

# Press Release

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

-0.5 points (-58.8 vs. previous month)

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

-8.5 points (-47.9 vs. previous month)

## **Economic Situation Germany**

-62.9 points (+3.0 vs. previous month)

## **Economic Situation Eurozone**

-29.9 points (-16.3 vs. previous month)

34/2026

17 March 2026

## **ZEW Indicator of Economic Sentiment**

### **Expectations collapse as war in the Middle East unfolds**

After a strong increase in the beginning of the year, expectations about Germany's economic situation drop in March. At minus 0.5 points, they are below the previous month's reading by minus 58.8 points. In contrast, the assessment of the current economic situation has slightly improved. The situation indicator for Germany is at minus 62.9 points, exceeding the value recorded in the previous month by plus 3.0 points.

“The ZEW Indicator has collapsed. The escalation in the Middle East spikes energy prices and increases inflationary

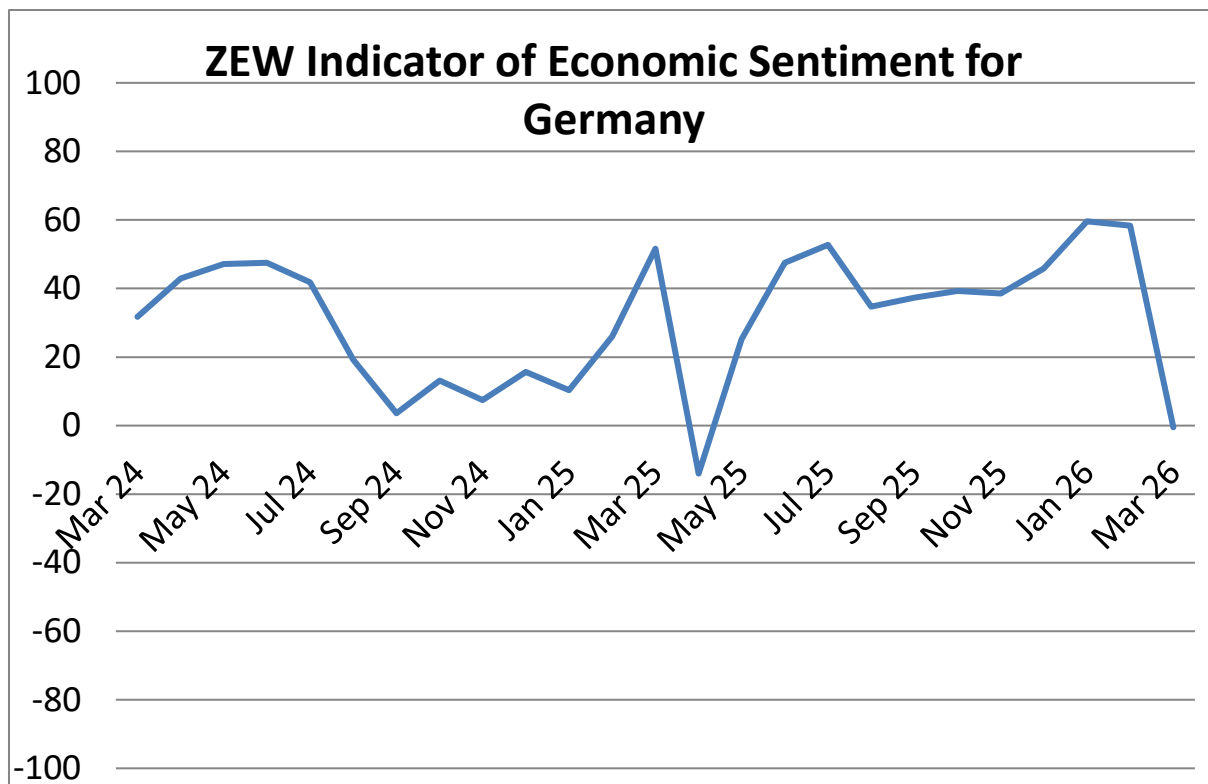
pressure. This heightens the risk for the German economy that the emerging trend of economic recovery will slow down. How strong these effects will turn out depends on the intensity and the duration of the conflict. The financial market experts are sceptical that a quick resolution of the conflict will take place,” comments ZEW President Professor Achim Wambach, PhD on the current survey results.

There are scarcely any sectors for which the situation improves in March. The negative developments affect particularly the energy-intensive industries: the chemical and pharmaceutical industries (minus 43.6 points compared to the previous month), the automotive industry (minus 34.3 points compared to the previous month), and the mechanical engineering (minus 35.5 points compared to the previous month). The steel and metal production sector and the construction industry also report strong declines. In the latter case, this could also be related to the expectations of interest rate increases. Approximately 80 per cent of the respondents expect inflationary pressures to build up both in Germany and in the eurozone.

The expectations for the eurozone decline strongly in March, plummeting into negative territory and reading at minus 8.5 points. Compared to February, the indicator is lower by minus 47.9 points. The assessment of the economic situation deteriorates and is at minus 29.9 points, which is 16.3 points below the previous month’s reading.

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Source: ZEW – Leibniz Centre for European Economic Research

178 analysts and institutional investors participated in the February 2026 ZEW Financial Market Survey, which was conducted in the period 9–16 March 2026. 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.