

# The NewsLine

November 6, 2015

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GERMANY

## Industrial production dents overall growth

The decline in industrial orders for the third month running and in production for the second month in a row, together with simultaneous positive domestic figures, suggests that Germany's export engine is sputtering due to the global slowdown. As a result, gross domestic product in the third quarter is likely to see only modest growth of an estimated 0.2-0.3%.

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The weakness of the global economy is reflected in the decline in non-eurozone foreign orders, which tumbled 8.6% in the third quarter compared with the second quarter. Against this backdrop it is not surprising that industrial companies reined in production by about half a percent in the third quarter. On top of this, the construction sector expanded output only marginally. Despite brisk activity in the services sector and a 0.8% increase in retail sales over the preceding quarter, the third quarter is likely to see only subdued growth. With the Ifo test showing business expectations perking up again in industry and in the wholesale sector in October, growth is likely to pick up slightly in the fourth quarter. We still see average GDP growth in Germany of 1.7% in 2015.

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

## **ABOUT ALLIANZ**

Together with its customers and sales partners, Allianz is one of the strongest financial communities. About 85 million private and corporate customers insured by Allianz rely on its knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks. In 2014, around 147,000 employees in over 70 countries achieved total revenues of 122.3 billion euros and an operating profit of 10.4 billion euros. Benefits for our customers reached 104.6 billion euros.

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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