Euro Zone Barometer© - April 2017

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.

Published by: MJEconomics
(ISSN 1475-7559) www.mjeconomics.com

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Survey Deadline: April 24th, 2017

Growth Outlook Improving

- The region's **economic prospects are continuing to improve** as the global economic climate brightens and the ECB persists with monetary policy stimulus to keep the euro under pressure and bolster liquidity.

- This is helping to **revive real estate markets**, and is supporting consumer spending and investment, lowering unemployment and improving the fiscal picture.

- The outcome of the **presidential elections in France** has reduced political risk, by preventing two euro-sceptics from reaching the second round.

- It would now appear the former Socialist and pragmatic, business-minded reformer Emmanuel Macron will secure victory over the National Front's Marine Le Pen in next month's run-off.

- This month we include **newly revised Long Term Forecasts** (page 11) through to 2021.

- Also, in this issue we include the spring forecasts contained in the **IMF's latest World Economic Outlook**.

Next Month's Survey Deadline: May 22nd, 2017

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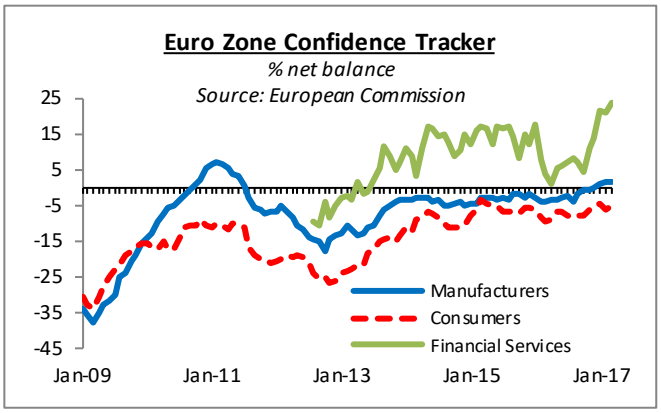

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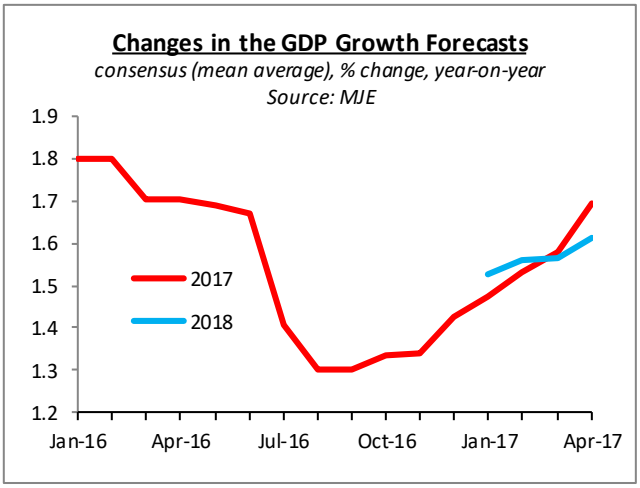
Outlook for 2017-2018

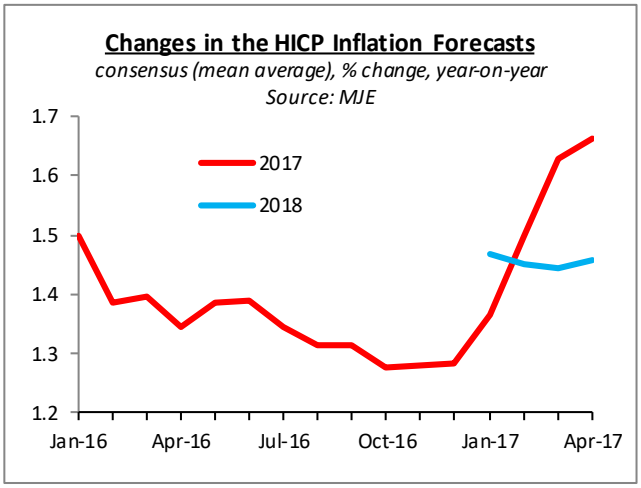
- *The outlook for economic growth in the euro area this year continues to improve, with this month's consensus forecast for real GDP growth in 2017 rising a tenth of a percentage point to 1.7%; the outlook for 2018 is stable.*
- *The picture is improving due to upgraded forecasts for private consumption and gross fixed investment, but not the foreign trade balance, with higher export growth matched by a similar upgrading of import growth.*
- *Due to the brighter GDP growth scenario forecasters now portray an improved outlook for the labour market. Forecasts for the unemployment rate are lower this month, tracing out a decline below 9% by 2018.*
- *The recent upsurge in food, oil and other commodity prices has caused our survey experts to upgrade their forecasts for inflation. Despite this, inflation pressure is still expected to recede by next year.*

Six Year Summary: Historical Data and Consensus Forecasts

(% change year-on-year, unless otherwise stated)	2013	2014	2015	2016	2017f	2018f
Gross Domestic Product	-0.3	1.2	2.0	1.7	1.7	1.6
Private Consumption	-0.6	0.8	1.8	2.0	1.5	1.5
Government Consumption	0.3	0.6	1.3	1.8	1.3	1.2
Gross Fixed Investment	-2.5	1.5	3.2	2.6	2.4	2.8
Change in Stocks (Inventories)[1]	0.2	0.3	-0.1	-0.1	0.1	0.0
Goods and Services Exports	2.1	4.4	6.5	2.9	3.6	3.2
Goods and Services Imports	1.4	4.9	6.5	3.5	3.9	3.5
Net Exports[2]	0.4	0.0	0.3	-0.1	0.0	0.0
Industrial Production (ex. construction)	-0.7	0.9	2.0	1.4	1.7	1.6
Retail Sales Volume	-0.6	1.5	2.7	1.9	1.6	1.4
Unemployment Rate, % of labour force	12.0	11.6	10.9	10.0	9.4	8.9
Money Supply, M3, end period, % change	1.0	3.8	4.7	5.0	4.4	4.5
Harmonised Index of Consumer Prices	1.4	0.4	0.0	0.2	1.7	1.5
Producer Prices	-0.2	-1.5	-2.7	-2.3	3.1	1.9
Nominal Labour Costs	1.4	1.3	1.6	1.4	1.6	1.8
Current Account Balance, annual total, €bn	248.4	303.0	333.7	364.7	341.2	332.0
Current Account Balance, % of GDP	2.5	3.0	3.2	3.4	3.1	2.9
General Govt Budget Balance, % of GDP	-3.0	-2.6	-2.1	-1.7	-1.6	-1.4
Financial Indicators (end period)						
3 Month Interest Rate, % per annum	0.29	0.08	-0.13	-0.32	-0.28	0.00
10 Year German Bond Yield, % per annum	1.94	0.54	0.63	0.21	0.76	1.20
US$ per € Exchange Rate	1.378	1.210	1.091	1.052	1.072	1.087

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





Confidence in the euro zone economy ebbed slightly in March, according to the European Commission's latest indicators of confidence and economic sentiment, but remained upbeat in comparison with last year's levels. Manufacturing confidence weakened in March, but only marginally, and services sector confidence also waned, but the construction industry was buoyed by record low borrowing rates and energised real estate markets. Civil engineering and building construction saw a large rise in production in February, helped along by mild weather.

The slide in consumer confidence in February proved to be a one-off response to the upsurge in commodity prices, which have now stabilised. As such, euro zone consumers were more upbeat in March and April, which will deliver encouragement to retailers already eying higher sales volume. The household saving rate fell in Q4 2016, and house prices rose by 4.1% y/y during the same period, on average across the region. The harmonised unemployment rate also fell to 9.5% (seasonally-adjusted) in February. All these factors are underpinning brighter consumer spending prospects.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.6	1.8	1.7
Private Consumption	2.0	1.9	1.8	1.8
Industrial Production	1.3	1.1	1.0	2.0
Harmonised Index of Consumer Prices	0.0	-0.1	0.3	0.7
3 month Interest Rate, % per annum, end period	-0.24	-0.29	-0.30	-0.32
10 Year Bond Yield, % per annum, end period	0.10	-0.13	-0.12	0.21
	Q1'17	**Q2'17**	**Q3'17**	**Q4'17**
Gross Domestic Product	**1.7**	**1.7**	**1.7**	**1.7**
Private Consumption	**1.5**	**1.5**	**1.6**	**1.6**
Industrial Production	**1.4**	**1.9**	**1.9**	**1.6**
Harmonised Index of Consumer Prices	1.8	**1.6**	**1.6**	**1.4**
3 month Interest Rate, % per annum, end period	-0.33	**-0.31**	**-0.29**	**-0.28**
10 Year Bond Yield, % per annum, end period	0.33	**0.44**	**0.58**	**0.76**
	Q1'18	**Q2'18**	**Q3'18**	**Q4'18**
Gross Domestic Product	**1.7**	**1.6**	**1.6**	**1.6**
Private Consumption	**1.7**	**1.6**	**1.6**	**1.6**
Industrial Production	**1.9**	**1.8**	**1.8**	**1.8**
Harmonised Index of Consumer Prices	**1.5**	**1.6**	**1.6**	**1.6**
3 month Interest Rate, % per annum, end period	**-0.21**	**-0.15**	**-0.04**	**0.00**
10 Year Bond Yield, % per annum, end period	**0.89**	**0.99**	**1.15**	**1.20**

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

Euro Zone - Forecasts for 2017

National Accounts (constant prices) *average % change from previous year unless otherwise noted* **Panellists**	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
ABN Amro	1.8	na	na	na	na	na	na	na
Allianz SE	1.7	1.7	1.4	2.4	na	3.5	4.0	na
BBVA	1.7	1.4	1.2	2.5	na	3.9	4.0	0.1
BNP Paribas	1.6	1.3	1.3	2.1	-0.1	3.9	3.6	na
Commerzbank	1.8	1.8	1.4	2.4	na	4.2	5.4	-0.4
Danske Bank	1.6	1.4	1.2	1.8	na	3.8	3.9	na
DZ Bank	1.6	1.4	1.2	1.7	na	4.0	4.1	na
Econ Intelligence Unit	1.6	1.5	1.3	1.6	na	3.0	3.1	0.1
ETLA	1.6	1.5	1.4	3.0	na	3.3	3.6	na
IHS Markit Economics	1.7	1.4	1.4	2.3	na	3.2	3.5	-0.1
J P Morgan Chase	1.8	1.5	1.3	2.6	0.3	3.0	3.5	-0.1
Lloyds Bank	1.7	1.5	1.2	2.5	na	3.4	3.7	na
MainSky Asset Management	1.8	1.3	1.6	2.7	0.1	4.3	4.4	0.1
Morgan Stanley	1.8	1.4	1.3	4.4	0.3	4.6	5.9	-0.4
Nordea	1.7	na	na	na	na	na	na	na
Oxford Economics	1.7	1.5	1.2	1.9	0.0	3.6	3.4	0.2
Raiffeisen Bank Intl	1.9	1.6	1.6	3.3	na	4.6	5.1	na
Santander	1.8	1.6	1.5	2.2	0.1	2.8	2.9	0.0
SEB	1.8	2.8	0.7	3.5	0.0	3.8	4.3	na
UBS	1.5	1.4	1.5	0.9	0.0	2.6	2.3	0.2
UniCredit Bank	1.5	1.3	1.5	2.2	0.0	2.7	2.8	0.0
Consensus (Mean)	**1.7**	**1.5**	**1.3**	**2.4**	**0.1**	**3.6**	**3.9**	**0.0**
Last Month	1.6	1.4	1.4	2.3	0.0	3.3	3.6	0.0
2 Months Ago	1.5	1.4	1.4	2.4	0.0	3.0	3.3	0.0
Median	1.7	1.5	1.3	2.4	0.0	3.6	3.7	0.0
High	1.9	2.8	1.6	4.4	0.3	4.6	5.9	0.2
Low	1.5	1.3	0.7	0.9	-0.1	2.6	2.3	-0.4
Standard Deviation	0.1	0.3	0.2	0.8	0.1	0.6	0.9	0.2
Number of Forecasts	21	19	19	19	9	19	19	11
Other Forecasts								
ECB (March '17)	1.8	1.4	1.1	2.8	na	4.3	4.6	na
EC (February '17)	1.6	1.5	1.4	2.9	0.0	3.3	3.8	0.0
IMF (April '17)	1.7	1.5	1.2	2.7	0.0	na	na	0.1
OECD (November '16)	1.6	1.4	1.3	2.5	0.0	na	na	0.0

Euro Zone - Forecasts for 2017

Other Indicators *average % change from previous year unless otherwise noted* **Panellists**	Industrial Production *(excl. construction)*	Retail Sales Volume	Unemployment Rate *(% of labour force)*	Money Supply, M3 *(end period, %)*	Consumer Prices *(HICP)*	Producer Prices *(indust., excl, construction)*	Labour Costs *(business sector, ex pub adm, education & health)*	Current Account Balance *(annual total, €bn)*	Current Account Balance *(% of GDP)*	General Govt. Balance *(% of GDP)*
ABN Amro	na	na	9.3	na	1.6	na	na	na	3.2	-1.5
Allianz SE	1.9	na	9.4	na	1.7	3.3	na	330.0	3.0	-1.5
BBVA	na	na	9.5	na	1.8	na	na	na	3.0	-1.7
BNP Paribas	1.6	na	9.4	na	1.7	3.4	na	333.0	3.0	-1.4
Commerzbank	1.6	na	9.3	4.4	1.4	na	1.5	330.0	3.0	-1.5
Danske Bank	na	na	9.4	na	1.5	na	na	na	3.2	-1.4
DZ Bank	na	na	9.5	na	1.7	na	na	na	3.1	-1.6
Econ Intelligence Unit	1.6	na	9.4	na	1.6	2.9	na	378.0	3.4	-1.6
ETLA	1.6	na	9.5	na	1.5	na	na	na	na	na
IHS Markit Economics	1.9	1.5	9.3	na	1.7	2.9	1.7	350.0	3.2	-1.7
J P Morgan Chase	na	na	9.3	na	1.8	na	na	352.4	3.2	-1.6
Lloyds Bank	na	na	9.1	na	1.7	na	na	na	2.7	na
MainSky Asset Management	na	na	9.1	na	1.4	na	na	na	na	-1.5
Morgan Stanley	na	na	9.1	na	1.7	na	na	302.1	2.7	-1.9
Nordea	na	na	na	na	1.8	na	na	na	3.2	-1.4
Oxford Economics	1.6	1.7	9.3	na	1.6	2.9	na	319.0	2.9	-1.3
Raiffeisen Bank Intl	1.9	na	9.4	na	1.8	na	na	367.4	3.3	-1.4
Santander	na	na	na	na	1.8	na	na	na	na	na
SEB	na	na	9.6	na	1.6	na	na	na	na	na
UBS	na	na	10.0	na	1.7	na	na	332.1	3.0	-1.7
UniCredit Bank	na	na	9.7	na	1.7	na	na	359.1	3.3	-1.8
Consensus (Mean)	**1.7**	**1.6**	**9.4**	**4.4**	**1.7**	**3.1**	**1.6**	**341.2**	**3.1**	**-1.6**
Last Month	1.8	1.6	9.5	4.7	1.6	2.9	1.5	343.5	3.2	-1.6
2 Months Ago	1.6	1.5	9.6	4.3	1.5	2.4	1.5	333.9	3.1	-1.7
Median	1.6	1.6	9.4	4.4	1.7	2.9	1.6	333.0	3.1	-1.5
High	1.9	1.7	10.0	4.4	1.8	3.4	1.7	378.0	3.4	-1.3
Low	1.6	1.5	9.1	4.4	1.4	2.9	1.5	302.1	2.7	-1.9
Standard Deviation	0.2	0.1	0.2	na	0.1	0.2	0.1	22.3	0.2	0.2
Number of Forecasts	8	2	19	1	21	5	2	11	17	17
Other Forecasts										
ECB (March '17)	na	na	9.4	na	1.7	na	na	na	3.1	-1.4
EC (February '17)	na	na	9.6	na	1.7	na	na	358.9	3.2	-1.4
IMF (April '17)	na	na	9.4	na	1.7	na	na	na	3.0	-1.5
OECD (November '16)	na	na	9.5	na	1.2	na	na	na	4.0	-1.5

Euro Zone - Forecasts for 2018

National Accounts (constant prices) *average % change from previous year unless otherwise noted* **Panellists**	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
ABN Amro	1.6	na	na	na	na	na	na	na
Allianz SE	1.6	1.4	1.3	2.9	na	3.2	3.5	na
BBVA	1.7	1.4	1.0	3.0	na	3.5	3.6	0.1
BNP Paribas	1.6	1.5	1.2	2.4	0.0	4.2	4.4	na
Commerzbank	1.6	2.1	1.3	3.5	na	3.9	5.4	-0.6
Danske Bank	1.6	1.1	1.1	3.6	na	3.6	4.0	na
DZ Bank	1.7	1.4	1.3	2.4	na	3.8	3.8	na
Econ Intelligence Unit	1.5	1.5	1.2	2.1	na	2.9	3.0	0.1
ETLA	1.6	1.4	1.1	2.8	na	3.2	3.6	na
IHS Markit Economics	1.6	1.3	1.1	2.0	na	3.0	3.0	0.1
J P Morgan Chase	1.5	1.7	1.3	3.0	-0.1	2.5	3.0	-0.1
Lloyds Bank	1.6	1.4	1.2	2.8	na	2.6	2.8	na
MainSky Asset Management	2.1	1.8	1.8	3.4	0.0	2.7	2.9	0.1
Morgan Stanley	1.7	1.3	1.3	2.8	0.0	4.0	4.2	0.1
Nordea	1.6	na	na	na	na	na	na	na
Oxford Economics	1.5	1.4	1.1	2.0	0.0	2.6	2.6	0.1
Raiffeisen Bank Intl	1.7	1.6	1.7	3.3	na	4.0	4.7	na
Santander	1.7	1.6	1.5	2.8	0.0	1.7	2.1	0.0
SEB	1.9	2.5	0.8	3.5	0.0	4.4	4.7	na
UBS	1.2	1.1	0.9	1.8	0.0	2.8	2.6	0.2
UniCredit Bank	1.4	1.2	1.5	2.4	-0.1	2.5	2.8	0.0
Consensus (Mean)	**1.6**	**1.5**	**1.2**	**2.8**	**0.0**	**3.2**	**3.5**	**0.0**
Last Month	1.6	1.4	1.3	2.7	0.0	3.2	3.5	0.0
2 Months Ago	1.6	1.4	1.2	2.7	-0.1	3.3	3.5	0.0
Median	1.6	1.4	1.2	2.8	0.0	3.2	3.5	0.1
High	2.1	2.5	1.8	3.6	0.0	4.4	5.4	0.2
Low	1.2	1.1	0.8	1.8	-0.1	1.7	2.1	-0.6
Standard Deviation	0.2	0.3	0.3	0.6	0.0	0.7	0.9	0.2
Number of Forecasts	21	19	19	19	9	19	19	11
Other Forecasts								
ECB (March '17)	1.7	1.4	1.0	3.2	na	4.1	4.4	na
EC (February '17)	1.8	1.6	1.4	3.4	0.0	3.7	4.3	-0.1
IMF (April '17)	1.6	1.5	0.9	2.7	0.0	na	na	0.1
OECD (November '16)	1.7	1.5	1.2	3.0	0.0	na	na	0.0

Euro Zone - Forecasts for 2018

Other Indicators *average % change from previous year unless otherwise noted* **Panellists**	Industrial Production *(excl. construction)*	Retail Sales Volume	Unemployment Rate *(% of labour force)*	Money Supply, M3 *(end period, %)*	Consumer Prices *(HICP)*	Producer Prices *(indust., excl, construction)*	Labour Costs *(business sector, ex pub adm, education & health)*	Current Account Balance *(annual total, €bn)*	Current Account Balance *(% of GDP)*	General Govt. Balance *(% of GDP)*
ABN Amro	na	na	8.7	na	1.5	na	na	na	2.7	-1.6
Allianz SE	2.1	na	9.2	na	1.7	2.2	na	290.0	2.5	-1.3
BBVA	na	na	9.1	na	1.6	na	na	na	2.9	-1.4
BNP Paribas	1.4	na	9.1	na	1.3	1.2	na	353.0	3.1	-1.2
Commerzbank	1.8	na	8.7	4.5	1.4	na	1.6	300.0	2.8	-1.2
Danske Bank	na	na	8.8	na	1.2	na	na	na	3.1	-1.4
DZ Bank	na	na	9.2	na	1.6	na	na	na	3.1	-1.5
Econ Intelligence Unit	1.3	na	8.9	na	1.4	1.9	na	359.8	3.2	-1.4
ETLA	1.5	na	9.1	na	1.5	na	na	na	na	na
IHS Markit Economics	1.8	1.4	9.0	na	1.6	1.8	2.0	330.0	3.0	-1.7
J P Morgan Chase	na	na	8.9	na	1.3	na	na	359.7	3.2	-1.5
Lloyds Bank	na	na	8.7	na	1.7	na	na	na	2.6	na
MainSky Asset Management	na	na	8.3	na	1.4	na	na	na	na	-1.1
Morgan Stanley	na	na	8.5	na	1.4	na	na	318.7	2.9	-1.7
Nordea	na	na	na	na	1.5	na	na	na	3.1	-1.4
Oxford Economics	1.2	1.4	8.7	na	1.6	2.2	na	319.4	2.8	-1.1
Raiffeisen Bank Intl	na	na	8.6	na	1.5	na	na	356.1	3.1	-1.4
Santander	na	na	na	na	1.4	na	na	na	na	na
SEB	na	na	9.1	na	1.0	na	na	na	na	na
UBS	na	na	9.8	na	1.7	na	na	319.7	2.8	-1.5
UniCredit Bank	na	na	9.4	na	1.4	na	na	345.9	3.1	-1.6
Consensus (Mean)	**1.6**	**1.4**	**8.9**	**4.5**	**1.5**	**1.9**	**1.8**	**332.0**	**2.9**	**-1.4**
Last Month	1.6	1.4	9.1	4.5	1.4	1.9	1.8	339.8	3.1	-1.5
2 Months Ago	1.7	1.5	9.1	4.7	1.5	1.9	1.8	330.8	3.0	-1.5
Median	1.5	1.4	8.9	4.5	1.5	1.9	1.8	330.0	3.0	-1.4
High	2.1	1.4	9.8	4.5	1.7	2.2	2.0	359.8	3.2	-1.1
Low	1.2	1.3	8.3	4.5	1.0	1.2	1.6	290.0	2.5	-1.7
Standard Deviation	0.3	0.1	0.3	na	0.2	0.4	0.3	24.3	0.2	0.2
Number of Forecasts	7	2	19	1	21	5	2	11	17	17
Other Forecasts										
ECB (March '17)	na	na	8.9	na	1.6	na	na	na	3.2	-1.2
EC (February '17)	na	na	9.1	na	1.4	na	na	352.8	3.1	-1.4
IMF (April '17)	na	na	9.1	na	1.5	na	na	na	3.0	-1.2
OECD (November '16)	na	na	9.1	na	1.4	na	na	na	4.0	-1.3

Financial Forecasts

All forecasts are for end year		2017	2018
3-month Euribor Interest Rate, %	**Mean Average**	**-0.28**	**0.00**
Rate on Survey Date: [-0.33]	High	-0.10	0.33
	Low	-0.40	-0.35
	Standard deviation	0.09	0.24
	Number of Forecasts	16	15
10-year Benchmark German Bond Yield, %	**Mean Average**	**0.76**	**1.20**
Rate on Survey Date: [0.38]	High	1.00	1.80
	Low	0.30	0.70
	Standard deviation	0.23	0.38
	Number of Forecasts	12	11
US Dollars/Euro Exchange Rate	**Mean Average**	**1.072**	**1.087**
Rate on Survey Date: [1.086]	High	1.140	1.200
	Low	1.000	0.990
	Standard deviation	0.039	0.056
	Number of Forecasts	28	26
Japanese Yen/Euro Exchange Rate	**Mean Average**	**122.5**	**125.0**
Rate on Survey Date: [119.4]	High	135.2	149.8
	Low	109.7	109.8
	Standard deviation	6.6	11.6
	Number of Forecasts	13	12
UK Pound/Euro Exchange Rate	**Mean Average**	**0.885**	**0.875**
Rate on Survey Date: [0.850]	High	1.000	1.000
	Low	0.800	0.813
	Standard deviation	0.050	0.051
	Number of Forecasts	14	13
Swedish Krona/Euro Exchange Rate	**Mean Average**	**9.315**	**9.086**
Rate on Survey Date: [9.619]	High	9.617	9.617
	Low	9.000	8.600
	Standard deviation	0.173	0.301
	Number of Forecasts	23	20
Swiss Franc/Euro Exchange Rate	**Mean Average**	**1.091**	**1.112**
Rate on Survey Date: [1.081]	High	1.150	1.200
	Low	1.030	1.000
	Standard deviation	0.032	0.060
	Number of Forecasts	12	11
Oil Prices, Brent Blend, US$ per barrel	**Mean Average**	**55.3**	**58.4**
Rate on Survey Date: [51.6]	High	65.0	70.0
	Low	48.0	50.0
	Standard deviation	3.7	4.7
	Number of Forecasts	22	22

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

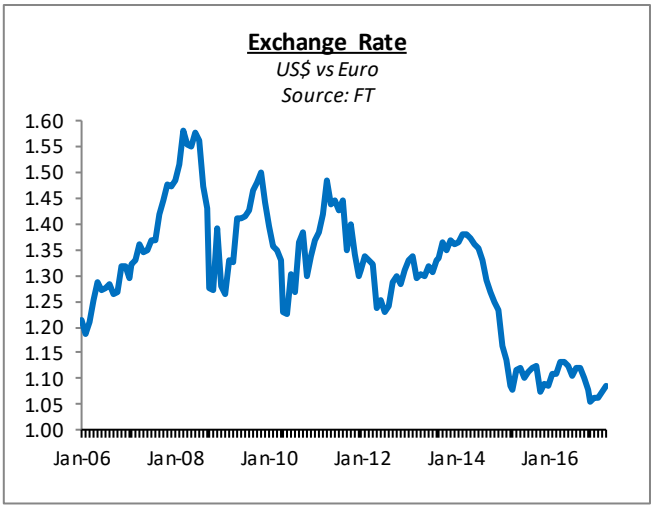
All data are period averages

Euro Zone Money Market Rates, %	Sep '16	Oct	Nov	Dec	Jan '17	Feb
Overnight	-0.34	-0.35	-0.35	-0.35	-0.35	-0.35
1-month	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37
3-month	-0.30	-0.31	-0.31	-0.32	-0.33	-0.33
6-month	-0.20	-0.21	-0.21	-0.22	-0.24	-0.24
12-month	-0.06	-0.07	-0.07	-0.08	-0.09	-0.11
10-year bond yields	0.74	0.78	1.23	1.29	1.31	1.45
10-year less 1-year Spreads, %						
Euro Zone	0.56	0.88	1.07	1.08	1.20	1.13
United States	1.00	1.18	1.60	1.63	1.69	1.56
United Kingdom	0.60	1.03	1.30	1.17	1.36	1.05
3-month LIBOR rates, %						
United States	0.85	0.88	0.91	0.98	1.03	1.04
United Kingdom	-0.03	-0.02	-0.06	-0.04	-0.02	-0.01

Exchange Rate Data

period averages vs euro	Sep '16	Oct	Nov	Dec	Jan '17	Feb
Trade Weighted Nominal Index * (1999 Q1=100)	95.4	95.5	95.0	94.2	94.4	93.9
Chinese renminbi	7.482	7.420	7.388	7.298	7.319	7.314
Croatian kuna	7.500	7.507	7.521	7.540	7.530	7.448
Czech koruna	27.02	27.02	27.03	27.03	27.02	27.02
Danish krone	7.447	7.440	7.441	7.436	7.435	7.435
Hungarian forint	308.7	307.0	308.8	312.2	309.0	308.5
Japanese yen	114.2	114.5	116.9	122.4	122.1	120.2
Polish zloty	4.321	4.308	4.391	4.436	4.367	4.308
Romanian leu	4.450	4.494	4.510	4.516	4.502	4.514
Swedish krona	9.565	9.707	9.851	9.709	9.511	9.476
Swiss franc	1.092	1.089	1.076	1.075	1.071	1.066
UK pound	0.852	0.894	0.869	0.844	0.861	0.853
US dollar	1.121	1.103	1.080	1.054	1.061	1.064

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



This week the market focus has shifted from the positive outcome of the French presidential elections avoiding a run-off between the two euro-sceptic candidates (plus the fact Marine Le Pen is now almost certain to lose in the run-off), towards the ECB's meeting on April 27th. The euro has been gaining further strength from rising expectation the ECB will soon alter its tone in the light of the stronger euro area economy, by hinting at reducing its monetary stimulus even though an interest rate rise is likely to be still some way off. It is unclear however when and to what extent the ECB will alter its forward guidance, raising the possibility of disappointing the markets and causing the euro to ease back again.

ECB Watch

- There is still no realistic prospect of the European Central Bank (ECB) altering its main policy interest rates at either of the next two meetings, this week on April 27th, or after that on June 8th, and that will maintain the wide money market differential depicted in the chart (below).

- It is possible the ECB will remove any reference to a further lowering of interest rates, along with issuing a more upbeat statement on the euro zone economy, and avoiding talk of larger asset purchases, to gradually shift monetary policy away from an easing bias.

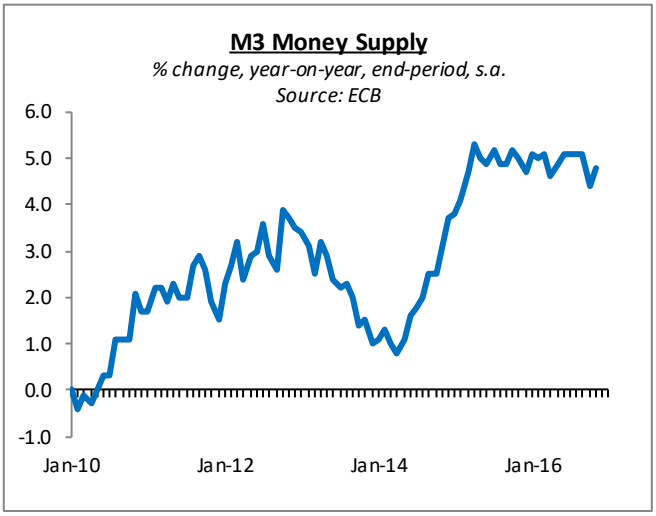
- These changes may not occur until the June, or possibly September meetings.

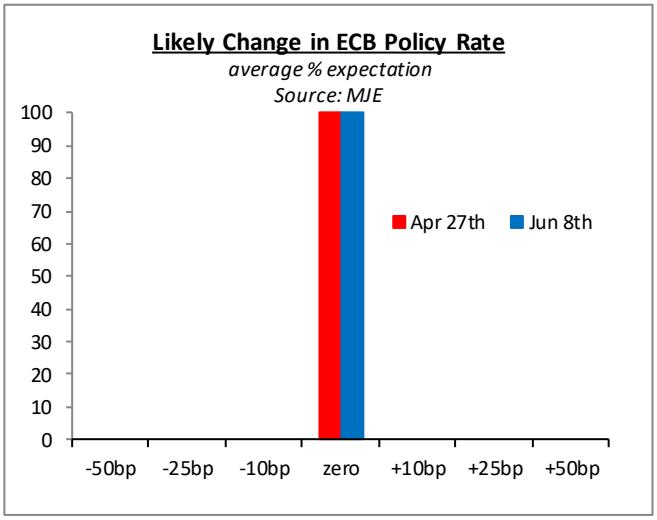
Euro Zone Barometer
Monthly Interest Rate Poll

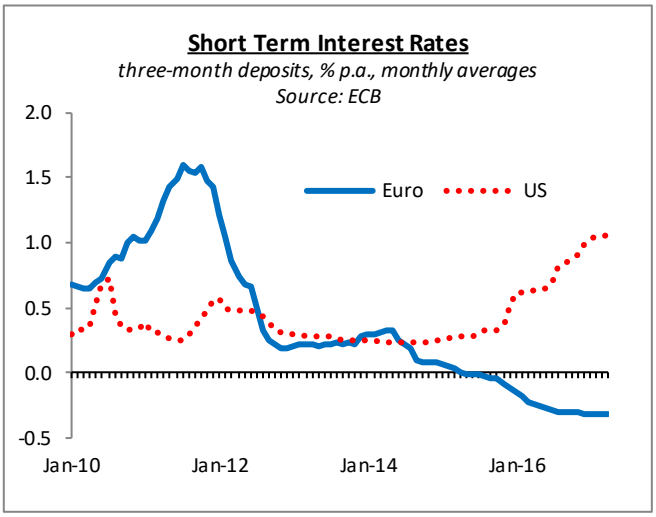
Panellists' estimates of the probability of movements in the euro zone policy rate at the ECB Council's next two meetings:

	Apr 27th	Jun 8th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
Unchanged	**100%**	**100%**
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE







Last Five ECB Interest Rate Changes:

November 13th, 2013
Deposit rate held at zero;
Repo rate lowered by 25bps to 0.25%.

June 11th, 2014
Deposit rate lowered by 10bps to -0.10%.;
Repo rate lowered by 10bps to 0.15%.

September 10th, 2014
Deposit rate lowered by 10bps to -0.20%.;
Repo rate lowered by 10bps to 0.05%.

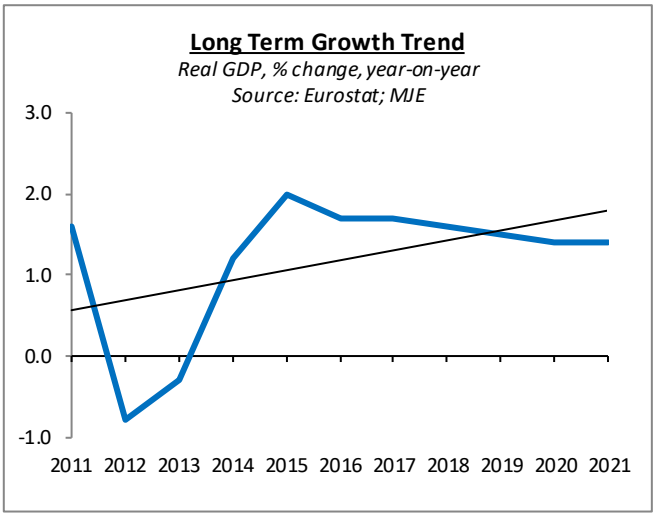
December 9th, 2015
Deposit rate lowered by 10bps to -0.30%.;
Repo rate rate held at 0.05%.

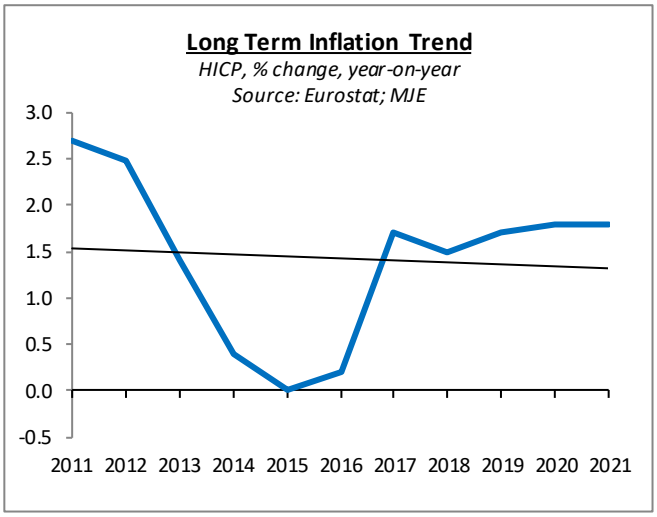
March 16th, 2016
Deposit rate lowered by 10bps to -0.40%.;
Repo rate lowered by 5bps to 0.00%.

Long Term Forecasts

Forecasts for 2019 to 2021 are taken from our April 2017 long term forecasts survey

(% change year-on-year, unless otherwise stated)	2016	2017	2018	2019	2020	2021
Gross Domestic Product	1.7	1.7	1.6	1.5	1.4	1.4
Private Consumption	2.0	1.5	1.5	1.4	1.3	1.3
Gross Fixed Investment	2.6	2.4	2.8	2.2	2.2	2.0
Industrial Production (excl. construction)	1.4	1.7	1.6	1.4	1.2	1.2
Unemployment Rate, % of labour force	10.0	9.4	8.9	8.4	8.3	7.9
Harmonised Index of Consumer Prices	0.2	1.7	1.5	1.7	1.8	1.8
Current Account, annual total, % of GDP	3.4	3.1	2.9	2.8	2.5	2.2
General Government Balance, % of GDP	-1.7	-1.6	-1.4	-1.5	-1.3	-1.2
Financial Indicators (end period)						
3 Month Interest Rate, % per annum	-0.32	-0.28	0.00	0.48	0.94	1.18
10 Year Bond Yield, % per annum	0.21	0.76	1.20	1.70	2.20	2.15
10 year - 3 month Yield Differential	0.53	1.04	1.20	1.22	1.26	0.98
US$ per € Exchange Rate	1.052	1.072	1.087	1.116	1.125	1.158





GERMANY - Forecasts for 2017

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	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)*
ABN Amro	1.9	na	na	na	4.0	1.9	8.4	0.4	66.0
Allianz SE	1.7	1.5	na	2.0	3.8	1.9	7.6	0.6	na
BBVA	1.7	1.4	2.0	na	na	2.0	7.6	0.4	na
BNP Paribas	1.8	1.3	2.2	1.4	na	2.0	8.3	0.7	65.3
Danske Bank	1.9	1.3	2.4	na	3.8	1.7	8.3	0.4	65.5
DZ Bank	1.5	1.3	1.3	na	na	1.7	8.2	0.2	66.0
Economist Intelligence Unit	1.6	1.6	1.7	1.8	3.8	1.8	7.6	0.5	66.9
IHS Markit Economics	1.9	1.5	2.7	2.8	3.7	2.1	8.3	0.6	65.6
J P Morgan Chase	1.8	na	na	na	na	2.0	na	na	na
MainSky Asset Management	2.0	1.2	2.5	na	3.9	1.2	na	0.3	na
Nordea	1.7	na	na	na	na	2.0	8.3	0.6	na
Oxford Economics	1.8	1.3	2.5	1.5	3.8	1.8	7.3	0.7	na
Raiffeisen Bank International	1.7	1.3	2.1	na	na	1.9	8.5	0.1	66.3
SEB	1.8	na	na	na	4.0	2.1	na	na	na
UBS	1.5	1.4	1.1	1.2	4.0	1.9	8.4	0.1	66.3
UniCredit Bank	1.5	1.6	0.5	1.5	4.5	2.1	7.0	0.0	67.0
Consensus (Mean Average)	**1.7**	**1.4**	**1.9**	**1.7**	**3.9**	**1.9**	**8.0**	**0.4**	**66.1**
Last Month	1.7	1.4	1.8	1.7	4.0	1.9	8.0	0.3	66.0
2 Months Ago	1.6	1.4	1.7	1.6	4.1	1.8	8.1	0.3	66.0
Median	1.8	1.4	2.1	1.5	3.9	1.9	8.3	0.4	66.0
High	2.0	1.6	2.7	2.8	4.5	2.1	8.5	0.7	67.0
Low	1.5	1.2	0.5	1.2	3.7	1.2	7.0	0.0	65.3
Standard Deviation	0.2	0.1	0.7	0.5	0.2	0.2	0.5	0.2	0.6
Number of Forecasts	16	12	11	7	10	16	13	14	9
Other Forecasts									
ECB (December '16)	1.8	na	na	na	4.0	1.4	na	na	na
EC (February '17)	1.6	1.6	2.1	na	4.1	1.9	8.3	0.4	65.5
IMF (April '17)	1.6	1.3	1.6	na	4.2	2.0	8.2	0.6	64.7
OECD (November '16)	1.7	1.6	1.4	na	4.2	1.4	8.8	0.5	65.0

- In March, Angela Merkel's re-election prospects were bolstered by a strong rise in confidence in the economy. This should give her party the upper hand in the voting in September as she defends her government's solid economic record, despite struggling with opposition to her asylum policy.

- Confidence among manufacturers, providing a barometer of export strength, rose to a new high in March, as German firms were less concerned by Brexit and trade sanctions on Russia, and are enjoying solid demand in key markets.

- Consumer confidence also improved after worsening in February due to the sudden upsurge in food and fuel costs which have now settled down. The unemployment rate remains at 3.9% and conditions remain favourable for retail spending through the spring and summer months.

- The improvement has enabled the government to deliver a more upbeat assessment of the economic outlook, with the Economics Minister Brigitte Zypries outlining GDP growth of 1.5% for 2017 and 1.6% for 2018.

GERMANY - Forecasts for 2018

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	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)*
ABN Amro	1.7	na	na	na	3.8	1.7	8.6	0.2	64.0
Allianz SE	1.6	1.1	na	1.7	3.8	1.9	6.9	0.7	na
BBVA	1.6	1.3	1.5	na	na	1.7	7.0	0.4	na
BNP Paribas	2.0	1.7	2.2	2.0	na	1.6	8.5	0.6	62.4
Danske Bank	1.9	1.4	4.3	na	3.8	1.5	8.0	0.4	62.9
DZ Bank	1.8	1.5	3.0	na	na	1.6	7.5	0.2	63.8
Economist Intelligence Unit	1.5	1.4	2.2	1.4	3.9	1.5	6.9	0.5	65.4
IHS Markit Economics	1.8	1.4	2.0	2.5	3.7	1.8	8.4	0.5	63.2
J P Morgan Chase	1.5	na	na	na	na	1.5	na	na	na
MainSky Asset Management	1.9	1.6	2.8	na	3.8	1.1	na	-0.2	na
Nordea	1.6	na	na	na	na	1.6	8.0	0.6	na
Oxford Economics	1.4	1.2	2.8	1.0	3.7	1.9	6.7	0.4	na
Raiffeisen Bank International	1.5	na	na	na	na	2.2	8.0	0.0	64.0
SEB	1.8	na	na	na	4.2	1.8	na	na	na
UBS	1.3	1.2	2.4	0.8	4.0	1.7	8.1	0.2	63.6
UniCredit Bank	1.6	1.5	1.7	1.5	4.7	1.9	6.5	0.0	64.0
Consensus (Mean Average)	**1.7**	**1.4**	**2.5**	**1.6**	**3.9**	**1.7**	**7.6**	**0.3**	**63.7**
Last Month	1.6	1.4	2.5	1.6	4.0	1.7	7.7	0.2	63.6
2 Months Ago	1.7	1.3	2.5	1.5	4.2	1.7	7.9	0.2	63.9
Median	1.6	1.4	2.3	1.5	3.8	1.7	8.0	0.4	63.8
High	2.0	1.7	4.3	2.5	4.7	2.2	8.6	0.7	65.4
Low	1.3	1.1	1.5	0.8	3.7	1.1	6.5	-0.2	62.4
Standard Deviation	0.2	0.2	0.8	0.6	0.3	0.2	0.7	0.3	0.8
Number of Forecasts	16	11	10	7	10	16	13	14	9
Other Forecasts									
ECB (December '16)	1.6	na	na	na	3.9	1.7	na	na	na
EC (February '17)	1.8	1.7	2.5	na	4.1	1.5	8.0	0.4	62.9
IMF (April '17)	1.5	1.4	1.8	na	4.2	1.7	8.0	0.6	62.0
OECD (November '16)	1.7	1.7	2.3	na	4.1	1.7	8.7	0.7	62.0

Germany: Historical Data

% change, year-on-year	2013	2014	2015	2016
Gross Domestic Product	0.3	1.6	1.5	1.8
Private Consumption	0.6	0.9	1.9	1.8
Gross Fixed Investment	-1.3	3.5	1.1	2.1
Industrial Production	0.1	1.3	0.9	1.0
Unemploy. Rate, % of L.F.	5.2	5.0	4.6	4.2
Consumer Prices	1.6	0.8	0.1	0.4
Current Acc., % of GDP	6.7	7.8	8.5	8.9
Budget Bal., % of GDP	-0.2	0.3	0.7	0.8
Public Debt, % of GDP	77.5	74.9	71.2	68.3

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister: Angela Merkel
Government: CDU/CSU and SPD coalition
Next Election: September 2017 (parliamentary)
Capital City: Berlin

Economic Freedom: 17th out of 178 countries
Doing Business: 17th out of 190 countries
Competitiveness: 5th out of 138 countries
Corruption: 10th out of 176 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 2017

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. **Panellists**	**Gross Domestic Product**	**Household 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)*
ABN Amro	1.5	na	na	na	9.4	1.7	-2.2	-2.9	96.0
BBVA	1.4	1.5	2.1	na	na	1.5	-1.3	-2.6	na
BNP Paribas	1.3	1.4	2.5	2.0	9.7	1.4	-0.9	-3.0	96.1
Danske Bank	1.1	1.2	1.9	na	9.9	1.3	-2.3	-2.9	96.8
DZ Bank	1.2	1.4	1.4	na	9.9	1.5	-0.9	-3.1	97.1
Economist Intelligence Unit	1.2	1.2	1.4	1.0	9.4	1.4	-1.2	-3.1	96.8
IHS Markit Economics	1.2	1.3	1.6	0.9	9.7	1.6	-1.3	-3.0	97.6
J P Morgan Chase	1.5	na	na	na	na	1.4	na	na	na
MainSky Asset Management	1.7	1.5	2.4	na	na	1.3	na	-3.0	na
Nordea	1.4	na	na	na	na	1.6	-2.6	-2.9	na
Oxford Economics	1.4	1.5	2.1	1.1	9.7	1.3	-1.8	-2.9	na
Raiffeisen Bank International	1.6	na	na	na	na	1.6	-1.2	-2.9	96.7
SEB	1.2	na	na	na	9.6	1.5	na	na	na
UBS	1.3	1.5	1.6	0.9	9.5	1.4	-0.4	-3.1	97.0
UniCredit Bank	1.2	1.2	1.9	na	9.9	1.6	-2.1	-3.1	96.1
Consensus (Mean Average)	**1.3**	**1.4**	**1.9**	**1.2**	**9.7**	**1.5**	**-1.5**	**-3.0**	**96.7**
Last Month	1.3	1.3	1.9	1.2	9.6	1.4	-1.4	-3.0	97.0
2 Months Ago	1.2	1.3	1.8	1.1	9.8	1.4	-1.3	-3.0	97.1
Median	1.3	1.4	1.9	1.0	9.7	1.5	-1.3	-3.0	96.8
High	1.7	1.5	2.5	2.0	9.9	1.7	-0.4	-2.6	97.6
Low	1.1	1.2	1.4	0.9	9.4	1.3	-2.6	-3.1	96.0
Standard Deviation	0.2	0.1	0.4	0.5	0.2	0.1	0.7	0.1	0.5
Number of Forecasts	15	10	10	5	10	15	12	13	9
Other Forecasts									
ECB (December '16)	1.3	na	na	na	9.9	1.2	na	na	na
EC (February '17)	1.4	1.2	3.1	na	9.9	1.5	-2.6	-2.9	96.7
IMF (April '17)	1.4	1.5	2.3	na	9.6	1.4	-0.9	-3.2	97.4
OECD (November '16)	1.3	1.2	2.3	na	9.7	1.2	-0.8	-3.0	99.4

- As expected, the presidential election resulted in a run-off between the National Front leader, Marine Le Pen, and the former Socialist, Emmanuel Macron running on his own party ticket, whose path to victory now seems assured.

- Macron will undoubtedly gain from the backing of centrist, reform-minded conservatives and socialists in the second round, denying Le Pen her victory and mitigating the risk of France leaving the EU which could also result in less investment.

- Confidence in the economy nosedived in March, but was probably largely attributable to the political uncertainty, with manufacturers and retailers more downbeat.

- There is a lot for the new President to do to address the problems France is still facing, which include a high unemployment rate at 10% in February and a factor driving social ills and terrorism-related risks. Forward-looking indicators show some improvement in the economy occurring, but the markets will also be looking for new reforms.

FRANCE - Forecasts for 2018

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	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)*
ABN Amro	1.4	na	na	na	9.0	1.5	-2.3	-3.1	96.0
BBVA	1.5	1.5	2.3	na	na	1.4	-1.1	-2.5	na
BNP Paribas	1.5	1.6	2.7	2.3	9.4	1.0	-1.1	-2.7	95.1
Danske Bank	1.2	1.0	3.0	na	9.7	1.3	-2.6	-3.1	97.4
DZ Bank	1.5	1.4	1.9	na	9.7	1.5	-0.4	-2.9	97.4
Economist Intelligence Unit	1.4	1.5	1.6	1.4	8.9	1.3	-1.3	-3.0	97.1
IHS Markit Economics	1.4	1.3	1.8	1.3	9.6	1.6	-1.1	-2.9	97.3
J P Morgan Chase	1.4	na	na	na	na	1.2	na	na	na
MainSky Asset Management	2.3	1.9	4.0	na	na	1.3	na	-2.8	na
Nordea	1.5	na	na	na	na	1.5	-2.7	-3.1	na
Oxford Economics	1.6	1.6	2.2	1.5	8.9	1.3	-1.5	-2.3	na
Raiffeisen Bank International	1.5	na	na	na	na	1.4	-1.5	-3.1	97.0
SEB	1.4	na	na	na	9.5	0.8	na	na	na
UBS	1.4	1.4	2.4	1.2	9.4	1.6	-0.6	-2.7	98.0
UniCredit Bank	1.1	1.2	2.6	na	9.7	1.4	-2.0	-3.0	95.8
Consensus (Mean Average)	**1.5**	**1.4**	**2.5**	**1.5**	**9.4**	**1.3**	**-1.5**	**-2.9**	**96.8**
Last Month	1.5	1.4	2.4	1.6	9.4	1.3	-1.4	-2.9	97.2
2 Months Ago	1.5	1.4	2.4	1.6	9.5	1.3	-1.4	-2.9	97.2
Median	1.4	1.5	2.4	1.4	9.5	1.4	-1.4	-2.9	97.1
High	2.3	1.9	4.0	2.3	9.7	1.6	-0.4	-2.3	98.0
Low	1.1	1.0	1.6	1.2	8.9	0.8	-2.7	-3.1	95.1
Standard Deviation	0.3	0.2	0.7	0.4	0.3	0.2	0.7	0.3	0.9
Number of Forecasts	15	10	10	5	10	15	12	13	9
Other Forecasts									
ECB (December '16)	1.4	na	na	na	9.7	1.4	na	na	na
EC (February '17)	1.7	1.6	4.1	na	9.6	1.3	-2.7	-3.1	97.0
IMF (April '17)	1.6	1.7	2.7	na	9.3	1.2	-0.5	-2.8	97.4
OECD (November '16)	1.6	1.6	2.9	na	9.6	1.2	-0.9	-2.9	100.2

France: Historical Data

% change, year-on-year	2013	2014	2015	2016
Gross Domestic Product	0.7	0.2	1.1	1.1
Private Consumption	0.4	0.6	1.4	1.8
Gross Fixed Investment	-0.6	-1.2	-0.1	2.7
Industrial Production	-0.5	-1.1	1.3	0.4
Unemploy. Rate, % of L.F.	10.3	10.3	10.4	10.0
Consumer Prices	1.0	0.6	0.1	0.3
Current Acc., % of GDP	-2.6	-2.3	-0.1	-1.1
Budget Bal., % of GDP	-4.0	-3.9	-3.6	-3.4
Public Debt, % of GDP	92.3	94.9	95.6	96.0

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	May 2017 (presidential run-off)
Capital City:	Paris
Economic Freedom:	75th out of 178 countries
Doing Business:	29th out of 190 countries
Competitiveness:	21st out of 138 countries
Corruption:	23rd out of 176 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33%/30% (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 2017

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	Gross Domestic Product	Household 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)*
ABN Amro	0.8	na	na	na	11.7	1.2	2.0	-2.7	135.0
BBVA	1.0	0.9	3.0	na	na	1.6	2.6	-2.5	na
BNP Paribas	0.6	0.5	0.9	1.1	11.4	1.3	2.2	-2.4	133.2
Danske Bank	1.0	0.8	3.3	na	11.5	1.4	2.1	-2.4	133.3
DZ Bank	0.7	0.8	2.1	na	11.6	1.1	2.1	-2.4	133.0
Economist Intelligence Unit	0.8	0.7	2.8	1.8	11.8	1.5	2.4	-2.4	131.7
IHS Markit Economics	0.6	0.5	0.6	1.9	11.6	1.6	1.7	na	135.6
J P Morgan Chase	1.1	na	na	na	na	1.7	na	na	na
LC Macro Advisors	1.0	1.1	3.1	1.8	11.0	1.2	2.4	-2.1	132.7
MainSky Asset Management	1.1	0.6	3.5	na	11.2	1.3	na	-2.6	na
Nordea	1.0	na	na	na	na	1.8	2.1	-2.4	na
Oxford Economics	0.9	0.9	2.9	2.0	11.6	1.4	2.6	-2.3	na
Raiffeisen Bank International	0.8	na	na	na	na	1.6	2.8	-2.6	133.5
SEB	0.9	na	na	na	12.0	na	na	na	na
UBS	0.9	1.6	1.4	1.5	11.3	1.7	1.8	-2.2	131.5
UniCredit Bank	0.8	0.8	2.8	na	11.3	1.4	2.6	-2.4	133.2
Consensus (Mean Average)	**0.9**	**0.8**	**2.4**	**1.7**	**11.5**	**1.4**	**2.3**	**-2.4**	**133.3**
Last Month	0.8	0.8	2.1	1.8	11.6	1.4	2.3	-2.4	133.4
2 Months Ago	0.8	0.8	1.7	1.1	11.5	1.1	2.1	-2.6	133.3
Median	0.9	0.8	2.8	1.8	11.6	1.4	2.2	-2.4	133.2
High	1.1	1.6	3.5	2.0	12.0	1.8	2.8	-2.1	135.6
Low	0.6	0.5	0.6	1.1	11.0	1.1	1.7	-2.7	131.5
Standard Deviation	0.2	0.3	1.0	0.3	0.3	0.2	0.3	0.2	1.3
Number of Forecasts	16	11	11	6	12	15	13	13	10
Other Forecasts									
ECB (December '16)	0.9	na	na	na	11.3	0.9	na	na	na
EC (February '17)	0.9	0.9	2.4	na	11.6	1.4	2.1	-2.4	133.3
IMF (April '17)	0.8	0.8	2.8	na	11.4	1.3	2.0	-2.4	132.8
OECD (November '16)	0.9	0.6	1.1	na	11.0	0.8	3.0	-2.4	132.3

- Confidence in the Italian economy has stabilised at a higher level this year, with some modest improvement in confidence among manufacturers the more noteworthy change in March due to the global economy powering ahead.

- Surprisingly retail confidence seems more upbeat than consumer confidence, which might be driven more by tourism than the domestic economic situation. A falling unemployment rate is encouraging, but is unlikely to be having a significant effect as it remained above 11% in February.

- The weak economy and fiscal slippages led to Fitch lowering its sovereign credit rating of Italy from BBB+ to BBB this month. The gross debt burden increased last year to 132.6% of GDP and economic forecasts from our survey experts show GDP growth remaining sluggish in 2017-18.

- The government has had to introduce new tax rises to plug the hole in the fiscal budget which is expected to fall to 2.1% of GDP this year and to 1.2% in 2018, although our own panel are sceptical this can be achieved, not least with the next elections looming.

ITALY - Forecasts for 2018

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	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)*
ABN Amro	0.7	na	na	na	11.5	1.3	1.6	-2.5	137.0
BBVA	1.2	1.0	2.6	na	na	1.4	2.4	-2.2	na
BNP Paribas	0.6	0.8	1.3	0.6	10.9	1.0	2.1	-2.5	134.1
Danske Bank	1.3	0.8	3.6	na	11.4	1.2	1.8	-2.6	133.2
DZ Bank	0.9	1.1	1.1	na	11.2	1.3	2.3	-2.5	132.0
Economist Intelligence Unit	0.9	0.8	2.2	0.9	11.5	0.8	2.1	-2.5	131.7
IHS Markit Economics	0.7	0.5	0.9	1.7	11.3	1.5	1.7	na	134.4
J P Morgan Chase	1.1	na	na	na	na	1.0	na	na	na
LC Macro Advisors	1.1	1.2	3.5	2.1	10.4	1.3	2.2	-1.8	131.8
MainSky Asset Management	1.6	1.2	3.2	na	10.8	1.1	na	-2.4	na
Nordea	1.0	na	na	na	na	1.4	1.8	-2.6	na
Oxford Economics	1.0	0.8	1.6	0.3	11.1	1.3	2.5	-2.1	na
Raiffeisen Bank International	0.8	na	na	na	na	1.5	2.8	-2.5	133.1
SEB	1.2	na	na	na	12.0	na	na	na	na
UBS	0.8	1.0	0.6	0.8	11.0	1.8	1.7	-1.3	131.0
UniCredit Bank	0.9	0.8	2.7	na	10.9	1.2	2.4	-2.0	132.8
Consensus (Mean Average)	**1.0**	**0.9**	**2.1**	**1.1**	**11.2**	**1.3**	**2.1**	**-2.3**	**133.1**
Last Month	1.0	0.9	2.1	1.2	11.2	1.3	2.1	-2.3	133.3
2 Months Ago	1.0	0.9	2.0	1.0	11.1	1.3	2.0	-2.3	133.0
Median	1.0	0.8	2.2	0.9	11.2	1.3	2.1	-2.5	133.0
High	1.6	1.2	3.6	2.1	12.0	1.8	2.8	-1.3	137.0
Low	0.6	0.5	0.6	0.3	10.4	0.8	1.6	-2.6	131.0
Standard Deviation	0.3	0.2	1.1	0.7	0.4	0.2	0.4	0.4	1.7
Number of Forecasts	16	11	11	6	12	15	13	13	10
Other Forecasts									
ECB (December '16)	1.1	na	na	na	11.1	1.2	na	na	na
EC (February '17)	1.1	1.2	3.1	na	11.4	1.3	1.8	-2.6	133.2
IMF (April '17)	0.8	0.7	2.1	na	11.0	1.3	1.8	-1.4	131.6
OECD (November '16)	1.0	0.7	2.2	na	10.7	1.2	3.2	-2.4	132.0

Italy: Historical Data

% change, year-on-year	2013	2014	2015	2016
Gross Domestic Product	-1.7	-0.4	0.6	0.9
Private Consumption	-2.7	0.4	0.9	1.4
Gross Fixed Investment	-6.6	-3.5	0.6	2.9
Industrial Production	-2.9	-0.7	0.8	1.7
Unemploy. Rate, % of L.F.	12.1	12.7	11.9	11.7
Consumer Prices	1.3	0.2	0.1	-0.1
Current Acc., % of GDP	0.9	2.0	2.1	2.6
Budget Bal., % of GDP	-2.9	-3.0	-2.7	-2.4
Public Debt, % of GDP	129.0	131.8	132.1	132.6

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister: Paolo Gentiloni
Government: Coalition including PD and PDL
Next Election: By February 2018 (parliamentary)
Capital City: Rome

Economic Freedom: 86th out of 178 countries
Doing Business: 50th out of 190 countries
Competitiveness: 44th out of 138 countries
Corruption: 60th out of 176 countries

Corporate Tax Rate: 27.5% (national rate)
4% (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

NETHERLANDS - Forecasts for 2017

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. **Panellists**	**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)*
ABN Amro	2.4	na	na	na	5.1	1.6	8.0	0.7	59.0
BNP Paribas	2.1	2.0	2.4	2.0	5.2	1.2	8.7	0.0	60.9
DZ Bank	1.8	2.0	0.7	na	5.2	1.9	7.8	0.2	60.5
Economist Intelligence Unit	2.2	2.0	3.2	2.0	5.2	1.5	7.9	0.6	59.4
IHS Markit Economics	2.1	1.7	2.1	1.0	5.2	1.2	na	na	na
Oxford Economics	2.1	1.7	3.1	1.8	5.1	1.5	8.4	na	na
Consensus (Mean Average)	**2.1**	**1.9**	**2.3**	**1.7**	**5.2**	**1.5**	**8.2**	**0.4**	**60.0**
Last Month	2.0	1.8	2.0	1.5	5.2	1.4	8.0	-0.4	60.7
2 Months Ago	1.7	1.6	3.5	1.3	5.3	1.2	8.0	-0.7	61.1
Median	2.1	2.0	2.4	1.9	5.2	1.5	8.0	0.4	60.0
High	2.4	2.0	3.2	2.0	5.2	1.9	8.7	0.7	60.9
Low	1.8	1.7	0.7	1.0	5.1	1.2	7.8	0.0	59.0
Standard Deviation	0.2	0.2	1.0	0.5	0.1	0.3	0.4	0.3	0.9
Number of Forecasts	6	5	5	4	6	6	5	4	4
Other Forecasts									
ECB (December '16)	2.1	na	na	na	5.5	1.1	na	na	na
EC (February '17)	2.0	2.0	4.0	na	5.2	1.4	7.4	0.2	60.2
IMF (April '17)	2.1	na	na	na	5.4	0.9	9.2	na	na
OECD (November '16)	2.0	1.8	3.7	na	5.6	1.0	7.7	0.0	61.6

- Figures just released by the Dutch statistical office reveal that all provinces in the Netherlands, except for Groningen (where gas production declined), produced economic growth last year.
- An Amsterdam-centric housing market recovery also led to higher rental values and selling prices for commercial and residential real estate. This, in turn, is supporting the economy by boosting consumer spending and investment.
- Confidence in the economy has stabilised at a comparatively high level in recent months with consumer confidence upheld by the low unemployment rate, record low borrowing rates and easing of political uncertainty since the elections.
- In March, the export-oriented manufacturing sector was buoyed by improving global economic prospects and is ignoring the trade uncertainties caused by Brexit. Construction sector prospects also improved.

NETHERLANDS - Forecasts for 2018

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	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)*
ABN Amro	1.7	na	na	na	4.9	1.5	7.9	0.9	56.0
BNP Paribas	1.6	1.5	2.4	1.5	4.8	1.4	8.3	0.3	59.4
DZ Bank	1.6	1.6	3.9	na	4.8	1.7	7.6	0.4	58.5
Economist Intelligence Unit	1.9	1.7	2.1	1.6	4.6	1.4	7.7	0.4	56.7
IHS Markit Economics	1.8	1.5	2.4	1.3	5.2	1.3	na	na	na
Oxford Economics	1.4	1.2	3.1	0.5	5.1	1.5	8.8	na	na
Consensus (Mean Average)	**1.7**	**1.5**	**2.8**	**1.2**	**4.9**	**1.5**	**8.1**	**0.5**	**57.7**
Last Month	1.6	1.5	2.6	1.2	4.9	1.5	7.9	-0.2	58.7
2 Months Ago	1.6	1.3	2.6	1.3	5.0	1.6	8.0	-0.5	59.2
Median	1.7	1.5	2.4	1.4	4.9	1.5	7.9	0.4	57.6
High	1.9	1.7	3.9	1.6	5.2	1.7	8.6	0.9	59.4
Low	1.4	1.2	2.1	0.5	4.6	1.3	7.6	0.3	56.0
Standard Deviation	0.2	0.2	0.7	0.5	0.2	0.1	0.5	0.3	1.6
Number of Forecasts	6	5	5	4	6	6	5	4	4
Other Forecasts									
ECB (December '16)	1.7	na	na	na	5.5	1.3	na	na	na
EC (February '17)	1.8	1.9	3.5	na	4.7	1.4	7.1	0.3	58.3
IMF (April '17)	1.8	na	na	na	5.3	1.4	9.1	na	na
OECD (November '16)	1.9	1.6	4.2	na	5.5	1.5	7.4	0.0	59.7

Netherlands: Historical Data

% change, year-on-year	2013	2014	2015	2016
Gross Domestic Product	-0.5	1.0	1.9	2.1
Private Consumption	-1.4	0.0	1.6	1.7
Gross Fixed Investment	-4.4	3.5	10.3	4.8
Industrial Production	0.6	-2.8	-4.2	1.9
Unemploy. Rate, % of L.F.	7.3	7.4	6.9	6.0
Consumer Prices	2.6	0.3	0.2	0.1
Current Acc., % of GDP	11.0	10.6	9.2	7.8
Budget Bal., % of GDP	-2.4	-2.3	-2.1	0.4
Public Debt, % of GDP	67.7	67.9	65.2	62.3

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister: Mark Rutte
Government: VVD led coalition
Next Election: March 2021 (parliamentary)
Capital City: The Hague

Economic Freedom: 16th out of 178 countries
Doing Business: 28th out of 190 countries
Competitiveness: 4th out of 138 countries
Corruption: 8th out of 176 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 2017

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	Gross Domestic Product	Household 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)*
ABN Amro	2.7	na	na	na	18.5	1.7	1.4	-3.5	101.0
BBVA	3.0	2.5	3.3	na	17.3	2.1	1.8	-3.1	97.8
BNP Paribas	2.6	2.2	2.5	1.6	19.1	2.6	2.1	-3.6	99.9
Danske Bank	2.5	2.3	2.7	na	17.7	1.9	1.7	-3.5	100.0
DZ Bank	2.5	1.8	1.9	na	17.6	2.5	1.4	-3.5	100.0
Economist Intelligence Unit	2.6	2.7	2.5	2.1	17.6	2.3	1.6	-3.3	97.8
IHS Markit Economics	2.5	2.4	2.5	1.9	17.6	2.5	0.9	-3.5	99.8
J P Morgan Chase	2.7	na	na	na	na	2.4	na	na	na
MainSky Asset Management	2.5	2.5	3.2	na	17.3	1.8	na	-3.5	na
Nordea	2.8	na	na	na	na	2.7	1.7	-3.5	na
Oxford Economics	2.8	2.5	3.2	2.3	17.4	2.0	1.2	-3.2	na
Raiffeisen Bank International	2.5	na	na	na	na	2.2	2.1	-3.4	99.6
UBS	2.5	2.6	3.3	2.8	18.4	2.0	1.2	-3.2	99.5
UniCredit Bank	2.4	2.5	4.2	na	17.5	2.0	1.5	-3.8	100.0
Consensus (Mean Average)	**2.6**	**2.4**	**2.9**	**2.1**	**17.8**	**2.2**	**1.6**	**-3.4**	**99.5**
Last Month	2.5	2.4	3.0	2.2	18.0	2.2	1.5	-3.5	99.6
2 Months Ago	2.4	2.4	3.2	2.2	18.2	2.0	1.3	-3.5	99.6
Median	2.6	2.5	3.0	2.1	17.6	2.2	1.6	-3.5	99.9
High	3.0	2.7	4.2	2.8	19.1	2.7	2.1	-3.1	101.0
Low	2.4	1.8	1.9	1.6	17.3	1.7	0.9	-3.8	97.8
Standard Deviation	0.2	0.3	0.6	0.5	0.6	0.3	0.4	0.2	1.0
Number of Forecasts	14	10	10	5	11	14	12	13	10
Other Forecasts									
ECB (December '16)	2.5	na	na	na	17.7	1.5	na	na	na
EC (February '17)	2.3	2.1	3.4	na	17.7	1.9	1.7	-3.5	100.0
IMF (April '17)	2.6	na	na	na	17.7	2.4	1.5	na	na
OECD (November '16)	2.3	2.1	4.7	na	17.7	1.5	1.7	-3.6	102.1

- Although Spain has proved to be one of the strongest euro zone performers in recent years there is still a sense of foreboding as GDP growth slows, especially with the labour market tightening leaving an unemployment rate that is still around 18%.

- Those fears were brought into focus by the economic sentiment indicator plunging in March. Confidence among manufacturers and within the construction sector was hit particularly hard, but consumer confidence recovered smartly from a fall in February caused by the spike in commodity prices.

- Brexit could pose a danger to Spain, as there is already evidence it is deterring prospective UK buyers of Spanish property, against the backdrop of heightened tensions over the status of Gibraltar. The country needs to bolster trade and address debt accumulation.

- On the other hand, there is nothing to suggest Brexit will affect the tourism industry which is gaining from price competitiveness and the lower perceived level of tourism risk in comparison with France, the Middle East and North Africa. Tourism was at a record high last year and 2017 may be no different.

SPAIN - Forecasts for 2018

average % change from previous year, unless otherwise noted. For sources and definitions, see page 24. Panellists	Gross Domestic Product	Household 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)*
ABN Amro	2.5	na	na	na	17.2	1.5	1.4	-3.0	101.0
BBVA	2.7	2.4	4.5	na	15.6	1.9	1.5	-2.1	95.0
BNP Paribas	2.0	1.9	3.8	1.9	18.8	1.5	2.1	-3.0	99.6
Danske Bank	2.2	2.0	4.7	na	16.1	1.0	1.6	-2.9	99.7
DZ Bank	2.4	1.9	3.4	na	16.2	1.6	1.4	-3.0	99.5
Economist Intelligence Unit	2.2	2.2	2.2	1.5	15.8	1.7	1.5	-2.4	96.1
IHS Markit Economics	2.2	2.0	2.5	1.5	16.7	1.9	0.9	-3.1	98.5
J P Morgan Chase	2.2	na	na	na	na	0.9	na	na	na
MainSky Asset Management	2.0	2.6	4.1	na	16.0	1.4	na	-2.7	na
Nordea	2.4	na	na	na	na	2.4	1.6	-2.9	na
Oxford Economics	2.2	2.0	3.2	2.3	15.9	1.5	1.1	-2.7	na
Raiffeisen Bank International	1.9	na	na	na	na	1.9	2.2	-3.2	99.9
UBS	1.9	2.0	3.0	2.8	17.3	1.7	1.0	-3.0	98.8
UniCredit Bank	2.0	1.8	3.8	na	16.2	1.7	1.5	-3.2	100.2
Consensus (Mean Average)	**2.2**	**2.1**	**3.5**	**2.0**	**16.5**	**1.6**	**1.5**	**-2.9**	**98.8**
Last Month	2.2	2.1	3.5	2.1	16.9	1.6	1.4	-3.0	99.1
2 Months Ago	2.2	2.1	3.6	2.1	17.1	1.5	1.4	-3.0	99.1
Median	2.2	2.0	3.6	1.9	16.2	1.7	1.5	-3.0	99.6
High	2.7	2.6	4.7	2.8	18.8	2.4	2.2	-2.1	101.0
Low	1.9	1.8	2.2	1.5	15.6	0.9	0.9	-3.2	95.0
Standard Deviation	0.2	0.2	0.8	0.6	0.9	0.4	0.4	0.3	1.9
Number of Forecasts	14	10	10	5	11	14	12	13	10
Other Forecasts									
ECB (December '16)	2.1	na	na	na	16.3	1.5	na	na	na
EC (February '17)	2.1	1.8	3.8	na	16.0	1.7	1.6	-2.9	99.7
IMF (April '17)	2.1	na	na	na	16.6	1.4	1.6	na	na
OECD (November '16)	2.2	1.6	4.7	na	16.4	1.3	1.7	-2.9	102.2

Spain: Historical Data

% change, year-on-year	2013	2014	2015	2016
Gross Domestic Product	-1.7	1.4	3.2	3.2
Private Consumption	-3.1	1.2	3.1	3.2
Gross Fixed Investment	-2.5	3.5	6.4	3.1
Industrial Production	-1.7	1.1	3.3	1.9
Unemploy. Rate, % of L.F.	26.1	24.5	22.1	19.6
Consumer Prices	1.5	-0.2	-0.6	-0.2
Current Acc., % of GDP	1.5	1.0	1.4	1.9
Budget Bal., % of GDP	-7.0	-6.0	-5.1	-4.5
Public Debt, % of GDP	95.5	100.4	99.8	99.4

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	People's Party minority
Next Election:	2020 (parliamentary)
Capital City:	Madrid
Economic Freedom:	43rd out of 178 countries
Doing Business:	32nd out of 190 countries
Competitiveness:	32nd out of 138 countries
Corruption:	41st out of 176 countries
Corporate Tax Rate:	25.0% (national rate) variable (local rate) 25.0%/19.0% (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 Countries[1]

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Austria	**ECB**	1.5	1.5	1.5	1.7	na	na	na	na	na	na
	EC	1.6	1.6	1.8	1.6	2.2	2.4	-1.2	-0.9	81.3	79.3
	IMF	1.4	1.3	2.1	1.8	2.4	2.2	na	na	na	na
	OECD	1.5	1.3	1.7	1.8	2.2	2.2	-1.0	-0.6	84.5	83.2
	Average	**1.5**	**1.4**	**1.8**	**1.7**	**2.3**	**2.3**	**-1.1**	**-0.8**	**82.9**	**81.3**
Belgium	**ECB**	1.4	1.6	2.0	2.0	na	na	na	na	na	na
	EC	1.4	1.6	2.0	1.8	1.2	1.3	-2.2	-2.3	106.5	106.1
	IMF	1.6	1.5	2.0	1.7	0.9	1.0	na	na	na	na
	OECD	1.3	1.5	1.7	1.7	1.4	1.4	-2.2	-2.2	105.4	104.6
	Average	**1.4**	**1.6**	**1.9**	**1.8**	**1.2**	**1.2**	**-2.2**	**-2.3**	**106.0**	**105.4**
Cyprus	**ECB**	2.8	3.1	0.9	1.5	na	na	na	na	na	na
	EC	2.5	2.3	1.2	1.1	-2.1	-2.3	-0.2	0.4	103.2	99.6
	IMF	2.5	2.3	1.5	1.4	-2.5	-2.5	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	**2.6**	**2.6**	**1.2**	**1.3**	**-2.3**	**-2.4**	**-0.2**	**0.4**	**103.2**	**99.6**
Estonia	**ECB**	2.6	3.0	2.9	2.7	na	na	na	na	na	na
	EC	2.2	2.6	2.8	2.8	0.3	0.0	-0.5	-0.2	10.1	10.0
	IMF	2.5	2.8	3.2	2.5	1.4	0.9	na	na	na	na
	OECD	2.4	2.9	2.3	2.6	0.7	0.8	-0.5	-0.1	10.2	10.4
	Average	**2.4**	**2.8**	**2.8**	**2.7**	**0.8**	**0.6**	**-0.5**	**-0.2**	**10.2**	**10.2**
Greece	**ECB**	2.5	3.0	1.1	1.0	na	na	na	na	na	na
	EC	2.7	3.1	1.3	1.0	-0.7	-0.6	-1.1	0.7	177.2	170.6
	IMF	2.2	2.7	1.3	1.4	-0.3	0.0	na	na	na	na
	OECD	1.3	1.9	1.1	1.4	-0.6	-0.1	-0.2	0.5	176.6	171.5
	Average	**2.2**	**2.7**	**1.2**	**1.2**	**-0.5**	**-0.2**	**-0.7**	**0.6**	**176.9**	**171.1**
Ireland	**ECB**	3.3	3.0	0.5	1.3	na	na	na	na	na	na
	EC	3.4	3.3	0.9	1.0	9.5	9.3	-0.6	-0.6	73.6	72.6
	IMF	3.5	3.2	0.9	1.5	4.7	4.7	na	na	na	na
	OECD	3.2	2.3	1.5	2.0	9.7	9.6	-0.5	0.0	75.0	72.2
	Average	**3.4**	**3.0**	**1.0**	**1.5**	**8.0**	**7.9**	**-0.6**	**-0.3**	**74.3**	**72.4**
Latvia	**ECB**	3.0	3.3	1.6	1.7	na	na	na	na	na	na
	EC	2.8	3.0	1.9	2.0	-2.5	-3.3	-1.0	-1.0	36.5	35.0
	IMF	3.0	3.3	2.8	2.5	-1.1	-1.4	na	na	na	na
	OECD	3.0	3.5	1.3	1.9	-0.2	-1.0	-1.0	-0.8	38.2	37.5
	Average	**3.0**	**3.3**	**1.9**	**2.0**	**-1.3**	**-1.9**	**-1.0**	**-0.9**	**37.4**	**36.3**
Lithuania	**ECB**	2.4	2.9	1.9	2.0	na	na	na	na	na	na
	EC	2.9	2.8	2.1	1.9	-2.9	-2.6	-0.7	-0.7	43.5	39.6
	IMF	2.8	3.1	2.8	2.0	-1.6	-1.5	na	na	na	na
	OECD	2.7	2.8	2.3	2.8	0.0	0.2	-0.8	-0.4	42.5	41.6
	Average	**2.7**	**2.9**	**2.3**	**2.2**	**-1.5**	**-1.3**	**-0.8**	**-0.6**	**43.0**	**40.6**
Luxembourg	**ECB**	3.9	3.9	2.0	2.1	na	na	na	na	na	na
	EC	4.0	3.9	2.0	2.1	4.9	5.8	0.2	0.3	23.1	23.5
	IMF	3.7	3.5	1.4	1.3	5.1	5.1	na	na	na	na
	OECD	4.0	4.0	1.4	1.5	4.7	4.8	1.0	0.9	23.4	25.4
	Average	**3.9**	**3.8**	**1.7**	**1.8**	**4.9**	**5.2**	**0.6**	**0.6**	**23.3**	**24.5**
Malta	**ECB**	4.1	3.7	1.4	1.7	na	na	na	na	na	na
	EC	3.7	3.7	1.6	1.8	5.3	6.0	-0.6	-0.6	58.0	55.6
	IMF	4.1	3.5	1.5	1.6	5.5	5.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	**4.0**	**3.6**	**1.5**	**1.7**	**5.4**	**5.7**	**-0.6**	**-0.6**	**58.0**	**55.6**
Portugal	**ECB**	1.4	1.5	1.4	1.5	na	na	na	na	na	na
	EC	1.6	1.5	1.3	1.4	0.4	0.6	-2.0	-2.2	128.9	127.1
	IMF	1.7	1.5	1.2	1.4	-0.3	-0.4	na	na	na	na
	OECD	1.2	1.3	1.1	1.1	0.5	0.7	-2.1	-1.9	129.5	128.2
	Average	**1.5**	**1.5**	**1.3**	**1.4**	**0.2**	**0.3**	**-2.1**	**-2.1**	**129.2**	**127.7**
Slovakia	**ECB**	3.1	4.2	1.2	1.8	na	na	na	na	na	na
	EC	2.9	3.6	0.9	1.4	1.2	1.5	-1.4	-0.6	51.8	50.0
	IMF	3.3	3.7	1.2	1.5	0.3	0.2	na	na	na	na
	OECD	3.4	3.8	0.8	1.4	-0.7	0.3	-1.5	-0.6	52.4	51.2
	Average	**3.2**	**3.8**	**1.0**	**1.5**	**0.3**	**0.7**	**-1.5**	**-0.6**	**52.1**	**50.6**
Slovenia	**ECB**	2.5	2.6	1.4	1.4	na	na	na	na	na	na
	EC	3.0	3.0	1.1	2.3	5.5	5.0	-1.7	-1.4	78.9	76.7
	IMF	2.5	2.0	1.5	2.0	5.5	5.1	na	na	na	na
	OECD	2.4	2.3	0.8	1.2	7.7	8.0	-1.6	-0.9	85.5	85.4
	Average	**2.6**	**2.5**	**1.2**	**1.7**	**6.2**	**6.0**	**-1.7**	**-1.2**	**82.2**	**81.1**

[1] Forecasts for Germany, Finland, Italy, the Netherlands and Spain shown on pages 12-22; Forecasts for Finland are shown in Nordic Barometer. European Central Bank (Dec'16); European Commission (Feb'17); International Monetary Fund (May'17); OECD (Nov'16).

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

Variable	Definition	Source
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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