

## Ifo World Economic Climate

Results of the Ifo World Economic Survey (WES) for the 4th quarter 2016

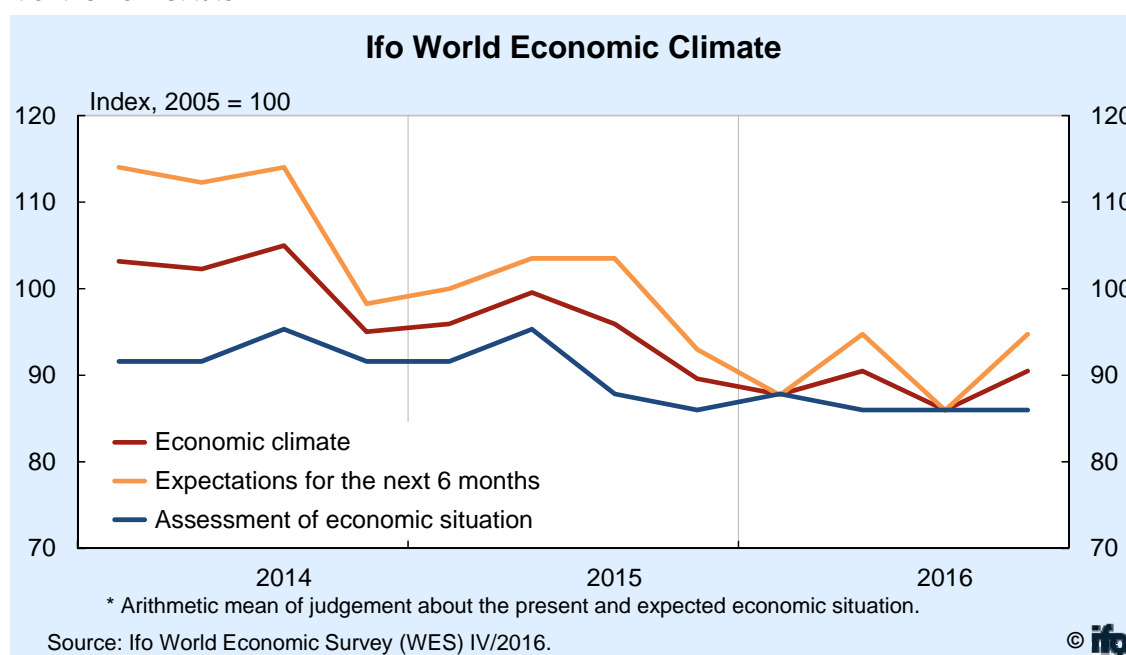
### Ifo World Economic Climate Brightens Again

**Munich, 10 November 2016 – The Ifo Index for the world economy improved, rising 4.5 index points to 90.5 points in the fourth quarter and returning to the level seen in the second quarter. Despite this improvement the figure remains around six index points below its long-term average. Experts' assessments of the current economic situation remained unfavourable, with no change since the second quarter. Expectations brightened somewhat and the world economy seems to be swinging back on track for a moderate recovery. According to experts' assessments, Donald Trump's election as US President represents a major risk for the world economy. They assessed Hillary Clinton's election, by contrast, as slightly positive. The survey was completed in October.**

The economic climate improved in all regions with the exception of *Central and Eastern Europe* and *Latin America*. In *Europe* and *North America* the climate value is around five index points above its long-term average. In advanced economies the recovery is slightly stronger than in less-developed economies. Despite an overall improvement, the Ifo Indicator for *Asia*, *Latin America*, the *CIS* states, the *Middle East* and *Africa* is still far below its long-term average. In *Oceania* the indicator reached its average value.

Average short and long-term interest rates worldwide are expected to rise over the next six months, particularly in the *USA*. The *US dollar* will continue to strengthen over the next six months.

Clemens Fuest  
 President of the Ifo Institute



### World Economy (Index, 2005 = 100)

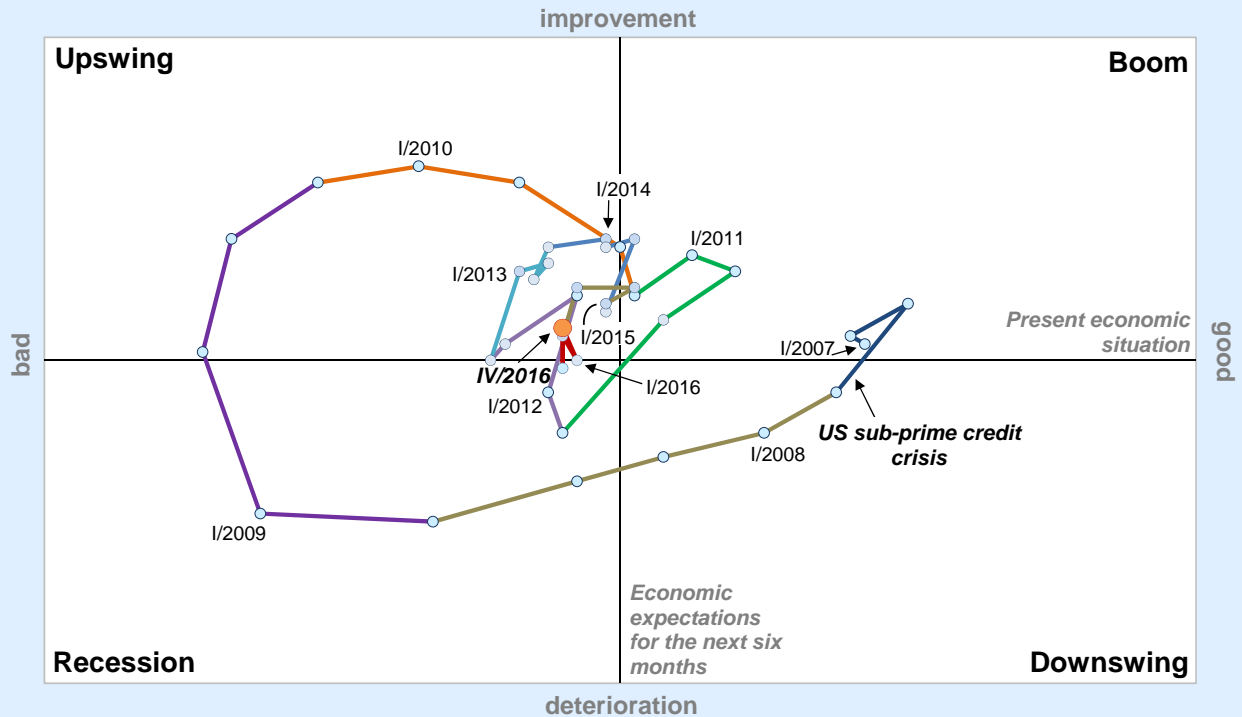
Quarter/year	IV/2014	I/2015	II/2015	III/2015	IV/2015	I/2016	II/2016	III/2016	IV/2016
<b>Climate</b>	95.0	95.9	99.5	95.9	89.6	87.8	90.5	86.0	90.5
<b>Situation</b>	91.6	91.6	95.3	87.9	86.0	87.9	86.0	86.0	86.0
<b>Expectations</b>	98.2	100.0	103.5	103.5	93.0	87.7	94.7	86.0	94.7

Source: Ifo World Economic Survey (WES).

For long time-series in Excel format consult [www.cesifo-group.de/langereihen](http://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 October 2016 survey received responses from 1,071 experts in 113 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.

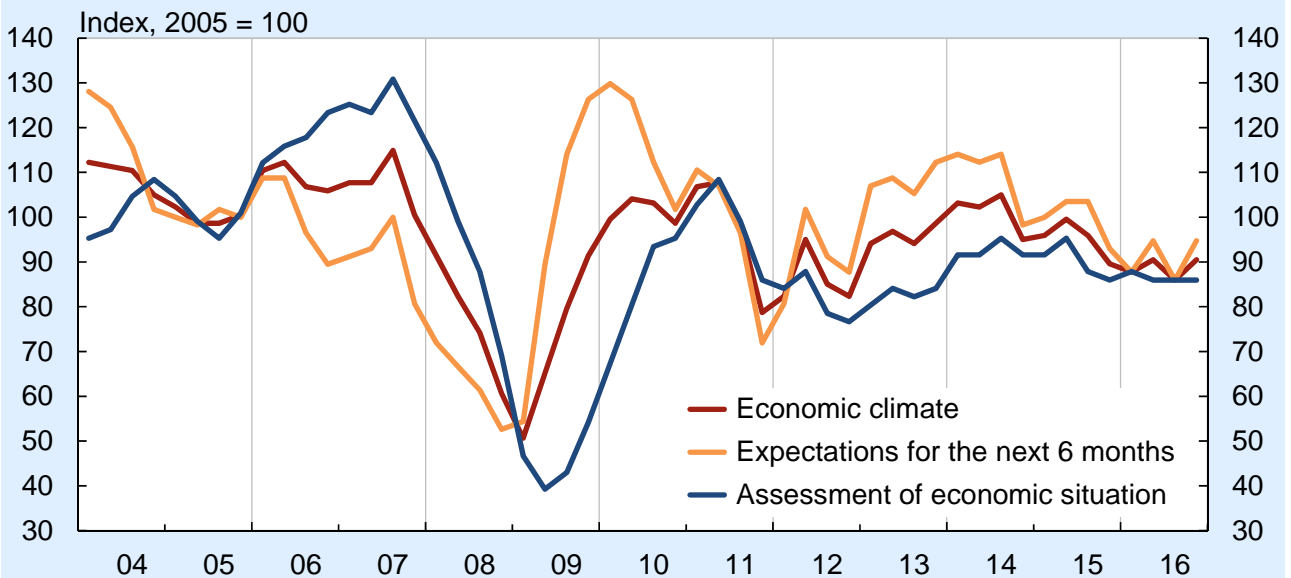
### Ifo Business Cycle Clock: World Economy



Source: Ifo World Economic Survey (WES) IV/2016.

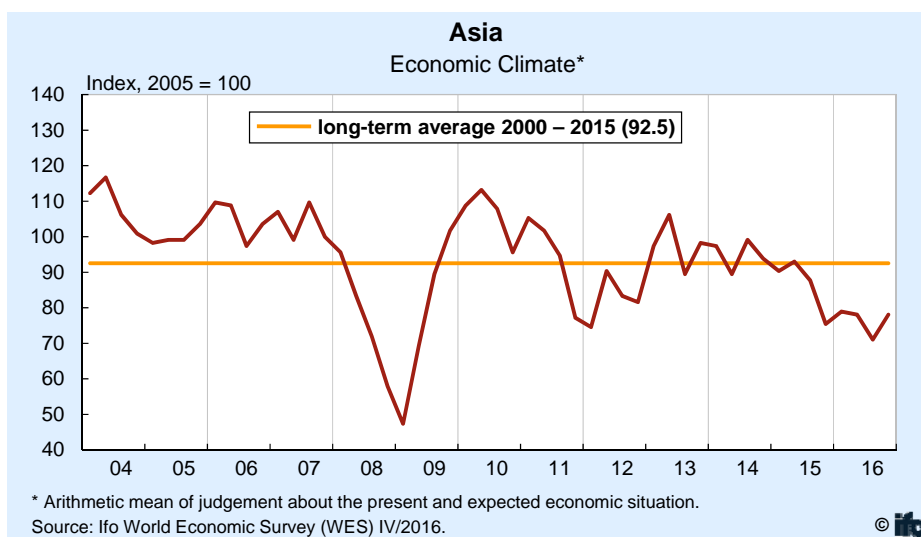
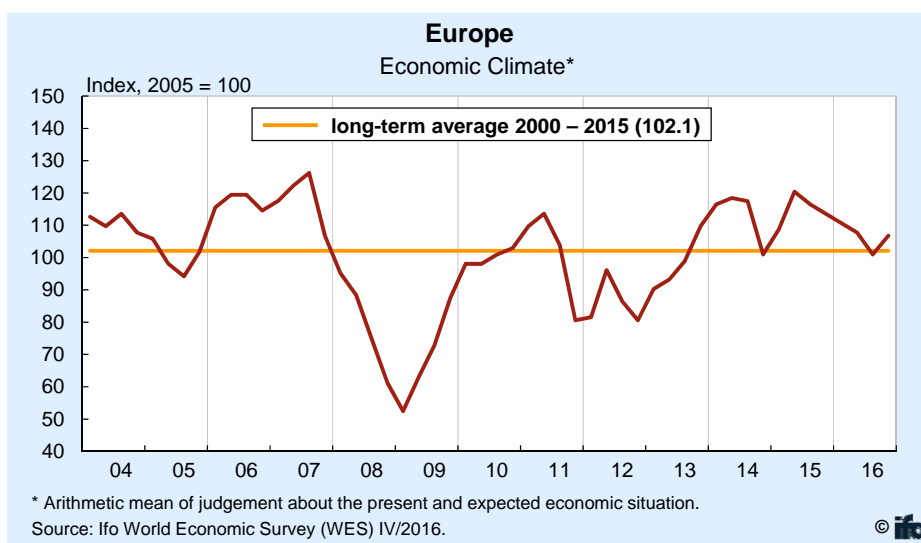
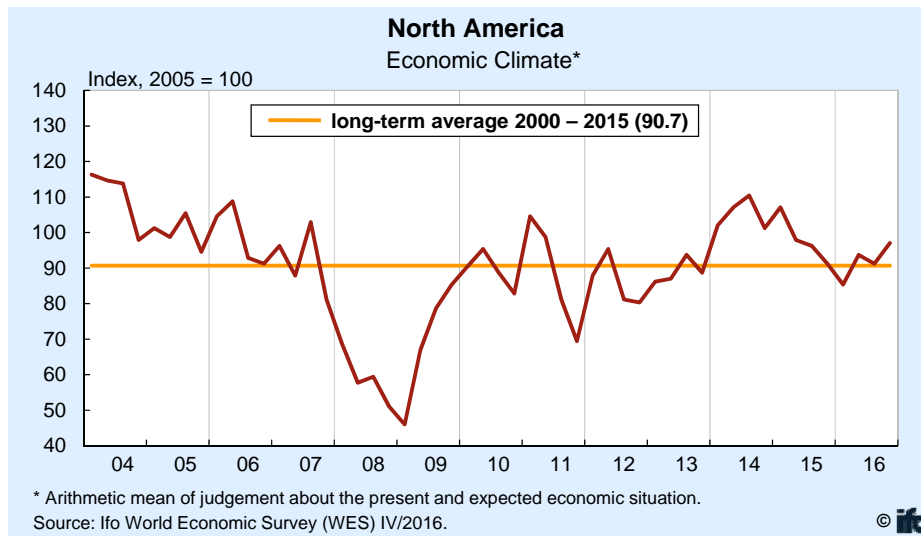


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Source: Ifo World Economic Survey (WES) IV/2016.





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

Quarter/year	IV/2014	I/2015	II/2015	III/2015	IV/2015	I/2016	II/2016	III/2016	IV/2016
<b>North America</b>	101.3	107.1	97.9	96.2	91.2	85.4	93.7	91.2	97.1
<b>Europe</b>	101.0	108.7	120.4	116.5	113.6	110.7	107.8	101.0	106.8
<b>Asia</b>	93.9	90.4	93.0	87.7	75.4	78.9	78.1	71.1	78.1

Source: Ifo World Economic Survey (WES).

**Assessments by WES experts of the impact of the following situations on their country's economy\***

<b>Economic or political risks</b>	Slowdown of the economy in China	Trump as American President	Clinton as American President	Problems in the EU	Threat of terrorist attacks	Emerging markets crisis
<b>World</b>	-56.5	-42.8	5.9	-50.5	-32.6	-40.0
<b>North America</b>	-45.9	-51.0	-17.2	-37.9	-43.1	-42.5
<b>Asia</b>	-74.7	-39.2	7.7	-45.4	-32.8	-42.0
<b>Latin America</b>	-40.8	-62.4	29.4	-33.6	-13.5	-63.8
<b>Western Europe</b>	-50.4	-44.2	10.6	-66.8	-31.7	-29.6
<b>Eastern Europe</b>	-34.2	-33.5	10.7	-61.3	-21.5	-27.7
<b>Near East</b>	-40.8	-31.4	-2.7	-33.5	-30.7	-40.7
<b>CIS</b>	-46.9	-13.1	-12.3	-33.9	-41.5	-59.9
<b>Africa</b>	-35.2	-30.6	20.0	-45.4	-40.2	-59.5
<b>Oceania</b>	-88.2	-56.9	16.2	-40.1	-23.9	-68.1

Colour scale: -100 high negative impact, -50 negative impact, 0 no impact, +50 positive impact, +100 high positive impact. \*The individual country responses were aggregated to regions. Within each country group, the results are weighted according to the share of the specific country's exports and imports in the total world trade.

Source: Ifo World Economic Survey IV/2016.