

## Advance Release

### NRW.BANK.ifo Business Climate October 2019

#### NRW industry apparently in recession

The Ifo Business Climate for the North Rhine-Westphalian economy again deteriorated slightly in October. While the assessment of the current business situation was still positive, it was somewhat less favourable than in the previous months, as a growing number of the companies surveyed were sceptical about the future.

The business climate indicator for the manufacturing sector declined. For the first time since May 2010, manufacturers now also rated their current business situation rather negatively. They remained pessimistic about the six-month outlook. The combination of a negative business situation and pessimistic expectations can be interpreted as a sign of recession for North Rhine-Westphalia's manufacturing sector.

The business climate in the construction sector was no longer as good as in the previous months, as construction companies rated both their current situation and their business prospects less favourably than before.

The climate indicator for the retail/wholesale sector also pointed downwards in October. While the assessment of the current situation was less positive than before, retailers and wholesalers were no longer quite as pessimistic about their business prospects as they had been in September.

The business climate in the services sector also deteriorated slightly. While satisfaction with the current business situation declined somewhat, service providers were still cautiously optimistic about the future.

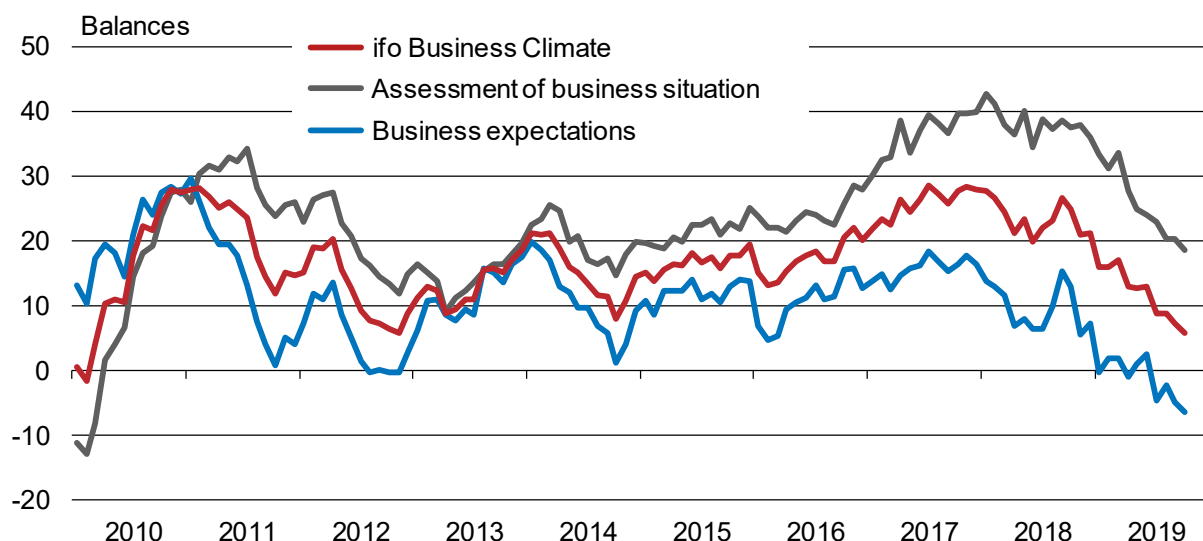
#### ifo Business Climate in North Rhine-Westphalia (balances, seasonally adjusted)

| Month/Year          | 10/18 | 11/18 | 12/18 | 01/19 | 02/19 | 03/19 | 04/19 | 05/19 | 06/19 | 07/19 | 08/19 | 09/19 | 10/19 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Climate</b>      | 24,8  | 21,1  | 21,1  | 15,9  | 16,1  | 17,1  | 12,8  | 12,6  | 12,9  | 8,7   | 8,8   | 7,3   | 5,7   |
| <b>Situation</b>    | 37,4  | 37,8  | 35,9  | 33,3  | 31,1  | 33,5  | 27,6  | 25,0  | 24,0  | 23,0  | 20,4  | 20,4  | 18,5  |
| <b>Expectations</b> | 13,0  | 5,5   | 7,3   | -0,2  | 2,0   | 1,8   | -1,0  | 1,0   | 2,5   | -4,7  | -2,2  | -4,9  | -6,3  |

Source: Ifo Business Survey.

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#### ifo Business Climate<sup>a)</sup> in North Rhine-Westphalia Balances, Seasonally adjusted

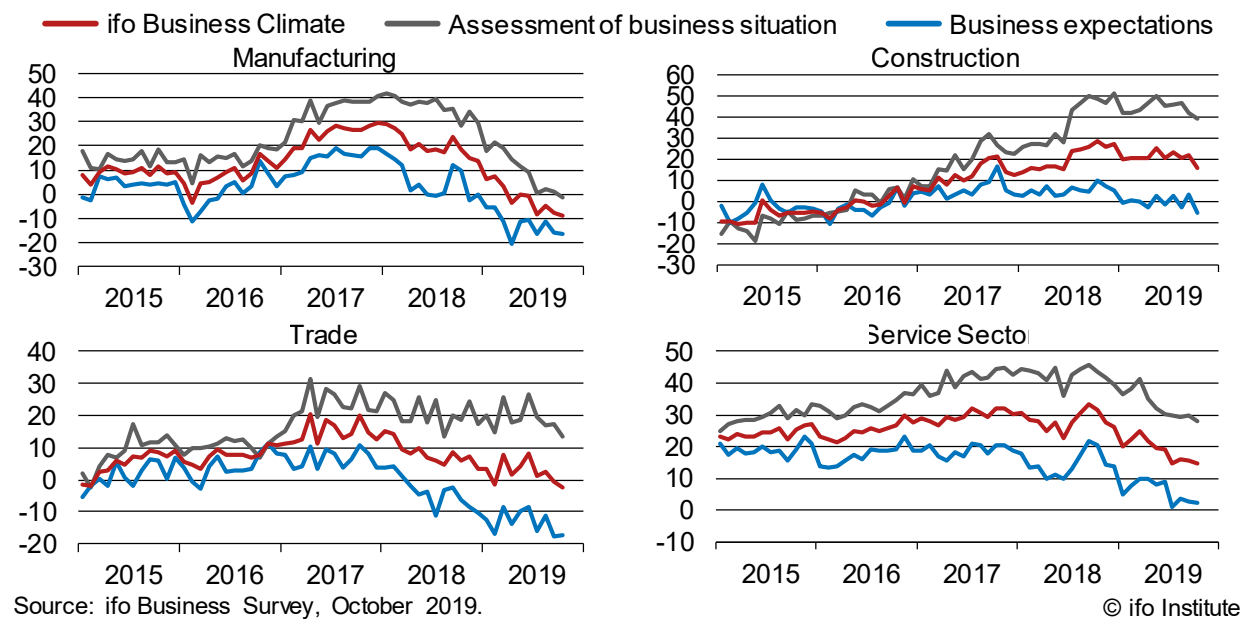


<sup>a</sup> Manufacturing, construction, trade, service-sectoring.  
Source: Ifo Business Survey, October 2019.

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## Business Situation and Expectations by Sector

### Balances, seasonally adjusted



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

| Month/Year            | 10/18 | 11/18 | 12/18 | 01/19 | 02/19 | 03/19 | 04/19 | 05/19 | 06/19 | 07/19 | 08/19 | 09/19 | 10/19 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Total Economy</b>  | 24,8  | 21,1  | 21,1  | 15,9  | 16,1  | 17,1  | 12,8  | 12,6  | 12,9  | 8,7   | 8,8   | 7,3   | 5,7   |
| <b>Manufacturing</b>  | 18,7  | 15,0  | 14,0  | 6,0   | 7,4   | 3,3   | -3,9  | -0,2  | -0,8  | -8,3  | -4,8  | -7,7  | -9,2  |
| <b>Construction</b>   | 28,3  | 26,0  | 26,9  | 19,5  | 20,2  | 20,5  | 20,6  | 25,0  | 20,4  | 22,9  | 20,3  | 21,5  | 15,8  |
| <b>Trade</b>          | 5,9   | 7,1   | 3,3   | 3,3   | -1,7  | 7,8   | 1,4   | 4,1   | 8,3   | 1,0   | 2,3   | -0,8  | -2,5  |
| <b>Service Sector</b> | 31,6  | 27,6  | 26,4  | 20,0  | 22,3  | 24,9  | 22,0  | 19,7  | 19,3  | 14,9  | 16,1  | 15,8  | 14,9  |

Source: Ifo Business Survey.

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