

# Political briefing

## Therapy for upswing

2020 – the year that will probably go down in history as the „corona year“ has pushed many to the limits. At the same time, we have seen as rarely before that people are capable of great things. The medical staff in care facilities and hospitals, to whom we all owe a debt of gratitude, are certainly the first to be mentioned. But also far beyond the healthcare sector, there has been a tremendous willingness to perform since the beginning of the pandemic - whether in public authorities or in public transport, in grocery stores and not least in the chemical-pharmaceutical industry: In all these and many other sectors, impressive contributions were made to coping with the numerous small and large challenges, thus keeping things moving.

### There is no “can’t be done”

Particularly in the companies of the chemical-pharmaceutical industry and among their roughly 464,000 employees, the motto “can’t be done does not exist” applies more than ever before: With a great deal of creativity, well-thought through hygiene concepts and successful home-working models, it has been possible to maintain production at our sites. This is the only way to continue working at full speed on the development and supply of suitable vaccines. The same holds true for the hygiene products and pharmaceuticals that are so urgently needed during the pandemic, and for the plastic partitions that protect staff in supermarkets and drugstores from infection and have become a common feature in daily shopping. Last but not least, it was thanks to the dedication of thousands of experts in laboratories and forwarding companies that emergency supplies of disinfectants could be safeguarded within a very short time right at the beginning of the pandemic.

### Finding the way out of the crisis together

Unfortunately, the second lockdown in particular shows that the restrictions on public and private life will not leave us unmarked in the long run. That makes it even more important for everyone to gear up once more and to find a way out of the crisis together as quickly as possible. Let us talk about the options what this way should look like. You will find our recommendations in this Policy Letter.



**Christian Kullmann**

President of Verband der Chemischen Industrie e. V.



# 5 “active ingredients” to combat the crisis

**In the second wave of corona infections, business prospects have dimmed in many chemical companies. For this reason, there is growing concern that suitable political measures will continue to be taken to avert lasting damage in a timely manner.**

**In this Policy Letter, the German chemical-pharmaceutical industry gives recommendations on how politicians, business and society can find the right ways and means to ensure that Germany and Europe emerge from the crisis as strong and united as possible.**

**Note:** This Policy Letter is an update of the policy letter special “Restart after corona” (May 2020); it builds on the key elements of “Crisis becomes future, our Top 5” (12 November 2020).



## Determined crisis management

The health of the population is paramount. This requires partly drastic measures to get a grip on infection rates. In order to detect infections at an early stage and to initiate effective quarantine measures, new test procedures should be developed, rapid tests for those particularly at risk should be made available everywhere, and existing testing capacities should be expanded and used effectively.

Likewise, public health departments need more staff for as long as necessary and contact tracing should be digitized. This also requires further developments of the corona warning app.

Vaccination against Covid-19 should be driven forward at full speed. The chemical-pharmaceutical industry is committed to using all the means at its disposal to ensure that vaccines and procedures are deployed fast and in all areas. In parallel, the development and use of effective therapies for the speedy and full treatment and recovery of infected persons must be pursued.

Moreover, hygiene and protection measures need to be taken to ensure the safe operating of central services such as schools, transportation and public administration. To prevent public life from coming to a standstill, the closure of schools, children’s daycare centres, retail facilities, hotels and restaurants as well as travel bans and curfews should be the last resort when all other options have been exhausted and a collapse of the health system is threatening.



## Openness, diversification and cooperation

We can achieve a high level of resilience in our society, our healthcare system and our economy through good location conditions for pharma businesses and the healthcare industry as a whole, through close European and international cooperation, and through stockpiling and expanding the supplier base to other countries.



Last spring showed: Trade and border traffic must not be impaired by ad hoc measures, otherwise value chains will run into difficulties. Pragmatism is needed instead, especially in crisis situations. To avoid supply shortages, the movement of goods in the EU’s internal market must remain open as a matter of principle. The economy and the supplies to citizens should not be stalled and put at risk by unnecessary trade restrictions or controls. In the international context, eliminating barriers for health-relevant products should have high priority.

Bottlenecks, for example in protective masks, medicines or medical equipment, can be prevented from occurring through good regulatory cooperation between trading partners or through short-term temporary adaptations of the rules in the event of acute crisis.



### Financial support with the right sense of proportion

The liquidity of many companies is and remains crucial. Therefore, the public sector should continue to show generosity, inter alia, by deferring the due dates of income taxes, back taxes and social security contributions and in repaying bridging loans. Particularly for medium-sized industrial enterprises, a deferral of loan debts or even a part waiver might be the right steps, as an economic recovery can be assumed. By contrast, general and unspecific extensions are costly and critical where they artificially support inefficient structures.

Instead, the performance of the public sector and the stability of the financial system must be safeguarded. Emergency aid should not be provided to the detriment of public investment or even lead to tax increases.

### Strong programme for the future

The course of the economic policy for the new legislative period will soon be set. Given the energy-sapping crisis mode, it is essential for this policy to comprise a future and transformation programme that strengthens the industry location Germany in international competition and continues to drive forward the digital and sustainable transformation of the economy. Such a programme for the future should also include infrastructure investments and a business tax reform.

New financial, personnel or bureaucratic burdens must be absolutely avoided. This holds true, in particular, as Germany's economy is characterised by small and medium-sized enterprises (SMEs). For this reason, the proposed legislation on company sanctions, additional information requirements in the supply chain or the right to work from home should be viewed critically.



### EU-wide impulses for economy and industry

The European Union with its common currency and large internal market is indispensable – also for the German chemical-pharmaceutical industry. Therefore, Germany must maintain its strong interest in overcoming the crisis in the Union as a whole. Now, the NextGenerationEU recovery programme and the multi-annual financial framework should be implemented quickly and in a targeted manner, so that effective support can be given to Europe's economy.

In order not to endanger the recovery, the existing „Green Deal“ should be further developed into a „Sustainable Deal“ with a strong industrial strategy focused on stimulating growth, innovation, a modern European infrastructure and a transformation of the economy that is both digital and sustainable. Any new regulation should invariably take the path with the least adverse effect on growth.

**#YesToEurope**



# Facts instead of polemics

## Position of

**Wolfgang Große Entrup,  
Director-General of VCI**

All political and societal stakeholders are agreed on one goal: For enabling a return to ‘normal’ everyday life as soon as possible, the fast supply of sufficient vaccines to the population is currently the top priority. However, without confidence in the vaccines and in political decisions, the return to normality will be difficult to achieve. Therefore, superficial stances and polemics in the ongoing debate about whether the right course has been set in the German and European vaccination strategy are hardly helpful.

For this reason, the chemical-pharmaceutical industry speaks for politicians, industry and society to evaluate the vaccination strategy purely on the basis of facts and to implement it together in close cooperation.

Mainly two factors are essential to the success of the vaccination campaign:

### International cooperation

- At the end of 2020, the World Health Organization (WHO) already counted 232 vaccine projects for SARS-CoV-2, with at least another dozen not even recorded. Particularly encouraging is that the first vaccine was developed and delivered in less than a year. Several German companies are at the forefront of research, development and production. This interim result has only been possible through the international cooperation between research institutes, clinics and companies, for which, in turn, open borders, know-how transfer and intensive collaboration between science and industry are indispensable.
- The European marketing authorisation ensures that vaccines are subject to the strictest criteria throughout Europe. Vaccination readiness, and thus overall success, stands or falls

with the highest possible guarantee of efficacy, quality and safety. Consequently, there must be no cutting corners in favour of speed. The EU stands for this.

### High quality standards

- Even before the approval of their products, vaccine manufacturers have taken the entrepreneurial risk to build considerable capacities and to engage in pre-production. In order to ensure that as much vaccine as possible can now be provided in a short time, a focus is currently on the – sometimes lengthy – establishment of further production sites where manufacture follows the highest standards.
- Vaccines are highly complex products, each with very different production and logistics requirements. Efficacy, quality and safety are the top priorities. Here, there must be no compromise if confidence in the vaccination campaign is not to be shaken. It should be made known widely how well tested, effective and tolerable the vaccines are – so that they are not rejected due to false assumptions.

The corona pandemic is a huge challenge – additionally to climate protection, the fight against poverty and other issues of the future. Around the world, the pharmaceutical industry is working on a wide

range of therapies and medicines to cure or at least alleviate as many diseases as possible and thus save human lives – which was already true long before the pandemic.

This results in the following: The utilisation of production capacities cannot simply be altered at the push of a button. Not even during a pandemic. Beside the technical complexity and the highest requirements to efficacy, safety and quality, also ethical questions arise: Can the production of one medicine on which many urgently depend be suspended temporarily? And who should decide that? It becomes clear soon that “just faster and more” corona vaccine is a much too simple call and ultimately leads the global community into a hopeless dilemma.

The way out of the pandemic is long and rocky. But this is evident: It is about immunising the population sufficiently through vaccines. We are needed for this more than ever and are happy to make our contribution.

**Defeating Corona:  
Through research and production  
in record time  
and trust in the  
vaccine**



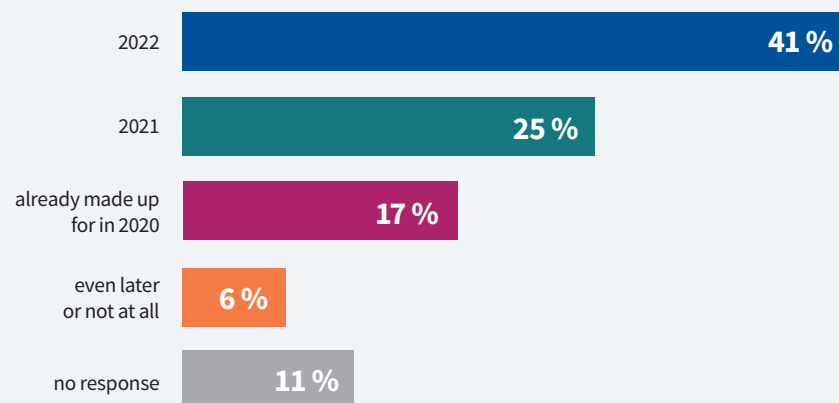
# Major challenges – also for the chemical industry

Overall, the German chemical-pharmaceutical industry has so far come through the crisis better than many other sectors of the economy: Although production fell by 3 percent and sales by 6 percent in 2020, around 464,000 staff have been kept on. For 2021, half of the companies already expect sales to increase again in Germany and abroad.

The crisis has further accelerated change in chemical-pharmaceutical business and increased the pace of a sustainable restructuring of processes and business models. For this transformation to succeed, the industry needs the support from politicians and society, and above all relies on the dialogue about future opportunities.

## WHEN WILL COMPANIES MAKE UP FOR DECLINE?

Source: VCI member survey on effects of the corona crisis, November 2020



## Participation campaign #ItDependsOnYou



Without the tireless efforts of staff in the German chemical-pharmaceutical industry, it would be impossible to supply countless products needed to fight the pandemic – such as disinfectants, diagnostics, medicines or materials for protective medical clothing and partitions in supermarkets and government offices.

As a “thank you” for the strong motivation in the companies under difficult conditions, the VCI launched the [#ItDependsOnYou](#) campaign in social networks.

Feel free to like and share!

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