

The NewsLine

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GERMANY

Ifo signals pickup in economy

According to the November Ifo test, German business expectations rose for the third consecutive month. This is a pretty reliable signal that the economy has firmed up at the end of 2015, following only moderate sequential growth of 0.3% in the third quarter. Furthermore, the business climate index for the services sector climbed to a new all-time high, pointing to a dynamic domestic economy.

The slowdown in major emerging markets practically brought German export growth to a standstill in the third quarter after four strong quarters. It seems likely that this particular negative factor has faded towards the end of the year. Supported by the low euro, we expect exports to regain momentum in the final quarter of the year. The drop in construction and equipment investment seen in the third quarter is also likely to prove short-lived. In conjunction with the ongoing upturn in consumption, we expect fourth-quarter GDP growth to pick up to around 0.4-0.5%. In 2015 as a whole the German economy thus looks set to expand by 1.7%; given the healthy departure point, we are forecasting growth of 2.0% for 2016.

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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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