

Press Release

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ZEW Indicator of Economic Sentiment for Germany

+3.6 points (-15.6 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+9.3 points (-8.6 vs. previous month)

Assessment of the Current Situation in Germany

-84.5 points (-7.2 vs. previous month)

Assessment of the Current Situation in the Eurozone

-40.4 points (-8.0 vs. previous month)

101/2024

17 September 2024

ZEW Indicator of Economic Sentiment

Hopes of a Recovery Are Fading

The ZEW Indicator of Economic Sentiment for Germany recorded yet another considerable decline in the September 2024 survey. At 3.6 points, it is 15.6 points below the August value. The optimism in economic expectations that has been evident since November 2023 has thus almost completely dwindled. The assessment of the economic situation in Germany has also continued to worsen. The corresponding indicator fell 7.2 points to a new value of minus 84.5 points. The assessment of the current economic situation is thus at its lowest since May 2020.

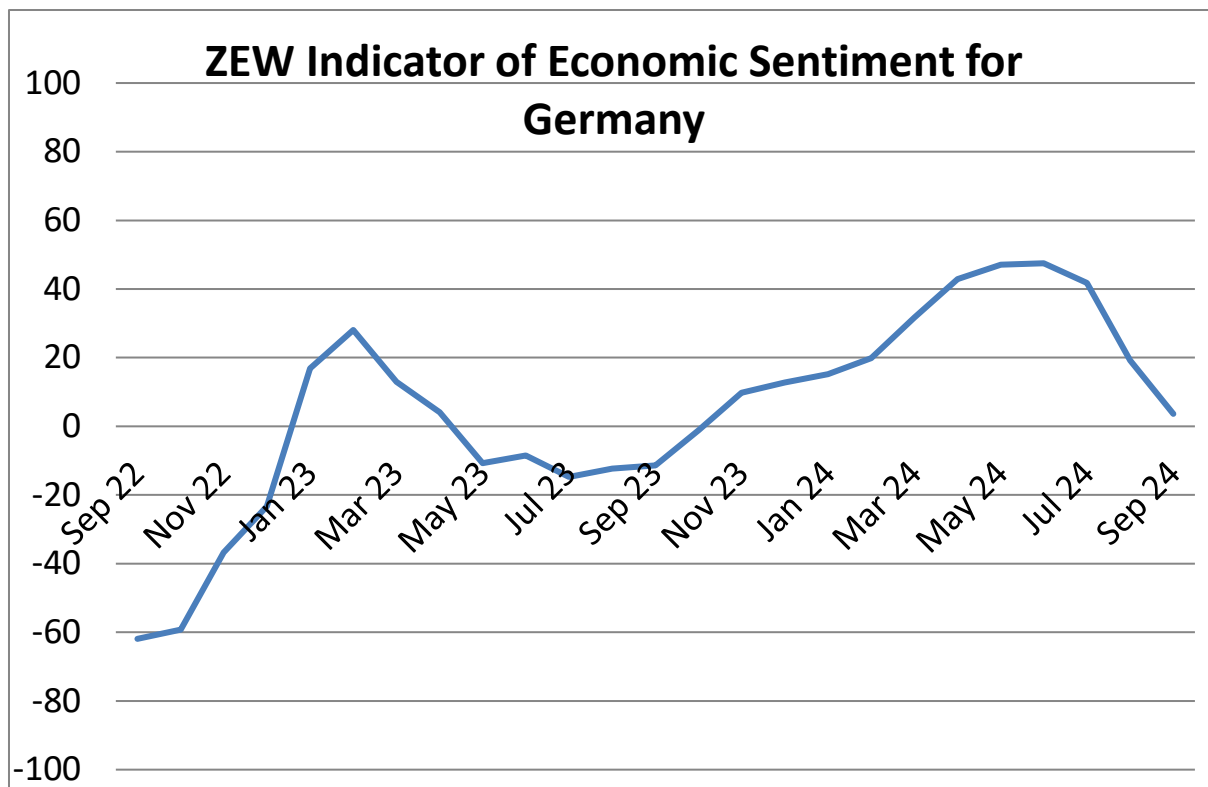
“The hope for a swift improvement in the economic situation is visibly fading. In the latest survey, we once again observe a noticeable decline in economic expectations for Germany. The number of optimists and pessimists is now evenly balanced. Although the falling economic expectations for the eurozone point to an overall rise in pessimism, the drop in expectations for Germany is significantly greater. Most respondents appear to have already factored the ECB’s interest rate decision into their expectations,” comments ZEW President Professor Achim Wambach on the survey results.

The financial market experts’ sentiment concerning the economic development of the eurozone experienced a decrease in September. At 9.3 points, the indicator lost 8.6 points compared to August. The situation indicator for the eurozone also worsened, falling 8.0 points to a new reading of minus 40.4 points.

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Source: ZEW – Leibniz Centre for European Economic Research

162 analysts participated in the July 2024 ZEW Financial Market Survey, which was conducted in the period 9–16 September 2024. 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.