



Press release

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Rising regulatory burdens for small and medium-sized enterprises

The German association of tool manufactures (FWI) is addressing this growing burden on its members with a multitiered service offering

The pressure on SMEs amid the deluge of new regulatory requirements from both European and German legislation has increased massively in recent years. Compliance with the requirements of EU product safety regulation, future mandatory sustainability reporting and packaging waste and plastic disposal directives entails considerable resources for companies, which medium-sized enterprises in particular are unable to meet in full.

In response to the mounting burden on its members, the FWI will be rolling out a multitiered service offering starting in the second half of 2023, which includes practical workshops on the implementation of regulatory requirements, topic-specific exchange formats and individual consulting services.

“By focusing specifically on a practical service offering and hiring a new full-time employee in our association, we are sending a clear message.” “We put together enquiries concerning regulatory issues, offer assistance in meeting new legal requirements and help our members take care of their core business – the manufacture of quality tools in Germany,” said Stefan Horst, Managing Director of FWI.

The recently enacted German Supply Chain Act is an example of the additional burden imposed by new regulations. Although the law currently applies only to companies with more than 3,000 employees, smaller businesses are also witnessing an increase in documentation requests from customers regarding their supply chains as a result of the legislation.

“We therefore expressly call for acknowledgement of the situation faced by medium-sized companies in relation to new legislation and for a lasting reduction of bureaucratic

burdens, particularly for smaller and medium-sized enterprises,” stresses Stefan Horst. “Only in this way can manufacturing companies in our industry maintain their edge in an increasingly competitive global landscape.”

Around 110 tool and dowel manufacturers with production in Germany belong to the FWI. The tool industry generated sales of EUR 4.7 billion in 2020 and employed around 32,000 people.

The main aims of the association are to maintain the broad diversity of German manufacturers, create fair competition and strengthen Germany as a production location.

In addition, there are 50 extraordinary members in the FWI. These are industrial companies that are closely associated with the tool industry and its distribution channels as well as service providers and foreign companies.

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