

## Press Release

### CFS survey on “Obstacles to growth in Germany”

## German financial sector sees urgent need to reduce bureaucracy and tackle skills shortage

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### Background:

In its spring forecast, the German government estimates that the German economy will gradually recover and regain momentum over the course of 2024 thanks to lower inflation rates, monetary easing, rising wages and incomes, continued stability in the labour market and growing impetus from foreign trade. Overall, the spring forecast anticipates an increase in price-adjusted gross domestic product of 0.3% this year; real growth of 1.0% is expected in 2025. In light of the ongoing discussions in politics and business regarding the causes of Germany’s weak growth, the CFS conducted a survey among specialists and managers in the financial industry.

### Survey results

An overwhelming majority of respondents (98.6%) consider it very important or important to reduce bureaucracy in order to overcome Germany’s persistently weak growth. The shortage of skilled labour is seen as having a very strong or strong influence on the current situation by 91.4% of respondents. In addition, a large majority of panellists (82.7%) regard a reduction in the high tax and duty burden as a very important or important lever for boosting the economy.

In contrast, only a minority (29.2%) of respondents believe the current relatively high interest rates are a very important or important reason for the low growth. Wage and salary costs being too high was cited by 59.5% of panellists as a very important or important reason for the weak growth, while 65.6% pointed to insufficient public investment.

“The survey clearly shows that most participants see the reduction of bureaucracy and a lower tax and duty burden as important structural measures for economic recovery in Germany. However, these measures only take effect in the medium to long term. It is therefore not surprising that higher public investment is also mentioned,” explains Professor Volker Brühl, Managing Director of the Centre for Financial Studies.

“The federal government has recognised the problem. We can expect a major initiative to reduce bureaucracy in the near future. We can only encourage those responsible not to water down the endeavour. The survey shows how urgent the problem is,” says Hubertus Väth, Managing Director of Frankfurt Main Finance.

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The results are based on a quarterly management survey in the German financial sector.

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**In case of further questions, please contact:**

Professor Dr. Volker Brühl  
069/798 30050  
[volker.bruehl@hof.uni-frankfurt.de](mailto:volker.bruehl@hof.uni-frankfurt.de)

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