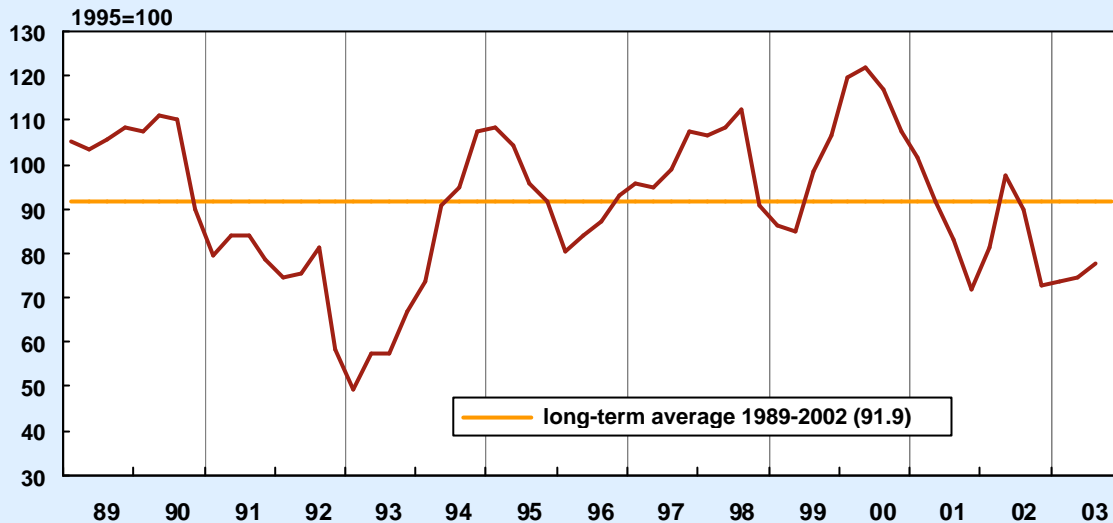


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## Ifo Economic Climate\* for the Euro Area



\* Arithmetic mean of judgement about present and expected economic situation.

Source: Ifo World Economic Survey (WES) QIII/2003.

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Quarter/year	III/01	IV/01	I/02	II/02	III/02	IV/02	I/03	II/03	III/03
<b>Climate</b>	83.1	72.0	81.4	97.5	89.8	72.9	73.7	74.6	78.0
<b>Situation</b>	91.6	74.8	63.6	72.9	71.0	54.2	52.3	50.5	48.6
<b>Expectations</b>	76.0	69.8	96.1	117.8	105.4	88.4	91.5	94.6	102.3

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 27 August 2003.

The July euro area results, which are published here in advance, are based on the responses of 264 economic experts. WES is conducted in co-operation with the International Chamber of Commerce 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 3<sup>rd</sup> quarter 2003*

The Ifo indicator for the economic climate in the euro area rose slightly in July 2003. The improvement was solely attributable to more optimistic expectations for the next six months, whereas the assessments of the present economic situation continued to deteriorate. Since the expectations tend to lead the assessments of the current situation, hopes are justified that an economic recovery will take shape in the remaining two quarters of 2003.

Within the Eurozone, more unfavourable assessments of the current economic situation were made for Portugal, Germany and the Netherlands, with relatively positive assessments for Finland, Greece, Luxembourg and Spain. The expectations for the coming six months have improved throughout the Eurozone with the exception of Ireland, where a continued weakening of still relatively high growth rates is expected.

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