

ifo World Economic Climate Deteriorates Further

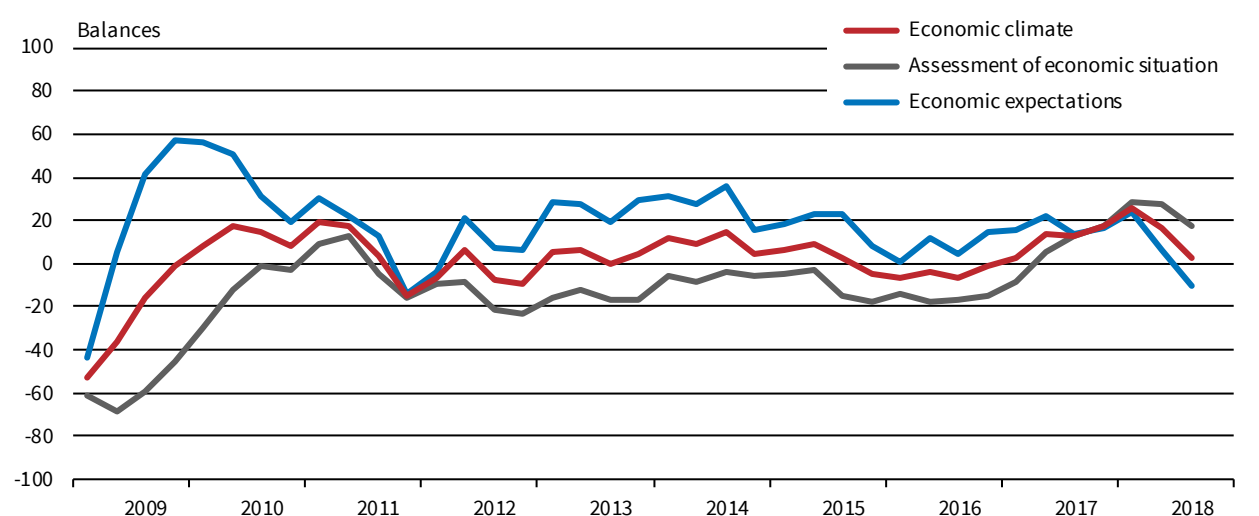
Munich, 9 August 2018 – The ifo World Economic Climate deteriorated further in the third quarter. The indicator dropped from 16.5 points to 2.9 points in this quarter, returning to more or less the same level as in the first quarter of 2017. Although experts' assessments of the current economic situation deteriorated significantly, they nevertheless remain at a high level. Their economic expectations, by contrast, were scaled back considerably, falling to their lowest level since the end of 2011. The world economy has slowed to a crawl.

The economic climate deteriorated in nearly all regions. Both assessments of the current economic situation and expectations fell significantly in the European Union, Asian emerging and developing economies (including China), and in Latin America. In the USA economic expectations also cooled down. Assessments of the current economic situation, by contrast, improved. In the CIS countries, the Middle East and North Africa both economic expectations and assessments of the current economic situation improved.

Developments in world trade were dominated by the current conflict over tariffs, with the majority of WES experts predicting lower exports in the months ahead, particularly for the USA and China. Forecast global investment activity levels fell significantly. The experts surveyed also expect private consumption to stagnate.

Clemens Fuest
President of the ifo Institute

ifo World Economic Climate



Source: ifo World Economic Survey (WES) III/2018.

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ifo World Economic Climate (Balances)

Quarter/Year	III/2016	IV/2016	I/2017	II/2017	III/2017	IV/2017	I/2018	II/2018	III/2018
Climate	-6.6	-0.7	3.0	13.5	13.2	17.1	26.0	16.5	2.9
Situation	-16.8	-14.9	-8.7	5.1	12.5	17.2	28.3	27.4	17.5
Expectations	4.1	14.6	15.5	22.2	14.0	16.9	23.9	6.1	-10.6

Source: ifo World Economic Survey (WES) II/2018.

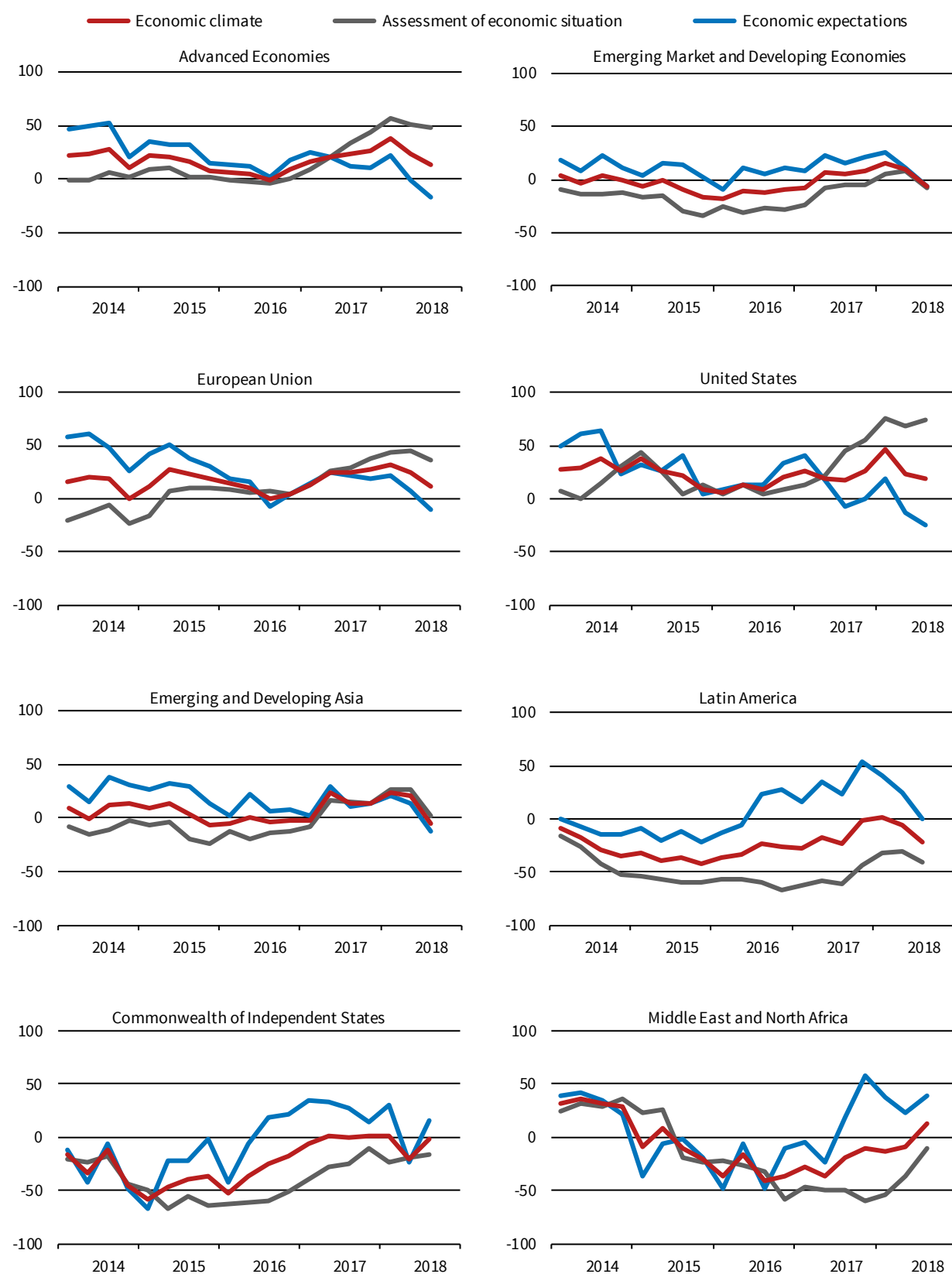
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For long time-series in Excel format consult www.cesifo-group.de/langereihen.

Since 1989 the ifo Institute has conducted a quarterly survey in numerous countries on business cycle developments and other economic factors in the experts' home countries. The July 2018 survey received responses from 1,200 experts in 120 countries. A detailed regional analysis appears in the quarterly journal: ifo World Economic Survey. This press release contains advance information on the most important results.

ifo Economic Climate for World Regions

Balances

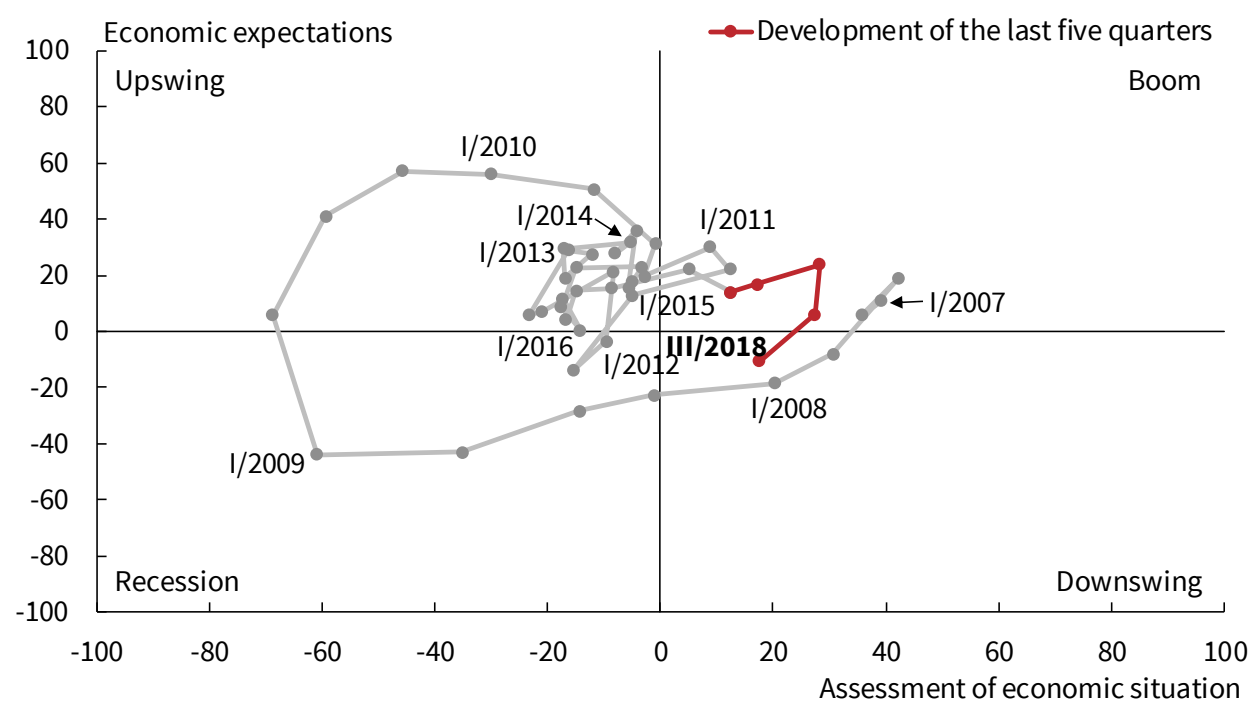


Source: ifo World Economic Survey (WES) III/2018.

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ifo Business Cycle Clock World Economy

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Source: ifo World Economic Survey (WES) III/2018.

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