

Euro Zone Barometer© - February 2013

*****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: February 11th, 2013

Recent Developments

- The financial markets have become more agitated about the euro zone crisis resolution in recent days, with **sovereign bond yields climbing** after having declined as confidence was instilled by the ECB's Outright Monetary Transactions bond-purchase plan.
- Fearful of Italy and Spain's political problems, and a Cypriot default, amid background concerns still persisting about Greece, Italy, Spain and other countries, the **crisis is clearly still causing considerable anxiety** and affecting confidence.
- The **absence of growth is a major concern**, particularly in light of the recent appreciation of the euro. Eurostat confirmed the zone's real GDP contracted by 0.6% q/q and 0.9% y/y in Q4 2012.
- **Germany's economy** was a particular disappointment in Q4, in spite of the larger contractions seen in Portugal, Cyprus, Italy and Spain, and hopes for a near term revival.
- **Forecasters have not surprisingly downgraded their projections this month**; the mean average prediction now signals a small contraction in real GDP for this year followed by a weaker-than-previously forecast recovery in 2014.
- The uncertain growth outlook is clearly troubling for both the labour market and deficit-reduction strategies, as most governments try to curtail the **incessant rise in their debt ratios**, but are also missing deficit targets.

**Next Month's Survey Deadline:
March 11th, 2013**

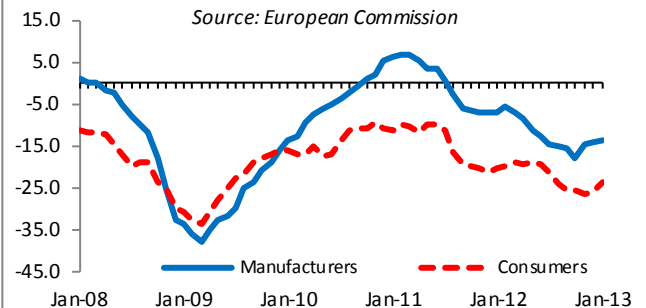
Contents

Outlook for 2013-2014	2
Forthcoming Elections	3
2013 National Accounts Forecasts	4
2013 Forecasts for Other Indicators	5
2014 National Accounts Forecasts	6
2014 Forecasts for Other Indicators	7
Other (Comparison) Forecasts	8
Quarterly Forecasts & Historical Data	8
Financial Forecasts	9
Interest Rate & Exchange Rate Data	10
ECB Watch	11
Long Term Forecasts	12
Data & Forecasts for Individual Euro Zone Countries	
Germany	13
France	15
Italy	17
Netherlands	19
Spain	21
Notes, Sources and Definitions	23

Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2013-14

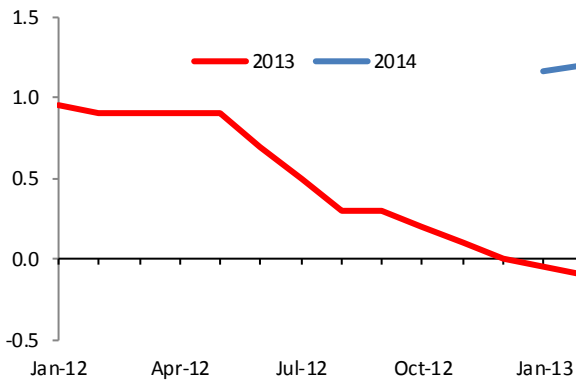
- With the euro zone struggling against recession, the short term economic outlook has deteriorated this month. Forecasters now predict, on average, a small decline in real GDP this year, while expectations for 2014 have also been dampened.
- The uncertainty continues to undermine investment. The construction sector, which has failed to embark on a sustained recovery since the 2007/08 crisis, remains a particularly weak spot.
- However, in spite of a gloomy start to the year, many forecasters are convinced that the worst of the euro zone crisis is over. Forecasts for several variables in 2014 have improved since last month, including fixed investment, goods and services export growth, and the unemployment rate.
- By 2014, following consolidation, the euro zone deficit should be around a third of its value in 2009/10 in relation to GDP.

Six Year Summary: Historical Data and Consensus Forecasts

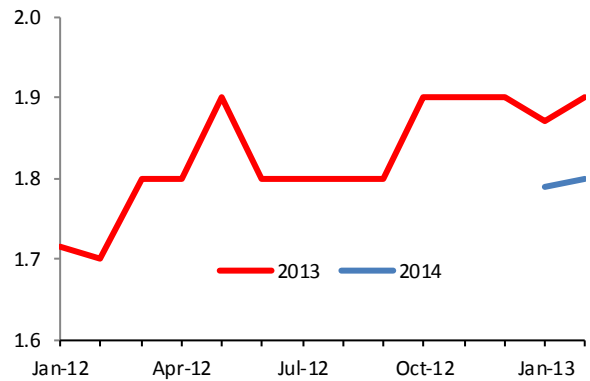
<i>(% change year-on-year, unless otherwise stated)</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013f</u>	<u>2014f</u>
Gross Domestic Product	-4.4	2.0	1.4	-0.4	-0.1	1.2
Private Consumption	-1.0	0.9	0.1	-1.1	-0.3	0.7
Government Consumption	2.6	0.7	-0.1	-0.1	-0.3	0.1
Gross Fixed Investment	-12.7	-0.1	1.5	-3.6	-1.3	2.1
Change in Stocks (Inventories)¹	-0.9	0.6	0.2	-0.6	0.0	0.3
Goods and Services Exports	-12.4	11.2	6.3	2.9	2.7	4.0
Goods and Services Imports	-11.1	9.6	4.2	-0.5	1.7	3.5
Net Exports²	-0.7	0.7	0.9	1.5	0.5	0.3
Industrial Production (ex. construction)	-14.9	7.3	3.4	-2.3	-0.4	2.2
Retail Sales Volume	-2.4	0.9	-0.6	-1.7	-0.1	0.9
Unemployment Rate, % of labour force	9.6	10.1	10.2	11.4	12.0	11.9
Money Supply, M3, end period, % change	-0.6	1.1	1.5	2.9	3.2	3.3
Harmonised Index of Consumer Prices	0.3	1.6	2.7	2.5	1.9	1.8
Producer Prices	-5.1	2.9	5.9	2.6	1.9	2.0
Nominal Labour Costs	2.9	1.5	2.2	2.0	2.0	2.0
Current Account Balance, annual total, €bn	-13.3	3.1	12.5	83.5	101.5	100.3
Current Account Balance, % of GDP	-0.1	0.0	0.1	0.9	1.1	1.1
General Govt Budget Balance, % of GDP	-6.3	-6.2	-4.1	-3.3	-2.7	-2.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.70	1.01	1.36	0.19	0.37	0.86
10 Year German Bond Yield, % per annum	3.40	2.92	1.83	1.32	2.07	2.55
US\$ per € Exchange Rate	1.441	1.336	1.294	1.318	1.276	1.236

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

Changes in the GDP Growth Forecasts
consensus (mean average), % change, year-on-year
Source: MJE



Changes in the HICP (Inflation) Forecasts
consensus (mean average), % change, year-on-year
Source: MJE



Euro Zone: Election Timetable

Date	Country	Type
February 17th, 2013	Cyprus	Presidential
February 24th, 2013	Italy	Parliamentary
March 9th, 2013	Malta	Parliamentary
May 2013	Italy	Presidential
September 2013	Austria	Legislative
September 2013	Germany	Parliamentary
April 2014	Malta	Presidential
June 2014	EU	Parliamentary
2014	EU	Presidential
2014	Slovakia	Presidential
2014	Belgium	Parliamentary
2014	Luxembourg	Parliamentary
February 2015	Greece	Presidential
March 2015	Estonia	Parliamentary
2015	Portugal	Parliamentary
2015	Spain	Parliamentary
2015	Slovenia	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential

Sources: IFES Election Guide; MJE

Euro Zone: Background Information

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

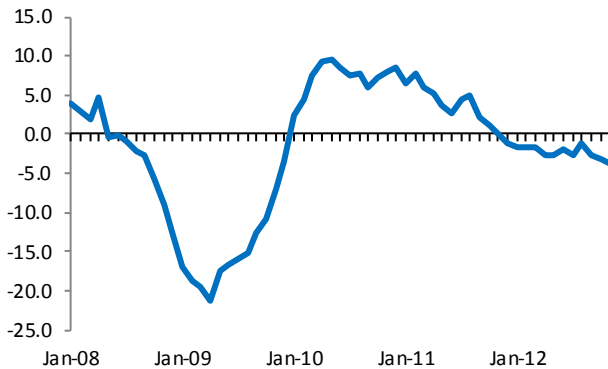
Other Euro Users

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

Sources: The Times; MJE

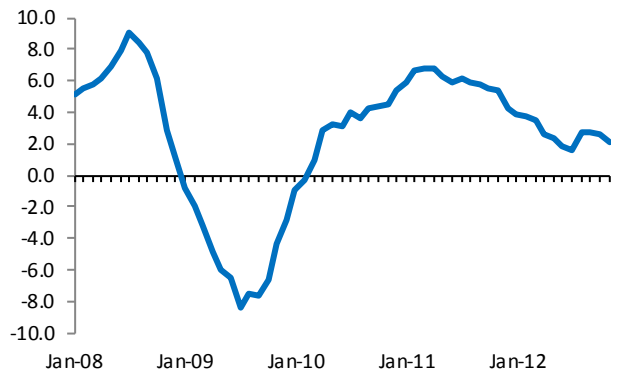
Industrial Production

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



Producer Prices

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



Euro Zone - Forecasts for 2013

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	0.2	0.0	-0.2	-0.7	na	3.7	3.0	na
BBVA	0.3	-0.3	-0.5	-1.3	0.0	3.3	1.8	0.8
BNP Paribas	-0.2	-0.2	-0.3	-1.1	0.0	1.6	1.3	na
Commerzbank	0.3	-0.3	0.4	-0.2	0.2	2.6	0.6	0.1
Danske Bank	0.3	-0.2	-0.3	-0.7	0.0	1.9	0.9	0.5
DZ Bank	-0.3	-0.5	-0.2	-0.9	na	2.7	2.7	0.1
Econ Intelligence Unit	-0.3	-0.6	-0.2	-1.9	na	2.1	1.1	0.5
ETLA	-0.2	0.0	-0.5	-1.6	1.8	na	na	na
G&P Institutional Mgmt	0.1	-0.6	0.0	-3.9	-0.1	2.8	0.1	1.2
HSBC	-0.2	-0.5	-0.6	-1.9	-0.3	2.9	1.7	na
IHS Global Insight	-0.2	-0.2	-0.4	-1.0	na	1.9	1.1	na
Intesa Sanpaulo	-0.3	-0.5	-0.6	-1.8	-0.2	2.3	1.2	0.6
J P Morgan Chase	0.0	-0.6	-0.2	-2.0	na	2.8	1.5	na
Moody's Analytics	0.1	-0.1	-0.6	-1.9	na	2.4	1.2	na
Morgan Stanley	-0.5	-0.1	-0.2	-0.8	-0.6	2.7	2.0	0.4
Oxford Economics	-0.3	-0.6	-0.9	-1.7	0.0	2.5	1.5	0.5
Raiffeisen Bank International	-0.1	-0.6	-0.2	-1.1	na	3.6	2.9	na
Santander	0.1	0.0	0.0	-0.6	na	3.9	3.6	0.4
SEB	-0.2	-0.7	-0.4	-0.5	0.0	3.1	2.4	na
Societe Generale	-0.3	-0.5	-0.1	-1.7	0.0	2.6	2.1	0.3
UBS	0.1	0.0	-0.9	-0.5	-0.5	2.8	1.2	0.8
UniCredit Bank	0.1	-0.5	-0.5	-1.5	0.1	2.9	1.7	0.6
Consensus (Mean)	-0.1	-0.3	-0.3	-1.3	0.0	2.7	1.7	0.5
Last Month	0.0	-0.3	-0.3	-1.2	0.1	2.6	1.8	0.6
2 Months Ago	0.0	-0.2	-0.3	-0.9	-0.1	2.7	1.9	0.4
Median	-0.2	-0.4	-0.3	-1.2	0.0	2.7	1.5	0.5
High	0.3	0.0	0.4	-0.2	1.8	3.9	3.6	1.2
Low	-0.5	-0.7	-0.9	-3.9	-0.6	1.6	0.1	0.1
Standard Deviation	0.2	0.2	0.3	0.8	0.6	0.6	0.9	0.3
Number of Forecasts	22	22	22	22	14	21	21	13

Euro Zone - Forecasts for 2013

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	0.0	na	12.2	na	2.0	1.8	na	145.0	1.5	-2.5
BBVA	na	na	11.8	na	1.6	na	na	na	1.3	-2.3
BNP Paribas	0.8	na	12.6	na	1.8	0.8	na	100.0	1.0	-2.6
Commerzbank	-1.1	na	11.8	3.5	1.9	1.5	2.3	50.0	0.5	-2.6
Danske Bank	na	na	12.1	na	1.8	na	na	na	1.5	-2.5
DZ Bank	na	na	11.9	na	2.3	2.3	na	na	0.2	-2.9
Econ Intelligence Unit	na	na	11.7	na	1.9	2.4	na	na	1.9	-2.7
ETLA	0.6	na	12.1	na	1.8	na	na	na	na	-3.0
G&P Institutional Mgmt	na	na	12.2	na	1.6	na	na	na	na	-2.8
HSBC	-1.5	na	12.4	3.4	1.9	na	1.9	na	1.0	-3.0
IHS Global Insight	-0.2	-0.2	12.0	3.9	1.9	2.0	2.0	80.0	0.8	-2.6
Intesa Sanpaulo	-1.3	0.5	11.9	4.2	1.7	1.5	2.0	118.0	na	-2.8
J P Morgan Chase	-0.4	na	12.3	na	1.7	0.9	na	86.2	0.9	-2.8
Moody's Analytics	0.9	-0.1	12.1	2.8	2.0	2.3	na	-5.6	-0.1	na
Morgan Stanley	na	na	12.1	na	1.6	na	na	95.7	1.6	-2.9
Oxford Economics	-1.2	-0.6	12.2	na	1.9	2.0	na	143.6	1.5	-2.5
Raiffeisen Bank International	-1.5	na	11.9	na	1.9	na	na	68.8	0.7	-2.6
Santander	na	na	12.0	na	1.9	na	na	68.1	0.7	-2.6
SEB	0.4	na	12.0	na	1.5	na	na	na	na	-2.5
Societe Generale	na	na	11.8	na	2.2	na	na	169.4	1.8	na
UBS	-0.5	na	11.8	1.4	2.1	3.6	na	200.7	2.1	-2.0
UniCredit Bank	na	na	12.0	na	2.0	1.4	1.8	na	1.1	-2.8
Consensus (Mean)	-0.4	-0.1	12.0	3.2	1.9	1.9	2.0	101.5	1.1	-2.7
Last Month	-0.2	0.0	12.0	3.1	1.9	2.0	2.1	94.1	1.3	-2.7
2 Months Ago	0.7	-0.1	11.9	2.8	1.9	2.1	2.0	84.6	0.9	-2.7
Median	-0.4	-0.2	12.0	3.5	1.9	1.9	2.0	95.7	1.1	-2.6
High	0.9	0.5	12.6	4.2	2.3	3.6	2.3	200.7	2.1	-2.0
Low	-1.5	-0.6	11.7	1.4	1.5	0.8	1.8	-5.6	-0.1	-3.0
Standard Deviation	0.9	0.5	0.2	1.0	0.2	0.8	0.2	54.3	0.6	0.2
Number of Forecasts	13	4	22	6	22	12	5	13	18	20

Euro Zone - Forecasts for 2014

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	0.8	0.0	2.0	na	4.3	3.7	na
BBVA	1.3	0.9	0.2	3.3	0.0	3.8	3.8	0.2
BNP Paribas	1.0	0.4	0.3	1.8	0.2	5.1	5.1	na
Commerzbank	1.5	0.7	0.5	3.3	0.0	3.0	1.4	0.3
Danske Bank	1.3	0.4	-0.3	2.2	0.1	4.4	3.1	0.8
DZ Bank	1.3	0.9	0.2	2.9	na	4.8	4.9	-0.9
Econ Intelligence Unit	na	na	na	na	na	na	na	na
ETLA	1.0	0.8	0.4	0.7	3.4	na	na	na
G&P Institutional Mgmt	2.0	1.2	1.1	3.3	0.0	3.6	2.9	0.5
HSBC	1.0	0.1	-0.7	0.7	0.0	4.2	3.1	na
IHS Global Insight	0.6	0.5	0.6	1.1	na	2.4	2.6	na
Intesa Sanpaulo	1.0	0.7	0.0	1.8	-0.1	4.5	4.1	0.4
J P Morgan Chase	1.4	1.1	0.9	1.6	na	4.0	3.9	na
Moody's Analytics	1.5	1.2	-0.2	3.3	na	3.5	3.3	na
Morgan Stanley	0.9	0.7	0.0	1.4	-0.3	1.6	1.2	0.5
Oxford Economics	1.1	0.6	-0.3	2.1	0.1	4.0	3.7	0.3
Raiffeisen Bank International	1.5	0.9	0.4	2.1	na	5.4	4.8	na
Santander	1.3	0.8	0.2	2.9	na	4.8	4.8	0.2
SEB	0.8	0.5	0.2	2.1	0.0	4.1	3.6	na
Societe Generale	na	na	na	na	na	na	na	na
UBS	0.9	0.6	-0.6	2.2	-0.1	3.1	2.7	0.3
UniCredit Bank	1.2	0.5	-0.2	1.7	0.2	4.9	4.5	0.4
Consensus (Mean)	1.2	0.7	0.1	2.1	0.3	4.0	3.5	0.3
Last Month	1.2	0.7	0.1	1.9	0.4	3.8	3.5	0.2
2 Months Ago	na	na	na	na	na	na	na	na
Median	1.3	0.7	0.2	2.1	0.0	4.1	3.7	0.3
High	2.0	1.2	1.1	3.3	3.4	5.4	5.1	0.8
Low	0.6	0.1	-0.7	0.7	-0.3	1.6	1.2	-0.9
Standard Deviation	0.3	0.3	0.5	0.8	0.9	1.0	1.1	0.4
Number of Forecasts	20	20	20	20	13	19	19	11

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 & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	2.5	na	11.8	na	1.7	2.4	na	150.0	1.5	-2.0
BBVA	na	na	11.4	na	1.5	na	na	na	1.4	-1.8
BNP Paribas	2.5	na	12.8	na	1.4	2.5	na	125.0	1.3	-1.8
Commerzbank	2.1	na	11.7	4.5	1.9	0.0	2.0	50.0	0.5	-2.0
Danske Bank	na	na	12.2	na	1.8	na	na	na	1.6	-2.6
DZ Bank	na	na	11.7	na	2.5	0.0	na	na	0.5	-2.4
Econ Intelligence Unit	na	na	na	na	na	na	na	na	na	na
ETLA	1.9	na	11.6	na	2.0	na	na	na	na	-2.1
G&P Institutional Mgmt	na	na	11.9	na	1.7	na	na	na	na	-1.8
HSBC	2.4	na	12.5	3.7	1.6	na	1.4	na	1.2	-2.8
IHS Global Insight	1.4	0.6	12.1	3.4	1.8	2.0	2.3	85.0	0.8	-2.1
Intesa Sanpaulo	1.5	1.0	11.8	4.4	1.7	1.9	2.3	103.8	na	-2.6
J P Morgan Chase	2.6	na	12.1	na	1.5	na	na	101.1	1.0	-2.1
Moody's Analytics	3.3	1.3	11.4	3.6	2.1	2.8	na	-9.2	-0.1	na
Morgan Stanley	na	na	12.3	na	1.8	na	na	95.4	1.7	-2.8
Oxford Economics	1.6	0.6	12.3	na	1.5	2.0	na	137.5	1.4	-2.0
Raiffeisen Bank International	3.0	na	11.5	na	1.8	na	na	30.4	0.8	-2.5
Santander	na	na	12.0	na	1.8	na	na	60.0	0.6	-2.1
SEB	1.0	na	12.4	na	1.5	na	na	na	na	-2.0
Societe Generale	na	na	na	na	na	na	na	na	na	na
UBS	2.2	na	11.2	0.2	1.8	4.0	na	274.0	2.8	-1.3
UniCredit Bank	na	na	11.9	na	1.8	2.3	2.0	na	1.2	-2.6
Consensus (Mean)	2.2	0.9	11.9	3.3	1.8	2.0	2.0	100.3	1.1	-2.2
Last Month	2.1	0.9	12.0	3.3	1.8	2.3	2.0	98.7	1.4	-2.2
2 Months Ago	na	na	na	na	na	na	na	na	na	na
Median	2.2	0.8	11.9	3.7	1.8	2.2	2.0	98.3	1.2	-2.1
High	3.3	1.3	12.8	4.5	2.5	4.0	2.3	274.0	2.8	-1.3
Low	1.0	0.6	11.2	0.2	1.4	0.0	1.4	-9.2	-0.1	-2.8
Standard Deviation	0.7	0.3	0.4	1.6	0.3	1.2	0.4	71.3	0.7	0.4
Number of Forecasts	13	4	20	6	20	10	5	12	16	19

Other (Comparison) Forecasts

<i>Average % change from previous year, unless otherwise noted. For notes, sources and definitions, see p.23. NB: ECB forecasts are mid-points of ranges.</i>	Gross Domestic Product	Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building <i>(% contrib. to GDP growth)</i>	Net Exports <i>(% contrib. to GDP growth)</i>	Unemployment Rate <i>(% of labour force)</i>	Consumer Prices <i>(HICP)</i>	General Govt. Balance <i>(% of GDP)</i>
2012									
ECB	-0.5	-1.1	-0.4	-3.8	na	na	na	2.5	na
EC	-0.4	-1.0	-0.2	-3.5	-0.5	1.3	11.3	2.5	-3.3
IMF	-0.4	na	na	na	na	na	na	na	na
OECD	-0.4	-1.0	-0.1	-3.6	-0.5	1.4	11.1	2.4	-3.3
World Bank	-0.4	na	na	na	na	na	na	na	na
2013									
ECB	-0.3	-0.6	-0.6	-2.6	na	na	na	1.6	na
EC	0.1	-0.4	-0.4	-0.6	-0.1	0.6	11.8	1.8	-2.6
IMF	-0.2	na	na	na	na	na	na	na	na
OECD	-0.1	-0.2	-0.3	-1.9	-0.1	0.5	11.9	1.6	-2.8
World Bank	-0.1	na	na	na	na	na	na	na	na
2014									
ECB	1.2	0.5	0.4	1.3	na	na	na	1.4	na
EC	1.4	1.0	0.6	2.5	0.0	0.2	11.7	1.6	-2.5
IMF	1.0	na	na	na	na	na	na	na	na
OECD	1.3	0.9	0.4	2.1	0.0	0.3	12.0	1.2	-2.6
World Bank	0.9	na	na	na	na	na	na	na	na

Sources: ECB - European Central Bank (December 2012)
 EC - European Commission (November 2012)
 IMF - International Monetary Fund (January 2013)
 OECD - Organisation for Economic Cooperation & Development (November 2012)
 WB - World Bank (January 2013)

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

<i>(% change year-on-year, unless otherwise stated)</i>	Q1'12	Q2'12	Q3'12	Q4'12
Gross Domestic Product	-0.1	-0.5	-0.6	-0.6
Private Consumption	-1.1	-1.1	-1.4	-0.8
Industrial Production	-1.7	-2.3	-2.2	-1.0
Harmonised Index of Consumer Prices	2.7	2.5	2.5	2.3
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.19
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.32
	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-0.6	-0.3	0.0	0.6
Private Consumption	-0.8	-0.4	-0.2	0.2
Industrial Production	-1.7	-0.8	-0.6	1.6
Harmonised Index of Consumer Prices	2.0	1.9	1.8	1.8
3 month Interest Rate, % per annum, end period	0.25	0.32	0.35	0.37
10 Year Bond Yield, % per annum, end period	1.75	1.80	1.94	2.07
	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	1.1	1.3	1.4	1.5
Private Consumption	0.6	0.8	1.0	1.1
Industrial Production	2.0	2.3	2.4	2.7
Harmonised Index of Consumer Prices	1.8	1.8	1.7	1.7
3 month Interest Rate, % per annum, end period	0.50	0.63	0.72	0.86
10 Year Bond Yield, % per annum, end period	2.21	2.35	2.47	2.55

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

Financial Forecasts

<i>All forecasts are for end year</i>		2013	2014
3-month Euribor Interest Rate, % Rate on Survey Date: 0.23	Mean Average	0.37	0.86
	High	0.71	1.37
	Low	0.10	0.20
	Standard deviation	0.20	0.48
	Number of Forecasts	12	8
10-year Benchmark German Bond Yield, % Rate on Survey Date: 1.61	Mean Average	2.07	2.55
	High	2.70	3.40
	Low	1.60	1.96
	Standard deviation	0.29	0.49
	Number of Forecasts	13	9
US Dollars/Euro Exchange Rate Rate on Survey Date: 1.338	Mean Average	1.276	1.236
	High	1.35	1.35
	Low	1.15	1.05
	Standard deviation	0.05	0.08
	Number of Forecasts	25	23
Japanese Yen/Euro Exchange Rate Rate on Survey Date: 125.0	Mean Average	116.5	116.6
	High	128.0	132.0
	Low	102.0	103.5
	Standard deviation	8.2	9.8
	Number of Forecasts	11	10
UK Pound/Euro Exchange Rate Rate on Survey Date: 0.854	Mean Average	0.812	0.799
	High	0.859	0.880
	Low	0.770	0.730
	Standard deviation	0.028	0.049
	Number of Forecasts	13	13
Swedish Krona/Euro Exchange Rate Rate on Survey Date: 8.568	Mean Average	8.497	8.400
	High	9.000	8.610
	Low	8.280	8.097
	Standard deviation	0.183	0.189
	Number of Forecasts	19	17
Swiss Franc/Euro Exchange Rate Rate on Survey Date: 1.230	Mean Average	1.241	1.288
	High	1.350	1.450
	Low	1.200	1.200
	Standard deviation	0.052	0.081
	Number of Forecasts	9	9
Oil Prices, Brent Blend, US\$ per barrel Rate on Survey Date: 118.2	Mean Average	109.0	107.9
	High	125.0	125.0
	Low	96.0	90.0
	Standard deviation	7.9	11.3
	Number of Forecasts	17	16

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

Interest Rate Data

All data are period averages

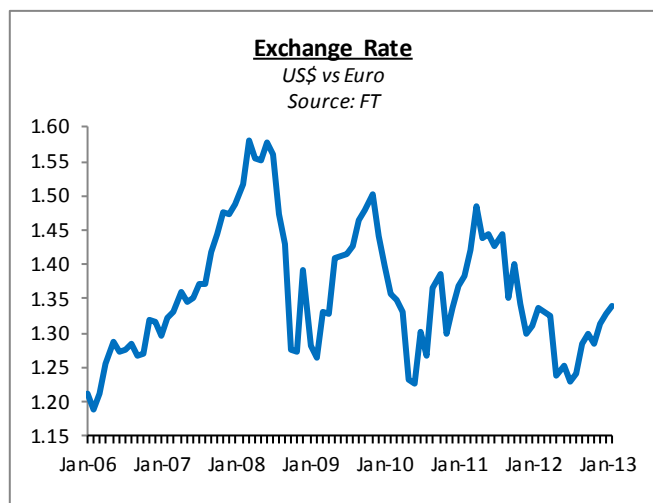
<u>Euro Zone Interest Rates, %</u>	<u>Aug '12</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '13</u>
Overnight	0.11	0.10	0.09	0.08	0.07	0.07
3-month	0.33	0.25	0.21	0.19	0.19	0.20
6-month	0.61	0.48	0.41	0.36	0.32	0.34
12-month	0.88	0.74	0.65	0.59	0.55	0.58
10-year bond yields	3.01	2.43	2.31	2.25	2.10	2.40
<u>International Rates, %</u>						
US 3-month (Euro dollar deposits)	0.43	0.39	0.33	0.31	0.31	0.30
US 10-year	1.72	1.77	1.79	1.72	1.88	2.14
Japan 3-month (Euro yen deposits)	0.19	0.19	0.19	0.19	0.18	0.17
Japan 10-year	0.81	0.78	0.78	0.74	0.84	0.80
<u>Euro Zone / US Yield Differentials, %</u>						
3-month	-0.10	-0.14	-0.12	-0.12	-0.12	-0.10
10-year	1.29	0.66	0.52	0.53	0.22	0.26

Exchange Rate Data

period averages vs euro

	<u>Aug '12</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '13</u>
Trade Weighted Nominal Index * (1999 Q1=100)	95.2	97.2	97.8	97.2	98.7	100.4
Australian dollar	1.184	1.237	1.260	1.233	1.253	1.266
Canadian dollar	1.232	1.258	1.280	1.279	1.298	1.319
Chinese renminbi	7.886	8.127	8.139	8.000	8.181	8.270
Danish krone	7.445	7.454	7.458	7.459	7.460	7.461
Hong Kong dollar	9.62	9.97	10.06	9.94	10.17	10.30
Japanese yen	97.6	100.5	102.5	103.9	109.7	118.3
Norwegian krone	7.324	7.395	7.408	7.337	7.350	7.382
Singapore dollar	1.548	1.584	1.588	1.570	1.601	1.633
South Korean won	1404	1445	1435	1395	1411	1418
Swedish krona	8.281	8.493	8.615	8.608	8.651	8.622
Swiss franc	1.201	1.209	1.210	1.205	1.209	1.229
UK pound	0.789	0.798	0.807	0.804	0.812	0.833
US dollar	1.240	1.286	1.297	1.283	1.312	1.329

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



The euro has continued to appreciate lately, easing inflation concerns but also creating alarm for exporters seeking to increase market share outside the single currency area. Estimates of the impact of a currency shift are not easy, but Greg Fuzesi, of J P Morgan, one of EZB's contributors, has calculated in a recent research note that a "10% currency 'shock' would normally reduce the level of Euro area GDP just under 1% in total, with the impact spread over two years". He goes on to note a similar impact on inflation, while mentioning that not all of the recent appreciation has been unexpected. EZB predicts that the euro will reverse its gains by year-end, but that doesn't rule out any further short-term appreciation.

ECB Watch

- The ECB's next move is difficult to predict in light of the euro's appreciation witnessed since the beginning of this year. While the euro's ascent reflects a perception that the risks surrounding the euro debt crisis are diminishing, albeit slowly perhaps, there is no guarantee that the single currency will continue to gain the upper hand at the expense of the dollar.
- The Governing Council will more than likely remain unmoved for now, preferring to reassess the situation later in the year. However, if the euro's ascent becomes entrenched and economic growth proves elusive there will be more pressure to press on the monetary levers again, perhaps lowering the main policy interest rate closer to zero, or introducing other measures to bolster liquidity.

Euro Zone Barometer Monthly Interest Rate Poll

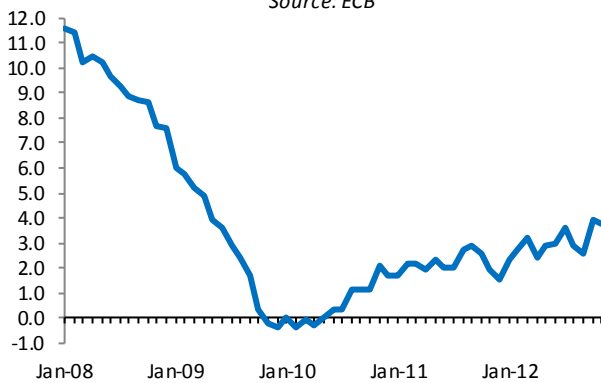
Panellists' estimates of the probability of movements in the euro zone policy rate at the ECB Council's next two meetings:

	Mar. 7th	Apr. 4th
-50bp	0.1%	0.1%
-25bp	18.7%	20.2%
Unchanged	81.2%	79.6%
+25bp	0.1%	0.1%
+50bp	0.0%	0.0%

Source: MJE

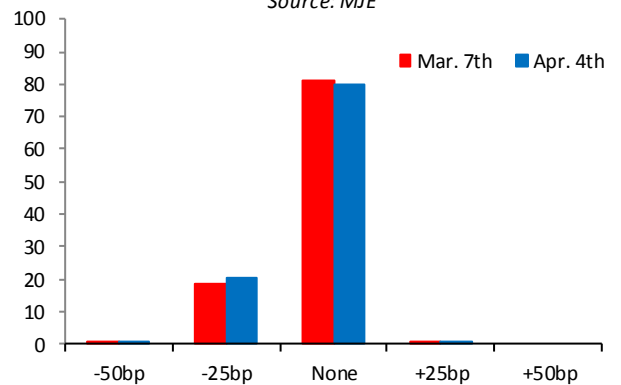
M3 Money Supply

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



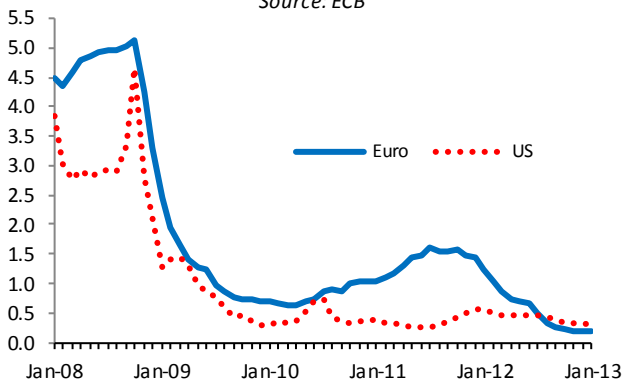
Likely Change in ECB Policy Rate

average % expectation
Source: MJE



Short Term Interest Rates

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



Last Five ECB Interest Rate Changes:

July 5th, 2012
0.25% DECREASE to 0.75%

December 14th, 2011
0.25% DECREASE to 1.00%

November 9th, 2011
0.25% DECREASE to 1.25%

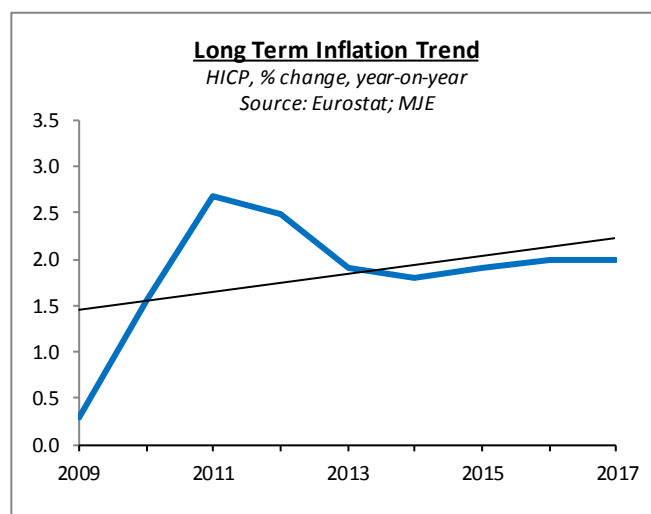
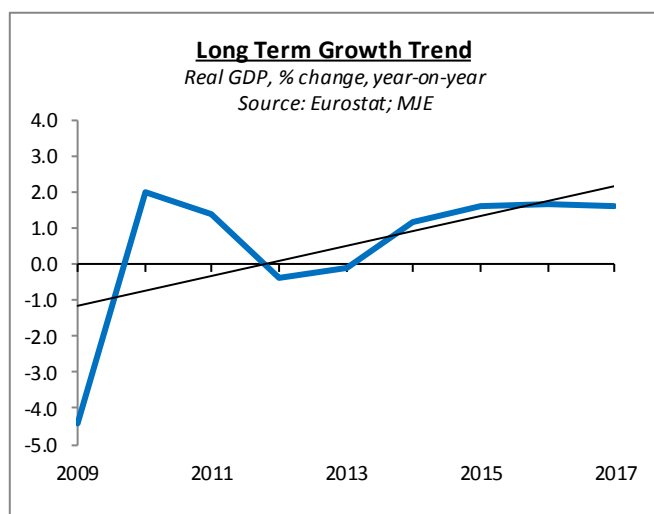
July 13th, 2011
0.25% INCREASE to 1.50%

April 13th, 2011
0.25% INCREASE to 1.25%

Long Term Forecasts

Forecasts for 2015 to 2017 are taken from our January 2013 long term forecasts survey

<i>(% change year-on-year, unless otherwise stated)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Domestic Product	-0.4	-0.1	1.2	1.6	1.7	1.6
Private Consumption	-1.1	-0.3	0.7	1.2	1.4	1.4
Gross Fixed Investment	-3.6	-1.3	2.1	2.3	2.7	2.5
Industrial Production (excl. construction)	-2.3	-0.4	2.2	2.0	1.9	1.5
Unemployment Rate, % of labour force	11.4	12.0	11.9	11.3	10.7	10.0
Harmonised Index of Consumer Prices	2.5	1.9	1.8	1.9	2.0	2.0
Current Account, annual total, % of GDP	0.9	1.1	1.1	1.7	2.3	2.9
General Government Balance, % of GDP	-3.3	-2.7	-2.2	-1.6	-1.3	-0.8
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.37	0.86	1.49	2.04	2.40
10 Year Bond Yield, % per annum	1.32	2.07	2.55	2.74	3.31	3.86
10 year - 3 month Yield Differential	1.13	1.70	1.69	1.25	1.27	1.46
US\$ per € Exchange Rate	1.318	1.276	1.236	1.270	1.279	1.292



GERMANY - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.0	0.9	1.6	na	na	1.7	5.0	-0.1	81.2
BNP Paribas	0.9	0.9	-1.4	-0.1	na	1.6	5.9	-0.3	na
Danske Bank	1.1	0.3	-1.6	na	na	2.0	4.5	-1.1	82.4
DZ Bank	0.4	0.9	0.1	na	na	2.1	4.3	-0.7	81.0
Economist Intelligence Unit	0.7	0.8	1.4	na	5.6	1.8	6.6	-0.3	na
G&P Institutional Mgmt	0.6	0.8	-0.2	na	5.5	1.4	na	0.0	na
HSBC	0.6	1.0	0.5	0.6	na	2.0	5.5	-0.4	79.8
IHS Global Insight	1.0	1.5	1.5	1.9	5.4	1.8	6.4	0.1	79.3
Intesa Sanpaulo	0.5	0.9	-0.3	0.0	na	1.8	5.4	-0.2	na
Moody's Analytics	1.0	0.8	-0.2	1.9	na	2.2	4.6	na	na
Morgan Stanley	0.3	0.6	1.1	-1.8	6.0	1.9	5.9	0.0	81.0
Oxford Economics	0.7	0.8	0.3	-0.2	5.5	1.8	6.4	0.0	na
Raiffeisen Bank International	0.5	na	na	na	na	1.5	5.5	-0.5	81.0
Santander	1.1	0.8	0.5	-0.5	5.9	2.0	5.5	-0.3	80.0
Societe Generale	0.8	1.0	0.7	na	na	2.2	5.3	-0.9	80.7
UBS	0.8	0.9	1.7	-0.4	na	2.2	5.4	0.2	78.6
Unicredit Bank	1.1	0.8	1.2	3.0	5.7	2.0	6.6	0.0	79.2
Consensus (Mean Average)	0.8	0.9	0.4	0.4	5.7	1.9	5.6	-0.3	80.4
Last Month	0.8	0.9	0.5	0.7	5.7	1.9	5.4	-0.3	80.6
2 Months Ago	0.9	0.9	0.7	0.5	5.7	1.9	5.4	-0.3	80.1
Median	0.8	0.9	0.5	-0.1	5.6	1.9	5.5	-0.3	80.7
High	1.1	1.5	1.7	3.0	6.0	2.2	6.6	0.2	82.4
Low	0.3	0.3	-1.6	-1.8	5.4	1.4	4.3	-1.1	78.6
Standard Deviation	0.3	0.2	1.0	1.4	0.2	0.2	0.7	0.4	1.1
Number of Forecasts	17	16	16	10	7	17	16	16	11
Other Forecasts									
EC (Nov. '12)	0.8	1.0	1.9	na	5.6	1.9	5.0	-0.2	80.8
IMF (Jan. '13)	0.6	na	na	na	na	na	na	na	na
OECD (Nov. '12)	0.6	1.4	0.9	na	5.5	1.9	5.9	-0.4	80.4

- Following positive growth during the first three quarters of last year, the German economy nosedived during Q4 2012, with real GDP contracting by 0.6% q/q, according to Eurostat, which lowered the y/y growth rate to 0.4%. Germany's exports and investment crumbled in the face of a deteriorating global economic climate.
- The downturn may be depressing for many that view Germany as the main engine of the euro zone economy, but others, including the ministry of economy take a more

sanguine view, pointing to the recent improvement in sentiment indicators.

- Indeed, the latest European Commission survey shows an encouraging rise in Germany's economic sentiment index for January, to 99.1, its highest level since June and a fourth straight month of improvement, thus establishing a trend. Confidence has revived across the board, notably in the services sector, but also in construction, and it may not be too long before this translates into higher activity.

GERMANY - Forecasts for 2014

<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									
BBVA	2.0	1.3	4.7	na	na	1.6	4.5	0.0	78.9
BNP Paribas	2.2	1.3	3.0	3.1	na	1.8	5.4	-0.2	na
Danske Bank	1.9	1.0	4.6	na	na	1.8	4.3	-0.8	81.1
DZ Bank	2.2	1.3	4.4	na	na	2.6	3.9	0.0	78.5
Economist Intelligence Unit	na	na	na	na	na	na	na	na	na
G&P Institutional Mgmt	1.9	1.7	3.2	na	5.5	2.0	na	0.3	na
HSBC	1.7	1.3	3.0	3.7	na	2.0	5.0	0.0	77.4
IHS Global Insight	1.4	1.3	3.4	3.2	5.3	1.6	6.2	-0.1	77.0
Intesa Sanpaulo	1.9	1.4	3.8	2.2	na	1.6	5.1	-0.6	na
Moody's Analytics	1.5	0.8	2.5	6.1	na	2.0	4.9	na	na
Morgan Stanley	1.3	1.3	2.8	1.6	6.0	1.6	5.9	1.0	78.5
Oxford Economics	1.9	1.2	4.0	1.7	5.4	1.6	5.8	0.0	na
Raiffeisen Bank International	1.8	na	na	na	na	1.5	5.5	0.0	78.7
Santander	1.7	1.1	2.3	2.5	5.8	1.8	4.6	0.0	78.0
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	1.3	0.9	3.8	2.3	na	2.5	4.7	0.0	76.8
Unicredit Bank	1.5	0.8	2.5	4.5	5.5	2.1	5.7	-0.2	76.9
Consensus (Mean Average)	1.7	1.2	3.4	3.1	5.6	1.9	5.1	0.0	78.2
Last Month	1.8	1.2	3.3	3.0	5.6	1.9	5.1	-0.1	78.4
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.8	1.3	3.3	2.8	5.5	1.8	5.1	0.0	78.3
High	2.2	1.7	4.7	6.1	6.0	2.6	6.2	1.0	81.1
Low	1.3	0.8	2.3	1.6	5.3	1.5	3.9	-0.8	76.8
Standard Deviation	0.3	0.2	0.8	1.4	0.3	0.3	0.7	0.4	1.3
Number of Forecasts	15	14	14	10	6	15	14	14	10
Other Forecasts									
EC (Nov. '12)	2.0	1.6	4.1	na	5.5	1.8	4.7	0.0	78.4
IMF (Jan. '13)	1.4	na	na	na	na	na	na	na	na
OECD (Nov. '12)	1.9	2.3	4.6	na	5.6	2.0	5.3	-0.7	79.3

Germany: Historical Data

<i>% change, year-on-year</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Gross Domestic Product	-5.1	4.0	3.1	0.9
Private Consumption	0.1	0.9	1.7	0.7
Gross Fixed Investment	-11.6	5.9	6.2	-1.8
Industrial Production	-16.3	10.7	7.7	-0.6
Unemploy. Rate, % of L.F.	7.8	7.1	6.0	5.5
Consumer Prices	0.2	1.2	2.5	2.1
Current Acc., % of GDP	5.6	6.1	5.7	6.0
Budget Bal., % of GDP	-3.1	-4.1	-0.8	-0.2
Public Debt, % of GDP	74.5	82.5	80.5	81.7

Source: ECB; Eurostat; national statistical office

Germany: Background Information

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

Note: 5% solidarity rate and municipal rates also levied.

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

FRANCE - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.4	0.3	0.2	na	na	1.5	-1.8	-3.3	92.9
BNP Paribas	0.0	0.2	-2.6	-2.1	11.0	1.6	-1.9	-3.8	na
Danske Bank	0.2	0.0	0.3	na	10.2	2.1	-2.5	-4.7	90.8
DZ Bank	0.2	0.2	0.4	na	11.0	2.3	-2.2	-3.7	93.0
Economist Intelligence Unit	0.1	-0.1	-0.6	na	10.5	1.6	-1.7	-3.4	na
G&P Institutional Mgmt	-0.4	-0.2	-3.2	na	10.9	1.3	na	-3.7	na
HSBC	0.7	0.4	1.0	na	10.8	1.7	-1.9	-3.4	93.1
IHS Global Insight	-0.2	-0.1	-0.8	-2.2	10.8	1.6	-1.7	-3.6	92.4
Intesa Sanpaulo	-0.1	0.0	-0.3	-0.3	10.4	1.3	na	na	na
Moody's Analytics	0.1	-0.1	-0.7	-0.1	10.1	1.4	-1.9	-5.1	na
Morgan Stanley	-0.1	0.1	-0.5	na	10.2	1.2	-1.8	-3.4	92.5
Oxford Economics	0.0	0.4	-0.5	-0.4	11.0	1.7	-1.9	-3.3	118.1
Raiffeisen Bank International	0.0	na	na	na	na	1.8	-2.3	-3.5	92.0
Societe Generale	0.0	0.1	-1.9	na	10.7	2.1	-1.4	-3.5	93.0
UBS	0.3	0.3	1.0	0.8	10.2	na	-1.3	-3.4	93.9
Unicredit Bank	0.5	0.3	1.1	na	10.6	na	-2.0	-3.5	92.3
Consensus (Mean Average)	0.1	0.1	-0.5	-0.7	10.6	1.7	-1.9	-3.7	94.9
Last Month	0.2	0.2	-0.1	-0.9	10.6	1.6	-1.9	-3.7	95.1
2 Months Ago	0.3	0.3	0.0	-0.3	10.6	1.8	-1.9	-3.6	92.6
Median	0.1	0.1	-0.5	-0.4	10.7	1.6	-1.9	-3.5	92.9
High	0.7	0.4	1.1	0.8	11.0	2.3	-1.3	-3.3	118.1
Low	-0.4	-0.2	-3.2	-2.2	10.1	1.2	-2.5	-5.1	90.8
Standard Deviation	0.3	0.2	1.3	1.2	0.3	0.3	0.3	0.5	7.7
Number of Forecasts	16	15	15	6	14	14	14	15	11
Other Forecasts									
EC (Nov. '12)	0.4	-0.1	0.1	na	10.7	1.7	-1.8	-3.5	92.7
IMF (Jan. '13)	0.3	na	na	na	na	na	na	na	na
OECD (Nov. '12)	0.3	0.5	-0.1	na	10.7	1.3	-2.0	-3.4	94.2

- The French economy contracted as 2012 drew to a close, ending a year of stagnation and decline for one of the euro zone's largest economies. Disappointing no doubt to the Socialist Party government led by President François Hollande, real GDP fell in Q4 by 0.3% in both q/q and y/y terms.
- The lack of growth has forced the prime minister, Jean-Marc Ayrault, to admit that the government's deficit-reduction is off-track and that it will now miss the 3% of GDP target. The government's underlying forecast of 0.8% GDP growth for this year is now considerably out of kilter with private

sector opinion; our panel's average prediction is just 0.1% - some believe a year of contraction is on the cards.

- While confidence had been improving a little toward the tail end of last year, the latest indicators from the European Commission show a renewed dip in January. The downturn was visible across the board, with manufacturers, consumers, and firms in the services and construction sectors, all feeling more cautious. Many point to the government's ill-fated strategies to tax the wealthy and restructure the economy as key elements of the problem.

FRANCE - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.5	1.2	2.6	na	na	1.5	-1.7	-2.6	93.1
BNP Paribas	0.9	0.3	0.4	1.8	11.2	1.9	-1.3	-3.0	na
Danske Bank	0.9	1.1	1.6	na	10.4	1.7	-2.2	-4.0	92.8
DZ Bank	1.0	0.9	2.4	na	10.8	2.4	-2.0	-3.5	94.0
Economist Intelligence Unit	na	na	na	na	na	na	na	na	na
G&P Institutional Mgmt	0.8	0.9	-1.3	na	10.5	1.3	na	-3.2	na
HSBC	0.8	-0.1	1.9	na	10.8	1.8	-1.6	-2.6	93.7
IHS Global Insight	0.5	0.5	0.5	-2.2	10.8	1.6	-1.4	-2.9	94.4
Intesa Sanpaulo	1.1	1.0	1.2	2.7	10.4	1.8	na	na	na
Moody's Analytics	1.4	1.7	1.7	1.5	9.3	2.3	-1.7	-3.7	na
Morgan Stanley	0.8	0.8	1.7	na	10.4	1.7	-1.9	-2.9	93.3
Oxford Economics	1.1	1.0	1.7	1.5	10.8	1.5	-1.9	-2.5	120.6
Raiffeisen Bank International	1.0	na	na	na	na	1.9	-2.5	-2.5	92.4
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	0.9	1.0	2.0	1.6	10.0	na	-1.4	-2.4	95.2
Unicredit Bank	1.3	1.0	2.2	na	10.7	na	-1.8	-3.1	93.4
Consensus (Mean Average)	1.0	0.9	1.4	1.2	10.5	1.8	-1.8	-3.0	96.3
Last Month	1.0	0.9	1.6	1.7	10.5	1.9	-1.8	-3.1	96.7
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.0	1.0	1.7	1.6	10.6	1.8	-1.8	-2.9	93.6
High	1.5	1.7	2.6	2.7	11.2	2.4	-1.3	-2.4	120.6
Low	0.5	-0.1	-1.3	-2.2	9.3	1.3	-2.5	-4.0	92.4
Standard Deviation	0.3	0.4	1.0	1.7	0.5	0.3	0.3	0.5	8.6
Number of Forecasts	14	13	13	6	12	12	12	13	10
Other Forecasts									
EC (Nov. '12)	1.2	1.1	1.7	na	10.7	1.7	-1.9	-3.5	93.8
IMF (Jan. '13)	0.9	na	na	na	na	na	na	na	na
OECD (Nov. '12)	1.3	0.7	2.9	na	10.9	1.2	-1.9	-2.9	95.8

France: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-3.1	1.7	1.7	0.1
Private Consumption	0.1	1.4	0.3	-0.1
Gross Fixed Investment	-10.6	1.2	3.5	0.4
Industrial Production	-12.8	4.8	2.4	-2.1
Unemploy. Rate, % of L.F.	9.5	9.8	9.7	10.1
Consumer Prices	0.1	1.7	2.3	2.2
Current Acc., % of GDP	-1.5	-1.7	-2.2	-2.2
Budget Bal., % of GDP	-7.5	-7.1	-5.2	-4.6
Public Debt, % of GDP	79.2	82.3	86.0	92.1

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	2017 (presidential & parliamentary)
Capital City:	Paris
Economic Freedom:	67th out of 179 countries
Doing Business:	34th out of 185 countries
Competitiveness:	21st out of 144 countries
Corruption:	22nd out of 174 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33% (branch rate)

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

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

ITALY - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-0.7	-1.7	-1.8	na	na	2.0	-1.2	-1.8	132.1
BNP Paribas	-0.7	-2.2	-3.0	-1.2	11.4	2.1	-0.8	-1.8	na
Danske Bank	-0.4	-0.9	-1.3	na	10.6	3.0	-2.5	-2.4	124.2
DZ Bank	-0.9	-0.4	-1.1	na	11.3	2.4	-0.8	-2.0	128.0
Economist Intelligence Unit	-1.1	-2.0	-2.0	na	11.6	1.7	-0.7	-2.1	na
G&P Institutional Mgmt	-0.8	-1.9	-4.7	na	11.4	1.6	na	-2.4	na
HSBC	-1.0	-1.6	-4.7	-2.2	11.7	2.0	-1.1	-2.3	127.8
IHS Global Insight	-1.2	-1.6	-3.3	-3.0	11.3	1.8	-0.6	-2.0	126.7
Intesa Sanpaulo	-1.0	-1.8	-3.4	-3.2	na	2.2	na	-2.4	na
Moody's Analytics	-0.5	-1.0	-3.3	0.7	10.7	2.2	-0.4	-3.0	na
Morgan Stanley	-1.2	-1.7	-2.7	na	12.7	1.5	-0.7	-2.5	128.0
Oxford Economics	-1.2	-2.5	-2.4	-3.0	12.0	2.3	-0.5	-2.2	125.5
Raiffeisen Bank International	-1.0	na	na	na	na	2.3	-0.3	-1.9	128.3
Societe Generale	-1.3	-2.0	-3.4	na	12.6	1.9	-2.0	-2.1	128.5
UBS	-0.4	-0.6	-1.3	-0.2	11.0	2.4	na	-1.7	123.3
Unicredit Bank	-0.7	-2.0	-1.3	na	11.5	2.0	-1.1	-1.8	127.9
Consensus (Mean Average)	-0.9	-1.6	-2.6	-1.7	11.5	2.1	-1.0	-2.2	127.3
Last Month	-0.8	-1.4	-2.6	-1.9	11.4	2.1	-0.9	-2.2	127.3
2 Months Ago	-0.8	-1.3	-2.5	-0.9	11.5	2.1	-1.0	-2.2	127.1
Median	-1.0	-1.7	-2.7	-2.2	11.4	2.1	-0.8	-2.1	127.9
High	-0.4	-0.4	-1.1	0.7	12.7	3.0	-0.3	-1.7	132.1
Low	-1.3	-2.5	-4.7	-3.2	10.6	1.5	-2.5	-3.0	123.3
Standard Deviation	0.3	0.6	1.2	1.5	0.6	0.4	0.6	0.3	2.4
Number of Forecasts	16	15	15	7	13	16	13	16	11
Other Forecasts									
EC (Nov. '12)	-0.5	-0.9	-2.1	na	11.5	2.0	-0.4	-2.1	127.6
IMF (Jan. '13)	-1.0	na	na	na	na	na	na	na	na
OECD (Nov. '12)	-1.0	-1.1	-5.1	na	11.4	1.9	0.3	-2.9	130.4

- The impending parliamentary elections to be held in just over a week's time are creating considerable uncertainty for Italy's economic outlook, and for European policymakers, particularly with the economy remaining weak and fiscal consolidation so important.
- Real GDP contracted by 0.9% q/q in Q4 2012, a harsher pace of decline that resulted in a 2.7% y/y drop. Many may react negatively by turning against the technocrat Prime Minister Mario Monti and his centrist bloc, as the economy is sure to become the hot-topic ahead of the vote.
- All three of the main competing factions – including the centre-right led by the irrepensible Silvio Berlusconi and the centre-left fronted by Pier Luigi Bersani (the man likely to become Italy's next prime minister) – are promising tax cuts. However, a win for the centre-right in the Senate (the upper house) could lead to policy paralysis – a much feared outcome given Italy's problems – and in view of the chaotic political environment there is even the prospect of another election, like Greece. The uncertainty is likely to hang over the bond markets and affect investment.

ITALY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.9	0.3	2.8	na	na	1.7	-1.1	-1.6	134.3
BNP Paribas	0.7	0.1	1.1	3.5	11.4	1.7	-0.9	-1.1	na
Danske Bank	1.1	1.1	2.3	na	11.1	2.0	-1.5	-1.3	122.3
DZ Bank	0.7	0.8	1.6	na	11.3	2.4	-0.5	-1.9	127.0
Economist Intelligence Unit	na	na	na	na	na	na	na	na	na
G&P Institutional Mgmt	1.8	1.2	3.4	na	10.8	1.5	na	-1.0	na
HSBC	0.4	0.0	0.4	2.0	12.0	1.7	-0.1	-2.2	126.9
IHS Global Insight	-0.3	-0.5	-1.2	-0.3	11.5	1.7	0.0	-1.8	127.1
Intesa Sanpaulo	0.7	0.4	1.2	0.1	na	2.6	na	-1.3	na
Moody's Analytics	1.1	1.2	2.7	3.2	8.7	2.0	-1.3	-1.9	na
Morgan Stanley	0.5	0.0	0.9	na	12.8	2.1	0.3	-2.2	126.7
Oxford Economics	0.3	0.0	1.8	2.1	12.4	1.8	-0.5	-2.0	126.1
Raiffeisen Bank International	1.2	na	na	na	na	1.8	0.0	-1.5	125.9
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	0.6	0.7	2.5	2.9	9.9	2.1	na	-0.5	121.5
Unicredit Bank	0.7	0.6	2.6	na	11.7	1.8	-1.0	-1.6	126.4
Consensus (Mean Average)	0.7	0.5	1.7	1.9	11.2	1.9	-0.6	-1.6	126.4
Last Month	0.7	0.4	1.4	1.8	11.3	2.0	-0.6	-1.7	125.9
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	0.7	0.4	1.8	2.1	11.4	1.8	-0.5	-1.6	126.6
High	1.8	1.2	3.4	3.5	12.8	2.6	0.3	-0.5	134.3
Low	-0.3	-0.5	-1.2	-0.3	8.7	1.5	-1.5	-2.2	121.5
Standard Deviation	0.5	0.5	1.2	1.5	1.1	0.3	0.6	0.5	3.4
Number of Forecasts	14	13	13	7	11	14	11	14	10
Other Forecasts									
EC (Nov. '12)	0.8	0.9	2.6	na	11.8	1.7	-0.3	-2.1	126.5
IMF (Jan. '13)	0.5	na	na	na	na	na	na	na	na
OECD (Nov. '12)	0.6	0.5	-1.0	na	11.8	0.9	0.7	-3.4	132.2

Italy: Historical Data

<i>% change, year-on-year</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Gross Domestic Product	-5.5	1.8	0.4	-2.1
Private Consumption	-1.6	1.2	0.2	-3.9
Gross Fixed Investment	-11.7	2.1	-1.9	-8.7
Industrial Production	-18.7	6.9	0.3	-6.3
Unemploy. Rate, % of L.F.	7.8	8.4	8.5	10.6
Consumer Prices	0.8	1.6	2.9	3.3
Current Acc., % of GDP	-2.0	-3.5	-3.2	-1.5
Budget Bal., % of GDP	-5.4	-4.5	-3.9	-2.9
Public Debt, % of GDP	116.4	119.2	120.7	125.2

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Mario Monti (appointed)
Government:	Appointed technocrats
Next Election:	February 24th, 2013 (parliamentary)
Capital City:	Rome
Economic Freedom:	92nd out of 179 countries
Doing Business:	73rd out of 185 countries
Competitiveness:	42nd out of 144 countries
Corruption:	72nd out of 174 countries
Corporate Tax Rate:	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 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consumption	Gross Fixed Investment	Industrial Production (excl. construction)	Unemployment Rate (EU defn., % of labour force)	Consumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BNP Paribas	-0.3	-1.8	-1.0	0.0	6.8	2.5	10.5	-3.2	na
DZ Bank	-0.3	-0.7	-1.8	na	5.6	2.9	6.5	-3.1	73.0
Economist Intelligence Unit	-0.8	-1.5	-3.0	na	5.9	2.7	8.3	-3.5	na
IHS Global Insight	-0.4	-0.6	-1.3	-0.3	na	na	6.4	-4.2	64.3
Intesa Sanpaolo	-0.7	-1.1	-2.2	na	na	na	na	na	na
Moody's Analytics	0.7	0.1	-1.1	-0.5	na	2.0	7.9	-3.6	na
Morgan Stanley	-0.6	-0.8	-3.1	4.4	5.9	2.2	8.7	-3.1	70.5
Oxford Economics	-0.4	-0.8	0.0	-0.9	6.3	2.1	7.6	-2.7	84.2
Raiffeisen Bank International	-0.1	na	na	na	na	2.2	8.0	-2.9	68.7
UBS	-0.4	-0.2	0.3	-2.8	na	2.3	5.3	-2.7	66.0
Consensus (Mean Average)	-0.3	-0.8	-1.5	0.0	6.1	2.4	7.7	-3.2	71.1
Last Month	-0.3	-0.8	-1.5	0.0	6.1	2.4	7.5	-3.2	71.1
2 Months Ago	-0.1	-0.6	-0.3	0.5	6.0	2.3	7.4	-3.2	70.7
Median	-0.4	-0.8	-1.3	-0.4	5.9	2.3	7.9	-3.1	69.6
High	0.7	0.1	0.3	4.4	6.8	2.9	10.5	-2.7	84.2
Low	-0.8	-1.8	-3.1	-2.8	5.6	2.0	5.3	-4.2	64.3
Standard Deviation	0.4	0.6	1.2	2.4	0.5	0.3	1.5	0.5	7.1
Number of Forecasts	10	9	9	6	5	8	9	9	6
Other Forecasts									
EC (Nov. '12)	0.3	-0.8	-1.0	na	6.1	2.4	9.8	-2.9	69.3
IMF (Oct. '12)	0.4	na	na	na	5.7	1.8	8.2	na	na
OECD (Nov. '12)	0.2	-0.6	-0.5	na	5.8	2.4	8.4	-3.0	73.1

- Following a 1% q/q decline in Q3 2012, the Dutch economy shrank again in Q4, by 0.2%, culminating in a 0.9% y/y decline, according to Eurostat. The downturn was evinced in other countries, and is indicative of the deterioration in economic conditions across a large swathe of Europe, but the government will take no comfort from the fact that the Netherlands is back in recession.
- Reduced household spending and cutbacks in business investment were among the main factors behind the decline in GDP.
- Exports have proved to be a bright spot, but clearly confidence has been weakened by the government's fiscal consolidation programme, the housing market malaise and other factors, such as inflation and unemployment.
- Housing and banking sector weaknesses were behind the decision by Fitch to lower its outlook on the Netherlands' triple-A credit rating from stable to negative recently. The failure of SNS Reaal, one of three major banks to require support, has added to the debt burden.

NETHERLANDS - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consumption	Gross Fixed Investment	Industrial Production <i>(excl. construction)</i>	Unemployment Rate <i>(EU defn., % of labour force)</i>	Consumer Prices <i>(HICP)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>	General Govt. Debt <i>(% of GDP)</i>
Panellists									
BNP Paribas	0.9	0.2	2.5	2.3	7.0	1.8	11.0	-2.8	na
DZ Bank	1.1	1.0	2.1	na	5.4	2.6	7.2	-2.7	72.0
Economist Intelligence Unit	na	na	na	na	na	na	na	na	na
IHS Global Insight	0.4	0.9	0.9	0.9	na	na	6.6	-4.2	63.2
Intesa Sanpaolo	1.4	0.8	2.3	na	na	na	na	na	na
Moody's Analytics	2.3	1.2	5.0	-0.3	na	2.2	8.3	-3.1	na
Morgan Stanley	1.0	0.2	2.4	2.2	6.2	1.5	9.0	-3.2	71.6
Oxford Economics	0.9	0.0	1.5	0.7	6.7	1.5	7.5	-2.5	85.7
Raiffeisen Bank International	1.6	na	na	na	na	2.0	7.0	-3.2	69.1
UBS	1.0	0.3	3.7	5.1	na	2.5	5.2	-2.2	66.0
Consensus (Mean Average)	1.2	0.6	2.6	1.8	6.3	2.0	7.7	-3.0	71.3
Last Month	1.2	0.6	2.6	1.2	6.3	2.0	7.4	-3.0	71.3
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.0	0.6	2.4	1.6	6.5	2.0	7.4	-3.0	70.4
High	2.3	1.2	5.0	5.1	7.0	2.6	11.0	-2.2	85.7
Low	0.4	0.0	0.9	-0.3	5.4	1.5	5.2	-4.2	63.2
Standard Deviation	0.5	0.4	1.3	1.9	0.7	0.4	1.7	0.6	7.8
Number of Forecasts	9	8	8	6	4	7	8	8	6
Other Forecasts									
EC (Nov. '12)	1.4	0.4	2.6	na	6.2	1.6	9.8	-3.2	70.3
IMF (Oct. '12)	na	na	na	na	na	na	na	na	na
OECD (Nov. '12)	1.5	0.6	3.0	na	6.1	1.4	9.0	-2.5	73.5

Netherlands: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-3.5	1.7	1.2	-0.9
Private Consumption	-2.6	0.4	-1.1	-1.4
Gross Fixed Investment	-10.2	-4.4	5.8	-4.7
Industrial Production	-7.6	7.8	-0.8	-0.5
Unemploy. Rate, % of L.F.	3.7	4.5	4.4	5.3
Consumer Prices	1.0	0.9	2.5	2.8
Current Acc., % of GDP	4.2	7.1	9.2	8.5
Budget Bal., % of GDP	-5.6	-5.1	-4.5	-3.8
Public Debt, % of GDP	60.8	63.1	65.5	69.5

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	15th out of 179 countries
Doing Business:	31st out of 185 countries
Competitiveness:	5th out of 144 countries
Corruption:	9th out of 174 countries
Corporate Tax Rate:	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

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

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

SPAIN - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-1.1	-2.8	-6.8	na	na	2.0	0.3	-5.9	93.7
BNP Paribas	-1.4	-4.8	-3.5	-0.3	26.9	2.5	-1.3	-5.5	na
Danske Bank	-1.5	-2.1	-4.3	na	24.9	1.9	-2.8	-7.0	84.5
DZ Bank	-1.9	-2.1	-3.8	na	25.9	3.5	-1.6	-6.0	93.0
Economist Intelligence Unit	-1.6	-2.0	-7.1	na	24.6	2.9	-0.2	-6.5	na
G&P Institutional Mgmt	-1.5	-2.6	-8.9	na	26.3	2.2	na	-6.3	na
HSBC	-1.9	-2.7	-6.9	-4.1	27.5	2.5	-0.8	-6.5	92.7
IHS Global Insight	-1.6	-2.0	-3.5	-2.0	26.3	1.8	0.3	-6.2	92.4
Intesa Sanpaulo	-1.5	-2.4	-3.9	-3.7	na	na	na	-6.1	na
Moody's Analytics	-1.3	-1.5	-4.3	0.3	26.3	1.9	0.2	na	na
Morgan Stanley	-1.5	-2.6	-7.2	na	26.8	1.8	-0.4	-6.1	95.8
Oxford Economics	-1.6	-2.2	-5.9	-4.1	26.8	1.9	0.4	-6.6	91.9
Raiffeisen Bank International	-1.5	na	na	na	na	1.9	-1.0	-5.5	92.3
Santander	-1.4	-1.7	-6.5	na	26.7	1.9	-0.9	na	na
Societe Generale	-1.7	-2.8	-5.6	na	27.1	2.8	1.0	-6.0	96.1
UBS	-1.7	-2.2	-8.3	-3.4	25.4	3.2	-1.7	-5.5	95.8
Unicredit Bank	-1.4	-1.7	-4.8	na	26.6	2.3	-0.2	-6.0	93.8
Consensus (Mean Average)	-1.5	-2.4	-5.7	-2.5	26.3	2.3	-0.6	-6.1	92.9
Last Month	-1.5	-2.3	-5.5	-2.6	26.1	2.4	-1.0	-6.0	92.3
2 Months Ago	-1.5	-2.1	-6.4	-2.6	25.9	2.5	-1.1	-5.8	92.0
Median	-1.5	-2.2	-5.8	-3.4	26.5	2.1	-0.4	-6.1	93.0
High	-1.1	-1.5	-3.5	0.3	27.5	3.5	1.0	-5.5	96.1
Low	-1.9	-4.8	-8.9	-4.1	24.6	1.8	-2.8	-7.0	84.5
Standard Deviation	0.2	0.8	1.7	1.8	0.8	0.5	1.0	0.4	3.2
Number of Forecasts	17	16	16	7	14	16	15	15	11
Other Forecasts									
EC (Nov. '12)	-1.4	-2.1	-5.6	na	26.6	2.1	-0.5	-6.0	92.7
IMF (Jan. '13)	-1.5	na	na	na	na	na	na	na	na
OECD (Nov. '12)	-1.4	-2.3	-9.0	na	26.9	1.2	0.5	-6.3	92.6

- The rise in Spain's unemployment rate may have ended for now, but more than a quarter of the workforce remains out of work and the economy posted another decline in Q4 2012, as tax hikes and salary cuts crimped consumer spending and businesses failed to invest. Real GDP shrank by 0.7% on this occasion, and by 1.8% y/y, a larger drop than in other quarters last year.
- The government remains upbeat, talking of corners being turned, and indeed some indicators – the balance of payments, bond yields, FDI and the primary deficit - are in better shape, in light of the structural consolidation that has taken place.
- Sentiment indicators have also improved, according to the European Commission's latest survey, but there is clearly a long way to go until the patient is officially recovering. All of Spain's confidence indicators remain at deeply depressed levels right across the board. Moreover, there is still considerable concern among Spanish firms about the extremely tight credit conditions. The entrenched unemployment problem is also a harbinger of social tensions.

SPAIN - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.1	-0.3	2.6	na	na	1.1	0.9	-4.6	96.4
BNP Paribas	0.4	-0.5	1.9	0.8	27.5	0.9	0.2	-4.0	na
Danske Bank	0.3	-0.5	2.4	na	26.4	1.7	-0.5	-5.5	92.0
DZ Bank	0.9	0.8	2.0	na	25.7	2.5	-0.2	-6.0	97.0
Economist Intelligence Unit	na	na	na	na	na	na	na	na	na
G&P Institutional Mgmt	1.1	0.3	-0.8	na	25.5	1.8	na	-4.5	na
HSBC	-0.2	-1.1	-4.3	-0.9	27.6	1.4	0.2	-5.0	97.1
IHS Global Insight	-0.6	-0.4	-0.8	-0.3	26.1	1.9	0.5	-4.4	94.8
Intesa Sanpaulo	0.6	0.3	-0.3	2.0	na	na	na	-5.7	na
Moody's Analytics	0.6	0.3	0.2	1.8	25.7	1.7	0.8	na	na
Morgan Stanley	0.8	0.0	-1.5	na	25.8	1.3	0.5	-6.5	98.5
Oxford Economics	0.2	-0.1	-0.2	0.4	27.0	1.0	0.4	-4.7	99.2
Raiffeisen Bank International	1.0	na	na	na	na	1.5	0.2	-4.5	94.6
Santander	na	na	na	na	na	na	na	na	na
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	0.0	-0.6	-2.9	0.2	25.6	1.6	-1.2	-4.0	98.0
Unicredit Bank	0.4	-0.1	-0.6	na	26.2	2.6	0.5	-5.1	98.7
Consensus (Mean Average)	0.5	-0.1	-0.2	0.6	26.3	1.6	0.2	-5.0	96.6
Last Month	0.4	-0.2	-0.4	0.5	26.1	1.7	-0.2	-5.0	96.6
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	0.5	-0.1	-0.3	0.4	26.1	1.6	0.3	-4.7	97.1
High	1.1	0.8	2.6	2.0	27.6	2.6	0.9	-4.0	99.2
Low	-0.6	-1.1	-4.3	-0.9	25.5	0.9	-1.2	-6.5	92.0
Standard Deviation	0.5	0.5	2.1	1.1	0.8	0.5	0.6	0.8	2.3
Number of Forecasts	14	13	13	7	11	13	12	13	10
Other Forecasts									
EC (Nov. '12)	0.8	0.0	-0.3	na	26.1	1.3	0.4	-6.4	97.1
IMF (Jan. '13)	0.8	na	na	na	na	na	na	na	na
OECD (Nov. '12)	0.5	-0.5	-2.7	na	26.8	0.4	1.8	-5.9	97.6

Spain: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-3.7	-0.3	0.4	-1.4
Private Consumption	-4.4	0.7	-1.0	-1.9
Gross Fixed Investment	-16.6	-6.3	-5.5	-9.0
Industrial Production	-15.7	0.9	-1.4	-5.7
Unemploy. Rate, % of L.F.	18.0	20.1	21.7	25.0
Consumer Prices	-0.2	2.0	3.1	2.4
Current Acc., % of GDP	-5.2	-4.5	-3.5	-2.2
Budget Bal., % of GDP	-11.2	-9.7	-9.4	-7.8
Public Debt, % of GDP	53.9	61.5	69.3	85.8

Source: ECB; Eurostat; national statistical office

Spain: Background Information

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

Note: Reduced rate for SMEs.

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

Notes, Sources and Definitions

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

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

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

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

sa – seasonally adjusted

q/q – quarter on quarter

m/m – month-on-month

wda – working day adjusted

y/y – year on year

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

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