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Dependable Conditions for SMEs Take Center Stage: Baden-Württemberg State Secretary of Economic Affairs Dr. Rapp Goes All In for the Industrial Sector

- **Planning certainty and dependability: key success factors for the German industrial sector**
- **Competitive energy prices fundamental to getting energy-intensive industries back on track**
- **State prosperity dependent on healthy businesses**

Oberkirch, Germany, 12/03/2025 – The State Secretary of Economic Affairs, Labor, and Tourism of the State of Baden-Württemberg, Dr. Patrick Rapp, recently highlighted the need for swift and effective reforms in the energy sector: During a visit to the Koehler Group site in Oberkirch together with Thorsten Erny, Chief Administrative Officer (Landrat) of the Ortenau district, Rapp took a close look at the situation on site and had the following to say: “The business sector – our SMEs in particular – is absolutely crucial to our prosperity as a society. That’s why a quick look at the excruciatingly difficult conditions currently being faced by businesses makes it clear that we have an urgent responsibility as policymakers to improve things before our companies drown under unfair conditions in a global market. This doesn’t just mean cutting red tape quickly, but also making sure that energy in Germany becomes significantly cheaper. Needless to say, the relief measures that are currently being discussed and have been agreed upon are only a first step. What will truly be vital is the decisions we make to smooth the path forward in the medium and long terms.”

Chief Administrative Officer Thorsten Erny clarified that policymakers are doing everything within their power to create the conditions necessary to maximize job security: “A key aspect that will be decisive in whether the German industrial sector is able to get back on track will be whether we, as policymakers, are able to restore the planning certainty and resulting dependability that were indispensable factors in the success of ‘Made in Germany’,” Erny mentions.

Long-term reduction in energy prices vital in order to secure competitiveness in Germany

During the visit, Koehler Group representatives underscored just how important it is for German SMEs to see a change in energy prices for energy-intensive industries in Germany in order to become competitive once again. Koehler Group COO Dr. Stefan Karrer had the following to say: “Due to high energy costs in Germany, we’re experiencing enormous competitive disadvantages in an industry where competition is global. In order to be able to ensure job security and value creation here, we really need to once again have public grid energy prices that are internationally competitive and can be reliably budgeted for.” When looked at in conjunction with everything else, the industrial electricity rates currently announced by the German federal government will hardly make a dent in the grim situation that is putting German businesses in energy-intensive industries at a serious competitive disadvantage. “If we had to make the

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decision to build our latest production facility in Kehl today, there's simply no way we would have been able to go ahead with it. We're talking about an investment of around 300 million euros that we made six years ago, and much to our chagrin, it'd simply be impossible to make those numbers work in Germany right now," Dr. Karrer said to underscore just how critical the issue is. An export percentage of over 70% means that the company is competing with international competitors, and many of those competitors have production conditions that are simply much more attractive at a global level due to lower electricity costs, which represent the lion's share of the costs involved in papermaking.

Regional prosperity is inextricably tied to the industrial sector's health

State Secretary Rapp made it clear that policymakers are focusing all their efforts on quickly getting the business sector back on its feet: "It goes without saying that we want to create value and have good jobs here in Baden-Württemberg. A strong industry is an absolute prerequisite for us to be able to continue having good schools, dependable infrastructure, good healthcare, and public transportation that works." This support for the industrial sector at the state level would also need a European Union that protects open markets while also curtailing unfair business practices unflinchingly. Among other things, this means that the EU's trade defense instruments need to kick in much earlier when it comes to companies with lower labor or environmental standards and businesses with distorted prices due to government intervention.

NXTGN: An incubator for innovation in the state

In March 2025, the Koehler Group became a new anchor partner of NXTGN. NXTGN pursues an easily defined goal: ensuring that the next generation of small and medium-sized enterprises is both successful and innovative. To achieve this, the consortium networks startups and leaders in academia and industry in a manner conducive to accomplishing this goal. Through the partnership, the Koehler Group is taking on a co-shaping role and contributing to the network in order to create suitable conditions for a vital startup ecosystem together with the scientific community. In the spotlight of the partnership is the further development of the circular economy. Representatives from the Koehler Group, as well as State Secretary Dr. Rapp, highlighted just how important Baden-Württemberg's central innovation platform for the state's startup culture is when it comes to driving innovation.

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Figure: A visit showed that more planning certainty and dependability are a key factor for getting the state's industrial sector back on track: Dr. Patrick Rapp (State Secretary of Economic Affairs, Labor, and Tourism of the State of Baden-Württemberg, second from left), Philipp Prechtl (Managing Director, Koehler Innovative Solutions, left), Thorsten Erny (Chief Administrative Officer, second from right), and Dr. Stefan Karrer (Koehler Group COO)

Source: Koehler Group

About the Koehler Group

The Koehler Group was founded in 1807 and has been family-run from that moment to the present day. The group's core business activity lies in the development and production of high-quality specialty paper. This includes—among others—thermal paper, playing card board, beverage coasters, fine paper, carbon-less paper, recycled paper, decor paper, wood pulp board, sublimation paper, and also innovative specialty paper for the packaging industry. In Germany, the Koehler Group employs around 2,500 people across five production sites, with three additional sites in the USA. The group operates internationally, with an export share of around 70% in 2024, and brings in an annual turnover of around 1.1 billion euros.

As an energy-intensive company, Koehler invests in renewable energy projects such as wind energy, hydropower, photovoltaics, and biomass with its Koehler Renewable Energy business unit. The Koehler Group has set a goal of producing more energy from renewable sources by 2030 than is required for its paper production operations.

With its Koehler Innovative Solutions division, the Koehler Group is collaborating with start-ups to promote innovations in the core business segments “paper” and “renewable energy”.

Find more information at: <https://www.koehler.com>

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