

## Not even Euro 2024 can improve German consumer confidence

German consumers are keeping their wallets closed. After four positive months, consumer confidence has weakened, emphasising the ongoing struggle of the entire economy to gain more positive momentum



After four months of some tentative improvement, German consumer confidence for July disappointed, falling to -21.8, from -21.0 in June. In June, the willingness to spend dropped, while the willingness to save increased. New economic uncertainty seems to be weighing once again on German consumer confidence.

### Optimism has given way to realism

In the run-up to the European Football Championships, there was hope that such an event could finally open German consumers' wallets. Today's data, however, shows that not even the football can overcome Germans' caution. Despite surging real wages and probably the strongest wage growth in a decade this year, policy uncertainty and sluggish economic growth are still denting consumers' willingness to spend. If there is any positive impact from the Euro 2024 at all, it will have to come from foreign football supporters rather than German consumers.

At the same time, however, the football championship does not leave the German economy entirely unaffected. Reportedly, official shirts of the German national football team are sold out and the well-known German producer of sports goods has already announced plans to step up production. At the same time, a commercial promotion by a large price comparison site has given away more than three times as many shirts for free. Well, almost for free. To get the shirt, Germans had to enter their personal data. Judging by this example, it would seem that people are willing to pay, just not with money.

The latest batch of confidence indicators underlines the German economy's struggle to gain more positive momentum. The return of optimism at the start of the year has given way to more realism. German football supporters will be hoping the same does not apply to the performance of their national team.

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