

Press Release

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ZEW Indicator of Economic Sentiment for Germany

4.1 points (-8.9 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

6.4 points (-3.6 vs. previous month)

Assessment of the Current Situation in Germany

-32.5 points (+14.0 vs. previous month)

Assessment of the Current Situation in the Eurozone

-30.2 points (+14.4 vs. previous month)

22/2023

18 April 2023

ZEW Indicator of Economic Sentiment

Expectations Drop Significantly Again

The ZEW Indicator of Economic Sentiment for Germany recorded another sharp decline in the current April 2023 survey.

At 4.1 points, it is 8.9 points below the previous month's value. This means that no significant improvement in the economic situation is to be expected in the next six months.

In contrast, the assessment of the economic situation in Germany has improved considerably. The corresponding indicator has climbed 14.0 points to a new value of minus 32.5 points. Despite the improvement, the economic situation is still considered relatively negative.

“The financial market experts are still uncertain. The ZEW Indicator of Economic Sentiment has dropped noticeably and currently points to an unchanged economic situation for the next six months. Economic expectations are negatively affected by several factors. Experts expect banks to be more cautious in granting loans. The still high inflation rates and the internationally restrictive monetary policy are also weighing on the economy. On the positive side, the danger of an acute international financial market crisis seems to have been averted: Earnings expectations for banks and insurance companies have improved compared to the previous month and are once again clearly in positive territory,” comments ZEW President Professor Achim Wambach on the survey results.

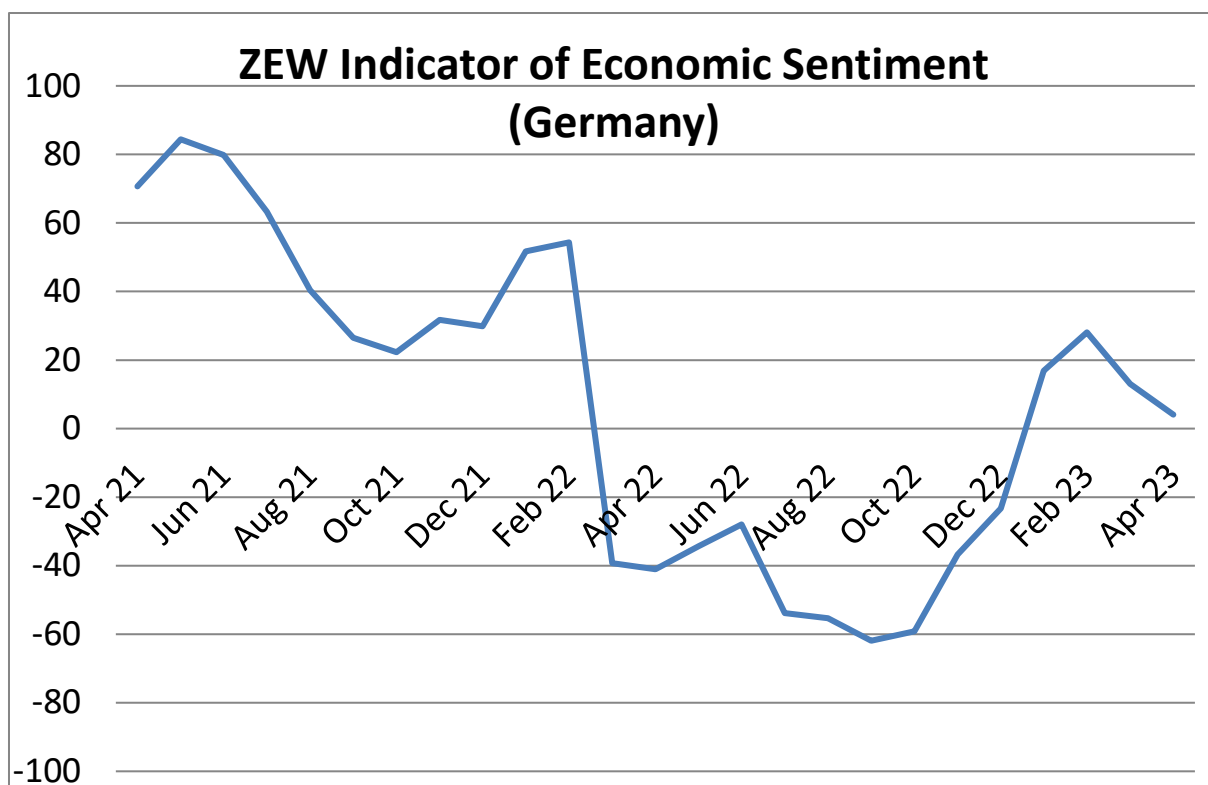
The financial market experts’ sentiment concerning the economic development of the eurozone also continued to worsen in April and currently stands at 6.4 points, 3.6 points below the previous month’s value. The situation indicator for the eurozone improved significantly, rising 14.4 points to a new reading of minus 30.2 points.

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Source: ZEW – Leibniz Centre for European Economic Research

172 analysts participated in the April 2023 ZEW Financial Market Survey, which was conducted in the period 6–17 April 2023. 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 in 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.