

Petersberger Klimadialog, Bundeskanzler Friedrich Merz

BM Carsten Schneider

Minister Murat Kurum,

Fatih Birol,

Simon Stiell,

Gunnar Groebler,

Stephanie Pfaeifer,

José Antonio Cabrera,

Ministers,

Ladies and gentlemen

It is a pleasure to welcome you to Berlin.

Once again, the Petersberg Climate Dialogue is taking place against the backdrop of rapid geopolitical and geoeconomic shifts. There is a German saying: “Die Ereignisse überschlagen sich.“; that is: Events are unfolding rapidly and often unpredictably. It captures a moment in which change erupts and accelerates with remarkable speed.

In times like these, it is easy to lose sight of the bigger picture. Yet it is precisely in such times that responsible policymaking must maintain a broader perspective.

What does that mean in practice?

All of us – governments, businesses, society – want to play an active role in shaping a global order that advances peace, freedom and prosperity.

That requires us, more than ever, to set medium and long-term goals. And we must stay focused on achieving them. We need to seek out partners and allies, forging alliances that benefit everyone.

And we are called upon not to turn away from scientific findings, but to make full use of the ever-growing body of knowledge available to us.

In this spirit, we need climate policy that is multilateral, ambitious, and effective. And that earns public support while keeping our economies competitive.

I therefore want to begin by underscoring what I said last year in Belém: Germany will remain a reliable partner in this effort.

We recognize the seriousness of climate change, and Germany is determined to make a strong contribution to addressing it. Our commitment to the Paris Agreement and to our climate goals is firm.

Innovation and technology are at the heart of our approach. Effective and forward-looking climate policy depends on integrating climate, economic, energy, and innovation policy. Wherever we succeed in this, climate policy becomes, at the same time, a policy for global security and prosperity.

We are witnessing how the advance of global warming is intensifying existing conflicts around the world and threatening to trigger new ones. It is driving up downstream economic costs as extreme weather events and environmental destruction endanger production sites, supply chains and critical infrastructure.

Moreover, in these days of ongoing crisis in the Middle East, we must expect the geopolitical – and therefore also the geoeconomic situation – to remain turbulent for the foreseeable future. We must reckon with volatile raw materials markets in the short and medium term. We must be prepared for actors to exploit supply chain dependencies for political leverage.

For the German Government, one response is key: an interconnected economic, energy, innovation and climate policy – in alliance with our European partners, in alliance with

partners throughout the world, in alliance with industry. This approach can also build on the necessary support in our society.

Whether in climate action, strategic independence, or safeguarding prosperity and freedom, real progress depends on a strong partnership with industry. It is there where the innovations and new technologies shaping our future are created.

I am therefore pleased that the topic of industrial transformation is at the centre of today's discussions. It brings with it a wide range of opportunities we have only begun to tap – from new business ideas to new markets and global growth.

The clean technology industry has already become a global engine for growth. According to the IEA, the global clean technology market will almost triple by 2035 and its value is expected to reach around two trillion U.S. dollars.

In Germany, since 2010 the clean technology sector has grown 50 percent faster than overall gross value added in Germany – this includes the circular economy, solar and wind energy, as well as hydrogen.

The German Government believes that we can best safeguard and promote this progress and this innovative strength by ensuring good framework conditions in which they can thrive: free and fair competition within the context of a rules-based global economy – supported by a well-educated workforce, faster planning and construction, and competitive energy prices.

But let us be sure: climate protection must not endanger the industrial base in Germany and in other countries. A transformation that leads to deindustrialization will not find acceptance among the public. And it will eventually hamper innovation.

With all of this in mind, Germany and Europe are deliberately focusing on expanding the network of EU trade partnerships. Recently, we have forged trade agreements with India and MERCOSUR. Last month the EU Commission President reached political consensus with Australia on another free trade agreement.

These agreements, anchored in shared interests and designed to benefit both sides, are key to restoring and maintaining predictability for businesses. In doing so, we strengthen their

ability to develop the technologies of the future – technologies that will advance global climate action as a whole.

Another central element of European and German climate policy remains carbon pricing. It is a market-based, technology-neutral instrument that enables industry to transition to climate neutrality.

For 20 years, we have had a successful system at EU level in the form of the EU Emissions Trading System – ETS 1. It is successful precisely because it is a market-based system. It allows us to implement climate action and at the same time to protect the competitiveness of our industries.

That is why, within the EU, I am advocating that we retain the ETS 1 system and make it fit for the future by adjusting it in the course of the upcoming reviews, with a clear focus on maintaining competitiveness. This competitiveness must take into account the future of energy-intensive industries.

Ladies and gentlemen,

We have already made considerable progress. As an international community, we have shown that we are capable of working together to find solutions to shared challenges.

The Paris Agreement is and remains a major achievement, despite all the challenges.

Since Paris, the development of renewable energy globally has almost doubled. And with the Dubai Package, we now have an international commitment to triple global renewable energy deployment and double energy efficiency by 2030.

Since 2022, with RePowerEU, we have been implementing an ambitious plan in the EU member states to strengthen our common energy security and sovereignty.

Climate policy over the past decades is making progress. The path may not always be straight, and ideally, we would be moving faster. But together, we are making progress.

As a rule of thumb, I like to explain it like this: Germans make up roughly one percent of the global population, yet we are responsible for around two percent of global CO₂ emissions. Our goal is to contribute our fair share to the solution. Yet we expect other parts of the world to also contribute.

We will pursue this goal in three ways.

First, by enabling our businesses to fully unlock their innovative potential. With a strong and innovative industry, Germany can provide the means to address many of these challenges.

Second, we will firmly place the climate – peace – security nexus at the centre of our international engagement.

Greater investment security, enhanced security of supply, and reduced dependence on fossil-fuel imports likewise support climate action.

Third, Germany remains a player to promote climate action in the international arena. We will continue to be an important donor for public climate finance. With the Just Energy Transition Partnerships and other business and energy cooperation formats we are already supporting the energy transition in many countries.

When multilateral processes move slowly, concrete alliances of the willing can take us a long way.

Germany maintains climate partnerships with countries that are particularly vulnerable to the effects of climate change. That, too, is part of our climate policy: we recognize that the effects of climate change are distributed unevenly – and often affect those most severely who have contributed least to the problem. Our partnerships are therefore designed not only to provide support, but to strengthen resilience, enable investment, and promote long-term economic opportunities in partner countries.

In addition, my Government is working closely with small island states, for which rising sea levels often pose an existential threat.

I am pleased that two days ago I was able to reaffirm and concretise my pledge of support for the Tropical Forest Forever Facility (TFFF) with President Lula. We intend to make available a total of one billion euros over the next ten years. This new, capital markets-based fund is designed to provide countries with long-term support for preserving the tropical rainforests. We all know that rainforests are essential ecosystems for the global climate.

Ladies and gentlemen,

I am convinced that Germany, Europe, and all our countries together can make our world safer and more livable. We want to create more prosperity for people around the globe. We want to rise to the shared challenge of climate-change mitigation.

For this, we need reliability. For this, we need reciprocal trust. We need intensive cooperation. We need sound framework conditions for our economies in order for them to be able to unleash their innovative potential. We need broad public support. In this spirit, Germany stands ready as a partner.

Thank you very much.