Ifo World Economic Climate

Results of the Ifo World Economic Survey (WES) for the 3rd quarter 2016

Ifo World Economic Climate Suffers Setback

Munich, 11 August 2016 – The Ifo Index for the world economy fell by 4.5 index points to 86.0 in the third quarter, dipping to its lowest level in over three years at ten index points below its long-term average. These results contrast with the improvement seen last quarter. Experts’ assessments of the current economic situation remain unfavourable, while their economic expectations are far more negative than last quarter. Sentiment in the world economy is subdued.

According to WES experts, last quarter’s upward trend ground to a halt in nearly all regions. In Europe in particular the economic climate clouded over in the wake of the Brexit vote. The only exceptions to this rule were the Eastern European EU countries, where the climate brightened. In Asia the climate indicator fell to its lowest level in seven years. In North America the index was only slightly higher than its long-term average. There was, however, an improvement to the economic climate in Latin America and the CIS states, although the index rose from a very low previous level.

Average short-term interest rates worldwide are expected to remain almost stable over the next six months, while long-term interest rates will increase in the second half of 2016. The US dollar is expected to strengthen over the next six months.

Clemens Fuest
President of the Ifo Institute

World Economy (Index, 2005 = 100)

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Source: Ifo World Economic Survey (WES).
For long time-series in Excel format consult www.cesifo-group.de/langereihen.

Since 1981 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 2016 survey received responses from 1,086 experts in 115 countries. A detailed regional analysis appears in the quarterly journal: CESifo World Economic Survey. This press release contains advance information on the most important results.
**Ifo Business Cycle Clock: World Economy**

- **Recovery / Upswing**
- **Consolidated Upturn / Boom**
- **Trough / Recession**
- **Cooling-down / Downswing**


**Ifo World Economic Climate**

- **Index, 2005 = 100**
- **Economic climate**
- **Assessment of economic situation**
- **Expected expectations for the next 6 months**

Main Regions, Economic Climate (Index, 2005 = 100)

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Source: Ifo World Economic Survey (WES).