Press Release

ZEW
Zentrum für Europäische
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Centre for European
Economic Research

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ZEW Indicator of Economic Sentiment for Germany

+ 17.4 points (-1.3 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+ 29.0 points (-1.9 vs. previous month)

Assessment of the Current Situation in Germany

+ 89.3 points (+0.5 vs. previous month)

Assessment of the Current Situation in the Eurozone

+ 50.7 points (+2.9 vs. previous month)

91/2017   12 December 2017

ZEW Indicator of Economic Sentiment

Expectations Decrease Slightly – Outlook Remains Positive

The ZEW Indicator of Economic Sentiment for **Germany** records a decrease of 1.3 points in December 2017 and now stands at 17.4 points. The indicator thus still remains below the long-term average of 23.7 points. The assessment of the current economic situation in Germany increased by 0.5 points, with the corresponding indicator currently standing at 89.3 points.

"Overall, the outlook for the German economy in the coming six months remains positive. The current state of uncertainty surrounding the government formation in Germany has not had any significant impact on the assessment of the economic outlook. Financial market experts, however, expect to see negative effects resulting from this with regard to the Brexit negotiations as well as EU reforms," comments ZEW President Professor Achim Wambach.

The results of this month's special question, which was concerned with the effects the current difficulty of forming a government in Germany may have, can be found in more detail in the ZEW Financial Market Report, which will be available on Friday (15 December 2017).

The financial market experts' sentiment concerning the economic development of the **Eurozone** decreased by 1.9 points, with the corresponding indicator currently standing at 29.0 points. The indicator for the current economic situation in the Eurozone continued to improve in December, climbing by 2.9 points to a level of 50.7 points compared to the previous month. The economic expectations for the Eurozone thus continue to be positive.

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ZEW Indicator of Economic Sentiment (Germany)
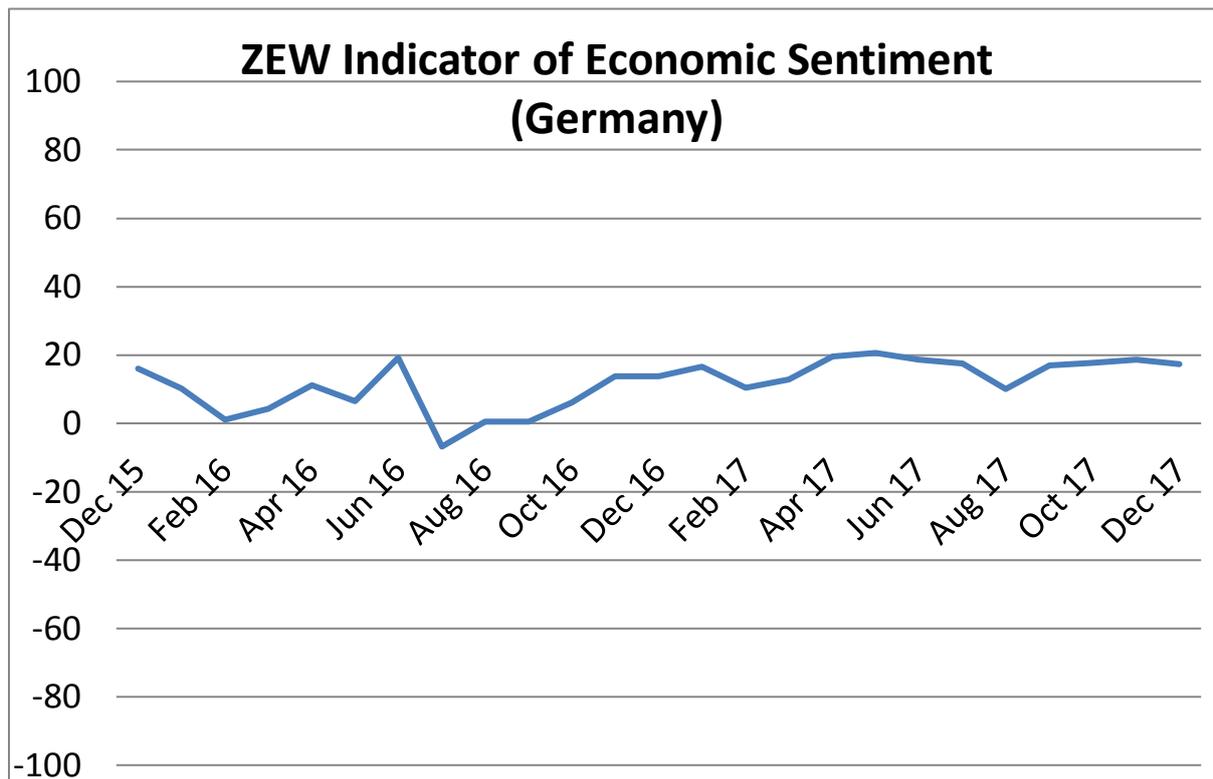
Source: Centre for European Economic Research (ZEW)

207 analysts participated in the December 2017 ZEW Financial Market Survey, which was conducted in the period 27/11/2017–11/12/2017. The analysts were surveyed in regard to 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.

The Centre for European Economic Research (ZEW), Mannheim

ZEW works in the field of cutting-edge empirical research in economics. The institute especially distinguished itself by working on internationally comparative studies in the context of Europe and by creating important scientific data bases, e.g. the Mannheim Innovation Panel (MIP) and the ZEW Start-up Panel. ZEW's key objectives are to conduct excellent economic research, provide science-based economic policy advice and transfer knowledge. ZEW was founded in 1991. ZEW currently has a staff of approximately 190 employees, two thirds of whom are researchers.

Research at ZEW:

Labour Markets, Human Resources and Social Policy; Digital Economy; Economics of Innovation and Industrial Dynamics; International Finance and Financial Management; Environmental and Resource Economics, Environmental Management; Corporate Taxation and Public Finance; International Distribution and Redistribution; Market Design; Competition and Regulation.

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