

The NewsLine

May 15, 2018

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GERMANY

Economic growth temporarily slowed

Economic growth in Germany slowed significantly to 0.3% in the first quarter of this year, as was already reflected in a number of indicators. A smaller seasonally and working day adjusted increase was last seen in the first quarter of 2015. Nevertheless, we believe there is no reason to fear an end to the upswing. Special factors such as early Easter are likely to have played a role. Higher growth rates are expected again in the further course of the year. The chances that economic growth in 2018 will slightly exceed the 2% mark remain good.

The fact that investments increased significantly in the first quarter of 2018 also points to a continuing positive economic trend. The declines in exports and imports should not be overestimated, as fluctuations from quarter to quarter are not unusual. Under no circumstances can the moderate development of exports already be attributed to the US tariff threats. In our opinion, the global economic outlook remains positive, especially as demand from Europe is proving robust. Nevertheless, the risks to the global economy have increased in view of the trade tensions. However, we remain convinced that negotiations will prevent a trade war.

Continued strong employment growth implies that the outlook for disposable income remains favorable. We therefore expect consumer demand to become more dynamic in the further course of the year, even if the higher oil price is likely to dampen purchasing power slightly.

Rolf Schneider
Phone +49.69.24431-5790
rolf.schneider@allianz.com
Allianz SE
<https://www.allianz.com/economic-research/en>

 Allianz Research
<https://twitter.com/AllianzResearch>

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ABOUT ALLIANZ

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 1.4 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 the leading position for insurers in the Dow Jones Sustainability Index. In 2017, over 140,000 employees in more than 70 countries achieved total revenue of 126 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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