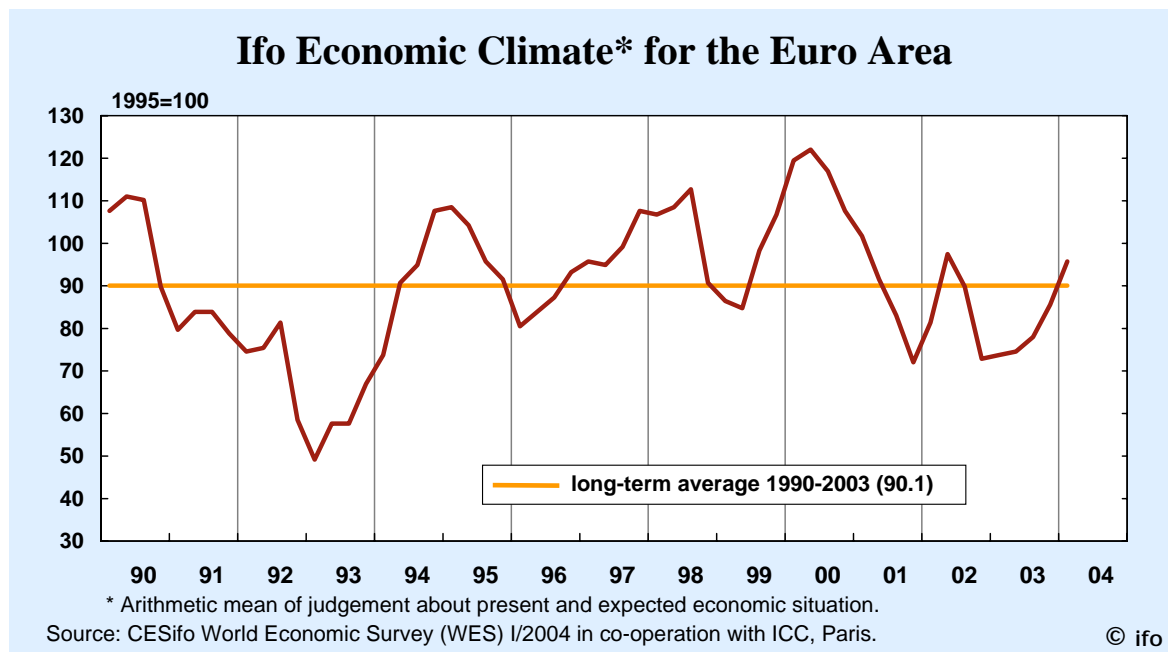


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Fig. 1



Quarter/year	I/02	II/02	III/02	IV/02	I/03	II/03	III/03	IV/03	I/04
Climate	81.4	97.5	89.8	72.9	73.7	74.6	78.0	85.6	95.8
Situation	63.6	72.9	71.0	54.2	52.3	50.5	48.6	48.6	67.3
Expectations	96.1	117.8	105.4	88.4	91.5	94.6	102.3	116.3	119.4

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 18 February 2004.

The January euro area results, which are published here in advance, are based on the responses of 316 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 confidence returns

Advanced results of the Ifo World Economic Survey (WES) of 1st quarter 2004, in co-operation with the International Chamber of Commerce (ICC), Paris

The WES indicator for the economic climate in the euro area rose in January 2004 for the fifth time in succession (Fig. 1). The assessments of the current economic situation improved even more notably than the already quite optimistic expectations for the next six months. In spite of the more favourable appraisals, the current economical situation, however, is still a good way from reaching a satisfactory level (Fig. 2).

Within the euro area the economic climate is most favourable in Finland, Ireland, Belgium, Spain, Greece, and Austria. The countries where the climate index lies below the euro area average are the Netherlands, Portugal, Italy, Germany, and also France.

On the whole, the latest survey results indicate that the economic recovery in the euro area will speed up in the course of the next six months.

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

Fig. 2

