

# Euro Zone Barometer© - October 2015

\*\*\*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 19th, 2015**

## Cautious Optimism

- Slowing growth in China, and the political and economic strains caused by the migrant crisis, are tarnishing what is otherwise a **moderately positive outlook** for the region, producing growth even in those countries which have been hitherto struggling.
- The latest European Commission survey shows **reviving confidence in September**, and with Italy and France both improving it is helping to balance what is a more difficult climate for Germany, which is now coping with large refugee inflows and the aftermath of the Volkswagen crisis.
- Unemployment is still high, and is concentrated in the usual spots across the region. Thus, with the economy vulnerable to slower growth in China, and mild deflation having returned, the ECB may be tempted to **expand on its quantitative-easing programme**, not least to ensure the euro remains competitive.
- **This month**, Euro Zone Barometer also includes revised long-term projections (to 2019), alongside newly-released projections from the IMF, which are shown separately from the results of our independent survey.



**Next Month's Survey Deadline:  
November 16th, 2015**

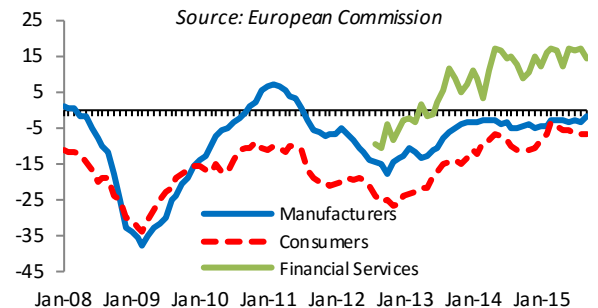
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## Euro Zone Confidence Tracker

% net balance

Source: European Commission



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## Outlook for 2015 and 2016

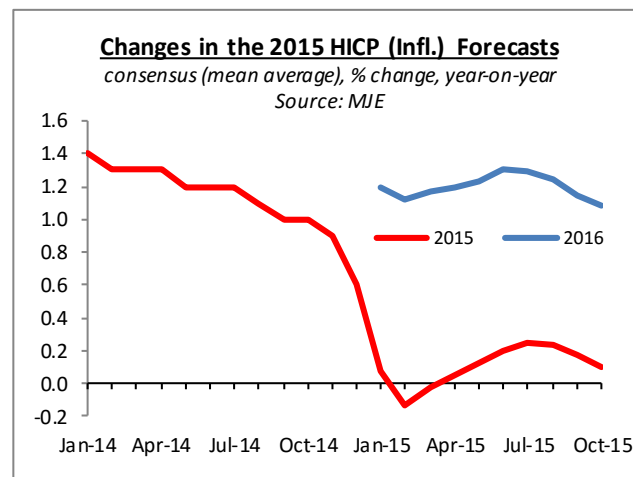
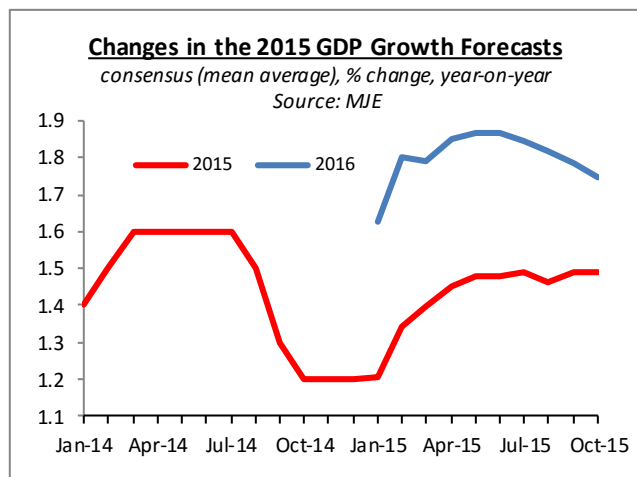
- Although GDP growth is still expected to be 1.5% this year, forecasters have made some adjustments to the components. Import volume is now expected to be higher this year, but so too is export volume, bolstered by the more competitive euro and recovery in Europe.
- The forecasts also show a downgraded growth outlook for 2016 for the first time, as concern begins to creep in regarding the strength of the global economy next year.
- Behind this is a shallower investment profile as well as a shaving of export predictions and industrial production. Household spending-related items, such as private consumption and retail sales, are higher though.
- Forecasts for inflation, the unemployment rate and most other variables depict a familiar pattern with price rises moving slowly back towards the ECB's target and economic growth slowly improving the labour market.

### Six Year Summary: Historical Data and Consensus Forecasts

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015f</u>	<u>2016f</u>
<b>Gross Domestic Product</b>	1.6	-0.7	-0.5	0.9	1.5	1.7
<b>Private Consumption</b>	0.2	-1.3	-0.7	1.0	1.7	1.6
<b>Government Consumption</b>	-0.2	-0.2	0.2	0.7	1.1	0.9
<b>Gross Fixed Investment</b>	1.5	-3.4	-2.4	1.2	1.9	2.9
<b>Change in Stocks (Inventories)<sup>1</sup></b>	0.3	-0.7	-0.1	-0.1	-0.1	0.0
<b>Goods and Services Exports</b>	6.6	2.4	2.0	3.8	4.7	4.5
<b>Goods and Services Imports</b>	4.3	-1.0	1.2	4.1	5.0	4.7
<b>Net Exports<sup>2</sup></b>	0.9	1.4	0.4	0.1	0.0	0.1
<b>Industrial Production (ex. construction)</b>	3.4	-2.4	-0.7	0.7	1.6	2.1
<b>Retail Sales Volume</b>	-0.7	-1.6	-0.8	1.3	2.3	1.9
<b>Unemployment Rate, % of labour force</b>	10.1	11.4	12.0	11.6	11.0	10.6
<b>Money Supply, M3, end period, % change</b>	1.6	3.5	1.0	1.9	2.8	1.0
<b>Harmonised Index of Consumer Prices</b>	2.7	2.5	1.4	0.4	0.1	1.1
<b>Producer Prices</b>	5.7	2.8	-0.2	-1.5	-1.7	0.9
<b>Nominal Labour Costs</b>	2.3	2.0	1.4	1.2	1.6	1.6
<b>Current Account Balance, annual total, €bn</b>	-16.3	138.3	198.4	305.9	283.6	283.6
<b>Current Account Balance, % of GDP</b>	-0.2	1.4	2.0	2.2	2.8	2.8
<b>General Govt Budget Balance, % of GDP</b>	-3.9	-3.4	-2.5	-2.4	-2.1	-1.8
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	1.36	0.19	0.29	0.08	-0.02	0.01
<b>10 Year German Bond Yield, % per annum</b>	1.83	1.32	1.94	0.54	0.80	1.40
<b>US\$ per € Exchange Rate</b>	1.294	1.318	1.378	1.210	1.096	1.074

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



The Euro Zone economic sentiment indicator registered a substantial increase in September, signifying the recovery is on track and perhaps lessening the prospect of additional policy easing. This comes in spite of worries over individual economies and the impact of weaker trends in emerging markets with China's economy slowing. Confidence among manufacturers picked up quite significantly after worsening in August when industrial production contracted. The services sector became even more buoyant than usual and the retail trade sector also registered improvement.

Overall, though, the picture remains rather blurry and is variable across the various member states. This is borne out by the latest euro area bank lending survey showing credit conditions easing in Italy, but tightening in France. The purchasing managers' index, a key indicator of manufacturing activity, fell in September to 53.6 from 54.3 in August, signalling slower growth, but is still above the 50 mark dividing expansion from contraction. The question now is whether the ECB may be tempted into more quantitative easing, not least because inflation is back into negative territory.

### Quarterly Forecasts and Historical Data

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

(% change year-on-year, unless otherwise stated)	<b>Q1'14</b>	<b>Q2'14</b>	<b>Q3'14</b>	<b>Q4'14</b>
<b>Gross Domestic Product</b>	1.1	0.8	0.8	0.9
<b>Private Consumption</b>	0.5	0.7	1.1	1.4
<b>Industrial Production</b>	1.3	0.8	0.5	0.3
<b>Harmonised Index of Consumer Prices</b>	0.7	0.6	0.4	0.2
<b>3 month Interest Rate, % per annum, end period</b>	0.31	0.21	0.08	0.08
<b>10 Year Bond Yield, % per annum, end period</b>	1.57	1.25	0.95	0.54
	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>	<b>Q4'15</b>
<b>Gross Domestic Product</b>	1.2	1.5	1.7	1.7
<b>Private Consumption</b>	1.7	1.9	1.8	1.6
<b>Industrial Production</b>	1.4	1.2	1.8	1.9
<b>Harmonised Index of Consumer Prices</b>	-0.3	0.2	0.1	0.6
<b>3 month Interest Rate, % per annum, end period</b>	0.02	-0.02	-0.04	-0.02
<b>10 Year Bond Yield, % per annum, end period</b>	0.16	0.76	0.70	0.80
	<b>Q1'16</b>	<b>Q2'16</b>	<b>Q3'16</b>	<b>Q4'16</b>
<b>Gross Domestic Product</b>	1.6	1.7	1.7	1.7
<b>Private Consumption</b>	1.6	1.6	1.6	1.6
<b>Industrial Production</b>	1.4	2.0	2.0	2.0
<b>Harmonised Index of Consumer Prices</b>	1.0	0.8	1.2	1.4
<b>3 month Interest Rate, % per annum, end period</b>	-0.02	-0.02	-0.01	0.01
<b>10 Year Bond Yield, % per annum, end period</b>	0.92	1.07	1.23	1.40

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

## Euro Zone - Forecasts for 2015

<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>								
Allianz SE	1.5	1.8	1.2	2.0	na	4.7	4.9	na
BBVA	1.5	1.7	0.8	1.9	0.0	4.4	4.8	0.0
BNP Paribas	1.6	1.8	1.2	1.9	-0.2	5.0	5.2	na
Commerzbank	1.5	1.8	1.4	2.0	na	4.9	5.4	0.0
Danske Bank	1.4	1.6	1.2	1.5	0.0	4.8	4.9	na
DZ Bank	1.5	1.6	1.1	1.8	na	4.9	4.9	na
Econ Intelligence Unit	1.5	1.7	1.1	1.3	na	4.7	4.9	0.1
ETLA	1.5	1.7	1.5	1.7	na	5.4	5.5	na
G&P Institutional Mgmt	1.6	1.9	1.3	3.2	-0.3	4.6	5.1	0.0
HSBC	1.5	1.8	1.4	2.0	0.0	4.6	4.9	na
IHS Economics	1.6	1.7	1.2	2.2	na	5.0	5.0	0.1
J P Morgan Chase	1.5	1.9	1.3	1.7	-0.1	4.4	4.7	0.0
Morgan Stanley	1.3	1.7	1.0	2.0	-0.1	4.9	5.0	-0.2
Nordea	1.3	1.7	0.6	1.9	na	3.9	4.7	-0.1
Nykredit	1.6	na	na	na	na	na	na	na
Oxford Economics	1.5	1.8	1.1	1.6	-0.2	4.7	4.7	0.2
Raiffeisen Bank Intl	1.4	1.8	1.2	1.9	na	5.0	5.2	na
Santander	1.5	1.8	1.1	2.1	na	4.8	5.0	0.1
SEB	1.5	1.7	0.5	1.8	0.0	4.3	4.3	na
UBS	1.4	1.7	1.1	1.6	-0.1	4.1	4.7	-0.1
UniCredit Bank	1.6	1.7	1.3	2.1	-0.2	5.1	5.3	0.1
<b>Consensus (Mean)</b>	<b>1.5</b>	<b>1.7</b>	<b>1.1</b>	<b>1.9</b>	<b>-0.1</b>	<b>4.7</b>	<b>5.0</b>	<b>0.0</b>
Last Month	1.5	1.7	1.1	2.0	-0.1	4.5	4.9	0.0
2 Months Ago	1.5	1.7	0.9	1.9	-0.1	4.3	4.7	0.0
Median	1.5	1.7	1.2	1.9	-0.1	4.8	4.9	0.0
High	1.6	1.9	1.5	3.2	0.0	5.4	5.5	0.2
Low	1.3	1.6	0.5	1.3	-0.3	3.9	4.3	-0.2
Standard Deviation	0.1	0.1	0.3	0.4	0.1	0.4	0.3	0.1
Number of Forecasts	21	20	20	20	11	20	20	12
<b>Other Forecasts</b>								
ECB (Sep. '15)	1.4	1.7	0.7	2.1	na	4.5	4.7	na
EC (May '15)	1.5	1.8	0.6	1.7	-0.1	4.4	4.6	0.1
IMF (October '15)	1.5	1.8	1.0	2.1	-0.2	na	na	0.1
OECD (June '15)	1.4	1.8	0.7	2.0	-0.1	na	na	0.0

## Euro Zone - Forecasts for 2015

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	<b>Industrial Production</b> <i>(excl. construction)</i>	<b>Retail Sales Volume</b>	<b>Unem- ploy- ment Rate</b> <i>(% of labour force)</i>	<b>Money Supply, M3</b> <i>(end period, %)</i>	<b>Con- sumer Prices</b> <i>(HICP)</i>	<b>Pro- ducer Prices</b> <i>(indust., excl. construction)</i>	<b>Labour Costs</b> <i>(business sector, ex pub adm, education &amp; health)</i>	<b>Current Account Balance</b> <i>(annual total, €bn)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>
<b>Panellists</b>										
Allianz SE	1.5	na	11.0	na	0.1	-2.2	na	274.1	2.7	-2.0
BBVA	na	na	11.0	na	0.3	na	na	na	2.6	-2.2
BNP Paribas	1.4	na	11.0	na	0.1	-1.3	na	310.0	3.0	-2.1
Commerzbank	1.5	na	11.0	na	0.1	-1.3	1.4	300.0	2.9	-2.0
Danske Bank	na	na	11.1	na	0.1	na	na	na	2.6	-2.1
DZ Bank	na	na	11.1	na	na	na	na	na	3.5	-2.3
Econ Intelligence Unit	1.6	na	10.9	na	0.1	-2.0	na	316.5	3.1	-2.2
ETLA	1.6	na	11.2	na	0.2	na	na	na	na	na
G&P Institutional Mgmt	na	na	11.0	na	0.0	na	na	na	na	-2.2
HSBC	2.1	na	11.0	na	0.0	na	1.8	na	2.3	-2.3
IHS Economics	1.6	2.3	11.0	na	0.1	-1.9	1.7	280.0	2.7	-2.1
J P Morgan Chase	1.5	na	11.1	na	0.1	na	na	na	2.9	-2.1
Morgan Stanley	na	na	11.0	na	0.1	na	na	275.9	2.8	-2.0
Nordea	na	na	11.1	na	0.1	na	na	na	3.5	-2.0
Nykredit	na	na	na	na	0.1	na	na	na	na	na
Oxford Economics	1.1	2.2	11.0	na	0.1	-1.8	na	307.1	3.0	-2.1
Raiffeisen Bank Intl	1.6	na	11.0	na	0.1	na	na	247.2	2.4	-2.0
Santander	na	na	11.1	na	0.1	na	na	241.3	2.4	-2.0
SEB	na	na	11.1	na	0.0	na	na	na	na	-2.1
UBS	na	na	10.9	2.8	0.1	-1.5	na	na	2.4	-2.0
UniCredit Bank	na	na	11.1	na	0.1	na	na	na	3.5	-2.0
<b>Consensus (Mean)</b>	<b>1.6</b>	<b>2.3</b>	<b>11.0</b>	<b>2.8</b>	<b>0.1</b>	<b>-1.7</b>	<b>1.6</b>	<b>283.6</b>	<b>2.8</b>	<b>-2.1</b>
Last Month	1.7	2.3	11.0	4.0	0.2	-1.7	1.5	288.9	2.8	-2.1
2 Months Ago	1.8	2.2	11.0	1.0	0.2	-1.6	1.5	280.0	2.8	-2.1
Median	1.6	2.3	11.0	2.8	0.1	-1.8	1.7	280.0	2.8	-2.1
High	2.1	2.3	11.2	2.8	0.3	-1.3	1.8	316.5	3.5	-2.0
Low	1.1	2.2	10.9	2.8	0.0	-2.2	1.4	241.3	2.3	-2.3
Standard Deviation	0.2	0.1	0.1	na	0.1	0.4	0.2	27.1	0.4	0.1
Number of Forecasts	10	2	20	1	20	7	3	9	17	19
<b>Other Forecasts</b>										
ECB (Sep. '15)	na	na	11.0	na	0.1	na	na	na	3.0	-2.1
EC (May '15)	na	na	11.0	na	-0.1	na	na	358.5	3.7	-2.2
IMF (October '15)	na	na	11.0	na	0.2	na	na	na	3.2	na
OECD (June '15)	na	na	11.1	na	0.0	na	na	na	3.9	-2.1

## Euro Zone - Forecasts for 2016

<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>								
Allianz SE	1.7	1.5	1.2	2.8	na	4.3	4.5	na
BBVA	1.9	1.7	0.8	3.9	0.0	5.1	5.6	0.0
BNP Paribas	1.5	1.3	0.7	2.5	0.1	4.5	4.6	na
Commerzbank	1.3	1.8	1.3	2.3	na	4.0	5.7	-0.6
Danske Bank	1.7	1.1	0.7	3.7	0.0	4.2	4.1	na
DZ Bank	1.4	1.2	0.7	1.9	na	4.7	4.4	na
Econ Intelligence Unit	1.7	1.3	1.0	2.9	na	4.6	4.5	0.3
ETLA	1.8	1.6	1.4	2.4	na	5.3	5.4	na
G&P Institutional Mgmt	1.9	1.5	1.5	3.6	0.0	5.3	5.7	0.1
HSBC	1.4	1.4	1.6	1.9	0.0	3.2	3.7	na
IHS Economics	1.7	1.6	0.9	2.2	na	3.8	3.6	0.2
J P Morgan Chase	1.9	2.1	1.2	1.7	0.1	3.3	3.7	0.0
Morgan Stanley	1.9	1.6	0.7	3.7	-0.2	5.2	4.8	0.3
Nordea	1.6	1.7	0.4	4.0	na	4.4	5.3	-0.2
Nykredit	2.1	na	na	na	na	na	na	na
Oxford Economics	1.8	1.6	0.8	2.5	0.2	3.9	3.9	0.1
Raiffeisen Bank Intl	1.9	1.9	0.8	2.9	na	5.1	5.3	na
Santander	1.8	1.5	0.3	3.5	na	4.4	4.4	0.2
SEB	2.0	2.0	0.5	3.0	0.0	4.6	4.4	na
UBS	1.9	1.7	0.7	3.5	-0.1	4.8	4.8	0.2
UniCredit Bank	1.8	1.5	1.3	3.1	0.1	4.8	5.4	0.0
<b>Consensus (Mean)</b>	<b>1.7</b>	<b>1.6</b>	<b>0.9</b>	<b>2.9</b>	<b>0.0</b>	<b>4.5</b>	<b>4.7</b>	<b>0.1</b>
Last Month	1.8	1.5	0.8	3.1	0.0	4.7	4.8	0.1
2 Months Ago	1.8	1.5	0.8	3.2	0.0	4.7	4.8	0.1
Median	1.8	1.6	0.8	2.9	0.0	4.6	4.6	0.1
High	2.1	2.1	1.6	4.0	0.2	5.3	5.7	0.3
Low	1.3	1.1	0.3	1.7	-0.2	3.2	3.6	-0.6
Standard Deviation	0.2	0.3	0.4	0.7	0.1	0.6	0.7	0.3
Number of Forecasts	21	20	20	20	11	20	20	12
<b>Other Forecasts</b>								
ECB (Sep. '15)	1.7	1.7	0.8	3.4	na	4.9	5.4	na
EC (May '15)	1.9	1.6	0.8	4.0	0.0	5.4	5.9	0.0
IMF (October '15)	1.6	1.5	0.6	2.6	0.0	na	na	0.2
OECD (June '15)	2.1	1.8	0.4	3.5	0.0	na	na	0.3

## Euro Zone - Forecasts for 2016

<b>Other Indicators</b> <i>average % change from previous year unless otherwise noted</i>	<b>Industrial Production</b> <i>(excl. construction)</i>	<b>Retail Sales Volume</b>	<b>Unem- ploy- ment Rate</b> <i>(% of labour force)</i>	<b>Money Supply, M3</b> <i>(end period, %)</i>	<b>Con- sumer Prices</b> <i>(HICP)</i>	<b>Pro- ducer Prices</b> <i>(indust., excl. construction)</i>	<b>Labour Costs</b> <i>(business sector, ex pub adm, education &amp; health)</i>	<b>Current Account Balance</b> <i>(annual total, €bn)</i>	<b>Current Account Balance</b> <i>(% of GDP)</i>	<b>General Govt. Balance</b> <i>(% of GDP)</i>
<b>Panellists</b>										
Allianz SE	2.0	na	10.5	na	1.2	1.2	na	245.0	2.3	-1.8
BBVA	na	na	10.4	na	1.3	na	na	na	2.5	-1.8
BNP Paribas	1.1	na	10.5	na	1.0	1.2	na	305.0	2.8	-1.8
Commerzbank	2.0	na	10.6	na	1.2	0.8	1.6	280.0	2.6	-1.8
Danske Bank	na	na	10.6	na	1.2	na	na	na	2.5	-1.7
DZ Bank	na	na	10.6	na	na	na	na	na	3.3	-2.0
Econ Intelligence Unit	2.0	na	10.5	na	1.2	1.3	na	327.5	3.1	-1.9
ETLA	1.9	na	10.6	na	1.3	na	na	na	na	na
G&P Institutional Mgmt	na	na	10.3	na	0.6	na	na	na	na	-1.9
HSBC	2.4	na	10.6	na	0.6	na	1.5	na	2.2	-2.2
IHS Economics	2.1	2.2	10.5	na	1.1	-1.0	1.8	270.0	2.6	-1.8
J P Morgan Chase	2.5	na	10.5	na	0.9	na	na	na	3.4	-1.8
Morgan Stanley	na	na	10.5	na	1.3	na	na	244.3	2.4	-1.7
Nordea	na	na	10.5	na	1.1	na	na	na	3.4	-1.7
Nykredit	na	na	na	na	1.0	na	na	na	na	na
Oxford Economics	1.9	1.6	10.6	na	1.2	1.1	na	353.7	3.3	-1.8
Raiffeisen Bank Intl	2.7	na	10.7	na	1.4	na	na	254.6	2.4	-1.7
Santander	na	na	10.7	na	1.1	na	na	272.0	2.7	-1.5
SEB	na	na	10.7	na	0.7	na	na	na	na	-1.8
UBS	na	na	10.5	1.0	1.1	1.4	na	na	2.3	-1.7
UniCredit Bank	na	na	10.7	na	1.1	na	na	na	3.4	-1.7
<b>Consensus (Mean)</b>	<b>2.1</b>	<b>1.9</b>	<b>10.6</b>	<b>1.0</b>	<b>1.1</b>	<b>0.9</b>	<b>1.6</b>	<b>283.6</b>	<b>2.8</b>	<b>-1.8</b>
Last Month	2.4	1.8	10.5	2.7	1.1	1.3	1.6	278.5	2.7	-1.7
2 Months Ago	2.5	1.8	10.6	1.0	1.2	1.4	1.6	270.0	2.7	-1.8
Median	2.0	1.9	10.6	1.0	1.1	1.2	1.6	272.0	2.6	-1.8
High	2.7	2.2	10.7	1.0	1.4	1.4	1.8	353.7	3.4	-1.5
Low	1.1	1.6	10.3	1.0	0.6	-1.0	1.5	244.3	2.2	-2.2
Standard Deviation	0.4	0.4	0.1	na	0.2	0.8	0.2	37.9	0.4	0.1
Number of Forecasts	10	2	20	1	20	7	3	9	17	19
<b>Other Forecasts</b>										
ECB (Sep. '15)	na	na	10.6	na	1.1	na	na	na	2.9	-2.0
EC (May '15)	na	na	10.5	na	1.3	na	na	359.3	3.6	-1.9
IMF (October '15)	na	na	10.5	na	1.0	na	na	na	3.0	na
OECD (June '15)	na	na	10.5	na	1.3	na	na	na	4.1	-1.4

<b>Financial Forecasts</b>			
<i>All forecasts are for end year</i>		<b>2015</b>	<b>2016</b>
<b>3-month Euribor Interest Rate, %</b>	<b>Mean Average</b>	<b>-0.02</b>	<b>0.01</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">-0.05</span>	High	0.08	0.30
	Low	-0.08	-0.12
	Standard deviation	0.04	0.10
	Number of Forecasts	16	16
<b>10-year Benchmark German Bond Yield, %</b>	<b>Mean Average</b>	<b>0.80</b>	<b>1.40</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.56</span>	High	1.38	2.21
	Low	0.40	0.70
	Standard deviation	0.25	0.44
	Number of Forecasts	10	10
<b>US Dollars/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.096</b>	<b>1.074</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.137</span>	High	1.140	1.200
	Low	1.050	1.000
	Standard deviation	0.024	0.056
	Number of Forecasts	24	24
<b>Japanese Yen/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>135.2</b>	<b>136.1</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">135.7</span>	High	143.0	150.0
	Low	131.0	125.0
	Standard deviation	3.4	7.1
	Number of Forecasts	11	11
<b>UK Pound/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>0.715</b>	<b>0.712</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">0.737</span>	High	0.734	0.800
	Low	0.670	0.650
	Standard deviation	0.018	0.039
	Number of Forecasts	13	13
<b>Swedish Krona/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>9.337</b>	<b>9.117</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">9.362</span>	High	9.650	9.800
	Low	8.984	8.390
	Standard deviation	0.203	0.392
	Number of Forecasts	19	18
<b>Swiss Franc/Euro Exchange Rate</b>	<b>Mean Average</b>	<b>1.086</b>	<b>1.093</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">1.084</span>	High	1.167	1.160
	Low	0.950	0.950
	Standard deviation	0.056	0.069
	Number of Forecasts	10	10
<b>Oil Prices, Brent Blend, US\$ per barrel</b>	<b>Mean Average</b>	<b>51.8</b>	<b>57.4</b>
Rate on Survey Date: <span style="border: 1px solid black; padding: 2px;">48.8</span>	High	56.0	65.0
	Low	45.0	45.0
	Standard deviation	3.7	5.5
	Number of Forecasts	18	18

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



### Interest Rate Data

All data are period averages

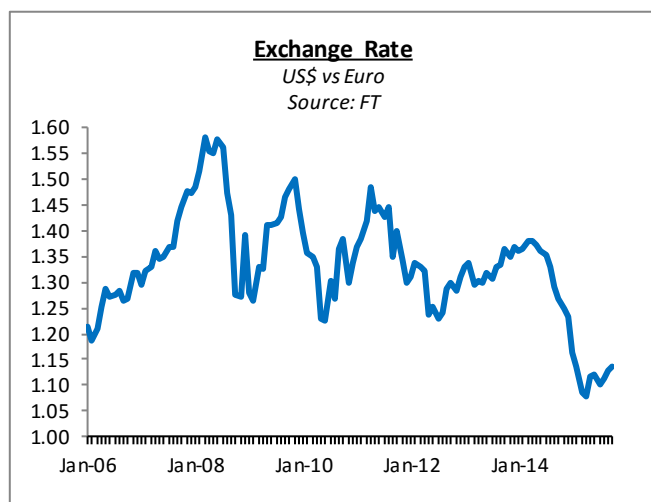
<u>Euro Zone Money Market Rates, %</u>	<u>Mar '15</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Overnight	-0.05	-0.07	-0.11	-0.12	-0.12	-0.12
1-month	-0.01	-0.03	-0.05	-0.06	-0.07	-0.09
3-month	0.03	0.00	-0.01	-0.01	-0.02	-0.03
6-month	0.10	0.07	0.06	0.05	0.05	0.04
12-month	0.21	0.18	0.17	0.16	0.17	0.16
10-year bond yields	0.96	0.85	1.34	1.67	1.53	1.39
<u>10-year less 1-year Spreads, %</u>						
Euro Zone	0.51	0.68	0.85	1.21	1.02	1.09
United States	1.69	1.81	1.87	2.09	1.87	1.84
United Kingdom	1.19	1.39	1.32	1.52	1.35	1.46
<u>3-month LIBOR rates, %</u>						
United States	0.27	0.28	0.28	0.28	0.29	0.32
United Kingdom	0.10	0.10	0.10	0.10	0.10	0.09

### Exchange Rate Data

period averages vs euro

	<u>Mar '15</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
<b>Trade Weighted Nominal Index *</b> (1999 Q1=100)	90.6	89.7	91.6	92.3	91.3	93.0
Chinese renminbi	6.762	6.686	6.916	6.959	6.827	7.063
Croatian kuna	7.647	7.590	7.559	7.572	7.586	7.558
Czech koruna	27.38	27.44	27.40	27.31	27.09	27.04
Danish krone	7.459	7.466	7.461	7.460	7.462	7.463
Hungarian forint	303.4	299.4	306.3	312.0	311.5	311.6
Japanese yen	130.4	128.9	134.7	138.7	135.7	137.1
Polish zloty	4.126	4.018	4.081	4.159	4.152	4.195
Romanian leu	4.434	4.416	4.448	4.467	4.439	4.424
Swedish krona	9.245	9.325	9.304	9.272	9.386	9.515
Swiss franc	1.061	1.038	1.039	1.045	1.049	1.078
UK pound	0.724	0.721	0.721	0.721	0.707	0.714
US dollar	1.084	1.078	1.115	1.121	1.100	1.114

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



The financial markets have taken the view the ECB will refrain from additional quantitative easing at its meeting this week in Malta, in the belief the latest data show the economy performing much as expected, and the banks are lending more to achieve that aim. The euro has certainly bounced up in recent months, albeit unevenly, partially retracing the substantial depreciation stemming from the ECB's aggressive monetary easing. However the euro zone is still not on a firm footing, with the region vulnerable to global winds blowing cold. Additionally, the return of mild deflation might tempt the ECB into more aggressive measures at some point to ensure its inflation target is met.

## ECB Watch

- Financial markets have become preoccupied with the question of whether the ECB will expand on its quantitative easing (bond-purchase) programme, which Mario Draghi has already intimated could be extended beyond September 2016 in its current guise.
- Evidence is emerging the programme is working to ease credit standards at commercial banks. Some €60 billion worth of liquidity is being pumped into the euro area each month, but this is mainly keeping sovereign borrowing costs down. The effects on the real economy are from clear, and with growth still sluggish and inflation non-existent the Bank may be tempted to expand on the programme if not now, certainly by the end of the year.

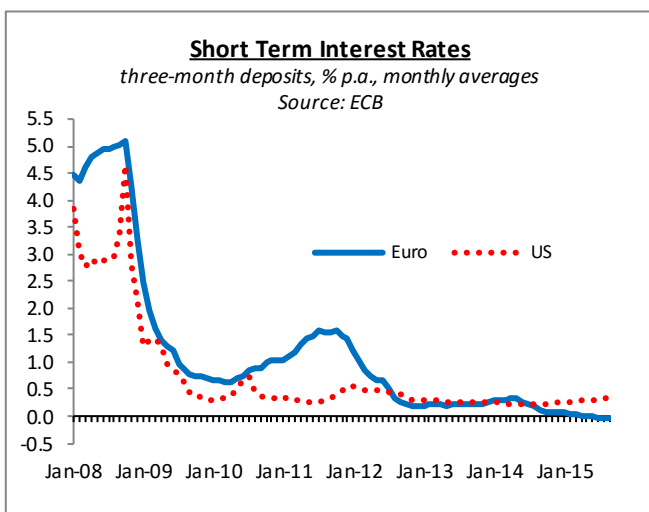
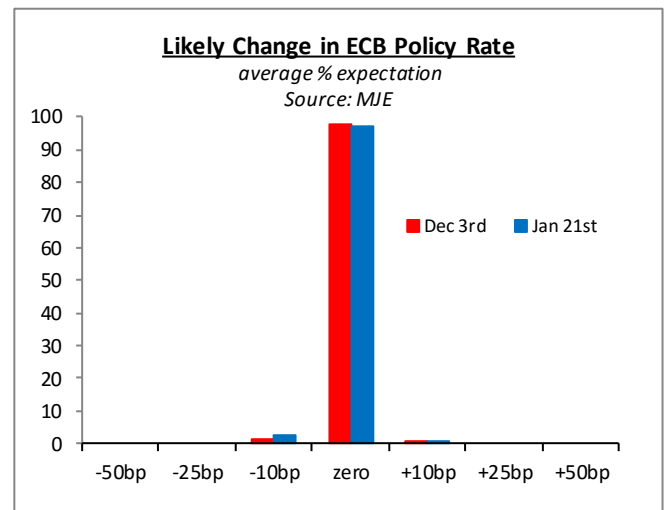
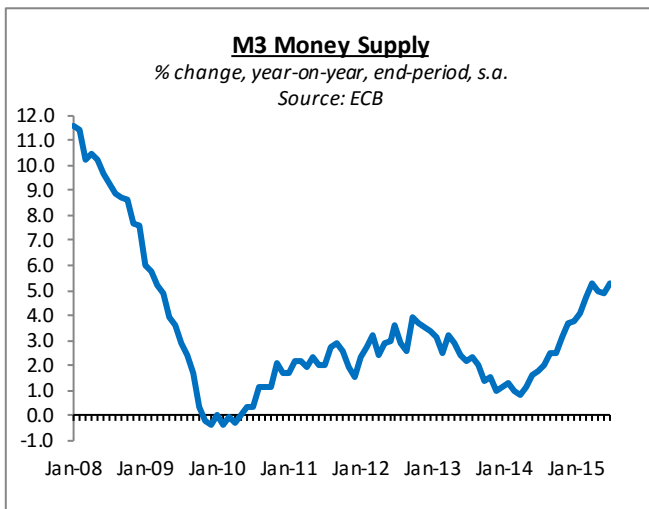
### Euro Zone Barometer

#### 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:

	<b>Dec 3rd</b>	<b>Jan 21st</b>
-50bp	0.0%	0.0%
-25bp	0.0%	0.0%
-10bp	1.5%	2.5%
<b>Unchanged</b>	<b>98.0%</b>	<b>97.0%</b>
+10bp	0.5%	0.5%
+25bp	0.0%	0.0%
+50bp	0.0%	0.0%

Source: MJE



#### Last Five ECB Interest Rate Changes:

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

### Long Term Forecasts

Forecasts for 2017 to 2019 are taken from our October 2015 long term forecasts survey

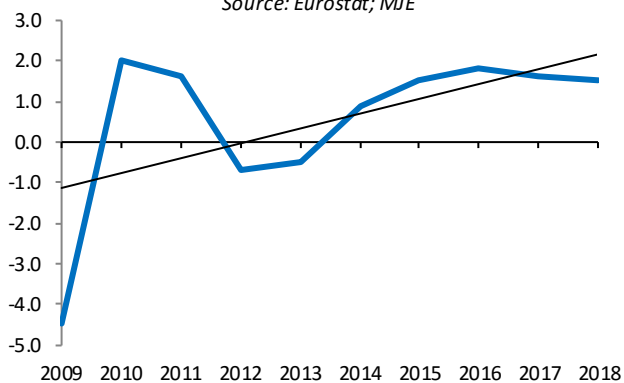
(% change year-on-year, unless otherwise stated)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Gross Domestic Product</b>	0.9	1.5	1.7	1.8	1.5	1.4
<b>Private Consumption</b>	1.0	1.7	1.6	1.5	1.3	1.3
<b>Gross Fixed Investment</b>	1.2	1.9	2.9	2.9	2.5	2.4
<b>Industrial Production (excl. construction)</b>	0.7	1.6	2.1	1.9	1.9	1.8
<b>Unemployment Rate, % of labour force</b>	11.6	11.0	10.6	10.2	9.8	9.5
<b>Harmonised Index of Consumer Prices</b>	0.4	0.1	1.1	1.5	1.7	1.8
<b>Current Account, annual total, % of GDP</b>	2.2	2.8	2.8	2.6	2.2	1.9
<b>General Government Balance, % of GDP</b>	-2.4	-2.1	-1.8	-1.5	-1.2	-1.1
<b><u>Financial Indicators (end period)</u></b>						
<b>3 Month Interest Rate, % per annum</b>	0.08	-0.02	0.01	0.30	0.93	1.43
<b>10 Year Bond Yield, % per annum</b>	0.54	0.80	1.40	1.57	2.00	2.30
<b>10 year - 3 month Yield Differential</b>	0.46	0.82	1.39	1.27	1.06	0.86
<b>US\$ per € Exchange Rate</b>	1.210	1.096	1.074	1.132	1.162	1.207

#### Long Term Growth Trend

Real GDP, % change, year-on-year

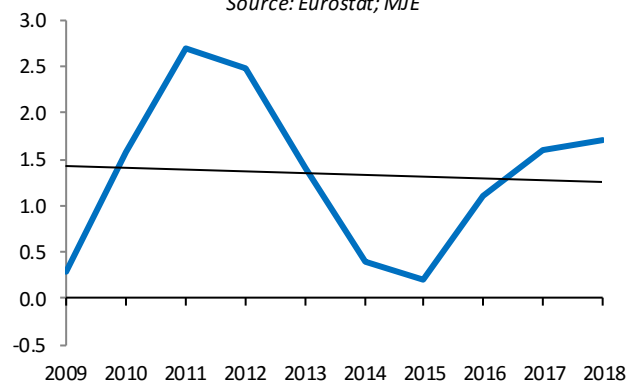
Source: Eurostat; MJE



#### Long Term Inflation Trend

HICP, % change, year-on-year

Source: Eurostat; MJE



## GERMANY - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	1.7	2.1	na	1.7	4.7	0.2	8.0	0.9	na
BBVA	1.5	2.0	1.9	na	na	0.5	7.7	0.3	na
BNP Paribas	1.6	1.9	2.4	1.6	na	0.2	8.4	0.7	70.9
Danske Bank	1.3	1.8	1.5	na	4.7	0.2	7.9	0.6	71.5
DZ Bank	1.8	1.8	3.0	na	na	0.1	8.3	0.6	71.0
Economist Intelligence Unit	1.6	1.8	2.1	1.2	4.8	0.1	8.2	0.9	71.7
G&P Institutional Mgmt	1.6	1.8	2.0	na	4.7	0.1	na	0.7	na
HSBC	1.5	1.8	2.0	1.3	na	0.2	7.6	0.3	71.3
IHS Economics	1.7	1.9	2.4	1.7	4.7	0.2	8.5	0.6	72.0
J P Morgan Chase	1.5	na	na	na	na	0.2	na	na	na
Oxford Economics	1.6	2.0	2.0	1.3	4.7	0.2	8.3	0.5	na
Raiffeisen Bank International	1.6	1.8	2.3	na	na	0.4	7.7	0.5	71.5
Santander	1.6	1.8	2.1	1.3	4.9	0.3	7.6	0.5	71.0
SEB	1.7	na	na	na	4.7	0.2	na	na	na
UBS	1.5	2.0	1.2	1.4	na	0.3	8.1	0.6	71.4
UniCredit Bank	1.9	1.8	2.2	1.0	4.8	0.3	8.0	0.2	72.8
<b>Consensus (Mean Average)</b>	<b>1.6</b>	<b>1.9</b>	<b>2.1</b>	<b>1.4</b>	<b>4.7</b>	<b>0.2</b>	<b>8.0</b>	<b>0.6</b>	<b>71.5</b>
Last Month	1.7	2.0	2.2	1.9	4.7	0.3	7.7	0.5	71.9
2 Months Ago	1.7	2.1	2.3	2.1	4.8	0.4	7.7	0.4	72.0
Median	1.6	1.8	2.1	1.3	4.7	0.2	8.0	0.6	71.5
High	1.9	2.1	3.0	1.7	4.9	0.5	8.5	0.9	72.8
Low	1.3	1.8	1.2	1.0	4.7	0.1	7.6	0.2	70.9
Standard Deviation	0.1	0.1	0.4	0.2	0.1	0.1	0.3	0.2	0.6
Number of Forecasts	16	14	13	9	9	16	13	14	10
<b>Other Forecasts</b>									
EC (May '15)	1.9	2.4	2.1	na	4.6	0.3	7.9	0.6	71.5
IMF (October '15)	1.5	1.8	1.9	na	4.7	0.2	8.5	na	na
OECD (June '15)	1.6	2.3	2.5	na	4.7	0.2	8.5	0.5	71.0

- Confidence in the German economy appeared to improve in September compared to August, signalling that growth prospects are still favourable, if a little tarnished by recent events.
- The unprecedented migrant crisis and the problems at Volkswagen, one of Germany's main exporters, have come at a difficult juncture given the uncertainty over China's strengths and the fortunes of other emerging markets which are rattling consumer confidence.
- Exports fell by 5% in August, and with factory orders weakened the toning down of our panel's growth forecasts provides a symbolic resumé of Germany's present predicament now tarnishing Angela Merkel's hitherto undimmed popularity.
- Additional public spending to cope with the influx of immigrants may go some way towards mitigating the export revenue loss without particularly damaging a budget which is usually carefully kept close to balance.

## GERMANY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
Allianz SE	2.0	1.8	na	2.1	4.7	1.3	7.2	0.4	na
BBVA	1.9	1.8	3.8	na	na	1.4	7.2	0.1	na
BNP Paribas	1.6	1.2	3.9	2.0	na	1.2	8.3	0.5	68.1
Danske Bank	2.1	1.6	4.7	na	4.6	1.5	7.7	0.5	68.2
DZ Bank	1.6	1.3	2.8	na	na	1.0	8.1	0.4	69.0
Economist Intelligence Unit	1.8	0.6	3.2	1.9	4.7	1.4	7.7	0.8	69.6
G&P Institutional Mgmt	1.7	1.9	2.0	na	4.6	0.7	na	0.2	na
HSBC	1.4	1.3	2.1	3.2	na	1.4	7.4	0.3	68.6
IHS Economics	2.1	1.9	3.1	2.5	4.6	1.5	7.8	0.3	69.0
J P Morgan Chase	1.9	na	na	na	na	1.1	na	na	na
Oxford Economics	2.3	1.9	3.6	1.6	4.7	1.4	7.9	-0.1	na
Raiffeisen Bank International	2.2	1.3	2.9	na	na	2.1	7.5	0.5	68.2
Santander	1.7	1.2	2.9	1.6	5.0	1.4	7.1	0.3	68.5
SEB	2.1	na	na	na	4.6	1.2	na	na	na
UBS	2.1	1.6	5.1	2.2	na	1.3	8.3	0.5	68.2
UniCredit Bank	2.1	1.6	2.3	1.2	4.5	1.7	7.5	0.2	70.5
<b>Consensus (Mean Average)</b>	<b>1.9</b>	<b>1.5</b>	<b>3.3</b>	<b>2.0</b>	<b>4.7</b>	<b>1.4</b>	<b>7.7</b>	<b>0.4</b>	<b>68.8</b>
Last Month	2.0	1.5	3.2	2.5	4.6	1.5	7.4	0.4	69.2
2 Months Ago	2.0	1.6	3.4	2.8	4.7	1.6	7.3	0.4	69.2
Median	2.0	1.6	3.1	2.0	4.6	1.4	7.7	0.4	68.6
High	2.3	1.9	5.1	3.2	5.0	2.1	8.3	0.8	70.5
Low	1.4	0.6	2.0	1.2	4.5	0.7	7.1	-0.1	68.1
Standard Deviation	0.3	0.4	0.9	0.6	0.1	0.3	0.4	0.2	0.8
Number of Forecasts	16	14	13	9	9	16	13	14	10
<b>Other Forecasts</b>									
EC (May '15)	2.0	1.8	4.4	na	4.4	1.8	7.7	0.5	68.2
IMF (October '15)	1.6	1.4	1.9	na	4.7	1.2	8.0	na	na
OECD (June '15)	2.3	2.0	4.3	na	4.5	1.8	8.3	1.1	67.2

### Germany: Historical Data

<i>% change, year-on-year</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Gross Domestic Product</b>	3.7	0.6	0.2	1.6
<b>Private Consumption</b>	1.7	0.7	0.9	1.0
<b>Gross Fixed Investment</b>	6.2	-1.9	-0.4	3.5
<b>Industrial Production</b>	7.7	-0.3	0.1	1.3
<b>Unemploy. Rate, % of L.F.</b>	5.9	5.5	5.3	5.0
<b>Consumer Prices</b>	2.5	2.1	1.6	0.8
<b>Current Acc., % of GDP</b>	6.3	7.0	6.9	7.5
<b>Budget Bal., % of GDP</b>	-0.9	0.1	0.1	0.3
<b>Public Debt, % of GDP</b>	77.9	79.3	77.1	74.7

Source: ECB; Eurostat; national statistical office

### Germany: Background Information

<b>Prime Minister:</b>	Angela Merkel
<b>Government:</b>	CDU/CSU and SPD coalition
<b>Next Election:</b>	2017 (parliamentary)
<b>Capital City:</b>	Berlin
<b>Economic Freedom:</b>	16th out of 178 countries
<b>Doing Business:</b>	14th out of 189 countries
<b>Competitiveness:</b>	5th out of 144 countries
<b>Corruption:</b>	12th out of 175 countries
<b>Corporate Tax Rate:</b>	15.0% (national rate) 14.0-17.0% (local rate) 15.0% (branch rate)

Note: 5.5% solidarity rate and municipal rates also levied.

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

## FRANCE - Forecasts for 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.3	1.9	-0.3	na	na	0.3	-0.9	-3.6	na
BNP Paribas	1.1	1.8	-0.8	1.2	10.3	0.1	0.1	-3.8	97.1
Danske Bank	0.9	1.7	-0.7	na	10.3	0.2	-0.9	-3.8	96.4
DZ Bank	1.0	1.5	-0.6	na	10.4	0.0	-0.5	-4.1	97.3
Economist Intelligence Unit	1.0	1.8	-0.8	1.2	9.9	0.2	-0.7	-4.2	98.0
G&P Institutional Mgmt	1.2	1.6	-0.4	na	10.6	0.0	na	-3.8	na
HSBC	1.1	1.8	-0.6	1.0	10.3	0.2	-0.5	-3.9	96.9
IHS Economics	1.1	1.6	-0.5	0.8	9.8	0.1	-0.6	-3.7	97.9
J P Morgan Chase	1.1	na	na	na	na	0.2	na	na	na
Oxford Economics	1.1	1.6	-0.6	1.1	10.4	0.3	0.3	-3.8	na
Raiffeisen Bank International	1.0	na	na	na	na	0.2	-0.5	-3.8	96.4
SEB	1.2	na	na	na	10.3	0.0	na	na	na
UBS	1.1	1.8	-0.5	1.3	na	0.2	-0.7	-3.8	96.4
UniCredit Bank	1.1	1.6	-0.5	na	10.1	na	-0.3	-3.8	97.0
<b>Consensus (Mean Average)</b>	<b>1.1</b>	<b>1.7</b>	<b>-0.6</b>	<b>1.1</b>	<b>10.2</b>	<b>0.2</b>	<b>-0.5</b>	<b>-3.8</b>	<b>97.0</b>
Last Month	1.1	1.8	-0.4	1.6	10.2	0.2	-0.7	-3.9	97.4
2 Months Ago	1.1	1.7	-0.3	1.6	10.3	0.3	-0.8	-3.9	97.5
Median	1.1	1.7	-0.6	1.2	10.3	0.2	-0.5	-3.8	97.0
High	1.3	1.9	-0.3	1.3	10.6	0.3	0.3	-3.6	98.0
Low	0.9	1.5	-0.8	0.8	9.8	0.0	-0.9	-4.2	96.4
Standard Deviation	0.1	0.1	0.2	0.2	0.2	0.1	0.4	0.2	0.6
Number of Forecasts	14	11	11	6	10	13	11	12	9
<b>Other Forecasts</b>									
EC (May '15)	1.1	1.6	-0.6	na	10.3	0.0	-0.9	-3.8	96.4
IMF (October '15)	1.2	1.8	-0.4	na	10.2	0.1	-0.2	na	na
OECD (June '15)	1.1	1.6	-0.6	na	10.5	0.1	-0.5	-3.8	97.0

- Economic sentiment has picked up in France, but not as forcefully as in other countries, which is borne out by the euro area bank lending survey indicating it is bucking the trend with a tightening of credit standards.
- Still, any signs of recovery are encouraging for one of the euro zone's more sluggish economies, and the fact there has been any improvement in manufacturing production, retail sales and the purchasing managers' survey is providing welcome signs of better fortunes.
- That the country needs to find the recipe for sustained growth is clear from the labour market trend. The unemployment rate increased to 10.8% in August, and to 24.5% for those aged under 25. This will keep social tensions high in a country riven by anti-government, anti-immigrant feeling which is still bolstering support for the far-right.
- Declining services and energy costs caused the consumer price index to fall between August and September, keeping y/y inflation stable at zero.

## FRANCE - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consumption</b>	<b>Gross Fixed Investment</b>	<b>Industrial Production (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.7	1.4	3.3	na	na	1.2	-0.8	-3.0	na
BNP Paribas	1.4	1.4	0.8	1.8	10.2	0.9	-0.1	-3.4	98.0
Danske Bank	1.0	0.9	2.8	na	10.1	1.0	-1.2	-3.7	97.1
DZ Bank	1.3	1.0	1.4	na	10.1	0.5	-1.2	-3.8	98.5
Economist Intelligence Unit	1.3	1.6	1.0	1.5	9.3	1.0	-0.7	-3.6	99.0
G&P Institutional Mgmt	1.6	1.6	1.7	na	10.0	0.3	na	-3.5	na
HSBC	1.1	1.1	1.4	1.2	10.4	0.9	-1.1	-3.7	98.0
IHS Economics	1.3	1.4	1.7	0.9	9.5	1.0	-0.8	-3.3	98.1
J P Morgan Chase	1.5	na	na	na	na	1.1	na	na	na
Oxford Economics	1.5	1.5	1.5	1.7	10.3	1.5	0.8	-3.5	na
Raiffeisen Bank International	1.5	na	na	na	na	1.1	-0.5	-3.5	97.0
SEB	1.5	na	na	na	10.2	0.5	na	na	na
UBS	1.5	1.5	1.1	1.4	na	1.3	-0.9	-3.5	97.0
UniCredit Bank	1.5	1.5	1.6	na	9.8	na	-0.5	-3.3	97.5
<b>Consensus (Mean Average)</b>	<b>1.4</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>	<b>10.0</b>	<b>0.9</b>	<b>-0.6</b>	<b>-3.5</b>	<b>97.8</b>
Last Month	1.5	1.3	2.0	1.8	10.0	1.1	-0.9	-3.6	98.2
2 Months Ago	1.5	1.3	2.0	2.0	10.1	1.2	-0.9	-3.6	98.3
Median	1.5	1.4	1.5	1.5	10.1	1.0	-0.8	-3.5	98.0
High	1.7	1.6	3.3	1.8	10.4	1.5	0.8	-3.0	99.0
Low	1.0	0.9	0.8	0.9	9.3	0.3	-1.2	-3.8	97.0
Standard Deviation	0.2	0.2	0.8	0.3	0.4	0.3	0.6	0.2	0.7
Number of Forecasts	14	11	11	6	10	13	11	12	9
<b>Other Forecasts</b>									
EC (May '15)	1.7	1.5	3.0	na	10.0	1.0	-1.2	-3.5	97.0
IMF (October '15)	1.5	1.8	1.6	na	9.9	1.0	-0.4	na	na
OECD (June '15)	1.7	1.7	1.8	na	10.4	1.1	-0.3	-3.2	97.9

### France: Historical Data

<i>% change, year-on-year</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Gross Domestic Product	2.1	0.3	0.3	0.4
Private Consumption	0.5	-0.4	0.2	0.6
Gross Fixed Investment	2.1	0.3	-1.0	-1.6
Industrial Production	2.4	-2.6	-0.5	-1.1
Unemploy. Rate, % of L.F.	9.6	10.2	10.8	10.2
Consumer Prices	2.3	2.2	1.0	0.6
Current Acc., % of GDP	-2.5	-2.1	-1.7	-1.1
Budget Bal., % of GDP	-5.1	-4.8	-4.1	-4.0
Public Debt, % of GDP	85.2	89.6	92.3	95.0

Source: ECB; Eurostat; national statistical office

### France: Background Information

<b>President:</b>	Francois Hollande
<b>Government:</b>	Socialist Party
<b>Next Election:</b>	2017 (presidential & parliamentary)
<b>Capital City:</b>	Paris
<b>Economic Freedom:</b>	73rd out of 178 countries
<b>Doing Business:</b>	31st out of 189 countries
<b>Competitiveness:</b>	23rd out of 144 countries
<b>Corruption:</b>	26th out of 175 countries
<b>Corporate Tax Rate:</b>	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 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	0.7	0.6	0.6	na	na	0.2	2.1	-3.0	na
BNP Paribas	0.8	0.6	0.9	1.0	12.3	0.2	2.1	-2.6	132.8
Danske Bank	0.7	0.6	0.4	na	12.2	0.1	2.2	-2.6	133.1
DZ Bank	0.7	0.5	0.4	na	12.1	0.0	1.9	-2.7	133.5
Economist Intelligence Unit	0.7	0.7	0.4	0.5	12.2	0.3	2.0	-2.9	135.8
G&P Institutional Mgmt	0.8	0.6	0.5	na	12.1	0.1	na	-2.9	na
HSBC	0.8	0.7	0.9	1.1	12.2	0.1	1.8	-2.8	133.3
IHS Economics	0.7	0.6	0.7	1.0	12.2	0.1	2.4	-2.8	133.9
J P Morgan Chase	0.8	na	na	na	na	0.2	na	na	na
Oxford Economics	0.8	0.6	0.9	1.1	12.1	0.1	2.3	-2.7	na
Raiffeisen Bank International	0.8	na	na	na	12.4	0.2	2.2	-2.6	133.1
SEB	0.8	na	na	na	12.5	0.0	na	na	na
UBS	0.6	0.4	1.5	0.5	12.3	0.2	na	-2.5	133.0
UniCredit Bank	0.8	0.7	0.9	na	12.1	0.0	2.5	-2.6	133.1
<b>Consensus (Mean Average)</b>	<b>0.8</b>	<b>0.6</b>	<b>0.7</b>	<b>0.9</b>	<b>12.2</b>	<b>0.1</b>	<b>2.2</b>	<b>-2.7</b>	<b>133.5</b>
Last Month	0.7	0.5	0.9	0.9	12.4	0.2	1.9	-2.7	133.8
2 Months Ago	0.7	0.5	1.0	0.9	12.5	0.2	2.0	-2.8	133.8
Median	0.8	0.6	0.7	1.0	12.2	0.1	2.2	-2.7	133.1
High	0.8	0.7	1.5	1.1	12.5	0.3	2.5	-2.5	135.8
Low	0.6	0.4	0.4	0.5	12.1	0.0	1.8	-3.0	132.8
Standard Deviation	0.1	0.1	0.3	0.3	0.1	0.1	0.2	0.2	0.9
Number of Forecasts	14	11	11	6	12	14	10	12	9
<b>Other Forecasts</b>									
EC (May '15)	0.6	0.6	1.1	na	12.4	0.2	2.2	-2.6	133.1
IMF (October '15)	0.8	0.7	1.0	na	12.2	0.2	2.0	na	na
OECD (June '15)	0.6	0.4	1.6	na	12.7	0.2	2.6	-2.6	133.2

- The improvement in credit standards emerging from the latest euro area bank lending survey provides another encouraging pointer to Italy's nascent recovery continuing into next year.
- This is sure to provide some relief to Matteo Renzi and his centre-left coalition government, which is pushing through reforms, but is also taking no chances highlighted by a "giveaway" budget for 2016. The government is also pinning its hopes on the more competitive euro and the wider euro zone recovery bolstering Italy's sclerotic economy.
- The emergence of economic growth, underpinned by labour reforms does appear to be resulting in some improvement to the unemployment rate, which has fallen in recent months to below 12%.
- Italy's economic sentiment indicator soared to 109.2 in September after having slipped to 105.8 in August, according to the European Commission, which was higher than in previous months. A rebound in the manufacturing sector contributed, but notable features included the continuing trend in consumer confidence and a particularly upbeat services sector.



## ITALY - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	1.3	0.8	3.0	na	na	1.1	2.4	-2.4	na
BNP Paribas	1.0	0.8	1.8	0.7	11.9	0.9	2.1	-2.3	131.3
Danske Bank	1.3	0.9	2.4	na	11.8	1.1	2.2	-2.0	130.6
DZ Bank	1.3	1.1	0.8	na	11.5	0.2	1.9	-2.2	131.0
Economist Intelligence Unit	1.0	0.7	0.9	0.9	11.9	1.1	1.7	-2.8	134.4
G&P Institutional Mgmt	1.7	1.6	2.3	na	11.5	0.6	na	-2.4	na
HSBC	1.0	1.1	1.3	1.6	11.6	0.6	1.2	-2.9	133.7
IHS Economics	0.9	1.0	1.0	1.5	11.6	0.7	1.8	-2.5	133.6
J P Morgan Chase	1.5	na	na	na	na	1.0	na	na	na
Oxford Economics	1.2	1.1	1.9	1.6	11.7	0.7	2.7	-2.0	na
Raiffeisen Bank International	1.5	na	na	na	na	1.0	2.2	-1.8	130.6
SEB	1.3	na	na	na	12.5	0.5	na	na	na
UBS	1.4	1.6	1.7	1.5	12.2	1.4	na	-2.0	130.0
UniCredit Bank	1.3	1.5	2.0	na	11.8	1.0	2.5	-2.4	132.6
<b>Consensus (Mean Average)</b>	<b>1.3</b>	<b>1.1</b>	<b>1.7</b>	<b>1.3</b>	<b>11.8</b>	<b>0.9</b>	<b>2.1</b>	<b>-2.3</b>	<b>132.0</b>
Last Month	1.2	1.0	1.9	1.6	12.0	0.9	1.8	-2.2	132.2
2 Months Ago	1.2	0.9	1.9	1.5	12.2	1.0	1.9	-2.3	132.7
Median	1.3	1.1	1.8	1.5	11.8	1.0	2.2	-2.4	131.3
High	1.7	1.6	3.0	1.6	12.5	1.4	2.7	-1.8	134.4
Low	0.9	0.7	0.8	0.7	11.5	0.2	1.2	-2.9	130.0
Standard Deviation	0.2	0.3	0.7	0.4	0.3	0.3	0.4	0.3	1.6
Number of Forecasts	14	11	11	6	11	14	10	12	9
<b>Other Forecasts</b>									
EC (May '15)	1.4	0.6	4.1	na	12.4	1.8	2.2	-2.0	130.6
IMF (October '15)	1.3	1.1	2.2	na	11.9	0.7	2.3	na	na
OECD (June '15)	1.5	1.1	1.9	na	12.1	1.3	3.4	-2.0	132.0

### Italy: Historical Data

<i>% change, year-on-year</i>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gross Domestic Product	0.6	-2.8	-1.7	-0.4
Private Consumption	0.0	-3.9	-2.9	0.3
Gross Fixed Investment	-1.9	-9.3	-5.8	-3.3
Industrial Production	0.3	-6.3	-2.9	-0.7
Unemploy. Rate, % of L.F.	8.4	10.7	12.2	12.8
Consumer Prices	2.9	3.3	1.3	0.2
Current Acc., % of GDP	-3.1	-0.5	0.7	1.8
Budget Bal., % of GDP	-3.5	-3.0	-2.9	-3.0
Public Debt, % of GDP	116.4	123.1	128.5	132.1

Source: ECB; Eurostat; national statistical office

### Italy: Background Information

<b>Prime Minister:</b>	Matteo Renzi
<b>Government:</b>	Coalition including PD and PDL
<b>Next Election:</b>	2018
<b>Capital City:</b>	Rome
<b>Economic Freedom:</b>	80th out of 178 countries
<b>Doing Business:</b>	56th out of 189 countries
<b>Competitiveness:</b>	49th out of 144 countries
<b>Corruption:</b>	69th out of 175 countries
<b>Corporate Tax Rate:</b>	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 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BNP Paribas	2.0	1.7	7.2	1.8	6.9	0.3	9.9	-2.1	66.4
DZ Bank	2.0	1.9	8.0	na	6.9	0.2	na	-2.1	67.0
Economist Intelligence Unit	2.0	1.6	6.0	-1.2	6.9	0.3	9.4	-2.0	68.9
IHS Economics	2.1	1.9	9.3	-0.5	na	0.6	10.3	-1.7	na
Oxford Economics	1.9	1.3	5.2	0.2	6.8	0.3	12.2	-1.8	na
Raiffeisen Bank International	2.1	na	na	na	na	0.3	10.5	-1.7	68.8
UBS	2.1	1.6	8.6	-2.7	na	0.7	8.4	-1.7	70.0
<b>Consensus (Mean Average)</b>	<b>2.0</b>	<b>1.7</b>	<b>7.4</b>	<b>-0.5</b>	<b>6.9</b>	<b>0.4</b>	<b>10.1</b>	<b>-1.9</b>	<b>68.2</b>
Last Month	2.0	1.6	6.7	0.4	6.9	0.4	10.3	-1.8	69.0
2 Months Ago	2.0	1.4	5.4	1.5	6.9	0.4	10.5	-1.9	71.3
Median	2.0	1.7	7.6	-0.5	6.9	0.3	10.1	-1.8	68.8
High	2.1	1.9	9.3	1.8	6.9	0.7	12.2	-1.7	70.0
Low	1.9	1.3	5.2	-2.7	6.8	0.2	8.4	-2.1	66.4
Standard Deviation	0.1	0.2	1.6	1.7	0.1	0.2	1.3	0.2	1.5
Number of Forecasts	7	6	6	5	4	7	6	7	5
<b><u>Other Forecasts</u></b>									
EC (May '15)	1.6	1.6	4.5	na	7.1	0.2	9.0	-1.7	69.9
IMF (October '15)	1.8	na	na	na	na	1.0	9.6	na	na
OECD (June '15)	2.0	1.5	7.0	na	6.9	0.1	10.0	-1.8	68.6

- Dutch confidence also improved, albeit not quite as impressively as in Italy during September, underpinned by rebounding confidence within the manufacturing, services and retail trade sector. Construction industry confidence, which has been quite volatile lately, also improved.
- The government has performed creditably in improving the fiscal position but still has work to do in ensuring sufficient employment growth, notably to eradicate long-term joblessness which is keeping the unemployment rate stable at 6.8%.
- The economy remains vulnerable to slippage caused by Germany weakening and a slowdown in emerging markets, but the latest indicators of consumer spending, manufacturing output and exports performance all signal the economy is continuing to grow.
- Growth is in fact stronger on the mainland than the national accounts claim, too, given that it was reduced offshore natural gas output which gave the impression the Netherlands saw its recovery slow to a crawl in the second quarter.

## NETHERLANDS - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Private Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BNP Paribas	2.2	1.9	5.2	1.0	6.7	1.0	9.2	-1.8	64.5
DZ Bank	1.8	1.5	1.8	na	6.5	1.0	na	-1.5	65.0
Economist Intelligence Unit	2.1	1.5	4.5	1.4	6.5	1.2	8.7	-1.7	68.2
IHS Economics	1.7	1.4	2.7	2.0	na	1.3	9.4	-1.3	na
Oxford Economics	2.1	1.9	2.6	3.0	6.7	1.1	12.7	-1.7	na
Raiffeisen Bank International	2.3	na	na	na	na	1.4	10.0	-1.2	67.8
UBS	2.1	1.6	6.1	2.4	na	1.9	8.4	-1.2	69.0
<b>Consensus (Mean Average)</b>	<b>2.0</b>	<b>1.6</b>	<b>3.8</b>	<b>2.0</b>	<b>6.6</b>	<b>1.3</b>	<b>9.7</b>	<b>-1.5</b>	<b>66.9</b>
Last Month	1.9	1.2	3.4	1.8	6.7	1.5	9.9	-1.4	67.8
2 Months Ago	2.0	1.1	3.2	2.2	6.7	1.5	10.1	-1.5	70.3
Median	2.1	1.6	3.6	2.0	6.6	1.2	9.3	-1.5	67.8
High	2.3	1.9	6.1	3.0	6.7	1.9	12.7	-1.2	69.0
Low	1.7	1.4	1.8	1.0	6.5	1.0	8.4	-1.8	64.5
Standard Deviation	0.2	0.2	1.7	0.8	0.1	0.3	1.6	0.3	2.0
Number of Forecasts	7	6	6	5	4	7	6	7	5
<b>Other Forecasts</b>									
EC (May '15)	1.7	1.7	4.2	na	6.9	1.3	9.4	-1.2	68.9
IMF (October '15)	1.9	na	na	na	na	1.3	9.2	na	na
OECD (June '15)	2.2	1.6	4.0	na	6.5	1.4	10.3	-1.1	68.2

### Netherlands: Historical Data

<i>% change, year-on-year</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Gross Domestic Product</b>	1.7	-1.6	-0.7	0.9
<b>Private Consumption</b>	-1.1	-1.6	-2.1	0.1
<b>Gross Fixed Investment</b>	6.1	-4.0	-4.8	2.4
<b>Industrial Production</b>	-0.8	-0.4	0.6	-2.8
<b>Unemploy. Rate, % of L.F.</b>	4.4	5.3	6.7	7.4
<b>Consumer Prices</b>	2.5	2.8	2.6	0.3
<b>Current Acc., % of GDP</b>	7.4	7.7	11.6	10.3
<b>Budget Bal., % of GDP</b>	-4.3	-4.0	-2.3	-2.3
<b>Public Debt, % of GDP</b>	61.3	66.5	68.6	68.8

Source: ECB; Eurostat; national statistical office

### Netherlands: Background Information

<b>Prime Minister:</b>	Mark Rutte
<b>Government:</b>	VVD led coalition
<b>Next Election:</b>	September 2016 (parliamentary)
<b>Capital City:</b>	The Hague
<b>Economic Freedom:</b>	17th out of 178 countries
<b>Doing Business:</b>	27th out of 189 countries
<b>Competitiveness:</b>	8th out of 144 countries
<b>Corruption:</b>	8th out of 175 countries
<b>Corporate Tax Rate:</b>	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 2015

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	3.2	3.4	5.4	na	22.2	-0.4	1.3	-4.5	98.8
BNP Paribas	3.2	3.5	6.2	4.0	22.2	-0.5	0.5	-4.2	99.7
Danske Bank	3.0	3.2	6.0	na	22.4	-0.4	1.2	-4.5	100.4
DZ Bank	3.1	3.5	3.1	na	22.4	-0.6	1.1	-4.4	100.0
Economist Intelligence Unit	3.2	3.2	5.2	4.0	22.5	-0.6	0.7	-4.4	99.1
G&P Institutional Mgmt	3.2	3.4	6.4	na	22.4	-0.6	na	-4.7	na
HSBC	2.9	3.2	4.8	2.7	22.8	-0.2	0.7	-4.9	na
IHS Economics	3.2	3.3	5.7	2.7	22.4	-0.6	1.7	-4.7	98.5
J P Morgan Chase	3.2	na	na	na	na	-0.4	na	na	na
Oxford Economics	3.2	3.4	5.6	3.2	22.3	-0.5	0.9	-4.4	na
Raiffeisen Bank International	3.1	na	na	na	na	-0.4	1.3	-4.2	99.8
Santander	3.1	3.5	6.3	na	22.2	-0.4	0.5	na	na
UBS	3.2	3.6	5.3	3.6	22.4	-0.2	1.1	-4.4	100.3
UniCredit Bank	3.2	3.4	5.8	na	na	-0.4	1.4	-4.5	101.0
<b>Consensus (Mean Average)</b>	<b>3.1</b>	<b>3.4</b>	<b>5.5</b>	<b>3.4</b>	<b>22.4</b>	<b>-0.4</b>	<b>1.0</b>	<b>-4.5</b>	<b>99.7</b>
Last Month	3.1	3.2	5.3	3.1	22.5	-0.4	0.9	-4.5	100.0
2 Months Ago	3.0	3.2	4.9	2.6	22.6	-0.3	0.9	-4.5	100.2
Median	3.2	3.4	5.7	3.4	22.4	-0.4	1.1	-4.5	99.8
High	3.2	3.6	6.4	4.0	22.8	-0.2	1.7	-4.2	101.0
Low	2.9	3.2	3.1	2.7	22.2	-0.6	0.5	-4.9	98.5
Standard Deviation	0.1	0.1	0.9	0.6	0.2	0.1	0.4	0.2	0.8
Number of Forecasts	14	12	12	6	11	14	12	12	9
<b>Other Forecasts</b>									
EC (May '15)	2.8	3.5	5.5	na	22.4	-0.6	1.2	-4.5	100.4
IMF (October '15)	3.1	4.1	5.9	na	21.8	-0.3	0.9	na	na
OECD (June '15)	2.9	3.8	5.4	na	22.3	-0.6	1.3	-4.4	98.9

- The economy is still registering strong growth, underpinned by domestic demand which is in no small part due to a favourable tourism season, benefiting from the competitive euro and the security problems in Tunisia and other holiday destinations.
- That Spain has proven to be one of the euro zone's success stories these past few years is now well-documented. However, the recovery is expected to weaken through to 2016, mainly due to rising political risk in connection with the general election and the aftermath of voting in Catalonia where an independence-seeking regional government has been elected.
- Economic sentiment dipped in September as consumer confidence and sentiment within the construction industry worsened, signalling there are still many problems to address.
- This is underlined by the labour market situation which is not improving rapidly enough, leaving 22% of the working population without a job and 48% of the young (under 25 years of age).

## SPAIN - Forecasts for 2016

<i>average % change from previous year, unless otherwise noted. For sources and definitions, see page 24.</i>	<b>Gross Domestic Product</b>	<b>Household Consump- tion</b>	<b>Gross Fixed Invest- ment</b>	<b>Industrial Produc- tion (excl. construc- tion)</b>	<b>Unem- ployment Rate (EU defn., % of labour force)</b>	<b>Con- sumer Prices (HICP)</b>	<b>Current Account Balance (% of GDP)</b>	<b>General Govt. Balance (% of GDP)</b>	<b>General Govt. Debt (% of GDP)</b>
<b>Panellists</b>									
BBVA	2.7	2.5	6.1	na	20.5	1.2	1.4	-3.0	98.0
BNP Paribas	2.5	2.5	4.6	3.1	20.4	0.8	0.4	-2.9	100.4
Danske Bank	2.6	2.0	6.5	na	20.5	0.8	1.0	-3.5	101.4
DZ Bank	2.7	2.9	2.7	na	20.5	0.1	0.9	-3.2	101.0
Economist Intelligence Unit	2.5	2.8	3.8	3.5	21.2	0.5	0.6	-3.5	99.6
G&P Institutional Mgmt	3.2	3.0	6.9	na	20.5	0.4	na	-3.9	na
HSBC	2.2	2.3	2.9	1.6	21.3	1.1	0.5	-4.0	na
IHS Economics	2.6	2.3	3.6	1.7	20.5	0.6	1.5	-3.4	98.7
J P Morgan Chase	3.1	na	na	na	na	0.6	na	na	na
Oxford Economics	2.7	2.6	3.9	3.0	20.8	1.0	1.3	-3.1	na
Raiffeisen Bank International	2.6	na	na	na	na	1.3	1.0	-3.4	101.1
Santander	2.9	3.0	5.9	na	20.0	0.6	0.2	na	na
UBS	2.6	2.6	4.9	3.2	20.6	1.4	1.0	-3.4	101.0
UniCredit Bank	2.8	2.6	3.6	na	na	1.0	1.5	-3.1	101.3
<b>Consensus (Mean Average)</b>	<b>2.7</b>	<b>2.6</b>	<b>4.6</b>	<b>2.7</b>	<b>20.6</b>	<b>0.8</b>	<b>0.9</b>	<b>-3.4</b>	<b>100.3</b>
Last Month	2.7	2.5	4.6	2.9	20.8	0.9	0.9	-3.4	100.6
2 Months Ago	2.7	2.5	4.4	2.8	20.9	1.0	0.9	-3.4	100.5
Median	2.7	2.6	4.3	3.1	20.5	0.8	1.0	-3.4	101.0
High	3.2	3.0	6.9	3.5	21.3	1.4	1.5	-2.9	101.4
Low	2.2	2.0	2.7	1.6	20.0	0.1	0.2	-4.0	98.0
Standard Deviation	0.3	0.3	1.4	0.8	0.4	0.4	0.4	0.3	1.2
Number of Forecasts	14	12	12	6	11	14	12	12	9
<b>Other Forecasts</b>									
EC (May '15)	2.6	2.8	5.1	na	20.5	1.1	1.0	-3.5	101.4
IMF (October '15)	2.5	2.8	3.8	na	19.9	0.9	1.1	na	na
OECD (June '15)	2.8	2.6	6.3	na	20.3	0.7	1.3	-3.0	99.1

### Spain: Historical Data

<i>% change, year-on-year</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Gross Domestic Product</b>	-0.6	-2.1	-1.2	1.4
<b>Private Consumption</b>	-2.0	-2.9	-2.3	2.4
<b>Gross Fixed Investment</b>	-6.3	-8.1	-3.8	3.4
<b>Industrial Production</b>	-1.4	-6.0	-1.7	1.1
<b>Unemploy. Rate, % of L.F.</b>	21.7	25.0	26.4	24.5
<b>Consumer Prices</b>	3.1	2.4	1.5	-0.2
<b>Current Acc., % of GDP</b>	-4.0	-1.2	0.7	0.1
<b>Budget Bal., % of GDP</b>	-9.4	-10.3	-6.8	-5.8
<b>Public Debt, % of GDP</b>	69.2	84.4	92.1	97.7

Source: ECB; Eurostat; national statistical office

### Spain: Background Information

<b>Prime Minister:</b>	Mariano Rajoy
<b>Government:</b>	Popular Party
<b>Next Election:</b>	December 2015 (parliamentary)
<b>Capital City:</b>	Madrid
<b>Economic Freedom:</b>	49th out of 178 countries
<b>Doing Business:</b>	33rd out of 189 countries
<b>Competitiveness:</b>	35th out of 144 countries
<b>Corruption:</b>	37th out of 175 countries
<b>Corporate Tax Rate:</b>	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 Countries<sup>1</sup>

		Real GDP Growth (%)		Harmonized Inflation (%)		Current Account (% of GDP)		Gen Govt Bal (% of GDP)		Gen Govt Debt (% of GDP)	
		2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Austria	EC	0.8	1.5	0.8	1.9	2.4	2.4	-2.0	-2.0	87.0	85.8
	IMF	0.8	1.6	1.0	1.7	1.6	1.7	na	na	na	na
	OECD	0.6	1.7	0.6	1.6	0.9	1.4	-2.3	-2.1	85.7	85.9
Belgium	EC	1.1	1.5	0.3	1.3	2.1	2.2	-2.6	-2.4	106.5	106.4
	IMF	1.3	1.5	0.7	1.1	2.1	2.1	na	na	na	na
	OECD	1.3	1.8	0.0	1.3	2.7	2.7	-2.5	-1.6	107.2	105.7
Cyprus	EC	-0.5	1.4	-0.8	0.9	-3.9	-4.2	-1.1	-0.1	106.7	108.4
	IMF	0.5	1.4	-1.0	0.9	-4.2	-3.8	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Estonia	EC	2.3	2.9	0.2	1.9	-0.3	-0.5	-0.2	-0.1	10.3	9.8
	IMF	2.0	2.9	0.2	1.6	0.6	0.3	na	na	na	na
	OECD	2.1	3.3	0.1	1.8	0.8	0.6	0.4	0.6	9.2	7.7
Greece	EC	0.5	2.9	-1.5	0.8	-1.6	-1.3	-2.1	-2.2	180.2	173.5
	IMF	-2.3	-1.3	-0.4	0.0	0.7	1.5	na	na	na	na
	OECD	0.1	2.3	-1.4	0.3	2.1	2.8	-3.4	-2.8	180.0	178.1
Ireland	EC	3.6	3.5	0.4	1.5	5.7	5.3	-2.8	-2.9	107.1	103.8
	IMF	4.8	3.8	0.2	1.5	3.2	3.0	na	na	na	na
	OECD	3.5	3.3	0.1	1.7	5.7	5.4	-2.5	-1.9	107.7	104.6
Luxembourg	EC	3.4	3.5	0.8	2.1	4.6	4.6	0.0	0.3	24.9	25.3
	IMF	4.4	3.4	0.3	1.6	5.6	5.6	na	na	na	na
	OECD	2.7	2.9	0.1	1.5	4.1	4.4	0.1	0.4	27.0	28.5
Malta	EC	3.6	3.2	1.3	1.9	0.6	0.4	-1.8	-1.5	67.2	65.4
	IMF	3.4	3.5	1.0	1.4	1.5	1.3	na	na	na	na
	OECD	na	na	na	na	na	na	na	na	na	na
Portugal	EC	1.6	1.8	0.2	1.3	1.2	1.4	-3.1	-2.8	124.4	123.0
	IMF	1.6	1.5	0.6	1.3	0.7	1.6	na	na	na	na
	OECD	1.6	1.8	0.1	0.7	0.7	0.6	-2.9	-2.8	127.7	124.2
Slovakia	EC	3.0	3.4	-0.2	1.4	1.8	0.7	-2.7	-2.5	53.4	53.5
	IMF	3.2	3.6	-0.1	1.4	0.1	0.1	na	na	na	na
	OECD	3.0	3.4	-0.2	1.4	0.0	0.9	-2.7	-2.3	53.5	53.5
Slovenia	EC	2.3	2.1	0.1	1.7	5.4	5.6	-2.9	-2.8	81.5	81.7
	IMF	2.3	1.8	-0.4	0.7	6.7	6.2	na	na	na	na
	OECD	2.1	1.9	-0.4	0.7	7.8	7.7	-2.9	-2.5	83.0	85.1

<sup>1</sup> 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'15); IMF - International Monetary Fund (Oct'15); OECD - Organisation for Economic Cooperation & Dev (June'15).

#### 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: Election Timetable

Date	Country	Type
December 2015	Spain	Parliamentary
January 2016	Portugal	Presidential
April 2016	Austria	Presidential
April 2016	Ireland	Parliamentary
May 2016	Cyprus	Legislative
September 2016	Netherlands	Parliamentary
October 2016	Lithuania	Parliamentary
December 2016	Greece	Parliamentary
December 2016	Slovakia	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

Sources: IFES Election Guide; MJE

## Notes, Sources and Definitions

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

<sup>2</sup> 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 (1/100<sup>th</sup> 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

<b><u>Variable</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
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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