



International Chamber of Commerce

The world business organization

Communications and Media Relations

MEDIA RELEASE

Views on World Economic Climate hit fresh lows, ICC/Ifo survey reveals

Paris, 16 November 2011

The world economic climate has worsened in the fourth quarter, as indicated by increasingly negative expectations from economic experts, according to the World Economic Survey (WES), published today by the International Chamber of Commerce (ICC) and the Munich-based Institute for Economic Research (Ifo).

The poll asked 1,119 economic experts from business and academic institutions to assess current and expected economic developments in their 119 countries this past October. Their answers were analyzed to reach a quarterly figure representative of the current economic climate.

Views on the world economic climate fell from a second quarter high of 107.7 points to 78.7 in the fourth quarter, marking the lowest point in the past two years. The falling figures reflect the waning optimism of expert expectations for the future, recording consecutive drops from 110.5 in the first quarter to 71.9 in the fourth. Expert assessment of the overall current economic situation fell from a second quarter high of 108.4 to a year low of 86.0.

"These results demonstrate the fragile state of the financial sector, particularly in public finance, and underscore the threat that the still relatively strong real economies of many countries could slide into recession," said ICC Secretary General Jean-Guy Carrier.

"However, it is not too late to avoid this destructive scenario if governments worldwide, and particularly in the euro area, succeed in convincing markets that the right decisions are being made," Mr Carrier said.

In North America, the economic climate further deteriorated, with the current economic situation increasingly assessed as unfavorable. The expectations in the region for the next six months were less confident than in the third quarter but remained in positive territory, the report indicates. In Asia, the economic climate indicator has fallen further and is now below its long-term average. Expectations for the next six months continued to worsen in the region. And in Western Europe, a significantly more negative outlook was also brought on by a worsening economic climate.

"An interesting point of the recent results is that 'lack of confidence in governments' economic policy' was regarded worldwide as the single most important problem for the first time since the survey was established, exactly 20 years ago now," said Gernot Nerb, Ifo Director of Business Surveys.

This lack of confidence in government economic policy replaced "public deficits" as the number one problem revealed by one of the previous surveys, in spring this year, and "unemployment" in the survey one year ago, Mr Nerb said.

The inflation estimate for all of 2011 remains at 4.0% on a global average, and the majority of WES experts expect unchanged interest rates over the course of the next six months.

In terms of currency, WES experts also agreed that the euro is overvalued and the yen comparatively more so. On a worldwide average, the exchange rate of the US dollar is expected to remain largely stable over the next six months.

International Chamber of Commerce

38 Cours Albert 1er, 75008 Paris, France

Tel +33 (0)1 49 53 28 28 Fax +33 (0)1 49 53 29 24

E-mail comm@iccwbo.org Website www.iccwbo.org



Business would welcome more information on new domain name endings system

Results of this quarter's ICC special question suggest that there is an opportunity for further communication to ensure that the business community is fully aware of and engaged in the important process of assigning new generic top-level domains (gTLDs). A large number of respondents indicated insufficient understanding of the programme, while at the same time several respondents indicated that there may be a significant business opportunity.

The Internet Corporation for Assigned Names and Numbers (ICANN) in June 2011 approved a programme to allow companies, organizations and communities to apply to use these Internet domain name endings, which correspond to words or phrases such as their name or brand.

WES experts were asked whether they were previously aware that ICANN had approved this programme for new domain name extensions, to which the majority of participants responded "no". Experts were also asked whether or not they felt well informed about the programme. Only roughly 40% of the surveyed experts in Western Europe and CIS countries felt that they had enough information. In all other regions, one-third of survey experts felt sufficiently informed; in Latin America, the Near East and Africa, the number fell to around one quarter.

The experts were also asked if they thought that the new gTLD programme offered a significant business opportunity to enterprises. The majority of experts thought the programme would have a positive impact – at least probably – on business. Expert agreement was particularly high in the Near East, reaching 36%. Dissenting voices mainly came from North America and Western Europe, where, respectively, 39% and 31% of the respondents felt that the gTLD programme did not offer significant business opportunities.

For media inquiries contact:

Clarisse Douaud
ICC Communications & Media Relations Officer
Tel + 33 1 49 53 28 23
E-mail clarisse.douaud@iccwbo.org

About the International Chamber of Commerce

The International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in more than 120 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

For more information please visit: www.iccwbo.org