

Euro Zone Barometer© - August 2016

*****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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Editorial queries: editor@mjeconomics.com
Subscriptions: subscriptions@mjeconomics.com
Other enquiries: admin@mjeconomics.com

Survey Deadline: August 15th, 2016

Still a Murky Picture

- This is the second survey undertaken since the United Kingdom staged an advisory referendum on June 23rd, which came out in favour of a withdrawal from the European Union, putting Europe’s policymakers in a spin.
- The euro zone had been showing signs of a sustainable recovery in advance of the vote. However, confidence was also waning as the summer began, partly due to the Brexit uncertainty and because of other problems weighing on the region.
- Economic growth across the euro zone decelerated in Q2 2016 – quarterly growth halving to 0.3%, with the y/y comparison slipping to 1.6% - and the outlook is unlikely to improve considering the risks, ranging from Brexit-related uncertainty, to elections, Italy’s bank crisis, Greek debt woes and myriad other factors undermining investment.
- The region has returned to mild inflation sparked by rising food costs, but the unemployment rate was held at 10.2% (harmonised and seasonally-adjusted) in June, highlighting spare capacity and insufficient employment opportunities across the region. In such circumstances, the ECB is likely to maintain quantitative easing.



**Next Month's Survey Deadline:
September 19th, 2016**

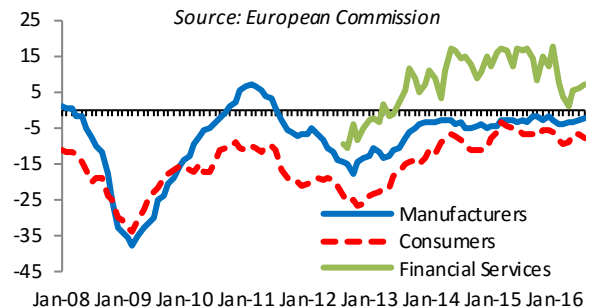
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2016-2017

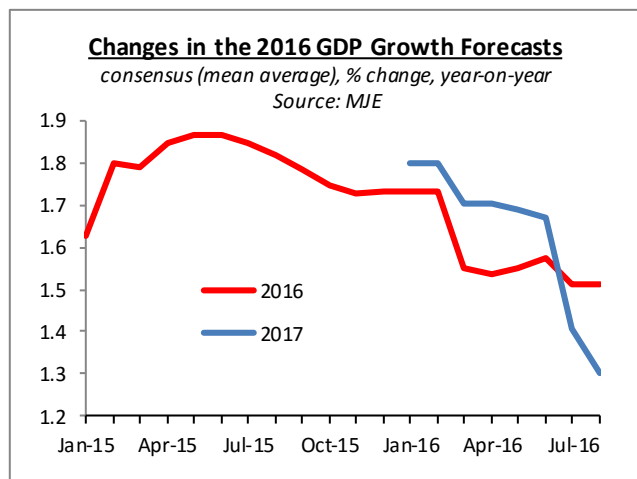
- This is only the second survey to be undertaken since the shock referendum result in the UK coming out in favour of a withdrawal from the European Union ("Brexit"), and another dip in economic growth forecasts for the euro zone is apparent as survey contributors assess the implications.
- Although the real-terms GDP growth figure for 2016 is unchanged at 1.5%, the consensus prediction for 2017 is now 1.3%, having been revised down from 1.8% at the start of this year.
- Forecasters are questioning the strength of exports with trade the major casualty of Brexit, against the backdrop of an uncertain outlook for emerging markets led by China's slowdown. Investment spending is similarly expected to be lower.
- Other economic variables are stable, including inflation and unemployment measures, showing the former rising and the latter falling as the euro zone slowly adjusts.

Six Year Summary: Historical Data and Consensus Forecasts

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

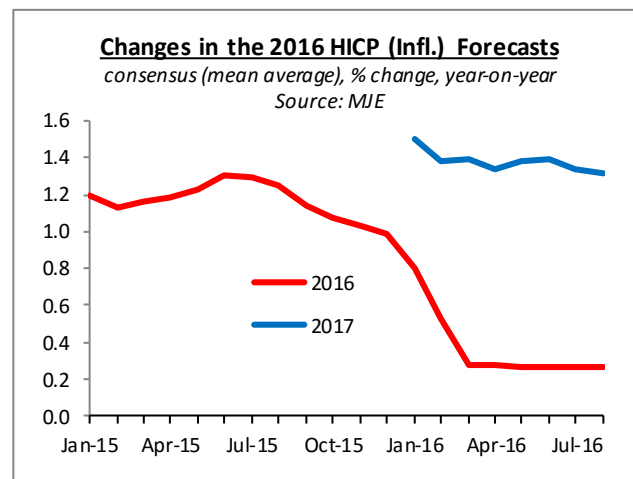
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016f</u>	<u>2017f</u>
Gross Domestic Product	-0.8	-0.3	0.9	1.7	1.5	1.3
Private Consumption	-1.2	-0.6	0.8	1.7	1.7	1.5
Government Consumption	-0.1	0.2	0.8	1.3	1.5	1.3
Gross Fixed Investment	-3.6	-2.6	1.3	2.9	2.8	2.1
Change in Stocks (Inventories)¹	-0.9	0.2	0.0	0.0	0.1	0.0
Goods and Services Exports	2.7	2.1	4.1	5.3	2.9	3.2
Goods and Services Imports	-0.8	1.3	4.5	6.1	4.1	3.9
Net Exports²	1.5	0.4	0.0	-0.1	-0.4	-0.2
Industrial Production (ex. construction)	-2.4	-0.6	0.9	1.5	1.5	1.6
Retail Sales Volume	-0.6	-0.6	1.5	2.8	1.9	1.6
Unemployment Rate, % of labour force	11.4	12.0	11.6	10.9	10.2	9.8
Money Supply, M3, end period, % change	3.5	1.0	3.8	4.7	4.8	4.3
Harmonised Index of Consumer Prices	2.5	1.4	0.4	0.0	0.3	1.3
Producer Prices	2.8	-0.2	-1.5	-2.7	-2.7	1.5
Nominal Labour Costs	2.0	1.4	1.3	1.6	1.5	1.6
Current Account Balance, annual total, €bn	184.5	248.4	303.0	333.7	320.4	303.8
Current Account Balance, % of GDP	1.9	2.5	3.0	3.2	3.1	2.9
General Govt Budget Balance, % of GDP	-3.7	-3.0	-2.6	-2.1	-1.9	-1.7
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.29	0.08	-0.13	-0.26	-0.11
10 Year German Bond Yield, % per annum	1.32	1.94	0.54	0.63	0.21	0.73
US\$ per € Exchange Rate	1.318	1.378	1.210	1.091	1.088	1.087

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



The latest euro zone national accounts confirm the economic recovery lost momentum during Q2 2016, with GDP posting a real-terms rise of just 0.3%, half the pace of Q1, according to Eurostat. This lowered the year-on-year (y/y) growth rate from 1.7% to 1.6%.

The Greek economy fortunately returned to growth in Q2 (albeit still declining on a y/y basis), and momentum was kept up in the Netherlands and Spain. However, Germany witnessed a slower expansion during the period, and the recoveries, rather alarmingly, ground to a halt in France and Italy.



The inability of the euro zone to make more progress is concerning in light of the potential impact from Brexit and other factors undermining confidence, with elections taking place in some countries in the coming months, a political reform referendum in Italy and a bank crisis brewing there.

Confidence remained rather flat in July when the Brexit referendum was staged, with slight improvements in sentiment across most areas of business, including manufacturing and services, offset by waning consumer confidence.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.3	1.6	1.6	1.7
Private Consumption	1.6	1.7	1.8	1.6
Industrial Production	1.6	1.4	2.0	1.3
Harmonised Index of Consumer Prices	-0.3	0.2	0.1	0.2
3 month Interest Rate, % per annum, end period	0.02	-0.02	-0.04	-0.13
10 Year Bond Yield, % per annum, end period	0.16	0.76	0.70	0.63
	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.6	1.5	1.4
Private Consumption	1.7	1.8	1.6	1.6
Industrial Production	1.3	0.9	1.3	1.5
Harmonised Index of Consumer Prices	0.0	-0.1	0.4	0.7
3 month Interest Rate, % per annum, end period	-0.24	-0.29	-0.29	-0.26
10 Year Bond Yield, % per annum, end period	0.10	-0.13	-0.03	0.21
	Q1'17	Q2'17	Q3'17	Q4'17
Gross Domestic Product	1.1	1.1	1.3	1.5
Private Consumption	1.4	1.4	1.4	1.5
Industrial Production	1.2	1.7	1.5	1.6
Harmonised Index of Consumer Prices	1.3	1.2	1.3	1.5
3 month Interest Rate, % per annum, end period	-0.28	-0.26	-0.23	-0.11
10 Year Bond Yield, % per annum, end period	0.20	0.33	0.48	0.73

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

Euro Zone - Forecasts for 2016

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	1.6	1.6	3.0	na	3.0	4.5	na
BBVA	1.6	1.7	1.5	3.0	na	2.9	4.1	-0.4
BNP Paribas	1.5	1.6	1.5	2.4	0.2	2.2	3.3	na
Commerzbank	1.5	1.8	1.6	4.2	na	2.7	4.3	-0.6
Danske Bank	1.2	1.5	1.5	1.7	na	2.7	4.0	na
DZ Bank	1.3	1.5	1.4	2.2	na	2.9	4.1	na
Econ Intelligence Unit	1.6	1.7	1.3	2.1	na	3.5	3.9	0.0
ETLA	1.6	1.8	1.4	2.5	na	4.3	4.9	na
G&P Institutional Mgmt	1.8	1.9	1.9	2.9	0.2	1.9	3.1	-0.4
HSBC	1.4	1.6	1.6	2.6	0.0	2.8	4.2	na
IHS Economics	1.5	1.8	1.6	3.0	na	2.3	3.6	-0.4
J P Morgan Chase	1.6	1.6	1.5	2.9	0.2	2.2	3.4	-0.4
Morgan Stanley	1.3	1.6	1.5	2.9	0.0	2.7	4.0	-0.4
Nordea	1.3	1.5	1.6	3.1	na	3.3	4.3	-0.2
Nykredit	1.5	na	na	na	na	na	na	na
Oxford Economics	1.6	1.6	1.4	2.8	0.2	2.3	3.2	-0.3
Raiffeisen Bank Intl	1.6	1.7	1.5	3.1	na	3.6	5.0	na
Santander	1.5	1.6	1.4	2.9	na	2.8	4.2	-0.5
SEB	1.7	1.8	1.4	3.1	0.0	4.3	5.1	na
UBS	1.5	1.8	1.6	2.7	0.1	3.2	4.6	-0.5
UniCredit Bank	1.6	1.6	1.6	3.1	0.2	2.7	4.0	-0.5
Consensus (Mean)	1.5	1.7	1.5	2.8	0.1	2.9	4.1	-0.4
Last Month	1.5	1.7	1.5	2.9	0.1	2.9	4.1	-0.4
2 Months Ago	1.6	1.7	1.5	3.1	0.1	3.0	4.2	-0.4
Median	1.5	1.6	1.5	2.9	0.2	2.8	4.1	-0.4
High	1.8	1.9	1.9	4.2	0.2	4.3	5.1	0.0
Low	1.2	1.5	1.3	1.7	0.0	1.9	3.1	-0.6
Standard Deviation	0.1	0.1	0.1	0.5	0.1	0.6	0.6	0.2
Number of Forecasts	21	20	20	20	9	20	20	12
Other Forecasts								
ECB (June '16)	1.6	1.9	1.5	3.2	na	3.2	4.7	na
EC (May '16)	1.6	1.8	1.4	2.9	0.1	3.5	4.6	-0.3
IMF (April '16)	1.5	1.6	1.1	2.6	0.0	na	na	-0.2
OECD (June '16)	1.6	1.8	1.7	3.3	0.1	na	na	-0.4

Euro Zone - Forecasts for 2016

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construction)</i>	Retail Sales Volume	Unem- ployment 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. construction)</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	1.4	na	10.0	na	0.3	-2.5	na	317.4	3.0	-1.8
BBVA	na	na	10.1	na	0.2	na	na	na	3.2	-2.0
BNP Paribas	1.0	na	10.1	na	0.2	-2.9	na	308.0	2.9	-2.1
Commerzbank	na	na	10.7	4.8	0.3	na	1.4	280.0	na	na
Danske Bank	na	na	10.3	na	0.3	na	na	na	3.7	-2.0
DZ Bank	na	na	10.2	na	0.0	na	na	na	3.1	-2.1
Econ Intelligence Unit	1.4	na	10.0	na	0.2	-3.0	na	422.3	4.0	-1.8
ETLA	1.1	na	10.6	na	0.2	na	na	na	na	-1.9
G&P Institutional Mgmt	na	na	10.0	na	0.2	na	na	na	na	-1.9
HSBC	1.7	na	10.2	na	0.2	na	1.3	na	2.4	-2.0
IHS Economics	1.3	1.9	10.1	na	0.3	-2.2	1.7	300.0	2.9	-1.8
J P Morgan Chase	1.6	na	10.1	na	0.2	na	na	na	2.7	-1.8
Morgan Stanley	na	na	10.2	na	0.3	na	na	288.5	2.8	-1.9
Nordea	na	na	10.1	na	0.3	na	na	na	3.6	-1.9
Nykredit	na	na	na	na	0.9	na	na	na	na	na
Oxford Economics	1.3	1.8	10.1	na	0.3	-2.7	na	351.8	3.3	-1.9
Raiffeisen Bank Intl	2.4	na	10.1	na	0.3	na	na	318.1	3.0	-1.7
Santander	na	na	10.1	na	0.3	na	na	297.4	2.8	-1.9
SEB	na	na	10.1	na	0.1	na	na	na	na	na
UBS	na	na	10.4	na	0.3	na	na	na	3.1	-2.0
UniCredit Bank	na	na	10.1	na	0.2	na	na	na	3.1	-2.0
Consensus (Mean)	1.5	1.9	10.2	4.8	0.3	-2.7	1.5	320.4	3.1	-1.9
Last Month	1.6	1.9	10.2	4.8	0.3	-2.7	1.5	314.7	3.0	-1.9
2 Months Ago	1.8	2.1	10.2	4.8	0.3	-2.7	1.5	316.8	3.0	-1.9
Median	1.4	1.9	10.1	4.8	0.3	-2.7	1.4	308.0	3.1	-1.9
High	2.4	1.9	10.7	4.8	0.9	-2.2	1.7	422.3	4.0	-1.7
Low	1.0	1.8	10.0	4.8	0.0	-3.0	1.3	280.0	2.4	-2.1
Standard Deviation	0.4	0.1	0.2	na	0.2	0.3	0.2	43.5	0.4	0.1
Number of Forecasts	9	2	20	1	21	5	3	9	16	18
Other Forecasts										
ECB (June '16)	na	na	10.2	na	0.2	na	na	na	2.9	-1.9
EC (May '16)	na	na	10.3	na	0.2	na	na	395.8	3.7	-1.9
IMF (April '16)	na	na	10.3	na	0.4	na	na	na	3.5	na
OECD (June '16)	na	na	10.2	na	0.2	na	na	na	3.8	-1.8

Euro Zone - Forecasts for 2017

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	1.6	1.5	1.4	2.7	na	4.0	4.6	na
BBVA	1.5	1.4	1.1	2.7	na	3.0	3.4	-0.1
BNP Paribas	1.0	1.1	1.2	0.9	0.0	2.4	2.7	na
Commerzbank	1.5	1.9	1.8	2.7	na	3.7	5.6	-0.7
Danske Bank	0.7	0.9	1.2	-0.7	na	3.2	3.3	na
DZ Bank	1.0	1.2	1.3	0.9	na	3.6	4.2	na
Econ Intelligence Unit	1.3	1.4	1.1	2.2	na	3.3	3.8	-0.1
ETLA	1.7	1.7	1.3	3.0	na	4.7	5.0	na
G&P Institutional Mgmt	1.6	1.9	2.0	1.9	0.0	1.9	2.7	-0.3
HSBC	1.0	1.4	1.5	1.4	0.1	2.4	3.3	na
IHS Economics	1.1	1.4	1.4	1.5	na	2.3	3.0	-0.2
J P Morgan Chase	1.3	1.5	1.3	2.1	-0.1	2.1	2.5	-0.1
Morgan Stanley	1.0	1.2	1.4	2.2	-0.2	2.7	3.4	-0.2
Nordea	1.4	1.6	1.4	2.9	na	3.9	4.6	-0.2
Nykredit	1.6	na	na	na	na	na	na	na
Oxford Economics	1.5	1.4	1.2	2.7	0.0	2.8	3.1	0.0
Raiffeisen Bank Intl	1.5	1.7	1.2	3.1	na	4.4	5.4	na
Santander	1.2	1.2	1.0	1.7	na	3.8	4.2	-0.1
SEB	1.8	1.8	1.3	3.0	0.0	4.0	4.6	na
UBS	1.3	1.7	1.0	1.8	-0.1	4.5	5.2	-0.1
UniCredit Bank	1.0	1.2	1.6	2.3	0.0	2.2	3.3	-0.4
Consensus (Mean)	1.3	1.5	1.3	2.1	0.0	3.2	3.9	-0.2
Last Month	1.4	1.5	1.3	2.2	0.0	3.4	4.0	-0.2
2 Months Ago	1.7	1.6	1.3	2.9	0.0	3.9	4.4	-0.1
Median	1.3	1.4	1.3	2.2	0.0	3.3	3.6	-0.2
High	1.8	1.9	2.0	3.1	0.1	4.7	5.6	0.0
Low	0.7	0.9	1.0	-0.7	-0.2	1.9	2.5	-0.7
Standard Deviation	0.3	0.3	0.2	0.9	0.1	0.9	1.0	0.2
Number of Forecasts	21	20	20	20	9	20	20	12
Other Forecasts								
ECB (June '16)	1.7	1.7	0.8	3.4	na	4.2	4.7	na
EC (May '16)	1.8	1.5	1.2	3.8	0.0	4.7	5.3	0.0
IMF (April '16)	1.6	1.6	0.7	2.8	0.0	na	na	0.0
OECD (June '16)	1.7	1.7	1.1	3.2	0.0	na	na	-0.1

Euro Zone - Forecasts for 2017

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <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	9.6	na	1.6	2.0	na	285.0	2.6	-1.6
BBVA	na	na	9.8	na	1.4	na	na	na	3.0	-1.9
BNP Paribas	-0.2	na	9.9	na	1.1	0.9	na	288.0	2.7	-1.9
Commerzbank	na	na	9.7	4.3	1.3	na	1.6	280.0	na	na
Danske Bank	na	na	10.3	na	1.3	na	na	na	3.6	-1.8
DZ Bank	na	na	10.1	na	1.3	na	na	na	2.7	-1.8
Econ Intelligence Unit	1.4	na	9.5	na	1.2	1.4	na	351.7	3.2	-1.6
ETLA	1.8	na	10.2	na	1.4	na	na	na	na	-1.6
G&P Institutional Mgmt	na	na	9.3	na	1.0	na	na	na	na	-1.8
HSBC	2.5	na	9.9	na	0.9	na	1.5	na	2.2	-1.9
IHS Economics	1.4	1.7	9.9	na	1.4	1.5	1.8	300.0	2.8	-1.6
J P Morgan Chase	2.0	na	9.6	na	1.2	na	na	na	2.4	-1.7
Morgan Stanley	na	na	10.5	na	1.5	na	na	295.6	2.9	-2.5
Nordea	na	na	9.5	na	1.4	na	na	na	3.4	-1.6
Nykredit	na	na	na	na	1.3	na	na	na	na	na
Oxford Economics	1.6	1.4	9.6	na	1.7	1.5	na	317.2	2.9	-1.5
Raiffeisen Bank Intl	1.9	na	9.3	na	1.5	na	na	316.7	2.9	-1.2
Santander	na	na	9.9	na	1.3	na	na	300.0	2.8	-1.6
SEB	na	na	9.6	na	1.1	na	na	na	na	na
UBS	na	na	10.0	na	1.5	na	na	na	2.9	-1.7
UniCredit Bank	na	na	9.9	na	1.2	na	na	na	3.3	-2.1
Consensus (Mean)	1.6	1.6	9.8	4.3	1.3	1.5	1.6	303.8	2.9	-1.7
Last Month	1.7	1.6	9.8	4.3	1.3	1.4	1.7	303.4	2.8	-1.7
2 Months Ago	1.9	1.9	9.7	4.3	1.4	1.4	1.6	305.0	2.9	-1.7
Median	1.8	1.6	9.9	4.3	1.3	1.5	1.6	300.0	2.9	-1.7
High	2.5	1.7	10.5	4.3	1.7	2.0	1.8	351.7	3.6	-1.2
Low	-0.2	1.4	9.3	4.3	0.9	0.9	1.5	280.0	2.2	-2.5
Standard Deviation	0.8	0.2	0.3	na	0.2	0.4	0.2	22.1	0.4	0.3
Number of Forecasts	9	2	20	1	21	5	3	9	16	18
Other Forecasts										
ECB (June '16)	na	na	9.9	na	1.3	na	na	na	2.8	-1.7
EC (May '16)	na	na	9.9	na	1.4	na	na	396.1	3.6	-1.6
IMF (April '16)	na	na	9.9	na	1.1	na	na	na	3.2	na
OECD (June '16)	na	na	9.8	na	1.2	na	na	na	3.6	-1.4

Financial Forecasts			
<i>All forecasts are for end year</i>		2016	2017
3-month Euribor Interest Rate, %	Mean Average	-0.26	-0.11
Rate on Survey Date: -0.30	High	0.00	0.70
	Low	-0.35	-0.35
	Standard deviation	0.09	0.29
	Number of Forecasts	11	11
10-year Benchmark German Bond Yield, %	Mean Average	0.21	0.73
Rate on Survey Date: -0.08	High	0.90	1.40
	Low	-0.20	-0.20
	Standard deviation	0.35	0.55
	Number of Forecasts	7	7
US Dollars/Euro Exchange Rate	Mean Average	1.088	1.087
Rate on Survey Date: 1.126	High	1.180	1.200
	Low	1.000	0.990
	Standard deviation	0.038	0.057
	Number of Forecasts	26	24
Japanese Yen/Euro Exchange Rate	Mean Average	116.1	121.4
Rate on Survey Date: 112.9	High	132.2	145.0
	Low	104.5	104.5
	Standard deviation	8.5	12.0
	Number of Forecasts	10	10
UK Pound/Euro Exchange Rate	Mean Average	0.850	0.850
Rate on Survey Date: 0.868	High	0.916	1.000
	Low	0.696	0.682
	Standard deviation	0.054	0.088
	Number of Forecasts	13	13
Swedish Krona/Euro Exchange Rate	Mean Average	9.193	9.004
Rate on Survey Date: 9.474	High	9.800	10.000
	Low	8.900	8.500
	Standard deviation	0.237	0.341
	Number of Forecasts	19	17
Swiss Franc/Euro Exchange Rate	Mean Average	1.105	1.136
Rate on Survey Date: 1.086	High	1.170	1.230
	Low	1.070	1.080
	Standard deviation	0.036	0.051
	Number of Forecasts	10	10
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	45.9	54.4
Rate on Survey Date: 48.4	High	50.6	70.0
	Low	33.7	49.5
	Standard deviation	4.8	5.5
	Number of Forecasts	17	16

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

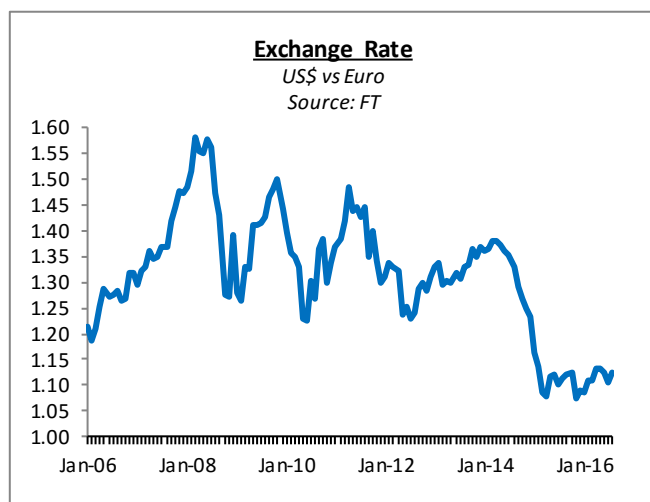
<u>Euro Zone Money Market Rates, %</u>	<u>Jan'16</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Overnight	-0.24	-0.24	-0.29	-0.34	-0.34	-0.33
1-month	-0.22	-0.25	-0.31	-0.34	-0.35	-0.36
3-month	-0.15	-0.18	-0.23	-0.25	-0.26	-0.27
6-month	-0.06	-0.12	-0.13	-0.14	-0.14	-0.16
12-month	0.04	-0.01	-0.01	-0.01	-0.01	-0.03
10-year bond yields	1.11	1.04	0.93	0.96	0.97	0.88
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.89	0.73	0.75	0.86	0.76	0.54
United States	1.47	1.14	1.18	1.28	1.17	1.03
United Kingdom	1.18	1.01	1.03	1.13	1.03	0.72
<u>3-month LIBOR rates, %</u>						
United States	0.62	0.62	0.63	0.63	0.64	0.65
United Kingdom	0.08	0.01	-0.01	-0.02	-0.03	-0.03

Exchange Rate Data

period averages vs euro

	<u>Jan'16</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Trade Weighted Nominal Index * (1999 Q1=100)	93.6	94.7	94.1	94.8	95.1	94.7
Chinese renminbi	7.139	7.266	7.222	7.346	7.386	7.402
Croatian kuna	7.658	7.636	7.559	7.495	7.498	7.520
Czech koruna	27.03	27.04	27.05	27.03	27.03	27.06
Danish krone	7.462	7.463	7.457	7.443	7.439	7.437
Hungarian forint	314.7	310.4	311.2	311.5	314.6	314.0
Japanese yen	128.3	127.3	125.4	124.3	123.2	118.5
Polish zloty	4.407	4.397	4.293	4.311	4.404	4.400
Romanian leu	4.531	4.481	4.467	4.472	4.499	4.523
Swedish krona	9.283	9.410	9.285	9.203	9.295	9.334
Swiss franc	1.094	1.102	1.092	1.093	1.106	1.089
UK pound	0.755	0.776	0.780	0.792	0.778	0.790
US dollar	1.086	1.109	1.110	1.134	1.131	1.123

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



The weakness of the euro against the US dollar occurring ahead of last month's European Central Bank meeting has partially reversed in response to the steady stream of economic data, amid indications of how the respective central banks are likely to react.

The timing of an interest rate rise by the Federal Reserve is uncertain in view of mixed reports on the US economy, but European policymaking has been put into a flux by the Brexit referendum and what it will mean for Europe over the longer term. The lack of clarity on how policymakers are likely to respond is creating some range-bound volatility, but with \$1.09 the likely outcome at the end of the year.

ECB Watch

- A wavering economy and threats posed by Brexit and Italian banks are still putting pressure on the ECB to engineer an economic recovery, to rid the euro zone of deflation and high unemployment.
- An assessment of its track record to date suggests the corporate bond buying programme since March has helped to reduce borrowing costs for investment, acting as a conduit to economic growth the central bank will no doubt persist with.
- Corporate bond buying is part of the armoury the ECB will maintain until at least March next year, also involving quantitative easing in the form of purchasing sovereign debt, a repo rate lowered to zero and a progressively negative deposit rate.

Euro Zone Barometer

Monthly Interest Rate Poll

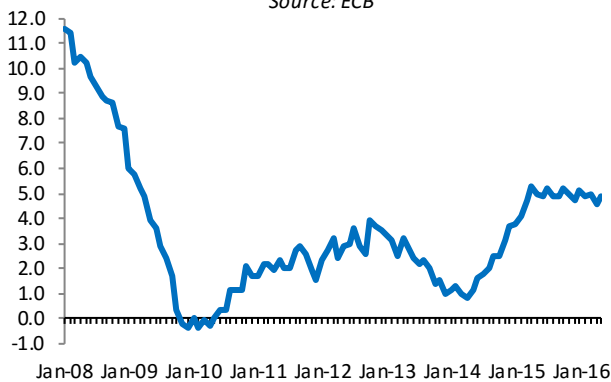
Panellists' estimates of the probability of movements in the euro zone policy rate at the ECB Council's next two meetings:

	Sep 8th	Oct 20th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	3.0%	3.9%
Unchanged	97.0%	96.1%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE

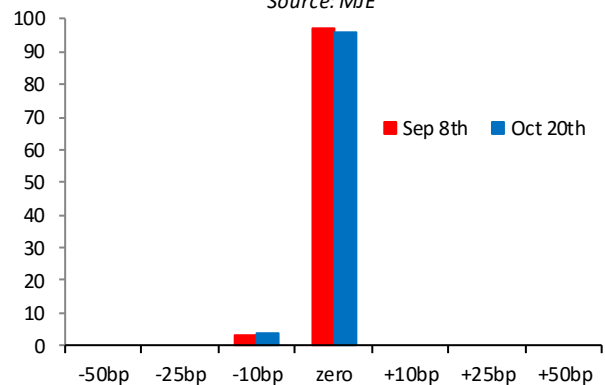
M3 Money Supply

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



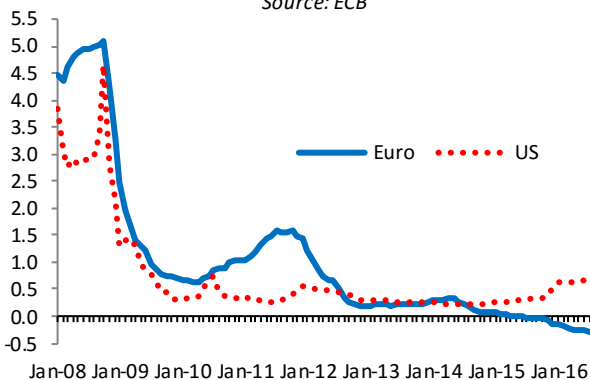
Likely Change in ECB Policy Rate

average % expectation
Source: MJE



Short Term Interest Rates

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



Last Five ECB Interest Rate Changes:

November 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 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 2018 to 2020 are taken from our July 2016 long term forecasts survey

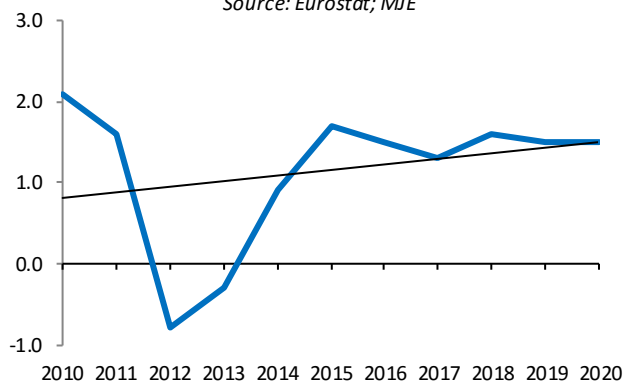
(% change year-on-year, unless otherwise stated)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Gross Domestic Product	1.7	1.5	1.3	1.6	1.5	1.5
Private Consumption	1.7	1.7	1.5	1.5	1.3	1.3
Gross Fixed Investment	2.9	2.8	2.1	2.6	2.2	2.3
Industrial Production (excl. construction)	1.5	1.5	1.6	1.5	1.7	1.7
Unemployment Rate, % of labour force	10.9	10.2	9.8	9.4	8.9	8.5
Harmonised Index of Consumer Prices	0.0	0.3	1.3	1.6	1.7	1.8
Current Account, annual total, % of GDP	3.2	3.1	2.9	2.3	2.1	1.7
General Government Balance, % of GDP	-2.1	-1.9	-1.7	-1.3	-1.2	-1.1
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.13	-0.26	-0.11	0.17	0.47	0.81
10 Year Bond Yield, % per annum	0.63	0.21	0.73	1.49	1.91	2.16
10 year - 3 month Yield Differential	0.76	0.47	0.84	1.33	1.45	1.35
US\$ per € Exchange Rate	1.091	1.088	1.087	1.106	1.153	1.186

Long Term Growth Trend

Real GDP, % change, year-on-year

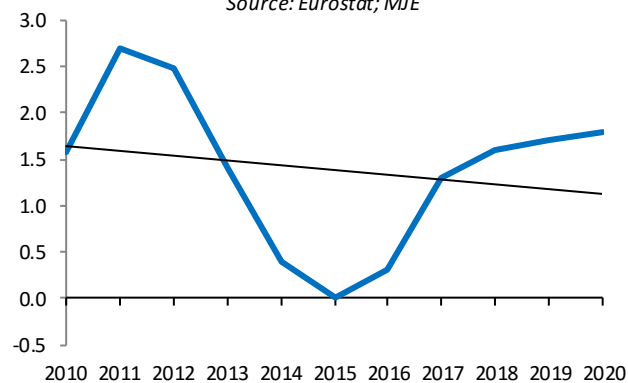
Source: Eurostat; MJE



Long Term Inflation Trend

HICP, % change, year-on-year

Source: Eurostat; MJE



GERMANY - Forecasts for 2016

<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	1.8	1.9	na	2.0	4.3	0.4	8.7	0.4	na
BBVA	1.4	1.6	3.0	na	na	0.1	8.4	0.2	na
BNP Paribas	1.5	1.6	2.3	1.7	na	0.3	8.2	0.3	68.8
Danske Bank	1.2	1.6	2.0	na	4.4	0.4	8.5	0.2	68.6
DZ Bank	1.6	1.9	3.2	na	na	0.3	8.1	0.2	69.0
Economist Intelligence Unit	1.5	1.6	2.1	0.9	4.3	0.4	8.5	0.7	69.0
G&P Institutional Mgmt	1.9	1.9	3.4	na	4.2	0.3	na	0.2	na
HSBC	1.4	1.6	2.4	2.4	na	0.3	7.8	0.0	68.8
IHS Economics	1.6	2.0	3.9	1.4	4.3	0.5	8.0	0.4	68.0
J P Morgan Chase	1.4	na	na	na	na	0.3	na	na	na
Nordea	1.4	na	na	na	na	0.2	na	0.1	na
Oxford Economics	1.4	1.5	3.3	1.0	4.2	0.5	9.0	0.1	na
Raitfeisen Bank International	1.8	1.3	2.9	na	na	0.7	7.5	0.5	68.5
Santander	1.6	1.7	3.1	1.2	4.6	0.4	8.8	0.4	69.0
SEB	1.7	na	na	na	4.6	0.4	na	na	na
UBS	1.4	1.9	3.8	2.3	na	0.3	8.6	0.2	68.6
UniCredit Bank	1.6	1.6	2.8	1.4	4.8	0.4	7.5	0.0	69.8
Consensus (Mean Average)	1.5	1.7	2.9	1.6	4.4	0.4	8.3	0.3	68.8
Last Month	1.6	1.7	3.0	1.6	4.4	0.4	8.2	0.2	68.9
2 Months Ago	1.7	1.8	3.3	1.8	4.4	0.4	8.2	0.2	68.9
Median	1.5	1.6	3.0	1.4	4.3	0.4	8.4	0.2	68.8
High	1.9	2.0	3.9	2.4	4.8	0.7	9.0	0.7	69.8
Low	1.2	1.3	2.0	0.9	4.2	0.1	7.5	0.0	68.0
Standard Deviation	0.2	0.2	0.6	0.5	0.2	0.1	0.5	0.2	0.5
Number of Forecasts	17	14	13	9	9	17	13	15	10
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.4	0.2	na	na	na
EC (May '16)	1.6	2.0	2.5	na	4.6	0.3	8.5	0.2	68.6
IMF (April '16)	1.5	1.6	2.2	na	4.6	0.5	8.4	na	na
OECD (June '16)	1.6	1.8	3.5	na	4.4	0.3	9.2	0.3	67.7

- The economy slowed down in Q2 2016, with GDP growing in real terms by 0.4% q/q lowering the y/y expansion from 1.8% in Q1 to 1.7%. Exports were strong, and the economy was moreover bolstered by reduced imports, although it was mainly down to lower investment spending.
- Weak investment continues to hinder Germany's ability to grow at a faster pace, which seems odd considering borrowing rates are at record lows, but is highlighting the uncertainty in corporate boardrooms.
- Consumer spending on the other hand will be upheld as long as energy prices don't suddenly escalate, buoyed by cheap credit, stable prices, real wage growth and the influx of more than a million refugees.
- Economic sentiment meanwhile edged upwards in July to its highest level all year. Confidence in the services sector was already strong, but sentiment among manufacturers, and within the construction sector, also improved. Consumer confidence waned, which may be attributable to the Brexit vote.

GERMANY - Forecasts for 2017

<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	1.6	4.3	1.7	7.6	0.4	na
BBVA	1.5	1.6	2.5	na	na	1.4	7.4	0.0	na
BNP Paribas	1.1	1.1	0.5	2.3	na	1.4	7.5	0.1	66.8
Danske Bank	1.0	1.2	-0.3	na	4.5	1.6	8.3	0.0	66.5
DZ Bank	1.1	1.2	2.1	na	na	1.4	7.2	0.0	66.7
Economist Intelligence Unit	1.3	1.3	1.7	0.7	4.4	1.6	7.8	0.6	67.4
G&P Institutional Mgmt	1.5	2.0	1.4	na	4.4	1.1	na	0.0	na
HSBC	1.6	1.4	2.2	2.3	na	1.2	7.4	0.0	66.4
IHS Economics	1.4	1.7	2.3	2.0	4.5	1.7	8.3	0.3	65.0
J P Morgan Chase	1.3	na	na	na	na	1.5	na	na	na
Nordea	1.6	na	na	na	na	1.5	na	0.0	na
Oxford Economics	1.5	1.3	2.7	1.1	4.1	2.1	7.7	-0.1	na
Raitfeisen Bank International	1.7	1.3	2.1	na	na	2.7	7.5	0.5	65.6
Santander	1.3	1.2	2.1	1.6	4.8	1.4	8.3	0.3	67.0
SEB	1.8	na	na	na	4.8	1.7	na	na	na
UBS	1.1	1.4	2.8	1.6	na	1.6	8.5	0.0	66.3
UniCredit Bank	1.1	1.4	1.7	0.9	5.2	1.6	7.0	0.0	68.1
Consensus (Mean Average)	1.4	1.4	1.8	1.6	4.6	1.6	7.7	0.1	66.6
Last Month	1.4	1.4	2.0	1.5	4.5	1.6	7.7	0.2	66.7
2 Months Ago	1.7	1.5	2.7	1.6	4.5	1.6	7.7	0.2	66.7
Median	1.4	1.4	2.1	1.6	4.5	1.6	7.6	0.0	66.6
High	1.8	2.0	2.8	2.3	5.2	2.7	8.5	0.6	68.1
Low	1.0	1.1	-0.3	0.7	4.1	1.1	7.0	-0.1	65.0
Standard Deviation	0.2	0.2	0.9	0.6	0.3	0.4	0.5	0.2	0.9
Number of Forecasts	17	14	13	9	9	17	13	15	10
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.5	1.5	na	na	na
EC (May '16)	1.6	1.4	2.7	na	4.7	1.5	8.3	0.1	66.3
IMF (April '16)	1.6	1.7	2.3	na	4.8	1.4	8.0	na	na
OECD (June '16)	1.7	1.9	3.0	na	4.6	1.5	8.5	0.4	65.1

Germany: Historical Data

<i>% change, year-on-year</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gross Domestic Product	0.4	0.3	1.6	1.4
Private Consumption	1.0	0.6	0.9	2.0
Gross Fixed Investment	-0.4	-1.3	3.5	1.6
Industrial Production	-0.3	0.1	1.3	0.9
Unemploy. Rate, % of L.F.	5.4	5.2	5.0	4.6
Consumer Prices	2.1	1.6	0.8	0.1
Current Acc., % of GDP	7.2	6.7	7.8	8.5
Budget Bal., % of GDP	-0.1	-0.1	0.3	0.7
Public Debt, % of GDP	79.6	77.2	74.7	71.2

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	16th out of 178 countries
Doing Business:	15th out of 189 countries
Competitiveness:	4th out of 140 countries
Corruption:	10th out of 167 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 2016

<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	1.5	1.7	3.3	na	na	0.2	-0.5	-3.4	na
BNP Paribas	1.3	1.7	2.3	0.2	10.1	0.4	-0.2	-3.4	96.4
Danske Bank	1.2	1.6	1.8	na	10.2	0.5	-1.1	-3.5	96.5
DZ Bank	1.2	1.8	2.0	na	10.0	0.1	-1.7	-3.5	96.0
Economist Intelligence Unit	1.1	1.5	2.4	0.8	9.7	0.3	-0.4	-3.3	96.5
G&P Institutional Mgmt	1.3	1.8	2.4	na	9.9	0.1	na	-3.6	na
HSBC	1.2	1.0	1.7	na	10.1	0.1	-1.4	-3.6	97.4
IHS Economics	1.4	1.7	2.8	0.7	10.1	0.3	-0.9	-2.7	94.8
J P Morgan Chase	1.3	na	na	na	na	0.3	na	na	na
Nordea	1.2	na	na	na	10.2	0.3	na	-3.4	na
Oxford Economics	1.4	1.7	2.6	0.9	9.9	0.4	-0.5	-3.2	na
Raiffeisen Bank International	1.2	na	na	na	na	0.4	0.6	-3.4	96.4
SEB	1.2	na	na	na	10.1	0.2	na	na	na
UBS	1.4	2.1	1.8	0.7	na	0.2	0.2	-3.4	96.4
UniCredit Bank	1.4	1.9	2.8	na	10.3	0.2	-0.3	-3.4	96.7
Consensus (Mean Average)	1.3	1.7	2.4	0.7	10.1	0.3	-0.6	-3.4	96.3
Last Month	1.4	1.7	2.4	1.0	10.0	0.3	-0.5	-3.4	96.3
2 Months Ago	1.4	1.6	2.6	1.1	10.1	0.2	-0.6	-3.4	96.3
Median	1.3	1.7	2.4	0.7	10.1	0.3	-0.5	-3.4	96.4
High	1.5	2.1	3.3	0.9	10.3	0.5	0.6	-2.7	97.4
Low	1.1	1.0	1.7	0.2	9.7	0.1	-1.7	-3.6	94.8
Standard Deviation	0.1	0.3	0.5	0.3	0.2	0.1	0.7	0.2	0.7
Number of Forecasts	15	11	11	5	11	15	11	13	9
Other Forecasts									
ECB (June '16)	1.4	na	na	na	10.1	0.2	na	na	na
EC (May '16)	1.3	1.5	1.5	na	10.2	0.1	-1.1	-3.4	96.4
IMF (April '16)	1.1	1.5	1.1	na	10.1	0.4	0.6	na	na
OECD (June '16)	1.4	1.9	2.2	na	10.2	0.1	-0.7	-3.4	96.9

- President Hollande's Socialist Party government knows it stands very little prospect of being re-elected next year in the wake of public anger over the country's security problems, and a dire economy contributing to high unemployment.
- As if to reinforce the fact, GDP growth ground to a halt in Q2 2016, after having grown by 0.7% in the first months of the year. The drop was particularly alarming since households reined in spending despite cheap credit and stable prices.
- The economy was clearly affected by industrial action led by trades unions reacting to the government's planned labour reforms, keeping the y/y growth rate down to 1.4%. Tourism has been affected by the terrorist attacks in Paris and Nice, and the manufacturing sector remains in recession.
- Worse, sentiment fell further in July despite the feel-good factor created by hosting the Euros. Confidence among manufacturers worsened, and with consumers downbeat the retail sector became more depressed.

FRANCE - Forecasts for 2017

<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	1.4	1.5	2.0	na	na	1.4	-0.2	-3.2	na
BNP Paribas	1.0	1.2	1.1	1.0	10.0	1.1	-0.4	-3.1	96.7
Danske Bank	0.3	0.7	-0.8	na	10.3	1.4	-1.0	-3.4	97.5
DZ Bank	0.8	1.1	0.8	na	9.8	1.3	-1.9	-3.3	97.1
Economist Intelligence Unit	1.1	1.6	1.7	2.1	9.2	1.0	-0.8	-3.0	96.8
G&P Institutional Mgmt	1.3	1.5	1.8	na	9.2	0.5	na	-3.1	na
HSBC	1.3	1.0	1.9	2.0	10.1	0.9	-1.5	-3.6	99.2
IHS Economics	0.6	1.2	0.6	0.5	9.7	1.2	-0.8	-2.3	93.2
J P Morgan Chase	1.0	na	na	na	na	1.4	na	na	na
Nordea	1.4	na	na	na	9.7	1.3	na	-3.2	na
Oxford Economics	1.6	1.5	2.6	2.0	9.8	1.5	-0.5	-2.6	na
Raiffeisen Bank International	1.4	na	na	na	na	1.3	0.3	-3.2	97.0
SEB	1.5	na	na	na	10.0	0.7	na	na	na
UBS	1.4	1.8	1.5	1.7	na	1.5	0.3	-3.1	97.0
UniCredit Bank	0.9	1.2	1.9	na	10.2	1.0	-0.2	-3.1	97.0
Consensus (Mean Average)	1.1	1.3	1.4	1.6	9.8	1.2	-0.6	-3.1	96.8
Last Month	1.2	1.3	1.6	1.7	9.8	1.2	-0.6	-3.1	96.8
2 Months Ago	1.5	1.5	2.1	1.9	9.8	1.2	-0.7	-3.1	96.6
Median	1.3	1.2	1.7	1.9	9.8	1.3	-0.5	-3.1	97.0
High	1.6	1.8	2.6	2.1	10.3	1.5	0.3	-2.3	99.2
Low	0.3	0.7	-0.8	0.5	9.2	0.5	-1.9	-3.6	93.2
Standard Deviation	0.4	0.3	0.9	0.7	0.4	0.3	0.7	0.3	1.6
Number of Forecasts	15	11	11	6	11	15	11	13	9
Other Forecasts									
ECB (June '16)	1.5	na	na	na	10.0	1.1	na	na	na
EC (May '16)	1.7	1.4	4.0	na	10.1	1.0	-1.0	-3.2	97.0
IMF (April '16)	1.3	1.5	2.1	na	10.0	1.1	0.3	na	na
OECD (June '16)	1.5	1.7	2.2	na	10.1	0.8	-0.8	-3.0	97.4

France: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.2	0.7	0.2	1.1
Private Consumption	-0.2	0.4	0.6	1.4
Gross Fixed Investment	0.2	-0.6	-1.2	-0.1
Industrial Production	-2.6	-0.5	-1.1	1.3
Unemploy. Rate, % of L.F.	9.8	10.3	10.3	10.4
Consumer Prices	2.2	1.0	0.6	0.1
Current Acc., % of GDP	-2.9	-2.6	-2.3	-0.1
Budget Bal., % of GDP	-4.8	-4.0	-4.0	-3.5
Public Debt, % of GDP	89.6	92.4	95.4	95.8

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:	73rd out of 178 countries
Doing Business:	27th out of 189 countries
Competitiveness:	22nd out of 140 countries
Corruption:	23rd out of 167 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 2016

<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	1.0	1.2	1.8	na	na	0.0	2.7	-2.5	na
BNP Paribas	0.9	1.2	2.1	1.1	11.5	-0.1	2.2	-2.8	133.5
Danske Bank	0.6	1.1	0.8	na	11.8	0.1	2.4	-2.6	132.9
DZ Bank	0.9	1.2	1.3	na	11.4	-0.1	2.5	-2.5	132.5
Economist Intelligence Unit	0.8	1.2	1.0	0.9	11.4	-0.2	2.2	-2.6	132.5
G&P Institutional Mgmt	1.0	1.3	1.8	na	11.5	0.0	na	-2.7	na
HSBC	0.9	1.4	1.8	1.8	11.1	0.1	na	-2.7	132.8
IHS Economics	0.8	1.2	1.4	1.1	11.5	-0.2	na	-2.6	134.4
J P Morgan Chase	0.8	na	na	na	na	0.0	na	na	na
LC Macro Advisors	0.8	1.2	1.6	0.8	11.5	-0.1	1.9	-2.8	133.1
Nordea	0.9	na	na	na	11.3	0.2	na	-2.5	na
Oxford Economics	0.9	1.2	1.8	0.8	11.4	0.1	2.6	-2.3	na
Raiffeisen Bank International	1.1	na	na	na	11.6	0.2	2.3	-2.4	132.7
SEB	1.2	na	na	na	12.2	na	na	na	na
UBS	0.9	1.6	1.5	1.5	11.4	0.1	na	-2.4	132.7
UniCredit Bank	0.9	1.1	1.9	na	11.5	0.0	2.0	-2.5	133.2
Consensus (Mean Average)	0.9	1.2	1.6	1.1	11.5	0.0	2.3	-2.6	133.0
Last Month	0.9	1.3	1.7	1.4	11.5	0.0	2.1	-2.5	133.0
2 Months Ago	1.0	1.3	2.0	1.4	11.4	0.1	2.0	-2.5	132.7
Median	0.9	1.2	1.7	1.1	11.5	0.0	2.3	-2.6	132.9
High	1.2	1.6	2.1	1.8	12.2	0.2	2.7	-2.3	134.4
Low	0.6	1.1	0.8	0.8	11.1	-0.2	1.9	-2.8	132.5
Standard Deviation	0.1	0.1	0.4	0.4	0.3	0.1	0.3	0.1	0.6
Number of Forecasts	16	12	12	7	14	15	9	14	10
Other Forecasts									
ECB (June '16)	1.1	na	na	na	11.4	0.0	na	na	na
EC (May '16)	1.1	1.5	3.2	na	11.4	0.2	2.4	-2.4	132.7
IMF (April '16)	1.0	1.0	1.9	na	11.4	0.2	2.3	na	na
OECD (June '16)	1.0	1.3	2.7	na	11.3	0.2	2.1	-2.3	132.8

- Prime Minister Matteo Renzi is already grappling with a bank crisis, a huge debt mountain and the possibility of a referendum defeat on his Senate reform bill later in the year giving rise to a snap election. The release of the second quarter national accounts merely comes as another hammer blow.
- Having registered slightly stronger growth in Q1, the economy ground to a standstill in Q2, causing the y/y growth rate to slow down to 0.7%. With the political climate, the effects of Brexit and the global economy all uncertain, the corporate sector is unwilling to invest.
- Encouragingly, economic sentiment did register some improvement in July, but from a low level. Manufacturers in particular were less downbeat, signalling prospects for exporters are not quite as bad as feared.
- Sentiment within the services sector nevertheless declined, and minor improvements in consumer confidence, and within the construction industry, are offering little solace given the bleak wider picture, which will only become worse in the second half of the year as Italy's political risk issues rise to the fore.

ITALY - Forecasts for 2017

<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	1.1	1.0	2.0	na	na	1.3	2.6	-2.1	na
BNP Paribas	0.3	0.3	0.1	-0.3	11.2	0.8	2.1	-2.8	134.7
Danske Bank	0.4	0.6	-0.6	na	11.5	1.4	2.3	-2.3	132.5
DZ Bank	0.9	0.7	0.7	na	10.9	1.3	1.7	-2.0	131.5
Economist Intelligence Unit	0.9	1.0	1.0	0.5	11.0	0.5	1.9	-2.3	131.7
G&P Institutional Mgmt	1.0	1.2	1.6	na	11.0	0.9	na	-2.6	na
HSBC	1.0	1.6	2.0	2.4	10.3	1.3	na	-2.3	131.6
IHS Economics	0.5	0.7	0.6	0.9	11.0	1.1	na	-2.7	135.2
J P Morgan Chase	0.9	na	na	na	na	1.2	na	na	na
LC Macro Advisors	1.3	1.5	1.9	1.6	11.0	0.6	1.9	-2.8	133.3
Nordea	1.1	na	na	na	11.0	1.7	na	-1.5	na
Oxford Economics	1.1	0.8	2.4	1.3	11.2	1.5	2.6	-1.8	na
Raitfeisen Bank International	1.2	na	na	na	na	1.1	2.0	-1.9	131.8
SEB	1.3	na	na	na	12.0	1.3	na	na	na
UBS	0.9	1.7	0.6	1.5	11.1	1.6	na	-2.3	131.5
UniCredit Bank	0.6	0.8	1.5	na	11.1	1.0	1.9	-2.2	133.8
Consensus (Mean Average)	0.9	1.0	1.2	1.1	11.1	1.2	2.1	-2.3	132.8
Last Month	1.0	1.1	1.4	1.3	11.1	1.2	1.9	-2.2	132.7
2 Months Ago	1.2	1.2	2.1	1.5	10.9	1.3	1.8	-2.0	131.6
Median	1.0	0.9	1.3	1.3	11.0	1.3	2.0	-2.3	132.2
High	1.3	1.7	2.4	2.4	12.0	1.7	2.6	-1.5	135.2
Low	0.3	0.3	-0.6	-0.3	10.3	0.5	1.7	-2.8	131.5
Standard Deviation	0.3	0.4	0.9	0.9	0.4	0.3	0.3	0.4	1.4
Number of Forecasts	16	12	12	7	13	16	9	14	10
Other Forecasts									
ECB (June '16)	1.2	na	na	na	11.1	0.9	na	na	na
EC (May '16)	1.3	1.1	4.1	na	11.2	1.4	2.3	-1.9	131.8
IMF (April '16)	1.1	1.1	2.6	na	10.9	0.7	2.0	na	na
OECD (June '16)	1.4	1.3	3.7	na	10.8	0.9	2.2	-2.0	131.9

Italy: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.8	-1.7	-0.4	0.6
Private Consumption	-3.9	-2.7	0.4	0.9
Gross Fixed Investment	-9.3	-6.6	-3.5	0.6
Industrial Production	-6.3	-2.9	-0.7	0.8
Unemploy. Rate, % of L.F.	10.7	12.1	12.7	11.9
Consumer Prices	3.3	1.3	0.2	0.1
Current Acc., % of GDP	-0.4	0.9	2.0	2.1
Budget Bal., % of GDP	-2.9	-2.9	-3.0	-2.6
Public Debt, % of GDP	123.3	129.0	132.5	132.7

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Matteo Renzi
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	80th out of 178 countries
Doing Business:	45th out of 189 countries
Competitiveness:	43rd out of 140 countries
Corruption:	61st out of 167 countries
Corporate Tax Rate:	27.5% (national rate) 3.5% (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 2016

<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									
BNP Paribas	1.8	1.7	3.7	0.6	6.4	0.4	9.5	-1.8	63.1
DZ Bank	1.5	1.0	6.5	na	6.2	0.0	6.4	-1.8	64.5
Economist Intelligence Unit	1.6	1.4	4.8	1.6	6.2	0.2	10.0	-1.5	63.7
IHS Economics	1.2	1.3	2.7	na	6.4	na	na	na	na
Oxford Economics	1.5	1.6	4.6	0.4	6.2	0.3	9.1	-1.7	na
Raiffeisen Bank International	1.5	na	na	na	na	0.3	9.5	-1.7	64.9
UBS	1.7	1.6	5.9	na	na	0.4	8.9	-1.7	64.9
Consensus (Mean Average)	1.5	1.4	4.7	0.9	6.3	0.3	8.9	-1.7	64.2
Last Month	1.6	1.5	4.4	-0.1	6.3	0.4	8.9	-1.7	64.2
2 Months Ago	1.7	1.4	4.6	0.6	6.3	0.5	9.5	-1.7	64.4
Median	1.5	1.5	4.7	0.6	6.2	0.3	9.3	-1.7	64.5
High	1.8	1.7	6.5	1.6	6.4	0.4	10.0	-1.5	64.9
Low	1.2	1.0	2.7	0.4	6.2	0.0	6.4	-1.8	63.1
Standard Deviation	0.2	0.3	1.4	0.6	0.1	0.2	1.3	0.1	0.8
Number of Forecasts	7	6	6	3	5	6	6	6	5
Other Forecasts									
ECB (June '16)	1.5	na	na	na	6.3	0.2	na	na	na
EC (May '16)	1.7	1.6	5.9	na	6.4	0.4	8.9	-1.7	64.9
IMF (April '16)	1.8	na	na	na	6.4	0.3	10.6	na	na
OECD (June '16)	1.7	1.3	5.7	na	6.2	0.1	7.8	-1.6	64.7

- The Netherlands was one of the stronger economies in the region in Q2 2016, growing by 0.6% q/q to maintain the same pace evinced in Q1. On a y/y basis, GDP growth accelerated to 1.8% when adjusted for the uneven number of working days.
- The economy was supported by consumption, investment and exports, providing a fillip to the government ahead of elections in September which are still pointing to victory for Geert Wilders' populist Freedom Party, although voters seems to be having second thoughts as opinion shifts.
- Confidence in the economy stabilised in July after having improved in June, according to the European Commission's survey. Sentiment among manufacturers and services firms remained moderately upbeat, and confidence improved in the construction industry. Consumer confidence slipped back, but only after rising quite sharply in the previous month.
- Prospects for household spending are improved by the tightening labour market; the unemployment rate fell to 6.1% (harmonised) in June.

NETHERLANDS - Forecasts for 2017

<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									
BNP Paribas	1.6	1.3	3.9	1.3	6.0	0.9	9.2	-1.6	62.6
DZ Bank	1.3	1.2	4.5	na	5.8	0.4	5.9	-1.6	64.0
Economist Intelligence Unit	1.5	1.5	2.8	1.9	5.9	1.4	9.9	-1.2	62.6
IHS Economics	1.3	1.9	1.1	2.0	6.5	na	na	na	na
Oxford Economics	1.7	1.5	2.1	1.3	6.0	1.5	9.3	-1.5	na
Raiffeisen Bank International	1.4	na	na	na	na	1.6	9.5	-1.2	63.9
UBS	2.0	1.9	4.5	na	na	1.3	8.2	-1.2	63.9
Consensus (Mean Average)	1.5	1.6	3.2	1.6	6.0	1.2	8.7	-1.4	63.4
Last Month	1.6	1.6	3.3	1.6	6.1	1.4	8.7	-1.4	63.3
2 Months Ago	1.8	1.6	3.3	1.8	6.1	1.4	9.3	-1.4	63.3
Median	1.5	1.5	3.4	1.6	6.0	1.4	9.3	-1.4	63.9
High	2.0	1.9	4.5	2.0	6.5	1.6	9.9	-1.2	64.0
Low	1.3	1.2	1.1	1.3	5.8	0.4	5.9	-1.6	62.6
Standard Deviation	0.3	0.3	1.4	0.4	0.3	0.5	1.5	0.2	0.7
Number of Forecasts	7	6	6	4	5	6	6	6	5
Other Forecasts									
ECB (June '16)	1.9	na	na	na	6.2	1.2	na	na	na
EC (May '16)	2.0	1.9	4.5	na	6.1	1.3	8.2	-1.2	63.9
IMF (April '16)	1.9	na	na	na	6.2	0.7	10.2	na	na
OECD (June '16)	2.1	1.7	4.9	na	5.9	1.2	7.3	-1.2	64.1

Netherlands: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-1.1	-0.5	1.0	1.9
Private Consumption	-1.2	-1.4	0.0	1.6
Gross Fixed Investment	-6.3	-4.4	3.5	10.3
Industrial Production	-0.4	0.6	-2.8	-4.2
Unemploy. Rate, % of L.F.	5.8	7.3	7.4	6.9
Consumer Prices	2.8	2.6	0.3	0.2
Current Acc., % of GDP	10.2	11.0	10.6	9.2
Budget Bal., % of GDP	-3.9	-2.4	-2.4	-1.8
Public Debt, % of GDP	66.4	67.9	68.2	65.1

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 178 countries
Doing Business:	28th out of 189 countries
Competitiveness:	5th out of 140 countries
Corruption:	5th out of 167 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 2016

<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	3.1	3.3	4.8	na	na	-0.3	1.5	-4.4	na
BNP Paribas	2.9	3.4	3.7	1.9	20.3	-0.4	1.2	-4.6	100.7
Danske Bank	2.4	2.8	2.8	na	20.3	-0.2	1.5	-4.0	100.5
DZ Bank	2.6	3.1	2.9	na	20.1	-0.8	1.2	-4.4	99.6
Economist Intelligence Unit	2.9	3.1	4.3	2.8	19.7	-0.3	1.3	-4.3	99.6
G&P Institutional Mgmt	3.1	3.4	4.5	na	19.9	-0.6	na	-4.2	na
HSBC	2.6	3.0	4.4	2.6	20.0	-0.3	0.9	-4.4	100.0
IHS Economics	2.9	3.3	3.3	1.8	19.7	-0.4	na	-4.3	99.4
J P Morgan Chase	2.9	na	na	na	na	-0.5	na	na	na
Nordea	2.7	na	na	na	19.7	-0.4	na	-3.6	na
Oxford Economics	3.0	3.3	3.6	2.1	19.8	-0.4	1.7	-4.6	na
Raiffeisen Bank International	2.9	na	na	na	na	-0.2	1.2	-3.8	99.9
Santander	2.9	3.5	3.1	na	19.6	-0.6	1.0	na	na
UBS	2.8	3.4	3.8	3.2	20.1	-0.4	1.3	-3.8	99.9
UniCredit Bank	2.7	3.0	5.5	na	19.5	-0.5	1.4	-4.0	101.0
Consensus (Mean Average)	2.8	3.2	3.9	2.4	19.9	-0.4	1.3	-4.2	100.1
Last Month	2.8	3.2	3.8	2.3	19.8	-0.5	1.3	-4.1	100.0
2 Months Ago	2.8	3.1	4.4	2.4	19.9	-0.4	1.3	-4.0	100.3
Median	2.9	3.3	3.8	2.4	19.9	-0.4	1.3	-4.3	99.9
High	3.1	3.5	5.5	3.2	20.3	-0.2	1.7	-3.6	101.0
Low	2.4	2.8	2.8	1.8	19.5	-0.8	0.9	-4.6	99.4
Standard Deviation	0.2	0.2	0.8	0.6	0.3	0.2	0.2	0.3	0.5
Number of Forecasts	15	12	12	6	12	15	11	13	9
Other Forecasts									
ECB (June '16)	2.7	na	na	na	20.1	-0.5	na	na	na
EC (May '16)	2.6	3.0	4.7	na	20.0	-0.1	1.5	-3.9	100.3
IMF (April '16)	2.6	3.0	4.5	na	19.7	-0.4	1.9	na	na
OECD (June '16)	2.8	3.1	4.6	na	19.8	-0.5	1.1	-3.7	100.3

- The country is edging closer to forming a government following another inconclusive election in June. Although prospects for political stability are not high, the fact Mariano Rajoy's Popular Party will retain power, albeit in a minority, at least enables policymaking to get back on track.
- The economy is fortunately still performing robustly thanks to a strong services sector enjoying a tourism boom, underpinned by falling demand for holidays in other, terrorism-affected resorts.
- GDP growth is expected to soften this year, but the political crisis has not had a major effect. Real GDP growth decelerated, but only slightly to 0.7% q/q in Q2, remaining one of the euro zone's best performing economies with y/y growth coming in at 3.2%.
- Confidence in the economy has remained fairly stable over the summer. Employment in tourism-related services has increased, and retailer confidence is upheld, but the unemployment rate remains high and the construction sector depressed.

SPAIN - Forecasts for 2017

<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	2.3	1.9	3.5	na	na	1.7	1.9	-3.6	na
BNP Paribas	1.6	2.0	2.6	1.5	20.2	1.2	1.0	-3.5	101.9
Danske Bank	1.1	1.4	0.3	na	19.0	1.7	1.3	-3.5	100.0
DZ Bank	1.8	2.4	1.6	na	19.3	1.2	0.9	-3.4	99.0
Economist Intelligence Unit	2.0	2.1	3.4	2.1	18.0	1.3	0.6	-3.7	99.6
G&P Institutional Mgmt	2.6	2.9	4.3	na	18.0	1.1	na	-3.3	na
HSBC	2.0	2.1	4.2	3.5	18.6	1.4	0.5	-3.9	100.4
IHS Economics	1.6	1.9	1.4	1.1	19.1	1.3	na	-3.9	99.6
J P Morgan Chase	2.0	na	na	na	na	1.1	na	na	na
Nordea	2.2	na	na	na	17.9	1.2	na	-2.6	na
Oxford Economics	2.2	2.3	3.1	2.3	18.2	1.6	1.9	-3.5	na
Raiffeisen Bank International	2.1	na	na	na	na	1.3	1.0	-3.2	99.5
Santander	2.1	2.5	3.1	na	18.0	0.7	0.7	na	na
UBS	1.9	2.4	3.7	3.2	18.3	1.7	1.2	-3.0	99.2
UniCredit Bank	1.7	2.1	4.2	na	18.8	1.1	0.5	-3.5	100.1
Consensus (Mean Average)	1.9	2.2	3.0	2.3	18.6	1.3	1.0	-3.4	99.9
Last Month	2.0	2.2	3.1	2.3	18.5	1.3	1.1	-3.3	99.8
2 Months Ago	2.3	2.3	4.0	2.6	18.4	1.3	1.1	-3.2	100.0
Median	2.0	2.1	3.3	2.2	18.5	1.3	1.0	-3.5	99.6
High	2.6	2.9	4.3	3.5	20.2	1.7	1.9	-2.6	101.9
Low	1.1	1.4	0.3	1.1	17.9	0.7	0.5	-3.9	99.0
Standard Deviation	0.4	0.4	1.3	0.9	0.7	0.3	0.5	0.4	0.9
Number of Forecasts	15	12	12	6	12	15	11	13	9
Other Forecasts									
ECB (June '16)	2.3	na	na	na	18.8	1.5	na	na	na
EC (May '16)	2.5	2.3	5.0	na	18.1	1.4	1.3	-3.1	99.6
IMF (April '16)	2.3	2.3	2.9	na	18.3	1.0	2.0	na	na
OECD (June '16)	2.3	2.1	3.8	na	18.4	1.0	0.9	-2.7	100.1

Spain: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.6	-1.7	1.4	3.2
Private Consumption	-3.5	-3.1	1.2	3.1
Gross Fixed Investment	-7.1	-2.5	3.5	6.4
Industrial Production	-6.0	-1.7	1.1	3.3
Unemploy. Rate, % of L.F.	24.8	26.1	24.5	22.1
Consumer Prices	2.4	1.5	-0.2	-0.6
Current Acc., % of GDP	-0.4	1.5	1.0	1.4
Budget Bal., % of GDP	-10.4	-6.9	-5.9	-5.1
Public Debt, % of GDP	85.4	93.7	99.3	99.2

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	To be confirmed
Next Election:	2020 (parliamentary)
Capital City:	Madrid
Economic Freedom:	49th out of 178 countries
Doing Business:	33rd out of 189 countries
Competitiveness:	33rd out of 140 countries
Corruption:	36th out of 167 countries
Corporate Tax Rate:	28.0% (national rate) variable (local rate) 28.0%/20.0% (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)	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Austria	EC	1.5	1.6	0.9	1.7	3.1	3.3	-1.5	-1.4	84.9	83.0
	IMF	1.2	1.4	1.4	1.8	3.6	3.5	na	na	na	na
	OECD	1.3	1.6	1.0	2.0	2.0	2.0	-1.6	-1.3	86.0	85.3
Belgium	EC	1.2	1.6	1.7	1.6	1.8	1.9	-2.8	-2.3	106.4	105.6
	IMF	1.2	1.4	1.2	1.1	0.5	0.1	na	na	na	na
	OECD	1.2	1.5	1.6	1.7	0.8	1.3	-2.9	-2.5	106.1	105.3
Cyprus	EC	1.7	2.0	-0.7	1.0	-4.2	-4.6	-0.4	0.0	108.9	105.4
	IMF	1.6	2.0	0.6	1.3	-4.8	-4.7	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	2.4	0.8	2.9	0.9	1.6	-0.1	-0.2	9.6	9.3
	IMF	2.2	2.8	2.0	2.9	1.2	0.5	na	na	na	na
	OECD	1.8	3.0	0.4	1.8	0.9	-0.2	-0.4	0.3	9.3	8.3
Greece	EC	-0.3	2.7	-0.3	0.6	0.6	1.3	-3.1	-1.8	182.8	178.8
	IMF	-0.6	2.7	0.0	0.6	-0.2	-0.3	na	na	na	na
	OECD	-0.2	1.9	-0.5	0.0	-1.6	-0.9	-1.9	-0.5	176.9	172.7
Ireland	EC	4.9	3.7	0.3	1.3	4.6	4.6	-1.1	-0.6	89.1	86.6
	IMF	5.0	3.6	0.9	1.4	4.0	3.5	na	na	na	na
	OECD	5.0	3.4	0.3	2.2	4.6	5.0	-0.7	-0.3	88.9	86.6
Luxembourg	EC	3.3	3.9	-0.1	1.8	5.3	4.8	1.0	0.1	22.5	22.8
	IMF	3.5	3.4	0.5	1.3	5.1	5.0	na	na	na	na
	OECD	3.7	3.8	-0.1	1.5	4.3	6.4	1.3	0.5	22.1	24.4
Malta	EC	4.1	3.5	1.4	2.2	5.6	4.4	-0.9	-0.8	60.9	58.3
	IMF	3.5	3.0	1.6	1.8	5.3	5.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.5	1.7	0.7	1.2	0.3	0.5	-2.7	-2.3	126.0	124.5
	IMF	1.4	1.3	0.7	1.2	0.9	0.4	na	na	na	na
	OECD	1.2	1.3	0.3	0.8	0.2	0.3	-2.9	-2.6	128.3	128.3
Slovakia	EC	3.2	3.3	-0.1	1.5	-0.6	-1.1	-2.4	-1.6	53.4	52.7
	IMF	3.3	3.4	0.2	1.4	-1.0	-1.0	na	na	na	na
	OECD	3.1	3.2	-0.3	0.9	0.0	0.5	-2.3	-1.6	53.3	53.0
Slovenia	EC	1.7	2.3	-0.2	1.6	7.0	6.9	-2.4	-2.1	80.2	78.0
	IMF	1.9	2.0	0.1	1.0	7.3	7.6	na	na	na	na
	OECD	1.5	2.3	-0.5	0.7	6.9	6.7	-2.2	-1.9	85.1	86.2

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 (May'16); IMF - International Monetary Fund (Apr'16); OECD - Organisation for Economic Cooperation & Dev (May'16).

Euro Zone: Background Information

Member Countries	Area (sq km)	Popn (m)	Capital
Austria	83,855	8.5	Vienna
Belgium	30,520	11.2	Brussels
Cyprus	9,251	0.9	Nicosia
Estonia	45,200	1.3	Tallinn
Finland	338,145	5.5	Helsinki
France	543,965	65.9	Paris
Germany	357,028	80.8	Berlin
Greece	131,957	11	Athens
Ireland	70,282	4.6	Dublin
Italy	301,245	60.8	Rome
Latvia	63,700	2.4	Riga
Lithuania	65,200	3.7	Vilnius
Luxembourg	2,586	0.5	Lux. City
Malta	316	0.4	Valletta
Netherlands	41,526	16.8	The Hague
Portugal	88,940	10.4	Lisbon
Slovakia	49,035	5.4	Bratislava
Slovenia	20,251	2.1	Ljubljana
Spain	504,782	46.5	Madrid

Sources: Eurostat, The Times; PRB; MJE

Euro Zone: Election Timetable

Date	Country	Type
September 2016	Netherlands	Parliamentary
October 2016	Lithuania	Parliamentary
April 2017	France	Presidential
June 2017	France	Parliamentary
October 2017	Germany	Presidential
December 2017	Slovenia	Presidential
February 2018	Cyprus	Presidential
February 2018	Finland	Parliamentary
June 2018	Malta	Parliamentary
June 2018	Luxembourg	Parliamentary
September 2018	Austria	Parliamentary
October 2018	Ireland	Parliamentary
December 2018	Italy	Parliamentary
January 2019	Portugal	Presidential
July 2020	Spain	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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