

Digital Policy: Highlights of the German Coalition Agreement 2025

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The newly published German Coalition Agreement 2025 (CA 2025), [German language version available here](#), outlines a digital agenda of the new German government, aimed at strengthening Germany's position as a leader in digital innovation, data protection, and technological sovereignty. This GT Alert provides an overview of key digital policy areas that the CA 2025 addresses, highlighting the new government's priorities and potential implications for businesses operating in Germany.

1. Data Protection

The coalition emphasizes the importance of harmonizing and simplifying data protection standards while promoting innovation and economic growth. Key measures include:

- **Simplification for SMEs and Non-Commercial Activities:** The new government plans to leverage the GDPR's flexibility to simplify compliance for small and medium-sized enterprises (SMEs). On an EU level, the coalition wants to exclude SMEs, non-commercial organizations, and "low risk activities" from the GDPR's scope (lines 2103 et seqq.).
- **Centralized Oversight:** The Federal Data Protection Commissioner would be empowered (and renamed) to oversee data protection, data usage, and information freedom, consolidating responsibilities for greater efficiency (lines 2248 et seqq.).
- **Opt-out Instead of Consent:** Burdensome consent requirements would be replaced by opt-out solutions "in accordance" with EU laws (lines 2096 et seqq.).

2. Data Sharing

The CA 2025 promotes a culture of data sharing to foster innovation while safeguarding individual rights. Highlights include:

- **Public Money, Public Data:** Commitment to making data from publicly funded institutions openly accessible, with robust data trustee mechanisms to foster trust and quality (lines 2243 et seqq.).
- **Comprehensive Data Framework:** Aim to develop modern regulations on data access and data economy for promoting data ecosystems in a comprehensive framework (lines 2238 et seqq.).

3. Online Platforms and Social Networks

The coalition underscores the need for fair competition and user protection, particularly from disinformation, in the digital space.

- **Platform Regulation:** General commitment to supporting the EU's Digital Services Act and Digital Markets Act to ensure platforms address systemic risks like disinformation and remove illegal content (line 2285).
- **Transparency and Accountability:** Online platforms would be required to comply with existing obligations on transparency and content moderation. Even stricter liability for user content is being considered (lines 3926 et seqq.).
- **Possible Bot Identification Measures:** The introduction of mandatory bot identification provisions for digital players is "being considered" (lines 2290 et seqq.).

4. Digital Infrastructure

The coalition prioritizes expanding Germany's digital infrastructure to support economic growth and digital transformation.

- **Data Center Hub:** The coalition aims to make Germany Europe's leading data center hub, with a focus on energy-efficient operations and integration into district heating systems (lines 2192 et seqq.).
- **Nationwide Fiber Optic Rollout:** The new government commits to accelerating the deployment of fiber-optic networks and ensuring high-speed internet access for all households (lines 2201 et seqq.).
- **Mobile Coverage and Satellite Technology:** Efforts would be made to enhance mobile network coverage and explore satellite technology for underserved areas (lines 2201 et seqq., 2279 et seqq.).

5. Public Sector Digitalization

The coalition envisions a user-centric, fully digital public administration.

- **Restructuring Government Bureaucracy:** The new government promises to reduce administrative staff in general and, in particular, wants to reduce the total number of federal

authorities (lines 1811 et seqq.). At the same time, a new federal ministry for digitization and state modernization would be created (line 4564), which underscores the coalition's focus on digitization topics.

- **Simplifying Administrative Processes:** The new government intends to eliminate unnecessary formalities to simplify administrative processes for businesses (lines 339 et seqq., 1798 et seqq., 2171 et seqq.). Particularly, with the adoption of a new general clause, the written form requirement is to be abolished “wherever possible” (lines 2177 et seqq.). Administrative processes would be streamlined and automated, with a focus on eliminating the need for physical paperwork (lines 2155 et seqq.).
- **“One Stop Shop” for Administrative Services:** The coalition aims to enable straightforward digital administrative services via a central platform (one-stop shop). A centralized platform would enable German citizens to access government services digitally, with mandatory digital identities for all citizens (lines 1802 et seqq.).
- **“Once Only” Approach for Citizens:** Intergovernmental data sharing commitments would ensure that citizens have to provide their data only once to the government (lines 2080 et seqq.).
- **Public Procurement:** Consolidated procurement platforms would standardize public procurement (especially of IT services) and help reduce dependence on “monopolistic” suppliers (lines 2075 et seqq.).

6. Digital Sovereignty

The coalition aims to reduce Germany's dependencies on non-European technologies and to strengthen its digital autonomy.

- **Open Source and Open Standards:** The new government aims to promote open-source solutions and define open interfaces to enhance interoperability and security, without providing many details (lines 2139 et seqq., 2172 et seqq.).
- **Strategic Investments:** Funding would be directed towards key technologies such as cloud computing, artificial intelligence (AI), and cybersecurity (lines 108 et seqq.).

7. Artificial Intelligence (AI)

AI is positioned as a cornerstone of Germany's digital strategy.

- **Investments in AI and Cloud Technology:** The coalition promised “massive” investments in AI and cloud technologies, without going into further detail (line 108).
- **“AI Gigafactory” in Germany:** The coalition aims to establish at least one European “AI gigafactory” in Germany (lines 2193 et seqq., 2509 et seqq.).
- **Regulatory Framework:** The new government wants the EU AI Act implemented in a way that fosters innovation while addressing ethical and safety concerns (lines 2256 et seqq.). Particularly, burdens on the economy resulting from the technical and legal specifications of the AI Act would be removed (lines 2268 et seqq.).

- **Copyright Balance:** The coalition plans to ensure fair remuneration for creators in generative AI development, mandate fair revenue sharing on streaming platforms, and enhance transparency in content usage (lines 2824 et seqq.).

Conclusion

The German CA 2025 sets a vision for digital transformation, emphasizing the streamlining of regulatory and administrative hurdles, infrastructure development, and technological sovereignty. While many details remain unclear, businesses should prepare for regulatory changes and explore opportunities arising from the new government's focus on innovation and digitization. As these policies take shape, staying informed and proactive will be key to navigating the evolving digital landscape in Germany.

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