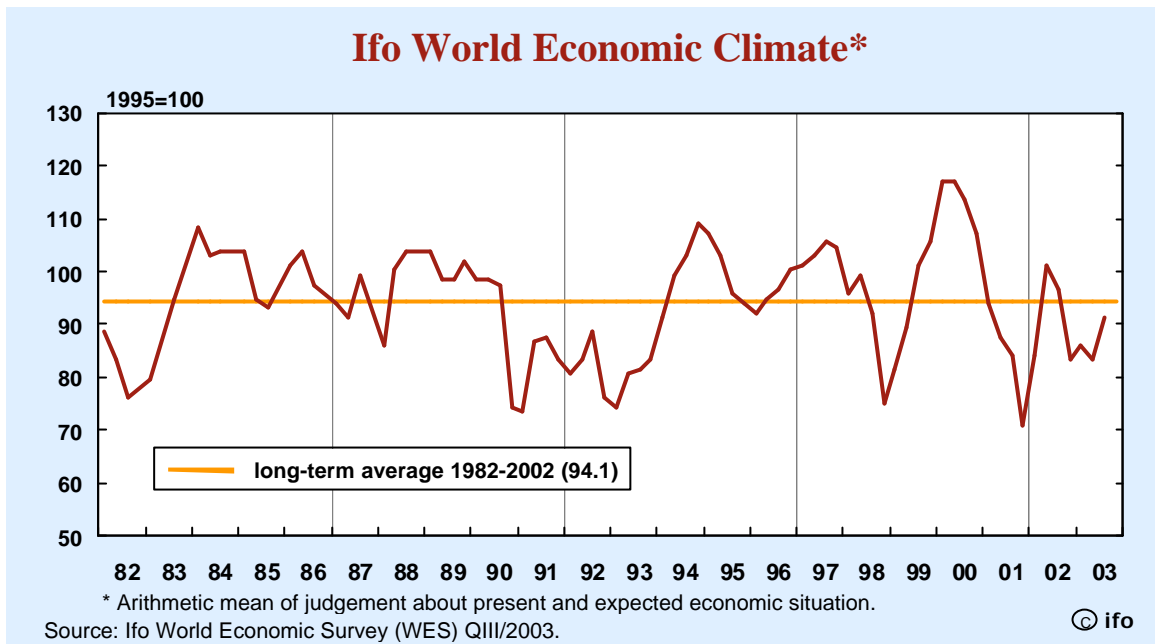


Embargo: Wednesday, 27 August, 3 p.m. GMT

Fig. 1



World Economy (Index, 1995 = 100)

| Quarter/year | III/01 | IV/01 | I/02 | II/02 | III/02 | IV/02 | I/03 | II/03 | III/03 |
|---------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|
| Climate | 84.1 | 70.7 | 84.1 | 101.1 | 96.6 | 83.2 | 85.9 | 83.2 | 91.3 |
| Situation | 76.7 | 63.9 | 63.9 | 78.5 | 78.5 | 69.4 | 69.4 | 67.6 | 67.6 |
| Expectations | 91.2 | 77.2 | 103.5 | 122.8 | 114.0 | 96.5 | 101.8 | 98.2 | 114.0 |

The Ifo World Economic Survey (WES) investigates world-wide economic trends by polling economic experts from multinational corporations and international organisations. The July 2003 survey received responses from 1,144 experts in 91 countries.

WES is a quarterly survey conducted in co-operation with the International Chamber of Commerce in Paris (ICC) and receives financial support from the European Commission.

A detailed regional analysis appears in the quarterly journal, *Ifo World Economic Survey*.

Improvement in the World Economic Climate in July

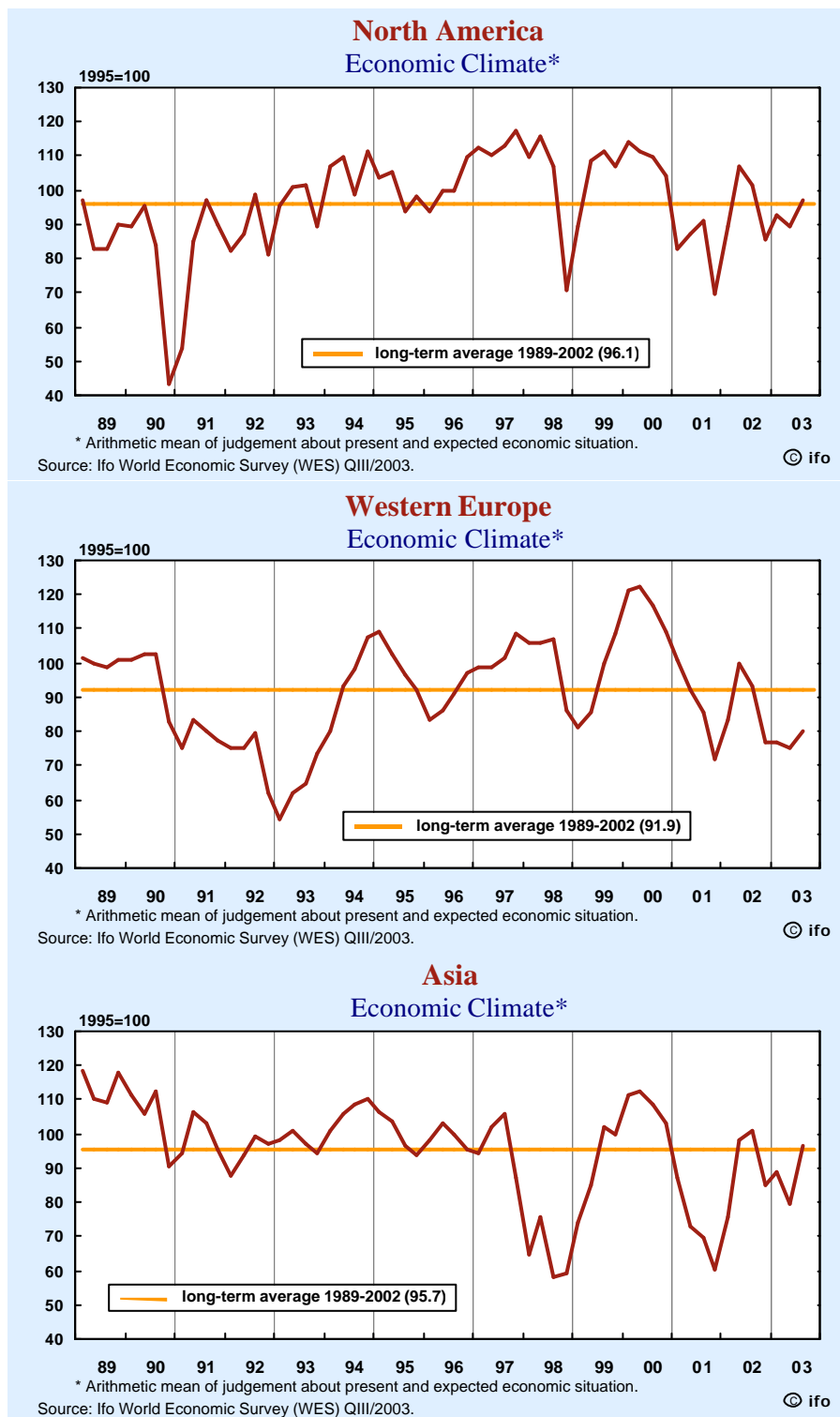
Latest Results of the Ifo World Economic Survey (WES) of 3rd quarter 2003

The WES World Economic Climate indicator improved clearly over the results of the preceding survey of April 2003 (see Fig. 1). The strengthening of the indicator was solely the result of more favourable expectations for the next six months; assessments of the current economic situation remain reserved. Since the expectations tend to lead the assessments of the present situation, there is some hope that the world economic climate will brighten in the second half of 2003.

A regional breakdown (see Figure 2) shows that the economic climate improved clearly in North America and Asia but only to a lesser extent in Western Europe. Whereas the long-term average for the economic climate was again reached in North America and Asia, in Western Europe the climate index is clearly below the long-term average.

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

Fig. 2



| Climate (1995=100) | III/01 | IV/01 | I/02 | II/02 | III/02 | IV/02 | I/03 | II/03 | III/03 |
|-----------------------|--------|-------|------|-------|--------|-------|------|-------|--------|
| North America | 90.9 | 69.8 | 89.2 | 106.8 | 101.5 | 85.7 | 92.7 | 89.2 | 97.1 |
| Western Europe | 85.3 | 71.6 | 83.6 | 99.8 | 93.0 | 76.8 | 76.8 | 75.1 | 80.2 |
| Asia | 69.4 | 60.2 | 75.9 | 98.1 | 100.9 | 85.2 | 88.9 | 79.6 | 96.3 |