



BDI

Research

QIII-2026

QUARTERLY REPORT GERMANY

German economy recovering despite Iran war

GDP upward again in second quarter 2026

- **German foreign trade surprisingly strong.** In 2026 overall, we expect exports of goods and services to rise by three percent in real terms.
- **Private consumption only nudges up slightly.** Inflation and uncertainty are making consumers reticent. We now forecast consumption to increase by only 0.4 percent in real terms this year.
- **Investments remain weak with only infrastructure and defence expenditure upward.** We expect investment in plant and equipment to expand by one percent.
- **With growth higher than anticipated in the first six months, we are upwardly revising our forecast.** We now expect gross domestic product to increase by one percent this year overall.
- **The current upward trend in GDP is therefore well above the rate of potential growth.** Growth is being fuelled primarily by foreign trade and public expenditure in infrastructure and defence.

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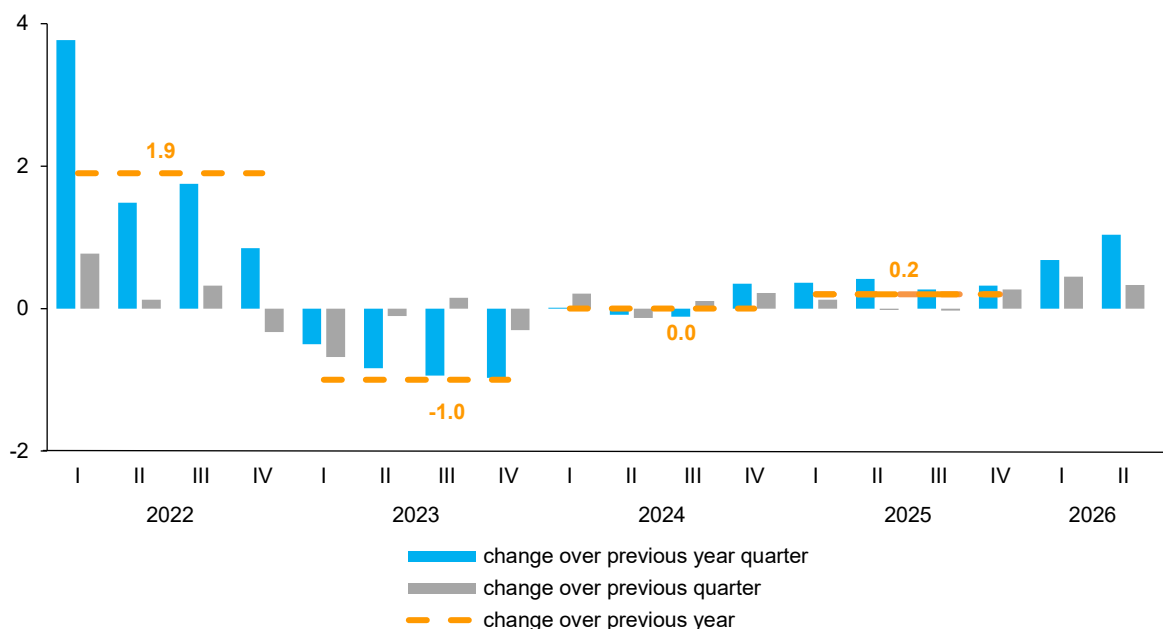
German economy

No economic slowdown yet despite war in Iran

Germany's gross domestic product (GDP) was 0.3 percent higher in the second quarter 2026 than in the first quarter 2026 following price, calendar and seasonal adjustment, according to the German Federal Statistical Office. It further announced that the increase in economic output was higher than in its first estimate of late July (+0.2%). In the first quarter of the current year, GDP had increased by 0.4 percent. Year on year, second quarter output was one percent higher in real terms. The rise in GDP following calendar adjustment was the same as the number of working days in the second quarter 2026 was identical to the second quarter last year. The revised figures for the second quarter 2026 brighten up the overall economic picture. Sales in wholesale and retail were considerably more positive than initial estimates. Exports were also tangibly upwardly revised based on the new information on the trade in goods in June 2026.

Despite its continued recovery in the second quarter, Germany's economic development was still below the European average. The economic output of the European Union was 0.5 percent higher in the second quarter 2026 compared to the previous quarter (euro area +0.4%). Compared to the other major EU member states, Germany's growth was considerably weaker than Spain (+0.7%) and Poland (+0.9%) and equal to that of the Netherlands (+0.4%). Italy and France (+0.2%) recorded slightly lower GDP growth than Germany in the same period.

Growth in real GDP in percent



Source: Federal Statistical Office



In the second quarter 2026, Germany's economic output was generated by a workforce of 45.5 million employees. That was 23,000 or 0.1 percent less people than one year ago. The total number of hours worked was down by 0.5 percent according to preliminary figures from the German Institute for

Employment Research, the IAB. A closer look at the income side of GDP shows that, as in the first quarter, gross value added increased the most in the information and communication sector (+3.9%), followed by public service providers, education and healthcare (+2.1%) and property (+1.7%). Value added also increased slightly above average in the manufacturing sector (+1.1%). Among other service providers (which also includes the art and culture segment) and in retail, transport and hospitality, gross value added increased by 0.7 percent. For the first time in more than four years, financial and insurance service providers were also able to increase their value added slightly (+0.3%). In construction, gross value added has not risen in the last five years, decreasing 1.6 percent at last count.

On the expenditure side of GDP, private consumption expenditure nudged up 0.1 percent year on year in the second quarter 2026 following price adjustment. Consumers spent more particularly on information and communication (+3.3%), healthcare (+2.3%) and furniture, household goods, repairs and maintenance (+1.0%). Spending was also slightly up on housing, water, electricity and energy (+0.6%) and on clothing and shoes (+0.8%). Expenditure on food was the same year on year. Consumer spending was down by more than two percent in real terms year on year on both alcoholic beverages and tobacco and on transport. Spending dropped 0.5 percent on leisure, entertainment, culture and educational services as well as on hotel and restaurant services. Public consumption expenditure increased much more overall, rising by three percent in the same period. This rise was fuelled primarily by higher federal and social insurance expenditure, above all in statutory health and long-term care insurance. Overall, **consumption expenditure** in the spring quarter was up by 1.5 percent.

Investments, which have been downward since the end of 2022, came to a standstill for the first time in spring 2026. After dropping one percent following price adjustment in the first quarter, **gross fixed capital formation** stagnated in the second quarter. The upward trend in **plant and equipment** contributed to this improvement. Public investment in plant and equipment, which also includes the procurement of military arms systems, rose above average (+3.6%). At the same time, private investment in plant and equipment increased for the second quarter in a row (+0.8%). The acquisition of machinery and equipment (+5.3%) was the primary upward force here, while investment in vehicles dropped substantially (-7.4%). The downward trend in **construction investment** continued for the 17th consecutive quarter, but the downward pace was a little slower at minus 1.5 percent. While residential construction investment dropped by 2.3 percent, investments in non-residential buildings only fell marginally year on year (-0.3%). Investments in **other assets** (patents, licences), which account for about 20 percent of total gross fixed capital formation, climbed 2.3 percent year on year after rising 1.8 percent at the start of the year.

Exports of goods and services rose a robust 3.7 percent in the second quarter 2026 following price adjustment. While goods exports expanded by five percent year on year, the export of services slipped down a little (-0.1%). **Imports** of goods also increased, rising 4.2 percent following price adjustment. The import of services, in contrast, dropped by 1.2 percent. One of the downward factors here was the lower imports of transport services. With exports outpacing imports, net exports were positive, contributing 0.6 percentage points to growth.

Solid upward movement of exports to Europe buoys foreign trade

In the second quarter 2026, Germany's goods **exports** were 21.87 billion euros or 5.6 percent higher year on year, amounting to around 413 billion euros in nominal terms (seasonally adjusted figures are

not available for all countries). Trade expanded above average particularly among European countries. In absolute terms, exports to the Netherlands grew the most, increasing by 3.77 billion euros or 13.8 percent. Exports were up by more than two billion euros in each case to the Czech Republic (+19.0%), Poland (+9.5%), Austria (+11.0%) and France (+7.2%). Outside the EU, exports to Switzerland (+7.5%) exhibited above-average growth, while exports to the United Kingdom (+1.0%) only increased moderately. Exports to Russia increased slightly to 1.71 billion euros. Exports to the United States tread water (-0.2%). Exports dropped substantially to China (-12.2%), Japan (-19.4%) and Turkey (-10.2%).

German exports and imports in Q2 2026 in selected countries
Year-on-year change

increase (+) or decrease (-) in exports					increase (+) or decrease (-) in imports						
in million euros			in %		in million euros			in %			
Netherland	31 063	+	3 774	+	13.8	China	45 489	+	4 497	+	11.0
Czech Republic	15 911	+	2 538	+	19.0	USA	26 747	+	2 808	+	11.7
Poland	27 273	+	2 363	+	9.5	Italy	20 192	+	1 928	+	10.6
Austria	21 602	+	2 140	+	11.0	Norway	7 921	+	1 707	+	27.5
France	31 813	+	2 137	+	7.2	France	18 616	+	1 305	+	7.5
Switzerland	19 608	+	1 379	+	7.6	Austria	14 492	+	1 131	+	8.5
Italy	22 155	+	1 193	+	5.7	Kazakhstan	2 383	+	1 104	+	86.4
Spain	16 067	+	996	+	6.6	Great Britain	10 099	+	1 053	+	11.6
						South Africa	3 639	+	1 026	+	39.3
USA	36 615	-	78	-	0.2	Netherlands	25 178	+	990	+	4.1
Turkey	6 827	-	773	-	10.2						
Japan	4 770	-	1 151	-	19.4	U. A. E.	282	-	411	-	59.3
China	18 331	-	2 549	-	12.2	Switzerland	13 529	-	479	-	3.4
Total	413 065	+21 873	+	5.6		Total	364 096	+ 24 416	+	7.2	

Source: Federal Statistical Office, own calculations

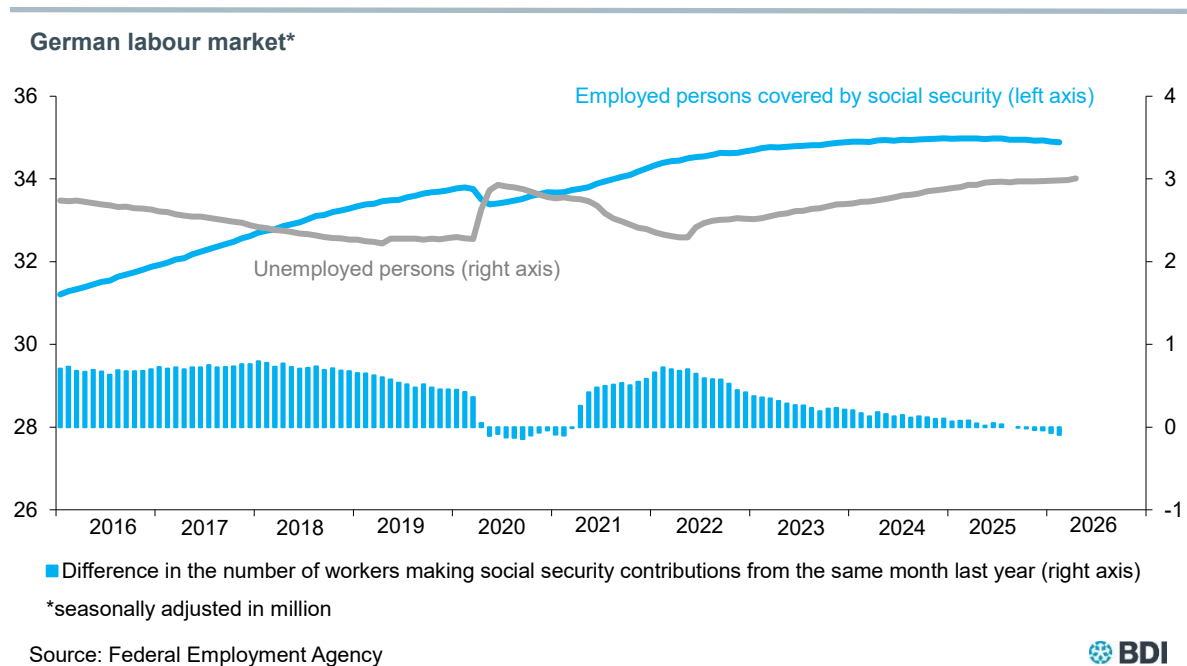


In the first quarter 2026, **goods imports** to Germany increased 24.4 billion euros year on year to 364 billion euros. At plus 7.2 percent, the increase was considerably stronger than in the case of exports. In absolute terms, the steepest increase was in imports from China which increased by 4.50 billion euros or eleven percent, followed by imports from the United States which rose 2.81 billion euros or 11.7 percent. Imports from Norway surged 1.71 billion euros or 27.5 percent, driven partly by

the steeply increasing prices for fossil fuels. Goods imported from EU partner Italy climbed by just over two billion euros (+10.6%) year on year. Imports were up by slightly more than one billion euros from both France (+7.5%) and Austria (+8.8%). Imports from Kazakhstan almost doubled (+86.4%). The volume of imported goods also increased by about one billion euros in the case of the United Kingdom (+11.6%), South Africa (+39.3%) and the Netherlands (+4.1%). Imports from Russia have diminished from a good 11.7 billion euros to only 247 million euros in the space of three years. Riding against the general trend, imports from the United Arab Emirates decreased by more than one half (-59.3%), stunted by the military conflict between the United States and Iran. Goods imported from Switzerland also tailed off slightly (-3.4%).

Downward trend on the labour market continues

According to preliminary data from the Federal Statistical Office, the number of people in employment in Germany dropped by 14,000 in July 2026 after seasonal adjustment. Compared to July 2025, the number of people in employment was down by 226,000 or 0.5 percent to 45.66 million. Employment subject to social security contributions was also down slightly. Federal Employment Agency projections for June 2026 (latest figure available) put the number of people in employment subject to social security contributions at 34.82 million. That was 73,500 people or 0.2 percent less than in June last year. While the number of people in part-time employment subject to social security contributions was up by 160,000 or 1.5 percent in June year on year, the number of people in full-time employment subject to social security contributions was 233,000 or one percent lower than one year ago, down to 23.79 million.



The trends among other forms of employment were as follows. The number of self-employed people including contributing family members decreased by 58,000 or 1.5 percent in the second quarter 2026, down to 3.82 million. The number of people exclusively in marginal employment in June 2026 was 102,000 or 2.4 percent lower than one year ago at 4.08 million, according to preliminary Federal Employment Agency projections. The number of unemployed people in August was 3.06 million, which

was 36,260 or 1.2 percent more than one year ago. After seasonal adjustment, unemployment was 4,000 people higher than in July after a rise of 6,000 already in July compared to June. The number of registered job vacancies in August was down by 1,000 following seasonal adjustment. Before seasonal adjustment, the number of vacancies was at 656,500. That was 25,400 or four percent more than one year ago. The unemployment rate in August 2026 was 6.4 percent as calculated by the Federal Employment Agency or four percent according to the ILO definition.

High domestic demand lifts incoming orders in the second quarter well above last year's level

In June 2026, incoming orders for German industry increased 3.7 percent compared to May following price, calendar and seasonal adjustment. Excluding large orders, incoming orders were somewhat less rosy, at 0.5 percent lower. Compared to June 2025, however, industrial enterprises received considerably more orders (+7.2%). Demand was up, above all, from within Germany, with domestic orders 14.8 percent higher year on year. Demand from abroad rose with considerably less steam (+2.7%), pulled down by decreased demand from the euro area (-7.3%). Orders from countries outside the euro area went the other way, amounting to 9.5 percent more than one year ago.

The June figures round off the figures for the second quarter 2026. Compared to the first quarter, industrial enterprises collected 1.6 percent more orders following calendar and seasonal adjustment (+3.4% excluding large orders). Orders were also up year on year (+4.6%). Looking at the origin of orders, domestic orders (+6.2%) increased substantially more than foreign orders (+3.7%). Among foreign orders, orders from countries outside the euro area delivered most of the momentum (year on year: +5.0%), while the increase in orders from the euro area was much less pronounced (+1.5%).

Among the individual main groups of industrial goods, the producers of **intermediates** saw orders increase by 3.7 percent year on year in the second quarter 2026. Demand from within Germany rose by 5.4 percent, substantially outperforming orders from abroad (+2.2%).

Producers of capital goods received 4.8 percent more orders than in the same period last year. The good result was due primarily to orders from at home which were seven percent higher. Orders for capital goods from abroad increased by 3.6 percent in the same period.

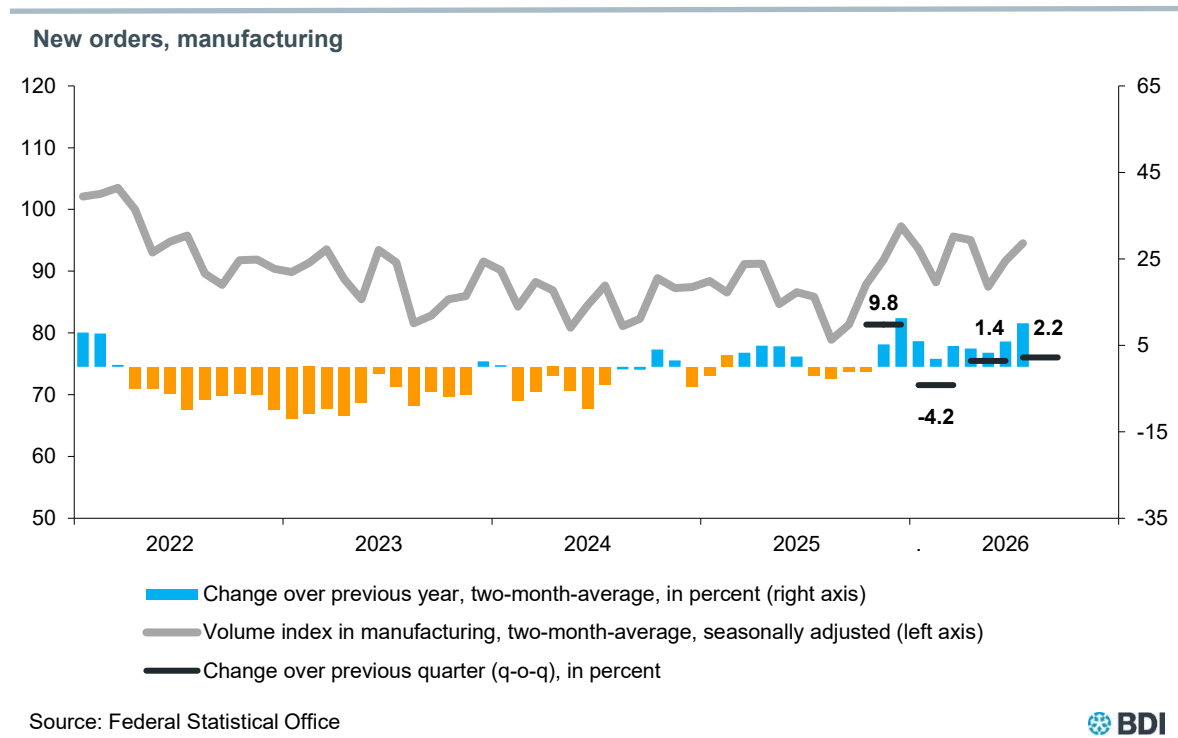
The strongest rise in orders was recorded by **consumer goods producers**. They collected 8.1 percent more orders in the second quarter 2026 year on year, with orders from abroad rising 9.9 percent, clearly outpacing orders from at home (+5.1%).

The upward trend in incoming orders continued at the start of the third quarter. Compared to June, industrial enterprises received 2.5 percent more orders following seasonal and calendar adjustment (year on year: +13.1%). However, incoming orders including large orders were down in July compared to the previous month (-1.4%), as in the two previous months.

The **reach of orders in hand** in the manufacturing sector was slightly higher at the start of the third quarter 2026 compared to the previous quarter, according to ifo Institute figures. At 3.7 production months, it was 0.2 months or a good five percent more than one year ago. Among the individual industrial sectors, the reach of orders in hand among producers of intermediates dropped 0.1 down

to three production months. Among producers of capital goods, the reach of orders climbed 0.4 production months up to 5.3 production months. The reach of orders among consumer goods producers remained unchanged. At 2.2 production months, it was just as big as it had been at the start of spring. With demand gathering pace, the reach of orders in industry is nonetheless rising continuously.

According to figures from the Federal Statistical Office, the **order backlog** in the manufacturing sector was 0.8 percent higher in June 2026 compared to the previous month after calendar and seasonal adjustment. Year on year, it was even 9.3 percent higher. While unfinished orders from at home were 12.6 percent higher compared to the previous year, unfinished orders from abroad displayed slightly less vigour, rising by 7.3 percent.



Industrial production gathers pace slightly in the spring quarter

Industrial production (excluding energy and construction) stagnated in June 2026 compared to the previous month. With slim rises recorded for the two previous months, the result for the quarter was nonetheless positive. Overall, production in the second quarter 2026 was 0.5 percent higher compared to the previous quarter following seasonal and calendar adjustment. In the first quarter, industrial output had still been downward (-1.3%). Year on year, production was 1.2 percent lower. Energy production was 0.5 percent higher than in the first quarter following seasonal and calendar adjustment. Compared to the same period last year, production was up by 3.9 percent. In construction, activity was 1.5 percent higher in the second quarter than in the first quarter of the year, in which output had been curbed by adverse weather conditions. Year on year, construction activity was also up (+1.0%).

Output in the goods-producing industry

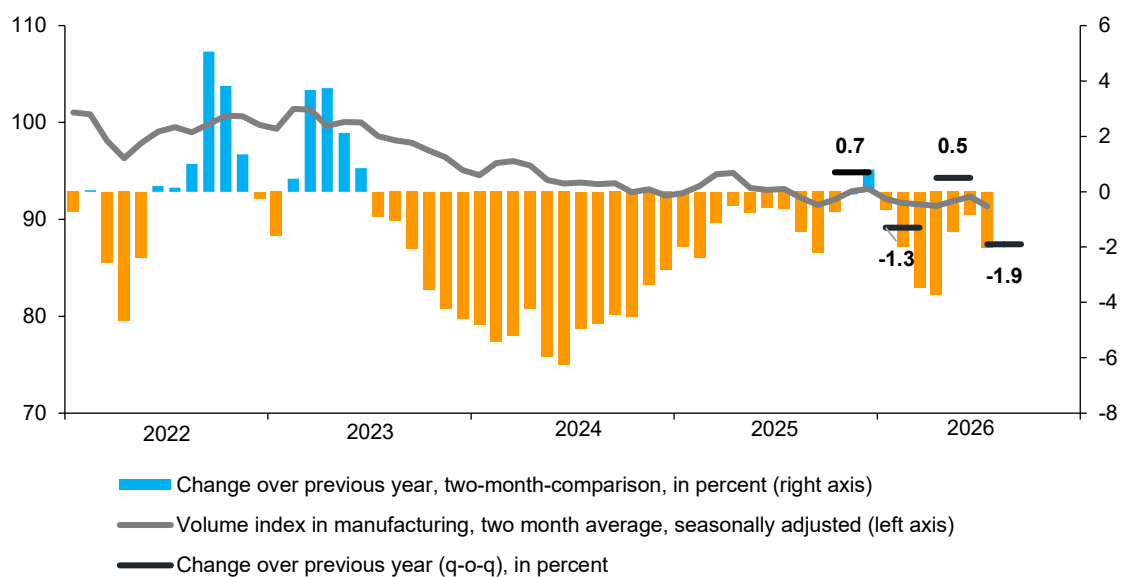
	year on year change in percent					change compared to period last year in percent					
	2024	2025	2025	2026		2025		2026			
	year	year	Q4	Q1	Q2	Q4	Q1	Q2	May	Jun	Jul
	original value	original value	calendar adjusted	calendar adjusted	calendar adjusted	seasonally and calendar adjusted	seasonally and calendar adjusted	seasonally and calendar adjusted	seasonally and calendar adjusted	seasonally and calendar adjusted	seasonally and calendar adjusted
Goods producing sector total	-4.5	-1.1	0.2	-2.4	-0,7	0.7	-0.9	0.5	0.8	0.0	-1.1
Industry	-4.8	-1.2	0.3	-3.2	-1,2	0.7	-1.3	0.5	0.9	0.1	-2.3
Energy-intensive	0.6	-2.7	-2.1	-3.2	1,5	-0.7	0.4	2.5	0.5	-2.0	-1.7
Intermediate goods	-5.1	-1.9	-0.4	-2.6	0,5	-0.4	-0.6	1.5	-0.2	-1.1	-0.2
Capital goods	-5.7	-0.8	0.8	-3.3	-3,3	0.8	-3.3	-3.3	1.6	0.5	-3.4
Consumer goods	-2.2	-0.5	0.8	-4.3	-0,3	0.6	-1.9	2.1	1.1	1.0	-2.2
Energy	-2.7	1.7	2.5	6.5	3,9	-0.7	4.2	0.5	2.3	1.7	4.7
Construction industry	-3.4	-2.1	-1.3	-3.2	1,0	0.1	-0.3	1.5	-0.3	-1.3	0.9

Sources: Federal Statistical Office, own calculations



Looking at the individual industrial sectors, the producers of **intermediates** increased production in the second quarter 2026 by 1.5 percent compared to the previous quarter following seasonal and calendar adjustment, after recording a decrease in the first quarter of the year (-0.6%). Compared

Production, manufacturing



Source: Federal Statistical Office



to the second quarter 2025, the output of intermediates was also slightly higher (+0.5%). **The production of capital goods** dropped by one percent compared to the previous quarter. Year on year, output was down by a considerably more pronounced 3.3 percent. **Consumer goods producers** increased their output by 2.1 percent compared to the previous quarter and produced just slightly less than one year ago (-0.3%).

At the start of the third quarter, real output was 1.1 percent lower than in June 2026. The primary downward factor was the weak growth in the industrial sector, where production dropped considerably (-2.3%). Production overall was lifted by the increased energy production (+4.7%). The rise in this area was particularly pronounced in electricity generated by wind power and photovoltaics. Activity in the construction sector was another upward factor for overall production in July (+0.9%).

Capacity utilisation slow to recover

At the start of the third quarter, the utilisation of production facilities in the manufacturing sector was 0.2 percentage points higher than in the second quarter. According to figures from the ifo Institute, **capacity utilisation in industry** was at 78.0 percent, which was 0.7 percentage points higher than one year ago but still 5.2 percentage points lower than the long-term average. Capacity utilisation across the **manufacturing sector excluding food** was only 0.3 percentage points higher in the same period. At 78.1 percent, it was 0.9 percentage points higher than one year ago but a hefty 5.3 percentage points lower than the long-term average.

Among the individual industries, capacity utilisation among producers of pharmaceutical products (+5.1 percentage points) recorded the steepest increase. Capacity utilisation was also tangibly higher than one year ago among producers of data processing equipment (+4.7 percentage points), furniture (+4.5 percentage points), textiles (+4.5 percentage points) and electrical equipment (+2.2 percentage points). In the chemical industry and machinery manufacturing, capacities were utilised at a similar rate to one year ago. Capacity utilisation was slightly down among producers of vehicles and vehicle components (-0.4 percentage points), metal products (-0.1 percentage points) and in food, alcoholic beverages and tobacco.

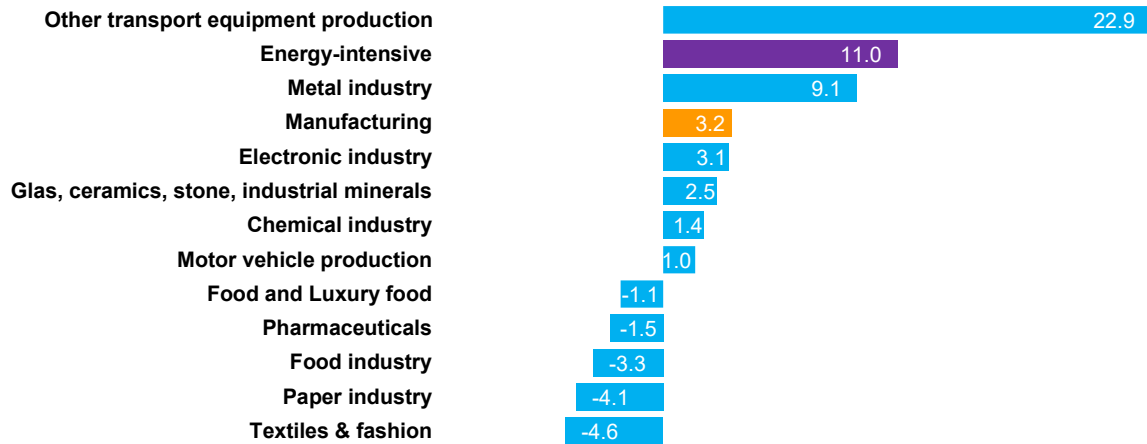
Widely divergent trends in revenue among individual industries

In the second quarter 2026, manufacturing revenue in nominal terms increased by 4.7 percent year on year, after rising 1.7 percent in the first quarter. For the first six months of 2026, this amounts to an increase of 3.2 percent compared to the same period last year. Among the individual industries, the steepest increase in revenue in the first half of the year was recorded by other transport equipment with an increase of 22.9 percent, followed by the metal industry (+9.1%) and the electro industry (+3.1%). Among the energy-intensive industries, the chemical industry (+1.4%) and building materials (+2.5%) saw revenue increase, in contrast to the paper industry (-4.1%). The pharmaceutical industry recorded a slight drop in revenue (-1.5%). Revenue among the two heavyweight industries vehicle production (+1.0%) and machinery manufacturing (-1.1%) also trended in opposite directions.

Following price adjustment, manufacturing revenue in the second quarter 2026 was almost stagnant compared to the previous quarter after seasonal adjustment (+0.1%), following an increase of 0.7 percent in the first quarter. Year on year, revenue was up by 0.9 percent. A look at revenue by origin shows the following pattern. Revenue from at home rose by 1.2 percent compared to the

same period last year, while foreign revenue was slightly more muted (+0.6%). Revenue from the euro area increased by 0.9 percent, considerably outperforming revenue from third countries (+0.4%).

Manufacturing revenue* in first half year 2026



*Change in percent, year on year

Source: Federal Statistical Office

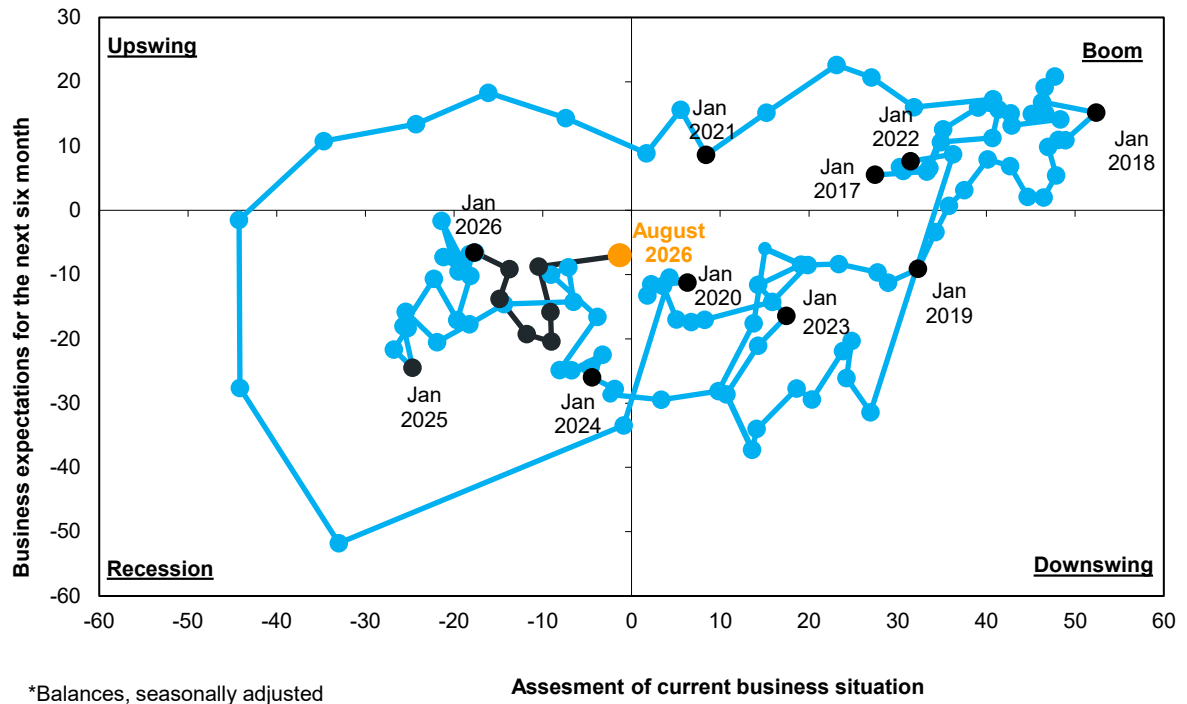


Sentiment in the German economy considerably brighter in August

Companies in Germany have become significantly more optimistic. The **ifo business climate index for Germany** rose for the fourth consecutive time in August. The surveyed companies were not just more satisfied with current business, they were also tangibly more hopeful about their prospects in the months ahead. For the first time since July 2024, the majority of surveyed companies were satisfied with their current situation. Sentiment was up across all sectors in the late summer. Among **service providers**, business prospects for the next six months were tangibly brighter. At the same time, they also rated their current situation as better following a setback in July. While IT service providers were positive, the situation among transport and logistics providers remained difficult. In wholesale and retail, the indicator was also upward. Wholesalers and retailers were more satisfied with current business. Prospects continued upwards for the fourth successive month. Sentiment improved particularly among wholesalers. The index was also upward in mainstream construction, particularly due to considerably improved business prospects while ratings of the current situation were slightly lower. In the manufacturing sector, the business climate index rose for the fourth month in a row. After two weak months, companies were considerably more satisfied with their current business. It was also the third strongest increase in the rating of the current situation. Prospects for the next six months also improved, though only slightly. Industrial enterprises expect production to increase in the next three months but are still unsatisfied with their order situation. The ifo economic barometer for manufacturing is still in the recession quadrant but could climb out of it for the first time in three years with another slight rise in sentiment. Export prospects of industry improved for the third time in a row. The increase in August was the third strongest seen since the start of this data series. At the same time, most companies now rate their export prospects as positive.

Ifo Business-Cycle Clock

German manufacturing*



*Balances, seasonally adjusted

Assesment of current business situation

Source: ifo Institut

**Outlook**

After the start of the war in Iran, no one would have believed that the Germany economy would record the highest quarterly growth rates seen in the last three years in the first two quarters of the current year. Year on year, price and calendar adjusted GDP increased by 0.8 percent in the first quarter 2026 and one percent in the second quarter. Compared to the potential growth rate calculated by the European Commission of 0.4 percent, the German economy has developed well in the first half of the year. Compared to a longer period, the German economy has also not done as badly as thought so far. The German Federal Statistical Office has revised the results published until now for 2022 to 2025 and factored the newly available statistical information into the calculations. This has only minimally changed the price-adjusted GDP for the years 2022 and 2023 but the change in GDP for 2024 was more pronounced, up to stagnation from minus 0.5 percent. The recession which set in following the start of the Ukraine war was therefore much shorter than originally believed.

The German economy got off to a good start this year, but the upward trend is being largely driven by one-time factors. A closer look shows that the German economy still exhibits several weaknesses. The pick-up in private consumption has been considerably slower than we expected, curbed by factors including high inflation and downward employment.

Looking forward to the second half of the year, consumers seem to be slow in shaking off their reticence. The HDE consumption barometer turned up again in September but was lower than it had been at the start of the year and in the two years previously. The consumer climate index published by

the consumer research institute (GfK) in August showed a similar picture and is only recovering slowly from a low level. Consumers rated economic and income expectations as somewhat improved at last count, but this has not yet motivated them to make new acquisitions. The propensity to make savings remains high. We are no longer expecting consumer buying propensity to tangibly increase in the second half of the year and are therefore downwardly revising our growth forecast for private consumption to an increase of 0.4 percent in real terms (down from +0.6%). For **public consumption expenditure**, in contrast, we are upwardly revising our growth forecast based on developments so far this year (+3.4% in the first six months). The increase in social benefits, above all for statutory health insurance and long-term care, is set to continue into the second half of the year. We now expect public consumption expenditure to rise by 2.5 percent in real terms this year. This would result in an increase in **consumption expenditure** of one percent.

BIP forecast for 2026:

Change in real economic output over the previous year in percent

	BDI 2026	Federal Government 2026	Board of Experts 2026
GDP, real	1.0	0.5	0.5
Consumption	1.0	-	0.8
- Private Consumption	0.4	0.4*	0.3**
- Public Consumption	2.5	2.0	1.8
Investment	0.2	1.6	1.3
- Machinery and Equipment	1.0	1.1	0.2***
- Construction	-1.0	1.0	1.1
- Other	2.5	3.7	3.5
Exports	3.0	0.0	-0.0
Imports	2.5	1.4	0.8
Net Exports, Economic Output	0.3	-0.5	-0.3

Federal Government (April 2026; * Private households and private non-profit institutions serving households), Board of Experts (May 2026); ** including private households and private non-profit institutions, *** including military weapon systems, own calculations

Investment in plant and equipment rose by 0.8 percent in the first half of the year, according to the national accounts. In view of the persistently low capacity utilisation rates in a long-term comparison, there is little indication that private investment activity is set to gather pace. On the other hand, public investment, which includes defence investment, is expected to continue rising over the further course of the year. We are therefore halving our growth forecast for investment in plant and equipment, down to one percent. Construction activity did not fully recover over the spring quarter from its low level in

the first quarter caused by the harsh weather conditions. Furthermore, high material prices and financing costs continue to weigh down **construction investment**. Investment here was consequently down by more than 2.2 percent in the first half of the year compared to the same period last year. Investment in residential housing was even down by as much as 2.5 percent. The weak investment activity in residential construction has not yet been overcome in our opinion. Momentum is currently only coming from the areas of road, rail and pipeline construction but not enough to compensate for the other construction segments. In view of the development in the first two quarters, we are downwardly revising our forecast for construction investment to minus one percent. Regarding investment in **other assets** (software, research and development), we are downwardly revising our forecast largely on account of the considerable revisions of the German Federal Statistical Office. After the downward revision to two percent growth in the first six months of the year, we expect an increase of only 2.5 percent for 2026 overall. All in all, gross fixed capital formation would then only increase by a minimal 0.1 percent compared to last year.

German **foreign trade** has proved surprisingly positive in the first six months of the year. The steep increase in goods exports to EU member states and Switzerland and the United Kingdom, which already set in in the second half of 2025, continued over the first half of the current year and more than compensated for the downward trend in exports to China and the United States. Overall, exports in the first six months of 2026 rose by just over three percent in real terms compared to the same period last year. In the further course of the year, this momentum may lose steam slightly although the latest figures from the ifo Institute point show a marked improvement in export prospects for the manufacturing sector. For the year overall, we expect the export of goods and services to increase by three percent and imports to increase by 2.5 percent on account of the higher volume of intermediates required. In sum, we expect Germany's gross domestic product to rise by one percent in real terms compared to the previous year.

Imprint

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Basic data for national accounts

GDP (price, seasonally and calendar adjusted)
Change over previous period in percent

		2025					2026	
	2024	2025	Q1	Q2	Q3	Q4	Q1	Q2
Consumption	2.1	1.4	0.2	0.1	0.2	1.0	-0.1	0.1
-Private Consumption	1.4	1.3	0.6	-0.1	-0.1	1.0	-0.6	0.1
-Public Consumption	3.9	1.7	-0.7	0.8	0.8	1.2	0.9	0.1
Investment	-2.1	-0.6	0.3	-1.1	0.2	1.2	-1.3	-0.2
-Construction	-2.4	-1.0	0.7	-1.2	-0.5	0.6	-1.8	0.1
-Machinery and Equipment	-4.7	-1.3	-0.2	-2.0	1.1	2.8	-1.7	-1.4
-Other	2.8	1.7	-0.2	0.5	0.7	0.5	0.3	0.8
Domestic Demand	0.5	1.8	0.1	0.7	0.2	0.5	-0.3	0.1
Exports	-1.7	-0.9	1.5	-1.2	-0.7	-0.1	2.4	2.0
Imports	-0.6	2.9	1.6	0.6	-0.2	0.5	0.5	1.5
Total	0.0	0.2	0.1	0.0	0.0	0.3	0.4	0.3

Contribution to growth (in percentage points)

Consumption	1.6	1.1	1.1	1.1	0.8	1.4	1.1	0.7
-Private Consumption	0.7	0.7	0.7	0.8	0.5	0.9	0.3	0.1
-Public Consumption	0.8	0.4	0.5	0.3	0.2	0.3	0.3	0.7
Investment	-0.5	-0.1	-0.3	-0.4	0.0	0.2	-0.2	0.0
-Construction	-0.3	-0.1	-0.2	-0.2	-0.1	0.0	-0.3	-0.2
-Machinery and Equipment	-0.3	-0.1	-0.2	-0.2	0.0	0.2	0.0	0.1
-Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Change in stocks	-0.6	0.7	0.6	1.5	0.8	0.1	0.3	-0.3
Domestic Demand	0.6	1.7	1.5	2.2	1.5	1.6	1.2	0.5
Net exports	-0.5	-1.5	-1.3	-2.2	-1.2	-1.2	-0.4	0.6

Source: Federal Statistical Office