

THE REGULATION OF THE INDUSTRY IN GERMANY

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The paper studies the regulation of industry in the Federal Republic of Germany at the present stage of development of the world economy and international economic relations.

It is found that the Federal Government has been refusing from protectionism measures to support the industry by following the principles of the social market economy, according to which the government is bounded to creating necessary conditions for successful industrial development.

However, its activities in the field of industrial policy and promotion are aimed at the supply of electricity and raw materials to businesses and households, environmental protection, technological transformation, the development of research and information exchange, management of the demographic situation, the transportation infrastructure development (logistics, new technologies in the automotive industry), tourism, and security provision.

It is determined that the modern industrial policy of Germany is primarily focusing on the following tasks: financing of research and development, support for small and medium-size enterprises (especially in innovation

field), the creation and development of technological zones and parks, the preparation and signing of international trade treaties and environmental protection agreements under the condition that they are beneficial for German industry.

An important element of industrial policy in Germany is attracting businesses and their employees to policy-making process and taking the responsibility for them.

The Government is conducting the industrial policy focusing on the following areas: science and innovation, education, training and skill conversion, taxes and duties, reduction of bureaucratic barriers, energy policy, raw materials supply to the industry, environmental policy, foreign policy, infrastructure, industrial dialogue aimed at the further development of the EU.

Direct government intervention should be considered as an exceptional case, which is rarely used. The manufactures themselves are responsible for the competitiveness of their products.

Furthermore, it should be noted that the development of competition is related to one of the top priorities of the modern German policy to support the local industry.