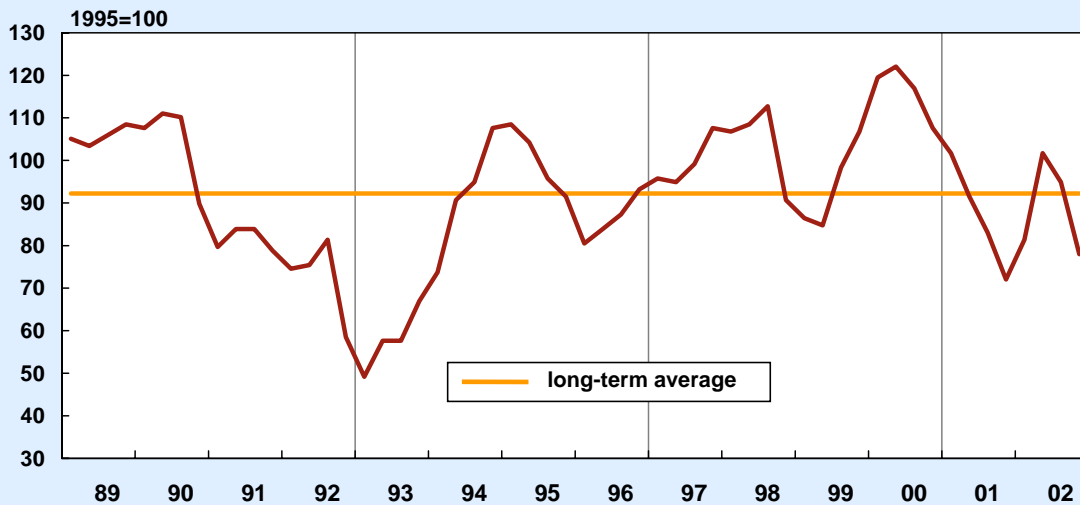


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Ifo Economic Climate* for the Euro Area



* Arithmetic mean of judgment about present and expected economic situation.

Source: Ifo World Economic Survey (WES) QIV/2002.

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Quarter/year	IV/00	I/01	II/01	III/01	IV/01	I/02	II/02	III/02	IV/02
Climate	107.6	101.7	91.5	83.1	72.0	81.4	101.7	94.9	78.0
Situation	147.7	134.6	117.8	91.6	74.8	63.6	82.2	82.2	65.4
Expectations	74.4	74.4	69.8	76.0	69.8	96.1	117.8	105.4	88.4

The Ifo World Economic Survey (WES) investigates world wide economic trends by polling transnational as well as national organisations in different countries. This allows for a rapid up-to-date assessment of the economic situation prevailing around the world. The full set of results will be published on 3 December.

The October euro area results, which are here published in advance, are based on the answers of 272 economic experts. WES is conducted in co-operation with the International Chamber of Commerce in Paris and receives financial support from the European Commission.

Ifo's Economic Climate Indicator in the euro area deteriorates

Advanced results of the Ifo World Economic Survey (WES)

The Ifo indicator for the economic climate in the euro area lost considerable ground in October 2002 vis-à-vis the July survey. The distance to the economic trough of autumn last year after the terror assaults in the USA has clearly shrunk, and the indicator is considerably below the long-term average. However, the indicator is still far removed from the recession level of the early 1990s. The decline of the Ifo euro area indicator is equally attributable to a more unfavourable appraisal of the current economic situation and to less favourable expectations for the economy in six months. The greatly weakened expectations, even though still slightly positive, give little indication of an economic recovery in the coming months.

Hans-Werner Sinn, President of the Ifo Institute for Economic Research

The Ifo euro area indicator is based on an advanced evaluation of the Ifo Institute's World Economic Survey (WES). The complete evaluation of the most recent Ifo World Economic Survey with the results for the Triad, the United States, Western Europe and Asia, will be published on 3 December 2002.