

ifo Economic Climate in the Euro Area Virtually Unchanged

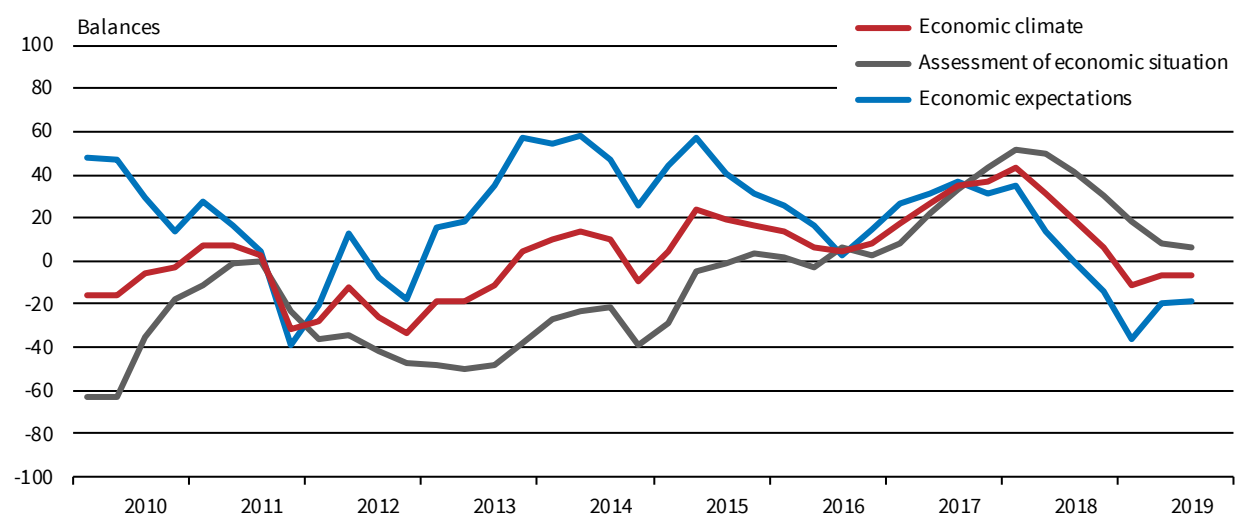
Munich, August 5, 2019 – The ifo Economic Climate for the euro area has hardly changed at all. The indicator fell slightly from –6.3 to –6.7 points. The assessment of the current situation has deteriorated again. However, economic expectations were less pessimistic. Currently, the euro area economy lacks momentum.

WES experts' assessments for Germany have clouded over again, taking on a gloomier tone for both the situation and expectations. The climate indicator fell in France, too, but solely because of more pessimistic expectations; the current situation was assessed somewhat less negatively. In Italy and Spain, both the assessment of the situation and economic expectations have been revised upwards. Italy's experts in particular are much less pessimistic about the coming months.

For consumption, investments, and exports, respondents expect hardly any growth in the euro area in the next six months. They continue to assume an inflation rate of 1.5 percent for the current year. An increasing proportion of experts expect short- and long-term interest rates to fall.

Clemens Fuest
 President of the ifo Institute

ifo Economic Climate Euro Area



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

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ifo Economic Climate for the Euro Area (Balances)

Quarter/Year	III/2017	IV/2017	I/2018	II/2018	III/2018	IV/2018	I/2019	II/2019	III/2019
Climate	35.2	37.0	43.2	31.1	19.6	6.6	-11.1	-6.3	-6.7
Situation	33.4	42.9	51.3	49.9	41.4	29.9	18.3	7.9	6.4
Expectations	37.1	31.3	35.4	13.8	-0.1	-14.3	-36.6	-19.5	-18.9

Source: ifo World Economic Survey (WES) III/2019

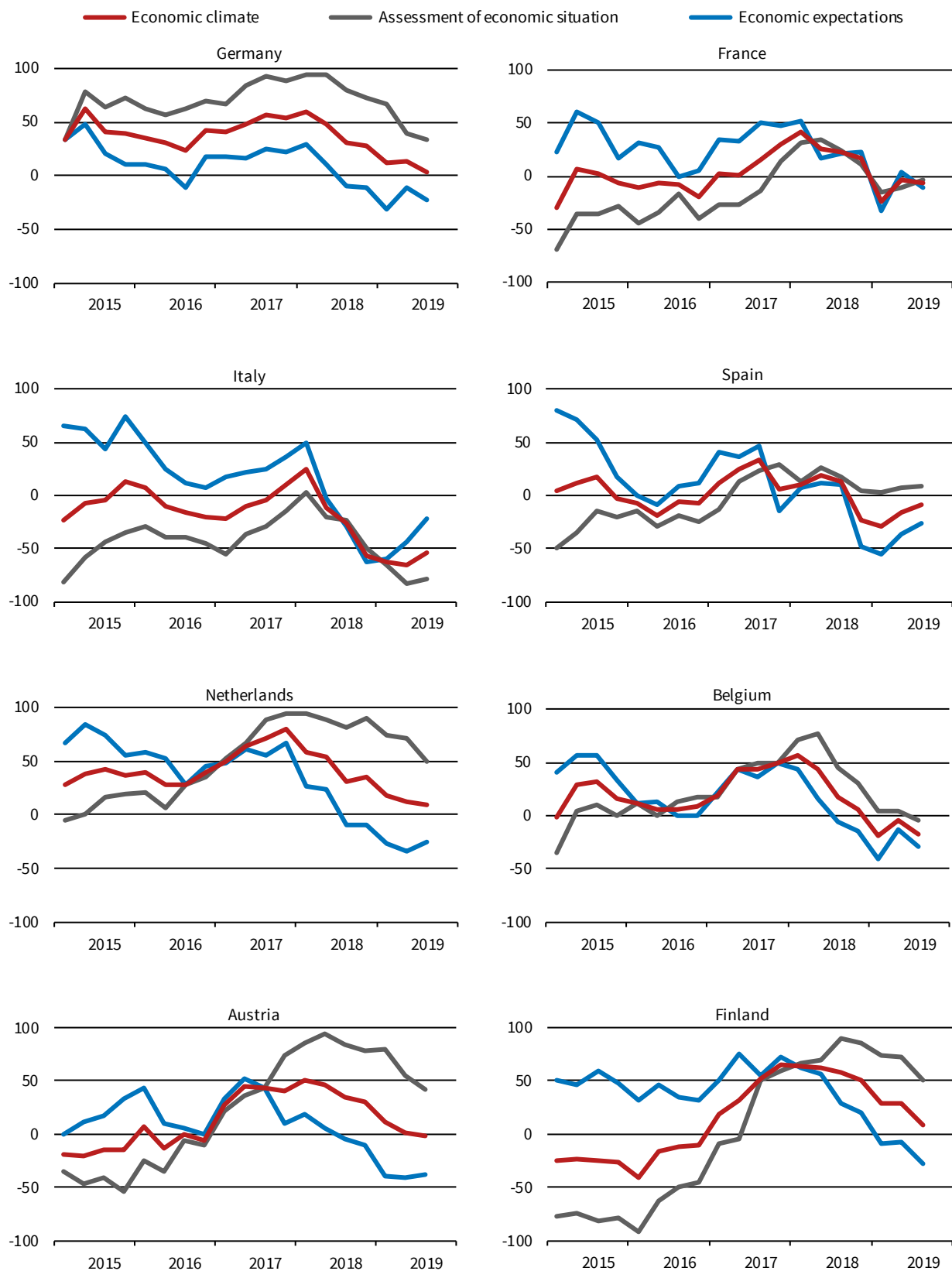
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For long time series in Excel format, please see www.ifo.de/en/umfragen/time-series.

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 full set of results will be published on August 12, 2019. The euro-area results in July 2019 are based on the responses of 388 economic experts.

ifo Economic Climate for Countries of the Euro Area

Balances

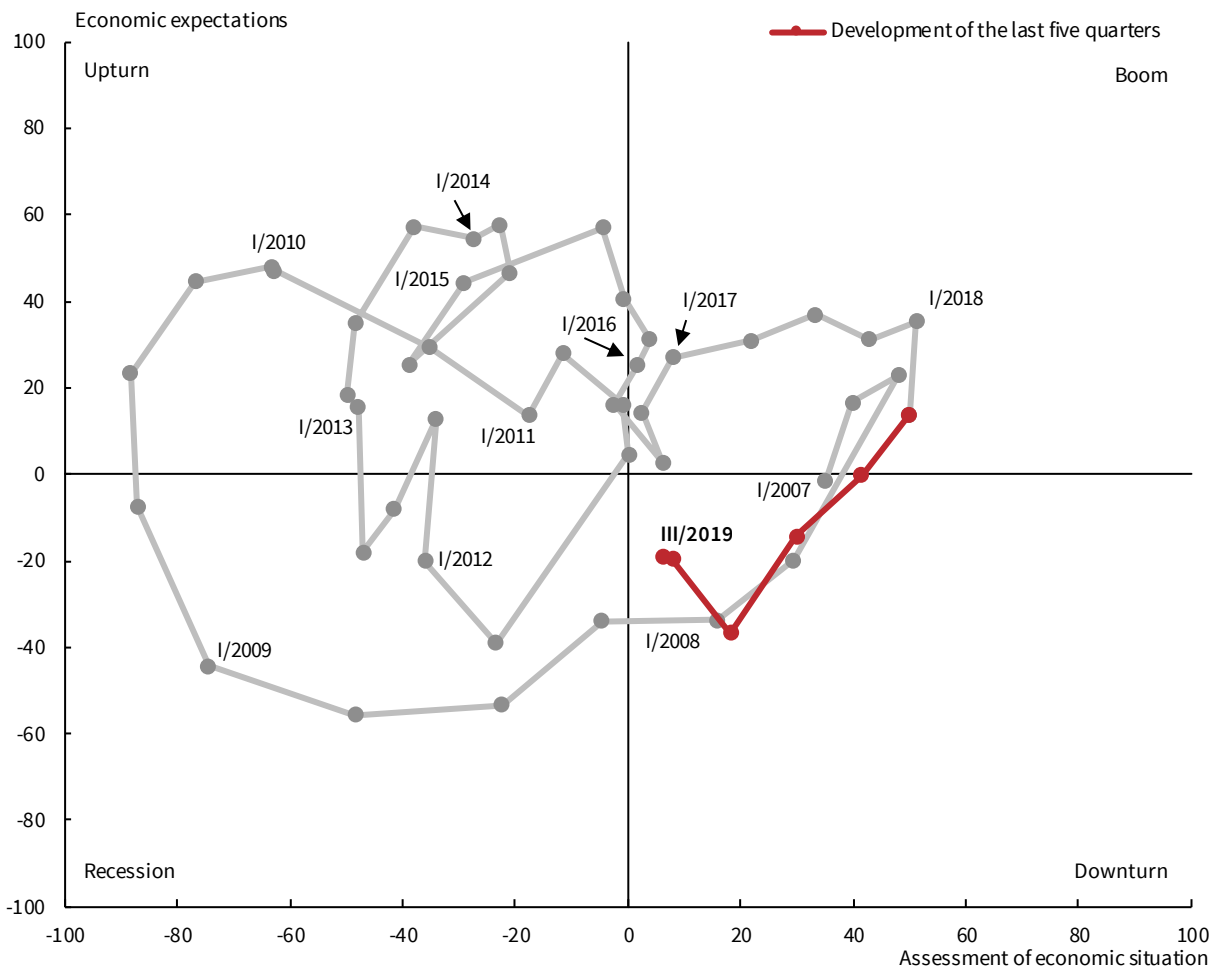


Source: ifo World Economic Survey (WES) III/2019.

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ifo Business Cycle Clock Euro Area

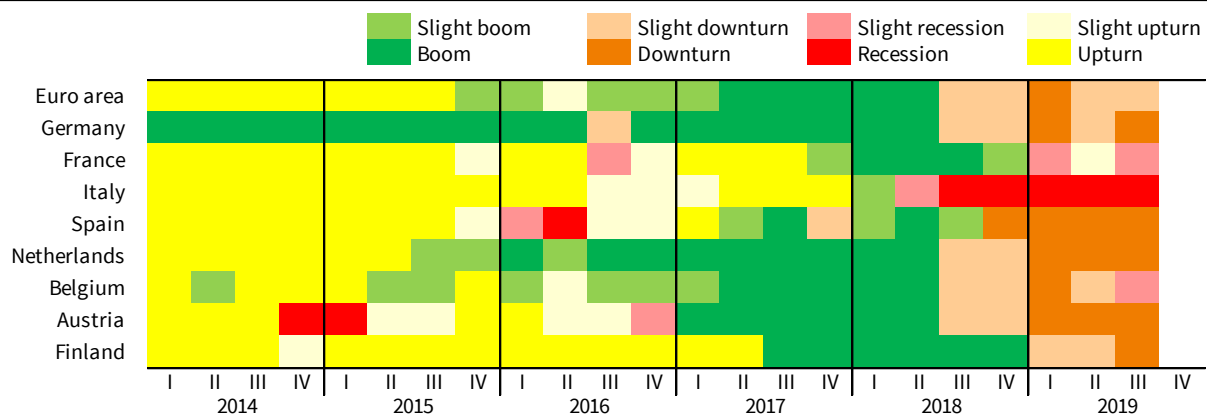
Balances



Source: ifo World Economic Survey (WES) III/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: boom, downturn, recession, upturn. The transition areas between these four phases are illustrated with lighter colours and are defined as follows: *Slight boom* when the current situation is smaller than +20. *Slight downturn* when expectations are between 0 and -20. *Slight recession* when the current situation is between 0 and -20. *Slight upturn* when expectations are smaller than +20.

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

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