

Press Release

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ZEW Indicator of Economic Sentiment for Germany

+12.8 points (+3.0 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+23.0 points (+9.2 vs. previous month)

Assessment of the Current Situation in Germany

-77.1 points (+2.7 vs. previous month)

Assessment of the Current Situation in the Eurozone

-62.7 points (-0.9 vs. previous month)

73/2023

12 December 2023

ZEW Indicator of Economic Sentiment

ZEW Indicator Rises despite Germany's Budget Crisis

The ZEW Indicator of Economic Sentiment for Germany again recorded a slight increase in the current December 2023 survey. At 12.8 points, it is 3.0 points above the previous month's value. The assessment of the economic situation in Germany has also slightly improved. The corresponding indicator climbed 2.7 points and currently stands at minus 77.1 points.

“Despite the current budget crisis, the assessment of the situation and economic expectations for Germany have once again slightly improved. This is due to the fact that the share

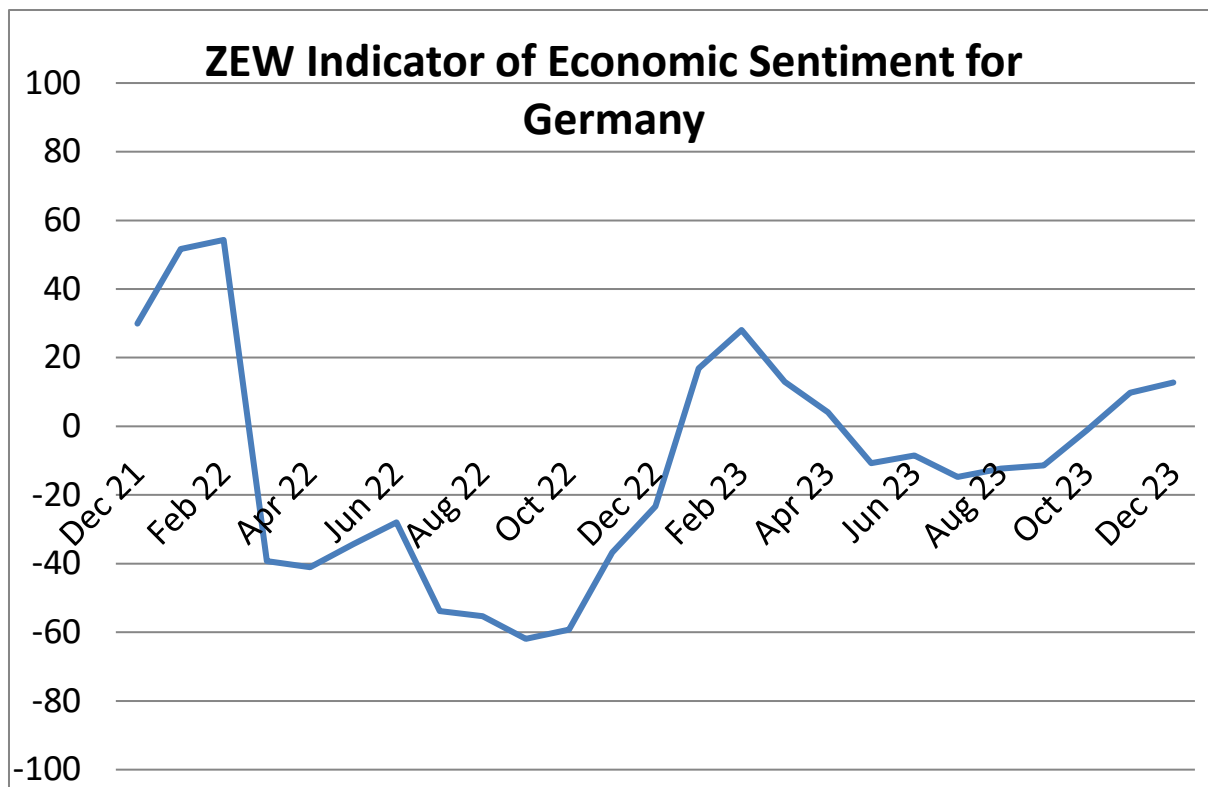
of respondents expecting interest rate cuts by the ECB in the medium term has doubled. This, in turn, is good news for the German construction industry, for which we observe significantly more optimistic expectations this month. Likewise, the share of respondents expecting inflation rates to fall further is decreasing,” comments ZEW President Professor Achim Wambach on the survey results.

The financial market experts’ sentiment concerning the economic development of the eurozone experienced another considerable increase in December. At 23.0 points, the indicator rose by 9.2 points compared to November. In contrast, the situation indicator for the eurozone decreased marginally by 0.9 points to a new reading of minus 62.7 points.

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Source: ZEW – Leibniz Centre for European Economic Research

161 analysts participated in the December 2023 ZEW Financial Market Survey, which was conducted in the period 4–11 December 2023. The analysts were surveyed regarding their mid-term expectations concerning economic development and capital market trends. The ZEW Indicator of Economic Sentiment is the balance between positive and negative expectations of the future economic development in Germany over a timeframe of six months.

ZEW – Leibniz Centre for European Economic Research

ZEW Mannheim conducts research in the field of applied and policy-oriented economics and provides access to important data sets for national and international researchers. The institute provides advice to policymakers, private companies, and government institutions at both the national and EU level on how to tackle current economic policy challenges. The central concern of ZEW's research is to analyse and design markets and institutions that allow for the sustainable and efficient development of knowledge-based economies in Europe. By keeping the public informed on its latest research and providing further training to researchers and business leaders alike, ZEW acts as a guide through economic change. ZEW was founded in 1991 and is a member of the Leibniz Association. ZEW currently employs a staff of approximately 200, two thirds of whom are researchers.

Research at ZEW:

Pensions and Sustainable Financial Markets; Labour Markets and Social Insurance; Digital Economy; Health Care Markets and Health Policy; Economics of Innovation and Industrial Dynamics; Market Design; Environmental and Climate Economics; Inequality and Public Policy; Corporate Taxation and Public Finance.