

The NewsLine

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Unemployment trending down again

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Having largely stagnated, and at times actually risen, for almost two years – 2012 and 2013 – the seasonally adjusted jobless total fell in March 2014 for the fourth month in a row. Although the unusually mild weather is likely to have buoyed the demand for labor, the Federal Labor Agency reports increases in the number of jobs liable to social insurance not only in weather-dependent sectors but in almost all sectors. Developments on the labor market illustrate that Germany is currently enjoying a broad-based upswing.

However, there is still a marked discrepancy between the development in unemployment and job creation. While the jobless total in March was a mere 43,000 down on a year earlier, the latest year-on-year increase in the number of people in work stood at a hefty 314,000 (February figures). Immigration, the growing bent for work, along with structural problems on the labor market such as mismatched profiles of the unemployed for the vacant positions are the main factors behind the modest reduction in unemployment compared with the increase in employment.

In view of the economic upswing, which is being supported by practically all components of overall demand, we expect the improvement on the labor market to continue over the remainder of the year. In the course of 2014 the jobless total is likely to fall by around 150,000; but on average over the year this equates to a decline of only 90,000 to 2.86 million. The increase in employment both on average and over the course of 2014 looks set to reach a good 300,000.

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This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

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