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PRESS RELEASE

Economy finding its footing despite setbacks, ICC/Ifo survey reveals

Paris, 19 May 2010 – Public deficits, a decrease in tax revenues and schemes to reduce government deficits and debt accumulation, could be detrimental to the strength and durability of the economic recovery, according to the quarterly ICC/Ifo World Economic Survey released today.

The world economic climate index remained on the recovery path rising from 99.5 points in the first quarter of 2010 to 104.1 points in April, indicating that despite risks remaining high the world economy is showing signs that it has found its footing.

The survey, which polled 1,154 economic experts in 110 countries in April, revealed that Asia is the engine driving economic recovery, with a regional economic climate indicator reaching a six-year high. A particularly favourable assessment was given to India, Singapore and South Korea, while in China only the export sector is forecast by experts to strengthen further.

Despite a rosier outlook for many regions, the economic climate remains largely unchanged from first quarter findings of 2010 in the Euro zone. According to survey experts, Western Europe can expect the lowest growth in GDP in 2010. The debt crisis is still of particular concern with experts fearing that current problems in Greece could spread to other Euro countries.

With more than 20% of US exports destined for the Euro area, the debt crisis is also adding to uncertainty for the North America forecast. However, expectations point to further economic improvements in the coming months with major hopes being placed on the export sector.

In response to a question on the expected impact of public debts and deficits on economic recovery, survey respondents envisage that mastering the budget problem in a way that is economically coherent and politically feasible remains a challenging task.

In Africa, while the road to economic recovery also remains rocky, the upcoming Football World Cup, in South Africa is helping to kick that economy back on track by attracting tourists and visitors to the country.

The quarterly World Economic Survey is conducted by the Munich-based Ifo Institute in cooperation with ICC. It assesses worldwide economic trends by polling transnational as well as national organizations worldwide on current economic developments in their respective countries. This allows for a rapid, up-to-date assessment of the economic situation prevailing around the world.

Please visit <http://iccwbo.org/WESifo.html> to view survey graphs.

To receive the full results of the report please contact:

Dawn CHARDONNAL
Communications Manager
International Chamber of Commerce
Tel: +33 (0)1 49 53 29 07
[Click here to email](#)