DIW Weekly Report

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10+11 2018

Economy. Politics. Science.

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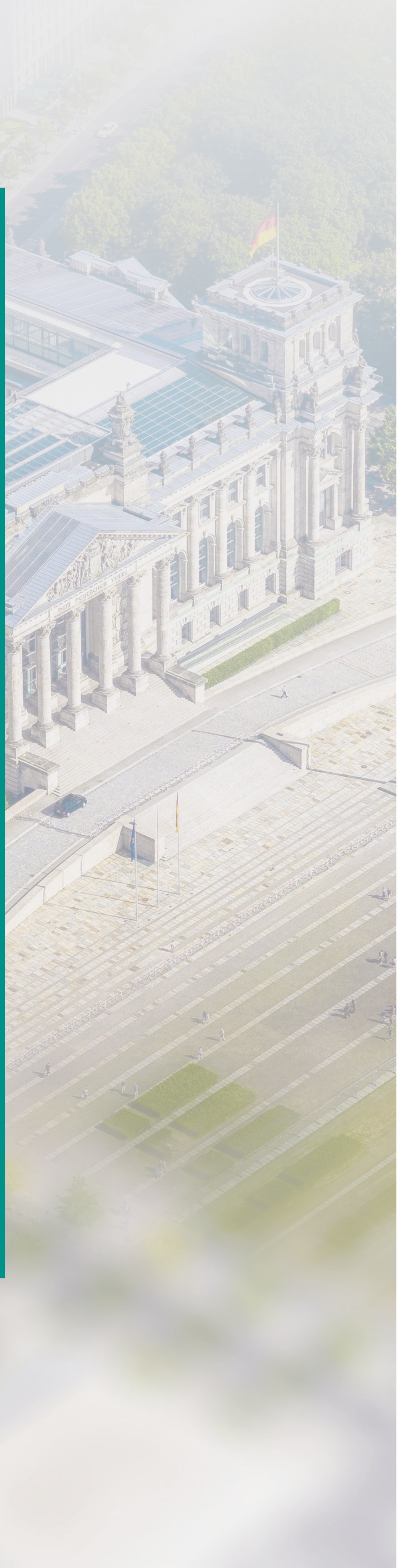

DIW Economic Outlook

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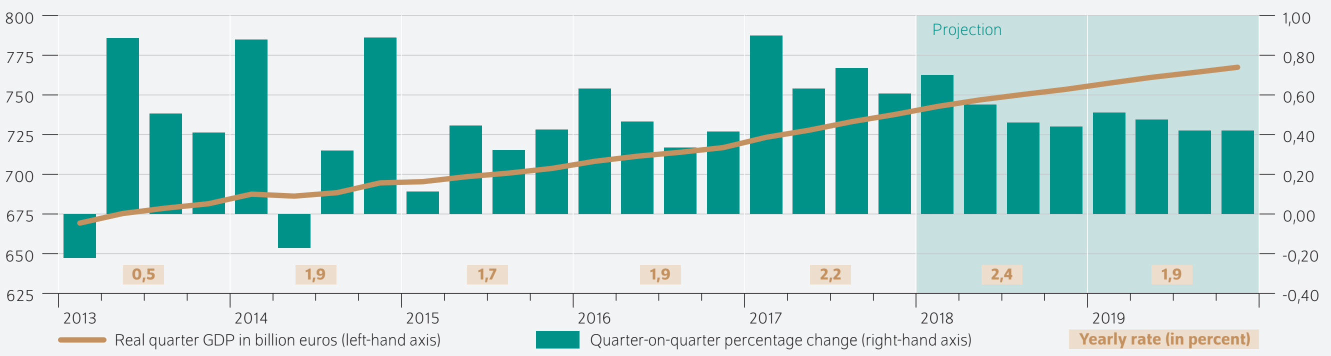
AT A GLANCE

New government prolongs the German economic upswing

- The German economy is likely to grow by 2.4 percent in 2018 and 1.9 percent in 2019
- Dynamic consumption as well as strong exports thanks to a flourishing global economy are supporting the German economy
- The expansive measures planned by the new federal government will increase growth by 0.3 percentage points in 2019
- A further decline in the unemployment rate is expected, but job creation is slowing
- The global economy is likely to grow by over four percent this year and somewhat less next year
- Global upswing remains but is weakening

The German economy continues to show strong growth

Real GDP in billions of euros, percentage change vs. previous quarter



Source: DIW Economic Outlook Spring 2018.

FROM THE AUTHORS

“The global economy is in good shape, and Germany, being an export nation, is benefiting greatly from it—the industrial sector in particular. This fuels investments while consumption is profiting from the strong labor market. We do not expect the economy to be noticeably affected by the U.S. tariffs on steel and aluminum for the time being. If a protectionist race were to develop, however, it would be poisonous to the German economy.”

— Ferdinand Fichtner —

New government prolongs German economic upswing

By Ferdinand Fichtner, Guido Baldi, Karl Brenke, Christian Breuer, Marius Clemens, Geraldine Dany-Knedlik, Hella Engerer, Marcel Fratzscher, Stefan Gebauer, Simon Junker, Claus Michelsen, Malte Rieth, and Thore Schlaak

According to DIW Berlin estimates, the German economy should grow by 2.4 percent this year and 1.9 percent the following year. The GDP growth forecast has thus increased by 0.2 percentage points for this year compared to December and by 0.3 percentage points for the coming year. This primarily reflects the new fiscal policy framework resulting from the coalition agreement between the three parties forming the new German government (CDU, CSU, and SPD). The measures featured in the coalition agreement alone should lift growth by a good 0.3 percentage points next year, if—as it is assumed here—said measures will come into effect in 2019.

Significant relief for private households is expected for the legislative period up to 2021, and, to a substantial degree, already in 2019. For example, the plan to finance statutory health insurance by splitting the costs equally between employers and employees should result in relief for employees in the amount of 5.8 billion euros in 2019 alone. Conversely, higher costs for companies will translate into slightly lower profits; however, on balance, the move will result in a significant increase in the net disposable income of private households. In addition, a reduction in the unemployment insurance contribution rate, assumed to be implemented in the beginning of 2019, will also entail 3.6 billion euros in relief for private households next year. Finally, the announced increase in children benefits and tax allowances, as well as the increase in the insurance periods recognized for bringing up children (*Mütterrente*) and the introduction of a basic pension, are providing billions of euros in stimuli, boosting both disposable income and household consumption.

Furthermore, the coalition agreement includes additional federal government investment expenditures for things such as broadband expansion, research and development, and public housing. These expenditures amount to a total of 1.5 billion euros during the forecast period and are likely to somewhat stimulate the economy.

The German economy would not need any of these stimuli, however. It is experiencing an economic boom: the global economy is growing strongly and ensuring German exports are expanding dynamically. This benefits German industry in particular, which heavily invests in machinery and equipment. Service providers are also faring well, seeing as private households are spending more and more due to the prolonged favorable labor market situation and overall strong wage agreements. Growth is slowing only in the building and construction industry, as the branch is reaching its full capacity and prices are now rising significantly, leading to a gradual reduction in demand. Prices will rise somewhat more strongly in other branches in the coming quarters as well, which should dampen demand.

Furthermore, given that global economic growth is likely to lose some momentum in the context of a less expansive monetary policy, the German economy would gradually slip into a moderate slowdown in 2019 without the additional financial stimulus. However, that would cause no harm due to the current favorable labor market situation. No fiscal countermeasures would be required.

Instead, policies should focus more on positively influencing the German economy's long-term growth. In light of the foreseeable unfavorable demographic development, policies especially need to focus on making investment conditions more appealing. If there are increasingly fewer people of working age, then they must be able to be even more productive. The Grand Coalition has rightly agreed on additional education and infrastructure expenditures. To have a real impact on growth, spending in these areas needs to be targeted and not distributed indiscriminately regardless of the recipients' needs.

The financial flexibility for these and further measures is there. The total public (federal government, regional states, municipalities, and social security bodies) budget surplus is expected to increase to 48 billion euros this year (1.4 percent in relation to GDP) and will only decrease slightly next year (1.2 percent), despite the billions of extra spending agreed on by the new government. However, the flexibility should not be overestimated: a large part of the surpluses is due to the sound economic situation, is thus not permanent, and should therefore not be prematurely earmarked for future spending. Moreover, the government is currently profiting from unusually low interest rates; as monetary policy normalizes, the associated savings will decline in the long term. This argues against the demand for a broad-based reduction in income tax that has repeatedly been brought up in public debate.

From an economic point of view, the less expansive monetary policy is likely to somewhat dampen the pace of expansion in the euro area. The U.S. Federal Reserve is also likely to tighten its monetary stance, resulting in the U.S. economy losing some momentum, despite the fact that the fiscal policy there will be much more expansive in terms of tax relief. All in all, it is to be expected that the currently strong global economic momentum will slightly fade.

As a result, the pace of German exports will decline in the later forecast period and investment activity will also pivot to a slightly lower rate. Throughout the course of the forecast, employment growth will be somewhat less buoyant. However, the slower pace of employment growth will not be detrimental to the strong labor market; at the end of the forecast period, the unemployment rate is likely to be 4.8 percent.

Nevertheless, risks loom over the generally very favorable economic prospects. For example, the recent fierce conflict over the introduction of tariffs on U.S. imports and other protectionist tendencies, such as Brexit and the outcome of the Italian general election, is worrying from a German perspective. If such measures significantly impact international trade, it would affect the German export economy. Additional risks arise from the monetary policy environment, especially in the euro area. An increase in interest rates faster than assumed here could exacerbate banks' difficult financial situations in some countries and lead to a resurgence of the financial crisis in the euro area—which could impact the German economy.

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The global economy and the euro area: expansion continues but is losing momentum

By Ferdinand Fichtner, Guido Baldi, Geraldine Dany-Knedlik, Hella Engerer, Stefan Gebauer, and Malte Rieth

ABSTRACT

The global economy is likely to grow by over four percent this year and somewhat less next year. DIW Berlin has slightly raised its forecast for both years. Developed economies as well as emerging markets are experiencing an upturn; however, growth rates are likely to be slightly lower in the future. One reason for the sound global economy is the fact that the labor market situation is steadily improving, leading to an increase in private consumption. Along with fiscal stimuli in the form of tax cuts and government spending programs, more private consumption is also likely to trigger corporate investment activities. Monetary policy remains expansionary, but gradual increases in interest rates in major economies as well as the European Central Bank's (ECB) phasing-out of government bond purchases may somewhat curb growth in the U.S. and the euro area. This would also weaken the expansion in emerging economies. Risks to global growth stem from protectionist activities in the United States as well as political uncertainty in Europe.

Global economic growth weakened slightly at the end of the 2017. Overall, however, global output in 2017 recorded the highest growth rate in seven years. The economy picked up significantly, especially at the middle of the year, in both developed and emerging market economies. These high growth rates will likely not continue over the course of the forecast period, although the upturn will remain (Figure), supported by the strong and continually improving labor market situation.

Employment is rising in most developed economies while the unemployment rate is dropping. Together with continually moderate price increases, the purchasing power of households is improving, which boosts private consumption in particular. With that in mind, corporate investment activity is likely to continue. Fiscal stimuli are mainly being added in the U.S., although they also contribute to the expansion in the euro area. However, over time, the effects of interest rate increases in important economies and the ECB's reduction of the asset purchase program should make themselves felt and slightly curb growth.

High demand in developed economies stimulates international trade, benefiting emerging markets as well. In addition, domestic demand is robust in most emerging market economies, such as in central and eastern European countries. In Russia and Brazil, however, there are no signs of a strong recovery following steady, weak growth in recent years. In China, the structural change over the course of the forecast period should lead to a decline in growth rates.

All in all, the global economy should grow by 4.2 percent this year; next year, growth will likely be somewhat weaker. Compared to the Economic Outlook published in winter 2017, DIW Berlin is raising its forecast slightly for both years (Table).

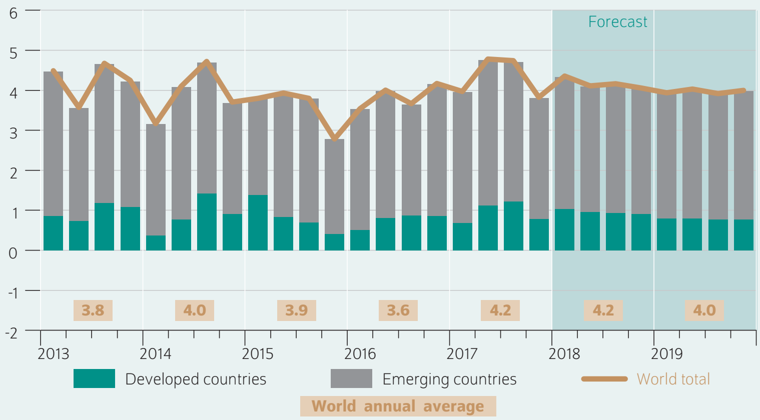
Globally, monetary policy remains expansive. There were recently concerns in the U.S. about a stronger-than-expected price increase and thus a faster tightening of monetary conditions. However, a strong overshooting of prices seems unlikely, also because it is assumed that oil prices are declining during the forecast period. The U.S. Federal Reserve is therefore likely to stick to its announced gradual increase in interest rates. The ECB will probably reduce net purchases under the asset purchase program to zero this year. We do not assume an initial interest rate increase, however, until 2019. The Bank of Japan is likely to maintain its expansionary stance due to the appreciation of the yen since the beginning of the year.

Fiscal policy should provide stimuli in the forecast period. Spending programs and planned tax cuts will probably noticeably increase growth in the short run, especially in the U.S. Fiscal policy in the euro area is also more expansionary than it has been recently.

The global economy is facing a series of risks. In the U.S., the additional demand created by fiscal policy measures could be reflected in higher prices due to the already well-performing economy. This could lead to a faster-than-expected tightening of monetary policy and end the already protracted upswing in the U.S. earlier than expected. Global financial conditions would also worsen as a result of restrictive monetary policy in the U.S., which would jeopardize emerging market economies in particular. Moreover, if the U.S. implements its announced protectionist measures, it could trigger reactions from other countries and impact international trade. There is the risk in the euro area that Italy will take a long time to form a government and thus cause a political stalemate, which could negatively affect corporate and household sentiment alike and dampen private demand.

Figure

World real GDP
In percent, percentage points



Sources: National statistical offices; DIW Economic Outlook Spring 2018.

The upturn will remain.

Table

Real Gross Domestic Product, Consumer Price Inflation, and Unemployment Rate in the World Economy
In percent

	GDP				Consumer prices				Unemployment rate in percent			
	Change over previous year in percent											
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Euro area	1.8	2.5	2.3	1.8	0.4	1.4	1.8	1.7	10.0	9.0	8.4	8.1
without Germany	1.8	2.5	2.2	1.7	0.3	1.3	1.7	1.7	12.6	11.4	10.7	10.4
France	1.1	1.9	2.0	1.7	0.2	1.1	1.4	1.5	10.1	9.5	9.4	9.2
Italy	1.1	1.5	1.4	1.2	0.0	1.4	1.2	1.4	11.7	11.3	10.9	10.5
Spain	3.3	3.1	2.7	2.2	−0.2	2.0	1.8	2.3	19.7	17.2	15.8	15.4
Netherlands	2.1	3.2	2.8	2.4	0.1	1.3	1.5	1.9	6.0	4.8	4.4	4.2
United Kingdom	1.9	1.7	1.4	1.5	0.7	2.7	2.6	2.1	5.0	4.5	4.6	4.6
USA	1.5	2.3	3.0	2.7	1.3	2.1	2.5	2.1	4.9	4.4	3.9	3.6
Japan	0.9	1.6	1.2	1.0	−0.1	0.5	0.8	1.1	3.1	2.9	2.8	2.7
South Korea	2.8	3.1	3.2	2.6	1.0	2.0	1.8	2.7	3.7	3.7	3.0	3.0
Middle Eastern Europe	3.2	4.9	3.9	3.4	−0.2	1.7	2.7	2.9	5.7	4.6	4.2	3.9
Turkey	3.2	6.6	3.9	3.5	7.8	11.1	9.3	8.2	10.9	10.9	10.7	10.5
Russia	−0.3	1.6	1.8	1.9	6.6	3.5	3.5	4.1	5.5	5.1	5.0	4.8
China	6.7	6.9	6.5	6.3	1.6	1.7	2.1	2.4	4.1	4.0	4.0	4.0
India	7.9	6.2	7.1	6.6	2.9	4.2	5.5	6.1				
Brazil	−3.5	1.0	0.9	1.1	8.7	3.6	4.9	6.0	11.3	12.8	10.6	8.4
Mexico	2.7	2.3	2.1	2.0	2.8	5.7	3.3	3.2	3.9	3.8	4.8	4.8
Developed Economies	1.6	2.2	2.5	2.2	0.8	1.8	2.1	1.9	5.9	5.3	4.9	4.7
Emerging Markets	5.0	5.6	5.4	5.2	3.0	3.1	3.5	4.0	5.3	5.3	5.0	4.8
World	3.6	4.2	4.2	4.0	2.1	2.6	2.9	3.1	5.5	5.3	5.0	4.7

Sources: National statistical offices; DIW Economic Outlook Spring 2018.

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JEL: E32, E66, F01

Keywords: Business cycle forecast, economic outlook

New government's policies give the thriving German economy an additional boost

By Ferdinand Fichtner, Karl Brenke, Christian Breuer, Marius Clemens, Simon Junker, Claus Michelsen, and Thore Schlaak

ABSTRACT

The German economy will grow by 2.4 percent this year, especially due to strong foreign demand. Brisk investment activity continues in this economic climate; stimulus from foreign trade, however, is weakening somewhat. Despite strong consumer demand in the coming quarters, employment and economic output growth are losing momentum. However, stimulus measures from the new federal government will increase income and thus private households' consumption. With 1.9 percent growth in 2019, overall economic capacity will remain well utilized.

For a good year now, the German export economy has been benefiting from a buoyant global investment cycle that gave a surprisingly strong boost to industrial production in the final quarter of 2017. Full order books in the manufacturing industry also indicate that economic output significantly expanded in the beginning of 2018 (Figure 1) and should be somewhat more dynamic than previously forecasted. Therefore, DIW Berlin is raising its GDP growth forecast for this year from 2.2 to 2.4 percent (Table 1). The 68-percent confidence interval resulting from the forecast errors of the previous five years is between 2.0 and 2.8 percent for this year and between 1.2 and 2.5 percent for next year (Figure 2). There are signs of slightly weaker stimuli from the global economy for the forecast period, which will dampen economic output and employment growth, especially as the appreciation of the euro is likely to also weigh on exports temporarily.

However, new stimuli are coming from the measures featured in the coalition agreement of the new federal government.[1] We assume in the current forecast that a number of these measures will be implemented in 2019. Among other things, this will result in a noticeable increase in income for private households, which in turn will boost consumption (Table 2). As a result, economic output will rise by 1.9 percent in the coming year, 0.3 percentage points more than previously expected. The additional stimuli prevent the economy's now quite high capacity utilization from regressing (Figure 3).

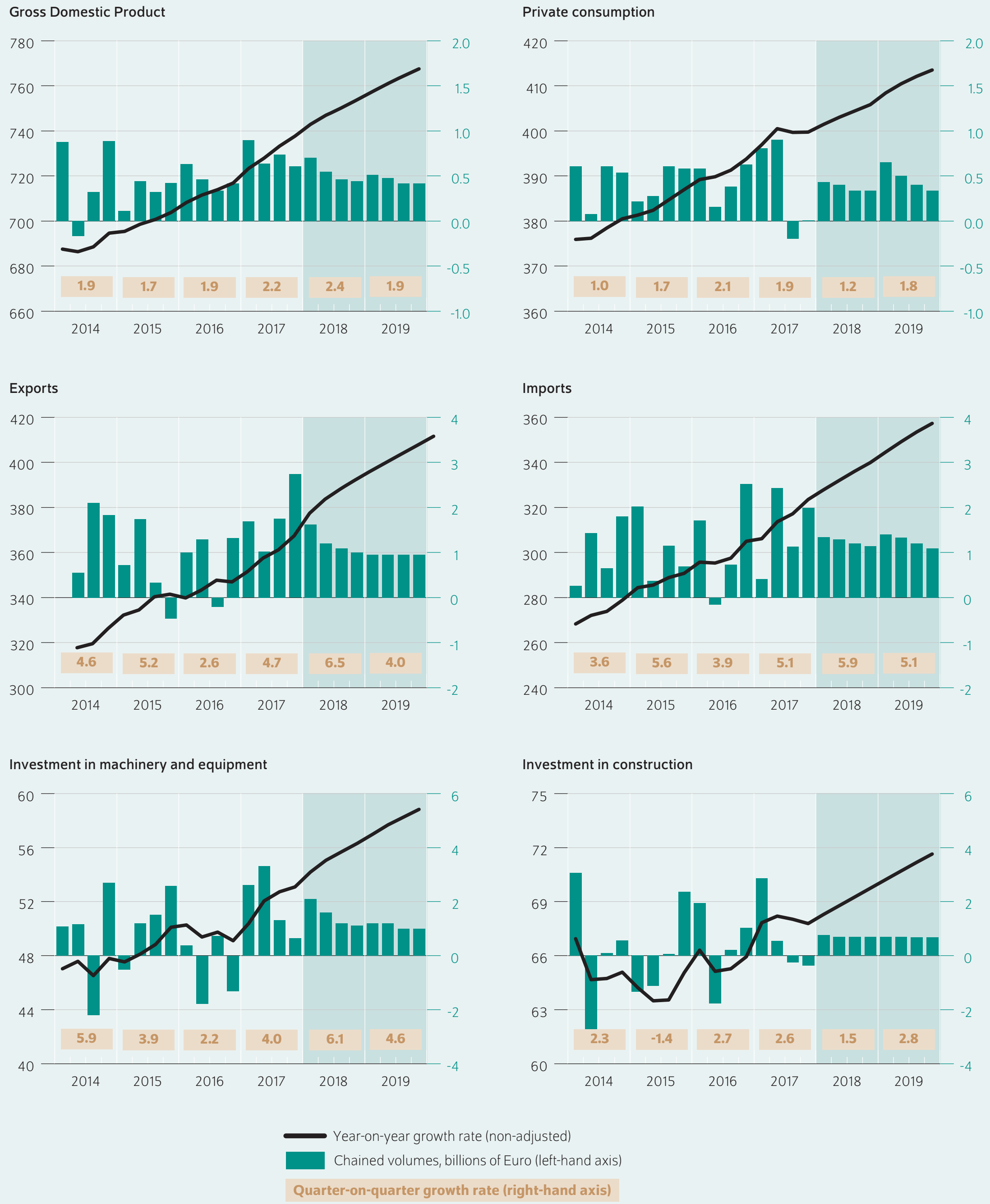
Three measures outlined in the coalition agreement will have a significant impact on household incomes: the reduction of unemployment insurance contributions; splitting the costs of statutory health insurance, up until now carried to a greater extent by employees, equally between employers and employees; and extensions to the pension system. Employees' additional income, however, only fuels the already stable underlying dynamics of consumption. This is largely driven by the dynamic development of labor income:

1 Cf. Coalition agreement between the CDU, CSU, and SPD, *Ein neuer Aufbruch für Europa – Eine neue Dynamik für Deutschland – Ein neuer Zusammenhalt für unser Land* (Berlin: 2018) (in German; available online, accessed March 9, 2018; this applies to all other online sources in this report unless stated otherwise).

Figure 1

Gross domestic product and use of GDP

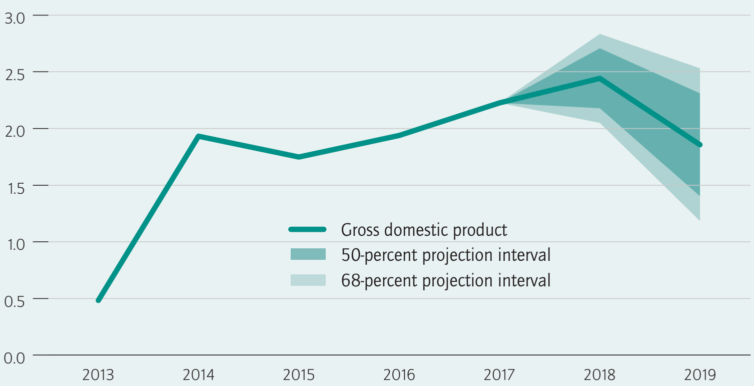
Seasonally and working day adjusted



Sources: Federal Statistical Office; authors' own calculations, forecasts as of Q1 2018.

Figure 2

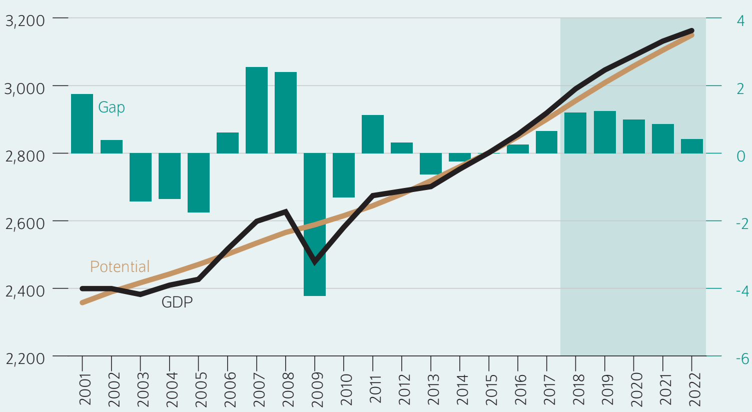
Forecast for the rate of change of real gross domestic product
In percent



Source: DIW Economic Outlook Spring 2018.

Figure 3

GDP, Potential Output and Output Gap
In billions of euros/in percent of potential output



Source: Federal Statistical Office; Estimates of DIW Berlin.

Capacities remain well utilized.

job creation has continued non-stop until recently, and the number of employed persons should rise by 550,000 this year and almost 300,000 next year. Increasingly, shortages in the labor market—the unemployment rate is expected to fall below five percent in 2019—are also being reflected in higher wage increases.

Private investments in infrastructure continue to follow the significant upward trend they set in early 2017, as high capacity utilization makes additional investments increasingly necessary. Over the course of the forecast, the upswing in investments will become less pronounced in the face of weakening foreign demand, partly due to higher interest rates. Construction investments should rebound at a faster rate than at the end of 2017, although the boom is likely to lose momentum down the line. Due to tight capacity in the construction industry, measures featured in the coalition agreement are unlikely to spur any real construction work, but rather increase construction prices at most—provided the extra stimulus in that area is not being used to finance projects that had already been planned.

Exports are likely to continue to significantly contribute to growth, although they will not grow as strongly in the coming year as they did last year due to the somewhat weaker global economy. Starting in the spring, imports will rise faster than exports, driven by the dynamic domestic economy; next year especially, the additional consumer demand will boost imports. While this will somewhat reduce the current account balance, which is expected to increase yet again to over eight percent this year, it will remain above the EU threshold of six percent in the foreseeable future.

The public sector (federal government, states, municipalities and social security) will generate significant surpluses of 48 billion euros (1.4 percent of GDP) this year and 42 billion euros (1.2 percent) next year, despite significant additional expenditures related to implementing measures in the coalition agreement. Adjusted for economic activity, the (structural) budget surplus is foreseen at 0.8 percent of GDP for the current year and 0.6 percent for the coming year.

The threat of an escalation in the tariff dispute with the United States poses a significant risk to Germany's export-oriented economy. The effects of such an escalation are not considered in this forecast. Protectionist tendencies, such as Brexit, have the potential to damage international trade and affect the German economy in particular. The effects of the coalition agreement on the economy also depend on the date single measures are implemented; individual measures may come into effect sooner or later than assumed here, or to a different extent. The economic output would then possibly take a considerably different course.

Table 1

Key economic indicators for the German economy

	2014	2015	2016	2017	2018	2019
Real GDP[1] (percent change over previous year)	1.9	1.7	1.9	2.2	2.4	1.9
Domestic employment (1000 persons)	42,672	43,069	43,638	44,291	44,843	45,136
Unemployed (ILO concept)	2,092	1,949	1,775	1,632	1,449	1,302
Unemployed (BA concept)	2,898	2,795	2,691	2,533	2,321	2,169
Unemployment rate[2] (ILO concept)	5.0	4.6	4.1	3.8	3.3	3.0
Unemployment rate[2] (BA concept)	6.7	6.4	6.1	5.7	5.2	4.8
Consumer prices	0.9	0.3	0.5	1.8	1.7	1.7
Unit labor costs[3]	1.4	1.8	1.6	1.6	1.4	1.9
Government budget balance[4]						
in billion EUR	9.5	19.4	25.7	36.6	48.3	41.9
in percent of GDP	0.3	0.6	0.8	1.1	1.4	1.2
Current account balance, in percent of GDP	7.4	8.5	8.2	7.9	8.1	7.8

1 Price-adjusted, chain-linked
2 As a share of domestic labor force (ILO), resp. Civilian labor force (BA)
3 Compensation of employees (national concept) per hour worked over real GDP
4 According to ESA 2010

Sources: National and international institutions; computations by DIW Berlin, 2018/19: DIW forecast.

Table 2

Use of gross domestic product, quarter-on-quarter growth rates
Price, seasonally and working-day adjusted, in percent

	2017				2018				2019			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Private consumption	0.8	0.9	−0.2	0.0	0.4	0.4	0.3	0.3	0.7	0.5	0.4	0.3
Public consumption	0.3	0.3	0.5	0.5	0.2	0.3	0.4	0.5	0.5	0.5	0.4	0.3
Gross fixed capital formation	2.6	1.5	0.4	0.0	1.2	1.0	0.9	0.8	0.9	0.9	0.8	0.8
Investment in machinery and equipment	2.6	3.3	1.3	0.7	2.1	1.6	1.2	1.1	1.2	1.2	1.0	1.0
Construction investment	2.9	0.5	−0.3	−0.4	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Other investment	2.0	0.9	0.6	−0.1	0.8	0.8	0.7	0.7	0.8	0.8	0.7	0.7
Change in inventories[1]	−0.7	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Domestic uses	0.3	1.2	0.4	0.1	0.5	0.5	0.5	0.5	0.7	0.6	0.5	0.4
Net Exports[1]	0.6	−0.5	0.4	0.5	0.2	0.1	0.0	0.0	−0.1	−0.1	0.0	0.0
Exports	1.7	1.0	1.8	2.7	1.7	1.2	1.1	1.0	0.9	0.9	1.0	1.0
Imports	0.4	2.4	1.1	2.0	1.3	1.3	1.2	1.1	1.4	1.3	1.2	1.1
Gross Domestic Product	0.9	0.6	0.7	0.6	0.7	0.6	0.5	0.4	0.5	0.5	0.4	0.4

1 Contribution to gdp growth in percentage points

Source: Federal Statistical Office; DIW Berlin, Forecast from 2018q1 onward.

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Keywords: Business cycle forecast, economic outlook

MAIN AGGREGATES FOR SECTOR ACCOUNTS

Annual Results 2017

Euro bn

		specification	Total economy	Non financial and financial corporations	General government	Households and non-profit inst. serving households	Rest of the world
3		Gross value added	2,941.0	1,989.7	314.3	637.0	–
4	–	Consumption of fixed capital	572.0	328.9	71.0	172.0	–
5	=	Net value added[1]	2,369.0	1,660.8	243.3	465.0	−248.3
6	–	Compensation of employees, paid	1,667.9	1,191.4	246.5	230.0	14.6
7	–	Other taxes on production, paid	22.1	12.5	0.2	9.4	–
8	+	Other subsidies on production, received	25.6	23.9	0.2	1.5	–
9	=	Operating surplus, net/mixed income, net	704.7	480.8	−3.2	227.1	−262.9
10	+	Compensation of employees, received	1,669.9	–	–	1,669.9	12.5
11	–	Subsidies, paid	27.6	–	27.6	–	5.20
12	+	Taxes on production and imports, received	344.7	–	344.7	–	6.93
13	–	Property income, paid	718.3	654.4	38.9	25.0	172.6
14	+	Property income, received	778.1	359.6	16.9	401.6	112.8
15	=	Net national income/Balance of prim income, net	2,751.5	186.1	291.8	2,273.6	−308.4
16	–	Current taxes on income, wealth, etc, paid	413.3	89.2	–	324.0	9.8
17	+	Current taxes on income, wealth, etc, received	422.6	–	422.6	–	0.4
18	–	Net social contributions, paid	670.4	–	–	670.4	4.2
19	+	Net social contributions, received	671.7	122.8	548.1	0.8	2.9
20	–	Social benefits other than soc transf in kind, paid	571.4	65.0	505.5	0.8	0.5
21	+	Social benefits other than soc transf in kind, receiv	564.3	–	–	564.3	7.5
22	–	Other current transfers, paid	340.6	185.6	75.3	79.8	58.2
23	+	Other current transfers, received	291.1	157.1	22.4	111.6	107.7
24	=	Disposable income, net	2,705.5	126.2	704.1	1,875.2	−262.5
25	–	Final consumption expenditure	2,373.6	–	638.7	1,735.0	–
26	+	Adjustment for the change in net equity of households in pension funds	–	−49.6	–	49.6	–
27	=	Net saving	331.9	76.6	65.4	189.8	−262.5
28	–	Capital transfers, paid	63.1	11.9	41.9	9.4	3.0
29	+	Capital transfers, received	56.5	30.1	10.8	15.5	9.6
30	–	Gross capital formation	641.4	369.9	70.3	201.3	–
31	+	Consumption of fixed capital	572.0	328.9	71.0	172.0	–
32	–	Acquisitions less disposals of valuables	−3.1	−2.6	−1.4	0.9	3.1
33	=	Net lending (+)/ Net borrowing (-)	258.9	56.5	36.6	165.8	−258.9
		memorandum item:					
34		Disposable income, net	2,705.5	126.2	704.1	1,875.2	−262.5
35	–	Social transfers in kind, paid	415.7	–	415.7	–	–
36	+	Social transfers in kind, received	415.7	–	–	415.7	–
37	=	Adjusted disposable income, net	2,705.5	126.2	288.3	2,291.0	−262.5
38	–	Actual final consumption[2]	2,373.6	–	222.9	2,150.7	–
39	+	Adjustment for the change in net equity of households in pension funds	–	−49.6	–	49.6	–
40	=	Net saving	331.9	76.6	65.4	189.8	−262.5

1 Concerning Rest of the world: imports minus exports of goods and services to/from rest of the world.
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Annual Results 2018

Euro bn

		specification	Total economy	Non financial and financial corporations	General government	Households and non-profit inst. serving households	Rest of the world
3		Gross value added	3,063.3	2,075.9	325.6	661.8	–
4	–	Consumption of fixed capital	594.4	342.1	73.2	179.1	–
5	=	Net value added[1]	2,468.9	1,733.8	252.4	482.8	−272.4
6	–	Compensation of employees, paid	1,738.4	1,239.8	256.0	242.7	15.4
7	–	Other taxes on production, paid	22.3	12.4	0.2	9.8	–
8	+	Other subsidies on production, received	25.6	23.8	0.2	1.6	–
9	=	Operating surplus, net/mixed income, net	733.7	505.5	−3.6	231.8	−287.8
10	+	Compensation of employees, received	1,740.4	–	–	1,740.4	13.4
11	–	Subsidies, paid	27.7	–	27.7	–	5.24
12	+	Taxes on production and imports, received	353.4	–	353.4	–	6.99
13	–	Property income, paid	708.3	647.8	36.3	24.2	176.3
14	+	Property income, received	770.7	345.9	18.1	406.6	113.9
15	=	Net national income/Balance of prim income, net	2,862.2	203.6	304.0	2,354.6	−335.0
16	–	Current taxes on income, wealth, etc, paid	433.1	92.0	–	341.1	10.1
17	+	Current taxes on income, wealth, etc, received	442.9	–	442.9	–	0.4
18	–	Net social contributions, paid	692.7	–	–	692.7	4.5
19	+	Net social contributions, received	694.0	125.2	568.0	0.8	3.2
20	–	Social benefits other than soc transf in kind, paid	585.8	66.4	518.6	0.8	0.5
21	+	Social benefits other than soc transf in kind, receiv	578.5	–	–	578.5	7.8
22	–	Other current transfers, paid	356.1	189.8	86.9	81.8	52.7
23	+	Other current transfers, received	298.5	162.8	22.4	114.2	110.4
24	=	Disposable income, net	2,808.3	143.4	731.8	1,931.6	−281.0
25	–	Final consumption expenditure	2,445.4	–	662.1	1,783.3	–
26	+	Adjustment for the change in net equity of households in pension funds	–	−50.0	–	50.0	–
27	=	Net saving	362.9	93.4	69.7	198.4	−281.0
28	–	Capital transfers, paid	55.3	12.1	33.3	9.8	2.8
29	+	Capital transfers, received	48.4	21.5	11.2	15.7	9.7
30	–	Gross capital formation	676.3	389.2	74.0	213.1	–
31	+	Consumption of fixed capital	594.4	342.1	73.2	179.1	–
32	–	Acquisitions less disposals of valuables	−2.5	−2.0	−1.4	0.9	2.5
33	=	Net lending (+)/ Net borrowing (-)	276.6	57.6	48.3	169.4	−276.6
		memorandum item:					
34		Disposable income, net	2,808.3	143.4	731.8	1,931.6	−281.0
35	–	Social transfers in kind, paid	427.8	–	427.8	–	–
36	+	Social transfers in kind, received	427.8	–	–	427.8	–
37	=	Adjusted disposable income, net	2,808.3	143.4	304.0	2,359.4	−281.0
38	–	Actual final consumption[2]	2,445.4	–	234.3	2,211.1	–
39	+	Adjustment for the change in net equity of households in pension funds	–	−50.0	–	50.0	–
40	=	Net saving	362.9	93.4	69.7	198.4	−281.0

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Annual Results 2019
Euro bn

		specification	Total economy	Non financial and financial corporations	General government	Households and non-profit inst. serving households	Rest of the world
3		Gross value added	3,175.9	2,151.6	337.6	686.6	–
4	–	Consumption of fixed capital	614.8	353.8	75.5	185.5	–
5	=	Net value added[1]	2,561.0	1,797.8	262.1	501.1	−269.0
6	–	Compensation of employees, paid	1,805.9	1,282.4	267.7	255.8	16.3
7	–	Other taxes on production, paid	22.6	12.2	0.2	10.2	–
8	+	Other subsidies on production, received	25.4	23.6	0.2	1.6	–
9	=	Operating surplus, net/mixed income, net	758.0	526.9	−5.6	236.7	−285.3
10	+	Compensation of employees, received	1,807.9	–	–	1,807.9	14.3
11	–	Subsidies, paid	27.9	–	27.9	–	5.20
12	+	Taxes on production and imports, received	363.2	–	363.2	–	7.05
13	–	Property income, paid	712.6	654.3	34.4	23.9	179.8
14	+	Property income, received	777.3	341.7	18.2	417.4	115.1
15	=	Net national income/Balance of prim income, net	2,965.9	214.3	313.6	2,438.0	−333.9
16	–	Current taxes on income, wealth, etc, paid	453.8	95.1	–	358.7	10.6
17	+	Current taxes on income, wealth, etc, received	463.9	–	463.9	–	0.4
18	–	Net social contributions, paid	712.7	–	–	712.7	4.7
19	+	Net social contributions, received	713.9	127.4	585.7	0.8	3.5
20	–	Social benefits other than soc transf in kind, paid	607.1	68.6	537.6	0.8	0.5
21	+	Social benefits other than soc transf in kind, receiv	599.4	–	–	599.4	8.1
22	–	Other current transfers, paid	366.9	191.7	93.7	83.8	53.7
23	+	Other current transfers, received	307.4	167.6	22.7	118.0	113.2
24	=	Disposable income, net	2,910.2	153.9	754.7	2,000.2	−278.2
25	–	Final consumption expenditure	2,533.4	–	689.1	1,844.4	–
26	+	Adjustment for the change in net equity of households in pension funds	–	−50.5	–	50.5	–
27	=	Net saving	376.8	103.5	65.6	206.3	−278.2
28	–	Capital transfers, paid	58.1	12.4	35.3	10.3	2.7
29	+	Capital transfers, received	50.9	23.6	11.5	15.8	9.8
30	–	Gross capital formation	713.4	409.3	76.9	227.2	–
31	+	Consumption of fixed capital	614.8	353.8	75.5	185.5	–
32	–	Acquisitions less disposals of valuables	−2.5	−2.0	−1.5	0.9	2.5
33	=	Net lending (+)/ Net borrowing (-)	273.6	61.1	41.9	169.2	−273.6
		memorandum item:					
34		Disposable income, net	2,910.2	153.9	754.7	2,000.2	−278.2
35	–	Social transfers in kind, paid	442.8	–	442.8	–	–
36	+	Social transfers in kind, received	442.8	–	–	442.8	–
37	=	Adjusted disposable income, net	2,910.2	153.9	311.9	2,443.0	−278.2
38	–	Actual final consumption[2]	2,533.4	–	246.3	2,287.1	–
39	+	Adjustment for the change in net equity of households in pension funds	–	−50.5	–	50.5	–
40	=	Net saving	376.8	103.5	65.6	206.3	−278.2

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The Main National Accounts Data for the Federal Republic of Germany
Forecast for 2018 and 2019

	2017	2018	2019	2017		2018		2019	
				1st half year	2nd half year	1st half year	2nd half year	1st half year	2nd half year
1. Origin of GDP Percentage change over previous year									
Domestic employment	1.5	1.2	0.7	1.5	1.5	1.4	1.1	0.7	0.6
Hours worked, per working day	0.8	0.5	0.0	−0.2	1.8	0.6	0.3	0.6	−0.5
Working days	−1.2	−0.3	0.0	0.0	−2.3	−0.5	−0.1	−0.8	0.8
Labor volume, calendar-monthly	1.1	1.4	0.7	1.3	1.0	1.5	1.4	0.5	0.8
Labor productivity[1]	1.1	1.0	1.2	0.9	1.3	1.0	1.0	1.2	1.2
Gross domestic product, price adjusted	**2.2**	**2.4**	**1.9**	**2.2**	**2.3**	**2.5**	**2.4**	**1.7**	**2.0**
2. Disposition of GDP in Current Prices a) Billion EUR									
Final consumption expenditure	2,373.6	2,445.4	2,533.4	1,160.0	1,213.6	1,192.2	1,253.2	1,233.5	1,300.0
Private consumption expenditure[2]	1,735.0	1,783.3	1,844.4	850.1	884.8	870.5	912.8	898.3	946.0
Government consumption expenditure	638.7	662.1	689.1	309.9	328.8	321.8	340.4	335.1	353.9
Gross fixed capital formation (GFCF)	662.7	698.2	736.1	319.9	342.8	335.7	362.5	353.8	382.3
Machinery and equipment	214.6	228.3	239.4	101.8	112.8	108.4	119.9	113.3	126.1
Construction	322.7	339.4	360.4	156.7	165.9	163.6	175.9	173.9	186.5
GFCF in other products	125.4	130.4	136.4	61.3	64.1	63.7	66.7	66.6	69.7
Change in Stocks[3]	−21.3	−21.9	−22.7	−4.8	−16.6	−2.5	−19.4	−3.4	−19.3
Domestic uses	3,015.0	3,121.6	3,246.8	1,475.1	1,539.9	1,525.4	1,596.2	1,583.8	1,663.0
Balance of exports and imports	248.3	272.3	269.0	127.4	121.0	144.6	127.8	143.2	125.8
Exports	1,542.1	1,657.5	1,735.7	761.1	781.0	821.1	836.3	857.9	877.8
Imports	1,293.7	1,385.1	1,466.7	633.8	660.0	676.6	708.6	714.7	752.0
Gross domestic product	**3,263.4**	**3,394.0**	**3,515.9**	**1,602.5**	**1,660.9**	**1,670.0**	**1,724.0**	**1,727.1**	**1,788.8**
b) Percentage change over previous year									
Final consumption expenditure	3.7	3.0	3.6	3.8	3.5	2.8	3.3	3.5	3.7
Private consumption expenditure[2]	3.6	2.8	3.4	4.0	3.3	2.4	3.2	3.2	3.6
Government consumption expenditure	3.8	3.7	4.1	3.4	4.1	3.8	3.5	4.2	4.0
Gross fixed capital formation (GFCF)	5.2	5.3	5.4	4.9	5.5	4.9	5.7	5.4	5.5
Machinery and equipment	4.3	6.4	4.9	2.9	5.6	6.5	6.3	4.5	5.2
Construction	6.0	5.2	6.2	6.3	5.7	4.4	6.0	6.3	6.0
GFCF in other products	4.8	4.0	4.5	4.9	4.7	3.9	4.2	4.6	4.5
Domestic uses	4.2	3.5	4.0	4.3	4.1	3.4	3.7	3.8	4.2
Exports	6.3	7.5	4.7	6.0	6.7	7.9	7.1	4.5	5.0
Imports	7.9	7.1	5.9	8.8	7.0	6.8	7.4	5.6	6.1
Gross domestic product	**3.8**	**4.0**	**3.6**	**3.4**	**4.1**	**4.2**	**3.8**	**3.4**	**3.8**
3. Disposition of GDP, adjusted for prices a) Chain-linked estimated in Billion EUR									
Final consumption expenditure	2,157.4	2,184.0	2,223.1	1,061.8	1,095.6	1,072.6	1,111.4	1,090.1	1,133.0
Private consumption expenditure[2]	1,596.1	1,614.5	1,643.6	784.5	811.6	791.0	823.5	803.5	840.1
Government consumption expenditure	561.0	569.1	579.1	277.2	283.9	281.3	287.8	286.3	292.8
Gross fixed capital formation (GFCF)	590.9	609.8	630.8	286.1	304.8	293.9	315.9	303.9	326.9
Machinery and equipment	207.6	220.2	230.4	98.0	109.5	104.1	116.1	108.5	121.9
Construction	270.9	275.0	282.7	132.6	138.2	133.5	141.5	137.4	145.3
GFCF in other products	113.2	116.0	119.6	55.6	57.6	56.8	59.2	58.6	61.0
Domestic uses	2,716.3	2,766.4	2,826.2	1,340.8	1,375.5	1,364.1	1,402.3	1,390.9	1,435.2
Exports	1,460.1	1,554.7	1,617.2	720.4	739.7	771.5	783.2	800.5	816.7
Imports	1,258.2	1,331.9	1,400.3	613.3	644.9	651.6	680.3	682.8	717.5
Gross domestic product	**2,918.8**	**2,990.1**	**3,045.6**	**1,447.5**	**1,471.3**	**1,483.8**	**1,506.4**	**1,509.0**	**1,536.6**
b) Percentage change over previous year									
Final consumption expenditure	1.8	1.2	1.8	2.0	1.6	1.0	1.4	1.6	1.9
Private consumption expenditure [2]	1.9	1.2	1.8	2.2	1.6	0.8	1.5	1.6	2.0
Government consumption expenditure	1.6	1.4	1.8	1.6	1.6	1.5	1.4	1.8	1.7
Gross fixed capital formation (GFCF)	3.2	3.2	3.5	3.1	3.4	2.7	3.6	3.4	3.5
Machinery and equipment	4.0	6.1	4.6	2.6	5.3	6.1	6.0	4.3	5.0
Construction	2.6	1.5	2.8	3.3	2.0	0.6	2.4	2.9	2.7
GFCF in other products	3.5	2.5	3.1	3.7	3.3	2.3	2.7	3.2	3.0
Domestic uses	2.2	1.8	2.2	2.4	2.0	1.7	1.9	2.0	2.3
Exports	4.7	6.5	4.0	4.1	5.2	7.1	5.9	3.8	4.3
Imports	5.1	5.9	5.1	5.0	5.3	6.3	5.5	4.8	5.5
Gross domestic product	**2.2**	**2.4**	**1.9**	**2.2**	**2.3**	**2.5**	**2.4**	**1.7**	**2.0**

continued: The main national accounts data for the Federal Republic of Germany
Forecast for 2018 and 2019

	2017	2018	2019	2017		2018		2019	
				1st half year	2nd half year	1st half year	2nd half year	1st half year	2nd half year
4. Price Level of National Expenditure (2010 = 100) Percentage change over previous year									
Private consumption expenditure[2]	1.7	1.6	1.6	1.7	1.7	1.5	1.7	1.6	1.6
Government consumption expenditure	2.2	2.2	2.3	1.9	2.4	2.3	2.1	2.3	2.2
Gross fixed capital formation (GFCF)	1.9	2.1	1.9	1.7	2.0	2.2	2.0	1.9	1.9
Machinery and equipment	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2
Construction	3.2	3.6	3.3	2.9	3.6	3.7	3.5	3.3	3.3
Exports	1.6	0.9	0.7	1.9	1.4	0.7	1.1	0.7	0.6
Imports	2.6	1.1	0.7	3.7	1.6	0.5	1.8	0.8	0.6
Gross domestic product	**1.5**	**1.5**	**1.7**	**1.2**	**1.8**	**1.7**	**1.4**	**1.7**	**1.7**
5. Distribution of Income a) Billion EUR									
Primary income of private households[2]	2,273.6	2,354.6	2,438.0	1,119.0	1,154.5	1,158.3	1,196.3	1,199.7	1,238.4
Employers' social contributions	299.6	309.6	323.1	145.0	154.6	150.1	159.6	156.7	166.4
Gross wages and salaries	1,370.3	1,430.8	1,484.8	653.2	717.2	683.1	747.7	709.8	775.1
Other primary income of private households[4]	603.6	614.2	630.1	320.9	282.8	325.1	289.1	333.2	296.9
Primary income of other institutional sectors	477.9	507.6	527.9	219.5	258.4	238.5	269.1	244.8	283.1
Net national income (primary income)	**2,751.5**	**2,862.2**	**2,965.9**	**1,338.6**	**1,412.9**	**1,396.8**	**1,465.4**	**1,444.4**	**1,521.5**
Consumption of fixed capital	572.0	594.4	614.8	283.7	288.3	294.9	299.5	305.4	309.4
Gross national income	**3,323.5**	**3,456.6**	**3,580.8**	**1,622.3**	**1,701.2**	**1,691.7**	**1,765.0**	**1,749.9**	**1,830.9**
Memorandum item:									
Net national income (factor costs)	2,434.4	2,535.7	2,629.9	1,180.3	1,254.1	1,234.2	1,301.4	1,277.5	1,352.5
Property and entrepreneurial income	764.5	795.2	822.0	382.1	382.4	401.0	394.2	411.0	411.0
Compensation of employees	1,669.9	1,740.4	1,807.9	798.2	871.7	833.2	907.2	866.4	941.5
b) Percentage change over previous year									
Primary income of private households[2]	4.4	3.6	3.5	4.5	4.4	3.5	3.6	3.6	3.5
Employers' social contributions	3.7	3.4	4.3	3.8	3.7	3.5	3.2	4.4	4.3
Gross wages and salaries	4.5	4.4	3.8	4.5	4.5	4.6	4.3	3.9	3.7
Other primary income of private households[4]	4.6	1.7	2.6	4.8	4.5	1.3	2.2	2.5	2.7
Primary income of other institutional sectors	2.2	6.2	4.0	−1.1	5.1	8.6	4.2	2.6	5.2
Net national income (primary income)	**4.0**	**4.0**	**3.6**	**3.5**	**4.5**	**4.3**	**3.7**	**3.4**	**3.8**
Consumption of fixed capital	3.6	3.9	3.4	3.4	3.7	3.9	3.9	3.6	3.3
Gross national income	**3.9**	**4.0**	**3.6**	**3.5**	**4.4**	**4.3**	**3.7**	**3.4**	**3.7**
Memorandum item:									
Net national income (factor costs)	4.1	4.2	3.7	3.5	4.8	4.6	3.8	3.5	3.9
Property and entrepreneurial income	3.6	4.0	3.4	1.6	5.8	4.9	3.1	2.5	4.3
Compensation of employees	4.3	4.2	3.9	4.4	4.3	4.4	4.1	4.0	3.8
6. Income and Expenditure of Private Households a) Billion EUR									
Mass income	1,349.9	1,399.9	1,456.7	650.5	699.5	674.8	725.1	701.1	755.6
Net wages and salaries	905.9	946.9	988.1	427.7	478.2	447.8	499.0	468.0	520.1
Social benefits	564.3	578.5	599.4	282.6	281.8	289.2	289.2	298.0	301.4
less levies on social benefits	120.3	125.4	130.8	59.8	60.5	62.3	63.1	65.0	65.9
Other primary income[4]	603.6	614.2	630.1	320.9	282.8	325.1	289.1	333.2	296.9
Other transfers received (net)[5]	−78.4	−82.5	−86.7	−38.3	−40.0	−40.4	−42.1	−42.5	−44.2
Disposible income	**1,875.2**	**1,931.6**	**2,000.2**	**933.0**	**942.3**	**959.5**	**972.1**	**991.9**	**1,008.3**
Memorandum item:									
Adjustment for the change in net equity of households in pension funds reserves	49.6	50.0	50.5	24.5	25.1	24.7	25.3	24.9	25.6
Private consumption expenditure	1,735.0	1,783.3	1,844.4	850.1	884.8	870.5	912.8	898.3	946.0
Saving	189.8	198.4	206.3	107.3	82.5	113.8	84.6	118.5	87.9
Saving ratio in percent[6]	9.9	10.0	10.1	11.2	8.5	11.6	8.5	11.7	8.5
b) Percentage change over previous year									
Mass income	3.9	3.7	4.1	4.2	3.7	3.7	3.7	3.9	4.2
Net wages and salaries	4.2	4.5	4.4	4.3	4.2	4.7	4.3	4.5	4.2
Social benefits	3.6	2.5	3.6	4.3	2.8	2.4	2.6	3.0	4.2
less levies on social benefits	4.8	4.3	4.3	5.7	3.8	4.2	4.3	4.3	4.3
Other primary income[4]	4.6	1.7	2.6	4.8	4.5	1.3	2.2	2.5	2.7
Disposible income	**3.9**	**3.0**	**3.5**	**4.2**	**3.6**	**2.8**	**3.2**	**3.4**	**3.7**
Private consumption expenditure	3.6	2.8	3.4	4.0	3.3	2.4	3.2	3.2	3.6
Saving	5.6	4.5	4.0	5.1	6.3	6.0	2.6	4.1	3.8

continued: The main national accounts data for the Federal Republic of Germany
Forecast for 2018 and 2019

	2017	2018	2019	2017		2018		2019	
				1st half year	2nd half year	1st half year	2nd half year	1st half year	2nd half year
7. Government Revenues and Expenditures[8]									
a) Billion EUR									
Revenues									
Taxes	767.2	796.3	827.1	383.1	384.1	397.2	399.2	412.4	414.7
direct taxes	422.6	442.9	463.9	211.3	211.3	221.4	221.4	232.1	231.9
indirect taxes	344.7	353.4	363.2	171.8	172.8	175.7	177.7	180.4	182.9
Net social contributions	548.1	568.0	585.7	265.7	282.4	275.7	292.3	284.6	301.2
Property income	16.9	18.1	18.2	8.8	8.1	10.2	7.9	10.5	7.7
Other transfers	22.4	22.4	22.7	10.0	12.4	10.0	12.4	10.2	12.6
Capital transfers	10.8	11.2	11.5	5.4	5.4	5.6	5.6	5.8	5.8
Sales	108.9	111.5	114.7	52.1	56.8	52.9	58.6	54.9	59.8
Other subsidies	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Total revenues	**1,474.6**	**1,527.7**	**1,580.2**	**725.2**	**749.3**	**751.7**	**776.0**	**778.4**	**801.8**
Expenditures									
Intermediate consumption	155.3	162.0	170.1	71.5	83.8	74.6	87.4	79.0	91.1
Compensation of employees	246.5	256.0	267.7	118.4	128.1	122.7	133.3	128.3	139.4
Social benefits in kind	277.9	286.0	296.0	138.1	139.9	142.5	143.5	147.3	148.7
Property income (interests)	38.9	36.3	34.4	19.9	19.0	18.4	17.9	17.4	17.0
Subsidies	27.6	27.7	27.9	13.6	14.1	13.6	14.1	13.7	14.2
Social benefits	505.5	518.6	537.6	253.3	252.2	259.4	259.1	267.4	270.2
Other transfers	75.3	86.9	93.7	39.9	35.4	45.7	41.2	49.1	44.7
Gross capital formation	70.3	74.0	76.9	30.2	40.1	32.3	41.7	33.4	43.5
Capital transfers	41.9	33.3	35.3	21.4	20.4	13.9	19.3	14.8	20.5
Acquisitions less disposals of non-financial non-produced assets	−1.4	−1.4	−1.5	−0.6	−0.8	−0.7	−0.8	−0.7	−0.8
Other taxes on production	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Total expenditures	**1,438.0**	**1,479.5**	**1,538.3**	**705.6**	**732.4**	**722.5**	**757.0**	**749.7**	**788.6**
Balance	36.6	48.3	41.9	19.6	17.0	29.2	19.1	28.7	13.2
b) Percentage change over previous year									
Revenues									
Taxes	4.8	3.8	3.9	5.1	4.6	3.7	3.9	3.8	3.9
direct taxes	6.4	4.8	4.8	6.2	6.6	4.8	4.8	4.8	4.7
indirect taxes	3.0	2.6	2.8	3.7	2.2	2.3	2.8	2.6	2.9
Net social contributions	4.6	3.6	3.1	4.8	4.5	3.8	3.5	3.2	3.0
Property income	−6.3	7.1	0.5	−7.5	−4.8	15.3	−1.8	3.3	−3.2
Other transfers	12.7	0.0	1.5	11.8	13.4	−0.1	0.1	1.5	1.5
Capital transfers	−29.9	2.8	3.5	−28.6	−31.1	3.0	2.7	3.5	3.5
Sales	3.8	2.4	2.8	4.5	3.1	1.7	3.1	3.7	2.1
Other subsidies	1.0	0.0	0.0	4.6	−1.8	0.0	0.0	0.0	0.0
Total revenues	**4.3**	**3.6**	**3.4**	**4.5**	**4.1**	**3.7**	**3.6**	**3.6**	**3.3**
Expenditures									
Intermediate consumption	3.6	4.3	5.0	2.8	4.2	4.3	4.3	5.9	4.2
Compensation of employees	4.2	3.8	4.6	4.3	4.1	3.6	4.0	4.5	4.6
Social benefits in kind	3.5	2.9	3.5	3.4	3.5	3.2	2.6	3.4	3.6
Property income (interests)	−6.4	−6.8	−5.3	−4.0	−8.9	−7.6	−6.0	−5.5	−5.0
Subsidies	−0.7	0.4	0.4	−0.1	−1.2	0.4	0.4	0.5	0.4
Social benefits	4.0	2.6	3.7	4.8	3.1	2.4	2.7	3.1	4.3
Other transfers[7]	−0.4	11.7	6.8	−0.1	−0.3	5.8	5.8	3.4	3.4
Gross capital formation	5.1	5.3	3.9	4.3	5.7	6.9	4.0	3.4	4.3
Capital transfers[7]	5.5	−8.6	2.1	36.7	−1.4	−34.9	−5.4	6.2	6.2
Acquisitions less disposals of non-financialnon-produced assets[7]	−0.1	0.0	0.0	−0.1	0.0	0.0	0.0	0.0	0.0
Other taxes on production[7]	0.0	0.0	0.0	2.4	−2.1	0.0	0.0	0.0	0.0
Total expenditures	**3.6**	**2.9**	**4.0**	**4.3**	**2.9**	**2.4**	**3.4**	**3.8**	**4.2**

1 Gross domestic product (price-adjusted) per man-hour.
2 Including private organizations without pecuniary reward.
3 Including net increase in valuables.
4 Entrepreneurial income/operating surplus and received minus paid asset income.
5 Transfers, received minus paid.
6 Current saving as percentage of disposable income.
7 Absolute change over previous year in billions of euros.
8 All administrative units including Social Security.

Sources: Federal Statistical Office (Fachserie 18: Volkswirtschaftliche Gesamtrechnungen); Forecast by DIW Berlin.