

Press Release

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ZEW Indicator of Economic Sentiment Germany

-14.0 points (-65.6 vs. previous month)

ZEW Indicator of Economic Sentiment Eurozone

-18.5 points (-58.3 vs. previous month)

Economic Situation Germany

-81.2 points (+6.4 vs. previous month)

Economic Situation Eurozone

-50.9 points (-5.7 vs. previous month)

32/2025

15 April 2025

ZEW INDICATOR OF ECONOMIC SENTIMENT**“Liberation Day” Causes ZEW Indicator to Plunge**

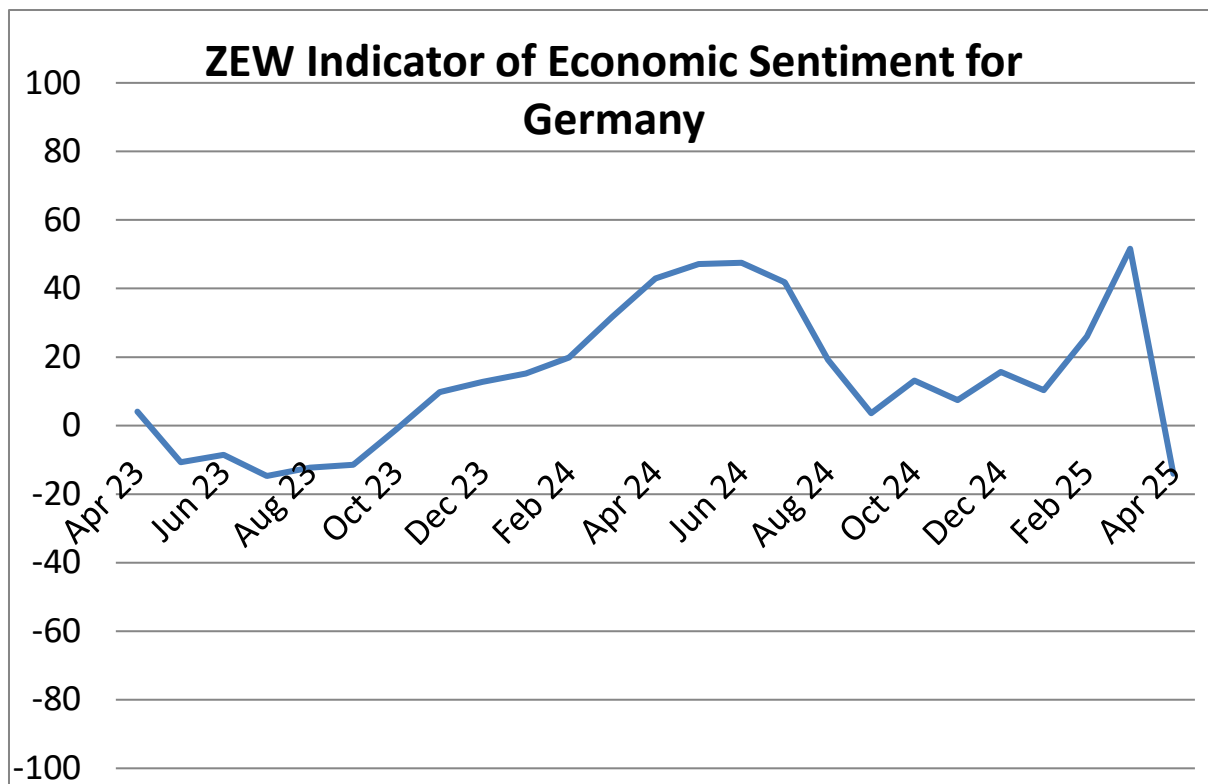
The ZEW Indicator of Economic Sentiment for Germany fell markedly in the April 2025 survey. At minus 14.0 points, it is minus 65.6 points below the previous month's reading and thus again in the negative range. This is the strongest decline in expectations since Russia invaded Ukraine in 2022. By contrast, assessments of the current economic situation have slightly improved. The corresponding indicator for Germany has increased by 6.4 points and is now at minus 81.2 points, and thus is still clearly below zero.

“The erratic changes in the US trade policy are weighing heavily on expectations in Germany, which have sharply declined. It is not only the consequences the announced reciprocal tariffs may have on global trade, but also the dynamics of their changes, that have massively increased global uncertainty. The economic expectations for Germany and the Eurozone reflect this development,” comments ZEW President Achim Wambach, PhD on the recent results. In particular, export-intensive sectors, such as the automobile and chemical industries as well as the metal, steel and mechanical engineering sectors, which recently enjoyed improved prospects, are affected. A risk of a new spike in inflation in Germany and the Eurozone is currently not perceived by financial market experts. According to their assessments, this gives the ECB leeway to boost the economy by further interest rate cuts. Opinions are divided, however, as to whether the Fed would adopt an easing of monetary policy.

The financial market experts’ sentiment concerning the economic development in the Eurozone has also plummeted: The indicator fell by minus 58.3 points and is currently at minus 18.5 points. The assessment of the current economic situation of euro area has deteriorated as well, albeit less strongly. At minus 50.9 points, it is minus 5.7 points below the March reading.

For further information, please contact:

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Source: ZEW – Leibniz Centre for European Economic Research

168 analysts and institutional investors participated in the February 2025 ZEW Financial Market Survey, which was conducted in the period 7–14 April 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.