

Konjunktur

Economic Outlook – Leading Indicators at a Glance 01/2025

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Germany

1 Germany

Leading indicators are remaining weak

The leading indicators for the German economy continue to show no recovery. The ifo business climate continued to decline, which was due to further deterioration in expectations. The sentix economic index also fell slightly due to poorer expectations. The Economic Sentiment indicator also deteriorated. The same applies to the ZEW Economic Expectations Index. In contrast, the purchasing managers' indices improved somewhat. The industrial index recovered by 1.6 points to 44.1 points, but remains well below the growth threshold of 50 points. The services index rose from 51.2 to 52.5 points. According to toll statistics, truck mileage also recorded a slight increase.

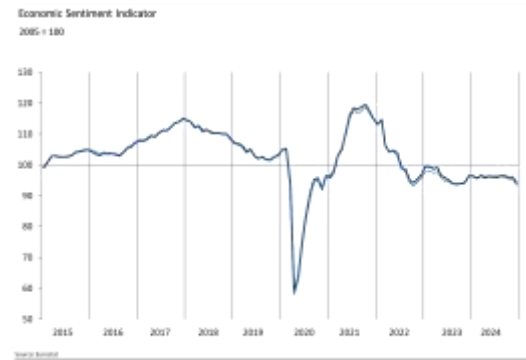




2 Eurozone

No consistent development of leading indicators

The leading indicators for the Eurozone are developing differently. The purchasing managers' index for industry rose by 1.0 points to 46.1 points, but remains well below the growth threshold of 50 points. The services index is above this, but fell slightly by 0.2 points to 51.6 points. Economic sentiment has recently declined noticeably. The sentix economic index fell slightly, which was due to a poorer assessment of the current situation. Expectations, on the other hand, rose slightly. The ZEW Economic Expectations Index also improved slightly. The OECD leading indicator continued its recovery as well.

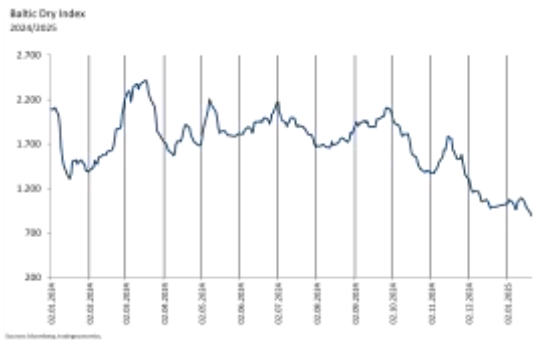
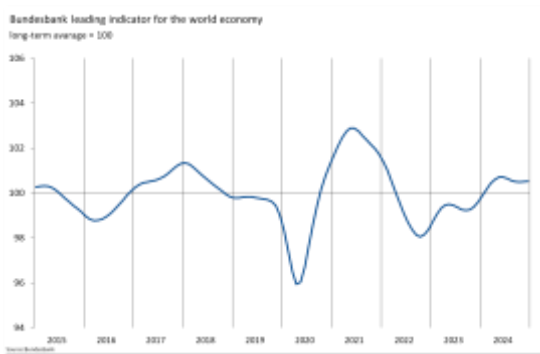




3 Global Economy

Slight improvement in global leading indicators

Most leading indicators for the global economy are continuing their recovery. Both the Bundesbank's leading indicator for the world economy and the OECD leading indicator improved. The purchasing managers' index for global industry also continued to rise, but at 49.4 points it still remains just below the growth threshold of 50 points. The sentix economic index, on the other hand, fell minimally, but both the assessment of the current situation and expectations are in positive territory. Of the freight indices, the Baltic Dry Index continued to decline, while the RWI Container Throughput Index recovered somewhat.



Appendix: Descriptions of Leading Indicators

- The Ifo Business Climate Index is a widely observed leading indicator for economic development in Germany. It is based on ca. 7,000 monthly survey responses of firms in manufacturing, construction, wholesaling and retailing.
- The Purchasing Managers' Index (PMI) for the German Industry (Einkaufsmanager-index) is based on estimations by purchasing managers of industrial companies. The PMI for the Industry in the world economy is calculated by us. It conveys the average of the PMIs of the Eurozone, the USA, the UK, Japan, China and Brazil, weighted according to their share of world GDP.
- The European Economic Sentiment Indicator is based on a survey of businesses from industry, trade, construction as well as service providers and consumers.
- The ZEW Indicator of Economic Sentiment (ZEW-Konjunkturindikator) is based on a survey of over 300 financial experts.
- The toll statistics account for the mileage of trucks that are liable to tolls on German autobahns measured in kms. The change of the amount compared with the same month of the previous year (adjusted for the calendar effect) serves as an indicator.
- The Sentix Economic Index (sentix-Konjunkturindex) is based on a survey of 2,500 private and institutional financial market participants.
- The OECD business climate index (OECD-Geschäftsklimaindex) is the weighted average of business climate indexes from 33 countries and is based on company surveys (OECD-members such as Brazil, China, India, Indonesia, Russia and South Africa). It is also published separately for the Eurozone.
- The German Federal Bank's leading indicator (Bundesbank Frühindikator) for the world economy is made up of several global indicators (Purchasing Managers' Index for industry, Purchasing Managers' Index for services, consumer climate for the current economic situation, consumer climate for business expectations, S&P Global 1200 stock index).
- The Baltic Dry Index is an important price index for tracking international shipping costs for dry bulk commodities.
- The Container Throughput Index is a joint project of the Rheinisch-Westfälisches Wirtschaftsforschungsinstitut (RWI) and the Institute of Shipping Economics and Logistics (ISL). It is based on market observations in 72 international ports that together make up about 60 percent of the worldwide container handling of manufactured goods.



Contact / Imprint

Volker Leinweber

Managing Director
Head of the Economics and Foreign Trade Department

Phone +49 (0) 89-551 78-133
volker.leinweber@vbw-bayern.de

Elias Kerperin

Economic Policies
Economics and Foreign Trade Department

Phone +49 (0) 89-551 78-422
elias.kerperin@vbw-bayern.de

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Max-Joseph-Strasse 5
80333 Munich

www.baymevbm.de www.vbw-bayern.de

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