

## Concerns about prosperity are growing.



For some months now, media voices have been warning of deindustrialization and a further decline in real prosperity levels. In any case, the Russian invasion of Ukraine has triggered a new reflection on the strengths and weaknesses of Germany as a business location. This is by no means just about the issue of 'energy prices'.

In the meantime, it is possible to critically question the defense policy of the last decades. The same applies to migration policy, which is no longer as unreservedly supported today as it was years ago. Also in the area of education - a topic of state policy - performance comparisons with other countries have led to disillusionment. But that's not all: Since the United States launched an economic development policy with a special focus on industry and energy, alert bells have been ringing in the EU. In Brussels, Paris and Berlin, fears are justified that the U.S. has locational advantages to offer which EU countries cannot match. In addition, the European capitals suspect that a subsidy race with the USA would end in defeat. It is by no means only the tax incentives that make the relo-

cation of factories overseas seem possible. Also corporate taxes are significantly lower than in Germany. In contrast, the living standard in material terms is considerably higher (gross domestic product per capita about \$70,000 in the U.S. and \$59,000 in Germany) and consumption taxes (19% value added tax in Germany, about 10% sales tax in the U.S.) are significantly lower than those in Europe. This is even more true for the wealth balances, which are always in favor of America.

Companies with their employees' welfare in mind will not be able to completely ignore such aspects. Added to this are North America's advantages when it comes to energy. Natural gas and electricity cost significantly less between Los Angeles and New York than

between Hamburg and Munich. The U. S. also has advantages in terms of political stability and predictability. Rarely mentioned but nevertheless very important in this context are the capacities of the financial markets. America dominates the standards and opens up access to equity capital for young, innovative companies in particular. It is no coincidence that the great companies of the computer and internet age were born in America. It is to be feared that similar developments will occur in the field of artificial intelligence as well.

Now that Washington wants to set priorities in the production of alternative energies, it must be feared that America's advantages will also come to bear in these fields. It must only not be forgot-

ten that the situation is essentially the consequence of a number of significant wrong decisions in Germany and Europe.

Taking all the above together, one can see how justified the concerns about declining prosperity in real terms are in Europe; especially since Asia has been gaining market share in global economic pie for decades, the demographic development is unfavorable and the European Central Bank has abetted the real loss of prosperity through ultra-cheap money for years. Therefore, it is pressing to critically analyze cherished be-

liefs, as good companies must do on a regular basis. The German government would do well to study closely the latest corporate announcements on location issues by BASF, Linde, Bayer, Audi, Biontech, Siemens, etc.

Sincerely yours,

Fund managers and co-investors



Dr. Christoph Bruns Ufuk Boydak

This text was originally published in German.

---

## Contact us



Raphael Riemann  
Managing Partner Organization / Sales

[riemann@loys.de](mailto:riemann@loys.de)

Tel. +49 (0) 69 2475444-01



Matthias Gindert  
Sales Manager

[gindert@loys.de](mailto:gindert@loys.de)

Tel. +49 (0) 69 2475444-02



Benjamin Hots  
Sales Manager

[hots@loys.de](mailto:hots@loys.de)

Tel. +49 (0) 69 2475444-14



Chris Thiere  
Sales Manager

[thiere@loys.de](mailto:thiere@loys.de)

Tel. +49 (0) 69 2475444-16



Alexander Piira  
Sales Manager  
(LOYS Suisse AG)

[piira@loys.de](mailto:piira@loys.de)

Tel. +41-41 766 77 35

## Impressum - Company Details

Publisher:

LOYS AG  
Heiligengeiststr. 6-8  
26121 Oldenburg

Contact us:

Telephone: +49 (0) 69-2475444-0  
[info@loys.de](mailto:info@loys.de)

Responsible person:

Raphael Riemann  
Managing Partner LOYS AG  
[www.loys.de](http://www.loys.de)