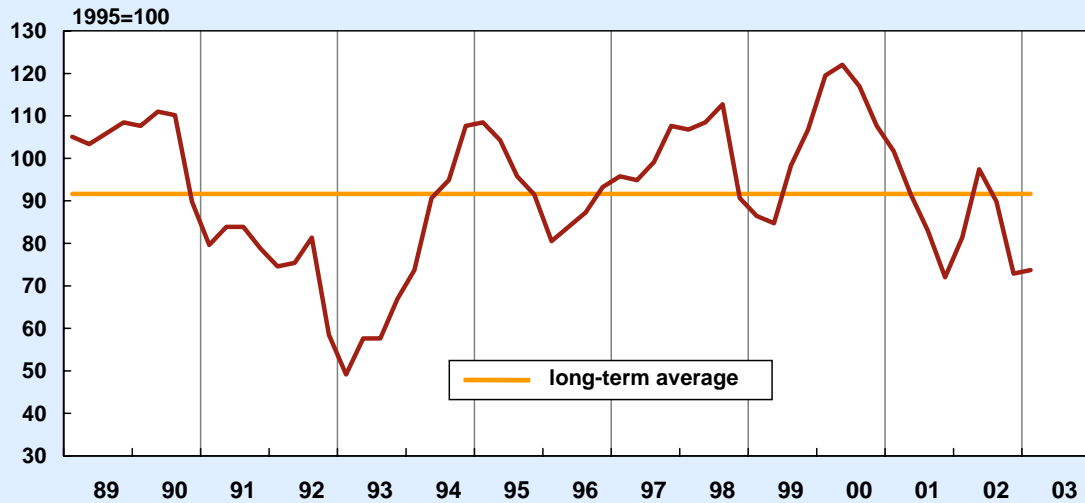


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Ifo Economic Climate* for the Euro Area



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

Source: Ifo World Economic Survey (WES) Q1/2003.

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Quarter/year	I/01	II/01	III/01	IV/01	I/02	II/02	III/02	IV/02	I/03
Climate	101.7	91.5	83.1	72.0	81.4	97.5	89.8	72.9	73.7
Situation	134.6	117.8	91.6	74.8	63.6	72.9	71.0	54.2	52.3
Expectations	74.4	69.8	76.0	69.8	96.1	117.8	105.4	88.4	91.5

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 6 March 2003.

The January euro area results, which are published here in advance, are based on the responses of 293 economic experts. WES is conducted in co-operation with the International Chamber of Commerce in Paris and receives financial support from the European Commission.

Stabilisation of the Economic Climate Indicator in the Euro Area

Advanced results of the Ifo World Economic Survey (WES) of 1st quarter 2003

The Ifo indicator for the economic climate in the euro area improved marginally in January 2003 compared with the WES results of October 2002. The moderate increase of the WES euro area indicator resulted exclusively from slightly better expectations for the next six months. The assessments of the present economic situation, the second component of the climate indicator, deteriorated further, reaching its lowest level since the second quarter of 1994.

Overall, the latest development of the euro climate indicator points to weak growth in the coming six months.

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