

Macro Roundup Article

Headline: [Germany Is Losing Its Mojo. Finding It Again Won't Be Easy](#)

Article Link: <https://www.wsj.com/world/europe/germany-is-losing-its-mojo-finding-it-again-wont-be-easy-c4b46761#>

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Tweet: The German economic model is under increasing stress due to higher energy costs, China's import substitution strategy, and competition from American and Chinese electric car makers.

Summary: Germany will be the world's only major economy to contract in 2023, with even sanctioned Russia experiencing growth, according to the International Monetary Fund. China was for years a major driver of Germany's export boom. A rapidly industrializing China bought up all the capital goods that Germany could make. But China's investment-heavy growth model has been approaching its limits for years. Growth and demand for imports have faltered. Energy prices in Europe have declined from last year's peak as EU countries scrambled to replace Russian gas, but German industry still faces higher costs than competitors in the U.S. and Asia. Related: Germany's Industrial Slowdown and Europe's Imbalances in Pandemic and War and Can Volkswagen Win Back China?

Primary Topic: Business Cycle

Topics: Business Cycle, Database, GDP, Growth, Important!, News article, Trade (not deficits)

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