

# The NewsLine

September 13, 2010

} MACROECONOMICS | FINANCIAL MARKETS | ECONOMIC POLICY | SECTORS

## CHINA

### Further evidence against a slump

The August data on the Chinese economy are a further pointer that, although economic momentum is likely to slow in the second half of the year, overall it is likely to remain solid. In all probability a slump in growth is not on the cards this year.

As the Chinese statistical office announced over the weekend, industrial production rose in August by 13.9% on a year earlier. In the preceding months industry had been successively losing momentum. Having topped 18% in March, the increase in July was a "mere" 13.4%. Along with the improvement in sentiment among Chinese purchasing managers reported in early September, the positive development in August production suggests that, although economic growth in the second half of 2010 is likely to be slower than in the first half, there can be no question of a slump or indeed a hard landing. Retail sales also performed well in August, with sales of consumer goods up by 18.4% on a year earlier. The increase was thus slightly higher than the average in the first eight months of this year as a whole.

Less encouraging was the development of consumer prices in August. They climbed by 3.5% on a year earlier, with a particularly steep rise in food prices (+7.5%).

All in all we are sticking to our forecast of 10% growth this year. For the third quarter we are expecting GDP growth of 9% on a year earlier. In the fourth quarter the increase is likely to come in at 8.5%.

Gregor Eder  
Tel.: 49 / 69 / 2 63 -5 33 58  
e-mail: [gregor.eder@allianz.com](mailto:gregor.eder@allianz.com)  
Allianz SE

# The NewsLine

page 2 of 2

September 13, 2010

These assessments are, as always, subject to the disclaimer provided below.

## ABOUT ALLIANZ

Allianz SE is member of Transparency International Germany and supports the Principles of the United Nations Global Compact and the OECD Guidelines for Multinationals through its Code of Conduct.

Allianz SE is one of the leaders of the insurance sector in the Dow Jones Sustainability Index, listed in FTSE4GOOD and in the Carbon Disclosure Leadership Index (Carbon Disclosure Project, CDP6).

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis.

Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.

## NO DUTY TO UPDATE

The company assumes no obligation to update any information contained herein.