

The NewsLine

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GERMANY

Slide in production should not be dramatized

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Although the steep 3% month-on-month slide in industrial production in December can be partially explained by the constellation of Christmas holidays, it does mean that production in the fourth quarter of 2016 actually fell by 0.1% compared with the third quarter. However, the lukewarm trend in production in the fourth quarter sits oddly with the performance of new orders that, with an increase of 4.2% on the third quarter, clocked up the strongest increase for a long time. As a result, the prospects for a sharp rise in production in the first quarter of this year are good.

These production figures have, however, dealt a blow to hopes of a strong rise in gross domestic product in Q4 2016. Earlier, a drop in retail sales in December had already disappointed, although price-adjusted retail sales in the fourth quarter were at least marginally up on the previous quarter. Exports are likely to have provided a positive boost to economic growth in the final quarter of 2016, but December figures are not yet available. Overall, we now estimate that the German economy grew by only 0.3 – 0.4% in the fourth quarter (previous estimate 0.5 – 0.6%). But this does not alter the positive economic outlook for 2017. We are still expecting to see economic growth of 1.7%.

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

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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 2015, around 142,000 employees in over 70 countries achieved total revenues of 125.2 billion euros and an operating profit of 10.7 billion euros. Benefits for our customers reached 107.4 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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