

Press Release

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ZEW Indicator of Economic Sentiment Germany

25.2 points (+39.2 vs. previous month)

ZEW Indicator of Economic Sentiment Eurozone

11.6 points (+30.1 vs. previous month)

Economic Situation Germany

-82.0 points (-0.8 vs. previous month)

Economic Situation Eurozone

-42.4 points (+8.5 vs. previous month)

43/2025

13 May 2025

ZEW Indicator of Economic Sentiment

Significant Rise in the ZEW Indicator of Economic Sentiment

After the ZEW Indicator of Economic Sentiment in Germany slumped in April 2025, it has significantly improved again in May: At 25.2 points, the indicator is 39.2 points above the previous month's reading and thus clearly in the positive range. The assessment of the current economic situation has remained essentially the same, with the indicator for Germany declining by minus 0.8 points and settling at minus 82.0 points. As before, this is the lowest reading among all the countries analysed and the eurozone.

“Expectations are brightening. The ZEW indicator sees a major improvement in May 2025 and compensates for part

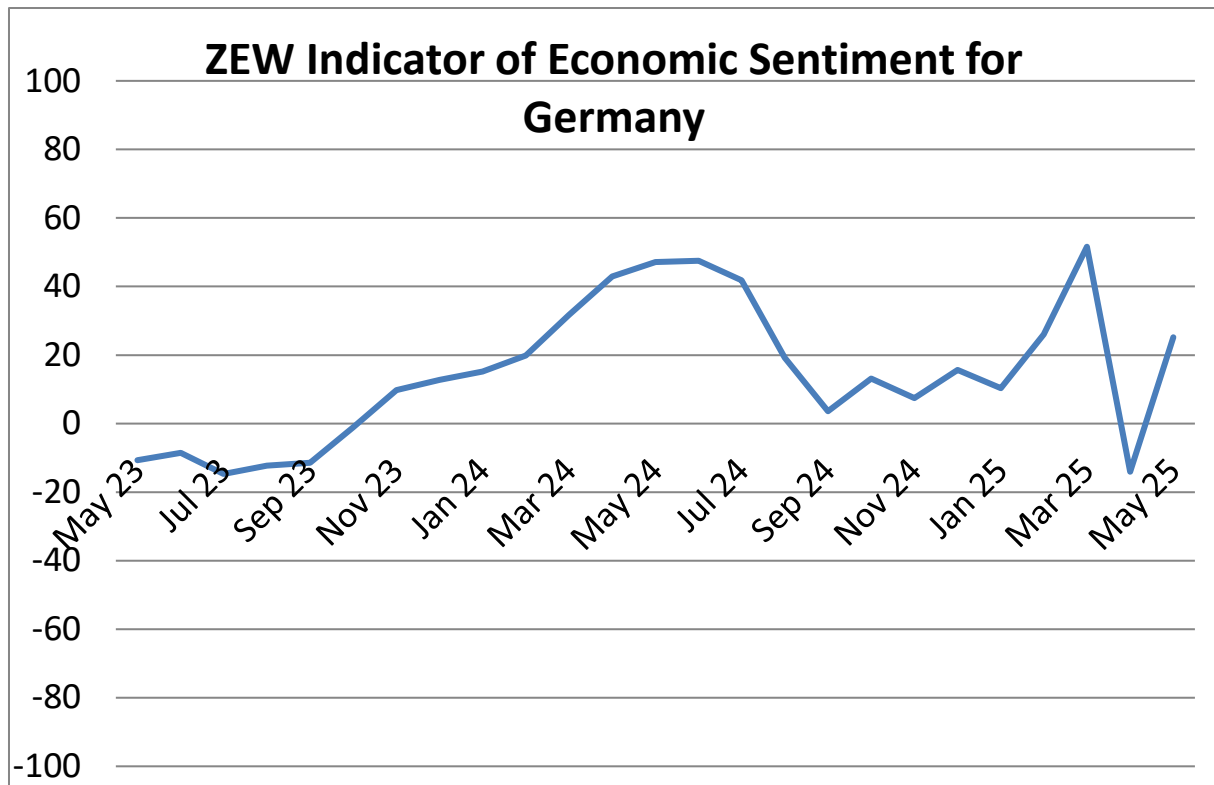
of the losses observed in the April survey. With a new government in place, some progress in the tariff disputes and a stabilising inflation rate, optimism has increased,” comments ZEW President Professor Achim Wambach, PhD on the survey results.

In almost all industries, sentiment has improved in the May survey. The outlook has improved in particular for the banking industry and export-intensive sectors such as the automobile and chemical industries, as well as metal, machine and steel production. The most recent interest rate cut by the ECB and anticipated future rate cuts have a positive effect particularly for the construction industry. The respondents also expect domestic demand, which has been subdued lately, to pick up on a six-month horizon and boost the German economy, which is currently stagnating.

The sentiment concerning the economic development in the eurozone is strongly on the rise as well: Increasing by plus 30.1 points, it is currently at 11.6 points and thus in the positive range. The assessment of the current economic situation in the monetary union has also improved, albeit less markedly. At minus 42.4 points it is plus 8.5 points above the April reading.

For further information please contact:

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Source: ZEW – Leibniz Centre for European Economic Research

191 analysts and institutional investors participated in the May 2025 ZEW Financial Market Survey, which was conducted in the period 5–12 May 2025. They 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.