

Advance Release

NRW.BANK.ifo Business Climate June 2018

Declining optimism

Having recovered noticeably in the previous month, the Ifo Business Climate for industry and trade in North Rhine-Westphalia deteriorated again in June. The companies surveyed no longer rated their current business situation as good as before and believe that their business situation is unlikely to improve in the next six months.

The business climate in the manufacturing sector cooled markedly. While manufacturers again assessed their current business situation mostly positively, there were no more signs of the optimism about the business outlook expressed last month.

In the construction sector, too, the business climate was no longer quite as good as in the previous month. While construction companies rated their current situation less favourably, they remained cautiously optimistic about the near future.

The climate indicator for the retail sector again fell into negative territory in June. Retailers no longer viewed their current business situation as positively as in May and were increasingly pessimistic about their business outlook. In contrast to the above-mentioned sectors, the wholesale sector saw the business climate improve slightly. Although wholesalers were a bit less satisfied with their current situation than last month, their optimism about the next six months picked up again.

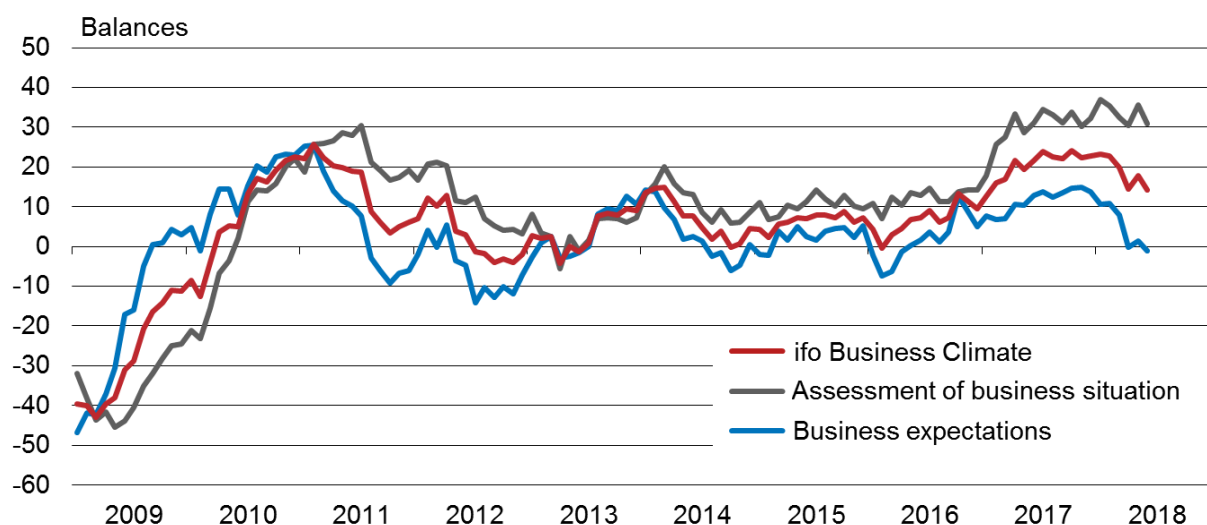
Trade and Industry in North Rhine-Westphalia (balances, seasonally adjusted)

Month/Year	06/17	07/17	08/17	09/17	10/17	11/17	12/17	01/18	02/18	03/18	04/18	05/18	06/18
Climate	21,7	23,8	22,6	22,2	24,1	22,4	22,8	23,3	22,7	19,9	14,5	17,8	14,3
Situation	31,0	34,4	33,2	31,2	33,9	30,2	32,2	37,0	35,3	32,4	30,4	35,5	30,8
Expectations	12,8	13,7	12,5	13,5	14,6	14,8	13,7	10,5	10,9	8,0	-0,3	1,3	-1,1

Source: Ifo Business Survey.

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ifo Trade and Industry^{a)} in North Rhine-Westphalia Seasonally adjusted



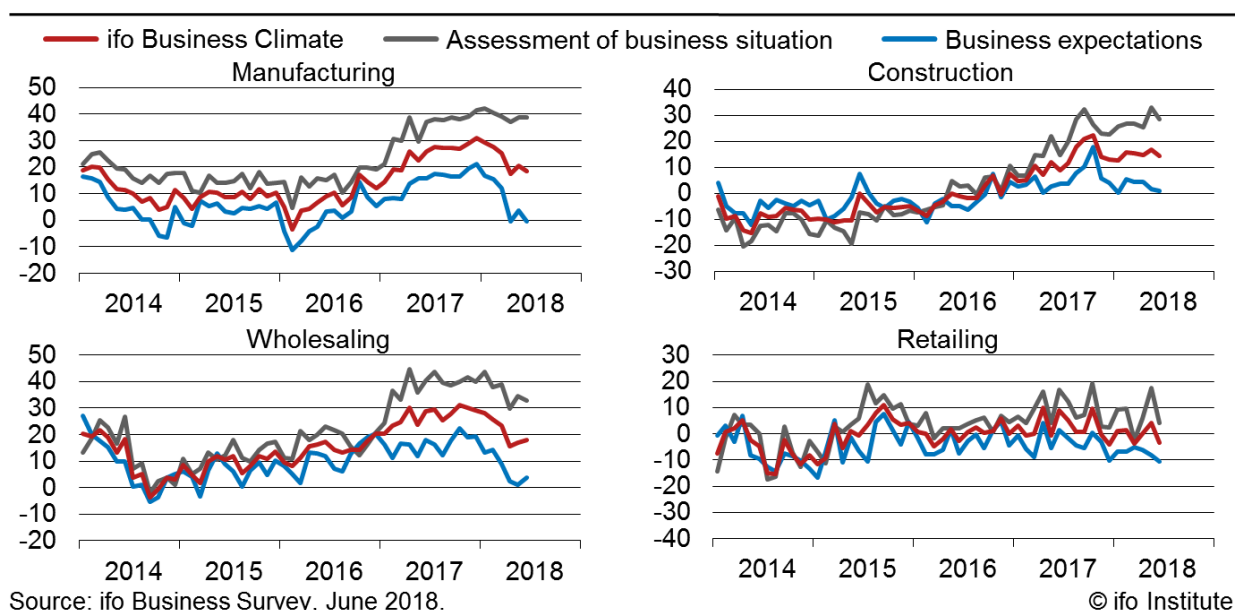
^a Manufacturing, construction, wholesaling and retailing.

Source: Ifo Business Survey, June 2018.

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Business Situation and Expectations by Sector

Balances, seasonally adjusted



ifo Business Climate North Rhine-Westphalia (balances, seasonally adjusted)

Month/Year	06/17	07/17	08/17	09/17	10/17	11/17	12/17	01/18	02/18	03/18	04/18	05/18	06/18
Trade and Industry	21,7	23,8	22,6	22,2	24,1	22,4	22,8	23,3	22,7	19,9	14,5	17,8	14,3
Manufacturing	26,0	27,5	27,1	27,2	26,9	28,9	30,9	29,1	27,6	25,1	17,5	20,4	18,3
Construction	9,1	11,8	18,0	21,1	22,2	14,2	13,1	12,7	16,0	15,3	14,7	16,9	14,4
Wholesaling	28,7	29,5	25,4	27,9	31,1	30,0	29,3	28,0	25,7	23,4	15,7	17,1	17,9
Retailing	8,9	5,1	0,8	0,8	9,5	-0,3	-4,1	1,2	1,3	-3,6	-0,1	4,2	-3,4

Source: Ifo Business Survey.

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For information

Since April 2018, the ifo Institute has published the Ifo Business Climate for Germany including the services sectors. These industry data are currently not available to NRW.BANK for North Rhine-Westphalia, which is why the Bank will continue to analyse the data for industry and trade (manufacturing sector, construction sector, retail and wholesale sectors) for the time being.

Additional information: www.nrwbank.com/en/press/publications.html