AS REGION'S CRISIS SAPS EXPORTS GERMAN GROWTH MAY GRIND TO A STOP

The Bundesbank said that growth in Germany, which is Europe's largest economy, may slow to a complete standstill next year as the region's debt crisis saps demand for exports. The Frankfurt-based central bank cut its 2012 growth forecast to between 0.5 percent and 1 percent from June prediction of 1.8 percent, and said a ''pronounced'' period of economic weakness can not be ruled out if the crisis worsens ''The significant weakening in foreign demand coupled with financial market nervousness'' means that ''the German economy faces more difficult terrain in the months ahead,'' said the Bundesbank in its monthly bulletin that was published today. There are ''weighty'' risks to the outlook, it said. The two-yea-old debt crisis is forcing governments to implement harder austerity measures across the 17-nations euro area, Germany's biggest export market. The region may slip back into recession as leaders struggle to find a way to contain the turmoil, which is now threatening to engulf Italy, says the European Central Bank. On Nov. 18, Bundesbank President Jens Weidmann said that the crisis now poses a downside risk for the global economy. The reports from earlier today suggested that growth may slow in Asia, a market German companies have turned to as European sales wane. In October, Japanese exports dropped 3.7 percent from a year earlier, Singapore said that its growth may slow to as little as 1 percent in 2012 from 5 percent this year, and China signaled the global economy faces an extended slide. According to state news agency Xinhua, the world economic situation is ''extremely severe,'' Chinese Vice Premier Wang Qishan said. ''The global economic recession triggered by the international financial crisis will be long-term,'' Qishan said. Sometime today, the Federal Reserve Bank of Chicago is scheduled to release a gauge of U.S. economic activity in the month of October. The Chicago Fed national index, which draws on the 85 economic indicators, was under zero in the months of Augusts and September, signaling below-trend growth. At 12:31 p.m. in London, European stock fell, with the benchmark Stoxx Europe 600 Index down 2.3 percent. Futures on the Standard& Poor's 500 Index expiring in December fell 1.6 percent and the MSCI Asia Pacific Index retreated 1.5 percent. The euro fell 0.5 percent to $1.3452. Since Aug. 29, it has dropped more that 7 percent against the dollar. Some investors are losing faith in Europe's ability to conquer the crisis, dumping the bonds of highly-indebted nations like Italy and driving up borrowing costs. Today, Moody's Investors Service decline to make an immediate comment on a report in Le Figaro newspaper that France's AAA credit rating is at risk. The French 10-year bond yields rose eight basis point to 3.53 percent. While the German bonds are benefiting from the debt crisis as investors flock to haven assets, growth in Europe's economic powerhouse is slowing down. In September, German factory orders and industrial production slumped and investor confidence declined to a three-year low this month.