

Macro Roundup Article

Headline: [Germany's Record Trade Surplus](#)

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Tweet: As energy prices have normalized Germany's trade surplus is back, reaching a nominal record, though in real terms German exports continue to contract.
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Summary: Our best guess here is that traditional German industries, while enjoying weak export volumes, have experienced a boost in nominal terms due to the post-pandemic surge in traded goods prices. As noted, now that energy prices have normalised this full effect is starting to show. We ought to scale this monthly surplus by GDP to put it in context. While there have been months when Germany's trade balance surplus, relative to GDP, has been larger these are few. And the trade balance in January is back to 8% of GDP and could increase further from here! Moreover, a growing portion of this is bilateral with the rest of the Eurozone, as well as CEE-3 and the US. In a sense, we are returning to the pre-GFC decade when a large part of Germany's current account surplus was intra-Eurozone.

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Primary Topic: Savings Glut/Trade Deficit

Topics: Database, GDP, Important!, Op-Ed/Blog Post, Savings Glut/Trade Deficit, Trade (not deficits), Weekly

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