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Further increase of industrial production in Germany

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GERMAN PRISM

Further Increase of Industrial Production in Germany

The cyclical growth of industrial production (excluding building industry) continued also in the last months. Above all the results of the processing industries contributed to this development.

Adjusted for seasonal variation they increased noticeably since the beginning of the year, and from spring on these results have again distinctively improved vis-à-vis the period preceding the last recession. In the aggregate of the second quarter industrial production surpassed the previous year's corresponding level by 15 per cent. In the first quarter the result had still been hardly 7 per cent higher than a year ago. However, the increase of the second quarter's growth rate was in part only caused by this year's cyclical stimulation. It was also influenced by the declining production results during the first half of 1967. For the first six months of 1968 industrial production—as compared with the preceding year—increased by 11 per cent.

In May/June production in the basic and capital goods industries—adjusted for seasonal variation—continued increasing mainly due to further stockpiling. In the last months also the production of capital goods and particularly of consumer goods industries increased after a rather hesitating development lasting till spring.

The development of incoming orders indicates a continuation of the cyclical growth of industrial production also in the coming months. Foreign demand, that during the first quarter declined slightly, increased again vigorously in the second quarter. Also newly booked domestic orders increased cyclically. On the average of the second quarter of 1968 they even surpassed the incoming orders of the previous year's fourth quarter, that due to special influences registered a particularly big volume. Altogether incoming orders increased more than deliveries, so the backlog of orders in hand decisive for future production developments has grown.

Germany as a Partner and Competitor in the Nuclear Industry

During the last two years the Federal Republic of Germany has become the biggest producer of atomic fuel elements within the European Communities. Germany does not only cover its own

demand but in addition exports fuel elements to EURATOM-countries and Sweden as well as Japan.

Natural uranium is bought up by USAEC (United States Atomic Energy Commission) all over the world, of course apart from the East-bloc states. Within the framework of the EURATOM Treaty long-term agreements on the supply of uranium have been concluded with the members of the European Communities.

In 1967 the American deliveries amounted to 3,897 kilogrammes (kg), 85 per cent of which was the raw product and 15 per cent finished fuel elements. The Federal Republic's nuclear industry took over for further processing 2,000 kg of the 3,300 kg uranium in the shape of the raw product Hexafluorid. Western Germany's own requirements amounted to 1,300 kg in the previous year. The rest was delivered to France, Italy, Belgium, Sweden and Japan. In the past year production of the French industry reached one quarter of the German industry's output. France produced fuel elements equivalent to 516 kg uranium. Italian production amounted to 2.7 kg, while EURATOM ordered 794 kg, more than half of which with German firms.

When in 1957 the Treaty on the European Atomic Energy Commission (EURATOM) was concluded, only France owned technical and industrial installations for the processing of natural uranium. Within one decade German industry has closed the technological gap and is now a partner and also competitor of the United States and Britain.

Development of Foreign Trade Indicating a High Surplus for 1968

In spite of a continuous upward movement of the internal business trend, in the second quarter imports, adjusted for seasonal variation, hardly increased still. Ignoring the distortion at the turn of the year, there would be a slight decline even. However, the comparatively small imports particularly in June can be largely traced back to special influences, e.g. the strikes in France, the extremely low number of working days in June and the abolishing of the EEC internal tariffs on July 1, 1968. In comparison with the previous year's corresponding period, in the second quarter imports were still higher by 11.1 per cent.

Different from imports, exports cyclically increased more vigorously again. Even considering the deterioration at the turn of the year, the second quarter would show a considerably higher figure than the first one. This most recent development, it is true, cannot be perceived by the growth rate of but 4.3 per