

## German economy stagnation points to problems in EU

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### Body

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FRANKFURT (AP) — Growth stopped at the end of the year in Germany, Europe's largest economy, with the decline in manufacturing and exports, according to official figures released on Friday.

The flat reading highlights the challenge facing the eurozone with the opposing winds of the China-U.S. trade dispute and the British exit from the European Union.

German and eurozone figures were the lowest since 2013, when a debt crisis almost meant the end of the euro currency.

The German statistics agency said Friday that there was zero growth in the fourth quarter and just 0.6% in the whole year. The eurozone-wide reading was 0.1% growth in the fourth quarter.

Germany's problems affect the economy of the 19 eurozone countries and the European Central Bank, which seeks to stimulate growth and inflation with negative interest rates and the purchase of newly issued coin bonds.

Germany has led manufacturing and exports in recent years, but those sectors have lost momentum. Consumer spending and service companies have shown better performance and prevented the country from falling into recession.

The slowdown in global trade and the uncertainty generated by the Chinese-American trade conflict is one of the factors in the slowdown, as companies wonder whether new tariffs or import taxes will disrupt their chains supply of supplies and parts. Another factor is the structural change in the industry, mainly the automotive one, where companies must invest billions in the production of electric cars and new services based on cellular applications, both to respond to regulatory pressures that demand lower greenhouse gas emissions to cope with competition from new technology companies.

Germany and the eurozone also face the possibility of disruptions in trade coin Britain, which left the EU on 31 January. Negotiators should draw up a trade agreement by the end of the year in order to avoid new tariffs and barriers, a short time in light of the complexity of the matter.

In all this, there are fears of transmission of the coronavirus that causes COVID-19 disease.

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