

Euro Zone Barometer© - January 2017

*****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: January 16th, 2017

A Year of Populist Threats

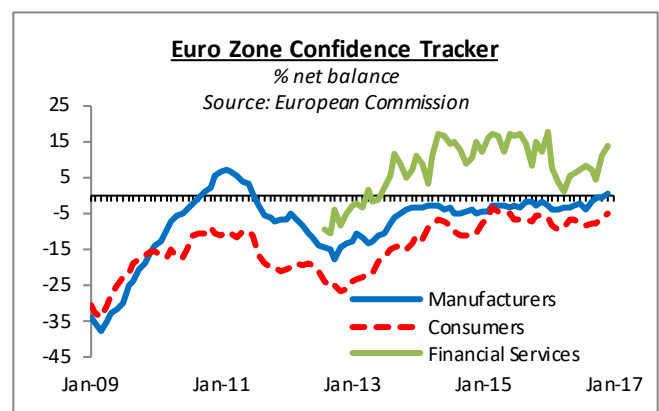
- **Happy New Year 2017** – and will it be one in which the euro zone recovery finally takes off, or will there be more setbacks along the way?
- **This month**, in our first survey of 2017, our short-term forecast horizon, as usual, shifts forward a year to include detailed projections for 2018 for the first time, along with forecasts for 2017.
- Our survey contributors have also been asked to review their **long-term, five-year forecasts** (page 11), which now extend out a year to 2021.
- Economists taking part are **cautiously predicting** brighter prospects, but are also noting the risks to a smooth recovery. They include a packed year of elections in the Netherlands, France and Germany heightening the prospect of populist, euro-sceptic agendas, as well as banking sector frailties and sovereign debt burdens to address, against the background risks of trade wars and conflict.
- **Expanding on our coverage**, this month we include forecasts by the ECB for smaller countries in the euro zone, and we show the mean-average of the ECB and other non-independent forecasters (the European Commission, IMF and OECD) on page 22.



**Next Month's Survey Deadline:
February 20th, 2017**

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Outlook for 2017-2018

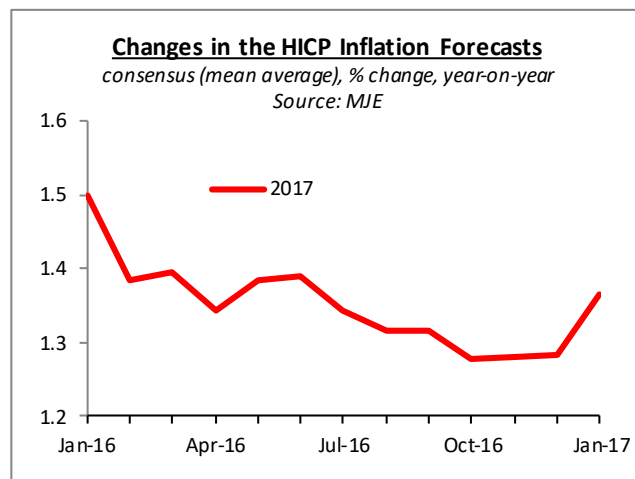
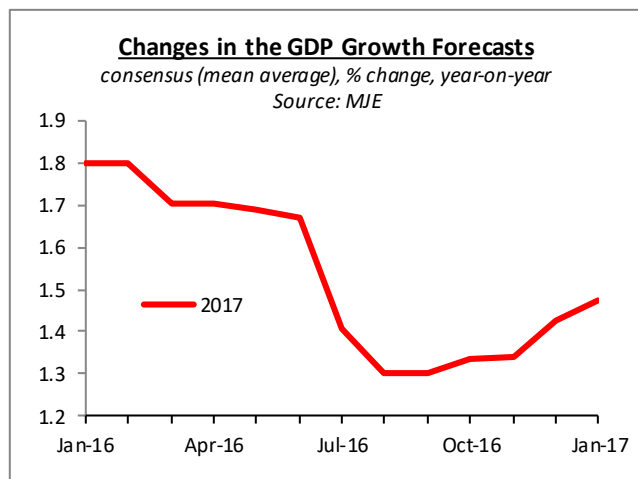
- The outlook for 2017 has brightened once again this month as our independent panel of economists have absorbed the latest data releases, and have become more confident about the region's economic recovery prospects.
- The improving picture is largely down to an upgraded outlook for fixed investment, which is being fuelled by record low borrowing rates, stronger corporate profitability, and a real estate market upswing boosting construction.
- The labour market is tightening faster than expected, leading to downgraded forecasts for the regional unemployment rate. Reduced spare capacity, monetary policy stimulus and reviving commodity prices, meanwhile, have jolted inflation expectations.
- For 2018, forecasters currently predict GDP growth stability, supported by stronger export growth. The unemployment rate is expected to fall, and inflation will rise.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017f</u>	<u>2018f</u>
Gross Domestic Product	-0.3	1.2	2.0	1.7	1.5	1.5
Private Consumption	-0.6	0.8	1.8	1.7	1.4	1.4
Government Consumption	0.3	0.6	1.4	1.9	1.4	1.2
Gross Fixed Investment	-2.5	1.4	3.2	2.8	2.4	2.7
Change in Stocks (Inventories)¹	0.2	0.3	-0.1	-0.1	0.0	-0.1
Goods and Services Exports	2.1	4.5	6.5	2.4	3.0	3.3
Goods and Services Imports	1.4	4.9	6.4	3.0	3.4	3.6
Net Exports²	0.4	0.0	0.3	-0.2	0.0	0.0
Industrial Production (ex. construction)	-0.7	0.9	2.0	1.2	1.5	1.6
Retail Sales Volume	-0.6	1.5	2.7	1.9	1.5	1.5
Unemployment Rate, % of labour force	12.0	11.6	10.9	10.1	9.6	9.3
Money Supply, M3, end period, % change	1.0	3.8	4.7	4.8	4.3	4.5
Harmonised Index of Consumer Prices	1.4	0.4	0.0	0.2	1.4	1.5
Producer Prices	-0.2	-1.5	-2.7	-2.5	2.0	1.9
Nominal Labour Costs	1.4	1.3	1.6	1.4	1.5	1.8
Current Account Balance, annual total, €bn	248.4	303.0	333.7	344.5	324.6	316.7
Current Account Balance, % of GDP	2.5	3.0	3.2	3.3	3.0	2.9
General Govt Budget Balance, % of GDP	-3.0	-2.6	-2.1	-1.8	-1.7	-1.5
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.29	0.08	-0.13	-0.32	-0.27	-0.04
10 Year German Bond Yield, % per annum	1.94	0.54	0.63	0.21	0.71	1.22
US\$ per € Exchange Rate	1.378	1.210	1.091	1.052	1.054	1.059

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



In December, confidence in the euro zone economy improved again, defying the risks of populist politics and financial instability. The European Commission’s economic sentiment indicator ended up at 107.8, its highest point all year, supported by a return to a marginal positive net balance of industrial sector sentiment for the first time in 2016. Confidence within financial services and retail trade also improved, alongside consumer confidence, although there were marked differences among member states, with confidence flatlining in Italy for instance, and easing in Spain.

Industrial production increased by a seasonally-adjusted 1.5% in November, and by 3.2% y/y (calendar-adjusted). Retail sales shrank by 0.4% during the month, but climbed 2.3% year on year, and the jobless total fell, despite resulting in an unchanged unemployment rate of 9.8%.

The European Central Bank’s ability to foster economic growth and simultaneously meet its inflation objective received a fillip from the latest inflation data showing a rise to 1.1% y/y in December, up from 0.6% in November.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.7	1.7	1.6
Private Consumption	1.9	1.7	1.6	1.7
Industrial Production	1.3	1.1	0.9	1.6
Harmonised Index of Consumer Prices	0.0	-0.1	0.3	0.7
3 month Interest Rate, % per annum, end period	-0.24	-0.29	-0.30	-0.32
10 Year Bond Yield, % per annum, end period	0.10	-0.13	-0.12	0.21
	Q1'17	Q2'17	Q3'17	Q4'17
Gross Domestic Product	1.5	1.5	1.5	1.5
Private Consumption	1.4	1.5	1.5	1.5
Industrial Production	1.2	1.7	1.6	1.5
Harmonised Index of Consumer Prices	1.4	1.4	1.4	1.4
3 month Interest Rate, % per annum, end period	-0.30	-0.30	-0.28	-0.27
10 Year Bond Yield, % per annum, end period	0.37	0.44	0.54	0.71
	Q1'18	Q2'18	Q3'18	Q4'18
Gross Domestic Product	1.5	1.5	1.5	1.5
Private Consumption	1.5	1.5	1.5	1.5
Industrial Production	1.7	1.6	1.6	1.6
Harmonised Index of Consumer Prices	1.5	1.5	1.5	1.5
3 month Interest Rate, % per annum, end period	-0.22	-0.16	-0.08	-0.04
10 Year Bond Yield, % per annum, end period	0.76	0.88	1.02	1.22

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

Euro Zone - Forecasts for 2017

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.4	na	na	na	na	na	na	na
Allianz SE	1.7	1.6	1.4	2.7	na	2.9	3.3	na
BBVA	1.5	1.4	1.1	2.4	na	2.8	3.2	-0.1
BNP Paribas	1.2	1.1	1.2	2.1	-0.1	2.8	3.0	na
Commerzbank	1.8	1.8	1.6	3.4	na	4.1	5.0	-0.2
Danske Bank	1.5	1.1	1.2	2.7	na	3.0	3.1	na
DZ Bank	1.2	1.1	1.4	2.2	na	2.8	3.4	na
Econ Intelligence Unit	1.4	1.4	1.3	1.7	na	3.0	3.2	0.0
ETLA	1.5	1.7	1.3	2.8	na	4.1	4.5	na
HSBC	1.2	1.2	1.7	1.9	0.0	2.7	3.3	na
IHS Markit Economics	1.5	1.4	1.5	1.6	na	2.8	2.5	0.1
J P Morgan Chase	1.7	1.5	1.5	2.6	0.0	2.3	2.5	0.0
MainSky Asset Management	1.8	1.7	1.8	1.8	0.1	2.5	2.6	0.1
Morgan Stanley	1.4	1.2	1.3	2.4	-0.2	3.6	3.6	0.2
Nordea	1.3	1.4	1.0	2.5	na	1.7	2.4	-0.2
Oxford Economics	1.5	1.4	1.2	2.4	0.1	2.6	3.0	-0.1
Raiffeisen Bank Intl	1.5	1.4	1.8	3.1	na	4.0	5.0	na
SEB	1.6	1.6	1.3	3.2	0.0	3.9	4.7	na
UBS	1.3	1.3	1.4	1.4	0.0	2.7	3.0	0.0
UniCredit Bank	1.5	1.3	1.5	2.6	0.1	2.4	3.0	-0.1
Consensus (Mean)	1.5	1.4	1.4	2.4	0.0	3.0	3.4	0.0
Last Month	1.4	1.4	1.4	2.3	0.0	2.9	3.5	-0.1
2 Months Ago	1.3	1.4	1.3	2.2	0.0	3.1	3.7	-0.2
Median	1.5	1.4	1.4	2.4	0.0	2.8	3.2	0.0
High	1.8	1.8	1.8	3.4	0.1	4.1	5.0	0.2
Low	1.2	1.1	1.0	1.4	-0.2	1.7	2.4	-0.2
Standard Deviation	0.2	0.2	0.2	0.5	0.1	0.7	0.8	0.1
Number of Forecasts	20	19	19	19	9	19	19	11
Other Forecasts								
ECB (December '16)	1.7	1.5	1.3	3.1	na	3.7	4.1	na
EC (November '16)	1.5	1.4	1.3	3.1	0.0	3.3	4.0	-0.1
IMF (October '16)	1.5	1.5	1.1	2.5	0.0	na	na	0.0
OECD (November '16)	1.6	1.4	1.3	2.5	0.0	na	na	0.0

Euro Zone - Forecasts for 2017

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. 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										
ABN Amro	na	na	9.7	na	1.2	na	na	na	2.8	-1.7
Allianz SE	2.4	na	9.6	na	1.6	2.2	na	305.0	2.8	-1.5
BBVA	na	na	9.7	na	1.4	na	na	na	3.2	-1.8
BNP Paribas	0.5	na	9.9	na	1.2	2.5	na	320.0	2.9	-1.6
Commerzbank	1.8	na	9.4	4.3	1.3	na	1.3	280.0	2.6	-1.6
Danske Bank	na	na	9.5	na	1.3	na	na	na	3.5	-1.5
DZ Bank	na	na	10.0	na	1.1	na	na	na	3.2	-1.6
Econ Intelligence Unit	1.3	na	9.4	na	1.2	1.4	na	372.0	3.4	-1.6
ETLA	1.5	na	9.6	na	1.3	na	na	na	na	na
HSBC	1.7	na	9.8	na	1.6	na	na	na	2.4	-1.9
IHS Markit Economics	1.5	1.6	9.6	na	1.6	1.9	1.7	320.0	3.0	-1.8
J P Morgan Chase	na	na	9.5	na	1.7	2.2	na	351.9	3.2	-1.7
MainSky Asset Management	na	na	9.5	na	1.2	na	na	na	na	-1.6
Morgan Stanley	na	na	9.9	na	1.5	na	na	295.6	2.9	-1.9
Nordea	na	na	na	na	1.1	na	na	na	3.5	-1.5
Oxford Economics	1.3	1.4	9.5	na	1.5	2.0	na	274.2	2.5	-1.6
Raiffeisen Bank Intl	1.9	na	9.4	na	1.5	na	na	361.9	3.3	-1.5
SEB	na	na	9.6	na	1.1	na	na	na	na	na
UBS	na	na	10.0	na	1.4	na	na	330.8	3.0	-1.7
UniCredit Bank	na	na	9.7	na	1.5	na	na	359.1	3.3	-1.8
Consensus (Mean)	1.5	1.5	9.6	4.3	1.4	2.0	1.5	324.6	3.0	-1.7
Last Month	1.3	1.5	9.7	4.3	1.3	1.6	1.4	316.4	3.0	-1.7
2 Months Ago	1.4	1.5	9.8	4.3	1.3	1.6	1.4	313.2	3.0	-1.8
Median	1.5	1.5	9.6	4.3	1.4	2.1	1.5	320.0	3.0	-1.6
High	2.4	1.6	10.0	4.3	1.7	2.5	1.7	372.0	3.5	-1.5
Low	0.5	1.4	9.4	4.3	1.1	1.4	1.3	274.2	2.4	-1.9
Standard Deviation	0.5	0.1	0.2	na	0.2	0.4	0.3	33.8	0.3	0.1
Number of Forecasts	9	2	19	1	20	6	2	11	17	18
Other Forecasts										
ECB (December '16)	na	na	9.5	na	1.3	na	na	na	3.1	-1.6
EC (November '16)	na	na	9.7	na	1.4	na	na	383.5	3.5	-1.5
IMF (October '16)	na	na	9.7	na	1.1	na	na	na	3.1	na
OECD (November '16)	na	na	9.5	na	1.2	na	na	na	4.0	-1.5

Euro Zone - Forecasts for 2018

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.8	na	na	na	na	na	na	na
Allianz SE	1.6	1.4	1.3	2.9	na	3.2	3.5	na
BBVA	1.6	1.4	1.0	2.8	na	2.9	3.3	0.0
BNP Paribas	1.5	1.3	1.2	2.3	0.0	4.4	4.5	na
Commerzbank	1.6	2.0	1.3	3.8	na	3.9	5.5	-0.6
Danske Bank	1.5	1.1	1.1	3.6	na	3.6	4.0	na
DZ Bank	1.5	1.3	1.4	2.4	na	3.7	3.9	na
Econ Intelligence Unit	1.5	1.4	1.2	2.2	na	3.0	3.2	0.0
ETLA	1.4	1.5	1.0	3.0	na	3.5	3.5	na
HSBC	1.3	1.3	1.3	1.9	0.0	3.4	4.0	na
IHS Markit Economics	1.6	1.3	1.1	1.9	na	2.9	2.8	0.1
J P Morgan Chase	1.7	1.7	1.3	3.0	-0.2	2.5	3.0	-0.1
MainSky Asset Management	na	na	na	na	na	na	na	na
Morgan Stanley	1.6	1.3	1.3	2.8	-0.3	4.0	3.7	0.3
Nordea	1.4	1.4	1.0	3.1	na	1.7	2.1	-0.1
Oxford Economics	1.5	1.3	1.1	2.7	0.0	2.8	3.1	0.0
Raiffeisen Bank Intl	1.7	1.6	1.7	2.7	na	4.2	4.7	na
SEB	1.6	1.6	1.0	3.5	0.0	4.4	5.2	na
UBS	1.2	1.1	1.0	1.8	0.0	2.8	2.6	0.2
UniCredit Bank	1.4	1.2	1.5	2.5	0.0	2.5	2.8	0.0
Consensus (Mean)	1.5	1.4	1.2	2.7	-0.1	3.3	3.6	0.0
Last Month	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na
Median	1.5	1.4	1.2	2.8	0.0	3.3	3.5	0.0
High	1.8	2.0	1.7	3.8	0.0	4.4	5.5	0.3
Low	1.2	1.1	1.0	1.8	-0.3	1.7	2.1	-0.6
Standard Deviation	0.1	0.2	0.2	0.6	0.1	0.7	0.9	0.2
Number of Forecasts	19	18	18	18	8	18	18	10
Other Forecasts								
ECB (December '16)	1.6	1.5	1.1	3.1	na	3.9	4.3	na
EC (November '16)	1.7	1.5	1.3	3.5	0.0	4.1	4.7	-0.1
IMF (October '16)	na	na	na	na	na	na	na	na
OECD (November '16)	1.7	1.5	1.2	3.0	0.0	na	na	0.0

Euro Zone - Forecasts for 2018

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. con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
ABN Amro	na	na	9.0	na	1.6	na	na	na	3.2	-1.8
Allianz SE	2.1	na	9.3	na	1.7	2.2	na	280.0	2.5	-1.3
BBVA	na	na	na	na	1.7	na	na	na	na	na
BNP Paribas	1.2	na	9.6	na	1.3	1.2	na	330.0	2.9	-1.4
Commerzbank	1.6	na	8.8	4.5	1.2	na	1.5	250.0	2.3	-1.6
Danske Bank	na	na	9.1	na	1.2	na	na	na	3.3	-1.5
DZ Bank	na	na	9.8	na	1.3	na	na	na	3.2	-1.5
Econ Intelligence Unit	1.3	na	9.1	na	1.5	1.9	na	340.2	3.0	-1.3
ETLA	1.3	na	9.2	na	1.7	na	na	na	na	na
HSBC	2.1	na	9.7	na	1.3	na	na	na	2.2	-1.8
IHS Markit Economics	1.8	1.6	9.3	na	1.8	1.8	2.0	330.0	3.1	-1.6
J P Morgan Chase	na	na	9.1	na	1.3	na	na	359.1	3.2	na
MainSky Asset Management	na	na	na	na	na	na	na	na	na	na
Morgan Stanley	na	na	9.5	na	1.5	na	na	311.5	3.0	-1.7
Nordea	na	na	na	na	1.5	na	na	na	3.3	-1.5
Oxford Economics	1.4	1.3	9.1	na	1.5	2.2	na	267.5	2.4	-1.3
Raiffeisen Bank Intl	na	na	8.7	na	1.5	na	na	350.8	3.1	-1.5
SEB	na	na	9.1	na	1.1	na	na	na	na	na
UBS	na	na	9.8	na	1.8	na	na	318.4	2.8	-1.5
UniCredit Bank	na	na	9.4	na	1.4	na	na	345.9	3.1	-1.6
Consensus (Mean)	1.6	1.5	9.3	4.5	1.5	1.9	1.8	316.7	2.9	-1.5
Last Month	na	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na	na
Median	1.5	1.5	9.2	4.5	1.5	1.9	1.8	330.0	3.1	-1.5
High	2.1	1.6	9.8	4.5	1.8	2.2	2.0	359.1	3.3	-1.3
Low	1.2	1.3	8.7	4.5	1.1	1.2	1.5	250.0	2.2	-1.8
Standard Deviation	0.4	0.2	0.3	na	0.2	0.4	0.4	36.0	0.4	0.2
Number of Forecasts	8	2	17	1	19	5	2	11	16	15
Other Forecasts										
ECB (December '16)	na	na	9.1	na	1.5	na	na	na	3.0	-1.5
EC (November '16)	na	na	9.2	na	1.4	na	na	378.0	3.3	-1.5
IMF (October '16)	na	na	na	na	na	na	na	na	na	na
OECD (November '16)	na	na	9.1	na	1.4	na	na	na	4.0	-1.3

Financial Forecasts		2017	2018
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	-0.27	-0.04
Rate on Survey Date: -0.33	High	0.00	0.25
	Low	-0.40	-0.40
	Standard deviation	0.09	0.22
	Number of Forecasts	15	13
10-year Benchmark German Bond Yield, %	Mean Average	0.71	1.22
Rate on Survey Date: 0.29	High	1.40	1.80
	Low	0.30	0.70
	Standard deviation	0.35	0.37
	Number of Forecasts	11	9
US Dollars/Euro Exchange Rate	Mean Average	1.054	1.059
Rate on Survey Date: 1.066	High	1.130	1.180
	Low	0.980	0.910
	Standard deviation	0.043	0.074
	Number of Forecasts	27	22
Japanese Yen/Euro Exchange Rate	Mean Average	122.1	127.4
Rate on Survey Date: 120.7	High	133.4	147.2
	Low	109.0	110.3
	Standard deviation	7.2	11.6
	Number of Forecasts	13	10
UK Pound/Euro Exchange Rate	Mean Average	0.877	0.861
Rate on Survey Date: 0.879	High	1.000	1.000
	Low	0.790	0.760
	Standard deviation	0.072	0.069
	Number of Forecasts	14	11
Swedish Krona/Euro Exchange Rate	Mean Average	9.354	9.045
Rate on Survey Date: 9.493	High	9.900	9.700
	Low	8.951	8.600
	Standard deviation	0.305	0.400
	Number of Forecasts	22	17
Swiss Franc/Euro Exchange Rate	Mean Average	1.086	1.116
Rate on Survey Date: 1.072	High	1.150	1.200
	Low	1.000	1.000
	Standard deviation	0.042	0.064
	Number of Forecasts	12	10
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	56.9	59.5
Rate on Survey Date: 55.9	High	65.0	70.0
	Low	48.0	51.0
	Standard deviation	4.1	4.1
	Number of Forecasts	22	21
<i>Note: The consensus (mean average) forecasts for US\$/€, Skr/€ and oil prices are based on responses from panellists in our Euro Zone Barometer survey and those in our companion publication, the Nordic Barometer.</i>			

Interest Rate Data

All data are period averages

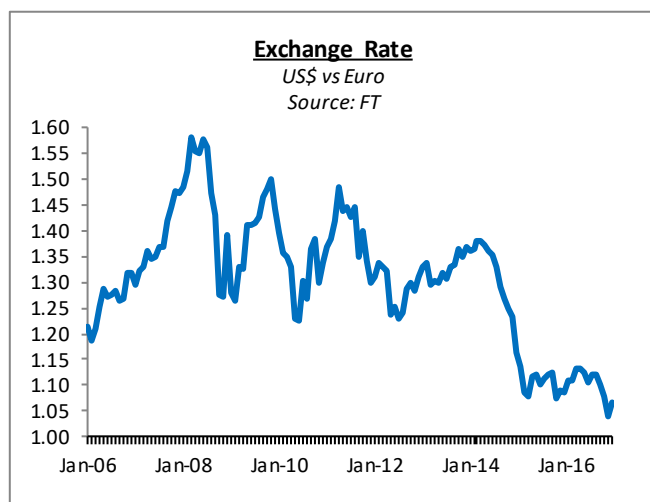
<u>Euro Zone Money Market Rates, %</u>	<u>Jun'16</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
Overnight	-0.33	-0.33	-0.34	-0.34	-0.35	-0.35
1-month	-0.36	-0.37	-0.37	-0.37	-0.37	-0.37
3-month	-0.27	-0.29	-0.30	-0.30	-0.31	-0.31
6-month	-0.16	-0.19	-0.19	-0.20	-0.21	-0.21
12-month	-0.03	-0.06	-0.05	-0.06	-0.07	-0.07
10-year bond yields	0.88	0.62	0.61	0.74	0.78	1.23
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.54	0.49	0.53	0.56	0.88	1.07
United States	1.03	0.96	0.98	1.00	1.18	1.60
United Kingdom	0.72	0.56	0.48	0.60	1.03	1.30
<u>3-month LIBOR rates, %</u>						
United States	0.65	0.70	0.81	0.85	0.88	0.91
United Kingdom	-0.03	-0.03	-0.02	-0.03	-0.02	-0.06

Exchange Rate Data

period averages vs euro

	<u>Jun'16</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
Trade Weighted Nominal Index * (1999 Q1=100)	94.7	94.9	95.2	95.4	95.5	95.0
Chinese renminbi	7.402	7.391	7.454	7.482	7.420	7.388
Croatian kuna	7.520	7.493	7.487	7.500	7.507	7.521
Czech koruna	27.06	27.04	27.03	27.02	27.02	27.03
Danish krone	7.437	7.439	7.441	7.447	7.440	7.441
Hungarian forint	314.0	314.4	310.2	308.7	307.0	308.8
Japanese yen	118.5	115.3	113.5	114.2	114.5	116.9
Polish zloty	4.400	4.396	4.300	4.321	4.308	4.391
Romanian leu	4.523	4.486	4.459	4.450	4.494	4.510
Swedish krona	9.334	9.474	9.491	9.565	9.707	9.851
Swiss franc	1.089	1.087	1.088	1.092	1.089	1.076
UK pound	0.790	0.841	0.855	0.852	0.894	0.869
US dollar	1.123	1.107	1.121	1.121	1.103	1.080

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



From a peak of \$1.15 in May 2016, the second half of last year was notable for a substantial drop in the euro as the ECB maintained record low interest rates and continued to roll out its quantitative easing programme of asset purchases, as attentions also turned to the prospect of a tightening of monetary policy from the US Federal Reserve. The euro/dollar rate hit \$1.04 in December, before staging a mini revival through to this month's survey date, an inflexion that has taken it up to \$1.07 before Donald Trump's inauguration. Forecasters predict the dollar will regain some strength against the euro by year-end, bolstered by economic growth, inflation and interest rate differentials.

ECB Watch

- There is no groundswell of opinion anticipating a lower policy interest rate from the European Central Bank at this week’s meeting, or for that matter at the next one in March.

- The economic recovery is on track, but at a slow and uneven pace, with the possibility of setbacks should political and/or financial instability risks derail the recent trend.

- The ECB has already announced it intends to maintain its QE programme, but also taper the volume of its net asset purchases as economic growth slowly improves and inflation moves steadily in line with its target rate.

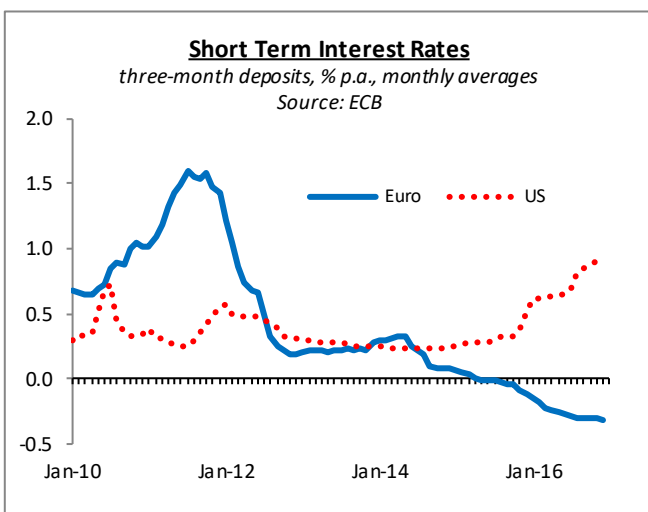
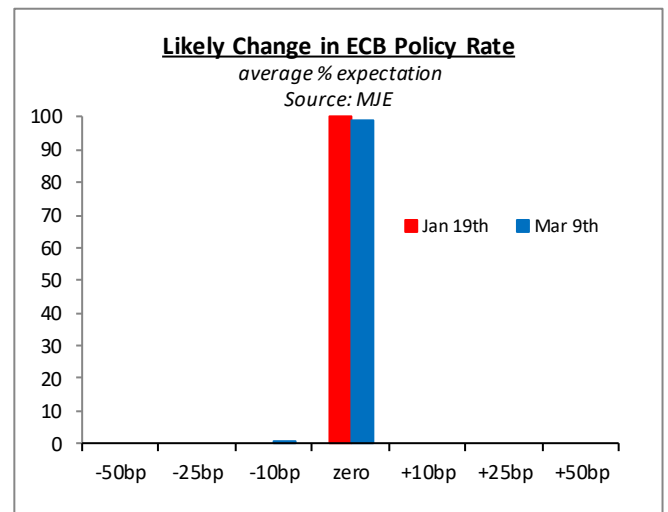
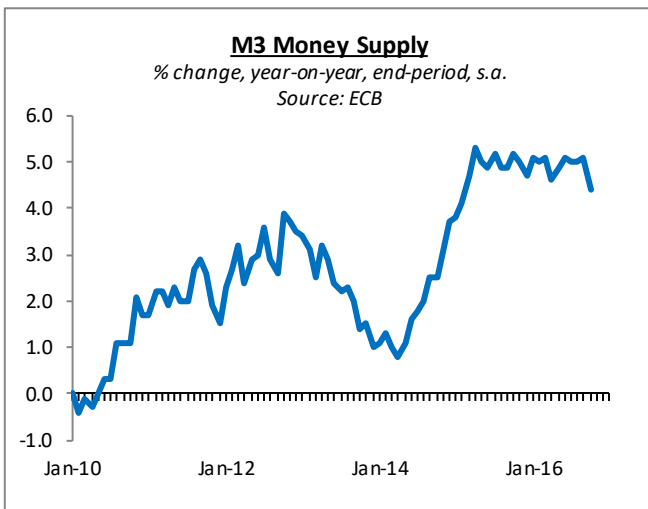
Euro Zone Barometer

Monthly Interest Rate Poll

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

	Jan 19th	Mar 9th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	1.0%
Unchanged	100%	99.0%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



Last Five ECB Interest Rate Changes:

November 13th, 2013
Deposit rate held at zero;
Repo rate lowered by 25bps to 0.25%.

June 11th, 2014
Deposit rate lowered by 10bps to -0.10%;
Repo rate lowered by 10bps to 0.15%.

September 10th, 2014
Deposit rate lowered by 10bps to -0.20%;
Repo rate lowered by 10bps to 0.05%.

December 9th, 2015
Deposit rate lowered by 10bps to -0.30%;
Repo rate held at 0.05%.

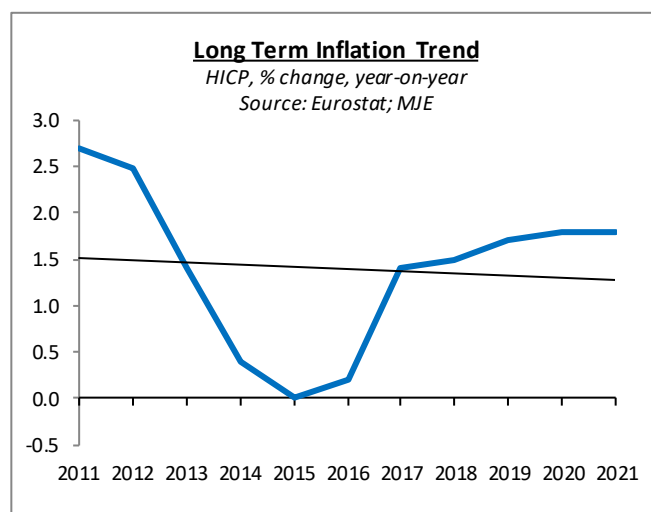
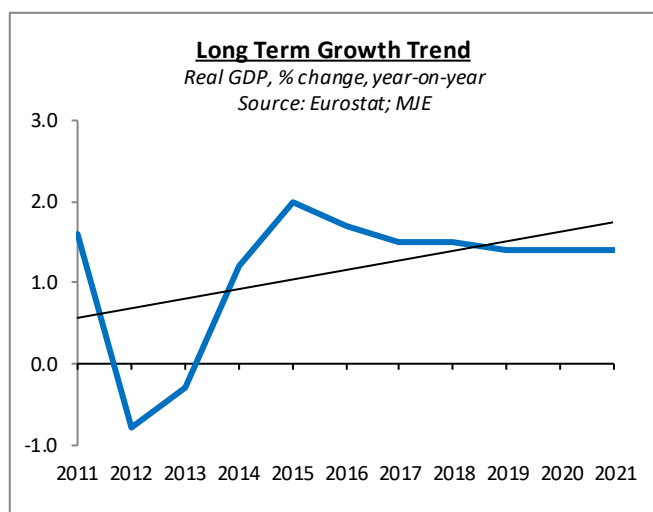
March 16th, 2016
Deposit rate lowered by 10bps to -0.40%;
Repo rate lowered by 5bps to 0.00%.

Long Term Forecasts

Forecasts for 2019 to 2021 are taken from our January 2017 long term forecasts survey

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Gross Domestic Product	1.7	1.5	1.5	1.4	1.4	1.4
Private Consumption	1.7	1.4	1.4	1.3	1.3	1.2
Gross Fixed Investment	2.8	2.4	2.7	2.1	2.2	2.1
Industrial Production (excl. construction)	1.2	1.5	1.6	1.3	1.3	1.3
Unemployment Rate, % of labour force	10.1	9.6	9.3	8.8	8.5	8.2
Harmonised Index of Consumer Prices	0.2	1.4	1.5	1.7	1.8	1.8
Current Account, annual total, % of GDP	3.3	3.0	2.9	2.5	2.2	2.0
General Government Balance, % of GDP	-1.8	-1.7	-1.5	-1.2	-1.1	-1.0
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.32	-0.27	-0.04	1.10	1.12	1.14
10 Year Bond Yield, % per annum	0.21	0.71	1.22	0.62	1.19	1.48
10 year - 3 month Yield Differential	0.53	0.98	1.26	-0.48	0.07	0.34
US\$ per € Exchange Rate	1.052	1.054	1.059	1.833	2.540	2.800



GERMANY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.6	na	na	na	4.0	1.5	8.4	0.4	66.0
BBVA	1.5	1.4	2.4	na	na	1.6	7.9	0.3	63.9
BNP Paribas	1.5	1.2	2.0	1.3	na	1.6	8.1	0.6	65.8
Danske Bank	1.9	1.4	2.0	na	4.1	1.7	8.7	0.4	65.7
DZ Bank	1.2	1.2	1.2	na	na	1.4	8.2	0.2	66.0
Economist Intelligence Unit	1.5	1.6	1.2	1.3	4.3	1.6	7.8	0.5	67.1
HSBC	1.6	1.4	1.5	2.0	na	1.8	8.2	0.0	66.3
IHS Markit Economics	1.9	1.6	2.0	2.3	4.1	2.0	9.0	0.5	64.8
J P Morgan Chase	1.6	na	na	na	na	2.2	na	na	na
MainSky Asset Management	1.9	1.8	1.1	na	4.0	1.7	na	0.2	na
Oxford Economics	1.5	1.4	1.9	1.0	4.1	2.0	7.2	0.1	na
Raiffeisen Bank International	1.7	1.3	2.1	na	na	1.9	8.5	0.1	66.3
Santander	1.5	1.2	1.7	1.5	4.6	1.5	8.1	0.4	66.5
SEB	1.5	na	na	na	4.0	1.9	na	na	na
UBS	1.3	1.4	1.5	0.9	na	1.3	8.4	0.1	66.3
UniCredit Bank	1.5	1.6	0.5	1.5	4.5	1.8	7.0	0.0	67.0
Consensus (Mean Average)	1.6	1.4	1.6	1.5	4.2	1.7	8.1	0.3	66.0
Last Month	1.5	1.4	1.7	1.3	4.2	1.5	8.2	0.2	66.1
2 Months Ago	1.4	1.4	1.7	1.2	4.1	1.5	7.9	0.1	66.3
Median	1.5	1.4	1.7	1.4	4.1	1.7	8.2	0.3	66.2
High	1.9	1.8	2.4	2.3	4.6	2.2	9.0	0.6	67.1
Low	1.2	1.2	0.5	0.9	4.0	1.3	7.0	0.0	63.9
Standard Deviation	0.2	0.2	0.5	0.5	0.2	0.2	0.6	0.2	0.9
Number of Forecasts	16	13	13	8	9	16	13	14	12
Other Forecasts									
ECB (December '16)	1.8	na	na	na	4.0	1.4	na	na	na
EC (November '16)	1.5	1.4	1.9	na	4.3	1.5	8.7	0.4	65.7
IMF (October '16)	1.4	1.5	1.5	na	4.5	1.5	8.1	na	na
OECD (November '16)	1.7	1.6	1.4	na	4.2	1.4	8.8	0.5	65.0

- Confidence in the German economy improved in December following a minor setback during the previous month. The European Commission's economic sentiment indicator rose sharply to 109.6, from 108.0, to its highest level all year.
- Manufacturers were less downbeat in December, the construction industry saw confidence soar, and consumer confidence improved despite the large rise in inflation to 1.7% y/y, buoyed by a stable, low unemployment rate, rising wages, and population growth due to immigration.
- A recent survey by the German Institute, IW, suggests unspectacular, but stable economic growth will continue in 2017, with corporate investment spending across 18 sectors expected to rise, underpinned by increased digitalisation.
- A separate survey by ZEW shows improving confidence among analysts and investors in January, buoyed by recent data releases exceeding expectations, and by a general upbeat picture for exports and domestic demand, supported by consumer and public spending.

GERMANY - Forecasts for 2018

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.9	na	na	na	3.8	1.9	8.6	0.1	64.0
BBVA	na	na	na	na	na	na	na	na	na
BNP Paribas	1.8	1.2	2.2	2.0	na	1.5	8.4	0.5	63.0
Danske Bank	1.9	1.4	4.0	na	4.1	1.5	8.5	0.3	63.1
DZ Bank	1.8	1.4	2.8	na	na	1.4	7.5	0.2	63.8
Economist Intelligence Unit	1.5	1.4	2.2	1.1	4.4	1.5	7.6	0.5	65.5
HSBC	1.7	1.3	2.0	2.4	na	1.7	7.9	0.0	64.0
IHS Markit Economics	1.9	1.4	1.9	2.1	4.2	1.8	8.8	0.5	62.6
J P Morgan Chase	1.5	na	na	na	na	1.5	na	na	na
MainSky Asset Management	na	na	na	na	na	na	na	na	na
Oxford Economics	1.4	1.0	2.8	1.2	4.0	1.9	6.6	0.0	na
Raiffeisen Bank International	1.5	na	na	na	na	2.2	8.0	0.0	64.0
Santander	1.3	1.0	2.0	1.2	4.6	1.7	7.7	0.2	65.0
SEB	1.6	na	na	na	4.2	2.0	na	na	na
UBS	1.3	1.2	2.5	0.8	na	1.8	8.2	0.2	63.6
UniCredit Bank	1.6	1.5	1.7	1.5	4.7	1.9	6.5	0.0	64.0
Consensus (Mean Average)	1.6	1.3	2.4	1.5	4.3	1.7	7.9	0.2	63.9
Last Month	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.6	1.4	2.2	1.4	4.2	1.8	8.0	0.2	64.0
High	1.9	1.5	4.0	2.4	4.7	2.2	8.8	0.5	65.5
Low	1.3	1.0	1.7	0.8	3.8	1.4	6.5	0.0	62.6
Standard Deviation	0.2	0.2	0.7	0.6	0.3	0.2	0.7	0.2	0.8
Number of Forecasts	14	10	10	8	8	14	12	12	11
Other Forecasts									
ECB (December '16)	1.6	na	na	na	3.9	1.7	na	na	na
EC (November '16)	1.7	1.4	2.9	na	4.2	1.5	8.5	0.3	63.1
IMF (October '16)	na	na	na	na	na	na	na	na	na
OECD (November '16)	1.7	1.7	2.3	na	4.1	1.7	8.7	0.7	62.0

Germany: Historical Data

<i>% change, year-on-year</i>	2013	2014	2015	2016
Gross Domestic Product	0.3	1.6	1.5	1.8
Private Consumption	0.6	0.9	1.9	1.7
Gross Fixed Investment	-1.3	3.5	1.1	2.0
Industrial Production	0.1	1.3	0.9	1.1
Unemploy. Rate, % of L.F.	5.2	5.0	4.6	4.3
Consumer Prices	1.6	0.8	0.1	0.4
Current Acc., % of GDP	6.7	7.8	8.5	8.7
Budget Bal., % of GDP	-0.2	0.3	0.7	0.5
Public Debt, % of GDP	77.5	74.9	71.2	68.4

Source: ECB; Eurostat; national statistical office

Germany: Background Information

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

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

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

FRANCE - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.3	na	na	na	9.9	1.3	-2.2	-2.9	97.0
BBVA	1.3	1.5	2.0	na	na	1.3	-0.8	-2.7	97.5
BNP Paribas	1.1	0.9	2.3	1.1	10.0	1.0	-0.6	-3.1	96.3
Danske Bank	1.0	0.8	2.1	na	10.0	1.1	-2.3	-2.9	96.8
DZ Bank	1.0	1.1	1.1	na	9.9	0.9	-0.2	-3.1	97.1
Economist Intelligence Unit	1.2	1.3	1.3	1.1	9.3	1.1	-1.0	-3.3	97.6
HSBC	1.0	0.9	1.0	0.7	10.1	1.4	-1.4	-3.7	98.2
IHS Markit Economics	1.1	1.4	0.9	0.8	9.7	1.4	-1.1	-3.0	97.9
J P Morgan Chase	1.3	na	na	na	na	1.4	na	na	na
MainSky Asset Management	1.6	1.2	2.5	na	na	1.4	na	-3.2	na
Oxford Economics	1.5	1.6	2.0	1.1	9.4	1.2	-1.8	-2.8	na
Raiffeisen Bank International	1.4	na	na	na	na	1.4	-1.5	-2.9	96.8
SEB	1.1	na	na	na	9.6	0.7	na	na	na
UBS	1.3	1.4	1.2	1.0	na	1.4	-0.4	-3.1	97.0
UniCredit Bank	1.2	1.2	1.9	na	9.9	1.3	-2.1	-3.1	96.1
Consensus (Mean Average)	1.2	1.2	1.7	1.0	9.8	1.2	-1.3	-3.1	97.1
Last Month	1.2	1.1	1.5	0.8	9.8	1.2	-1.1	-3.0	97.1
2 Months Ago	1.1	1.1	1.4	0.9	9.8	1.1	-0.8	-3.2	97.2
Median	1.2	1.2	1.9	1.1	9.9	1.3	-1.3	-3.1	97.0
High	1.6	1.6	2.5	1.1	10.1	1.4	-0.2	-2.7	98.2
Low	1.0	0.8	0.9	0.7	9.3	0.7	-2.3	-3.7	96.1
Standard Deviation	0.2	0.3	0.6	0.2	0.3	0.2	0.7	0.3	0.6
Number of Forecasts	15	11	11	6	10	15	12	13	11
Other Forecasts									
ECB (December '16)	1.3	na	na	na	9.9	1.2	na	na	na
EC (November '16)	1.4	1.3	3.2	na	9.9	1.3	-2.3	-2.9	96.8
IMF (October '16)	1.3	1.4	1.7	na	9.6	1.0	-0.4	na	na
OECD (November '16)	1.3	1.2	2.3	na	9.7	1.2	-0.8	-3.0	99.4

- The country is only months away from elections for a new President (in April/May) and Parliament (June) with confidence beginning to improve despite the uncertain political outlook.
- In December, French business was more upbeat about prospects, carried along by better external trade and retail sales across Europe. Manufacturing confidence reached its highest level since March, sentiment in the services sector turned positive overall, and consumer confidence improved.
- A slowly improving economy is at last making greater inroads into the unemployment rate, which fell to 9.5% on a harmonised, seasonally-adjusted basis in November, compared to more than 10% a year earlier.
- The situation remains far from comfortable, however, for the political elite, causing voters to favour left and right wing populism. Youth unemployment remains at 25%, and French consumers are also now facing higher prices, with inflation nudging higher to 0.8% y/y in December.

FRANCE - Forecasts for 2018

<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 <i>(excl. construc- tion)</i>	Unem- ployment Rate <i>(EU defn., % of labour force)</i>	Con- sumer 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									
ABN Amro	1.7	na	na	na	9.5	1.5	-2.3	-3.1	97.0
BBVA	na	na	na	na	na	na	na	na	na
BNP Paribas	1.5	1.5	2.4	2.2	9.8	1.1	-0.8	-2.8	95.5
Danske Bank	1.2	1.0	3.0	na	9.8	1.3	-2.6	-3.1	97.4
DZ Bank	1.4	1.3	2.0	na	9.6	1.1	-0.2	-2.9	97.4
Economist Intelligence Unit	1.4	1.5	1.6	1.5	9.0	1.3	-1.1	-3.6	98.2
HSBC	1.1	1.2	1.5	2.0	9.9	1.3	-1.7	-3.4	99.5
IHS Markit Economics	1.4	1.2	1.9	1.3	9.5	1.9	-1.1	-2.9	97.4
J P Morgan Chase	1.4	na	na	na	na	1.2	na	na	na
MainSky Asset Management	na	na	na	na	na	na	na	na	na
Oxford Economics	1.5	1.5	2.3	1.4	9.1	1.3	-1.5	-2.2	na
Raiffeisen Bank International	1.5	na	na	na	na	1.3	-1.5	-3.1	97.1
SEB	1.3	na	na	na	9.5	0.7	na	na	na
UBS	1.4	1.5	2.5	1.2	na	1.6	-0.6	-2.7	98.0
UniCredit Bank	1.1	1.2	2.6	na	9.7	1.3	-2.0	-3.0	95.8
Consensus (Mean Average)	1.4	1.3	2.2	1.6	9.5	1.3	-1.4	-3.0	97.3
Last Month	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.4	1.3	2.3	1.5	9.6	1.3	-1.5	-3.0	97.4
High	1.7	1.5	3.0	2.2	9.9	1.9	-0.2	-2.2	99.5
Low	1.1	1.0	1.5	1.2	9.0	0.7	-2.6	-3.6	95.5
Standard Deviation	0.2	0.2	0.5	0.4	0.3	0.3	0.7	0.4	1.1
Number of Forecasts	13	9	9	6	10	13	11	11	10
Other Forecasts									
ECB (December '16)	1.4	na	na	na	9.7	1.4	na	na	na
EC (November '16)	1.7	1.6	4.2	na	9.6	1.4	-2.6	-3.1	97.1
IMF (October '16)	na	na	na	na	na	na	na	na	na
OECD (November '16)	1.6	1.6	2.9	na	9.6	1.2	-0.9	-2.9	100.2

France: Historical Data

<i>% change, year-on-year</i>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Gross Domestic Product	0.7	0.2	1.1	1.2
Private Consumption	0.4	0.6	1.4	1.6
Gross Fixed Investment	-0.6	-1.2	-0.1	2.7
Industrial Production	-0.5	-1.1	1.3	0.2
Unemploy. Rate, % of L.F.	10.3	10.3	10.4	10.0
Consumer Prices	1.0	0.6	0.1	0.3
Current Acc., % of GDP	-2.6	-2.3	-0.1	-1.3
Budget Bal., % of GDP	-4.0	-4.0	-3.5	-3.4
Public Debt, % of GDP	92.3	95.3	96.2	96.6

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	April/May 2017 (presidential)
Capital City:	Paris
Economic Freedom:	75th out of 178 countries
Doing Business:	29th out of 190 countries
Competitiveness:	21st out of 138 countries
Corruption:	23rd out of 167 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33%/30% (branch rate)

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

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

ITALY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.6	na	na	na	11.7	0.8	2.0	-2.7	134.0
BBVA	0.9	0.8	1.8	na	na	1.1	2.8	-2.3	133.3
BNP Paribas	0.4	0.4	0.3	-0.5	11.2	0.9	2.2	-2.6	133.9
Danske Bank	1.0	0.7	2.1	na	11.5	1.1	2.5	-2.4	133.1
DZ Bank	0.6	0.7	0.8	na	11.3	0.7	1.8	-2.4	133.4
Economist Intelligence Unit	0.7	0.7	1.5	1.0	11.4	0.7	2.3	-2.5	132.0
HSBC	0.6	0.6	1.1	1.8	11.4	1.2	1.6	-2.6	133.6
IHS Markit Economics	0.4	0.3	0.7	0.8	11.7	1.3	1.2	-3.8	136.1
J P Morgan Chase	1.1	na	na	na	na	1.3	na	na	na
LC Macro Advisors	1.1	1.5	3.1	1.6	11.0	0.6	1.8	-2.4	132.7
MainSky Asset Management	1.3	1.2	2.4	na	11.0	1.2	na	-2.8	na
Oxford Economics	0.6	0.6	0.9	0.8	11.5	1.3	2.6	-2.8	na
Raiffeisen Bank International	0.6	na	na	na	na	1.3	2.8	-2.6	133.5
SEB	0.8	na	na	na	12.0	0.7	na	na	na
UBS	0.8	1.4	0.3	1.0	na	1.1	1.8	-2.2	131.5
UniCredit Bank	0.8	0.8	2.8	na	11.3	1.1	2.6	-2.4	133.2
Consensus (Mean Average)	0.8	0.8	1.5	0.9	11.4	1.0	2.2	-2.6	133.4
Last Month	0.7	0.8	1.2	0.8	11.3	1.1	2.3	-2.5	133.3
2 Months Ago	0.7	0.8	1.1	0.8	11.2	1.0	2.1	-2.5	133.0
Median	0.8	0.7	1.3	1.0	11.4	1.1	2.2	-2.6	133.4
High	1.3	1.5	3.1	1.8	12.0	1.3	2.8	-2.2	136.1
Low	0.4	0.3	0.3	-0.5	11.0	0.6	1.2	-3.8	131.5
Standard Deviation	0.3	0.4	1.0	0.7	0.3	0.3	0.5	0.4	1.1
Number of Forecasts	16	12	12	7	12	16	13	14	12
Other Forecasts									
ECB (December '16)	0.9	na	na	na	11.3	0.9	na	na	na
EC (November '16)	0.9	0.9	2.6	na	11.4	1.2	2.5	-2.4	133.1
IMF (October '16)	0.9	1.0	1.8	na	11.2	0.5	1.9	na	na
OECD (November '16)	0.9	0.6	1.1	na	11.0	0.8	3.0	-2.4	132.3

- Unsurprisingly the political turmoil and banking sector problems that resulted in Matteo Renzi resigning towards the end of last year weighed on business sentiment in December, which flatlined according to the European Commission's indicator, after having slipped in November.
- Reflecting the wider euro zone trend, manufacturers, sensing better export prospects with orders improving, were generally more upbeat. However, confidence within the services sector, including banking, deteriorated for a second successive month.
- The government seems prepared to defy Brussels diktat by focusing on economic growth rather than strict austerity to combat a large and growing debt problem, and ultimately restore stability to the public finances.
- However, with the banking sector only patched up, the prospect of snap elections hanging in the air, and the European Commission no doubt insisting on additional budget cuts to address the structural deficit and cap the debt burden, Italy's problems are far from resolved.

ITALY - Forecasts for 2018

<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									
ABN Amro	0.9	na	na	na	11.5	1.3	1.6	-2.8	134.0
BBVA	na	na	na	na	na	na	na	na	na
BNP Paribas	0.7	0.8	1.4	0.4	10.8	1.0	2.0	-2.6	134.8
Danske Bank	1.3	0.8	3.6	na	11.4	1.2	2.1	-2.5	133.1
DZ Bank	0.9	0.8	1.1	na	10.8	1.0	1.7	-2.5	133.0
Economist Intelligence Unit	0.8	0.7	1.5	0.8	11.0	1.2	2.1	-2.4	130.4
HSBC	0.8	1.1	1.3	1.5	11.1	1.0	1.6	-2.2	133.7
IHS Markit Economics	0.6	0.6	0.8	1.2	11.4	1.8	1.1	-2.7	135.1
J P Morgan Chase	1.1	na	na	na	na	1.0	na	na	na
LC Macro Advisors	1.5	1.4	3.5	2.0	10.4	1.1	2.0	-2.5	132.6
MainSky Asset Management	na	na	na	na	na	na	na	na	na
Oxford Economics	1.1	0.8	2.7	0.2	11.3	1.3	2.5	-1.8	na
Raiffeisen Bank International	1.0	na	na	na	na	1.4	2.6	-2.5	132.5
SEB	1.2	na	na	na	12.0	0.7	na	na	na
UBS	0.8	1.0	0.6	0.8	na	1.8	1.7	-1.3	131.0
UniCredit Bank	0.9	0.8	2.7	na	10.9	1.1	2.4	-2.0	132.8
Consensus (Mean Average)	1.0	0.9	1.9	1.0	11.1	1.2	2.0	-2.3	133.0
Last Month	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	0.9	0.8	1.5	0.8	11.1	1.2	2.0	-2.5	133.0
High	1.5	1.4	3.6	2.0	12.0	1.8	2.6	-1.3	135.1
Low	0.6	0.6	0.6	0.2	10.4	0.7	1.1	-2.8	130.4
Standard Deviation	0.2	0.2	1.1	0.6	0.4	0.3	0.4	0.4	1.4
Number of Forecasts	14	10	10	7	11	14	12	12	11
Other Forecasts									
ECB (December '16)	1.1	na	na	na	11.1	1.2	na	na	na
EC (November '16)	1.0	1.1	3.2	na	11.3	1.4	2.1	-2.5	133.1
IMF (October '16)	na	na	na	na	na	na	na	na	na
OECD (November '16)	1.0	0.7	2.2	na	10.7	1.2	3.2	-2.4	132.0

Italy: Historical Data

<i>% change, year-on-year</i>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Gross Domestic Product	-1.7	-0.4	0.6	0.9
Private Consumption	-2.7	0.4	0.9	1.4
Gross Fixed Investment	-6.6	-3.5	0.6	2.0
Industrial Production	-2.9	-0.7	0.8	1.4
Unemploy. Rate, % of L.F.	12.1	12.7	11.9	11.6
Consumer Prices	1.3	0.2	0.1	-0.1
Current Acc., % of GDP	0.9	2.0	2.1	2.3
Budget Bal., % of GDP	-2.7	-3.0	-2.6	-2.5
Public Debt, % of GDP	129.0	131.9	132.3	133.0

Source: ECB; Eurostat; national statistical office

Italy: Background Information

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

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

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

NETHERLANDS - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.7	na	na	na	5.3	1.1	8.0	-0.1	61.0
BNP Paribas	1.5	1.4	3.2	1.3	5.7	0.8	8.2	-0.5	61.5
DZ Bank	1.6	1.6	4.9	na	5.2	1.0	7.9	0.0	61.0
Economist Intelligence Unit	1.7	1.7	2.4	1.3	5.5	1.1	8.5	-0.9	61.9
IHS Markit Economics	1.3	1.7	na	0.8	5.4	1.1	na	-1.3	na
Oxford Economics	1.7	1.1	3.4	1.0	5.1	1.5	7.6	-1.1	na
Consensus (Mean Average)	1.6	1.5	3.5	1.1	5.4	1.1	8.0	-0.7	61.4
Last Month	1.6	1.5	3.7	1.0	5.5	1.1	8.6	-0.8	61.8
2 Months Ago	1.6	1.5	3.0	1.2	5.6	1.1	8.8	-1.1	62.2
Median	1.7	1.6	3.3	1.2	5.4	1.1	8.0	-0.7	61.3
High	1.7	1.7	4.9	1.3	5.7	1.5	8.5	0.0	61.9
Low	1.3	1.1	2.4	0.8	5.1	0.8	7.6	-1.3	61.0
Standard Deviation	0.2	0.2	1.0	0.2	0.2	0.2	0.3	0.5	0.4
Number of Forecasts	6	5	4	4	6	6	5	6	4
<u>Other Forecasts</u>									
ECB (December '16)	2.1	na	na	na	5.5	1.1	na	na	na
EC (November '16)	1.7	1.9	4.4	na	5.8	1.0	8.0	-0.3	61.3
IMF (October '16)	1.6	na	na	na	na	0.9	8.2	na	na
OECD (November '16)	2.0	1.8	3.7	na	5.6	1.0	7.7	0.0	61.6

- Confidence in the Dutch economy improved in December ahead of the elections in March. The European Commission's economic sentiment indicator rose to 107.1, its highest level all year, mirroring the trend in Germany.
- The improvement was broad-based. Manufacturers were more upbeat about the outlook for external trade, the services sector was similarly more confident, and consumers were buoyed by cheap credit, the tighter labour market, and the house price recovery.
- Deflation has been tamed in recent months, with the harmonised index of consumer prices rising by 0.7% y/y in December due to rebounding energy prices, which may soften consumer spending.
- However, the unemployment rate steadied at 5.6% in November, youth unemployment is quite low, and the latest quarterly survey from the social and cultural planning office suggests there is less pessimism around, with support for the EU still fluctuating.

NETHERLANDS - Forecasts for 2018

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.9	na	na	na	5.0	1.6	7.8	0.1	58.0
BNP Paribas	1.4	1.3	2.4	1.5	5.5	1.2	7.9	-0.2	59.8
DZ Bank	1.5	1.2	4.2	na	5.0	1.2	7.6	0.2	59.5
Economist Intelligence Unit	1.6	1.4	2.3	1.4	5.2	1.4	8.4	-0.7	60.5
IHS Markit Economics	1.7	1.2	na	1.0	5.4	2.3	na	-1.3	na
Oxford Economics	1.4	1.4	2.2	1.1	4.9	1.5	8.3	-1.2	na
Consensus (Mean Average)	1.6	1.3	2.8	1.3	5.2	1.5	8.0	-0.5	59.5
Last Month	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	1.6	1.3	2.4	1.3	5.1	1.5	7.9	-0.5	59.7
High	1.9	1.4	4.2	1.5	5.5	2.3	8.4	0.2	60.5
Low	1.4	1.2	2.2	1.0	4.9	1.2	7.6	-1.3	58.0
Standard Deviation	0.2	0.1	1.0	0.2	0.2	0.4	0.3	0.6	1.1
Number of Forecasts	6	5	4	4	6	6	5	6	4
Other Forecasts									
ECB (December '16)	1.7	na	na	na	5.5	1.3	na	na	na
EC (November '16)	1.8	1.8	3.2	na	5.4	1.1	7.7	-0.1	59.3
IMF (October '16)	na	na	na	na	na	na	na	na	na
OECD (November '16)	1.9	1.6	4.2	na	5.5	1.5	7.4	0.0	59.7

Netherlands: Historical Data

<i>% change, year-on-year</i>	2013	2014	2015	2016
Gross Domestic Product	-0.5	1.0	1.9	2.1
Private Consumption	-1.4	0.0	1.6	1.5
Gross Fixed Investment	-4.4	3.5	10.3	6.2
Industrial Production	0.6	-2.8	-4.2	1.2
Unemploy. Rate, % of L.F.	7.3	7.4	6.9	6.0
Consumer Prices	2.6	0.3	0.2	0.1
Current Acc., % of GDP	11.0	10.6	9.2	8.2
Budget Bal., % of GDP	-2.4	-2.3	-1.9	-0.8
Public Debt, % of GDP	67.7	67.9	65.1	63.1

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

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

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

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

SPAIN - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	2.4	na	na	na	18.5	0.7	1.4	-3.8	101.0
BBVA	2.5	2.3	3.4	na	18.1	1.7	1.7	-3.6	99.5
BNP Paribas	2.1	2.0	2.6	1.6	19.6	1.6	1.6	-3.8	100.3
Danske Bank	2.3	2.1	2.9	na	18.3	1.7	1.5	-3.8	99.9
DZ Bank	2.1	2.0	2.2	na	18.6	1.0	0.9	-3.4	99.0
Economist Intelligence Unit	2.3	2.1	3.4	2.0	18.0	2.1	1.7	-3.3	98.2
HSBC	2.5	2.3	3.5	2.2	18.6	1.8	0.6	-3.8	100.5
IHS Markit Economics	2.3	2.2	1.9	1.9	18.4	1.7	1.2	-3.7	99.8
J P Morgan Chase	2.6	na	na	na	na	2.2	na	na	na
MainSky Asset Management	2.9	2.9	3.9	na	18.0	1.7	na	-3.5	na
Oxford Economics	2.5	2.4	3.9	2.5	18.2	1.7	1.6	-3.1	na
Raiffeisen Bank International	2.5	na	na	na	na	1.7	1.5	-3.4	99.0
UBS	2.3	2.5	3.7	2.9	18.4	1.6	1.3	-3.2	99.5
UniCredit Bank	2.4	na	na	na	na	1.3	1.5	-3.8	100.0
Consensus (Mean Average)	2.4	2.3	3.1	2.2	18.4	1.6	1.4	-3.6	99.7
Last Month	2.3	2.3	3.0	2.2	18.5	1.4	1.3	-3.6	100.1
2 Months Ago	2.1	2.2	3.0	2.2	18.7	1.4	1.2	-3.6	100.0
Median	2.4	2.3	3.4	2.1	18.4	1.7	1.5	-3.6	99.8
High	2.9	2.9	3.9	2.9	19.6	2.2	1.7	-3.1	101.0
Low	2.1	2.0	1.9	1.6	18.0	0.7	0.6	-3.8	98.2
Standard Deviation	0.2	0.3	0.7	0.5	0.4	0.4	0.3	0.3	0.8
Number of Forecasts	14	10	10	6	11	14	12	13	11
Other Forecasts									
ECB (December '16)	2.5	na	na	na	17.7	1.5	na	na	na
EC (November '16)	2.3	2.1	3.6	na	18.0	1.6	1.5	-3.8	99.9
IMF (October '16)	2.2	2.3	3.0	na	18.0	1.0	1.7	na	na
OECD (November '16)	2.3	2.1	4.7	na	17.7	1.5	1.7	-3.6	102.1

- Inflation rose sharply to 1.4% y/y in December in line with the regional trend, delivering another headache to Mariano Rajoy's minority government, which must try to engineer austerity, maintain social stability and stop Catalanian secessionism.
- The economy has been racing away in recent years, but is still not generating sufficient numbers of jobs with most tending to be part-time, or temporary tourism-related activities. In November, the unemployment rate decline stalled, with 19.2% of the labour force remaining out of work.
- Public confidence may have improved in November, but it fell in December to its lowest level in three months. Surprisingly, contrasting with other countries in the region, manufacturers were more downbeat, and confidence among consumers, and in the construction sector reversed, but service sector sentiment continued to soar.
- Although GDP growth is expected to slow down to a more sustainable pace this year, it seems likely that Spain will finally recoup the GDP it lost due to the economic crisis in 2008 after almost a decade.

SPAIN - Forecasts for 2018

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	2.4	na	na	na	17.2	1.1	1.4	-3.4	101.0
BBVA	na	na	na	na	na	na	na	na	na
BNP Paribas	1.9	1.9	3.8	1.9	19.3	1.6	1.6	-3.2	100.4
Danske Bank	2.3	2.0	4.7	na	17.1	1.1	1.5	-3.2	100.0
DZ Bank	2.6	2.2	3.1	na	17.7	1.4	2.6	-3.0	98.0
Economist Intelligence Unit	2.0	2.0	3.2	1.8	16.7	1.6	1.7	-2.5	96.4
HSBC	2.0	2.0	3.9	2.6	17.8	1.2	0.3	-3.3	100.8
IHS Markit Economics	2.1	2.0	2.2	1.8	17.6	1.8	1.3	-3.3	99.0
J P Morgan Chase	2.2	na	na	na	na	1.0	na	na	na
MainSky Asset Management	na	na	na	na	na	na	na	na	na
Oxford Economics	2.0	2.0	2.9	2.3	17.1	1.3	1.4	-2.7	na
Raiffeisen Bank International	1.9	na	na	na	na	1.6	1.4	-3.2	99.5
UBS	1.9	2.2	2.9	2.8	17.3	1.7	1.1	-3.0	98.8
UniCredit Bank	2.0	na	na	na	na	1.7	1.5	-3.2	100.2
Consensus (Mean Average)	2.1	2.0	3.3	2.2	17.5	1.4	1.4	-3.1	99.4
Last Month	na	na	na	na	na	na	na	na	na
2 Months Ago	na	na	na	na	na	na	na	na	na
Median	2.0	2.0	3.2	2.1	17.3	1.5	1.4	-3.2	99.8
High	2.6	2.2	4.7	2.8	19.3	1.8	2.6	-2.5	101.0
Low	1.9	1.9	2.2	1.8	16.7	1.0	0.3	-3.4	96.4
Standard Deviation	0.2	0.1	0.8	0.4	0.7	0.3	0.5	0.3	1.4
Number of Forecasts	12	8	8	6	9	12	11	11	10
Other Forecasts									
ECB (December '16)	2.1	na	na	na	16.3	1.5	na	na	na
EC (November '16)	2.1	1.6	3.8	na	16.5	1.5	1.5	-3.2	100.0
IMF (October '16)	na	na	na	na	na	na	na	na	na
OECD (November '16)	2.2	1.6	4.7	na	16.4	1.3	1.7	-2.9	102.2

Spain: Historical Data

<i>% change, year-on-year</i>	2013	2014	2015	2016
Gross Domestic Product	-1.7	1.4	3.2	3.2
Private Consumption	-3.1	1.2	3.1	3.2
Gross Fixed Investment	-2.5	3.5	6.4	3.9
Industrial Production	-1.7	1.1	3.3	1.9
Unemploy. Rate, % of L.F.	26.1	24.5	22.1	19.8
Consumer Prices	1.5	-0.2	-0.6	-0.4
Current Acc., % of GDP	1.5	1.0	1.4	1.6
Budget Bal., % of GDP	-7.0	-6.0	-5.1	-4.6
Public Debt, % of GDP	95.4	100.4	99.8	99.7

Source: ECB; Eurostat; national statistical office

Spain: Background Information

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

Note: Reduced rate for SMEs.

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

Forecasts For Other Euro-Zone Countries¹

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Austria	ECB	1.5	1.5	1.5	1.7	na	na	na	na	na	na
	EC	1.6	1.6	1.8	1.6	2.9	3.3	-1.3	-1.1	81.1	79.2
	IMF	1.2	na	1.5	na	2.7	na	na	na	na	na
	OECD	1.5	1.3	1.7	1.8	2.2	2.2	-1.0	-0.6	84.5	83.2
	Average	1.5	1.5	1.6	1.7	2.6	2.8	-1.2	-0.9	82.8	81.2
Belgium	ECB	1.4	1.6	2.0	2.0	na	na	na	na	na	na
	EC	1.3	1.5	1.7	1.8	0.6	0.6	-2.3	-2.4	107.1	106.4
	IMF	1.4	na	1.6	na	0.4	na	na	na	na	na
	OECD	1.3	1.5	1.7	1.7	1.4	1.4	-2.2	-2.2	105.4	104.6
	Average	1.4	1.5	1.8	1.8	0.8	1.0	-2.3	-2.3	106.3	105.5
Cyprus	ECB	2.8	3.1	0.9	1.5	na	na	na	na	na	na
	EC	2.5	2.3	0.7	1.3	-3.3	-3.4	-0.4	0.0	103.7	100.6
	IMF	2.2	na	0.5	na	-3.7	na	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	2.5	2.7	0.7	1.4	-3.5	-3.4	-0.4	0.0	103.7	100.6
Estonia	ECB	2.6	3.0	2.9	2.7	na	na	na	na	na	na
	EC	2.3	2.6	2.6	2.7	1.6	1.5	-0.4	-0.2	9.5	9.4
	IMF	2.5	na	1.4	na	0.0	na	na	na	na	na
	OECD	2.4	2.9	2.3	2.6	0.7	0.8	-0.5	-0.1	10.2	10.4
	Average	2.5	2.8	2.3	2.7	0.8	1.2	-0.5	-0.2	9.9	9.9
Greece	ECB	2.5	3.0	1.1	1.0	na	na	na	na	na	na
	EC	2.7	3.1	1.1	1.0	0.2	0.3	-1.0	0.9	179.1	172.4
	IMF	2.8	na	0.6	na	0.0	na	na	na	na	na
	OECD	1.3	1.9	1.1	1.4	-0.6	-0.1	-0.2	0.5	176.6	171.5
	Average	2.3	2.7	1.0	1.1	-0.1	0.1	-0.6	0.7	177.9	172.0
Ireland	ECB	3.3	3.0	0.5	1.3	na	na	na	na	na	na
	EC	3.6	3.5	1.2	1.4	7.7	7.4	-0.5	-0.4	73.6	71.9
	IMF	3.2	na	1.2	na	9.1	na	na	na	na	na
	OECD	3.2	2.3	1.5	2.0	9.7	9.6	-0.5	0.0	75.0	72.2
	Average	3.3	2.9	1.1	1.6	8.8	8.5	-0.5	-0.2	74.3	72.1
Latvia	ECB	3.0	3.3	1.6	1.7	na	na	na	na	na	na
	EC	2.8	3.0	1.8	2.0	-1.2	-1.9	-1.1	-1.2	37.2	36.0
	IMF	3.4	na	1.7	na	-1.2	na	na	na	na	na
	OECD	3.0	3.5	1.3	1.9	-0.2	-1.0	-1.0	-0.8	38.2	37.5
	Average	3.1	3.3	1.6	1.9	-0.9	-1.5	-1.1	-1.0	37.7	36.8
Lithuania	ECB	2.4	2.9	1.9	2.0	na	na	na	na	na	na
	EC	2.7	2.8	1.7	2.1	-1.2	-0.7	-0.8	-0.7	43.3	40.2
	IMF	3.0	na	1.2	na	-2.8	na	na	na	na	na
	OECD	2.7	2.8	2.3	2.8	0.0	0.2	-0.8	-0.4	42.5	41.6
	Average	2.7	2.8	1.8	2.3	-1.3	-0.3	-0.8	-0.6	42.9	40.9
Luxembourg	ECB	3.9	3.9	2.0	2.1	na	na	na	na	na	na
	EC	3.8	3.6	1.6	1.9	5.6	5.8	0.0	0.1	23.3	23.5
	IMF	3.1	na	1.0	na	4.3	na	na	na	na	na
	OECD	4.0	4.0	1.4	1.5	4.7	4.8	1.0	0.9	23.4	25.4
	Average	3.7	3.8	1.5	1.8	4.9	5.3	0.5	0.5	23.4	24.5
Malta	ECB	4.1	3.7	1.4	1.7	na	na	na	na	na	na
	EC	3.7	3.7	1.6	1.8	1.7	3.7	-0.6	-0.6	59.9	57.2
	IMF	3.4	na	1.5	na	5.8	na	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	3.7	3.7	1.5	1.8	3.8	3.7	-0.6	-0.6	59.9	57.2
Portugal	ECB	1.4	1.5	1.4	1.5	na	na	na	na	na	na
	EC	1.2	1.4	1.2	1.4	0.8	1.2	-2.2	-2.4	129.5	127.8
	IMF	1.1	na	1.1	na	-0.7	na	na	na	na	na
	OECD	1.2	1.3	1.1	1.1	0.5	0.7	-2.1	-1.9	129.5	128.2
	Average	1.2	1.4	1.2	1.3	0.2	1.0	-2.2	-2.2	129.5	128.0
Slovakia	ECB	3.1	4.2	1.2	1.8	na	na	na	na	na	na
	EC	3.2	3.8	0.8	1.4	0.1	0.6	-1.5	-0.5	52.7	51.5
	IMF	3.3	na	1.1	na	-0.6	na	na	na	na	na
	OECD	3.4	3.8	0.8	1.4	-0.7	0.3	-1.5	-0.6	52.4	51.2
	Average	3.3	3.9	1.0	1.5	-0.4	0.5	-1.5	-0.6	52.6	51.4
Slovenia	ECB	2.5	2.6	1.4	1.4	na	na	na	na	na	na
	EC	2.6	2.2	1.5	1.9	7.0	6.4	-2.0	-1.5	78.3	76.6
	IMF	1.8	na	1.0	na	7.2	na	na	na	na	na
	OECD	2.4	2.3	0.8	1.2	7.7	8.0	-1.6	-0.9	85.5	85.4
	Average	2.3	2.4	1.2	1.5	7.3	7.2	-1.8	-1.2	81.9	81.0

¹ Forecasts for Germany, Finland, Italy, the Netherlands and Spain shown on pages 12-22; Forecasts for Finland are shown in Nordic Barometer. European Central Bank (Dec'16); European Commission (Nov'16); International Monetary Fund (Oct'16); OECD (Nov'16).

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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