

Press Release

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ZEW Indicator of Economic Sentiment Germany

34.7 points (-18.0 vs. previous month)

ZEW Indicator of Economic Sentiment Eurozone

25.1 points (-11.0 vs. previous month)

Economic Situation Germany

-68.6 points (-9.1 vs. previous month)

Economic Situation Eurozone

-31.2 points (-7.0 vs. previous month)

64/2025

12 August 2025

ZEW Indicator of Economic Sentiment

Subdued Economic Outlook Following the Announced EU–US Trade Deal

After increasing for several consecutive months, the ZEW Indicator of Economic Sentiment in Germany decreases markedly in August 2025. At plus 34.7 points, the indicator is minus 18.0 points below the previous month's reading. The assessment of the current economic situation has also deteriorated. The situation indicator for Germany settles at minus 68.6 points and is thus minus 9.1 points below the reading recorded in the previous month.

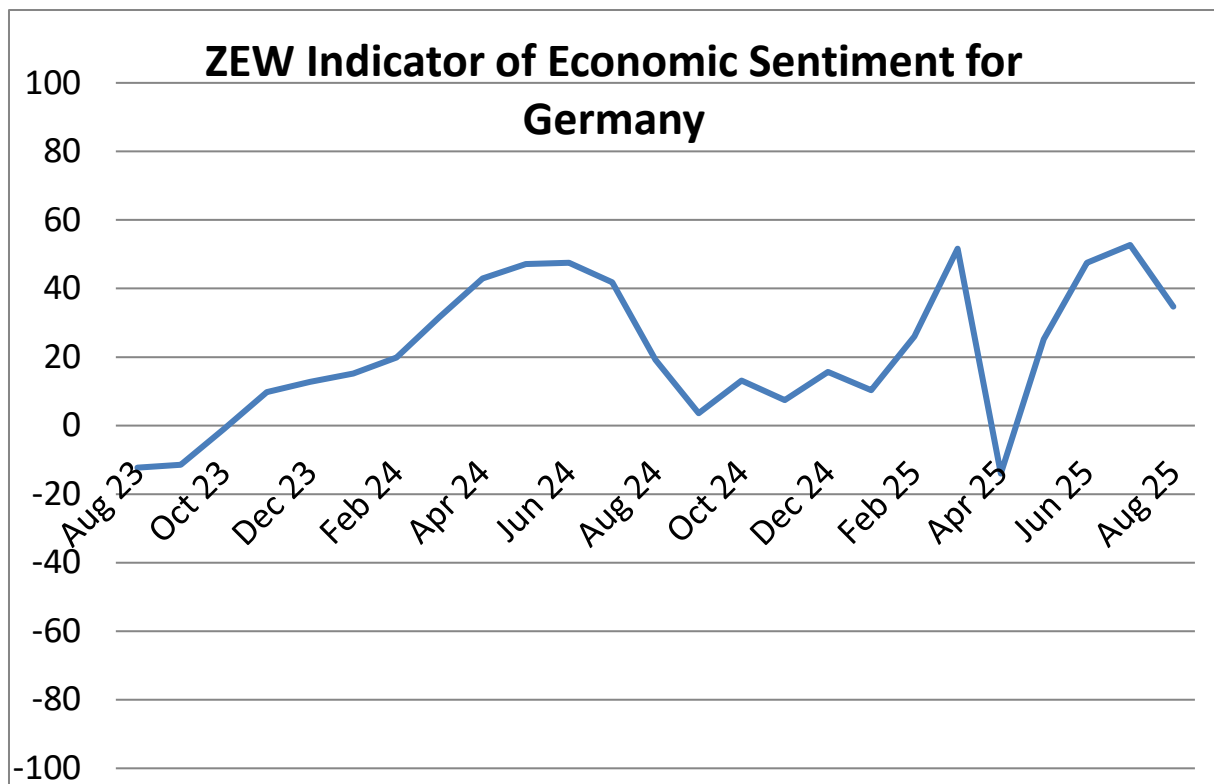
“Financial market experts are disappointed from the announced EU–US trade deal. In August 2025, the ZEW

indicator experiences a substantial decline, also due to the poor performance of the German economy in the second quarter of 2025. The outlook has worsened in particular for the chemical and pharmaceutical industries. The mechanical engineering and metal sectors as well as the automotive industry are also severely affected,” comments ZEW President Professor Achim Wambach, PhD on the survey results.

Although initial growth estimates for the eurozone were better than those for Germany in the second quarter of 2025, these expectations have also been revised downwards for the monetary union and are currently at plus 25.1 points – minus 11.0 points below the previous month’s reading. The assessment of the current economic situation has deteriorated, too, with the situation indicator declining by minus 7.0 points compared to the previous month and settling at minus 31.2 points.

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Source: ZEW – Leibniz Centre for European Economic Research

182 analysts and institutional investors participated in the August 2025 ZEW Financial Market Survey, which was conducted in the period 04–11 August 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.