

Euro Zone Barometer© - July 2016

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

Published by: MJEconomics
(ISSN 1475-7559) www.mjeconomics.com

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Survey Deadline: July 18th, 2016

Euro Zone Economy Harmed by Brexit

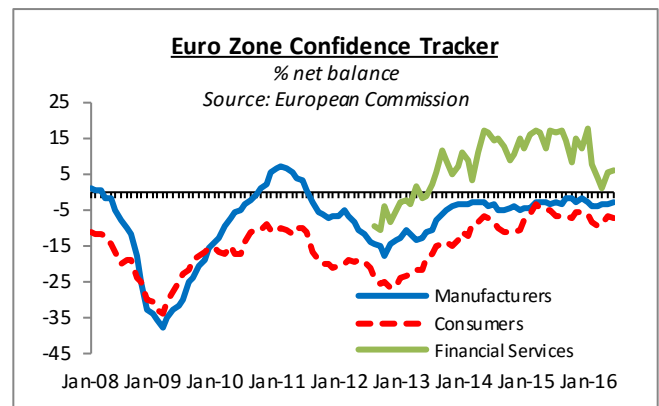
- This month’s survey was undertaken following the **United Kingdom staging an advisory referendum** on June 23rd, which came out in favour of a withdrawal from the European Union.
- **The British government**, although not yet triggering Article 50 of the EU Treaty, **has notified its intention of respecting the outcome**, which showed broadly 52% in favour of Leave, compared to 48% for Remain on a turnout of 71.8%. The Leave vote throughout most of England and Wales came despite Northern Ireland, Scotland and London voting to Remain.
- **The euro zone had been showing signs of a sustainable recovery in advance of the vote**, although confidence was also waning, partly due to the Brexit uncertainty, but also because of other problems weighing down the region. They include slow growth in France, Italy etc, banks burdened by bad debts and the interminable Greek debt crisis.
- Now, with the Brexit outcome known, **the euro zone picture has darkened**, notably concerning investment growth, pushing down forecasts for GDP growth in 2017. Revised long term projections, to 2020 (page 11) are also shown this month.



**Next Month's Survey Deadline:
August 15th, 2016**

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Outlook for 2016-2017

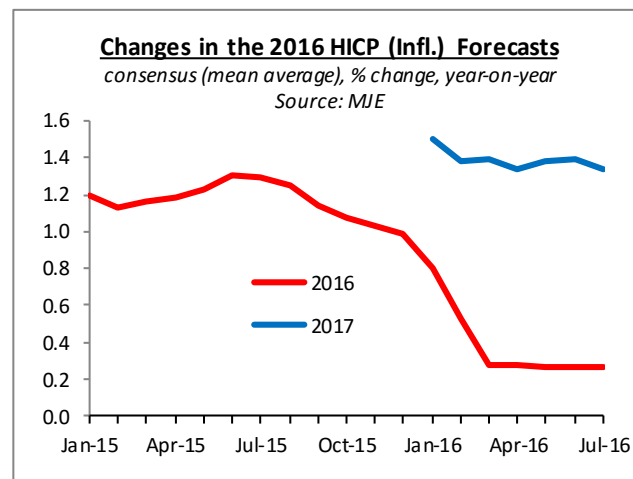
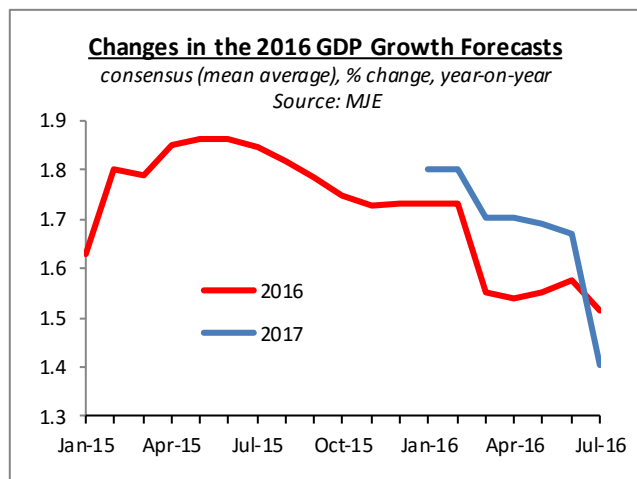
- *The decision by UK voters in a referendum held on June 23rd to renounce membership of the European Union – the Brexit option – has had a huge bearing on economic forecasts for the euro zone. Although the picture for 2016 has only altered slightly, a bigger hit to the outlook occurs in 2017.*
- *Downgraded forecasts in 2017 to investment spending and trade (both exports and imports) have dragged GDP growth down by 0.3 percentage points this month.*
- *The full impact may be more severe in reality, mainly because there is still considerable uncertainty attached to how UK-EU relations will pan out. With future possibilities including the break-up of the UK and a further splintering of the EU, euro zone recovery prospects are ultimately in question.*
- *With a weaker growth prognosis comes a higher unemployment rate prediction and lower inflation, both of which have adjusted this month.*

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016f</u>	<u>2017f</u>
Gross Domestic Product	-0.8	-0.3	0.9	1.6	1.5	1.4
Private Consumption	-1.2	-0.6	0.8	1.7	1.7	1.5
Government Consumption	-0.1	0.2	0.8	1.3	1.5	1.3
Gross Fixed Investment	-3.6	-2.6	1.3	2.7	2.9	2.2
Change in Stocks (Inventories)¹	-0.9	0.2	0.0	0.0	0.1	0.0
Goods and Services Exports	2.7	2.1	4.1	5.0	2.9	3.4
Goods and Services Imports	-0.8	1.3	4.5	5.7	4.1	4.0
Net Exports²	1.5	0.4	0.0	-0.1	-0.4	-0.2
Industrial Production (ex. construction)	-2.4	-0.7	0.9	1.6	1.6	1.7
Retail Sales Volume	-0.6	-0.6	1.5	2.8	1.9	1.6
Unemployment Rate, % of labour force	11.4	12.0	11.6	10.9	10.2	9.8
Money Supply, M3, end period, % change	3.5	1.0	3.8	4.7	4.8	4.3
Harmonised Index of Consumer Prices	2.5	1.4	0.4	0.0	0.3	1.3
Producer Prices	2.8	-0.2	-1.5	-2.7	-2.7	1.4
Nominal Labour Costs	2.0	1.4	1.3	1.5	1.5	1.7
Current Account Balance, annual total, €bn	184.5	248.4	303.0	333.7	314.7	303.4
Current Account Balance, % of GDP	1.9	2.5	3.0	3.2	3.0	2.8
General Govt Budget Balance, % of GDP	-3.7	-3.0	-2.6	-2.1	-1.9	-1.7
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.29	0.08	-0.13	-0.26	-0.14
10 Year German Bond Yield, % per annum	1.32	1.94	0.54	0.63	0.36	1.03
US\$ per € Exchange Rate	1.318	1.378	1.210	1.091	1.092	1.091

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



The latest indicators show the economic recovery on a euro-wide basis losing steam during Q2 2016, which marks a discouraging turn of events that is unlikely to be stopped in the wake of the UK referendum outcome and the political crisis it has caused amid reports of Italian banks struggling under huge debts.

These concerns led to a sharp fall in the ZEW euro zone confidence indicator in July as the financial markets experts surveyed took stock of the risks to bank stability and the economic outlook from the UK withdrawing from the EU.

Industrial production meanwhile gave up all of its gains in April, with a sharp fall in May highlighting how the picture was altering even before the referendum was held in June. The economic sentiment indicator for the euro area, which had bucked up in April, sat languishing in May and June, and a separate survey by Markit taken before the UK plebiscite registered the sharpest fall in business confidence in eight months. Neither tracker provides the assurances required to make more inroads into an unemployment rate still slightly exceeding 10% across the euro zone.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.3	1.6	1.6	1.7
Private Consumption	1.6	1.7	1.8	1.6
Industrial Production	1.6	1.4	1.9	1.3
Harmonised Index of Consumer Prices	-0.3	0.2	0.1	0.1
3 month Interest Rate, % per annum, end period	0.02	-0.02	-0.04	-0.13
10 Year Bond Yield, % per annum, end period	0.16	0.76	0.70	0.63
	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.6	1.5	1.3
Private Consumption	1.7	1.8	1.6	1.6
Industrial Production	1.5	1.5	1.6	1.8
Harmonised Index of Consumer Prices	0.0	-0.1	0.4	0.8
3 month Interest Rate, % per annum, end period	-0.24	-0.21	-0.29	-0.26
10 Year Bond Yield, % per annum, end period	0.10	-0.03	0.04	0.26
	Q1'17	Q2'17	Q3'17	Q4'17
Gross Domestic Product	1.1	1.2	1.3	1.5
Private Consumption	1.4	1.5	1.5	1.5
Industrial Production	1.6	2.1	2.1	2.0
Harmonised Index of Consumer Prices	1.4	1.4	1.4	1.5
3 month Interest Rate, % per annum, end period	-0.29	-0.28	-0.24	-0.14
10 Year Bond Yield, % per annum, end period	0.26	0.39	0.68	0.92

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

Euro Zone - Forecasts for 2016

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	1.6	1.6	3.0	na	3.0	4.5	na
BBVA	1.6	1.7	1.5	3.1	0.0	2.7	3.9	-0.4
BNP Paribas	1.5	1.7	1.6	3.2	0.1	1.5	3.0	na
Commerzbank	1.5	1.8	1.6	4.2	na	2.7	4.4	-0.6
Danske Bank	1.2	1.5	1.5	1.7	na	2.7	4.0	na
DZ Bank	1.3	1.6	1.4	2.1	na	2.8	4.3	na
Econ Intelligence Unit	1.6	1.7	1.4	2.0	na	3.6	4.0	0.0
ETLA	1.6	1.8	1.4	2.5	na	4.3	4.9	na
G&P Institutional Mgmt	1.7	2.0	1.9	3.1	0.2	2.0	3.6	-0.6
HSBC	1.4	1.6	1.6	2.6	0.0	2.8	4.2	na
IHS Economics	1.5	1.8	1.6	3.0	na	2.3	3.6	-0.4
J P Morgan Chase	1.5	1.6	1.5	2.9	0.2	2.2	3.4	-0.4
Morgan Stanley	1.3	1.6	1.5	2.9	0.0	2.7	4.0	-0.4
Nordea	1.3	1.5	1.6	3.1	na	3.3	4.3	-0.2
Nykredit	1.7	na	na	na	na	na	na	na
Oxford Economics	1.6	1.7	1.4	3.1	0.1	2.7	3.8	-0.4
Raiffeisen Bank Intl	1.6	1.7	1.5	3.1	na	3.6	5.0	na
Santander	1.5	1.6	1.4	2.9	na	2.8	4.2	-0.5
SEB	1.7	1.8	1.4	3.1	0.0	4.3	5.1	na
UBS	1.5	1.8	1.6	2.7	0.1	3.2	4.6	-0.5
UniCredit Bank	1.6	1.6	1.6	3.1	0.2	2.7	4.0	-0.5
Consensus (Mean)	1.5	1.7	1.5	2.9	0.1	2.9	4.1	-0.4
Last Month	1.6	1.7	1.5	3.1	0.1	3.0	4.2	-0.4
2 Months Ago	1.6	1.6	1.6	2.9	0.1	3.1	4.2	-0.4
Median	1.5	1.7	1.5	3.0	0.1	2.8	4.1	-0.4
High	1.7	2.0	1.9	4.2	0.2	4.3	5.1	0.0
Low	1.2	1.5	1.4	1.7	0.0	1.5	3.0	-0.6
Standard Deviation	0.1	0.1	0.1	0.5	0.1	0.7	0.5	0.2
Number of Forecasts	21	20	20	20	10	20	20	12
Other Forecasts								
ECB (June '16)	1.6	1.9	1.5	3.2	na	3.2	4.7	na
EC (May '16)	1.6	1.8	1.4	2.9	0.1	3.5	4.6	-0.3
IMF (April '16)	1.5	1.6	1.1	2.6	0.0	na	na	-0.2
OECD (June '16)	1.6	1.8	1.7	3.3	0.1	na	na	-0.4

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	1.4	na	10.0	na	0.3	-2.6	na	296.6	2.8	-1.8
BBVA	na	na	10.1	na	0.2	na	na	na	3.2	-1.9
BNP Paribas	1.4	na	10.2	na	0.1	-3.0	na	307.1	2.9	-2.0
Commerzbank	na	na	10.1	4.8	0.3	na	na	280.0	2.6	na
Danske Bank	na	na	10.3	na	0.3	na	na	na	3.7	-2.0
DZ Bank	na	na	10.3	na	0.0	na	na	na	3.0	-2.1
Econ Intelligence Unit	1.4	na	10.0	na	0.1	-3.0	na	425.2	4.0	-1.9
ETLA	1.1	na	10.6	na	0.2	na	na	na	na	-1.9
G&P Institutional Mgmt	na	na	10.0	na	0.2	na	na	na	na	-2.0
HSBC	1.7	na	10.2	na	0.2	na	1.3	na	2.4	-2.0
IHS Economics	1.3	1.9	10.1	na	0.3	-2.2	1.7	300.0	2.9	-1.8
J P Morgan Chase	1.8	na	10.1	na	0.3	na	na	na	2.3	-1.8
Morgan Stanley	na	na	10.2	na	0.3	na	na	288.5	2.8	-1.9
Nordea	na	na	10.1	na	0.3	na	na	na	3.6	-1.9
Nykredit	na	na	na	na	0.9	na	na	na	na	na
Oxford Economics	1.5	1.9	10.0	na	0.3	-2.6	na	319.7	3.0	-1.9
Raiffeisen Bank Intl	2.4	na	10.1	na	0.3	na	na	318.1	3.0	-1.7
Santander	na	na	10.1	na	0.3	na	na	297.4	2.8	-1.9
SEB	na	na	10.1	na	0.1	na	na	na	na	na
UBS	na	na	10.4	na	0.3	na	na	na	3.1	-2.0
UniCredit Bank	na	na	10.1	na	0.2	na	na	na	3.1	-2.0
Consensus (Mean)	1.6	1.9	10.2	4.8	0.3	-2.7	1.5	314.7	3.0	-1.9
Last Month	1.8	2.1	10.2	4.8	0.3	-2.7	1.5	316.8	3.0	-1.9
2 Months Ago	1.6	2.1	10.2	3.0	0.3	-2.4	1.4	317.8	3.0	-1.9
Median	1.4	1.9	10.1	4.8	0.3	-2.6	1.5	300.0	3.0	-1.9
High	2.4	1.9	10.6	4.8	0.9	-2.2	1.7	425.2	4.0	-1.7
Low	1.1	1.9	10.0	4.8	0.0	-3.0	1.3	280.0	2.3	-2.1
Standard Deviation	0.4	0.0	0.2	na	0.2	0.3	0.3	43.4	0.4	0.1
Number of Forecasts	9	2	20	1	21	5	2	9	17	18
Other Forecasts										
ECB (June '16)	na	na	10.2	na	0.2	na	na	na	2.9	-1.9
EC (May '16)	na	na	10.3	na	0.2	na	na	395.8	3.7	-1.9
IMF (April '16)	na	na	10.3	na	0.4	na	na	na	3.5	na
OECD (June '16)	na	na	10.2	na	0.2	na	na	na	3.8	-1.8

Euro Zone - Forecasts for 2017

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.6	1.5	1.4	2.7	na	4.0	4.6	na
BBVA	1.9	1.8	1.1	3.8	0.0	3.6	4.0	-0.1
BNP Paribas	1.3	1.1	1.1	2.2	0.0	3.3	3.6	na
Commerzbank	1.5	1.9	1.8	2.7	na	3.7	5.7	-0.7
Danske Bank	0.7	0.9	1.2	-0.7	na	3.2	3.3	na
DZ Bank	1.0	1.3	1.3	0.9	na	3.5	4.2	na
Econ Intelligence Unit	1.6	1.5	1.1	2.7	na	3.8	4.1	0.0
ETLA	1.7	1.7	1.3	3.0	na	4.7	5.0	na
G&P Institutional Mgmt	1.5	1.9	2.0	1.9	0.0	1.9	2.8	-0.3
HSBC	1.0	1.4	1.5	1.4	0.1	2.4	3.3	na
IHS Economics	1.1	1.4	1.4	1.5	na	2.3	3.0	-0.2
J P Morgan Chase	1.3	1.5	1.3	2.1	-0.1	2.1	2.5	-0.1
Morgan Stanley	1.0	1.2	1.4	2.2	-0.2	2.7	3.4	-0.2
Nordea	1.4	1.6	1.4	2.9	na	3.9	4.6	-0.2
Nykredit	2.0	na	na	na	na	na	na	na
Oxford Economics	1.5	1.4	1.2	2.6	0.0	3.4	3.7	0.0
Raiffeisen Bank Intl	1.5	1.7	1.2	3.1	na	4.4	5.4	na
Santander	1.2	1.2	1.0	1.7	na	3.8	4.2	-0.1
SEB	1.8	1.8	1.3	3.0	0.0	4.0	4.6	na
UBS	1.3	1.7	1.0	1.8	-0.1	4.5	5.2	-0.1
UniCredit Bank	1.0	1.2	1.6	2.3	0.0	2.2	3.3	-0.4
Consensus (Mean)	1.4	1.5	1.3	2.2	0.0	3.4	4.0	-0.2
Last Month	1.7	1.6	1.3	2.9	0.0	3.9	4.4	-0.1
2 Months Ago	1.7	1.6	1.3	2.9	0.0	3.9	4.3	-0.1
Median	1.4	1.5	1.3	2.3	0.0	3.6	4.1	-0.2
High	2.0	1.9	2.0	3.8	0.1	4.7	5.7	0.0
Low	0.7	0.9	1.0	-0.7	-0.2	1.9	2.5	-0.7
Standard Deviation	0.3	0.3	0.3	1.0	0.1	0.8	0.9	0.2
Number of Forecasts	21	20	20	20	10	20	20	12
Other Forecasts								
ECB (June '16)	1.7	1.7	0.8	3.4	na	4.2	4.7	na
EC (May '16)	1.8	1.5	1.2	3.8	0.0	4.7	5.3	0.0
IMF (April '16)	1.6	1.6	0.7	2.8	0.0	na	na	0.0
OECD (June '16)	1.7	1.7	1.1	3.2	0.0	na	na	-0.1

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										
Allianz SE	2.0	na	9.6	na	1.6	2.0	na	275.0	2.5	-1.6
BBVA	na	na	9.6	na	1.3	na	na	na	3.0	-1.6
BNP Paribas	0.7	na	9.8	na	1.3	0.8	na	294.9	2.7	-1.8
Commerzbank	na	na	9.7	4.3	1.3	na	na	280.0	2.5	na
Danske Bank	na	na	10.3	na	1.2	na	na	na	3.6	-1.8
DZ Bank	na	na	10.1	na	1.3	na	na	na	2.7	-1.8
Econ Intelligence Unit	1.2	na	9.5	na	1.2	1.4	na	368.7	3.4	-1.7
ETLA	1.8	na	10.2	na	1.4	na	na	na	na	-1.6
G&P Institutional Mgmt	na	na	9.3	na	1.2	na	na	na	na	-1.8
HSBC	2.5	na	9.9	na	0.9	na	1.5	na	2.2	-1.9
IHS Economics	1.4	1.7	9.9	na	1.4	1.5	1.8	300.0	2.8	-1.6
J P Morgan Chase	2.0	na	9.6	na	1.3	na	na	na	2.1	-1.7
Morgan Stanley	na	na	10.5	na	1.5	na	na	295.6	2.9	-2.5
Nordea	na	na	9.5	na	1.4	na	na	na	3.4	-1.6
Nykredit	na	na	na	na	1.3	na	na	na	na	na
Oxford Economics	1.6	1.4	9.5	na	1.6	1.5	na	300.1	2.7	-1.5
Raiffeisen Bank Intl	1.9	na	9.3	na	1.5	na	na	316.7	2.9	-1.2
Santander	na	na	9.9	na	1.3	na	na	300.0	2.8	-1.6
SEB	na	na	9.6	na	1.1	na	na	na	na	na
UBS	na	na	10.0	na	1.8	na	na	na	2.9	-1.7
UniCredit Bank	na	na	9.9	na	1.2	na	na	na	3.3	-2.1
Consensus (Mean)	1.7	1.6	9.8	4.3	1.3	1.4	1.7	303.4	2.8	-1.7
Last Month	1.9	1.9	9.7	4.3	1.4	1.4	1.6	305.0	2.9	-1.7
2 Months Ago	1.9	1.9	9.8	2.3	1.4	1.2	1.5	307.5	2.8	-1.7
Median	1.8	1.6	9.8	4.3	1.3	1.5	1.7	300.0	2.8	-1.7
High	2.5	1.7	10.5	4.3	1.8	2.0	1.8	368.7	3.6	-1.2
Low	0.7	1.4	9.3	4.3	0.9	0.8	1.5	275.0	2.1	-2.5
Standard Deviation	0.5	0.2	0.3	na	0.2	0.4	0.2	27.3	0.4	0.3
Number of Forecasts	9	2	20	1	21	5	2	9	17	18
Other Forecasts										
ECB (June '16)	na	na	9.9	na	1.3	na	na	na	2.8	-1.7
EC (May '16)	na	na	9.9	na	1.4	na	na	396.1	3.6	-1.6
IMF (April '16)	na	na	9.9	na	1.1	na	na	na	3.2	na
OECD (June '16)	na	na	9.8	na	1.2	na	na	na	3.6	-1.4

Financial Forecasts			
<i>All forecasts are for end year</i>		2016	2017
3-month Euribor Interest Rate, %	Mean Average	-0.26	-0.14
Rate on Survey Date: -0.29	High	0.00	0.70
	Low	-0.40	-0.40
	Standard deviation	0.10	0.29
	Number of Forecasts	13	12
10-year Benchmark German Bond Yield, %	Mean Average	0.26	0.92
Rate on Survey Date: -0.04	High	0.90	1.40
	Low	0.00	0.40
	Standard deviation	0.30	0.36
	Number of Forecasts	8	7
US Dollars/Euro Exchange Rate	Mean Average	1.092	1.091
Rate on Survey Date: 1.107	High	1.200	1.200
	Low	1.000	1.000
	Standard deviation	0.048	0.063
	Number of Forecasts	23	22
Japanese Yen/Euro Exchange Rate	Mean Average	125.2	131.0
Rate on Survey Date: 117.4	High	138.0	145.0
	Low	116.8	122.0
	Standard deviation	7.1	7.6
	Number of Forecasts	8	8
UK Pound/Euro Exchange Rate	Mean Average	0.815	0.812
Rate on Survey Date: 0.839	High	0.900	1.000
	Low	0.696	0.680
	Standard deviation	0.071	0.094
	Number of Forecasts	12	12
Swedish Krona/Euro Exchange Rate	Mean Average	9.137	8.938
Rate on Survey Date: 9.483	High	9.800	10.000
	Low	8.808	8.500
	Standard deviation	0.260	0.386
	Number of Forecasts	17	16
Swiss Franc/Euro Exchange Rate	Mean Average	1.104	1.136
Rate on Survey Date: 1.088	High	1.170	1.230
	Low	1.020	1.020
	Standard deviation	0.047	0.067
	Number of Forecasts	9	8
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	45.2	54.1
Rate on Survey Date: 44.6	High	51.0	70.0
	Low	33.7	45.0
	Standard deviation	5.0	6.0
	Number of Forecasts	18	17

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

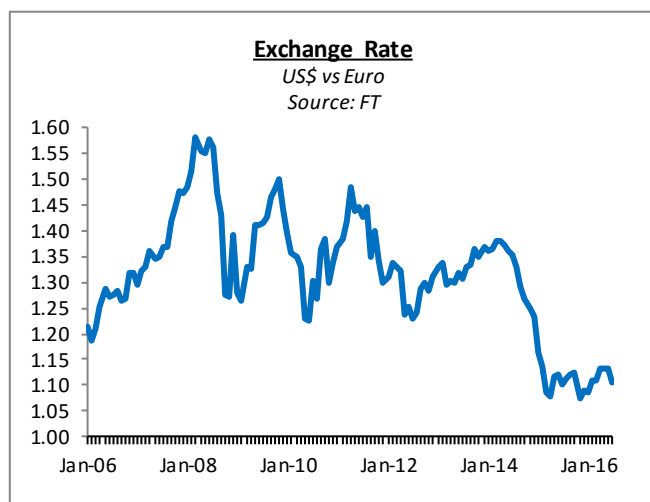
<u>Euro Zone Money Market Rates, %</u>	<u>Dec'15</u>	<u>Jan'16</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Overnight	-0.20	-0.24	-0.24	-0.29	-0.34	-0.34
1-month	-0.19	-0.22	-0.25	-0.31	-0.34	-0.35
3-month	-0.13	-0.15	-0.18	-0.23	-0.25	-0.26
6-month	-0.04	-0.06	-0.12	-0.13	-0.14	-0.14
12-month	0.06	0.04	-0.01	-0.01	-0.01	-0.01
10-year bond yields	1.19	1.11	1.04	0.93	0.96	0.97
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	1.17	0.89	0.73	0.75	0.86	0.76
United States	1.66	1.47	1.14	1.18	1.28	1.17
United Kingdom	1.68	1.18	1.01	1.03	1.13	1.03
<u>3-month LIBOR rates, %</u>						
United States	0.53	0.62	0.62	0.63	0.63	0.64
United Kingdom	0.08	0.08	0.01	-0.01	-0.02	-0.03

Exchange Rate Data

period averages vs euro

	<u>Dec'15</u>	<u>Jan'16</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Trade Weighted Nominal Index * (1999 Q1=100)	92.5	93.6	94.7	94.1	94.8	95.1
Chinese renminbi	7.019	7.139	7.266	7.222	7.346	7.386
Croatian kuna	7.640	7.658	7.636	7.559	7.495	7.498
Czech koruna	27.03	27.03	27.04	27.05	27.03	27.03
Danish krone	7.461	7.462	7.463	7.457	7.443	7.439
Hungarian forint	314.4	314.7	310.4	311.2	311.5	314.6
Japanese yen	132.4	128.3	127.3	125.4	124.3	123.2
Polish zloty	4.290	4.407	4.397	4.293	4.311	4.404
Romanian leu	4.503	4.531	4.481	4.467	4.472	4.499
Swedish krona	9.245	9.283	9.410	9.285	9.203	9.295
Swiss franc	1.083	1.094	1.102	1.092	1.093	1.106
UK pound	0.726	0.755	0.776	0.780	0.792	0.778
US dollar	1.088	1.086	1.109	1.110	1.134	1.131

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



The euro weakened slightly against the US dollar ahead of this week's European Central Bank meeting, breaking through the \$1.10 level as the markets anticipated a more dovish attitude towards monetary policy in the wake of the Brexit vote. The ECB's strategy is likely to focus on mitigating the economic repercussions of Europe's latest crisis, concentrating on economic growth, which remains the priority over an inflation rate that is still virtually non-existent.

The euro has nevertheless gained in strength against the pound-sterling since the referendum was staged, when the British currency crashed in response to the likely effects on the UK economy.

ECB Watch

- The possibility of additional monetary policy stimulus from the European Central Bank has increased in the wake of the financial volatility and downgraded economic projections produced since the UK surprised the financial markets by voting to come out of the European Union.
- The new British Prime Minister Theresa May has declared on more than one occasion her government will not stage a repeat referendum, and has ruled out the possibility of a snap general election, thus denying any prospect of a pro-Remain, Labour-Liberal governing coalition gaining power. The ECB is now expected to go for more stimulus, possibly in September, beyond the summer when it has had time to review more of the high frequency data.

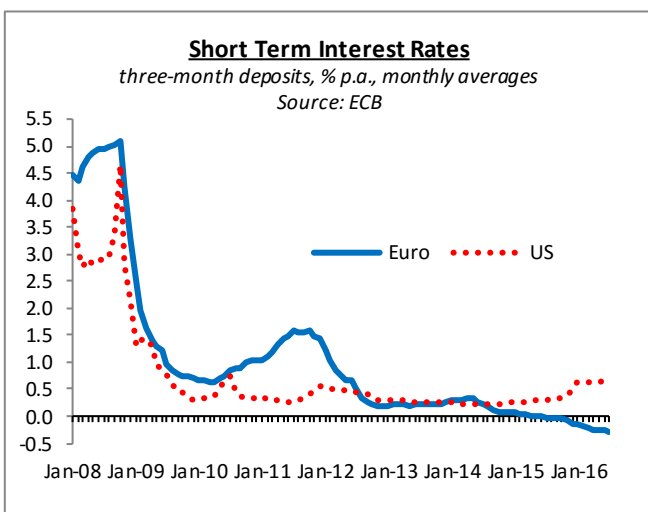
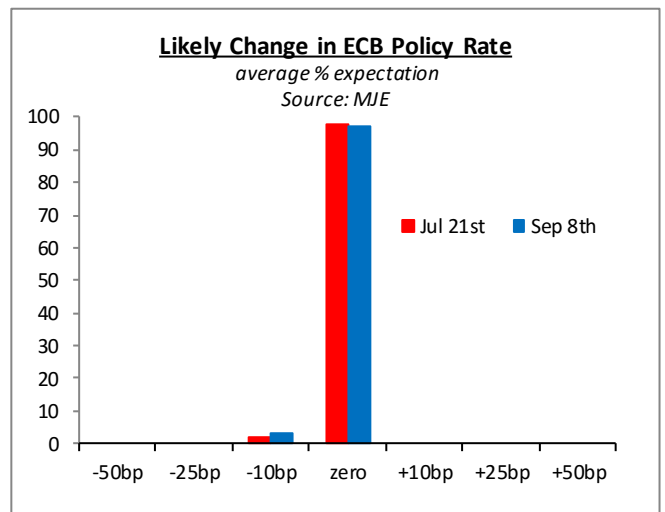
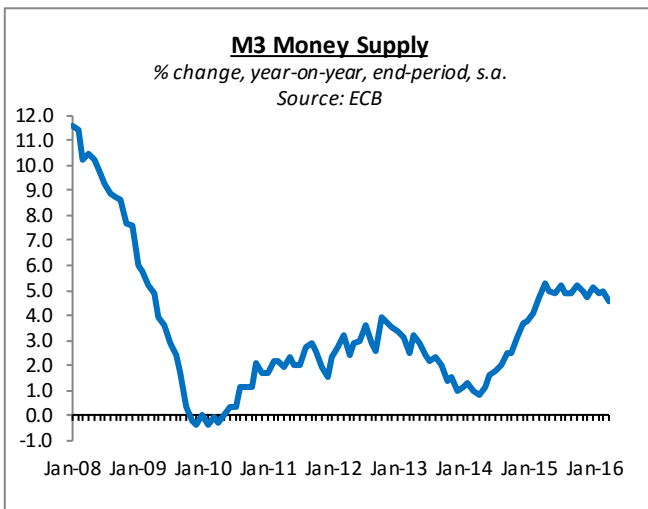
Euro Zone Barometer

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:

	Jul 21st	Sep 8th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	2.0%	3.0%
Unchanged	98.0%	97.0%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



Last Five ECB Interest Rate Changes:

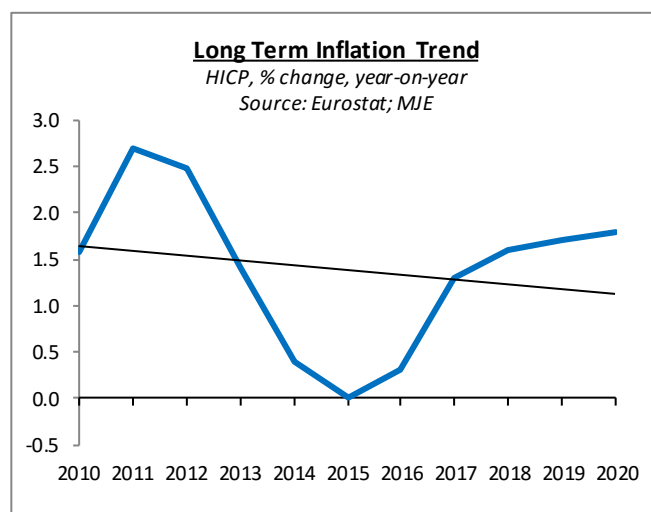
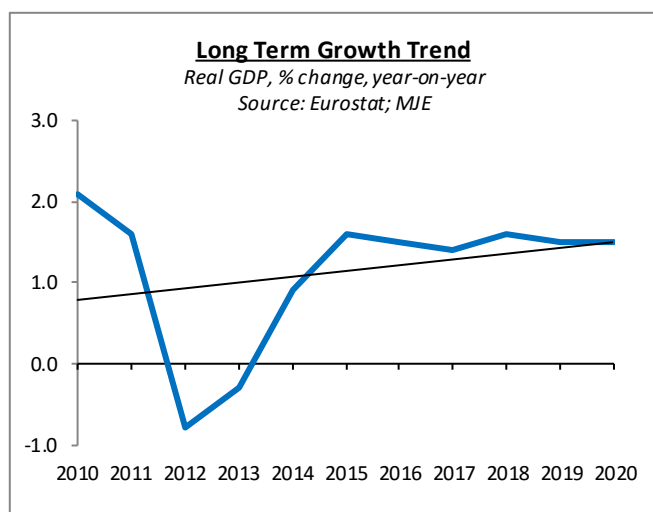
- November 13th, 2013**
Deposit rate held at zero;
Repo rate lowered by 25bps to 0.25%.
- June 11th, 2014**
Deposit rate lowered by 10bps to -0.10%;
Repo rate lowered by 10bps to 0.15%.
- September 10th, 2014**
Deposit rate lowered by 10bps to -0.20%;
Repo rate lowered by 10bps to 0.05%.
- December 9th, 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 2018 to 2020 are taken from our July 2016 long term forecasts survey

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Gross Domestic Product	1.6	1.5	1.4	1.6	1.5	1.5
Private Consumption	1.7	1.7	1.5	1.5	1.3	1.3
Gross Fixed Investment	2.7	2.9	2.2	2.6	2.2	2.3
Industrial Production (excl. construction)	1.6	1.6	1.7	1.5	1.7	1.7
Unemployment Rate, % of labour force	10.9	10.2	9.8	9.4	8.9	8.5
Harmonised Index of Consumer Prices	0.0	0.3	1.3	1.6	1.7	1.8
Current Account, annual total, % of GDP	3.2	3.0	2.8	2.3	2.1	1.7
General Government Balance, % of GDP	-2.1	-1.9	-1.7	-1.3	-1.2	-1.1
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.13	-0.26	-0.14	0.17	0.47	0.81
10 Year Bond Yield, % per annum	0.63	0.36	1.03	1.49	1.91	2.16
10 year - 3 month Yield Differential	0.76	0.62	1.17	1.33	1.45	1.35
US\$ per € Exchange Rate	1.091	1.092	1.091	1.106	1.153	1.186



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	1.8	1.9	na	2.0	4.3	0.4	8.7	0.4	na
BBVA	1.7	1.9	2.9	na	na	0.0	8.0	0.0	na
BNP Paribas	1.5	1.6	2.7	1.6	na	0.3	8.4	0.2	68.9
Danske Bank	1.2	1.6	2.0	na	4.4	0.4	8.5	0.2	68.6
DZ Bank	1.6	1.9	3.2	na	na	0.3	8.1	0.2	69.0
Economist Intelligence Unit	1.5	1.6	2.1	0.9	4.3	0.3	8.5	0.6	69.3
G&P Institutional Mgmt	1.8	1.9	3.4	na	4.2	0.3	na	0.2	na
HSBC	1.4	1.6	2.4	2.4	na	0.3	7.8	0.0	68.8
IHS Economics	1.6	2.0	3.9	1.4	4.3	0.5	8.0	0.4	68.0
J P Morgan Chase	1.8	na	na	na	na	0.5	na	na	na
Nordea	1.4	na	na	na	na	0.2	na	0.1	na
Oxford Economics	1.4	1.5	2.9	1.0	4.0	0.6	8.7	0.1	na
Raitfeisen Bank International	1.8	1.3	2.9	na	na	0.7	7.5	0.5	68.5
Santander	1.6	1.7	3.8	1.2	4.6	0.3	8.6	0.4	69.5
SEB	1.7	na	na	na	4.6	0.4	na	na	na
UBS	1.4	1.9	3.8	2.3	na	0.3	8.6	0.2	68.6
UniCredit Bank	1.6	1.6	2.8	1.4	4.8	0.4	7.5	0.0	69.8
Consensus (Mean Average)	1.6	1.7	3.0	1.6	4.4	0.4	8.2	0.2	68.9
Last Month	1.7	1.8	3.3	1.8	4.4	0.4	8.2	0.2	68.9
2 Months Ago	1.7	1.7	3.0	1.2	4.4	0.3	8.0	0.2	69.0
Median	1.6	1.7	2.9	1.4	4.3	0.3	8.4	0.2	68.9
High	1.8	2.0	3.9	2.4	4.8	0.7	8.7	0.6	69.9
Low	1.2	1.3	2.0	0.9	4.0	0.0	7.5	0.0	68.0
Standard Deviation	0.2	0.2	0.6	0.5	0.2	0.2	0.4	0.2	0.5
Number of Forecasts	17	14	13	9	9	17	13	15	10
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.4	0.2	na	na	na
EC (May '16)	1.6	2.0	2.5	na	4.6	0.3	8.5	0.2	68.6
IMF (April '16)	1.5	1.6	2.2	na	4.6	0.5	8.4	na	na
OECD (June '16)	1.6	1.8	3.5	na	4.4	0.3	9.2	0.3	67.7

- Germany's prospects, like the rest of Europe's, have taken a tumble in the wake of the UK's unexpected Brexit vote. GDP growth forecasts are down, with next year's investment most at risk.
- The overall effects are difficult to quantify, however, and will depend on how British-German relations pan out in making a determined effort to protect trade ties given that Angela Merkel is keen to shore up her own position ahead of next year's Bundestag elections.
- Business confidence had been improving up until now with the European Commission's economic sentiment indicator regaining strength in June after broadly levelling off for five months. Confidence among manufacturers was slowly improving and was particularly resurgent in the services sector.
- However, the economy also lost some momentum in Q2 2016 following the fairly strong domestic demand led growth in Q1 underpinned by consumer spending and construction sector activity.

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									
Allianz SE	1.6	1.6	na	1.6	4.3	1.7	7.6	0.4	na
BBVA	1.8	1.8	3.1	na	na	1.2	7.2	0.3	na
BNP Paribas	1.3	1.0	1.8	2.3	na	1.6	7.8	0.2	66.7
Danske Bank	1.0	1.2	-0.3	na	4.5	1.6	8.3	0.0	66.5
DZ Bank	1.1	1.2	2.1	na	na	1.4	7.2	0.0	66.7
Economist Intelligence Unit	1.3	1.3	1.7	0.7	4.4	1.6	7.9	0.5	67.9
G&P Institutional Mgmt	1.5	2.0	1.4	na	4.4	1.2	na	0.0	na
HSBC	1.6	1.4	2.2	2.3	na	1.2	7.4	0.0	66.4
IHS Economics	1.4	1.7	2.3	2.0	4.5	1.7	8.3	0.3	65.0
J P Morgan Chase	1.8	na	na	na	na	1.7	na	na	na
Nordea	1.6	na	na	na	na	1.5	na	0.0	na
Oxford Economics	1.5	1.3	2.5	1.1	3.9	2.1	7.5	-0.1	na
Raitfeisen Bank International	1.7	1.3	2.1	na	na	2.7	7.5	0.5	65.6
Santander	1.3	1.4	2.6	1.3	4.8	1.2	8.2	0.2	68.0
SEB	1.8	na	na	na	4.8	1.7	na	na	na
UBS	1.1	1.4	2.8	1.6	na	1.6	8.5	0.0	66.3
UniCredit Bank	1.1	1.4	1.7	0.9	5.2	1.6	7.0	0.0	68.1
Consensus (Mean Average)	1.4	1.4	2.0	1.5	4.5	1.6	7.7	0.2	66.7
Last Month	1.7	1.5	2.7	1.6	4.5	1.6	7.7	0.2	66.7
2 Months Ago	1.7	1.5	2.9	1.9	4.6	1.6	7.6	0.2	66.8
Median	1.5	1.4	2.2	1.6	4.5	1.6	7.6	0.0	66.6
High	1.8	2.0	3.1	2.3	5.2	2.7	8.5	0.5	68.0
Low	1.0	1.0	-0.3	0.7	3.9	1.2	7.0	-0.1	65.0
Standard Deviation	0.3	0.3	0.8	0.6	0.4	0.4	0.5	0.2	1.0
Number of Forecasts	17	14	13	9	9	17	13	15	10
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.5	1.5	na	na	na
EC (May '16)	1.6	1.4	2.7	na	4.7	1.5	8.3	0.1	66.3
IMF (April '16)	1.6	1.7	2.3	na	4.8	1.4	8.0	na	na
OECD (June '16)	1.7	1.9	3.0	na	4.6	1.5	8.5	0.4	65.1

Germany: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.4	0.3	1.6	1.4
Private Consumption	1.0	0.6	0.9	2.0
Gross Fixed Investment	-0.4	-1.3	3.5	1.6
Industrial Production	-0.3	0.1	1.3	0.9
Unemploy. Rate, % of L.F.	5.4	5.2	5.0	4.6
Consumer Prices	2.1	1.6	0.8	0.1
Current Acc., % of GDP	7.2	6.7	7.8	8.5
Budget Bal., % of GDP	-0.1	-0.1	0.3	0.7
Public Debt, % of GDP	79.7	77.4	74.9	71.2

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	16th out of 178 countries
Doing Business:	15th out of 189 countries
Competitiveness:	4th out of 140 countries
Corruption:	10th out of 167 countries
Corporate Tax Rate:	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

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

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

FRANCE - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	1.3	1.3	1.9	na	na	0.1	-0.3	-3.4	na
BNP Paribas	1.4	1.5	2.0	0.1	10.1	0.3	-0.1	-3.3	96.2
Danske Bank	1.2	1.6	1.8	na	10.2	0.5	-1.1	-3.5	96.5
DZ Bank	1.2	2.0	2.2	na	10.0	0.0	-1.5	-3.5	96.0
Economist Intelligence Unit	1.4	1.7	2.8	1.2	9.7	0.3	-0.3	-3.3	96.3
G&P Institutional Mgmt	1.6	2.0	3.1	na	9.7	0.4	na	-3.6	na
HSBC	1.2	1.0	1.7	2.4	10.1	0.1	-1.4	-3.6	97.4
IHS Economics	1.4	1.7	2.8	0.7	10.1	0.3	-0.9	-2.7	94.8
J P Morgan Chase	1.8	na	na	na	na	0.3	na	na	na
Nordea	1.2	na	na	na	10.2	0.3	na	-3.4	na
Oxford Economics	1.6	2.0	3.4	0.9	9.9	0.3	-0.8	-3.2	na
Raiffeisen Bank International	1.2	na	na	na	na	0.4	0.6	-3.4	96.4
SEB	1.2	na	na	na	10.1	0.2	na	na	na
UBS	1.4	2.1	1.8	0.7	na	0.2	0.2	-3.4	96.4
UniCredit Bank	1.4	1.9	2.8	na	10.3	0.2	-0.3	-3.4	96.7
Consensus (Mean Average)	1.4	1.7	2.4	1.0	10.0	0.3	-0.5	-3.4	96.3
Last Month	1.4	1.6	2.6	1.1	10.1	0.2	-0.6	-3.4	96.3
2 Months Ago	1.3	1.5	1.8	1.8	10.1	0.3	-0.6	-3.4	96.7
Median	1.4	1.7	2.2	0.8	10.1	0.3	-0.3	-3.4	96.4
High	1.8	2.1	3.4	2.4	10.3	0.5	0.6	-2.7	97.4
Low	1.2	1.0	1.7	0.1	9.7	0.0	-1.5	-3.6	94.8
Standard Deviation	0.2	0.3	0.6	0.8	0.2	0.1	0.7	0.2	0.7
Number of Forecasts	15	11	11	6	11	15	11	13	9
Other Forecasts									
ECB (June '16)	1.4	na	na	na	10.1	0.2	na	na	na
EC (May '16)	1.3	1.5	1.5	na	10.2	0.1	-1.1	-3.4	96.4
IMF (April '16)	1.1	1.5	1.1	na	10.1	0.4	0.6	na	na
OECD (June '16)	1.4	1.9	2.2	na	10.2	0.1	-0.7	-3.4	96.9

- A renewed downturn across Europe arising from Brexit is bad news for France, which is once again coming to terms with another horrible terrorist tragedy extending the state of emergency, and undermining a welcome recovery that was handed a boost by staging the successful Euros 2016 football tournament.
- Confidence in the French economy had already fallen away in June on the back of manufacturing concerns and pessimism in the services sector.
- The outlook is now even weaker with experts slashing their investment growth predictions for 2017, and consumer spending and industrial production also lower.
- The UK vote has added to French political risks, which are pointing to the possibility of the Eurosceptic leader of the Front National, Marine Le Pen, becoming President next year on a wave of public dissatisfaction. Her chances are reduced, though, by the fact there are two rounds of voting although the risk is effecting French assets.

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									
BBVA	1.6	1.7	2.6	na	na	1.3	0.0	-3.0	na
BNP Paribas	1.3	1.3	2.1	1.6	10.0	1.2	-0.7	-3.0	96.6
Danske Bank	0.3	0.7	-0.8	na	10.3	1.4	-1.0	-3.4	97.5
DZ Bank	0.9	1.2	1.0	na	9.8	1.3	-1.9	-3.3	97.1
Economist Intelligence Unit	1.1	1.6	1.7	2.1	9.2	1.0	-0.7	-3.0	96.5
G&P Institutional Mgmt	1.4	1.6	2.0	na	9.0	1.2	na	-3.1	na
HSBC	1.3	1.0	1.9	2.0	10.1	0.9	-1.5	-3.6	99.2
IHS Economics	0.6	1.2	0.6	0.5	9.7	1.2	-0.8	-2.3	93.2
J P Morgan Chase	1.6	na	na	na	na	1.5	na	na	na
Nordea	1.4	na	na	na	9.7	1.3	na	-3.2	na
Oxford Economics	1.6	1.5	2.8	2.0	9.7	1.4	-0.7	-2.6	na
Raiffeisen Bank International	1.4	na	na	na	na	1.3	0.3	-3.2	97.0
SEB	1.5	na	na	na	10.0	0.7	na	na	na
UBS	1.4	1.8	1.5	1.7	na	1.6	0.3	-3.1	97.0
UniCredit Bank	0.9	1.2	1.9	na	10.2	1.0	-0.2	-3.1	97.0
Consensus (Mean Average)	1.2	1.3	1.6	1.7	9.8	1.2	-0.6	-3.1	96.8
Last Month	1.5	1.5	2.1	1.9	9.8	1.2	-0.7	-3.1	96.6
2 Months Ago	1.5	1.4	2.2	2.0	9.9	1.3	-0.8	-3.1	97.0
Median	1.4	1.3	1.9	1.9	9.8	1.3	-0.7	-3.1	97.0
High	1.6	1.8	2.8	2.1	10.3	1.6	0.3	-2.3	99.2
Low	0.3	0.7	-0.8	0.5	9.0	0.7	-1.9	-3.6	93.2
Standard Deviation	0.4	0.3	1.0	0.6	0.4	0.2	0.7	0.3	1.6
Number of Forecasts	15	11	11	6	11	15	11	13	9
Other Forecasts									
ECB (June '16)	1.5	na	na	na	10.0	1.1	na	na	na
EC (May '16)	1.7	1.4	4.0	na	10.1	1.0	-1.0	-3.2	97.0
IMF (April '16)	1.3	1.5	2.1	na	10.0	1.1	0.3	na	na
OECD (June '16)	1.5	1.7	2.2	na	10.1	0.8	-0.8	-3.0	97.4

France: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.2	0.7	0.2	1.1
Private Consumption	-0.2	0.4	0.6	1.4
Gross Fixed Investment	0.2	-0.6	-1.2	-0.1
Industrial Production	-2.6	-0.5	-1.1	1.3
Unemploy. Rate, % of L.F.	9.8	10.3	10.3	10.4
Consumer Prices	2.2	1.0	0.6	0.1
Current Acc., % of GDP	-2.9	-2.6	-2.3	-0.1
Budget Bal., % of GDP	-4.8	-4.1	-3.9	-3.8
Public Debt, % of GDP	89.6	92.3	95.6	96.6

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:	27th out of 189 countries
Competitiveness:	22nd out of 140 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 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	1.0	1.2	1.7	na	na	0.1	2.6	-2.3	na
BNP Paribas	1.0	1.2	3.9	1.8	11.2	-0.2	1.9	-2.7	133.3
Danske Bank	0.6	1.1	0.8	na	11.8	0.1	2.4	-2.6	132.9
DZ Bank	0.9	1.2	1.3	na	11.4	-0.2	2.2	-2.5	132.5
Economist Intelligence Unit	0.8	1.2	1.0	0.8	11.3	-0.2	2.3	-2.6	132.5
G&P Institutional Mgmt	1.0	1.3	1.8	na	11.7	0.0	na	-2.7	na
HSBC	0.9	1.4	1.8	1.8	11.1	0.1	1.1	-2.7	132.8
IHS Economics	0.8	1.2	1.4	1.1	11.5	-0.2	na	-2.6	134.4
J P Morgan Chase	1.0	na	na	na	na	0.1	na	na	na
LC Macro Advisors	0.8	1.3	1.6	1.6	11.5	-0.1	1.8	-2.8	133.1
Nordea	0.9	na	na	na	11.3	0.2	na	-2.5	na
Oxford Economics	1.0	1.2	1.8	1.0	11.5	0.1	2.6	-2.3	na
Raiffeisen Bank International	1.1	na	na	na	11.6	0.2	2.3	-2.4	132.7
SEB	1.2	na	na	na	12.2	na	na	na	na
UBS	0.9	1.6	1.5	1.5	11.4	0.1	na	-2.4	132.7
UniCredit Bank	0.9	1.1	1.9	na	11.5	0.0	2.0	-2.5	133.2
Consensus (Mean Average)	0.9	1.3	1.7	1.4	11.5	0.0	2.1	-2.5	133.0
Last Month	1.0	1.3	2.0	1.4	11.4	0.1	2.0	-2.5	132.7
2 Months Ago	1.1	1.3	1.8	1.2	11.3	0.2	1.9	-2.5	132.6
Median	1.0	1.2	1.7	1.5	11.5	0.1	2.3	-2.6	132.9
High	1.2	1.6	3.9	1.8	12.2	0.2	2.6	-2.3	134.4
Low	0.6	1.1	0.8	0.8	11.1	-0.2	1.1	-2.8	132.5
Standard Deviation	0.2	0.1	0.8	0.4	0.3	0.1	0.4	0.2	0.6
Number of Forecasts	16	12	12	7	14	15	10	14	10
Other Forecasts									
ECB (June '16)	1.1	na	na	na	11.4	0.0	na	na	na
EC (May '16)	1.1	1.5	3.2	na	11.4	0.2	2.4	-2.4	132.7
IMF (April '16)	1.0	1.0	1.9	na	11.4	0.2	2.3	na	na
OECD (June '16)	1.0	1.3	2.7	na	11.3	0.2	2.1	-2.3	132.8

- Brexit-related uncertainty is compounding the problems facing Prime Minister Matteo Renzi in his quest for reform in Italy. His administration faces a key vote on the political reform bill in a referendum this October against the backdrop of a stagnant economy and a banking sector in the midst of a crisis with €360 billion worth of bad loans on the balance sheet and Renzi seeking to secure €40 billion worth of taxpayer support.
- Confidence in Italy slumped alarmingly in June, notably in the services sector, and among consumers facing these risks.
- The government is still working out how to manage the crisis by setting up a bad bank, using taxpayer funding to plug the gap, and even looking into a private ownership solution against the political friction caused by contravening the EU's state aid rules.
- The failure of the Italian banking system would invariably have very severe consequences for the euro zone, the EU and the economic outlook across Europe which would be potentially graver than the Brexit vote on its own, especially if it leads to the government's collapse.

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									
BBVA	1.4	1.3	2.7	na	na	1.3	2.5	-1.5	na
BNP Paribas	0.7	0.6	2.0	0.8	10.9	0.9	1.8	-2.5	133.9
Danske Bank	0.4	0.6	-0.6	na	11.5	1.4	2.3	-2.3	132.5
DZ Bank	0.9	0.7	0.7	na	10.9	1.2	1.7	-2.0	131.5
Economist Intelligence Unit	0.9	1.1	1.0	0.6	11.0	0.4	1.8	-2.3	131.7
G&P Institutional Mgmt	1.0	1.2	1.6	na	11.0	1.2	na	-2.6	na
HSBC	1.0	1.6	2.0	2.4	10.3	1.3	0.9	-2.3	131.6
IHS Economics	0.5	0.7	0.6	0.9	11.0	1.1	na	-2.7	135.2
J P Morgan Chase	1.5	na	na	na	na	1.3	na	na	na
LC Macro Advisors	1.3	1.6	1.9	1.9	10.9	0.6	1.8	-2.8	133.3
Nordea	1.1	na	na	na	11.0	1.7	na	-1.5	na
Oxford Economics	1.1	0.8	2.4	1.3	11.2	1.5	2.6	-1.8	na
Raitteisen Bank International	1.2	na	na	na	na	1.1	2.0	-1.9	131.8
SEB	1.3	na	na	na	12.0	1.3	na	na	na
UBS	0.9	1.7	0.6	1.5	11.1	1.7	na	-2.3	131.5
UniCredit Bank	0.6	0.8	1.5	na	11.1	1.0	1.9	-2.2	133.8
Consensus (Mean Average)	1.0	1.1	1.4	1.3	11.1	1.2	1.9	-2.2	132.7
Last Month	1.2	1.2	2.1	1.5	10.9	1.3	1.8	-2.0	131.6
2 Months Ago	1.2	1.1	2.3	1.5	10.8	1.3	1.8	-1.9	131.1
Median	1.0	1.0	1.6	1.3	11.0	1.3	1.9	-2.3	132.2
High	1.5	1.7	2.7	2.4	12.0	1.7	2.6	-1.5	135.2
Low	0.4	0.6	-0.6	0.6	10.3	0.4	0.9	-2.8	131.5
Standard Deviation	0.3	0.4	0.9	0.6	0.4	0.3	0.5	0.4	1.3
Number of Forecasts	16	12	12	7	13	16	10	14	10
Other Forecasts									
ECB (June '16)	1.2	na	na	na	11.1	0.9	na	na	na
EC (May '16)	1.3	1.1	4.1	na	11.2	1.4	2.3	-1.9	131.8
IMF (April '16)	1.1	1.1	2.6	na	10.9	0.7	2.0	na	na
OECD (June '16)	1.4	1.3	3.7	na	10.8	0.9	2.2	-2.0	131.9

Italy: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.8	-1.7	-0.4	0.6
Private Consumption	-3.9	-2.7	0.4	0.9
Gross Fixed Investment	-9.3	-6.6	-3.5	0.6
Industrial Production	-6.3	-2.9	-0.7	0.8
Unemploy. Rate, % of L.F.	10.7	12.1	12.7	11.9
Consumer Prices	3.3	1.3	0.2	0.1
Current Acc., % of GDP	-0.4	0.9	2.0	2.1
Budget Bal., % of GDP	-3.0	-2.9	-3.0	-2.6
Public Debt, % of GDP	123.2	128.8	132.3	133.0

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:	45th out of 189 countries
Competitiveness:	43rd out of 140 countries
Corruption:	61st out of 167 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 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	1.8	1.7	3.7	0.6	6.4	0.4	9.5	-1.8	63.1
DZ Bank	1.5	1.2	5.4	na	6.3	0.2	6.4	-1.8	64.5
Economist Intelligence Unit	1.8	1.5	4.0	0.1	6.2	0.4	9.8	-1.5	63.6
IHS Economics	1.2	1.3	2.7	-1.4	6.4	1.0	na	na	na
Oxford Economics	1.6	1.5	4.6	0.4	6.3	0.2	9.1	-1.7	na
Raiffeisen Bank International	1.5	na	na	na	na	0.3	9.5	-1.7	64.9
UBS	1.7	1.6	5.9	na	na	0.4	8.9	-1.7	64.9
Consensus (Mean Average)	1.6	1.5	4.4	-0.1	6.3	0.4	8.9	-1.7	64.2
Last Month	1.7	1.4	4.6	0.6	6.3	0.5	9.5	-1.7	64.4
2 Months Ago	1.6	1.4	4.5	0.2	6.3	0.6	9.2	-1.7	64.6
Median	1.6	1.5	4.3	0.3	6.3	0.4	9.3	-1.7	64.5
High	1.8	1.7	5.9	0.6	6.4	1.0	9.8	-1.5	64.9
Low	1.2	1.2	2.7	-1.4	6.2	0.2	6.4	-1.8	63.1
Standard Deviation	0.2	0.2	1.2	0.9	0.1	0.3	1.3	0.1	0.8
Number of Forecasts	7	6	6	4	5	7	6	6	5
Other Forecasts									
ECB (June '16)	1.5	na	na	na	6.3	0.2	na	na	na
EC (May '16)	1.7	1.6	5.9	na	6.4	0.4	8.9	-1.7	64.9
IMF (April '16)	1.8	na	na	na	6.4	0.3	10.6	na	na
OECD (June '16)	1.7	1.3	5.7	na	6.2	0.1	7.8	-1.6	64.7

- Confidence in the Dutch economy improved in June, with the economic sentiment indicator produced by the European Commission climbing to a seven month high. Lower borrowing rates, stable prices and better weather conditions saw brighter prospects flowing through the construction industry and among notably younger consumers prepared to throw caution to the wind and spend more.
- The Brexit referendum is nevertheless dampening optimism, with prospects for European neighbours downgraded.
- The political risks are also rising following the UK referendum outcome, which with Europe's refugee crisis, low growth and high unemployment are sustaining support for Geert Wilders and his populist-right Party for Freedom still riding high in the opinion polls. Wilders is promising a similar in-out referendum if his party manages to win power; presumably it will also use it as a bargaining chip for any potential coalition forming, although the other, centrist parties may still be able to form a majority or a minority government with parliamentary support.

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									
BNP Paribas	1.6	1.3	3.9	1.3	6.0	0.9	9.2	-1.6	62.6
DZ Bank	1.3	1.3	4.1	na	6.0	1.0	5.9	-1.6	64.0
Economist Intelligence Unit	1.9	1.3	4.0	1.9	5.8	1.5	9.8	-1.1	61.9
IHS Economics	1.3	1.9	1.1	2.0	6.5	2.1	na	na	na
Oxford Economics	1.7	1.8	2.0	1.3	6.4	1.5	9.3	-1.5	na
Raiffeisen Bank International	1.4	na	na	na	na	1.6	9.5	-1.2	63.9
UBS	2.0	1.9	4.5	na	na	1.3	8.2	-1.2	63.9
Consensus (Mean Average)	1.6	1.6	3.3	1.6	6.1	1.4	8.7	-1.4	63.3
Last Month	1.8	1.6	3.3	1.8	6.1	1.4	9.3	-1.4	63.3
2 Months Ago	1.8	1.6	3.4	2.4	6.1	1.5	9.2	-1.4	63.5
Median	1.6	1.6	4.0	1.6	6.0	1.5	9.3	-1.4	63.9
High	2.0	1.9	4.5	2.0	6.5	2.1	9.8	-1.1	64.0
Low	1.3	1.3	1.1	1.3	5.8	0.9	5.9	-1.6	61.9
Standard Deviation	0.3	0.3	1.4	0.4	0.3	0.4	1.5	0.2	1.0
Number of Forecasts	7	6	6	4	5	7	6	6	5
Other Forecasts									
ECB (June '16)	1.9	na	na	na	6.2	1.2	na	na	na
EC (May '16)	2.0	1.9	4.5	na	6.1	1.3	8.2	-1.2	63.9
IMF (April '16)	1.9	na	na	na	6.2	0.7	10.2	na	na
OECD (June '16)	2.1	1.7	4.9	na	5.9	1.2	7.3	-1.2	64.1

Netherlands: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-1.1	-0.5	1.0	1.9
Private Consumption	-1.2	-1.4	0.0	1.6
Gross Fixed Investment	-6.3	-4.4	3.5	10.3
Industrial Production	-0.4	0.6	-2.8	-4.2
Unemploy. Rate, % of L.F.	5.8	7.3	7.4	6.9
Consumer Prices	2.8	2.6	0.3	0.2
Current Acc., % of GDP	10.2	11.0	10.6	9.2
Budget Bal., % of GDP	-3.9	-2.4	-2.4	-2.2
Public Debt, % of GDP	66.4	67.9	68.2	67.0

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	17th out of 178 countries
Doing Business:	28th out of 189 countries
Competitiveness:	5th out of 140 countries
Corruption:	5th out of 167 countries
Corporate Tax Rate:	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

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

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

SPAIN - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	2.7	2.6	3.6	na	na	-0.3	2.1	-3.9	na
BNP Paribas	2.8	3.4	4.5	1.9	20.3	-0.7	1.2	-4.0	100.2
Danske Bank	2.4	2.8	2.8	na	20.3	-0.2	1.5	-4.0	100.5
DZ Bank	2.6	3.2	3.1	na	20.0	-0.8	1.0	-4.4	99.6
Economist Intelligence Unit	2.9	3.1	4.3	2.3	19.7	-0.5	1.3	-4.3	99.8
G&P Institutional Mgmt	3.0	3.3	4.1	na	19.9	-0.6	na	-4.2	na
HSBC	2.6	3.0	4.4	2.6	20.0	-0.3	0.9	-4.4	100.0
IHS Economics	2.9	3.3	3.3	1.8	19.7	-0.4	na	-4.3	99.4
J P Morgan Chase	3.0	na	na	na	na	-0.6	na	na	na
Nordea	2.7	na	na	na	19.7	-0.4	na	-3.6	na
Oxford Economics	3.0	3.3	3.6	2.2	19.3	-0.5	1.7	-4.1	na
Raiffeisen Bank International	2.9	na	na	na	na	-0.2	1.2	-3.8	99.9
Santander	2.9	3.5	3.1	na	19.6	-0.6	1.0	na	na
UBS	2.8	3.4	3.8	3.2	20.1	-0.4	1.3	-3.8	99.9
UniCredit Bank	2.7	3.0	5.5	na	19.5	-0.5	1.4	-4.0	101.0
Consensus (Mean Average)	2.8	3.2	3.8	2.3	19.8	-0.5	1.3	-4.1	100.0
Last Month	2.8	3.1	4.4	2.4	19.9	-0.4	1.3	-4.0	100.3
2 Months Ago	2.8	2.9	4.7	2.6	19.9	-0.4	1.2	-3.9	100.6
Median	2.8	3.3	3.7	2.3	19.8	-0.5	1.3	-4.0	99.9
High	3.0	3.5	5.5	3.2	20.3	-0.2	2.1	-3.6	101.0
Low	2.4	2.6	2.8	1.8	19.3	-0.8	0.9	-4.4	99.4
Standard Deviation	0.2	0.3	0.8	0.5	0.3	0.2	0.3	0.3	0.5
Number of Forecasts	15	12	12	6	12	15	11	13	9
Other Forecasts									
ECB (June '16)	2.7	na	na	na	20.1	-0.5	na	na	na
EC (May '16)	2.6	3.0	4.7	na	20.0	-0.1	1.5	-3.9	100.3
IMF (April '16)	2.6	3.0	4.5	na	19.7	-0.4	1.9	na	na
OECD (June '16)	2.8	3.1	4.6	na	19.8	-0.5	1.1	-3.7	100.3

- Spanish investment growth forecasts for 2017 have been slashed this month following the Brexit vote, signalling the recovery will slow down, rather unnervingly next year despite the country requiring a strong pace to improve the labour market and ensure the debt burden falls.
- There are political risks stemming from the re-run of the elections, which put Prime Minister Mariano Rajoy in a stronger position but has not necessarily increased the prospect of being able to form a government.
- The country has a strong tourism industry on its side benefiting from the absence to date of any serious terrorism risk in contrast to France, Turkey, and the MENA countries bordering the Mediterranean.
- Spain is hoping to lure business from the UK wishing to remain in the EU after Brexit. Relations with the UK could become more difficult, however, depending on how the one million plus British diaspora living in Spain is treated, and also given the vexed issue of Gibraltar's sovereignty.

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									
BBVA	2.7	2.4	4.5	na	na	1.7	2.5	-2.9	na
BNP Paribas	2.0	2.1	3.8	1.5	19.3	1.3	1.1	-3.1	100.5
Danske Bank	1.1	1.4	0.3	na	19.0	1.7	1.3	-3.5	100.0
DZ Bank	1.8	2.7	1.5	na	19.3	1.2	0.9	-3.4	99.0
Economist Intelligence Unit	2.0	2.1	3.4	2.1	18.0	1.0	0.6	-3.7	100.0
G&P Institutional Mgmt	2.4	2.8	3.6	na	18.0	1.1	na	-3.3	na
HSBC	2.0	2.1	4.2	3.5	18.6	1.4	0.5	-3.9	100.4
IHS Economics	1.6	1.9	1.4	1.1	19.1	1.3	na	-3.9	99.6
J P Morgan Chase	2.5	na	na	na	na	1.1	na	na	na
Nordea	2.2	na	na	na	17.9	1.2	na	-2.6	na
Oxford Economics	2.2	2.3	3.1	2.3	17.5	1.6	1.9	-3.1	na
Raiffeisen Bank International	2.1	na	na	na	na	1.3	1.0	-3.2	99.5
Santander	2.1	2.5	3.1	na	18.0	0.7	0.7	na	na
UBS	1.9	2.4	3.7	3.2	18.3	2.1	1.2	-3.0	99.2
UniCredit Bank	1.7	2.1	4.2	na	18.8	1.2	0.5	-3.5	100.1
Consensus (Mean Average)	2.0	2.2	3.1	2.3	18.5	1.3	1.1	-3.3	99.8
Last Month	2.3	2.3	4.0	2.6	18.4	1.3	1.1	-3.2	100.0
2 Months Ago	2.3	2.3	4.1	2.6	18.5	1.3	1.1	-3.1	100.1
Median	2.0	2.2	3.5	2.2	18.5	1.3	1.0	-3.3	100.0
High	2.7	2.8	4.5	3.5	19.3	2.1	2.5	-2.6	100.5
Low	1.1	1.4	0.3	1.1	17.5	0.7	0.5	-3.9	99.0
Standard Deviation	0.4	0.4	1.3	0.9	0.6	0.3	0.6	0.4	0.5
Number of Forecasts	15	12	12	6	12	15	11	13	9
Other Forecasts									
ECB (June '16)	2.3	na	na	na	18.8	1.5	na	na	na
EC (May '16)	2.5	2.3	5.0	na	18.1	1.4	1.3	-3.1	99.6
IMF (April '16)	2.3	2.3	2.9	na	18.3	1.0	2.0	na	na
OECD (June '16)	2.3	2.1	3.8	na	18.4	1.0	0.9	-2.7	100.1

Spain: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.6	-1.7	1.4	3.2
Private Consumption	-3.5	-3.1	1.2	3.1
Gross Fixed Investment	-7.1	-2.5	3.5	6.4
Industrial Production	-6.0	-1.7	1.1	3.3
Unemploy. Rate, % of L.F.	24.8	26.1	24.5	22.1
Consumer Prices	2.4	1.5	-0.2	-0.6
Current Acc., % of GDP	-0.4	1.5	1.0	1.4
Budget Bal., % of GDP	-10.4	-6.9	-5.9	-4.8
Public Debt, % of GDP	85.4	93.7	99.3	100.7

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	To be confirmed
Next Election:	2020 (parliamentary)
Capital City:	Madrid
Economic Freedom:	49th out of 178 countries
Doing Business:	33rd out of 189 countries
Competitiveness:	33rd out of 140 countries
Corruption:	36th out of 167 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)	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Austria	EC	1.5	1.6	0.9	1.7	3.1	3.3	-1.5	-1.4	84.9	83.0
	IMF	1.2	1.4	1.4	1.8	3.6	3.5	na	na	na	na
	OECD	1.3	1.6	1.0	2.0	2.0	2.0	-1.6	-1.3	86.0	85.3
Belgium	EC	1.2	1.6	1.7	1.6	1.8	1.9	-2.8	-2.3	106.4	105.6
	IMF	1.2	1.4	1.2	1.1	0.5	0.1	na	na	na	na
	OECD	1.2	1.5	1.6	1.7	0.8	1.3	-2.9	-2.5	106.1	105.3
Cyprus	EC	1.7	2.0	-0.7	1.0	-4.2	-4.6	-0.4	0.0	108.9	105.4
	IMF	1.6	2.0	0.6	1.3	-4.8	-4.7	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	2.4	0.8	2.9	0.9	1.6	-0.1	-0.2	9.6	9.3
	IMF	2.2	2.8	2.0	2.9	1.2	0.5	na	na	na	na
	OECD	1.8	3.0	0.4	1.8	0.9	-0.2	-0.4	0.3	9.3	8.3
Greece	EC	-0.3	2.7	-0.3	0.6	0.6	1.3	-3.1	-1.8	182.8	178.8
	IMF	-0.6	2.7	0.0	0.6	-0.2	-0.3	na	na	na	na
	OECD	-0.2	1.9	-0.5	0.0	-1.6	-0.9	-1.9	-0.5	176.9	172.7
Ireland	EC	4.9	3.7	0.3	1.3	4.6	4.6	-1.1	-0.6	89.1	86.6
	IMF	5.0	3.6	0.9	1.4	4.0	3.5	na	na	na	na
	OECD	5.0	3.4	0.3	2.2	4.6	5.0	-0.7	-0.3	88.9	86.6
Luxembourg	EC	3.3	3.9	-0.1	1.8	5.3	4.8	1.0	0.1	22.5	22.8
	IMF	3.5	3.4	0.5	1.3	5.1	5.0	na	na	na	na
	OECD	3.7	3.8	-0.1	1.5	4.3	6.4	1.3	0.5	22.1	24.4
Malta	EC	4.1	3.5	1.4	2.2	5.6	4.4	-0.9	-0.8	60.9	58.3
	IMF	3.5	3.0	1.6	1.8	5.3	5.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.5	1.7	0.7	1.2	0.3	0.5	-2.7	-2.3	126.0	124.5
	IMF	1.4	1.3	0.7	1.2	0.9	0.4	na	na	na	na
	OECD	1.2	1.3	0.3	0.8	0.2	0.3	-2.9	-2.6	128.3	128.3
Slovakia	EC	3.2	3.3	-0.1	1.5	-0.6	-1.1	-2.4	-1.6	53.4	52.7
	IMF	3.3	3.4	0.2	1.4	-1.0	-1.0	na	na	na	na
	OECD	3.1	3.2	-0.3	0.9	0.0	0.5	-2.3	-1.6	53.3	53.0
Slovenia	EC	1.7	2.3	-0.2	1.6	7.0	6.9	-2.4	-2.1	80.2	78.0
	IMF	1.9	2.0	0.1	1.0	7.3	7.6	na	na	na	na
	OECD	1.5	2.3	-0.5	0.7	6.9	6.7	-2.2	-1.9	85.1	86.2

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'16); IMF - International Monetary Fund (Apr'16); OECD - Organisation for Economic Cooperation & Dev (May'16).

Euro Zone: Background Information

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

Sources: Eurostat, The Times; PRB; MJE

Euro Zone: Election Timetable

Date	Country	Type
September 2016	Netherlands	Parliamentary
October 2016	Lithuania	Parliamentary
April 2017	France	Presidential
June 2017	France	Parliamentary
October 2017	Germany	Parliamentary
December 2017	Slovenia	Presidential
February 2018	Cyprus	Presidential
February 2018	Finland	Parliamentary
June 2018	Malta	Parliamentary
June 2018	Luxembourg	Parliamentary
September 2018	Austria	Parliamentary
October 2018	Ireland	Parliamentary
December 2018	Italy	Parliamentary
January 2019	Portugal	Presidential
July 2020	Spain	Parliamentary

Sources: IFES Election Guide; MJE

Notes, Sources and Definitions

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

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

OECD = Organisation

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

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

sa – seasonally adjusted

q/q – quarter on quarter

m/m – month-on-month

wda – working day adjusted

y/y – year on year

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

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