



Kiel Institute

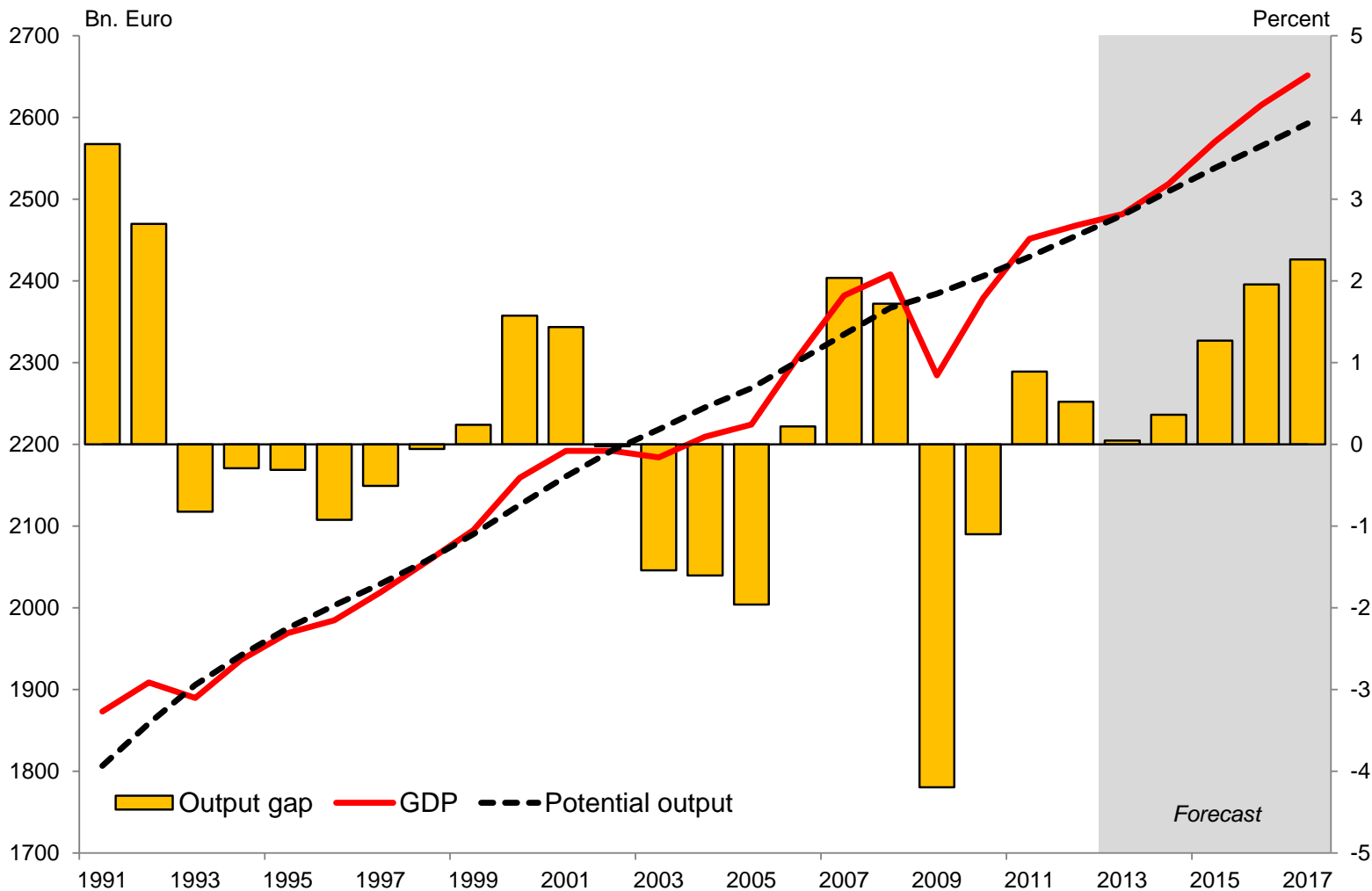
for the World Economy

87th Kieler Konjunkturgespräch | Kiel, 18/19 March 2013

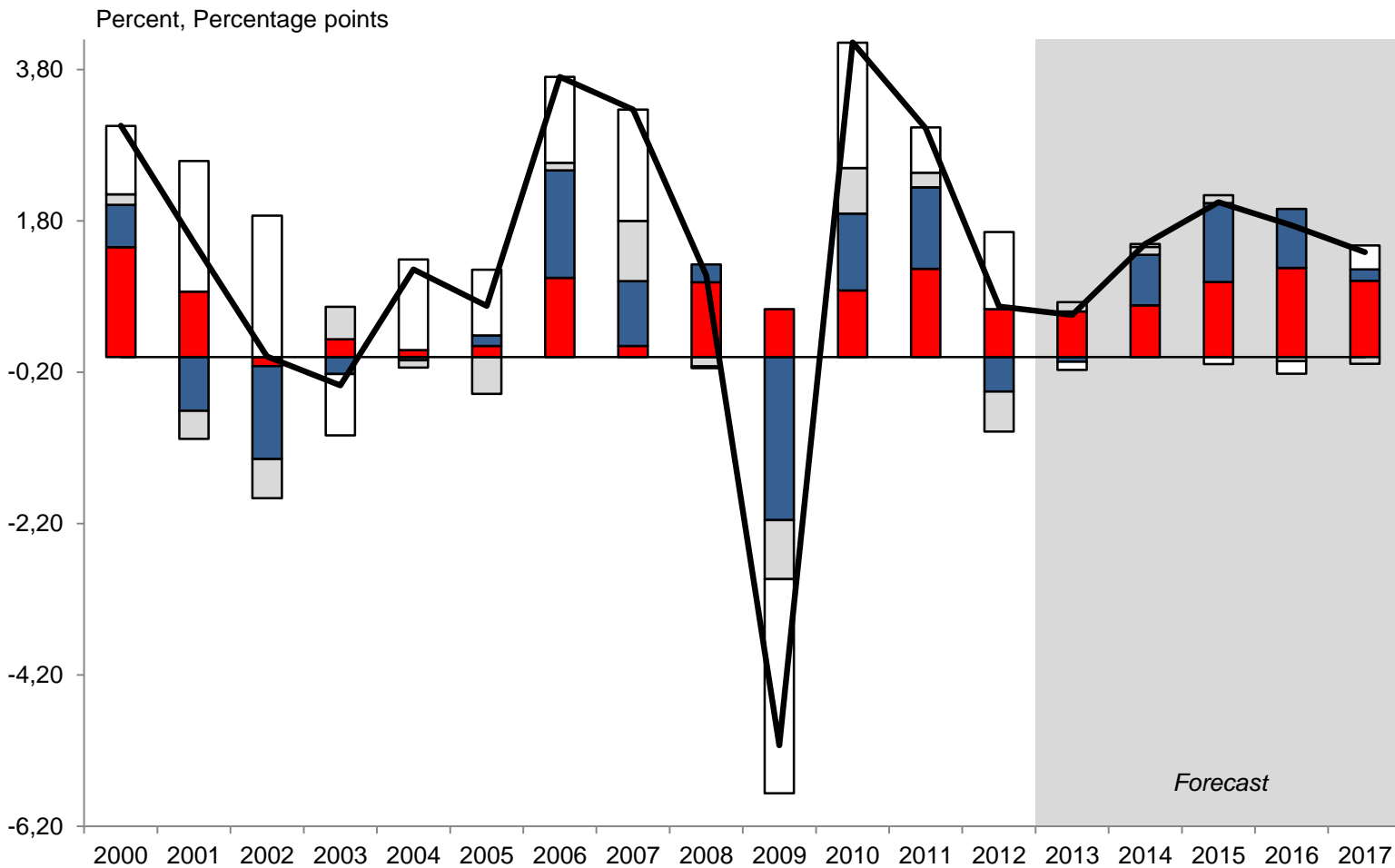
Germany: Gradually speeding up after pronounced economic downturn

Stefan Kooths
Forecasting Center

The big picture: On the eve of a monetary boom



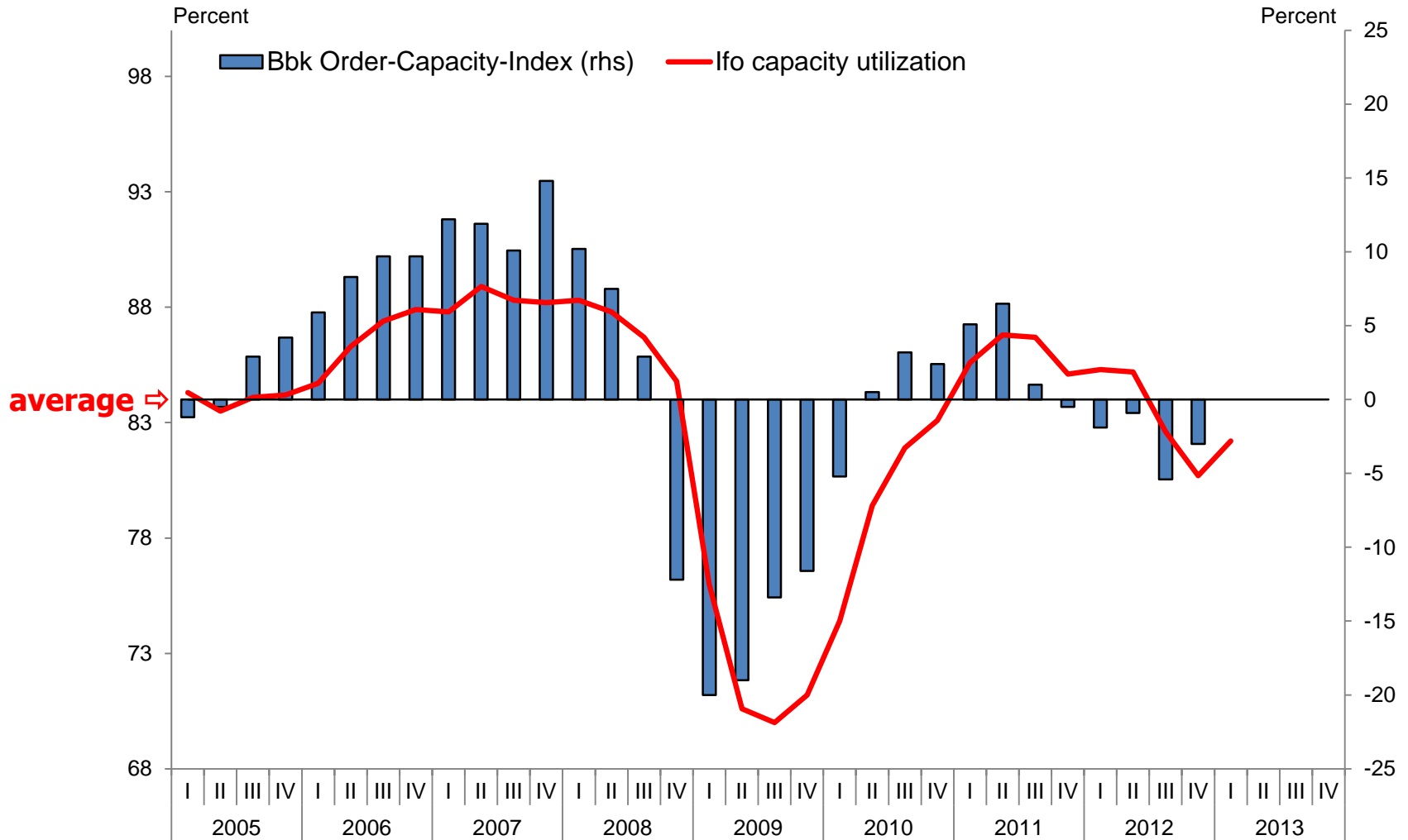
Medium-term: Domestically driven growth



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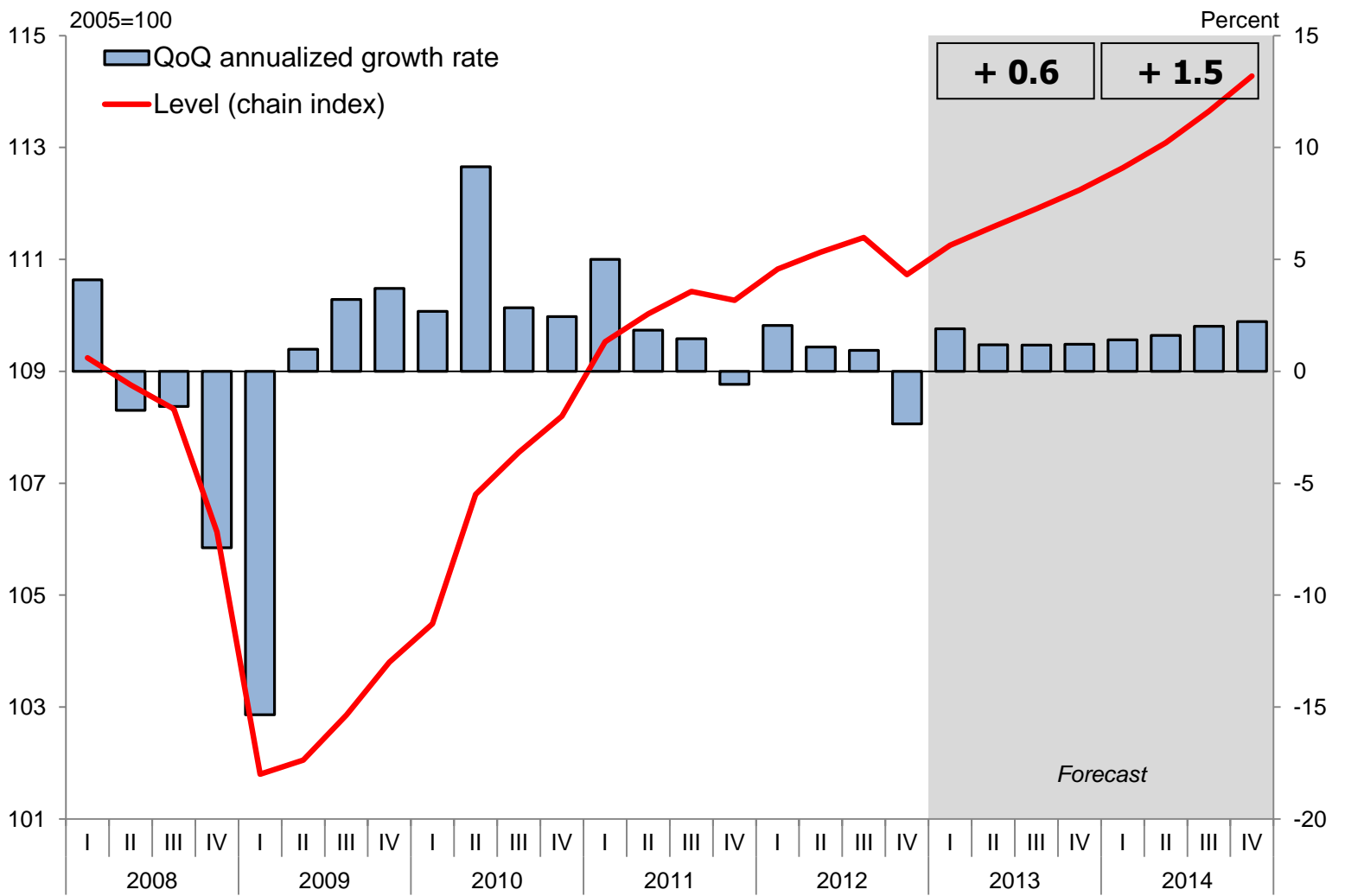


Data edge (manufacturing): Capacity utilization turns back



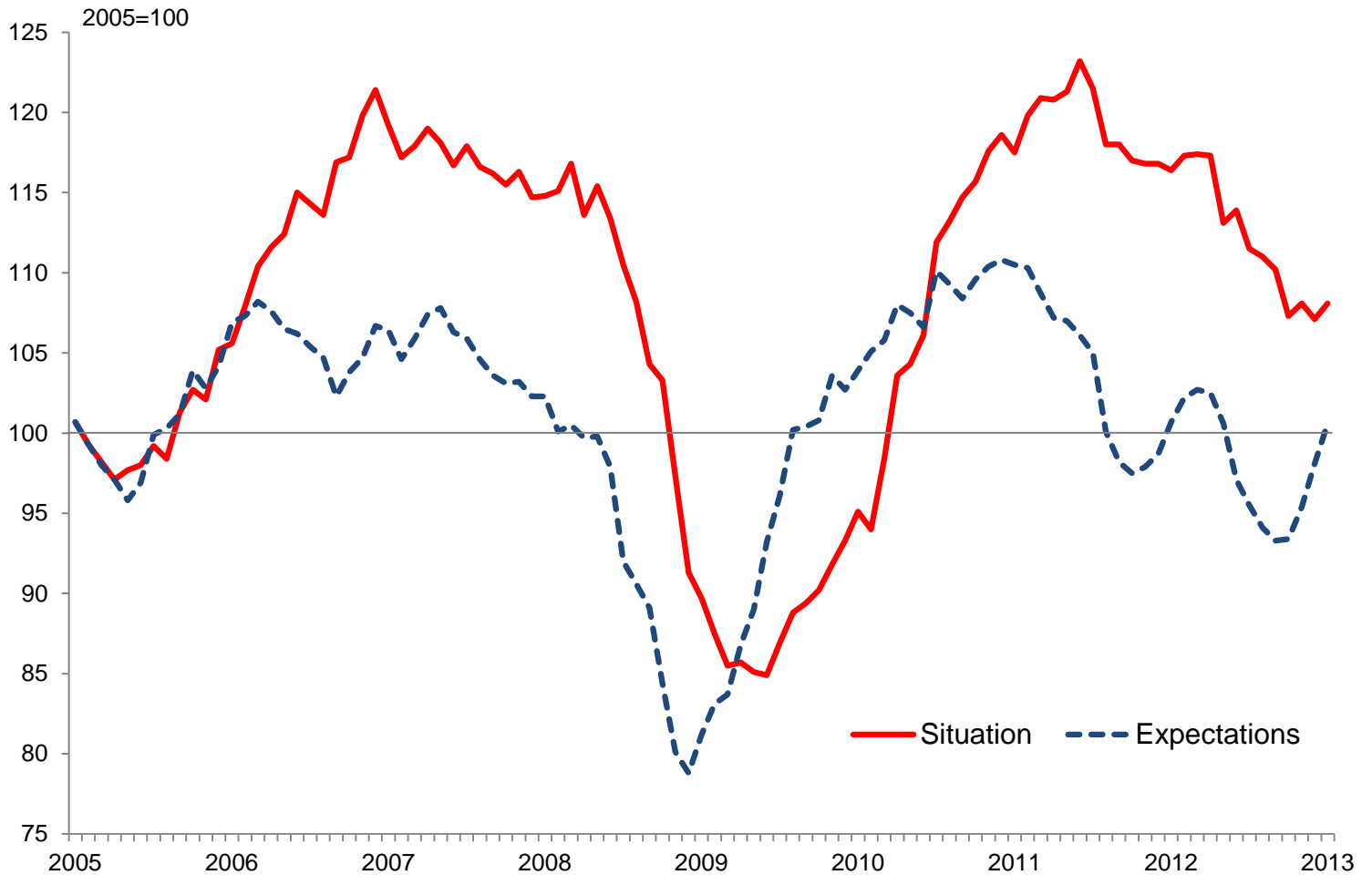


GDP: Gradually gaining momentum



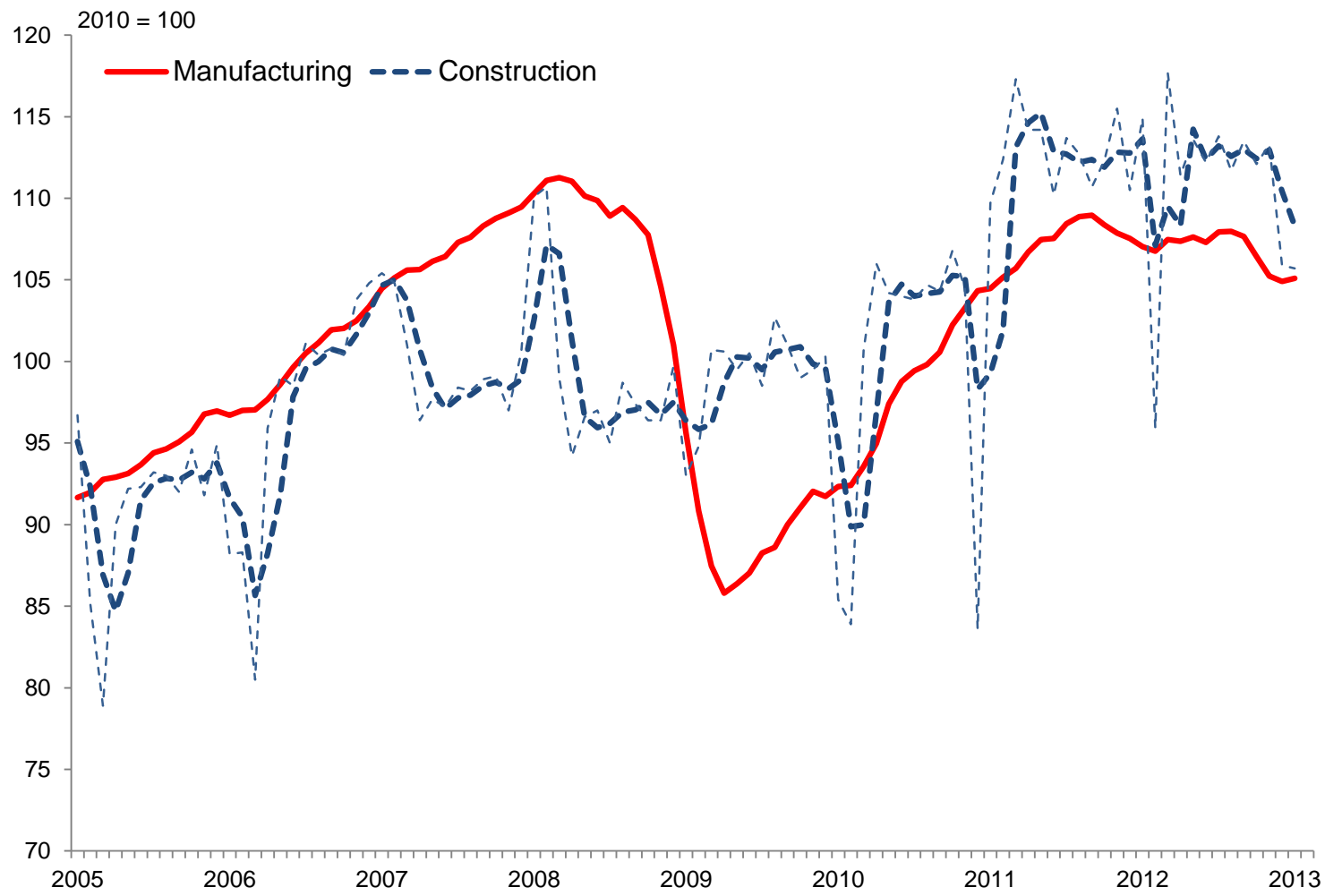
Business climate: Up 5 months in a row

ifo business survey for trade and industry



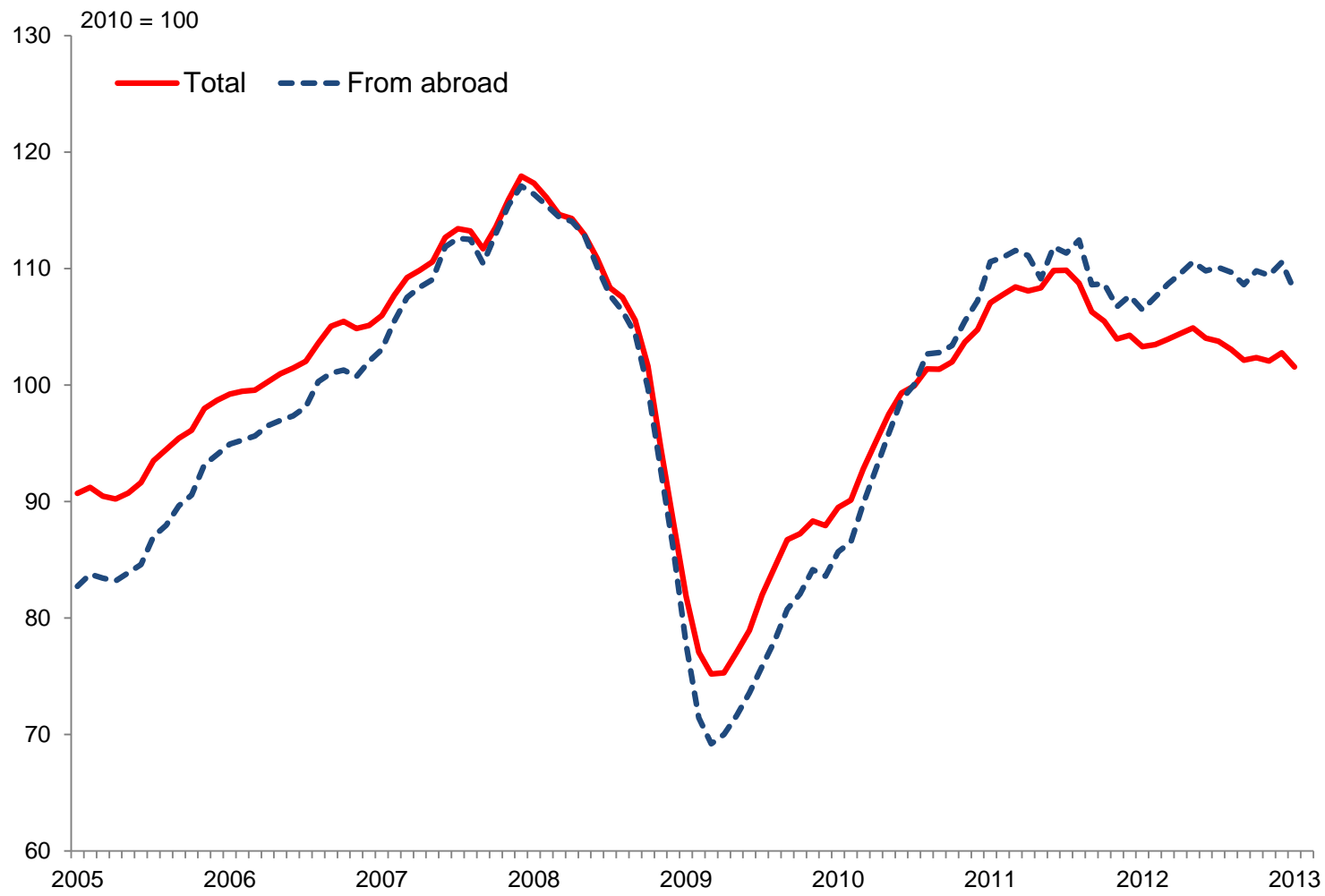


Weak manufacturing output ...



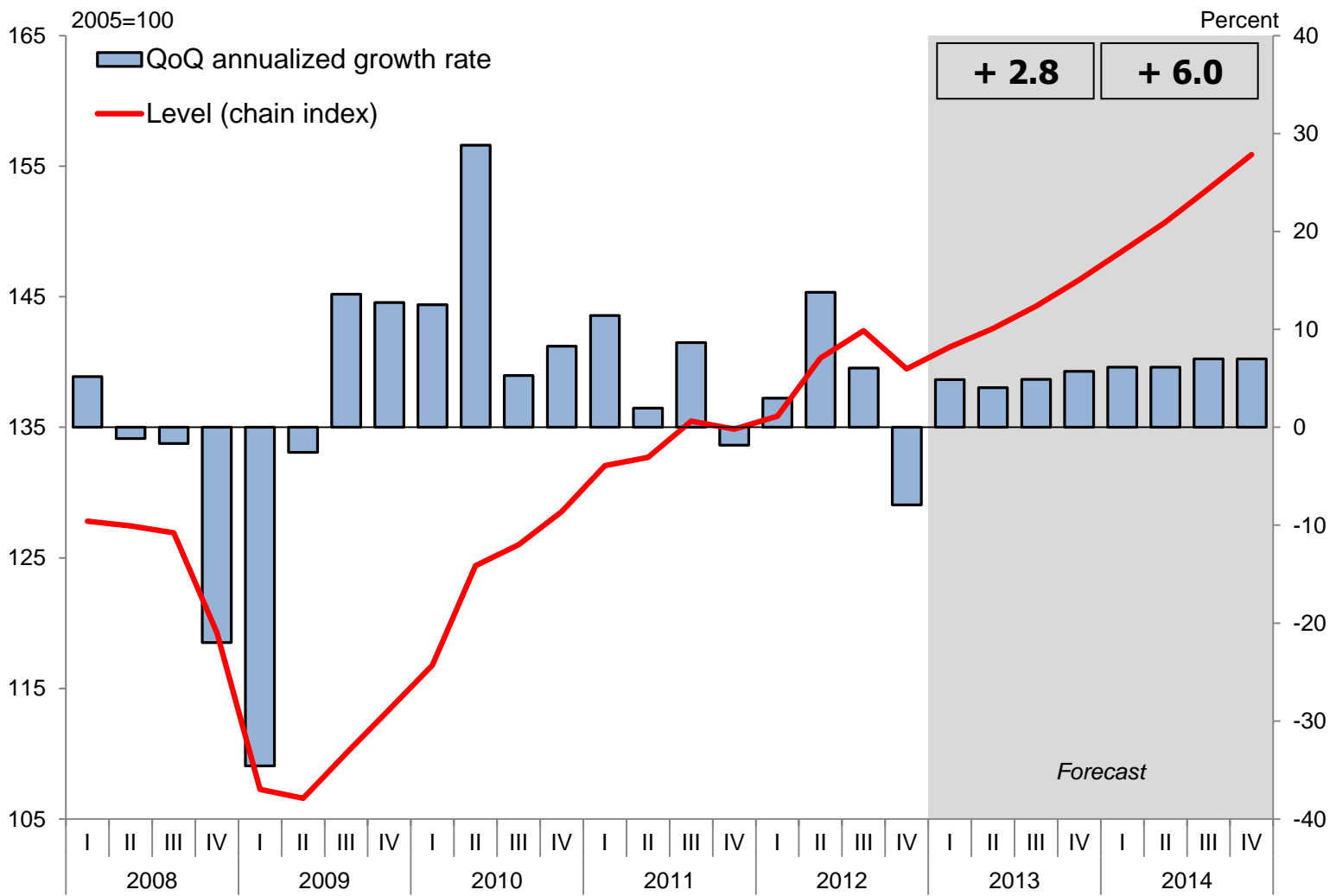


... mirroring sluggish order inflow



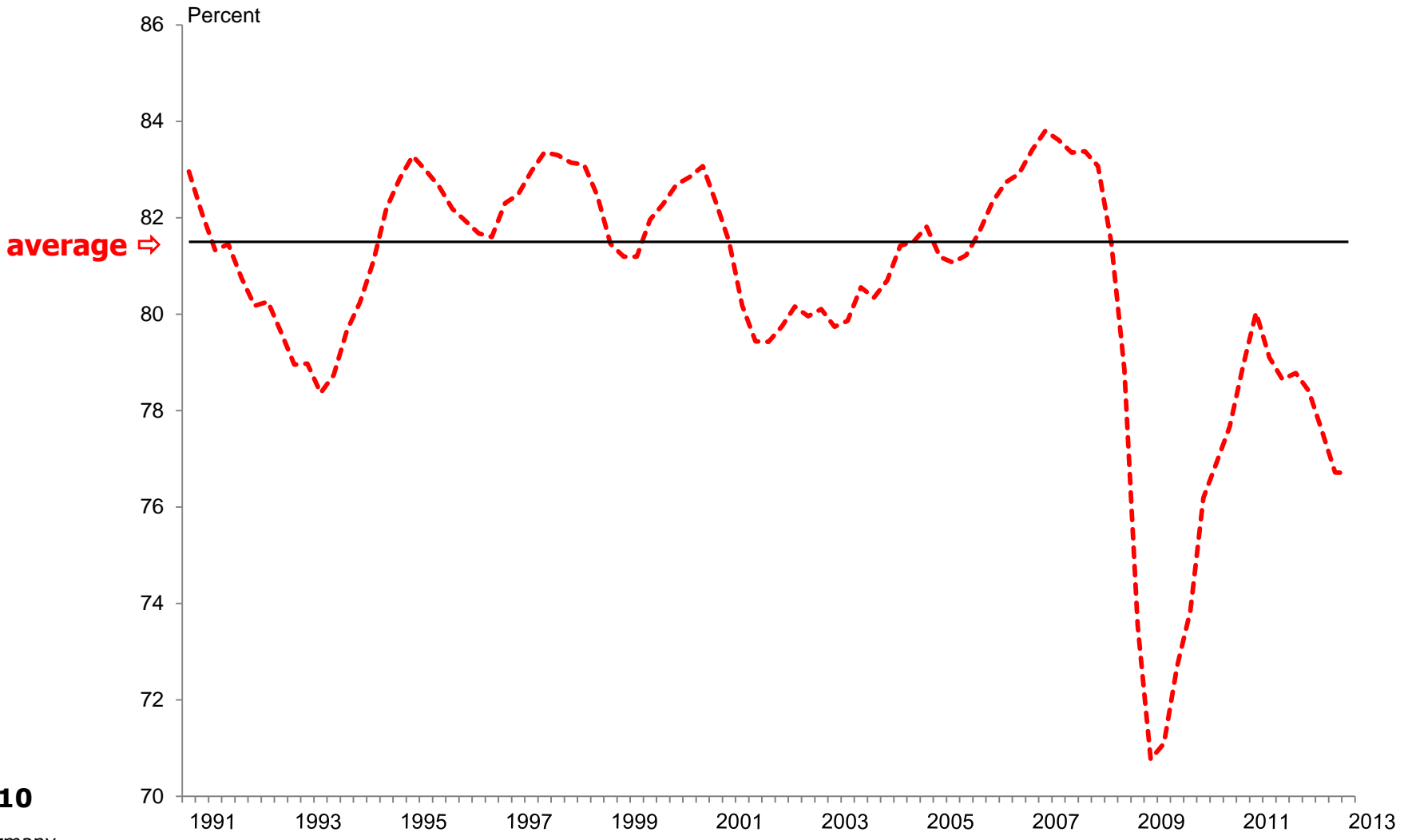


Exports: Moderate recovery ahead





Low capacity utilization in Germany's export markets



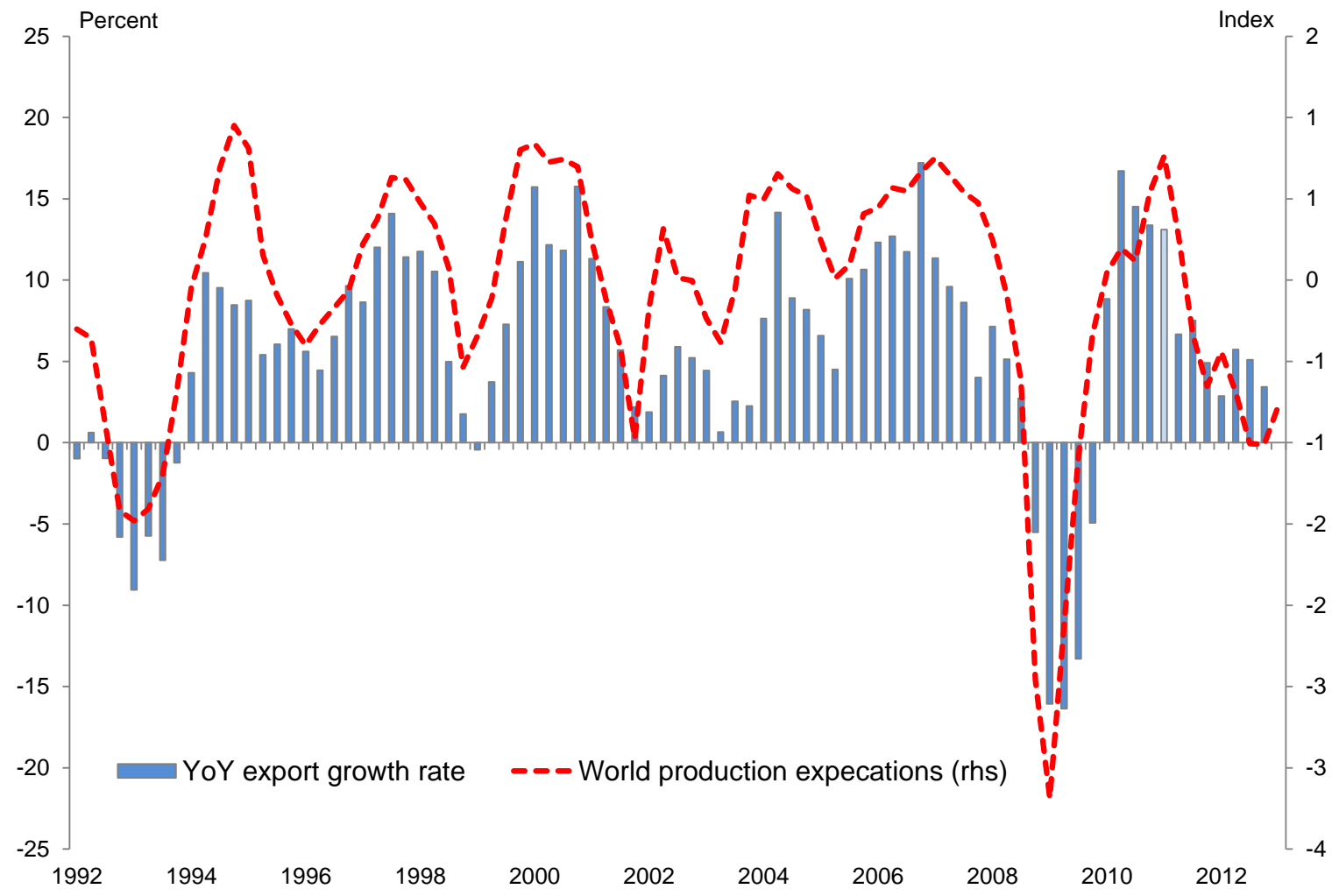
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Germany
KKG, March 2013

Computed from manufacturers' capacity utilization in 38 countries weighted by shares of German exports. Quarterly data.

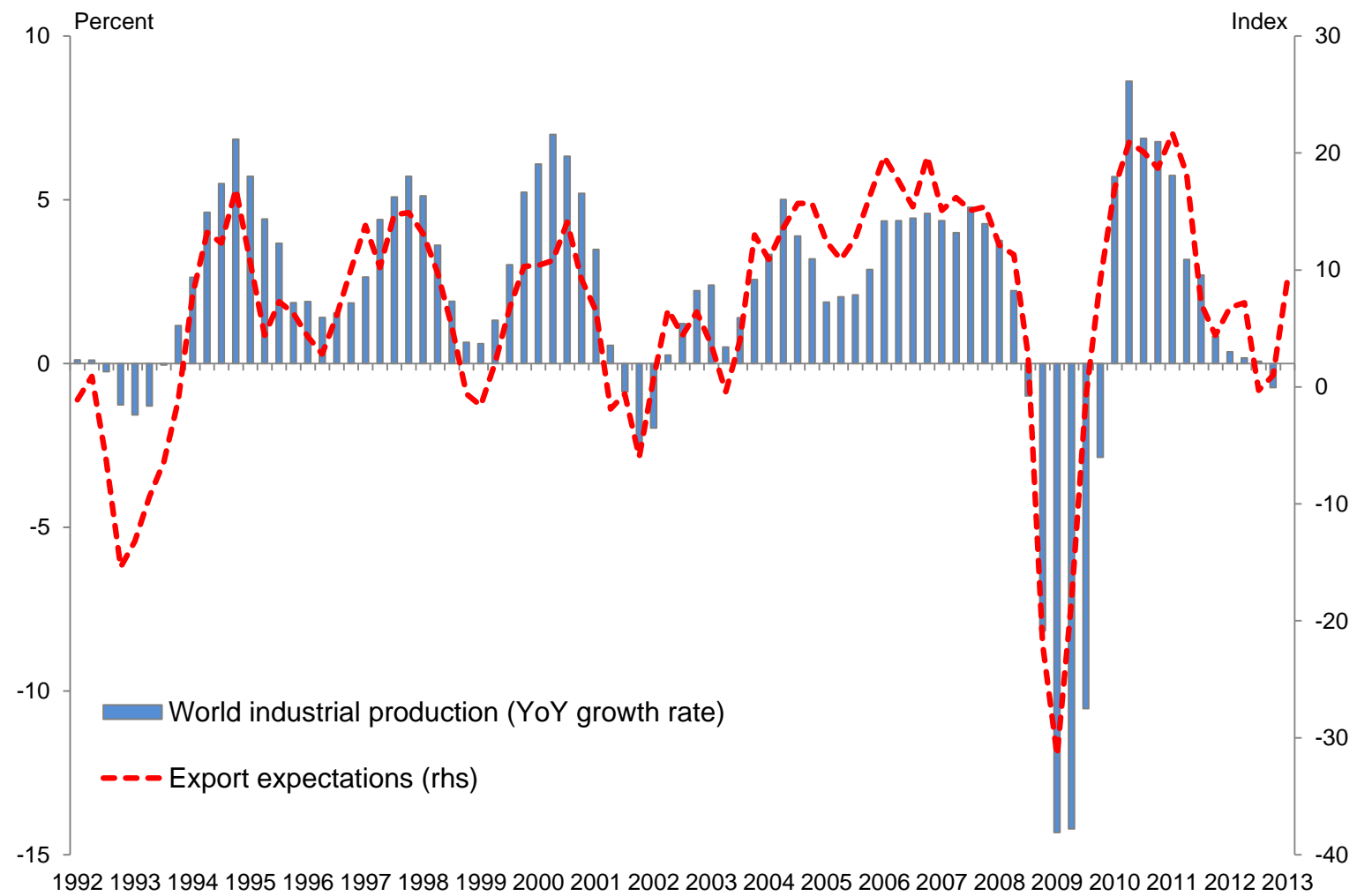


Improving world business climate (German perspective)



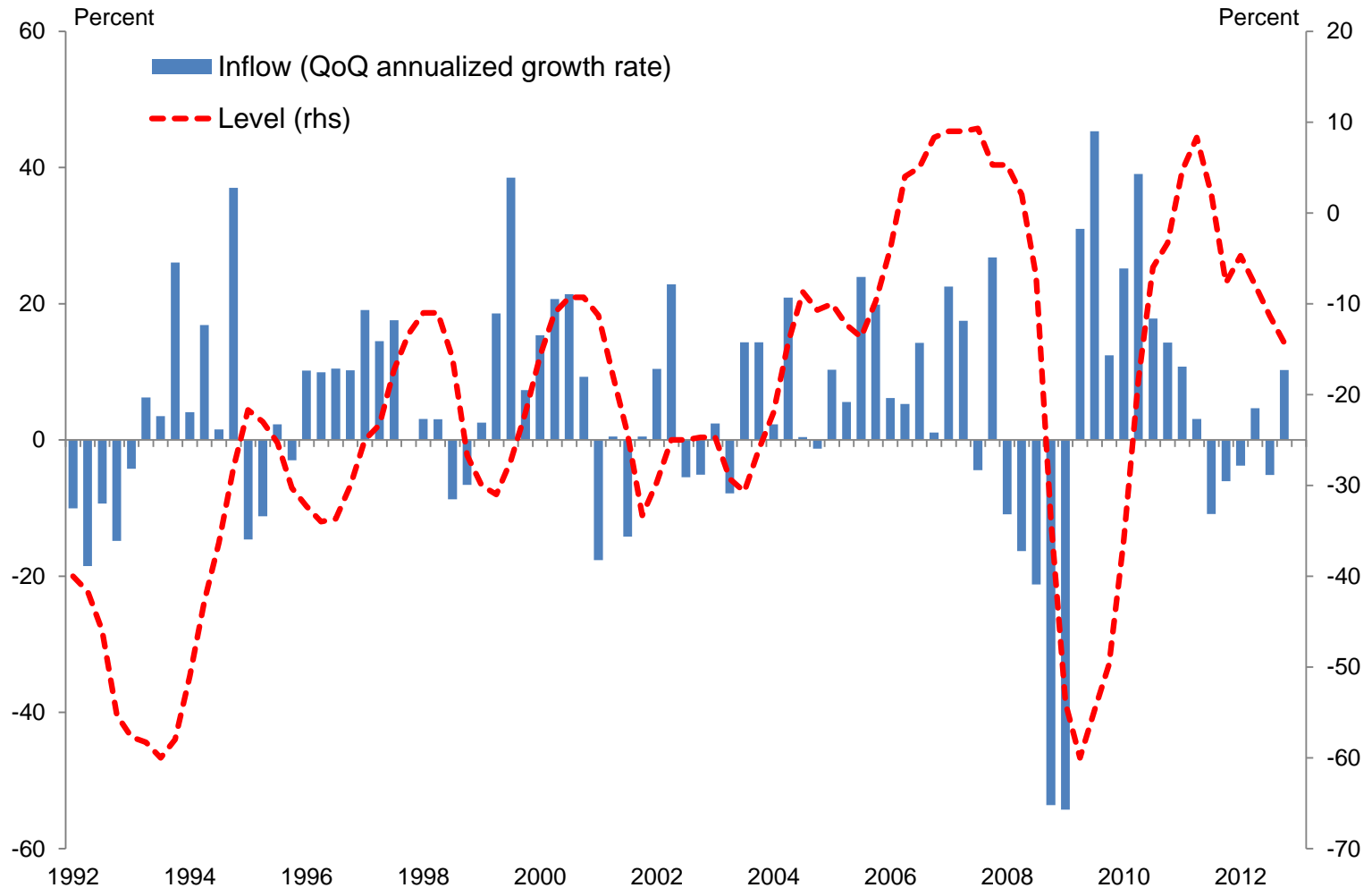


Exporters regain optimism



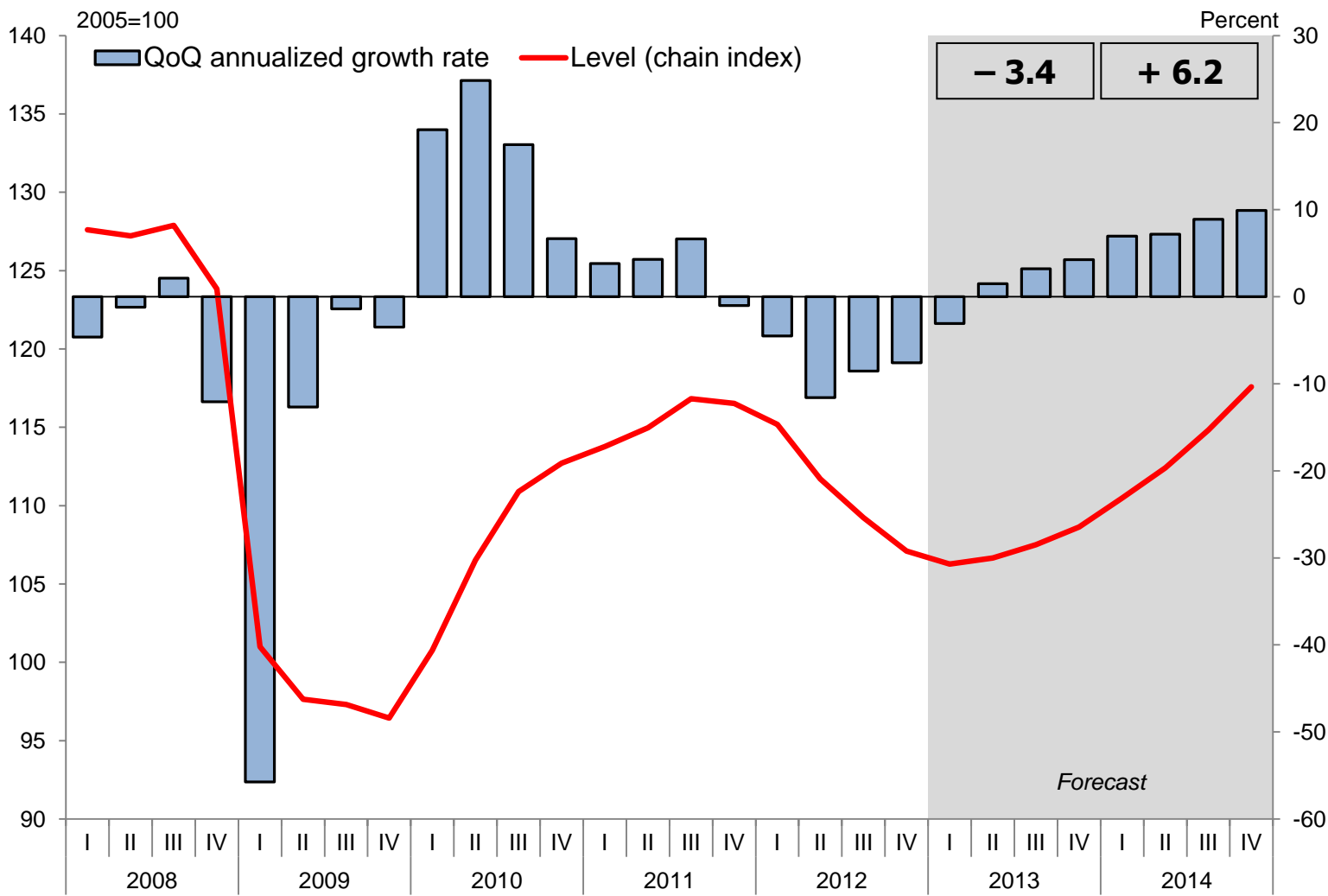


Orders from abroad (manufacturing): Mild signs of recovery



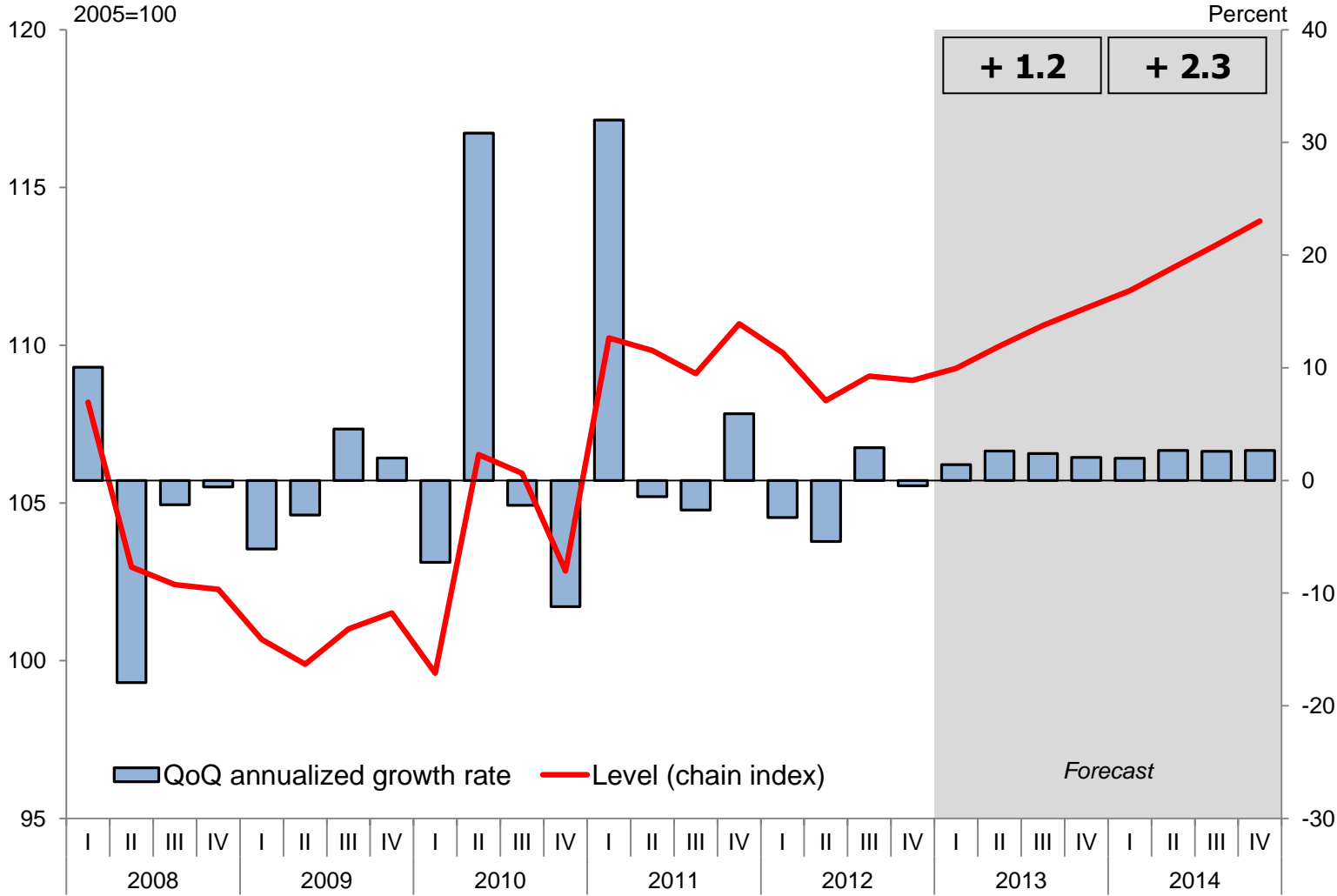


M&E investment dampened by "wait-and-see"

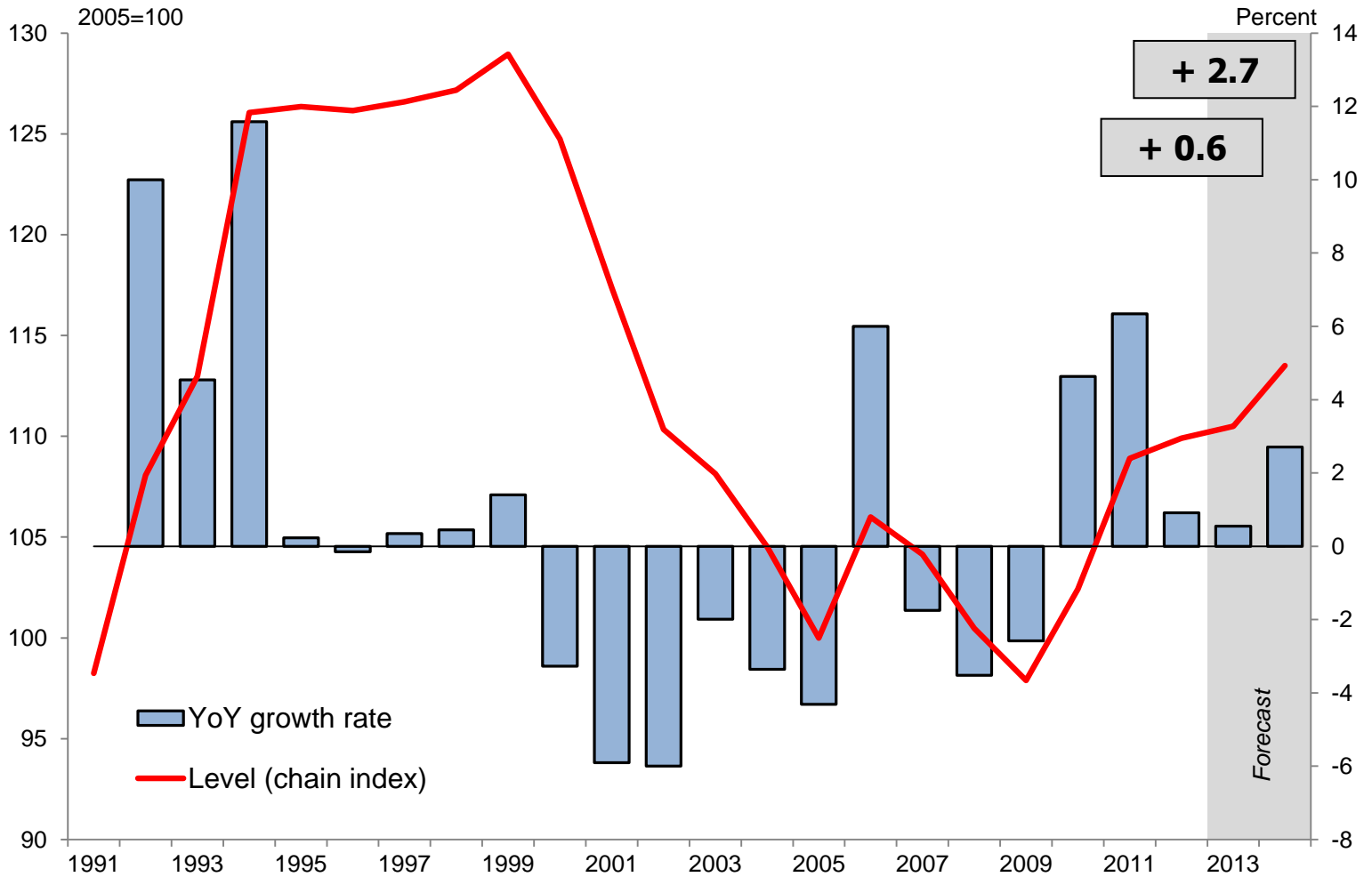




Robust overall construction activity

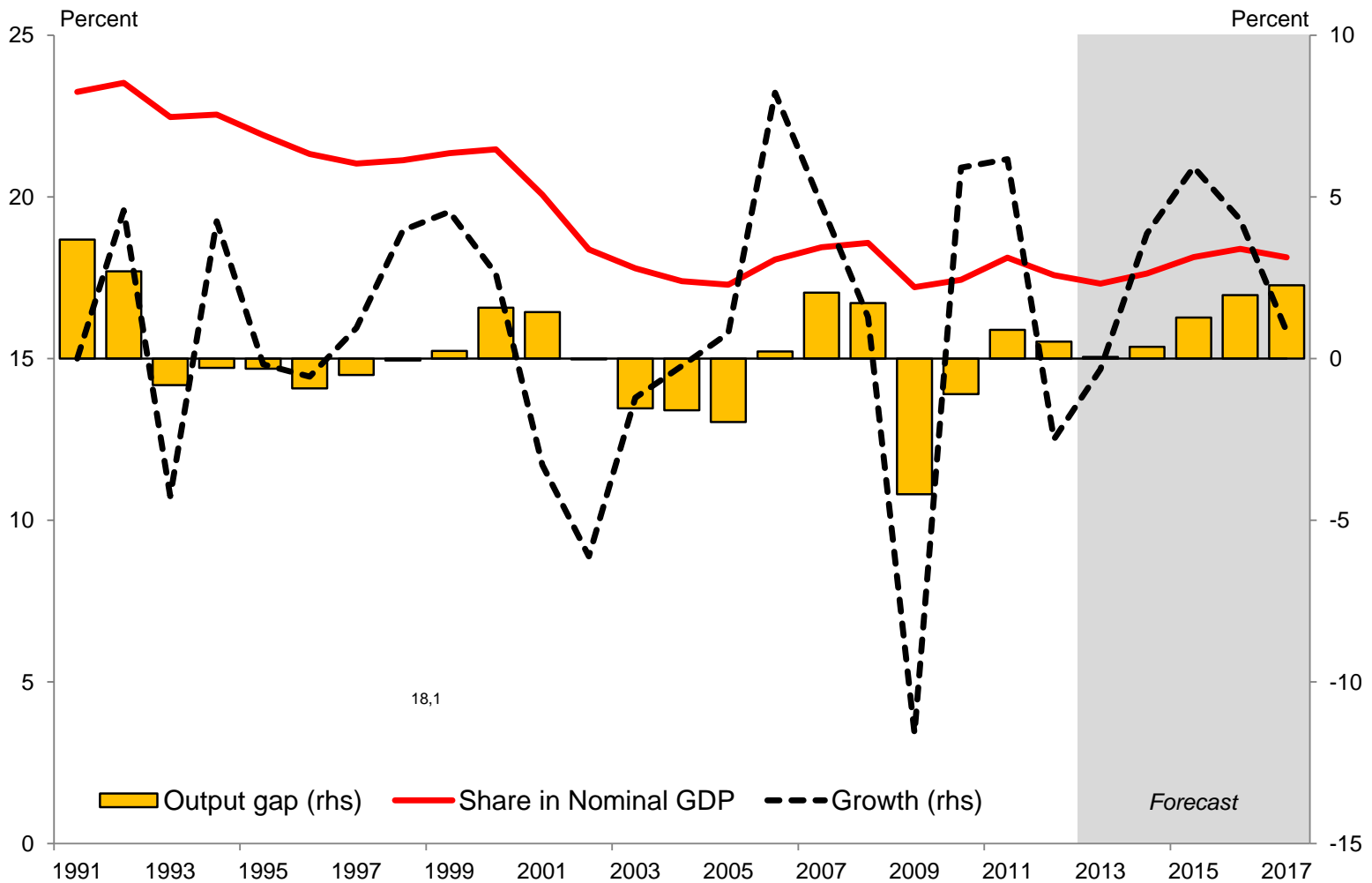


Residential construction speeding up

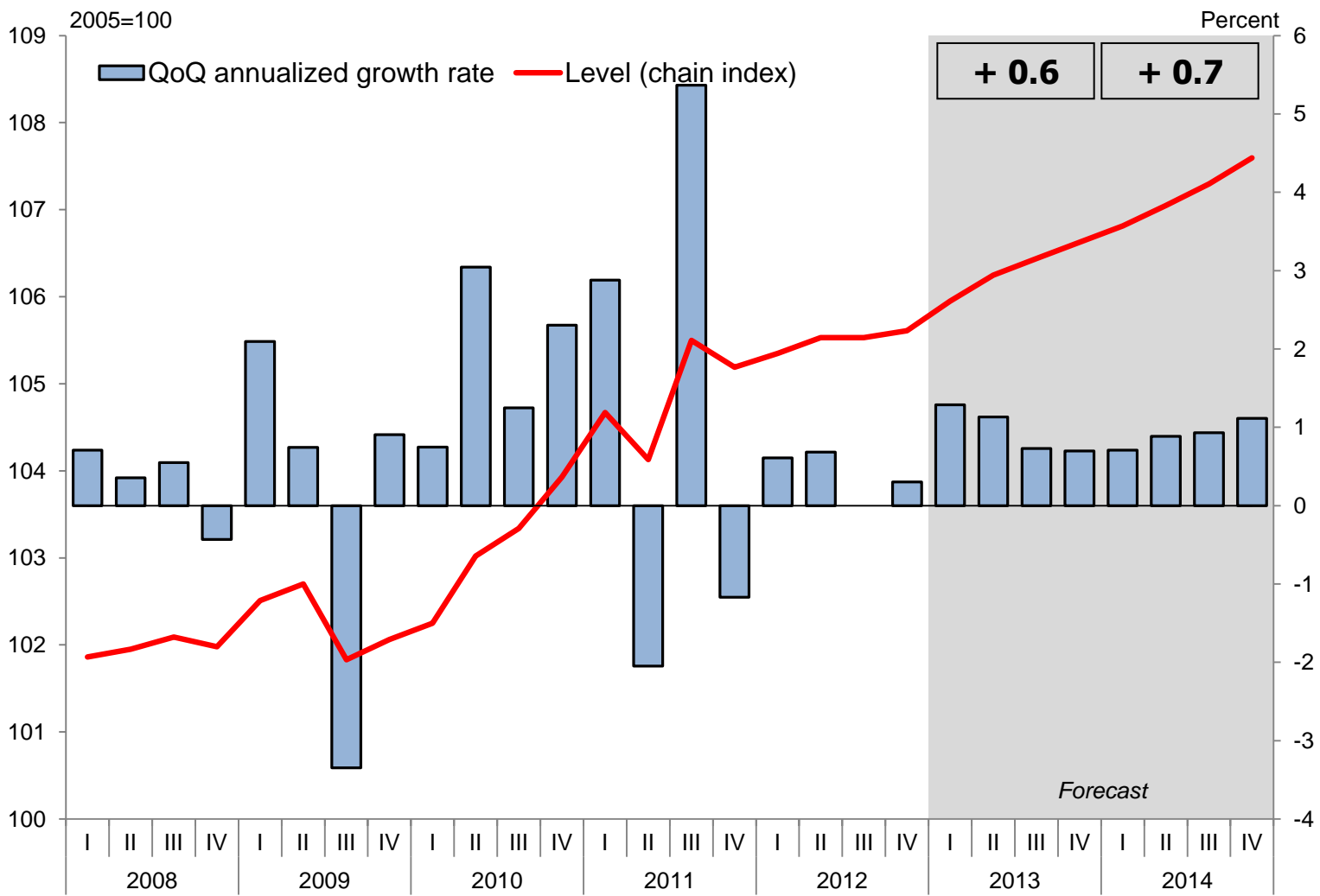




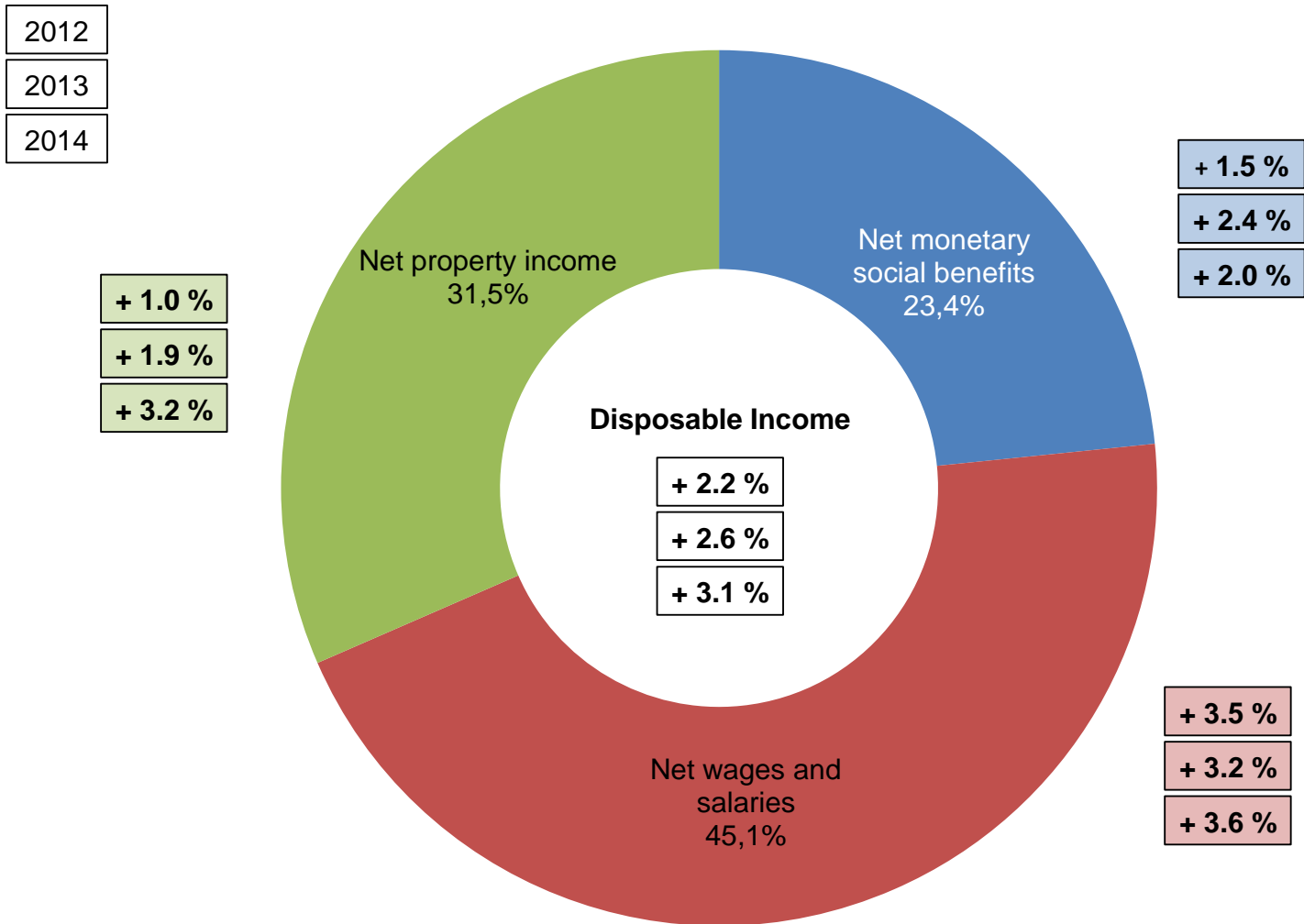
Cyclical investment peak in the medium term



Private consumption spending



Disposable income of private households



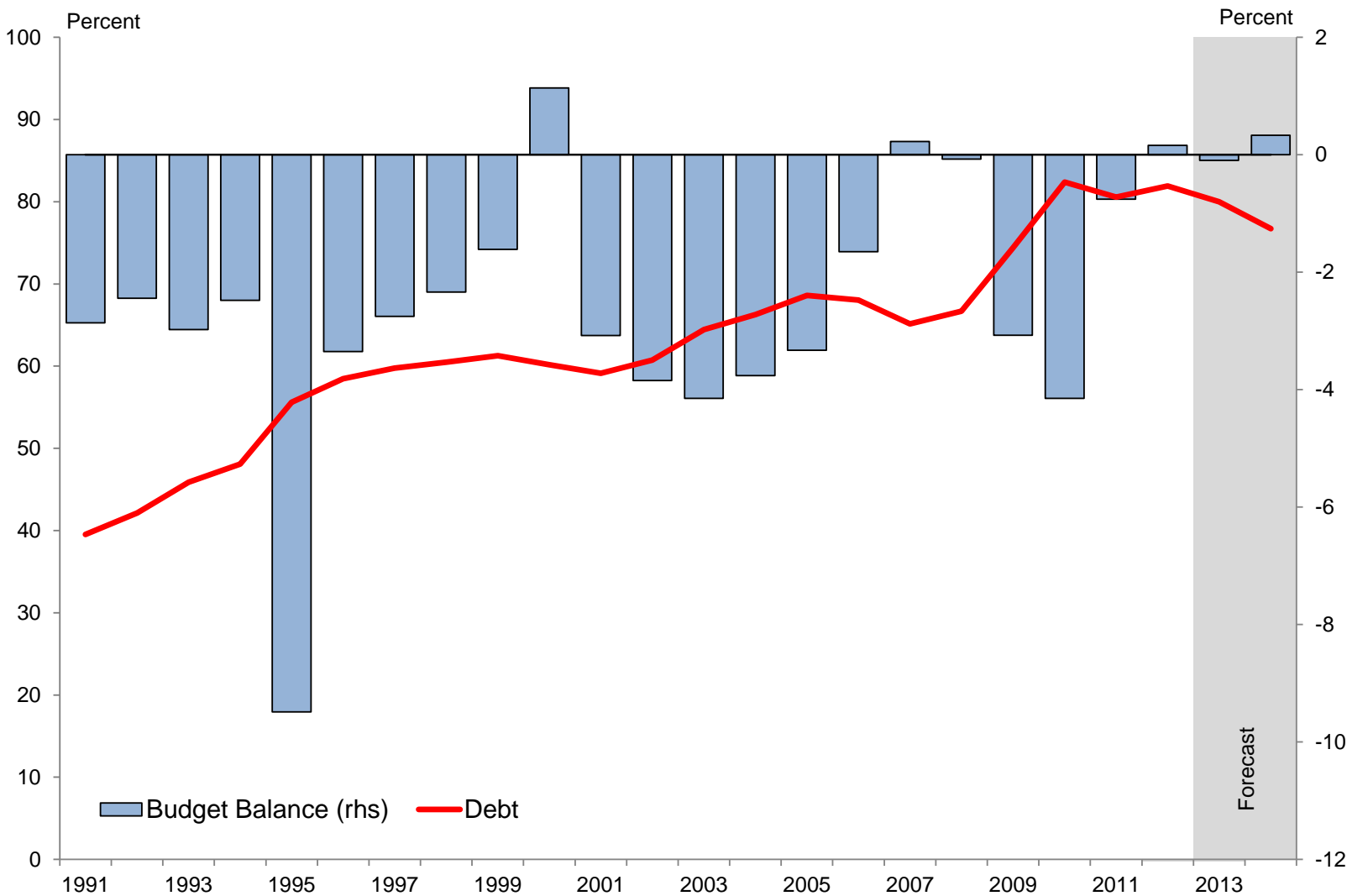
GDP and key components

Volumes, change over previous year in percent

	2012	2013	2014
GDP	0.7	0.6	1.5
Private consumption	0.6	0.6	0.7
Public consumption	1.4	1.2	1.3
M&E investment	-4.8	-3.4	6.2
Construction	-1.5	1.2	2.3
Exports	3.7	2.8	6.0
Imports	1.8	3.4	6.7



Public finance: Consolidation efforts stop

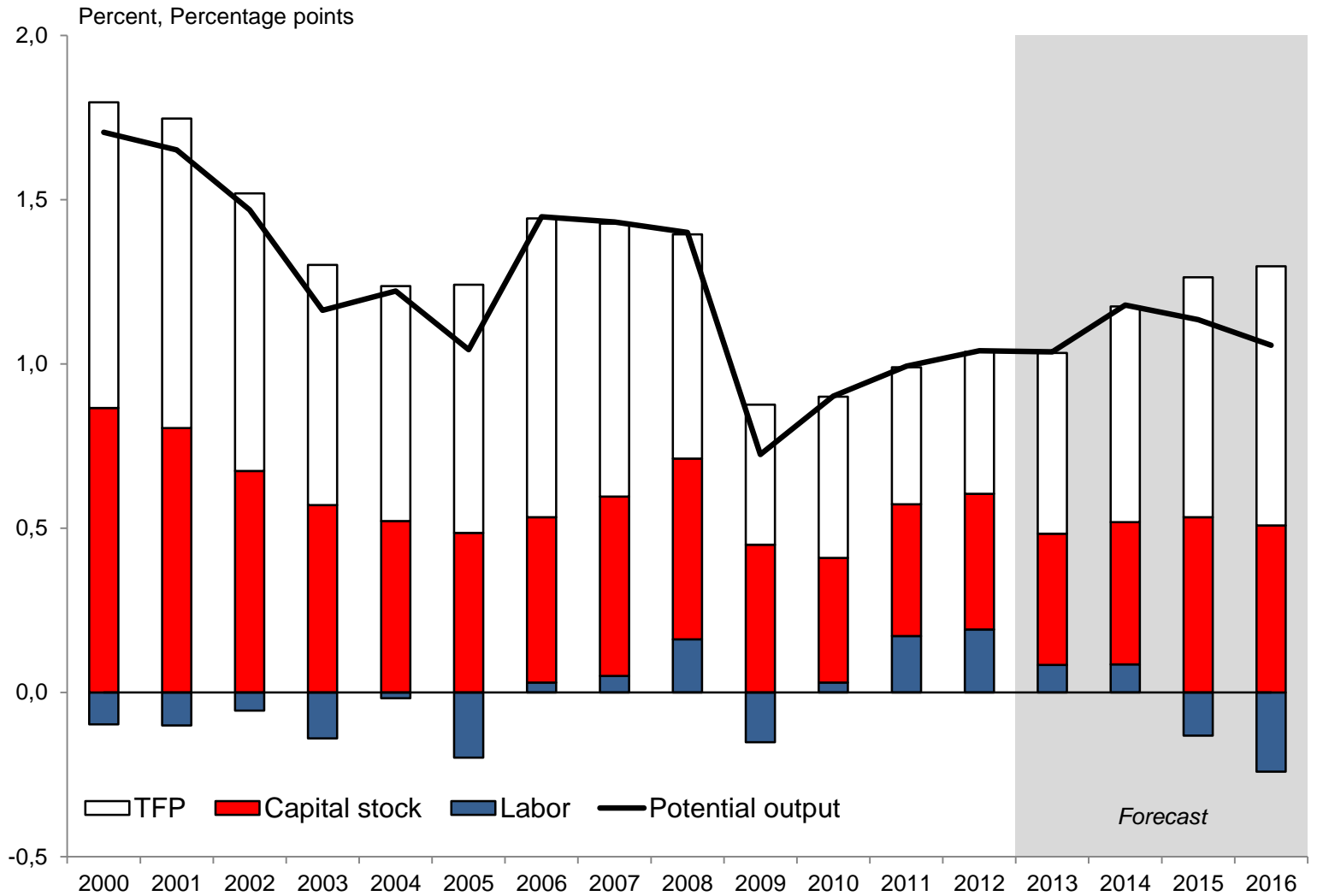


Labor market, productivity and prices

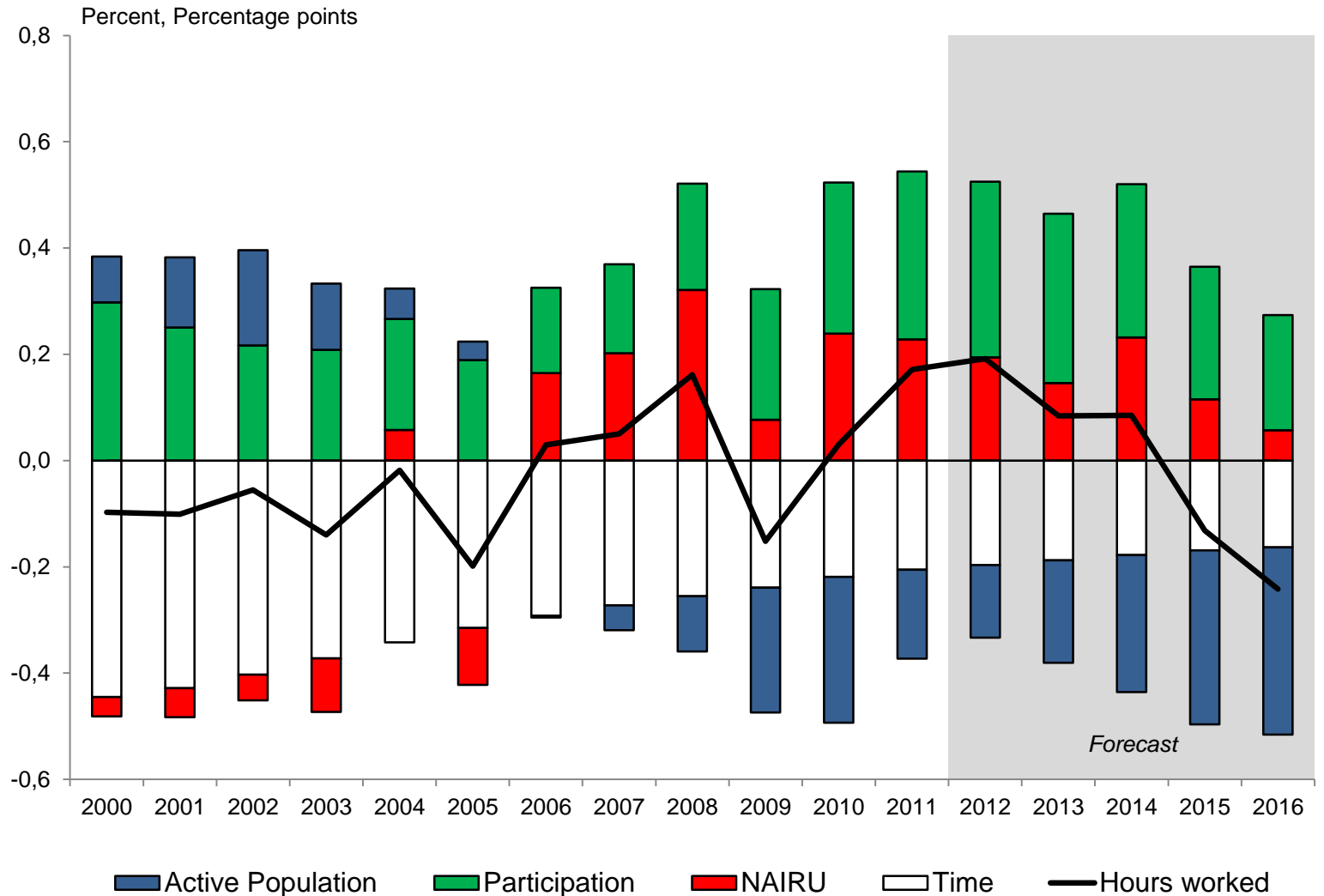
Volumes, change over previous year in percent

	2012	2013	2014
Employment Thousand persons	41 613	41 796	41 906
Unemployment BA, Thousand persons	2 897	2 900	2 877
Unemployment rate BA, Percent	6.8	6.7	6.6
Labor productivity Change in percent	0.3	1.0	1.4
Effective wages Change in percent	3.3	3.2	3.6
Unit labor cost Change in percent	2.8	1.8	2.3
Consumer prices Change in percent	2.0	2.0	2.6

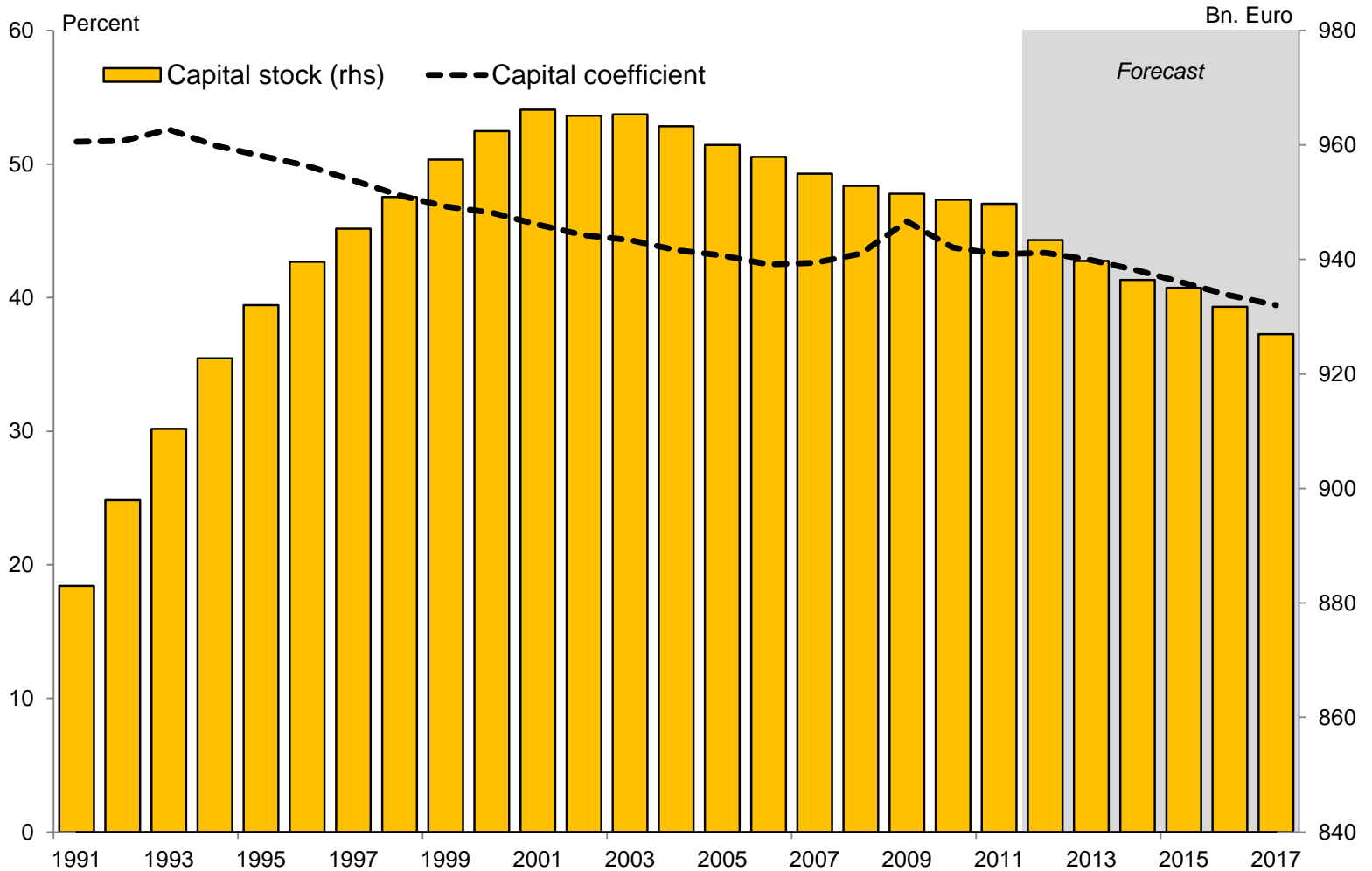
Moderate potential growth



Potential labor supply peaks in the medium term

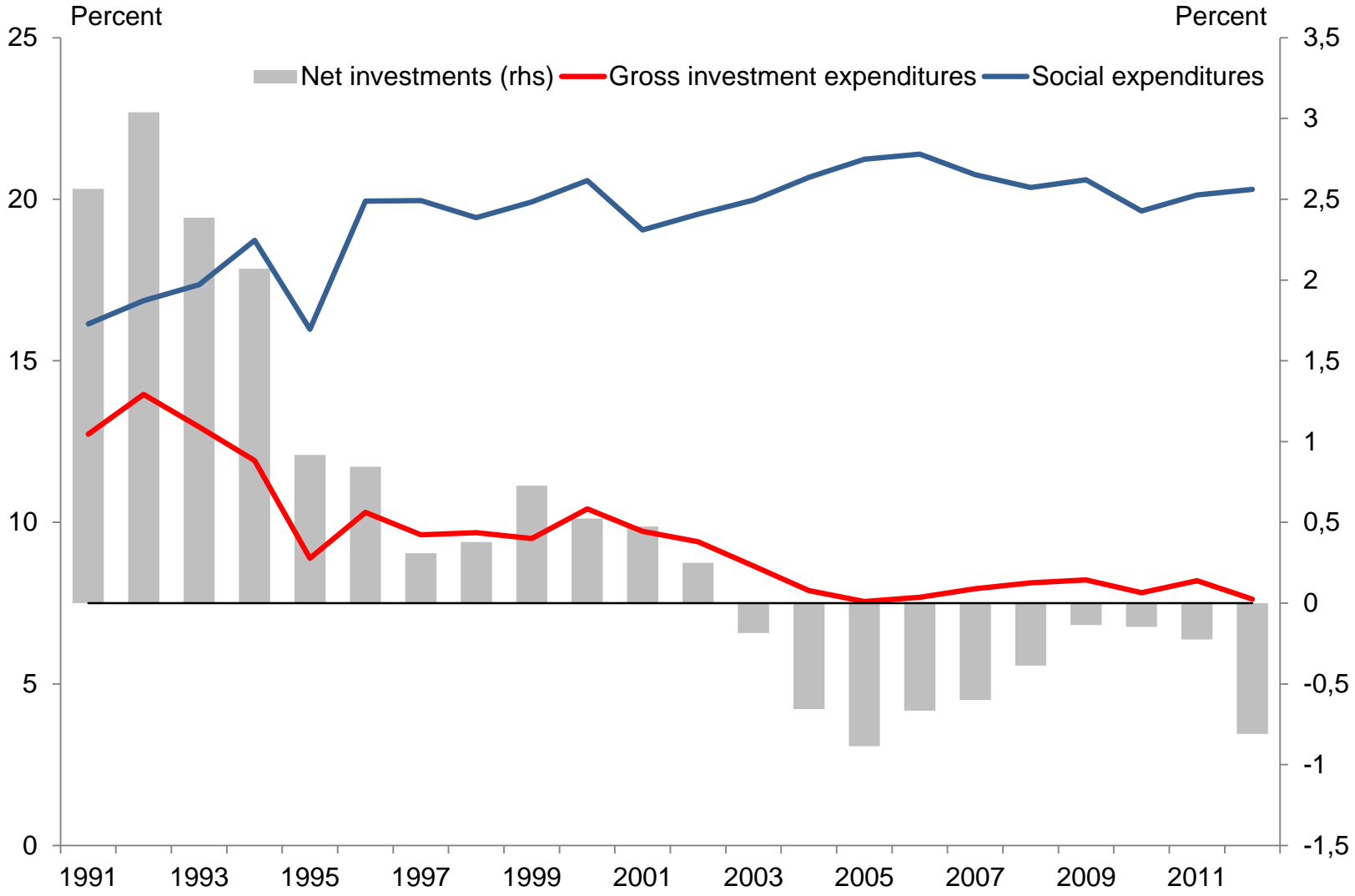


Public capital stock continues to decline





Social expenditures squeezing out public investment spending



Annual data, Share in total government spending (except social security funds).

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