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Ifo Economic Climate* for the Euro Area



* Arithmetic mean of judgement about present and expected economic situation.
Source: Ifo World Economic Survey (WES) QIV/2003.

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Quarter/year	IV/01	I/02	II/02	III/02	IV/02	I/03	II/03	III/03	IV/03
Climate	72.0	81.4	97.5	89.8	72.9	73.7	74.6	78.0	85.6
Situation	74.8	63.6	72.9	71.0	54.2	52.3	50.5	48.6	48.6
Expectations	69.8	96.1	117.8	105.4	88.4	91.5	94.6	102.3	116.3

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 26 November 2003.

The October euro area results, which are published here in advance, are based on the responses of 267 economic experts. WES is conducted in co-operation with the International Chamber of Commerce (ICC) in Paris and receives financial support from the European Commission.

Expectations Clearly Improved in the Euro Area

Advanced results of the Ifo World Economic Survey (WES) of 4th quarter 2003

The Ifo indicator for the economic climate in the euro area rose in October 2003 for the fourth time in succession. The improvement is again based on more optimistic expectations for the next six months. The worsening of the current situation has been halted. That the current situation was not judged more favourably than in the last survey was due to the downward trend in France and Finland that offset the slight increase in the other countries. In Finland, however, the expectations improved so much that the climate index rose here too. The overall positive trend fuels expectations for economic recovery in the euro area next year.

The economic climate was above the euro-area average in Belgium, Austria, Finland, Greece and Spain and below average in Italy, the Netherlands and France. In Germany and Portugal, the climate index matched the euro-area average.

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