



Kiel Institute

for the World Economy

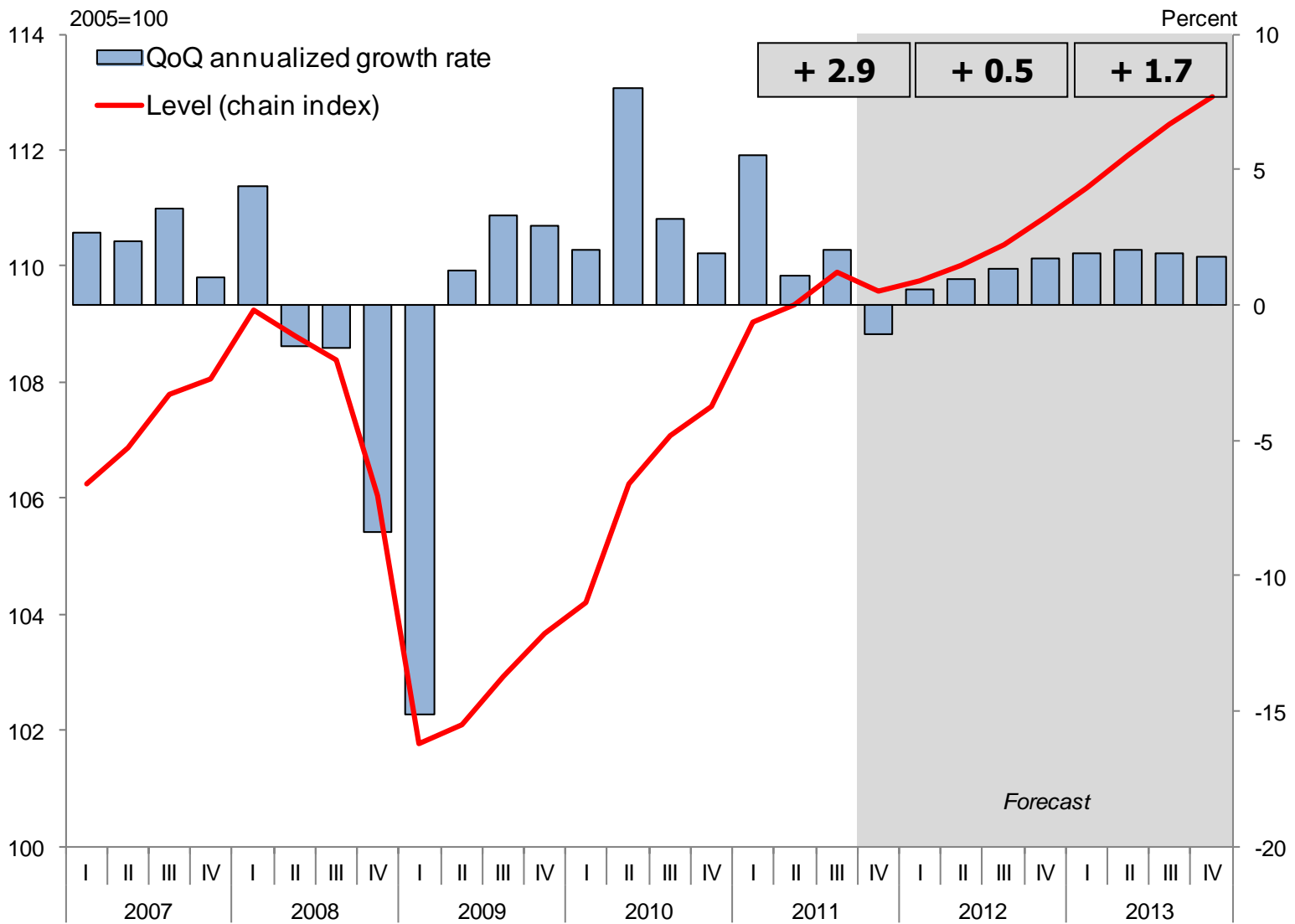
IHS Neujahrsprognose 2012 | Frankfurt/M., 25 Januar 2012

Deutsche Konjunktur 2012

Stefan Kooths
Forecasting Center, Office Berlin



GDP: Moderate expansion ahead

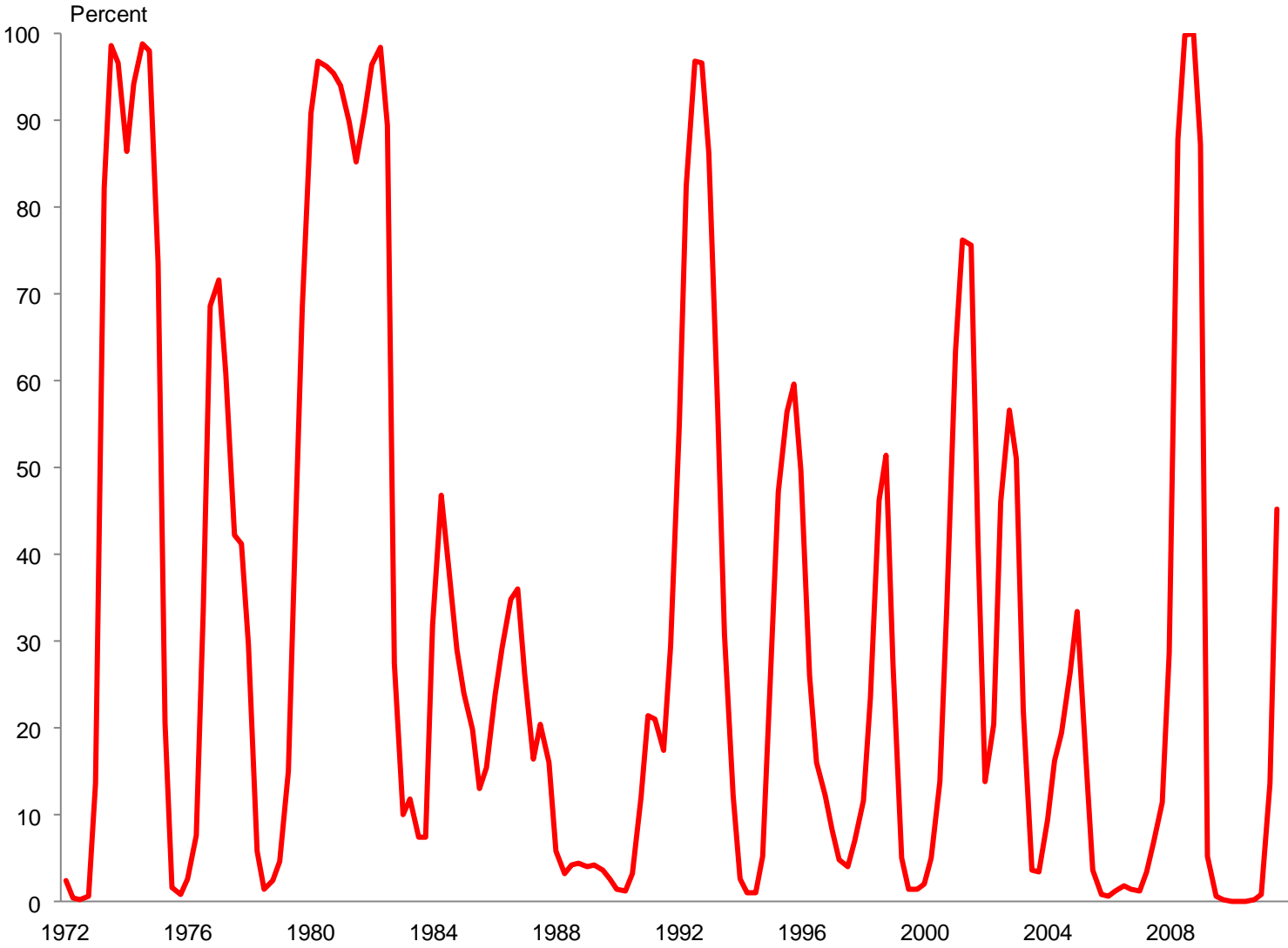


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Short run: Germany on the brink of a technical recession

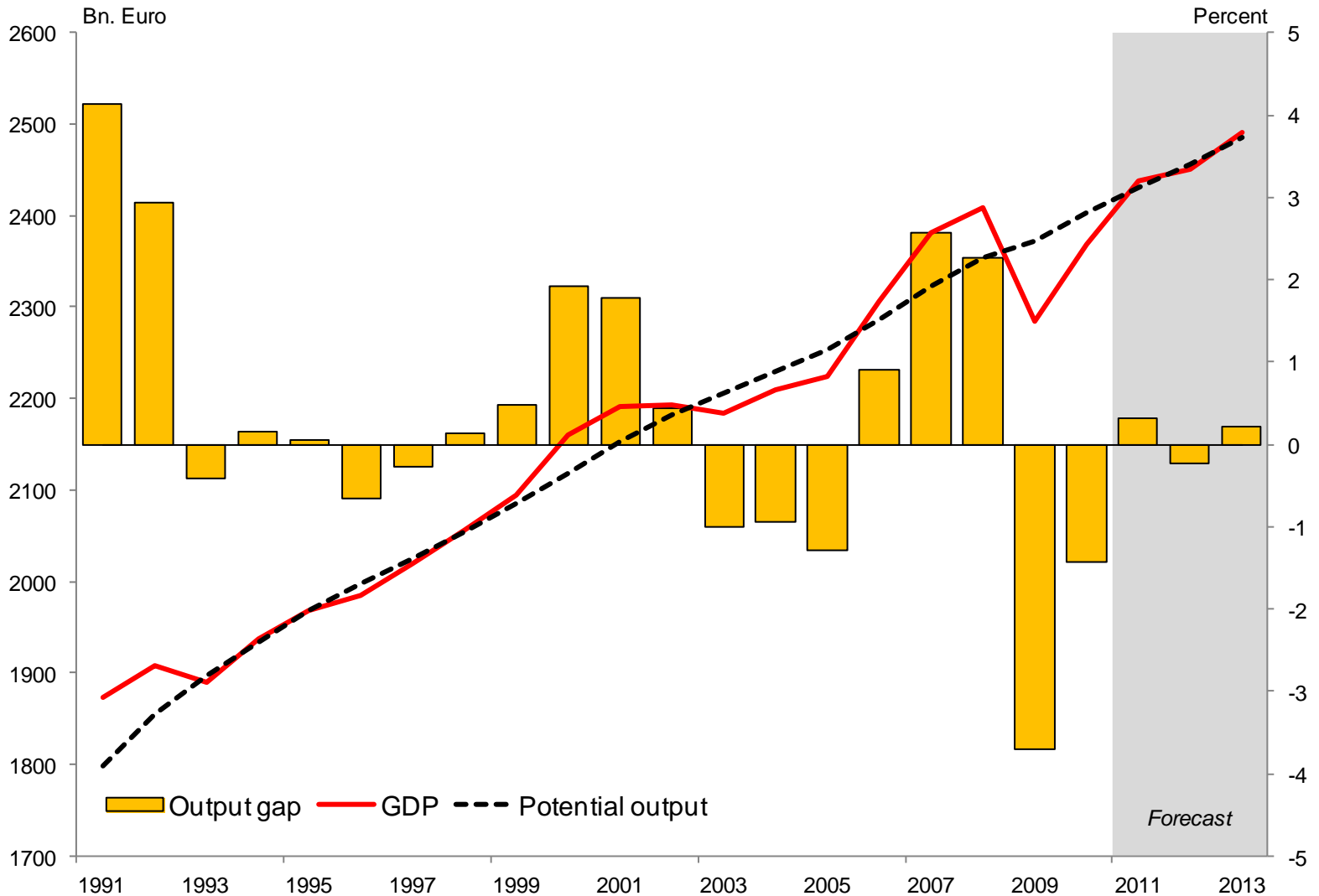
IfW Recession Probability Indicator



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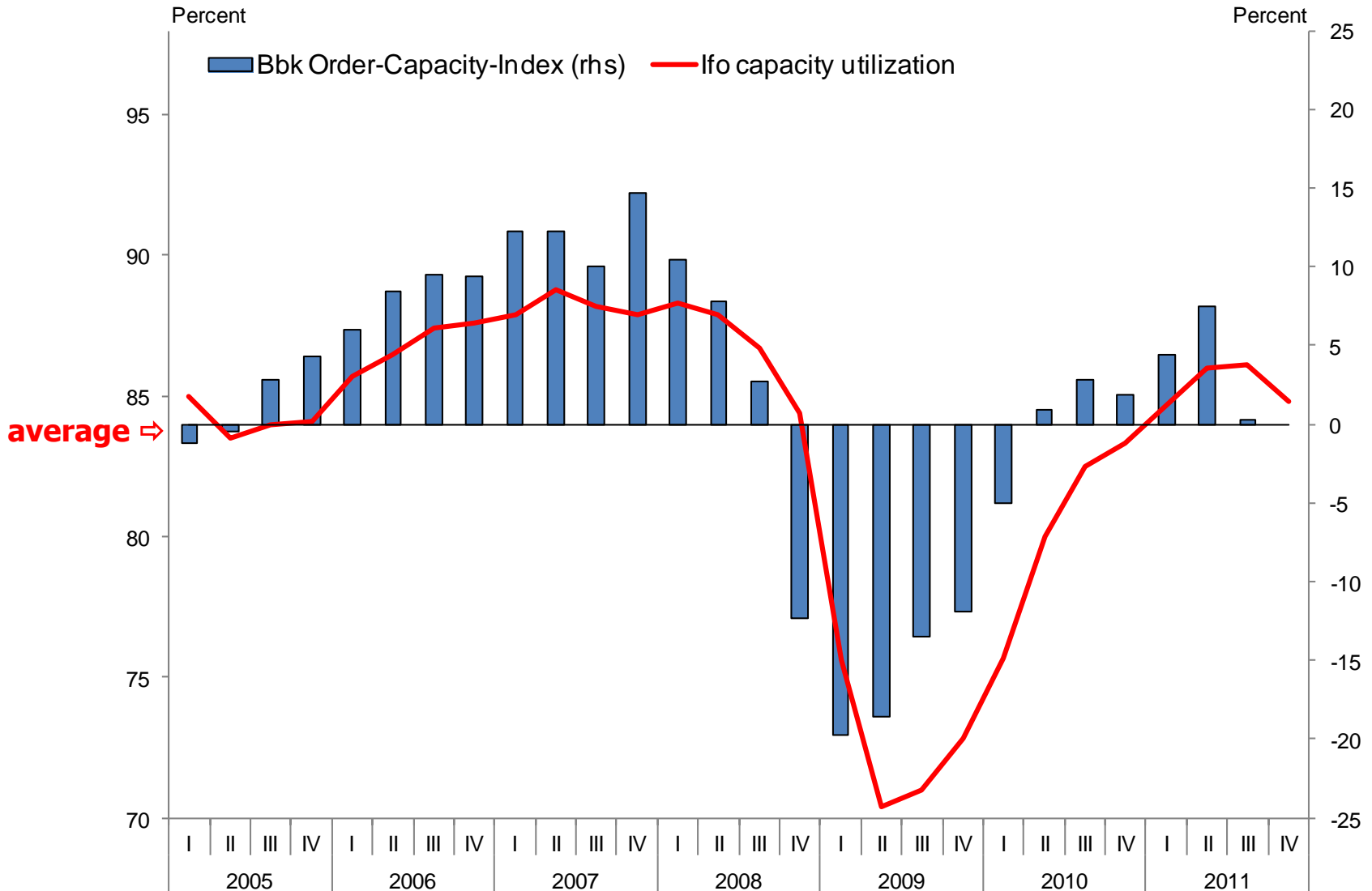


Medium run: The boom – on hold for one year



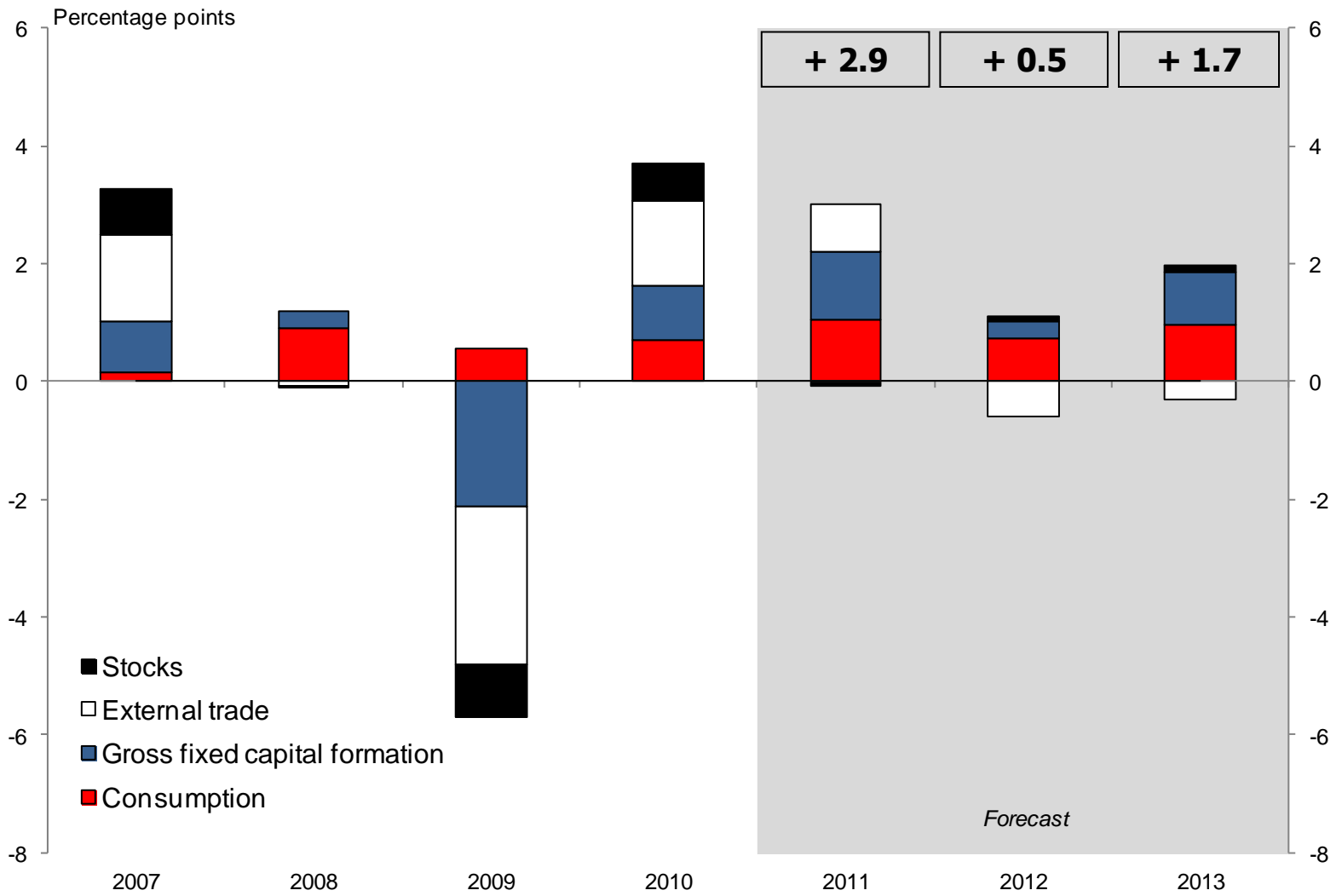


Manufacturing: Capacity utilization near normal levels





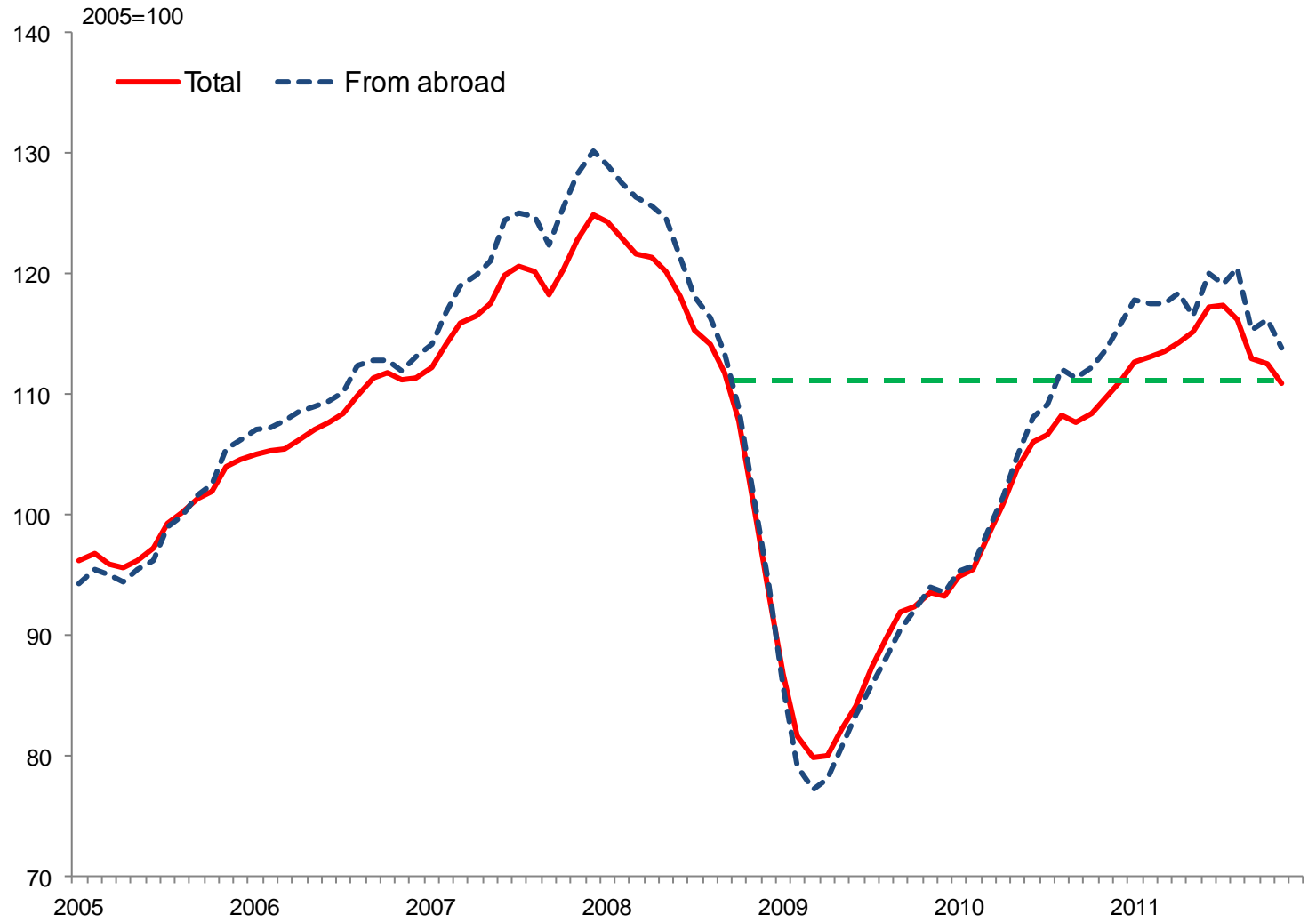
Robust domestic demand in the driver's seat



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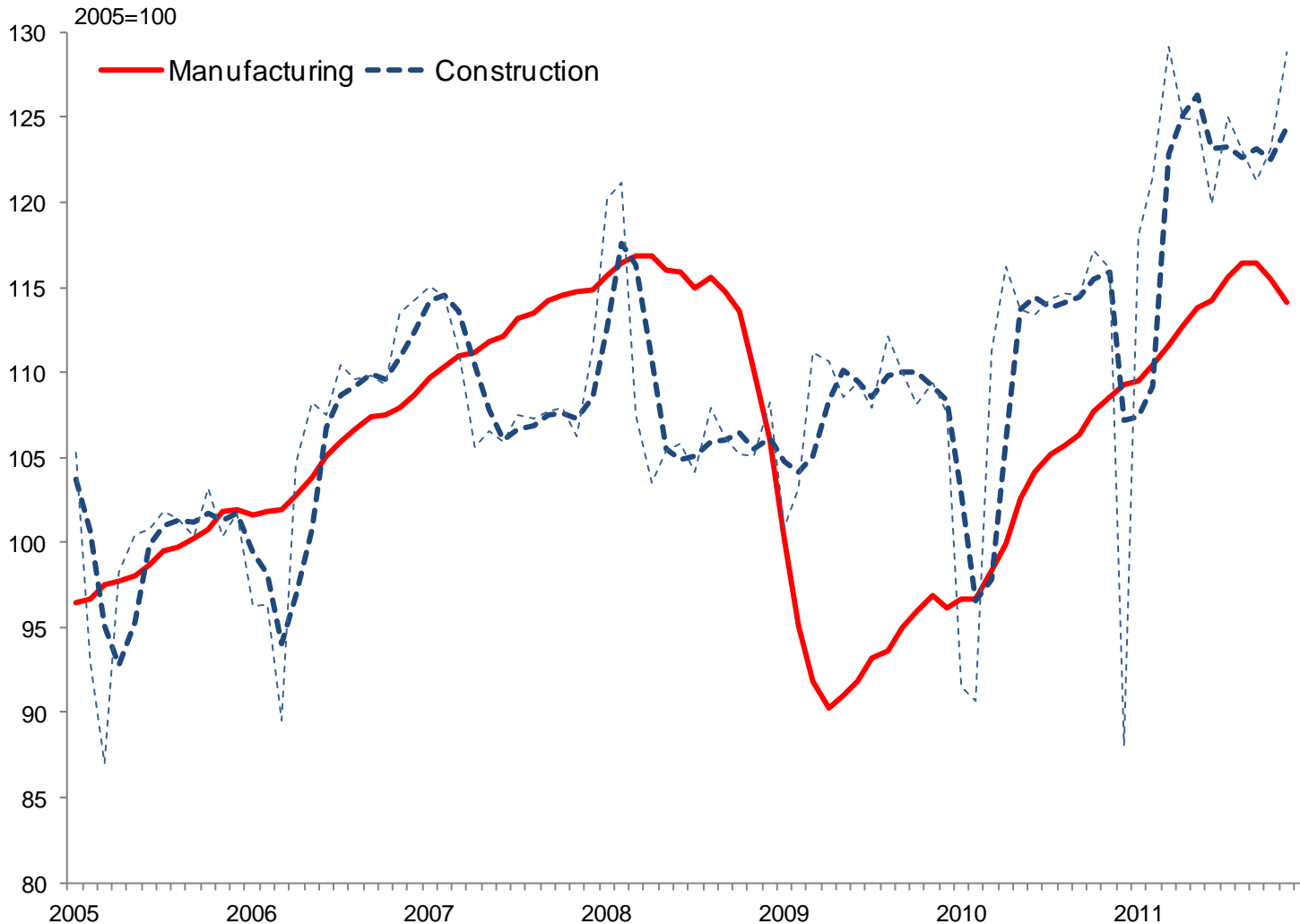


Orders received by industry: Clear downward trend

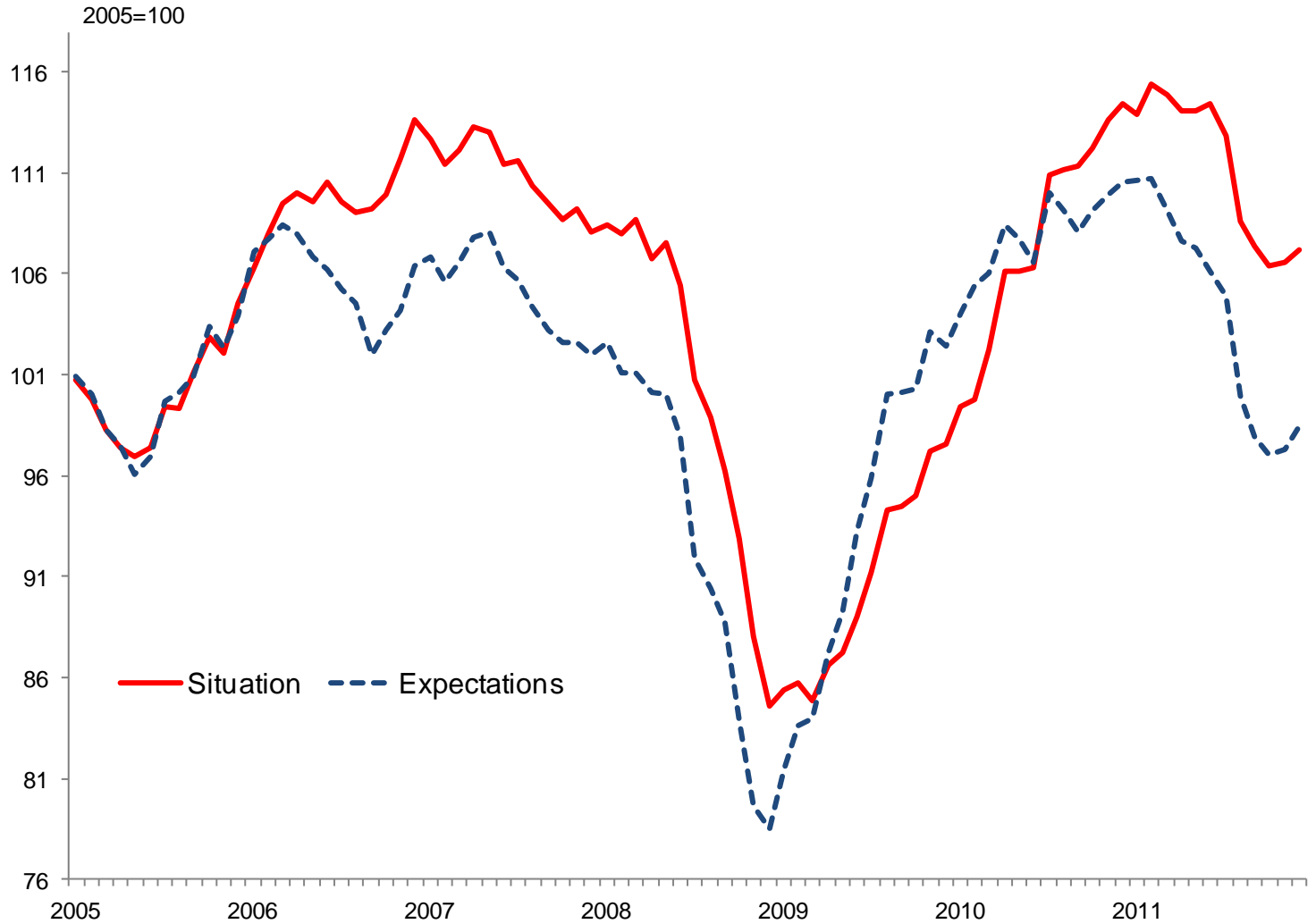




Output in the production sector: Robust construction, weakening manufacturing



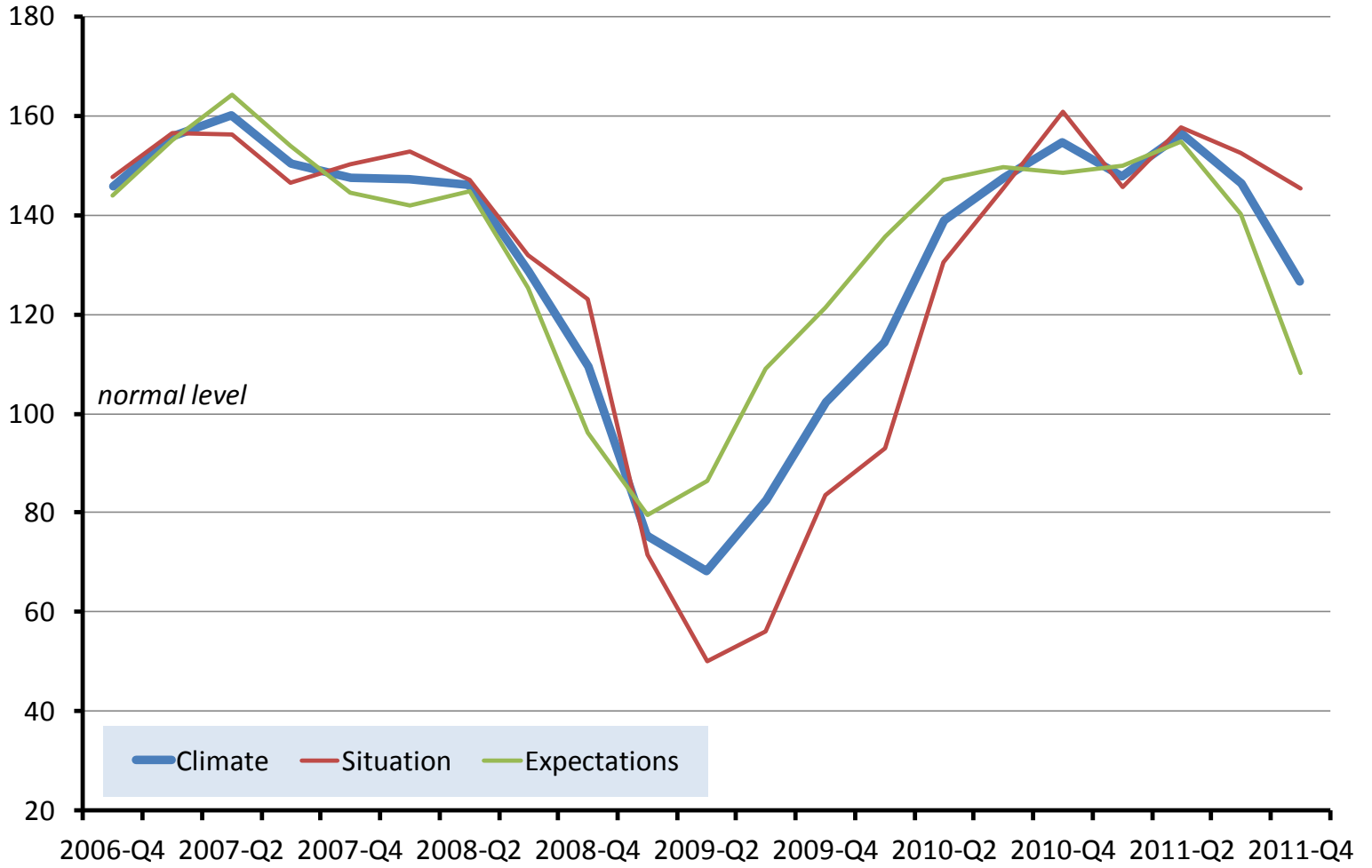
Business climate reversal





IfW-BVL Logistics Composite Indicator

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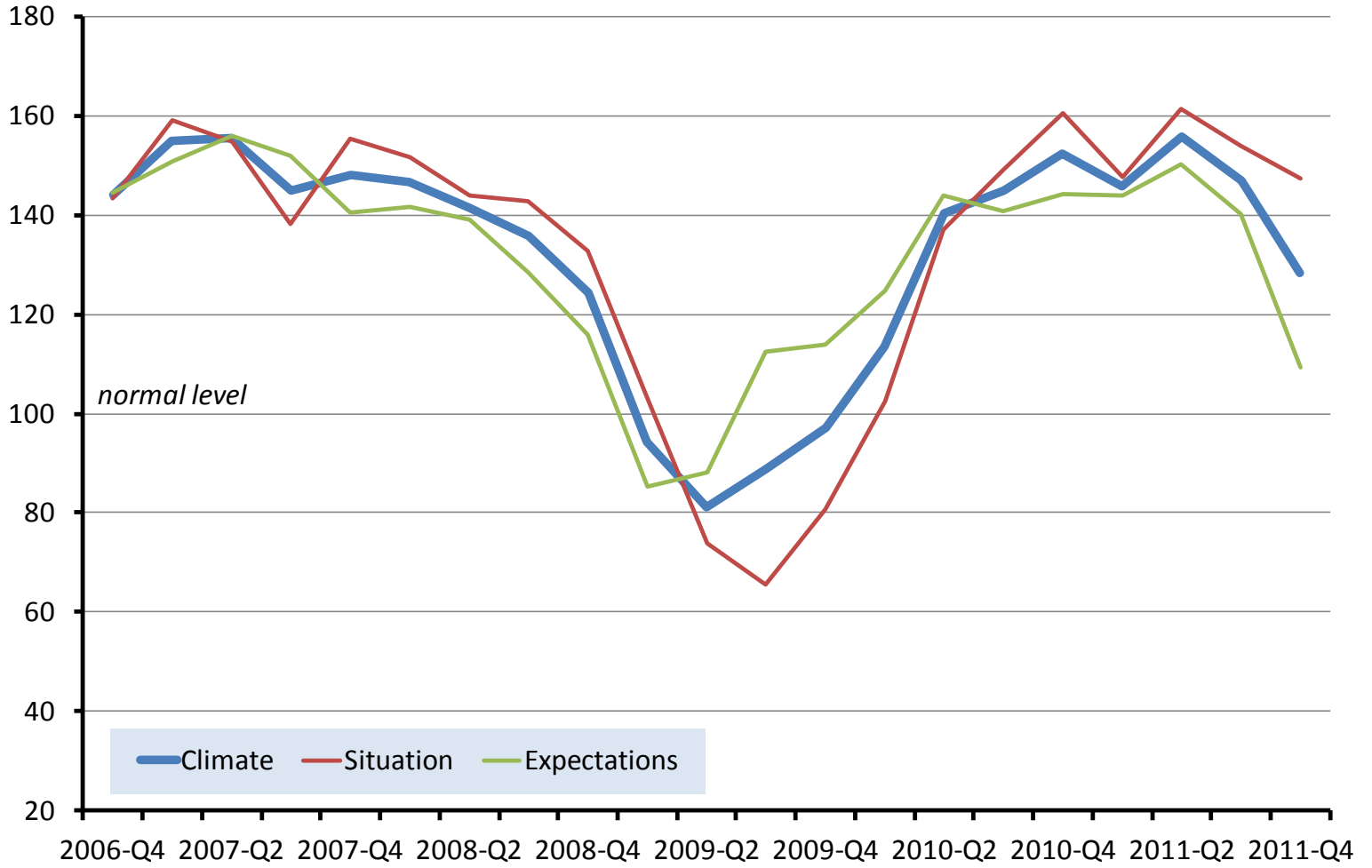


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Logistics Activity in Industry and Trade

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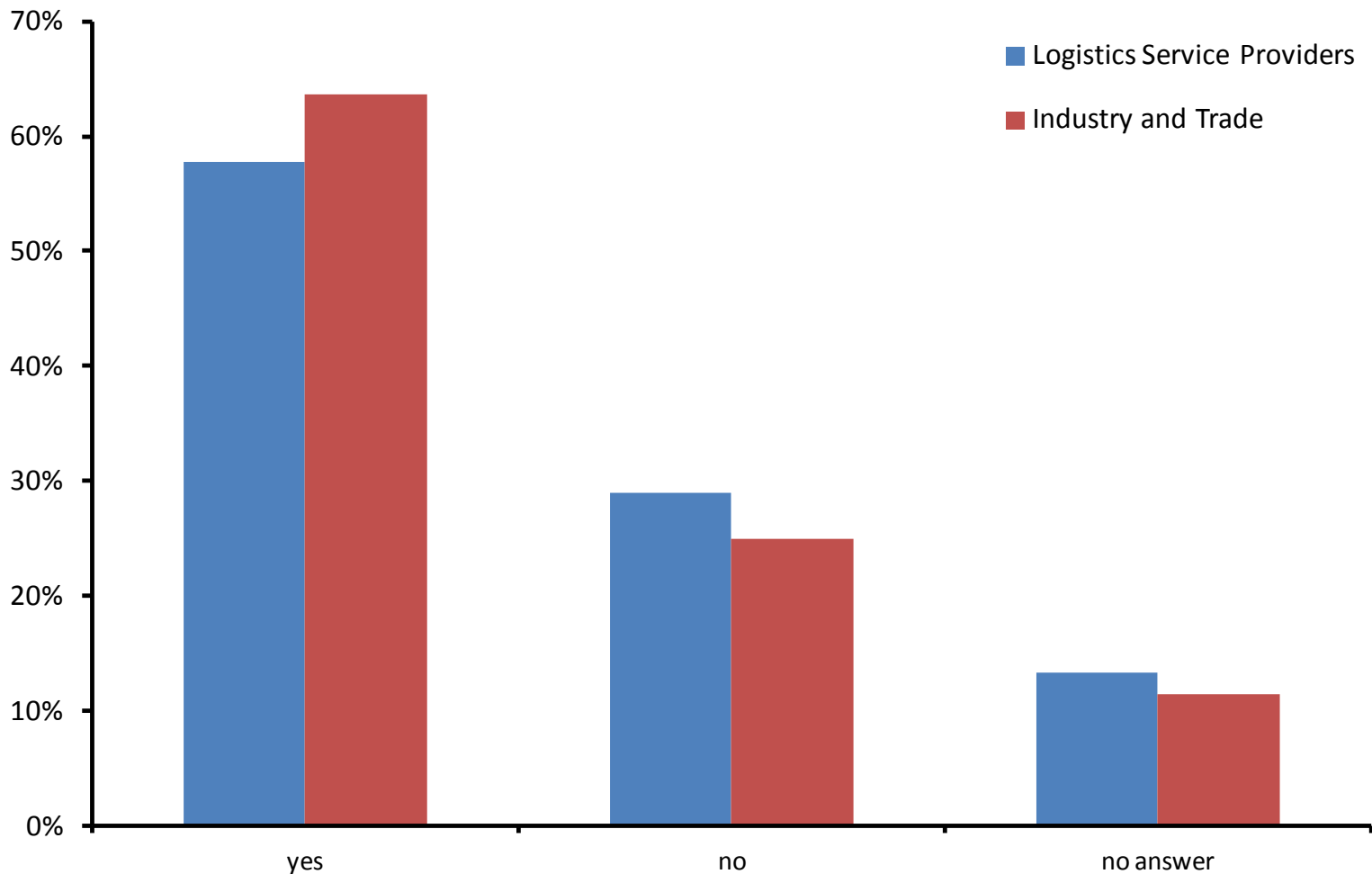


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Rescue packages for Euro member countries Threat for Germany's stability?

Percent of all respondents

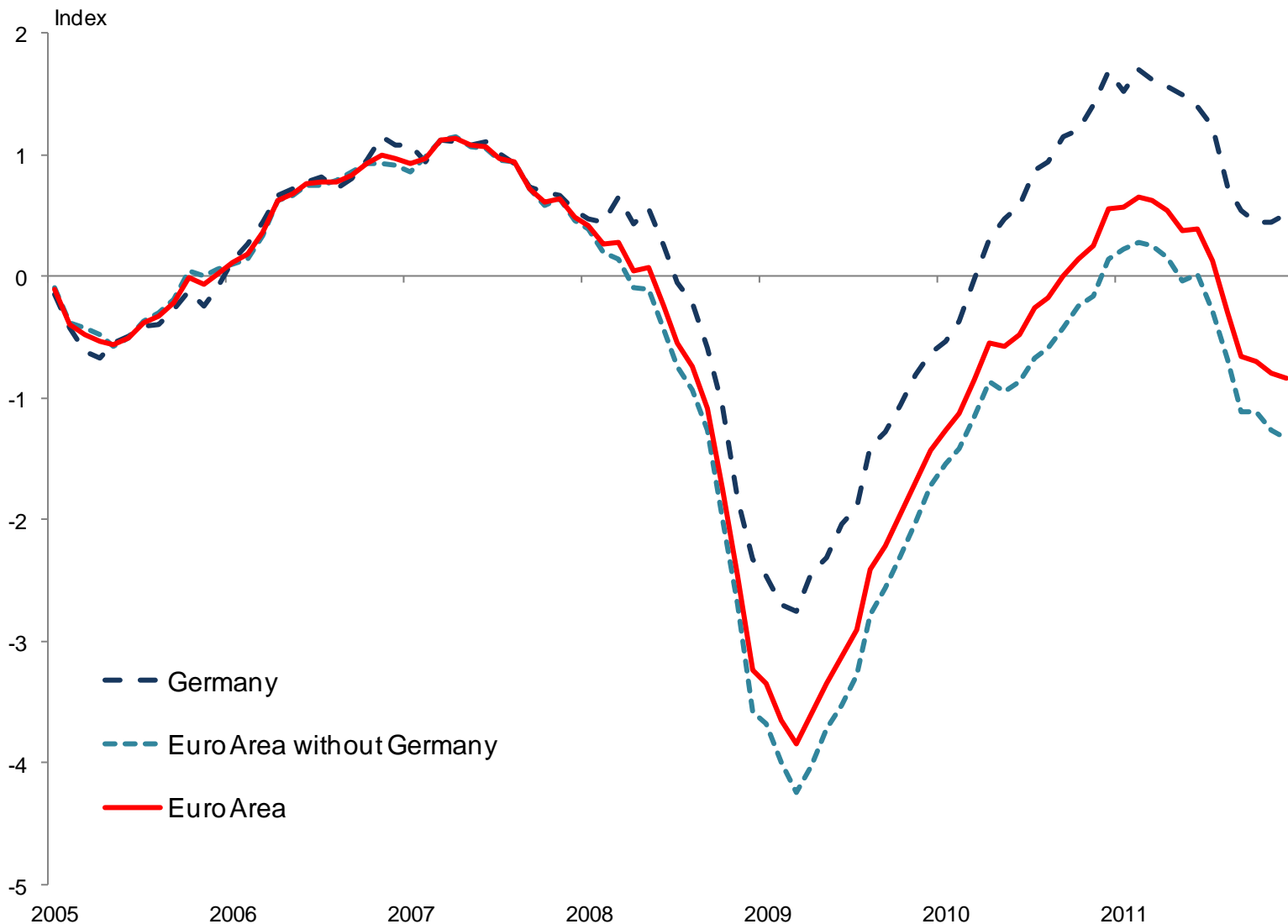


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Question: The German Bundestag along with the other Euro member countries has approved the extended scope for the EFSF rescue package. A further leveraging of the EFSF via access to ECB credit facilities is currently under discussion. Do you feel that the ongoing extension of the emergency measures^{1,2} and the hereby incurred increasing risks are a threat to economic stability in Germany as the largest guarantor?



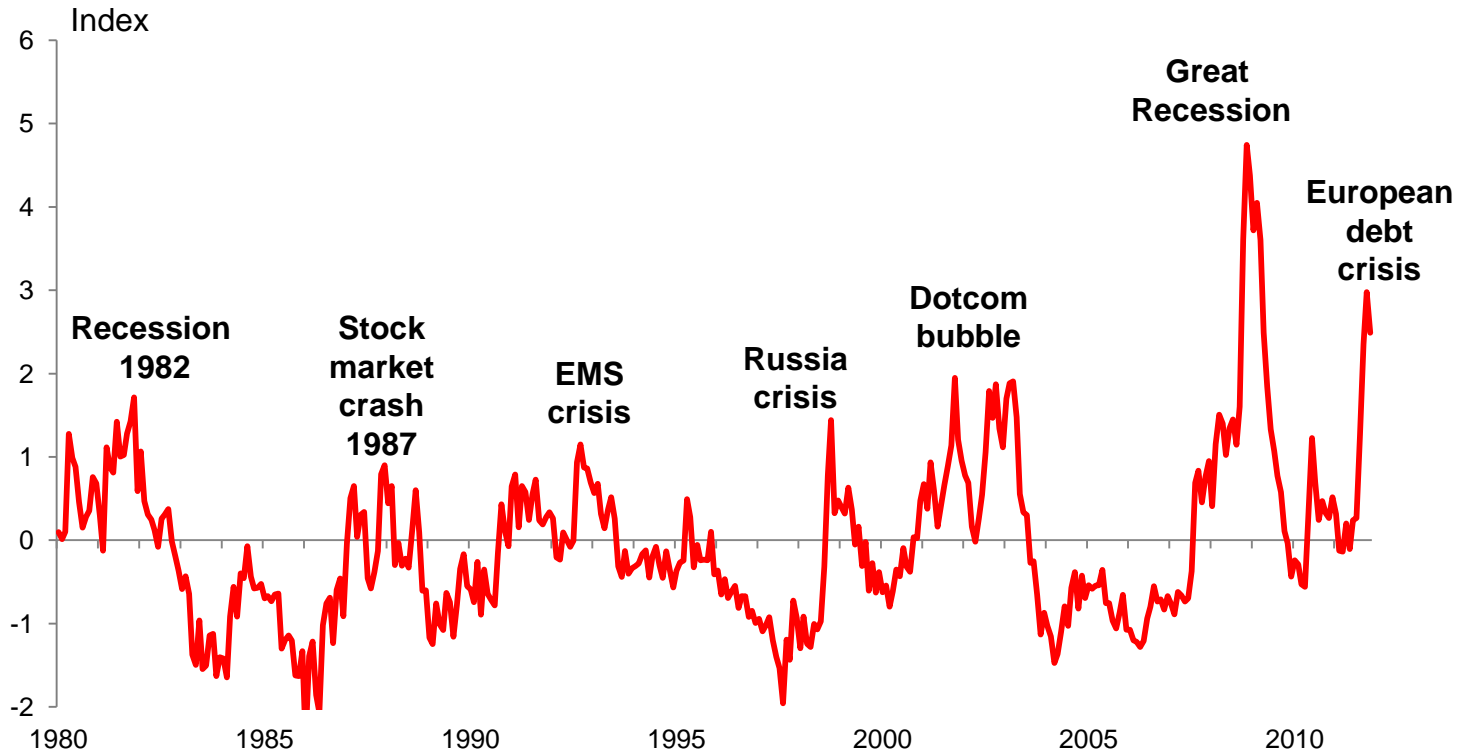
Business sentiment: Germany and rest of Euro Area drifting apart





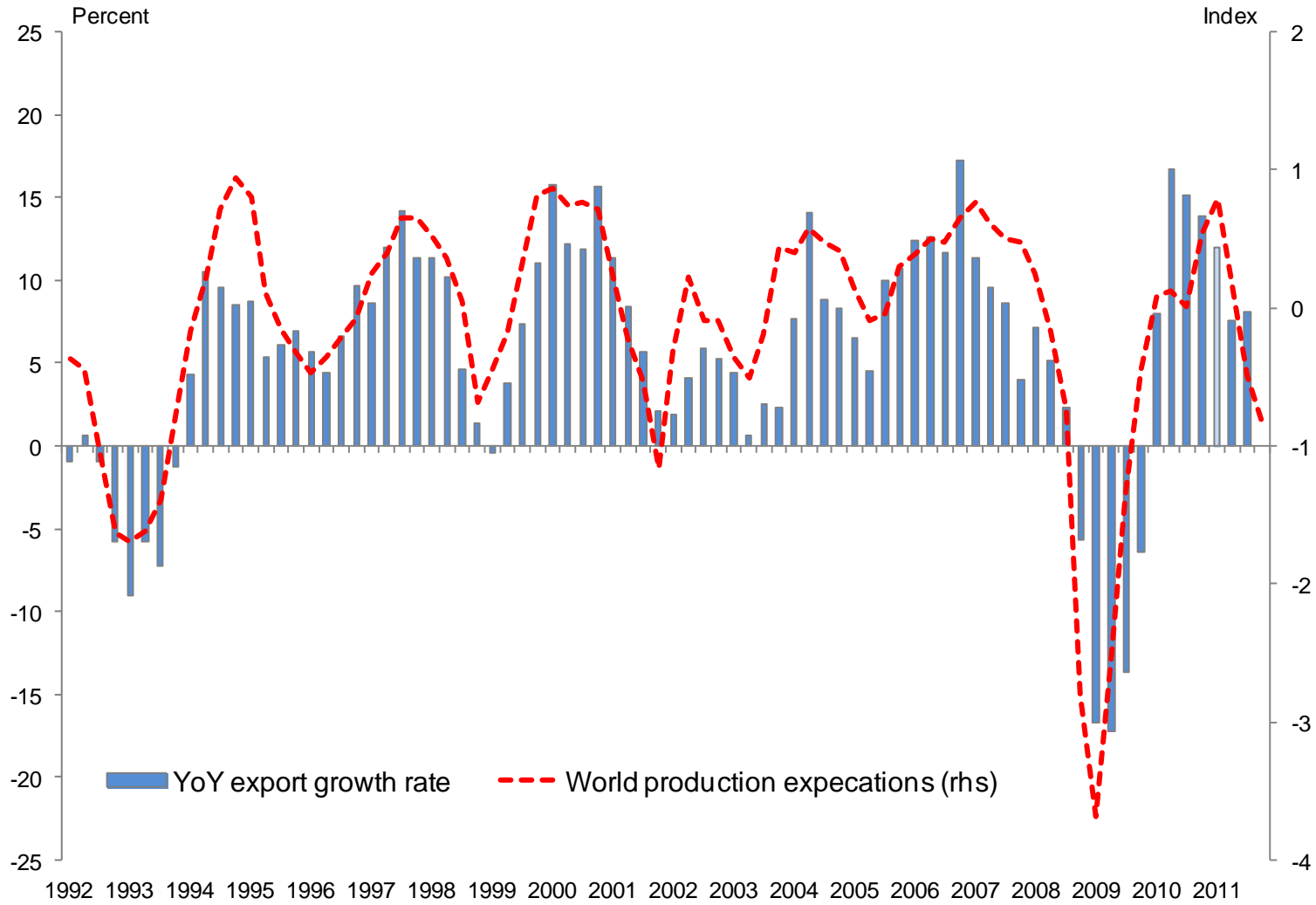
Financial stress due to European debt crisis

IfW-Financial Stress Indicator for Germany



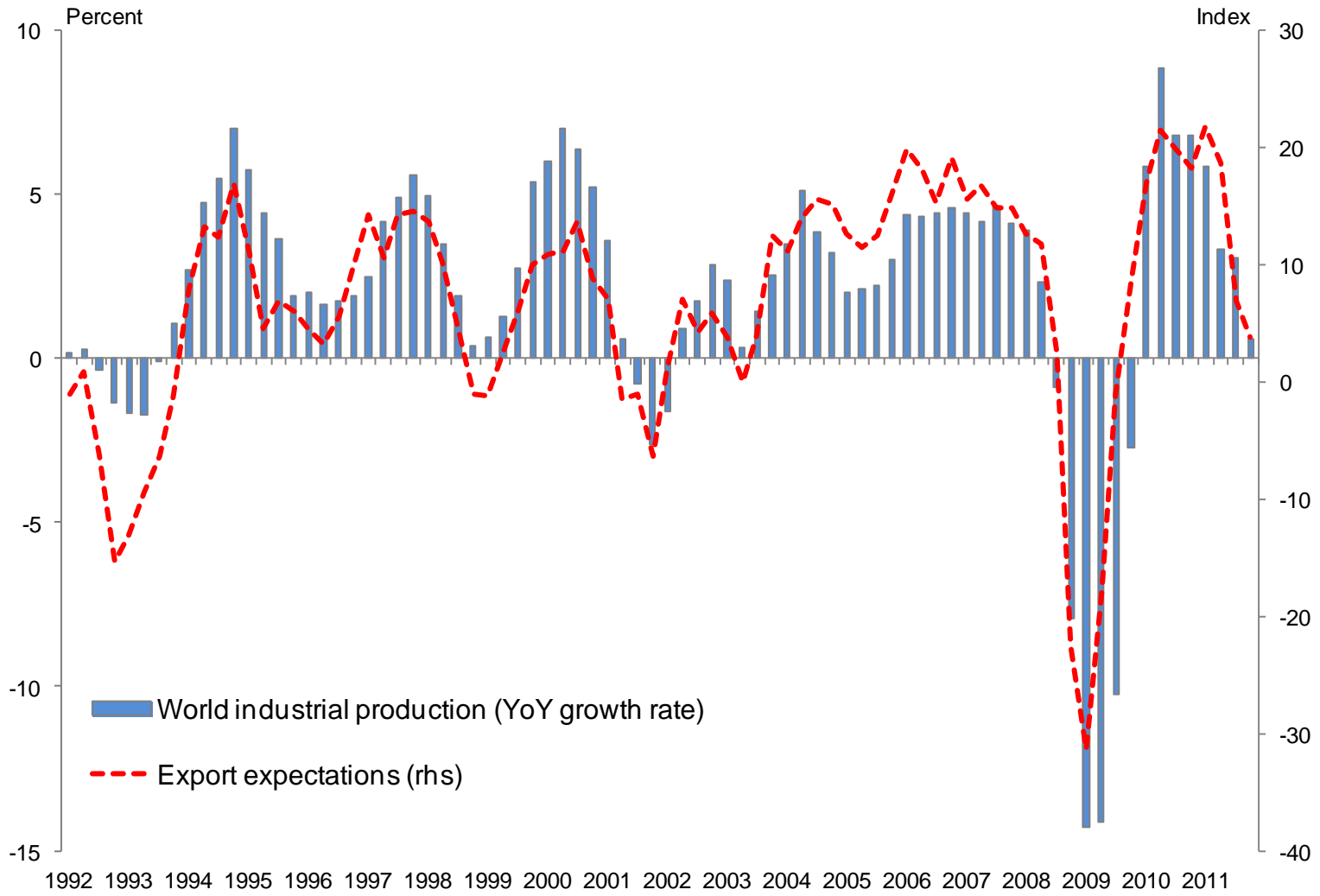


Exports and world production expectations



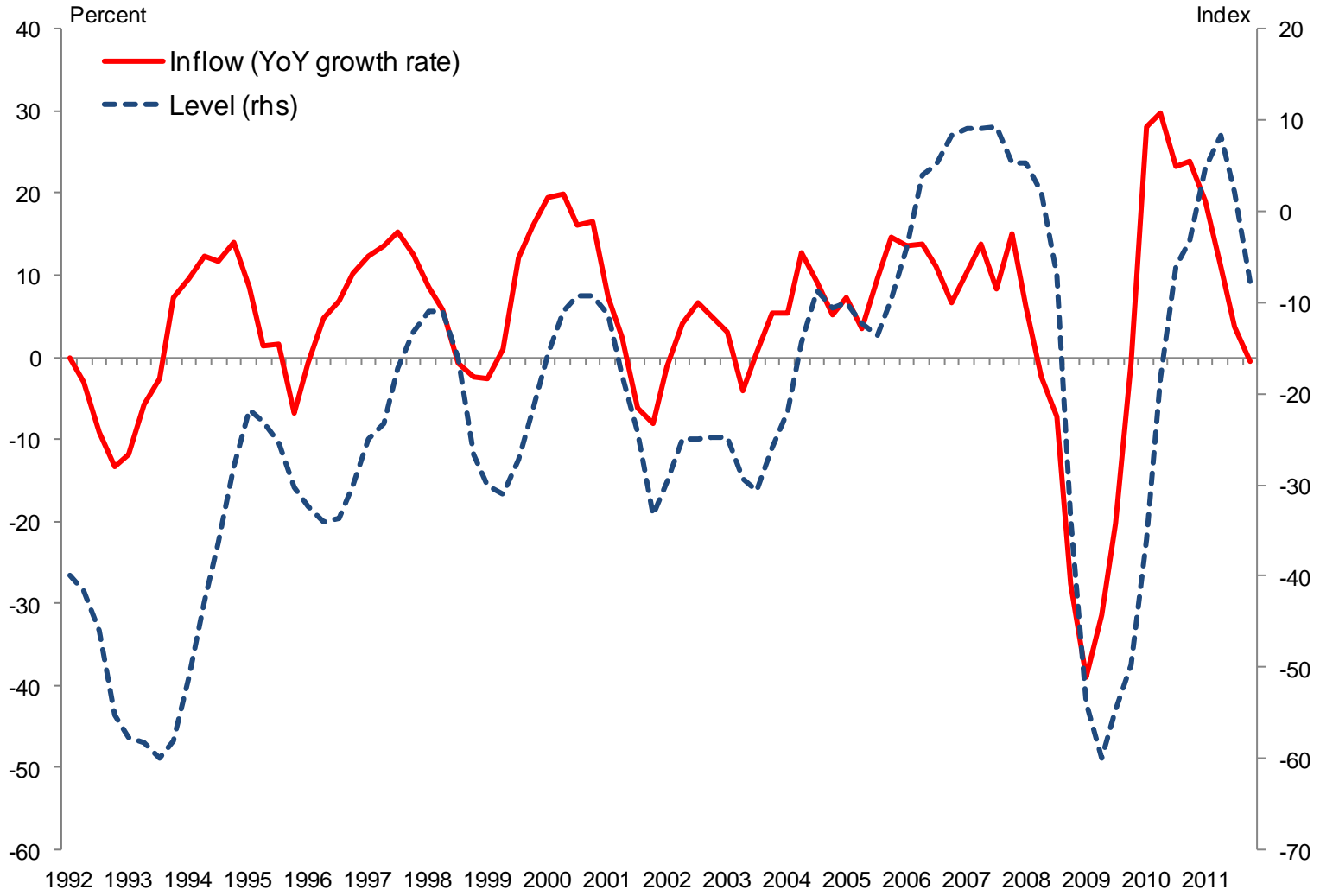


World production and export expectations

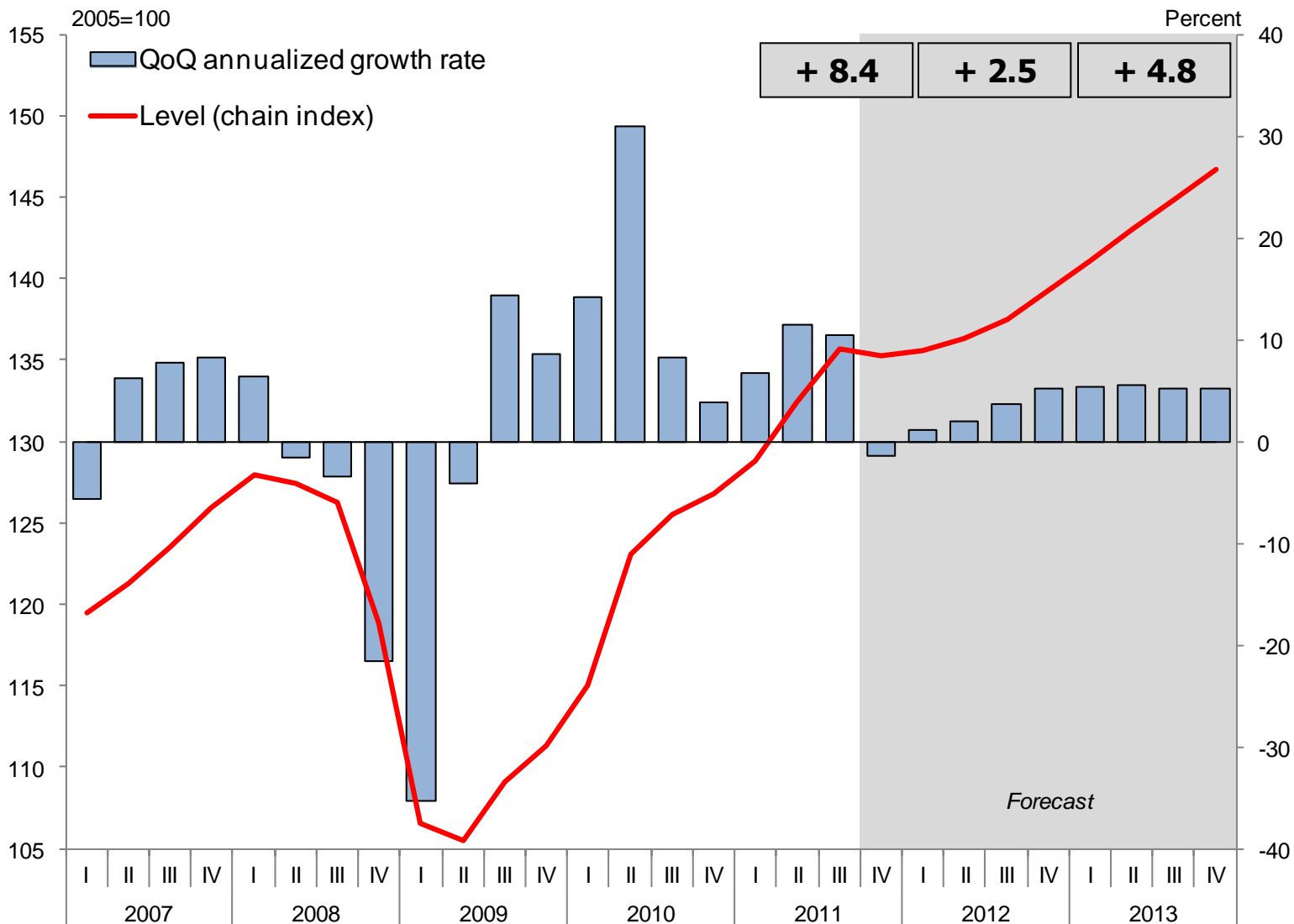




Manufacturing: Orders from abroad

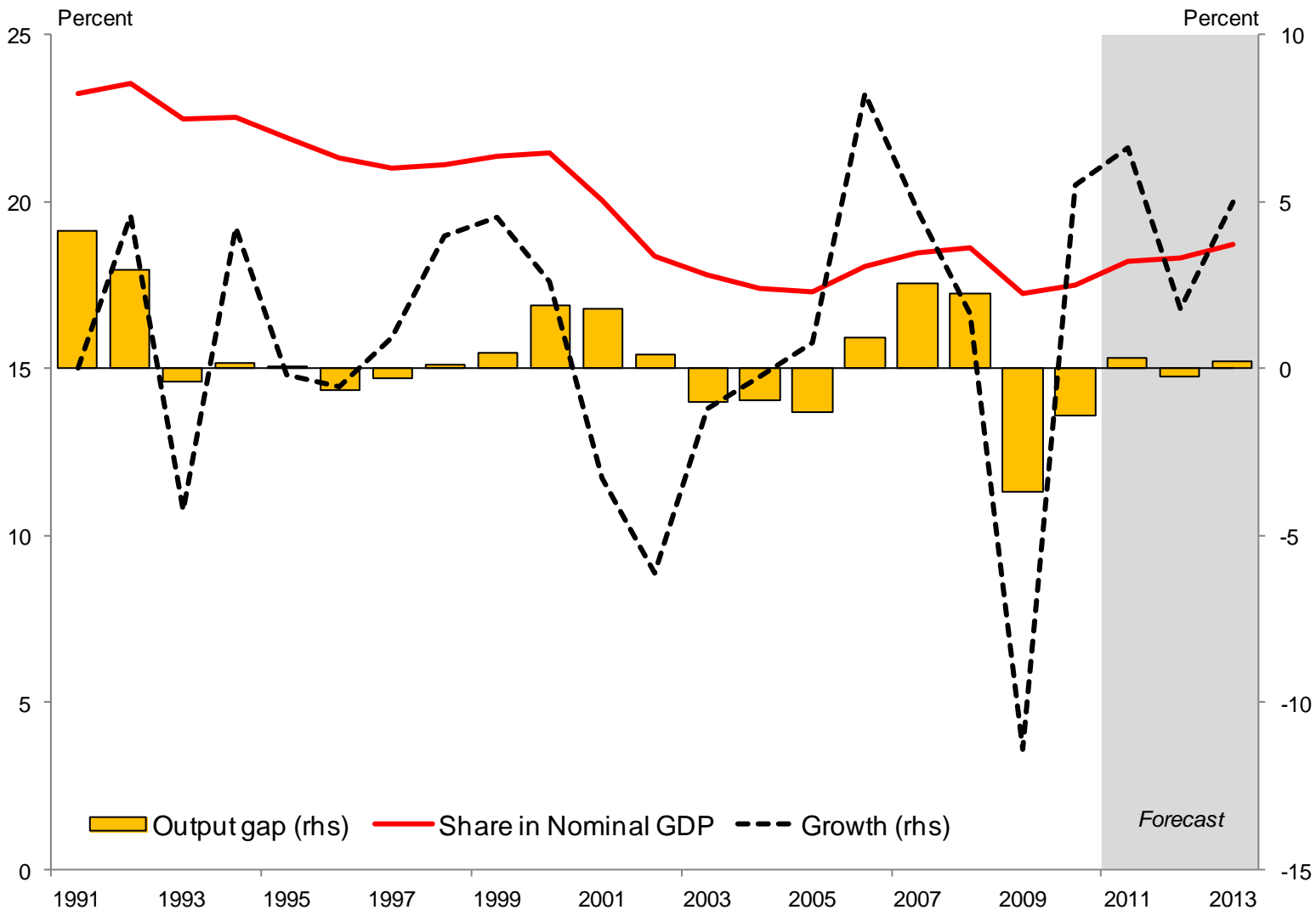


Exports hit mainly by euro area recession



Investment cycle ... laid off

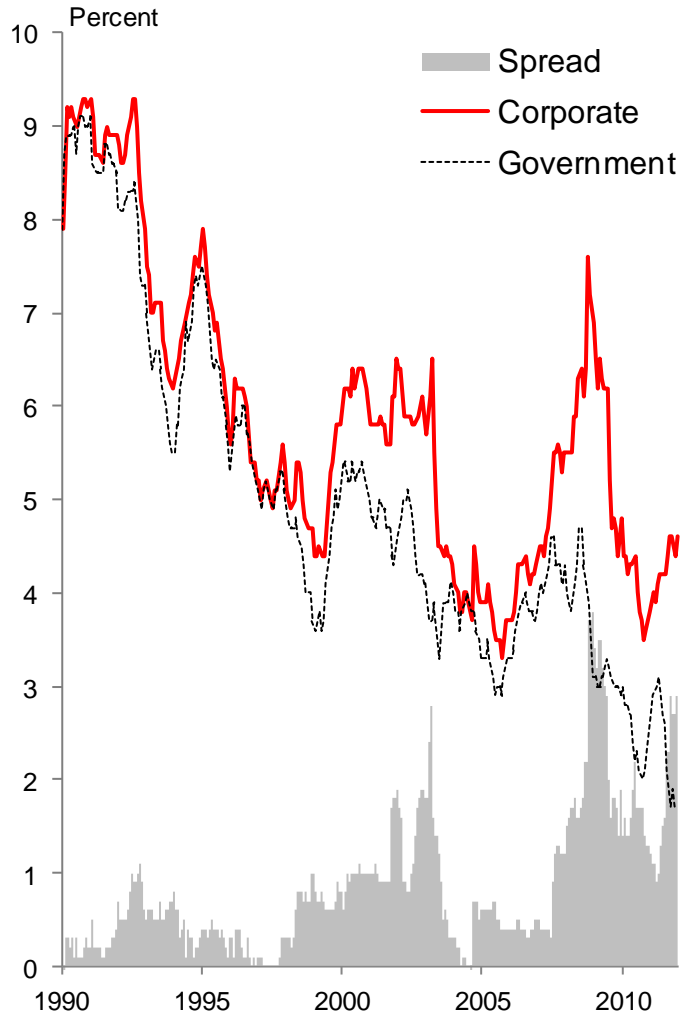
Fixed capital formation



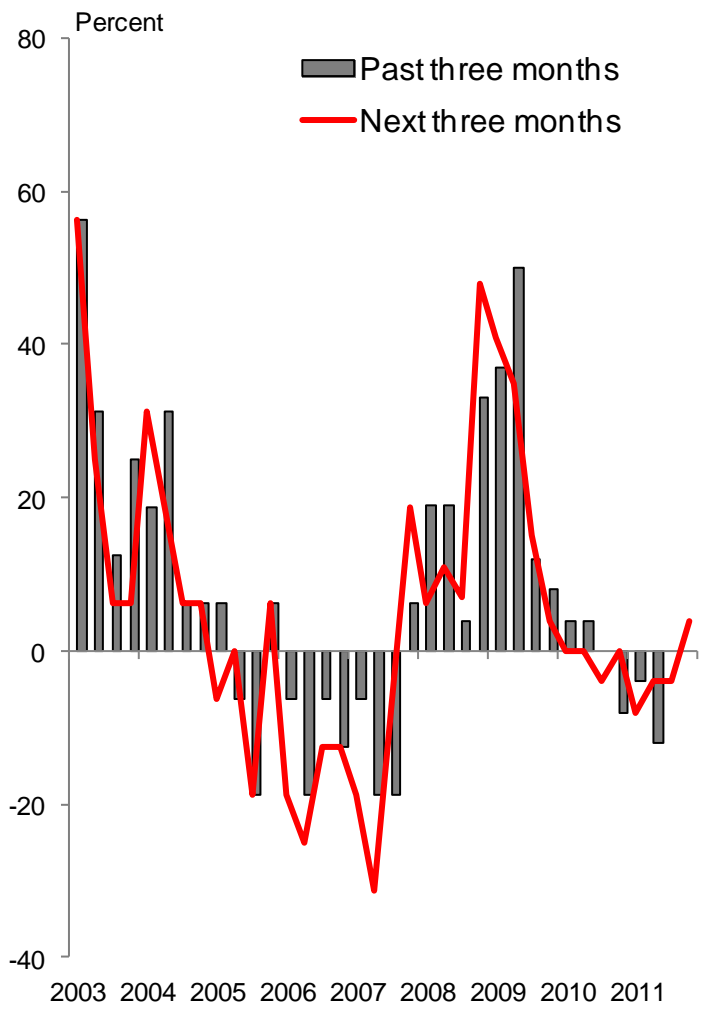


Company funding

Bond yields



Lending standards

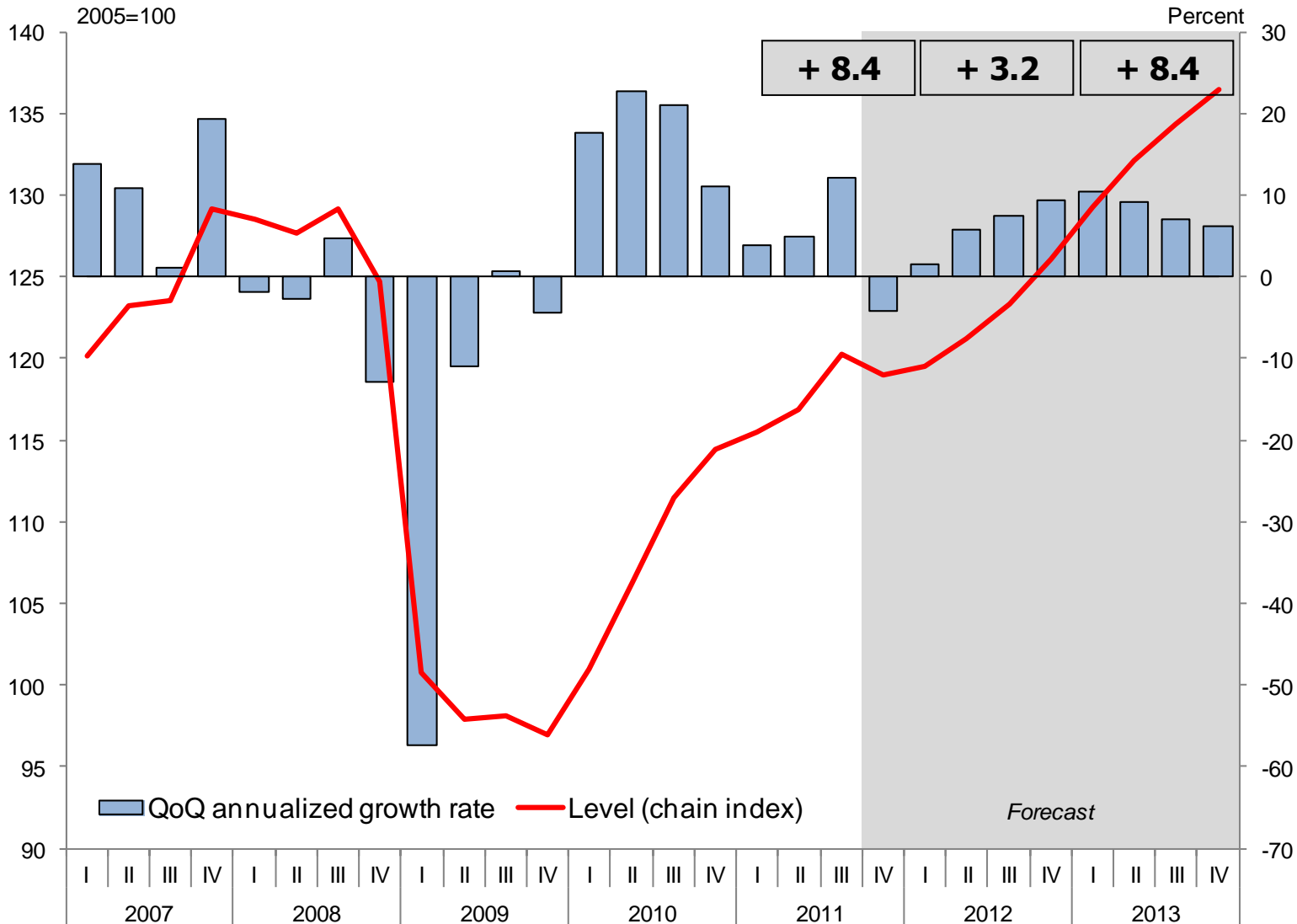


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Monthly data
Corporate bonds: maturing within 3 years; Government bonds: maturing within 5 years

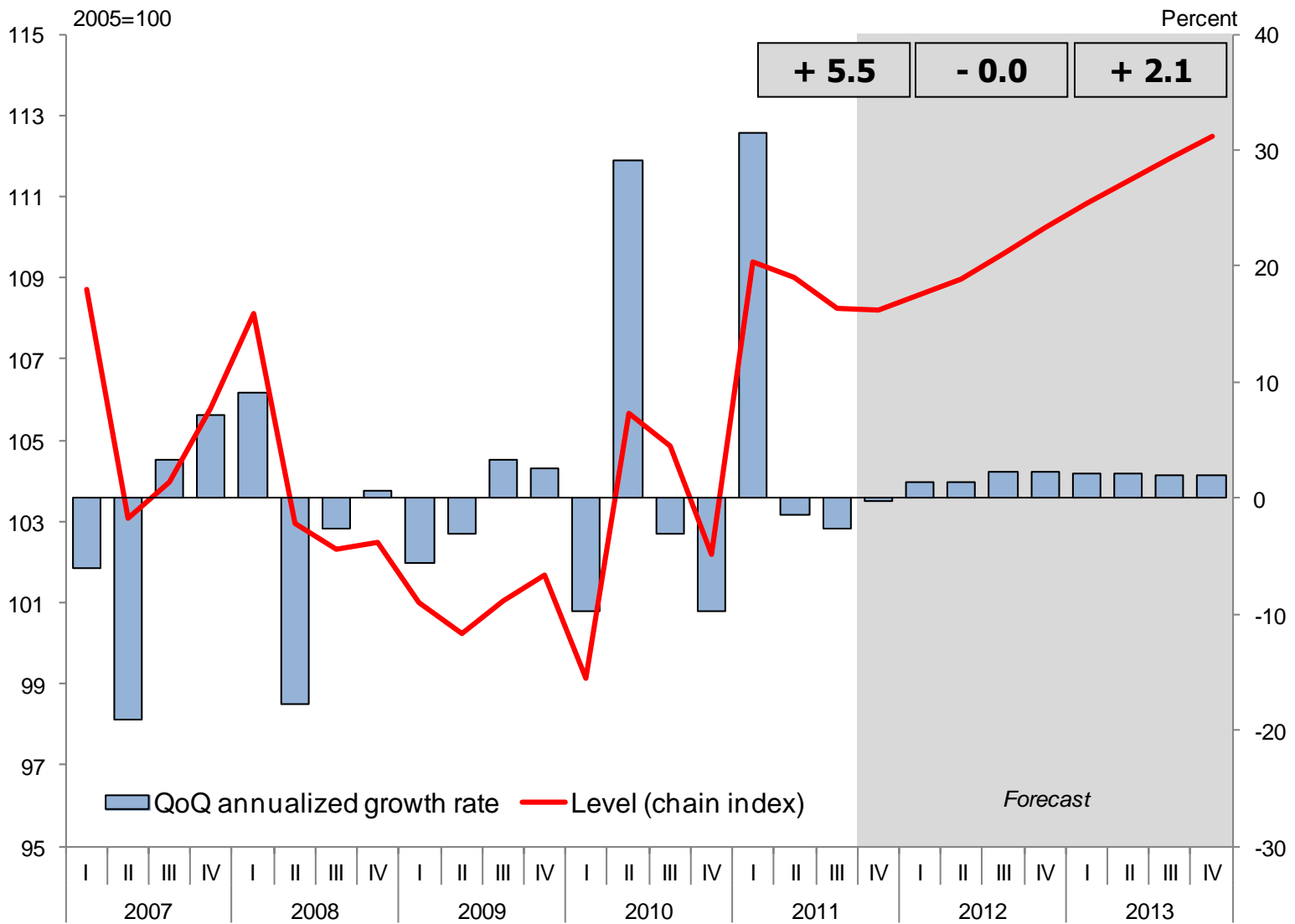
Quarterly data

M&E investment: Wait-and-see dampens cyclical momentum





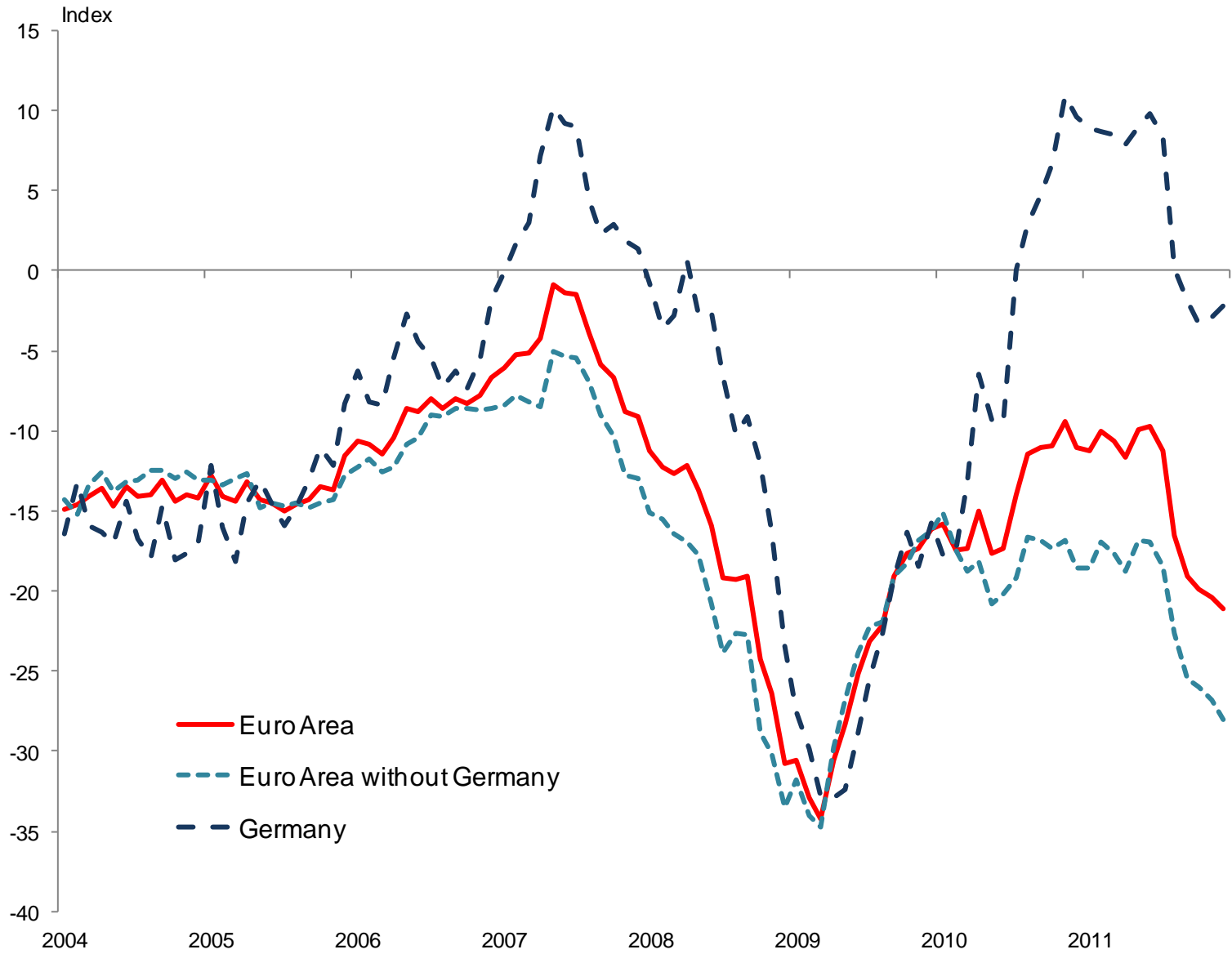
Constructions driven by residential demand





Germany: Happy consumers

Consumer Sentiment Index

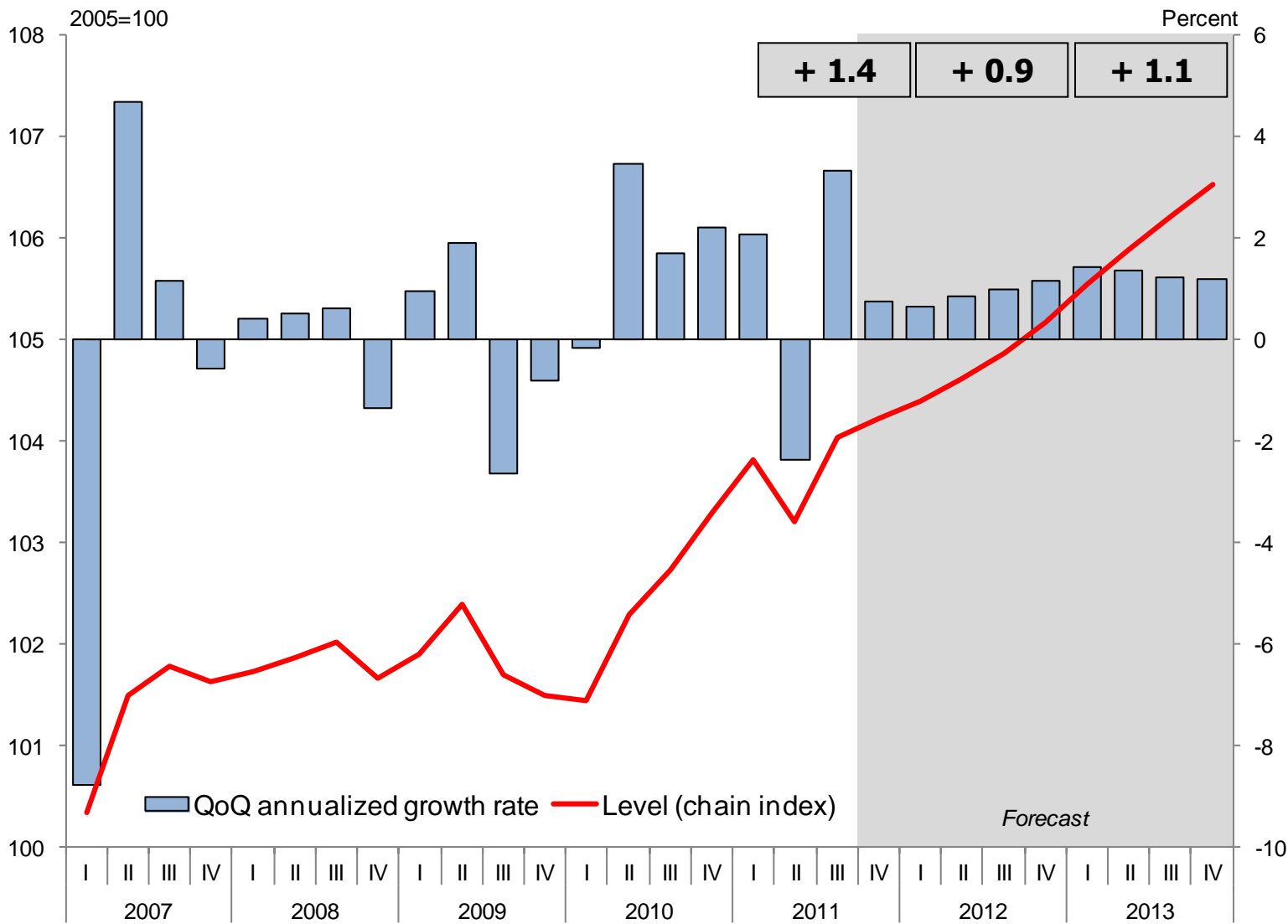


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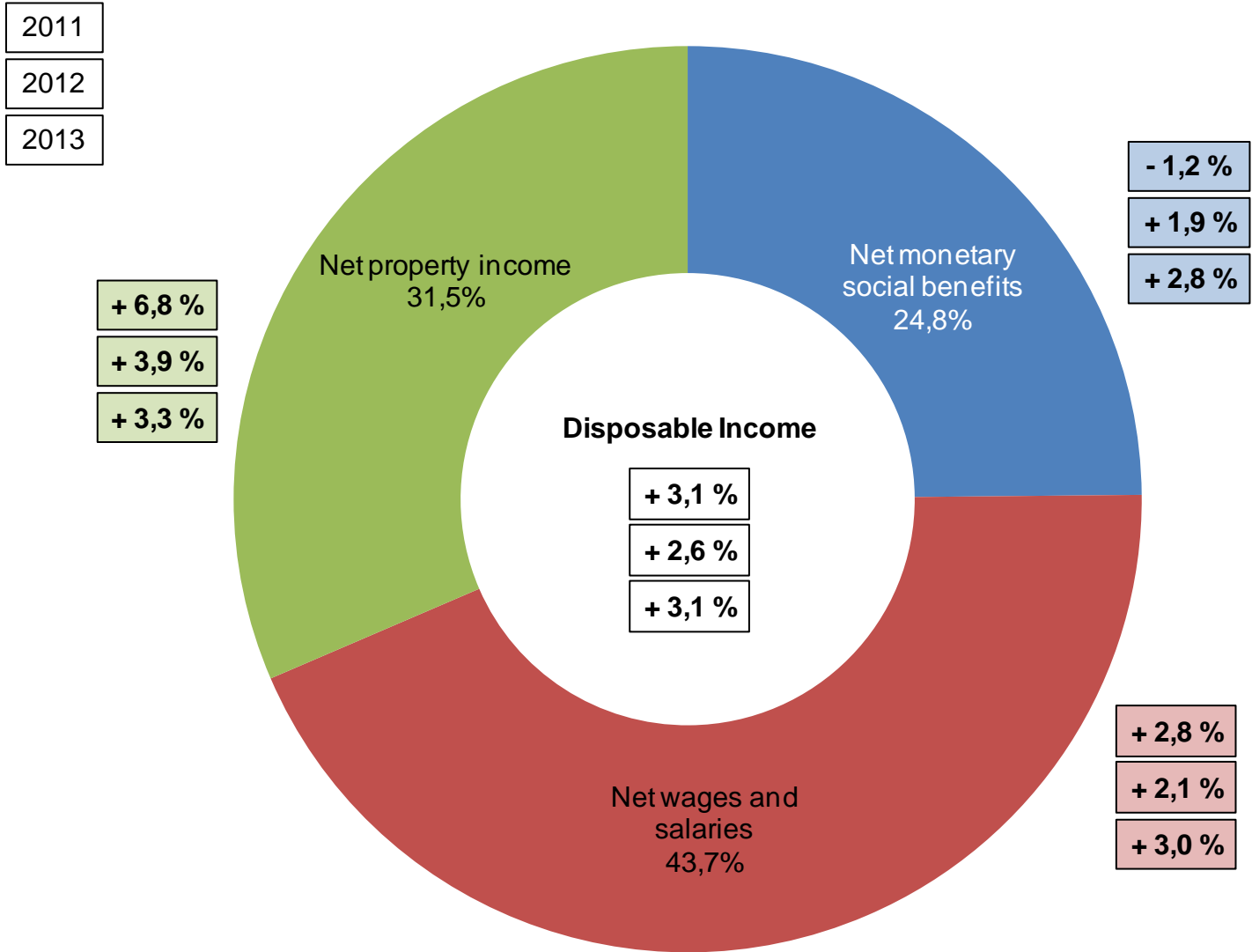
IHS
Neujahrsprognose
2012



Consumer spending reflects stable saving rate



Disposable income of private households



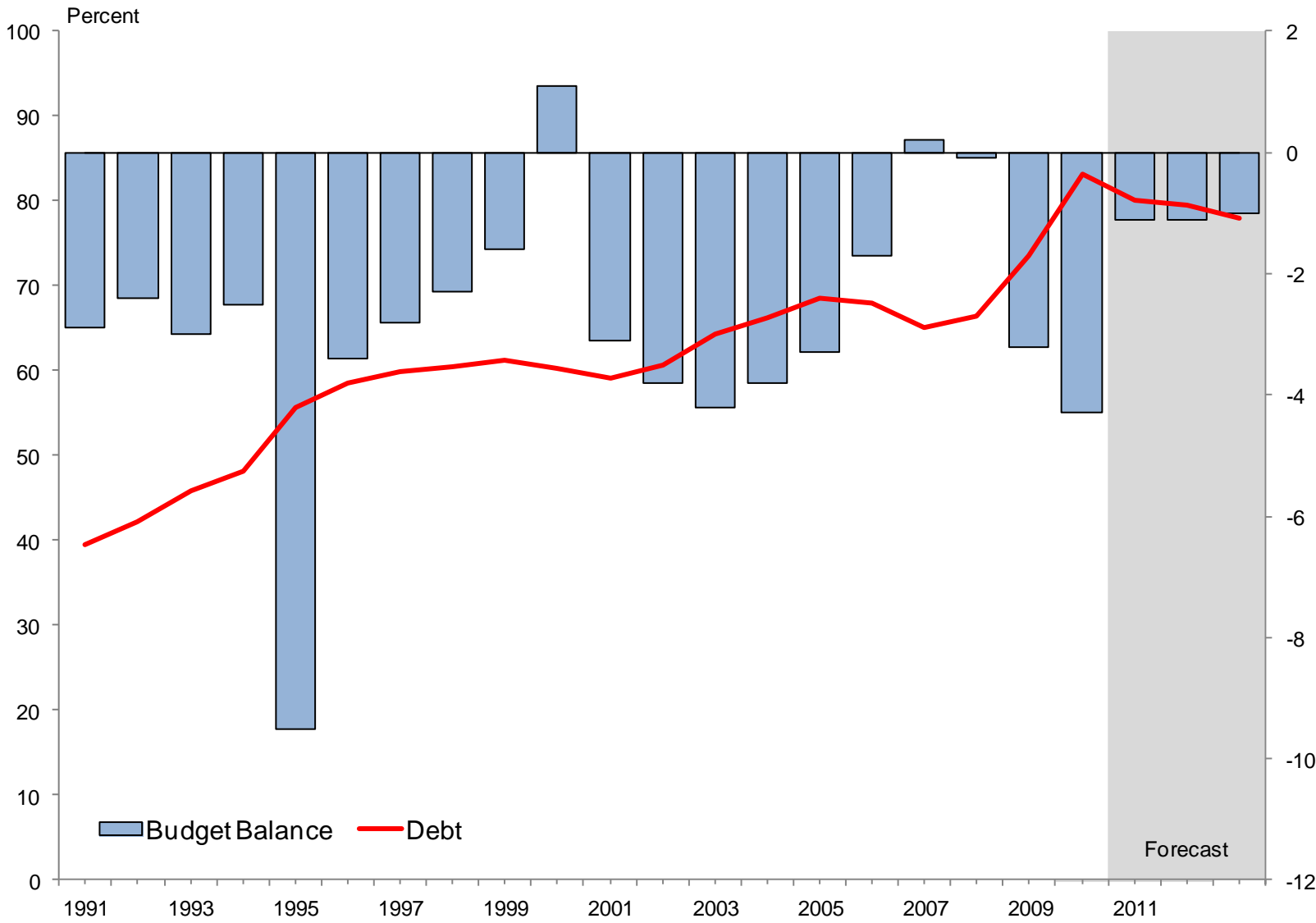
GDP and key components

Volumes, change over previous year in percent

	2011	2012	2013
GDP	2.9	0.5	1.7
Private consumption	1.4	0.9	1.1
Public consumption	1.2	1.0	1.6
M&E investment	8.4	3.2	8.4
Construction	5.5	- 0.0	2.1
Exports	8.4	2.5	4.8
Imports	7.5	4.1	5.9

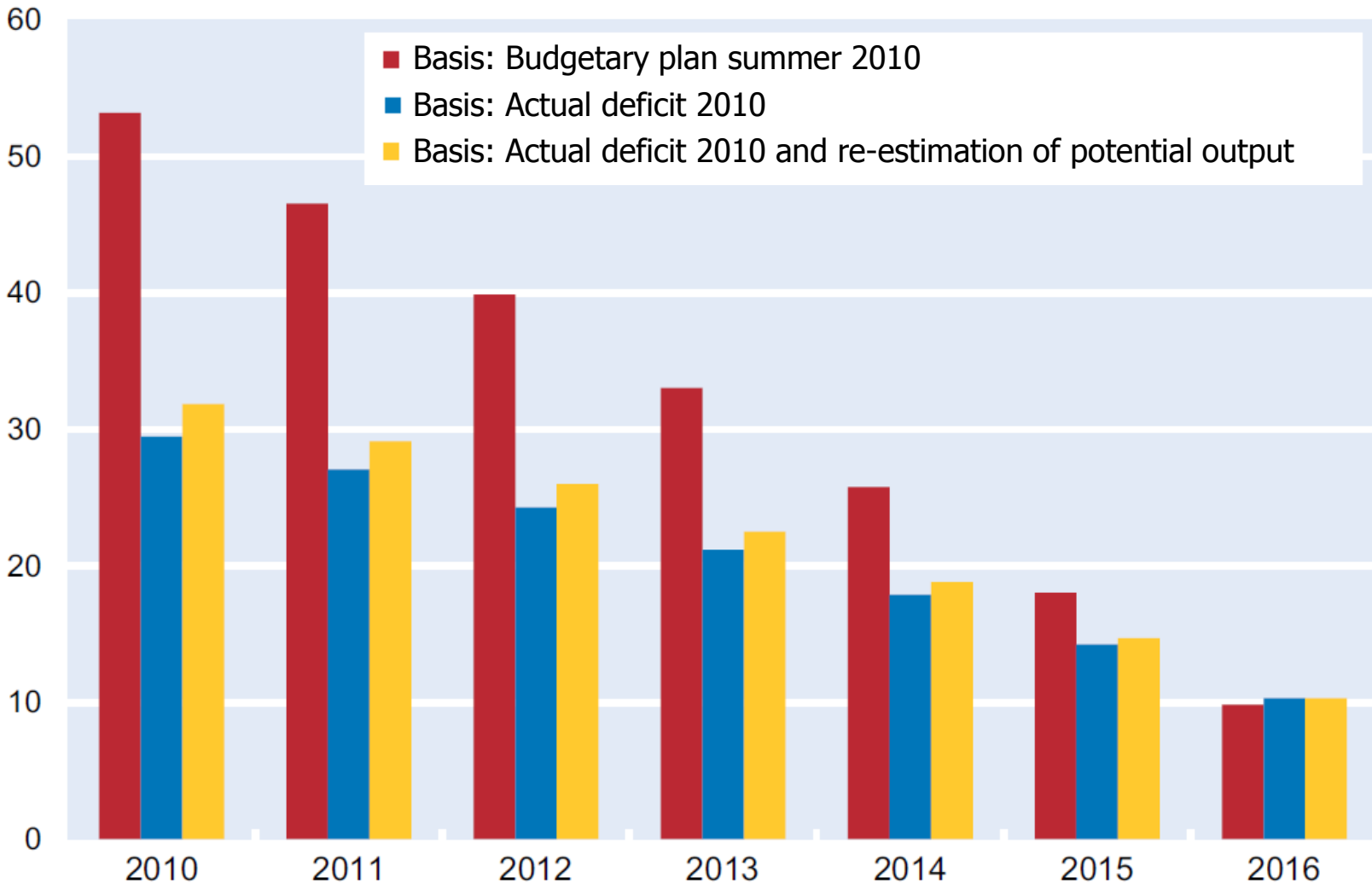


Public finance: Consolidation continues ...



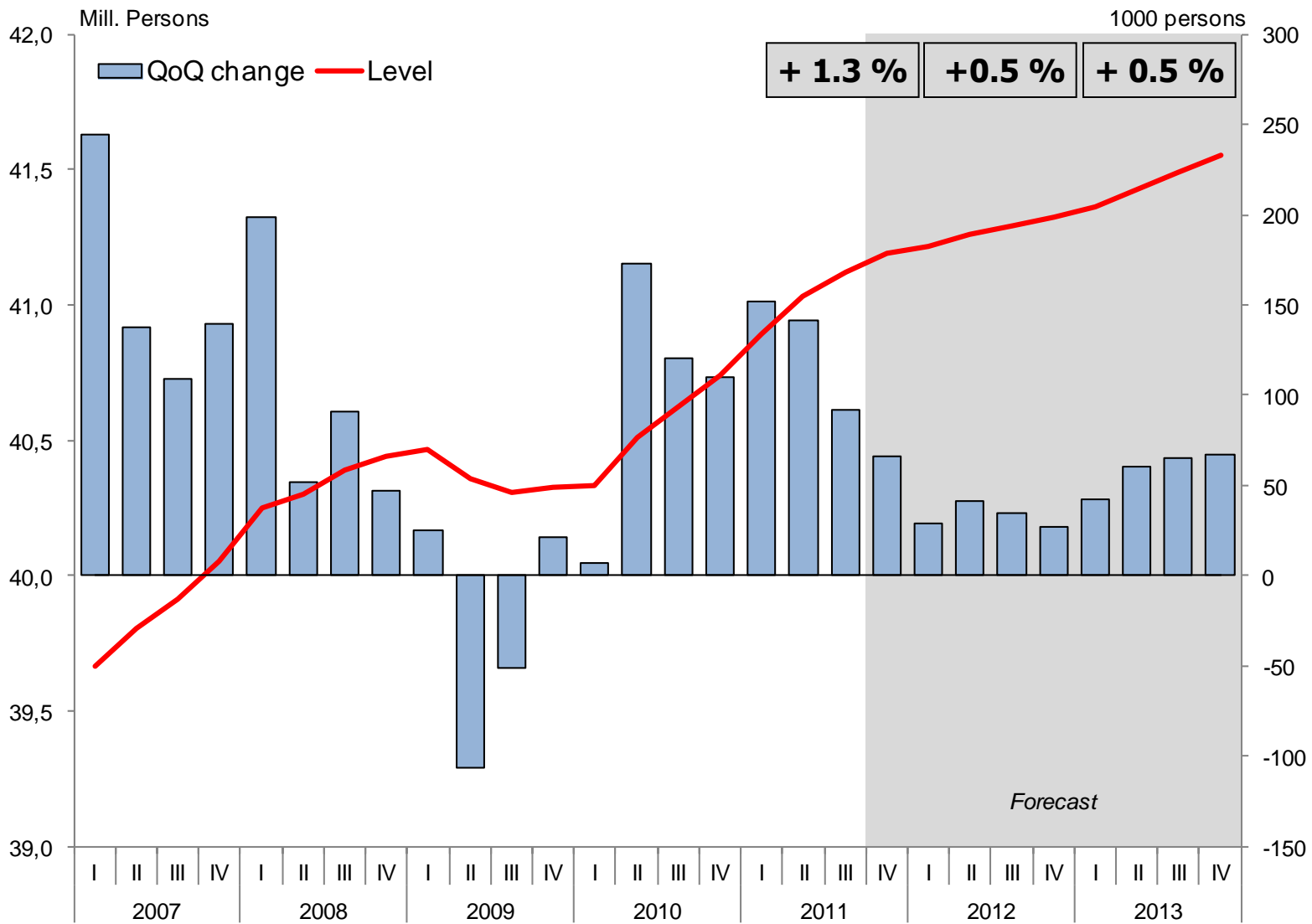
... but at not so ambitious speed

Maximum structural federal deficits according to national debt brake (bn. Euro)



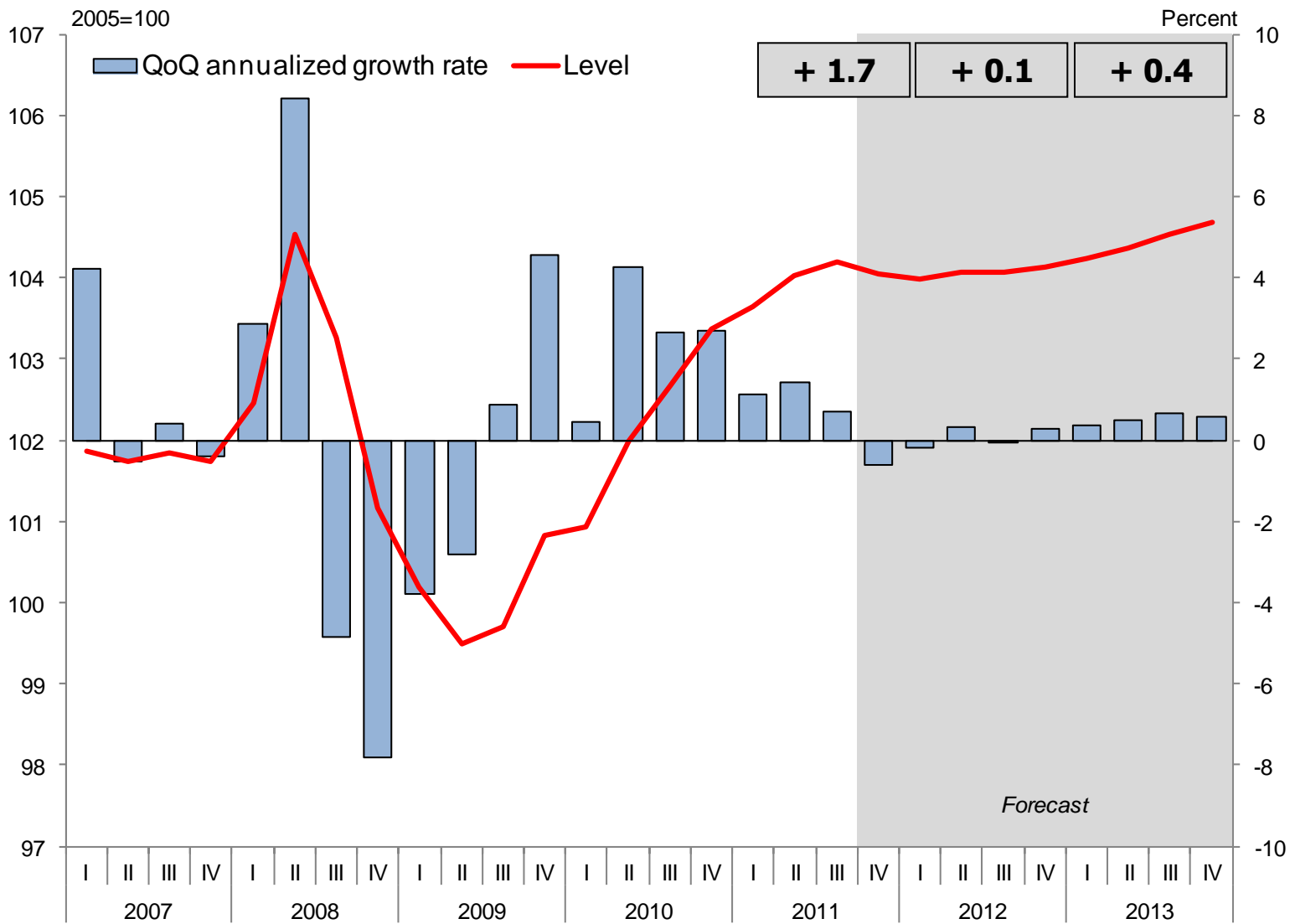


Employment at an all-time high ...

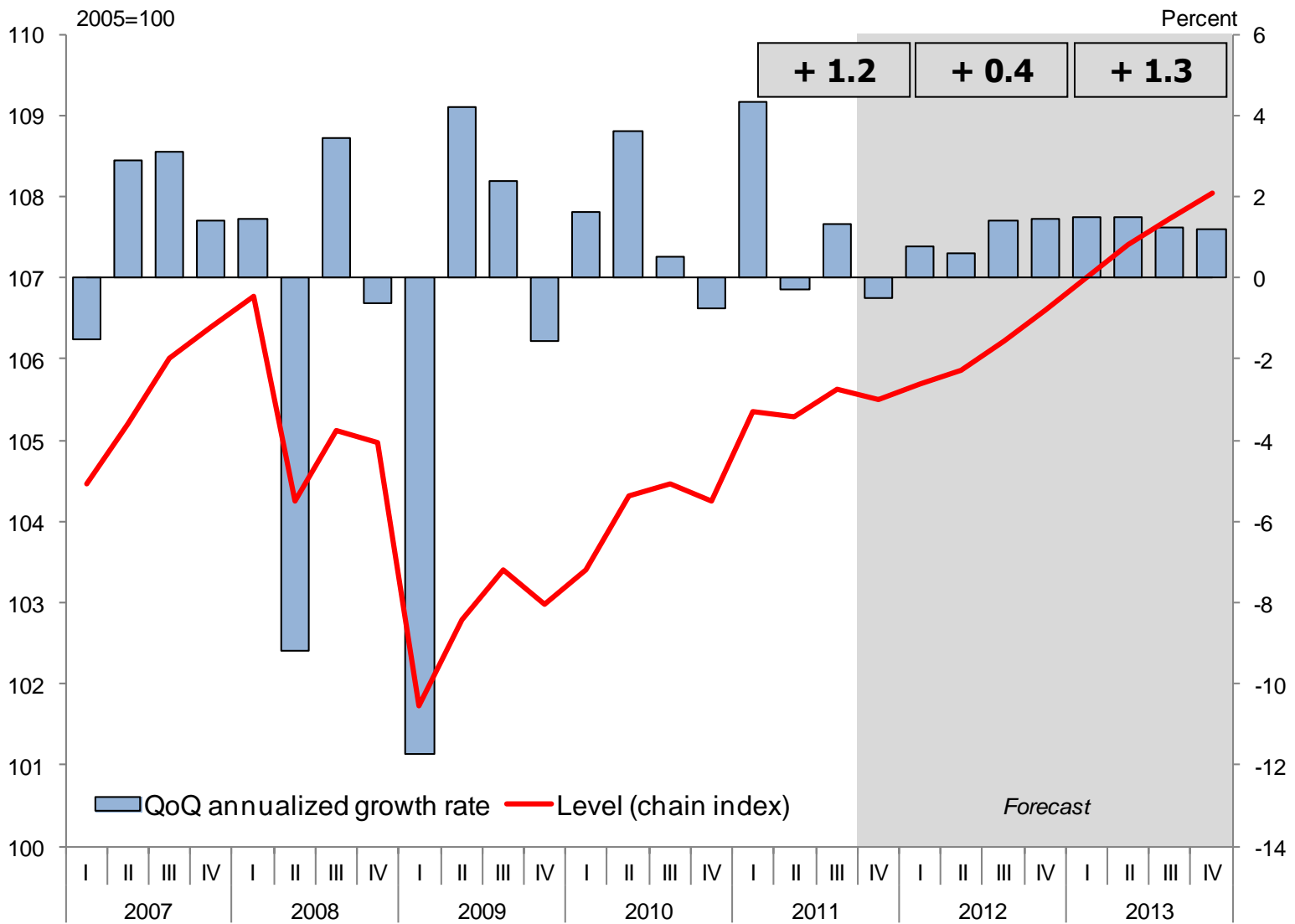




... total hours worked above pre-crisis levels ...

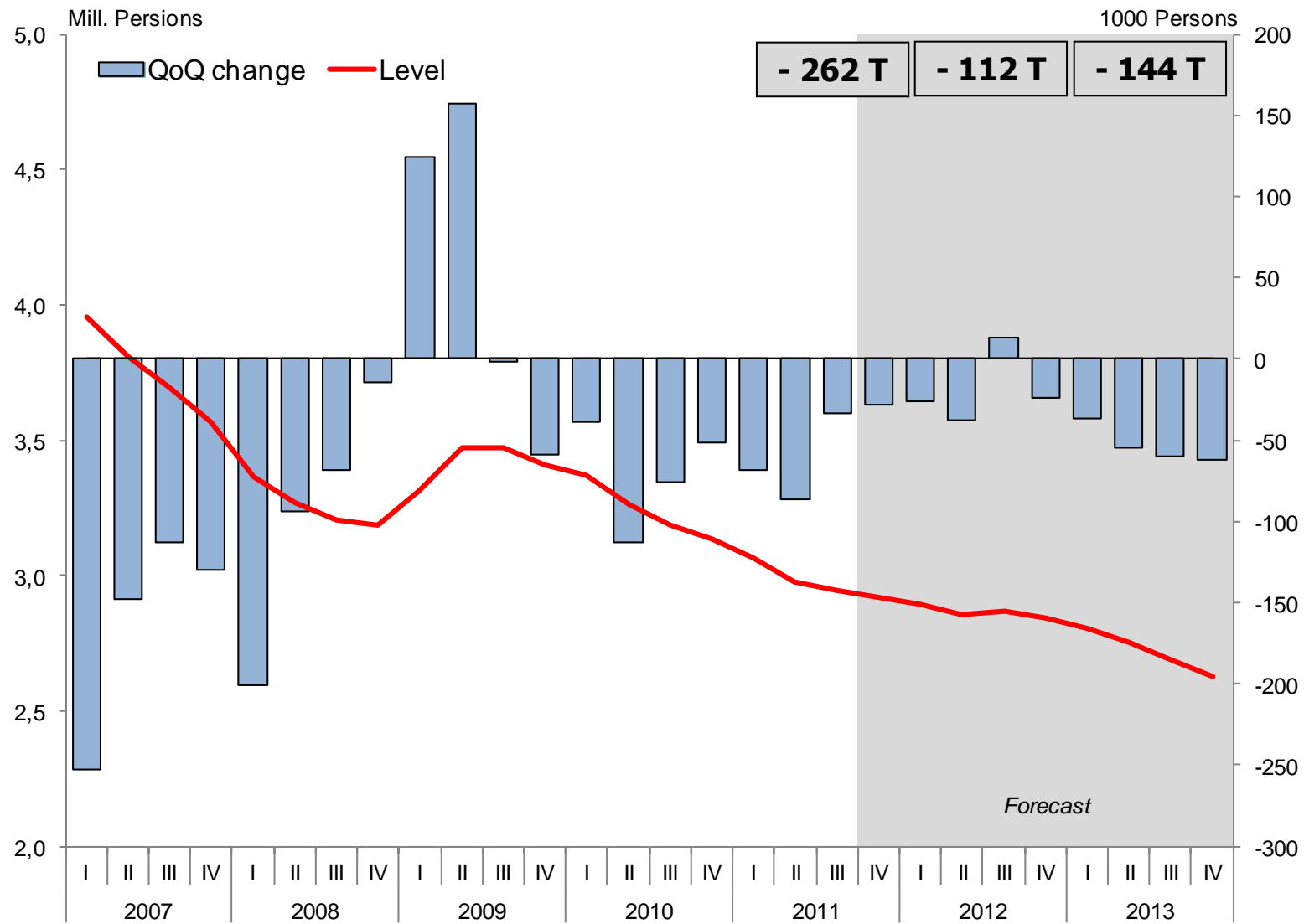


... and labor productivity back on trend





Unemployment heading for 2.5 million



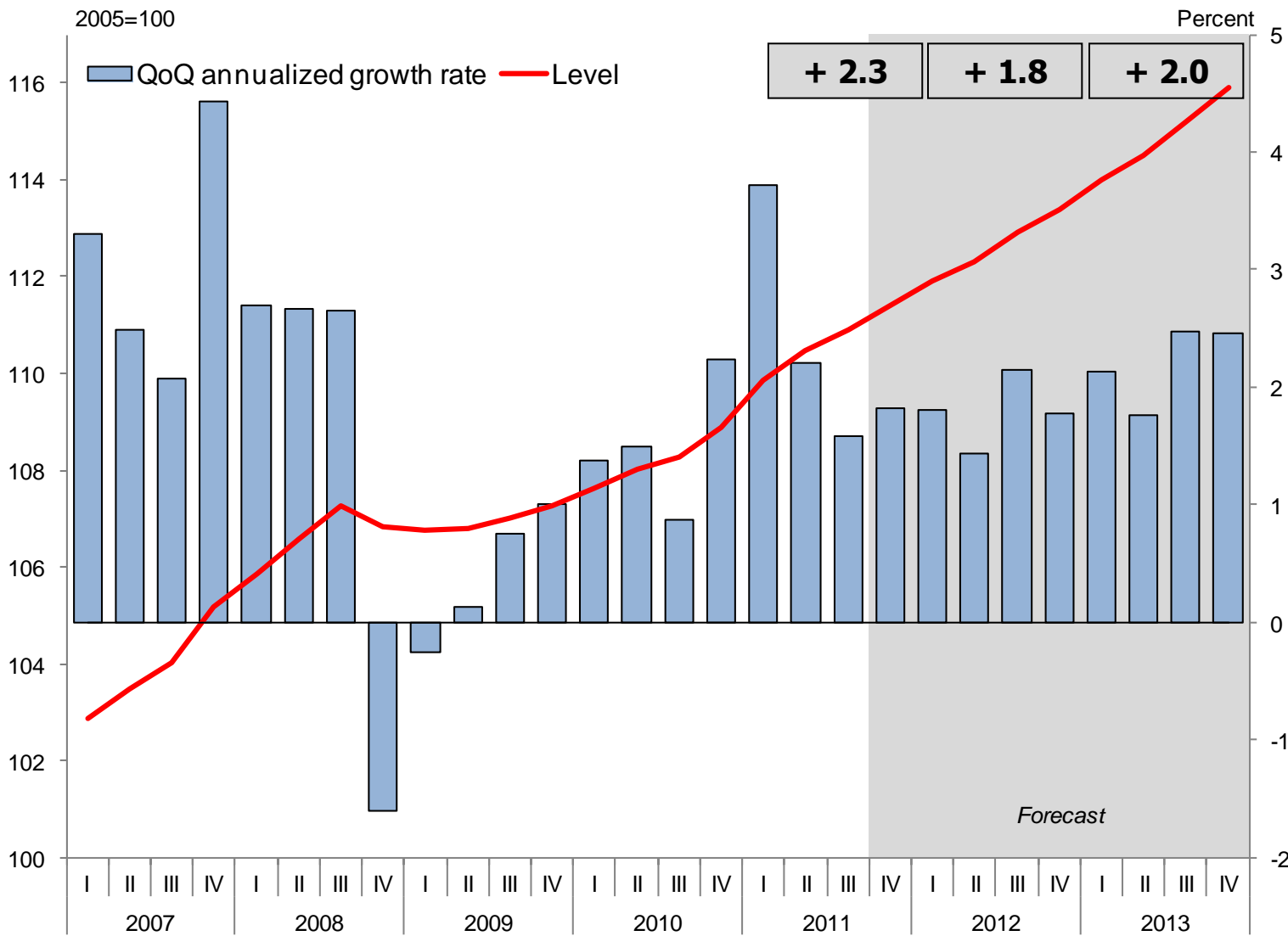
- 262 T

- 112 T

- 144 T

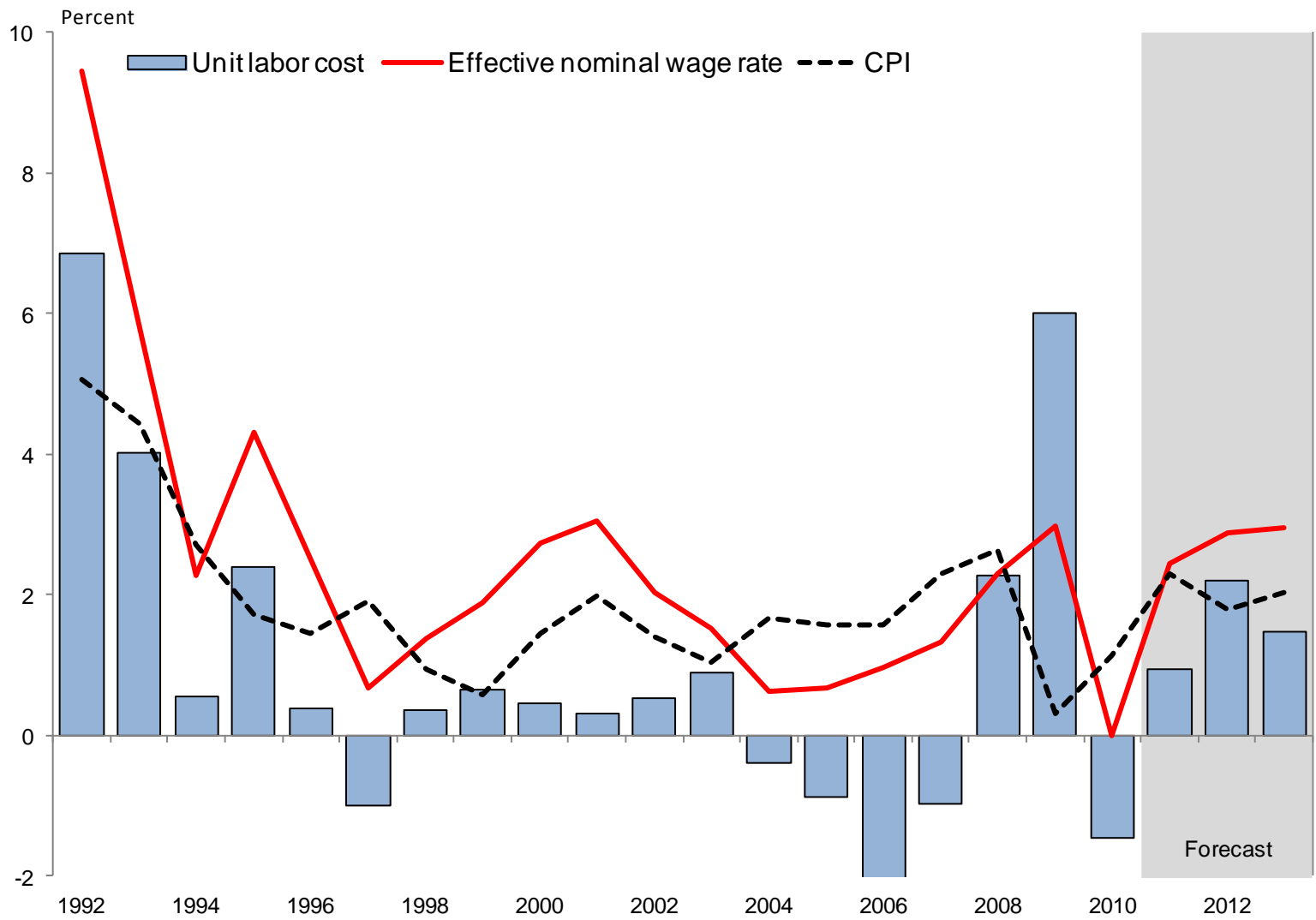
Forecast

Moderate Inflation ...





... fueled more and more domestically



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