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ZEW Indicator of Economic Sentiment:

Stable at a high level

The ZEW Indicator of Economic Sentiment for **Germany** stabilized at a high level in January. The indicator now stands at +72.9 points compared with +73.4 points in last year's December. The large amount of optimism has hardly changed and is increasingly confirmed by important business indicators. Despite the continuing strength of the euro, industrial production and the volume of incoming orders increased. "In order to ensure that this positive development continues anything that might permanently affect price competitiveness should be avoided and the reform process should be rapidly implemented," said ZEW president Prof. Dr. Dr. h.c. mult. Wolfgang Franz.

The experts' evaluation of Germany's economic situation was considerably less pessimistic this month. 78.2 percent compared to 85.0 percent of those interviewed in the previous month felt that the current economic situation in Germany was bad.

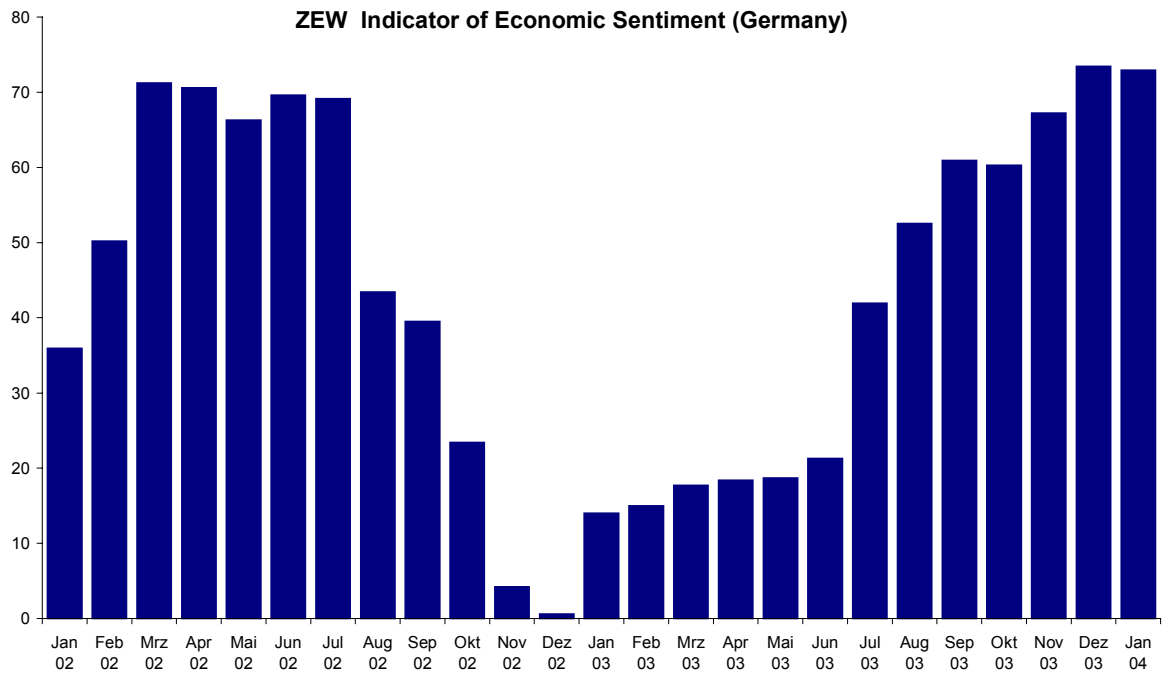
Economic sentiment for the **euro-zone** improved in January. The indicator gained +1.9 percent compared with last month's figures and now stands at +80.1 points. 59.9 percent of those interviewed regarded the current economic situation in the **euro-zone** as poor.

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Source: Centre for European Economic Research (ZEW).

310 analysts and institutional investors participated in this month's ZEW Financial Markets Survey which is conducted on a monthly basis by the Centre for European Economic Research (ZEW), Mannheim. The participants were asked about their medium-range expectations concerning economic activity and capital markets. The ZEW Indicator of Economic Sentiment shows the balance between positive and negative expectations regarding future economic activity in Germany within a timeframe of six months.