

Paris, 4 December 2023

EcoBrief

Germany: exports weigh on growth

German exports of goods fell in October according to Destatis, continuing the trend seen over previous months. As a result, exports have been contributing negatively to German growth for almost a year, most notably exports to China. However, in October, exports to the European Union fell, after being hit by the decline in growth in the region.

Exports of goods and services are one of the missing drivers for German growth, after widely underpinning it in previous times. They have been declining in volume each quarter for the past year (-2.8% cumulatively) and, in Q3 2023, they were only +0.7% above their pre-Covid level (Q4 2019) Exports of goods are the main weak link: they are down 3.7% year-on-year and 0.6% below pre-COVID levels.

Looking at the monthly data on the value of German foreign trade for October, Q4 started on a negative note: exports of goods were down 0.2% compared to September (seasonally adjusted data), according to Destatis, and by 8.1% year-on-year. Over 2023 year to date, the drop in German exports is mainly due to the fall in goods exported to China (-9% y/y and -18% y/y for cars, in particular).

However, in October, exports to the European Union (-2.7% m/m) were the cause of the drop, while exports to China were up slightly (1.5% m/m). With growth deteriorating significantly in Europe (-0.1% q/q in the euro zone in Q3), this downturn in German exports echoes that seen in France in September, underlining the impact of the slowdown in demand in the euro zone, which has been hit by rising interest rates.

Stéphane Colliac

Senior Economist

stephane.colliac@bnpparibas.com

*Feel free to contact us should you like an issue to be covered or developed further in our publications.
For any information about your personal data processing and your rights, please see our [Data Protection Notice](#).*

*If you wish to unsubscribe, please send the following email to
group.rightmanagementeconomicresearch@bnpparibas.com :*

"please cancel my subscription to EcoBrief."