

Euro Zone Barometer© - April 2014

*****A monthly survey of economic forecasts and expert opinion for the euro zone single currency area, distributed to subscribers by e-mail within just a few working days of the polling date. Rapid compilation and dissemination make the Euro Zone Barometer a unique reference tool for investors, traders and corporate planners.*****

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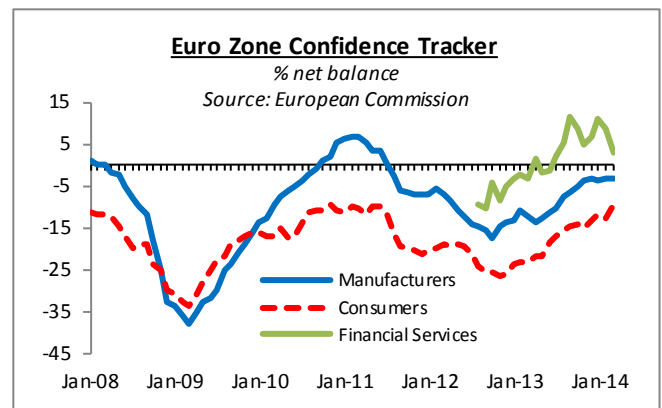
Will the Ukrainian Crisis Spoil the Recovery?

- With the euro zone’s gradual recovery continuing, and spreading out (unevenly) among a debt-ridden periphery held back by recession in recent years, forecasters have **upgraded their growth estimates**. The consensus of our expert panel is now suggesting a 1.2% rise in real GDP for this year (raised from 1.1% last month).
- The forecast for 2015 is unchanged at 1.6%, which is also the predicted long-term average, according to this month’s newly updated **Long Term Forecasts** to 2018.
- Forecasters would appear to be more confident in the region’s **investment prospects** as capital is steered away from emerging markets, with investors snapping up enticing bond issues. Many companies appear to increase their outlays to replace obsolete capital stock and expand capacity in preparation for better market conditions.
- The picture is nonetheless still marred by uncertainty, with economists particularly wary of the **Ukrainian crisis** escalating, especially if a potential tit-for-tat tightening of sanctions with Moscow harms financial flows, goods and services trade, and energy supplies.
- This month we also include the latest twice-yearly Economic Outlook **forecasts from the IMF** as a comparison to predictions by our independent experts. Forecasts for the smaller Euro Zone nations are shown on page 22, alongside forecasts from the European Commission and the OECD.

**Next Month's Survey Deadline:
May 12th, 2014**

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Outlook for 2014-15

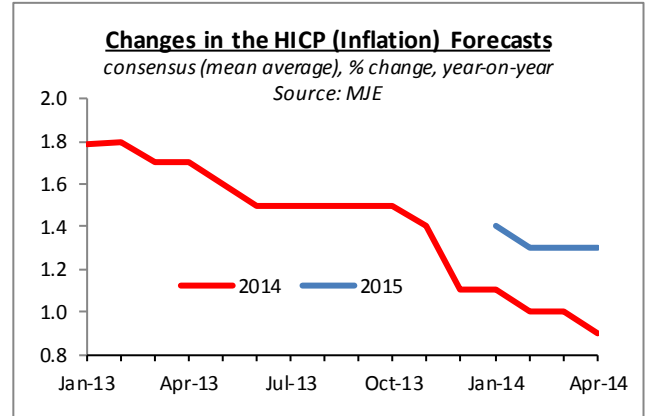
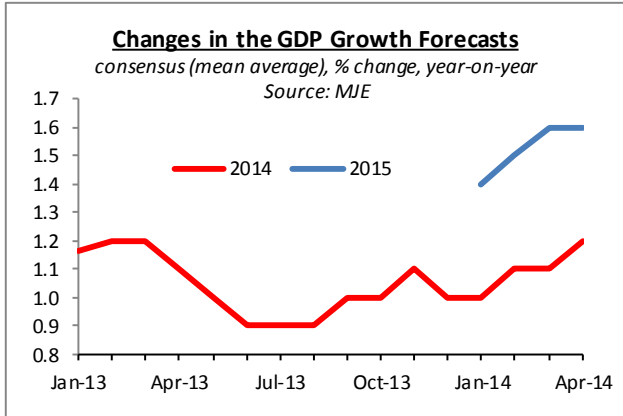
- Confidence in the short term regional economic outlook has grown, with our panel of experts now predicting real GDP growth averaging 1.2% this year after two years of contraction.
- The investment outlook in particular has brightened substantially. The 2014 consensus has risen to 2.4% this month as more than two years of restructuring comes to a halt and firms begin to invest more in new and replacement capacity.
- Another notable feature this month is a small reduction in the unemployment rate forecast (to 11.9%) signalling that a growing economy will slowly improve the labour market.
- With inflation falling across the region, forecasts for both consumer and producer prices this year have been scaled back. According to the HICP, inflation is now expected to be less than 1% this year across the zone.

Six Year Summary: Historical Data and Consensus Forecasts

(% change year-on-year, unless otherwise stated)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014f</u>	<u>2015f</u>
Gross Domestic Product	1.9	1.6	-0.7	-0.4	1.2	1.6
Private Consumption	1.0	0.3	-1.3	-0.7	0.7	1.2
Government Consumption	0.6	-0.1	-0.6	0.1	0.3	0.6
Gross Fixed Investment	-0.4	1.6	-4.0	-3.1	2.4	3.0
Change in Stocks (Inventories)¹	0.6	0.3	-0.5	-0.1	0.0	0.1
Goods and Services Exports	11.6	6.5	2.5	1.3	3.8	4.2
Goods and Services Imports	10.0	4.5	-0.9	0.1	3.7	4.3
Net Exports²	0.7	0.9	1.5	0.6	0.2	0.1
Industrial Production (ex. construction)	7.3	3.4	-2.5	-0.7	2.0	2.6
Retail Sales Volume	0.5	-0.8	-1.7	-0.8	0.7	1.4
Unemployment Rate, % of labour force	10.1	10.1	11.3	12.0	11.9	11.6
Money Supply, M3, end period, % change	1.1	1.5	2.9	2.4	1.3	1.0
Harmonised Index of Consumer Prices	1.6	2.7	2.5	1.4	0.9	1.3
Producer Prices	2.7	5.7	2.8	-0.2	0.2	1.6
Nominal Labour Costs	1.5	2.2	1.8	1.4	1.0	1.8
Current Account Balance, annual total, €bn	5.3	7.9	125.3	210.2	210.3	218.1
Current Account Balance, % of GDP	0.1	0.1	1.3	2.2	2.3	2.2
General Govt Budget Balance, % of GDP	-6.2	-4.1	-3.7	-3.0	-2.6	-2.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	1.01	1.36	0.19	0.29	0.29	0.64
10 Year German Bond Yield, % per annum	2.92	1.83	1.32	1.94	2.02	2.50
US\$ per € Exchange Rate	1.336	1.294	1.318	1.378	1.305	1.260

Notes: f = consensus (mean average) forecast. For other notes, sources and definitions see page 23.



On balance, the latest data from Eurostat continue to show improvement for the Euro Zone. Industrial production, which tends to be quite volatile from month-to-month, increased by 0.2% in February; this, in spite of a sharp fall in energy output that may have been weather- rather than demand-related. Production of capital goods was flat, but had risen strongly in January, and intermediate and non-durable consumer goods increased. The recovery is patchy, with house prices falling during the first quarter, the unemployment rate high (at 11.9% in February) and countries still grappling with debt problems but there are also some positive signs with retail sales growing and construction output rising.

Confidence indicators also offer hope for the recovery continuing. The Euro Zone economic sentiment indicator published by the European Commission reached a net balance of 102.4 in March, having continued to rise for more than 12 consecutive months. The negative net balance of manufacturing sentiment improved in conjunction with retail trade and consumer confidence, while the positive net balance of services sector confidence also increased. The construction sector remains a weak spot and confidence in financial services has waned, which may be a reaction to China slowing and the Russia/Ukraine crisis, both of are risks to the Euro Zone recovery.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-1.1	-0.6	-0.3	0.5
Private Consumption	-1.4	-0.8	-0.6	0.1
Industrial Production	-2.2	-1.0	-1.1	1.5
Harmonised Index of Consumer Prices	1.9	1.4	1.3	0.8
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.29
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.94
	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	1.1	1.1	1.3	1.4
Private Consumption	0.5	0.6	0.8	0.9
Industrial Production	1.9	1.9	2.4	2.5
Harmonised Index of Consumer Prices	0.7	0.8	0.8	1.1
3 month Interest Rate, % per annum, end period	0.31	0.28	0.27	0.29
10 Year Bond Yield, % per annum, end period	1.57	1.78	1.86	2.02
	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.6	1.6	1.7	1.6
Private Consumption	1.1	1.2	1.3	1.4
Industrial Production	2.4	2.4	2.6	2.5
Harmonised Index of Consumer Prices	1.2	1.3	1.4	1.4
3 month Interest Rate, % per annum, end period	0.32	0.35	0.46	0.64
10 Year Bond Yield, % per annum, end period	2.15	2.21	2.36	2.50

Note: consensus (mean average) forecasts from our latest survey are shown in bold

Euro Zone - Forecasts for 2014

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	0.8	0.4	2.7	na	4.3	3.8	na
BBVA	1.1	0.7	0.5	1.6	0.0	3.5	3.3	0.3
BNP Paribas	1.4	0.8	0.5	2.8	-0.1	3.8	3.4	na
Commerzbank	1.0	0.8	0.4	2.7	0.3	4.1	4.3	-0.3
Danske Bank	1.3	0.9	0.1	3.2	0.2	3.8	3.5	na
DZ Bank	1.2	0.6	0.4	2.5	na	4.3	4.4	na
Econ Intelligence Unit	1.4	0.7	0.3	2.7	na	3.1	3.0	0.2
ETLA	0.9	0.5	0.3	1.4	na	1.3	3.7	na
G&P Institutional Mgmt	1.7	0.9	na	3.0	0.1	3.2	3.4	0.1
HSBC	0.9	0.6	0.4	1.4	-0.5	3.1	3.4	na
IHS Economics	1.1	0.8	0.2	3.2	na	3.8	3.6	0.2
Intesa Sanpaulo	1.1	0.6	0.6	1.8	0.1	4.3	4.3	0.2
J P Morgan Chase	1.1	0.6	0.3	2.1	na	3.4	3.1	na
Morgan Stanley	0.9	0.6	0.3	1.3	0.0	3.8	3.5	0.3
Oxford Economics	1.0	0.7	0.0	1.9	0.0	3.6	3.2	0.4
Raiffeisen Bank International	1.5	0.9	0.5	3.0	na	5.9	5.7	na
Santander	1.2	0.6	-0.1	3.4	na	4.0	3.6	0.4
SEB	1.0	0.8	0.1	1.7	0.0	3.8	3.8	na
UBS	1.1	0.8	0.3	2.8	-0.3	3.7	3.3	0.3
UniCredit Bank	1.5	0.7	0.1	2.5	0.1	4.5	3.8	0.5
Consensus (Mean)	1.2	0.7	0.3	2.4	0.0	3.8	3.7	0.2
Last Month	1.1	0.7	0.3	1.9	0.1	3.7	3.6	0.3
2 Months Ago	1.1	0.7	0.4	1.6	0.1	3.8	3.7	0.2
Median	1.1	0.7	0.3	2.6	0.0	3.8	3.6	0.3
High	1.7	0.9	0.6	3.4	0.3	5.9	5.7	0.5
Low	0.9	0.5	-0.1	1.3	-0.5	1.3	3.0	-0.3
Standard Deviation	0.2	0.1	0.2	0.7	0.2	0.8	0.6	0.2
Number of Forecasts	20	20	19	20	12	20	20	11
Other Forecasts								
ECB (Mar. '14)	1.2	0.7	0.4	2.1	na	3.6	3.5	na
EC (Feb. '14)	1.2	0.7	0.5	2.3	0.1	4.2	4.1	0.2
IMF (Apr. '14)	1.2	0.6	0.3	2.2	0.1	na	na	0.4
OECD (Nov. '13)	1.0	na	na	na	na	na	na	na

Euro Zone - Forecasts for 2014

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	2.0	na	11.7	na	0.9	-0.1	na	235.0	2.4	-2.5
BBVA	na	na	12.0	na	1.0	na	na	na	2.1	-2.4
BNP Paribas	3.3	na	12.0	na	0.6	na	na	250.0	2.5	-2.5
Commerzbank	1.5	na	11.8	na	0.9	-0.7	1.2	200.0	na	-2.5
Danske Bank	na	na	11.8	na	0.7	na	na	na	2.9	-2.5
DZ Bank	na	na	12.0	na	1.1	na	na	na	na	na
Econ Intelligence Unit	1.3	na	12.0	na	1.0	0.5	na	260.1	2.7	-2.5
ETLA	1.5	na	11.8	na	0.8	na	na	na	na	-2.7
G&P Institutional Mgmt	na	na	11.7	na	0.7	na	na	na	na	-3.0
HSBC	2.2	na	11.9	na	0.8	na	1.3	231.4	2.4	na
IHS Economics	2.0	1.1	11.9	na	0.9	-0.5	1.6	230.0	2.3	-2.6
Intesa Sanpaulo	na	0.5	11.8	2.0	1.6	1.0	na	135.0	na	na
J P Morgan Chase	1.8	na	12.0	na	0.7	0.2	na	123.0	1.3	-2.5
Morgan Stanley	na	na	12.0	na	0.8	na	na	261.0	2.7	-2.7
Oxford Economics	1.8	0.4	na	na	na	0.8	-0.1	232.3	2.4	-2.6
Raiffeisen Bank International	3.0	na	11.9	na	1.5	na	na	na	1.9	-2.6
Santander	na	na	11.9	na	0.9	na	na	156.0	1.6	na
SEB	na	na	11.9	na	0.7	na	na	na	na	-2.6
UBS	na	na	11.9	0.6	1.0	0.6	na	na	2.1	-2.6
UniCredit Bank	na	na	12.0	na	0.9	na	na	na	na	na
Consensus (Mean)	2.0	0.7	11.9	1.3	0.9	0.2	1.0	210.3	2.3	-2.6
Last Month	1.9	0.5	12.0	1.7	1.0	0.9	1.6	199.8	2.1	-2.6
2 Months Ago	1.9	0.7	12.0	2.1	1.0	1.1	1.6	196.3	2.2	-2.6
Median	1.9	0.5	11.9	1.3	0.9	0.4	1.3	231.4	2.4	-2.6
High	3.3	1.1	12.0	2.0	1.6	1.0	1.6	261.0	2.9	-2.4
Low	1.3	0.4	11.7	0.6	0.6	-0.7	-0.1	123.0	1.3	-3.0
Standard Deviation	0.6	0.4	0.1	1.0	0.3	0.6	0.8	49.9	0.5	0.1
Number of Forecasts	10	3	19	2	19	8	4	11	13	15
Other Forecasts										
ECB (Mar. '14)	na	na	11.9	na	1.0	na	na	na	2.4	-2.7
EC (Feb. '14)	na	na	12.0	na	1.0	na	na	227.9	2.3	-2.6
IMF (Apr. '14)	na	na	na	na	0.9	na	na	na	2.4	-2.6
OECD (Nov. '13)	na	na	12.1	na	1.2	na	na	na	2.6	-2.5

Euro Zone - Forecasts for 2015

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	1.2	0.8	3.0	na	4.3	4.5	na
BBVA	1.9	1.2	0.7	5.0	0.0	4.9	5.1	0.2
BNP Paribas	1.6	1.3	0.9	3.1	0.1	3.5	3.9	na
Commerzbank	1.1	1.2	0.9	2.8	0.2	5.1	5.2	-0.5
Danske Bank	1.7	1.4	-0.1	4.1	0.0	4.4	4.4	na
DZ Bank	1.6	1.3	0.8	2.9	na	4.8	5.1	na
Econ Intelligence Unit	1.4	0.9	0.8	3.5	na	3.5	3.8	0.1
ETLA	1.8	1.0	0.6	2.3	na	5.2	4.7	na
G&P Institutional Mgmt	2.2	1.9	na	4.6	0.2	4.2	4.7	0.0
HSBC	1.1	0.8	0.4	1.6	-0.3	3.1	3.1	na
IHS Economics	1.5	1.3	0.6	2.2	na	3.8	3.9	0.1
Intesa Sanpaulo	na	na	na	na	na	na	na	na
J P Morgan Chase	1.7	1.2	0.9	2.0	na	3.6	3.4	na
Morgan Stanley	1.2	0.6	0.5	1.4	0.2	4.1	3.7	0.4
Oxford Economics	1.4	1.2	0.2	2.3	0.2	3.8	4.0	0.1
Raiffeisen Bank International	2.0	1.8	0.7	3.6	na	5.4	5.7	na
Santander	1.5	1.1	0.0	4.0	na	4.3	4.4	0.1
SEB	1.6	1.4	0.8	3.0	0.0	3.9	3.9	na
UBS	1.5	1.4	0.5	2.9	0.0	4.0	4.2	0.1
UniCredit Bank	1.7	1.1	0.4	2.7	0.3	4.2	4.2	0.2
Consensus (Mean)	1.6	1.2	0.6	3.0	0.1	4.2	4.3	0.1
Last Month	1.6	1.2	0.6	3.0	0.1	4.3	4.3	0.1
2 Months Ago	1.5	1.1	0.5	2.8	0.1	4.3	4.1	0.1
Median	1.6	1.2	0.7	2.9	0.1	4.2	4.2	0.1
High	2.2	1.9	0.9	5.0	0.3	5.4	5.7	0.4
Low	1.1	0.6	-0.1	1.4	-0.3	3.1	3.1	-0.5
Standard Deviation	0.3	0.3	0.3	1.0	0.2	0.6	0.7	0.2
Number of Forecasts	19	19	18	19	11	19	19	10
Other Forecasts								
ECB (Mar. '14)	1.5	1.2	0.4	2.7	na	4.7	4.7	na
EC (Feb. '14)	1.8	1.4	0.7	3.6	0.0	5.7	5.9	0.2
IMF (Apr. '14)	1.5	1.0	-0.2	2.6	0.0	na	na	0.4
OECD (Nov. '13)	1.6	na	na	na	na	na	na	na

Euro Zone - Forecasts for 2015

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	3.0	na	11.2	na	1.5	1.8	na	240.0	2.4	-2.0
BBVA	na	na	11.6	na	1.4	na	na	na	2.0	-2.1
BNP Paribas	2.1	na	11.7	na	1.1	na	na	260.0	2.6	-2.1
Commerzbank	2.3	na	11.4	na	1.2	1.6	1.8	250.0	na	-2.0
Danske Bank	na	na	11.6	na	1.0	na	na	na	3.0	-2.4
DZ Bank	na	na	11.8	na	1.8	na	na	na	na	na
Econ Intelligence Unit	2.0	na	11.6	na	1.5	2.3	na	257.5	2.6	-2.2
ETLA	2.5	na	11.8	na	1.3	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	11.1	na	1.2	na	na	na	na	-2.7
HSBC	2.6	na	11.7	na	1.0	na	1.3	241.6	2.5	na
IHS Economics	2.3	1.5	11.7	na	1.3	1.5	2.0	225.0	2.2	-2.0
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.3	na	11.8	na	1.0	1.0	na	124.1	1.2	-2.3
Morgan Stanley	na	na	11.8	na	1.1	na	na	298.8	3.1	-2.6
Oxford Economics	2.4	1.2	na	na	na	1.5	2.0	204.3	2.0	-2.1
Raiffeisen Bank International	4.3	na	11.6	na	1.5	na	na	na	1.5	-2.5
Santander	na	na	11.7	na	1.3	na	na	80.0	0.8	na
SEB	na	na	11.5	na	0.7	na	na	na	na	-2.3
UBS	na	na	11.6	1.0	1.5	1.3	na	na	2.1	-2.0
UniCredit Bank	na	na	11.8	na	1.3	na	na	na	na	na
Consensus (Mean)	2.6	1.4	11.6	1.0	1.3	1.6	1.8	218.1	2.2	-2.2
Last Month	2.6	1.4	11.7	1.0	1.3	2.0	1.8	198.7	2.0	-2.2
2 Months Ago	2.5	1.3	11.8	2.3	1.3	2.0	1.8	195.8	2.1	-2.2
Median	2.4	1.4	11.7	1.0	1.3	1.5	1.9	240.8	2.2	-2.2
High	4.3	1.5	11.8	1.0	1.8	2.3	2.0	298.8	3.1	-2.0
Low	2.0	1.2	11.1	1.0	0.7	1.0	1.3	80.0	0.8	-2.7
Standard Deviation	0.7	0.2	0.2	na	0.3	0.4	0.3	66.7	0.7	0.2
Number of Forecasts	10	2	18	1	18	7	4	10	13	15
Other Forecasts										
ECB (Mar. '14)	na	na	11.7	na	1.3	na	na	na	2.6	-2.5
EC (Feb. '14)	na	na	11.7	na	1.3	na	na	237.2	2.3	-2.5
IMF (Apr. '14)	na	na	na	na	1.2	na	na	na	2.5	-2.0
OECD (Nov. '13)	na	na	11.8	na	1.2	na	na	na	2.8	-1.8

Financial Forecasts		2014	2015
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	0.29	0.64
Rate on Survey Date: 0.33	High	0.40	1.20
	Low	0.10	0.23
	Standard deviation	0.07	0.31
	Number of Forecasts	19	15
10-year Benchmark German Bond Yield, %	Mean Average	2.02	2.50
Rate on Survey Date: 1.53	High	2.40	2.75
	Low	1.50	2.20
	Standard deviation	0.27	0.22
	Number of Forecasts	13	10
US Dollars/Euro Exchange Rate	Mean Average	1.305	1.260
Rate on Survey Date: 1.382	High	1.380	1.370
	Low	1.230	1.080
	Standard deviation	0.037	0.056
	Number of Forecasts	28	26
Japanese Yen/Euro Exchange Rate	Mean Average	140.7	141.8
Rate on Survey Date: 140.7	High	157.6	158.4
	Low	128.6	124.0
	Standard deviation	9.5	11.2
	Number of Forecasts	12	12
UK Pound/Euro Exchange Rate	Mean Average	0.813	0.798
Rate on Survey Date: 0.826	High	0.850	0.860
	Low	0.760	0.720
	Standard deviation	0.027	0.041
	Number of Forecasts	14	14
Swedish Krona/Euro Exchange Rate	Mean Average	8.688	8.525
Rate on Survey Date: 9.066	High	9.250	9.150
	Low	8.300	8.020
	Standard deviation	0.230	0.309
	Number of Forecasts	21	19
Swiss Franc/Euro Exchange Rate	Mean Average	1.253	1.271
Rate on Survey Date: 1.215	High	1.300	1.350
	Low	1.220	1.220
	Standard deviation	0.025	0.045
	Number of Forecasts	9	9
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	105.7	105.2
Rate on Survey Date: 108.4	High	114.0	120.0
	Low	97.0	97.0
	Standard deviation	4.0	6.7
	Number of Forecasts	20	20

Note: The consensus (mean average) forecasts for US\$/€, Skr/€ and oil prices are based on responses from panellists in our Euro Zone Barometer survey and those in our companion publication, the Nordic Barometer.

Interest Rate Data

All data are period averages

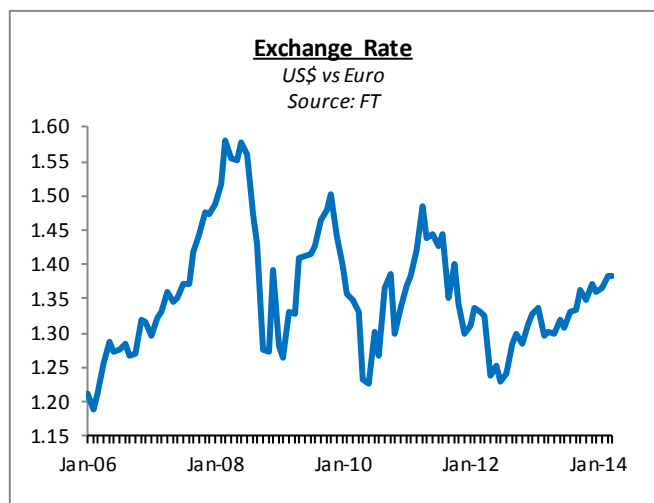
<u>Euro Zone Interest Rates, %</u>	<u>Oct '13</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '14</u>	<u>Feb</u>	<u>Mar</u>
Overnight	0.09	0.10	0.17	0.20	0.16	0.19
3-month	0.23	0.22	0.27	0.29	0.29	0.31
6-month	0.34	0.33	0.37	0.40	0.39	0.41
12-month	0.54	0.51	0.54	0.56	0.55	0.58
10-year bond yields	3.16	3.17	3.31	3.21	3.09	2.89
<u>International Rates, %</u>						
US 3-month (Euro dollar deposits)	0.24	0.24	0.24	0.24	0.24	0.23
US 10-year	2.84	2.99	3.27	2.93	2.90	2.97
Japan 3-month (Euro yen deposits)	0.15	0.14	0.15	0.14	0.14	0.14
Japan 10-year	0.76	0.79	0.95	0.82	0.81	0.84
<u>Euro Zone / US Yield Differentials, %</u>						
3-month	-0.01	-0.02	0.03	0.05	0.05	0.08
10-year	0.32	0.18	0.04	0.28	0.19	-0.08

Exchange Rate Data

period averages vs euro

	<u>Oct '13</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '14</u>	<u>Feb</u>	<u>Mar</u>
Trade Weighted Nominal Index * (1999 Q1=100)	102.8	102.6	103.9	103.4	103.6	104.6
Australian dollar	1.433	1.447	1.524	1.538	1.522	1.522
Canadian dollar	1.413	1.415	1.458	1.488	1.509	1.535
Chinese renminbi	8.323	8.222	8.325	8.237	8.306	8.533
Danish krone	7.459	7.459	7.460	7.461	7.462	7.464
Hong Kong dollar	10.57	10.46	10.63	10.56	10.60	10.73
Japanese yen	133.3	135.0	141.7	141.5	139.4	141.5
Norwegian krone	8.121	8.206	8.405	8.393	8.356	8.291
Singapore dollar	1.696	1.683	1.724	1.733	1.730	1.751
South Korean won	1455	1434	1447	1454	1463	1480
Swedish krona	8.748	8.880	8.960	8.834	8.872	8.867
Swiss franc	1.232	1.232	1.225	1.232	1.221	1.218
UK pound	0.847	0.838	0.836	0.827	0.825	0.832
US dollar	1.364	1.349	1.370	1.361	1.366	1.382

* ECB index, known as EER20, calculated against 20 partner countries.



Although the euro's trend rise has not pushed the currency back up to the peak levels witnessed in 2011 its strength is a concern for policymakers worried by the slide in inflation and the threat of much worse. With deflation either present or a risk for many of the region's members the ECB president Mario Draghi has warned of a policy response to try to engineer the depreciation that would help to push inflation back in line with the target. The other side of the euro's strength is of course the weakness of comparator currencies, the yen and dollar, undermined by the printing of money for bond-purchases. Forecasters predict the euro will weaken, and concomitantly the dollar will rise, in 2014/15.

ECB Watch

- With its main policy interest rate very low (at 0.25%), the euro high, the regional economy weak and inflation negligible, the ECB appears poised to introduce unorthodox monetary measures as a last resort to ameliorate these adverse trends.
- The stronger currency is partly a reaction to the relative attractiveness of bonds drawing in capital as it is withdrawn from emerging markets, and because the region's banks are repaying crisis loans, which is pushing up short term interest rates as cash reserves fall and also attracting capital.
- Thus, far the ECB is attempting to talk down the currency, but may be forced to carry out its threats of quantitative easing.

Euro Zone Barometer Monthly Interest Rate Poll

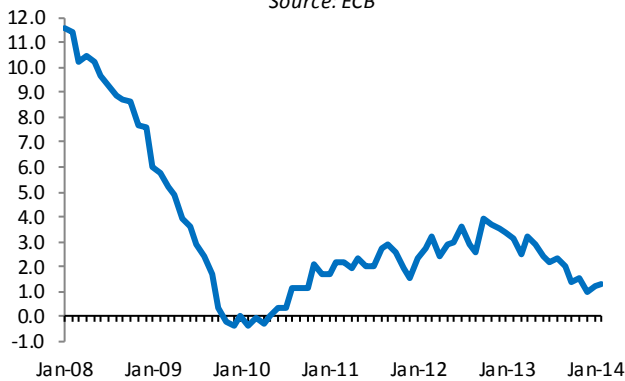
Panellists' estimates of the probability of movements in the euro zone policy rate at the ECB Council's next two meetings:

	May 8th	Jun 5th
-50bp	0.0%	0.0%
-25bp	6.7%	8.2%
-10bp	17.4%	15.5%
Unchanged	75.9%	76.4%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE

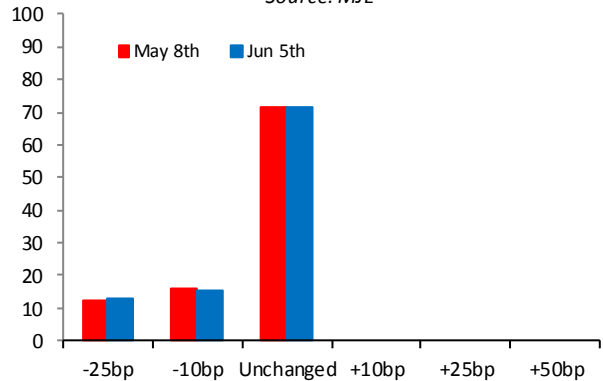
M3 Money Supply

% change, year-on-year, end-period, s.a.
Source: ECB



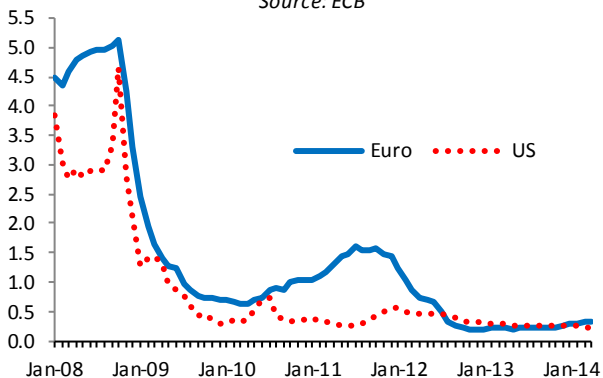
Likely Change in ECB Policy Rate

average % expectation
Source: MJE



Short Term Interest Rates

three-month deposits, % p.a., monthly averages
Source: ECB



Last Five ECB Interest Rate Changes:

November 7th, 2013
0.25% DECREASE to 0.25%

May 2nd, 2013
0.25% DECREASE to 0.50%

July 5th, 2012
0.25% DECREASE to 0.75%

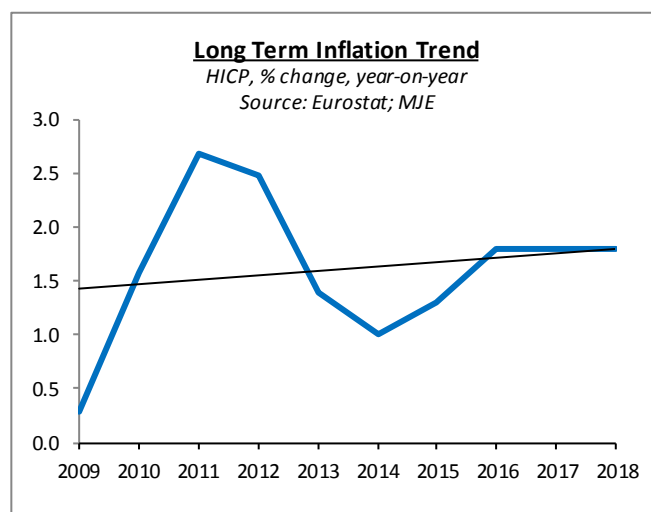
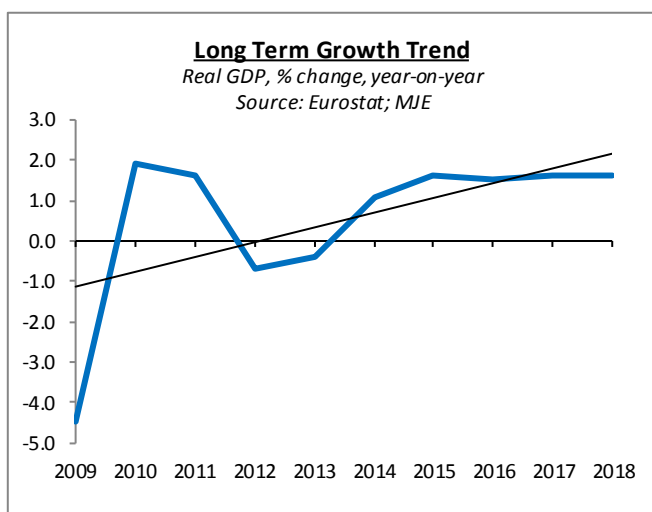
December 14th, 2011
0.25% DECREASE to 1.00%

November 9th, 2011
0.25% DECREASE to 1.25%

Long Term Forecasts

Forecasts for 2016 to 2018 are taken from our April 2014 long term forecasts survey

<i>(% change year-on-year, unless otherwise stated)</i>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross Domestic Product	-0.4	1.2	1.6	1.6	1.6	1.6
Private Consumption	-0.7	0.7	1.2	1.3	1.4	1.4
Gross Fixed Investment	-3.1	2.4	3.0	2.4	2.5	2.4
Industrial Production (excl. construction)	-0.7	2.0	2.6	2.0	2.0	1.8
Unemployment Rate, % of labour force	12.0	11.9	11.6	11.7	11.3	10.9
Harmonised Index of Consumer Prices	1.4	0.9	1.3	1.7	1.8	1.8
Current Account, annual total, % of GDP	2.2	2.3	2.2	1.8	1.7	1.5
General Government Balance, % of GDP	-3.0	-2.6	-2.2	-1.8	-1.4	-1.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.29	0.29	0.64	1.83	2.34	2.13
10 Year Bond Yield, % per annum	1.94	2.02	2.50	3.27	3.43	3.57
10 year - 3 month Yield Differential	1.65	1.73	1.86	1.44	1.09	1.44
US\$ per € Exchange Rate	1.378	1.305	1.260	1.253	1.279	1.319



GERMANY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	2.0	1.5	na	3.8	5.0	1.3	7.6	0.2	na
BBVA	1.8	1.4	4.5	na	na	1.5	6.1	0.2	na
BNP Paribas	2.0	1.0	5.0	3.1	na	1.2	6.8	0.0	na
Danske Bank	2.5	1.4	6.3	na	5.3	1.2	6.6	0.1	77.1
DZ Bank	2.3	1.2	5.5	na	na	na	7.2	-0.2	77.0
Economist Intelligence Unit	1.6	1.4	3.0	1.6	5.1	1.4	6.2	0.5	76.5
G&P Institutional Mgmt	2.0	1.3	4.2	na	4.9	1.1	na	0.1	na
HSBC	1.7	0.9	3.7	4.1	na	1.2	6.5	0.1	77.5
IHS Economics	2.1	1.5	7.4	4.8	4.9	1.3	6.7	0.1	75.0
Intesa Sanpaulo	1.8	1.4	4.2	1.0	na	1.7	6.2	-0.1	na
J P Morgan Chase	1.8	na	na	na	na	1.2	na	na	na
Morgan Stanley	1.8	1.3	3.2	2.2	5.5	1.9	6.6	0.1	77.8
Oxford Economics	1.8	1.1	3.8	2.9	5.1	1.2	7.5	0.0	na
Raiffeisen Bank International	1.8	na	na	na	na	1.5	7.0	0.0	77.3
Santander	1.8	1.0	4.1	4.1	5.3	1.2	6.7	0.1	77.0
SEB	1.7	1.0	2.5	3.0	5.5	1.6	na	0.0	77.0
UBS	1.8	1.3	5.0	2.9	na	1.4	7.7	0.0	76.4
Unicredit Bank	2.5	1.1	5.3	3.5	5.2	1.5	6.0	-0.2	75.9
Consensus (Mean Average)	1.9	1.2	4.5	3.1	5.2	1.4	6.8	0.1	76.8
Last Month	1.9	1.4	4.3	3.0	5.2	1.5	6.6	0.0	77.3
2 Months Ago	1.9	1.4	4.1	2.9	5.2	1.5	6.6	0.0	76.3
Median	1.8	1.3	4.2	3.1	5.2	1.3	6.7	0.1	77.0
High	2.5	1.5	7.4	4.8	5.5	1.9	7.7	0.5	77.8
Low	1.6	0.9	2.5	1.0	4.9	1.1	6.0	-0.2	75.0
Standard Deviation	0.3	0.2	1.3	1.1	0.2	0.2	0.5	0.2	0.8
Number of Forecasts	18	16	15	12	10	17	15	17	11
Other Forecasts									
EC (Feb. '14)	1.8	1.5	4.1	na	5.2	1.4	6.7	0.0	77.3
IMF (Apr. '14)	1.7	1.0	3.2	na	5.2	1.4	7.3	0.0	74.6
OECD (Nov. '13)	1.7	na	na	na	5.4	1.8	6.1	0.2	na

- The crisis in Ukraine is causing alarm within the German business community in view of the country's strong trading relationships in Eastern Europe and its reliance on imported Russian gas supplies.
- German companies are otherwise still confident in the economic outlook given the brisk demand at home and the improvement across Europe. However, with the crisis showing few signs of an imminent resolution, there is growing concern over a possible tightening of sanctions on Russia, and its potential for a negative response.
- These risks aside, the economy is predicted to grow at a stronger pace through to 2015 – a view endorsed by our own panel of experts and by the latest report from Germany's leading economic institutes. The institutes nonetheless argue that a worsening situation in Ukraine is a major risk, along with the introduction of the minimum wage, which was one of the conditions for the centre-left Social Democratic Party agreeing to form a coalition with Angela Merkel's conservative Christian Democratic Union and its sister party, the Christian Social Union.

GERMANY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	1.6	1.6	na	3.0	4.9	1.9	7.0	0.2	na
BBVA	2.0	1.6	5.1	na	na	1.7	6.5	0.3	na
BNP Paribas	2.0	1.7	4.5	2.7	na	1.7	6.3	0.2	na
Danske Bank	3.0	1.8	7.8	na	5.1	1.6	6.4	0.2	74.1
DZ Bank	2.6	1.8	6.1	na	na	na	6.5	0.0	75.0
Economist Intelligence Unit	1.5	1.5	4.0	1.8	5.0	1.7	6.0	0.7	73.9
G&P Institutional Mgmt	2.1	2.2	4.1	na	4.8	1.6	na	0.1	na
HSBC	2.7	1.2	2.4	3.9	na	1.6	6.0	0.1	75.2
IHS Economics	2.0	1.8	3.2	2.6	4.7	1.8	6.6	0.1	72.0
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.2	na	na	na	na	1.7	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.8	1.7	3.2	2.4	5.3	2.3	6.9	0.2	na
Raiffeisen Bank International	2.5	na	na	na	na	2.0	6.5	0.0	74.5
Santander	2.0	1.2	3.0	2.2	5.3	1.8	6.1	0.0	74.0
SEB	2.1	1.3	3.5	3.0	5.4	2.0	na	0.5	74.0
UBS	1.9	1.9	5.1	3.7	na	1.4	7.5	0.5	73.3
Unicredit Bank	2.5	1.6	3.3	3.0	5.1	2.2	6.0	0.3	72.0
Consensus (Mean Average)	2.2	1.6	4.3	2.8	5.1	1.8	6.5	0.2	73.8
Last Month	2.1	1.7	4.3	2.9	5.1	1.9	6.3	0.2	74.2
2 Months Ago	2.0	1.6	4.3	2.8	5.2	1.9	6.4	0.2	73.4
Median	2.1	1.7	4.0	2.9	5.1	1.7	6.5	0.2	74.0
High	3.0	2.2	7.8	3.9	5.4	2.3	7.5	0.7	75.2
Low	1.5	1.2	2.4	1.8	4.7	1.4	6.0	0.0	72.0
Standard Deviation	0.4	0.3	1.5	0.6	0.2	0.2	0.4	0.2	1.1
Number of Forecasts	16	14	13	10	9	15	13	15	10
Other Forecasts									
EC (Feb. '14)	2.0	1.8	4.4	na	5.1	1.4	6.4	0.0	74.5
IMF (Apr. '14)	1.6	1.1	2.5	na	5.2	1.4	7.1	-0.1	70.8
OECD (Nov. '13)	2.0	na	na	na	5.2	2.0	5.6	0.6	na

Germany: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	3.8	3.4	0.9	0.5
Private Consumption	0.9	1.7	0.7	1.0
Gross Fixed Investment	5.9	6.2	-1.9	-0.5
Industrial Production	10.7	7.7	-0.3	0.0
Unemploy. Rate, % of L.F.	7.1	5.9	5.5	5.3
Consumer Prices	1.2	2.5	2.1	1.6
Current Acc., % of GDP	6.4	6.3	7.0	7.3
Budget Bal., % of GDP	-4.2	-0.8	0.1	0.0
Public Debt, % of GDP	82.5	80.0	81.0	79.5

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	Christian Democrat. Union led coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	19th out of 177 countries
Doing Business:	21st out of 189 countries
Competitiveness:	4th out of 148 countries
Corruption:	12th out of 175 countries
Corporate Tax Rate:	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

Note: 5.5% solidarity rate and municipal rates also levied.

Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum

FRANCE - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.1	0.9	1.8	na	na	1.0	-1.8	-3.6	na
BNP Paribas	0.8	0.4	1.3	-0.1	10.4	0.9	-1.7	-3.6	na
Danske Bank	1.0	1.1	1.7	na	11.2	0.7	-1.5	-3.8	95.3
DZ Bank	0.8	0.9	1.5	na	10.8	0.8	-2.1	-3.9	96.0
Economist Intelligence Unit	0.9	0.8	0.9	1.0	9.7	0.8	-1.4	-4.2	95.8
G&P Institutional Mgmt	1.2	1.0	1.5	na	10.3	1.0	na	-3.9	na
HSBC	0.6	0.8	-0.1	0.4	10.9	1.2	-1.4	-4.0	98.0
IHS Economics	0.6	0.4	0.6	0.5	10.8	1.1	-1.6	-3.9	95.6
Intesa Sanpaulo	1.1	1.1	na	1.1	10.5	1.4	na	na	na
J P Morgan Chase	0.8	na	na	na	na	1.0	na	na	na
Morgan Stanley	0.6	0.5	0.4	na	10.8	1.8	-2.2	-3.5	95.3
Oxford Economics	0.7	0.9	0.5	0.6	10.1	0.9	-1.4	-3.7	na
Raiffeisen Bank International	1.0	na	na	na	na	1.4	-1.7	-3.8	95.9
SEB	0.7	0.6	1.5	0.5	11.0	1.5	na	-3.7	95.0
UBS	0.9	1.0	1.5	0.6	na	1.1	-1.5	-3.8	97.7
Consensus (Mean Average)	0.9	0.8	1.1	0.6	10.6	1.1	-1.7	-3.8	96.1
Last Month	0.8	0.8	1.0	0.7	10.9	1.2	-1.7	-3.6	95.5
2 Months Ago	0.8	0.7	0.7	0.8	11.0	1.2	-1.8	-3.7	95.5
Median	0.8	0.9	1.4	0.6	10.8	1.0	-1.6	-3.8	95.8
High	1.2	1.1	1.8	1.1	11.2	1.8	-1.4	-3.5	98.0
Low	0.6	0.4	-0.1	-0.1	9.7	0.7	-2.2	-4.2	95.0
Standard Deviation	0.2	0.2	0.6	0.4	0.4	0.3	0.3	0.2	1.1
Number of Forecasts	15	13	12	8	11	15	11	13	9
Other Forecasts									
EC (Feb. '14)	1.0	0.6	0.9	na	11.0	1.2	-2.0	-4.0	96.1
IMF (Apr. '14)	1.0	0.9	1.9	na	11.0	1.0	-1.7	-3.7	96.1
OECD (Nov. '13)	1.0	na	na	na	10.8	1.2	-2.4	-3.7	na

- A last ditch attempt to restore economic vitality to France and ameliorate the lowly approval ratings of President Hollande's governing Socialist Party has seen a cabinet reshuffle elevate the role of Manuel Valls as the nation's new prime minister.
- The move comes in the wake of a slide in business confidence in February. However, it was partially reversed in March against the backdrop of an encouraging national accounts report for Q4 2013 showing a broad-based 0.3% q/q rise in real GDP.
- The weakened economy last year combined with a lack of structural reform nevertheless frustrated attempts to improve France's fiscal metrics.
- The general government deficit ended the year at 4.3% of GDP, which was above the government's 4.1% target and makes it increasingly difficult to attain the 3% EU limit by 2015 without deeper austerity. The debt burden reached 93.5% of GDP in 2013, and will continue to rise over the coming years until fiscal stability is restored.

FRANCE - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.6	1.2	2.5	na	na	1.2	-1.7	-2.9	na
BNP Paribas	1.3	1.1	3.4	1.8	10.2	1.2	-1.9	-3.0	na
Danske Bank	1.4	1.3	3.9	na	11.3	1.0	-1.5	-3.7	96.0
DZ Bank	1.3	1.1	2.9	na	10.7	1.6	-2.2	-3.9	96.9
Economist Intelligence Unit	1.4	0.9	2.4	2.2	9.6	1.0	-1.3	-3.9	97.9
G&P Institutional Mgmt	1.9	1.6	3.1	na	9.8	1.2	na	-3.4	na
HSBC	1.0	0.9	1.3	2.6	10.8	1.5	-1.5	-3.6	99.3
IHS Economics	1.2	1.1	2.2	1.5	10.1	1.5	-1.2	-3.4	95.4
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	1.0	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.1	1.1	1.4	1.7	10.0	1.3	-1.8	-3.2	na
Raiffeisen Bank International	1.8	na	na	na	na	1.6	-1.9	-3.3	96.4
SEB	1.4	1.4	2.0	1.5	10.8	1.8	na	-3.5	96.0
UBS	1.5	1.8	1.8	1.5	na	1.2	-1.1	-2.9	96.8
Consensus (Mean Average)	1.4	1.2	2.4	1.8	10.4	1.3	-1.6	-3.4	96.8
Last Month	1.4	1.2	2.5	1.9	10.7	1.4	-1.6	-3.2	96.1
2 Months Ago	1.4	1.2	2.4	1.8	10.9	1.4	-1.6	-3.2	96.0
Median	1.4	1.1	2.4	1.7	10.2	1.2	-1.6	-3.4	96.6
High	1.9	1.8	3.9	2.6	11.3	1.8	-1.1	-2.9	99.3
Low	1.0	0.9	1.3	1.5	9.6	1.0	-2.2	-3.9	95.4
Standard Deviation	0.3	0.3	0.8	0.4	0.6	0.3	0.4	0.4	1.2
Number of Forecasts	13	11	11	7	9	13	10	12	8
Other Forecasts									
EC (Feb. '14)	1.7	1.6	3.3	na	11.0	1.2	-2.2	-3.9	97.3
IMF (Apr. '14)	1.5	1.0	2.7	na	10.7	1.2	-1.0	-3.0	87.7
OECD (Nov. '13)	1.6	na	na	na	10.7	1.2	-2.3	-3.0	na

France: Historical Data

<i>% change, year-on-year</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Domestic Product	1.7	2.0	0.0	0.3
Private Consumption	1.6	0.6	-0.3	0.4
Gross Fixed Investment	1.4	2.9	-1.2	-2.1
Industrial Production	4.8	2.4	-2.6	-0.5
Unemploy. Rate, % of L.F.	9.7	9.6	10.2	10.8
Consumer Prices	1.7	2.3	2.2	1.0
Current Acc., % of GDP	-1.9	-2.5	-2.1	-1.7
Budget Bal., % of GDP	-7.1	-5.3	-4.8	-4.3
Public Debt, % of GDP	82.4	85.8	90.2	93.5

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	2017 (presidential & parliamentary)
Capital City:	Paris
Economic Freedom:	62nd out of 177 countries
Doing Business:	38th out of 189 countries
Competitiveness:	23rd out of 148 countries
Corruption:	22nd out of 1754 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33% (branch rate)

Note: 3.3% social sec. surcharge levied over certain threshold.

Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum

ITALY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.8	0.1	0.7	na	na	0.8	1.0	-2.5	na
BNP Paribas	0.8	0.2	2.0	1.5	12.9	0.5	0.9	-2.6	na
Danske Bank	0.5	0.3	1.2	na	12.4	0.8	1.2	-2.7	134.0
DZ Bank	0.4	0.0	1.0	na	12.2	0.6	1.1	-3.0	134.0
Economist Intelligence Unit	0.5	-0.1	0.8	0.2	12.6	0.8	0.9	-3.3	137.5
G&P Institutional Mgmt	0.8	0.2	2.8	na	12.7	0.5	na	-2.7	na
HSBC	0.4	-0.1	0.4	1.6	12.7	0.4	1.3	-3.1	134.0
IHS Economics	0.4	0.2	0.5	0.6	12.9	0.6	1.1	-2.9	135.3
Intesa Sanpaulo	0.5	0.2	0.7	0.7	na	na	0.6	-2.6	na
J P Morgan Chase	0.7	na	na	na	na	0.5	na	na	na
Morgan Stanley	0.4	-0.2	1.9	na	12.4	1.5	1.4	-2.4	131.6
Oxford Economics	0.5	-0.2	0.4	1.9	13.0	0.7	1.0	-3.2	na
Raiffeisen Bank International	0.7	na	na	na	na	0.8	1.1	-2.9	134.6
SEB	0.5	0.5	1.3	1.0	12.0	1.6	na	-2.5	134.0
UBS	0.3	0.2	-0.3	0.7	12.8	0.7	na	-2.9	132.2
Unicredit Bank	0.9	0.5	1.4	na	12.8	0.7	na	na	na
Consensus (Mean Average)	0.6	0.1	1.1	1.0	12.6	0.8	1.1	-2.8	134.1
Last Month	0.5	0.0	0.6	0.8	12.5	1.0	1.0	-2.7	133.5
2 Months Ago	0.5	0.0	0.6	0.7	12.5	1.1	0.9	-2.7	134.6
Median	0.5	0.2	0.9	0.9	12.7	0.7	1.1	-2.8	134.0
High	0.9	0.5	2.8	1.9	13.0	1.6	1.4	-2.4	137.5
Low	0.3	-0.2	-0.3	0.2	12.0	0.4	0.6	-3.3	131.6
Standard Deviation	0.2	0.2	0.8	0.6	0.3	0.3	0.2	0.3	1.7
Number of Forecasts	16	14	14	8	12	15	11	14	9
Other Forecasts									
EC (Feb. '14)	0.6	0.1	1.6	na	12.6	0.9	1.3	-2.6	133.7
IMF (Apr. '14)	0.6	-0.2	1.9	na	12.4	0.7	1.1	-2.7	133.1
OECD (Nov. '13)	0.6	na	na	na	12.4	1.3	1.8	-2.8	na

- The new government led by the energetic and youthful prime minister, Matteo Renzi, the former mayor of Florence, is aiming to inject vitality into a weakened Italian economy, but may be frustrated by extraneous events (including the Ukraine crisis) and Italy's interminable political machinations stifling reform.
- Plans to lower personal taxation and roll back on the state bureaucracy have brought favour among investors and a population tired of Italy's plight, but the unelected Renzi does not have much time on his side.
- In spite of a welcome programme that also tries to make the labour market more flexible, the government has lowered its GDP growth forecast for 2014 in line with the consensus of our independent experts.
- Worryingly, the unemployment rate reached 13% in February, industrial production slid back, retail trade remains lacklustre and house prices are falling. Business and consumer confidence improved in March, though this may be artificially inflated - because of hope rather than expectation. The construction sector is still very weak.

ITALY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production <i>(excl. construction)</i>	Unemployment Rate <i>(EU defn., % of labour force)</i>	Consumer Prices <i>(HICP)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>	General Govt. Debt <i>(% of GDP)</i>
Panellists									
BBVA	1.5	1.2	2.2	na	na	1.2	0.8	-1.9	na
BNP Paribas	1.2	1.0	2.4	2.2	12.6	1.0	1.1	-2.2	na
Danske Bank	1.3	1.3	2.1	na	12.1	1.2	1.1	-2.5	133.1
DZ Bank	1.3	1.0	1.5	na	12.1	1.4	1.2	-2.9	132.0
Economist Intelligence Unit	1.0	0.1	2.0	1.5	12.0	1.2	0.8	-3.0	137.2
G&P Institutional Mgmt	2.1	1.5	6.0	na	12.2	1.2	na	-2.6	na
HSBC	0.6	0.3	1.3	2.1	12.5	0.5	1.4	-2.9	133.5
IHS Economics	1.0	0.7	0.6	1.2	12.7	1.1	0.9	-2.0	134.6
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.6	na	na	na	na	0.7	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.3	0.9	1.7	2.7	12.7	1.2	0.8	-2.6	na
Raiffeisen Bank International	1.5	na	na	na	na	1.2	1.2	-2.5	134.1
SEB	1.0	0.5	1.8	1.0	12.0	1.7	na	-2.5	134.0
UBS	0.7	0.6	0.6	2.4	12.8	1.5	na	-2.9	133.5
Unicredit Bank	1.4	1.6	2.5	na	12.7	1.1	na	na	na
Consensus (Mean Average)	1.3	0.9	2.1	1.9	12.4	1.2	1.0	-2.5	134.0
Last Month	1.2	0.8	2.1	2.1	12.3	1.3	0.9	-2.4	133.4
2 Months Ago	1.1	0.7	1.7	2.0	12.2	1.3	0.9	-2.5	134.5
Median	1.3	1.0	1.9	2.1	12.5	1.2	1.1	-2.6	133.8
High	2.1	1.6	6.0	2.7	12.8	1.7	1.4	-1.9	137.2
Low	0.6	0.1	0.6	1.0	12.0	0.5	0.8	-3.0	132.0
Standard Deviation	0.4	0.5	1.4	0.6	0.3	0.3	0.2	0.4	1.5
Number of Forecasts	14	12	12	7	11	14	9	12	8
Other Forecasts									
EC (Feb. '14)	1.2	0.9	3.7	na	12.4	1.3	1.2	-2.2	132.4
IMF (Apr. '14)	1.1	0.5	2.6	na	11.9	1.0	1.1	-1.8	121.7
OECD (Nov. '13)	1.4	na	na	na	12.1	1.0	2.0	-2.0	na

Italy: Background Information

Prime Minister:	Enrico Letta
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	83rd out of 177 countries
Doing Business:	65th out of 189 countries
Competitiveness:	49th out of 148 countries
Corruption:	69th out of 175 countries
Corporate Tax Rate:	27.5% (national rate) 3.9% (local rate) 27.5% (branch rate)

Note: Regional tax also levied, generally at 3.9%.

Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum

Italy: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	1.7	0.5	-2.5	-1.8
Private Consumption	1.5	-0.3	-4.1	-2.6
Gross Fixed Investment	0.6	-2.2	-8.3	-4.6
Industrial Production	6.9	0.3	-6.3	-2.9
Unemploy. Rate, % of L.F.	8.4	8.4	10.7	12.2
Consumer Prices	1.6	2.9	3.3	1.3
Current Acc., % of GDP	-3.5	-3.1	-0.5	0.7
Budget Bal., % of GDP	-4.5	-3.8	-3.0	-2.8
Public Debt, % of GDP	119.3	120.7	127.0	132.6

Source: ECB; Eurostat; national statistical office

NETHERLANDS - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consumption	Gross Fixed Investment	Industrial Production (excl. construction)	Unemployment Rate (EU defn., % of labour force)	Consumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
DZ Bank	0.7	-0.6	4.4	na	7.5	1.5	9.5	-3.0	75.0
Economist Intelligence Unit	1.0	-0.6	2.0	1.9	7.4	0.6	10.0	-3.0	76.5
IHS Economics	1.1	0.0	7.1	0.2	na	na	12.2	-3.0	76.6
Intesa Sanpaulo	0.9	0.6	3.7	na	na	na	na	na	na
J P Morgan Chase	0.9	na	na	na	na	na	na	na	na
Morgan Stanley	0.5	-0.5	1.4	1.8	7.4	1.5	9.9	-3.5	77.0
Oxford Economics	0.7	-0.3	3.4	-1.4	7.6	0.8	9.6	-2.7	na
Raiffeisen Bank International	1.7	na	na	na	na	0.6	9.5	-3.2	75.3
UBS	1.0	0.0	9.4	0.5	na	1.1	9.9	-3.5	76.0
Consensus (Mean Average)	0.9	-0.2	4.5	0.6	7.5	1.0	10.1	-3.1	76.1
Last Month	0.8	-0.3	3.7	1.1	7.3	1.3	10.4	-3.3	76.4
2 Months Ago	0.8	-0.6	2.7	1.1	7.2	1.3	10.4	-3.2	77.8
Median	0.9	-0.3	3.7	0.5	7.5	1.0	9.9	-3.0	76.3
High	1.7	0.6	9.4	1.9	7.6	1.5	12.2	-2.7	77.0
Low	0.5	-0.6	1.4	-1.4	7.4	0.6	9.5	-3.5	75.0
Standard Deviation	0.3	0.4	2.8	1.4	0.1	0.4	1.0	0.3	0.8
Number of Forecasts	9	7	7	5	4	6	7	7	6
<u>Other Forecasts</u>									
EC (Feb. '14)	1.0	-0.5	5.7	na	7.4	1.1	9.1	-3.2	75.3
IMF (Apr. '14)	0.8	na	na	na	7.3	0.8	10.1	na	na
OECD (Nov. '13)	-0.1	na	na	na	7.8	1.6	10.1	-3.0	na

- Echoing the regional trend, Dutch business and consumer confidence gained momentum during Q1 2013, with the European Commission's economic sentiment indicator breaking through the 100 level in March to 100.3.
- Nailed down by a weakened property market the construction sector remains the Achilles heel, but other areas of the economy have registered improvement, especially the services sector, but also consumer confidence.
- These more positive trends could begin to disappear if surrounding states are affected by a worsening crisis in Ukraine; the Netherlands may have its own gas supplies, but trade could be both directly and indirectly affected given its close trading links to Germany.
- The labour market is also still deteriorating. The unemployment rate reached 7.3% in February, more than one percentage point higher on a year on year basis, with youth unemployment rising to 11.5%.

NETHERLANDS - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
DZ Bank	1.0	0.4	3.4	na	7.0	1.6	9.8	-2.6	75.5
Economist Intelligence Unit	1.5	0.3	3.0	2.5	7.2	1.4	9.4	-2.3	76.9
IHS Economics	1.5	1.2	2.3	1.5	na	na	12.0	-2.3	76.7
Intesa Sanpaolo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	na	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	0.9	0.3	2.0	2.2	7.6	1.1	8.7	-2.1	na
Raiffeisen Bank International	2.1	na	na	na	na	1.4	8.0	-2.9	75.6
UBS	1.8	0.5	6.5	4.7	na	1.9	9.7	-2.9	78.5
Consensus (Mean Average)	1.4	0.5	3.4	2.7	7.3	1.5	9.6	-2.5	76.6
Last Month	1.3	0.4	2.9	2.5	7.0	1.7	9.7	-2.8	76.9
2 Months Ago	1.3	0.4	3.1	2.5	6.7	1.7	9.7	-2.7	79.0
Median	1.5	0.4	3.0	2.4	7.2	1.4	9.6	-2.5	76.7
High	2.1	1.2	6.5	4.7	7.6	1.9	12.0	-2.1	78.5
Low	0.9	0.3	2.0	1.5	7.0	1.1	8.0	-2.9	75.5
Standard Deviation	0.4	0.4	1.8	1.4	0.3	0.3	1.4	0.3	1.2
Number of Forecasts	7	5	5	4	3	5	6	6	5
Other Forecasts									
EC (Feb. '14)	1.3	1.0	3.1	na	7.2	1.3	10.0	-2.9	75.6
IMF (Apr. '14)	1.6	na	na	na	7.1	1.0	10.1	na	na
OECD (Nov. '13)	0.9	na	na	na	8.1	0.9	10.9	-2.3	na

Netherlands: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	1.5	0.9	-1.2	-0.8
Private Consumption	0.3	-1.1	-1.6	-2.1
Gross Fixed Investment	-7.4	6.1	-4.0	-4.8
Industrial Production	7.8	-0.8	-0.4	0.6
Unemploy. Rate, % of L.F.	4.5	4.4	5.3	6.7
Consumer Prices	0.9	2.5	2.8	2.6
Current Acc., % of GDP	5.0	7.4	7.7	11.6
Budget Bal., % of GDP	-5.1	-4.3	-4.1	-2.5
Public Debt, % of GDP	63.4	65.7	71.3	73.5

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	17th out of 177 countries
Doing Business:	28th out of 189 countries
Competitiveness:	8th out of 148 countries
Corruption:	8th out of 175 countries
Corporate Tax Rate:	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

Note: Reduced tax of 20% on income below certain threshold.

Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum

SPAIN - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.9	0.1	0.6	na	25.6	0.5	1.6	-5.8	98.5
BNP Paribas	1.2	0.8	0.1	1.6	25.7	0.1	1.6	-5.9	na
Danske Bank	0.9	1.4	1.0	na	26.4	0.3	2.6	-5.9	99.9
DZ Bank	0.8	1.5	0.5	na	25.5	0.0	1.8	-6.0	99.1
Economist Intelligence Unit	0.9	1.3	1.3	1.7	25.9	1.0	1.1	-5.8	97.7
G&P Institutional Mgmt	1.2	1.3	3.1	na	25.3	0.5	na	-5.6	na
HSBC	0.7	0.8	0.0	1.2	26.3	0.2	0.8	na	na
IHS Economics	0.6	1.0	0.9	1.8	25.7	0.0	1.0	-5.8	99.3
Intesa Sanpaulo	0.6	-0.5	-0.6	na	na	na	na	-6.9	na
J P Morgan Chase	0.9	na	na	na	na	0.1	na	na	na
Morgan Stanley	0.8	0.1	-3.0	na	25.6	0.8	2.8	-6.0	96.2
Oxford Economics	0.8	1.1	1.2	1.2	25.2	0.1	1.4	-5.9	na
Raiffeisen Bank International	1.5	na	na	na	na	0.5	0.9	-5.5	97.4
Santander	1.1	1.3	1.7	na	25.0	0.4	1.4	-5.8	na
UBS	0.8	0.5	0.3	0.9	25.4	0.4	1.7	-6.0	100.0
Consensus (Mean Average)	0.9	0.8	0.5	1.4	25.6	0.4	1.6	-5.9	98.5
Last Month	0.7	0.6	-0.3	1.1	26.2	0.5	1.6	-5.9	99.1
2 Months Ago	0.7	0.4	-0.8	1.1	26.3	0.6	1.7	-6.0	99.7
Median	0.9	1.0	0.6	1.4	25.6	0.4	1.5	-5.9	98.8
High	1.5	1.5	3.1	1.8	26.4	1.0	2.8	-5.5	100.0
Low	0.6	-0.5	-3.0	0.9	25.0	0.0	0.8	-6.9	96.2
Standard Deviation	0.2	0.6	1.4	0.4	0.4	0.3	0.6	0.3	1.3
Number of Forecasts	15	13	13	6	12	14	12	13	8
<u>Other Forecasts</u>									
EC (Feb. '14)	1.0	0.6	0.1	na	25.7	0.3	1.6	-5.8	98.9
IMF (Apr. '14)	0.9	1.2	0.6	na	25.5	0.3	0.8	na	na
OECD (Nov. '13)	0.5	na	na	na	26.3	0.5	1.6	-6.1	na

- The revival in Spain's economy is continuing according to recent data. Industrial production in particular increased for a fourth consecutive month in February (by 0.7% q/q and 3.2% y/y), signalling increased demand for Spanish exports amid improved competitiveness.
- House prices are still falling, retail sales are patchy, and the unemployment rate is very high, but the latter has been edging down in recent months, with youth unemployment also creeping lower.
- Confidence picked up accordingly in March, having wavered in previous months, bolstered mainly by increasing sentiment within the services sector.
- The government narrowly missed its deficit target by one tenth of a percentage point, which came in at 6.6% of GDP in 2013. It will be within the target when a planned revision to GDP data takes place later this year, but that doesn't include the cost of the bank bailout and implies substantially more adjustment to bring it down further.

SPAIN - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.9	na	na	na	na	1.0	1.7	-5.1	na
BNP Paribas	1.6	1.1	1.8	2.9	25.0	0.9	1.8	-4.7	na
Danske Bank	1.5	1.2	2.2	na	25.3	0.7	3.1	-6.6	104.3
DZ Bank	1.5	1.8	0.5	na	24.5	1.3	2.3	-6.6	103.5
Economist Intelligence Unit	1.2	1.1	1.3	1.7	25.2	2.0	1.1	-5.9	101.8
G&P Institutional Mgmt	2.3	1.4	5.6	na	23.0	1.1	na	-4.7	na
HSBC	1.1	0.8	1.6	2.2	25.6	0.4	0.8	na	na
IHS Economics	1.3	1.3	0.8	1.3	24.7	0.6	1.5	-4.6	102.8
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	0.0	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.2	1.2	1.9	2.7	24.4	0.6	1.2	-4.8	na
Raiffeisen Bank International	2.0	na	na	na	na	1.1	1.0	-5.0	99.7
Santander	2.0	1.7	3.6	na	23.5	1.0	1.9	-4.2	na
UBS	1.3	0.8	0.9	1.7	24.6	1.6	2.2	-5.2	104.0
Consensus (Mean Average)	1.6	1.2	2.0	2.1	24.6	0.9	1.7	-5.2	102.7
Last Month	1.5	1.2	1.9	2.1	24.9	1.2	1.8	-5.0	102.0
2 Months Ago	1.3	0.9	1.4	2.1	25.3	1.2	1.9	-5.2	103.2
Median	1.5	1.2	1.7	2.0	24.7	1.0	1.7	-5.0	103.2
High	2.3	1.8	5.6	2.9	25.6	2.0	3.1	-4.2	104.3
Low	1.1	0.8	0.5	1.3	23.0	0.0	0.8	-6.6	99.7
Standard Deviation	0.4	0.3	1.5	0.6	0.8	0.5	0.7	0.8	1.7
Number of Forecasts	13	10	10	6	10	13	11	11	6
Other Forecasts									
EC (Feb. '14)	1.7	1.1	2.0	na	24.6	0.9	1.8	-6.5	103.3
IMF (Apr. '14)	1.0	0.9	1.2	na	24.9	0.8	1.4	na	na
OECD (Nov. '13)	1.0	na	na	na	25.6	0.6	3.1	-5.1	na

Spain: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	-0.2	0.1	-1.6	-1.2
Private Consumption	0.2	-1.2	-2.8	-2.1
Gross Fixed Investment	-5.5	-5.4	-7.0	-5.1
Industrial Production	0.9	-1.4	-6.0	-1.7
Unemploy. Rate, % of L.F.	20.1	21.7	25.0	26.4
Consumer Prices	2.0	3.1	2.4	1.5
Current Acc., % of GDP	-4.4	-4.0	-1.2	0.7
Budget Bal., % of GDP	-9.6	-9.6	-10.6	-6.6
Public Debt, % of GDP	61.7	70.5	86.0	93.4

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	Popular Party
Next Election:	2015 (parliamentary)
Capital City:	Madrid
Economic Freedom:	46th out of 177 countries
Doing Business:	52nd out of 189 countries
Competitiveness:	35th out of 148 countries
Corruption:	40th out of 175 countries
Corporate Tax Rate:	30.0% (national rate) variable (local rate) 30.0%/21.0% (branch rate)

Note: Reduced rate for SMEs.

Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum

Forecasts For Other Euro-Zone Countries¹

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
		Austria	EC	1.5	1.8	1.8	1.8	3.4	3.8	-2.1	-1.8
	IMF	1.7	1.7	1.8	1.7	3.5	3.5	na	na	na	na
	OECD	1.7	2.2	1.6	1.7	3.4	3.8	-1.9	-1.2	na	na
Belgium	EC	1.4	1.7	0.9	1.4	0.6	0.3	-2.6	-2.7	100.5	100.0
	IMF	1.2	1.2	1.0	1.1	-1.3	-1.0	na	na	na	na
	OECD	1.1	1.5	1.1	1.3	-0.6	-0.3	-2.4	-1.1	na	na
Cyprus	EC	-4.8	0.9	0.4	1.4	0.0	0.4	-5.8	-6.1	121.5	125.8
	IMF	-4.8	0.9	0.4	1.4	0.1	0.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	2.3	3.6	1.8	2.8	-2.4	-2.3	-0.4	-0.4	10.1	9.8
	IMF	2.4	3.2	3.2	2.8	-1.3	-1.5	na	na	na	na
	OECD	2.4	4.0	3.2	3.3	-2.5	-1.8	-0.1	0.0	na	na
Greece	EC	0.6	2.9	-0.6	0.2	-1.8	-1.6	-2.2	-1.0	177.0	171.9
	IMF	0.6	2.9	-0.4	0.3	0.9	0.3	na	na	na	na
	OECD	-0.4	1.8	-1.6	-1.4	1.3	2.3	-2.2	-1.4	na	na
Ireland	EC	1.8	2.9	0.8	1.1	6.8	7.2	-4.8	-4.3	120.3	119.7
	IMF	1.7	2.5	0.6	1.1	6.4	6.5	na	na	na	na
	OECD	1.9	2.2	0.8	1.0	3.9	3.4	-5.0	-3.1	na	na
Luxembourg	EC	2.2	2.5	1.5	1.7	6.7	7.0	-0.5	-2.4	25.5	28.1
	IMF	2.1	1.9	1.6	1.8	6.7	5.5	na	na	na	na
	OECD	2.3	2.3	1.6	2.0	7.1	5.4	-0.3	-1.1	na	na
Malta	EC	2.1	2.1	1.2	1.9	0.9	0.5	-2.7	-2.7	72.4	71.5
	IMF	1.8	1.8	1.2	2.6	1.4	1.4	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	0.8	1.5	0.8	1.2	0.8	1.1	-4.0	-2.5	126.6	125.8
	IMF	1.2	1.5	0.7	1.2	0.8	1.2	na	na	na	na
	OECD	0.4	1.1	0.6	0.4	1.2	2.1	-4.6	-3.6	na	na
Slovakia	EC	2.3	3.2	0.7	1.6	1.9	2.3	-3.3	-3.4	57.8	58.4
	IMF	2.3	3.0	0.7	1.6	2.7	2.9	na	na	na	na
	OECD	1.9	2.9	2.0	2.1	4.5	5.5	-2.8	-2.6	na	na
Slovenia	EC	-0.1	1.3	0.8	1.3	6.9	7.8	-3.9	-3.3	75.4	78.0
	IMF	0.3	0.9	1.2	1.6	6.1	5.8	na	na	na	na
	OECD	-0.9	0.6	1.7	1.3	6.2	7.1	-5.9	-2.9	na	na

¹ Forecasts for Germany, Finland, Italy, the Netherlands and Spain shown on pages 12-22; Forecasts for Finland are shown in Nordic Barometer. EC - European Commission (Feb'14); IMF - International Monetary Fund (Apr'14); OECD - Organisation for Economic Cooperation & Dev (Nov'13).

Euro Zone: Background Information

Member Countries	Area (sq km)	Popn (m)	Capital
Austria	83,855	8.5	Vienna
Belgium	30,520	11.1	Brussels
Cyprus	9,251	0.8	Nicosia
Estonia	45,200	1.3	Tallinn
Finland	338,145	5.4	Helsinki
France	543,965	63.6	Paris
Germany	357,028	81.8	Berlin
Greece	131,957	10.8	Athens
Ireland	70,282	4.7	Dublin
Italy	301,245	60.9	Rome
Luxembourg	2,586	0.5	Lux. City
Malta	316	0.4	Valletta
Netherlands	41,526	16.7	The Hague
Portugal	88,940	10.6	Lisbon
Slovakia	49,035	5.4	Bratislava
Slovenia	20,251	2.1	Ljubljana
Spain	504,782	46.2	Madrid

Other Euro Users

Andorra, Kosovo, Monaco, Montenegro, San Marino, Vatican City

Sources: The Times; PRB; MJE

Euro Zone: Election Timetable

Date	Country	Type
May 22nd 2014	EU	Parliamentary
May 25th 2014	Belgium	Parliamentary
2014	EU	Presidential
2014	Slovakia	Presidential
February 2015	Greece	Presidential
March 2015	Estonia	Parliamentary
2015	Portugal	Parliamentary
2015	Spain	Parliamentary
2015	Slovenia	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
September 2016	Netherlands	Parliamentary
2016	Ireland	Parliamentary
2016	Cyprus	Legislative
2017	Germany	Presidential
2017	France	Presidential
2017	France	Parliamentary
2017	Slovenia	Presidential
2018	Italy	Parliamentary

Sources: IFES Election Guide; MJE

Notes, Sources and Definitions

¹ Contribution to overall GDP growth, calculated as the change in stockbuilding as a % of the previous year's GDP.

² Contribution to overall GDP growth, calculated as the change in net exports (real goods and services exports minus real goods and services imports) as a % of the previous year's GDP.

OECD = Organisation for Economic Cooperation and Development; IMF = International Monetary Fund; EC = European Commission; ECB = European Central Bank.

bp – basis points (1/100th of a percentage point)

sa – seasonally adjusted

q/q – quarter on quarter

m/m – month-on-month

wda – working day adjusted

y/y – year on year

<u>Variable</u>	<u>Definition</u>	<u>Source</u>
Gross Domestic Product	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Private Consumption	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Government Consumption	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Gross Fixed Capital Formation	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Change in Stocks (Inventories)	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Exports, Imports & Net Exports	Seasonally and working day adj., 2005 prices (chain-linked)	Eurostat
Industrial Production	Seasonally adjusted, 2005 = 100 index, excluding construction	Eurostat
Retail Sales	Seasonally adjusted, 2005 = 100 index, total sales volume	Eurostat
Unemployment Rate	Seasonally adjusted, total, % of labour force, ILO definition	Eurostat
Money Supply	M3 monetary aggregate (ECB target measure), seas. adj., €bn, end period	ECB
Consumer Prices	Harmonised index of consumer prices (HICP), total, 2005=100	Eurostat
Producer Prices	Industrial producer prices, domestic market, total industry excluding construction, 2005 = 100	Eurostat
Wages/Earnings	Labour cost index, business economy (excluding public administration, education and social services), 2008 = 100	Eurostat
Current Account	Balance of payments current account, total net flows, €bn	Eurostat
Budget Balance	General govt fiscal position, total balance as a % of GDP	Eurostat
Short Term Interest Rate	3 month euro interest rate (EURIBOR – interbank offered Rate), % p.a., end period	ECB/FT
Long Term Interest Rate	Yield on 10 year German govt bond, % p.a., end period	ECB/FT
Exchange Rate	Foreign currency per euro, market rate, end period	FT

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