2 Selected issues related to Germany's trade surplus

Introduction

The globalization has not only led to a strong expansion of international trade, but also to an internationalization of the production processes. Global value added chains, play above all, in the production of complicated technical products, a bigger and bigger role and have led to a strong increase of international goods streams on all production steps. The foreign trade and especially the exports are the backbone of the German economy. The German economy is highly export-oriented and is very dependent on its exports. Today roughly every fourth worker in Germany is employed in export related industry.[1] Germany does not poses a lot of its own raw materials so it is also dependent on imports, particularly in the energy sector. The German foreign trade has increased during the times of the worldwide globalization processes. In the case of the Federal Republic of Germany there is a difficulty in describing the imports, because Germany is regarded as a model export state that concentrates more on selling manufactured goods abroad.

The dynamic economic development after World War II was made possible mainly thanks to the export production. Germany was known for good engineering and modern technology. The vast preponderance of exports over imports decides strongly positive balance of trade, which is unfavorable for the countries trading with Germany and is criticized by other countries and against EU rules.[2] However, Germany's import strength is not to be underestimated, because they are, like with the

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[1] http://www.bpb.de/nachschlagen/zahlen-und-fakten/globalisierung/52842/aussenhandel (accessed 21.10.2016).

[2] See: D.R. Appleyard, A.J. Field, Jr., *International Economics*, McGraw-Hill Irwin, New York 2014, pp. 19 and 469–473; J.F. Kyle, *The Balance of Payments in a Monetary Economy*, Princeton University Press, New Jersey 1976, p. 16.

exports, on the third position in the world ranking of imports as you can see in the figures below. The purpose of this paper is to analyze shortly the import and export behavior of one of the most active country of the world when it comes to trade and show the consequences for their partner countries.

1. Composition of German trade

As we can see in Figure 1 and 2 below, in 2015, Germany is in exports and imports on the third place in the world. Two of the most important trade partners for Germany, USA and China which are first in import and export respectively, are also among 3 most active countries in trade. In 2015 Germany exported goods worth 1242 billion euro, which was an increase by 6.2%, in comparison to the previous year and is 8.1% of all exports in the world. On the other hand Germany imported goods worth 981.1 billion euro and had a share of 6.3 of total world imports, what was an increase of 4.3%.[3]

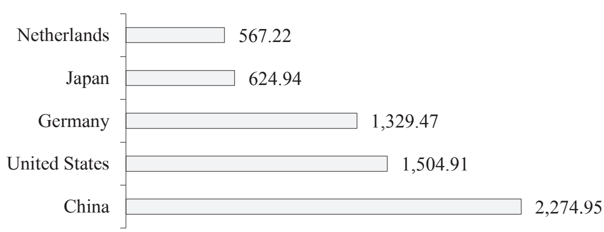

Figure 1. World export leaders, 2015 (USD bln)

Source: https://www.statista.com/statistics/264623/leading-export-countries-worldwide (accessed 24.10.2016).

Exports and imports have risen in the long term despite crisis in the finance and economic sector over the last decades. In the last 50 years the

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[3] The dollar to euro exchange rate was 0.9344 (17.11.2016) that was used to change the currency: https://www.ecb.europa.eu/stats/exchange/eurofxref/html/eurofxref-graph-usd.en.html (accessed 17.11.2016); https://www.destatis.de/DE/ZahlenFakten/Indikatoren/LangeReihen/Aussenhandel (accessed 24.10.2016).

foreign trade of Germany experienced continuous, impressing growth. During the period from 1980 (around 175 billion euro – imports and around 180 billion euro – exports) to 2015 the imports and exports increased, related to the value, more than the 5-fold.[4]

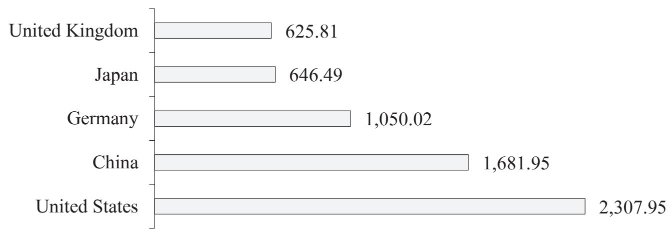

Figure 2. World import leaders, 2015 (USD bln)

Source: https://www.statista.com/statistics/268184/leading-import-countries-worldwide (accessed 24.10.2016).

Since 1952 Germany had a positive foreign trade balance what is good for Germany but on the other hand bad for their partner countries. The foreign trade balance is the difference between exports and imports and became substantially stronger especially during the last ten years.[5]

2. Balance of trade explanation

Every year the newspapers of Germany are showing the export reports, and some can perceive a degree of pride in the articles. They are successful, have big shares on the market, their products are good and hence they clearly need less imports than exports. Accordingly gruff the reactions partially fell out when from the beginning of the euro crisis politicians and economists from other countries demanded from Germany to

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[4] https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Aussenhandel/Gesamtentwicklung/ (accessed 25.10.2016).

[5] However, it may be noted that from the period of Mercantilism a surplus is often synonymous of a favourable or a positive balance of trade, and merchandise trade deficit is referred to as an unfavourable or a negative trade balance. See D.R. Appleyard, A.J. Field, Jr., *op. cit.*, pp. 19 and 469.

diminish its export surplus to strengthen the domestic economy. In principle nothing is bad in exporting a lot. Exports are absolutely necessary because otherwise one cannot afford goods from other countries, as a result they would have less imports.

Nevertheless, there is a reason, why the export orientation of Germany is criticized by other countries. The subject requires a look at balances of trade and some very easy facts which are often ignored. If one buys something for € 50, so the person exchanges € 50 for somewhat needed of suitable value. His monetary possession decreases about € 50 and that of his opponent grows about € 50. If one adds up the balance of his trading partner and his balance, he comes on € 50 – € 50 = 0. This is only logical, because with this trade neither money is created nor it is destroyed, it simply changes the owner. This happens with every trade in such a way. This trade relation exists between a single customer and the shop owner, as well as between all customers of a day and the shop owner. At the end of the day the shop owner cash is equal to what the customers have spent. The sum of the monetary change with the customers and with the storekeeper is always a zero. This rule is valid for trade between enterprise or groups of enterprise, between all private households and all enterprises, between all enterprises and the state and between the private households and the state. The sum of all monetary changes and with it the sum of all balances of trade is always zero. One gets the same effect from trade within a state, and trading between states. Money is always exchanged for products, so money is always only shifted; one takes only what the other spends. Interestingly even a reference on this fact can be found in the German law.

Thus the German Constitution states in article 109 paragraph 2: "state and land fulfill together the obligations of the Federal Republic of Germany from legislative acts of the European community due to the article 104 of the contract for the foundation of the European Community for the observance of the budgetary discipline and carry in this frame the requirements of overall economic balance calculation".[6] In 1967 this

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[6] https://www.bundestag.de/parlament/aufgaben/rechtsgrundlagen/grundgesetz/gg_10/245148Germany's Constitution, art. 109 para. 2 (accessed 27.10.2016).

was specified in the law of the support of the stability and the growth of the economy which defines "State and land have to follow with their economic-political and finance-political measures the requirements of the overall economic balance. The measures are to be taken in such a way that they contribute to foreign-trade balance […]"[7]. But since 1951 the gap between imports and exports is rising and the German Government is doing almost nothing to prevent that.

If a country exports a lot, this opens the possibility to import desirable goods from abroad, without taking money from the country or borrowing it somewhere, and getting into debts; so the funds can also be placed. If it is exported more than it is imported, in the sum money flows into the country and gains a foreign trade surplus. First of all this sounds good, however it has in the long run some hooks. If a country shows a surplus it means that another country or several other countries are showing deficits by the same height. At short term this is not a problem, but at a long term perspective it is. The deficit country gets into debt and has sometimes difficulties to pay the debts and interest.

However, it is also not optimally for the country which achieves the surplus. On the one hand it sits merely on its monetary mountain, without getting goods or services. One can look at an export surplus also as an import deficit, as a result of a consumption deficit. The country is not able or willing to consume independently the fruits of its work. Such a country lives under its conditions and provides with it, that other countries live about their conditions, because every surplus faces a deficit and the sum is always zero. On the other hand such a country delivers valuable goods and gets debentures for it. Of course the country can afford something again, but if it does not do this and saves the money further, as it happens sometimes, than the trading partner, who has bought the whole exports and has issued the debentures for it, cannot pay his debts anymore and must refuse the redemption of the debentures. Then the exporting country got for all its goods only one heap of worthless paper and has worked actually free of charge. The fact is that the sum of all

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[7] https://www.gesetze-im-internet.de/bundesrecht/stabg/gesamt.pdf (accessed 29.10.2016).

commercial relations always shows zero. Two things are also quite clear; one cannot earn constantly more than one spends, and on the other hand, one can also not spend constantly more than it earns, because then the rest must be spending constantly more than they earn and at one point has no more money left. Krugman persists on the second fact, when he is saying, that it cannot go on like this with the high German trade surplus.[8]

3. Presentation of Germany's balance of trade

In 2015 Germany has achieved an export surplus in record height. The exports excelled the imports about 247.9 billion euro as one can find in the data of the Federal Statistical Office of Germany. The present highest value from 2014 was clearly excelled with it. In 2013 the trade surplus had lain by 195 billion euro. Figure 3 shows a clear picture of the development of the trade surplus of Germany since 2006 and how export oriented Germany's trade is. In this period the trade surplus increased by almost 90 billion euro.[9] The current value of the export surplus corresponds to about 8.1% of the gross domestic product which was in 2015 at the value of 3025.9 billion euro.[10]

In 2016 the surplus will rise probably even higher to 8.9% of the gross domestic product which will be about 289.7 billion euro says Ifo-expert Christian Grimme to Reuters. That means that Germany will probably have again the biggest trade surplus of the world, after the second place in 2015 as one can see in Figure 4.[11] The weak euro supports the trade surplus because exports to non-euro countries are more attractive for countries with other currencies. The reasons for the further increase of

[8] http://www.nytimes.com/2013/11/04/opinion/krugman-those-depressing-germans.html (accessed 27.10.2016).

[9] https://www.destatis.de/DE/ZahlenFakten/Indikatoren/LangeReihen/Aussenhandel (accessed 24.10.2016).

[10] https://www.statista.com/statistics/295444/germany-gross-domestic-product (accessed 29.10.2016).

[11] http://www.handelsblatt.com/politik/konjunktur/konjunktur-daten/stimmungsindikatoren/schaetzung-des-ifo-instituts-deutschland-wird-2016-wieder-exportweltmeister (accessed 28.10.2016).

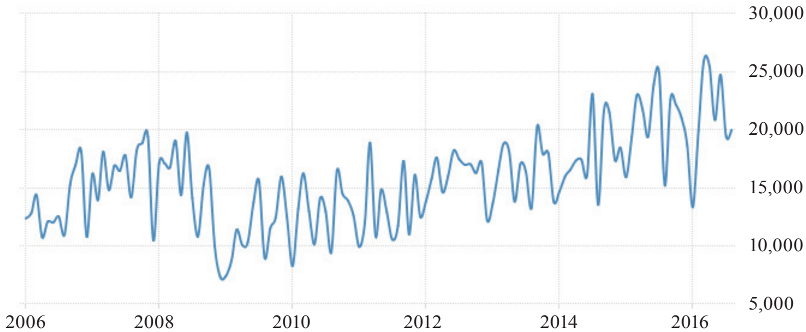

Figure 3. German balance of trade, 2006–2016 (EUR bln)

Source: http://www.tradingeconomics.com/germany/balance-of-trade (accessed 28.10. 2016).

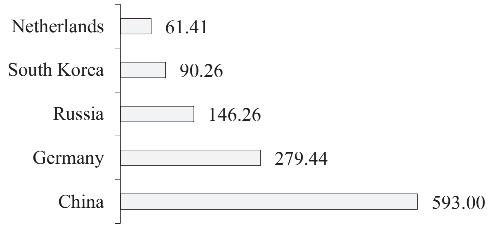

Figure 4. Countries with the biggest trade surplus in 2015 (USD bln)

Source: https://www.statista.com/statistics/256642/the-20-countries-with-the-highest-trade-surplus (accessed 24.10.2016).

the export surplus is on the one hand the positive export demand, because especially German enterprises might profit from the rest of the world economy during the coming years. Nevertheless, on the other hand, above all, the only moderate development of the imports is responsible for it.

Even if one subordinate that the German imports are growing relatively strongly, is it not expected, that the current account surplus sinks even about the coming five years under 7% (for 2016 is 7.8% estimated and for 2017 it is 7.4%).[12] The trade surplus is powered by the fact that the German export prices might rise stronger than the import prices, which are influenced substantially by the falling oil prices. A strong demand for German goods and the sunken oil price have given the worldwide top position in the export surplus to Germany again.

There are several factors responsible for the fact that the difference between German exports and imports has grown once more. A cause for the export surplus is the good economic situation in important customer countries like the USA and Great Britain. The demand for German goods has grown and Germany had to pay less for the oil imports, because of the dramatic drop in prices since the end of the year 2014. As Salvatore states: "the improvement in the nation's trade depends on the price elasticity of demand for its exports and imports" (elasticity approach).[13] Moreover, the Germans achieve more and more yields from their high property abroad. In addition this forces up the current account surplus. But the exports do not stand worldwide in the center of the criticism of the commission and countless scientists and analysts. The problem which is expressed in the export surplus, is not the real problem. The real problem is the German imports, which has grown since the turn of the millennium only pitifully.

The weak imports are rather a result of a deeper lying imbalance, in contrast to the economic performance of Germany, the Germans invest and consume too little.[14] Here is the real problem hidden. The German nation stays behind their possibilities for over a decade now. The construction of a sustainable capital stock in their home country, as well as the private consumption develops hesitantly. Instead of spending again the earned money, as an export world champion, they place funds rather abroad. The Germans placed abroad, *per capita* on an average, about

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[12] *Streit über deutschen Handelsüberschuss: Warum Deutschland ein Import problem hat*, www.spiegel.de (accessed 27.10.2016).

[13] See D. Salvatore, *Introduction to International Economics*, John Wiley & Sons, Hoboken 2012, p. 341.

[14] Problems with excessive current account surplus in this regard are explained in: P.R. Krugman, M. Obstfeld, M.J. Melitz, *International Economics. Theory & Policy*, Pearson, Boston 2012, pp. 538–539.

2,500 euro only in 2013. It is good when an ageing population makes provisions for the future but investments abroad are a quite unsafe matter. Germany had gigantic losses with its investments abroad, only since 1999 it was more than 400 billion euro. Especially during the financial crisis a large part of the German external assets have been destroyed.[15]

The German export surplus is a worrying trend, especially for the Polish economy, because Germany is the largest trading partner of Poland. According to the most recent data of the Central Statistical Office of Poland, in 2015, exports to Germany accounted 27.2% of the total Polish exports and 22.8% of imports. During this period, the Polish exports to Germany were worth 48.5 billion euro, and compared to the same period from 2014 it grew by 11.2%.[16] The main economist of the Lewiatan Confederation Małgorzata Starczewska-Krzysztoszek indicated, that the data of the German Statistical Office should be read positively from the point of view of Polish exporters: "it is important, in which areas there has been a fall in German imports. However, if we see that German exports rise, and about 50 per cent of the goods that we sell to Germany are components for their export production, it means that the import decline rather should not concern Polish entrepreneurs. [...] The growing German exports could generate greater demand for products and services that Polish companies can provide to German contractors [...] Polish products, for example. Food products, enjoying a good reputation in the West, so it is possible that Germany will not renounce of them".[17]

4. Consequences of the balance of trade surplus

In the 1990s the location Germany was almost ruined, they had very high labour cost and were not adaptable enough. The country was threatened

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[15] http://www.bmwi.de/DE/Mediathek/monatsbericht,did=752966.html (accessed 18.10.2016).

[16] http://stat.gov.pl/obszary-tematyczne/ceny-handel/handel/obroty-towarowe-handlu-zagranicznego-ogolem-i-wedlug-krajow-w-2015-r-,2,8.html (accessed 18.10. 2016).

[17] http://biznes.newsweek.pl/eksport-do-niemiec-niemiecki-przemysl-2014-na-newsweek-pl,artykuly,347384,1.html (accessed 19.10.2016).

to fall behind competitor countries so Germany decided to liberalize their job market. Employers and employees performed great under the new conditions, and today the enterprises are probably as competitive as never before. At the same time the world economy grew more and more. The result is every fourth job in Germany is dependent on the export transactions. However, many economists, banker and politicians do not like this. In 2015, the President of the European Central Bank Draghi said about Germany, that the export surplus offends certain EU rules.[18]

Germany has been under-fire for a long time in the EU for its export surplus. There have been thoughts from different parties about how one could complicate the exporting for the German economy. Others see the success of the exports as a consequence of Germany's dumping wages. The imbalances are a reason for the financial and debt crisis in Europe. Countries with export surplus face those with deficits, which must finance their imports by debts. For the former US-central bank (FED) boss Ben Bernanke the German export surplus was a huge problem. The imbalance of high exports and low imports of countries leads to global imbalances. He said that Germany is therefore far the biggest malefactor in absolute figures, as well as in relation to the gross domestic product. The commercial success of Germany in the world markets aggravated the euro-crisis and broke the world economy. He mentioned two reasons for the German surplus; the euro-course is too weak, compared with the economic performance of Germany, to be compatible with a German trade balance. The exchange rate is directed after the overall economy of 19 euro-countries and not just only after the German economy. In July, 2014 the International Monetary Fund (IMF) has calculated, the euro-course is 5 to 15% too low for the German economy. Since then the euro has lost other 20% of value compared with the dollar. He also said that the relatively low euro is an underestimated advantage which Germany receives by the participation in the monetary union.[19]

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[18] *Deutschland wegen Exportüberschuss in der Kritik*, www.handelsblatt.com (accessed 30.10.2016).

[19] T. Kaiser, *Endlich kann Bernanke gegen Deutschland stänkern*, www.welt.de (accessed 30.10.2016).

From the USA it hails partly harsh criticism. The US Ministry of Finance calls such surpluses over and over again, risk for the worldwide finance stability. In the case of China the surplus was denounced for long very hard and was even threatened with sanctions, while the criticism of Germany is rather soft, although, in 2012, Germany has taken the rank, as a surplus world champion from China. China is now again the world leader in this respect but it will probably lose its position again to Germany in 2016.[20] A little bit more than 50% of the economic development in Germany is due to the high German export surplus during the past decade. According to the Federal Statistical Office of Germany the German economy would have had a huge problem because it would sunk in 2012 into a recession, if there has not been this trade surplus, which carried the German GDP growth on at least 0.7%. The difference between imports and the strong exports have contributed 1.1% points to the GDP growth in 2012 and it was the most important growth engine of the German economy.[21]

The economic growth of Germany is based on the continuously growing debts abroad, which are often criticized in Germany with such a pleasure and rough tone. This German savings course, which is aimed at the one sided increase of the export surplus of the euro zone, raises the danger of an international currency war. In such a currency war, the central banks of the most important currency zones would be anxious to start a very strong devaluation of their own currency to generate export advantages in their home industry and raise consequently higher commercial profits compared to other currency zones through it. The final result would be that the pressure of inflation would rise worldwide stronger and stronger, because the world financial markets would be run over by a huge liquidity wave.

De facto such trends towards an international monetary-political devaluation race are already ongoing for many years. The currency political tensions between the USA and China, in which Washington demands an essential revaluation of the Chinese currency, smolder between both

[20] *USA vor China-Sanktionen?*, www.heise.de (accessed 2.11.2016).
[21] *Der Schwächste gewinnt*, www.heise.de (accessed 2.11.2016).

countries already since the outbreak of the worldwide economic crisis in 2008. Switzerland reacted to the strong appreciation of the franc with a fixed coupling of their currency to the euro to avoid other economic disadvantages.[22] There are also considerations in Great Britain to a monetary-political relaxation. The United States which had to take a huge commercial deficit in 2012 are thinking even to send complaints, because of currency manipulations, to the World Trade Organization. More than 2.7 million jobs should have got lost in the USA on account of the commercial deficits there.[23] The instrument of the currency devaluation is so popular because up to now, all big economic areas renounce open protectionism.

However, the reinforced focus of capitalistic crisis politics on thoughtless exports, results above all, from the real causes of the crisis, which lie in the goods-producing industry. The crisis is in the core a systematic broad overproduction crisis, which smolders since decades on account of the rationalization pushes of the Third Industrial Revolution of microelectronics and information technology. The nations are trying currently, to export production surpluses, to maintain the jobs in their home countries. This happens at the expenses of other national economies, which get destabilized by these imports and try to repel by currency devaluations or protecting measures. The menacing international currency wars are bringing therefore, the danger of a new protecting wave, as well as a massive inflationary pressure with it.

A different critic, the economist Stefan Collignon of the University of Pisa considers, that Germany endangers, with its big export surplus, within Europe the cohesion of the euro zone. According to his calculations Germany has by far the most favorable unit labour cost in whole Europe. These shows how high the labour cost is for a produced unit and is valid as a measure of the competitiveness of an economy. In his

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[22] *Why the Swiss unpegged the franc*, www.economist.com (accessed 3.11.2016).

[23] Economic Policy Institute, *The China toll Growing U.S. trade deficit with China cost more than 2.7 million jobs between 2001 and 2011, with job losses in every state* (accessed 3.10.2016).

opinion the German economy is strengthened, but at the expenses of all other euro-countries.[24]

One of the biggest critics of Germany is the economic and Nobel Prize laureate Paul Krugman. He also attacks Germany because of the export surplus sharply, which has big portion in the development of the crisis in different countries. In his opinion, Germany ruins its neighbours and the world. He has called the savings politics in the crisis, which is dictated from Germany, already as big stupidity. Now he accuses Germany that the repeatedly high export surpluses are responsible for deflationary trends in the euro zone and the world economy. Krugman refers with his scolding of the Merkel politics to the half-year report of the US Ministry of Finance. In this report Minister of Finance Jacob Lew found out that Germany has edged out China in 2012 with the commercial surplus and it is instead of China, responsible for the imbalances in the world economy.[25]

In the whole debt crisis and financial crisis, Germany has always exported more than it has imported. Therefore, it is demanded, that Germany must strengthen the home growth and reduce its export dependence. However the refusal of the Germans to import more and to diminish the export surplus works is depressing on the world economy. It is simple arithmetic, since South-European countries are forced to diminish their deficits, while Germany does not diminish its at the same time. Europe has as a big balance of trade surplus which contributes to the fact, that the world economy stagnates. But Germany has done almost no adaptation. While the budget deficits have sunk in Spain and Greece nothing changed in the German surplus and it will not change in the next years. The current account deficits would be diminished unilaterally only to loads of the weak countries, what leads to economies which shrunk and have high unemployment.

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[24] *Ist DeutschlandsExportstärke gut oder schlecht?*, www.welt.de (accessed 4.11.2016).

[25] *Deutschland ruiniert seine Nachbarn*, www.heise.de (accessed 4.11.2016).

Germany is over and over again criticized because of its strong export surplus and many experts see in the German surplus one of the big imbalances in the world economy, which goes with responsibility for the financial crisis and debt crisis. The countries with such big export values, face countries with deficits, which must finance their imports about debts. Hence the International Monetary Fund (IMF) and the OECD demand over and over again of the German Government to start to support the domestic demand and reduce the imbalance. At the same time other countries are expecting Germany to invest more and to strengthen the demand at home that would lead to more imports. Criticism from outside, that Germany should lower its exports, has not been accepted. Germany's Minister of Finance Wolfgang Schäuble said that an impairment of the economy, so that they do not achieve such success at the export markets, is not what their partners expect; they expect Germany to deliver more growth.[26]

In Germany, however, the criticism of the German trade balance and export surplus finds no sympathy but irritation. The Germans feel as an economic model boy in Europe and the interference of the European Commission seems to be, too many people inappropriate. There is a public opinion in Germany that EU wants to limit the German exports and goes forward with different methods against the German export strength. The Germans are thinking their national economy stays behind their possibilities. But the critics have some arguments, as measured by the economic performance; Germany is investing and consuming really a little in comparison to what they earn. So economists see the investment weakness of the German economy as a central problem of the imbalance. Traditionally Germany occupies one of the rear places in the investment statistics of the OECD.[27] More investments mean more jobs and an increased domestic demand this would harden the economic boom. It would be a much better precaution for the future if Germany

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[26] http://www.welt.de/print/wams/wirtschaft/article10644373/Deutschland-ist-ein-Vorbild-fuer-andere-Laender.html (accessed 4.11.2016).

[27] https://data.oecd.org/fdi/fdi-flows.htm (accessed 4.11.2016).

would invest in a suitable infrastructure, education or machines, then to rely on their exports.

Rightly the European Commission motivates Germany to speed up a decline of the current account surplus. Not by an impairment of the exports, but with better basic conditions and stimulating for investments in Germany. Germany should consider seriously the proposals that were made, in their own and in the best European interest. The infrastructure needs partly urgently renovations and more women would have to become employed.

These fact leads to the question, why it is invested so little and what can be done, so that more will be invested? The first question answers itself with the knowledge of the location weaknesses, like the confusing tax system, increasing bureaucracy, too expensive energy supply, too high subsidies for some, mostly not very competitive sectors, too much regulations of some service industries, mismatch on the job market, a not accurate educational policy etc. The fact does not help, that the implied investment steering systems, in the direction of state loans, by financial market regulations, does not estimate state loans as risky. So these state loans are artificially too attractive in comparison to real investments. With the second question is also answered implicitly. The removal of these location weaknesses should be a concern for the German Government. Then the boom in Germany could be hardened and a signal goes out to the European partners and show willingness to co-operate. However, the present coalition negotiations point to the opposite. Thus one must expect an expansion of the balance of trade surplus in the future. But it is not easy to criticize Germany, then the German export economy has a big advantage, because it is put up broadly. German machines and equipment are desired worldwide, just as its chemical goods. Without deliveries from Germany many newly industrialized countries could not grow at all and all experts agree to that. Another demand towards Germany becomes louder, end with the wage restraint of the past years. Because of the moderate ends during the past years worker became cheaper in Germany, in comparison to worker in other countries. As a result

German products got internationally more competitive what inspired the exports.

Conclusions

Germany likes to see itself like the model boy when it comes to their economy, but this is only half true. Of course, they are on the third place when it comes to imports and exports what is a very strong position and other countries would love to be there where Germany is for many years now, but as an EU member they have some responsibilities towards their partner countries and the rest of the world. The trade surplus that they are achieving since 1952 is a worrying trend that let the imbalance in the world grows. When you compare the data one can notice that after the millennium the German Government extended their exports drastically in comparison to their imports what offends EU rules and even the German Constitution, because the balance of imports and exports is neglected. Other countries are not pleased by that development, then if one country has a surplus another country has logically a deficit that have to be dealt with. It is demanded from Germany to import more to strengthen their partner countries and to invest more in their home market to stimulate domestic economy, but Germany is rather putting their earned money aside, what is the reason for such an amount of critics from politicians and economists. On the other hand, however Germany is not the only country that has enormous trade surpluses. Many other Asian countries like China, Japan, South Korea, Taiwan, Singapore, Thailand or countries like the Netherlands, Switzerland or Russia are also showing trade surpluses for many years. Those countries, are also responsible for the widening gap between countries, but are not criticized, excluding China, at that extent that Germany is for years now.

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