

IVAM Executive Panel: Minimum wage has no major impact on MEMS industry and economic performance in Germany

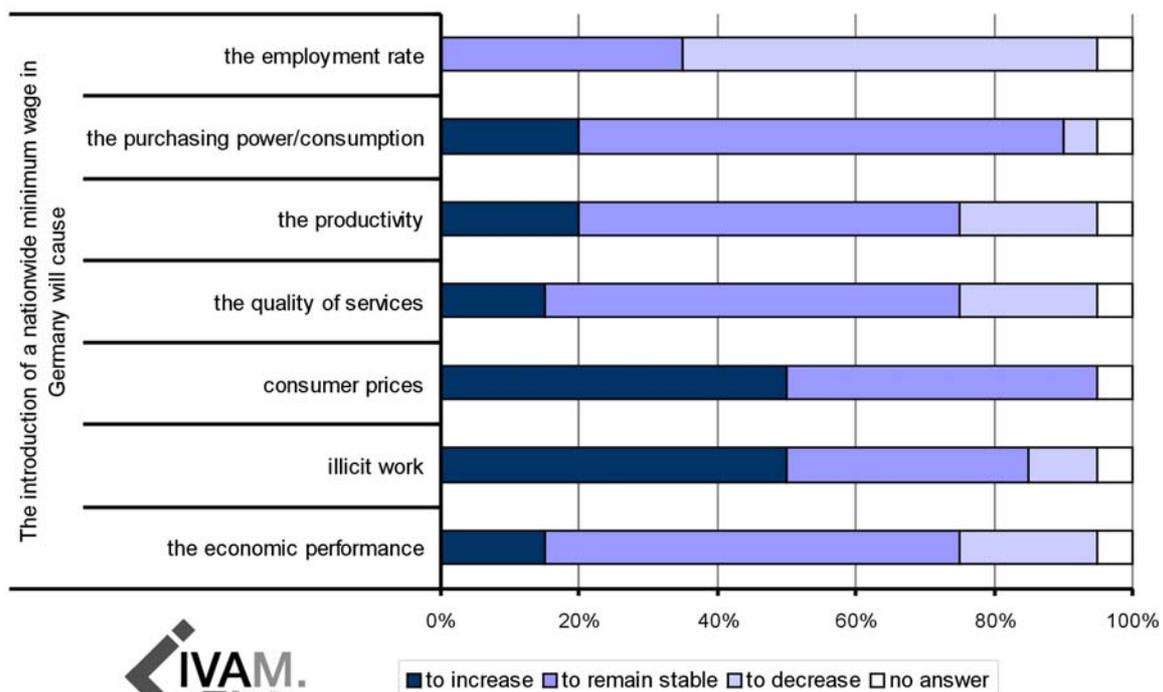
MEMS industry experts in Germany doubt that the possible introduction of a nationwide minimum wage in Germany would have a major impact on the general economic performance. Due to a survey conducted by the IVAM Microtechnology Network, 60 percent of the IVAM Executive Panel members assume that Germany's economic performance would remain stable. Only 20 percent of the selected executives and scientists would expect a rise of the minimum wage level to decrease the economic performance, while 15 percent, in contrast, anticipate economic growth.

The introduction of a statutory, nationwide minimum wage is one of the topics that lead to controversy in the present coalition negotiations of the conservative CDU and the socialist SPD – the two parties most likely to form a government after the parliamentary election in September.

A majority of the MEMS industry experts believe that individual areas of economy such as consumption, productivity, or the quality of services would remain unaffected by a raise of the minimum wage level. In some other areas, the majority of respondents anticipate a negative impact. 60 percent of respondents expect the employment rate to decrease. Consumer prices might rise and illicit work increase in the opinion of half of the interviewed experts.

Only 15 percent of the interviewees think that a minimum wage would have an impact on the MEMS industry in Germany. The wages of qualified employees are far above the discussed minimum level of 8.50 Euros per hour anyway. However, the companies might no longer be able to employ interns, students or temporary assistants on the accustomed scale. In addition, there is a considerable risk that rising labor expenses will weaken the general competitiveness of Germany and reinforce the tendency that technology invented in Germany gets implemented and commercialized abroad.

The introduction of a nationwide minimum wage in Germany will cause



Source: IVAM Microtechnology Network, November 2013

IVAM Executive Panel

The IVAM Executive Panel is the trend indicator for the microtechnology industry. The IVAM Microtechnology Network conducts brief periodic surveys among selected opinion leaders, executives in mostly small and medium-sized enterprises, and leading scientists. In November 2013, 20 experts from Germany and Switzerland took part in the survey on the possible consequences of a nationwide minimum wage in Germany.