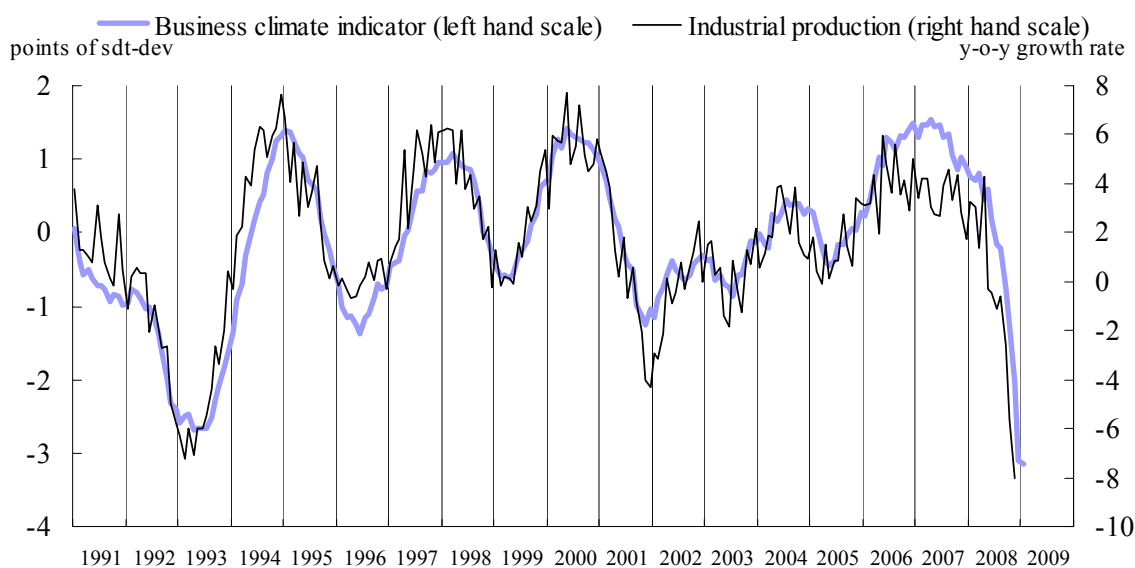


Brussels, 29 January 2009

## January 2009: Business Climate Indicator reaches a new all-time low in January

**The Business Climate Indicator (BCI) for the euro area fell again in January, though marginally so, and reached its lowest since January 1985. The latest BCI confirms the expectation that the outcome of the year-on-year industrial production growth for December will also be markedly negative, after the sharp fall recorded in November 2008. The indicator suggests that annual industrial production growth will be clearly negative in January 2009. The drop in the BCI reflects a general deterioration in its underlying components; however, the downward development in the components was less dramatic than in the past three months. Managers report a deteriorating production trend and worsening order books. Looking ahead, they expect production to decline even further. On the positive side, the stocks of finished goods component improved somewhat in January.**



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	-0.36	Jan-90	1.08	Jan-95	1.38	Jan-00	0.73	Jan-05	0.28
Feb-85	-0.40	Feb-90	1.01	Feb-95	1.36	Feb-00	1.04	Feb-05	0.08
Mar-85	-0.53	Mar-90	1.01	Mar-95	1.24	Mar-00	1.27	Mar-05	-0.20
Apr-85	-0.45	Apr-90	0.94	Apr-95	1.09	Apr-00	1.15	Apr-05	-0.37
May-85	-0.29	May-90	0.96	May-95	1.02	May-00	1.42	May-05	-0.45
Jun-85	-0.24	Jun-90	0.69	Jun-95	0.72	Jun-00	1.35	Jun-05	-0.37
Jul-85	-0.08	Jul-90	0.75	Jul-95	0.66	Jul-00	1.31	Jul-05	-0.16
Aug-85	-0.08	Aug-90	0.67	Aug-95	0.56	Aug-00	1.28	Aug-05	-0.16
Sep-85	0.04	Sep-90	0.53	Sep-95	0.19	Sep-00	1.22	Sep-05	-0.03
Oct-85	0.08	Oct-90	0.45	Oct-95	-0.01	Oct-00	1.23	Oct-05	0.07
Nov-85	-0.17	Nov-90	0.27	Nov-95	-0.23	Nov-00	1.14	Nov-05	0.04
Dec-85	-0.09	Dec-90	0.19	Dec-95	-0.46	Dec-00	1.02	Dec-05	0.27
Jan-86	-0.26	Jan-91	0.05	Jan-96	-0.70	Jan-01	0.92	Jan-06	0.23
Feb-86	-0.34	Feb-91	-0.37	Feb-96	-1.01	Feb-01	0.72	Feb-06	0.48
Mar-86	-0.41	Mar-91	-0.57	Mar-96	-1.16	Mar-01	0.48	Mar-06	0.68
Apr-86	-0.21	Apr-91	-0.50	Apr-96	-1.13	Apr-01	0.17	Apr-06	1.03
May-86	-0.35	May-91	-0.63	May-96	-1.26	May-01	0.07	May-06	0.90
Jun-86	-0.12	Jun-91	-0.72	Jun-96	-1.38	Jun-01	-0.27	Jun-06	1.29
Jul-86	-0.18	Jul-91	-0.72	Jul-96	-1.16	Jul-01	-0.42	Jul-06	1.22
Aug-86	-0.17	Aug-91	-0.78	Aug-96	-1.11	Aug-01	-0.50	Aug-06	1.13
Sep-86	-0.11	Sep-91	-0.93	Sep-96	-0.90	Sep-01	-0.99	Sep-06	1.32
Oct-86	-0.31	Oct-91	-0.85	Oct-96	-0.70	Oct-01	-1.13	Oct-06	1.29
Nov-86	-0.43	Nov-91	-0.87	Nov-96	-0.77	Nov-01	-1.26	Nov-06	1.42
Dec-86	-0.26	Dec-91	-0.99	Dec-96	-0.73	Dec-01	-1.05	Dec-06	1.49
Jan-87	-0.43	Jan-92	-0.97	Jan-97	-0.45	Jan-02	-1.15	Jan-07	1.28
Feb-87	-0.59	Feb-92	-0.77	Feb-97	-0.41	Feb-02	-0.90	Feb-07	1.47
Mar-87	-0.46	Mar-92	-0.81	Mar-97	-0.38	Mar-02	-0.75	Mar-07	1.46
Apr-87	-0.36	Apr-92	-0.89	Apr-97	-0.04	Apr-02	-0.58	Apr-07	1.54
May-87	-0.30	May-92	-1.04	May-97	0.04	May-02	-0.39	May-07	1.45
Jun-87	-0.20	Jun-92	-1.01	Jun-97	0.34	Jun-02	-0.51	Jun-07	1.47
Jul-87	-0.07	Jul-92	-1.18	Jul-97	0.57	Jul-02	-0.60	Jul-07	1.30
Aug-87	0.03	Aug-92	-1.35	Aug-97	0.57	Aug-02	-0.64	Aug-07	1.33
Sep-87	0.09	Sep-92	-1.62	Sep-97	0.83	Sep-02	-0.57	Sep-07	1.06
Oct-87	0.12	Oct-92	-1.99	Oct-97	0.81	Oct-02	-0.42	Oct-07	0.87
Nov-87	0.28	Nov-92	-2.33	Nov-97	0.87	Nov-02	-0.36	Nov-07	1.02
Dec-87	0.28	Dec-92	-2.39	Dec-97	0.96	Dec-02	-0.30	Dec-07	0.89
Jan-88	0.32	Jan-93	-2.60	Jan-98	0.95	Jan-03	-0.38	Jan-08	0.76
Feb-88	0.34	Feb-93	-2.49	Feb-98	0.97	Feb-03	-0.35	Feb-08	0.72
Mar-88	0.55	Mar-93	-2.48	Mar-98	1.08	Mar-03	-0.65	Mar-08	0.80
Apr-88	0.51	Apr-93	-2.69	Apr-98	1.00	Apr-03	-0.57	Apr-08	0.45
May-88	0.72	May-93	-2.65	May-98	0.90	May-03	-0.70	May-08	0.60
Jun-88	0.88	Jun-93	-2.66	Jun-98	0.89	Jun-03	-0.73	Jun-08	0.17
Jul-88	0.83	Jul-93	-2.67	Jul-98	0.85	Jul-03	-0.86	Jul-08	-0.15
Aug-88	1.01	Aug-93	-2.52	Aug-98	0.72	Aug-03	-0.57	Aug-08	-0.22
Sep-88	1.09	Sep-93	-2.27	Sep-98	0.40	Sep-03	-0.58	Sep-08	-0.74
Oct-88	1.20	Oct-93	-2.09	Oct-98	0.00	Oct-03	-0.31	Oct-08	-1.26
Nov-88	1.32	Nov-93	-1.84	Nov-98	-0.11	Nov-03	-0.11	Nov-08	-2.04
Dec-88	1.35	Dec-93	-1.65	Dec-98	-0.31	Dec-03	-0.13	Dec-08	-3.09
Jan-89	1.34	Jan-94	-1.34	Jan-99	-0.46	Jan-04	-0.01	Jan-09	-3.16
Feb-89	1.33	Feb-94	-0.91	Feb-99	-0.60	Feb-04	-0.16		
Mar-89	1.34	Mar-94	-0.69	Mar-99	-0.58	Mar-04	-0.22		
Apr-89	1.29	Apr-94	-0.31	Apr-99	-0.62	Apr-04	0.25		
May-89	1.23	May-94	-0.02	May-99	-0.56	May-04	0.15		
Jun-89	1.39	Jun-94	0.18	Jun-99	-0.32	Jun-04	0.26		
Jul-89	1.21	Jul-94	0.41	Jul-99	-0.24	Jul-04	0.45		
Aug-89	1.26	Aug-94	0.52	Aug-99	-0.10	Aug-04	0.37		
Sep-89	1.14	Sep-94	0.82	Sep-99	0.12	Sep-04	0.39		
Oct-89	1.08	Oct-94	1.00	Oct-99	0.24	Oct-04	0.41		
Nov-89	1.14	Nov-94	1.24	Nov-99	0.62	Nov-04	0.26		
Dec-89	1.09	Dec-94	1.31	Dec-99	0.69	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](http://ec.europa.eu/economy_finance/db_indicators/db_indicators8650_en.htm)

The next BCI Results are due to be published on 26 February 2009.