

SNAPSHOT

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Giving you insight to what is on the political agenda

EU Elections – A view from Germany

May 2019

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But the year will also be crucial for Merkel's junior partner in the governing Grand Coalition, the Social Democratic SPD. They have continued to plummet in the polls after their historically bad results in the 2017 general elections when they reached just 20 per cent, and are now in the 15 to 17 per cent region.

In turn, the Green party which performed rather badly in 2017, are now solidly north of the SPD, in some areas reaching even the 20 per cent region.

But signs are also on the up for the populist, xenophobic AfD party which, according to recent polls, is now the strongest party in the Eastern parts of Germany where three state elections will be held this year, and none of the incumbent governments has a solid chance to be re-elected.

Germany's economic outlook for 2019 is sobering, with strong signs that the period of solid growth rates since 2010 will come to an end.

It is remarkable that German business leaders, compared to their counterparts in France and Spain, still have a much more positive view of their prospects, according to FTI's research. More than 45 per cent of business leaders in Germany are highly satisfied with their economic outlook when it comes to business opportunities, as compared to 23 per cent in France, and only 15 per cent in Spain.

It's also interesting to see how Germany's business elite has much higher regard for the EU and its institutions than their western neighbours. Almost half of all respondents in Germany 'strongly agree' that their country has benefitted from the EU overall, with over 8 in 10 generally agreeing (slightly and strongly) with the statement. In France, only 1 in 4 business leaders strongly agreed that the EU was beneficial to them, while in Spain, 29 per cent of business leaders strongly agreed with the statement.

These figures reflect that the period since 2010 has brought Germany stability and optimism, whilst neighbouring countries simultaneously had to encounter upheaval and disruption.

Amid signs of crises such as Brexit, populism and climate protests, it is again the Germans who place the greatest hopes in a strengthening of Franco-German relations, our research reveals: 76 per cent of German respondents wish for new vigour and energy between Paris and Berlin, whilst only 55 per cent of French business leaders and only 49 per cent of Spanish business leaders would bank on this.

For Chancellor Merkel, this result may be ringing in her ears, as many think her support for French President Emmanuel Macron in his efforts to move the EU forward has been only lukewarm.

Business leaders in all three countries are in agreement that US tech giants should be subject to European taxation – a clear sign that there is a cross-border concern in all three countries about the EU staying competitive in a global market.



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