

Euro Zone Barometer© - October 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.*****

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Survey Deadline: October 14th, 2013

Tentatively Moving Forward

- This month's updated survey of our experts' **long-term projections** to 2017 suggests that the incipient recovery now taking place across the euro zone will continue over the coming years, but that GDP growth will remain sub-optimal, averaging 1.6% in real terms, to keep Europe's dismal labour market situation at the forefront of policymakers' minds.
- With industrial production strengthening in August (underpinned by improving exports), confidence indicators mostly pointing upwards and some of the defaulters – Ireland, Portugal and Spain – seemingly over the worst of their recessions – **a better year is in prospect** in 2014, aided by loose monetary policy, the avoidance of major political crises and some reigning back on the severe post-crisis austerity necessary to deal with the debt problem.
- Still, the outlook is far from the bright picture many had hoped for by now (at least in the wake of the post-2008 rebound), **undermined by uncertainties** surrounding the US economic situation, euro appreciation and the ongoing debt resolution programme, amid new worries about banking sector vulnerabilities, Greek borrowing and other risks.
- 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.

**Next Month's Survey Deadline:
November 11th, 2013**

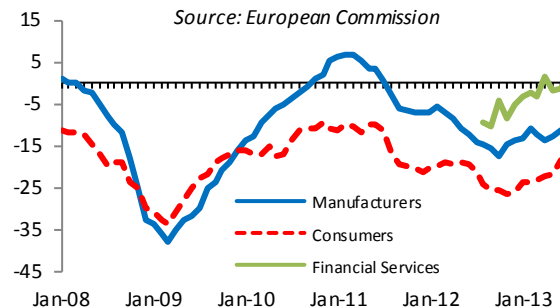
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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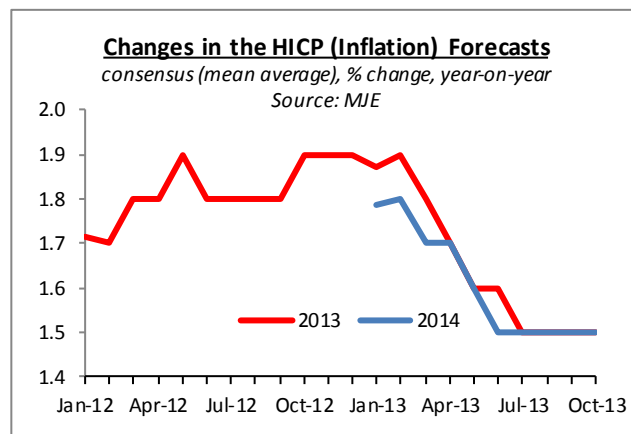
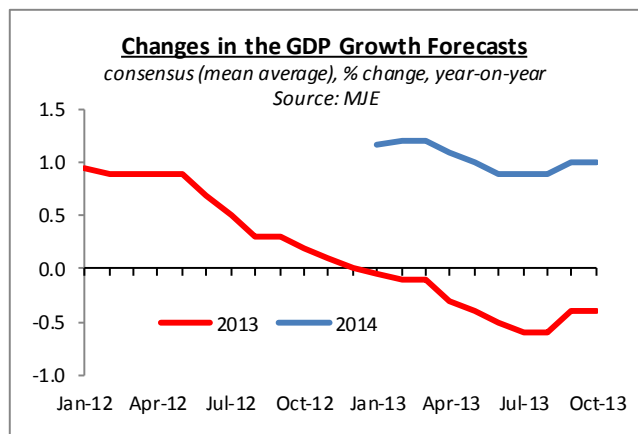
Outlook for 2013-14

- GDP growth forecasts have stabilised this month, suggesting that this year's contraction will be followed by a moderate recovery in 2014.
- With slightly less emphasis on fiscal tightening, forecasts for government consumption have been raised slightly. Improving trade prospects have also pushed up the 2013 estimate for goods and services export volume, with the 2014 projection unchanged.
- The brighter picture, not only for exports, but also retail sales, has led to a slight improvement in the unemployment rate outlook, although forecasts still paint a depressingly familiar picture for the region's labour market.
- Forecasts for inflation and the fiscal deficit are unchanged. However, a larger current account surplus is foreseen to reflect structural improvements in countries with deficits.

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	1.5	-0.6	-0.4	1.0
Private Consumption	-1.0	1.0	0.3	-1.4	-0.6	0.6
Government Consumption	2.6	0.6	-0.1	-0.6	0.1	0.3
Gross Fixed Investment	-12.8	-0.4	1.6	-3.9	-3.4	1.5
Change in Stocks (Inventories)¹	-0.9	0.6	0.2	-0.5	0.0	0.0
Goods and Services Exports	-12.5	11.7	6.4	2.5	1.5	3.7
Goods and Services Imports	-11.0	10.1	4.3	-1.1	0.0	3.6
Net Exports²	-0.7	0.7	0.9	1.6	0.6	0.3
Industrial Production (ex. construction)	-14.9	7.3	3.2	-2.4	-0.9	1.8
Retail Sales Volume	-2.4	0.6	-0.3	-1.7	-0.9	0.5
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	2.1	2.7
Harmonised Index of Consumer Prices	0.3	1.6	2.7	2.5	1.5	1.5
Producer Prices	-4.8	2.7	5.8	3.0	0.2	1.6
Nominal Labour Costs	2.9	1.5	2.2	1.8	2.0	1.9
Current Account Balance, annual total, €bn	-13.3	3.5	14.9	122.4	198.9	202.0
Current Account Balance, % of GDP	-0.1	0.0	0.2	1.3	2.0	2.1
General Govt Budget Balance, % of GDP	-6.4	-6.2	-4.1	-3.7	-2.9	-2.5
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.70	1.01	1.36	0.19	0.24	0.44
10 Year German Bond Yield, % per annum	3.40	2.92	1.83	1.32	2.06	2.52
US\$ per € Exchange Rate	1.441	1.336	1.294	1.318	1.306	1.254

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



Confidence in the euro area continued to improve in September, according to the latest monthly survey from the European Commission, with the overall economic sentiment index rising to 96.9 from 95.3 in August. The amelioration was broad-based, with manufacturing, services (financial and retail included) and construction, although still in negative territory (the latter especially so), all continuing trend reversals that began around May.

Eurostat, meanwhile, has reported a 1% m/m rise in industrial production (excluding construction) for August, to reverse a fall of equal magnitude in July,

and which continues the modest trend improvement seen since November of last year. Disparate conditions still prevail across the euro area, however, and there were large y/y contractions for most countries (-2.1% for the euro zone as a whole).

Of the other data released this month, encouragingly retail trade increased on a m/m basis for a second consecutive month in August, notably in Spain, Portugal and Slovenia. However, the unemployment rate was unchanged at 12% (also in August) and house prices continued to fall during Q2 compared to year earlier levels.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	<u>Q1'12</u>	<u>Q2'12</u>	<u>Q3'12</u>	<u>Q4'12</u>
Gross Domestic Product	-0.1	-0.5	-0.7	-1.0
Private Consumption	-1.1	-1.3	-1.7	-1.5
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
	<u>Q1'13</u>	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>
Gross Domestic Product	-1.0	-0.5	-0.2	0.5
Private Consumption	-1.3	-0.6	-0.4	0.2
Industrial Production	-2.3	-1.1	-0.7	1.4
Harmonised Index of Consumer Prices	1.9	1.4	1.3	1.3
3 month Interest Rate, % per annum, end period	0.21	0.22	0.18	0.24
10 Year Bond Yield, % per annum, end period	1.29	1.73	1.78	2.06
	<u>Q1'14</u>	<u>Q2'14</u>	<u>Q3'14</u>	<u>Q4'14</u>
Gross Domestic Product	1.0	1.0	1.2	1.3
Private Consumption	0.5	0.6	0.7	0.9
Industrial Production	1.7	1.9	2.6	2.7
Harmonised Index of Consumer Prices	1.3	1.5	1.5	1.5
3 month Interest Rate, % per annum, end period	0.26	0.29	0.35	0.44
10 Year Bond Yield, % per annum, end period	2.15	2.28	2.38	2.52

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	-0.5	0.2	-3.4	na	1.6	0.5	na
BBVA	-0.4	-0.4	-0.4	-3.6	-0.1	1.0	-0.5	0.7
BNP Paribas	-0.3	-0.5	0.3	-3.3	0.0	1.3	0.2	na
Commerzbank	-0.4	-0.6	0.2	-3.6	0.1	4.7	-1.0	0.5
Danske Bank	-0.4	-0.4	-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	-1.0	-0.1	-3.1	na	1.0	-0.3	0.6
ETLA	-0.5	-0.5	-1.0	-3.0	na	2.2	0.8	na
G&P Institutional Mgmt	-0.2	-0.5	0.5	-4.0	0.1	1.1	-0.2	0.6
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	-3.5	na	1.5	0.1	0.7
Intesa Sanpaulo	-0.3	-0.5	0.3	-3.3	0.0	1.3	0.0	0.6
J P Morgan Chase	-0.3	-0.6	0.2	-3.6	0.1	1.1	0.0	na
Morgan Stanley	-0.5	-0.5	-0.3	-4.0	na	0.8	-0.4	0.7
Oxford Economics	-0.3	-0.6	0.2	-3.6	0.0	1.1	-0.4	0.6
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	-0.5	0.2	-3.5	0.1	1.0	-0.2	0.5
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	-3.4	0.0	1.5	0.0	0.6
Last Month	-0.4	-0.6	0.0	-3.3	0.0	1.3	-0.1	0.6
2 Months Ago	-0.6	-0.7	-0.3	-3.3	-0.1	1.1	-0.4	0.6
Median	-0.4	-0.5	0.2	-3.5	0.0	1.2	0.0	0.6
High	-0.2	-0.4	0.5	-1.0	0.1	4.7	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	0.9	0.8	0.1
Number of Forecasts	21	21	21	21	13	21	21	12
Other Forecasts								
ECB (Sep. '13)	-0.4	-0.7	-0.1	-3.6	na	0.9	-0.6	na
EC (May '13)	-0.4	-0.9	0.0	-2.6	-0.2	2.2	0.5	0.8
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	12.0	na	1.5	0.3	na	200.4	2.1	-2.9
BBVA	na	na	12.2	na	1.5	na	na	na	2.0	-2.8
BNP Paribas	0.0	na	12.3	na	1.5	0.0	na	225.0	2.3	-3.2
Commerzbank	-1.0	na	12.0	2.0	1.5	0.0	2.3	200.0	2.1	-3.2
Danske Bank	na	na	12.1	na	1.4	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	-1.1	na	12.2	na	1.4	0.4	na	224.1	2.3	-3.1
ETLA	-0.1	na	12.1	na	na	na	na	na	na	-2.9
G&P Institutional Mgmt	na	na	12.0	na	1.5	na	na	na	na	-3.2
HSBC	-0.8	na	12.1	na	1.5	na	na	na	2.2	-3.2
IHS Global Insight	-1.1	-0.9	12.1	2.1	1.5	0.3	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	1.5	na	na	na	na	na
Morgan Stanley	na	na	12.1	na	1.5	na	na	221.6	2.4	-3.1
Oxford Economics	-1.6	-0.7	12.1	na	1.5	0.1	na	213.8	2.2	-2.8
Raiffeisen Bank International	-1.2	na	12.1	na	1.5	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	12.2	2.6	1.5	0.2	na	192.0	2.0	-2.0
UniCredit Bank	na	na	12.2	na	1.5	0.3	na	na	1.9	-3.0
Consensus (Mean)	-0.9	-0.9	12.1	2.1	1.5	0.2	2.0	198.9	2.0	-2.9
Last Month	-0.8	-1.0	12.2	2.3	1.5	0.5	2.1	187.0	1.9	-2.9
2 Months Ago	-0.6	-1.0	12.2	2.4	1.5	0.6	2.0	164.7	1.8	-2.9
Median	-0.9	-0.9	12.1	2.1	1.5	0.2	2.1	201.2	2.1	-2.9
High	0.0	-0.7	12.3	2.6	1.8	0.4	2.3	225.0	2.4	-2.0
Low	-2.0	-1.2	12.0	1.6	1.4	0.0	1.5	139.6	1.5	-3.2
Standard Deviation	0.6	0.3	0.1	0.4	0.1	0.1	0.4	25.7	0.3	0.3
Number of Forecasts	12	3	20	4	20	9	3	12	17	19
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	1.5	na	na	na	na	na
EC (May '13)	na	na	12.2	na	1.6	na	na	178.4	1.9	-2.9
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	1.0	0.6	0.3	2.3	0.0	3.8	3.7	0.3
BNP Paribas	1.1	0.7	0.7	0.9	0.0	3.7	3.0	na
Commerzbank	0.7	0.5	0.5	2.0	0.2	1.2	4.1	-0.3
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	0.7	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	1.5	1.0	0.8	1.7	0.0	4.0	3.4	0.4
HSBC	0.8	0.5	-0.1	0.5	-0.1	3.2	2.9	na
IHS Global Insight	0.8	0.6	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	1.3	0.1	4.2	3.9	na
Morgan Stanley	0.9	0.2	0.2	-0.3	na	3.2	2.8	0.3
Oxford Economics	1.0	0.5	-0.2	1.5	-0.1	3.7	2.9	0.5
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	0.4	1.8	0.0	3.6	3.4	0.3
UniCredit Bank	1.0	0.4	-0.2	1.4	0.1	4.7	4.5	0.3
Consensus (Mean)	1.0	0.6	0.3	1.5	0.0	3.7	3.6	0.3
Last Month	1.0	0.6	0.2	1.4	0.0	3.7	3.6	0.3
2 Months Ago	0.9	0.5	0.1	1.5	0.0	3.6	3.5	0.3
Median	1.0	0.6	0.3	1.7	0.0	3.8	3.6	0.3
High	1.5	1.0	0.8	2.5	0.2	5.9	5.5	0.5
Low	0.5	0.1	-0.4	-0.3	-0.1	1.2	2.0	-0.3
Standard Deviation	0.3	0.2	0.3	0.7	0.1	1.0	0.8	0.2
Number of Forecasts	21	21	21	21	13	21	21	12
Other Forecasts								
ECB (Sep. '13)	1.0	0.7	0.6	1.8	na	3.6	3.8	na
EC (May '13)	1.2	0.7	0.5	2.3	-0.4	4.9	4.7	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	1.5	2.0	na	165.0	1.7	-2.5
BBVA	na	na	12.3	na	1.4	na	na	na	2.1	-2.2
BNP Paribas	1.8	na	12.8	na	1.3	1.8	na	225.0	2.3	-2.5
Commerzbank	2.2	na	11.8	3.0	1.5	1.5	1.5	200.0	2.0	-2.0
Danske Bank	na	na	12.1	na	1.2	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	0.9	na	12.2	na	1.4	1.7	na	234.9	2.4	-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	1.5	na	na	na	na	-2.9
HSBC	2.2	na	12.0	na	1.3	na	na	na	2.2	-2.8
IHS Global Insight	1.9	0.6	12.1	4.2	1.6	1.7	2.1	185.0	1.9	-2.6
Intesa Sanpaulo	0.5	0.5	11.8	2.0	1.6	1.0	2.1	135.0	na	na
J P Morgan Chase	2.5	na	12.3	na	1.2	na	na	na	na	na
Morgan Stanley	na	na	12.3	na	1.6	na	na	218.5	2.3	-2.9
Oxford Economics	1.4	0.5	12.2	na	1.5	1.4	na	226.0	2.3	-2.6
Raiffeisen Bank International	2.5	na	12.2	na	1.6	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	12.3	1.4	1.5	1.3	na	316.3	3.2	-1.3
UniCredit Bank	na	na	12.3	na	1.5	2.0	na	na	2.3	-2.7
Consensus (Mean)	1.8	0.5	12.1	2.7	1.5	1.6	1.9	202.0	2.1	-2.5
Last Month	2.0	0.6	12.2	2.7	1.5	1.9	1.9	184.1	1.9	-2.5
2 Months Ago	2.0	0.6	12.3	2.9	1.5	2.1	1.9	175.0	2.0	-2.2
Median	2.0	0.5	12.2	2.5	1.5	1.7	2.1	209.3	2.1	-2.6
High	2.5	0.6	12.8	4.2	1.9	2.0	2.1	316.3	3.2	-1.3
Low	0.5	0.5	11.7	1.4	1.0	1.0	1.5	80.0	0.8	-2.9
Standard Deviation	0.6	0.1	0.3	1.2	0.2	0.3	0.3	59.6	0.5	0.4
Number of Forecasts	12	3	20	4	20	9	3	12	17	19
Other Forecasts										
ECB (Sep. '13)	na	na	na	na	1.3	na	na	na	na	na
EC (May '13)	na	na	12.1	na	1.5	na	na	199.0	2.0	-2.8
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

All forecasts are for end year

		2013	2014
3-month Euribor Interest Rate, % Rate on Survey Date: 0.23	Mean Average	0.24	0.44
	High	0.45	0.80
	Low	0.10	0.10
	Standard deviation	0.07	0.19
	Number of Forecasts	17	18
10-year Benchmark German Bond Yield, % Rate on Survey Date: 1.87	Mean Average	2.06	2.52
	High	3.10	3.20
	Low	1.78	2.00
	Standard deviation	0.35	0.34
	Number of Forecasts	12	12
US Dollars/Euro Exchange Rate Rate on Survey Date: 1.359	Mean Average	1.306	1.254
	High	1.360	1.320
	Low	1.240	1.100
	Standard deviation	0.032	0.050
	Number of Forecasts	25	23
Japanese Yen/Euro Exchange Rate Rate on Survey Date: 133.3	Mean Average	128.5	135.5
	High	138.0	149.5
	Low	103.0	120.0
	Standard deviation	9.1	10.0
	Number of Forecasts	11	10
UK Pound/Euro Exchange Rate Rate on Survey Date: 0.848	Mean Average	0.837	0.826
	High	0.861	0.878
	Low	0.820	0.791
	Standard deviation	0.012	0.027
	Number of Forecasts	13	12
Swedish Krona/Euro Exchange Rate Rate on Survey Date: 8.774	Mean Average	8.599	8.455
	High	8.900	8.899
	Low	8.350	8.097
	Standard deviation	0.138	0.255
	Number of Forecasts	17	16
Swiss Franc/Euro Exchange Rate Rate on Survey Date: 1.233	Mean Average	1.256	1.296
	High	1.300	1.350
	Low	1.234	1.250
	Standard deviation	0.020	0.038
	Number of Forecasts	9	8
Oil Prices, Brent Blend, US\$ per barrel Rate on Survey Date: 111.0	Mean Average	108.4	106.7
	High	114.0	116.0
	Low	100.0	100.0
	Standard deviation	3.2	5.7
	Number of Forecasts	21	21

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

Interest Rate Data

All data are period averages

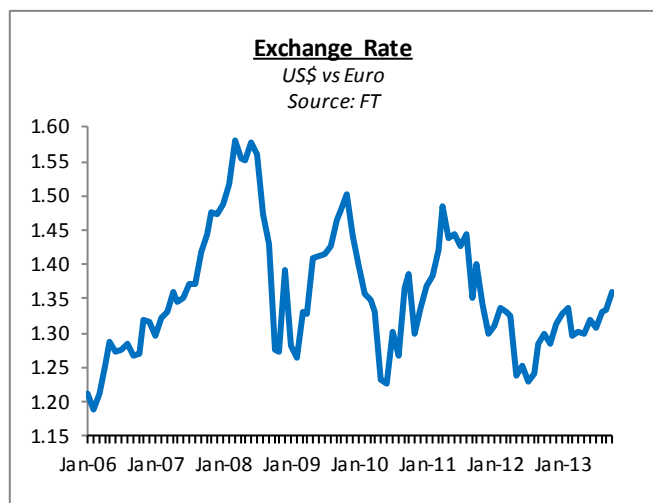
<u>Euro Zone Interest Rates, %</u>	<u>Apr '13</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Overnight	0.08	0.08	0.09	0.09	0.08	0.08
3-month	0.21	0.20	0.21	0.22	0.23	0.22
6-month	0.32	0.30	0.32	0.34	0.34	0.34
12-month	0.53	0.48	0.51	0.53	0.54	0.54
10-year bond yields	2.86	2.69	3.07	3.10	3.10	3.41
<u>International Rates, %</u>						
US 3-month (Euro dollar deposits)	0.28	0.27	0.27	0.27	0.26	0.25
US 10-year	1.92	2.40	2.82	2.91	3.11	2.91
Japan 3-month (Euro yen deposits)	0.16	0.16	0.15	0.16	0.15	0.15
Japan 10-year	0.76	1.05	1.02	1.01	0.93	0.88
<u>Euro Zone / US Yield Differentials, %</u>						
3-month	-0.07	-0.07	-0.06	-0.05	-0.03	-0.03
10-year	0.94	0.29	0.25	0.19	-0.01	0.50

Exchange Rate Data

period averages vs euro

	<u>Apr '13</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Trade Weighted Nominal Index * (1999 Q1=100)	100.5	100.6	101.6	101.5	102.2	102.0
Australian dollar	1.254	1.313	1.398	1.428	1.474	1.438
Canadian dollar	1.327	1.326	1.360	1.362	1.385	1.382
Chinese renminbi	8.056	7.972	8.091	8.023	8.148	8.169
Danish krone	7.455	7.454	7.458	7.458	7.458	7.458
Hong Kong dollar	10.11	10.08	10.23	10.15	10.32	10.35
Japanese yen	127.5	131.1	128.4	130.4	130.3	132.4
Norwegian krone	7.544	7.559	7.739	7.884	7.939	7.973
Singapore dollar	1.612	1.622	1.661	1.660	1.694	1.686
South Korean won	1461	1445	1498	1473	1486	1447
Swedish krona	8.445	8.573	8.684	8.661	8.703	8.676
Swiss franc	1.220	1.242	1.232	1.237	1.234	1.234
UK pound	0.851	0.849	0.852	0.862	0.859	0.842
US dollar	1.303	1.298	1.319	1.308	1.331	1.335

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



The euro has received support from a string of slightly better data releases suggesting the zone may be over the worst of the crisis, and also from market negativity shown toward the dollar in light of the Federal government shutdown and looming debt ceiling deadline. At the time of writing the euro was testing the \$1.36 level not seen since 2011 to continue an upward trend that set in midway through last year, but exaggerated over the past week by the Washington fiscal deadlock. A US default still seems unlikely given that it represents a political impasse rather than an inability to obtain credit, but Thursday's deadline could prove to be a pivotal moment for the short term euro/dollar rate.

ECB Watch

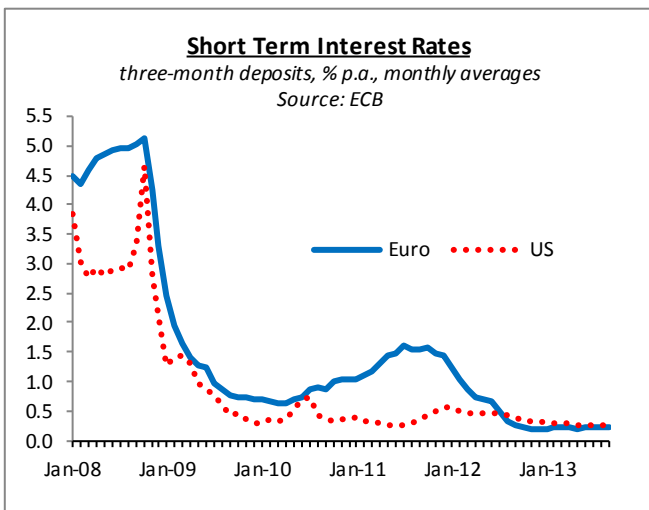
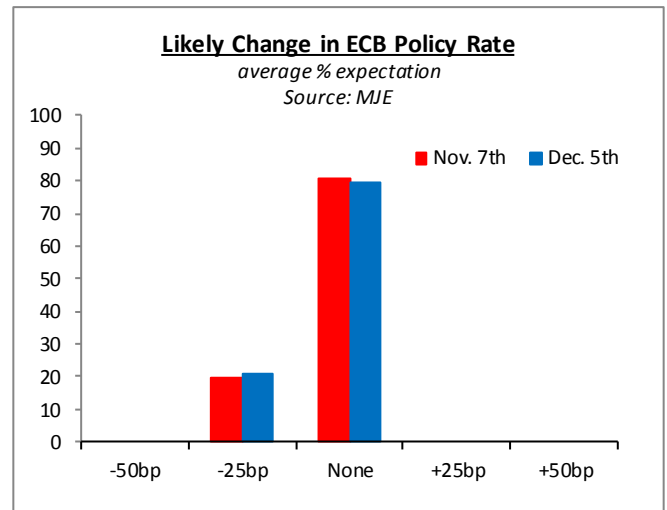
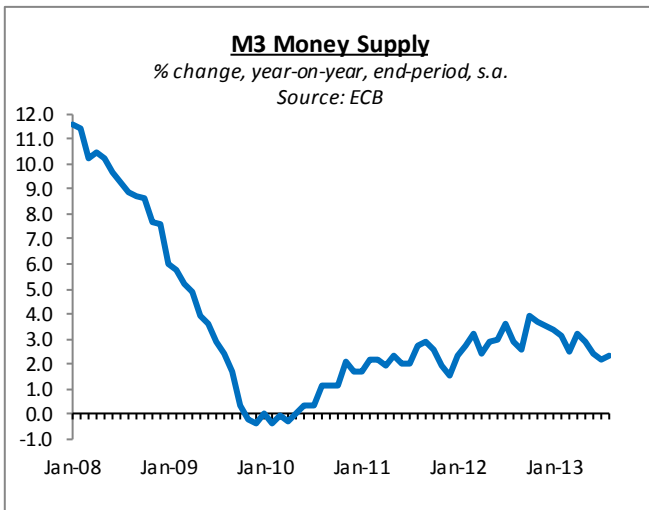
- The ECB is unlikely to alter its monetary strategy over the next month by lowering its main policy interest rate, our experts suggest. Any thoughts that the ECB might lower interest rates further have been quashed by improved confidence and the modest rebound in economic activity, not to mention a wait-and-see approach to financial market trends in the wake of the US debt ceiling and other risks.
- However, the ECB's President, Mario Draghi, has indicated that the Bank's Governing Council is unanimously in favour of maintaining an easing bias, effectively ruling out any premature tightening of policy for the time being and pointing toward a rate cut if market conditions reverse to jeopardise the euro zone recovery.

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:

	Nov. 7th	Dec. 5th
-50bp	0.0%	0.0%
-25bp	19.5%	20.6%
Unchanged	80.5%	79.4%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



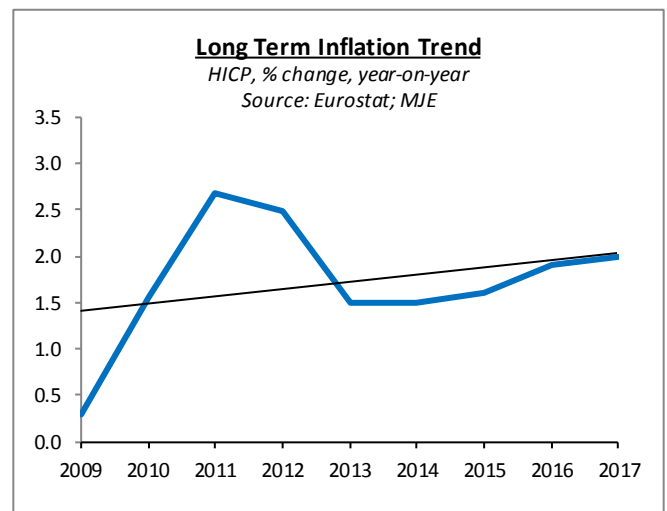
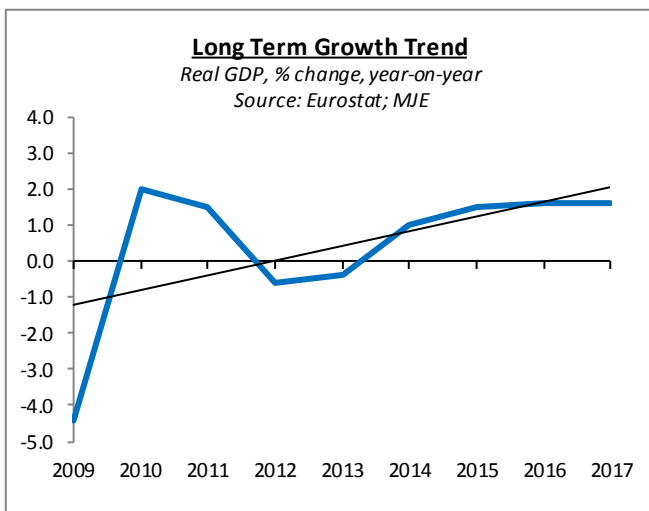
- #### Last Five ECB Interest Rate Changes:
- May 2nd, 2013**
0.25% DECREASE to 0.50%
 - July 5th, 2012**
0.25% DECREASE to 0.75%
 - December 14th, 2011**
0.25% DECREASE to 1.00%
 - November 9th, 2011**
0.25% DECREASE to 1.25%
 - July 13th, 2011**
0.25% INCREASE to 1.50%

Long Term Forecasts

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Domestic Product	-0.6	-0.4	1.0	1.5	1.6	1.6
Private Consumption	-1.4	-0.6	0.6	1.1	1.2	1.4
Gross Fixed Investment	-3.9	-3.4	1.5	2.6	2.6	2.6
Industrial Production (excl. construction)	-2.4	-0.9	1.8	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	1.5	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	-2.9	-2.5	-2.1	-1.6	-1.2
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.24	0.44	0.99	1.77	1.92
10 Year Bond Yield, % per annum	1.32	2.06	2.52	2.77	2.65	2.80
10 year - 3 month Yield Differential	1.13	1.82	2.08	1.78	0.88	0.88
US\$ per € Exchange Rate	1.318	1.306	1.254	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	0.7	0.9	na	0.2	5.3	1.7	7.0	0.1	na
BBVA	0.5	1.1	-1.1	na	na	1.7	7.0	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	0.9	-1.2	-0.1	5.4	1.7	6.9	0.3	80.1
G&P Institutional Mgmt	0.6	1.0	-1.2	na	5.5	1.6	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	1.7	6.6	0.1	79.8
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	-1.2	-0.6	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	0.6	na	1.7	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	1.7	6.7	-0.1	80.2
Last Month	0.6	1.0	-1.0	0.1	5.5	1.7	6.5	-0.1	79.4
2 Months Ago	0.5	0.9	-1.4	0.6	5.5	1.6	6.4	-0.1	80.5
Median	0.6	1.0	-1.0	-0.1	5.4	1.7	6.8	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	-1.4	-1.1	5.2	1.5	5.9	-0.8	79.2
Standard Deviation	0.1	0.2	0.5	0.6	0.1	0.1	0.4	0.3	0.7
Number of Forecasts	19	17	15	11	10	19	16	19	12
Other Forecasts									
EC (May '13)	0.4	0.8	-0.6	na	5.4	1.8	6.3	-0.2	81.1
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

- With Chancellor Angela Merkel's recent parliamentary election victory leaving her Christian Democrats (and its sister party, the Christian Social Union) in a minority, a rainbow coalition with the Social Democrats appears to be the more likely prospect than an alternative partnership with the Greens.
- The new government could prove to be more of a challenge for policymaking, as both sides quibble over strategies for taxation, a proposed minimum wage and other campaign pledges.
- Fortunately, the economy appears to be on course for stronger growth, according to the European Commission's latest monthly confidence survey showing a rise in Germany's overall economic sentiment index to 104.1 in September from 103.8 in the previous month.
- Consumer confidence deteriorated for a second consecutive month, but was perhaps influenced by the election uncertainty; manufacturing, construction and retail trade also registered some improvement.

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	2.1	1.5	na	4.7	5.1	1.7	6.6	0.2	na
BBVA	1.8	1.4	4.1	na	na	1.8	6.5	0.2	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	2.1	5.4	1.8	6.7	0.7	79.0
G&P Institutional Mgmt	1.7	1.5	3.1	na	5.2	1.4	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	5.7	5.2	1.6	6.0	0.0	77.5
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	1.8	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	4.0	2.1	5.2	1.7	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	1.7	1.7	4.3	3.0	na	1.6	6.4	0.0	76.9
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	1.8	6.3	0.1	78.0
Last Month	1.8	1.3	3.6	3.0	5.4	1.8	6.0	0.1	77.4
2 Months Ago	1.7	1.3	3.3	3.0	5.4	1.7	6.0	0.0	78.4
Median	1.8	1.4	4.0	2.9	5.3	1.8	6.3	0.0	78.1
High	2.5	1.8	5.4	5.7	5.5	2.5	7.0	0.7	79.0
Low	1.3	0.9	1.9	1.0	4.9	1.4	5.5	-0.2	76.9
Standard Deviation	0.2	0.2	1.1	1.3	0.2	0.3	0.5	0.2	0.7
Number of Forecasts	19	17	15	11	10	19	16	19	12
Other Forecasts									
EC (May '13)	1.8	1.4	3.9	na	5.3	1.6	6.1	0.0	78.6
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:	September 22nd, 2013 (parliamentary)
Capital City:	Berlin
Economic Freedom:	19th out of 177 countries
Doing Business:	20th out of 185 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 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									
BBVA	-0.1	-0.2	-2.0	na	na	1.1	-2.2	-3.9	na
BNP Paribas	0.1	0.3	-2.6	-0.8	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	0.1	0.2	-3.1	-0.2	10.7	1.1	-2.0	-4.2	93.5
G&P Institutional Mgmt	0.3	0.3	0.0	na	10.8	1.0	na	-3.9	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	-0.6	10.9	1.1	-1.9	-4.0	94.6
Intesa Sanpaulo	-0.1	0.2	0.4	-2.1	10.5	1.1	na	na	na
J P Morgan Chase	0.2	na	na	na	na	1.1	na	na	na
Morgan Stanley	0.0	0.2	-2.5	na	10.5	1.1	-2.1	-3.9	93.6
Oxford Economics	0.3	0.4	-2.2	-0.6	11.0	1.1	-1.8	-4.1	117.7
Raiffeisen Bank International	0.1	na	na	na	na	1.1	-2.2	-4.0	93.9
SEB	0.2	0.0	0.0	-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	0.3	0.4	-2.2	0.0	10.6	1.0	-1.4	-4.1	93.6
Unicredit Bank	0.2	0.3	-2.5	na	na	1.2	-2.0	-4.0	92.6
Consensus (Mean Average)	0.1	0.2	-1.9	-0.9	10.8	1.1	-1.9	-4.0	95.7
Last Month	0.0	0.2	-1.9	-0.8	10.8	1.1	-2.0	-3.9	95.8
2 Months Ago	-0.2	0.0	-2.2	-0.6	10.8	1.1	-2.0	-4.0	96.1
Median	0.2	0.3	-2.3	-0.6	10.9	1.1	-1.9	-4.0	93.8
High	0.3	0.4	0.4	0.0	11.2	1.5	-1.4	-3.6	117.7
Low	-0.2	-0.2	-3.1	-2.1	10.5	0.9	-2.2	-4.2	92.2
Standard Deviation	0.1	0.2	1.1	0.8	0.2	0.1	0.2	0.1	7.0
Number of Forecasts	17	15	14	8	13	17	13	15	12
Other Forecasts									
EC (May '13)	-0.1	-0.1	-2.1	na	10.6	1.2	-1.6	-3.9	94.0
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

- The government has unveiled an austerity budget for 2014 that focuses more on public spending cuts rather than the tax increases it has previously preferred to narrow the deficit. The budget also incorporates the more moderate tightening path envisaged by the European Commission to try to reignite economic growth.
- However, high unemployment and a moribund economy could see the government miss its revenue targets, which, with a rising debt burden, is sure to create demand for more austerity in the new year.
- Sentiment indicators highlight the country's vulnerabilities. Although French economic sentiment improved last month, startlingly so it would seem given the clear jump in the European Commission's overall index, this was mainly services sector related.
- Construction sector confidence also improved, but remains heavily in negative territory, while manufacturers became more despondent - partially reversing a four-month improvement. Spending cuts, meanwhile, could further weaken the economy.

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									
BBVA	1.1	0.6	2.2	na	na	1.3	-1.9	-3.3	na
BNP Paribas	0.8	0.5	0.5	0.5	11.5	1.2	-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	0.8	0.6	1.8	0.9	10.7	1.8	-1.9	-3.5	94.4
G&P Institutional Mgmt	1.6	0.9	0.0	na	10.8	1.0	na	-3.7	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	1.2	11.2	1.7	-1.8	-3.0	96.1
Intesa Sanpaolo	1.1	1.1	0.9	1.1	10.5	1.4	na	na	na
J P Morgan Chase	1.1	na	na	na	na	1.2	na	na	na
Morgan Stanley	0.6	0.5	0.4	na	10.8	1.8	-2.2	-3.5	95.3
Oxford Economics	0.9	1.0	0.6	1.3	11.2	1.5	-1.8	-3.7	121.1
Raiffeisen Bank International	1.0	na	na	na	na	1.7	-2.4	-3.6	95.5
SEB	0.8	0.7	0.2	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	1.0	0.9	1.3	1.8	11.0	1.0	-1.4	-3.8	95.8
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	0.9	1.1	11.0	1.6	-1.6	-3.6	97.6
Last Month	0.8	0.7	0.8	1.3	10.9	1.6	-1.9	-3.5	97.7
2 Months Ago	0.7	0.6	0.8	1.5	11.0	1.5	-1.9	-3.6	98.2
Median	0.9	0.7	0.7	1.2	11.0	1.5	-1.8	-3.6	95.7
High	1.6	1.1	2.2	1.8	11.5	2.6	1.7	-2.8	121.1
Low	0.4	0.2	0.0	0.5	10.5	1.0	-2.4	-4.2	92.7
Standard Deviation	0.3	0.3	0.7	0.5	0.3	0.4	1.0	0.4	7.5
Number of Forecasts	17	15	14	8	13	17	13	15	12
Other Forecasts									
EC (May '13)	1.1	0.9	1.7	na	10.9	1.7	-1.7	-4.2	96.2
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>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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:	34th out of 185 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 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	-1.8	-2.4	-6.4	na	na	1.6	0.8	-3.1	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	-1.8	-3.0	-3.5	-2.7	12.4	1.2	-0.2	-3.5	133.1
G&P Institutional Mgmt	-1.7	-2.4	-5.2	na	na	1.5	na	-3.4	na
HSBC	-1.7	-2.5	-6.0	-3.0	12.1	1.6	0.4	-3.0	130.0
IHS Global Insight	-1.9	-2.5	-5.5	-3.7	12.0	1.3	0.9	-3.4	130.7
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	na	na
Morgan Stanley	-1.7	-2.2	-5.0	na	11.6	1.4	0.9	-3.3	131.6
Oxford Economics	-1.9	-2.6	-5.6	-3.6	12.1	1.6	0.8	-3.0	128.9
Raiffeisen 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	2.1	na	-3.0	131.0
Societe Generale	-2.1	-4.0	-3.9	na	12.0	1.7	0.4	-2.9	130.3
UBS	-1.8	-2.4	-5.3	-3.0	12.2	1.7	na	-3.2	131.4
Unicredit Bank	-1.7	-2.4	-5.4	na	12.1	1.5	0.4	-3.1	133.1
Consensus (Mean Average)	-1.8	-2.5	-5.2	-3.2	12.0	1.5	0.6	-3.1	130.9
Last Month	-1.7	-2.4	-5.6	-3.0	12.2	1.6	0.6	-3.1	130.6
2 Months Ago	-1.7	-2.5	-5.6	-3.2	12.2	1.6	0.6	-3.0	130.4
Median	-1.7	-2.4	-5.3	-3.0	12.1	1.5	0.7	-3.1	131.0
High	-1.5	-1.5	-3.5	-2.7	12.4	2.1	1.0	-2.9	133.1
Low	-2.1	-4.0	-6.4	-3.7	11.3	1.2	-0.2	-3.5	128.0
Standard Deviation	0.1	0.5	0.8	0.4	0.3	0.2	0.3	0.2	1.5
Number of Forecasts	17	15	15	8	12	17	13	16	12
Other Forecasts									
EC (May '13)	-1.3	-2.0	-3.5	na	11.8	1.6	1.0	-2.9	131.4
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

- The quelling of Silvio Berlusconi's political influence and the avoidance of early elections could provide just the spur Italy requires to rejuvenate the economy and sort out its fiscal problems.
- Budget talks indicate that the coalition led by Enrico Letta will implement a two percentage point rise in capital gains tax (to 22%), a reduction in healthcare spending through to 2015 and a scaling down of automatic pension entitlements to pay for income tax cuts intended to jolt the economy.
- Sentiment has improved lately, particularly among manufacturers and retailers. However, the unemployment rate increased to 12.2% in August (and crept above 40% for youths), highlighting the weak economic situation and its impact on the jobs market.
- The situation has prompted the IMF to urge the government to adopt deeper reforms to boost productivity and employment opportunities. Better coordination of job matching and training, decentralizing wage setting and simplifying contracts are among the measures proposed.

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 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									
BBVA	0.8	0.1	0.7	na	na	1.7	1.0	-2.0	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	12.1	0.7	-0.3	-3.5	136.5
G&P Institutional Mgmt	1.1	0.4	2.5	na	na	1.4	na	-3.0	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	-0.3	-0.9	-0.8	12.1	1.5	1.2	-3.1	132.5
Intesa Sanpaulo	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	1.2	na	na	na
Morgan Stanley	0.4	-0.2	1.9	na	12.4	1.5	1.4	-2.4	131.6
Oxford Economics	0.1	-0.8	0.3	0.6	12.4	1.7	1.1	-2.9	132.0
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	2.0	na	-2.5	132.0
Societe Generale	-0.5	-1.1	-1.3	na	12.3	1.4	0.6	-2.9	131.3
UBS	0.5	0.3	0.8	1.4	12.6	1.8	na	-2.9	132.2
Unicredit Bank	0.6	0.5	1.4	na	12.6	1.8	0.6	-2.3	133.3
Consensus (Mean Average)	0.5	0.0	0.8	0.8	12.2	1.6	0.8	-2.7	132.0
Last Month	0.4	0.0	0.7	0.8	12.2	1.6	0.8	-2.6	131.8
2 Months Ago	0.4	0.0	0.5	0.8	12.2	1.6	0.7	-2.6	131.3
Median	0.5	0.2	0.8	0.9	12.3	1.7	0.8	-2.6	132.0
High	1.1	0.5	2.5	1.5	12.6	2.1	1.5	-2.0	136.5
Low	-0.5	-1.1	-1.3	-0.8	11.3	0.7	-0.3	-3.5	129.0
Standard Deviation	0.4	0.5	1.1	0.8	0.4	0.3	0.5	0.4	1.9
Number of Forecasts	17	15	15	8	12	17	13	16	12
Other Forecasts									
EC (May '13)	0.7	0.4	2.5	na	12.2	1.5	1.1	-2.5	132.2
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: 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

Italy: Background Information

Prime Minister:	Enrico Letta
Government:	Coalition of PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	83rd out of 177 countries
Doing Business:	73rd out of 185 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

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 (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	-1.0	-1.7	-7.7	na	na	2.7	11.1	-3.6	73.0
Economist Intelligence Unit	-1.3	-2.1	-8.0	0.8	6.8	2.8	10.4	-3.8	73.5
IHS Global Insight	-1.1	-1.9	-8.0	0.5	na	na	9.5	-3.7	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	-1.0	-1.9	-8.0	1.1	6.7	3.0	10.8	na	83.6
Raiffeisen Bank International	-1.1	na	na	na	na	2.7	11.7	-3.2	75.0
UBS	-1.1	-2.0	-7.5	0.1	na	2.8	11.2	-3.4	75.0
Consensus (Mean Average)	-1.1	-1.9	-7.8	0.3	6.8	2.8	10.5	-3.5	75.6
Last Month	-1.1	-1.7	-8.2	0.4	6.8	2.8	10.3	-3.4	75.7
2 Months Ago	-0.9	-1.4	-5.0	-0.5	6.7	2.7	9.7	-3.6	75.5
Median	-1.1	-1.9	-8.0	0.5	6.8	2.8	10.8	-3.5	74.8
High	-0.9	-1.7	-7.2	1.1	6.8	3.0	11.7	-3.2	83.6
Low	-1.3	-2.1	-8.5	-0.9	6.7	2.7	8.9	-3.8	73.0
Standard Deviation	0.1	0.1	0.4	0.8	0.1	0.1	1.0	0.2	3.6
Number of Forecasts	8	7	7	5	3	6	7	6	7
<u>Other Forecasts</u>									
EC (May '13)	-0.8	-2.4	-3.3	na	6.9	2.8	8.6	-3.6	74.6
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

- In contrast to many other countries in the region, the improvement in Dutch economic sentiment witnessed in the European Commission's surveys in August failed to gain traction in September.
- While services sector confidence brightened, consumers (no doubt affected by the recent trend increase in unemployment to 7%, falling house prices, rising mortgage debt, and public spending cuts) were more downbeat, along with the nation's manufacturers.
- Contracting during the second quarter, the economy is unlikely to be helped by the austerity required to bring the fiscal deficit and debt burden under control. The influential Central Planning Bureau sees the economy remaining sickly into next year, growing by 0.5% following a 1.25% contraction in 2013, with the unemployment rate rising further.
- Passing the 2014 budget containing €6bn of new austerity measures will nonetheless prove tricky given the substantial opposition.

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 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									
DZ Bank	0.7	-0.1	1.7	na	na	1.8	10.4	-3.2	74.0
Economist Intelligence Unit	0.3	-0.9	-2.0	1.1	7.0	1.8	10.8	-3.7	76.8
IHS Global Insight	0.7	0.3	1.3	1.0	na	na	9.2	-3.1	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	0.5	-0.4	1.0	0.6	7.2	1.6	9.5	na	85.4
Raiffeisen Bank International	1.3	na	na	na	na	1.3	11.5	-3.3	76.0
UBS	1.1	-0.2	5.7	2.0	na	1.5	9.8	-3.5	76.0
Consensus (Mean Average)	0.8	-0.2	1.8	1.3	7.2	1.6	10.2	-3.4	77.5
Last Month	0.7	-0.1	1.4	1.6	7.2	1.7	9.9	-3.4	77.6
2 Months Ago	0.7	0.2	1.4	1.9	7.2	1.7	9.6	-3.4	76.9
Median	0.7	-0.2	1.4	1.1	7.2	1.6	9.9	-3.4	76.8
High	1.3	0.6	5.7	2.0	7.4	1.8	11.5	-3.1	85.4
Low	0.3	-0.9	-2.0	0.6	7.0	1.3	9.2	-3.7	74.0
Standard Deviation	0.3	0.5	2.4	0.6	0.2	0.2	0.8	0.2	3.7
Number of Forecasts	8	7	7	5	3	6	7	6	7
<u>Other Forecasts</u>									
EC (May '13)	0.9	-0.1	1.6	na	7.2	1.5	8.9	-3.6	75.8
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>	2009	2010	2011	2012
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:	31st out of 185 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 Consumption	Gross Fixed Investment	Industrial Production (excl. construction)	Unemployment Rate (EU defn., % of labour force)	Consumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BBVA	-1.4	-2.6	-6.5	na	na	1.7	0.5	-6.5	na
BNP Paribas	-1.2	-2.5	-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	-1.7	-3.2	-7.2	-3.2	26.3	1.5	0.1	-7.3	93.0
G&P Institutional Mgmt	-1.2	-2.6	-6.9	na	26.2	2.1	na	-6.5	na
HSBC	-1.5	-2.7	-7.2	-2.4	26.4	1.6	0.7	-7.5	91.0
IHS Global Insight	-1.4	-2.7	-6.3	-2.1	26.8	1.5	1.0	-7.4	93.0
Intesa Sanpaulo	-1.5	-2.8	-6.3	-3.7	na	na	na	-6.5	na
J P Morgan Chase	-1.4	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	-6.9	-1.9	26.4	1.6	0.4	-6.6	91.9
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	-7.3	-2.0	26.4	1.9	1.5	-6.7	91.5
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	-6.7	-2.3	26.7	1.7	0.9	-6.6	92.9
Last Month	-1.5	-2.8	-6.7	-2.9	26.8	1.7	0.8	-6.7	92.6
2 Months Ago	-1.5	-2.8	-6.5	-2.8	27.0	1.8	0.8	-6.9	93.7
Median	-1.4	-2.7	-6.7	-2.1	26.5	1.7	1.0	-6.5	92.2
High	-1.2	-2.5	-5.8	-1.1	28.1	2.1	1.7	-5.3	96.3
Low	-1.7	-3.2	-7.4	-3.7	25.9	1.5	-0.4	-7.5	91.0
Standard Deviation	0.1	0.2	0.5	0.9	0.6	0.2	0.6	0.6	1.8
Number of Forecasts	17	15	14	7	12	16	14	17	11
Other Forecasts									
EC (May '13)	-1.5	-3.1	-7.6	na	27.0	1.5	1.6	-6.5	91.3
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 government is confidently predicting that the worst is now over for Spain by predicting q/q growth of up to 0.2% in Q3 following a 0.1% decline in Q2. Still, the recovery is expected to be modest and is unlikely to be strong enough to make deep cuts in an unemployment rate which still exceeds 26% and is now 56% among the under 25s.
- Any growth at all will be welcomed by a country that has suffered – along with Greece - one of the more chronic structural adjustments to stay within the euro area,

particularly with debt-to-GDP hovering precariously close to the triple digit burden next year. The government is even considering changing Spain's time-zone (putting the clocks back an hour) to boost the economy.

- Confidence indicators at least continue to show improvement. The European Commission's economic sentiment indicator for Spain rose in September for a sixth consecutive month on the back of a broad-based pick up (albeit with the construction sector remaining heavily depressed).

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	-0.3	1.1	na	na	1.1	1.0	-5.7	na
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	-0.3	-0.4	-2.6	-1.8	26.6	0.9	0.4	-6.8	99.5
G&P Institutional Mgmt	1.8	0.7	1.2	na	25.3	1.9	na	-5.8	na
HSBC	0.1	-0.1	-3.7	-0.6	25.4	1.2	0.8	-6.4	97.6
IHS Global Insight	-0.3	-0.4	-1.4	0.1	26.9	1.3	1.2	-6.3	98.0
Intesa Sanpaolo	0.6	-0.5	-0.6	2.0	na	na	na	-6.9	na
J P Morgan Chase	0.7	na	na	na	na	0.3	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	0.5	0.4	-1.4	0.8	26.2	1.1	0.4	-4.7	99.2
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	0.0	-3.7	0.5	26.1	1.7	2.9	-6.0	95.8
Unicredit Bank	0.4	0.0	-1.1	na	na	1.5	2.1	-6.1	97.3
Consensus (Mean Average)	0.5	0.0	-1.4	0.2	26.6	1.0	1.7	-5.9	98.5
Last Month	0.4	-0.2	-1.6	-0.1	26.9	1.1	1.5	-5.9	98.3
2 Months Ago	0.3	-0.2	-1.0	0.0	27.1	1.2	1.5	-6.1	99.2
Median	0.6	0.0	-1.4	0.5	26.2	1.1	1.8	-6.0	98.0
High	1.8	0.7	1.2	2.0	30.2	1.9	2.9	-3.8	102.8
Low	-0.8	-1.5	-3.7	-1.8	25.3	-0.5	0.4	-7.0	95.8
Standard Deviation	0.6	0.6	1.7	1.2	1.4	0.6	0.9	0.9	2.3
Number of Forecasts	17	15	14	7	12	16	14	17	11
Other Forecasts									
EC (May '13)	0.9	-0.1	-1.1	na	26.4	0.8	2.9	-7.0	96.8
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>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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:	44th out of 185 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	0.6	1.8	2.0	1.8	3.1	3.2	-2.2	-1.8	73.8	73.7
	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	0.0	1.2	1.3	1.6	1.4	1.4	-2.9	-3.1	101.4	102.1
	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	-1.9	-0.6	-6.5	-8.4	109.5	124.0
	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	3.0	4.0	3.6	3.1	-2.2	-2.0	0.3	0.2	10.2	9.6
	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	-4.2	0.6	-0.8	-0.4	-2.8	-1.7	-3.8	-2.6	175.2	175.0
	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	1.1	2.2	1.3	1.3	3.1	4.0	-7.5	-4.3	123.3	119.5
	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	0.8	1.6	1.9	1.7	6.3	6.4	-0.2	-0.2	23.4	25.2
	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	1.4	1.8	1.9	1.9	0.0	0.0	-3.7	-3.6	73.9	74.9
	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	-2.3	0.6	0.7	1.0	0.1	0.1	-5.5	-4.0	123.0	124.3
	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	1.0	2.8	1.9	2.0	2.5	3.3	-3.0	-3.1	54.6	56.7
	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	-2.0	-0.1	2.2	1.4	4.8	4.7	-5.3	-4.9	61.0	66.5
	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 (May'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
October 2013	Luxembourg	Parliamentary
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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