

Promising Opportunities for reforms



It's undeniable: Germany's development of prosperity is declining. Acknowledging this fact, essential reforms become possible that would have been unthinkable in better times. In this respect, the old dictum that only the crisis brings real opportunities for change and, in particular, improvement is once again being confirmed.

Above all, citizens and businesses are in need for relief. This is by no means just about taxes. In fact, there are opportunities to reduce bureaucracy and a thicket of regulations in almost all areas of life. The key here is to make constructive proposals to pave the way for a financially efficient state that gives people and companies the breathing room they need.

Let's start, for example, with the compulsory fees for public broadcasting. Wouldn't it be time to free citizens from this obligation and allow them to choose whether and, if so, through which media they want to obtain information?

And what about the compulsory IHK levy for all businesses? The vast majority of companies do not

use the services of the chambers of industry and commerce at all. Wouldn't it be time to declare these levies obsolete and abolish them without replacement?

What is the situation with the many petty taxes (ignition goods tax, tea tax, exchange tax, salt tax, etc.) in Germany? Couldn't these taxes all be abolished, especially as the effort involved in collecting them bears no reasonable relation to the revenue? In general, a look at the federal budget reveals how much effort is put into the financial administration every year. Was it not Friedrich Merz who, many years ago, called for tax law to be simplified to such an extent that the tax return would fit on a beer mat?

And what about the many regulations in construction? Could it be that, on balance, the density of regulation is preventing construction rather than promoting it?

What about the big issue of the 'civil service state', which has become so firmly established as a Prussian remnant in the Federal Republic of Germany? How can it be that other countries manage without any civil service at all and still be in good shape?

Do we still need laws on compulsory winter tires in view of milder winters? Do we need heating laws if climate change is drastically reducing the heating problem? Do we need a technical inspection association (TÜV) to regularly inspect vehicles? After all, it is worth pointing out that other

countries - such as the United States of America - seem to manage quite well without such systems.

Certainly, we need to put an end to the rampant state intervention in the economy through subsidies. While taking a step back might not be feasible, perhaps we should start by cutting all subsidies across the board by 25 %.

Moreover, the sanctity of public holidays should not go unquestioned. In view of the greatly diminished importance of Christian churches, the abolition of public holidays must be considered.

Shouldn't the federal states and their hereditary courts (e.g. public broadcasting) also be subject to a review? Would it be advanta-

geous to integrate Bremen into Lower Saxony and merge Saarland with Rhineland-Palatinate?

In the financial sector, many things could become simpler and cheaper as well. If the government focuses on ensuring that more citizens have a stake in the economy through ownership of publicly traded companies, we needn't worry about prosperity. However, it is questionable whether the enormous density of regulation in the financial sector and the existence of huge authorities, ECB, Bundesbank, BaFin etc. are not too much of an obstacle to this.

As you can see, there is no shortage of ideas for reducing bureaucracy and lightening the burden on citizens. However, we remain

mindful of the admonition of the great economist John Maynard Keynes, who said that there is no shortage of new and good ideas. The problem is rather to get rid of the old ideas.

Sincerely yours,

Fund managers and co-investors



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