

## Press release

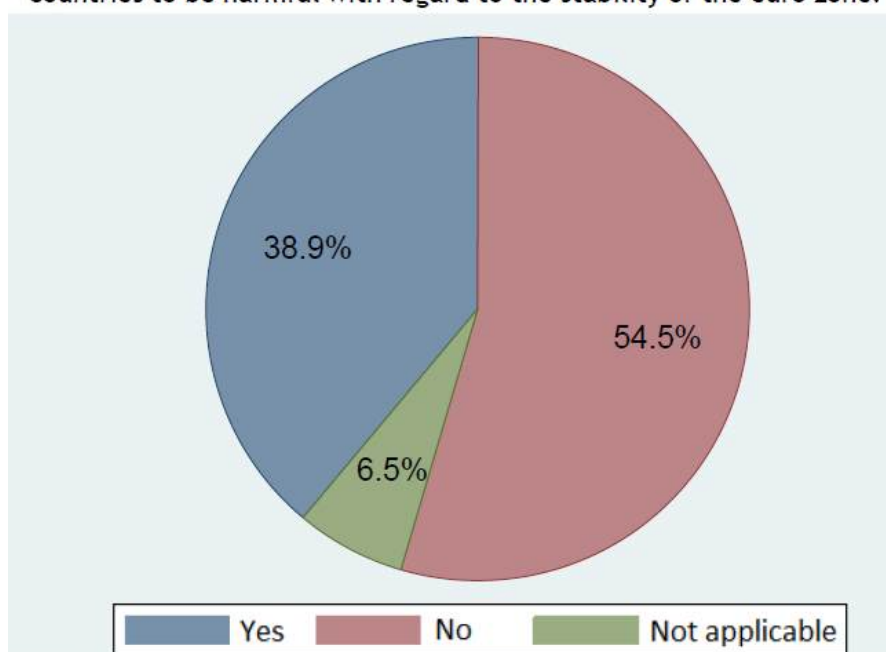
### Financial industry rejects criticism of German current account surplus

*Survey: Complaints of the European Commission not justified / Differences in current account balances across EU member states not harmful to stability*

FRANKFURT, 11 April 2014. The vast majority of decision makers from German financial institutions and financial service providers reject the criticism of the persistent surpluses in the German current account balance raised by the EU Commission and other institutions. In a survey carried out by the Center for Financial Studies, 86 percent of the respondents consider this criticism as less or not justified.

Slightly more than half of the survey participants regard permanent current account imbalances of single member countries as not harmful to the stability of the euro zone. “A clear majority does not perceive the current account imbalances as a sign of an imminent economic crisis,” Jan Pieter Krahen, Director of the Center for Financial Studies, said.

Do you consider persistent current account imbalances of individual countries to be harmful with regard to the stability of the euro zone?



Source: Center for Financial Studies, April 2014

Among several possible measures, which are appropriate to reduce the persistent German current account surplus, 50 percent of respondents voted for strengthening private investments, 44 percent for stimulating private consumption, 26 percent for increasing public investments, 22 percent for liberalizing the service sector and 10 percent for increasing labor supply.

The results are based on a quarterly survey, carried out by the Center for Financial Studies, among 400 decision makers in the German financial industry (return about 50% on average).

The Center for Financial Studies (CFS) conducts independent and internationally-oriented research in important areas of Financial and Monetary Economics, ranging from Financial Stability and Banking Regulation, Household Finance, Law and Economics of Financial Organizations and Trading and Pricing in Financial Markets to Monetary Policy and Financial Markets. CFS is also a contributor to policy debates and policy analyses, building upon relevant findings in its research areas. In providing a platform for research and policy advice, CFS relies on its international network among academics, the financial industry and central banks in Europe and beyond.

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