

THE GERMAN UNEMPLOYMENT RATE DROPS MORE THAN WAS FORECASTED AS THE MILD WINTER FUELS IS BUILDING



The German unemployment (GRUENCHING) dropped more than was forecasted in December as the exports of cars and machinery boomed and one of the mildest winters on record helped to support all of the jobs pertaining to construction work. The number of people out of work dropped to a seasonally adjusted 22,000 to 2.89 million, said the Nuremberg-based Federal Labor Agency yesterday. The economists forecasted a drop of 10,000, the median of 20 estimates of the people that were surveyed. The jobless rate that had previously been adjusted, fell to 6.8 percent. The German companies, who working off the orders for exports and investment goods, has so far defied the debt crisis, the European Commission says that the risks triggered the recession in the euro area. The Munich-based Ifo institute's measure of the business confidence unexpectedly rose in the month of December, and the polls show that most Germans see their jobs as secured even as Europe's biggest economy is slowing down. "Forward-looking indicators including Ifo underscore that the German jobs motor is fundamentally intact," says Johannes Mayr, who is the senior economist at the Bayerische Landesbank over in Munich. At 1:53 p.m. in Berlin, the euro rose up 0.7 percent to \$1.3028. The benchmark DAX index also gained 0.6 percent. On December 27, the carmaker Audi AG said that it is looking to add 1,200 jobs in this new year as it expands its investments in electric vehicles and light-metal technology. Airbus SAS, who is the maker of the A380 superjumbo whose German production sites included Hamburg, said on December 14 that it is currently seeking 4,000 more people to work. Of all of Hamburg's 200 employers, 42 percent of them said that they plan to boost the hiring rates in 2012, the Abendblatt newspaper reported on December 30, also citing its own poll. With the exception of a 6,000 increase in the month of October, the German unemployment has now dropped in every month since June 2009. The average jobless total in the unadjusted terms for 2011 fell just below the 3 million mark at 2.97 million, which the lowest since 1991, said the Labor Agency head Frank-Juergen Weise. "German unemployment mastered the dual impact of the debt crisis and weakening economic growth in 2011 but these risks remain, accompanying us as we enter the New Year," Weise said to the reporters in Nuremberg. The job market has also benefited from what the DWD weather bureau said was the fifth-warmest average temperature for the nation in the month of December since 1881. That enabled the German building companies, which would normally drop around 150,000 staff during the wintertime, to keep more workers on sites, Harald Schroeder, who is the deputy managing director at the ZDB construction group said in an interview.

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