

# Euro Zone Barometer© - May 2014

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

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

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**Survey Deadline: May 19th, 2014**

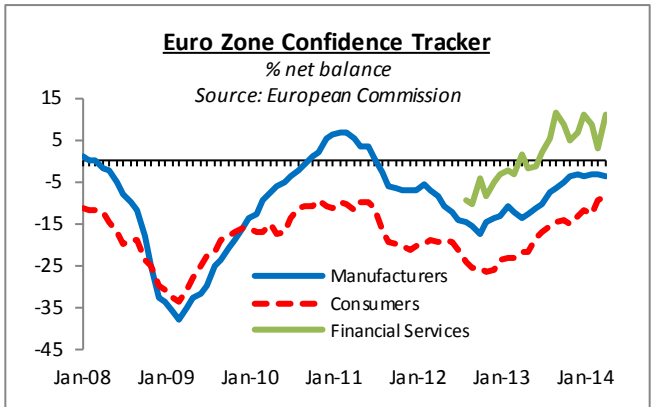
## Divisions Remain

- The latest national accounts figures released by Eurostat this month were encouraging in that the **euro zone continued to grow in Q1 2014**, but again they also pointed the finger at the disparate performances among member states.
- Germany is leading the way and Spain is recovering, but with France and Italy stagnating, alongside disappointments for Cyprus, Estonia, Finland and Portugal, there is **still much for Europe's policymakers to consider** as the entire European Union goes to the polls this week to select its representatives to the European Parliament.
- The European Central Bank in particular appears poised to **lower its main policy interest rates**, and also perhaps introduce other, less conventional monetary measures to stimulate the moribund economy and avoid deflation that recent consumer price data suggest is still more of a fear than reality.
- However, with the region still operating well below capacity the **unemployment rate** remains uncomfortably high, resisting any further reduction so far this year.
- This month we also include the latest May forecasts from the European Commission and the OECD **alongside other forecasts by government and quasi-government** institutions to compare against predictions by our independent experts. Forecasts for the smaller Euro Zone nations are shown on page 22, alongside forecasts from the IMF.

**Next Month's Survey Deadline:  
June 16th, 2014**

## Contents

<b>Short Term Outlook for 2014-2015</b>	<b>2</b>
<b>Quarterly Forecasts &amp; Historical Data</b>	<b>3</b>
2014 National Accounts Forecasts	4
2014 Forecasts for Other Indicators	5
2015 National Accounts Forecasts	6
2015 Forecasts for Other Indicators	7
<b>Financial Forecasts</b>	<b>8</b>
Interest Rate & Exchange Rate Data	9
<b>ECB Watch</b>	<b>10</b>
<b>Long Term Forecasts</b>	<b>11</b>
<b>Data &amp; Forecasts for Individual Euro Zone Countries</b>	
Germany	12
France	14
Italy	16
Netherlands	18
Spain	20
<b>Forecasts for Other Euro Zone Countries</b>	<b>22</b>
<b>Euro Zone Country Data &amp; Election Timetable</b>	<b>22</b>
<b>Notes, Sources and Definitions</b>	<b>23</b>



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## Outlook for 2014-15

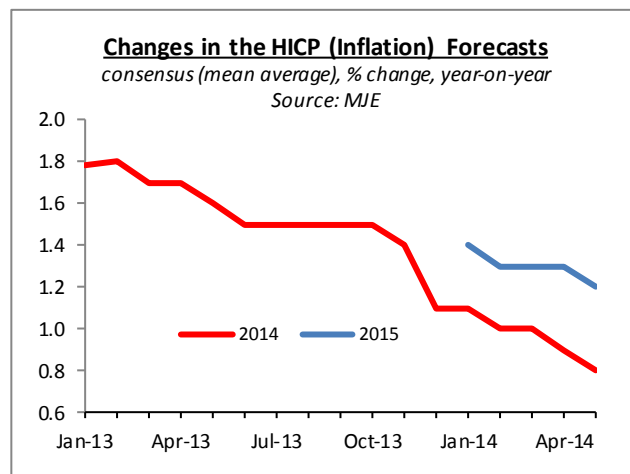
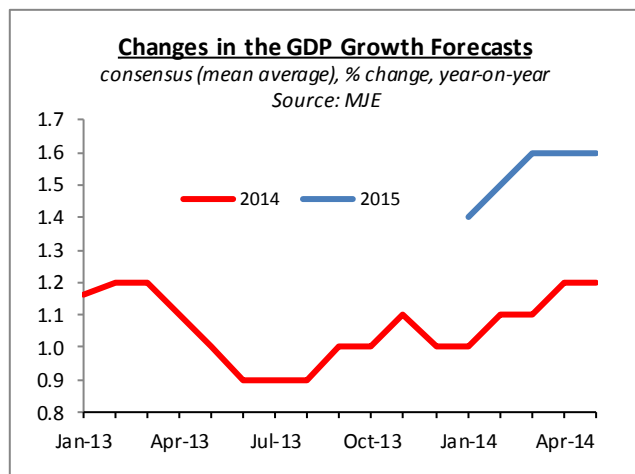
- *The short term picture has hardly changed this month with the latest GDP release mostly in line with expectations. Our survey points to growth of 1.2% this year and 1.6% in 2015, led by Germany, but with other core countries such as France and Italy dragging their heels.*
- *Although forecasts for the national accounts variables are stable predictions for industrial production and retail sales this year have risen.*
- *With inflation remaining low, consensus expectations for consumer prices in 2014 and 2015 have fallen to 0.8% and 1.2%, implying no deflation but signifying considerable spare capacity.*
- *Meanwhile, confidence in the zone's fiscal correction is maintained with unchanged forecasts pointing to a deficit ratio next year comprising almost a third of that prevailing in 2010.*

### Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014f</u>	<u>2015f</u>
<b>Gross Domestic Product</b>	1.9	1.6	-0.7	-0.4	1.2	1.6
<b>Private Consumption</b>	1.0	0.3	-1.3	-0.7	0.7	1.2
<b>Government Consumption</b>	0.6	-0.1	-0.6	0.1	0.3	0.6
<b>Gross Fixed Investment</b>	-0.4	1.6	-4.0	-3.1	2.4	3.0
<b>Change in Stocks (Inventories)<sup>1</sup></b>	0.6	0.3	-0.5	-0.1	0.0	0.1
<b>Goods and Services Exports</b>	11.6	6.5	2.5	1.3	3.7	4.3
<b>Goods and Services Imports</b>	10.0	4.5	-0.9	0.1	3.7	4.4
<b>Net Exports<sup>2</sup></b>	0.7	0.9	1.5	0.6	0.2	0.1
<b>Industrial Production (ex. construction)</b>	7.3	3.4	-2.5	-0.7	2.1	2.6
<b>Retail Sales Volume</b>	0.5	-0.7	-1.7	-0.8	0.9	1.4
<b>Unemployment Rate, % of labour force</b>	10.1	10.1	11.3	12.0	11.8	11.6
<b>Money Supply, M3, end period, % change</b>	1.1	1.5	2.9	2.4	1.9	2.3
<b>Harmonised Index of Consumer Prices</b>	1.6	2.7	2.5	1.4	0.8	1.2
<b>Producer Prices</b>	2.7	5.7	2.8	-0.2	0.0	1.6
<b>Nominal Labour Costs</b>	1.5	2.2	1.8	1.4	1.4	1.7
<b>Current Account Balance, annual total, €bn</b>	5.3	12.1	133.1	227.7	211.4	216.9
<b>Current Account Balance, % of GDP</b>	0.1	0.1	1.4	2.4	2.2	2.1
<b>General Govt Budget Balance, % of GDP</b>	-6.2	-4.1	-3.7	-3.0	-2.6	-2.2
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	1.01	1.36	0.19	0.29	0.24	0.48
<b>10 Year German Bond Yield, % per annum</b>	2.92	1.83	1.32	1.94	1.93	2.36
<b>US\$ per € Exchange Rate</b>	1.336	1.294	1.318	1.378	1.323	1.274

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



GDP increased by 0.2% q/q during Q1 2014, according to the preliminary seasonally-adjusted figures published this month by Eurostat, continuing the run of weak, but positive, economic growth rates signalling recovery from recession. On a y/y basis, growth continued for a second consecutive quarter, and at the stronger pace of 0.9%.

However, other indicators point to areas of concern. Industrial production and construction output both declined in March, while the latest monthly indicators of confidence and economic sentiment published by

the European Commission show a fall in the aggregate economic sentiment indicator in April for the first time in more than a year. The crisis in Ukraine may be partly to blame for weakening the main business indicators. Consumer confidence, on the other hand, continued to improve, propelling retail sales higher in March, notably in France.

However, with growth still extremely weak, the unemployment rate remained at 11.8% in March for a fourth consecutive month, with youth unemployment still exceeding 23%.

### Quarterly Forecasts and Historical Data

*% change year-on-year, unless otherwise stated*

(% change year-on-year, unless otherwise stated)	<b>Q1'13</b>	<b>Q2'13</b>	<b>Q3'13</b>	<b>Q4'13</b>
<b>Gross Domestic Product</b>	-1.1	-0.6	-0.3	0.5
<b>Private Consumption</b>	-1.4	-0.8	-0.6	0.1
<b>Industrial Production</b>	-2.3	-1.0	-1.1	1.6
<b>Harmonised Index of Consumer Prices</b>	1.9	1.4	1.3	0.8
<b>3 month Interest Rate, % per annum, end period</b>	0.78	0.65	0.22	0.29
<b>10 Year Bond Yield, % per annum, end period</b>	1.82	2.69	1.46	1.94
	<b>Q1'14</b>	<b>Q2'14</b>	<b>Q3'14</b>	<b>Q4'14</b>
<b>Gross Domestic Product</b>	0.9	<b>1.2</b>	<b>1.5</b>	<b>1.6</b>
<b>Private Consumption</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>
<b>Industrial Production</b>	1.1	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>
<b>Harmonised Index of Consumer Prices</b>	0.7	<b>0.9</b>	<b>0.9</b>	<b>1.2</b>
<b>3 month Interest Rate, % per annum, end period</b>	0.31	<b>0.25</b>	<b>0.23</b>	<b>0.24</b>
<b>10 Year Bond Yield, % per annum, end period</b>	1.57	<b>1.64</b>	<b>1.74</b>	<b>1.93</b>
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>
<b>Gross Domestic Product</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>
<b>Private Consumption</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>
<b>Industrial Production</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>
<b>Harmonised Index of Consumer Prices</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>
<b>3 month Interest Rate, % per annum, end period</b>	<b>0.27</b>	<b>0.28</b>	<b>0.34</b>	<b>0.48</b>
<b>10 Year Bond Yield, % per annum, end period</b>	<b>2.02</b>	<b>2.13</b>	<b>2.20</b>	<b>2.36</b>

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

## Euro Zone - Forecasts for 2014

<b>National Accounts (constant prices)</b> <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
<b>Panellists</b>								
Allianz SE	1.2	0.5	0.4	2.3	na	4.1	3.8	na
BBVA	1.1	0.8	0.3	3.1	0.0	3.1	3.1	0.1
BNP Paribas	1.2	0.8	0.3	2.5	0.2	3.7	4.0	na
Commerzbank	1.0	0.8	0.4	2.9	0.0	4.1	3.5	-0.1
Danske Bank	1.2	0.7	0.1	3.2	0.2	3.9	3.5	na
DZ Bank	1.2	0.6	0.4	2.5	na	4.3	4.4	na
Econ Intelligence Unit	1.1	0.6	0.3	2.9	na	3.2	3.2	0.2
ETLA	1.2	0.5	0.3	1.4	na	1.3	4.1	na
G&P Institutional Mgmt	1.5	0.7	0.9	2.1	0.1	3.7	3.7	0.2
HSBC	0.9	0.6	0.4	1.4	-0.5	3.1	3.4	na
IHS Economics	1.1	0.7	0.3	3.0	na	3.2	3.4	0.0
Intesa Sanpaulo	1.1	0.6	0.6	1.8	0.1	4.3	4.3	0.2
J P Morgan Chase	1.1	0.6	0.3	2.1	na	3.4	3.1	na
Morgan Stanley	0.9	0.6	0.3	1.3	0.0	3.8	3.5	0.3
Oxford Economics	1.2	0.8	0.0	2.0	-0.1	3.6	3.0	0.4
Raiffeisen Bank International	1.5	0.9	0.5	3.0	na	5.9	5.7	na
Santander	1.2	0.6	0.0	3.4	na	4.0	3.6	0.5
SEB	1.0	0.8	0.1	1.7	0.0	3.8	3.8	na
UBS	1.1	0.8	0.4	2.7	-0.3	3.7	3.3	0.3
UniCredit Bank	1.5	0.7	0.1	2.5	0.1	4.5	3.8	0.5
<b>Consensus (Mean)</b>	<b>1.2</b>	<b>0.7</b>	<b>0.3</b>	<b>2.4</b>	<b>0.0</b>	<b>3.7</b>	<b>3.7</b>	<b>0.2</b>
Last Month	1.2	0.7	0.3	2.4	0.0	3.8	3.7	0.2
2 Months Ago	1.1	0.7	0.3	1.9	0.1	3.7	3.6	0.3
Median	1.2	0.7	0.3	2.5	0.0	3.8	3.6	0.2
High	1.5	0.9	0.9	3.4	0.2	5.9	5.7	0.5
Low	0.9	0.5	0.0	1.3	-0.5	1.3	3.0	-0.1
Standard Deviation	0.2	0.1	0.2	0.6	0.2	0.8	0.6	0.2
Number of Forecasts	20	20	20	20	12	20	20	11
<b>Other Forecasts</b>								
ECB (Mar. '14)	1.2	0.7	0.4	2.1	na	3.6	3.5	na
EC (May '14)	1.2	0.8	0.7	2.3	0.0	4.0	3.8	0.3
IMF (Apr. '14)	1.2	0.6	0.3	2.2	0.1	na	na	0.4
OECD (May '14)	1.2	0.7	0.3	2.5	na	na	na	0.5

## Euro Zone - Forecasts for 2014

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	<b>Industrial Produc- tion</b> <i>(excl. construc- tion)</i>	<b>Retail Sales Volume</b>	<b>Unem- ploy- ment Rate</b> <i>(% of labour force)</i>	<b>Money Supply, M3</b> <i>(end period, %)</i>	<b>Con- sumer Prices</b> <i>(HICP)</i>	<b>Pro- ducer Prices</b> <i>(indust., excl, con- struction)</i>	<b>Labour Costs</b> <i>(business sector, ex pub adm, education &amp; health)</i>	<b>Current Account Balance</b> <i>(annual total, €bn)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>
<b>Panellists</b>										
Allianz SE	1.8	na	11.7	na	0.9	-0.4	na	245.0	2.5	-2.5
BBVA	na	na	11.9	na	0.9	na	na	na	2.2	-2.6
BNP Paribas	3.3	na	12.0	na	0.6	na	na	250.0	2.5	-2.5
Commerzbank	1.8	na	11.7	3.0	0.9	-0.6	1.2	200.0	0.2	na
Danske Bank	na	na	11.7	na	0.7	na	na	na	2.9	-2.5
DZ Bank	na	na	12.0	na	1.1	na	na	na	2.5	-2.6
Econ Intelligence Unit	1.3	na	11.9	na	0.8	0.2	na	262.4	2.7	-2.6
ETLA	1.5	na	11.8	na	0.8	na	na	na	na	-2.7
G&P Institutional Mgmt	na	na	11.7	na	0.8	na	na	na	na	-2.8
HSBC	2.2	na	11.9	na	0.8	na	1.3	231.4	2.4	na
IHS Economics	2.0	1.0	11.8	na	0.9	-0.5	1.6	230.0	2.4	-2.6
Intesa Sanpaulo	na	0.5	11.8	2.0	na	1.0	na	135.0	na	na
J P Morgan Chase	1.8	na	12.0	na	0.7	0.2	na	123.0	1.3	-2.5
Morgan Stanley	na	na	12.0	na	0.8	na	na	261.0	2.7	-2.7
Oxford Economics	2.0	1.1	11.7	na	0.7	-0.5	na	256.5	2.6	-2.5
Raiffeisen Bank International	3.0	na	11.9	na	na	na	na	186.7	1.9	-2.6
Santander	na	na	11.8	na	0.8	na	na	156.0	1.6	-2.5
SEB	na	na	11.7	na	0.7	na	na	na	na	na
UBS	na	na	11.9	0.6	0.9	0.7	na	na	2.2	-2.6
UniCredit Bank	na	na	12.0	na	0.9	na	na	na	na	na
<b>Consensus (Mean)</b>	<b>2.1</b>	<b>0.9</b>	<b>11.8</b>	<b>1.9</b>	<b>0.8</b>	<b>0.0</b>	<b>1.4</b>	<b>211.4</b>	<b>2.2</b>	<b>-2.6</b>
Last Month	2.0	0.7	11.9	1.3	0.9	0.2	1.0	210.3	2.3	-2.6
2 Months Ago	1.9	0.5	12.0	1.7	1.0	0.9	1.6	199.8	2.1	-2.6
Median	1.9	1.0	11.9	2.0	0.8	-0.1	1.3	230.7	2.4	-2.6
High	3.3	1.1	12.0	3.0	1.1	1.0	1.6	262.4	2.9	-2.5
Low	1.3	0.5	11.7	0.6	0.6	-0.6	1.2	123.0	0.2	-2.8
Standard Deviation	0.6	0.3	0.1	1.2	0.1	0.6	0.2	50.4	0.7	0.1
Number of Forecasts	10	3	20	3	18	8	3	12	15	15
<b>Other Forecasts</b>										
ECB (Mar. '14)	na	na	11.9	na	1.0	na	na	na	2.4	-2.7
EC (May '14)	na	na	11.8	na	0.8	na	na	394.2	2.9	-2.5
IMF (Apr. '14)	na	na	na	na	0.9	na	na	na	2.4	-2.6
OECD (May '14)	na	na	11.7	na	0.7	na	na	na	3.1	-2.5

## Euro Zone - Forecasts for 2015

<b>National Accounts (constant prices)</b> <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
<b>Panellists</b>								
Allianz SE	1.5	1.2	0.8	3.0	na	4.3	4.5	na
BBVA	1.9	1.3	0.7	5.1	0.0	4.2	4.6	0.0
BNP Paribas	1.9	1.3	0.0	4.1	0.1	5.5	5.3	na
Commerzbank	1.2	1.2	0.9	2.8	0.2	5.3	5.2	-0.4
Danske Bank	1.7	1.2	-0.1	4.1	0.0	4.5	4.3	na
DZ Bank	1.6	1.2	1.0	2.9	na	4.8	5.1	na
Econ Intelligence Unit	1.4	1.0	0.8	3.5	na	3.7	4.0	0.0
ETLA	1.8	0.9	0.7	2.3	na	5.2	4.7	na
G&P Institutional Mgmt	2.0	1.8	1.5	4.1	0.2	4.4	5.0	0.0
HSBC	1.1	0.8	0.4	1.6	-0.3	3.1	3.1	na
IHS Economics	1.6	1.3	0.6	2.5	na	3.9	3.9	0.1
Intesa Sanpaulo	na	na	na	na	na	na	na	na
J P Morgan Chase	1.7	1.2	0.9	2.0	na	3.6	3.4	na
Morgan Stanley	1.2	0.6	0.5	1.4	0.2	4.1	3.7	0.4
Oxford Economics	1.5	1.3	0.2	2.4	0.1	3.9	4.0	0.1
Raiffeisen Bank International	2.0	1.8	0.7	3.6	na	5.4	5.7	na
Santander	1.5	1.1	0.0	4.0	na	4.3	4.4	0.1
SEB	1.6	1.3	0.8	2.8	0.0	4.0	3.9	na
UBS	1.5	1.4	0.5	2.9	0.0	4.0	4.2	0.1
UniCredit Bank	1.7	1.1	0.4	2.7	0.3	4.2	4.2	0.2
<b>Consensus (Mean)</b>	<b>1.6</b>	<b>1.2</b>	<b>0.6</b>	<b>3.0</b>	<b>0.1</b>	<b>4.3</b>	<b>4.4</b>	<b>0.1</b>
Last Month	1.6	1.2	0.6	3.0	0.1	4.2	4.3	0.1
2 Months Ago	1.6	1.2	0.6	3.0	0.1	4.3	4.3	0.1
Median	1.6	1.2	0.7	2.9	0.1	4.2	4.3	0.1
High	2.0	1.8	1.5	5.1	0.3	5.5	5.7	0.4
Low	1.1	0.6	-0.1	1.4	-0.3	3.1	3.1	-0.4
Standard Deviation	0.3	0.3	0.4	1.0	0.2	0.6	0.7	0.2
Number of Forecasts	19	19	19	19	11	19	19	10
<b>Other Forecasts</b>								
ECB (Mar. '14)	1.5	1.2	0.4	2.7	na	4.7	4.7	na
EC (May '14)	1.7	1.3	0.5	4.2	0.0	5.3	5.5	0.1
IMF (Apr. '14)	1.5	1.0	-0.2	2.6	0.0	na	na	0.4
OECD (May '14)	1.7	1.3	0.2	3.3	na	na	na	0.3

## Euro Zone - Forecasts for 2015

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	<b>Industrial Produc- tion</b> <i>(excl. construc- tion)</i>	<b>Retail Sales Volume</b>	<b>Unem- ploy- ment Rate</b> <i>(% of labour force)</i>	<b>Money Supply, M3</b> <i>(end period, %)</i>	<b>Con- sumer Prices</b> <i>(HICP)</i>	<b>Pro- ducer Prices</b> <i>(indust., excl, con- struction)</i>	<b>Labour Costs</b> <i>(business sector, ex pub adm, education &amp; health)</i>	<b>Current Account Balance</b> <i>(annual total, €bn)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>
<b>Panellists</b>										
Allianz SE	3.0	na	11.2	na	1.5	1.8	na	250.0	2.5	-2.0
BBVA	na	na	11.4	na	1.3	na	na	na	2.1	-2.1
BNP Paribas	2.1	na	11.7	na	1.1	na	na	260.0	2.6	-2.1
Commerzbank	2.3	na	11.4	3.5	1.2	1.6	1.8	250.0	0.2	na
Danske Bank	na	na	11.4	na	1.1	na	na	na	2.9	-2.3
DZ Bank	na	na	11.8	na	1.8	na	na	na	2.5	-2.5
Econ Intelligence Unit	2.0	na	11.6	na	1.2	2.0	na	266.2	2.6	-2.3
ETLA	2.5	na	11.5	na	1.3	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	11.1	na	1.2	na	na	na	na	-2.6
HSBC	2.6	na	11.7	na	1.0	na	1.3	241.6	2.5	na
IHS Economics	2.4	1.5	11.6	na	1.3	1.5	2.0	225.0	2.2	-2.0
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.3	na	11.8	na	1.0	1.0	na	124.1	1.2	-2.3
Morgan Stanley	na	na	11.8	na	1.1	na	na	298.8	3.1	-2.6
Oxford Economics	2.5	1.3	11.6	na	1.2	1.7	na	237.1	2.4	-2.0
Raiffeisen Bank International	4.3	na	11.6	na	na	na	na	152.6	1.5	-2.5
Santander	na	na	11.7	na	1.4	na	na	80.0	0.8	-2.0
SEB	na	na	11.5	na	0.8	na	na	na	na	na
UBS	na	na	11.6	1.0	1.5	1.3	na	na	2.2	-2.0
UniCredit Bank	na	na	11.8	na	1.3	na	na	na	na	na
<b>Consensus (Mean)</b>	<b>2.6</b>	<b>1.4</b>	<b>11.6</b>	<b>2.3</b>	<b>1.2</b>	<b>1.6</b>	<b>1.7</b>	<b>216.9</b>	<b>2.1</b>	<b>-2.2</b>
Last Month	2.6	1.4	11.6	1.0	1.3	1.6	1.8	218.1	2.2	-2.2
2 Months Ago	2.6	1.4	11.7	1.0	1.3	2.0	1.8	198.7	2.0	-2.2
Median	2.5	1.4	11.6	2.3	1.2	1.6	1.8	241.6	2.4	-2.3
High	4.3	1.5	11.8	3.5	1.8	2.0	2.0	298.8	3.1	-2.0
Low	2.0	1.3	11.1	1.0	0.8	1.0	1.3	80.0	0.2	-2.6
Standard Deviation	0.7	0.1	0.2	na	0.2	0.3	0.4	67.6	0.8	0.2
Number of Forecasts	10	2	19	2	18	7	3	11	15	15
<b>Other Forecasts</b>										
ECB (Mar. '14)	na	na	11.7	na	1.3	na	na	na	2.6	-2.5
EC (May '14)	na	na	11.4	na	1.2	na	na	398.9	2.9	-2.3
IMF (Apr. '14)	na	na	na	na	1.2	na	na	na	2.5	-2.0
OECD (May '14)	na	na	11.4	na	1.1	na	na	na	3.2	-1.8

<b>Financial Forecasts</b>		<b>2014</b>	<b>2015</b>
<i>All forecasts are for end year</i>			
<b>3-month Euribor Interest Rate, %</b>	<b>Mean Average</b>	<b>0.24</b>	<b>0.48</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.32</span>	High	0.40	1.20
	Low	0.10	0.17
	Standard deviation	0.07	0.30
	Number of Forecasts	16	13
<b>10-year Benchmark German Bond Yield, %</b>	<b>Mean Average</b>	<b>1.93</b>	<b>2.36</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.34</span>	High	2.40	2.68
	Low	1.55	2.00
	Standard deviation	0.25	0.24
	Number of Forecasts	11	8
<b>US Dollars/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.323</b>	<b>1.274</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.372</span>	High	1.380	1.370
	Low	1.200	1.030
	Standard deviation	0.039	0.066
	Number of Forecasts	30	27
<b>Japanese Yen/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>141.7</b>	<b>143.1</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">138.8</span>	High	152.6	158.4
	Low	129.0	124.0
	Standard deviation	6.9	10.8
	Number of Forecasts	13	12
<b>UK Pound/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>0.812</b>	<b>0.795</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.815</span>	High	0.850	0.860
	Low	0.760	0.720
	Standard deviation	0.023	0.039
	Number of Forecasts	15	14
<b>Swedish Krona/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>8.776</b>	<b>8.579</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">9.041</span>	High	9.250	9.150
	Low	8.300	8.025
	Standard deviation	0.215	0.299
	Number of Forecasts	23	20
<b>Swiss Franc/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.245</b>	<b>1.249</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.223</span>	High	1.280	1.310
	Low	1.220	1.220
	Standard deviation	0.017	0.027
	Number of Forecasts	10	9
<b>Oil Prices, Brent Blend, US\$ per barrel</b>	<b>Mean Average</b>	<b>106.0</b>	<b>105.1</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">110.5</span>	High	114.0	120.0
	Low	97.0	95.0
	Standard deviation	3.9	7.0
	Number of Forecasts	23	23
<i>Note: The consensus (mean average) forecasts for US\$/€, Skr/€ and oil prices are based on responses from panellists in our Euro Zone Barometer survey and those in our companion publication, the Nordic Barometer.</i>			



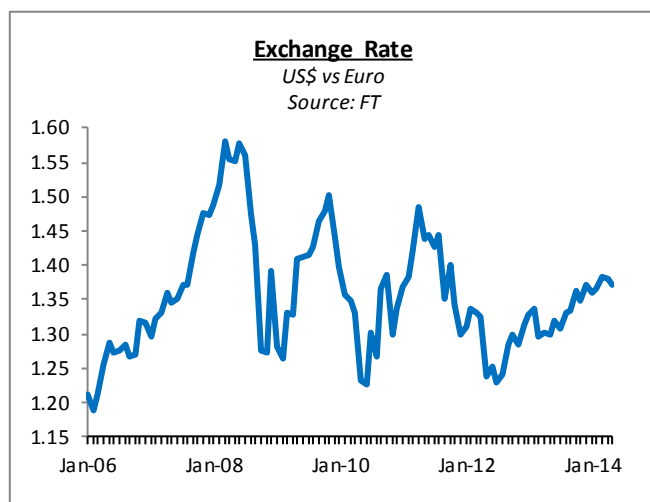
**Interest Rate Data***All data are period averages*

<b>Euro Zone Interest Rates, %</b>	<b>Nov '13</b>	<b>Dec</b>	<b>Jan '14</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
Overnight	0.10	0.17	0.20	0.16	0.19	0.25
3-month	0.22	0.27	0.29	0.29	0.31	0.33
6-month	0.33	0.37	0.40	0.39	0.41	0.43
12-month	0.51	0.54	0.56	0.55	0.58	0.60
10-year bond yields	3.17	3.31	3.21	3.09	2.89	2.61
<b>International Rates, %</b>						
US 3-month (Euro dollar deposits)	0.24	0.24	0.24	0.24	0.23	0.23
US 10-year	2.99	3.27	2.93	2.90	2.97	2.87
Japan 3-month (Euro yen deposits)	0.14	0.15	0.14	0.14	0.14	0.14
Japan 10-year	0.79	0.95	0.82	0.81	0.84	0.81
<b>Euro Zone / US Yield Differentials, %</b>						
3-month	-0.02	0.03	0.05	0.05	0.08	0.10
10-year	0.18	0.04	0.28	0.19	-0.08	-0.26

**Exchange Rate Data***period averages vs euro*

	<b>Nov '13</b>	<b>Dec</b>	<b>Jan '14</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
<b>Trade Weighted Nominal Index *</b> (1999 Q1=100)	102.6	103.9	103.4	103.6	104.6	104.5
Australian dollar	1.447	1.524	1.538	1.522	1.522	1.483
Canadian dollar	1.415	1.458	1.488	1.509	1.535	1.518
Chinese renminbi	8.222	8.325	8.237	8.306	8.533	8.598
Danish krone	7.459	7.460	7.461	7.462	7.464	7.466
Hong Kong dollar	10.46	10.63	10.56	10.60	10.73	10.71
Japanese yen	135.0	141.7	141.5	139.4	141.5	141.6
Norwegian krone	8.206	8.405	8.393	8.356	8.291	8.251
Singapore dollar	1.683	1.724	1.733	1.730	1.751	1.735
South Korean won	1434	1447	1454	1463	1480	1441
Swedish krona	8.880	8.960	8.834	8.872	8.867	9.033
Swiss franc	1.232	1.225	1.232	1.221	1.218	1.219
UK pound	0.838	0.836	0.827	0.825	0.832	0.825
US dollar	1.349	1.370	1.361	1.366	1.382	1.381

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



The euro's recent depreciation against the US dollar has been driven by growing expectations of renewed monetary policy stimulus from the European Central Bank geared towards supporting the region's economic growth and mitigating the risk of deflation. Having reached a two-and-a-half month low against the greenback last week the single currency has since rebounded slightly to its present level of 1.37/\$, partly due to weaker-than-expected consumer confidence data in the US. The euro has also weakened against a strong pound sterling, gaining from higher UK inflation and the prospect of an earlier increase in UK base rate with the London property market booming.

## ECB Watch

- The majority of our survey respondents expects the ECB to lower its main policy interest rates at its next meeting on June 5<sup>th</sup>. The only question is whether it will be a small reduction of say 10 basis points (the more likely option), or a full 25bp. Some suggest it may even go for 15bp, but whatever ensues a reduction now seems likely.
- The other question revolves around the possibility of introducing more unorthodox measures to bolster liquidity and ensure the euro area does not become ensnared in a deflationary trap. Pressure on the ECB to react quickly was alleviated somewhat by inflation increasing 0.7% y/y in April compared to 0.5% in March. Holding back on QE but boosting bank and SME financing seem plausible.

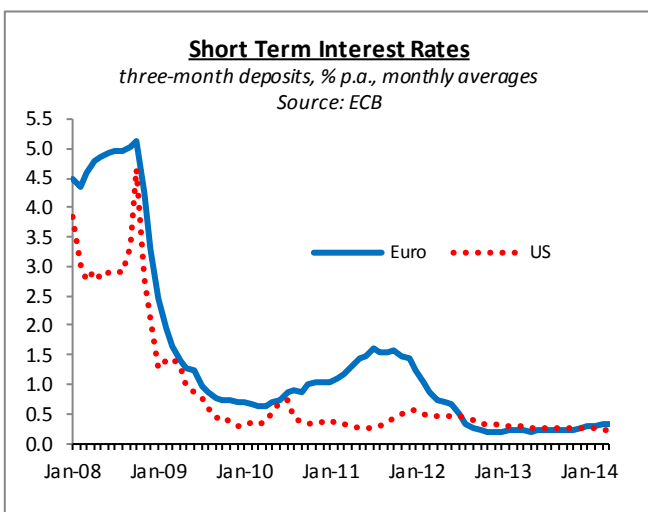
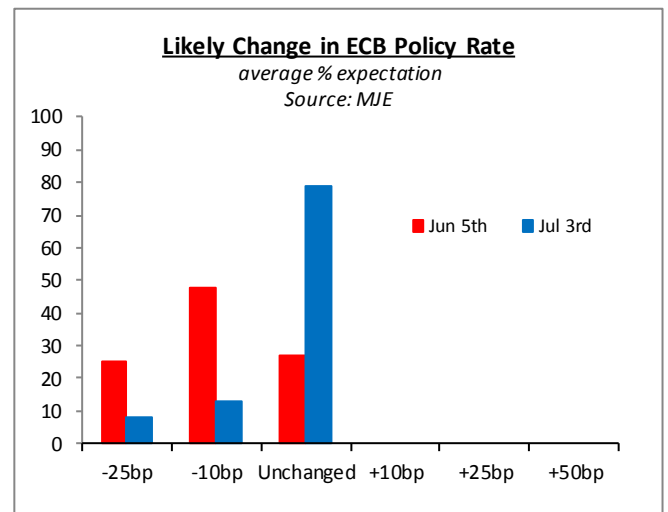
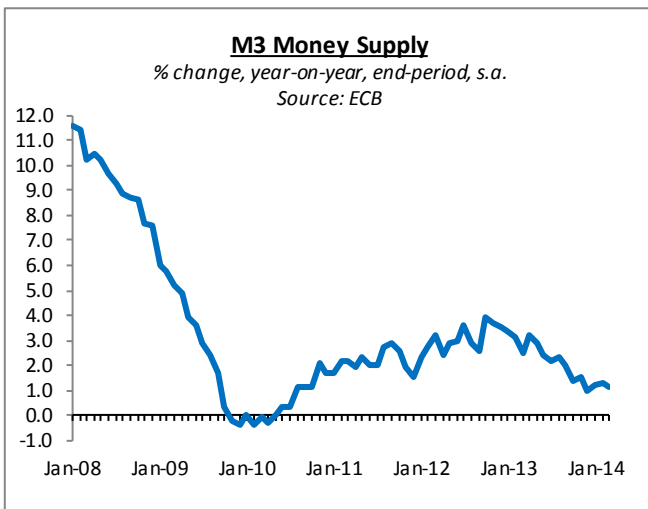
### Euro Zone Barometer

#### 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:

	<b>Jun 5th</b>	<b>Jul 3rd</b>
-50bp	0.0%	0.0%
-25bp	25.0%	8.1%
-10bp	47.7%	13.1%
<b>Unchanged</b>	<b>27.3%</b>	<b>78.8%</b>
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



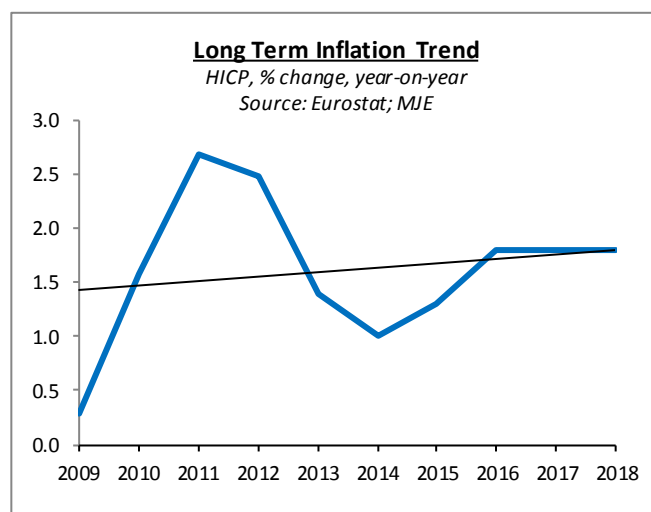
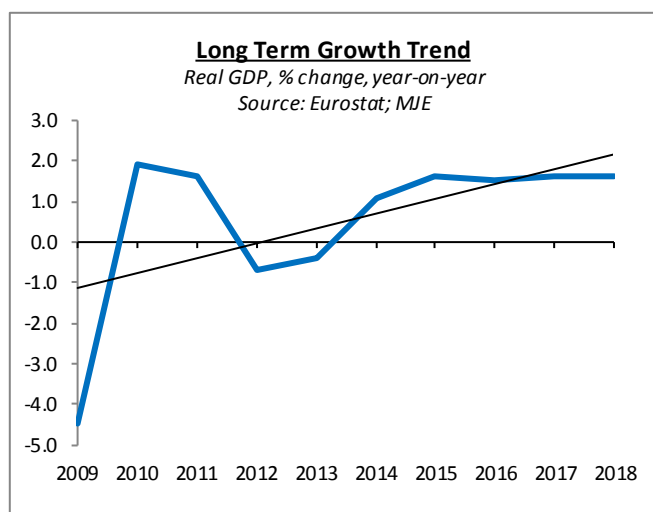
### Last Five ECB Interest Rate Changes:

- November 7th, 2013**  
0.25% DECREASE to 0.25%
- May 2nd, 2013**  
0.25% DECREASE to 0.50%
- July 5th, 2012**  
0.25% DECREASE to 0.75%
- December 14th, 2011**  
0.25% DECREASE to 1.00%
- November 9th, 2011**  
0.25% DECREASE to 1.25%

### Long Term Forecasts

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

(% change year-on-year, unless otherwise stated)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Gross Domestic Product</b>	-0.4	1.2	1.6	1.6	1.6	1.6
<b>Private Consumption</b>	-0.7	0.7	1.2	1.3	1.4	1.4
<b>Gross Fixed Investment</b>	-3.1	2.4	3.0	2.4	2.5	2.4
<b>Industrial Production (excl. construction)</b>	-0.7	2.1	2.6	2.0	2.0	1.8
<b>Unemployment Rate, % of labour force</b>	12.0	11.8	11.6	11.7	11.3	10.9
<b>Harmonised Index of Consumer Prices</b>	1.4	0.8	1.2	1.7	1.8	1.8
<b>Current Account, annual total, % of GDP</b>	2.4	2.2	2.1	1.8	1.7	1.5
<b>General Government Balance, % of GDP</b>	-3.0	-2.6	-2.2	-1.8	-1.4	-1.2
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	0.29	0.24	0.48	1.83	2.34	2.13
<b>10 Year Bond Yield, % per annum</b>	1.94	1.93	2.36	3.27	3.43	3.57
<b>10 year - 3 month Yield Differential</b>	1.65	1.69	1.88	1.44	1.09	1.44
<b>US\$ per € Exchange Rate</b>	1.378	1.323	1.274	1.253	1.279	1.319



## GERMANY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	2.0	1.5	na	4.3	5.0	1.3	7.6	0.2	na
BBVA	1.8	1.4	4.2	na	na	1.3	6.7	0.0	na
Danske Bank	2.5	1.5	6.0	na	5.1	1.1	7.3	0.0	76.0
DZ Bank	2.3	1.2	5.5	na	na	2.1	7.2	-0.2	77.0
Economist Intelligence Unit	2.0	1.8	3.7	1.6	5.1	1.1	7.1	0.5	75.2
G&P Institutional Mgmt	2.0	1.3	4.2	na	5.0	1.2	na	0.1	na
HSBC	1.7	0.9	3.7	4.1	na	1.2	6.5	0.1	77.5
IHS Economics	2.1	1.5	7.1	4.2	5.0	1.3	7.1	0.1	75.8
Intesa Sanpaulo	1.8	1.4	4.2	1.0	na	1.7	6.2	-0.1	na
J P Morgan Chase	1.8	na	na	na	na	1.2	na	na	na
Morgan Stanley	1.8	1.3	3.2	2.2	5.5	1.9	6.6	0.1	77.8
Oxford Economics	2.0	1.5	4.0	3.2	5.0	1.1	7.6	0.0	na
Raiffeisen Bank International	1.8	na	na	na	na	1.0	7.0	0.0	77.3
Santander	1.8	1.1	5.4	3.7	5.2	1.0	6.7	0.1	77.0
SEB	1.8	1.2	2.5	3.0	5.5	1.6	na	0.0	77.0
UBS	1.8	1.3	5.0	2.9	na	1.2	7.7	0.0	76.4
Unicredit Bank	2.5	1.1	5.3	3.5	5.2	1.5	6.0	-0.2	75.9
<b>Consensus (Mean Average)</b>	<b>2.0</b>	<b>1.3</b>	<b>4.6</b>	<b>3.1</b>	<b>5.2</b>	<b>1.3</b>	<b>7.0</b>	<b>0.0</b>	<b>76.6</b>
Last Month	1.9	1.2	4.5	3.1	5.2	1.4	6.8	0.1	76.8
2 Months Ago	1.9	1.4	4.3	3.0	5.2	1.5	6.6	0.0	77.3
Median	1.8	1.3	4.2	3.2	5.1	1.2	7.1	0.0	77.0
High	2.5	1.8	7.1	4.3	5.5	2.1	7.7	0.5	77.8
Low	1.7	0.9	2.5	1.0	5.0	1.0	6.0	-0.2	75.2
Standard Deviation	0.2	0.2	1.2	1.1	0.2	0.3	0.5	0.2	0.8
Number of Forecasts	17	15	14	11	10	17	14	16	11
<b>Other Forecasts</b>									
EC (May '14)	1.8	1.5	4.5	na	5.1	1.1	7.3	0.0	76.0
IMF (Apr. '14)	1.7	1.0	3.2	na	5.2	1.4	7.3	0.0	74.6
OECD (May '14)	1.9	1.4	5.7	na	5.0	1.1	7.9	-0.2	na

- Germany's reputation as the power-house of the euro zone has been validated by the latest national accounts figures showing a 0.8% q/q increase in real GDP during Q1 2014, pushing up the y/y growth rate to 2.3%. Although the rise was exaggerated by milder than usual winter weather affecting the seasonal adjustment, a rise in domestic demand shows Germany shifting up a gear.
- Confidence within the manufacturing and construction sectors waned in April, but consumer confidence continued to rise.
- Caution is nonetheless advised by the Bundesbank (Germany's central bank), which expects domestic factors to become less propitious in the coming months as positive seasonal factors fade. The Bank also expects Germany to be buffeted by rising geopolitical risks, including the crisis in Ukraine harming exports.
- Positively the unemployment rate was held down to 5.1% in March and youth unemployment at just 7.8% remains among the lowest in Europe.

## GERMANY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	1.6	1.6	na	3.1	4.9	1.9	7.0	0.2	na
BBVA	2.0	1.6	5.0	na	na	1.6	7.0	0.0	na
Danske Bank	3.0	1.7	7.4	na	5.1	1.5	7.0	-0.1	73.6
DZ Bank	2.6	1.8	6.1	na	na	2.5	6.5	0.0	75.0
Economist Intelligence Unit	1.7	1.7	4.0	1.8	5.0	1.6	6.8	0.7	72.8
G&P Institutional Mgmt	2.1	2.2	4.1	na	4.9	1.7	na	0.0	na
HSBC	2.7	1.2	2.4	3.9	na	1.6	6.0	0.1	75.2
IHS Economics	2.0	1.8	4.0	2.7	4.7	1.8	6.8	0.3	72.6
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	2.2	na	na	na	na	1.7	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.8	2.0	3.4	2.4	5.3	1.8	7.1	0.2	na
Raiffeisen Bank International	2.5	na	na	na	na	2.0	6.5	0.0	74.5
Santander	2.0	1.2	3.1	2.2	5.2	1.7	6.1	0.0	74.0
SEB	2.1	1.3	3.5	5.0	5.4	2.0	na	0.5	74.0
UBS	1.9	1.9	5.1	3.7	na	1.4	7.5	0.5	73.3
Unicredit Bank	2.5	1.6	3.3	3.0	5.1	2.2	6.0	0.3	72.0
<b>Consensus (Mean Average)</b>	<b>2.2</b>	<b>1.7</b>	<b>4.3</b>	<b>3.1</b>	<b>5.1</b>	<b>1.8</b>	<b>6.7</b>	<b>0.2</b>	<b>73.7</b>
Last Month	2.2	1.6	4.3	2.8	5.1	1.8	6.5	0.2	73.8
2 Months Ago	2.1	1.7	4.3	2.9	5.1	1.9	6.3	0.2	74.2
Median	2.1	1.7	4.0	3.0	5.1	1.7	6.8	0.2	73.8
High	3.0	2.2	7.4	5.0	5.4	2.5	7.5	0.7	75.2
Low	1.6	1.2	2.4	1.8	4.7	1.4	6.0	-0.1	72.0
Standard Deviation	0.4	0.3	1.4	1.0	0.2	0.3	0.5	0.2	1.0
Number of Forecasts	15	13	12	9	9	15	12	14	10
<b>Other Forecasts</b>									
EC (May '14)	2.0	1.8	4.5	na	5.1	1.4	7.0	-0.1	73.6
IMF (Apr. '14)	1.6	1.1	2.5	na	5.2	1.4	7.1	-0.1	70.8
OECD (May '14)	2.1	2.0	4.8	na	4.9	1.8	7.4	0.2	na

### Germany: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	3.8	3.4	0.9	0.5
<b>Private Consumption</b>	0.9	1.7	0.7	1.0
<b>Gross Fixed Investment</b>	5.9	6.2	-1.9	-0.5
<b>Industrial Production</b>	10.7	7.7	-0.3	0.0
<b>Unemploy. Rate, % of L.F.</b>	7.1	5.9	5.5	5.3
<b>Consumer Prices</b>	1.2	2.5	2.1	1.6
<b>Current Acc., % of GDP</b>	6.4	6.3	7.0	7.3
<b>Budget Bal., % of GDP</b>	-4.2	-0.8	0.1	0.0
<b>Public Debt, % of GDP</b>	82.5	80.0	81.0	79.5

Source: ECB; Eurostat; national statistical office

### Germany: Background Information

<b>Prime Minister:</b>	Angela Merkel
<b>Government:</b>	Christian Democrat. Union led coalition
<b>Next Election:</b>	2017 (parliamentary)
<b>Capital City:</b>	Berlin
<b>Economic Freedom:</b>	19th out of 177 countries
<b>Doing Business:</b>	21st out of 189 countries
<b>Competitiveness:</b>	4th out of 148 countries
<b>Corruption:</b>	12th out of 175 countries
<b>Corporate Tax Rate:</b>	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

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

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

## FRANCE - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	0.9	0.9	1.5	na	na	1.1	-1.7	-3.8	na
BNP Paribas	0.8	0.5	1.2	0.1	10.4	0.8	-1.7	-3.6	na
Danske Bank	0.9	0.7	1.7	na	10.5	0.8	-1.3	-3.9	95.6
DZ Bank	0.8	0.8	1.4	na	10.8	0.8	-1.8	-3.9	96.0
Economist Intelligence Unit	0.9	0.8	0.9	1.0	9.7	0.8	-1.4	-4.2	95.8
G&P Institutional Mgmt	0.6	0.3	0.2	na	10.3	1.0	na	-3.9	na
HSBC	0.6	0.8	-0.1	0.4	10.9	1.2	-1.4	-4.0	98.0
IHS Economics	0.6	0.4	0.6	0.3	10.1	1.1	-1.3	-4.1	96.1
Intesa Sanpaulo	1.1	1.1	na	1.1	10.5	1.4	na	na	na
J P Morgan Chase	0.8	na	na	na	na	1.0	na	na	na
Morgan Stanley	0.6	0.5	0.4	na	10.8	1.8	-2.2	-3.5	95.3
Oxford Economics	0.8	0.8	0.5	0.7	10.3	0.9	-1.3	-3.7	na
Raiffeisen Bank International	1.0	na	na	na	na	1.0	-1.7	-3.8	95.9
SEB	0.8	0.6	1.5	0.5	11.0	1.5	na	-3.9	95.0
UBS	1.0	0.9	1.4	0.5	na	1.2	-1.4	-3.8	97.4
<b>Consensus (Mean Average)</b>	<b>0.8</b>	<b>0.7</b>	<b>0.9</b>	<b>0.6</b>	<b>10.5</b>	<b>1.1</b>	<b>-1.6</b>	<b>-3.9</b>	<b>96.1</b>
Last Month	0.9	0.8	1.1	0.6	10.6	1.1	-1.7	-3.8	96.1
2 Months Ago	0.8	0.8	1.0	0.7	10.9	1.2	-1.7	-3.6	95.5
Median	0.8	0.8	1.1	0.5	10.5	1.0	-1.4	-3.9	95.9
High	1.1	1.1	1.7	1.1	11.0	1.8	-1.3	-3.5	98.0
Low	0.6	0.3	-0.1	0.1	9.7	0.8	-2.2	-4.2	95.0
Standard Deviation	0.2	0.2	0.6	0.3	0.4	0.3	0.3	0.2	1.0
Number of Forecasts	15	13	12	8	11	15	11	13	9
<b>Other Forecasts</b>									
EC (May '14)	1.0	0.6	1.3	na	10.4	1.0	-1.8	-3.9	95.6
IMF (Apr. '14)	1.0	0.9	1.9	na	11.0	1.0	-1.7	-3.7	96.1
OECD (May '14)	0.9	0.5	1.0	na	9.9	0.9	-1.6	-3.8	na

- Although the 0.8% y/y growth seen during Q4 2013 was repeated in Q1 2014, GDP flat-lined on a q/q basis according to the seasonally-adjusted figures, to pile more pressure on the government in the advent of the elections to the European Parliament this week, especially since there had been widespread anticipation of further growth.
- Moreover, the French unemployment rate was stuck at 10.4% in March. Youth unemployment is gradually falling, but at 23.4% remains uncomfortably high.
- Sentiment indicators showing a drop off in confidence within the construction industry and among consumers is a worry, as it shows that unlike Germany where manufacturers have become concerned by the problems in Eastern Europe, France has troubling deep-seated domestic problems holding back recovery.
- With weak household spending and investment the government is expected to accelerate business reforms, but must continue to correct its fiscal imbalances.

## FRANCE - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.5	1.2	2.5	na	na	1.2	-1.6	-3.0	na
BNP Paribas	1.4	1.3	3.4	1.9	10.3	1.2	-1.9	-3.0	na
Danske Bank	1.5	1.3	3.8	na	10.2	1.0	-2.0	-3.4	96.6
DZ Bank	1.3	1.1	2.9	na	10.7	1.6	-1.9	-3.9	96.9
Economist Intelligence Unit	1.4	0.9	2.4	2.2	9.6	1.0	-1.3	-3.9	97.9
G&P Institutional Mgmt	1.4	1.6	3.2	na	9.8	1.4	na	-3.4	na
HSBC	1.0	0.9	1.3	2.6	10.8	1.5	-1.5	-3.6	99.3
IHS Economics	1.3	1.2	2.3	1.5	10.0	1.5	-1.0	-3.4	96.4
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	1.0	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.1	1.0	1.4	1.7	10.1	1.1	-1.6	-3.2	na
Raiffeisen Bank International	1.8	na	na	na	na	1.3	-1.9	-3.3	96.4
SEB	1.4	1.4	2.0	1.5	10.8	1.8	na	-3.5	96.0
UBS	1.5	1.8	1.8	1.5	na	1.2	-1.0	-2.9	96.8
<b>Consensus (Mean Average)</b>	<b>1.4</b>	<b>1.2</b>	<b>2.5</b>	<b>1.8</b>	<b>10.3</b>	<b>1.3</b>	<b>-1.6</b>	<b>-3.4</b>	<b>97.0</b>
Last Month	1.4	1.2	2.4	1.8	10.4	1.3	-1.6	-3.4	96.8
2 Months Ago	1.4	1.2	2.5	1.9	10.7	1.4	-1.6	-3.2	96.1
Median	1.4	1.2	2.4	1.7	10.2	1.2	-1.6	-3.4	96.7
High	1.8	1.8	3.8	2.6	10.8	1.8	-1.0	-2.9	99.3
Low	1.0	0.9	1.3	1.5	9.6	1.0	-2.0	-3.9	96.0
Standard Deviation	0.2	0.3	0.8	0.4	0.4	0.3	0.4	0.3	1.1
Number of Forecasts	13	11	11	7	9	13	10	12	8
<b>Other Forecasts</b>									
EC (May '14)	1.5	1.2	4.5	na	10.2	1.1	-2.0	-3.4	96.6
IMF (Apr. '14)	1.5	1.0	2.7	na	10.7	1.2	-1.0	-3.0	87.7
OECD (May '14)	1.5	1.5	2.5	na	9.8	1.1	-1.4	-3.1	na

### France: Historical Data

<i>% change, year-on-year</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Gross Domestic Product</b>	1.7	2.0	0.0	0.3
<b>Private Consumption</b>	1.6	0.6	-0.3	0.4
<b>Gross Fixed Investment</b>	1.4	2.9	-1.2	-2.1
<b>Industrial Production</b>	4.8	2.4	-2.6	-0.5
<b>Unemploy. Rate, % of L.F.</b>	9.7	9.6	10.2	10.8
<b>Consumer Prices</b>	1.7	2.3	2.2	1.0
<b>Current Acc., % of GDP</b>	-1.9	-2.5	-2.1	-1.7
<b>Budget Bal., % of GDP</b>	-7.1	-5.3	-4.8	-4.3
<b>Public Debt, % of GDP</b>	82.4	85.8	90.2	93.5

Source: ECB; Eurostat; national statistical office

### France: Background Information

<b>President:</b>	Francois Hollande
<b>Government:</b>	Socialist Party
<b>Next Election:</b>	2017 (presidential & parliamentary)
<b>Capital City:</b>	Paris
<b>Economic Freedom:</b>	62nd out of 177 countries
<b>Doing Business:</b>	38th out of 189 countries
<b>Competitiveness:</b>	23rd out of 148 countries
<b>Corruption:</b>	22nd out of 1754 countries
<b>Corporate Tax Rate:</b>	33.33% (national rate) 0.0% (local rate) 33.33% (branch rate)

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

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

## ITALY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	0.7	0.1	na	na	na	0.7	1.1	-2.6	na
Danske Bank	0.5	0.0	1.4	na	12.6	0.6	1.5	-2.7	135.2
DZ Bank	0.4	0.0	1.0	na	12.2	0.6	1.2	-2.9	134.0
Economist Intelligence Unit	0.5	-0.6	1.2	0.2	13.2	0.4	1.5	-3.0	136.0
G&P Institutional Mgmt	0.3	-0.2	1.3	na	12.6	0.7	na	-2.7	na
HSBC	0.4	-0.1	0.4	1.6	12.7	0.4	1.3	-3.1	134.0
IHS Economics	0.3	0.0	0.4	0.4	12.9	0.7	1.6	-2.6	134.1
Intesa Sanpaulo	0.5	0.2	0.7	0.7	na	na	0.6	-2.6	na
J P Morgan Chase	0.7	na	na	na	na	0.5	na	na	na
Morgan Stanley	0.4	-0.2	1.9	na	12.4	1.5	1.4	-2.4	131.6
Oxford Economics	0.5	-0.1	0.4	1.2	12.9	0.5	1.6	-3.0	na
Raiffeisen Bank International	0.7	na	na	na	na	0.8	1.1	-2.9	134.6
SEB	0.3	na	na	1.0	12.0	0.9	na	-2.5	134.0
UBS	0.3	0.2	-0.2	0.7	12.8	0.8	na	-2.9	132.2
Unicredit Bank	0.9	0.5	1.4	na	12.8	0.7	na	na	na
<b>Consensus (Mean Average)</b>	<b>0.5</b>	<b>0.0</b>	<b>0.9</b>	<b>0.8</b>	<b>12.6</b>	<b>0.7</b>	<b>1.3</b>	<b>-2.8</b>	<b>134.0</b>
Last Month	0.6	0.1	1.1	1.0	12.6	0.8	1.1	-2.8	134.1
2 Months Ago	0.5	0.0	0.6	0.8	12.5	1.0	1.0	-2.7	133.5
Median	0.5	0.0	1.0	0.7	12.7	0.7	1.4	-2.7	134.0
High	0.9	0.5	1.9	1.6	13.2	1.5	1.6	-2.4	136.0
Low	0.3	-0.6	-0.2	0.2	12.0	0.4	0.6	-3.1	131.6
Standard Deviation	0.2	0.3	0.6	0.5	0.3	0.3	0.3	0.2	1.4
Number of Forecasts	15	12	11	7	11	14	10	13	9
<b>Other Forecasts</b>									
EC (May '14)	0.6	0.4	1.6	na	12.8	0.7	1.5	-2.6	135.2
IMF (Apr. '14)	0.6	-0.2	1.9	na	12.4	0.7	1.1	-2.7	133.1
OECD (May '14)	0.5	0.1	1.0	na	12.8	0.5	1.2	-2.7	na

- The latest national accounts brought little cheer to the government of Prime Minister Matteo Renzi that Italy might soon enjoy the benefits of a Europe-wide recovery, with the figures merely confirming the economy is still stagnating with real GDP falling by 0.1% q/q in Q1 2014 and by 0.5% y/y.
- There is little information with no expenditure breakdown released by Istat, the Italian statistical office, at present, but it appears that while agricultural output increased, services flat-lined and manufacturing production declined signalling weak domestic demand and exports.
- With Italy still in its longest post-war recession, invariably the unemployment rate, which increased to 12.7% in January, remained at that level through to March, according to Eurostat. A 'hardly-noticeable' minor improvement to youth unemployment failed to bring it down below an astonishing 41%.
- Fortunately, unlike Germany or France, Italy's economic sentiment indicator continued to rise in April. Confidence among consumers and manufacturers was less downbeat, but the question is whether the government can sustain the trend.



## ITALY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.4	1.2	na	na	na	1.2	0.9	-2.0	na
Danske Bank	1.4	1.0	2.4	na	12.1	1.2	1.5	-2.2	133.9
DZ Bank	1.3	1.0	1.5	na	12.1	1.3	1.3	-2.6	132.0
Economist Intelligence Unit	1.0	0.4	2.0	1.5	12.7	0.5	1.7	-2.9	135.2
G&P Institutional Mgmt	1.8	0.8	3.8	na	12.2	1.5	na	-2.5	na
HSBC	0.6	0.3	1.3	2.1	12.5	0.5	1.4	-2.9	133.5
IHS Economics	1.1	0.7	0.6	1.3	12.4	1.1	1.5	-1.5	133.0
Intesa Sanpaolo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.6	na	na	na	na	0.7	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.3	1.0	1.7	2.7	12.7	0.9	1.7	-2.5	na
Raiffeisen Bank International	1.5	na	na	na	na	1.2	1.2	-2.5	134.1
SEB	1.0	na	na	1.0	12.0	1.1	na	-2.5	134.0
UBS	0.7	0.6	0.6	2.4	12.8	1.5	na	-2.9	133.5
Unicredit Bank	1.4	1.6	2.5	na	12.7	1.1	na	na	na
<b>Consensus (Mean Average)</b>	<b>1.2</b>	<b>0.9</b>	<b>1.8</b>	<b>1.8</b>	<b>12.4</b>	<b>1.1</b>	<b>1.4</b>	<b>-2.5</b>	<b>133.7</b>
Last Month	1.3	0.9	2.1	1.9	12.4	1.2	1.0	-2.5	134.0
2 Months Ago	1.2	0.8	2.1	2.1	12.3	1.3	0.9	-2.4	133.4
Median	1.3	0.9	1.7	1.8	12.5	1.1	1.5	-2.5	133.7
High	1.8	1.6	3.8	2.7	12.8	1.5	1.7	-1.5	135.2
Low	0.6	0.3	0.6	1.0	12.0	0.5	0.9	-2.9	132.0
Standard Deviation	0.3	0.4	1.0	0.7	0.3	0.3	0.3	0.4	0.9
Number of Forecasts	13	10	9	6	10	13	8	11	8
<b>Other Forecasts</b>									
EC (May '14)	1.2	0.8	4.0	na	12.5	1.2	1.5	-2.2	133.9
IMF (Apr. '14)	1.1	0.5	2.6	na	11.9	1.0	1.1	-1.8	121.7
OECD (May '14)	1.1	0.6	2.6	na	12.5	0.9	1.3	-2.1	na

### Italy: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	1.7	0.5	-2.5	-1.8
<b>Private Consumption</b>	1.5	-0.3	-4.1	-2.6
<b>Gross Fixed Investment</b>	0.6	-2.2	-8.3	-4.6
<b>Industrial Production</b>	6.9	0.3	-6.3	-2.9
<b>Unemploy. Rate, % of L.F.</b>	8.4	8.4	10.7	12.2
<b>Consumer Prices</b>	1.6	2.9	3.3	1.3
<b>Current Acc., % of GDP</b>	-3.5	-3.1	-0.5	0.7
<b>Budget Bal., % of GDP</b>	-4.5	-3.8	-3.0	-2.8
<b>Public Debt, % of GDP</b>	119.3	120.7	127.0	132.6

Source: ECB; Eurostat; national statistical office

### Italy: Background Information

<b>Prime Minister:</b>	Enrico Letta
<b>Government:</b>	Coalition including PD and PDL
<b>Next Election:</b>	2018
<b>Capital City:</b>	Rome
<b>Economic Freedom:</b>	83rd out of 177 countries
<b>Doing Business:</b>	65th out of 189 countries
<b>Competitiveness:</b>	49th out of 148 countries
<b>Corruption:</b>	69th out of 175 countries
<b>Corporate Tax Rate:</b>	27.5% (national rate) 3.9% (local rate) 27.5% (branch rate)

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

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

## NETHERLANDS - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construction)</b>	<b>Unemployment Rate (EU defn., % of labour force)</b>	<b>Consumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
DZ Bank	0.7	-0.6	4.4	na	7.5	0.7	10.2	-2.9	75.0
Economist Intelligence Unit	1.0	-0.6	2.0	1.9	7.5	0.6	9.6	-3.0	76.2
IHS Economics	0.7	-0.7	5.9	-1.2	na	na	10.7	-2.2	76.7
Intesa Sanpaulo	0.9	0.6	3.7	na	na	na	na	na	na
J P Morgan Chase	0.9	na	na	na	na	na	na	na	na
Morgan Stanley	0.5	-0.5	1.4	1.8	7.4	1.5	9.9	-3.5	77.0
Oxford Economics	0.4	-0.7	3.2	-2.2	7.3	0.8	9.7	-2.4	na
Raiffeisen Bank International	na	na	na	na	na	0.6	9.5	-3.2	75.3
UBS	1.0	0.0	9.4	0.5	na	1.1	9.9	-3.5	76.0
<b>Consensus (Mean Average)</b>	<b>0.8</b>	<b>-0.4</b>	<b>4.3</b>	<b>0.2</b>	<b>7.4</b>	<b>0.9</b>	<b>9.9</b>	<b>-3.0</b>	<b>76.0</b>
Last Month	0.9	-0.2	4.5	0.6	7.5	1.0	10.1	-3.1	76.1
2 Months Ago	0.8	-0.3	3.7	1.1	7.3	1.3	10.4	-3.3	76.4
Median	0.8	-0.6	3.7	0.5	7.5	0.8	9.9	-3.0	76.1
High	1.0	0.6	9.4	1.9	7.5	1.5	10.7	-2.2	77.0
Low	0.4	-0.7	1.4	-2.2	7.3	0.6	9.5	-3.5	75.0
Standard Deviation	0.2	0.5	2.7	1.8	0.1	0.4	0.4	0.5	0.8
Number of Forecasts	8	7	7	5	4	6	7	7	6
<b>Other Forecasts</b>									
EC (May '14)	1.2	-0.2	4.9	na	7.4	0.7	8.2	-2.8	73.8
IMF (Apr. '14)	0.8	na	na	na	7.3	0.8	10.1	na	na
OECD (May '14)	1.0	-0.6	4.2	na	7.6	0.5	8.9	-2.7	na

- The Dutch economy went into decline during Q1 2014 with real GDP plummeting 1.4% q/q and 0.5% y/y. The statistical office sought to ameliorate the shock by noting that the figure was exaggerated by a large drop in national gas usage and exports due to the mild winter, and that otherwise the recovery is on track.
- While that may be true the economy is not in a strong position if exports become threatened. However, with deficit reduction making progress the government does not have to lean too heavily on its fiscal levers.
- Encouragingly, the rise in the unemployment rate in February was partially reversed in March with it falling back to 7.2% and youth unemployment sliding to 11.3%.
- Still, the fall in consumer and business confidence in April will be viewed nervously by the government, especially in light of the reliance on trade of the very open Dutch economy with manufacturing sentiment sliding. Consumer confidence slipped back into negative territory after turning positive in March.

## NETHERLANDS - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production</b> <i>(excl. construction)</i>	<b>Unemployment Rate</b> <i>(EU defn., % of labour force)</i>	<b>Consumer Prices</b> <i>(HICP)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>	<b>General Govt. Debt</b> <i>(% of GDP)</i>
<b>Panellists</b>									
DZ Bank	1.0	0.4	3.4	na	7.0	1.0	10.5	-2.6	75.5
Economist Intelligence Unit	1.5	0.3	3.0	2.5	7.3	1.4	9.8	-2.3	76.8
IHS Economics	1.5	0.7	3.7	1.5	na	na	10.6	-2.0	76.9
Intesa Sanpaolo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	na	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.2	0.5	1.9	3.1	7.2	1.1	8.8	-2.0	na
Raiffeisen Bank International	na	na	na	na	na	1.4	8.0	-2.9	75.6
UBS	1.8	0.5	6.5	4.7	na	1.9	9.7	-2.9	78.5
<b>Consensus (Mean Average)</b>	<b>1.4</b>	<b>0.5</b>	<b>3.7</b>	<b>3.0</b>	<b>7.2</b>	<b>1.4</b>	<b>9.6</b>	<b>-2.5</b>	<b>76.7</b>
Last Month	1.4	0.5	3.4	2.7	7.3	1.5	9.6	-2.5	76.6
2 Months Ago	1.3	0.4	2.9	2.5	7.0	1.7	9.7	-2.8	76.9
Median	1.4	0.5	3.4	2.8	7.2	1.4	9.8	-2.5	76.8
High	1.8	0.7	6.5	4.7	7.3	1.9	10.6	-2.0	78.5
Low	1.0	0.3	1.9	1.5	7.0	1.0	8.0	-2.9	75.5
Standard Deviation	0.3	0.1	1.7	1.3	0.2	0.4	1.0	0.4	1.2
Number of Forecasts	6	5	5	4	3	5	6	6	5
<b>Other Forecasts</b>									
EC (May '14)	1.4	0.9	2.9	na	7.3	0.9	8.6	-1.8	73.4
IMF (Apr. '14)	1.6	na	na	na	7.1	1.0	10.1	na	na
OECD (May '14)	1.3	0.1	2.3	na	7.6	0.8	9.8	-2.0	na

### Netherlands: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	1.5	0.9	-1.2	-0.8
<b>Private Consumption</b>	0.3	-1.1	-1.6	-2.1
<b>Gross Fixed Investment</b>	-7.4	6.1	-4.0	-4.8
<b>Industrial Production</b>	7.8	-0.8	-0.4	0.6
<b>Unemploy. Rate, % of L.F.</b>	4.5	4.4	5.3	6.7
<b>Consumer Prices</b>	0.9	2.5	2.8	2.6
<b>Current Acc., % of GDP</b>	5.0	7.4	7.7	11.6
<b>Budget Bal., % of GDP</b>	-5.1	-4.3	-4.1	-2.5
<b>Public Debt, % of GDP</b>	63.4	65.7	71.3	73.5

Source: ECB; Eurostat; national statistical office

### Netherlands: Background Information

<b>Prime Minister:</b>	Mark Rutte
<b>Government:</b>	VVD led coalition
<b>Next Election:</b>	September 2016 (parliamentary)
<b>Capital City:</b>	The Hague
<b>Economic Freedom:</b>	17th out of 177 countries
<b>Doing Business:</b>	28th out of 189 countries
<b>Competitiveness:</b>	8th out of 148 countries
<b>Corruption:</b>	8th out of 175 countries
<b>Corporate Tax Rate:</b>	25.0% (national rate) 0.0% (local rate) 25.0% (branch rate)

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

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

## SPAIN - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.1	1.4	1.0	na	25.1	0.3	1.3	-5.8	98.4
BNP Paribas	1.2	0.8	0.1	1.6	25.7	0.1	1.6	-5.9	na
Danske Bank	1.1	1.7	1.4	na	25.5	0.2	1.4	-5.6	100.2
DZ Bank	0.8	1.5	0.5	na	25.5	0.0	1.5	-6.0	99.1
Economist Intelligence Unit	0.9	0.9	1.3	1.7	25.9	0.4	1.2	-5.8	97.5
G&P Institutional Mgmt	1.2	1.3	3.1	na	25.2	0.4	na	-5.6	na
HSBC	0.7	0.8	0.0	1.2	26.3	0.2	0.8	na	na
IHS Economics	0.8	1.3	0.5	1.5	25.2	0.1	1.0	-5.4	99.5
Intesa Sanpaulo	0.6	-0.5	-0.6	na	na	na	na	-6.9	na
J P Morgan Chase	0.9	na	na	na	na	0.1	na	na	na
Morgan Stanley	0.8	0.1	-3.0	na	25.6	0.8	2.8	-6.0	96.2
Oxford Economics	1.1	1.5	1.8	2.2	24.8	0.1	1.4	-5.9	na
Raiffeisen Bank International	1.5	na	na	na	na	0.3	0.9	-5.5	97.4
Santander	1.1	1.3	1.7	na	24.6	0.5	1.4	na	na
UBS	0.8	0.6	0.6	1.3	25.4	0.4	1.6	-6.0	100.0
<b>Consensus (Mean Average)</b>	<b>1.0</b>	<b>1.0</b>	<b>0.6</b>	<b>1.6</b>	<b>25.4</b>	<b>0.3</b>	<b>1.4</b>	<b>-5.9</b>	<b>98.5</b>
Last Month	0.9	0.8	0.5	1.4	25.6	0.4	1.6	-5.9	98.5
2 Months Ago	0.7	0.6	-0.3	1.1	26.2	0.5	1.6	-5.9	99.1
Median	0.9	1.3	0.6	1.6	25.5	0.3	1.4	-5.9	98.8
High	1.5	1.7	3.1	2.2	26.3	0.8	2.8	-5.4	100.2
Low	0.6	-0.5	-3.0	1.2	24.6	0.0	0.8	-6.9	96.2
Standard Deviation	0.2	0.6	1.4	0.4	0.5	0.2	0.5	0.4	1.4
Number of Forecasts	15	13	13	6	12	14	12	12	8
<b>Other Forecasts</b>									
EC (May '14)	1.1	1.3	-1.4	na	25.5	0.1	1.4	-5.6	100.2
IMF (Apr. '14)	0.9	1.2	0.6	na	25.5	0.3	0.8	na	na
OECD (May '14)	1.0	1.0	0.3	na	25.4	0.1	1.6	-5.5	na

- Although the corporate restructuring enforced on Spain by its painful recession has failed to improve the unemployment rate (still at around 25% in recent months), encouragingly the economic recovery gained traction in Q1 2014.
- GDP increased at a seasonally- and inflation-adjusted pace of 0.4% q/q to deliver positive growth of 0.6%, the best in six years, and pointing to a leaner-fitter economic structure in comparison to Italy which has been slower to reform.
- The economy remains weak, however, propped up by exports, with a fall in retail sales in March highlighting the adverse labour market and household budget situations.
- As in other parts of the euro zone, confidence waned in April, according to the European Commission. However, the picture is a complex one, with confidence lower in the construction and services sectors, mainly, but with consumers and manufacturers becoming more upbeat.

## SPAIN - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.9	1.3	4.7	na	24.2	0.9	1.5	-5.1	100.4
BNP Paribas	1.6	1.1	1.8	2.9	25.0	0.9	1.8	-4.7	na
Danske Bank	1.9	1.6	2.9	na	24.0	0.8	1.5	-6.1	103.3
DZ Bank	1.5	1.9	0.5	na	24.5	1.3	2.0	-6.6	103.5
Economist Intelligence Unit	1.3	1.3	1.3	1.7	25.2	1.0	1.3	-5.9	102.2
G&P Institutional Mgmt	2.3	1.4	5.6	na	23.0	1.2	na	-5.0	na
HSBC	1.1	0.8	1.6	2.2	25.6	0.4	0.8	na	na
IHS Economics	1.4	1.4	0.8	1.3	24.4	0.6	1.4	-4.4	102.9
Intesa Sanpaulo	na	na	na	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	0.0	na	na	na
Morgan Stanley	na	na	na	na	na	na	na	na	na
Oxford Economics	1.6	1.5	2.2	2.7	24.1	0.4	1.2	-4.5	na
Raiffeisen Bank International	2.0	na	na	na	na	0.9	1.0	-5.0	99.7
Santander	2.0	1.7	3.6	na	23.2	1.0	1.9	na	na
UBS	1.3	0.8	0.9	1.7	24.6	1.6	2.1	-5.2	104.0
<b>Consensus (Mean Average)</b>	<b>1.6</b>	<b>1.3</b>	<b>2.4</b>	<b>2.1</b>	<b>24.3</b>	<b>0.8</b>	<b>1.5</b>	<b>-5.3</b>	<b>102.3</b>
Last Month	1.6	1.2	2.0	2.1	24.6	0.9	1.7	-5.2	102.7
2 Months Ago	1.5	1.2	1.9	2.1	24.9	1.2	1.8	-5.0	102.0
Median	1.6	1.4	1.8	2.0	24.4	0.9	1.5	-5.1	102.9
High	2.3	1.9	5.6	2.9	25.6	1.6	2.1	-4.4	104.0
Low	1.1	0.8	0.5	1.3	23.0	0.0	0.8	-6.6	99.7
Standard Deviation	0.4	0.3	1.7	0.6	0.8	0.4	0.4	0.7	1.6
Number of Forecasts	13	11	11	6	11	13	11	10	7
<b>Other Forecasts</b>									
EC (May '14)	2.1	1.6	4.2	na	24.0	0.8	1.5	-6.1	103.8
IMF (Apr. '14)	1.0	0.9	1.2	na	24.9	0.8	1.4	na	na
OECD (May '14)	1.5	1.0	2.0	na	24.4	0.5	2.0	-4.5	na

### Spain: Historical Data

<i>% change, year-on-year</i>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Gross Domestic Product</b>	-0.2	0.1	-1.6	-1.2
<b>Private Consumption</b>	0.2	-1.2	-2.8	-2.1
<b>Gross Fixed Investment</b>	-5.5	-5.4	-7.0	-5.1
<b>Industrial Production</b>	0.9	-1.4	-6.0	-1.7
<b>Unemploy. Rate, % of L.F.</b>	20.1	21.7	25.0	26.4
<b>Consumer Prices</b>	2.0	3.1	2.4	1.5
<b>Current Acc., % of GDP</b>	-4.4	-4.0	-1.2	0.7
<b>Budget Bal., % of GDP</b>	-9.6	-9.6	-10.6	-6.6
<b>Public Debt, % of GDP</b>	61.7	70.5	86.0	93.4

Source: ECB; Eurostat; national statistical office

### Spain: Background Information

<b>Prime Minister:</b>	Mariano Rajoy
<b>Government:</b>	Popular Party
<b>Next Election:</b>	2015 (parliamentary)
<b>Capital City:</b>	Madrid
<b>Economic Freedom:</b>	46th out of 177 countries
<b>Doing Business:</b>	52nd out of 189 countries
<b>Competitiveness:</b>	35th out of 148 countries
<b>Corruption:</b>	40th out of 175 countries
<b>Corporate Tax Rate:</b>	30.0% (national rate) variable (local rate) 30.0%/21.0% (branch rate)

Note: Reduced rate for SMEs.

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

### Forecasts For Other Euro-Zone Countries<sup>1</sup>

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Austria	EC	1.6	1.8	1.6	1.7	3.4	3.8	-2.8	-1.5	80.3	79.2
	IMF	1.7	1.7	1.8	1.7	3.5	3.5	na	na	na	na
	OECD	1.5	2.1	1.4	1.6	2.9	3.0	-2.8	-1.3	90.0	89.5
Belgium	EC	1.4	1.6	0.9	1.3	0.3	-0.3	-2.6	-2.8	101.7	101.5
	IMF	1.2	1.2	1.0	1.1	-1.3	-1.0	na	na	na	na
	OECD	1.5	1.9	0.8	1.0	-0.8	-0.2	-2.1	-1.2	106.8	105.4
Cyprus	EC	-4.8	0.9	0.4	1.4	0.0	0.4	-5.8	-6.1	122.2	126.4
	IMF	-4.8	0.9	0.4	1.4	0.1	0.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	3.0	1.5	3.0	-2.7	-2.8	-0.5	-0.6	9.8	9.6
	IMF	2.4	3.2	3.2	2.8	-1.3	-1.5	na	na	na	na
	OECD	1.2	3.1	0.7	1.7	-2.8	-3.2	-0.2	-0.1	13.0	12.7
Greece	EC	0.6	2.9	-0.8	0.3	-2.3	-2.2	-1.6	-1.0	177.2	172.4
	IMF	0.6	2.9	-0.4	0.3	0.9	0.3	na	na	na	na
	OECD	-0.3	1.9	-1.1	-1.0	0.2	0.8	-2.5	-1.4	188.7	188.2
Ireland	EC	1.7	3.0	0.6	1.1	7.4	8.9	-4.8	-4.2	121.0	120.4
	IMF	1.7	2.5	0.6	1.1	6.4	6.5	na	na	na	na
	OECD	1.9	2.2	0.3	0.7	6.6	7.6	-4.7	-3.1	133.1	132.0
Luxembourg	EC	2.6	2.7	1.4	2.4	6.4	5.0	-0.2	-1.4	23.4	25.5
	IMF	2.1	1.9	1.6	1.8	6.7	5.5	na	na	na	na
	OECD	2.8	2.5	1.0	2.2	7.0	6.5	0.3	-0.9	31.6	33.5
Malta	EC	2.3	2.3	1.2	1.9	0.3	1.0	-2.5	-2.5	72.5	71.1
	IMF	1.8	1.8	1.2	2.6	1.4	1.4	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.2	1.5	0.4	1.1	1.0	1.4	-4.0	-2.5	126.7	124.8
	IMF	1.2	1.5	0.7	1.2	0.8	1.2	na	na	na	na
	OECD	1.1	1.4	-0.3	0.4	0.8	1.1	-4.0	-2.4	141.3	142.2
Slovakia	EC	2.2	3.1	0.4	1.6	2.4	2.4	-2.9	-2.8	56.3	57.8
	IMF	2.3	3.0	0.7	1.6	2.7	2.9	na	na	na	na
	OECD	2.0	2.9	0.4	1.0	1.6	2.2	-2.7	-2.6	59.1	60.1
Slovenia	EC	0.8	1.4	0.7	1.2	6.0	6.2	-4.3	-3.1	80.4	81.3
	IMF	0.3	0.9	1.2	1.6	6.1	5.8	na	na	na	na
	OECD	0.3	1.2	0.7	0.9	6.3	7.4	-4.1	-2.6	85.9	89.7

<sup>1</sup> 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'14); IMF - International Monetary Fund (Apr'14); OECD - Organisation for Economic Cooperation & Dev (May'14).

#### Euro Zone: Background Information

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

#### Other Euro Users

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

#### Euro Zone: Election Timetable

Date	Country	Type
May 22nd 2014	EU	Parliamentary
May 25th 2014	Belgium	Parliamentary
2014	EU	Presidential
2014	Slovakia	Presidential
February 2015	Greece	Presidential
March 2015	Estonia	Parliamentary
2015	Portugal	Parliamentary
2015	Spain	Parliamentary
2015	Slovenia	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
September 2016	Netherlands	Parliamentary
2016	Ireland	Parliamentary
2016	Cyprus	Legislative
2017	Germany	Presidential
2017	France	Presidential
2017	France	Parliamentary
2017	Slovenia	Presidential
2018	Italy	Parliamentary

Sources: IFES Election Guide; MJE

## Notes, Sources and Definitions

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

<sup>2</sup> 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 (1/100<sup>th</sup> 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

<b>Variable</b>	<b>Definition</b>	<b>Source</b>
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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