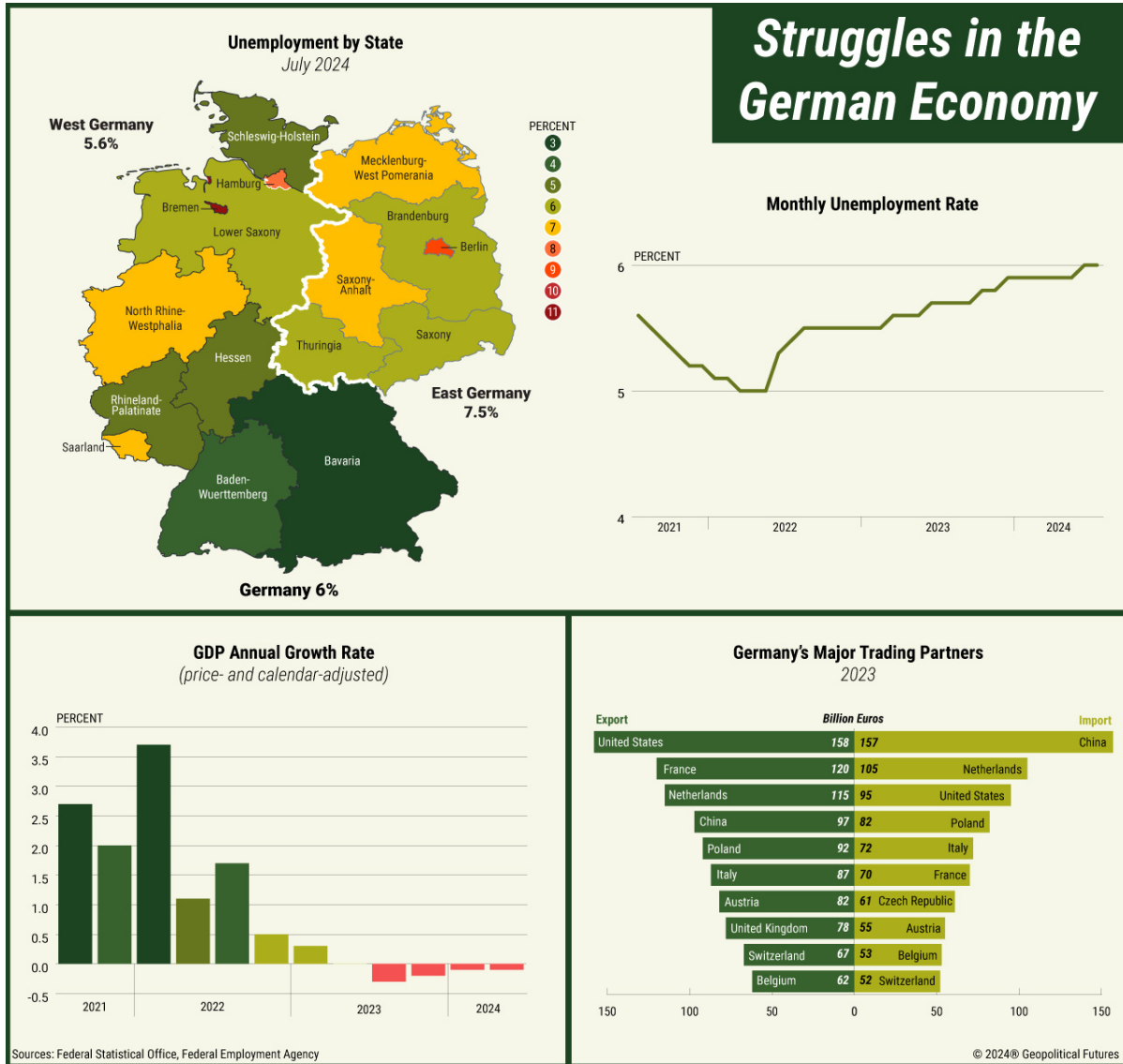


Germany's Economy Tips Back Toward Recession

by Geopolitical Futures - August 2, 2024



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The German economy faces substantial challenges that impede growth. Preliminary data from the government's statistics agency shows a slight contraction in growth for the second quarter, while declining investment in equipment and construction heighten the strain. Falling consumption and rising inflation compound the issues, signaling the potential onset of a recession.

Berlin aims to break the economy out of its stagnation by focusing on its high-tech sector. Authorities are pushing for investment and expanding capacities in the energy sector, particularly in green energy. However, deep-rooted structural problems persist, with industries citing a shortage of skilled workers and outdated infrastructure. Germany is Europe's largest economy, and the prospect of a German recession could significantly affect the Continent's ability to tackle internal challenges as well as its position on the Ukrainian conflict.

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