

Press release

Wiesbaden, 26 March 2015

Updated economic forecast

Today the German Council of Economic Experts (GCEE) presented the update of its economic forecast for Germany for the year 2015. The GCEE expects real GDP to grow by 1.8 % this year, some 0.8 percentage points more than forecasted in its Annual Report 2014, published last November.

The increase of 0.8 percentage points is due to the fact that macroeconomic conditions have changed considerably since the last forecast in November 2014. The oil price has fallen significantly since October 2014, which lifted households real income and improved consumption expenditure. At the same time german exports are stimulated by the devaluation of the Euro. Other Euro area countries also benefit from these improved economic conditions. The GCEE therefore increases its forecast for the Euro area GDP growth rate for 2015 from 1.0 % to 1.3 %.

Key economic indicators for Germany

	Unit	2013	2014	Forecast for 2015	
				Update	An. Report 2014/15
Gross domestic product¹	%	0.1	1.6	1.8	(1.0)
Final consumption expenditure	%	0.8	1.2	2.1	(1.4)
Private consumption ²	%	0.8	1.2	2.4	(1.5)
Government consumption	%	0.7	1.1	1.2	(1.2)
Investment in machinery & equipment	%	- 2.4	4.3	3.8	(3.9)
Buildings	%	- 0.1	3.6	1.8	(2.0)
Domestic uses	%	0.7	1.3	1.8	(1.5)
Net exports (in percentage points)		- 0.5	0.4	0.1	(- 0.4)
Exports of goods and services	%	1.6	3.9	5.1	(3.6)
Imports of goods and services	%	3.1	3.4	5.5	(5.1)
Persons in employment (domestic)	thousand	42 281	42 652	42 956	(42 795)
Persons in employment, covered by social security ³	thousand	29 713	30 207	30 594	(30 474)
Registered unemployment, stocks ³	thousand	2 950	2 898	2 822	(2 931)
Unemployment rate ^{3,4}	%	6.9	6.7	6.5	(6.7)
Consumer prices ⁵	%	1.5	0.9	0.3	(1.3)
General government balance ⁶	%	0.1	0.6	0.4	(- 0.0)

1 - Inflation-adjusted change compared to the previous year. Also applies to all listed components of GDP. 2 - Including non-profit institutions serving households. 3 - Source for the years 2013 and 2014: Federal Employment Agency. 4 - Registered unemployed in relation to civil labour force. 5 - Change compared to the previous year. 6 - Net lending of central, state and local governments and social security funds; as percentage share of nominal GDP.

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