

Europe: Retool from Collapse—Restore High Productivity for World Benefit

Nov. 24—The contraction in Europe’s economy today is manifest in factory closings, infrastructure break-down, and mass farmer protests. Energy is unreliable and unaffordable. Retooling for expanding production at home and in the Global South at the same time, will reverse this collapse.

The night of Sept. 11 the Carola Bridge in Dresden collapsed into the Elbe River. This dramatic failure exemplifies the problem existing all across Europe. Roadways, the once-reliable Deutsche Bahn, water, and other infrastructure are in the same precarious condition. Look at the needless damage from floods in Spain.

The photo indicates the solution: re-industrialize, build new infrastructure. A turbine made by Siemens in Germany sets off for Africa for the “Egypt Megaproject,” a huge gas power plant, completed in 2018. Restoring high-tech production, to uplift productivity at home and abroad, is now on the agenda.

Auto Sector. The rapidly declining German auto sector makes the point for all Europe. Lay-offs and factory closings are the order of the day. Volkswagen is drastically eliminating 30,000 jobs and shutting three assembly plants. Audi, a subsidiary of Volkswagen, is downsizing, shutting at least its Brussels plant, and eliminating 3,000 jobs. The Ford Motor Company in Cologne, which downshifted out of combustion engines, into E-vehicles, is contracting. Consumers can’t afford EVs, and can’t afford nor find electricity. Ford is losing 44,000 euro on every such car sold for 49,000 euro. Ford hit the brakes, dropping production from 630 down to 480 vehicles per day.

Car makers have cut hiring new staff in their research and development departments, by a drastic

57% year on year, for the January-October 2024 period. This is the front-end required for designing how to expand and convert auto and related sectors—from glass, to plastics and electronics, for the pickup trucks, heavy machinery, farm equipment, wagons, railcars, infrastructure components—needed for building up economies.

Electricity. Germany is in a self-inflicted power crisis. The decree 15 years ago to shut down nuclear, which supplied 26% of the nation’s electricity, was im-



Siemens

Gas turbines depart Berlin for Egypt, for 2016 installation.

plemented. In 2020 came the decree to end coal power (by 2038), which had accounted for 30% of electricity. In 2021 came the third decree to phase out use of natural gas, which has been 40% of Germany’s energy mix. “Reasons” cited were green factors, and cutting ties with Russia, a reliable, low-cost supplier. Then came the Nord Stream crime. Now Germany pays exorbitant prices for LNG imports.

Returning to sanity and productivity is long overdue.