

German business confidence falls for the fourth consecutive month in August

BERLIN, Aug. 27 (Xinhua) -- German business confidence index continued to fall in August, the fourth consecutive month in a row, said the Munich-based Ifo economic institute on Monday. The closely-watched business climate index, based on the opinions of some 7,000 business executives, beat previous forecast of slump at 102.3 points in August, down from 103.2 points in July. The current poll showed that German companies are becoming less optimistic towards the future, while many economic observers are getting more and more worried about how long the safeguarding mechanism of strong exports and domestic consumption would stand. "The German economy is continuing to falter," said Ifo President Hans-Werner Sinn, adding that the mood among Germany's leading exporters also slid by a big margin for the first time in almost three years. A sharp drop in expectations of business conditions toward the half year ahead has led the fall in the index, having slipped from 95.6 points in July to 94.2 points in August. Meanwhile, the anxiety over future economic prospect has been aggravated with Greece bidding for more time to meet its bailout terms and European leaders failing to show powerful approaches to control the contagion of debt crisis to bigger economies like Spain and Italy. "The euro crisis is gnawing away at German growth," said Ifo economist Klaus Wohlrabe. As well as the negative expectations for exports, whole-sale and retail expectations also slumped. Ifo sub-index on current business conditions fell to 111.2 points to 111.5 points, while the outlook sub-index slipped to 94.2, reaching its lowest point since June 2009.