

# **‘We must move now into doing mode’: Germany’s political mess is annoying business leaders**

-German Chancellor Angela Merkel’s position is looking weaker-than-ever and German business leaders are worried about it.

-Merkel’s long-term leadership of Germany - one that has previously earned her the nickname of “Mutti,” or “Mummy,” - has looked increasingly shaky over the past year.

-The six-month-old coalition is not a happy one, with infighting over immigration policy and, most recently, a very public dispute over a spy chief accused of harboring far-right views.



Tobias Schwarz | AFP | Getty Images

German Chancellor Angela Merkel attends a two-euro-coin presentation in Berlin on January 29, 2015.

German Chancellor Angela Merkel’s position is looking weaker-than-ever and German business leaders are worried about it.

Leading a fractious coalition government since voters delivered a hung parliament during Germany’s last election in October 2017, Merkel’s long-term leadership of Germany - one that has previously earned her the nickname of “Mutti,” or “Mummy,” - has looked increasingly shaky over the past year.

After months of inconclusive talks to form a coalition government, the Social Democratic Party (SPD) agreed somewhat reluctantly in March to forming another coalition with Merkel's Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU).

The six-month-old coalition is not a happy one, with infighting over immigration policy and, most recently, a very public dispute over a spy chief accused of harboring far-right views.

## **Coalition could collapse**

German business leaders told CNBC that they're not too impressed by the political infighting that is preventing policy changes and economic reforms from taking place. There are also concerns (something missing here?)

Joachim Lang, director-general of the Federation of German Industries (BDI), told CNBC on Tuesday that the unstable political situation in Germany could get worse - with the possibility of the coalition breaking up.

"The situation is very unusual but my gut feeling is that they (politicians) have realized the danger and they now have to make up their mind if it's better to stay in a grand coalition or to go their own ways and this decision will be made within a few weeks."

The chancellor was dealt another political blow on Tuesday when lawmakers voted one of her closest parliamentary allies out of his role, raising further doubts over her political authority.

Volker Kauder, the head of the parliamentary group of Merkel's CDU was defeated by fellow CDU member of parliament Ralph Brinkhaus. The result was a surprise - Kauder had been in the role for over a decade and Merkel had clearly recommended that Kauder be re-elected.

The overt rebellion has not gone unnoticed by Germany's media, print newspaper Die Welt headlined its Wednesday edition, "Revolution inside the CDU" while Der Spiegel's online version called it a "destructive vote of no confidence." Even public broadcaster Deutsche Welle's Editor-in-Chief Ines Pohl said in an op-ed on Tuesday that "Merkel's time is coming to an end."

## **‘We must stop talking’**

Other business leaders are worried about what a weakened Merkel could mean for tackling challenges within the German economy. Klaus Rosenfeld, chief executive of manufacturing group Schaeffler, told CNBC that politicians need to stick together.

“The challenges for the short-term, but also the mid and long-term, can only be solved together, if business leaders and politicians work together,” he told CNBC’s Annette Weisbach on Tuesday at a BDI investor day.

At the same event, Markus Steilermann, the chief executive of manufacturer Covestro, insisted that there was no time to waste in addressing the changing needs of Germany’s economy, such as the development of energy infrastructure and digital technologies. Businesses have also called for regulations to be eased, or easier to implement, to improve Germany’s business environment.

“We must really move now into doing mode,” Steilermann told CNBC on Tuesday. “We really need to address the big picture items, we need to stop talking about small items and in-fights, we really need to move now and make sure we address key issues to boost the German economy and strengthen Germany in the context of having a very stable European Union.”



Holly EllyattCorrespondent, CNBC.com

---

Source: <https://www.cnbc.com/2018/09/26/merkels-in-trouble-and-the-political-mess-is-annoying-business-leaders.html>

[Disclaimer]