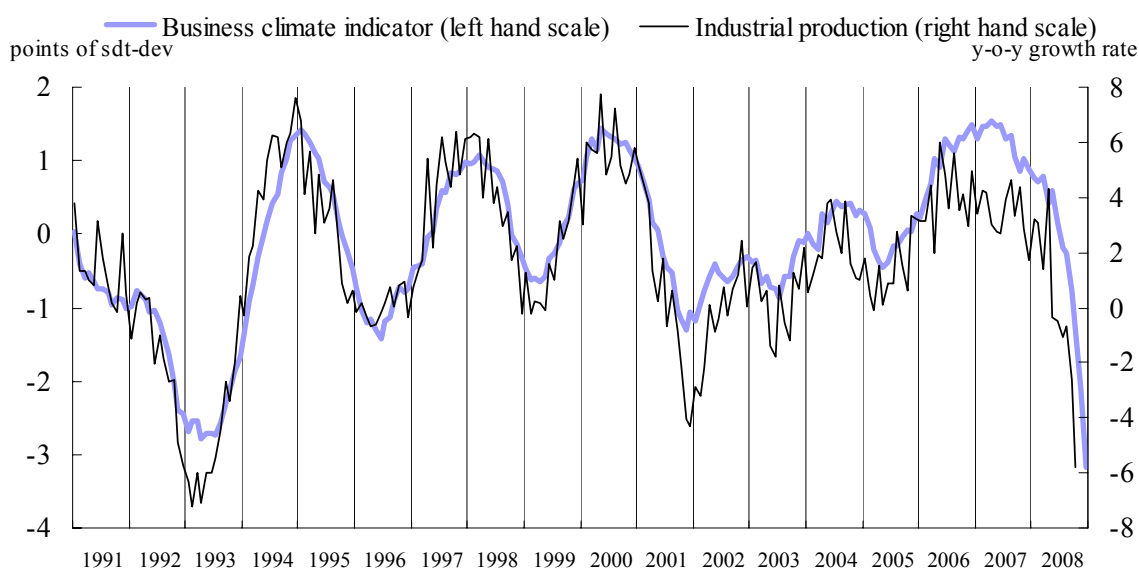


Brussels, 8 January 2009

December 2008: Business Climate Indicator reaches an all-time low in December

The Business Climate Indicator (BCI) for the euro area fell more markedly this month than last and reached its lowest level since January 1985. The continued steep decline of the indicator signals a deteriorating trend in year-on-year industrial production growth, which is likely to turn out clearly negative in the fourth quarter. All five underlying components of the BCI deteriorated. Managers reported a sharp fall in the production trend observed in recent months while stocks of finished goods increased. Their assessment of the current overall order books and export order books is increasingly negative. Looking ahead, production expectations in the euro area worsened notably compared to last month and are now at their lowest level since 1985.



The BCI is based on a factor analysis of the euro area aggregate balances (seasonally adjusted) of five of the monthly questions in the industry survey (only employment and selling-price expectations are excluded).

Business climate indicator, euro area

Jan-85	-0.41	Jan-90	1.07	Jan-95	1.41	Jan-00	0.74	Jan-05	0.28
Feb-85	-0.45	Feb-90	0.99	Feb-95	1.38	Feb-00	1.06	Feb-05	0.08
Mar-85	-0.61	Mar-90	0.99	Mar-95	1.25	Mar-00	1.29	Mar-05	-0.21
Apr-85	-0.51	Apr-90	0.91	Apr-95	1.09	Apr-00	1.16	Apr-05	-0.39
May-85	-0.35	May-90	0.93	May-95	1.02	May-00	1.43	May-05	-0.46
Jun-85	-0.28	Jun-90	0.65	Jun-95	0.70	Jun-00	1.36	Jun-05	-0.38
Jul-85	-0.13	Jul-90	0.71	Jul-95	0.65	Jul-00	1.32	Jul-05	-0.16
Aug-85	-0.13	Aug-90	0.62	Aug-95	0.55	Aug-00	1.29	Aug-05	-0.17
Sep-85	-0.01	Sep-90	0.47	Sep-95	0.18	Sep-00	1.23	Sep-05	-0.03
Oct-85	0.02	Oct-90	0.38	Oct-95	-0.02	Oct-00	1.24	Oct-05	0.07
Nov-85	-0.23	Nov-90	0.21	Nov-95	-0.24	Nov-00	1.14	Nov-05	0.04
Dec-85	-0.14	Dec-90	0.13	Dec-95	-0.48	Dec-00	1.02	Dec-05	0.27
Jan-86	-0.31	Jan-91	0.02	Jan-96	-0.73	Jan-01	0.92	Jan-06	0.23
Feb-86	-0.39	Feb-91	-0.41	Feb-96	-1.05	Feb-01	0.71	Feb-06	0.48
Mar-86	-0.45	Mar-91	-0.60	Mar-96	-1.20	Mar-01	0.47	Mar-06	0.69
Apr-86	-0.24	Apr-91	-0.53	Apr-96	-1.16	Apr-01	0.16	Apr-06	1.03
May-86	-0.38	May-91	-0.66	May-96	-1.30	May-01	0.06	May-06	0.90
Jun-86	-0.13	Jun-91	-0.74	Jun-96	-1.42	Jun-01	-0.30	Jun-06	1.31
Jul-86	-0.20	Jul-91	-0.75	Jul-96	-1.19	Jul-01	-0.44	Jul-06	1.22
Aug-86	-0.19	Aug-91	-0.80	Aug-96	-1.14	Aug-01	-0.52	Aug-06	1.13
Sep-86	-0.11	Sep-91	-0.95	Sep-96	-0.92	Sep-01	-1.03	Sep-06	1.33
Oct-86	-0.30	Oct-91	-0.87	Oct-96	-0.71	Oct-01	-1.16	Oct-06	1.29
Nov-86	-0.44	Nov-91	-0.89	Nov-96	-0.78	Nov-01	-1.29	Nov-06	1.42
Dec-86	-0.26	Dec-91	-1.01	Dec-96	-0.74	Dec-01	-1.07	Dec-06	1.49
Jan-87	-0.42	Jan-92	-0.98	Jan-97	-0.46	Jan-02	-1.18	Jan-07	1.29
Feb-87	-0.59	Feb-92	-0.78	Feb-97	-0.43	Feb-02	-0.93	Feb-07	1.47
Mar-87	-0.45	Mar-92	-0.82	Mar-97	-0.39	Mar-02	-0.77	Mar-07	1.46
Apr-87	-0.34	Apr-92	-0.90	Apr-97	-0.03	Apr-02	-0.59	Apr-07	1.54
May-87	-0.27	May-92	-1.06	May-97	0.03	May-02	-0.40	May-07	1.45
Jun-87	-0.18	Jun-92	-1.03	Jun-97	0.34	Jun-02	-0.52	Jun-07	1.48
Jul-87	-0.04	Jul-92	-1.21	Jul-97	0.59	Jul-02	-0.61	Jul-07	1.30
Aug-87	0.07	Aug-92	-1.38	Aug-97	0.57	Aug-02	-0.64	Aug-07	1.33
Sep-87	0.12	Sep-92	-1.66	Sep-97	0.83	Sep-02	-0.58	Sep-07	1.05
Oct-87	0.14	Oct-92	-2.04	Oct-97	0.82	Oct-02	-0.42	Oct-07	0.85
Nov-87	0.32	Nov-92	-2.39	Nov-97	0.86	Nov-02	-0.36	Nov-07	1.02
Dec-87	0.32	Dec-92	-2.45	Dec-97	0.97	Dec-02	-0.30	Dec-07	0.88
Jan-88	0.36	Jan-93	-2.68	Jan-98	0.95	Jan-03	-0.39	Jan-08	0.75
Feb-88	0.37	Feb-93	-2.55	Feb-98	0.97	Feb-03	-0.35	Feb-08	0.70
Mar-88	0.59	Mar-93	-2.54	Mar-98	1.09	Mar-03	-0.66	Mar-08	0.80
Apr-88	0.54	Apr-93	-2.77	Apr-98	1.01	Apr-03	-0.57	Apr-08	0.43
May-88	0.76	May-93	-2.72	May-98	0.90	May-03	-0.71	May-08	0.59
Jun-88	0.91	Jun-93	-2.71	Jun-98	0.89	Jun-03	-0.74	Jun-08	0.15
Jul-88	0.85	Jul-93	-2.74	Jul-98	0.85	Jul-03	-0.88	Jul-08	-0.17
Aug-88	1.02	Aug-93	-2.56	Aug-98	0.72	Aug-03	-0.57	Aug-08	-0.25
Sep-88	1.10	Sep-93	-2.30	Sep-98	0.39	Sep-03	-0.58	Sep-08	-0.78
Oct-88	1.22	Oct-93	-2.13	Oct-98	-0.03	Oct-03	-0.30	Oct-08	-1.31
Nov-88	1.36	Nov-93	-1.86	Nov-98	-0.13	Nov-03	-0.10	Nov-08	-2.10
Dec-88	1.38	Dec-93	-1.67	Dec-98	-0.33	Dec-03	-0.12	Dec-08	-3.17
Jan-89	1.37	Jan-94	-1.37	Jan-99	-0.49	Jan-04	0.00		
Feb-89	1.35	Feb-94	-0.91	Feb-99	-0.63	Feb-04	-0.15		
Mar-89	1.35	Mar-94	-0.69	Mar-99	-0.60	Mar-04	-0.21		
Apr-89	1.31	Apr-94	-0.32	Apr-99	-0.66	Apr-04	0.26		
May-89	1.23	May-94	-0.01	May-99	-0.58	May-04	0.16		
Jun-89	1.40	Jun-94	0.19	Jun-99	-0.33	Jun-04	0.27		
Jul-89	1.22	Jul-94	0.42	Jul-99	-0.26	Jul-04	0.45		
Aug-89	1.26	Aug-94	0.54	Aug-99	-0.12	Aug-04	0.37		
Sep-89	1.13	Sep-94	0.83	Sep-99	0.10	Sep-04	0.39		
Oct-89	1.07	Oct-94	1.02	Oct-99	0.23	Oct-04	0.41		
Nov-89	1.13	Nov-94	1.27	Nov-99	0.62	Nov-04	0.26		
Dec-89	1.07	Dec-94	1.34	Dec-99	0.68	Dec-04	0.32		

Full details of the Business Climate Indicator are available on the Europa website:

http://ec.europa.eu/economy_finance/db_indicators/db_indicators8650_en.htm

The next BCI Results are due to be published on 29 January 2009.