

Euro Zone Barometer© - November 2013

*****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: November 11th, 2013

ECB Steps Up the Offensive

- Last month Euro Zone Barometer stated: "The **European Central Bank** appears to be taking nothing for granted, with its President, Mario Draghi, signalling that the Governing Council remains unanimously in favour of a monetary loosening bias – thus poised to lower its main policy interest rate from 0.5% should economic conditions deteriorate."
- In the event **the ECB surprised the markets** by moving earlier than expected, with concerns about the euro zone recovery heightened by sluggish growth estimates for Q3 (amid contractions in Italy and France).
- Emerging evidence of deflation has also raised the spectre of a **Japanese-style deflationary trap**, which would frustrate attempts to lower unemployment and deal with the zone's legacy of debts still proving difficult to control in many countries.
- Encouragingly, our panel's latest forecasts indicate a **slightly stronger economic recovery for next year**, perhaps buoyed by the ECB's rate reduction and suggestions that quantitative easing might also be deployed.
- The upturn is nonetheless not expected to be strong enough to improve the labour market as concerns about Greece and other indebted sovereigns (including France) lurk in the background. **Sky-high youth unemployment** will remain a concern, moreover, and a major source of social tension for some time.

**Next Month's Survey Deadline:
December 9th, 2013**

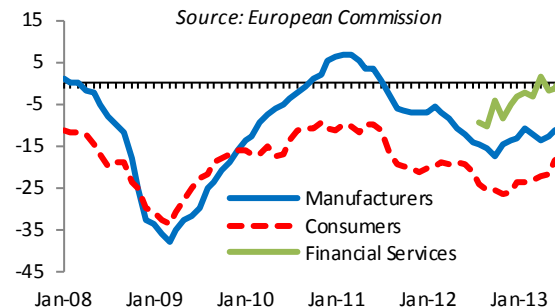
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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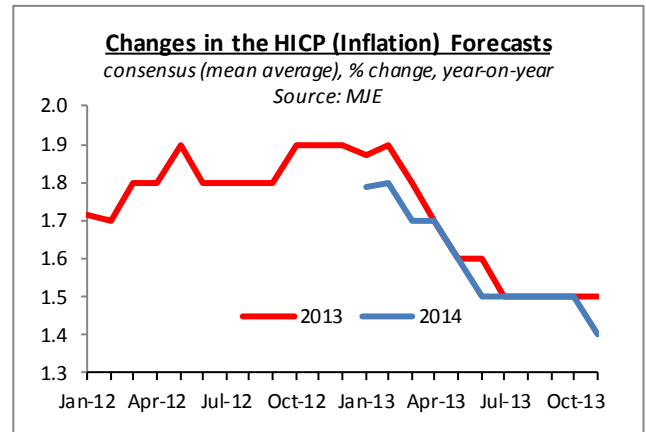
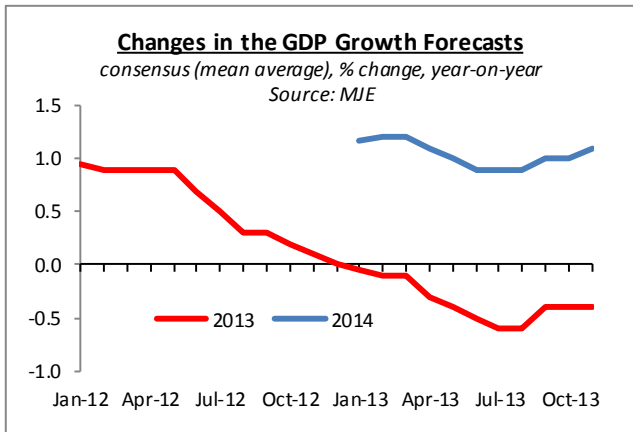
Outlook for 2013-14

- A small improvement to the 2014 real GDP growth forecast marks the first time euro zone experts have become more confident about next year's prospects since the short term forecasting horizon shifted forward in January.
- There is still considerable uncertainty over economic prospects, however, with no change to the unemployment outlook - to suggest that the recovery will be too feeble to radically improve labour market prospects.
- The improvement reflects confidence in trade prospects, with exports improving as demand grows within the zone, and from the US, UK and other trading partners further afield.
- Inflation expectations have receded, signalling a slower pace of price rises next year now fuelling the fear of deflation setting in across Europe given its underlying weaknesses.

Six Year Summary: Historical Data and Consensus Forecasts

<i>(% change year-on-year, unless otherwise stated)</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013f</u>	<u>2014f</u>
Gross Domestic Product	-4.4	2.0	1.6	-0.7	-0.4	1.1
Private Consumption	-1.0	1.0	0.3	-1.4	-0.6	0.6
Government Consumption	2.6	0.6	-0.1	-0.5	0.1	0.3
Gross Fixed Investment	-12.8	-0.4	1.6	-4.0	-3.3	1.5
Change in Stocks (Inventories)¹	-1.0	0.6	0.3	-0.5	0.0	0.0
Goods and Services Exports	-12.4	11.6	6.5	2.5	1.4	3.9
Goods and Services Imports	-10.9	10.0	4.5	-1.0	0.1	3.6
Net Exports²	-0.7	0.7	0.9	1.5	0.6	0.3
Industrial Production (ex. construction)	-14.9	7.3	3.2	-2.4	-0.9	1.7
Retail Sales Volume	-2.4	0.6	-0.3	-1.8	-0.9	0.6
Unemployment Rate, % of labour force	9.6	10.1	10.2	11.4	12.1	12.1
Money Supply, M3, end period, % change	-0.6	1.1	1.5	2.9	2.3	2.7
Harmonised Index of Consumer Prices	0.3	1.6	2.7	2.5	1.5	1.4
Producer Prices	-4.8	2.7	5.7	2.8	0.1	1.3
Nominal Labour Costs	2.9	1.5	2.2	1.8	1.7	1.9
Current Account Balance, annual total, €bn	-13.3	5.3	8.2	126.2	198.7	195.4
Current Account Balance, % of GDP	-0.1	0.1	0.1	1.3	2.0	2.1
General Govt Budget Balance, % of GDP	-6.4	-6.2	-4.1	-3.7	-3.0	-2.6
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.70	1.01	1.36	0.19	0.22	0.34
10 Year German Bond Yield, % per annum	3.40	2.92	1.83	1.32	1.87	2.36
US\$ per € Exchange Rate	1.441	1.336	1.294	1.318	1.322	1.258

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



The euro zone continues to suffer from mixed fortunes as it continues to deal with the effects of fiscal austerity required to resolve the debt crisis although several indicators offer hope that fortunes are slowly improving. Retail sales volume, a prime example, while shrinking by 0.6% between August and September, grew by 0.3% y/y. Similarly, industrial production, which contracted on a m/m basis (by 0.5%), mainly because of the monthly volatility in car production, increased by 1.1% y/y. Any recovery is to be welcomed of course, and since falling from 2011 to the end of the last the industrial production index (excluding construction) has

followed an upward trend this year. France and Italy have continued to lag the improvements seen in Germany and, encouragingly, in Spain. Business surveys, meanwhile, point toward more favourable results for Q4 with the European Commission’s economic sentiment indicator rising for a sixth consecutive month in October to 97.8. However, the upturn remains largely driven by the export sector boosting manufacturing optimism, with construction and services firms staying downbeat. It goes without saying that in such a climate labour market slack remains considerable, with the average unemployment rate held at 12.2% in September.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'12	Q2'12	Q3'12	Q4'12
Gross Domestic Product	-0.1	-0.5	-0.7	-1.0
Private Consumption	-1.1	-1.3	-1.6	-1.4
Industrial Production	-1.9	-2.3	-2.2	-3.1
Harmonised Index of Consumer Prices	2.7	2.5	2.5	2.3
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.19
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.32
	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-1.2	-0.6	-0.2	0.5
Private Consumption	-1.3	-0.7	-0.4	0.2
Industrial Production	-2.3	-1.1	-0.7	1.3
Harmonised Index of Consumer Prices	1.9	1.4	1.3	1.0
3 month Interest Rate, % per annum, end period	0.21	0.22	0.18	0.22
10 Year Bond Yield, % per annum, end period	1.29	1.73	1.78	1.87
	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	1.0	1.0	1.2	1.3
Private Consumption	0.6	0.6	0.7	0.9
Industrial Production	1.5	1.6	2.0	2.0
Harmonised Index of Consumer Prices	1.1	1.3	1.3	1.6
3 month Interest Rate, % per annum, end period	0.23	0.25	0.27	0.34
10 Year Bond Yield, % per annum, end period	2.00	2.11	2.22	2.36

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

Euro Zone - Forecasts for 2013								
National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	-0.3	-0.6	0.2	-3.5	na	1.6	0.5	na
BBVA	-0.4	-0.5	0.2	-3.6	0.0	1.7	0.4	0.6
BNP Paribas	-0.3	-0.5	0.3	-3.3	0.0	1.3	0.2	na
Commerzbank	-0.4	-0.6	0.2	-3.5	0.1	1.3	-0.8	0.5
Danske Bank	-0.4	-0.3	-0.4	-4.0	-0.1	0.1	-1.8	na
DZ Bank	-0.4	-0.5	0.3	-3.4	na	1.2	0.2	na
Econ Intelligence Unit	-0.5	-0.8	-0.1	-3.5	na	1.1	-0.4	0.6
ETLA	-0.5	-0.5	-1.0	-3.0	na	2.2	0.8	na
G&P Institutional Mgmt	-0.1	-0.3	0.2	-3.3	0.1	0.8	-0.3	0.5
HSBC	-0.3	-0.5	0.1	-3.9	-0.4	1.1	-0.2	na
IHS Global Insight	-0.4	-0.6	0.2	-3.4	na	1.5	0.2	0.7
Intesa Sanpaulo	-0.3	-0.5	0.3	-3.3	0.0	1.3	0.0	0.6
J P Morgan Chase	-0.4	-0.7	0.2	na	na	1.6	0.3	na
Morgan Stanley	-0.5	-0.5	-0.3	-4.0	na	0.8	-0.4	0.7
Oxford Economics	-0.4	-0.6	0.1	-3.6	-0.1	1.3	-0.2	0.7
Raiffeisen Bank International	-0.3	-0.5	0.2	-3.6	na	1.8	0.5	na
Santander	-0.3	-0.5	0.1	-3.4	na	0.9	-0.3	0.6
SEB	-0.5	-1.0	0.0	-1.0	0.0	2.8	2.5	0.3
Societe Generale	-0.6	-1.2	0.2	-2.2	0.1	1.3	0.5	na
UBS	-0.4	-0.6	0.2	-3.7	0.0	1.3	0.1	0.6
UniCredit Bank	-0.3	-0.7	0.1	-3.7	0.0	1.6	0.3	0.6
Consensus (Mean)	-0.4	-0.6	0.1	-3.3	0.0	1.4	0.1	0.6
Last Month	-0.4	-0.6	0.1	-3.4	0.0	1.5	0.0	0.6
2 Months Ago	-0.4	-0.6	0.0	-3.3	0.0	1.3	-0.1	0.6
Median	-0.4	-0.5	0.2	-3.5	0.0	1.3	0.2	0.6
High	-0.1	-0.3	0.3	-1.0	0.1	2.8	2.5	0.7
Low	-0.6	-1.2	-1.0	-4.0	-0.4	0.1	-1.8	0.3
Standard Deviation	0.1	0.2	0.3	0.7	0.1	0.5	0.8	0.1
Number of Forecasts	21	21	21	20	12	21	21	12
Other Forecasts								
ECB (Sep. '13)	-0.4	-0.7	-0.1	-3.6	na	0.9	-0.6	na
EC (Nov. '13)	-0.4	-0.7	0.0	-3.3	-0.1	1.3	-0.1	0.6
IMF (Oct. '13)	-0.4	-0.7	-0.1	-3.5	-0.1	na	na	0.7
OECD (May '13)	-0.6	na	na	na	na	na	na	na

Euro Zone - Forecasts for 2013

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	-0.7	na	12.1	na	1.4	0.1	na	198.6	2.1	-3.0
BBVA	na	na	12.0	na	1.5	na	na	na	2.1	-2.8
BNP Paribas	0.0	na	12.3	na	1.4	0.0	na	225.0	2.3	-3.2
Commerzbank	-0.9	na	12.1	3.0	1.4	-0.1	2.3	200.0	2.1	-3.2
Danske Bank	na	na	12.1	na	1.3	na	na	na	1.9	-2.9
DZ Bank	na	na	12.1	na	1.7	na	na	na	1.9	-2.9
Econ Intelligence Unit	-1.2	na	12.1	na	1.5	0.4	na	231.4	2.4	-3.0
ETLA	-0.1	na	12.1	na	na	na	na	na	na	-2.9
G&P Institutional Mgmt	na	na	12.0	na	1.4	na	na	na	na	-3.5
HSBC	-0.8	na	12.1	na	1.5	na	2.1	na	2.2	-3.2
IHS Global Insight	-1.1	-0.7	12.1	2.0	1.4	0.0	1.5	202.0	2.1	-3.1
Intesa Sanpaulo	-0.7	-1.2	12.1	1.6	1.5	0.2	2.1	172.0	na	na
J P Morgan Chase	-0.7	na	12.2	na	1.4	na	na	210.0	2.2	na
Morgan Stanley	na	na	12.1	na	1.5	na	na	221.6	2.4	-3.1
Oxford Economics	-1.5	-0.7	12.1	na	1.4	-0.3	na	196.7	2.0	-2.9
Raiffeisen Bank International	na	na	12.1	na	1.4	na	na	176.4	1.8	-2.9
Santander	na	na	12.2	na	1.5	na	na	139.6	1.5	-2.9
SEB	-2.0	na	12.1	na	1.5	na	na	na	1.5	-2.9
Societe Generale	na	na	na	na	1.8	na	na	219.3	2.3	-2.9
UBS	na	na	12.0	2.6	1.4	0.1	na	190.1	2.0	-2.8
UniCredit Bank	na	na	12.2	na	1.4	na	0.3	na	1.9	-3.0
Consensus (Mean)	-0.9	-0.9	12.1	2.3	1.5	0.1	1.7	198.7	2.0	-3.0
Last Month	-0.9	-0.9	12.1	2.1	1.5	0.2	2.0	198.9	2.0	-2.9
2 Months Ago	-0.8	-1.0	12.2	2.3	1.5	0.5	2.1	187.0	1.9	-2.9
Median	-0.8	-0.7	12.1	2.3	1.4	0.1	2.1	200.0	2.1	-2.9
High	0.0	-0.7	12.3	3.0	1.8	0.4	2.3	231.4	2.4	-2.8
Low	-2.0	-1.2	12.0	1.6	1.3	-0.3	0.3	139.6	1.5	-3.5
Standard Deviation	0.6	0.3	0.1	0.6	0.1	0.2	0.8	25.2	0.3	0.2
Number of Forecasts	11	3	20	4	20	8	5	13	18	19
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	1.5	na	na	na	na	na
EC (Nov. '13)	na	na	12.2	na	1.5	na	na	221.9	2.3	-3.1
IMF (Oct. '13)	na	na	12.3	na	1.5	na	na	na	2.3	-3.1
OECD (May '13)	na	na	12.1	na	1.5	na	na	na	2.5	-3.0

Euro Zone - Forecasts for 2014

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
Allianz SE	1.5	0.8	0.5	2.5	na	4.5	4.0	na
BBVA	1.1	0.7	0.4	2.2	0.0	3.9	3.7	0.3
BNP Paribas	1.1	0.7	0.7	0.9	0.0	3.7	3.0	na
Commerzbank	0.7	0.7	0.4	2.4	0.2	4.2	4.2	-0.4
Danske Bank	1.3	0.7	-0.4	0.8	0.1	4.2	2.8	na
DZ Bank	1.2	0.8	0.6	2.0	na	4.7	4.5	na
Econ Intelligence Unit	0.8	0.4	0.1	1.7	na	2.2	2.0	0.2
ETLA	1.0	0.5	0.2	1.7	na	2.7	4.2	na
G&P Institutional Mgmt	1.6	1.4	0.8	1.9	0.0	3.6	3.4	0.3
HSBC	0.8	0.5	-0.1	0.5	-0.1	3.2	2.9	na
IHS Global Insight	0.8	0.5	0.4	1.7	na	3.7	3.6	0.2
Intesa Sanpaulo	1.1	0.6	0.6	1.8	0.1	4.3	4.3	0.2
J P Morgan Chase	1.3	0.8	0.7	na	na	4.3	4.0	na
Morgan Stanley	0.9	0.2	0.2	-0.3	na	3.2	2.8	0.3
Oxford Economics	0.9	0.5	-0.3	1.4	-0.1	3.7	2.8	0.6
Raiffeisen Bank International	1.5	0.8	0.4	2.0	na	5.9	5.5	na
Santander	1.1	0.6	-0.1	2.3	na	3.8	3.4	0.4
SEB	0.8	0.5	0.1	1.2	0.0	4.0	3.8	0.3
Societe Generale	0.5	0.1	0.0	-0.1	0.0	3.3	2.7	na
UBS	1.1	0.8	0.3	1.6	-0.1	3.5	3.3	0.3
UniCredit Bank	1.0	0.4	-0.2	1.4	0.1	4.7	4.5	0.3
Consensus (Mean)	1.1	0.6	0.3	1.5	0.0	3.9	3.6	0.3
Last Month	1.0	0.6	0.3	1.5	0.0	3.7	3.6	0.3
2 Months Ago	1.0	0.6	0.2	1.4	0.0	3.7	3.6	0.3
Median	1.1	0.6	0.3	1.7	0.0	3.8	3.6	0.3
High	1.6	1.4	0.8	2.5	0.2	5.9	5.5	0.6
Low	0.5	0.1	-0.4	-0.3	-0.1	2.2	2.0	-0.4
Standard Deviation	0.3	0.3	0.3	0.8	0.1	0.8	0.8	0.2
Number of Forecasts	21	21	21	20	12	21	21	12
Other Forecasts								
ECB (Sep. '13)	1.0	0.7	0.6	1.8	na	3.6	3.8	na
EC (Nov. '13)	1.1	0.6	0.3	1.9	0.1	4.2	3.9	0.3
IMF (Oct. '13)	1.0	0.5	-0.3	1.3	0.0	na	na	0.4
OECD (May '13)	1.1	na	na	na	na	na	na	na

Euro Zone - Forecasts for 2014

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Produc- tion <i>(excl. construc- tion)</i>	Retail Sales Volume	Unem- ploy- ment Rate <i>(% of labour force)</i>	Money Supply, M3 <i>(end period, %)</i>	Con- sumer Prices <i>(HICP)</i>	Pro- ducer Prices <i>(indust., excl, con- struction)</i>	Labour Costs <i>(business sector, ex pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
Allianz SE	2.3	na	11.8	na	1.3	1.8	na	165.0	1.7	-2.5
BBVA	na	na	12.0	na	1.4	na	na	na	2.1	-2.4
BNP Paribas	1.8	na	12.8	na	1.1	1.8	na	225.0	2.3	-2.5
Commerzbank	1.2	na	12.1	3.5	1.0	0.7	1.5	200.0	2.0	-2.0
Danske Bank	na	na	12.1	na	0.8	na	na	na	1.8	-2.8
DZ Bank	na	na	12.0	na	1.9	na	na	na	2.0	-2.8
Econ Intelligence Unit	1.1	na	12.1	na	1.5	1.8	na	244.6	2.5	-2.6
ETLA	1.5	na	12.0	na	na	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	11.7	na	2.7	na	na	na	na	-3.2
HSBC	2.2	na	12.0	na	1.3	na	1.9	na	2.2	-2.8
IHS Global Insight	1.9	0.6	12.2	3.8	1.4	1.3	2.1	185.0	1.9	-2.7
Intesa Sanpaulo	0.5	0.5	11.8	2.0	1.6	1.0	2.1	135.0	na	na
J P Morgan Chase	2.6	na	12.3	na	0.9	na	na	211.5	2.2	na
Morgan Stanley	na	na	12.3	na	1.6	na	na	218.5	2.3	-2.9
Oxford Economics	1.4	0.6	12.3	na	1.2	0.7	na	215.4	2.2	-2.6
Raiffeisen Bank International	na	na	12.2	na	1.3	na	na	188.0	1.9	-2.8
Santander	na	na	12.3	na	1.5	na	na	80.0	0.8	-2.4
SEB	2.0	na	12.1	na	1.0	na	na	na	1.8	-2.5
Societe Generale	na	na	na	na	1.7	na	na	250.5	2.6	-2.4
UBS	na	na	12.0	1.4	1.2	1.3	na	221.4	2.3	-2.6
UniCredit Bank	na	na	12.3	na	1.2	na	2.0	na	2.3	-2.7
Consensus (Mean)	1.7	0.6	12.1	2.7	1.4	1.3	1.9	195.4	2.1	-2.6
Last Month	1.8	0.5	12.1	2.7	1.5	1.6	1.9	202.0	2.1	-2.5
2 Months Ago	2.0	0.6	12.2	2.7	1.5	1.9	1.9	184.1	1.9	-2.5
Median	1.8	0.6	12.1	2.8	1.3	1.3	2.0	211.5	2.2	-2.6
High	2.6	0.6	12.8	3.8	2.7	1.8	2.1	250.5	2.6	-2.0
Low	0.5	0.5	11.7	1.4	0.8	0.7	1.5	80.0	0.8	-3.2
Standard Deviation	0.6	0.1	0.2	1.2	0.4	0.5	0.2	46.8	0.4	0.3
Number of Forecasts	11	3	20	4	20	8	5	13	18	19
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	1.3	na	na	na	na	na
EC (Nov. '13)	na	na	12.2	na	1.5	na	na	244.4	2.5	-2.5
IMF (Oct. '13)	na	na	12.2	na	1.5	na	na	na	2.5	-2.5
OECD (May '13)	na	na	12.3	na	1.2	na	na	na	2.8	-2.5

Financial Forecasts		2013	2014
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	0.22	0.34
Rate on Survey Date: <input type="text" value="0.22"/>	High	0.45	0.55
	Low	0.10	0.10
	Standard deviation	0.08	0.13
	Number of Forecasts	16	17
10-year Benchmark German Bond Yield, %	Mean Average	1.87	2.36
Rate on Survey Date: <input type="text" value="1.76"/>	High	2.10	3.00
	Low	1.73	2.00
	Standard deviation	0.12	0.26
	Number of Forecasts	11	11
US Dollars/Euro Exchange Rate	Mean Average	1.322	1.258
Rate on Survey Date: <input type="text" value="1.341"/>	High	1.370	1.320
	Low	1.280	1.100
	Standard deviation	0.025	0.045
	Number of Forecasts	22	22
Japanese Yen/Euro Exchange Rate	Mean Average	132.2	136.2
Rate on Survey Date: <input type="text" value="133.1"/>	High	138.0	152.1
	Low	127.9	117.0
	Standard deviation	3.7	10.7
	Number of Forecasts	11	11
UK Pound/Euro Exchange Rate	Mean Average	0.838	0.816
Rate on Survey Date: <input type="text" value="0.839"/>	High	0.862	0.850
	Low	0.820	0.784
	Standard deviation	0.011	0.022
	Number of Forecasts	12	12
Swedish Krona/Euro Exchange Rate	Mean Average	8.632	8.459
Rate on Survey Date: <input type="text" value="8.802"/>	High	8.900	8.899
	Low	8.400	7.875
	Standard deviation	0.125	0.270
	Number of Forecasts	16	16
Swiss Franc/Euro Exchange Rate	Mean Average	1.255	1.292
Rate on Survey Date: <input type="text" value="1.233"/>	High	1.300	1.350
	Low	1.236	1.250
	Standard deviation	0.020	0.038
	Number of Forecasts	9	9
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	108.1	105.4
Rate on Survey Date: <input type="text" value="106.1"/>	High	112.3	116.0
	Low	100.0	100.0
	Standard deviation	3.0	4.6
	Number of Forecasts	17	17

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

Interest Rate Data*All data are period averages*

Euro Zone Interest Rates, %	May '13	Jun	Jul	Aug	Sep	Oct
Overnight	0.08	0.09	0.09	0.08	0.08	0.09
3-month	0.20	0.21	0.22	0.23	0.22	0.23
6-month	0.30	0.32	0.34	0.34	0.34	0.34
12-month	0.48	0.51	0.53	0.54	0.54	0.54
10-year bond yields	2.69	3.07	3.10	3.10	3.41	3.16
International Rates, %						
US 3-month (Euro dollar deposits)	0.27	0.27	0.27	0.26	0.25	0.24
US 10-year	2.40	2.82	2.91	3.11	2.91	2.84
Japan 3-month (Euro yen deposits)	0.16	0.15	0.16	0.15	0.15	0.15
Japan 10-year	1.05	1.02	1.01	0.93	0.88	0.76
Euro Zone / US Yield Differentials, %						
3-month	-0.07	-0.06	-0.05	-0.03	-0.03	-0.01
10-year	0.29	0.25	0.19	-0.01	0.50	0.32

Exchange Rate Data*period averages vs euro*

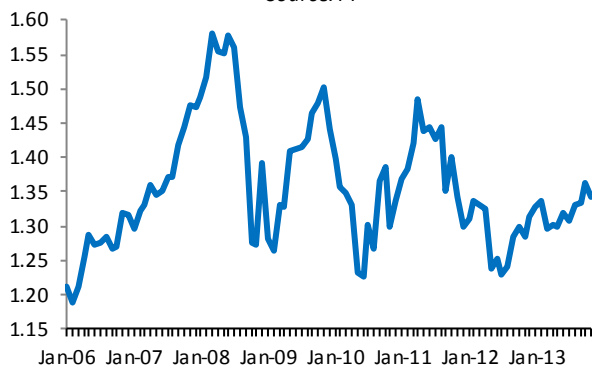
	May '13	Jun	Jul	Aug	Sep	Oct
Trade Weighted Nominal Index * (1999 Q1=100)	100.6	101.6	101.5	102.2	102.0	102.9
Australian dollar	1.313	1.398	1.428	1.474	1.438	1.433
Canadian dollar	1.326	1.360	1.362	1.385	1.382	1.413
Chinese renminbi	7.972	8.091	8.023	8.148	8.169	8.323
Danish krone	7.454	7.458	7.458	7.458	7.458	7.459
Hong Kong dollar	10.08	10.23	10.15	10.32	10.35	10.57
Japanese yen	131.1	128.4	130.4	130.3	132.4	133.3
Norwegian krone	7.559	7.739	7.884	7.939	7.973	8.121
Singapore dollar	1.622	1.661	1.660	1.694	1.686	1.696
South Korean won	1445	1498	1473	1486	1447	1455
Swedish krona	8.573	8.684	8.661	8.703	8.676	8.748
Swiss franc	1.242	1.232	1.237	1.234	1.234	1.232
UK pound	0.849	0.852	0.862	0.859	0.842	0.847
US dollar	1.298	1.319	1.308	1.331	1.335	1.364

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

Exchange Rate

US\$ vs Euro

Source: FT



The euro has taken its signals from the actions and sound-bites of ECB officials in recent days, fluctuating moderately in response to the policy rate reduction and to the possibility of more rate cuts to come in light of one of the ECB's board members suggesting that negative rates and asset purchases are options to rid the euro area of its deflationary threat. Although quantitative easing is still considered unlikely, and the euro is still trending upwards, the fact that Europe's policymakers are taking the suggestion seriously is an indication of the concerns over the euro zone's predicament and of the fear of a Japanese-style era of deflation complicating recovery hopes and debt reduction.

ECB Watch

- The ECB’s move to lower its main policy interest rate earlier this month, by 25 basis points to 0.25%, came as a surprise to our experts, which hadn’t expected such an immediate policy response from the region’s central bank. Euro Zone Barometer had argued that the unanimous easing bias among its board members was “pointing toward a rate cut if market conditions reverse to jeopardise the euro zone recovery” to provide at least some indication.
- In the event the ECB was concerned by both the very weak recovery prospects that are clearly failing to improve the labour market and diminishing inflation giving rise to the risk of a deflationary trap in the absence of additional stimulus. Further interest rate cuts are unlikely, although there is an outside chance of going all the way to zero.

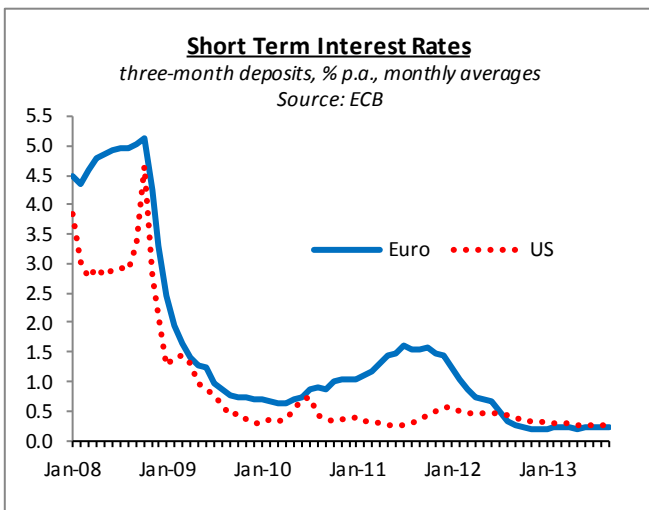
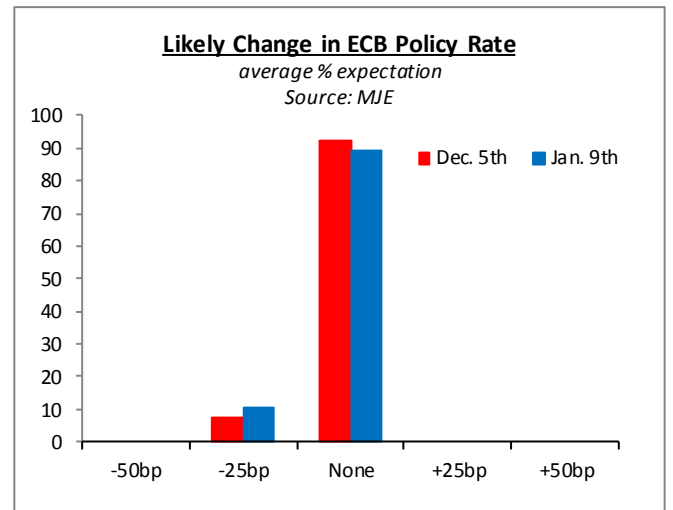
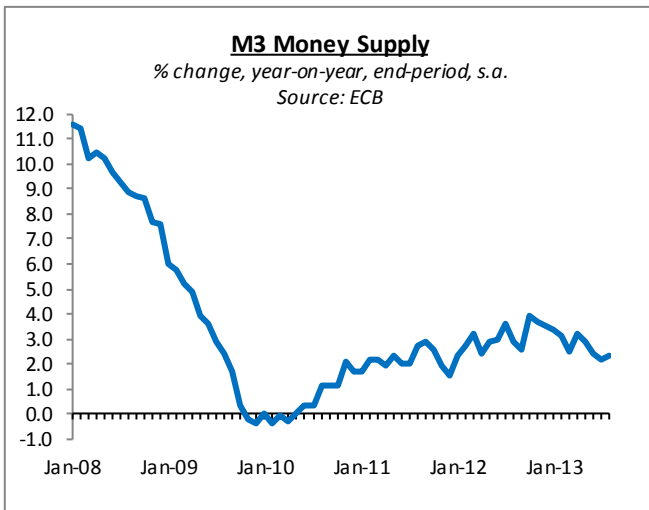
Euro Zone Barometer

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:

	Dec. 5th	Jan. 9th
-50bp	0.0%	0.0%
-25bp	7.6%	10.7%
Unchanged	92.4%	89.3%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



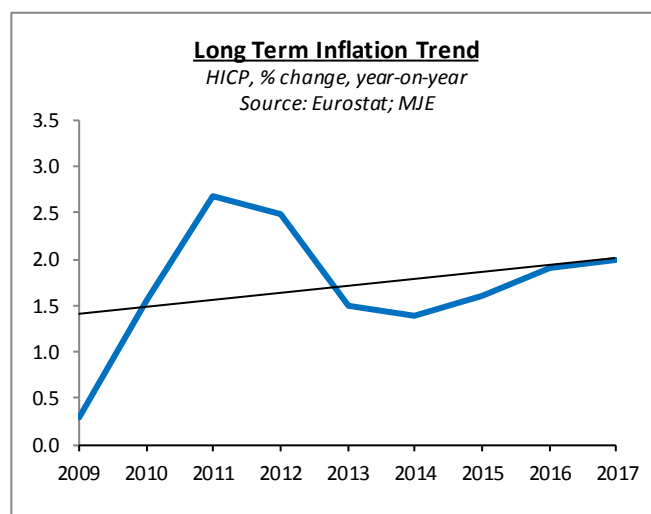
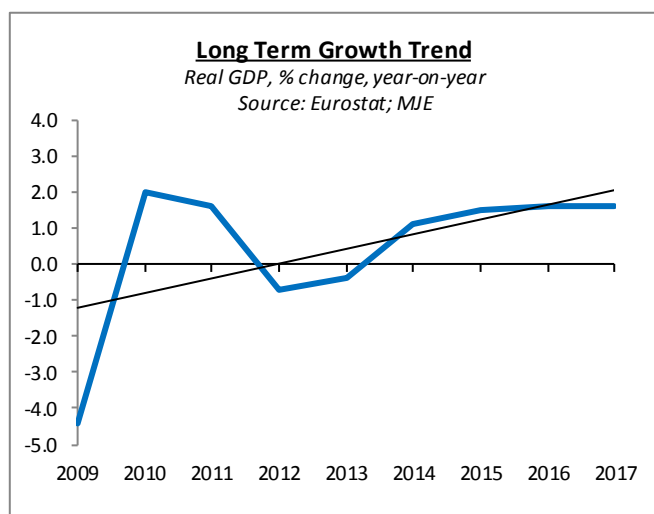
Last Five ECB Interest Rate Changes:

- 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 2015 to 2017 are taken from our October 2013 long term forecasts survey

<i>(% change year-on-year, unless otherwise stated)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Domestic Product	-0.7	-0.4	1.1	1.5	1.6	1.6
Private Consumption	-1.4	-0.6	0.6	1.1	1.2	1.4
Gross Fixed Investment	-4.0	-3.3	1.5	2.6	2.6	2.6
Industrial Production (excl. construction)	-2.4	-0.9	1.7	2.3	1.9	2.0
Unemployment Rate, % of labour force	11.4	12.1	12.1	11.9	11.5	11.1
Harmonised Index of Consumer Prices	2.5	1.5	1.4	1.6	1.9	2.0
Current Account, annual total, % of GDP	1.3	2.0	2.1	2.0	2.3	2.3
General Government Balance, % of GDP	-3.7	-3.0	-2.6	-2.1	-1.6	-1.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.22	0.34	0.99	1.77	1.92
10 Year Bond Yield, % per annum	1.32	1.87	2.36	2.77	2.65	2.80
10 year - 3 month Yield Differential	1.13	1.65	2.02	1.78	0.88	0.88
US\$ per € Exchange Rate	1.318	1.322	1.258	1.244	1.270	1.282



GERMANY - Forecasts for 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	na	0.9	na	0.6	5.3	1.6	7.0	0.1	na
BBVA	0.6	1.1	-1.0	na	na	1.7	6.5	0.0	na
BNP Paribas	0.7	1.0	-0.9	0.3	na	1.6	7.1	-0.8	na
Danske Bank	0.7	0.9	-0.1	na	5.2	1.7	6.0	-0.2	81.1
DZ Bank	0.6	0.9	-1.4	na	na	1.7	6.6	0.1	80.5
Economist Intelligence Unit	0.5	1.1	-1.7	-0.3	5.3	1.6	7.1	0.1	79.9
G&P Institutional Mgmt	0.6	1.0	-1.2	na	5.4	1.0	na	0.0	na
HSBC	0.6	1.1	-1.3	-0.4	na	1.7	6.6	0.1	80.5
IHS Global Insight	0.6	1.2	-0.5	0.9	5.3	1.6	7.0	0.3	80.1
Intesa Sanpaulo	0.6	1.0	-0.9	-1.1	na	1.7	7.3	0.0	na
J P Morgan Chase	0.5	na	na	na	na	1.7	na	-0.5	na
Morgan Stanley	0.4	1.7	-0.6	-0.6	5.5	1.6	6.7	0.0	80.3
Oxford Economics	0.6	1.0	-1.0	-0.3	5.3	1.6	7.0	0.0	na
Raiffeisen Bank International	0.5	na	na	na	na	1.5	7.0	-0.2	81.1
Santander	0.6	1.0	-1.2	-0.2	5.3	1.6	6.5	-0.3	79.5
SEB	0.5	0.8	0.5	0.3	5.5	1.6	na	-0.2	81.1
Societe Generale	0.8	1.1	na	na	na	2.0	6.3	-0.3	80.2
UBS	0.5	1.0	-1.0	-0.4	na	1.6	7.0	0.2	79.5
Unicredit Bank	0.6	1.0	-0.9	na	5.6	1.5	5.9	0.0	79.2
Consensus (Mean Average)	0.6	1.0	-0.9	-0.1	5.4	1.6	6.7	-0.1	80.3
Last Month	0.6	1.0	-0.9	-0.1	5.4	1.7	6.7	-0.1	80.2
2 Months Ago	0.6	1.0	-1.0	0.1	5.5	1.7	6.5	-0.1	79.4
Median	0.6	1.0	-1.0	-0.3	5.3	1.6	6.9	0.0	80.3
High	0.8	1.7	0.5	0.9	5.6	2.0	7.3	0.3	81.1
Low	0.4	0.8	-1.7	-1.1	5.2	1.0	5.9	-0.8	79.2
Standard Deviation	0.1	0.2	0.5	0.6	0.1	0.2	0.4	0.3	0.7
Number of Forecasts	18	17	15	11	10	19	16	19	12
Other Forecasts									
EC (Nov '13)	0.5	0.9	-0.9	na	5.4	1.7	7.0	0.0	79.6
IMF (Oct. '13)	0.5	0.8	-0.6	na	5.6	1.6	6.0	-0.4	80.4
OECD (May '12)	0.4	na	na	na	5.0	1.6	6.7	-0.2	na

- Germany's economic sentiment indicator continued to rise in October for a sixth consecutive month, to 104.9, according to the European Commission. The rise was largely related to the trend improvement in sentiment among manufacturers buoyed by export orders.
- Germany's exports hit a record high of almost €95bn in September, a rise of 3.6% y/y. With imports of €74bn, the monthly trade surplus reached a record €20.4bn, exceeding its previous high in June 2008.
- Data released by the Federal Statistical Office indicate that real GDP increased by 0.3% q/q during Q3 2013 on a seasonally- and calendar-adjusted basis. The rise was smaller than that recorded for Q2, suggesting a weak recovery but sufficient to keep the unemployment rate down, which slipped to 5.2% in September.
- Corporate insolvencies fell in August by 7.4% y/y, although retailers, vehicle maintenance firms and those in the building industry are still being affected by a weak economy.

GERMANY - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	na	1.5	na	5.1	5.2	1.5	6.6	0.2	na
BBVA	1.8	1.4	4.1	na	na	1.8	5.6	0.0	na
BNP Paribas	1.8	1.6	4.5	3.0	na	1.6	7.0	0.0	na
Danske Bank	2.5	1.7	5.4	na	4.9	1.8	5.6	0.0	79.0
DZ Bank	2.0	1.4	4.5	na	na	2.1	5.9	0.3	78.0
Economist Intelligence Unit	1.3	1.3	1.9	1.5	5.3	1.6	6.9	0.4	79.2
G&P Institutional Mgmt	1.7	1.5	3.1	na	5.0	1.3	na	0.1	na
HSBC	1.7	1.4	2.5	3.8	na	1.8	6.2	0.1	78.1
IHS Global Insight	1.8	1.8	5.4	5.8	5.2	1.6	6.4	0.3	77.1
Intesa Sanpaulo	1.8	1.4	4.2	1.0	na	1.7	6.2	-0.1	na
J P Morgan Chase	1.9	na	na	na	na	1.7	na	0.0	na
Morgan Stanley	1.8	1.3	3.2	2.2	5.5	1.9	6.6	0.1	77.8
Oxford Economics	1.7	1.3	3.6	2.0	5.2	1.5	6.9	0.0	na
Raiffeisen Bank International	1.8	na	na	na	na	1.5	7.0	0.0	78.6
Santander	1.9	1.1	3.1	2.5	5.4	1.8	5.7	0.0	77.5
SEB	1.7	1.0	2.5	2.9	5.5	1.9	na	0.0	78.1
Societe Generale	1.5	1.4	na	na	na	2.5	6.0	-0.2	78.3
UBS	1.6	1.7	4.7	2.7	na	1.3	6.2	0.0	77.0
Unicredit Bank	1.5	0.9	2.7	na	5.5	1.4	5.5	-0.2	76.9
Consensus (Mean Average)	1.8	1.4	3.7	3.0	5.3	1.7	6.3	0.1	78.0
Last Month	1.8	1.4	3.7	3.0	5.3	1.8	6.3	0.1	78.0
2 Months Ago	1.8	1.3	3.6	3.0	5.4	1.8	6.0	0.1	77.4
Median	1.8	1.4	3.6	2.7	5.3	1.7	6.2	0.0	78.1
High	2.5	1.8	5.4	5.8	5.5	2.5	7.0	0.4	79.2
Low	1.3	0.9	1.9	1.0	4.9	1.3	5.5	-0.2	76.9
Standard Deviation	0.2	0.2	1.1	1.5	0.2	0.3	0.5	0.2	0.8
Number of Forecasts	18	17	15	11	10	19	16	19	12
Other Forecasts									
EC (Nov '13)	1.7	1.4	4.4	na	5.3	1.7	6.6	0.1	77.1
IMF (Oct. '13)	1.4	1.1	2.5	na	5.5	1.8	5.7	-0.1	78.1
OECD (May '12)	1.9	na	na	na	4.8	2.0	6.0	0.0	na

Germany: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-5.1	4.0	3.1	0.9
Private Consumption	0.1	0.9	1.7	0.7
Gross Fixed Investment	-11.6	5.9	6.2	-1.9
Industrial Production	-16.3	10.7	7.7	-0.3
Unemploy. Rate, % of L.F.	7.8	7.1	5.9	5.5
Consumer Prices	0.2	1.2	2.5	2.1
Current Acc., % of GDP	6.0	6.1	5.6	7.1
Budget Bal., % of GDP	-3.1	-4.1	-0.8	0.2
Public Debt, % of GDP	74.5	82.4	80.4	81.9

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	Christian Democrat. Union led coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	19th out of 177 countries
Doing Business:	21st out of 189 countries
Competitiveness:	4th out of 148 countries
Corruption:	13th out of 174 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 2013

<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									
Allianz SE	0.2	na	na	na	11.0	na	-1.6	-4.1	na
BBVA	0.2	0.3	-2.1	na	na	1.1	-1.6	-4.1	na
BNP Paribas	0.1	0.3	-2.5	-0.4	11.0	0.9	-1.9	-4.1	na
Danske Bank	0.2	0.4	-2.5	na	11.2	1.0	-1.6	-4.0	94.2
DZ Bank	0.2	0.4	-2.1	na	11.0	1.3	-1.7	-4.1	94.0
Economist Intelligence Unit	0.2	0.3	-2.5	-0.2	10.6	1.1	-1.8	-4.1	93.8
G&P Institutional Mgmt	0.3	0.3	-2.0	na	10.9	1.1	na	-4.0	na
HSBC	0.2	0.3	-2.3	-0.6	11.0	1.1	-2.0	-4.2	94.9
IHS Global Insight	0.2	0.2	-2.3	-0.9	10.9	1.1	-1.8	-4.2	94.2
Intesa Sanpaulo	-0.1	0.2	na	-2.1	10.5	1.1	na	na	na
J P Morgan Chase	0.2	na	na	na	na	1.0	na	-3.3	na
Morgan Stanley	0.0	0.2	-2.5	na	10.5	1.1	-2.1	-3.9	93.6
Oxford Economics	0.2	0.4	-2.3	-0.4	11.0	1.1	-1.9	-4.1	116.6
Raitteisen Bank International	0.1	na	na	na	na	1.1	-2.2	-4.0	93.9
SEB	0.2	0.0	na	-2.0	10.9	1.2	na	-4.0	92.2
Societe Generale	-0.2	0.3	na	na	10.7	1.5	-1.7	-3.6	93.5
UBS	0.2	0.4	-2.3	-0.3	10.6	1.1	-1.7	-4.2	93.8
Unicredit Bank	0.2	0.3	-2.5	na	na	1.2	-2.0	-4.0	92.6
Consensus (Mean Average)	0.1	0.3	-2.3	-0.9	10.8	1.1	-1.8	-4.0	95.6
Last Month	0.1	0.2	-1.9	-0.9	10.8	1.1	-1.9	-4.0	95.7
2 Months Ago	0.0	0.2	-1.9	-0.8	10.8	1.1	-2.0	-3.9	95.8
Median	0.2	0.3	-2.3	-0.5	10.9	1.1	-1.8	-4.1	93.9
High	0.3	0.4	-2.0	-0.2	11.2	1.5	-1.6	-3.3	116.6
Low	-0.2	0.0	-2.5	-2.1	10.5	0.9	-2.2	-4.2	92.2
Standard Deviation	0.1	0.1	0.2	0.8	0.2	0.1	0.2	0.2	6.6
Number of Forecasts	18	15	12	8	14	17	14	17	12
Other Forecasts									
EC (Nov. '13)	0.2	0.5	-2.3	na	11.0	1.0	-1.8	-4.1	93.5
IMF (Oct. '13)	0.2	0.4	-2.4	na	11.0	1.0	-1.6	-4.0	93.5
OECD (May '12)	-0.3	na	na	na	10.7	1.1	-2.2	-4.0	na

- France has suffered the ignominy of a credit rating downgrade from S&P recently as the government struggles to get to grips with its fiscal problems. These require more concerted efforts at reform, amid weak economic growth that is seeing France miss its EU deficit target.
- Real GDP shrank by 0.1% during Q3, delaying recovery hopes. The problems there and in Italy highlight the euro zone's continuing deficiencies and are a major factor behind the ECB's decision to ease monetary policy this month with an interest rate reduction.
- The French growth figure was all the more disappointing in light of the improvement in confidence lately, which could lead to better data before the year is out. As in Germany the French economic sentiment indicator rose for a sixth consecutive month in October in response to a broad-based improvement in most sectors apart from retail trade.
- Weak growth is likely to pile more pressure on a government whose popularity is low, especially with the unemployment rate edging upwards to 11.1% in September.

FRANCE - Forecasts for 2014

<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									
Allianz SE	1.4	na	na	na	11.0	na	-1.5	-3.6	na
BBVA	1.2	0.9	1.7	na	na	1.3	-1.7	-3.6	na
BNP Paribas	0.7	0.4	0.4	0.3	11.5	1.1	-1.9	-3.6	na
Danske Bank	1.3	1.1	0.6	na	11.5	1.4	-1.8	-4.2	96.4
DZ Bank	1.0	0.8	2.2	na	10.8	1.6	-1.8	-4.1	96.0
Economist Intelligence Unit	0.9	0.5	2.4	2.0	10.5	1.5	-1.8	-3.6	95.1
G&P Institutional Mgmt	1.6	0.9	3.1	na	11.0	1.0	na	-3.8	na
HSBC	0.7	0.5	0.8	1.8	11.0	1.7	-2.1	-4.0	97.6
IHS Global Insight	0.6	0.2	0.7	0.8	11.1	1.7	-1.6	-3.7	95.5
Intesa Sanpaulo	1.1	1.1	na	1.1	10.5	1.4	na	na	na
J P Morgan Chase	1.1	na	na	na	na	1.1	na	-2.7	na
Morgan Stanley	0.6	0.5	0.4	na	10.8	1.8	-2.2	-3.5	95.3
Oxford Economics	0.8	1.0	0.4	0.9	11.2	1.3	-1.7	-3.7	120.0
Raiffeisen Bank International	1.0	na	na	na	na	1.7	-2.4	-3.6	95.5
SEB	0.8	0.7	na	0.5	11.0	1.5	na	-3.5	92.7
Societe Generale	0.4	0.2	na	na	11.5	2.6	-1.3	-2.8	95.0
UBS	0.9	1.0	1.2	1.2	11.0	1.0	-1.5	-3.8	96.1
Unicredit Bank	0.9	0.7	0.2	na	na	2.1	-1.7	-3.5	94.7
Consensus (Mean Average)	0.9	0.7	1.2	1.1	11.0	1.5	-1.8	-3.6	97.5
Last Month	0.9	0.7	0.9	1.1	11.0	1.6	-1.6	-3.6	97.6
2 Months Ago	0.8	0.7	0.8	1.3	10.9	1.6	-1.9	-3.5	97.7
Median	0.9	0.7	0.8	1.0	11.0	1.5	-1.8	-3.6	95.5
High	1.6	1.1	3.1	2.0	11.5	2.6	-1.3	-2.7	120.0
Low	0.4	0.2	0.2	0.3	10.5	1.0	-2.4	-4.2	92.7
Standard Deviation	0.3	0.3	1.0	0.6	0.3	0.4	0.3	0.4	7.2
Number of Forecasts	18	15	12	8	14	17	14	17	12
Other Forecasts									
EC (Nov. '13)	0.9	0.6	0.6	na	11.2	1.4	-1.5	-3.8	95.3
IMF (Oct. '13)	1.0	0.8	1.8	na	11.1	1.5	-1.6	-3.5	94.8
OECD (May '12)	0.8	na	na	na	11.1	1.0	-1.9	-3.5	na

France: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-3.1	1.7	1.7	0.0
Private Consumption	0.3	1.5	0.3	-0.1
Gross Fixed Investment	-10.6	1.2	3.5	0.0
Industrial Production	-12.8	4.8	2.4	-2.6
Unemploy. Rate, % of L.F.	9.5	9.7	9.6	10.2
Consumer Prices	0.1	1.7	2.3	2.2
Current Acc., % of GDP	-1.8	-2.0	-2.6	-1.8
Budget Bal., % of GDP	-7.5	-7.1	-5.3	-4.8
Public Debt, % of GDP	79.2	82.4	85.8	90.2

Source: ECB; Eurostat; national statistical office

France: Background Information

President:	Francois Hollande
Government:	Socialist Party
Next Election:	2017 (presidential & parliamentary)
Capital City:	Paris
Economic Freedom:	62nd out of 177 countries
Doing Business:	38th out of 189 countries
Competitiveness:	23rd out of 148 countries
Corruption:	22nd out of 174 countries
Corporate Tax Rate:	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 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consumption	Gross Fixed Investment	Industrial Production (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
Allianz SE	-1.7	na	na	na	12.2	1.4	0.8	-3.0	na
BBVA	-1.9	-2.6	-6.0	na	na	1.4	0.1	-3.0	na
BNP Paribas	-1.7	-2.4	-4.9	-3.6	12.1	1.3	0.7	-3.0	na
Danske Bank	-1.7	-2.0	-6.1	na	12.0	1.3	0.6	-3.2	130.9
DZ Bank	-1.5	-2.2	-5.2	na	11.3	1.7	0.9	-2.9	128.0
Economist Intelligence Unit	-1.9	-3.0	-3.5	-2.7	12.4	1.3	-0.1	-3.3	133.0
G&P Institutional Mgmt	-1.8	-2.3	-5.3	na	12.1	1.3	na	-3.2	na
HSBC	-1.7	-2.5	-6.0	-3.0	12.1	1.6	0.4	-3.0	130.0
IHS Global Insight	-2.0	-2.3	-5.6	-3.6	12.2	1.2	0.5	-3.4	132.2
Intesa Sanpaulo	-1.8	-2.5	-5.4	-2.9	na	1.5	0.3	-3.3	na
J P Morgan Chase	-1.7	na	na	na	na	1.4	na	-2.1	na
Morgan Stanley	-1.7	-2.2	-5.0	na	11.6	1.4	0.9	-3.3	131.6
Oxford Economics	-2.0	-2.5	-5.6	-3.8	12.2	1.3	0.6	-3.0	128.9
Raitteisen Bank International	-1.7	na	na	na	na	1.4	1.0	-3.0	132.2
SEB	-1.7	-1.5	-4.0	-3.0	12.2	na	na	-3.0	131.0
Societe Generale	-2.1	na	-3.9	na	12.0	1.7	0.4	-2.9	130.3
UBS	-1.8	-2.3	-5.4	-3.2	12.2	1.4	na	-3.2	131.4
Unicredit Bank	-1.7	-2.4	-5.4	na	12.1	1.2	0.4	-3.1	133.1
Consensus (Mean Average)	-1.8	-2.3	-5.2	-3.2	12.1	1.4	0.5	-3.1	131.1
Last Month	-1.8	-2.5	-5.2	-3.2	12.0	1.5	0.6	-3.1	130.9
2 Months Ago	-1.7	-2.4	-5.6	-3.0	12.2	1.6	0.6	-3.1	130.6
Median	-1.7	-2.4	-5.4	-3.1	12.1	1.4	0.6	-3.0	131.2
High	-1.5	-1.5	-3.5	-2.7	12.4	1.7	1.0	-2.1	133.1
Low	-2.1	-3.0	-6.1	-3.8	11.3	1.2	-0.1	-3.4	128.0
Standard Deviation	0.1	0.3	0.8	0.4	0.3	0.2	0.3	0.3	1.6
Number of Forecasts	18	14	15	8	14	17	14	18	12
Other Forecasts									
EC (Nov. '13)	-1.8	-2.3	-5.2	na	12.2	1.5	1.0	-3.0	133.0
IMF (Oct. '13)	-1.8	-2.4	-5.7	na	12.5	1.6	0.0	-3.2	132.3
OECD (May '13)	-1.8	na	na	na	11.9	1.6	0.9	-3.0	na

- Italy's latest government crisis may have been quelled for now to allow the budget to be passed, but the coalition remains in a fragile state with austerity to be maintained amid poor economic figures.
- Alarmingly, confidence fell in October, according to the European Commission, to end five months of improvement. Manufacturing sentiment continued to rise but confidence in services, including retail trade and among consumers, dipped – perhaps affected by the country's political problems.
- However, households are also feeling the pinch as austerity measures bite and continue to push up the unemployment rate, which reached 12.5% in September – a factor behind the latest protests in Rome against the government's policies.
- To compound the country's problems, the latest market reports from major Italian banks indicate they are struggling under the weight of rising non-performing loan books which, with reduced interest and trading income, continue to harm profits and urge for increased provisioning.

ITALY - Forecasts for 2014

<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									
Allianz SE	0.8	na	na	na	12.4	1.5	1.2	-2.7	na
BBVA	0.7	0.1	0.7	na	na	1.7	0.2	-2.5	na
BNP Paribas	0.5	0.2	2.1	1.4	12.6	1.5	0.8	-2.5	na
Danske Bank	0.4	0.5	1.0	na	12.3	1.2	0.8	-2.6	132.0
DZ Bank	0.5	0.2	0.3	na	11.3	2.1	1.1	-2.5	129.0
Economist Intelligence Unit	0.2	0.1	1.0	0.2	12.2	1.0	-0.1	-3.3	136.3
G&P Institutional Mgmt	1.1	0.4	2.5	na	11.8	1.1	na	-2.9	na
HSBC	0.5	-0.1	-0.4	1.5	11.8	1.9	0.3	-2.4	129.0
IHS Global Insight	-0.3	-0.4	-0.7	-0.9	12.4	1.3	0.7	-3.1	133.9
Intesa Sanpaolo	0.5	0.2	0.7	0.7	na	1.9	0.6	-2.6	na
J P Morgan Chase	1.1	na	na	na	na	1.1	na	-1.7	na
Morgan Stanley	0.4	-0.2	1.9	na	12.4	1.5	1.4	-2.4	131.6
Oxford Economics	0.2	-0.7	0.7	0.3	12.8	0.9	1.1	-3.0	132.2
Raiffeisen Bank International	0.7	na	na	na	na	1.7	1.5	-2.5	132.6
SEB	0.6	0.5	1.3	1.0	12.0	na	na	-2.5	132.0
Societe Generale	-0.5	na	-1.3	na	12.3	1.4	0.6	-2.9	131.3
UBS	0.4	0.3	-0.1	0.6	12.8	1.5	na	-2.9	132.2
Unicredit Bank	0.6	0.5	1.4	na	12.6	1.3	0.6	-2.3	133.3
Consensus (Mean Average)	0.5	0.1	0.7	0.6	12.3	1.4	0.8	-2.6	132.1
Last Month	0.5	0.0	0.8	0.8	12.2	1.6	0.8	-2.7	132.0
2 Months Ago	0.4	0.0	0.7	0.8	12.2	1.6	0.8	-2.6	131.8
Median	0.5	0.2	0.7	0.7	12.4	1.5	0.8	-2.6	132.1
High	1.1	0.5	2.5	1.5	12.8	2.1	1.5	-1.7	136.3
Low	-0.5	-0.7	-1.3	-0.9	11.3	0.9	-0.1	-3.3	129.0
Standard Deviation	0.4	0.4	1.1	0.8	0.4	0.3	0.5	0.4	2.0
Number of Forecasts	18	14	15	8	14	17	14	18	12
Other Forecasts									
EC (Nov. '13)	0.7	0.3	2.7	na	12.4	1.6	1.2	-2.7	134.0
IMF (Oct. '13)	0.7	0.2	0.9	na	12.4	1.3	0.2	-2.1	133.1
OECD (May '13)	0.4	na	na	na	12.5	1.2	2.0	-2.3	na

Italy: Background Information

Prime Minister:	Enrico Letta
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	83rd out of 177 countries
Doing Business:	65th out of 189 countries
Competitiveness:	49th out of 148 countries
Corruption:	72nd out of 174 countries
Corporate Tax Rate:	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

Italy: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-5.5	1.7	0.4	-2.0
Private Consumption	-1.6	1.5	0.1	-4.3
Gross Fixed Investment	-11.7	0.6	-1.8	-8.0
Industrial Production	-18.7	6.9	0.3	-6.3
Unemploy. Rate, % of L.F.	7.8	8.4	8.4	10.7
Consumer Prices	0.8	1.6	2.9	3.3
Current Acc., % of GDP	-2.0	-3.5	-3.1	-0.5
Budget Bal., % of GDP	-5.5	-4.5	-3.8	-3.0
Public Debt, % of GDP	116.4	119.3	120.8	127.0

Source: ECB; Eurostat; national statistical office

NETHERLANDS - Forecasts for 2013

<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									
DZ Bank	-1.0	-1.7	-7.7	na	na	2.7	11.1	-3.6	73.0
Economist Intelligence Unit	-1.2	-2.1	-8.0	0.8	6.8	2.8	10.1	-3.7	73.3
IHS Global Insight	-1.1	-1.9	-8.0	0.5	na	na	9.7	-3.3	74.5
Intesa Sanpaulo	-0.9	-1.7	-7.2	na	na	na	na	na	na
Morgan Stanley	-1.2	-1.9	-8.5	-0.9	6.8	2.8	8.9	-3.4	74.8
Oxford Economics	-1.2	-1.9	-8.0	1.0	6.7	2.9	11.3	na	na
Raiffeisen Bank International	-1.1	na	na	na	na	2.7	11.7	-3.2	75.0
UBS	-1.1	-1.9	-7.1	0.0	na	2.8	11.2	-3.4	75.0
Consensus (Mean Average)	-1.1	-1.9	-7.8	0.3	6.8	2.8	10.6	-3.4	74.3
Last Month	-1.1	-1.9	-7.8	0.3	6.8	2.8	10.5	-3.5	75.6
2 Months Ago	-1.1	-1.7	-8.2	0.4	6.8	2.8	10.3	-3.4	75.7
Median	-1.1	-1.9	-8.0	0.5	6.8	2.8	11.1	-3.4	74.7
High	-0.9	-1.7	-7.1	1.0	6.8	2.9	11.7	-3.2	75.0
Low	-1.2	-2.1	-8.5	-0.9	6.7	2.7	8.9	-3.7	73.0
Standard Deviation	0.1	0.1	0.5	0.8	0.1	0.1	1.0	0.2	0.9
Number of Forecasts	8	7	7	5	3	6	7	6	6
Other Forecasts									
EC (Nov. '13)	-1.0	-2.1	-8.5	na	7.0	2.7	9.6	-3.3	74.8
IMF (Oct. '13)	-1.3	na	na	na	7.1	2.9	10.9	na	na
OECD (May '13)	-0.9	na	na	na	6.4	2.7	9.4	-3.7	na

- The Netherlands may have emerged from recession in Q3 2013, according to data released by the statistical office, but with surrounding economies still weak and the country mired in a financial crisis, growth of 0.1% suggests the economy is flat-lining, while also shrinking in y/y terms (by 0.6%).
- Growth was driven in Q3 by exports, but was pinned back by shrinking private consumption, undermined by high household debts and the effects of austerity policies aimed at restoring fiscal credibility.
- Confidence within the economy fell in September but then leapt back up in October to suggest that conditions will improve and the unemployment rate will go no higher than the present 7% level. Manufacturing and services drove the European Commission's Dutch economic sentiment indicator upwards in October.
- Still, with the banks struggling, company financing conditions are tight and a major constraint on business formation and expansion, especially among smaller firms.

NETHERLANDS - Forecasts for 2014

<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									
DZ Bank	0.7	-0.1	1.7	na	na	1.8	10.4	-3.2	74.0
Economist Intelligence Unit	0.4	-0.9	-2.0	1.1	7.0	1.8	10.8	-3.5	76.5
IHS Global Insight	0.4	-0.4	1.3	0.7	na	na	10.3	-3.4	77.1
Intesa Sanpaulo	0.9	0.6	3.7	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	0.2	-0.6	0.9	0.6	7.3	1.4	9.9	na	na
Raiffeisen Bank International	1.3	na	na	na	na	1.3	11.5	-3.3	76.0
UBS	1.1	-0.1	6.2	0.5	na	1.5	9.8	-3.5	76.0
Consensus (Mean Average)	0.7	-0.3	1.9	0.9	7.2	1.6	10.4	-3.4	76.1
Last Month	0.8	-0.2	1.8	1.3	7.2	1.6	10.2	-3.4	77.5
2 Months Ago	0.7	-0.1	1.4	1.6	7.2	1.7	9.9	-3.4	77.6
Median	0.6	-0.4	1.4	0.7	7.3	1.5	10.3	-3.5	76.3
High	1.3	0.6	6.2	1.8	7.4	1.8	11.5	-3.2	77.1
Low	0.2	-0.9	-2.0	0.5	7.0	1.3	9.8	-3.5	74.0
Standard Deviation	0.4	0.5	2.5	0.5	0.2	0.2	0.6	0.1	1.1
Number of Forecasts	8	7	7	5	3	6	7	6	6
Other Forecasts									
EC (Nov. '13)	0.2	-1.1	0.9	na	8.0	1.7	10.0	-3.3	76.4
IMF (Oct. '13)	0.3	na	na	na	7.4	1.3	11.0	na	na
OECD (May '13)	0.7	na	na	na	7.0	1.5	9.0	-3.6	na

Netherlands: Historical Data

<i>% change, year-on-year</i>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Gross Domestic Product	-3.7	1.6	1.0	-1.0
Private Consumption	-2.1	0.3	-1.0	-1.4
Gross Fixed Investment	-12.0	-7.2	5.7	-4.6
Industrial Production	-7.6	7.8	-0.8	-0.4
Unemploy. Rate, % of L.F.	3.7	4.5	4.4	5.3
Consumer Prices	1.0	0.9	2.5	2.8
Current Acc., % of GDP	3.2	5.1	8.3	9.9
Budget Bal., % of GDP	-5.6	-5.1	-4.5	-4.1
Public Debt, % of GDP	60.8	63.1	65.5	71.2

Source: ECB; Eurostat; national statistical office

Netherlands: Background Information

Prime Minister:	Mark Rutte
Government:	VVD led coalition
Next Election:	September 2016 (parliamentary)
Capital City:	The Hague
Economic Freedom:	17th out of 177 countries
Doing Business:	28th out of 189 countries
Competitiveness:	8th out of 148 countries
Corruption:	9th out of 174 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 2013

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-1.3	-2.6	-6.4	na	26.3	1.5	1.2	-6.8	94.4
BNP Paribas	-1.2	-2.9	-5.8	-1.1	26.9	1.5	1.6	-6.8	na
Danske Bank	-1.5	-2.7	-7.0	na	27.2	1.8	1.0	-6.5	96.0
DZ Bank	-1.4	-2.6	-6.3	na	25.9	1.9	1.0	-6.5	94.0
Economist Intelligence Unit	-1.3	-2.9	-6.5	-3.2	26.3	1.8	0.2	-7.1	91.7
HSBC	-1.5	-2.7	-7.2	-2.4	26.4	1.6	0.7	-7.5	91.0
IHS Global Insight	-1.3	-2.6	-6.1	-1.6	26.5	1.4	1.1	-7.4	95.2
Intesa Sanpaulo	-1.5	-2.8	-6.3	-3.7	na	na	na	-6.5	na
J P Morgan Chase	-1.3	na	na	na	na	1.6	na	-5.3	na
Morgan Stanley	-1.3	-2.6	-7.4	na	26.5	1.7	1.7	-6.9	91.4
Oxford Economics	-1.3	-2.6	-6.7	-1.5	26.5	1.5	0.6	-6.8	98.1
Raiffeisen Bank International	-1.5	na	na	na	na	1.5	1.5	-6.5	92.2
Santander	-1.3	-2.6	na	na	26.7	1.5	1.0	-5.5	na
Societe Generale	-1.4	-2.7	-5.8	na	28.1	1.8	-0.4	-7.2	96.3
UBS	-1.3	-2.7	-7.4	-1.7	26.4	1.6	1.3	-6.7	94.5
Unicredit Bank	-1.6	-2.8	-6.5	na	na	1.7	1.0	-6.5	91.5
Consensus (Mean Average)	-1.4	-2.7	-6.6	-2.2	26.6	1.6	1.0	-6.7	93.9
Last Month	-1.4	-2.7	-6.7	-2.3	26.7	1.7	0.9	-6.6	92.9
2 Months Ago	-1.5	-2.8	-6.7	-2.9	26.8	1.7	0.8	-6.7	92.6
Median	-1.3	-2.7	-6.5	-1.7	26.5	1.6	1.0	-6.8	94.2
High	-1.2	-2.6	-5.8	-1.1	28.1	1.9	1.7	-5.3	98.1
Low	-1.6	-2.9	-7.4	-3.7	25.9	1.4	-0.4	-7.5	91.0
Standard Deviation	0.1	0.1	0.5	1.0	0.6	0.1	0.6	0.6	2.3
Number of Forecasts	16	14	13	7	12	15	14	16	12
Other Forecasts									
EC (Nov. '13)	-1.3	-2.6	-6.6	na	26.6	1.8	1.4	-6.8	94.8
IMF (Oct. '13)	-1.3	-2.8	-7.3	na	26.9	1.8	1.4	na	na
OECD (May '13)	-1.7	na	na	na	27.3	1.5	2.1	-6.9	na

- The enthusiasm surrounding the news from Spain's statistical office, INE, that the country saw a return to growth during Q3 2013, to finally end the recession, has been dampened by the details indicating only a modest 0.1% rise and that exports were boosted by tourism, which will peter out beyond the main holiday season.
- On top of that the recent consumer price data highlight worrying signs of deflation that are beginning to concern the ECB as the prospect of a Japanese-style era of low growth and falling prices looms, not only in Spain but also in other Euro zone countries.
- Moreover, in a country affected by periodic social unrest, with an unemployment rate remaining at 26.6% in September (and the majority of its younger workers without a job), the news that confidence fell back in October is an unwelcome development.
- The Spanish economic sentiment indicator, polled by the European Commission, slipped to its August level in October as manufacturers, service sector firms, those in the construction sector and consumers all retraced recent gains to suggest that talk of Spain embarking on a sustained upturn may be wide of the mark.

SPAIN - Forecasts for 2014

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	0.9	0.1	0.7	na	25.6	1.1	1.8	-5.8	98.5
BNP Paribas	0.7	-0.4	0.9	0.5	27.6	0.6	2.9	-5.8	na
Danske Bank	0.3	-0.1	-2.0	na	27.6	0.9	2.5	-6.9	102.0
DZ Bank	0.8	0.5	0.0	na	25.7	1.5	2.0	-7.0	99.0
Economist Intelligence Unit	0.2	0.2	-2.4	-1.8	26.4	1.5	0.8	-6.7	97.3
HSBC	0.1	-0.1	-3.7	-0.6	25.4	1.2	0.8	-6.4	97.6
IHS Global Insight	-0.2	-0.1	-1.2	0.2	26.4	0.8	1.4	-6.1	99.0
Intesa Sanpaulo	0.6	-0.5	-0.6	2.0	na	na	na	-6.9	na
J P Morgan Chase	0.7	na	na	na	na	0.2	na	-3.8	na
Morgan Stanley	0.8	0.1	-3.0	na	25.6	0.8	2.8	-6.0	96.2
Oxford Economics	0.7	0.4	-1.1	1.2	26.4	0.7	1.3	-5.9	105.6
Raiffeisen Bank International	1.5	na	na	na	na	1.1	2.0	-5.5	96.3
Santander	0.9	0.6	na	na	26.1	1.1	1.5	-4.8	na
Societe Generale	-0.8	-1.5	-2.8	na	30.2	-0.5	0.6	-6.1	102.8
UBS	0.4	-0.1	-4.9	0.6	26.1	0.8	2.4	-6.0	99.0
Unicredit Bank	0.4	0.0	-1.1	na	na	1.5	2.1	-6.1	97.3
Consensus (Mean Average)	0.5	-0.1	-1.6	0.3	26.6	0.9	1.8	-6.0	99.2
Last Month	0.5	0.0	-1.4	0.2	26.6	1.0	1.7	-5.9	98.5
2 Months Ago	0.4	-0.2	-1.6	-0.1	26.9	1.1	1.5	-5.9	98.3
Median	0.7	-0.1	-1.2	0.5	26.3	0.9	1.9	-6.1	98.8
High	1.5	0.6	0.9	2.0	30.2	1.5	2.9	-3.8	105.6
Low	-0.8	-1.5	-4.9	-1.8	25.4	-0.5	0.6	-7.0	96.2
Standard Deviation	0.5	0.5	1.7	1.2	1.3	0.5	0.7	0.8	2.9
Number of Forecasts	16	14	13	7	12	15	14	16	12
Other Forecasts									
EC (Nov. '13)	0.5	0.1	-2.4	na	26.4	0.9	2.6	-5.9	99.9
IMF (Oct. '13)	0.2	-0.4	-2.8	na	26.7	1.5	2.6	na	na
OECD (May '13)	0.4	na	na	na	28.0	0.4	3.5	-6.4	na

Spain: Historical Data

<i>% change, year-on-year</i>	2009	2010	2011	2012
Gross Domestic Product	-3.7	-0.3	0.4	-1.4
Private Consumption	-3.8	0.7	-1.0	-2.1
Gross Fixed Investment	-18.0	-6.2	-5.3	-9.1
Industrial Production	-15.7	0.9	-1.4	-6.0
Unemploy. Rate, % of L.F.	18.0	20.1	21.7	25.0
Consumer Prices	-0.2	2.0	3.1	2.4
Current Acc., % of GDP	-4.8	-4.4	-3.7	-0.9
Budget Bal., % of GDP	-11.2	-9.7	-9.4	-10.6
Public Debt, % of GDP	53.9	61.5	69.3	84.2

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	Popular Party
Next Election:	2015 (parliamentary)
Capital City:	Madrid
Economic Freedom:	46th out of 177 countries
Doing Business:	52nd out of 189 countries
Competitiveness:	35th out of 148 countries
Corruption:	30th out of 174 countries
Corporate Tax Rate:	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 Countries¹

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
		Austria	EC	0.4	1.6	2.2	1.8	2.5	2.8	-2.5	-1.9
	IMF	0.4	1.6	2.2	1.8	2.8	2.4	na	na	na	na
	OECD	0.5	1.7	2.0	1.5	2.4	2.9	-2.3	-1.7	na	na
Belgium	EC	0.1	1.1	1.3	1.3	0.9	0.9	-2.8	-2.6	100.4	101.3
	IMF	0.1	1.0	1.4	1.2	-0.7	-0.3	na	na	na	na
	OECD	0.0	1.1	1.4	1.2	-1.2	-0.8	-2.6	-2.3	na	na
Cyprus	EC	-8.7	-3.9	1.0	1.2	-2.0	-0.6	-8.3	-8.4	116.0	124.4
	IMF	-8.7	-3.9	1.0	1.2	-2.0	-0.6	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.3	3.0	3.4	2.8	-2.1	-2.2	-0.4	-0.1	10.0	9.7
	IMF	1.5	2.5	3.5	2.8	-0.7	-0.2	na	na	na	na
	OECD	1.5	3.6	3.4	2.9	-3.0	-2.6	0.0	0.3	na	na
Greece	EC	-4.0	0.6	-0.8	-0.4	-2.3	-1.9	-13.5	-2.0	176.2	175.9
	IMF	-4.2	0.6	-0.8	-0.4	-1.0	-0.5	na	na	na	na
	OECD	-4.8	-1.2	-0.7	-1.7	-1.1	0.9	-4.1	-3.5	na	na
Ireland	EC	0.3	1.7	0.8	0.9	4.1	4.6	-7.4	-5.0	124.4	120.8
	IMF	0.6	1.8	1.0	1.2	2.3	3.0	na	na	na	na
	OECD	1.0	1.9	1.0	1.1	5.0	5.2	-7.5	-4.6	na	na
Luxembourg	EC	1.9	1.8	1.8	1.7	6.7	6.8	-0.9	-1.0	24.5	25.7
	IMF	0.5	1.3	1.8	1.9	6.0	6.6	na	na	na	na
	OECD	0.8	1.7	1.8	1.7	4.1	5.5	-0.7	-0.6	na	na
Malta	EC	1.8	1.9	1.1	1.8	1.8	1.4	-3.4	-3.4	72.6	73.3
	IMF	1.1	1.8	2.0	2.0	1.1	0.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	-1.8	0.8	0.6	1.0	0.9	0.9	-5.9	-4.0	127.8	126.7
	IMF	-1.8	0.8	0.7	1.0	0.9	0.9	na	na	na	na
	OECD	-2.7	0.2	0.0	0.2	-0.9	0.5	-6.4	-5.6	na	na
Slovakia	EC	0.9	2.1	1.7	1.6	4.3	4.3	-3.0	-3.2	54.3	57.2
	IMF	0.8	2.3	1.7	2.0	3.5	4.2	na	na	na	na
	OECD	0.8	2.0	1.7	1.6	2.1	2.3	-2.6	-2.2	na	na
Slovenia	EC	-2.7	-1.0	2.1	1.9	5.0	6.0	-5.8	-7.1	63.2	70.1
	IMF	-2.6	-1.4	2.3	1.8	5.4	7.0	na	na	na	na
	OECD	-2.3	0.1	2.1	1.2	4.1	4.8	-7.8	-3.4	58.5	61.0

¹ Forecasts for Germany, Finland, Italy, the Netherlands and Spain shown on pages 12-22; Forecasts for Finland are shown in Nordic Barometer. EC - European Commission (Nov'13); IMF - International Monetary Fund (Oct'13); OECD - Organisation for Economic Cooperation & Dev (May'12).

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
April 2014	Malta	Presidential
June 2014	EU	Parliamentary
September 2014	Scotland	Referendum
2014	EU	Presidential
2014	Belgium	Parliamentary
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
2016	Ireland	Parliamentary
2016	Cyprus	Legislative
2017	Germany	Presidential
2017	France	Presidential
2017	Slovenia	Presidential

Sources: IFES Election Guide; MJE

Notes, Sources and Definitions

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

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

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

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

sa – seasonally adjusted

q/q – quarter on quarter

m/m – month-on-month

wda – working day adjusted

y/y – year on year

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

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