

Press Release

ZEW

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Centre for European
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ZEW Indicator of Economic Sentiment for Germany

-17.5 points (+6.6 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

-21.0 points (+1.0 vs. previous month)

Assessment of the Current Situation in Germany

+45.3 points (-12.9 vs. previous month)

Assessment of the Current Situation in the Eurozone

+12.1 points (-6.1 vs. previous month)

89/2018

11 December 2018

ZEW Indicator of Economic Sentiment

Economic Expectations Are Increasing

The ZEW Indicator of Economic Sentiment for **Germany** recorded an increase of 6.6 points in December 2018 and now stands at minus 17.5 points. Despite this increase, the indicator is still clearly in negative territory and remains well below the long-term average of 22.5 points.

The assessment of the current economic situation in Germany once again decreased considerably in December,

with the corresponding indicator falling by 12.9 points to a level of 45.3 points.

“Although the rise in economic expectations is a welcome one, it should not be over-interpreted. The assessment of the economic situation has worsened dramatically for both Germany and the Eurozone. This is indicative of relatively weak economic growth in the fourth quarter. In addition, uncertainties also remain in terms of the looming international trade dispute and Brexit, which have a particularly negative impact on private investment and Germany’s exports,” comments ZEW President Professor Achim Wambach.

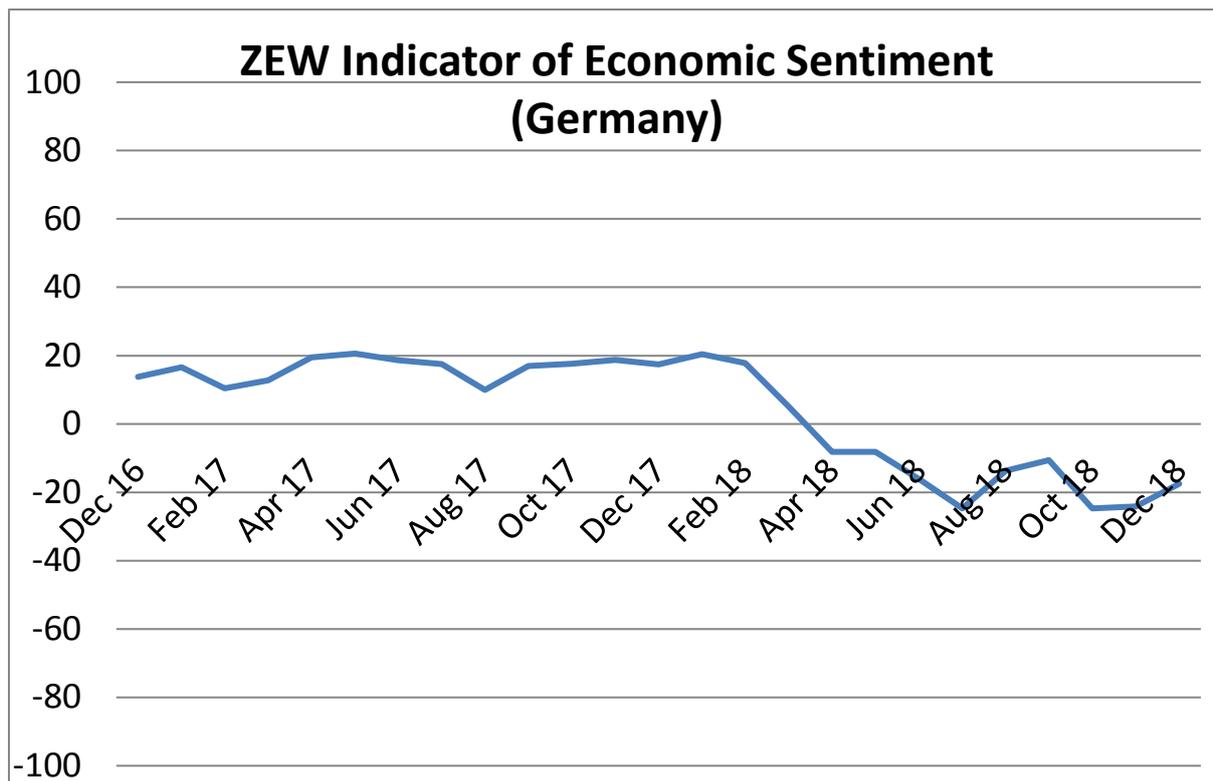
The financial market experts’ sentiment concerning the economic development of the **Eurozone** rose by 1.0 points, leaving the corresponding indicator at a level of minus 21.0 points. By contrast, the assessment of the current economic situation in the Eurozone saw a further decrease in December, with the corresponding indicator falling by 6.1 points compared to the previous month, to a level of 12.1 points. The assessment of the inflation development in the Eurozone also recorded a strong decrease. The corresponding indicator dropped by 19.5 points to a level of 6.0 points.

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Source: Centre for European Economic Research (ZEW)

A total of 201 analysts participated in the December 2018 ZEW Financial Market Survey, which was conducted in the period 26 November–10 December 2018. 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.

The Centre for European Economic Research (ZEW), Mannheim

ZEW is one of Germany's leading economic research institutes and enjoys a strong reputation throughout Europe. 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 and employs a staff of approximately 180, two thirds of whom are researchers.

Research at ZEW

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

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