

Euro Zone Barometer© - July 2015

*****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: July 20th, 2015

Riding out the Greek Crisis

- Although **tail risks associated with the Greek crisis** are still a danger to the euro zone economy the midnight hour bailout agreement between Athens and its creditors has calmed the situation sufficiently to give euro asset prices a lift.
- With attentions primed to spot every move in the bailout saga, analysts had perhaps ignored the exceptionally strong and seemingly sustainable recovery in Spain, alongside signs of growth and, hence, **improving corporate profitability and investment** in other euro zone states.
- **The big question is whether the stuttering recovery will continue?** Given the positive effects of the ECB's quantitative-easing programme, our survey's forecasts suggest it will, even if on a region-wide basis economic growth may be sub-optimal and the labour market will be slow to revive, highlighting the need for more structural reforms.
- This month our experts have also refreshed their **long term forecasts**. Furthermore, Euro Zone Barometer also includes the **latest predictions from the ECB**, which are shown as comparison forecasts alongside the other official forecasts (on pages 4-7).



**Next Month's Survey Deadline:
August 17th, 2015**

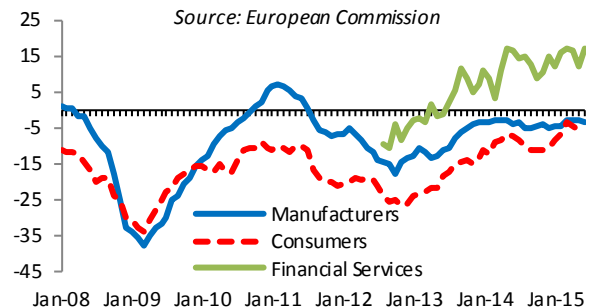
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2015 and 2016

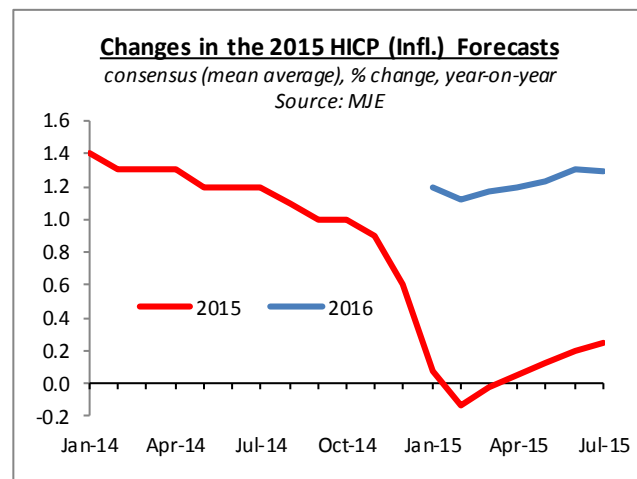
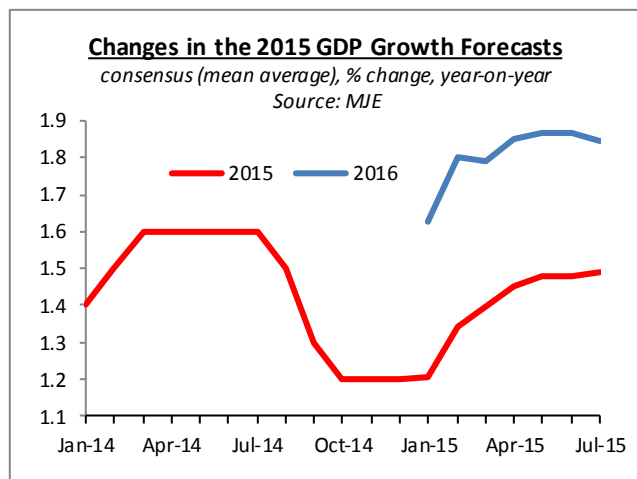
- Although GDP growth of 1.5% (in real terms) is still anticipated for this year, the 2016 prediction has fallen from 1.9% in June to 1.8% this month, pointing to a shallower recovery.
- That is largely down to a revised assessment for goods and services exports (affecting industrial production), although the growth of exports is still expected to accelerate through to 2016, buoyed by the more competitive euro currency giving a lift to extra-euro zone trade.
- Most other variables are unchanged compared to last month's survey. They show investment growth gradually accelerating due to better profitability and credit conditions. The unemployment rate is meanwhile expected to fall, and by next year should be close to the level prevailing in 2011.
- Inflation expectations are constrained, but with oil prices stabilising, the euro depreciating and the ECB pumping in more liquidity into the euro zone economy deflation has been tamed.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015f</u>	<u>2016f</u>
Gross Domestic Product	1.6	-0.7	-0.5	0.9	1.5	1.8
Private Consumption	0.2	-1.3	-0.7	1.0	1.7	1.5
Government Consumption	-0.2	-0.2	0.2	0.7	0.9	0.8
Gross Fixed Investment	1.5	-3.4	-2.4	1.2	2.0	3.2
Change in Stocks (Inventories)¹	0.3	-0.7	-0.1	-0.1	-0.1	0.0
Goods and Services Exports	6.6	2.4	2.0	3.8	4.3	4.7
Goods and Services Imports	4.3	-1.0	1.2	4.1	4.7	4.8
Net Exports²	0.9	1.4	0.4	0.1	0.0	0.1
Industrial Production (ex. construction)	3.4	-2.4	-0.7	0.7	1.9	2.5
Retail Sales Volume	-0.7	-1.6	-0.8	1.3	2.3	1.7
Unemployment Rate, % of labour force	10.1	11.4	12.0	11.6	11.0	10.5
Money Supply, M3, end period, % change	1.6	3.5	1.0	1.9	2.9	2.8
Harmonised Index of Consumer Prices	2.7	2.5	1.4	0.4	0.2	1.3
Producer Prices	5.7	2.8	-0.2	-1.5	-1.2	1.5
Nominal Labour Costs	2.3	2.0	1.4	1.2	1.5	1.6
Current Account Balance, annual total, €bn	-16.3	138.3	198.4	305.9	278.7	265.6
Current Account Balance, % of GDP	-0.2	1.4	2.0	2.2	2.8	2.7
General Govt Budget Balance, % of GDP	-3.9	-3.4	-2.5	-2.4	-2.1	-1.7
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	1.36	0.19	0.29	0.08	0.01	0.08
10 Year German Bond Yield, % per annum	1.83	1.32	1.94	0.54	1.03	1.67
US\$ per € Exchange Rate	1.294	1.318	1.378	1.210	1.052	1.076

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



Retail sales continued to rise for a second consecutive month in May, by 0.2% m/m following a 0.7% rise in April, led by Germany, France and Spain. Consumers took advantage of continuing low borrowing costs with easier access to credit, lower energy bills and employment growth - although the unemployment rate remained high at 11.1%, having gradually fallen in previous months. Consumer prices have remained broadly flat, rising by 0.2% y/y in June despite exchange rate depreciation. Inflation was higher (at around 1%) in Austria, Belgium and Malta, while Cyprus, Greece and Slovenia experienced deflation.

Confidence in the region nosedived in June, presumably reflecting uncertainty over the Greek crisis which highlights the risk of a member state withdrawing from the euro zone and causing financial and economic implications region-wide. China's economic growth was also brought into question, later resulting in a volatile period on the financial markets. The euro zone economic sentiment indicator dropped to 105.5 in June, below its level in February after peaking at 106.4 in April and May, notably due to retail trade sentiment easing and manufacturers becoming more downbeat.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	1.1	0.8	0.8	0.9
Private Consumption	0.5	0.7	1.1	1.4
Industrial Production	1.3	0.8	0.5	0.3
Harmonised Index of Consumer Prices	0.7	0.6	0.4	0.2
3 month Interest Rate, % per annum, end period	0.31	0.21	0.08	0.08
10 Year Bond Yield, % per annum, end period	1.57	1.25	0.95	0.54
	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.0	1.4	1.7	1.8
Private Consumption	1.7	1.8	1.7	1.7
Industrial Production	1.5	1.6	2.4	2.7
Harmonised Index of Consumer Prices	-0.3	0.2	0.4	0.8
3 month Interest Rate, % per annum, end period	0.02	-0.02	0.01	0.01
10 Year Bond Yield, % per annum, end period	0.16	0.76	0.85	1.03
	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.9	1.9	1.9	1.8
Private Consumption	1.6	1.6	1.6	1.6
Industrial Production	2.4	2.7	2.9	2.6
Harmonised Index of Consumer Prices	1.3	1.1	1.3	1.4
3 month Interest Rate, % per annum, end period	0.03	0.05	0.08	0.10
10 Year Bond Yield, % per annum, end period	1.15	1.35	1.52	1.67

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

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	1.8	1.1	2.0	na	3.9	4.6	na
BBVA	1.6	1.7	0.5	1.5	0.0	5.2	4.9	0.3
BNP Paribas	1.6	1.6	1.1	2.3	0.0	5.2	5.7	na
Commerzbank	1.2	1.7	1.3	1.8	na	3.8	5.3	-0.4
Danske Bank	1.5	1.7	1.1	2.5	0.0	3.8	4.6	na
DZ Bank	1.6	1.9	1.0	1.7	na	4.0	4.5	na
Econ Intelligence Unit	1.5	1.7	1.0	1.5	na	3.7	4.0	0.1
ETLA	1.4	1.7	0.8	1.6	na	7.0	6.4	na
G&P Institutional Mgmt	1.6	2.3	1.2	3.8	-0.4	4.2	4.8	-0.1
HSBC	1.3	1.7	1.2	1.7	-0.6	3.9	4.5	na
IHS Economics	1.5	1.8	1.0	2.0	na	4.3	4.7	-0.1
J P Morgan Chase	1.4	1.7	1.2	1.8	na	3.8	4.3	na
Morgan Stanley	1.4	1.7	0.5	1.9	-0.4	4.5	3.9	0.4
Nordea	1.3	1.7	1.0	2.2	na	3.9	4.8	-0.3
Nykredit	1.8	1.8	0.7	2.3	na	na	na	0.5
Oxford Economics	1.5	1.7	1.0	1.5	0.2	3.6	4.3	-0.1
Raiffeisen Bank Intl	1.4	1.7	1.0	1.7	na	4.4	5.2	na
Santander	1.5	1.7	0.8	2.8	na	3.9	4.7	-0.3
SEB	1.7	1.6	0.5	1.6	0.0	4.5	4.0	na
UBS	1.6	1.5	0.7	2.1	0.1	4.0	4.2	0.1
UniCredit Bank	1.4	1.6	1.1	2.1	0.1	4.2	5.1	-0.2
Consensus (Mean)	1.5	1.7	0.9	2.0	-0.1	4.3	4.7	0.0
Last Month	1.5	1.7	0.9	1.9	-0.2	4.4	4.6	0.0
2 Months Ago	1.5	1.7	0.7	1.7	-0.1	4.5	4.4	0.1
Median	1.5	1.7	1.0	1.9	0.0	4.0	4.7	-0.1
High	1.8	2.3	1.3	3.8	0.2	7.0	6.4	0.5
Low	1.2	1.5	0.5	1.5	-0.6	3.6	3.9	-0.4
Standard Deviation	0.1	0.2	0.2	0.5	0.3	0.8	0.6	0.3
Number of Forecasts	21	21	21	21	10	20	20	12
Other Forecasts								
ECB (June '15)	1.5	1.9	0.7	1.9	na	4.2	4.8	na
EC (May '15)	1.5	1.8	0.6	1.7	-0.1	4.4	4.6	0.1
IMF (April '15)	1.5	1.7	0.7	1.5	-0.2	na	na	0.3
OECD (June '15)	1.4	1.8	0.7	2.0	-0.1	na	na	0.0

Euro Zone - Forecasts for 2015

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	1.8	na	11.0	na	0.3	-1.5	na	271.9	2.6	-2.0
BBVA	na	na	11.0	na	0.1	na	na	na	3.2	-2.1
BNP Paribas	2.4	na	10.9	na	0.2	-1.9	na	320.0	3.1	-2.0
Commerzbank	2.0	na	11.2	4.8	0.2	-0.7	1.4	250.0	2.4	-2.0
Danske Bank	na	na	11.0	na	0.2	na	na	na	2.6	-2.1
DZ Bank	na	na	11.1	na	0.2	na	na	na	3.6	-2.2
Econ Intelligence Unit	2.0	na	10.8	na	0.3	-1.9	na	358.3	3.6	-2.0
ETLA	1.6	na	11.1	na	0.3	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	11.0	na	0.2	na	na	na	na	-2.0
HSBC	2.6	na	11.0	na	0.2	na	1.3	na	2.2	-2.2
IHS Economics	1.8	2.3	11.0	na	0.2	-1.1	1.8	280.0	2.8	-2.2
J P Morgan Chase	na	na	11.1	na	na	na	na	na	na	na
Morgan Stanley	na	na	10.9	na	0.2	na	na	247.5	2.5	-2.0
Nordea	na	na	11.0	na	0.4	na	na	na	3.5	-2.0
Nykredit	na	na	11.1	na	0.5	na	na	na	na	na
Oxford Economics	1.6	2.2	11.1	na	0.3	-1.7	na	273.4	2.6	-2.0
Raiffeisen Bank Intl	1.6	na	11.1	na	0.4	na	na	246.8	2.4	-2.0
Santander	na	na	11.1	na	0.2	na	na	260.7	2.6	-2.0
SEB	na	na	11.1	na	0.0	na	na	na	na	na
UBS	na	na	11.0	1.0	0.3	0.1	na	na	2.4	-2.4
UniCredit Bank	na	na	11.1	na	0.2	na	na	na	2.9	na
Consensus (Mean)	1.9	2.3	11.0	2.9	0.2	-1.2	1.5	278.7	2.8	-2.1
Last Month	1.8	2.3	11.0	2.9	0.2	-1.2	1.4	281.1	2.8	-2.1
2 Months Ago	1.6	2.2	11.1	2.5	0.1	-0.7	1.4	274.5	2.7	-2.1
Median	1.8	2.3	11.0	2.9	0.2	-1.5	1.4	271.9	2.6	-2.0
High	2.6	2.3	11.2	4.8	0.5	0.1	1.8	358.3	3.6	-2.0
Low	1.6	2.2	10.8	1.0	0.0	-1.9	1.3	246.8	2.2	-2.4
Standard Deviation	0.4	0.1	0.1	2.7	0.1	0.7	0.3	37.5	0.5	0.1
Number of Forecasts	9	2	21	2	20	7	3	9	16	17
Other Forecasts										
ECB (June '15)	na	na	11.1	na	0.3	na	na	na	2.1	-2.1
EC (May '15)	na	na	11.0	na	-0.1	na	na	358.5	3.7	-2.2
IMF (April '15)	na	na	11.1	na	0.1	na	na	na	3.3	na
OECD (June '15)	na	na	11.1	na	0.0	na	na	na	3.9	-2.1

Euro Zone - Forecasts for 2016

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.6	1.4	1.0	2.8	na	4.3	4.4	na
BBVA	2.2	1.6	0.9	4.4	0.0	5.9	6.1	0.2
BNP Paribas	1.9	1.1	0.5	3.3	0.0	7.6	6.9	na
Commerzbank	1.3	1.7	1.1	2.3	na	4.3	5.7	-0.5
Danske Bank	2.0	1.1	0.7	5.5	0.0	4.2	4.1	na
DZ Bank	1.6	1.4	0.7	2.2	na	4.6	4.5	na
Econ Intelligence Unit	1.6	1.3	0.9	2.6	na	3.6	3.4	0.2
ETLA	1.9	1.4	0.5	2.7	na	5.6	5.1	na
G&P Institutional Mgmt	2.2	2.0	1.4	4.4	-0.2	5.3	5.5	0.2
HSBC	1.4	1.3	1.0	2.4	-0.4	4.1	4.4	na
IHS Economics	1.7	1.6	0.8	2.9	na	4.2	4.2	0.1
J P Morgan Chase	2.2	2.2	1.2	2.9	na	4.3	4.4	na
Morgan Stanley	2.2	1.6	0.7	3.8	0.0	5.2	4.8	0.4
Nordea	1.6	1.6	0.7	3.7	na	4.2	5.4	-0.3
Nykredit	2.0	1.5	0.4	3.3	na	na	na	0.4
Oxford Economics	1.7	1.3	0.7	2.7	0.2	3.7	3.8	0.1
Raiffeisen Bank Intl	1.9	1.7	0.7	2.8	na	4.9	5.0	na
Santander	1.9	1.4	0.3	4.3	na	4.4	4.4	0.1
SEB	2.1	1.8	0.5	2.2	0.0	5.0	4.2	na
UBS	2.0	1.6	0.7	3.6	0.2	4.4	4.9	0.0
UniCredit Bank	1.8	1.4	1.1	3.4	0.2	4.5	5.0	0.0
Consensus (Mean)	1.8	1.5	0.8	3.2	0.0	4.7	4.8	0.1
Last Month	1.9	1.5	0.8	3.2	0.0	4.8	4.8	0.1
2 Months Ago	1.9	1.5	0.8	3.2	0.0	4.8	4.8	0.1
Median	1.9	1.5	0.7	2.9	0.0	4.4	4.7	0.1
High	2.2	2.2	1.4	5.5	0.2	7.6	6.9	0.4
Low	1.3	1.1	0.3	2.2	-0.4	3.6	3.4	-0.5
Standard Deviation	0.3	0.3	0.3	0.9	0.2	0.9	0.8	0.3
Number of Forecasts	21	21	21	21	10	20	20	12
Other Forecasts								
ECB (June '15)	1.9	1.6	0.7	3.5	na	5.4	5.8	na
EC (May '15)	1.9	1.6	0.8	4.0	0.0	5.4	5.9	0.0
IMF (April '15)	1.6	1.5	0.5	2.4	0.0	na	na	0.2
OECD (June '15)	2.1	1.8	0.4	3.5	0.0	na	na	0.3

Euro Zone - Forecasts for 2016

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construction)</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. construction)</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	2.2	na	10.5	na	1.4	1.8	na	245.0	2.3	-1.8
BBVA	na	na	10.3	na	1.3	na	na	na	3.2	-1.6
BNP Paribas	3.8	na	10.2	na	1.5	1.5	na	330.0	3.1	-1.5
Commerzbank	2.2	na	10.7	4.5	1.2	1.5	1.6	200.0	1.9	-1.5
Danske Bank	na	na	10.2	na	1.4	na	na	na	2.5	-1.7
DZ Bank	na	na	10.8	na	1.1	na	na	na	3.4	-1.8
Econ Intelligence Unit	1.9	na	10.4	na	1.3	1.3	na	335.0	3.2	-1.7
ETLA	2.0	na	10.4	na	1.3	na	na	na	na	-2.2
G&P Institutional Mgmt	na	na	10.3	na	1.2	na	na	na	na	-1.7
HSBC	2.3	na	10.7	na	0.9	na	1.3	na	2.2	-2.0
IHS Economics	2.3	2.1	10.6	na	1.3	1.5	1.9	270.0	2.7	-1.8
J P Morgan Chase	na	na	10.4	na	na	na	na	na	na	na
Morgan Stanley	na	na	10.3	na	1.6	na	na	248.9	2.4	-1.9
Nordea	na	na	10.5	na	1.4	na	na	na	3.4	-1.7
Nykredit	na	na	10.5	na	1.4	na	na	na	na	na
Oxford Economics	2.0	1.3	10.8	na	1.5	1.6	na	256.3	2.4	-1.6
Raiffeisen Bank Intl	3.8	na	10.9	na	1.4	na	na	233.6	2.2	-1.7
Santander	na	na	10.7	na	1.2	na	na	272.0	2.7	-1.5
SEB	na	na	10.7	na	0.8	na	na	na	na	na
UBS	na	na	10.6	1.0	1.5	1.4	na	na	2.3	-2.0
UniCredit Bank	na	na	10.7	na	1.2	na	na	na	3.2	na
Consensus (Mean)	2.5	1.7	10.5	2.8	1.3	1.5	1.6	265.6	2.7	-1.7
Last Month	2.6	1.8	10.5	2.8	1.3	1.5	1.6	275.2	2.7	-1.8
2 Months Ago	2.6	2.4	10.5	2.5	1.2	1.8	1.6	266.7	2.6	-1.8
Median	2.2	1.7	10.5	2.8	1.3	1.5	1.6	256.3	2.6	-1.7
High	3.8	2.1	10.9	4.5	1.6	1.8	1.9	335.0	3.4	-1.5
Low	1.9	1.3	10.2	1.0	0.8	1.3	1.3	200.0	1.9	-2.2
Standard Deviation	0.7	0.6	0.2	2.5	0.2	0.2	0.3	43.5	0.5	0.2
Number of Forecasts	9	2	21	2	20	7	3	9	16	17
Other Forecasts										
ECB (June '15)	na	na	10.6	na	1.5	na	na	na	2.0	-1.8
EC (May '15)	na	na	10.5	na	1.3	na	na	359.3	3.6	-1.9
IMF (April '15)	na	na	10.6	na	1.0	na	na	na	3.1	na
OECD (June '15)	na	na	10.5	na	1.3	na	na	na	4.1	-1.4

Financial Forecasts			
<i>All forecasts are for end year</i>		2015	2016
3-month Euribor Interest Rate, %	Mean Average	0.01	0.08
Rate on Survey Date: -0.02	High	0.05	0.40
	Low	-0.05	-0.05
	Standard deviation	0.03	0.14
	Number of Forecasts	12	11
10-year Benchmark German Bond Yield, %	Mean Average	1.03	1.67
Rate on Survey Date: 0.74	High	1.60	2.43
	Low	0.70	1.10
	Standard deviation	0.28	0.44
	Number of Forecasts	8	8
US Dollars/Euro Exchange Rate	Mean Average	1.052	1.076
Rate on Survey Date: 1.085	High	1.100	1.150
	Low	0.980	0.950
	Standard deviation	0.039	0.065
	Number of Forecasts	22	19
Japanese Yen/Euro Exchange Rate	Mean Average	132.4	138.3
Rate on Survey Date: 134.6	High	141.2	155.3
	Low	122.6	118.8
	Standard deviation	5.7	11.1
	Number of Forecasts	10	9
UK Pound/Euro Exchange Rate	Mean Average	0.683	0.704
Rate on Survey Date: 0.696	High	0.720	0.760
	Low	0.644	0.636
	Standard deviation	0.022	0.041
	Number of Forecasts	11	10
Swedish Krona/Euro Exchange Rate	Mean Average	9.227	9.112
Rate on Survey Date: 9.332	High	9.700	9.450
	Low	8.950	8.600
	Standard deviation	0.231	0.225
	Number of Forecasts	16	13
Swiss Franc/Euro Exchange Rate	Mean Average	1.049	1.075
Rate on Survey Date: 1.043	High	1.100	1.145
	Low	0.950	0.950
	Standard deviation	0.045	0.065
	Number of Forecasts	8	7
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	64.2	72.5
Rate on Survey Date: 49.9	High	76.0	80.0
	Low	59.0	65.0
	Standard deviation	4.6	4.3
	Number of Forecasts	19	19

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

Interest Rate Data

All data are period averages

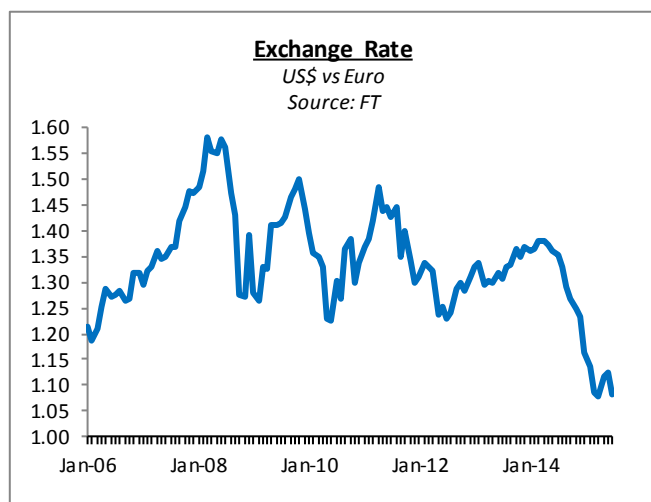
<u>Euro Zone Money Market Rates, %</u>	<u>Dec '14</u>	<u>Jan '15</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Overnight	-0.03	-0.05	-0.04	-0.05	-0.07	-0.11
1-month	0.02	0.01	0.00	-0.01	-0.03	-0.05
3-month	0.08	0.06	0.05	0.03	0.00	-0.01
6-month	0.18	0.15	0.13	0.10	0.07	0.06
12-month	0.33	0.30	0.26	0.21	0.18	0.17
10-year bond yields	1.45	1.27	1.21	0.96	0.85	1.34
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.74	0.58	0.62	0.51	0.68	0.85
United States	1.95	1.50	1.80	1.69	1.81	1.87
United Kingdom	1.45	1.04	1.45	1.19	1.39	1.32
<u>3-month LIBOR rates, %</u>						
United States	0.24	0.25	0.26	0.27	0.28	0.28
United Kingdom	0.11	0.10	0.10	0.10	0.10	0.10

Exchange Rate Data

period averages vs euro

	<u>Dec '14</u>	<u>Jan '15</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Trade Weighted Nominal Index * (1999 Q1=100)	99.7	95.9	94.0	91.4	90.5	92.3
Chinese renminbi	7.633	7.227	7.096	6.762	6.686	6.916
Croatian kuna	7.668	7.688	7.711	7.647	7.59	7.559
Czech koruna	27.64	27.90	27.61	27.38	27.44	27.40
Danish krone	7.440	7.441	7.450	7.459	7.466	7.461
Hungarian forint	310.8	316.5	306.9	303.4	299.4	306.3
Japanese yen	147.1	137.5	134.7	130.4	128.9	134.7
Polish zloty	4.215	4.278	4.176	4.126	4.018	4.081
Romanian leu	4.458	4.487	4.433	4.434	4.416	4.448
Swedish krona	9.404	9.417	9.490	9.245	9.325	9.304
Swiss franc	1.203	1.094	1.062	1.061	1.038	1.039
UK pound	0.788	0.767	0.741	0.724	0.721	0.721
US dollar	1.233	1.162	1.135	1.084	1.078	1.115

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



The Greek crisis took the shine off the euro's minirally, especially when German Chancellor Angela Merkel hinted at Athens receiving a modicum of debt relief which seems all but inevitable given the magnitude of its liabilities. Although Grexit risk has been, if not completely eliminated, certainly forestalled by the new bailout agreement with creditors and the prospect of early elections this autumn, the euro has slipped against the dollar to \$1.08 and has reached another recent low of €1.44 versus pound sterling. A pure monetary policy play is now affecting market pricing with the US Fed tipped to raise its benchmark rate in September and the Bank of England signalling a rise before year-end.

ECB Watch

- Our survey date marked the day Athens must repay the ECB on its maturing bond, a deadline that ultimately led Greek Prime Minister Alexis Tsipras to capitulate and reach an agreement with creditors to accept austerity in return for new funding. Failure to repay the ECB would have led to the withdrawal of emergency funding, and to either a temporary or permanent withdrawal of Greece from the euro zone.
- Convinced that Greece will now repay its loan, the ECB has continued to supply Greek banks with financial assistance, allowing them to reopen albeit with restrictions still imposed on cash withdrawals. Risks will remain heightened, and presently the ECB's QE programme will continue to provide support to other member states.

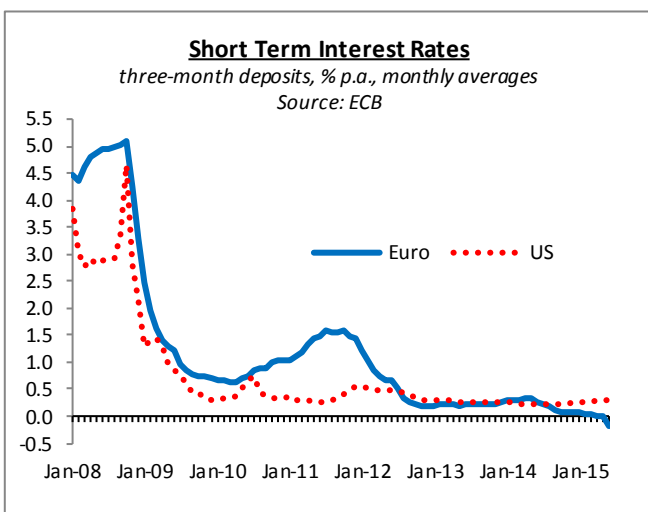
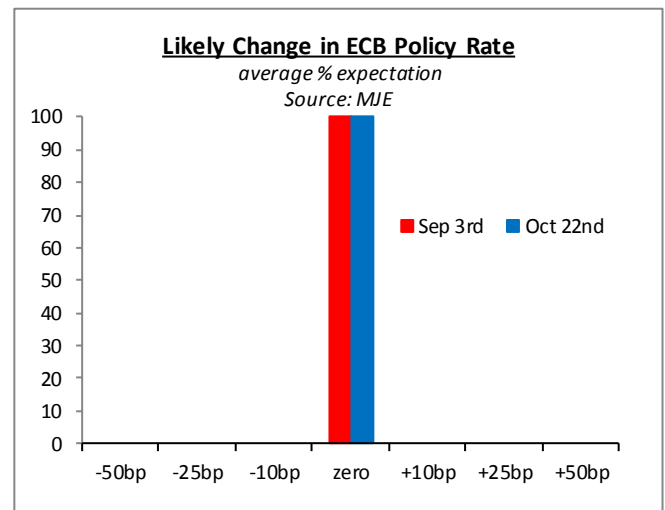
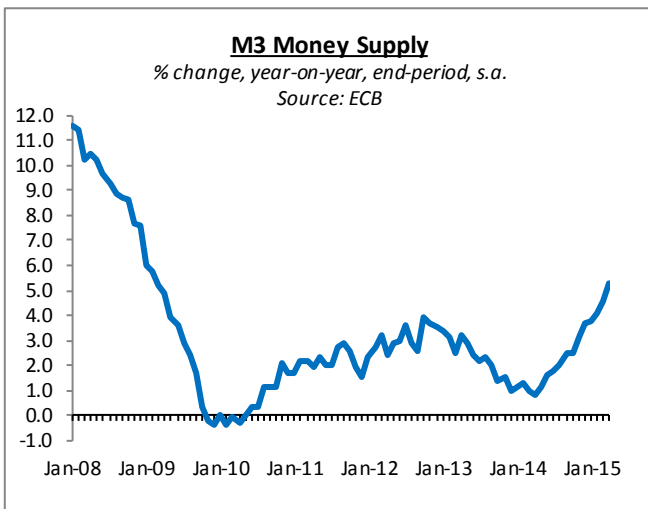
Euro Zone Barometer

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:

	Sep 3rd	Oct 22nd
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
Unchanged	100%	100%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



Last Five ECB Interest Rate Changes:

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

Long Term Forecasts

Forecasts for 2017 to 2019 are taken from our July 2015 long term forecasts survey

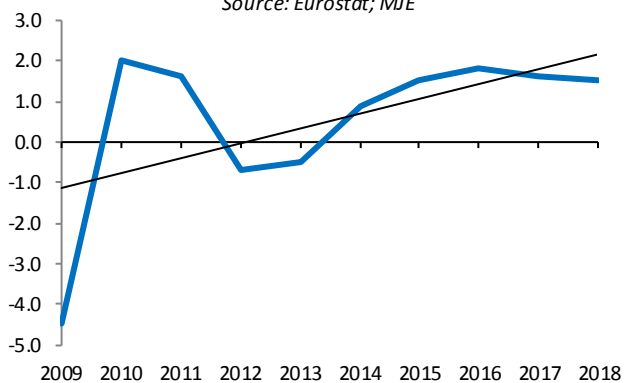
(% change year-on-year, unless otherwise stated)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross Domestic Product	0.9	1.5	1.8	1.6	1.5	1.5
Private Consumption	1.0	1.7	1.5	1.4	1.3	1.3
Gross Fixed Investment	1.2	2.0	3.2	2.7	2.6	2.4
Industrial Production (excl. construction)	0.7	1.9	2.5	2.0	1.9	1.9
Unemployment Rate, % of labour force	11.6	11.0	10.5	10.2	9.8	9.5
Harmonised Index of Consumer Prices	0.4	0.2	1.3	1.6	1.7	1.8
Current Account, annual total, % of GDP	2.2	2.8	2.7	2.8	2.7	2.5
General Government Balance, % of GDP	-2.4	-2.1	-1.7	-0.9	-0.8	-0.8
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.08	0.01	0.08	0.42	1.23	1.68
10 Year Bond Yield, % per annum	0.54	1.03	1.67	2.13	2.80	3.31
10 year - 3 month Yield Differential	0.46	1.02	1.59	1.71	1.56	1.62
US\$ per € Exchange Rate	1.210	1.052	1.076	1.171	1.209	1.230

Long Term Growth Trend

Real GDP, % change, year-on-year

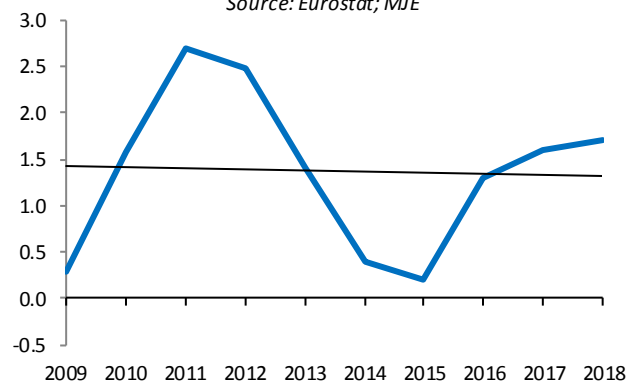
Source: Eurostat; MJE



Long Term Inflation Trend

HICP, % change, year-on-year

Source: Eurostat; MJE



GERMANY - Forecasts for 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	2.0	2.3	na	2.3	4.7	0.4	7.8	0.7	na
BBVA	1.9	1.9	2.2	na	na	0.3	7.7	0.5	na
BNP Paribas	1.8	2.1	2.8	3.0	na	0.5	8.1	0.8	71.6
Danske Bank	2.3	2.4	3.0	na	5.0	0.4	7.1	0.0	72.4
DZ Bank	2.0	2.1	2.7	na	na	0.3	8.4	0.4	71.8
Economist Intelligence Unit	1.8	1.9	2.2	1.8	4.7	0.6	8.0	0.9	71.7
G&P Institutional Mgmt	1.8	2.2	2.0	na	4.7	0.3	na	0.8	na
IHS Economics	1.7	2.5	2.8	2.7	4.7	0.5	7.8	0.7	71.4
J P Morgan Chase	1.8	na	na	na	na	0.3	na	na	na
Oxford Economics	1.9	2.3	1.9	1.5	4.8	0.6	8.0	0.6	na
Raiffeisen Bank International	1.6	na	na	na	na	0.4	7.0	0.0	72.4
Santander	1.8	2.1	2.5	1.4	4.9	0.3	7.6	0.5	71.0
SEB	2.2	na	na	na	4.9	0.4	na	na	na
UBS	2.1	2.1	3.3	2.6	na	0.5	7.1	0.2	72.3
UniCredit Bank	1.9	2.2	2.0	2.0	4.8	0.6	7.2	0.5	73.0
Consensus (Mean Average)	1.9	2.2	2.5	2.2	4.8	0.4	7.7	0.5	72.0
Last Month	1.9	2.2	2.5	2.2	4.8	0.4	7.7	0.5	71.7
2 Months Ago	1.9	2.2	2.5	2.2	4.8	0.3	7.7	0.4	71.7
Median	1.9	2.2	2.5	2.2	4.8	0.4	7.8	0.5	71.8
High	2.3	2.5	3.3	3.0	5.0	0.6	8.4	0.9	73.0
Low	1.6	1.9	1.9	1.4	4.7	0.3	7.0	0.0	71.0
Standard Deviation	0.2	0.2	0.5	0.6	0.1	0.1	0.5	0.3	0.6
Number of Forecasts	15	12	11	8	9	15	12	13	9
Other Forecasts									
EC (May '15)	1.9	2.4	2.1	na	4.6	0.3	7.9	0.6	71.5
IMF (April '15)	1.6	2.0	1.4	na	4.9	0.2	8.4	na	na
OECD (June '15)	1.6	2.3	2.5	na	4.7	0.2	8.5	0.5	71.0

- Economic sentiment remained stable in June with the European Commission's headline indicator a touch off its highest point all year (back in March).
- However, although confidence within the services sector reached a new high, manufacturers, consumers and retail trade respondents were more pessimistic, signalling still some uncertainty over prospects with growth positive but mediocre in Q1 2015 and the country coming to terms with the aftershocks of the Greek crisis and continuing Russian sanctions.
- The Bundesbank (Germany's central bank) nonetheless believes the economy stepped up a gear in Q2 2015 as a tight labour market and real wage growth spurred consumer demand. The unemployment rate was held at 4.7% in May, one of the lowest levels in Europe and less than half the euro zone average.
- The latest purchasing managers' survey (for June) shows a rise in the index to 51.9. Although it is above the 50 mark dividing expansion from contraction, conditions are rather mixed despite decent export orders.

GERMANY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	1.6	1.4	na	2.4	4.7	1.4	6.8	0.5	na
BBVA	2.2	1.8	4.0	na	na	1.4	7.4	0.3	na
BNP Paribas	2.3	1.3	4.8	4.3	na	1.8	8.1	1.0	67.9
Danske Bank	2.6	1.6	6.8	na	4.7	2.1	6.7	0.2	69.6
DZ Bank	1.6	1.4	3.1	na	na	1.3	8.2	0.4	69.5
Economist Intelligence Unit	1.8	1.1	3.0	1.8	4.7	1.6	8.0	0.8	69.2
G&P Institutional Mgmt	1.9	2.0	2.5	na	4.6	1.4	na	0.4	na
IHS Economics	2.1	2.1	5.0	3.0	4.5	2.0	7.2	0.6	68.2
J P Morgan Chase	2.8	na	na	na	na	1.4	na	na	na
Oxford Economics	2.1	1.5	3.8	2.1	4.8	2.0	7.5	0.5	na
Raiffeisen Bank International	2.2	na	na	na	na	2.6	6.5	0.2	69.6
Santander	1.6	1.4	2.8	1.6	4.8	1.4	7.1	0.3	68.5
SEB	2.3	na	na	na	4.8	1.7	na	na	na
UBS	2.4	1.9	6.3	3.8	na	1.5	6.9	0.2	69.3
UniCredit Bank	2.1	1.7	2.5	2.0	4.5	2.0	6.8	0.5	70.6
Consensus (Mean Average)	2.1	1.6	4.1	2.6	4.7	1.7	7.3	0.5	69.2
Last Month	2.1	1.6	4.0	2.7	4.7	1.7	7.3	0.4	69.0
2 Months Ago	2.1	1.6	3.9	2.7	4.7	1.6	7.4	0.4	69.0
Median	2.1	1.6	3.8	2.3	4.7	1.6	7.2	0.4	69.3
High	2.8	2.1	6.8	4.3	4.8	2.6	8.2	1.0	70.6
Low	1.6	1.1	2.5	1.6	4.5	1.3	6.5	0.2	67.9
Standard Deviation	0.4	0.3	1.5	1.0	0.1	0.4	0.6	0.2	0.8
Number of Forecasts	15	12	11	8	9	15	12	13	9
Other Forecasts									
EC (May '15)	2.0	1.8	4.4	na	4.4	1.8	7.7	0.5	68.2
IMF (April '15)	1.7	1.5	2.2	na	4.8	1.3	7.9	na	na
OECD (June '15)	2.3	2.0	4.3	na	4.5	1.8	8.3	1.1	67.2

Germany: Historical Data

<i>% change, year-on-year</i>	2011	2012	2013	2014
Gross Domestic Product	3.7	0.6	0.2	1.6
Private Consumption	1.7	0.7	0.9	1.2
Gross Fixed Investment	6.2	-1.9	-0.4	3.3
Industrial Production	7.7	-0.3	0.1	1.3
Unemploy. Rate, % of L.F.	5.9	5.5	5.3	5.0
Consumer Prices	2.5	2.1	1.6	0.8
Current Acc., % of GDP	6.3	7.0	6.9	7.5
Budget Bal., % of GDP	-0.9	0.1	0.1	0.7
Public Debt, % of GDP	77.9	79.3	77.1	74.7

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	16th out of 178 countries
Doing Business:	14th out of 189 countries
Competitiveness:	5th out of 144 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.	
<i>Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum</i>	

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 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	1.5	0.0	na	na	0.1	-0.9	-3.6	na
BNP Paribas	1.2	1.8	-0.3	2.0	10.4	0.4	0.0	-3.7	96.9
Danske Bank	0.7	1.1	-0.7	na	10.4	0.0	-1.9	-4.5	98.1
DZ Bank	1.3	2.2	-0.6	na	10.3	0.1	-1.0	-4.1	97.3
Economist Intelligence Unit	1.1	1.9	0.0	2.0	9.8	0.2	-1.0	-4.2	99.4
G&P Institutional Mgmt	1.5	2.1	0.0	na	10.2	0.2	na	-3.8	na
IHS Economics	1.2	1.7	-0.4	1.4	10.0	0.2	-0.4	-3.7	97.9
J P Morgan Chase	1.2	na	na	na	na	0.2	na	na	na
Oxford Economics	1.3	1.9	-0.5	1.4	10.4	0.4	-0.4	-3.8	na
Raiffeisen Bank International	0.7	na	na	na	na	0.4	-0.7	-3.8	96.4
SEB	1.1	na	na	na	10.6	0.0	na	na	na
UBS	1.0	1.1	-0.2	0.7	na	0.4	-1.0	-4.3	97.2
UniCredit Bank	1.2	na	na	na	na	0.3	-0.7	-4.0	97.0
Consensus (Mean Average)	1.1	1.7	-0.3	1.5	10.3	0.2	-0.8	-4.0	97.5
Last Month	1.1	1.5	-0.3	1.7	10.3	0.2	-0.9	-4.0	97.5
2 Months Ago	1.0	1.3	-0.2	1.4	10.3	0.2	-0.9	-4.1	97.5
Median	1.2	1.8	-0.3	1.4	10.4	0.2	-0.8	-3.8	97.3
High	1.5	2.2	0.0	2.0	10.6	0.4	0.0	-3.6	99.4
Low	0.7	1.1	-0.7	0.7	9.8	0.0	-1.9	-4.5	96.4
Standard Deviation	0.2	0.4	0.3	0.5	0.3	0.1	0.5	0.3	0.9
Number of Forecasts	13	9	9	5	8	13	10	11	8
Other Forecasts									
EC (May '15)	1.1	1.6	-0.6	na	10.3	0.0	-0.9	-3.8	96.4
IMF (April '15)	1.2	1.0	-0.2	na	10.1	0.1	-0.1	na	na
OECD (June '15)	1.1	1.6	-0.6	na	10.5	0.1	-0.5	-3.8	97.0

- Confidence in the French economy held up reasonably well in June considering the general anxiety over the euro zone's prospects with the Greek crisis dominating affairs.
- Manufacturing confidence remained negative, but was also unchanged compared to May. Consumer confidence was similarly stable, while construction sentiment, although still heavily depressed, improved for a second month running. Retail traders and more widely the services sector were even more despondent, however.
- The question is whether the country can maintain its encouraging start to the year when GDP posted a real terms rise of 0.6% q/q. The latest survey from the central bank suggests it is struggling to do so, pointing to a 0.2% rise and highlighting the urgency of reforms to inject more competitiveness.
- In that regard there was much to cheer when parliament adopted a package of reforms this month, albeit pushed through using special constitutional measures and not without public protest and internal unrest in the governing Socialist Party.

FRANCE - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.8	1.4	3.5	na	na	1.1	-0.9	-3.0	na
BNP Paribas	1.8	1.1	2.7	2.8	10.1	1.5	0.0	-3.3	97.1
Danske Bank	1.0	0.8	3.1	na	10.2	1.3	-2.2	-4.7	99.8
DZ Bank	1.3	1.6	1.3	na	10.2	0.9	-1.2	-3.8	98.5
Economist Intelligence Unit	1.5	1.6	0.8	2.5	9.3	1.3	-1.3	-3.5	100.7
G&P Institutional Mgmt	1.9	2.0	2.4	na	9.7	0.9	na	-3.5	na
IHS Economics	1.5	1.5	1.8	1.3	9.7	1.5	-0.7	-3.4	98.1
J P Morgan Chase	1.9	na	na	na	na	1.1	na	na	na
Oxford Economics	1.6	1.4	2.1	1.6	10.4	1.8	-0.7	-3.5	na
Raiffeisen Bank International	1.5	na	na	na	na	1.3	-0.8	-3.5	97.0
SEB	1.6	na	na	na	10.5	0.7	na	na	na
UBS	1.5	1.5	1.3	1.5	na	1.6	-0.9	-3.9	97.3
UniCredit Bank	1.6	na	na	na	na	1.2	-0.6	-3.8	97.5
Consensus (Mean Average)	1.6	1.4	2.1	1.9	10.0	1.2	-0.9	-3.6	98.3
Last Month	1.6	1.4	2.0	2.1	10.0	1.2	-1.0	-3.7	98.5
2 Months Ago	1.5	1.3	2.1	2.2	10.0	1.1	-0.9	-3.8	98.4
Median	1.6	1.5	2.1	1.6	10.2	1.3	-0.9	-3.5	97.8
High	1.9	2.0	3.5	2.8	10.5	1.8	0.0	-3.0	100.7
Low	1.0	0.8	0.8	1.3	9.3	0.7	-2.2	-4.7	97.0
Standard Deviation	0.2	0.3	0.9	0.7	0.4	0.3	0.6	0.4	1.4
Number of Forecasts	13	9	9	5	8	13	10	11	8
Other Forecasts									
EC (May '15)	1.7	1.5	3.0	na	10.0	1.0	-1.2	-3.5	97.0
IMF (April '15)	1.5	1.7	2.0	na	9.9	0.8	-0.3	na	na
OECD (June '15)	1.7	1.7	1.8	na	10.4	1.1	-0.3	-3.2	97.9

France: Historical Data

<i>% change, year-on-year</i>	2011	2012	2013	2014
Gross Domestic Product	2.1	0.3	0.3	0.4
Private Consumption	0.5	-0.4	0.2	0.6
Gross Fixed Investment	2.1	0.3	-1.0	-1.6
Industrial Production	2.4	-2.6	-0.5	-1.1
Unemploy. Rate, % of L.F.	9.6	10.2	10.8	10.2
Consumer Prices	2.3	2.2	1.0	0.6
Current Acc., % of GDP	-2.5	-2.1	-1.7	-1.1
Budget Bal., % of GDP	-5.1	-4.8	-4.1	-4.0
Public Debt, % of GDP	85.2	89.6	92.3	95.0

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	2017 (presidential & parliamentary)
Capital City:	Paris
Economic Freedom:	73rd out of 178 countries
Doing Business:	31st out of 189 countries
Competitiveness:	23rd out of 144 countries
Corruption:	26th out of 175 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33%/30% (branch rate)

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

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

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 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	0.7	0.6	-0.2	na	na	0.0	2.1	-2.6	na
BNP Paribas	0.8	0.5	2.2	1.3	12.3	0.2	2.0	-2.6	133.0
Danske Bank	0.5	0.8	-0.7	na	12.6	0.0	1.5	-2.7	133.8
DZ Bank	0.7	0.6	1.4	na	12.4	0.1	2.1	-2.7	133.5
Economist Intelligence Unit	0.5	0.6	0.4	0.5	12.2	0.3	1.9	-2.8	137.0
G&P Institutional Mgmt	1.0	0.4	2.4	na	12.3	0.3	na	-2.9	na
IHS Economics	0.6	0.5	1.4	1.4	12.3	0.1	1.7	-3.0	133.0
J P Morgan Chase	0.6	na	na	na	na	0.4	na	na	na
Oxford Economics	0.5	0.4	0.7	0.8	12.4	0.3	2.7	-2.7	na
Raiffeisen Bank International	0.8	na	na	na	12.4	0.2	2.2	-2.6	133.1
SEB	0.7	na	na	na	12.2	0.0	na	na	na
UBS	0.7	0.8	0.0	0.1	13.0	0.3	na	-3.0	133.5
UniCredit Bank	0.6	0.5	1.6	na	12.6	0.1	2.2	-2.6	133.1
Consensus (Mean Average)	0.7	0.6	0.9	0.8	12.4	0.2	2.0	-2.7	133.8
Last Month	0.6	0.6	0.6	0.6	12.5	0.2	2.3	-2.8	133.7
2 Months Ago	0.6	0.7	-0.1	0.6	12.6	0.1	2.2	-2.7	133.7
Median	0.7	0.6	1.1	0.8	12.4	0.2	2.1	-2.7	133.3
High	1.0	0.8	2.4	1.4	13.0	0.4	2.7	-2.6	137.0
Low	0.5	0.4	-0.7	0.1	12.2	0.0	1.5	-3.0	133.0
Standard Deviation	0.1	0.1	1.0	0.5	0.2	0.1	0.3	0.2	1.3
Number of Forecasts	13	10	10	5	11	13	9	11	8
Other Forecasts									
EC (May '15)	0.6	0.6	1.1	na	12.4	0.2	2.2	-2.6	133.1
IMF (April '15)	0.5	1.2	-0.3	na	12.6	0.0	2.6	na	na
OECD (June '15)	0.6	0.4	1.6	na	12.7	0.2	2.6	-2.6	133.2

- Although the Greek crisis has instilled some fear among euro zone experts of the consequences for countries like Italy with large debt burdens, confidence in the Italian economy improved in June, contrasting with the wider euro zone trend.
- Consumers and construction firms sparked the amelioration in sentiment, which comes in the wake of a return to growth in Q1 2015 and upgraded forecasts from the Bank of Italy (the central bank). They show real GDP rising by 0.7% in 2015 and 1.6% in 2016 in the belief monetary policy expansion and investment growth will spur a sustained revival.
- Still, the effects of the government's jobs programme is unclear. The unemployment rate was stuck at 12.4% in May and there is also evidence of economic growth losing momentum during Q2 2015 according to Istat, the national statistical office.
- The latest purchasing managers' index confirms this. Although it shows a fifth month of expansion during June, which should support modest economic growth, it also fell slightly to 54.1 in response to a drop in new orders. More worryingly, sovereign debt has reached a new record high equivalent to 132% of GDP.

ITALY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.3	0.8	3.0	na	na	0.9	2.7	-2.0	na
BNP Paribas	1.3	0.7	2.5	1.6	11.8	1.1	2.3	-2.2	132.0
Danske Bank	1.4	0.7	3.4	na	12.4	1.4	1.8	-2.2	132.7
DZ Bank	1.3	1.3	1.1	na	11.9	0.8	1.9	-2.2	131.0
Economist Intelligence Unit	0.9	0.4	0.9	0.9	11.8	1.2	1.3	-2.7	135.7
G&P Institutional Mgmt	2.3	1.5	4.5	na	11.4	1.1	na	-2.4	na
IHS Economics	0.9	1.1	1.1	1.6	12.1	0.5	0.1	-2.4	133.4
J P Morgan Chase	1.3	na	na	na	na	1.2	na	na	na
Oxford Economics	1.0	0.8	1.1	1.7	12.3	1.1	2.7	-2.0	na
Raiffeisen Bank International	1.5	na	na	na	na	1.1	2.1	-2.0	130.6
SEB	1.3	na	na	na	12.2	0.5	na	na	na
UBS	1.3	0.9	1.1	0.9	12.9	1.5	na	-3.0	134.0
UniCredit Bank	1.2	1.3	1.7	na	12.4	1.0	2.3	-1.9	132.0
Consensus (Mean Average)	1.3	1.0	2.0	1.3	12.1	1.0	1.9	-2.3	132.7
Last Month	1.3	0.9	1.9	1.5	12.2	1.0	2.2	-2.3	133.0
2 Months Ago	1.2	0.9	1.8	1.9	12.2	1.0	2.1	-2.2	132.7
Median	1.3	0.9	1.4	1.6	12.2	1.1	2.1	-2.2	132.4
High	2.3	1.5	4.5	1.7	12.9	1.5	2.7	-1.9	135.7
Low	0.9	0.4	0.9	0.9	11.4	0.5	0.1	-3.0	130.6
Standard Deviation	0.3	0.3	1.2	0.4	0.4	0.3	0.8	0.3	1.7
Number of Forecasts	13	10	10	5	10	13	9	11	8
Other Forecasts									
EC (May '15)	1.4	0.6	4.1	na	12.4	1.8	2.2	-2.0	130.6
IMF (April '15)	1.1	1.1	0.4	na	12.3	0.8	2.5	na	na
OECD (June '15)	1.5	1.1	1.9	na	12.1	1.3	3.4	-2.0	132.0

Italy: Historical Data

<i>% change, year-on-year</i>	2011	2012	2013	2014
Gross Domestic Product	0.6	-2.8	-1.7	-0.4
Private Consumption	0.0	-3.9	-2.9	0.3
Gross Fixed Investment	-1.9	-9.3	-5.8	-3.3
Industrial Production	0.3	-6.3	-2.9	-0.7
Unemploy. Rate, % of L.F.	8.4	10.7	12.2	12.8
Consumer Prices	2.9	3.3	1.3	0.2
Current Acc., % of GDP	-3.1	-0.5	0.7	1.8
Budget Bal., % of GDP	-3.5	-3.0	-2.9	-3.0
Public Debt, % of GDP	116.4	123.1	128.5	132.1

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Matteo Renzi
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	80th out of 178 countries
Doing Business:	56th out of 189 countries
Competitiveness:	49th out of 144 countries
Corruption:	69th out of 175 countries
Corporate Tax Rate:	27.5% (national rate) 3.5% (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 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									
BNP Paribas	2.1	1.7	6.1	2.1	6.8	0.1	10.0	-1.8	68.1
DZ Bank	1.9	1.8	5.7	na	6.8	0.2	na	-1.7	68.0
Economist Intelligence Unit	2.1	1.8	5.3	0.5	6.9	0.4	11.0	-1.7	68.9
IHS Economics	2.1	1.6	6.1	1.5	na	0.5	11.5	-2.2	na
Oxford Economics	1.2	0.9	4.2	1.8	6.6	0.3	11.1	-1.9	na
Raiffeisen Bank International	2.1	na	na	na	na	0.6	10.0	-1.7	69.9
UBS	1.8	0.8	4.7	1.5	na	0.4	8.9	-2.4	71.7
Consensus (Mean Average)	1.9	1.4	5.4	1.5	6.8	0.4	10.4	-1.9	69.3
Last Month	1.8	1.2	5.1	2.0	6.8	0.3	10.2	-2.0	69.8
2 Months Ago	1.7	1.2	4.3	2.2	6.8	0.2	10.2	-2.1	70.9
Median	2.1	1.7	5.5	1.5	6.8	0.4	10.5	-1.8	68.9
High	2.1	1.8	6.1	2.1	6.9	0.6	11.5	-1.7	71.7
Low	1.2	0.8	4.2	0.5	6.6	0.1	8.9	-2.4	68.0
Standard Deviation	0.3	0.5	0.8	0.6	0.1	0.2	1.0	0.3	1.5
Number of Forecasts	7	6	6	5	4	7	6	7	5
<u>Other Forecasts</u>									
EC (May '15)	1.6	1.6	4.5	na	7.1	0.2	9.0	-1.7	69.9
IMF (April '15)	1.6	na	na	na	na	-0.1	10.4	na	na
OECD (June '15)	2.0	1.5	7.0	na	6.9	0.1	10.0	-1.8	68.6

- A revised GDP growth figure shows the economy expanded by 0.6% q/q (and by 2.5% y/y) in real terms in Q1 2015, which was better than the preliminary report suggested. Growth prospects remain bright with the country less exposed to the Greek crisis.
- That is partly down to a more favourable fiscal position. General government gross debt is presently rising and almost 69% of GDP, but the general government deficit has come in well under the 3% of GDP limit for the past couple of years (remaining at 2.3% of GDP) following four years of excessive deficits.
- Encouragingly, Dutch sentiment continued to rise for a fourth successive month in June to its highest level all year. Confidence among manufacturers improved, buoyed by improving export market conditions. In the construction sector confidence moved slightly into positive territory, aided by the reviving property market. Consumers were also more upbeat with unemployment falling, credit conditions improving and energy bills reduced.
- Indeed, the harmonised unemployment rate slipped below 7% in May, which compares to a euro zone average of 11.1%.

NETHERLANDS - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BNP Paribas	2.3	1.4	4.2	2.3	6.7	1.3	10.0	-1.6	66.0
DZ Bank	2.0	1.5	2.8	na	6.4	1.3	na	-0.9	66.8
Economist Intelligence Unit	1.6	0.9	3.5	1.0	6.7	1.6	9.8	-1.4	68.3
IHS Economics	1.8	1.2	1.9	2.0	na	1.3	10.8	-1.7	na
Oxford Economics	1.2	0.5	1.3	1.3	6.1	1.4	11.1	-1.7	na
Raiffeisen Bank International	2.3	na	na	na	na	1.6	10.0	-1.2	68.9
UBS	2.0	0.9	5.3	4.2	na	1.5	8.6	-2.0	70.8
Consensus (Mean Average)	1.9	1.1	3.2	2.2	6.5	1.4	10.1	-1.5	68.2
Last Month	1.9	1.1	3.1	2.1	6.5	1.4	9.9	-1.6	69.2
2 Months Ago	1.8	1.0	2.9	2.1	6.4	1.3	9.9	-1.7	70.3
Median	2.0	1.1	3.2	2.0	6.6	1.4	10.0	-1.6	68.3
High	2.3	1.5	5.3	4.2	6.7	1.6	11.1	-0.9	70.8
Low	1.2	0.5	1.3	1.0	6.1	1.3	8.6	-2.0	66.0
Standard Deviation	0.4	0.4	1.5	1.3	0.3	0.1	0.9	0.4	1.9
Number of Forecasts	7	6	6	5	4	7	6	7	5
Other Forecasts									
EC (May '15)	1.7	1.7	4.2	na	6.9	1.3	9.4	-1.2	68.9
IMF (April '15)	1.6	na	na	na	na	0.9	10.1	na	na
OECD (June '15)	2.2	1.6	4.0	na	6.5	1.4	10.3	-1.1	68.2

Netherlands: Historical Data

<i>% change, year-on-year</i>	2011	2012	2013	2014
Gross Domestic Product	1.7	-1.6	-0.7	0.9
Private Consumption	-1.1	-1.6	-2.1	0.1
Gross Fixed Investment	6.1	-4.0	-4.8	2.4
Industrial Production	-0.8	-0.4	0.6	-2.8
Unemploy. Rate, % of L.F.	4.4	5.3	6.7	7.4
Consumer Prices	2.5	2.8	2.6	0.3
Current Acc., % of GDP	7.4	7.7	11.6	10.3
Budget Bal., % of GDP	-4.3	-4.0	-2.3	-2.3
Public Debt, % of GDP	61.3	66.5	68.6	68.8

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 178 countries
Doing Business:	27th out of 189 countries
Competitiveness:	8th out of 144 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 2015

<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	3.0	3.1	5.3	na	22.3	-0.2	0.9	-4.4	99.7
BNP Paribas	3.2	3.1	5.2	4.4	23.0	-0.3	0.8	-4.4	99.5
Danske Bank	2.4	2.7	5.3	na	23.2	-0.7	0.7	-4.5	101.2
DZ Bank	2.9	3.2	2.9	na	22.3	-0.3	1.0	-4.4	100.0
Economist Intelligence Unit	3.0	2.9	5.0	1.8	22.5	-0.2	0.8	-4.2	101.0
G&P Institutional Mgmt	3.1	3.1	5.8	na	22.4	-0.1	na	-4.2	na
IHS Economics	3.1	3.4	5.2	2.0	22.4	-0.4	1.7	-4.8	99.4
J P Morgan Chase	3.0	na	na	na	na	-0.4	na	na	na
Oxford Economics	3.2	3.3	5.4	2.6	22.2	-0.2	-0.1	-4.3	na
Raiffeisen Bank International	3.1	na	na	na	na	-0.3	0.9	-4.3	99.9
Santander	3.1	4.0	5.6	na	22.4	-0.7	1.8	na	na
UBS	2.4	2.8	4.4	1.9	22.7	-0.2	0.2	-4.6	101.0
UniCredit Bank	3.2	na	na	na	na	-0.5	0.7	-4.5	101.0
Consensus (Mean Average)	3.0	3.2	5.0	2.5	22.5	-0.3	0.9	-4.4	100.3
Last Month	2.8	3.2	4.8	1.8	22.6	-0.4	0.8	-4.5	100.6
2 Months Ago	2.8	3.1	4.8	2.3	22.6	-0.5	0.7	-4.4	100.7
Median	3.1	3.1	5.3	2.0	22.4	-0.3	0.8	-4.4	100.0
High	3.2	4.0	5.8	4.4	23.2	-0.1	1.8	-4.2	101.2
Low	2.4	2.7	2.9	1.8	22.2	-0.7	-0.1	-4.8	99.4
Standard Deviation	0.3	0.4	0.8	1.1	0.3	0.2	0.6	0.2	0.7
Number of Forecasts	13	10	10	5	10	13	11	11	9
Other Forecasts									
EC (May '15)	2.8	3.5	5.5	na	22.4	-0.6	1.2	-4.5	100.4
IMF (April '15)	2.5	3.9	4.5	na	22.6	-0.7	0.3	na	na
OECD (June '15)	2.9	3.8	5.4	na	22.3	-0.6	1.3	-4.4	98.9

- Spain's recovery prospects have not been particularly hindered by the Greek crisis, with the economy heading into the peak summer tourism season in much better shape than at any point since the 2008 crisis. Deficit reduction is continuing, but the Economy Minister Luis de Guindos recently announced that Spain had grown at almost 4% during the first half of 2015 with a 0.9% quarterly rise pencilled in for April-June.
- The recovery has led to two significant developments: waning support for Podemos, the anti-austerity party, and significantly more interest among overseas investors.
- The recovery is having only a very small impact to date on the labour market. Employment growth is occurring, but the unemployment rate as of May was still around 22%, with almost half of the younger generation of workers (under 25 years of age) still without a job.
- However, there are fewer bankruptcies now occurring, and the unemployment rate will slowly decline as the economy continues to grow. The general government debt burden is also now expected to remain below 100% of GDP with the prospect of it slowly falling in 2016.

SPAIN - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	2.7	2.4	6.0	na	20.7	1.4	1.0	-3.0	98.4
BNP Paribas	2.9	2.1	3.8	5.5	21.8	1.1	1.0	-2.9	99.6
Danske Bank	2.6	1.9	6.8	na	21.7	1.3	0.9	-3.7	100.6
DZ Bank	2.5	2.7	2.5	na	20.5	0.9	0.9	-3.2	101.0
Economist Intelligence Unit	2.3	2.7	3.2	1.8	21.4	0.5	0.6	-3.4	102.4
G&P Institutional Mgmt	2.9	2.8	6.0	na	20.0	1.4	na	-3.5	na
IHS Economics	2.7	2.8	3.5	1.6	20.5	0.9	1.5	-3.6	98.3
J P Morgan Chase	3.0	na	na	na	na	0.6	na	na	na
Oxford Economics	2.7	2.6	3.9	3.5	20.5	0.8	0.0	-3.3	na
Raiffeisen Bank International	2.6	na	na	na	na	1.4	0.5	-3.4	101.2
Santander	2.9	2.8	5.6	na	20.3	0.8	1.2	na	na
UBS	2.3	2.7	3.9	3.2	20.7	1.5	0.3	-3.5	101.8
UniCredit Bank	2.8	na	na	na	na	0.8	0.8	-3.6	101.8
Consensus (Mean Average)	2.7	2.6	4.5	3.1	20.8	1.0	0.8	-3.4	100.6
Last Month	2.6	2.6	4.3	2.4	20.9	1.1	0.7	-3.5	100.9
2 Months Ago	2.6	2.4	4.3	3.1	20.9	1.1	0.7	-3.4	101.1
Median	2.7	2.7	3.9	3.2	20.6	0.9	0.9	-3.4	101.0
High	3.0	2.8	6.8	5.5	21.8	1.5	1.5	-2.9	102.4
Low	2.3	1.9	2.5	1.6	20.0	0.5	0.0	-3.7	98.3
Standard Deviation	0.2	0.3	1.4	1.6	0.6	0.3	0.4	0.3	1.5
Number of Forecasts	13	10	10	5	10	13	11	11	9
Other Forecasts									
EC (May '15)	2.6	2.8	5.1	na	20.5	1.1	1.0	-3.5	101.4
IMF (April '15)	2.0	2.5	3.1	na	21.1	0.7	0.4	na	na
OECD (June '15)	2.8	2.6	6.3	na	20.3	0.7	1.3	-3.0	99.1

Spain: Historical Data

<i>% change, year-on-year</i>	2011	2012	2013	2014
Gross Domestic Product	-0.6	-2.1	-1.2	1.4
Private Consumption	-2.0	-2.9	-2.3	2.4
Gross Fixed Investment	-6.3	-8.1	-3.8	3.4
Industrial Production	-1.4	-6.0	-1.7	1.1
Unemploy. Rate, % of L.F.	21.7	25.0	26.4	24.5
Consumer Prices	3.1	2.4	1.5	-0.2
Current Acc., % of GDP	-4.0	-1.2	0.7	0.1
Budget Bal., % of GDP	-9.4	-10.3	-6.8	-5.8
Public Debt, % of GDP	69.2	84.4	92.1	97.7

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	Popular Party
Next Election:	December 2015 (parliamentary)
Capital City:	Madrid
Economic Freedom:	49th out of 178 countries
Doing Business:	33rd out of 189 countries
Competitiveness:	35th out of 144 countries
Corruption:	37th out of 175 countries
Corporate Tax Rate:	28.0% (national rate) variable (local rate) 28.0%/20.0% (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)	
		2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
		Austria	EC	0.8	1.5	0.8	1.9	2.4	2.4	-2.0	-2.0
	IMF	0.9	1.6	1.1	1.5	1.9	1.8	na	na	na	na
	OECD	0.6	1.7	0.6	1.6	0.9	1.4	-2.3	-2.1	85.7	85.9
Belgium	EC	1.1	1.5	0.3	1.3	2.1	2.2	-2.6	-2.4	106.5	106.4
	IMF	1.3	1.5	0.1	0.9	2.3	2.4	na	na	na	na
	OECD	1.3	1.8	0.0	1.3	2.7	2.7	-2.5	-1.6	107.2	105.7
Cyprus	EC	-0.5	1.4	-0.8	0.9	-3.9	-4.2	-1.1	-0.1	106.7	108.4
	IMF	0.2	1.4	-1.0	0.9	-1.9	-1.4	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	2.3	2.9	0.2	1.9	-0.3	-0.5	-0.2	-0.1	10.3	9.8
	IMF	2.5	3.4	0.4	1.7	-0.4	-0.7	na	na	na	na
	OECD	2.1	3.3	0.1	1.8	0.8	0.6	0.4	0.6	9.2	7.7
Greece	EC	0.5	2.9	-1.5	0.8	-1.6	-1.3	-2.1	-2.2	180.2	173.5
	IMF	2.5	3.7	-0.3	0.3	1.4	1.1	na	na	na	na
	OECD	0.1	2.3	-1.4	0.3	2.1	2.8	-3.4	-2.8	180.0	178.1
Ireland	EC	3.6	3.5	0.4	1.5	5.7	5.3	-2.8	-2.9	107.1	103.8
	IMF	3.9	3.3	0.2	1.5	4.9	4.8	na	na	na	na
	OECD	3.5	3.3	0.1	1.7	5.7	5.4	-2.5	-1.9	107.7	104.6
Luxembourg	EC	3.4	3.5	0.8	2.1	4.6	4.6	0.0	0.3	24.9	25.3
	IMF	2.5	2.3	0.5	1.6	4.7	4.6	na	na	na	na
	OECD	2.7	2.9	0.1	1.5	4.1	4.4	0.1	0.4	27.0	28.5
Malta	EC	3.6	3.2	1.3	1.9	0.6	0.4	-1.8	-1.5	67.2	65.4
	IMF	3.2	2.7	1.1	1.4	3.1	3.1	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.6	1.8	0.2	1.3	1.2	1.4	-3.1	-2.8	124.4	123.0
	IMF	1.6	1.5	0.6	1.3	1.4	1.0	na	na	na	na
	OECD	1.6	1.8	0.1	0.7	0.7	0.6	-2.9	-2.8	127.7	124.2
Slovakia	EC	3.0	3.4	-0.2	1.4	1.8	0.7	-2.7	-2.5	53.4	53.5
	IMF	2.9	3.3	0.0	1.4	0.4	0.4	na	na	na	na
	OECD	3.0	3.4	-0.2	1.4	0.0	0.9	-2.7	-2.3	53.5	53.5
Slovenia	EC	2.3	2.1	0.1	1.7	5.4	5.6	-2.9	-2.8	81.5	81.7
	IMF	2.1	1.9	-0.4	0.7	7.1	6.5	na	na	na	na
	OECD	2.1	1.9	-0.4	0.7	7.8	7.7	-2.9	-2.5	83.0	85.1

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 (May'15); IMF - International Monetary Fund (Apr'15); OECD - Organisation for Economic Cooperation & Dev (June'15).

Euro Zone: Background Information

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

Sources: Eurostat, The Times; PRB; MJE

Euro Zone: Election Timetable

Date	Country	Type
September 2015	Portugal	Parliamentary
December 2015	Spain	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
April 2016	Ireland	Parliamentary
May 2016	Cyprus	Legislative
September 2016	Netherlands	Parliamentary
October 2016	Lithuania	Parliamentary
December 2016	Greece	Parliamentary
December 2016	Slovakia	Parliamentary
April 2017	France	Presidential
June 2017	France	Parliamentary
October 2017	Germany	Presidential
December 2017	Slovenia	Presidential
February 2018	Cyprus	Presidential
February 2018	Finland	Presidential
June 2018	Malta	Parliamentary
June 2018	Luxembourg	Parliamentary
September 2018	Austria	Parliamentary

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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