

Euro Zone Barometer© - December 2012

*****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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Survey Deadline: December 10th, 2012

Recent Developments

- Confidence in the euro zone has been shored up lately by a more **positive policy response** from European leaders, giving the impression that the worst of the crisis might be over as French President Francois Hollande has claimed. Certainly the European Central Bank has become a lynchpin to the euro's survival – that was always the case, but the region's central bank had been slow to respond, and to some extent lacked the authority.
- The ECB's financial underwriting plan (an implicit guarantee to purchase sovereign bonds) has helped to keep Italian and Spanish borrowing costs within reasonable, albeit still-elevated, levels. And, lately, the decision to expand the ECB's role with a financial sector supervisory function has sent out a **strong message of determination** to protect the euro, firewall its participants and create a solid grounding for future probity and prosperity.
- Yet, as our final survey of the year highlights, the region still faces **enormous economic problems**, not least the lack of growth (which is now unlikely in 2013, on a region-wide basis), worsening unemployment problem and difficulties in resolving the structural and banking sector issues.
- With **heavy debt refinancing schedules** facing many sovereigns next year the outlook remains uncertain. We return in January with our first survey of the New Year when our forecast horizon shifts on a year. Will the Euro Zone emerge stronger, or is there still a chance of a break-up if Greece falls by the wayside? Watch this space!

**Next Month's Survey Deadline:
January 14th, 2013**

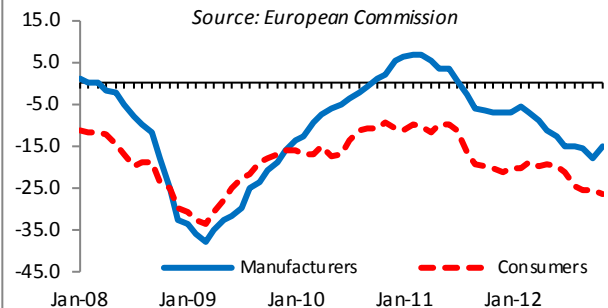
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2013

- Following a disappointing year in 2012, in which real GDP is estimated to have contracted by 0.4% in the Euro Zone as a whole, our forecasters now predict no growth at all in 2013 for the first time.
- Downgrades to all of the main GDP expenditure components highlight the deteriorating outlook, with the domestic demand variables (private consumption, government consumption and gross fixed investment) all forecast to fall.
- Worryingly, the unemployment rate forecasts made earlier this year have also been altered to show a worsening trend, reflecting the poor economic situation.
- According to our Euro Zone Barometer panel, the region-wide average unemployment rate will now be close to 12% next year, more than four percentage points higher than five years ago, at the height of the global crisis.

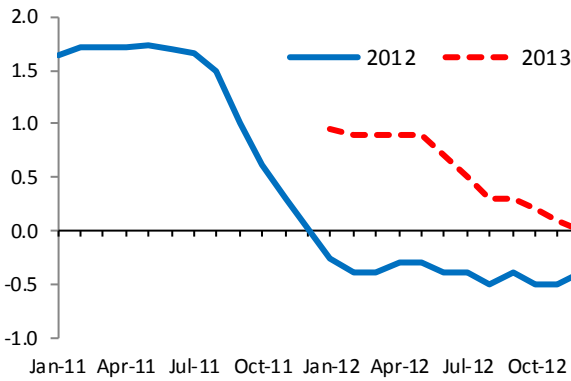
Six Year Summary: Historical Data and Consensus Forecasts

<i>(% change year-on-year, unless otherwise stated)</i>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012f</u>	<u>2013f</u>
Gross Domestic Product	0.4	-4.4	2.0	1.4	-0.4	0.0
Private Consumption	0.4	-1.0	0.9	0.1	-1.0	-0.2
Government Consumption	2.3	2.6	0.7	-0.1	0.0	-0.3
Gross Fixed Investment	-1.4	-12.7	-0.1	1.5	-3.6	-0.9
Change in Stocks (Inventories)¹	-0.1	-0.9	0.6	0.2	-0.5	-0.1
Goods and Services Exports	1.1	-12.4	11.2	6.3	2.8	2.7
Goods and Services Imports	0.9	-11.1	9.6	4.2	-0.3	1.9
Net Exports²	0.1	-0.7	0.7	0.9	1.1	0.4
Industrial Production (ex. construction)	-1.8	-14.9	7.3	3.4	-1.9	0.7
Retail Sales Volume	-0.7	-2.4	0.9	-0.6	-1.4	-0.1
Unemployment Rate, % of labour force	7.6	9.6	10.1	10.2	11.3	11.9
Money Supply, M3, end period, % change	8.6	-0.6	1.1	1.5	3.2	2.8
Harmonised Index of Consumer Prices	3.3	0.3	1.6	2.7	2.5	1.9
Producer Prices	6.1	-5.1	2.9	5.9	2.3	2.1
Nominal Labour Costs	3.5	2.9	1.6	2.1	1.9	2.0
Current Account Balance, annual total, €bn	-143.5	-13.3	3.1	12.5	65.2	84.6
Current Account Balance, % of GDP	-1.6	-0.1	0.0	0.1	0.7	0.9
General Govt Budget Balance, % of GDP	-2.1	-6.3	-6.2	-4.1	-3.3	-2.7
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	2.89	0.70	1.01	1.36	0.21	0.37
10 Year German Bond Yield, % per annum	2.95	3.40	2.92	1.83	1.68	2.03
US\$ per € Exchange Rate	1.392	1.441	1.336	1.294	1.290	1.254

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

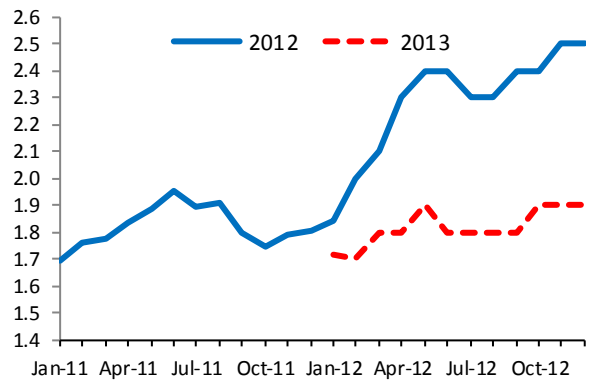
Changes in the GDP Growth Forecasts

consensus (mean average), % change, year-on-year
Source: MJE



Changes in the HICP (Inflation) Forecasts

consensus (mean average), % change, year-on-year
Source: MJE



Euro Zone: Election Timetable

Date	Country	Type
February 17th, 2013	Cyprus	Presidential
March 2013	Malta	Parliamentary
April 2013	Italy	Parliamentary
May 2013	Italy	Presidential
September 2013	Austria	Legislative
September 2013	Germany	Parliamentary
April 2014	Malta	Presidential
June 2014	EU	Parliamentary
2014	EU	Presidential
2014	Slovakia	Presidential
2014	Belgium	Parliamentary
2014	Luxembourg	Parliamentary
February 2015	Greece	Presidential
March 2015	Estonia	Parliamentary
2015	Portugal	Parliamentary
2015	Spain	Parliamentary
2015	Slovenia	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential

Sources: IFES Election Guide; MJE

Euro Zone: Background Information

Member Countries	Area (sq km)	Popn (m)	Capital
Austria	83,855	8.1	Vienna
Belgium	30,520	10.1	Brussels
Cyprus	9,251	0.8	Nicosia
Estonia	45,200	1.4	Tallinn
Finland	338,145	5.2	Helsinki
France	543,965	58.7	Paris
Germany	357,028	82.1	Berlin
Greece	131,957	10.6	Athens
Ireland	70,282	3.7	Dublin
Italy	301,245	57.4	Rome
Luxembourg	2,586	0.4	Lux. City
Malta	316	0.4	Valletta
Netherlands	41,526	15.7	The Hague
Portugal	88,940	9.9	Lisbon
Slovakia	49,035	5.4	Bratislava
Slovenia	20,251	2.0	Ljubljana
Spain	504,782	39.6	Madrid

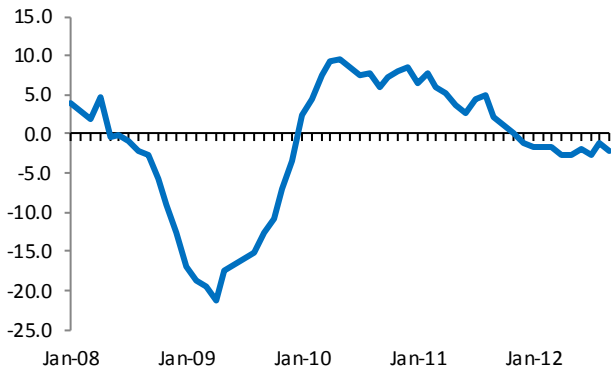
Other Euro Users

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

Sources: The Times; MJE

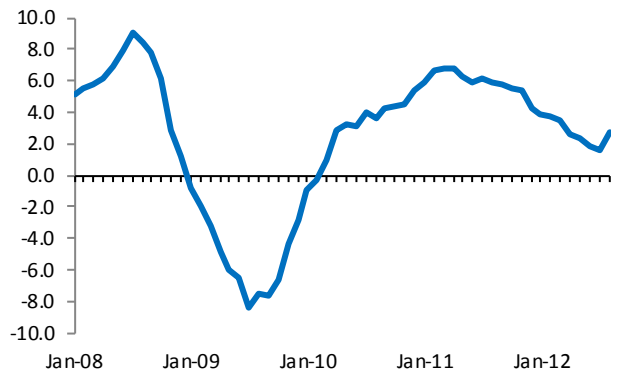
Industrial Production

excluding construction, % change, year-on-year, s.a.
Source: ECB



Producer Prices

domestic market, % change, year-on-year
Source: ECB



Euro Zone - Forecasts for 2012

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	-0.3	-0.7	0.2	-2.7	na	3.0	0.3	na
BBVA	-0.5	-1.0	-0.1	-3.6	-0.5	3.1	0.1	1.3
BNP Paribas	-0.4	-1.1	-0.2	-3.7	-0.7	2.9	-0.6	na
Commerzbank	-0.4	-1.0	-0.1	-3.5	-0.6	3.2	-0.2	1.5
Credit Agricole	-0.4	-0.9	0.1	-3.2	-0.7	3.1	0.0	1.3
DZ Bank	-0.4	-1.0	-0.1	-3.3	na	2.9	-0.1	na
Econ Intelligence Unit	-0.5	-1.1	0.2	-5.1	na	2.6	-0.1	1.2
ETLA	-0.5	-1.0	-0.2	-3.5	na	3.0	-0.8	na
G&P Institutional Mgmt	-0.3	-1.0	0.5	-3.2	-0.6	2.6	-0.3	1.3
HSBC	-0.6	-0.8	0.1	-3.3	-0.1	2.5	-0.3	na
IHS Global Insight	-0.4	-1.0	-0.2	-3.9	na	2.9	-0.5	-1.5
J P Morgan Chase	-0.4	-1.1	-0.2	-3.7	na	3.1	-0.4	1.6
Moody's Analytics	-0.5	-1.0	-0.3	-5.6	na	2.5	-0.4	na
Morgan Stanley	-0.5	-0.9	0.1	-3.2	na	2.2	-0.6	1.3
Oxford Economics	-0.4	-1.0	-0.1	-3.5	-0.6	2.9	-0.4	1.4
Raiffeisen Bank International	-0.5	-0.9	0.2	-3.2	na	2.6	-0.2	na
Santander	-0.5	-0.8	-0.1	-3.4	na	2.7	-0.1	1.3
SEB	-0.4	-1.1	-0.3	-3.4	-0.2	2.3	-0.3	na
Societe Generale	-0.4	-1.1	0.0	-3.4	na	2.9	-0.4	na
UBS	-0.4	-0.9	0.0	-3.3	-0.5	3.0	0.2	1.2
UniCredit Bank	-0.5	-0.9	0.0	-3.1	-0.6	2.0	-0.9	1.3
Consensus (Mean)	-0.4	-1.0	0.0	-3.6	-0.5	2.8	-0.3	1.1
Last Month	-0.5	-0.9	0.0	-3.3	-0.5	2.6	-0.1	1.1
2 Months Ago	-0.5	-0.8	0.0	-3.2	-0.5	2.5	-0.1	1.2
Median	-0.4	-1.0	-0.1	-3.4	-0.6	2.9	-0.3	1.3
High	-0.3	-0.7	0.5	-2.7	-0.1	3.2	0.3	1.6
Low	-0.6	-1.1	-0.3	-5.6	-0.7	2.0	-0.9	-1.5
Standard Deviation	0.1	0.1	0.2	0.6	0.2	0.3	0.3	0.8
Number of Forecasts	21	21	21	21	10	21	21	12

Euro Zone - Forecasts for 2012

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	-1.7	na	11.4	na	2.5	2.8	na	80.0	0.8	-3.0
BBVA	na	na	11.4	na	2.5	na	na	na	1.2	-3.2
BNP Paribas	-1.6	na	11.4	na	2.5	-1.6	na	80.0	0.8	-3.4
Commerzbank	-1.5	na	11.3	3.0	2.5	2.7	1.8	10.0	0.1	-3.3
Credit Agricole	na	na	11.3	na	2.5	na	na	na	0.0	na
DZ Bank	na	na	11.4	na	2.5	2.6	na	na	0.2	-3.5
Econ Intelligence Unit	na	na	11.1	na	2.5	2.9	na	na	1.4	-3.4
ETLA	-1.8	na	11.3	na	2.5	na	na	na	na	-3.5
G&P Institutional Mgmt	na	na	11.3	na	2.6	na	na	na	na	-3.4
HSBC	-2.0	na	11.4	3.4	2.5	na	na	na	0.5	-3.9
IHS Global Insight	-2.2	-1.7	11.4	3.2	2.5	2.5	1.8	80.0	0.8	-3.4
J P Morgan Chase	-2.0	na	11.4	na	2.5	2.5	na	na	1.0	-3.8
Moody's Analytics	-2.2	-1.5	11.6	2.5	2.4	2.3	na	9.5	na	na
Morgan Stanley	na	na	11.2	4.5	2.5	na	na	109.1	1.2	-3.4
Oxford Economics	-2.4	-1.0	11.4	na	2.5	2.6	na	90.6	1.0	-3.3
Raiffeisen Bank International	-1.7	na	11.3	na	2.5	na	na	38.5	0.4	-3.3
Santander	na	na	11.4	na	2.5	na	na	38.6	0.4	-3.9
SEB	-1.7	na	11.4	na	2.5	na	na	na	na	-3.1
Societe Generale	na	na	11.3	na	2.5	na	na	128.9	1.4	-2.2
UBS	na	na	11.3	2.5	2.5	3.0	na	51.6	0.5	-3.1
UniCredit Bank	na	na	11.3	na	2.5	2.7	2.0	na	0.3	-3.5
Consensus (Mean)	-1.9	-1.4	11.3	3.2	2.5	2.3	1.9	65.2	0.7	-3.3
Last Month	-2.1	-1.3	11.3	3.1	2.5	2.7	1.9	53.2	0.6	-3.4
2 Months Ago	-2.0	-1.4	11.2	3.6	2.4	2.1	2.1	52.7	0.6	-3.4
Median	-1.8	-1.5	11.4	3.1	2.5	2.6	1.8	80.0	0.8	-3.4
High	-1.5	-1.0	11.6	4.5	2.6	3.0	2.0	128.9	1.4	-2.2
Low	-2.4	-1.7	11.1	2.5	2.4	-1.6	1.8	9.5	0.0	-3.9
Standard Deviation	0.3	0.4	0.1	0.7	0.0	1.3	0.1	38.8	0.4	0.4
Number of Forecasts	11	3	21	6	21	11	3	11	17	19

Euro Zone - Forecasts for 2013

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	0.5	0.2	0.0	0.2	na	3.8	3.3	na
BBVA	0.3	0.0	-0.5	-0.6	0.0	3.2	2.2	0.5
BNP Paribas	-0.2	-0.2	-0.3	-1.1	0.0	1.6	1.3	na
Commerzbank	0.0	-0.1	0.3	-0.6	-0.1	2.9	0.5	0.2
Credit Agricole	0.3	0.0	-0.3	-0.6	-0.1	4.3	3.3	0.6
DZ Bank	-0.3	-0.2	-0.3	-0.7	na	2.6	2.8	na
Econ Intelligence Unit	-0.1	-0.6	-0.2	-1.2	na	2.3	1.3	0.5
ETLA	-0.2	0.0	-0.5	-1.6	na	2.9	1.8	na
G&P Institutional Mgmt	0.4	0.0	1.1	-1.8	0.1	2.1	1.3	0.4
HSBC	-0.1	-0.2	-0.8	-1.5	-0.3	2.5	1.5	na
IHS Global Insight	-0.2	-0.2	-0.5	-1.2	na	1.6	0.8	0.4
J P Morgan Chase	0.0	-0.5	-0.2	-2.0	na	3.7	2.3	0.7
Moody's Analytics	0.2	0.2	-0.2	-0.4	na	2.0	1.6	na
Morgan Stanley	-0.5	-0.1	-0.2	-0.8	na	2.7	2.0	0.4
Oxford Economics	-0.2	-0.4	-0.9	-1.5	-0.1	2.6	1.6	0.5
Raiffeisen Bank International	0.2	-0.3	0.1	-0.8	na	1.6	1.2	na
Santander	0.2	0.2	-0.1	-0.4	na	3.7	3.7	0.2
SEB	-0.2	-0.7	-0.4	0.5	0.0	3.1	2.4	na
Societe Generale	-0.3	-0.5	-0.1	-1.7	na	2.6	2.1	na
UBS	0.0	0.0	-0.9	-0.4	-0.2	2.7	1.7	0.5
UniCredit Bank	0.3	-0.3	-0.6	-0.5	0.2	2.0	1.2	0.4
Consensus (Mean)	0.0	-0.2	-0.3	-0.9	-0.1	2.7	1.9	0.4
Last Month	0.1	-0.1	-0.2	-0.8	0.0	2.8	2.2	0.8
2 Months Ago	0.2	0.0	-0.2	-0.5	0.0	2.8	2.3	0.7
Median	0.0	-0.2	-0.3	-0.8	-0.1	2.6	1.7	0.5
High	0.5	0.2	1.1	0.5	0.2	4.3	3.7	0.7
Low	-0.5	-0.7	-0.9	-2.0	-0.3	1.6	0.5	0.2
Standard Deviation	0.3	0.3	0.4	0.7	0.1	0.8	0.8	0.1
Number of Forecasts	21	21	21	21	10	21	21	12

Euro Zone - Forecasts for 2013

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl. con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	1.3	na	12.0	na	2.0	2.4	na	65.0	0.7	-2.5
BBVA	na	na	11.8	na	1.8	na	na	na	1.2	-2.5
BNP Paribas	0.8	na	12.6	na	1.8	0.8	na	100.0	1.0	-2.6
Commerzbank	1.0	na	11.8	3.5	1.9	1.5	2.3	20.0	0.2	-2.6
Credit Agricole	na	na	11.7	na	1.9	na	na	na	0.5	na
DZ Bank	na	na	11.9	na	2.5	2.3	na	na	0.2	-2.9
Econ Intelligence Unit	na	na	11.6	na	2.0	2.3	na	na	1.7	-2.9
ETLA	0.6	na	12.0	na	1.9	na	na	na	na	-3.0
G&P Institutional Mgmt	na	na	12.0	na	1.9	na	na	na	na	-2.8
HSBC	1.1	na	12.1	3.0	1.7	na	na	na	0.5	-3.2
IHS Global Insight	-0.4	-0.2	12.1	3.5	1.8	2.0	2.0	60.0	0.6	-2.7
J P Morgan Chase	0.4	na	12.3	na	1.8	0.8	na	na	1.4	-2.8
Moody's Analytics	0.8	0.1	12.0	2.8	2.1	3.2	na	-5.6	na	na
Morgan Stanley	na	na	12.1	na	1.9	na	na	148.6	1.6	-2.9
Oxford Economics	-0.7	-0.2	12.3	na	1.8	1.8	na	132.2	1.4	-2.6
Raiffeisen Bank International	2.6	na	11.6	na	1.9	na	na	19.7	0.2	-2.6
Santander	na	na	11.8	na	1.9	na	na	68.1	0.7	-3.4
SEB	0.4	na	12.0	na	1.5	na	na	na	na	-2.5
Societe Generale	na	na	11.8	na	2.2	na	na	169.4	1.8	-1.9
UBS	na	na	11.7	1.4	2.1	3.6	na	153.4	1.6	-2.0
UniCredit Bank	na	na	11.6	na	2.0	2.2	1.8	na	0.4	-3.4
Consensus (Mean)	0.7	-0.1	11.9	2.8	1.9	2.1	2.0	84.6	0.9	-2.7
Last Month	0.8	-0.1	11.8	2.4	1.9	2.2	2.0	70.9	0.8	-2.8
2 Months Ago	0.6	-0.2	11.7	2.9	1.9	1.8	2.0	71.4	0.8	-2.7
Median	0.8	-0.2	12.0	3.0	1.9	2.2	2.0	68.1	0.7	-2.7
High	2.6	0.1	12.6	3.5	2.5	3.6	2.3	169.4	1.8	-1.9
Low	-0.7	-0.2	11.6	1.4	1.5	0.8	1.8	-5.6	0.2	-3.4
Standard Deviation	0.9	0.2	0.3	0.9	0.2	0.9	0.3	60.3	0.6	0.4
Number of Forecasts	11	3	21	5	21	11	3	11	17	19

Other (Comparison) Forecasts

<i>Average % change from previous year, unless otherwise noted. For notes, sources and definitions, see p.23. NB: ECB forecasts are mid-points of ranges.</i>	Gross Domestic Product	Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building <i>(% contrib. to GDP growth)</i>	Net Exports <i>(% contrib. to GDP growth)</i>	Unemployment Rate <i>(% of labour force)</i>	Consumer Prices <i>(HICP)</i>	General Govt. Balance <i>(% of GDP)</i>
2011									
ECB	1.5	0.1	-0.2	1.6	na	na	na	2.7	na
EC	1.4	0.1	-0.1	1.5	0.2	0.9	10.1	2.7	-4.1
IMF	1.4	0.1	-0.2	1.4	0.2	0.9	10.2	2.7	-4.1
OECD	na	na	na	na	na	na	na	na	na
World Bank	1.6	na	na	na	na	na	na	na	na
2012									
ECB	-0.5	-1.1	-0.4	-3.8	na	na	na	2.5	na
EC	-0.4	-1.0	-0.2	-3.5	-0.5	1.3	11.3	2.5	-3.3
IMF	-0.4	-1.1	-0.2	-3.1	-0.4	1.2	11.2	2.3	-3.3
OECD	-0.1	-1.0	-0.1	-3.6	-0.5	1.4	na	na	na
World Bank	-0.3	na	na	na	na	na	na	na	na
2013									
ECB	-0.3	-0.6	-0.6	-2.6	na	na	na	1.6	na
EC	0.1	-0.4	-0.4	-0.6	-0.1	0.6	11.8	1.8	-2.6
IMF	0.2	-0.3	-0.6	0.2	0.0	0.4	11.5	1.6	-2.6
OECD	1.3	-0.2	-0.3	-1.9	-0.1	0.5	na	na	na
World Bank	0.7	na	na	na	na	na	na	na	na

Sources: ECB - European Central Bank (December 2012)
EC - European Commission (November 2012)
IMF - International Monetary Fund (October 2012)
OECD - Organisation for Economic Cooperation & Development (November 2012)
WB - World Bank (June 2012)

Quarterly Forecasts and Historical Data*% change year-on-year, unless otherwise stated*

<i>(% change year-on-year, unless otherwise stated)</i>	Q1'11	Q2'11	Q3'11	Q4'11
Gross Domestic Product	2.4	1.6	1.3	0.6
Private Consumption	1.0	0.2	0.2	-0.8
Industrial Production	6.8	4.0	3.9	-0.3
Harmonised Index of Consumer Prices	2.5	2.8	2.7	2.9
3 month Interest Rate, % per annum, end period	1.24	1.55	1.55	1.36
10 Year Bond Yield, % per annum, end period	3.37	3.01	1.89	1.83
	Q1'12	Q2'12	Q3'12	Q4'12
Gross Domestic Product	-0.1	-0.5	-0.6	-0.6
Private Consumption	-1.0	-1.0	-1.3	-0.8
Industrial Production	-1.8	-2.4	-2.2	-1.0
Harmonised Index of Consumer Prices	2.7	2.5	2.5	2.4
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.21
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.68
	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-0.5	-0.2	0.2	0.6
Private Consumption	-0.5	-0.1	0.0	0.3
Industrial Production	-0.3	0.6	0.7	1.6
Harmonised Index of Consumer Prices	2.1	1.9	1.9	1.9
3 month Interest Rate, % per annum, end period	0.27	0.31	0.31	0.34
10 Year Bond Yield, % per annum, end period	1.76	1.80	1.90	2.03

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

Financial Forecasts

<i>All forecasts are for end year</i>		2012	2013
3-month Euribor Interest Rate, % Rate on Survey Date: 0.18	Mean Average	0.21	0.37
	High	0.33	0.80
	Low	0.19	0.20
	Standard deviation	0.04	0.20
	Number of Forecasts	18	18
10-year Benchmark German Bond Yield, % Rate on Survey Date: 1.30	Mean Average	1.68	2.03
	High	3.00	2.60
	Low	1.37	1.65
	Standard deviation	0.43	0.28
	Number of Forecasts	14	14
US Dollars/Euro Exchange Rate Rate on Survey Date: 1.293	Mean Average	1.290	1.254
	High	1.330	1.390
	Low	1.230	1.100
	Standard deviation	0.024	0.064
	Number of Forecasts	24	25
Japanese Yen/Euro Exchange Rate Rate on Survey Date: 106.4	Mean Average	104.2	107.8
	High	111.0	119.0
	Low	98.0	93.8
	Standard deviation	3.9	7.0
	Number of Forecasts	13	12
UK Pound/Euro Exchange Rate Rate on Survey Date: 0.804	Mean Average	0.808	0.798
	High	0.830	0.870
	Low	0.780	0.740
	Standard deviation	0.013	0.036
	Number of Forecasts	14	14
Swedish Krona/Euro Exchange Rate Rate on Survey Date: 8.659	Mean Average	8.667	8.422
	High	9.000	9.000
	Low	8.400	7.186
	Standard deviation	0.144	0.377
	Number of Forecasts	19	19
Swiss Franc/Euro Exchange Rate Rate on Survey Date: 1.207	Mean Average	1.207	1.214
	High	1.220	1.300
	Low	1.200	1.050
	Standard deviation	0.006	0.067
	Number of Forecasts	11	11
Oil Prices, Brent Blend, US\$ per barrel Rate on Survey Date: 107.7	Mean Average	110.0	108.2
	High	113.2	125.0
	Low	105.0	93.3
	Standard deviation	2.5	9.1
	Number of Forecasts	18	18

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.

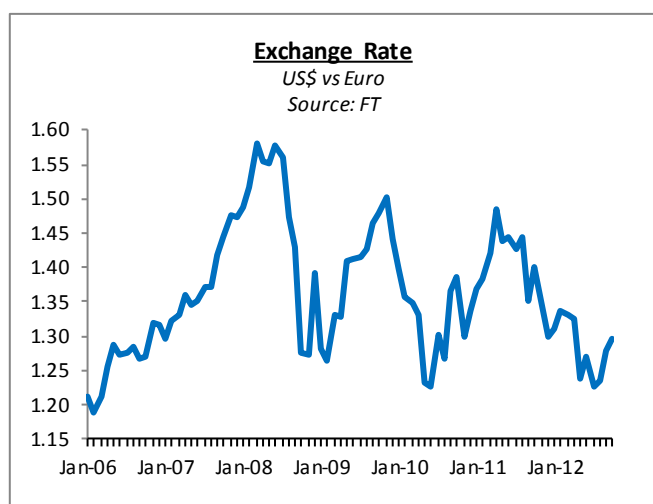
Interest Rate Data*All data are period averages*

Euro Zone Interest Rates, %	Jun '12	Jul	Aug	Sep	Oct	Nov
Overnight	0.33	0.18	0.11	0.10	0.09	0.08
3-month	0.66	0.50	0.33	0.25	0.21	0.19
6-month	0.93	0.78	0.61	0.48	0.41	0.36
12-month	1.22	1.06	0.88	0.74	0.65	0.59
10-year bond yields	3.41	3.25	3.01	2.43	2.31	2.25
International Rates, %						
US 3-month (Euro dollar deposits)	0.47	0.45	0.43	0.39	0.33	0.31
US 10-year	1.83	1.63	1.72	1.77	1.79	1.72
Japan 3-month (Euro yen deposits)	0.20	0.20	0.19	0.19	0.19	0.19
Japan 10-year	0.84	0.78	0.81	0.78	0.78	0.74
Euro Zone / US Yield Differentials, %						
3-month	0.19	0.05	-0.10	-0.14	-0.12	-0.12
10-year	1.58	1.62	1.29	0.66	0.52	0.53

Exchange Rate Data*period averages vs euro*

	Jun '12	Jul	Aug	Sep	Oct	Nov
Trade Weighted Nominal Index * (1999 Q1=100)	97.2	95.3	95.2	97.2	97.8	97.2
Australian dollar	1.255	1.193	1.184	1.237	1.260	1.233
Canadian dollar	1.287	1.246	1.232	1.258	1.280	1.279
Chinese renminbi	7.968	7.829	7.886	8.127	8.139	8.000
Danish krone	7.433	7.438	7.445	7.454	7.458	7.459
Hong Kong dollar	9.72	9.53	9.62	9.97	10.06	9.94
Japanese yen	99.3	97.1	97.6	100.5	102.5	103.9
Norwegian krone	7.540	7.458	7.324	7.395	7.408	7.337
Singapore dollar	1.602	1.549	1.548	1.584	1.588	1.570
South Korean won	1459	1404	1404	1445	1435	1395
Swedish krona	8.874	8.545	8.281	8.493	8.615	8.608
Swiss franc	1.201	1.201	1.201	1.209	1.210	1.205
UK pound	0.806	0.788	0.789	0.798	0.807	0.804
US dollar	1.253	1.229	1.240	1.286	1.297	1.283

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



Positive action to resolve the euro zone debt crisis has provided a fillip to the single currency in recent days. Italy's political crisis has not had any major bearing, despite an initial rise in Italian bond yields, and speculators have taken comfort from the news that the European Central Bank will act as a common banking supervisor for Euro Zone lenders from 2014 - an important stepping stone toward establishing a banking union. The euro has also gained from pressure on the dollar, stemming from uncertainty over the US fiscal cliff, monetary policy and the state of the US economy. Nevertheless, the euro is still vulnerable to shifts in confidence, particularly in connection with Greece and the absence of growth.

ECB Watch

- Having already shored up market confidence in the euro by announcing its Outright Monetary Transactions (bond-purchase programme) earlier in the year, the European Central Bank will expand its reach via new supervisory powers over Euro Zone lenders from 2014 to prevent another financial crisis. As the region's central bank, the ECB seems best-placed to assume this role, particularly in light of its hard-fought monetary policy credibility since being established at the inception of the single currency.
- Rather than using interest rates as the main policy instrument – particularly with inflation risks easing – the ECB continues to offer tacit bond-buying support to ensure that yields on peripheral sovereign debt (Italy and Spain) does not escalate to chronic levels.

Euro Zone Barometer Monthly Interest Rate Poll

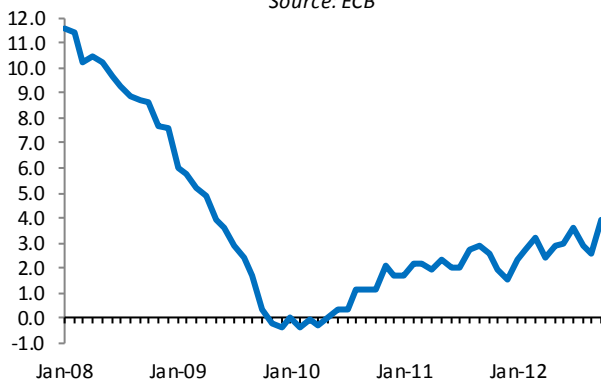
Panellists' estimates of the probability of movements in the euro zone policy rate at the ECB Council's next two meetings:

	Jan. 10th	Feb. 7th
-50bp	50.0%	90.0%
-25bp	24.1%	30.0%
Unchanged	75.4%	69.1%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE

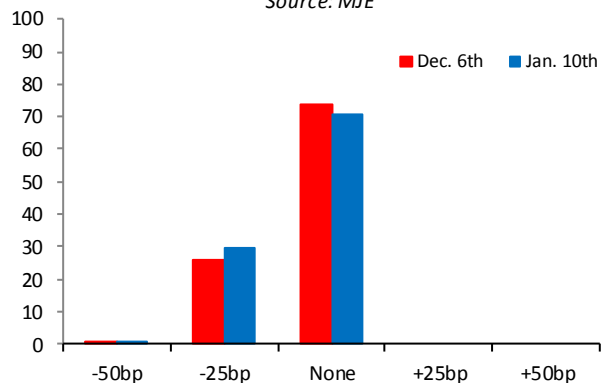
M3 Money Supply

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



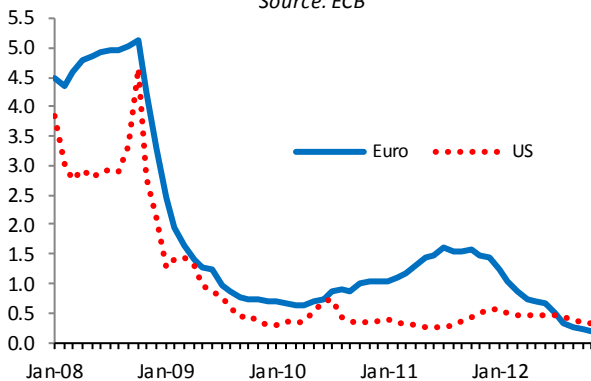
Likely Change in ECB Policy Rate

average % expectation
Source: MJE



Short Term Interest Rates

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



Last Five ECB Interest Rate Changes:

July 5th, 2012

0.25% DECREASE to 0.75%

December 14th, 2011

0.25% DECREASE to 1.00%

November 9th, 2011

0.25% DECREASE to 1.25%

July 13th, 2011

0.25% INCREASE to 1.50%

April 13th, 2011

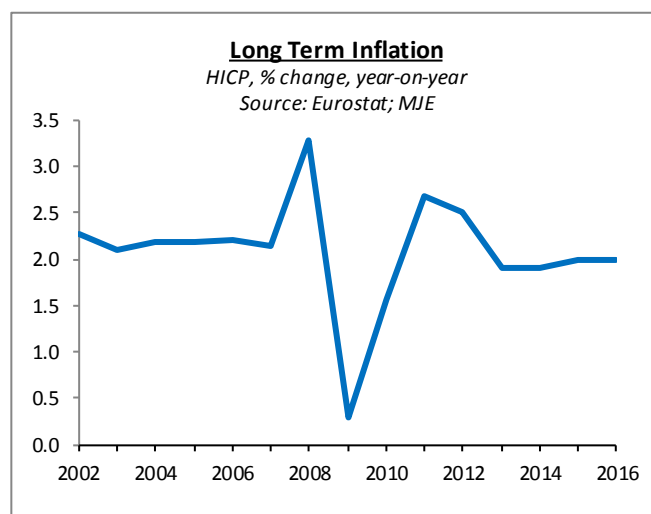
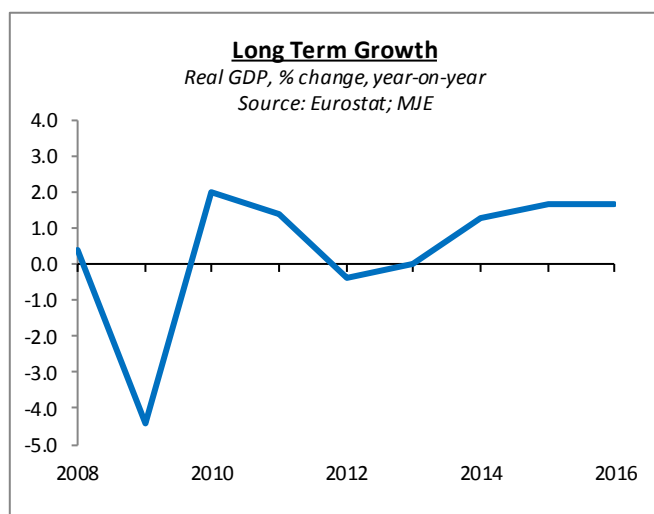
0.25% INCREASE to 1.25%

Long Term Forecasts

Forecasts for 2014 to 2016 are taken from our October 2012 long term forecasts survey

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Gross Domestic Product	1.4	-0.4	0.0	1.3	1.7	1.7
Private Consumption	0.1	-1.0	-0.2	0.8	1.3	1.4
Gross Fixed Investment	1.5	-3.6	-0.9	2.2	2.7	2.3
Industrial Production (excl. construction)	3.4	-1.9	0.7	2.0	2.1	1.9
Unemployment Rate, % of labour force	10.2	11.3	11.9	11.2	10.8	10.4
Harmonised Index of Consumer Prices	2.7	2.5	1.9	1.9	2.0	2.0
Current Account, annual total, % of GDP	0.1	0.7	0.9	-4.5	-3.8	-4.0
General Government Balance, % of GDP	-4.1	-3.3	-2.7	-2.2	-1.6	-1.4
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	1.36	0.21	0.37	1.30	2.90	2.90
10 Year Bond Yield, % per annum	1.83	1.68	2.03	3.50	3.50	3.50
10 year - 3 month Yield Differential	0.47	1.47	1.66	2.20	0.60	0.60
US\$ per € Exchange Rate	1.294	1.290	1.254	1.251	1.288	1.304



GERMANY - Forecasts for 2012

<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	0.8	0.8	na	-0.2	5.5	2.1	6.2	0.0	na
BBVA	0.9	0.9	-1.0	na	na	2.1	5.6	-0.4	83.3
BNP Paribas	0.9	0.6	-1.8	-0.5	na	2.1	6.1	-0.1	na
Credit Agricole	0.9	0.8	-1.3	na	5.5	2.1	5.1	-0.4	82.2
DZ Bank	0.9	0.6	-2.2	na	na	2.1	5.9	-0.3	81.0
Economist Intelligence Unit	0.9	1.0	-0.2	na	5.5	2.2	6.1	-0.2	na
G&P Institutional Mgmt	0.9	0.9	-1.1	na	5.5	2.2	na	0.0	na
HSBC	0.9	0.9	-1.4	na	na	2.1	5.7	-0.8	80.3
IHS Global Insight	1.0	0.6	-1.6	-0.7	5.5	2.2	6.5	-0.2	80.0
J P Morgan Chase	0.9	na	na	na	na	2.2	na	na	na
Moody's Analytics	0.9	0.9	-1.7	-0.5	na	2.1	5.4	0.0	na
Morgan Stanley	0.8	1.5	-2.0	-0.2	5.6	2.0	6.7	-0.2	81.5
Oxford Economics	1.0	0.6	-1.6	-0.3	5.5	2.1	6.6	-0.2	na
Raiffeisen Bank International	0.7	na	na	na	na	2.0	5.8	-0.2	81.7
Santander	0.9	1.1	-0.8	-0.7	5.7	2.2	5.5	-0.1	81.5
Societe Generale	0.9	0.8	-0.8	na	na	2.1	3.0	-0.3	81.2
UBS	0.9	1.0	-0.7	-0.6	na	2.1	6.0	-1.0	80.3
Unicredit Bank	0.9	0.8	-1.0	-0.2	5.6	2.2	5.8	0.1	83.5
Consensus (Mean Average)	0.9	0.9	-1.3	-0.4	5.5	2.1	5.8	-0.3	81.5
Last Month	0.9	0.9	-1.0	-0.3	5.6	2.1	5.8	-0.4	81.3
2 Months Ago	0.9	0.9	-0.8	-0.2	5.6	2.1	5.8	-0.5	81.2
Median	0.9	0.9	-1.3	-0.5	5.5	2.1	5.9	-0.2	81.5
High	1.0	1.5	-0.2	-0.2	5.7	2.2	6.7	0.1	83.5
Low	0.7	0.6	-2.2	-0.7	5.5	2.0	3.0	-1.0	80.0
Standard Deviation	0.1	0.2	0.5	0.2	0.1	0.1	0.9	0.3	1.2
Number of Forecasts	18	16	15	9	9	18	16	17	11
Other Forecasts									
EC (Nov. '12)	0.8	1.0	-1.2	na	5.5	2.1	5.7	-0.2	81.7
IMF (Oct. '12)	0.9	0.7	-0.7	na	5.2	2.2	5.4	-0.4	83.0
OECD (Nov. '12)	0.9	0.9	-1.3	na	na	na	na	na	na

- Although Germany is struggling against the winds of recession as economic conditions deteriorate, the outlook for 2013 is far from disastrous. Some of our panellists anticipate that GDP growth will decelerate in 2013, but a contrary view among others suggests that conditions will improve by the spring.
- The latest confidence indicators from the European Commission highlight these mixed attitudes. Germany's industrial confidence improved in November to a net balance of -13.4, after falling for three consecutive months to a low of -18.1 in October.
- Confidence in the services sector also picked up in November, although it remains subdued compared to earlier this year. Similarly, the improvement seen in the construction industry is not yet indicative of a recovery.
- Recent reports suggest that German firms are seeking out new, faster-growing markets beyond Europe for their export sales. This is true not just of larger manufacturers – Volkswagen for example – but also of the Mittelstand (Germany's small and medium-sized firms).

GERMANY - Forecasts for 2013

<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	1.5	1.6	na	1.2	5.5	1.9	6.0	0.1	na
BBVA	1.3	1.1	2.5	na	na	1.8	5.0	-0.4	81.2
BNP Paribas	0.9	0.9	-1.4	-0.1	na	1.6	5.9	-0.4	na
Credit Agricole	1.1	0.9	0.6	na	5.4	2.1	5.0	-0.2	80.7
DZ Bank	0.4	0.9	0.1	na	na	2.1	4.3	-0.7	78.5
Economist Intelligence Unit	0.8	0.8	1.4	na	5.7	1.9	5.8	-0.5	na
G&P Institutional Mgmt	0.5	0.3	-0.4	na	5.5	1.7	na	-0.2	na
HSBC	0.9	1.2	0.0	na	na	2.1	5.3	-0.6	78.7
IHS Global Insight	0.9	1.1	0.6	2.0	5.6	1.7	5.8	-0.4	79.7
J P Morgan Chase	1.1	na	na	na	na	1.8	na	na	na
Moody's Analytics	1.2	1.0	1.0	1.9	na	2.3	3.6	0.0	na
Morgan Stanley	0.3	0.9	1.5	-0.7	5.8	2.2	6.3	0.0	80.9
Oxford Economics	0.8	0.9	0.3	-0.1	5.8	1.6	6.7	-0.3	na
Raiffeisen Bank International	0.8	na	na	na	na	1.5	5.5	-0.5	81.0
Santander	1.1	0.8	0.5	-0.3	5.9	2.0	4.4	-0.3	80.0
Societe Generale	0.8	1.0	0.7	na	na	2.2	5.3	-0.9	80.7
UBS	0.8	0.9	1.7	-0.6	na	2.2	5.4	0.2	78.6
Unicredit Bank	1.4	0.8	1.1	1.0	5.8	1.9	5.4	0.0	80.9
Consensus (Mean Average)	0.9	0.9	0.7	0.5	5.7	1.9	5.4	-0.3	80.1
Last Month	1.0	1.0	1.0	1.1	5.6	1.9	5.2	-0.4	79.7
2 Months Ago	1.0	1.0	1.1	1.2	5.6	1.8	5.2	-0.5	79.6
Median	0.9	0.9	0.6	-0.1	5.7	1.9	5.4	-0.3	80.7
High	1.5	1.6	2.5	2.0	5.9	2.3	6.7	0.2	81.2
Low	0.3	0.3	-1.4	-0.7	5.4	1.5	3.6	-0.9	78.5
Standard Deviation	0.3	0.3	0.9	1.1	0.2	0.2	0.8	0.3	1.0
Number of Forecasts	18	16	15	9	9	18	16	17	11
Other Forecasts									
EC (Nov. '12)	0.8	1.0	1.9	na	5.6	1.9	5.0	-0.2	80.8
IMF (Oct. '12)	0.9	1.0	1.5	na	5.3	1.9	4.7	-0.4	81.5
OECD (Nov. '12)	0.6	1.4	0.9	na	na	na	na	na	na

Germany: Historical Data

<i>% change, year-on-year</i>	2008	2009	2010	2011
Gross Domestic Product	0.8	-5.1	4.0	3.1
Private Consumption	0.8	0.1	0.9	1.7
Gross Fixed Investment	1.3	-11.6	5.9	6.2
Industrial Production	0.0	-16.3	10.7	7.7
Unemploy. Rate, % of L.F.	7.6	7.8	7.1	6.0
Consumer Prices	2.8	0.2	1.2	2.5
Current Acc., % of GDP	6.3	5.6	6.1	5.7
Budget Bal., % of GDP	-0.1	-3.1	-4.1	-0.8
Public Debt, % of GDP	66.8	74.5	82.5	80.5

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	Christian Democrat. Union led coalition
Next Election:	2013 (parliamentary)
Capital City:	Berlin
Economic Freedom:	26th out of 179 countries
Doing Business:	20th out of 185 countries
Competitiveness:	6th out of 144 countries
Corruption:	13th out of 174 countries
Corporate Tax Rate:	15.0% (national rate) 0.0% (local rate) 15.0% (branch rate)

Note: 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 2012

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.1	-0.1	0.5	na	na	2.3	-1.8	-4.6	90.6
BNP Paribas	0.1	0.0	0.3	-2.1	10.3	2.0	-2.1	-4.5	na
Credit Agricole	0.2	0.1	0.2	na	10.3	2.2	-1.8	-4.5	89.2
DZ Bank	0.1	-0.1	0.5	na	10.5	2.2	-2.3	-4.6	93.0
Economist Intelligence Unit	0.1	-0.1	0.5	na	9.9	2.3	-2.1	-4.5	na
G&P Institutional Mgmt	0.1	0.1	0.2	na	10.4	2.4	na	-4.6	na
HSBC	0.2	0.1	0.6	na	10.2	2.3	-2.2	-4.5	90.5
IHS Global Insight	0.1	0.0	0.5	-2.3	10.3	2.0	-2.2	-4.6	91.3
J P Morgan Chase	0.1	na	na	na	na	2.2	na	na	na
Moody's Analytics	0.1	-0.2	0.6	-1.5	9.8	2.2	-2.0	-5.1	na
Morgan Stanley	0.1	0.0	0.4	na	9.8	2.0	-2.0	-4.5	90.0
Oxford Economics	0.1	0.0	0.5	-1.8	10.5	2.3	-2.1	-4.7	na
Raiffeisen Bank International	-0.1	na	na	na	na	2.4	-2.2	-4.6	90.1
Societe Generale	0.1	-0.1	0.4	na	9.9	2.3	-2.0	-4.5	90.1
UBS	0.2	-0.1	0.7	-1.7	9.8	2.0	-1.5	-4.5	90.7
Unicredit Bank	0.1	-0.1	0.8	na	10.2	2.0	-1.9	-4.5	90.1
Consensus (Mean Average)	0.1	0.0	0.5	-1.9	10.1	2.2	-2.0	-4.6	90.6
Last Month	0.1	0.0	0.5	-1.7	10.1	2.2	-2.1	-4.6	90.3
2 Months Ago	0.1	0.0	0.5	-2.4	10.1	2.2	-2.1	-4.6	90.1
Median	0.1	-0.1	0.5	-1.8	10.2	2.2	-2.1	-4.5	90.3
High	0.2	0.1	0.8	-1.5	10.5	2.4	-1.5	-4.5	93.0
Low	-0.1	-0.2	0.2	-2.3	9.8	2.0	-2.3	-5.1	89.2
Standard Deviation	0.1	0.1	0.2	0.3	0.3	0.1	0.2	0.2	1.0
Number of Forecasts	16	14	14	5	13	16	14	15	10
Other Forecasts									
EC (Nov. '12)	0.2	0.0	0.3	na	10.2	2.3	-2.2	-4.5	90.0
IMF (Oct. '12)	0.1	-0.2	0.7	na	10.1	1.9	-1.7	-4.7	92.1
OECD (Nov. '12)	0.2	0.0	0.3	na	na	na	na	na	na

- In recognition of the need to bolster France's image within business and the foreign investor community, the Socialist government led by Francois Hollande has introduced a Competitiveness Pact.
- At its heart is a €20bn tax credit for the corporate sector, in a move intended to reduce labour costs and boost employment (the French unemployment rate was 10.7% in October, almost double that prevailing in Germany). The government will increase the sales tax (VAT) and reduce public spending to finance the reform. The move has been-

warmly-received and may be a sign of a move toward a centrist economic philosophy in resolving the country's deep-seated structural problems to improve the government's deficit and public debt.

- But France's immediate problems remain. Consumer and business confidence levels are low, the car industry (illustrated by the recent problems at Peugeot) is in dire straits and French banks remain highly exposed to Euro Zone contagion, particularly to Greek debts; around 10% of all Greek debt is owed to French creditors.

FRANCE - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.5	0.4	0.7	na	na	1.7	-1.7	-3.3	92.4
BNP Paribas	0.0	0.2	-2.6	-2.0	11.0	1.6	-1.9	-3.8	na
Credit Agricole	0.7	0.6	0.4	na	10.4	2.0	-2.3	-3.0	90.0
DZ Bank	0.2	0.2	0.4	na	11.0	2.3	-2.2	-3.8	94.0
Economist Intelligence Unit	0.0	-0.2	-0.5	na	10.6	2.0	-1.7	-3.5	na
G&P Institutional Mgmt	0.4	1.1	-0.2	na	10.7	1.9	na	-3.7	na
HSBC	0.9	0.5	1.8	na	10.5	1.8	-2.1	-3.5	91.9
IHS Global Insight	0.0	0.2	-0.4	-1.6	10.8	1.8	-1.7	-3.6	94.2
J P Morgan Chase	0.0	na	na	na	na	1.6	na	na	na
Moody's Analytics	0.4	0.5	0.5	1.2	10.1	1.8	-1.9	-5.1	na
Morgan Stanley	-0.1	0.1	-0.5	na	10.2	1.4	-1.7	-3.4	92.5
Oxford Economics	0.2	0.4	-0.2	-0.1	11.0	1.6	-2.1	-3.2	na
Raiffeisen Bank International	0.5	na	na	na	na	2.1	-2.3	-3.5	91.8
Societe Generale	0.0	0.1	-1.9	na	10.7	2.1	-1.4	-3.5	93.0
UBS	0.4	0.3	1.0	0.8	10.2	1.3	-1.3	-3.4	93.9
Unicredit Bank	0.5	0.4	1.6	na	10.3	1.8	-1.9	-3.5	92.0
Consensus (Mean Average)	0.3	0.3	0.0	-0.3	10.6	1.8	-1.9	-3.6	92.6
Last Month	0.4	0.4	0.4	0.0	10.6	1.9	-2.0	-3.6	92.2
2 Months Ago	0.4	0.5	0.5	-0.7	10.4	1.9	-2.0	-3.8	92.0
Median	0.3	0.4	0.1	-0.1	10.6	1.8	-1.9	-3.5	92.5
High	0.9	1.1	1.8	1.2	11.0	2.3	-1.3	-3.0	94.2
Low	-0.1	-0.2	-2.6	-2.0	10.1	1.3	-2.3	-5.1	90.0
Standard Deviation	0.3	0.3	1.2	1.4	0.3	0.3	0.3	0.5	1.3
Number of Forecasts	16	14	14	5	13	16	14	15	10
Other Forecasts									
EC (Nov. '12)	0.4	-0.1	0.1	na	10.7	1.7	-1.8	-3.5	92.7
IMF (Oct. '12)	0.4	0.2	0.4	na	10.5	1.0	-1.7	-3.5	86.5
OECD (Nov. '12)	0.3	0.5	-0.1	na	na	na	na	na	na

France: Historical Data

<i>% change, year-on-year</i>	2008	2009	2010	2011
Gross Domestic Product	-0.1	-3.1	1.7	1.7
Private Consumption	0.3	0.1	1.4	0.3
Gross Fixed Investment	0.3	-10.6	1.2	3.5
Industrial Production	-2.9	-12.8	4.8	2.4
Unemploy. Rate, % of L.F.	7.9	9.5	9.8	9.7
Consumer Prices	3.2	0.1	1.7	2.3
Current Acc., % of GDP	-1.7	-1.5	-1.7	-2.2
Budget Bal., % of GDP	-3.3	-7.5	-7.1	-5.2
Public Debt, % of GDP	68.2	79.2	82.3	86.0

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:	67th out of 179 countries
Doing Business:	34th out of 185 countries
Competitiveness:	21st out of 144 countries
Corruption:	22nd out of 174 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33% (branch rate)

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

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

ITALY - Forecasts for 2012

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-2.4	-3.2	-8.6	na	na	3.4	-1.4	-2.6	127.3
BNP Paribas	-2.1	-3.6	-8.5	-6.0	10.7	3.3	-1.2	-2.5	na
Credit Agricole	-2.5	-3.5	-8.6	na	10.6	3.3	-3.5	-2.6	124.3
DZ Bank	-2.5	-3.3	-8.3	na	10.5	3.3	-1.5	-3.5	126.6
Economist Intelligence Unit	-2.2	-3.5	-8.0	na	10.9	3.2	-1.6	-2.8	na
G&P Institutional Mgmt	-2.4	-3.3	-9.2	na	10.4	3.4	na	-3.1	na
HSBC	-2.5	-3.4	-9.4	-6.7	10.6	3.4	-1.3	-2.9	126.6
IHS Global Insight	-2.0	-4.1	-8.8	-6.2	10.6	3.0	-0.5	-3.3	126.1
J P Morgan Chase	-2.1	na	na	na	na	3.3	na	na	na
Moody's Analytics	-2.3	-3.0	-8.4	-5.2	10.5	3.4	-0.8	-3.7	na
Morgan Stanley	-2.1	-3.6	-8.2	na	11.0	3.1	-2.5	-3.0	127.0
Oxford Economics	-2.1	-3.5	-8.2	-5.9	10.7	3.3	-1.4	-2.7	122.0
Raiffeisen Bank International	-2.3	na	na	na	na	2.9	-1.3	-2.5	126.6
Societe Generale	-2.1	-3.5	-8.4	na	10.6	3.3	-2.6	-2.9	126.0
UBS	-2.3	-3.3	-8.2	-6.3	10.7	3.4	na	-2.6	123.4
Unicredit Bank	-2.4	-3.4	-8.6	na	10.6	3.1	-2.3	-2.4	124.8
Consensus (Mean Average)	-2.3	-3.4	-8.5	-6.1	10.6	3.3	-1.7	-2.9	125.5
Last Month	-2.4	-3.3	-8.7	-6.3	10.7	3.2	-1.9	-2.7	125.1
2 Months Ago	-2.4	-3.2	-8.7	-6.6	10.7	3.2	-2.1	-2.6	124.8
Median	-2.3	-3.5	-8.5	-6.1	10.6	3.3	-1.4	-2.8	126.1
High	-2.0	-3.0	-8.0	-5.2	11.0	3.4	-0.5	-2.4	127.3
Low	-2.5	-4.1	-9.4	-6.7	10.4	2.9	-3.5	-3.7	122.0
Standard Deviation	0.2	0.3	0.4	0.5	0.2	0.2	0.8	0.4	1.7
Number of Forecasts	16	14	14	6	13	16	13	15	11
Other Forecasts									
EC (Nov. '12)	-2.3	-3.4	-8.1	na	10.6	3.3	-1.2	-2.9	126.5
IMF (Oct. '12)	-2.3	-3.3	-7.8	na	10.6	3.0	-1.5	-2.7	126.3
OECD (Nov. '12)	-2.2	-3.2	-8.2	na	na	na	na	na	na

- Although it had appeared that the latest episode in Italy's political crisis might cause lasting upset, confidence in Italy's borrowing has soon returned, aided by the ECB's implicit guarantee.
- The markets may also have taken heart from the fact that the forthcoming resignation of Prime Minister Mario Monti and the background threat from Silvio Berlusconi are unlikely to affect Italy's deficit and debt reduction programme. Pier Luigi Bersani, the leader of the centre-left, which is on course

to form the next government following February's election - with the probable support of centrist parties - has indicated that Monti may be asked to play a role in the administration (thus ensuring continuity). He has also mentioned the need for fiscal discipline and financial market credibility.

- Still, the economy remains key, and is very weak. Consumer confidence, especially, fell to a new low last month after improving in October. Virtually all areas of the economy are struggling.

ITALY - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-0.6	-0.9	-2.0	na	na	2.3	-1.4	-1.9	131.6
BNP Paribas	-0.7	-2.0	-3.3	-1.2	11.4	2.1	-0.8	-1.8	na
Credit Agricole	-0.4	-0.9	-1.2	na	10.4	1.9	-2.5	-1.8	124.8
DZ Bank	-0.9	-0.8	-1.6	na	11.3	2.4	-0.8	-4.3	128.0
Economist Intelligence Unit	-0.8	-1.5	-2.0	na	11.1	2.0	-0.7	-2.2	na
G&P Institutional Mgmt	-0.9	-1.3	-5.7	na	11.6	1.8	na	-2.4	na
HSBC	-1.1	-1.3	-4.8	-1.5	11.5	2.3	-1.1	-2.3	127.0
IHS Global Insight	-1.2	-1.7	-3.3	-1.9	11.3	1.6	-0.1	-2.0	128.8
J P Morgan Chase	-0.5	na	na	na	na	2.0	na	na	na
Moody's Analytics	-0.6	-0.5	0.6	1.3	10.8	2.3	-0.5	-2.9	na
Morgan Stanley	-1.2	-1.7	-2.8	na	12.7	1.7	-0.7	-2.5	128.2
Oxford Economics	-1.1	-1.5	-3.0	-1.9	12.1	2.3	-0.6	-2.3	125.1
Raiffeisen Bank International	-0.6	na	na	na	na	2.6	-0.3	-1.9	128.0
Societe Generale	-1.3	-2.0	-3.4	na	12.6	1.9	-2.0	-2.1	128.5
UBS	-0.4	-0.6	-1.3	-0.2	11.0	2.6	na	-1.7	123.3
Unicredit Bank	-0.5	-1.2	-1.0	na	11.5	1.7	-1.5	-1.3	124.6
Consensus (Mean Average)	-0.8	-1.3	-2.5	-0.9	11.5	2.1	-1.0	-2.2	127.1
Last Month	-0.8	-1.2	-2.4	-1.2	11.5	2.2	-1.3	-1.9	125.6
2 Months Ago	-0.7	-1.2	-2.2	-1.3	11.5	2.1	-1.5	-1.7	124.8
Median	-0.8	-1.3	-2.4	-1.4	11.4	2.1	-0.8	-2.1	128.0
High	-0.4	-0.5	0.6	1.3	12.7	2.6	-0.1	-1.3	131.6
Low	-1.3	-2.0	-5.7	-1.9	10.4	1.6	-2.5	-4.3	123.3
Standard Deviation	0.3	0.5	1.6	1.2	0.7	0.3	0.7	0.7	2.4
Number of Forecasts	16	14	14	6	13	16	13	15	11
Other Forecasts									
EC (Nov. '12)	-0.5	-0.9	-2.1	na	11.5	2.0	-0.4	-2.1	127.6
IMF (Oct. '12)	-0.7	-1.2	1.0	na	11.1	1.8	-1.4	-1.8	127.8
OECD (Nov. '12)	-1.0	-1.1	-5.1	na	na	na	na	na	na
Italy: Historical Data					Italy: Background Information				
<i>% change, year-on-year</i>	2008	2009	2010	2011	Prime Minister:	Mario Monti (appointed)			
Gross Domestic Product	-1.2	-5.5	1.8	0.4	Government:	Appointed technocrats			
Private Consumption	-0.8	-1.6	1.2	0.2	Next Election:	April 2013 (parliamentary)			
Gross Fixed Investment	-3.7	-11.7	2.1	-1.9	Capital City:	Rome			
Industrial Production	-3.8	-18.7	6.9	0.3	Economic Freedom:	92nd out of 179 countries			
Unemploy. Rate, % of L.F.	6.8	7.8	8.4	8.5	Doing Business:	73rd out of 185 countries			
Consumer Prices	3.5	0.8	1.6	2.9	Competitiveness:	42nd out of 144 countries			
Current Acc., % of GDP	-2.9	-2.0	-3.5	-3.2	Corruption:	72nd out of 174 countries			
Budget Bal., % of GDP	-2.7	-5.4	-4.5	-3.9	Corporate Tax Rate:	27.5% (national rate) 3.9% (local rate) 27.5% (branch rate)			
Public Debt, % of GDP	106.1	116.4	119.2	120.7	Note: Regional tax also levied, generally at 3.9%.				
Source: ECB; Eurostat; national statistical office					Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum				

NETHERLANDS - Forecasts for 2012

<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	-0.9	-1.2	-5.0	-1.5	5.4	2.8	9.9	-3.9	na
DZ Bank	-1.1	-1.6	-4.5	na	5.3	2.8	7.9	-4.5	73.0
Economist Intelligence Unit	-0.7	-1.3	-4.0	na	5.2	2.4	10.2	-4.2	na
IHS Global Insight	-1.0	-1.6	-4.9	-0.6	na	na	7.8	-4.4	65.7
Moody's Analytics	-0.7	-1.5	-2.8	-1.2	na	2.5	7.4	-3.8	na
Morgan Stanley	-1.0	-1.5	-5.0	-1.5	5.2	2.5	7.9	-3.7	69.4
Oxford Economics	-0.9	-1.5	-4.5	0.2	5.3	2.8	8.1	-3.3	77.3
Raiffeisen Bank International	-0.4	na	na	na	na	2.8	9.0	-3.7	68.8
UBS	-0.3	-1.0	-2.5	0.9	na	2.6	5.5	-3.1	64.9
Consensus (Mean Average)	-0.8	-1.4	-4.2	-0.6	5.3	2.7	8.2	-3.8	69.9
Last Month	-0.5	-1.2	-3.1	-0.6	5.3	2.6	8.0	-4.0	68.0
2 Months Ago	-0.5	-1.2	-3.1	-0.9	5.3	2.6	8.0	-4.1	67.9
Median	-0.9	-1.5	-4.5	-0.9	5.3	2.7	7.9	-3.8	69.1
High	-0.3	-1.0	-2.5	0.9	5.4	2.8	10.2	-3.1	77.3
Low	-1.1	-1.6	-5.0	-1.5	5.2	2.4	5.5	-4.5	64.9
Standard Deviation	0.3	0.2	1.0	1.0	0.1	0.2	1.4	0.5	4.7
Number of Forecasts	9	8	8	6	5	8	9	9	6
Other Forecasts									
EC (Nov. '12)	-0.3	-1.2	-3.0	na	5.4	2.8	9.2	-3.7	68.8
IMF (Oct. '12)	-0.5	na	na	na	5.2	2.2	8.2	na	na
OECD (Nov. '12)	-0.9	-1.5	-4.7	na	5.2	2.8	8.4	-3.8	72.1

- The fledgling government faces a difficult period ahead, according to the Dutch central bank's latest report, which suggests that the export-driven economy will be weakened for some time by the wider euro zone crisis. This will also lead to a general government deficit that, while narrowing, will be larger than the target figure of 3% of GDP.
- The deficit projection is borne out by our own consensus, and suggests that the authorities will be forced to implement more austerity to keep its plans on track.
- Consumer and business confidence has weakened more or less across the board in recent months. Although sentiment in retail trade rebounded in November, according to the European Commission, consumer confidence deteriorated sharply. The fall from a net balance of -15.8 in October to -27.0 may have been influenced by the government's austerity plans. Confidence in the construction sector also deteriorated, and remained at a low level within industry. Increased loan losses and higher funding costs will weaken the banks' bottom-line.

NETHERLANDS - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BNP Paribas	-0.3	-1.8	-1.0	0.0	6.8	2.5	10.5	-3.2	na
DZ Bank	-0.3	-0.7	-1.8	na	5.6	2.9	6.5	-3.1	72.0
Economist Intelligence Unit	0.3	-0.7	1.0	na	5.7	2.0	9.9	-3.5	na
IHS Global Insight	-0.4	0.0	-0.2	-0.9	na	na	6.9	-4.2	66.0
Moody's Analytics	0.4	-0.1	0.5	-0.3	na	2.0	5.2	-3.6	na
Morgan Stanley	-0.6	-1.0	-3.4	2.2	5.7	2.2	8.7	-3.1	70.5
Oxford Economics	-0.4	-0.9	-0.1	0.0	6.3	2.3	7.1	-2.7	80.2
Raiffeisen Bank International	0.5	na	na	na	na	2.4	7.0	-2.9	69.3
UBS	0.3	0.2	2.3	2.0	na	2.0	5.2	-2.7	66.0
Consensus (Mean Average)	-0.1	-0.6	-0.3	0.5	6.0	2.3	7.4	-3.2	70.7
Last Month	0.3	-0.1	1.2	0.7	5.7	2.1	7.1	-3.6	69.3
2 Months Ago	0.3	0.0	1.4	0.5	5.6	2.2	7.1	-3.6	69.3
Median	-0.3	-0.7	-0.2	0.0	5.7	2.3	7.0	-3.1	69.9
High	0.5	0.2	2.3	2.2	6.8	2.9	10.5	-2.7	80.2
Low	-0.6	-1.8	-3.4	-0.9	5.6	2.0	5.2	-4.2	66.0
Standard Deviation	0.4	0.6	1.8	1.3	0.5	0.3	1.9	0.5	5.3
Number of Forecasts	9	8	8	6	5	8	9	9	6
Other Forecasts									
EC (Nov. '12)	0.3	-0.8	-1.0	na	6.1	2.4	9.8	-2.9	69.3
IMF (Oct. '12)	0.4	na	na	na	5.7	1.8	8.2	na	na
OECD (Nov. '12)	0.2	-0.6	-0.5	na	5.8	2.4	8.4	-3.0	73.1

Netherlands: Historical Data

<i>% change, year-on-year</i>	2008	2009	2010	2011
Gross Domestic Product	1.8	-3.5	1.7	1.2
Private Consumption	1.3	-2.6	0.4	-1.1
Gross Fixed Investment	4.5	-10.2	-4.4	5.8
Industrial Production	0.7	-7.6	7.8	-0.8
Unemploy. Rate, % of L.F.	3.1	3.7	4.5	4.4
Consumer Prices	2.2	1.0	0.9	2.5
Current Acc., % of GDP	4.3	4.2	7.1	9.2
Budget Bal., % of GDP	0.5	-5.6	-5.1	-4.5
Public Debt, % of GDP	58.5	60.8	63.1	65.5

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	15th out of 179 countries
Doing Business:	31st out of 185 countries
Competitiveness:	5th out of 144 countries
Corruption:	9th out of 174 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 2012

<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	-2.0	-9.7	na	na	2.5	-1.4	-7.2	85.2
BNP Paribas	-1.4	na	na	na	na	na	na	na	na
Credit Agricole	-1.6	-1.8	-10.1	na	24.8	na	-4.9	-6.8	83.7
DZ Bank	-1.4	-1.9	-8.5	na	25.0	2.5	-2.7	-8.0	86.0
Economist Intelligence Unit	-1.6	-2.4	-10.1	na	23.7	2.5	-1.0	-8.3	na
G&P Institutional Mgmt	-1.3	-1.9	-9.9	na	24.6	2.5	na	-7.3	na
HSBC	-1.5	-1.8	-9.4	-5.6	25.0	2.4	-2.7	-6.8	81.3
IHS Global Insight	-1.3	-1.8	-8.6	-5.4	25.0	2.4	-2.3	-7.4	80.5
J P Morgan Chase	-1.4	na	na	na	na	2.4	na	na	na
Moody's Analytics	-1.4	-1.7	-8.4	-5.7	25.0	2.3	-3.5	-6.1	na
Morgan Stanley	-1.5	-1.8	-10.2	na	25.1	2.5	-2.1	-8.0	86.5
Oxford Economics	-1.3	-1.8	-8.8	-5.4	25.1	2.4	-1.5	-8.2	82.4
Raiffeisen Bank International	-1.5	na	na	na	na	2.2	-1.8	-7.7	85.8
Santander	-1.5	-2.0	-4.0	na	24.6	2.5	-2.4	na	na
Societe Generale	-1.3	-2.1	-8.9	na	25.1	2.5	-1.8	-8.0	89.7
UBS	-1.6	-2.1	-10.0	-6.0	24.6	2.5	-2.7	-7.2	90.5
Unicredit Bank	-1.5	-1.7	-9.7	na	24.7	2.5	-1.8	-6.4	88.1
Consensus (Mean Average)	-1.4	-1.9	-9.0	-5.6	24.8	2.4	-2.3	-7.4	85.4
Last Month	-1.5	-2.0	-8.6	-5.7	24.8	2.4	-2.5	-6.9	85.9
2 Months Ago	-1.6	-2.0	-9.0	-5.8	24.7	2.3	-2.5	-6.8	85.5
Median	-1.4	-1.9	-9.6	-5.6	25.0	2.5	-2.2	-7.4	85.8
High	-1.3	-1.7	-4.0	-5.4	25.1	2.5	-1.0	-6.1	90.5
Low	-1.6	-2.4	-10.2	-6.0	23.7	2.2	-4.9	-8.3	80.5
Standard Deviation	0.1	0.2	1.6	0.2	0.4	0.1	1.0	0.7	3.3
Number of Forecasts	17	14	14	5	13	15	14	14	11
Other Forecasts									
EC (Nov. '12)	-1.4	-1.9	-9.0	na	25.1	2.5	-2.4	-8.0	86.1
IMF (Oct. '12)	-1.5	na	na	na	24.9	2.4	-2.0	na	na
OECD (Nov. '12)	-1.3	-1.9	-9.1	na	25.0	2.2	-2.0	-8.1	86.1

- Although the economy remains embroiled in a steep contraction as harsh austerity weakens domestic demand, the government has, encouragingly, begun to clear up the black hole within the banking system. The government has secured private funding to set up a “bad bank” in which to transfer the non-performing property loans and property assets it has assumed responsibility for, along with the four nationalised banks that are to receive €37bn in European state aid.
- However, with the government being forced to absorb higher losses as more banks fail, it

hasn't ruled out requesting a full scale bailout, considering the large debt refinancing burden coming due in 2013.

- There is some comfort in that fact that the economic decline appears to be slowing. The purchasing managers' index reading for November showed a small improvement compared to October, even if at 42.4 it remains below the 50 level, thus signalling economic contraction. The same is true of other sentiment indicators, but with no light at the end of the tunnel for construction, a sector that is deeply depressed.

SPAIN - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-1.4	-2.9	-7.5	na	na	2.3	-0.5	-5.9	91.4
BNP Paribas	-1.4	na	na	na	na	na	na	na	na
Credit Agricole	-1.5	-1.5	-9.1	na	25.8	na	-1.9	-5.7	86.8
DZ Bank	-1.9	-2.0	-3.5	na	25.8	3.5	-1.6	-6.0	93.0
Economist Intelligence Unit	-1.7	-3.2	-6.7	na	24.2	2.9	-0.3	-7.3	na
G&P Institutional Mgmt	-0.8	-1.8	-9.2	na	25.4	2.6	na	-6.3	na
HSBC	-2.0	-1.8	-7.5	-2.6	27.2	2.5	-2.7	-5.0	86.1
IHS Global Insight	-1.5	-2.1	-3.5	-1.2	25.9	2.1	-0.7	-6.0	92.4
J P Morgan Chase	-1.6	na	na	na	na	2.1	na	na	na
Moody's Analytics	-1.5	-1.4	-4.1	-3.1	26.3	1.8	-3.2	-4.7	na
Morgan Stanley	-1.5	-2.6	-7.2	na	26.8	2.1	-0.4	-6.1	95.8
Oxford Economics	-1.4	-2.0	-5.5	-2.6	26.6	1.9	0.3	-6.5	91.6
Raiffeisen Bank International	-1.7	na	na	na	na	2.0	-1.0	-6.1	92.5
Santander	-1.4	-1.7	-7.0	na	25.7	2.7	-1.3	na	na
Societe Generale	-1.7	-2.8	-5.6	na	27.1	2.8	1.0	-6.0	96.1
UBS	-1.7	-2.2	-8.3	-3.4	25.4	3.2	-1.7	-5.5	95.8
Unicredit Bank	-1.1	-0.9	-4.3	na	24.4	2.4	-1.2	-4.7	90.4
Consensus (Mean Average)	-1.5	-2.1	-6.4	-2.6	25.9	2.5	-1.1	-5.8	92.0
Last Month	-1.6	-2.2	-6.1	-2.5	25.9	2.5	-1.4	-5.2	91.9
2 Months Ago	-1.6	-2.3	-6.0	-2.5	25.7	2.2	-1.4	-5.2	91.2
Median	-1.5	-2.0	-6.9	-2.6	25.8	2.4	-1.1	-6.0	92.4
High	-0.8	-0.9	-3.5	-1.2	27.2	3.5	1.0	-4.7	96.1
Low	-2.0	-3.2	-9.2	-3.4	24.2	1.8	-3.2	-7.3	86.1
Standard Deviation	0.3	0.6	2.0	0.8	0.9	0.5	1.1	0.7	3.3
Number of Forecasts	17	14	14	5	13	15	14	14	11
Other Forecasts									
EC (Nov. '12)	-1.4	-2.1	-5.6	na	26.6	2.1	-0.5	-6.0	92.7
IMF (Oct. '12)	-1.3	na	na	na	25.1	2.4	-0.1	na	na
OECD (Nov. '12)	-1.4	-2.3	-9.0	na	26.9	1.2	0.5	-6.3	92.6

Spain: Historical Data

<i>% change, year-on-year</i>	2008	2009	2010	2011
Gross Domestic Product	0.9	-3.7	-0.3	0.4
Private Consumption	-0.6	-4.4	0.7	-1.0
Gross Fixed Investment	-4.7	-16.6	-6.3	-5.5
Industrial Production	-7.3	-15.7	0.9	-1.4
Unemploy. Rate, % of L.F.	11.4	18.0	20.1	21.7
Consumer Prices	4.1	-0.2	2.0	3.1
Current Acc., % of GDP	-9.6	-5.2	-4.5	-3.5
Budget Bal., % of GDP	-4.5	-11.2	-9.7	-9.4
Public Debt, % of GDP	40.2	53.9	61.5	69.3

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	Popular Party
Next Election:	2015 (parliamentary)
Capital City:	Madrid
Economic Freedom:	36th out of 179 countries
Doing Business:	44th out of 185 countries
Competitiveness:	36th out of 144 countries
Corruption:	30th out of 174 countries
Corporate Tax Rate:	30.0% (national rate) variable (local rate) 30.0% (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

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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