

# Press Release

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## **ZEW Indicator of Economic Sentiment Germany**

+10.3 points (-5.4 vs. previous month)

## **ZEW Indicator of Economic Sentiment Eurozone**

+18.0 points (+1.0 vs. previous month)

## **Economic Situation Germany**

-90.4 points (+2.7 vs. previous month)

## **Economic Situation Eurozone**

-53.8 points (+1.2 vs. previous month)

4/2025

21 January 2025

## **ZEW INDICATOR OF ECONOMIC SENTIMENT**

### **Second Year of Recession Causes**

### **Expectations to Fall**

The ZEW Indicator of Economic Sentiment for Germany deteriorated in the January 2025 survey. At 10.3 points, it is currently 5.4 points below the previous month's value. However, the assessment of the current economic situation in Germany has changed only slightly. The corresponding indicator increased by 2.7 points and is now at minus 90.4 points.

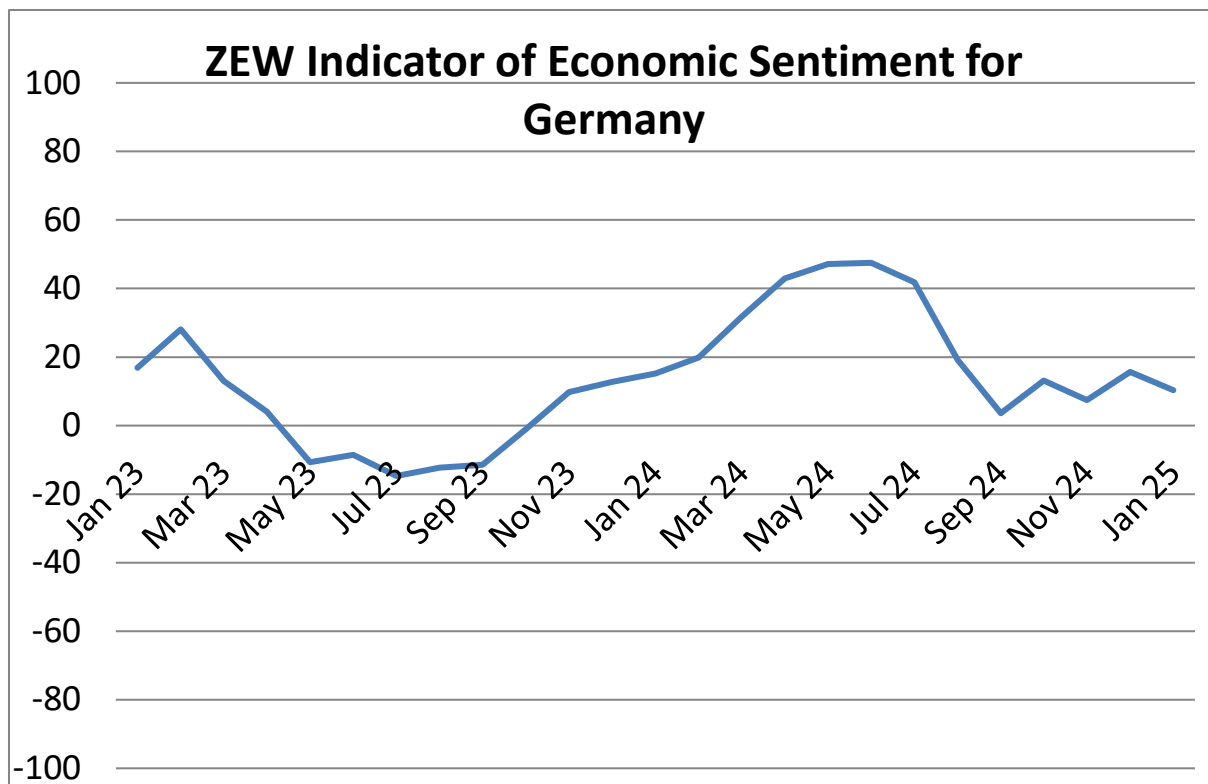
“The second consecutive year of recession caused economic expectations in Germany to fall. The year started with a noticeable decline in the corresponding indicator. This could be, among others, due to the recently released negative GDP growth figures and increasing inflationary pressure. A lack of private household spending and subdued demand in the construction sector continue to stall the German economy. If these trends continue in the current year, Germany will fall further behind the other countries of the Eurozone. There is also greater political uncertainty, driven by a potentially difficult coalition-building process in Germany and the unpredictability of the economic policy pursued by the new Trump administration,” comments ZEW President Achim Wambach, PhD on the recent results.

The financial market experts’ sentiment concerning the economic development in the Eurozone is currently more positive than in December, with a 1.0 point rise of the indicator to 18.0 points. The assessment of the current economic situation also remained stable: The situation indicator is minus 53.8 points and thus 1.2 points above the December reading.

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Source: ZEW – Leibniz Centre for European Economic Research

156 analysts and institutional investors participated in the January 2025 ZEW Financial Market Survey, which was conducted in the period 13–20 January 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.