

Euro Zone Barometer© - June 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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Editorial queries: editor@mjeconomics.com
 Subscriptions: subscriptions@mjeconomics.com
 Other enquiries: admin@mjeconomics.com

Survey Deadline: June 19th, 2017

Recovery on Track

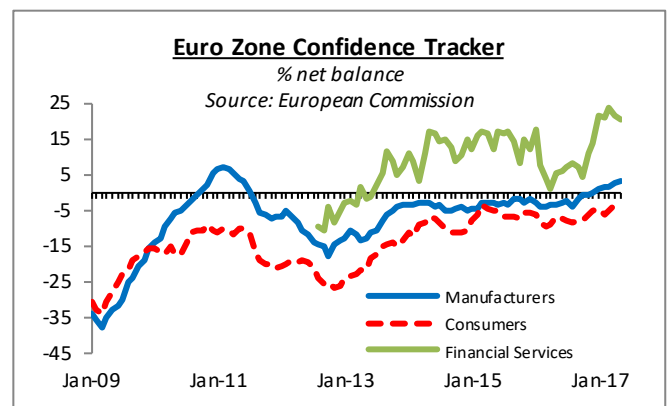
- As Brexit negotiations get underway, sealing the withdrawal of the UK from the EU, **prospects for the euro zone and the UK are diverging.**
- While UK growth was meagre in Q1 2017, and investment prospects are being undermined by political uncertainty, **across large parts of Europe economic conditions are improving** as the region benefits from strengthening global trade, monetary policy stimulus and an easing of austerity.
- The closing of the output gap between actual and potential GDP growth means **deflation risk has diminished.**
- The ECB has confirmed that it now rules out additional monetary policy measures to support the economy. **Monetary policy will remain expansionary**, but the ECB can be expected to gradually reduce the amount of quantitative easing.
- This month, we include **newly revised forecasts** for the euro zone from the ECB, including projections for individual countries that are only updated in June and December. There are also June forecasts (released biannually) by the OECD.



**Next Month's Survey Deadline:
 July 17th, 2017**

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Outlook for 2017-2018

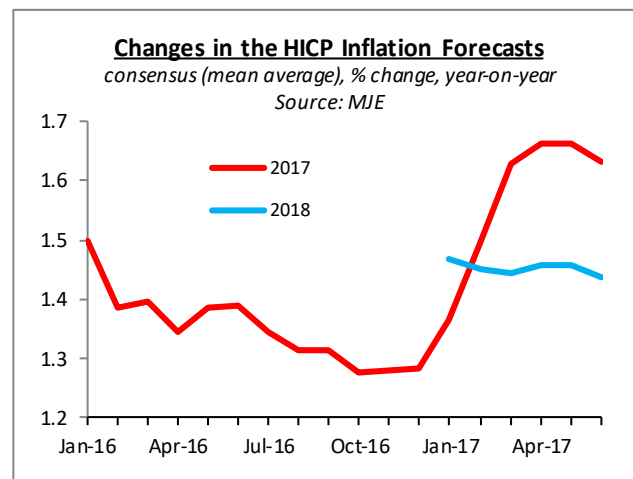
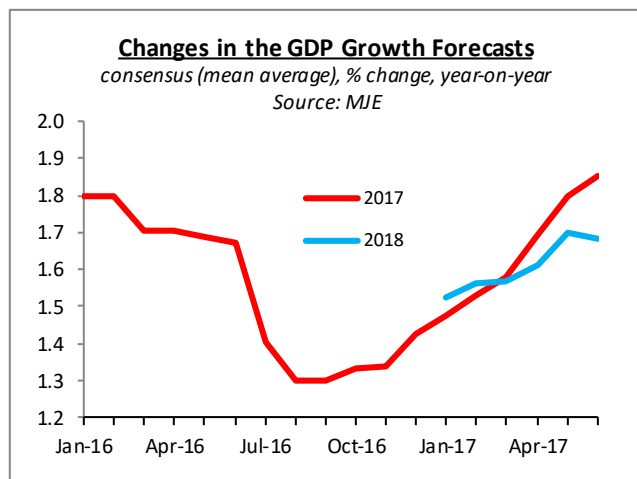
- The euro zone growth picture has brightened again this month, with the mean average GDP consensus forecasts upgraded for both 2017 and 2018, to 1.8% and 1.7% respectively.
- Forecasters are more optimistic about exports in an improving trade environment. And with corporate profits soaring, and borrowing costs at record lows, the outlook for gross fixed investment has also improved, underpinned by galloping real estate prices spurring construction.
- Forecasts for other key variables have altered less. There are upgraded predictions for industrial production and retail sales reflecting the improving economic conditions, but with leaner-fitter organisations in place, no change to the unemployment rate picture, showing a gradually improving situation.
- The inflation outlook is similarly unchanged, with experts anticipating the recent upsurge in consumer price inflation will settle down.

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	1.9	1.7
Private Consumption	-0.6	0.8	1.8	1.9	1.5	1.5
Government Consumption	0.3	0.6	1.3	1.8	1.3	1.2
Gross Fixed Investment	-2.5	1.5	3.2	3.6	3.9	2.9
Change in Stocks (Inventories)¹	0.2	0.3	-0.1	-0.1	0.2	0.0
Goods and Services Exports	2.1	4.4	6.5	2.8	4.0	3.4
Goods and Services Imports	1.4	4.9	6.5	4.0	4.9	3.6
Net Exports²	0.4	0.0	0.2	-0.3	-0.2	0.0
Industrial Production (ex. construction)	-0.7	0.8	2.1	1.4	1.7	1.7
Retail Sales Volume	-0.6	1.5	2.7	1.9	1.8	1.4
Unemployment Rate, % of labour force	12.0	11.6	10.9	10.0	9.3	8.8
Money Supply, M3, end period, % change	1.0	3.8	4.7	5.0	4.7	4.5
Harmonised Index of Consumer Prices	1.4	0.4	0.0	0.2	1.6	1.4
Producer Prices	-0.2	-1.5	-2.7	-2.3	3.5	1.8
Nominal Labour Costs	1.4	1.2	1.5	1.4	1.4	1.5
Current Account Balance, annual total, €bn	248.4	303.0	333.7	364.7	342.1	332.9
Current Account Balance, % of GDP	2.5	3.0	3.2	3.4	3.2	3.0
General Govt Budget Balance, % of GDP	-3.0	-2.6	-2.1	-1.5	-1.4	-1.3
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.29	0.08	-0.13	-0.32	-0.27	0.07
10 Year German Bond Yield, % per annum	1.94	0.54	0.63	0.21	0.67	1.21
US\$ per € Exchange Rate	1.378	1.210	1.091	1.052	1.100	1.116

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



The economic sentiment indicator for the euro area remained at a high level in May, according to the European Commission, easing very slightly compared with April, to 109.2.

In the light of stronger global trade enlivening Europe’s prospects, the manufacturing indicator improved, and the construction sector indicator rose for a fourth consecutive month, highlighting the strengthening property market with profitability rising and access to financing guaranteed by the ECB adhering to monetary policy stimulus.

Accompanying the real-terms GDP growth of 0.6% q/q (2.1% y/y) in Q1 2017, the improving labour market trend continued, with 0.4% q/q and 1.4% y/y employment growth across the euro area.

In April, industrial production increased by 0.5% q/q, growing for three of the four months for which data is available for this year, and by 1.4% y/y. Retail sales growth has continued, inflation eased in May to 1.4%, after rising earlier in the year on a commodity price bounce, and the unemployment rate continues to fall, sliding to 9.3% (seasonally-adjusted) in April.

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	1.6	1.8	1.8
Private Consumption	2.0	2.0	1.9	2.0
Industrial Production	1.3	1.1	1.0	2.0
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	1.9	1.9	2.0	1.9
Private Consumption	1.6	1.6	1.6	1.5
Industrial Production	1.2	1.8	1.8	1.7
Harmonised Index of Consumer Prices	1.8	1.6	1.5	1.4
3 month Interest Rate, % per annum, end period	-0.33	-0.31	-0.29	-0.27
10 Year Bond Yield, % per annum, end period	0.33	0.38	0.52	0.67
	Q1'18	Q2'18	Q3'18	Q4'18
Gross Domestic Product	1.8	1.7	1.7	1.7
Private Consumption	1.6	1.6	1.6	1.6
Industrial Production	1.8	1.8	1.8	1.7
Harmonised Index of Consumer Prices	1.3	1.4	1.6	1.6
3 month Interest Rate, % per annum, end period	-0.22	-0.14	-0.01	0.07
10 Year Bond Yield, % per annum, end period	0.86	1.02	1.16	1.21

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	1.8	na	na	na	na	na	na	na
Allianz SE	1.9	1.6	1.3	5.2	na	4.1	5.9	na
BBVA	1.7	1.4	1.2	2.5	na	3.9	4.0	0.1
BNP Paribas	1.6	1.3	1.3	2.1	-0.1	3.9	3.6	na
Commerzbank	1.8	1.6	1.3	3.0	na	4.0	5.1	na
Danske Bank	1.7	1.4	1.2	4.3	na	4.0	5.5	na
DZ Bank	1.8	1.5	1.2	4.9	na	4.3	6.1	na
Econ Intelligence Unit	1.6	1.6	1.2	2.5	na	3.3	3.5	0.1
ETLA	1.8	1.7	1.4	3.2	na	3.5	3.8	na
HSBC	1.9	1.5	1.1	5.5	-0.1	4.6	6.1	na
IHS Markit Economics	1.9	1.5	1.3	2.7	na	4.0	3.7	na
J P Morgan Chase	2.1	1.7	1.3	5.5	na	4.2	6.2	-0.7
Lloyds Bank	2.0	1.5	1.2	3.9	na	4.6	5.3	na
MainSky Asset Management	1.9	1.5	1.6	2.9	0.3	3.9	4.5	-0.1
Morgan Stanley	1.9	1.4	1.0	3.3	0.3	4.2	4.8	-0.1
Nordea	1.9	1.6	1.1	5.2	na	4.0	5.3	-0.2
Oxford Economics	2.0	1.5	1.2	3.9	0.3	4.5	5.3	-0.1
Raiffeisen Bank Intl	1.9	1.6	1.6	3.3	na	4.6	5.1	na
Santander	2.0	1.6	1.5	4.7	0.3	3.5	4.5	0.0
SEB	2.0	1.6	1.3	4.3	0.0	3.7	4.3	-0.1
UBS	1.7	1.5	1.3	4.2	0.3	3.9	5.4	-0.4
UniCredit Bank	1.8	1.5	1.5	4.3	0.3	4.3	5.8	-0.5
Consensus (Mean)	1.9	1.5	1.3	3.9	0.2	4.0	4.9	-0.2
Last Month	1.8	1.5	1.3	3.5	0.2	3.9	4.7	-0.2
2 Months Ago	1.7	1.5	1.3	2.4	0.1	3.6	3.9	0.0
Median	1.9	1.5	1.3	3.9	0.3	4.0	5.1	-0.1
High	2.1	1.7	1.6	5.5	0.3	4.6	6.2	0.1
Low	1.6	1.3	1.0	2.1	-0.1	3.3	3.5	-0.7
Standard Deviation	0.1	0.1	0.2	1.1	0.2	0.4	0.9	0.3
Number of Forecasts	22	21	21	21	9	21	21	11
Other Forecasts								
ECB (June '17)	1.9	1.5	1.2	3.7	na	4.8	5.2	na
EC (May '17)	1.7	1.5	1.5	2.9	0.0	3.8	4.2	0.0
IMF (April '17)	1.7	1.5	1.2	2.7	0.0	na	na	0.1
OECD (June '17)	1.8	1.4	1.2	3.4	0.1	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. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
ABN Amro	na	na	9.3	na	1.6	na	na	na	3.2	-1.3
Allianz SE	1.9	na	9.2	na	1.6	3.3	na	343.2	3.1	-1.2
BBVA	na	na	9.5	na	1.7	na	na	na	3.0	-1.7
BNP Paribas	1.6	na	9.4	na	1.8	3.4	na	333.0	3.0	-1.4
Commerzbank	1.4	na	9.2	4.7	1.4	na	1.4	330.0	na	na
Danske Bank	na	na	9.3	na	1.6	na	na	na	3.0	-1.4
DZ Bank	na	na	9.3	na	1.7	na	na	na	3.1	-1.4
Econ Intelligence Unit	1.7	na	9.2	na	1.7	3.7	na	369.6	3.4	-1.4
ETLA	1.6	na	9.4	na	1.5	na	na	na	na	na
HSBC	1.6	na	9.2	na	1.5	na	na	na	3.1	-1.4
IHS Markit Economics	2.0	na	9.1	na	1.7	na	na	na	4.0	-1.6
J P Morgan Chase	na	na	9.2	na	1.7	na	na	na	na	na
Lloyds Bank	na	na	8.8	na	1.6	na	na	na	3.2	na
MainSky Asset Management	na	na	9.2	na	1.6	na	na	na	na	-1.3
Morgan Stanley	na	na	9.2	na	1.6	na	na	310.5	2.9	-1.3
Nordea	na	na	9.3	na	1.7	na	na	na	3.2	-1.4
Oxford Economics	1.8	1.8	9.1	na	1.6	3.4	na	351.6	3.2	-1.0
Raiffeisen Bank Intl	1.9	na	9.4	na	1.8	na	na	367.4	3.3	-1.4
Santander	na	na	na	na	1.8	na	na	na	na	na
SEB	1.5	na	9.2	na	1.4	na	na	na	3.3	-1.3
UBS	na	na	9.9	na	1.6	na	na	331.2	3.0	-1.7
UniCredit Bank	na	na	9.4	na	1.7	na	na	na	na	na
Consensus (Mean)	1.7	1.8	9.3	4.7	1.6	3.5	1.4	342.1	3.2	-1.4
Last Month	1.8	1.7	9.4	5.0	1.7	3.2	1.6	338.8	3.0	-1.4
2 Months Ago	1.7	1.6	9.4	4.4	1.7	3.1	1.6	341.2	3.1	-1.6
Median	1.7	1.8	9.2	4.7	1.6	3.4	1.4	338.1	3.2	-1.4
High	2.0	1.8	9.9	4.7	1.8	3.7	1.4	369.6	4.0	-1.0
Low	1.4	1.8	8.8	4.7	1.4	3.3	1.4	310.5	2.9	-1.7
Standard Deviation	0.2	na	0.2	na	0.1	0.2	na	20.1	0.3	0.2
Number of Forecasts	10	1	21	1	22	4	1	8	16	16
Other Forecasts										
ECB (June '17)	na	na	9.4	na	1.5	na	na	na	2.8	-1.3
EC (May '17)	na	na	9.4	na	1.6	na	na	335.1	3.0	-1.4
IMF (April '17)	na	na	9.4	na	1.7	na	na	na	3.0	-1.5
OECD (June '17)	na	na	9.3	na	1.7	na	na	na	na	-1.2

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	1.6	na	na	na	na	na	na	na
Allianz SE	1.7	1.4	1.3	3.0	na	3.2	3.5	na
BBVA	1.7	1.4	1.0	3.0	na	3.5	3.6	0.1
BNP Paribas	1.6	1.5	1.2	2.4	0.0	4.2	4.4	na
Commerzbank	1.6	2.1	1.1	3.5	na	4.0	5.4	na
Danske Bank	1.6	1.2	1.1	3.6	na	3.6	4.0	na
DZ Bank	1.7	1.4	1.2	2.4	na	3.6	3.6	na
Econ Intelligence Unit	1.6	1.5	1.2	2.4	na	3.1	3.2	0.1
ETLA	1.6	1.4	1.1	2.8	na	3.2	3.6	na
HSBC	1.6	1.5	1.2	2.9	0.0	3.7	3.7	na
IHS Markit Economics	1.8	1.5	1.1	2.4	na	3.2	3.0	na
J P Morgan Chase	1.7	1.7	1.3	3.1	na	2.7	3.2	-0.2
Lloyds Bank	1.6	1.3	1.1	na	na	3.4	3.2	na
MainSky Asset Management	2.2	1.9	1.9	3.4	0.0	2.7	2.9	0.1
Morgan Stanley	1.6	1.4	1.3	2.8	0.0	4.0	4.3	0.0
Nordea	1.8	1.4	1.1	4.0	na	3.9	4.2	-0.1
Oxford Economics	1.6	1.4	1.2	2.2	0.0	3.3	3.2	0.2
Raiffeisen Bank Intl	1.7	1.6	1.7	3.3	na	4.0	4.7	na
Santander	1.8	1.5	1.5	2.7	0.0	2.3	2.2	0.0
SEB	2.0	1.7	1.0	4.0	0.0	4.4	4.7	0.0
UBS	1.4	1.3	0.8	2.2	0.0	2.9	2.8	0.1
UniCredit Bank	1.5	1.3	1.5	2.5	0.0	2.8	3.1	0.0
Consensus (Mean)	1.7	1.5	1.2	2.9	0.0	3.4	3.6	0.0
Last Month	1.7	1.5	1.3	2.9	0.0	3.4	3.6	0.0
2 Months Ago	1.6	1.5	1.2	2.8	0.0	3.2	3.5	0.0
Median	1.6	1.4	1.2	2.9	0.0	3.4	3.6	0.0
High	2.2	2.1	1.9	4.0	0.0	4.4	5.4	0.2
Low	1.4	1.2	0.8	2.2	0.0	2.3	2.2	-0.2
Standard Deviation	0.2	0.2	0.2	0.6	0.0	0.6	0.8	0.1
Number of Forecasts	22	21	21	20	9	21	21	11
Other Forecasts								
ECB (June '17)	1.8	1.6	1.2	3.4	na	4.3	4.6	na
EC (May '17)	1.8	1.6	1.5	3.5	0.0	4.1	4.6	0.0
IMF (April '17)	1.6	1.5	0.9	2.7	0.0	na	na	0.1
OECD (June '17)	1.8	1.4	1.3	3.3	0.0	na	na	0.1

Euro Zone - Forecasts for 2018

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
ABN Amro	na	na	8.7	na	1.5	na	na	na	2.7	-1.4
Allianz SE	2.1	na	8.8	na	1.6	2.2	na	290.0	2.5	-1.0
BBVA	na	na	9.1	na	1.6	na	na	na	2.9	-1.4
BNP Paribas	1.4	na	9.1	na	1.3	1.2	na	353.0	3.1	-1.2
Commerzbank	1.8	na	8.6	4.5	1.4	na	1.5	330.0	na	na
Danske Bank	na	na	8.7	na	1.1	na	na	na	2.9	-1.4
DZ Bank	na	na	9.0	na	1.6	na	na	na	3.1	-1.4
Econ Intelligence Unit	1.5	na	8.8	na	1.4	1.8	na	342.3	3.1	-1.3
ETLA	1.5	na	9.0	na	1.5	na	na	na	na	na
HSBC	2.0	na	8.7	na	1.3	na	na	na	2.8	-1.4
IHS Markit Economics	2.1	na	8.8	na	1.6	na	na	na	4.4	-1.4
J P Morgan Chase	na	na	8.6	na	1.2	na	na	na	na	na
Lloyds Bank	na	na	8.5	na	1.6	na	na	na	3.0	na
MainSky Asset Management	na	na	8.7	na	1.4	na	na	na	na	-1.2
Morgan Stanley	na	na	8.7	na	1.3	na	na	329.8	2.9	-1.4
Nordea	na	na	8.8	na	1.5	na	na	na	3.1	-1.4
Oxford Economics	1.4	1.4	8.6	na	1.5	1.8	na	343.9	3.0	-0.9
Raiffeisen Bank Intl	na	na	8.6	na	1.5	na	na	356.1	3.1	-1.4
Santander	na	na	na	na	1.4	na	na	na	na	na
SEB	1.5	na	9.0	na	1.2	na	na	na	3.0	-1.3
UBS	na	na	9.8	na	1.6	na	na	318.0	2.8	-1.5
UniCredit Bank	na	na	9.0	na	1.5	na	na	na	na	na
Consensus (Mean)	1.7	1.4	8.8	4.5	1.4	1.8	1.5	332.9	3.0	-1.3
Last Month	1.7	1.4	8.9	4.7	1.5	1.8	1.8	328.2	2.9	-1.3
2 Months Ago	1.6	1.4	8.9	4.5	1.5	1.9	1.8	332.0	2.9	-1.4
Median	1.5	1.4	8.8	4.5	1.5	1.8	1.5	336.2	3.0	-1.4
High	2.1	1.4	9.8	4.5	1.6	2.2	1.5	356.1	4.4	-0.9
Low	1.4	1.4	8.5	4.5	1.1	1.2	1.5	290.0	2.5	-1.5
Standard Deviation	0.3	na	0.3	na	0.1	0.4	na	21.5	0.4	0.2
Number of Forecasts	9	1	21	1	22	4	1	8	16	16
Other Forecasts										
ECB (June '17)	na	na	8.8	na	1.3	na	na	na	2.8	-1.2
EC (May '17)	na	na	8.9	na	1.3	na	na	328.6	2.9	-1.3
IMF (April '17)	na	na	9.1	na	1.5	na	na	na	3.0	-1.2
OECD (June '17)	na	na	8.9	na	1.4	na	na	na	na	-0.9

Financial Forecasts		2017	2018
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	-0.27	0.07
Rate on Survey Date: -0.33	High	-0.10	0.28
	Low	-0.32	-0.30
	Standard deviation	0.07	0.18
	Number of Forecasts	13	12
10-year Benchmark German Bond Yield, %	Mean Average	0.67	1.21
Rate on Survey Date: 0.27	High	1.00	1.80
	Low	0.30	0.70
	Standard deviation	0.25	0.43
	Number of Forecasts	8	7
US Dollars/Euro Exchange Rate	Mean Average	1.100	1.116
Rate on Survey Date: 1.117	High	1.200	1.200
	Low	1.000	1.050
	Standard deviation	0.044	0.049
	Number of Forecasts	27	24
Japanese Yen/Euro Exchange Rate	Mean Average	123.9	127.7
Rate on Survey Date: 124.3	High	132.0	141.0
	Low	113.0	111.0
	Standard deviation	4.7	8.8
	Number of Forecasts	12	10
UK Pound/Euro Exchange Rate	Mean Average	0.892	0.887
Rate on Survey Date: 0.876	High	1.000	0.970
	Low	0.800	0.820
	Standard deviation	0.053	0.048
	Number of Forecasts	11	9
Swedish Krona/Euro Exchange Rate	Mean Average	9.415	9.154
Rate on Survey Date: 9.750	High	9.800	9.751
	Low	9.000	8.800
	Standard deviation	0.193	0.295
	Number of Forecasts	21	17
Swiss Franc/Euro Exchange Rate	Mean Average	1.097	1.113
Rate on Survey Date: 1.088	High	1.130	1.200
	Low	1.030	1.000
	Standard deviation	0.028	0.059
	Number of Forecasts	11	9
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	54.0	55.2
Rate on Survey Date: 47.1	High	64.0	65.0
	Low	48.0	50.0
	Standard deviation	3.6	4.2
	Number of Forecasts	21	21

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

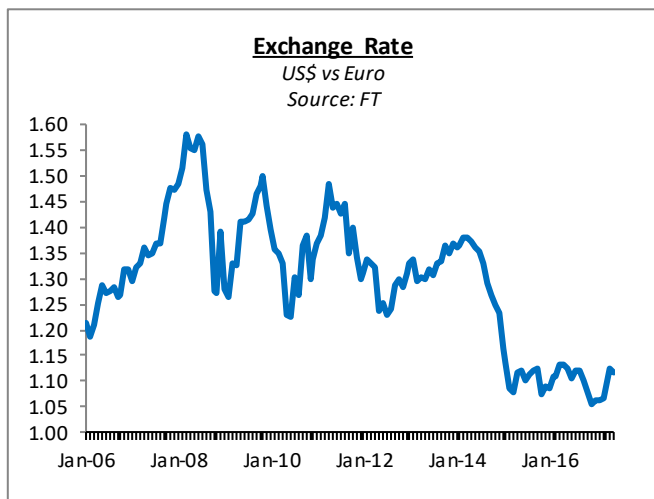
<u>Euro Zone Money Market Rates, %</u>	<u>Oct '16</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '17</u>	<u>Feb</u>	<u>Mar</u>
Overnight	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
1-month	-0.37	-0.37	-0.37	-0.37	-0.37	-0.37
3-month	-0.31	-0.31	-0.32	-0.33	-0.33	-0.33
6-month	-0.21	-0.21	-0.22	-0.24	-0.24	-0.24
12-month	-0.07	-0.07	-0.08	-0.09	-0.11	-0.11
10-year bond yields	0.78	1.23	1.29	1.31	1.45	1.46
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.88	1.07	1.08	1.20	1.13	1.12
United States	1.18	1.60	1.63	1.69	1.56	1.36
United Kingdom	1.03	1.30	1.17	1.36	1.05	1.01
<u>3-month LIBOR rates, %</u>						
United States	0.88	0.91	0.98	1.03	1.04	1.13
United Kingdom	-0.02	-0.06	-0.04	-0.02	-0.01	0.00

Exchange Rate Data

period averages vs euro

	<u>Oct '16</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan '17</u>	<u>Feb</u>	<u>Mar</u>
Trade Weighted Nominal Index * (1999 Q1=100)	95.5	95.0	94.2	94.4	93.9	94.4
Chinese renminbi	7.420	7.388	7.298	7.319	7.314	7.369
Croatian kuna	7.507	7.521	7.540	7.530	7.448	7.423
Czech koruna	27.02	27.03	27.03	27.02	27.02	27.02
Danish krone	7.440	7.441	7.436	7.435	7.435	7.436
Hungarian forint	307.0	308.8	312.2	309.0	308.5	309.7
Japanese yen	114.5	116.9	122.4	122.1	120.2	120.7
Polish zloty	4.308	4.391	4.436	4.367	4.308	4.287
Romanian leu	4.494	4.510	4.516	4.502	4.514	4.548
Swedish krona	9.707	9.851	9.709	9.511	9.476	9.528
Swiss franc	1.089	1.076	1.075	1.071	1.066	1.071
UK pound	0.894	0.869	0.844	0.861	0.853	0.866
US dollar	1.103	1.080	1.054	1.061	1.064	1.068

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



The euro has remained largely range-bound in recent weeks fluctuating within the \$1.11 to \$1.12 band, and around 5-6% higher since 2016.

Although interest rate differentials and central bank policy might suggest otherwise, there is considerable speculation betting on a stronger euro versus the US dollar thanks to the stronger economic data across Europe, and the receding political risks which have previously gone against the single currency. With the ECB expected to roll back on its quantitative-easing programme, mild appreciation of the single currency seems likely, mirroring the dollar trend that occurred in 2014.

ECB Watch

- At its meeting this month, the ECB kept its interest rates on hold, but finally ditched speculation that it might resort to additional monetary policy stimulus now that the risk of deflation has diminished.
- Although commodity price rises contributed to higher inflation earlier this year, stronger economic growth and tightening labour markets indicate that conditions are normalising.
- The central bank also raised its GDP growth projections for 2017 to 2019, convinced that the current expansion will be sustained, but will maintain monetary policy stimulus for a considerable period of time.

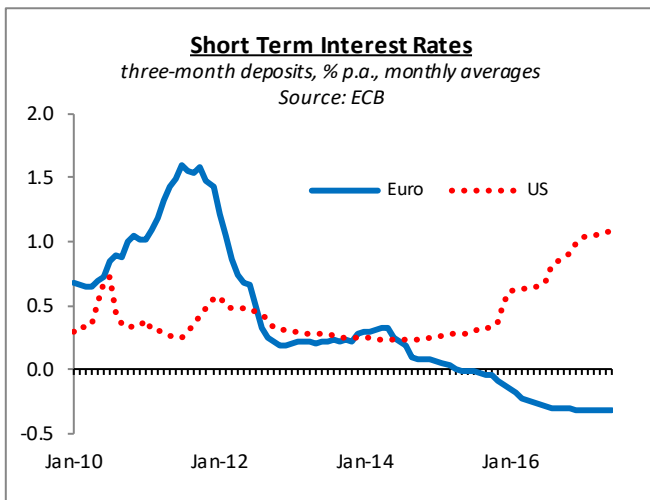
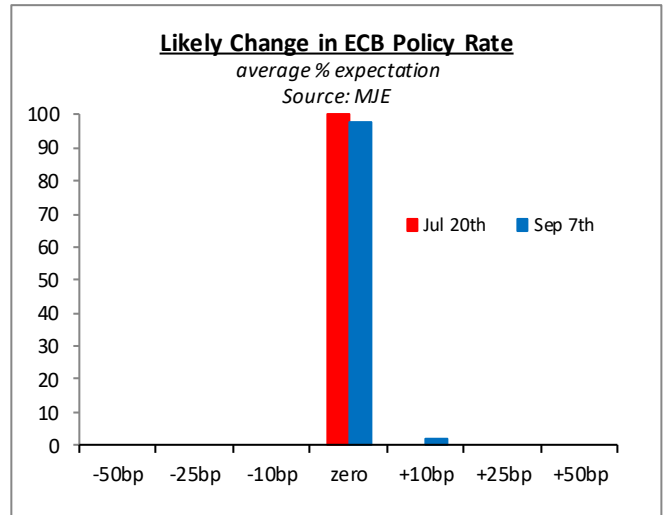
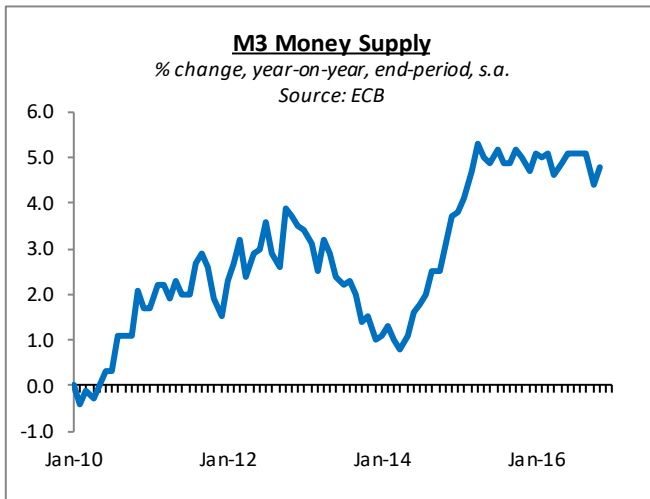
Euro Zone Barometer

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 20th	Sep 7th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
Unchanged	100%	98.0%
+10bp	0.0%	2.0%
+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%.

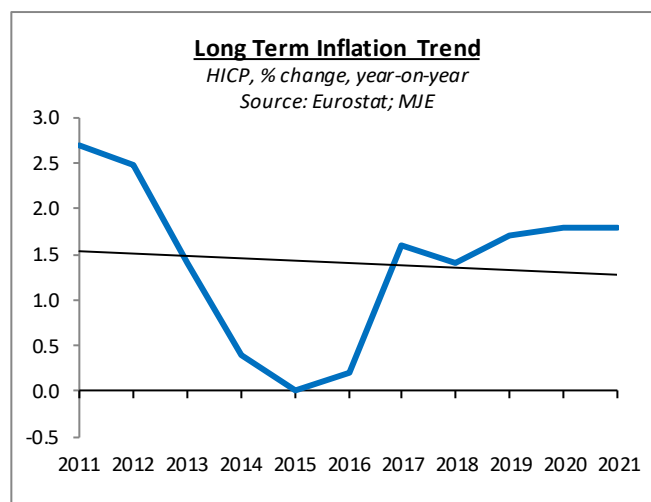
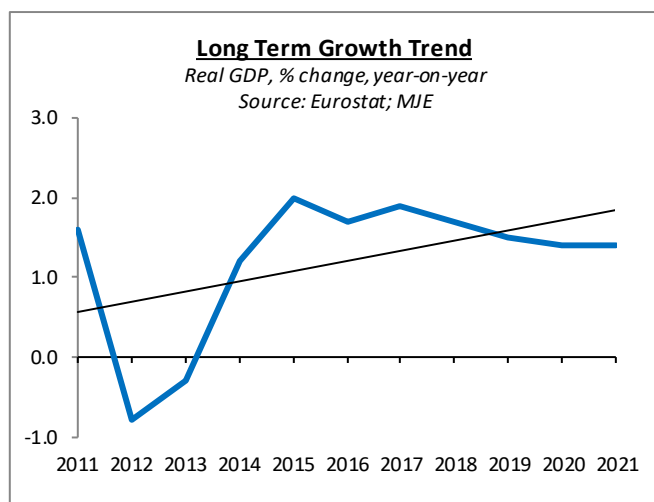
December 9th, 2015
Deposit rate lowered by 10bps to -0.30%;
Repo rate held at 0.05%.

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 April 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	1.9	1.7	1.5	1.4	1.4
Private Consumption	1.9	1.5	1.5	1.4	1.3	1.3
Gross Fixed Investment	3.6	3.9	2.9	2.2	2.2	2.0
Industrial Production (excl. construction)	1.4	1.7	1.7	1.4	1.2	1.2
Unemployment Rate, % of labour force	10.0	9.3	8.8	8.4	8.3	7.9
Harmonised Index of Consumer Prices	0.2	1.6	1.4	1.7	1.8	1.8
Current Account, annual total, % of GDP	3.4	3.2	3.0	2.8	2.5	2.2
General Government Balance, % of GDP	-1.5	-1.4	-1.3	-1.5	-1.3	-1.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.32	-0.27	0.07	0.48	0.94	1.18
10 Year Bond Yield, % per annum	0.21	0.67	1.21	1.70	2.20	2.15
10 year - 3 month Yield Differential	0.53	0.94	1.14	1.22	1.26	0.98
US\$ per € Exchange Rate	1.052	1.100	1.116	1.116	1.125	1.158



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 <i>(excl. construction)</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	1.9	na	na	na	4.0	1.9	8.4	0.4	66.0
Allianz SE	1.7	1.5	na	2.0	3.8	1.9	7.6	0.6	na
BBVA	1.7	1.4	2.0	na	na	1.9	7.6	0.4	na
BNP Paribas	1.8	1.3	2.2	1.4	na	1.9	8.3	0.7	65.3
Danske Bank	1.9	1.3	2.4	na	3.8	1.7	8.3	0.4	65.5
DZ Bank	1.7	1.1	1.9	na	na	1.7	8.3	0.4	65.8
Economist Intelligence Unit	1.7	1.4	2.2	1.8	3.7	1.7	8.1	0.5	66.2
HSBC	1.8	1.2	2.9	2.4	na	1.7	8.2	0.3	65.6
IHS Markit Economics	2.0	1.6	2.7	2.8	3.8	1.9	7.9	0.8	65.6
J P Morgan Chase	2.0	na	na	na	na	1.8	na	na	na
MainSky Asset Management	2.0	1.2	2.5	na	3.9	1.5	na	0.3	na
Nordea	1.7	na	na	na	na	2.0	8.3	0.6	na
Oxford Economics	2.0	1.3	na	2.4	3.8	1.9	7.7	na	na
Raiffeisen Bank International	1.7	1.3	2.1	na	na	1.9	8.5	0.1	66.3
Santander	1.6	1.2	1.7	1.5	4.1	1.8	8.1	0.4	66.5
SEB	2.0	na	na	na	4.1	1.9	na	na	na
UBS	1.7	1.2	1.7	2.2	3.8	1.7	8.2	0.4	65.5
UniCredit Bank	1.7	1.2	1.5	1.6	4.1	2.2	8.0	0.0	66.0
Consensus (Mean Average)	1.8	1.3	2.2	2.0	3.9	1.8	8.1	0.4	65.8
Last Month	1.8	1.3	2.1	1.9	3.9	1.9	8.1	0.4	65.9
2 Months Ago	1.7	1.4	1.9	1.7	3.9	1.9	8.0	0.4	66.1
Median	1.8	1.3	2.2	2.0	3.8	1.9	8.2	0.4	65.8
High	2.0	1.6	2.9	2.8	4.1	2.2	8.5	0.8	66.5
Low	1.6	1.1	1.5	1.4	3.7	1.5	7.6	0.0	65.3
Standard Deviation	0.1	0.1	0.4	0.5	0.1	0.2	0.3	0.2	0.4
Number of Forecasts	18	14	12	9	11	18	15	15	11
Other Forecasts									
ECB (June '17)	1.9	na	na	na	3.8	1.5	na	na	na
EC (May '17)	1.6	1.3	1.9	na	4.0	1.7	8.0	0.5	65.8
IMF (April '17)	1.6	1.3	1.6	na	4.2	2.0	8.2	0.6	64.7
OECD (June '17)	2.0	1.3	2.8	na	3.8	1.9	7.5	0.7	65.3

- Confidence in the economy eased slightly in May, but remained elevated, with manufacturers upbeat about trade growth despite Brexit, sanctions on Russia and other concerns.
- Consumer confidence improved for a third consecutive month as inflation pressure dissipated and households enjoyed strong employment conditions. Annual inflation slid from 2% in April to 1.4% in May and the unemployment rate was steady at 3.9%.
- The country faces elections in just a few months, with attentions focused on other issues, including immigration, the EU and the government's woeful record on investment spending, which is raising concerns about the state of the roads, railways and schools with fiscal probity pursued.
- The government is increasing public infrastructure spending this year, but not sufficiently to pacify the local governments hoping to play on the issue at the elections.

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 Consumption	Gross Fixed Investment	Industrial Production (excl. construction)	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	3.8	1.7	8.6	0.2	64.0
Allianz SE	1.6	1.1	na	1.7	3.8	1.9	6.9	0.7	na
BBVA	1.6	1.3	2.6	na	na	1.7	7.0	0.4	na
BNP Paribas	2.0	1.7	2.2	2.0	na	1.7	8.5	0.6	62.4
Danske Bank	1.9	1.4	4.3	na	3.8	1.5	8.0	0.4	62.9
DZ Bank	1.8	1.5	3.0	na	na	1.6	7.5	0.2	63.6
Economist Intelligence Unit	1.6	1.4	2.0	1.4	3.8	1.6	7.5	0.4	64.6
HSBC	1.9	1.4	2.8	2.4	na	1.5	7.9	0.0	63.4
IHS Markit Economics	2.0	1.6	2.4	2.5	3.8	1.8	7.7	0.5	63.2
J P Morgan Chase	1.7	na	na	na	na	1.6	na	na	na
MainSky Asset Management	1.9	1.6	2.8	na	3.8	1.4	na	-0.2	na
Nordea	1.6	na	na	na	na	1.6	8.0	0.6	na
Oxford Economics	1.6	1.3	na	1.0	3.7	2.1	7.0	na	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	4.0	1.7	7.7	0.2	65.0
SEB	1.9	na	na	na	4.2	2.0	na	na	na
UBS	1.4	1.1	2.4	0.8	3.6	1.8	7.9	0.4	62.9
UniCredit Bank	1.6	1.4	2.8	1.5	4.3	1.9	7.4	0.0	64.4
Consensus (Mean Average)	1.7	1.4	2.7	1.6	3.9	1.7	7.7	0.3	63.7
Last Month	1.7	1.4	2.7	1.6	3.9	1.7	7.7	0.3	63.7
2 Months Ago	1.7	1.4	2.5	1.6	3.9	1.7	7.6	0.3	63.7
Median	1.7	1.4	2.6	1.5	3.8	1.7	7.7	0.4	63.6
High	2.0	1.7	4.3	2.5	4.3	2.2	8.6	0.7	65.0
Low	1.3	1.0	2.0	0.8	3.6	1.4	6.9	-0.2	62.4
Standard Deviation	0.2	0.2	0.6	0.6	0.2	0.2	0.5	0.3	0.8
Number of Forecasts	18	13	11	9	11	18	15	15	11
Other Forecasts									
ECB (June '17)	1.7	na	na	na	3.6	1.4	na	na	na
EC (May '17)	1.9	1.7	2.7	na	3.9	1.4	7.6	0.3	63.3
IMF (April '17)	1.5	1.4	1.8	na	4.2	1.7	8.0	0.6	62.0
OECD (June '17)	2.0	1.4	3.0	na	3.7	1.6	7.4	0.6	62.8

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	1.9
Gross Fixed Investment	-1.3	3.5	1.1	2.0
Industrial Production	0.1	1.3	0.9	1.0
Unemploy. Rate, % of L.F.	5.2	5.0	4.6	4.2
Consumer Prices	1.6	0.8	0.1	0.4
Current Acc., % of GDP	6.7	7.6	8.6	8.3
Budget Bal., % of GDP	-0.2	0.3	0.7	0.8
Public Debt, % of GDP	77.5	74.9	71.2	68.3

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	September 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 176 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 Consumption	Gross Fixed Investment	Industrial Production (excl. construction)	Unemployment Rate (EU defn., % of labour force)	Consumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.5	na	na	na	9.4	1.7	-2.2	-2.9	96.0
BBVA	1.4	1.5	2.1	na	na	1.5	-1.3	-2.6	na
BNP Paribas	1.3	1.4	2.5	na	9.7	1.4	-0.9	-3.0	96.1
Danske Bank	1.1	1.2	1.9	na	9.9	1.3	-2.3	-2.9	96.8
DZ Bank	1.4	1.1	2.2	na	9.6	1.5	-1.1	-3.0	97.1
Economist Intelligence Unit	1.4	1.3	2.2	0.8	9.3	1.2	-1.1	-3.1	96.8
HSBC	1.4	1.2	2.4	1.0	9.5	1.3	-1.4	-3.0	97.2
IHS Markit Economics	1.5	1.2	2.5	1.0	9.5	1.5	-1.8	-2.8	97.6
J P Morgan Chase	1.6	na	na	na	na	1.4	na	na	na
MainSky Asset Management	1.5	1.3	2.8	na	na	1.3	na	-3.0	na
Nordea	1.4	na	na	na	na	1.6	-2.6	-2.9	na
Oxford Economics	1.5	1.1	2.7	1.0	9.3	1.1	-1.7	-2.9	na
Raiffeisen Bank International	1.6	na	na	na	na	1.6	-1.2	-2.9	96.7
SEB	1.4	na	na	na	9.6	na	na	na	na
UBS	1.4	1.3	2.3	1.4	9.5	1.1	-0.4	-2.9	96.7
UniCredit Bank	1.4	1.3	2.5	na	9.8	1.3	-1.2	-3.1	96.5
Consensus (Mean Average)	1.4	1.3	2.4	1.0	9.6	1.4	-1.5	-2.9	96.8
Last Month	1.4	1.3	2.2	1.4	9.7	1.4	-1.4	-2.9	96.8
2 Months Ago	1.3	1.4	1.9	1.2	9.7	1.5	-1.5	-3.0	96.7
Median	1.4	1.3	2.4	1.0	9.5	1.4	-1.3	-2.9	96.8
High	1.6	1.5	2.8	1.4	9.9	1.7	-0.4	-2.6	97.6
Low	1.1	1.1	1.9	0.8	9.3	1.1	-2.6	-3.1	96.0
Standard Deviation	0.1	0.1	0.3	0.2	0.2	0.2	0.6	0.1	0.5
Number of Forecasts	16	11	11	5	11	15	13	14	10
Other Forecasts									
ECB (June '17)	1.4	na	na	na	9.7	1.2	na	na	na
EC (May '17)	1.4	1.2	2.6	na	9.9	1.4	-2.4	-3.0	96.4
IMF (April '17)	1.4	1.5	2.3	na	9.6	1.4	-0.9	-3.2	97.4
OECD (June '17)	1.3	1.2	2.3	na	9.5	1.3	-1.2	-3.0	98.0

- Emmanuel Macron managed to achieve an equally stunning victory for his fledgling party at the parliamentary elections this month, and will now be backed by a solid majority in the legislature for the policy platform which secured his entitlement to the Élysée Palace only a few months ago.
- The new President will undoubtedly face strong trades-union-led opposition to his plans for reforming the labour market as he tries to reinvigorate a sclerotic economy.
- Although the economy is now growing, it remains lacklustre at just 1% on a y/y basis in Q1 2017, with the unemployment rate at 9.5% (seasonally-adjusted, harmonised rate) in April, unchanged from March.
- Macron wants France to remain within a reformed EU, and will try to get a deal that benefits French-UK trade. To a large extent his domestic policies will try to replicate the UK's by reducing corporate tax and implementing reforms to spur GDP growth.

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 (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	1.4	na	na	na	9.0	1.5	-2.3	-3.1	96.0
BBVA	1.5	1.5	2.3	na	na	1.4	-1.0	-2.5	na
BNP Paribas	1.5	1.6	2.7	na	9.4	1.0	-1.1	-2.7	95.1
Danske Bank	1.2	1.0	3.0	na	9.7	1.3	-2.6	-3.1	97.4
DZ Bank	1.5	1.4	1.7	na	9.3	1.5	-0.3	-2.9	97.4
Economist Intelligence Unit	1.5	1.5	1.9	1.4	8.9	1.3	-1.2	-3.0	97.1
HSBC	1.5	1.7	2.3	1.1	9.2	1.3	-1.4	-3.0	97.5
IHS Markit Economics	1.5	1.6	2.4	1.4	9.3	1.4	-1.1	-2.6	96.9
J P Morgan Chase	1.6	na	na	na	na	1.2	na	na	na
MainSky Asset Management	2.3	1.9	4.0	na	na	1.3	na	-2.8	na
Nordea	1.5	na	na	na	na	1.5	-2.7	-3.1	na
Oxford Economics	1.5	1.5	2.2	1.5	8.9	1.0	-1.3	-2.3	na
Raiffeisen Bank International	1.5	na	na	na	na	1.4	-1.5	-3.1	97.0
SEB	1.4	na	na	na	9.5	na	na	na	na
UBS	1.6	1.4	2.5	1.2	9.4	1.1	-0.6	-2.9	97.0
UniCredit Bank	1.2	1.3	2.6	na	9.6	1.2	-1.0	-3.0	96.7
Consensus (Mean Average)	1.5	1.5	2.5	1.3	9.3	1.3	-1.4	-2.9	96.8
Last Month	1.5	1.5	2.4	1.5	9.4	1.3	-1.4	-2.9	96.9
2 Months Ago	1.5	1.4	2.5	1.5	9.4	1.3	-1.5	-2.9	96.8
Median	1.5	1.5	2.4	1.4	9.3	1.3	-1.2	-3.0	97.0
High	2.3	1.9	4.0	1.5	9.7	1.5	-0.3	-2.3	97.5
Low	1.2	1.0	1.7	1.1	8.9	1.0	-2.7	-3.1	95.1
Standard Deviation	0.2	0.2	0.6	0.2	0.3	0.2	0.7	0.3	0.7
Number of Forecasts	16	11	11	5	11	15	13	14	10
Other Forecasts									
ECB (June '17)	1.6	na	na	na	9.6	1.2	na	na	na
EC (May '17)	1.7	1.6	3.7	na	9.6	1.3	-2.5	-3.2	96.7
IMF (April '17)	1.6	1.7	2.7	na	9.3	1.2	-0.5	-2.8	97.4
OECD (June '17)	1.5	1.4	2.8	na	9.4	1.2	-1.3	-2.8	98.8

France: Historical Data				
<i>% change, year-on-year</i>	2013	2014	2015	2016
Gross Domestic Product	0.7	0.2	1.1	1.1
Private Consumption	0.4	0.6	1.4	1.8
Gross Fixed Investment	-0.6	-1.2	-0.1	2.7
Industrial Production	-0.5	-1.1	1.3	0.4
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	-1.1	-0.2	-0.9
Budget Bal., % of GDP	-4.0	-3.9	-3.6	-3.4
Public Debt, % of GDP	92.3	94.9	95.6	96.0

Source: ECB; Eurostat; national statistical office

France: Background Information	
President:	Emmanuel Macron
Government:	Socialist Party
Next Election:	2022 (presidential & parliamentary)
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 176 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	0.8	na	na	na	11.7	1.2	2.0	-2.5	135.0
BBVA	1.0	0.9	3.0	na	na	1.6	2.6	-2.5	na
BNP Paribas	0.6	0.5	0.9	1.1	11.4	1.7	2.2	-2.4	133.2
Danske Bank	1.0	0.8	3.3	na	11.5	1.4	2.1	-2.4	133.3
DZ Bank	0.8	1.0	0.9	na	11.1	1.3	2.1	-2.4	133.0
Economist Intelligence Unit	1.2	1.0	3.5	1.4	10.9	1.6	2.4	-2.3	131.3
HSBC	1.2	1.1	2.2	1.8	11.2	1.4	2.1	-2.1	132.4
IHS Markit Economics	1.0	0.9	1.4	1.6	11.3	1.6	1.7	na	134.0
J P Morgan Chase	1.3	na	na	na	na	1.5	na	na	na
LC Macro Advisors	1.4	1.4	2.7	2.0	10.9	1.2	2.5	-2.1	132.7
MainSky Asset Management	1.1	0.6	3.5	na	11.4	1.4	na	-2.6	na
Nordea	1.0	na	na	na	na	1.8	2.1	-2.4	na
Oxford Economics	1.3	1.1	3.1	2.1	11.4	1.4	2.2	-2.2	na
Raiffeisen Bank International	0.8	na	na	na	na	1.6	2.8	-2.6	133.5
SEB	1.0	na	na	na	12.0	na	na	na	na
UBS	0.9	1.2	2.5	1.9	11.7	1.6	1.8	-2.4	132.8
UniCredit Bank	1.0	0.8	4.0	na	11.5	1.4	2.4	-2.2	132.4
Consensus (Mean Average)	1.0	0.9	2.6	1.7	11.4	1.5	2.2	-2.4	133.1
Last Month	0.9	0.8	2.8	1.8	11.5	1.5	2.2	-2.4	133.1
2 Months Ago	0.9	0.8	2.4	1.7	11.5	1.5	2.3	-2.4	133.3
Median	1.0	1.0	2.9	1.8	11.4	1.5	2.2	-2.4	133.0
High	1.4	1.4	4.0	2.1	12.0	1.8	2.8	-2.1	135.0
Low	0.6	0.5	0.9	1.1	10.9	1.2	1.7	-2.6	131.3
Standard Deviation	0.2	0.3	1.0	0.4	0.3	0.2	0.3	0.2	1.0
Number of Forecasts	17	12	12	7	13	16	14	14	11
Other Forecasts									
ECB (June '17)	1.0	na	na	na	11.6	1.4	na	na	na
EC (May '17)	0.9	0.8	3.6	na	11.5	1.5	1.9	-2.2	133.1
IMF (April '17)	0.8	0.8	2.8	na	11.4	1.3	2.0	-2.4	132.8
OECD (June '17)	1.0	0.7	3.4	na	11.5	1.5	2.1	-2.1	131.8

- Revised data showing a quarterly rise in GDP of 0.4% for Q1 2017 (1.2% y/y) is signalling that even Italy is benefiting from the regional recovery that is lifting the gloom ahead of the elections to be held by 2018.
- However, confidence in economic prospects remains wobbly following a drop in the European Commission's economic sentiment indicator in May, to 106.1 from 107.0 in April. Apart from the fact manufacturing and services sector confidence levels eased, consumer confidence is declining.
- The effect may be exaggerated by the spike in inflation around Easter, which has since eased. However, the slowly improving economy remains vulnerable and is not yet producing the employment gains required to make more inroads into an unemployment rate that is still around 11% with 34% of the under-25s of working age unable to find a job.
- The passage of a proposed new electoral law introducing a proportional voting system could pave the way for early elections in the autumn, heightening political risk again.

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. construction)	Unemployment Rate (EU defn., % of labour force)	Consumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.7	na	na	na	11.5	1.3	1.6	-2.4	137.0
BBVA	1.2	1.0	2.6	na	na	1.4	2.4	-2.2	na
BNP Paribas	0.6	0.8	1.3	0.6	10.9	1.0	2.1	-2.5	134.1
Danske Bank	1.3	0.8	3.6	na	11.4	1.2	1.8	-2.6	133.2
DZ Bank	0.9	1.1	0.8	na	10.6	1.5	2.1	-2.5	132.0
Economist Intelligence Unit	0.9	0.9	2.8	0.9	10.7	0.9	2.2	-2.3	131.4
HSBC	1.0	1.1	3.0	2.4	10.7	1.1	1.9	-1.9	131.5
IHS Markit Economics	0.9	0.7	1.2	1.6	11.0	1.5	1.6	na	133.0
J P Morgan Chase	1.1	na	na	na	na	1.0	na	na	na
LC Macro Advisors	1.5	1.4	3.7	2.3	10.3	1.4	2.2	-1.8	131.8
MainSky Asset Management	1.6	1.2	3.2	na	10.8	1.1	na	-2.4	na
Nordea	1.0	na	na	na	na	1.4	1.8	-2.6	na
Oxford Economics	1.0	0.8	2.2	0.8	11.1	1.3	2.0	-2.1	na
Raiffeisen Bank International	0.8	na	na	na	na	1.5	2.8	-2.5	133.1
SEB	1.2	na	na	na	12.0	na	na	na	na
UBS	0.8	1.0	0.6	0.8	11.3	1.4	1.7	-1.4	131.6
UniCredit Bank	0.9	0.7	3.0	na	11.2	1.2	2.2	-2.0	131.9
Consensus (Mean Average)	1.0	1.0	2.3	1.3	11.0	1.3	2.0	-2.2	132.8
Last Month	1.0	0.9	2.2	1.2	11.2	1.2	2.1	-2.3	132.9
2 Months Ago	1.0	0.9	2.1	1.1	11.2	1.3	2.1	-2.3	133.1
Median	1.0	1.0	2.7	0.9	11.0	1.3	2.1	-2.4	132.0
High	1.6	1.4	3.7	2.4	12.0	1.5	2.8	-1.4	137.0
Low	0.6	0.7	0.6	0.6	10.3	0.9	1.6	-2.6	131.4
Standard Deviation	0.3	0.2	1.1	0.8	0.4	0.2	0.3	0.4	1.6
Number of Forecasts	17	12	12	7	13	16	14	14	11
Other Forecasts									
ECB (June '17)	1.2	na	na	na	11.3	1.1	na	na	na
EC (May '17)	1.1	1.0	3.3	na	11.3	1.3	1.7	-2.3	132.5
IMF (April '17)	0.8	0.7	2.1	na	11.0	1.3	1.8	-1.4	131.6
OECD (June '17)	0.8	0.4	3.2	na	11.2	1.3	2.3	-1.4	130.6

Italy: Historical Data

<i>% change, year-on-year</i>	2013	2014	2015	2016
Gross Domestic Product	-1.7	-0.4	0.6	1.0
Private Consumption	-2.7	0.4	0.9	1.3
Gross Fixed Investment	-6.6	-3.5	0.6	3.1
Industrial Production	-2.9	-0.7	0.8	1.7
Unemploy. Rate, % of L.F.	12.1	12.6	11.9	11.7
Consumer Prices	1.3	0.2	0.1	-0.1
Current Acc., % of GDP	0.9	1.9	1.4	2.6
Budget Bal., % of GDP	-2.9	-3.0	-2.7	-2.4
Public Debt, % of GDP	129.0	131.8	132.1	132.6

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Paolo Gentiloni
Government:	Coalition including PD and PDL
Next Election:	By May 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:	60th out of 176 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	2.4	na	na	na	5.1	1.6	8.0	0.7	59.0
BNP Paribas	2.1	2.0	2.4	2.0	5.2	1.2	8.7	0.0	60.9
DZ Bank	2.1	1.5	5.3	na	5.1	1.5	7.8	0.5	59.0
Economist Intelligence Unit	2.2	1.9	4.1	2.5	5.0	1.5	8.6	0.7	59.4
IHS Markit Economics	2.2	1.9	2.3	1.3	5.1	1.3	na	na	na
Oxford Economics	2.4	1.3	5.9	1.7	5.1	1.5	8.6	0.5	na
Raiffeisen Bank International	1.9	na	na	na	na	1.3	8.1	0.2	60.2
Consensus (Mean Average)	2.2	1.7	4.0	1.9	5.1	1.4	8.3	0.4	59.7
Last Month	2.2	1.7	3.8	1.9	5.1	1.4	8.3	0.4	59.7
2 Months Ago	2.1	1.9	2.3	1.7	5.2	1.5	8.2	0.4	60.0
Median	2.2	1.9	4.1	1.9	5.1	1.5	8.4	0.5	59.4
High	2.4	2.0	5.9	2.5	5.2	1.6	8.7	0.7	60.9
Low	1.9	1.3	2.3	1.3	5.0	1.2	7.8	0.0	59.0
Standard Deviation	0.2	0.3	1.6	0.5	0.1	0.1	0.4	0.3	0.8
Number of Forecasts	7	5	5	4	6	7	6	6	5
Other Forecasts									
ECB (June '17)	2.5	na	na	na	5.0	1.1	na	na	na
EC (May '17)	2.1	2.3	3.5	na	4.9	1.6	7.4	0.5	59.8
IMF (April '17)	2.1	na	na	na	5.4	0.9	9.2	na	na
OECD (June '17)	2.4	1.7	5.5	na	5.2	1.6	9.6	1.1	59.7

- Disconcertingly, confidence in the Dutch economy fell away quite sharply in May, according to the European Commission's monthly surveys, and is back to the level prevailing in December.
- This appears to contradict stronger conditions in Germany, and signs of improvement elsewhere in the euro zone. It may be partly due to slowing growth in the UK, or just a correction.
- Inflation is largely under control (at just 0.7% in May, half the euro zone average) and the unemployment rate is low at 5.1%.
- Indeed, the picture is still largely a bright one, with the Dutch central bank predicting the economy will grow by 2.5% this year, above our own consensus of private sector forecasters, at its strongest pace in a decade. The expansion is broad-based with consumer spending, exports and investment rising.

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 Consumption	Gross Fixed Investment	Industrial Production <i>(excl. construction)</i>	Unemployment Rate <i>(EU defn., % of labour force)</i>	Consumer Prices <i>(HICP)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>	General Govt. Debt <i>(% of GDP)</i>
Panellists									
ABN Amro	1.7	na	na	na	4.9	1.5	7.9	0.9	56.0
BNP Paribas	1.6	1.5	2.4	1.5	4.8	1.4	8.3	0.3	59.4
DZ Bank	1.6	1.6	3.9	na	4.8	1.6	7.6	0.7	56.0
Economist Intelligence Unit	1.9	1.8	2.1	1.8	4.5	1.4	8.3	0.5	56.7
IHS Markit Economics	1.8	1.4	2.8	2.7	5.0	1.6	na	na	na
Oxford Economics	1.9	1.4	3.0	1.0	5.0	1.4	8.9	0.1	na
Raiffeisen Bank International	1.7	na	na	na	na	1.4	7.9	0.3	58.3
Consensus (Mean Average)	1.7	1.5	2.8	1.8	4.8	1.5	8.2	0.5	57.3
Last Month	1.7	1.5	2.7	1.4	4.9	1.5	8.1	0.5	57.3
2 Months Ago	1.7	1.5	2.8	1.2	4.9	1.5	8.1	0.5	57.7
Median	1.7	1.5	2.8	1.7	4.9	1.4	8.1	0.4	56.7
High	1.9	1.8	3.9	2.7	5.0	1.6	8.9	0.9	59.4
Low	1.6	1.4	2.1	1.0	4.5	1.4	7.6	0.1	56.0
Standard Deviation	0.1	0.2	0.7	0.7	0.2	0.1	0.5	0.3	1.5
Number of Forecasts	7	5	5	4	6	7	6	6	5
Other Forecasts									
ECB (June '17)	2.1	na	na	na	4.6	1.1	na	na	na
EC (May '17)	1.8	1.5	4.2	na	4.4	1.3	7.1	0.8	57.2
IMF (April '17)	1.8	na	na	na	5.3	1.4	9.1	na	na
OECD (June '17)	2.1	1.7	3.1	na	5.0	1.6	9.8	1.6	56.7

Netherlands: Historical Data

<i>% change, year-on-year</i>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Gross Domestic Product	-0.5	1.4	2.0	2.1
Private Consumption	-1.4	0.3	1.8	1.7
Gross Fixed Investment	-4.4	2.3	9.9	4.8
Industrial Production	0.6	-2.8	-4.2	1.9
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	8.9	8.8	8.4
Budget Bal., % of GDP	-2.4	-2.3	-2.1	0.4
Public Debt, % of GDP	67.7	67.9	65.2	62.3

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	March 2021 (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:	8th out of 176 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	2.7	na	na	na	18.5	1.7	1.4	-3.3	100.0
BBVA	3.0	2.5	3.3	na	17.3	2.1	1.8	-3.1	97.8
BNP Paribas	2.6	2.2	2.5	1.6	19.1	2.3	2.1	-3.6	99.9
Danske Bank	2.5	2.3	2.7	na	17.7	1.9	1.7	-3.5	100.0
DZ Bank	2.8	3.3	3.6	na	17.5	2.2	1.6	-3.5	100.0
Economist Intelligence Unit	2.8	2.7	2.8	1.9	17.5	2.3	1.8	-3.3	97.5
HSBC	3.0	2.3	4.9	1.5	17.5	1.9	1.1	-3.4	99.2
IHS Markit Economics	2.8	2.2	3.3	1.2	17.4	2.2	1.3	-3.8	98.8
J P Morgan Chase	2.9	na	na	na	na	2.1	na	na	na
MainSky Asset Management	2.5	2.5	3.2	na	17.6	2.1	na	-4.0	na
Nordea	2.8	na	na	na	na	2.7	1.7	-3.5	na
Oxford Economics	3.1	2.3	4.2	2.2	17.1	2.0	1.7	-3.1	na
Raiffeisen Bank International	2.5	na	na	na	na	2.2	2.1	-3.4	99.6
Santander	3.0	2.7	4.1	na	17.7	na	na	na	na
UBS	2.8	2.7	2.8	2.6	18.0	2.0	1.8	-3.3	98.9
UniCredit Bank	2.8	2.6	4.7	na	na	2.1	na	-3.5	na
Consensus (Mean Average)	2.8	2.5	3.5	1.8	17.7	2.1	1.7	-3.5	99.2
Last Month	2.8	2.5	3.0	2.1	17.8	2.2	1.6	-3.5	99.3
2 Months Ago	2.6	2.4	2.9	2.1	17.8	2.2	1.6	-3.4	99.5
Median	2.8	2.5	3.3	1.8	17.6	2.1	1.7	-3.5	99.4
High	3.1	3.3	4.9	2.6	19.1	2.7	2.1	-3.1	100.0
Low	2.5	2.2	2.5	1.2	17.1	1.7	1.1	-4.0	97.5
Standard Deviation	0.2	0.3	0.8	0.5	0.6	0.2	0.3	0.2	0.9
Number of Forecasts	16	12	12	6	12	15	12	14	10
Other Forecasts									
ECB (June '17)	3.1	na	na	na	17.3	2.1	na	na	na
EC (May '17)	2.8	2.5	3.4	na	17.6	2.0	1.6	-3.2	99.2
IMF (April '17)	2.6	na	na	na	17.7	2.4	1.5	na	na
OECD (June '17)	2.8	2.3	3.9	na	17.5	2.3	2.1	-3.1	99.0

- Contrasting with other euro zone countries, confidence in the Spanish economy rose in May to almost its highest level since the recovery began, spurred by robust tourism conditions and export growth, underpinning consumer spending, investment and employment growth.
- The unemployment rate is still sky-high, but is consistently falling as job-creation continues, dropping below 18% in April on a seasonally-adjusted, EU harmonised basis.
- Political risks are underlined by the government's minority although Prime Minister Mariano Rajoy survived a no-confidence motion from the left-wing, populist party Podemos over corruption scandals, including an alleged kickbacks-for-contracts scheme.
- Inflation is higher in Spain, partly because of a low base, but decelerated to 2% in May. Consumer confidence has subsequently improved.

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	2.5	na	na	na	17.2	1.5	1.4	-2.8	100.0
BBVA	2.7	2.4	4.5	na	15.6	1.9	1.5	-2.1	95.0
BNP Paribas	2.0	1.9	3.8	1.9	18.8	1.5	2.1	-3.0	99.6
Danske Bank	2.2	2.0	4.7	na	16.1	1.0	1.6	-2.9	99.7
DZ Bank	2.3	2.1	3.2	na	16.0	1.5	1.4	-3.0	99.5
Economist Intelligence Unit	2.2	2.3	2.2	1.5	15.8	1.5	1.7	-2.4	95.8
HSBC	2.3	2.0	4.5	2.3	15.7	1.1	0.3	-3.1	98.7
IHS Markit Economics	2.3	2.0	2.3	1.4	16.2	1.9	1.4	-3.4	97.7
J P Morgan Chase	2.3	na	na	na	na	0.9	na	na	na
MainSky Asset Management	2.7	2.6	4.1	na	16.5	1.6	na	-3.3	na
Nordea	2.4	na	na	na	na	2.4	1.6	-2.9	na
Oxford Economics	2.5	2.0	3.4	2.4	15.4	1.5	1.4	-2.6	na
Raiffeisen Bank International	1.9	na	na	na	na	1.9	2.2	-3.2	99.9
Santander	2.5	2.2	4.3	na	16.2	na	na	na	na
UBS	2.0	2.0	3.0	1.8	16.8	1.2	1.6	-3.0	97.9
UniCredit Bank	2.0	1.7	3.7	na	na	1.7	na	-3.0	na
Consensus (Mean Average)	2.3	2.1	3.6	1.9	16.4	1.5	1.5	-2.9	98.4
Last Month	2.3	2.1	3.5	1.9	16.4	1.6	1.5	-2.9	98.6
2 Months Ago	2.2	2.1	3.5	2.0	16.5	1.6	1.5	-2.9	98.8
Median	2.3	2.0	3.8	1.9	16.2	1.5	1.6	-3.0	99.1
High	2.7	2.6	4.7	2.4	18.8	2.4	2.2	-2.1	100.0
Low	1.9	1.7	2.2	1.4	15.4	0.9	0.3	-3.4	95.0
Standard Deviation	0.2	0.2	0.8	0.4	0.9	0.4	0.5	0.3	1.8
Number of Forecasts	16	12	12	6	12	15	12	14	10
Other Forecasts									
ECB (June '17)	2.5	na	na	na	15.4	1.3	na	na	na
EC (May '17)	2.4	2.0	3.9	na	15.9	1.4	1.6	-2.6	98.5
IMF (April '17)	2.1	na	na	na	16.6	1.4	1.6	na	na
OECD (June '17)	2.4	1.9	4.9	na	16.0	1.4	2.1	-2.3	98.6

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	1.6	2.9	3.2
Gross Fixed Investment	-2.5	3.8	6.0	3.1
Industrial Production	-1.7	1.1	3.3	1.9
Unemploy. Rate, % of L.F.	26.1	24.4	22.1	19.6
Consumer Prices	1.5	-0.2	-0.6	-0.3
Current Acc., % of GDP	1.5	1.1	1.4	2.0
Budget Bal., % of GDP	-7.0	-6.0	-5.1	-4.5
Public Debt, % of GDP	95.5	100.4	99.8	99.4

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:	41st out of 176 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	2.2	1.7	2.0	1.8	na	na	na	na	na	na
	EC	1.7	1.7	1.8	1.6	2.0	2.2	-1.3	-1.0	82.8	81.2
	IMF	1.4	1.3	2.1	1.8	2.4	2.2	na	na	na	na
	OECD	2.2	1.7	2.1	1.8	1.9	1.9	-1.0	-0.7	81.1	79.3
	Average	1.9	1.6	2.0	1.8	2.1	2.1	-1.2	-0.9	82.0	80.3
Belgium	ECB	1.6	1.6	2.2	1.7	na	na	na	na	na	na
	EC	1.5	1.7	2.3	1.5	1.5	1.7	-1.9	-2.0	105.6	105.1
	IMF	1.6	1.5	2.0	1.7	0.9	1.0	na	na	na	na
	OECD	1.6	1.7	2.5	1.8	-0.3	-0.3	-1.9	-1.9	104.3	102.9
	Average	1.6	1.6	2.3	1.7	0.7	0.8	-1.9	-2.0	105.0	104.0
Cyprus	ECB	3.1	3.2	1.2	1.3	na	na	na	na	na	na
	EC	2.5	2.3	1.2	1.1	-5.9	-6.3	0.2	0.7	103.4	99.8
	IMF	2.5	2.3	1.5	1.4	-2.5	-2.5	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	2.7	2.6	1.3	1.3	-4.2	-4.4	0.2	0.7	103.4	99.8
Estonia	ECB	3.4	3.2	3.3	2.7	na	na	na	na	na	na
	EC	2.3	2.8	3.3	2.9	1.1	1.2	-0.3	-0.5	9.5	9.6
	IMF	2.5	2.8	3.2	2.5	1.4	0.9	na	na	na	na
	OECD	2.6	3.1	3.2	2.8	1.8	1.3	-0.4	-0.7	9.4	9.8
	Average	2.7	3.0	3.3	2.7	1.4	1.1	-0.4	-0.6	9.5	9.7
Greece	ECB	1.6	2.4	1.2	1.1	na	na	na	na	na	na
	EC	2.1	2.5	1.2	1.1	-0.5	-0.3	-1.2	0.6	178.8	174.6
	IMF	2.2	2.7	1.3	1.4	-0.3	0.0	na	na	na	na
	OECD	1.1	2.5	1.4	0.8	-1.9	-2.3	-0.2	-0.2	174.7	170.5
	Average	1.8	2.5	1.3	1.1	-0.9	-0.9	-0.7	0.2	176.8	172.6
Ireland	ECB	4.3	3.3	0.4	1.0	na	na	na	na	na	na
	EC	4.0	3.6	0.6	1.2	4.5	5.0	-0.5	-0.3	73.5	72.7
	IMF	3.5	3.2	0.9	1.5	4.7	4.7	na	na	na	na
	OECD	3.7	2.5	0.8	2.0	4.1	5.3	-0.5	-0.2	74.8	72.1
	Average	3.9	3.2	0.7	1.4	4.4	5.0	-0.5	-0.3	74.2	72.4
Latvia	ECB	3.7	3.4	2.9	2.0	na	na	na	na	na	na
	EC	3.2	3.5	2.2	2.0	-0.9	-2.6	-0.8	-1.8	38.5	36.0
	IMF	3.0	3.3	2.8	2.5	-1.1	-1.4	na	na	na	na
	OECD	3.5	3.5	2.8	2.3	1.2	0.2	-0.8	-0.4	40.0	39.5
	Average	3.4	3.4	2.7	2.2	-0.3	-1.3	-0.8	-1.1	39.3	37.8
Lithuania	ECB	3.3	2.8	3.2	2.2	na	na	na	na	na	na
	EC	2.9	3.1	2.8	2.0	-2.0	-1.9	-0.4	-0.2	42.4	38.9
	IMF	2.8	3.1	2.8	2.0	-1.6	-1.5	na	na	na	na
	OECD	3.1	2.9	3.3	2.7	-1.7	-2.1	-0.3	0.3	42.4	37.6
	Average	3.0	3.0	3.0	2.2	-1.8	-1.8	-0.4	0.1	42.4	38.3
Luxembourg	ECB	4.6	3.9	2.1	1.7	na	na	na	na	na	na
	EC	4.3	4.4	2.4	1.8	4.5	5.0	0.2	0.3	22.0	22.3
	IMF	3.7	3.5	1.4	1.3	5.1	5.1	na	na	na	na
	OECD	4.5	4.2	2.4	1.6	4.7	4.8	0.7	0.6	22.3	24.5
	Average	4.3	4.0	2.1	1.6	4.8	5.0	0.5	0.5	22.2	23.4
Malta	ECB	4.4	4.0	1.4	1.6	na	na	na	na	na	na
	EC	4.6	4.4	1.6	1.8	6.5	9.0	0.5	0.8	55.8	52.5
	IMF	4.1	3.5	1.5	1.6	5.5	5.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
	Average	4.4	4.0	1.5	1.7	6.0	7.2	0.5	0.8	55.8	52.5
Portugal	ECB	2.5	2.0	1.6	1.4	na	na	na	na	na	na
	EC	1.8	1.6	1.4	1.5	0.5	0.5	-1.8	-1.9	128.5	126.2
	IMF	1.7	1.5	1.2	1.4	-0.3	-0.4	na	na	na	na
	OECD	2.1	1.6	1.6	1.4	0.4	0.8	-1.5	-1.0	128.6	126.5
	Average	2.0	1.7	1.5	1.4	0.2	0.3	-1.7	-1.5	128.6	126.4
Slovakia	ECB	3.2	4.2	1.2	1.9	na	na	na	na	na	na
	EC	3.0	3.6	1.4	1.6	0.1	0.4	-1.3	-0.6	51.5	49.8
	IMF	3.3	3.7	1.2	1.5	0.3	0.2	na	na	na	na
	OECD	3.3	4.1	1.6	2.0	-0.1	0.7	-1.2	-0.6	51.7	50.2
	Average	3.2	3.9	1.4	1.8	0.1	0.4	-1.3	-0.6	51.6	50.0
Slovenia	ECB	3.5	3.1	1.7	1.6	na	na	na	na	na	na
	EC	3.3	3.1	1.5	1.8	6.2	5.8	-1.4	-1.2	77.8	75.5
	IMF	2.5	2.0	1.5	2.0	5.5	5.1	na	na	na	na
	OECD	3.8	3.1	2.6	3.1	7.4	7.2	-1.0	-0.2	76.3	73.3
	Average	3.3	2.8	1.8	2.1	6.4	6.0	-1.2	-0.7	77.1	74.4

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 (June '17); European Commission (May '17); International Monetary Fund (May '17); OECD (June '17).

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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