

## Germany's Slow Industrial Suicide

*Editoriale*

If the road to economic hell is paved with good intentions, don't expect to see many German cars driving on it. Green mandates and other regulations are killing jobs in the long-revered German auto industry, as a new report from an industry association warns.

Germany has lost some 100,000 auto-related jobs since 2019, says the German Association of the Automotive Industry, or VDA. Another 125,000, or one in six current jobs in the industry, are on track to disappear by 2035. That's a grim outlook for what the German government [describes](#) as "by far the most important industrial sector" in the country.

The European Union's electric-vehicle mania is a major reason. Under a 2019 mandate the EU planned to ban the sale of new cars with combustion engines after 2035—a directive that single-handedly jeopardizes more than 50,000 German auto jobs, the VDA says.

Berlin and other European governments panicked once these costs started to become obvious, and in December the European Commission [proposed](#) a watered-down EV directive that would allow auto makers to sell more traditional engines for longer. Yet this reprieve is still moving through the EU's regulatory process, and Brussels still hasn't given up on forcing auto makers to produce cars that consumers don't want.

Back in Germany, EVs are less complex and require fewer parts than combustion-engine vehicles, so it takes fewer workers to make them. Yet that alone doesn't explain accelerating job loss in Germany's auto industry.

The broader problem is an uncompetitive business environment. "High taxes and levies, expensive energy, high labor costs, excessive bureaucracy—the list of challenges goes on," the report says.

The EV mandates are part of a wider and destructive campaign against fossil fuels. Berlin's decision to ramp up expensive and unreliable renewable power generation while shuttering nuclear plants is wrecking industries across the board. By some counts, German industrial energy prices are now about double what American manufacturers pay.

Among the 38 countries in the Organization for Economic Co-operation and Development, Germany ranked 30th on corporate taxes on the [Tax Foundation's 2025 index](#). "Increasingly burdensome bureaucracy" is another reason one in 12 of all German companies are now worried about their survival, the Munich-based Ifo Institute [reported](#) this month. Economic suicide isn't painless.