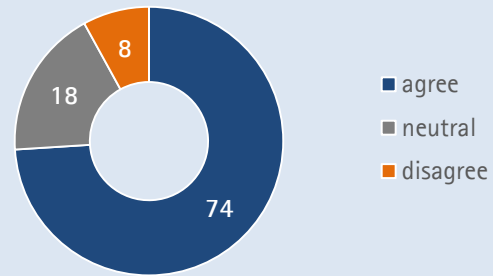
„Broadband is now a key part of the basic supply. Digitization goes far beyond broadband."
Service provider from Rheinland-Pfalz

3. How do you assess the following statements from the point of view of your company? (in percent; "agree", "neutral", "disagree")

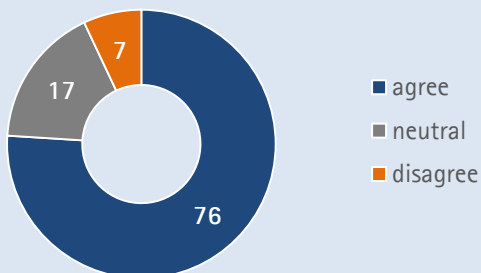
The acceptance of commercial activities locally has deteriorated over the last few years. Greater consideration must be given to entrepreneurial interests – e.g. by making planning and approval processes more business-friendly, simpler and more transparent."



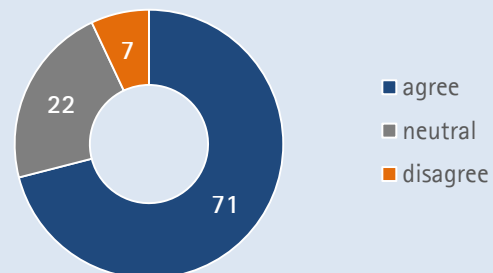
"The revenue of the state is sufficient to finance the necessary expenditure without further debt while at the same time reducing taxes."



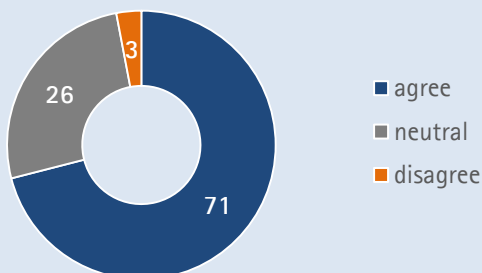
"We need a simpler tax system, even if this abolishes exemptions and might increase the tax burden for my company."



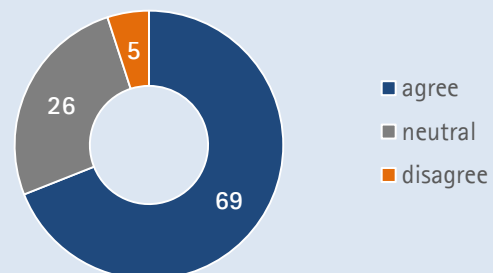
"Companies are reliant on foreign skilled employees. We therefore need even simpler regulations for immigration which are more oriented on the labour market in the case of skilled worker shortages."



"Companies require more legal certainty with respect to the integration of refugees. The Federal Government should do more to bring this about."



"As an entrepreneur, I would like to be able to carry out all administrative services with the state and its offices online."



Questionnaire

1. Please assess from your company's point of view how competitive Germany is as a business location in the following areas:

(using school marks 1 = competitiveness very good to 6 = competitiveness unsatisfactory)

- Labour costs
- Bureaucracy
- Digitalisation
- Supply of skilled workers
- Research and Innovation
- Ease of starting new businesses
- Childcare and all-day schools
- Quality and practical suitability of university qualifications
- Social insurance system
- Electricity costs
- Vocational training system
- Corporate taxation
- Traffic infrastructure

2. What should the newly elected federal government deal with first from the point of view of your company? (maximum of three answers possible)

- Ensure flexibility in the labour market
- Reduce bureaucracy
- Promote digitalisation (e.g. e-government, broadband networks, IT security)
- Improve childcare and all-day school opportunities
- Design social insurance to be future-proof
- Limit the costs of the energy revolution, lower the state's share of the electricity price
- Strengthen vocational training
- Design corporate taxation to be more investment-friendly
- Regenerate and expand the traffic infrastructure
- Others (free text field)

3. How do you assess the following statements from the point of view of your company?

(in each case "agree", "neutral", "disagree")

- "The revenue of the state is sufficient to finance the necessary expenditure without further debt while at the same time reducing taxes."
- "We need a simpler tax system, even if this abolishes exemptions and might increase the tax burden for my company."
- "Entrepreneurship is the basis for employment and prosperity. However, the acceptance of commercial activities locally has deteriorated over the last few years. Greater consideration must be given to entrepreneurial interests – e.g. by making planning and approval processes more business-friendly, simpler and more transparent."
- "As an entrepreneur, I would like to be able to carry out all administrative services with the state and its offices online."
- "Employees should be given a legal right to take time off for further training."
- "Companies require more legal certainty with respect to the integration of refugees. The Federal Government should do more to bring this about."
- "Companies are reliant on foreign skilled employees. We therefore need even simpler regulations for immigration which are more oriented on the labour market in the case of skilled worker shortages."
- Which statement is also particularly important to you? (free text field)

Statistical Annex

Please assess from your company's point of view how competitive Germany is as a business location in the following areas: (using school marks 1 = competitiveness very good to 6 = competitiveness unsatisfactory)

	Labour costs	Bureaucracy	Digitalisation	Supply of skilled workers	Research and Innovation	Ease of starting new businesses	Childcare and all-day schools	Quality of university qualifications	Social insurance system	Electricity costs	Vocational training system	Corporate taxation	Traffic infrastructure
All Sectors	3,2	4,3	3,7	3,9	2,8	3,3	3,4	2,9	2,5	3,7	2,2	3,7	3,5
Industry	3,4	4,1	3,6	3,7	2,6	3,3	3,2	2,7	2,4	4,0	2,0	3,6	3,4
Construction	3,1	4,4	3,6	4,2	2,6	3,1	3,1	3,0	2,3	3,6	2,2	3,6	3,6
Trade	3,2	4,4	3,6	3,8	2,8	3,3	3,4	2,9	2,5	3,8	2,3	3,8	3,5
Traffic	3,2	4,4	3,7	4,2	2,8	3,1	3,3	2,9	2,5	3,7	2,4	3,8	4,2
Hospitality	3,6	4,6	3,7	4,6	3,1	3,2	3,6	3,2	2,7	3,9	2,6	3,8	3,6
Information/Communication	3,0	4,1	3,9	3,9	3,0	3,5	3,7	3,2	2,5	3,5	2,3	3,5	3,4
Finance	2,9	4,5	3,8	3,6	2,9	3,3	3,4	2,9	2,3	3,5	2,0	3,3	3,5
Other Services	3,2	4,3	3,7	3,9	2,9	3,3	3,4	2,9	2,6	3,5	2,3	3,7	3,5

Please assess from your company's point of view how competitive Germany is as a business location in the following areas: (using school marks 1 = competitiveness very good to 6 = competitiveness unsatisfactory)

	Labour costs	Bureaucracy	Digitalisation	Supply of skilled workers	Research and Innovation	Ease of starting new businesses	Childcare and all-day schools	Quality of university qualifications	Social insurance system	Electricity costs	Vocational training system	Corporate taxation	Traffic infrastructure
according to company size class													
0-19 employees	3,1	4,3	3,7	3,8	2,9	3,4	3,4	3,0	2,6	3,6	2,4	3,8	3,6
20-249 employees	3,3	4,3	3,7	4,1	2,8	3,3	3,4	3,0	2,5	3,7	2,2	3,7	3,6
250-499 employees	3,3	4,2	3,6	3,8	2,6	3,1	3,2	2,7	2,3	3,8	1,9	3,6	3,4
500-999 employees	3,2	4,2	3,5	3,6	2,7	3,2	3,1	2,6	2,3	3,7	2,0	3,5	3,5
ab 1000 employees	3,1	4,0	3,7	3,3	2,6	3,2	3,4	2,6	2,4	3,8	1,7	3,4	3,4
by company region													
North	3,3	4,3	3,8	4,0	3,0	3,4	3,6	3,0	2,5	3,7	2,2	3,7	3,6
South	3,2	4,2	3,6	3,8	2,6	3,1	3,2	2,7	2,4	3,6	1,9	3,5	3,4
West	3,2	4,2	3,7	3,7	2,8	3,3	3,4	3,0	2,5	3,7	2,1	3,6	3,8
East	3,2	4,5	3,8	4,0	2,9	3,4	3,3	3,0	2,7	4,0	2,7	3,9	3,3

What should the newly elected federal government deal with first from the point of view of your company? (maximum of three answers possible)

	Ensure flexibility in the labour market	Reduce bureaucracy	Promote digitalisation (e.g. e-government, broadband networks, IT security)	Improve childcare and all-day school opportunities	Design social insurance to be future-proof	Limit the costs of the energy revolution, lower the state's share of the electricity price	Strengthen vocational training	Design corporate taxation to be more investment-friendly	Regenerate and expand the traffic infrastructure
All Sectors	37	60	55	15	20	25	17	28	37
Industry	46	51	53	11	20	38	16	27	34
Construction	49	60	45	9	14	14	17	32	52
Trade	35	62	49	14	21	26	13	34	39
Traffic	39	63	42	7	11	23	11	26	73
Hospitality	58	85	33	9	19	24	16	34	15
Information/Communication	33	44	74	28	19	15	16	28	35
Finance	26	66	71	17	24	18	15	13	46
Other Services	30	64	61	18	21	20	19	26	34

What should the newly elected federal government deal with first from the point of view of your company? (maximum of three answers possible)

	Ensure flexibility in the labour market	Reduce bureaucracy	Promote digitalisation (e.g. e-government, broadband networks, IT security)	Improve childcare and all-day school opportunities	Design social insurance to be future-proof	Limit the costs of the energy revolution, lower the state's share of the electricity price	Strengthen vocational training	Design corporate taxation to be more investment-friendly	Regenerate and expand the traffic infrastructure
according to company size class									
0-19 employees	22	66	53	21	24	22	19	32	37
20-249 employees	45	60	52	12	18	26	17	28	36
250-499 employees	52	56	55	9	15	33	15	25	35
500-999 employees	45	63	64	13	13	23	10	25	38
ab 1000 employees	35	41	73	11	24	29	15	17	46
by company region									
North	31	56	65	19	15	21	21	28	40
South	40	64	55	12	19	24	15	27	37
West	36	53	51	14	24	23	16	27	50
East	39	67	55	16	19	35	18	29	16

How do you assess the following statements from the point of view of your company? (balance "agree" minus "disagree" in points)									
	All Sectors	Industry	Construction	Trade	Traffic	Hospitality	Information/Communication	Finance	Other Services
"The revenue of the state is sufficient to finance the necessary expenditure without further debt while at the same time reducing taxes."	88	87	91	90	94	92	88	90	88
"We need a simpler tax system, even if this abolishes exemptions and might increase the tax burden for my company."	69	70	79	68	68	56	75	83	64
"Entrepreneurship is the basis for employment and prosperity. However, the acceptance of commercial activities locally has deteriorated over the last few years. Greater consideration must be given to entrepreneurial interests – e.g. by making planning and approval processes more business-friendly, simpler and more transparent."	68	63	73	71	67	73	64	60	70
"As an entrepreneur, I would like to be able to carry out all administrative services with the state and its offices online."	66	76	75	65	66	67	66	67	59
"Employees should be given a legal right to take time off for further training."	64	65	68	61	71	86	66	45	64
"Companies require more legal certainty with respect to the integration of refugees. The Federal Government should do more to bring this about."	64	64	63	58	65	62	83	73	64
"Companies are reliant on foreign skilled employees. We therefore need even simpler regulations for immigration which are more oriented on the labour market in the case of skilled worker shortages."	-42	-55	-57	-50	-43	-40	-30	-42	-31