

ECONOMIC SURVEY INTERNATIONAL

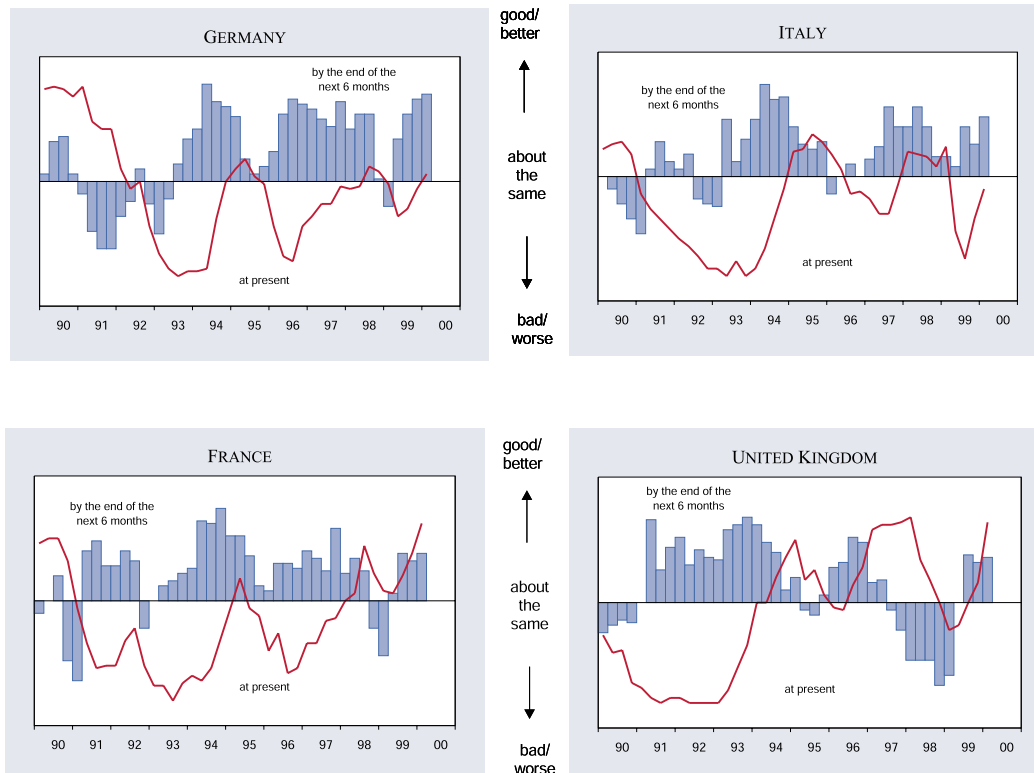
UPSWING IN EUROPEAN “BIG FOUR” IS GAINING MOMENTUM

In January/February 2000, the Ifo Institute conducted its 67th international survey of 608 economic experts at transnational corporations and organisations in 81 countries. Unlike conventional international statistics, the results of this survey are current and allow for international comparisons. The assessments of local experts are of particular importance in countries where official statistics are not on a sound footing.

The global economy is likely to perform much better in 2000 than initially expected. The experts of almost all major regions have upgraded both their assessment of the current situation and the outlook for the next six months.

In Europe, economic recovery is accelerating. Even in Italy, where until recently the economic upturn was mainly signaled by improved business expectations rather than stronger economic activity, there are now clear signs of economic recovery. In Germany growth picked up in the second half of 1999, and the economy is expected to gain momentum during the next six months. In France and the United Kingdom the upturn is more advanced; the panel forecasts a further improvement in the overall situation. In all four countries – as in Western Europe as a whole – economic growth will gain strength in the months to come. Price expectations were revised upward for 2000. As anticipated, the European Central Bank raised key interest rates by 25 basis points in a precautionary move on 3 February. This may help to stabilise the weak euro which is, however, expected to appreciate in the course of the year. S.W.

Present and Expected Economic Situation



Source: ESI 67, 1/2000.