

Euro Zone Barometer© - October 2016

*****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 17th, 2016

Fragile Recovery at the Mercy of Political Risk

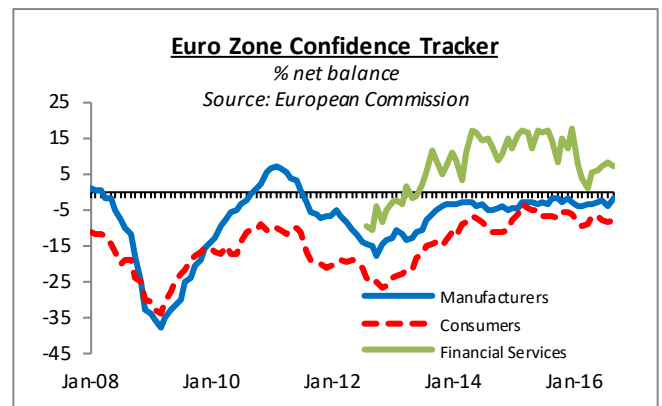
- The **GDP growth forecast for the euro zone** as a whole is unchanged for a third consecutive month, and is signalling a slowdown to 1.3% in real terms from 1.5% this year.
- Slowing growth is partly a factor of weakened trade with the UK following the decision by British voters in a referendum held in June to leave the EU, which will also **weigh on investor confidence**.
- There are **other factors to consider**, too, including the US economy, the health of emerging markets with which the euro zone trades, and a series of elections in the Netherlands, France and Germany, preceded by the constitutional referendum in Italy this December, which could all affect confidence.
- The euro zone has been showing **signs of improvement**. Sentiment among manufacturers and retail traders brightened in September, but a slip in the latest purchasing managers index highlights how the weak recovery is vulnerable to setbacks.
- This month's survey also includes **updated Long Term Forecasts to 2020** (page 11) and **new projections from the IMF** shown as comparison forecasts to our independent panel of experts.



**Next Month's Survey Deadline:
November 21st, 2016**

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Outlook for 2016-2017

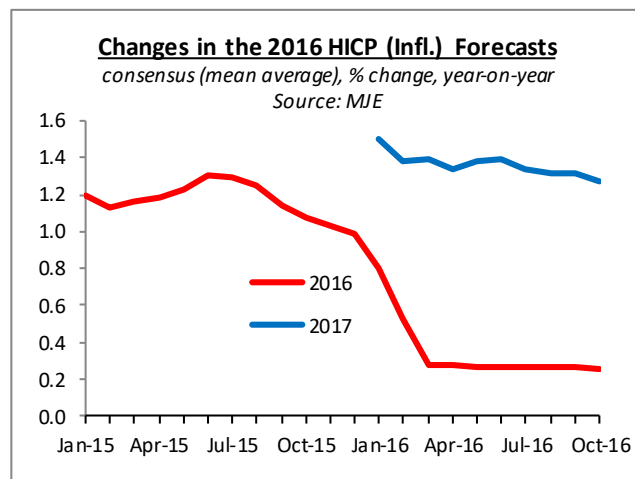
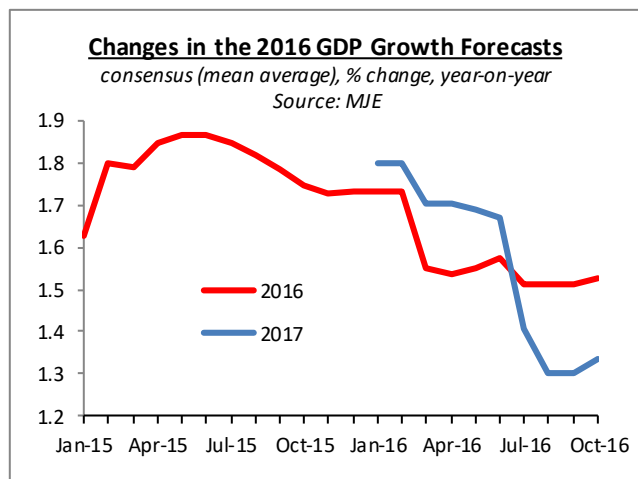
- Although the outlook for real GDP growth through to 2017 remains stable this month, there have been some notable offsetting changes in variables comprising the total.
- In particular, estimates for the growth of private consumption, fixed investment, and goods and services exports, have been reduced slightly to reflect prevailing conditions. The net trade impact is unchanged, however, with weaker domestic demand drawing in fewer imports.
- The forecasts are still showing a slowdown of the euro zone economy in 2017, for a second successive year, which will have implications for the labour market and fiscal targeting.
- Our experts' predictions for the current account surplus have been raised this time, while the average general government deficit for euro zone countries has been raised. It is now showing a shallower decline from 2.1% of GDP last year to 1.8% in 2017.

Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016f</u>	<u>2017f</u>
Gross Domestic Product	-0.8	-0.3	1.1	2.0	1.5	1.3
Private Consumption	-1.2	-0.6	0.8	1.8	1.6	1.4
Government Consumption	-0.1	0.2	0.6	1.4	1.7	1.3
Gross Fixed Investment	-3.6	-2.4	1.5	3.1	2.4	2.1
Change in Stocks (Inventories)¹	-0.9	0.2	0.2	-0.1	0.0	-0.1
Goods and Services Exports	2.7	2.2	4.4	6.3	2.6	3.1
Goods and Services Imports	-0.8	1.5	4.8	6.3	3.2	3.8
Net Exports²	1.5	0.4	0.0	0.2	-0.2	-0.1
Industrial Production (ex. construction)	-2.4	-0.6	0.9	2.1	1.2	1.4
Retail Sales Volume	-0.6	-0.6	1.5	2.7	1.7	1.5
Unemployment Rate, % of labour force	11.4	12.0	11.6	10.9	10.1	9.8
Money Supply, M3, end period, % change	3.5	1.0	3.8	4.5	4.7	4.3
Harmonised Index of Consumer Prices	2.5	1.4	0.4	0.0	0.3	1.3
Producer Prices	2.8	-0.2	-1.5	-2.7	-2.7	1.5
Nominal Labour Costs	2.0	1.4	1.3	1.6	1.4	1.5
Current Account Balance, annual total, €bn	184.5	248.4	303.0	333.7	348.4	328.0
Current Account Balance, % of GDP	1.9	2.5	3.0	3.2	3.2	2.9
General Govt Budget Balance, % of GDP	-3.7	-3.0	-2.6	-2.1	-1.9	-1.8
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	0.19	0.29	0.08	-0.13	-0.27	-0.13
10 Year German Bond Yield, % per annum	1.32	1.94	0.54	0.63	0.14	0.52
US\$ per € Exchange Rate	1.318	1.378	1.210	1.091	1.105	1.101

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



Signs of a slowdown in the pace of euro zone economic growth has come from the latest IHS Markit purchasing managers' index showing a fall from 52.9 in August to 52.6 in September on the back of a slowing services sector, which may be reacting to uncertainty surrounding the UK's Brexit decision. There are several other challenges to the region to factor, including a series of elections over the next twelve months in the Netherlands, France and Germany, preceded by the constitutional referendum in Italy this December which could all create volatility and impact on economic prospects.

Confidence in the euro zone has nonetheless improved according to the European Commission's economic sentiment indicator, reflecting an amelioration in the manufacturing and retail trade sectors. Industrial production was volatile over the summer, but rebounded swiftly in August, growing by 1.6% (seasonally-adjusted) compared to July, and by 1.8% y/y. The region-wide unemployment rate remained at 10.1% in August, which is unlikely to improve if the economy weakens. Still, a fifth of young workers (aged under-25) are without jobs in the euro zone.

Quarterly Forecasts and Historical Data

% change year-on-year, unless otherwise stated

(% change year-on-year, unless otherwise stated)	Q1'15	Q2'15	Q3'15	Q4'15
Gross Domestic Product	1.3	1.6	2.0	2.0
Private Consumption	1.6	1.7	2.1	2.0
Industrial Production	1.6	1.4	2.0	1.3
Harmonised Index of Consumer Prices	-0.3	0.2	0.1	0.2
3 month Interest Rate, % per annum, end period	0.02	-0.02	-0.04	-0.13
10 Year Bond Yield, % per annum, end period	0.16	0.76	0.70	0.63
	Q1'16	Q2'16	Q3'16	Q4'16
Gross Domestic Product	1.7	1.6	1.6	1.4
Private Consumption	2.2	2.1	1.5	1.6
Industrial Production	1.3	0.9	0.7	1.0
Harmonised Index of Consumer Prices	0.0	-0.1	0.3	0.7
3 month Interest Rate, % per annum, end period	-0.24	-0.29	-0.30	-0.27
10 Year Bond Yield, % per annum, end period	0.10	-0.13	-0.12	0.14
	Q1'17	Q2'17	Q3'17	Q4'17
Gross Domestic Product	1.2	1.2	1.3	1.4
Private Consumption	1.4	1.5	1.5	1.5
Industrial Production	0.8	1.4	1.6	1.6
Harmonised Index of Consumer Prices	1.2	1.2	1.2	1.4
3 month Interest Rate, % per annum, end period	-0.26	-0.26	-0.18	-0.13
10 Year Bond Yield, % per annum, end period	0.12	0.16	0.28	0.52

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

Euro Zone - Forecasts for 2016

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.5	na	na	na	na	na	na	na
Allianz SE	1.5	1.6	1.7	2.3	na	2.5	2.9	na
BBVA	1.6	1.7	1.5	3.0	0.2	2.9	4.1	-0.4
BNP Paribas	1.5	1.6	1.7	2.0	-0.1	2.1	2.4	na
Commerzbank	1.5	1.7	1.8	2.3	na	2.1	2.8	-0.2
Danske Bank	1.5	1.5	1.7	1.8	na	2.4	2.5	na
DZ Bank	1.4	1.5	1.3	2.4	na	2.7	3.5	na
Econ Intelligence Unit	1.5	1.7	1.8	2.0	na	2.6	3.2	-0.2
ETLA	1.6	1.8	1.4	2.5	na	4.1	4.8	na
G&P Institutional Mgmt	1.6	1.7	1.8	2.0	-0.2	2.6	2.6	0.1
HSBC	1.5	1.6	1.9	2.1	na	2.3	2.8	na
IHS Markit Economics	1.6	1.6	1.7	2.7	na	2.6	3.2	-0.1
J P Morgan Chase	1.6	1.7	1.8	2.3	-0.1	2.2	2.4	0.0
Morgan Stanley	1.3	1.6	1.5	2.9	0.0	2.7	4.0	-0.4
Nykredit	1.5	na	na	na	na	na	na	na
Oxford Economics	1.6	1.6	1.7	2.3	-0.1	2.2	2.5	0.0
Raiffeisen Bank Intl	1.6	1.6	1.7	2.2	na	3.0	3.4	na
Santander	1.5	1.6	1.7	2.0	na	2.5	2.8	0.0
SEB	1.6	1.8	1.7	3.5	0.0	2.0	3.3	na
UBS	1.5	1.8	1.6	2.7	0.1	3.2	4.6	-0.5
UniCredit Bank	1.6	1.6	1.8	2.2	-0.1	2.3	2.5	0.0
Consensus (Mean)	1.5	1.6	1.7	2.4	0.0	2.6	3.2	-0.2
Last Month	1.5	1.7	1.6	2.5	0.0	2.7	3.4	-0.2
2 Months Ago	1.5	1.7	1.5	2.8	0.1	2.9	4.1	-0.4
Median	1.5	1.6	1.7	2.3	-0.1	2.5	2.9	-0.1
High	1.6	1.8	1.9	3.5	0.2	4.1	4.8	0.1
Low	1.3	1.5	1.3	1.8	-0.2	2.0	2.4	-0.5
Standard Deviation	0.1	0.1	0.2	0.4	0.1	0.5	0.7	0.2
Number of Forecasts	21	19	19	19	9	19	19	11
Other Forecasts								
ECB (September '16)	1.7	1.7	1.7	3.1	na	2.6	3.3	na
EC (May '16)	1.6	1.8	1.4	2.9	0.1	3.5	4.6	-0.3
IMF (October '16)	1.7	1.6	1.7	2.9	-0.1	na	na	0.0
OECD (June '16)	1.6	1.8	1.7	3.3	0.1	na	na	-0.4

Euro Zone - Forecasts for 2016

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production <i>(excl. construction)</i>	Retail Sales Volume	Unem- ployment 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. construction)</i>	Labour Costs <i>(business sector, excl. pub adm, education & health)</i>	Current Account Balance <i>(annual total, €bn)</i>	Current Account Balance <i>(% of GDP)</i>	General Govt. Balance <i>(% of GDP)</i>
Panellists										
ABN Amro	na	na	10.2	na	0.3	na	na	na	3.0	-2.0
Allianz SE	1.2	na	10.1	na	0.2	-2.5	na	344.9	3.2	-1.8
BBVA	na	na	10.1	na	0.2	na	na	na	3.2	-2.0
BNP Paribas	0.7	na	10.1	na	0.2	-2.9	na	307.8	2.9	-2.1
Commerzbank	1.2	na	10.1	4.7	0.2	na	1.5	280.0	2.6	-1.8
Danske Bank	na	na	10.1	na	0.2	na	na	na	3.7	-2.0
DZ Bank	na	na	10.2	na	0.2	na	na	na	3.3	-2.0
Econ Intelligence Unit	1.3	na	9.9	na	0.2	-3.0	na	442.7	4.1	-1.9
ETLA	1.1	na	10.2	na	0.2	na	na	na	na	na
G&P Institutional Mgmt	na	na	10.1	na	0.2	na	na	na	na	-2.1
HSBC	0.7	na	10.1	na	0.2	na	1.4	na	2.8	-2.1
IHS Markit Economics	1.3	1.7	10.1	na	0.2	-2.7	1.4	320.0	3.0	-1.8
J P Morgan Chase	1.3	na	10.1	na	0.2	na	na	331.5	3.1	na
Morgan Stanley	na	na	10.2	na	0.3	na	na	288.5	2.8	-1.9
Nykredit	na	na	na	na	0.9	na	na	na	na	na
Oxford Economics	1.1	1.6	10.1	na	0.3	-2.3	na	353.4	3.3	-1.7
Raiffeisen Bank Intl	2.4	na	10.1	na	0.3	na	na	351.4	3.3	-1.9
Santander	na	na	10.1	na	0.3	na	na	307.2	2.9	-1.9
SEB	na	na	10.1	na	0.1	na	na	na	na	na
UBS	na	na	10.4	na	0.3	na	na	na	3.1	-2.0
UniCredit Bank	na	na	10.1	na	0.2	na	na	505.0	3.4	-1.9
Consensus (Mean)	1.2	1.7	10.1	4.7	0.3	-2.7	1.4	348.4	3.2	-1.9
Last Month	1.3	1.7	10.1	4.6	0.3	-2.7	1.5	327.4	3.1	-1.9
2 Months Ago	1.5	1.9	10.2	4.8	0.3	-2.7	1.5	320.4	3.1	-1.9
Median	1.2	1.7	10.1	4.7	0.2	-2.7	1.4	331.5	3.1	-1.9
High	2.4	1.7	10.4	4.7	0.9	-2.3	1.5	505.0	4.1	-1.7
Low	0.7	1.6	9.9	4.7	0.1	-3.0	1.4	280.0	2.6	-2.1
Standard Deviation	0.5	0.1	0.1	na	0.2	0.3	0.1	67.9	0.4	0.1
Number of Forecasts	10	2	20	1	21	5	3	11	17	17
Other Forecasts										
ECB (September '16)	na	na	10.1	na	0.2	na	na	na	3.5	-1.9
EC (May '16)	na	na	10.3	na	0.2	na	na	395.8	3.7	-1.9
IMF (October '16)	na	na	10.0	na	0.3	na	na	na	3.4	na
OECD (June '16)	na	na	10.2	na	0.2	na	na	na	3.8	-1.8

Euro Zone - Forecasts for 2017

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
Panellists								
ABN Amro	1.3	na	na	na	na	na	na	na
Allianz SE	1.6	1.5	1.4	2.7	na	4.0	4.3	na
BBVA	1.5	1.4	1.1	2.7	0.0	3.0	3.4	-0.1
BNP Paribas	1.1	1.1	1.1	1.4	0.0	2.5	3.0	na
Commerzbank	1.5	1.9	1.8	3.1	na	3.3	5.4	-0.8
Danske Bank	1.1	0.9	1.1	0.9	na	3.3	3.1	na
DZ Bank	1.0	1.1	1.2	1.4	na	3.3	3.8	na
Econ Intelligence Unit	1.3	1.4	1.3	1.9	na	3.1	3.6	-0.1
ETLA	1.4	1.7	1.3	2.7	na	4.1	4.5	na
G&P Institutional Mgmt	1.4	1.7	1.7	1.4	0.0	2.1	2.8	-0.2
HSBC	1.0	1.2	1.6	1.5	na	0.3	3.7	na
IHS Markit Economics	1.4	1.4	1.3	1.5	na	2.6	2.9	0.0
J P Morgan Chase	1.5	1.5	1.3	2.5	-0.1	2.3	2.5	0.0
Morgan Stanley	1.0	1.2	1.4	2.2	-0.2	2.7	3.4	-0.2
Nykredit	1.6	na	na	na	na	na	na	na
Oxford Economics	1.5	1.4	1.1	2.3	0.0	2.7	3.0	0.0
Raiffeisen Bank Intl	1.5	1.5	1.2	3.0	na	4.7	5.6	na
Santander	1.3	1.2	1.0	1.7	na	3.9	4.1	0.0
SEB	1.7	1.8	1.3	3.2	0.0	3.9	4.7	na
UBS	1.3	1.7	1.0	1.8	-0.1	4.5	5.2	-0.1
UniCredit Bank	1.0	1.2	1.4	2.2	-0.2	2.2	2.6	-0.1
Consensus (Mean)	1.3	1.4	1.3	2.1	-0.1	3.1	3.8	-0.1
Last Month	1.3	1.4	1.3	2.1	-0.1	3.2	3.7	-0.1
2 Months Ago	1.3	1.5	1.3	2.1	0.0	3.2	3.9	-0.2
Median	1.4	1.4	1.3	2.2	0.0	3.1	3.6	-0.1
High	1.7	1.9	1.8	3.2	0.0	4.7	5.6	0.0
Low	1.0	0.9	1.0	0.9	-0.2	0.3	2.5	-0.8
Standard Deviation	0.2	0.3	0.2	0.7	0.1	1.0	1.0	0.2
Number of Forecasts	21	19	19	19	9	19	19	11
Other Forecasts								
ECB (September '16)	1.6	1.6	0.9	3.3	na	3.7	4.4	na
EC (May '16)	1.8	1.5	1.2	3.8	0.0	4.7	5.3	0.0
IMF (October '16)	1.5	1.5	1.1	2.5	0.0	na	na	0.0
OECD (June '16)	1.7	1.7	1.1	3.2	0.0	na	na	-0.1

Euro Zone - Forecasts for 2017

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										
ABN Amro	na	na	10.0	na	1.5	na	na	na	2.9	-1.8
Allianz SE	2.0	na	9.7	na	1.5	2.0	na	290.0	2.6	-1.6
BBVA	na	na	9.8	na	1.4	na	na	na	3.0	-1.9
BNP Paribas	-0.2	na	9.9	na	1.0	0.9	na	287.5	2.7	-1.9
Commerzbank	1.8	na	9.7	4.3	1.1	na	1.5	280.0	2.6	-1.5
Danske Bank	na	na	9.8	na	1.3	na	na	na	3.6	-1.8
DZ Bank	na	na	10.1	na	1.3	na	na	na	2.8	-1.8
Econ Intelligence Unit	1.3	na	9.4	na	1.2	1.5	na	372.5	3.4	-1.6
ETLA	1.5	na	9.8	na	1.2	na	na	na	na	na
G&P Institutional Mgmt	na	na	9.7	na	1.0	na	na	na	na	-2.2
HSBC	0.9	na	10.0	na	1.0	na	1.3	na	2.5	-2.0
IHS Markit Economics	1.5	1.6	9.9	na	1.3	1.3	1.6	305.0	2.8	-1.6
J P Morgan Chase	1.9	na	9.4	na	1.2	na	na	281.1	2.5	na
Morgan Stanley	na	na	10.5	na	1.5	na	na	295.6	2.9	-2.5
Nykredit	na	na	na	na	1.3	na	na	na	na	na
Oxford Economics	1.6	1.3	9.6	na	1.6	1.7	na	328.7	3.0	-1.4
Raiffeisen Bank Intl	1.9	na	9.5	na	1.3	na	na	361.3	3.3	-1.6
Santander	na	na	9.6	na	1.3	na	na	300.0	2.7	-1.6
SEB	na	na	9.6	na	1.0	na	na	na	na	na
UBS	na	na	10.0	na	1.5	na	na	na	2.9	-1.7
UniCredit Bank	na	na	9.9	na	1.3	na	na	506.0	3.3	-1.8
Consensus (Mean)	1.4	1.5	9.8	4.3	1.3	1.5	1.5	328.0	2.9	-1.8
Last Month	1.6	1.5	9.8	4.3	1.3	1.5	1.6	304.7	2.8	-1.7
2 Months Ago	1.6	1.6	9.8	4.3	1.3	1.5	1.6	303.8	2.9	-1.7
Median	1.6	1.5	9.8	4.3	1.3	1.5	1.5	300.0	2.9	-1.8
High	2.0	1.6	10.5	4.3	1.6	2.0	1.6	506.0	3.6	-1.4
Low	-0.2	1.3	9.4	4.3	1.0	0.9	1.3	280.0	2.5	-2.5
Standard Deviation	0.7	0.2	0.3	na	0.2	0.4	0.2	66.9	0.3	0.3
Number of Forecasts	10	2	20	1	21	5	3	11	17	17
Other Forecasts										
ECB (September '16)	na	na	9.9	na	1.2	na	na	na	3.4	-1.7
EC (May '16)	na	na	9.9	na	1.4	na	na	396.1	3.6	-1.6
IMF (October '16)	na	na	9.7	na	1.1	na	na	na	3.1	na
OECD (June '16)	na	na	9.8	na	1.2	na	na	na	3.6	-1.4

Financial Forecasts		2016	2017
<i>All forecasts are for end year</i>			
3-month Euribor Interest Rate, %	Mean Average	-0.27	-0.13
Rate on Survey Date: <input type="text" value="-0.31"/>	High	0.00	0.70
	Low	-0.30	-0.35
	Standard deviation	0.08	0.27
	Number of Forecasts	14	14
10-year Benchmark German Bond Yield, %	Mean Average	0.14	0.52
Rate on Survey Date: <input type="text" value="0.05"/>	High	0.90	1.40
	Low	-0.20	-0.20
	Standard deviation	0.30	0.54
	Number of Forecasts	10	10
US Dollars/Euro Exchange Rate	Mean Average	1.105	1.101
Rate on Survey Date: <input type="text" value="1.102"/>	High	1.160	1.200
	Low	1.040	0.960
	Standard deviation	0.022	0.049
	Number of Forecasts	28	28
Japanese Yen/Euro Exchange Rate	Mean Average	117.5	122.5
Rate on Survey Date: <input type="text" value="114.6"/>	High	149.2	147.3
	Low	105.0	105.0
	Standard deviation	11.5	11.4
	Number of Forecasts	12	12
UK Pound/Euro Exchange Rate	Mean Average	0.866	0.863
Rate on Survey Date: <input type="text" value="0.900"/>	High	0.920	1.000
	Low	0.657	0.663
	Standard deviation	0.068	0.092
	Number of Forecasts	14	14
Swedish Krona/Euro Exchange Rate	Mean Average	9.383	9.126
Rate on Survey Date: <input type="text" value="9.690"/>	High	9.950	10.000
	Low	8.700	8.400
	Standard deviation	0.292	0.384
	Number of Forecasts	21	21
Swiss Franc/Euro Exchange Rate	Mean Average	1.091	1.110
Rate on Survey Date: <input type="text" value="1.089"/>	High	1.120	1.180
	Low	1.053	1.000
	Standard deviation	0.018	0.050
	Number of Forecasts	12	12
Oil Prices, Brent Blend, US\$ per barrel	Mean Average	46.5	54.0
Rate on Survey Date: <input type="text" value="52.0"/>	High	52.0	70.0
	Low	33.7	48.0
	Standard deviation	4.1	4.3
	Number of Forecasts	20	20
<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

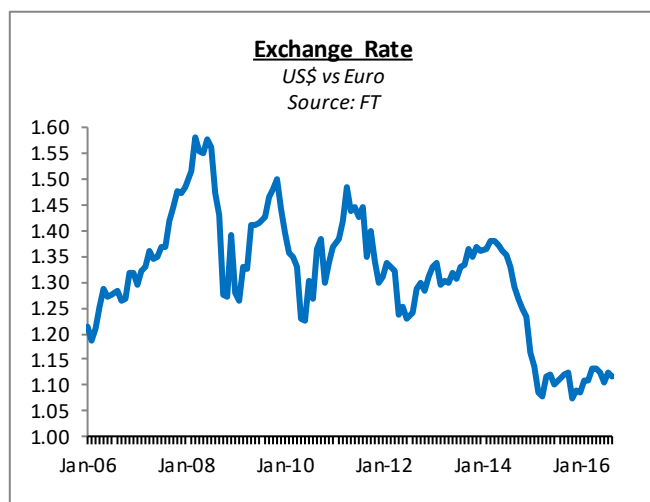
<u>Euro Zone Money Market Rates, %</u>	<u>Mar'16</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Overnight	-0.29	-0.34	-0.34	-0.33	-0.33	-0.34
1-month	-0.31	-0.34	-0.35	-0.36	-0.37	-0.37
3-month	-0.23	-0.25	-0.26	-0.27	-0.29	-0.30
6-month	-0.13	-0.14	-0.14	-0.16	-0.19	-0.19
12-month	-0.01	-0.01	-0.01	-0.03	-0.06	-0.05
10-year bond yields	0.93	0.96	0.97	0.88	0.62	0.61
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.75	0.86	0.76	0.54	0.49	0.53
United States	1.18	1.28	1.17	1.03	0.96	0.98
United Kingdom	1.03	1.13	1.03	0.72	0.56	0.48
<u>3-month LIBOR rates, %</u>						
United States	0.63	0.63	0.64	0.65	0.70	0.81
United Kingdom	-0.01	-0.02	-0.03	-0.03	-0.03	-0.02

Exchange Rate Data

period averages vs euro

	<u>Mar'16</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Trade Weighted Nominal Index * (1999 Q1=100)	94.1	94.8	95.1	94.7	94.9	95.2
Chinese renminbi	7.222	7.346	7.386	7.402	7.391	7.454
Croatian kuna	7.559	7.495	7.498	7.520	7.493	7.487
Czech koruna	27.05	27.03	27.03	27.06	27.04	27.03
Danish krone	7.457	7.443	7.439	7.437	7.439	7.441
Hungarian forint	311.2	311.5	314.6	314.0	314.4	310.2
Japanese yen	125.4	124.3	123.2	118.5	115.3	113.5
Polish zloty	4.293	4.311	4.404	4.400	4.396	4.300
Romanian leu	4.467	4.472	4.499	4.523	4.486	4.459
Swedish krona	9.285	9.203	9.295	9.334	9.474	9.491
Swiss franc	1.092	1.093	1.106	1.089	1.087	1.088
UK pound	0.780	0.792	0.778	0.790	0.841	0.855
US dollar	1.110	1.134	1.131	1.123	1.107	1.121

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



The euro zone's difficulties are compounded by the fall in pound-sterling to a six year low against the single currency, making European holidays and exports dearer for British customers – although tourism may only be marginally affected in view of the perception of safety offered by Italy, Spain and other destinations using the euro as currency, relative to the Middle East and North Africa. Contrastingly, interest rate differentials still favouring the dollar have pushed the euro down to \$1.10, with predictions indicating there will be little upside for the euro in 2017. This should help the region capitalise on US demand for goods: the US accounting for 13% of euro zone exports; the UK 12%.

ECB Watch

- Following on from the last ECB policy meeting when it left the repo rate and the interest rates on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.40% respectively, our contributing experts are convinced there will be no changes at the next two meetings, one this week, and the other on December 8th.
- Instead, the ECB is focused on a quantitative easing programme of asset purchases to put pressure on the euro to revive the economy and stimulate inflation in line with the 2% target rate. Asset purchases amounting to €80bn per month will continue until the end of March 2017, and may be extended until a sustained adjustment occurs in the path of inflation consistent with the target rate.

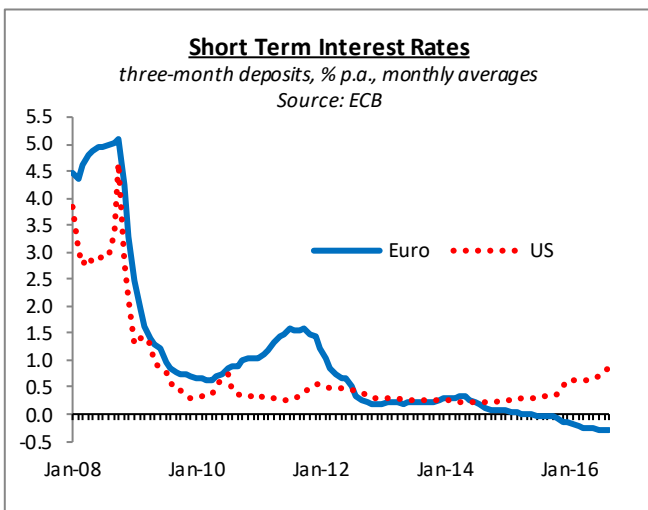
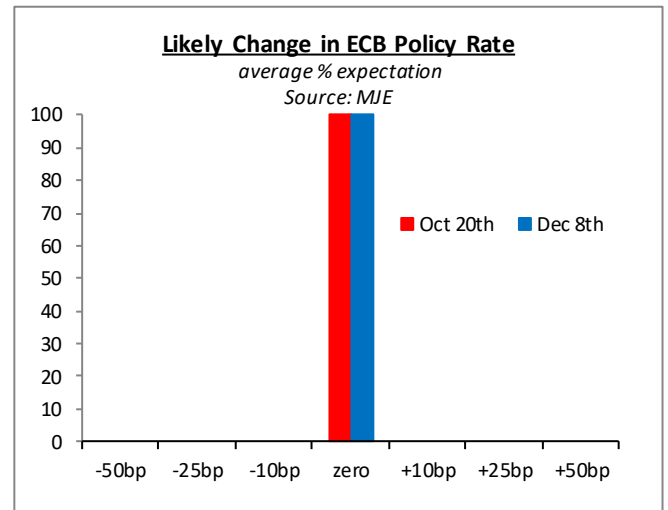
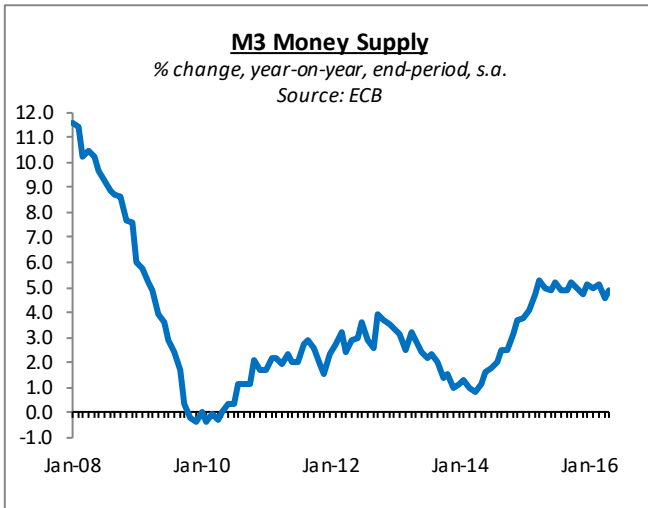
Euro Zone Barometer

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:

	Oct 20th	Dec 8th
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	0.0%	0.0%
Unchanged	100%	100%
+10bp	0.0%	0.0%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



Last Five ECB Interest Rate Changes:

November 13th, 2013
Deposit rate held at zero;
Repo rate lowered by 25bps to 0.25%.

June 11th, 2014
Deposit rate lowered by 10bps to -0.10%;
Repo rate lowered by 10bps to 0.15%.

September 10th, 2014
Deposit rate lowered by 10bps to -0.20%;
Repo rate lowered by 10bps to 0.05%.

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

March 16th, 2016
Deposit rate lowered by 10bps to -0.40%;
Repo rate lowered by 5bps to 0.00%.

Long Term Forecasts

Forecasts for 2018 to 2020 are taken from our October 2016 long term forecasts survey

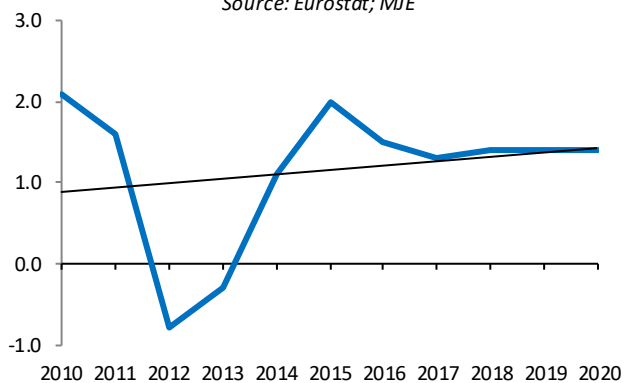
(% change year-on-year, unless otherwise stated)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Gross Domestic Product	2.0	1.5	1.3	1.4	1.4	1.4
Private Consumption	1.8	1.6	1.4	1.4	1.3	1.4
Gross Fixed Investment	3.1	2.4	2.1	2.2	2.0	2.1
Industrial Production (excl. construction)	2.1	1.2	1.4	1.5	1.6	1.6
Unemployment Rate, % of labour force	10.9	10.1	9.8	9.1	8.9	8.6
Harmonised Index of Consumer Prices	0.0	0.3	1.3	1.6	1.6	1.8
Current Account, annual total, % of GDP	3.2	3.2	2.9	3.0	2.6	2.3
General Government Balance, % of GDP	-2.1	-1.9	-1.8	-1.4	-1.2	-1.1
<u>Financial Indicators (end period)</u>						
3 Month Interest Rate, % per annum	-0.13	-0.27	-0.13	0.26	0.56	0.99
10 Year Bond Yield, % per annum	0.63	0.14	0.52	1.55	2.05	2.45
10 year - 3 month Yield Differential	0.76	0.41	0.65	1.29	1.49	1.46
US\$ per € Exchange Rate	1.091	1.105	1.101	1.109	1.142	1.165

Long Term Growth Trend

Real GDP, % change, year-on-year

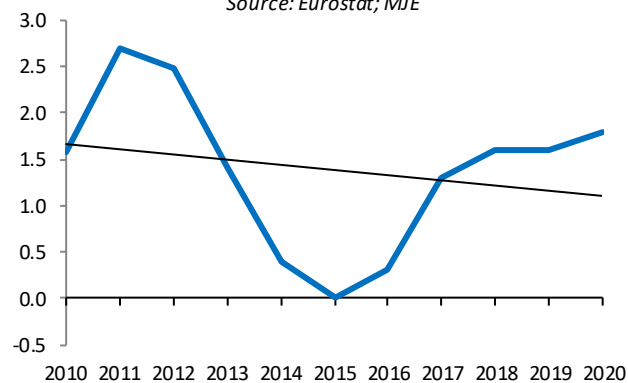
Source: Eurostat; MJE



Long Term Inflation Trend

HICP, % change, year-on-year

Source: Eurostat; MJE



GERMANY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.7	na	na	na	4.2	0.4	8.3	0.2	69.0
Allianz SE	1.9	1.7	na	1.0	4.2	0.4	8.7	0.4	na
BBVA	1.8	na	na	na	na	0.1	8.4	0.2	68.8
BNP Paribas	1.8	1.5	2.5	1.0	na	0.3	8.2	0.3	68.8
Danske Bank	1.7	1.3	3.6	na	4.3	0.3	8.5	0.2	68.6
DZ Bank	1.8	1.6	2.5	na	na	0.3	8.2	0.2	69.0
Economist Intelligence Unit	1.8	1.5	1.8	0.9	4.3	0.3	8.6	0.9	68.6
G&P Institutional Mgmt	1.8	1.5	2.3	na	4.3	0.3	na	0.0	na
IHS Markit Economics	1.8	1.6	2.4	1.4	4.3	0.4	7.9	0.5	68.5
J P Morgan Chase	1.9	na	na	na	na	0.3	na	na	na
Oxford Economics	1.8	1.4	2.3	0.9	4.3	0.4	9.0	0.6	na
Raiffeisen Bank International	1.8	1.3	2.9	na	na	0.7	9.5	0.2	68.6
Santander	1.7	1.4	2.5	1.1	4.6	0.4	8.8	0.6	69.0
SEB	1.7	na	na	na	4.3	0.8	na	na	na
UBS	1.4	1.9	3.8	2.3	na	0.3	8.6	0.2	68.6
UniCredit Bank	1.9	1.5	2.4	1.4	4.8	0.4	7.5	0.6	68.9
Consensus (Mean Average)	1.8	1.5	2.6	1.3	4.4	0.4	8.5	0.4	68.8
Last Month	1.7	1.6	2.7	1.4	4.3	0.4	8.3	0.3	68.8
2 Months Ago	1.5	1.7	2.9	1.6	4.4	0.4	8.3	0.3	68.8
Median	1.8	1.5	2.5	1.1	4.3	0.4	8.5	0.3	68.8
High	1.9	1.9	3.8	2.3	4.8	0.8	9.5	0.9	69.0
Low	1.4	1.3	1.8	0.9	4.2	0.1	7.5	0.0	68.5
Standard Deviation	0.1	0.2	0.6	0.5	0.2	0.2	0.5	0.2	0.2
Number of Forecasts	16	12	11	8	10	16	13	14	11
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.4	0.2	na	na	na
EC (May '16)	1.6	2.0	2.5	na	4.6	0.3	8.5	0.2	68.6
IMF (October '16)	1.7	1.5	2.2	na	4.3	0.4	8.6	na	na
OECD (June '16)	1.6	1.8	3.5	na	4.4	0.3	9.2	0.3	67.7

- Following a dip in confidence over the economy in August, sentiment revived in September to provide Angela Merkel with a boost prior to next year's elections, although it is still too soon to tell if the economy will alleviate other concerns the German public has over her handling of the refugee crisis.
- Increased public spending to handle the numbers of refugees claiming asylum will boost the economy, alongside the anticipated rise in private consumption, but sustaining this is crucial if the government is to improve its fortunes.
- However, the coalition parties are divided over the appropriate path to take, with the centre-left Social Democrats, the junior partner for Merkel's CDU/CSU warning against tax cuts, but urging more investment, principally in education and healthcare.
- Sustaining the economy will also prove difficult if exports soften. Confidence may have improved according to the European Commission, but the IHS Markit purchasing managers' index slumped to 52.7 in September, from 53.3 in August, forewarning of slower growth.

GERMANY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.5	na	na	na	4.0	1.8	8.0	0.1	67.0
Allianz SE	1.6	1.5	na	1.3	4.3	1.7	7.6	0.4	na
BBVA	1.5	na	na	na	na	1.4	7.4	0.0	65.6
BNP Paribas	1.3	1.2	1.4	1.3	na	1.1	7.5	0.1	66.8
Danske Bank	1.4	1.2	1.4	na	4.2	1.5	8.3	0.0	66.5
DZ Bank	1.1	1.1	1.5	na	na	1.4	7.2	0.0	66.7
Economist Intelligence Unit	1.3	1.4	1.4	0.8	4.3	1.3	7.8	0.6	66.7
G&P Institutional Mgmt	1.4	1.8	1.1	na	4.4	1.1	na	-0.4	na
IHS Markit Economics	1.7	1.8	2.0	2.1	4.4	1.7	7.5	0.6	65.5
J P Morgan Chase	1.5	na	na	na	na	1.4	na	na	na
Oxford Economics	1.5	1.2	2.2	1.2	4.1	1.8	7.9	0.2	na
Raiffeisen Bank International	1.7	1.3	2.1	na	na	2.7	8.5	0.1	66.3
Santander	1.3	1.2	2.0	1.2	4.7	1.4	8.3	0.4	67.0
SEB	1.6	na	na	na	4.5	1.9	na	na	na
UBS	1.1	1.4	2.8	1.6	na	1.6	8.5	0.0	66.3
UniCredit Bank	0.9	1.2	1.8	0.9	5.2	1.7	7.0	0.0	67.3
Consensus (Mean Average)	1.4	1.4	1.8	1.3	4.4	1.6	7.8	0.2	66.5
Last Month	1.4	1.4	1.8	1.5	4.4	1.6	7.8	0.2	66.6
2 Months Ago	1.4	1.4	1.8	1.6	4.6	1.6	7.7	0.1	66.6
Median	1.5	1.3	1.8	1.3	4.4	1.6	7.8	0.1	66.7
High	1.7	1.8	2.8	2.1	5.2	2.7	8.5	0.6	67.3
Low	0.9	1.1	1.1	0.8	4.0	1.1	7.0	-0.4	65.5
Standard Deviation	0.2	0.2	0.5	0.4	0.3	0.4	0.5	0.3	0.6
Number of Forecasts	16	12	11	8	10	16	13	14	11
Other Forecasts									
ECB (June '16)	1.6	na	na	na	4.5	1.5	na	na	na
EC (May '16)	1.6	1.4	2.7	na	4.7	1.5	8.3	0.1	66.3
IMF (October '16)	1.4	1.5	1.5	na	4.5	1.5	8.1	na	na
OECD (June '16)	1.7	1.9	3.0	na	4.6	1.5	8.5	0.4	65.1

Germany: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.4	0.3	1.6	1.5
Private Consumption	1.0	0.6	0.9	1.9
Gross Fixed Investment	-0.4	-1.3	3.5	1.1
Industrial Production	-0.3	0.1	1.3	0.9
Unemploy. Rate, % of L.F.	5.4	5.2	5.0	4.6
Consumer Prices	2.1	1.6	0.8	0.1
Current Acc., % of GDP	7.2	6.7	7.8	8.5
Budget Bal., % of GDP	-0.1	-0.1	0.3	0.7
Public Debt, % of GDP	79.6	77.2	74.7	71.2

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:	16th out of 178 countries
Doing Business:	15th out of 189 countries
Competitiveness:	4th out of 140 countries
Corruption:	10th out of 167 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.	
<i>Sources: BIS, Deloitte, IFES Election Guide, IMF, FT, Heritage Foundation, MJE, Transparency International, World Bank, World Economic Forum</i>	

FRANCE - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.3	na	na	na	10.0	0.5	-1.3	-3.4	97.0
BBVA	1.2	na	na	na	na	0.2	-0.5	-3.4	97.0
BNP Paribas	1.3	1.5	2.6	0.2	9.9	0.4	-0.2	-3.4	96.4
Danske Bank	1.2	1.6	2.3	na	10.0	0.4	-1.1	-3.5	96.5
DZ Bank	1.2	1.7	2.4	na	10.0	0.3	-1.6	-3.5	96.0
Economist Intelligence Unit	1.2	1.6	2.4	0.2	9.7	0.3	-0.6	-3.3	96.5
G&P Institutional Mgmt	1.3	1.6	2.7	na	na	0.3	na	-3.7	na
IHS Markit Economics	1.3	1.6	2.6	0.4	10.0	0.3	-0.9	-0.9	97.0
J P Morgan Chase	1.3	na	na	na	na	0.3	na	na	na
Oxford Economics	1.3	1.6	2.7	0.2	10.1	0.3	-0.8	-3.2	na
Raiffeisen Bank International	1.2	na	na	na	na	0.3	0.6	-3.4	96.4
SEB	1.3	na	na	na	9.8	0.2	na	na	na
UBS	1.4	2.1	1.8	0.7	na	0.2	0.2	-3.4	96.4
UniCredit Bank	1.2	1.5	2.5	na	9.7	0.2	-0.7	-3.4	96.2
Consensus (Mean Average)	1.3	1.6	2.4	0.3	9.9	0.3	-0.6	-3.2	96.5
Last Month	1.3	1.7	2.4	0.3	10.0	0.3	-0.9	-3.4	96.6
2 Months Ago	1.3	1.7	2.4	0.7	10.1	0.3	-0.6	-3.4	96.3
Median	1.3	1.6	2.5	0.2	10.0	0.3	-0.7	-3.4	96.5
High	1.4	2.1	2.7	0.7	10.1	0.5	0.6	-0.9	97.0
Low	1.2	1.5	1.8	0.2	9.7	0.2	-1.6	-3.7	96.0
Standard Deviation	0.1	0.2	0.3	0.2	0.1	0.1	0.6	0.7	0.4
Number of Forecasts	14	9	9	5	9	14	11	12	10
Other Forecasts									
ECB (June '16)	1.4	na	na	na	10.1	0.2	na	na	na
EC (May '16)	1.3	1.5	1.5	na	10.2	0.1	-1.1	-3.4	96.4
IMF (October '16)	1.3	1.6	2.4	na	9.8	0.3	-0.5	na	na
OECD (June '16)	1.4	1.9	2.2	na	10.2	0.1	-0.7	-3.4	96.9

- Although revised data now show a small real-terms decline (of 0.1% q/q) for GDP in Q2 2016, a bounce back is expected in line with a second successive monthly improvement in confidence in September.
- According to the European Commission's indicator, manufacturers and consumers were more upbeat compared to August and the negativity plaguing the construction industry started to lift. That said most of the sectoral indicators remain weak, with confidence in the services and retail trade sectors worsening.
- The fall in pound-sterling against the euro will deal another hammer blow to French tourism and exports to the UK. Unless the economy suddenly revives – it is vulnerable to wider euro zone risks, more terrorism outbreaks and a lack of confidence with the elections approaching in 2017 – it is hard to see how the government will meet its fiscal targets.
- Finance Minister Michael Sapin is confident it will, though, with the deficit coming in at 2.7% of GDP in 2017, his department predicts, despite the higher pre-election public spending outlined.

FRANCE - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.3	na	na	na	9.8	1.4	-1.2	-3.3	98.0
BBVA	1.3	na	na	na	na	1.4	-0.2	-3.2	97.3
BNP Paribas	1.0	1.1	1.7	1.0	9.8	1.2	-0.4	-3.1	96.4
Danske Bank	0.7	0.7	0.9	na	9.8	1.4	-1.0	-3.4	97.5
DZ Bank	0.8	0.9	0.9	na	9.8	1.5	-1.9	-3.3	97.1
Economist Intelligence Unit	1.1	1.3	1.7	1.6	9.2	1.0	-0.8	-2.9	96.7
G&P Institutional Mgmt	1.3	1.5	1.8	na	na	1.0	na	-3.7	na
IHS Markit Economics	0.9	1.3	1.1	0.9	9.8	1.2	-1.2	-1.2	97.5
J P Morgan Chase	1.1	na	na	na	na	1.4	na	na	na
Oxford Economics	1.5	1.5	2.1	1.3	10.0	1.3	-0.8	-2.6	na
Raiffeisen Bank International	1.3	na	na	na	na	1.1	0.3	-3.2	97.0
SEB	1.3	na	na	na	9.6	0.7	na	na	na
UBS	1.4	1.8	1.5	1.7	na	1.5	0.3	-3.1	97.0
UniCredit Bank	0.9	1.0	1.6	na	9.6	1.2	-0.7	-3.1	96.1
Consensus (Mean Average)	1.1	1.2	1.5	1.3	9.7	1.2	-0.7	-3.0	97.1
Last Month	1.1	1.2	1.4	1.4	9.8	1.2	-0.9	-3.2	97.3
2 Months Ago	1.1	1.3	1.4	1.6	9.8	1.2	-0.6	-3.1	96.8
Median	1.2	1.3	1.6	1.3	9.8	1.3	-0.8	-3.2	97.1
High	1.5	1.8	2.1	1.7	10.0	1.5	0.3	-1.2	98.0
Low	0.7	0.7	0.9	0.9	9.2	0.7	-1.9	-3.7	96.1
Standard Deviation	0.2	0.3	0.4	0.4	0.2	0.2	0.7	0.6	0.6
Number of Forecasts	14	9	9	5	9	14	11	12	10
Other Forecasts									
ECB (June '16)	1.5	na	na	na	10.0	1.1	na	na	na
EC (May '16)	1.7	1.4	4.0	na	10.1	1.0	-1.0	-3.2	97.0
IMF (October '16)	1.3	1.4	1.7	na	9.6	1.0	-0.4	na	na
OECD (June '16)	1.5	1.7	2.2	na	10.1	0.8	-0.8	-3.0	97.4

France: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	0.2	0.7	0.2	1.1
Private Consumption	-0.2	0.4	0.6	1.4
Gross Fixed Investment	0.2	-0.6	-1.2	-0.1
Industrial Production	-2.6	-0.5	-1.1	1.3
Unemploy. Rate, % of L.F.	9.8	10.3	10.3	10.4
Consumer Prices	2.2	1.0	0.6	0.1
Current Acc., % of GDP	-2.9	-2.6	-2.3	-0.1
Budget Bal., % of GDP	-4.8	-4.0	-4.0	-3.5
Public Debt, % of GDP	89.6	92.4	95.4	95.8

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:	73rd out of 178 countries
Doing Business:	27th out of 189 countries
Competitiveness:	22nd out of 140 countries
Corruption:	23rd out of 167 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 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.7	na	na	na	11.6	0.2	2.0	-2.6	133.0
BBVA	0.7	na	na	na	na	0.0	2.7	-2.5	133.6
BNP Paribas	0.8	1.1	1.5	0.7	11.4	-0.1	2.2	-2.8	133.5
Danske Bank	0.8	1.1	0.6	na	11.5	-0.1	2.4	-2.6	132.9
DZ Bank	0.8	1.2	1.2	na	11.4	-0.1	2.8	-2.5	132.5
Economist Intelligence Unit	0.7	1.1	1.0	0.5	11.4	-0.2	2.3	-2.6	132.5
G&P Institutional Mgmt	0.8	1.3	2.1	na	11.4	0.0	na	-2.7	na
IHS Markit Economics	0.8	1.1	1.7	0.8	11.5	-0.1	0.9	-2.5	134.4
J P Morgan Chase	0.8	na	na	na	na	0.0	na	na	na
LC Macro Advisors	0.8	1.2	1.5	1.3	11.5	-0.1	2.1	-2.4	132.8
Oxford Economics	0.8	1.2	2.0	0.6	11.5	0.1	2.7	-2.4	na
Raiffeisen Bank International	0.9	na	na	na	11.5	0.2	2.3	-2.4	132.7
SEB	0.9	na	na	na	12.2	0.2	na	na	na
UBS	0.9	1.6	1.5	1.5	11.4	0.1	na	-2.4	132.7
UniCredit Bank	0.8	1.2	2.3	na	11.5	0.0	2.1	-2.5	132.8
Consensus (Mean Average)	0.8	1.2	1.5	0.9	11.5	0.0	2.2	-2.5	133.0
Last Month	0.9	1.2	1.6	1.0	11.5	0.0	2.4	-2.6	133.1
2 Months Ago	0.9	1.2	1.6	1.1	11.5	0.0	2.3	-2.6	133.0
Median	0.8	1.2	1.5	0.8	11.5	0.0	2.3	-2.5	132.8
High	0.9	1.6	2.3	1.5	12.2	0.2	2.8	-2.4	134.4
Low	0.7	1.1	0.6	0.5	11.4	-0.2	0.9	-2.8	132.5
Standard Deviation	0.1	0.2	0.5	0.4	0.2	0.1	0.5	0.1	0.6
Number of Forecasts	15	10	10	6	13	15	11	13	11
Other Forecasts									
ECB (June '16)	1.1	na	na	na	11.4	0.0	na	na	na
EC (May '16)	1.1	1.5	3.2	na	11.4	0.2	2.4	-2.4	132.7
IMF (October '16)	0.8	1.0	1.4	na	11.5	-0.1	2.2	na	na
OECD (June '16)	1.0	1.3	2.7	na	11.3	0.2	2.1	-2.3	132.8

- Italy's economic indicators are showing no signs of any sustained improvement, with GDP flat-lining in Q2 2016, the unemployment rate refusing to budge below 11% (harmonized), and confidence still weak ahead of the constitutional reform bill referendum planned for December 4th.
- Italy's economic sentiment indicator rose marginally to 103.5 in September due to a turnaround in services sector confidence, including retail trade. However, the composite purchasing managers' index from IHS Markit has slumped to a low that is signalling only sluggish economic growth.
- New downgraded forecasts from the government show a worse fiscal situation than it had been planning for, which is blamed on a deteriorating external economic situation, and a stronger euro. A larger deficit is limiting the government's ability to increase public spending as a persuasive tool to win the plebiscite.
- The government predicts the general government deficit will still be 2.4% of GDP in 2017, the same as this year, after having previously projected a fall to 1.8%. The gross debt burden will remain close to 133% of GDP, and will not fall until 2017.

ITALY - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	0.2	na	na	na	11.8	1.2	1.9	-2.3	132.0
BBVA	0.9	na	na	na	na	1.3	2.6	-2.1	133.3
BNP Paribas	0.3	0.3	-0.2	-0.7	11.2	0.9	2.1	-2.8	134.7
Danske Bank	0.7	0.6	0.5	na	11.3	1.3	2.3	-2.3	132.5
DZ Bank	0.8	0.8	0.6	na	10.9	1.2	1.7	-2.4	131.9
Economist Intelligence Unit	0.9	1.0	1.0	0.5	11.0	0.5	2.0	-2.3	131.5
G&P Institutional Mgmt	0.9	1.1	1.5	na	11.0	1.0	na	-2.9	na
IHS Markit Economics	0.4	0.5	0.4	0.7	11.3	1.1	2.1	-2.9	135.6
J P Morgan Chase	1.1	na	na	na	na	1.1	na	na	na
LC Macro Advisors	1.0	1.3	1.7	1.5	11.0	0.5	2.0	-2.4	132.9
Oxford Economics	0.9	0.7	1.9	1.5	11.3	1.5	2.6	-2.1	na
Raiffeisen Bank International	0.9	na	na	na	na	0.8	2.0	-1.9	131.8
SEB	1.0	na	na	na	12.0	0.7	na	na	na
UBS	0.9	1.7	0.6	1.5	11.1	1.6	na	-2.3	131.5
UniCredit Bank	0.6	0.7	1.7	na	11.2	1.1	2.0	-2.4	133.5
Consensus (Mean Average)	0.8	0.9	1.0	0.8	11.3	1.1	2.1	-2.4	132.8
Last Month	0.9	1.0	1.1	1.1	11.2	1.1	2.1	-2.4	132.8
2 Months Ago	0.9	1.0	1.2	1.1	11.1	1.2	2.1	-2.3	132.8
Median	0.9	0.8	0.8	1.1	11.2	1.1	2.0	-2.3	132.5
High	1.1	1.7	1.9	1.5	12.0	1.6	2.6	-1.9	135.6
Low	0.2	0.3	-0.2	-0.7	10.9	0.5	1.7	-2.9	131.5
Standard Deviation	0.3	0.4	0.7	0.9	0.3	0.3	0.3	0.3	1.3
Number of Forecasts	15	10	10	6	12	15	11	13	11
Other Forecasts									
ECB (June '16)	1.2	na	na	na	11.1	0.9	na	na	na
EC (May '16)	1.3	1.1	4.1	na	11.2	1.4	2.3	-1.9	131.8
IMF (October '16)	0.9	1.0	1.8	na	11.2	0.5	1.9	na	na
OECD (June '16)	1.4	1.3	3.7	na	10.8	0.9	2.2	-2.0	131.9

Italy: Historical Data

<i>% change, year-on-year</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gross Domestic Product	-2.8	-1.7	-0.4	0.6
Private Consumption	-3.9	-2.7	0.4	0.9
Gross Fixed Investment	-9.3	-6.6	-3.5	0.6
Industrial Production	-6.3	-2.9	-0.7	0.8
Unemploy. Rate, % of L.F.	10.7	12.1	12.7	11.9
Consumer Prices	3.3	1.3	0.2	0.1
Current Acc., % of GDP	-0.4	0.9	2.0	2.1
Budget Bal., % of GDP	-2.9	-2.9	-3.0	-2.6
Public Debt, % of GDP	123.3	129.0	132.5	132.3

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:	80th out of 178 countries
Doing Business:	45th out of 189 countries
Competitiveness:	43rd out of 140 countries
Corruption:	61st out of 167 countries
Corporate Tax Rate:	27.5% (national rate) 3.5% (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 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.5	na	na	na	6.2	0.2	7.8	-1.3	64.0
BNP Paribas	1.8	1.7	3.7	0.6	6.4	0.4	9.5	-1.8	63.1
DZ Bank	1.5	1.1	7.3	na	6.2	-0.2	8.6	-1.3	63.5
Economist Intelligence Unit	1.7	1.3	5.0	0.5	6.1	0.2	7.9	-1.2	63.5
IHS Markit Economics	1.4	1.4	2.7	-0.9	6.4	0.2	8.4	-1.8	na
Oxford Economics	1.6	1.3	7.0	0.5	6.1	0.3	8.7	-1.4	na
Raiffeisen Bank International	1.5	na	na	na	na	0.3	9.5	-1.7	64.9
UBS	1.7	1.6	5.9	na	na	0.4	8.9	-1.7	64.9
Consensus (Mean Average)	1.6	1.4	5.3	0.2	6.2	0.2	8.7	-1.5	64.0
Last Month	1.6	1.4	5.4	0.3	6.3	0.2	9.1	-1.6	64.0
2 Months Ago	1.5	1.4	4.7	0.9	6.3	0.3	8.9	-1.7	64.2
Median	1.6	1.4	5.5	0.5	6.2	0.3	8.7	-1.6	63.8
High	1.8	1.7	7.3	0.6	6.4	0.4	9.5	-1.2	64.9
Low	1.4	1.1	2.7	-0.9	6.1	-0.2	7.8	-1.8	63.1
Standard Deviation	0.1	0.2	1.8	0.7	0.1	0.2	0.6	0.2	0.8
Number of Forecasts	8	6	6	4	6	8	8	8	6
Other Forecasts									
ECB (June '16)	1.5	na	na	na	6.3	0.2	na	na	na
EC (May '16)	1.7	1.6	5.9	na	6.4	0.4	8.9	-1.7	64.9
IMF (October '16)	1.7	na	na	na	6.7	0.1	9.1	na	na
OECD (June '16)	1.7	1.3	5.7	na	6.2	0.1	7.8	-1.6	64.7

- Confidence in the economy rebounded in September after falling sharply in August, according to the European Commission. Manufacturers were more upbeat and consumer confidence improved for a second month running to its highest level all year.
- The Business Cycle Tracer compiled by the Dutch statistical office moreover shows the economic situation improving in October, with all of the component indicators performing above trend.
- The elections to be held in March are pointing to a possible victory for Geert Wilders' populist-right, anti-EU, anti-Islam Party for Freedom, although it is far from guaranteed, and in any event there seem to be no parties willing to form a government with it.
- More than likely a multi-party coalition will be formed around Prime Minister Mark Rutte's People's Party for Freedom and Democracy (VVD), but not before lengthy negotiations take place.

NETHERLANDS - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Private Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.5	na	na	na	6.0	1.5	7.6	-0.8	63.0
BNP Paribas	1.6	1.3	3.9	1.3	6.0	0.9	9.2	-1.6	62.6
DZ Bank	1.3	1.2	4.5	na	5.8	0.1	8.1	-0.9	62.5
Economist Intelligence Unit	1.6	1.4	2.4	2.0	5.5	1.0	8.2	-1.0	62.5
IHS Markit Economics	1.3	1.7	1.5	0.7	6.3	1.0	11.5	-1.5	na
Oxford Economics	1.5	1.3	3.2	1.2	5.6	1.5	8.8	-1.1	na
Raiffeisen Bank International	1.4	na	na	na	na	1.6	9.5	-1.2	63.9
UBS	2.0	1.9	4.5	na	na	1.3	8.2	-1.2	63.9
Consensus (Mean Average)	1.5	1.5	3.3	1.3	5.9	1.1	8.9	-1.2	63.1
Last Month	1.5	1.5	3.3	1.3	6.0	1.2	8.7	-1.2	63.1
2 Months Ago	1.5	1.6	3.2	1.6	6.0	1.2	8.7	-1.4	63.4
Median	1.5	1.4	3.6	1.3	5.9	1.2	8.5	-1.2	62.8
High	2.0	1.9	4.5	2.0	6.3	1.6	11.5	-0.8	63.9
Low	1.3	1.2	1.5	0.7	5.5	0.1	7.6	-1.6	62.5
Standard Deviation	0.2	0.3	1.2	0.5	0.3	0.5	1.2	0.3	0.7
Number of Forecasts	8	6	6	4	6	8	8	8	6
Other Forecasts									
ECB (June '16)	1.9	na	na	na	6.2	1.2	na	na	na
EC (May '16)	2.0	1.9	4.5	na	6.1	1.3	8.2	-1.2	63.9
IMF (October '16)	1.6	na	na	na	6.5	0.9	8.2	na	na
OECD (June '16)	2.1	1.7	4.9	na	5.9	1.2	7.3	-1.2	64.1

Netherlands: Historical Data

<i>% change, year-on-year</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gross Domestic Product	-1.1	-0.5	1.0	1.9
Private Consumption	-1.2	-1.4	0.0	1.6
Gross Fixed Investment	-6.3	-4.4	3.5	10.3
Industrial Production	-0.4	0.6	-2.8	-4.2
Unemploy. Rate, % of L.F.	5.8	7.3	7.4	6.9
Consumer Prices	2.8	2.6	0.3	0.2
Current Acc., % of GDP	10.2	11.0	10.6	9.2
Budget Bal., % of GDP	-3.9	-2.4	-2.4	-1.8
Public Debt, % of GDP	66.4	67.9	68.2	65.1

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 178 countries
Doing Business:	28th out of 189 countries
Competitiveness:	5th out of 140 countries
Corruption:	5th out of 167 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 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	3.0	na	na	na	20.0	-0.4	1.2	-4.6	101.0
BBVA	3.1	na	na	na	19.7	-0.3	1.5	-4.2	99.8
BNP Paribas	3.1	3.4	3.8	1.9	20.3	-0.4	1.2	-4.6	100.7
Danske Bank	2.8	3.0	3.3	na	20.1	-0.3	1.5	-4.0	100.5
DZ Bank	2.6	3.1	3.3	na	20.1	-0.4	1.2	-4.4	99.6
Economist Intelligence Unit	3.1	3.2	4.2	1.7	19.7	-0.4	2.2	-4.3	100.0
G&P Institutional Mgmt	3.2	3.4	4.1	na	19.9	-0.6	na	-4.2	na
IHS Markit Economics	3.1	3.2	3.7	1.8	19.8	-0.3	1.2	-4.2	99.5
J P Morgan Chase	3.2	na	na	na	na	-0.4	na	na	na
Oxford Economics	3.2	3.3	3.8	2.0	19.8	-0.4	1.7	-4.6	na
Raiffeisen Bank International	3.1	na	na	na	na	-0.5	1.9	-4.2	100.1
Santander	3.1	3.3	3.9	na	19.7	-0.6	1.6	na	na
UBS	2.8	3.4	3.8	3.2	20.1	-0.4	1.3	-3.8	99.9
UniCredit Bank	2.7	3.3	5.1	na	20.2	-0.4	1.1	-4.1	101.0
Consensus (Mean Average)	3.0	3.3	3.9	2.1	20.0	-0.4	1.5	-4.3	100.2
Last Month	2.9	3.2	3.9	2.4	19.9	-0.4	1.4	-4.2	100.1
2 Months Ago	2.8	3.2	3.9	2.4	19.9	-0.4	1.3	-4.2	100.1
Median	3.1	3.3	3.8	1.9	20.0	-0.4	1.4	-4.2	100.1
High	3.2	3.4	5.1	3.2	20.3	-0.3	2.2	-3.8	101.0
Low	2.6	3.0	3.3	1.7	19.7	-0.6	1.1	-4.6	99.5
Standard Deviation	0.2	0.1	0.5	0.6	0.2	0.1	0.3	0.2	0.6
Number of Forecasts	14	10	10	5	12	14	12	12	10
Other Forecasts									
ECB (June '16)	2.7	na	na	na	20.1	-0.5	na	na	na
EC (May '16)	2.6	3.0	4.7	na	20.0	-0.1	1.5	-3.9	100.3
IMF (October '16)	3.1	3.3	4.2	na	19.4	-0.3	1.9	na	na
OECD (June '16)	2.8	3.1	4.6	na	19.8	-0.5	1.1	-3.7	100.3

- Spain's strong economy is persisting, and seems to be impervious to the background political situation, whereby, following the elections, the country has not been able to conduct proper policymaking for nine months, with no government able to be formed.
- Aided by a tourism boom, employment growth, cheap credit, and hitherto no inflation, the economy has been growing at a steady 0.8% in real terms for several quarters through to June. Deflation turned to inflation in September, but was only 0.2% y/y.
- Confidence in the economy dipped in August, as in other euro zone countries, but rebounded in September, belying the possibility of a bigger politically-induced shock to sentiment.
- However, the European Commission's monthly indicators show a clear dichotomy between retailer confidence remaining high as the tourism boom continues, and consumer confidence, which is worsening possibly due to the political backdrop, coupled with still-high unemployment and prices now beginning to rise.

SPAIN - Forecasts for 2017

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	Gross Domestic Product	Household Consump- tion	Gross Fixed Invest- ment	Industrial Produc- tion (excl. construc- tion)	Unem- ployment Rate (EU defn., % of labour force)	Con- sumer Prices (HICP)	Current Account Balance (% of GDP)	General Govt. Balance (% of GDP)	General Govt. Debt (% of GDP)
Panellists									
ABN Amro	1.9	na	na	na	19.8	1.0	1.4	-3.3	100.0
BBVA	2.3	na	na	na	18.4	1.7	1.9	-3.6	99.1
BNP Paribas	1.9	2.3	2.6	1.5	20.2	1.2	1.0	-3.5	101.9
Danske Bank	1.5	1.4	1.6	na	19.6	1.7	1.3	-3.5	100.0
DZ Bank	1.8	2.2	1.7	na	19.3	1.2	0.9	-3.4	99.0
Economist Intelligence Unit	2.1	2.1	3.4	2.4	18.0	1.6	1.5	-3.7	99.5
G&P Institutional Mgmt	2.5	2.8	3.7	na	18.0	1.1	na	-4.0	na
IHS Markit Economics	2.0	2.0	1.8	1.4	18.9	1.5	0.7	-3.3	98.9
J P Morgan Chase	2.4	na	na	na	na	1.1	na	na	na
Oxford Economics	2.2	2.3	3.1	2.5	18.2	1.6	1.6	-3.5	na
Raiffeisen Bank International	2.1	na	na	na	na	1.3	1.5	-3.5	100.2
Santander	2.2	2.4	3.7	na	18.0	0.7	1.5	na	na
UBS	1.9	2.4	3.7	3.2	18.3	1.7	1.2	-3.0	99.2
UniCredit Bank	1.7	2.1	4.2	na	18.8	1.1	0.9	-3.5	100.5
Consensus (Mean Average)	2.0	2.2	3.0	2.2	18.8	1.3	1.3	-3.5	99.8
Last Month	2.0	2.2	3.0	2.4	18.8	1.3	1.2	-3.4	99.8
2 Months Ago	1.9	2.2	3.0	2.3	18.6	1.3	1.0	-3.4	99.9
Median	2.1	2.3	3.3	2.4	18.6	1.3	1.4	-3.5	99.8
High	2.5	2.8	4.2	3.2	20.2	1.7	1.9	-3.0	101.9
Low	1.5	1.4	1.6	1.4	18.0	0.7	0.7	-4.0	98.9
Standard Deviation	0.3	0.4	1.0	0.8	0.8	0.3	0.4	0.2	0.9
Number of Forecasts	14	10	10	5	12	14	12	12	10
Other Forecasts									
ECB (June '16)	2.3	na	na	na	18.8	1.5	na	na	na
EC (May '16)	2.5	2.3	5.0	na	18.1	1.4	1.3	-3.1	99.6
IMF (October '16)	2.2	2.3	3.0	na	18.0	1.0	1.7	na	na
OECD (June '16)	2.3	2.1	3.8	na	18.4	1.0	0.9	-2.7	100.1

Spain: Historical Data

<i>% change, year-on-year</i>	2012	2013	2014	2015
Gross Domestic Product	-2.6	-1.7	1.4	3.2
Private Consumption	-3.5	-3.1	1.2	3.1
Gross Fixed Investment	-7.1	-2.5	3.5	6.4
Industrial Production	-6.0	-1.7	1.1	3.3
Unemploy. Rate, % of L.F.	24.8	26.1	24.5	22.1
Consumer Prices	2.4	1.5	-0.2	-0.6
Current Acc., % of GDP	-0.4	1.5	1.0	1.4
Budget Bal., % of GDP	-10.4	-6.9	-5.9	-5.1
Public Debt, % of GDP	85.4	93.7	99.3	99.2

Source: ECB; Eurostat; national statistical office

Spain: Background Information

Prime Minister:	Mariano Rajoy
Government:	To be confirmed
Next Election:	2020 (parliamentary)
Capital City:	Madrid
Economic Freedom:	49th out of 178 countries
Doing Business:	33rd out of 189 countries
Competitiveness:	33rd out of 140 countries
Corruption:	36th out of 167 countries
Corporate Tax Rate:	28.0% (national rate) variable (local rate) 28.0%/20.0% (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)	
		2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Austria	EC	1.5	1.6	0.9	1.7	3.1	3.3	-1.5	-1.4	84.9	83.0
	IMF	1.4	1.2	0.9	1.5	2.6	2.7	na	na	na	na
	OECD	1.3	1.6	1.0	2.0	2.0	2.0	-1.6	-1.3	86.0	85.3
Belgium	EC	1.2	1.6	1.7	1.6	1.8	1.9	-2.8	-2.3	106.4	105.6
	IMF	1.4	1.4	2.1	1.6	0.1	0.4	na	na	na	na
	OECD	1.2	1.5	1.6	1.7	0.8	1.3	-2.9	-2.5	106.1	105.3
Cyprus	EC	1.7	2.0	-0.7	1.0	-4.2	-4.6	-0.4	0.0	108.9	105.4
	IMF	2.8	2.2	-1.0	0.5	-0.9	-3.7	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	1.9	2.4	0.8	2.9	0.9	1.6	-0.1	-0.2	9.6	9.3
	IMF	1.5	2.5	0.5	1.4	0.6	0.0	na	na	na	na
	OECD	1.8	3.0	0.4	1.8	0.9	-0.2	-0.4	0.3	9.3	8.3
Greece	EC	-0.3	2.7	-0.3	0.6	0.6	1.3	-3.1	-1.8	182.8	178.8
	IMF	0.1	2.8	-0.1	0.6	0.0	0.0	na	na	na	na
	OECD	-0.2	1.9	-0.5	0.0	-1.6	-0.9	-1.9	-0.5	176.9	172.7
Ireland	EC	4.9	3.7	0.3	1.3	4.6	4.6	-1.1	-0.6	89.1	86.6
	IMF	4.9	3.2	0.3	1.2	9.5	9.1	na	na	na	na
	OECD	5.0	3.4	0.3	2.2	4.6	5.0	-0.7	-0.3	88.9	86.6
Luxembourg	EC	3.3	3.9	-0.1	1.8	5.3	4.8	1.0	0.1	22.5	22.8
	IMF	3.5	3.1	0.2	1.0	4.4	4.3	na	na	na	na
	OECD	3.7	3.8	-0.1	1.5	4.3	6.4	1.3	0.5	22.1	24.4
Malta	EC	4.1	3.5	1.4	2.2	5.6	4.4	-0.9	-0.8	60.9	58.3
	IMF	4.1	3.4	1.2	1.5	6.2	5.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.5	1.7	0.7	1.2	0.3	0.5	-2.7	-2.3	126.0	124.5
	IMF	1.0	1.1	0.7	1.1	0.0	-0.7	na	na	na	na
	OECD	1.2	1.3	0.3	0.8	0.2	0.3	-2.9	-2.6	128.3	128.3
Slovakia	EC	3.2	3.3	-0.1	1.5	-0.6	-1.1	-2.4	-1.6	53.4	52.7
	IMF	3.4	3.3	-0.2	1.1	-1.0	-0.6	na	na	na	na
	OECD	3.1	3.2	-0.3	0.9	0.0	0.5	-2.3	-1.6	53.3	53.0
Slovenia	EC	1.7	2.3	-0.2	1.6	7.0	6.9	-2.4	-2.1	80.2	78.0
	IMF	2.3	1.8	-0.3	1.0	7.7	7.2	na	na	na	na
	OECD	1.5	2.3	-0.5	0.7	6.9	6.7	-2.2	-1.9	85.1	86.2

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'16); IMF - International Monetary Fund (Oct'16); OECD - Organisation for Economic Cooperation & Dev (May'16).

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
Latvia	63,700	2.4	Riga
Lithuania	65,200	3.7	Vilnius
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

Sources: Eurostat, The Times; PRB; MJE

Euro Zone: Elections Timetable

Date	Country	Type
October 2016	Lithuania	Parliamentary
December 2016	Italy	Referendum
December 2016	Austria	Presidential
March 2017	Netherlands	Parliamentary
April 2017	France	Presidential
June 2017	France	Parliamentary
October 2017	Germany	Presidential
December 2017	Slovenia	Presidential
February 2018	Cyprus	Presidential
February 2018	Finland	Presidential
June 2018	Malta	Parliamentary
June 2018	Luxembourg	Parliamentary
September 2018	Austria	Parliamentary
October 2018	Ireland	Presidential
December 2018	Italy	Parliamentary
January 2019	Portugal	Presidential
July 2020	Spain	Parliamentary

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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