



EU – JOINT ECONOMIC FORECAST

BERLIN, Sept 26 (Reuters) - Five economic institutes are predicting gross domestic product (GDP) in Germany will contract by 0.6% in 2023, three sources told Reuters on Tuesday, as rising interest rates take their toll on the economy and high inflation depresses consumption.

Growth of 0.3% had been expected in the institutes' spring forecast.

Although GDP is expected to shrink in the summer quarter that is coming to an end following stagnation in the second quarter, it is expected to pick up again thereafter.

The so-called Joint Economic Forecasts are to be presented in Berlin on Thursday. The economics ministry usually updates its forecasts incorporating the results of the Joint Economic Forecasts.

For 2024, the institutes - four German and one Austrian - forecast GDP growth of 1.3%, down from 1.5% previously.

Inflation is expected to be 6.1% this year and fall to 2.6% next year, according to the fall forecasts. The inflation rate was at 6.9% last year.

The Joint Economic Forecasts are prepared by the Ifo Institute, the Halle Institute for Economic Research, the Kiel Institute for the World Economy, the RWI – Leibniz Institute for Economic Research and the Austrian Institute of Economic Research.

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