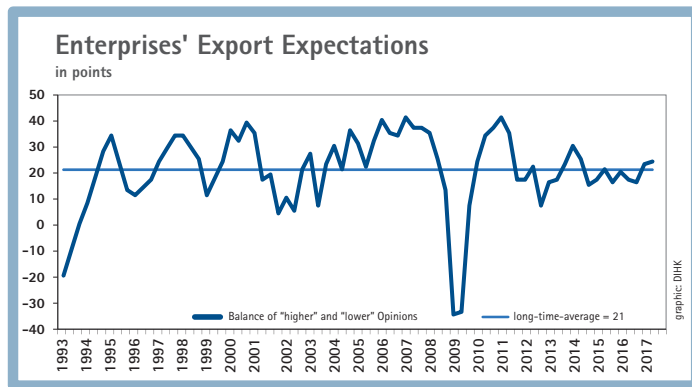
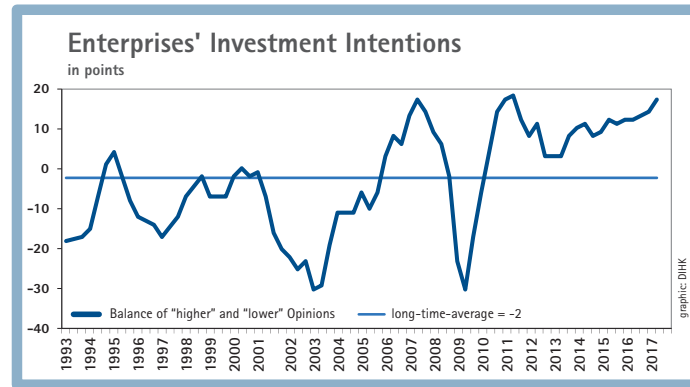


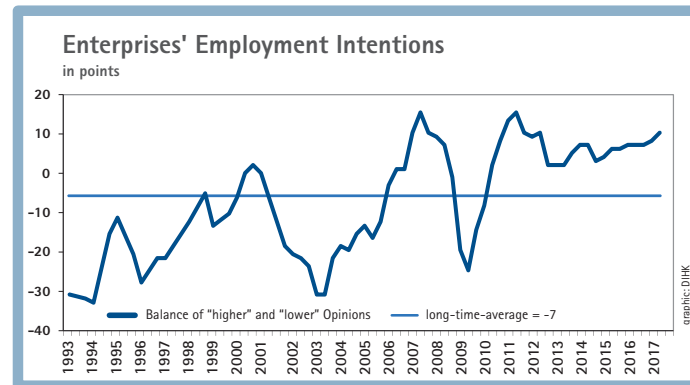
■ In addition to the increase in investments and consumption, **exports** will also contribute to growth in the next months. The export expectations of companies in the manufacturing industry have again increased slightly. German exporters were able to benefit from the revival of the global economy and world trade at the beginning of the year. Their rather optimistic export expectations indicate that the moderate growth in exports will continue in the coming months. Concerns about foreign demand are declining further. Business with the European Union is undergoing positive developments (exception: United Kingdom). Trade with China is likely to continue growing, albeit not at the high growth rates of the past few years. The higher investment momentum in the USA is also a reason for optimism that business will remain good. However, the political uncertainties in many regions of the world and the protectionist tendencies, for example of the US government, are putting a brake on global growth. Furthermore, the devaluation of the pound resulting from Brexit, as well as uncertain business prospects, has led to poor prospects for German-British foreign trade. The current situation in Turkey has also resulted in declines in exports.



■ The **investment intentions** of German businesses are picking up once more. Manufacturing industry has significantly increased its investment budgets, in particular export oriented companies. The construction industry is planning more investments than ever before. The trade sector is also going the extra mile. In contrast, the service providers are not continuing to expand their investment plans. The greatest limiting factor – especially for companies with expansive investment plans – remains the shortage of skilled workers. Overall, the overriding motif for investments remains replacements rather than expansions and innovations.



■ The cross-sector recruitment intentions of companies increase again. It is above all the manufacturing industry that is ramping up its plans. In the construction industry, the planned staffing levels have reached a new record high. The trader sector and service providers also intend to increase the level of their workforces once again. Generally, **recruitment plans** are being slowed by the increasingly severe shortage of skilled workers. This is by far the most significant business risk to companies. More than every second company now considers its business developments to be placed in jeopardy by this trend.

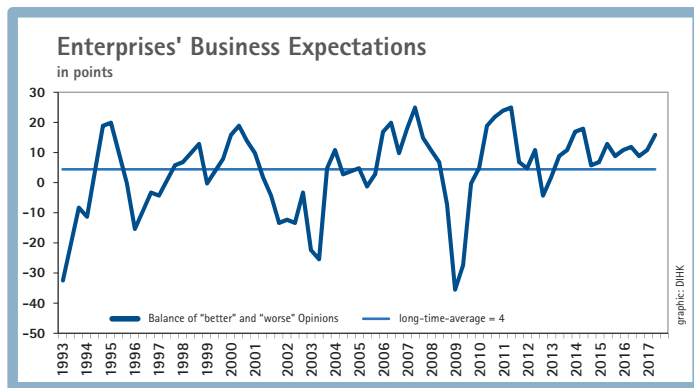


DIHK-Economic-Survey Early Summer 2017

■ 79 Chambers of Industry and Commerce ask, round 25,000 Enterprises answer

economy data at a glance



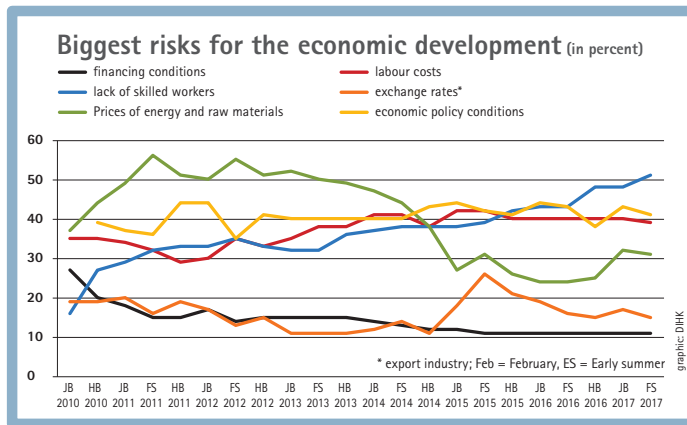


■ The **expectations** continue to improve noticeably. The positive development in the domestic economy and the Euro zone is compensating for the setbacks in foreign trade with important trading partners such as the United Kingdom and Turkey. Overall, demand at home and abroad is developing positively. Exchange rates, interest rates and oil prices are also favorable in long-term comparison, even if the impulses are not as strong as in the previous two years. On balance, the companies in all sectors of the economy are more confident about the development of their business than they were at the beginning of the year. The prospects for manufacturing industry have improved once again. Also, an end to the construction boom does not appear in sight. The expectations in civil engineering in particular have taken a genuine leap forward. Confidence in the trade sector and among service providers is also improving – especially in the hotel and restaurant industry as well as the education industry. Rising employment and wages continue to stimulate consumer spending. The shortage of skilled workers is by far the greatest business risk. It is therefore becoming increasingly difficult for companies to process their orders.

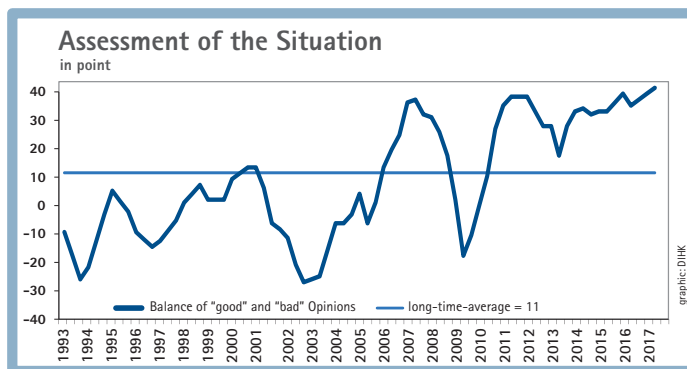
What are the biggest risks for the economic development of your company in the next twelve months?

(in percent; multiple answers possible; *export industry)

	Early Summer 2015	Fall 2015	February 2016	Early Summer 2016	Fall 2016	February 2017	Early Summer 2017
domestic demand	44	45	45	45	43	40	38
foreign demand*	38	48	44	42	44	39	37
financing conditions	11	11	11	11	11	11	11
labour costs	42	40	40	40	40	40	39
lack of skilled workers	39	42	43	43	48	48	51
exchange rates*	26	21	19	16	15	17	15
prices of energy and raw materials	31	26	24	24	25	32	31
economic policy conditions	42	41	44	43	38	43	41



■ The German economy is currently defying the international economic uncertainties. Coming from a record level, the **situation assessments** have improved again. The positive expectations from the beginning of the year have been realized. Manufacturing industry in particular assesses its situation to be significantly better as a consequence of the recent slight revival in world trade. The domestic economy continues to run smoothly. The construction industry – which was skeptical for a long time – is now reaching new record values. Civil engineering in particular evaluates its situation considerably better. In some consumer sectors – such as the retail trade or hotel and restaurant industry – the success being enjoyed by business is not quite as high as previously. In contrast, the situation assessments of ICT, corporate and personal services reach record values. The sentiment among service providers therefore remains positive and virtually unchanged on balance.



Germany, changes on the previous year

in per cent, use of the gross domestic product (GDP), price-adjusted, chain-linked	2015	2016	DIHK-Forecast 2017
GDP	1.7	1.9	1.8
Final consumption expenditure of private households	2.0	2.0	1.5
Government final consumption expenditure	2.7	4.0	2.5
Gross fixed capital formation (GFCF)	1.7	2.3	2.7
GFCF in machinery and equipment	3.7	1.1	2.0
Other fixed assets	1.9	2.6	3.0
GFCF in construction	0.3	3.0	3.0
Exports	5.2	2.6	4.0
Imports	5.5	3.7	4.5
Unemployment (in millions)	2.792	2.690	2.540
Employment (change in thousand)	+ 394	+ 538	+ 500
Consumer price	0.3	0.5	1.8