

The NewsLine

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GERMANY

Boom

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Real gross domestic product (GDP) grew strongly in the third quarter 2017 as well, notching up a seasonally and calendar-adjusted increase of 0.8%. As the Federal Statistical Office has now also revised up the sequential rate for the first quarter 2017 to 0.9% (previously 0.7%), annual average growth in 2017 looks set to come in at 2.3% (previously 2.0%). Adjusted for calendar effects, economic growth this year is poised to reach 2.5%.

Encouragingly, gross fixed investment contributed to growth in the third quarter. According to the Federal Statistical Office, this was mainly thanks to machinery and equipment investment. Net exports also helped to lift growth, with exports increasing faster than imports. German exporters are benefiting palpably from the pickup in the eurozone and the growth in world trade. By contrast, government and private consumption contributed little to growth in the previous quarter, remaining mired at the prior quarter level.

The latest economic data such as the ifo business climate index and industrial capacity utilization clearly indicate that the economy will continue to purr. Given pent-up demand, we believe machinery and equipment investment will make a substantial contribution. This means, so to speak, that the next and probably last stage of the German growth rocket will ignite. For this year we are now penciling in growth of 2.3% and next year growth also looks set to be appreciably above 2%.

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The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

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

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