

A brief look at some recent trends in German foreign trade

AIECE Meeting, Köln, Spring 2024

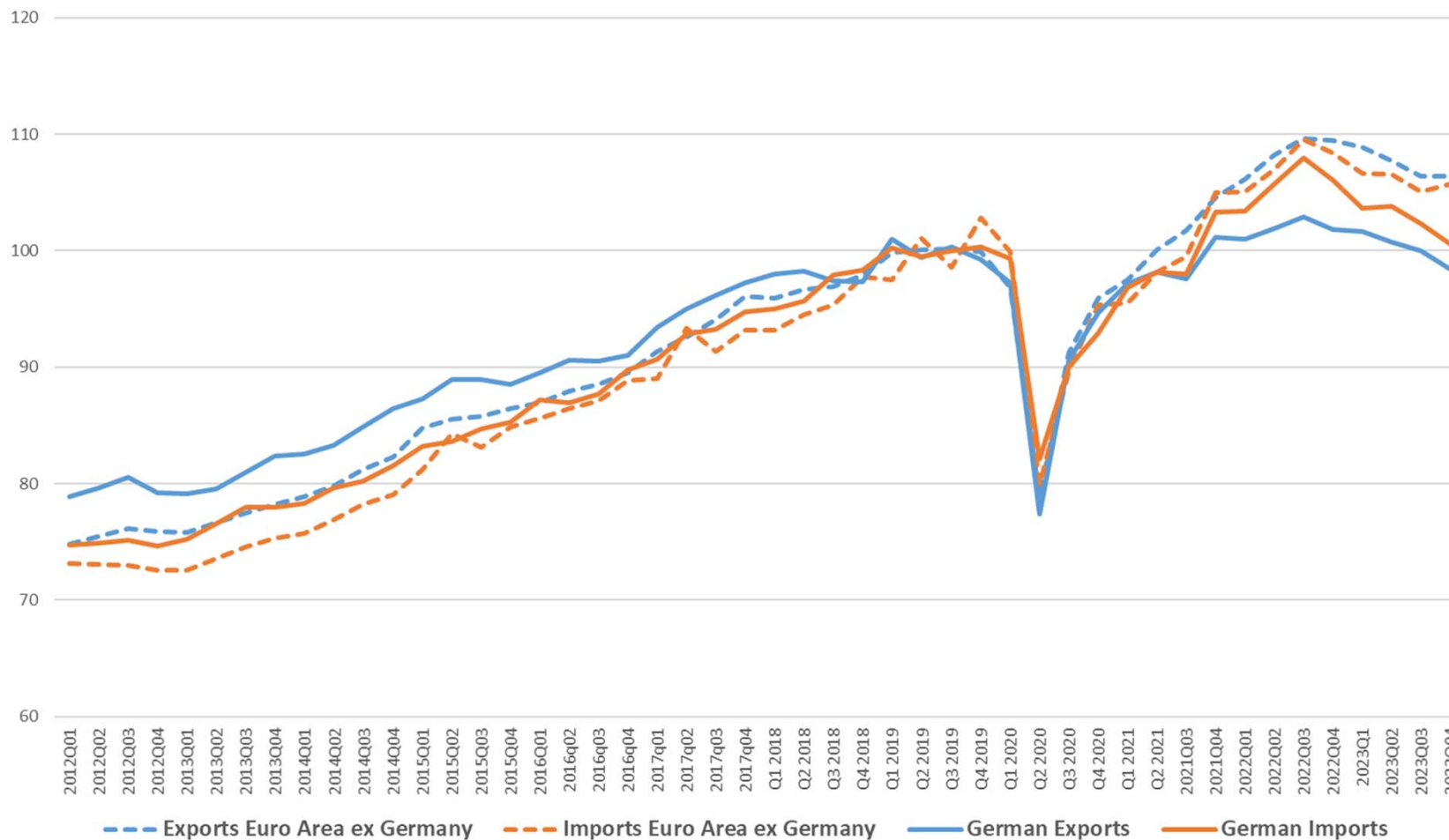
Andrej Drygalla, Axel Lindner

Catherine's question:

What were the effects of the various shocks (pandemic, global supply bottlenecks and energy shocks) on the German direction of trade?

We will just show and interpret some time series for German trade.

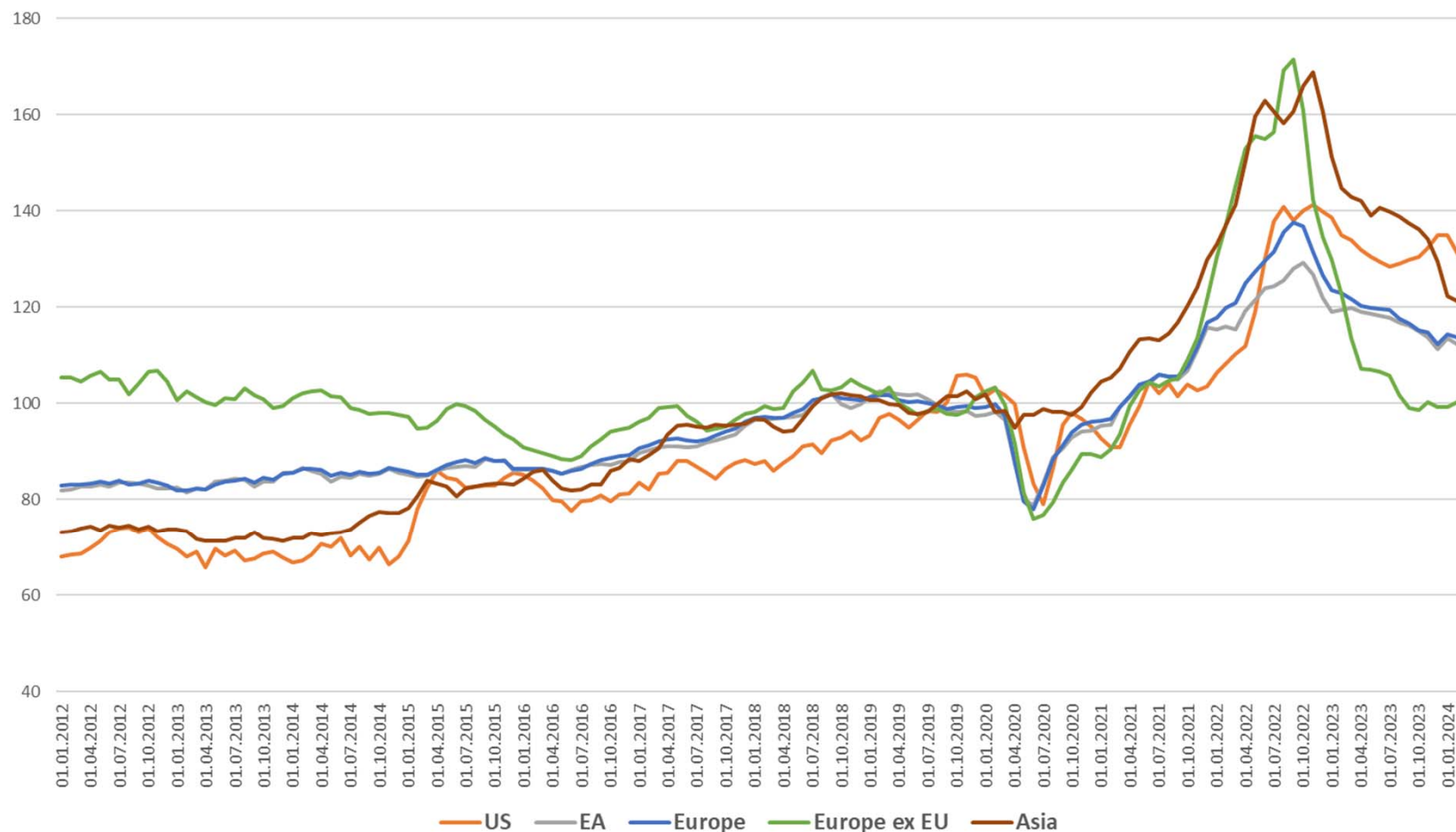
Real Exports and Imports (Goods and Services), seasonally adjusted
2019: 100



- Since the pandemic German exports and imports have performed weaker than those of EA ex Ger
- This trend started already around 2015.
- German exports in 2023Q4 were lower than before the pandemic in 2019.



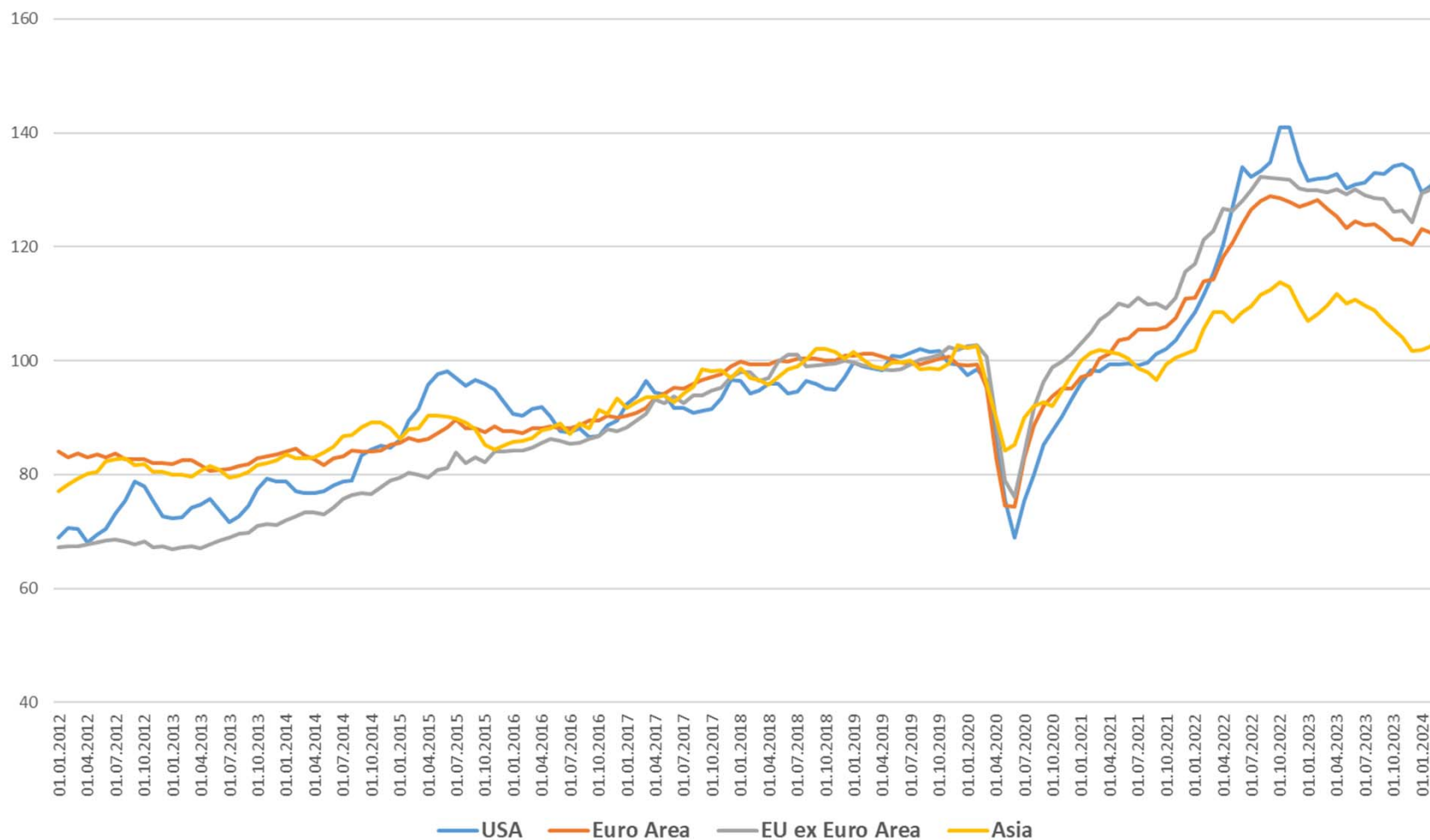
German imports (goods), current prices, seasonally adjusted 2019 : 100



- 2021/22: strong nominal increase in imports from Asia and Europe outside the EU
- Asia: shift of consumer demand from services to goods, and price hikes caused by bottlenecks
- Europe outside the EU: Russian energy; later sanctions cause imports from Russia to fall drastically.



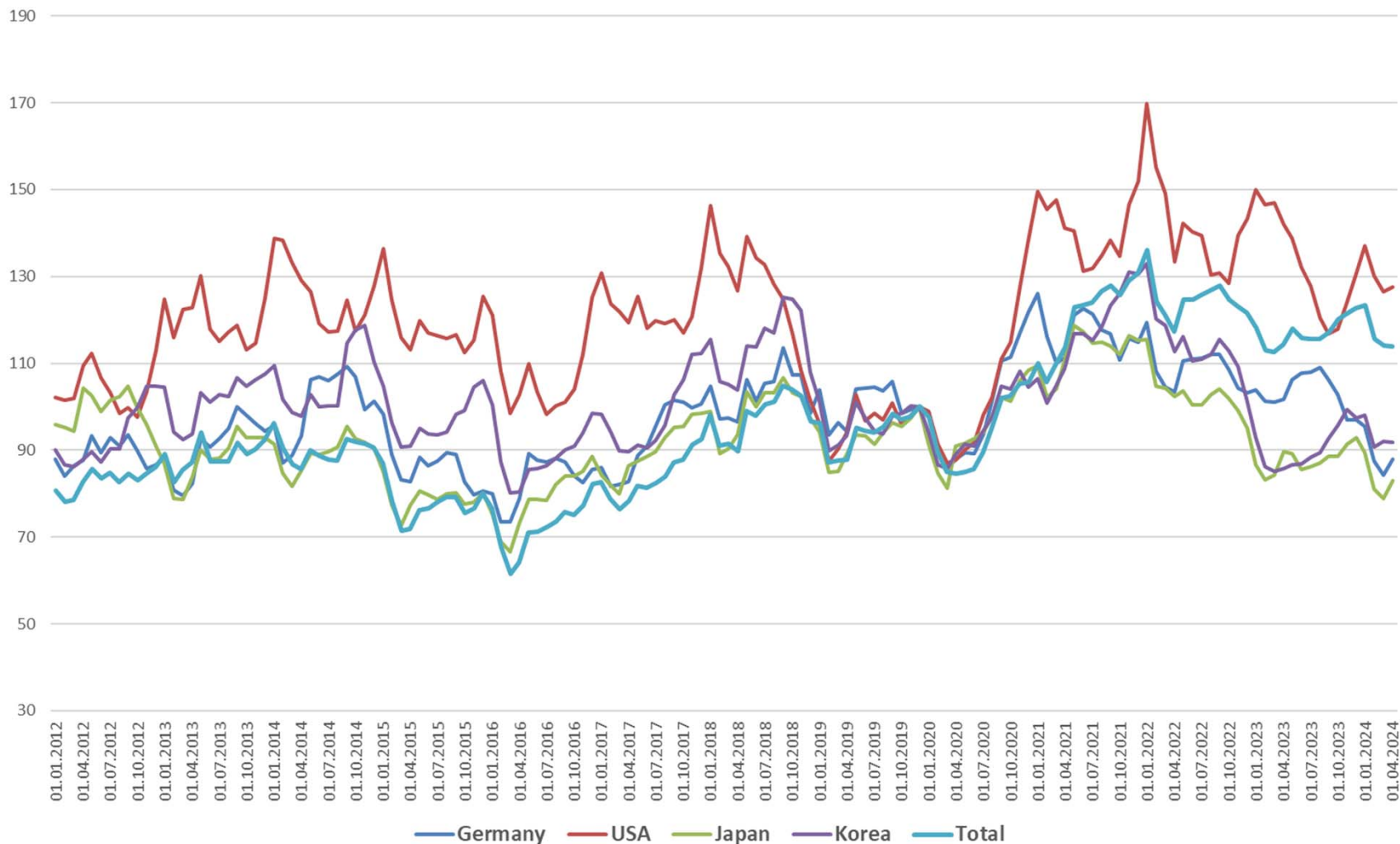
German exports (goods), current prices, seasonally adjusted
2019 : 100; 3 months moving average



- Exports to Asia have been particularly weak recently.
- Relatively strong are exports to US and to EU ex euro area (Central Europe).
- These are also continuations of trends that began much earlier.



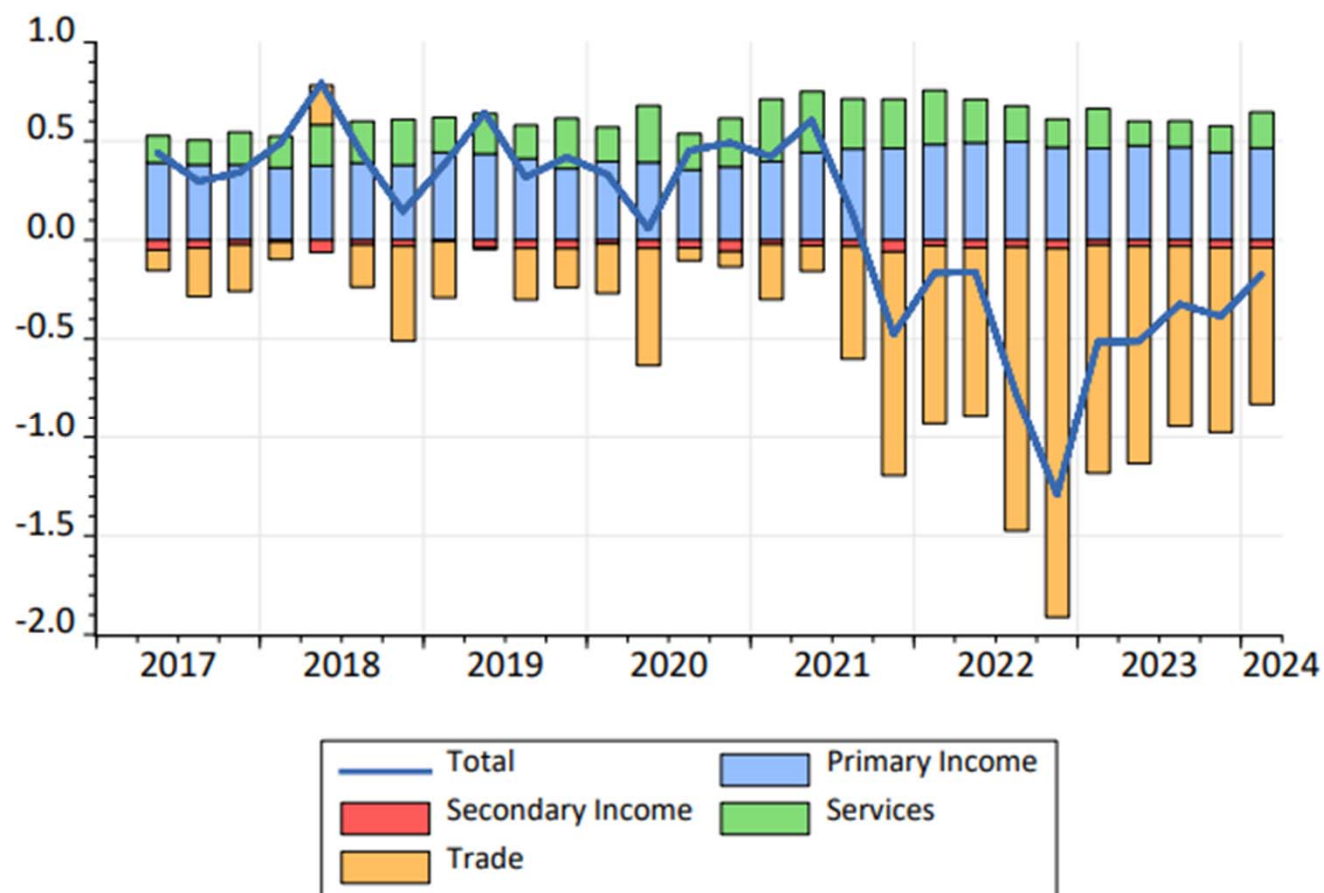
Chinese Imports in US Dollars, 2019 Q4 = 100



- Do imports from Germany perform particularly badly in China?
- They recently have been performing about as poorly as those from Japan and Korea.
- Chinese policy of substituting imports of high-tech goods by domestic products.

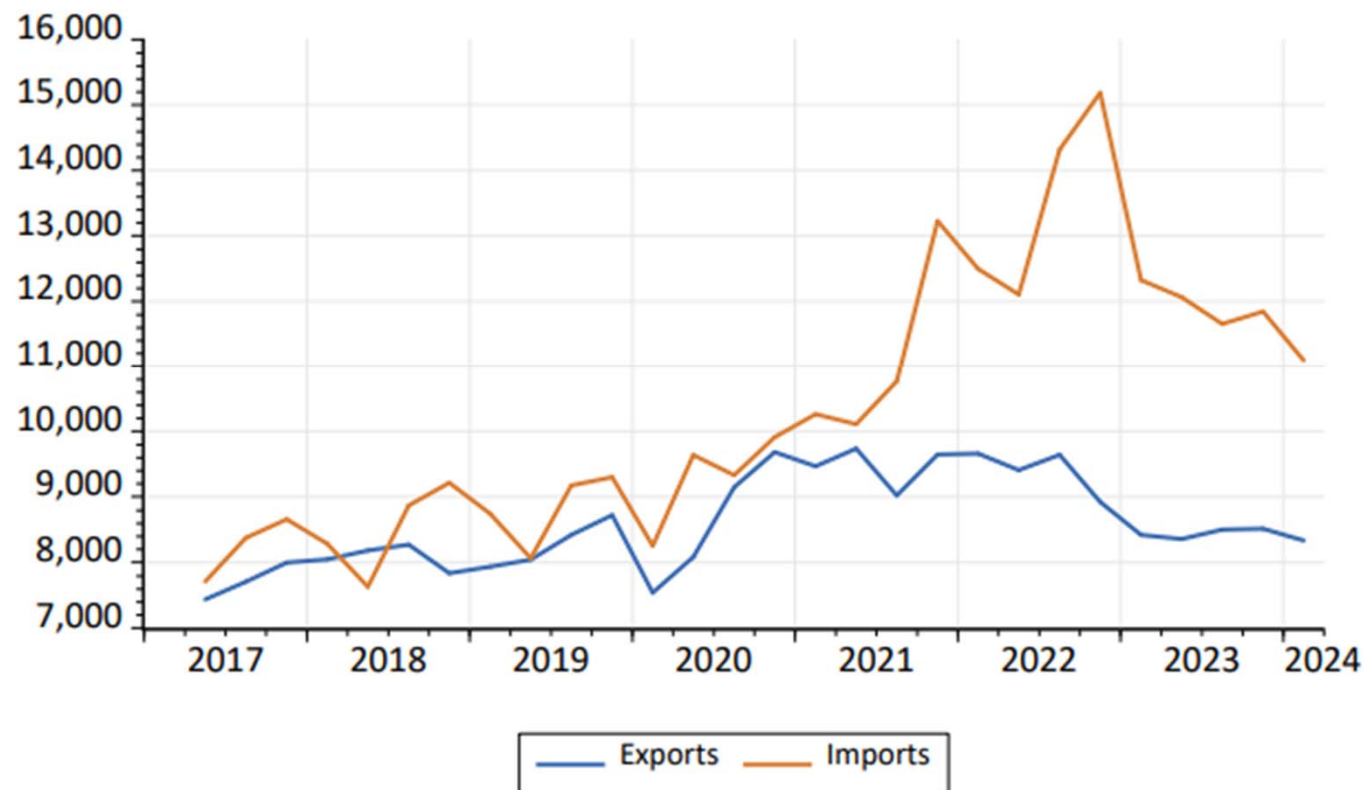


Germany: Current Account Balance with China (% of GDP)

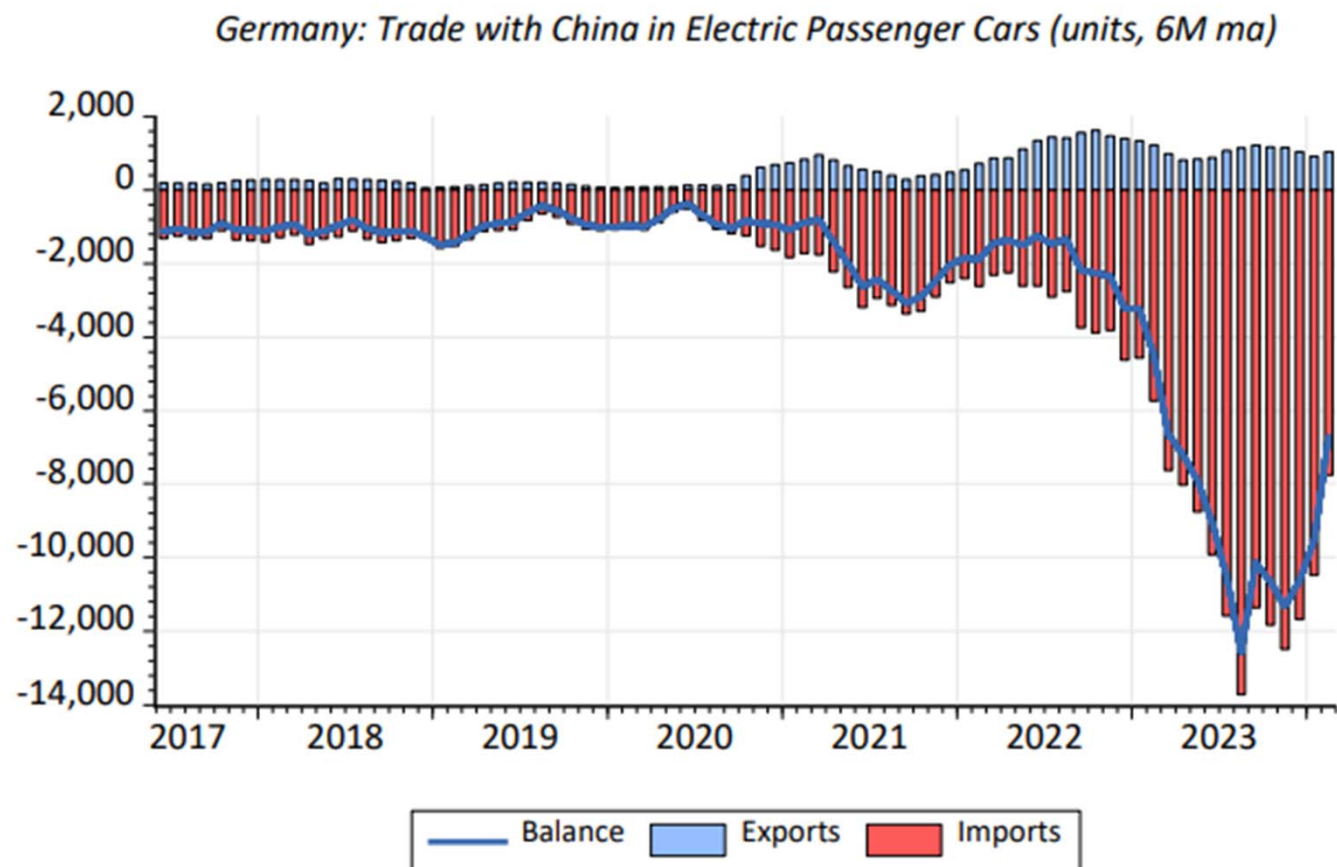


- The bilateral current account deficit of Germany turned negative in 2021, mainly due to a strong deterioration of the goods trade balance throughout 2022
- It has slightly improved since then

Germany: Goods Trade with China (mln EUR)

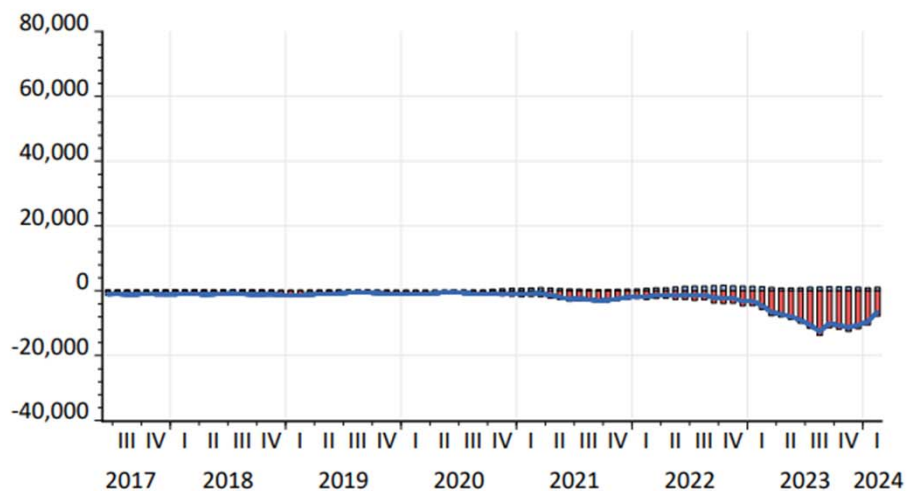
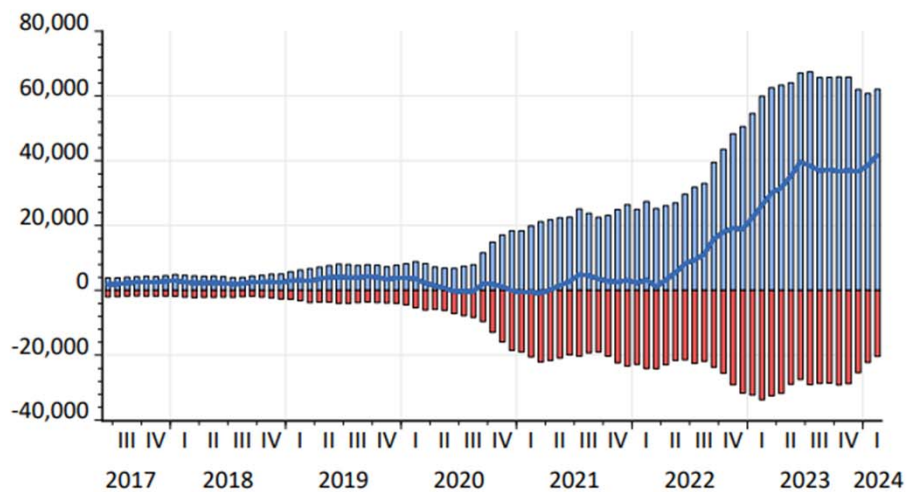


- In nominal terms, imports from China increased by more than 50 percent from 2020 to 2022, while exports have fallen



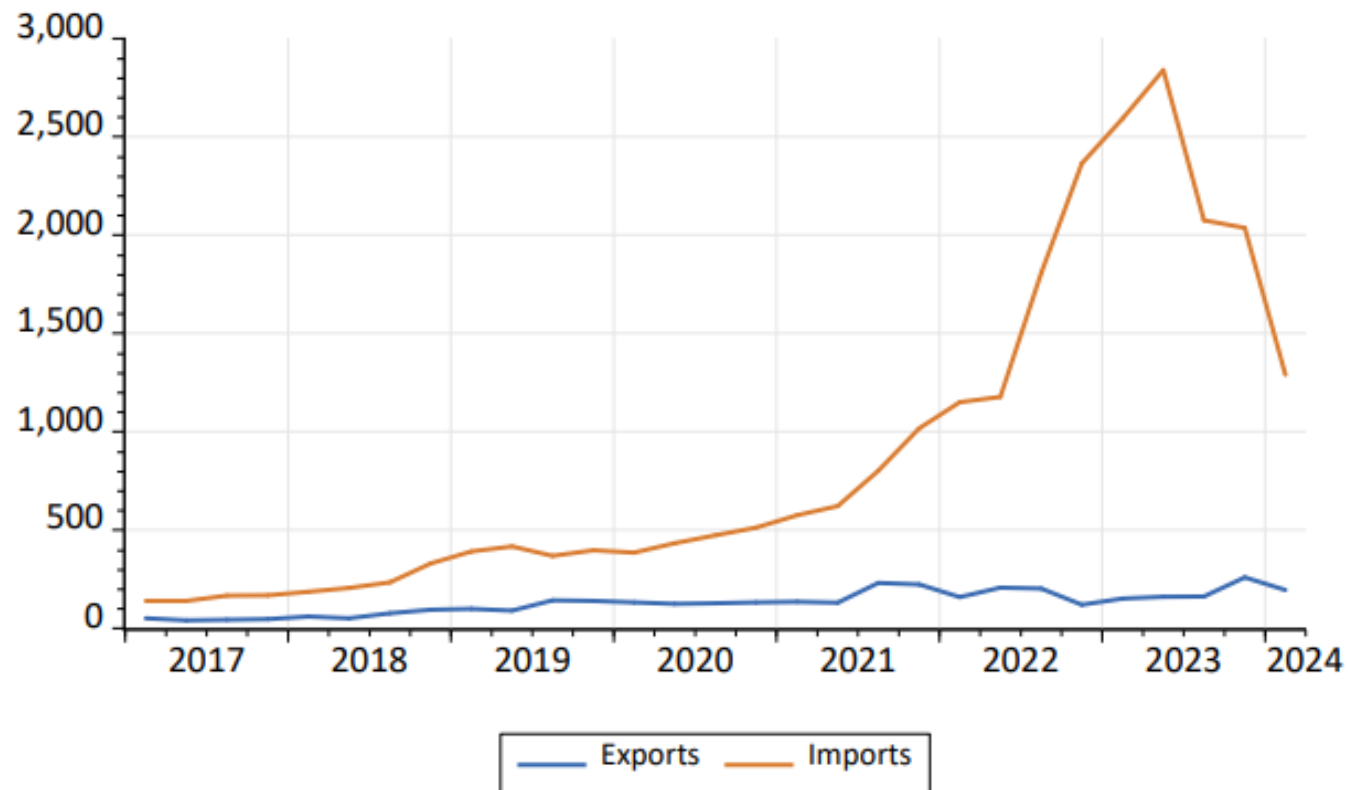
- Trade in electric passenger cars seems to partly explain the recent dynamics

Germany: Trade in Electric Passenger Cars with Rest of the World and China



- However: trade deficit in electric passenger cars with China only a fourth of surplus with remaining countries

Germany: Trade with China in Storage Batteries (mln EUR)



- Surge in imports of storage batteries from China explain remaining increase in total goods imports

Thank you!