

ifo World Economic Climate Suffers Another Setback

Munich, February 11, 2019 – The ifo World Economic Climate deteriorated for the fourth time in succession. In the first quarter, the indicator dropped from -2.2 points to -13.1 points. Expectations and assessments of the current economic situation dropped significantly, although experts’ overall view is still slightly positive. The global economy is slowing down more and more.

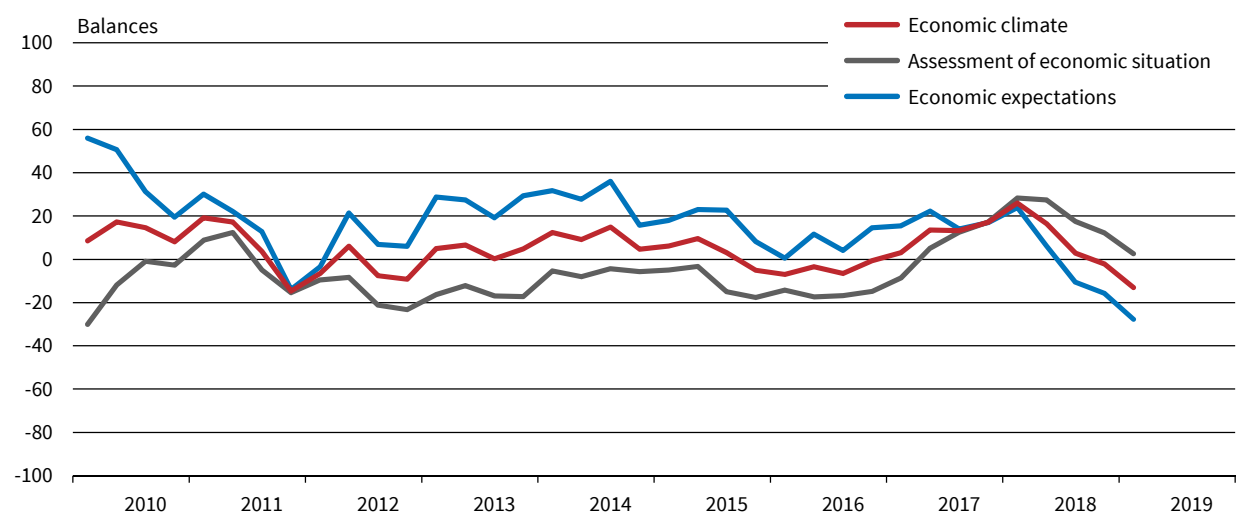
Deterioration of the economic climate was especially strong in advanced economies. The United States in particular saw a slump in expectations and assessments, while in the European Union, experts also revised their estimates significantly downwards. In contrast, the economic climate in emerging and developing countries remained largely unchanged, after declining sharply over the two previous quarters. The climate cooled significantly in the Middle East and North Africa.

Experts expect weaker growth in private consumption, investment, and world trade. Although a large proportion of respondents still expect short- and long-term interest rates to rise, their share has fallen sharply. They expect the US dollar to depreciate worldwide.

Clemens Fuest

President of the ifo Institute

ifo World Economic Climate



Source: ifo World Economic Survey (WES) I/2019.

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ifo World Economic Climate (Balances)

Quarter/Year	I/2017	II/2017	III/2017	IV/2017	I/2018	II/2018	III/2018	IV/2018	I/2019
Climate	3.0	13.5	13.2	17.1	26.0	16.5	2.9	-2.2	-13.1
Situation	-8.7	5.1	12.5	17.2	28.3	27.4	17.5	12.2	2.6
Expectations	15.5	22.2	14.0	16.9	23.9	6.1	-10.6	-15.7	-27.7

Source: ifo World Economic Survey (WES) I/2019.

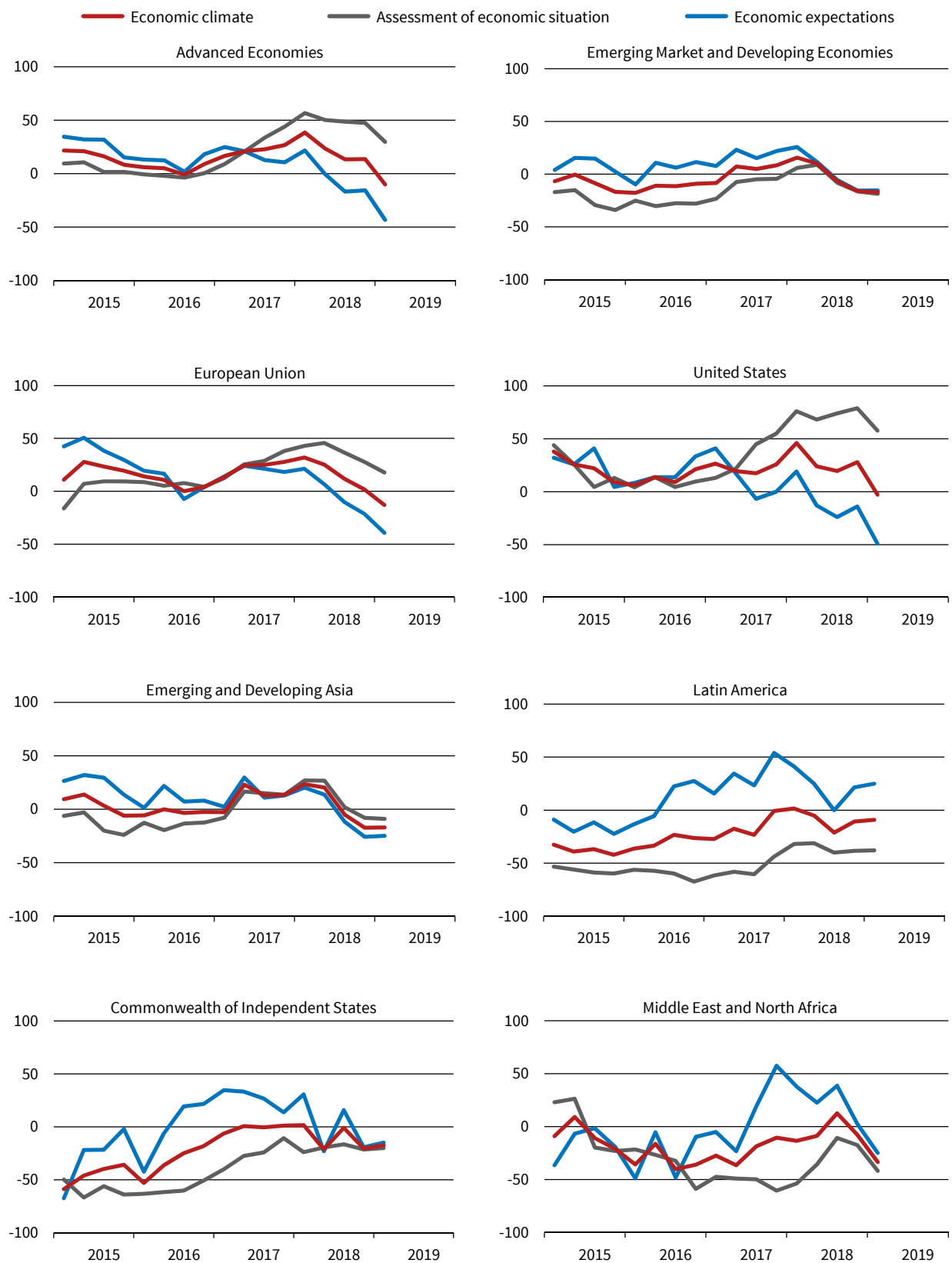
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For long time-series in Excel format consult www.cesifo-group.de/langereihen.

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 January 2019 survey received responses from 1,293 experts in 122 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

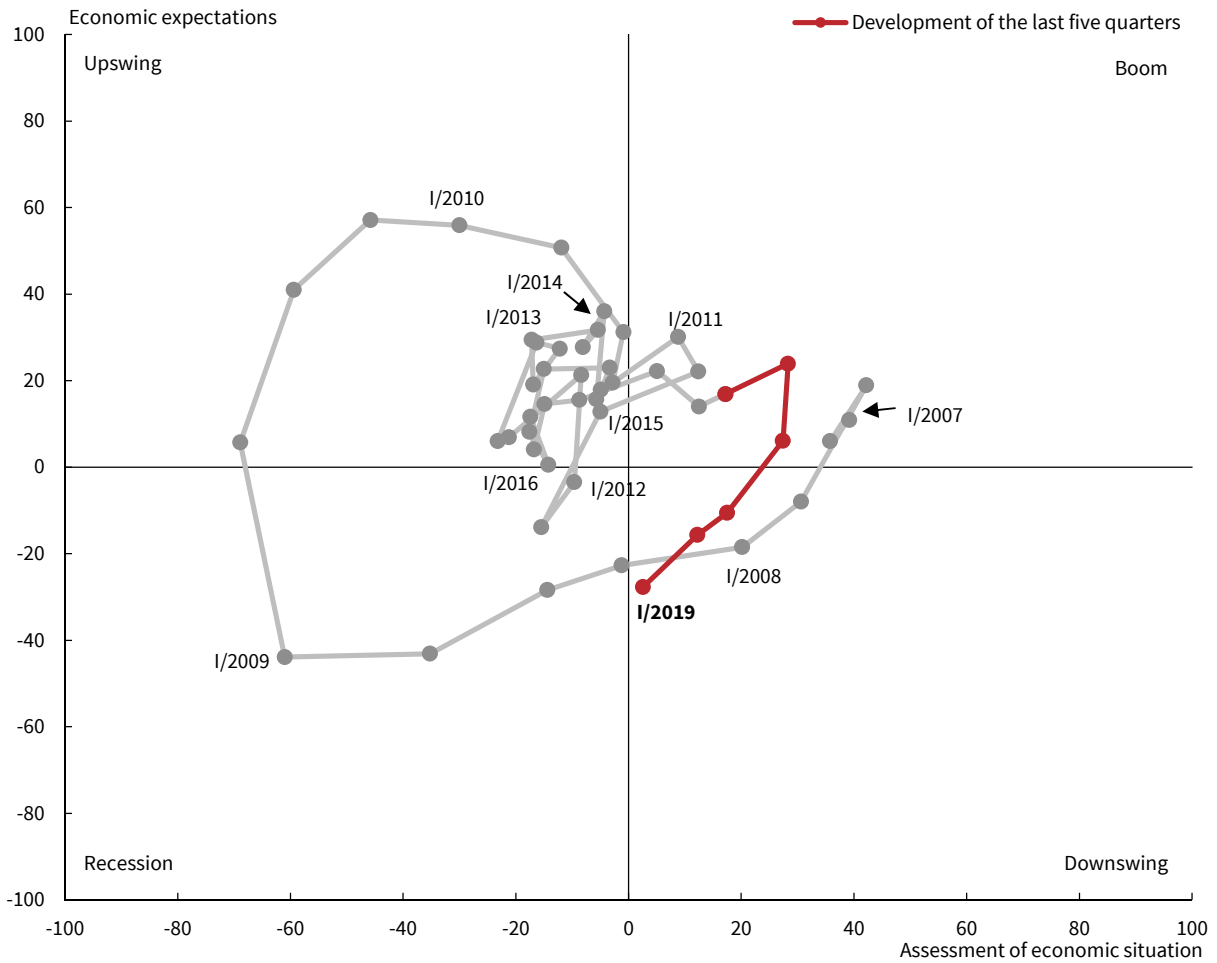


Source: ifo World Economic Survey (WES) I/2019.

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ifo Business Cycle Clock World Economy

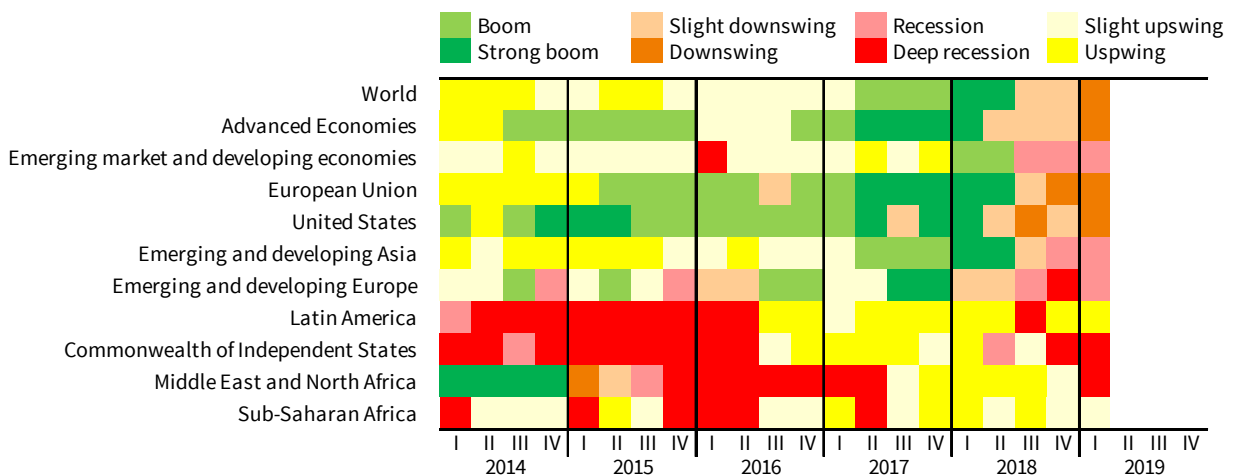
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Source: ifo World Economic Survey (WES) I/2019.

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ifo World Economic Survey – Heatmap ^a



^a The assessments of the current situation and economic expectations for the next six months are visualised by a four colour scheme that illustrates the four phases of a business cycle: strong boom, downswing, deep recession, upswing. The transition areas between these four phases are illustrated with lighter colours and are defined as follows: *Boom* when the current situation is smaller than +20. *Slight downswing* when expectations are between 0 and -20. *Recession* when the current situation is between 0 and -20. *Slight upswing* when expectations are smaller than +20.

Source: ifo World Economic Survey (WES) I/2019.

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