

# Nordic Barometer© - August 2016

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

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**Survey Deadline: August 15th, 2016**

## Investment Outlook Downgraded Further

- The forecasts for **Denmark** have remained comparatively stable since last month following a sudden correction to the investment outlook for 2017 in the wake of the Brexit referendum. Investments forecasts have fallen a little further this time, and the export picture is similarly downgraded, but other variables have held firm.
- Similar effects have occurred to the forecast horizon for **Finland**, with forecasts for investment and exports downgraded even more in this survey following the initial reaction in July, highlighting a slower recovery from recession.
- Expectations for **Norway** have been scaled down more than in Finland, reflecting the fact high frequency data shows no let-up in the manufacturing sector recession caused by the oil industry downturn, although the labour market is not likely to be affected.
- To complete the picture, **Swedish** forecasters have lowered their 2017 predictions for exports and GDP growth, but not investment, although seemingly because of a large correction last month. Other changes are made to industrial production and the current account, but not consumer price inflation.



**Next Month's Survey Deadline:  
September 19th, 2016**

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### Calculated Regional Aggregates

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016f</u>	<u>2017f</u>
<b>Gross Domestic Product</b>	0.7	1.7	2.3	1.9	1.6
<b>Private Consumption</b>	1.7	1.7	2.1	2.1	1.8
<b>Government Consumption</b>	1.1	1.7	1.7	2.3	1.9
<b>Gross Fixed Investment</b>	1.6	2.7	1.3	2.2	2.1
<b>Unemployment Rate (% of labour force)</b>	6.4	6.4	6.7	6.6	6.5
<b>Consumer Price Inflation</b>	1.1	0.9	0.7	1.6	1.7
<b>General Government Balance (% GDP)</b>	2.9	2.0	1.8	1.2	1.1

Notes: Regional totals are weighted averages calculated from the individual country data, using fixed GDP weights for 2014 and converted to euros at average 2014 exchange rates. f = consensus (mean average) forecast.

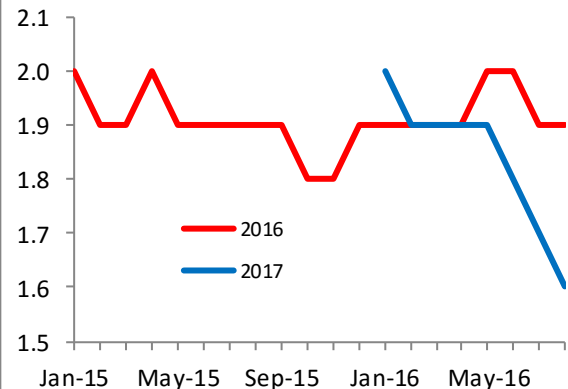
#### More Uncertainty Creeps In

- The impact of the Brexit vote and weaker growth prospects across Europe are undermining the Nordic region outlook in this survey, which is once again showing a downgraded GDP growth forecast for 2017 for the third month running. In particular the region's investment prospects, which were already undermined by the effect of the negative oil shock on petroleum sector plans, are less promising.
- Higher food costs in the region, and faster rising prices in Norway caused by the carry through effect of prior krone depreciation, have bolstered inflation expectations.

#### Regional GDP Growth Forecasts

% change, year-on-year

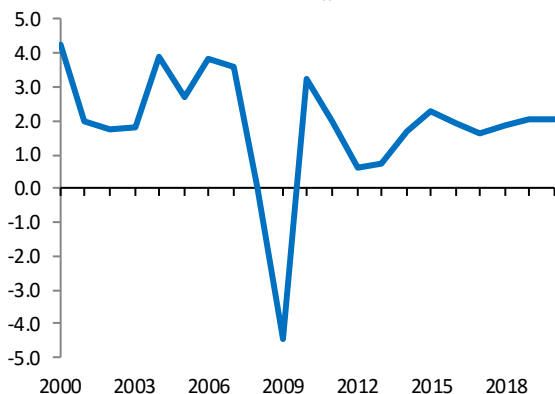
Source: MJE calculations from panellists' forecasts



#### Regional GDP Growth

% change, year-on-year

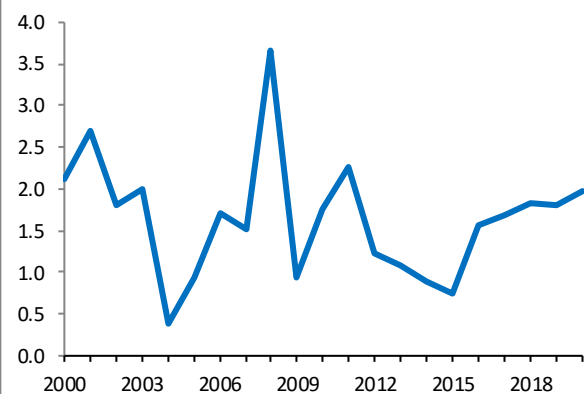
Source: national statistical offices; MJE calculations



#### Regional Inflation

% change, year-on-year

Source: national statistical offices; MJE calculations



### Quarterly Forecasts and Historical Data

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

<b>Denmark</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>	<b>Q2'16</b>
Gross Domestic Product	1.6	2.0	0.5	0.1	0.3	<b>0.7</b>
Consumer Prices	0.3	0.6	0.6	0.3	0.3	0.1
3 month Interest Rate, % per annum, end period	-0.16	-0.21	-0.05	-0.09	-0.08	-0.21
10 Year Bond Yield, % per annum, end period	0.24	1.01	0.87	0.94	0.37	0.11
	<b>Q3'16</b>	<b>Q4'16</b>	<b>Q1'17</b>	<b>Q2'17</b>	<b>Q3'17</b>	<b>Q4'17</b>
Gross Domestic Product	<b>1.9</b>	<b>2.5</b>	<b>2.2</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>
Consumer Prices	<b>0.6</b>	<b>1.0</b>	<b>1.7</b>	<b>1.8</b>	<b>1.5</b>	<b>1.4</b>
3 month Interest Rate, % per annum, end period	<b>-0.15</b>	<b>-0.16</b>	<b>-0.06</b>	<b>-0.03</b>	<b>-0.01</b>	<b>-0.09</b>
10 Year Bond Yield, % per annum, end period	<b>0.04</b>	<b>0.20</b>	<b>0.27</b>	<b>0.38</b>	<b>0.59</b>	<b>0.55</b>
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>	<b>Q2'16</b>
<b>Finland</b>						
Gross Domestic Product	0.0	0.8	0.4	1.2	1.5	1.3
Industrial Production	-3.5	-1.1	-0.1	0.0	-0.3	<b>-0.2</b>
Consumer Prices	-0.1	-0.2	-0.3	-0.2	0.0	0.1
3 month Interest Rate, % per annum, end period	0.02	-0.02	-0.04	-0.13	-0.24	-0.29
10 Year Bond Yield, % per annum, end period	0.20	1.00	0.88	0.83	0.37	0.15
	<b>Q3'16</b>	<b>Q4'16</b>	<b>Q1'17</b>	<b>Q2'17</b>	<b>Q3'17</b>	<b>Q4'17</b>
Gross Domestic Product	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>
Industrial Production	<b>-0.4</b>	<b>-0.2</b>	<b>1.3</b>	<b>2.2</b>	<b>2.6</b>	<b>2.8</b>
Consumer Prices	<b>0.5</b>	<b>0.8</b>	<b>1.3</b>	<b>1.1</b>	<b>1.5</b>	<b>1.8</b>
3 month Interest Rate, % per annum, end period	<b>-0.29</b>	<b>-0.26</b>	<b>-0.28</b>	<b>-0.26</b>	<b>-0.23</b>	<b>-0.11</b>
10 Year Bond Yield, % per annum, end period	<b>0.20</b>	<b>0.55</b>	<b>0.81</b>	<b>0.96</b>	<b>1.11</b>	<b>0.88</b>
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>	<b>Q2'16</b>
<b>Norway</b>						
Gross Domestic Product	1.4	2.3	2.7	0.1	0.7	<b>1.3</b>
Industrial Production	1.3	1.2	2.7	-2.3	-1.9	<b>-1.8</b>
Consumer Prices	2.0	2.2	2.0	2.5	3.2	3.4
3 month Interest Rate, % per annum, end period	1.48	1.33	1.12	1.13	1.00	1.01
10 Year Bond Yield, % per annum, end period	1.36	1.85	1.47	1.48	1.20	1.01
	<b>Q3'16</b>	<b>Q4'16</b>	<b>Q1'17</b>	<b>Q2'17</b>	<b>Q3'17</b>	<b>Q4'17</b>
Gross Domestic Product	<b>0.2</b>	<b>1.3</b>	<b>1.0</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>
Industrial Production	<b>-4.0</b>	<b>-0.7</b>	<b>-0.2</b>	<b>1.2</b>	<b>0.3</b>	<b>0.2</b>
Consumer Prices	<b>3.7</b>	<b>3.6</b>	<b>3.1</b>	<b>3.1</b>	<b>2.7</b>	<b>2.7</b>
3 month Interest Rate, % per annum, end period	<b>0.79</b>	<b>0.76</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>	<b>0.72</b>
10 Year Bond Yield, % per annum, end period	<b>1.08</b>	<b>1.15</b>	<b>1.22</b>	<b>1.30</b>	<b>1.36</b>	<b>1.35</b>
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>	<b>Q1'16</b>	<b>Q2'16</b>
<b>Sweden</b>						
Gross Domestic Product	3.0	3.6	4.1	4.8	4.1	3.1
Industrial Production	-2.3	3.1	2.9	5.5	5.6	<b>na</b>
Consumer Prices	0.0	-0.1	-0.1	0.1	0.7	0.7
3 month Interest Rate, % per annum, end period	-0.07	-0.22	-0.30	-0.29	-0.45	-0.53
10 Year Bond Yield, % per annum, end period	0.27	0.98	0.69	0.99	0.46	0.30
	<b>Q3'16</b>	<b>Q4'16</b>	<b>Q1'17</b>	<b>Q2'17</b>	<b>Q3'17</b>	<b>Q4'17</b>
Gross Domestic Product	<b>3.0</b>	<b>2.0</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>2.3</b>
Industrial Production	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>
Consumer Prices	<b>1.0</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.8</b>
3 month Interest Rate, % per annum, end period	<b>-0.49</b>	<b>-0.43</b>	<b>-0.38</b>	<b>-0.24</b>	<b>-0.15</b>	<b>-0.12</b>
10 Year Bond Yield, % per annum, end period	<b>0.16</b>	<b>0.51</b>	<b>0.69</b>	<b>0.96</b>	<b>1.33</b>	<b>1.25</b>

## Denmark: 2016 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
<b>Panellists</b>								
Danske Bank	0.7	1.9	0.5	1.1	0.1	0.7	1.7	na
Econ Intelligence Unit	0.9	1.9	0.6	1.9	-0.1	0.4	0.7	-0.1
Handelsbanken	0.3	na	na	na	na	na	na	na
IHS Economics	1.2	1.3	1.2	1.0	na	2.5	2.8	na
Nordea	1.3	2.0	0.7	1.5	0.0	0.5	0.9	na
Nykredit	1.0	na	na	na	na	na	na	na
Oxford Economics	1.3	1.9	1.7	2.1	-0.4	0.5	0.5	0.0
SEB	1.5	3.0	0.6	2.4	0.0	1.5	2.0	na
<b>Consensus (Mean Average)</b>	<b>1.0</b>	<b>2.0</b>	<b>0.9</b>	<b>1.7</b>	<b>-0.1</b>	<b>1.0</b>	<b>1.4</b>	<b>-0.1</b>
Last Month	1.0	1.9	0.8	1.6	-0.1	1.2	1.6	0.1
2 Months Ago	1.0	1.9	0.8	1.7	0.0	1.2	1.5	-0.1
Median	1.1	1.9	0.7	1.7	0.0	0.6	1.3	-0.1
High	1.5	3.0	1.7	2.4	0.1	2.5	2.8	0.0
Low	0.3	1.3	0.5	1.0	-0.4	0.4	0.5	-0.1
Standard Deviation	0.4	0.6	0.5	0.6	0.2	0.8	0.9	0.1
Number of Forecasts	8	6	6	6	5	6	6	2
<b>Other Forecasts</b>								
Econ Council (May '16)	1.1	2.0	1.1	1.2	0.2	-0.5	0.7	na
Finance Min (May '16)	1.1	1.5	1.0	na	0.1	1.5	2.5	na
Nationalbank (June '16)	1.0	1.8	1.0	na	-0.1	0.0	0.7	na
EC (May '16)	1.2	2.0	1.0	2.4	0.2	1.5	3.2	-0.7
IMF (April '16)	1.6	na	na	na	na	na	na	na
OECD (May '16)	1.0	1.8	0.3	1.4	0.2	0.0	0.7	-0.3

- Confidence in the economy, which had been improving in May and June, took a tumble in July, as economic growth prospects across Europe were tarnished by uncertainty surrounding the Brexit vote, confirming UK voters wished to leave the European Union.
- Sentiment among Danish manufacturers remained steadfast, according to the European Commission's survey, signalling robust export conditions. However, confidence weakened in the services sector, and among consumers, harming retail sector confidence.
- However, with industrial production declining through to June, and growth forecasts showing a fairly benign expansion through into 2017, there is pressure on the minority government's new reform-based programme to make a difference in the face of substantial scepticism from opposition parties, especially since official reports are showing Brexit-effects will dampen Denmark's GDP growth potential.
- Disagreements over the government's proposed tax cuts could spur early elections before the end of this year.

## Denmark: 2016 Forecasts

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	Unemployment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Average Earnings (private sector)	Current Account Balance (annual total, Dkr bn)	Current Account Balance (% of GDP)	General Government Balance (% of GDP)
<b>Panellists</b>						
Danske Bank	4.3	0.5	na	na	6.8	-1.7
Econ Intelligence Unit	4.2	0.4	1.8	143.5	7.0	-2.5
Handelsbanken	na	0.4	na	na	na	na
IHS Economics	na	0.6	na	na	na	na
Nordea	4.2	0.6	1.5	148.0	7.3	-2.7
Nykredit	na	0.5	na	na	na	na
Oxford Economics	4.2	0.5	2.4	89.2	4.4	-1.2
SEB	4.2	0.3	1.8	na	6.8	-2.0
<b>Consensus (Mean Average)</b>	<b>4.2</b>	<b>0.5</b>	<b>1.9</b>	<b>126.9</b>	<b>6.5</b>	<b>-2.0</b>
Last Month	4.2	0.5	1.9	129.6	6.5	-2.1
2 Months Ago	4.2	0.5	1.7	135.5	6.7	-2.6
Median	4.2	0.5	1.8	143.5	6.8	-2.0
High	4.3	0.6	2.4	148.0	7.3	-1.2
Low	4.2	0.3	1.5	89.2	4.4	-2.7
Standard Deviation	0.0	0.1	0.4	32.7	1.2	0.6
Number of Forecasts	5	8	4	3	5	5
<b><u>Other Forecasts</u></b>						
Econ Council (May '16)	na	0.6	na	120.0	6.0	-2.1
Finance Min (May '16)	na	0.6	na	na	7.5	-2.0
Nationalbank (June '16)	na	na	2.2	na	6.3	-2.0
EC (May '16)	na	na	na	na	6.3	-2.5
IMF (April '16)	na	0.8	na	na	6.6	na
OECD (May '16)	na	0.4	na	na	7.1	-2.5

<b>Denmark: Historical Data (% change, year-on-year)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Gross Domestic Product	1.2	-0.1	-0.2	1.3	1.2
Private Consumption	0.1	0.2	0.2	0.7	2.2
Government Consumption	-1.4	0.0	-0.7	0.2	1.0
Gross Fixed Investment	0.3	3.9	1.1	3.4	0.2
Inventory Building (% contribution)	0.9	-0.6	-0.1	0.4	-0.4
Goods & Services Exports	7.3	0.6	0.9	3.1	-0.7
Goods & Services Imports	7.2	1.8	1.1	3.3	-1.2
Net Exports (% contribution)	0.5	-0.4	-0.1	0.1	0.2
Unemployment Rate (% of labour force)	6.0	6.1	5.8	5.0	4.6
Consumer Prices	2.8	2.4	0.8	0.6	0.5
Average Earnings (private sector)	1.8	1.6	1.2	1.3	1.5
Current Account Balance (Dkr bn)	105.3	107.1	135.8	149.9	138.5
- as a % of GDP	5.7	5.7	7.1	7.7	7.0
General Govt Budget Balance (% of GDP)	-2.1	-3.6	-1.3	1.5	-2.0

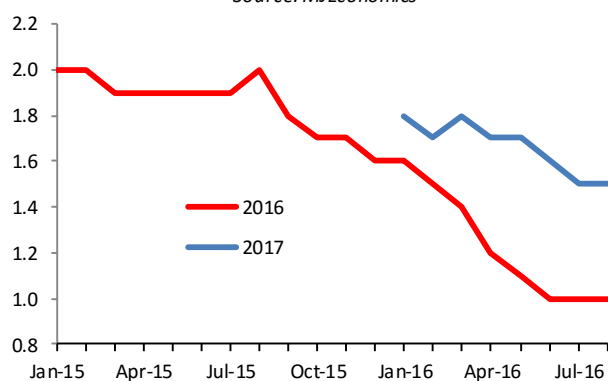
Source: Eurostat, Statistics Denmark

## Denmark: 2017 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
<b>Panellists</b>								
Danske Bank	1.0	1.9	0.5	0.9	0.1	2.6	3.5	na
Econ Intelligence Unit	1.4	1.5	1.4	1.2	-0.1	1.7	1.7	0.1
Handelsbanken	0.5	na	na	na	na	na	na	na
IHS Economics	1.6	1.7	1.9	3.5	na	5.4	6.6	na
Nordea	1.8	1.9	0.6	3.1	0.0	2.6	2.8	na
Nykredit	1.4	na	na	na	na	na	na	na
Oxford Economics	1.8	1.9	2.3	2.2	-0.3	2.2	2.2	0.1
SEB	2.2	2.6	0.9	4.0	0.0	4.3	4.9	na
<b>Consensus (Mean Average)</b>	<b>1.5</b>	<b>1.9</b>	<b>1.3</b>	<b>2.5</b>	<b>-0.1</b>	<b>3.1</b>	<b>3.6</b>	<b>0.1</b>
Last Month	1.5	1.9	1.2	2.6	-0.1	3.2	3.7	0.2
2 Months Ago	1.6	1.9	1.1	3.1	0.1	3.6	4.0	0.1
Median	1.5	1.9	1.2	2.7	0.0	2.6	3.2	0.1
High	2.2	2.6	2.3	4.0	0.1	5.4	6.6	0.1
Low	0.5	1.5	0.5	0.9	-0.3	1.7	1.7	0.1
Standard Deviation	0.5	0.4	0.7	1.3	0.2	1.4	1.8	0.0
Number of Forecasts	8	6	6	6	5	6	6	2
<b>Other Forecasts</b>								
Econ Council (May '16)	2.0	2.3	0.4	3.7	0.0	2.8	3.1	na
Finance Min (May '16)	1.7	1.7	0.0	na	0.0	4.4	4.6	na
Nationalbank (June '16)	1.6	1.8	0.0	na	0.0	3.1	3.0	na
EC (May '16)	1.9	2.1	0.0	4.1	0.0	4.2	4.4	0.1
IMF (April '16)	1.8	na	na	na	na	na	na	na
OECD (May '16)	1.8	1.9	0.6	2.8	0.0	2.9	2.8	0.2

### Denmark GDP Growth Forecasts

*% change, year-on-year  
Source: MJEconomics*



### Denmark: Background Information

<b>Government:</b>	Liberal Party minority
<b>Next Election:</b>	2019 (parliamentary)
<b>Capital City:</b>	Copenhagen (GMT +1 hour)
<b>Currency:</b>	Danish Krone (pegged to the euro)
<b>Nominal GDP:</b>	\$342 bn (2014)
<b>Population:</b>	5.7m (1st Jan. 2015)
<b>Economic Freedom:</b>	10th out of 178 countries
<b>Doing Business:</b>	3rd out of 189 countries
<b>Competitiveness:</b>	13th out of 144 countries
<b>Corruption:</b>	1st out of 167 countries
<b>Government Debt:</b>	40.2% of GDP (2015)
<b>Corporate Tax Rate:</b>	24.5%

*Sources: Deloitte, IFES Election Guide, Eurostat, FT, Heritage Foundation, MJE, Transparency International, World Bank and World Economic Forum.*

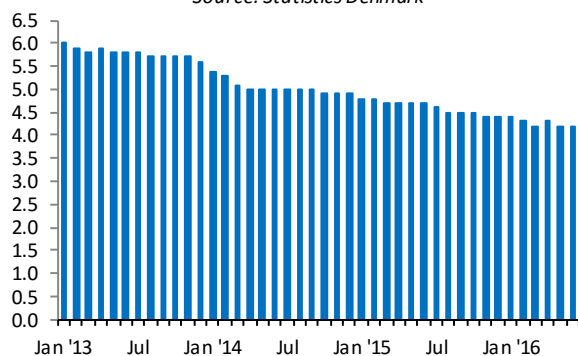
## Denmark: 2017 Forecasts

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Unemployment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Average Earnings (private sector)	Current Account Balance (annual total, Dkr bn)	Current Account Balance (% of GDP)	General Government Balance (% of GDP)
<b>Panellists</b>						
Danske Bank	4.3	1.3	na	na	6.9	-1.4
Econ Intelligence Unit	4.3	1.4	1.9	142.4	6.9	-2.3
Handelsbanken	na	1.0	na	na	na	na
IHS Economics	na	1.7	na	na	na	na
Nordea	3.9	1.2	1.8	143.0	6.8	-2.2
Nykredit	na	1.4	na	na	na	na
Oxford Economics	4.1	1.6	3.2	112.3	5.3	-0.4
SEB	3.8	1.2	2.3	na	6.3	-1.0
<b>Consensus (Mean Average)</b>	<b>4.1</b>	<b>1.4</b>	<b>2.3</b>	<b>132.6</b>	<b>6.4</b>	<b>-1.5</b>
Last Month	4.1	1.4	2.3	134.1	6.5	-1.5
2 Months Ago	4.0	1.4	2.1	138.1	6.5	-1.9
Median	4.1	1.4	2.1	142.4	6.8	-1.4
High	4.3	1.7	3.2	143.0	6.9	-0.4
Low	3.8	1.0	1.8	112.3	5.3	-2.3
Standard Deviation	0.2	0.2	0.6	17.6	0.7	0.8
Number of Forecasts	5	8	4	3	5	5
<b>Other Forecasts</b>						
Econ Council (May '16)	na	1.6	na	112.0	5.4	-2.0
Finance Min (May '16)	na	1.5	na	na	7.6	-1.8
Nationalbank (June '16)	na	na	2.5	na	6.5	-1.9
EC (May '16)	na	na	na	na	6.2	-1.9
IMF (April '16)	na	1.4	na	na	6.5	na
OECD (May '16)	na	1.5	na	na	7.2	-2.1

### Denmark: Unemployment Rate

% of labour force

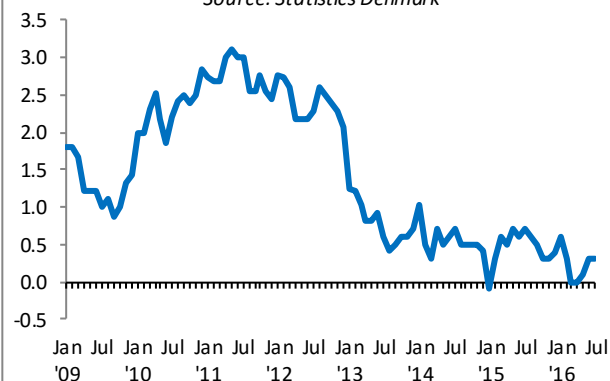
Source: Statistics Denmark



### Denmark: Inflation Rate

% change, year-on-year

Source: Statistics Denmark



## Finland: 2016 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
<b>Panellists</b>								
Aktia Bank	0.6	0.6	0.2	2.2	na	1.7	2.6	na
Danske Bank	0.8	1.1	0.0	2.5	na	-1.0	0.0	na
DZ Bank	1.0	1.4	0.6	0.9	na	-0.1	-0.4	na
Econ Intelligence Unit	0.8	1.3	0.3	0.5	-0.7	0.7	0.5	0.1
ETLA	0.9	0.7	0.1	3.7	0.1	0.8	1.8	-0.4
Handelsbanken	1.0	na	na	na	na	na	na	na
IHS Economics	0.7	1.0	0.0	2.3	na	0.2	0.6	na
Nordea	0.5	0.7	0.3	1.7	-0.1	0.6	1.2	na
Oxford Economics	0.9	1.4	0.6	0.9	-0.7	0.7	-0.3	0.4
SEB	0.7	0.9	-0.5	0.0	0.0	1.5	0.6	na
<b>Consensus (Mean Average)</b>	<b>0.8</b>	<b>1.0</b>	<b>0.2</b>	<b>1.6</b>	<b>-0.3</b>	<b>0.6</b>	<b>0.7</b>	<b>0.0</b>
Last Month	0.8	1.0	0.0	1.8	0.1	0.6	1.2	-0.4
2 Months Ago	0.8	0.8	0.0	1.9	0.1	0.9	1.4	-0.3
Median	0.8	1.0	0.2	1.7	-0.1	0.7	0.6	0.1
High	1.0	1.4	0.6	3.7	0.1	1.7	2.6	0.4
Low	0.5	0.6	-0.5	0.0	-0.7	-1.0	-0.4	-0.4
Standard Deviation	0.2	0.3	0.3	1.2	0.4	0.8	1.0	0.4
Number of Forecasts	10	9	9	9	5	9	9	3
<b>Other Forecasts</b>								
Bank of Finland (June '16)	1.1	1.6	0.6	na	0.0	0.7	2.7	-0.7
Finance Ministry (April '16)	0.9	1.0	-0.1	5.2	na	1.3	2.6	na
EC (May '16)	0.7	0.7	-0.1	2.5	0.1	1.2	2.0	-0.3
IMF (April '16)	0.9	na	na	na	na	na	na	na
OECD (May '16)	1.0	0.7	0.4	2.9	0.4	1.7	2.6	-0.3

- The economic recovery is slowly improving the labour market, but progress is slow with the Russian trade embargo still enforced, conditions in European markets remaining weak and owing to Nokia's well-publicised problems.
- The government has finally made headway on its plans to reform the labour market, although the effects may not be quite as strong as the government is hoping for, notably in the short term. The recovery moreover received a major setback in Q2 2016, with GDP growth slowing on a quarterly and real-terms basis to 0.3%, which was half the pace racked up in Q1, and lowering year-on-year growth to 1.3%.
- Confidence in the economy is slowly improving, according to the European Commission. In July, the services sector was more upbeat, with confidence in the retail sector restored by consumer confidence holding up, as employment prospects improved and households took advantage of stable prices and cheap credit.
- However, conditions across the industrial sector and within the construction industry remain bleak with sentiment nosediving, highlighting how the economy is still reliant on private consumption, and acutely vulnerable to downside risk if external economic conditions decline even more.



## Finland: 2016 Forecasts

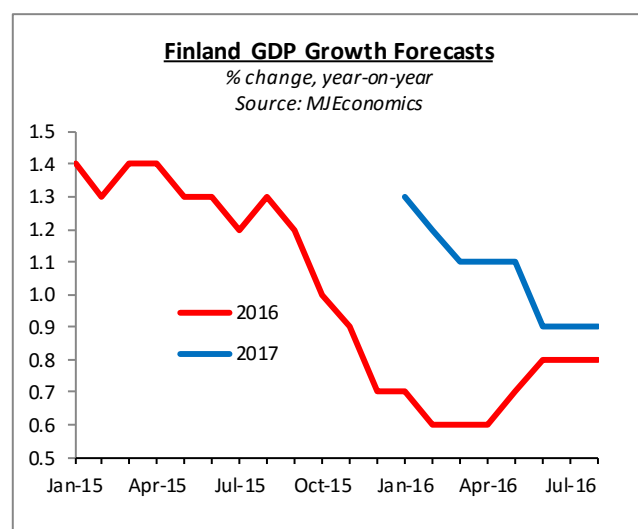
<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	Industrial Production	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Producer Prices (total industry)	Wages & Salaries (private sector)	Current Account Balance (annual total, Euros bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
<b>Panellists</b>								
Aktia Bank	na	9.4	0.1	na	na	na	0.1	-2.9
Danske Bank	na	9.2	0.4	na	na	na	0.2	-2.9
DZ Bank	na	9.1	-0.1	na	na	na	-0.1	na
Econ Intelligence Unit	-0.5	9.1	0.4	-1.6	0.9	1.4	0.7	-2.2
ETLA	1.4	9.4	0.3	na	1.1	0.7	0.3	-2.7
Handelsbanken	na	9.3	0.2	na	na	na	na	na
IHS Economics	0.7	9.5	0.3	na	na	0.8	0.5	na
Nordea	1.0	9.5	0.4	na	0.9	-0.3	-0.2	-3.0
Oxford Economics	-0.2	9.0	0.4	-1.9	1.6	-0.2	-0.1	-2.6
SEB	na	9.2	0.2	na	1.5	na	-0.9	-2.8
<b>Consensus (Mean Average)</b>	<b>0.5</b>	<b>9.3</b>	<b>0.3</b>	<b>-1.8</b>	<b>1.2</b>	<b>0.5</b>	<b>0.1</b>	<b>-2.7</b>
Last Month	0.5	9.3	0.3	-1.9	1.2	0.4	0.1	-2.8
2 Months Ago	0.7	9.3	0.3	-1.6	1.2	0.3	0.0	-2.8
Median	0.7	9.3	0.3	-1.8	1.1	0.7	0.1	-2.8
High	1.4	9.5	0.4	-1.6	1.6	1.4	0.7	-2.2
Low	-0.5	9.0	-0.1	-1.9	0.9	-0.3	-0.9	-3.0
Standard Deviation	0.8	0.2	0.2	0.2	0.3	0.7	0.5	0.3
Number of Forecasts	5	10	10	2	5	5	9	7
<b>Other Forecasts</b>								
Bank of Finland (June '16)	na	9.2	0.0	na	1.3	-1.3	-0.6	-2.6
Finance Ministry (April '16)	na	9.3	0.3	na	1.2	0.2	0.1	-2.5
EC (May '16)	na	9.4	na	na	na	na	0.3	-2.5
IMF (April '16)	na	9.3	0.4	na	na	na	0.0	na
OECD (May '16)	na	9.5	0.1	na	na	na	-0.1	-2.4

<b>Finland: Historical Data (% change year-on-year)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Gross Domestic Product	2.6	-1.4	-0.8	-0.7	0.5
Private Consumption	2.9	0.3	-0.5	0.6	1.3
Government Consumption	-0.1	0.5	1.1	-0.3	-0.3
Gross Fixed Investment	4.1	-1.9	-4.9	-2.6	-1.1
Inventory Building (% contribution)	1.6	-1.1	0.1	0.0	-0.2
Goods & Services Exports	2.0	1.2	1.1	-0.9	0.4
Goods & Services Imports	6.0	1.6	0.5	0.0	-1.2
Net Exports (% contribution)	-1.4	-0.2	0.2	-0.3	0.4
Industrial Production	1.7	-1.4	-3.2	-1.9	-1.1
Unemployment Rate (% of labour force)	7.8	7.8	8.2	8.7	9.4
Consumer Prices	3.4	2.8	1.5	1.0	-0.2
Producer Prices	5.6	1.3	-0.4	-0.9	-1.9
Wages and Salaries (private sector)	2.4	3.0	2.4	1.7	1.2
Current Account Balance (Euros bn)	-3.5	-3.9	-3.4	-1.8	0.3
- as a % of GDP	-1.8	-1.9	-1.7	-0.9	0.1
General Govt Budget Balance (% of GDP)	-1.0	-2.1	-2.5	-3.3	-3.1

Source: Eurostat, Statistics Finland

## Finland: 2017 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building, % contribution to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribution to GDP growth
<b>Panellists</b>								
Aktia Bank	0.9	0.3	0.2	2.8	na	2.6	2.2	na
Danske Bank	0.5	0.5	-0.5	1.5	na	2.0	1.5	na
DZ Bank	1.0	0.7	0.9	1.6	na	2.5	2.3	na
Econ Intelligence Unit	0.9	1.3	0.3	1.9	0.2	0.8	2.0	-0.5
ETLA	1.2	0.1	0.2	3.7	-0.1	3.4	2.1	0.5
Handelsbanken	1.2	na	na	na	na	na	na	na
IHS Economics	0.9	0.5	-0.3	2.9	na	3.0	3.2	na
Nordea	0.7	0.4	-0.2	2.6	-0.2	2.4	1.8	na
Oxford Economics	1.2	0.9	0.7	1.7	-0.1	2.3	1.6	0.4
SEB	0.1	1.1	-0.2	1.0	0.0	2.8	2.0	na
<b>Consensus (Mean Average)</b>	<b>0.9</b>	<b>0.6</b>	<b>0.1</b>	<b>2.2</b>	<b>0.0</b>	<b>2.4</b>	<b>2.1</b>	<b>0.1</b>
Last Month	0.9	0.6	0.0	2.3	-0.1	2.5	2.1	-0.1
2 Months Ago	0.9	0.6	0.0	2.5	-0.1	2.7	2.4	-0.1
Median	0.9	0.5	0.2	1.9	-0.1	2.5	2.0	0.4
High	1.2	1.3	0.9	3.7	0.2	3.4	3.2	0.5
Low	0.1	0.1	-0.5	1.0	-0.2	0.8	1.5	-0.5
Standard Deviation	0.4	0.4	0.5	0.9	0.2	0.7	0.5	0.6
Number of Forecasts	10	9	9	9	5	9	9	3
<b>Other Forecasts</b>								
Bank of Finland (June '16)	1.1	0.6	0.3	na	0.0	2.4	2.5	-0.1
Finance Ministry (April '16)	1.2	0.8	0.0	3.3	na	2.9	3.0	na
EC (May '16)	0.7	0.5	0.0	2.1	0.0	2.5	2.4	0.0
IMF (April '16)	1.1	na	na	na	na	na	na	na
OECD (May '16)	1.2	0.5	0.0	2.6	0.0	3.4	2.5	0.4



**Finland: Background Information**

<b>Government:</b>	Centre Party led coalition
<b>Next Election:</b>	By April 2019 (parliamentary)
<b>Capital City:</b>	Helsinki (GMT +2 hours)
<b>Currency:</b>	Euro (free float)
<b>Nominal GDP:</b>	\$271 bn (2014)
<b>Population:</b>	5.5m (1st Jan. 2015)
<b>Economic Freedom:</b>	19th out of 178 countries
<b>Doing Business:</b>	10th out of 189 countries
<b>Competitiveness:</b>	4th out of 144 countries
<b>Corruption:</b>	2nd out of 167 countries
<b>Government Debt:</b>	63.1% of GDP (2015)
<b>Corporate Tax Rate:</b>	20.0%

*Sources: Deloitte, IFES Election Guide, Eurostat, FT, Heritage Foundation, MJE, Transparency International, World Bank and World Economic Forum.*

## Finland: 2017 Forecasts

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Producer Prices (total industry)	Wages & Salaries (private sector)	Current Account Balance (annual total, Euros bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
Panellists								
Aktia Bank	na	9.3	1.3	na	na	na	0.1	-2.7
Danske Bank	na	9.0	0.5	na	na	na	0.2	-2.8
DZ Bank	na	8.8	0.0	na	na	na	0.0	na
Econ Intelligence Unit	1.4	8.8	1.0	2.3	1.3	0.6	0.3	-1.4
ETLA	2.4	9.3	1.1	na	0.7	1.2	0.6	-2.6
Handelsbanken	na	9.1	1.0	na	na	na	na	na
IHS Economics	1.4	9.4	1.1	na	na	1.0	0.6	na
Nordea	1.5	9.5	1.4	na	0.7	-0.8	-0.4	-2.8
Oxford Economics	2.2	9.0	1.7	4.5	2.2	0.0	0.0	-2.6
SEB	na	8.9	1.0	na	1.8	na	-0.9	-2.5
<b>Consensus (Mean Average)</b>	<b>1.8</b>	<b>9.1</b>	<b>1.0</b>	<b>3.4</b>	<b>1.3</b>	<b>0.4</b>	<b>0.1</b>	<b>-2.5</b>
Last Month	1.8	9.2	1.1	3.2	1.3	0.4	0.1	-2.5
2 Months Ago	2.1	9.2	1.2	3.4	1.3	0.4	0.1	-2.5
Median	1.5	9.1	1.1	3.4	1.3	0.6	0.1	-2.6
High	2.4	9.5	1.7	4.5	2.2	1.2	0.6	-1.4
Low	1.4	8.8	0.0	2.3	0.7	-0.8	-0.9	-2.8
Standard Deviation	0.5	0.3	0.5	1.6	0.7	0.8	0.5	0.5
Number of Forecasts	5	10	10	2	5	5	9	7
<b>Other Forecasts</b>								
Bank of Finland (June '16)	na	9.0	0.7	na	0.8	-1.6	-0.8	-2.4
Finance Ministry (April '16)	na	9.0	1.3	na	1.0	0.3	0.1	-2.1
EC (May '16)	na	9.3	na	na	na	na	0.4	-2.3
IMF (April '16)	na	9.0	1.4	na	na	na	-0.1	na
OECD (May '16)	na	9.5	0.8	na	na	na	0.2	-1.6



## Norway: 2016 Forecasts

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product		Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building, % contribution to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribution to GDP growth
	Total	Mainland							
<b>Panellists</b>									
Danske Bank	0.9	na	1.5	3.0	-1.6	na	0.8	0.9	na
DNB Markets	0.9	0.8	1.5	2.5	na	na	na	na	na
DZ Bank	0.9	na	1.7	2.7	-1.8	-0.1	0.2	-0.3	na
Econ Intelligence Unit	1.0	na	1.5	2.4	-1.6	0.1	0.6	0.5	0.1
Handelsbanken	-0.1	0.8	na	na	na	na	na	na	na
IHS Economics	0.8	na	1.4	2.7	-2.3	na	0.5	0.1	na
Nordea	1.2	1.0	1.5	2.9	-1.2	0.0	2.1	1.2	na
Nykredit	na	0.8	na	na	na	na	na	na	na
Oxford Economics	0.7	1.0	1.3	2.9	0.2	-0.7	0.2	-0.5	0.2
SEB	1.2	1.1	1.8	2.8	-1.5	0.0	0.8	0.3	na
Statistics Norway	0.9	0.9	1.3	3.0	-1.5	-0.2	1.4	1.1	0.3
Swedbank First Securities	1.6	1.0	2.0	1.8	-4.0	0.5	2.3	0.6	0.8
UniCredit Bank	1.2	1.0	1.6	2.6	-1.4	0.0	1.1	0.6	0.3
<b>Consensus (Mean Average)</b>	<b>0.9</b>	<b>0.9</b>	<b>1.6</b>	<b>2.7</b>	<b>-1.7</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.5</b>	<b>0.3</b>
Last Month	0.9	0.9	1.5	2.7	-1.2	-0.3	0.9	0.4	0.3
2 Months Ago	0.9	0.9	1.5	2.7	-1.2	-0.3	0.9	0.4	0.3
Median	0.9	1.0	1.5	2.7	-1.6	0.0	0.8	0.6	0.3
High	1.6	1.1	2.0	3.0	0.2	0.5	2.3	1.2	0.8
Low	-0.1	0.8	1.3	1.8	-4.0	-0.7	0.2	-0.5	0.1
Standard Deviation	0.4	0.1	0.2	0.3	1.0	0.3	0.7	0.6	0.3
Number of Forecasts	12	9	11	11	10	8	10	10	5
<b>Other Forecasts</b>									
Finance Ministry (May '16)	0.1	1.0	1.0	3.0	-1.8	na	-0.9	0.8	na
Norges Bank (June '16)	0.1	0.8	1.5	na	na	na	na	0.4	na
EC (May '16)	1.2	na	0.9	2.3	-2.7	0.1	2.6	0.6	0.8
IMF (April '16)	1.0	na	na	na	na	na	na	na	na
OECD (May '16)	0.6	0.8	1.2	2.9	-1.8	0.5	-1.6	-0.2	-0.5

- Norges Bank, Norway's central bank, must decide whether to loosen monetary policy to support an economy weakened by the oil price crash, given the fact inflation is also climbing further away from the 2.5% target rate due to krone depreciation effects. House prices are climbing in areas like the Oslo region unaffected by the oil industry climb-down, personal debt growth is a factor and the oil market has been recovering a little in recent weeks.
- The central bank's policy rate is at 0.5%, allowing some leeway to reduce it, although the Bank has not ruled out adopting a negative rate policy.
- Manufacturing indicators remain weak, including the total stock of orders, which were down by a quarter between the first and second quarters of the year. With new orders falling 16%, the prospect of production recovering soon seems unlikely.
- Petroleum companies operating on the Norwegian Continental Shelf are still reining in investment spending, which will likely continue into next year according to surveyed intentions, although most of the impact on the labour force has now occurred. Retail sales are similarly weak, with consumer confidence depressed.

## Norway: 2016 Forecasts

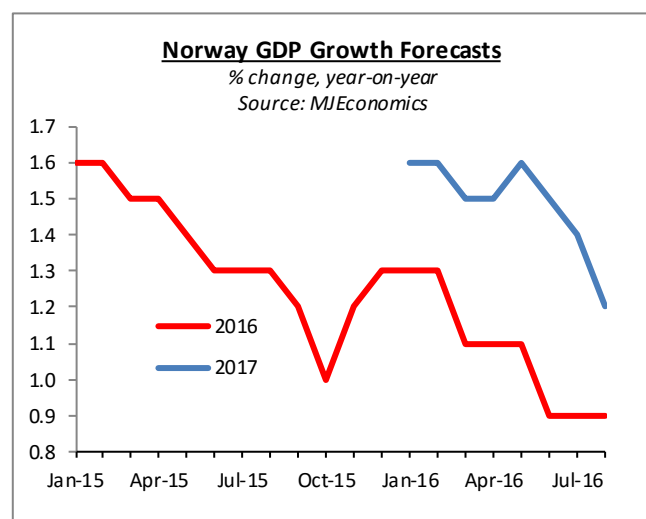
<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	Industrial Production	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Consumer Prices (CPI-ATE index, underlying rate)	Manufac- turing Earnings	Current Account Balance (annual total, Nkr bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
<b>Panellists</b>								
Danske Bank	na	na	3.1	na	na	na	na	na
DNB Markets	na	4.9	2.9	2.7	na	na	na	na
DZ Bank	na	4.6	na	na	na	na	7.5	5.0
Econ Intelligence Unit	-0.8	4.8	3.1	na	2.5	221.6	7.0	3.0
Handelsbanken	na	4.8	3.0	na	na	na	na	na
IHS Economics	0.3	4.9	2.7	na	na	na	5.6	3.7
Nordea	na	4.8	2.5	2.6	2.5	228.9	7.0	5.7
Nykredit	na	na	3.3	na	na	na	na	na
Oxford Economics	-2.5	4.7	3.0	na	2.1	187.8	6.0	6.3
SEB	na	4.8	3.1	2.9	na	na	na	na
Statistics Norway	na	4.7	2.9	2.4	na	219.1	7.0	na
Swedbank First Securities	0.7	4.4	2.2	2.7	2.6	282.6	9.0	6.8
UniCredit Bank	na	4.7	4.0	3.4	na	na	na	6.4
<b>Consensus (Mean Average)</b>	<b>-0.6</b>	<b>4.7</b>	<b>3.0</b>	<b>2.8</b>	<b>2.4</b>	<b>228.0</b>	<b>7.0</b>	<b>5.3</b>
Last Month	-0.8	4.8	2.9	2.8	2.4	190.6	6.0	4.2
2 Months Ago	-0.7	4.8	2.9	2.8	2.6	190.8	5.9	4.6
Median	-0.3	4.8	3.0	2.7	2.5	221.6	7.0	5.7
High	0.7	4.9	4.0	3.4	2.6	282.6	9.0	6.8
Low	-2.5	4.4	2.2	2.4	2.1	187.8	5.6	3.0
Standard Deviation	1.4	0.1	0.4	0.3	0.2	34.3	1.1	1.4
Number of Forecasts	4	11	12	6	4	5	7	7
<b>Other Forecasts</b>								
Finance Ministry (May '16)	na	4.7	2.8	2.8	na	na	na	5.8
Norges Bank (June '16)	na	4.6	3.3	2.9	na	na	na	na
EC (May '16)	na	4.4	na	na	na	na	5.0	6.1
IMF (April '16)	na	4.6	2.8	na	na	na	6.5	na
OECD (May '16)	na	4.7	2.9	na	na	na	5.1	3.2

<b>Norway: Historical Data (% change year-on-year)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
GDP, total	1.0	2.7	1.0	2.2	1.6
GDP, mainland	1.9	3.8	2.3	2.3	1.0
Private Consumption	2.3	3.5	2.7	1.7	2.0
Government Consumption	1.0	1.6	1.0	2.9	1.8
Gross Fixed Investment	7.4	7.6	6.3	0.0	-4.2
Inventory Building (% contribution)	-0.2	-0.2	0.2	0.3	0.3
Goods & Services Exports	-0.8	1.4	-1.7	2.2	3.4
Goods & Services Imports	4.0	3.1	4.9	1.5	1.1
Net Exports (% contribution)	-1.6	-0.5	-2.3	0.3	1.3
Industrial Production	-4.3	2.8	-5.0	3.5	0.7
Unemployment Rate (% of labour force)	3.3	3.2	3.5	3.5	4.4
Consumer Prices, headline rate	1.2	0.8	2.1	2.0	2.1
Consumer Prices, underlying rate (CPI-ATE)	0.9	1.2	1.6	2.4	2.7
Manufacturing Earnings	4.5	4.4	3.6	2.6	2.6
Current Account Balance (Nkr bn)	344.9	368.6	307.7	297.0	272.7
- as a % of GDP	12.4	12.4	10.0	9.7	8.7
General Govt Budget Balance (% of GDP)	13.4	13.8	10.8	9.1	6.9

Source: Eurostat, Statistics Norway

## Norway: 2017 Forecasts

National Accounts (constant prices) <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product		Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building, % contribution to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribution to GDP growth
	Total	Mainland							
<b>Panellists</b>									
Danske Bank	1.9	na	2.2	3.1	0.9	na	0.9	2.2	na
DNB Markets	1.2	1.4	2.1	2.0	na	na	na	na	na
DZ Bank	1.0	na	1.8	3.1	0.1	-0.6	2.4	2.8	na
Econ Intelligence Unit	1.5	na	1.4	2.4	0.7	-0.1	1.3	0.8	0.3
Handelsbanken	0.8	1.4	na	na	na	na	na	na	na
IHS Economics	1.1	na	1.6	2.8	-1.0	na	2.4	2.4	na
Nordea	1.4	1.6	2.0	3.0	-1.0	0.0	1.7	1.8	na
Nykredit	na	1.3	na	na	na	na	na	na	na
Oxford Economics	1.0	1.9	1.4	2.1	3.3	-1.3	2.6	1.4	0.6
SEB	1.5	2.0	2.3	2.5	1.1	0.0	1.4	2.8	na
Statistics Norway	1.6	2.1	2.2	1.9	1.7	0.0	1.7	2.7	-0.1
Swedbank First Securities	0.3	0.8	1.4	2.5	-0.8	-0.5	-0.6	-0.3	-0.2
UniCredit Bank	1.6	2.0	2.1	2.6	1.1	-0.2	2.0	2.2	0.2
<b>Consensus (Mean Average)</b>	<b>1.2</b>	<b>1.6</b>	<b>1.9</b>	<b>2.5</b>	<b>0.6</b>	<b>-0.3</b>	<b>1.6</b>	<b>1.9</b>	<b>0.2</b>
Last Month	1.4	1.7	1.9	2.4	0.9	-0.2	1.8	2.0	0.3
2 Months Ago	1.5	1.7	1.9	2.4	1.0	-0.2	2.0	2.1	0.3
Median	1.3	1.6	2.0	2.5	0.8	-0.2	1.7	2.2	0.2
High	1.9	2.1	2.3	3.1	3.3	0.0	2.6	2.8	0.6
Low	0.3	0.8	1.4	1.9	-1.0	-1.3	-0.6	-0.3	-0.2
Standard Deviation	0.4	0.4	0.4	0.4	1.4	0.5	0.9	1.0	0.3
Number of Forecasts	12	9	11	11	10	8	10	10	5
<b>Other Forecasts</b>									
Finance Ministry (May '16)	1.1	1.7	1.7	2.0	1.9	na	1.2	0.3	na
Norges Bank (June '16)	1.0	1.6	2.0	na	na	na	na	3.2	na
EC (May '16)	1.7	na	1.2	2.3	1.1	-0.1	3.7	2.8	0.5
IMF (April '16)	1.5	na	na	na	na	na	na	na	na
OECD (May '16)	1.3	1.8	1.8	2.0	2.1	0.0	1.2	2.5	-0.4



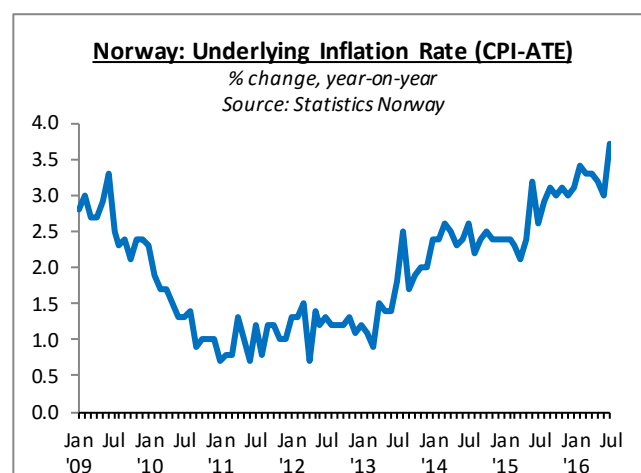
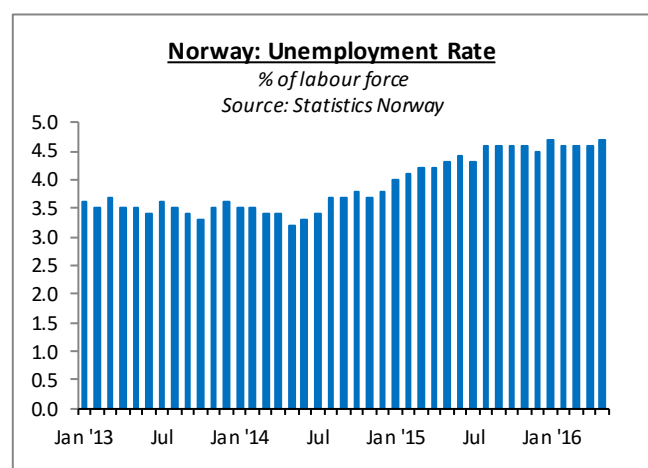
### Norway: Background Information

<b>Government:</b>	Conservative-Progress Party coalition
<b>Next Election:</b>	2017 (parliamentary)
<b>Capital City:</b>	Oslo (GMT +1 hour)
<b>Currency:</b>	Norwegian Krone (free float)
<b>Nominal GDP:</b>	\$500 bn (2014)
<b>Population:</b>	5.2m (1st Jan. 2015)
<b>Economic Freedom:</b>	32nd out of 178 countries
<b>Doing Business:</b>	9th out of 189 countries
<b>Competitiveness:</b>	11th out of 144 countries
<b>Corruption:</b>	5th out of 167 countries
<b>Government Debt:</b>	31.6% of GDP (2015)
<b>Corporate Tax Rate:</b>	27.0%

Sources: Deloitte, IFES Election Guide, Eurostat, FT, Heritage Foundation, MJE, Transparency International, World Bank and World Economic Forum.

## Norway: 2017 Forecasts

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Production	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Consumer Prices (CPI-ATE index, underlying rate)	Manufac- turing Earnings	Current Account Balance (annual total, Nkr bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
Panellists								
Danske Bank	na	na	2.8	na	na	na	na	na
DNB Markets	na	5.2	1.7	1.4	na	na	na	na
DZ Bank	na	4.5	na	na	na	na	8.0	5.5
Econ Intelligence Unit	2.1	4.9	2.1	na	2.6	240.9	7.3	3.7
Handelsbanken	na	5.0	1.5	na	na	na	na	na
IHS Economics	1.4	5.2	1.9	na	na	na	6.8	4.2
Nordea	na	4.9	1.9	1.5	2.5	257.9	7.6	6.3
Nykredit	na	na	2.7	na	na	na	na	na
Oxford Economics	-0.1	4.5	2.2	na	4.5	241.9	7.3	5.8
SEB	na	4.8	2.2	2.2	na	na	na	na
Statistics Norway	na	4.5	2.2	2.0	na	252.3	7.6	na
Swedbank First Securities	-1.7	4.8	3.8	3.5	2.5	158.6	5.1	3.6
UniCredit Bank	na	4.6	3.8	3.0	na	na	na	6.4
<b>Consensus (Mean Average)</b>	<b>0.4</b>	<b>4.8</b>	<b>2.4</b>	<b>2.3</b>	<b>3.0</b>	<b>230.3</b>	<b>7.1</b>	<b>5.1</b>
Last Month	1.0	4.8	2.2	2.1	3.0	232.9	7.0	5.1
2 Months Ago	1.1	4.8	2.2	2.1	3.1	236.4	7.0	5.5
Median	0.7	4.8	2.2	2.1	2.6	241.9	7.3	5.5
High	2.1	5.2	3.8	3.5	4.5	257.9	8.0	6.4
Low	-1.7	4.5	1.5	1.4	2.5	158.6	5.1	3.6
Standard Deviation	1.7	0.3	0.7	0.8	1.0	40.7	1.0	1.2
Number of Forecasts	4	11	12	6	4	5	7	7
<b>Other Forecasts</b>								
Finance Ministry (May '16)	na	4.6	2.1	2.2	na	na	na	3.3
Norges Bank (June '16)	na	4.4	2.2	2.3	na	na	na	na
EC (May '16)	na	4.7	na	na	na	na	5.3	5.2
IMF (April '16)	na	4.4	2.5	na	na	na	7.3	na
OECD (May '16)	na	4.5	2.2	na	na	na	5.1	3.1



## Sweden: 2016 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consump- tion	Govern- ment Consump- tion	Gross Fixed Invest- ment	Stock (inventory) Building, % contribu- tion to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribu- tion to GDP growth
<b>Panellists</b>								
Confed of Swe Enterprise	3.7	3.4	3.5	7.2	0.3	3.2	4.8	-0.6
Danske Bank	2.6	3.0	3.2	4.6	na	1.4	4.1	na
DZ Bank	2.8	2.9	2.5	5.8	na	1.5	3.5	na
Econ Intelligence Unit	3.2	3.0	2.9	6.0	0.0	4.2	5.6	-0.4
Handelsbanken	3.3	na	na	na	na	na	na	na
IHS Economics	3.2	2.9	2.4	6.2	na	2.6	4.2	na
Morgan Stanley	3.4	3.3	2.9	6.4	0.3	3.0	4.8	-0.6
National Institute - KI	3.4	2.8	3.3	5.9	0.1	3.0	4.0	-0.3
Nordea	3.8	2.8	3.8	5.0	0.0	na	6.5	na
Nykredit	3.0	na	na	na	na	na	na	na
Oxford Economics	3.1	2.9	2.4	5.8	0.6	1.8	4.0	-0.9
SEB	3.8	2.9	3.8	6.2	0.1	5.8	6.1	na
UniCredit Bank	3.0	3.0	2.6	5.5	0.0	3.5	4.8	0.0
<b>Consensus (Mean Average)</b>	<b>3.3</b>	<b>3.0</b>	<b>3.0</b>	<b>5.9</b>	<b>0.2</b>	<b>3.0</b>	<b>4.8</b>	<b>-0.5</b>
Last Month	3.4	3.0	3.1	6.0	0.1	3.9	5.0	-0.4
2 Months Ago	3.5	2.9	3.2	5.7	0.0	4.9	5.5	-0.1
Median	3.2	2.9	2.9	5.9	0.1	3.0	4.8	-0.5
High	3.8	3.4	3.8	7.2	0.6	5.8	6.5	0.0
Low	2.6	2.8	2.4	4.6	0.0	1.4	3.5	-0.9
Standard Deviation	0.4	0.2	0.5	0.7	0.2	1.3	1.0	0.3
Number of Forecasts	13	11	11	11	8	10	11	6
<b>Other Forecasts</b>								
Finance Ministry (April '16)	3.5	3.0	4.6	3.9	0.0	na	na	0.2
Riksbank (April '16)	3.5	3.2	3.6	3.2	0.1	5.9	5.2	0.5
EC (May '16)	3.4	2.8	4.5	4.0	-0.1	4.1	4.3	0.1
IMF (April '16)	3.7	na	na	na	na	na	na	na
OECD (May '16)	3.4	2.7	3.5	5.4	0.1	5.4	6.1	0.0

- Economic growth appears to be slowing down more than expected in Sweden as the breakneck pace of growth is broken by more than a natural slowdown, signalling waning confidence over Europe's prospects (the Brexit factor), and export market difficulties affecting industrial production.
- Preliminary figures show GDP rising 0.3% in real terms during Q2, which is considerably slower than the figures recorded for previous quarters, albeit decelerating on a year on year basis to a still-favourable 3.1% from more than 4% previously, underpinned by factors supporting domestic demand.
- Confidence in the economy has slipped, but not drastically so. Manufacturers were more downbeat in July, according to the European Commission, and consumer confidence came off a high, but sentiment within the construction and services sectors increased.
- The Riksbank has been holding fire on any additional monetary easing. However, with the economy slowing and inflation indicators easing in July, there is some prospect of action at the next meeting. If not, monetary policy will still likely remain expansionary for some time, until the 2% inflation target is achieved.



## Sweden: 2016 Forecasts

Other Indicators <i>average % change from previous year unless otherwise noted</i>	Industrial Prodn (mining & manufac.)	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Consumer Prices (CPIF index, underlying rate)	Producer Prices (total industry)	Hourly Earnings (total industry)	Current Account Balance (annual total, Skr bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
Panellists									
Confed of Swe Enterprise	na	6.9	1.0	1.4	na	na	na	na	na
Danske Bank	na	7.1	0.8	na	na	na	na	5.0	-0.4
DZ Bank	na	na	na	na	na	na	na	na	na
Econ Intelligence Unit	3.8	6.9	0.8	na	-2.4	2.5	226.4	5.2	-0.4
Handelsbanken	na	6.9	1.0	na	na	na	na	na	na
IHS Economics	2.9	6.7	1.0	na	na	na	na	na	-0.7
Morgan Stanley	na	7.1	0.8	1.2	na	na	205.1	4.8	-0.9
National Institute - KI	2.9	6.9	0.9	1.4	na	2.9	213.4	4.9	-0.2
Nordea	na	6.8	0.9	1.3	na	3.2	279.7	6.4	-0.9
Nykredit	na	na	1.1	na	na	na	na	na	na
Oxford Economics	2.7	6.8	1.0	na	-2.5	na	208.1	4.8	-0.1
SEB	na	6.9	0.9	1.4	na	2.7	na	5.5	na
UniCredit Bank	na	7.0	1.0	1.5	na	na	na	6.5	-0.5
<b>Consensus (Mean Average)</b>	<b>3.1</b>	<b>6.9</b>	<b>0.9</b>	<b>1.4</b>	<b>-2.5</b>	<b>2.8</b>	<b>226.5</b>	<b>5.4</b>	<b>-0.5</b>
Last Month	3.3	7.0	0.9	1.3	-1.2	2.8	241.8	5.6	-0.4
2 Months Ago	3.4	6.9	0.9	1.3	-2.3	2.9	255.0	5.9	-0.6
Median	2.9	6.9	1.0	1.4	-2.5	2.8	213.4	5.1	-0.5
High	3.8	7.1	1.1	1.5	-2.4	3.2	279.7	6.5	-0.1
Low	2.7	6.7	0.8	1.2	-2.5	2.5	205.1	4.8	-0.9
Standard Deviation	0.5	0.1	0.1	0.1	0.1	0.3	30.8	0.7	0.3
Number of Forecasts	4	11	12	6	2	4	5	8	8
<b>Other Forecasts</b>									
Finance Ministry (April '16)	na	6.8	0.9	na	na	na	na	na	-0.4
Riksbank (April '16)	na	6.8	1.0	1.4	na	3.1	na	5.3	-0.3
EC (May '16)	na	6.8	na	na	na	na	na	5.8	-0.4
IMF (April '16)	na	6.8	1.1	na	na	na	na	5.8	na
OECD (May '16)	na	6.7	1.2	na	na	na	na	5.7	0.2

Sweden: Historical Data (% change year-on-year)	2011	2012	2013	2014	2015
Gross Domestic Product	2.7	-0.3	1.2	2.3	3.8
Private Consumption	1.9	0.8	1.9	2.2	2.6
Government Consumption	0.8	1.1	1.3	1.6	2.5
Gross Fixed Investment	5.7	-0.2	0.6	7.6	7.3
Inventory Building (% contribution)	0.5	-1.1	0.2	0.1	-0.1
Goods & Services Exports	6.1	1.0	-0.8	3.5	5.9
Goods & Services Imports	7.3	0.5	-0.1	6.3	5.4
Net Exports (% contribution)	-0.2	0.2	-0.3	-0.9	0.4
Industrial Production	3.0	-3.2	-2.5	-3.8	2.3
Unemployment Rate (% of labour force)	7.5	7.9	8.0	7.9	7.4
Consumer Prices (headline rate)	2.6	0.9	0.0	-0.2	0.0
Consumer Prices (underlying rate, CPIF)	1.4	1.0	0.9	0.5	0.9
Producer Prices	0.4	-0.9	-2.8	1.8	0.7
Labour Costs (mining and manufacturing)	2.7	3.2	2.6	3.0	2.5
Current Account Balance (Skr bn)	251.6	244.2	252.6	242.9	241.6
- as a % of GDP	6.9	6.6	6.7	6.2	4.9
General Govt Budget Balance (% of GDP)	-0.1	-0.9	-1.4	-1.7	-0.3

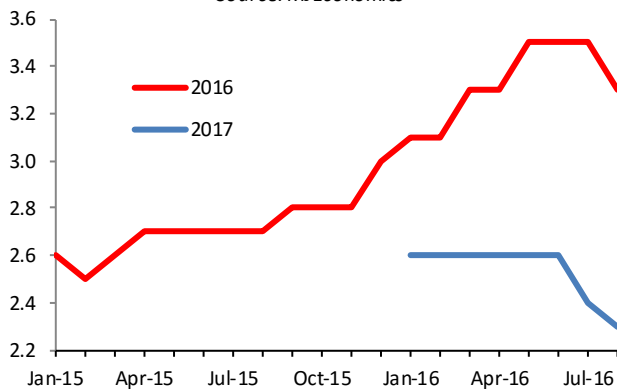
Source: Eurostat, Statistics Sweden

## Sweden: 2017 Forecasts

<b>National Accounts (constant prices)</b> <i>average % change from previous year unless otherwise noted</i>	Gross Domestic Product	Private Consumption	Government Consumption	Gross Fixed Investment	Stock (inventory) Building, % contribution to GDP growth	Goods & Services Exports	Goods & Services Imports	Net Exports, % contribution to GDP growth
<b>Panellists</b>								
Confed of Swe Enterprise	2.9	2.3	2.6	3.2	0.0	3.3	3.3	0.1
Danske Bank	1.4	1.6	2.0	-0.3	na	2.0	2.3	na
DZ Bank	1.8	2.4	2.6	3.9	na	2.2	3.4	na
Econ Intelligence Unit	2.4	2.4	1.5	4.5	-0.1	3.3	3.9	-0.1
Handelsbanken	2.3	na	na	na	na	na	na	na
IHS Economics	2.3	1.9	2.0	2.7	na	3.5	3.0	na
Morgan Stanley	2.4	2.2	2.1	3.1	-0.1	4.8	5.0	0.1
National Institute - KI	2.3	2.3	2.4	3.2	-0.1	4.0	4.3	0.0
Nordea	2.2	1.8	2.5	3.1	0.0	3.0	3.9	na
Nykredit	2.5	na	na	na	na	na	na	na
Oxford Economics	2.3	2.3	1.9	3.7	-0.1	3.2	3.5	0.0
SEB	3.0	2.8	2.5	6.0	0.0	4.6	6.4	na
UniCredit Bank	2.3	2.1	2.6	3.4	0.0	3.2	4.0	0.0
<b>Consensus (Mean Average)</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>3.3</b>	<b>-0.1</b>	<b>3.4</b>	<b>3.9</b>	<b>0.0</b>
Last Month	2.4	2.2	2.2	3.3	-0.1	3.7	4.1	0.0
2 Months Ago	2.6	2.3	2.2	3.9	-0.1	3.9	4.4	0.0
Median	2.3	2.3	2.4	3.2	-0.1	3.3	3.9	0.0
High	3.0	2.8	2.6	6.0	0.0	4.8	6.4	0.1
Low	1.4	1.6	1.5	-0.3	-0.1	2.0	2.3	-0.1
Standard Deviation	0.4	0.3	0.4	1.5	0.1	0.9	1.1	0.1
Number of Forecasts	13	11	11	11	8	11	11	6
<b>Other Forecasts</b>								
Finance Ministry (April '16)	2.5	2.7	2.1	2.3	0.0	na	na	-0.1
Riksbank (April '16)	3.0	3.1	2.7	3.6	0.0	3.5	4.4	-0.2
EC (May '16)	2.9	2.9	3.0	3.2	0.0	4.3	4.6	0.1
IMF (April '16)	2.8	na	na	na	na	na	na	na
OECD (May '16)	2.8	2.5	3.2	4.1	0.0	4.9	5.7	-0.1

### Sweden GDP Growth Forecasts

*% change, year-on-year  
Source: MJEconomics*



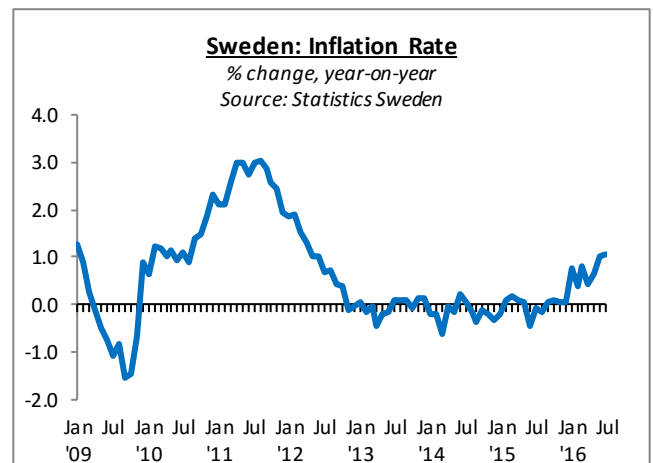
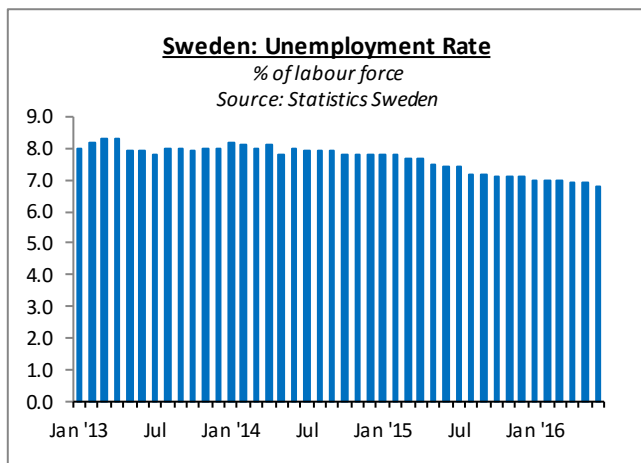
### Sweden: Background Information

<b>Government:</b>	Social Democratic-Green coalition
<b>Next Election:</b>	By September 2018 (parliamentary)
<b>Capital City:</b>	Stockholm (GMT+1 hour)
<b>Currency:</b>	Swedish Krona (free float)
<b>Nominal GDP:</b>	\$571 bn (2014)
<b>Population:</b>	9.8m (1st Jan. 2015)
<b>Economic Freedom:</b>	20th out of 178 countries
<b>Doing Business:</b>	8th out of 189 countries
<b>Competitiveness:</b>	10th out of 144 countries
<b>Corruption:</b>	3rd out of 167 countries
<b>Government Debt:</b>	43.4% of GDP (2015)
<b>Corporate Tax Rate:</b>	22.0%

*Sources: Deloitte, IFES Election Guide, Eurostat, FT, Heritage Foundation, MJE, Transparency International, World Bank and World Economic Forum.*

## Sweden: 2017 Forecasts

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	Industrial Prodn (mining & manufac.)	Unemploy- ment Rate (% of labour force)	Consumer Prices (national index, headline rate)	Consumer Prices (CPIF index, underlying rate)	Producer Prices (total industry)	Hourly Earnings (total industry)	Current Account Balance (annual total, Skr bn)	Current Account Balance (% of GDP)	General Govt Balance (% of GDP)
<b>Panellists</b>									
Confed of Swe Enterprise	na	6.7	1.3	1.6	na	na	na	na	na
Danske Bank	na	7.2	0.6	na	na	na	na	5.2	-1.5
DZ Bank	na	na	na	na	na	na	na	na	na
Econ Intelligence Unit	2.7	6.7	0.9	na	1.7	2.2	226.5	5.1	-0.3
Handelsbanken	na	7.3	2.0	na	na	na	na	na	na
IHS Economics	1.8	6.3	1.7	na	na	na	na	na	-0.4
Morgan Stanley	na	7.0	1.2	1.0	na	na	217.3	4.9	-0.8
National Institute - KI	2.8	6.3	1.4	1.7	na	3.3	203.6	4.5	-0.3
Nordea	na	6.9	1.5	1.6	na	3.4	269.7	5.9	-1.1
Nykredit	na	na	1.8	na	na	na	na	na	na
Oxford Economics	2.1	6.5	1.8	na	2.0	na	203.7	4.5	-0.3
SEB	na	6.5	1.4	1.5	na	3.4	na	5.2	na
UniCredit Bank	na	6.9	1.7	1.7	na	na	na	6.0	-0.8
<b>Consensus (Mean Average)</b>	<b>2.4</b>	<b>6.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.9</b>	<b>3.1</b>	<b>224.2</b>	<b>5.2</b>	<b>-0.7</b>
Last Month	2.5	6.8	1.4	1.5	2.4	3.1	238.8	5.4	-0.5
2 Months Ago	2.7	6.7	1.4	1.5	2.3	3.1	249.7	5.6	-0.6
Median	2.4	6.7	1.5	1.6	1.9	3.4	217.3	5.2	-0.6
High	2.8	7.3	2.0	1.7	2.0	3.4	269.7	6.0	-0.3
Low	1.8	6.3	0.6	1.0	1.7	2.2	203.6	4.5	-1.5
Standard Deviation	0.5	0.3	0.4	0.3	0.2	0.6	27.2	0.6	0.4
Number of Forecasts	4	11	12	6	2	4	5	8	8
<b>Other Forecasts</b>									
Finance Ministry (April '16)	na	6.3	1.6	na	na	na	na	na	-0.7
Riksbank (April '16)	na	6.6	1.9	2.0	na	3.5	na	4.9	-0.3
EC (May '16)	na	6.3	na	na	na	na	na	5.7	-0.7
IMF (April '16)	na	7.0	1.4	na	na	na	na	5.7	na
OECD (May '16)	na	6.5	1.7	na	na	na	na	5.4	0.1



### Iceland Forecasts

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

<b>GDP Growth</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	4.0	4.5	4.0
EC	4.0	3.5	3.3
IMF	4.0	4.2	3.2
OECD	4.0	4.4	3.5
SI	4.0	4.3	3.5

<b>Private Consumption</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	4.8	6.0	5.0
EC	4.8	4.5	4.0
IMF	na	na	na
OECD	4.8	6.1	3.6
SI	4.8	6.0	4.8

<b>Fixed Investment</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	18.6	14.1	5.1
EC	18.6	12.0	9.0
IMF	na	na	na
OECD	18.6	15.8	8.0
SI	18.6	16.0	6.4

<b>Export Volume</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	8.2	7.6	2.9
EC	8.1	6.1	4.8
IMF	na	na	na
OECD	8.2	6.0	2.5
SI	8.2	6.9	3.8

<b>Import Volume</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	13.5	11.7	3.1
EC	13.3	9.5	7.0
IMF	na	na	na
OECD	13.5	9.8	3.5
SI	13.5	11.9	5.4

<b>Consumer Price Inflation</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	1.6	2.1	4.1
EC	na	na	na
IMF	1.6	2.6	3.9
OECD	1.6	2.4	4.1
SI	1.6	2.2	3.9

<b>Current Acc. (% of GDP)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	4.2	4.0	2.9
EC	1.8	0.9	0.0
IMF	4.2	4.1	2.4
OECD	4.2	3.9	3.7
SI	4.2	3.8	2.6

<b>Budget Balance (% of GDP)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
CBol	-0.5	15.3	0.4
EC	-0.5	0.5	0.5
IMF	na	na	na
OECD	-0.4	0.3	0.5
SI	na	na	na

#### Sources:

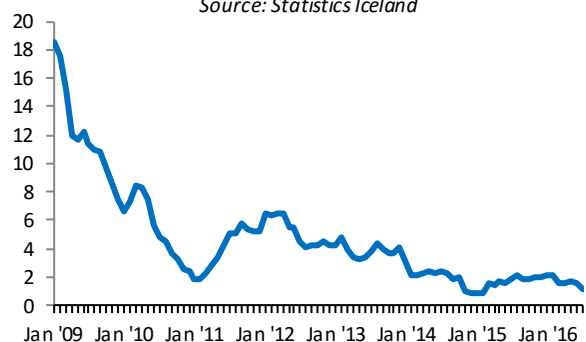
Central Bank of Iceland, May 2016  
 European Commission, May 2016  
 IMF, World Economic Outlook, April 2016  
 OECD, Economic Outlook, May 2016  
 Statistics Iceland, May 2016

### Iceland Snapshot

- As expected, the government has advanced its plans to gradually eliminate the capital controls that were introduced to prevent an economic collapse when the banks failed in 2008.
- A new parliamentary bill aims to ease restrictions on Icelandic households investing in securities, while allowing the purchase of a single property abroad. Among other measures, foreign direct investment abroad will be unrestricted and a raft of further easing is scheduled to take effect from the beginning of next year.
- The markets took the announcement in their stride given the authorities had communicated the plans in advance, and the economy has improved, with a surplus on the current account and the forex position rebuilt.

#### Iceland: Inflation Rate

% change, year-on-year  
 Source: Statistics Iceland



#### Iceland: Background Information

<b>Government:</b>	Progressive Party led coalition
<b>Next Election:</b>	By April 2017 (parliamentary)
<b>Capital City:</b>	Reykjavic (GMT time)
<b>Currency:</b>	Icelandic Krona (capital controls)
<b>Nominal GDP:</b>	\$17 bn (2014)
<b>Population:</b>	0.3m (1st Jan. 2015)
<b>Economic Freedom:</b>	23rd out of 178 countries
<b>Doing Business:</b>	19th out of 189 countries
<b>Competitiveness:</b>	30th out of 144 countries
<b>Corruption:</b>	13th out of 167 countries
<b>Government Debt:</b>	68.5% of GDP (2015)
<b>Corporate Tax Rate:</b>	20.0%

Sources: Deloitte, IFES Election Guide, Eurostat, FT, Heritage Foundation, MJE, Transparency International, World Bank and World Economic Forum.

### Interest Rate Forecasts

#### 3-month Danish CIBOR Rate, %

Rate on Survey Date: **-0.22**

	<u>2016</u>	<u>2017</u>
Mean Average	-0.16	-0.09
High	-0.11	0.02
Low	-0.20	-0.20
Standard Deviation	0.06	0.16

#### 10 Year Danish Govt Bond Yield, %

Rate on Survey Date: **0.11**

	<u>2016</u>	<u>2017</u>
Mean Average	0.20	0.55
High	0.20	0.90
Low	0.19	0.20
Standard Deviation	0.01	0.49

#### 3-month Euro Area EURIBOR Rate, %

Rate on Survey Date: **-0.30**

	<u>2016</u>	<u>2017</u>
Mean Average	-0.26	-0.11
High	0.00	0.70
Low	-0.35	-0.35
Standard Deviation	0.09	0.29

#### 10 Year Finnish Govt Bond Yield, %

Rate on Survey Date: **0.06**

	<u>2016</u>	<u>2017</u>
Mean Average	0.55	0.88
High	0.60	1.26
Low	0.50	0.50
Standard Deviation	0.07	0.54

#### 3-month Norwegian NIBOR Rate, %

Rate on Survey Date: **1.09**

	<u>2016</u>	<u>2017</u>
Mean Average	0.76	0.72
High	0.90	0.80
Low	0.62	0.58
Standard Deviation	0.11	0.10

#### 10 Year Norwegian Govt Bond Yield, %

Rate on Survey Date: **1.06**

	<u>2016</u>	<u>2017</u>
Mean Average	1.15	1.35
High	1.36	1.90
Low	0.90	1.05
Standard Deviation	0.23	0.48

#### 3-month Swedish STIBOR Rate, %

Rate on Survey Date: **-0.55**

	<u>2016</u>	<u>2017</u>
Mean Average	-0.43	-0.12
High	-0.40	-0.03
Low	-0.46	-0.20
Standard Deviation	0.04	0.12

#### 10 Year Swedish Govt Bond Yield, %

Rate on Survey Date: **0.05**

	<u>2016</u>	<u>2017</u>
Mean Average	0.51	1.25
High	0.80	1.90
Low	0.12	0.40
Standard Deviation	0.35	0.77

### Oil Price Forecasts

#### Oil Prices, Brent Blend, US\$ per barrel

Price on Survey Date: **48.4**

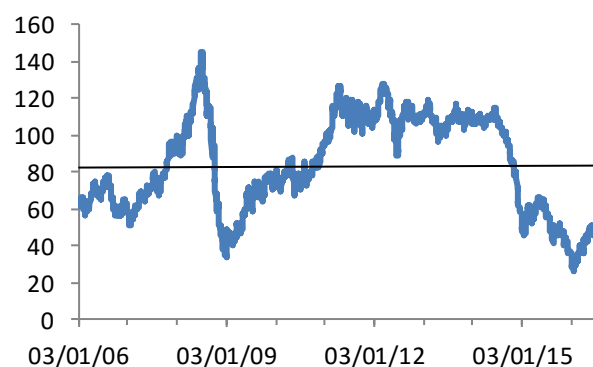
	<u>2016</u>	<u>2017</u>
Mean Average	45.9	54.4
High	50.6	70.0
Low	33.7	49.5
Standard Deviation	4.8	5.5

Notes: The consensus (mean average) is based on responses from panellists in our Nordic Barometer survey and those in our companion publication, the Euro Zone Barometer. Forecasts are for end period.

#### Oil Price Trend

Brent Blend, US\$ per barrel

Source: FT



### Exchange Rate Forecasts

#### Danish Krone/Euro Exchange Rate

Rate on Survey Date: **7.440**

	<u>2016</u>	<u>2017</u>
Mean Average	7.441	7.445
High	7.455	7.460
Low	7.400	7.400
Standard Deviation	0.021	0.025

#### US Dollar/Euro Exchange Rate

Rate on Survey Date: **1.126**

	<u>2016</u>	<u>2017</u>
Mean Average	1.088	1.087
High	1.180	1.200
Low	1.000	0.990
Standard Deviation	0.038	0.057

#### Norwegian Krone/Euro Exchange Rate

Rate on Survey Date: **9.208**

	<u>2016</u>	<u>2017</u>
Mean Average	9.208	9.020
High	9.611	9.400
Low	8.900	8.600
Standard Deviation	0.244	0.323

#### Swedish Krona/Euro Exchange Rate

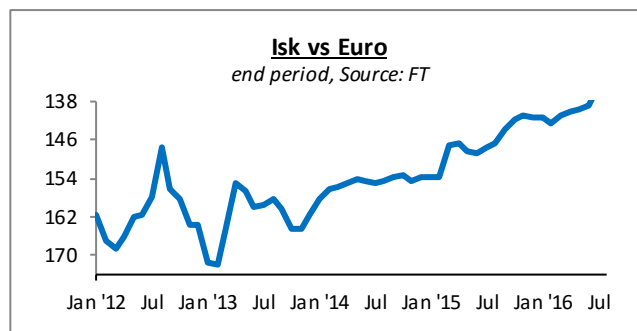
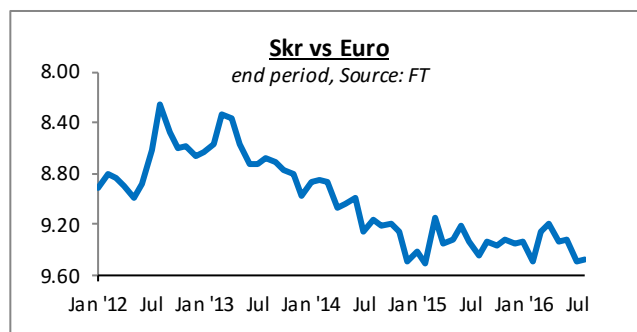
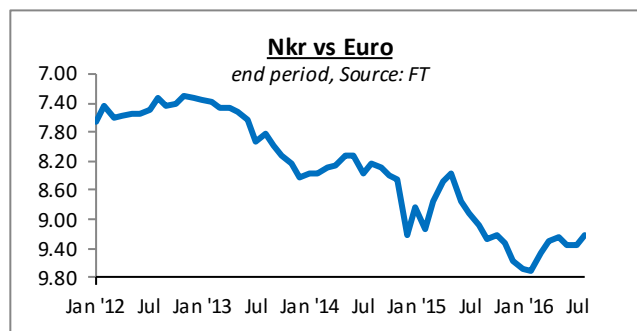
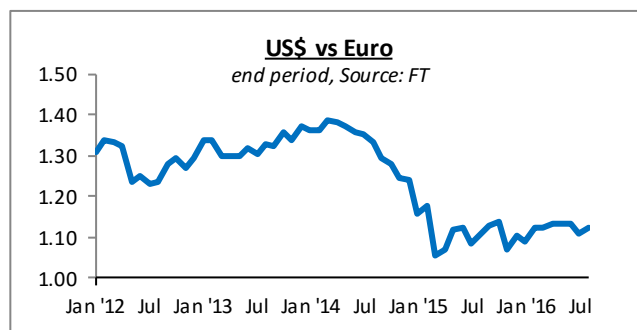
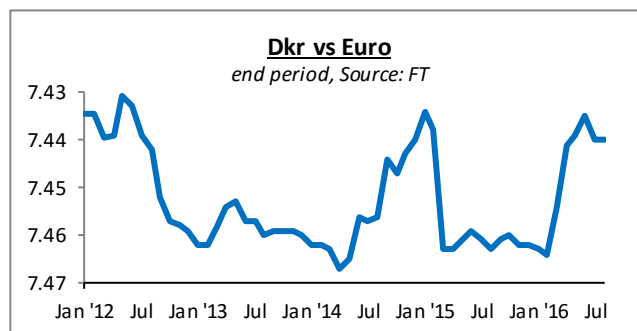
Rate on Survey Date: **9.474**

	<u>2016</u>	<u>2017</u>
Mean Average	9.193	9.004
High	9.800	10.000
Low	8.900	8.500
Standard Deviation	0.237	0.341

#### Icelandic Krona/Euro Exchange Rate

Rate on Survey Date: **132.0**

	<u>2016</u>	<u>2017</u>
Mean Average	135.3	132.9
High	138.0	136.0
Low	133.0	129.7
Standard Deviation	2.5	3.2



**The Nordic Barometer Monthly  
Qualitative Interest Rate Poll**

Share of respondents anticipating that between now and our next survey the **DANISH POLICY RATE** will:

<b>Remain UNCHANGED?</b>	<b>100%</b>
<b>INCREASE?</b>	<b>0%</b>
Likely increase?	na
<b>DECREASE?</b>	<b>0%</b>
Likely decrease?	na

Share of respondents anticipating that between now and our next survey the **DANISH LENDING RATE** will:

<b>Remain UNCHANGED?</b>	<b>100%</b>
<b>INCREASE?</b>	<b>0%</b>
Likely increase?	na
<b>DECREASE?</b>	<b>0%</b>
Likely decrease?	na

Share of respondents anticipating that between now and our next survey the **EURO AREA POLICY RATE** will:

<b>Remain UNCHANGED?</b>	<b>100%</b>
<b>INCREASE?</b>	<b>0%</b>
Likely increase?	na
<b>DECREASE?</b>	<b>0%</b>
Likely decrease?	na

Share of respondents anticipating that between now and our next survey the **NORWEGIAN POLICY RATE** will:

<b>Remain UNCHANGED?</b>	<b>83%</b>
<b>INCREASE?</b>	<b>0%</b>
Likely increase?	na
<b>DECREASE?</b>	<b>17%</b>
Likely decrease?	25bps

Share of respondents anticipating that between now and our next survey the **SWEDISH POLICY RATE** will:

<b>Remain UNCHANGED?</b>	<b>80%</b>
<b>INCREASE?</b>	<b>0%</b>
Likely increase?	na
<b>DECREASE?</b>	<b>20%</b>
Likely decrease?	10bps

**Central Bank Watch**

- The ECB is confident its quantitative easing programme and reduced interest rates will eventually produce economic growth. There is some concern for persistently negative deposit rates and zero repo rates, but for now the situation demands an unusual response, notably the corporate bond purchasing which has demonstrably lowered borrowing rates to entice investment.
- Interest rate changes are not expected soon, although a weak Norwegian economy, and the failure of Swedish inflation to rise (it fell back in July) means Norges Bank and the Riksbank will both consider their options, albeit probably waiting a while longer before responding.

**The Most Recent Interest Rate Changes**

**Denmark: Danmarks Nationalbank**  
January 7th, 2016

An increase in the certificates of deposit rate from -0.75% to -0.65%, the discount rate and current-account rate left unchanged at 0.00%, and the lending rate unchanged at 0.05%.

**Finland: European Central Bank**  
March 16th, 2016

A reduction in the deposit rate from -0.30% to -0.40%, and the repo rate from 0.05% to 0.00%.

**Norway: Norges Bank**  
March 17th, 2016

A reduction in the sight deposit rate from 0.75% to 0.50%.

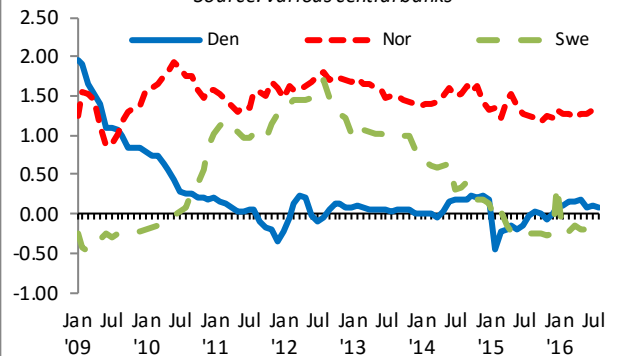
**Sweden: Sveriges Riksbank**  
February 11th, 2016

A reduction in the repo rate from -0.35% to -0.50%.

**Short Term Interest Rate Spreads vs Euro**

three month interbank rates, % p.a.

Source: various central banks



**Long Term Forecasts**

Forecasts for 2018 to 2020 are taken from our July 2016 special long term forecasts survey.

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

	2015	2016	2017	2018	2019	2020
<b>Gross Domestic Product</b>	1.2	1.0	1.5	1.4	1.8	1.8
<b>Private Consumption</b>	2.2	2.0	1.9	1.8	1.8	1.9
<b>Gross Fixed Investment</b>	0.2	1.7	2.5	2.3	3.1	2.9
<b>Unemployment Rate</b> (% of labour force)	4.6	4.2	4.1	4.3	4.2	4.1
<b>Consumer Prices</b>	0.5	0.5	1.4	1.6	1.6	1.7
<b>Current Account</b> (annual total, Dkr bn)	138.5	126.9	132.6	126.2	119.8	117.5
<b>Current Account</b> (% of GDP)	7.0	6.5	6.4	5.9	5.4	5.2
<i>(end period)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>3 Month Interest Rate</b> , % per annum	-0.09	-0.16	-0.09	0.20	0.50	0.75
<b>10 Year Bond Yield</b> , % per annum	0.94	0.20	0.55	1.35	1.70	2.00
<b>Yield Differential</b>	1.03	0.36	0.64	1.15	1.20	1.25
<b>Dkr per Euro Exchange Rate</b>	7.462	7.441	7.445	7.458	7.458	7.458

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

	2015	2016	2017	2018	2019	2020
<b>Gross Domestic Product</b>	0.5	0.8	0.9	1.3	1.5	1.7
<b>Private Consumption</b>	1.3	1.0	0.6	1.2	1.5	1.6
<b>Gross Fixed Investment</b>	-1.1	1.6	2.2	2.6	2.3	1.9
<b>Industrial Production</b>	-1.1	0.5	1.8	2.1	2.2	2.3
<b>Unemployment Rate</b> (% of labour force)	9.4	9.3	9.1	8.9	8.5	8.0
<b>Consumer Prices</b>	-0.2	0.3	1.0	1.6	1.7	1.7
<b>Current Account</b> (annual total, Euros bn)	0.3	0.5	0.4	0.8	0.7	0.8
<b>Current Account</b> (% of GDP)	0.1	0.1	0.1	0.4	0.3	0.4
<i>(end period)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>3 Month Interest Rate</b> , % per annum	-0.13	-0.26	-0.11	0.17	0.47	0.81
<b>10 Year Bond Yield</b> , % per annum	0.83	0.55	0.88	1.73	2.30	2.87
<b>Yield Differential</b>	0.96	0.81	0.99	1.57	1.83	2.06
<b>US\$ per Euro Exchange Rate</b>	1.091	1.088	1.087	1.106	1.153	1.186

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

	2015	2016	2017	2018	2019	2020
<b>Gross Domestic Product, total</b>	1.6	0.9	1.2	1.8	2.1	2.1
<b>Private Consumption</b>	2.0	1.6	1.9	2.2	2.5	2.5
<b>Gross Fixed Investment</b>	-4.2	-1.7	0.6	3.5	4.0	3.7
<b>Industrial Production</b>	0.7	-0.6	0.4	1.4	1.4	1.9
<b>Unemployment Rate</b> (% of labour force)	4.4	4.7	4.8	4.5	4.4	4.2
<b>Consumer Prices</b>	2.1	3.0	2.4	1.9	1.9	2.0
<b>Current Account</b> (annual total, Nkr bn)	272.7	228.0	230.3	210.3	233.3	247.0
<b>Current Account</b> (% of GDP)	8.7	7.0	7.1	6.1	6.5	6.6
<i>(end period)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>3 Month Interest Rate</b> , % per annum	1.13	0.76	0.72	1.05	1.40	1.95
<b>10 Year Bond Yield</b> , % per annum	1.48	1.15	1.35	2.00	2.30	2.75
<b>Yield Differential</b>	0.35	0.39	0.63	0.95	0.90	0.80
<b>Nkr per Euro Exchange Rate</b>	9.631	9.208	9.020	8.677	8.397	8.300

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

	2015	2016	2017	2018	2019	2020
<b>Gross Domestic Product</b>	3.8	3.3	2.3	2.2	2.3	2.2
<b>Private Consumption</b>	2.6	3.0	2.2	2.4	2.2	2.2
<b>Gross Fixed Investment</b>	7.3	5.9	3.3	3.4	2.8	2.9
<b>Industrial Production</b>	2.3	3.1	2.4	2.7	2.6	2.9
<b>Unemployment Rate</b> (% of labour force)	7.4	6.9	6.8	6.6	6.4	6.2
<b>Consumer Prices</b>	0.0	0.9	1.4	1.9	1.8	2.1
<b>Current Account</b> (annual total, Skr bn)	241.6	226.5	224.2	245.3	257.0	269.8
<b>Current Account</b> (% of GDP)	4.9	5.4	5.2	5.4	5.4	5.4
<i>(end period)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>3 Month Interest Rate</b> , % per annum	-0.29	-0.43	-0.12	0.25	0.60	0.95
<b>10 Year Bond Yield</b> , % per annum	0.99	0.51	1.25	2.05	2.55	3.00
<b>Yield Differential</b>	1.29	0.94	1.37	1.80	1.95	2.05
<b>Skr per Euro Exchange Rate</b>	9.197	9.193	9.004	8.803	8.567	8.487

Note: forecasts = consensus (mean average).



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