

## Press release

Wiesbaden, 20 March 2014

### **Updated economic forecast**

Today the German Council of Economic Experts (GCEE) presented the update of its economic forecast for Germany for the year 2014. The GCEE expects real GDP to grow by 1.9 % this year, some 0.3 percentage points more than forecasted in its Annual Report 2013, published last November. This revision reflects the stronger growth observed in the past quarters and improvements of important sentiment indicators.

Domestic demand contributes significantly to economic growth, in particular Household Final Consumption Expenditure and Investment in Machinery and Equipment. In contrast to the forecast of November 2013, in 2014 the growth contribution of net exports is expected to be slightly positive. Despite this year's positive economic outlook the prospects of the German economy might be negatively affected by the steps currently taken by the Federal government in the fields of labour market and social security.

The number of persons employed is likely to increase by 0.7 % compared to the previous year, reaching an average of 41.1 million persons. Simultaneously, the unemployment rate is expected to decline slightly to an average of 6.8 %. Regarding public finances, the general government balance will presumably be close to balance.

Similar to the better economic outlook for Germany, euro area countries are expected to display stronger growth than was predicted in November 2013, by some 0.2 percentage points. GDP growth is expected to reach 1.3 % in 2014.

### Key economic indicators for Germany

	Unit	2012	2013	Forecast 2014	
				Update	Annual Report 2013/14
Gross domestic product <sup>1)</sup> .....	%	0.7	0.4	1.9	(1.6)
Final consumption expenditure .....	%	0.8	0.8	1.4	(1.3)
Private consumption <sup>2)</sup> .....	%	0.8	0.9	1.4	(1.4)
Government consumption .....	%	1.0	0.7	1.2	(1.1)
Investment in machinery & equipment.....	%	– 4.0	– 2.4	6.3	(6.2)
Buildings .....	%	– 1.4	0.1	4.8	(4.1)
Domestic uses .....	%	– 0.3	0.5	1.9	(2.0)
Net exports (in percentage points)		0.9	0.0	0.1	(– 0.2)
Exports of goods and services .....	%	3.2	0.8	5.5	(5.2)
Imports of goods and services .....	%	1.4	0.9	6.1	(6.3)
Persons employed (domestic) .....	thousand	41,608	41,841	42,128	(42,109)
Registered unemployment, stocks <sup>3)</sup> .....	thousand	2,897	2,950	2,917	(2,950)
Persons employed, covered by social security <sup>3)</sup> .....	thousand	28,991	29,354	29,702	(29,679)
Unemployment rate <sup>3)4)</sup> .....	%	6.8	6.9	6.8	(6.8)
Consumer prices <sup>5)</sup> .....	%	2.0	1.5	1.6	(1.9)
General government balance <sup>6)</sup> .....	%	0.1	0.0	– 0.1	(0.0)

1) Adjusted for price changes compared to the previous year. This also applies to all specified components of the gross domestic product.–2) Including non-profit institutions serving households.–3) Source for the years 2012 and 2013: Federal Labour Office (Bundesagentur für Arbeit).–4) Registered unemployed in relation to all the civilian labor 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 gross domestic product.

**Publisher:**

Geschäftsstelle des Sachverständigenrates zur Begutachtung  
der gesamtwirtschaftlichen Entwicklung

c/o Statistisches Bundesamt  
Gustav-Stresemann-Ring 11  
65180 Wiesbaden

Phone: 0611/ 75 2390

Fax: 0611/ 75 2538

srw@destatis.de

www.sachverstaendigenrat-wirtschaft.de