

# Germany, Austerity's Champion, Faces Some Big Repair Bills



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**SHOWING ITS AGE:** Workers fixing a bridge outside Cologne, Germany, that was partly closed after tears were found in steel supports last year. The closing cost local businesses many millions of dollars over three months. Djamila Grossman for The New York Times

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PADERBORN, Germany — When inspectors decided a few months ago that the aging bridge over the Kiel Canal in northern Germany was too weak for heavy truck traffic, Holger Dechant, hired to deliver giant wind turbines to the other side, was at a loss.

He did eventually come up with an alternative route. But it is telling of the sorry state of some of Germany's roads and bridges: His company is driving the turbines to a ferry, shipping them north to Denmark and then driving them south again back into Germany.

“That's how bad it is,” Mr. Dechant said recently, explaining the 186-mile detour in his office here. “We just haven't invested enough. And now there is trouble because there is no easy button to fix it all.”

Germany was once known for its superfast autobahns, efficient industry and ability to rally public resources for big projects, like integration with the former East Germany. But more recently, it has been forced to confront a somewhat uncharacteristic problem: Its infrastructure — roads, bridges, train tracks, waterways and the like — is aging in a way that experts say could undermine its economic growth for years to come.

As it has been preaching austerity to its neighbors, Germany itself has kept a tight rein on spending at home. Now critics abroad, including the European Union and the United States, are pressing it to do more to stimulate its own economy, and Chancellor Angela Merkel's likely partners in a new coalition government, the left-leaning Social Democrats, are seeking more money for a variety of domestic programs.



One report recently said Germany needed to spend \$9.7 billion a year for 15 years on infrastructure. Djamila Grossman for The New York Times

A good place to start plowing money into, many experts say, is the nation's physical underpinnings. A government-appointed commission recently concluded that it needed to spend 7.2 billion euros a year, or \$9.7 billion, for the next 15 years — roughly 70 percent more than it spends now — just to get existing infrastructure back into shape. Others say that even more is needed for schools, for instance, and for extending fiber optic cables to less populated areas.

“If we don’t spend,” said Kurt Bodewig, who heads the government commission, “then I think that Germany will fall behind. If we don’t spend, then the next factories will not be built here.”

An earlier report by the German Institute for Economic Research was even harsher in its assessment, saying that other European Union countries were doing far more to ensure their futures. “It is high time that Germany handles its lack of investment,” the report said.

It is not clear where the money might come from, especially given the aversion of Ms. Merkel’s conservatives to higher taxes. The \$270 million budget surplus projected for next year, even if given over entirely to roads and bridges, would not be nearly enough to match what the government commission said was needed, and there are many other issues competing for funding. One solution may be a highway toll. Ms. Merkel’s conservative partners in Bavaria are insisting on such a tax, which could be paired with reductions on existing taxes on domestic drivers and businesses but affect millions of foreign citizens and businesses traversing Germany.

Some critics worry that even if additional money starts flowing in soon, it may not come in time to avoid major problems, which are already beginning to surface. A year ago this month, inspectors found tears in the steel supports under a major highway bridge outside Cologne, Germany's fourth-largest city. Officials quickly restricted traffic and banned heavy trucks, forcing detours to four other bridges around the city that, officials now say, will need \$202 million worth of repairs. The detours were costly to local businesses and backed traffic up for miles each day.



Trucks carrying wind turbine parts avoid German roads and bridges by taking ferries to Denmark, then driving south back into Germany. Djamila Grossman for The New York Times

Almost immediately, companies in the area began pressing the Federation of German Industry do something. The business association, which is now pushing for spending at least an additional \$5.4 billion a year on maintenance, has calculated that the partial closing of that bridge cost local industry 60 million to 80 million euros (about \$80 million to \$110 million) during a three-month period.

Regional officials worry that the area's aging infrastructure will prompt industries to move elsewhere or make their products less cost-competitive. Mr. Dechant, for instance, said the route through Denmark cost 50 percent more than a delivery over the Kiel bridge.

"It can take 20 years to build a new bridge," said Michael Groschek, the transport minister for North-Rhine Westphalia, the state that encompasses Cologne and includes dozens of bridges built 50 or 60 years ago, when average truck loads were lighter. "And we don't know whether the current bridges can last that long."

From 1991 to 2012, Germany reduced its budget for maintenance by 20 percent, according to Gernot Sieg, a transportation expert and professor at the University of Muenster. It now spends 1.5 percent of its gross domestic product on maintenance, compared with a European average of 2.5 percent. About 46 percent of Germany's bridges, 41 percent of its streets and 20 percent of its highways need repair, Dr. Sieg said.

Roads around major cities are routinely blocked with traffic. Crowded trains are often late. Last summer, a stretch of aging concrete highway in the south buckled in the heat, killing a motorcyclist and injuring four people. There are still track switches in Germany that must be operated manually. Its busy waterway systems depend on antiquated locks and lifts that have been around more than a century, making them susceptible to breakdowns and generally too small for modern boats.



Traffic on Highway A1, near Cologne. Djamila Grossman for The New York Times

Germany went on a building spree when the East and the West were reunited in 1990. Most of the spending was directed to the East, which was in dire need of modernization. The problem, experts say, is that the West got short shrift, even as many former East Germans moved West looking for jobs. In a short period of time, roads and bridges in the West began taking a pounding they were never built for. The bridge with the tear near Cologne was built for 35,000 cars a day, but now handles 120,000, officials said.

In its report, the German Institute took issue not only with a lack of maintenance for roads, bridges, trains and waterways, but with the government's lack of investment in schools and day care centers as well as its failure to create incentives for private investment in energy and telecommunications sectors.

Germany, experts say, has been slow in establishing a high-speed fiber optic network, for instance, and is now behind countries like Bulgaria, Lithuania and Romania. Officials in small towns in the rural north have grown so tired of waiting for a plan, they have started on their own to get fiber optic cables laid down, with residents coughing up 1,000 euros, more than \$1,300, each.

"We have a steel company, for instance, that wanted to move to another community where the Internet is better," said Holger Jensen, the mayor of Lowenstedt, a village of 650 near the Danish border. "We realized something had to happen quickly."

Though the issues are certainly on the table in the talks on a new coalition government, not everyone is convinced that serious changes will be forthcoming.

"It's all a question of money," Mr. Groschek said. "Without it, all these reports are just a Christmas list."