

## Ifo World Economic Climate

Results of the Ifo World Economic Survey (WES) for the 2<sup>nd</sup> quarter 2016

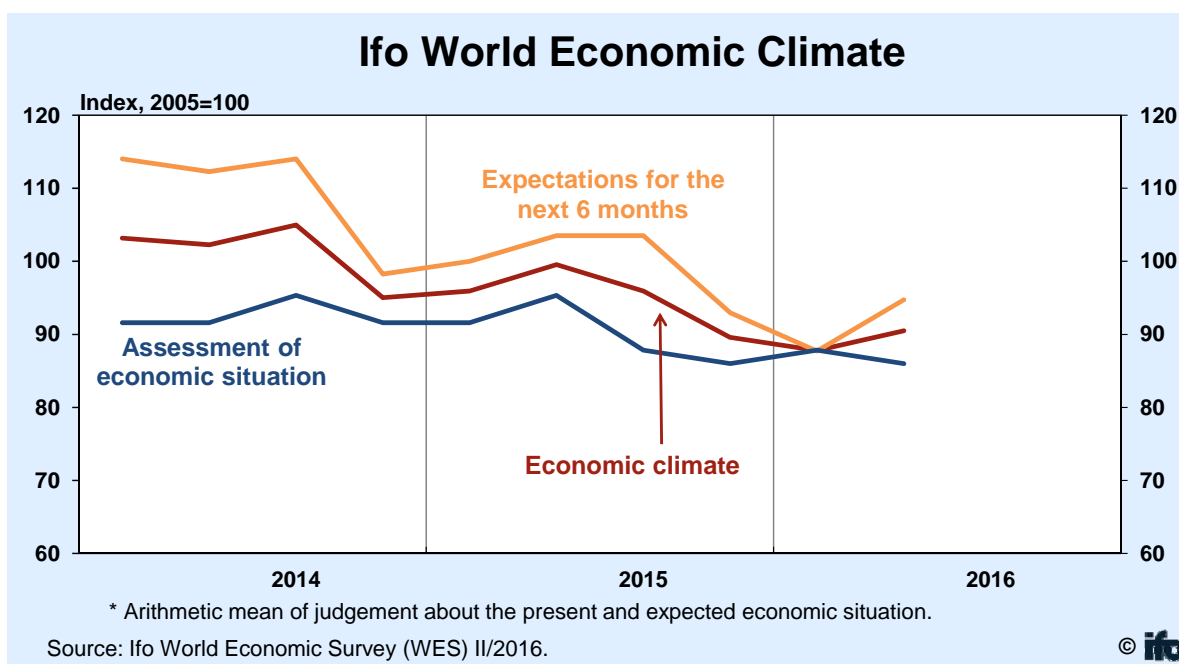
### Ifo World Economic Climate Brightens Slightly

Munich, 11 May 2016 - The world economic climate improved slightly this quarter. The Ifo Index for the world economy rose from 87.8 points to 90.5 points, thus approaching its long-term average of 96.0 points. Although assessments of the current economic situation deteriorated marginally, economic expectations were more positive than last quarter. Experts expect the world economy to grow by 2.0 percent in 2016 and its recovery remains moderate.

The downward trend in the economic climate indicator ground to a halt in nearly all regions. In *North America* the trend towards a recovery was particularly marked, with the indicator once again rising above its long-term average. In *Asia* the indicator stabilised at a low level, while it dropped in *Europe*, but remained above its long-term average. However, in all other regions, and especially in *Latin America* and the *CIS* states, the indicator remains below its long-term average despite improvements.

WES experts believe that both *short and long-term interest rates* will rise over the next six months in the *USA*, and expect them to remain largely stable in *Europe*. In *Asia*, and especially in *China, Japan and India*, experts expect interest rates to drop. The *US dollar* is expected to strengthen over the next six months.

Clemens Fuest  
President of the Ifo Institute



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

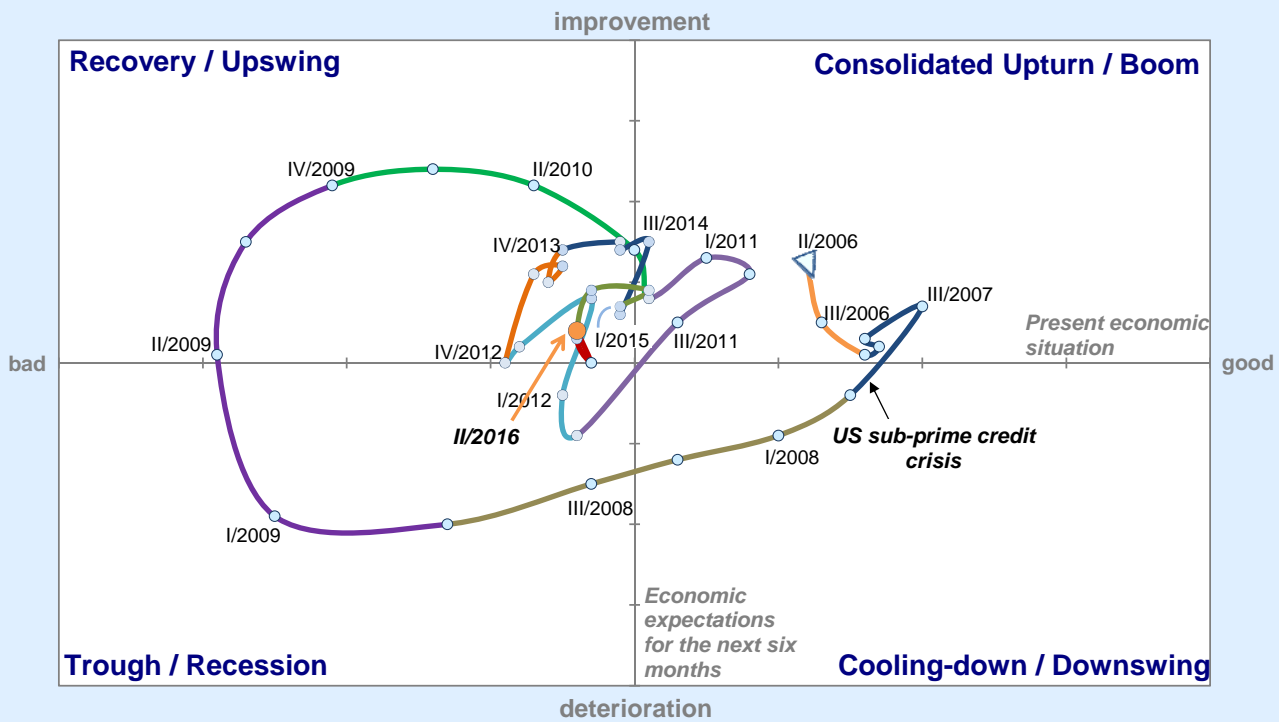
Quarter/year	II/2014	III/2014	IV/2014	I/2015	II/2015	III/2015	IV/2015	I/2016	II/2016
<b>Climate</b>	102.3	105.0	95.0	95.9	99.5	95.9	89.6	87.8	90.5
<b>Situation</b>	91.6	95.3	91.6	91.6	95.3	87.9	86.0	87.9	86.0
<b>Expectations</b>	112.3	114.0	98.2	100.0	103.5	103.5	93.0	87.7	94.7

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 April 2016 survey received responses from 1,078 experts in 116 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.

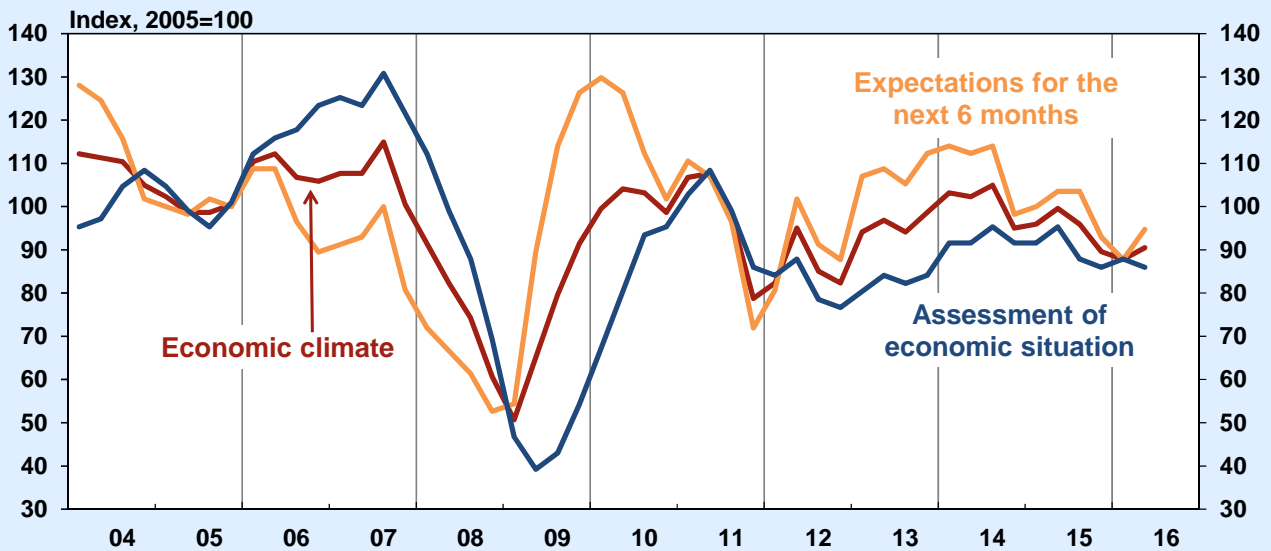
### Ifo Business Cycle Clock: World Economy



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

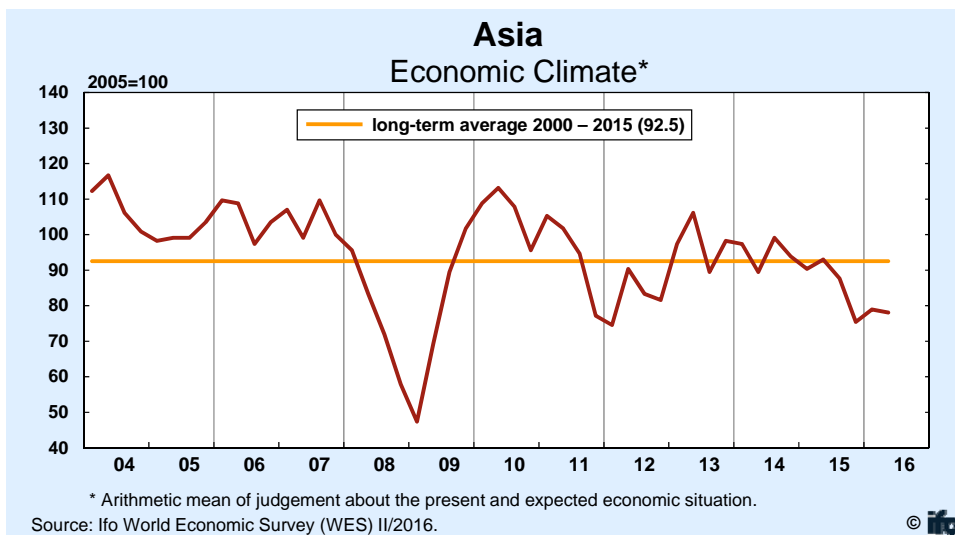
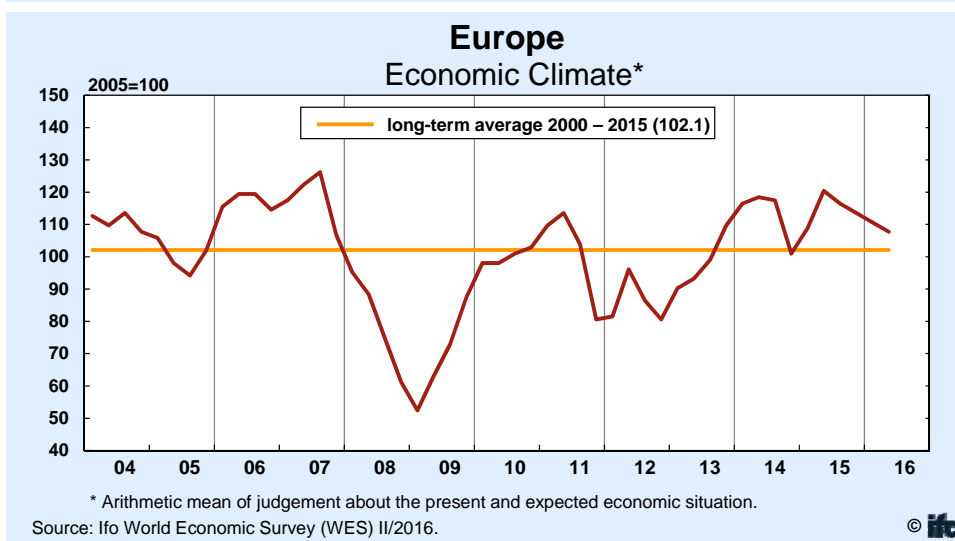
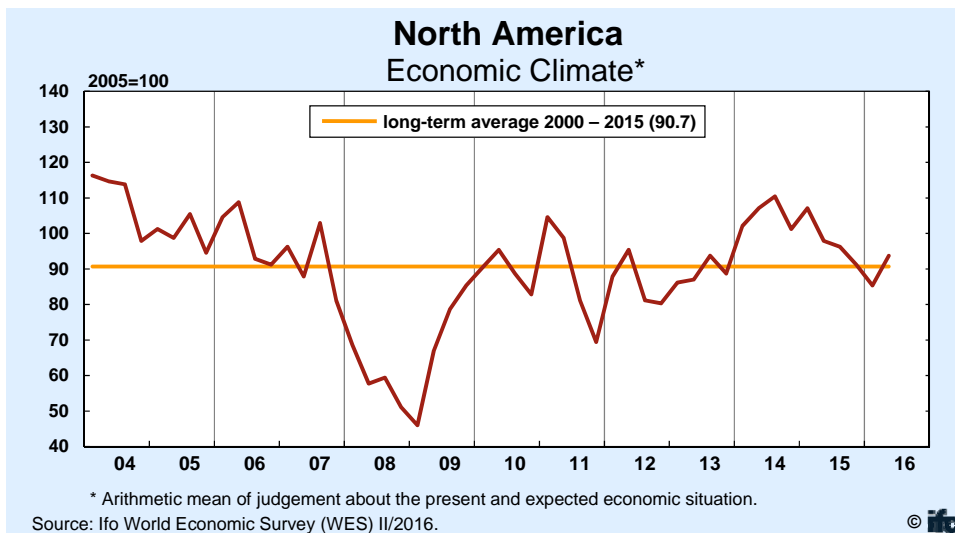


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Source: Ifo World Economic Survey (WES) II/2016.





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

Quarter/year	II/2014	III/2014	IV/2014	I/2015	II/2015	III/2015	IV/2015	I/2016	II/2016
<b>North America</b>	107.1	110.5	101.3	107.1	97.9	96.2	91.2	85.4	93.7
<b>Europe</b>	118.4	117.5	101.0	108.7	120.4	116.5	113.6	110.7	107.8
<b>Asia</b>	89.5	99.1	93.9	90.4	93.0	87.7	75.4	78.9	78.1

Source: Ifo World Economic Survey (WES).