Press Release

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ZEW Indicator of Economic Sentiment Germany

26.3 points (+15.8 vs. previous month)

ZEW Indicator of Economic Sentiment Eurozone

23.4 points (+13.9 vs. previous month)

Economic Situation Germany

-77.6 points (+3.4 vs. previous month)

Economic Situation Eurozone

-37.7 points (+5.7 vs. previous month)

79/2026 21 July 2026

ZEW Indicator of Economic Sentiment

Strong Rise in Expectations

Economic expectations show good growth in July with the ZEW indicator strongly rising by 15.8 points to plus 26.3 points. Assessment of the current economic situation also improves, albeit to a lesser degree. The situation indicator for Germany is at minus 77.6 points, which is plus 3.4 points above the previous month's reading.

"The economic outlook continues to improve in July; it seems that the reforms are having an effect. Especially the export-oriented sectors as well as domestic demand experience sustained growth. Nevertheless, the uncertainty associated with the developments in the Iran conflict and the oil price remain a crucial factor affecting the prospects for a recovery of the German economy," comments ZEW President Achim Wambach, PhD on the current survey results.

Most industries improve their balances in July. Particularly in the mechanical engineering industry and the domestic demand, prospects are brighter with plus 14.5 points and plus 14.7 points respectively. The chemical and pharmaceutical industries as well as the metal industry record consistent growth in July, although they clearly remain in negative territory. In contrast to the development observed in June, the balance of the construction industry is up by 12.7 points, approaching the zero line. The automotive sector shows a different picture, however: It declines to minus 46.6 points (minus 11.3 points compared to the previous month).

Expectations for the eurozone increase in July with the indicator exceeding the June reading by 13.9 points and attaining 23.4 points. The assessment of the economic situation continues to be negative but improves by 5.7 points to settle at minus 37.7 points.

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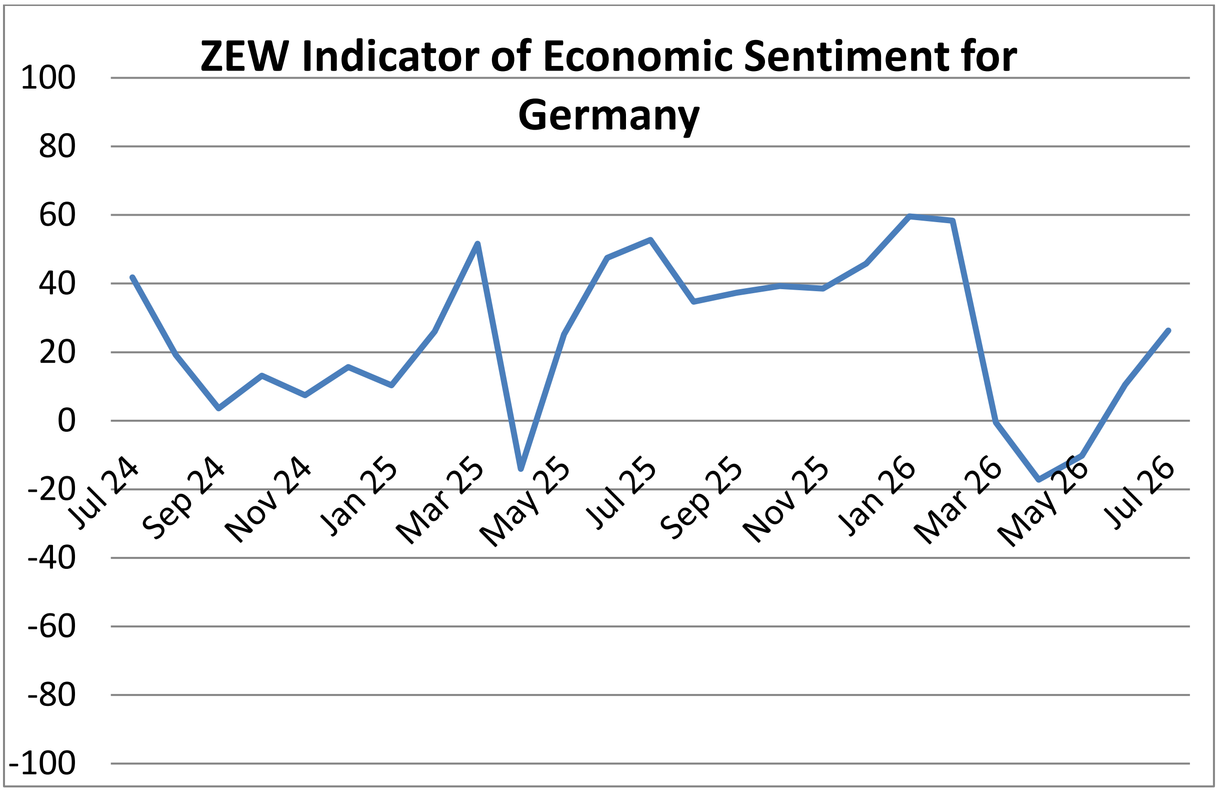

Source: ZEW – Leibniz Centre for European Economic Research

185 analysts and institutional investors participated in the July 2026 ZEW Financial Market Survey, which was conducted in the period 13–21 July 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.