

## Press release

Wiesbaden, 25 March 2013

### **Updated economic forecast**

In its recent update of its economic forecast for Germany for the year 2013 the German Council of Economic Experts (GCEE) expects that GDP will grow by 0.3 % in 2013. The reduction of 0.5 percentage points compared to its previous forecast published in November 2012 mainly results from the sharp decline of GDP in the fourth quarter of 2012.

The sources of economic growth are expected to be predominantly domestic. Especially Household Final Consumption Expenditure should continue to display a robust development, given that the labor market is still remarkably stable. Investment will most likely not provide a significant contribution to growth, though, at least in the first half of 2013. Overall, the growth contribution of net exports is expected to be negative in 2013.

Compared to 2012 employment is expected to grow by 0.3 %, totaling on average 41.7 million persons in 2013. Nevertheless, the unemployment rate is expected to increase slightly by 0.1 percentage points to a yearly average of 6.9 % in 2013.

Table

**Key economic indicators for Germany**

	Unit	2012	Forecast 2013	
			date 15.03.2013	date <sup>1)</sup> 28.10.2012
Gross domestic product <sup>2)</sup> .....	%	0.7	0.3	(0.8)
Final consumption expenditure .....	%	0.8	0.9	(0.9)
Private consumption <sup>3)</sup> .....	%	0.6	0.7	(0.8)
Government consumption .....	%	1.4	1.7	(1.0)
Investment in machinery & equipment .....	%	– 4.8	– 3.0	(0.2)
Buildings .....	%	– 1.5	1.2	(2.1)
Total domestic demand .....	%	– 0.4	0.7	(0.8)
Net exports (in percentage points)		1.0	– 0.3	(0.0)
Exports .....	%	3.7	3.0	(3.8)
Imports .....	%	1.8	4.0	(4.2)
Persons employed (domestic) .....	Thousand	41,613	41,733	(41,745)
Registered unemployment <sup>4)</sup> .....	Thousand	2,897	2,949	(2,917)
Persons employed, covered by social security <sup>4)</sup> .....	Thousand	28,988	29,175	(29,196)
Unemployment rate <sup>4)5)</sup> .....	%	6.8	6.9	(6.9)
Consumer prices <sup>6)</sup> .....	%	2.0	1.7	(2.0)
General government balance <sup>7)</sup> .....	%	0.2	– 0.2	(– 0.1)

1) Own forecast.– 2) Price-adjusted; (changes over previous year). Also applies to all specified components of gross domestic product.– 3) Including non-profit institutions serving households.– 4) Source: years 2011 to 2012 Federal Employment Agency (Bundesagentur für Arbeit).– 5) Registered unemployment as % of entire civil workforce (employees, self-employed including unpaid family worker).– 6) Change over previous year.– 7) Net lending of the central, state and local governments and the social security system, as % of nominal gross domestic product.

Detailed information regarding the updated economic forecast can be found [here](#).

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