

Euro Zone Barometer© - October 2014

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

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Survey Deadline: October 20th, 2014

Refocusing on the Region's Failings

- This month our survey experts have been handed another opportunity to update their **long term projections** (to 2018) for a region still failing to achieve its potential where 11.5% of the labour force remains out of work.
- Some six years on from the global financial crisis the **euro zone's stop-start recovery** is in doubt once again as many participating countries grapple with the consequences of bailing out the financial system and of failing to implement sufficiently deep structural reforms.
- For its part, the ECB has embarked on another round of **aggressive monetary stimulus**, with the aim of injecting more liquidity into the euro-system, make the single currency more competitive and engineer mild inflation in a desperate attempt to rid the region of the damaging consequences of Japanese-style deflation.
- However, **political tensions are surfacing** again, notably in light of the failure of France and Italy to meet their fiscal targets, with the financial markets doubting their governments' respective growth-producing budgets for 2015.
- The problems in other countries, from Greece, Cyprus and Finland, to Portugal and Slovenia, are being made worse by the **Russia-Ukraine crisis** weakening Germany and other major exporting economies. Ultimately this is having a knock-on effect for the region's recovery prospects.

**Next Month's Survey Deadline:
November 17th, 2014**

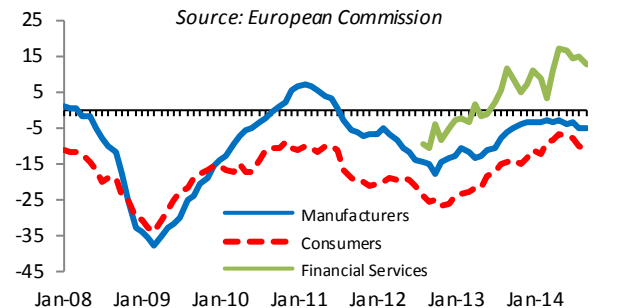
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Euro Zone Confidence Tracker

% net balance

Source: European Commission



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Outlook for 2014-15

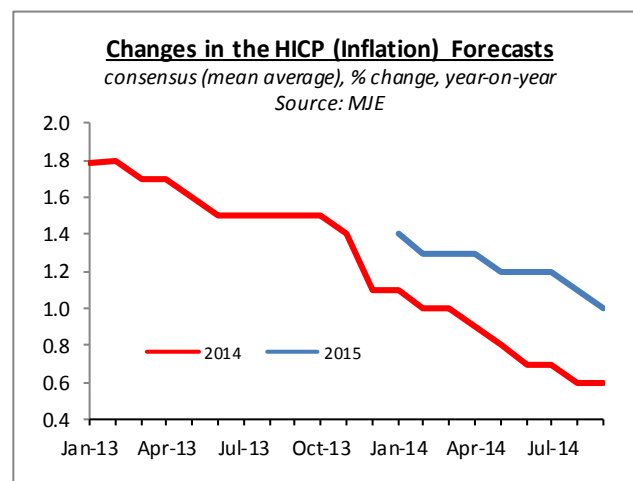
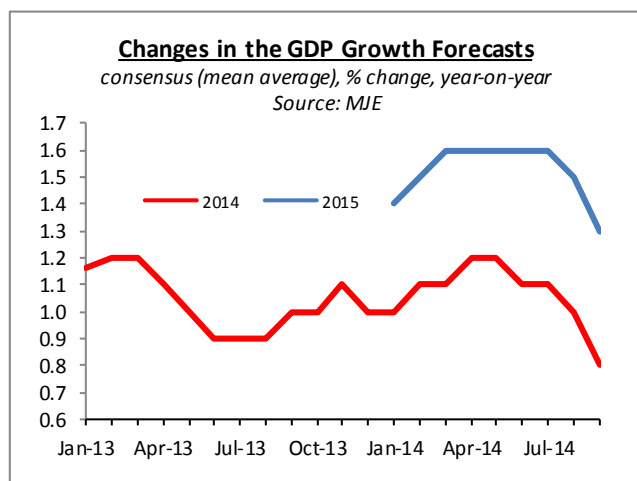
- The deteriorating situation now affecting the larger, core economies of the region has seen the real GDP growth forecast for 2015 downgraded this month to 1.2%. Through to July the consensus had been predicting 1.6% growth.
- Among the variables our panel of experts is now projecting a reduced growth profile for investment as corporate capital spending intentions are scaled down because of the ongoing crisis.
- Inflation forecasts have fallen this month and the European Central Bank's priority now seems to be spurring economic activity to avoid deflation, rather than keep a lid on price rises.
- Slower than expected growth profiles weakening tax receipts, raising government transfers and ultimately causing fiscal adjustment plans to go awry have led to higher general government gross deficit forecasts this month.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014f</u>	<u>2015f</u>
Gross Domestic Product	1.9	1.6	-0.7	-0.4	0.8	1.2
Private Consumption	1.0	0.3	-1.3	-0.7	0.7	1.2
Government Consumption	0.6	-0.1	-0.6	0.1	0.7	0.6
Gross Fixed Investment	-0.4	1.6	-4.0	-2.9	1.1	2.0
Change in Stocks (Inventories)¹	0.6	0.3	-0.5	0.0	0.0	0.0
Goods and Services Exports	11.6	6.5	2.5	1.4	2.9	3.8
Goods and Services Imports	10.0	4.5	-0.9	0.4	3.2	3.9
Net Exports²	0.7	0.9	1.5	0.5	0.0	0.0
Industrial Production (ex. construction)	7.3	3.5	-2.5	-0.7	0.9	2.0
Retail Sales Volume	0.5	-0.8	-1.7	-0.8	1.2	1.4
Unemployment Rate, % of labour force	10.1	10.1	11.3	11.9	11.6	11.3
Money Supply, M3, end period, % change	1.1	1.5	2.9	2.4	1.7	2.1
Harmonised Index of Consumer Prices	1.6	2.7	2.5	1.4	0.5	1.0
Producer Prices	2.7	5.7	2.8	-0.2	-1.1	1.2
Nominal Labour Costs	1.5	2.2	2.0	1.4	1.4	1.2
Current Account Balance, annual total, €bn	5.3	12.1	133.1	227.8	230.2	237.6
Current Account Balance, % of GDP	0.1	0.1	1.4	2.4	2.4	2.4
General Govt Budget Balance, % of GDP	-6.2	-4.1	-3.7	-3.0	-2.7	-2.3
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	1.01	1.36	0.19	0.29	0.09	0.17
10 Year German Bond Yield, % per annum	2.92	1.83	1.32	1.94	1.06	1.46
US\$ per € Exchange Rate	1.336	1.294	1.318	1.378	1.267	1.218

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



As expected, industrial production weakened across the region in August, falling by 1.8% compared to July and by 1.9% y/y. Portugal, bucking the trend, registered another rise. However, affected by the Russian trade sanctions, output in Germany crashed 4.3% m/m and 2.8% y/y. The sudden, sharp fall has led to concerns for the euro zone's growth prospects, not least with the French and Italian economies remaining weak. The European Commission's euro area economic sentiment indicator plunged further in September, to just below the 100 mark. Not only was manufacturing confidence deteriorating, but so too

was consumer confidence - to its worst level since the start of the year. The latter is especially worrying given the upward trend in retail sales, with strong volume growth of 1.2% m/m and 1.9% y/y in August, especially in Germany, Luxembourg and Portugal.

Holding back the region's prospects is a high unemployment rate, stabilising at 11.5% from June to August, with still a quarter (or more) of the population out of work in Greece and Spain and almost a quarter of young people (below 25 years of age) without work across the zone.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'13	Q2'13	Q3'13	Q4'13
Gross Domestic Product	-1.1	-0.6	-0.3	0.5
Private Consumption	-1.4	-0.7	-0.4	0.2
Industrial Production	-2.3	-1.0	-1.1	1.5
Harmonised Index of Consumer Prices	1.9	1.4	1.3	0.8
3 month Interest Rate, % per annum, end period	0.78	0.65	0.22	0.29
10 Year Bond Yield, % per annum, end period	1.82	2.69	1.46	1.94
	Q1'14	Q2'14	Q3'14	Q4'14
Gross Domestic Product	1.0	0.7	0.8	0.7
Private Consumption	0.6	0.7	0.7	0.9
Industrial Production	1.3	0.9	0.6	0.4
Harmonised Index of Consumer Prices	0.7	0.6	0.3	0.6
3 month Interest Rate, % per annum, end period	0.31	0.21	0.08	0.09
10 Year Bond Yield, % per annum, end period	1.57	1.25	0.95	1.06
	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	0.8	1.2	1.4	1.5
Private Consumption	1.0	1.1	1.2	1.3
Industrial Production	0.9	1.7	2.3	2.5
Harmonised Index of Consumer Prices	0.7	0.9	1.1	1.3
3 month Interest Rate, % per annum, end period	0.09	0.09	0.11	0.17
10 Year Bond Yield, % per annum, end period	1.09	1.20	1.30	1.46

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

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	0.8	0.7	0.8	1.3	na	3.0	3.3	na
BBVA	0.8	0.7	0.9	0.6	0.1	3.7	4.1	0.0
BNP Paribas	0.7	0.7	0.8	0.8	0.0	2.7	3.0	na
Commerzbank	0.7	0.7	1.0	0.4	0.3	2.9	3.6	-0.4
Danske Bank	0.9	1.0	0.9	0.9	0.1	2.6	2.9	na
DZ Bank	0.7	0.7	0.8	0.9	na	3.6	3.6	na
Econ Intelligence Unit	0.8	0.7	0.9	na	na	2.3	2.9	-0.1
ETLA	0.9	0.5	0.1	1.5	na	3.0	4.0	na
G&P Institutional Mgmt	0.9	0.9	1.1	1.4	0.1	2.8	3.5	-0.2
HSBC	0.7	0.7	0.8	1.1	-0.4	2.4	2.7	na
IHS Economics	0.8	0.7	0.9	0.5	na	3.3	3.5	0.0
Intesa Sanpaulo	0.9	0.6	0.2	1.5	0.0	3.7	3.7	0.2
J P Morgan Chase	0.8	0.8	0.8	1.2	na	na	na	na
Morgan Stanley	0.8	0.8	na	1.2	0.0	2.6	3.1	-0.1
Oxford Economics	0.8	0.8	0.7	0.5	0.1	2.9	3.2	0.0
Raiffeisen Bank International	0.8	0.8	0.9	0.9	na	2.7	3.0	na
Santander	0.8	0.7	0.7	1.3	na	2.6	3.0	0.0
SEB	0.7	0.5	0.3	1.2	0.0	2.5	2.5	na
UBS	0.9	0.9	0.5	1.7	-0.2	2.9	3.0	0.1
UniCredit Bank	0.8	0.7	0.8	1.2	0.0	2.4	2.7	0.0
Consensus (Mean)	0.8	0.7	0.7	1.1	0.0	2.9	3.2	0.0
Last Month	0.8	0.7	0.7	1.4	0.0	2.9	3.2	0.0
2 Months Ago	1.0	0.7	0.5	1.9	0.0	3.2	3.6	0.1
Median	0.8	0.7	0.8	1.2	0.0	2.8	3.1	0.0
High	0.9	1.0	1.1	1.7	0.3	3.7	4.1	0.2
Low	0.7	0.5	0.1	0.4	-0.4	2.3	2.5	-0.4
Standard Deviation	0.1	0.1	0.3	0.4	0.2	0.4	0.4	0.2
Number of Forecasts	20	20	19	19	12	19	19	11
Other Forecasts								
ECB (Sep. '14)	0.9	0.7	0.7	1.1	na	3.1	3.5	na
EC (May '14)	1.2	0.8	0.7	2.3	0.0	4.0	3.8	0.3
IMF (Oct. '14)	0.8	0.7	0.4	0.7	0.1	na	na	0.2
OECD (May '14)	1.2	0.7	0.3	2.5	na	na	na	0.5

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	0.7	na	11.5	na	0.6	-1.2	na	233.0	2.4	-2.5
BBVA	na	na	11.6	na	0.5	na	na	na	na	na
BNP Paribas	1.0	na	11.6	na	0.5	na	na	240.0	2.5	-2.7
Commerzbank	0.7	na	11.6	2.5	0.6	-1.3	1.2	200.0	2.0	-2.5
Danske Bank	na	na	11.7	na	0.5	na	na	na	2.9	-3.0
DZ Bank	na	na	11.6	na	0.6	na	na	na	na	na
Econ Intelligence Unit	0.9	na	11.5	na	0.5	-1.0	na	279.3	2.8	-2.6
ETLA	1.1	na	11.7	na	0.3	na	na	na	na	-2.7
G&P Institutional Mgmt	na	na	11.6	na	0.5	na	na	na	na	-2.8
HSBC	1.2	na	11.6	1.7	0.5	na	1.4	214.5	2.2	-2.9
IHS Economics	1.1	1.1	11.6	na	0.6	-1.0	1.3	245.0	2.5	-2.5
Intesa Sanpaulo	0.2	na	11.5	na	0.6	-1.0	1.6	na	2.7	-2.5
J P Morgan Chase	0.9	na	11.6	na	0.5	na	na	na	na	-2.9
Morgan Stanley	na	na	11.5	na	0.6	na	na	na	2.5	-2.7
Oxford Economics	0.7	1.2	11.5	na	0.5	-1.3	na	247.7	2.5	-2.6
Raiffeisen Bank International	1.0	na	11.5	na	0.5	na	na	224.0	2.3	-2.5
Santander	na	na	11.6	na	0.5	na	na	188.0	2.0	-2.5
SEB	na	na	11.5	na	0.5	na	na	na	na	na
UBS	na	na	11.5	0.9	0.6	-0.6	na	na	2.0	-2.6
UniCredit Bank	na	na	11.6	na	0.5	na	na	na	2.0	-2.8
Consensus (Mean)	0.9	1.2	11.6	1.7	0.5	-1.1	1.4	230.2	2.4	-2.7
Last Month	1.1	1.1	11.6	1.5	0.6	-0.9	1.4	231.8	2.4	-2.6
2 Months Ago	1.5	1.2	11.7	1.6	0.6	-0.4	1.4	241.3	2.5	-2.6
Median	0.9	1.2	11.6	1.7	0.5	-1.0	1.4	233.0	2.5	-2.6
High	1.2	1.2	11.7	2.5	0.6	-0.6	1.6	279.3	2.9	-2.5
Low	0.2	1.1	11.5	0.9	0.3	-1.3	1.2	188.0	2.0	-3.0
Standard Deviation	0.3	0.1	0.1	0.8	0.1	0.2	0.2	27.4	0.3	0.2
Number of Forecasts	11	2	20	3	20	7	4	9	14	17
Other Forecasts										
ECB (Sep. '14)	na	na	11.6	na	0.6	na	na	na	2.3	-2.6
EC (May '14)	na	na	11.8	na	0.8	na	na	394.2	2.9	-2.5
IMF (Oct. '14)	na	na	na	na	0.5	na	na	na	2.0	-2.9
OECD (May '14)	na	na	11.7	na	0.7	na	na	na	3.1	-2.5

Euro Zone - Forecasts for 2015

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	1.2	1.0	0.8	2.4	na	4.0	4.2	na
BBVA	1.3	1.3	0.4	1.8	0.0	5.1	5.2	0.2
BNP Paribas	0.9	0.8	0.1	0.8	0.0	3.4	3.2	na
Commerzbank	0.8	1.1	1.1	1.3	0.3	4.0	4.2	-0.6
Danske Bank	1.5	1.6	0.7	1.8	0.0	3.1	3.1	na
DZ Bank	1.0	1.1	0.9	1.8	na	4.9	5.1	na
Econ Intelligence Unit	1.2	1.1	0.9	1.7	na	2.9	3.1	0.0
ETLA	1.3	0.9	0.7	2.5	na	4.8	4.9	na
G&P Institutional Mgmt	1.4	1.8	1.5	2.8	0.2	3.5	4.7	-0.4
HSBC	1.0	0.8	0.8	1.5	-0.1	2.7	2.6	na
IHS Economics	1.2	1.2	0.5	1.7	na	3.2	3.3	0.0
Intesa Sanpaulo	1.3	1.2	0.3	2.5	0.0	4.2	4.4	0.1
J P Morgan Chase	1.8	1.4	1.1	2.7	na	na	na	na
Morgan Stanley	1.2	1.1	na	2.1	0.0	3.7	3.9	0.1
Oxford Economics	1.3	1.3	0.3	1.3	0.1	3.8	3.8	0.2
Raiffeisen Bank International	1.6	1.5	0.8	1.7	na	4.9	4.8	na
Santander	1.2	0.9	0.0	3.2	na	3.7	3.9	0.1
SEB	0.9	0.8	0.3	1.6	0.0	3.3	3.0	na
UBS	1.4	1.3	0.5	3.2	-0.2	4.0	4.2	0.1
UniCredit Bank	1.2	0.9	0.6	1.9	0.1	2.8	3.0	0.1
Consensus (Mean)	1.2	1.2	0.6	2.0	0.0	3.8	3.9	0.0
Last Month	1.3	1.2	0.7	2.5	0.0	4.0	4.1	0.0
2 Months Ago	1.5	1.3	0.6	3.0	0.1	4.3	4.3	0.2
Median	1.2	1.1	0.7	1.8	0.0	3.7	3.9	0.1
High	1.8	1.8	1.5	3.2	0.3	5.1	5.2	0.2
Low	0.8	0.8	0.0	0.8	-0.2	2.7	2.6	-0.6
Standard Deviation	0.2	0.3	0.4	0.6	0.1	0.7	0.8	0.3
Number of Forecasts	20	20	19	20	12	19	19	11
Other Forecasts								
ECB (Sep. '14)	1.6	1.4	0.4	3.1	na	4.5	4.5	na
EC (May '14)	1.7	1.3	0.5	4.2	0.0	5.3	5.5	0.1
IMF (Oct. '14)	1.3	1.2	0.2	2.0	-0.1	na	na	0.3
OECD (May '14)	1.7	1.3	0.2	3.3	na	na	na	0.3

Euro Zone - Forecasts for 2015

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	1.9	na	11.0	na	1.2	1.2	na	240.0	2.4	-2.0
BBVA	na	na	11.4	na	1.0	na	na	na	na	na
BNP Paribas	1.7	na	11.4	na	0.9	1.7	na	270.0	2.7	-2.2
Commerzbank	1.5	na	11.2	3.0	1.0	1.2	1.8	250.0	2.4	-2.0
Danske Bank	na	na	11.4	na	0.8	na	na	na	2.9	-2.2
DZ Bank	na	na	11.4	na	1.2	na	na	na	na	na
Econ Intelligence Unit	1.7	na	11.3	na	1.0	1.2	na	261.7	2.6	-2.2
ETLA	2.1	na	11.4	na	0.9	na	na	na	na	-2.4
G&P Institutional Mgmt	na	na	11.1	na	0.6	na	na	na	na	-2.9
HSBC	2.2	na	11.3	2.2	0.9	na	1.3	199.3	2.0	-2.8
IHS Economics	2.2	1.5	11.3	na	1.0	1.0	1.6	235.0	2.4	-2.0
Intesa Sanpaulo	1.6	na	11.1	na	1.2	1.0	0.0	na	2.8	-2.4
J P Morgan Chase	2.4	na	11.2	na	0.7	na	na	na	na	-2.7
Morgan Stanley	na	na	11.3	na	1.2	na	na	na	2.6	-2.3
Oxford Economics	1.3	1.3	11.2	na	0.9	0.7	na	254.5	2.5	-2.1
Raiffeisen Bank International	3.2	na	11.2	na	1.1	na	na	239.9	2.4	-2.3
Santander	na	na	11.4	na	1.1	na	na	188.0	1.9	-2.0
SEB	na	na	11.2	na	0.8	na	na	na	na	na
UBS	na	na	11.3	1.0	1.1	1.4	na	na	2.0	-2.0
UniCredit Bank	na	na	11.4	na	1.0	na	na	na	2.0	-2.6
Consensus (Mean)	2.0	1.4	11.3	2.1	1.0	1.2	1.2	237.6	2.4	-2.3
Last Month	2.3	1.5	11.3	2.3	1.0	1.3	1.3	238.1	2.4	-2.2
2 Months Ago	2.7	1.5	11.3	2.3	1.1	1.6	0.7	237.6	2.4	-2.2
Median	1.9	1.4	11.3	2.2	1.0	1.2	1.5	240.0	2.4	-2.2
High	3.2	1.5	11.4	3.0	1.2	1.7	1.8	270.0	2.9	-2.0
Low	1.3	1.3	11.0	1.0	0.6	0.7	0.0	188.0	1.9	-2.9
Standard Deviation	0.5	0.1	0.1	na	0.2	0.3	0.8	27.4	0.3	0.3
Number of Forecasts	11	2	20	3	20	8	4	9	14	17
Other Forecasts										
ECB (Sep. '14)	na	na	11.2	na	1.1	na	na	na	2.3	-2.4
EC (May '14)	na	na	11.4	na	1.2	na	na	398.9	2.9	-2.3
IMF (Oct. '14)	na	na	na	na	0.9	na	na	na	1.9	-2.5
OECD (May '14)	na	na	11.4	na	1.1	na	na	na	3.2	-1.8

Financial Forecasts		2014	2015
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	0.09	0.17
Rate on Survey Date: 0.08	High	0.10	0.50
	Low	0.02	0.05
	Standard deviation	0.02	0.14
	Number of Forecasts	17	17
10-year Benchmark German Bond Yield, %	Mean Average	1.06	1.46
Rate on Survey Date: 0.85	High	1.72	1.99
	Low	0.75	0.70
	Standard deviation	0.28	0.36
	Number of Forecasts	11	10
US Dollars/Euro Exchange Rate	Mean Average	1.267	1.218
Rate on Survey Date: 1.278	High	1.350	1.310
	Low	1.180	1.150
	Standard deviation	0.038	0.039
	Number of Forecasts	23	22
Japanese Yen/Euro Exchange Rate	Mean Average	137.9	138.2
Rate on Survey Date: 136.6	High	148.5	146.0
	Low	131.0	129.1
	Standard deviation	5.3	6.0
	Number of Forecasts	10	9
UK Pound/Euro Exchange Rate	Mean Average	0.785	0.767
Rate on Survey Date: 0.792	High	0.826	0.813
	Low	0.760	0.720
	Standard deviation	0.018	0.029
	Number of Forecasts	11	10
Swedish Krona/Euro Exchange Rate	Mean Average	9.097	8.850
Rate on Survey Date: 9.197	High	9.400	9.200
	Low	8.350	8.500
	Standard deviation	0.228	0.189
	Number of Forecasts	17	16
Swiss Franc/Euro Exchange Rate	Mean Average	1.214	1.229
Rate on Survey Date: 1.206	High	1.240	1.250
	Low	1.200	1.200
	Standard deviation	0.012	0.017
	Number of Forecasts	8	7
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	98.6	100.3
Rate on Survey Date: 84.2	High	110.0	114.0
	Low	85.0	90.0
	Standard deviation	8.6	6.1
	Number of Forecasts	18	18
<i>Note: The consensus (mean average) forecasts for US\$/€, Skr/€ and oil prices are based on responses from panellists in our Euro Zone Barometer survey and those in our companion publication, the Nordic Barometer.</i>			

Interest Rate Data

All data are period averages

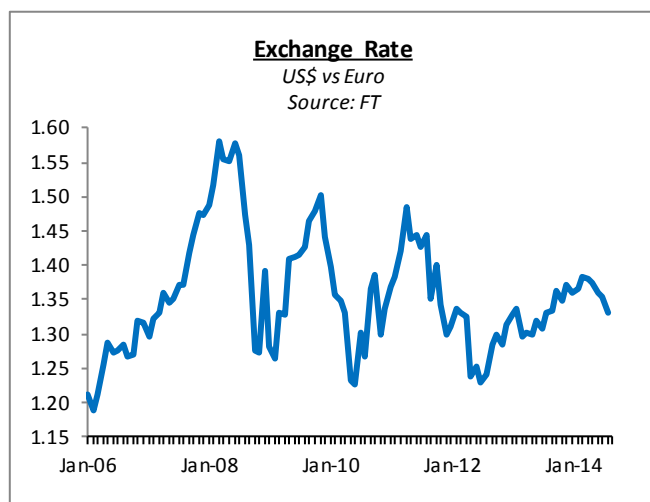
<u>Euro Zone Interest Rates, %</u>	<u>Apr '14</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Overnight	0.25	0.25	0.08	0.04	0.02	0.01
3-month	0.33	0.32	0.24	0.21	0.19	0.10
6-month	0.43	0.42	0.33	0.30	0.29	0.20
12-month	0.60	0.59	0.51	0.49	0.47	0.36
10-year bond yields	2.61	2.55	2.28	2.16	1.99	1.86
<u>International Rates, %</u>						
US 3-month (Euro dollar deposits)	0.23	0.23	0.23	0.23	0.23	0.23
US 10-year	2.87	2.69	2.74	2.80	2.58	2.73
Japan 3-month (Euro yen deposits)	0.14	0.14	0.13	0.13	0.13	0.12
Japan 10-year	0.81	0.75	0.72	0.67	0.62	0.66
<u>Euro Zone / US Yield Differentials, %</u>						
3-month	0.10	0.09	0.01	-0.02	-0.04	-0.13
10-year	-0.26	-0.14	-0.46	-0.64	-0.59	-0.87

Exchange Rate Data

period averages vs euro

	<u>Apr '14</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Trade Weighted Nominal Index * (1999 Q1=100)	104.5	103.8	103.0	102.6	101.9	100.4
Australian dollar	1.483	1.476	1.452	1.442	1.431	1.425
Canadian dollar	1.518	1.495	1.473	1.452	1.455	1.420
Chinese renminbi	8.598	8.566	8.470	8.394	8.197	7.921
Danish krone	7.466	7.464	7.459	7.456	7.455	7.445
Hong Kong dollar	10.71	10.65	10.54	10.49	10.32	10.00
Japanese yen	141.6	139.7	138.7	137.7	137.1	138.4
Norwegian krone	8.251	8.151	8.215	8.388	8.252	8.180
Singapore dollar	1.735	1.719	1.701	1.683	1.662	1.630
South Korean won	1441	1407	1385	1382	1364	1336
Swedish krona	9.033	9.030	9.091	9.233	9.188	9.193
Swiss franc	1.219	1.220	1.218	1.215	1.212	1.208
UK pound	0.825	0.815	0.804	0.793	0.797	0.791
US dollar	1.381	1.373	1.359	1.354	1.332	1.290

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



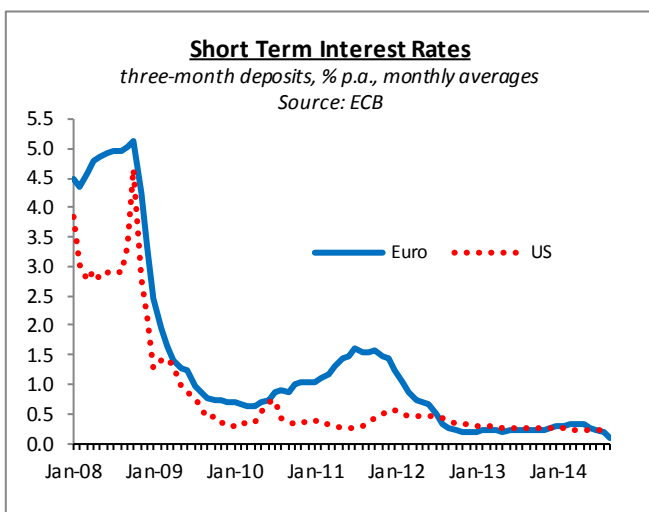
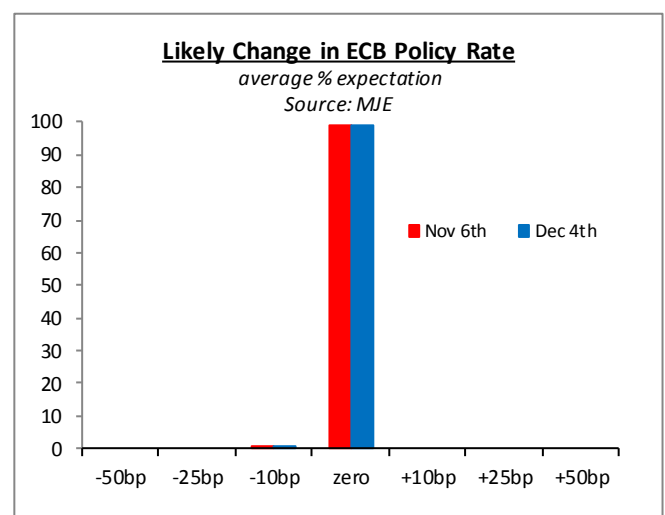
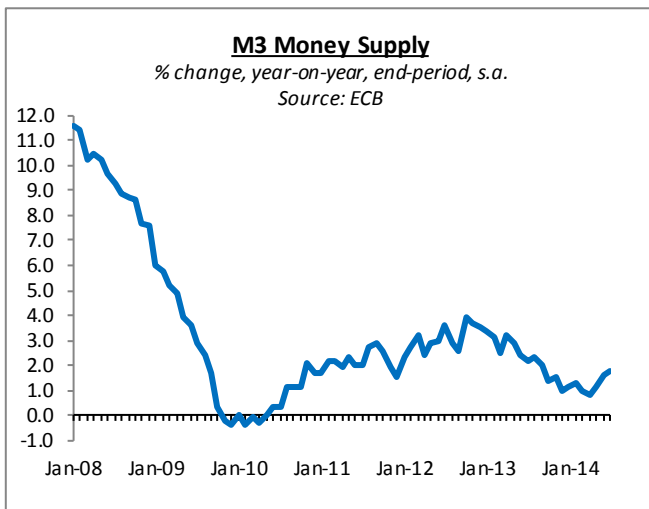
A weaker currency suits Europe's embattled policymakers seeking to improve export competitiveness and re-inflate a region on the brink of the damaging deflation that could further delay recovery and make sovereign debt reduction harder. To that end the European Central Bank's quantitative easing programme is expected to keep pressure on the single currency against its main trading partner counterparts, having already fallen to \$1.277:€ against the dollar this week. All bets are off on when the ECB might eventually begin to raise interest rates, and instead attentions are focused on how extensive the secured debt purchasing will be, and what impact it will have in the currency market.

ECB Watch

- The ECB has embarked on a more aggressive monetary easing strategy as a last ditch attempt to reinvigorate a region still saddled with huge debts and failing to produce sufficient employment, having been caught up in a liquidity trap threatening inescapable deflation.
- Radical, unorthodox policy moves to purchase covered bonds to inject more liquidity into the banking system will only work if the financial lifeline is on-lent by the banking system and there is sufficient demand to absorb supply. A further reduction in policy interest rates is an outside possibility, if only to impose a higher charge on lenders to deter parking funds on deposit and to put further downward pressure on the single currency.

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 6th	Dec 4th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	1.0%	1.0%
Unchanged	99.0%	99.0%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



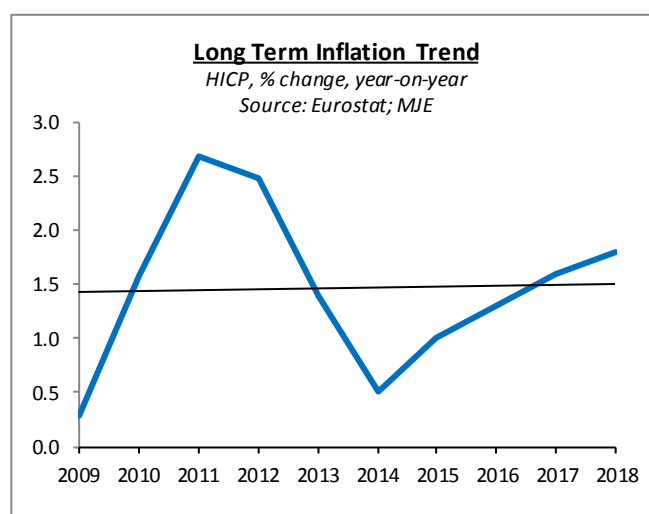
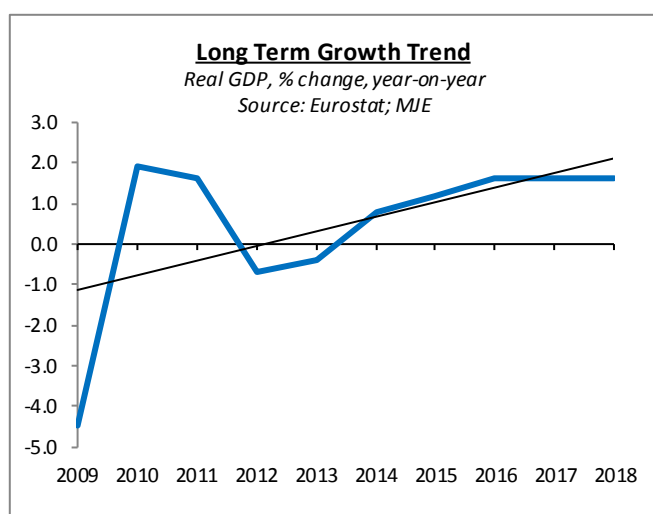
- Last Five ECB Interest Rate Changes:**
- September 4th, 2014**
A 10bp DECREASE to 0.05%
 - June 5th, 2014**
A 10bp DECREASE to 0.15%
 - November 7th, 2013**
A 25bp DECREASE to 0.25%
 - May 2nd, 2013**
A 25bp DECREASE to 0.50%
 - July 5th, 2012**
A 25bp DECREASE to 0.75%

Long Term Forecasts

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross Domestic Product	-0.4	0.8	1.2	1.6	1.6	1.6
Private Consumption	-0.7	0.7	1.2	1.4	1.4	1.4
Gross Fixed Investment	-2.9	1.1	2.0	2.8	2.9	3.1
Industrial Production (excl. construction)	-0.7	0.9	2.0	2.4	2.0	1.9
Unemployment Rate, % of labour force	11.9	11.6	11.3	11.0	10.6	10.3
Harmonised Index of Consumer Prices	1.4	0.5	1.0	1.3	1.6	1.8
Current Account, annual total, % of GDP	2.4	2.4	2.4	2.3	2.4	2.3
General Government Balance, % of GDP	-3.0	-2.7	-2.3	-2.0	-1.7	-1.5
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.29	0.09	0.17	0.74	1.19	1.91
10 Year Bond Yield, % per annum	1.94	1.06	1.46	2.16	2.82	3.41
10 year - 3 month Yield Differential	1.65	0.97	1.29	1.42	1.62	1.50
US\$ per € Exchange Rate	1.378	1.267	1.218	1.248	1.259	1.257



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	1.5	1.1	na	2.0	5.0	1.0	7.3	0.5	na
BBVA	1.3	1.2	3.2	na	na	0.9	na	na	na
BNP Paribas	1.4	1.0	3.2	1.2	6.7	0.9	7.2	0.2	76.8
Danske Bank	1.9	1.4	5.0	na	5.1	1.0	7.3	0.0	76.0
DZ Bank	1.5	1.2	5.3	na	na	0.9	7.1	-0.2	76.0
Economist Intelligence Unit	1.3	1.0	2.9	1.8	5.0	0.9	6.7	0.4	74.7
G&P Institutional Mgmt	1.5	1.1	3.4	na	5.0	0.9	na	0.1	na
HSBC	1.5	0.9	3.5	1.5	na	0.9	6.7	0.3	73.5
IHS Economics	1.4	1.2	3.0	0.8	5.0	0.9	6.7	0.2	75.8
Intesa Sanpaulo	1.8	1.5	5.4	1.2	na	1.0	7.1	0.0	77.0
J P Morgan Chase	1.5	na	na	na	na	0.9	na	na	na
Oxford Economics	1.4	1.1	2.1	0.6	5.1	0.9	7.2	0.2	na
Raiffeisen Bank International	1.5	na	na	na	na	1.0	7.0	0.0	77.3
Santander	1.6	1.0	3.7	1.3	5.2	0.9	7.0	0.2	75.0
SEB	1.2	na	na	na	5.5	na	na	na	na
UBS	1.5	1.2	4.3	1.7	na	1.0	7.0	0.0	76.9
UniCredit Bank	1.5	na	na	na	na	1.0	7.0	0.0	75.5
Consensus (Mean Average)	1.5	1.1	3.8	1.3	5.3	0.9	7.0	0.1	75.9
Last Month	1.6	1.3	4.2	1.7	5.2	1.0	7.0	0.1	76.0
2 Months Ago	1.8	1.4	5.0	2.5	5.2	1.0	7.1	0.1	76.2
Median	1.5	1.1	3.5	1.3	5.1	0.9	7.0	0.2	76.0
High	1.9	1.5	5.4	2.0	6.7	1.0	7.3	0.5	77.3
Low	1.2	0.9	2.1	0.6	5.0	0.9	6.7	-0.2	73.5
Standard Deviation	0.2	0.2	1.0	0.5	0.6	0.1	0.2	0.2	1.1
Number of Forecasts	17	13	12	9	9	16	13	14	11
Other Forecasts									
EC (May '14)	1.8	1.5	4.5	na	5.1	1.1	7.3	0.0	76.0
IMF (Oct. '14)	1.4	1.1	3.2	na	5.3	0.9	6.2	0.3	75.5
OECD (May '14)	1.9	1.4	5.7	na	5.0	1.1	7.9	-0.2	na

- The impact of Russia's trade sanctions and the falling demand for high-end luxury goods from other, large emerging markets saw industrial production fall sharply in August. Such trends are invariably a major problem for Germany's export-driven economy should they persist.
- The nation's flagging economic performance has raised considerable debate over the region's growth engine and its main hope for recovery, not least in light of the damage wrought by the trade sanctions.
- Slowing production, construction sector cuts and weakening confidence have caused the Bundesbank to warn of little or no growth for Q3. Still, the gloom is tempered by stronger consumer spending underpinned by employment gains and real wage growth.
- The unemployment rate was just 4.9% in August, and retail sales grew robustly during the same month. However, consumer confidence tailed off during September, signalling perhaps the effects of negative publicity over the euro zone's plight.

GERMANY - Forecasts for 2015

<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									
Allianz SE	1.4	1.6	na	2.5	5.0	1.6	6.9	0.3	na
BBVA	1.4	1.3	3.3	na	na	1.5	na	na	na
BNP Paribas	1.4	1.2	2.3	2.4	6.7	1.1	7.4	0.3	73.5
Danske Bank	2.8	1.8	6.2	na	5.1	1.3	7.0	-0.1	73.6
DZ Bank	1.3	1.4	4.3	na	na	1.9	6.2	-0.1	74.0
Economist Intelligence Unit	1.5	1.7	4.2	1.8	5.2	1.4	6.5	0.3	73.1
G&P Institutional Mgmt	1.9	2.1	2.0	na	5.0	1.2	na	-0.2	na
HSBC	1.6	1.0	2.1	2.4	na	1.4	6.2	0.2	71.0
IHS Economics	1.6	2.1	3.5	1.7	4.9	1.6	6.6	0.4	73.0
Intesa Sanpaulo	1.7	1.7	3.7	2.8	na	1.8	6.9	-0.1	75.0
J P Morgan Chase	2.1	na	na	na	na	1.6	na	na	na
Oxford Economics	1.7	1.8	0.9	1.0	5.2	1.3	7.1	0.6	na
Raiffeisen Bank International	2.0	na	na	na	na	2.0	6.5	0.0	74.5
Santander	1.7	1.1	2.5	1.8	5.2	1.7	6.5	0.0	72.0
SEB	1.4	na	na	na	5.4	na	na	na	na
UBS	1.8	1.4	5.9	3.1	na	1.4	7.0	0.5	73.8
UniCredit Bank	1.6	na	na	na	na	1.6	7.0	0.3	73.8
Consensus (Mean Average)	1.7	1.6	3.4	2.2	5.3	1.5	6.8	0.2	73.4
Last Month	1.8	1.6	4.0	2.7	5.1	1.6	6.7	0.2	73.4
2 Months Ago	2.0	1.7	4.1	3.1	5.2	1.7	6.8	0.2	73.5
Median	1.6	1.6	3.4	2.4	5.2	1.6	6.9	0.3	73.6
High	2.8	2.1	6.2	3.1	6.7	2.0	7.4	0.6	75.0
Low	1.3	1.0	0.9	1.0	4.9	1.1	6.2	-0.2	71.0
Standard Deviation	0.4	0.4	1.6	0.6	0.5	0.2	0.4	0.3	1.1
Number of Forecasts	17	13	12	9	9	16	13	14	11
Other Forecasts									
EC (May '14)	2.0	1.8	4.5	na	5.1	1.4	7.0	-0.1	73.6
IMF (Oct. '14)	1.5	1.3	3.1	na	5.3	1.2	5.8	0.2	72.5
OECD (May '14)	2.1	2.0	4.8	na	4.9	1.8	7.4	0.2	na

Germany: Historical Data

<i>% change, year-on-year</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Domestic Product	3.8	3.4	0.9	0.2
Private Consumption	0.9	1.7	0.7	1.0
Gross Fixed Investment	5.9	6.2	-1.9	-0.6
Industrial Production	10.7	7.7	-0.3	0.1
Unemploy. Rate, % of L.F.	7.1	5.9	5.5	5.3
Consumer Prices	1.2	2.5	2.1	1.6
Current Acc., % of GDP	6.4	6.3	7.0	6.9
Budget Bal., % of GDP	-4.2	-0.8	0.1	0.2
Public Debt, % of GDP	82.5	80.0	81.0	78.4

Source: ECB; Eurostat; national statistical office

Germany: Background Information

Prime Minister:	Angela Merkel
Government:	CDU/CSU and SPD coalition
Next Election:	2017 (parliamentary)
Capital City:	Berlin
Economic Freedom:	18th out of 178 countries
Doing Business:	21st out of 189 countries
Competitiveness:	5th out of 144 countries
Corruption:	12th out of 175 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 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	0.4	0.2	-0.6	na	na	0.7	na	na	na
BNP Paribas	0.3	0.2	-2.5	-1.3	10.2	0.6	-1.8	-4.4	94.9
Danske Bank	0.6	0.4	-1.4	na	10.4	0.7	-1.8	-3.9	95.6
DZ Bank	0.4	0.2	-1.8	na	10.8	0.7	-1.8	-4.2	97.5
Economist Intelligence Unit	0.3	0.3	-2.2	-1.0	9.8	0.7	-0.9	-4.0	93.6
G&P Institutional Mgmt	0.2	0.2	-1.7	na	10.2	0.6	na	-4.5	na
HSBC	0.7	0.1	-2.4	-0.9	10.2	0.6	-2.2	-4.4	97.4
IHS Economics	0.4	0.1	-2.1	-0.7	9.8	0.6	-1.4	-4.5	96.1
Intesa Sanpaulo	0.6	0.0	-0.4	0.6	9.8	0.8	-1.2	-4.0	95.8
J P Morgan Chase	0.5	na	na	na	na	0.7	na	na	na
Oxford Economics	0.4	0.2	-2.2	-0.8	10.2	0.6	-1.2	-4.4	na
Raiffeisen Bank International	0.4	na	na	na	na	0.7	-1.5	-4.0	93.8
SEB	0.1	na	na	na	10.5	0.7	na	na	na
UBS	0.5	0.2	-1.6	-0.7	na	0.8	-1.0	-4.5	96.6
UniCredit Bank	0.4	na	na	na	na	0.6	-1.5	-4.4	95.0
Consensus (Mean Average)	0.4	0.2	-1.7	-0.7	10.2	0.7	-1.5	-4.3	95.6
Last Month	0.4	0.2	-1.3	-0.6	10.2	0.7	-1.4	-4.1	95.7
2 Months Ago	0.6	0.3	-0.7	0.0	10.3	0.8	-1.4	-3.9	95.4
Median	0.4	0.2	-1.8	-0.8	10.2	0.7	-1.5	-4.4	95.7
High	0.7	0.4	-0.4	0.6	10.8	0.8	-0.9	-3.9	97.5
Low	0.1	0.0	-2.5	-1.3	9.8	0.6	-2.2	-4.5	93.6
Standard Deviation	0.2	0.1	0.7	0.6	0.3	0.1	0.4	0.2	1.3
Number of Forecasts	15	11	11	7	10	15	11	12	10
Other Forecasts									
EC (May '14)	1.0	0.6	1.3	na	10.4	1.0	-1.8	-3.9	95.6
IMF (Oct. '14)	0.4	0.3	-1.6	na	10.0	0.7	-1.4	-4.4	95.2
OECD (May '14)	0.9	0.5	1.0	na	9.9	0.9	-1.6	-3.8	na

- Saddled with debts and lacking the golden chalice of economic growth the French government appears to be heading for another battle with European Union policymakers over its economic strategy which is failing to meet its fiscal targets.
- The new plan contains much that is merited to instil competition into previously protected sectors, including liberalising shop opening hours, but could still cause tensions for lacking precise tax or spending measures to deal with the deficit.
- The jury is out too on its short term effects given the economy is struggling to grow, with industrial production at a crawl and an unemployment rate trading water at 11.5% in August - almost double the UK figure.
- Confidence within the economy has been broadly stable from June to September at below the level commensurate with a growing economy. Confidence among French consumers has worsened, and it is still exceptionally low within the construction industry.

FRANCE - Forecasts for 2015

<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	1.1	1.1	na	na	0.9	na	na	na
BNP Paribas	0.7	0.8	-0.6	0.2	10.7	0.9	-1.5	-4.4	97.7
Danske Bank	1.5	1.4	3.5	na	10.2	1.0	-2.0	-3.4	96.6
DZ Bank	0.8	0.9	0.9	na	10.7	1.1	-1.9	-3.8	98.5
Economist Intelligence Unit	0.8	0.9	-0.1	1.5	9.8	0.8	-1.5	-3.9	96.1
G&P Institutional Mgmt	1.0	1.5	2.4	na	9.8	0.2	na	-5.0	na
HSBC	1.3	0.8	0.6	1.1	10.3	0.9	-2.5	-5.0	100.5
IHS Economics	0.8	0.7	0.1	0.9	9.7	1.1	-1.1	-4.4	97.3
Intesa Sanpaulo	1.1	1.2	2.0	0.5	9.6	1.0	-1.6	-3.7	96.8
J P Morgan Chase	1.6	na	na	na	na	0.9	na	na	na
Oxford Economics	1.0	1.3	0.8	1.6	10.2	1.2	-1.4	-4.3	na
Raiffeisen Bank International	0.9	na	na	na	na	1.3	-1.7	-3.6	95.5
SEB	0.7	na	na	na	11.0	0.2	na	na	na
UBS	1.0	1.0	1.4	1.3	na	1.3	-1.0	-3.4	97.5
UniCredit Bank	0.8	na	na	na	na	0.8	-1.5	-4.3	97.2
Consensus (Mean Average)	1.0	1.1	1.1	1.0	10.2	0.9	-1.6	-4.1	97.4
Last Month	1.0	1.1	1.5	1.2	10.1	1.0	-1.6	-3.7	97.3
2 Months Ago	1.3	1.2	2.0	1.6	10.1	1.2	-1.2	-3.5	96.4
Median	1.0	1.0	0.9	1.1	10.2	0.9	-1.5	-4.1	97.3
High	1.6	1.5	3.5	1.6	11.0	1.3	-1.0	-3.4	100.5
Low	0.7	0.7	-0.6	0.2	9.6	0.2	-2.5	-5.0	95.5
Standard Deviation	0.3	0.3	1.2	0.5	0.5	0.3	0.4	0.6	1.4
Number of Forecasts	15	11	11	7	10	15	11	12	10
Other Forecasts									
EC (May '14)	1.5	1.2	4.5	na	10.2	1.1	-2.0	-3.4	96.6
IMF (Oct. '14)	1.0	1.2	-0.3	na	10.0	0.9	-1.0	-4.3	97.7
OECD (May '14)	1.5	1.5	2.5	na	9.8	1.1	-1.4	-3.1	na

France: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	1.7	2.0	0.0	0.3
Private Consumption	1.6	0.6	-0.3	0.4
Gross Fixed Investment	1.4	2.9	-1.2	-2.1
Industrial Production	4.8	2.4	-2.6	-0.5
Unemploy. Rate, % of L.F.	9.7	9.6	10.2	10.8
Consumer Prices	1.7	2.3	2.2	1.0
Current Acc., % of GDP	-1.9	-2.5	-2.1	-1.7
Budget Bal., % of GDP	-7.0	-5.2	-4.9	-4.3
Public Debt, % of GDP	82.7	86.2	90.6	93.5

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:	70th out of 178 countries
Doing Business:	38th out of 189 countries
Competitiveness:	23rd out of 144 countries
Corruption:	22nd out of 1754 countries
Corporate Tax Rate:	33.33% (national rate) 0.0% (local rate) 33.33%/30% (branch rate)

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

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

ITALY - Forecasts for 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	-0.3	0.0	-2.1	na	na	0.3	na	na	na
BNP Paribas	-0.3	0.1	-2.0	-0.4	12.5	0.2	1.8	-2.6	132.4
Danske Bank	0.0	0.1	-1.1	na	12.6	0.2	1.5	-2.6	135.2
DZ Bank	-0.1	-0.1	-0.3	na	12.2	0.3	1.2	-3.0	134.0
Economist Intelligence Unit	-0.3	0.0	-1.3	0.3	12.5	0.2	1.3	-3.3	134.9
G&P Institutional Mgmt	-0.2	0.1	-1.5	na	12.4	0.2	na	-2.6	na
HSBC	-0.2	0.0	-1.6	-1.8	12.6	0.9	1.1	-3.0	132.4
IHS Economics	-0.4	0.0	-1.8	-0.4	12.6	0.2	1.7	-3.1	130.0
Intesa Sanpaulo	-0.1	0.2	-0.8	0.1	12.6	0.3	1.8	-3.0	136.4
J P Morgan Chase	-0.2	na	na	na	na	0.2	na	na	na
Oxford Economics	-0.3	0.1	-1.9	-0.5	12.6	0.2	1.6	-3.0	na
Raiffeisen Bank International	-0.2	na	na	na	na	0.0	1.5	-3.0	136.3
SEB	-0.2	na	na	na	12.5	0.2	na	na	na
UBS	-0.2	0.2	-1.5	0.4	12.6	0.2	na	-2.9	132.2
Unicredit Bank	-0.2	0.1	-1.6	na	12.6	0.3	1.5	-3.0	132.4
Consensus (Mean Average)	-0.2	0.1	-1.5	-0.3	12.5	0.3	1.5	-2.9	133.6
Last Month	-0.1	0.0	-1.0	0.2	12.5	0.3	1.5	-3.0	136.6
2 Months Ago	0.1	0.1	-0.7	0.8	12.5	0.4	1.4	-2.8	135.7
Median	-0.2	0.1	-1.6	-0.4	12.6	0.2	1.5	-3.0	133.2
High	0.0	0.2	-0.3	0.4	12.6	0.9	1.8	-2.6	136.4
Low	-0.4	-0.1	-2.1	-1.8	12.2	0.0	1.1	-3.3	130.0
Standard Deviation	0.1	0.1	0.5	0.7	0.1	0.2	0.2	0.2	2.1
Number of Forecasts	15	12	12	7	12	15	10	12	10
Other Forecasts									
EC (May '14)	0.6	0.4	1.6	na	12.8	0.7	1.5	-2.6	135.2
IMF (Oct. '14)	-0.2	0.3	-1.4	na	12.6	0.1	1.2	-3.0	136.7
OECD (May '14)	0.5	0.1	1.0	na	12.8	0.5	1.2	-2.7	na

- To a large extent the Italian government is facing many of the same problems as its French counterpart, with the economy lacking sufficient growth, and in dire need of deep structural reform going beyond voluntary civil service wage cuts and tax cuts with the debt burden on course to top 134% of GDP next year.
- Encouragingly, industrial production rebounded slightly in August, but was still lower on a y/y basis, and with an unemployment rate above 12% absorbing transfers confidence is weak throughout the economy.
- The European Commission's Italian economic sentiment indicator slipped further below 100, to 96.9 in August, stemming from sharp falls in the retail and other services sectors, as well as in the construction industry.
- Prime Minister Renzi is heading for more political problems as he tries to push through the 2015 budget presently riling domestic lobbyists and the EU's policymakers in equal measure. The budget aims to be in structural balance by 2017, one year later than the original target, but that depends on Italy's economic performance in the meantime.

ITALY - Forecasts for 2015

<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	0.8	0.5	1.5	na	na	0.7	na	na	na
BNP Paribas	0.3	0.4	-0.5	0.9	12.7	0.4	2.0	-2.2	134.9
Danske Bank	1.6	1.1	3.0	na	12.1	0.8	1.5	-2.2	133.9
DZ Bank	0.8	0.5	1.9	na	12.1	0.8	1.3	-2.9	132.0
Economist Intelligence Unit	0.3	0.1	0.3	0.6	12.2	0.4	1.0	-3.0	134.8
G&P Institutional Mgmt	1.1	0.8	1.4	na	12.0	0.8	na	-3.2	na
HSBC	0.4	0.2	0.0	0.2	12.9	0.2	1.5	-3.1	133.7
IHS Economics	0.4	0.2	-0.2	0.9	12.3	0.7	1.7	-3.0	131.5
Intesa Sanpaulo	1.1	1.2	1.7	1.2	12.3	0.9	1.7	-2.6	134.9
J P Morgan Chase	1.1	na	na	na	na	0.5	na	na	na
Oxford Economics	0.1	0.3	-0.6	0.0	12.7	0.4	1.7	-2.9	na
Raiffeisen Bank International	0.7	na	na	na	na	0.3	1.3	-2.5	136.6
SEB	0.5	na	na	na	12.4	0.0	na	na	na
UBS	0.6	0.7	0.6	2.3	12.8	0.9	na	-2.9	133.5
Unicredit Bank	0.7	0.6	0.5	na	12.7	0.8	1.2	-3.0	133.8
Consensus (Mean Average)	0.7	0.6	0.8	0.9	12.4	0.6	1.5	-2.8	134.0
Last Month	0.9	0.7	1.3	1.4	12.4	0.7	1.4	-2.7	136.6
2 Months Ago	1.1	0.8	1.8	1.8	12.4	0.9	1.5	-2.5	135.0
Median	0.7	0.5	0.6	0.9	12.4	0.7	1.5	-2.9	133.9
High	1.6	1.2	3.0	2.3	12.9	0.9	2.0	-2.2	136.6
Low	0.1	0.1	-0.6	0.0	12.0	0.0	1.0	-3.2	131.5
Standard Deviation	0.4	0.4	1.1	0.8	0.3	0.3	0.3	0.3	1.5
Number of Forecasts	15	12	12	7	12	15	10	12	10
Other Forecasts									
EC (May '14)	1.2	0.8	4.0	na	12.5	1.2	1.5	-2.2	133.9
IMF (Oct. '14)	0.8	-0.3	1.5	na	12.0	0.5	1.2	-2.3	136.4
OECD (May '14)	1.1	0.6	2.6	na	12.5	0.9	1.3	-2.1	na

Italy: Historical Data

<i>% change, year-on-year</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Domestic Product	1.7	0.5	-2.5	-1.8
Private Consumption	1.5	-0.3	-4.1	-2.6
Gross Fixed Investment	0.6	-2.2	-8.3	-4.6
Industrial Production	6.9	0.3	-6.3	-2.9
Unemploy. Rate, % of L.F.	8.4	8.4	10.7	12.2
Consumer Prices	1.6	2.9	3.3	1.3
Current Acc., % of GDP	-3.5	-3.1	-0.5	0.7
Budget Bal., % of GDP	-4.5	-3.7	-3.0	-3.0
Public Debt, % of GDP	119.3	120.7	127.0	132.6

Source: ECB; Eurostat; national statistical office

Italy: Background Information

Prime Minister:	Matteo Renzi
Government:	Coalition including PD and PDL
Next Election:	2018
Capital City:	Rome
Economic Freedom:	86th out of 178 countries
Doing Business:	65th out of 189 countries
Competitiveness:	49th out of 144 countries
Corruption:	69th out of 175 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 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									
BNP Paribas	0.5	-0.1	2.2	na	6.7	1.0	10.1	-2.6	70.1
DZ Bank	0.7	-0.5	0.3	na	6.9	0.6	10.1	-2.7	69.0
Economist Intelligence Unit	0.6	-0.5	2.0	-2.2	6.9	0.4	8.7	-2.7	74.2
IHS Economics	0.7	-0.2	0.9	-1.3	na	na	9.9	-2.5	70.9
Intesa Sanpaulo	0.8	-0.5	na	na	na	na	na	na	na
Oxford Economics	0.8	-0.1	0.9	-1.7	6.8	0.7	10.5	-2.5	na
Raiffeisen Bank International	0.7	na	na	na	na	0.3	11.0	-2.8	73.8
UBS	0.7	-0.3	1.2	-1.5	na	0.7	10.1	-3.5	76.0
Consensus (Mean Average)	0.7	-0.3	1.3	-1.7	6.8	0.6	10.1	-2.8	72.3
Last Month	0.8	-0.4	1.1	-1.5	7.1	0.6	10.1	-2.8	73.0
2 Months Ago	0.8	-0.4	2.7	-1.7	7.0	0.6	10.2	-2.7	73.9
Median	0.7	-0.3	1.1	-1.6	6.9	0.7	10.1	-2.7	72.4
High	0.8	-0.1	2.2	-1.3	6.9	1.0	11.0	-2.5	76.0
Low	0.5	-0.5	0.3	-2.2	6.7	0.3	8.7	-3.5	69.0
Standard Deviation	0.1	0.2	0.7	0.4	0.1	0.2	0.7	0.3	2.7
Number of Forecasts	8	7	6	4	4	6	7	7	6
Other Forecasts									
EC (May '14)	1.2	-0.2	4.9	na	7.4	0.7	8.2	-2.8	73.8
IMF (Oct. '14)	0.6	na	na	na	7.3	0.5	9.9	na	na
OECD (May '14)	1.0	-0.6	4.2	na	7.6	0.5	8.9	-2.7	na

- The economy grew at a stronger pace in Q2 than the preliminary figures suggested, and industrial production performed creditably in July and August. Yet there are fears the Dutch recovery will run out of steam as a result of the wider euro zone problems and the knock-on effect of the German engine misfiring.
- The European Commission's economic sentiment indicator rebounded a little in September after sagging during the previous month, but is still vulnerable where retail trade is concerned and remains net negative within the manufacturing sector, which is normally reliant on solid export trade.
- On a positive note the unemployment rate continues to fall, having slipped to 6.6% in August, with youth unemployment slowly easing.
- That will help to ensure the government's fiscal targets remain on track, while reports of the housing market springing back to life this year with five months of reviving home prices to August following a five-year slump.

NETHERLANDS - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
BNP Paribas	0.9	0.8	2.4	2.0	6.5	1.7	10.0	-2.4	70.4
DZ Bank	1.3	0.1	1.8	na	6.5	1.3	10.7	-2.5	69.4
Economist Intelligence Unit	1.0	0.3	2.2	1.9	6.8	1.3	8.5	-2.2	74.2
IHS Economics	1.4	0.4	1.5	1.5	na	na	9.7	-2.5	70.9
Intesa Sanpaulo	1.6	0.8	na	na	na	na	na	na	na
Oxford Economics	1.2	0.5	2.0	2.6	6.4	1.2	9.9	-1.9	na
Raiffeisen Bank International	1.8	na	na	na	na	0.5	11.0	-1.9	73.4
UBS	1.4	0.6	3.2	3.9	na	1.5	9.0	-2.9	77.5
Consensus (Mean Average)	1.3	0.5	2.2	2.4	6.6	1.3	9.8	-2.3	72.6
Last Month	1.4	0.5	2.3	2.6	6.9	1.1	9.8	-2.3	73.1
2 Months Ago	1.6	0.6	3.2	2.6	6.9	1.3	9.9	-2.2	73.9
Median	1.4	0.5	2.1	2.0	6.5	1.3	9.9	-2.4	72.2
High	1.8	0.8	3.2	3.9	6.8	1.7	11.0	-1.9	77.5
Low	0.9	0.1	1.5	1.5	6.4	0.5	8.5	-2.9	69.4
Standard Deviation	0.3	0.3	0.6	0.9	0.2	0.4	0.9	0.4	3.0
Number of Forecasts	8	7	6	5	4	6	7	7	6
Other Forecasts									
EC (May '14)	1.4	0.9	2.9	na	7.3	0.9	8.6	-1.8	73.4
IMF (Oct. '14)	1.4	na	na	na	6.9	0.7	9.6	na	na
OECD (May '14)	1.3	0.1	2.3	na	7.6	0.8	9.8	-2.0	na

Netherlands: Historical Data

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

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:	15th out of 178 countries
Doing Business:	28th out of 189 countries
Competitiveness:	8th out of 144 countries
Corruption:	8th out of 175 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 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									
BNP Paribas	1.2	2.1	1.0	2.3	24.8	-0.2	-0.1	-5.4	98.5
Danske Bank	1.2	1.6	1.0	na	25.2	0.0	1.4	-5.6	100.2
DZ Bank	1.0	1.5	-0.2	na	25.5	0.0	1.5	-6.0	100.2
Economist Intelligence Unit	1.1	1.7	0.4	1.2	24.6	-0.1	0.9	-5.6	97.6
G&P Institutional Mgmt	1.3	2.1	0.7	na	24.8	-0.2	na	-5.3	na
HSBC	1.1	2.1	0.4	1.6	24.7	0.0	-0.5	-5.9	96.3
IHS Economics	1.2	2.1	0.2	1.5	24.8	-0.1	0.2	-5.3	99.0
Intesa Sanpaulo	1.3	1.5	0.4	na	na	na	na	na	na
J P Morgan Chase	1.3	na	na	na	na	-0.1	na	na	na
Oxford Economics	1.3	2.2	0.9	1.5	24.5	-0.1	-0.1	-5.6	na
Raiffeisen Bank International	1.3	na	na	na	na	0.0	-0.3	-5.4	99.9
Santander	1.3	2.1	0.9	na	24.6	0.3	0.5	-5.5	na
UBS	1.3	2.2	0.2	2.0	25.0	0.1	0.2	-5.7	100.2
UniCredit Bank	1.2	na	na	na	na	0.0	0.0	-5.6	98.1
Consensus (Mean Average)	1.2	1.9	0.5	1.7	24.9	0.0	0.3	-5.6	98.9
Last Month	1.2	1.8	0.6	1.8	24.9	0.0	0.5	-5.7	100.2
2 Months Ago	1.2	1.6	0.8	2.1	25.0	0.1	0.9	-5.7	99.4
Median	1.3	2.1	0.4	1.6	24.8	0.0	0.2	-5.6	99.0
High	1.3	2.2	1.0	2.3	25.5	0.3	1.5	-5.3	100.2
Low	1.0	1.5	-0.2	1.2	24.5	-0.2	-0.5	-6.0	96.3
Standard Deviation	0.1	0.3	0.4	0.4	0.3	0.1	0.7	0.2	1.4
Number of Forecasts	14	11	11	6	10	13	11	12	9
Other Forecasts									
EC (May '14)	1.1	1.3	-1.4	na	25.5	0.1	1.4	-5.6	100.2
IMF (Oct. '14)	1.3	2.0	0.3	na	24.6	0.0	0.1	na	na
OECD (May '14)	1.0	1.0	0.3	na	25.4	0.1	1.6	-5.5	na

- Spain's return to economic growth has given hope to Europe's embattled policymakers believing that structural reforms steamrolled through by a government in a majority ultimately bear fruit by raising export competitiveness and ultimately delivering stronger domestic demand.

- Fortunately, Spain does not appear to be as vulnerable to the Russia crisis as Germany, and economic confidence reflects that fact having rebounded in September to broadly the level last seen in June, bolstered by

growing confidence within the property, finance and tourism dominated services sector.

- Still, the challenges facing Mariano Rajoy's Popular Party government continue to raise doubts over Spain's investor potential, not least with Madrid facing the serious status challenge from secessionist Catalonia coming to a head next month, and the undoubted difficulty of creating sufficient employment with still a quarter of the Spanish labour force without work.

SPAIN - Forecasts for 2015

<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									
BNP Paribas	1.6	1.5	3.2	3.7	23.9	0.2	0.5	-5.2	101.8
Danske Bank	2.0	1.6	3.8	na	24.0	0.6	1.5	-6.1	103.3
DZ Bank	1.5	1.6	0.9	na	24.5	0.5	2.0	-5.5	103.8
Economist Intelligence Unit	1.4	1.4	1.0	1.6	23.6	0.5	0.3	-4.4	101.4
G&P Institutional Mgmt	2.3	2.1	5.0	na	23.0	0.3	na	-4.6	na
HSBC	1.2	1.7	1.4	1.7	23.7	0.5	-0.1	-5.7	100.3
IHS Economics	1.7	1.9	1.0	1.3	23.7	0.4	0.8	-4.5	101.9
Intesa Sanpaulo	1.7	1.4	2.1	na	na	na	na	na	na
J P Morgan Chase	2.2	na	na	na	na	-0.1	na	na	na
Oxford Economics	2.1	2.3	2.8	2.7	22.6	0.3	0.5	-4.4	na
Raiffeisen Bank International	2.0	na	na	na	na	0.7	-0.5	-5.0	102.4
Santander	2.1	2.0	4.3	na	23.2	0.9	0.6	-4.2	na
UBS	2.0	2.8	1.6	2.5	24.3	1.0	1.1	-4.6	102.5
UniCredit Bank	1.6	na	na	na	na	0.6	0.9	-4.5	100.8
Consensus (Mean Average)	1.8	1.8	2.5	2.3	23.7	0.5	0.7	-4.9	102.0
Last Month	1.9	1.8	2.7	2.3	23.8	0.6	0.8	-4.9	103.2
2 Months Ago	1.8	1.6	3.0	2.5	24.0	0.7	1.0	-4.9	102.5
Median	1.9	1.7	2.1	2.1	23.7	0.5	0.6	-4.6	101.9
High	2.3	2.8	5.0	3.7	24.5	1.0	2.0	-4.2	103.8
Low	1.2	1.4	0.9	1.3	22.6	-0.1	-0.5	-6.1	100.3
Standard Deviation	0.3	0.4	1.4	0.9	0.6	0.3	0.7	0.6	1.1
Number of Forecasts	14	11	11	6	10	13	11	12	9
Other Forecasts									
EC (May '14)	2.1	1.6	4.2	na	24.0	0.8	1.5	-6.1	103.8
IMF (Oct. '14)	1.7	1.6	2.4	na	23.5	0.6	0.4	na	na
OECD (May '14)	1.5	1.0	2.0	na	24.4	0.5	2.0	-4.5	na

Spain: Historical Data

<i>% change, year-on-year</i>	2010	2011	2012	2013
Gross Domestic Product	-0.2	0.1	-1.6	-1.2
Private Consumption	0.2	-1.2	-2.8	-2.1
Gross Fixed Investment	-5.5	-5.4	-7.0	-5.1
Industrial Production	0.9	-1.4	-6.0	-1.7
Unemploy. Rate, % of L.F.	20.1	21.7	25.0	26.4
Consumer Prices	2.0	3.1	2.4	1.5
Current Acc., % of GDP	-4.4	-4.0	-1.2	0.7
Budget Bal., % of GDP	-9.6	-9.6	-10.6	-7.1
Public Debt, % of GDP	61.7	70.5	86.0	93.9

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:	49th out of 178 countries
Doing Business:	52nd out of 189 countries
Competitiveness:	35th out of 144 countries
Corruption:	40th out of 175 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)	
		2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
		Austria	EC	1.6	1.8	1.6	1.7	3.4	3.8	-2.8	-1.5
	IMF	1.0	1.9	1.7	1.7	3.0	3.2	na	na	na	na
	OECD	1.5	2.1	1.4	1.6	2.9	3.0	-2.8	-1.3	90.0	89.5
Belgium	EC	1.4	1.6	0.9	1.3	0.3	-0.3	-2.6	-2.8	101.7	101.5
	IMF	1.0	1.4	0.7	1.0	-1.3	-1.0	na	na	na	na
	OECD	1.5	1.9	0.8	1.0	-0.8	-0.2	-2.1	-1.2	106.8	105.4
Cyprus	EC	-4.8	0.9	0.4	1.4	0.0	0.4	-5.8	-6.1	122.2	126.4
	IMF	-3.2	0.4	0.0	0.7	-1.1	-0.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	3.0	1.5	3.0	-2.7	-2.8	-0.5	-0.6	9.8	9.6
	IMF	1.2	2.5	0.8	1.4	-2.2	-2.4	na	na	na	na
	OECD	1.2	3.1	0.7	1.7	-2.8	-3.2	-0.2	-0.1	13.0	12.7
Greece	EC	0.6	2.9	-0.8	0.3	-2.3	-2.2	-1.6	-1.0	177.2	172.4
	IMF	0.6	2.9	-0.8	0.3	0.7	0.1	na	na	na	na
	OECD	-0.3	1.9	-1.1	-1.0	0.2	0.8	-2.5	-1.4	188.7	188.2
Ireland	EC	1.7	3.0	0.6	1.1	7.4	8.9	-4.8	-4.2	121.0	120.4
	IMF	3.6	3.0	0.6	0.9	3.3	2.4	na	na	na	na
	OECD	1.9	2.2	0.3	0.7	6.6	7.6	-4.7	-3.1	133.1	132.0
Luxembourg	EC	2.6	2.7	1.4	2.4	6.4	5.0	-0.2	-1.4	23.4	25.5
	IMF	2.7	1.9	1.1	2.1	5.1	4.0	na	na	na	na
	OECD	2.8	2.5	1.0	2.2	7.0	6.5	0.3	-0.9	31.6	33.5
Malta	EC	2.3	2.3	1.2	1.9	0.3	1.0	-2.5	-2.5	72.5	71.1
	IMF	2.2	2.2	1.0	1.2	0.3	0.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.2	1.5	0.4	1.1	1.0	1.4	-4.0	-2.5	126.7	124.8
	IMF	1.0	1.5	0.0	1.1	0.6	0.8	na	na	na	na
	OECD	1.1	1.4	-0.3	0.4	0.8	1.1	-4.0	-2.4	141.3	142.2
Slovakia	EC	2.2	3.1	0.4	1.6	2.4	2.4	-2.9	-2.8	56.3	57.8
	IMF	2.4	2.7	0.1	1.3	1.9	2.2	na	na	na	na
	OECD	2.0	2.9	0.4	1.0	1.6	2.2	-2.7	-2.6	59.1	60.1
Slovenia	EC	0.8	1.4	0.7	1.2	6.0	6.2	-4.3	-3.1	80.4	81.3
	IMF	1.4	1.4	0.5	1.0	5.9	5.8	na	na	na	na
	OECD	0.3	1.2	0.7	0.9	6.3	7.4	-4.1	-2.6	85.9	89.7

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'14); IMF - International Monetary Fund (Oct'14); OECD - Organisation for Economic Cooperation & Dev (May'14).

Euro Zone: Background Information

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

Other Euro Users

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

Euro Zone: Election Timetable

Date	Country	Type
November 2014	Spain (Catalonia)	Referendum
March 2015	Estonia	Parliamentary
March 2015	Finland	Parliamentary
October 2015	Portugal	Parliamentary
December 2015	Spain	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
April 2016	Ireland	Parliamentary
May 2016	Cyprus	Legislative
September 2016	Netherlands	Parliamentary
December 2016	Greece	Parliamentary
2017	Germany	Presidential
2017	France	Presidential
2017	France	Parliamentary
2017	Slovenia	Presidential
2018	Italy	Parliamentary
2018	Cyprus	Presidential
2018	Finland	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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