
BREXIT VOTE EFFECT CUTS GERMAN BUSINESS MORALE

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EuroNews

There was a sharp deterioration in German business morale in August.

It recorded the steepest monthly drop since the height of the eurozone debt crisis in 2012.

The conclusions come from the Ifo economic institutes monthly survey of around 7,000 German companies.

German business morale falls unexpectedly in August. Ifo business climate index posts biggest fall in over 4 years: pic.twitter.com/qZN2QFvktM

— Jamie McGeever (@ReutersJamie) August 25, 2016

Ifo economist Klaus Wohlrabe said the survey responses showed concerns over Britains vote to leave the European Union.

He based that on business expectations declining the most in sectors with relatively strong ties to the UK market, with concerns being expressed by executives about future exports.

Wohlrabe said: Whats interesting is that virtually in all sectors there was a slight decline. If you look at the details, its due to the fact that apparently orders, including from Germany, have not gone so well in August. Therefore a small decrease can also be observed. But worst hit were companies that have a close trading-relationship with the United Kingdom, like the chemicals industry and automobile sector.

The pessimism comes despite strong German trade figures being released just one day before, though economic growth was less strong between April and June than it was in the first quarter.

Kaynak/Source: