



Trade associations call for a halt to plans for a financial transaction tax

In a joint statement, Germany's leading trade associations call on European finance ministers to drop plans to introduce a financial transaction tax. They argue that none of the models under discussion will succeed in avoiding adverse effects on growth, employment and provision for old age or in averting a fragmentation of the European financial and investment market. If the European Commission's declared objective is to strengthen growth and employment in Europe, the idea of a financial transaction tax now needs to be abandoned.

The associations anticipate a negative impact on the real economy as a result, among other things, of the tax burden on hedging transactions in areas such as foreign trade finance. This would make businesses in Europe less competitive. The tax would also have an adverse effect on corporate finance since banks' funding costs would significantly increase.

On top of these consequences for businesses, the tax would also hurt other sectors, the associations believe, as an unwarranted burden would be placed on private and occupational pension schemes. Although insurance companies, pension funds, occupational pension plans and other schemes pursue almost exclusively long-term, secure investment strategies, they would nevertheless be hit by the tax. Returns, and thus workers' pension entitlements, would be considerably reduced.

All in all, the burden associated with the financial transaction tax would amount to several billion euros a year, which would hit businesses and citizens massively. More than two and a half years' work on the Commission's current proposal has failed to resolve the numerous problems highlighted by the business community. In the interests of stabilising Europe's economy, the most sensible solution would consequently be to call a halt to the project.

Bundesverband der Deutschen Industrie e.V.
(Federation of German Industries)

Deutscher Industrie- und Handelskammertag e.V.
(Association of German Chambers of Commerce and Industry)

Bundesvereinigung der Deutschen Arbeitgeberverbände e. V.
(Confederation of German Employers' Associations)

Zentralverband des Deutschen Handwerks e. V.
(German Confederation of Skilled Crafts and Small Businesses)

Bundesverband deutscher Banken e.V.
(Association of German Banks)

Gesamtverband der Deutschen Versicherungswirtschaft e.V.
(German Insurance Association)

Bundesverband Großhandel, Außenhandel, Dienstleistungen e.V.
(Federation of German Wholesale, Foreign Trade and Services)

Handelsverband Deutschland - HDE e.V.
(German Retail Federation)

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