

Euro Zone Barometer© - February 2014

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

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Survey Deadline: February 10th, 2014

Gradual Recovery

- The latest round of data releases for the region is providing some positive news to suggest that the euro zone's contraction will not extend into 2014 as a **gradual recovery** ensues.
- Tentative signs of this nascent recovery include an encouraging return to **economic growth in Spain**.
- The region is also once again attracting **capital inflows** as investors flee emerging markets, lending support to the euro.
- However, economic conditions in **the periphery** remain dire, with labour markets still provoking social tensions.
- Greece's borrowing requirements, coupled with uncertainties over Cyprus, Slovenia, Italy and France highlight the political and economic complexities of the debt crisis and how it may still deliver **tail shocks**.
- With the region's policymakers still perturbed by **deflation risk**, the European Central Bank is in a state of readiness to nudge interest rates lower if necessary to weaken the euro and assist the nascent economic recovery along.
- Thus, in this, our second survey of 2014, forecasters have become more optimistic regarding the region's growth outlook, but continue to exercise **caution** in the belief that the road to recovery will be a long one.

**Next Month's Survey Deadline:
March 10th, 2014**

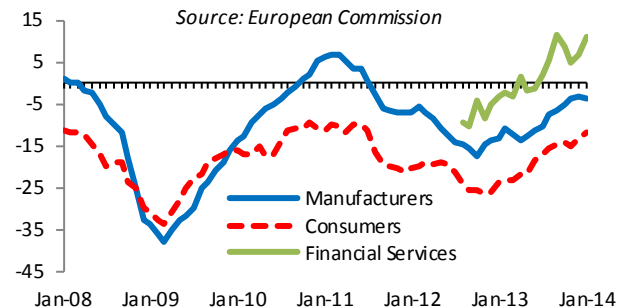
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2014-15

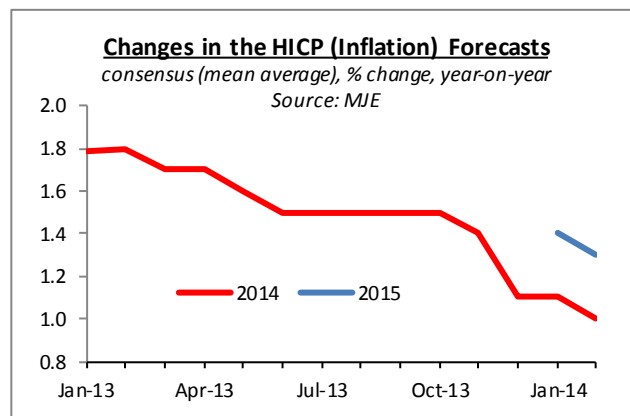
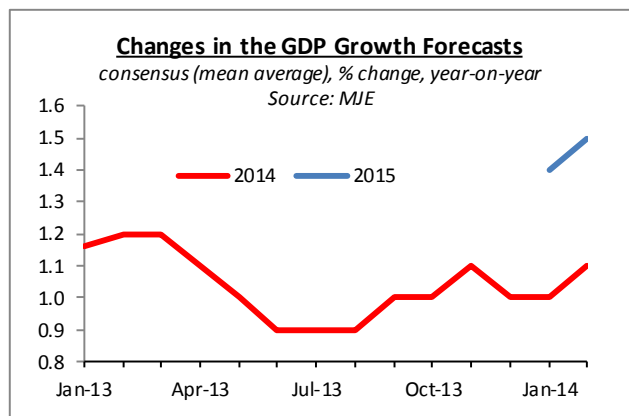
- With business and consumer confidence improving in recent months, our panel of expert forecasters has become more confident about the euro area's recovery prospects, and consequently their GDP growth predictions have improved in this latest survey.
- Euro Zone Barometer now predicts 1.5% real GDP growth for 2015 following a 1.1% expansion in 2014, putting to an end two years of contraction.
- A brighter outlook for private consumption in 2014 provides the main explanation for the upgrade, and the unemployment rate forecast has been shaved by one percentage point.
- Forecasts for the region-wide average general government gross deficit are unchanged - still showing a long-term improvement with the imbalance down to almost a third of its 2010 level (as a proportion of GDP) by 2015.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014f</u>	<u>2015f</u>
Gross Domestic Product	1.9	1.6	-0.7	-0.4	1.1	1.5
Private Consumption	1.0	0.3	-1.4	-0.5	0.7	1.1
Government Consumption	0.6	-0.1	-0.5	0.2	0.4	0.5
Gross Fixed Investment	-0.4	1.6	-4.0	-3.2	1.6	2.8
Change in Stocks (Inventories)¹	0.6	0.3	-0.5	-0.1	0.1	0.1
Goods and Services Exports	11.6	6.5	2.5	1.2	3.8	4.3
Goods and Services Imports	10.0	4.5	-0.9	0.1	3.7	4.1
Net Exports²	0.7	0.9	1.5	0.5	0.2	0.1
Industrial Production (ex. construction)	7.3	3.4	-2.5	-0.8	1.9	2.5
Retail Sales Volume	0.5	-0.8	-1.7	-0.9	0.7	1.3
Unemployment Rate, % of labour force	10.2	10.2	11.4	12.1	12.0	11.8
Money Supply, M3, end period, % change	1.1	1.5	2.9	2.4	2.1	2.3
Harmonised Index of Consumer Prices	1.6	2.7	2.5	1.4	1.0	1.3
Producer Prices	2.7	5.7	2.8	-0.2	1.1	2.0
Nominal Labour Costs	1.5	2.2	1.9	1.5	1.6	1.8
Current Account Balance, annual total, €bn	5.3	8.2	126.2	200.4	196.3	195.8
Current Account Balance, % of GDP	0.1	0.1	1.3	2.1	2.2	2.1
General Govt Budget Balance, % of GDP	-6.2	-4.1	-3.7	-3.0	-2.6	-2.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	1.01	1.36	0.19	0.29	0.25	0.72
10 Year German Bond Yield, % per annum	2.92	1.83	1.32	1.94	2.19	2.59
US\$ per € Exchange Rate	1.336	1.294	1.318	1.378	1.277	1.257

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



Euro area business and consumer sentiment continued to improve in January, for a ninth consecutive month, according to the European Commission's monthly surveys. However, the rise in the headline indicator - from 100.4 in December to 100.9 in January - would have been larger were it not for a drop in the manufacturing component, which returned to its November level. Although the region's manufacturers are more confident than at this time last year, exporters still have one eye on weak domestic demand within Europe dampening intra-zone sales, and another on the slowdown in China and emerging markets shake-out to maintain caution.

Any hopes for a rapid improvement in the ailing euro zone economy have been similarly dampened by the latest consumer-related data showing a large, seasonally-adjusted fall in retail sales during December that delivers an average decline of 0.9% for 2013. Considerable spare capacity, along with euro zone strength and weaker commodity prices, has also put downward pressure on consumer price inflation, which fell to 0.7% y/y in January on the back of sharply falling energy costs, according to the regional HICP. Meanwhile, the labour market is still a significant problem for policymakers, stabilizing at 12% from October to December with almost a quarter of under-25s still without work.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-1.2	-0.6	-0.3	0.5
Private Consumption	-1.2	-0.6	-0.4	0.2
Industrial Production	-2.3	-1.0	-1.1	1.3
Harmonised Index of Consumer Prices	1.9	1.4	1.3	0.8
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.29
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.94
	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	0.9	0.9	1.1	1.2
Private Consumption	0.5	0.6	0.7	0.8
Industrial Production	1.7	1.7	2.3	2.5
Harmonised Index of Consumer Prices	0.8	0.9	0.9	1.3
3 month Interest Rate, % per annum, end period	0.23	0.22	0.24	0.25
10 Year Bond Yield, % per annum, end period	1.85	1.99	2.08	2.19
	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.4	1.3	1.4	1.4
Private Consumption	0.9	1.0	1.0	1.1
Industrial Production	2.4	2.3	2.6	2.5
Harmonised Index of Consumer Prices	1.3	1.4	1.4	1.5
3 month Interest Rate, % per annum, end period	0.43	0.47	0.60	0.72
10 Year Bond Yield, % per annum, end period	2.28	2.39	2.51	2.59

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

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	0.5	2.5	na	4.3	3.9	na
BBVA	1.1	0.7	0.5	1.6	0.0	3.5	3.3	0.3
BNP Paribas	1.0	0.6	0.6	0.9	0.0	4.1	3.7	na
Commerzbank	0.9	0.7	0.5	2.0	0.5	4.2	4.5	-0.5
Danske Bank	1.3	1.1	0.2	2.6	0.2	3.5	3.8	na
DZ Bank	1.2	0.8	0.6	1.8	na	4.1	4.4	0.1
Econ Intelligence Unit	0.9	0.6	0.2	2.0	na	3.2	3.1	0.2
ETLA	1.0	0.5	0.4	1.7	na	2.9	4.1	na
G&P Institutional Mgmt	1.4	0.9	1.0	2.3	0.0	4.3	4.3	0.2
HSBC	0.8	0.5	0.1	0.6	na	3.0	2.4	na
IHS Global Insight	1.1	0.7	0.5	2.1	na	3.6	3.6	0.1
Intesa Sanpaulo	1.1	0.6	0.6	1.8	0.1	4.3	4.3	0.2
J P Morgan Chase	1.0	0.6	0.4	na	na	3.1	3.3	na
Morgan Stanley	0.5	0.5	0.2	-0.4	0.1	3.3	3.1	0.2
Oxford Economics	0.9	0.6	0.0	1.4	0.0	3.4	3.0	0.3
Raiffeisen Bank International	1.5	0.8	0.7	2.5	na	5.8	5.4	na
Santander	1.1	0.6	0.0	2.4	na	3.6	3.8	0.1
SEB	0.8	0.6	0.1	1.7	0.0	3.7	3.8	0.1
Societe Generale	0.5	0.1	0.0	-0.1	0.0	3.3	2.7	na
UBS	1.1	0.8	0.2	1.6	-0.1	3.5	3.2	0.3
UniCredit Bank	1.5	0.7	0.1	1.9	0.4	4.6	4.3	0.4
Consensus (Mean)	1.1	0.7	0.4	1.6	0.1	3.8	3.7	0.2
Last Month	1.0	0.6	0.3	1.6	0.1	3.8	3.7	0.2
2 Months Ago	1.0	0.6	0.3	1.5	0.0	3.9	3.7	0.2
Median	1.1	0.6	0.4	1.8	0.0	3.6	3.8	0.2
High	1.5	1.1	1.0	2.6	0.5	5.8	5.4	0.4
Low	0.5	0.1	0.0	-0.4	-0.1	2.9	2.4	-0.5
Standard Deviation	0.3	0.2	0.3	0.8	0.2	0.7	0.7	0.2
Number of Forecasts	21	21	21	20	12	21	21	13
Other Forecasts								
ECB (Sep. '13)	1.0	0.7	0.6	1.8	na	3.6	3.8	na
EC (Nov. '13)	1.1	0.6	0.3	1.9	0.1	4.2	3.9	0.3
IMF (Oct. '13)	1.0	0.5	-0.3	1.3	0.0	na	na	0.4
OECD (Nov. '13)	1.0	na	na	na	na	na	na	na

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	1.0	0.7	na	225.0	2.3	-2.5
BBVA	na	na	12.0	na	1.0	na	na	na	2.1	-2.4
BNP Paribas	3.3	na	12.1	na	1.0	3.3	na	225.0	2.3	-2.5
Commerzbank	2.3	na	11.8	3.0	0.9	-0.4	1.2	200.0	na	-2.5
Danske Bank	na	na	12.0	na	0.7	na	na	na	2.9	-2.5
DZ Bank	na	na	12.1	na	1.4	na	na	na	2.5	-2.8
Econ Intelligence Unit	1.3	na	12.1	na	1.1	0.9	na	245.3	2.5	-2.7
ETLA	1.5	na	12.0	na	na	na	na	na	na	-2.6
G&P Institutional Mgmt	na	na	11.7	na	0.7	na	na	na	na	na
HSBC	1.4	na	12.1	na	1.0	na	1.5	na	2.1	-2.9
IHS Global Insight	1.9	0.7	12.0	na	1.1	1.1	1.7	220.0	2.3	-2.7
Intesa Sanpaulo	0.5	0.5	11.8	2.0	1.6	1.0	2.1	135.0	na	na
J P Morgan Chase	1.8	na	12.1	na	0.8	na	na	113.4	1.2	na
Morgan Stanley	na	na	12.5	na	1.1	na	na	179.3	1.9	-2.8
Oxford Economics	1.7	0.8	12.0	na	1.1	0.7	na	218.7	2.2	-2.6
Raiffeisen Bank International	2.6	na	12.1	na	1.3	na	na	187.2	1.9	-2.5
Santander	na	na	12.2	na	1.0	na	na	156.0	1.6	-2.5
SEB	2.0	na	12.0	na	0.6	na	na	na	1.8	-2.6
Societe Generale	na	na	na	na	na	na	na	250.5	2.6	-2.4
UBS	na	na	12.0	1.4	1.1	1.3	na	na	2.3	-2.6
UniCredit Bank	na	na	12.2	na	0.9	na	na	na	2.7	-2.4
Consensus (Mean)	1.9	0.7	12.0	2.1	1.0	1.1	1.6	196.3	2.2	-2.6
Last Month	1.7	0.7	12.1	2.1	1.1	1.3	1.6	205.1	2.2	-2.6
2 Months Ago	1.9	0.6	12.1	2.6	1.1	1.2	1.7	193.2	2.1	-2.6
Median	1.9	0.7	12.0	2.0	1.0	1.0	1.6	209.4	2.3	-2.6
High	3.3	0.8	12.5	3.0	1.6	3.3	2.1	250.5	2.9	-2.4
Low	0.5	0.5	11.7	1.4	0.6	-0.4	1.2	113.4	1.2	-2.9
Standard Deviation	0.7	0.2	0.2	0.8	0.2	1.0	0.4	43.4	0.4	0.1
Number of Forecasts	12	3	20	3	19	8	4	12	17	18
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	1.3	na	na	na	na	na
EC (Nov. '13)	na	na	12.2	na	1.5	na	na	244.4	2.5	-2.5
IMF (Oct. '13)	na	na	12.2	na	1.5	na	na	na	2.5	-2.5
OECD (Nov. '13)	na	na	12.1	na	1.2	na	na	na	2.6	-2.5

Euro Zone - Forecasts for 2015

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	1.2	0.8	3.0	na	4.3	4.5	na
BBVA	1.9	1.2	0.7	5.0	0.0	4.9	5.1	0.2
BNP Paribas	1.3	0.7	0.4	1.5	0.1	3.8	3.4	na
Commerzbank	1.0	1.0	0.6	2.5	0.3	5.0	4.0	-0.6
Danske Bank	1.7	1.4	-0.1	4.2	0.0	4.4	4.4	na
DZ Bank	1.6	1.3	0.8	2.8	na	5.1	5.1	0.2
Econ Intelligence Unit	1.4	1.0	0.5	3.4	na	3.6	3.7	0.1
ETLA	1.8	1.0	0.6	3.0	na	4.5	3.5	na
G&P Institutional Mgmt	na	na	na	na	na	na	na	na
HSBC	1.0	0.7	0.3	1.5	na	3.4	2.9	na
IHS Global Insight	1.5	1.2	0.8	2.1	na	3.9	4.0	0.1
Intesa Sanpaulo	na	na	na	na	na	na	na	na
J P Morgan Chase	1.7	1.2	0.9	na	na	3.6	3.8	na
Morgan Stanley	1.1	0.5	0.5	1.3	0.2	4.1	3.7	0.4
Oxford Economics	1.4	1.2	0.3	2.5	0.1	4.0	4.1	0.2
Raiffeisen Bank International	2.0	1.8	0.7	3.6	na	5.4	5.7	na
Santander	1.4	1.1	0.0	3.4	na	4.3	4.4	0.1
SEB	1.6	1.4	0.8	3.0	0.0	3.7	3.8	na
Societe Generale	na	na	na	na	na	na	na	na
UBS	1.5	1.3	0.4	2.8	-0.1	4.0	4.1	0.2
UniCredit Bank	1.8	1.1	0.4	2.7	0.4	4.5	4.3	0.3
Consensus (Mean)	1.5	1.1	0.5	2.8	0.1	4.3	4.1	0.1
Last Month	1.4	1.1	0.5	2.6	0.1	4.2	4.2	0.1
2 Months Ago	na	na	na	na	na	na	na	na
Median	1.5	1.2	0.6	2.8	0.1	4.2	4.1	0.2
High	2.0	1.8	0.9	5.0	0.4	5.4	5.7	0.4
Low	1.0	0.5	-0.1	1.3	-0.1	3.4	2.9	-0.6
Standard Deviation	0.3	0.3	0.3	1.0	0.2	0.6	0.7	0.3
Number of Forecasts	18	18	18	17	9	18	18	10
Other Forecasts								
ECB (Sep. '13)	na	na	na	na	na	na	na	na
EC (Nov. '13)	1.7	1.3	0.7	3.6	0.0	5.6	5.7	0.2
IMF (Oct. '13)	na	na	na	na	na	na	na	na
OECD (Nov. '13)	1.6	na	na	na	na	na	na	na

Euro Zone - Forecasts for 2015

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	3.0	na	11.3	na	1.6	2.0	na	230.0	2.3	-2.0
BBVA	na	na	11.6	na	1.4	na	na	na	2.0	-2.1
BNP Paribas	2.1	na	11.8	na	1.2	2.1	na	250.0	2.5	-2.0
Commerzbank	2.3	na	11.4	3.5	1.2	1.6	1.8	250.0	na	-2.0
Danske Bank	na	na	11.7	na	1.0	na	na	na	3.0	-2.4
DZ Bank	na	na	11.9	na	1.8	na	na	na	2.5	-2.5
Econ Intelligence Unit	2.0	na	11.8	na	1.6	2.0	na	258.0	2.6	-2.1
ETLA	2.0	na	11.8	na	na	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	na	na	na	na	na	na	na	na
HSBC	2.6	na	11.8	na	1.2	na	1.5	na	2.0	-2.8
IHS Global Insight	2.0	1.4	11.7	na	1.4	1.9	2.1	225.0	2.2	-2.2
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.3	na	11.9	na	1.0	na	na	114.0	1.1	na
Morgan Stanley	na	na	12.4	na	1.3	na	na	197.3	2.0	-2.7
Oxford Economics	2.2	1.2	11.8	na	1.5	2.2	na	200.4	2.0	-2.1
Raiffeisen Bank International	4.3	na	11.8	na	1.8	na	na	153.4	1.5	-2.4
Santander	na	na	12.1	na	1.4	na	na	80.0	0.8	-2.0
SEB	3.0	na	11.5	na	0.6	na	na	na	1.9	-2.2
Societe Generale	na	na	na	na	na	na	na	na	na	na
UBS	na	na	11.8	1.0	1.5	2.0	na	na	2.4	-2.0
UniCredit Bank	na	na	12.0	na	1.4	na	na	na	2.8	-2.0
Consensus (Mean)	2.5	1.3	11.8	2.3	1.3	2.0	1.8	195.8	2.1	-2.2
Last Month	2.5	1.3	11.8	2.3	1.4	2.1	1.9	206.8	2.1	-2.2
2 Months Ago	na	na	na	na	na	na	na	na	na	na
Median	2.3	1.3	11.8	2.3	1.4	2.0	1.8	212.7	2.1	-2.1
High	4.3	1.4	12.4	3.5	1.8	2.2	2.1	258.0	3.0	-2.0
Low	2.0	1.2	11.3	1.0	0.6	1.6	1.5	80.0	0.8	-2.8
Standard Deviation	0.7	0.1	0.3	1.8	0.3	0.2	0.3	61.2	0.6	0.3
Number of Forecasts	11	2	18	2	17	7	3	10	16	17
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	na	na	na	na	na	na
EC (Nov. '13)	na	na	11.8	na	1.4	na	na	261.4	2.6	-2.4
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	na	na	11.8	na	1.2	na	na	na	2.8	-1.8

Financial Forecasts		2014	2015
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	0.25	0.72
Rate on Survey Date: <input type="text" value="0.29"/>	High	0.50	1.30
	Low	0.10	0.23
	Standard deviation	0.10	0.36
	Number of Forecasts	16	14
10-year Benchmark German Bond Yield, %	Mean Average	2.19	2.59
Rate on Survey Date: <input type="text" value="1.68"/>	High	2.40	2.89
	Low	1.90	2.20
	Standard deviation	0.16	0.29
	Number of Forecasts	12	7
US Dollars/Euro Exchange Rate	Mean Average	1.277	1.257
Rate on Survey Date: <input type="text" value="1.365"/>	High	1.352	1.352
	Low	1.165	1.020
	Standard deviation	0.038	0.073
	Number of Forecasts	29	23
Japanese Yen/Euro Exchange Rate	Mean Average	137.2	141.5
Rate on Survey Date: <input type="text" value="139.2"/>	High	149.5	162.0
	Low	128.9	124.0
	Standard deviation	7.3	12.5
	Number of Forecasts	11	7
UK Pound/Euro Exchange Rate	Mean Average	0.807	0.806
Rate on Survey Date: <input type="text" value="0.832"/>	High	0.850	0.850
	Low	0.760	0.750
	Standard deviation	0.027	0.036
	Number of Forecasts	13	9
Swedish Krona/Euro Exchange Rate	Mean Average	8.623	8.475
Rate on Survey Date: <input type="text" value="8.846"/>	High	9.400	9.200
	Low	7.650	7.650
	Standard deviation	0.382	0.430
	Number of Forecasts	22	17
Swiss Franc/Euro Exchange Rate	Mean Average	1.253	1.276
Rate on Survey Date: <input type="text" value="1.224"/>	High	1.295	1.350
	Low	1.220	1.220
	Standard deviation	0.022	0.046
	Number of Forecasts	8	7
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	105.5	105.0
Rate on Survey Date: <input type="text" value="109.8"/>	High	115.0	120.0
	Low	99.0	92.0
	Standard deviation	5.1	7.8
	Number of Forecasts	20	19
<i>Note: The consensus (mean average) forecasts for US\$/€, Skr/€ and oil prices are based on responses from panellists in our Euro Zone Barometer survey and those in our companion publication, the Nordic Barometer.</i>			

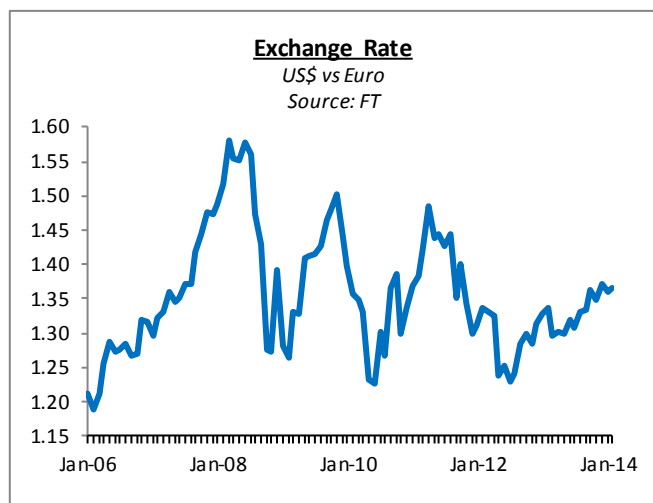
Interest Rate Data*All data are period averages*

Euro Zone Interest Rates, %	Aug '13	Sep	Oct	Nov	Dec	Jan '14
Overnight	0.08	0.08	0.09	0.10	0.17	0.20
3-month	0.23	0.22	0.23	0.22	0.27	0.29
6-month	0.34	0.34	0.34	0.33	0.37	0.40
12-month	0.54	0.54	0.54	0.51	0.54	0.56
10-year bond yields	3.10	3.41	3.16	3.17	3.31	3.21
International Rates, %						
US 3-month (Euro dollar deposits)	0.26	0.25	0.24	0.24	0.24	0.24
US 10-year	3.11	2.91	2.84	2.99	3.27	2.93
Japan 3-month (Euro yen deposits)	0.15	0.15	0.15	0.14	0.15	0.14
Japan 10-year	0.93	0.88	0.76	0.79	0.95	0.82
Euro Zone / US Yield Differentials, %						
3-month	-0.03	-0.03	-0.01	-0.02	0.03	0.05
10-year	-0.01	0.50	0.32	0.18	0.04	0.28

Exchange Rate Data*period averages vs euro*

	Aug '13	Sep	Oct	Nov	Dec	Jan '14
Trade Weighted Nominal Index * (1999 Q1=100)	102.2	102.0	102.8	102.6	103.9	103.4
Australian dollar	1.474	1.438	1.433	1.447	1.524	1.534
Canadian dollar	1.385	1.382	1.413	1.415	1.458	1.488
Chinese renminbi	8.148	8.169	8.323	8.222	8.325	8.237
Danish krone	7.458	7.458	7.459	7.459	7.460	7.461
Hong Kong dollar	10.32	10.35	10.57	10.46	10.63	10.56
Japanese yen	130.3	132.4	133.3	135.0	141.7	141.5
Norwegian krone	7.939	7.973	8.121	8.206	8.405	8.393
Singapore dollar	1.694	1.686	1.696	1.683	1.724	1.733
South Korean won	1486	1447	1455	1434	1447	1454
Swedish krona	8.703	8.676	8.748	8.880	8.960	8.834
Swiss franc	1.234	1.234	1.232	1.232	1.225	1.232
UK pound	0.859	0.842	0.847	0.838	0.836	0.827
US dollar	1.331	1.335	1.364	1.349	1.370	1.361

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



The \$/euro rate settled at just over 1.36 by the end of the first week of February, having traded recently in a relatively narrow range. Its strength has confounded most pessimists expecting a weaker pattern given the poor economies of many of its member states and the monetary stimulus bias adopted by the ECB. A potential loosening of monetary policy to avoid deflation is putting some pressure on the currency, but emerging markets risk aversion is also driving capital back into euro assets. The ECB has avoided the mass liquidity injections adopted by its counterparts in the US and Japan, and the euro is further supported by the zone's current account surplus with the rest of the world.

ECB Watch

- The ECB's Governing Council has avoided a knee-jerk reaction to recent events as it mulls over the latest figures. They show a nascent recovery in economic growth, low inflation - but not yet the deflationary spiral much feared among policymakers and within the financial markets – and a firm currency supported by capital inflows due to emerging markets risk aversion.
- Although it would be appropriate to continue with this cautious response for the time being, the Bank may decide to reduce interest rates soon to provide some additional stimulus to the recovery, especially with many of its participants still struggling to achieve economic growth. Alleviating upward pressure on the euro keeping inflation so low adds further justification for a potential rate cut.

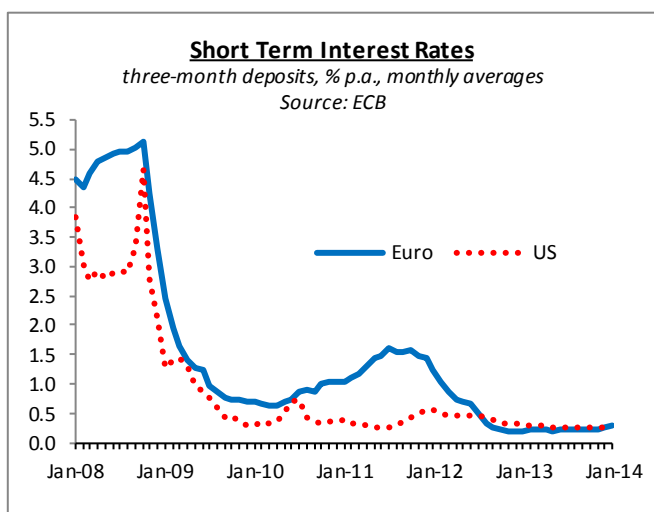
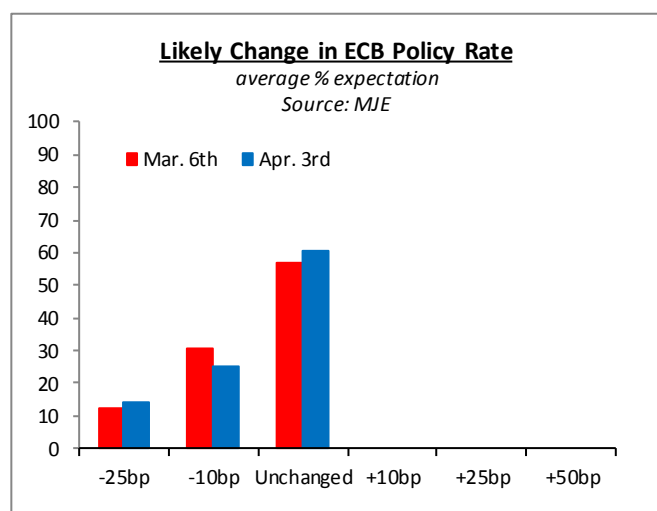
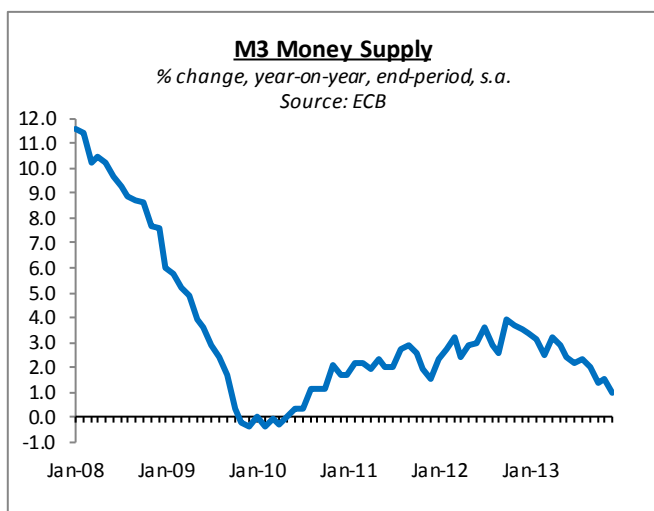
Euro Zone Barometer

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. 6th	Apr. 3rd
-50bp	0.0%	0.0%
-25bp	12.5%	14.3%
-10bp	30.6%	25.0%
Unchanged	56.9%	60.7%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



Last Five ECB Interest Rate Changes:

- November 7th, 2013**
0.25% DECREASE to 0.25%
- May 2nd, 2013**
0.25% DECREASE to 0.50%
- 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%

Long Term Forecasts

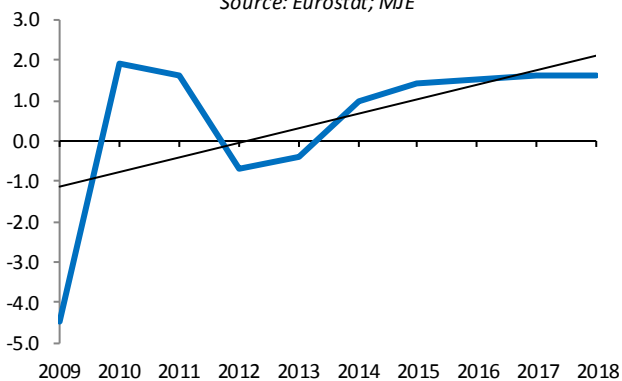
Forecasts for 2016 to 2018 are taken from our January 2014 long term forecasts survey

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross Domestic Product	-0.4	1.1	1.5	1.5	1.6	1.6
Private Consumption	-0.5	0.7	1.1	1.3	1.4	1.4
Gross Fixed Investment	-3.2	1.6	2.8	2.4	2.5	2.4
Industrial Production (excl. construction)	-0.8	1.9	2.5	2.0	2.0	1.8
Unemployment Rate, % of labour force	12.1	12.0	11.8	11.7	11.3	10.9
Harmonised Index of Consumer Prices	1.4	1.0	1.3	1.8	1.8	1.8
Current Account, annual total, % of GDP	2.1	2.2	2.1	1.8	1.7	1.5
General Government Balance, % of GDP	-3.0	-2.6	-2.2	-1.8	-1.4	-1.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.29	0.25	0.72	1.83	2.34	2.13
10 Year Bond Yield, % per annum	1.94	2.19	2.59	3.27	3.43	3.57
10 year - 3 month Yield Differential	1.65	1.94	1.87	1.44	1.09	1.44
US\$ per € Exchange Rate	1.378	1.277	1.257	1.253	1.279	1.319

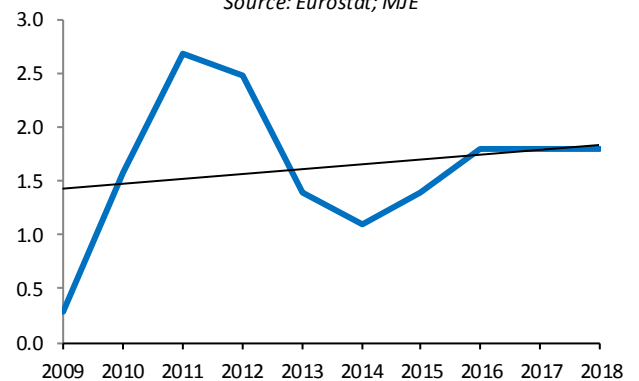
Long Term Growth Trend

Real GDP, % change, year-on-year
Source: Eurostat; MJE



Long Term Inflation Trend

HICP, % change, year-on-year
Source: Eurostat; MJE



GERMANY - Forecasts for 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 (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									
Allianz SE	2.0	1.6	na	4.1	5.2	1.4	6.6	0.2	na
BBVA	1.8	1.4	4.5	na	na	1.5	6.1	0.2	na
BNP Paribas	1.7	1.4	4.3	3.1	na	1.2	7.1	0.0	na
Danske Bank	2.5	1.9	5.8	na	5.3	1.3	6.6	0.1	77.1
DZ Bank	2.3	1.4	5.5	na	na	2.1	7.2	-0.2	78.0
Economist Intelligence Unit	1.4	1.4	3.0	1.2	5.3	1.4	6.8	0.3	78.0
G&P Institutional Mgmt	1.8	1.5	3.3	na	5.0	1.4	na	0.1	na
HSBC	1.7	1.3	2.8	4.1	na	1.7	6.3	0.1	77.5
IHS Global Insight	2.1	1.6	5.7	4.8	5.0	1.6	7.2	0.2	75.5
Intesa Sanpaulo	1.8	1.4	4.2	1.0	na	1.7	6.2	-0.1	na
J P Morgan Chase	1.7	na	na	na	na	1.3	na	na	na
Morgan Stanley	1.8	1.3	3.2	2.2	5.5	1.9	6.6	0.1	77.8
Oxford Economics	1.7	1.3	3.8	2.2	5.1	1.5	7.1	0.0	65.7
Raiffeisen Bank International	1.8	na	na	na	na	1.7	7.0	0.1	77.1
Santander	1.8	1.2	3.5	2.6	5.3	1.1	6.7	0.0	77.0
SEB	1.7	1.0	2.5	2.9	5.5	1.9	na	0.0	77.0
Societe Generale	1.5	1.4	na	na	na	na	6.0	-0.2	78.3
UBS	1.6	1.7	4.7	2.7	na	1.4	6.2	0.0	77.0
Unicredit Bank	2.5	1.2	5.3	3.5	5.2	1.5	6.0	-0.2	75.9
Consensus (Mean Average)	1.9	1.4	4.1	2.9	5.2	1.5	6.6	0.0	76.3
Last Month	1.9	1.4	4.0	2.9	5.2	1.6	6.5	0.0	77.6
2 Months Ago	1.9	1.4	4.0	2.8	5.2	1.6	6.5	0.0	77.8
Median	1.8	1.4	4.2	2.8	5.3	1.5	6.6	0.1	77.1
High	2.5	1.9	5.8	4.8	5.5	2.1	7.2	0.3	78.3
Low	1.4	1.0	2.5	1.0	5.0	1.1	6.0	-0.2	65.7
Standard Deviation	0.3	0.2	1.1	1.1	0.2	0.3	0.4	0.1	3.3
Number of Forecasts	19	17	15	12	10	18	16	18	13
Other Forecasts									
EC (Nov. '13)	1.7	1.4	4.4	na	5.3	1.7	6.6	0.1	77.1
IMF (Oct. '13)	1.4	1.1	2.5	na	5.5	1.8	5.7	-0.1	78.1
OECD (Nov. '13)	1.7	na	na	na	5.4	1.8	6.1	0.2	na

- The German economy registered a second consecutive year of sluggish economic growth in 2013, with real GDP rising by 0.4% following a 0.7% increase in 2012, according to the Federal Statistical Office, and 0.5% (down from 0.9%) when calendar-adjusted.
- The pace of expansion is expected to increase in 2014 as domestic demand, exports and corporate investment pick-up. Already the labour market is showing more vitality, with the youth unemployment rate falling in Q4 2013.
- Certainly the first confidence readings for this year give the impression of momentum, with the European Commission's economic sentiment indicator for Germany rising to 106.7 in January, continuing the upward trend since last May.
- However, although industrial production data have also shown improvement, the figures are for November, and with slower growth in China and the emerging markets making exporters cautious, confidence among German manufacturers has waned.

GERMANY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	1.6	1.5	na	3.0	5.0	1.8	6.4	-0.1	na
BBVA	2.0	1.6	5.1	na	na	1.7	6.5	0.3	na
BNP Paribas	2.0	1.9	4.9	2.7	na	1.7	6.9	0.2	na
Danske Bank	3.0	1.8	7.8	na	5.1	2.0	6.4	0.2	74.1
DZ Bank	2.6	1.8	6.2	na	na	2.5	6.5	0.0	76.0
Economist Intelligence Unit	1.6	1.5	4.0	1.4	5.4	1.7	6.6	0.7	75.4
G&P Institutional Mgmt	na	na	na	na	na	na	na	na	na
HSBC	1.5	1.2	2.2	3.9	na	1.7	5.7	0.1	75.2
IHS Global Insight	2.0	1.8	3.1	2.7	4.8	1.8	6.5	0.2	73.0
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.2	na	na	na	na	1.6	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.7	1.7	3.3	2.0	5.2	2.2	6.6	0.2	65.9
RaiFFEisen Bank International	2.5	na	na	na	na	2.3	6.5	0.5	73.8
Santander	1.6	1.1	3.0	2.2	5.3	1.8	6.1	-0.3	74.0
SEB	2.0	1.2	3.5	3.5	5.4	2.0	na	0.5	74.0
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	1.9	1.9	5.2	3.7	na	1.5	5.9	0.5	73.9
Unicredit Bank	2.5	1.7	3.3	3.0	5.1	2.2	6.0	0.3	72.0
Consensus (Mean Average)	2.0	1.6	4.3	2.8	5.2	1.9	6.4	0.2	73.4
Last Month	2.0	1.5	3.9	2.7	5.2	1.9	6.3	0.2	74.7
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	2.0	1.7	3.8	2.9	5.2	1.8	6.5	0.2	74.0
High	3.0	1.9	7.8	3.9	5.4	2.5	6.9	0.7	76.0
Low	1.5	1.1	2.2	1.4	4.8	1.5	5.7	-0.3	65.9
Standard Deviation	0.4	0.3	1.6	0.8	0.2	0.3	0.3	0.3	2.7
Number of Forecasts	15	13	12	10	8	15	13	14	11
Other Forecasts									
EC (Nov. '13)	1.9	1.6	4.4	na	5.1	1.6	6.4	0.2	74.1
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	2.0	na	na	na	5.2	2.0	5.6	0.6	na

Germany: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	3.8	3.4	0.9	0.5
Private Consumption	0.9	1.7	0.7	1.1
Gross Fixed Investment	5.9	6.2	-1.9	-0.7
Industrial Production	10.7	7.7	-0.3	0.0
Unemploy. Rate, % of L.F.	7.1	5.9	5.5	5.3
Consumer Prices	1.2	2.5	2.1	1.6
Current Acc., % of GDP	6.4	6.3	7.0	6.9
Budget Bal., % of GDP	-4.2	-0.8	0.1	0.0
Public Debt, % of GDP	82.5	80.0	81.0	79.8

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	Christian Democrat. Union led coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	19th out of 177 countries
Doing Business:	21st out of 189 countries
Competitiveness:	4th out of 148 countries
Corruption:	12th out of 175 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 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	1.1	0.9	1.8	na	na	1.0	-1.8	-3.6	na
BNP Paribas	0.7	0.7	0.7	0.0	11.4	1.0	-2.0	-3.6	na
Danske Bank	0.9	1.0	1.0	na	11.2	0.8	-1.5	-3.8	95.3
DZ Bank	0.8	0.8	1.1	na	10.8	1.2	-1.8	-3.8	95.0
Economist Intelligence Unit	0.7	0.4	0.9	1.0	10.6	1.1	-1.9	-3.7	95.1
G&P Institutional Mgmt	1.0	0.9	1.2	na	10.6	0.9	na	-3.8	na
HSBC	0.6	0.6	-0.6	1.2	10.9	1.5	-2.0	-4.1	97.7
IHS Global Insight	0.6	0.5	0.2	0.7	11.1	1.4	-1.6	-3.9	96.6
Intesa Sanpaulo	1.1	1.1	na	1.1	10.5	1.4	na	na	na
J P Morgan Chase	0.6	na	na	na	na	0.9	na	na	na
Morgan Stanley	0.6	0.5	0.4	na	10.8	1.8	-2.2	-3.5	95.3
Oxford Economics	0.5	0.9	-0.5	0.6	11.0	1.1	-1.7	-3.7	na
Raiffeisen Bank International	1.0	na	na	na	na	1.4	-2.4	-3.6	95.0
SEB	0.8	0.7	1.7	0.5	11.0	1.5	na	-3.7	94.0
Societe Generale	0.4	0.2	na	na	11.5	na	-1.3	-2.8	95.0
UBS	0.9	1.0	1.2	1.2	na	1.2	-1.5	-3.8	96.3
Unicredit Bank	1.1	0.9	0.5	na	11.1	1.4	-1.5	-3.6	95.1
Consensus (Mean Average)	0.8	0.7	0.7	0.8	11.0	1.2	-1.8	-3.7	95.5
Last Month	0.8	0.7	0.7	0.8	11.0	1.3	-1.8	-3.7	97.6
2 Months Ago	0.9	0.7	0.8	1.0	11.1	1.3	-1.8	-3.7	97.7
Median	0.8	0.8	0.9	0.9	11.0	1.2	-1.8	-3.7	95.1
High	1.1	1.1	1.8	1.2	11.5	1.8	-1.3	-2.8	97.7
Low	0.4	0.2	-0.6	0.0	10.5	0.8	-2.4	-4.1	94.0
Standard Deviation	0.2	0.3	0.7	0.4	0.3	0.3	0.3	0.3	1.0
Number of Forecasts	17	15	13	8	13	16	13	15	11
Other Forecasts									
EC (Nov. '13)	0.9	0.6	0.6	na	11.2	1.4	-1.5	-3.8	95.3
IMF (Oct. '13)	1.0	0.8	1.8	na	11.1	1.5	-1.6	-3.5	94.8
OECD (Nov. '13)	1.0	na	na	na	10.8	1.2	-2.4	-3.7	na

- In anticipation of the GDP data for Q4, which have yet to be released but are not likely to provide much encouragement, the government received the news recently that inward foreign investment fell by 77% in 2013 to a new low level.
- Totalling a tenth of the investments received by the UK and a sixth of that directed towards Spain, the lack of interest in France by foreign investors provides a damning verdict of the high-tax policies employed by President Francois Hollande's Socialist Party government, which remains deeply unpopular among voters.
- With the economy shrinking in Q3, and no doubt faring little better in Q4, an anaemic growth rate of more or less zero is pencilled in for 2013. The unemployment rate thus remains a major problem for the government, which was still above 10% at the end of last year and was rising again among the under-25s, having reached 25.6% according to Eurostat.
- It is to be hoped that the rise in manufacturing sentiment in the European Commission's surveys proves more than a false dawn, especially with pessimism growing among retail and construction firms.

FRANCE - Forecasts for 2015

<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. 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									
BBVA	1.6	1.2	2.5	na	na	1.2	-1.7	-2.9	na
BNP Paribas	1.3	1.0	3.3	1.2	11.3	1.1	-1.7	-3.0	na
Danske Bank	1.4	1.3	3.9	na	11.3	1.3	-1.5	-3.7	96.0
DZ Bank	1.3	1.1	2.9	na	10.7	1.5	-1.5	-3.5	95.5
Economist Intelligence Unit	1.4	1.3	2.4	2.4	10.5	1.1	-1.7	-3.0	95.8
G&P Institutional Mgmt	na	na	na	na	na	na	na	na	na
HSBC	1.0	0.6	1.2	2.6	10.8	1.5	-1.9	-3.6	99.0
IHS Global Insight	1.2	1.1	2.2	1.5	11.0	1.9	-1.2	-3.4	95.4
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	0.9	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.1	1.1	1.4	1.7	11.0	1.3	-1.7	-3.2	na
Raiffeisen Bank International	1.8	na	na	na	na	1.6	-2.5	-3.0	94.9
SEB	1.5	1.5	2.0	1.5	10.8	1.8	na	-3.5	95.0
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	1.5	1.8	1.8	1.5	na	1.3	-1.3	-2.9	97.1
Unicredit Bank	1.5	1.2	2.9	na	10.8	1.3	-1.4	-3.1	95.4
Consensus (Mean Average)	1.4	1.2	2.4	1.8	10.9	1.4	-1.6	-3.2	96.0
Last Month	1.4	1.2	2.2	1.8	11.0	1.5	-1.7	-3.2	99.2
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.4	1.2	2.4	1.5	10.8	1.3	-1.7	-3.2	95.5
High	1.8	1.8	3.9	2.6	11.3	1.9	-1.2	-2.9	99.0
Low	1.0	0.6	1.2	1.2	10.5	0.9	-2.5	-3.7	94.9
Standard Deviation	0.2	0.3	0.8	0.5	0.3	0.3	0.4	0.3	1.3
Number of Forecasts	13	11	11	7	9	13	11	12	9
Other Forecasts									
EC (Nov. '13)	1.7	1.6	3.4	na	11.3	1.3	-1.5	-3.7	96.0
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	1.6	na	na	na	10.7	1.2	-2.3	-3.0	na

France: Historical Data

<i>% change, year-on-year</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Domestic Product	1.7	2.0	0.0	0.1
Private Consumption	1.6	0.6	-0.3	0.4
Gross Fixed Investment	1.4	2.9	-1.2	-2.3
Industrial Production	4.8	2.4	-2.6	-0.9
Unemploy. Rate, % of L.F.	9.7	9.6	10.2	10.8
Consumer Prices	1.7	2.3	2.2	1.0
Current Acc., % of GDP	-1.9	-2.5	-2.1	-1.8
Budget Bal., % of GDP	-7.1	-5.3	-4.8	-4.1
Public Debt, % of GDP	82.4	85.8	90.2	95.7

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:	62nd out of 177 countries
Doing Business:	38th out of 189 countries
Competitiveness:	23rd out of 148 countries
Corruption:	22nd out of 1754 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 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	0.8	0.1	0.7	na	na	0.8	1.0	-2.5	na
BNP Paribas	0.3	0.0	1.2	0.8	12.8	0.9	0.9	-2.7	na
Danske Bank	0.5	0.5	0.3	na	12.4	0.8	1.2	-2.7	134.0
DZ Bank	0.4	0.0	0.3	na	12.2	1.3	1.1	-2.7	134.0
Economist Intelligence Unit	0.5	-0.1	0.8	0.2	12.5	0.8	0.4	-3.3	137.2
G&P Institutional Mgmt	1.0	0.2	2.3	na	12.4	0.8	na	-2.7	na
HSBC	0.4	-0.2	-0.2	0.4	12.4	0.8	0.5	-2.8	132.4
IHS Global Insight	0.2	0.1	-0.3	0.7	12.6	0.9	0.8	-3.0	133.9
Intesa Sanpaulo	0.5	0.2	0.7	0.7	na	1.9	0.6	-2.6	na
J P Morgan Chase	0.9	na	na	na	na	0.7	na	na	na
Morgan Stanley	0.4	-0.2	1.9	na	12.4	1.5	1.4	-2.4	131.6
Oxford Economics	0.3	-0.7	0.6	1.4	12.9	0.8	1.0	-2.9	146.6
Raiffeisen Bank International	0.7	na	na	na	na	1.2	1.3	-2.5	133.8
SEB	0.6	0.5	1.3	1.0	12.0	1.6	na	-2.5	134.0
Societe Generale	-0.5	na	-1.3	na	12.3	1.4	0.6	-2.9	131.3
UBS	0.4	0.3	-0.1	0.6	12.8	1.1	na	-2.9	132.2
Unicredit Bank	0.7	-0.2	1.1	na	12.6	1.0	1.3	-2.6	133.9
Consensus (Mean Average)	0.5	0.0	0.6	0.7	12.5	1.1	0.9	-2.7	134.6
Last Month	0.4	0.0	0.7	0.7	12.5	1.2	0.8	-2.7	133.3
2 Months Ago	0.5	0.1	0.8	0.7	12.3	1.4	0.9	-2.7	132.9
Median	0.5	0.1	0.7	0.7	12.4	0.9	1.0	-2.7	133.9
High	1.0	0.5	2.3	1.4	12.9	1.9	1.4	-2.4	146.6
Low	-0.5	-0.7	-1.3	0.2	12.0	0.7	0.4	-3.3	131.3
Standard Deviation	0.3	0.3	0.9	0.4	0.3	0.4	0.3	0.2	4.1
Number of Forecasts	17	14	15	8	13	17	13	16	12
Other Forecasts									
EC (Nov. '13)	0.7	0.3	2.7	na	12.4	1.6	1.2	-2.7	134.0
IMF (Oct. '13)	0.7	0.2	0.9	na	12.4	1.3	0.2	-2.1	133.1
OECD (Nov. '13)	0.6	na	na	na	12.4	1.3	1.8	-2.8	na

- Conflicting sentiment indicators for January suggest that either business confidence is improving, according to Istat (Italy's statistical office), or waning if the European Commission's survey is to be believed.
- Both measures nonetheless show falls in confidence among both manufacturers and construction firms, differing only in the extent to which sentiment has improved within the services sector, including retail trade, to suggest that economic conditions are not improving at the same rate.
- The economic contraction was less intense as 2013 progressed, giving hope for the recovery in 2014. However, with GDP still contracting, the unemployment rate exceeded 12% in December, with 42% of under-25s without work.
- In an effort to improve the nation's public finances the government is to privatise stakes in the postal service and the air traffic service, but as we were issuing this latest survey a new political crisis seemed to be erupting.

ITALY - Forecasts for 2015

<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	1.5	1.2	2.2	na	na	1.2	0.8	-1.9	na
BNP Paribas	0.5	0.4	1.7	1.8	12.6	1.0	0.5	-2.5	na
Danske Bank	1.3	1.3	2.1	na	12.1	1.5	1.1	-2.5	133.1
DZ Bank	1.3	1.0	1.5	na	12.1	1.2	1.2	-2.4	132.0
Economist Intelligence Unit	1.0	0.1	2.0	1.8	12.0	1.2	0.4	-2.9	136.7
G&P Institutional Mgmt	na	na	na	na	na	na	na	na	na
HSBC	0.6	0.4	1.3	2.2	11.9	1.1	0.9	-2.4	132.0
IHS Global Insight	0.8	0.6	0.6	1.2	12.2	1.6	0.6	-2.7	134.1
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.6	na	na	na	na	0.8	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.2	0.8	2.2	2.6	12.7	1.0	0.8	-2.5	146.0
Raiffeisen Bank International	1.5	na	na	na	na	1.5	1.4	-2.0	132.1
SEB	0.8	0.5	2.0	2.0	11.5	2.0	na	-2.5	133.0
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	0.7	0.6	0.6	2.4	12.8	1.6	na	-2.9	133.5
Unicredit Bank	1.3	0.9	2.1	na	12.1	1.3	1.2	-2.3	132.8
Consensus (Mean Average)	1.1	0.7	1.7	2.0	12.2	1.3	0.9	-2.5	134.5
Last Month	0.9	0.6	1.6	1.9	12.1	1.4	0.9	-2.4	133.3
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.2	0.6	2.0	2.0	12.1	1.2	0.9	-2.5	133.1
High	1.6	1.3	2.2	2.6	12.8	2.0	1.4	-1.9	146.0
Low	0.5	0.1	0.6	1.2	11.5	0.8	0.4	-2.9	132.0
Standard Deviation	0.4	0.4	0.6	0.5	0.4	0.3	0.3	0.3	4.3
Number of Forecasts	13	11	11	7	10	13	10	12	10
Other Forecasts									
EC (Nov. '13)	1.2	0.8	3.8	na	12.1	1.5	1.1	-2.5	133.1
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	1.4	na	na	na	12.1	1.0	2.0	-2.0	na

Italy: Background Information

Prime Minister:	Enrico Letta
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	83rd out of 177 countries
Doing Business:	65th out of 189 countries
Competitiveness:	49th out of 148 countries
Corruption:	69th out of 175 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

Italy: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	1.7	0.5	-2.5	-1.8
Private Consumption	1.5	-0.3	-4.1	-2.5
Gross Fixed Investment	0.6	-2.2	-8.3	-5.3
Industrial Production	6.9	0.3	-6.3	-3.1
Unemploy. Rate, % of L.F.	8.4	8.4	10.7	12.2
Consumer Prices	1.6	2.9	3.3	1.3
Current Acc., % of GDP	-3.5	-3.1	-0.5	0.6
Budget Bal., % of GDP	-4.5	-3.8	-3.0	-3.1
Public Debt, % of GDP	119.3	120.7	127.0	131.8

Source: ECB; Eurostat; national statistical office

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									
DZ Bank	0.7	-1.5	2.8	na	7.5	1.8	10.4	-3.2	75.0
Economist Intelligence Unit	0.6	-0.9	0.5	1.9	6.8	1.3	11.4	-3.4	76.9
IHS Global Insight	0.6	-0.7	2.2	0.7	na	na	12.2	-3.0	74.9
Intesa Sanpaulo	0.9	0.6	3.7	na	na	na	na	na	na
Morgan Stanley	0.5	-0.5	1.4	1.8	7.4	1.5	9.9	-3.5	77.0
Oxford Economics	0.3	-0.8	2.0	0.8	7.1	0.9	9.7	-2.7	88.1
Raiffeisen Bank International	1.3	na	na	na	na	1.0	9.5	-3.3	76.4
UBS	1.1	-0.1	6.2	0.5	na	1.5	9.8	-3.5	76.0
Consensus (Mean Average)	0.8	-0.6	2.7	1.1	7.2	1.3	10.4	-3.2	77.8
Last Month	0.7	-0.6	2.5	1.1	7.0	1.3	10.0	-3.3	76.0
2 Months Ago	0.7	-0.5	2.5	1.1	7.1	1.3	10.0	-3.4	76.2
Median	0.7	-0.7	2.2	0.8	7.3	1.4	9.9	-3.3	76.4
High	1.3	0.6	6.2	1.9	7.5	1.8	12.2	-2.7	88.1
Low	0.3	-1.5	0.5	0.5	6.8	0.9	9.5	-3.5	74.9
Standard Deviation	0.3	0.7	1.8	0.7	0.3	0.3	1.0	0.3	4.6
Number of Forecasts	8	7	7	5	4	6	7	7	7
Other Forecasts									
EC (Nov. '13)	0.2	-1.1	0.9	na	8.0	1.7	10.0	-3.3	76.4
IMF (Oct. '13)	0.3	na	na	na	7.4	1.3	11.0	na	na
OECD (Nov. '13)	-0.1	na	na	na	7.8	1.6	10.1	-3.0	na

- Economic sentiment slipped back in January, according to the European Commission, mainly because of waning confidence among manufacturers. However, the “business cycle tracer” from Statistics Netherlands provides some welcome news, signalling a better economic situation at the end of January compared to the end of last year.
- There was also positive news lately in the form of a rise in manufacturing output during December, higher consumer confidence and an end to house price falls.
- Still, the unemployment rate failed to budge through to year-end, remaining at 7% in December, with more than 11% of the under-25s out of work.
- These figures may be lower than for other European economies, and should improve in 2014, but, like Germany, the country is more used to a tighter labour market and has suffered from the financial crisis and subsequent austerity weakening Dutch banks, the housing market and consumer demand.

NETHERLANDS - Forecasts for 2015

<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									
DZ Bank	1.0	0.0	1.8	na	7.0	1.5	9.5	-2.8	76.0
Economist Intelligence Unit	1.5	0.1	3.0	2.5	6.1	2.5	10.6	-3.1	76.4
IHS Global Insight	1.5	1.1	2.3	1.4	na	na	12.0	-2.3	76.8
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	0.8	0.3	1.7	1.3	7.1	1.1	8.6	-2.1	89.3
Raiffeisen Bank International	1.8	na	na	na	na	1.8	8.0	-3.0	76.9
UBS	1.4	0.4	6.5	4.7	na	1.6	9.7	-2.9	78.8
Consensus (Mean Average)	1.3	0.4	3.1	2.5	6.7	1.7	9.7	-2.7	79.0
Last Month	1.4	0.4	3.1	2.4	6.5	1.7	9.4	-2.8	76.9
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.5	0.3	2.3	2.0	7.0	1.6	9.6	-2.9	76.9
High	1.8	1.1	6.5	4.7	7.1	2.5	12.0	-2.1	89.3
Low	0.8	0.0	1.7	1.3	6.1	1.1	8.0	-3.1	76.0
Standard Deviation	0.4	0.4	2.0	1.6	0.6	0.5	1.4	0.4	5.1
Number of Forecasts	6	5	5	4	3	5	6	6	6
Other Forecasts									
EC (Nov. '13)	1.2	0.7	2.7	na	7.7	1.6	11.0	-3.0	76.9
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	0.9	na	na	na	8.1	0.9	10.9	-2.3	na

Netherlands: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	1.5	0.9	-1.2	-1.0
Private Consumption	0.3	-1.1	-1.6	-2.0
Gross Fixed Investment	-7.4	6.1	-4.0	-7.1
Industrial Production	7.8	-0.8	-0.4	0.3
Unemploy. Rate, % of L.F.	4.5	4.4	5.3	6.7
Consumer Prices	0.9	2.5	2.8	2.7
Current Acc., % of GDP	5.0	7.4	7.7	10.3
Budget Bal., % of GDP	-5.1	-4.3	-4.1	-3.4
Public Debt, % of GDP	63.4	65.7	71.3	74.0

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	17th out of 177 countries
Doing Business:	28th out of 189 countries
Competitiveness:	8th out of 148 countries
Corruption:	8th out of 175 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 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	0.1	0.6	na	25.6	0.5	1.6	-5.8	98.5
BNP Paribas	0.8	0.5	0.2	1.5	25.8	0.1	2.6	-6.0	na
Danske Bank	0.9	1.2	-0.1	na	26.4	0.4	2.6	-5.9	99.9
DZ Bank	0.6	0.9	-1.2	na	27.0	0.5	2.0	-6.0	99.1
Economist Intelligence Unit	0.6	1.3	0.5	1.8	26.2	0.9	0.3	-6.5	100.1
G&P Institutional Mgmt	1.6	0.8	2.0	na	25.3	0.7	na	-5.2	na
HSBC	0.3	0.3	-1.4	0.6	26.3	0.7	0.8	-6.3	97.9
IHS Global Insight	0.5	0.5	0.5	0.6	25.9	0.7	1.7	-6.1	99.0
Intesa Sanpaulo	0.6	-0.5	-0.6	na	na	na	na	-6.9	na
J P Morgan Chase	1.0	na	na	na	na	0.1	na	na	na
Morgan Stanley	0.8	0.1	-3.0	na	25.6	0.8	2.8	-6.0	96.2
Oxford Economics	0.8	0.9	0.4	1.3	25.2	0.8	1.4	-5.9	105.7
Raiffeisen Bank International	1.5	na	na	na	na	1.1	1.6	-5.5	97.9
Santander	0.9	0.5	-1.2	na	26.1	1.0	1.5	na	na
Societe Generale	-0.8	-1.5	-2.8	na	30.2	-0.5	0.6	-6.1	102.8
UBS	0.4	-0.1	-4.9	0.6	26.1	1.0	2.4	-6.0	99.0
Unicredit Bank	0.8	0.3	-0.3	na	26.4	1.1	1.8	-5.8	99.9
Consensus (Mean Average)	0.7	0.4	-0.8	1.1	26.3	0.6	1.7	-6.0	99.7
Last Month	0.6	0.2	-1.0	1.1	26.5	0.7	1.7	-6.1	99.8
2 Months Ago	0.6	0.1	-1.2	0.6	26.5	0.8	1.7	-5.8	99.2
Median	0.8	0.5	-0.3	1.0	26.1	0.7	1.7	-6.0	99.1
High	1.6	1.3	2.0	1.8	30.2	1.1	2.8	-5.2	105.7
Low	-0.8	-1.5	-4.9	0.6	25.2	-0.5	0.3	-6.9	96.2
Standard Deviation	0.5	0.7	1.7	0.5	1.2	0.4	0.8	0.4	2.5
Number of Forecasts	17	15	15	6	14	16	14	15	12
Other Forecasts									
EC (Nov. '13)	0.5	0.1	-2.4	na	26.4	0.9	2.6	-5.9	99.9
IMF (Oct. '13)	0.2	-0.4	-2.8	na	26.7	1.5	2.6	na	na
OECD (Nov. '13)	0.5	na	na	na	26.3	0.5	1.6	-6.1	na

- Business sentiment fell slightly in January, but as with other countries in Europe it was mainly a reality check for manufacturers anticipating, perhaps falsely, that export conditions would increase substantially this year. Those hopes have been dashed by China's slowdown, the emerging markets rout and Europe's slow recovery.
- Sentiment in the construction sector also fell back and remains heavily depressed, but the upturn in confidence within the services sector, and among consumers, continued.
- Moreover, the Spanish statistical office has delivered the welcome news that the economy grew during the second half of last year with real GDP increasing by 0.1% in Q3 (-1.1% y/y) and 0.3% in Q4 (-0.1% y/y). The latest figures are still provisional, but are giving hope for prospects in 2014 - that Spain is finally over the worst of its austerity-induced contraction.
- Additionally, while still too high, the unemployment rate fell below 26% in December and 55% among the under-25s.

SPAIN - Forecasts for 2015

<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	1.9	na	na	na	na	1.0	1.7	-5.1	na
BNP Paribas	1.0	0.7	2.2	2.9	25.7	0.7	3.1	-4.7	na
Danske Bank	1.5	1.2	2.2	na	25.3	0.9	3.1	-6.6	104.3
DZ Bank	1.5	1.5	0.8	na	26.0	1.3	2.3	-6.6	102.5
Economist Intelligence Unit	0.9	0.9	1.0	1.7	25.5	1.8	1.0	-5.6	104.0
G&P Institutional Mgmt	na	na	na	na	na	na	na	na	na
HSBC	0.9	0.6	1.6	2.5	25.6	1.3	0.7	-6.0	102.0
IHS Global Insight	0.9	1.0	0.9	0.9	25.1	1.3	1.9	-4.9	101.8
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	0.0	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.2	1.1	2.0	2.7	24.4	1.0	1.2	-4.8	111.3
Raiffeisen Bank International	2.0	na	na	na	na	1.5	1.6	-4.0	99.2
Santander	1.6	0.9	1.5	na	24.4	na	1.7	na	na
Societe Generale	na	na	na	na	na	na	na	na	na
UBS	1.0	0.3	0.0	1.6	25.4	1.6	3.0	-4.5	101.5
Unicredit Bank	1.4	1.2	1.3	na	25.7	1.4	1.9	-4.6	102.4
Consensus (Mean Average)	1.3	0.9	1.4	2.1	25.3	1.2	1.9	-5.2	103.2
Last Month	1.2	0.8	1.1	2.0	25.5	1.5	1.9	-5.1	103.0
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.3	1.0	1.4	2.1	25.5	1.3	1.8	-4.9	102.4
High	2.0	1.5	2.2	2.9	26.0	1.8	3.1	-4.0	111.3
Low	0.9	0.3	0.0	0.9	24.4	0.0	0.7	-6.6	99.2
Standard Deviation	0.4	0.3	0.7	0.8	0.5	0.5	0.8	0.9	3.4
Number of Forecasts	13	10	10	6	10	12	12	11	9
Other Forecasts									
EC (Nov. '13)	1.7	1.0	1.9	na	25.3	0.6	3.1	-6.6	104.3
IMF (Oct. '13)	na	na	na	na	na	na	na	na	na
OECD (Nov. '13)	1.0	na	na	na	25.6	0.6	3.1	-5.1	na

Spain: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	-0.2	0.1	-1.6	-1.3
Private Consumption	0.2	-1.2	-2.8	-2.6
Gross Fixed Investment	-5.5	-5.4	-7.0	-6.3
Industrial Production	0.9	-1.4	-6.0	-1.6
Unemploy. Rate, % of L.F.	20.1	21.7	25.0	26.6
Consumer Prices	2.0	3.1	2.4	1.6
Current Acc., % of GDP	-4.4	-4.0	-1.2	0.9
Budget Bal., % of GDP	-9.6	-9.6	-10.6	-6.8
Public Debt, % of GDP	61.7	70.5	86.0	94.6

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:	46th out of 177 countries
Doing Business:	52nd out of 189 countries
Competitiveness:	35th out of 148 countries
Corruption:	40th out of 175 countries
Corporate Tax Rate:	30.0% (national rate) variable (local rate) 30.0%/21.0% (branch rate)

Note: Reduced rate for SMEs.

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

Forecasts For Other Euro-Zone Countries¹

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Austria	EC	1.6	1.8	1.8	1.8	2.8	3.1	-1.9	-1.5	74.5	73.5
	IMF	1.6	na	1.8	na	2.4	na	na	na	na	na
	OECD	1.7	2.2	1.6	1.7	3.4	3.8	-1.9	-1.2	na	na
Belgium	EC	1.1	1.4	1.3	1.5	0.9	0.8	-2.6	-2.5	101.3	101.0
	IMF	1.0	na	1.2	na	-0.3	na	na	na	na	na
	OECD	1.1	1.5	1.1	1.3	-0.6	-0.3	-2.4	-1.1	na	na
Cyprus	EC	-3.9	1.1	1.2	1.6	-0.6	-0.9	-8.4	-6.3	124.4	127.4
	IMF	-3.9	na	1.2	na	-0.6	na	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	3.0	3.9	2.8	3.1	-2.2	-2.2	-0.1	-0.1	9.7	9.1
	IMF	2.5	na	2.8	na	-0.2	na	na	na	na	na
	OECD	2.4	4.0	3.2	3.3	-2.5	-1.8	-0.1	0.0	na	na
Greece	EC	0.6	2.9	-0.4	0.3	-1.9	-1.6	-2.0	-1.1	175.9	170.9
	IMF	0.6	na	-0.4	na	-0.5	na	na	na	na	na
	OECD	-0.4	1.8	-1.6	-1.4	1.3	2.3	-2.2	-1.4	na	na
Ireland	EC	1.7	2.5	0.9	1.2	4.6	4.9	-5.0	-3.0	120.8	119.1
	IMF	1.8	na	1.2	na	3.0	na	na	na	na	na
	OECD	1.9	2.2	0.8	1.0	3.9	3.4	-5.0	-3.1	na	na
Luxembourg	EC	1.8	1.1	1.7	1.6	6.8	5.8	-1.0	-2.7	25.7	28.7
	IMF	1.3	na	1.9	na	6.6	na	na	na	na	na
	OECD	2.3	2.3	1.6	2.0	7.1	5.4	-0.3	-1.1	na	na
Malta	EC	1.9	2.0	1.8	2.1	1.4	0.6	-3.4	-3.5	73.3	74.1
	IMF	1.8	na	2.0	na	0.8	na	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	0.8	1.5	1.0	1.2	0.9	1.0	-4.0	-2.5	126.7	125.7
	IMF	0.8	na	1.0	na	0.9	na	na	na	na	na
	OECD	0.4	1.1	0.6	0.4	1.2	2.1	-4.6	-3.6	na	na
Slovakia	EC	2.1	2.9	1.6	1.9	4.3	5.4	-3.2	-3.8	57.2	58.1
	IMF	2.3	na	2.0	na	4.2	na	na	na	na	na
	OECD	1.9	2.9	2.0	2.1	4.5	5.5	-2.8	-2.6	na	na
Slovenia	EC	-1.0	0.7	1.9	1.5	6.0	6.5	-7.1	-3.8	70.1	74.2
	IMF	-1.4	na	1.8	na	7.0	na	na	na	na	na
	OECD	-0.9	0.6	1.7	1.3	6.2	7.1	-5.9	-2.9	na	na

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'13); IMF - International Monetary Fund (Oct'13); OECD - Organisation for Economic Cooperation & Dev (Nov'13).

Euro Zone: Background Information

Member Countries	Area (sq km)	Popn (m)	Capital
Austria	83,855	8.5	Vienna
Belgium	30,520	11.1	Brussels
Cyprus	9,251	0.8	Nicosia
Estonia	45,200	1.3	Tallinn
Finland	338,145	5.4	Helsinki
France	543,965	63.6	Paris
Germany	357,028	81.8	Berlin
Greece	131,957	10.8	Athens
Ireland	70,282	4.7	Dublin
Italy	301,245	60.9	Rome
Luxembourg	2,586	0.5	Lux. City
Malta	316	0.4	Valletta
Netherlands	41,526	16.7	The Hague
Portugal	88,940	10.6	Lisbon
Slovakia	49,035	5.4	Bratislava
Slovenia	20,251	2.1	Ljubljana
Spain	504,782	46.2	Madrid

Other Euro Users

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

Euro Zone: Election Timetable

Date	Country	Type
May 22nd 2014	EU	Parliamentary
May 25th 2014	Belgium	Parliamentary
2014	EU	Presidential
2014	Slovakia	Presidential
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
September 2016	Netherlands	Parliamentary
2016	Ireland	Parliamentary
2016	Cyprus	Legislative
2017	Germany	Presidential
2017	France	Presidential
2017	France	Parliamentary
2017	Slovenia	Presidential
2018	Italy	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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