

German economy shows signs of recovery



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Germany's economy grew by 1.6 per cent in the second quarter of this year, primarily due to consumer spending as the COVID-19 -induced lockdown was relaxed. The growth has helped Germany's economy emerge from an economic low that saw it contracting earlier in the year. The crisis had led to a 2 per cent decline in economic performance in 2021 first quarter.

Gross domestic product (GDP) rose by 1.6 per cent between April and June compared with the previous quarter, according to figures released by the Federal Statistical Office recently.

With lockdown restrictions reduced, final consumption expenditure in the second quarter of 2021 was markedly up compared with the beginning of the year.

Two key factors helped fuel the rebound. Household final consumption

expenditure increased by 3.2 per cent on the first quarter, while one measure of government expenditure rose by 1.8 per cent.

The effects of the pandemic still appear marked, though. Compared with the fourth quarter of 2019, GDP was 3.3 per cent lower, according to German newspapers.

Government spending to cushion the economic blow of the crisis left an €80.9 billion (\$95 billion) hole in public finances for the first half of 2021.

Source:

<https://www.fibre2fashion.com/news/textile-news/german-economy-shows-signs-of-recovery-276031-newsdetails.htm>

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