

The NewsLine

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GERMANY

Economic engine still purring nicely

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On the heels of July's disappointing numbers, the steep rise in industrial production by a seasonally adjusted 3.3% in August shows that the German economy remains on a growth path. Although average industrial output in July/August was only marginally up on the level in the second quarter of this year, the main push to the economy is currently coming from the services sector anyway. In the third quarter real gross domestic product likely rose by 0.3-0.4%.

The 1% increase in new orders in August and the sharp rebound in the ifo-test business climate in September suggest that the stagnation seen in industry for a number of quarters is probably now over. A key factor is likely to have been foreign demand that on average in July/August was no less than 2.5% up on the average second quarter level. Apart from the ongoing moderate upward trend in the eurozone, German exporters are also benefiting from the economic stabilization in a number of important emerging markets. With real household income still rising strongly and boosting domestic demand, economic growth in the second half of 2016 will probably not slow down as much as some had feared. Economic growth of 2% or more in 2016 is by all means within reach.

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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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