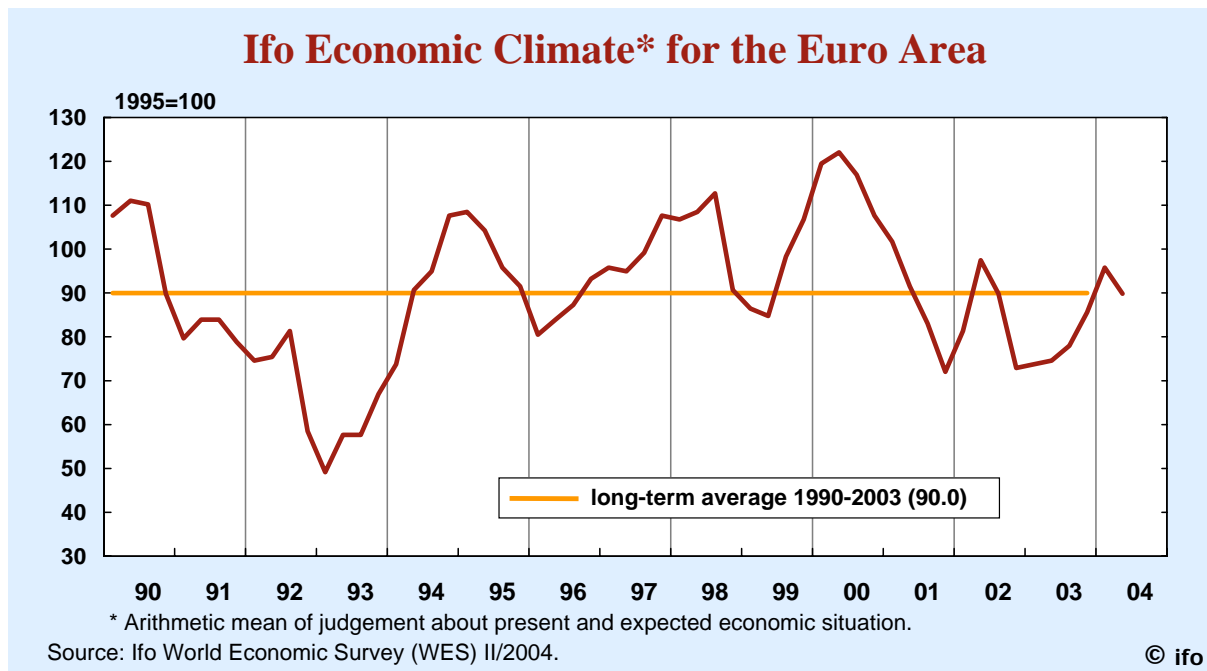


Fig. 1



Quarter/year	II/02	III/02	IV/02	I/03	II/03	III/03	IV/03	I/04	II/04
<b>Climate</b>	97.5	89.8	72.9	73.7	74.6	78.0	85.6	95.8	89.8
<b>Situation</b>	72.9	71.0	54.2	52.3	50.5	48.6	48.6	67.3	63.6
<b>Expectations</b>	117.8	105.4	88.4	91.5	94.6	102.3	116.3	119.4	111.6

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 7 June 2004.

The April euro area results, which are published here in advance, are based on the responses of 334 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.

### Euro area: Economic climate worsened slightly

*Advanced results of the Ifo World Economic Survey (WES) of 2<sup>nd</sup> quarter 2004, in co-operation with the International Chamber of Commerce (ICC), Paris*

The WES indicator for the economic climate in the euro area fell slightly in April 2004 after having risen five times in succession (Fig. 1). Both the assessments of the current economic situation as well as the expectations for the next six months worsened somewhat. Nevertheless, the surveyed experts expect the economy in the euro area to grow by 1.7% this year (after 0.4% in 2003).

Within the euro area the economic climate is still favourably assessed in Ireland and Finland. In Belgium, Austria, Spain and Greece the current economic situation is still considered favourable on the whole though less so than in the January survey. In France the appraisal of the economic situation clearly improved over January, but the negative responses still prevail. The countries where the climate index lies significantly below the euro area average are Germany, Italy and the Netherlands. The expectations for the next six months are positive in all the euro countries, however.

On the whole, the latest survey results indicate that the economic recovery in the euro area will continue over the course of the next six months. However, the pace will be slower than in the western European countries outside the euro area and clearly weaker than in most Asian countries and the United States.

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

Fig. 2

