

Press Release

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ZEW Indicator of Economic Sentiment for Germany

63.3 points (-16.5 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

61.2 points (-20.1 vs. previous month)

Assessment of the Current Situation in Germany

21.9 points (+31.0 vs. previous month)

Assessment of the Current Situation in the Eurozone

6.0 points (+30.4 vs. previous month)

50/2021

6 July 2021

ZEW Indicator of Economic Sentiment

Economic Upswing Continues – Situation Assessment in Positive Territory for the First Time in Two Years

The ZEW Indicator of Economic Sentiment for **Germany** decreased in the current July 2021 survey, falling 16.5 points to a new reading of 63.3 points. However, expectations for the next six months still remain at a very high level.

The assessment of the economic situation in Germany once again improved strongly and stands at 21.9 points in July, 31.0 points higher than in the previous month. The economic

situation in Germany is now rated similarly to how it was at the beginning of 2019, with the corresponding indicator now being back in positive territory for the first time in two years. “The economic development continues to normalise. In the meantime, the situation indicator for Germany has clearly overcome the coronavirus-related decline. Although the ZEW Indicator of Economic Sentiment has once again fallen significantly, it is still at a very high level. The financial market experts therefore expect the overall economic situation to be extraordinarily positive in the coming six months,” comments ZEW President Professor Achim Wambach on current expectations.

The financial market experts’ sentiment concerning the economic development of the **eurozone** also recorded a decrease in the July survey, falling to a new reading of 61.2 points. This corresponds to a drop of 20.1 points compared to the previous month.

The situation indicator reached a new level of 6.0 points, climbing 30.4 points compared to June 2021.

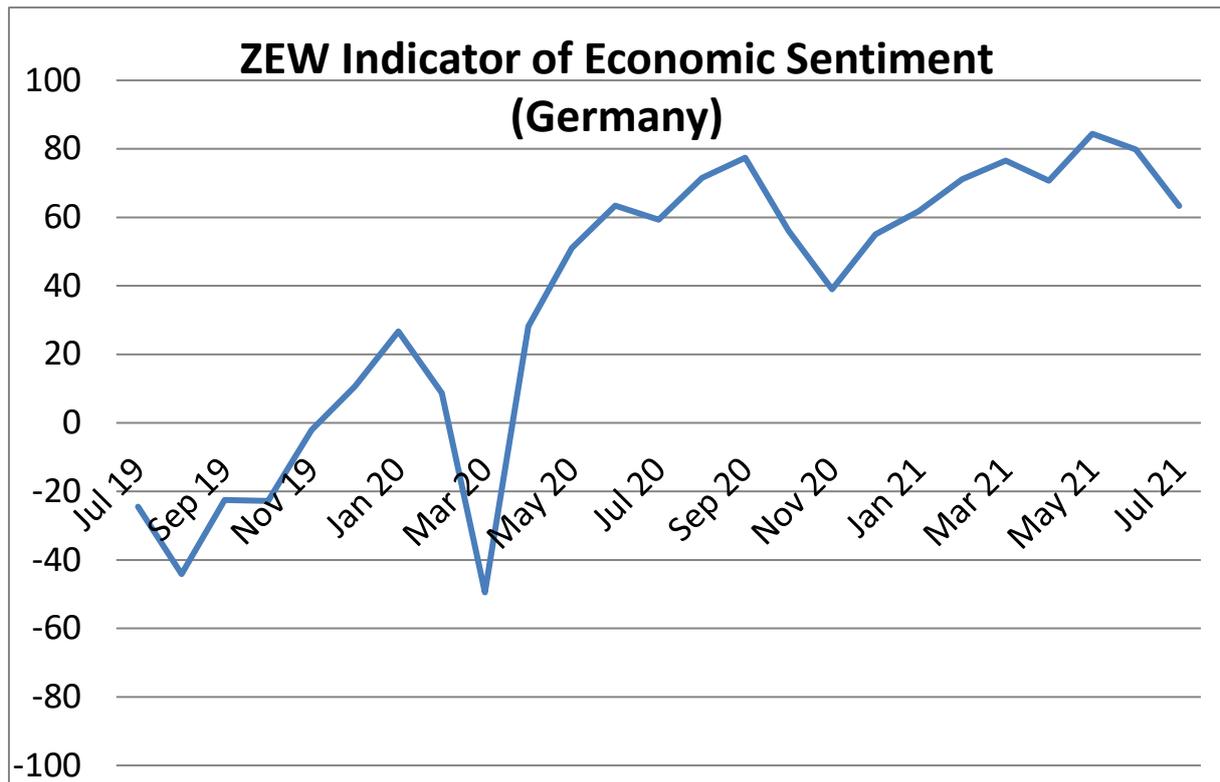
Inflation expectations for the eurozone dropped by 10.0 points. However, more than 75 per cent of the experts still expect inflation in the euro area to rise further in the next six months.

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Source: ZEW – Leibniz Centre for European Economic Research

180 analysts and institutional investors participated in the ZEW Financial Market Survey from ZEW – Leibniz Centre for European Economic Research from 28 June to 5 July 2021. 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 has a staff of approximately 200 employees, 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; Market Design; Social Policy and Redistribution; Environmental and Resource Economics, Environmental Management; Corporate Taxation and Public Finance; Health Care Markets and Health Policy.