

## **Working group of the supplier industry supports car purchase incentives**

The German Association of the Automotive Supply Industry (ArGeZ) sees technology-open purchase incentives for passenger cars as an effective means of boosting demand for cars again. "Demand must be stimulated now, otherwise many medium-sized suppliers will be on the verge of extinction. Incentives to buy would be suitable for simultaneously promoting climate protection," the ArGeZ said in a press release.

The industrial supply chains consist of a large number of predominantly medium-sized companies throughout the country, many of them in rural areas. The 9,000 companies in the supply industry working group employ more than 1 million people, many of whom are on short-time working. At present, the companies are largely at a standstill, with all the negative consequences for the employees and the regions. "A restart of production could be achieved by stimulating the demand that is currently idle," says ArGeZ. Purchase incentives for cars and other products could boost demand. These incentives would have to be open to technology and have the broadest possible effect, i.e. not just limited to individual niche products such as electric vehicles. State-of-the-art combustion technology in exchange for older models would also make a significant contribution to climate and environmental protection.

The experiences from the 2008/2009 crisis were positive and could now be sharpened with a view to today's requirements of climate and environmental protection. "If the demand for cars and other products remains at this low level until the end of the year, this would be the end for many suppliers in Germany. And this globally unique structure of many medium-sized suppliers will not come back," said Christian Vietmeyer, spokesman of the ArGeZ.

The ArGeZ Working Group Supply Industry represents 9,000 suppliers with 1 million employees and a turnover of around 218 billion euros. It is supported by seven trade associations, including the Gesamtverband der Aluminiumindustrie e.V. (GDA), Düsseldorf, and the Wirtschaftsvereinigung Metalle e.V., Berlin.

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