

Euro Zone Barometer© - December 2016

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

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Survey Deadline: December 19th, 2016

A Risky Year Ahead

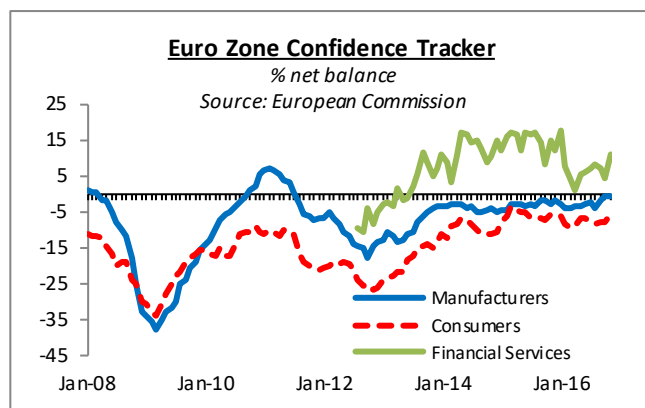
- **Season’s Greetings!** This is our final survey of 2016 - a year in which the euro zone continued to grow, but at a slower pace as exports and investment growth decelerated, inflation began to pick up towards the end of the year, buoyed by oil prices, and unemployment rates and fiscal balances improved.
- It is also a year that ended with policymakers staring at **more uncertainty in prospect for 2017**, with elections taking place across the region – notably in the Netherlands (March), France (April/May, and June) and in Germany (October).
- Added to that there are **many concerns** surrounding the impact of Brexit on the region, which will take several years to fully resolve, along with the recurring problem of the Greek debt crisis and the health of Italian banks.
- **Next month**, in our first survey of 2017, the short-term forecast horizon will, as usual, shift forward a year to include detailed projections for 2018 for the first time, along with forecasts for 2017. Our survey contributors will also be asked to review their long-term, five-year forecasts, which will extend out a year to 2021.



**Next Month's Survey Deadline:
January 16th, 2017**

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Outlook for 2017

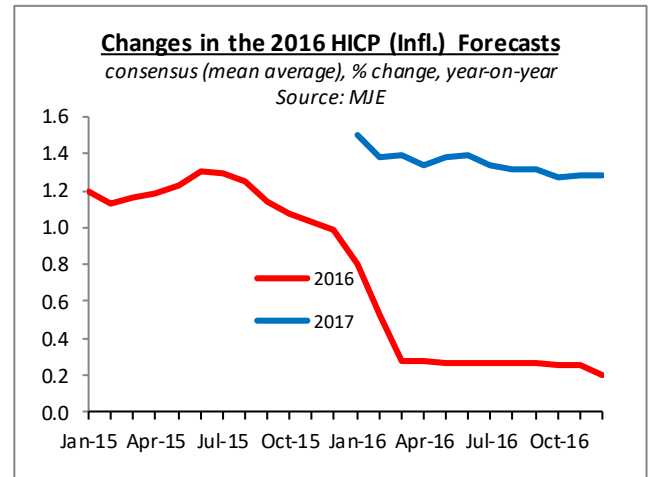
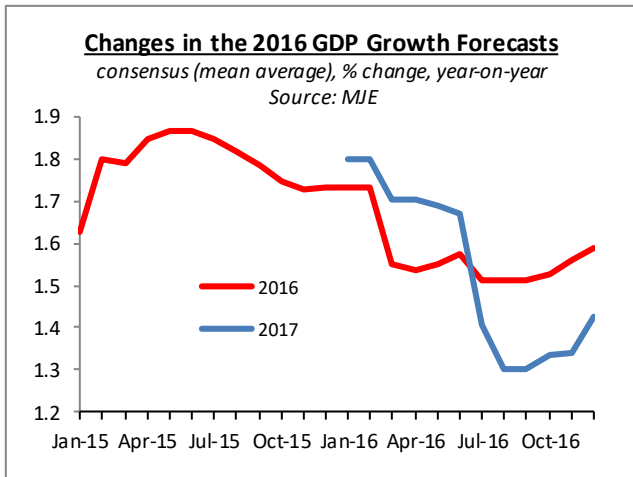
- Forecasters have become slightly more optimistic with regards to prospects for GDP growth in 2017. This means the consensus (mean average) forecast has increased from 1.3% last month to 1.4%, although it still shows the economy losing momentum compared to this year.
- Forecasts for government consumption and investment growth in 2017 have been raised, but the outlook for trade – both goods and services exports and imports - is worse, partly due to Brexit.
- Slightly stronger GDP growth also means a better picture for the unemployment rate, which is predicted to fall to 9.7%, extending the improvement to four years.
- The inflation outlook is meanwhile unchanged, signalling there is little prospect of any large rise in commodity prices, or of the exchange rate boosting import prices given ample spare capacity and competitive pressures preventing producers and retailers from passing on any cost increases.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016f</u>	<u>2017f</u>
Gross Domestic Product	-0.8	-0.3	1.1	2.0	1.6	1.4
Private Consumption	-1.2	-0.6	0.8	1.8	1.7	1.4
Government Consumption	-0.1	0.2	0.6	1.4	1.8	1.4
Gross Fixed Investment	-3.6	-2.4	1.5	3.1	2.7	2.3
Change in Stocks (Inventories)¹	-0.9	0.2	0.2	-0.1	-0.1	0.0
Goods and Services Exports	2.7	2.2	4.4	6.3	2.4	2.9
Goods and Services Imports	-0.8	1.5	4.8	6.3	3.1	3.5
Net Exports²	1.5	0.4	0.0	0.2	-0.2	-0.1
Industrial Production (ex. construction)	-2.4	-0.7	0.9	2.0	1.1	1.3
Retail Sales Volume	-0.6	-0.6	1.4	2.7	1.7	1.5
Unemployment Rate, % of labour force	11.4	12.0	11.6	10.9	10.1	9.7
Money Supply, M3, end period, % change	3.5	1.0	3.8	4.5	4.5	4.3
Harmonised Index of Consumer Prices	2.5	1.4	0.4	0.0	0.2	1.3
Producer Prices	2.8	-0.2	-1.5	-2.7	-2.6	1.6
Nominal Labour Costs	2.0	1.4	1.3	1.6	1.4	1.4
Current Account Balance, annual total, €bn	184.5	248.4	303.0	333.7	335.5	316.4
Current Account Balance, % of GDP	1.9	2.5	3.0	3.2	3.2	3.0
General Govt Budget Balance, % of GDP	-3.7	-3.0	-2.6	-2.1	-1.9	-1.7
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.29	0.08	-0.13	-0.30	-0.23
10 Year German Bond Yield, % per annum	1.32	1.94	0.54	0.63	0.29	0.78
US\$ per € Exchange Rate	1.318	1.378	1.210	1.091	1.061	1.054

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



Early indications suggest the euro zone economy produced stronger GDP growth during the final months of 2016, with businesses raising their prices at a rate not seen in more than five years, albeit driven by the mini-revival in oil prices reaching \$55/barrel. The IHS Markit composite purchasing managers' index was unchanged at 53.9 in December, remaining above the 50-mark distinguishing expansion from contraction. On that basis, it seems most likely the economy grew by 0.4% on a quarterly, real-terms basis in Q4 2016 following the 0.3% increases recorded for both Q2 and Q3.

The labour market is slowly tightening according to the latest figures from Eurostat showing a decline in the regional average, seasonally-adjusted (harmonised) unemployment rate to 9.8% in October. Unemployment is still uncomfortably high in many of the member states, notably affecting younger workers below 25 years of age, but is falling in most countries as economic growth improves employment opportunities. Meanwhile, the harmonised index of consumer prices rose at the faster pace of 0.6% y/y in November, which will be welcomed by the ECB as it tries to meet its target rate of 2%.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.3	1.6	2.0	2.0
Private Consumption	1.6	1.7	2.1	2.0
Industrial Production	1.6	1.4	2.0	1.3
Harmonised Index of Consumer Prices	-0.3	0.2	0.1	0.2
3 month Interest Rate, % per annum, end period	0.02	-0.02	-0.04	-0.13
10 Year Bond Yield, % per annum, end period	0.16	0.76	0.70	0.63
	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.7	1.7	1.5
Private Consumption	2.2	2.1	1.6	1.6
Industrial Production	1.3	0.9	1.1	1.2
Harmonised Index of Consumer Prices	0.0	-0.1	0.3	0.7
3 month Interest Rate, % per annum, end period	-0.24	-0.29	-0.30	-0.30
10 Year Bond Yield, % per annum, end period	0.10	-0.13	-0.12	0.29
	Q1'17	Q2'17	Q3'17	Q4'17
Gross Domestic Product	1.4	1.5	1.5	1.5
Private Consumption	1.4	1.5	1.6	1.6
Industrial Production	1.0	1.7	1.7	1.9
Harmonised Index of Consumer Prices	1.3	1.3	1.4	1.4
3 month Interest Rate, % per annum, end period	-0.30	-0.29	-0.24	-0.12
10 Year Bond Yield, % per annum, end period	0.41	0.43	0.53	0.78

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

Euro Zone - Forecasts for 2016

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.6	na	na	na	na	na	na	na
Allianz SE	1.6	1.7	1.9	2.8	na	2.4	3.1	na
BBVA	1.6	1.7	1.5	3.0	0.2	2.9	4.1	-0.4
BNP Paribas	1.5	1.6	1.7	2.0	-0.1	2.1	2.4	na
Commerzbank	1.6	1.7	2.0	2.9	na	2.4	3.1	-0.2
Danske Bank	1.6	1.5	1.7	3.3	na	2.5	3.0	na
DZ Bank	1.5	1.5	1.9	2.9	na	2.4	3.1	na
Econ Intelligence Unit	1.7	1.7	1.9	2.5	na	2.6	3.2	-0.1
ETLA	1.7	1.8	1.4	2.5	na	na	4.8	na
HSBC	1.5	1.6	1.9	2.1	-0.1	2.3	2.8	na
IHS Markit Economics	1.4	1.7	2.0	2.6	na	2.5	2.8	-0.1
J P Morgan Chase	1.6	1.6	1.8	3.3	-0.2	2.4	2.9	-0.1
MainSky Asset Management	1.6	1.6	2.0	2.0	-0.2	2.6	2.5	0.1
Morgan Stanley	1.6	1.6	1.8	3.0	-0.1	2.5	3.0	-0.2
Nordea	1.6	1.7	2.0	2.8	na	2.2	3.0	-0.5
Nykredit	1.5	na	na	na	na	na	na	na
Oxford Economics	1.7	1.7	1.9	2.8	0.0	2.3	3.0	-0.2
Raiffeisen Bank Intl	1.6	1.7	2.0	2.9	na	2.5	3.3	na
Santander	1.5	1.6	1.7	2.0	na	2.5	2.8	0.0
SEB	1.8	1.8	1.7	3.5	0.0	2.5	3.3	na
UBS	1.6	1.6	1.8	3.1	-0.1	2.4	3.1	-0.2
UniCredit Bank	1.6	1.7	1.9	2.8	-0.1	2.3	3.0	-0.2
Consensus (Mean)	1.6	1.7	1.8	2.7	-0.1	2.4	3.1	-0.2
Last Month	1.6	1.6	1.7	2.7	-0.1	2.6	3.2	-0.1
2 Months Ago	1.5	1.6	1.7	2.4	0.0	2.6	3.2	-0.2
Median	1.6	1.7	1.9	2.8	-0.1	2.4	3.0	-0.2
High	1.8	1.8	2.0	3.5	0.2	2.9	4.8	0.1
Low	1.4	1.5	1.4	2.0	-0.2	2.1	2.4	-0.5
Standard Deviation	0.1	0.1	0.2	0.4	0.1	0.2	0.5	0.2
Number of Forecasts	22	20	20	20	10	19	20	12
Other Forecasts								
ECB (December '16)	1.7	1.7	2.0	3.0	na	2.7	3.3	na
EC (November '16)	1.7	1.7	1.9	3.3	-0.1	2.7	3.2	-0.1
IMF (October '16)	1.7	1.6	1.7	2.9	-0.1	na	na	0.0
OECD (November '16)	1.7	1.6	1.8	3.0	-0.1	na	na	-0.1

Euro Zone - Forecasts for 2016

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										
ABN Amro	na	na	10.1	na	0.2	na	na	na	2.9	-1.9
Allianz SE	1.2	na	10.1	na	0.2	-2.4	na	341.5	3.2	-1.7
BBVA	na	na	10.1	na	0.2	na	na	na	3.4	-1.9
BNP Paribas	0.7	na	10.1	na	0.2	-2.9	na	307.8	2.9	-2.1
Commerzbank	1.2	na	10.1	4.5	0.2	na	1.3	280.0	2.6	-1.8
Danske Bank	na	na	10.1	na	0.2	na	na	na	3.7	-1.8
DZ Bank	na	na	10.1	na	0.2	na	na	na	3.4	-2.0
Econ Intelligence Unit	1.3	na	na	na	0.2	-2.9	na	434.3	4.1	-1.8
ETLA	1.1	na	10.1	na	0.2	na	na	na	na	na
HSBC	0.7	na	10.0	na	0.1	na	1.4	na	2.8	-2.0
IHS Markit Economics	1.3	1.6	10.1	na	0.2	-2.4	1.4	340.0	3.2	-1.8
J P Morgan Chase	1.2	na	10.0	na	0.2	na	na	357.7	3.3	-1.8
MainSky Asset Management	na	na	10.1	na	0.2	na	na	na	na	-2.0
Morgan Stanley	na	na	10.1	na	0.2	na	na	288.5	2.8	-2.0
Nordea	na	na	10.1	na	0.2	na	na	na	3.7	-1.8
Nykredit	na	na	na	na	na	na	na	na	na	na
Oxford Economics	1.2	1.8	10.1	na	0.2	-2.3	na	339.0	3.2	-1.8
Raiffeisen Bank Intl	na	na	10.1	na	0.2	na	na	351.5	3.3	-1.8
Santander	na	na	10.1	na	0.3	na	na	307.2	2.9	-1.9
SEB	na	na	10.1	na	0.2	na	na	na	na	na
UBS	na	na	10.3	na	0.2	na	na	342.6	3.2	-2.0
UniCredit Bank	na	na	10.1	na	0.2	na	na	na	3.5	-1.8
Consensus (Mean)	1.1	1.7	10.1	4.5	0.2	-2.6	1.4	335.5	3.2	-1.9
Last Month	1.2	1.8	10.1	4.8	0.3	-2.6	1.4	333.0	3.2	-1.9
2 Months Ago	1.2	1.7	10.1	4.7	0.3	-2.7	1.4	348.4	3.2	-1.9
Median	1.2	1.7	10.1	4.5	0.2	-2.4	1.4	340.0	3.2	-1.8
High	1.3	1.8	10.3	4.5	0.3	-2.3	1.4	434.3	4.1	-1.7
Low	0.7	1.6	10.0	4.5	0.1	-2.9	1.3	280.0	2.6	-2.1
Standard Deviation	0.2	0.1	0.1	na	0.0	0.3	0.1	41.8	0.4	0.1
Number of Forecasts	9	2	20	1	21	5	3	11	18	19
Other Forecasts										
ECB (December '16)	na	na	10.0	na	0.2	na	na	na	3.2	-1.8
EC (November '16)	na	na	10.1	na	0.3	na	na	397.7	3.7	-1.8
IMF (October '16)	na	na	10.0	na	0.3	na	na	na	3.4	na
OECD (November '16)	na	na	10.0	na	0.2	na	na	na	4.1	-1.8

Euro Zone - Forecasts for 2017

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.4	na	na	na	na	na	na	na
Allianz SE	1.6	1.5	1.4	2.7	na	2.9	3.3	na
BBVA	1.5	1.4	1.1	2.7	0.0	3.0	3.4	-0.1
BNP Paribas	1.1	1.1	1.1	1.4	0.0	2.5	3.0	na
Commerzbank	1.5	1.7	1.7	3.0	na	3.5	5.1	-0.6
Danske Bank	1.5	1.0	1.1	2.9	na	3.3	3.3	na
DZ Bank	1.2	1.1	1.5	2.2	na	3.1	3.9	na
Econ Intelligence Unit	1.4	1.4	1.3	1.7	na	3.0	3.2	0.0
ETLA	1.5	1.7	1.3	2.7	na	na	4.5	na
HSBC	1.0	1.2	1.6	1.5	0.0	2.6	3.7	na
IHS Markit Economics	1.7	1.3	1.4	1.5	na	2.7	2.5	0.1
J P Morgan Chase	1.5	1.5	1.3	2.8	-0.1	2.3	2.7	-0.1
MainSky Asset Management	1.5	1.6	1.9	1.5	0.0	2.1	2.7	-0.2
Morgan Stanley	1.4	1.2	1.3	2.4	-0.2	3.6	3.6	0.2
Nordea	1.3	1.4	1.0	2.5	na	1.7	2.4	-0.2
Nykredit	1.6	na	na	na	na	na	na	na
Oxford Economics	1.5	1.4	1.2	2.4	0.1	2.5	2.9	-0.1
Raiffeisen Bank Intl	1.5	1.4	1.8	3.1	na	4.0	5.0	na
Santander	1.3	1.2	1.0	1.7	na	3.9	4.1	0.0
SEB	1.6	1.6	1.3	3.2	0.0	3.9	4.7	na
UBS	1.3	1.3	1.4	1.4	0.0	2.7	3.0	0.0
UniCredit Bank	1.5	1.3	1.5	2.5	0.1	2.4	2.9	-0.1
Consensus (Mean)	1.4	1.4	1.4	2.3	0.0	2.9	3.5	-0.1
Last Month	1.3	1.4	1.3	2.2	0.0	3.1	3.7	-0.2
2 Months Ago	1.3	1.4	1.3	2.1	-0.1	3.1	3.8	-0.1
Median	1.5	1.4	1.3	2.5	0.0	2.9	3.3	-0.1
High	1.7	1.7	1.9	3.2	0.1	4.0	5.1	0.2
Low	1.0	1.0	1.0	1.4	-0.2	1.7	2.4	-0.6
Standard Deviation	0.2	0.2	0.3	0.6	0.1	0.6	0.8	0.2
Number of Forecasts	22	20	20	20	10	19	20	12
Other Forecasts								
ECB (December '16)	1.7	1.5	1.3	3.1	na	3.7	4.1	na
EC (November '16)	1.5	1.4	1.3	3.1	-0.1	3.3	4.0	-0.1
IMF (October '16)	1.5	1.5	1.1	2.5	0.0	na	na	0.0
OECD (November '16)	1.6	1.4	1.3	2.5	0.0	na	na	0.0

Euro Zone - Forecasts for 2017

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
ABN Amro	na	na	9.7	na	1.2	na	na	na	2.8	-1.7
Allianz SE	1.9	na	9.6	na	1.5	2.0	na	305.0	2.8	-1.5
BBVA	na	na	9.7	na	1.4	na	na	na	3.2	-1.8
BNP Paribas	-0.2	na	9.9	na	1.0	0.9	na	287.5	2.7	-1.9
Commerzbank	1.6	na	9.7	4.3	1.1	na	1.3	280.0	2.5	-1.5
Danske Bank	na	na	9.6	na	1.2	na	na	na	3.5	-1.5
DZ Bank	na	na	10.1	na	1.1	na	na	na	3.2	-1.6
Econ Intelligence Unit	1.3	na	9.4	na	1.2	1.4	na	372.0	3.4	-1.6
ETLA	1.5	na	9.7	na	1.2	na	na	na	na	na
HSBC	0.9	na	10.0	na	1.1	na	1.3	na	2.5	-2.1
IHS Markit Economics	1.5	1.5	9.7	na	1.5	1.9	1.6	320.0	3.0	-1.8
J P Morgan Chase	1.8	na	9.5	na	1.4	na	na	351.9	3.2	-1.7
MainSky Asset Management	na	na	9.5	na	1.1	na	na	na	na	-1.8
Morgan Stanley	na	na	9.9	na	1.5	na	na	295.6	2.9	-1.9
Nordea	na	na	9.5	na	1.1	na	na	na	3.5	-1.5
Nykredit	na	na	na	na	1.3	na	na	na	na	na
Oxford Economics	1.2	1.4	9.5	na	1.5	1.8	na	275.8	2.5	-1.5
Raiffeisen Bank Intl	1.9	na	9.4	na	1.5	na	na	361.9	3.3	-1.5
Santander	na	na	9.6	na	1.3	na	na	300.0	2.7	-1.6
SEB	na	na	9.6	na	1.1	na	na	na	na	na
UBS	na	na	10.0	na	1.4	na	na	330.8	3.0	-1.7
UniCredit Bank	na	na	9.7	na	1.5	na	na	na	3.3	-1.8
Consensus (Mean)	1.3	1.5	9.7	4.3	1.3	1.6	1.4	316.4	3.0	-1.7
Last Month	1.4	1.5	9.8	4.3	1.3	1.6	1.4	313.2	3.0	-1.8
2 Months Ago	1.4	1.5	9.8	4.3	1.3	1.5	1.5	328.0	2.9	-1.8
Median	1.5	1.5	9.7	4.3	1.3	1.8	1.3	305.0	3.0	-1.7
High	1.9	1.5	10.1	4.3	1.5	2.0	1.6	372.0	3.5	-1.5
Low	-0.2	1.4	9.4	4.3	1.0	0.9	1.3	275.8	2.5	-2.1
Standard Deviation	0.6	0.1	0.2	na	0.2	0.5	0.2	33.6	0.3	0.2
Number of Forecasts	10	2	21	1	22	5	3	11	18	19
Other Forecasts										
ECB (December '16)	na	na	9.5	na	1.3	na	na	na	3.1	-1.6
EC (November '16)	na	na	9.7	na	1.4	na	na	383.5	3.5	-1.5
IMF (October '16)	na	na	9.7	na	1.1	na	na	na	3.1	na
OECD (November '16)	na	na	9.5	na	1.2	na	na	na	4.0	-1.5

Financial Forecasts			
<i>All forecasts are for end year</i>		2016	2017
3-month Euribor Interest Rate, %	Mean Average	-0.30	-0.23
Rate on Survey Date: -0.31	High	-0.30	0.00
	Low	-0.32	-0.32
	Standard deviation	0.01	0.11
	Number of Forecasts	10	12
10-year Benchmark German Bond Yield, %	Mean Average	0.29	0.78
Rate on Survey Date: 0.27	High	0.40	1.40
	Low	0.15	0.30
	Standard deviation	0.10	0.39
	Number of Forecasts	6	8
US Dollars/Euro Exchange Rate	Mean Average	1.061	1.054
Rate on Survey Date: 1.038	High	1.112	1.130
	Low	1.030	0.960
	Standard deviation	0.025	0.050
	Number of Forecasts	18	19
Japanese Yen/Euro Exchange Rate	Mean Average	118.4	120.6
Rate on Survey Date: 122.6	High	120.0	125.0
	Low	116.6	111.3
	Standard deviation	1.4	4.5
	Number of Forecasts	8	9
UK Pound/Euro Exchange Rate	Mean Average	0.857	0.885
Rate on Survey Date: 0.840	High	0.890	1.000
	Low	0.830	0.791
	Standard deviation	0.020	0.065
	Number of Forecasts	9	10
Swedish Krona/Euro Exchange Rate	Mean Average	9.793	9.501
Rate on Survey Date: 9.728	High	10.000	10.200
	Low	9.470	8.951
	Standard deviation	0.131	0.355
	Number of Forecasts	13	13
Swiss Franc/Euro Exchange Rate	Mean Average	1.082	1.089
Rate on Survey Date: 1.069	High	1.090	1.120
	Low	1.076	1.000
	Standard deviation	0.005	0.038
	Number of Forecasts	8	8
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	54.7	55.7
Rate on Survey Date: 55.2	High	57.0	68.0
	Low	50.5	48.0
	Standard deviation	1.7	5.3
	Number of Forecasts	11	16

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

Interest Rate Data

All data are period averages

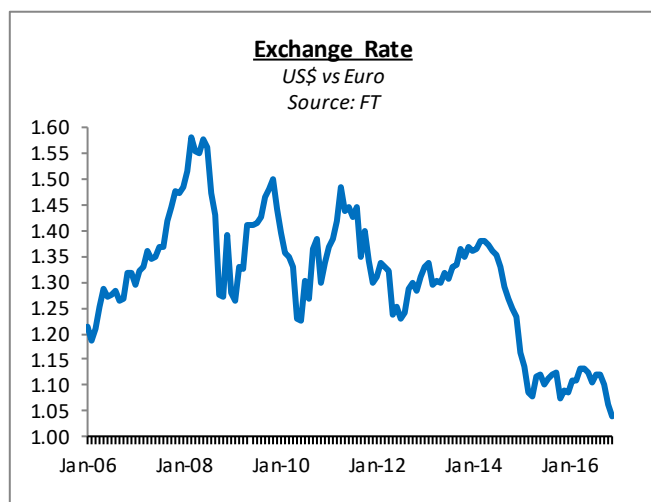
<u>Euro Zone Money Market Rates, %</u>	<u>Apr'16</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Overnight	-0.34	-0.34	-0.33	-0.33	-0.34	-0.34
1-month	-0.34	-0.35	-0.36	-0.37	-0.37	-0.37
3-month	-0.25	-0.26	-0.27	-0.29	-0.30	-0.30
6-month	-0.14	-0.14	-0.16	-0.19	-0.19	-0.20
12-month	-0.01	-0.01	-0.03	-0.06	-0.05	-0.06
10-year bond yields	0.96	0.97	0.88	0.62	0.61	0.74
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.86	0.76	0.54	0.49	0.53	0.56
United States	1.28	1.17	1.03	0.96	0.98	1.00
United Kingdom	1.13	1.03	0.72	0.56	0.48	0.60
<u>3-month LIBOR rates, %</u>						
United States	0.63	0.64	0.65	0.70	0.81	0.85
United Kingdom	-0.02	-0.03	-0.03	-0.03	-0.02	-0.03

Exchange Rate Data

period averages vs euro

	<u>Apr'16</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Trade Weighted Nominal Index * (1999 Q1=100)	94.8	95.1	94.7	94.9	95.2	95.4
Chinese renminbi	7.346	7.386	7.402	7.391	7.454	7.482
Croatian kuna	7.495	7.498	7.520	7.493	7.487	7.500
Czech koruna	27.03	27.03	27.06	27.04	27.03	27.02
Danish krone	7.443	7.439	7.437	7.439	7.441	7.447
Hungarian forint	311.5	314.6	314.0	314.4	310.2	308.7
Japanese yen	124.3	123.2	118.5	115.3	113.5	114.2
Polish zloty	4.311	4.404	4.400	4.396	4.300	4.321
Romanian leu	4.472	4.499	4.523	4.486	4.459	4.450
Swedish krona	9.203	9.295	9.334	9.474	9.491	9.565
Swiss franc	1.093	1.106	1.089	1.087	1.088	1.092
UK pound	0.792	0.778	0.790	0.841	0.855	0.852
US dollar	1.134	1.131	1.123	1.107	1.121	1.121

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



Confidence in the euro has been further undermined in recent days by the Berlin Christmas market attack and the news the Italian government is planning a €20bn rescue package for the banking sector. That follows the recent resignation of Matteo Renzi as Prime Minister in the wake of the referendum in Italy on December 4th rejecting his constitutional reform bill, which is heightening the risk of early elections in 2017, and of Italy possibly withdrawing from the euro should the anti-establishment, eurosceptic Five Star Movement gain power. The euro is down to \$1.035, with the dollar well supported by capital flows anticipating a tightening of monetary policy by the US Federal Reserve next year.

ECB Watch

- The ECB appears to have no intention of lowering its main interest rates any further to spur economic growth and ensure that inflation reaches its 2% target rate. Instead, it is relying on the quantitative easing (QE) programme of asset purchases to achieve these aims. As such, the region's central bank has indicated it plans to extend the QE programme through to at least the end of 2017, which will help to prevent the euro from appreciating.
- However, with the economy now growing and inflation rising, the ECB also intends to taper its QE programme in April 2017, reducing its net asset purchases from €80bn to €60bn, and thus effectively slowly withdrawing the amount of monetary policy stimulus it requires to meet its objectives.

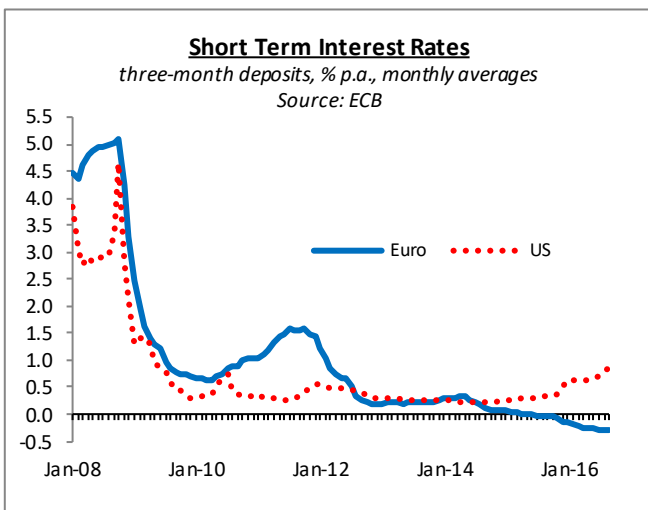
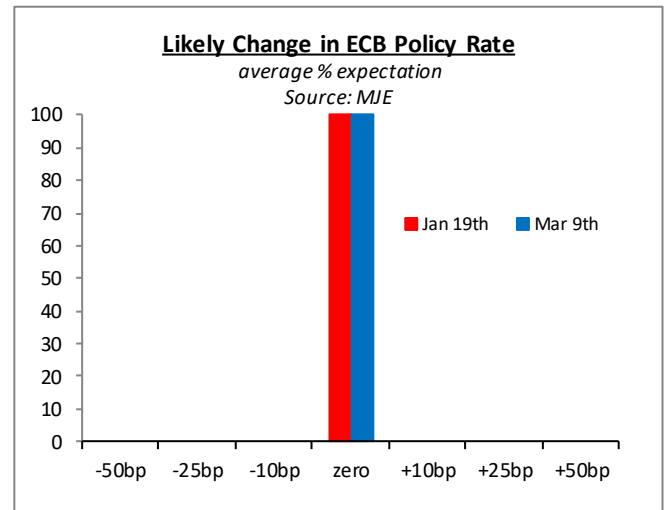
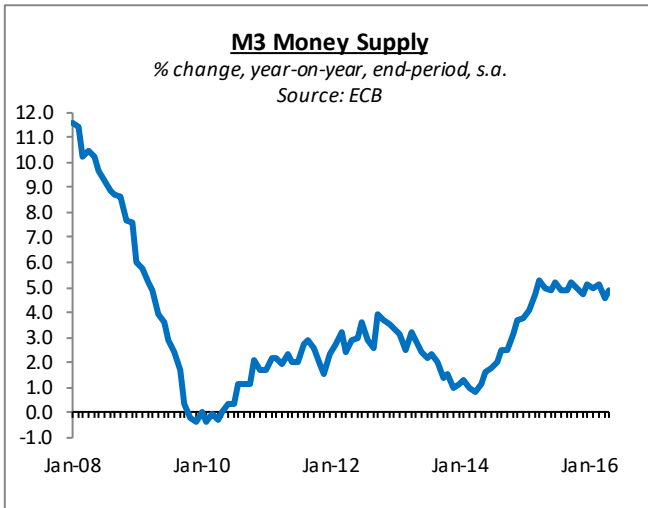
Euro Zone Barometer

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 19th	Mar 9th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
Unchanged	100%	100%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



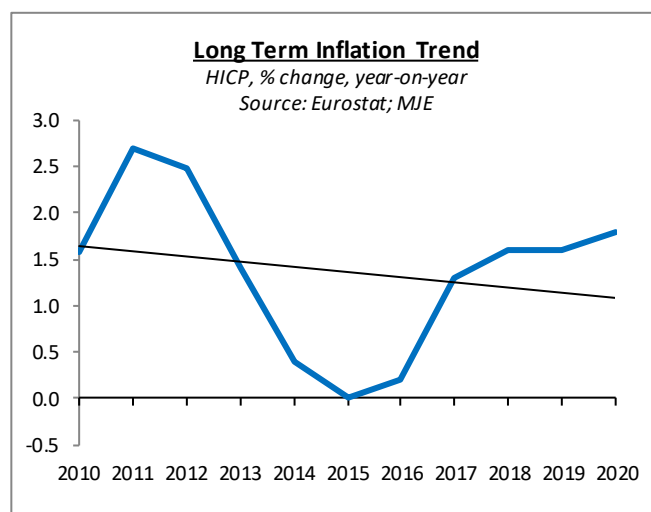
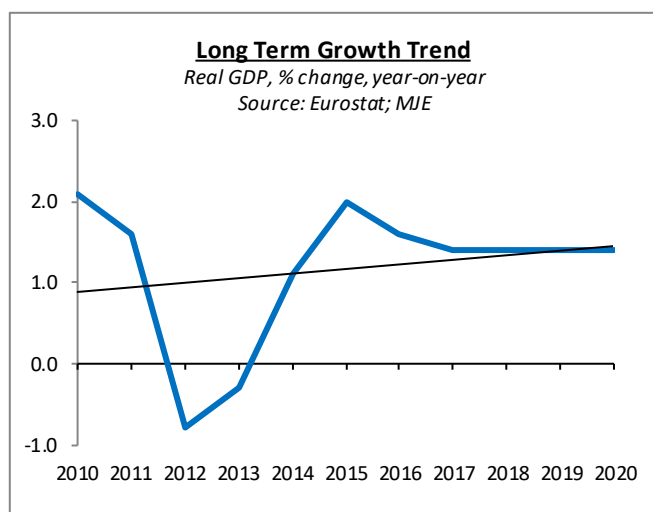
Last Five ECB Interest Rate Changes:

- November 13th, 2013**
Deposit rate held at zero;
Repo rate lowered by 25bps to 0.25%.
- June 11th, 2014**
Deposit rate lowered by 10bps to -0.10%;
Repo rate lowered by 10bps to 0.15%.
- September 10th, 2014**
Deposit rate lowered by 10bps to -0.20%;
Repo rate lowered by 10bps to 0.05%.
- December 9th, 2015**
Deposit rate lowered by 10bps to -0.30%;
Repo rate held at 0.05%.
- March 16th, 2016**
Deposit rate lowered by 10bps to -0.40%;
Repo rate lowered by 5bps to 0.00%.

Long Term Forecasts

Forecasts for 2018 to 2020 are taken from our October 2016 long term forecasts survey

(% change year-on-year, unless otherwise stated)	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Gross Domestic Product	2.0	1.6	1.4	1.4	1.4	1.4
Private Consumption	1.8	1.7	1.4	1.4	1.3	1.4
Gross Fixed Investment	3.1	2.7	2.3	2.2	2.0	2.1
Industrial Production (excl. construction)	2.0	1.1	1.3	1.5	1.6	1.6
Unemployment Rate, % of labour force	10.9	10.1	9.7	9.1	8.9	8.6
Harmonised Index of Consumer Prices	0.0	0.2	1.3	1.6	1.6	1.8
Current Account, annual total, % of GDP	3.2	3.2	3.0	3.0	2.6	2.3
General Government Balance, % of GDP	-2.1	-1.9	-1.7	-1.4	-1.2	-1.1
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.13	-0.30	-0.23	0.26	0.56	0.99
10 Year Bond Yield, % per annum	0.63	0.29	0.78	1.55	2.05	2.45
10 year - 3 month Yield Differential	0.76	0.59	1.01	1.29	1.49	1.46
US\$ per € Exchange Rate	1.091	1.061	1.054	1.109	1.142	1.165



GERMANY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.8	na	na	na	4.2	0.3	8.7	0.5	68.0
Allianz SE	1.9	na	na	na	na	na	na	na	na
BBVA	1.8	1.5	2.3	na	na	0.3	8.9	0.5	67.5
BNP Paribas	1.8	1.5	2.5	1.0	na	0.3	8.2	0.3	68.8
Danske Bank	1.8	1.7	2.1	na	4.3	0.4	9.0	0.6	68.1
DZ Bank	1.8	1.9	2.1	na	na	0.3	9.0	0.4	68.5
Economist Intelligence Unit	1.8	1.7	2.1	1.0	4.2	0.3	8.6	1.0	68.8
HSBC	1.7	1.5	2.3	1.0	na	0.3	8.5	0.0	68.5
IHS Markit Economics	1.8	1.8	2.0	1.3	4.2	0.4	9.0	0.6	68.5
J P Morgan Chase	1.7	na	na	na	na	0.3	na	na	na
MainSky Asset Management	1.8	1.7	1.9	na	4.2	0.3	na	0.3	na
Oxford Economics	1.8	1.7	1.9	1.0	4.2	0.3	8.8	0.5	na
Raiffeisen Bank International	1.8	1.3	2.9	na	na	na	9.0	0.2	68.6
Santander	1.8	1.7	2.2	1.1	4.6	0.3	8.5	0.6	68.5
UBS	1.8	1.5	2.1	1.1	na	0.4	8.9	0.2	68.6
UniCredit Bank	1.8	1.8	0.7	na	na	0.4	8.9	0.6	69.0
Consensus (Mean Average)	1.8	1.6	2.1	1.1	4.3	0.3	8.8	0.5	68.5
Last Month	1.8	1.5	2.5	1.1	4.2	0.4	8.6	0.3	68.6
2 Months Ago	1.8	1.5	2.6	1.3	4.4	0.4	8.5	0.4	68.8
Median	1.8	1.7	2.1	1.0	4.2	0.3	8.9	0.5	68.5
High	1.9	1.9	2.9	1.3	4.6	0.4	9.0	1.0	69.0
Low	1.7	1.3	0.7	1.0	4.2	0.3	8.2	0.0	67.5
Standard Deviation	0.0	0.2	0.5	0.1	0.1	0.0	0.3	0.2	0.4
Number of Forecasts	16	13	13	7	7	14	13	14	12
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.4	0.2	na	na	na
EC (May '16)	1.6	2.0	2.5	na	4.6	0.3	8.5	0.2	68.6
IMF (October '16)	1.7	1.5	2.2	na	4.3	0.4	8.6	na	na
OECD (November '16)	1.7	1.4	2.0	na	4.2	0.3	9.2	0.5	68.0

- Deutsche Bundesbank, the German central bank, has raised its estimate of economic growth in 2016 to 1.8%, in line with EZB, but has lowered its prognosis for 2017, to 1.6%, while expecting growth to soften in 2018-19. This pessimism partly reflects the fact higher inflation will erode household disposable incomes and undermine consumer spending.
- However, a strong labour market is still supporting economic growth for now. In October, the harmonised unemployment rate fell to a seasonally-adjusted 4.1%, which is the lowest of any euro zone member state.
- Confidence in the economy remained high leading up to the tragedy in Berlin. The economic sentiment indicator published by the European Commission fell slightly in November, but only to 108.0 from 108.7 in October, which was still higher than at any other point during the year.
- Sentiment among German manufacturers eased off quite considerably with the trading outlook highly uncertain, but confidence in the services sector remained sky-high. Confidence also increased among consumers and retailers.

GERMANY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.6	na	na	na	4.0	1.5	8.4	0.4	66.0
Allianz SE	1.7	na	na	na	na	na	na	na	na
BBVA	1.5	1.4	2.4	na	na	1.6	7.9	0.3	63.9
BNP Paribas	1.3	1.2	1.4	1.3	na	1.1	7.5	0.1	66.8
Danske Bank	1.9	1.4	2.0	na	4.1	1.7	8.7	0.4	65.7
DZ Bank	1.2	1.2	1.2	na	na	1.4	8.2	0.2	66.0
Economist Intelligence Unit	1.4	1.6	1.2	0.8	4.2	1.4	7.8	0.8	66.9
HSBC	1.3	1.4	1.8	1.3	na	1.5	7.9	0.0	66.5
IHS Markit Economics	1.9	1.6	2.0	2.7	4.2	1.8	9.1	0.5	65.5
J P Morgan Chase	1.4	na	na	na	na	1.6	na	na	na
MainSky Asset Management	1.7	1.8	1.1	na	4.0	1.2	na	0.0	na
Oxford Economics	1.5	1.3	1.9	0.9	4.0	1.6	7.1	0.1	na
Raiffeisen Bank International	1.7	1.3	2.1	na	na	1.9	8.5	0.1	66.3
Santander	1.4	1.2	1.8	1.2	4.6	1.4	8.2	0.4	66.5
UBS	1.3	1.4	1.5	0.9	na	1.3	8.4	0.1	66.3
UniCredit Bank	1.5	1.6	2.0	na	na	1.8	8.5	0.0	67.0
Consensus (Mean Average)	1.5	1.4	1.7	1.3	4.2	1.5	8.2	0.2	66.1
Last Month	1.4	1.4	1.7	1.2	4.1	1.5	7.9	0.1	66.3
2 Months Ago	1.4	1.4	1.8	1.3	4.4	1.6	7.8	0.2	66.5
Median	1.5	1.4	1.8	1.2	4.1	1.5	8.2	0.2	66.3
High	1.9	1.8	2.4	2.7	4.6	1.9	9.1	0.8	67.0
Low	1.2	1.2	1.1	0.8	4.0	1.1	7.1	0.0	63.9
Standard Deviation	0.2	0.2	0.4	0.7	0.2	0.2	0.5	0.2	0.8
Number of Forecasts	16	13	13	7	7	15	13	14	12
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.5	1.5	na	na	na
EC (May '16)	1.6	1.4	2.7	na	4.7	1.5	8.3	0.1	66.3
IMF (October '16)	1.4	1.5	1.5	na	4.5	1.5	8.1	na	na
OECD (November '16)	1.7	1.6	1.4	na	4.2	1.4	8.8	0.5	65.0

Germany: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.4	0.3	1.6	1.5
Private Consumption	1.0	0.6	0.9	1.9
Gross Fixed Investment	-0.4	-1.3	3.5	1.1
Industrial Production	-0.3	0.1	1.3	0.9
Unemploy. Rate, % of L.F.	5.4	5.2	5.0	4.6
Consumer Prices	2.1	1.6	0.8	0.1
Current Acc., % of GDP	7.2	6.7	7.8	8.5
Budget Bal., % of GDP	0.0	-0.2	0.3	0.7
Public Debt, % of GDP	79.9	77.5	74.9	71.2

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	October 2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	17th out of 178 countries
Doing Business:	17th out of 190 countries
Competitiveness:	5th out of 138 countries
Corruption:	10th out of 167 countries
Corporate Tax Rate:	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

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

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

FRANCE - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.3	na	na	na	10.2	0.3	-1.9	-3.3	97.0
BBVA	1.2	1.6	na	na	na	0.2	-0.7	-3.3	97.4
BNP Paribas	1.3	1.5	2.6	0.2	9.9	0.4	-0.2	-3.4	96.4
Danske Bank	1.2	1.4	2.8	na	10.2	0.3	-2.1	-3.3	96.4
DZ Bank	1.2	1.4	2.7	na	10.1	0.3	-1.4	-3.5	96.4
Economist Intelligence Unit	1.2	1.4	2.7	0.1	9.6	0.3	-0.9	-3.3	96.7
HSBC	1.3	1.6	2.6	-0.1	10.0	0.3	-0.8	-3.4	96.0
IHS Markit Economics	1.2	1.5	2.6	0.1	10.0	0.3	-1.2	-3.2	97.2
J P Morgan Chase	1.2	na	na	na	na	0.3	na	na	na
MainSky Asset Management	1.2	1.4	2.7	na	na	0.3	na	-3.6	na
Oxford Economics	1.2	1.5	2.7	0.2	10.0	0.3	-1.4	-3.3	na
Raiffeisen Bank International	1.2	na	na	na	na	0.3	0.6	-3.3	96.4
UBS	1.3	1.4	2.7	0.3	na	0.3	-0.6	-3.4	96.4
UniCredit Bank	1.2	1.5	2.7	na	10.0	0.2	-1.9	-3.3	96.2
Consensus (Mean Average)	1.2	1.5	2.7	0.1	10.0	0.3	-1.0	-3.4	96.6
Last Month	1.2	1.5	2.6	0.3	9.9	0.3	-0.8	-3.4	96.6
2 Months Ago	1.3	1.6	2.4	0.3	9.9	0.3	-0.6	-3.2	96.5
Median	1.2	1.5	2.7	0.2	10.0	0.3	-1.1	-3.3	96.4
High	1.3	1.6	2.8	0.3	10.2	0.4	0.6	-3.2	97.4
Low	1.2	1.4	2.6	-0.1	9.6	0.2	-2.1	-3.6	96.0
Standard Deviation	0.0	0.1	0.1	0.1	0.2	0.0	0.8	0.1	0.4
Number of Forecasts	14	11	10	6	9	14	12	13	11
Other Forecasts									
ECB (June '16)	1.4	na	na	na	10.1	0.2	na	na	na
EC (May '16)	1.3	1.5	1.5	na	10.2	0.1	-1.1	-3.4	96.4
IMF (October '16)	1.3	1.6	2.4	na	9.8	0.3	-0.5	na	na
OECD (November '16)	1.2	1.4	2.8	na	9.9	0.3	-1.0	-3.3	97.9

- Political risks linked to the electoral calendar and Brexit are weighing on the French economy. As such, Banque de France (the central bank) has lowered its forecast for real GDP growth next year to 1.3%, which is slightly above the average of our independent panel's forecasts.
- The short-term outlook has brightened somewhat. Retail trade increased in September for a third consecutive quarter, and the unemployment rate – after rising in August – slipped to 9.7% in October on a seasonally-adjusted, EU harmonised basis.
- Industrial production was weak in October, but confidence in the economy has continued to rise, with the European Commission's economic sentiment indicator for November reaching its highest level since January. Consumer confidence remained 'net negative', but has notably improved in line with the labour market.
- However, the presidential elections are creating considerable uncertainty over policymaking in terms of how hard the various candidates would push austerity and reforms.

FRANCE - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.3	na	na	na	9.9	1.3	-2.2	-2.9	97.0
BBVA	1.3	1.5	na	na	na	1.3	-0.8	-2.7	97.5
BNP Paribas	1.0	1.1	1.7	1.0	9.8	1.2	-0.4	-3.1	96.4
Danske Bank	1.0	0.8	2.1	na	10.1	1.1	-2.3	-2.9	96.8
DZ Bank	1.0	1.0	1.2	na	9.9	1.0	-0.2	-3.1	97.1
Economist Intelligence Unit	1.1	1.2	1.4	1.1	9.1	1.1	-1.0	-2.9	97.0
HSBC	1.0	0.8	0.8	-0.2	10.1	0.9	-1.2	-3.3	97.5
IHS Markit Economics	1.0	1.0	0.8	0.8	9.8	1.4	-1.3	-3.0	98.4
J P Morgan Chase	1.1	na	na	na	na	1.1	na	na	na
MainSky Asset Management	1.2	1.1	1.7	na	na	0.9	na	-3.5	na
Oxford Economics	1.5	1.5	2.1	1.3	9.6	1.4	-1.8	-2.8	na
Raiffeisen Bank International	1.3	na	na	na	na	1.1	0.3	-2.9	96.8
UBS	1.3	1.4	1.2	1.0	na	1.4	-0.4	-3.1	97.0
UniCredit Bank	1.2	1.1	1.9	na	9.9	1.3	-2.1	-3.1	96.1
Consensus (Mean Average)	1.2	1.1	1.5	0.8	9.8	1.2	-1.1	-3.0	97.1
Last Month	1.1	1.1	1.4	0.9	9.8	1.1	-0.8	-3.2	97.2
2 Months Ago	1.1	1.2	1.5	1.3	9.7	1.2	-0.7	-3.0	97.1
Median	1.2	1.1	1.6	1.0	9.9	1.2	-1.1	-3.0	97.0
High	1.5	1.5	2.1	1.3	10.1	1.4	0.3	-2.7	98.4
Low	1.0	0.8	0.8	-0.2	9.1	0.9	-2.3	-3.5	96.1
Standard Deviation	0.2	0.2	0.5	0.5	0.3	0.2	0.9	0.2	0.6
Number of Forecasts	14	11	10	6	9	14	12	13	11
Other Forecasts									
ECB (June '16)	1.5	na	na	na	10.0	1.1	na	na	na
EC (May '16)	1.7	1.4	4.0	na	10.1	1.0	-1.0	-3.2	97.0
IMF (October '16)	1.3	1.4	1.7	na	9.6	1.0	-0.4	na	na
OECD (November '16)	1.3	1.2	2.3	na	9.7	1.2	-0.8	-3.0	99.4

France: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.2	0.7	0.2	1.1
Private Consumption	-0.2	0.4	0.6	1.4
Gross Fixed Investment	0.2	-0.6	-1.2	-0.1
Industrial Production	-2.6	-0.5	-1.1	1.3
Unemploy. Rate, % of L.F.	9.8	10.3	10.3	10.4
Consumer Prices	2.2	1.0	0.6	0.1
Current Acc., % of GDP	-2.9	-2.6	-2.3	-0.1
Budget Bal., % of GDP	-4.8	-4.0	-4.0	-3.5
Public Debt, % of GDP	89.5	92.3	95.3	96.2

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	April/May 2017 (presidential)
Capital City:	Paris
Economic Freedom:	75th out of 178 countries
Doing Business:	29th out of 190 countries
Competitiveness:	21st out of 138 countries
Corruption:	23rd out of 167 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33%/30% (branch rate)
Note: 3.3% social sec. surcharge levied over certain threshold.	
<i>Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum</i>	

ITALY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.7	na	na	na	11.6	-0.1	2.3	-2.6	133.0
BBVA	0.7	1.1	1.9	na	na	-0.1	2.9	-2.4	132.9
BNP Paribas	0.8	1.1	1.5	0.7	11.4	-0.1	2.2	-2.8	133.5
Danske Bank	0.9	1.2	2.2	na	11.6	-0.1	2.8	-2.4	133.0
DZ Bank	0.8	1.3	1.8	na	11.6	-0.1	2.9	-2.5	133.0
Economist Intelligence Unit	0.9	1.4	2.1	1.4	11.6	-0.1	2.4	-2.6	132.9
HSBC	0.7	1.2	1.7	0.4	11.4	0.0	2.7	-2.5	132.8
IHS Markit Economics	0.9	1.4	2.0	1.4	11.6	-0.2	na	-2.5	135.2
J P Morgan Chase	0.9	na	na	na	na	-0.1	na	na	na
LC Macro Advisors	0.9	1.4	2.1	1.3	11.5	-0.1	2.5	-2.4	132.8
MainSky Asset Management	1.0	1.4	2.0	na	11.6	-0.1	na	-2.7	na
Oxford Economics	0.9	1.4	2.0	1.4	11.5	0.0	2.9	-2.4	na
Raiffeisen Bank International	0.9	na	na	na	11.6	0.0	2.7	-2.6	132.7
UBS	0.7	1.3	1.9	1.8	na	-0.1	2.0	-2.4	132.7
UniCredit Bank	0.9	na	na	na	na	-0.1	2.7	-2.4	132.9
Consensus (Mean Average)	0.8	1.3	1.9	1.2	11.5	-0.1	2.6	-2.5	133.1
Last Month	0.8	1.2	1.8	1.1	11.5	0.0	2.4	-2.5	133.0
2 Months Ago	0.8	1.2	1.5	0.9	11.5	0.0	2.2	-2.5	133.0
Median	0.9	1.3	2.0	1.4	11.6	-0.1	2.7	-2.5	132.9
High	1.0	1.4	2.2	1.8	11.6	0.0	2.9	-2.4	135.2
Low	0.7	1.1	1.5	0.4	11.4	-0.2	2.0	-2.8	132.7
Standard Deviation	0.1	0.1	0.2	0.5	0.1	0.1	0.3	0.1	0.7
Number of Forecasts	15	11	11	7	11	15	12	14	12
Other Forecasts									
ECB (June '16)	1.1	na	na	na	11.4	0.0	na	na	na
EC (May '16)	1.1	1.5	3.2	na	11.4	0.2	2.4	-2.4	132.7
IMF (October '16)	0.8	1.0	1.4	na	11.5	-0.1	2.2	na	na
OECD (November '16)	0.8	1.2	1.9	na	11.5	-0.1	3.0	-2.4	132.1

- Political risk is also a theme in Italy following the rejection of Matteo Renzi's constitutional reform bill in a referendum on December 4th, which led him to resign after the 2017 budget bill passed through Parliament.
- A new centre-left government has been formed under Paolo Gentiloni that will oversee the implementation of a new electoral law, and manage a banking crisis requiring the injection of substantial funding that will worsen Italy's debt pile. However, the prospect of early elections in 2017 remains, delaying labour reforms and weighing on economic growth prospects.
- Italy's unemployment rate is still hovering above 11% on a seasonally adjusted, harmonised basis, with no improvement this year given the weak trends in industrial production and retail sales.
- The European Commission's economic sentiment indicator for Italy fell back in November following a sharp rise in October, with all indicators except retail trade worsening, including consumer confidence due to the political uncertainty. There are also fears the banking crisis is much bigger than initial claims suggest, potentially causing a major crisis to erupt in the euro zone.

ITALY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.6	na	na	na	11.7	1.8	2.0	-2.7	134.0
BBVA	0.9	0.8	1.8	na	na	1.1	2.8	-2.3	133.3
BNP Paribas	0.3	0.3	-0.2	-0.7	11.2	0.9	2.1	-2.8	134.7
Danske Bank	1.0	0.7	2.0	na	11.5	1.3	2.5	-2.4	133.1
DZ Bank	0.8	0.7	0.6	na	11.4	0.8	1.8	-2.4	133.4
Economist Intelligence Unit	0.7	0.7	1.5	1.0	11.4	0.7	2.3	-2.5	132.0
HSBC	0.6	0.8	0.7	0.9	11.0	1.0	1.9	-2.6	132.8
IHS Markit Economics	0.4	0.4	0.9	0.9	11.5	1.3	na	-2.9	135.2
J P Morgan Chase	1.1	na	na	na	na	1.0	na	na	na
LC Macro Advisors	1.1	1.5	3.1	1.6	10.9	0.5	2.5	-2.5	133.1
MainSky Asset Management	0.9	1.1	1.7	na	11.0	1.1	na	-2.9	na
Oxford Economics	0.6	0.6	0.9	0.8	11.4	1.5	2.6	-2.4	na
Raiffeisen Bank International	0.6	na	na	na	na	1.3	2.8	-2.6	133.5
UBS	0.8	1.4	0.3	1.0	na	1.1	1.8	-2.2	131.5
UniCredit Bank	0.8	na	na	na	na	1.1	2.6	-2.4	133.2
Consensus (Mean Average)	0.7	0.8	1.2	0.8	11.3	1.1	2.3	-2.5	133.3
Last Month	0.7	0.8	1.1	0.8	11.2	1.0	2.1	-2.5	133.0
2 Months Ago	0.8	0.9	1.0	0.8	11.3	1.1	2.1	-2.4	132.8
Median	0.8	0.7	0.9	0.9	11.4	1.1	2.4	-2.5	133.3
High	1.1	1.5	3.1	1.6	11.7	1.8	2.8	-2.2	135.2
Low	0.3	0.3	-0.2	-0.7	10.9	0.5	1.8	-2.9	131.5
Standard Deviation	0.2	0.4	0.9	0.7	0.3	0.3	0.4	0.2	1.0
Number of Forecasts	15	11	11	7	10	15	12	14	12
Other Forecasts									
ECB (June '16)	1.2	na	na	na	11.1	0.9	na	na	na
EC (May '16)	1.3	1.1	4.1	na	11.2	1.4	2.3	-1.9	131.8
IMF (October '16)	0.9	1.0	1.8	na	11.2	0.5	1.9	na	na
OECD (November '16)	0.9	0.6	1.1	na	11.0	0.8	3.0	-2.4	132.3

Italy: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.8	-1.7	-0.4	0.6
Private Consumption	-3.9	-2.7	0.4	0.9
Gross Fixed Investment	-9.3	-6.6	-3.5	0.6
Industrial Production	-6.3	-2.9	-0.7	0.8
Unemploy. Rate, % of L.F.	10.7	12.1	12.7	11.9
Consumer Prices	3.3	1.3	0.2	0.1
Current Acc., % of GDP	-0.4	0.9	2.0	2.1
Budget Bal., % of GDP	-2.9	-2.7	-3.0	-2.6
Public Debt, % of GDP	123.3	129.0	131.9	132.3

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Paolo Gentiloni
Government:	Coalition including PD and PDL
Next Election:	By February 2018 (parliamentary)
Capital City:	Rome
Economic Freedom:	86th out of 178 countries
Doing Business:	50th out of 190 countries
Competitiveness:	44th out of 138 countries
Corruption:	61st out of 167 countries
Corporate Tax Rate:	27.5% (national rate) 4% (local rate) 27.5% (branch rate)

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

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

NETHERLANDS - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	2.1	na	na	na	6.0	0.1	8.2	-0.4	63.0
BNP Paribas	1.8	1.7	3.7	0.6	6.4	0.4	9.5	-1.8	63.1
DZ Bank	2.0	1.5	6.6	na	6.0	0.1	8.1	-1.3	63.5
Economist Intelligence Unit	2.0	1.5	5.4	1.1	6.0	0.1	8.6	-1.1	62.9
IHS Markit Economics	1.9	1.5	na	1.0	na	0.3	na	na	na
Raiffeisen Bank International	1.7	na	na	na	na	0.2	8.9	-0.8	63.0
Oxford Economics	2.0	1.4	6.4	0.8	6.0	0.1	9.0	-0.9	na
Consensus (Mean Average)	1.9	1.5	5.5	0.9	6.1	0.2	8.7	-1.1	63.1
Last Month	1.7	1.4	4.9	0.8	6.1	0.2	8.4	-1.3	63.2
2 Months Ago	1.6	1.4	5.3	0.2	6.2	0.2	8.7	-1.5	64.0
Median	2.0	1.5	5.9	0.9	6.0	0.1	8.8	-1.0	63.0
High	2.1	1.7	6.6	1.1	6.4	0.4	9.5	-0.4	63.5
Low	1.7	1.4	3.7	0.6	6.0	0.1	8.1	-1.8	62.9
Standard Deviation	0.1	0.1	1.3	0.2	0.2	0.1	0.5	0.5	0.2
Number of Forecasts	7	5	4	4	5	7	6	6	5
Other Forecasts									
ECB (June '16)	1.5	na	na	na	6.3	0.2	na	na	na
EC (May '16)	1.7	1.6	5.9	na	6.4	0.4	8.9	-1.7	64.9
IMF (October '16)	1.7	na	na	na	6.7	0.1	9.1	na	na
OECD (November '16)	2.0	1.5	6.2	na	6.0	0.0	8.1	-1.4	63.3

- Dutch economic sentiment improved slightly in November, extending the upward trend, although only because of a rise in consumer confidence, underpinned by record low borrowing rates, weak inflation, and a tightening labour market.
- The unemployment rate fell a tenth of a percentage point to 5.6% on a seasonally-adjusted, harmonised basis in October, and compares to 6.9% in October 2015.
- There is still some uncertainty attached to the outlook for 2017, however, with the elections still pointing to an inconclusive outcome.
- Geert Wilders' Freedom Party is still odds on to win outright, with a consistent 13-point lead in the December opinion polls, but would not gain a majority, and it is unlikely any of the other parties would wish to join the anti-Islam, anti-EU populist party in a coalition.

NETHERLANDS - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.7	na	na	na	5.3	1.1	8.0	-0.1	61.0
BNP Paribas	1.6	1.3	3.9	1.3	6.0	0.9	9.2	-1.6	62.6
DZ Bank	1.6	1.6	4.9	na	5.2	0.8	7.9	-0.7	62.0
Economist Intelligence Unit	1.7	1.7	2.4	1.3	5.5	1.1	8.5	-0.9	61.9
IHS Markit Economics	1.2	1.6	na	0.5	na	1.3	na	na	na
Raiffeisen Bank International	1.6	na	na	na	na	1.1	8.6	-0.3	61.3
Oxford Economics	1.7	1.2	3.5	1.0	5.3	1.4	9.1	-1.1	na
Consensus (Mean Average)	1.6	1.5	3.7	1.0	5.5	1.1	8.6	-0.8	61.8
Last Month	1.6	1.5	3.0	1.2	5.6	1.1	8.8	-1.1	62.2
2 Months Ago	1.5	1.5	3.3	1.3	5.9	1.1	8.9	-1.2	63.1
Median	1.6	1.6	3.7	1.2	5.3	1.1	8.6	-0.8	61.9
High	1.7	1.7	4.9	1.3	6.0	1.4	9.2	-0.1	62.6
Low	1.2	1.2	2.4	0.5	5.2	0.8	7.9	-1.6	61.0
Standard Deviation	0.2	0.2	1.0	0.4	0.3	0.2	0.5	0.5	0.6
Number of Forecasts	7	5	4	4	5	7	6	6	5
Other Forecasts									
ECB (June '16)	1.9	na	na	na	6.2	1.2	na	na	na
EC (May '16)	2.0	1.9	4.5	na	6.1	1.3	8.2	-1.2	63.9
IMF (October '16)	1.6	na	na	na	6.5	0.9	8.2	na	na
OECD (November '16)	2.0	1.8	3.7	na	5.6	1.0	7.7	0.0	61.6

Netherlands: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-1.1	-0.5	1.0	1.9
Private Consumption	-1.2	-1.4	0.0	1.6
Gross Fixed Investment	-6.3	-4.4	3.5	10.3
Industrial Production	-0.4	0.6	-2.8	-4.2
Unemploy. Rate, % of L.F.	5.8	7.3	7.4	6.9
Consumer Prices	2.8	2.6	0.3	0.2
Current Acc., % of GDP	10.2	11.0	10.6	9.2
Budget Bal., % of GDP	-3.9	-2.4	-2.3	-1.9
Public Debt, % of GDP	66.4	67.7	67.9	65.1

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	March 2017 (parliamentary)
Capital City:	The Hague
Economic Freedom:	16th out of 178 countries
Doing Business:	28th out of 190 countries
Competitiveness:	4th out of 138 countries
Corruption:	5th out of 167 countries
Corporate Tax Rate:	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

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

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

SPAIN - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	3.2	na	na	na	19.8	-0.4	1.5	-4.6	100.0
BBVA	3.3	3.3	1.2	4.1	19.7	-0.3	1.3	-4.6	100.2
BNP Paribas	3.1	3.4	3.8	1.9	20.3	-0.4	1.2	-4.6	100.7
Danske Bank	3.2	3.0	3.6	na	19.7	-0.4	1.7	-4.6	99.5
DZ Bank	3.2	3.4	3.8	na	19.8	-0.4	1.6	-4.4	99.6
Economist Intelligence Unit	3.2	3.2	4.2	2.1	19.7	-0.5	2.4	-4.6	99.5
HSBC	3.2	3.4	3.8	1.4	20.0	-0.4	1.4	-4.8	100.1
IHS Markit Economics	3.2	3.0	3.5	1.7	19.8	-0.2	1.7	-4.7	101.4
J P Morgan Chase	3.2	na	na	na	na	-0.4	na	na	na
MainSky Asset Management	3.3	3.1	3.8	na	19.8	-0.4	na	-4.0	na
Oxford Economics	3.3	3.1	3.9	2.0	19.8	-0.3	1.9	-4.6	na
Raiffeisen Bank International	3.3	na	na	na	na	-0.4	1.9	-4.4	99.2
Santander	3.1	3.4	4.2	na	19.7	-0.3	1.5	na	na
UBS	3.2	3.3	4.4	1.9	19.9	-0.4	1.5	-4.6	100.2
UniCredit Bank	3.2	na	na	na	na	-0.4	1.5	-4.8	99.5
Consensus (Mean Average)	3.2	3.2	3.7	2.2	19.8	-0.4	1.6	-4.6	100.0
Last Month	3.1	3.3	3.8	2.2	19.9	-0.4	1.5	-4.5	100.3
2 Months Ago	3.0	3.3	3.9	2.1	20.0	-0.4	1.5	-4.3	100.2
Median	3.2	3.3	3.8	1.9	19.8	-0.4	1.5	-4.6	100.0
High	3.3	3.4	4.4	4.1	20.3	-0.2	2.4	-4.0	101.4
Low	3.1	3.0	1.2	1.4	19.7	-0.5	1.2	-4.8	99.2
Standard Deviation	0.1	0.2	0.9	0.9	0.2	0.1	0.3	0.2	0.6
Number of Forecasts	15	11	11	7	12	15	13	13	11
Other Forecasts									
ECB (June '16)	2.7	na	na	na	20.1	-0.5	na	na	na
EC (May '16)	2.6	3.0	4.7	na	20.0	-0.1	1.5	-3.9	100.3
IMF (October '16)	3.1	3.3	4.2	na	19.4	-0.3	1.9	na	na
OECD (November '16)	3.2	3.4	4.3	na	19.6	-0.3	2.1	-4.6	101.3

- Prime Minister Mariano Rajoy may be weakened by the fact his party now only has a minority in the legislature, but the economy is still bubbling along, with GDP growth expected to be around 0.7% in Q4 2016, ending the year as it began on a positive note.
- Retail sales have weakened since the main summer tourism season, but industrial production increased on a three-month basis to September and the unemployment rate, has continued to edge downwards as employment opportunities improve.
- Confidence in the economy is moreover still improving based on the European Commission's economic sentiment indicator for Spain, which rose to 108.4 in November.
- Spanish manufacturers were more upbeat, with the net balance turning positive for the first time since December 2015. Confidence within the services sector became more buoyant, and consumer confidence also improved, possibly reflecting the fact the political situation was resolved after the twice-held elections.

SPAIN - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	2.4	na	na	na	18.5	0.7	1.4	-3.8	101.0
BBVA	2.5	2.3	1.8	3.4	18.1	1.7	1.7	-3.6	99.5
BNP Paribas	1.9	2.3	2.6	1.5	20.2	1.2	1.0	-3.5	101.9
Danske Bank	2.3	2.1	2.9	na	18.3	1.7	1.5	-3.8	99.9
DZ Bank	2.1	2.2	2.4	na	18.7	1.1	0.9	-3.4	99.0
Economist Intelligence Unit	2.2	2.1	3.4	2.4	18.0	1.6	1.7	-3.9	99.3
HSBC	2.0	2.3	2.6	1.9	18.6	1.1	0.5	-4.2	100.3
IHS Markit Economics	2.1	2.0	1.4	1.0	18.7	1.7	1.0	-3.7	101.2
J P Morgan Chase	2.4	na	na	na	na	1.3	na	na	na
MainSky Asset Management	2.7	2.8	3.8	na	18.0	1.6	na	-3.7	na
Oxford Economics	2.4	2.4	3.9	2.5	18.1	1.8	1.6	-3.1	na
Raiffeisen Bank International	2.5	na	na	na	na	1.7	1.5	-3.4	99.0
Santander	2.2	2.5	4.0	na	18.1	1.3	1.2	na	na
UBS	2.3	2.5	3.7	2.9	18.4	1.6	1.3	-3.2	99.5
UniCredit Bank	2.4	na	na	na	na	1.3	1.5	-3.8	100.0
Consensus (Mean Average)	2.3	2.3	3.0	2.2	18.5	1.4	1.3	-3.6	100.1
Last Month	2.1	2.2	3.0	2.2	18.7	1.4	1.2	-3.6	100.0
2 Months Ago	2.0	2.2	3.0	2.2	18.8	1.3	1.3	-3.5	99.8
Median	2.3	2.3	2.9	2.4	18.4	1.6	1.4	-3.7	99.9
High	2.7	2.8	4.0	3.4	20.2	1.8	1.7	-3.1	101.9
Low	1.9	2.0	1.4	1.0	18.0	0.7	0.5	-4.2	99.0
Standard Deviation	0.2	0.2	0.9	0.8	0.6	0.3	0.4	0.3	1.0
Number of Forecasts	15	11	11	7	12	15	13	13	11
Other Forecasts									
ECB (June '16)	2.3	na	na	na	18.8	1.5	na	na	na
EC (May '16)	2.5	2.3	5.0	na	18.1	1.4	1.3	-3.1	99.6
IMF (October '16)	2.2	2.3	3.0	na	18.0	1.0	1.7	na	na
OECD (November '16)	2.3	2.1	4.7	na	17.7	1.5	1.7	-3.6	102.1

Spain: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.6	-1.7	1.4	3.2
Private Consumption	-3.5	-3.1	1.2	3.1
Gross Fixed Investment	-7.1	-2.5	3.5	6.4
Industrial Production	-6.0	-1.7	1.1	3.3
Unemploy. Rate, % of L.F.	24.8	26.1	24.5	22.1
Consumer Prices	2.4	1.5	-0.2	-0.6
Current Acc., % of GDP	-0.4	1.5	1.0	1.4
Budget Bal., % of GDP	-10.5	-7.0	-6.0	-5.1
Public Debt, % of GDP	85.7	95.4	100.4	99.8

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	People's Party minority
Next Election:	2020 (parliamentary)
Capital City:	Madrid
Economic Freedom:	43rd out of 178 countries
Doing Business:	32nd out of 190 countries
Competitiveness:	32nd out of 138 countries
Corruption:	36th out of 167 countries
Corporate Tax Rate:	25.0% (national rate) variable (local rate) 25.0%/19.0% (branch rate)

Note: Reduced rate for SMEs.

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

Forecasts For Other Euro-Zone Countries¹

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Austria	EC	1.5	1.6	1.0	1.8	2.8	2.9	-1.5	-1.3	83.5	81.1
	IMF	1.4	1.2	0.9	1.5	2.6	2.7	na	na	na	na
	OECD	1.5	1.5	0.8	1.7	2.7	2.2	-1.5	-1.0	85.4	84.5
Belgium	EC	1.2	1.3	1.7	1.7	0.6	0.6	-3.0	-2.3	107.0	107.1
	IMF	1.4	1.4	2.1	1.6	0.1	0.4	na	na	na	na
	OECD	1.2	1.3	1.7	1.7	0.8	1.4	-3.0	-2.2	106.0	105.4
Cyprus	EC	2.8	2.5	-1.1	0.7	-2.8	-3.3	-0.3	-0.4	107.1	103.7
	IMF	2.8	2.2	-1.0	0.5	-0.9	-3.7	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.1	2.3	0.8	2.6	1.8	1.6	0.5	-0.4	9.4	9.5
	IMF	1.5	2.5	0.5	1.4	0.6	0.0	na	na	na	na
	OECD	1.1	2.4	0.8	2.3	0.9	0.7	0.4	-0.5	9.5	10.2
Greece	EC	-0.3	2.7	0.1	1.1	0.0	0.2	-2.5	-1.0	181.6	179.1
	IMF	0.1	2.8	-0.1	0.6	0.0	0.0	na	na	na	na
	OECD	0.0	1.3	0.1	1.1	-1.0	-0.6	-2.0	-0.2	179.7	176.6
Ireland	EC	4.1	3.6	-0.2	1.2	7.9	7.7	-0.9	-0.5	75.4	73.6
	IMF	4.9	3.2	0.3	1.2	9.5	9.1	na	na	na	na
	OECD	4.3	3.2	0.0	1.5	9.5	9.7	-0.9	-0.5	77.1	75.0
Luxembourg	EC	3.6	3.8	0.0	1.6	5.6	5.6	1.3	0.0	23.2	23.3
	IMF	3.5	3.1	0.2	1.0	4.4	4.3	na	na	na	na
	OECD	3.6	4.0	-0.1	1.4	4.5	4.7	1.7	1.0	21.4	23.4
Malta	EC	4.1	3.7	1.0	1.6	2.0	1.7	-0.7	-0.6	62.1	59.9
	IMF	4.1	3.4	1.2	1.5	6.2	5.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	0.9	1.2	0.7	1.2	0.5	0.8	-2.7	-2.2	130.3	129.5
	IMF	1.0	1.1	0.7	1.1	0.0	-0.7	na	na	na	na
	OECD	1.2	1.2	0.7	1.1	0.1	0.5	-2.5	-2.1	130.2	129.5
Slovakia	EC	3.4	3.2	-0.5	0.8	0.6	0.1	-2.2	-1.5	53.3	52.7
	IMF	3.4	3.3	-0.2	1.1	-1.0	-0.6	na	na	na	na
	OECD	3.6	3.4	-0.5	0.8	-1.4	-0.7	-2.1	-1.5	52.5	52.4
Slovenia	EC	2.2	2.6	0.1	1.5	7.4	7.0	-2.4	-2.0	80.2	78.3
	IMF	2.3	1.8	-0.3	1.0	7.7	7.2	na	na	na	na
	OECD	2.0	2.4	-0.2	0.8	7.5	7.7	-2.4	-1.6	84.8	85.5

¹ Forecasts for Germany, Finland, Italy, the Netherlands and Spain shown on pages 12-22; Forecasts for Finland are shown in Nordic Barometer. EC - European Commission (Nov'16); IMF - International Monetary Fund (Oct'16); OECD - Organisation for Economic Cooperation & Dev (Nov'16).

Euro Zone: Background Information

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

Sources: Eurostat, The Times; PRB; MJE

Euro Zone: Elections Timetable

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

Sources: IFES Election Guide; MJE

Notes, Sources and Definitions

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

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

OECD = Organisation

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

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

sa – seasonally adjusted

q/q – quarter on quarter

m/m – month-on-month

wda – working day adjusted

y/y – year on year

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

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