

Germany posts 0.3-pct growth in second quarter

BERLIN, Aug. 14 (Xinhua) -- Germany's economy narrowly beat growth forecasts as its GDP grew a mere 0.3 percent in the second quarter of 2012 compared to the previous quarter, the German Federal Statistical Office said on Tuesday. The better-than-expected performance helped boost the euro by 0.2 percent, reaching an exchange rate of 1.235 U.S. dollars during early trading. Earlier forecasts said Europe's largest economy would grow 0.2 percent, after posting a strong growth of 0.5 percent in the first quarter. German growth was largely driven by exports, consumption and lower unemployment. The government predicts GDP will grow 0.7 percent this year, while the International Monetary Fund and Germany's central bank, the Bundesbank, expects even higher growth. Interests rate on German bund futures, the risk-avoidance-haven bond, continued to fall and European stocks rose after stronger-than-expected German and French GDP reports. "After a weaker summer, the German economy will be able to grow faster again from the fourth quarter," said Christian Schulz, economist at Berenberg Bank. Other analysts remained cautiously optimistic about future growth amidst worries over the eurozone's ongoing debt crisis and recession.