

# Euro Zone Barometer© - December 2014

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

Published by: MJEconomics  
(ISSN 1475-7559) [www.mjeconomics.com](http://www.mjeconomics.com)

Editorial queries: [editor@mjeconomics.com](mailto:editor@mjeconomics.com)  
Subscriptions: [subscriptions@mjeconomics.com](mailto:subscriptions@mjeconomics.com)  
Other enquiries: [admin@mjeconomics.com](mailto:admin@mjeconomics.com)

**Survey Deadline: December 15th, 2014**

## Gradual Recovery in 2015

- Our experts still predict a **gradual recovery** for the Euro Zone next year as recent worries over recession are outweighed by the positive impact of lower oil prices, continuing low borrowing costs and a more competitive currency on consumer demand, exports and investment.
- **Confidence** is weak across the region, especially in Italy, notably with the Russian crisis still rumbling on, but has improved slightly since slumping in August and September, particularly in Spain.
- **Deflation risk** continues, however, sparking debate over the appropriate response. Interest rates are at record lows and the ECB is pondering more concerted action, including a bond-purchase (quantitative easing) programme to spur credit growth, although not all of its policymakers are in agreement.
- Our panel's forecasts are supplemented with **new projections** this month from the European Central Bank, shown alongside the latest forecasts from the European Commission, IMF and OECD.
- Have a happy holiday season. We poll again in the New Year...



**Next Month's Survey Deadline:  
January 19th, 2015**

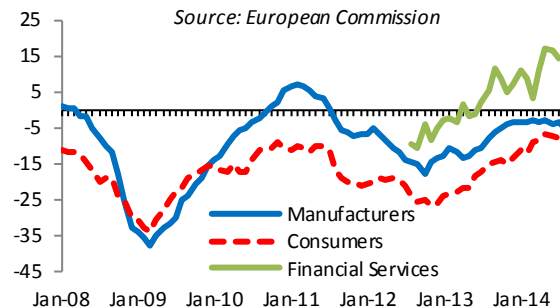
## Contents

<b>Short Term Outlook for 2014-2015</b>	<b>2</b>
<b>Quarterly Forecasts &amp; Historical Data</b>	<b>3</b>
2014 National Accounts Forecasts	4
2014 Forecasts for Other Indicators	5
2015 National Accounts Forecasts	6
2015 Forecasts for Other Indicators	7
<b>Financial Forecasts</b>	<b>8</b>
Interest Rate & Exchange Rate Data	9
<b>ECB Watch</b>	<b>10</b>
<b>Long Term Forecasts</b>	<b>11</b>
<b>Data &amp; Forecasts for Individual Euro Zone Countries</b>	
Germany	12
France	14
Italy	16
Netherlands	18
Spain	20
<b>Forecasts for Other Euro Zone Countries</b>	<b>22</b>
<b>Euro Zone Country Data &amp; Election Timetable</b>	<b>22</b>
<b>Notes, Sources and Definitions</b>	<b>23</b>

### Euro Zone Confidence Tracker

% net balance

Source: European Commission



© 2014 MJEconomics. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of MJEconomics. Information and opinions presented herein have been obtained from sources believed by MJEconomics to be reliable, but MJEconomics, its editors and employees make no representation as to their accuracy, timeliness or completeness and accept no responsibility for the material presented.

## Outlook for 2015

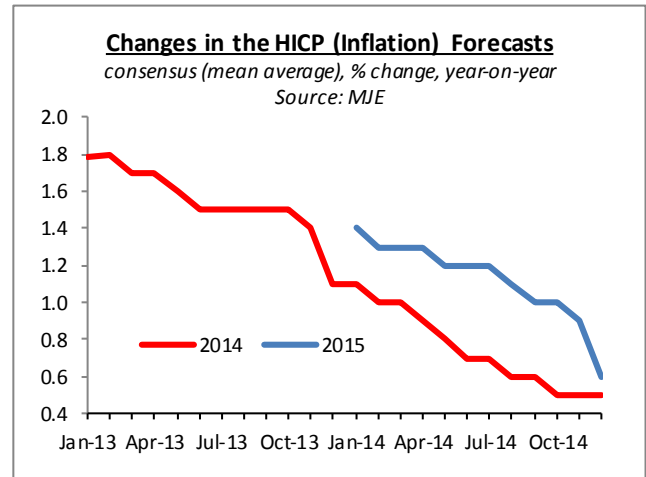
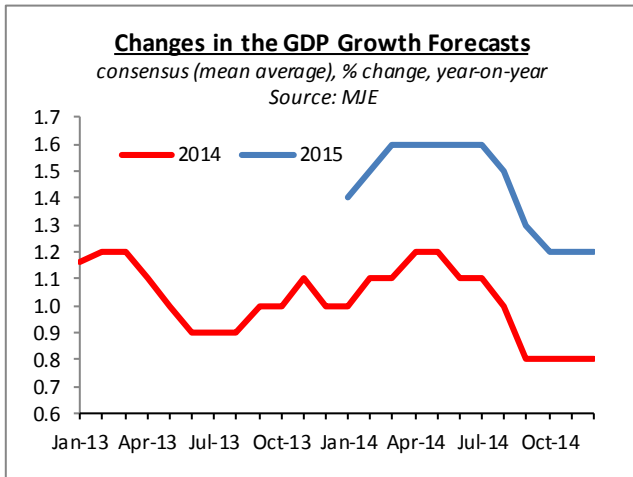
- *The region's economic experts still predict the gradual recovery continuing next year, with 1.2% real GDP growth the consensus prediction.*
- *All of the growth components paint a similar picture to last month. Domestic demand will improve in 2015 as lower oil prices and employment growth spur private consumption. Corporations will invest more too in the light of better profitability and low borrowing costs.*
- *Still, the outlook is far from ideal as some countries continue to struggle to find the recipe for growth with austerity continuing. Indeed, forecasts for industrial production in 2015 have fallen.*
- *Inflation expectations have also adjusted accordingly with forecasts for both consumer and producer prices in 2015 sharply lowered to reflect the present, virtual deflation climate and reduced oil price scenario.*

### Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014f</u>	<u>2015f</u>
<b>Gross Domestic Product</b>	2.0	1.6	-0.7	-0.5	0.8	1.2
<b>Private Consumption</b>	0.8	0.2	-1.3	-0.7	0.8	1.2
<b>Government Consumption</b>	0.8	-0.2	-0.2	0.2	0.8	0.7
<b>Gross Fixed Investment</b>	-0.5	1.5	-3.4	-2.4	0.8	1.6
<b>Change in Stocks (Inventories)<sup>1</sup></b>	0.9	0.3	-0.7	-0.1	0.0	0.0
<b>Goods and Services Exports</b>	11.0	6.6	2.4	2.0	3.1	3.7
<b>Goods and Services Imports</b>	9.7	4.3	-1.0	1.2	3.3	3.9
<b>Net Exports<sup>2</sup></b>	0.6	0.9	1.4	0.4	0.0	0.1
<b>Industrial Production (ex. construction)</b>	7.3	3.5	-2.5	-0.7	0.8	1.6
<b>Retail Sales Volume</b>	0.5	-0.7	-1.7	-0.8	1.1	1.4
<b>Unemployment Rate, % of labour force</b>	10.1	10.1	11.3	12.0	11.6	11.3
<b>Money Supply, M3, end period, % change</b>	1.1	1.5	2.9	2.4	1.3	1.6
<b>Harmonised Index of Consumer Prices</b>	1.6	2.7	2.5	1.4	0.5	0.6
<b>Producer Prices</b>	2.7	5.7	2.8	-0.2	-1.2	0.7
<b>Nominal Labour Costs</b>	1.5	2.2	2.0	1.4	1.3	1.6
<b>Current Account Balance, annual total, €bn</b>	5.3	-16.3	138.3	198.4	233.1	243.9
<b>Current Account Balance, % of GDP</b>	0.1	-0.2	1.4	2.0	2.3	2.3
<b>General Govt Budget Balance, % of GDP</b>	-6.1	-4.1	-3.6	-2.9	-2.7	-2.1
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	1.01	1.36	0.19	0.29	0.09	0.12
<b>10 Year German Bond Yield, % per annum</b>	2.92	1.83	1.32	1.94	0.88	1.22
<b>US\$ per € Exchange Rate</b>	1.336	1.294	1.318	1.378	1.250	1.183

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



The region's economic sentiment index produced by the European Commission crawled up to a net balance of 100.8 in November following some improvement to manufacturing sector confidence that partly reflects a slightly better picture for exports thanks to a competitive exchange rate and reduced costs of production generated by lower oil prices. Still, sentiment is weak in the construction sector and it worsened among consumers and retail traders going into the holiday season, to signal that GDP growth is unlikely to be much above the third quarter pace of 0.2% q/q and 0.8% y/y.

Industrial production edged up 0.1% m/m in October (0.7% y/y), underpinned by consumer goods ramped up before Christmas, though the decline in capital goods production emphasised the weak climate for investment spending. Worryingly, the unemployment rate, which had been falling slightly, remained flat at 11.5% in the three months to October with 23.5% of those aged under-25 unable to find employment given the region's poor growth prospects and virtual deflation. Producer prices are invariably falling on the back of the oil price slide and the flash CPI shows a dip in consumer price inflation to 0.3% y/y in November.

### Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	<b>Q1'13</b>	<b>Q2'13</b>	<b>Q3'13</b>	<b>Q4'13</b>
<b>Gross Domestic Product</b>	-1.1	-0.6	-0.3	0.4
<b>Private Consumption</b>	-1.4	-0.7	-0.4	0.2
<b>Industrial Production</b>	-2.3	-1.0	-1.1	1.5
<b>Harmonised Index of Consumer Prices</b>	1.9	1.4	1.3	0.8
<b>3 month Interest Rate, % per annum, end period</b>	0.78	0.65	0.22	0.29
<b>10 Year Bond Yield, % per annum, end period</b>	1.82	2.69	1.46	1.94
	<b>Q1'14</b>	<b>Q2'14</b>	<b>Q3'14</b>	<b>Q4'14</b>
<b>Gross Domestic Product</b>	1.0	0.8	0.8	<b>0.7</b>
<b>Private Consumption</b>	0.5	0.7	1.1	<b>1.1</b>
<b>Industrial Production</b>	1.3	1.0	0.6	<b>-0.1</b>
<b>Harmonised Index of Consumer Prices</b>	0.7	0.6	0.4	<b>0.3</b>
<b>3 month Interest Rate, % per annum, end period</b>	0.31	0.21	0.08	<b>0.08</b>
<b>10 Year Bond Yield, % per annum, end period</b>	1.57	1.25	0.95	<b>0.88</b>
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>
<b>Gross Domestic Product</b>	<b>0.7</b>	<b>1.0</b>	<b>1.3</b>	<b>1.4</b>
<b>Private Consumption</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>
<b>Industrial Production</b>	<b>0.1</b>	<b>0.8</b>	<b>1.8</b>	<b>2.2</b>
<b>Harmonised Index of Consumer Prices</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>1.0</b>
<b>3 month Interest Rate, % per annum, end period</b>	<b>0.09</b>	<b>0.08</b>	<b>0.09</b>	<b>0.09</b>
<b>10 Year Bond Yield, % per annum, end period</b>	<b>0.92</b>	<b>1.03</b>	<b>1.12</b>	<b>1.22</b>

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

## Euro Zone - Forecasts for 2014

<b>National Accounts (constant prices)</b> <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
<b>Panellists</b>								
Allianz SE	0.8	0.9	0.9	0.8	na	3.5	3.5	na
BBVA	0.8	0.7	0.9	0.6	0.1	3.7	4.1	0.0
BNP Paribas	0.8	0.9	0.9	0.6	-0.1	3.2	3.4	na
Commerzbank	0.8	0.9	1.0	1.0	0.1	2.6	3.6	-0.2
Danske Bank	0.9	0.9	0.9	0.7	-0.1	3.4	3.5	na
DZ Bank	0.6	0.7	0.8	0.8	na	2.6	2.9	na
Econ Intelligence Unit	0.8	0.7	0.7	na	na	2.9	3.4	-0.1
ETLA	0.8	0.9	0.9	0.8	na	3.4	3.4	na
G&P Institutional Mgmt	1.0	0.9	1.2	0.9	0.1	3.1	3.1	0.1
HSBC	0.7	0.7	0.8	1.1	-0.4	2.4	2.7	na
IHS Economics	0.8	0.9	0.8	0.7	na	3.6	3.6	0.1
J P Morgan Chase	0.9	0.9	0.9	0.7	na	3.4	3.4	na
Morgan Stanley	0.8	0.7	0.9	0.5	0.1	3.2	3.4	0.0
Oxford Economics	0.9	0.9	0.8	0.6	-0.1	3.4	3.3	0.2
Raiffeisen Bank International	0.8	0.9	0.9	0.6	na	3.4	3.5	na
Santander	0.8	0.7	0.7	1.3	na	2.6	3.0	0.0
SEB	0.9	0.5	0.3	1.2	0.0	2.8	2.3	na
UBS	0.8	0.7	0.6	1.1	0.0	3.4	3.4	0.1
UniCredit Bank	0.8	0.6	0.9	0.5	0.1	3.1	3.2	0.1
<b>Consensus (Mean)</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.0</b>	<b>3.1</b>	<b>3.3</b>	<b>0.0</b>
Last Month	0.8	0.7	0.8	0.8	0.0	3.0	3.3	0.0
2 Months Ago	0.8	0.7	0.7	1.1	0.0	2.9	3.2	0.0
Median	0.8	0.9	0.9	0.8	0.0	3.2	3.4	0.1
High	1.0	0.9	1.2	1.3	0.1	3.7	4.1	0.2
Low	0.6	0.5	0.3	0.5	-0.4	2.4	2.3	-0.2
Standard Deviation	0.1	0.1	0.2	0.2	0.2	0.4	0.4	0.1
Number of Forecasts	19	19	19	18	11	19	19	10
<b>Other Forecasts</b>								
ECB (Dec. '14)	0.8	0.8	0.9	0.7	na	3.2	3.3	na
EC (Nov. '14)	0.8	0.7	0.6	0.6	0.0	3.1	3.2	0.1
IMF (Oct. '14)	0.8	0.7	0.4	0.7	0.1	na	na	0.2
OECD (Nov. '14)	0.8	0.7	0.8	0.5	0.1	na	na	0.0

## Euro Zone - Forecasts for 2014

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education &amp; 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	0.7	na	11.6	na	0.5	-1.3	na	255.0	2.5	-2.5
BBVA	na	na	11.6	na	0.5	na	na	na	2.2	-2.8
BNP Paribas	0.6	na	na	na	0.4	na	na	255.0	2.5	-2.6
Commerzbank	0.7	na	11.6	na	0.1	-1.3	1.2	200.0	2.2	-2.5
Danske Bank	na	na	11.6	na	0.5	na	na	na	2.5	-2.6
DZ Bank	na	na	11.6	na	0.5	na	na	na	na	na
Econ Intelligence Unit	0.3	na	11.4	na	0.5	-1.2	na	269.0	2.7	-2.5
ETLA	1.0	na	11.6	na	0.5	na	na	na	na	-2.9
G&P Institutional Mgmt	na	na	11.6	na	0.4	na	na	na	na	-2.8
HSBC	1.2	na	11.6	1.7	0.5	na	1.4	214.5	2.2	-2.9
IHS Economics	0.9	1.1	11.6	na	0.5	-1.3	1.3	240.0	2.4	-2.5
J P Morgan Chase	0.7	na	11.6	na	0.4	na	na	na	na	na
Morgan Stanley	na	na	11.6	na	0.5	na	na	231.3	2.4	-2.7
Oxford Economics	0.7	1.1	11.6	na	0.5	-1.5	na	248.2	2.5	-2.6
Raiffeisen Bank International	0.8	na	11.6	na	0.5	na	na	230.2	2.3	-2.6
Santander	na	na	11.6	na	0.5	na	na	188.0	2.0	-2.5
SEB	na	na	11.6	na	0.5	na	na	na	na	na
UBS	na	na	11.5	0.9	0.5	-0.8	na	na	2.3	-2.6
UniCredit Bank	na	na	11.6	na	0.5	na	na	na	2.0	-2.8
<b>Consensus (Mean)</b>	<b>0.8</b>	<b>1.1</b>	<b>11.6</b>	<b>1.3</b>	<b>0.5</b>	<b>-1.2</b>	<b>1.3</b>	<b>233.1</b>	<b>2.3</b>	<b>-2.7</b>
Last Month	0.9	1.2	11.6	1.9	0.5	-1.2	1.3	225.4	2.3	-2.6
2 Months Ago	0.9	1.2	11.6	1.7	0.5	-1.1	1.4	230.2	2.4	-2.7
Median	0.7	1.1	11.6	1.3	0.5	-1.3	1.3	235.7	2.4	-2.6
High	1.2	1.1	11.6	1.7	0.5	-0.8	1.4	269.0	2.7	-2.5
Low	0.3	1.1	11.4	0.9	0.1	-1.5	1.2	188.0	2.0	-2.9
Standard Deviation	0.2	0.0	0.1	0.6	0.1	0.2	0.1	25.8	0.2	0.1
Number of Forecasts	10	2	18	2	19	6	3	10	14	16
<b>Other Forecasts</b>										
ECB (Dec. '14)	na	na	11.6	na	0.5	na	na	na	2.1	-2.6
EC (Nov. '14)	na	na	11.6	na	0.5	na	na	255.6	2.5	-2.6
IMF (Oct. '14)	na	na	na	na	0.5	na	na	na	2.0	-2.9
OECD (Nov. '14)	na	na	11.4	na	0.5	na	na	na	3.0	-2.6

## Euro Zone - Forecasts for 2015

<b>National Accounts (constant prices)</b> <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
<b>Panellists</b>								
Allianz SE	1.2	1.1	1.0	1.8	na	3.9	4.5	na
BBVA	1.3	1.3	0.4	1.8	0.0	5.1	5.2	0.2
BNP Paribas	1.1	1.8	0.2	0.4	0.2	3.1	3.9	na
Commerzbank	0.8	1.2	1.2	1.4	0.0	3.7	4.5	-0.5
Danske Bank	1.5	1.5	0.9	1.5	0.0	4.3	4.2	na
DZ Bank	0.8	1.0	0.7	1.0	na	3.6	3.8	na
Econ Intelligence Unit	1.0	0.8	0.9	na	na	2.8	3.2	0.0
ETLA	1.2	1.3	0.7	1.5	na	3.3	3.6	na
G&P Institutional Mgmt	1.6	1.4	1.8	2.3	0.2	3.9	4.2	0.1
HSBC	1.0	0.8	0.8	1.5	-0.1	2.7	2.6	na
IHS Economics	1.4	1.5	0.7	1.8	na	4.3	4.2	0.2
J P Morgan Chase	1.6	1.7	1.1	1.6	na	3.4	3.9	na
Morgan Stanley	1.0	1.0	0.6	1.1	-0.1	3.5	3.6	0.1
Oxford Economics	1.3	1.4	0.3	0.6	0.2	3.8	3.7	0.2
Raiffeisen Bank International	1.2	1.4	0.8	0.5	na	4.7	4.6	na
Santander	1.2	0.9	0.0	3.2	na	3.7	3.9	0.1
SEB	0.9	0.6	0.3	1.4	0.0	3.0	2.8	na
UBS	1.2	1.2	0.5	3.1	0.0	3.9	3.8	0.2
UniCredit Bank	1.2	0.9	0.7	1.6	0.1	3.0	3.3	0.0
<b>Consensus (Mean)</b>	<b>1.2</b>	<b>1.2</b>	<b>0.7</b>	<b>1.6</b>	<b>0.0</b>	<b>3.7</b>	<b>3.9</b>	<b>0.1</b>
Last Month	1.2	1.1	0.7	1.8	0.0	3.7	3.8	0.0
2 Months Ago	1.2	1.2	0.6	2.0	0.0	3.8	3.9	0.0
Median	1.2	1.2	0.7	1.5	0.0	3.7	3.9	0.1
High	1.6	1.8	1.8	3.2	0.2	5.1	5.2	0.2
Low	0.8	0.6	0.0	0.4	-0.1	2.7	2.6	-0.5
Standard Deviation	0.2	0.3	0.4	0.8	0.1	0.6	0.6	0.2
Number of Forecasts	19	19	19	18	11	19	19	10
<b>Other Forecasts</b>								
ECB (Dec. '14)	1.0	1.3	0.5	1.4	na	3.2	3.7	na
EC (Nov. '14)	1.1	1.1	0.3	1.7	-0.1	3.9	3.9	0.2
IMF (Oct. '14)	1.3	1.2	0.2	2.0	-0.1	na	na	0.3
OECD (Nov. '14)	1.1	1.0	0.4	1.2	0.0	na	na	0.1

## Euro Zone - Forecasts for 2015

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	<b>Industrial Produc- tion</b> <i>(excl. construc- tion)</i>	<b>Retail Sales Volume</b>	<b>Unem- ploy- ment Rate</b> <i>(% of labour force)</i>	<b>Money Supply, M3</b> <i>(end period, %)</i>	<b>Con- sumer Prices</b> <i>(HICP)</i>	<b>Pro- ducer Prices</b> <i>(indust., excl, con- struction)</i>	<b>Labour Costs</b> <i>(business sector, ex pub adm, education &amp; health)</i>	<b>Current Account Balance</b> <i>(annual total, €bn)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>
<b>Panellists</b>										
Allianz SE	1.7	na	11.0	na	0.6	0.5	na	250.0	2.4	-2.0
BBVA	na	na	11.4	na	1.0	na	na	na	2.1	-2.6
BNP Paribas	-0.1	na	11.5	na	0.0	na	na	290.0	2.8	-2.4
Commerzbank	1.6	na	11.2	na	1.2	1.2	1.8	250.0	2.0	2.0
Danske Bank	na	na	11.5	na	0.4	na	na	na	2.6	-2.4
DZ Bank	na	na	11.4	na	1.0	na	na	na	na	na
Econ Intelligence Unit	1.2	na	11.2	na	0.9	0.9	na	242.5	2.3	-2.2
ETLA	2.3	na	11.3	na	0.2	na	na	na	na	-2.7
G&P Institutional Mgmt	na	na	11.1	na	0.1	na	na	na	na	-2.6
HSBC	2.2	na	11.3	2.2	0.4	na	1.3	199.3	2.0	-2.8
IHS Economics	2.0	1.5	11.3	na	0.4	0.1	1.6	235.0	2.3	-2.2
J P Morgan Chase	1.9	na	11.2	na	0.3	na	na	na	na	na
Morgan Stanley	na	na	11.5	na	0.9	na	na	241.7	2.5	-2.3
Oxford Economics	1.1	1.2	11.3	na	0.6	0.1	na	297.9	2.9	-2.1
Raiffeisen Bank International	1.6	na	11.4	na	0.6	na	na	244.6	2.4	-2.4
Santander	na	na	11.4	na	0.9	na	na	188.0	1.9	-2.0
SEB	na	na	11.3	na	0.5	na	na	na	na	na
UBS	na	na	11.0	1.0	0.7	1.1	na	na	2.3	-2.4
UniCredit Bank	na	na	11.4	na	1.0	na	na	na	2.0	-2.6
<b>Consensus (Mean)</b>	<b>1.6</b>	<b>1.4</b>	<b>11.3</b>	<b>1.6</b>	<b>0.6</b>	<b>0.7</b>	<b>1.6</b>	<b>243.9</b>	<b>2.3</b>	<b>-2.1</b>
Last Month	1.9	1.4	11.3	2.1	0.9	1.0	1.6	235.1	2.3	-2.3
2 Months Ago	2.0	1.4	11.3	2.1	1.0	1.2	1.2	237.6	2.4	-2.3
Median	1.7	1.4	11.3	1.6	0.6	0.7	1.6	243.6	2.3	-2.4
High	2.3	1.5	11.5	2.2	1.2	1.2	1.8	297.9	2.9	2.0
Low	-0.1	1.2	11.0	1.0	0.0	0.1	1.3	188.0	1.9	-2.8
Standard Deviation	0.7	0.2	0.2	na	0.3	0.5	0.3	33.9	0.3	1.1
Number of Forecasts	10	2	19	2	19	6	3	10	14	16
<b>Other Forecasts</b>										
ECB (Dec. '14)	na	na	11.2	na	0.7	na	na	na	2.2	-2.5
EC (Nov. '14)	na	na	11.3	na	0.8	na	na	269.1	2.6	-2.4
IMF (Oct. '14)	na	na	na	na	0.9	na	na	na	1.9	-2.5
OECD (Nov. '14)	na	na	11.1	na	0.6	na	na	na	3.1	-2.3

<b>Financial Forecasts</b>		<b>2014</b>	<b>2015</b>
<i>All forecasts are for end year</i>			
<b>3-month Euribor Interest Rate, %</b>	<b>Mean Average</b>	<b>0.09</b>	<b>0.12</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.08</span>	High	0.10	0.50
	Low	0.02	0.05
	Standard deviation	0.02	0.11
	Number of Forecasts	16	15
<b>10-year Benchmark German Bond Yield, %</b>	<b>Mean Average</b>	<b>0.88</b>	<b>1.22</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.62</span>	High	1.72	1.82
	Low	0.65	0.75
	Standard deviation	0.31	0.35
	Number of Forecasts	10	10
<b>US Dollars/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.250</b>	<b>1.183</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.242</span>	High	1.340	1.310
	Low	1.220	1.100
	Standard deviation	0.030	0.055
	Number of Forecasts	25	26
<b>Japanese Yen/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>145.1</b>	<b>146.4</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">147.1</span>	High	149.0	155.0
	Low	140.2	132.3
	Standard deviation	2.9	6.8
	Number of Forecasts	10	10
<b>UK Pound/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>0.788</b>	<b>0.763</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.796</span>	High	0.830	0.818
	Low	0.755	0.720
	Standard deviation	0.020	0.031
	Number of Forecasts	12	12
<b>Swedish Krona/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>9.236</b>	<b>8.983</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">9.485</span>	High	9.400	9.400
	Low	9.077	8.700
	Standard deviation	0.103	0.196
	Number of Forecasts	20	21
<b>Swiss Franc/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.212</b>	<b>1.235</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.201</span>	High	1.230	1.310
	Low	1.200	1.200
	Standard deviation	0.010	0.032
	Number of Forecasts	9	9
<b>Oil Prices, Brent Blend, US\$ per barrel</b>	<b>Mean Average</b>	<b>70.2</b>	<b>73.3</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">60.2</span>	High	77.4	83.0
	Low	62.0	64.5
	Standard deviation	5.5	5.0
	Number of Forecasts	10	11
<i>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.</i>			



### Interest Rate Data

All data are period averages

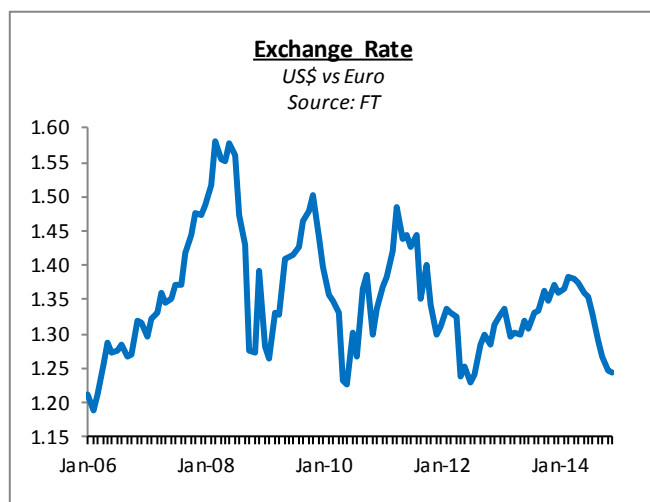
<u>Euro Zone Interest Rates, %</u>	<u>Jun '14</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
Overnight	0.08	0.04	0.02	0.01	0.00	-0.01
3-month	0.24	0.21	0.19	0.10	0.08	0.08
6-month	0.33	0.30	0.29	0.20	0.18	0.18
12-month	0.51	0.49	0.47	0.36	0.34	0.33
10-year bond yields	2.28	2.16	1.99	1.85	1.69	1.62
<u>International Rates, %</u>						
US 3-month (Euro dollar deposits)	0.23	0.23	0.23	0.23	0.23	0.23
US 10-year	2.74	2.80	2.58	2.73	2.56	2.36
Japan 3-month (Euro yen deposits)	0.13	0.13	0.13	0.12	0.11	0.11
Japan 10-year	0.72	0.67	0.62	0.66	0.60	0.59
<u>Euro Zone / US Yield Differentials, %</u>						
3-month	0.01	-0.02	-0.04	-0.13	-0.15	-0.15
10-year	-0.46	-0.64	-0.59	-0.88	-0.87	-0.74

### Exchange Rate Data

period averages vs euro

	<u>Jun '14</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
<b>Trade Weighted Nominal Index *</b> (1999 Q1=100)	103.0	102.6	101.9	100.4	99.6	99.5
Australian dollar	1.452	1.442	1.431	1.425	1.444	1.443
Canadian dollar	1.473	1.452	1.455	1.420	1.421	1.414
Chinese renminbi	8.470	8.394	8.197	7.921	7.764	7.641
Danish krone	7.459	7.456	7.455	7.445	7.445	7.442
Hong Kong dollar	10.54	10.49	10.32	10.00	9.831	9.672
Japanese yen	138.7	137.7	137.1	138.4	136.9	145.0
Norwegian krone	8.215	8.388	8.252	8.180	8.314	8.491
Singapore dollar	1.701	1.683	1.662	1.630	1.615	1.617
South Korean won	1385	1382	1364	1336	1345	1370
Swedish krona	9.091	9.233	9.188	9.193	9.180	9.238
Swiss franc	1.218	1.215	1.212	1.208	1.208	1.203
UK pound	0.804	0.793	0.797	0.791	0.789	0.791
US dollar	1.359	1.354	1.332	1.290	1.267	1.247

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



It is shaping up to be one of the worst years for the euro. The single currency has depreciated to a two-year low against the dollar in response to renewed weakness in the core participating economies and increased bias towards monetary stimulus evinced in the ECB lowering interest rates and preparing for quantitative-easing to weaken the currency further to stimulate economic growth and prevent deflation. The consequent expansion of the euro zone's monetary base has encouraged the use of the single currency as the funding currency of choice for carry trades, which signals a move below \$1.20 in the short term. Indeed, forecasters predict it will decline to \$1.18 by the end of next year.

## ECB Watch

- The ECB, as expected, has maintained a bias towards monetary policy stimulus, keeping its main intervention rates on hold since announcing a reduction in September. It is also seemingly poised to offer more substantial measures to bolster the money supply following poor take-up of its targeted long-term refinancing operations, an offer of cheap four-year loans.
- Still, there seems to be some disagreement among the Bank's Board members over the most effective response, with up to five, including Jens Weidmann, against a proposed move to purchase government bonds, questioning both the legality and the effects in terms of attaining the 2% inflation target and managing credit risk.

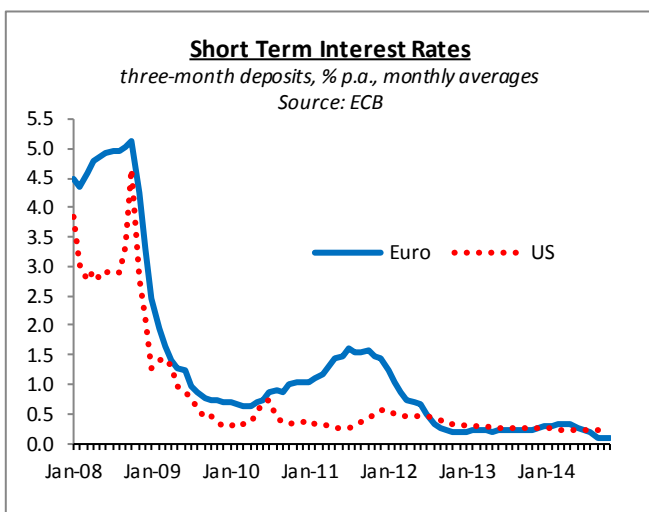
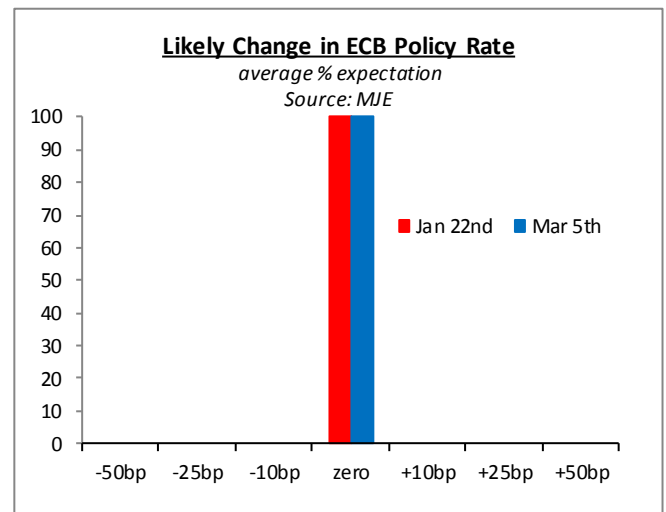
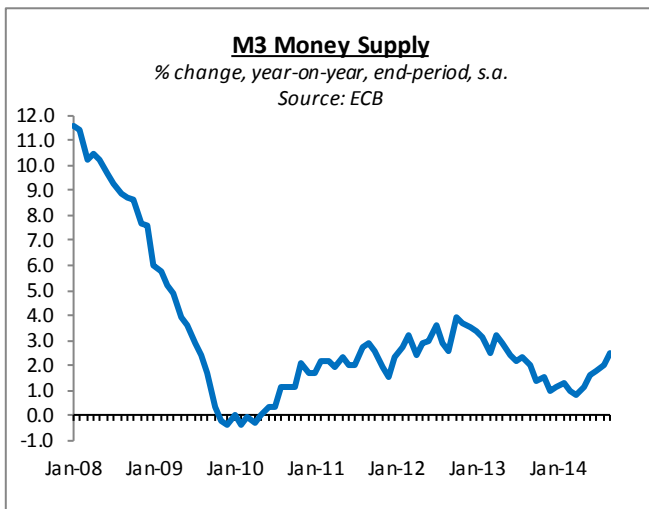
### Euro Zone Barometer

#### 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 22nd	Mar 5th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
<b>Unchanged</b>	<b>100%</b>	<b>100%</b>
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



### Last Five ECB Interest Rate Changes:

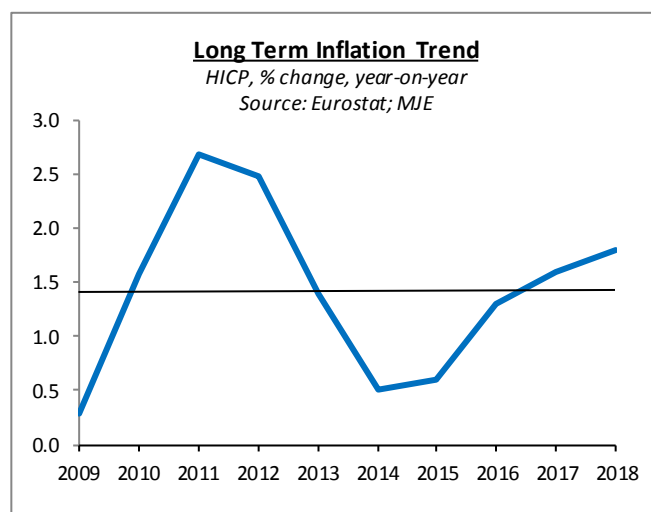
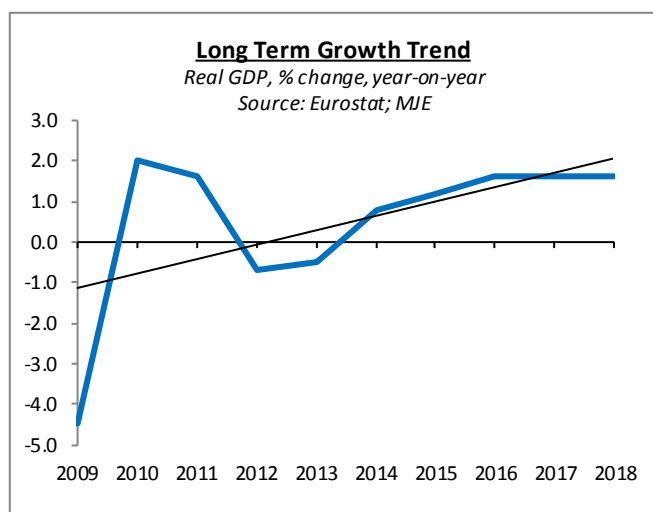
- September 4th, 2014**  
A 10bp DECREASE to 0.05%
- June 5th, 2014**  
A 10bp DECREASE to 0.15%
- November 7th, 2013**  
A 25bp DECREASE to 0.25%
- May 2nd, 2013**  
A 25bp DECREASE to 0.50%
- July 5th, 2012**  
A 25bp DECREASE to 0.75%

### Long Term Forecasts

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Gross Domestic Product</b>	-0.5	0.8	1.2	1.6	1.6	1.6
<b>Private Consumption</b>	-0.7	0.8	1.2	1.4	1.4	1.4
<b>Gross Fixed Investment</b>	-2.4	0.8	1.6	2.8	2.9	3.1
<b>Industrial Production (excl. construction)</b>	-0.7	0.8	1.6	2.4	2.0	1.9
<b>Unemployment Rate, % of labour force</b>	12.0	11.6	11.3	11.0	10.6	10.3
<b>Harmonised Index of Consumer Prices</b>	1.4	0.5	0.6	1.3	1.6	1.8
<b>Current Account, annual total, % of GDP</b>	2.0	2.3	2.3	2.3	2.4	2.3
<b>General Government Balance, % of GDP</b>	-2.9	-2.7	-2.1	-2.0	-1.7	-1.5
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	0.29	0.09	0.12	0.74	1.19	1.91
<b>10 Year Bond Yield, % per annum</b>	1.94	0.88	1.22	2.16	2.82	3.41
<b>10 year - 3 month Yield Differential</b>	1.65	0.79	1.10	1.42	1.62	1.50
<b>US\$ per € Exchange Rate</b>	1.378	1.250	1.183	1.248	1.259	1.257



## GERMANY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	1.5	1.1	na	2.0	5.0	1.0	7.3	0.5	na
BBVA	1.3	1.2	3.2	na	na	0.9	6.7	0.0	na
BNP Paribas	1.3	1.1	na	1.2	na	na	7.1	0.1	74.2
Danske Bank	1.5	1.2	1.1	na	5.1	0.8	7.1	0.2	76.0
DZ Bank	1.4	1.0	2.9	na	na	0.9	6.9	-0.1	76.0
Economist Intelligence Unit	1.4	1.0	2.9	1.5	4.9	0.8	7.5	0.8	75.1
G&P Institutional Mgmt	1.5	1.2	2.8	na	5.0	0.8	na	0.1	na
HSBC	1.5	0.9	3.5	1.5	na	0.8	6.7	0.3	73.5
IHS Economics	1.5	1.2	3.0	1.2	5.0	0.9	7.6	0.5	74.0
J P Morgan Chase	1.5	na	na	na	na	0.8	na	na	na
Oxford Economics	1.5	1.1	2.6	1.3	5.0	0.9	7.6	-0.1	na
Raiffeisen Bank International	1.5	na	na	na	na	1.0	7.0	0.2	74.5
Santander	1.5	1.1	3.0	1.3	5.2	0.8	7.1	0.2	75.0
SEB	1.3	na	na	na	5.1	0.9	na	na	na
UBS	1.3	1.0	4.3	2.0	na	0.9	7.1	-0.2	77.2
UniCredit Bank	1.5	0.9	3.7	1.4	na	0.9	6.0	-0.2	75.7
<b>Consensus (Mean Average)</b>	<b>1.4</b>	<b>1.1</b>	<b>3.0</b>	<b>1.5</b>	<b>5.0</b>	<b>0.9</b>	<b>7.1</b>	<b>0.2</b>	<b>75.1</b>
Last Month	1.4	1.0	3.0	1.6	5.1	0.9	7.0	0.1	75.5
2 Months Ago	1.5	1.1	3.8	1.3	5.3	0.9	7.0	0.1	75.9
Median	1.5	1.1	3.0	1.4	5.0	0.9	7.1	0.2	75.1
High	1.5	1.2	4.3	2.0	5.2	1.0	7.6	0.8	77.2
Low	1.3	0.9	1.1	1.2	4.9	0.8	6.0	-0.2	73.5
Standard Deviation	0.1	0.1	0.8	0.3	0.1	0.1	0.4	0.3	1.1
Number of Forecasts	16	13	11	9	8	15	13	14	10
<b>Other Forecasts</b>									
EC (Nov. '14)	1.3	1.0	2.9	na	5.1	0.9	7.1	0.2	74.5
IMF (Oct. '14)	1.4	1.1	3.2	na	5.3	0.9	6.2	0.3	75.5
OECD (Nov. '14)	1.5	1.0	3.0	na	5.1	0.9	7.4	0.2	74.3

- The outlook for Germany is mixed as lower oil prices and a more competitive euro spur confidence among investors and exporters amid caution over the present situation in light of the situation in Russia.
- The economic sentiment index produced by the European Commission dipped again in November following an improvement in October, as confidence within the construction and services sectors waned, including retail sector confidence with consumer sentiment more uncertain.
- The government remains averse to further damaging Russia's economy, which is seemingly nose-diving into a steep recession thanks to sanctions and the falling oil price causing interest rates to escalate as the rouble continues to plunge.
- Germany's industrial production was flat in October compared to September (growing by 0.8% y/y) and though retail trade rebounded it followed a particularly poor trading month in September so the jury is still out on prospects for the economy going into 2015.

## GERMANY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	1.4	1.6	na	2.5	5.0	1.6	6.9	0.3	na
BBVA	1.4	1.3	3.3	na	na	1.5	7.1	0.0	na
BNP Paribas	2.0	0.8	na	3.2	na	1.4	6.8	0.0	71.2
Danske Bank	1.9	1.9	1.1	na	5.1	0.7	7.1	0.0	73.6
DZ Bank	1.0	1.2	1.5	na	na	1.5	6.2	-0.2	74.0
Economist Intelligence Unit	1.0	1.0	3.5	1.5	5.0	1.1	7.0	0.7	74.0
G&P Institutional Mgmt	1.7	2.3	0.7	na	4.9	0.4	na	0.0	na
HSBC	1.6	1.0	2.1	2.4	na	1.2	6.2	0.2	71.0
IHS Economics	1.6	2.0	3.9	2.3	4.7	1.2	7.8	0.3	71.5
J P Morgan Chase	1.7	na	na	na	na	0.6	na	na	na
Oxford Economics	1.8	2.0	-0.4	0.9	5.0	0.9	8.1	0.3	na
Raiffeisen Bank International	1.6	na	na	na	na	1.5	6.5	0.0	72.4
Santander	1.5	1.4	2.3	1.8	5.2	1.1	6.7	0.0	72.0
SEB	1.2	na	na	na	5.0	1.4	na	na	na
UBS	1.5	1.2	6.2	3.1	na	1.3	6.8	0.0	74.8
UniCredit Bank	1.6	1.2	2.6	1.5	na	1.4	6.0	0.3	74.3
<b>Consensus (Mean Average)</b>	<b>1.5</b>	<b>1.5</b>	<b>2.4</b>	<b>2.1</b>	<b>5.0</b>	<b>1.2</b>	<b>6.9</b>	<b>0.1</b>	<b>72.9</b>
Last Month	1.5	1.4	2.6	2.0	5.1	1.4	6.7	0.1	73.2
2 Months Ago	1.7	1.6	3.4	2.2	5.3	1.5	6.8	0.2	73.4
Median	1.6	1.3	2.3	2.3	5.0	1.3	6.8	0.0	73.0
High	2.0	2.3	6.2	3.2	5.2	1.6	8.1	0.7	74.8
Low	1.0	0.8	-0.4	0.9	4.7	0.4	6.0	-0.2	71.0
Standard Deviation	0.3	0.5	1.8	0.8	0.1	0.4	0.6	0.2	1.4
Number of Forecasts	16	13	11	9	8	16	13	14	10
<b>Other Forecasts</b>									
EC (Nov. '14)	1.1	1.3	2.0	na	5.1	1.2	7.1	0.0	72.4
IMF (Oct. '14)	1.5	1.3	3.1	na	5.3	1.2	5.8	0.2	72.5
OECD (Nov. '14)	1.1	1.3	1.2	na	5.1	1.2	7.2	0.0	71.1

### Germany: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	3.8	3.4	0.6	0.2
<b>Private Consumption</b>	0.9	1.7	0.7	0.9
<b>Gross Fixed Investment</b>	5.9	6.2	-1.9	-0.4
<b>Industrial Production</b>	10.7	7.7	-0.3	0.1
<b>Unemploy. Rate, % of L.F.</b>	7.1	5.9	5.5	5.3
<b>Consumer Prices</b>	1.2	2.5	2.1	1.6
<b>Current Acc., % of GDP</b>	6.4	6.3	7.0	6.9
<b>Budget Bal., % of GDP</b>	-4.1	-0.9	0.1	0.1
<b>Public Debt, % of GDP</b>	80.3	77.6	79.0	76.9

Source: ECB; Eurostat; national statistical office

### Germany: Background Information

<b>Prime Minister:</b>	Angela Merkel
<b>Government:</b>	CDU/CSU and SPD coalition
<b>Next Election:</b>	2017 (parliamentary)
<b>Capital City:</b>	Berlin
<b>Economic Freedom:</b>	18th out of 178 countries
<b>Doing Business:</b>	21st out of 189 countries
<b>Competitiveness:</b>	5th out of 144 countries
<b>Corruption:</b>	12th out of 175 countries
<b>Corporate Tax Rate:</b>	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

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

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

## FRANCE - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	0.4	0.2	-0.6	na	na	0.7	-1.7	-4.4	na
BNP Paribas	0.9	1.3	-0.7	0.9	10.8	0.3	-0.8	-4.3	98.1
Danske Bank	0.4	0.3	-1.7	na	10.4	0.6	-1.9	-3.9	95.8
DZ Bank	0.4	0.1	-2.2	na	10.3	0.6	-1.4	-4.5	95.5
Economist Intelligence Unit	0.4	0.3	-2.1	-0.8	9.7	0.6	-1.2	-4.4	95.7
G&P Institutional Mgmt	0.4	0.3	-1.5	na	10.4	0.6	na	-4.5	na
HSBC	0.7	0.1	-2.4	-0.9	10.2	0.7	-2.2	-4.4	97.4
IHS Economics	0.4	0.3	-1.7	-0.9	9.8	0.6	-1.5	-4.4	95.8
J P Morgan Chase	0.4	na	na	na	na	0.6	na	na	na
Oxford Economics	0.4	0.4	-1.8	-0.7	10.3	0.7	-1.2	-4.4	na
Raiffeisen Bank International	0.4	na	na	na	na	0.7	-1.5	-4.3	95.3
SEB	0.4	na	na	na	10.5	0.7	na	na	na
UBS	0.4	0.1	-1.8	-0.8	na	0.7	-1.1	-4.5	96.9
UniCredit Bank	0.4	na	na	na	na	0.6	-1.5	-4.4	95.0
<b>Consensus (Mean Average)</b>	<b>0.5</b>	<b>0.3</b>	<b>-1.7</b>	<b>-0.5</b>	<b>10.3</b>	<b>0.6</b>	<b>-1.5</b>	<b>-4.4</b>	<b>96.2</b>
Last Month	0.4	0.1	-2.0	-0.8	10.2	0.7	-1.5	-4.4	98.5
2 Months Ago	0.4	0.2	-1.7	-0.7	10.2	0.7	-1.5	-4.3	95.6
Median	0.4	0.3	-1.8	-0.8	10.3	0.6	-1.5	-4.4	95.8
High	0.9	1.3	-0.6	0.9	10.8	0.7	-0.8	-3.9	98.1
Low	0.4	0.1	-2.4	-0.9	9.7	0.3	-2.2	-4.5	95.0
Standard Deviation	0.2	0.4	0.6	0.7	0.3	0.1	0.4	0.2	1.1
Number of Forecasts	14	10	10	6	9	14	11	12	9
<b>Other Forecasts</b>									
EC (Nov. '14)	0.3	0.2	-2.1	na	10.4	0.6	-1.9	-4.4	95.5
IMF (Oct. '14)	0.4	0.3	-1.6	na	10.0	0.7	-1.4	-4.4	95.2
OECD (Nov. '14)	0.4	0.4	-1.7	na	9.9	0.6	-1.7	-4.4	95.8

- The government is hoping that its latest economic reforms will spark the strong and sustainable recovery the Socialist Party has been seeking, but has failed to produce since it came to office.
- Among the measures announced by the Prime Minister, Manuel Valls in recent weeks, are a liberalisation of retail trading laws and increased market competition, which go against the party's ideals and have been met by considerable public protest from voters eschewing change.
- The economy is slowly improving and the government will take heart from the latest European Commission survey showing a rise in the French economic sentiment during November in response to improving confidence within the manufacturing and services sectors.
- However, data for industrial production and retail sales were weak during both September and October, and the unemployment rate is stuck at 10.5% draining the budget and adding to social tensions.

## FRANCE - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.1	1.1	1.1	na	na	0.9	-1.6	-4.1	na
BNP Paribas	1.5	1.6	2.2	2.3	10.7	1.0	-1.0	-4.0	99.7
Danske Bank	0.6	0.8	-0.8	na	10.4	0.5	-1.9	-3.4	96.6
DZ Bank	0.7	1.2	-1.1	na	10.1	0.8	-1.0	-4.5	98.5
Economist Intelligence Unit	0.8	0.9	-0.1	1.4	9.5	0.7	-1.3	-4.5	99.0
G&P Institutional Mgmt	1.5	0.3	2.1	na	10.4	0.0	na	-4.1	na
HSBC	1.3	0.8	0.6	1.1	10.3	0.9	-2.5	-5.0	100.5
IHS Economics	0.9	0.9	-0.6	0.3	9.7	0.5	-1.2	-4.3	97.3
J P Morgan Chase	1.4	na	na	na	na	0.2	na	na	na
Oxford Economics	1.0	1.1	0.0	1.4	10.3	0.9	-1.3	-4.3	na
Raiffeisen Bank International	0.7	na	na	na	na	0.8	-1.5	-4.2	97.5
SEB	0.5	na	na	na	11.0	0.2	na	na	na
UBS	0.8	1.0	0.6	1.3	na	1.1	-0.9	-4.3	99.0
UniCredit Bank	0.8	na	na	na	na	0.8	-1.5	-4.3	97.2
<b>Consensus (Mean Average)</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4</b>	<b>1.3</b>	<b>10.3</b>	<b>0.7</b>	<b>-1.4</b>	<b>-4.3</b>	<b>98.4</b>
Last Month	0.9	1.1	0.4	1.2	10.3	0.8	-1.5	-4.2	101.0
2 Months Ago	1.0	1.1	1.1	1.0	10.2	0.9	-1.6	-4.1	97.4
Median	0.9	1.0	0.3	1.4	10.3	0.8	-1.3	-4.3	98.5
High	1.5	1.6	2.2	2.3	11.0	1.1	-0.9	-3.4	100.5
Low	0.5	0.3	-1.1	0.3	9.5	0.0	-2.5	-5.0	96.6
Standard Deviation	0.3	0.3	1.1	0.6	0.5	0.3	0.5	0.4	1.3
Number of Forecasts	14	10	10	6	9	14	11	12	9
<b>Other Forecasts</b>									
EC (Nov. '14)	0.7	1.1	-1.2	na	10.4	0.7	-1.9	-4.5	98.1
IMF (Oct. '14)	1.0	1.2	-0.3	na	10.0	0.9	-1.0	-4.3	97.7
OECD (Nov. '14)	0.8	1.0	-1.1	na	10.1	0.5	-1.4	-4.3	99.3

### France: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	1.7	2.0	0.0	0.2
<b>Private Consumption</b>	1.6	0.6	-0.3	0.3
<b>Gross Fixed Investment</b>	1.4	2.9	-1.2	-2.1
<b>Industrial Production</b>	4.8	2.4	-2.6	-0.5
<b>Unemploy. Rate, % of L.F.</b>	9.7	9.6	10.2	10.8
<b>Consumer Prices</b>	1.7	2.3	2.2	1.0
<b>Current Acc., % of GDP</b>	-1.9	-2.5	-2.1	-1.7
<b>Budget Bal., % of GDP</b>	-6.8	-5.1	-4.9	-4.1
<b>Public Debt, % of GDP</b>	81.5	85.0	89.2	92.2

Source: ECB; Eurostat; national statistical office

### France: Background Information

<b>President:</b>	Francois Hollande
<b>Government:</b>	Socialist Party
<b>Next Election:</b>	2017 (presidential & parliamentary)
<b>Capital City:</b>	Paris
<b>Economic Freedom:</b>	70th out of 178 countries
<b>Doing Business:</b>	38th out of 189 countries
<b>Competitiveness:</b>	23rd out of 144 countries
<b>Corruption:</b>	26th out of 175 countries
<b>Corporate Tax Rate:</b>	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 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	-0.3	0.0	-2.1	na	na	0.3	0.9	-3.0	na
BNP Paribas	-0.4	0.3	-2.5	-0.7	12.8	0.2	1.8	-3.0	132.2
Danske Bank	-0.4	0.3	-2.6	na	12.7	0.2	1.5	-3.0	135.2
DZ Bank	-0.3	0.2	-2.4	na	12.2	0.2	1.2	-3.0	134.0
Economist Intelligence Unit	-0.4	-0.1	-2.5	-0.5	12.8	0.2	1.3	-3.0	133.9
G&P Institutional Mgmt	-0.3	0.3	-2.5	na	12.5	0.2	na	-2.6	na
HSBC	-0.2	0.0	-1.6	-1.8	12.6	0.9	1.1	-3.0	132.4
IHS Economics	-0.4	0.3	-2.4	-0.9	12.6	0.2	1.7	-3.1	133.8
J P Morgan Chase	-0.4	na	na	na	na	0.2	na	na	na
Oxford Economics	-0.4	0.3	-2.5	-0.9	12.8	0.2	1.7	-3.0	na
Raiffeisen Bank International	-0.3	na	na	na	12.8	0.2	1.5	-3.0	132.1
SEB	-0.3	na	na	na	12.5	0.2	na	na	na
UBS	-0.2	0.3	-2.2	0.1	12.6	0.2	na	-3.0	132.7
Unicredit Bank	-0.2	0.1	-1.6	na	12.6	0.3	1.5	-3.0	132.4
<b>Consensus (Mean Average)</b>	<b>-0.3</b>	<b>0.2</b>	<b>-2.3</b>	<b>-0.8</b>	<b>12.6</b>	<b>0.3</b>	<b>1.4</b>	<b>-3.0</b>	<b>133.2</b>
Last Month	-0.3	0.1	-2.2	-0.7	12.6	0.2	1.3	-2.9	134.2
2 Months Ago	-0.2	0.1	-1.5	-0.3	12.5	0.3	1.5	-2.9	133.6
Median	-0.3	0.3	-2.4	-0.8	12.6	0.2	1.5	-3.0	132.7
High	-0.2	0.3	-1.6	0.1	12.8	0.9	1.8	-2.6	135.2
Low	-0.4	-0.1	-2.6	-1.8	12.2	0.2	0.9	-3.1	132.1
Standard Deviation	0.1	0.2	0.4	0.6	0.2	0.2	0.3	0.1	1.1
Number of Forecasts	14	11	11	6	12	14	10	12	9
<b>Other Forecasts</b>									
EC (Nov. '14)	-0.4	0.2	-2.5	na	12.6	0.2	1.5	-3.0	132.2
IMF (Oct. '14)	-0.2	0.3	-1.4	na	12.6	0.1	1.2	-3.0	136.7
OECD (Nov. '14)	-0.4	0.2	-2.7	na	12.4	0.1	1.5	-3.0	130.6

- Italy has suffered the ignominy of a reduced credit rating from S&P this month, which lowered it to BBB-, one notch above “junk” status. A weak economy failing to grow, amid waning competitiveness, raises concern for the sovereign’s ability to lower its enormous debt burden, which is forecast to edge close to 135% of GDP next year.
- The economy is still operating on the brink of deflation making the debt burden harder to tackle, industrial production and retail sales were sliding through to October and the unemployment rate increased back above 13%.
- Contrasting with the improvement in France, Italy’s economic sentiment indicator plunged downwards in November to 95.9, according to the European Commission, piling more pressure on the coalition government led by Matteo Renzi which has unveiled new measures to try to improve labour market flexibility.
- Although manufacturing sentiment remained fairly stable there was a sharp fall in service sector confidence, a further slide in consumer confidence (extending the trend to six months) and deepening gloom within the construction industry.



## ITALY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	0.6	0.5	1.5	na	na	0.7	0.9	-2.6	na
BNP Paribas	0.5	0.5	-0.1	0.8	12.9	0.0	2.0	-2.9	133.8
Danske Bank	0.5	0.6	-1.4	na	12.6	0.3	1.5	-2.7	134.0
DZ Bank	0.5	0.5	0.2	na	12.4	0.7	1.3	-3.0	132.0
Economist Intelligence Unit	0.2	0.1	-0.5	0.0	12.7	0.1	1.3	-2.9	136.4
G&P Institutional Mgmt	1.0	0.7	0.0	na	12.3	-0.1	na	-3.0	na
HSBC	0.4	0.2	0.0	0.2	12.9	0.2	1.5	-3.1	133.7
IHS Economics	0.4	0.8	-0.5	0.5	12.6	-0.2	1.7	-2.5	135.5
J P Morgan Chase	0.8	na	na	na	na	0.4	na	na	na
Oxford Economics	0.1	0.3	-0.9	-0.2	12.7	0.1	1.8	-2.8	na
Raiffeisen Bank International	0.4	na	na	na	12.8	0.3	1.3	-2.7	134.0
SEB	0.3	na	na	na	12.4	0.0	na	na	na
UBS	0.5	0.7	0.4	0.7	12.8	0.8	na	-3.0	133.5
Unicredit Bank	0.7	0.6	0.5	na	12.7	0.8	1.2	-3.0	133.8
<b>Consensus (Mean Average)</b>	<b>0.5</b>	<b>0.5</b>	<b>-0.1</b>	<b>0.3</b>	<b>12.7</b>	<b>0.3</b>	<b>1.5</b>	<b>-2.9</b>	<b>134.1</b>
Last Month	0.6	0.5	0.2	0.3	12.5	0.5	1.3	-2.8	134.7
2 Months Ago	0.7	0.6	0.8	0.9	12.4	0.6	1.5	-2.8	134.0
Median	0.5	0.5	0.0	0.4	12.7	0.3	1.4	-2.9	133.8
High	1.0	0.8	1.5	0.8	12.9	0.8	2.0	-2.5	136.4
Low	0.1	0.1	-1.4	-0.2	12.3	-0.2	0.9	-3.1	132.0
Standard Deviation	0.2	0.2	0.8	0.4	0.2	0.3	0.3	0.2	1.2
Number of Forecasts	14	11	11	6	12	14	10	12	9
<b>Other Forecasts</b>									
EC (Nov. '14)	0.6	0.4	1.4	na	12.6	0.5	1.5	-2.7	133.8
IMF (Oct. '14)	0.8	-0.3	1.5	na	12.0	0.5	1.2	-2.3	136.4
OECD (Nov. '14)	0.2	0.3	0.1	na	12.3	0.0	1.8	-2.8	132.8

### Italy: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	1.7	0.4	-2.4	-1.9
<b>Private Consumption</b>	1.5	-0.3	-4.1	-2.6
<b>Gross Fixed Investment</b>	0.6	-2.2	-8.3	-4.6
<b>Industrial Production</b>	6.9	0.3	-6.3	-2.9
<b>Unemploy. Rate, % of L.F.</b>	8.4	8.4	10.7	12.2
<b>Consumer Prices</b>	1.6	2.9	3.3	1.3
<b>Current Acc., % of GDP</b>	-3.5	-3.1	-0.5	0.7
<b>Budget Bal., % of GDP</b>	-4.2	-3.5	-3.0	-2.8
<b>Public Debt, % of GDP</b>	115.3	116.4	122.2	127.9

Source: ECB; Eurostat; national statistical office

### Italy: Background Information

<b>Prime Minister:</b>	Matteo Renzi
<b>Government:</b>	Coalition including PD and PDL
<b>Next Election:</b>	2018
<b>Capital City:</b>	Rome
<b>Economic Freedom:</b>	86th out of 178 countries
<b>Doing Business:</b>	65th out of 189 countries
<b>Competitiveness:</b>	49th out of 144 countries
<b>Corruption:</b>	69th out of 175 countries
<b>Corporate Tax Rate:</b>	27.5% (national rate) 3.9% (local rate) 27.5% (branch rate)

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

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

## NETHERLANDS - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
DZ Bank	0.7	0.0	2.0	na	6.8	0.4	10.1	-2.7	70.5
Economist Intelligence Unit	0.6	-0.1	2.0	-2.5	6.8	0.3	8.9	-2.7	74.2
IHS Economics	0.8	-0.1	1.6	-1.6	na	na	10.7	-2.4	70.9
Oxford Economics	0.8	-0.1	1.4	-1.7	6.9	0.6	10.6	-2.5	na
Raiffeisen Bank International	0.7	na	na	na	na	0.4	na	-2.5	69.7
UBS	0.8	-0.1	1.6	-2.0	na	0.6	10.0	-2.8	75.7
<b>Consensus (Mean Average)</b>	<b>0.7</b>	<b>-0.1</b>	<b>1.7</b>	<b>-2.0</b>	<b>6.8</b>	<b>0.5</b>	<b>10.1</b>	<b>-2.6</b>	<b>72.2</b>
Last Month	0.8	-0.1	1.5	-1.8	6.8	0.5	10.2	-2.7	74.6
2 Months Ago	0.7	-0.3	1.3	-1.7	6.8	0.6	10.1	-2.8	72.3
Median	0.8	-0.1	1.6	-1.9	6.8	0.4	10.1	-2.6	70.9
High	0.8	0.0	2.0	-1.6	6.9	0.6	10.7	-2.4	75.7
Low	0.6	-0.1	1.4	-2.5	6.8	0.3	8.9	-2.8	69.7
Standard Deviation	0.1	0.0	0.3	0.4	0.1	0.1	0.7	0.2	2.6
Number of Forecasts	6	5	5	4	3	5	5	6	5
<b><u>Other Forecasts</u></b>									
EC (Nov. '14)	0.9	0.0	2.1	na	6.9	0.4	7.8	-2.5	69.7
IMF (Oct. '14)	0.6	na	na	na	7.3	0.5	9.9	na	na
OECD (Nov. '14)	0.8	-0.1	1.7	na	6.8	0.4	10.7	-2.6	69.8

- The Dutch economic sentiment indicator polled by the European Commission edged slightly higher in November based on an improving picture for manufacturers and services sector firms, though consumers were more downbeat partly because of negative sentiment generally regarding the global outlook and because of the drag from negative equity in the housing market.
- Retail sales fell sharply in October, having improved in September, extending the previous trend. Industrial production also contracted, preventing a further fall in the unemployment rate, which remained at 6.5% in October.
- While the government (somewhat justifiably) paints a picture of moderate improvement, supported by reviving domestic demand, there is still a mood of pessimism among mainly younger Dutch citizens considering emigrating - in spite of a falling youth unemployment rate (which slipped below the 10% mark in October).
- Much will depend on how the Russian crisis plays out, and on the economic situation in neighbouring European economies, but prospects are indeed steadily brightening, if somewhat gradually as the housing market slowly stabilises.

## NETHERLANDS - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
DZ Bank	1.3	1.1	3.0	na	6.3	1.1	10.7	-2.5	71.0
Economist Intelligence Unit	0.9	0.4	2.2	1.2	6.4	0.7	8.3	-2.2	74.6
IHS Economics	1.6	0.8	2.7	1.5	na	na	10.5	-2.2	70.9
Oxford Economics	1.2	0.5	1.4	2.5	6.6	0.9	10.4	-1.9	na
Raiffeisen Bank International	1.5	na	na	na	na	0.4	na	-2.1	70.3
UBS	1.4	0.6	3.3	3.7	na	1.1	9.0	-2.9	76.7
<b>Consensus (Mean Average)</b>	<b>1.3</b>	<b>0.7</b>	<b>2.5</b>	<b>2.2</b>	<b>6.4</b>	<b>0.8</b>	<b>9.8</b>	<b>-2.3</b>	<b>72.7</b>
Last Month	1.4	0.9	2.4	2.3	6.4	0.9	10.0	-2.3	75.1
2 Months Ago	1.3	0.5	2.2	2.4	6.6	1.3	9.8	-2.3	72.6
Median	1.4	0.6	2.7	2.0	6.4	0.9	10.4	-2.2	71.0
High	1.6	1.1	3.3	3.7	6.6	1.1	10.7	-1.9	76.7
Low	0.9	0.4	1.4	1.2	6.3	0.4	8.3	-2.9	70.3
Standard Deviation	0.2	0.3	0.7	1.1	0.2	0.3	1.1	0.4	2.8
Number of Forecasts	6	5	5	4	3	5	5	6	5
<b><u>Other Forecasts</u></b>									
EC (Nov. '14)	1.4	1.1	3.3	na	6.8	0.8	7.7	-2.1	70.3
IMF (Oct. '14)	1.4	na	na	na	6.9	0.7	9.6	na	na
OECD (Nov. '14)	1.4	0.4	3.5	na	6.6	0.8	10.9	-2.3	70.1

### Netherlands: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	1.5	0.9	-1.2	-0.8
<b>Private Consumption</b>	0.3	-1.1	-1.6	-2.1
<b>Gross Fixed Investment</b>	-7.4	6.1	-4.0	-4.8
<b>Industrial Production</b>	7.8	-0.8	-0.4	0.6
<b>Unemploy. Rate, % of L.F.</b>	4.5	4.4	5.3	6.7
<b>Consumer Prices</b>	0.9	2.5	2.8	2.6
<b>Current Acc., % of GDP</b>	5.0	7.4	7.7	11.6
<b>Budget Bal., % of GDP</b>	-5.0	-4.3	-4.0	-2.3
<b>Public Debt, % of GDP</b>	59.0	61.3	66.5	68.6

Source: ECB; Eurostat; national statistical office

### Netherlands: Background Information

<b>Prime Minister:</b>	Mark Rutte
<b>Government:</b>	VVD led coalition
<b>Next Election:</b>	September 2016 (parliamentary)
<b>Capital City:</b>	The Hague
<b>Economic Freedom:</b>	15th out of 178 countries
<b>Doing Business:</b>	28th out of 189 countries
<b>Competitiveness:</b>	8th out of 144 countries
<b>Corruption:</b>	8th out of 175 countries
<b>Corporate Tax Rate:</b>	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

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

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

## SPAIN - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.3	2.1	0.7	na	24.4	0.0	1.2	-5.5	98.2
Danske Bank	1.3	2.3	2.5	na	24.8	-0.1	0.5	-5.6	98.1
DZ Bank	1.4	2.0	0.3	na	26.0	-0.1	1.5	-5.8	98.1
Economist Intelligence Unit	1.3	2.0	0.4	1.5	24.3	-0.1	0.7	-5.7	97.6
G&P Institutional Mgmt	1.3	2.1	0.7	na	24.6	-0.2	na	-5.3	na
HSBC	1.1	2.1	0.4	1.6	24.7	0.0	-0.5	-5.9	96.3
IHS Economics	1.3	2.3	2.5	1.5	24.5	-0.1	0.8	-5.2	99.5
J P Morgan Chase	1.3	na	na	na	na	-0.2	na	na	na
Oxford Economics	1.3	2.3	2.5	1.4	24.5	-0.1	0.2	-5.4	na
Raiffeisen Bank International	1.3	na	na	na	na	-0.1	0.2	-5.4	97.8
Santander	1.3	2.1	0.9	na	24.6	0.3	0.5	na	na
UBS	1.3	2.1	0.9	1.9	24.7	-0.1	0.0	-5.8	100.2
UniCredit Bank	1.2	na	na	na	na	0.0	0.0	-5.6	98.1
<b>Consensus (Mean Average)</b>	<b>1.3</b>	<b>2.1</b>	<b>1.2</b>	<b>1.6</b>	<b>24.7</b>	<b>-0.1</b>	<b>0.5</b>	<b>-5.6</b>	<b>98.2</b>
Last Month	1.2	2.0	0.7	1.5	24.8	0.0	0.5	-5.6	99.8
2 Months Ago	1.2	1.9	0.5	1.7	24.9	0.0	0.3	-5.6	98.9
Median	1.3	2.1	0.8	1.5	24.6	-0.1	0.5	-5.6	98.1
High	1.4	2.3	2.5	1.9	26.0	0.3	1.5	-5.2	100.2
Low	1.1	2.0	0.3	1.4	24.3	-0.2	-0.5	-5.9	96.3
Standard Deviation	0.1	0.1	0.9	0.2	0.5	0.1	0.6	0.2	1.1
Number of Forecasts	13	10	10	5	10	13	11	11	9
<b>Other Forecasts</b>									
EC (Nov. '14)	1.2	2.0	1.1	na	24.8	-0.1	0.5	-5.6	98.1
IMF (Oct. '14)	1.3	2.0	0.3	na	24.6	0.0	0.1	na	na
OECD (Nov. '14)	1.3	2.1	1.0	na	24.5	-0.1	0.7	-5.5	96.7

- Although retail trade remained weak in Spain through to October, the country remains one of the euro zone's brighter prospects stemming from the structural reforms implemented since the financial crisis to rebalance the economy.
- There are signs that Spanish exporters are reaping the gains from internal wage competitiveness, a weaker euro, falling oil import costs and from being less exposed to Russia. Industrial production has registered solid growth this year, propelling the country out of recession.
- Confidence indicators from the European Commission remain encouraging with the headline economic sentiment indicator rebounding in November following a dip in the previous month to its highest point all year. Manufacturers and services firms were more upbeat but this has failed to translate into consumer confidence which has waned.
- This is because employment prospects are still very poor. Around a quarter of the labour force is without a job, and more than half of the youngest (those aged under 25) are unable to find a job, spurring emigration.

## SPAIN - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	2.0	1.8	4.2	na	23.1	1.0	2.1	-4.2	99.8
Danske Bank	2.3	2.4	4.8	na	23.5	0.2	0.7	-4.6	101.2
DZ Bank	1.7	1.6	1.6	na	25.5	0.4	2.0	-4.8	101.2
Economist Intelligence Unit	1.5	1.5	1.0	1.7	22.7	0.2	0.6	-4.3	101.0
G&P Institutional Mgmt	2.3	2.1	5.0	na	23.0	-0.3	na	-4.6	na
HSBC	1.2	1.7	1.4	1.7	23.7	0.5	-0.1	-5.7	100.3
IHS Economics	2.0	2.5	1.8	1.5	22.9	-0.7	0.9	-4.5	102.1
J P Morgan Chase	2.2	na	na	na	na	-0.7	na	na	na
Oxford Economics	2.2	2.4	2.9	1.8	23.5	-0.1	1.9	-4.5	na
Raiffeisen Bank International	2.0	na	na	na	na	0.3	0.0	-4.3	100.6
Santander	2.1	2.0	4.3	na	23.2	0.9	0.6	na	na
UBS	2.0	2.5	2.8	2.5	23.9	0.7	0.7	-4.6	102.5
UniCredit Bank	1.6	na	na	na	na	0.6	0.9	-4.5	100.8
<b>Consensus (Mean Average)</b>	<b>1.9</b>	<b>2.1</b>	<b>3.0</b>	<b>1.8</b>	<b>23.5</b>	<b>0.2</b>	<b>0.9</b>	<b>-4.6</b>	<b>101.1</b>
Last Month	1.9	1.9	2.8	1.9	23.6	0.4	0.8	-4.8	102.9
2 Months Ago	1.8	1.8	2.5	2.3	23.7	0.5	0.7	-4.9	102.0
Median	2.0	2.1	2.9	1.7	23.4	0.3	0.7	-4.5	101.0
High	2.3	2.5	5.0	2.5	25.5	1.0	2.1	-4.2	102.5
Low	1.2	1.5	1.0	1.5	22.7	-0.7	-0.1	-5.7	99.8
Standard Deviation	0.3	0.4	1.5	0.4	0.8	0.5	0.8	0.4	0.8
Number of Forecasts	13	10	10	5	10	13	11	11	9
<b>Other Forecasts</b>									
EC (Nov. '14)	1.7	2.0	4.2	na	23.5	0.5	0.7	-4.6	101.2
IMF (Oct. '14)	1.7	1.6	2.4	na	23.5	0.6	0.4	na	na
OECD (Nov. '14)	1.7	1.9	3.6	na	23.1	0.1	0.8	-4.4	99.5

### Spain: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	-0.2	0.1	-1.6	-1.2
<b>Private Consumption</b>	0.2	-1.2	-2.8	-2.1
<b>Gross Fixed Investment</b>	-5.5	-5.4	-7.0	-5.1
<b>Industrial Production</b>	0.9	-1.4	-6.0	-1.7
<b>Unemploy. Rate, % of L.F.</b>	20.1	21.7	25.0	26.4
<b>Consumer Prices</b>	2.0	3.1	2.4	1.5
<b>Current Acc., % of GDP</b>	-4.4	-4.0	-1.2	0.7
<b>Budget Bal., % of GDP</b>	-9.4	-9.4	-10.3	-6.8
<b>Public Debt, % of GDP</b>	60.1	69.2	84.4	92.1

Source: ECB; Eurostat; national statistical office

### Spain: Background Information

<b>Prime Minister:</b>	Mariano Rajoy
<b>Government:</b>	Popular Party
<b>Next Election:</b>	2015 (parliamentary)
<b>Capital City:</b>	Madrid
<b>Economic Freedom:</b>	49th out of 178 countries
<b>Doing Business:</b>	52nd out of 189 countries
<b>Competitiveness:</b>	35th out of 144 countries
<b>Corruption:</b>	37th out of 175 countries
<b>Corporate Tax Rate:</b>	30.0% (national rate) variable (local rate) 30.0%/21.0% (branch rate)

Note: Reduced rate for SMEs.

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

### Forecasts For Other Euro-Zone Countries<sup>1</sup>

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Austria	EC	0.7	1.2	1.5	1.7	2.4	2.7	-2.9	-1.8	87.0	86.1
	IMF	1.0	1.9	1.7	1.7	3.0	3.2	na	na	na	na
	OECD	0.5	0.9	1.5	1.6	1.6	1.7	-3.0	-2.2	86.1	85.1
Belgium	EC	0.9	0.9	0.6	0.9	-0.3	-0.5	-3.0	-2.8	105.8	107.3
	IMF	1.0	1.4	0.7	1.0	-1.3	-1.0	na	na	na	na
	OECD	1.0	1.4	0.6	0.7	0.2	0.6	-2.9	-2.1	106.1	106.4
Cyprus	EC	-2.8	0.4	-0.2	0.7	-1.2	-0.6	-3.0	-3.0	107.5	115.2
	IMF	-3.2	0.4	0.0	0.7	-1.1	-0.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	2.0	0.7	1.6	-2.8	-3.1	-0.4	-0.6	9.9	9.6
	IMF	1.2	2.5	0.8	1.4	-2.2	-2.4	na	na	na	na
	OECD	2.0	2.4	0.5	0.9	0.1	0.0	-0.3	-0.3	9.5	8.8
Greece	EC	0.6	2.9	-1.0	0.3	-2.8	-2.5	-1.6	-0.1	175.5	168.8
	IMF	0.6	2.9	-0.8	0.3	0.7	0.1	na	na	na	na
	OECD	0.8	2.3	-1.0	-0.7	1.2	1.0	-1.0	-0.5	176.1	174.3
Ireland	EC	4.6	3.6	0.4	0.9	5.5	5.5	-3.7	-2.9	110.5	109.4
	IMF	3.6	3.0	0.6	0.9	3.3	2.4	na	na	na	na
	OECD	4.3	3.3	0.2	0.5	5.2	6.0	-3.7	-2.9	111.0	109.4
Luxembourg	EC	3.0	2.4	1.0	2.1	5.2	5.2	0.2	-0.4	23.0	24.3
	IMF	2.7	1.9	1.1	2.1	5.1	4.0	na	na	na	na
	OECD	3.1	2.2	0.9	1.2	5.1	4.0	0.9	0.2	24.4	25.9
Malta	EC	3.0	2.9	0.7	1.5	2.5	2.5	-2.5	-2.6	71.0	71.0
	IMF	2.2	2.2	1.0	1.2	0.3	0.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	0.9	1.3	0.0	0.6	-0.2	0.1	-4.9	-3.3	127.7	125.1
	IMF	1.0	1.5	0.0	1.1	0.6	0.8	na	na	na	na
	OECD	0.8	1.3	-0.2	0.2	-0.4	0.4	-4.9	-2.9	127.2	128.1
Slovakia	EC	2.4	2.5	-0.1	0.7	0.5	0.2	-3.0	-2.6	54.1	54.9
	IMF	2.4	2.7	0.1	1.3	1.9	2.2	na	na	na	na
	OECD	2.6	2.8	0.0	1.0	0.9	1.1	-2.9	-2.6	54.4	54.6
Slovenia	EC	2.4	1.7	0.4	1.0	6.2	6.1	-4.4	-2.9	82.2	82.9
	IMF	1.4	1.4	0.5	1.0	5.9	5.8	na	na	na	na
	OECD	2.1	1.4	0.4	0.6	5.4	6.0	-4.4	-2.9	74.4	77.0

<sup>1</sup> 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 (Nov'14); IMF - International Monetary Fund (Oct'14); OECD - Organisation for Economic Cooperation & Dev (Nov'14).

#### 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
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

#### Other Euro Users

Andorra, Kosovo, Monaco, Montenegro, San Marino, Vatican City  
Sources: Eurostat, The Times; PRB; MJE

#### Euro Zone: Election Timetable

Date	Country	Type
March 2015	Estonia	Parliamentary
March 2015	Finland	Parliamentary
October 2015	Portugal	Parliamentary
December 2015	Spain	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
April 2016	Ireland	Parliamentary
May 2016	Cyprus	Legislative
September 2016	Netherlands	Parliamentary
December 2016	Greece	Parliamentary
2017	Germany	Presidential
2017	France	Presidential
2017	France	Parliamentary
2017	Slovenia	Presidential
2018	Italy	Parliamentary
2018	Cyprus	Presidential
2018	Finland	Presidential

Sources: IFES Election Guide; MJE

## Notes, Sources and Definitions

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

<sup>2</sup> 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 (1/100<sup>th</sup> 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

<b><u>Variable</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
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

## Membership Form Single User Licence

I would like to sign up for Membership to the MJEconomics website for a 12 month period. I understand that this entitles me to receive a copy of Euro Zone Barometer every month by e-mail in PDF format, along with the preliminary survey results rushed out in advance by e-mail in Excel format. Membership also provides access to all MJEconomics files and any additional information provided by third-party providers for personal use in the members' area of the website (including our sister publication Nordic Barometer). By submitting this form, I agree to be bound by the terms and conditions of Membership of MJEconomics. These state that all material in the Members' Area is copyright of MJEconomics and may be downloaded and used only by me, the paying subscriber. I agree not to reproduce, re-transmit, distribute, publish, sell or broadcast to other persons without the express permission of MJEconomics.

**Membership cost:** €425, £335, or \$529 per user per year.

**Please fill out the details below and return the entire page to us (we will invoice you for payment)**

Name..... Position.....

Organisation..... Department.....

Address.....

City..... Post/Zip Code.....

Country.....

e-mail address.....

(Please print clearly, confirmation of your subscription will be sent by e-mail)

Telephone..... Fax.....

**Value-Added Tax is levied on electronic distribution to all EU subscribers. If you are resident in the EU, but not in the UK, you may prefer not to pay VAT by filling out your VAT registration number below:**

.....

Signature..... Date.....

**Mail this form to: MJEconomics, 1 Seagrave Close, Kingsmead, CW9 8UR, UK, or you can request membership directly via our website at: [www.mjeconomics.com](http://www.mjeconomics.com)**

### **Finally, contact us:**

- If you would like to distribute our work to a wider audience via site licence;
- If you would like information about consultancy work undertaken by MJEconomics;
- If you would like information about our annual **country risk reports** and/or monthly **country risk updates** covering over 180 countries worldwide (sample copies available).