

ifo Economic Forecast Autumn 2023

The Federal Republic of Germany  
The Main National Accounts Data  
Forecast for 2023 to 2025

	2023 (2)	2024 (2)	2025 (2)	2023		2024 (2)		2025 (2)	
				1.Hj. (1)	2.Hj. (2)	1.Hj.	2.Hj.	1.Hj.	2.Hj.
<b>1. Origin of GDP</b>									
Percentage change over previous year									
Domestic employment	0.7	0.3	-0.1	0.8	0.6	0.3	0.2	0.0	-0.3
Hours worked per person in employment <sup>3</sup>	0.3	0.3	0.1	0.1	0.5	0.3	0.4	-0.1	0.4
Hours worked by persons in employmen	1.0	0.6	0.0	0.9	1.1	0.6	0.6	-0.2	0.1
Labour productivity <sup>4)</sup>	-1.4	0.8	1.3	-1.1	-1.7	0.1	1.4	1.5	1.1
<b>Gross domestic product, price adjusted</b>	<b>-0.4</b>	<b>1.4</b>	<b>1.2</b>	<b>-0.3</b>	<b>-0.6</b>	<b>0.7</b>	<b>2.0</b>	<b>1.3</b>	<b>1.2</b>

**2. Disposition of GDP in Current Prices**

a) Billion EUR

Final consumption expenditure	2,982.7	3,120.6	3,231.6	1,448.8	1,534.0	1,518.2	1,602.5	1,577.2	1,654.4
Private consumption expenditure <sup>5</sup>	2,097.0	2,197.8	2,274.1	1,019.5	1,077.5	1,069.5	1,128.3	1,108.5	1,165.6
Government consumption expenditure	885.7	922.9	957.5	429.3	456.5	448.7	474.2	468.7	488.7
Gross fixed capital formation (GFCF)	913.8	925.6	920.0	445.8	468.1	451.2	474.4	447.4	472.7
Construction	493.7	484.2	469.5	246.0	247.7	242.1	242.2	233.1	236.4
Machinery and equipmen <sup>1</sup>	276.7	290.3	293.6	132.4	144.2	138.5	151.8	140.6	153.0
GFCF in other products	143.5	151.2	156.9	67.3	76.2	70.6	80.5	73.6	83.3
Change in stocks <sup>6)</sup>	52.9	54.7	56.3	32.6	20.3	32.5	22.2	33.6	22.6
Domestic uses	3,949.5	4,100.9	4,207.9	1,927.1	2,022.4	2,001.8	2,099.1	2,058.3	2,149.7
Balance of exports and imports	169.8	202.0	205.7	90.7	79.1	109.6	92.4	114.0	91.7
Memo item: balance as a percentage of GDP	4.1	4.7	4.7	4.5	3.8	5.2	4.2	5.2	4.1
Exports	1,968.5	2,015.0	2,088.8	985.0	983.5	993.3	1,021.7	1,027.7	1,061.1
Imports	1,798.7	1,813.0	1,883.2	894.3	904.4	883.8	929.2	913.7	969.5
<b>Gross domestic product</b>	<b>4,119.2</b>	<b>4,302.9</b>	<b>4,413.6</b>	<b>2,017.8</b>	<b>2,101.5</b>	<b>2,111.4</b>	<b>2,191.5</b>	<b>2,172.3</b>	<b>2,241.3</b>

b) Percentage change over previous year

Final consumption expenditure	5.4	4.6	3.6	5.9	4.9	4.8	4.5	3.9	3.2
Private consumption expenditure <sup>5</sup>	5.9	4.8	3.5	7.0	5.0	4.9	4.7	3.6	3.3
Government consumption expenditure	4.1	4.2	3.7	3.5	4.7	4.5	3.9	4.5	3.1
Gross fixed capital formation (GFCF)	6.7	1.3	-0.6	8.9	4.8	1.2	1.4	-0.8	-0.4
Construction	6.5	-1.9	-3.0	8.8	4.4	-1.6	-2.2	-3.7	-2.4
Machinery and equipmen <sup>1</sup>	9.2	4.9	1.2	13.0	5.9	4.6	5.2	1.5	0.8
GFCF in other products	3.0	5.4	3.8	2.0	3.9	5.0	5.7	4.2	3.4
Domestic uses	3.9	3.8	2.6	5.0	2.9	3.9	3.8	2.8	2.4
Exports	-0.3	2.4	3.7	2.7	-3.1	0.8	3.9	3.5	3.9
Imports	-5.2	0.8	3.9	-0.8	-9.3	-1.2	2.7	3.4	4.3
<b>Gross domestic product</b>	<b>6.3</b>	<b>4.5</b>	<b>2.6</b>	<b>6.6</b>	<b>6.0</b>	<b>4.6</b>	<b>4.3</b>	<b>2.9</b>	<b>2.3</b>

**3. Disposition of GDP, Chain-Linked Estimates (Reference Year 2015)**

a) Billion EUR

Final consumption expenditure	2,390.6	2,428.7	2,461.8	1,177.7	1,212.8	1,192.2	1,236.5	1,209.8	1,252.0
Private consumption expenditure <sup>5</sup>	1,696.3	1,727.3	1,754.2	833.3	863.0	844.6	882.7	859.2	895.0
Government consumption expenditure	693.3	700.6	706.9	344.0	349.3	347.1	353.5	350.1	356.7
Gross fixed capital formation (GFCF)	662.7	665.1	673.6	324.7	338.0	323.1	342.1	325.5	348.1
Construction	310.2	303.8	304.9	155.3	154.9	150.8	153.0	150.0	154.9
Machinery and equipmen <sup>1</sup>	229.4	236.2	241.2	110.4	119.1	112.5	123.7	114.6	126.6
GFCF in other products	124.5	129.3	132.6	58.7	65.8	60.6	68.6	62.4	70.1
Domestic uses	3,105.6	3,152.4	3,195.2	1,530.4	1,575.2	1,548.0	1,604.4	1,568.7	1,626.5
Exports	1,630.1	1,668.9	1,722.5	814.4	815.7	824.7	844.2	848.9	873.6
Imports	1,480.7	1,521.5	1,577.6	727.1	753.6	742.4	779.1	766.1	811.5
<b>Gross domestic product</b>	<b>3,260.3</b>	<b>3,305.3</b>	<b>3,346.5</b>	<b>1,620.6</b>	<b>1,639.7</b>	<b>1,632.5</b>	<b>1,672.8</b>	<b>1,653.7</b>	<b>1,692.8</b>

b) Percentage change over previous year

Final consumption expenditure	-1.1	1.6	1.4	-1.3	-0.9	1.2	2.0	1.5	1.3
Private consumption expenditure <sup>5</sup>	-0.5	1.8	1.6	-0.5	-0.5	1.4	2.3	1.7	1.4
Government consumption expenditure	-2.5	1.0	0.9	-3.2	-1.8	0.9	1.2	0.9	0.9
Gross fixed capital formation (GFCF)	0.2	0.4	1.3	0.6	-0.3	-0.5	1.2	0.7	1.8
Construction	-1.4	-2.1	0.4	-2.0	-0.8	-2.9	-1.2	-0.5	1.2
Machinery and equipmen <sup>1</sup>	3.1	3.0	2.1	5.7	0.8	2.0	3.9	1.8	2.3
GFCF in other products	-0.1	3.8	2.6	-0.6	0.2	3.2	4.3	3.0	2.2
Domestic uses	-0.7	1.5	1.4	-0.5	-0.8	1.2	1.9	1.3	1.4
Exports	-0.6	2.4	3.2	0.1	-1.3	1.3	3.5	2.9	3.5
Imports	-1.1	2.8	3.7	-0.3	-1.9	2.1	3.4	3.2	4.2
<b>Gross domestic product</b>	<b>-0.4</b>	<b>1.4</b>	<b>1.2</b>	<b>-0.3</b>	<b>-0.6</b>	<b>0.7</b>	<b>2.0</b>	<b>1.3</b>	<b>1.2</b>

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Continued: The Federal Republic of Germany

	2023 (2)	2024 (2)	2025 (2)	2023		2024 (2)		2025 (2)	
				1.Hj. (1)	2.Hj. (2)	1.Hj.	2.Hj.	1.Hj.	2.Hj.

4. Price Level of National Expenditure (2015=100)

Percentage change over previous year

Final consumption expenditure	6.6	3.0	2.2	7.3	5.8	3.5	2.5	2.4	2.0
Private consumption expenditure 5	6.5	2.9	1.9	7.5	5.6	3.5	2.4	1.9	1.9
Government consumption expenditure	6.8	3.1	2.8	6.9	6.6	3.6	2.7	3.6	2.1
Gross fixed capital formation (GFCF)	6.6	0.9	-1.9	8.3	5.0	1.7	0.2	-1.6	-2.1
Construction	8.0	0.2	-3.4	11.0	5.2	1.4	-1.0	-3.2	-3.6
Machinery and equipment	5.9	1.9	-0.9	6.9	5.1	2.6	1.3	-0.3	-1.5
GFCF in other products	3.1	1.5	1.2	2.5	3.6	1.7	1.3	1.2	1.2
Domestic uses	4.6	2.3	1.2	5.5	3.8	2.7	1.9	1.5	1.0
Exports	0.3	0.0	0.4	2.6	-1.8	-0.4	0.4	0.5	0.4
Imports	-4.1	-1.9	0.2	-0.5	-7.5	-3.2	-0.6	0.2	0.2
<b>Gross domestic product</b>	<b>6.7</b>	<b>3.0</b>	<b>1.3</b>	<b>6.8</b>	<b>6.6</b>	<b>3.9</b>	<b>2.2</b>	<b>1.6</b>	<b>1.1</b>

5. Distribution of Income

a) Billion EUR

Primary income of private households	2,787.1	2,906.5	2,998.8	1,357.4	1,429.7	1,405.5	1,500.9	1,453.2	1,545.6
Employers' social contributions	376.2	398.3	414.7	183.2	193.0	191.3	207.0	200.4	214.4
Gross wages and salaries	1,770.7	1,856.9	1,914.0	846.0	924.6	881.4	975.5	911.6	1,002.4
Other primary income of private households	640.2	651.2	670.0	328.2	312.0	332.8	318.4	341.2	328.8
Primary income of other institutional sectors	646.4	702.0	731.2	307.3	339.2	345.0	357.0	362.4	368.8
<b>Net national income (primary income)</b>	<b>3,433.5</b>	<b>3,608.4</b>	<b>3,730.0</b>	<b>1,664.6</b>	<b>1,768.9</b>	<b>1,750.5</b>	<b>1,857.9</b>	<b>1,815.6</b>	<b>1,914.4</b>
Consumption of fixed capital	847.5	863.4	856.8	421.0	426.4	431.9	431.4	429.8	427.0
<b>Gross national income</b>	<b>4,281.0</b>	<b>4,471.8</b>	<b>4,586.8</b>	<b>2,085.7</b>	<b>2,195.3</b>	<b>2,182.4</b>	<b>2,289.4</b>	<b>2,245.4</b>	<b>2,341.4</b>
Memorandum item:									
<b>Net national income (factor costs)</b>	<b>3,073.3</b>	<b>3,195.9</b>	<b>3,299.9</b>	<b>1,497.8</b>	<b>1,575.5</b>	<b>1,546.2</b>	<b>1,649.6</b>	<b>1,602.8</b>	<b>1,697.1</b>
Compensation of employees	2,146.9	2,255.3	2,328.7	1,029.2	1,117.7	1,072.7	1,182.6	1,112.0	1,216.7
Property and entrepreneurial income	926.4	940.6	971.2	468.6	457.8	473.5	467.1	490.8	480.4

b) Percentage change over previous year

Primary income of private households	5.7	4.3	3.2	5.3	6.1	3.5	5.0	3.4	3.0
Employers' social contributions	4.0	5.9	4.1	4.9	3.1	4.4	7.3	4.7	3.5
Gross wages and salaries	6.6	4.9	3.1	7.3	5.9	4.2	5.5	3.4	2.8
Gross wages and salaries per employee	5.7	4.5	3.1	6.3	5.2	3.8	5.2	3.3	2.9
Net wages and salaries per employee	7.6	3.8	2.3	8.4	7.0	4.8	3.0	2.3	2.3
Other primary income of private households	4.5	1.7	2.9	0.7	8.8	1.4	2.0	2.5	3.3
Primary income of other institutional sectors	7.3	8.6	4.2	9.6	5.4	12.3	5.2	5.1	3.3
<b>Net national income (primary income)</b>	<b>6.0</b>	<b>5.1</b>	<b>3.4</b>	<b>6.1</b>	<b>6.0</b>	<b>5.2</b>	<b>5.0</b>	<b>3.7</b>	<b>3.0</b>
Consumption of fixed capital	7.4	1.9	-0.8	9.0	5.9	2.6	1.2	-0.5	-1.0
<b>Gross national income</b>	<b>6.3</b>	<b>4.5</b>	<b>2.6</b>	<b>6.6</b>	<b>6.0</b>	<b>4.6</b>	<b>4.3</b>	<b>2.9</b>	<b>2.3</b>
Memorandum item:									
<b>Net national income (factor costs)</b>	<b>6.3</b>	<b>4.0</b>	<b>3.3</b>	<b>7.7</b>	<b>5.0</b>	<b>3.2</b>	<b>4.7</b>	<b>3.7</b>	<b>2.9</b>
Compensation of employees	6.1	5.0	3.3	6.9	5.4	4.2	5.8	3.7	2.9
Property and entrepreneurial income	6.8	1.5	3.2	9.7	4.0	1.1	2.0	3.6	2.8

6. Income and Expenditure of Private Households

a) Billion EUR

Mass income	1,792.8	1,880.3	1,940.0	858.8	934.0	907.7	972.6	939.3	1,000.6
Net wages and salaries	1,214.0	1,265.0	1,294.1	573.2	640.8	603.0	662.0	617.6	676.5
Social benefits other than social transfers in kind	729.6	767.4	802.0	361.7	367.9	380.0	387.5	398.5	403.5
Less: Levies on social benefits, taxes on consumption	150.8	152.1	156.2	76.1	74.7	75.2	76.9	76.8	79.4
Other primary income of private households	640.2	651.2	670.0	328.2	312.0	332.8	318.4	341.2	328.8
Other transfers received (net)	-128.2	-129.3	-133.8	-55.3	-72.9	-57.6	-71.7	-60.2	-73.6
<b>Disposable income</b>	<b>2,304.8</b>	<b>2,402.3</b>	<b>2,476.2</b>	<b>1,131.7</b>	<b>1,173.2</b>	<b>1,182.9</b>	<b>1,219.3</b>	<b>1,220.3</b>	<b>1,255.9</b>
Adjustment for the change in net equity of households in pension funds reserves	62.4	62.5	62.5	30.3	32.1	30.4	32.1	30.4	32.1
Private consumption expenditure 5	2,097.0	2,197.8	2,274.1	1,019.5	1,077.5	1,069.5	1,128.3	1,108.5	1,165.6
Saving	270.3	267.0	264.5	142.5	127.8	143.8	123.2	142.1	122.4
<b>Saving ratio 7)</b>	<b>11.4</b>	<b>10.8</b>	<b>10.4</b>	<b>12.3</b>	<b>10.6</b>	<b>11.9</b>	<b>9.8</b>	<b>11.4</b>	<b>9.5</b>

b) Percentage change over previous year

Mass income	8.0	4.9	3.2	8.6	7.4	5.7	4.1	3.5	2.9
Net wages and salaries	8.5	4.2	2.3	9.4	7.7	5.2	3.3	2.4	2.2
Social benefits other than social transfers in kind	6.0	5.2	4.5	6.8	5.2	5.1	5.3	4.9	4.2
Less: Levies on social benefits, taxes on consumption	2.7	0.9	2.7	5.8	-0.3	-1.2	2.9	2.1	3.3
Other primary income of private households	4.5	1.7	2.9	0.7	8.8	1.4	2.0	2.5	3.3
<b>Disposable income</b>	<b>6.5</b>	<b>4.2</b>	<b>3.1</b>	<b>7.2</b>	<b>5.8</b>	<b>4.5</b>	<b>3.9</b>	<b>3.2</b>	<b>3.0</b>
Private consumption expenditure 5	5.9	4.8	3.5	7.0	5.0	4.9	4.7	3.6	3.3
Saving	8.9	-1.2	-0.9	6.8	11.4	0.9	-3.6	-1.2	-0.7

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Continued: The Federal Republic of Germany

	2023 (2)	2024 (2)	2025 (2)	2023		2024 (2)		2025 (2)	
				1.Hj. (1)	2.Hj. (2)	1.Hj.	2.Hj.	1.Hj.	2.Hj.

7. Government Revenues and Expenditures

a) Billion EUR

<b>Revenues</b>									
Taxes	966.3	995.8	1032.4	466.2	500.1	476.9	518.8	495.3	537.1
Net social contributions	700.5	746.4	787.5	342.0	358.5	358.9	387.6	376.4	411.1
Property income	24.6	26.4	27.5	13.0	11.6	13.8	12.6	14.4	13.1
Other transfers	29.5	29.6	29.8	13.5	16.0	13.5	16.1	13.6	16.2
Capital transfers	17.6	17.8	18.5	8.4	9.1	8.6	9.2	9.0	9.5
Sales	159.2	172.8	178.0	74.1	85.1	80.1	92.6	84.0	94.0
Other subsidies	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total revenues</b>	<b>1897.8</b>	<b>1989.0</b>	<b>2073.9</b>	<b>917.2</b>	<b>980.6</b>	<b>952.0</b>	<b>1037.0</b>	<b>992.8</b>	<b>1081.1</b>
<b>Expenditures</b>									
Intermediate consumption	253.0	263.7	264.9	117.4	135.6	122.0	141.7	124.6	140.3
Compensation of employees	327.3	347.6	355.8	156.1	171.2	166.7	180.9	172.8	183.0
Other taxes on production	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Property income	34.1	39.6	42.3	17.4	16.7	20.9	18.7	22.4	20.0
Subsidies	67.8	37.5	38.4	41.6	26.1	17.2	20.2	17.6	20.8
Social benefits	659.1	696.4	730.4	326.2	332.8	344.3	352.1	362.4	368.0
Social benefits in kind	362.6	376.4	397.4	179.1	183.4	186.5	190.0	197.3	200.1
Other transfers	93.7	96.4	97.9	44.9	48.8	46.5	50.0	47.2	50.7
Capital transfers	85.5	99.8	101.7	31.5	54.0	37.2	62.6	38.0	63.6
Gross capital formation	107.0	111.9	115.8	45.3	61.7	47.5	64.4	48.9	66.9
Acquisitions less disposals of non-financia non-produced assets	-0.8	-0.8	-0.8	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
<b>Total expenditures</b>	<b>1989.4</b>	<b>2068.7</b>	<b>2144.0</b>	<b>959.3</b>	<b>1030.0</b>	<b>988.5</b>	<b>1080.1</b>	<b>1031.0</b>	<b>1113.0</b>
<b>Balance</b>	<b>-91.5</b>	<b>-79.6</b>	<b>-70.1</b>	<b>-42.1</b>	<b>-49.4</b>	<b>-36.5</b>	<b>-43.1</b>	<b>-38.2</b>	<b>-31.9</b>

b) Percentage change over previous year

<b>Revenues</b>									
Taxes	2.1	3.1	3.7	-0.3	4.4	2.3	3.7	3.9	3.5
Net social contributions	5.1	6.6	5.5	6.3	3.9	4.9	8.1	4.9	6.1
Property income	39.6	7.4	3.9	42.1	36.9	6.5	8.4	4.0	3.8
Other transfers	5.2	0.5	0.5	11.4	0.5	0.5	0.5	0.5	0.5
Capital transfers	-6.7	1.6	3.7	-5.9	-7.5	2.7	0.5	3.6	3.7
Sales	11.2	8.5	3.0	10.9	11.4	8.2	8.8	4.8	1.5
Other subsidies									
<b>Total revenues</b>	<b>4.2</b>	<b>4.8</b>	<b>4.3</b>	<b>3.5</b>	<b>4.9</b>	<b>3.8</b>	<b>5.8</b>	<b>4.3</b>	<b>4.2</b>
<b>Expenditures</b>									
Intermediate consumption	6.1	4.2	0.5	6.8	5.5	4.0	4.5	2.1	-0.9
Compensation of employees	6.3	6.2	2.4	4.9	7.5	6.7	5.7	3.7	1.2
Other taxes on production									
Property income	28.6	16.1	7.0	38.0	20.0	20.0	12.0	7.0	7.0
Subsidies	-3.1	-44.7	2.5	45.7	-36.8	-58.7	-22.5	2.4	2.5
Social benefits	6.5	5.7	4.9	7.3	5.7	5.6	5.8	5.3	4.5
Social benefits in kind	2.1	3.8	5.6	0.9	3.4	4.1	3.6	5.8	5.3
Other transfers	-15.9	2.9	1.5	2.7	-27.9	3.6	2.3	1.5	1.5
Capital transfers	-4.8	16.8	1.9	34.5	-18.6	18.3	15.9	2.1	1.7
Gross capital formation	6.0	4.6	3.5	6.1	6.0	4.9	4.4	3.0	3.8
Acquisitions less disposals of non-financia non-produced assets									
<b>Total expenditures</b>	<b>3.7</b>	<b>4.0</b>	<b>3.6</b>	<b>7.7</b>	<b>0.3</b>	<b>3.0</b>	<b>4.9</b>	<b>4.3</b>	<b>3.0</b>
Memorandum item:									
<b>Balance as a percentage of GDP</b>	<b>-2.2</b>	<b>-1.9</b>	<b>-1.6</b>	<b>-2.1</b>	<b>-2.4</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-1.8</b>	<b>-1.4</b>

1) According to data from the Federal Statistical Office

2) Forecast by the ifo Institute

3) Domestic employment.

4) Gross domestic product (price-adjusted) per man-hour.

5) Consumption expenditures of private households and non-profit institutions serving private households

6) Including net increase in valuables

7) Current Saving as percentage of disposable income (including the adjustment for the change in net equity of household in pension funds reserves)