

# The NewsLine

February 6, 2015

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## GERMANY

### Modest uptick in production, but outlook upbeat

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Production in December rose only marginally by 0.1% on November, but industrial output nonetheless looks to be heading up again. In the final quarter of last year production rose by 0.5% following two quarterly declines. Construction output was the sole disappointment, slipping both on the preceding quarter as well as on a year ago. However, given the favorable backdrop, this development is likely to prove transitory.

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The jump in new orders in December as well as in the fourth quarter of 2014 as a whole suggests that industrial production will pick up further in the early months of this year. Foreign industrial demand is now on a firm upward trend, hardly surprising given the boost to exporters' competitiveness from the exchange rate. But service sectors are also likely to increasingly feel wind in their sails. The sharp rise in purchasing power on the back of the oil price slide has already given a substantial lift to retail demand. Retail sales in the fourth quarter of last year were already 1.6% up on the previous quarter. 2015 looks set to be a year of consumption. Against this backdrop, we expect gross domestic product, having risen by an estimated 0.25% in the final quarter of last year, to climb by 0.6% in the first quarter of this year and grow by 2.0% on average in 2015.

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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. Over 83 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 2013, around 148,000 employees in over 70 countries achieved total revenues of 110.8 billion euros and an operating profit of 10.1 billion euros. Benefits for our customers reached 93.9 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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