

## **Insight on the new coalition agreement in the German parliament**

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**With the new coalition agreement, the future government partners under the leadership of Friedrich Merz are sending a signal of optimism in these uncertain times. Germany is back – with an ambitious programme for government underpinned by an ambitious budget.**

**Finally, a glimmer of planning security for the industry. Because the decision of the U.S. administration under President Trump to make both former partners and competitors fall into line has caused huge turbulence in the global economy. Despite the renewed turnaround – the additional tariffs have been suspended for 90 days – the uncertainty remains.**

**Germany and the European Union are faced with one of the biggest challenges in their history. How to shape the necessary change when long-standing partnerships and institutions as well as alliances that could previously be relied upon are starting to falter?**

In a global environment that is characterised by ever more profound geopolitical tensions, technological transformation and social upheaval, the issue of long-term planning security is becoming increasingly difficult to master for businesses as well. Do companies need to completely rethink their planning strategies? What does it take to achieve long-term economic security? And what does it mean for the way business, politics, and society interact when the rules and institutions that secure our prosperity are being systematically dismantled?

Relations between Europe and the U.S. are at an all-time low. Trade wars and technological blockades are just two examples of the instruments being

employed in this context. Rising tensions in trade relationships have a direct effect on supply chains, relocation of production facilities and technological collaborations.

Upheavals in transatlantic relations are not uncommon; however, the intensity and the quality of the current tensions are new. Any disagreement at the highest levels was always compensated for through close and well-meaning collaboration at the administrative level. This certainty is gone.

With this in mind, businesses must actively take on responsibility and develop innovative solutions to strengthen their resilience and ensure their long-term competitiveness. Companies also have an important role to play in shaping international relationships. The institutions and rules that have formed the basis for global trade and the unprecedented growth in prosperity of the last 30 years have come under pressure. The insecurities associated with these developments are disastrous for our economy, our prosperity, and our future.

John F. Kennedy's famous 1961 quote "Ask not what your country can do for you, ask what you can do for your country" is now more relevant than ever in this context. The economic challenges we are faced with require a proactive, forward-looking approach, not just by the government, but by all of us, and especially in the business world. We as companies must see ourselves as active players in worldwide change, hear the global wake-up call, and build the new foundations for a stable and resilient future together. Governments will not be able to do it on their own.

We have asked our international colleagues how this can be done and what it means for businesses in the major global economic regions. They have taken a look at economic policy aspects and public affairs work with us in their respective regions.

In addition, our colleagues in Washington D.C. offer some initial potential responses that stock-traded companies should consider in face of the U.S. tariffs.

Also, we provide an overview of trends, risks, and opportunities in the 2025 financial markets with our H/Advisors Abernathy Financial Markets Report 2025; we take a look at the future of the European Union in our Brussels expert discussion, and we talk about elements of the new world order using the example of the WHO and international health policy.

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