# OECD Economic Outlook

November 2011


OECD

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90

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## Conventional signs

| | | | |
|---|---|---|---|
| $ | US dollar | . | Decimal point |
| ¥ | Japanese yen | I, II | Calendar half-years |
| £ | Pound sterling | Q1, Q4 | Calendar quarters |
| € | Euro | Billion | Thousand million |
| mb/d | Million barrels per day | Trillion | Thousand billion |
| . . | Data not available | s.a.a.r. | Seasonally adjusted at annual rates |
| 0 | Nil or negligible | n.s.a. | Not seasonally adjusted |
| – | Irrelevant | | |

## Summary of projections

| | 2011 | 2012 | 2013 | 2011 | | 2012 | | | | 2013 | | | | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q4 / Q4 | | |
| | | | | | | | | Per cent | | | | | | | | |
| **Real GDP growth** | | | | | | | | | | | | | | | | |
| United States | 1.7 | 2.0 | 2.5 | 2.0 | 2.5 | 1.7 | 1.9 | 2.2 | 2.3 | 2.5 | 2.7 | 2.8 | 2.8 | 1.5 | 2.0 | 2.7 |
| Euro area | 1.6 | 0.2 | 1.4 | 0.7 | -1.0 | -0.4 | 0.5 | 1.1 | 1.3 | 1.5 | 1.6 | 1.7 | 1.8 | 0.9 | 0.6 | 1.7 |
| Japan | -0.3 | 2.0 | 1.6 | 6.0 | 1.5 | 1.8 | 1.8 | 1.6 | 1.5 | 1.5 | 1.6 | 1.7 | 1.8 | 0.8 | 1.7 | 1.6 |
| Total OECD | 1.9 | 1.6 | 2.3 | 2.4 | 1.1 | 1.2 | 1.7 | 2.2 | 2.1 | 2.3 | 2.4 | 2.7 | 2.5 | 1.6 | 1.8 | 2.5 |
| **Inflation**[1] | | | | | | | | year-on-year | | | | | | | | |
| United States | 2.5 | 1.9 | 1.4 | 2.9 | 2.9 | 2.4 | 2.0 | 1.8 | 1.6 | 1.5 | 1.4 | 1.3 | 1.2 | | | |
| Euro area | 2.6 | 1.6 | 1.2 | 2.7 | 2.5 | 2.0 | 1.6 | 1.6 | 1.4 | 1.3 | 1.2 | 1.2 | 1.2 | | | |
| Japan | -0.3 | -0.6 | -0.3 | 0.2 | -0.3 | -0.6 | -0.5 | -0.6 | -0.6 | -0.5 | -0.4 | -0.3 | -0.2 | | | |
| Total OECD | 2.5 | 1.9 | 1.5 | 2.8 | 2.6 | 2.2 | 1.9 | 1.8 | 1.7 | 1.6 | 1.6 | 1.5 | 1.5 | | | |
| **Unemployment rate**[2] | | | | | | | | | | | | | | | | |
| United States | 9.0 | 8.9 | 8.6 | 9.1 | 9.0 | 9.0 | 9.0 | 8.9 | 8.8 | 8.7 | 8.6 | 8.5 | 8.4 | | | |
| Euro area | 9.9 | 10.3 | 10.3 | 10.0 | 10.1 | 10.2 | 10.3 | 10.3 | 10.4 | 10.4 | 10.3 | 10.2 | 10.1 | | | |
| Japan | 4.6 | 4.5 | 4.4 | 4.4 | 4.5 | 4.6 | 4.5 | 4.5 | 4.5 | 4.4 | 4.4 | 4.4 | 4.4 | | | |
| Total OECD | 8.0 | 8.1 | 7.9 | 8.0 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.0 | 8.0 | 7.9 | 7.8 | | | |
| **World trade growth** | 6.7 | 4.8 | 7.1 | 5.8 | 3.5 | 4.2 | 5.5 | 6.2 | 6.8 | 7.3 | 7.6 | 7.8 | 8.1 | 5.1 | 5.7 | 7.7 |
| **Current account balance**[3] | | | | | | | | | | | | | | | | |
| United States | -3.0 | -2.9 | -3.2 | | | | | | | | | | | | | |
| Euro area | 0.1 | 0.6 | 1.0 | | | | | | | | | | | | | |
| Japan | 2.2 | 2.2 | 2.4 | | | | | | | | | | | | | |
| Total OECD | -0.6 | -0.4 | -0.4 | | | | | | | | | | | | | |
| **Fiscal balance**[3] | | | | | | | | | | | | | | | | |
| United States | -10.0 | -9.3 | -8.3 | | | | | | | | | | | | | |
| Euro area | -4.0 | -2.9 | -1.9 | | | | | | | | | | | | | |
| Japan | -8.9 | -8.9 | -9.5 | | | | | | | | | | | | | |
| Total OECD | -6.6 | -5.9 | -5.1 | | | | | | | | | | | | | |
| **Short-term interest rate** | | | | | | | | | | | | | | | | |
| United States | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.2 | 0.3 | 0.4 | | | |
| Euro area | 1.4 | 1.0 | 0.6 | 1.6 | 1.4 | 1.1 | 1.0 | 0.9 | 0.8 | 0.7 | 0.6 | 0.5 | 0.4 | | | |
| Japan | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | |

*Note:* Real GDP growth and world trade growth (the arithmetic average of world merchandise import and export volumes) are seasonally and working-day adjusted annualised rates. Inflation is measured by the increase in the consumer price index or private consumption deflator for the United States and total OECD. The "fourth quarter" columns are expressed in year-on-year growth rates where appropriate and in levels otherwise. Interest rates are for the United States: 3-month eurodollar deposit; Japan: 3-month certificate of deposits; euro area: 3-month interbank rate.

The cut-off date for information used in the compilation of the projections is 22 November 2011.

1. USA; price index for personal consumption expenditure, Japan; consumer price index and the euro area; harmonised index of consumer prices.
2. Per cent of the labour force.
3. Per cent of GDP.

*Source:* OECD Economic Outlook 90 database.

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# EDITORIAL THE POLICY IMPERATIVE: REBUILD CONFIDENCE

The global economy has deteriorated significantly since our previous *Economic Outlook*. Advanced economies are slowing down and the euro area appears to be in a mild recession. Concerns about sovereign debt sustainability in the European monetary union are becoming increasingly widespread. Recent contagion to countries thought to have relatively solid public finances could massively escalate economic disruption if not addressed. Unemployment remains very high in many OECD economies and, ominously, long-term unemployment is becoming increasingly common. Emerging economies are still growing at a healthy pace, but their growth rates are also moderating. In these countries falls in commodity prices and the slower global growth have started to mitigate inflationary pressures. More recently, international trade growth has weakened significantly. Contrary to what was expected earlier this year, the global economy is not out of the woods.

Many factors underpin this assessment. The headwinds of deleveraging in the financial and government sectors remain with us. Likewise, imbalances within the euro area, which reflect deep-seated fiscal, financial and structural problems, have not been adequately resolved. Above all, confidence has dropped sharply as scepticism has grown that euro area policy makers can deal effectively with the key challenges they face. Serious downside risks remain in the euro area, linked to the possibility of a sovereign default and its cross-border effects on creditors, and loss of confidence in sovereign debt markets and the monetary union itself. Another serious downside risk is that no action will be agreed upon to counter the pre-programmed fiscal tightening in the United States, which could tip the economy into a recession that monetary policy can do little to counter.

More than usual, world economic prospects depend on events, the nature and timing of which are highly uncertain. The projections presented in this *Economic Outlook* portray a scenario that rests on the assumptions that monetary policy remains very supportive (and, in some places, becomes more so), that sovereign debt and banking sector problems in the euro area are contained and that excessive fiscal tightening will be avoided. From the second half of 2012, confidence is assumed to recover gradually as it becomes clearer that worst-case outcomes have been avoided. Near-term output growth is subdued in the OECD economies and at below-trend rates in the major emerging-market economies, developments which are likely to be associated with further short-term weakening of sentiment and confidence. In some economies, especially the euro area, a mild recession is projected in the near term.

Alternative scenarios are possible, and may be even more likely than the baseline. A downside scenario would be characterised by materialisation of negative risks and the absence of adequate policy action to deal with them. An upside scenario could arise if policy action were successful in boosting confidence and no significant negative events occurred.

In the downside scenario, the implications of a major negative event in the euro area will depend on the channels at work and their virulence. The results could range from relatively benign to highly devastating outcomes. A large negative event would, however, most likely send the OECD area as a whole into recession, with marked declines in activity in the United States and Japan, and prolong and deepen the recession in the euro area. Unemployment would rise still further. The emerging market economies would not be immune, with global trade volumes falling strongly, and the value of their international asset holdings being hit by weaker financial asset prices.

What would be required for an upside scenario to materialise? A credible commitment by euro area governments that contagion would be blocked, backed by clearly adequate resources. To eliminate contagion risks, banks will have to be well capitalised. Decisive policies and the appropriate institutional responses will have to be put in place to ensure smooth financing at reasonable interest rates for sovereigns. This calls for rapid, credible and substantial increases in the capacity of the EFSF together with, or including, greater use of the ECB balance sheet. Such forceful policy action, complemented by appropriate governance reform to offset moral hazard, could result in a significant boost to growth in the euro area and the global economy.

An upside scenario also requires substantial and credible commitment at the country level, in both advanced and emerging market economies, to pursue a sustainable structural adjustment to raise long-term growth rates and promote global rebalancing. In Europe, such policies are also needed to make progress in resolving the underlying structural imbalances that lie at the heart of the euro area crisis. Deep structural reforms will be instrumental in strengthening the adjustment mechanisms in labour and product markets that, together with a robust repair of the financial system, are essential for the good functioning of the monetary union. By raising confidence, lowering uncertainty and removing impediments to economic activity, rapid implementation of such reforms could raise consumption, investment and employment.

If combined, stronger macroeconomic and structural policies might raise OECD output growth by as early as 2013. The largest benefits would be felt in the euro area, though these could take some time to emerge. Stronger activity and trade, and the consequent rise in asset values in the OECD economies, should boost activity in the emerging market economies as well.

In view of the great uncertainty policy makers now confront, they must be prepared to face the worst. The OECD Strategic Response identifies country-specific policy actions that need to be implemented if the downside scenario materialises: the financial sector must be stabilised and the social safety net protected; further monetary policy easing should be undertaken; and fiscal support should be provided where this is practical. At the same time, stronger fiscal frameworks should be adopted to reassure markets that the public finances can be brought under control.

Beyond this, a wide range of structural measures, which are desirable in their own right, will become urgent. While priorities vary from country to country, such policies include the removal of barriers in product and labour markets that inhibit economic activity and employment. Appropriate labour market policies are needed to deal with the consequences of unemployment which is turning from cyclical to structural, thereby sapping potential growth, hitting confidence and undermining public finances.

The difference between the upside and the downside scenarios reflects the impact of credible, confidence building policy action. Such action, as we have seen, requires measures to be implemented at the euro area level as well as at the country level throughout the OECD, especially in the structural policy domain. In the case of a downside scenario, policy action would clearly be needed to avoid the worst outcomes. But then the question arises of why policy efforts are not taken to deliver the upside scenario even if the worst case does not materialise. Why, in other words, should we settle for less?

28 November 2011

Pier Carlo Padoan
Deputy Secretary-General and Chief Economist

OECD Economic Outlook
Volume 2011/2


*Chapter 1*

# GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

## Summary


- More than usual, world economic prospects depend on events, notably policy decisions related to the euro-area debt crisis and US fiscal policy. The nature and timing of many such events remain highly uncertain and the projection presented in this *Economic Outlook* therefore portrays a "muddling-through" case in the absence of decisive events.
- With this caveat, and against a profound loss of confidence related to the euro area debt crisis and US fiscal policy, the muddling-through projection involves very weak OECD growth in the near term, and a mild recession in the euro area, followed by a very gradual recovery.
- Concomitantly, unemployment would remain at a high level through 2013 and inflation would be under downward pressure in most regions.
- This calls for a continuation of present easy monetary policy stances for a considerable period and in some cases, most notably the euro area, a substantial relaxation of monetary conditions.
- Underlying budget consolidation is assumed to take place in most OECD countries; in the United States it is assumed to be weaker than embodied in current legislation, so as not to unduly restrain growth, and broadly in line with official consolidation plans in the euro area. In Japan, post-earthquake reconstruction spending will temporarily push up the budget deficit.
- With growth in emerging economies also having slowed and with high external surpluses in oil-exporting countries, global current account re-balancing has stalled. Imbalances are projected to remain broadly stable, but at a lower level than before the 2008-09 crisis, as demand growth recovers slightly more rapidly outside the OECD area than within.
- Serious downside risks stem from the euro area, linked to further contagion in sovereign debt markets driven by the possibility of sovereign default and its associated cross-border effects on creditors and risks to the monetary union itself. Without preventive action, events could strengthen such pressures and plunge the euro area into a deep recession with large negative effects for the global economy.
- To stem contagion, banks will have to be seen as adequately capitalised and convincing capacity, and commitment to use it, will be needed to ensure smooth financing at reasonable interest rates for otherwise solvent sovereigns. Such action to address financial imbalances will need to be accompanied by governance reform to limit moral hazard and by decisive policy reform to address the economic imbalances at the root of the present crisis. Forceful policy action could result in a significant boost to growth in the euro area and the global economy.
- A serious downside risk is that no action will be agreed to counter strong, pre-programmed fiscal tightening in the United States. Much tighter fiscal policy than in the projection could tip the US economy into a recession that monetary policy can do little to prevent.
- The OECD Strategic Response to an economic relapse identifies country-specific policy recommendations that could be implemented if the economy turned out much weaker than projected: fiscal support, backed by improved fiscal frameworks, where the state of public finances and confidence allows; monetary policy easing where possible; and structural policy reforms to strengthen growth, lower unemployment and bolster confidence.

## Introduction

*OECD activity is soft and the outlook uncertain*

Global activity has slowed – in emerging economies, where it reflects policies to rein-in inflationary pressures, and in OECD economies where it is associated with a sharp fall in confidence. The economic outlook is now more uncertain than usual, with a number of possible events related to the euro area debt crisis and fiscal policy in the United States likely to dominate economic developments in the coming two years. With the nature and timing of such events impossible to predict, a "muddling-through" projection is presented here, in which disorderly sovereign defaults, systemic bank failures and excessive fiscal tightening are assumed to be avoided. The risks around this projection emerge largely from OECD economies and are tilted to the downside.

*The "muddling-through" OECD projection is very weak in the near term followed by a muted recovery*

The muddling-through projection shows very weak OECD growth in the near term, and a mild recession in the euro area, followed by a soft and gradual recovery (Table 1.1). On this basis, unemployment would remain very high while inflation would drift down, though deflation would be avoided provided inflation expectations do not become

Table 1.1. **The global recovery has lost momentum**

OECD area, unless noted otherwise

| | Average 1999-2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2011 | 2012 Q4 / Q4 | 2013 |
|---|---|---|---|---|---|---|---|---|---|
| | Per cent | | | | | | | | |
| **Real GDP growth**[1] | 2.5 | -3.8 | 3.1 | 1.9 | 1.6 | 2.3 | 1.6 | 1.8 | 2.5 |
| United States | 2.5 | -3.5 | 3.0 | 1.7 | 2.0 | 2.5 | 1.5 | 2.0 | 2.7 |
| Euro area | 2.1 | -4.2 | 1.8 | 1.6 | 0.2 | 1.4 | 0.9 | 0.6 | 1.7 |
| Japan | 1.2 | -6.3 | 4.1 | -0.3 | 2.0 | 1.6 | 0.8 | 1.7 | 1.6 |
| **Output gap**[2] | 0.7 | -4.4 | -3.2 | -3.1 | -3.4 | -3.1 | | | |
| **Unemployment rate**[3] | 6.4 | 8.2 | 8.3 | 8.0 | 8.1 | 7.9 | 8.1 | 8.1 | 7.8 |
| **Inflation**[4] | 2.7 | 0.5 | 1.8 | 2.5 | 1.9 | 1.5 | 2.6 | 1.7 | 1.5 |
| **Fiscal balance**[5] | -2.2 | -8.3 | -7.7 | -6.6 | -5.9 | -5.1 | | | |
| *Memorandum Items* | | | | | | | | | |
| **World real trade growth** | 6.7 | -10.7 | 12.6 | 6.7 | 4.8 | 7.1 | 5.1 | 5.7 | 7.7 |
| **World real GDP growth**[6] | 3.8 | -1.2 | 5.0 | 3.8 | 3.4 | 4.3 | 3.4 | 3.6 | 4.6 |

1. Year-on-year increase; last three columns show the increase over a year earlier.
2. Per cent of potential GDP.
3. Per cent of labour force.
4. Private consumption deflator. Year-on-year increase; last 3 columns show the increase over a year earlier.
5. Per cent of GDP.
6. Moving nominal GDP weights, using purchasing power parities.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541626

unanchored. In emerging market economies, inflation is projected to ease as pressures on resources dissipate, with growth staying soft in the near term. The outlook would be much darker if negative events were to occur, notably those that could lead to an intensification of concerns about the robustness of the banking system and contagion in euro-area sovereign debt markets, or an excessively tight fiscal policy in the United States due to political gridlock. On the other hand, prospects for the global and OECD economy could become significantly brighter if measures were taken to successfully stem pressures in the euro area and a credible medium-term fiscal programme was to be enacted in the United States.

This chapter is organised as follows. After briefly reviewing the main forces at work, it sets out the muddling-through projection and policy requirements consistent with such an outlook. It then turns to the consequences of alternative scenarios in the euro area, assessing the strength of the different contagion channels and the resources and policies required to stem contagion. An alternative fiscal scenario in the United States is then presented, based on different assumptions about the future stance of fiscal policy. Finally, the chapter sets out key macroeconomic policy requirements and structural reform measures that would become more urgent should activity turn out to be significantly weaker than projected.

## Key forces acting

*The recovery is close to halting*

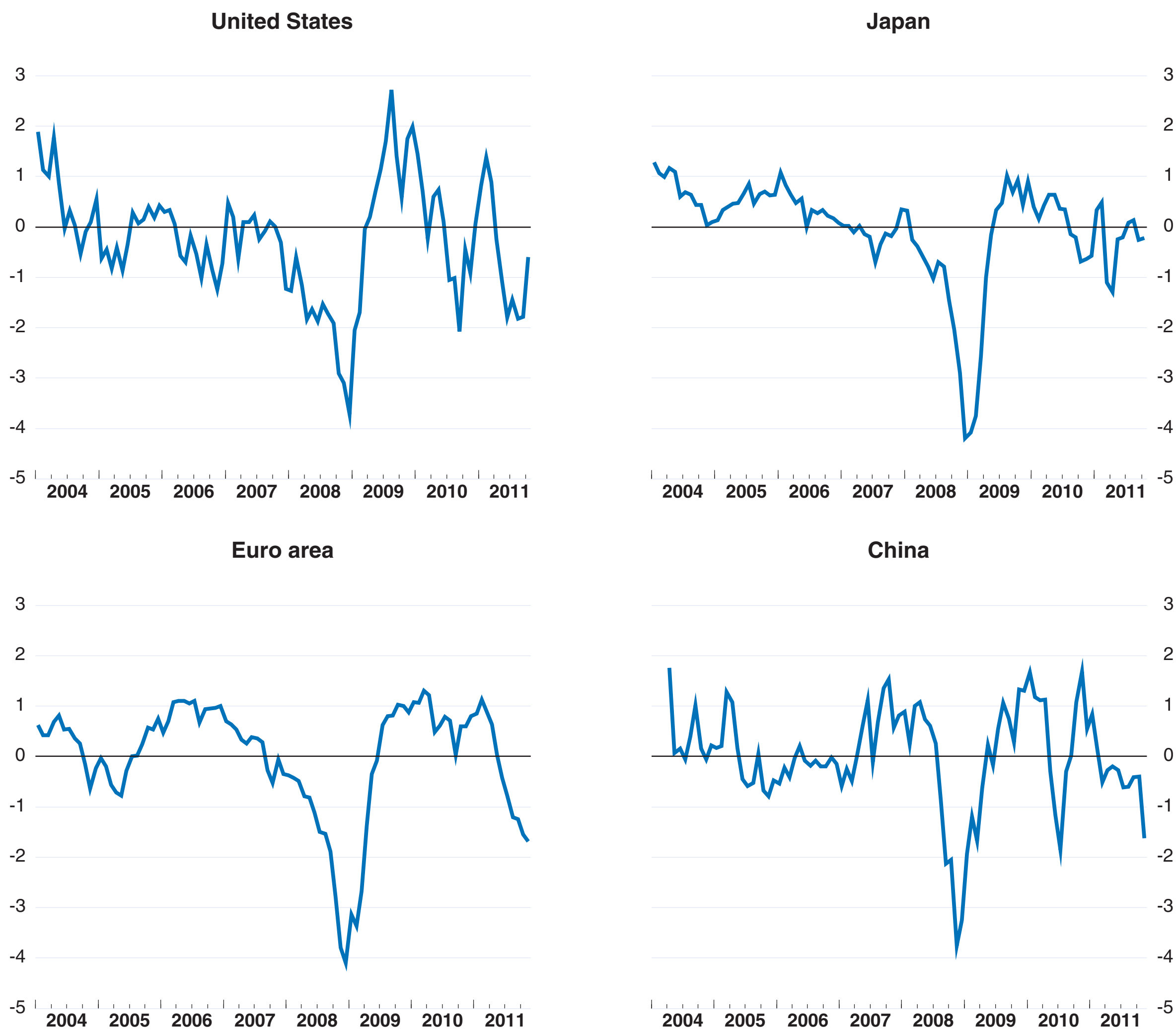
The recovery in the OECD area has now slowed to a crawl, notwithstanding a short-lived rebound from the restoration of global supply chains disrupted by the Japanese earthquake and its aftermath. Emerging market output growth has also continued to soften, reflecting the impact of past domestic monetary policy tightening, sluggish external demand and high inflation. Against this background, the protracted fiscal-policy discussions in the United States and the deepening euro area crisis have highlighted the role of destabilising events and policies as well as the reduced political and economic scope for macroeconomic policies to cushion economies against further adverse shocks. In turn, this has heightened risk awareness and uncertainty, with a corresponding drop in confidence, both in financial markets and in the non-financial private sector. Lower confidence will weigh on the global economy in the coming quarters. Key forces acting include:

*Business and consumer sentiment has plummeted…*

- Business and consumer sentiment and order books have dropped sharply since the summer in most OECD and non-OECD economies, with Japan being a notable exception. In most cases though, indicators have not reached the levels observed at the depth of the crisis in 2008-09 (Figure 1.1). The PMI surveys in the major global economies now point to weak or, especially in the euro area, no growth in the near term. Survey measures of hiring intentions have also softened in many cases, particularly in Europe, pointing to a continuation of recent up-ticks in unemployment.

Figure 1.1. **Business surveys point to a much weaker outlook**

Difference between the net PMI balances for new orders and the stock of finished goods, normalised




*Note:* PMI expressed in units of standard deviations around average.

*Source:* Markit; and OECD calculations.

***... and global activity and commodity prices have weakened***

- Trade-related indicators, such as export order books and container shipping rates, point towards weak global trade growth in the near term. Widespread flooding in Thailand has also begun to generate renewed disruptions in global supply chains, which will further damp trade growth temporarily. The softening in global demand has begun to be reflected in global commodity prices, but only to a relatively limited extent to date, especially in oil markets. This may reflect expectations of continued relatively strong growth in comparatively commodity-intensive emerging market economies. Even so, the easing of commodity prices that has already occurred should provide a modest fillip to the OECD economies (whose growth might otherwise have been even weaker) by up to ¼ percentage point per annum, over the next two years. It will also act to further ease recent pressures on headline inflation.

*Heightened risk has spurred considerable financial market turbulence…*

- Higher perceived risk has generated considerable turbulence in financial markets. Equity prices have declined markedly (Figure 1.2), especially for banks in the euro area but also worldwide;[1] bank credit default swap rates have increased sharply, in both Europe and the United States, reflecting renewed concerns about banks' solvency (Figure 1.3); and the widening of sovereign yield spreads has become generalised beyond euro area programme countries (Figure 1.4). The funding pressures on the banking sector are likely to result in moves towards tighter credit standards, with the first tangible evidence provided by the latest ECB *Bank Lending Survey* and the US *Senior Loan Officer Survey*.[2] The flipside of risk re-evaluation has been a substantial decrease in the yields on "safe-haven" government bonds and top-rated corporate bonds, in some cases to historic lows. The US dollar, the yen and the Swiss franc effective exchange rates have appreciated significantly since mid-year, on the back of safe-haven effects.[3] Putting these developments together, the OECD financial conditions indices (FCIs) show divergent developments across countries (Figure 1.5): a deterioration in the euro area and, more recently, in the United States, implying that GDP growth could be reduced respectively by 1 and ½ percentage point in 2012 and ½ and ¼ percentage point in 2013 compared with the outcome if the FCI had not deteriorated; but some improvement in Japan.

*… including in emerging markets…*

- Financial conditions in emerging economies are becoming less supportive of growth. Sovereign bond spreads have risen, equity prices have declined and credit growth has slowed, including in China; several economies have also recently experienced sizeable exchange rate depreciations against the US dollar, reversing the tendency prevailing earlier in the year.

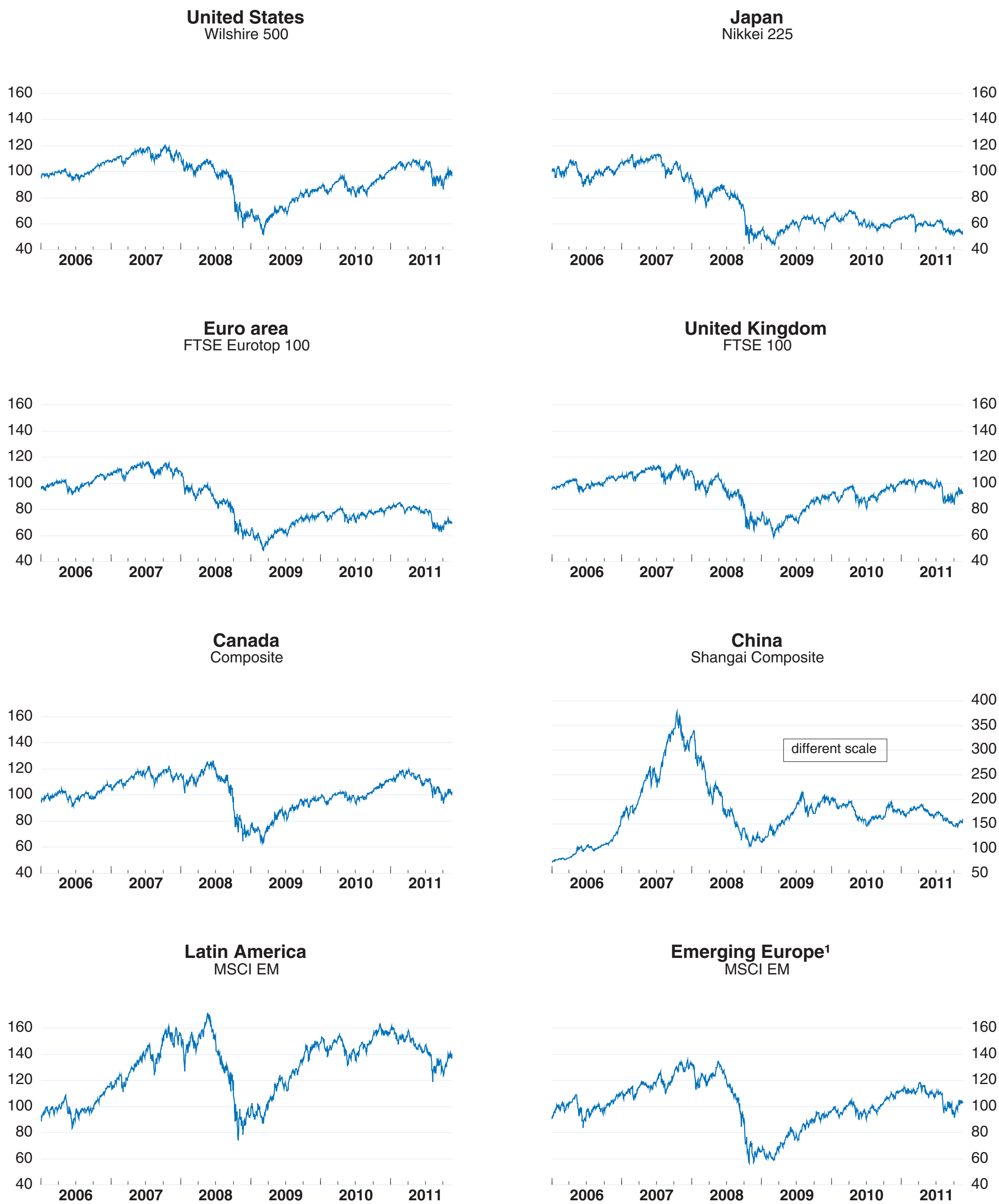
*…and has raised uncertainty*

- In addition, indicators of uncertainty in financial markets, as reflected in the daily volatility of equity markets, have risen sharply, back towards the high levels last seen in 2008-09. Such uncertainty, which is not included directly in the FCIs, is likely to result in the postponement of some planned, but hard-to-reverse, expenditures, especially by companies, and also delay hiring decisions (Box 1.1).

1. With equity prices low relative to cyclically-averaged earnings, their recent correction may in part reflect a rise in the equity risk premium given heightened uncertainty.
2. The ECB survey showed that a balance of respondents are now tightening credit standards in the euro area, and the US survey showed that fewer respondents are now easing credit standards. In both cases, these changes serve to make financial conditions less growth-friendly than would otherwise have been the case.
3. In response to upward pressure on the Swiss Franc, the Swiss National Bank capped its value at SFr 1.2 per euro through unlimited intervention.

Figure 1.2. **Equity markets have weakened again**

Index 2000=100



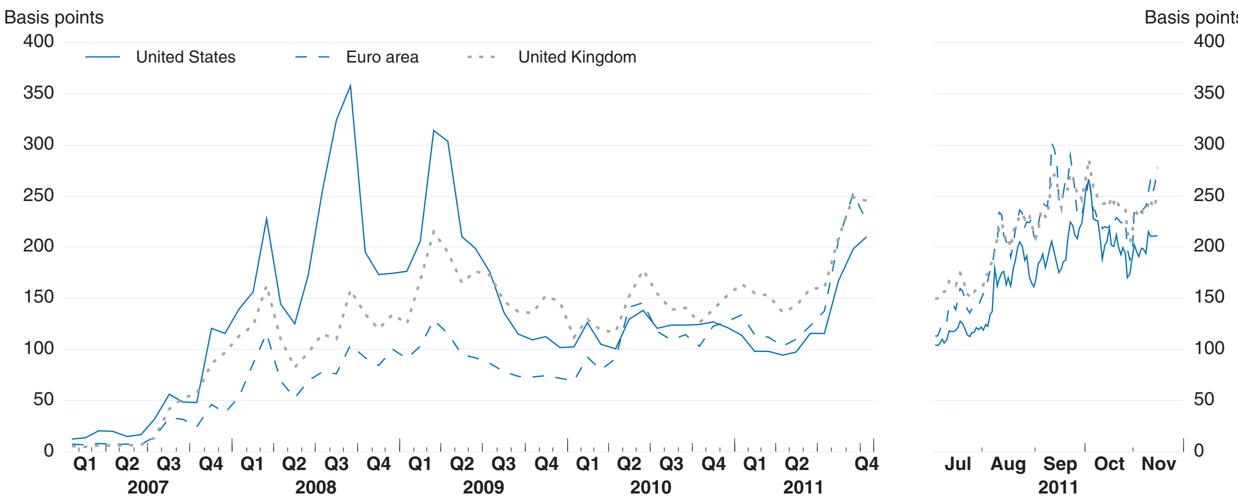

1. The MSCI index for Emerging Europe also includes Middle-East and Africa.

*Source:* Datastream.

StatLink http://dx.doi.org/10.1787/888932540239

Figure 1.3. **It has become more expensive to insure unsecured bank debt against default**

Annual rates of five-year credit default swap contracts on very large banks



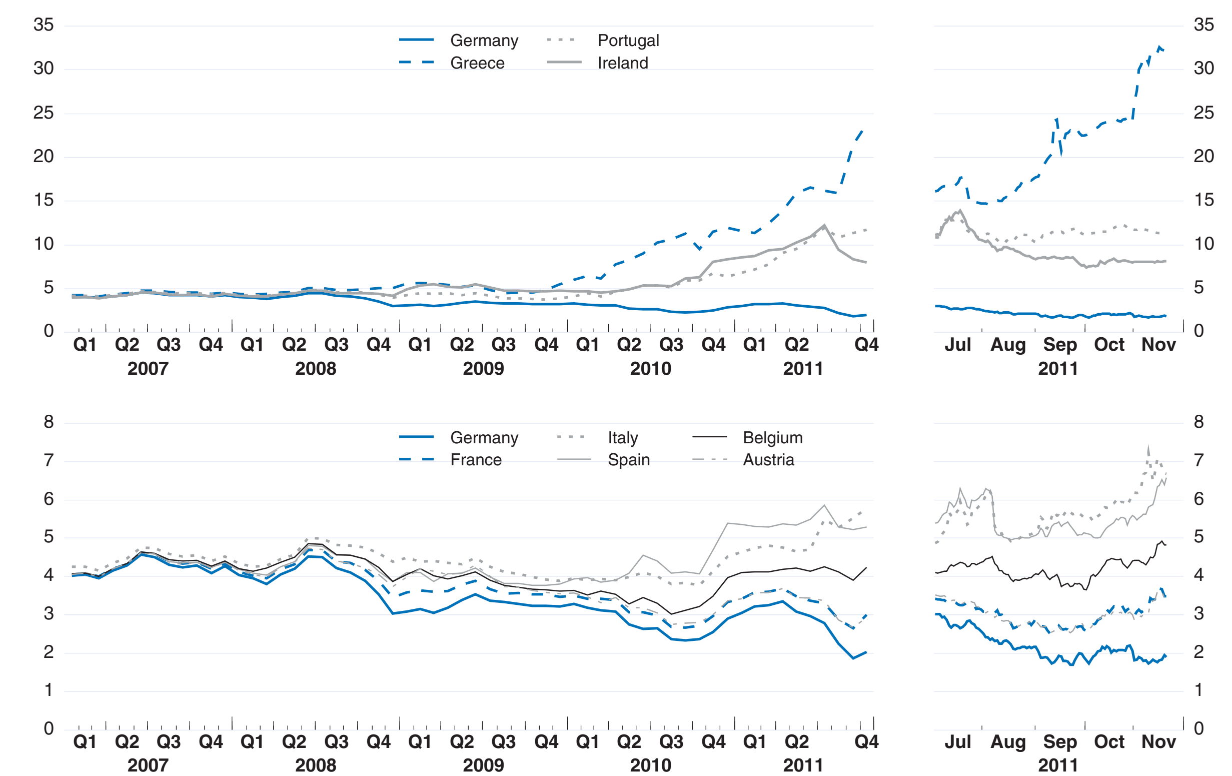

*Note:* Banking sector 5-year credit default swap rates.

*Source:* Datastream.

StatLink http://dx.doi.org/10.1787/888932540258

Figure 1.4. **Investors are now discriminating strongly across euro area sovereign bonds**

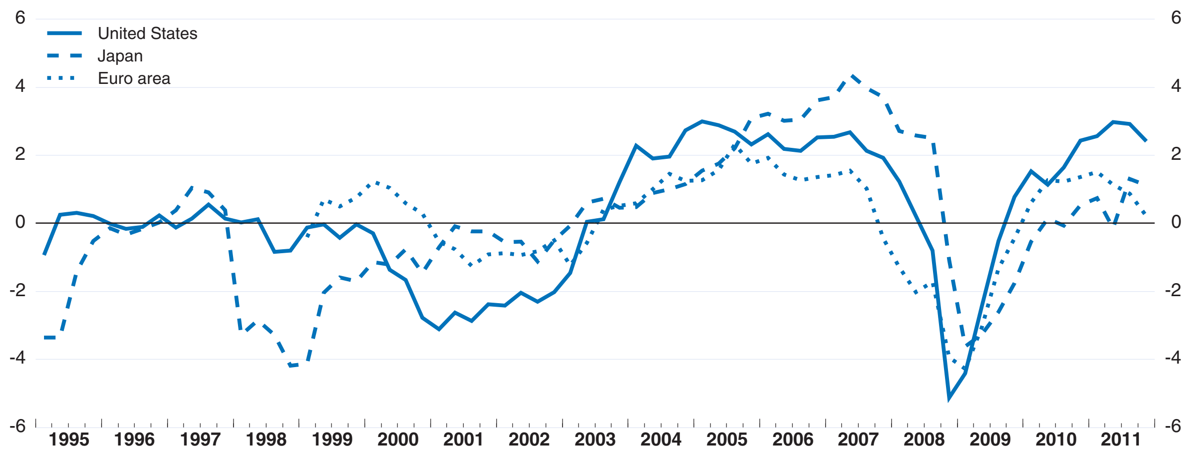
10-year sovereign bond yield, in per cent




*Source:* Datastream.

StatLink http://dx.doi.org/10.1787/888932540277

Figure 1.5. **Overall financial conditions have been hit in the euro area**




*Note:* A unit increase (decline) in the index implies an easing (tightening) in financial conditions sufficient to produce an average increase (reduction) in the level of GDP of ½ to 1% after four to six quarters. See details in Guichard et al. (2009).
Estimation done with available information up to 17 November 2011.

*Source:* Datastream; OECD Economic Outlook 90 database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888932540296

***This is placing renewed pressures on household balance sheets***

Household balance sheets have begun to weaken once more in some economies, reflecting the adverse effects of lower equity prices and persistent housing market weakness, with real house prices now declining in around two-thirds of the OECD countries for which timely estimates are available.[4] This is likely to contribute to keeping household saving rates elevated for some time to come, to help repair balance sheets. In addition, reflecting the widespread slack remaining in labour markets and the upturn in headline inflation this year, real wage and household income growth remains modest, holding back household consumption growth. Over and above effects from balance sheets and real income, the large recent declines in consumer confidence could also damp consumption growth in the near term (Box 1.1).

4. The direct impact of lower equity prices in the United States and the euro area could imply an eventual reduction in household consumption of just under 1%. In the United States, equity prices have declined by around 8¼ per cent since the end of the first quarter, reducing the value of household financial assets by around $1.6 trillion, taking into account the impact on the value of equities held directly by households and indirectly through pension funds and mutual funds. Assuming a marginal propensity to consume out of financial wealth of 6 cents per dollar (Carroll *et al.*, 2011), this implies an eventual reduction in household consumption of around 0.9%. The equivalent calculations for the euro area, where equity prices have declined by close to 25% since the end of the first quarter, imply a reduction in household consumption of 0.8%. The wealth calculations for the euro area take account of quoted equities, unquoted equities and mutual funds held directly by households and indirectly through insurance and pension funds. Equity price changes are assumed to apply to 40% of unquoted equity holdings and 30% of mutual fund holdings.

### Box 1.1. **Risk awareness, uncertainty and confidence**

Recent economic developments have been accompanied by heightened risk awareness and uncertainty, and sharp falls in confidence, both in financial markets and in the non-financial private sector. Such changes are often taken as an early, and timely, indicator of short-term cyclical swings in activity. This is especially so for hard and costly to reverse decisions, such as fixed investment, new hiring and purchase of durable goods. For such decisions, heightened uncertainty raises the option value of waiting, and hence weakens near-term expenditure (Bernanke, 1983; Pindyck, 1991; Bloom, 2009 and 2011). Equally, movements in survey-based indicators of consumer confidence have also been found to have a direct significant association with current and future private consumption growth (Nahuis and Jansen, 2004), particularly if the movements are large (Dees and Brinca, 2011), even if other factors such as income and wealth are taken into account (Carroll *et al.*, 1994; Ludvigson, 2004; Wilcox, 2007).

Two important issues are whether there is a consistent, statistically significant and economically relevant relationship over time between private expenditure and measures of confidence and uncertainty, and whether there is independent information in measures of uncertainty and confidence relevant for understanding near-term developments in private expenditure. To assess these, the OECD has developed simple quarterly indicator-type models for consumption growth and business investment growth in the United States and the euro area (see Jin *et al.*, 2011). These quarterly equations are augmented by separate monthly models for business and consumer confidence.

The results confirm that uncertainty, proxied by the VIX and VSTOXX indices – measures of the respective daily implied volatility of the US and euro area equity markets – and confidence measures influence private spending after accounting for other financial market developments (as reflected in the OECD financial condition indices):

- Business survey measures of investment intentions and production expectations are found to be strongly associated with quarterly changes in capital spending in the United States and the euro area, respectively.
- Monthly changes in the business survey measures are themselves found to be affected directly by monthly changes in stock market uncertainty. In addition, quarterly changes in stock market uncertainty are found to have a separate direct impact on investment spending in the United States, but not in the euro area.
- The quarterly growth of consumer spending is found to be linked to aggregate consumer confidence indicators in both the United States and the euro area, but it does not seem to be affected directly by measures of stock market uncertainty.

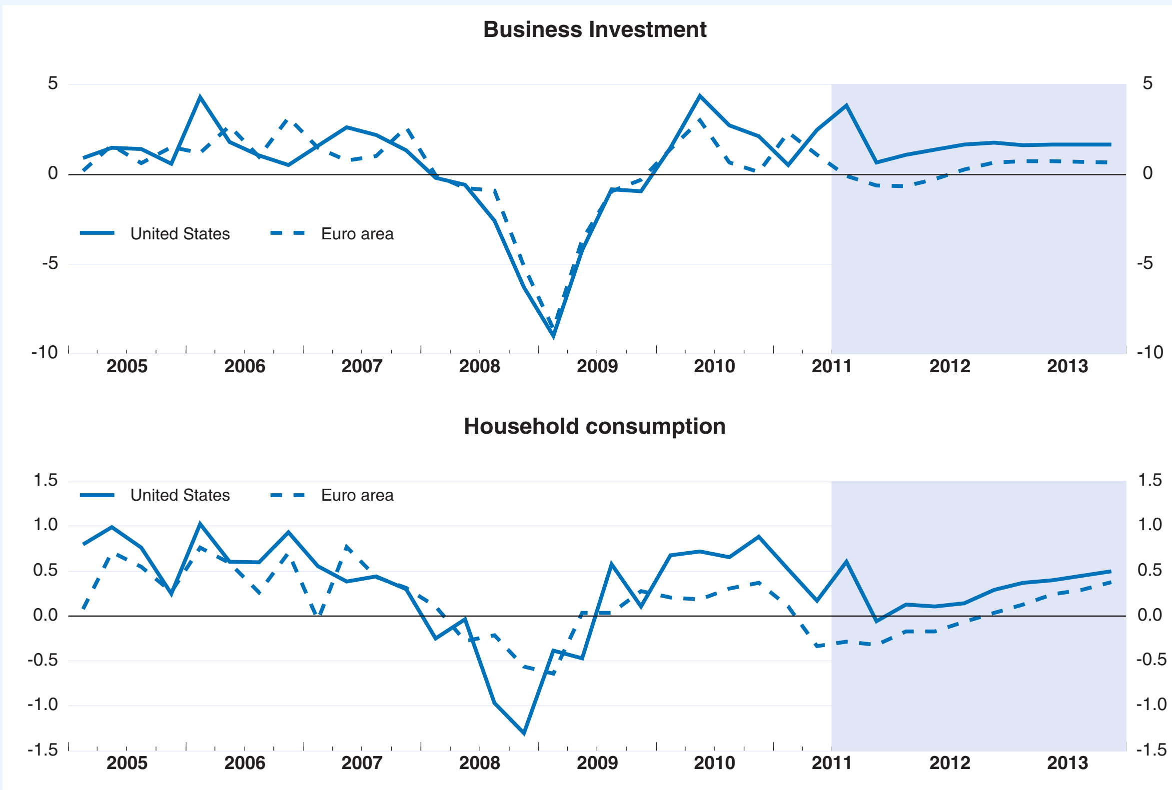
The empirical results have been used to produce a profile for business investment and private consumption growth over the coming two years. In both cases, financial conditions are assumed to remain fixed at their last observed level (see main text for details). The results presented here should be distinguished from the main projection where a broader range of factors are incorporated.

- For the investment path, stock market uncertainty is assumed to remain elevated until the end of the first quarter of next year, before reverting to its mean value by mid-2012. The resulting estimates, set out in the first figure below, indicate that near-term business investment growth in the euro area could be particularly subdued, unless uncertainty was to suddenly subside. In both economies, the projected outcome from these equations is somewhat weaker than in the muddling-through projection. This is particularly so in the euro area, where quarterly declines are projected by the indicator equation until the latter half of 2012; in contrast, the muddling-through projection is for weak, but positive investment growth from the second quarter of 2012.
- For the consumption path, consumer confidence is assumed to decline marginally further in the fourth quarter of 2011, and then remain unchanged until mid-2012 before reverting towards longer-term norms thereafter. On this basis, the resulting estimates set out in the second figure below point to small quarterly declines in consumption in the first half of next year in the euro area and little or no growth in the United States; these are somewhat weaker outcomes than incorporated in the muddling-through projection.

Box 1.1. **Risk awareness, uncertainty and confidence** *(cont.)*

**The implications of confidence and uncertainty for expenditure growth**

Quarter-on-quarter growth rate in per cent




*Source:* OECD calculations.

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***Several factors may cushion the lapse in activity***

Set against the negative factors above, the extent of any further weakness in activity may be damped by adjustments that have been ongoing since the onset of the recession in 2008. In particular, balance sheets are already adjusting at a sustained pace, which may limit the need for a further large precautionary upward adjustment in private sector saving rates in response to weaker asset prices. Many companies also have large cash holdings, which could be used as a buffer to help support employment and investment if sluggish growth is expected to be only short lived. Survey indicators also suggest that inventories have not yet risen to the excessive levels attained in 2008-09, reducing the likelihood that weakness in final demand will be reinforced by a large contraction in inventory levels. Similarly, other cyclically-sensitive categories of expenditure, notably housing investment and consumer durables, now account for a much lower share of final expenditure than in 2006-07.

## The muddling-through projection

*Conditional on particular assumptions, growth is likely to remain weak and recover only slowly…*

The projections presented here rest on a tacit assumption that sovereign debt and banking sector problems in the euro area can be somehow contained and the assumption that excessive, pre-programmed fiscal tightening will be avoided in the United States. Against this backdrop, near-term output growth is projected to be subdued in the OECD economies and at below-trend rates in the major emerging market economies. In some economies, especially the euro area, a mild recession is projected in the near term. Ongoing support is provided by accommodative monetary policies throughout the projection period (Box 1.2), but continued fiscal consolidation and weak labour, housing and credit markets will all act to check growth. Further ahead, from the latter half of 2012, the recovery is thus likely to be only modest, reflecting the gradual speed and extent to which confidence is assumed to recover as it

### Box 1.2. **Policy and other assumptions underlying the projections**

Fiscal policy settings for 2012 and 2013 are based as closely as possible on legislated tax and spending provisions. Where government plans for 2012-13 have been announced but not legislated, they are incorporated if it is deemed clear that they will be implemented in a shape close to that announced. Otherwise, in countries with impaired public finances, a tightening of the underlying primary balance of about ½ and 1% of GDP in 2012 and 2013, respectively, has been built into the projections. Where there is insufficient information to determine the allocation of budget cuts, the presumption is that they apply equally to the spending and revenue side, and are spread proportionally across components. These conventions allow for needed consolidation in countries where plans have not been announced at a sufficiently detailed level to be incorporated in the projections. Along this line, the following assumptions were adopted (with additional adjustments if OECD and government projections for economic activity differ):

For the United States, the assumptions for 2011 are based on legislated measures. Given the legislative uncertainty about budget policy for 2012 and 2013, the general government underlying primary balance is assumed to improve by ½ and 1 per cent of GDP in 2012 and 2013, respectively.

For Japan, the projections are based on the revised Medium-term Fiscal Framework announced in August 2011 which limits the issuance of new government bonds (excluding bonds to finance earthquake-related reconstruction) in FY 2011-12 to the FY 2010 level. The projection also includes reconstruction spending of around 19 trillion yen (about 4% of GDP) over five years and the planned tax increases of around 11 trillion yen (about 2% of GDP) over a period of up to 25 years to finance such spending.

For Germany, the government's medium-term consolidation programme, announced in September 2010, as well as the phasing out of the temporary components of the fiscal stimulus packages have been built into the projections. For France, the projections incorporate the government's medium-term consolidation programme, including recently announced measures aimed at compensating for weaker growth. For Italy the projections incorporate legislation up to and including the September Emergency Budget, and additional tightening needed to respect the government's commitment to a near-zero deficit in 2013 given that projected activity is lower than that on which the budget legislation is based. For the United Kingdom, the projections are based on tax measures and spending paths set in the March 2011 budget.

### Box 1.2. **Policy and other assumptions underlying the projections** *(cont.)*

The concept of general government financial liabilities applied in the OECD *Economic Outlook* is based on national accounting conventions. These require that liabilities are recorded at market prices as opposed to constant nominal prices (as is the case, in particular, for the Maastricht definition of general government debt). In 2010, euro area countries with unsustainable fiscal positions that have asked for assistance from the European Union and the IMF (Greece, Ireland and Portugal) experienced large declines in the price of government bonds. For the purpose of making the analysis in the *Economic Outlook* independent from strong temporary fluctuations in government debt levels on account of valuation effects, for these countries, the change in 2010 in government debt has been approximated by the change in government liabilities recorded for the Maastricht definition of general government debt. Given uncertainty about the precise amounts involved, no adjustment has been made for Greek government debt write-down as agreed at the 26 October Euro summit.

Policy-controlled interest rates are set in line with the stated objectives of the relevant monetary authorities, conditional upon the OECD projections of activity and inflation, which may differ from those of the monetary authorities. The interest rate profile is not to be interpreted as a projection of central bank intentions or market expectations thereof.

- In the United States, the target Federal Funds rate is assumed to remain constant at ¼ per cent for the entire projection horizon.
- In the euro area, the overnight rate is assumed to fall to 0.35 per cent by the end of 2011 through cuts in the repo and deposit rates and expanded liquidity provision, and remains constant until the end of 2013.
- In Japan, the current interest rate policy needs to be continued until inflation is firmly positive. The short-term policy interest rate is assumed to remain at 10 basis points for the entire projection horizon.
- In the United Kingdom, the policy interest rate is assumed to remain constant at ½ per cent for the entire projection horizon. The Bank of England is assumed to announce an additional bond purchase programme of £125 billion in early 2012. The additional purchases are assumed to keep longer-term interest rates 50 basis points below the path which they would have been assumed to follow without this measure.

For the United States, Japan, Germany and other countries outside the euro area, 10-year government bond yields are assumed to converge slowly toward a reference rate (reached only after the projection period), determined as future projected short rates plus a term premium and an additional fiscal premium. The latter premium is assumed to be 2 basis points per percentage point of gross government debt-GDP ratio in excess of 75 per cent and an additional 2 basis points (4 basis points in total) per percentage point of the debt ratio in excess of 125%. For Japan, the premium is assumed to be 1 basis point per percentage point of gross government debt-to-GDP ratio in excess of 75%. The long-term sovereign debt spreads in the euro area *vis-à-vis* Germany are assumed to halve in the course of 2013 for all other euro area member countries.

The projections assume unchanged exchange rates from those prevailing on 14 November 2011: $1 equals 76.98 JPY, €0.734 (or equivalently, €1 equals $1.36) and CNY 6.35.

The price of a barrel of Brent crude oil is assumed to be constant at $110 from the fourth quarter of this year onwards. Non-oil commodity prices are assumed to be constant over the projection period at the average level in October 2011.

The cut-off date for information used in the projections is 22 November 2011. Details of assumptions for individual countries are provided in Chapters 2 and 3.

becomes clear that other, worst-case, scenarios have been avoided. The key features of the economic outlook for the major economies are as follows:

***... in the United States...***

- Growth in the United States is expected to remain fairly subdued through 2012 before gradually picking up. Weak confidence, soft employment growth and the renewed pressures on balance sheets from lower asset values are all likely to damp consumers' expenditure. Heightened uncertainty should also moderate business investment growth in the near term, despite healthy corporate balance sheets. Continued fiscal consolidation, although assumed to be at a more moderate pace than in 2011, will also hold back activity. Provided confidence recovers during 2012, as assumed, accommodative monetary policy and strengthening external demand should help to buoy activity through 2013, allowing the sizable negative output gap to narrow marginally. But, despite a pick-up in employment growth, the unemployment rate is projected to remain elevated, declining only to around 8½ per cent by the end of 2013.

***... in the euro area...***

- The euro area is seen to have entered a mild recession, which will be followed by an only hesitant pick-up in activity. Deteriorating financial conditions and ongoing fiscal consolidation, with several countries having announced additional consolidation in the light of heightened concerns about sovereign debt sustainability, will act as a drag on the economy in both 2012 and 2013. In the near term, with output expectations continuing to decline and the loss of momentum in the economy, business investment is likely to be very weak. Softening confidence, deteriorating labour market conditions and renewed balance-sheet pressures are also likely to weigh on private consumption. Provided sovereign debt and banking problems can be contained, as assumed, and supportive monetary policy actions are undertaken, confidence should gradually recover from the latter half of next year. However, the large negative output gap is projected to close only marginally in 2013. The unemployment rate is projected to remain elevated, at just over 10% at the end of 2013.

***... in Japan...***

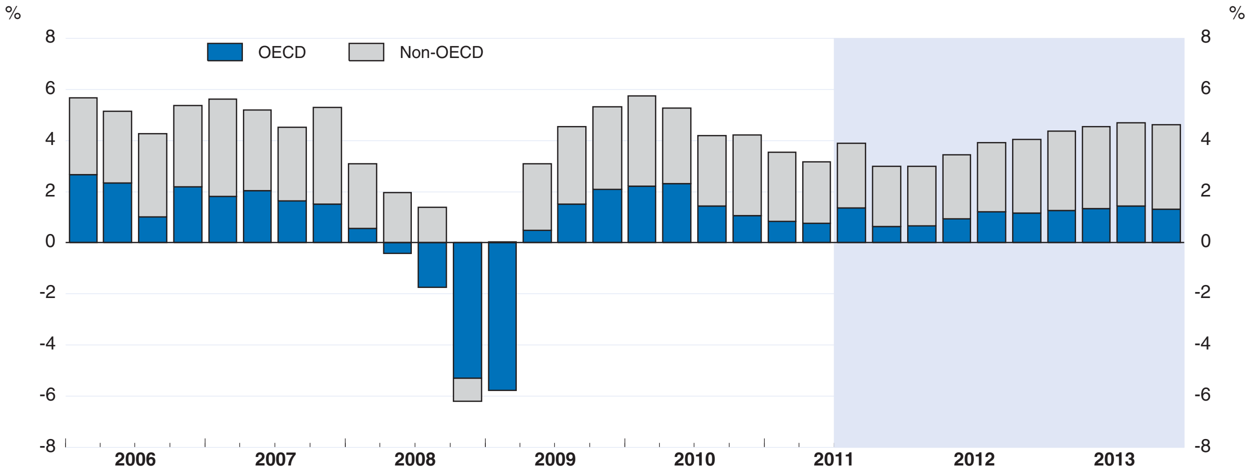
- After an initial rapid rebound in activity following the earthquake and the Fukushima disaster, the pace of the recovery is now moderating. Financial conditions have improved modestly through 2011, providing a stimulus to activity in 2012, and the planned fiscal package (worth 2% of GDP) is likely to boost growth by next year. Ongoing private and public reconstruction expenditure should help to support demand, though the timing of such expenditure remains uncertain. Soft global growth and the appreciation of the real exchange rate are, however, likely to check the pace of the upturn. As public reconstruction efforts fade, stronger business investment and a gradual improvement in labour market conditions should support the recovery, and allow the negative output gap to diminish gradually through the projection period.

***... and in emerging markets...***

- The contribution of emerging markets to global growth is substantial at present (Figure 1.6), and likely to remain so. Even so, output growth in China is projected to be well below potential in the near term. Domestic demand is likely to be relatively resilient, helped by increasing public

Figure 1.6. **Global growth is heavily dependent on the non-OECD economies**

Contribution to annualised quarterly world real GDP growth




*Note:* Calculated using moving nominal GDP weights, based on national GDP at purchasing power parities.

*Source:* OECD Economic Outlook 90 database.

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spending on social housing, but net trade is likely to be a drag on activity, reflecting both strong import growth and, in the near term, soft external demand. As inflation and monetary conditions ease, GDP is expected to pick up from around the middle of 2012 and to grow at rates close to 10% through 2013. In India, the recent moderation in activity is expected to persist through to mid-2012, given tight monetary conditions, leading to a wider negative output gap. Improving domestic confidence, easier monetary conditions and stronger external demand should help growth to pick up to around 8¼ per cent in 2013. In Brazil, domestic demand is projected to remain solid over the next two years, helped by large infrastructure programmes. However, the ongoing drag exerted by net export declines should keep GDP growth below potential rates, at around 3¼-4 per cent per annum. In Russia, GDP growth is expected to remain close to potential rates, at around 4% per annum, sustained by the still-high level of oil prices.

***... subduing world trade growth***

- World trade growth is expected to broadly follow its normal pattern relative to world GDP growth through the projection period, picking up from an annualised rate of 3½ per cent in the fourth quarter of this year, to around 8% by the latter half of 2013. A benchmark dynamic-factor model of trade growth (Guichard and Rusticelli, 2011), using a wide range of trade indicator variables, shows that there is a risk that trade growth could be softer than projected in the near term, and possibly even decline in the fourth quarter.

***Inflation is peaking...***

Annual rates of headline consumer price inflation in most OECD and emerging market economies have now started to decline. Much of the previous run-up had stemmed from the comparative strength of commodity prices, especially in many emerging market economies. However, core inflation rates, abstracting from the direct effects of food and energy price inflation, have also drifted up this year, in part due to increases in indirect taxes and administered prices in several OECD economies and the effects of domestic capacity constraints in economies such as China, India and Brazil. Long-term inflation expectations in the OECD economies, especially as represented by survey-based measures, appear to remain reasonably well anchored.[5]

***... and will weaken steadily***

Weakened commodity prices will help to quickly bring down headline inflation rates. Moreover, continued, and in some cases widening, negative output gaps in the OECD economies should bear down on inflation through much of the projection period (Figure 1.7 and Box 1.3).[6] Continued labour market slack should also ensure that labour

### Box 1.3. **The anchoring of inflation expectations and the risk of deflation**

With growth prospects weakening in an environment characterised by low core inflation and still ample economic slack, concerns about deflation risk have re-emerged. Stable inflation expectations can serve as a powerful buffer against entering a deflationary spiral, raising a question as to how stable these expectations really are.

One means of evaluating the relationship between inflation expectations and realised inflation is to regress indicators of inflation expectations on current and lagged consumer price inflation, using a rolling window, and study the development of the sum of the estimated coefficients (Trehan 2010). In the regression results depicted below, a 15-year rolling window is used and the number of lags is set to seven quarters. The results from regressing US consumers' short-run or long-run inflation expectations on headline inflation show that the sum of the estimated coefficients is currently lower than in 2007. Results using professional forecasters' short-run or long-run inflation expectations are similar. These findings suggest that changes in headline inflation have had a declining impact on inflation expectations. For the euro area, results from regressing professional forecasters' short-run or long-run inflation expectations on headline inflation show that the sum of the estimated coefficients continues to be low.

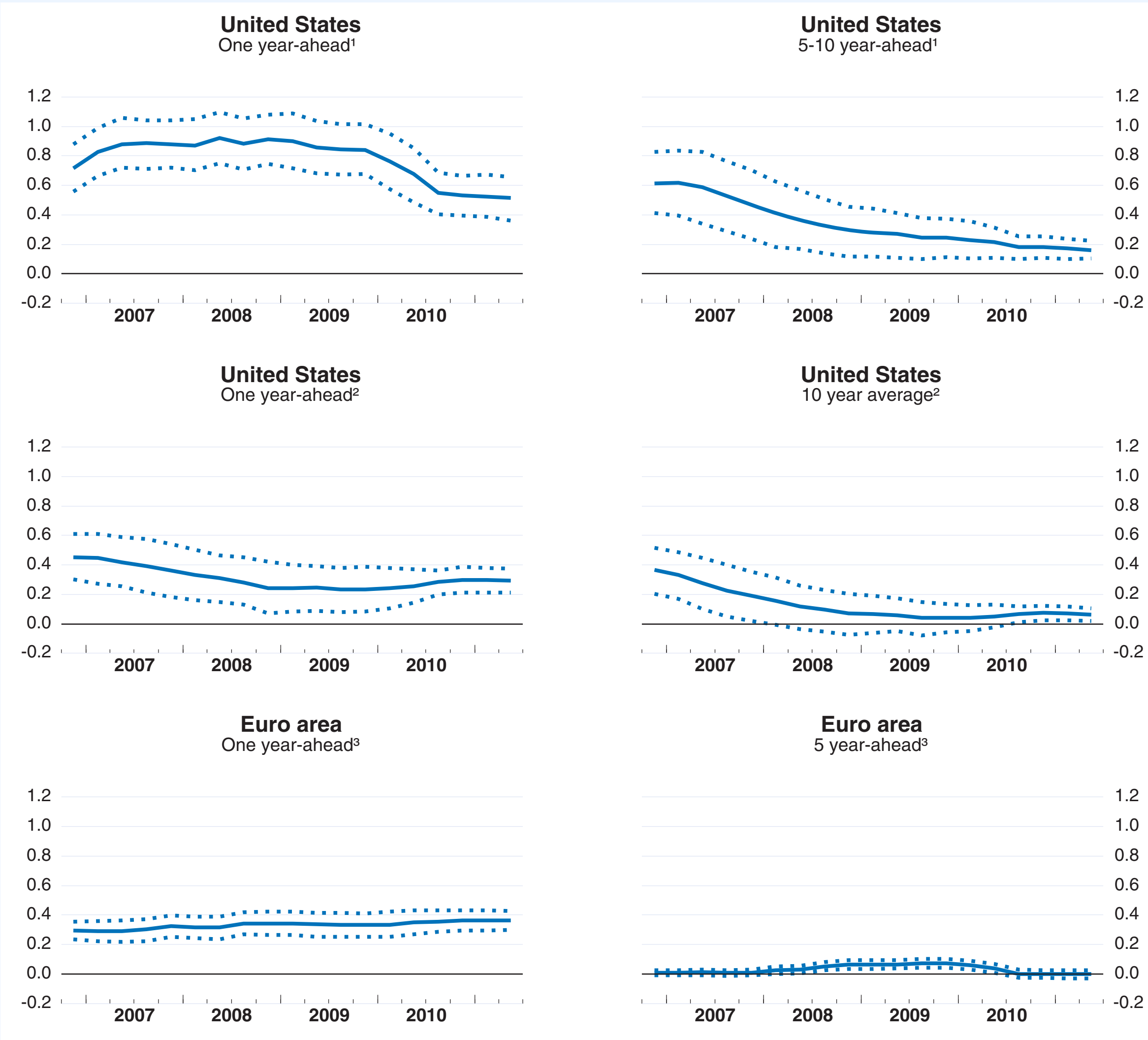
Therefore, even after the experience of large swings in headline inflation, inflation expectations appear to be well-anchored. This result might give grounds to hope that projected falls in headline inflation, due to weaker economic developments and falls in commodity prices, will not reduce inflation expectations sufficiently to pose significant deflation risk in the muddling-through projection. For instance, based on the coefficient estimates for the most recent period, the one percentage point fall in headline US CPI inflation in the projection between end-2011 and end-2012 would be associated with one-year-ahead inflation expectations falling by roughly ½ percentage point over the same period. This itself contributes ¼ percentage point to the fall in core inflation in 2013 based on the expectations-based Phillips curve estimated in Moccero *et al.* (2011). Similarly, in the euro area, the ¾ percentage point decline in headline inflation between end-2011 and end-2012 would reduce one-year-ahead inflation expectations by ¼ percentage point, which in turn would subtract ¼ percentage point from core inflation in 2013.

5. Some signs of weaker inflation expectations have begun to appear in market-based measures derived from yield differences between nominal and indexed bonds, but in part this reflects a mis-measurement generated by the flight to more liquid nominal bonds during renewed financial turmoil.
6. Empirical evidence suggests that the effects of economic slack on inflation are much weaker now than in the past (Koske and Pain, 2008; Moccero *et al.*, 2011).

Box 1.3. **The anchoring of inflation expectations and the risk of deflation** *(cont.)*

**Sensitivity of various measures of inflation expectations to headline inflation**

Estimated response of inflation expectations to a one percentage point change in headline inflation




*Note:* Dotted lines show 90 per cent confidence interval computed by a bootstrap procedure.

1. Based on inflation expectations from Reuters/University of Michigan Surveys of Consumers.
2. Based on inflation expectations from US Survey of Professional Forecasters.
3. Based on inflation expectations from ECB Survey of Professional Forecasters.

*Source:* Datastream; ECB; and OECD calculations.

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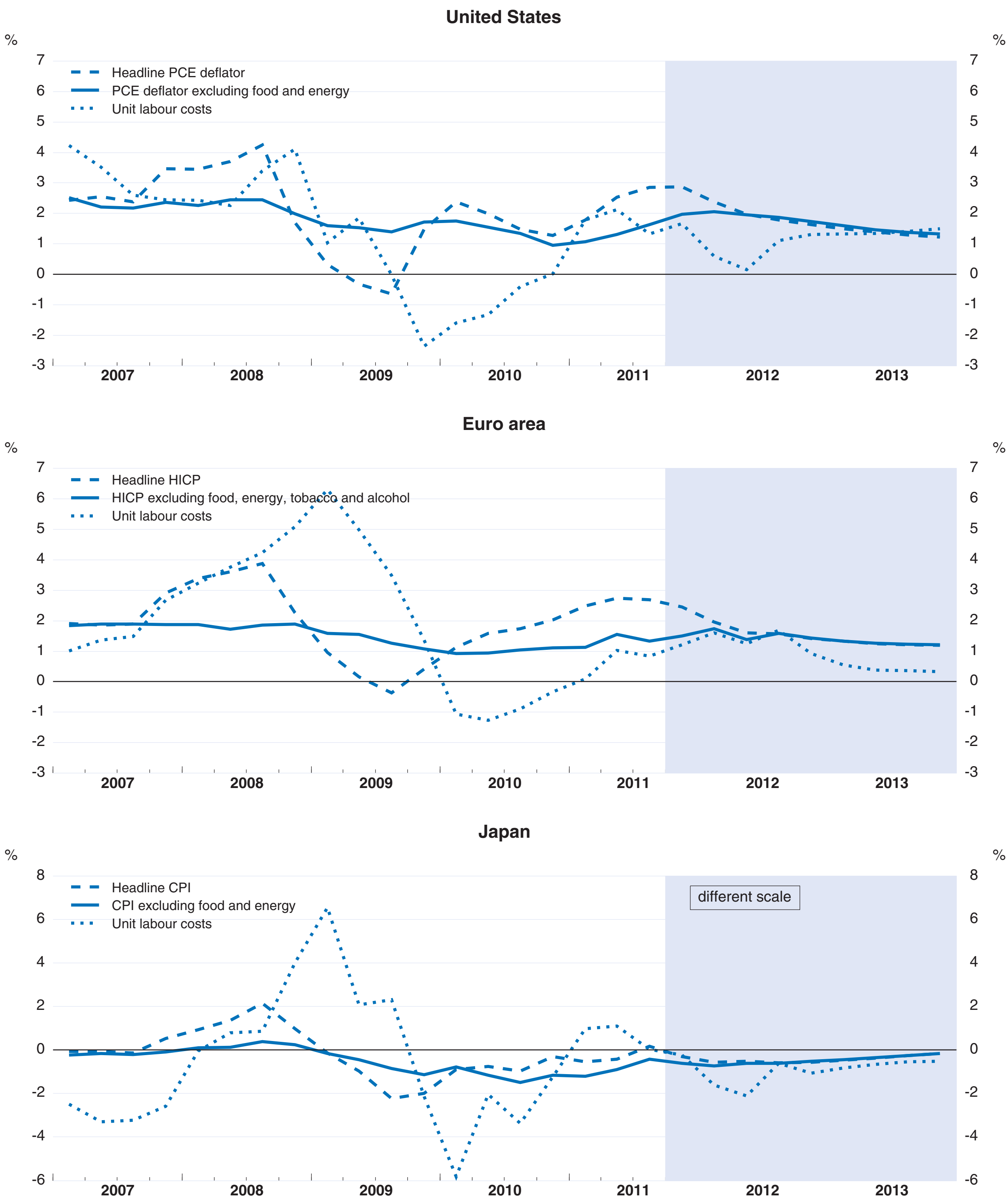
cost pressures remain weak. In the United States and the euro area, the annualised rate of core inflation is projected to drift down to around 1¼ per cent over the projection period. Deflation is expected to persist in Japan, albeit at a gradually diminishing pace. In emerging countries, slower current and future growth should suffice to alleviate inflationary tensions arising from domestic capacity constraints.

Figure 1.7. **Underlying inflation is likely to moderate**

12-month percentage change




*Note:* PCE deflator refers to the deflator of personal consumption expenditures, HICP to the harmonised index of consumer prices and CPI to the consumer price index. Unit labour costs are economy-wide measures.

*Source:* OECD Economic Outlook 90 database.

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*Labour markets are now weakening once more…*

Following a brief period of improving outcomes, unemployment is now rising once more in several economies, especially in Europe. The projection builds in an assumption that, as in 2008-09, widespread labour hoarding will help to preserve employment through a prolonged period of sub-par growth. Short-time working arrangements could, in principle, facilitate such labour hoarding, but their use may now be reduced, as average hours worked have still not returned to pre-crisis norms in many companies. If working hours do not adjust as much as in 2008-09, companies will either have to accept weak productivity growth as the counterpart to labour hoarding or lay off workers faster than projected.

*… and little improvement is foreseen*

In the projection, total OECD employment rises by between ½-¾ per cent in 2012 and 2013 (Table 1.2), with ongoing job growth in the United States offset in part by job losses in some European economies and Japan. The OECD-wide unemployment rate is projected to decline by only a ¼ percentage point over the two years to the fourth quarter of 2013. This would leave a large and persistent degree of labour market slack in most OECD economies (Figure 1.8), despite the extent to which factors such as higher long-term unemployment and unemployment benefit extensions may have pushed up the structural rate of unemployment in recent years.

Table 1.2. **OECD labour market conditions are no longer improving**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Percentage change from previous period | | | | | |
| **Employment** | | | | | | |
| United States | -0.5 | -3.8 | -0.6 | 0.5 | 1.2 | 1.5 |
| Euro area | 0.9 | -1.8 | -0.5 | 0.2 | -0.3 | 0.2 |
| Japan | -0.4 | -1.6 | -0.4 | -0.1 | -0.4 | -0.4 |
| OECD | 0.6 | -1.8 | 0.3 | 1.2 | 0.5 | 0.8 |
| **Labour force** | | | | | | |
| United States | 0.8 | -0.1 | -0.2 | -0.1 | 1.1 | 1.1 |
| Euro area | 1.0 | 0.3 | 0.1 | 0.1 | 0.2 | 0.2 |
| Japan | -0.3 | -0.5 | -0.4 | -0.6 | -0.5 | -0.5 |
| OECD | 1.0 | 0.5 | 0.5 | 0.8 | 0.6 | 0.6 |
| **Unemployment rate** | Per cent of labour force | | | | | |
| United States | 5.8 | 9.3 | 9.6 | 9.0 | 8.9 | 8.6 |
| Euro area | 7.5 | 9.4 | 9.9 | 9.9 | 10.3 | 10.3 |
| Japan | 4.0 | 5.1 | 5.1 | 4.6 | 4.5 | 4.4 |
| OECD | 6.0 | 8.2 | 8.3 | 8.0 | 8.1 | 7.9 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541645

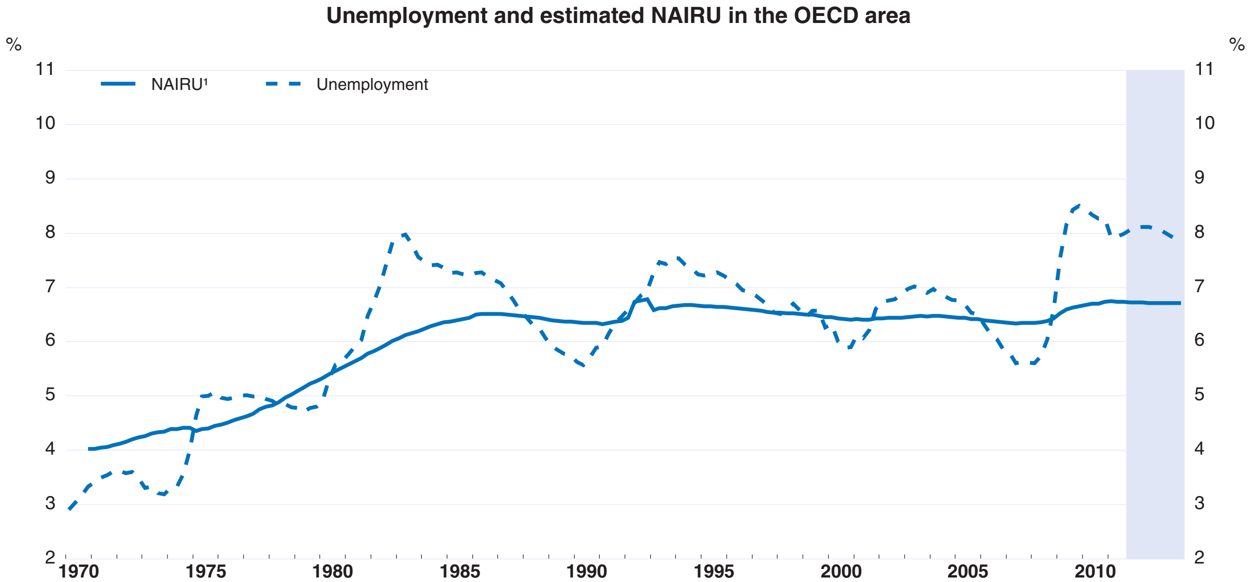
*Structural measures are essential to help tackle rising unemployment*

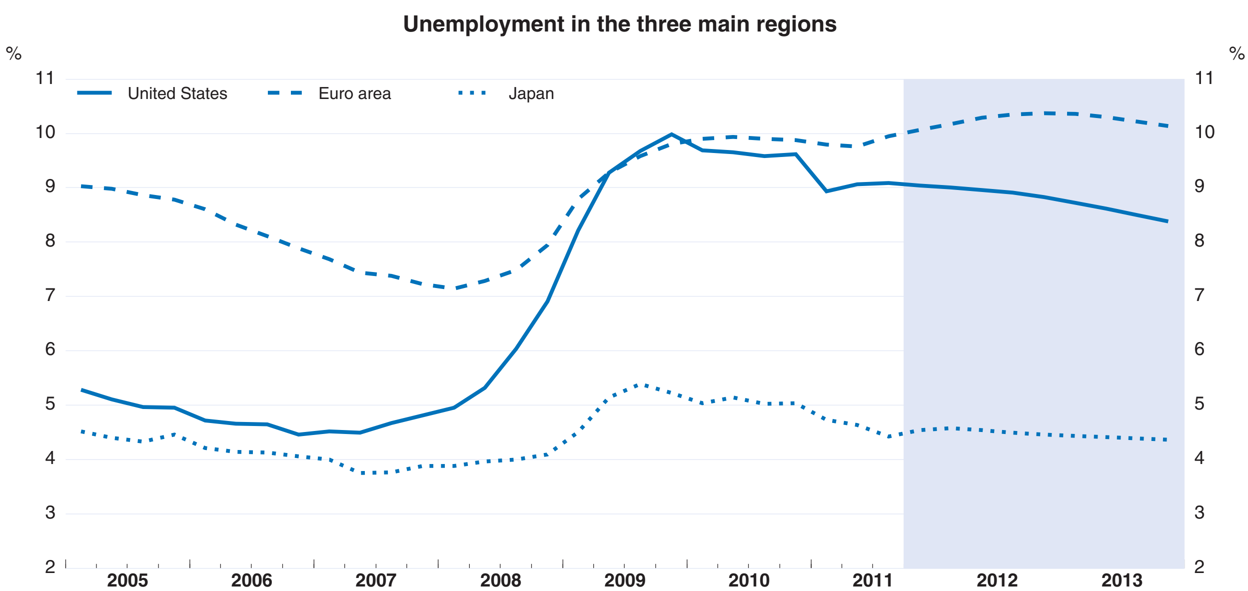
Labour market policies can help to foster near-term employment growth and minimise the employment costs of the downturn.[7] Factors that are likely to be of particular importance for raising hiring incentives

7. A full range of structural reforms that could help to increase near-term employment growth and minimise the employment cost of the downturn are discussed in detail in OECD (2011a).

Figure 1.8. **Considerable labour market slack is set to persist**

Percentage of labour force




1. NAIRU is based on OECD estimates. For the United States, it has not been adjusted for the effect of extended unemployment benefit duration.

*Source:* OECD Economic Outlook 90 database.

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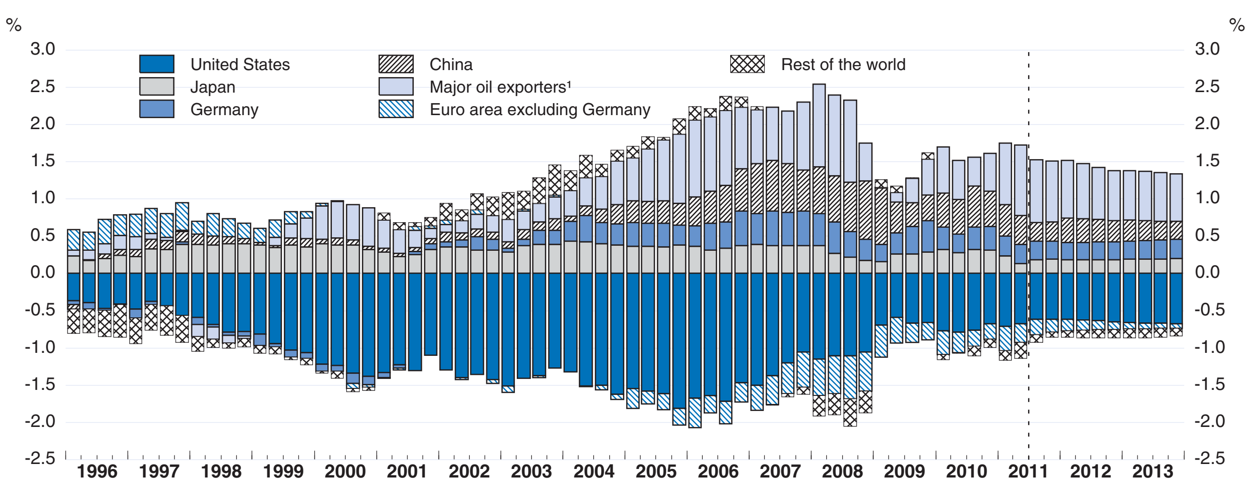
include: strengthening public employment services and training programmes to improve the matching of workers and jobs; rebalancing employment protection towards less-strict protection for regular workers, but more protection for temporary workers; and temporary reductions in labour taxation, where feasible through well-targeted marginal job subsidies (for new hires where net jobs are rising) rather than via across-the-board reductions in payroll taxes. Reforms to relax regulatory restrictions in sectors in which there is a strong potential for new job growth, such as retail trade and professional services, could also serve to improve labour market outcomes relatively quickly. Some of the measures that would help to stimulate employment in the near term could also reduce the risk of the transformation of cyclical into structural unemployment and strengthen labour market performance more generally. Other possible measures that might help to improve long-term labour market outcomes, such as reductions in unemployment benefit duration, may have more negative social consequences when labour demand is weak and should be pursued in the current context only when existing policy is clearly excessive.

*Current account imbalances are likely to remain elevated*

The narrowing of global imbalances since the advent of the crisis in 2008 has now slowed, and imbalances seem likely to remain broadly stable over the projection period (Figure 1.9, Table 1.3). The sum of all external balances in absolute terms is projected to remain around 3½ per cent of world GDP over the projection period, well below the level immediately prior to the crisis. Global imbalances are being kept elevated, at least in part, by the large increase in the external surpluses of the high-saving oil-producing economies, on the back of the still-high level of oil prices. Whilst re-spending of oil revenues is likely to reduce the external surpluses of oil-producing economies somewhat, much of the additional

Figure 1.9. **Global imbalances remain elevated**

Current account balance, in per cent of world GDP




*Note:* The vertical dotted line separates actual data from forecasts.

1. Include Azerbaijan, Kazakhstan, Turkmenistan, Brunei, Timor-Leste, Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Russian Federation, Saudi Arabia, United Arab Emirates, Yemen, Ecuador, Trinidad and Tobago, Venezuela, Algeria, Angola, Chad, Rep. of Congo, Equatorial Guinea, Gabon, Nigeria and Sudan.

*Source:* OECD Economic Outlook 90 database.

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Table 1.3. **World trade is slowing and imbalances remain**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **Goods and services trade volume** | Percentage change from previous period | | | | |
| **World trade**[1] | -10.7 | 12.6 | 6.7 | 4.8 | 7.1 |
| *of which:* OECD | -12.0 | 11.4 | 5.7 | 3.8 | 6.1 |
| OECD America | -12.5 | 13.0 | 6.2 | 4.9 | 6.6 |
| OECD Asia-Pacific | -12.7 | 15.4 | 5.7 | 6.7 | 7.4 |
| OECD Europe | -11.6 | 9.8 | 5.5 | 2.7 | 5.5 |
| China | -4.0 | 24.8 | 9.9 | 10.4 | 12.4 |
| Other industrialised Asia[2] | -10.1 | 17.4 | 8.3 | 5.8 | 8.6 |
| Russia | -17.2 | 14.6 | 9.4 | 4.7 | 6.5 |
| Brazil | -10.9 | 24.4 | 9.0 | 11.5 | 11.8 |
| Other oil producers | -3.7 | 1.0 | 6.4 | 5.4 | 7.4 |
| Rest of the world | -10.6 | 8.5 | 9.6 | 3.8 | 5.6 |
| OECD exports | -11.6 | 11.5 | 6.0 | 4.1 | 6.2 |
| OECD imports | -12.4 | 11.3 | 5.4 | 3.5 | 5.9 |
| **Trade prices**[3] | | | | | |
| OECD exports | -9.2 | 2.6 | 9.5 | -0.4 | 1.3 |
| OECD imports | -11.2 | 3.6 | 10.7 | -0.4 | 1.3 |
| Non-OECD exports | -13.7 | 11.1 | 15.7 | 1.3 | 1.5 |
| Non-OECD imports | -9.4 | 9.6 | 12.8 | 1.6 | 1.4 |
| **Current account balances** | Per cent of GDP | | | | |
| United States | -2.7 | -3.2 | -3.0 | -2.9 | -3.2 |
| Japan | 2.8 | 3.6 | 2.2 | 2.2 | 2.4 |
| Euro area | 0.0 | 0.2 | 0.1 | 0.6 | 1.0 |
| OECD | -0.5 | -0.6 | -0.6 | -0.4 | -0.4 |
| China | 5.2 | 5.2 | 3.1 | 2.6 | 2.1 |
| | $ billion | | | | |
| United States | -377 | -471 | -455 | -463 | -519 |
| Japan | 143 | 196 | 130 | 136 | 153 |
| Euro area | 8 | 27 | 10 | 81 | 138 |
| OECD | -205 | -252 | -284 | -203 | -206 |
| China | 261 | 305 | 230 | 224 | 204 |
| Other industrialised Asia[2] | 131 | 105 | 110 | 120 | 130 |
| Russia | 49 | 70 | 102 | 78 | 70 |
| Brazil | -24 | -47 | -49 | -56 | -70 |
| Other oil producers | 92 | 249 | 498 | 452 | 439 |
| Rest of the world | -86 | -107 | -185 | -184 | -172 |
| Non-OECD | 423 | 576 | 707 | 634 | 600 |
| World | 218 | 324 | 423 | 431 | 394 |

*Note:* Regional aggregates include intra-regional trade.
1. Growth rates of the arithmetic average of import volumes and export volumes.
2. Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore: Vietnam; Thailand; India and Indonesia.
3. Average unit values in dollars.

*Source:* OECD Economic Outlook 90 database.

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revenue accrued is likely to be saved, as appropriate for countries in which oil reserves are being depleted gradually.

In the major economies, a deterioration of the oil trade balance has been an important factor behind recent changes in external imbalances. In the nine months to September, this deterioration more than accounted for the nominal decline in the aggregate external trade surplus of China, compared with the same period a year ago; in the United States it accounted for around two-thirds of the rise in the external trade deficit compared with the same period a year ago.[8] In contrast, over the projection period, developments in the major economies largely reflect differences in the respective cyclical positions. The US external deficit is projected to widen by just under ½ per cent of GDP, and the euro area surplus in aggregate is projected to rise by around 1% of GDP. After a sharp decline to just over 3% of GDP in 2011, the Chinese current account surplus is projected to fall further, to around 2¼ per cent of GDP in 2013, with strong domestic demand growth helping to keep the surplus lower than in the recent past.

***Structural reforms would help narrow imbalances***

Further durable reductions in global imbalances will likely require greater exchange rate flexibility, as well as structural reforms and fiscal adjustments, with consolidation needs generally greater in external deficit OECD countries than in external surplus economies. In addition to having a direct benefit on prospects for national growth and welfare, many structural reforms are likely to help address the underlying determinants of global external imbalances over the medium term, *via* their impact on national saving and investment rates (OECD, 2011b). In particular, measures that stimulate investment in external surplus economies by reducing product market regulations in sheltered sectors, in conjunction with measures to improve social welfare systems and liberalise financial markets (while ensuring adequate prudential regulation) in non-OECD economies with an external surplus, could help to narrow global imbalances in the years ahead. In external deficit economies, rebalancing could be assisted by giving priority to: measures that enhance job creation, thereby reducing incentives for firms to substitute capital for labour; reforms that improve the efficiency of the tax system, and enhance the incentive to save; and measures that enhance non-price competitiveness. As discussed below, structural reforms are also needed to durably reduce imbalances within the euro area.

***Risks are mainly event-driven and to the downside…***

The main risks around the projection, on both the upside and the downside, relate to possible events arising from the evolution of the euro area debt crisis and fiscal policy in the United States that are discussed in detail below. In addition there are a number of other specific downside risks and fragilities that could weaken growth if they materialised:

***… but also stem from possible developments in Japan…***

- In Japan, an important downside risk to activity arises from ongoing uncertainty about the extent to which electric power shortages as a result of nuclear plant suspensions and closures may continue, and the extent to which this may check the recovery.

8. The changes in the balance of oil trade reflect both the impact of higher oil prices and changes in the volume of net oil imports. In China, where activity growth has been relatively strong, the volume of oil imports (proxied by import tonnage) in the first eight months to August was 7% higher than in the same period a year earlier. The volume of US oil imports declined in the same period.

*... China...*

- In China, an important near-term risk is that activity could slow more than projected against the backdrop of the tightening of monetary conditions over the past year, and declines in property and financial asset values. Indeed, recent survey indicators have underlined concerns about such a risk. Further ahead, uncertainties relate to the extent to which stable, high growth rates can be sustained in the context of the need to lower the share of fixed investment in aggregate demand.

*... oil markets...*

- Crude oil supply has tightened recently on account of supply disruptions in Libya and temporary but wide-spread disruptions outside OPEC. An easing of supply disruptions could, in principle, allow oil prices to fall below current levels. But the upside risk to prices remains a greater concern, with oil consumption by emerging markets continuing to trend upwards and current levels of oil stocks being fairly low.

*... and a further weakening of potential output*

- There is a risk that the loss of momentum in the recovery and heightened risk aversion in financial markets may further weaken potential output, by raising the prospects of an increasing part of the rise in unemployment since the onset of the crisis becoming long-lasting, and by raising the cost of capital for many companies. An implication would be that fiscal imbalances are structural to an even larger extent than currently thought.

## Policies in the muddling-through projection

### *Monetary policy*

*Accommodative monetary policy is warranted...*

The weak economic outlook with low inflation and predominantly downside risks in the OECD area calls for strongly accommodative monetary policy. In addition, central banks should provide ample liquidity to calm tensions in financial markets. In some OECD economies where monetary tightening had already started, policy interest rates should be reduced. Near zero-interest-rate policies are not costless as they can prompt excessive risk taking and capital misallocation. Nevertheless, in the current weak economic environment with significant downward risks, such considerations are outweighed by the need to provide monetary accommodation. Indeed, given the outlook, interest rates need to be close to zero in most OECD countries over the projection period, with further support coming from non-conventional measures:

*... in the United States...*

- In the United States, in response to the weakened economic prospects, the Federal Reserve stated in August that economic conditions were likely to warrant exceptionally low levels of the policy rate at least until mid-2013. In addition, the Federal Reserve decided in September to extend the average maturity of its holdings of securities by the end of June 2012 ("Operation Twist"). These measures are expected to stimulate the economy by lowering medium and long-term interest rates and the yield curve indeed flattened in the wake of their announcement, especially following the former policy decision. On the basis of the projections, it would be appropriate to keep the target Federal Funds rate at the current level until end-2013. However, government bond yields are assumed to rise as safe haven considerations dissipate gradually and government debt rises.

***... the euro area...***

- In the euro area, the European Central Bank raised the main refinancing rate in April and July from 1 to 1½ per cent, despite a large output gap and relatively low core inflation rates – especially once corrected for indirect tax increases.[9] In face of renewed turmoil since early August, it has started to again make sizeable government bond purchases under the Securities Market Programme, further expanded liquidity provision, including two operations of around 1 year and a new covered bond purchase programme, and reduced the main refinancing rate to 1¼ per cent in early November. The weak prospects for the euro area economy and fading inflation strongly argue for further prompt reductions in interest rates. In the projections, the overnight interbank rate is assumed to fall to its post-Lehman low of 0.35% before the end of this year, and to stay at this level, which can be achieved through a combination of cuts in the main refinancing and deposit rates and ample liquidity provision.

***... Japan...***

- In Japan, the current zero-interest-rate policy needs to be continued until inflation is firmly positive. In the absence of a clear trend toward achieving the implicit 1% inflation target, the Bank of Japan should undertake further measures, including the expansion of the scale of the asset purchase programme. The policy rate is assumed to be kept at the current level over the projection period.

***... and the United Kingdom...***

- In the United Kingdom, against the background of a significant weakening of the economic outlook, the Bank of England announced an expansion of its bond purchasing programme by £75 billion. If inflation comes down rapidly, further asset purchases will be appropriate, an action which is incorporated in the projections (for an additional amount of £125 billion, see Box 1.2).

***... and more would be needed in the event of the downturn intensifying***

Furthermore, in view of downside risks, monetary authorities in most countries and areas should prepare contingency plans that could be implemented swiftly if the weakness looks set to be more pronounced than in the projection. Such contingency plans could contain measures ranging from recently tested "unconventional" instruments to yet untested options.

***In the large non-OECD economies, monetary policy is at a crossroads***

In the large emerging market economies outside the OECD, falls in commodity prices and the slower growth of the global economy have started, or will soon start, to mitigate inflationary pressures. However, in

9. Indirect tax increases are estimated to have contributed about ½ percentage point to core inflation in the euro area in 2011.

deciding whether, when and how rapidly to ease, central banks need to take into account that inflation in some cases starts from a level well above implicit or explicit targets. In China, monetary policy has continued to be tightened gradually this year through increases in official interest rates and required reserve ratios while individual lending quotas have been applied for each bank. By contrast, the effective appreciation of the exchange rate since the beginning of the year has been very small. Going forward, and as the easing of overall monetary conditions becomes warranted, more significant appreciation of the effective exchange rate would increase the scope for a domestic policy response. A useful first step would be for the Chinese authorities to manage the exchange rate with reference to a clearly-defined basket of currencies. Without such currency policy, domestic monetary policy instruments – which are harder to calibrate – have to be kept at comparatively more restrictive levels to keep inflation on track. Such a strategy involves a risk of an excessive economic slowdown, especially if it were to trigger a downward spiral between property prices and bank capitalisation due to a potential problem of poor-quality lending in the property sector. In India, where continued high inflation has put the anchoring of inflation expectations at risk, some easing will be possible once inflation starts to decline noticeably, which is projected to occur in the second half of 2012. In Brazil, the central bank has ample room to reduce the policy rate further in response to weaker prospects for the economy.

### *Fiscal policy*

***Fiscal deficits are falling while debt ratios continue drifting up in most countries***

In the projection, the OECD area-wide fiscal deficit is expected to fall by ¾ per cent of GDP in both 2012 and 2013, with the improvement more than accounted for by planned consolidation measures, partly offset by rising interest payments. For most countries, present consolidation plans envisage some mix of spending restraint and revenue-raising measures, with more weight being put on the former (Figure 1.10). Gross debt in terms of GDP continues drifting upwards, with 2013 debt ratios projected to exceed 2011 levels in the United States, the euro area and Japan by 11, 2½ and 15 percentage points, respectively (Table 1.4).

***The key fiscal policy assumptions are...***

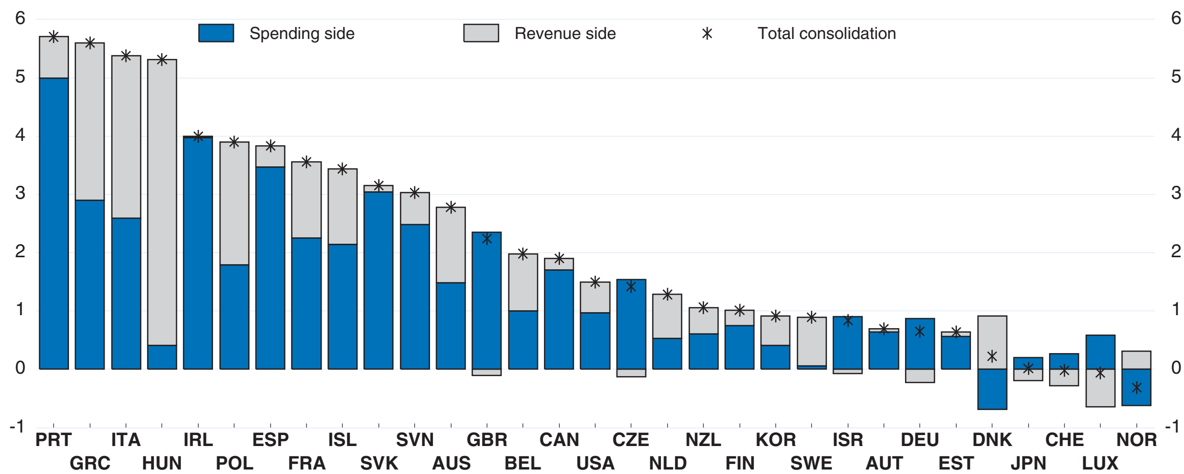
The fiscal policy assumptions employed in the projections are based on government programmes in most cases, though normative assumptions have been made where there is particular uncertainty about the likely evolution of budget policy in 2012 and 2013:

***... in the United States, less near-term consolidation than currently embedded in legislation...***

- In the United States, given the uncertainty surrounding fiscal policy in the coming two years, a normative assumption has been adopted that the underlying primary balance will improve by ½ and 1 percentage point of GDP in 2012 and 2013, respectively. This compares with a fiscal tightening embodied in current legislation of about 2 and 3 per cent of GDP in 2012 and 2013 respectively, which would be excessive given the relatively weak economic outlook. This programmed tightening would

## Figure 1.10. **The composition of fiscal consolidation plans**

Change in the underlying primary balance 2011-13, in per cent of potential GDP




*Note:* Total consolidation is the projected difference in the underlying primary balance; revenue side is the projected increase in the underlying receipts excluding interest earned on financial assets; and spending side is the projected decline in the underlying primary spending excluding interest payments on debt.

*Source:* OECD Economic Outlook 90 database; and OECD calculations.

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## Table 1.4. **Fiscal positions will improve only slowly**

Per cent of GDP / Potential GDP

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **United States** | | | | | |
| Actual balance | -11.6 | -10.7 | -10.0 | -9.3 | -8.3 |
| Underlying balance | -8.9 | -8.5 | -7.9 | -7.7 | -6.8 |
| Underlying primary balance | -7.4 | -6.8 | -6.0 | -5.6 | -4.5 |
| Gross financial liabilities | 85.0 | 94.2 | 97.6 | 103.6 | 108.5 |
| **Euro area** | | | | | |
| Actual balance | -6.4 | -6.3 | -4.0 | -2.9 | -1.9 |
| Underlying balance | -4.7 | -4.1 | -2.8 | -1.4 | -0.4 |
| Underlying primary balance | -2.3 | -1.7 | -0.3 | 1.3 | 2.5 |
| Gross financial liabilities | 87.6 | 92.9 | 95.6 | 97.9 | 98.2 |
| **Japan** | | | | | |
| Actual balance | -8.7 | -7.8 | -8.9 | -8.9 | -9.5 |
| Underlying balance | -8.3 | -7.7 | -8.0 | -8.3 | -8.6 |
| Underlying primary balance | -7.2 | -6.6 | -6.7 | -6.8 | -6.7 |
| Gross financial liabilities | 194.1 | 200.0 | 211.7 | 219.1 | 226.8 |
| **OECD**[1] | | | | | |
| Actual balance[1] | -8.3 | -7.7 | -6.6 | -5.9 | -5.1 |
| Underlying balance[2] | -6.8 | -6.4 | -5.7 | -5.0 | -4.2 |
| Underlying primary balance[2] | -5.1 | -4.6 | -3.8 | -2.9 | -2.0 |
| Gross financial liabilities[2] | 91.4 | 97.9 | 101.6 | 105.7 | 108.4 |

*Note:* Actual balances and liabilities are in per cent of nominal GDP. Underlying balances are in per cent of potential GDP and they refer to fiscal balances adjusted for the cycle and for one-offs. Underlying primary balance is the underlying balance excluding net debt interest payments.

1. Excludes Chile and Mexico.
2. Excludes Chile, Mexico and Turkey.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541683

be substantially reduced if the Administration's proposed stimulus, worth some 3% of GDP in the coming two years, were to be approved by Congress, but this remains uncertain. The recent failure of a Congressional committee to conclude a bi-partisan agreement on a medium and long-term consolidation programme may weaken confidence in the long-term anchoring of fiscal policy and, thus, limit the fiscal space that the authorities have to respond more flexibly to a much weaker-than-expected economy, if that were to occur.

***... in Japan, stimulus reflecting government reconstruction plans...***

- In Japan, based on government policy, the underlying budget deficit is assumed to widen by ½ of a percentage point of GDP by 2013. This incorporates cumulative post-earthquake reconstruction spending of around 2% of GDP in 2012 and 2013 that is assumed to be financed only partially by higher revenues, and limits on central government primary spending, excluding reconstruction spending, to the nominal level in the initial budget for FY 2011. The revised three-year medium-term fiscal framework announced in August 2011 maintained the aims of halving the primary budget deficit (relative to GDP) of central and local governments by FY 2015, achieving a primary surplus by FY 2020 and steadily reducing the public debt ratio thereafter. However, it is yet to be decided how to attain the targets. Given the very high sovereign debt level, the top priority must be to establish a detailed and credible fiscal consolidation programme, including tax increases, spending limits and privatisation revenues.

***... in the euro area, planned consolidation programmes...***

- In the euro area as a whole, the fiscal projections are based on announced policies, implying a reduction in underlying deficits of 1½ and 1% of GDP in 2012 and 2013, respectively. Reductions in underlying deficits are particularly steep in the IMF/EU programme countries, Italy and Spain: close to 2¾ and 1¼ per cent of GDP in 2012 and 2013 respectively, for the group on average. Planned consolidation must be implemented to help regain confidence. In France, fiscal tightening is set to amount to around 1¾ per cent of GDP in both 2012 and 2013. On the other hand, relatively modest annual consolidation of around ½ per cent of GDP or less is appropriately planned in some of the countries with comparatively sound public finances (*e.g.* Germany).

***... and in the United Kingdom, the government's deficit reduction strategy***

- In the United Kingdom, the projection embodies consolidation amounting to 1¼ per cent of GDP in both 2012 and 2013, in line with the government's medium-term consolidation strategy, which targets reaching cyclically-adjusted current balance by the end of a rolling five-year period. This programme is appropriate to regain fiscal sustainability.

***Public finances are generally relatively healthy in emerging markets***

In emerging market economies, fiscal positions vary considerably, although in most cases they are better than in the majority of OECD countries, not least because high growth rates tend to ease debt dynamics. In China, fiscal policy looks set to be expansionary, especially in 2013, as off-budget financing of social housing is stepped up. In Brazil and India, consolidation is underway and should remain a priority.

### *Financial market policy*

***Financial market policy has a key role to play in restoring confidence…***

The recent turmoil in the euro area has seen investors losing confidence again in the reliability of banks' financial statements and official stress tests, and hence in banks' solvency. The immediate concern is that accounting rules allow sovereign debt held in banking books to be valued at acquisition cost and not at market prices when banks declare that they intend to hold these securities to maturity. With sharp cuts in the market price of sovereign bonds issued by many countries in the euro area, this has opened up a gap between "market" and "accounting" measures of these assets. In addition, there is a lack of clarity in the treatment of sovereign bonds held in the banking book that are available for sale: under international financial reporting standards they are expected to be marked to market, but some countries are reported to have applied "prudential filters" allowing banks to value them at amortised cost for the purpose of calculating compliance with regulatory capital requirements. Another source of uncertainty about banks' financial statements relates to the treatment of their credit default swap (CDS) exposures as it appeared in October that a significant euro area bank had previously classified them as guarantees (which can receive a special accounting treatment), meaning that it did not have to recognise mark-to-market losses. There are also concerns that some banks outside the euro area could have large exposures to vulnerable euro area countries and banks, especially through credit default swaps (see below).

***… by insisting on more solid capital bases of banks***

To strengthen confidence in banking systems, EU governments have announced a plan to strengthen the core capital ratios of the major European banks (see Box 1.4). Capital has to be raised swiftly, to anticipate

#### Box 1.4. **The decisions taken at the October 2011 Euro summit and EU Council meeting**

The 26 October Euro summit and EU Council packages set out a further series of measures to help resolve sovereign debt and banking sector problems in the euro area. The main body of measures concerned proposals for Greece, steps to enhance the effectiveness of the European Financial Stability Facility (EFSF), bank recapitalisation, bank term funding and further significant enhancements of economic governance. Overall, the elements of the package represent a significant step towards resolving the euro area crises. However, the critical details remain to be determined and the measures have not succeeded in damping sovereign debt market tensions. A stronger link would also be appropriate with structural reform commitments and policy actions to enhance growth and rebalancing in the euro area – elements that are crucial to address the economic imbalances at the root of the crisis.

Concerning Greece, the summit invited the Greek government, private investors and other parties concerned to develop a voluntary bond exchange with a nominal 50% discount on notional Greek sovereign debt held by private investors, with the aim of putting Greek public finances on course to achieve a government debt stock of 120% of GDP by 2020. This would be some 30% of GDP lower than implied by earlier plans announced at a summit in July. Euro area countries would contribute up to €30bn to this new package. On that basis, additional official programme financing of up to €100bn until 2014 would be provided, including the additional resources required for the recapitalisation of Greek banks.

### Box 1.4. **The decisions taken at the October 2011 Euro summit and EU Council meeting** *(cont.)*

If it can be achieved, this package would help ensure greater economic stability in Greece but may not fully put concerns about debt sustainability to rest, given the still-high debt level that is projected at the end of the decade. The extent of private sector participation also remains unknown, with some financial institutions possibly preferring to hold out for either repayment in full or an involuntary debt write-down, given their offsetting credit default swap (CDS) positions that would be triggered in such an event. In addition, the basis for calculating the 50% discount remains to be determined. More generally, if the large Greek write-down is ultimately treated as voluntary, investors might question whether holding CDS offers much protection against possible write-downs of their other holdings of sovereign bonds, adding to uncertainty about the balance sheet positions of financial institutions.

On the EFSF, two options were proposed to increase its capacity and raise the resources available to help achieve stability in the euro area :

- Providing credit enhancement to new debt issued by member states to reduce funding costs. Private investors would have the option of purchasing this risk insurance when buying bonds in the primary market.
- Maximising the funding arrangements of the EFSF through a combination of resources from private and public financial institutions and investors, arranged through Special Purpose Vehicles (SPVs) on the back of equity provided by the EFSF. If successful, this would enlarge the amount of resources available to extend loans and provide credit enhancements, for bank recapitalisation and for buying bonds in the primary and secondary markets.

The EFSF would have flexibility to use these two options simultaneously and deploy them for different objectives as required. For instance enhanced purchases of bonds in the secondary market could be required if the risk insurance available on newly issued sovereign debt resulted in existing debt, without such risk insurance, coming under increased pressure. The precise leverage effect of each option could be up to four or five times the available resources of the EFSF at present.

The feasibility of the schemes remains unclear. In particular, the success of the proposed SPVs will depend on the extent to which investors are willing to finance the sovereign debt of vulnerable countries at yields which do not threaten debt sustainability. As any extension of the sovereign guarantees underpinning the EFSF was ruled out, possible leverage and costs thereof remain dependent on the extent to which bond market contagion to the countries that guarantee the EFSF can be contained. Using first-loss insurance as a means to increase leverage effectively extends coverage by reducing the impact on yields.

The third main announcement comprised new measures to support the European banking system:

- Banks have a deadline of June 2012 to raise their "core" capital ratios to 9% after marking to market their holdings of sovereign debt as of end-September. Estimates by the European Banking Authority (EBA) suggest that the total capital shortfall to be made up is €106 billion (around 1% of euro area GDP). Plans for achieving the capital ratio target have to be agreed with national supervisors and co-ordinated by the EBA, in order to prevent excessive deleveraging.
- The necessary additional finance should initially be raised from private sources, including through the restructuring and conversion of debt to equity. If necessary, national governments should provide support, and if this was not available, recapitalisation of euro area banks should be funded by a loan from the EFSF to the national authorities. Banks that fail to meet the new capital target are also to be subject to constraints on dividend payouts and bonus payments by regulators until the targets are met.
- There was also an agreement to establish a co-ordinated EU-level approach that would establish public guarantee schemes to support banks' access to term funding at reasonable conditions.

Box 1.4. **The decisions taken at the October 2011 Euro summit and EU Council meeting** *(cont.)*

These steps are much needed to help restore confidence in the European banking sector, although their effectiveness remains to be seen. Bond yields in many euro area countries have risen markedly further (hence weakening bond values) since the end of September, possibly implying that an even larger additional level of capital might now be prudent for some banks. There is also a clear danger that the new capital ratios will be achieved through deleveraging, with banks discriminating between domestic and foreign borrowers and concentrating lending activities in home markets only. This could be a particular problem in smaller European economies in which foreign banks have a large market share. To guard against this, it would be preferable if the objectives for individual banks could instead be specified as targets for the amount of capital raised.

Where governments take equity stakes, there is a strong case for doing so in the form of ordinary shares, which have the benefit of diluting existing shareholders (reducing moral hazard) and giving the public purse a benefit if banks' fortunes improve: this approach would contrast with the 2008-09 episode when for the most part fiscal authorities recapitalised banks through means which exposed taxpayers to equity-like risk but gave them debt-like returns. Taking ordinary shares would also enable governments to exercise their shareholder rights, which could facilitate efforts to suspend dividend payments and to cap compensation per employee in order to improve balance sheets as quickly as possible without curtailing credit supply.

Finally, on governance, a number of significant new political commitments were made to reinforce the co-ordination and surveillance of euro area policies. In particular:

- Reinforcing national fiscal frameworks by basing national budgets on independent growth forecasts and introducing national legislation (if necessary) to establish rules on structural balanced budgets, preferably at constitutional level or equivalent.
- Enhancing fiscal monitoring and enforcement for countries in the Excessive Deficit Procedure, by allowing the European Commission and the Council to examine and comment on national draft budgets, monitor implementation and, if needed, suggest amendments.
- Commitment to stick to the recommendations of the Commission and the relevant Commissioner regarding the implementation of the Stability and Growth Pact.

any sovereign credit events. To avoid a process of credit curtailment and generalised bank deleveraging which could prove extremely disruptive, regulators should ensure that banks increase their capital levels rather than shrinking assets. To the extent that public capital injection is needed, it should come in the form of ordinary shares so as to give tax payers a share not only in potential losses but also potential upsides. The European co-ordination process could be used to avoid "stigma" effects by making recapitalisation occur in a harmonised way across countries. This effort should extend to banks located outside the euro area that have large exposures, through loans, guarantees or derivatives, to the vulnerable countries of the euro area.

## Alternative scenarios for the euro area

***There are both downside and upside risks for the euro area***

The euro area crisis represents the key risk to the world economy at present, with concerns about sovereign debt sustainability having become increasingly widespread. Financial markets have priced in a restructuring of sovereign debt in Greece with large losses for creditors and also significant contagion to other fiscally vulnerable members of the euro area. This is particularly so for Italy and Spain, with government bond yield spreads surging towards levels that are ultimately hard to sustain, but also Belgium and, to a lesser extent, France and Austria. Indeed, contagion has entered a new phase and spread beyond euro area countries normally seen as fiscally vulnerable, suggesting that fiscal concerns are no longer the only driving force behind contagion. The policy measures announced at the Euro Summit and the EU Council meeting on 26 October (Box 1.4), like previous policy packages, provided only a temporary respite to market pressures.

***A number of downside scenarios can be envisaged***

A number of downside scenarios can be envisaged depending on the combination of particular events, transmission channels and interactions at work. An orderly debt write-down, without invoking CDS trigger clauses, might have only muted cross-border impact; a disorderly default, with comparatively large losses for investors and the triggering of CDS credit clauses, could give rise to uncontrollable contagion to other vulnerable countries. Accentuated concerns about the future integrity of the euro area could, even in the absence of sovereign defaults, lead to disorderly financial market developments with substantial economic fall-out. The trigger of a downside scenario could even be a separate event, for example the threatened collapse of one or more large financial institutions.

***This section sketches particular scenarios on the downside…***

This section sketches the possible implications of a disorderly sovereign default in various downside scenarios, depending on the contagion channels at work and their virulence, ranging from relatively benign to catastrophic outcomes. The particular scenarios described below should be seen as illustrative examples of how contagion channels could transmit shocks if a specific set of events were to occur in a particular sequence. In practice, each event can give rise to different outcomes, giving a large number of possible scenarios.

***… and on the upside***

This section also presents an upside scenario in which decisive policy measures, including those announced at the October Euro Summit and the EU Council meeting, are taken swiftly to break the link between sovereign debt and banking distress, to deal with Greece and to end the present contagion to sovereign debt markets in other European countries. The numerical estimates below give an illustrative example of the possible orders of magnitude in the different scenarios. In general, in the absence of a clear and credible policy commitment to halt contagion, backed by resources that are seen to be adequate, some form of downside scenario would become ever more probable; alternatively, if such a commitment is made, and succeeds in restoring confidence, an upside scenario will become more likely.

### *Downside scenarios*

***A disorderly default would have a cross-border impact…***

Cross-border financial spill-over effects from a disorderly sovereign default in the euro area can take different forms:

***… via losses for banks…***

- Foreign creditor banks would suffer losses on: their holdings of government bonds in the country concerned (unless they have insured their holdings with credit default swaps, in which case the counter-party bears the loss); their exposures from loans to banks in that country (most of which would become insolvent if the write-down is large and there is no countervailing measure); and their claims on the non-bank private sector. These losses could have ripple effects throughout closely inter-connected banking systems if the write-downs cast doubt about the capacity of the affected banks to honour their obligations to counter-parties.

***… and other creditors…***

- Foreign non-bank creditors holding impaired sovereign debt or exposed to it via CDS contracts would also be affected. Some official creditors, such as the IMF, the EFSF and national governments, may enjoy priority status, but there is uncertainty as to the treatment that would apply to others.[10] Little is known about foreign non-bank private creditors, but they are likely to include insurance companies and pension funds. The lack of information about the exposure of institutional investors to sovereign debt could in itself be a source of uncertainty, triggering excessive precautionary withdrawals by policy holders and forcing pension funds to liquidate assets.

***… higher government bond yields…***

- Perceived default probabilities may rise on sovereign debt in other fiscally weak countries for several reasons. First, investors would realise that default can occur. Secondly, default in one country would create a precedent, which could result in other fiscally challenged countries considering it as one possible way of adjusting. Thirdly, the fiscal positions of other euro area countries could be weakened by losses on official bilateral loans, calls on EFSF guarantees or the need to recapitalise or resolve domestic banks with large exposures to the defaulting country. Such contagion would show up in higher government bond yields, further undermining public finances. Furthermore, were a default to strengthen expectations of euro-area exit, other weak countries might also see their bond yields increased by fears of a domino effect.

10. ECB holdings of sovereign bonds from the country concerned, purchased under the Securities Market Programme, may also be affected (though the bonds are most likely to have been acquired at a significant discount to face value). Impaired government bonds used by banks as collateral for their borrowing from the ECB would not give rise to losses for the ECB as long as the debtor banks remained solvent.

*... lower equity prices...*

- Diminished expectations of economic growth in the countries concerned would be swiftly incorporated into the equity prices of foreign corporations that derive significant earnings from exporting to, or operations in, these countries. Share prices would also reflect lower growth outside the countries concerned by default, brought about by other contagion channels.

*... legal uncertainty...*

- In the absence of EU bankruptcy rules for individual sovereigns, legal uncertainty could arise about the resolution of sovereign debt, further adding to the risk premium demanded by creditors on debt issued by fiscally weak member countries.

*... and increased risk aversion*

- A generalised increase in risk aversion could put downward pressure on all assets seen to be relatively risky and reduce the willingness to be exposed to all but the most-safe counterparties.

*The direct contagion effects of a default via the banking system will depend on the country concerned*

The extent to which the contagion effects from a disorderly default are manageable will depend in part on the size of the economy in which the default occurs and the size of the exposures that foreign banks have to that economy. Provided it does not trigger off panic reactions, related for example to uncertainty about the allocation of exposures to the country, the direct consequences of a default in a comparatively small euro area economy would seem to be manageable. A default by a larger economy or contagion to a large group of economies would prove much more disruptive.

*In a small country, such as Greece, the direct contagion effects should be manageable*

In the specific case of Greece, the agreement reached at the October 26 Euro Summit and EU Council meeting has increased the likelihood of voluntary private-sector write-down. If a credit event occured, whether voluntary or otherwise, creditor banks would have to write down the value of their claims on the Greek government, amounting to €34 billion as of end-2010 for EU banks outside Greece (Table 1.5).[11] National banking systems should be able to absorb significant losses on their Greek sovereign debt holdings with their current "free" Core Tier 1 capital (*i.e.* the capital above the required minimum of 4½ per cent of risk-weighted assets applicable under Basel III as from 2015). Public capital injections to make up for the write-downs might be needed for individual, particularly heavily exposed banks, but should be small relative to GDP.[12] As provided for in the October Euro Summit agreement, banks could incur additional losses on Greek private assets as the

11. Even in the absence of a default, some of this outstanding amount is likely to be written down provided private sector investors participate in the voluntary bond exchange programme announced at the Euro Summit in October.
12. Banks that are net sellers of credit default swap (CDS) protection on Greek sovereign debt would suffer losses in the case of default, but the small size of the market for Greek sovereign CDS suggests that the impact should be limited, unless it were to be highly concentrated. The overall notional amount of outstanding sovereign Greek CDS contracts has been estimated at below €8 billion (Baker, 2011).

Table 1.5. **Bank exposure to Greek sovereign and total debt**

| | Stress-tested banks | | | BIS reporting banks |
|---|---|---|---|---|
| | % of core Tier I | % of free core Tier I[1] | % of GDP | % of GDP |
| **Sovereign debt** | | | | |
| Germany | 6.9 | 13.4 | 0.3 | 0.4 |
| France | 6.2 | 13.4 | 0.5 | 0.5 |
| Italy | 1.8 | 4.5 | 0.1 | 0.1 |
| Spain | 0.3 | 0.8 | 0.0 | 0.0 |
| Belgium | 13.6 | 22.5 | 1.1 | 0.4 |
| Portugal | 8.5 | 22.9 | 0.8 | |
| **Total debt** | | | | |
| Germany | 15.7 | 30.3 | 0.7 | |
| France | 27.2 | 58.3 | 2.3 | |
| Italy | 2.1 | 5.4 | 0.1 | |
| Spain | 0.3 | 0.8 | 0.0 | |
| Belgium | 19.4 | 32.1 | 1.6 | |
| Portugal | 44.2 | 119.6 | 4.3 | |

*Note:* These ratios are reported to provide indications about the scales of exposures and should not be interpreted as estimates of expected losses. Data for stress-tested banks' core Tier I capital and exposures are taken from the detailed bank-by-bank result tables published by the European Banking Authority following the 2011 EU-wide stress test. Sovereign and total debt respectively refer to the EBA's concepts of gross direct long exposures to sovereigns and total EAD (Exposures at Default). Figures relating to total debt represent lower-bound estimates because a number of stress-tested banks made use of a materiality threshold which allowed them to refrain from reporting country-specific EAD exposures that are smaller than 5% of total EAD exposures. Those undisclosed country-specific exposures are however included under "others," a category which on average represents 7% of total EAD. The estimated country aggregates for total debt used to compute the ratios reported above have been calculated by summing total EAD exposures for banks that reported them and sovereign exposures for banks that chose not to report country-specific EAD exposures.

1. Exposure as a share of core Tier I capital in excess of 4.5% of risk-weighted assets (the Basel III core capital ratio applicable as of 2015).

*Source:* European Banking Authority; Bank for International Settlements; OECD Economic Outlook 90 database, and OECD calculations.

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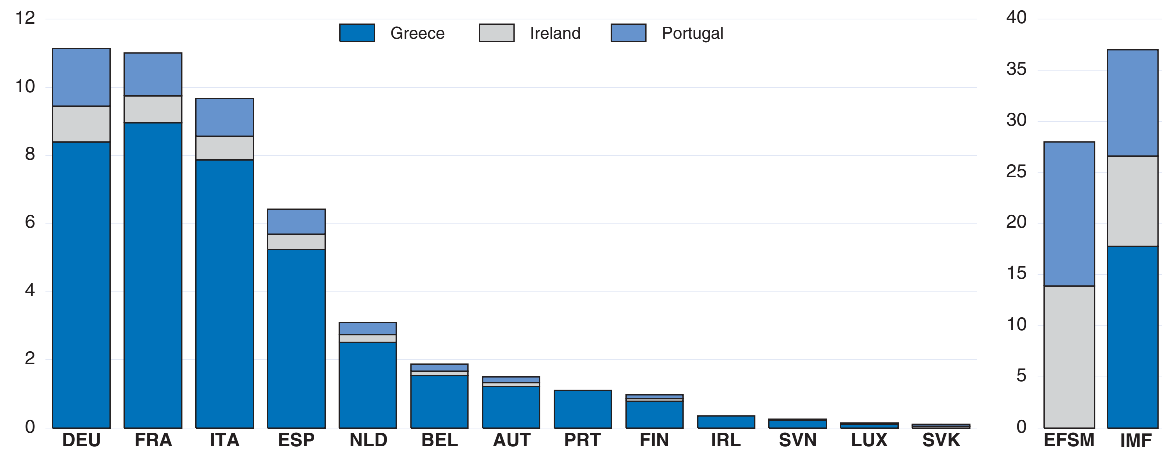
domestic banking system and, in the case of a general default, the non-bank private sector would most likely find it difficult to fully meet their obligations. Indeed, foreign claims on non-government entities in Greece are as large as claims on the government. Nonetheless, banking systems should also be able to absorb such losses without much public assistance in the form of capital injections, though particularly exposed institutions could face problems. Inter-bank markets could seize-up in the immediate wake of a default announcement, but already-announced central bank liquidity provision should contain the adverse effects of this on the functioning of the broader financial system. Foreign non-bank private creditors, who hold an estimated €65 billion of Greek government debt (20% of the total), would also be affected in the case of a default and this could be the case for official creditors, who hold claims amounting to €73 billion in Greece (Figure 1.11).

***Sovereign debt in other programme countries should also be manageable***

If a sovereign debt restructuring in Greece raised perceived default probabilities in one or both of the other programme countries, government bond yields would rise in Portugal from already high levels and the recent sharp drop in spreads in Ireland could be reversed. However, much of the

Figure 1.11. **Official loans to the governments of Greece, Ireland and Portugal**

Billions of euros




*Note:* Countries' exposures cover bilateral loans under the Greek Loan Facility and loans by the European Financial Stability Facility (EFSF) to Ireland and Portugal, disbursed until March, September and October 2011 for Greece, Ireland and Portugal, respectively. In addition, loans have been dispersed by the European Financial Stabilisation Mechanism (EFSM) and the IMF. Moreover, bilateral loans to Ireland from Denmark, Sweden and the United Kingdom amount to 0.5 billion euros combined until September 2011 (not included in the chart).

*Source:* European Commission; European Financial Stability Facility (EFSF); and IMF.

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funding needs of these two countries in the coming two years is covered by the IMF/EU programmes (Table 1.6), the increase in yields in secondary markets would have minimal near-term effects on actual borrowing costs. Higher yields might, however, require some capital injection into domestic banks to offset losses on their holdings of domestic sovereign bonds. Foreign

Table 1.6. **EU / IMF Programme countries : Funding needs and sources**

Billion euros

| | Greece[1] | | | Ireland | | | Portugal | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| **Total financing needs** | 84.9 | 67.9 | 54.6 | 51.2 | 23.2 | 25.7 | 53.2 | 37.9 | 31.4 |
| Net borrowing | 17.1 | 14.9 | 11.4 | 16.2 | 14.3 | 12.1 | 10.0 | 7.6 | 5.2 |
| Debt rollover | 37.3 | 41.3 | 36.7 | 16.0 | 8.9 | 13.6 | 29.6 | 25.3 | 20.8 |
| Other[2] | 30.5 | 11.7 | 6.5 | 19.0 | 0.0 | 0.0 | 13.6 | 5.0 | 5.4 |
| **Total EU/IMF help** | 71.2 | 54.1 | 37.3 | 38.1 | 19.0 | 10.2 | 38.1 | 25.0 | 10.0 |
| EU | 53.6 | 39.4 | 27.1 | 25.6 | 12.7 | 6.6 | 25.4 | 16.7 | 6.7 |
| IMF | 17.6 | 14.7 | 10.2 | 12.5 | 6.3 | 3.6 | 12.7 | 8.3 | 3.3 |
| **Financing gap** | 13.7 | 13.8 | 17.3 | 13.1 | 4.2 | 15.5 | 15.1 | 12.9 | 21.4 |

1. EU/IMF help includes estimates of a new loan.
2. For Greece it includes bank assistance and stock-flow adjustment. For Ireland it includes bank recapitalisation. For Portugal it includes the bank Solvency Support Facility, bank restructuring costs and net financing from retail government securities programmes.

*Sources:* IMF( 2011), "Greece: Fourth Review Under the Stand-By Arrangement and Request for Modification and Waiver of Applicability of Performance Criteria", *IMF Country Report No. 11/175*, July; IMF (2011), "Ireland: Third Review Under the Extended Arrangement – Staff Report", *IMF Country Report No. 11/276*, September; IMF (2011), "Portugal: First Review Under the Extended Arrangement," *IMF Country Report No. 11/279*, September.

StatLink http://dx.doi.org/10.1787/888932541721

creditor banks would also incur losses on their holdings of Portuguese and Irish sovereign debt, but the amounts involved would be small relative to total core Tier 1 capital in the banking system of the creditor countries.

*A wider contagion to vulnerable countries would have dire consequences for…*

The intensified concerns that have appeared about sovereign debt sustainability in other larger countries with high or rapidly rising debt, and the recent extension of contagion to countries normally seen as having relatively solid public finances, have the potential to massively escalate the economic disruption. This is particularly so for Italy, where long-term government bond yields have risen rapidly by more than 100 basis points in the month to mid-November, but also Spain and Belgium, notwithstanding differences in their initial government debt levels, budget deficits, bond-yield spreads and potential growth prospects. Major negative turns in market sentiment, of the sort that in the past have been reflected in increases of 350 basis points in long-term government bond yields in affected countries,[13] could have dire consequences for the public finances and the banking sector. However, the strong increase in the yield spreads of Italian, Spanish and Belgian government bonds over German bonds observed in recent months may already incorporate part of this contagion effect. Moreover, the level of bond yields is being cushioned to some extent by lower German bond yields, which could continue to be the case. Against this background, the stylised quantifications below, based on a 350 basis point increase in yields (relative to that in the muddling through projection), could be overly pessimistic:

*… public finances…*

- Public finances would be impaired by higher debt servicing costs. Given the maturity structure of public debt, this effect would occur gradually but would require additional consolidation of 2% to 3% of GDP by 2020 to offset the impact on net lending in the countries concerned (Figure 1.12). The risk is that little progress in reducing debt ratios, or even continued increases in debt ratios, would further weaken confidence in public finances and result in an adverse feedback loop with additional interest rate increases forcing additional consolidation measures to be undertaken to meet headline budget objectives, which would further sap growth and confidence.

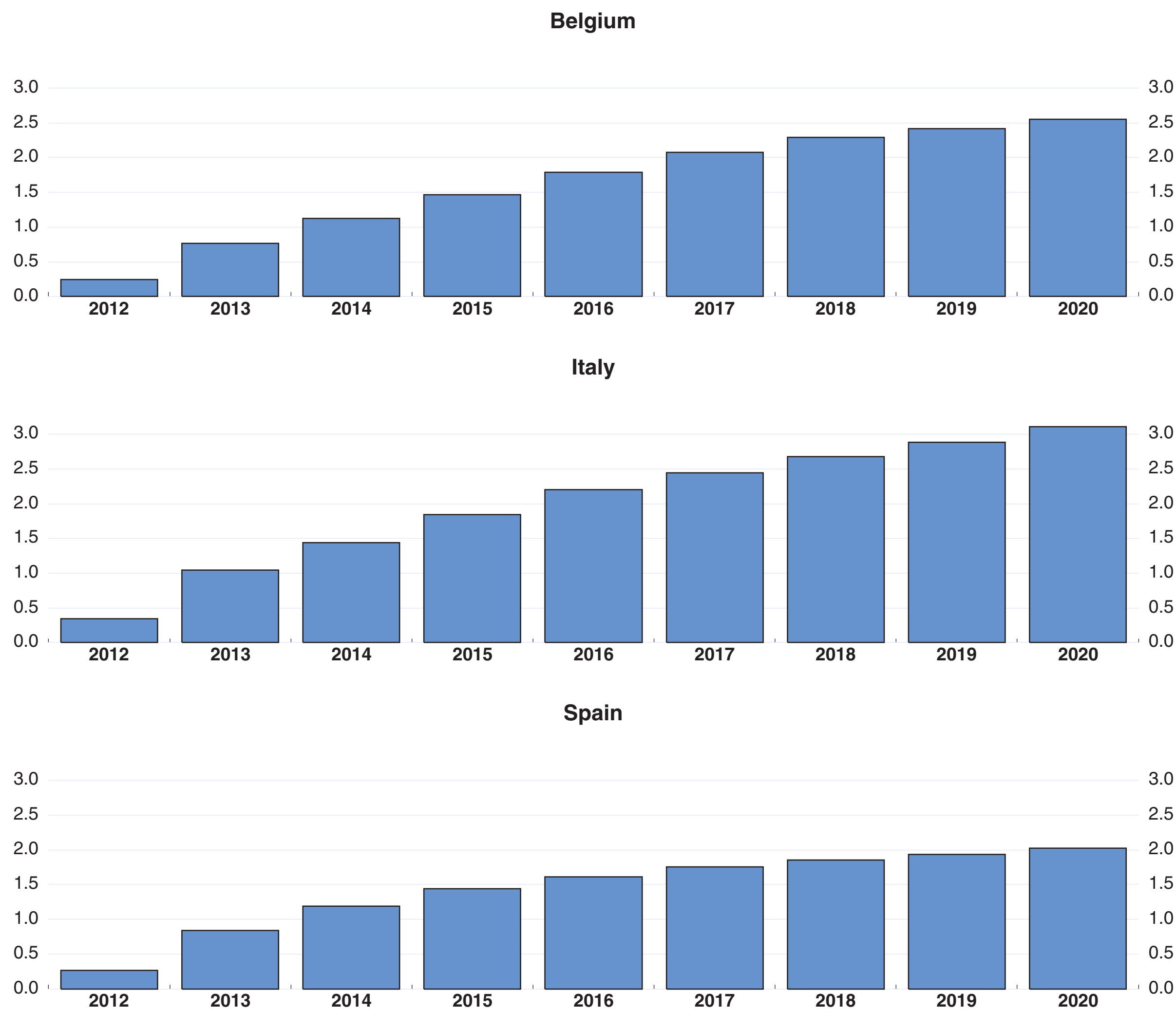
*… and banking systems…*

- Banks' balance sheets would be weakened as would their capacity to raise liquidity. The increase in yields would imply a reduction of around a quarter in the market value of sovereign bonds issued by the three countries. This would have the biggest effects on the domestic banks in these countries, given their vast holdings of domestic sovereign debt. However, outside these three countries, pressures on banks could also become stronger, as has already been seen in France. Weaker balance sheets could possibly prompt deleveraging that would sharply curtail credit extension and raise fears that government funds would be

13. For instance, as uncertainty grew about the effective lending capacity of the EFSF, Irish and Portuguese yields rose by almost 3½ per cent from mid-June to mid-July 2011.

Figure 1.12. **Belgium, Italy and Spain: the impact of higher interest rates on consolidation needs**

In per cent of GDP




*Note:* The bars show by how much the underlying primary balance as a share of GDP would need to increase to stabilise the debt ratio over the period 2014-20 at its 2013 level, if government bond yields were 3.5 percentage points higher than assumed in the baseline. This implies stabilising the debt-to-GDP ratio at high levels, in particular in Italy (at 127%) and Belgium (at 101%). The baseline is based on the OECD Economic Outlook 90 projections until 2013 and thereafter on the long-term scenario presented in OECD Economic Outlook 89.

*Source:* OECD Economic Outlook 90 database; OECD Economic Outlook 89 database; and OECD calculations.

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required to safeguard the banking system. In turn, any perceived need for government-funded bank recapitalisation would exacerbate sovereign debt stress, pushing yields higher. The significant widening of French government bond spreads in the wake of French bank funding stress since mid-2011 illustrates the potential strength of this crisis amplification channel.

***... with potentially extreme effects for the euro area as a whole***

The interaction between public finance and banking woes could result in a self-reinforcing feed-back loop: banking problems requiring costly public interventions, which in turn would raise long-term interest rates with additional adverse effects on economic growth, banks, etc. If unchecked, such a development could lead to fears of possible sovereign and banking defaults. This would have dramatic effects on the stability of the banking system in the euro area as a whole, and on government bond yields in previously unaffected countries, given the very large exposures of banks throughout the area to sovereign and private debt in the vulnerable countries (Table 1.7).

Table 1.7. **Stress-tested banks' exposures to Belgian, Italian and Spanish debt**

| | % of core Tier I | % of free core Tier I[1] | % of GDP |
|---|---|---|---|
| **Sovereign debt** | | | |
| Germany | 54 | 104 | 2.5 |
| France | 62 | 134 | 5.2 |
| Italy | 209 | 535 | 10.8 |
| Spain | 171 | 441 | 22.6 |
| Belgium | 188 | 311 | 15.3 |
| Portugal | 8 | 21 | 0.7 |
| **Total debt** | | | |
| Germany | 203 | 391 | 9.4 |
| France | 312 | 668 | 26.0 |
| Italy | 1 587 | 4 059 | 82.2 |
| Spain | 1 557 | 4 008 | 205.0 |
| Belgium | 1 068 | 1 769 | 87.0 |
| Portugal | 132 | 357 | 12.8 |

*Note:* These ratios are reported to provide indications about the scales of exposures and should not be interpreted as estimates of expected losses. Data for stress-tested banks' core Tier I capital and exposures are taken from the detailed bank-by-bank result tables published by the European Banking Authority following the 2011 EU-wide stress test. Sovereign and total debt respectively refer to the EBA's concepts of gross direct long exposures to sovereigns and total EAD (Exposures at Default). Figures relating to total debt represent lower-bound estimates because a number of stress-tested banks made use of a materiality threshold which allowed them to refrain from reporting country-specific EAD exposures that are smaller than 5% of total EAD exposures. Those undisclosed country-specific exposures are however included under "others," a category which on average represents 7% of total EAD. The estimated country aggregates for total debt used to compute the ratios reported above have been calculated by summing total EAD exposures for banks that reported them and sovereign exposures for banks that chose not to report country-specific EAD exposures.

1. Exposure as a share of core Tier I capital in excess of 4.5% of risk-weighted assets (the Basel III core capital ratio applicable as of 2015).

*Sources:* European Banking Authority, OECD Economic Outlook 90 database, and OECD calculations.

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***An intense euro area crisis would have strong global effects both directly…***

An intense euro area crisis would have significant adverse effects outside the euro area through many channels. For example, banks in the United States and Japan would take a hit on their holdings of sovereign, bank and non-bank debt of the euro area countries in question, though the total direct exposure to Greece, Ireland, Portugal, Spain, Italy and Belgium is small relative to Tier-1 capital in the US and Japanese banking system (Table 1.8). US banks have large gross exposures to Europe through guarantees, including gross CDS exposure; however, their net exposures are likely to be substantially smaller due to accompanying hedging operations, as long as the counterparties are solid.[14] Little is known about the exposure of US and Japanese non-bank financial institutions to the euro area countries.

Table 1.8. **US and Japanese banks: Exposure to programme and vulnerable euro countries**

% of Tier 1 capital

| | United States | Japan |
|---|---|---|
| Total foreign claims | 21.9 | 24.2 |
| Public sector | 3.6 | 11.7 |
| Banks | 7.7 | 2.8 |
| Non-banks | 10.4 | 9.6 |
| Other (including gross CDS exposure) | 58.5 | 3.2 |

*Source:* Bank for International Settlements and OECD calculations.

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***... and indirectly***

Intense sovereign debt problems in the euro area could also highlight the extent to which rapid public debt accumulation has yet to be arrested in the United States and Japan, though yields in the deep government bond markets in these two countries are likely to be determined primarily by factors other than contagion. However, equity markets in the two countries would be hit as profits of US and Japanese exporters to Europe would fall, as would earnings of subsidiaries of US and Japanese companies in Europe. This effect would likely be reinforced by a general reduction in risk appetite. Heightened general risk aversion would also be an important channel by which emerging market economies would be affected by an intense crisis in the euro area, with large-scale capital outflows depressing economic growth in addition to the effect of much weaker export markets.

***The global consequences of a contagious sovereign debt event on activity would also be large***

Some illustrative estimates of the possible outcomes in one particular stylised scenario are set out in Box 1.5, pointing to: sharp falls in the level of output in the OECD economies relative to the muddling-through projection, especially in the euro area; a decline in the level of world trade relative to the muddling-through scenario possibly amounting to between 9-10% by the latter part of 2013; and likely deflation in many OECD economies by 2013. These estimates are highly stylised and only illustrative. They consider only a restricted sample of countries despite the recent generalisation of contagion, and they do not discriminate among the three countries concerned in spite of their present differences in fiscal situations and government bond yields. That said, the estimates highlight the scale of the policy challenge involved if such a scenario did occur, and the urgency of taking action to put in place mechanisms that can prevent it from occurring.

***Euro area exit would be devastating in the very short run...***

In a worst-case situation, albeit one with only a small probability of occurring, the downside scenario above could be strongly accelerated and amplified if it was accompanied by one or several countries leaving the euro area and re-establishing their own national currencies – or even just by expectations thereof. For instance, this could be prompted by the need to restore external competitiveness after a large erosion since entry into

14. In mid-2011, the stock of credit default swaps sold by the top 25 US commercial banks and trust companies in derivatives was almost equal to total credit default swaps bought by the same institutions, see Comptroller of the Currency (2011).

### Box 1.5. **Calibrating a stylised downside scenario in the euro area**

The scenario set out below provides some illustrative indications of the possible economic effects resulting from one particular stylised downside scenario in the euro area. It assumes that contagion from a disorderly sovereign debt restructuring, for instance in Greece, is widespread in the euro area and, as a very stylised assumption, equally reflected in sovereign debt markets in Italy, Spain and Belgium, notwithstanding present differences in their fiscal positions and government bond yields. The scenario does not allow for the possibility of exit from the euro area, or for stronger expectations thereof, or for possible major discontinuities that might arise if any major financial institutions ceased to operate. The effects shown should be seen relative to the muddling-through projection, which incorporates the impact of the deterioration in financial conditions that has already occurred since the summer.

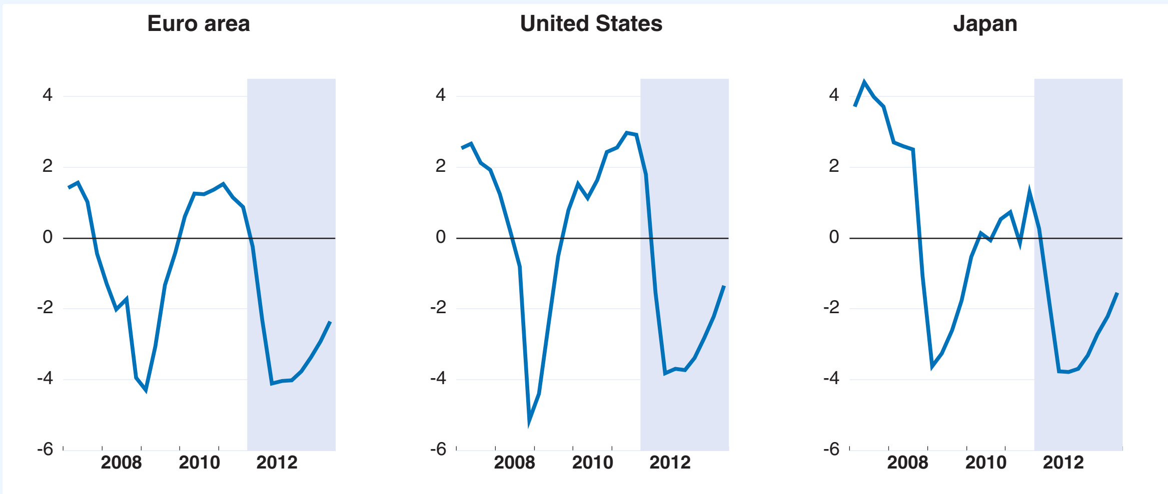
Given the likely global nature of the downturn and the key role of financial market contagion, as in the 2008-09 crisis, the downside scenario is calibrated on developments observed in that crisis. In particular, the deterioration in credit conditions, corporate bond spreads and equity prices between the latter half of 2007 (the half-year prior to the onset of a generalised collapse in confidence) and the height of the crisis in the first quarter of 2009 has been used to calibrate a benchmark for the declines that could occur in major OECD economies in this downside scenario. These benchmark declines are applied to the average value of credit conditions, bond spreads and equity prices in the six month period to July this year (the corresponding six months before the collapse in confidence began in August). The resulting calibrated levels of credit conditions, bond spreads and equity prices are assumed to be reached by the second quarter of 2012, and to remain at this level until end-2012. Thereafter, the reversion in these variables towards more normal, pre-crisis levels is assumed to be protracted compared with 2008-09, reflecting the more limited scope for sizable support from macroeconomic policies at the current conjuncture. In addition, as discussed in the main text, long-term government bond yields in this stylised scenario are also assumed to rise by 350 basis points in Italy, Spain and Belgium, in line with past experience following major turns in financial market sentiment. In practice, if such a scenario materialised, the situation in each country could differ, reflecting their different starting positions.

The broader economic impact of such developments can be quantified in a number of different ways:

- Aggregate financial conditions would quickly deteriorate in the euro area and other economies (see the first figure below). The decline in the FCIs implies, all else being equal, that the level of output in the major OECD economies (and the output gap) could be around 5% lower by the first half of 2013 than might otherwise be the case. A change of this magnitude from the muddling-through baseline would be associated with a deep recession in the euro area, and also push the United States and Japan into recession. It would also give rise to strong disinflationary, or even deflationary, forces. Financial conditions in the emerging market economies might also be strongly adversely affected in such circumstances, not least because of the likely rise in financial outflows from these countries as OECD financial institutions repatriate capital.
- In this situation, the decline in financial conditions would likely be accompagnied by a further increase in uncertainty and a continued weakening of consumer confidence (see the second figure below). As above, the changes between the latter half of 2007 and the height of the crisis in 2008-09 have been used to calibrate the changes in uncertainty and confidence, using the average value over February-July 2011 as a starting point.
- Using the analysis referred to in Box 1.1, the recalibrated FCIs and the associated alternative paths for uncertainty and consumer confidence point to a sustained and deep contraction in business investment relative to the muddling-through projection (see the third figure below). Such changes would likely have an adverse impact on near-term potential growth, by lowering the capital stock. The investment impact in the United States could even be larger than in the euro area, reflecting a greater estimated sensitivity of investment to changes in both the FCI and uncertainty in the United States. Private consumption would also weaken considerably; all else equal, the growth of private consumption would be lowered by around 2 percentage points in 2012 in the euro area and the United States, and by close to 3 percentage points in 2013 relative to the muddling-through projection.

Box 1.5. **Calibrating a stylised downside scenario in the euro area** *(cont.)*

**Financial conditions in a stylised euro area downside scenario**




*Source:* OECD calculations.

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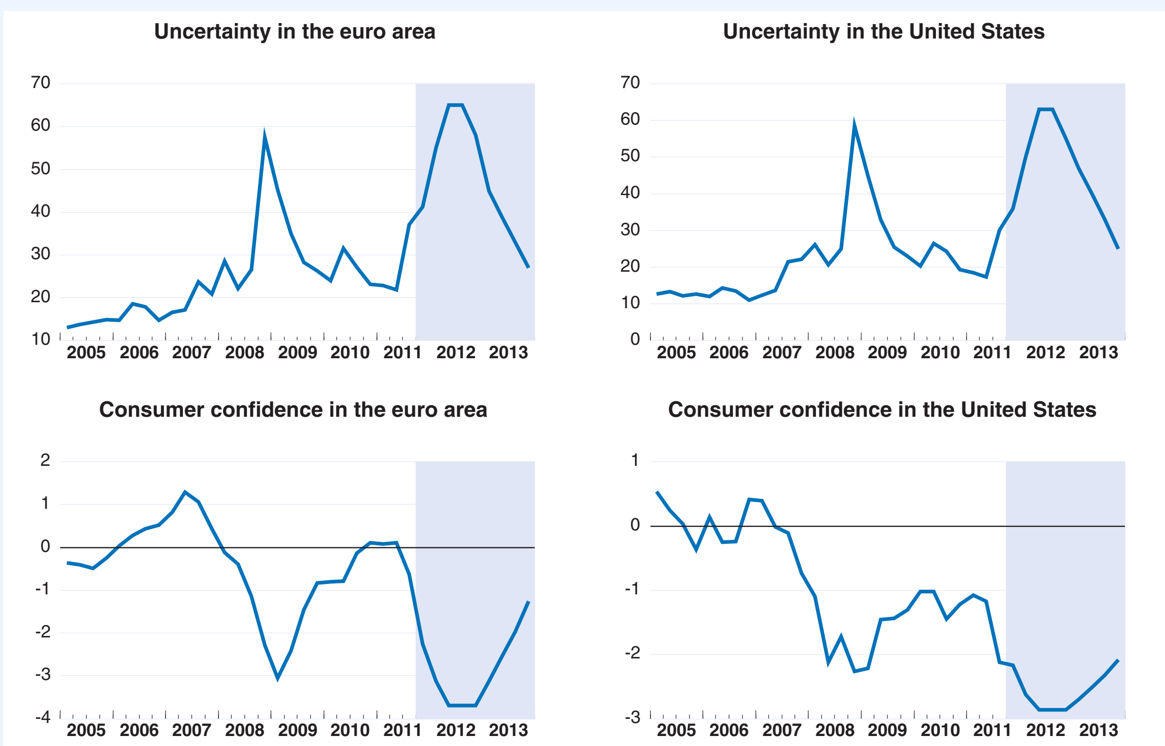
**Uncertainty and consumer confidence in a stylised euro area downside scenario**




*Source:* OECD calculations.

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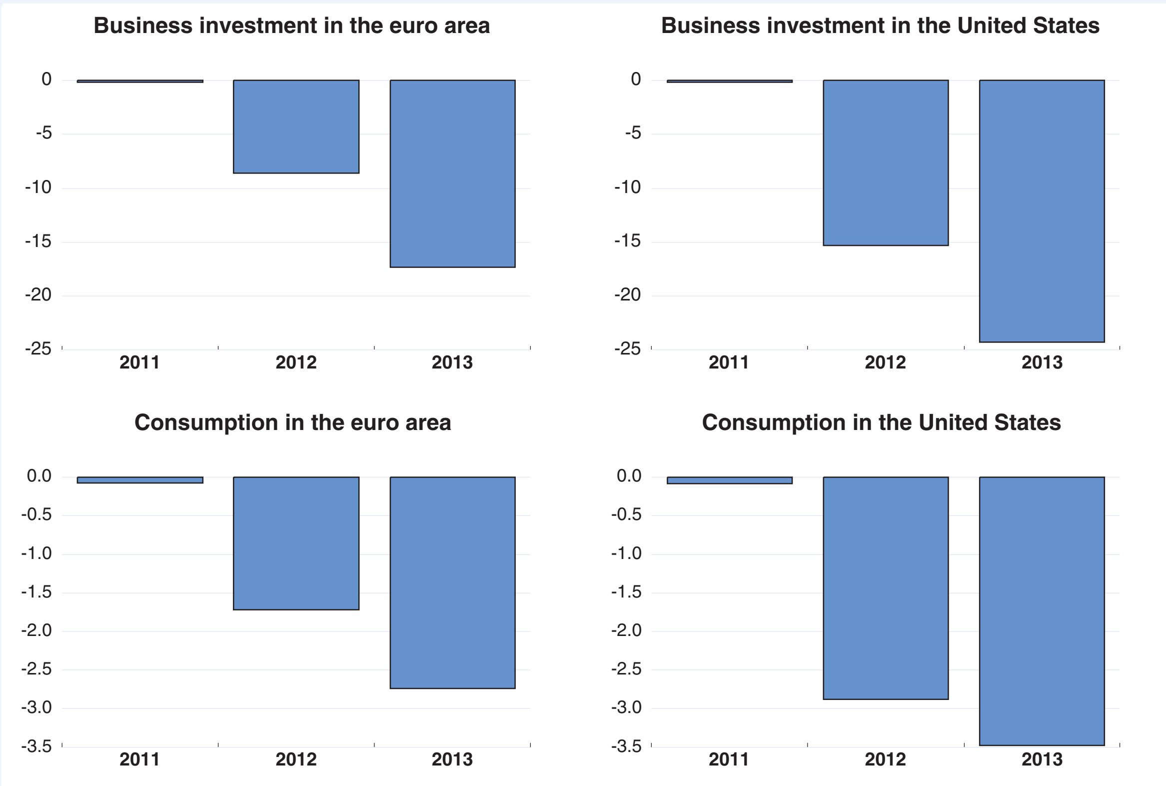
## Box 1.5. **Calibrating a stylised downside scenario in the euro area** *(cont.)*

### Private sector demand in a stylised euro area downside scenario

Annual growth rate in percent, change from the muddling-through scenario




*Note:* Calculated from separate equations for investment and consumption, using financial conditions, uncertainty and confidence. See Box 1.1 for further details.

*Source:* OECD calculations.

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A broader picture of the possible near-term outcomes and effects in this downside scenario can be obtained from simulations on NiGEM, the global macroeconomic model of the National Institute of Economic and Social Research. This allows a full account to be taken of the spillovers between countries arising from changes in trade and international financial linkages *via* asset prices and net foreign asset accumulation.

In a simulation of the downside scenario, equity risk premia, corporate bond spreads, household sector interest rate spreads, equity prices and euro area bond yields are changed as set out above for the changes applied to recalibrate the FCIs. In addition, the simulation incorporates a 40% decline in equity prices worldwide (again reflecting the pattern of changes between the latter half of 2007 and the first quarter of 2009) and a stylised rise of 350 basis points in long-term government bond rates in Italy, Spain and Belgium. All shocks are assumed, for simplicity, to persist fully for two years. Policy interest rates are assumed to remain at their baseline settings (close to the zero bound). Budget solvency rules are turned off, so that the full effect of the downturn is reflected in the automatic stabilisers, apart from in the six euro area countries assumed to be at the heart of the crisis in this scenario (the programme countries, Italy, Spain and Belgium) and Japan, which as discussed in the main text on the OECD Strategic Response to a potential new relapse in economic activity, would have to at least partly offset the automatic stabilisers to avoid losses in market confidence about sovereign debt sustainability.

## Box 1.5. **Calibrating a stylised downside scenario in the euro area** *(cont.)*

Broadly in line with the results above, the simulation results (see the Table below) point to a likely prolonged and deep recession in the euro area in the absence of any discretionary policy responses, given the already weak area-wide activity in the muddling-through baseline. The OECD as a whole would move into recession, with marked declines in activity in both the United States and Japan. The emerging market economies would not be immune from this shock, with global trade volumes around 9½ per cent lower than baseline after two years, and the value of their international asset holdings being hit by weaker equity prices. Differences across countries in the response to the shock reflect differences in the sensitivity of expenditure to changes in financial conditions and asset values in the macroeconomic model, as well as differences in real and nominal rigidities. In part, these help to account for the relatively slow first year response of euro area activity to the shocks. The response in Japan is relatively large, in part because the automatic fiscal stabilisers (which are small to begin with) are being offset by other fiscal measures so that the headline budget balance remains unchanged, and in part because of the relative sensitivity of net exports to changes in demand and the real exchange rate.

Disinflationary forces would intensify, with deflation likely occurring in many OECD economies by 2013, given the already low level of inflation in the main projection and the gradual extent to which stronger disinflation begins to push down inflation expectations. Unemployment would also rise sharply, by close to 2 percentage points in the OECD economies by 2013, and possibly even by more if past labour hoarding now led firms to reduce employment levels more actively. If other governments made efforts to stick to their announced fiscal objectives for the headline budget balance, the necessary further *ex-ante* fiscal tightening in the remaining euro area economies would exceed 1% of GDP in 2012 and over 2½ per cent of GDP in 2013; if implemented such changes would further intensify the adverse near-term effects on growth.

### A stylised euro area downside scenario: macroeconomic model simulation results

Difference from baseline

| | 2012 | 2013 |
|---|---|---|
| **United States** | | |
| GDP growth (%) | -2.05 | -2.77 |
| Inflation (%) | -0.37 | -2.50 |
| Unemployment rate (%) | 0.61 | 2.05 |
| Budget balance (% of GDP) | -0.71 | -2.05 |
| Current balance (% of GDP) | 0.07 | 0.25 |
| **Euro area** | | |
| GDP growth (%) | -2.07 | -3.68 |
| Inflation (%) | -0.34 | -2.16 |
| Unemployment rate (%) | 0.72 | 2.14 |
| Budget balance (% of GDP) | -1.00 | -2.56 |
| Current balance (% of GDP) | 1.20 | 2.37 |
| **Japan** | | |
| GDP growth (%) | -1.82 | -2.09 |
| Inflation (%) | -0.07 | -0.79 |
| Unemployment rate (%) | 0.15 | 1.03 |
| Budget balance (% of GDP) | -0.42 | -1.19 |
| Current balance (% of GDP) | 0.26 | 0.36 |
| **China** | | |
| GDP growth (%) | -0.85 | -1.59 |
| Inflation (%) | -0.20 | -1.69 |
| Current balance (% of GDP) | -0.22 | -0.49 |
| **OECD** | | |
| GDP growth (%) | -2.00 | -3.07 |
| Inflation (%) | -0.29 | -2.03 |
| **World** | | |
| GDP growth (%) | -1.29 | -2.10 |
| Trade growth (%) | -4.17 | -5.32 |

*Note:* Equity prices drop by 40%;
investment risk premia (corporate bond spreads) are raised to their peak in 2009 Q1;
household borrowing-lending wedges go up by 400bp in the Euro area, 100bp in Japan and 200bp elsewhere;
equity risk premiums go up by 300bp in the Euro area, 75bp in Japan and 150bp elsewhere.
Short-term interest rates and nominal exchange rates are held fixed. Budget solvency rules are turned off except in Belgium, Portugal, Italy, Ireland, Greece, Spain and Japan.
The simulation results are based on the model run in backward-looking mode. See text for the explanation of the shocks applied.

*Source:* OECD calculations, using NiGEM.

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the currency union. Although this would most likely prove to be extremely costly for the country in question in the short run, and possibly even in the long run,[15] euro-area exit might nevertheless be seen as a politically less unappealing option for countries under market pressure. As a consequence, investors would start demanding compensation for possible exchange rate risk in the form of higher interest rates on public and private debt in other vulnerable countries that remain members of the euro area. There would also be strong incentives for households and businesses to withdraw deposits from these vulnerable countries, creating a potential for bank runs to add to economic instability.

***… and would entail huge costs for all euro area countries***

If everything came to a head, with governments and banking systems under extreme pressure in some or all of the vulnerable countries, the political fall-out would be dramatic and pressures for euro area exit could be intense. The establishment and likely large exchange rate changes of the new national currencies could imply large losses for debt and asset holders, including banks that could become insolvent. Such turbulence in Europe, with the massive wealth destruction, bankruptcies and a collapse in confidence in European integration and cooperation, would most likely result in a deep depression in both the exiting and remaining euro area countries as well as in the world economy.

### *Upside scenarios*

***Ring-fencing can take various forms that differ in terms of cost and effectiveness…***

A credible commitment by euro area governments that contagion will be blocked, backed by resources that were seen to be adequate, could serve as a trigger for an upside scenario. The measures announced at the October Euro Summit and EU Council meeting go some way towards this objective, but have not proved sufficient to damp market tensions. Fully-credible commitments to halt contagion to otherwise solvent sovereigns should result in a significant reduction in long-term rates in the countries concerned, with improved confidence and lower uncertainty prompting households and businesses to increase spending. Various ring-fencing mechanisms have different intermediate aims and would require significantly different resource commitments, and include the following:

- Taking full control of government bond yields in Italy, Spain and Belgium would require the euro-area authorities to be ready to buy all debt that investors were not ready to hold at a given price. This would go beyond the measures announced at the recent Euro Summit. To be credible, such a policy would need to be backed by an ample level of resources – even if credibility would imply that few resources would have to be actually disbursed. This might imply a sizeable share of the combined size of the bond markets in the three countries, which amounts to around €3 trillion (around 30% of GDP in the euro area)

15. Empirical estimates made after a decade of monetary union in Europe suggested that the combined direct and indirect benefits on area-wide productivity from the move to a single currency could be as high as 5% in the long run (EC, 2008). The break-up of the euro area would put such gains at risk.

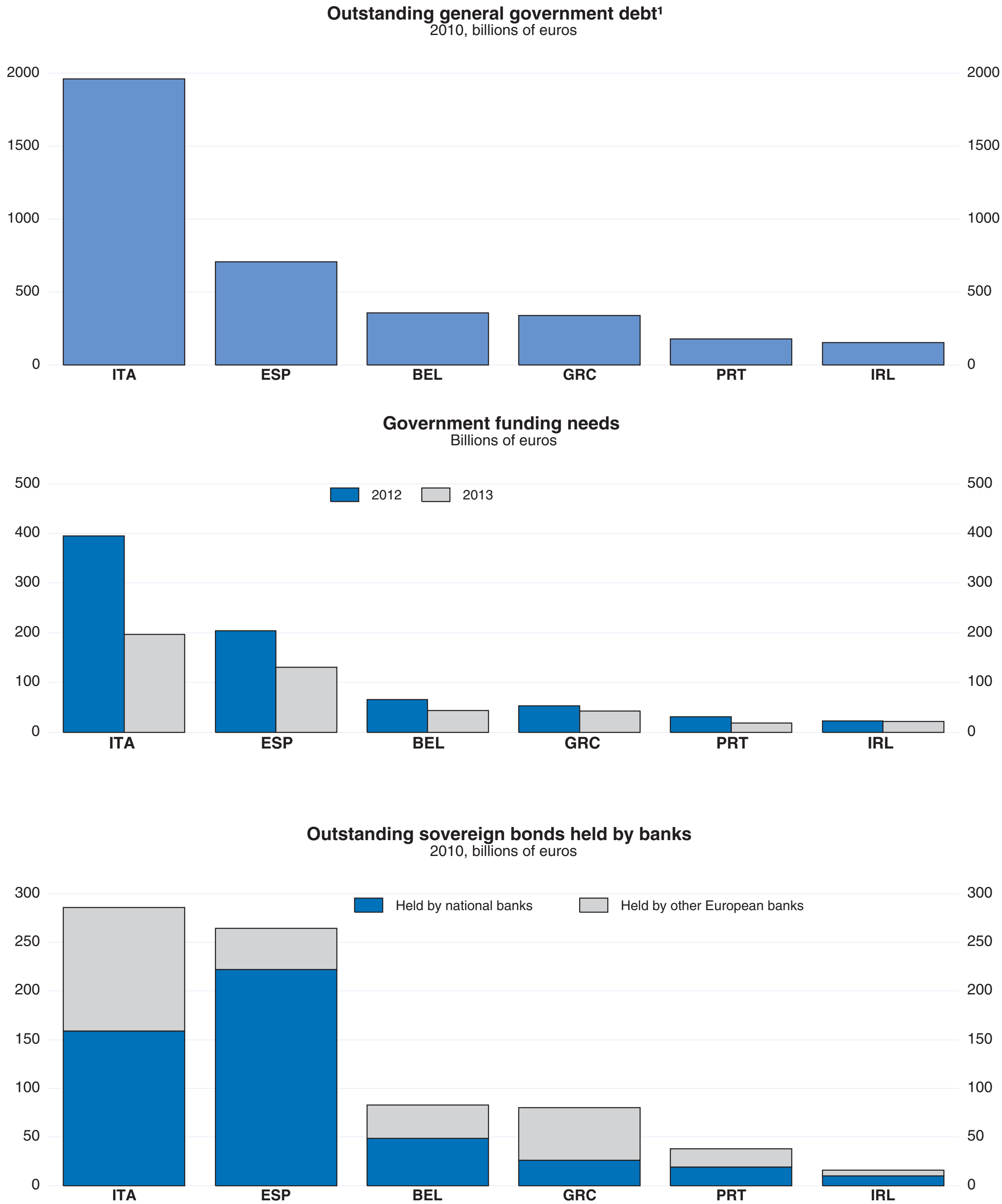
(Figure 1.13, Panel A). A full guarantee of public debt of these countries would imply similarly large outlays in case of default and would therefore have to be backed by a similar level of resources to be credible, though outlays would be delayed compared with direct interventions to control the bond markets. Partial guarantees would require fewer resources, but would also likely be less effective in reducing yields.[16] In the longer term, jointly issued or jointly guaranteed euro-bonds could achieve the same effects but would likely take time to introduce and would raise similar types of moral hazard concerns.

- Decoupling public finance developments from the government bond markets could be achieved if euro-area authorities were to satisfy the funding needs (*i.e.* roll-over of debt plus government deficits) of governments exposed to strong contagion in the same way as for the IMF/EU programme countries at present. In the cases of Italy, Spain and Belgium for 2012 and 2013, this would require resources equivalent to around €1 trillion (10% of GDP in the euro area) (Figure 1.13, Panel B). However, such interventions would not necessarily imply low yields in secondary markets for government bonds, as demonstrated by the currently high yields in the programme countries, and knock-on effects on domestic banking systems could increase public funding requirements considerably. In addition, high yields would have adverse effects on creditor banks in other euro area countries.
- Guaranteeing the value of sovereign bonds in banks' portfolios throughout the euro area would not address the feedback loop between higher yields and public finances, but would switch off the interaction between weakening banking systems and flagging confidence in government finances. Again using Italy, Spain and Belgium as an example, the resources required for this, if the guarantee became effective, would be equal to EU bank holdings of sovereign debt of the 3 countries, amounting to around €0.7 trillion (7% of GDP in the euro area) (Figure 1.13, Panel C).

Whether the second or third option would be sufficient to completely arrest contagion to and from the vulnerable countries is questionable, especially given recent signs of contagion becoming more generalised and also affecting fiscally healthy countries.

16. The impact of partial guarantees, *e.g.* guaranteeing losses up to a certain per cent, would depend on the scope of such programmes. Guaranteeing a certain percentage of all existing and new debt should lead to a reduction in yields, although the impact is uncertain and depends on which combination of loss-given-default and probability of default is reflected in current spreads and on how the probability of default would be reassessed after the introduction of a guarantee. As an illustrative example, Italian government bond spreads over swaps as of 18 November 2011 can be interpreted as reflecting an implied probability of default of 6.1% a year over the next ten years using the value-weighted average loss-given-default rate of 69%, *i.e.* the average of the episodes of default surveyed in Moody's (2011). Under this assumption, a 20% guarantee would reduce yields by less than 140 basis points. If, alternatively, loss-given-default is assumed to be equal to the un-weighted average of 47% in the study, the associated implied probability of default is 10.9% a year and the yield reduction for a 20% guarantee would reach almost 200 basis points.

Figure 1.13. **Belgium, Italy, Spain and euro area programme countries: bond-market size, government funding needs and banks' holding of sovereign bonds**




1. Based on the ESA95/SNA (as opposed to Maastricht) definition. For Greece, Portugal and Ireland see Box 1.2 in the main text.

*Source:* OECD Economic Outlook 90 database; Bloomberg; and European Banking Authority bank reports, August 2011, stress test.

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***... and resources can come from different institutions...***

The vast resources involved could come from increasing or leveraging existing EFSF funds, as currently proposed, an increased use of the ECB balance sheet, directly from national authorities, or from the rest of the world through loans that could be channelled through the IMF. Indeed, the different actors could be assigned different tasks in ring-fencing strategies with many different permutations possible.[17] Successful ring-fencing with official means would limit potential losses for private banks. Even so, strengthening the resilience of the banking system via higher capital cover, as currently planned, would still be essential.[18]

***... but the ECB would most likely have to play a key role***

Relying extensively on EFSF funds would arguably be more appropriate in the ring-fencing process as it would make the potential fiscal costs more transparent and would assign it to the fiscal authorities. However, it might prove difficult in practice to raise the capacity of the EFSF sufficiently, especially if funds were needed to support a large number of countries and private banks. Because of practical, legal and political economy barriers, the ECB would most likely have to play a key role in providing the required resources – possibly via the EFSF which would help ensure a more appropriate allocation of credit risk. The ECB can sterilise any expansion of its balance sheet and, more to the point, can use its deposit rate to steer market interest rates independently of outstanding liquidity should this become necessary. However, such a strategy could come at the cost of the ECB becoming heavily engaged in quasi-fiscal operations, and moral hazard could be created that could render inflation control difficult in the future. Set against this, a credible and decisive programme may not increase ECB exposure compared with the end result of the current drip-wise intervention under the Securities Market Programme. Irrespective of the institutional mechanisms employed, access to resources should only be made with strict conditionality, so that strong corrective action is taken by the receiving country.

***Future fiscal governance in the euro area needs to be decided***

At the same time as mobilising adequate resources, it is important to continue to progress on steps to strengthen future fiscal governance in the euro area. In particular, it is necessary to establish mechanisms to counter the potential moral hazard from intervening to block contagion. There are various options available to attain that end: stronger adherence to central rules and automatic penalties for non-compliance, *e.g.* monetary fines or the federation taking control of national VAT rates to attain targets; blue/red bonds that would provide countries with incentives to prevent their debt exceeding a certain limit where they could no longer benefit from low interest rates backed by a federal guarantee; increased use of market mechanisms to

17. For example, the EFSF could be tasked to deal with current programme countries and bank recapitalisation in vulnerable countries, national authorities with capital injections into banks in the stronger countries, and the ECB with ensuring that bond yields in vulnerable countries do not turn too high; the ECB could ensure low sovereign bond yields in both programme and vulnerable countries, thereby minimising losses for the European banking system, with the EFSF's role being limited to inject the capital into banks that might still be needed in vulnerable countries, *etc.*
18. Capital injections into banks from private sources, if that were possible, would reduce the amount of public resources needed for ring-fencing.

discipline fiscal behaviour, which would require establishing a framework for orderly sovereign default; etc. These options differ in terms of the extent of administrative and market control, and the ultimate arrangement will depend on members' preferences in these matters, but the multiplicity of possible solutions should not delay the adoption of adequate arrangements. At its October 2011 meeting, the EU Council agreed to expand administrative controls to limit the risk of excessive deficits of individual member countries in the future (see Box 1.4) and further measures are under discussion.

***Successful action would offer near-term benefits***

A successful blocking of contagion and the establishment of strengthened incentives to pursue sound medium-term fiscal policies, could offer significant near-term benefits for the economic outlook. In particular, there would likely be a marked reduction in long-term government bond spreads in many euro area countries, as well as a more general improvement in financial conditions and restoration of confidence. An illustrative scenario is set out in Box 1.6, incorporating a reduction in euro area government bond yield spreads and the rapid reversal of the decline in financial conditions since August. The results suggest that OECD output growth could be 1¼-1½ percentage points higher in 2013 than in the muddling-through projection, and considerably higher than would be the case if a downside scenario had materialised.

### Box 1.6. **Calibrating a stylised upside scenario in the euro area**

The scenario set out below provides an illustrative NiGEM simulation of the possible short-term economic effects of a stylised upside scenario in the euro area, with governments having made a fully credible commitment which ensures that any potential contagion to otherwise solvent governments is blocked. The effects shown should be seen relative to the muddling-through projection, which incorporates the impact of the deterioration in financial conditions and the rise in long-term government bond yields that has occurred since the summer. They do not incorporate any potential near-term effects from structural reforms announced as part of a package to help restore market confidence.

It is assumed that the long-term government bond yields of Italy, Spain, Belgium, France and Austria decline from their level in the muddling-through projection to 50 basis points above that of Germany, and that there is a 5 percentage point reduction in the level of 10-year government bond rates in Ireland, Portugal and Greece. In all economies, allowance is also made for an assumed rise of 20% in equity prices and small reductions in risk premia and private sector interest rate spreads. The latter reductions correspond to approximately one-quarter of the increases included in the downside scenario (Box 1.5), broadly taking these financial variables back to their level in the six months to July this year before risk aversion was heightened in August. Thus, there is an easing in financial conditions outside the euro area as well as inside. In the macroeconomic model simulation of this scenario, all shocks are assumed, for simplicity, to persist fully for two years. Policy interest rates are assumed to remain at their baseline settings. Budget solvency rules are turned off other than In the three euro area programme countries plus Italy, Spain and Belgium, who are assumed to continue to meet their target headline budget balances, implying a modest fiscal easing in these countries relative to the muddling-through projection.

Model simulations suggest that such changes might raise OECD output growth by between ¾-1 percentage point in 2012 and between 1¼-1½ percentage points in 2013 (see the Table below). Global trade volumes would be around 5% higher after two years; this and the heightened asset values in the OECD economies should boost activity in the emerging market economies as well. The largest benefits are felt in

Box 1.6. **Calibrating a stylised upside scenario in the euro area** *(cont.)*

the euro area, though these take some time to emerge, in part reflecting the relative openness of the euro area economy, with stronger euro area domestic demand offset by a large increase in the volume of imports. Thus, in the first year, the euro area GDP increase is only marginally faster than in the rest of the OECD. Overall, when combined with the muddling-through baseline, the upside scenario would imply the euro area growing at more than twice its estimated potential growth rate in 2013.

The boost to output could help to lower the unemployment rate, by around 1-1¼ percentage points in the euro area after two years and by some ¾-1 percentage point in the OECD overall. Inflationary pressures would be somewhat stronger, but not strong in an absolute sense given the disinflationary pressures in the muddling-through projection. There would also be improved fiscal outcomes in the euro area, with the budget balance improving by over 1% of GDP by 2013. Such an outcome would also likely be accompanied by improvements in private sector confidence and reductions in uncertainty, which would also be expected to boost expenditure relative to the muddling-through projection.

**A stylised euro area upside scenario: macroeconomic model simulation results**

Difference from baseline

| | 2012 | 2013 |
|---|---|---|
| **United States** | | |
| GDP growth (%) | 0.76 | 0.95 |
| Inflation (%) | 0.07 | 0.89 |
| Unemployment rate (%) | -0.22 | -0.72 |
| Budget balance (% of GDP) | 0.24 | 0.66 |
| Current balance (% of GDP) | 0.06 | 0.07 |
| **Euro area** | | |
| GDP growth (%) | 1.08 | 1.86 |
| Inflation (%) | 0.11 | 1.08 |
| Unemployment rate (%) | -0.41 | -1.19 |
| Budget balance (% of GDP) | 0.49 | 1.12 |
| Current balance (% of GDP) | -0.55 | -1.22 |
| **Japan** | | |
| GDP growth (%) | 0.77 | 0.69 |
| Inflation (%) | 0.02 | 0.31 |
| Unemployment rate (%) | -0.07 | -0.42 |
| Budget balance (% of GDP) | 0.20 | 0.69 |
| Current balance (% of GDP) | -0.04 | 0.03 |
| **China** | | |
| GDP growth (%) | 0.38 | 0.74 |
| Inflation (%) | 0.06 | 0.69 |
| Current balance (% of GDP) | 0.13 | 0.24 |
| **OECD** | | |
| GDP growth (%) | 0.87 | 1.28 |
| Inflation (%) | 0.06 | 0.82 |
| **World** | | |
| GDP growth (%) | 0.58 | 0.93 |
| Trade growth (%) | 2.10 | 2.59 |

*Note:* Equity prices go up by 20%, investment risk premiums go down by one quarter of their increase in the downside scenario in Box 4. Household borrowing-lending wedges go down by 100bp in the Euro area, 25bp in Japan and 50bp elsewhere. Equity risk premiums go down by 80bp in the euro area, 20bp in Japan and 40bp elsewhere. Short-term interest rates and nominal exchange rates are held fixed. Budget solvency rules turned off except in Belgium, Portugal, Italy, Ireland, Greece and Spain. The simulation results are based on the model run in backward-looking mode.

*Source:* OECD calculations, using NiGEM.

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### *Rebalancing and structural reform to ensure the viability of the monetary union*

***Structural reforms are urgent in the euro area…***

The present crisis has its origins in the economic imbalances that have built up gradually among the euro area economies. Symptoms amongst the weaker economies have included: weak competitiveness, loss of market shares and external deficits; low growth that has exacerbated fiscal imbalances through adverse debt dynamics; and over-reliance on domestic demand to drive growth. Amongst the stronger economies, growth has been excessively reliant on exports, and domestic saving has been used only partially to finance domestic investment (which has fallen relative to GDP), with surplus saving flowing to finance consumption and investments, with sometimes very weak or even negative returns, in weaker economies. Going forward, there is a need to not only establish sound fiscal policies, but also to: ensure that private saving and investment decisions are based on sound incentives; ensure that cumulated competitiveness positions converge quickly towards levels that are sustainable in the long term; and ensure that growth is not held back by policy barriers. The more rapidly such adjustments occur, the shorter the period in which weaker economies have to live with high unemployment and depressed activity. Structural reforms are crucial for achieving rebalancing and for speeding up the process of adjustment. In addition, structural reforms will also help economies to cope with, and adjust more flexibly to, future economic shocks.

***… to improve growth prospects…***

In addition to contributing to higher living standards, stronger growth in the euro area would help to improve debt dynamics. The potential growth rate is estimated to be around 1¼ per cent in the euro area as a whole, with markedly lower rates in some of the countries facing intense market pressure. Although implementing growth-enhancing structural reforms is important in all euro area countries, it is particularly urgent to introduce reforms in the countries faced with serious credibility problems. In addition, at the EU level; reforms to strengthen and deepen the Single Market; the effective implementation of the new procedure for the surveillance and correction of macroeconomic imbalances, and financial sector reforms all have an important role to play. In the financial sector, a truly unified banking system, where all regulatory and supervisory responsibilities are transferred to the euro area level, is especially necessary to eliminate the return of adverse feedback loops between national banking systems and sovereign debt.

***… and to tackle imbalances…***

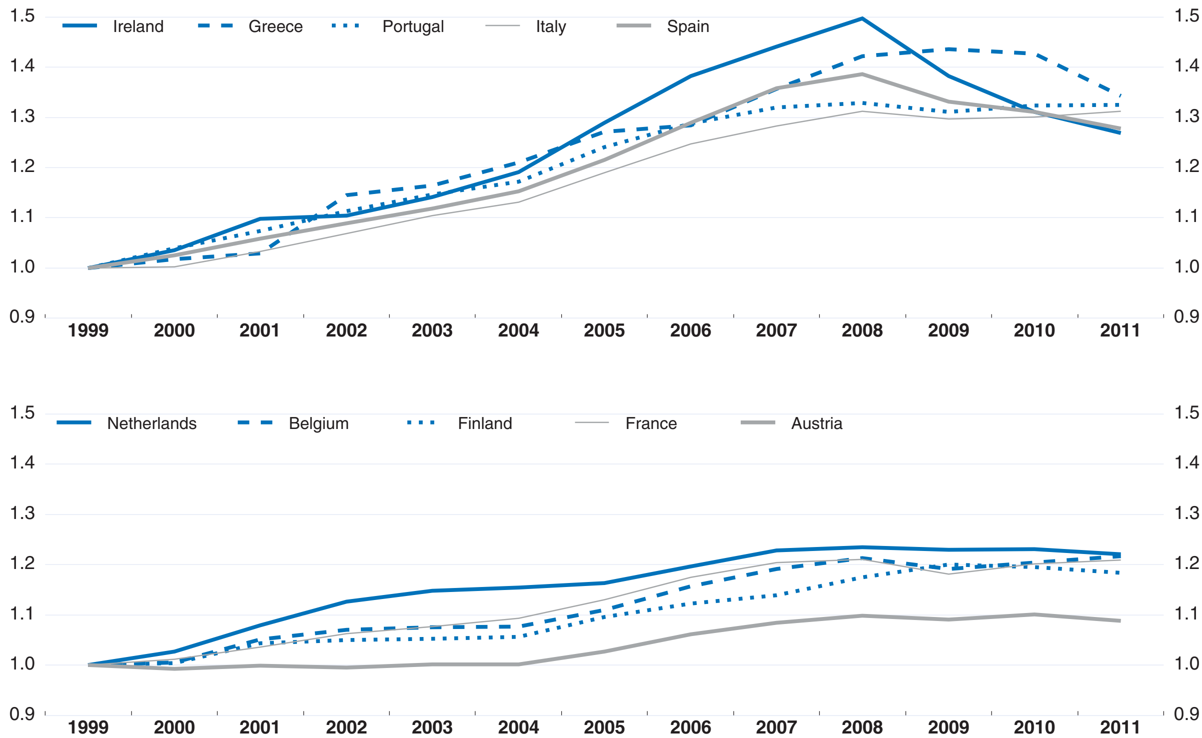
Structural reforms are also much needed in all euro area countries to help with the restoration of appropriate levels of competitiveness and to establish sustainable levels of saving, investment and current account positions (OECD, 2010).

***… both in external deficit economies…***

- In the euro area external deficit countries, reversing the large deterioration in cost competitiveness that has taken place since the start of the monetary union (Figure 1.14) would help to reduce current

Figure 1.14. **The evolution of intra-euro area unit labour costs**

Domestic unit labour costs relative to German unit labour costs, index 1999=1




*Note:* Economy-wide unit labour costs. 2011 incorporates the muddling-through projection.

*Source:* OECD Economic Outlook 90 database.

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account deficits and stimulate foreign demand at a time when fiscal consolidation is depressing domestic demand. However, against the backdrop of extremely weak area-wide inflation, progress in rebalancing competitiveness may be modest in some countries, reflecting downward rigidities in wages and prices. Structural reforms that boosted productivity growth would clearly help. The actual and planned implementation of structural reforms to enhance product and labour market flexibility would also support the necessary adjustment of the real exchange rate required to regain external competitiveness. Amongst the programme countries, adjustment is continuing to proceed relatively rapidly in Ireland, in part reflecting the relatively low level of rigidities in Irish labour and product markets. Declines in unit labour costs are also projected in Greece and Portugal in both 2012 and 2013. Other external-deficit countries in the euro area (including Italy and Spain) also have significant scope to reform labour and product markets to strengthen competitiveness and growth prospects, starting with reductions in labour-market dualism and regulatory barriers to competition.

***… and in external surplus economies***

- At the same time, chronic external-surplus countries (including Germany and the Netherlands) can contribute to reducing external imbalances, as well as increasing their GDP per capita, by removing obstacles to investment, notably in the services sectors, by reducing barriers to entry and operational regulations.

## Alternative fiscal policy scenarios for the United States

*US fiscal policy could be considerably tighter than assumed in the projection…*

As discussed above, a second key downside risk around the projection stems from uncertainty about the likely path of fiscal policy in the United States. Existing legislation, including the Budget Control Act of August, implies that in the absence of offsetting action there could be a fiscal tightening of, respectively, up to 2 and 3 per cent of GDP in 2012 and 2013 (when the extensions of the 2001-03 tax cuts are set to expire, and automatic expenditure reductions worth around ¾ percentage point of GDP would be enacted). In contrast, the normative assumptions in the projection build in a fiscal consolidation worth only ½ per cent of GDP in 2012 and 1% of GDP in 2013.

*… with additional consolidation worth 1½ per cent of GDP in 2012 and just under 2% of GDP in 2013*

A simulation on the global macroeconomic model NiGEM provides one means of assessing the possible short-term effects of tighter fiscal policy in the United States. In the simulation, shocks have been applied that reflect the difference between the moderate fiscal tightening in the muddling-through projection and currently programmed consolidation.[19] As in the euro area downside scenario (Box 1.5), the full effect of the downturn is assumed to be reflected in the automatic stabilisers, apart from in the fiscally-vulnerable euro area countries (assumed to be the programme countries, Italy, Spain and Belgium) and Japan. For the United States, the automatic stabilisers are allowed to operate as normal, with any hit to activity implying that the *ex-post* improvement in the US budget balance may be smaller than implied by the *ex-ante* changes. Nominal short-term interest rates and the nominal exchange rate are assumed to be fixed.

*The US economy would come close to recession…*

The simulations suggest that if the full amount of additional consolidation was undertaken in the circumstances of the already-subdued growth in the muddling-through projection, the likely outcome would be that the US economy would move close to recession in 2012 and experience only weak growth in 2013 (Table 1.9). The pattern of the activity effects in the simulation reflects the contrasting natures of the shocks applied in 2012 and 2013; the near-term effect on activity from a direct cut in government consumption (which weighs heavily in 2012) is much larger than the near-term multiplier effect from a rise in household income taxes (which weighs heavily in 2013), particularly in circumstances in which much of the revenue is likely to come from middle-to-high income earners with a lower propensity to consume.[20] Even so, activity remains well below

19. Government final consumption is reduced relative to the baseline by 1½ per cent of GDP in 2012 and ¼ per cent of GDP in 2013, and personal income tax revenue is raised (*ex-ante*) by 1½ per cent of GDP in 2013, hitting household incomes.
20. This abstracts from possible longer-term differences in the effects on economic growth of changes in government consumption expenditure and taxes on income. The size of the simulation responses might also vary if forward-looking behaviour was allowed for in the simulations.

Table 1.9. **The impact of stronger US fiscal consolidation**

Difference from baseline

| | 2012 | 2013 |
|---|---|---|
| **United States** | | |
| GDP (%) | -1.70 | -1.18 |
| Inflation (%) | -0.46 | -1.05 |
| Unemployment rate (%) | 0.62 | 0.59 |
| Budget balance (% of GDP) | 1.05 | 1.97 |
| Current balance (% of GDP) | 0.56 | 0.30 |
| **Euro area** | | |
| GDP (%) | -0.17 | -0.15 |
| Inflation (%) | -0.12 | -0.24 |
| Unemployment rate (%) | 0.03 | 0.02 |
| Budget balance (% of GDP) | -0.04 | -0.06 |
| Current balance (% of GDP) | -0.03 | -0.01 |
| **Japan** | | |
| GDP (%) | -0.36 | -0.28 |
| Inflation (%) | -0.04 | -0.16 |
| Unemployment rate (%) | 0.05 | 0.10 |
| Budget balance (% of GDP) | -0.10 | -0.06 |
| Current balance (% of GDP) | -0.01 | 0.03 |
| **China** | | |
| GDP (%) | -0.27 | -0.28 |
| Inflation (%) | -0.13 | -0.39 |
| Unemployment rate (%) | -0.07 | -0.03 |
| **OECD** | | |
| GDP (%) | -0.85 | -0.63 |
| Inflation (%) | -0.26 | -0.58 |
| **World** | | |
| GDP (%) | -0.51 | -0.40 |
| Trade (%) | -1.04 | -0.51 |

*Note:* Government consumption reduced by 1.5% of GDP in 2012 and 0.25% of GDP in 2013. Personal income taxes go up by 1.5% of GDP in 2013. Short-term interest rates and nominal exchange rates held fixed. Budget solvency rule turned off except in Greece, Portugal, Ireland, Spain, Italy, Belgium and Japan. Model run in backward-looking mode.

*Source:* OECD calculations.

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its baseline level in 2013, with the US unemployment rate rising by over ½ percentage point. This would have negative, but relatively mild, spillover effects elsewhere, damping output growth in other economies by around ¼ percentage point in 2012, and reducing the level of world trade by around 1% that year. If the additional fiscal consolidation in the United States were to also lead to a depreciation of the US dollar, then the effects on US activity would be muted, while the effects on activity in other economies would be somewhat larger.

***... with especially severe consequences if coinciding with the euro area downside scenario***

In the event that additional fiscal consolidation in the United States occurred at a time in which the euro area downside scenario was materialising, there would be a prolonged and severe recession in the OECD economies and a large downturn in world trade. The results of a combined simulation on NiGEM of the euro area downside scenario (Box 1.5) and the tighter US fiscal policy described above are shown in Table 1.10. In the OECD as a whole, GDP would be lower by around 6% after two years, and the level of world trade would be reduced by around 10½

Table 1.10. **The combined impact of stronger US fiscal consolidation and a stylised euro area downside scenario**

Difference from baseline

| | 2012 | 2013 |
|---|---|---|
| **United States** | | |
| GDP growth (%) | -3.82 | -2.55 |
| Inflation (%) | -0.78 | -3.56 |
| Unemployment rate (%) | 1.25 | 2.75 |
| Budget balance (% of GDP) | 0.33 | 1.00 |
| Current balance (% of GDP) | 0.60 | 0.61 |
| **Euro area** | | |
| GDP growth (%) | -2.25 | -3.69 |
| Inflation (%) | -0.42 | -2.39 |
| Unemployment rate (%) | 0.79 | 2.20 |
| Budget balance (% of GDP) | -1.05 | -2.64 |
| Current balance (% of GDP) | 1.12 | 2.29 |
| **Japan** | | |
| GDP growth (%) | -2.20 | -2.08 |
| Inflation (%) | -0.11 | -0.94 |
| Unemployment rate (%) | 0.21 | 1.15 |
| Budget balance (% of GDP) | -0.53 | -1.28 |
| Current balance (% of GDP) | 0.23 | 0.36 |
| **China** | | |
| GDP growth (%) | -1.13 | -1.66 |
| Inflation (%) | -0.31 | -2.02 |
| Current balance (% of GDP) | -0.33 | -0.56 |
| **OECD** | | |
| GDP growth (%) | -2.89 | -3.00 |
| Inflation (%) | -0.51 | -2.61 |
| **World** | | |
| GDP growth (%) | -1.83 | -2.09 |
| Trade growth (%) | -5.30 | -5.05 |

*Note:* This simulation combines all the shocks of the sustained 2012/13 financial crisis with the US fiscal consolidation. Short-term interest rates and nominal exchange rates are held fixed. Budget solvency rules turned off except in Belgium, Portugal, Italy, Ireland, Greece, Spain and Japan. Model run in backward-looking mode.

*Source:* OECD calculations.

StatLink http://dx.doi.org/10.1787/888932541797

per cent. Unemployment would rise sharply, by more than 2½ percentage points in the United States and by over 2 percentage points in Europe. With the induced reduction in inflation coming on top of the already low rate of price increases in the muddling-through projection, deflation would likely be widespread. In such a situation, a broad strategic policy response across countries would be called for to arrest the decline in output. The available macroeconomic and structural policy options at the national level to respond to much greater weakness than embodied in the muddling-through scenario are set out below.

## The OECD Strategic Response to an economic relapse

***The OECD has prepared country-specific strategic responses in case a new crisis were to take place…***

As part of its Strategic Response to a potential relapse in economic activity, the OECD has identified key macroeconomic policies as well as structural reforms which, while desirable in any case, would become more urgent should the economy turn out to be much weaker than projected. The country-specific policy recommendations are presented in

Chapters 2 and 3. In general, the structural policy recommendations build on analyses reported in *Going for Growth* on the most effective measures to adopt in a crisis. While these reforms would be beneficial in other, more clement, states of the world, they would have added urgency if activity relapsed. They should be accompanied by multilateral confidence-building measures, such as the conclusion of the Doha trade round and the further strengthening of the global financial system as planned by the G20. The country-specific macroeconomic and structural policy recommendations are briefly summarised below.

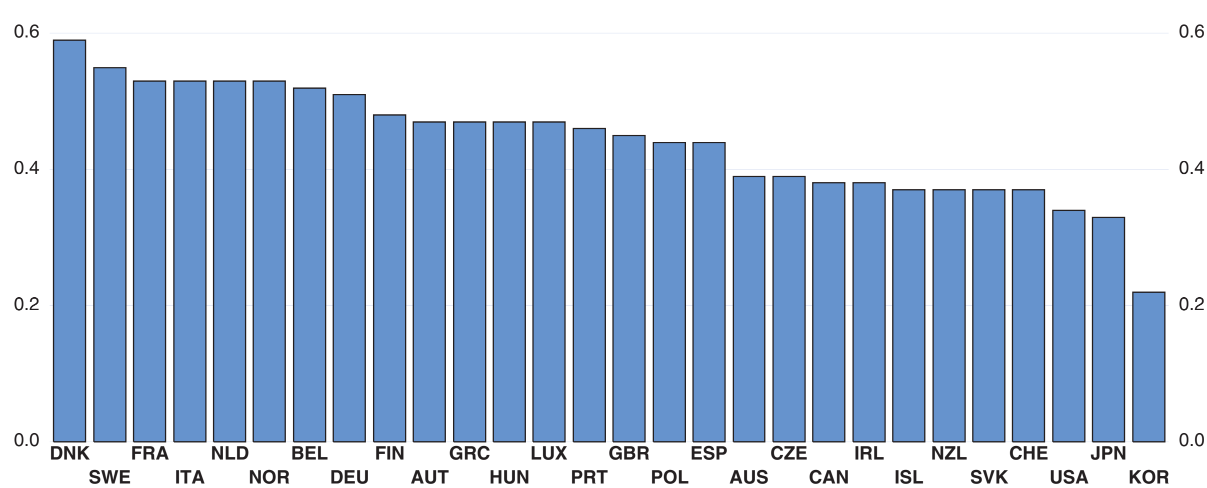
***... fiscal stimulus when possible...***

In most countries, public finances are sufficiently sound and credibility sufficiently strong to allow government budgets to support the economy in the event of a serious downturn in activity.

- Around half of all OECD countries would be in a position to give a temporary discretionary stimulus to aggregate demand, implying either declines in underlying net lending (including Germany, Canada, Australia and Korea) or tempering planned reductions in underlying deficits (*e.g.* the United Kingdom and the United States) whilst maintaining medium-term targets. Within this group, the need for accommodative fiscal action along these lines would be greater in countries where automatic stabilisers are relatively low, such as Korea, the United States and Canada (Figure 1.15).
- In most other OECD countries, weak government finances would not permit fiscal support to go beyond allowing the automatic stabilisers to work around a trajectory of structural improvements in budget balances, and then, in some cases (including France and Austria), only partially. In view of its high indebtedness, Japan would have to at least partly offset the automatic stabilisers and they are, in any case, relatively small.

Figure 1.15. **The size of the automatic fiscal stabilisers**

Change of the budget balance in per cent of GDP in response to a one percentage point change in the output gap




*Source:* Girouard and Andre (2005).

StatLink http://dx.doi.org/10.1787/888932540581

- A small group of countries, consisting of Italy, Spain, Greece, Ireland and Portugal, would not have any scope to buffer the impact of a crisis on the economy, with adherence to planned consolidation targets (in nominal terms or relative to GDP) likely to be necessary to avoid further losses in confidence.
- Outside the OECD, given their comparatively low debt ratios and strong budget positions, Brazil, China, India and Indonesia have the capacity to provide a demand stimulus to their economy. In contrast, the fiscal situation only warrants allowing the operation of the automatic stabilisers in the Russian Federation and South Africa.
- In all countries, a priority for fiscal policy would have to be to ensure the integrity of the financial system. Likewise, ensuring adequate social protection would be crucial. Depending on countries' fiscal room for manœuvre, such priority spending would either have to be offset or could be allowed to affect the overall budget balance.

***... backed by greater transparency of future public finances and independent fiscal councils***

To strengthen confidence in the soundness of public finances in the medium term, and thereby create more scope to support the economy temporarily in a crisis, governments should strive to increase transparency and shift to multi-year annual budgeting. Increased transparency would be facilitated by independent fiscal councils that would prepare economic projections to be used as a basis for the budget and the monitoring of fiscal outcomes relative to plans. Multi-year budgeting could prove to be a useful tool to link short-term budgetary developments to medium-term targets.

***Monetary policy has still scope to provide support in most areas***

In the event of a crisis, monetary policy could provide further support to demand in many countries. The muddling-through projection already assumes that policy interest rates are taken down to, or maintained at, close-to-zero levels in most OECD areas. However, there would still be scope in a number of countries to reduce official interest rates, including in Canada, Australia, Korea, Mexico, Norway, Sweden and Turkey. In addition, many countries and areas (including the United States, Japan, the euro area and the United Kingdom) could make further use of unconventional monetary measures, such as increasing purchases of domestic government debt. Such strategies would risk being subject to diminishing returns, possibly requiring the use of additional unconventional instruments, such as commitment and communication policies, or even purchases to be concentrated in more risky private securities. As an ultimate recourse, fiscal instruments could be used to generate negative real after-tax interest rates. Outside the OECD area, there is significant scope in most countries to relax monetary policy to offset a renewed unexpected weakness.

***Structural policies have a key role in cushioning a possible downturn, including...***

Some structural policy reforms could boost near-term confidence and even have a direct positive impact on short-term aggregate demand developments, in addition to increasing potential output in the long term. Moreover, the effect on potential output may increase the scope for near-term fiscal policy. Key structural reforms that would become particularly urgent in the event of a flagging economy include:

*... product market reforms...*

- Product market reforms targeted at increasing competition in general, or in network industries (*e.g.* France, Mexico and Turkey), professional services (Germany, France, Italy) and retail services (*e.g.* France) in particular, would spur growth and encourage innovation activity. Increased privatisation would also be an appropriate reaction to a crisis in some countries (including Italy and Poland). In the European Union, further integration of national markets, notably services, could provide a boost to demand and confidence. Outside the OECD area, product market reforms would be called for in China and South Africa.

*... stronger public sector efficiency...*

- Increasing the drive for public sector efficiency, including in the United Kingdom (notably in the National Health Service that has been protected from consolidation so far) and New Zealand, could help to generate increased space for fiscal manoeuvre in the near term.

*... increased openness...*

- Increased international openness would be appropriate *inter alia* in Japan and Korea, as well as in the Russian Federation and India. Higher inward foreign direct investment could boost investment levels and increased trade openness in countries with robust activity should raise real incomes and support exports from countries with weaker activity.

*... labour market reforms...*

- Labour market reforms can raise long-term sustainable employment levels and provide fiscal room for manoeuvre while also easing adjustment processes; therefore they become more urgent in a crisis. Such reforms are warranted in around half of all OECD countries (including Italy, United Kingdom, Canada, Belgium, Estonia, Ireland, Portugal, Slovenia, Spain, Sweden and Turkey) and outside the OECD area, in Indonesia and South Africa.

*... pension reforms...*

- Pension, early-retirement and disability/sickness reforms would be called for in several countries (including Belgium, Denmark, Finland, Norway, the Slovak Republic and Slovenia) to reduce the future public costs of population ageing and hence increase confidence in the future strength of the public finances.

*... tax reforms...*

- Revenue-neutral tax reform aimed at reducing taxes on labour and corporate incomes and increasing indirect taxes and other taxes could give an important long-run stimulus to growth in several OECD countries, including Japan, Germany, France and Canada. Outside the OECD area, tax reform would be particularly urgent in Brazil.

*... and financial market reform*

- Rapid implementation of already decided financial reforms would become more urgent in the United States. Increasing the capacity of large banks in Switzerland to absorb losses would also become critical. In the United States, enhancing the possibility of refinancing mortgage loans at a low rate could be a particularly effective counter-cyclical device.

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Volume 2011/2


*Chapter 2*

# DEVELOPMENTS IN INDIVIDUAL OECD COUNTRIES

# UNITED STATES

**The economic recovery has lost significant momentum, with mediocre labour market performance and weak sentiment exerting a drag on domestic demand, at a time when fiscal tightening is beginning to have traction. Although there have been some signs of healing in financial markets, equity market losses and declines in house prices have again weighed on household wealth. All of these factors will continue to restrain demand for some time, but gradual improvements in confidence and accommodative monetary policy should help bring about an acceleration in output growth after mid-2012**.

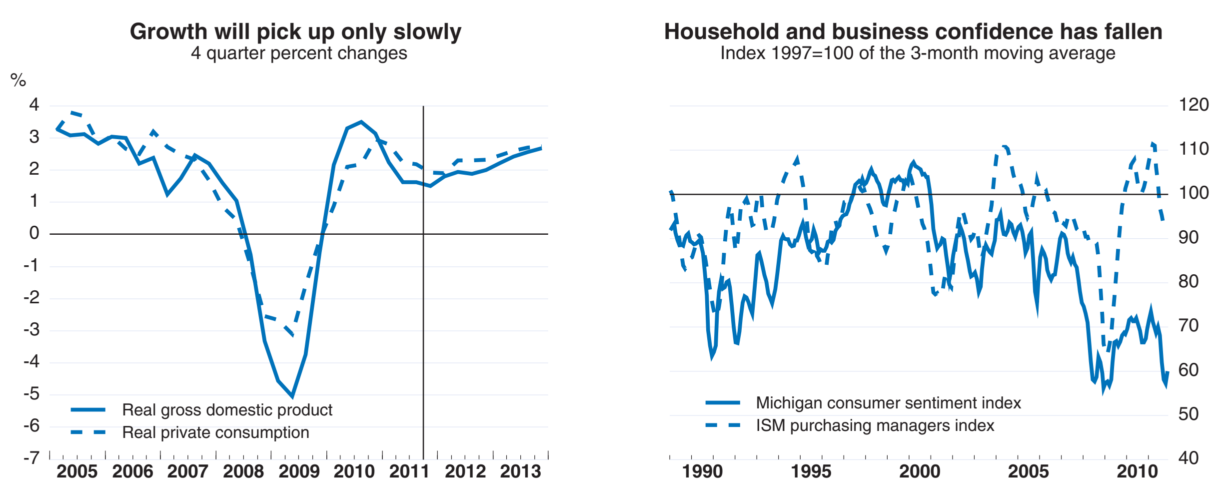
***Growth will remain subdued as household budgets continue to be under pressure***

The underlying pace of activity remains weak and consumption growth sluggish, notwithstanding some rebound from the very poor first-half growth. There have been some indications that credit supply conditions are improving, though at a slower pace than earlier in the year, and survey data indicate that banks are more willing to extend new loans. Significant progress has been made in private-sector deleveraging, with household financial obligations well below their peak and businesses accumulating large cash balances. But with equity markets having moved down again and consumer sentiment near its all-time low, consumption growth is projected to remain modest for several quarters. Once balance-sheet pressures and fears about the outlook lessen in intensity, growth should pick up gradually.

***Investment growth is set to moderate***

Residential investment increased modestly in the middle of this year but turned down again in the third quarter. A sustained recovery in the sector remains some time off, as the overhang of unsold homes, including a large "shadow" inventory of houses not yet on the market, remains high. Elevated foreclosure rates also suggest further inflows of distressed properties are ahead. Mortgage rates have fallen to historical lows, but

**United States**




*Source:* OECD Economic Outlook 90 database; Datastream.

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United States: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment[1] | -4.3 | -0.7 | 0.7 | 0.9 | 1.5 |
| Unemployment rate[2] | 9.3 | 9.6 | 9.0 | 8.9 | 8.6 |
| Employment cost index | 1.4 | 1.9 | 2.2 | 1.7 | 1.6 |
| Compensation per employee[3] | 0.4 | 2.8 | 2.4 | 1.7 | 2.2 |
| Labour productivity | 0.8 | 3.7 | 1.0 | 1.1 | 0.9 |
| Unit labour cost | 0.1 | -0.8 | 1.7 | 0.8 | 1.4 |
| GDP deflator | 1.1 | 1.2 | 2.2 | 1.9 | 1.4 |
| Consumer price index | -0.3 | 1.6 | 3.2 | 2.4 | 1.4 |
| Core PCE deflator[4] | 1.6 | 1.4 | 1.5 | 1.9 | 1.4 |
| PCE deflator[5] | 0.2 | 1.8 | 2.5 | 1.9 | 1.4 |
| Real household disposable income | -2.3 | 1.8 | 1.3 | 2.1 | 2.6 |

1. Based on the Bureau of Labor Statistics (BLS) Establishment Survey.
2. As a percentage of labour force, based on the BLS Household Survey.
3. In the private sector.
4. Deflator for private consumption excluding food and energy.
5. Private consumption deflator. PCE stands for personal consumption expenditures.

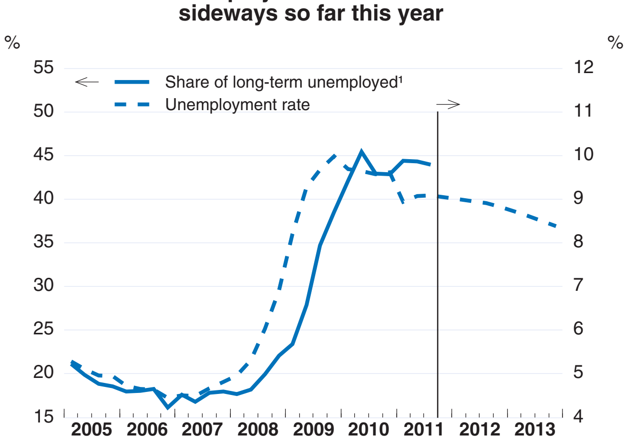
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541854

many households are not in a position to take advantage of the favourable financing, or they are reluctant to buy in an uncertain pricing environment. Outside of the housing sector, business investment has been expanding at a healthy pace, probably reflecting the release of some pent-up demand as businesses replace their ageing capital. But with capacity utilisation at low levels, and the indicators of business sentiment having deteriorated, the pace of non-residential investment growth is likely to step down in the coming quarters.

**United States**

**The unemployment rate has moved sideways so far this year**




**Fiscal consolidation should proceed at a measured pace in the near term**


1. Share of labour force unemployed 27 weeks or more.

*Source:* OECD Economic Outlook 90 database; Bureau of Labor Statistics.

StatLink http://dx.doi.org/10.1787/888932540619

United States: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 5.1 | 5.3 | 4.6 | 4.5 | 4.5 |
| General government financial balance[2] | -11.6 | -10.7 | -10.0 | -9.3 | -8.3 |
| General government gross debt[2] | 85.0 | 94.2 | 97.6 | 103.6 | 108.5 |
| Current account balance[2] | -2.7 | -3.2 | -3.0 | -2.9 | -3.2 |
| Short-term interest rate[3] | 0.9 | 0.5 | 0.4 | 0.4 | 0.3 |
| Long-term interest rate[4] | 3.3 | 3.2 | 2.8 | 2.7 | 3.8 |

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month rate on euro-dollar deposits.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

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***The labour market is moving sideways***

Employment gains have been modest in the private sector, and the improvement has not been large enough to make a dent in the unemployment rate, which has remained relatively flat so far this year at around 9%, well above its structural rate. Job creation is projected to be tepid for some time to come, and although it should pick up with stronger output growth, it will be a number of years before the unemployment rate is anywhere near its pre-recession levels. And the share of long-term unemployment is likely to remain stubbornly high, highlighting the continued risk of rising structural unemployment.

United States: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices $ billion | Percentage changes from previous year, volume (2005 prices) | | | | | |
| **GDP at market prices** | 14 526.6 | 1.7 | 2.0 | 2.5 | 1.5 | 2.0 | 2.7 |
| Private consumption | 10 245.6 | 2.3 | 2.2 | 2.6 | 1.8 | 2.4 | 2.7 |
| Government consumption | 2 497.5 | -1.0 | -0.3 | 0.4 | -0.8 | -0.1 | 0.6 |
| Gross fixed investment | 2 233.5 | 3.4 | 3.3 | 4.6 | 2.8 | 3.2 | 4.8 |
| Public | 505.3 | -6.4 | 0.3 | 0.9 | -6.9 | 0.6 | 1.1 |
| Residential | 338.1 | -2.1 | 0.1 | 1.2 | 0.3 | 0.4 | 1.3 |
| Non-residential | 1 390.1 | 8.4 | 4.9 | 6.4 | 6.8 | 4.7 | 6.6 |
| Final domestic demand | 14 976.6 | 1.9 | 1.9 | 2.6 | 1.5 | 2.1 | 2.7 |
| Stockbuilding[1] | 66.9 | -0.3 | -0.1 | 0.0 | | | |
| Total domestic demand | 15 043.4 | 1.6 | 1.9 | 2.6 | 1.3 | 2.1 | 2.7 |
| Exports of goods and services | 1 839.8 | 6.7 | 5.1 | 6.6 | 4.9 | 5.8 | 7.0 |
| Imports of goods and services | 2 356.7 | 4.7 | 3.8 | 6.3 | 3.0 | 5.6 | 6.4 |
| Net exports[1] | - 516.9 | 0.1 | 0.0 | -0.2 | | | |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541892

United States: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Goods and services exports | 1 583.1 | 1 839.8 | 2 093.9 | 2 255 | 2 458 |
| Goods and services imports | 1 974.6 | 2 356.7 | 2 664.9 | 2 822 | 3 057 |
| Foreign balance | - 391.5 | - 516.9 | - 570.9 | - 567 | - 599 |
| Invisibles, net | 14.9 | 46.0 | 115.6 | 104 | 80 |
| Current account balance | - 376.6 | - 470.9 | - 455.4 | - 463 | - 519 |
| | | | Percentage changes | | |
| Goods and services export volumes | - 9.4 | 11.3 | 6.7 | 5.1 | 6.6 |
| Goods and services import volumes | - 13.6 | 12.5 | 4.7 | 3.8 | 6.3 |
| Export performance[1] | 2.5 | - 2.3 | - 0.6 | - 0.8 | - 0.9 |
| Terms of trade | 5.9 | - 1.6 | - 1.2 | 0.5 | 0.3 |

1. Ratio between export volume and export market of total goods and services.
*Source:* OECD Economic Outlook 90 database.

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***Fiscal consolidation should proceed gradually***

Fiscal policy has moved from supporting growth to restraining it, as declines in government spending subtracted nearly a percentage point from GDP growth in the first half of 2011. Deficit reduction needs to be calibrated to maintain credibility in medium-term consolidation goals while not forestalling the fragile recovery. To this end, the projection assumes that the pace of fiscal consolidation over the next two years is limited to a reduction in the underlying primary deficit of 1½ percentage points of GDP, considerably less than would occur if there were no change in current law.

***Monetary policy should remain accommodative***

Commodity price pressures are abating, and given the substantial slack in resource utilisation, both headline and core inflation are projected to decelerate. With inflation expectations safely anchored, monetary policy should remain accommodative for the foreseeable future.

***The level of uncertainty is high, and risks are weighted to the downside***

The future path of fiscal policy remains highly uncertain, as are its attendant effects on the broader economy as fiscal stimulus is withdrawn. Moreover, negative spillovers from the turmoil in European markets could be greater than expected and have the potential to derail the recovery in activity and renew fears among financially fragile households and businesses.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Fiscal support should be implemented in the event of a weaker economy. The strengthening of automatic stabilisers already assumed in the baseline projection – prolongation of extended unemployment benefits – should be taken further by increasing access to earned-income tax credits and food stamps. Effective activation measures will be vital to minimise a heightened risk of rising structural unemployment.

- Easing the pace of fiscal tightening in the short term will raise the importance of establishing a clear medium-term budget consolidation roadmap. While the agreed caps on discretionary spending and the new process to achieve additional savings over the next 10 years are welcome developments, more needs to be done to secure fiscal sustainability. A credible commitment to fiscal sustainability would aid the recovery by increasing confidence, reducing uncertainty and lowering the risk of disruptive logjams over the federal debt ceiling and possible resulting government shutdowns.
- The Federal Reserve still has options to support the economy. The FOMC decision to keep short-term interest rates at an exceptionally low level through at least mid-2013 was a welcome signal. Further actions to adjust the Fed's portfolio toward holding longer-dated securities could help ensure that the yield curve does not steepen.
- In the wake of the large past house price declines, many financially stressed but otherwise creditworthy households are still unable to refinance their debt at low mortgage rates because they have little or no remaining equity in their homes or because they face other institutional hurdles. Measures that would allow these households to reduce their payment burdens by refinancing would reinforce a critical channel for low interest rates to stimulate the economy.
- The financial sector reforms laid out in the Dodd-Frank legislation need to be implemented without delay, as financial institutions would come under even greater stress if downside risks materialise. Action to introduce a macroprudential framework would provide confidence that financial stability will be maintained.

# JAPAN

**After a sharp contraction in the wake of the Great East Japan Earthquake in March 2011, the economy began to rebound in May 2011. Public and private reconstruction spending will drive the recovery through mid-2012, with growth of 2% for the year. As public reconstruction outlays wane, the expansion will be supported through 2013 by a pick-up in export growth that improves labour market conditions and boosts private consumption. Given the large output gap, deflationary pressures are likely to continue through 2013, with the unemployment rate remaining above its pre-2008 crisis level.**

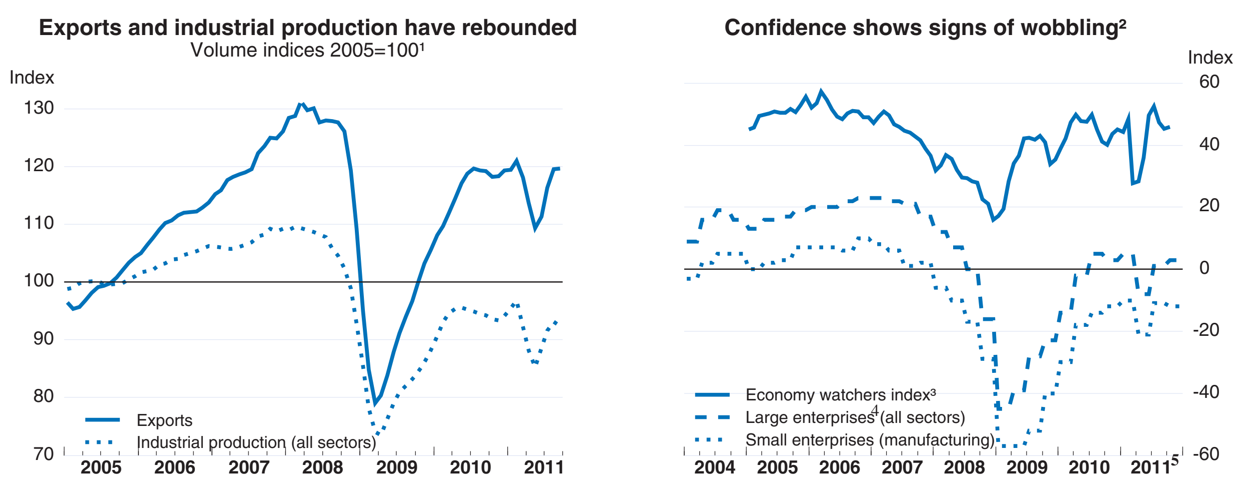
***The recovery is continuing, though at a slower pace…***

The economy is recovering from the March 2011 Great East Japan Earthquake, Japan's worst post-war disaster. Despite electricity shortages and supply chain disruptions, industrial production has risen to within 8% of its pre-earthquake peak. However, the pace of recovery is now moderating after an initial spurt. Moreover, the initial rebound in some confidence indicators has been reversed, reflecting concerns about the strength of the world economy and the appreciation of the yen, which has risen 7% in effective terms since May.

***… led by public and private reconstruction spending***

The government plans to spend a total of around 19 trillion yen (about 4% of GDP) over five years for reconstruction following the disaster, which caused damage officially estimated at around 3½ per cent of GDP. In addition to the two packages already passed by the Diet, amounting to a total of 6 trillion yen, the Cabinet has approved a third package of around 9 trillion yen (including 2 trillion yen to respond to the impact of the yen appreciation). Public spending, which is focused on infrastructure,

**Japan**




1. Data are three-month moving averages of seasonally-adjusted industrial production and exports.
2. Diffusion index of "favourable" minus "unfavourable" conditions.
3. A survey of workers, such as taxi drivers and shop clerks, whose jobs are sensitive to economic conditions.
4. Large enterprises are capitalised at a billion yen or more and small enterprises at between 20 million yen and a hundred million yen.
5. Except for the economy watchers index where there are no projections, numbers from October to December are companies' projections made in September 2011.

*Source:* Ministry of Economy, Trade and Industry; Bank of Japan; Cabinet Office.

StatLink http://dx.doi.org/10.1787/888932540638

### Japan: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment[1] | -1.6 | -0.4 | -0.1 | -0.4 | -0.4 |
| Unemployment rate[1, 2] | 5.1 | 5.1 | 4.6 | 4.5 | 4.4 |
| Compensation of employees | -4.2 | 0.8 | 0.2 | 0.7 | 0.9 |
| Unit labour cost | 2.2 | -3.1 | 0.5 | -1.3 | -0.6 |
| Household disposable income | -1.2 | 1.2 | 0.0 | -0.2 | 0.9 |
| GDP deflator | -0.4 | -2.2 | -2.0 | -0.7 | -0.3 |
| Consumer price index[3] | -1.3 | -0.7 | -0.3 | -0.6 | -0.3 |
| Core consumer price index[4] | -0.6 | -1.2 | -0.8 | -0.6 | -0.3 |
| Private consumption deflator | -2.1 | -1.6 | -1.0 | -0.9 | -0.4 |

1. Between March and August 2011, published labour market data excluded the areas devastated by the earthquake and tsunami. In the projection, however, estimates are on a nationwide basis.
2. As a percentage of labour force.
3. Calculated as the sum of the seasonally adjusted quarterly indices for each year.
4. Consumer price index excluding food and energy.

*Source:* OECD Economic Outlook 90 database.

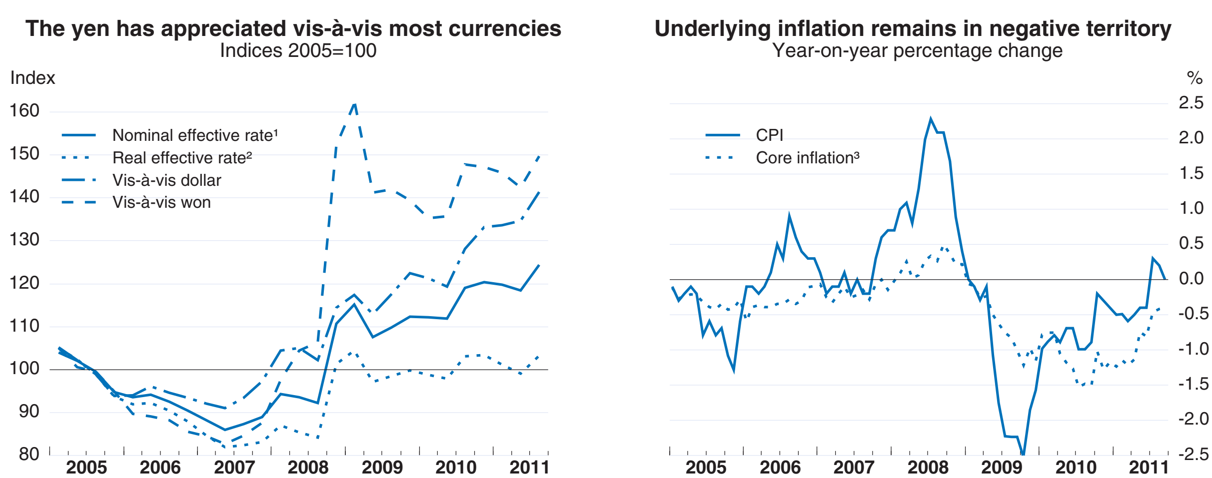
StatLink http://dx.doi.org/10.1787/888932541930

is being supplemented by business and residential investment to rebuild private firms' fixed capital and housing.

***The government budget deficit is projected to remain around 9½ per cent of GDP***

The third reconstruction package will be initially financed by reconstruction bonds, which will be redeemed by temporary tax hikes, with most beginning in 2013 and perhaps lasting up to 25 years. Surcharges on personal and corporate tax income will be the main sources of additional revenue. Other government spending in 2012-13 will be constrained in line with the three-year medium-term fiscal framework

## Japan




1. Trade-weighted, *vis-à-vis* 41 trading partners.
2. Deflated based on consumer price indices.
3. Corresponds to the OECD measure of core inflation, which excludes food and energy.

*Source:* OECD, Economic Outlook 90 database

StatLink http://dx.doi.org/10.1787/888932540657

### Japan: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 5.0 | 6.2 | 7.3 | 6.7 | 6.6 |
| General government financial balance[2] | -8.7 | -7.8 | -8.9 | -8.9 | -9.5 |
| General government gross debt[2] | 194.1 | 200.0 | 211.7 | 219.1 | 226.8 |
| Current account balance[2] | 2.8 | 3.6 | 2.2 | 2.2 | 2.4 |
| Short-term interest rate[3] | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Long-term interest rate[4] | 1.3 | 1.1 | 1.1 | 1.4 | 2.1 |

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month CDs.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

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announced in August 2011. This aims to cut the central and local governments' primary budget deficit by half by financial year (FY) 2015 and achieve a primary surplus and stabilise the public debt ratio by FY 2020, a target that is essential to foster fiscal sustainability. To meet these objectives, central government spending (excluding debt repayment and interest) and the issuance of conventional government bonds are to be limited to their initial FY 2011 levels. Even if these targets are met, the budget deficit will remain around 9½ per cent of GDP (excluding one-off

### Japan: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices ¥ trillion | Percentage changes from previous year, volume (2000 prices) | | | | | |
| **GDP at market prices** | 479.2 | -0.3 | 2.0 | 1.6 | 0.8 | 1.7 | 1.6 |
| Private consumption | 280.8 | -0.2 | 1.3 | 1.3 | 0.8 | 1.0 | 1.5 |
| Government consumption | 96.0 | 2.3 | 0.2 | -0.1 | 1.7 | 0.0 | -0.3 |
| Gross fixed investment | 98.4 | -0.3 | 5.4 | 3.7 | 1.8 | 5.3 | 3.4 |
| Public[1] | 20.1 | -5.5 | 8.5 | -4.2 | 3.6 | 6.4 | -7.5 |
| Residential | 12.7 | 6.0 | 7.7 | 5.0 | 7.2 | 6.2 | 4.2 |
| Non-residential | 65.6 | 0.1 | 4.0 | 5.8 | 0.3 | 4.8 | 6.5 |
| Final domestic demand | 475.2 | 0.3 | 1.9 | 1.5 | 1.2 | 1.7 | 1.5 |
| Stockbuilding[2] | -1.5 | 0.1 | 0.2 | 0.0 | | | |
| Total domestic demand | 473.7 | 0.4 | 2.1 | 1.5 | 1.4 | 1.7 | 1.5 |
| Exports of goods and service: | 72.9 | 1.0 | 5.0 | 6.0 | 2.1 | 4.4 | 7.0 |
| Imports of goods and service: | 67.4 | 5.7 | 5.2 | 5.4 | 6.2 | 4.5 | 6.2 |
| Net exports[2] | 5.5 | -0.7 | -0.1 | 0.0 | | | |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.
Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Including public corporations.
2. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541968

Japan: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | $ billion | | | | |
| Goods and services exports | 637.7 | 832.3 | 904.8 | 975 | 1 040 |
| Goods and services imports | 621.9 | 769.9 | 954.4 | 1 030 | 1 086 |
| Foreign balance | 15.7 | 62.4 | - 49.6 | - 55 | - 46 |
| Invisibles, net | 126.9 | 133.7 | 179.7 | 191 | 199 |
| Current account balance | 142.6 | 196.1 | 130.0 | 136 | 153 |
| | Percentage changes | | | | |
| Goods and services export volumes | - 23.9 | 24.1 | 1.0 | 5.0 | 6.0 |
| Goods and services import volumes | - 15.3 | 9.8 | 5.7 | 5.2 | 5.4 |
| Export performance[1] | - 16.8 | 7.6 | - 6.1 | - 1.6 | - 2.7 |
| Terms of trade | 13.1 | - 6.6 | - 8.2 | 0.0 | 0.6 |

1. Ratio between export volume and export market of total goods and services.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541987

factors) through 2013. Consequently, gross government debt is projected to approach 230% of GDP in 2013, pushing Japan's public finances further into uncharted territory.

***Japan has taken other steps to support the recovery***

The Bank of Japan has kept the policy interest rate at close to zero, while expanding quantitative measures in the wake of the March disaster and the appreciation of the yen since mid-2011. It expanded the funds-supplying operation, *i.e.* lending to financial institutions at the policy rate, by another 5 trillion yen to 35 trillion yen (7% of GDP). In addition, its asset purchase programme has been gradually increased from 5 trillion yen when it was introduced in October 2010 to 20 trillion yen (4% of GDP) by October 2011. Nevertheless, the core consumer price index (excluding food and energy) fell by 0.4% in the third quarter of 2011 (year-on-year). The authorities also intervened unilaterally in the foreign exchange market in August and October.

***The expansion is projected to continue through 2013…***

Output is projected to rise by 2% in 2012, supported by public and private reconstruction spending. As public investment's contribution to growth fades, the pace of the expansion is likely to moderate. Nevertheless, business and residential investment are expected to help sustain the recovery through 2013. Moreover, the pick-up in world trade in 2012-13 will boost Japanese exports. Deflationary pressures, though, may remain headwinds for growth through 2013.

***… although there are many risks, both domestic and external***

In the wake of the Fukushima accident, most of Japan's nuclear power plants, which supplied almost one-third of the country's electricity, have been closed for safety checks. Delays in re-opening these plants – or in securing alternative energy sources – could constrain output growth. In addition, the delay in fiscal consolidation and the continuing rise in the public debt ratio compound the risk of a run-up in long-term interest rates. Finally, the risk of a sharp deterioration in the world economy creates great uncertainty about the projection.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Reconstruction spending, amounting to about 4% of GDP over five years, is further exacerbating Japan's fiscal situation in the short run. With a budget deficit of 9½ per cent of GDP (excluding one-off factors) in 2012-13 and gross public debt set to rise to almost 230% of GDP, Japan does not have scope for additional fiscal measures to cope with any renewed weakness in economic activity and in that event would have to at least partly offset the automatic stabilisers, which in any case are relatively small.
- A detailed and credible fiscal consolidation plan to meet the government's target of achieving a primary budget surplus and stabilising the public debt ratio by FY 2020 is a top priority. Given the large deterioration in the fiscal situation and long period of consolidation ahead, improving the fiscal policy framework would help to bolster confidence in such a plan. Key reforms should include creating an objective fiscal assessment body at arm's-length from the policy-making process and a stronger legal foundation for medium and long-term fiscal targets.
- In addition to maintaining a virtually zero-interest-rate policy, the Bank of Japan should further expand its funds-supplying operation and its asset purchase programme. These quantitative measures should be further expanded to cope with any economic weakness, thereby helping to bring a definitive end to more than a decade of deflation.
- Promoting Japan's integration in the global economy would boost growth. Removing obstacles to inflows of imports, capital and labour, in line with the New Growth Strategy, is thus a top priority. Such reforms, along with a reduction in the high level of agricultural support, would facilitate Japan's participation in the Trans-Pacific Partnership, as well as in free trade agreements with major trading partners.
- In addition to providing revenue for fiscal consolidation, tax reform is a priority to promote economic growth. Reform should broaden direct tax bases while lowering tax rates on corporate income. The consumption tax, which has a less negative impact on growth than other types of taxes, should be the main source of additional revenue. Environmental taxes also have a role to play, including in helping to promote green growth.

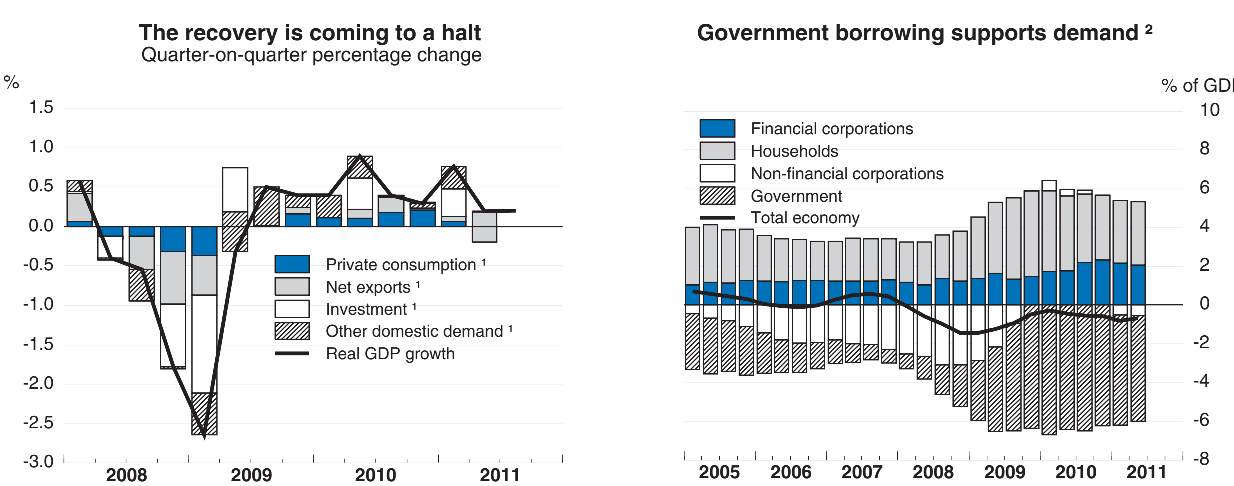
# EURO AREA

**The recovery has stalled as confidence has weakened and financial conditions have deteriorated as a result of the sovereign debt crisis. The momentum in domestic demand has waned and external demand is slowing sharply. Fiscal consolidation and adjustment of private sector balance sheets will continue to restrain demand growth. Unemployment will begin to rise again and there will be a wide margin of spare capacity. Inflation will fall, against the background of weak underlying price pressures. The announcement of the measures agreed at the October Euro Summit failed to restore confidence and needs to be followed up by swift mobilisation of adequate financial resources to ease contagion. To enhance fiscal credibility, euro countries should pursue consolidation plans set out in their Stability Programmes, while further monetary loosening is needed to help support activity. Provided that policy actions are sufficient to restore confidence gradually, activity should pick up somewhat from mid-2012. The main risks centre on the interactions of slow growth, sovereign debt and weaknesses in the banking system, as well as the ability of policymakers to find a credible solution to the debt crisis.**

***Financial conditions have deteriorated***

The sovereign debt crisis has intensified and broadened reflecting the absence of strong policy action at the EU level, continued balance sheets weaknesses in banks and insufficient consolidation plans in some countries with high debts. The functioning of the interbank market has become impaired with some institutions suffering reduced access to market financing and a withdrawal of funding by US mutual funds. The ECB October Bank Lending Survey points to a renewed tightening of loan standards for businesses and households. At the same time, euro area equity markets have plunged. The crisis led to a modest depreciation in the effective euro exchange rate. Business and consumer confidence is deteriorating.

**Euro area**




1. Contribution to the quarterly percentage change of the euro area GDP.
2. Net lending/borrowing by sector, four-quarter moving average, per cent of GDP.

*Source:* European Central Bank and OECD, OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540866

Euro area: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment | -1.8 | -0.5 | 0.2 | -0.3 | 0.2 |
| Unemployment rate[1] | 9.4 | 9.9 | 9.9 | 10.3 | 10.3 |
| Compensation per employee[2] | 0.8 | 1.7 | 2.5 | 2.0 | 1.8 |
| Labour productivity | -2.4 | 2.4 | 1.2 | 0.4 | 1.2 |
| Unit labour cost | 4.0 | -0.9 | 0.8 | 1.4 | 0.4 |
| Household disposable income | -0.5 | 1.2 | 2.1 | 1.6 | 2.0 |
| GDP deflator | 0.9 | 0.7 | 1.3 | 1.5 | 1.2 |
| Harmonised index of consumer prices | 0.3 | 1.6 | 2.6 | 1.6 | 1.2 |
| Core harmonised index of consumer prices[3] | 1.4 | 1.0 | 1.4 | 1.5 | 1.3 |
| Private consumption deflator | -0.4 | 1.7 | 2.4 | 1.6 | 1.2 |

*Note:* Covers the euro area countries that are members of the OECD.
1. As a percentage of labour force.
2. In the private sector.
3. Harmonised index of consumer prices excluding energy, food, drink and tobacco.

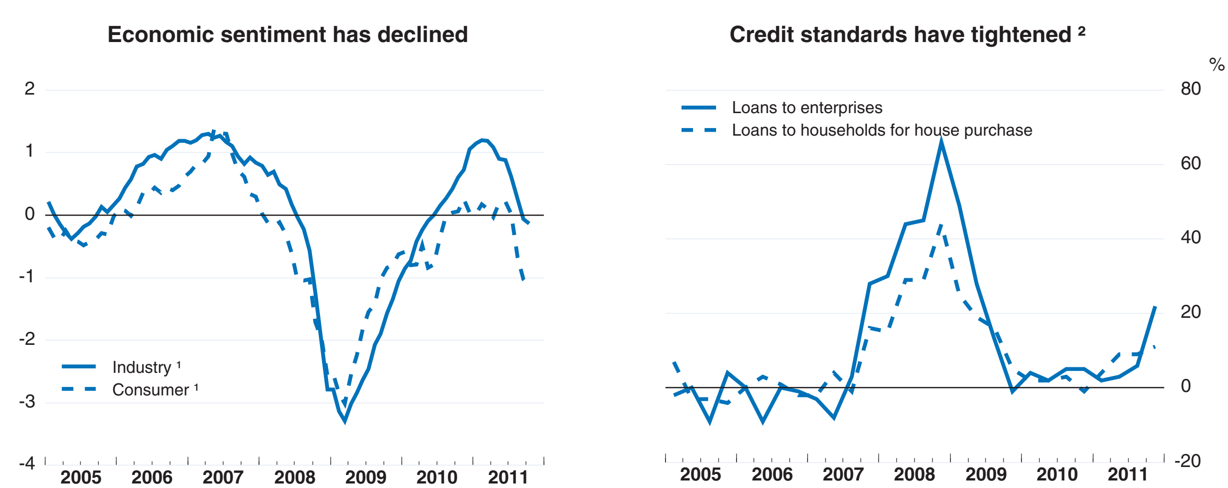
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542329

***Activity will slow***

GDP is projected to contract modestly in the final quarter of 2011 and the first quarter of 2012. Consumption growth will slow as households undertake precautionary saving, investment will be weak as projects are put on hold and financing becomes scarcer, and global weakness will hurt export growth. Recovery is anticipated to take hold from mid-2012 as confidence gradually improves among households, businesses and in the financial sector. Monetary easing will contribute to more favourable financing conditions. The recovery will be muted, however, as a result of weakened labour market conditions, the continued need to resolve

**Euro area**




1. The series are normalised and averaged 0 over the period January 1999 to the latest observation.
2. Net percentage of banks anticipating tightening standards applied to the approval of loans.

*Source:* Eurostat and ECB (2011), Bank Lending Survey, October.

StatLink http://dx.doi.org/10.1787/888932540885

Euro area: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 10.1 | 8.8 | 8.1 | 8.0 | 7.9 |
| General government financial balance[2] | -6.4 | -6.3 | -4.0 | -2.9 | -1.9 |
| General government gross debt[2] | 87.6 | 92.9 | 95.6 | 97.9 | 98.2 |
| General government debt, Maastricht definition[2] | 79.9 | 85.7 | 88.3 | 90.6 | 91.0 |
| Current account balance[2] | 0.0 | 0.2 | 0.1 | 0.6 | 1.0 |
| Short-term interest rate[3] | 1.2 | 0.8 | 1.4 | 1.0 | 0.6 |
| Long-term interest rate[4] | 3.8 | 3.6 | 4.2 | 4.6 | 4.8 |

*Note:* Covers the euro area countries that are members of the OECD.
1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542348

underlying economic imbalances in some countries and remaining fragilities in financial conditions. On-going and necessary fiscal consolidation will be a drag on demand.

***Unemployment will rise***

The unemployment rate will edge up, perhaps more than projected given the limited adjustment observed in recent years during the financial crisis. This underlines the importance of reforms to labour market institutions, particularly to ensure that unemployment benefit systems provide good work incentives and that regulation does not impede job creation.

Euro area: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes from previous year, volume (2009 prices) | | | | | |
| **GDP at market prices** | 9 131.5 | 1.6 | 0.2 | 1.4 | 0.9 | 0.6 | 1.7 |
| Private consumption | 5 259.1 | 0.4 | 0.1 | 0.9 | -0.2 | 0.5 | 1.1 |
| Government consumption | 2 008.9 | 0.0 | -0.3 | -0.2 | -0.2 | -0.2 | -0.2 |
| Gross fixed investment | 1 745.8 | 2.1 | -0.4 | 2.3 | 1.4 | 0.6 | 2.9 |
| Public | 236.6 | -4.9 | -6.8 | -3.3 | -7.0 | -4.9 | -3.3 |
| Residential | 486.9 | 1.0 | -0.1 | 1.4 | 1.4 | 0.5 | 1.8 |
| Non-residential | 961.1 | 4.6 | 1.0 | 3.8 | 3.7 | 1.9 | 4.5 |
| Final domestic demand | 9 010.5 | 0.6 | -0.1 | 0.9 | 0.1 | 0.4 | 1.2 |
| Stockbuilding[1] | 5.6 | 0.3 | -0.2 | 0.0 | | | |
| Total domestic demand | 9 016.1 | 1.0 | -0.2 | 0.9 | 0.2 | 0.3 | 1.1 |
| Net exports[1] | 115.4 | 0.7 | 0.4 | 0.6 | | | |

*Note:* Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.
Covers the euro area countries that are members of the OECD.
1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542367

Euro area: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Foreign balance | 165.8 | 153.0 | 147.0 | 209 | 283 |
| Invisibles, net | - 157.6 | - 126.2 | - 136.7 | - 128 | - 146 |
| Current account balance | 8.2 | 26.8 | 10.3 | 81 | 138 |

*Note:* Covers the euro area countries that are members of the OECD.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542386

***Underlying price pressures remain weak***

Headline inflation rose to 3% in September, but inflation is expected to moderate over the coming quarters as energy prices fall. Unusually large increases in indirect taxes have contributed strongly to inflation over the past year, which may continue as further fiscal consolidation is undertaken. Inflation is expected to moderate as output falls further below capacity and labour market weakness contains wage pressures.

***The ECB should further lower policy rates***

The ECB's main refinancing rate was lowered to 1.25% in November. Since the sovereign debt crisis intensified in August, the ECB has again extended non-standard measures. Given the slowdown in activity at a time of existing spare capacity and weak underlying inflationary pressures, policy rates should be lowered and non-standard measures continued as planned with the aim of reducing the overnight interbank rate to a very low level. A rigorous and credible assessment of all risks to the banking sector is required and measures taken to ensure that all banks are well capitalised as currently planned.

***Fiscal consolidation should continue as planned***

Euro countries should pursue the consolidation plans set out in Stability Programmes. For countries with severe fiscal problems and where fiscal credibility is weak, authorities should ensure that headline targets are met. More detailed and credible plans for fiscal consolidation should be set out as soon as possible in all countries to enhance the credibility of current plans.

***Policy orientation should downside risks materialise***

Overall risks are mainly on the downside. If such risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Countries with severe consolidation needs and weak credibility should ensure that headline targets are met, while countries with fiscal space should allow the automatic stabilisers to work and in some cases could undertake stimulus measures if there is a severe downturn.
- The expanded scope of the EFSF should be used as necessary to maintain stability in the euro area, both to address sovereign and banking problems. The resources available for intervention have to be at a level where market confidence would be regained. Where solvency problems are identified, a voluntary private sector debt restructuring

should take place as anticipated in the ESM and new financing arrangements should be put in place by official creditors.

- The balance sheet and funding positions of euro area banks should be rigorously assessed taking into account all the relevant risks and the appropriate policy measures should be taken, including a large-scale recapitalisation. EFSF funds should be made available where necessary.
- More radical, non-standard measures would be required if monetary policy transmission in the euro area as a whole were to become more seriously impaired.
- The new EU fiscal and economic governance framework should be effectively and courageously applied to ensure that no country loses fiscal credibility and jeopardises the functioning of the monetary union. National fiscal frameworks should be rapidly upgraded in line with the new requirements.
- Financial market regulation and supervision should continue to be strengthened. The newly-created European supervisory bodies and European Systemic Risk Board should play a key role in identifying and resolving financial weaknesses.
- A well designed package of reforms to labour and product markets in countries with a need to rebalance their economies, whether with current account surpluses or deficits, would facilitate adjustment and make growth more sustainable.

# GERMANY

**The economy is facing a period of weakness reflecting a worldwide loss of confidence and lower world trade growth, which usually hits Germany more than others through weaker exports and investment. Economic activity is expected to recover gradually during 2012 as uncertainty declines and trade picks up. Growth rates may then rise above potential from around mid-2012, given the absence of underlying imbalances in household and corporate balance sheets and only moderate fiscal consolidation needs. Unemployment is projected to remain close to historically low levels, supporting consumer confidence. The fiscal situation improved rapidly due to both structural and cyclical factors and, so long as the weakening of growth is temporary, it is unlikely to derail this improvement.**

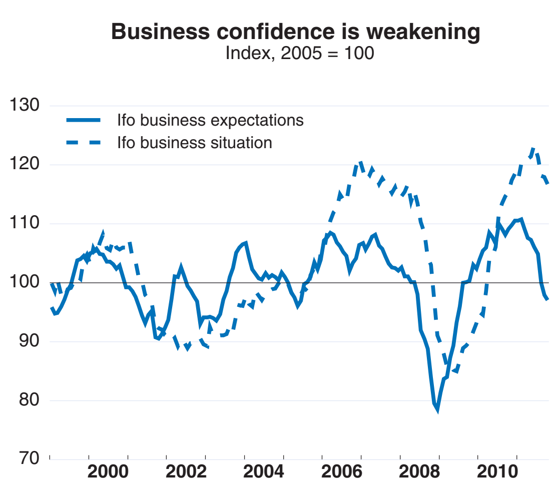
***Economic activity is slowing sharply…***

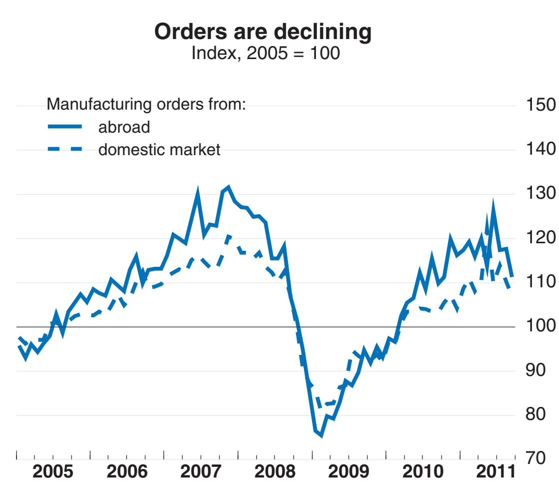
Real GDP returned to its pre-crisis level in the second quarter, but the economy appears to have entered a mild recession in the fourth quarter. It has been hit by a marked deterioration of world trade and by a rapid loss in confidence related to the sovereign debt crisis in some euro area countries. As a result, the contribution to growth from exports is likely to fall given Germany's significant exposure to foreign trade, notably to international demand for investment goods. In addition, domestic firms are likely to be more hesitant to invest over the coming quarters as signalled by decreasing business confidence indicators. Weaker confidence and substantial losses in equity markets may also lead households to raise their savings rate, which may weigh on consumption and partly offset an increase in disposable income.

***…while the labour market remains robust***

The labour market usually lags the cycle and has so far been unaffected by the weakening in economic activity; the unemployment rate has fallen further, reaching its lowest level in more than two decades. To some extent this reflects the beneficial effect of past labour market reforms which lowered structural unemployment. With slower growth

**Germany**




*Source:* Deutsche Bundesbank; Ifo Institut für Wirtschaftsforschung.

StatLink http://dx.doi.org/10.1787/888932540676

Germany: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment | 0.0 | 0.5 | 1.3 | 0.2 | 0.2 |
| Unemployment rate[1] | 7.4 | 6.8 | 5.9 | 5.7 | 5.5 |
| Compensation of employees | 0.1 | 2.5 | 4.2 | 2.0 | 1.9 |
| Unit labour cost | 5.5 | -1.0 | 1.2 | 1.4 | -0.1 |
| Household disposable income | -0.7 | 2.9 | 3.6 | 2.5 | 2.3 |
| GDP deflator | 1.2 | 0.6 | 0.7 | 1.3 | 1.3 |
| Harmonised index of consumer prices | 0.2 | 1.2 | 2.4 | 1.6 | 1.5 |
| Core harmonised index of consumer prices[2] | 1.3 | 0.6 | 1.2 | 1.4 | 1.5 |
| Private consumption deflator | 0.1 | 2.0 | 2.2 | 1.6 | 1.5 |

1. As a percentage of labour force, based on national accounts.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

*Source:* OECD Economic Outlook 90 database.

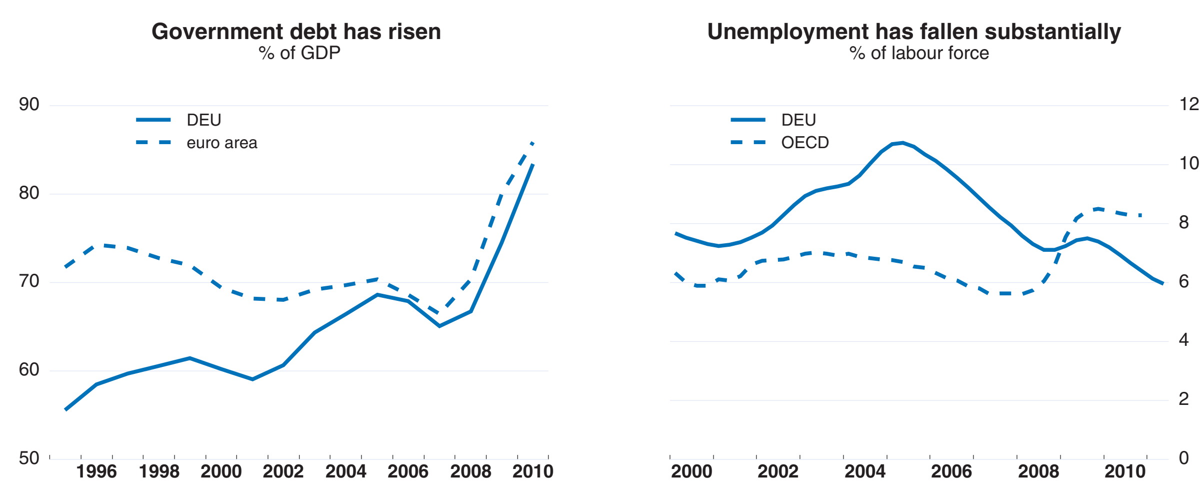
StatLink http://dx.doi.org/10.1787/888932542006

envisaged for 2012, the decline in unemployment is projected to reverse somewhat. However, the increased flexibility of working hours at the company level – which was demonstrated forcefully in the past recession – will damp the adverse effects if companies believe that the slowdown is short lived and respond accordingly with renewed labour hoarding.

***The budget deficit has fallen***

The fiscal situation has much improved and the budget deficit is projected to fall significantly this year. This is due to both the favourable cyclical situation up to now and improvements in the structural balance. Over the projection horizon the government is expected to continue implementing its planned consolidation measures, which amount to around 0.3% of GDP per year, in accordance with the fiscal rule that

**Germany**




1. *Note:* Gross debt (Maastricht definition) refers to general government debt.

*Source:* OECD, Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540695

Germany: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 11.1 | 11.3 | 11.3 | 11.4 | 11.2 |
| General government financial balance[2] | -3.2 | -4.3 | -1.2 | -1.1 | -0.6 |
| General government gross debt[2] | 77.4 | 87.1 | 86.9 | 87.3 | 86.4 |
| General government debt, Maastricht definition[2] | 74.5 | 83.4 | 83.2 | 83.7 | 82.8 |
| Current account balance[2] | 5.7 | 5.6 | 4.9 | 4.9 | 5.3 |
| Short-term interest rate[3] | 1.2 | 0.8 | 1.4 | 1.0 | 0.6 |
| Long-term interest rate[4] | 3.2 | 2.7 | 2.6 | 2.4 | 3.3 |

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542025

requires a structural deficit at the federal level of at most 0.35% of GDP by 2016. The forecast is for an almost unchanged budget deficit in 2012 as the cyclical deterioration offsets most of the improvements underlying consolidation. With an improved growth outlook in 2013 the deficit is set to continue declining.

***Growth is set to recover gradually during 2012***

Following the slowdown of economic activity during the winter months, growth is set to pick up during 2012. This reflects a projected improvement of world trade and hence strengthening exports. Confidence is also expected to gradually rise, thus leading to a pick-up in investment spending. Financial conditions remain very easy and there are pent-up investment opportunities. Consumer spending will also benefit as the rise in the household saving rate may be reversed and disposable income improves on the back of wage increases. The recovery from the period of weak growth is envisaged to continue through 2013 and is likely to be stronger than in other euro area countries because in Germany there is no need for deleveraging in either the household or corporate sectors. However, despite this recovery the output gap is expected to remain negative, thereby damping inflationary pressures and leading to a fall in annual headline inflation to around 1½ per cent by 2013.

***Risks relate to world trade and the banking sector***

The main risks around this forecast are a more marked slowing in world trade and a substantial deterioration in domestic bank balance sheets in the context of further stress in euro area sovereign debt markets. The latter could lead to sustained problems in credit availability which would adversely affect the outlook, in particular for domestic spending. On the upside, successful crisis resolution in combination with better regulated financial markets could unleash again a longer and stronger upswing. Overall, risks are predominantly on the downside.

Germany: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes from previous year, volume (2005 prices) | | | | | |
| **GDP at market prices** | 2 471.9 | 3.0 | 0.6 | 1.9 | 2.0 | 1.0 | 2.2 |
| Private consumption | 1 422.9 | 1.0 | 0.7 | 1.1 | 0.4 | 0.8 | 1.1 |
| Government consumption | 488.8 | 0.9 | 0.9 | 0.8 | 1.0 | 0.8 | 0.8 |
| Gross fixed investment | 431.3 | 7.2 | 1.2 | 3.8 | 5.3 | 2.3 | 4.2 |
| Public | 40.7 | 1.7 | -7.7 | -0.3 | -5.5 | -4.0 | 0.0 |
| Residential | 130.8 | 6.5 | 1.3 | 2.6 | 8.3 | 2.0 | 2.8 |
| Non-residential | 259.8 | 8.4 | 2.4 | 4.9 | 5.5 | 3.3 | 5.4 |
| Final domestic demand | 2 343.0 | 2.1 | 0.8 | 1.5 | 1.4 | 1.1 | 1.6 |
| Stockbuilding[1] | - 4.4 | 0.4 | 0.0 | 0.0 | | | |
| Total domestic demand | 2 338.6 | 2.6 | 0.8 | 1.5 | 1.9 | 1.1 | 1.6 |
| Exports of goods and services | 1 154.5 | 8.3 | 3.4 | 6.6 | 6.3 | 3.9 | 7.6 |
| Imports of goods and services | 1 021.1 | 8.0 | 4.1 | 6.2 | 6.8 | 4.2 | 6.9 |
| Net exports[1] | 133.3 | 0.6 | -0.2 | 0.5 | | | |
| *Memorandum items* | | | | | | | |
| GDP without working day adjustments | 2 476.8 | 3.0 | 0.4 | 1.9 | | | |
| Investment in machinery and equipment | 197.4 | 9.4 | 1.8 | 4.7 | 4.7 | 2.6 | 5.0 |
| Construction investment | 233.9 | 5.4 | 0.6 | 3.1 | 5.8 | 2.0 | 3.4 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*
Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542044

### Policy orientation should downside risks materialise

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Automatic stabilisers should be allowed to work fully, as is explicitly allowed by the constitutional fiscal rule. The fiscal rule is the main element of Germany's credible framework and adherence to it remains essential. If the economy were to be significantly weaker than projected, it would be appropriate to provide temporary measures to stimulate demand in a way that does not harm the credibility of the fiscal rule domestically and internationally. Such measures would usefully include support for short-time work arrangements.
- Strengthening domestic demand through structural reforms should remain high on the policy agenda. Such reforms would foster the replacement of missing external growth by a new domestic dynamism. Such a reform would also contribute to lowering the current account surplus and ease international imbalances. They should reduce entry barriers and increase the scope for investment, innovation and

employment creation. For example, the strict regulation of professional services needs to be reduced, including rethinking compulsory chamber membership.

- To support growth, the structure of taxation should be reviewed, and the burden shifted to immobile bases, including environmentally harmful activities, and away from mobile ones, notably labour, which is particularly highly taxed.

# *FRANCE*

**Given the sharp slowdown triggered by unresolved European sovereign-debt problems, France may have entered a short, shallow recession. Real GDP is projected to grow by just 0.3% in 2012 before accelerating to about 1.5% in 2013. Job-creation prospects have deteriorated, and the unemployment rate is projected to increase to 10.4% in end-2012 before stabilising in 2013. As economic slack increases, inflation should fall to around 1% in 2013.**

### *Growth has gone off track*

The French economy is likely to have stalled in the last quarter of 2011 following the sharp deterioration in confidence all across the board. Unless the sovereign debt crisis is decisively resolved, confidence is likely to be restored only gradually. This renewed weakness is occurring while the labour market still carries the scars of the Great Recession: long-term unemployment and the share of older workers among the unemployed have kept increasing rapidly. As a result, the risk that structural unemployment will rise is significant.

### *Financing conditions have been deteriorating*

Credit growth has slowed recently, especially for household loans. There are some early signs that the housing market has turned downwards, and factors that helped to limit the house-price adjustment in 2008-09, such as declining mortgage rates, public support and low indebtedness, are now playing a much smaller role. In addition, the large exposure of the French banking system to countries at the core of market tensions has become a source of increasing uncertainty, contributing to the sharp rise in the government bond yield spread *vis-à-vis* Germany. With contagion having spread to France, higher borrowing costs will affect the whole economy.

**France**


1. Harmonised.
2. Workers registered at Pole emploi for more than 1 year (categories A, B and C).
3. Workers aged 50 or more registered in Pole emploi's A category (multiplied by 2 for illustrative purposes).

*Source:* Dares; OECD, Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540714

### France: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment | -0.9 | 0.2 | 0.4 | 0.1 | 0.4 |
| Unemployment rate[1] | 9.1 | 9.4 | 9.2 | 9.7 | 9.8 |
| Compensation of employees | 0.2 | 2.1 | 3.4 | 2.6 | 2.5 |
| Unit labour cost | 2.9 | 0.7 | 1.8 | 2.3 | 1.1 |
| Household disposable income | 0.7 | 2.1 | 3.2 | 1.1 | 1.9 |
| GDP deflator | 0.5 | 0.8 | 1.5 | 1.5 | 1.0 |
| Harmonised index of consumer prices | 0.1 | 1.7 | 2.1 | 1.4 | 1.1 |
| Core harmonised index of consumer prices[2] | 1.4 | 1.0 | 1.0 | 1.4 | 1.1 |
| Private consumption deflator | -0.5 | 1.2 | 1.9 | 1.2 | 0.9 |
| *Memorandum item* | | | | | |
| Unemployment rate[3] | 9.5 | 9.8 | 9.7 | 10.2 | 10.3 |

1. As a percentage of labour force, metropolitan France.
2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.
3. As a percentage of labour force, national unemployment rate, includes overseas departments and territories.

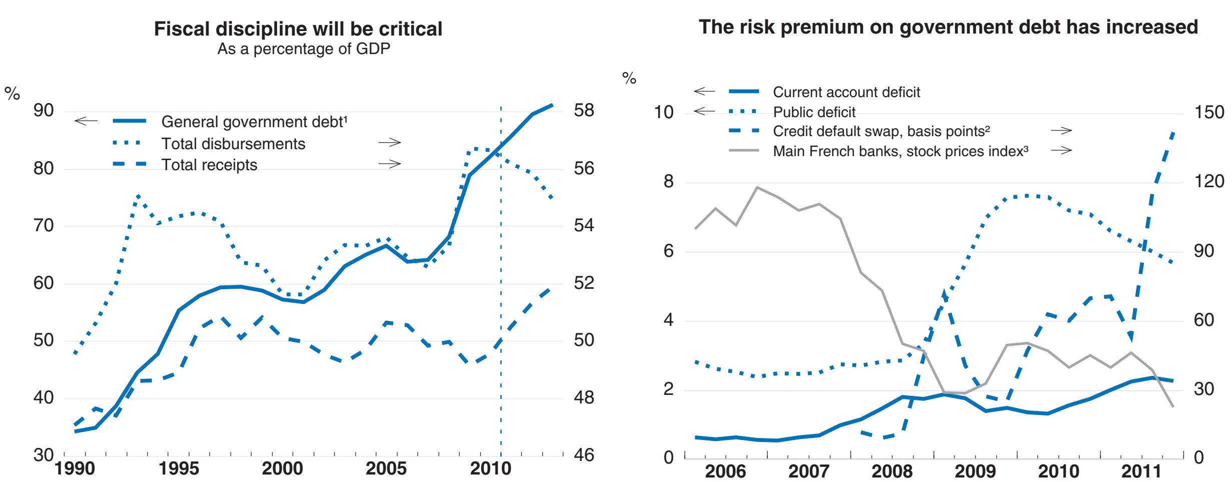
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542063

***The fiscal framework should be strengthened***

Given the steady deterioration of public finances over the past few decades and current market stresses, there is no room for discretionary measures to offset the current economic weakness without endangering the nation's sovereign credit rating. As a result, the government is commited to reducing the general government deficit from 5.7% of GDP in 2011 to 4.5% in 2012 and 3% in 2013. The projection herein assumes that these objectives will be met. Given slow economic growth and the increased cost of debt, reaching the 2012 target will require additional

### France




1. Maastricht definition.
2. 5-year French sovereign bond; 2011Q4 is extrapolated based on daily data available up to November 16th.
3. 2006Q1 = 100; 2011Q4 is extrapolated based on daily data available up to November 16th.

*Source:* OECD, Economic Outlook 90 database; Datastream.

StatLink http://dx.doi.org/10.1787/888932540733

France: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 13.2 | 12.9 | 13.4 | 12.8 | 12.3 |
| General government financial balance[2] | -7.6 | -7.1 | -5.7 | -4.5 | -3.0 |
| General government gross debt[2] | 90.8 | 95.2 | 98.6 | 102.4 | 104.1 |
| General government debt, Maastricht definition[2] | 79.0 | 82.4 | 85.8 | 89.6 | 91.3 |
| Current account balance[2] | -1.5 | -1.8 | -2.3 | -2.2 | -2.2 |
| Short-term interest rate[3] | 1.2 | 0.8 | 1.4 | 1.0 | 0.6 |
| Long-term interest rate[4] | 3.6 | 3.1 | 3.3 | 3.5 | 4.0 |

1. As a percentage of disposable income (gross saving).
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year benchmark government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542082

consolidation measures, of the order of 0.4% of GDP. To preserve credibility, the fiscal framework needs to be strengthened.

***Detailed medium-term measures are lacking***

While the detailed measures that would allow the 2013 target to be met should be announced quickly, the 2012 elections are no doubt delaying that process. Beyond 2013, part of the deficit should disappear as the output gap is reduced, but a further structural tightening of at

France: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes from previous year, volume (2005 prices) | | | | | |
| **GDP at market prices** | 1 931.4 | 1.6 | 0.3 | 1.4 | 1.1 | 0.7 | 1.5 |
| Private consumption | 1 123.9 | 0.6 | 0.7 | 1.6 | -0.1 | 1.3 | 1.7 |
| Government consumption | 479.7 | 0.7 | 0.1 | 0.0 | 0.6 | 0.0 | 0.1 |
| Gross fixed investment | 372.9 | 2.8 | 0.7 | 3.0 | 2.2 | 1.2 | 3.6 |
| Public | 59.1 | -0.2 | 0.9 | 0.8 | 2.9 | 0.6 | 0.8 |
| Residential | 109.0 | 2.9 | 0.7 | 1.3 | 2.6 | -0.2 | 1.9 |
| Non-residential | 204.8 | 3.7 | 0.7 | 4.6 | 1.8 | 2.2 | 5.3 |
| Final domestic demand | 1 976.5 | 1.1 | 0.6 | 1.5 | 0.5 | 1.0 | 1.7 |
| Stockbuilding[1] | - 0.3 | 0.9 | -0.4 | 0.0 | | | |
| Total domestic demand | 1 976.2 | 1.9 | 0.2 | 1.5 | 1.1 | 0.7 | 1.7 |
| Exports of goods and services | 490.6 | 4.2 | 2.5 | 5.9 | 2.8 | 3.4 | 6.9 |
| Imports of goods and services | 535.4 | 5.1 | 1.9 | 5.8 | 2.4 | 3.4 | 6.8 |
| Net exports[1] | - 44.8 | -0.3 | 0.1 | -0.1 | | | |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.
Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542101

least 0.5% of GDP will be necessary to lower the deficit to a level that will bring debt down at an appropriate pace.

***Public spending should be curbed***

Most of the consolidation effort in France should come from restraining spending, especially as the recent deterioration of the fiscal balance came almost entirely from the spending side. Extending the General Public Policy Review to all levels of public administration and shrinking programmes that are not cost effective will be key. Consolidation of small municipalities and elimination of departments could generate substantial economies of scale. Considerable savings could also be made without impairing the quality of the health-care system by reducing the frequency and length of hospital stays, lowering administrative costs, eliminating reimbursement of the least effective drugs, expanding the use of generics and implementing capitation-based physician compensation.

***Growth will be weak***

Real GDP is projected to increase by only 0.3% in 2012 and by about 1.5% in 2013. Private investment is likely to be affected by the deterioration in companies' self-financing ratio, while poor employments prospects will weigh on private consumption. Fiscal consolidation will prevent a narrowing of the output gap, but its impact will be limited by the design of the measures announced so far and partly offset by an accommodative euro-area-wide monetary policy, and a decline in the household saving rate from the current abnormally high level. The unemployment rate is likely to resume its upward trend and peak at about 10.4%, and headline inflation decline to near 1%.

***Larger risks remain on the downside***

Considerable uncertainty surrounds this projection. Healthy household balance sheets might trigger a faster recovery if confidence improves more rapidly. In contrast, failing to strengthen fiscal credibility could heighten the perceived risks of holding French government debt, further raising interest rates and requiring necessary but damaging additional fiscal measures. A deepening of the European downturn carries by far the largest vulnerability.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Renewed sluggishness complicates fiscal policymaking. While there is no room for offsetting an adverse shock through discretionary fiscal expansion, the automatic stabilisers should be allowed to work in part in order to cushion activity.
- To limit adverse impacts on financing conditions and enhance fiscal discipline, this strategy depends crucially on the implementation of a strengthened fiscal framework. This should be based on a structural fiscal balance rule, a detailed multi-annual budget law enshrined in the

constitution and an independent fiscal council whose main roles should be to judge the multi-year programme's consistency with the fiscal rule and detect slippages during execution.

- Fiscal consolidation should be accompanied by structural reforms to boost potential output. The labour tax wedge should be lowered, possibly via temporary tax relief for new hires. Tax expenditures should be scaled back, and environmental and property taxes increased.
- The political economy context might be favourable for implementing long overdue product-market reforms at lower fiscal costs. Priority should be given to reducing professional services regulations, removing regulatory entry barriers in potentially competitive segments of network industries, and easing restrictions on retail price competition and setting up new stores.

# *ITALY*

**Italy's economic recovery has lost momentum. Output is set to decline well into 2012, and thereafter the recovery is projected to be weak. Confronted with adverse market sentiment, the previous government adopted emergency measures to balance the budget in 2013. The newly-appointed government needs to fully implement this programme as well as undertake important structural reforms to spur growth. Fiscal tightening, combined with slowing world demand and weak competitiveness, will be a drag on growth in the short term, but it is needed to ensure progress toward fiscal sustainability. Unemployment will rise and wage growth will moderate, as will inflation after the impact of a VAT rise has worked through.**

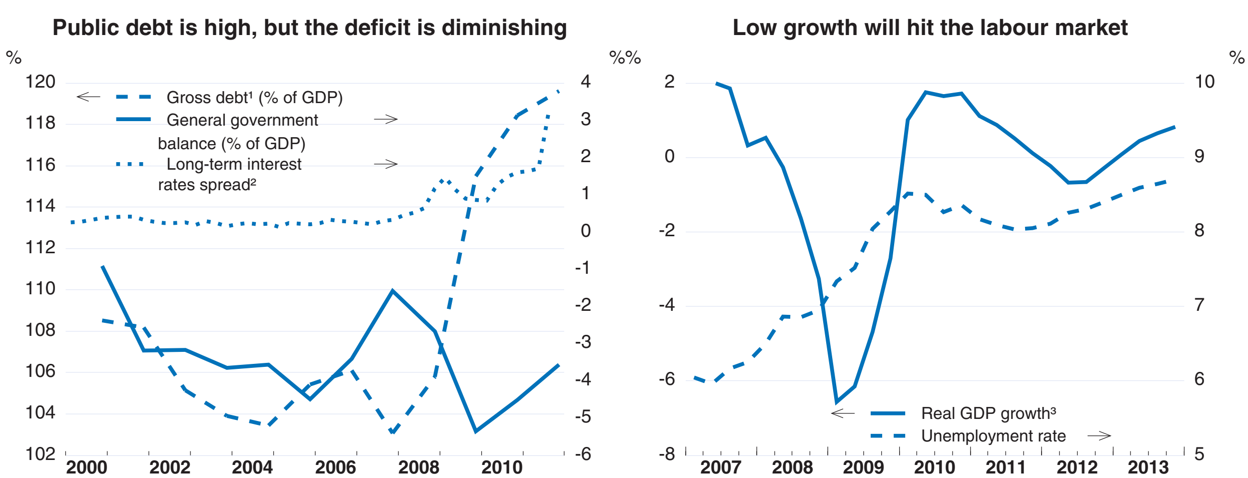
***Activity appears to have stalled***

Industrial production, confidence and exports have all been very weak. Credit conditions have been tightening, more due to banks' difficulties in accessing external finance than to heightened perception of lending risk, though this has risen too. The trade deficit remains quite high given the depressed level of demand in Italy, a sign of poor cost competitiveness. Unemployment has been falling slightly even though the number of people benefitting from the short-time working income-support scheme has fallen to 0.8% of total employment. Despite weak demand growth underlying inflation has been rising.

***Wavering policy commitment added to financial market worries***

The deterioration in confidence in Italy is partly self-inflicted as the last government appeared hesitant about following through with its plans to balance the budget by 2014, although this was first foreseen in 2010 and confirmed in the EU Stability Programme. Its commitment to structural reform, despite publication of a National Reform Plan in the spring

**Italy**




*Note:* In 2011, data on government deficit and debt are OECD estimates. From 2012, OECD projections.

1. General government gross financial liabilities, Maastricht definition.
2. In percentage points. Difference between Italy and Germany, 10-year government bonds. Last observation Q3 average.
3. Quarter-on-quarter, annualised rate.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540752

### Italy: Employment, income and inflation

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment[1] | -1.6 | -0.7 | 0.5 | 0.1 | -0.1 |
| Unemployment rate[1,2] | 7.8 | 8.4 | 8.1 | 8.3 | 8.6 |
| Compensation of employees | -1.1 | 0.8 | 2.8 | 1.8 | 1.2 |
| Unit labour cost | 4.2 | -0.7 | 2.1 | 2.3 | 0.7 |
| Household disposable income | -3.4 | 0.9 | 2.3 | 1.8 | 1.1 |
| GDP deflator | 2.1 | 0.4 | 1.3 | 1.7 | 1.2 |
| Harmonised index of consumer prices | 0.8 | 1.6 | 2.7 | 1.7 | 1.1 |
| Core harmonised index of consumer prices[3] | 1.6 | 1.7 | 1.9 | 1.8 | 1.2 |
| Private consumption deflator | 0.0 | 1.4 | 2.6 | 1.8 | 1.2 |

1. Data for whole economy employment are from the national accounts. These data include an estimate made by Istat for employment in the underground economy. Total employment according to the national accounts is higher than labour force survey data indicate, by approximately 2 million or about 10%. The unemployment rate is calculated relative to labour force survey data.
2. As a percentage of labour force.
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

*Source:* OECD Economic Outlook 90 database.

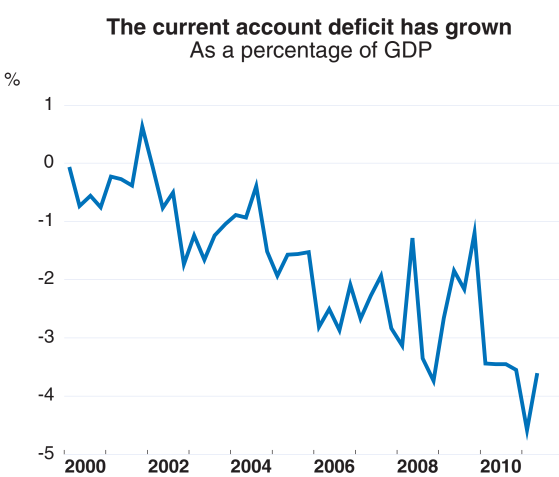
StatLink http://dx.doi.org/10.1787/888932542120

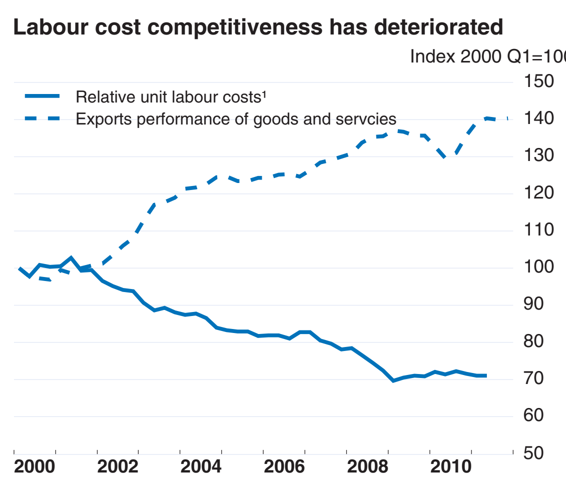
of 2010, also seemed in doubt. The consequent steep rise in interest rates on government debt then forced the government to adopt an even tighter fiscal stance, aiming to eliminate the deficit by 2013.

***The yield curve has steepened considerably***

The financial market tension took the spread between Italian and German 10-year government bonds to as high as 500 basis points in November. Significantly, yields on short-term debt have also risen substantially as well, 1-year bills yielding as much as 6% in November.

### Italy




1. Competitiveness-weighted relative unit labour costs in the manufacturing sector in dollar terms.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540771

### Italy: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 6.5 | 5.0 | 3.9 | 3.6 | 3.4 |
| General government financial balance[2] | -5.4 | -4.5 | -3.6 | -1.6 | -0.1 |
| General government gross debt[2] | 127.1 | 126.1 | 127.7 | 128.1 | 126.6 |
| General government debt, Maastricht definition[2] | 115.5 | 118.4 | 120.0 | 120.4 | 118.9 |
| Current account balance[2] | -2.0 | -3.5 | -3.6 | -2.6 | -1.8 |
| Short-term interest rate[3] | 1.2 | 0.8 | 1.4 | 1.0 | 0.6 |
| Long-term interest rate[4] | 4.3 | 4.0 | 5.3 | 6.5 | 6.0 |

1. Net saving as a percentage of net disposable income. Includes “famiglie produttrici”.
2. As a percentage of GDP. These figures are national accounts basis; they differ by 0.1% from the frequently quoted Excessive Deficit Procedure figures.
3. 3-month interbank rate.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542139

***Growth is set to remain weak***

Growth was probably negative in late 2011 and is projected to remain weak in 2012. This is partly because Italy is exposed to the same forces as other European economies, deteriorating confidence, weak export market growth and difficult financial conditions. As this outlook is well below that assumed in the 2012 budget, further measures will be required (and are included in these projections) to keep the fiscal adjustment programme on track. Export growth should recover somewhat in 2013

### Italy: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes from previous year, volume (2005 prices) | | | | | |
| **GDP at market prices** | 1 556.0 | 0.7 | -0.5 | 0.5 | 0.1 | -0.3 | 0.8 |
| Private consumption | 953.6 | 0.9 | 0.2 | 0.2 | 0.6 | 0.1 | 0.2 |
| Government consumption | 327.7 | 0.1 | -0.9 | -1.2 | 0.4 | -1.2 | -1.2 |
| Gross fixed investment | 305.9 | 0.7 | -0.9 | 0.3 | 0.3 | -0.9 | 0.8 |
| Machinery and equipment | 148.3 | 3.1 | 0.0 | 0.5 | 2.7 | -0.6 | 0.9 |
| Construction | 157.6 | -1.6 | -1.7 | 0.1 | -2.0 | -1.1 | 0.7 |
| Residential | 78.1 | -2.9 | -1.9 | -0.2 | -4.1 | -1.1 | 0.3 |
| Non-residential | 79.5 | -0.4 | -1.6 | 0.3 | 0.0 | -1.1 | 1.2 |
| Final domestic demand | 1 587.2 | 0.7 | -0.2 | -0.1 | 0.5 | -0.3 | 0.1 |
| Stockbuilding[1] | - 1.4 | -0.3 | -0.3 | 0.0 | | | |
| Total domestic demand | 1 585.7 | 0.3 | -0.5 | -0.1 | -0.7 | -0.3 | 0.1 |
| Exports of goods and services | 414.8 | 4.9 | 1.7 | 4.2 | 2.6 | 2.5 | 4.9 |
| Imports of goods and services | 444.5 | 3.4 | 1.5 | 2.2 | -0.9 | 2.0 | 2.2 |
| Net exports[1] | - 29.7 | 0.3 | 0.0 | 0.6 | | | |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*
Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542158

with a revival in world trade, and if confidence returns investment may pick up too. But government expenditure will continue to decline and low disposable income growth will mean low private consumption.

***There are significant downside risks***

Growth could be somewhat higher if decisive action by the new government brings interest rate spreads down quickly and boosts confidence. But the planned fiscal tightening is very severe, will require strong determination on the part of the new government, and may have stronger contractionary effects than projected here.

***Policy measures should downside risks materialise***

If the downside risks materialise, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Faced with bond-market anxiety, Italy has no room for discretionary fiscal action or for allowing the automatic stabilisers to play. Fiscal actions need to be introduced as needed to eliminate the deficit by 2013 and put the debt ratio on a declining trajectory. In the event of still greater weakness in activity, there will be little choice but to introduce further tightening measures to keep fiscal policy on track. Spending restraint rather than taxation should form the backbone of longer-term consolidation and further tax amnesties would be counterproductive.
- Creating a credible and independent fiscal council to monitor progress of fiscal consolidation and reform would help in communicating the effectiveness of reforms – such as the progress already made in multi-year budgeting – to the markets. The council should publish an assessment of macroeconomic outlook and implementation of fiscal targets at regular intervals.
- While room for fiscal action is lacking, there is broad scope for structural reform to enhance economic growth. The previous government's letter of intent to the European Union outlined a number of structural reforms and the new government should embark on such a programme as early as possible.
- Reformed employment protection in the most rigid parts of the labour market would increase flexibility and reduce labour market segmentation. Wage moderation is imperative to reverse the long increase in relative unit labour costs. A stronger lead from the public sector, with cuts in nominal wages and regional differentiation, would be a good signal.
- Italy's product markets need to be exposed to greater competitive pressure by easing regulation and lowering barriers to entry, especially in the liberal professions and business services. Privatisation of local public services, and establishing an independent regulator, would increase efficiency. National level privatisation could also improve competition and provide some debt-reducing revenue. A level playing field for foreign investors, including in financial institutions, should be ensured.

# *UNITED KINGDOM*

**Weak international demand, continued retrenchment among households and needed fiscal consolidation has halted the recovery. Growth will start to pick up during 2012 as exports and household consumption recover, with further strengthening in 2013. Unemployment is rising and will reach 9% in 2013, while inflation is presently peaking as anticipated and is expected to fall below the 2% target in 2013 as temporary effects from VAT hikes and commodity prices wane. Monetary policy is supportive, with the Bank rate at 0.5% and quantitative easing being resumed. Further expansions of quantitative measures are warranted. The ambitious fiscal consolidation has bolstered credibility and helped maintain low bond yields, leaving room for automatic stabilisers to work fully to cushion the slowdown.**

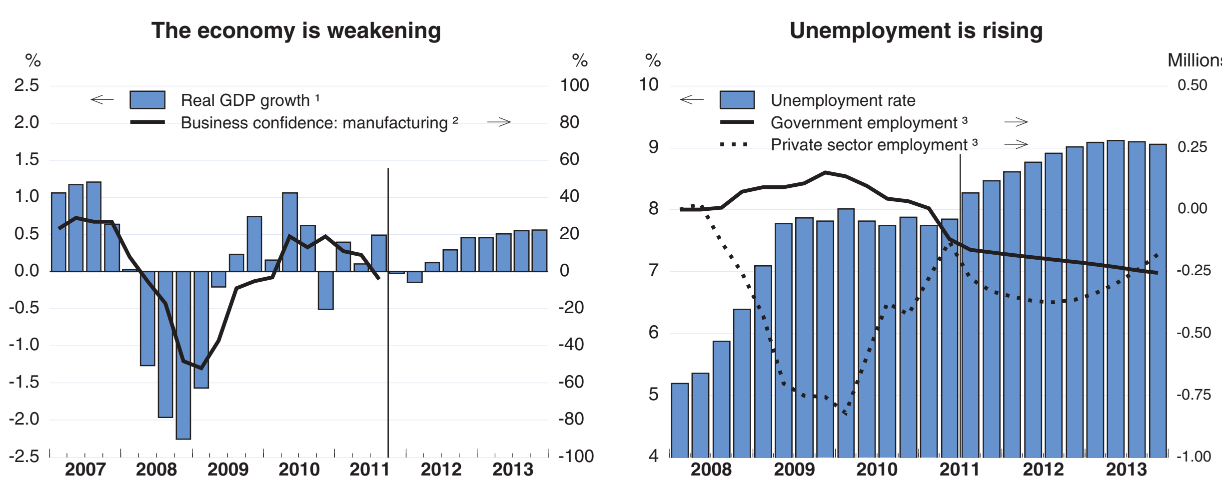
### *The economy is weakening sharply*

Retrenchment by the household and public sectors continues to be a drag on the economy. Further headwinds come from a weakening global economy, lower asset prices and rising uncertainty related to the euro area debt crisis. With household consumption falling, government spending shrinking and export growth slowing, the economy is weakening. Continued fiscal retrenchment will remain a drag over the coming years, but slowing inflation and gradually recovering export demand from 2012 will shore up consumption and exports and support an initially weak recovery. As consumer confidence improves and real incomes start to rise, consumption growth will gain strength over 2012. In 2013, rising business confidence and increasing capacity utilisation will support business investment, quickening the recovery.

### *The labour market is worsening*

Employment is falling and unemployment is already higher than during the 2008-09 recession. Government employment will continue to

**United Kingdom**




1. Quarter-on-quarter.
2. Refers to domestic orders.
3. Changes compared to 2008Q1.

*Source:* OECD, OECD Economic Outlook 90 database and the British Chambers of Commerce.

*StatLink* http://dx.doi.org/10.1787/888932540790

United Kingdom: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment | -1.6 | 0.3 | 0.4 | -0.7 | 0.2 |
| Unemployment rate[1] | 7.6 | 7.9 | 8.1 | 8.8 | 9.1 |
| Compensation of employees | 0.8 | 3.0 | 1.2 | 1.5 | 2.3 |
| Unit labour cost | 5.4 | 1.2 | 0.3 | 1.0 | 0.6 |
| Household disposable income | 3.3 | 2.9 | 1.9 | 2.2 | 2.7 |
| GDP deflator | 1.7 | 2.8 | 2.2 | 2.0 | 1.5 |
| Harmonised index of consumer prices[2] | 2.2 | 3.3 | 4.5 | 2.7 | 1.3 |
| Core harmonised index of consumer prices[3] | 1.7 | 2.7 | 3.1 | 2.4 | 1.3 |
| Private consumption deflator | 1.4 | 3.8 | 4.4 | 2.6 | 1.5 |

1. As a percentage of labour force.
2. The HICP is known as the Consumer Price Index in the United Kingdom.
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542177

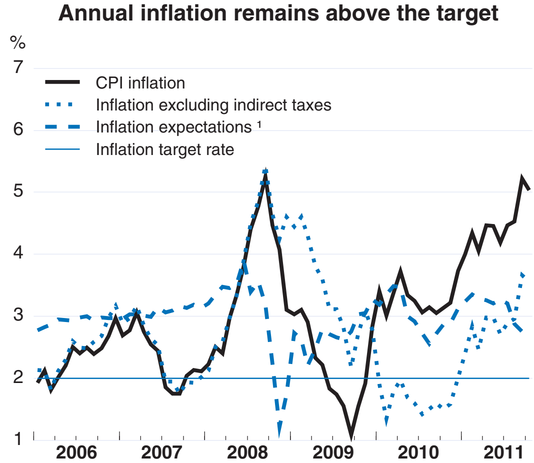
fall, while the business sector will further decrease hiring in response to flagging demand. The weakening of the economy is likely to have a proportionally bigger impact on employment than in the recent recession, as real wages and shorter working hours may adjust less this time. Unemployment is set to pick up through 2012 before stabilising around 9% in 2013. To mitigate the consequences of rising unemployment, especially among youth, resources for labour market training are warranted.

### Inflation is starting to come down

Inflation is peaking, but is likely to remain above the 2% target through 2012. However, inflation expectations remain well-anchored. As effects from the 2011 VAT hike recede and import price growth slows, a

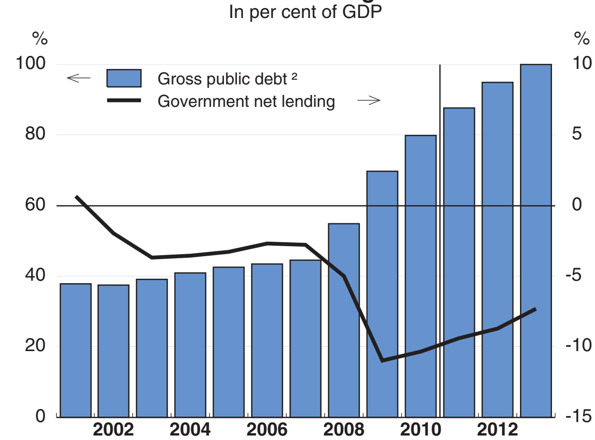
## United Kingdom

**Annual inflation remains above the target**




**Debt is rising**

In per cent of GDP




1. Implied by yield differentials between 10-year government benchmark bonds and inflation-indexed bonds.
2. Maastricht definition.

*Source:* OECD, OECD Economic Outlook 90 database, Bank of England and Office for National Statistics.

StatLink http://dx.doi.org/10.1787/888932540809

United Kingdom: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 3.5 | 2.4 | 1.0 | 0.3 | -0.3 |
| General government financial balance[2] | -11.0 | -10.4 | -9.4 | -8.7 | -7.3 |
| General government gross debt[2] | 72.4 | 82.2 | 90.0 | 97.2 | 102.3 |
| General government debt, Maastricht definition[2] | 69.6 | 79.9 | 87.6 | 94.9 | 100.0 |
| Current account balance[2] | -1.5 | -2.5 | -0.6 | 0.1 | 0.3 |
| Short-term interest rate[3] | 1.2 | 0.7 | 0.9 | 0.9 | 0.7 |
| Long-term interest rate[4] | 3.6 | 3.6 | 3.1 | 2.8 | 3.9 |

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year government bonds.

Source: OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542196

large negative output gap and slow-growing unit labour costs should pull inflation below the target in 2013.

***More monetary support is needed***

With the Bank rate at 0.5% and quantitative easing (QE) recently expanded to 18% of GDP (£275 billion), monetary policy is highly expansionary. Even so, more support is needed urgently as headwinds are strong. The projection assumes that the Bank of England increases QE further to a total of £400 billion by early 2012, leaving the Bank with almost 40% of the total stock of outstanding government bonds. Given

United Kingdom: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices £ billion | Percentage changes from previous year, volume (2008 prices) | | | | | |
| **GDP at market prices** | 1 458.5 | 0.9 | 0.5 | 1.8 | 1.0 | 0.7 | 2.1 |
| Private consumption | 937.9 | -0.9 | 0.5 | 2.0 | -0.9 | 1.1 | 2.3 |
| Government consumption | 338.1 | 1.7 | -0.8 | -1.8 | 1.7 | -1.6 | -1.8 |
| Gross fixed investment | 217.1 | -2.4 | -0.9 | 5.6 | -2.7 | 1.3 | 6.8 |
| Public[1] | 41.0 | -11.5 | -15.1 | -3.9 | -19.3 | -3.9 | -3.9 |
| Residential | 56.1 | -1.9 | -3.8 | 5.4 | -0.9 | -1.3 | 7.1 |
| Non-residential | 120.0 | 0.4 | 4.7 | 8.0 | 1.7 | 3.6 | 9.2 |
| Final domestic demand | 1 493.1 | -0.5 | 0.0 | 1.7 | -0.6 | 0.5 | 2.0 |
| Stockbuilding[2] | 5.1 | -0.3 | -0.1 | 0.0 | | | |
| Total domestic demand | 1 498.1 | -0.8 | -0.2 | 1.7 | -0.9 | 0.4 | 2.0 |
| Exports of goods and services | 436.8 | 5.3 | 3.6 | 6.9 | 2.5 | 4.7 | 7.7 |
| Imports of goods and services | 476.5 | 0.1 | 1.5 | 6.5 | -3.1 | 3.5 | 7.4 |
| Net exports[2] | - 39.7 | 1.5 | 0.6 | 0.1 | | | |

*Note:* Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Including nationalised industries and public corporations.
2. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542215

United Kingdom: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Goods and services exports | 618.9 | 675.0 | 779.3 | 811 | 880 |
| Goods and services imports | 658.8 | 736.5 | 819.7 | 841 | 908 |
| Foreign balance | - 39.9 | - 61.5 | - 40.3 | - 30 | - 28 |
| Invisibles, net | 8.5 | 4.5 | 26.2 | 32 | 35 |
| Current account balance | - 31.4 | - 56.9 | - 14.1 | 2 | 7 |
| | | | Percentage changes | | |
| Goods and services export volumes | - 9.5 | 6.2 | 5.3 | 3.6 | 6.9 |
| Goods and services import volumes | - 12.2 | 8.5 | 0.1 | 1.5 | 6.5 |
| Export performance[1] | 1.8 | - 3.7 | - 0.7 | - 0.4 | 0.5 |
| Terms of trade | - 0.5 | - 0.2 | - 1.4 | - 0.6 | 0.0 |

1. Ratio between export volume and export market of total goods and services.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542234

ongoing weakness in lending to small firms, targeted measures, as currently discussed by the government, could be useful.

***Fiscal consolidation should continue***

Despite ambitious consolidation plans, government debt will continue to rise through the projection period. The fiscal deficit is estimated to fall to 9% of GDP in 2011, still twice the EU average and higher than other G7 countries, apart from the United States and Japan. In 2013 gross government debt is expected to be close to 100% of GDP. Hence, planned fiscal consolidation tightening needs to continue despite the significantly weakening economic outlook, and this is assumed in the projection. The underlying primary balance will improve by about 1.3% of GDP per year between 2010 and 2013. In line with the fiscal plans and targets, the automatic stabilisers are assumed to be left to work fully.

***Fiscal risks are significant***

Fiscal risks remain in terms of existing exposure and potential need for further support to the banking sector. Weak short and medium-term growth prospects could also weigh more on public finances than projected. Further structural reforms to promote fiscal sustainability and growth, for example further increasing the state pension age, should therefore be pursued.

***Risks remain on the downside***

The downturn may turn out to be deeper than projected. Investment may contract more than forecast due to high uncertainty, weak corporate cash flows and tightening financial conditions. The materialisation of international risks, and their potential repercussions on the banking sector and overall confidence, would weaken both domestic demand and exports. Household consumption may fall more than expected as uncertainty, weaker balance sheets and rising unemployment trigger higher precautionary savings. At the same time, more persistent inflation could further squeeze incomes. On the positive side, a robust resolution of the euro area crisis could boost confidence and support a stronger recovery.

***Policy orientation should downside risks materialise***

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- More stringent regulations and potentially surging losses could force further recapitalisation of banks, preferably through private capital. However, the government should be prepared to step in if private capital fails to materialise.
- Short-term fiscal support would be warranted, for example by easing up on the planned cuts in public investment, temporarily slowing consolidation in relation to government plans. However, credibility will demand that the medium-term fiscal targets be retained and achieved, implying greater tightening later on. The measures to implement this future compensating tightening should be announced upfront. Possibilities include ending exemptions and abolishing lowered VAT rates in 2013, or increasing the state pension age. Such a package would improve both short and long-term growth prospects.
- Quantitative easing should be expanded further still if the economy weakens more than expected.
- Tight spending plans will reduce the availability of public services unless productivity is improved. While health care spending has been ring-fenced in consolidation plans, structural reforms in terms of containing compensation for some categories of National Health Service (NHS) personnel and reinforcing competition among providers could increase efficiency and provide savings.
- The weak economy is worsening social conditions. To mitigate the social and long-term economic impact of the recession, targeted support for the weakest is needed. Upgrading the quality of vocational training and providing stronger financial incentives for young people from poorer backgrounds to remain in education and training would cushion the long-term labour market impact of the crisis. Effective measures to combat fast-rising homelessness should be implemented.

# CANADA

**The outlook for the Canadian economy has weakened significantly, mainly because of a deteriorating external environment. Heightened risks from renewed financial-market turmoil linked to the European sovereign debt crisis and high levels of household indebtedness are eroding consumer confidence. While business investment continues to expand robustly, weaker prospects for the global economy and persistent strength of the exchange rate are projected to restrain export performance, tempering the speed of economic growth. Underlying inflation will remain subdued due to continued significant economic slack.**

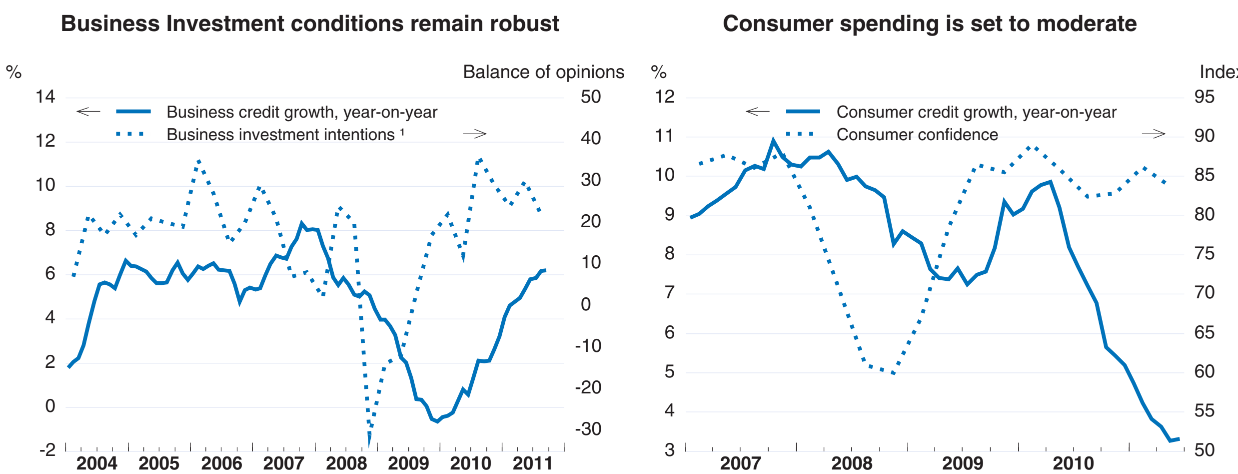
### Activity has lost steam

Economic activity has slowed considerably as a result of weakening external demand and moderating household spending. Real GDP declined slightly in the second quarter of 2011, undermined by a significant drag from external trade. The weakness was compounded by transitory factors hampering oil and gas extraction, as well as manufacturing supply-chain disruptions caused by the Fukushima disaster, which have reversed in the third quarter. Meanwhile, domestic demand has held relatively firm, led by private non-residential investment, as business credit has expanded robustly. Residential investment also posted solid gains in the first half of 2011, and more recent indicators point to continued buoyancy in housing markets over the near term. However, the unemployment rate has hovered at around 7.3% in the second half of the year, with some recent trimming of private-sector jobs.

### Domestic demand will moderate...

Public-sector cutbacks and softening private employment growth are likely to moderate household spending. Consumer confidence has deteriorated since the beginning of the year, and equity prices have

**Canada**




1. Spending on machinery and equipment over the next 12 months.

*Source:* Bank of Canada, Business Outlook Survey; Thomson Datastream; OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540828

Canada: **Employment, income and inflation**

*Percentage changes*

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Employment | -1.6 | 1.4 | 1.6 | 0.8 | 0.8 |
| Unemployment rate[1] | 8.3 | 8.0 | 7.4 | 7.3 | 7.2 |
| Compensation of employees | -0.5 | 4.3 | 4.8 | 3.9 | 4.0 |
| Unit labour cost | 2.4 | 1.0 | 2.5 | 2.0 | 1.5 |
| Household disposable income | 1.3 | 4.9 | 3.3 | 3.3 | 3.5 |
| GDP deflator | -1.9 | 2.9 | 3.1 | 1.3 | 1.3 |
| Consumer price index | 0.3 | 1.8 | 2.8 | 1.6 | 1.4 |
| Core consumer price index[2] | 1.8 | 1.7 | 1.7 | 1.7 | 1.4 |
| Private consumption deflator | 0.5 | 1.3 | 2.0 | 1.3 | 1.1 |

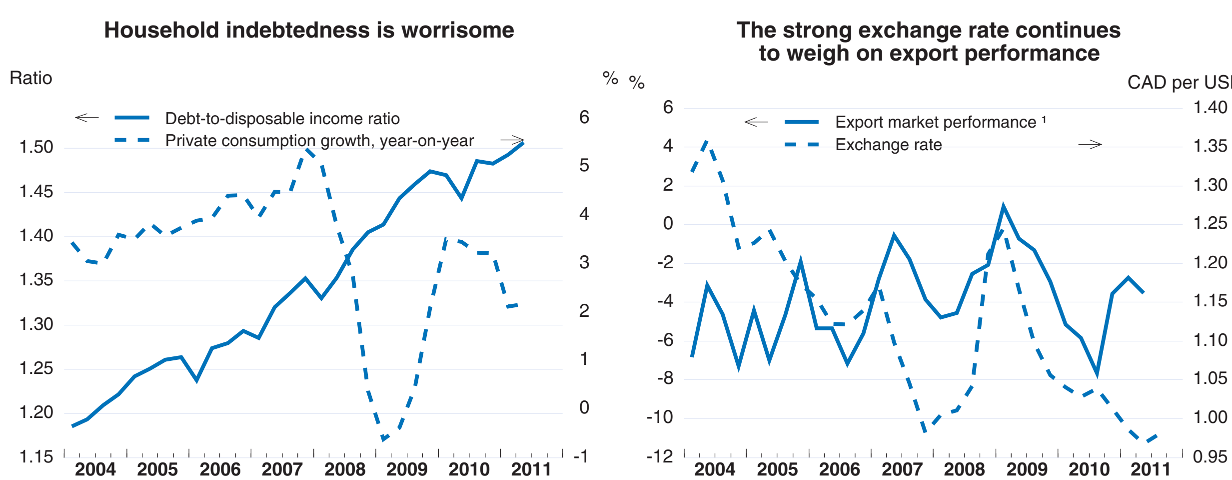
1. As a percentage of labour force.
2. Consumer price index excluding the eight more volatile items.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542253

trended down for the past six months, generating a dip in household wealth. Although food and energy price moderation should provide some relief to real household incomes, debt levels remain at a record 150% of disposable income. Consumers have therefore pared back borrowing to its slowest pace since the early 1990s. House prices remain at historically high levels relative to incomes and rents, and some cooling of housing demand is expected, given the tightening of mortgage insurance regulations that took effect in March and April 2011. The sound financial position of the corporate sector and a low cost of capital should continue to sustain strong growth in business investment.

**Canada**




1. Ratio of export volume to export market (defined as the trade-weighted average of trading partners' imports).

*Source:* Statistics Canada; Thomson datastream.

StatLink http://dx.doi.org/10.1787/888932540847

Canada: **Financial indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Household saving ratio[1] | 4.6 | 4.8 | 4.3 | 4.3 | 3.6 |
| General government financial balance[2] | -4.9 | -5.6 | -5.0 | -4.1 | -3.0 |
| General government gross debt[2] | 83.4 | 85.1 | 87.8 | 92.8 | 96.6 |
| Current account balance[2] | -3.0 | -3.1 | -2.8 | -2.9 | -2.9 |
| Short-term interest rate[3] | 0.8 | 0.8 | 1.2 | 1.2 | 1.5 |
| Long-term interest rate[4] | 3.2 | 3.2 | 2.8 | 2.8 | 3.8 |

1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month deposit rate.
4. 10-year government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542272

*... while exports will lag*

The tradables sector will continue to face significant headwinds from a sluggish recovery in the United States and persistent strength in the exchange rate. By the first half of 2011, exports to the United States had recovered only about 60% of their losses since the 2007 peak, whereas those to the rest of the world now exceed pre-crisis levels. Despite some depreciation in recent months, the strong exchange rate should continue to depress the competitiveness of Canadian export-oriented manufacturers.

Canada: **Demand and output**

| | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|
| | Current prices CAD billion | Percentage changes from previous year, volume (2002 prices) | | | | | |
| **GDP at market prices** | 1 624.6 | 2.2 | 1.9 | 2.5 | 1.7 | 2.2 | 2.6 |
| Private consumption | 940.6 | 1.8 | 1.9 | 3.0 | 1.0 | 2.4 | 3.3 |
| Government consumption | 353.6 | 1.0 | -0.2 | -0.5 | 0.3 | -0.4 | -0.5 |
| Gross fixed investment | 358.5 | 8.7 | 5.6 | 4.0 | 7.5 | 5.0 | 3.3 |
| Public[1] | 66.5 | 4.6 | -0.2 | -0.8 | 0.6 | -0.5 | -1.0 |
| Residential | 113.5 | 2.5 | 4.3 | 1.9 | 5.3 | 3.5 | 0.7 |
| Non-residential | 178.5 | 14.2 | 8.6 | 6.9 | 11.4 | 7.8 | 6.1 |
| Final domestic demand | 1 652.7 | 3.1 | 2.3 | 2.5 | 2.3 | 2.4 | 2.5 |
| Stockbuilding[2] | 2.5 | 0.1 | -0.3 | 0.0 | | | |
| Total domestic demand | 1 655.1 | 3.2 | 2.0 | 2.5 | 2.6 | 2.4 | 2.5 |
| Exports of goods and services | 478.1 | 4.7 | 5.0 | 6.3 | 4.5 | 5.1 | 6.9 |
| Imports of goods and services | 508.7 | 7.4 | 5.3 | 6.3 | 7.3 | 5.5 | 6.5 |
| Net exports[2] | - 30.5 | -0.9 | -0.2 | -0.1 | | | |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.

1. Excluding nationalised industries and public corporations.
2. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542291

### Canada: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Goods and services exports | 386.5 | 464.3 | 535.4 | 553 | 597 |
| Goods and services imports | 409.3 | 493.9 | 560.6 | 581 | 629 |
| Foreign balance | - 22.8 | - 29.6 | - 25.2 | - 29 | - 32 |
| Invisibles, net | - 17.5 | - 19.8 | - 23.8 | - 22 | - 21 |
| Current account balance | - 40.3 | - 49.3 | - 49.0 | - 51 | - 53 |
| | | | Percentage changes | | |
| Goods and services export volumes | - 13.8 | 6.4 | 4.7 | 5.0 | 6.3 |
| Goods and services import volumes | - 13.4 | 13.1 | 7.4 | 5.3 | 6.3 |
| Export performance[1] | - 1.0 | - 5.6 | - 0.6 | 0.7 | - 0.4 |
| Terms of trade | - 9.2 | 5.8 | 4.2 | - 0.2 | - 0.1 |

1. Ratio between export volume and export market of total goods and services.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542310

**Monetary policy should remain accommodative**

Annual headline inflation has fluctuated close to 3% since March, mainly reflecting rising food and energy prices. Core inflation has crept higher, however. Recent declines in commodity prices and the persistence of considerable economy-wide excess capacity should weaken inflationary pressures. In light of heightened economic risks, interest-rate increases should be delayed until 2013.

**Fiscal consolidation should continue with flexibility**

In its fall budget update, the federal government delayed its target to balance the budget by one year, to 2015-16, reflecting in large part the weaker economic outlook, but also a lower increase in Employment Insurance premiums and an extension of the Work Sharing Program by one year. The projection assumes that expenditure cuts are implemented as budgeted, with the total government deficit narrowing to 3% of GDP in 2013.

**Output is projected to grow slowly**

Output is projected to expand at a slow pace as exports are restrained by sluggish external demand. Domestic spending should sustain growth but at a moderate rate, as high debt and waning sentiment curb consumption growth. The output gap is projected to narrow gradually but remain substantial enough to lower annual headline and underlying inflation to around 1½ per cent.

**Risks are skewed to the downside**

Persistence or worsening of global growth prospects and financial-market turbulence may lead to a sharper slowdown in exports, while damaging business confidence and investment. A sharp correction in house prices could further damp consumption. On the upside, robust growth in emerging-market economies could reignite commodity prices, boosting incomes in primary sectors and inflationary pressures.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- A sound financial system and the strong credibility enjoyed by the government lend it some fiscal space to respond to possible negative shocks. Federal and provincial governments should allow the automatic stabilisers to function, and implement plans for fiscal consolidation as a baseline, with some flexibility to delay or relax the pace of tightening should external demand or labour-market conditions deteriorate further.
- To reinforce fiscal credibility, it will become more urgent for the federal government to move towards a rules-based system for determining transfers to provincial governments. Credibility at the provincial level, which accounts for a significant proportion of the general government fiscal deficit, should be bolstered by following the federal example and implementing one or more fiscal councils to provide independent analysis of provincial budgets.
- The Bank of Canada should ease monetary policy via further interest rate cuts, which in a downside scenario would be consistent with the inflation target.
- Structural reforms will need to take more of the burden of promoting growth, allowing some under-financing in the short term. Further shifts towards a growth-friendly tax mix would be warranted, with a greater role for environmental and value-added taxes, while eliminating inefficient and poorly targeted tax expenditures. Employment could be boosted by implementing stronger measures to integrate immigrants into the labour market and facilitate inter-provincial labour mobility, including by removing remaining barriers to inter-provincial trade in professional services

# AUSTRALIA

**The growth of the Australian economy, which was slowed by natural disasters in early 2011, should pick up and remain above or around potential in 2012 and 2013. Vigorous investment and exports, buoyed by the mining boom, along with the positive income effect of high terms of trade, should offset the negative impact on activity of a persistently strong exchange rate and fiscal consolidation. Unemployment is expected to stay low and underlying inflation contained as the remaining slack in the economy gradually disappears.**

***The mining boom is sustaining growth***

Despite the drop in growth to 1% year-on-year in the first half of 2011 because of natural disasters and fragile confidence over the international environment, the mining boom has sustained export, investment and consumption. However, the rising exchange rate has subdued growth in the non-mining trade-exposed sectors. The unemployment rate remains close to its structural level. Underlying inflation, which has been decreasing since 2008, fell below 2½ per cent in the third quarter of 2011.

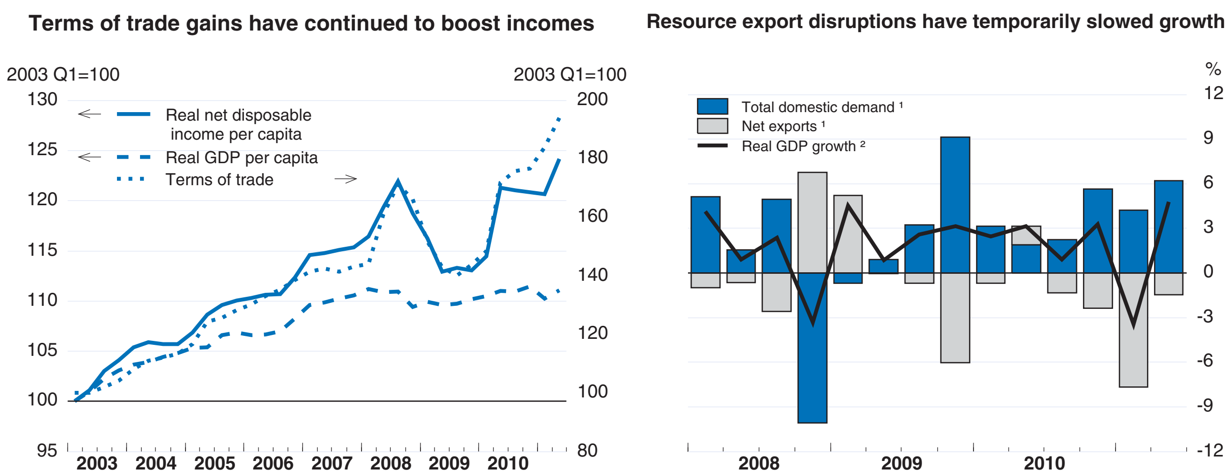
***The current monetary stance seems adequate***

With the easing of inflation pressures, the Reserve Bank of Australia (RBA) lowered its cash rate by 25 basis points to 4.5% in November 2011. This more neutral monetary stance will help offset the depressing effect of the persistent downside risks surrounding the global economy on the equity market. Despite the decline in long-term interest rates since the third quarter of 2011, financial conditions have remained relatively tight because of the strength of the Australian dollar, which has averaged 7% higher in 2011 than in 2010 in real effective terms.

***Fiscal policy remains restrictive***

Withdrawal of the fiscal stimulus adopted in 2009 cut the federal deficit to 3½ per cent of GDP in FY 2010/11. Stringent spending control,

**Australia**




1. Contribution to growth.
2. Quarter-on-quarter percentage change, annual rate.

*Source:* OECD, OECD Economic Outlook 90 database and Australian Bureau of Statistics.

StatLink http://dx.doi.org/10.1787/888932540904

### Australia: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices AUD billion | Percentage changes, volume (2008/2009 prices) | | | | |
| **GDP at market prices** | 1 240.2 | 1.5 | 2.5 | 1.8 | 4.0 | 3.2 |
| Private consumption | 665.7 | 1.0 | 2.8 | 3.3 | 3.2 | 3.2 |
| Government consumption | 213.1 | 1.6 | 3.6 | 3.1 | 1.0 | 1.4 |
| Gross fixed capital formation | 362.0 | -2.4 | 5.3 | 5.2 | 8.0 | 6.9 |
| Final domestic demand | 1 240.8 | 0.1 | 3.7 | 3.8 | 4.2 | 4.0 |
| Stockbuilding[1] | 8.4 | -0.5 | 0.2 | 0.7 | 0.2 | 0.0 |
| Total domestic demand | 1 249.2 | -0.4 | 3.9 | 4.5 | 4.4 | 4.0 |
| Exports of goods and services | 276.7 | 2.9 | 5.2 | -1.3 | 9.2 | 6.4 |
| Imports of goods and services | 285.6 | -9.0 | 13.9 | 11.2 | 10.1 | 8.8 |
| Net exports[1] | - 9.0 | 2.8 | -1.8 | -3.0 | -0.5 | -0.9 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | -0.9 | 5.3 | 5.5 | 3.1 | 2.8 |
| Consumer price index | _ | 1.8 | 2.9 | 3.5 | 3.0 | 3.1 |
| Private consumption deflator | _ | 1.6 | 1.9 | 2.7 | 2.9 | 3.0 |
| Unemployment rate | _ | 5.6 | 5.2 | 5.0 | 5.3 | 5.2 |
| Household saving ratio[2] | _ | 9.8 | 9.3 | 10.4 | 10.3 | 10.5 |
| General government financial balance[3] | _ | -4.1 | -4.8 | -3.3 | -1.5 | -0.3 |
| General government gross debt[3] | _ | 19.4 | 23.6 | 26.8 | 27.9 | 27.9 |
| Current account balance[3] | _ | -4.3 | -2.7 | -1.6 | -1.4 | -1.9 |

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542405

consistent with the government's plans, is still necessary to offset the revenue declines induced by the financial crisis and natural disasters. The authorities have reaffirmed their objective of returning to surplus by FY 2012-13, to restore room for manoeuvre. This strategy should not be affected by the introduction of a fiscally neutral carbon tax in July 2012.

***Growth is projected to strengthen***

Initially driven by a rebound in exports, growth should reach 4% in 2012 before settling to about 3¼ per cent in 2013. The mining boom's effects on investment and income are likely to offset the negative impact of the strong exchange rate and fiscal consolidation. The unemployment rate could hover around 5¼ per cent. With the gradual reduction of the output gap, inflation should stabilise at around 2½ per cent, if one excludes the temporary increase – estimated at approximately 0.7 percentage point – due to the introduction of the carbon tax as from mid-2012.

***Downside risks prevail***

Domestic risks are balanced in this projection. They mainly concern household savings, which is expected to stabilise at a high level, but could increase (fall) if confidence deteriorates (improves). However, confidence will depend on global economic developments, which are subject to important downside risks, with potential additional negative implications for the terms of trade in Australia.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- Monetary policy should be eased significantly to sustain demand in the context of moderating inflation.
- There is also room to provide fiscal support, given low public debt and contingent liabilities, although doing so would postpone the return to budget surplus. In advance of the reform proposals under discussion with regard to the tax treatment of business losses, a targeted tax cut in this area might be considered. Reforms of housing-related local taxes should also be envisaged.
- To improve the effectiveness of fiscal policy, the process of identification of infrastructure requirements and how they are met should be strengthened. Reforms to enhance co-ordination and planning of infrastructure projects at the national level and to reduce the regulatory obstacles impeding capital investment in this area would become urgent.
- New structural reforms would bolster productivity, which has dipped significantly since the late 1990s, and thus growth. More transparent, harmonised and less restrictive zoning and planning regulations across states, and the removal of tax distortions that hamper the supply of housing and property transactions, would enhance resource allocation and labour mobility.

# AUSTRIA

**After a strong first half of 2011, growth has slowed markedly and will continue to do so into the first half of 2012. The deterioration in the external environment and heightened uncertainty has weighed on exports and investment, although consumption should continue to grow modestly, supported by a robust labour market and falling inflation. The economy is projected to return to trend growth by the end of 2012 and to grow slightly above trend in 2013 in the wake of a re-invigorated export and investment driven recovery.**

***The export-investment driven recovery has come to a halt***

The strong growth in the first half of the year was driven by exports, investment and re-stocking. The general slowdown in global growth and, in particular, the intensification of the European debt crisis since mid-year has reduced external demand from Austria's most important trading partners. Heightened uncertainty and loss of confidence associated with the debt crisis has in addition weighed on domestic investment growth as firms delay investment decisions. This has led to a significant slowdown of output growth in the second half of 2011 and will continue to do so into the first half of 2012. As uncertainty is reduced and confidence returns, activity is projected to pick up in the second half of 2012 and into 2013 as the growth of both exports and investment resumes.

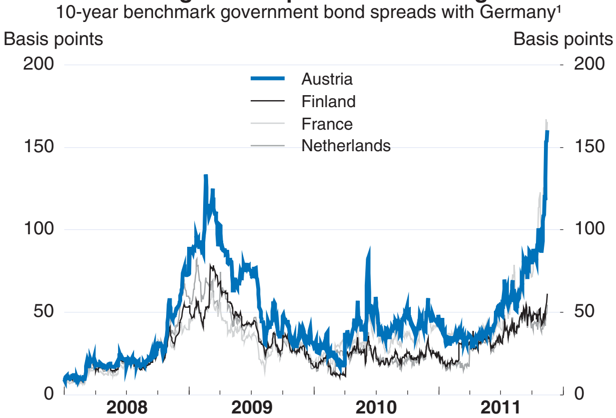
***The labour market will weaken somewhat and inflation will abate***

The labour market has performed exceptionally well since the financial crisis with unemployment being the lowest in the European Union. With many crisis measures, such as the short-term working scheme, still in place, the weakening activity is projected to have only a limited effect on unemployment. Inflation increased sharply and is expected to be above 3% this year on the back of increased global food and

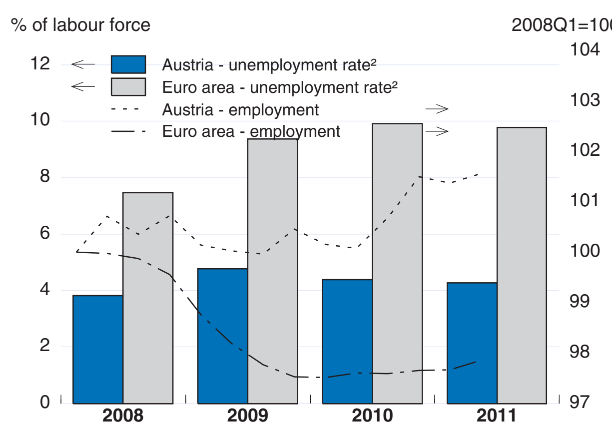
**Austria**

**Sovereign bond spreads widened again**

10-year benchmark government bond spreads with Germany[1]




**Labour market performance has been strong**




1. As of 17th November 2011.
2. First half for 2011.

*Source:* Datasream; OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540923

Austria: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 282.4 | -3.7 | 2.4 | 3.2 | 0.6 | 1.8 |
| Private consumption | 148.6 | 1.0 | 1.2 | 1.2 | 0.9 | 1.2 |
| Government consumption | 51.9 | 0.7 | -0.1 | 1.3 | 0.7 | 0.6 |
| Gross fixed capital formation | 60.5 | -7.3 | -0.3 | 3.6 | 1.2 | 2.2 |
| Final domestic demand | 261.1 | -1.0 | 0.6 | 1.7 | 0.9 | 1.3 |
| Stockbuilding[1] | 3.6 | -0.6 | 0.4 | 0.1 | -0.3 | 0.0 |
| Total domestic demand | 264.7 | -2.9 | 1.8 | 3.1 | 0.5 | 1.3 |
| Exports of goods and services | 167.0 | -13.7 | 8.3 | 7.0 | 3.1 | 6.1 |
| Imports of goods and services | 149.3 | -12.5 | 7.4 | 7.0 | 3.1 | 5.5 |
| Net exports[1] | 17.7 | -1.5 | 0.8 | 0.3 | 0.1 | 0.6 |
| *Memorandum items* | | | | | | |
| GDP without working day adjustments | 283.0 | -3.8 | 2.3 | 3.2 | 0.6 | 1.8 |
| GDP deflator | _ | 0.9 | 1.7 | 1.8 | 1.8 | 1.7 |
| Harmonised index of consumer prices | _ | 0.4 | 1.7 | 3.5 | 1.9 | 1.7 |
| Private consumption deflator | _ | 0.6 | 2.1 | 2.8 | 1.9 | 1.7 |
| Unemployment rate[2] | _ | 4.8 | 4.4 | 4.2 | 4.4 | 4.4 |
| Household saving ratio[3] | _ | 10.7 | 8.3 | 7.7 | 7.7 | 7.6 |
| General government financial balance[4] | _ | -4.1 | -4.4 | -3.4 | -3.2 | -3.1 |
| General government gross debt[4] | _ | 74.4 | 78.2 | 79.9 | 81.9 | 83.2 |
| General government debt, Maastricht definition[4] | _ | 69.6 | 71.9 | 73.6 | 75.6 | 76.9 |
| Current account balance[4] | _ | 2.7 | 3.0 | 3.0 | 3.4 | 3.8 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. Based on Labour Force Survey data.
3. As a percentage of disposable income.
4. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542424

energy prices as well as excise tax hikes. Higher inflation has reduced household real income and consumption growth. With commodity and food price increases abating and rising spare capacity, inflation is projected to slow. This, in conjunction with a robust labour market, will support continued moderate consumption growth going forward.

**Consolidation should continue**

Austrian sovereign bond spreads have increased markedly in recent months, to above the levels of the 2008 crisis. Planned efforts to reduce the structural deficit should therefore be continued and any slippage avoided to assure market confidence. The government recently announced plans to introduce a debt brake which envisages a structural deficit of 0.35% of GDP for the central government and a balanced budget for sub-central government levels from 2017 onwards. Swift implementation of this reform should foster confidence in the medium-term sustainability of public finances.

***Risks are biased towards the downside and particular risks exist also outside the euro area***

Downside risks are mainly related to a further deterioration of the euro area sovereign debt crisis and especially the situation in Italy, to which Austria maintains important trade and financial linkages. A particular risk for the outlook also concerns the exposure of Austrian banks to countries outside the euro area in central-eastern and south-east Europe. If the economic outlook for these countries weakens significantly, this might cause additional stress for the Austrian banking system with repercussions on the real economy through the credit channel. The government should thus consider how the necessary additional capital requirements for the Austrian banks, in line with the new regulation concerning lending put in place by the financial regulator, can be obtained without undercutting their lending capacity.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- To foster confidence in the medium-term sustainability of public finances, the proposed debt brake should be implemented quickly. In this case, the automatic stabilisers can be allowed to work in part to cushion the downturn.
- Cuts in social security contributions or reductions in effective marginal tax rates should be considered for the low-skilled, who are particularly vulnerable in a downturn.
- To boost growth, further product market reforms should be implemented quickly to facilitate entry and competition in network industries and professional services.

# *BELGIUM*

**The economy is slowing under the influence of renewed international turmoil, which is dragging down exports and investments. Growth is projected to pick up gradually around mid-2012, supported by favourable monetary conditions and higher international demand for Belgian goods. However, needed fiscal consolidation will damp the recovery. Unemployment is likely to rise over most of the projection period. Nevertheless, wage and price increases will remain higher than in other European countries as a result of the automatic wage indexation mechanism, eroding external competitiveness.**

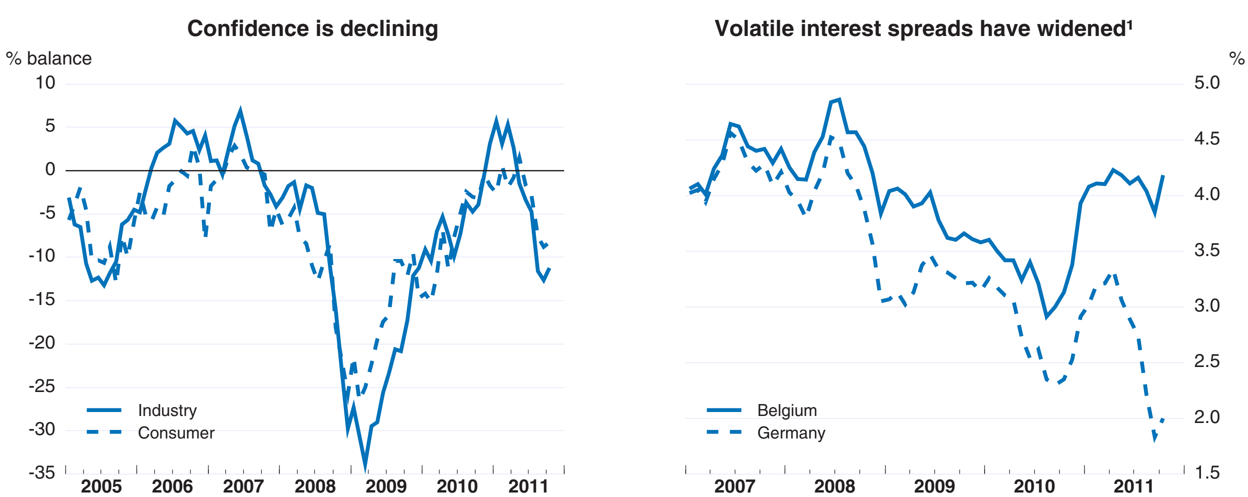
***Growth is slowing due to external developments***

After relatively strong growth in the first half of 2011, the economy is slowing as exports weaken and falling confidence holds back domestic demand. Employment growth, which had been relatively strong earlier in the year, has also slowed sharply. Inflation has come down somewhat since peaking at 3.8% (y-o-y) at mid-year, reflecting the waning effects of earlier energy price increases, but underlying inflation has remained around 1¾ per cent (y-o-y). Despite the agreed low real wage increases in 2011 and 2012, the automatic wage indexation will translate past price increases into higher nominal wages, eroding external cost competitiveness.

***Fiscal consolidation is required to secure sustainability***

Sustained fiscal consolidation is needed to calm financial markets' concerns over high Belgian sovereign debt, which have resulted in spreads *vis-à-vis* Germany long rates reaching more than 200 basis points on a number of occasions. The 2011 budget stipulates fiscal tightening of about ½ per cent of GDP, through a number of small measures. As revenues and spending are slowing together, the government's objective of a budget deficit of 3.6% of GDP should be achieved. At the time of writing, the 2012 Budget proposal had not been presented. In line with the Stability

**Belgium**




1. Ten-year government bond yields.

*Source:* OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888932540942

Belgium: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2009 prices) | | | | |
| **GDP at market prices** | 345.6 | -2.7 | 2.3 | 2.0 | 0.5 | 1.6 |
| Private consumption | 180.0 | 0.8 | 2.3 | 1.0 | 0.5 | 1.2 |
| Government consumption | 80.2 | 0.8 | 0.2 | 0.5 | 1.2 | 0.9 |
| Gross fixed capital formation | 77.4 | -8.1 | -0.9 | 4.6 | 0.0 | 1.9 |
| Final domestic demand | 337.7 | -1.3 | 1.1 | 1.6 | 0.5 | 1.3 |
| Stockbuilding[1] | 4.2 | -0.7 | 0.0 | 0.6 | 0.0 | 0.0 |
| Total domestic demand | 341.9 | -2.0 | 1.1 | 2.2 | 0.5 | 1.3 |
| Exports of goods and services | 292.9 | -11.3 | 9.9 | 6.1 | 3.1 | 5.7 |
| Imports of goods and services | 289.2 | -10.6 | 8.7 | 6.5 | 3.2 | 5.4 |
| Net exports[1] | 3.7 | -0.7 | 1.2 | -0.1 | 0.0 | 0.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 1.2 | 1.8 | 2.4 | 2.1 | 1.7 |
| Harmonised index of consumer prices | _ | 0.0 | 2.3 | 3.4 | 2.3 | 1.7 |
| Private consumption deflator | _ | -0.9 | 1.8 | 3.6 | 2.3 | 1.7 |
| Unemployment rate | _ | 7.9 | 8.3 | 7.0 | 7.3 | 7.6 |
| Household saving ratio[2] | _ | 13.7 | 11.2 | 10.7 | 11.1 | 10.6 |
| General government financial balance[3] | _ | -5.9 | -4.2 | -3.5 | -3.2 | -2.2 |
| General government gross debt[3] | _ | 100.0 | 100.2 | 100.3 | 101.5 | 101.0 |
| General government debt, Maastricht definition[3] | _ | 95.9 | 96.2 | 96.3 | 97.4 | 97.0 |
| Current account balance[3] | _ | -1.7 | 1.5 | -0.5 | -0.3 | -0.2 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.

Source: OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542443

Programme, an improvement of the structural fiscal balance per year of 1% of GDP is assumed over the projection period, technically implemented with equal weights on the spending and revenue side. Based on these assumptions, the deficit will fall by close to ½ per cent of GDP in 2012 and about 1% of GDP in 2013.

***Growth should resume slowly by mid-2012***

Stronger growth is only likely to take hold from mid-2012 onwards as world trade growth accelerates and the domestic economy benefits from supportive monetary policy. However, fiscal consolidation will be a restraining factor throughout the projection period. Unemployment is expected to increase throughout most of the projection period and only stabilise, at a relatively high level, in the second half of 2013.

***Risks are downwards biased***

The main downside risk is that fiscal consolidation does not suffice to calm financial markets, with negative effects on spreads and confidence. On the upside, the stabilisation of the political situation may entail a firmer commitment to raise long-term growth, boosting consumer and business confidence.

***Policy orientation should downside risks materialise***

If downside risks materialise, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms, which, while desirable in any case, would become essential to raise growth:

- To avoid negative financial market reactions, the planned fiscal consolidation needs to be maintained while the automatic stabilisers should be allowed to work. To bolster fiscal policy credibility, this needs to be coupled with a stronger fiscal framework via multi-annual budgets combined with greater external scrutiny of budget assumptions.
- To ensure sufficient wage flexibility to respond to a sharp slowdown, a more flexible and forward-looking wage formation process is needed to align wage increases with domestic productivity developments.
- To increase labour supply, priority should be given to closing down various exit routes into early retirement.

# CHILE

**Chile's vigorous economic recovery, which was fuelled by high copper prices and post-earthquake reconstruction, has lost some momentum as the effects of the international slowdown feed through to domestic activity. Growth is projected to pick up once again in 2013 as confidence improves and the global economy normalises. The acceleration of activity in China – Chile's main export destination – will contribute to faster exports.**

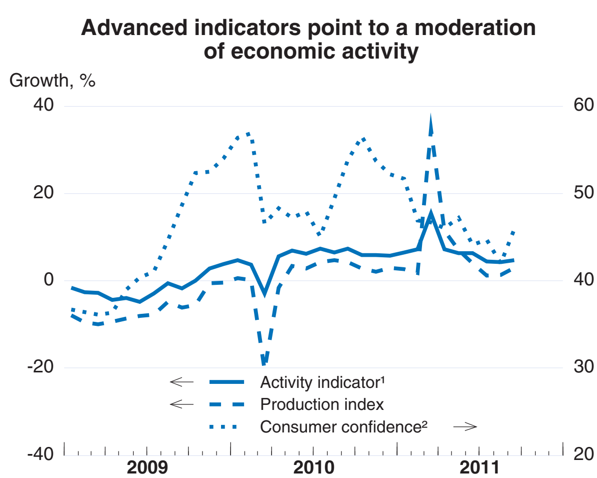
***Growth is moderating***

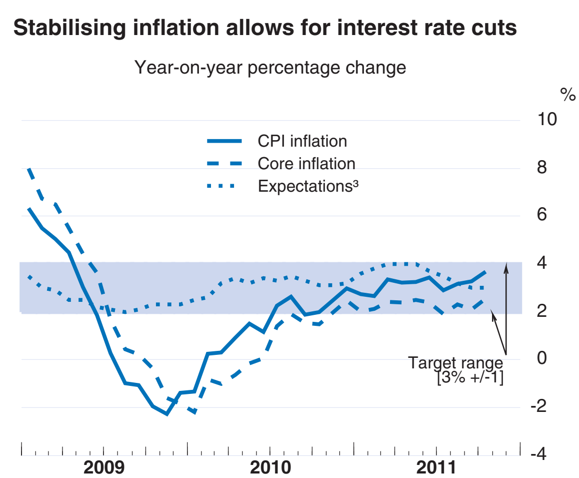
After a robust recovery of output and strong employment growth fuelled by favourable financial conditions and post-earthquake reconstruction, the Chilean economy is losing some momentum. Although the terms of trade remain favourable, the current account has moved into deficit, as imports are growing fast and the growth of both mining and industrial exports has slowed down considerably, reflecting global conditions. The peso appreciated strongly during the first half of 2011, but has depreciated since mid-September amid worsening international developments and declining copper prices. Confidence measures and advanced indicators both point to a slowdown.

***There is room for monetary easing if necessary***

Concerns about overheating have decreased with headline inflation and activity slowing, in part related to lower commodity prices and a rapid succession of monetary policy rate hikes during the first half of 2011, which have contained core inflation. The central bank has left the policy rate at 5.25% since July, close to its estimated neutral level. Monetary policy is expected to ease somewhat in early 2012, because of the signs of slowdown and the external uncertainty. With a slowing economy and

**Chile**




1. Indicador Mensual de Actividad Económica (IMACEC), monthly indicator of economic activity.
2. Indice de Percepción de la Economía (IPEC), 50 represents the equilibrium between positive and negative sentiment.
3. Eleven month ahead, Monthly Survey of Economic Expectations.

*Source:* Central Bank of Chile.

StatLink http://dx.doi.org/10.1787/888932540961

Chile: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices CLP billion | Percentage changes, volume (2003 prices) | | | | |
| **GDP at market prices** | 89 205.5 | -1.5 | 5.1 | 6.6 | 4.0 | 4.7 |
| Private consumption | 52 860.0 | 0.9 | 10.4 | 9.4 | 6.4 | 7.0 |
| Government consumption | 10 603.2 | 7.5 | 3.3 | 3.6 | 2.4 | 2.4 |
| Gross fixed capital formation | 21 946.1 | -15.9 | 18.8 | 16.3 | 7.7 | 8.8 |
| Final domestic demand | 85 409.3 | -2.9 | 11.5 | 10.5 | 6.3 | 7.0 |
| Stockbuilding[1] | 567.2 | -3.2 | 4.9 | 0.1 | 0.2 | 0.0 |
| Total domestic demand | 85 976.4 | -5.8 | 16.4 | 10.3 | 6.4 | 6.9 |
| Exports of goods and services | 39 866.3 | -6.4 | 1.9 | 7.4 | 4.6 | 4.7 |
| Imports of goods and services | 36 637.3 | -14.6 | 29.5 | 15.2 | 9.5 | 9.1 |
| Net exports[1] | 3 229.1 | 3.2 | -8.5 | -2.1 | -1.5 | -1.5 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 2.7 | 9.5 | 3.3 | 3.4 | 3.6 |
| Consumer price index | _ | 0.4 | 1.4 | 3.5 | 2.8 | 2.8 |
| Private consumption deflator | _ | 0.9 | 0.2 | 3.3 | 2.8 | 2.8 |
| Unemployment rate | _ | 10.8 | 8.1 | 7.0 | 7.3 | 7.1 |
| Central government financial balance[2] | _ | -4.5 | -0.4 | 1.2 | -0.4 | 0.2 |
| Current account balance[2] | _ | 1.5 | 2.1 | -1.1 | -2.2 | -2.0 |

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542462

inflation well within the target range, there is room for monetary loosening if a worsening of the global economy makes it necessary.

***The fiscal position is strong***

The government expects a headline budget surplus of 1.2% of GDP in 2011 thanks to strong economic growth and high copper prices coupled with some spending restraint and tax increases. It aims to keep public spending growth below GDP growth in 2012 and reach a structural deficit of 1% of GDP by 2014. Once reconstruction winds down and the external environment improves, the government should eliminate the structural deficit and rebuild buffers in the copper fund, which has proved useful in weathering past shocks.

***Growth will shift towards a more sustainable path***

After reaching 6½ per cent in 2011, growth is expected to slow towards 4% in 2012 as the global economy weakens. It is projected to pick up towards 5% through 2013, which would be in line with potential growth, as confidence improves and the global economy normalises. Inflation is projected to remain well within the target range of 3% (+/–1) until the end of the projection period.

***A global recession is the main risk***

Chile's economic performance could be stronger than projected here, which would argue for an earlier return to structural fiscal balance and normalisation of monetary policy rates. By contrast, a deterioration of the external economic situation with greater risk aversion, lower global growth and commodity prices may weaken growth more than projected.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The automatic stabilisers should be allowed to operate, as allowed under Chile's fiscal rule. The government should introduce temporary fiscal support as needed, using the scope afforded by a strong fiscal position.
- The fiscal rule has served the country well, limiting volatility related to copper price swings. To make the fiscal rule even more effective, and thereby strengthen credibility, the government should establish an independent fiscal council that would monitor fiscal policy and the correct application of the fiscal rule.
- With well-anchored inflationary expectations and inflation slowing, the monetary stance should become supportive.
- Growth will be dependent on structural measures. The government is making progress in lowering red tape by reducing the time and costs to create a company. Such efforts should be accelerated. The conditions for entrepreneurship and innovation should be improved. Stronger competition will also be needed via a reinforced competition law that enforces anti-trust rules and hinders collusive behaviour.

# CZECH REPUBLIC

**Growth will slow in 2012, from an already modest pace, as a result of weakening exports and ongoing fiscal consolidation. It will become stronger and more broad-based again in 2013, underpinned by an improvement in world trade and recovery of domestic demand. Inflation is set to spike temporarily in 2012 due to indirect tax increases but will otherwise stay close to the central bank's target.**

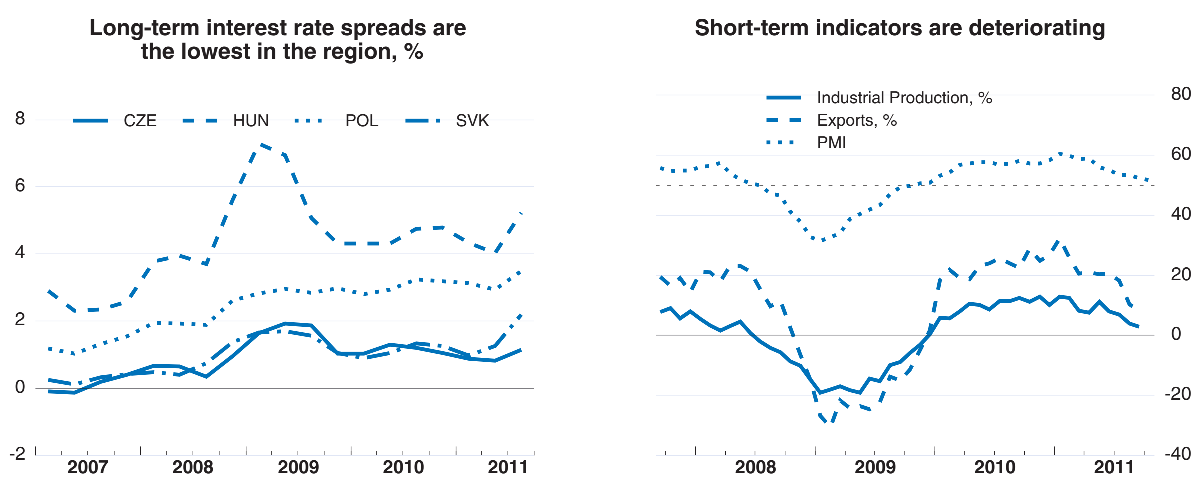
***Growth will slow down in 2012 and accelerate again in 2013***

Real GDP growth slowed in the second quarter and stagnated in the third quarter. Economic activity has been supported primarily by foreign trade and investment, while consumption, both private and in the public sector, has constituted a drag. Nonetheless, the labour market situation has improved, but the unemployment rate continues to fall only very gradually. Recent monthly indicators point to continued weak growth. Also, confidence among business and consumers has been declining. Economic growth will be subdued next year as exports are likely to weaken and fiscal consolidation will weigh further on domestic demand. With external conditions improving through 2012, the economy will again gather momentum.

***The central bank should be ready to act on changing economic prospects***

Inflation is close to the central bank's target of 2% and inflationary pressures remain low. The exchange rate remains strong, helping to restrain price increases. Headline inflation will increase temporarily next year, as a result of a scheduled hike in the preferential VAT rate, but should decline again in 2013, a pattern consistent with market inflation expectations. The main refinancing rate should stay at its historical low

**Czech Republic**




*Note:* The spread is the ten-year government bond yield minus that for Germany, quarterly to 2011Q3. The PMI is an indicator of manufacturing performance where a value greater than 50 indicates overall improvement. For other indicators annual growth is shown.

*Source:* European Central Bank; Eurostat; Markit Economics.

StatLink http://dx.doi.org/10.1787/888932540980

Czech Republic: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices CZK billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 3 848.4 | -4.7 | 2.7 | 2.1 | 1.6 | 3.0 |
| Private consumption | 1 883.2 | -0.4 | 0.6 | -0.1 | 0.6 | 2.6 |
| Government consumption | 759.4 | 3.8 | 0.6 | -1.3 | 0.9 | 1.1 |
| Gross fixed capital formation | 1 031.2 | -11.5 | 0.1 | 2.9 | 3.0 | 4.5 |
| Final domestic demand | 3 673.8 | -2.6 | 0.5 | 0.4 | 1.3 | 2.8 |
| Stockbuilding[1] | 82.6 | -3.0 | 1.4 | -0.4 | 0.0 | 0.0 |
| Total domestic demand | 3 756.5 | -5.6 | 1.9 | 0.0 | 1.3 | 2.8 |
| Exports of goods and services | 2 508.1 | -10.0 | 16.6 | 9.2 | 3.9 | 5.9 |
| Imports of goods and services | 2 416.2 | -11.7 | 16.2 | 7.0 | 3.7 | 5.9 |
| Net exports[1] | 92.0 | 0.8 | 0.9 | 1.7 | 0.3 | 0.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 1.9 | -1.7 | 0.0 | 1.9 | 1.2 |
| Consumer price index | _ | 1.0 | 1.5 | 1.7 | 3.1 | 2.0 |
| Private consumption deflator | _ | 0.2 | 0.4 | 1.7 | 3.1 | 2.1 |
| Unemployment rate | _ | 6.7 | 7.3 | 6.9 | 6.7 | 6.4 |
| General government financial balance[2] | _ | -5.8 | -4.8 | -3.7 | -3.4 | -3.4 |
| General government gross debt[2] | _ | 41.1 | 44.5 | 47.1 | 48.7 | 49.7 |
| General government debt, Maastricht definition[2] | _ | 34.4 | 37.6 | 40.2 | 41.7 | 42.8 |
| Current account balance[2] | _ | -2.4 | -3.1 | -3.3 | -2.7 | -4.2 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542481

until the last quarter of 2012 when the economy picks up more strongly. However, given the increasingly uncertain outlook, the authorities are rightly prepared to move the rate in either direction.

***Fiscal policy aims to bring down the deficit and to finance structural reforms***

Fiscal consolidation continues. The draft budget for 2012 includes a number of revenue measures, in particular the increase in the preferential VAT rate from 10% to 14%, a first step in unification of the rates in 2013. Part of the extra revenues should be used to cover the expected shortfall in pension contributions resulting from the introduction of a voluntary carve-out of the public defined-benefit tier. Furthermore, efficiency savings in public procurement and across ministries are planned. However, some reforms may complicate meeting deficit targets in 2013 and the authorities are considering a possibility of postponing them.

***Significant risks stem from the external side***

As the economy has no significant internal imbalances, major risks to the projection come from further unfavourable developments in the external environment and are strongly tilted to the downside.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- With a relatively favourable fiscal position, the authorities should allow automatic stabilisers to work.
- At the same time, to maintain solid market confidence, its commitment to prudent medium-term fiscal targets should be reinforced by strengthening the fiscal framework. This should include an explicit debt target, a stability pact with lower levels of government and an independent fiscal council to monitor fiscal performance.
- The central bank has kept its main interest rate at a historically low level of 0.75%. If downside risks for the economic outlook materialise, monetary policy should be eased further.
- The government should consider temporary subsidisation of short time working schemes, linking them to training measures.
- Long-term sustainability of public finances will be enhanced by current reforms in the healthcare and pension systems. Implementation of the government's *Anti-corruption Strategy*, that includes improved public procurement practices and transparency, should lead to efficiency savings and a better business environment. Also, quick implementation of the range of reforms planned in the *Competitiveness Strategy* would further boost confidence and activity.
- Projects co-financed by the EU's structural and cohesion funds, such as infrastructure investment, training schemes and credit facilities for SMEs, should be streamlined and frontloaded, as they can have an immediate impact on domestic economic activity.

# DENMARK

**The muted recovery, led so far by exports, government consumption and restocking, is expected to come to a halt despite low interest rates and ongoing fiscal stimulus. The renewed global slowdown will depress exports and postpone private investment. Uncertainty and worsening labour market conditions will act as a drag on household consumption. As a result, activity is not projected to pick up pace before next spring. With continued slack in the economy, inflation is set to remain subdued.**

***The muted recovery is expected to come to a halt***

The recovery has been subdued, partly due to the reverberations of the collapse of the housing bubble and high leverage of households and firms. Private demand has been weak and growth in 2011 has been led by government investment. In response to worsening global conditions, both consumer and business confidence have declined. Corporate hiring expectations foreshadow no significant decline in unemployment. With low wage growth and falling consumption, inflation has been subdued.

***Financial conditions add to the uncertain environment***

The housing market remains under pressure, with a large number of homes for sale, long times on the market and prices falling anew. With declining global liquidity, Danish banks face funding challenges despite the expansion of the credit facilities at the Central Bank. This holds back bank lending to households and firms. Monetary conditions are, however, expected to become more supportive in 2012-13.

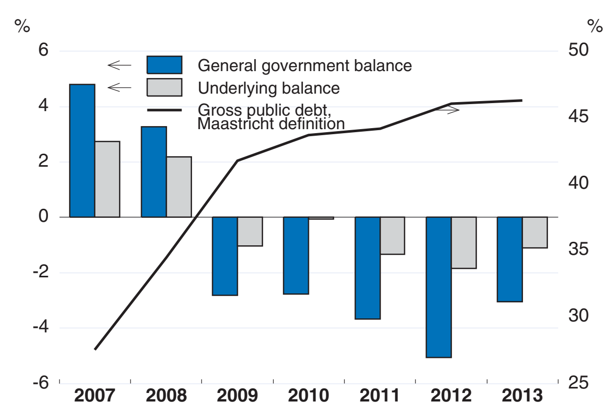
***Fiscal policy will be supportive in 2012***

Public consumption growth is set to be kept in check. However, the new fiscal stimulus, in the form of public investment and the pay-out of contributions from the early retirement scheme as part of its reform, will lead to fiscal easing in 2012. The projection assumes that some tightening will take place in 2013 to put the fiscal position on a path consistent with EU targets.

**Denmark**

**The competitiveness lost in the past decade still largely needs to be recovered**
Relative unit labour costs, index 2005 = 100


**The fiscal stance is easing in 2012**
Percentage of GDP




*Source:* OECD, Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932540999

Denmark: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices DKK billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 1 740.8 | -5.2 | 1.7 | 1.1 | 0.7 | 1.4 |
| Private consumption | 840.3 | -4.5 | 2.3 | -0.4 | 0.6 | 1.8 |
| Government consumption | 464.8 | 3.1 | 0.7 | 0.1 | 0.2 | -0.2 |
| Gross fixed capital formation | 362.6 | -14.3 | -3.3 | -0.5 | 3.5 | 4.6 |
| Final domestic demand | 1 667.6 | -4.5 | 0.7 | -0.3 | 0.9 | 1.7 |
| Stockbuilding[1] | 18.1 | -2.0 | 0.9 | 0.6 | -0.1 | 0.0 |
| Total domestic demand | 1 685.7 | -6.5 | 1.7 | 0.3 | 0.9 | 1.7 |
| Exports of goods and services | 959.0 | -9.7 | 3.8 | 7.0 | 2.5 | 4.6 |
| Imports of goods and services | 903.8 | -12.5 | 3.9 | 6.1 | 3.1 | 5.5 |
| Net exports[1] | 55.2 | 1.1 | 0.1 | 0.8 | -0.1 | -0.2 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 0.4 | 3.4 | 1.4 | 1.7 | 2.1 |
| Consumer price index | _ | 1.3 | 2.3 | 2.7 | 1.8 | 1.8 |
| Private consumption deflator | _ | 1.3 | 2.5 | 2.5 | 1.9 | 1.8 |
| Unemployment rate[2] | _ | 5.9 | 7.2 | 7.2 | 7.2 | 7.0 |
| Household saving ratio[3] | _ | -0.5 | -1.7 | -1.7 | -0.9 | -1.9 |
| General government financial balance[4] | _ | -2.8 | -2.8 | -3.7 | -5.1 | -3.0 |
| General government gross debt[4] | _ | 52.4 | 55.6 | 56.1 | 58.0 | 58.2 |
| General government debt, Maastricht definition[4] | _ | 41.8 | 43.7 | 44.2 | 46.1 | 46.3 |
| Current account balance[4] | _ | 3.6 | 5.3 | 5.5 | 4.8 | 4.7 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. The unemployment rate is based on the Labour Force Survey and differs from the registered unemployment rate.
3. As a percentage of disposable income, net of household consumption of fixed capital.
4. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542500

***Both domestic and external demand will be weak***

The deterioration in global conditions will lead to further weakening of export growth as the recently observed gains in competitiveness are not expected to be permanent, with the crisis-induced decline in unit labour costs and the rebound in productivity partly reversing. The pay-out of early retirement contributions to households will support consumption in 2012 and public investment will also contribute to growth. With low growth, labour market recovery will be slow, pointing to continued wage moderation. Employment, private demand and GDP growth are projected to pick up only gradually in 2013.

***Downside risks dominate***

A sharper-than-projected slowdown in Denmark's partner economies would depress exports. On the domestic side, one risk is that consumption could be weaker as a result of worse-than-expected labour market performance and a further housing market deterioration. In response, highly indebted Danish households, whose net wealth depends mostly on home equity and pension wealth, could step up saving. More expensive loans to the corporate sector by banks facing funding pressures and further deterioriation in global conditions would curtail investment.

### *Policy orientation should downside risks materialise*

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- With a new stimulus of 0.5% of GDP already decided and a one-off payout of early retirement pension, there will be some fiscal support in 2012. In the event of a significantly sharper downturn, Denmark would have some fiscal space for further temporary support to the economy beyond the functioning of automatic stabilisers. However, this would require a postponement of the tightening needed to meet EU targets in 2013.
- To strengthen confidence, fiscal stimulus needs to be accompanied by a stronger fiscal framework that, in particular, ensures better control of public spending. Multi-annual spending rules for general government and a system of credible sanctions at the local level would help better control public expenditure growth.
- With slack in the economy and lack of inflationary pressures, there is scope for interest rate reductions in line with developments in the euro area.
- To raise employment and enhance fiscal sustainability, sickness and disability benefits should be reformed by increasing incentives to return to ordinary employment for those with some ability to work and lowering subsidies to the disabled employment.
- Measures to restore competitiveness, which has deteriorated significantly over the past decade, are needed. Strengthening the competition framework and improving competition in the services sector would boost productivity growth.

# ESTONIA

**The rapid export-led recovery is projected to slow down but the economy will continue to outperform other European OECD countries, benefiting from reduced unit labour costs and recent investments in export-oriented manufacturing sectors. Private consumption will make an increasing contribution to growth following improvements in the labour market and in household balance sheets. Headline inflation will decline, as commodity and energy price shocks fade out, although core inflation will gradually increase.**

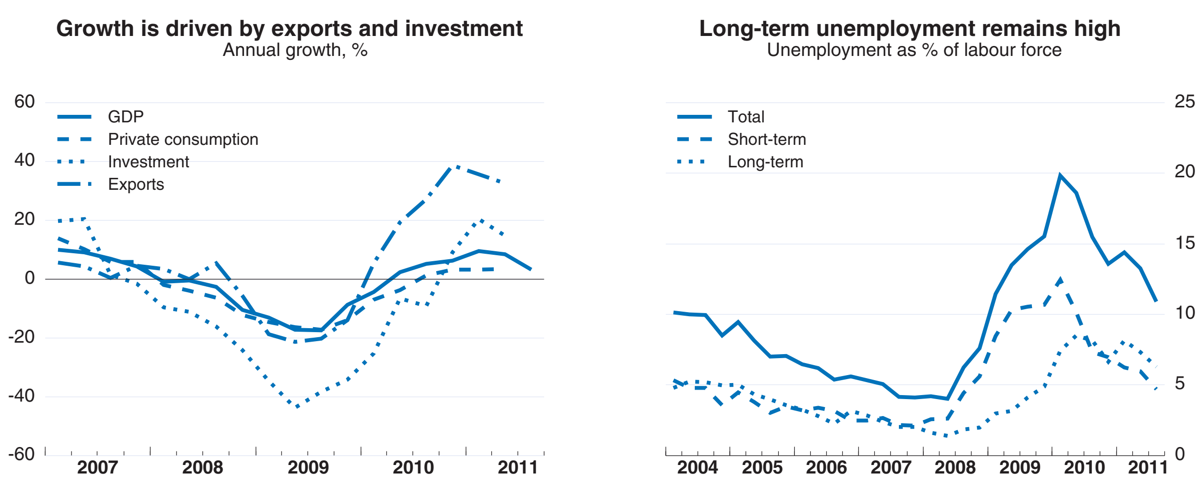
***Export and investment-driven growth will slow***

The economy expanded by 9% in the first half of 2011 compared with the corresponding period a year before, fuelled primarily by an export-led recovery in manufacturing. Investments and inventories also increased strongly and consumption continued to recover. However, quarterly growth is slowing due to the deterioration in external conditions. The economy should continue to grow throughout the projection period, benefiting from unit labour cost reductions in the crisis and recent investments in export-oriented manufacturing. Real GDP growth is projected to be less than 4% in 2011 but to pick up again as external conditions improve in the second half of 2012.

***Employment is increasing but long-term unemployment is high***

Growth has been underpinned by strong employment gains, leading to the rapid reduction of the overall unemployment rate, and by increasing participation rates, particularly among the youth. However, long-term unemployment remains very high, pointing to the risk of a permanent increase in structural unemployment. Emerging labour market bottlenecks linked to qualification and regional mis-matches also imply an increasing role for labour market policies, including training and work-apprentiship schemes.

**Estonia**




*Note:* Short-term is less than 12 months, long-term is 12 months or more.

*Source:* OECD, National Accounts database; Statistics Estonia, Labour Force Survey.

StatLink http://dx.doi.org/10.1787/888932541550

Estonia: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 16.3 | -14.3 | 2.3 | 8.0 | 3.2 | 4.4 |
| Private consumption | 8.9 | -15.6 | -1.7 | 3.5 | 3.7 | 4.3 |
| Government consumption | 3.1 | -1.6 | -1.1 | 1.2 | 1.1 | 1.1 |
| Gross fixed capital formation | 4.8 | -37.9 | -9.1 | 16.4 | 9.0 | 9.0 |
| Final domestic demand | 16.8 | -19.4 | -3.2 | 5.6 | 4.3 | 4.7 |
| Stockbuilding[1] | 0.2 | -3.3 | 3.4 | 2.6 | -1.5 | 0.0 |
| Total domestic demand | 17.0 | -22.4 | 0.3 | 8.4 | 2.5 | 4.6 |
| Exports of goods and services | 11.5 | -18.6 | 22.5 | 26.7 | 7.3 | 6.8 |
| Imports of goods and services | 12.2 | -32.4 | 20.6 | 27.3 | 7.2 | 7.1 |
| Net exports[1] | - 0.7 | 11.1 | 2.5 | 1.4 | 0.5 | 0.1 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | -1.0 | 1.1 | 3.8 | 2.8 | 3.0 |
| Harmonised index of consumer prices | _ | 0.2 | 2.7 | 5.1 | 3.2 | 3.2 |
| Private consumption deflator | _ | -0.9 | 2.3 | 5.3 | 3.0 | 3.2 |
| Unemployment rate | _ | 13.9 | 16.8 | 12.3 | 10.8 | 10.0 |
| General government financial balance[2] | _ | -2.0 | 0.3 | 0.1 | -1.9 | 0.0 |
| General government gross debt[2] | _ | 12.7 | 12.5 | 12.3 | 13.1 | 13.0 |
| General government debt, Maastricht definition[2] | _ | 7.2 | 6.7 | 6.5 | 7.3 | 7.2 |
| Current account balance[2] | _ | 3.7 | 3.6 | 3.5 | 2.6 | 1.5 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932543051

***High inflation is persistent***

The low policy rates in the euro area that translate into negative real rates in Estonia provide strong support to the economy. Headline inflation remains high despite a softening of global food and commodity prices, pointing to a low level of competition at the wholesale and retail level. Despite inflationary persistence, externally driven price pressures are likely to subside. Wages continue to fall in real terms, but high nominal wage growth might lead to the emergence of domestic sources of inflation. Electricity price increases will have a temporary impact in inflation in 2013.

***Government investment will provide fiscal stimulus***

Fiscal policy remains prudent. Total public debt will remain below 7% of GDP in 2011, and government net assets are positive. The underlying fiscal position will remain close to balance during the projection period, notwithstanding a temporary deterioration of the headline fiscal balance in 2012 due to the phasing out of one-off measures and large government investment obligations linked to the previous sales of Kyoto emission permits. The investment will provide a substantial stimulus to the economy as other sources of growth fade. As growth slows the automatic stabilisers should also be allowed to work.

***The downward risk to the projections is substantial***

The main risk to the projections is linked to to the strength of external demand and, in particular, to the larger-than-expected slowdown among major regional trading partners. There is also a risk that persistently high structural unemployment and the early emergence of labour shortages suffocate growth and increase wage pressures, contributing to high inflation. High dependence on funding from foreign parent banks implies indirect exposure to risks affecting Europe's core banking sector.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The longstanding policy of low public debt has earned Estonia strong fiscal credibility and left scope to provide fiscal support in the event of a significantly weaker economy. At the same time, to cement its hard-won credibility Estonia should introduce a fiscal rule coupled with multi-year expenditure ceilings. The fiscal framework could be complemented by assigning a fiscal monitoring role to the Bank of Estonia.
- To increase space for further employment gains, active labour market policies should focus on improving incentives and qualifications among persons with long-term unemployment spells and Estonians currently working abroad.
- Strengthening competition in domestic markets will be important for raising productivity and growth.
- To counter pressure on the Estonian financial system, close cross-border banking supervision cooperation, including in the Nordic-Baltic Cross-Border Stability Group, would be particularly important.

# FINLAND

**The recovery is losing momentum. Exports will continue to deteriorate as the global economy slows and Finland's export performance remains weak. Domestic demand has held up well so far, but consumer confidence is eroding rapidly and real incomes are falling, foreshadowing a marked slowdown in private consumption and residential investment. Weak demand will weigh on business investment and overall output growth will slow during 2012. A recovery during 2013 is projected as the global outlook brightens, uncertainty falls and income growth resumes. The slowdown will lead to lower employment and higher unemployment. Fiscal policy, while ensuring medium-term consolidation, should allow automatic stabilisers to work.**

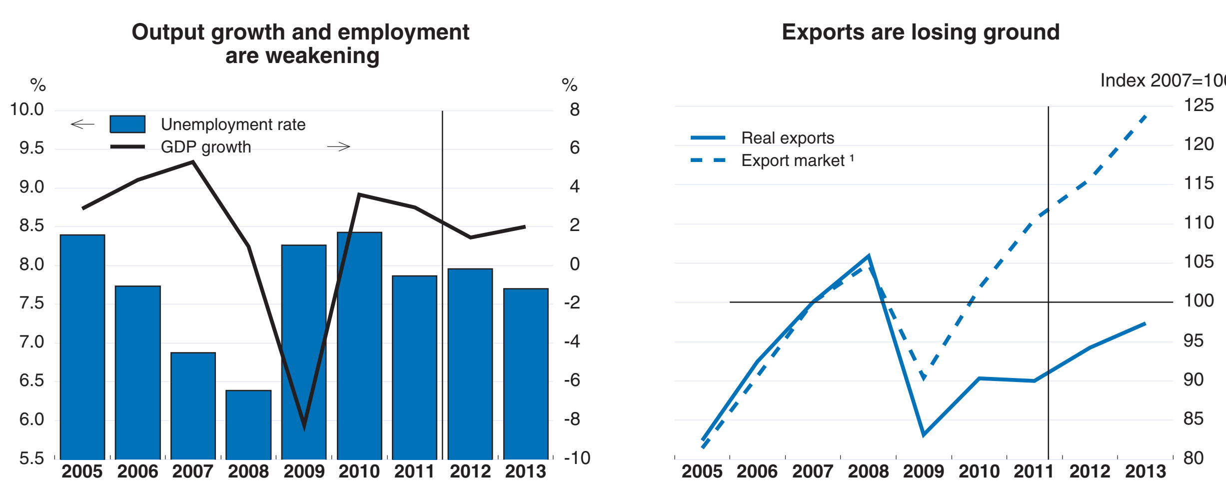
### *The economy is losing momentum*

The recovery in exports stalled in the first half of 2011. Weak exports and uncertainties linked to developments in the world economy, not least in the euro area, will hold back business investment. Consumer confidence has deteriorated sharply, as household purchasing power has eroded due to slowing wage growth and persistent inflation generated by increases in indirect taxes and higher food and commodity prices. Household consumption and residential investment are therefore set to weaken. As uncertainty fades and real income growth resumes, consumption growth should pick up again in 2013.

### *The labour market will worsen temporarily*

Unemployment will rise somewhat in the short term. From mid-2012, the unemployment rate should resume its downward trend as the recovery starts to take hold. Wage growth is likely to be subdued, which, along with a fading impact of tax hikes and food and commodity price increases, will bring inflation back below 2% in 2013.

**Finland**




1. Export market for goods and services, volume, USD, 2005 prices. Figures are calculated as weighted share of imports from partners to Finland.

*Source:* OECD, OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541018

Finland: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2000 prices) | | | | |
| **GDP at market prices** | 185.5 | -8.2 | 3.6 | 3.0 | 1.4 | 2.0 |
| Private consumption | 95.5 | -3.1 | 2.7 | 3.1 | 0.5 | 2.0 |
| Government consumption | 41.7 | 0.9 | 0.6 | 0.5 | 0.8 | 0.7 |
| Gross fixed capital formation | 39.8 | -13.5 | 2.8 | 6.6 | 1.9 | 0.8 |
| Final domestic demand | 177.0 | -4.5 | 2.2 | 3.1 | 0.9 | 1.5 |
| Stockbuilding[1,2] | 1.6 | -1.9 | 0.9 | 1.1 | 0.2 | 0.0 |
| Total domestic demand | 178.5 | -6.4 | 3.1 | 4.3 | 1.0 | 1.4 |
| Exports of goods and services | 87.0 | -21.5 | 8.6 | -0.3 | 4.6 | 3.3 |
| Imports of goods and services | 80.0 | -16.1 | 7.4 | 2.0 | 3.6 | 1.8 |
| Net exports[1] | 7.0 | -3.1 | 0.6 | -0.9 | 0.4 | 0.6 |
| *Memorandum items* | | | | | | |
| GDP without working day adjustments | _ | -8.2 | 3.6 | .. | .. | .. |
| GDP deflator | _ | 1.7 | 0.4 | 5.3 | 3.5 | 1.6 |
| Harmonised index of consumer prices | _ | 1.6 | 1.7 | 3.2 | 2.6 | 1.8 |
| Private consumption deflator | _ | 1.6 | 1.9 | 2.7 | 2.8 | 1.8 |
| Unemployment rate | _ | 8.3 | 8.4 | 7.9 | 8.0 | 7.7 |
| General government financial balance[3] | _ | -2.7 | -2.8 | -2.0 | -1.4 | -1.1 |
| General government gross debt[3] | _ | 51.6 | 57.6 | 61.2 | 65.5 | 68.5 |
| General government debt, Maastricht definition[3] | _ | 43.3 | 48.3 | 51.9 | 56.2 | 59.2 |
| Current account balance[3] | _ | 1.9 | 1.8 | 0.4 | 1.2 | 1.7 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. Including statistical discrepancy.
3. As a percentage of GDP.

Source: OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542519

***Monetary and financial conditions are supportive; fiscal policy is tightening***

Low ECB interest rates will provide support to the economy. However, access to financing for households and firms might become more difficult if the turmoil in world financial markets intensifies, despite the solidity of the Finnish banking system, which holds large amounts of high-quality capital and very low exposure to risky foreign assets. The 2012 budget implies a mild fiscal contraction in 2012 and 2013. Given the medium-term need for consolidation and the fact that automatic stabilisers are allowed to work outside the expenditure ceiling, this stance looks appropriate.

***Risks are mainly on the downside***

The Finnish economy has proved relatively resilient to recent global economic and financial shocks. Should the international economic environment brighten, Finland would likely return to steady growth and falling unemployment. Nevertheless, as a very open economy, it is vulnerable to a further fall in world demand. The Finnish financial system is solid enough to withstand additional turbulence in the global financial environment. However, no system is totally immune to risks in extreme conditions.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- With a projected deficit of less than 2% of GDP in 2011 and a debt-to-GDP ratio of around 50%, Finnish public finances are relatively healthy. Automatic stabilisers should therefore be allowed to work if the economy weakens and further support would be warranted in the form of temporary and targeted fiscal stimulus. Nevertheless, as a rapidly ageing population is pushing spending up, medium-term fiscal consolidation would have to be re-established.
- The fiscal framework should be strengthened by adopting a medium-term fiscal target for the general government balance (while allowing automatic stabilisers to work) that is consistent with a debt target, and expanding the expenditure ceiling to cover general government spending. The creation of an independent fiscal authority, which could provide assessments of the budget situation and evaluate the ability of policies to meet fiscal targets, would further improve policy formation.
- Greater labour force participation, which would support long-term growth and fiscal sustainability should be promoted by raising the retirement age, improving incentives to work for older individuals and further tightening early-retirement schemes. Announcing concrete reforms upfront would provide more room for short-term fiscal loosening.

# GREECE

**The economy fell deeper into recession in 2011 despite a rebound in exports, as sizable, but necessary, fiscal adjustment continued, domestic demand plunged and unemployment rose sharply. After contracting further in 2012, output is projected to begin to rise in 2013 led by wide-ranging structural reforms, strengthened external demand, improved competitiveness and higher investment. Substantial economic slack and high unemployment will push inflation to very low levels. To enhance credibility and ensure public debt begins to fall durably, fiscal consolidation must continue and structural reforms be implemented as envisaged. Risks to the outlook are substantial and remain skewed to the downside.**

***The economy remains mired in a serious recession***

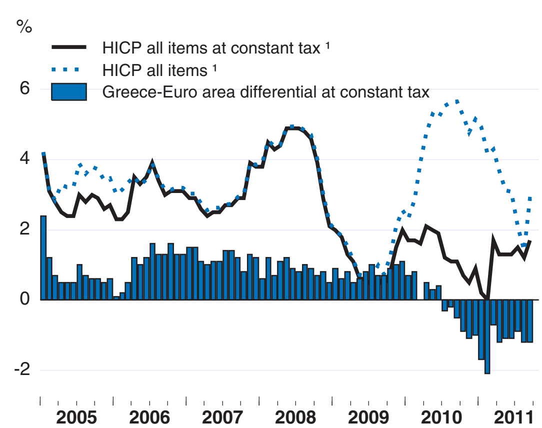
Output contracted sharply in 2011 driven by a collapse in domestic demand, falling incomes, worsening labour market conditions, and limited access to credit. However, exports rebounded on the back of strong tourism and gradually improving competitiveness. The unemployment rate has risen rapidly to the highest in the OECD, after Spain. Inflationary pressures have eased as domestic demand weakened further, with headline inflation corrected for tax changes remaining significantly below the euro area average.

***Putting debt on a declining path is a key priority***

After the considerable progress made in 2010, the consolidation process lost steam in 2011. The government's deficit target will be missed owing to the deeper than expected recession and slow implementation of some critical structural fiscal reforms. The 2012 draft Budget aims at a revised deficit target of 9% of GDP in 2011 and 5.4% of GDP for 2012 taking into account the October 26, 2011 package agreed at the European level, including the 50% write-down of privately-held public debt. The draft budget, which incorporates commitments agreed with the IMF and the EU, foresees a primary surplus for first time after many years. The OECD

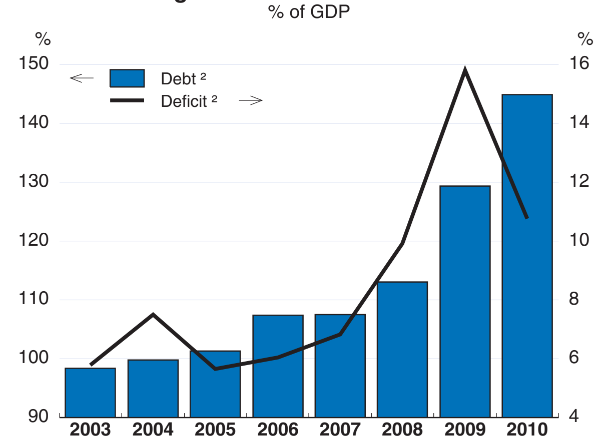
**Greece**

**Inflation pressures weakened**




**Large fiscal imbalances remain**

% of GDP




1. Year-on-year percentage change.
2. General government deficit and debt (Maastricht definition).

*Source:* OECD Economic Outlook 90 database and Eurostat.

StatLink http://dx.doi.org/10.1787/888932541037

Greece: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 232.9 | -3.2 | -3.5 | -6.1 | -3.0 | 0.5 |
| Private consumption | 169.1 | -1.3 | -3.6 | -5.3 | -5.2 | -0.8 |
| Government consumption | 42.2 | 4.8 | -7.2 | -8.0 | -6.6 | -5.1 |
| Gross fixed capital formation | 51.6 | -15.2 | -15.0 | -16.1 | -5.5 | 0.9 |
| Final domestic demand | 262.9 | -3.1 | -6.2 | -7.5 | -5.5 | -1.3 |
| Stockbuilding[1,2] | 3.6 | -1.4 | 1.7 | -1.6 | 0.0 | 0.0 |
| Total domestic demand | 266.5 | -4.4 | -5.0 | -9.2 | -5.8 | -1.3 |
| Exports of goods and services | 56.2 | -19.5 | 4.2 | 7.9 | 6.5 | 7.1 |
| Imports of goods and services | 89.8 | -20.2 | -7.2 | -14.3 | -5.7 | 0.2 |
| Net exports[1] | - 33.6 | 3.0 | 3.1 | 6.1 | 3.2 | 1.9 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 2.8 | 1.7 | 2.3 | 1.6 | 0.9 |
| Harmonised index of consumer prices | _ | 1.3 | 4.7 | 3.0 | 1.1 | 0.2 |
| Private consumption deflator | _ | 0.7 | 4.5 | 0.1 | 1.1 | 0.2 |
| Unemployment rate | _ | 9.5 | 12.5 | 16.6 | 18.5 | 18.7 |
| General government financial balance[3] | _ | -15.8 | -10.8 | -9.0 | -7.0 | -5.3 |
| General government gross debt[3] | _ | 133.5 | 149.1 | 165.1 | 181.2 | 183.9 |
| General government debt, Maastricht definition[4] | _ | 129.3 | 144.9 | 160.9 | 177.1 | 179.7 |
| Current account balance[4] | _ | -11.1 | -10.1 | -8.6 | -6.3 | -5.4 |

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. Including statistical discrepancy.
3. National Accounts basis, as a percentage of GDP.
4. On settlement basis, as a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542538

projection is for a deficit of 9% of GDP in 2011 and 7% of GDP in 2012, declining to 5¼ per cent of GDP in 2013. This implies that the debt-GDP ratio will continue to rise. However, this projection is based on a weaker growth assumption and excludes debt write-down measures in the October package for lack of specific information on the details. Implementation of the October agreement, continued fiscal adjustment and reforms to make the economy more competitive are therefore needed for more favourable debt dynamics. OECD preliminary estimates suggest that the implementation of the private sector involvement (50% haircut and bank recapitalisation) entailed in the October agreement could reduce the debt-to-GDP ratio by around 35%, allowing the debt to fall close to 120% of GDP by 2020 if the adjustment programme remains on track.

***The economy should gradually exit from recession***

The economy is projected to continue contracting in 2012, mostly under the weight of fiscal retrenchment. It would then return to growth in 2013 boosted by a rebound in investment and exports as competitiveness-enhancing structural reforms take hold, external demand strengthens and the absorption of European Union structural funds rises. Inflation is set to fall to zero in the projection period in view of the substantial degree of economic slack and high unemployment. The current account deficit is projected to narrow to around 5½ per cent of GDP in 2013.

***Projections are subject to important downside risks***

Any weakening of the authorities' resolve to fully implement the adjustment programme would increase the risk of debt default. The government's ability to implement reforms is being tested by heightened social unrest. The banking sector's limited capacity to support growth poses additional risks to the outlook. Growth could be further undermined by a marked weakening in export markets.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The sizeable consolidation required to arrest and reverse increases in the high debt-to-GDP ratio leaves no scope for fiscal easing in Greece, or even the operation of the automatic stabilisers. In maintaining fiscal targets under weaker conditions, reducing wasteful spending would be less harmful for growth than further tax increases.
- A better fiscal framework is essential to achieving sustainable public finances and restoring confidence. Budget monitoring needs to be improved and fiscal measures need to be systematically assessed on a medium-term basis. It is also important to ensure that the recently established Parliamentary Budget Office is provided with sufficient independence and resources to conduct its tasks, which focus largely on the evaluation of government budgetary projections and the monitoring of fiscal outcomes.
- Fiscal adjustment hinges on meaningful progress in tax collection efficiency. Tax evasion should be tackled decisively to restore confidence and increase public acceptance of the ongoing fiscal consolidation effort. Effective prosecution of tax evaders and the enforcement of deterrent penalties along with a wider use of tax compliance certificates to access certain services could play a crucial role.
- The swift implementation of the liberalisation of the closed professions would raise growth relatively quickly by opening up new market opportunities and boosting competition. In addition, by reducing rents of well-off interest groups, such a reform facilitates a fair sharing of the growth gains among all groups.
- In the event that the current crisis turns out to be deeper than expected, vulnerable groups should be protected through well targeted interventions and more effective active labour market policies.
- Channelling liquidity to the economy is crucial for the recovery, especially if the worst case downside risks materialise. Beyond the potential support for the recapitalisation of the Greek banks at the EU level through the European Financial Stability Facility (EFSF), the managers and shareholders should explore the option of partnerships or mergers with foreign banks, while the authorities should refrain from imposing protectionist measures.

# HUNGARY

**A mild recession is projected in 2012, driven by a fall in business and consumer sentiment, tight bank lending and financial conditions, ongoing deleveraging of the corporate and household sectors and major fiscal consolidation. Strengthening the credibility and predictability of domestic policies, notably through an agreement with multilateral organisations, is of utmost importance to regain investors' confidence, cushion the effects of fiscal consolidation on activity and return to sound growth.**

***Growth has been subdued***

The recovery in economic activity has been weak, driven by headwinds from the euro area debt crisis, private sector deleveraging and the distributional effects of domestic policies. The labour market is ailing. The new public works programme is partially compensating for insufficient unskilled labour demand in the private sector, but risks locking in workers to relatively unproductive subsidised jobs.

***The room for monetary easing is small***

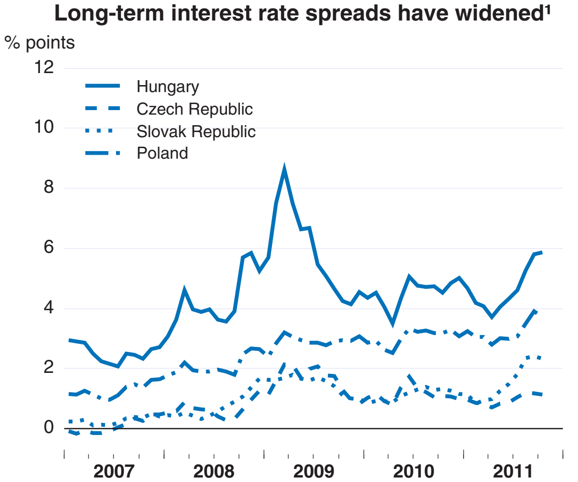
Price pressures are likely to intensify temporarily in the wake of recent currency depreciation and increases in indirect taxes and the minimum wage before receding in 2013. But despite a large degree of slack in the economy, tensions in financial markets constrain the monetary authorities' scope to reduce interest rates. A unilateral decision to allow borrowers to repay foreign currency loans at an off-market exchange rate has further undermined confidence and should be scrapped as it may precipitate a credit crunch. This projection assumes an interest rate cut of only 50 basis points to 5.5% by end-2012 and an unchanged rate in 2013.

***Fiscal consolidation should start***

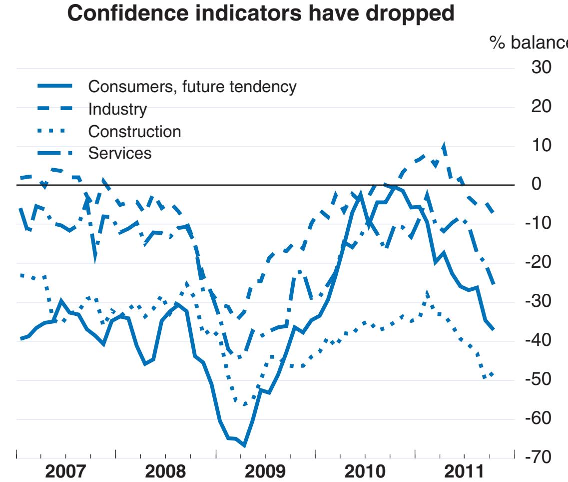
The underlying fiscal balance has deteriorated in 2011, driven notably by cuts in personal and corporate income taxes that have been offset by one-off measures, mainly the assumption of pension assets by the public

**Hungary**

**Long-term interest rate spreads have widened[1]**




**Confidence indicators have dropped**




1. Ten-year government bond spreads relative to the German rate.

*Source:* OECD Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888932541056

Hungary: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices HUF billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 26 545.6 | -6.8 | 1.3 | 1.5 | -0.6 | 1.1 |
| Private consumption | 14 380.0 | -6.2 | -2.2 | -0.7 | -2.0 | -0.2 |
| Government consumption | 5 795.6 | -0.6 | -2.1 | -0.3 | -1.3 | -0.2 |
| Gross fixed capital formation | 5 760.0 | -11.0 | -9.7 | -6.7 | -3.9 | -0.2 |
| Final domestic demand | 25 935.7 | -6.0 | -3.7 | -1.8 | -2.2 | -0.2 |
| Stockbuilding[1] | 489.4 | -4.5 | 3.1 | 0.5 | -0.1 | 0.0 |
| Total domestic demand | 26 425.1 | -10.8 | -1.1 | -1.3 | -2.4 | -0.2 |
| Exports of goods and services | 21 677.1 | -10.2 | 14.3 | 9.4 | 4.8 | 6.4 |
| Imports of goods and services | 21 556.6 | -14.8 | 12.8 | 6.8 | 3.3 | 5.5 |
| Net exports[1] | 120.6 | 3.6 | 1.8 | 2.7 | 1.7 | 1.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 3.6 | 3.1 | 2.0 | 4.0 | 2.4 |
| Consumer price index | _ | 4.2 | 4.9 | 3.9 | 4.9 | 2.9 |
| Private consumption deflator | _ | 3.7 | 4.2 | 3.4 | 4.6 | 2.7 |
| Unemployment rate | _ | 10.1 | 11.2 | 11.0 | 11.9 | 11.8 |
| General government financial balance[2] | _ | -4.5 | -4.3 | 4.0 | -3.4 | -3.3 |
| General government gross debt[2] | _ | 86.7 | 86.9 | 89.8 | 90.8 | 91.5 |
| General government debt, Maastricht definition[2] | _ | 79.7 | 81.3 | 84.2 | 85.1 | 85.9 |
| Current account balance[2] | _ | -0.2 | 1.1 | 1.9 | 1.4 | 1.2 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542557

sector. As a result, despite an expected fiscal surplus in 2011, the government balance is projected to return to a deficit in 2012 and 2013. Fiscal consolidation, preferably supported by an agreement with multilateral organisations, is urgently needed to establish credibility with the markets. Without such agreement there is little choice but to meet announced fiscal targets. The fiscal consolidation plan, which aims to achieve a headline deficit target of 2.5% of GDP in 2012, is mainly based on increases in healthcare contributions, various excise taxes and the VAT rate from 25% to 27%. Spending measures have been less well defined, calling into question the actual implementation of the planned adjustment in 2012 and 2013.

***The economy is facing a mild recession***

The economy is projected to remain in recession in the first half of 2012, due to weak investor confidence, tight financial conditions, an ongoing adjustment of private sector balance sheets and a significant fiscal consolidation. A recovery should start in the latter half of 2012 as the effect of these factors diminishes. The unemployment rate is projected to increase notably with advances in labour force participation spurred by cuts in the generosity of social benefits, and employment losses partly reflecting a programmed large hike in the minimum wage in 2012. A recent elimination of the job-search benefit could reduce labour mobility and increase mismatches in the labour market.

***Risks are mainly on the downside***

Beyond the risk of a sharp global deterioration, growing uncertainty over domestic policies is the main threat to investors' confidence. Recent steps to impose a new financial burden on banks could lead to a further tightening of credit conditions.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Reaching an agreement with multilateral organisations is critical to avoid a further loss of investors' confidence. If no agreement can be reached, the government needs to bolster financial market confidence by meeting its 2012 deficit target of 2.5% of GDP, taking further measures as needed to offset the effects of weaker economic growth.
- To reinforce credibility, the fiscal framework should be strengthened by equipping the new fiscal council with its own analytical staff and enlarging its mandate to assess fiscal policy on an ongoing basis. Targets for structural deficits would also improve the multi-year budgeting framework.
- The stance of monetary policy should be eased as much as possible, but the scope for doing so is quite tightly constrained by currency weakness and higher risk premium, while adopted and planned substantial increases in the minimum wage and indirect taxes should further push up headline inflation. A credible fiscal retrenchment would create conditions for monetary policy accommodation.
- The average tax wedge has been cut significantly. Yet, the tax wedge has increased for low-income earners and incentives to work will be further undermined if the employment tax credit is removed as planned. Labour demand should be strengthened through marginal employment subsidies targeted to disadvantaged groups, which will be hardest hit by a more severe downturn.
- Facilitating the deleveraging of households is key to restore growth, but this should not be done by undermining the stability of the banking sector. A viable restructuring programme will be needed that focuses on low-income borrowers facing real repayment difficulties.

# ICELAND

**After successful completion of its IMF-supported adjustment programme, Iceland has returned to economic growth in 2011, despite the euro area turmoil. Growth is led by large energy-intensive investment projects, residential construction and private consumption expenditure, which will be spurred by high recent collective wage agreements. The unemployment rate has started to fall from high levels by Icelandic standards and should continue to decline with the pick-up of economic activity. While Iceland has made considerable progress in putting its public finances on a sustainable path, further consolidation is required, albeit less than in the countries affected by the sovereign debt crisis.**

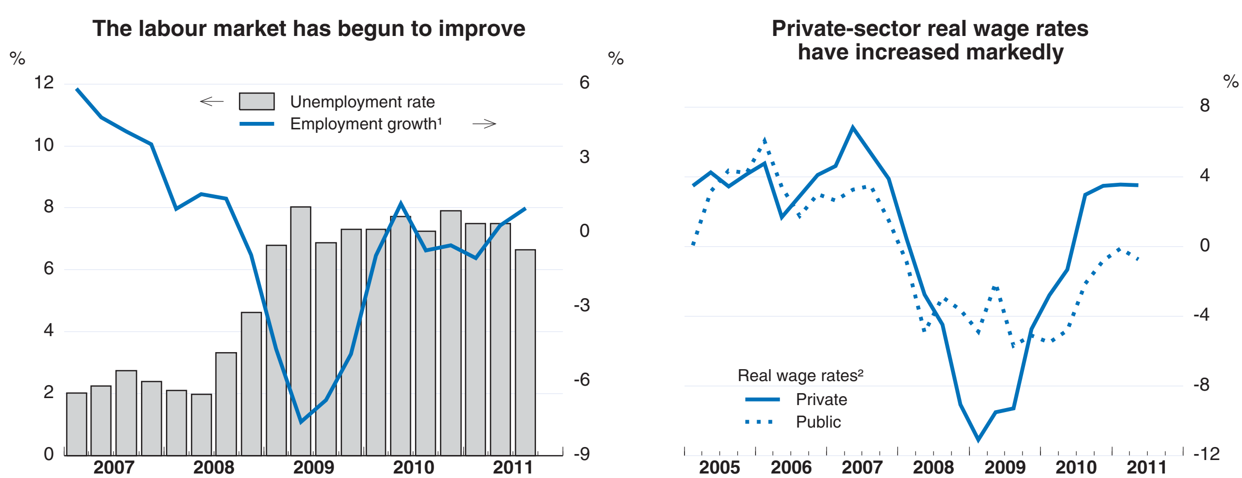
### Economic recovery has begun

Following severe adjustment to the financial crisis, the Icelandic economy began to grow again in 2011 despite the weakening of the global economy. The recovery has been led by strengthening private consumption and investment expenditure. Residential construction has soared as work on incomplete housing projects has been resumed. The unemployment rate has fallen from the peak late last year, but remained high at 6.6% (seasonally adjusted) in the third quarter. Large collective wage increases and rising commodity prices have pushed up inflation, although it remains well below the increase in disposable income.

### Fiscal consolidation is set to continue

The general government budget deficit is estimated to have fallen to 5½ per cent of GDP in 2011. Further budget consolidation amounting to around 1½ to 2 percentage points of GDP per year is planned in 2012-13, yielding rising primary surpluses from 2012 onwards. On the basis of these plans, general government gross debt (including civil service pension liabilities of 20% of GDP) should peak at 128% of GDP in 2012, and net debt at 51% of GDP. The authorities aim to reduce gross debt to 60% of GDP in the long term, including through asset sales.

**Iceland**




1. Year-on-year percentage change.
2. Deflated by the consumer price index, year-on-year percentage change.

*Source:* OECD Economic Outlook 90 database; Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932541075

### Iceland: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices ISK billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 1 482.0 | -6.7 | -4.0 | 2.9 | 2.4 | 2.4 |
| Private consumption | 789.9 | -14.9 | -0.4 | 3.0 | 3.1 | 3.1 |
| Government consumption | 367.3 | -1.7 | -3.4 | -1.4 | -0.8 | -0.2 |
| Gross fixed capital formation | 362.5 | -51.1 | -8.0 | 7.0 | 14.2 | 4.1 |
| Final domestic demand | 1 519.8 | -20.4 | -2.4 | 2.3 | 3.7 | 2.4 |
| Stockbuilding[1] | 3.3 | 0.0 | -0.2 | 1.4 | 0.4 | 0.0 |
| Total domestic demand | 1 523.0 | -20.3 | -2.7 | 2.3 | 3.7 | 2.4 |
| Exports of goods and services | 657.3 | 6.6 | 0.4 | 1.9 | 1.7 | 2.8 |
| Imports of goods and services | 698.3 | -24.0 | 4.0 | 3.3 | 4.5 | 2.7 |
| Net exports[1] | - 41.0 | 14.2 | -1.5 | -0.4 | -1.2 | 0.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 8.3 | 6.9 | 3.7 | 4.2 | 2.9 |
| Consumer price index | _ | 12.0 | 5.4 | 4.0 | 4.1 | 2.8 |
| Private consumption deflator | _ | 13.7 | 3.4 | 4.0 | 4.0 | 2.8 |
| Unemployment rate | _ | 7.2 | 7.5 | 7.0 | 6.1 | 5.3 |
| General government financial balance[2] | _ | -10.0 | -10.1 | -5.4 | -3.3 | -1.4 |
| General government gross debt[2] | _ | 119.8 | 125.0 | 127.3 | 127.4 | 126.2 |
| Current account balance[2] | _ | -11.7 | -11.2 | -9.3 | -3.4 | -0.5 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542576

***Financial stress is receding and monetary accommodation is gradually being withdrawn***

Considerable progress is now being made in restructuring non-performing loans to households and small businesses, improving their financial situation and increasing banks' capacity to lend to viable clients. The main banks appear to be well capitalised. The government completed a US dollar bond issue over the summer at 320 basis points over inter-bank rates, demonstrating its ability to borrow in international capital markets and thereby fulfilling one of the conditions for lifting capital controls. The government is also advancing on other elements of the strategy to lift capital controls, although this is unlikely to occur by 2013. To contain inflation, policy interest rates were increased by 0.25 percentage point in both August and November to 4.5% currently. Further withdrawal of monetary accommodation is in prospect.

***The economic recovery should level off in the projection period***

Growth is projected to strengthen over coming months, led by buoyant private consumption and investment expenditures but to weaken somewhat thereafter, initially owing to deterioration in net exports and subsequently to lower growth in investment expenditures as large projects are completed. Economic growth should settle at around 2½ per cent over 2012-13, cutting unemployment to 5% by the end of 2013. Inflation is projected to fall towards the authorities' target (2½ per cent) as the temporary factors that recently boosted it pass and economic slack continues to weigh on price setters.

***Risks to the outlook are mostly on the downside***

The main risks to the economic outlook are that the global economy could deteriorate by more than assumed and that private-sector balance sheet deleveraging could be more aggressive than expected. In addition, inflation may prove more persistent than projected, necessitating further monetary policy tightening.

***Policy orientation should downside risks materialise***

If such downside risks materialised the OECD has identified as part of its Strategic Response key macroeconomic policies as well as structural reforms, which while desirable in any case, would become essential to raise growth.

- Automatic stabilisers should be allowed to function. However, the government cannot afford to further weaken its medium-term fiscal consolidation plans. Thanks to lower-than-expected direct costs of the financial crisis, these plans have already been scaled back as much as possible to boost the recovery. Maintaining fiscal consolidation plans will help to rebuild fiscal policy credibility, which will support medium-term economic growth by reducing borrowing costs for both the government and the private sector.
- The government should adopt a rule that ties down a budget-balance path that is compatible with its debt reduction objectives. Such a rule would complement the expenditure targets and top-down budgeting already implemented and thus increase fiscal credibility. To strengthen enforcement of the rule, the government should create an independent fiscal council to report to parliament on whether or not fiscal policy is consistent with short and medium-term objectives.
- Barriers to FDI, which are amongst the highest in the OECD, should be reduced to stimulate growth. To this end, FDI law should be revised to clarify the authorities' scope for action, reducing uncertainty, and to introduce a silence-is-consent (after 60-80 days) rule.
- Barriers to product-market competition should be lowered by reducing red tape, using plain language in regulations, and reducing entry barriers in the electricity, telecommunications and transport sectors. These reforms would support economic growth by increasing purchasing power and making it easier to develop new businesses.

# *IRELAND*

**After its severe banking crisis, Ireland has made good progress in redressing fiscal and macroeconomic imbalances, with the help of the EU-IMF programme. Following comprehensive stress tests, the banks were recapitalised through government and private sector contributions. Ireland's export markets are weakening significantly which, combined with needed fiscal tightening, is expected to result in modest growth in 2012, continued high unemployment and low core inflation. A gradual economic upturn is expected to unfold in 2013.**

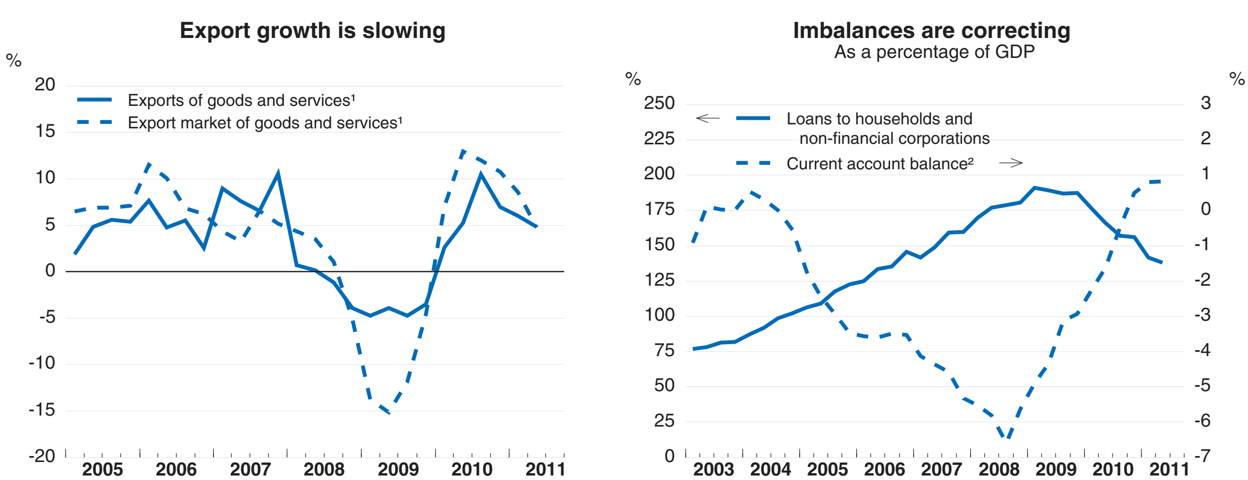
***The recovery is slowing from its initially rapid pace***

Moderating growth is projected in 2012 as export demand weakens and the decline in domestic spending resumes as temporary factors reverse. Deteriorating external conditions and tighter financial conditions will also hem in consumer demand and business investment. As a consequence, unemployment will remain high and core inflation low. Export-led growth will help to underpin a further increase in the current account surplus. A lessening drag from domestic demand and better world trading conditions will see a pick-up in growth in 2013.

***The banking system has been recapitalised***

The process of healing in the banking sector is underway. Encouragingly, private equity was raised by one financial institution and the banks have begun to sell-off foreign assets, which will help them to repay their large debt to the Eurosystem. The stabilisation of the banking system, the decision to reduce interest rates on EU official finance to Ireland, and resolute implementation of the fiscal consolidation programme have all improved financial-market confidence. However, regaining access to the sovereign bond market still remains a challenge, especially in the current international environment.

**Ireland**




1. In volume, year-on-year percentage change.
2. 4-quarter moving average.

*Source:* OECD Economic Outlook 90 database; Central Statistics Office Ireland and Central Bank of Ireland.

StatLink http://dx.doi.org/10.1787/888932541094

Ireland: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2009 prices) | | | | |
| **GDP at market prices** | 180.0 | -7.0 | -0.4 | 1.2 | 1.0 | 2.4 |
| Private consumption | 92.1 | -7.3 | -0.9 | -2.5 | -0.5 | 0.5 |
| Government consumption | 33.5 | -3.7 | -3.1 | -3.1 | -2.1 | -2.2 |
| Gross fixed capital formation | 39.3 | -28.7 | -24.9 | -6.3 | -2.7 | 2.7 |
| Final domestic demand | 164.9 | -11.7 | -5.8 | -3.2 | -1.2 | 0.2 |
| Stockbuilding[1] | - 1.3 | -0.9 | 1.0 | 1.1 | -0.2 | 0.0 |
| Total domestic demand | 163.6 | -12.8 | -4.7 | -1.9 | -1.4 | 0.2 |
| Exports of goods and services | 150.3 | -4.2 | 6.3 | 4.2 | 3.3 | 5.8 |
| Imports of goods and services | 133.9 | -9.3 | 2.7 | 0.8 | 1.2 | 4.7 |
| Net exports[1] | 16.4 | 3.4 | 3.7 | 3.6 | 2.4 | 2.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | -4.1 | -2.4 | -0.7 | 0.9 | 1.0 |
| Harmonised index of consumer prices | _ | -1.7 | -1.6 | 1.1 | 0.8 | 0.9 |
| Private consumption deflator | _ | -4.2 | -2.2 | 1.2 | 1.0 | 1.3 |
| Unemployment rate | _ | 11.7 | 13.5 | 14.1 | 14.1 | 13.7 |
| General government financial balance[2,3] | _ | -14.2 | -31.3 | -10.3 | -8.7 | -7.6 |
| General government gross debt[2] | _ | 71.1 | 98.5 | 112.6 | 118.8 | 122.4 |
| General government debt, Maastricht definition[2] | _ | 65.2 | 92.6 | 106.7 | 112.9 | 116.5 |
| Current account balance[2] | _ | -2.9 | 0.5 | 0.5 | 1.7 | 2.2 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.
3. Includes the one-off impact of recapitalisations in the banking sector.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542595

***The fiscal consolidation is on track***

Fiscal revenue and expenditure have remained in line with the 2011 budget targets and limits, respectively, and the government deficit is expected to fall to 10.3% of GDP in 2011. For 2012 and 2013 it is assumed the government fully implements the consolidation measures announced in the recently published Medium-Term Fiscal Statement. Interest payment reductions of around 0.5% of GDP in 2012 and 0.7% of GDP in 2013 due to interest rate cuts on finance provided by the EU are assumed to be used to narrow the fiscal deficit. This will help the government to reduce the deficit to 8.7% of GDP in 2012, despite only moderate nominal GDP growth, and to 7.6% of GDP in 2013.

***Vulnerability to foreign shocks remains high***

Ireland has steadfastly tackled difficult challenges and Ireland's export-led growth is supported by a wide range of structural strengths that may help to propel a stronger recovery than expected. However, risks to this projection are skewed to the downside. Rebalancing of the economy is underway but deleveraging continues and Ireland remains highly reliant on, and vulnerable to changes in, foreign demand. Debt reduction may exert a stronger drag on domestic demand than incorporated in this projection, especially if employment growth does not resume as anticipated. In addition, the banks must carry out a fine balancing act of selling assets and reducing in size while still maintaining new lending to support the recovery in a very difficult international financial environment.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified as part of its Strategic Response key macroeconomic policies as well as structural reforms, which while desirable in any case, would become essential to raise growth.

- The government should continue to adhere to the EU-IMF fiscal programme fiscal targets, adopting additional measures if necessary to offset the effects of unanticipated economic weakness. It will become increasingly important to share the burden of any such additional measures fairly across society.
- The government recently established an independent Fiscal Advisory Council and it should implement the planned fiscal framework as soon as feasible. The framework should focus on multi-year budgets and on a debt-to-GDP target to be achieved by a specified date. A ceiling for nominal expenditure broadly defined should be used to help achieve the debt target.
- Structural reforms should be accelerated to enhance economic growth. In the product market, competition should be increased, including in the legal professions and health care provision. In addition, electricity costs should be lowered by opening the market further to competition, as the state-owned electricity company still dominates most market segments.
- To reduce the heightened risk that long-term unemployment becomes persistent, Ireland should implement better activation policies and welfare reforms to improve the matching of supply and demand of labour and increase work incentives.

# ISRAEL*

**The economy is expected to avoid recession, but weakening external demand is nevertheless prompting a slowdown in output growth that is not projected to reverse until the middle of 2012. The worsening prospects for output and employment, along with lower inflation expectations and outcomes, have led to an easing of the monetary policy stance.**

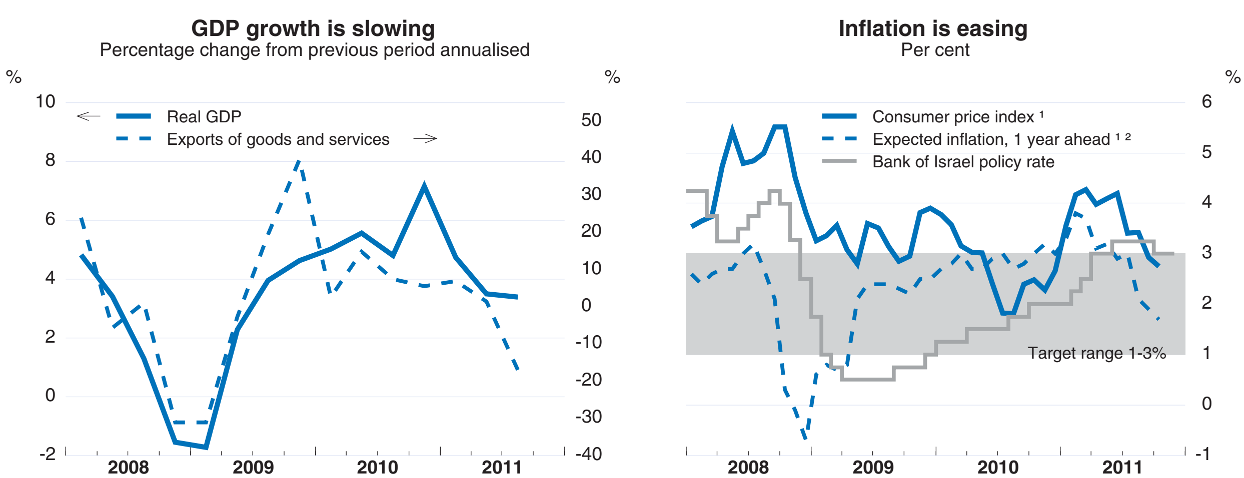
***Monetary policy has shifted to an easing stance***

Growth is now slowing following a period of robust expansion, which had significantly narrowed the output gap and resulted in historically low rates of unemployment. Exports shrank sharply in the third quarter of 2011, inflation is easing, and the housing market has cooled off somewhat. Also, bond-market indicators show a fall in inflation expectations towards the centre of the target band (1 to 3% increase in consumer prices) for the year ahead. The policy interest rate was reduced to 3% in October. This has contributed to significant depreciation of the shekel against the dollar; the Bank of Israel has not made any foreign-currency interventions since July.

***Measures in response to the social protests are being developed***

The committee appointed in response to social protests has, recommended, *inter alia*, higher direct taxes (notably, cancellation of scheduled cuts in corporate tax and top rates of income tax) to fund reductions in indirect taxation. Significant expansion in early childhood education, offset by lower defence outlays, was also recommended. The

**Israel**




1. Year-on-year change.
2. Based on comparison of yields on CPI-indexed and non-indexed government bonds.

*Source:* Bank of Israel; CBS; OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541113

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

### Israel: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices NIS billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 723.6 | 0.8 | 4.8 | 4.7 | 2.9 | 3.9 |
| Private consumption | 419.7 | 1.4 | 5.3 | 4.9 | 1.6 | 3.6 |
| Government consumption | 177.3 | 1.8 | 2.5 | 1.6 | 1.7 | 2.6 |
| Gross fixed capital formation | 133.3 | -4.9 | 13.7 | 17.2 | 8.0 | 7.5 |
| Final domestic demand | 730.3 | 0.4 | 6.1 | 6.3 | 2.9 | 4.2 |
| Stockbuilding[1] | 2.7 | -0.5 | -1.4 | 0.7 | 0.3 | 0.0 |
| Total domestic demand | 732.9 | -0.2 | 4.7 | 7.2 | 3.2 | 4.2 |
| Exports of goods and services | 291.4 | -11.9 | 13.6 | 4.8 | 3.9 | 7.8 |
| Imports of goods and services | 300.8 | -14.0 | 12.8 | 12.7 | 5.2 | 8.3 |
| Net exports[1] | - 9.4 | 1.0 | 0.6 | -2.7 | -0.6 | -0.4 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 5.0 | 1.2 | 1.6 | 2.5 | 1.9 |
| Consumer price index | _ | 3.3 | 2.7 | 3.5 | 2.0 | 2.1 |
| Private consumption deflator | _ | 2.5 | 2.9 | 3.9 | 2.5 | 2.0 |
| Unemployment rate | _ | 7.6 | 6.6 | 5.6 | 6.0 | 5.8 |
| General government financial balance[2,3] | _ | -6.4 | -5.0 | -4.0 | -3.8 | -3.5 |
| General government gross debt[2] | _ | 79.4 | 76.0 | 74.6 | 73.8 | 72.4 |
| Current account balance[2] | _ | 3.5 | 3.0 | -0.8 | -1.4 | -1.7 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.
3. Excluding Bank of Israel profits and the implicit costs of CPI-indexed government bonds.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542614

authorities appear appropriately committed to ensuring that, overall, the response is revenue neutral and does not break the budgetary spending ceiling.

***Growth will slow markedly in 2012***

Output growth is expected to drop from 4¾ per cent in 2011 to around 3% in 2012, conditional on further monetary loosening. The projection assumes two further cuts in the policy rate, which should help to bring about some renewed pick-up in activity next spring. During 2013 a resumption of interest-rate normalisation would be appropriate, as real output growth is projected to expand by nearly 4% for the year as a whole. A modest rise in the unemployment rate is projected for the coming quarters, and consumer-price inflation may fall back to the middle of the target band. The budget deficit is projected to be close to target in 2011 (with a reduction of 1.0 percentage point of GDP) but may well overshoot in 2012 (with only a 0.2 percentage-point reduction).

***Heightened geopolitical tensions pose additional risks to the economy***

The main risk is for further weakening of external demand due to a sharp global deterioration. Geopolitical tensions remain high and disruptions to natural gas supplies from Egypt continue. There is also a risk that the recent cooling of the housing market could develop into a substantial downturn.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The automatic stabilisers should be allowed to operate on the revenue side, while government spending should increase according to the spending rule. The government should provide some temporary discretionary fiscal support, but this should not be allowed to derail medium-term fiscal policy.
- The fiscal framework is basically sound. The authorities have a good track record in achieving their fiscal targets. However, reaching them may require interim budgets if spending set under the current two-year budget cycle becomes incompatible with economic developments.
- There is ample room for further cuts in the monetary policy rate. However, additional loosening may have to be combined with targeted macro-prudential measures to ensure a soft landing in the housing market.
- Red tape facing business remains significant, particularly the time and effort required to complete procedures in setting up a business and with regard to the construction of premises. Additional efforts to streamline the procedures would boost business confidence and performance at no fiscal expense.
- Proposed measures to strengthen market competition in light of the tent protests should be implemented quickly, particularly in supply chains for energy and other retail products. This would help bolster consumer confidence and may have measurable near-term effects on prices.

# KOREA

**Growth slowed in 2011, reflecting the deceleration in world trade and sluggish activity in the domestic sector, which has not yet fully benefited from the export-led recovery from the 2008 global crisis. More moderate growth is helping to bring inflation back into the central bank's target range of 2 to 4%. Aided by continued buoyant demand from China, which accounts for a quarter of its exports, and won depreciation, exports are projected to lead a gradual upturn, with output growing by just over 4% in 2013, with the unemployment rate at around 3½ per cent.**

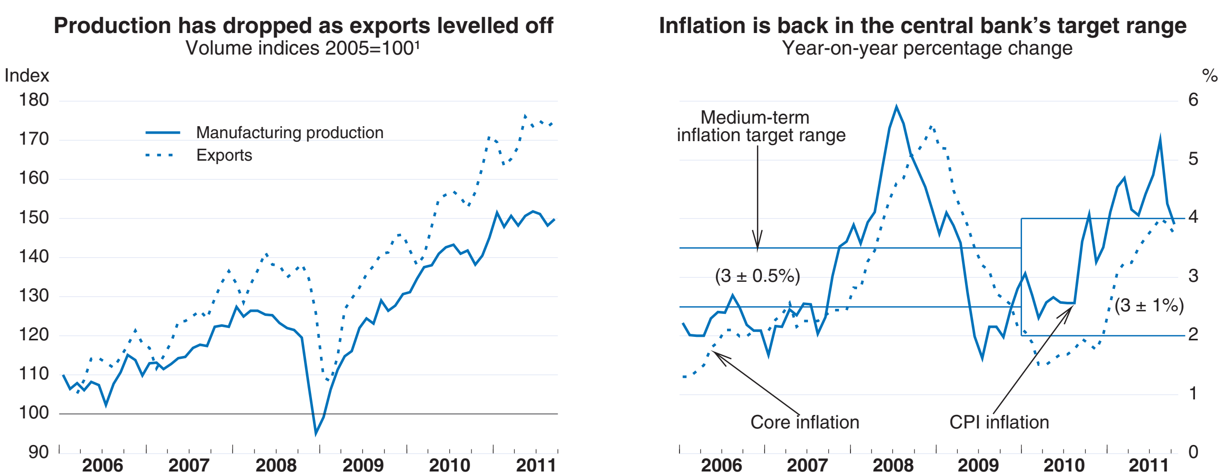
*Output growth is slowing as exports level off*

The economy experienced slowing output growth and rising inflation during 2011. The deceleration of exports has been accompanied by weaker domestic demand, including fixed investment. In addition, private consumption has been subdued as wage gains have failed to keep up with inflation, which exceeded the central bank's target range during the first three quarters of 2011. Meanwhile, core inflation has risen to nearly 4%, boosting expected inflation. The unemployment rate has fallen to 3¼ per cent, despite rising labour force participation.

*Monetary conditions remain supportive of growth*

The normalisation of the policy interest rate, which had remained at a record low of 2% until mid-2010, has paused since June 2011. At 3¼ per cent, the rate remains negative in real terms. Monetary conditions have been further eased by a moderate depreciation of the won, which has declined by 3% since May 2011 in effective terms. Although Korea has a current account surplus, estimated at almost 2% of GDP in 2011, the won remains relatively volatile, particularly during periods of global financial turbulence. Once the economy has overcome the current soft patch and high uncertainty, further policy interest rate hikes will be needed to contain inflation.

**Korea**




1. Seasonally-adjusted for production and a three-month moving average for non-seasonally-adjusted exports.

*Source:* Korea National Statistical Office, OECD Economic Outlook 90 database and Bank of Korea.

StatLink http://dx.doi.org/10.1787/888932541132

Korea: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices KRW trillion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 1 026.5 | 0.3 | 6.2 | 3.7 | 3.8 | 4.3 |
| Private consumption | 561.6 | 0.0 | 4.1 | 2.6 | 3.2 | 3.8 |
| Government consumption | 156.9 | 5.6 | 3.0 | 2.9 | 4.0 | 3.0 |
| Gross fixed capital formation | 300.8 | -1.0 | 7.0 | -1.5 | 4.6 | 4.6 |
| Final domestic demand | 1 019.4 | 0.6 | 4.8 | 1.5 | 3.7 | 3.9 |
| Stockbuilding[1] | 19.2 | -3.9 | 2.0 | 0.6 | -0.1 | 0.0 |
| Total domestic demand | 1 038.5 | -3.3 | 7.0 | 2.1 | 3.6 | 3.8 |
| Exports of goods and services | 544.1 | -1.2 | 14.5 | 11.0 | 7.9 | 9.8 |
| Imports of goods and services | 556.2 | -8.0 | 16.9 | 8.1 | 7.7 | 9.0 |
| Net exports[1] | - 12.1 | 3.7 | -0.6 | 1.7 | 0.3 | 0.6 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 3.4 | 3.7 | 2.0 | 2.5 | 2.1 |
| Consumer price index | _ | 2.8 | 3.0 | 4.4 | 3.6 | 3.0 |
| Private consumption deflator | _ | 2.6 | 2.6 | 4.0 | 3.6 | 3.0 |
| Unemployment rate | _ | 3.6 | 3.7 | 3.4 | 3.4 | 3.4 |
| Household saving ratio[2] | _ | 4.6 | 4.3 | 3.8 | 3.8 | 4.1 |
| General government financial balance[3] | _ | -1.1 | 0.0 | 0.8 | 1.3 | 1.9 |
| General government gross debt[3] | _ | 33.5 | 34.6 | 35.5 | 36.3 | 36.8 |
| Current account balance[3] | _ | 3.9 | 2.8 | 1.8 | 1.3 | 1.1 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542633

***Fiscal policy is focused on limiting public debt***

Korea continues to limit government spending growth in line with the National Fiscal Management Plan's objective of balancing the consolidated central government budget (excluding the social security surplus) by 2013. The fiscal stance is appropriate given that Korea faces strong pressure to boost public social spending from its current low level, not least to cope with rapid population ageing. In addition, there is considerable uncertainty about the eventual cost of greater economic integration with North Korea.

***A gradual pick-up in growth is projected during 2012-13…***

After a few quarters of sub-par output growth, the economy is projected to pick up as world trade rebounds in 2012. Korean exports will be sustained by strong demand from China, its largest trading partner, and by the relatively low level of the won. Stronger exports should prompt a recovery in fixed investment and a pick-up in private consumption, boosting output growth to more than 4% in 2013.

***… depending in part on developments in the world economy***

The economy faces both domestic and external risks. Household debt has continued to increase, reaching 132% of household income in 2010. Rising interest rates could thus have a larger than expected damping effect on private consumption. On the external side, with exports accounting for more than half of GDP, Korea is particularly vulnerable to a sharp deterioration in the world economy.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- Given its strong fiscal position, with gross government debt around 35% of GDP, fiscal stimulus would be warranted.
- Making spending targets more binding, while maintaining flexibility to cope with shocks, would further strengthen confidence in public finances and thereby allow continued flexibility to deal with shocks.
- There is scope to cut the policy interest rate if output growth were to falter.
- Enhancing labour productivity would spur growth, particularly in network industries and services, where productivity is only around 60% of that in the manufacturing sector. Regulatory reform, including reducing entry barriers, is essential to enhance productivity.
- Another priority to boost productivity growth is to deepen Korea's integration in the world economy by increasing inward foreign direct investment, which is currently the second lowest in the OECD area as a share of GDP. Encouraging greater inflows requires reducing explicit barriers, which are among the highest in the OECD area, and improving the business climate.

# LUXEMBOURG

**Growth has slowed as deteriorating financial conditions and weaker export markets are damping exports of financial services and other products. Domestic demand will therefore remain weak and unemployment is expected to increase. Inflation will ease due to falls in energy and commodity prices. The main risk to the outlook is a worsening of the sovereign debt crisis in the euro area, which could have a lasting impact on the large financial sector. Luxembourg should thus continue to participate in European initiatives to ensure that the banking system is well-capitalised and adequately funded.**

***The banking and sovereign debt crisis are depressing activity***

Deteriorating financial conditions and uncertainty about the sovereign debt and banking crisis in the euro area are depressing activity. Exports of financial services are projected to decline sharply, driven by a fall in the value of equities worldwide. Investment will slow, reflecting deteriorating business confidence and more difficult financing conditions and consumption will be restrained by low real wage growth.

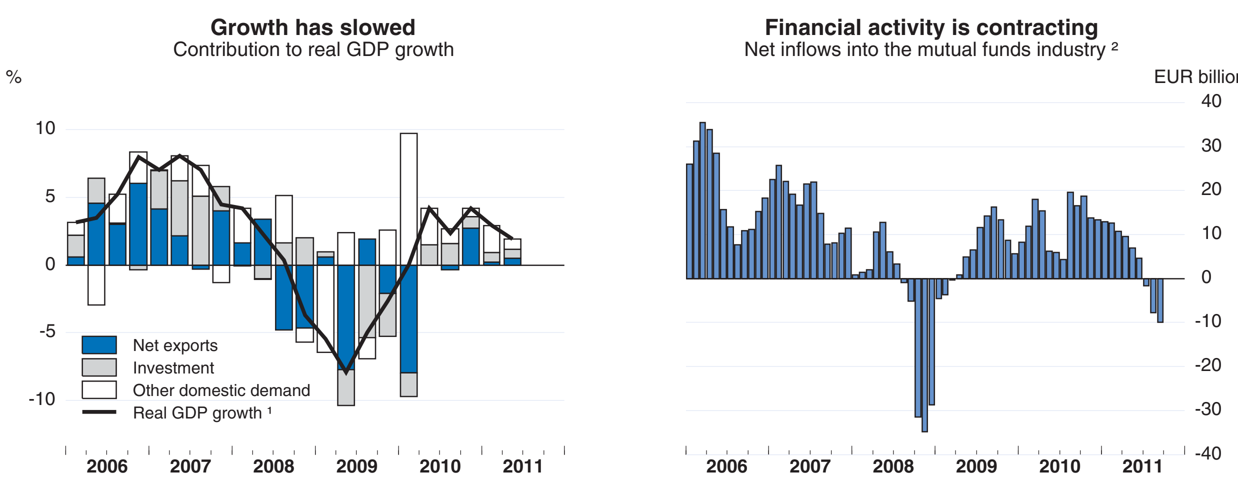
***Growth is projected to pick up again in mid-2012***

Export growth will resume as external demand recovers during the course of 2012. Private consumption and investment should gain momentum from improved confidence. Monetary easing will contribute to more favourable financing conditions and stimulate domestic demand. Fiscal consolidation should modestly damp demand.

***Unemployment will rise modestly***

The unemployment rate, which had barely declined in the recovery from the 2008-09 crisis, will rise somewhat as growth slows, and unemployment among residents is expected to remain high due to rigidities in the labour market.

**Luxembourg**




1. Year-on-year percentage change.
2. Three-month moving average. Inflows are defined as net of markets' variations.

*Source:* OECD, OECD Economic Outlook 90 database and Commission de Surveillance du Secteur Financier.

StatLink http://dx.doi.org/10.1787/888932541151

Luxembourg: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 39.4 | -5.3 | 2.7 | 2.0 | 0.4 | 2.2 |
| Private consumption | 12.8 | 1.1 | 2.1 | 1.9 | 0.8 | 1.7 |
| Government consumption | 5.8 | 4.9 | 3.0 | -0.7 | 2.6 | 1.7 |
| Gross fixed capital formation | 8.2 | -13.0 | 3.0 | 4.7 | 2.3 | 1.9 |
| Final domestic demand | 26.8 | -2.4 | 2.6 | 2.0 | 1.6 | 1.8 |
| Stockbuilding[1] | 0.0 | -1.9 | 2.2 | 1.1 | -0.5 | 0.0 |
| Total domestic demand | 26.8 | -5.1 | 5.9 | 3.6 | 0.8 | 1.7 |
| Exports of goods and services | 68.9 | -10.9 | 2.8 | 4.3 | 0.7 | 3.8 |
| Imports of goods and services | 56.2 | -12.0 | 4.6 | 6.1 | 1.1 | 3.9 |
| Net exports[1] | 12.7 | -1.8 | -1.4 | -1.0 | -0.4 | 1.0 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 0.1 | 4.9 | 3.4 | 1.1 | 2.3 |
| Harmonised index of consumer prices | _ | 0.4 | 2.3 | 3.2 | 1.7 | 2.4 |
| Private consumption deflator | _ | 1.0 | 1.4 | 3.3 | 1.5 | 2.3 |
| Unemployment rate | _ | 5.7 | 6.0 | 6.0 | 6.3 | 6.0 |
| General government financial balance[2] | _ | -0.9 | -1.1 | -1.2 | -2.0 | -1.8 |
| General government gross debt[2] | _ | 18.0 | 24.5 | 28.2 | 30.9 | 34.6 |
| General government debt, Maastricht definition[2] | _ | 14.8 | 19.1 | 22.8 | 25.4 | 29.2 |
| Current account balance[2] | _ | 6.5 | 7.7 | 6.5 | 6.3 | 5.1 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542652

***Underlying price pressures are weak***

Annual headline inflation peaked at fairly high levels in the first part of 2011, but with fuel and commodity prices easing and the economy slowing, it is expected to decline. Inflation will only pick up from mid-2012 as the recovery takes hold.

***Fiscal consolidation should go on as planned***

The fiscal consolidation measures set out in the Stability Programme should be followed, but automatic stabilisers should be allowed to function. More detailed and credible plans for medium-term fiscal consolidation should be set out soon to enhance the credibility of current plans. Far-reaching and comprehensive pension reforms need to be implemented to achieve long-run sustainability.

***Risks are mainly on the downside***

The main risk to the outlook is a worsening of the sovereign debt crisis in the euro area, which could have a lasting impact on the large financial sector. On the other hand, in the past years the economy has proved to be resilient to recent global financial and economic shocks.

***Policy orientation should downside risks materialise***

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- The fiscal consolidation measures set out in the Stability Programme should be followed, but the automatic stabilisers should be allowed to function.
- The budgetary framework should be strengthened in line with new EU requirements and to ensure that there is an effective system for managing long-term fiscal sustainability and ensuring value for money in the provision of public services.
- Continue to participate in European initiatives to ensure that the banking system is well-capitalised and adequately funded.
- Reforms to strengthen incentives to work are needed to ensure that higher unemployment does not add to structural unemployment. This would require reducing unemployment benefits, stronger activation requirements and tightening unemployment insurance eligibility for young people without work histories.
- Increase competition in the domestically focused services sector to boost activity and employment. Easing of restrictive product market regulations in the domestically-oriented sectors, especially for professional services, would help to achieve this.

# MEXICO

**Following a strong recovery, growth is expected to lose some momentum along with international trade and US industrial production, although sound fundamentals and supportive macroeconomic policies should help to avert a sharp downturn. GDP is expected to grow by 4% in 2011 and slow to only 3.3% in 2012. With confidence gradually strengthening and some pick-up in growth in partner countries after mid-2012, exports and activity should pick up again in 2013 with GDP growth reaching 3.6%. Given considerable uncertainties regarding the health of the world economy and financial markets stability, risks are, however, mainly to the downside.**

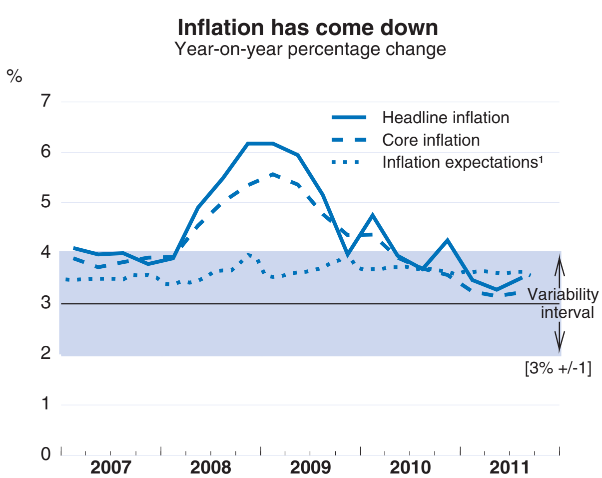
### *Exports and activity are slowing*

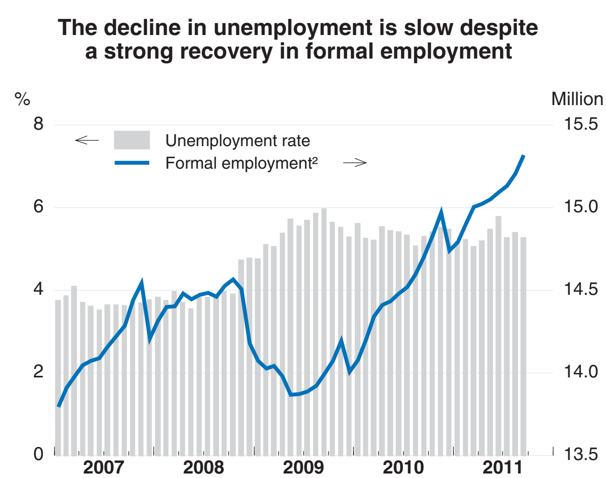
After a strong recovery of output and domestic demand, manufacturing export growth is now losing momentum and confidence indicators point to a slowdown, mainly related to weaker growth in the United States. However, with low public debt, large foreign reserves and a "Flexible Credit Line" agreement with the IMF, Mexico has sound macroeconomic fundamentals and should be able to avert a sharp downturn. Formal employment has recovered strongly, although not enough to significantly bring down unemployment. With world trade and industrial activity in the United States projected to recover after mid-2012, Mexican exports and activity should regain strength towards 2013.

### *Inflation has declined*

Core inflation has declined continuously for more than a year and both headline and core inflation are now well within the central bank's inflation target range (3% +/–1 percentage point variability interval), as are long-run inflationary expectations. With still considerable free capacity and moderate real wage increases, the impact of the recent peso depreciation on inflation is expected to be moderate and transitory.

**Mexico**




1. For a horizon of one to four years.
2. Workers affiliated with Instituto Mexicano del Seguro Social.

*Source:* OECD Economic Outlook 90 database; Bank of Mexico; INEGI.

StatLink http://dx.doi.org/10.1787/888932541170

Mexico: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices MXN billion | Percentage changes, volume (2003 prices) | | | | |
| **GDP at market prices** | 12 175.8 | -6.2 | 5.4 | 4.0 | 3.3 | 3.6 |
| Private consumption | 7 862.6 | -7.2 | 5.0 | 4.3 | 3.1 | 3.5 |
| Government consumption | 1 306.7 | 3.8 | 2.8 | -0.9 | 0.9 | 1.5 |
| Gross fixed capital formation | 2 694.0 | -11.9 | 2.3 | 9.4 | 8.1 | 7.4 |
| Final domestic demand | 11 863.3 | -7.2 | 4.2 | 4.7 | 4.0 | 4.2 |
| Stockbuilding[1] | 582.8 | -0.9 | 0.9 | -1.3 | 0.0 | 0.0 |
| Total domestic demand | 12 446.2 | -8.1 | 5.1 | 3.5 | 4.1 | 4.2 |
| Exports of goods and services | 3 415.5 | -13.9 | 25.7 | 9.7 | 5.9 | 6.5 |
| Imports of goods and services | 3 685.9 | -18.8 | 23.5 | 8.1 | 8.1 | 8.1 |
| Net exports[1] | - 270.4 | 2.2 | 0.2 | 0.4 | -0.8 | -0.7 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 4.0 | 4.4 | 5.1 | 3.8 | 3.9 |
| Consumer price index | _ | 5.3 | 4.2 | 3.4 | 3.5 | 3.4 |
| Private consumption deflator | _ | 7.4 | 3.0 | 3.7 | 3.6 | 3.4 |
| Unemployment rate[2] | _ | 5.5 | 5.4 | 5.3 | 4.9 | 4.5 |
| Public sector borrowing requirement[3,4] | _ | -5.2 | -4.3 | -3.1 | 2.6 | -2.0 |
| Current account balance[4] | _ | -0.7 | -0.5 | -0.5 | -0.8 | -1.3 |

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. Based on National Employment Survey.
3. Central government and public enterprises.
4. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542671

***Monetary policy is supportive***

The central bank has left the policy rate at 4.5% since July 2009, well below its neutral level. It can keep interest rates low for some time, as inflation expectations are firmly anchored.

***The government has delayed fiscal tightening, but revenues need to increase in the long run***

Mexico has maintained a sound fiscal position, thanks to an early move towards consolidation in 2010 and a stabilisation of oil revenues for now. Given considerable uncertainties regarding the health of the world economy the government has decided to delay the return to a balanced budget by one year. The public sector net borrowing requirement is expected now to fall from 4% of GDP in 2009 to 2% in 2013. This translates into a balanced budget, based on the government's definition of the deficit that excludes the national oil company's investment, but includes a number of pure financing operations. However, in the long run Mexico will need further tax reform to reduce dependence on oil-related revenues and a further cut in energy subsidies to meet important spending needs for education and social policies. The government should also work to accumulate larger buffers in its oil stabilisation funds. The establishment of an independent fiscal council would enhance the credibility of Mexico's fiscal framework, as would the publication of the budget and debt data in line with internationally accepted standards.

***Risks are mainly on the downside***

Mexico's economic outlook would be stronger than projected should the world economy recovery earlier or oil prices be stronger than expected. However, with significant uncertainties regarding the European debt crisis and the prospects for the US economy, risks are mainly on the downside.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms, which, while desirable in any case, would become essential to raise growth.

- With inflation expectations well anchored and still substantial unused capacity, there is room for cutting policy interest rates if the economy were to weaken more than projected.
- Fiscal tightening could be delayed a bit further in the event the economy proves significantly weaker than now projected.
- The parliament should urgently adopt the proposed labour reform that would reduce the cost of labour court procedures, making hiring on long-term contracts more attractive. This would help avoid a decline in job quality in a future downturn associated with significant worker turnover.
- Stronger product-market competition will also be needed. Building on its recent competition reform and its measures to enhance infrastructure competition in the telecommunication sector, the government should further reduce barriers to entry in network industries, including for foreign firms.

# *NETHERLANDS*

**The economy contracted in the second half of 2011. Domestic demand weakened as financial turmoil made investors and consumers more cautious and damaged the solvency of pension funds. Growth is projected to gradually pick up again from mid-2012, underpinned by stronger world trade and supportive monetary policy. Unemployment could continue to rise until mid-2012 and currently high inflation pressures will ease.**

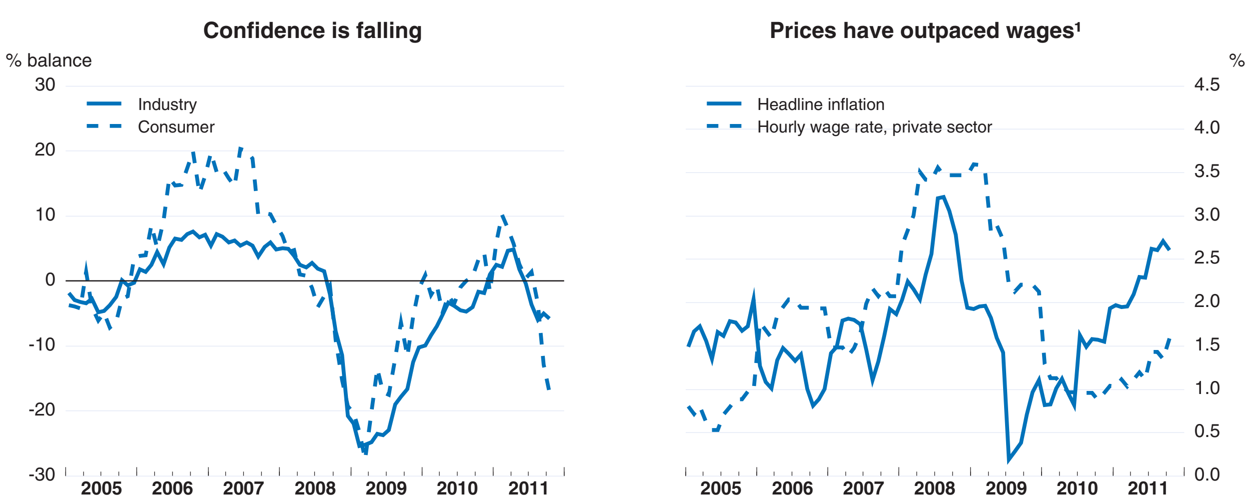
***The economy has slowed over 2011***

The economy contracted in the second half of 2011 as a result of decelerating world trade, fiscal consolidation and subdued household income growth. Financial turmoil affected confidence and a combination of falling equity prices and low interest rates dragged pension funds' average coverage ratio below official requirements. Unless coverage ratios recover, this points to lower future pensions. Headline inflation has risen, as in the rest of Europe, on the back of higher energy prices. Core inflation has also picked up, but wage growth remained stable. Harmonised unemployment, which had been declining since mid-2010, started rising again over the summer, although at 4½ per cent it remains among the lowest in Europe.

***Significant fiscal consolidation is underway***

Slower economic activity and lower-than-expected tax revenues in the first half of 2011 have induced the government to revise up its deficit estimates without modifying the underlying speed of consolidation. The budget consolidation for 2012 amounts to 1% of GDP, mainly through social spending cuts and higher health care premiums. In 2013, the government foresees a further reduction in the budget deficit of ½ per cent of GDP as part of its medium-term fiscal plan.

**Netherlands**




1. Year-on-year percentage change.

*Source:* OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888932541189

### Netherlands: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 594.7 | -3.5 | 1.6 | 1.4 | 0.3 | 1.5 |
| Private consumption | 270.4 | -2.6 | 0.4 | -0.7 | -0.5 | 0.6 |
| Government consumption | 152.8 | 4.8 | 1.0 | 0.0 | -0.8 | 0.3 |
| Gross fixed capital formation | 121.8 | -10.2 | -4.4 | 6.1 | 0.5 | 3.7 |
| Final domestic demand | 545.1 | -2.2 | -0.4 | 0.9 | -0.4 | 1.1 |
| Stockbuilding[1] | 0.3 | -0.8 | 1.2 | 0.2 | -0.4 | 0.0 |
| Total domestic demand | 545.3 | -3.0 | 0.9 | 1.0 | -0.8 | 1.1 |
| Exports of goods and services | 453.4 | -8.1 | 10.8 | 4.7 | 2.8 | 5.7 |
| Imports of goods and services | 404.0 | -8.0 | 10.6 | 4.3 | 2.0 | 5.7 |
| Net exports[1] | 49.4 | -0.7 | 0.9 | 0.6 | 0.8 | 0.5 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | -0.4 | 1.3 | 1.2 | 1.7 | 1.7 |
| Harmonised index of consumer prices | _ | 1.0 | 0.9 | 2.5 | 2.2 | 1.8 |
| Private consumption deflator | _ | -0.5 | 1.5 | 2.2 | 1.9 | 1.8 |
| Unemployment rate | _ | 3.7 | 4.4 | 4.3 | 4.5 | 4.2 |
| Household saving ratio[2] | _ | 6.4 | 3.9 | 2.3 | 2.6 | 2.9 |
| General government financial balance[3] | _ | -5.5 | -5.0 | -4.2 | -3.2 | -2.8 |
| General government gross debt[3] | _ | 67.4 | 70.6 | 72.5 | 75.3 | 76.9 |
| General government debt, Maastricht definition[3] | _ | 60.7 | 62.9 | 64.8 | 67.6 | 69.2 |
| Current account balance[3] | _ | 4.2 | 6.7 | 7.8 | 7.6 | 7.9 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income, including savings in life insurance and pension schemes.
3. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542690

***Recovery will be gradual in 2012***

In the short term, the economy will go through a period of near zero growth. From mid-2012, accelerating world trade and supportive monetary conditions are projected to increase growth gradually. The rise in unemployment is expected to be limited, reflecting some labour hoarding by companies, and to be more than reversed by the end of the projection period. Wage growth is projected to rise, but only slightly, in 2013. Headline inflation is set to slow as the effects of past oil price increases fade.

***Domestic risks are balanced***

The ongoing financial turmoil induces important downside risks to this projection. Domestically, construction could prove weaker than projected in case of a stronger payback of last winter's mild weather induced boom or if credit supply tightens more than assumed. On the upside, the drop in long-term government bond rates may help cushion the slowdown if it is passed through to the rest of the economy.

***Policy orientation should downside risks materialise***

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- In case of a more pronounced slowdown than projected, the automatic stabilisers should continue supporting the economy and the planned fiscal adjustment could be delayed, provided that structural reforms are adopted to contain expenditures in the long-term and boost potential growth.
- Consumer confidence is likely to have been negatively affected by the effects of the ongoing financial turmoil on pension funds' solvency. To reduce the pro-cyclical effects of market volatility, a more stable long-term interest rate could be used as the discount factor when assessing funds' solvency.
- Further lowering effective marginal tax rates for low-income workers and second earners and further reforming disability benefits, and increasing job-search incentives for high-skilled unemployed would all stimulate labour supply and raise potential output.

# NEW ZEALAND

**Economic activity has been comparatively resilient and is set to accelerate over the next two years. Although a still relatively high NZ dollar and a weaker global economy will undermine exports for a time, and policy support will eventually be withdrawn, post-earthquake reconstruction will provide ongoing stimulus. High commodity prices and a recovering labour market are supporting incomes, although private spending will be restrained by necessary deleveraging.**

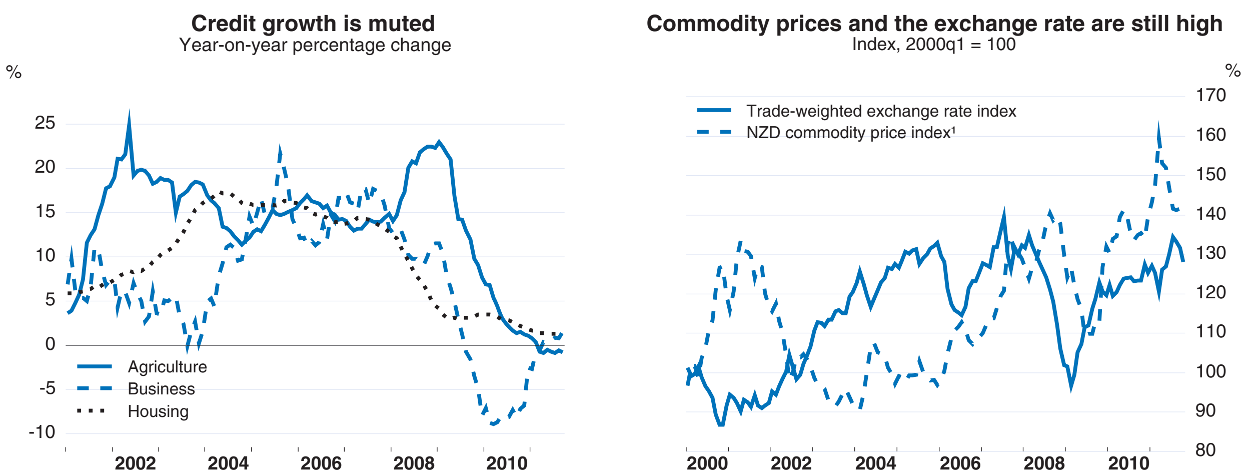
***The outlook is comparatively robust***

Real GDP growth is projected to increase to 2-3% over the coming two years. Reconstruction from the February 2011 Christchurch earthquake, delayed thus far by aftershocks, should soon gain momentum and continue for a number of years. Incomes will benefit from still high prices for export commodities, in particular dairy products, despite some recent weakening. The recovery in household spending will be restrained by deleveraging, however, especially in light of falling wealth due mainly to house-price weakness. This will be only partly offset by rising employment and low mortgage rates. Business investment will be held back by continuing economic uncertainty and, perhaps, weakened credit supply. In the near term, net exports will be impaired by ongoing impacts of labour cost competitiveness losses.

***The withdrawal of monetary stimulus has been deferred***

The Reserve Bank has maintained an accommodative stance, holding its intervention rate at 2.5%, as insurance against renewed global risks. Nevertheless, monetary conditions have tightened through rising risk margins, intensified bank competition for domestic deposits and, until lately, exchange-rate appreciation. With core inflation and inflation expectations still above the mid-point of the Reserve Bank's 1-3% inflation target band, the room for interest rate cuts may be limited. Capacity

**New Zealand**




1. This NZD price index, published by ANZ, summarises the price trends for New Zealand's 17 main commodity exports.

*Source:* Reserve Bank of New Zealand and OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541208

New Zealand: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices NZD billion | Percentage changes, volume (1995/1996 prices) | | | | |
| **GDP at market prices** | 184.6 | 0.1 | 2.3 | 1.4 | 2.5 | 3.0 |
| Private consumption | 108.3 | -0.8 | 2.2 | 2.2 | 1.9 | 2.4 |
| Government consumption | 36.7 | 0.5 | 3.4 | 2.6 | -1.3 | -0.4 |
| Gross fixed capital formation | 41.1 | -10.6 | 2.2 | 2.9 | 12.0 | 12.2 |
| Final domestic demand | 186.1 | -2.7 | 2.4 | 2.4 | 3.2 | 4.0 |
| Stockbuilding[1] | 1.7 | -1.9 | 1.3 | -0.3 | 0.0 | 0.0 |
| Total domestic demand | 187.8 | -5.1 | 4.2 | 2.4 | 3.1 | 4.0 |
| Exports of goods and services | 57.1 | 2.0 | 2.9 | 1.6 | 2.4 | 4.5 |
| Imports of goods and services | 60.3 | -14.6 | 10.3 | 5.7 | 4.8 | 7.6 |
| Net exports[1] | - 3.2 | 5.4 | -2.0 | -1.1 | -0.7 | -0.9 |
| *Memorandum items* | | | | | | |
| GDP (production) | _ | -2.0 | 1.6 | 1.9 | 2.5 | 3.0 |
| GDP deflator | _ | 0.6 | 2.6 | 3.4 | 2.0 | 2.6 |
| Consumer price index | _ | 2.1 | 2.3 | 4.2 | 2.6 | 2.7 |
| Core consumer price index[2] | _ | 2.2 | 1.9 | 3.0 | 2.7 | 2.7 |
| Private consumption deflator | _ | 2.3 | 1.3 | 3.1 | 2.2 | 2.3 |
| Unemployment rate | _ | 6.2 | 6.5 | 6.6 | 6.2 | 5.3 |
| Household saving ratio[3] | _ | -2.2 | 0.2 | 0.6 | 1.1 | 1.8 |
| General government financial balance[4] | _ | -2.6 | -4.0 | -8.0 | -4.0 | -3.3 |
| General government gross debt[4] | _ | 34.4 | 37.8 | 44.1 | 47.6 | 50.2 |
| Current account balance[4] | _ | -2.6 | -3.4 | -3.9 | -5.0 | -5.9 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. Consumer price index excluding food and energy.
3. As a percentage of disposable income.
4. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542709

constraints in the form of skilled labour shortages and wage pressures are already apparent, most notably in the construction sector, and could intensify as rebuilding takes off in 2012. The Official Cash Rate should start to be raised in the first half of 2012.

***Fiscal consolidation has suffered delays***

Some fiscal slippage has resulted from higher earthquake-related spending than expected in the May 2011 budget. Furthermore, costs incurred by the Earthquake Commission have risen sharply, although some offset will be made by a tripling of earthquake insurance premiums paid by households to the government insurance scheme. The government has reaffirmed its commitment to medium-term fiscal consolidation to contain public debt growth in view of a recent ratings downgrade and nervous financial markets. It plans to achieve fiscal balance by 2014/15 mainly by means of spending cuts.

***Risks are unusually high***

Besides evident global risks, in particular a spread of contagion to major trading partners in Asia, there are important domestic risks.

Further fiscal slippage and renewed widening of the current account deficit could provoke sharply increased international funding costs, jeopardising growth prospects and increasing debt service burdens.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The monetary policy stance is now appropriately accommodative, but should activity slow significantly there would be room for interest-rate cuts.
- Whereas net public debt is low, fiscal space is limited by global financial-market turbulence, given the dependence on external borrowing by banks and, increasingly, the government. Whereas automatic stabilisers should be allowed to work in the event of a sharp downturn, the underlying consolidation programme should continue.
- Strengthening the fiscal framework would, by enhancing fiscal credibility, provide more fiscal room for manoeuvre. A spending rule would underpin the current *de facto* net debt rule and an independent fiscal authority should be established to enhance adherence to fiscal rules.
- To further ease fiscal constraints, social spending must meet public needs more efficiently, particularly in health and education. This requires stronger accountability incentives for service providers. Access and service quality for minorities should be improved, thereby contributing to their skill enhancement and labour force participation.
- The recession has highlighted the need for structural reforms to unleash productivity growth and address macroeconomic imbalances. Reforms to pensions and taxes would support the medium-term path for fiscal consolidation and boost incentives to work, save and invest. As to product market reforms, public ownership stakes in network industries should be divested. Regulations should be subject to clear net benefit tests and regulators made more independent and accountable. Barriers to FDI should also be relaxed.

# NORWAY

**Norway has entered a soft patch, due to weakened confidence and subdued exports, which is expected to persist through mid-2012. The economy will subsequently resume its robust expansion as confidence returns. Consumer price inflation has remained low, reflecting moderate rises in unit labour costs and import prices, but the acceleration of output will lift it somewhat by the end of the projection period. The unemployment rate is likely to remain stable, as increasing labour demand will be met by continued high net immigration.**

***The mainland economy has lost some momentum***

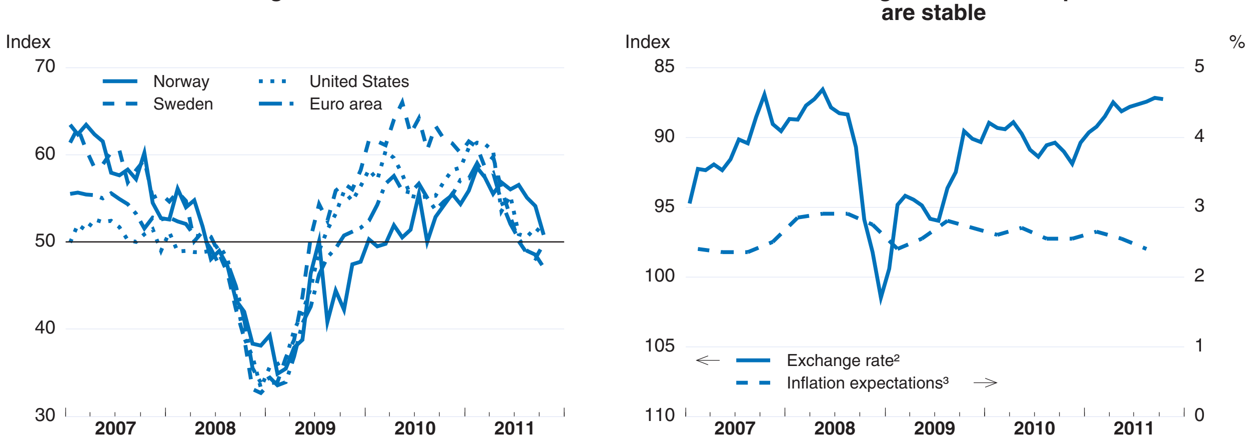
A weakening of confidence is holding back private consumption and investment. Faltering growth in Europe is beginning to impact exports. But the slowdown has been less pronounced than in other OECD countries, primarily owing to the strength of the petroleum industry and the fiscal stimulus provided by using the returns to the Government Pension Fund Global (GPFG).

***Monetary policy will need to stay loose in the coming quarters***

Inflation is below the 2.5% target, and inflation expectations are well-anchored. Interest rates abroad are likely to remain very low in the near to medium term, limiting the scope for Norges Bank to raise rates without causing an appreciation of the already strong krone. Given weaker prospects for the world economy, Norges Bank has appropriately maintained a supportive monetary stance. In the current environment, Norges Bank should keep its policy rate stable through the end of 2012 and resume the tightening cycle in early 2013. Signs of imbalances in asset markets, particularly very high house prices and household debt, should

**Norway**

**The PMI[1] signals a slowdown** | **The krone is strong and inflation expectations are stable**




1. Data refer to the manufacturing PMI (Purchasing Managers' Index).
2. Exchange rate is the import-weighted exchange rate (I-44) which is produced by Norges Bank and measures the value of the krone against the currencies of Norway's most important trading partners. A positive slope means the krone is appreciating.
3. Inflation expectations are the average year-on-year expectations of consumer price inflation two years ahead by economists and employer/employee organisations.

*Source:* Bloomberg; Swedbank; Markit and Norges Bank.

StatLink http://dx.doi.org/10.1787/888932541227

Norway: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices NOK billion | Percentage changes, volume (2007 prices) | | | | |
| **GDP at market prices** | 2 510.9 | -1.7 | 0.3 | 1.5 | 2.0 | 2.7 |
| Private consumption | 988.8 | 0.2 | 3.7 | 2.8 | 2.7 | 3.9 |
| Government consumption | 491.9 | 4.8 | 2.2 | 2.4 | 1.5 | 1.7 |
| Gross fixed capital formation | 548.0 | -6.8 | -7.4 | 6.0 | 5.0 | 4.8 |
| Final domestic demand | 2 028.7 | -0.6 | 0.5 | 3.5 | 3.0 | 3.6 |
| Stockbuilding[1] | 7.0 | -2.9 | 3.4 | 1.4 | -0.8 | 0.0 |
| Total domestic demand | 2 035.7 | -4.2 | 4.4 | 5.1 | 2.0 | 3.6 |
| Exports of goods and services | 1 218.0 | -3.9 | -1.7 | -2.2 | 1.9 | 2.2 |
| Imports of goods and services | 742.8 | -11.7 | 9.0 | 5.8 | 1.9 | 4.4 |
| Net exports[1] | 475.2 | 1.6 | -3.2 | -2.6 | 0.3 | -0.3 |
| *Memorandum items* | | | | | | |
| Mainland GDP at market prices[2] | _ | -1.8 | 2.1 | 2.6 | 2.7 | 3.6 |
| GDP deflator | _ | -5.6 | 6.7 | 9.0 | 2.0 | 2.2 |
| Consumer price index | _ | 2.2 | 2.4 | 1.5 | 1.9 | 1.8 |
| Private consumption deflator | _ | 2.5 | 2.0 | 1.2 | 2.0 | 2.0 |
| Unemployment rate | _ | 3.2 | 3.6 | 3.2 | 3.2 | 3.2 |
| Household saving ratio[3] | _ | 7.3 | 7.4 | 8.7 | 8.5 | 7.7 |
| General government financial balance[4] | _ | 10.7 | 10.6 | 12.5 | 11.5 | 10.7 |
| General government gross debt[4] | _ | 49.1 | 49.7 | 56.5 | 51.3 | 48.6 |
| Current account balance[4] | _ | 11.8 | 12.6 | 16.4 | 16.4 | 15.6 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. GDP excluding oil and shipping.
3. As a percentage of disposable income.
4. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542728

be addressed by tightening mortgage lending regulation and unwinding the extraordinary tax advantages favouring housing investment.

***The structural non-oil deficit will widen***

The projection assumes that the government will fully implement the fiscal plans that are set out in the National Budget published in October 2011. This means taxes will stay at the same level over the next two years and the structural non-oil budget deficit will grow in line with the fiscal guidelines which require that over time it be 4% of the assets in the GPFG.

***Confidence and growth are projected to return to high levels by 2013***

The soft patch in the economy is projected to dissipate around mid-2012, when confidence is assumed to strengthen both abroad and at home. Strong increases in private consumption and investment, notably in the construction industry, will drive GDP growth through 2013. Rising domestic demand will spur employment growth, although continued high net immigration will keep wage growth at modest levels. The planned one percentage point hike in the value-added tax on food will cause headline inflation to rise temporarily above core inflation.

***Main risks are on the external side***

The terms of trade will be sensitive to swings in market sentiment towards the euro area and other major trading partners. A severe worldwide downturn would likely depress external demand and oil prices which would have significant knock-on effects on Norway's economy and government revenues.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- The government should continue to follow its fiscal guidelines. Should the economy turn out to be substantially weaker than projected, this means providing discretionary fiscal support, in addition to letting the automatic stabilisers work. Contrary to the fiscal expansion of 2009, any such additional discretionary action should not increase public employment, which cannot be easily reversed and is therefore not appropriate as a temporary measure.
- In the event of a worsening global and domestic economy, especially if it triggered interest rate cuts abroad, Norges Bank, the central bank of Norway, should reduce the policy rate and maintain it at a very low level for an extended period. If necessary, measures to boost liquidity in the banking sector should be considered.
- Competition could be increased in many sectors, in particular by strengthening the Competition Authority and reducing public ownership.
- To stimulate labour supply, the rules for the early retirement scheme (AFP) in the public sector should be aligned with those in the private sector. Stricter monitoring of the assessment decisions of doctors would improve the targeting of sickness and disability benefits with no adverse effects on the insurance aspect of the programmes.

# POLAND

**GDP growth is projected to slow noticeably in 2012 and 2013 due to a sharp fiscal retrenchment and the projected sharp slowdown in the euro area with private consumption and investment decelerating rapidly as a result. Weaker domestic demand may be partly compensated by stronger net exports, driven by the significant depreciation of the zloty and the 2012 football championships.**

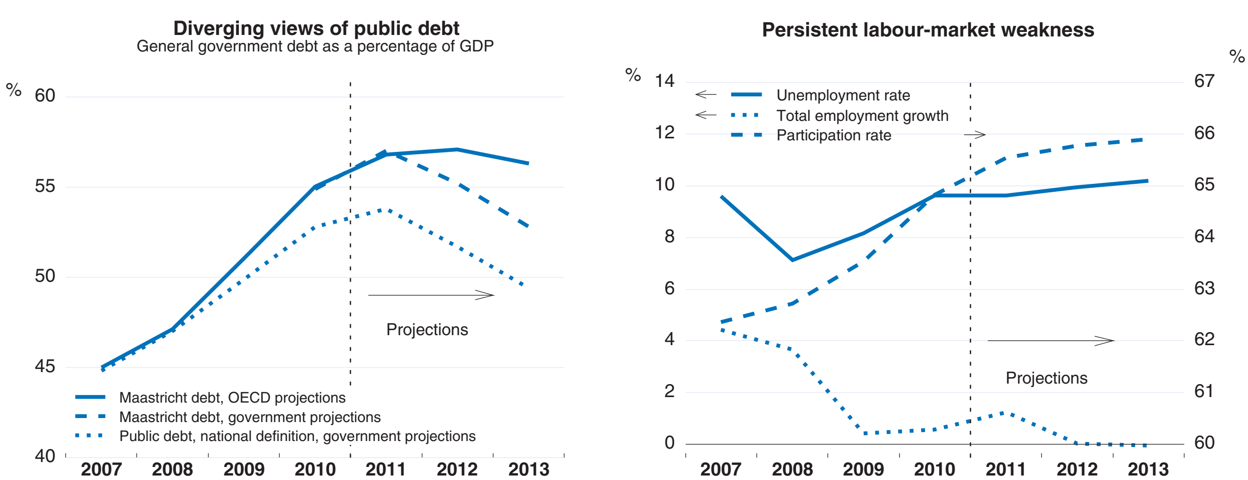
***The economy is shifting down a gear***

Real GDP growth is projected to fall from about 4% in 2010 and 2011 to around 2.5% in 2012 and 2013 due to fiscal consolidation and sluggish external demand, which will in turn weaken private consumption and public and private investment. Weakness in domestic demand is projected to be partly offset by stronger net exports triggered by significant zloty depreciation in 2011 and the 2012 football championships. Unemployment is projected to rise as a result of the slowdown, the increase in the participation rate and the impact of the planned 8% increase in the minimum wage.

***Fiscal consolidation is on track for 2011...***

The government is on track to meet its budget deficit target in 2011, owing to consolidation measures (a rise in the value added tax, the diversion of social contributions from the second pension pillar to the budget and central government spending norms) and buoyant tax revenues. It is assumed that the government will make continued efforts to keep public spending under control, and that a rise in environmental and property taxes and reductions in tax expenditures will bring the budget deficit to the targeted 2.9% and 2% of GDP in 2012 and 2013, in line with Poland's EU commitments. This will put gross general government debt-to-GDP ratio on a declining path thereafter.

**Poland**




*Source:* GUS; OECD, OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541246

### Poland: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices PLN billion | Percentage changes, volume (2000 prices) | | | | |
| **GDP at market prices** | 1 274.9 | 1.6 | 3.8 | 4.2 | 2.5 | 2.5 |
| Private consumption | 785.1 | 2.1 | 3.1 | 3.4 | 2.2 | 2.0 |
| Government consumption | 235.6 | 2.5 | 3.5 | 1.0 | 0.6 | 0.0 |
| Gross fixed capital formation | 281.5 | -1.0 | -1.0 | 7.6 | 4.7 | 4.4 |
| Final domestic demand | 1 302.1 | 1.5 | 2.3 | 3.8 | 2.4 | 2.2 |
| Stockbuilding[1] | 23.1 | -2.2 | 1.9 | 0.5 | -0.3 | 0.0 |
| Total domestic demand | 1 325.2 | -0.6 | 4.3 | 4.3 | 2.1 | 2.1 |
| Exports of goods and services | 507.7 | -6.0 | 10.1 | 8.5 | 5.4 | 4.4 |
| Imports of goods and services | 558.0 | -13.2 | 11.5 | 7.2 | 4.1 | 3.5 |
| Net exports[1] | - 50.2 | 3.4 | -0.5 | 0.4 | 0.5 | 0.4 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 3.4 | 1.7 | 2.8 | 2.3 | 2.6 |
| Consumer price index | _ | 3.8 | 2.6 | 4.0 | 2.5 | 2.5 |
| Private consumption deflator | _ | 2.5 | 2.8 | 4.0 | 2.4 | 2.3 |
| Unemployment rate | _ | 8.2 | 9.6 | 9.6 | 9.9 | 10.2 |
| General government financial balance[2,3] | _ | -7.4 | -7.9 | -5.4 | -2.9 | -2.0 |
| General government gross debt[2] | _ | 58.5 | 62.4 | 64.9 | 65.4 | 64.7 |
| General government debt, Maastricht definition[2] | _ | 51.1 | 55.0 | 56.8 | 57.1 | 56.3 |
| Current account balance[2] | _ | -3.9 | -4.5 | -4.4 | -4.4 | -4.0 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.
3. With private pension funds (OFE) classified outside the general government sector.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542747

***... but additional measures are necessary to achieve the 2012-13 targets***

Nevertheless, the consolidation measures announced thus far are not sufficient to achieve these targets, especially given the government's optimistic underlying growth projections. Additional measures must be announced quickly and clearly communicated to strengthen credibility. At the same time, the gap between the Maastricht and national public debt definitions keeps on widening, as public infrastructure spending is being increasingly shifted outside the national definition with a view to keeping it below the intermediate debt threshold of 55% of GDP, which would trigger automatic consolidation measures.

***The monetary policy stance is appropriate***

Given slow growth and the significant fiscal consolidation, the monetary policy stance is appropriate over the projection horizon. Headline inflation should fall back towards the middle of the central bank's target band. Real wage growth will be moderate, in line with productivity gains, given rising unemployment.

***The banking system is unshaken, despite foreign-currency loans***

Polish banks are not suffering from their large stock of foreign-currency (mainly Swiss franc) loans because of sound prudential regulation and because the impact of the Swiss franc's strength is largely offset by declines in interest rates on such loans.

***Risks are mostly on the downside***

Budgetary slippage is a concern for 2012. Considering Poland's limited fiscal space, lower-than-expected economic growth could turn fiscal policy even more pro-cyclical if public debt (on a national definition) goes beyond the threshold of 55%. However, the central bank is in a position to cut its policy rate in such a case. Yet, the risks of rising unemployment and a large currency depreciation triggered by capital outflows might have serious effects on the banking sector.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- A significant deterioration in economic conditions could be met by interest-rate cuts, provided that the zloty does not deteriorate substantially.
- Poland's fiscal space to respond to a major economic downturn is limited given the debt rule, though automatic stabilisers should be allowed to work.
- The fiscal framework should be strengthened by: introducing a medium-term deficit rule; putting in place detailed multi year budgeting; creating an independent fiscal council to strengthen the transparency and communication of fiscal policy; and harmonising the domestic and Maastricht definitions of debt.
- The tax wedge, lowered considerably in 2007 and 2009, is still slightly above the OECD average, and a further decrease could help stimulate labour demand during an economic slowdown and contain any rise in unemployment and weakening in private consumption. A cut in the tax wedge could be financed by reducing government spending and/or increasing environmental and property taxes, which are particularly low in international comparison.
- Boosting privatisation by focusing on the sales of controlling stakes in state-owned companies would lower public debt and could bolster potential output by raising productivity. Reducing state interference in privatised companies and further easing barriers to entrepreneurship by cutting red tape would have similar beneficial effects.

# *PORTUGAL*

**The economy is expected to contract further through 2012, due to necessary fiscal consolidation, deleveraging and a marked slowdown in external demand. Unemployment is set to rise further, while higher indirect taxes will push up prices. In 2013, a mainly export-led return to growth is expected to gather pace, as global conditions improve. Private domestic demand should also start growing again and the current account deficit is expected to narrow substantially.**

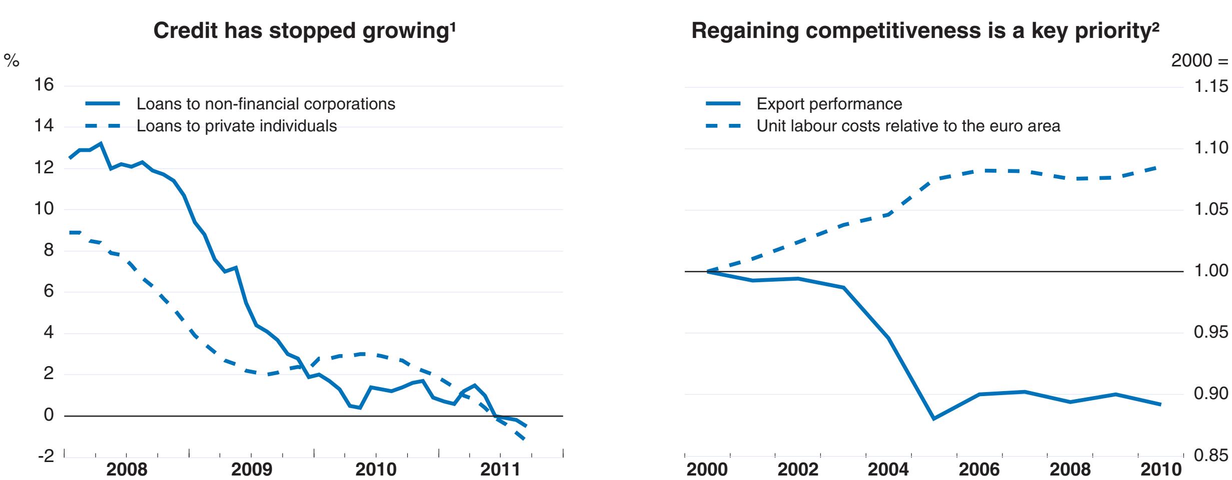
***Domestic demand is contracting strongly***

Driven by a contraction of domestic demand of unprecedented magnitude, GDP has been falling in 2011, despite robust export growth. Output losses are estimated to intensify in the final quarter of the year with deteriorating global conditions weakening exports, bank deleveraging continuing and additional tax hikes hitting disposable income. Unemployment has remained high, while increases in VAT and in oil prices have fuelled inflation.

***Fiscal consolidation is underway but remains challenging***

Important fiscal slippages have gradually become apparent in 2011, with a deficit in the first half of 8.3% of GDP, requiring further measures to get back on track towards the 5.9% target for the whole year. Furthermore, long-standing fragilities in the fiscal framework were again exposed by a recent revision of the 2010 deficit to 9.8% of GDP (from 9.2%), mainly due to previously unrecorded expenditure by the Madeira regional administration (incurred over several years) and, to a smaller extent, to health care spending. To meet the EU/IMF financial assistance programme budget targets, the authorities announced in the summer and in the draft 2012 Budget additional measures for 2011 and 2012, respectively. The former, mostly of a temporary nature, include a personal income tax

**Portugal**




1. Annual growth rates; loans to private individuals have been adjusted for securitisation operations.
2. Unit labour costs for total economy. Export performance is the ratio between export volumes and export markets for total goods and services.

*Source:* Banco de Portugal and OECD Economic Outlook 90 database.

*StatLink* http://dx.doi.org/10.1787/888932541265

Portugal: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2006 prices) | | | | |
| **GDP at market prices** | 172.0 | -2.5 | 1.4 | -1.6 | -3.2 | 0.5 |
| Private consumption | 114.9 | -1.1 | 2.3 | -3.7 | -5.5 | -1.3 |
| Government consumption | 34.6 | 3.7 | 1.3 | -4.3 | -4.7 | -3.4 |
| Gross fixed capital formation | 38.6 | -11.3 | -4.9 | -11.0 | -11.9 | -0.3 |
| Final domestic demand | 188.1 | -2.3 | 0.8 | -5.1 | -6.4 | -1.6 |
| Stockbuilding[1] | 1.2 | -0.6 | -0.1 | -0.2 | 0.1 | 0.0 |
| Total domestic demand | 189.3 | -2.9 | 0.7 | -5.3 | -6.3 | -1.6 |
| Exports of goods and services | 55.8 | -11.6 | 8.8 | 7.2 | 4.0 | 6.1 |
| Imports of goods and services | 73.1 | -10.6 | 5.1 | -4.9 | -5.2 | 0.5 |
| Net exports[1] | - 17.3 | 0.7 | 0.6 | 4.2 | 3.4 | 2.1 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 0.5 | 1.1 | 1.2 | 0.8 | 1.0 |
| Harmonised index of consumer prices | _ | -0.9 | 1.4 | 3.5 | 2.6 | 1.1 |
| Private consumption deflator | _ | -2.5 | 1.6 | 3.7 | 2.5 | 1.1 |
| Unemployment rate | _ | 9.5 | 10.8 | 12.5 | 13.8 | 14.2 |
| Household saving ratio[2] | _ | 10.9 | 9.7 | 9.3 | 9.8 | 10.4 |
| General government financial balance[3,4] | _ | -10.2 | -9.8 | -5.9 | -4.5 | -3.0 |
| General government gross debt[3] | _ | 93.3 | 103.6 | 111.9 | 121.9 | 123.7 |
| General government debt, Maastricht definition[3] | _ | 83.0 | 93.3 | 101.7 | 111.7 | 113.4 |
| Current account balance[3] | _ | -10.9 | -9.9 | -8.0 | -3.8 | -1.7 |

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.
4. Based on national accounts definition.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542766

surcharge (mainly falling on the extra month of salary or pension paid at Christmas), the transfer of banking sector pension funds to the state and bringing forward higher VAT on electricity and gas. Most of the additional savings in 2012 are expected to come from suppressing the two extra monthly payments for civil servants and pensioners (with no or smaller cuts for those earning less than 1000 euros per month), as well as from a broader scope of the VAT standard rate. The projections incorporate these announcements. To sustain the consolidation effort over the medium term, structural reforms in public administration must be carried out to increase its efficiency and the ability to attract high-skilled staff.

*The economy is set to contract further*

GDP is likely to continue to fall in 2012, and gradually recover thereafter, mainly supported by exports. As internal imbalances unwind, private domestic demand is expected to return to positive, albeit modest, growth towards the end of the projection horizon. Net of tax-induced effects, inflation will remain subdued, while unemployment is set to rise further. The narrowing of the current account deficit should gather pace.

***Downside risks prevail***

The risks surrounding the forecast are mainly on the downside. A sharp deterioration in global conditions or stronger-than-projected demand effects of the required fiscal retrenchment would lead to a more pronounced contraction in activity. Further bad news on the budget front would undermine confidence.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- Strictly implementing budget consolidation must remain a priority and the government should meet its headline deficit targets. If needed, the authorities should stand ready to take additional measures, preferably on the spending side, to achieve the planned improvement in the fiscal position.
- To shore up the credibility of fiscal consolidation and foster efficiency gains in public spending, a sounder fiscal framework is needed. Prominent features should encompass multi-year programming underpinned by expenditure ceilings, assessment and oversight by an independent fiscal council and strengthened accountability mechanisms covering the whole public sector.
- Growth-friendly tax reforms, calibrated so as not to endanger fiscal consolidation targets, have the potential to yield employment gains relatively quickly, which is important to minimise the risk of rising structural unemployment. A shift from employers' social contributions to consumption and property taxes is also likely to imply competitiveness gains.
- Reducing labour market dualism by easing employment protection on regular contracts, in line with policy commitments under the EU/IMF financial assistance programme, would make the economy more flexible and attractive for investment.

# SLOVAK REPUBLIC

**After a strong rebound following the crisis, activity is expected to slow in line with weak growth in export markets and a decline in confidence. Due to persistent high unemployment and fiscal consolidation measures, public and private consumption is projected to remain subdued. With the improvement of the global environment and a pick-up in both exports and investment, GDP growth should strengthen from mid-2012 onwards. By damping tax revenues and increasing spending on social benefits, the economic slowdown will temporarily undermine fiscal consolidation plans.**

***The economic outlook is deteriorating...***

The export-driven recovery has slowed as growth in export markets has weakened and the euro area sovereign debt crisis has undermined the business climate. Domestic demand has remained subdued as fiscal consolidation and inflation weigh on household income growth and thereby consumption.

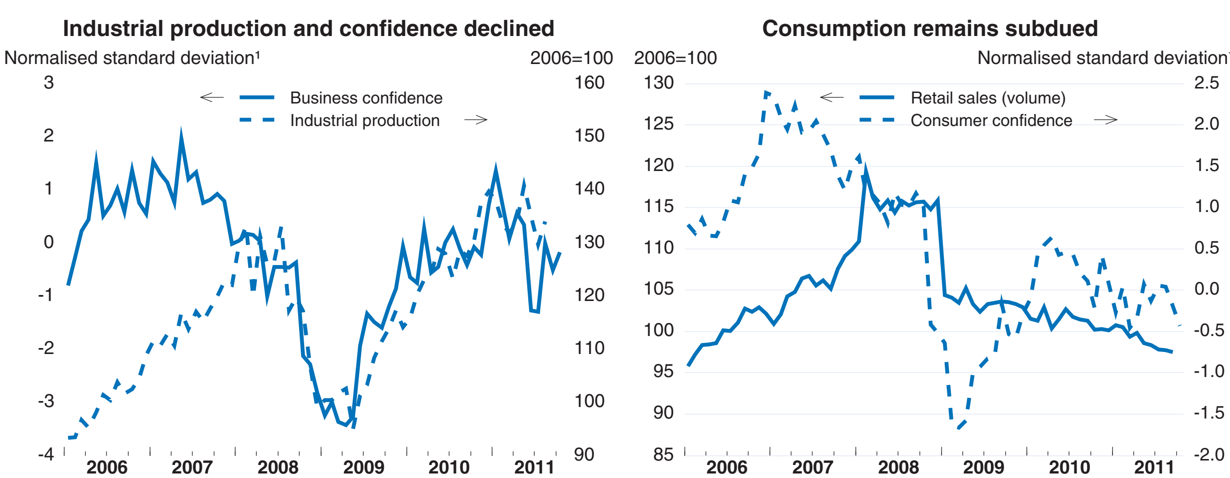
***...undermining fiscal consolidation plans***

The fiscal deficit at around 7½ per cent of GDP in 2010 was among the highest in the euro area. In addition, conditions on the sovereign bond market have deteriorated significantly over the past few months. The government has thus rightly planned ambitious consolidation measures to reach its deficit target of 2.9% of GDP in 2013, with efforts appropriately concentrated on the expenditure side. However, without further measures to offset the cyclical deterioration of revenues and higher spending, the consolidation pace is projected to slow, leaving a deficit of 3.5% of GDP in 2013.

***The economic slowdown should be temporary...***

After a significant slowdown, economic growth is projected to progressively recover during 2012 with the improvement of world trade, long-planned investments in the automotive sector and a higher absorption of EU funds to finance infrastructure in 2012 and 2013. Consumption is expected to contribute positively to growth following

**Slovak Republic**




1. Calculated as deviations from the mean which are expressed in standard deviations.

*Source:* OECD Economic Outlook 90 database; OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888932541284

Slovak Republic: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2005 prices) | | | | |
| **GDP at market prices** | 66.9 | -4.9 | 4.2 | 3.0 | 1.8 | 3.6 |
| Private consumption | 38.2 | 0.2 | -0.7 | -0.1 | 1.3 | 2.8 |
| Government consumption | 11.8 | 6.2 | 1.5 | -3.3 | -0.5 | -0.7 |
| Gross fixed capital formation | 16.6 | -19.7 | 12.4 | 5.3 | 2.8 | 4.5 |
| Final domestic demand | 66.6 | -3.7 | 2.4 | 0.5 | 1.3 | 2.6 |
| Stockbuilding[1] | 1.9 | -3.5 | 1.8 | -0.2 | 0.4 | 0.0 |
| Total domestic demand | 68.5 | -7.0 | 4.2 | 0.2 | 1.7 | 2.5 |
| Exports of goods and services | 55.8 | -15.9 | 16.5 | 10.3 | 3.5 | 7.0 |
| Imports of goods and services | 57.4 | -18.1 | 16.3 | 6.7 | 3.4 | 5.9 |
| Net exports[1] | - 1.6 | 2.3 | 0.0 | 2.8 | 0.1 | 1.1 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | -1.2 | 0.5 | 2.0 | 2.8 | 2.6 |
| Harmonised index of consumer prices | _ | 0.9 | 0.7 | 4.1 | 2.9 | 2.8 |
| Private consumption deflator | _ | 0.1 | 1.0 | 3.9 | 3.3 | 2.8 |
| Unemployment rate | _ | 12.1 | 14.4 | 13.4 | 13.2 | 12.3 |
| General government financial balance[2] | _ | -8.0 | -7.7 | -5.9 | -4.6 | -3.5 |
| General government gross debt[2] | _ | 40.0 | 44.8 | 49.8 | 53.4 | 55.3 |
| General government debt, Maastricht definition[2] | _ | 35.5 | 41.0 | 46.1 | 49.6 | 51.5 |
| Current account balance[2] | _ | -3.2 | -3.5 | -1.6 | -1.5 | -0.5 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542785

some improvement in the labour market, notably as the recent reforms of the labour code, which relaxed employment protection legislation somewhat, will foster employment. Finally, real household income will benefit from lower inflation, not least because increases in regulated prices should be less pronounced going forward.

***...but uncertainty remains high***

The main risks surrounding the projection relate to the outlook in Slovakia's export markets and the impact of additional consolidation measures on domestic demand. Were domestic confidence to strengthen, saving rates could fall further and consumption would recover more strongly. Overall, however, the risks are predominantly on the downside.

***Policy orientation should downside risks materialise***

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The authorities should ensure that underlying consolidation measures are in place to reach the initial budget targets so as to maintain the confidence of financial markets.

- To enhance the credibility of the budgetary framework, a multi-year expenditure ceiling should be implemented to comply with the structural deficit objective of the Stability and Growth Pact. The planned establishment of an independent fiscal council in charge of monitoring compliance with the fiscal rule is welcome, as it will increase the transparency of fiscal policy and thereby support confidence.
- Due to the impact of ageing on fiscal sustainability, further reforms to the pension system would be urgently needed. In the first pillar, the replacement rate should be adjusted by adding a sustainability factor in the pension formula. Another option would be to increase the retirement age in line with life expectancy gains and to let pensions rise only with the rate of inflation.
- In response to the high level of long-term unemployment, which would most likely rise further in downturn, adequate public employment service capacities should be provided and spending on training measures, which is low by OECD standards, should be increased. Finally, institutions like legal extension of collective wage agreements or the minimum wage should not be allowed to prevent wages from adjusting to local market conditions.

# SLOVENIA

**The deleveraging of the corporate sector and a weak external environment will weaken growth throughout the first half of 2012, with both consumption and investment flat. Unemployment has risen to close to 8.5% and inflation remains low. Activity is projected to begin to recover gradually thereafter, with increasing confidence and a pick-up in world trade bolstering private consumption and investment.**

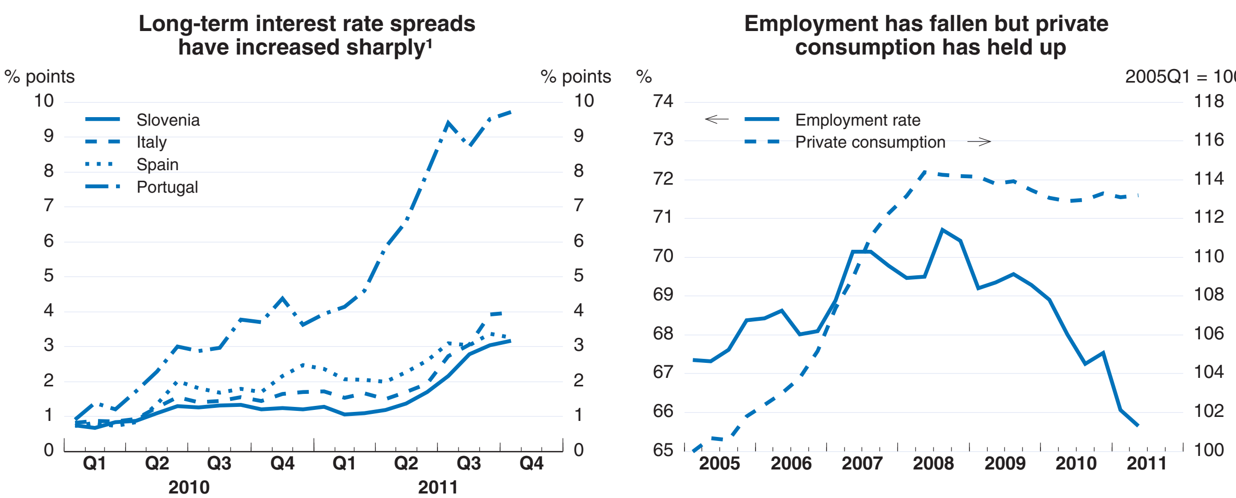
***Growth is projected to be very weak***

The recovery that had been mainly sustained by the external sector almost came to a halt in the third quarter of the year and the unemployment rate is stuck at a relatively high rate. Real GDP growth is projected to remain weak in 2012 amid sluggish domestic demand and a lack of support from exports. Employment is projected to fall until the fourth quarter of 2012, when the unemployment rate is expected to peak. Activity is projected to pick up again in late 2012, which will bring down unemployment in 2013. As economic slack is set to remain substantial, inflation pressures will remain subdued.

***Fiscal consolidation appears to be on track, but there are significant implementation risks***

Fiscal consolidation efforts focus primarily on containing the public-sector wage bill and transfers while cutting capital spending. This is expected to reduce the budget deficit to around 3% of GDP by 2013. In September 2011, the government adopted a supplementary budget to address shortfalls in reaching the 2011 target, most notably due to weak macroeconomic outturns, the re-capitalisation of systemic banks and support to the state railway and airline companies. The fiscal outlook for 2012 is, however, uncertain, in large part owing to political uncertainty. Parliament is not expected to discuss any major fiscal legislation until a new government is elected in December 2011.

**Slovenia**




1. Ten-year government bond spreads relative to the German rate.

*Source:* OECD Main Economic Indicators database and OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541303

Slovenia: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2000 prices) | | | | |
| **GDP at market prices** | 37.3 | -8.0 | 1.4 | 1.0 | 0.3 | 1.8 |
| Private consumption | 19.8 | -0.1 | -0.7 | 0.1 | 0.2 | 0.8 |
| Government consumption | 6.8 | 2.9 | 1.5 | -0.1 | -0.8 | 0.4 |
| Gross fixed capital formation | 10.7 | -23.3 | -8.3 | -12.2 | -2.1 | 3.4 |
| Final domestic demand | 37.3 | -6.3 | -2.0 | -2.6 | -0.4 | 1.2 |
| Stockbuilding[1] | 1.2 | -4.0 | 1.9 | 1.7 | 0.1 | 0.0 |
| Total domestic demand | 38.5 | -10.0 | -0.2 | -1.2 | -0.4 | 1.2 |
| Exports of goods and services | 25.0 | -17.2 | 9.5 | 8.0 | 3.5 | 4.0 |
| Imports of goods and services | 26.2 | -19.6 | 7.2 | 4.7 | 2.5 | 3.3 |
| Net exports[1] | - 1.2 | 2.3 | 1.5 | 2.2 | 0.8 | 0.6 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 3.0 | -1.1 | 0.3 | 0.7 | 1.4 |
| Harmonised index of consumer prices | _ | 0.9 | 2.1 | 1.8 | 1.3 | 1.7 |
| Private consumption deflator | _ | -0.4 | 1.4 | 1.4 | 1.4 | 1.6 |
| Unemployment rate | _ | 5.9 | 7.2 | 8.1 | 8.5 | 8.2 |
| General government financial balance[2] | _ | -6.1 | -5.8 | -5.3 | -4.5 | -3.3 |
| General government gross debt[2] | _ | 44.3 | 48.4 | 53.7 | 58.1 | 61.0 |
| General government debt, Maastricht definition[2] | _ | 35.3 | 38.8 | 44.0 | 48.5 | 51.4 |
| Current account balance[2] | _ | -1.3 | -0.8 | -0.2 | -0.5 | -0.8 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542804

Putting long-term public finances on a sustainable footing would require even more decisive measures than those stipulated in the pension reform that was rejected in a national referendum in June 2011. Slovenian banks remain among the most thinly capitalised in the euro area and further capital injections would put additional pressure on public finances. Coupled with the increasingly uncertain political situation and implementation risks of fiscal consolidation plans, some rating agencies have recently downgraded Slovenia's sovereign rating. Continuing deterioration in the macroeconomic outlook and the quality of bank assets also led to rating downgrades of several Slovenian banks, increasing the funding costs and difficulties faced by the banks on international markets. Reflecting heightened concerns about the state of public finances, government bond yields rose to 7% in mid-November.

***Downside risks dominate the outlook***

Risks to the projections are predominantly on the downside. Headwinds in the financial sector, an over-leveraged corporate sector and a weak housing market are likely to impede growth. By contrast, a strong government with a clear mandate to proceed with much needed structural reforms could boost market confidence and growth prospects.

***Policy orientation should downside risks materialise***

If downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Should macroeconomic outturns deteriorate more than anticipated, the authorities should stick to the headline deficit targets.
- The authorities need to credibly commit to consolidation plans. The recent creation of the fiscal council and the introduction of performance-based budgeting should facilitate a more rigorous fiscal execution. However, the administrative capacity of the fiscal council needs to be bolstered if it is to fulfil its responsibilities.
- Reforming the pension system is imperative, considering the long-term fiscal burden due to population ageing, and could be useful in the short run by helping to stem the sharp rise in interest rate spreads and thereby improving growth prospects and debt dynamics.
- Fostering labour market flexibility by easing employment protection legislation, notably for workers with regular contracts, and linking wage bargaining outcomes to economic conditions would facilitate the adjustment of wages, boost employment and help restore competitiveness.

# SPAIN

**Economic growth is projected to contract in the last quarter of 2011, reflecting slowing world trade and the impact of the euro area debt crisis on confidence and domestic funding conditions. The subsequent gradual recovery will be supported by improvements in competitiveness, although ongoing budgetary consolidation will weaken domestic demand. The unemployment rate may peak at 23% in 2012, while weak growth will reduce inflation below 1% in 2013. The fiscal deficit is projected to decline from 9.3% of GDP in 2010 to close to 6% in 2011. The government's deficit targets of 4.4% in 2012 and 3% in 2013 are assumed to be reached.**

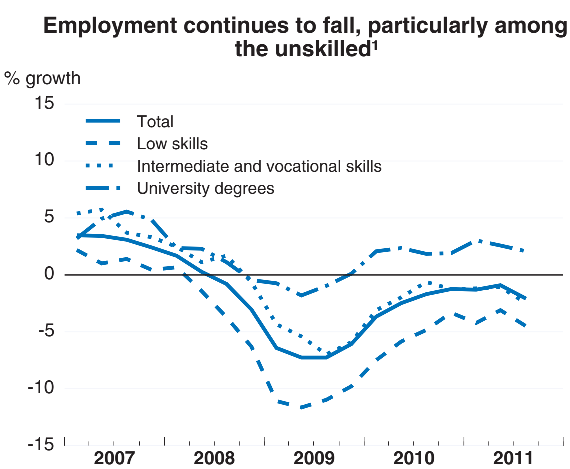
***Export prospects are declining and domestic demand is subdued***

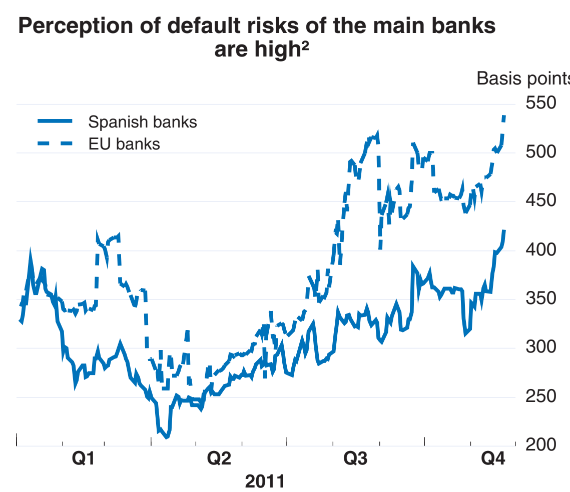
After stagnating in the third quarter of 2011 activity may be contracting. High risk *premia* on government debt are being passed on to private sector funding conditions to some extent. House prices continue to decline, weakening bank balance sheets, especially for the savings banks, which are particularly exposed to the housing sector. Business prospects in manufacturing have deteriorated, reflecting slowing external demand, especially from the euro area. Weak activity has pushed the unemployment rate to 21.5% and to 46% for young workers, while increases of administered goods and services prices have raised consumer price inflation to 3%.

***Budgetary consolidation has been strengthened and banks recapitalised***

The central government has introduced further budgetary measures to meet its deficit objectives. In 2011, these include accelerated tax payments by large corporations (0.3% of GDP) and spending cuts on the military, pharmaceuticals and subsidies (0.5% of GDP). The projections incorporate the budgetary adjustments that regional governments have agreed with the central government in order to meet limits on their

**Spain**




1. Year-on-year percentage change.
2. Credit default swaps, 5-year senior debt, mid-rate spreads between the entity and the relevant benchmark curve. Spain is an unweighted average of the four main banks. The EU average is calculated by Datastream and includes around 60 banks.

*Source:* Instituto Nacional de Estadística and Datastream.

StatLink http://dx.doi.org/10.1787/888932541322

Spain: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices € billion | Percentage changes, volume (2008 prices) | | | | |
| **GDP at market prices** | 1 087.7 | -3.7 | -0.1 | 0.7 | 0.3 | 1.3 |
| Private consumption | 622.4 | -4.3 | 0.8 | 0.0 | -0.1 | 0.9 |
| Government consumption | 212.0 | 3.7 | 0.2 | -1.3 | -2.0 | -1.3 |
| Gross fixed capital formation | 312.0 | -16.6 | -6.3 | -4.8 | -4.0 | 0.7 |
| Final domestic demand | 1 146.4 | -6.2 | -1.0 | -1.3 | -1.3 | 0.4 |
| Stockbuilding[1] | 4.6 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Total domestic demand | 1 151.0 | -6.2 | -1.0 | -1.3 | -1.3 | 0.4 |
| Exports of goods and services | 288.2 | -10.4 | 13.5 | 9.1 | 3.6 | 5.6 |
| Imports of goods and services | 351.5 | -17.2 | 8.9 | 1.5 | -1.7 | 3.0 |
| Net exports[1] | - 63.3 | 2.8 | 0.9 | 2.0 | 1.6 | 0.8 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 0.1 | 0.4 | 1.4 | 0.6 | 0.5 |
| Harmonised index of consumer prices | _ | -0.2 | 2.0 | 3.0 | 1.4 | 0.9 |
| Private consumption deflator | _ | -1.2 | 2.4 | 3.2 | 1.3 | 0.6 |
| Unemployment rate | _ | 18.0 | 20.1 | 21.5 | 22.9 | 22.7 |
| Household saving ratio[2] | _ | 13.0 | 7.7 | 4.6 | 4.7 | 5.1 |
| General government financial balance[3] | _ | -11.2 | -9.3 | -6.2 | -4.4 | -3.0 |
| General government gross debt[3] | _ | 62.9 | 67.1 | 74.1 | 77.2 | 79.0 |
| General government debt, Maastricht definition[3] | _ | 53.8 | 61.0 | 68.1 | 71.2 | 73.0 |
| Current account balance[3] | _ | -5.2 | -4.6 | -4.0 | -2.3 | -2.0 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542823

deficits. These include cuts in investment, subsidy and wage spending as well as revenue-raising measures. In 2012, the introduction of a wealth tax and lower pharmaceuticals spending will reduce the government deficit by 0.4% of GDP. All levels of government will continue reducing public employment. In order to reach budgetary targets in 2012 and 2013, they are assumed to reduce investment, subsidy and other transfer spending further. A legal limit on public spending growth of the central government and large municipalities, determined by trend economic growth, has been introduced. Regional governments have committed to adopting similar rules. A requirement to limit public deficits and debt, in line with European Union rules, has been introduced in the constitution. Specific structural deficit limits applying to each level of government from 2020 will be fixed by law. Comprehensive stress tests have strengthened transparency on the banks' capacity to absorb losses. All the major banks have met the requirement to hold core capital of at least 8 or 10% of risk-weighted assets, mostly with private sector injections. The 5 largest banks are expected to meet the stricter capital requirements of the European Banking Authority largely with retained earnings and convertible bonds already issued.

***Unemployment will remain high***

Subdued export prospects and tight lending conditions are projected to keep economic growth low in 2012. In 2013, the recovery will be export-driven as subdued wage growth improves competitiveness. Financial conditions may improve gradually as budgetary consolidation progresses. The unemployment rate will rise to 23% in 2012, and fall back only slightly in 2013.

***A renewed rise in yields would deepen the crisis***

A further increase in the yields on Spanish government bonds would raise private sector funding costs and prolong the housing crisis. In view of relatively high indebtedness of the private non-financial sector and the exposure of the banking sector to real estate risks, the impact on economic activity could be substantial.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Budgetary targets need to be reached in order to stabilise the ratio of public debt to GDP and improve financial market confidence. Achievement of these objectives would require more consolidation measures if downward risks materialise. Such measures could include subjecting more goods and services to the higher VAT, as well as higher taxes on transport fuel and a national inheritance tax.
- Spending rules should be further reinforced by a mechanism requiring that excess spending in any year be offset with additional deficit reducing measures in subsequent years. A spending rule should also be introduced for regional governments.
- To boost job creation and allow wages to be set reflecting firm-specific conditions, thereby strengthening firms' competitiveness, legal requirements on firms to apply collective bargaining outcomes should be eased further.
- To improve the integration of young workers in the labour market, early school drop-out should be reduced, allowing more youth to obtain upper secondary vocational degrees, and the cost of dismissing workers at least for new permanent contracts should be reduced further, moving the labour market closer to a unified contract.

# SWEDEN

**Sweden enjoyed a very strong recovery through mid-2011, but is now being hit by the ongoing global economic slowdown. The pace of job creation is set to slow and the decline in unemployment to pause. Private consumption, which has been one of the main drivers of growth, should moderate. As world trade regains strength from mid-2012, Sweden's economic momentum is projected to pick up. Spare capacity will increase in the near term, hence core inflation should stay subdued.**

***Growth is slowing down from high rates***

Real GDP growth came down in the course of the first half of 2011, albeit from high rates. With renewed uncertainties clouding the global outlook, confidence and activity are weakening further. Employment growth has also slowed somewhat although unemployment has continued to decrease. Wage growth has recently been moderate, thanks in part to policies to boost labour participation. Core inflation has eased to under 2%.

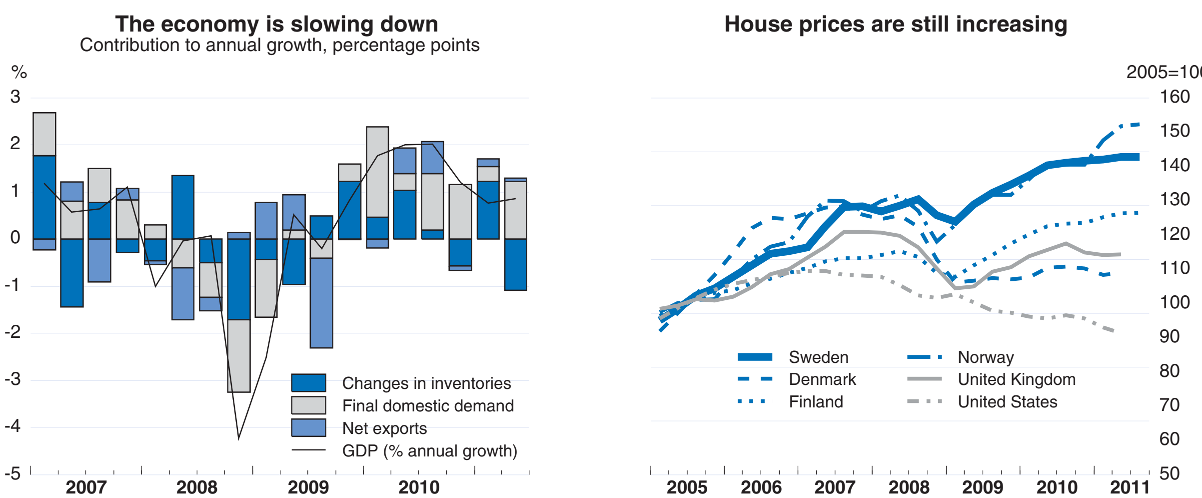
***Monetary tightening has paused***

The economic slowdown and absence of inflationary pressures led the Riksbank to leave its policy rate unchanged in October 2011 and to postpone planned further rate hikes. Stock prices have fallen, but house prices have continued to increase. On the whole, financial conditions may have deteriorated but not much and are likely to remain supportive.

***Fiscal consolidation continues but at a slower pace***

The underlying fiscal tightening partly coming from reforms of the sickness scheme is expected to continue over the projection horizon, but at a slower pace in 2012. As the external economic environment deteriorated, the government put off some of the growth-friendly tax cuts it had contemplated earlier on, so as to build up a larger fiscal margin. The government is nonetheless pressing ahead with a permanent cut in the

**Sweden**




*Source:* Bank for International Settlements, OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932541341

Sweden: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices SEK billion | Percentage changes, volume (2010 prices) | | | | |
| **GDP at market prices** | 3 204.3 | -5.1 | 5.4 | 4.1 | 1.3 | 2.3 |
| Private consumption | 1 504.8 | -0.3 | 3.6 | 2.2 | 0.9 | 2.0 |
| Government consumption | 835.2 | 1.2 | 1.8 | 1.4 | 0.8 | 1.0 |
| Gross fixed capital formation | 641.8 | -15.1 | 5.6 | 9.1 | 3.7 | 4.3 |
| Final domestic demand | 2 981.7 | -3.1 | 3.4 | 3.3 | 1.4 | 2.2 |
| Stockbuilding[1] | 6.2 | -1.7 | 2.2 | 0.3 | -0.3 | 0.0 |
| Total domestic demand | 2 988.0 | -4.9 | 5.8 | 3.6 | 1.1 | 2.1 |
| Exports of goods and services | 1 715.2 | -11.8 | 9.9 | 7.3 | 2.8 | 5.6 |
| Imports of goods and services | 1 498.9 | -13.7 | 12.0 | 7.0 | 3.0 | 5.6 |
| Net exports[1] | 216.3 | 0.1 | -0.2 | 0.6 | 0.1 | 0.3 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 1.8 | 1.5 | 0.9 | 1.7 | 1.4 |
| Consumer price index[2] | _ | -0.5 | 1.2 | 2.9 | 1.1 | 1.4 |
| Private consumption deflator | _ | 1.8 | 1.4 | 1.4 | 1.1 | 1.4 |
| Unemployment rate[3] | _ | 8.3 | 8.4 | 7.5 | 7.5 | 7.0 |
| Household saving ratio[4] | _ | 12.9 | 10.7 | 11.7 | 12.6 | 13.2 |
| General government financial balance[5] | _ | -0.9 | -0.1 | 0.1 | 0.0 | 0.7 |
| General government gross debt[5] | _ | 52.0 | 49.1 | 46.2 | 45.3 | 43.1 |
| General government debt, Maastricht definition[5] | _ | 42.7 | 39.7 | 36.8 | 35.9 | 33.7 |
| Current account balance[5] | _ | 7.1 | 6.7 | 6.7 | 6.9 | 6.7 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. The consumer price index includes mortgage interest costs.
3. Historical data and projections are based on the definition of unemployment which covers 15 to 74 year olds and classifies job-seeking full-time students as unemployed.
4. As a percentage of disposable income.
5. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542842

VAT rate for restaurant and catering services. It has also announced extra public investment (notably in road and railway maintenance) and an extension of active labour market policies.

***The slowdown is driven by exports***

Growth is set to weaken in the short term, although less so than in many other OECD countries as Sweden is less directly exposed to the euro area sovereign debt crisis. Slower export growth and eroded confidence will weaken investment and GDP growth. Employment growth is likely to be subdued in 2012 and the unemployment rate could inch up again in 2012. With a deteriorating labour market and an increasing risk of house price declines in the near future, household saving will remain high, weakening consumption growth. Activity is projected to regain some momentum into 2013, however, as world trade picks up, allowing the unemployment rate to fall.

***Main risks relate to exports and house prices***

Downside risks to export growth include weaker global demand stemming from financial stress or further krona appreciation. If house prices were to fall in a period of rising unemployment, consumers might step up saving and cut back on consumption more than projected.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- Thanks to steadfast fiscal discipline in the past, Sweden has ample fiscal space to let the automatic stabilisers work and to undertake discretionary stimulus should activity weaken more than expected.
- While some uncertainties surround the extent of economic slack, inflation would be subdued in the event of a sharp downturn, implying that there is room for monetary easing.
- Dual employment protection, with high protection for regular contracts and low protection for temporary contracts, encourages labour hoarding for the former and puts too much of the adjustment burden on the most vulnerable workers. Some rebalancing of employment protection would improve equity and limit the risk that unemployment becomes entrenched.
- A fall in house prices, which so far have been surprisingly buoyant, would weaken the economy further. Reducing housing market distortions would limit this risk. Rent regulations should continue to be eased to stimulate housing supply and the housing taxation cut should be reversed to ensure a more efficient allocation of saving and investment.

# SWITZERLAND

**Slowing activity in export markets and the strong Swiss franc have depressed economic growth in the second half of 2011. Growth will resume with strengthening global activity in the second half of 2012. While employment growth will be weak and the unemployment rate will rise until mid-2012, employment growth will resume at a moderate pace with overall economic activity afterwards. Consistent with persistent slack in the economy, inflation is projected to remain subdued and increase only gradually at the end of 2013.**

***GDP growth has weakened***

Capital markets' concerns regarding sovereign debt in several countries caused the Swiss franc to appreciate to unprecedented levels, and in response exports have recently begun to weaken. This effect has been compounded by the weakness in global activity. As a result, growth and employment are set to slow significantly over the next quarters.

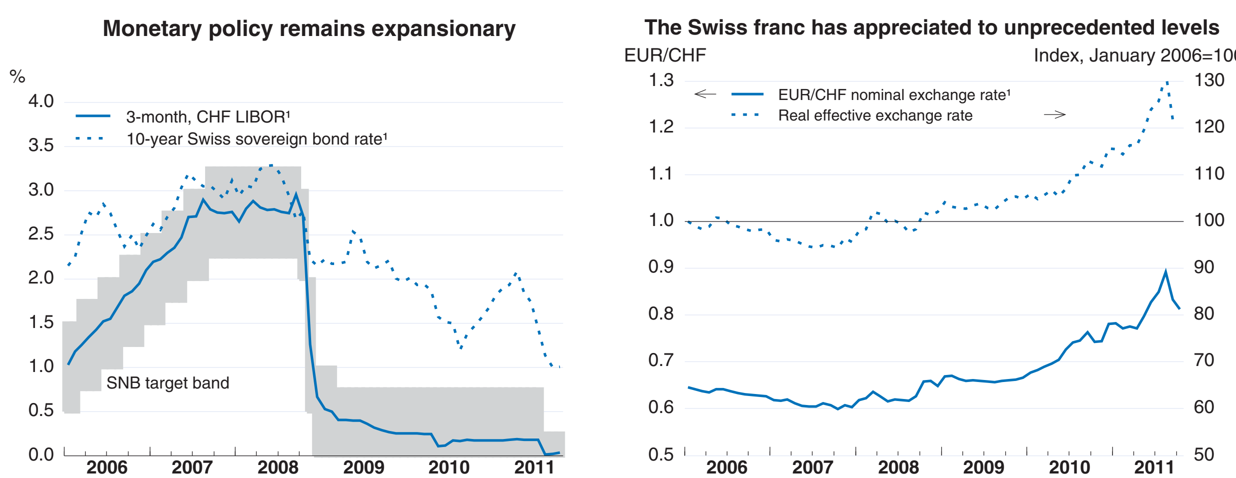
***Monetary policy remains expansionary***

The output gap is widening, keeping inflationary pressures low. Monetary policy can therefore remain supportive, and policy rates should rise only gradually at the end of 2012. Stronger macro-prudential measures would help to avoid the building up of imbalances in the housing market that may arise from unusually low interest rates. In view of the speed and the size of the appreciation, the decision by the Swiss National Bank (SNB) to introduce an upper limit on the euro/Swiss franc exchange rate was appropriate to fulfil its mandate to maintain price stability.

***There is scope for automatic stabilisers to operate***

Prudent budgetary policies and a rapid recovery from the financial crisis kept the general government balance in surplus in 2010, providing room for automatic stabilisers to operate as the economic outlook

**Switzerland**




1. Number for October 2011 calculated as the average of daily data available.

*Source:* OECD Economic Outlook 90 database; SNB Monthly Statistical Bulletin October 2011.

StatLink http://dx.doi.org/10.1787/888932541360

Switzerland: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices CHF billion | Percentage changes, volume (2000 prices) | | | | |
| **GDP at market prices** | 545.0 | -1.9 | 2.7 | 1.8 | 0.8 | 1.9 |
| Private consumption | 308.7 | 1.4 | 1.7 | 1.1 | 1.3 | 1.3 |
| Government consumption | 59.3 | 3.3 | 0.8 | 1.3 | 1.5 | 1.6 |
| Gross fixed capital formation | 115.2 | -4.9 | 7.5 | 4.2 | 2.9 | 4.2 |
| Final domestic demand | 483.2 | 0.1 | 2.9 | 1.9 | 1.7 | 2.0 |
| Stockbuilding[1] | 0.2 | 0.4 | -1.2 | -1.2 | 0.2 | 0.0 |
| Total domestic demand | 483.4 | 0.6 | 1.5 | 0.6 | 1.9 | 2.1 |
| Exports of goods and services | 307.3 | -8.6 | 8.4 | 3.9 | 0.4 | 5.7 |
| Imports of goods and services | 245.6 | -5.5 | 7.3 | 2.0 | 2.7 | 7.0 |
| Net exports[1] | 61.7 | -2.4 | 1.3 | 1.3 | -0.9 | 0.0 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 0.2 | 0.1 | 0.8 | 0.2 | 0.3 |
| Consumer price index | _ | -0.5 | 0.7 | 0.4 | 0.0 | 0.3 |
| Private consumption deflator | _ | -0.5 | 0.7 | 0.6 | 0.2 | 0.3 |
| Unemployment rate | _ | 4.3 | 4.5 | 4.0 | 4.3 | 4.0 |
| General government financial balance[2] | _ | 1.0 | 0.6 | 0.8 | 0.5 | 0.6 |
| General government gross debt[2] | _ | 43.7 | 42.6 | 42.0 | 41.2 | 40.7 |
| Current account balance[2] | _ | 11.4 | 15.6 | 13.4 | 12.6 | 12.8 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542861

deteriorated during 2011. The government has approved measures of a total of 0.2% of GDP to cushion the impact of the strong Swiss franc on the economy, including an increase in the unemployment insurance fund to allow for a wider use of short-time work in 2012.

***GDP growth will resume with increasing global activity from mid-2012***

Lagged effects of past appreciation will continue to slow exports and investment through the first half of 2012. Subdued employment growth will further weaken household income and private consumption during the coming year. From the second half of 2012, when global activity is projected to strengthen, real GDP growth will resume. As a result, the output gap is projected to narrow again somewhat in 2013, inflation will increase, albeit only slowly, and the unemployment rate will decline again.

***Risks relate mainly to the exchange rate***

Upside and downside risks for growth in Switzerland relate mainly to exchange rate movements, notably driven by developments in euro area debt markets.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- Owing to the favourable fiscal position, automatic stabilisers should be allowed to operate, and there is some room for discretionary fiscal stimulus should growth prove significantly weaker than projected.
- The SNB should keep policy rates close to zero and should stand ready to expand liquidity supply further so as to prevent the risk of deflation.
- The recently approved reform package of financial market regulation makes substantial progress in addressing the too-big-to-fail problem of the two largest banks. More rapid action would be desirable to raise the amount of loss-absorbing capital that these two large banks hold.
- Further reform of product market regulation, notably of network industries, and of competition policy would help increase productivity growth, lower costs and enhance the adaptability of prices to shocks.

# TURKEY

**Very strong growth in early 2011, driven by private consumption and investment, has been curbed by credit containment policies and deteriorating global conditions. As a result, real GDP growth is projected to slow to 3% in 2012. It is set to recover in 2013 as the external environment improves. The sharp exchange rate depreciation in 2011 should gradually help rebalance domestic and external demand and narrow the large current account deficit, which by mid-2011 approached 10% of GDP. On the other hand, it may also put upward pressure on already high inflation.**

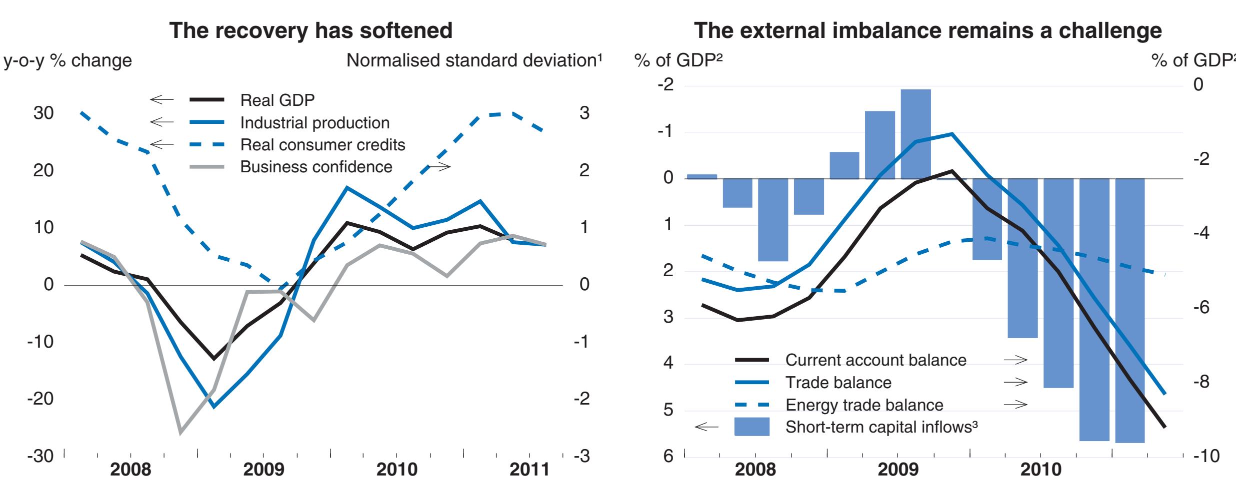
***The vigorous post-crisis recovery has faced headwinds***

The very strong recovery early in the year was driven by private business investment and household consumption. Against this backdrop, inflation rose and the current account deficit approached unprecedented levels of around 10% of GDP. Significant real exchange rate depreciation since early 2011 has helped slow import penetration but exports have been weakened by the slowdown in global and European demand. Policies to reduce high credit growth have successfully restrained demand.

***The sharp exchange rate adjustment helped but also creates risks***

The Turkish lira's depreciation was due to diminishing risk appetite in international markets and cuts in policy rates to stem capital inflows. The monetary authorities' recourse to non-traditional policy tools for cooling domestic demand (notably household credit growth targets and curbs on the use of credit cards) and the depreciation helped to rebalance demand as intended. However, inflation rose, reflecting rising commodity prices and exchange rate pass-through, with headline and core measures both exceeding 7% in October. Risk of further exchange rate depreciation may discourage the needed capital inflows and trigger reverse movements. For this reason the authorities announced their commitment

**Turkey**




1. Standard deviations from the mean.
2. Moving sum of the last four quarters.
3. Increase in bilateral short-term debt, debt securities and deposits.

*Source:* OECD Economic Outlook 90 database; IMF, Balance of Payments database; Central Bank of Turkey and Turkstat.

StatLink http://dx.doi.org/10.1787/888932541379

Turkey: **Demand, output and prices**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| | Current prices TRY billion | Percentage changes, volume (1998 prices) | | | | |
| **GDP at market prices** | 950.5 | -4.8 | 9.0 | 7.4 | 3.0 | 4.5 |
| Private consumption | 663.9 | -2.3 | 6.7 | 7.3 | 1.2 | 4.3 |
| Government consumption | 121.7 | 7.8 | 2.0 | 6.4 | 4.4 | 4.2 |
| Gross fixed capital formation | 189.1 | -19.0 | 29.9 | 23.0 | 4.5 | 5.1 |
| Final domestic demand | 974.7 | -4.3 | 9.8 | 10.0 | 2.3 | 4.5 |
| Stockbuilding[1] | 17.9 | -2.5 | 2.0 | 1.3 | 0.0 | 0.0 |
| Total domestic demand | 992.7 | -6.5 | 12.0 | 11.1 | 2.3 | 4.4 |
| Exports of goods and services | 227.3 | -5.0 | 3.4 | 5.1 | 4.1 | 6.8 |
| Imports of goods and services | 269.4 | -14.3 | 20.7 | 14.3 | 1.3 | 5.8 |
| Net exports[1] | - 42.1 | 2.8 | -4.3 | -2.7 | 0.5 | -0.2 |
| *Memorandum items* | | | | | | |
| GDP deflator | _ | 5.3 | 6.3 | 10.0 | 8.2 | 7.7 |
| Consumer price index | _ | 6.3 | 8.6 | 6.2 | 7.9 | 6.5 |
| Private consumption deflator | _ | 4.9 | 8.4 | 8.4 | 7.6 | 6.7 |
| Unemployment rate | _ | 13.7 | 11.7 | 10.1 | 10.7 | 10.4 |
| General government financial balance[2] | _ | -6.7 | -4.6 | -2.6 | -2.4 | -2.4 |
| Current account balance[2] | _ | -2.2 | -6.5 | -9.8 | -8.0 | -7.4 |

*Note:* National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542880

to counter further exchange rate depreciation and intervened in the foreign exchange market.

***The macroeconomic policy stance is set to remain prudent***

The countercyclical fiscal stimulus imparted in 2009 was withdrawn in 2010, and the headline fiscal balance improved further in 2011. An additional improvement is expected in 2012 despite below-potential growth, as the fiscal stance is set to tighten in order to preserve hard-won fiscal credibility. To maintain confidence in the soundness of monetary policy, effective communication on the new policy goals and comprehensive and timely reporting of outcomes are important. The highly conservative financial prudential regulatory framework is also essential to maintain confidence in the current unstable international financial environment.

***Risks remain on the downside***

The OECD projections are subject to some upside and large downside risks, given global uncertainties, and in particular those in Europe, which is Turkey's main export market and its major external financing source. The current account deficit is expected to stay high despite the adjustment following the earlier sharp exchange rate depreciation and policy measures. Its financing relies on volatile short-term capital inflows, though longer-term inflows have increased anew in the course of 2011.

The deficit could shrink faster if the exchange rate effects turn out to be stronger than projected. However, pass-through to domestic inflation could also be larger than foreseen, calling for the monetary authorities to react.

***Policy orientation should downside risks materialise***

If downside risks materialise, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth:

- If the slowdown is sharper than expected, targeted temporary measures, such as additional investment in the education system or physical and social infrastructure, could be implemented, in addition to allowing the automatic stabilisers to work.
- The fiscal institutional framework still needs improvement, which would bolster the already high domestic and international confidence in the soundness of Turkey's public finances. Top priority should be given to the regular and more timely publication of annual general government accounts according to international accounting standards. Quarterly general government accounts would also be welcome. A formal adoption of the previously envisaged fiscal rule would be a further step forward.
- If a sharp downturn in activity were to reduce inflationary pressures, monetary conditions could be eased with policy rate cuts as well as other instruments such as adjustments in banks' required reserves.
- Labour market reforms are essential to preserve the momentum of investment in the high-productivity formal sector. Employment costs could be significantly reduced and the benefits of growth more widely shared if official minimum wages were regionally differentiated. Regulations concerning employment contracts should be made less rigid. The effectiveness of the temporary pro-employment schemes adopted during the crisis demonstrated that labour cost-reducing measures pay off. Labour market reform would support competitiveness and help reduce the current account deficit.
- Faster product market reforms would facilitate new entry in the formal business sector, notably in network industries and especially in electricity. Competition and additional productivity growth in electricity generation and distribution would reduce energy costs, save primary energy inputs, and, by cutting energy imports, reduce the external imbalance.

OECD Economic Outlook
Volume 2011/2


*Chapter 3*

# DEVELOPMENTS IN SELECTED NON-MEMBER ECONOMIES

# *BRAZIL*

**Tighter economic policy and weaker external demand have helped to cool the economy from the rapid growth rates seen in 2010, but inflationary pressures have not receded and credit growth is still buoyant. Activity is expected to grow at below-trend rates over the next two years, notwithstanding support from large infrastructure programmes. Inflation may fall to about the middle of the central bank's target band.**

***Domestic demand remains strong***

The Brazilian economy has slowed, reflecting the withdrawal of some policy stimulus and a substantially less buoyant international environment. Domestic demand continues to be the main engine of growth, outstripping supply and resulting in robust import growth. Private consumption has been supported by credit expansion and increasing labour incomes. Investment has gathered pace but has been growing at a much slower rate than in most of 2010. By contrast, exports have been damped by past currency appreciation and recent weakness in export markets.

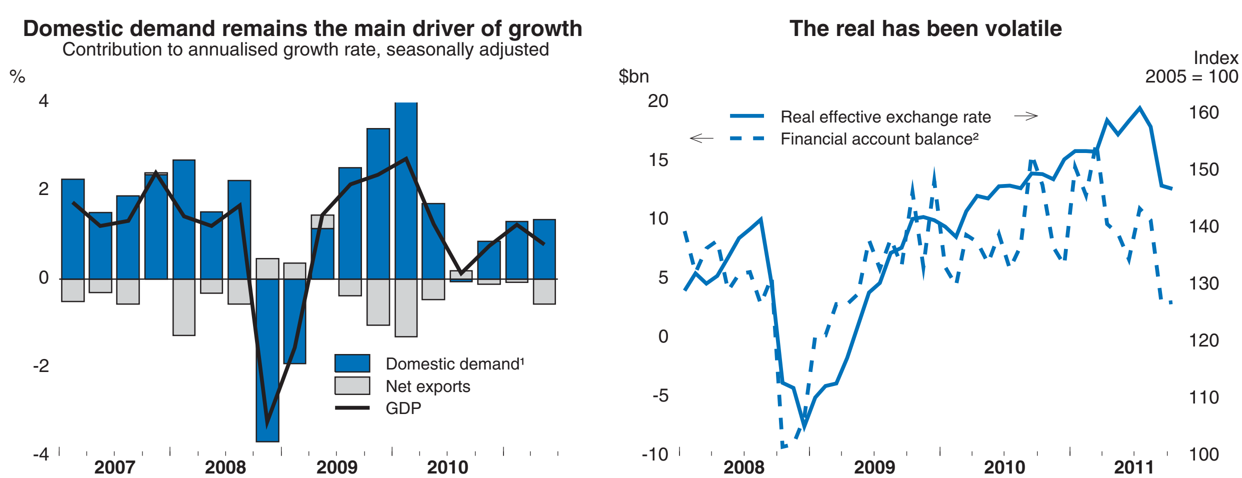
***The real has been volatile***

Recent turmoil in financial markets has increased volatility of exchange-rate movements. Markets may also have reacted to an unexpected easing in the monetary stance. The monetary authorities have intervened to prevent disorderly movements in the currency.

***Inflation rose through 2011 but is set to fall through to 2013***

Inflation picked up to 6½ per cent in 2011, with year-on-year inflation exceeding the ceiling of the official target range since June 2011, and inflation expectations have been on the rise. Weaker growth of economic activity will probably put downward pressure on prices although unemployment is low and average earnings have accelerated. The net

**Brazil**




1. Includes stockbuilding and statistical discrepancy.
2. The financial account balance includes net direct investment, net portfolio investments, net derivatives and other investments.

*Source:* Central Bank of Brazil, IBGE and OECD Economic Outlook 90 database.

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### Brazil: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth | -0.7 | 7.5 | 3.4 | 3.2 | 3.9 |
| Inflation (CPI)[1] | 4.3 | 5.9 | 6.5 | 5.8 | 4.7 |
| Fiscal balance (per cent of GDP)[2] | -3.3 | -2.5 | -2.7 | -2.8 | -2.6 |
| Primary fiscal balance (per cent of GDP)[2] | 2.0 | 2.8 | 2.9 | 2.5 | 2.5 |
| Current account balance (per cent of GDP) | -1.4 | -2.3 | -2.0 | -2.2 | -2.5 |

*Note:* Real GDP growth and inflation are defined in percentage change from the previous period.
1. End-year.
2. Takes into account a capital injection (0.5% of GDP) in the Brazilian Sovereign Wealth Fund in 2008, which was treated as expenditure, and excludes Petrobras from the government accounts.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542937

effect is likely to be a fall in inflation to about the middle of the target range by 2013.

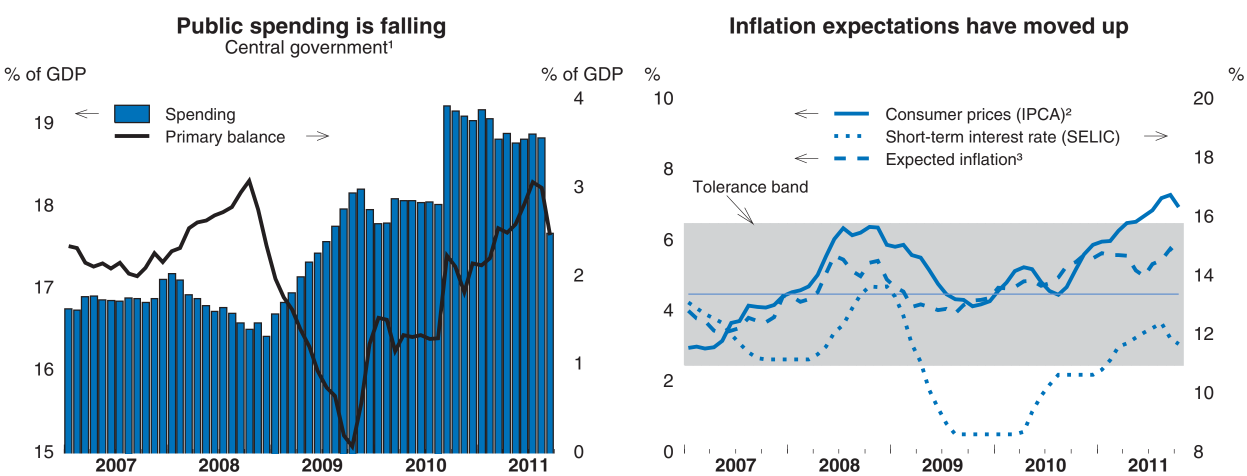
***Monetary policy has eased***

After having tightened the monetary stance earlier in the year, the Central Bank has cut the policy rate by a full percentage point to 11.5% since September 2011 and loosened restrictions on consumer lending in a context of increasing uncertainty regarding the global outlook. Assuming inflationary pressures clearly recede, there is room to lower interest rates further if the international environment continues to deteriorate.

***Fiscal restraint has continued***

The fiscal support introduced during the 2008-09 crisis is being gradually reversed, and the authorities have announced new spending cuts relative to the 2011 federal budget. In addition, the government tightened the primary deficit target for 2011. On the current growth

**Brazil**




1. Cumulated 12-month flows.
2. Year-on-year growth.
3. 12-months ahead.

*Source:* Central Bank of Brazil, IBGE, National Treasury.

StatLink http://dx.doi.org/10.1787/888932541455

Brazil: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | $ billion | | | | |
| Goods and services exports | 178.2 | 233.3 | 297.2 | 330 | 371 |
| Goods and services imports | 179.8 | 254.0 | 316.9 | 357 | 412 |
| Foreign balance | - 1.6 | - 20.7 | - 19.7 | - 27 | - 41 |
| Invisibles, net | - 22.7 | - 26.6 | - 29.1 | - 29 | - 30 |
| Current account balance | - 24.3 | - 47.4 | - 48.7 | - 56 | - 70 |
| | Percentage changes | | | | |
| Goods and services export volumes | - 10.2 | 11.5 | 4.3 | 8.2 | 10.2 |
| Goods and services import volumes | - 11.6 | 36.2 | 12.6 | 13.8 | 13.0 |
| Terms of trade | - 3.4 | 12.7 | 10.3 | 3.5 | 0.1 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542956

projection, the fiscal targets are expected to be achieved, despite the large minimum wage increase planned for 2012 and its ripple effect on pension benefits. Priority should, however, continue to be given to fiscal consolidation. In addition to putting the general government accounts onto a sustainable footing, a tighter fiscal stance would ease upward pressure on inflation and the exchange rate and make room for lower interest rates. Given the country's needs in the short and medium term, infrastructure and social spending should continue to be protected from budget cuts. To more effectively achieve fiscal restraint, widespread revenue earmarking should be cut back and an expenditure ceiling introduced.

***Structural reforms are needed to reduce Brazil's cost disadvantage***

The Greater Brazil Plan (*Plano Brasil Maior*) features a package of measures amounting to a total of some BRL 21 billion (0.6% of GDP) to boost competitiveness of domestic firms in key tradable sectors. Although some measures of the plan may provide short-term relief, they will not be sufficient to reduce the cost disadvantage of producing in Brazil, and further reforms to the tax system and to foster investment in infrastructure are urgently needed.

***Activity is expected to grow at below potential rates***

Domestic demand is expected to continue to sustain economic growth. A recovery in investment should be supported by large infrastructure programmes. However, with exports held back by weakness abroad, GDP is projected to expand at sub-potential rates and the current-account deficit to deteriorate. Inflation may gradually diminish but remain in the upper part of the target range.

***The risks are mostly on the downside***

The main downside risk is a continued worsening of the international environment and a consequent shift in sentiment, which could reverse capital inflows and cut growth in the short term. On the positive side, spending on infrastructure could be faster than envisaged.

***Policy orientation should downside risks materialise***

If the downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Brazil should first ease monetary policy to support the economy and has ample room to do so, but it has scope for discretionary fiscal stimulus if needed, in addition to allowing the automatic stabilisers to work. Any such fiscal action should, however, be couched in terms of a medium-term framework, which sets out a path for fiscal consolidation over time that would be needed to ensure long-term sustainability of the public finances, including social security. In general a policy mix that would combine a more restrictive fiscal policy with interest-rate cuts would ease upward pressure on the *real* and help to achieve the medium-term objective of reducing extremely high interest rates.
- The authorities should continue their efforts to secure support from state governments to simplify the tax system with a view to lowering firms' compliance costs and boosting incentives to invest. The most beneficial change would be to introduce some payroll tax relief and harmonise state value-added taxes.
- Instead of the new industrial policy (see above) the authorities should focus on measures that can durably lower Brazil's high production costs such as simplifying the tax system or developing infrastructure to lower transport costs.

# CHINA

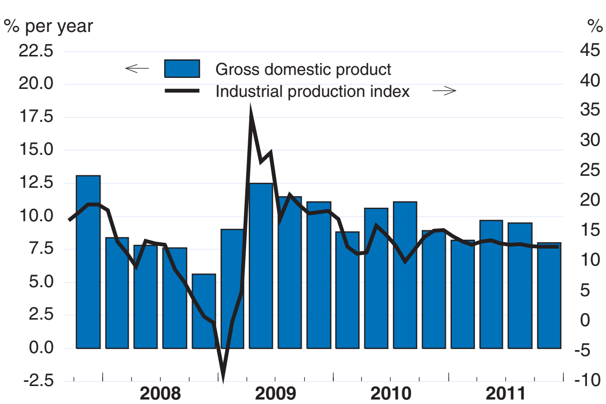
**Growth has continued to moderate in 2011, as higher interest rates and tighter credit to the private sector slowed investment in housing and foreign trade weakened. In 2012, export growth will be held to around 7% by weak world demand and a decline in competitiveness, but the impact on activity may be partially offset by increased public spending and a cut in income taxes. Nonetheless, real GDP is set to grow below potential in 2012. Together with a fall in import prices, this should help disinflation, permitting some reduction in policy interest rates. With domestic demand and foreign trade picking up in 2013, GDP growth should recover to close to 10%. The downward trend in the current account surplus should continue, despite an improvement in the terms of trade, with the surplus falling about 2% of GDP by 2013.**

*The economy has slowed markedly…*

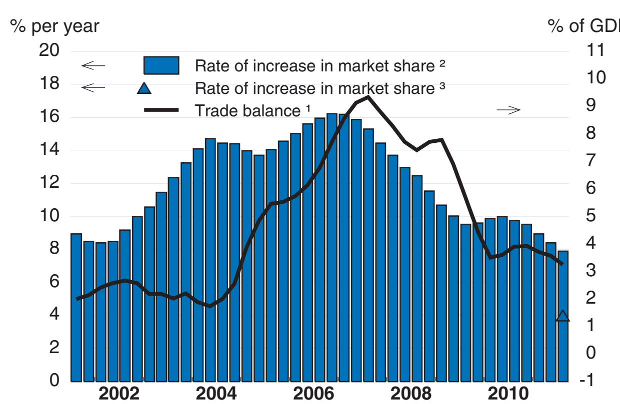
The expansion has lost some of its momentum in the course of 2011, and GDP growth has been below potential for several quarters. Export growth has been sluggish. Indeed, in the three months to October exports even fell, one of the weakest out-turns since the end of the dot-com bubble in 2001 and during the 2008-09 financial crisis, confirming the ongoing re-balancing of the economy that resulted in a marked drop in the current account surplus in third quarter of the year. Domestic demand, however, has displayed resilience. Consumption growth has remained vigorous and investment growth has been holding up, after easing early in the year. Sub-par GDP growth has started to feed through into lower inflation, and there are signs that further disinflation is in store, not least in view of the recent weakening in commodity prices. With imports rising substantially, external rebalancing continued. The trade surplus has been shrinking and, associated with the appreciation of the dollar, exchange reserves have been barely rising. Nevertheless, there has been a small appreciation of the effective exchange rate since the beginning of the year. Going forward, more significant exchange rate

**China**

**The growth of activity is slowing**
Quarterly change at an annual rate




**Chinese exports market gains are slowing and the trade surplus is declining**




1. Four quarter moving average.
2. Five year moving average.
3. In 2011Q3.

*Source:* CEIC.

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China: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth | 9.2 | 10.4 | 9.3 | 8.5 | 9.5 |
| GDP deflator (per cent change) | -0.6 | 6.6 | 8.1 | 5.8 | 4.1 |
| Consumer price index (per cent change) | -0.7 | 3.2 | 5.6 | 3.8 | 3.8 |
| Fiscal balance (per cent of GDP)[1] | -1.1 | -0.6 | -1.2 | -1.5 | -1.2 |
| Current account balance (per cent of GDP) | 5.2 | 5.2 | 3.1 | 2.6 | 2.1 |

*Note:* The figures given for GDP are percentage changes from the previous year.
1. Consolidated budget, social security and extra-budgetary accounts on a national accounts basis.
*Source:* OECD Economic Outlook 90 database.

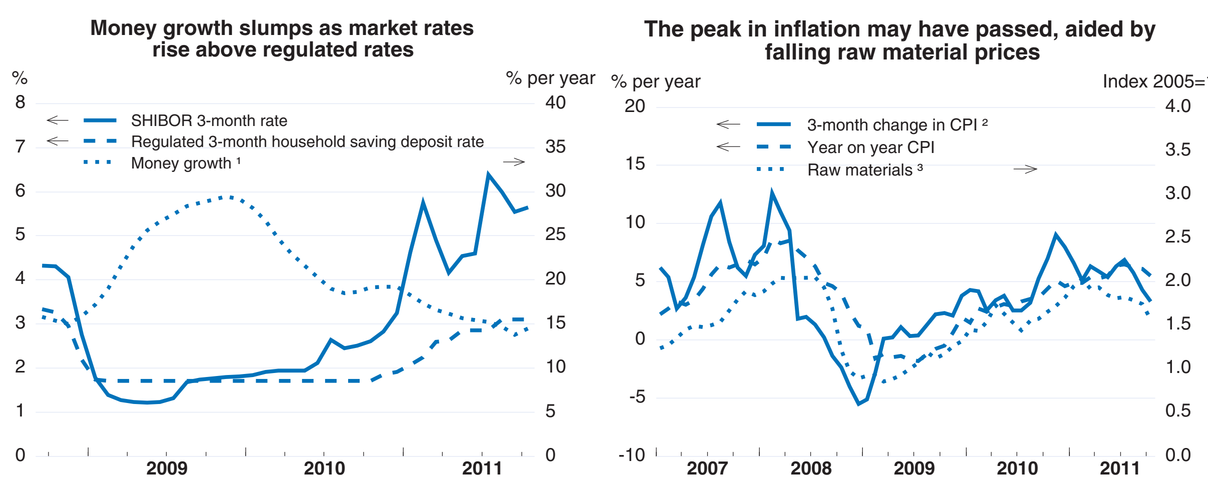
StatLink http://dx.doi.org/10.1787/888932542899

appreciation would allow for a rebalancing of monetary conditions with lesser weight on domestic interest rates and credit conditions.

***… as financial conditions tightened***

In July, the People's Bank of China (PBoC) hiked policy interest rates again and in September it broadened the base used for calculating reserve ratios. New restrictions have also been put on mortgage lending and the bank regulator has forced banks to bring significant amounts of lending back onto their balance sheets. Moreover, the increase in regulated interest rates recorded so far understates the degree of financial tightness, as the PBoC has allowed market rates to increase substantially more than the administered rates. This encouraged purchases of financial market products, similar to money market funds, which offer higher rates of return than bank deposits. As a result, the larger companies increasingly use capital markets as a source of finance, with direct bank lending accounting for less than half of total credit flows in the first half

**China**




1. 12-month per cent increase of a 3-month moving average.
2. Annual rate and seasonally adjusted.
3. Level of Chinese import prices for raw materials in local currency.

*Source:* CEIC.

StatLink http://dx.doi.org/10.1787/888932541417

China: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Goods and services exports | 1 333.3 | 1 752.6 | 2 120.2 | 2 412 | 2 764 |
| Goods and services imports | 1 113.2 | 1 520.5 | 1 899.4 | 2 215 | 2 584 |
| Foreign balance | 220.1 | 232.1 | 220.8 | 197 | 180 |
| Net investment income and transfers | 41.0 | 73.3 | 9.4 | 27 | 23 |
| Current account balance | 261.1 | 305.4 | 230.3 | 224 | 204 |
| | | | Percentage changes | | |
| Goods and services export volumes | - 10.2 | 28.3 | 10.2 | 8.4 | 10.7 |
| Goods and services import volumes | 4.5 | 20.6 | 9.5 | 13.0 | 14.4 |
| Export performance[1] | 2.2 | 14.0 | 3.2 | 3.5 | 3.6 |
| Terms of trade | 8.6 | - 9.5 | - 3.8 | 1.6 | 1.5 |

1. Ratio between export volume and export market of total goods and services.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542918

of the year. However, the restrictions on off-balance sheet lending led to a marked fall in the rate of growth of total credit flows in the third quarter. Small and medium-sized businesses face more difficulty in obtaining finance. In October, the State Council announced that, to ease these problems, banks should ensure that the share of SMEs in total lending does not fall. It also increased the size of special SME financing funds.

***Government debt is higher than previously thought***

Both outlays and tax revenues have been very buoyant so that gross government debt rose by only about one percentage point to 19% of GDP. This figure, however, excludes the unofficial debt of local governments, local infrastructure companies, the Ministry of Railways and the asset management companies which were established to resolve the banking crisis of 2000. In total, such borrowing amounted to over one-third of GDP at the end of 2010. The government has announced two measures that will raise the deficit: the personal income tax threshold has been raised and the corporate tax rate for small enterprises has been lowered to 12.5%. In addition, local authorities will need to finance the construction of 10.6 million apartments in 2012, at a cost of over 1% of GDP.

***Once inflation is under control, lower interest rates should boost growth***

Business surveys suggest that growth will remain subdued in the near term. Export growth is expected to be dragged down further by lacklustre activity in Europe. Property developers face strong headwinds, suggesting that commercial housing starts are likely to fall further in 2012, though this will be partly offset by the increase in social housing construction. By mid-2012, developments in inflation and housing prices should permit the PBoC to start lowering interest rates, boosting domestic demand and GDP in 2013. With a negative output gap persisting, inflation should continue to moderate. Even so, it is projected to remain above the average rate of the past decade and the rate prevalent in China's principal trading partners, worsening competitiveness. As a result, the current account surplus is projected to continue to fall relative to GDP, to about 2% in 2013.

***A key risk is an overly quick liquidation of unsold property***

A prominent domestic risk overshadowing the economic outlook stems from the financial health of property development companies. Individuals have been holding back from purchasing houses and developers carry a rising level of unsold inventory. While the exit of small developers would not pose a problem, the failure of large promoters could put some bank lending at risk, perhaps triggering negative chain reactions. These would be accentuated by the prevalence of pre-funding by purchasers who would be exposed to significant losses as prices fell and would also adversely impact construction activity, so affecting migrant workers. Besides these domestic risks, external demand might weaken more than anticipated.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- There is substantial room to reduce interest rates and meet strong demand for credit from smaller non-state companies. However, the use of excessive bank lending to finance local government expenditure needs to be guarded against. But monetary stimulus would be much more effective if interest rates became more market determined. A step-by-step deregulation could start with bank interest rates at one-year and longer maturities, allowing higher returns to investors. At the same time, the regulations governing capital outflows should be revised to allow investors to diversify risks in their portfolios.
- The level of the government budget deficit is low but when off-budget debt is taken into account, total gross debt has risen significantly. Nonetheless, there would be room for temporary fiscal stimulus, by front-loading existing plans for the increase in social housing, should monetary expansion prove ineffective.
- The framework for fiscal policy could be improved to strengthen credibility and effectiveness. First, the scope of the budget presented to the National People's Congress should be widened to cover all areas, including social security and outlays by local government infrastructure companies. Secondly, much greater detail of expenditure should be provided, down to the programme level, in order to allow proper evaluation, including the linking of spending to objectives. Government ministries started to publish their own budgets in 2010, but with insufficient detail.
- Structural reforms will need to be intensified to strengthen growth. In particular, network industries play a key role in driving growth and productivity improvements. Electricity sector pricing reforms as well as investment in cross-grid linkages would help strengthen competition and promote further expansion in the sector, thereby boosting investment and supporting growth in downstream industries. In addition, greater competition in the telecommunications sector would spur innovation and new investment.

# INDIA

**Growth has moderated and, against the backdrop of a weakening global economy, is projected to remain relatively subdued and reliant on private consumption in the near term. Despite the cooling in activity, inflation remains persistently above the Reserve Bank of India's comfort level. With inflation expectations also high, price pressures are likely to recede only gradually in response to easing demand and a stabilisation of commodity prices. An improvement in external conditions and some strengthening in business investment should lead to a pick-up in growth in the second half of 2012. The government needs to adhere to its strategy to further reduce the fiscal deficit to support monetary policy in achieving a sustained reduction in inflation.**

***Growth is slowing but high inflation remains a concern***

Following a strong expansion in 2010, growth has slowed through 2011 as consumption and investment decelerated. However, inflation remains high and has hovered around double-digit rates for over 18 months – one of the longest periods of high inflation in recent history. Moreover, inflation remains generalised, with non-food manufacturing prices rising over 7% year-on-year.

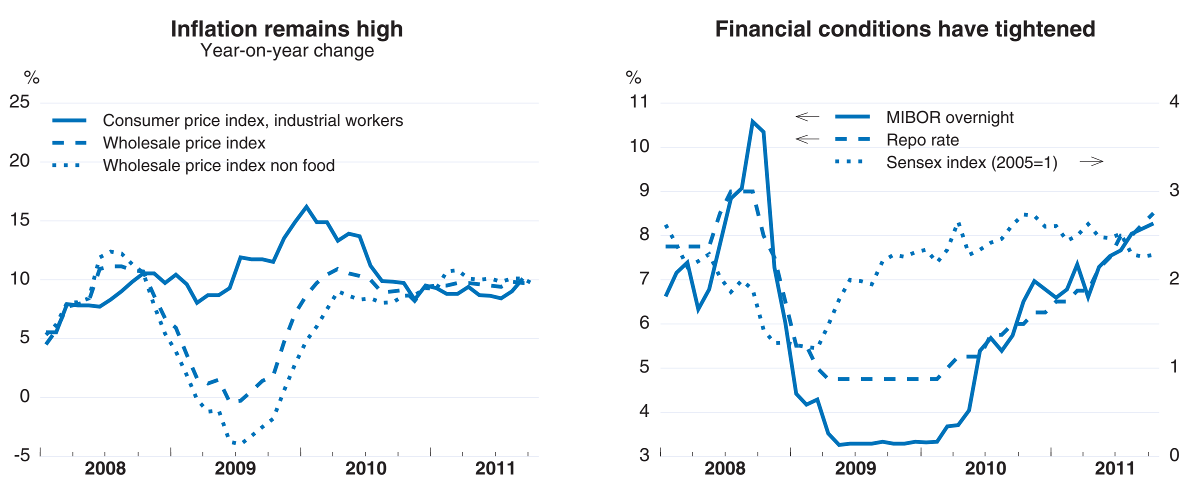
***The monetary policy cycle may have peaked***

The Reserve Bank of India has tightened monetary policy markedly. The repo rate now stands at 8½ per cent, 225 basis points higher than at the beginning of 2011. Even though the economy is slowing, persistent high inflation limits the room to relax the monetary policy stance. It would be prudent to wait for clear signs that inflation is falling back to more comfortable levels, which is not expected until late 2012, before reducing interest rates.

***Signs of fiscal slippage are emerging***

In 2010-11, good progress was made in reducing the central government deficit to around 4.7% of GDP. However, so far this year, spending has risen faster than expected and energy subsidies, in particular, are likely to overshoot, and slowing activity will curb revenues. Moreover,

**India**




*Source:* CEIC.

StatLink http://dx.doi.org/10.1787/888932541512

### India: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth[1] | 9.1 | 8.8 | 7.6 | 7.5 | 8.4 |
| Inflation[2] | 7.4 | 10.5 | 7.9 | 7.5 | 6.5 |
| Consumer price index[3] | 12.4 | 10.4 | 8.4 | 8.0 | 6.9 |
| Wholesale price index (WPI)[4] | 3.8 | 9.6 | 8.8 | 7.3 | 6.3 |
| Short-term interest rate[5] | 4.8 | 6.0 | 8.0 | 8.4 | 7.8 |
| Long-term interest rate[6] | 7.3 | 7.9 | 8.5 | 8.7 | 8.2 |
| Fiscal balance (per cent of GDP)[7] | -9.5 | -6.9 | -6.8 | -6.3 | -5.8 |
| Current account balance (per cent of GDP) | -2.8 | -2.6 | -2.1 | -2.1 | -2.0 |
| *Memorandum: calendar year basis* | | | | | |
| Real GDP growth | 7.0 | 9.9 | 7.7 | 7.2 | 8.2 |
| Fiscal balance (per cent of GDP)[7] | -9.8 | -7.2 | -7.1 | -6.3 | -6.0 |

*Note:* Data refer to fiscal years starting in April.
1. GDP measured at market prices.
2. Percentage change in GDP deflator.
3. Percentage change in the industrial workers index.
4. Percentage change in the all commodities index.
5. RBI repo rate.
6. 10-year government bond.
7. Gross fiscal balance for central and state governments.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932543013

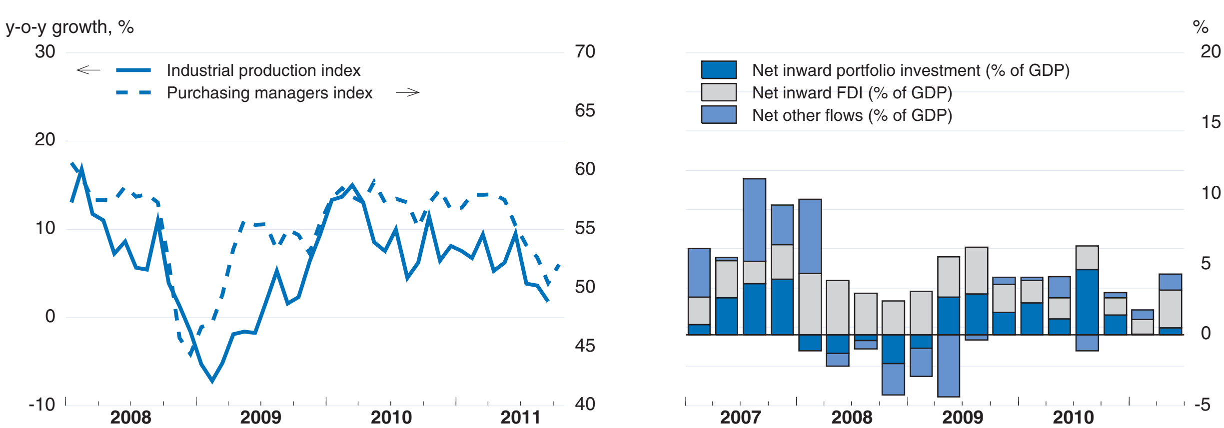
the government's privatisation programme is way behind target and is now being held back by softening business confidence and falling equity prices. To support monetary policy disinflation efforts, the government needs to adhere to its strategy to reduce the deficit by constraining spending growth.

***Growth is expected to remain subdued for some time and inflation abate only gradually***

In the near term, good monsoon rainfall will support agricultural output but weak sentiment and deteriorating global demand are expected to weigh on growth in other sectors. The lagged effects of significant monetary policy tightening will also continue to mount, acting as a

### India

**Activity is moderating** | **Capital inflows remain firm**




*Source:* CEIC.

StatLink http://dx.doi.org/10.1787/888932541531

India: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | | | $ billion | | |
| Goods and services exports | 274.6 | 373.3 | 468.4 | 520 | 595 |
| Goods and services imports | 347.4 | 429.3 | 543.1 | 600 | 684 |
| Foreign balance | - 72.7 | - 56.0 | - 74.8 | - 80 | - 89 |
| Net investment income and transfers | 34.1 | 11.6 | 33.3 | 32 | 43 |
| Current account balance | - 38.6 | - 44.4 | - 41.5 | - 48 | - 54 |
| | | | Percentage changes | | |
| Goods and services export volumes | - 5.5 | 17.9 | 14.8 | 7.8 | 11.3 |
| Goods and services import volumes | - 1.8 | 9.2 | 19.7 | 7.9 | 11.5 |
| Export performance[1] | - 2.2 | 6.3 | 8.2 | 1.5 | 2.6 |

*Note:* Data refer to fiscal years starting in April.

1. Ratio between export volume and export market of total goods and services.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932543032

further drag. A recovery in global activity and the associated boost to Indian export demand, as well as improving domestic sentiment, are not expected to support a marked pick-up in growth until late 2012. In the coming months, delayed pass-through of higher international oil prices and recent rupee depreciation will contribute to price pressures. High inflation expectations will also make disinflation more difficult. However, slower growth will increase spare capacity which, together with an assumed levelling-off in commodity prices, is expected to gradually ease inflation pressures.

***The current account deficit is likely to narrow***

Exports and imports were very buoyant in the first half of 2011, but trade is expected to slow sharply as domestic and international demand softens. The current account deficit has narrowed recently, primarily thanks to terms-of-trade gains. It is expected to remain at relatively modest levels of around 2% of GDP through 2012 and 2013, supported by further small improvements in the terms of trade. A recent strong upswing in net inflows of foreign direct investment signals foreign investor confidence which, together with high interest rates, is expected to underpin continued firm capital inflows.

***Downside risks dominate***

Although continued high inflation would threaten the Reserve Bank of India's credibility and damage longer-term growth prospects by harming confidence and inhibiting investment, the current global environment suggests weakening inflation pressures. A larger-than-anticipated fall in external demand or protracted weakness in domestic sentiment could lead to a sharp slowing in growth.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- Given relatively high nominal GDP growth, there is room to postpone fiscal consolidation and accept a cyclical deterioration in tax revenues as well as, if needed, introducing discretionary tax cuts. As unwinding spending increases would be hard, discretionary spending measures should be avoided except in the case of a major deterioration in the outlook.
- In the event of a delay in fiscal consolidation, confidence would be boosted by strengthening the fiscal framework. Temporary finance commissions should be replaced with a permanent institution to advise on fiscal targets and independently monitor progress. At the same time budget processes should be reformed to provide detailed three-year rolling budgets to help meet medium-term targets
- Monetary policy is now exerting a drag on growth and there is considerable scope to cut official interest rates to support demand and boost confidence. Should the need arise, reductions in the cash and statutory reserve ratios could be implemented to boost liquidity.
- The government should proceed with plans to further reduce barriers to foreign direct investment, particularly in services. This would help boost business confidence, bolster inflows of longer-term and more stable capital, and promote competition which would place downward pressure on inflation.
- Further reforms should be undertaken to reduce regulatory uncertainty in the infrastructure sector in order to promote greater private sector involvement and investment. In particular, land acquisition processes need to be streamlined to reduce costs and delays.

# *INDONESIA*

**The economy's orientation towards domestic demand and strong consumption and investment growth shields it from weaknesses abroad. Economic growth is thus expected to exceed potential rates in the next two years despite the slowdown in the OECD area. Inflation has eased for now but pressures are likely to emerge again soon. While Indonesia is likely to be less affected by a slowdown in world trade than other economies, changes in global risk aversion could reverse the capital inflows of the past few years and restrain growth.**

***Domestic demand is driving growth…***

Growth continues to be backed by strong domestic demand. Rising employment and consumer confidence as well as lower inflation are supporting strong gains in private consumption, while an expanding middle class and favourable business expectations are enhancing investment performance. Foreign direct investment is at a ten-year high. Commodity-based exports to Asian trading partners are also making a significant contribution to growth.

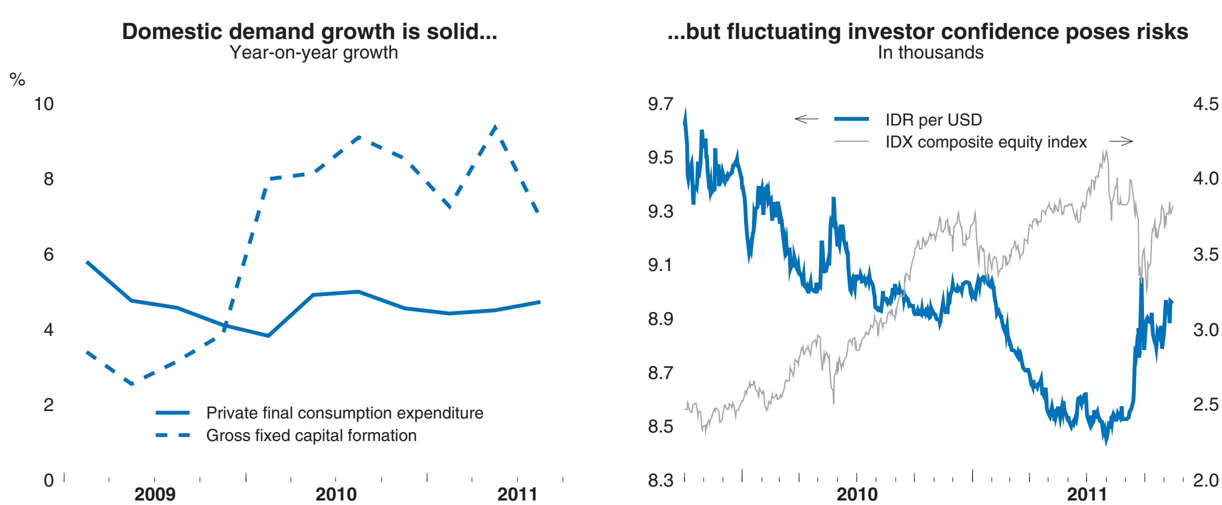
***… but recent market turbulence has highlighted external risks***

Despite solid domestic fundamentals, Indonesia – like other emerging-market economies – has recently been exposed to sudden shifts in global investor confidence. An abrupt turnaround in capital flows in September 2011 reversed both the steady appreciation of the *rupiah* and the rise in equity prices.

***Interest rates will need to be raised in 2012***

Easing food prices have helped to contain inflation over the past few months, but vigorous domestic demand could soon increase underlying pressures. Although Bank Indonesia reduced the policy rate by a cumulative ¾ percentage point in October and November 2011, monetary policy will need to tighten in 2012 unless Indonesia is hit by unforeseen adverse events.

**Indonesia**




*Source:* OECD Economic Outlook 90 database, Thomson Datastream.

StatLink http://dx.doi.org/10.1787/888932541569

Indonesia: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth | 4.6 | 6.1 | 6.3 | 6.1 | 6.5 |
| Inflation | 4.4 | 5.1 | 5.6 | 5.9 | 4.8 |
| Fiscal balance (per cent of GDP) | -1.6 | -0.6 | -1.5 | -1.3 | -1.2 |
| Current account balance ($ billion) | 10.6 | 5.6 | 4.2 | -2.2 | -3.4 |
| Current account balance (per cent of GDP) | 1.9 | 0.8 | 0.5 | -0.2 | -0.3 |

*Note:* Real GDP growth and inflation are defined in percentage change from the previous period.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932543070

***Budget execution should be improved and energy subsidy cuts implemented***

Long-standing government disbursement problems should be addressed to implement necessary infrastructure investment. A removal of fossil-fuel subsidies for private vehicles has been announced for early 2012. This subsidy reform, and the planned increase in electricity tariffs, should be implemented as announced.

***Growth prospects are favourable...***

Activity is expected to grow at an above-potential rate in 2012 and even faster in 2013. Imports are expected to rise more rapidly than exports, not least due to high import demand for capital goods and intermediates, thus reversing the current account surplus. The pace of employment growth is likely to easily accommodate new labour-market entrants. Inflation could exceed the target range in 2012 owing to temporary effects from energy-subsidy reductions, but should fall back inside the range in 2013.

***... while risks are mainly external***

Risks from a sharp global deterioration would affect Indonesia mostly indirectly through the impact on its main trading partners. Additional downside risks include the possibility of further capital outflows due to reduced global appetite for emerging-market assets. On the upside, further upgrades in the sovereign credit rating, which is now one notch below investment grade, may foster additional foreign direct investment inflows.

***Policy orientation should downside risks materialise***

If the downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The strong fiscal position and low debt ratio would allow for additional fiscal stimulus if required. To ensure a timely fiscal response, a further easing of disbursement procedures will be required, including through increasing administrative capacity at the local level and improving governance.
- While fiscal policy is best placed to respond should downside risks materialise, the available scope to ease monetary policy should be used as needed. Use of Indonesia's significant foreign exchange reserves will

be helpful in dealing with possible external shocks and will allow Bank Indonesia to continue moderating abrupt exchange-rate movements.

- Progress on regulatory reforms, including in the areas of land acquisition and infrastructure finance, would be a prerequisite for frontloading infrastructure investment, which could fill the gap caused by potential shortfalls in external demand. Tackling these issues would also enhance investor confidence in future growth prospects and the government's preparedness to deal with potential headwinds.
- Solving the rigidities associated with the current dual labour market would further improve both growth prospects and the economy's resilience to external shocks. Such a reform should include the introduction of some form of unemployment insurance offset by a reduction in onerous severance payments.

# RUSSIAN FEDERATION

**Although confidence has weakened amid the global slowdown and financial turmoil, growth momentum seems likely to be sustained, supported by still-high oil prices. The food price shock has dissipated and the strong harvest in 2011 is now reinforcing disinflation. With credit growth moderating and the output gap remaining negative, inflation is projected to fall towards 5% in 2013. The budget is expected to be balanced or in a small surplus in 2011, aided by high oil prices, but to return to deficit in 2012-13 due to a large rise in spending next year. The already wide non-oil budget deficit is projected to increase slightly in 2012 before falling back gradually. The current account surplus should narrow due to buoyant import growth. A sharp oil price correction and renewed turbulence in financial markets remain the key risk factors.**

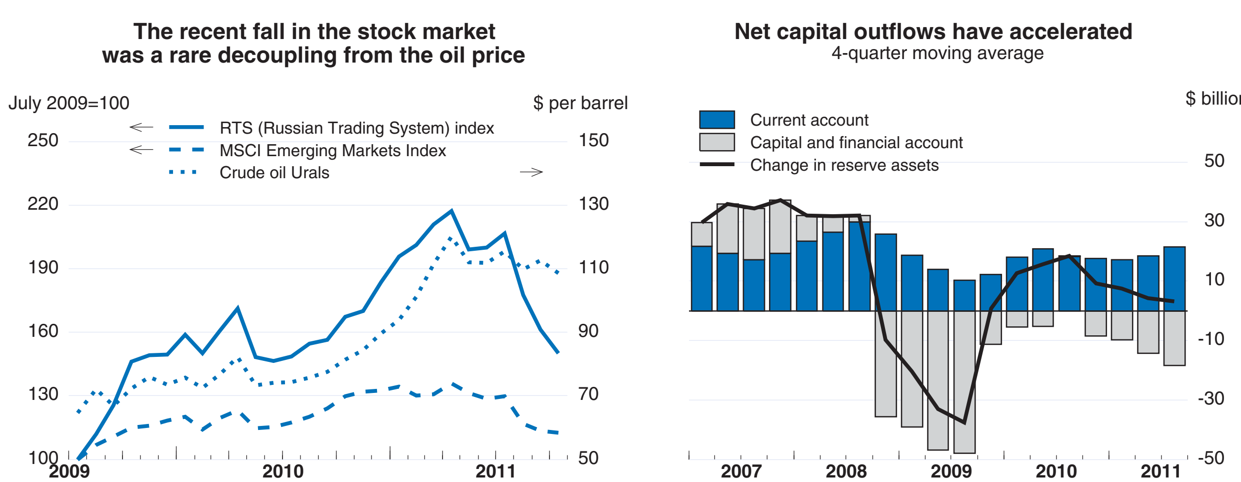
***Growth momentum should be sustained, despite the turbulence in financial markets***

Output has been growing in line with potential on an annual basis, although quarterly growth has been volatile. Confidence weakened in August-September 2011 amid the global slowdown and a flight to safe assets which affected Russia together with other emerging markets. As capital outflows accelerated, the stock market declined sharply and, despite central bank intervention, the rouble lost 9% against the dollar-euro reference basket between July and October. Nevertheless, with the oil price still high, the projection remains one in which growth over the next two years is close to potential of around 4%. Based on an assumed constant oil price (Brent) of USD 110 per barrel, the current account surplus should narrow due to steady import growth. Capital outflows are expected to abate, and net flows may even turn positive in 2012 as domestic political uncertainty linked to the forthcoming elections subsides, especially if global economic conditions improve.

***Disinflation is progressing fast***

As the effect of last year's food price shock faded away, disinflation has resumed, aided by the strong harvest in 2011. The year-on-year

**Russian Federation**




*Source:* Central Bank of Russia and Datastream.

StatLink http://dx.doi.org/10.1787/888932541474

### Russian Federation: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth | -7.8 | 4.0 | 4.0 | 4.1 | 4.1 |
| Inflation (CPI), period average | 11.7 | 6.9 | 8.4 | 6.5 | 5.7 |
| Fiscal balance (per cent of GDP)[1] | -4.3 | -3.5 | 0.2 | -0.7 | -0.7 |
| Current account balance (per cent of GDP) | 3.9 | 4.7 | 5.6 | 4.0 | 3.3 |

1. Consolidated budget.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542975

inflation rate has fallen steeply from 9.6% in May to 7.2% in October. Notwithstanding some passthrough of recent weakness of the rouble to domestic prices, year-on-year inflation is expected to decline further through the end of 2011. Moderation in credit growth, remaining slack in the economy and an easing of upward pressure from commodity prices point to a further slowdown in inflation in 2012. The recent decision to push back regulated tariff adjustments from January to July 2012 and to restrict the maximum increases at that time will exert a downward influence on inflation next year, although it is regrettable from the perspective of economic efficiency, given the need to raise the relative price of energy in Russia.

***Liquidity conditions have tightened somewhat, but key policy rates remain negative in real terms***

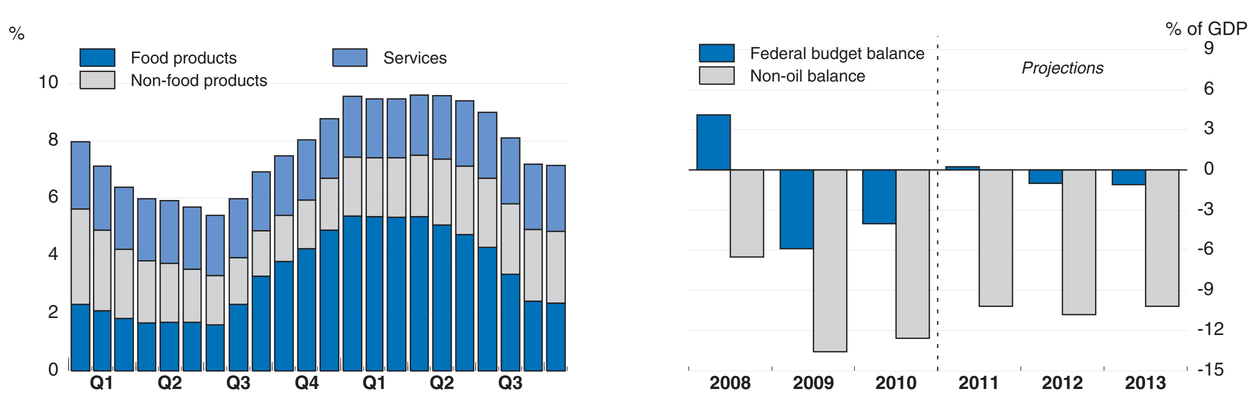
The Central Bank of Russia (CBR) continues to intervene in the foreign exchange markets, although on a smaller scale than before. During the third quarter of 2011, it intervened in both directions, buying foreign exchange in July-August before spending about USD 6 billion in September to support the rouble. This led to a liquidity squeeze and pushed interbank rates up somewhat. The CBR has kept its main lending

### Russian Federation

**The fading away of the food price shock supports disinflation**

Contributions to CPI growth over same period previous year

**The non-oil deficit remains large**




*Source:* OECD calculations and estimates based on Rosstat and Economic Expert Group.

StatLink http://dx.doi.org/10.1787/888932541493

Russian Federation: **External indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| | $ billion | | | | |
| Goods and services exports | 343.6 | 444.5 | 574.7 | 595 | 627 |
| Goods and services imports | 251.0 | 320.9 | 420.8 | 462 | 504 |
| Foreign balance | 92.6 | 123.6 | 153.9 | 133 | 122 |
| Invisibles, net | - 44.0 | - 53.4 | - 51.5 | - 55 | - 53 |
| Current account balance | 48.6 | 70.3 | 102.4 | 78 | 70 |
| | Percentage changes | | | | |
| Goods and services export volumes | - 4.7 | 7.1 | 1.8 | 3.3 | 4.8 |
| Goods and services import volumes | - 30.4 | 25.6 | 18.9 | 6.2 | 8.2 |
| Terms of trade | - 29.8 | 19.1 | 15.1 | - 3.0 | - 0.4 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932542994

and deposit rates negative in real terms in 2011, while narrowing the gap between them. The CBR lending rate is expected to move into positive territory in real terms as the cyclical upturn proceeds.

***High oil prices will keep the headline budget close to balance***

Fiscal outcomes are expected to be close to balance this year, which is better than originally budgeted as revenues, especially from oil and gas, have been running ahead of expectations. The draft 2012-14 budget foresees deficits of 1.5% of GDP in 2012 and 1.6% of GDP in 2013, based on growth and oil price assumptions that are slightly lower than OECD projections. Possible pressures on spending windfall revenues in the election year, in particular, suggest that current spending plans may be adjusted upwards if revenues outperform projections.

***The large non-oil budget deficit will be reduced only gradually***

The non-oil budget deficit remains very high at more than 10% of GDP in 2011, and has so far fallen by only about a quarter of the amount by which it increased in 2008-09. Based on the draft 2012-14 budget, it is projected to increase slightly in 2012, driven by a rise in expenditure, before falling back in 2013. Although public debt is low, there is a need for medium-term consolidation to reduce the vulnerability of the budget to a sharp fall in the oil price and to resume saving out of oil revenues.

***Risks are skewed to the downside***

On the positive side, there could be a substantial boost to confidence, which would be reflected in net capital inflows and stronger investment, if accession to the World Trade Organisation (WTO) is quickly ratified and accompanied, after the March 2012 elections, by a new push for structural reforms to raise Russia's trend growth rate *via* entrepreneurship, innovation and increasing human capital. Major downside risks are associated with a worsening of the world economy, which would likely be characterised by a fall in oil prices and further net capital outflows.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- If activity weakens, revenue-side automatic stabilisers should be allowed to work. A positive impact on demand could be brought about by reorienting expenditures from the support of inefficient enterprises towards areas with a high impact on private spending, such as one-off transfers to low-income groups.
- To strengthen fiscal credibility, the rule limiting the non-oil budget deficit should be restored and a path for bringing the non-oil deficit back within the ceiling formulated. This should be complemented by a rule restricting the annual increase in expenditure in real terms. The rule-based framework may be enhanced by setting up an independent fiscal agency to monitor and assess fiscal performance.
- There is scope to ease monetary policy by lowering policy rates. Given the segmentation of the banking sector and a shortage of eligible collateral for some banks, the range of refinancing mechanisms should be temporarily widened, as was the case during the 2008-09 crisis.
- Barriers to foreign direct investment should be lowered to raise productivity through facilitating technology transfer and market access.
- Barriers to international trade should be reduced, starting with the removal of discriminatory trade measures introduced over the past three years, in order to support trade activity and to increase the attractiveness of Russia for foreign investors. Accession to WTO should be a major confidence-boosting factor.

# SOUTH AFRICA

**The pace of recovery has slowed as a result of weak external demand, negative effects of the global slowdown on consumer and investor confidence and domestic labour unrest. As these factors ebb, growth should pick up somewhat in 2012, but remain below potential for a fifth consecutive year. As confidence returns, output growth should accelerate more decisively in 2013. Inflation is at the upper end of the central bank's target range, but in the absence of further rises in commodity prices and given the negative output gap should ease to the middle of the target range by 2013.**

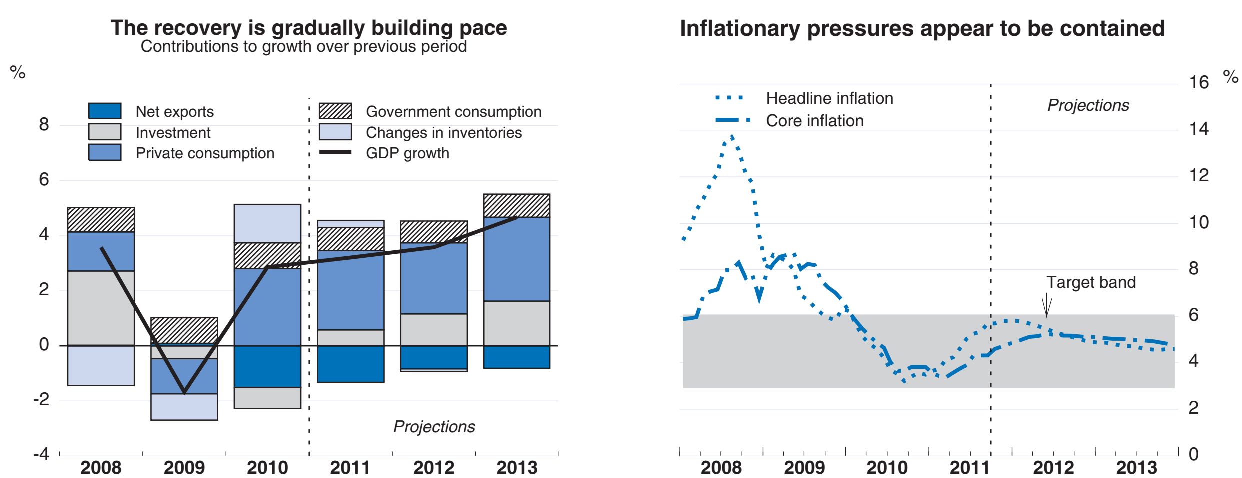
***Less dynamic external demand and domestic labour unrest have restrained output growth***

Private consumption and fixed investment have increased roughly in line with potential in recent quarters, but export growth has slowed while import volumes continue to expand faster than real GDP. Output has also been disrupted by strikes. Average annual ouput growth in 2011 is expected to be below potential for a fourth consecutive year, and unemployment has continued to edge up, averaging over 25% so far this year. With an expected gradual strengthening of confidence and a recovery in external demand growth after recent weakness, GDP growth should accelerate, with the output gap beginning to narrow in 2013.

***Inflation should ease as recent food and energy price shocks fade***

Strong improvements in the terms of trade helped to compress the current account deficit in 2009-10, but that effect has been partially reversed in 2011 and the deficit has begun to widen again. Over the past year headline inflation has moved up from near the bottom of the 3-6 per cent target band of the South Africa Reserve Bank (SARB) to near the top, but most of that increase came from higher food and fuel prices. Core inflation rose by only 0.7 percentage point in the year to September 2011, reaching 4.3%. Inflation expectations moved up with the rise in the headline rate, but remain consistent with the SARB's target

**South Africa**




1. *Note*: Break in inflation series in 2008. Numbers are not fully comparable.

*Source:* OECD Economic Outlook 90 database and South Africa Reserve Bank.

StatLink http://dx.doi.org/10.1787/888932541588

South Africa: **Macroeconomic indicators**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Real GDP growth | -1.7 | 2.8 | 3.2 | 3.6 | 4.7 |
| Inflation | 7.1 | 4.3 | 4.9 | 5.3 | 4.7 |
| Fiscal balance (per cent of GDP) | -5.5 | -6.0 | -6.0 | -5.6 | -4.8 |
| Current account balance ($ billion) | -11.2 | -10.1 | -15.0 | -18.7 | -21.2 |
| Current account balance (per cent of GDP) | -4.1 | -2.8 | -3.7 | -4.7 | -4.8 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932543089

range. Inflation is expected to test the upper end of that range in late 2011 and early 2012 before falling back as base effects become more favourable.

***The central bank should remain responsive to weakening activity***

Faced with unexpected weakness in economic activity and notwithstanding the increase in headline inflation, the SARB has held its repurchase rate constant at 5.5% since November 2010. Given the large negative output gap and adequately anchored inflation expectations, this was well judged. Along with other emerging markets, South Africa has been hit by a wave of risk aversion in international capital markets since September, and the rand weakened sharply. There is likely to be some passthrough of that exchange rate move to consumer prices, but the SARB should continue to look through such temporary factors, and may need to ease further if demand growth continues to disappoint.

***Fiscal consolidation should be accelerated***

The recent Medium-Term Budget Policy Statement foresees only a modest narrowing of the budget deficit through fiscal year 2014-15, mainly due to subdued revenue growth. On the current projection, a more ambitious profile of fiscal consolidation would not only safeguard debt sustainability but also contribute to higher national saving, reduce upward pressure on the exchange rate and crowd in private investment.

***Downside risks predominate***

The main risk to the projection is a worsening of the sovereign debt crisis in OECD countries, which would undermine external demand and probably result in lower prices for South Africa's main exports.

***Policy orientation should downside risks materialise***

If such downside risks materialised, the OECD has identified, as part of its Strategic Response, key macroeconomic policies, as well as structural reforms which, while desirable in any case, would become essential to raise growth.

- The first line of defence if the economy is weaker than projected should be monetary policy, although on the fiscal side the automatic stabilisers should be allowed to function, which could mean that the overall deficit rises temporarily.
- Fiscal policy was too loose in the last cyclical upswing, and South Africa has had continuous underlying budget deficits, even though there were headline surpluses for a time before the 2008-09 crisis. The scope for

fiscal stimulus in the event of an economic slowdown is therefore less than it would have been if fiscal policy had been more countercyclical. The Treasury should continue to place increasing emphasis on the structural balance, for which it could eventually adopt medium-term targets. Such a rule could usefully be buttressed by an expenditure rule to restrain procyclical spending increases in good times.

- The main inflation risks would come from a sharp weakening of the rand or surges in international food and energy prices. Underlying inflation looks well anchored within the target range of the SARB, and the negative output gap suggests that, despite some continuing cost-push pressures, inflation will ease over the next two years. In the event of a weakening of the economy, there therefore appears to be scope for further reductions in the SARB's policy rate.
- Given the extremely high unemployment rate, especially for youth, structural measures should above all focus on encouraging employment. Over the longer term, higher labour force participation will be needed, and activation policies will be important. If the economy weakens, however, measures to boost labour demand, like wage subsidies, would be particularly useful.
- Liberalising product markets would strengthen competitive forces in the economy, and would thereby improve the functioning of labour markets by limiting the sharing of product market rents between firms and employed insiders.

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# *STATISTICAL ANNEX*

This annex contains data on key economic series which provide a background to the recent economic developments in the OECD area described in the main body of this report. Data for 2011 to 2013 are OECD estimates and projections. The data in some of the tables have been adjusted to conform to internationally agreed concepts and definitions in order to make them more comparable across countries, as well as consistent with historical data shown in other OECD publications. Regional aggregates are based on weights that change each period, with the weights depending on the series considered. For details on aggregation, see *OECD Economic Outlook* Sources and Methods.

The OECD projection methods and underlying statistical concepts and sources are described in detail in *OECD Economic Outlook* Sources and Methods (*www.oecd.org/eco/sources-and-methods*).

Corrigenda for the current and earlier issues, as applicable, can be found at *www.oecd.org/publishing/corrigenda*.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

**NOTE ON FORECASTING FREQUENCIES**

OECD quarterly projections are on a seasonal and working-day-adjusted basis for selected key variables. This implies that differences between adjusted and unadjusted annual data may occur, though these in general are quite small. In some countries, official forecasts of annual figures do not include working-day adjustments. Even when official forecasts do adjust for working days, the size of the adjustment may in some cases differ from that used by the OECD. The cut-off date for information used in the compilation of the projections is 22 November 2011.

## Additional information

### 2010 weights used for real GDP regional aggregates

| | OECD Euro area[1] | OECD | World | | OECD Euro area[1] | OECD | World |
|---|---|---|---|---|---|---|---|
| Australia | | 2.1 | 1.3 | Slovenia | 0.5 | 0.1 | 0.1 |
| Austria | 3.0 | 0.8 | 0.5 | Spain | 13.0 | 3.5 | 2.1 |
| Belgium | 3.6 | 1.0 | 0.6 | Sweden | | 0.9 | 0.5 |
| Canada | | 3.2 | 1.9 | Switzerland | | 0.9 | 0.5 |
| Chile | | 0.6 | 0.4 | Turkey | | 2.7 | 1.6 |
| Czech Republic | | 0.7 | 0.4 | United Kingdom | | 5.4 | 3.2 |
| Denmark | | 0.5 | 0.3 | United States | | 34.7 | 20.5 |
| Estonia | 0.2 | 0.1 | 0.0 | Euro area | 100.0 | 27.0 | 15.9 |
| Finland | 1.7 | 0.5 | 0.3 | OECD total | | 100.0 | 59.1 |
| France | 19.4 | 5.2 | 3.1 | | | | |
| Germany | 26.9 | 7.3 | 4.3 | | | **Non OECD** | **World** |
| Greece | 2.8 | 0.8 | 0.4 | | | | |
| Hungary | | 0.5 | 0.3 | Argentina | | 2.2 | 0.9 |
| Iceland | | 0.0 | 0.0 | Brazil | | 7.5 | 3.1 |
| Ireland | 1.6 | 0.4 | 0.3 | China | | 35.3 | 14.4 |
| Israel | | 0.5 | 0.3 | Indonesia | | 3.6 | 1.5 |
| Italy | 17.0 | 4.6 | 2.7 | India | | 14.1 | 5.8 |
| Japan | | 10.3 | 6.1 | Russian Federation | | 9.7 | 4.0 |
| Korea | | 3.4 | 2.0 | Saudi Arabia | | 2.2 | 0.9 |
| Luxembourg | 0.4 | 0.1 | 0.1 | South Africa | | 1.8 | 0.8 |
| Mexico | | 3.9 | 2.3 | Dynamic Asian Economies | | 6.0 | 2.5 |
| Netherlands | 6.2 | 1.7 | 1.0 | Other major oil producers | | 8.3 | 3.4 |
| New Zealand | | 0.3 | 0.2 | Rest of non OECD | | 9.2 | 3.8 |
| Norway | | 0.7 | 0.4 | | | | |
| Poland | | 1.8 | 1.1 | Non-OECD countries | | 100.0 | 40.9 |
| Portugal | 2.4 | 0.7 | 0.4 | | | | |
| Slovak Republic | 1.1 | 0.3 | 0.2 | World | | | 100.0 |

*Note* Weights are calculated using nominal GDP at PPP rates in 2010. Regional aggregates are calculated using moving nominal GDP weights evaluated at PPP rates. Thus, the country weights differ from year to year. Also weights may vary for different components of GDP, as the weights are based on countries' share in the total of the particular component.

1. Countries that are members of both the euro area and the OECD.

*Source:* OECD Economic Outlook 90 database.

### Irrevocable euro conversion rates

National currency unit per euro

| | | | |
|---|---|---|---|
| Austria | 13.7603 | Italy | 1936.27 |
| Belgium | 40.3399 | Luxembourg | 40.3399 |
| Estonia | 15.6466 | Netherlands | 2.20371 |
| Finland | 5.94573 | Portugal | 200.482 |
| France | 6.55957 | Spain | 166.386 |
| Germany | 1.95583 | Slovak Republic | 30.126 |
| Greece | 340.75 | Slovenia | 239.64 |
| Ireland | 0.78756 | | |

*Source* : European Central Bank.

### Non-OECD trade regions

| | |
|---|---|
| Other industrialised Asia: | Dynamic Asia (Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Thailand and Vietnam) plus Indonesia and India. |
| Other oil producers: | Azerbaijan, Kazakhstan, Turkmenistan, Brunei, Timor-Leste, Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, United Arab Emirates, Yemen, Ecuador, Trinidad and Tobago, Venezuela, Algeria, Angola, Chad, Republic of Congo, Equatorial Guinea, Gabon, Nigeria, Sudan. |

## National accounts reporting systems, base years and latest data updates

*In the present edition of the* OECD Economic Outlook*, the status of national accounts in the OECD countries is as follows :*

| | Expenditure accounts | Household accounts | Government accounts | Benchmark/ base year |
|---|---|---|---|---|
| Australia | SNA08 (1959q3-2011q2) | SNA08 (1959q3-2011q2) | SNA08 (1959q3-2011q2) | 2008/2009 |
| Austria | ESA95 (1988q1-2011q3) | ESA95 (1995-2010) | ESA95 (1976-2010) | 2005 |
| Belgium | ESA95 (1995q1-2011q2) | ESA95 (1995-2010) | ESA95 (1985-2010) | 2009 |
| Canada | SNA93 (1961q1-2011q2) | SNA93 (1961q1-2011q2) | SNA93 (1961q1-2011q2) | 2002 |
| Chile | SNA93 (1995q1-2011q2) | .. | .. | 2003 |
| Czech Republic | ESA95 (1995-2010) | ESA95 (1995-2010) | ESA95 (1995-2010) | 2005 |
| Denmark | ESA95 (1990q1-2011q2) | ESA95 (1990-2010) | ESA95 (1990-2010) | 2005 |
| Estonia | ESA95 (2000q1-2011q2) | ESA95 (1995-2010) | ESA95 (1995-2010) | 2005 |
| Finland | ESA95 (1990q1-2011q2) | ESA95 (1975-2010) | ESA95 (1975-2010) | 2000 |
| France | ESA95 (1949q1-2011q3) | ESA95 (1978q1-2011q3) | ESA95 (1978-2010) | 2005 |
| Germany | ESA95 (1991q1-2011q2) | ESA95 (1991-2010) | ESA95 (1991-2010) | 2005 |
| Greece | ESA95 (2000-2010) | .. | ESA95 (2000-2010) | 2005 |
| Hungary | ESA95 (1995-2010) | ESA95 (1995-2010) | ESA95 (1995-2010) | 2005 |
| Iceland | SNA93 (1997q1-2011q2) | .. | SNA93 (1995-2010) | 2005 |
| Ireland | ESA95 (1997q1-2011q2) | ESA95 (2002-2010) | ESA95 (1990-2010) | 2009 |
| Israel | ESA95 (1995q1-2011q2) | .. | ESA95 (1990-2010) | 2005 |
| Italy | ESA95 (1980q1-2011q3) | ESA95 (1990-2009) | ESA95 (1980-2010) | 2005 |
| Japan | SNA93 (1980q1-2011q1) | SNA93 (1980-2009) | SNA93 (1980-2009) | 2000 |
| Korea | SNA93 (1970q1-2011q3) | SNA93 (1975-2010) | SNA93 (1975-2010) | 2005 |
| Luxembourg | ESA95 (1995q1-2011q2) | .. | ESA95 (1990-2010) | 2005 |
| Mexico | SNA93 (2000q1-2011q2) | .. | .. | 2003 |
| Netherlands | ESA95 (1987q1-2011q3) | ESA95 (1990-2010) | ESA95 (1969-2010) | 2005 |
| New Zealand | SNA93 (1987q2-2011q2) | .. | SNA93 (1986-2009) | 1995/1996 |
| Norway | SNA93 (1978q1-2011q2) | SNA93 (1978-2010) | SNA93 (1995-2010) | 2007 |
| Poland | ESA95 (1995q1-2011q2) | ESA95 (1995-2009) | ESA95 (1995-2010) | 2000 |
| Portugal | ESA95 (1995q1-2011q2) | ESA95 (1999-2010) | ESA95 (1995-2010) | 2006 |
| Slovak Republic | ESA95 (1992-2010) | ESA95 (1995q1-2011q2) | ESA95 (1995-2010) | 2005 |
| Slovenia | ESA95 (1995q1-2011q2) | ESA95 (2000-2010) | ESA95 (1995-2010) | 2000 |
| Spain | ESA95 (1995q1-2011q3) | ESA95 (2000-2010) | ESA95 (1995-2010) | 2008 |
| Sweden | ESA95 (1993q1-2011q2) | ESA95 (1993q1-2011q2) | ESA95 (1993-2010) | 2010 |
| Switzerland | SNA93 (1980q1-2011q2) | SNA93 (1990-2009) | SNA93 (1990-2010) | 2000 |
| Turkey | SNA93 (1998q1-2011q2) | .. | .. | 1998 |
| United Kingdom | ESA95 (1955q1-2011q2) | ESA95 (1987q1-2011q2) | ESA95 (1987q1-2011q2) | 2008 |
| United States | NIPA (SNA93) (1947q1-2011q3) | NIPA (SNA93) (1947q1-2011q3) | NIPA (SNA93) (1947q1-2011q3) | 2005 |

*Note:* SNA: System of National Accounts. ESA: European Standardised Accounts. NIPA: National Income and Product Accounts. GFS: Government Financial Statistics. The numbers in brackets indicate the starting year for the time series and the latest available historical data included in this Outlook database.

1. Data prior to 1991 refer to the new SNA93/ESA95 accounts for western Germany data.

# *Annex Tables*

## Demand and Output



## Wages, Costs, Unemployment and Inflation



## Key Supply-Side data



## Saving



## Fiscal Balances and Public Indebteness

## Interest Rates and Exchange Rates



## External Trade and Payments



## Other background Data

Annex Table 1. **Real GDP**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.3 | 5.2 | 4.2 | 3.4 | 2.7 | 3.9 | 3.6 | 3.3 | 3.4 | 2.5 | 4.7 | 2.4 | 1.5 | 2.5 | 1.8 | 4.0 | 3.2 | 2.5 | 3.5 | 3.2 |
| Austria | 2.5 | 3.8 | 3.5 | 3.7 | 0.9 | 1.6 | 0.9 | 2.4 | 2.6 | 3.6 | 3.7 | 1.2 | -3.7 | 2.4 | 3.2 | 0.6 | 1.8 | 1.6 | 1.0 | 2.1 |
| Belgium | 2.4 | 1.9 | 3.5 | 3.8 | 0.7 | 1.4 | 0.8 | 3.1 | 1.9 | 2.7 | 2.8 | 0.9 | -2.7 | 2.3 | 2.0 | 0.5 | 1.6 | 1.2 | 0.9 | 1.9 |
| Canada | 2.2 | 4.1 | 5.5 | 5.2 | 1.8 | 2.9 | 1.9 | 3.1 | 3.0 | 2.8 | 2.2 | 0.7 | -2.8 | 3.2 | 2.2 | 1.9 | 2.5 | 1.7 | 2.2 | 2.6 |
| Chile | 7.9 | 3.2 | -0.7 | 4.5 | 3.6 | 2.1 | 3.5 | 5.9 | 5.6 | 4.9 | 4.9 | 3.2 | -1.5 | 5.1 | 6.6 | 4.0 | 4.7 | 4.9 | 4.0 | 5.0 |
| Czech Republic | .. | -0.2 | 1.7 | 4.2 | 3.1 | 2.1 | 3.8 | 4.7 | 6.8 | 7.0 | 5.7 | 3.1 | -4.7 | 2.7 | 2.1 | 1.6 | 3.0 | 1.3 | 2.3 | 3.4 |
| Denmark | 2.0 | 2.2 | 2.6 | 3.5 | 0.7 | 0.5 | 0.4 | 2.3 | 2.4 | 3.4 | 1.6 | -1.1 | -5.2 | 1.7 | 1.1 | 0.7 | 1.4 | 0.8 | 0.9 | 1.6 |
| Estonia | .. | 6.7 | -0.3 | 10.0 | 6.3 | 6.6 | 7.8 | 6.3 | 8.9 | 10.1 | 7.5 | -3.7 | -14.3 | 2.3 | 8.0 | 3.2 | 4.4 | 6.1 | 3.7 | 4.4 |
| Finland | 1.7 | 5.0 | 3.9 | 5.3 | 2.3 | 1.8 | 2.0 | 4.1 | 2.9 | 4.4 | 5.3 | 1.0 | -8.2 | 3.6 | 3.0 | 1.4 | 2.0 | 1.4 | 2.3 | 1.1 |
| France | 2.1 | 3.4 | 3.2 | 3.9 | 1.8 | 0.9 | 0.9 | 2.3 | 1.9 | 2.7 | 2.2 | -0.2 | -2.6 | 1.4 | 1.6 | 0.3 | 1.4 | 1.1 | 0.7 | 1.5 |
| Germany | 2.6 | 1.7 | 1.8 | 3.3 | 1.6 | 0.0 | -0.4 | 0.7 | 0.8 | 3.9 | 3.4 | 0.8 | -5.1 | 3.6 | 3.0 | 0.6 | 1.9 | 2.0 | 1.0 | 2.2 |
| Greece | .. | 3.4 | 3.4 | 4.5 | 4.2 | 3.4 | 5.9 | 4.4 | 2.3 | 5.5 | 3.0 | -0.2 | -3.2 | -3.5 | -6.1 | -3.0 | 0.5 | -4.6 | -1.2 | 1.2 |
| Hungary | .. | 4.1 | 3.2 | 4.2 | 3.7 | 4.5 | 3.9 | 4.8 | 4.0 | 3.9 | 0.1 | 0.9 | -6.8 | 1.3 | 1.5 | -0.6 | 1.1 | 0.9 | -0.6 | 1.8 |
| Iceland | 1.2 | 6.3 | 4.1 | 4.3 | 3.9 | 0.1 | 2.4 | 7.8 | 7.2 | 4.7 | 6.0 | 1.3 | -6.7 | -4.0 | 2.9 | 2.4 | 2.4 | 3.7 | 1.0 | 2.8 |
| Ireland | 6.1 | 7.8 | 9.9 | 9.3 | 4.8 | 5.9 | 4.2 | 4.5 | 5.3 | 5.3 | 5.2 | -3.0 | -7.0 | -0.4 | 1.2 | 1.0 | 2.4 | 1.4 | 3.0 | 1.9 |
| Israel | 5.3 | 4.1 | 3.4 | 9.3 | -0.3 | -0.6 | 1.5 | 4.8 | 4.9 | 5.6 | 5.5 | 4.0 | 0.8 | 4.8 | 4.7 | 2.9 | 3.9 | 3.6 | 3.2 | 4.1 |
| Italy | 1.9 | 1.4 | 1.5 | 3.7 | 1.9 | 0.5 | 0.0 | 1.7 | 0.9 | 2.2 | 1.7 | -1.2 | -5.1 | 1.5 | 0.7 | -0.5 | 0.5 | 0.1 | -0.3 | 0.8 |
| Japan | 2.9 | -2.0 | -0.1 | 2.9 | 0.2 | 0.3 | 1.4 | 2.7 | 1.9 | 2.0 | 2.4 | -1.2 | -6.3 | 4.1 | -0.3 | 2.0 | 1.6 | 0.8 | 1.7 | 1.6 |
| Korea | 8.0 | -5.7 | 10.7 | 8.8 | 4.0 | 7.2 | 2.8 | 4.6 | 4.0 | 5.2 | 5.1 | 2.3 | 0.3 | 6.2 | 3.7 | 3.8 | 4.3 | 3.8 | 4.2 | 4.4 |
| Luxembourg | 5.1 | 6.5 | 8.4 | 8.4 | 2.5 | 4.1 | 1.5 | 4.4 | 5.4 | 5.0 | 6.6 | 0.8 | -5.3 | 2.7 | 2.0 | 0.4 | 2.2 | 1.0 | 0.5 | 3.1 |
| Mexico | 3.1 | 5.0 | 3.6 | 6.0 | -0.9 | 0.1 | 1.4 | 4.0 | 3.2 | 5.1 | 3.2 | 1.2 | -6.2 | 5.4 | 4.0 | 3.3 | 3.6 | 3.3 | 3.3 | 3.7 |
| Netherlands | 3.1 | 3.9 | 4.6 | 4.0 | 2.0 | 0.1 | 0.3 | 2.0 | 2.2 | 3.5 | 3.9 | 1.8 | -3.5 | 1.6 | 1.4 | 0.3 | 1.5 | 0.4 | 1.0 | 1.7 |
| New Zealand | 2.4 | 0.6 | 4.7 | 3.7 | 2.5 | 4.6 | 4.4 | 4.1 | 3.2 | 2.0 | 3.4 | -0.7 | 0.1 | 2.3 | 1.4 | 2.5 | 3.0 | 2.0 | 2.6 | 3.0 |
| Norway | 3.2 | 2.7 | 2.0 | 3.3 | 2.0 | 1.5 | 1.0 | 3.9 | 2.7 | 2.3 | 2.7 | 0.7 | -1.7 | 0.3 | 1.5 | 2.0 | 2.7 | 2.0 | 1.2 | 3.6 |
| Poland | .. | 4.9 | 4.4 | 4.5 | 1.3 | 1.5 | 3.9 | 5.2 | 3.6 | 6.2 | 6.8 | 5.0 | 1.6 | 3.8 | 4.2 | 2.5 | 2.5 | 3.9 | 2.2 | 2.6 |
| Portugal | 3.4 | 5.0 | 4.1 | 3.9 | 2.0 | 0.7 | -0.9 | 1.6 | 0.8 | 1.4 | 2.4 | 0.0 | -2.5 | 1.4 | -1.6 | -3.2 | 0.5 | -3.2 | -1.8 | 1.5 |
| Slovak Republic | .. | 4.4 | 0.0 | 1.4 | 3.5 | 4.6 | 4.8 | 5.1 | 6.7 | 8.3 | 10.5 | 5.9 | -4.9 | 4.2 | 3.0 | 1.8 | 3.6 | 2.0 | 2.8 | 3.7 |
| Slovenia | .. | 3.5 | 5.3 | 4.3 | 2.9 | 3.8 | 2.9 | 4.4 | 4.0 | 5.8 | 6.9 | 3.6 | -8.0 | 1.4 | 1.0 | 0.3 | 1.8 | 0.2 | 0.7 | 2.4 |
| Spain | 2.7 | 4.5 | 4.7 | 5.0 | 3.7 | 2.7 | 3.1 | 3.3 | 3.6 | 4.1 | 3.5 | 0.9 | -3.7 | -0.1 | 0.7 | 0.3 | 1.3 | 0.4 | 0.6 | 1.5 |
| Sweden | 1.4 | 4.1 | 4.4 | 4.6 | 1.4 | 2.5 | 2.5 | 3.7 | 3.2 | 4.6 | 3.4 | -0.8 | -5.1 | 5.4 | 4.1 | 1.3 | 2.3 | 2.2 | 1.5 | 2.7 |
| Switzerland | 1.4 | 2.6 | 1.3 | 3.6 | 1.2 | 0.4 | -0.2 | 2.5 | 2.6 | 3.6 | 3.6 | 2.1 | -1.9 | 2.7 | 1.8 | 0.8 | 1.9 | 1.0 | 1.2 | 2.3 |
| Turkey | 4.2 | 3.1 | -3.4 | 6.8 | -5.7 | 6.2 | 5.3 | 9.4 | 8.4 | 6.9 | 4.7 | 0.7 | -4.8 | 9.0 | 7.4 | 3.0 | 4.5 | .. | .. | .. |
| United Kingdom | 2.3 | 3.8 | 3.7 | 4.5 | 3.2 | 2.7 | 3.5 | 3.0 | 2.1 | 2.6 | 3.5 | -1.1 | -4.4 | 1.8 | 0.9 | 0.5 | 1.8 | 1.0 | 0.7 | 2.1 |
| United States | 3.0 | 4.4 | 4.8 | 4.1 | 1.1 | 1.7 | 2.5 | 3.5 | 3.1 | 2.7 | 1.9 | -0.3 | -3.5 | 3.0 | 1.7 | 2.0 | 2.5 | 1.5 | 2.0 | 2.7 |
| Euro area | 2.4 | 2.7 | 2.8 | 3.9 | 2.0 | 0.9 | 0.7 | 2.0 | 1.8 | 3.3 | 3.0 | 0.3 | -4.2 | 1.8 | 1.6 | 0.2 | 1.4 | 0.9 | 0.6 | 1.7 |
| Total OECD | 2.9 | 2.7 | 3.4 | 4.2 | 1.3 | 1.7 | 2.0 | 3.2 | 2.7 | 3.2 | 2.8 | 0.1 | -3.8 | 3.1 | 1.9 | 1.6 | 2.3 | 1.6 | 1.8 | 2.5 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. These numbers are working-day adjusted and hence may differ from the basis used for official projections.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 2. **Nominal GDP**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 6.5 | 5.3 | 5.4 | 7.8 | 6.4 | 7.1 | 5.9 | 7.6 | 7.9 | 7.9 | 9.1 | 9.0 | 0.6 | 7.9 | 7.3 | 7.3 | 6.1 | 7.6 | 6.6 | 5.8 |
| Austria | 5.0 | 4.1 | 3.8 | 4.7 | 2.8 | 2.9 | 2.0 | 4.3 | 4.5 | 5.6 | 5.7 | 3.1 | -2.8 | 4.2 | 5.1 | 2.5 | 3.5 | 3.7 | 2.8 | 3.7 |
| Belgium | 4.9 | 3.8 | 3.8 | 5.7 | 2.9 | 3.4 | 2.8 | 5.4 | 4.3 | 5.1 | 5.2 | 3.0 | -1.5 | 4.1 | 4.5 | 2.6 | 3.4 | 3.4 | 2.9 | 3.6 |
| Canada | 4.7 | 3.7 | 7.4 | 9.6 | 2.9 | 4.0 | 5.2 | 6.4 | 6.4 | 5.6 | 5.5 | 4.8 | -4.6 | 6.3 | 5.4 | 3.2 | 3.8 | 4.0 | 3.7 | 3.8 |
| Chile | 21.5 | 5.3 | 1.7 | 9.3 | 7.3 | 6.5 | 10.0 | 14.0 | 13.5 | 17.6 | 10.3 | 3.9 | 1.1 | 15.1 | 10.1 | 7.5 | 8.5 | 7.6 | 7.8 | 8.8 |
| Czech Republic | .. | 9.4 | 4.2 | 5.6 | 7.9 | 4.9 | 4.7 | 9.0 | 6.4 | 7.6 | 9.2 | 5.1 | -2.8 | 1.0 | 2.1 | 3.5 | 4.2 | 2.8 | 3.7 | 4.6 |
| Denmark | 4.4 | 3.4 | 4.3 | 6.6 | 3.2 | 2.8 | 2.0 | 4.7 | 5.4 | 5.6 | 3.9 | 2.7 | -4.9 | 5.2 | 2.5 | 2.4 | 3.6 | 2.0 | 2.9 | 3.7 |
| Estonia | .. | 12.3 | 6.5 | 15.0 | 13.2 | 11.6 | 12.1 | 11.1 | 15.5 | 19.8 | 20.0 | 1.5 | -15.1 | 3.4 | 12.1 | 6.1 | 7.5 | 9.7 | 6.3 | 7.5 |
| Finland | 4.9 | 8.6 | 4.9 | 8.1 | 5.4 | 3.1 | 1.3 | 4.6 | 3.4 | 5.3 | 8.5 | 3.2 | -6.7 | 4.0 | 8.4 | 5.0 | 3.6 | 7.9 | 4.7 | 2.4 |
| France | 4.2 | 4.5 | 3.4 | 5.5 | 3.8 | 3.2 | 2.9 | 4.0 | 3.8 | 4.9 | 4.9 | 2.3 | -2.2 | 2.2 | 3.2 | 1.8 | 2.4 | 2.8 | 2.0 | 2.6 |
| Germany | 5.2 | 2.2 | 1.9 | 2.6 | 2.8 | 1.5 | 0.7 | 1.8 | 1.5 | 4.2 | 5.1 | 1.6 | -4.0 | 4.2 | 3.8 | 1.9 | 3.3 | 2.9 | 2.4 | 3.5 |
| Greece | .. | 8.7 | 6.6 | 8.0 | 7.4 | 7.0 | 10.1 | 7.4 | 5.2 | 8.2 | 6.6 | 4.6 | -0.5 | -1.9 | -4.0 | -1.4 | 1.4 | -1.8 | -0.3 | 2.1 |
| Hungary | .. | 18.3 | 11.3 | 14.4 | 15.4 | 13.3 | 9.5 | 10.3 | 6.5 | 7.5 | 5.6 | 6.2 | -3.5 | 4.4 | 3.5 | 3.3 | 3.6 | 2.9 | 2.9 | 3.8 |
| Iceland | 9.6 | 11.8 | 7.5 | 8.1 | 12.9 | 5.8 | 3.1 | 10.5 | 10.3 | 13.9 | 12.0 | 13.3 | 1.1 | 2.6 | 6.8 | 6.8 | 5.5 | 10.8 | 4.4 | 6.5 |
| Ireland | 9.2 | 15.7 | 15.2 | 15.8 | 11.6 | 11.2 | 7.4 | 6.8 | 8.5 | 9.1 | 6.5 | -5.2 | -10.8 | -2.9 | 0.5 | 1.9 | 3.5 | 4.9 | 4.0 | 3.1 |
| Israel | 19.6 | 11.5 | 9.9 | 11.0 | 1.5 | 3.5 | 1.0 | 5.0 | 6.0 | 7.8 | 5.9 | 5.4 | 5.9 | 6.1 | 6.4 | 5.5 | 5.9 | 5.9 | 5.3 | 6.0 |
| Italy | 7.3 | 4.1 | 3.3 | 5.7 | 4.8 | 3.7 | 3.1 | 4.2 | 2.8 | 3.9 | 4.1 | 1.3 | -3.1 | 1.9 | 2.0 | 1.3 | 1.7 | 2.1 | 1.1 | 1.9 |
| Japan | 3.8 | -2.1 | -1.4 | 1.1 | -1.0 | -1.3 | -0.2 | 1.6 | 0.7 | 1.1 | 1.6 | -2.2 | -6.6 | 1.8 | -2.3 | 1.3 | 1.3 | -0.9 | 1.2 | 1.5 |
| Korea | 15.7 | -1.0 | 9.6 | 9.9 | 8.0 | 10.6 | 6.5 | 7.8 | 4.6 | 5.0 | 7.3 | 5.3 | 3.8 | 10.1 | 5.7 | 6.4 | 6.5 | 4.7 | 7.3 | 5.9 |
| Luxembourg | 8.0 | 6.1 | 14.2 | 10.6 | 2.6 | 6.3 | 7.7 | 6.3 | 10.3 | 12.0 | 10.5 | 5.2 | -5.2 | 7.7 | 5.4 | 1.5 | 4.6 | 1.8 | 2.1 | 5.6 |
| Mexico | 31.0 | 20.2 | 21.5 | 17.4 | 4.4 | 2.7 | 10.9 | 13.5 | 7.9 | 12.2 | 9.1 | 7.6 | -2.4 | 10.0 | 9.3 | 7.1 | 7.6 | 8.3 | 7.1 | 7.8 |
| Netherlands | 5.1 | 5.9 | 6.5 | 8.3 | 7.2 | 3.9 | 2.5 | 2.8 | 4.7 | 5.3 | 5.8 | 3.9 | -3.9 | 3.0 | 2.7 | 2.0 | 3.2 | 1.6 | 2.8 | 3.4 |
| New Zealand | 5.2 | 1.6 | 5.1 | 6.4 | 6.8 | 5.9 | 6.0 | 8.1 | 5.4 | 4.7 | 7.5 | 3.4 | 0.7 | 5.0 | 4.8 | 4.5 | 5.7 | 3.2 | 5.6 | 5.2 |
| Norway | 6.0 | 1.9 | 8.8 | 19.4 | 3.8 | -0.3 | 4.0 | 9.4 | 11.6 | 11.0 | 5.2 | 10.5 | -7.2 | 7.1 | 10.6 | 4.0 | 5.0 | 14.3 | -3.5 | 9.5 |
| Poland | .. | 16.5 | 10.7 | 12.2 | 5.0 | 3.6 | 4.2 | 9.8 | 6.2 | 7.8 | 11.1 | 8.3 | 5.1 | 5.6 | 7.1 | 4.9 | 5.2 | 6.3 | 4.8 | 5.3 |
| Portugal | 11.7 | 9.0 | 7.5 | 7.3 | 5.6 | 4.5 | 2.0 | 4.1 | 3.3 | 4.3 | 5.6 | 1.6 | -2.0 | 2.5 | -0.4 | -2.4 | 1.5 | -1.8 | -1.2 | 2.3 |
| Slovak Republic | .. | 9.7 | 7.4 | 10.9 | 8.7 | 8.6 | 10.3 | 11.2 | 9.2 | 11.5 | 11.7 | 8.9 | -6.0 | 4.8 | 5.1 | 4.7 | 6.2 | 4.8 | 5.2 | 6.6 |
| Slovenia | .. | 10.8 | 12.2 | 9.7 | 11.8 | 11.7 | 8.6 | 7.8 | 5.7 | 8.1 | 11.3 | 7.9 | -5.3 | 0.3 | 1.3 | 1.0 | 3.2 | 0.9 | 1.7 | 3.9 |
| Spain | 8.2 | 7.1 | 7.5 | 8.6 | 8.0 | 7.2 | 7.4 | 7.4 | 8.1 | 8.4 | 6.9 | 3.3 | -3.7 | 0.3 | 2.1 | 0.9 | 1.7 | 1.5 | 1.2 | 2.0 |
| Sweden | 5.9 | 4.8 | 5.6 | 5.9 | 3.7 | 4.1 | 4.1 | 4.6 | 4.1 | 6.3 | 6.2 | 2.5 | -3.4 | 6.9 | 5.0 | 3.0 | 3.8 | 2.8 | 3.2 | 3.9 |
| Switzerland | 3.7 | 2.9 | 1.9 | 4.8 | 2.0 | 0.9 | 0.8 | 3.1 | 2.8 | 5.8 | 6.2 | 4.6 | -1.7 | 2.8 | 2.6 | 1.0 | 2.2 | 1.8 | 1.4 | 2.8 |
| Turkey | 81.4 | 81.1 | 49.0 | 59.3 | 44.1 | 45.9 | 29.8 | 22.9 | 16.1 | 16.9 | 11.2 | 12.7 | 0.2 | 15.9 | 18.2 | 11.5 | 12.5 | .. | .. | .. |
| United Kingdom | 6.8 | 5.9 | 5.7 | 5.1 | 4.6 | 5.3 | 6.0 | 5.5 | 4.3 | 5.9 | 5.8 | 2.0 | -2.8 | 4.6 | 3.1 | 2.4 | 3.4 | 2.8 | 2.8 | 3.4 |
| United States | 5.8 | 5.5 | 6.4 | 6.4 | 3.4 | 3.5 | 4.7 | 6.4 | 6.5 | 6.0 | 4.9 | 1.9 | -2.5 | 4.2 | 3.9 | 3.9 | 3.9 | 4.0 | 3.7 | 4.0 |
| Euro area | 5.8 | 4.4 | 3.9 | 5.4 | 4.5 | 3.5 | 2.9 | 3.9 | 3.7 | 5.2 | 5.4 | 2.2 | -3.4 | 2.5 | 2.9 | 1.6 | 2.6 | 2.5 | 2.0 | 2.8 |
| Total OECD | 8.7 | 6.4 | 6.3 | 7.3 | 4.5 | 4.2 | 4.5 | 5.9 | 5.2 | 5.9 | 5.4 | 2.7 | -2.8 | 4.5 | 3.9 | 3.4 | 3.9 | 3.6 | 3.5 | 4.0 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558384

Annex Table 3. **Real private consumption expenditure**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.2 | 4.4 | 5.3 | 3.7 | 3.2 | 3.8 | 3.8 | 5.5 | 3.3 | 3.4 | 5.4 | 2.0 | 1.0 | 2.8 | 3.3 | 3.2 | 3.2 | 3.2 | 3.1 | 3.2 |
| Austria | 2.5 | 1.7 | 1.9 | 1.9 | 1.6 | 1.5 | 1.6 | 1.6 | 1.7 | 1.5 | 1.2 | 1.0 | 1.0 | 1.2 | 1.2 | 0.9 | 1.2 | 1.1 | 0.9 | 1.3 |
| Belgium | 2.0 | 2.6 | 1.9 | 2.7 | 1.5 | 0.5 | 0.8 | 1.6 | 1.0 | 2.0 | 1.7 | 1.9 | 0.8 | 2.3 | 1.0 | 0.5 | 1.2 | 0.3 | 0.7 | 1.5 |
| Canada | 2.3 | 2.8 | 3.8 | 4.0 | 2.3 | 3.6 | 3.0 | 3.3 | 3.7 | 4.2 | 4.6 | 3.0 | 0.4 | 3.3 | 1.8 | 1.9 | 3.0 | 1.0 | 2.4 | 3.3 |
| Chile | .. | 4.7 | -1.0 | 3.7 | 2.9 | 2.4 | 4.2 | 7.2 | 7.4 | 7.1 | 7.0 | 4.5 | 0.9 | 10.4 | 9.4 | 6.4 | 7.0 | 7.7 | 6.9 | 7.0 |
| Czech Republic | .. | -1.3 | 2.2 | 0.9 | 3.1 | 3.1 | 5.3 | 3.2 | 3.1 | 4.4 | 4.2 | 2.8 | -0.4 | 0.6 | -0.1 | 0.6 | 2.6 | 0.0 | 0.9 | 3.5 |
| Denmark | 1.6 | 2.3 | -0.4 | 0.2 | 0.1 | 1.5 | 1.0 | 4.7 | 3.8 | 3.6 | 3.0 | -0.6 | -4.5 | 2.3 | -0.4 | 0.6 | 1.8 | -1.0 | 1.2 | 2.0 |
| Estonia | .. | 5.1 | 0.8 | 7.9 | 7.0 | 9.5 | 9.2 | 8.1 | 9.5 | 13.5 | 8.8 | -6.1 | -15.6 | -1.7 | 3.5 | 3.7 | 4.3 | 3.8 | 4.1 | 4.3 |
| Finland | 1.3 | 4.6 | 2.8 | 2.2 | 3.0 | 2.5 | 4.8 | 3.4 | 3.1 | 4.3 | 3.5 | 1.8 | -3.1 | 2.7 | 3.1 | 0.5 | 2.0 | 1.0 | 2.2 | 1.1 |
| France | 1.5 | 3.7 | 3.4 | 3.5 | 2.3 | 2.0 | 1.8 | 1.6 | 2.4 | 2.4 | 2.3 | 0.2 | 0.2 | 1.4 | 0.6 | 0.7 | 1.6 | -0.1 | 1.3 | 1.7 |
| Germany | 2.4 | 1.1 | 2.4 | 2.1 | 1.4 | -0.6 | 0.3 | 0.1 | 0.2 | 1.6 | -0.2 | 0.5 | 0.0 | 0.6 | 1.0 | 0.7 | 1.1 | 0.4 | 0.8 | 1.1 |
| Greece | .. | 3.5 | 2.5 | 2.0 | 5.1 | 4.7 | 3.3 | 3.8 | 4.4 | 4.3 | 3.7 | 4.0 | -1.3 | -3.6 | -5.3 | -5.2 | -0.8 | .. | .. | .. |
| Hungary | .. | 4.9 | 6.8 | 3.1 | 4.6 | 8.2 | 8.4 | 1.7 | 2.3 | 1.7 | 1.1 | -0.7 | -6.2 | -2.2 | -0.7 | -2.0 | -0.2 | -0.9 | -2.0 | 0.3 |
| Iceland | 0.0 | 10.2 | 7.9 | 4.2 | -2.8 | -1.5 | 6.2 | 7.0 | 12.7 | 3.6 | 5.7 | -7.9 | -14.9 | -0.4 | 3.0 | 3.1 | 3.1 | 2.2 | 2.8 | 3.2 |
| Ireland | 4.2 | 7.5 | 9.0 | 10.5 | 4.6 | 3.7 | 2.9 | 3.6 | 6.7 | 6.6 | 6.3 | -1.3 | -7.3 | -0.9 | -2.5 | -0.5 | 0.5 | -2.3 | -0.2 | 1.0 |
| Israel | .. | 5.5 | 3.9 | 8.7 | 3.5 | 0.7 | -0.1 | 5.2 | 3.0 | 4.2 | 6.4 | 2.8 | 1.4 | 5.3 | 4.9 | 1.6 | 3.6 | 2.7 | 2.4 | 3.9 |
| Italy | 2.0 | 3.3 | 2.5 | 2.8 | 0.5 | -0.1 | 0.6 | 0.9 | 1.0 | 1.5 | 1.0 | -1.0 | -1.8 | 1.1 | 0.9 | 0.2 | 0.2 | 0.6 | 0.1 | 0.2 |
| Japan | 2.8 | -0.9 | 1.0 | 0.7 | 1.6 | 1.1 | 0.4 | 1.6 | 1.3 | 1.5 | 1.6 | -0.7 | -1.9 | 2.0 | -0.2 | 1.3 | 1.3 | 0.8 | 1.0 | 1.5 |
| Korea | 8.1 | -12.5 | 11.9 | 9.2 | 5.7 | 8.9 | -0.4 | 0.3 | 4.6 | 4.7 | 5.1 | 1.3 | 0.0 | 4.1 | 2.6 | 3.2 | 3.8 | 2.6 | 3.5 | 3.9 |
| Luxembourg | 3.4 | 5.7 | 3.6 | 5.0 | 3.4 | 5.8 | -5.3 | 2.2 | 2.6 | 3.2 | 3.3 | 3.4 | 1.1 | 2.1 | 1.9 | 0.8 | 1.7 | 1.8 | 1.1 | 2.0 |
| Mexico | 2.8 | 5.5 | 4.3 | 8.2 | 2.5 | 1.6 | 2.3 | 5.6 | 4.8 | 5.7 | 4.0 | 1.7 | -7.2 | 5.0 | 4.3 | 3.1 | 3.5 | 3.1 | 3.2 | 3.6 |
| Netherlands | 2.5 | 5.1 | 5.3 | 3.7 | 1.8 | 0.9 | -0.2 | 1.0 | 1.0 | -0.3 | 1.8 | 1.3 | -2.6 | 0.4 | -0.7 | -0.5 | 0.6 | -1.3 | 0.0 | 0.8 |
| New Zealand | 2.2 | 2.5 | 3.5 | 1.9 | 2.0 | 4.3 | 5.7 | 5.3 | 4.6 | 2.2 | 4.1 | -0.3 | -0.8 | 2.2 | 2.2 | 1.9 | 2.4 | 2.4 | 1.8 | 2.6 |
| Norway | 2.1 | 2.8 | 3.7 | 4.2 | 2.1 | 3.1 | 2.8 | 5.6 | 4.0 | 4.8 | 5.4 | 1.6 | 0.2 | 3.7 | 2.8 | 2.7 | 3.9 | 2.4 | 3.0 | 4.3 |
| Poland | .. | 5.0 | 5.6 | 3.0 | 2.2 | 3.3 | 2.3 | 4.5 | 2.2 | 5.1 | 4.9 | 5.5 | 2.1 | 3.1 | 3.4 | 2.2 | 2.0 | 3.4 | 1.7 | 2.1 |
| Portugal | 3.5 | 5.1 | 5.5 | 3.8 | 1.3 | 1.3 | -0.2 | 2.7 | 1.7 | 1.8 | 2.5 | 1.3 | -1.1 | 2.3 | -3.7 | -5.5 | -1.3 | -5.9 | -5.1 | 0.7 |
| Slovak Republic | .. | 6.6 | 0.4 | 2.2 | 5.5 | 5.7 | 1.7 | 4.6 | 6.5 | 5.9 | 6.8 | 6.1 | 0.2 | -0.7 | -0.1 | 1.3 | 2.8 | 0.0 | 2.2 | 2.8 |
| Slovenia | .. | 2.8 | 6.6 | 0.8 | 2.5 | 2.6 | 3.4 | 3.0 | 2.1 | 2.8 | 6.1 | 3.7 | -0.1 | -0.7 | 0.1 | 0.2 | 0.8 | -0.1 | 0.5 | 0.9 |
| Spain | 2.5 | 4.8 | 5.3 | 5.0 | 3.5 | 2.8 | 2.9 | 4.2 | 4.1 | 4.0 | 3.5 | -0.6 | -4.3 | 0.8 | 0.0 | -0.1 | 0.9 | -0.4 | 0.0 | 1.4 |
| Sweden | 0.7 | 3.2 | 3.9 | 5.4 | 0.8 | 2.6 | 2.4 | 2.6 | 2.8 | 2.8 | 3.8 | -0.1 | -0.3 | 3.6 | 2.2 | 0.9 | 2.0 | 1.2 | 1.1 | 2.2 |
| Switzerland | 1.2 | 2.2 | 2.3 | 2.4 | 2.3 | 0.1 | 0.9 | 1.6 | 1.7 | 1.6 | 2.3 | 1.4 | 1.4 | 1.7 | 1.1 | 1.3 | 1.3 | 1.0 | 1.3 | 1.4 |
| Turkey | 4.3 | 0.6 | 0.1 | 5.9 | -6.6 | 4.7 | 10.2 | 11.0 | 7.9 | 4.6 | 5.5 | -0.3 | -2.3 | 6.7 | 7.3 | 1.2 | 4.3 | .. | .. | .. |
| United Kingdom | 2.6 | 4.8 | 5.3 | 5.4 | 4.0 | 4.3 | 3.1 | 3.0 | 2.1 | 1.8 | 2.7 | -1.5 | -3.5 | 1.1 | -0.9 | 0.5 | 2.0 | -0.9 | 1.1 | 2.3 |
| United States | 3.0 | 5.2 | 5.5 | 5.1 | 2.7 | 2.6 | 2.8 | 3.3 | 3.4 | 2.9 | 2.3 | -0.6 | -1.9 | 2.0 | 2.3 | 2.2 | 2.6 | 1.8 | 2.4 | 2.7 |
| Euro area | 2.1 | 3.0 | 3.1 | 3.0 | 1.8 | 0.9 | 1.1 | 1.4 | 1.7 | 2.2 | 1.6 | 0.3 | -1.1 | 0.8 | 0.4 | 0.1 | 0.9 | -0.2 | 0.5 | 1.1 |
| Total OECD | 2.8 | 3.2 | 4.2 | 4.2 | 2.3 | 2.4 | 2.2 | 2.9 | 2.9 | 2.8 | 2.6 | 0.1 | -1.8 | 2.1 | 1.6 | 1.5 | 2.2 | 1.2 | 1.8 | 2.4 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558403

Annex Table 4. **Real public consumption expenditure**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 2.9 | 3.5 | 3.1 | 3.8 | 2.3 | 2.6 | 3.9 | 3.8 | 2.3 | 3.5 | 3.3 | 3.2 | 1.6 | 3.6 | 3.1 | 1.0 | 1.4 | 2.3 | 0.8 | 1.6 |
| Austria | 2.4 | 2.9 | 3.2 | 0.5 | -0.4 | 1.0 | 1.2 | 0.5 | 1.9 | 2.2 | 2.6 | 4.0 | 0.7 | -0.1 | 1.3 | 0.7 | 0.6 | 1.3 | 0.6 | 0.6 |
| Belgium | 1.1 | 1.6 | 2.7 | 3.1 | 1.6 | 3.1 | 1.4 | 1.8 | 1.2 | 0.6 | 2.0 | 2.4 | 0.8 | 0.2 | 0.5 | 1.2 | 0.9 | 1.1 | 1.0 | 0.9 |
| Canada | 1.1 | 3.2 | 2.1 | 3.1 | 3.9 | 2.5 | 3.1 | 2.0 | 1.4 | 3.0 | 2.7 | 4.4 | 3.6 | 2.4 | 1.0 | -0.2 | -0.5 | 0.3 | -0.4 | -0.5 |
| Chile | .. | 2.2 | 2.7 | 3.0 | 2.9 | 3.1 | 2.4 | 6.1 | 5.9 | 6.4 | 7.1 | 0.5 | 7.5 | 3.3 | 3.6 | 2.4 | 2.4 | 0.8 | 2.4 | 2.4 |
| Czech Republic | .. | -2.9 | 4.3 | 0.0 | 3.9 | 7.9 | 6.0 | -3.3 | 1.6 | -0.6 | 0.4 | 1.2 | 3.8 | 0.6 | -1.3 | 0.9 | 1.1 | -0.6 | 1.2 | 1.0 |
| Denmark | 1.3 | 3.5 | 2.4 | 2.3 | 2.2 | 2.1 | 0.7 | 1.8 | 1.3 | 2.8 | 1.3 | 1.6 | 3.1 | 0.7 | 0.1 | 0.2 | -0.2 | 0.7 | -0.1 | -0.2 |
| Estonia | .. | 2.2 | -0.2 | -2.2 | 2.7 | 3.4 | 6.3 | 1.1 | 3.2 | 5.0 | 6.6 | 5.0 | -1.6 | -1.1 | 1.2 | 1.1 | 1.1 | 1.4 | 1.1 | 1.1 |
| Finland | 1.2 | 1.8 | 1.3 | 0.3 | 1.3 | 2.8 | 1.6 | 1.7 | 2.2 | 0.4 | 1.1 | 1.7 | 0.9 | 0.6 | 0.5 | 0.8 | 0.7 | 0.5 | 0.9 | 0.6 |
| France | 2.2 | -0.7 | 1.4 | 2.0 | 1.3 | 1.9 | 1.9 | 2.1 | 1.3 | 1.5 | 1.5 | 1.2 | 2.3 | 1.2 | 0.7 | 0.1 | 0.0 | 0.6 | 0.0 | 0.1 |
| Germany | 1.8 | 2.2 | 0.9 | 1.4 | 0.5 | 1.2 | 0.3 | -0.6 | 0.3 | 0.9 | 1.4 | 3.1 | 3.3 | 1.7 | 0.9 | 0.9 | 0.8 | 1.0 | 0.8 | 0.8 |
| Greece | .. | 1.7 | 2.1 | 14.8 | 0.7 | 7.2 | -0.9 | 3.5 | 1.1 | 2.3 | 7.6 | -2.1 | 4.8 | -7.2 | -8.0 | -6.6 | -5.1 | .. | .. | .. |
| Hungary | .. | -0.5 | 1.5 | 0.7 | 3.2 | 5.6 | 5.0 | 1.6 | 2.4 | 3.4 | -7.2 | 1.1 | -0.6 | -2.1 | -0.3 | -1.3 | -0.2 | -0.3 | -0.6 | 0.0 |
| Iceland | 2.6 | 4.2 | 4.4 | 3.8 | 4.7 | 5.3 | 1.8 | 2.2 | 3.5 | 4.0 | 4.1 | 4.6 | -1.7 | -3.4 | -1.4 | -0.8 | -0.2 | -2.9 | 0.6 | 0.2 |
| Ireland | 2.1 | 5.9 | 6.0 | 9.9 | 10.6 | 6.9 | 2.3 | 2.3 | 4.6 | 5.6 | 7.0 | 1.2 | -3.7 | -3.1 | -3.1 | -2.1 | -2.2 | -3.0 | -2.6 | -2.0 |
| Israel | .. | 1.8 | 2.6 | 1.6 | 3.6 | 5.0 | -2.8 | -1.7 | 2.2 | 3.0 | 3.3 | 1.7 | 1.8 | 2.5 | 1.6 | 1.7 | 2.6 | 0.3 | 2.0 | 3.0 |
| Italy | 0.4 | 0.4 | 1.4 | 2.1 | 4.1 | 2.6 | 2.0 | 2.5 | 1.9 | 0.5 | 1.0 | 0.6 | 1.0 | -0.5 | 0.1 | -0.9 | -1.2 | 0.4 | -1.2 | -1.2 |
| Japan | 3.1 | 1.8 | 4.2 | 4.3 | 3.0 | 2.4 | 2.3 | 1.9 | 1.6 | 0.4 | 1.5 | 0.5 | 3.0 | 2.3 | 2.3 | 0.2 | -0.1 | 1.7 | 0.0 | -0.3 |
| Korea | 6.2 | 2.2 | 3.0 | 1.8 | 5.0 | 4.9 | 4.4 | 3.8 | 4.3 | 6.6 | 5.4 | 4.3 | 5.6 | 3.0 | 2.9 | 4.0 | 3.0 | 4.6 | 3.7 | 2.9 |
| Luxembourg | 4.7 | 1.6 | 8.3 | 4.7 | 6.1 | 4.6 | 4.1 | 4.5 | 3.3 | 1.7 | 3.8 | 1.7 | 4.9 | 3.0 | -0.7 | 2.6 | 1.7 | 1.6 | 1.1 | 1.8 |
| Mexico | 1.8 | 2.5 | 4.5 | 2.6 | -2.4 | -0.2 | 1.0 | -2.8 | 2.5 | 1.9 | 3.1 | 1.1 | 3.8 | 2.8 | -0.9 | 0.9 | 1.5 | -0.8 | 1.5 | 1.5 |
| Netherlands | 1.9 | 2.5 | 2.8 | 1.9 | 4.6 | 3.3 | 2.9 | -0.1 | 0.5 | 9.5 | 3.5 | 2.8 | 4.8 | 1.0 | 0.0 | -0.8 | 0.3 | -1.6 | 0.7 | 0.1 |
| New Zealand | 2.2 | -0.3 | 6.9 | -2.4 | 4.3 | 1.5 | 3.4 | 6.0 | 4.1 | 4.5 | 4.4 | 5.0 | 0.5 | 3.4 | 2.6 | -1.3 | -0.4 | 2.5 | -3.4 | 0.7 |
| Norway | 2.9 | 3.4 | 3.1 | 1.9 | 4.6 | 3.1 | 1.7 | 1.5 | 0.7 | 1.9 | 3.0 | 4.1 | 4.8 | 2.2 | 2.4 | 1.5 | 1.7 | 4.5 | -0.9 | 3.5 |
| Poland | .. | 1.8 | 2.1 | 1.4 | 2.9 | 1.7 | 4.5 | 3.1 | 5.6 | 5.9 | 3.5 | 6.7 | 2.5 | 3.5 | 1.0 | 0.6 | 0.0 | -0.1 | 0.1 | 0.0 |
| Portugal | 3.8 | 6.2 | 3.8 | 4.2 | 3.8 | 1.6 | 0.4 | 2.4 | 3.3 | -0.7 | 0.5 | 0.4 | 3.7 | 1.3 | -4.3 | -4.7 | -3.4 | -7.4 | -3.8 | -3.4 |
| Slovak Republic | .. | 5.6 | -7.3 | 4.6 | 5.4 | 3.0 | 4.3 | -2.9 | 3.9 | 8.8 | -0.2 | 6.9 | 6.2 | 1.5 | -3.3 | -0.5 | -0.7 | -3.5 | 2.0 | -3.1 |
| Slovenia | .. | 4.8 | 3.3 | 3.1 | 3.7 | 3.3 | 2.3 | 3.3 | 3.5 | 4.0 | 0.6 | 6.1 | 2.9 | 1.5 | -0.1 | -0.8 | 0.4 | -1.2 | 0.0 | 0.7 |
| Spain | 3.7 | 3.5 | 4.0 | 5.3 | 4.0 | 4.6 | 4.8 | 6.2 | 5.5 | 4.6 | 5.6 | 5.9 | 3.7 | 0.2 | -1.3 | -2.0 | -1.3 | -1.7 | -1.3 | -1.3 |
| Sweden | 1.1 | 3.5 | 1.3 | -1.0 | 0.9 | 2.2 | 1.0 | -0.8 | 0.0 | 1.8 | 0.9 | 1.0 | 1.2 | 1.8 | 1.4 | 0.8 | 1.0 | 0.6 | 0.8 | 1.3 |
| Switzerland | 2.3 | -1.1 | 0.5 | 2.3 | 4.5 | 1.2 | 1.9 | 0.8 | 1.2 | 0.3 | 0.3 | 2.7 | 3.3 | 0.8 | 1.3 | 1.5 | 1.6 | 1.6 | 1.4 | 1.6 |
| Turkey | 3.7 | 7.8 | 4.0 | 5.7 | -1.1 | 5.8 | -2.6 | 6.0 | 2.5 | 8.4 | 6.5 | 1.7 | 7.8 | 2.0 | 6.4 | 4.4 | 4.2 | .. | .. | .. |
| United Kingdom | 0.9 | 1.7 | 3.8 | 3.5 | 2.6 | 3.9 | 4.4 | 3.4 | 2.2 | 1.5 | 0.6 | 1.6 | -0.1 | 1.5 | 1.7 | -0.8 | -1.8 | 1.7 | -1.6 | -1.8 |
| United States | 1.1 | 1.8 | 2.8 | 1.8 | 3.7 | 4.5 | 2.2 | 1.4 | 0.6 | 1.0 | 1.3 | 2.2 | 2.0 | 0.9 | -1.0 | -0.3 | 0.4 | -0.8 | -0.1 | 0.6 |
| Euro area | 1.8 | 1.4 | 1.7 | 2.4 | 2.1 | 2.4 | 1.7 | 1.6 | 1.6 | 2.1 | 2.2 | 2.3 | 2.6 | 0.5 | 0.0 | -0.3 | -0.2 | -0.2 | -0.2 | -0.2 |
| Total OECD | 1.7 | 1.9 | 2.7 | 2.5 | 2.8 | 3.3 | 2.2 | 1.8 | 1.5 | 1.8 | 1.9 | 2.2 | 2.5 | 1.3 | 0.4 | 0.1 | 0.2 | 0.2 | 0.1 | 0.3 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558422

## Annex Table 5. **Real total gross fixed capital formation**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 4.0 | 6.2 | 4.4 | 2.6 | -4.0 | 16.1 | 9.6 | 6.3 | 9.4 | 4.2 | 10.3 | 7.2 | -2.4 | 5.3 | 5.2 | 8.0 | 6.9 | 7.7 | 8.1 | 6.6 |
| Austria | 3.6 | 2.6 | 1.9 | 4.7 | -0.9 | -3.8 | 3.3 | 1.3 | 0.8 | 0.8 | 3.1 | 0.0 | -7.3 | -0.3 | 3.6 | 1.2 | 2.2 | 2.5 | 1.3 | 2.5 |
| Belgium | 4.0 | 3.7 | 2.9 | 4.9 | 1.2 | -5.0 | 0.6 | 8.0 | 6.4 | 2.3 | 6.1 | 2.2 | -8.1 | -0.9 | 4.6 | 0.0 | 1.9 | 3.0 | 0.5 | 2.7 |
| Canada | 2.4 | 2.4 | 7.3 | 4.7 | 4.0 | 1.6 | 6.2 | 7.8 | 9.3 | 7.1 | 3.5 | 2.0 | -13.0 | 10.0 | 8.7 | 5.6 | 4.0 | 7.5 | 5.0 | 3.3 |
| Chile | 13.4 | 1.9 | -18.2 | 8.9 | 4.3 | 1.5 | 5.7 | 10.0 | 23.9 | 2.3 | 11.2 | 19.4 | -15.9 | 18.8 | 16.3 | 7.7 | 8.8 | 15.8 | 7.3 | 9.4 |
| Czech Republic | .. | -1.0 | -2.1 | 6.5 | 4.5 | 3.8 | 0.6 | 3.0 | 6.0 | 5.8 | 13.2 | 4.1 | -11.5 | 0.1 | 2.9 | 3.0 | 4.5 | -0.4 | 3.8 | 4.7 |
| Denmark | 2.2 | 8.1 | -0.1 | 7.6 | -1.4 | 0.1 | -0.2 | 3.9 | 4.7 | 14.3 | 0.4 | -3.3 | -14.3 | -3.3 | -0.5 | 3.5 | 4.6 | -0.4 | 3.0 | 5.0 |
| Estonia | .. | 21.4 | -15.5 | 16.7 | 13.1 | 24.2 | 16.7 | 6.0 | 15.2 | 23.0 | 9.3 | -15.1 | -37.9 | -9.1 | 16.4 | 9.0 | 9.0 | 9.5 | 9.3 | 8.8 |
| Finland | -0.2 | 11.1 | 3.3 | 6.4 | 2.9 | -3.7 | 3.0 | 4.9 | 3.6 | 1.9 | 10.7 | -0.8 | -13.5 | 2.8 | 6.6 | 1.9 | 0.8 | 5.4 | 0.5 | 0.4 |
| France | 1.6 | 7.4 | 8.4 | 7.1 | 2.1 | -1.9 | 2.2 | 3.0 | 4.4 | 4.2 | 6.2 | 0.1 | -8.8 | -1.4 | 2.8 | 0.7 | 3.0 | 2.2 | 1.2 | 3.6 |
| Germany | 3.0 | 3.5 | 4.2 | 3.3 | -3.0 | -6.1 | -1.2 | -1.2 | 1.0 | 8.9 | 5.0 | 1.0 | -11.4 | 5.2 | 7.2 | 1.2 | 3.8 | 5.3 | 2.3 | 4.2 |
| Greece | .. | 10.6 | 11.0 | 8.0 | 4.8 | 9.5 | 11.8 | 0.4 | -6.3 | 20.4 | 5.4 | -6.7 | -15.2 | -15.0 | -16.1 | -5.5 | 0.9 | .. | .. | .. |
| Hungary | .. | 12.8 | 7.4 | 6.0 | 1.9 | 7.4 | 1.5 | 7.2 | 4.5 | -2.7 | 3.8 | 2.9 | -11.0 | -9.7 | -6.7 | -3.9 | -0.2 | -5.5 | -2.3 | 0.4 |
| Iceland | 0.5 | 34.4 | -4.1 | 11.8 | -4.3 | -14.0 | 11.1 | 28.7 | 34.4 | 24.4 | -12.2 | -20.0 | -51.1 | -8.0 | 7.0 | 14.2 | 4.1 | 6.8 | 5.9 | 4.0 |
| Ireland | 7.3 | 13.8 | 13.6 | 5.8 | 0.1 | 2.6 | 6.5 | 9.6 | 14.9 | 4.4 | 2.0 | -10.4 | -28.7 | -24.9 | -6.3 | -2.7 | 2.7 | 0.4 | 1.0 | 3.2 |
| Israel | 9.1 | -4.1 | 0.2 | 3.3 | -3.6 | -6.6 | -4.1 | 0.1 | 3.4 | 13.1 | 14.5 | 4.4 | -4.9 | 13.7 | 17.2 | 8.0 | 7.5 | 11.9 | 7.7 | 7.0 |
| Italy | 1.5 | 3.9 | 4.0 | 6.4 | 2.7 | 3.4 | -1.3 | 2.0 | 1.3 | 3.4 | 1.8 | -3.7 | -11.7 | 2.4 | 0.7 | -0.9 | 0.3 | 0.3 | -0.9 | 0.8 |
| Japan | 3.0 | -7.2 | -0.8 | 1.2 | -0.9 | -4.9 | -0.5 | 1.4 | 3.1 | 0.5 | -1.2 | -3.6 | -11.7 | -0.2 | -0.3 | 5.4 | 3.7 | 1.8 | 5.3 | 3.4 |
| Korea | 10.8 | -22.0 | 8.7 | 12.3 | 0.3 | 7.1 | 4.4 | 2.1 | 1.9 | 3.4 | 4.2 | -1.9 | -1.0 | 7.0 | -1.5 | 4.6 | 4.6 | 0.0 | 4.4 | 4.5 |
| Luxembourg | 5.2 | 6.1 | 22.0 | -4.7 | 8.8 | 5.5 | 6.3 | 2.7 | 2.5 | 3.8 | 17.9 | 3.2 | -13.0 | 3.0 | 4.7 | 2.3 | 1.9 | 4.3 | 1.0 | 2.1 |
| Mexico | 5.1 | 10.5 | 7.7 | 11.4 | -5.6 | -0.7 | 0.4 | 7.9 | 7.4 | 9.9 | 6.9 | 5.9 | -11.9 | 2.3 | 9.4 | 8.1 | 7.4 | 9.9 | 7.1 | 7.5 |
| Netherlands | 3.7 | 6.8 | 8.7 | 0.6 | 0.2 | -4.5 | -1.5 | -1.6 | 3.7 | 7.5 | 5.5 | 4.5 | -10.2 | -4.4 | 6.1 | 0.5 | 3.7 | 5.0 | 2.6 | 4.1 |
| New Zealand | 3.1 | -4.0 | 7.0 | 8.1 | -1.2 | 10.8 | 10.9 | 12.7 | 5.4 | -1.4 | 6.0 | -4.4 | -10.6 | 2.2 | 2.9 | 12.0 | 12.2 | 0.3 | 17.2 | 9.0 |
| Norway | 1.5 | 13.6 | -5.4 | -3.5 | -1.1 | -1.1 | 0.2 | 10.2 | 13.3 | 11.7 | 12.5 | 2.5 | -6.8 | -7.4 | 6.0 | 5.0 | 4.8 | 4.3 | 2.7 | 5.9 |
| Poland | .. | 14.1 | 6.7 | 2.8 | -9.7 | -6.3 | -0.1 | 6.4 | 6.5 | 14.9 | 17.2 | 9.6 | -1.0 | -1.0 | 7.6 | 4.7 | 4.4 | 8.6 | 3.3 | 4.8 |
| Portugal | 5.6 | 11.8 | 6.0 | 3.9 | 0.6 | -3.2 | -7.1 | 0.0 | -0.5 | -1.3 | 2.6 | -0.3 | -11.3 | -4.9 | -11.0 | -11.9 | -0.3 | -14.3 | -6.8 | 1.9 |
| Slovak Republic | .. | 9.4 | -15.7 | -9.6 | 12.9 | 0.2 | -2.7 | 4.8 | 17.5 | 9.3 | 9.1 | 1.0 | -19.7 | 12.4 | 5.3 | 2.8 | 4.5 | 2.1 | 2.8 | 5.2 |
| Slovenia | .. | 8.6 | 14.7 | 2.6 | 1.3 | 0.3 | 7.6 | 5.0 | 3.0 | 10.4 | 13.3 | 7.8 | -23.3 | -8.3 | -12.2 | -2.1 | 3.4 | -11.2 | 1.3 | 4.5 |
| Spain | 3.6 | 11.3 | 10.4 | 6.6 | 4.8 | 3.4 | 5.9 | 5.1 | 7.1 | 7.1 | 4.5 | -4.7 | -16.6 | -6.3 | -4.8 | -4.0 | 0.7 | -4.3 | -2.1 | 1.7 |
| Sweden | 0.3 | 8.3 | 8.6 | 5.7 | 1.0 | -1.2 | 1.7 | 4.8 | 8.3 | 9.4 | 9.0 | 0.4 | -15.1 | 5.6 | 9.1 | 3.7 | 4.3 | 7.6 | 3.0 | 4.7 |
| Switzerland | 1.5 | 6.4 | 1.5 | 4.2 | -3.5 | -0.5 | -1.2 | 4.5 | 3.8 | 4.7 | 5.1 | 0.5 | -4.9 | 7.5 | 4.2 | 2.9 | 4.2 | 1.0 | 3.6 | 4.5 |
| Turkey | 6.6 | -3.9 | -16.2 | 17.5 | -30.0 | 14.7 | 14.2 | 28.4 | 17.4 | 13.3 | 3.1 | -6.2 | -19.0 | 29.9 | 23.0 | 4.5 | 5.1 | .. | .. | .. |
| United Kingdom | 2.8 | 13.5 | 2.8 | 2.6 | 2.7 | 3.6 | 1.1 | 5.1 | 2.4 | 6.4 | 8.1 | -4.8 | -13.4 | 2.6 | -2.4 | -0.9 | 5.6 | -2.7 | 1.3 | 6.8 |
| United States | 3.9 | 9.7 | 9.0 | 6.8 | -1.0 | -2.7 | 3.3 | 6.3 | 5.3 | 2.5 | -1.4 | -5.1 | -15.2 | 2.0 | 3.4 | 3.3 | 4.6 | 2.8 | 3.2 | 4.8 |
| Euro area | 2.6 | 5.8 | 5.9 | 4.9 | 0.8 | -1.6 | 1.0 | 1.9 | 3.3 | 5.9 | 4.7 | -1.3 | -12.1 | -0.6 | 2.1 | -0.4 | 2.3 | 1.4 | 0.6 | 2.9 |
| Total OECD | 3.6 | 3.8 | 5.1 | 5.5 | -0.9 | -0.9 | 2.3 | 4.7 | 4.9 | 4.5 | 2.6 | -2.1 | -12.3 | 2.3 | 3.3 | 2.9 | 4.2 | 2.9 | 3.2 | 4.4 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558441

Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 4.2 | 3.4 | 4.5 | 0.4 | -1.4 | 13.5 | 14.5 | 7.7 | 14.9 | 7.8 | 13.1 | 7.0 | -2.8 | -0.2 | 7.9 | 12.4 | 9.6 | 12.0 | 12.0 | 8.9 |
| Austria | 4.6 | 5.4 | 4.2 | 9.5 | 2.7 | -4.8 | 6.3 | 1.9 | 0.4 | 1.1 | 3.8 | -0.6 | -8.5 | 1.2 | 5.0 | 1.4 | 2.6 | 3.1 | 1.5 | 3.0 |
| Belgium | 4.2 | 7.7 | 0.8 | 7.5 | 4.3 | -5.5 | -0.4 | 9.1 | 4.4 | 1.3 | 8.2 | 4.6 | -9.4 | -1.9 | 6.8 | 0.1 | 3.0 | 5.3 | 0.5 | 4.5 |
| Canada | 4.3 | 5.3 | 7.2 | 4.7 | 0.2 | -4.1 | 6.9 | 8.2 | 12.4 | 9.9 | 3.3 | 3.7 | -20.8 | 7.3 | 14.2 | 8.6 | 6.9 | 11.4 | 7.8 | 6.1 |
| Denmark | 3.3 | 11.9 | -1.6 | 6.7 | -0.3 | 0.7 | -3.0 | -0.3 | -0.3 | 16.5 | 4.4 | -0.3 | -15.9 | -3.2 | -7.5 | 3.8 | 6.8 | -5.6 | 3.9 | 7.9 |
| Finland | -0.8 | 14.7 | 1.6 | 9.5 | 9.7 | -8.2 | -2.3 | 1.6 | 6.6 | 2.4 | 18.3 | 4.2 | -17.3 | -7.2 | 8.6 | 3.3 | 2.2 | 8.1 | 2.5 | 1.4 |
| France | 2.1 | 10.7 | 9.6 | 7.7 | 3.3 | -2.9 | 1.5 | 2.8 | 3.1 | 5.3 | 7.9 | 2.8 | -12.0 | 1.2 | 3.7 | 0.7 | 4.6 | 1.8 | 2.2 | 5.3 |
| Germany | 2.4 | 5.8 | 5.5 | 7.5 | -2.0 | -6.8 | 0.0 | 1.3 | 4.3 | 10.4 | 8.5 | 2.8 | -17.5 | 7.4 | 8.4 | 2.4 | 4.9 | 5.5 | 3.3 | 5.4 |
| Greece | .. | 14.1 | 25.1 | 18.3 | 6.0 | 7.7 | 12.1 | -0.4 | -8.3 | 11.5 | 24.4 | 11.6 | -10.8 | -16.2 | -15.9 | -5.2 | 1.5 | .. | .. | .. |
| Iceland | 0.4 | 46.2 | -7.4 | 11.1 | -11.3 | -20.2 | 20.9 | 35.0 | 57.9 | 27.1 | -23.5 | -23.3 | -54.7 | -0.1 | 13.8 | 14.6 | 4.3 | 6.9 | 7.2 | 4.1 |
| Ireland | 8.2 | 20.4 | 13.1 | 2.1 | -8.5 | 1.7 | 6.0 | 14.2 | 17.2 | 4.3 | 7.6 | -20.8 | -24.9 | -31.6 | 7.5 | 0.3 | 9.4 | 28.0 | 2.3 | 13.0 |
| Italy | 2.2 | 4.7 | 4.5 | 7.5 | 2.6 | 4.1 | -4.0 | 1.8 | -0.6 | 3.7 | 2.8 | -6.2 | -17.1 | 6.6 | 3.7 | 1.1 | 2.6 | 3.1 | 1.3 | 3.2 |
| Japan | 3.3 | -6.5 | -4.3 | 7.5 | 1.3 | -5.2 | 4.4 | 5.6 | 9.2 | 2.3 | 2.6 | -1.4 | -16.7 | 2.1 | 0.1 | 4.0 | 5.8 | 0.3 | 4.8 | 6.5 |
| Korea | 10.7 | -28.1 | 13.8 | 18.8 | -3.3 | 8.1 | 2.3 | 1.9 | 2.0 | 7.6 | 6.9 | -0.4 | -6.2 | 15.3 | -0.5 | 4.8 | 4.7 | -0.4 | 5.2 | 4.2 |
| Netherlands | 4.3 | 8.4 | 11.3 | -2.0 | -3.0 | -7.6 | -1.0 | -2.7 | 2.2 | 9.7 | 6.4 | 7.1 | -12.4 | -0.9 | 6.5 | 1.1 | 4.8 | 5.4 | 3.3 | 5.4 |
| New Zealand | 3.8 | -1.9 | 7.4 | 18.9 | -3.1 | -0.4 | 13.1 | 14.3 | 7.9 | -0.9 | 10.1 | 1.4 | -17.0 | 4.2 | 6.9 | 8.2 | 10.0 | 3.0 | 9.6 | 9.7 |
| Norway | 1.9 | 16.0 | -8.3 | -3.9 | -4.3 | -1.9 | -2.9 | 10.3 | 17.3 | 14.5 | 16.3 | 6.2 | -7.0 | -8.4 | 2.2 | 4.2 | 5.1 | 0.1 | 4.0 | 5.6 |
| Spain | 4.9 | 11.5 | 12.2 | 16.4 | 2.9 | -0.2 | 5.6 | 8.0 | 7.9 | 7.7 | 5.0 | -2.7 | -20.4 | 0.1 | 0.0 | -0.6 | 2.7 | 2.8 | -0.2 | 3.9 |
| Sweden | 2.2 | 9.4 | 8.8 | 7.6 | -0.5 | -5.5 | 2.3 | 3.7 | 8.7 | 8.6 | 10.5 | 3.6 | -17.5 | 3.5 | 8.8 | 3.4 | 4.6 | 8.5 | 2.9 | 5.2 |
| Switzerland | 1.6 | 8.2 | 4.4 | 5.4 | -2.3 | -0.5 | -4.4 | 4.7 | 6.4 | 7.6 | 8.1 | 1.4 | -7.7 | 8.4 | 4.0 | 2.7 | 4.9 | 0.0 | 3.8 | 5.5 |
| United Kingdom | 4.4 | 16.9 | 3.8 | 4.3 | -0.4 | -0.5 | -2.6 | 0.3 | 18.5 | -4.3 | 11.5 | 0.0 | -12.7 | 0.8 | 0.4 | 4.7 | 8.0 | 1.7 | 3.6 | 9.2 |
| United States | 5.8 | 12.0 | 10.4 | 9.8 | -2.8 | -8.4 | 1.4 | 6.2 | 6.7 | 8.0 | 6.5 | -0.8 | -17.9 | 4.4 | 8.4 | 4.9 | 6.4 | 6.8 | 4.7 | 6.6 |
| Euro area | 2.8 | 7.7 | 7.2 | 8.1 | 1.0 | -2.8 | 0.5 | 2.8 | 3.2 | 6.6 | 6.9 | 0.3 | -15.6 | 2.3 | 4.6 | 1.0 | 3.8 | 3.7 | 1.9 | 4.5 |
| Total OECD | 4.4 | 5.1 | 6.5 | 8.6 | -0.8 | -4.0 | 1.9 | 4.7 | 6.9 | 6.2 | 6.5 | 0.0 | -15.5 | 3.8 | 5.1 | 4.0 | 5.7 | 4.4 | 4.3 | 6.0 |

*Note:* The adoption of national account systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. National account data do not always have a sectoral breakdown of investment expenditures, and for some countries data are estimated by the OECD. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558460

Annex Table 7. **Real gross residential fixed capital formation**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 4.0 | 12.0 | 5.7 | 1.3 | -10.9 | 25.9 | 4.6 | 2.9 | -3.5 | -2.8 | 3.1 | 1.9 | -4.2 | 4.2 | 3.1 | 2.4 | 3.0 | 3.6 | 2.9 | 3.0 |
| Austria | 3.9 | -2.6 | -2.6 | -4.5 | -6.8 | -4.7 | -4.2 | 0.6 | 1.5 | 0.6 | 1.9 | 0.6 | -4.8 | -2.2 | 0.1 | 0.6 | 1.2 | 0.6 | 1.0 | 1.2 |
| Belgium | 5.4 | -4.3 | 3.2 | -1.0 | -2.6 | -5.2 | 3.1 | 8.0 | 10.7 | 6.5 | 3.3 | -2.7 | -9.2 | 1.6 | -0.9 | -0.8 | 1.0 | -3.7 | 0.6 | 1.0 |
| Canada | -1.3 | -3.6 | 3.6 | 5.2 | 10.5 | 14.1 | 5.4 | 7.5 | 3.3 | 2.2 | 2.9 | -3.3 | -7.8 | 10.1 | 2.5 | 4.3 | 1.9 | 5.3 | 3.5 | 0.7 |
| Denmark | -1.0 | 1.9 | 4.3 | 10.3 | -9.3 | 0.8 | 11.8 | 11.9 | 17.3 | 9.6 | -6.0 | -10.9 | -16.9 | -9.0 | 11.4 | 1.9 | 3.9 | 7.3 | 2.4 | 4.1 |
| Finland | 0.5 | 10.2 | 8.9 | 6.0 | -9.9 | -0.1 | 11.7 | 11.5 | 5.4 | 4.2 | 0.0 | -9.9 | -13.1 | 25.4 | 4.3 | 0.0 | -1.4 | -1.3 | -0.9 | -1.7 |
| France | 0.5 | 4.0 | 7.1 | 2.7 | 1.2 | 1.0 | 2.2 | 3.4 | 5.7 | 5.7 | 4.9 | -3.1 | -8.3 | -1.3 | 2.9 | 0.7 | 1.3 | 2.6 | -0.2 | 1.9 |
| Germany | 6.4 | 0.2 | 1.2 | -2.7 | -5.7 | -6.1 | -2.0 | -4.1 | -4.2 | 6.7 | -1.6 | -4.3 | -2.3 | 3.2 | 6.5 | 1.3 | 2.6 | 8.3 | 2.0 | 2.8 |
| Greece | .. | 8.8 | 3.8 | -4.3 | 4.3 | 15.2 | 12.1 | -1.0 | -0.5 | 31.4 | -9.0 | -28.2 | -23.5 | -18.0 | -20.7 | -7.4 | -0.7 | .. | .. | .. |
| Iceland | -0.5 | 1.0 | 0.6 | 12.8 | 12.3 | 12.4 | 3.7 | 14.2 | 11.9 | 16.5 | 13.2 | -21.9 | -55.7 | -17.7 | 13.7 | 17.6 | 12.8 | 16.9 | 14.7 | 12.6 |
| Ireland | 7.4 | 4.5 | 12.7 | 7.9 | 1.7 | 3.5 | 18.1 | 11.2 | 15.8 | 3.1 | -11.2 | -15.9 | -38.0 | -34.9 | -16.5 | -4.5 | 0.6 | -13.7 | -1.1 | 0.8 |
| Italy | 0.8 | -1.2 | 1.3 | 5.1 | 1.5 | 2.5 | 3.5 | 2.4 | 5.3 | 4.1 | 0.5 | -1.4 | -9.0 | -2.4 | -2.9 | -1.9 | -0.2 | -4.1 | -1.1 | 0.3 |
| Japan | 0.6 | -14.3 | 0.2 | 0.9 | -5.3 | -4.0 | -1.0 | 1.9 | -1.5 | 0.5 | -9.6 | -8.0 | -14.0 | -6.2 | 6.0 | 7.7 | 5.0 | 7.2 | 6.2 | 4.2 |
| Korea | 11.8 | -13.4 | -5.5 | -9.6 | 12.5 | 11.2 | 8.6 | 3.6 | 2.4 | -2.4 | -3.0 | -7.8 | -2.0 | -10.2 | -18.1 | 2.2 | 2.5 | -13.6 | 2.3 | 2.5 |
| Netherlands | 2.9 | 3.0 | 2.8 | 1.6 | 3.2 | -6.5 | -3.7 | 4.1 | 5.0 | 5.8 | 4.7 | -0.2 | -14.6 | -11.5 | 6.0 | 1.5 | 5.8 | 6.0 | 4.5 | 6.4 |
| New Zealand | 5.2 | -12.8 | 7.5 | 0.5 | -11.7 | 21.3 | 19.8 | 4.6 | -4.4 | -2.5 | 5.0 | -19.2 | -18.9 | 5.1 | -12.7 | 25.1 | 35.0 | -6.4 | 42.4 | 26.2 |
| Norway | -2.1 | 7.7 | 3.0 | 5.6 | 8.1 | -0.7 | 1.9 | 16.3 | 10.8 | 4.1 | 2.9 | -11.6 | -17.8 | -2.2 | 26.2 | 13.4 | 8.2 | 29.9 | 8.2 | 8.2 |
| Spain | 3.0 | 10.9 | 11.4 | 10.3 | 6.7 | 6.1 | 7.6 | 5.2 | 6.4 | 6.6 | 1.4 | -9.1 | -22.1 | -9.9 | -4.6 | -1.5 | 0.2 | -2.8 | -0.5 | 0.5 |
| Sweden | -9.8 | 5.4 | 13.3 | 14.8 | 7.4 | 11.3 | 4.3 | 12.4 | 11.9 | 15.5 | 8.0 | -13.1 | -22.9 | 15.5 | 16.5 | 2.1 | 5.1 | 10.2 | 2.1 | 6.1 |
| Switzerland | 0.9 | 2.8 | -5.5 | -2.7 | -4.1 | -3.7 | 14.4 | 7.0 | 1.1 | -1.6 | -3.0 | -4.2 | 1.8 | 7.0 | 7.6 | 5.1 | 3.2 | .. | .. | .. |
| United Kingdom | 1.3 | 8.6 | 1.2 | 1.8 | 5.9 | 8.9 | 1.6 | 12.5 | -2.1 | 6.2 | 3.8 | -21.4 | -25.3 | 6.4 | -1.9 | -3.8 | 5.4 | -0.9 | -1.3 | 7.1 |
| United States | 1.3 | 7.7 | 6.3 | 1.0 | 0.6 | 5.3 | 8.2 | 9.8 | 6.2 | -7.3 | -18.7 | -23.9 | -22.2 | -4.3 | -2.1 | 0.1 | 1.2 | 0.3 | 0.4 | 1.3 |
| Euro area | 3.0 | 1.8 | 3.5 | 1.1 | -0.7 | -0.6 | 2.5 | 1.9 | 3.5 | 6.6 | 0.6 | -5.7 | -11.6 | -2.9 | 1.0 | -0.1 | 1.4 | 1.4 | 0.5 | 1.8 |
| Total OECD | 1.8 | 1.4 | 3.9 | 1.2 | 0.1 | 3.5 | 4.9 | 6.1 | 3.8 | -0.4 | -7.3 | -12.9 | -15.0 | -2.3 | 0.3 | 1.2 | 2.4 | 1.7 | 1.5 | 2.5 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558479

## Annex Table 8. **Real total domestic demand**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.3 | 6.3 | 4.7 | 2.6 | 1.4 | 5.7 | 6.3 | 5.0 | 4.8 | 3.0 | 7.2 | 3.4 | -0.4 | 3.9 | 4.5 | 4.4 | 4.0 | 4.8 | 4.1 | 3.9 |
| Austria | 2.4 | 2.5 | 2.9 | 2.4 | 0.6 | -0.5 | 2.2 | 2.1 | 1.7 | 2.3 | 2.5 | 0.6 | -2.9 | 1.8 | 3.1 | 0.5 | 1.3 | 1.4 | 0.8 | 1.4 |
| Belgium | 2.7 | 2.4 | 2.2 | 4.1 | -0.4 | 0.0 | 0.8 | 2.7 | 3.2 | 2.2 | 2.7 | 1.7 | -2.0 | 1.1 | 2.2 | 0.5 | 1.3 | 0.9 | 0.7 | 1.6 |
| Canada | 2.1 | 2.5 | 4.2 | 4.7 | 1.3 | 3.2 | 4.5 | 4.1 | 4.9 | 4.4 | 3.9 | 2.8 | -2.8 | 5.2 | 3.2 | 2.0 | 2.5 | 2.6 | 2.4 | 2.5 |
| Chile | .. | 3.7 | -6.0 | 5.9 | 2.5 | 2.4 | 4.4 | 7.3 | 10.4 | 7.1 | 7.9 | 7.2 | -5.8 | 16.4 | 10.3 | 6.4 | 6.9 | 8.5 | 6.4 | 7.0 |
| Czech Republic | .. | -2.1 | 1.3 | 3.6 | 3.8 | 3.6 | 3.7 | 2.7 | 3.1 | 4.9 | 6.6 | 2.2 | -5.6 | 1.9 | 0.0 | 1.3 | 2.8 | 0.9 | 1.9 | 3.3 |
| Denmark | 1.8 | 3.7 | -0.6 | 3.2 | 0.0 | 1.7 | 0.2 | 4.3 | 3.4 | 5.2 | 2.3 | -1.2 | -6.5 | 1.7 | 0.3 | 0.9 | 1.7 | 0.3 | 1.1 | 1.9 |
| Estonia | .. | 6.8 | -4.0 | 10.1 | 6.9 | 14.3 | 10.3 | 7.0 | 9.7 | 16.1 | 9.2 | -9.5 | -22.4 | 0.3 | 8.4 | 2.5 | 4.6 | 5.1 | 4.5 | 4.6 |
| Finland | 1.0 | 5.8 | 1.5 | 3.8 | 2.0 | 1.4 | 3.6 | 3.5 | 4.2 | 2.4 | 4.7 | 0.6 | -6.4 | 3.1 | 4.3 | 1.0 | 1.4 | 3.0 | 1.5 | 0.8 |
| France | 1.6 | 4.1 | 3.6 | 4.3 | 1.7 | 1.0 | 1.5 | 2.5 | 2.6 | 2.7 | 3.1 | 0.1 | -2.4 | 1.3 | 1.9 | 0.2 | 1.5 | 1.1 | 0.7 | 1.7 |
| Germany | 2.3 | 2.1 | 2.5 | 2.4 | -0.1 | -1.9 | 0.5 | -0.4 | -0.1 | 2.8 | 2.0 | 1.1 | -2.6 | 2.3 | 2.6 | 0.8 | 1.5 | 1.9 | 1.1 | 1.6 |
| Greece | .. | 4.2 | 3.6 | 5.6 | 4.1 | 4.5 | 5.2 | 2.5 | 1.2 | 4.7 | 6.1 | 1.3 | -4.4 | -5.0 | -9.2 | -5.8 | -1.3 | .. | .. | .. |
| Hungary | .. | 8.1 | 4.9 | 4.1 | 2.0 | 6.2 | 6.0 | 4.4 | 0.7 | 1.4 | -1.3 | 0.8 | -10.8 | -1.1 | -1.3 | -2.4 | -0.2 | -2.8 | -1.7 | 0.3 |
| Iceland | 0.7 | 13.8 | 4.2 | 5.9 | -2.1 | -2.3 | 5.8 | 10.1 | 15.4 | 9.9 | -0.4 | -8.6 | -20.3 | -2.7 | 2.3 | 3.7 | 2.4 | 2.6 | 2.6 | 2.6 |
| Ireland | 5.1 | 9.0 | 8.6 | 9.6 | 3.8 | 4.2 | 4.3 | 4.1 | 8.9 | 6.5 | 4.5 | -4.6 | -12.8 | -4.7 | -1.9 | -1.4 | 0.2 | -1.1 | -0.3 | 0.6 |
| Israel | .. | 2.7 | 4.1 | 5.6 | 2.0 | -0.3 | -1.7 | 2.8 | 4.5 | 4.6 | 6.5 | 2.1 | -0.2 | 4.7 | 7.2 | 3.2 | 4.2 | 5.7 | 3.3 | 4.4 |
| Italy | 1.6 | 2.7 | 2.6 | 3.4 | 1.4 | 1.1 | 0.6 | 1.4 | 0.9 | 2.1 | 1.2 | -1.4 | -3.9 | 1.7 | 0.3 | -0.5 | -0.1 | -0.7 | -0.3 | 0.1 |
| Japan | 3.0 | -2.4 | 0.0 | 2.4 | 1.0 | -0.4 | 0.8 | 1.9 | 1.7 | 1.2 | 1.3 | -1.4 | -4.8 | 2.2 | 0.4 | 2.1 | 1.5 | 1.4 | 1.7 | 1.5 |
| Korea | 8.6 | -16.9 | 14.6 | 9.5 | 3.7 | 7.9 | 1.5 | 1.5 | 3.8 | 4.9 | 4.7 | 1.4 | -3.3 | 7.0 | 2.1 | 3.6 | 3.8 | 3.2 | 3.7 | 3.8 |
| Luxembourg | 4.1 | 6.3 | 8.0 | 4.5 | 4.5 | 2.6 | 0.5 | 3.3 | 5.2 | 1.9 | 5.9 | 2.8 | -5.1 | 5.9 | 3.6 | 0.8 | 1.7 | 4.2 | 1.0 | 1.9 |
| Mexico | 3.4 | 5.8 | 3.9 | 7.2 | -0.4 | 0.1 | 0.9 | 3.9 | 3.7 | 5.7 | 3.7 | 2.0 | -8.1 | 5.1 | 3.5 | 4.1 | 4.2 | 3.1 | 3.9 | 4.4 |
| Netherlands | 2.7 | 5.1 | 4.9 | 2.7 | 2.3 | -0.4 | 0.4 | 0.5 | 1.3 | 4.1 | 3.2 | 2.0 | -3.0 | 0.9 | 1.0 | -0.8 | 1.1 | 0.1 | 0.8 | 1.3 |
| New Zealand | 2.5 | 0.3 | 5.9 | 1.9 | 1.7 | 5.6 | 6.1 | 7.2 | 4.6 | 1.0 | 4.8 | 0.4 | -5.1 | 4.2 | 2.4 | 3.1 | 4.0 | 1.4 | 3.7 | 3.7 |
| Norway | 2.0 | 5.8 | 0.4 | 2.9 | 0.6 | 2.3 | 1.7 | 6.7 | 5.5 | 5.6 | 5.0 | 1.9 | -4.2 | 4.4 | 5.1 | 2.0 | 3.6 | 3.6 | 1.9 | 4.5 |
| Poland | .. | 6.6 | 5.1 | 2.3 | -1.0 | 0.6 | 3.3 | 6.1 | 2.6 | 7.2 | 8.7 | 5.2 | -0.6 | 4.3 | 4.3 | 2.1 | 2.1 | 3.4 | 1.8 | 2.3 |
| Portugal | 4.0 | 7.1 | 5.7 | 3.3 | 1.7 | -0.2 | -1.9 | 2.9 | 1.4 | 0.8 | 2.0 | 0.9 | -2.9 | 0.7 | -5.3 | -6.3 | -1.6 | -8.1 | -5.1 | 0.0 |
| Slovak Republic | .. | 4.7 | -6.2 | 1.2 | 8.2 | 4.0 | -0.7 | 5.8 | 8.5 | 6.5 | 6.3 | 5.8 | -7.0 | 4.2 | 0.2 | 1.7 | 2.5 | 1.0 | 2.3 | 2.3 |
| Slovenia | .. | 4.6 | 8.4 | 1.8 | 1.2 | 2.8 | 4.8 | 4.9 | 1.8 | 5.6 | 8.9 | 4.2 | -10.0 | -0.2 | -1.2 | -0.4 | 1.2 | -2.1 | 0.5 | 1.6 |
| Spain | 2.9 | 5.7 | 5.9 | 5.2 | 3.8 | 3.2 | 3.8 | 4.8 | 5.0 | 5.2 | 4.1 | -0.5 | -6.2 | -1.0 | -1.3 | -1.3 | 0.4 | -1.5 | -0.7 | 0.9 |
| Sweden | 0.8 | 4.6 | 3.5 | 4.1 | 0.4 | 1.5 | 2.1 | 1.9 | 2.9 | 4.0 | 4.7 | 0.0 | -4.9 | 5.8 | 3.6 | 1.1 | 2.1 | 2.4 | 1.4 | 2.4 |
| Switzerland | 1.3 | 3.7 | 0.2 | 2.2 | 2.0 | 0.1 | 0.5 | 1.9 | 1.8 | 1.4 | 1.4 | 0.5 | 0.6 | 1.5 | 0.6 | 1.9 | 2.1 | 1.1 | 1.9 | 2.2 |
| Turkey | 4.7 | 0.9 | -1.9 | 7.8 | -11.5 | 8.7 | 8.6 | 11.5 | 9.2 | 6.7 | 5.7 | -1.0 | -6.5 | 12.0 | 11.1 | 2.3 | 4.4 | .. | .. | .. |
| United Kingdom | 2.3 | 5.4 | 4.5 | 4.4 | 3.7 | 3.6 | 3.3 | 3.4 | 2.1 | 2.4 | 3.4 | -1.8 | -5.4 | 2.7 | -0.8 | -0.2 | 1.7 | -0.9 | 0.4 | 2.0 |
| United States | 2.9 | 5.5 | 5.7 | 4.8 | 1.2 | 2.3 | 2.9 | 3.9 | 3.2 | 2.6 | 1.2 | -1.5 | -4.4 | 3.4 | 1.6 | 1.9 | 2.6 | 1.3 | 2.1 | 2.7 |
| Euro area | 2.1 | 3.4 | 3.3 | 3.5 | 1.3 | 0.4 | 1.3 | 1.7 | 1.9 | 3.1 | 2.7 | 0.2 | -3.7 | 1.1 | 1.0 | -0.2 | 0.9 | 0.2 | 0.3 | 1.1 |
| Total OECD | 2.8 | 3.1 | 4.0 | 4.3 | 1.1 | 1.8 | 2.4 | 3.2 | 2.9 | 3.1 | 2.5 | -0.3 | -4.3 | 3.2 | 1.7 | 1.4 | 2.2 | 1.3 | 1.7 | 2.4 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558498

Annex Table 9. **Foreign balance contributions to changes in real GDP**

Percentage points

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter[1] 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 0.5 | -0.9 | -0.2 | 1.4 | 1.4 | -1.4 | -2.1 | -1.6 | -1.0 | -0.9 | -2.0 | -1.4 | 2.8 | -1.8 | -3.0 | -0.5 | -0.9 | 0.1 | -0.8 | -0.9 |
| Austria | 0.1 | 1.3 | 0.6 | 1.3 | 0.4 | 1.8 | -1.0 | 0.5 | 0.6 | 1.5 | 1.4 | 1.1 | -1.5 | 0.8 | 0.3 | 0.1 | 0.6 | -0.1 | 0.6 | 0.9 |
| Belgium | 0.1 | -0.4 | 1.4 | -0.1 | 1.1 | 1.4 | 0.0 | 0.5 | -1.1 | 0.6 | 0.2 | -0.8 | -0.7 | 1.2 | -0.1 | 0.0 | 0.3 | -0.2 | 0.4 | 0.3 |
| Canada | 0.1 | 1.7 | 1.4 | 0.6 | 0.7 | -0.1 | -2.5 | -0.9 | -1.7 | -1.5 | -1.5 | -2.1 | -0.3 | -2.2 | -0.9 | -0.2 | -0.1 | -0.4 | -0.2 | 0.1 |
| Chile | -0.3 | -0.5 | 4.7 | -1.2 | 1.1 | -0.2 | -0.9 | -1.1 | -3.7 | -1.4 | -1.0 | -2.7 | 3.2 | -8.5 | -2.1 | -1.5 | -1.5 | -1.6 | -1.5 | -1.3 |
| Czech Republic | -2.0 | 2.0 | 0.4 | 0.6 | -0.8 | -1.5 | 0.0 | 2.0 | 3.7 | 2.3 | -0.7 | 0.9 | 0.8 | 0.9 | 1.7 | 0.3 | 0.3 | -0.2 | 0.4 | 0.5 |
| Denmark | 0.2 | -1.4 | 3.2 | 0.5 | 0.7 | -1.1 | 0.2 | -1.8 | -0.8 | -1.5 | -0.7 | 0.1 | 1.1 | 0.1 | 0.8 | -0.1 | -0.2 | 0.1 | -0.3 | -0.1 |
| Estonia | -5.4 | -0.7 | 5.3 | -1.2 | -0.8 | -8.0 | -3.3 | -1.2 | -1.5 | -7.0 | -2.6 | 5.3 | 11.1 | 2.5 | 1.4 | 0.5 | 0.1 | -0.4 | 0.1 | 0.1 |
| Finland | 0.8 | 0.9 | 3.0 | 1.7 | 0.3 | 0.4 | -1.8 | 0.8 | -1.0 | 2.1 | 0.9 | -0.2 | -3.1 | 0.6 | -0.9 | 0.4 | 0.6 | 0.8 | 1.0 | 0.0 |
| France | 0.4 | -0.5 | -0.3 | -0.4 | 0.1 | 0.0 | -0.6 | -0.2 | -0.7 | 0.0 | -0.9 | -0.3 | -0.2 | 0.1 | -0.3 | 0.1 | -0.1 | 0.0 | -0.1 | -0.2 |
| Germany | 0.3 | -0.4 | -0.7 | 0.9 | 1.7 | 1.9 | -0.8 | 1.1 | 0.9 | 1.2 | 1.5 | -0.2 | -2.7 | 1.4 | 0.6 | -0.2 | 0.5 | -0.2 | 0.4 | 0.8 |
| Greece | -0.6 | -1.6 | -0.9 | -1.8 | -0.4 | -1.6 | -0.4 | 1.7 | 1.1 | -2.0 | -3.3 | -0.5 | 3.0 | 3.1 | 6.1 | 3.2 | 1.9 | .. | .. | .. |
| Hungary | 1.6 | -3.3 | -0.9 | 0.7 | 1.8 | -2.1 | -2.1 | -0.1 | 2.5 | 2.3 | 1.6 | 0.2 | 3.6 | 1.8 | 2.7 | 1.7 | 1.3 | 0.9 | 1.0 | 1.6 |
| Iceland | 0.4 | -7.5 | -0.3 | -1.9 | 6.2 | 2.5 | -3.2 | -2.5 | -9.0 | -6.4 | 6.5 | 10.8 | 14.2 | -1.5 | -0.4 | -1.2 | 0.3 | -8.8 | 0.2 | 0.8 |
| Ireland | 2.1 | 0.0 | 3.9 | 2.6 | 2.1 | 2.8 | 1.6 | 0.5 | -2.0 | -0.6 | 1.1 | 1.2 | 3.4 | 3.7 | 3.6 | 2.4 | 2.3 | 0.3 | 3.5 | 1.4 |
| Israel | 0.1 | 1.4 | -0.8 | 3.6 | -2.2 | -0.2 | 3.3 | 2.0 | 0.4 | 1.0 | -1.0 | 1.8 | 1.0 | 0.6 | -2.7 | -0.6 | -0.4 | 0.7 | -0.3 | -0.4 |
| Italy | 0.4 | -1.3 | -1.3 | 0.7 | 0.2 | -0.9 | -0.8 | 0.4 | 0.0 | 0.1 | 0.2 | 0.0 | -1.1 | -0.2 | 0.3 | 0.0 | 0.6 | -0.5 | 0.4 | 0.9 |
| Japan | 0.0 | 0.4 | -0.1 | 0.5 | -0.8 | 0.7 | 0.7 | 0.8 | 0.3 | 0.8 | 1.1 | 0.2 | -1.5 | 1.8 | -0.7 | -0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| Korea | -0.5 | 11.2 | -2.1 | -0.2 | 0.4 | -0.5 | 1.3 | 3.1 | 0.4 | 0.3 | 0.5 | 1.0 | 3.7 | -0.6 | 1.7 | 0.3 | 0.6 | 0.4 | 0.5 | 0.6 |
| Luxembourg | 1.7 | 1.3 | 1.7 | 4.8 | -1.1 | 2.0 | 1.1 | 1.9 | 1.5 | 3.6 | 2.6 | -1.1 | -1.8 | -1.4 | -1.0 | -0.4 | 1.0 | -0.8 | 0.3 | 2.2 |
| Mexico | -0.3 | -0.8 | -0.3 | -1.3 | -0.5 | 0.0 | 0.5 | 0.1 | -0.6 | -0.7 | -0.6 | -0.8 | 2.2 | 0.2 | 0.4 | -0.8 | -0.7 | -0.8 | -0.6 | -0.8 |
| Netherlands | 0.5 | -0.9 | 0.1 | 1.3 | -0.2 | 0.5 | -0.1 | 1.7 | 0.8 | -0.3 | 1.0 | 0.0 | -0.7 | 0.9 | 0.6 | 0.8 | 0.5 | 2.1 | 0.6 | 0.5 |
| New Zealand | -0.1 | 0.1 | -1.2 | 2.2 | 0.5 | -0.8 | -1.9 | -2.7 | -1.7 | 1.2 | -1.6 | -1.0 | 5.4 | -2.0 | -1.1 | -0.7 | -0.9 | 1.9 | -1.2 | -0.5 |
| Norway | 1.3 | -2.6 | 1.6 | 0.6 | 1.5 | -0.4 | -0.5 | -2.0 | -2.0 | -2.4 | -1.4 | -0.8 | 1.6 | -3.2 | -2.6 | 0.3 | -0.3 | -0.6 | -0.3 | -0.2 |
| Poland | -1.2 | -1.7 | -1.0 | 1.3 | 2.3 | 0.5 | 0.9 | -0.8 | 0.5 | -1.5 | -2.1 | -0.3 | 3.4 | -0.5 | 0.4 | 0.5 | 0.4 | 0.2 | 0.4 | 0.3 |
| Portugal | -0.7 | -2.5 | -2.1 | 0.2 | 0.1 | 0.9 | 1.1 | -1.5 | -0.8 | 0.6 | 0.2 | -1.0 | 0.7 | 0.6 | 4.2 | 3.4 | 2.1 | 3.0 | 2.7 | 1.2 |
| Slovak Republic | -1.2 | -0.8 | 6.9 | 0.1 | -4.9 | 0.3 | 5.5 | -0.9 | -2.1 | 1.6 | 3.9 | 0.0 | 2.3 | 0.0 | 2.8 | 0.1 | 1.1 | 0.2 | 0.6 | 1.9 |
| Slovenia | -2.6 | -1.1 | -3.3 | 2.5 | 1.6 | 1.0 | -1.9 | -0.5 | 2.2 | 0.2 | -2.0 | -0.6 | 2.3 | 1.5 | 2.2 | 0.8 | 0.6 | 0.3 | 0.3 | 1.3 |
| Spain | -0.4 | -1.7 | -1.7 | -0.4 | -0.2 | -0.6 | -0.8 | -1.7 | -1.7 | -1.4 | -0.8 | 1.5 | 2.8 | 0.9 | 2.0 | 1.6 | 0.8 | 2.1 | 1.0 | 0.5 |
| Sweden | 0.7 | 0.0 | 1.3 | 0.5 | 1.5 | 0.9 | 0.4 | 2.0 | 0.6 | 0.7 | -0.8 | -1.2 | 0.1 | -0.2 | 0.6 | 0.1 | 0.3 | -0.1 | 0.2 | 0.4 |
| Switzerland | 0.2 | -0.8 | 1.1 | 1.5 | -0.7 | 0.4 | -0.7 | 0.8 | 1.0 | 2.3 | 2.4 | 1.6 | -2.4 | 1.3 | 1.3 | -0.9 | 0.0 | -1.1 | -0.2 | 0.6 |
| Turkey | -0.3 | 2.1 | -1.5 | -1.1 | 6.5 | -3.0 | -3.8 | -2.4 | -1.3 | -0.3 | -1.3 | 1.7 | 2.8 | -4.3 | -2.7 | 0.5 | -0.2 | .. | .. | .. |
| United Kingdom | 0.0 | -1.5 | -0.9 | -0.1 | -0.6 | -1.0 | -0.1 | -0.6 | -0.2 | 0.1 | -0.1 | 0.8 | 1.1 | -0.8 | 1.5 | 0.6 | 0.1 | 1.6 | 0.4 | 0.0 |
| United States | 0.1 | -1.2 | -1.0 | -0.8 | -0.2 | -0.7 | -0.4 | -0.6 | -0.3 | -0.1 | 0.6 | 1.2 | 1.2 | -0.5 | 0.1 | 0.0 | -0.2 | 0.2 | -0.3 | -0.1 |
| Euro area | 0.2 | -0.6 | -0.5 | 0.4 | 0.6 | 0.5 | -0.6 | 0.3 | -0.1 | 0.2 | 0.3 | 0.0 | -0.7 | 0.8 | 0.7 | 0.4 | 0.6 | 0.4 | 0.6 | 0.6 |
| Total OECD | 0.1 | -0.4 | -0.6 | -0.1 | 0.2 | -0.2 | -0.4 | -0.1 | -0.2 | 0.0 | 0.2 | 0.4 | 0.6 | -0.1 | 0.2 | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Working-day adjusted -- see note to Annex Table 1.

1. Contributions to per cent change from the previous period, seasonnally adjusted at annual rates.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558517

Annex Table 10. **Output gaps**

Deviations of actual GDP from potential GDP as a per cent of potential GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -0.7 | -0.7 | -0.8 | -0.5 | 0.8 | 1.1 | 0.5 | -0.4 | 0.2 | 0.4 | 0.5 | 1.0 | 0.2 | 1.5 | 0.5 | -1.2 | -1.8 | -2.6 | -1.4 | -1.1 |
| Austria | -1.6 | -1.1 | -0.9 | -0.9 | 0.5 | 1.4 | 2.5 | 0.6 | -0.3 | -1.9 | -1.7 | -1.1 | 0.6 | 2.4 | 1.6 | -3.7 | -3.0 | -1.8 | -2.8 | -2.5 |
| Belgium | -1.3 | -0.9 | -1.8 | -0.2 | -0.6 | 0.4 | 1.7 | 0.0 | -0.6 | -1.5 | 0.0 | 0.0 | 0.6 | 1.2 | 0.2 | -3.6 | -2.4 | -1.5 | -2.1 | -1.6 |
| Canada | -1.2 | -1.1 | -2.3 | -1.3 | -0.7 | 1.2 | 2.8 | 1.1 | 1.2 | 0.4 | 0.9 | 1.3 | 1.5 | 1.3 | -0.1 | -4.4 | -2.8 | -2.4 | -2.5 | -2.1 |
| Chile | .. | .. | -1.7 | 1.1 | 0.9 | -2.8 | -1.7 | -1.6 | -2.9 | -3.2 | -1.1 | 0.4 | 1.4 | 2.5 | 1.7 | -3.4 | -1.4 | 0.8 | 0.0 | -0.1 |
| Czech Republic | .. | .. | 4.2 | 1.0 | -1.7 | -2.5 | -1.3 | -1.2 | -2.5 | -2.7 | -2.3 | -0.2 | 2.4 | 3.6 | 4.1 | -2.7 | -2.1 | -2.4 | -3.5 | -3.7 |
| Denmark | -0.7 | -0.1 | 0.2 | 1.0 | 0.6 | 0.8 | 2.2 | 1.1 | -0.1 | -1.0 | 0.0 | 0.7 | 2.6 | 3.3 | 1.0 | -5.0 | -4.0 | -3.6 | -3.6 | -2.9 |
| Estonia | .. | .. | .. | .. | .. | .. | 3.1 | 1.1 | 0.0 | 0.6 | 0.5 | 3.7 | 9.4 | 13.8 | 6.9 | -10.1 | -9.5 | -3.9 | -3.8 | -2.9 |
| Finland | -6.1 | -4.4 | -3.5 | -0.8 | 0.5 | 0.5 | 2.1 | 0.7 | -0.8 | -1.8 | -0.7 | -0.7 | 1.0 | 3.5 | 1.8 | -8.2 | -6.1 | -4.6 | -4.8 | -4.6 |
| France | -0.9 | -0.6 | -1.3 | -1.1 | 0.2 | 0.9 | 2.0 | 1.1 | 0.0 | -0.9 | -0.2 | -0.1 | 0.9 | 1.4 | -0.4 | -3.9 | -3.6 | -3.4 | -4.5 | -4.7 |
| Germany | -0.5 | -0.4 | -1.1 | -0.8 | -0.8 | -0.7 | 0.7 | 0.6 | -0.7 | -2.2 | -2.5 | -2.6 | 0.2 | 2.2 | 1.6 | -4.5 | -2.3 | -0.8 | -1.7 | -1.2 |
| Greece | -0.8 | -1.2 | -1.5 | -1.2 | -1.1 | -1.6 | -1.5 | -1.5 | -2.0 | 0.0 | 0.6 | -0.2 | 2.5 | 2.6 | -0.1 | -4.6 | -8.9 | -15.0 | -18.2 | -18.6 |
| Hungary | .. | -0.8 | -2.6 | -2.0 | -1.1 | -1.5 | -1.0 | -0.8 | 0.3 | 1.0 | 2.6 | 3.7 | 5.2 | 3.3 | 2.8 | -4.6 | -3.9 | -3.1 | -4.5 | -4.3 |
| Iceland | -2.9 | -4.7 | -2.6 | -0.9 | 1.4 | 1.5 | 1.8 | 1.7 | -1.5 | -2.1 | 1.9 | 5.6 | 4.6 | 6.2 | 3.3 | -3.9 | -7.7 | -6.2 | -5.6 | -5.3 |
| Ireland | -4.0 | -1.2 | -0.6 | 2.7 | 2.6 | 4.6 | 6.1 | 4.1 | 4.1 | 3.5 | 3.6 | 4.2 | 5.0 | 6.0 | -0.2 | -8.1 | -8.8 | -7.8 | -7.4 | -6.1 |
| Israel | .. | .. | .. | .. | .. | -1.5 | 4.2 | 1.1 | -2.3 | -3.6 | -1.7 | -0.4 | 1.1 | 2.7 | 2.7 | -1.6 | -0.6 | -0.2 | -1.4 | -1.5 |
| Italy | -2.4 | -1.0 | -1.3 | -1.0 | -1.1 | -1.2 | 0.8 | 1.1 | 0.3 | -0.8 | 0.3 | 0.7 | 2.3 | 3.3 | 1.5 | -3.7 | -2.2 | -1.7 | -2.6 | -2.6 |
| Japan | -0.8 | -0.5 | 0.8 | 1.2 | -2.0 | -3.1 | -1.3 | -2.3 | -3.0 | -2.7 | -1.1 | -0.1 | 1.2 | 3.0 | 1.1 | -5.7 | -3.2 | -4.6 | -3.4 | -2.4 |
| Luxembourg | 1.0 | -2.2 | -5.2 | -4.2 | -2.8 | 0.3 | 3.5 | 1.4 | 1.6 | -0.6 | -0.1 | 1.7 | 3.2 | 6.7 | 4.4 | -3.7 | -3.1 | -2.9 | -4.2 | -4.1 |
| Mexico | 2.6 | -6.0 | -3.9 | -0.1 | 1.6 | 1.8 | 4.7 | 1.0 | -1.5 | -2.5 | -0.9 | -0.1 | 2.8 | 3.9 | 3.0 | -5.1 | -2.3 | -1.4 | -1.3 | -1.1 |
| Netherlands | -1.5 | -1.0 | -0.6 | 0.4 | 0.9 | 1.9 | 2.7 | 1.7 | -0.6 | -2.1 | -1.6 | -0.9 | 0.9 | 3.1 | 3.2 | -1.6 | -0.9 | -0.1 | -0.8 | -0.2 |
| New Zealand | 0.6 | 1.2 | 1.7 | 0.7 | -2.1 | -0.5 | 0.2 | -0.3 | 1.2 | 1.6 | 2.5 | 2.4 | 0.2 | 0.5 | -1.9 | -4.6 | -3.8 | -2.5 | -1.3 | -1.1 |
| Norway[1] | -0.7 | -0.3 | 0.7 | 2.0 | 2.1 | 1.0 | 0.9 | 0.2 | -0.8 | -2.0 | -0.2 | 0.9 | 1.6 | 2.7 | 0.9 | -2.5 | -2.1 | -1.8 | -1.2 | 0.2 |
| Poland | .. | -2.1 | -1.2 | 0.9 | 1.2 | 1.9 | 2.4 | -0.3 | -2.2 | -1.9 | -0.8 | -1.8 | -0.8 | 0.7 | 1.2 | -0.7 | 0.3 | 1.5 | 0.8 | 0.2 |
| Portugal | -3.1 | -1.9 | -1.1 | 0.0 | 1.6 | 2.2 | 3.1 | 2.6 | 1.4 | -0.8 | -0.4 | -0.7 | -0.1 | 1.5 | 0.6 | -2.3 | -1.3 | -2.7 | -6.1 | -5.9 |
| Slovak Republic | .. | .. | 1.4 | 2.1 | 2.7 | -0.8 | -3.4 | -3.3 | -2.9 | -2.8 | -3.0 | -1.8 | 1.0 | 6.1 | 7.5 | -1.1 | 0.8 | 1.1 | -0.7 | -0.7 |
| Spain | -2.2 | -1.8 | -2.2 | -1.4 | -0.2 | 0.9 | 2.3 | 2.2 | 1.4 | 1.0 | 1.0 | 1.3 | 2.4 | 2.9 | 1.4 | -3.4 | -4.4 | -4.9 | -6.1 | -6.2 |
| Sweden | -3.7 | -1.8 | -2.3 | -1.8 | -0.6 | 0.6 | 1.6 | -0.2 | -0.4 | -0.3 | 1.2 | 1.8 | 3.6 | 4.2 | 0.5 | -6.8 | -3.9 | -2.2 | -3.1 | -3.0 |
| Switzerland | -1.0 | -1.7 | -2.1 | -1.0 | 0.2 | -0.1 | 1.6 | 0.7 | -0.8 | -2.8 | -2.0 | -1.2 | 0.5 | 1.9 | 1.5 | -2.3 | -1.2 | -1.0 | -1.9 | -1.7 |
| United Kingdom | -1.0 | -0.6 | -0.6 | -0.3 | 0.1 | 0.0 | 0.8 | 0.5 | 0.2 | 1.1 | 1.6 | 1.4 | 1.8 | 3.2 | 0.7 | -4.4 | -3.5 | -3.7 | -4.4 | -4.1 |
| United States | -0.8 | -1.3 | -0.8 | 0.1 | 0.8 | 1.9 | 2.3 | 0.2 | -0.5 | 0.0 | 1.4 | 2.3 | 2.7 | 2.5 | 0.2 | -4.9 | -3.7 | -3.8 | -4.0 | -3.7 |
| Euro area | -1.3 | -0.8 | -1.3 | -0.8 | -0.3 | 0.1 | 1.5 | 1.1 | -0.1 | -1.1 | -0.7 | -0.5 | 1.2 | 2.5 | 1.2 | -3.9 | -3.1 | -2.6 | -3.6 | -3.4 |
| Total OECD | -0.9 | -1.2 | -0.9 | -0.1 | 0.0 | 0.5 | 1.5 | 0.2 | -0.6 | -0.8 | 0.3 | 0.9 | 1.9 | 2.6 | 0.9 | -4.4 | -3.2 | -3.1 | -3.4 | -3.1 |

*Note:* Potential output for countries where data availability permits follows the methodology outlined in Beffy, P.O., P. Olivaud, P Richardson and F. Sedillot (2006), "New OECD Methods for Supply-Side and Medium-Term Assessments: A Capital Services Approach", *OECD Economics Department Working Papers,* No. 482. Revisions to this method are discussed in Chapter 4 of *OECD Economic Outlook no. 85* "Beyond the crisis: medium-term challenges relating to potential output, employment and fiscal positions". In countries where extensive data are not available, more simplified methodologies are used.

1. Mainland Norway.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558536

Annex Table 11. **Compensation per employee in the private sector**

Percentage change from previous period

| | Average 1984-1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 5.3 | 3.5 | 5.6 | 4.6 | 2.9 | 3.7 | 3.4 | 5.0 | 3.3 | 4.1 | 6.3 | 4.8 | 6.6 | 7.2 | 3.4 | -0.5 | 3.3 | 5.6 | 5.1 | 5.2 |
| Austria | 4.7 | 1.6 | 1.2 | 1.1 | 2.7 | 1.7 | 2.5 | 1.9 | 2.0 | 1.5 | 1.3 | 2.3 | 3.0 | 3.1 | 3.4 | 1.1 | 1.5 | 2.0 | 2.7 | 2.2 |
| Belgium | 4.6 | 0.0 | 1.3 | 3.0 | 1.1 | 3.7 | 2.0 | 3.8 | 3.4 | 1.7 | 1.8 | 1.3 | 3.5 | 3.4 | 3.3 | 0.7 | 1.2 | 3.0 | 3.1 | 2.5 |
| Canada | 4.0 | 1.8 | 2.8 | 5.9 | 2.9 | 3.2 | 5.2 | 2.2 | 0.9 | 1.8 | 5.3 | 5.1 | 4.7 | 3.7 | 2.5 | 0.5 | 2.8 | 3.2 | 3.3 | 3.6 |
| Czech Republic | .. | .. | 16.3 | 9.2 | 9.8 | 7.6 | 6.8 | 7.3 | 6.9 | 8.1 | 6.2 | 4.5 | 6.7 | 6.3 | 6.3 | -0.5 | 5.1 | 2.9 | 2.8 | 2.8 |
| Denmark | 4.6 | 2.2 | 4.0 | 3.8 | 3.9 | 3.7 | 3.2 | 4.0 | 3.8 | 3.5 | 3.2 | 4.5 | 3.4 | 4.1 | 2.6 | 0.6 | 2.7 | 1.8 | 1.9 | 2.1 |
| Finland | 6.6 | 4.2 | 2.1 | 2.3 | 4.8 | 2.2 | 4.2 | 5.1 | 1.2 | 2.4 | 3.7 | 3.4 | 2.9 | 3.4 | 4.0 | 2.1 | 4.0 | 3.7 | 2.1 | 2.4 |
| France | 4.0 | 1.4 | 1.4 | 1.4 | 1.3 | 1.9 | 2.4 | 2.7 | 3.5 | 3.0 | 3.9 | 2.8 | 3.5 | 2.5 | 2.6 | 1.0 | 2.1 | 2.9 | 2.8 | 2.2 |
| Germany | 4.1 | 3.3 | 0.9 | 0.4 | 0.8 | 0.8 | 2.0 | 1.6 | 1.1 | 1.4 | 0.2 | -0.1 | 1.2 | 0.9 | 2.2 | -0.5 | 2.0 | 3.4 | 1.9 | 1.8 |
| Greece | .. | .. | .. | .. | 5.5 | 6.4 | 6.3 | 3.0 | 12.0 | 6.7 | 2.5 | 5.2 | 1.0 | 5.2 | 5.7 | 0.2 | 0.8 | -3.5 | -2.9 | -1.6 |
| Hungary | .. | .. | 22.3 | 21.8 | 12.8 | 4.0 | 15.1 | 14.3 | 10.8 | 7.6 | 13.2 | 7.1 | 5.3 | 7.4 | 6.4 | -0.8 | 1.1 | 4.5 | 3.8 | 3.0 |
| Iceland | 17.9 | 4.9 | 5.1 | 3.8 | 9.4 | 8.5 | 9.8 | 5.8 | 7.5 | 0.8 | 12.2 | 9.7 | 13.5 | 11.2 | 2.3 | -6.6 | 5.1 | 6.1 | 5.5 | 4.8 |
| Ireland | 4.7 | 3.4 | 4.3 | 4.2 | 5.0 | 3.9 | 8.4 | 6.5 | 3.5 | 5.2 | 4.5 | 4.6 | 5.1 | 5.6 | 5.5 | -1.7 | -2.7 | 1.7 | 1.4 | 2.2 |
| Israel | .. | .. | .. | .. | 7.8 | 7.0 | 7.0 | 2.5 | 0.8 | -1.6 | -0.2 | 2.4 | 7.6 | 2.1 | 2.3 | 0.7 | 4.6 | 5.1 | 2.5 | 2.7 |
| Italy | 7.1 | 5.2 | 4.4 | 3.5 | -0.9 | 1.3 | 1.9 | 2.0 | 1.6 | 1.5 | 3.2 | 2.3 | 1.7 | 2.7 | 2.8 | -0.7 | 2.0 | 2.9 | 2.0 | 1.4 |
| Japan | 2.7 | 1.0 | -0.1 | 1.2 | -1.2 | -1.6 | 0.1 | -1.2 | -2.1 | -1.2 | -0.9 | 0.0 | 0.4 | -1.8 | -0.4 | -3.3 | 0.9 | 0.2 | 1.2 | 1.4 |
| Korea | 12.3 | 14.8 | 12.2 | 4.4 | 4.2 | 3.2 | 4.2 | 7.5 | 6.1 | 7.2 | 4.9 | 5.3 | 3.5 | 4.3 | 4.1 | 4.1 | 3.5 | 4.5 | 5.5 | 6.2 |
| Luxembourg | 4.8 | 0.5 | 1.0 | 2.0 | 1.4 | 4.7 | 6.0 | 3.4 | 2.4 | 0.5 | 3.1 | 4.6 | 2.5 | 3.8 | 2.2 | 1.3 | 2.2 | 1.2 | 3.1 | 4.2 |
| Mexico | .. | 8.3 | 20.7 | 22.1 | 20.3 | 19.3 | 14.9 | 9.8 | 3.4 | 4.7 | 3.4 | 6.0 | 3.6 | 5.7 | 4.4 | 2.0 | 3.4 | 4.9 | 4.9 | 1.8 |
| Netherlands | 1.4 | 0.3 | 1.9 | 2.5 | 4.2 | 3.5 | 4.8 | 4.8 | 4.4 | 3.2 | 3.4 | 0.9 | 2.6 | 3.2 | 3.4 | 1.6 | 1.0 | 1.5 | 2.0 | 2.3 |
| Norway | 5.7 | 3.7 | 4.4 | 5.0 | 6.8 | 5.6 | 4.5 | 5.5 | 4.2 | 2.6 | 4.2 | 4.3 | 5.5 | 5.8 | 5.1 | 3.7 | 4.8 | 3.9 | 4.2 | 4.4 |
| Poland | .. | .. | 29.0 | 20.4 | 14.7 | 12.4 | 10.3 | 9.6 | 0.6 | 0.2 | 1.4 | 0.9 | 1.0 | 4.2 | 8.4 | 2.0 | 9.9 | 6.7 | 6.5 | 5.6 |
| Portugal | .. | .. | 6.1 | 5.5 | 5.0 | 4.8 | 5.4 | 3.5 | 2.8 | 4.0 | 2.5 | 4.4 | 3.0 | 5.0 | 3.5 | 2.7 | 2.0 | 1.4 | 0.6 | 0.9 |
| Slovak Republic | .. | .. | 11.6 | 17.6 | 9.5 | 6.7 | 17.1 | 5.8 | 6.9 | 7.3 | 10.0 | 7.9 | 7.9 | 9.7 | 5.7 | 4.3 | 2.1 | 3.2 | 3.4 | 4.7 |
| Slovenia | .. | .. | 13.4 | 12.9 | 8.8 | 7.8 | 10.5 | 10.7 | 8.2 | 7.8 | 8.5 | 7.0 | 5.8 | 6.8 | 6.3 | 1.2 | 4.6 | 1.9 | 1.5 | 2.5 |
| Spain | 8.4 | 3.5 | 4.6 | 2.0 | 1.8 | 1.6 | 2.4 | 4.0 | 3.5 | 2.5 | 1.7 | 2.7 | 2.4 | 3.9 | 5.2 | 4.0 | 0.4 | 1.8 | 2.0 | 1.9 |
| Sweden | 7.5 | 2.3 | 7.1 | 5.5 | 2.7 | 1.3 | 6.8 | 4.0 | 2.6 | 2.5 | 4.6 | 3.2 | 2.0 | 5.2 | 0.5 | 1.1 | 1.7 | 2.0 | 3.6 | 2.4 |
| Switzerland | 4.3 | 2.3 | 1.1 | 2.7 | 0.6 | 1.5 | 2.6 | 3.8 | 1.4 | -0.5 | -0.9 | 3.5 | 2.5 | 3.5 | 1.7 | 0.8 | 0.3 | 2.8 | 1.2 | 1.0 |
| United Kingdom | 6.6 | 2.6 | 2.0 | 4.0 | 7.1 | 4.6 | 5.7 | 4.9 | 2.8 | 4.5 | 3.5 | 3.2 | 4.2 | 5.1 | 1.6 | 3.2 | 3.3 | 0.0 | 2.3 | 2.2 |
| United States | 3.9 | 2.3 | 3.0 | 4.0 | 5.4 | 4.2 | 7.0 | 3.2 | 3.0 | 4.0 | 4.1 | 3.3 | 4.0 | 4.0 | 3.0 | 0.4 | 2.8 | 2.4 | 1.7 | 2.2 |
| Euro area | 4.7 | 2.9 | 2.5 | 2.1 | 1.6 | 2.0 | 3.0 | 2.8 | 2.8 | 2.4 | 2.3 | 2.0 | 2.4 | 2.8 | 3.2 | 0.8 | 1.7 | 2.5 | 2.0 | 1.8 |
| Total OECD | 4.9 | 3.4 | 5.3 | 5.3 | 4.9 | 4.2 | 5.3 | 3.6 | 2.4 | 2.9 | 3.0 | 2.9 | 3.1 | 3.3 | 2.9 | 0.6 | 2.6 | 2.6 | 2.6 | 2.4 |

*Note:* The private sector in the OECD terminology is defined as total economy less the public sector. Hence private sector employees are defined as total employees less public sector employees.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 12. **Labour productivity in the total economy**

Percentage change from previous period

| | Average 1984-1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 1.3 | -0.3 | 2.6 | 2.9 | 3.1 | 2.5 | 0.8 | 1.6 | 1.8 | 1.2 | 1.4 | 0.0 | -0.1 | 1.6 | -0.4 | 0.8 | -0.2 | 0.3 | 2.5 | 1.2 |
| Austria | 1.9 | 2.6 | 1.7 | 1.6 | 2.7 | 1.8 | 2.5 | 0.2 | 1.7 | 0.3 | 1.7 | 1.4 | 1.9 | 1.8 | -0.7 | -2.9 | 1.6 | 1.8 | 0.4 | 1.4 |
| Belgium | 1.7 | 1.7 | 1.0 | 3.2 | 0.2 | 2.1 | 1.7 | -0.6 | 1.6 | 0.9 | 2.0 | 0.5 | 1.6 | 1.2 | -0.9 | -2.5 | 1.4 | 0.6 | 0.4 | 1.3 |
| Canada | 1.0 | 1.0 | 0.7 | 2.1 | 1.6 | 2.9 | 2.7 | 0.6 | 0.5 | -0.5 | 1.4 | 1.7 | 1.0 | -0.2 | -1.0 | -1.2 | 1.8 | 0.6 | 1.1 | 1.7 |
| Chile | .. | 9.3 | 5.6 | 4.5 | 1.0 | 0.8 | 2.5 | 2.6 | 0.3 | -0.4 | 3.1 | 1.7 | 3.2 | 2.0 | 0.2 | -1.5 | -2.1 | 0.5 | 1.4 | 2.3 |
| Czech Republic | .. | 5.2 | 3.6 | -1.0 | 1.3 | 5.3 | 4.4 | 2.6 | 1.6 | 5.2 | 4.4 | 5.7 | 5.0 | 3.0 | 1.8 | -3.6 | 3.5 | 1.6 | 0.9 | 2.8 |
| Denmark | 1.8 | 2.3 | 1.9 | 1.8 | 0.7 | 1.7 | 3.0 | -0.2 | 0.4 | 1.5 | 2.9 | 1.4 | 1.3 | -1.2 | -2.9 | -2.2 | 3.9 | 1.4 | 0.4 | 1.1 |
| Estonia | .. | .. | 8.2 | 11.7 | 8.8 | 4.3 | 11.6 | 5.4 | 5.2 | 6.3 | 6.4 | 6.7 | 4.5 | 6.7 | -3.9 | -4.8 | 7.4 | 1.0 | 1.4 | 3.4 |
| Finland | 3.2 | 2.2 | 2.1 | 2.7 | 3.1 | 1.4 | 3.2 | 0.9 | 0.9 | 2.0 | 3.7 | 1.5 | 2.5 | 3.1 | -1.6 | -4.9 | 5.1 | 1.9 | 1.6 | 1.7 |
| France | 1.9 | 1.3 | 0.7 | 1.7 | 1.9 | 1.1 | 1.2 | 0.3 | 0.4 | 0.8 | 2.2 | 1.2 | 1.5 | 0.8 | -0.7 | -1.5 | 1.2 | 0.9 | 0.2 | 0.9 |
| Germany | 1.8 | 1.4 | 0.9 | 1.9 | 0.5 | 0.2 | 1.6 | 1.4 | 0.6 | 0.5 | 0.4 | 1.0 | 3.3 | 1.7 | -0.4 | -5.1 | 3.1 | 1.7 | 0.4 | 1.7 |
| Greece | .. | 1.2 | 1.1 | 4.0 | -1.0 | 3.1 | 3.0 | 4.1 | 1.2 | 4.7 | 1.9 | 1.5 | 2.2 | 1.2 | -0.3 | -2.6 | -1.4 | -0.3 | -0.4 | 0.6 |
| Hungary | .. | .. | 0.0 | 3.2 | 2.3 | 0.5 | 3.2 | 4.2 | 4.7 | 3.8 | 6.3 | 4.2 | 3.3 | 0.4 | 2.2 | -4.1 | 1.1 | 2.0 | 0.0 | 0.7 |
| Iceland | 1.2 | -2.9 | 4.8 | 4.9 | 2.1 | 0.4 | 2.3 | 2.2 | 1.6 | 2.3 | 8.3 | 3.8 | -0.4 | 1.4 | 0.5 | -0.7 | -3.8 | 2.6 | 1.3 | 1.2 |
| Ireland | 3.0 | 4.5 | 3.9 | 5.1 | -0.6 | 3.2 | 4.6 | 1.7 | 4.2 | 2.3 | 1.1 | 0.4 | 0.9 | 1.5 | -1.9 | 1.2 | 3.9 | 3.0 | 1.3 | 2.0 |
| Israel | .. | .. | .. | .. | .. | .. | 5.6 | -1.8 | -1.0 | 0.6 | 2.6 | 1.2 | 2.3 | 0.6 | -0.1 | 0.1 | 1.6 | 1.5 | 1.3 | 1.5 |
| Italy | 2.0 | 3.1 | 0.6 | 1.5 | 0.5 | 0.4 | 1.7 | -0.2 | -1.2 | -1.5 | 1.3 | 0.4 | 0.2 | 0.4 | -1.4 | -3.5 | 2.3 | 0.1 | -0.6 | 0.6 |
| Japan | 2.5 | 1.8 | 2.2 | 0.5 | -1.4 | 0.7 | 3.1 | 0.7 | 1.5 | 1.6 | 2.5 | 1.5 | 1.6 | 1.9 | -0.7 | -4.8 | 4.5 | -0.1 | 2.4 | 2.0 |
| Korea | 5.6 | 5.9 | 4.9 | 4.0 | 0.3 | 8.8 | 4.4 | 1.9 | 4.3 | 3.0 | 2.7 | 2.6 | 3.8 | 3.8 | 1.7 | 0.6 | 4.7 | 1.9 | 3.3 | 3.6 |
| Luxembourg | 3.0 | -1.5 | -1.0 | 2.8 | 1.9 | 3.3 | 2.7 | -2.9 | 0.8 | -0.3 | 2.1 | 2.5 | 1.3 | 2.1 | -3.8 | -6.2 | 0.8 | -0.9 | -1.6 | 0.4 |
| Mexico | .. | .. | 1.4 | 1.4 | 2.3 | 2.4 | 3.8 | -1.0 | -2.2 | 0.6 | 0.6 | 2.6 | 1.6 | 1.5 | -1.0 | -5.0 | 4.3 | -0.8 | 1.7 | 2.0 |
| Netherlands | 0.1 | 1.0 | 1.0 | 1.2 | 1.2 | 2.0 | 1.7 | -0.1 | -0.4 | 0.8 | 2.9 | 1.7 | 1.7 | 1.3 | 0.3 | -2.8 | 1.9 | 1.1 | 0.4 | 1.1 |
| New Zealand | 1.5 | 0.6 | 0.7 | 2.1 | -2.4 | 1.3 | 4.1 | 0.0 | 1.8 | 1.4 | 1.2 | -1.0 | -1.2 | 1.8 | -2.4 | -0.9 | 0.7 | 0.2 | 0.5 | 0.5 |
| Norway | 2.4 | 2.0 | 3.0 | 2.4 | 0.0 | 1.1 | 2.7 | 1.6 | 1.1 | 2.1 | 3.4 | 1.5 | -1.3 | -1.3 | -2.4 | -1.3 | 0.6 | 0.0 | 0.2 | 0.9 |
| Poland | .. | .. | 5.2 | 5.2 | 3.7 | 8.0 | 6.9 | 3.6 | 4.7 | 5.1 | 4.0 | 1.4 | 2.5 | 2.4 | 1.3 | 1.2 | 3.3 | 3.2 | 2.6 | 2.6 |
| Portugal | 2.4 | 4.9 | 2.0 | 1.7 | 2.2 | 2.7 | 1.8 | 0.1 | 0.1 | -0.3 | 1.6 | 1.1 | 0.9 | 2.4 | -0.5 | 0.1 | 3.0 | -0.3 | -0.9 | 1.1 |
| Slovak Republic | .. | 4.0 | 4.8 | 5.5 | 4.9 | 2.6 | 3.4 | 2.9 | 4.5 | 3.7 | 5.3 | 5.0 | 6.1 | 8.2 | 2.9 | -2.4 | 5.7 | 1.4 | 1.7 | 2.7 |
| Slovenia | .. | .. | .. | .. | .. | .. | 2.7 | 2.4 | 2.2 | 3.2 | 4.0 | 4.5 | 4.2 | 3.4 | 1.0 | -6.3 | 4.0 | 2.7 | 1.0 | 1.7 |
| Spain | 1.6 | 0.9 | 0.7 | 0.3 | 0.0 | 0.2 | 0.0 | 0.4 | 0.2 | -0.1 | -0.4 | -0.5 | 0.1 | 0.4 | 1.1 | 3.2 | 2.6 | 2.0 | 1.7 | 0.9 |
| Sweden | 2.1 | 2.5 | 2.5 | 4.3 | 2.4 | 2.3 | 2.1 | -0.7 | 2.5 | 3.1 | 4.4 | 2.9 | 2.8 | 1.1 | -1.7 | -3.2 | 4.2 | 1.9 | 0.9 | 1.4 |
| Switzerland | 0.3 | 0.4 | 0.7 | 2.2 | 1.3 | 0.5 | 2.6 | -0.5 | -0.3 | 0.1 | 2.2 | 2.0 | 1.4 | 1.0 | 0.0 | -2.6 | 2.3 | -0.4 | 0.2 | 0.7 |
| Turkey | 2.2 | 4.2 | 4.0 | 7.5 | 0.4 | -4.5 | 9.0 | -5.7 | 6.5 | 6.1 | 7.3 | 6.1 | 5.1 | 3.1 | -1.5 | -5.2 | 2.8 | 1.5 | 2.1 | 2.5 |
| United Kingdom | 2.0 | 1.8 | 1.9 | 1.6 | 2.8 | 2.2 | 3.3 | 2.3 | 1.9 | 2.6 | 1.9 | 1.1 | 1.7 | 2.7 | -1.8 | -2.8 | 1.5 | 0.5 | 1.1 | 1.6 |
| United States | 1.2 | 0.2 | 1.8 | 2.1 | 2.1 | 2.8 | 2.4 | 1.2 | 2.9 | 2.5 | 2.4 | 1.5 | 0.9 | 1.0 | 0.4 | 0.8 | 3.7 | 1.0 | 1.1 | 0.9 |
| Euro area | 1.7 | 1.8 | 1.0 | 1.8 | 0.9 | 0.9 | 1.5 | 0.7 | 0.4 | 0.4 | 1.3 | 0.9 | 1.8 | 1.3 | -0.4 | -2.4 | 2.4 | 1.2 | 0.4 | 1.2 |
| Total OECD | 1.9 | 1.7 | 2.0 | 2.2 | 1.2 | 2.0 | 2.9 | 0.7 | 1.7 | 1.8 | 2.2 | 1.6 | 1.7 | 1.5 | -0.3 | -1.8 | 3.1 | 0.8 | 1.3 | 1.6 |

*Note:* Labour productivity measured as GDP per person employed.

*Source:* OECD Economic Outlook 90 database.

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## Annex Table 13. **Unemployment rates: commonly used definitions**

Per cent of labour force

| | 2008 Unemployment thousands | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 483 | 7.7 | 6.9 | 6.2 | 6.7 | 6.3 | 5.9 | 5.4 | 5.0 | 4.8 | 4.4 | 4.2 | 5.6 | 5.2 | 5.0 | 5.3 | 5.2 | 5.2 | 5.2 | 5.1 |
| Austria | 162 | 4.3 | 3.7 | 3.5 | 3.6 | 3.9 | 4.3 | 4.9 | 5.2 | 4.7 | 4.4 | 3.8 | 4.8 | 4.4 | 4.2 | 4.4 | 4.4 | 4.2 | 4.4 | 4.4 |
| Belgium | 343 | 9.3 | 8.5 | 6.9 | 6.6 | 7.5 | 8.2 | 8.4 | 8.5 | 8.3 | 7.5 | 7.0 | 7.9 | 8.3 | 7.0 | 7.3 | 7.6 | 7.2 | 7.4 | 7.6 |
| Canada | 1 119 | 8.3 | 7.6 | 6.8 | 7.3 | 7.7 | 7.6 | 7.2 | 6.7 | 6.3 | 6.0 | 6.1 | 8.3 | 8.0 | 7.4 | 7.3 | 7.2 | 7.3 | 7.3 | 7.2 |
| Chile | 562 | 6.4 | 10.1 | 9.7 | 9.9 | 9.8 | 9.5 | 10.0 | 9.2 | 7.8 | 7.2 | 7.8 | 10.8 | 8.1 | 7.0 | 7.3 | 7.1 | 7.1 | 7.3 | 6.9 |
| Czech Republic | 230 | 6.5 | 8.8 | 8.9 | 8.2 | 7.3 | 7.8 | 8.3 | 8.0 | 7.2 | 5.3 | 4.4 | 6.7 | 7.3 | 6.9 | 6.7 | 6.4 | 6.9 | 6.6 | 6.2 |
| Denmark | 99 | 4.8 | 5.0 | 4.3 | 4.4 | 4.5 | 5.3 | 5.5 | 4.8 | 3.9 | 3.6 | 3.2 | 5.9 | 7.2 | 7.2 | 7.2 | 7.0 | 7.1 | 7.2 | 6.9 |
| Estonia | 39 | .. | .. | 13.6 | 12.6 | 10.3 | 10.0 | 9.7 | 7.9 | 5.9 | 4.7 | 5.6 | 13.9 | 16.8 | 12.3 | 10.8 | 10.0 | 11.5 | 10.7 | 9.9 |
| Finland | 172 | 11.4 | 10.3 | 9.8 | 9.1 | 9.1 | 9.0 | 8.8 | 8.4 | 7.7 | 6.9 | 6.4 | 8.3 | 8.4 | 7.9 | 8.0 | 7.7 | 7.8 | 7.9 | 7.6 |
| France | 2 067 | 10.3 | 10.0 | 8.5 | 7.7 | 7.9 | 8.5 | 8.9 | 8.9 | 8.8 | 8.0 | 7.4 | 9.1 | 9.4 | 9.2 | 9.7 | 9.8 | 9.4 | 9.9 | 9.8 |
| Germany | 3 163 | 8.9 | 8.1 | 7.5 | 7.4 | 8.1 | 9.1 | 9.9 | 10.6 | 9.7 | 8.4 | 7.3 | 7.4 | 6.8 | 5.9 | 5.7 | 5.5 | 5.7 | 5.7 | 5.4 |
| Greece | 378 | 11.2 | 12.1 | 11.4 | 10.8 | 10.3 | 9.7 | 10.5 | 9.8 | 8.9 | 8.3 | 7.7 | 9.5 | 12.5 | 16.6 | 18.5 | 18.7 | .. | .. | .. |
| Hungary | 330 | 7.9 | 7.1 | 6.5 | 5.8 | 5.9 | 5.9 | 6.2 | 7.3 | 7.5 | 7.4 | 7.9 | 10.1 | 11.2 | 11.0 | 11.9 | 11.8 | 11.1 | 12.1 | 11.4 |
| Iceland | 6 | 2.7 | 2.0 | 2.3 | 2.3 | 3.3 | 3.4 | 3.0 | 2.6 | 2.9 | 2.3 | 3.0 | 7.2 | 7.5 | 7.0 | 6.1 | 5.3 | 6.5 | 5.8 | 5.0 |
| Ireland | 135 | 7.6 | 5.6 | 4.3 | 3.9 | 4.4 | 4.7 | 4.5 | 4.3 | 4.4 | 4.6 | 6.0 | 11.7 | 13.5 | 14.1 | 14.1 | 13.7 | 14.2 | 14.0 | 13.4 |
| Israel | 182 | .. | 8.8 | 8.8 | 9.3 | 10.3 | 10.7 | 10.3 | 9.0 | 8.4 | 7.3 | 6.1 | 7.6 | 6.6 | 5.6 | 6.0 | 5.8 | 5.7 | 6.1 | 5.5 |
| Italy | 1 704 | 11.3 | 11.0 | 10.1 | 9.1 | 8.6 | 8.4 | 8.0 | 7.7 | 6.8 | 6.1 | 6.8 | 7.8 | 8.4 | 8.1 | 8.3 | 8.6 | 8.1 | 8.4 | 8.7 |
| Japan | 2 648 | 4.1 | 4.7 | 4.7 | 5.0 | 5.4 | 5.3 | 4.7 | 4.4 | 4.1 | 3.8 | 4.0 | 5.1 | 5.1 | 4.6 | 4.5 | 4.4 | 4.5 | 4.5 | 4.4 |
| Korea | 769 | 7.0 | 6.6 | 4.4 | 4.0 | 3.3 | 3.6 | 3.7 | 3.7 | 3.5 | 3.2 | 3.2 | 3.6 | 3.7 | 3.4 | 3.4 | 3.4 | 3.3 | 3.4 | 3.4 |
| Luxembourg | 10 | 3.1 | 2.9 | 2.6 | 2.5 | 2.9 | 3.7 | 4.2 | 4.7 | 4.4 | 4.4 | 4.4 | 5.7 | 6.0 | 6.0 | 6.3 | 6.0 | 6.2 | 6.4 | 5.8 |
| Mexico[1] | 1 791 | 3.6 | 2.6 | 2.6 | 2.6 | 2.9 | 3.0 | 3.7 | 3.6 | 3.6 | 3.7 | 4.0 | 5.5 | 5.4 | 5.3 | 4.9 | 4.5 | 5.3 | 4.8 | 4.4 |
| Netherlands | 268 | 4.1 | 3.4 | 2.9 | 2.4 | 3.0 | 4.0 | 4.9 | 5.1 | 4.2 | 3.5 | 3.0 | 3.7 | 4.4 | 4.3 | 4.5 | 4.2 | 4.5 | 4.5 | 3.9 |
| New Zealand | 95 | 7.7 | 7.0 | 6.1 | 5.5 | 5.3 | 4.8 | 4.0 | 3.8 | 3.8 | 3.7 | 4.2 | 6.2 | 6.5 | 6.6 | 6.2 | 5.3 | 6.6 | 5.8 | 5.0 |
| Norway | 68 | 3.2 | 3.2 | 3.4 | 3.5 | 3.9 | 4.5 | 4.5 | 4.6 | 3.4 | 2.5 | 2.6 | 3.2 | 3.6 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.1 |
| Poland | 1 211 | 10.6 | 14.0 | 16.1 | 18.2 | 19.9 | 19.6 | 19.0 | 17.7 | 13.8 | 9.6 | 7.1 | 8.2 | 9.6 | 9.6 | 9.9 | 10.2 | 9.8 | 10.0 | 10.3 |
| Portugal | 427 | 5.0 | 4.4 | 4.0 | 4.0 | 5.0 | 6.3 | 6.7 | 7.7 | 7.7 | 8.0 | 7.6 | 9.5 | 10.8 | 12.5 | 13.8 | 14.2 | 12.9 | 14.2 | 14.1 |
| Slovak Republic | 256 | 12.6 | 16.4 | 18.8 | 19.3 | 18.7 | 17.5 | 18.2 | 16.2 | 13.4 | 11.1 | 9.5 | 12.1 | 14.4 | 13.4 | 13.2 | 12.3 | 13.5 | 12.9 | 12.0 |
| Slovenia | 46 | .. | 7.4 | 6.7 | 6.2 | 6.3 | 6.7 | 6.3 | 6.5 | 6.0 | 4.8 | 4.4 | 5.9 | 7.2 | 8.1 | 8.5 | 8.2 | 8.4 | 8.4 | 8.1 |
| Spain | 2 591 | 14.6 | 12.2 | 10.8 | 10.1 | 11.0 | 11.0 | 10.5 | 9.2 | 8.5 | 8.3 | 11.3 | 18.0 | 20.1 | 21.5 | 22.9 | 22.7 | 22.5 | 23.0 | 22.4 |
| Sweden | 303 | 9.7 | 8.2 | 6.7 | 5.8 | 6.0 | 6.6 | 7.4 | 7.7 | 7.1 | 6.1 | 6.2 | 8.3 | 8.4 | 7.5 | 7.5 | 7.0 | 7.5 | 7.5 | 6.8 |
| Switzerland | 150 | 3.4 | 2.9 | 2.6 | 2.3 | 3.0 | 4.0 | 4.3 | 4.3 | 3.9 | 3.6 | 3.4 | 4.3 | 4.5 | 4.0 | 4.3 | 4.0 | 4.2 | 4.2 | 3.9 |
| Turkey | 2 611 | 7.3 | 8.1 | 6.9 | 8.7 | 10.6 | 10.9 | 10.6 | 10.4 | 10.0 | 10.1 | 10.7 | 13.7 | 11.7 | 10.1 | 10.7 | 10.4 | .. | .. | .. |
| United Kingdom | 1 782 | 6.3 | 6.0 | 5.5 | 5.1 | 5.2 | 5.0 | 4.8 | 4.9 | 5.5 | 5.4 | 5.7 | 7.6 | 7.9 | 8.1 | 8.8 | 9.1 | 8.5 | 9.0 | 9.1 |
| United States | 8 962 | 4.5 | 4.2 | 4.0 | 4.8 | 5.8 | 6.0 | 5.5 | 5.1 | 4.6 | 4.6 | 5.8 | 9.3 | 9.6 | 9.0 | 8.9 | 8.6 | 9.0 | 8.8 | 8.4 |
| Euro area | 11 758 | 9.9 | 9.2 | 8.3 | 7.8 | 8.2 | 8.7 | 9.0 | 8.9 | 8.2 | 7.4 | 7.5 | 9.4 | 9.9 | 9.9 | 10.3 | 10.3 | 10.1 | 10.4 | 10.1 |
| Total OECD | 35 156 | 6.6 | 6.5 | 6.0 | 6.2 | 6.8 | 7.0 | 6.9 | 6.6 | 6.1 | 5.7 | 6.0 | 8.2 | 8.3 | 8.0 | 8.1 | 7.9 | 8.1 | 8.1 | 7.8 |

*Note:* Labour market data are subject to differences in definitions across countries and to many breaks in series, though the latter are often of a minor nature.

1. Based on National Employment Survey.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558593

## Annex Table 14. **Harmonised unemployment rates**

Per cent of civilian labour force

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 10.8 | 10.9 | 9.7 | 8.5 | 8.5 | 8.5 | 7.7 | 6.9 | 6.3 | 6.8 | 6.4 | 5.9 | 5.4 | 5.0 | 4.8 | 4.4 | 4.2 | 5.6 | 5.2 |
| Austria | .. | 4.0 | 3.8 | 3.9 | 4.3 | 4.4 | 4.5 | 3.9 | 3.6 | 3.6 | 4.2 | 4.3 | 4.9 | 5.2 | 4.7 | 4.4 | 3.8 | 4.8 | 4.4 |
| Belgium | 7.1 | 8.6 | 9.8 | 9.7 | 9.6 | 9.2 | 9.3 | 8.5 | 6.9 | 6.6 | 7.5 | 8.2 | 8.4 | 8.5 | 8.3 | 7.5 | 7.0 | 7.9 | 8.3 |
| Canada | 11.2 | 11.4 | 10.4 | 9.5 | 9.6 | 9.1 | 8.3 | 7.6 | 6.8 | 7.2 | 7.7 | 7.6 | 7.2 | 6.8 | 6.3 | 6.0 | 6.1 | 8.3 | 8.0 |
| Chile | 6.7 | 6.5 | 7.8 | 7.3 | 6.3 | 6.1 | 6.4 | 10.1 | 9.7 | 9.9 | 9.8 | 9.5 | 10.0 | 9.2 | 7.8 | 7.1 | 7.8 | 10.8 | 8.2 |
| Czech Republic | 2.8 | 4.4 | 4.3 | 4.1 | 3.9 | 4.8 | 6.4 | 8.6 | 8.7 | 8.0 | 7.3 | 7.8 | 8.3 | 7.9 | 7.2 | 5.3 | 4.4 | 6.7 | 7.3 |
| Denmark | 8.6 | 9.5 | 7.7 | 6.8 | 6.3 | 5.2 | 4.9 | 5.1 | 4.3 | 4.5 | 4.6 | 5.4 | 5.5 | 4.8 | 3.9 | 3.8 | 3.4 | 6.1 | 7.4 |
| Estonia | .. | .. | .. | .. | .. | 9.7 | 9.2 | 11.4 | 13.6 | 12.6 | 10.3 | 10.0 | 9.7 | 7.9 | 5.8 | 4.6 | 5.6 | 13.8 | 16.8 |
| Finland | 11.6 | 16.2 | 16.7 | 15.1 | 14.9 | 12.7 | 11.4 | 10.3 | 9.6 | 9.1 | 9.1 | 9.1 | 8.9 | 8.3 | 7.7 | 6.9 | 6.4 | 8.2 | 8.4 |
| France | 9.8 | 11.0 | 11.6 | 11.0 | 11.5 | 11.4 | 11.0 | 10.4 | 9.0 | 8.3 | 8.6 | 9.0 | 9.2 | 9.3 | 9.2 | 8.4 | 7.8 | 9.5 | 9.8 |
| Germany | 6.6 | 7.8 | 8.4 | 8.2 | 8.9 | 9.7 | 9.4 | 8.6 | 8.0 | 7.9 | 8.7 | 9.8 | 10.5 | 11.3 | 10.2 | 8.7 | 7.5 | 7.8 | 7.0 |
| Greece | 7.8 | 8.6 | 8.9 | 9.1 | 9.7 | 9.6 | 11.0 | 12.0 | 11.3 | 10.7 | 10.3 | 9.7 | 10.5 | 9.9 | 8.9 | 8.3 | 7.7 | 9.5 | 12.6 |
| Hungary | 9.9 | 12.1 | 11.0 | 10.4 | 9.6 | 9.0 | 8.4 | 6.9 | 6.4 | 5.7 | 5.8 | 5.9 | 6.1 | 7.2 | 7.5 | 7.4 | 7.8 | 10.0 | 11.1 |
| Iceland | 4.3 | 5.3 | 5.3 | 4.9 | 3.7 | 3.9 | 2.7 | 2.0 | 2.3 | 2.3 | 3.3 | 3.4 | 3.1 | 2.6 | 2.9 | 2.3 | 3.0 | 7.2 | 7.5 |
| Ireland | 15.4 | 15.6 | 14.4 | 12.3 | 11.7 | 9.9 | 7.6 | 5.7 | 4.2 | 3.9 | 4.5 | 4.6 | 4.5 | 4.4 | 4.5 | 4.6 | 6.3 | 11.8 | 13.7 |
| Israel | .. | .. | .. | .. | .. | .. | .. | .. | .. | 9.3 | 10.3 | 10.7 | 10.4 | 9.0 | 8.4 | 7.3 | 6.1 | 7.5 | 6.7 |
| Italy | 8.8 | 9.8 | 10.6 | 11.2 | 11.2 | 11.2 | 11.3 | 10.9 | 10.1 | 9.1 | 8.6 | 8.5 | 8.0 | 7.7 | 6.8 | 6.1 | 6.8 | 7.8 | 8.4 |
| Japan | 2.2 | 2.5 | 2.9 | 3.1 | 3.4 | 3.4 | 4.1 | 4.7 | 4.7 | 5.0 | 5.4 | 5.3 | 4.7 | 4.4 | 4.1 | 3.9 | 4.0 | 5.1 | 5.1 |
| Korea | 2.5 | 2.9 | 2.5 | 2.1 | 2.0 | 2.6 | 7.0 | 6.6 | 4.4 | 4.0 | 3.3 | 3.6 | 3.7 | 3.7 | 3.5 | 3.2 | 3.2 | 3.6 | 3.7 |
| Luxembourg | 2.1 | 2.6 | 3.2 | 2.9 | 2.9 | 2.7 | 2.7 | 2.4 | 2.3 | 1.9 | 2.6 | 3.8 | 4.9 | 4.6 | 4.6 | 4.2 | 4.9 | 5.2 | 4.6 |
| Mexico | 2.8 | 3.4 | 3.7 | 6.2 | 5.4 | 3.7 | 3.2 | 2.5 | 2.5 | 2.8 | 3.0 | 3.4 | 3.9 | 3.6 | 3.6 | 3.7 | 4.0 | 5.5 | 5.4 |
| Netherlands | 4.9 | 5.6 | 6.2 | 7.0 | 6.4 | 5.4 | 4.3 | 3.6 | 3.0 | 2.6 | 3.1 | 4.1 | 5.1 | 5.3 | 4.3 | 3.6 | 3.1 | 3.7 | 4.5 |
| New Zealand | 10.7 | 9.8 | 8.4 | 6.5 | 6.3 | 6.8 | 7.7 | 7.1 | 6.2 | 5.5 | 5.3 | 4.8 | 4.1 | 3.8 | 3.9 | 3.7 | 4.2 | 6.1 | 6.5 |
| Norway | 6.5 | 6.6 | 6.0 | 5.5 | 4.8 | 3.9 | 3.1 | 3.0 | 3.2 | 3.4 | 3.7 | 4.2 | 4.3 | 4.5 | 3.4 | 2.5 | 2.5 | 3.1 | 3.5 |
| Poland | .. | 14.0 | 14.4 | 13.3 | 12.4 | 10.9 | 10.2 | 13.4 | 16.2 | 18.3 | 20.0 | 19.7 | 19.0 | 17.8 | 13.9 | 9.6 | 7.2 | 8.2 | 9.6 |
| Portugal | 4.1 | 5.5 | 6.8 | 7.2 | 7.2 | 6.7 | 5.6 | 5.0 | 4.5 | 4.6 | 5.7 | 7.1 | 7.5 | 8.6 | 8.6 | 8.9 | 8.5 | 10.6 | 12.0 |
| Slovak Republic | .. | .. | 13.7 | 13.1 | 11.3 | 11.8 | 12.6 | 16.3 | 18.8 | 19.3 | 18.7 | 17.6 | 18.2 | 16.3 | 13.4 | 11.1 | 9.5 | 12.0 | 14.4 |
| Slovenia | .. | .. | .. | .. | 6.9 | 6.9 | 7.4 | 7.4 | 6.7 | 6.2 | 6.3 | 6.7 | 6.3 | 6.5 | 6.0 | 4.9 | 4.4 | 5.9 | 7.3 |
| Spain | 14.7 | 18.4 | 19.5 | 18.4 | 17.8 | 16.7 | 15.0 | 12.5 | 11.1 | 10.4 | 11.1 | 11.1 | 10.6 | 9.2 | 8.5 | 8.3 | 11.4 | 18.0 | 20.1 |
| Sweden | 5.6 | 9.0 | 9.3 | 8.8 | 9.5 | 9.9 | 8.2 | 6.7 | 5.6 | 5.9 | 6.0 | 6.6 | 7.4 | 7.7 | 7.1 | 6.1 | 6.2 | 8.3 | 8.4 |
| Switzerland | 2.7 | 3.6 | 3.6 | 3.2 | 3.5 | 3.9 | 3.3 | 2.8 | 2.5 | 2.2 | 2.9 | 3.9 | 4.1 | 4.2 | 3.8 | 3.4 | 3.2 | 4.1 | 4.2 |
| Turkey | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 9.2 | 8.7 | 8.8 | 9.7 | 12.5 | 10.6 |
| United Kingdom | 9.8 | 10.2 | 9.3 | 8.5 | 7.9 | 6.8 | 6.1 | 5.9 | 5.4 | 5.0 | 5.1 | 5.0 | 4.7 | 4.8 | 5.4 | 5.3 | 5.6 | 7.6 | 7.8 |
| United States | 7.5 | 6.9 | 6.1 | 5.6 | 5.4 | 5.0 | 4.5 | 4.2 | 4.0 | 4.7 | 5.8 | 6.0 | 5.5 | 5.1 | 4.6 | 4.6 | 5.8 | 9.3 | 9.6 |
| Euro area | 8.5 | 10.0 | 10.7 | 10.5 | 10.7 | 10.7 | 10.2 | 9.5 | 8.6 | 8.2 | 8.5 | 9.0 | 9.2 | 9.2 | 8.5 | 7.6 | 7.7 | 9.6 | 10.1 |
| Total OECD | 7.4 | 7.8 | 7.7 | 7.3 | 7.2 | 6.9 | 6.8 | 6.8 | 6.3 | 6.6 | 7.1 | 7.3 | 7.1 | 6.8 | 6.2 | 5.7 | 6.1 | 8.4 | 8.6 |

*Note:* In so far as possible, the data have been adjusted to ensure comparability over time and to conform to the guidelines of the International Labour Office. Annual figures are calculated by averaging the monthly and/or quarterly estimates (for both unemployed and the labour force). Further information is available from OECD.stat *(http://stats.oecd.org/index.aspx),* see the metadata relating to the harmonised unemployment rate.

*Source:* OCDE, Main Economic Indicators.

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Annex Table 15. **Labour force, employment and unemployment**

Millions

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Labour force** | | | | | | | | | | | | | | | | | | | |
| Major seven countries | 331.1 | 334.1 | 337.9 | 340.4 | 343.2 | 347.6 | 349.4 | 351.2 | 353.9 | 355.7 | 358.8 | 361.8 | 364.6 | 366.8 | 366.9 | 366.7 | 366.6 | 368.5 | 370.4 |
| Total of smaller countries | 179.9 | 182.3 | 185.3 | 187.7 | 192.9 | 195.8 | 198.1 | 201.3 | 203.1 | 207.1 | 210.1 | 213.4 | 216.6 | 220.0 | 223.1 | 226.2 | 230.7 | 232.7 | 234.6 |
| Euro area | 136.4 | 137.6 | 138.4 | 140.1 | 142.5 | 145.2 | 146.5 | 148.2 | 149.9 | 151.6 | 153.3 | 154.6 | 156.0 | 157.5 | 157.9 | 158.1 | 158.3 | 158.7 | 158.9 |
| Total OECD | 511.0 | 516.4 | 523.2 | 528.0 | 536.1 | 543.4 | 547.6 | 552.6 | 556.9 | 562.8 | 568.8 | 575.2 | 581.2 | 586.9 | 590.0 | 592.8 | 597.4 | 601.2 | 605.0 |
| **Employment** | | | | | | | | | | | | | | | | | | | |
| Major seven countries | 309.5 | 312.1 | 316.3 | 319.3 | 322.6 | 328.2 | 329.2 | 328.8 | 330.6 | 333.2 | 336.7 | 341.0 | 344.8 | 345.4 | 337.5 | 336.8 | 338.6 | 340.2 | 342.4 |
| Total of smaller countries | 164.5 | 168.1 | 171.7 | 173.9 | 178.8 | 182.4 | 184.2 | 186.3 | 187.5 | 191.0 | 194.5 | 199.1 | 203.4 | 206.3 | 204.3 | 206.6 | 211.2 | 212.3 | 214.6 |
| Euro area | 122.4 | 123.3 | 124.1 | 126.2 | 129.5 | 133.1 | 135.0 | 136.0 | 136.9 | 138.0 | 139.6 | 141.8 | 144.4 | 145.8 | 143.2 | 142.5 | 142.7 | 142.3 | 142.6 |
| Total OECD | 474.0 | 480.2 | 488.1 | 493.2 | 501.4 | 510.7 | 513.4 | 515.1 | 518.1 | 524.2 | 531.2 | 540.1 | 548.3 | 551.7 | 541.9 | 543.5 | 549.8 | 552.5 | 557.0 |
| **Unemployment** | | | | | | | | | | | | | | | | | | | |
| Major seven countries | 21.7 | 22.0 | 21.5 | 21.1 | 20.5 | 19.3 | 20.2 | 22.4 | 23.3 | 22.6 | 22.1 | 20.8 | 19.8 | 21.4 | 29.3 | 29.8 | 28.0 | 28.3 | 28.0 |
| Total of smaller countries | 15.4 | 14.3 | 13.6 | 13.8 | 14.1 | 13.4 | 14.0 | 15.1 | 15.5 | 16.0 | 15.6 | 14.2 | 13.1 | 13.7 | 18.8 | 19.5 | 19.6 | 20.4 | 20.0 |
| Euro area | 14.1 | 14.3 | 14.4 | 13.9 | 13.1 | 12.1 | 11.5 | 12.2 | 13.0 | 13.6 | 13.7 | 12.7 | 11.6 | 11.8 | 14.8 | 15.7 | 15.7 | 16.3 | 16.3 |
| Total OECD | 37.1 | 36.3 | 35.1 | 34.9 | 34.7 | 32.8 | 34.2 | 37.5 | 38.8 | 38.6 | 37.7 | 35.1 | 32.9 | 35.2 | 48.1 | 49.4 | 47.6 | 48.7 | 48.0 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558631

## Annex Table 16. **GDP deflators**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.1 | 0.1 | 1.1 | 4.3 | 3.7 | 3.1 | 2.3 | 4.2 | 4.4 | 5.3 | 4.2 | 6.4 | -0.9 | 5.3 | 5.5 | 3.1 | 2.8 | 5.0 | 3.0 | 2.6 |
| Austria | 2.5 | 0.3 | 0.3 | 0.9 | 1.9 | 1.2 | 1.1 | 1.9 | 1.8 | 1.9 | 2.0 | 1.9 | 0.9 | 1.7 | 1.8 | 1.8 | 1.7 | 2.1 | 1.7 | 1.6 |
| Belgium | 2.5 | 1.8 | 0.3 | 1.9 | 2.2 | 2.0 | 2.0 | 2.3 | 2.3 | 2.3 | 2.3 | 2.1 | 1.2 | 1.8 | 2.4 | 2.1 | 1.7 | 2.1 | 1.9 | 1.6 |
| Canada | 2.4 | -0.4 | 1.7 | 4.1 | 1.1 | 1.1 | 3.3 | 3.2 | 3.3 | 2.7 | 3.2 | 4.1 | -1.9 | 2.9 | 3.1 | 1.3 | 1.3 | 2.2 | 1.4 | 1.2 |
| Chile | 12.6 | 2.0 | 2.4 | 4.6 | 3.5 | 4.2 | 6.3 | 7.6 | 7.6 | 12.1 | 5.1 | 0.7 | 2.7 | 9.5 | 3.3 | 3.4 | 3.6 | 2.6 | 3.6 | 3.6 |
| Czech Republic | .. | 9.6 | 2.5 | 1.4 | 4.6 | 2.7 | 0.9 | 4.0 | -0.3 | 0.5 | 3.3 | 1.9 | 1.9 | -1.7 | 0.0 | 1.9 | 1.2 | 1.5 | 1.3 | 1.2 |
| Denmark | 2.3 | 1.2 | 1.7 | 3.0 | 2.5 | 2.3 | 1.6 | 2.3 | 2.9 | 2.1 | 2.3 | 3.9 | 0.4 | 3.4 | 1.4 | 1.7 | 2.1 | 1.2 | 2.0 | 2.1 |
| Estonia | .. | 5.2 | 6.8 | 4.5 | 6.5 | 4.7 | 4.0 | 4.5 | 6.1 | 8.8 | 11.6 | 5.3 | -1.0 | 1.1 | 3.8 | 2.8 | 3.0 | 3.4 | 2.5 | 3.0 |
| Finland | 3.1 | 3.4 | 0.9 | 2.6 | 3.0 | 1.3 | -0.7 | 0.5 | 0.5 | 0.8 | 3.0 | 2.2 | 1.7 | 0.4 | 5.3 | 3.5 | 1.6 | 6.4 | 2.3 | 1.3 |
| France | 2.0 | 1.0 | 0.2 | 1.6 | 2.0 | 2.2 | 2.0 | 1.7 | 1.9 | 2.1 | 2.6 | 2.5 | 0.5 | 0.8 | 1.5 | 1.5 | 1.0 | 1.7 | 1.3 | 1.0 |
| Germany | 2.6 | 0.6 | 0.2 | -0.7 | 1.1 | 1.4 | 1.1 | 1.1 | 0.6 | 0.3 | 1.6 | 0.8 | 1.2 | 0.6 | 0.7 | 1.3 | 1.3 | 1.0 | 1.4 | 1.3 |
| Greece | .. | 5.2 | 3.0 | 3.4 | 3.1 | 3.4 | 3.9 | 2.9 | 2.8 | 2.5 | 3.5 | 4.7 | 2.8 | 1.7 | 2.3 | 1.6 | 0.9 | 2.9 | 0.9 | 0.9 |
| Hungary | .. | 13.7 | 7.9 | 9.7 | 11.3 | 8.5 | 5.4 | 5.2 | 2.5 | 3.5 | 5.4 | 5.3 | 3.6 | 3.1 | 2.0 | 4.0 | 2.4 | 1.9 | 3.5 | 2.0 |
| Iceland | 8.3 | 5.1 | 3.3 | 3.6 | 8.6 | 5.6 | 0.6 | 2.5 | 2.8 | 8.8 | 5.7 | 11.8 | 8.3 | 6.9 | 3.7 | 4.2 | 2.9 | 6.9 | 3.3 | 3.6 |
| Ireland | 2.9 | 7.3 | 4.8 | 6.0 | 6.5 | 5.0 | 3.1 | 2.2 | 3.0 | 3.6 | 1.3 | -2.3 | -4.1 | -2.4 | -0.7 | 0.9 | 1.0 | 3.4 | 1.0 | 1.2 |
| Israel | 13.5 | 7.1 | 6.3 | 1.6 | 1.8 | 4.1 | -0.5 | 0.1 | 1.0 | 2.1 | 0.4 | 1.3 | 5.0 | 1.2 | 1.6 | 2.5 | 1.9 | 2.2 | 2.1 | 1.8 |
| Italy | 5.3 | 2.7 | 1.8 | 1.9 | 2.9 | 3.2 | 3.1 | 2.4 | 1.8 | 1.7 | 2.4 | 2.5 | 2.1 | 0.4 | 1.3 | 1.7 | 1.2 | 2.0 | 1.4 | 1.1 |
| Japan | 0.9 | 0.0 | -1.3 | -1.7 | -1.2 | -1.5 | -1.6 | -1.1 | -1.2 | -0.9 | -0.7 | -1.0 | -0.4 | -2.2 | -2.0 | -0.7 | -0.3 | -1.7 | -0.5 | -0.1 |
| Korea | 7.1 | 5.0 | -1.0 | 1.0 | 3.9 | 3.2 | 3.6 | 3.0 | 0.7 | -0.1 | 2.1 | 2.9 | 3.4 | 3.7 | 2.0 | 2.5 | 2.1 | 0.8 | 3.0 | 1.5 |
| Luxembourg | 2.8 | -0.4 | 5.3 | 2.0 | 0.1 | 2.1 | 6.0 | 1.8 | 4.6 | 6.7 | 3.6 | 4.4 | 0.1 | 4.9 | 3.4 | 1.1 | 2.3 | 0.8 | 1.6 | 2.4 |
| Mexico | 27.1 | 14.5 | 17.4 | 10.8 | 5.4 | 2.6 | 9.4 | 9.1 | 4.5 | 6.7 | 5.6 | 6.4 | 4.0 | 4.4 | 5.1 | 3.8 | 3.9 | 4.8 | 3.7 | 4.0 |
| Netherlands | 2.0 | 1.9 | 1.8 | 4.1 | 5.1 | 3.8 | 2.2 | 0.7 | 2.4 | 1.8 | 1.8 | 2.1 | -0.4 | 1.3 | 1.2 | 1.7 | 1.7 | 1.2 | 1.8 | 1.6 |
| New Zealand | 2.8 | 1.0 | 0.3 | 2.6 | 4.2 | 1.2 | 1.6 | 3.8 | 2.2 | 2.6 | 4.0 | 4.1 | 0.6 | 2.6 | 3.4 | 2.0 | 2.6 | 1.2 | 2.9 | 2.2 |
| Norway | 2.8 | -0.8 | 6.6 | 15.7 | 1.7 | -1.8 | 3.0 | 5.3 | 8.7 | 8.5 | 2.4 | 9.7 | -5.6 | 6.7 | 9.0 | 2.0 | 2.2 | 12.1 | -4.6 | 5.7 |
| Poland | .. | 11.1 | 6.0 | 7.4 | 3.7 | 2.1 | 0.2 | 4.4 | 2.6 | 1.5 | 4.0 | 3.2 | 3.4 | 1.7 | 2.8 | 2.3 | 2.6 | 2.3 | 2.6 | 2.6 |
| Portugal | 8.0 | 3.8 | 3.3 | 3.2 | 3.6 | 3.7 | 3.0 | 2.5 | 2.5 | 2.8 | 3.2 | 1.6 | 0.5 | 1.1 | 1.2 | 0.8 | 1.0 | 1.4 | 0.7 | 0.8 |
| Slovak Republic | .. | 5.1 | 7.4 | 9.4 | 5.0 | 3.9 | 5.3 | 5.8 | 2.4 | 2.9 | 1.1 | 2.9 | -1.2 | 0.5 | 2.0 | 2.8 | 2.6 | 2.7 | 2.3 | 2.8 |
| Slovenia | .. | 7.0 | 6.6 | 5.2 | 8.7 | 7.6 | 5.5 | 3.3 | 1.7 | 2.1 | 4.2 | 4.1 | 3.0 | -1.1 | 0.3 | 0.7 | 1.4 | 0.7 | 1.0 | 1.4 |
| Spain | 5.3 | 2.5 | 2.6 | 3.4 | 4.2 | 4.4 | 4.2 | 4.0 | 4.3 | 4.1 | 3.3 | 2.4 | 0.1 | 0.4 | 1.4 | 0.6 | 0.5 | 1.1 | 0.6 | 0.4 |
| Sweden | 4.4 | 0.6 | 1.2 | 1.3 | 2.2 | 1.5 | 1.6 | 0.8 | 0.9 | 1.7 | 2.6 | 3.3 | 1.8 | 1.5 | 0.9 | 1.7 | 1.4 | 0.6 | 1.7 | 1.2 |
| Switzerland | 2.3 | 0.3 | 0.6 | 1.1 | 0.8 | 0.5 | 1.0 | 0.6 | 0.1 | 2.1 | 2.5 | 2.4 | 0.2 | 0.1 | 0.8 | 0.2 | 0.3 | 0.8 | 0.2 | 0.5 |
| Turkey | 74.1 | 75.7 | 54.2 | 49.2 | 52.9 | 37.4 | 23.3 | 12.4 | 7.1 | 9.3 | 6.2 | 12.0 | 5.3 | 6.3 | 10.0 | 8.2 | 7.7 | .. | .. | .. |
| United Kingdom | 4.5 | 2.0 | 1.9 | 0.6 | 1.4 | 2.5 | 2.4 | 2.5 | 2.2 | 3.2 | 2.3 | 3.1 | 1.7 | 2.8 | 2.2 | 2.0 | 1.5 | 1.8 | 2.0 | 1.3 |
| United States | 2.7 | 1.1 | 1.5 | 2.2 | 2.3 | 1.7 | 2.1 | 2.8 | 3.3 | 3.2 | 2.9 | 2.2 | 1.1 | 1.2 | 2.2 | 1.9 | 1.4 | 2.4 | 1.6 | 1.3 |
| Euro area | 3.4 | 1.6 | 1.0 | 1.4 | 2.5 | 2.5 | 2.2 | 1.9 | 1.9 | 1.8 | 2.3 | 1.9 | 0.9 | 0.7 | 1.3 | 1.5 | 1.2 | 1.6 | 1.3 | 1.1 |
| Total OECD | 5.6 | 3.6 | 2.9 | 2.9 | 3.2 | 2.4 | 2.5 | 2.6 | 2.4 | 2.6 | 2.5 | 2.5 | 1.1 | 1.4 | 2.0 | 1.8 | 1.6 | 2.0 | 1.7 | 1.5 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558650

## Annex Table 17. **Private consumption deflators**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.5 | 1.2 | 0.9 | 3.1 | 3.6 | 3.2 | 1.9 | 1.3 | 1.9 | 3.0 | 2.9 | 2.7 | 1.6 | 1.9 | 2.7 | 2.9 | 3.0 | 3.0 | 3.3 | 2.6 |
| Austria | 2.5 | 0.5 | 0.5 | 2.3 | 1.7 | 0.8 | 1.5 | 2.0 | 2.6 | 2.1 | 2.4 | 2.1 | 0.6 | 2.1 | 2.8 | 1.9 | 1.7 | 2.6 | 1.8 | 1.6 |
| Belgium | 2.4 | 1.0 | 0.3 | 3.5 | 1.9 | 1.2 | 1.4 | 2.3 | 2.7 | 3.0 | 2.9 | 3.3 | -0.9 | 1.8 | 3.6 | 2.3 | 1.7 | 3.7 | 1.9 | 1.6 |
| Canada | 2.7 | 1.2 | 1.7 | 2.2 | 1.8 | 2.0 | 1.6 | 1.5 | 1.7 | 1.4 | 1.6 | 1.6 | 0.5 | 1.3 | 2.0 | 1.3 | 1.1 | 1.8 | 1.2 | 1.1 |
| Chile | .. | 3.4 | 2.3 | 4.7 | 4.6 | 3.2 | 3.2 | 0.5 | 3.7 | 2.5 | 3.6 | 7.9 | 0.9 | 0.2 | 3.3 | 2.8 | 2.8 | 4.4 | 2.8 | 2.8 |
| Czech Republic | .. | 8.4 | 2.0 | 3.4 | 3.7 | 1.3 | -0.2 | 3.6 | 0.8 | 1.5 | 2.9 | 4.8 | 0.2 | 0.4 | 1.7 | 3.1 | 2.1 | 1.7 | 3.4 | 1.7 |
| Denmark | 2.4 | 1.4 | 1.9 | 2.7 | 2.3 | 1.7 | 1.3 | 1.3 | 1.5 | 1.9 | 1.2 | 3.1 | 1.3 | 2.5 | 2.5 | 1.9 | 1.8 | 2.6 | 1.7 | 1.8 |
| Estonia | .. | 7.2 | 4.2 | 3.6 | 6.3 | 3.5 | 1.6 | 3.3 | 3.9 | 5.2 | 7.9 | 8.5 | -0.9 | 2.3 | 5.3 | 3.0 | 3.2 | 5.0 | 2.8 | 3.2 |
| Finland | 3.3 | 2.1 | 1.4 | 4.3 | 2.4 | 2.2 | -0.5 | 0.4 | 0.8 | 1.4 | 2.2 | 3.4 | 1.6 | 1.9 | 2.7 | 2.8 | 1.8 | 2.3 | 2.7 | 1.5 |
| France | 2.2 | 0.4 | -0.5 | 2.4 | 2.0 | 1.0 | 1.9 | 2.1 | 1.8 | 2.1 | 2.1 | 2.9 | -0.5 | 1.2 | 1.9 | 1.2 | 0.9 | 1.8 | 1.1 | 0.9 |
| Germany | 2.6 | 0.5 | 0.4 | 0.8 | 1.9 | 1.2 | 1.6 | 1.2 | 1.7 | 1.0 | 1.5 | 1.7 | 0.1 | 2.0 | 2.2 | 1.6 | 1.5 | 2.1 | 1.5 | 1.5 |
| Greece | .. | 4.5 | 2.3 | 3.3 | 2.5 | 2.7 | 3.4 | 2.9 | 3.4 | 3.5 | 3.3 | 4.4 | 0.7 | 4.5 | 0.1 | 1.1 | 0.2 | .. | .. | .. |
| Hungary | .. | 13.6 | 9.2 | 11.3 | 9.4 | 5.8 | 4.2 | 5.6 | 3.6 | 3.5 | 6.9 | 5.3 | 3.7 | 4.2 | 3.4 | 4.6 | 2.7 | 3.4 | 4.3 | 2.0 |
| Iceland | 8.8 | 1.5 | 2.8 | 5.0 | 7.8 | 4.8 | 1.3 | 3.0 | 1.9 | 7.6 | 4.6 | 14.1 | 13.7 | 3.4 | 4.0 | 4.0 | 2.8 | 6.6 | 2.8 | 2.8 |
| Ireland | 2.8 | 4.0 | 3.2 | 5.0 | 4.5 | 5.5 | 4.1 | 1.8 | 1.8 | 2.5 | 3.2 | 3.0 | -4.2 | -2.2 | 1.2 | 1.0 | 1.3 | 1.8 | 0.9 | 1.5 |
| Israel | .. | 6.3 | 6.0 | 2.1 | 1.0 | 4.3 | 0.3 | 0.5 | 2.0 | 2.7 | 1.8 | 5.0 | 2.5 | 2.9 | 3.9 | 2.5 | 2.0 | 3.6 | 2.1 | 2.0 |
| Italy | 5.3 | 1.9 | 1.8 | 3.2 | 2.6 | 2.9 | 2.9 | 2.6 | 2.2 | 2.6 | 2.2 | 3.2 | 0.0 | 1.4 | 2.6 | 1.8 | 1.2 | 2.8 | 1.3 | 1.1 |
| Japan | 1.2 | 0.1 | -0.5 | -1.1 | -1.1 | -1.4 | -0.9 | -0.7 | -0.8 | -0.2 | -0.6 | 0.4 | -2.1 | -1.6 | -1.0 | -0.9 | -0.4 | -0.9 | -0.6 | -0.2 |
| Korea | 7.6 | 6.2 | 2.8 | 4.4 | 4.3 | 3.1 | 3.2 | 3.2 | 2.3 | 1.5 | 2.0 | 4.5 | 2.6 | 2.6 | 4.0 | 3.6 | 3.0 | 3.9 | 3.3 | 2.8 |
| Luxembourg | 2.8 | 1.7 | 2.5 | 4.0 | 2.0 | 0.5 | 2.2 | 2.4 | 2.8 | 2.4 | 2.2 | 2.8 | 1.0 | 1.4 | 3.3 | 1.5 | 2.3 | 1.9 | 2.0 | 2.3 |
| Mexico | 27.9 | 20.4 | 14.0 | 10.3 | 7.1 | 5.3 | 7.1 | 6.5 | 3.3 | 3.4 | 4.8 | 5.7 | 7.4 | 3.0 | 3.7 | 3.6 | 3.4 | 4.4 | 3.3 | 3.5 |
| Netherlands | 2.3 | 2.0 | 1.9 | 3.8 | 4.5 | 3.0 | 2.4 | 1.0 | 2.1 | 2.2 | 1.8 | 1.1 | -0.5 | 1.5 | 2.2 | 1.9 | 1.8 | 2.0 | 1.8 | 1.8 |
| New Zealand | 3.1 | 2.0 | 0.7 | 2.2 | 2.3 | 2.0 | 0.8 | 1.5 | 2.2 | 3.0 | 1.6 | 3.6 | 2.3 | 1.3 | 3.1 | 2.2 | 2.3 | 2.2 | 2.5 | 2.2 |
| Norway | 3.1 | 2.5 | 2.0 | 2.9 | 2.2 | 1.4 | 3.0 | 0.7 | 1.1 | 1.9 | 1.2 | 3.6 | 2.5 | 2.0 | 1.2 | 2.0 | 2.0 | 1.5 | 2.0 | 2.0 |
| Poland | .. | 10.6 | 6.3 | 9.9 | 3.8 | 3.3 | 0.3 | 3.1 | 2.1 | 1.2 | 2.4 | 4.3 | 2.5 | 2.8 | 4.0 | 2.4 | 2.3 | 3.1 | 2.4 | 2.3 |
| Portugal | 7.9 | 2.4 | 2.3 | 3.5 | 3.5 | 2.8 | 3.0 | 2.5 | 2.7 | 3.0 | 3.0 | 2.6 | -2.5 | 1.6 | 3.7 | 2.5 | 1.1 | 3.6 | 2.3 | 0.7 |
| Slovak Republic | .. | 5.7 | 9.9 | 8.3 | 5.6 | 2.9 | 6.5 | 7.3 | 2.6 | 4.9 | 2.6 | 4.5 | 0.1 | 1.0 | 3.9 | 3.3 | 2.8 | 4.1 | 2.9 | 2.8 |
| Slovenia | .. | 7.0 | 6.4 | 6.9 | 7.5 | 7.5 | 5.2 | 3.0 | 2.3 | 2.4 | 4.1 | 5.4 | -0.4 | 1.4 | 1.4 | 1.4 | 1.6 | 0.6 | 1.6 | 1.7 |
| Spain | 5.2 | 1.9 | 2.3 | 3.7 | 3.4 | 2.9 | 3.2 | 3.6 | 3.5 | 3.6 | 3.2 | 3.6 | -1.2 | 2.4 | 3.2 | 1.3 | 0.6 | 2.0 | 0.9 | 0.5 |
| Sweden | 4.9 | 0.5 | 1.5 | 0.8 | 2.1 | 1.6 | 1.6 | 1.0 | 1.1 | 1.1 | 1.3 | 3.1 | 1.8 | 1.4 | 1.4 | 1.1 | 1.4 | 1.2 | 1.3 | 1.5 |
| Switzerland | 2.6 | -0.1 | 0.4 | 0.8 | 0.7 | 0.9 | 0.4 | 0.8 | 0.5 | 1.3 | 1.3 | 2.6 | -0.5 | 0.7 | 0.6 | 0.2 | 0.3 | 0.5 | 0.2 | 0.5 |
| Turkey | 73.9 | 83.0 | 53.4 | 54.9 | 49.7 | 38.5 | 23.4 | 10.8 | 8.3 | 9.8 | 6.6 | 10.8 | 4.9 | 8.4 | 8.4 | 7.6 | 6.7 | .. | .. | .. |
| United Kingdom | 4.5 | 1.8 | 1.2 | 0.4 | 1.0 | 0.8 | 1.8 | 1.9 | 2.4 | 2.7 | 2.6 | 3.4 | 1.4 | 3.8 | 4.4 | 2.6 | 1.5 | 4.1 | 2.2 | 1.1 |
| United States | 3.0 | 0.9 | 1.6 | 2.5 | 1.9 | 1.4 | 2.0 | 2.6 | 3.0 | 2.7 | 2.7 | 3.3 | 0.2 | 1.8 | 2.5 | 1.9 | 1.4 | 2.9 | 1.6 | 1.2 |
| Euro area | 3.5 | 1.2 | 0.9 | 2.4 | 2.5 | 1.9 | 2.2 | 2.0 | 2.2 | 2.1 | 2.2 | 2.7 | -0.4 | 1.7 | 2.4 | 1.6 | 1.2 | 2.2 | 1.4 | 1.2 |
| Total OECD | 6.0 | 3.9 | 3.0 | 3.6 | 3.2 | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 3.2 | 0.5 | 1.8 | 2.5 | 1.9 | 1.5 | 2.6 | 1.7 | 1.5 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558669

Annex Table 18. **Consumer price indices**

Percentage change from previous year

| | Average 1987-97 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 3.7 | 0.9 | 1.4 | 4.4 | 4.4 | 3.0 | 2.8 | 2.3 | 2.7 | 3.5 | 2.4 | 4.3 | 1.8 | 2.9 | 3.5 | 3.0 | 3.1 | 3.5 | 3.3 | 2.6 |
| Austria | .. | 0.8 | 0.5 | 2.0 | 2.3 | 1.7 | 1.3 | 2.0 | 2.1 | 1.7 | 2.2 | 3.2 | 0.4 | 1.7 | 3.5 | 1.9 | 1.7 | 3.4 | 1.8 | 1.6 |
| Belgium | .. | 0.9 | 1.1 | 2.7 | 2.4 | 1.6 | 1.5 | 1.9 | 2.5 | 2.3 | 1.8 | 4.5 | 0.0 | 2.3 | 3.4 | 2.3 | 1.7 | 3.2 | 1.9 | 1.6 |
| Canada | 2.8 | 1.0 | 1.7 | 2.7 | 2.5 | 2.3 | 2.7 | 1.8 | 2.2 | 2.0 | 2.1 | 2.4 | 0.3 | 1.8 | 2.8 | 1.6 | 1.4 | 2.4 | 1.5 | 1.4 |
| Chile | 13.9 | 5.1 | 3.3 | 3.8 | 3.6 | 2.5 | 2.8 | 1.1 | 3.1 | 3.4 | 4.4 | 8.7 | 0.4 | 1.4 | 3.5 | 2.8 | 2.8 | 4.0 | 2.8 | 2.8 |
| Czech Republic | .. | 10.7 | 2.1 | 3.9 | 4.7 | 1.8 | 0.1 | 2.8 | 1.9 | 2.6 | 3.0 | 6.3 | 1.0 | 1.5 | 1.7 | 3.1 | 2.0 | 1.6 | 3.2 | 1.8 |
| Denmark | 2.6 | 1.8 | 2.5 | 2.9 | 2.3 | 2.4 | 2.1 | 1.2 | 1.8 | 1.9 | 1.7 | 3.4 | 1.3 | 2.3 | 2.7 | 1.8 | 1.8 | 2.5 | 1.7 | 1.8 |
| Estonia | .. | 8.8 | 3.1 | 3.9 | 5.6 | 3.6 | 1.4 | 3.0 | 4.1 | 4.4 | 6.7 | 10.6 | 0.2 | 2.7 | 5.1 | 3.2 | 3.2 | 4.6 | 2.9 | 3.2 |
| Finland | .. | 1.3 | 1.3 | 2.9 | 2.7 | 2.0 | 1.3 | 0.1 | 0.8 | 1.3 | 1.6 | 3.9 | 1.6 | 1.7 | 3.2 | 2.6 | 1.8 | 2.5 | 2.9 | 1.5 |
| France | .. | 0.7 | 0.6 | 1.8 | 1.8 | 1.9 | 2.2 | 2.3 | 1.9 | 1.9 | 1.6 | 3.2 | 0.1 | 1.7 | 2.1 | 1.4 | 1.1 | 2.0 | 1.3 | 1.1 |
| Germany | .. | 0.6 | 0.6 | 1.4 | 1.9 | 1.4 | 1.0 | 1.8 | 1.9 | 1.8 | 2.3 | 2.8 | 0.2 | 1.2 | 2.4 | 1.6 | 1.5 | 2.4 | 1.5 | 1.5 |
| Greece | .. | 4.5 | 2.1 | 2.9 | 3.7 | 3.9 | 3.4 | 3.0 | 3.5 | 3.3 | 3.0 | 4.2 | 1.3 | 4.7 | 3.0 | 1.1 | 0.2 | 2.1 | 0.5 | 0.0 |
| Hungary | .. | 14.2 | 10.0 | 9.8 | 9.1 | 5.3 | 4.7 | 6.7 | 3.6 | 3.9 | 8.0 | 6.0 | 4.2 | 4.9 | 3.9 | 4.9 | 2.9 | 4.2 | 4.6 | 2.2 |
| Iceland[1] | 8.1 | 1.7 | 3.2 | 5.1 | 6.4 | 5.2 | 2.1 | 3.2 | 4.0 | 6.7 | 5.1 | 12.7 | 12.0 | 5.4 | 4.0 | 4.1 | 2.8 | 5.8 | 3.0 | 2.8 |
| Ireland | .. | 2.1 | 2.5 | 5.3 | 4.0 | 4.7 | 4.0 | 2.3 | 2.2 | 2.7 | 2.9 | 3.1 | -1.7 | -1.6 | 1.1 | 0.8 | 0.9 | 1.3 | 0.8 | 1.0 |
| Israel | 13.8 | 5.4 | 5.2 | 1.1 | 1.1 | 5.7 | 0.7 | -0.4 | 1.3 | 2.1 | 0.5 | 4.6 | 3.3 | 2.7 | 3.5 | 2.0 | 2.1 | 2.7 | 2.3 | 2.0 |
| Italy | .. | 2.0 | 1.7 | 2.6 | 2.3 | 2.6 | 2.8 | 2.3 | 2.2 | 2.2 | 2.0 | 3.5 | 0.8 | 1.6 | 2.7 | 1.7 | 1.1 | 2.7 | 1.3 | 1.0 |
| Japan | 1.4 | 0.7 | -0.3 | -0.5 | -0.8 | -0.9 | -0.3 | 0.0 | -0.6 | 0.2 | 0.1 | 1.4 | -1.3 | -0.7 | -0.3 | -0.6 | -0.3 | -0.3 | -0.6 | -0.2 |
| Korea | 6.2 | 7.5 | 0.8 | 2.3 | 4.1 | 2.7 | 3.6 | 3.6 | 2.8 | 2.2 | 2.5 | 4.7 | 2.8 | 3.0 | 4.4 | 3.6 | 3.0 | 4.3 | 3.3 | 2.8 |
| Luxembourg | .. | 1.0 | 1.0 | 3.8 | 2.4 | 2.1 | 2.5 | 3.2 | 3.8 | 3.0 | 2.7 | 4.1 | 0.0 | 2.8 | 3.5 | 1.6 | 2.3 | 2.8 | 1.9 | 2.3 |
| Mexico | 28.0 | 15.9 | 16.6 | 9.5 | 6.4 | 5.0 | 4.5 | 4.7 | 4.0 | 3.6 | 4.0 | 5.1 | 5.3 | 4.2 | 3.4 | 3.5 | 3.4 | 3.5 | 3.3 | 3.5 |
| Netherlands | .. | 1.8 | 2.0 | 2.3 | 5.1 | 3.9 | 2.2 | 1.4 | 1.5 | 1.7 | 1.6 | 2.2 | 1.0 | 0.9 | 2.5 | 2.2 | 1.8 | 2.8 | 1.8 | 1.8 |
| New Zealand | 3.2 | 1.3 | -0.1 | 2.6 | 2.6 | 2.7 | 1.8 | 2.3 | 3.0 | 3.4 | 2.4 | 4.0 | 2.1 | 2.3 | 4.2 | 2.6 | 2.7 | 2.5 | 2.9 | 2.7 |
| Norway | 3.1 | 2.3 | 2.3 | 3.1 | 3.0 | 1.3 | 2.5 | 0.5 | 1.5 | 2.3 | 0.7 | 3.8 | 2.2 | 2.4 | 1.5 | 1.9 | 1.8 | 1.7 | 2.0 | 1.9 |
| Poland | .. | 11.6 | 7.2 | 9.9 | 5.4 | 1.9 | 0.7 | 3.4 | 2.2 | 1.3 | 2.4 | 4.2 | 3.8 | 2.6 | 4.0 | 2.5 | 2.5 | 3.4 | 2.6 | 2.5 |
| Portugal | .. | 2.2 | 2.2 | 2.8 | 4.4 | 3.7 | 3.3 | 2.5 | 2.1 | 3.0 | 2.4 | 2.7 | -0.9 | 1.4 | 3.5 | 2.6 | 1.1 | 3.4 | 2.3 | 0.7 |
| Slovak Republic | .. | 6.7 | 10.4 | 12.2 | 7.2 | 3.5 | 8.4 | 7.5 | 2.8 | 4.3 | 1.9 | 3.9 | 0.9 | 0.7 | 4.1 | 2.9 | 2.8 | 4.7 | 2.9 | 2.8 |
| Slovenia | .. | 7.9 | 6.1 | 8.9 | 8.6 | 7.5 | 5.7 | 3.7 | 2.5 | 2.5 | 3.8 | 5.5 | 0.9 | 2.1 | 1.8 | 1.3 | 1.7 | 1.5 | 1.6 | 1.7 |
| Spain | .. | 1.8 | 2.2 | 3.5 | 2.8 | 3.6 | 3.1 | 3.1 | 3.4 | 3.6 | 2.8 | 4.1 | -0.2 | 2.0 | 3.0 | 1.4 | 0.9 | 2.5 | 1.2 | 0.8 |
| Sweden[2] | 4.4 | -0.3 | 0.5 | 0.9 | 2.4 | 2.2 | 1.9 | 0.4 | 0.5 | 1.4 | 2.2 | 3.4 | -0.5 | 1.2 | 2.9 | 1.1 | 1.4 | 2.5 | 1.2 | 1.5 |
| Switzerland | 2.7 | 0.0 | 0.8 | 1.6 | 1.0 | 0.6 | 0.6 | 0.8 | 1.2 | 1.1 | 0.7 | 2.4 | -0.5 | 0.7 | 0.4 | 0.0 | 0.3 | 0.3 | 0.2 | 0.5 |
| Turkey | 75.0 | 84.6 | 64.9 | 54.9 | 54.4 | 45.0 | 21.6 | 8.6 | 8.2 | 9.6 | 8.8 | 10.4 | 6.3 | 8.6 | 6.2 | 7.9 | 6.5 | .. | .. | .. |
| United Kingdom[3] | .. | 1.6 | 1.3 | 0.8 | 1.2 | 1.3 | 1.4 | 1.3 | 2.0 | 2.3 | 2.3 | 3.6 | 2.2 | 3.3 | 4.5 | 2.7 | 1.3 | 4.5 | 2.1 | 0.9 |
| United States | 3.5 | 1.5 | 2.2 | 3.4 | 2.8 | 1.6 | 2.3 | 2.7 | 3.4 | 3.2 | 2.9 | 3.8 | -0.3 | 1.6 | 3.2 | 2.4 | 1.4 | 3.7 | 1.9 | 1.3 |
| Euro area | .. | 1.2 | 1.2 | 2.2 | 2.4 | 2.3 | 2.1 | 2.2 | 2.2 | 2.2 | 2.1 | 3.3 | 0.3 | 1.6 | 2.6 | 1.6 | 1.2 | 2.5 | 1.4 | 1.2 |

*Note:* For the euro area countries, the euro area aggregate and the United Kingdom: harmonised index of consumer prices (HICP).

1. Excluding rent, but including imputed rent.
2. The consumer price index includes mortgage interest costs.
3. Known as the CPI in the United Kingdom.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558688

Annex Table 19. **Oil and other primary commodity markets**

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Oil market conditions**[1] | Million barrels per day | | | | | | | | | | | | | | | | | |
| **Demand** | | | | | | | | | | | | | | | | | | |
| OECD | 46.0 | 46.8 | 47.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.7 | 49.5 | 49.9 | 49.5 | 49.3 | 47.6 | 45.6 | 46.1 | 45.8 | 45.5 | .. |
| *of which:* North America | 22.2 | 22.7 | 23.1 | 23.9 | 24.1 | 24.1 | 24.2 | 24.6 | 25.5 | 25.6 | 25.4 | 25.5 | 24.2 | 23.3 | 23.8 | 23.5 | 23.4 | .. |
| Europe | 15.0 | 15.1 | 15.4 | 15.4 | 15.2 | 15.4 | 15.3 | 15.4 | 15.5 | 15.7 | 15.7 | 15.5 | 15.4 | 14.7 | 14.6 | 14.4 | 14.3 | .. |
| Pacific | 8.8 | 8.9 | 8.4 | 8.7 | 8.7 | 8.6 | 8.5 | 8.6 | 8.5 | 8.6 | 8.5 | 8.4 | 8.1 | 7.7 | 7.8 | 7.9 | 7.9 | .. |
| Non-OECD | 26.1 | 27.2 | 27.6 | 28.5 | 29.1 | 29.7 | 30.5 | 31.3 | 33.7 | 34.7 | 36.0 | 37.8 | 38.9 | 39.9 | 42.1 | 43.4 | 44.9 | .. |
| Total | 72.1 | 74.0 | 74.5 | 76.4 | 77.1 | 77.8 | 78.5 | 80.0 | 83.2 | 84.6 | 85.6 | 87.1 | 86.5 | 85.5 | 88.3 | 89.2 | 90.5 | .. |
| **Supply** | | | | | | | | | | | | | | | | | | |
| OECD | 21.7 | 22.0 | 21.8 | 21.4 | 21.9 | 21.7 | 21.8 | 21.5 | 21.1 | 20.2 | 19.8 | 19.5 | 18.8 | 18.8 | 18.9 | 18.9 | 19.2 | .. |
| OPEC total | 28.1 | 29.7 | 30.6 | 29.2 | 30.8 | 30.3 | 28.8 | 30.8 | 33.3 | 34.8 | 35.2 | 35.0 | 36.2 | 34.1 | 34.8 | .. | .. | .. |
| Former USSR | 7.1 | 7.3 | 7.3 | 7.5 | 8.0 | 8.6 | 9.5 | 10.5 | 11.4 | 11.8 | 12.3 | 12.8 | 12.8 | 13.3 | 13.5 | 13.6 | 13.8 | .. |
| Other non-OECD | 15.7 | 16.1 | 16.3 | 16.6 | 16.7 | 16.9 | 17.3 | 17.5 | 17.7 | 18.0 | 18.3 | 18.5 | 19.0 | 19.5 | 20.2 | -32.5 | .. | .. |
| Total | 72.6 | 75.0 | 76.0 | 74.7 | 77.3 | 77.6 | 77.4 | 80.2 | 83.5 | 84.8 | 85.5 | 85.8 | 86.8 | 85.6 | 87.4 | .. | .. | .. |
| **Trade** | | | | | | | | | | | | | | | | | | |
| OECD net imports | 24.4 | 25.1 | 25.5 | 25.9 | 26.3 | 26.6 | 26.0 | 27.5 | 28.6 | 29.9 | 30.0 | 29.7 | 29.2 | 26.8 | 27.3 | 26.8 | 26.4 | .. |
| Former USSR net exports | 3.2 | 3.4 | 3.5 | 3.7 | 4.2 | 4.9 | 5.7 | 6.6 | 7.6 | 7.9 | 8.2 | 8.7 | 8.6 | 9.1 | 9.1 | 9.0 | 9.1 | .. |
| Other non-OECD net exports | 21.2 | 21.7 | 22.0 | 22.1 | 22.0 | 21.8 | 20.2 | 20.9 | 21.1 | 22.0 | 21.8 | 21.0 | 20.6 | 17.7 | 18.3 | 17.9 | 17.3 | .. |
| **Prices**[2] | cif, $ per bl | | | | | | | | | | | | | | | | | |
| Brent crude oil price | 20.7 | 19.1 | 12.7 | 17.9 | 28.4 | 24.5 | 25.0 | 28.8 | 38.2 | 54.4 | 65.1 | 72.5 | 97.0 | 61.5 | 79.5 | 111.4 | 110.0 | 110.0 |
| **Prices of other primary commodities**[2] | $ indices | | | | | | | | | | | | | | | | | |
| Food and tropical beverages | 126 | 128 | 106 | 86 | 81 | 75 | 83 | 90 | 102 | 100 | 111 | 140 | 187 | 161 | 179 | 233 | 214 | 214 |
| Agricultural raw materials | 99 | 96 | 83 | 82 | 88 | 76 | 73 | 88 | 98 | 100 | 111 | 132 | 126 | 105 | 140 | 158 | 148 | 148 |
| Minerals, ores and metals | 66 | 68 | 57 | 56 | 63 | 57 | 56 | 63 | 84 | 100 | 143 | 160 | 167 | 116 | 164 | 193 | 173 | 173 |
| Total[3] | 89 | 90 | 75 | 69 | 73 | 66 | 67 | 75 | 92 | 100 | 128 | 149 | 164 | 125 | 163 | 196 | 179 | 179 |

1. Based on data published in various issues of International Energy Agency, *Oil Market Report.*
2. Indices through 2010 are based on data compiled by the International Energy Agency for oil and by the Hamburg Institute of International Economics (HWWI) for the prices of other primary commodities; OECD estimates and projections for 2011 to 2013.
3. OECD calculations. The total price index for non-energy primary commodities is a weighted average of the individual HWWI non-oil commodities price indices with the weights based on the commodities' share in total non-energy commodities world trade.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558707

## Annex Table 20. **Employment rates, participation rates and labour force**

| | Employment rates | | | | | | Labour force participation rates | | | | | | Labour force | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 |
| | *Per cent* | | | | | | *Per cent* | | | | | | *Percentage change* | | | | | |
| Australia | 68.1 | 72.6 | 74.9 | 74.8 | 75.0 | 75.8 | 74.7 | 76.8 | 79.0 | 78.8 | 79.2 | 79.9 | 1.2 | 2.1 | 2.3 | 1.3 | 1.7 | 1.9 |
| Austria | 68.1 | 69.6 | 72.3 | 72.6 | 72.5 | 72.7 | 70.8 | 72.8 | 75.6 | 75.8 | 75.9 | 76.1 | 0.9 | 1.2 | 0.1 | 0.8 | 0.4 | 0.4 |
| Belgium | 59.2 | 63.0 | 63.7 | 64.0 | 63.7 | 63.5 | 64.7 | 68.2 | 69.4 | 68.9 | 68.8 | 68.7 | 0.7 | 1.0 | 1.2 | 0.0 | 0.5 | 0.5 |
| Canada | 69.1 | 73.6 | 73.7 | 74.3 | 74.4 | 74.5 | 76.4 | 79.1 | 80.1 | 80.2 | 80.3 | 80.3 | 1.0 | 1.6 | 1.1 | 1.0 | 0.7 | 0.7 |
| Chile | 54.7 | 55.8 | 60.7 | 63.6 | 64.5 | 65.2 | 59.1 | 61.4 | 66.1 | 68.4 | 69.6 | 70.1 | 2.3 | 2.4 | 4.2 | 4.7 | 2.9 | 2.0 |
| Czech Republic | 68.6 | 65.8 | 65.9 | 66.4 | 67.3 | 68.1 | 72.4 | 70.9 | 71.0 | 71.3 | 72.1 | 72.8 | .. | 0.3 | -0.4 | 0.0 | 0.3 | 0.1 |
| Denmark | 75.3 | 78.5 | 77.4 | 77.2 | 77.4 | 77.6 | 80.8 | 82.2 | 83.4 | 83.2 | 83.4 | 83.4 | 0.2 | 0.6 | -0.7 | -0.3 | 0.2 | 0.1 |
| Estonia | .. | 66.6 | 62.9 | 67.8 | 69.6 | 70.7 | .. | 73.4 | 75.6 | 77.3 | 78.0 | 78.5 | .. | 0.5 | -0.8 | 1.7 | 0.3 | 0.0 |
| Finland | 64.0 | 68.7 | 68.7 | 69.5 | 69.5 | 69.9 | 73.4 | 74.9 | 75.0 | 75.4 | 75.6 | 75.8 | -0.1 | 0.4 | -0.3 | 0.5 | 0.0 | 0.1 |
| France | 60.9 | 63.0 | 63.0 | 63.0 | 62.8 | 62.8 | 67.5 | 68.8 | 69.5 | 69.3 | 69.5 | 69.6 | 0.4 | 0.8 | 0.4 | 0.2 | 0.6 | 0.6 |
| Germany | 68.4 | 71.7 | 75.2 | 76.3 | 76.5 | 76.8 | 73.9 | 78.4 | 80.7 | 81.0 | 81.2 | 81.3 | 0.6 | 0.3 | -0.2 | 0.3 | 0.0 | 0.0 |
| Greece | 55.3 | 60.6 | 60.7 | 57.2 | 55.6 | 55.6 | 61.4 | 67.1 | 69.4 | 68.6 | 68.3 | 68.3 | 1.5 | 0.9 | 0.8 | -0.9 | -0.3 | 0.1 |
| Hungary | 52.2 | 55.4 | 54.7 | 55.2 | 55.1 | 55.5 | 57.8 | 59.6 | 61.6 | 62.0 | 62.5 | 62.9 | .. | 0.3 | 1.3 | 0.4 | 0.7 | 0.6 |
| Iceland | 82.2 | 82.9 | 78.6 | 78.9 | 79.8 | 80.6 | 85.4 | 85.6 | 85.0 | 84.9 | 84.9 | 85.1 | 1.2 | 1.4 | 0.1 | -0.2 | 0.1 | 0.4 |
| Ireland | 57.1 | 67.8 | 61.4 | 61.0 | 60.9 | 61.0 | 65.0 | 71.6 | 71.0 | 71.0 | 70.8 | 70.7 | 2.6 | 2.3 | -1.9 | -0.9 | -0.4 | 0.0 |
| Israel | 56.9 | 58.6 | 62.0 | 62.7 | 62.5 | 62.8 | 62.4 | 64.2 | 66.4 | 66.5 | 66.5 | 66.7 | .. | 2.6 | 2.5 | 2.1 | 2.0 | 2.1 |
| Italy | 53.3 | 57.8 | 57.9 | 57.9 | 57.9 | 57.8 | 59.4 | 62.8 | 63.2 | 63.0 | 63.2 | 63.3 | 0.1 | 0.6 | 0.0 | 0.0 | 0.3 | 0.2 |
| Japan | 74.2 | 75.5 | 76.8 | 76.9 | 77.4 | 78.2 | 76.5 | 79.2 | 80.8 | 80.6 | 81.1 | 81.8 | 0.7 | -0.2 | -0.4 | -0.6 | -0.5 | -0.5 |
| Korea | 62.4 | 65.5 | 66.9 | 67.6 | 67.8 | 68.1 | 64.5 | 68.0 | 69.5 | 70.0 | 70.1 | 70.5 | 1.8 | 1.1 | 1.5 | 1.3 | 0.6 | 0.8 |
| Luxembourg | 60.8 | 64.5 | 65.1 | 66.4 | 66.6 | 67.0 | 62.4 | 67.2 | 69.3 | 70.6 | 71.1 | 71.3 | 1.3 | 2.3 | 2.2 | 2.8 | 1.6 | 1.2 |
| Mexico | 61.4 | 62.2 | 61.3 | .. | .. | .. | 63.9 | 64.4 | 64.8 | .. | .. | .. | .. | 1.8 | 1.0 | 4.7 | 1.1 | 1.1 |
| Netherlands | 68.3 | 75.7 | 76.4 | 76.7 | 76.8 | 77.2 | 72.3 | 78.6 | 79.9 | 80.1 | 80.4 | 80.5 | 1.6 | 0.7 | 0.4 | 0.1 | 0.2 | 0.0 |
| New Zealand | 68.7 | 74.8 | 75.1 | .. | .. | .. | 74.8 | 78.5 | 80.3 | .. | .. | .. | 1.5 | 2.1 | 1.1 | 1.8 | 1.6 | 1.6 |
| Norway | 74.7 | 77.4 | 77.5 | 77.6 | 78.1 | 78.6 | 78.4 | 80.3 | 80.4 | 80.2 | 80.7 | 81.1 | 1.0 | 1.1 | 0.5 | 1.0 | 1.8 | 1.8 |
| Poland | 58.1 | 54.4 | 58.6 | 59.2 | 59.2 | 59.2 | 66.7 | 64.0 | 64.8 | 65.5 | 65.8 | 65.9 | .. | 0.0 | 2.2 | 1.2 | 0.4 | 0.2 |
| Portugal | 69.2 | 72.1 | 69.5 | 67.7 | 66.2 | 65.8 | 73.3 | 77.2 | 78.0 | 77.4 | 76.8 | 76.7 | 0.8 | 0.7 | 0.0 | -0.6 | -0.7 | -0.1 |
| Slovak Republic | 60.0 | 58.3 | 59.0 | 59.9 | 60.0 | 60.6 | 69.1 | 69.0 | 68.9 | 69.1 | 69.1 | 69.1 | .. | 0.4 | 0.6 | 0.4 | -0.1 | -0.2 |
| Slovenia | 63.8 | 67.1 | 67.9 | 65.6 | 64.9 | 64.8 | 68.9 | 71.3 | 73.2 | 71.4 | 70.9 | 70.6 | .. | 0.8 | 0.0 | -1.9 | -0.2 | 0.0 |
| Spain | 50.7 | 62.7 | 59.9 | 59.1 | 58.3 | 58.6 | 59.9 | 70.4 | 74.9 | 75.3 | 75.6 | 75.8 | 1.4 | 3.1 | 0.2 | 0.1 | 0.2 | 0.0 |
| Sweden | 74.8 | 74.8 | 74.4 | .. | .. | .. | 81.8 | 80.3 | 81.2 | .. | .. | .. | -0.4 | 0.8 | 1.1 | 1.1 | 0.5 | 0.5 |
| Switzerland | 81.8 | 81.8 | 82.1 | 83.2 | 82.9 | 83.4 | 84.4 | 84.8 | 85.9 | 86.6 | 86.6 | 86.8 | 0.7 | 1.2 | 0.5 | 1.3 | 0.5 | 0.7 |
| Turkey | 51.3 | 46.3 | 47.2 | 49.1 | 48.8 | 48.9 | 55.8 | 51.5 | 53.4 | 54.7 | 54.6 | 54.6 | 1.9 | 1.8 | 3.5 | 4.1 | 1.6 | 1.6 |
| United Kingdom | 69.6 | 71.9 | 70.7 | 70.5 | 69.7 | 69.4 | 75.8 | 76.1 | 76.7 | 76.7 | 76.4 | 76.4 | 0.0 | 0.8 | 0.5 | 0.6 | 0.1 | 0.5 |
| United States | 71.7 | 71.5 | 67.3 | .. | .. | .. | 76.1 | 75.7 | 74.5 | .. | .. | .. | 1.1 | 0.9 | -0.2 | -0.1 | 1.1 | 1.1 |
| Euro area | 60.8 | 65.4 | 65.8 | 65.8 | 65.6 | 65.7 | 67.1 | 71.4 | 73.0 | 73.0 | 73.2 | 73.3 | 0.7 | 0.9 | 0.1 | 0.1 | 0.2 | 0.2 |
| Total OECD | 65.0 | 67.0 | 66.3 | 66.9 | 66.8 | 67.0 | 69.7 | 71.7 | 72.4 | 72.6 | 72.7 | 72.9 | 1.2 | 0.9 | 0.5 | 0.8 | 0.6 | 0.6 |

*Note:* Employment rates are calculated as the ratio of total employment to the population of working age.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558726

## Annex Table 21. **Potential GDP, employment and capital stock**

Percentage change from previous period

| | Potential GDP | | | | | | Employment | | | | | | Capital stock[1] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 | Average 1990-99 | Average 2000-09 | 2010 | 2011 | 2012 | 2013 |
| Australia | 3.4 | 3.3 | 3.0 | 2.6 | 2.7 | 2.9 | 1.2 | 2.2 | 2.7 | 1.5 | 1.4 | 2.0 | 3.0 | 5.4 | 6.6 | 5.7 | 6.9 | 7.0 |
| Austria | 2.4 | 2.2 | 1.7 | 1.9 | 1.7 | 1.5 | 0.9 | 1.0 | 0.5 | 1.0 | 0.2 | 0.4 | 2.9 | 2.1 | 0.8 | 1.0 | 1.0 | 1.1 |
| Belgium | 2.2 | 1.9 | 1.0 | 1.1 | 1.1 | 1.1 | 0.4 | 0.9 | 0.8 | 1.3 | 0.1 | 0.2 | 3.1 | 2.1 | 1.2 | 1.6 | 1.7 | 1.9 |
| Canada | 2.7 | 2.5 | 1.6 | 1.8 | 1.9 | 2.0 | 1.1 | 1.5 | 1.4 | 1.6 | 0.8 | 0.8 | 4.6 | 4.5 | 2.7 | 3.2 | 3.1 | 3.5 |
| Chile | .. | 3.8 | 2.9 | 4.3 | 4.7 | 4.8 | 2.0 | 2.3 | 7.4 | 6.0 | 2.6 | 2.3 | .. | .. | .. | .. | .. | .. |
| Czech Republic | .. | 3.6 | 2.1 | 2.4 | 2.8 | 3.1 | .. | 0.6 | -1.0 | 0.5 | 0.5 | 0.4 | .. | .. | .. | .. | .. | .. |
| Denmark | 2.2 | 1.3 | 0.6 | 0.7 | 0.8 | 0.7 | 0.4 | 0.4 | -2.1 | -0.3 | 0.3 | 0.3 | 3.7 | 3.9 | 3.4 | 3.0 | 3.0 | 2.8 |
| Estonia | .. | 5.2 | 1.5 | 1.7 | 3.1 | 3.4 | .. | 0.4 | -4.2 | 7.2 | 2.1 | 0.9 | .. | .. | .. | .. | .. | .. |
| Finland | 2.2 | 2.9 | 1.3 | 1.4 | 1.7 | 1.9 | -0.8 | 0.6 | -0.5 | 1.1 | -0.1 | 0.4 | 1.4 | 2.1 | 0.0 | 0.3 | 0.4 | 0.5 |
| France | 1.9 | 1.8 | 1.1 | 1.4 | 1.5 | 1.5 | 0.1 | 0.7 | 0.2 | 0.4 | 0.1 | 0.4 | 2.9 | 3.1 | 1.8 | 1.9 | 1.8 | 1.9 |
| Germany | 1.9 | 1.2 | 1.2 | 1.5 | 1.5 | 1.4 | 0.3 | 0.3 | 0.5 | 1.3 | 0.2 | 0.2 | 2.9 | 1.4 | 1.0 | 1.3 | 1.3 | 1.5 |
| Greece | .. | 3.1 | 0.9 | 0.6 | 0.9 | 1.0 | 0.9 | 1.1 | -2.7 | -5.6 | -2.6 | -0.1 | 3.3 | 5.1 | 2.7 | 1.7 | 1.5 | 1.5 |
| Hungary | .. | 2.5 | 0.5 | 0.7 | 0.8 | 0.9 | .. | -0.2 | 0.0 | 0.6 | -0.3 | 0.7 | 4.5 | 4.9 | 1.3 | 0.0 | -0.4 | -0.4 |
| Iceland | 2.4 | 3.6 | 0.0 | 1.3 | 1.8 | 2.1 | 1.3 | 0.8 | -0.3 | 0.3 | 1.1 | 1.2 | .. | .. | .. | .. | .. | .. |
| Ireland | 6.5 | 4.4 | 0.3 | 0.1 | 0.6 | 0.9 | 3.5 | 1.4 | -3.8 | -1.6 | -0.4 | 0.4 | 4.3 | 5.7 | 0.2 | 0.0 | -0.1 | 0.0 |
| Israel | .. | 3.6 | 3.8 | 4.3 | 4.2 | 4.0 | .. | 2.7 | 3.5 | 3.2 | 1.5 | 2.4 | .. | .. | .. | .. | .. | .. |
| Italy | 1.6 | 0.8 | 0.0 | 0.2 | 0.4 | 0.5 | -0.1 | 0.9 | -0.7 | 0.4 | 0.1 | -0.1 | 2.9 | 2.7 | 0.9 | 1.0 | 0.9 | 0.9 |
| Japan | 1.8 | 0.9 | 1.4 | 1.1 | 0.7 | 0.6 | 0.4 | -0.3 | -0.4 | -0.1 | -0.4 | -0.4 | 3.9 | 1.2 | 0.1 | -0.5 | 0.3 | 0.5 |
| Korea | .. | .. | .. | .. | .. | .. | 1.3 | 1.2 | 1.4 | 1.6 | 0.6 | 0.8 | .. | .. | .. | .. | .. | .. |
| Luxembourg | 5.0 | 3.6 | 2.0 | 1.7 | 1.8 | 2.1 | 1.1 | 1.9 | 1.8 | 2.9 | 1.2 | 1.5 | .. | .. | .. | .. | .. | .. |
| Mexico | .. | 2.3 | 2.4 | 2.9 | 3.2 | 3.3 | .. | 1.5 | 1.1 | 4.8 | 1.5 | 1.6 | .. | .. | .. | .. | .. | .. |
| Netherlands | 3.0 | 1.8 | 0.9 | 0.7 | 0.9 | 1.0 | 1.9 | 0.6 | -0.3 | 0.3 | -0.1 | 0.4 | 3.6 | 2.6 | 2.2 | 2.4 | 2.3 | 2.3 |
| New Zealand | 2.6 | 2.9 | 0.8 | 0.6 | 1.2 | 2.9 | 1.6 | 2.1 | 0.7 | 1.7 | 2.0 | 2.5 | 3.3 | 4.7 | 2.2 | -1.9 | 3.9 | 4.0 |
| Norway | 2.8 | 3.0 | 1.7 | 2.3 | 2.1 | 2.3 | 1.2 | 1.1 | 0.0 | 1.4 | 1.8 | 1.8 | 1.6 | 1.7 | -1.9 | -0.3 | -0.9 | 0.0 |
| Poland | .. | 4.2 | 2.8 | 3.0 | 3.2 | 3.2 | .. | 1.0 | 0.6 | 1.2 | 0.0 | 0.0 | .. | .. | .. | .. | .. | .. |
| Portugal | 3.2 | 1.2 | 0.4 | -0.2 | 0.3 | 0.3 | 0.8 | 0.1 | -1.4 | -2.5 | -2.2 | -0.6 | 4.9 | 2.1 | -0.8 | -1.9 | -2.9 | -2.7 |
| Slovak Republic | .. | 4.6 | 2.2 | 2.7 | 3.6 | 3.5 | .. | 1.3 | -2.1 | 1.6 | 0.1 | 0.8 | .. | .. | .. | .. | .. | .. |
| Slovenia | .. | 3.1 | 2.1 | 2.1 | 1.9 | 2.0 | .. | 0.9 | -1.5 | -2.9 | -0.6 | 0.2 | .. | .. | .. | .. | .. | .. |
| Spain | 2.8 | 3.0 | 1.0 | 1.3 | 1.5 | 1.4 | 1.4 | 2.1 | -2.3 | -1.7 | -1.6 | 0.3 | 5.0 | 5.7 | 3.7 | 3.3 | 2.9 | 2.8 |
| Sweden | 2.0 | 2.6 | 2.2 | 2.3 | 2.2 | 2.2 | -1.1 | 0.6 | 1.0 | 2.1 | 0.5 | 1.0 | 3.7 | 3.4 | 1.6 | 1.5 | 1.7 | 2.4 |
| Switzerland | 1.3 | 2.0 | 1.5 | 1.6 | 1.7 | 1.7 | 0.4 | 1.0 | 0.2 | 1.9 | 0.2 | 1.0 | 3.3 | 2.7 | 2.1 | 2.5 | 2.5 | 2.4 |
| Turkey | .. | .. | .. | .. | .. | .. | 1.9 | 1.0 | 6.0 | 5.9 | 1.0 | 2.0 | .. | .. | .. | .. | .. | .. |
| United Kingdom | 2.7 | 2.2 | 0.9 | 1.1 | 1.2 | 1.4 | 0.1 | 0.6 | 0.3 | 0.4 | -0.7 | 0.2 | 4.7 | 3.8 | 1.5 | 1.3 | 1.2 | 1.5 |
| United States | 3.2 | 2.2 | 1.7 | 1.9 | 2.1 | 2.2 | 1.3 | 0.2 | -0.6 | 0.5 | 1.2 | 1.5 | 5.0 | 3.9 | 2.3 | 2.5 | 2.5 | 2.7 |
| Euro area | 2.1 | 1.7 | 0.9 | 1.1 | 1.2 | 1.3 | 0.5 | 0.8 | -0.5 | 0.2 | -0.3 | 0.2 | 3.2 | 2.8 | 1.5 | 1.6 | 1.5 | 1.6 |
| Total OECD | 2.6 | 2.0 | 1.4 | 1.6 | 1.7 | 1.7 | 1.4 | 0.7 | 0.3 | 1.2 | 0.5 | 0.8 | 4.1 | 3.3 | 1.8 | 1.8 | 2.0 | 2.1 |

*Note:* For methodological detail see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Total economy less housing.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558745

## Annex Table 22. **Structural unemployment and unit labour costs**

| | Structural unemployment rate | | | | | | | | | Unit labour costs[1] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average 1987-96 | Average 1997-06 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Average 1987-96 | Average 1997-06 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| | *Per cent* | | | | | | | | | *Percentage change* | | | | | | | | |
| Australia | 7.9 | 6.2 | 5.1 | 5.1 | 5.2 | 5.3 | 5.3 | 5.3 | 5.3 | 3.4 | 2.8 | 5.5 | 4.2 | -0.9 | 3.4 | 5.9 | 3.0 | 4.3 |
| Austria | 3.7 | 4.2 | 4.3 | 4.3 | 4.4 | 4.3 | 4.3 | 4.3 | 4.3 | 2.6 | 0.4 | 1.4 | 4.1 | 4.7 | 0.0 | 0.1 | 2.0 | 0.5 |
| Belgium | 8.1 | 8.1 | 8.0 | 7.9 | 8.0 | 8.0 | 7.9 | 7.9 | 7.9 | 2.5 | 1.7 | 2.2 | 4.6 | 3.6 | 0.0 | 2.3 | 2.7 | 1.2 |
| Canada | 9.3 | 7.8 | 7.1 | 7.2 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 2.1 | 2.2 | 3.3 | 3.6 | 2.4 | 1.0 | 2.5 | 2.0 | 1.5 |
| Czech Republic | 5.2 | 7.1 | 6.8 | 6.5 | 6.5 | 6.3 | 6.1 | 6.1 | 6.1 | 11.8 | 2.6 | 3.5 | 4.5 | 3.3 | -0.7 | 0.5 | 1.2 | 0.4 |
| Denmark | 6.6 | 5.3 | 5.0 | 5.1 | 5.3 | 5.5 | 5.6 | 5.6 | 5.6 | 1.9 | 2.4 | 5.0 | 6.9 | 4.5 | -1.2 | 0.5 | 1.4 | 0.8 |
| Estonia | .. | 10.0 | 9.4 | 9.9 | 10.5 | 11.3 | 11.8 | 11.7 | 11.5 | .. | 4.7 | 15.9 | 15.7 | 1.0 | -5.7 | -0.4 | 3.3 | 2.6 |
| Finland | 9.4 | 9.9 | 8.2 | 8.0 | 8.2 | 8.3 | 8.3 | 8.3 | 8.3 | 2.3 | 1.4 | 0.6 | 6.0 | 7.7 | -1.5 | 0.3 | 0.3 | 0.5 |
| France | 9.1 | 9.0 | 8.5 | 8.4 | 8.8 | 8.9 | 8.9 | 8.9 | 8.9 | 2.0 | 1.7 | 1.7 | 3.3 | 2.9 | 0.7 | 1.8 | 2.3 | 1.1 |
| Germany | 6.9 | 7.9 | 8.0 | 7.7 | 7.7 | 7.5 | 7.3 | 7.1 | 7.1 | 2.1 | -0.1 | -0.8 | 2.7 | 5.5 | -1.0 | 1.2 | 1.4 | -0.1 |
| Greece | 8.5 | 10.2 | 9.9 | 9.9 | 10.5 | 11.3 | 11.8 | 11.8 | 11.8 | 10.0 | 3.9 | 4.9 | 7.6 | 6.5 | -1.6 | -4.8 | -2.3 | -2.2 |
| Hungary | 8.9 | 6.9 | 8.1 | 8.6 | 9.3 | 9.4 | 9.4 | 9.4 | 9.4 | .. | 7.9 | 7.0 | 5.0 | 2.5 | -0.9 | 1.3 | 1.4 | 1.6 |
| Iceland | 2.8 | 3.2 | 3.7 | 4.0 | 4.4 | 4.7 | 4.9 | 4.9 | 4.9 | 8.2 | 6.4 | 9.9 | 4.8 | -1.4 | 7.6 | 2.4 | 3.5 | 3.1 |
| Ireland | 13.1 | 8.3 | 7.6 | 7.7 | 8.8 | 9.7 | 10.0 | 10.0 | 10.0 | 1.5 | 4.2 | 3.4 | 6.8 | -2.6 | -6.1 | -2.1 | -0.3 | -0.5 |
| Israel | 7.1 | 8.7 | 7.9 | 7.5 | 7.3 | 7.1 | 6.9 | 6.7 | 6.6 | .. | 1.7 | 1.7 | 2.6 | -0.1 | 2.4 | 2.6 | 2.6 | 1.4 |
| Italy | 9.0 | 8.7 | 7.4 | 7.4 | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 | 4.6 | 2.2 | 2.1 | 5.2 | 4.2 | -0.7 | 2.1 | 2.3 | 0.7 |
| Japan | 2.7 | 3.9 | 4.2 | 4.2 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 1.3 | -1.6 | -2.9 | 1.4 | 2.2 | -3.1 | 0.5 | -1.3 | -0.6 |
| Korea | 3.0 | 3.9 | 3.5 | 3.5 | 3.6 | 3.6 | 3.7 | 3.7 | 3.7 | 9.5 | 2.2 | 1.7 | 3.3 | 3.5 | 0.5 | 2.2 | 2.1 | 2.4 |
| Luxembourg | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2.9 | 2.1 | 1.8 | 6.4 | 8.6 | 1.7 | 2.4 | 2.7 | 1.1 |
| Mexico | 4.1 | 3.5 | 4.1 | 4.4 | 4.7 | 4.8 | 4.8 | 4.8 | 4.8 | 27.9 | 9.2 | 4.0 | 6.1 | 8.7 | -0.9 | 2.1 | 2.1 | -0.7 |
| Netherlands | 6.3 | 4.1 | 3.8 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 1.1 | 2.4 | 1.8 | 3.3 | 5.0 | -1.0 | 0.4 | 1.5 | 1.2 |
| New Zealand | 7.2 | 5.4 | 4.3 | 4.7 | 5.4 | 5.9 | 6.1 | 6.1 | 6.1 | 1.6 | 2.6 | 4.8 | 5.7 | 3.2 | 1.1 | 2.1 | 2.1 | 2.9 |
| Norway | 4.3 | 3.8 | 3.3 | 3.2 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 1.5 | 3.7 | 7.8 | 8.5 | 4.9 | 3.8 | 3.5 | 3.3 | 3.4 |
| Poland | 13.3 | 15.2 | 11.3 | 9.8 | 9.6 | 10.0 | 10.0 | 10.0 | 10.0 | 25.0 | 2.4 | 3.9 | 8.3 | 2.5 | 4.6 | 2.5 | 3.1 | 2.2 |
| Portugal | 6.1 | 6.4 | 8.1 | 8.4 | 9.1 | 9.5 | 10.7 | 10.7 | 10.7 | 8.8 | 3.4 | 1.6 | 3.4 | 4.1 | -0.1 | 1.2 | -1.0 | -0.3 |
| Slovak Republic | 12.6 | 15.5 | 13.5 | 13.1 | 13.2 | 14.0 | 14.4 | 14.3 | 14.3 | 7.9 | 3.4 | -0.1 | 3.2 | 5.6 | -2.9 | 0.8 | 1.4 | 1.4 |
| Slovenia | .. | 6.4 | 6.0 | 6.0 | 6.2 | 6.5 | 6.6 | 6.6 | 6.6 | .. | 4.9 | 2.8 | 6.2 | 8.2 | -0.7 | -0.8 | 0.4 | 0.6 |
| Spain | 15.0 | 12.8 | 12.6 | 13.5 | 14.8 | 15.6 | 16.0 | 16.0 | 16.0 | 6.2 | 3.2 | 4.5 | 4.9 | 1.2 | -2.5 | -1.4 | 0.0 | 0.2 |
| Sweden | 6.0 | 7.6 | 7.3 | 7.3 | 7.3 | 7.2 | 7.0 | 7.0 | 7.0 | 4.3 | 1.1 | 4.1 | 3.6 | 4.5 | -1.5 | 0.4 | 2.1 | 0.8 |
| Switzerland | 2.1 | 3.4 | 3.7 | 3.8 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 2.8 | 0.8 | 1.6 | 2.9 | 4.5 | -2.0 | 1.5 | 0.8 | 0.1 |
| United Kingdom | 8.8 | 6.1 | 6.0 | 6.2 | 6.6 | 6.7 | 6.8 | 6.8 | 6.8 | 4.2 | 2.5 | 1.8 | 3.7 | 5.4 | 1.2 | 0.3 | 1.0 | 0.6 |
| United States | 5.9 | 5.5 | 5.7 | 5.8 | 6.0 | 6.1 | 6.1 | 6.1 | 6.1 | 2.4 | 2.2 | 3.2 | 3.0 | 0.1 | -0.8 | 1.7 | 0.8 | 1.4 |
| Euro area | 8.9 | 8.7 | 8.5 | 8.5 | 8.8 | 9.0 | 9.1 | 9.1 | 9.0 | 3.4 | 1.7 | 1.6 | 4.1 | 4.0 | -0.9 | 0.8 | 1.4 | 0.4 |
| Total OECD | 6.5 | 6.5 | 6.3 | 6.4 | 6.6 | 6.7 | 6.7 | 6.7 | 6.7 | 4.1 | 2.2 | 2.1 | 3.8 | 3.0 | -0.6 | 1.4 | 1.1 | 0.8 |

*Note:* The structural unemployment rate corresponds to "NAIRU".

For more information about sources and definitions, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Total economy.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558764

## Annex Table 23. **Household saving rates**

Per cent of disposable household income

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net saving** | | | | | | | | | | | | | | | | | | | | |
| Australia | 7.3 | 6.6 | 7.3 | 6.2 | 3.4 | 2.5 | 2.6 | 3.1 | -0.3 | -0.6 | -0.6 | -0.1 | 2.1 | 3.2 | 5.5 | 9.8 | 9.3 | 10.4 | 10.3 | 10.5 |
| Austria | 12.5 | 12.8 | 9.8 | 8.0 | 8.6 | 10.0 | 9.4 | 7.7 | 8.0 | 8.8 | 9.2 | 9.7 | 10.4 | 11.7 | 11.5 | 10.7 | 8.3 | 7.7 | 7.7 | 7.6 |
| Belgium | 15.7 | 16.4 | 14.4 | 13.3 | 12.8 | 13.2 | 12.5 | 13.8 | 13.1 | 12.3 | 10.9 | 10.1 | 10.8 | 11.4 | 11.7 | 13.7 | 11.2 | 10.7 | 11.1 | 10.6 |
| Canada | 9.5 | 9.2 | 7.0 | 4.9 | 4.9 | 4.0 | 4.7 | 5.2 | 3.5 | 2.6 | 3.2 | 2.1 | 3.5 | 2.8 | 3.9 | 4.6 | 4.8 | 4.3 | 4.3 | 3.6 |
| Czech Republic | -1.5 | 8.1 | 6.4 | 6.8 | 5.0 | 4.7 | 5.8 | 5.2 | 5.2 | 4.1 | 2.9 | 4.8 | 6.1 | 5.7 | 4.8 | 6.1 | 5.7 | 5.3 | 5.9 | 5.1 |
| Denmark | -2.7 | 0.2 | -0.2 | -2.8 | -1.2 | -5.6 | -4.0 | 2.1 | 2.1 | 2.4 | -1.3 | -4.2 | -2.3 | -4.0 | -3.3 | -0.5 | -1.7 | -1.7 | -0.9 | -1.9 |
| Estonia | .. | 4.2 | 2.0 | -0.1 | -2.8 | -5.4 | -3.0 | -4.0 | -6.4 | -7.1 | -12.8 | -10.8 | -13.1 | -8.2 | -2.6 | 5.7 | 3.7 | 5.7 | 5.6 | 5.6 |
| Finland | 1.4 | 4.2 | 0.7 | 2.6 | 0.6 | 2.4 | 0.5 | 0.4 | 0.5 | 1.4 | 2.7 | 0.9 | -1.1 | -0.9 | 0.0 | 4.5 | 4.3 | 1.6 | 0.9 | 1.0 |
| Germany | 11.6 | 11.2 | 10.8 | 10.3 | 10.3 | 9.6 | 9.4 | 9.5 | 10.1 | 10.4 | 10.6 | 10.7 | 10.8 | 11.0 | 11.7 | 11.1 | 11.3 | 11.3 | 11.4 | 11.2 |
| Hungary | .. | 14.4 | 13.6 | 12.5 | 11.7 | 7.8 | 6.2 | 6.7 | 5.3 | 2.9 | 5.4 | 6.7 | 7.2 | 3.3 | 2.7 | 4.5 | 2.5 | 7.9 | 7.6 | 7.9 |
| Ireland | .. | .. | .. | .. | .. | .. | .. | .. | -2.2 | -0.6 | 0.9 | 1.7 | -0.9 | -0.1 | 5.5 | 10.1 | 8.9 | 8.5 | 8.1 | 7.6 |
| Italy | 18.1 | 17.0 | 17.9 | 15.1 | 11.4 | 10.2 | 8.4 | 10.5 | 11.2 | 10.3 | 10.2 | 9.9 | 9.1 | 8.4 | 8.0 | 6.5 | 5.0 | 3.9 | 3.6 | 3.4 |
| Japan | 13.3 | 12.6 | 10.5 | 10.3 | 11.4 | 10.0 | 8.7 | 5.1 | 5.0 | 3.9 | 3.6 | 3.9 | 3.8 | 2.4 | 2.2 | 5.0 | 6.2 | 7.3 | 6.7 | 6.6 |
| Korea | 21.8 | 18.5 | 18.1 | 16.1 | 23.2 | 16.1 | 9.3 | 5.2 | 0.4 | 5.2 | 9.2 | 7.2 | 5.2 | 2.9 | 2.9 | 4.6 | 4.3 | 3.8 | 3.8 | 4.1 |
| Netherlands | 14.4 | 14.3 | 12.7 | 13.3 | 12.2 | 9.0 | 6.9 | 9.7 | 8.7 | 7.6 | 7.4 | 6.4 | 6.1 | 6.9 | 5.9 | 6.4 | 3.9 | 2.3 | 2.6 | 2.9 |
| New Zealand | -3.2 | -3.5 | -3.7 | -3.5 | -3.2 | 1.1 | -4.7 | -3.6 | -9.5 | -7.4 | -6.0 | -8.3 | -8.9 | -4.0 | -4.5 | -2.2 | 0.2 | 0.6 | 1.1 | 1.8 |
| Norway | 5.4 | 4.8 | 2.6 | 3.0 | 5.7 | 4.7 | 4.3 | 3.1 | 8.2 | 8.9 | 7.2 | 10.1 | 0.1 | 1.5 | 3.7 | 7.3 | 7.4 | 8.7 | 8.5 | 7.7 |
| Poland | .. | 14.6 | 11.7 | 11.7 | 12.1 | 10.5 | 10.0 | 11.9 | 8.3 | 7.7 | 7.0 | 7.3 | 7.5 | 6.1 | 0.8 | 7.8 | 9.0 | 5.1 | 4.7 | 5.5 |
| Slovak Republic | .. | 5.3 | 8.3 | 8.7 | 7.4 | 6.6 | 6.5 | 4.0 | 3.6 | 1.3 | 0.2 | 1.3 | 0.9 | 3.0 | 2.2 | 3.4 | 3.1 | 3.1 | 2.5 | 2.1 |
| Sweden | 8.1 | 8.3 | 6.3 | 3.4 | 2.8 | 2.8 | 4.3 | 8.4 | 8.2 | 7.2 | 6.1 | 5.5 | 6.6 | 8.8 | 11.2 | 12.9 | 10.7 | 11.7 | 12.6 | 13.2 |
| Switzerland | 12.4 | 12.7 | 10.9 | 10.7 | 10.7 | 10.8 | 11.7 | 11.9 | 10.7 | 9.4 | 9.0 | 10.1 | 11.4 | 12.6 | 11.7 | 12.0 | 10.7 | 12.1 | 12.4 | 12.9 |
| United States | 5.2 | 5.2 | 4.9 | 4.6 | 5.3 | 3.1 | 2.9 | 2.7 | 3.5 | 3.5 | 3.6 | 1.5 | 2.6 | 2.4 | 5.4 | 5.1 | 5.3 | 4.6 | 4.5 | 4.5 |
| **Gross saving** | | | | | | | | | | | | | | | | | | | | |
| France | 14.8 | 15.8 | 14.8 | 15.8 | 15.2 | 14.6 | 14.3 | 15.0 | 16.3 | 15.3 | 15.8 | 14.8 | 14.8 | 15.4 | 15.6 | 16.5 | 16.1 | 16.6 | 16.0 | 15.6 |
| Portugal | .. | 12.6 | 11.7 | 10.9 | 10.3 | 10.7 | 10.6 | 10.6 | 10.3 | 10.7 | 10.0 | 10.0 | 8.0 | 7.0 | 7.1 | 10.9 | 9.7 | 9.3 | 9.8 | 10.4 |
| Spain | 11.9 | 17.5 | 17.3 | 15.9 | 14.3 | 12.6 | 11.1 | 11.0 | 11.1 | 12.1 | 11.0 | 10.8 | 10.2 | 10.4 | 13.5 | 18.5 | 13.9 | 11.1 | 11.2 | 11.6 |
| United Kingdom | 9.4 | 10.4 | 9.4 | 9.5 | 7.4 | 5.2 | 4.7 | 6.1 | 4.8 | 5.0 | 3.7 | 3.8 | 3.2 | 2.8 | 3.2 | 7.8 | 7.6 | 6.8 | 6.3 | 5.7 |

*Note:* The adoption of new national account systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. See table "National accounts reporting systems, base years and latest data updates" at the beginning of the Statistical Annex. Most countries report household saving on a net basis (i.e. excluding consumption of fixed capital by households and unincorporated businesses). In most countries household refers to the "household" sector plus the non-profit institutions servicing households (in some cases referred to as personal saving).

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558783

Annex Table 24. **Gross national saving**

Per cent of nominal GDP

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 17.7 | 19.6 | 21.3 | 20.3 | 20.3 | 21.2 | 21.4 | 20.6 | 21.3 | 20.7 | 21.6 | 21.0 | 21.6 | 21.0 | 22.5 | 22.8 | 23.5 | 25.2 | 23.5 | .. |
| Austria | 23.5 | 22.7 | 21.9 | 21.8 | 22.4 | 22.3 | 22.8 | 23.4 | 23.2 | 23.7 | 23.3 | 25.1 | 24.6 | 25.2 | 24.8 | 25.7 | 27.3 | 27.7 | 24.2 | 24.6 |
| Belgium | 22.9 | 23.3 | 24.4 | 25.6 | 25.5 | 24.5 | 25.7 | 25.7 | 26.4 | 26.8 | 25.5 | 25.1 | 25.0 | 25.4 | 25.1 | 25.8 | 26.8 | 25.1 | 20.5 | 23.3 |
| Canada | 14.7 | 13.4 | 14.0 | 16.2 | 18.3 | 18.8 | 19.6 | 19.1 | 20.7 | 23.6 | 22.2 | 21.2 | 21.4 | 23.0 | 23.9 | 24.5 | 23.7 | 23.4 | 17.4 | 18.4 |
| Chile | .. | .. | .. | .. | .. | 22.3 | 22.2 | 21.1 | 20.4 | 20.0 | 19.9 | 20.0 | 20.0 | 22.2 | 23.4 | 24.9 | 25.1 | 22.8 | 20.5 | .. |
| Czech Republic | .. | 28.0 | 28.1 | 27.8 | 28.6 | 27.8 | 24.9 | 26.9 | 25.3 | 26.0 | 25.2 | 23.2 | 21.9 | 23.0 | 24.5 | 25.1 | 24.7 | 26.0 | 20.7 | 20.7 |
| Denmark | 19.5 | 20.0 | 19.1 | 19.3 | 20.4 | 20.5 | 21.4 | 20.7 | 21.7 | 22.6 | 23.5 | 22.9 | 23.1 | 23.4 | 25.2 | 25.7 | 24.7 | 24.5 | 20.7 | 21.6 |
| Estonia | .. | .. | .. | .. | 21.4 | 20.7 | 20.3 | 21.7 | 20.7 | 23.1 | 22.9 | 21.9 | 21.8 | 21.7 | 23.6 | 23.0 | 22.9 | 21.6 | 23.2 | 23.9 |
| Finland | 16.3 | 13.7 | 14.8 | 18.1 | 21.7 | 20.7 | 23.8 | 24.8 | 26.4 | 28.5 | 28.9 | 27.7 | 24.5 | 26.3 | 25.3 | 25.9 | 27.1 | 25.5 | 21.2 | 21.4 |
| France | 19.5 | 19.1 | 17.8 | 18.2 | 18.6 | 18.3 | 19.6 | 20.8 | 21.6 | 21.3 | 21.0 | 19.5 | 18.9 | 19.4 | 19.2 | 20.0 | 20.6 | 20.1 | 17.0 | 17.1 |
| Germany | 22.7 | 22.4 | 21.3 | 21.1 | 21.2 | 20.7 | 20.8 | 21.1 | 20.5 | 20.5 | 20.2 | 20.1 | 19.7 | 22.3 | 22.4 | 24.6 | 26.8 | 25.6 | 22.3 | 23.1 |
| Greece | 10.7 | 10.9 | 10.9 | 11.0 | 11.3 | 11.5 | 11.2 | 11.3 | 11.3 | 11.3 | 11.6 | 10.5 | 12.3 | 12.1 | 10.6 | 11.2 | 8.8 | 5.8 | 4.0 | 3.9 |
| Hungary | .. | .. | .. | .. | 18.9 | 20.4 | 21.2 | 21.3 | 18.5 | 19.3 | 19.7 | 17.9 | 15.3 | 16.4 | 16.4 | 16.6 | 15.0 | 16.6 | 17.8 | 19.4 |
| Iceland | 16.0 | 15.7 | 17.6 | 17.9 | 17.1 | 17.2 | 17.9 | 17.4 | 15.0 | 13.1 | 17.0 | 19.7 | 15.0 | 13.7 | 12.2 | 11.4 | 13.1 | 0.1 | 2.3 | 1.6 |
| Ireland | 17.7 | 16.1 | 17.8 | 18.1 | 20.2 | 21.5 | 23.2 | 24.8 | 23.8 | 23.4 | 21.4 | 20.2 | 22.5 | 23.0 | 23.2 | 24.3 | 21.1 | 15.5 | 10.8 | 11.6 |
| Israel | 23.2 | 24.3 | 21.9 | 20.0 | 20.0 | 19.7 | 20.4 | 20.8 | 20.1 | 18.8 | 18.3 | 17.1 | 17.9 | 19.1 | 22.0 | 23.8 | 22.9 | 19.7 | 20.3 | 18.9 |
| Italy | 20.0 | 19.1 | 19.7 | 19.9 | 22.0 | 22.2 | 22.2 | 21.6 | 21.1 | 20.6 | 20.9 | 20.8 | 19.8 | 20.3 | 19.5 | 19.6 | 20.1 | 18.0 | 15.9 | 16.0 |
| Japan | 34.3 | 33.6 | 32.2 | 30.5 | 29.5 | 29.7 | 29.7 | 28.8 | 27.2 | 27.5 | 25.8 | 25.2 | 25.4 | 25.8 | 26.8 | 26.9 | 27.3 | 25.3 | 21.2 | .. |
| Korea | 37.9 | 37.0 | 37.0 | 36.4 | 36.1 | 34.6 | 34.4 | 36.4 | 34.3 | 32.9 | 31.0 | 30.4 | 31.8 | 34.0 | 32.0 | 30.8 | 30.8 | 30.7 | 30.3 | 31.9 |
| Mexico | 21.7 | 18.8 | 16.7 | 16.2 | 21.3 | 26.0 | 28.5 | 23.5 | 23.8 | 24.1 | 20.3 | 21.1 | 21.9 | 24.1 | 23.5 | 25.4 | 25.5 | 25.5 | 23.0 | .. |
| Netherlands | 25.6 | 24.8 | 25.0 | 26.1 | 27.2 | 26.7 | 28.1 | 25.2 | 27.1 | 28.4 | 26.7 | 25.8 | 25.4 | 27.6 | 26.5 | 29.0 | 28.8 | 25.2 | 21.5 | 23.8 |
| New Zealand | 13.6 | 14.4 | 17.0 | 17.8 | 17.7 | 16.6 | 16.3 | 16.0 | 15.6 | 17.6 | 19.4 | 18.8 | 18.9 | 18.2 | 16.0 | 15.2 | 16.2 | 14.8 | 16.8 | .. |
| Norway | 24.0 | 23.1 | 23.3 | 24.2 | 25.9 | 27.9 | 29.6 | 26.3 | 28.5 | 35.4 | 35.1 | 31.5 | 30.5 | 32.7 | 37.4 | 39.2 | 37.7 | 39.8 | 31.8 | 33.7 |
| Poland | 40.5 | 36.2 | 29.1 | 23.2 | 20.1 | 19.8 | 20.1 | 21.2 | 20.2 | 19.5 | 18.4 | 16.5 | 17.0 | 15.9 | 18.1 | 18.0 | 19.4 | 19.1 | 18.2 | 16.4 |
| Portugal | 22.9 | 21.8 | 19.3 | 18.5 | 20.6 | 19.8 | 20.1 | 20.6 | 19.9 | 17.8 | 17.2 | 17.3 | 16.9 | 15.8 | 13.3 | 12.4 | 12.7 | 10.6 | 9.2 | 9.3 |
| Slovak Republic | .. | .. | 23.7 | 26.3 | 26.7 | 24.5 | 25.1 | 24.1 | 23.7 | 23.4 | 22.4 | 21.6 | 18.2 | 19.7 | 20.3 | 19.7 | 22.2 | 21.4 | 16.3 | 19.8 |
| Slovenia | .. | .. | .. | .. | 22.9 | 23.2 | 24.2 | 24.6 | 24.0 | 24.2 | 24.7 | 24.9 | 24.5 | 24.9 | 25.4 | 26.5 | 27.5 | 24.9 | 21.2 | 21.8 |
| Spain | 21.6 | 20.0 | 20.0 | 19.5 | 21.7 | 21.5 | 22.2 | 22.4 | 22.4 | 22.3 | 22.0 | 22.9 | 23.4 | 22.4 | 22.0 | 22.0 | 21.0 | 19.4 | 18.9 | 18.5 |
| Sweden | 20.7 | 16.9 | 14.4 | 18.0 | 21.0 | 20.6 | 21.0 | 21.8 | 22.3 | 23.3 | 23.2 | 22.5 | 24.0 | 23.7 | 24.8 | 26.6 | 28.9 | 29.0 | 23.1 | 24.8 |
| Switzerland | 31.1 | 28.6 | 29.7 | 29.3 | 29.6 | 28.8 | 30.8 | 32.0 | 32.9 | 34.7 | 31.4 | 29.0 | 33.1 | 32.9 | 36.0 | 35.5 | 31.0 | 23.8 | 31.9 | 33.1 |
| United Kingdom | 15.4 | 14.3 | 14.0 | 15.7 | 15.9 | 16.1 | 17.1 | 18.0 | 15.7 | 15.0 | 15.4 | 15.3 | 15.1 | 15.0 | 14.4 | 14.1 | 15.6 | 15.0 | 11.7 | 11.5 |
| United States | 15.0 | 13.9 | 13.7 | 14.9 | 16.0 | 16.7 | 18.0 | 18.5 | 17.9 | 17.8 | 16.2 | 14.3 | 13.5 | 14.3 | 14.8 | 16.0 | 14.1 | 12.8 | 10.8 | 11.9 |

*Note:* Based on SNA93 or ESA95.

*Source:* National accounts of OECD countries database.

StatLink http://dx.doi.org/10.1787/888932558802

Annex Table 25. **General government total outlays**

Per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 35.9 | 35.7 | 35.1 | 34.3 | 33.6 | 33.5 | 33.9 | 34.3 | 33.6 | 33.1 | 33.6 | 33.1 | 32.6 | 32.6 | 33.5 | 36.3 | 36.4 | 35.0 | 33.8 | 33.2 |
| Austria | 56.1 | 56.3 | 55.9 | 53.5 | 53.7 | 53.4 | 51.9 | 51.3 | 50.7 | 51.3 | 53.8 | 50.0 | 49.2 | 48.6 | 49.4 | 52.9 | 52.6 | 51.7 | 52.0 | 51.8 |
| Belgium | 52.6 | 52.1 | 52.5 | 51.2 | 50.4 | 50.1 | 49.1 | 49.1 | 49.8 | 51.0 | 49.4 | 52.1 | 48.6 | 48.3 | 50.0 | 53.8 | 52.9 | 52.2 | 52.3 | 51.8 |
| Canada | 49.7 | 48.5 | 46.6 | 44.3 | 44.8 | 42.7 | 41.1 | 42.0 | 41.2 | 41.2 | 39.9 | 39.3 | 39.4 | 39.4 | 40.0 | 44.4 | 44.1 | 43.2 | 42.3 | 41.2 |
| Czech Republic | .. | 53.0 | 41.7 | 42.6 | 43.0 | 42.2 | 41.6 | 43.9 | 45.6 | 50.0 | 43.3 | 43.0 | 41.9 | 41.0 | 41.1 | 44.9 | 44.1 | 43.5 | 43.3 | 42.8 |
| Denmark | 60.2 | 59.3 | 58.9 | 56.7 | 56.3 | 55.5 | 53.7 | 54.2 | 54.6 | 55.1 | 54.6 | 52.8 | 51.6 | 50.8 | 51.9 | 58.4 | 58.5 | 59.3 | 61.0 | 59.6 |
| Estonia | .. | 41.3 | 39.5 | 37.4 | 39.2 | 40.1 | 36.1 | 34.8 | 35.8 | 34.8 | 34.0 | 33.6 | 33.6 | 34.0 | 39.5 | 45.2 | 40.6 | 38.1 | 39.2 | 36.9 |
| Finland | 63.6 | 61.6 | 60.2 | 56.7 | 53.0 | 51.8 | 48.4 | 48.0 | 49.1 | 50.4 | 50.3 | 50.4 | 49.3 | 47.5 | 49.4 | 55.9 | 55.3 | 53.2 | 52.7 | 52.7 |
| France | 54.1 | 54.4 | 54.5 | 54.2 | 52.7 | 52.6 | 51.6 | 51.6 | 52.8 | 53.4 | 53.3 | 53.6 | 52.9 | 52.6 | 53.3 | 56.7 | 56.7 | 56.2 | 55.9 | 55.0 |
| Germany | 48.0 | 54.8 | 49.0 | 48.2 | 48.0 | 48.3 | 45.1 | 47.5 | 47.9 | 48.4 | 47.2 | 47.0 | 45.3 | 43.5 | 44.1 | 48.1 | 48.0 | 45.5 | 45.3 | 44.7 |
| Greece | 45.1 | 46.2 | 44.5 | 45.3 | 44.7 | 44.8 | 47.1 | 45.7 | 45.5 | 45.1 | 45.9 | 44.6 | 45.2 | 47.6 | 50.6 | 53.8 | 50.2 | 49.9 | 49.2 | 48.7 |
| Hungary | .. | 55.8 | 51.5 | 50.5 | 51.7 | 49.5 | 47.8 | 47.8 | 51.5 | 49.7 | 49.1 | 50.1 | 52.1 | 50.6 | 49.2 | 51.4 | 49.5 | 48.8 | 49.3 | 49.3 |
| Iceland | 39.9 | 42.7 | 42.2 | 40.7 | 41.3 | 42.0 | 41.9 | 42.6 | 44.3 | 45.6 | 44.0 | 42.2 | 41.6 | 42.3 | 57.6 | 51.0 | 51.5 | 46.0 | 45.1 | 43.6 |
| Ireland | 43.5 | 40.9 | 39.0 | 36.5 | 34.4 | 33.9 | 31.2 | 33.0 | 33.3 | 33.1 | 33.5 | 33.8 | 34.3 | 36.6 | 42.8 | 48.9 | 66.8 | 45.9 | 44.1 | 43.1 |
| Israel | .. | .. | .. | .. | 55.0 | 53.6 | 51.4 | 53.7 | 55.8 | 54.4 | 51.0 | 49.4 | 47.8 | 46.4 | 46.1 | 45.7 | 45.4 | 44.9 | 44.7 | 44.4 |
| Italy | 53.2 | 52.2 | 52.2 | 50.0 | 48.9 | 47.9 | 45.9 | 47.7 | 47.1 | 48.1 | 47.5 | 47.9 | 48.5 | 47.6 | 48.6 | 51.6 | 50.3 | 50.1 | 49.8 | 49.4 |
| Japan | 35.0 | 36.0 | 36.7 | 35.7 | 42.5 | 38.6 | 39.0 | 38.6 | 38.8 | 38.4 | 37.0 | 38.4 | 36.2 | 35.9 | 37.2 | 42.0 | 40.4 | 42.5 | 42.1 | 41.7 |
| Korea | 20.6 | 20.4 | 21.2 | 21.8 | 24.1 | 23.2 | 22.4 | 23.9 | 23.6 | 28.9 | 26.1 | 26.6 | 27.7 | 28.7 | 30.4 | 33.1 | 30.9 | 30.9 | 30.7 | 30.2 |
| Luxembourg | 38.9 | 39.7 | 41.1 | 40.7 | 41.1 | 39.2 | 37.6 | 38.1 | 41.5 | 41.8 | 42.6 | 41.5 | 38.6 | 36.3 | 37.1 | 43.0 | 42.5 | 42.5 | 43.0 | 42.4 |
| Netherlands | 53.5 | 56.3 | 49.4 | 47.5 | 46.6 | 46.0 | 44.1 | 45.3 | 46.1 | 47.0 | 46.1 | 44.8 | 45.5 | 45.2 | 46.2 | 51.5 | 51.2 | 50.5 | 50.4 | 50.0 |
| New Zealand | 42.8 | 41.9 | 40.8 | 41.6 | 40.6 | 40.2 | 38.3 | 37.8 | 36.9 | 37.5 | 37.1 | 38.2 | 39.6 | 39.6 | 41.8 | 42.8 | 43.1 | 49.3 | 43.5 | 43.0 |
| Norway | 54.1 | 50.9 | 48.5 | 46.8 | 49.1 | 47.7 | 42.3 | 44.1 | 47.1 | 48.2 | 45.4 | 42.1 | 40.5 | 41.1 | 40.7 | 47.3 | 46.1 | 43.8 | 44.5 | 45.2 |
| Poland | .. | 47.7 | 51.1 | 46.6 | 44.5 | 42.9 | 41.1 | 43.7 | 44.3 | 44.7 | 42.6 | 43.5 | 43.9 | 42.2 | 43.2 | 44.6 | 45.4 | 44.7 | 44.3 | 43.5 |
| Portugal | 42.4 | 41.5 | 42.1 | 41.1 | 40.8 | 41.0 | 41.1 | 42.5 | 42.3 | 43.8 | 44.7 | 45.8 | 44.5 | 44.4 | 44.8 | 49.9 | 51.3 | 49.4 | 46.9 | 45.8 |
| Slovak Republic | .. | 48.6 | 53.7 | 48.9 | 45.8 | 48.1 | 52.1 | 44.5 | 45.1 | 40.1 | 37.7 | 38.0 | 36.5 | 34.2 | 34.9 | 41.5 | 40.0 | 39.4 | 37.9 | 36.8 |
| Slovenia | .. | 52.3 | 44.2 | 44.5 | 45.4 | 46.2 | 46.5 | 47.3 | 46.2 | 46.2 | 45.7 | 45.3 | 44.6 | 42.5 | 44.2 | 49.3 | 50.1 | 50.1 | 49.9 | 48.9 |
| Spain | 46.7 | 44.4 | 43.2 | 41.6 | 41.1 | 39.9 | 39.2 | 38.7 | 38.9 | 38.4 | 38.9 | 38.4 | 38.4 | 39.2 | 41.5 | 46.3 | 45.6 | 42.7 | 41.0 | 39.7 |
| Sweden | 68.3 | 64.9 | 62.9 | 60.7 | 58.8 | 58.1 | 55.1 | 54.5 | 55.6 | 55.7 | 54.2 | 53.9 | 52.7 | 51.0 | 51.7 | 55.0 | 52.9 | 51.8 | 52.7 | 52.1 |
| Switzerland | 35.2 | 35.0 | 35.3 | 35.5 | 35.8 | 34.3 | 35.1 | 34.8 | 36.2 | 36.4 | 35.9 | 35.3 | 33.5 | 32.3 | 32.4 | 34.1 | 34.2 | 34.0 | 34.2 | 33.9 |
| Turkey | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 33.2 | 34.5 | 34.2 | 39.4 | 37.1 | 36.3 | 36.3 | 36.0 |
| United Kingdom | 44.6 | 44.1 | 42.2 | 40.6 | 39.5 | 38.8 | 36.5 | 39.8 | 40.9 | 42.3 | 43.1 | 44.0 | 44.2 | 43.9 | 47.9 | 51.1 | 50.6 | 49.8 | 48.9 | 47.5 |
| United States[1] | 37.1 | 37.1 | 36.6 | 35.4 | 34.6 | 34.2 | 33.9 | 35.0 | 35.9 | 36.3 | 36.0 | 36.3 | 36.1 | 36.9 | 39.1 | 42.7 | 42.5 | 41.9 | 41.1 | 40.7 |
| Euro area | 50.9 | 53.1 | 50.5 | 49.2 | 48.5 | 48.1 | 46.2 | 47.2 | 47.5 | 48.0 | 47.5 | 47.4 | 46.7 | 46.0 | 47.2 | 51.2 | 51.0 | 49.3 | 48.8 | 48.1 |
| Total OECD | 41.9 | 42.7 | 41.6 | 40.4 | 40.8 | 39.7 | 38.8 | 39.8 | 40.4 | 40.8 | 40.2 | 40.4 | 39.7 | 39.8 | 41.5 | 45.2 | 44.6 | 44.0 | 43.3 | 42.7 |

*Note:* Data refer to the general government sector, which is a consolidation of accounts for the central, state and local governments plus social security.

1. These data include outlays net of operating surpluses of public enterprises.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 26. **General government total tax and non-tax receipts**

Per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 32.8 | 33.4 | 33.9 | 34.3 | 35.4 | 35.6 | 35.2 | 34.8 | 35.4 | 35.4 | 35.5 | 35.2 | 34.7 | 34.8 | 34.0 | 32.2 | 31.5 | 31.7 | 32.3 | 32.9 |
| Austria | 51.2 | 50.4 | 51.7 | 51.5 | 51.2 | 51.0 | 50.1 | 51.1 | 49.8 | 49.7 | 49.2 | 48.2 | 47.5 | 47.6 | 48.4 | 48.8 | 48.2 | 48.3 | 48.8 | 48.6 |
| Belgium | 47.4 | 47.5 | 48.5 | 48.9 | 49.4 | 49.5 | 49.0 | 49.5 | 49.6 | 50.9 | 49.0 | 49.3 | 48.6 | 48.0 | 48.7 | 48.0 | 48.8 | 48.7 | 49.2 | 49.6 |
| Canada | 43.0 | 43.2 | 43.8 | 44.5 | 44.9 | 44.3 | 44.1 | 42.6 | 41.1 | 41.1 | 40.7 | 40.8 | 41.1 | 40.8 | 39.6 | 39.5 | 38.5 | 38.2 | 38.2 | 38.2 |
| Czech Republic | .. | 40.2 | 38.5 | 39.0 | 38.1 | 38.6 | 38.0 | 38.3 | 39.1 | 43.3 | 40.4 | 39.7 | 39.6 | 40.3 | 38.9 | 39.1 | 39.3 | 39.8 | 39.9 | 39.4 |
| Denmark | 56.8 | 56.4 | 56.9 | 56.1 | 56.2 | 56.8 | 55.8 | 55.4 | 54.8 | 55.0 | 56.4 | 57.8 | 56.6 | 55.6 | 55.2 | 55.6 | 55.7 | 55.6 | 56.0 | 56.6 |
| Estonia | .. | 42.4 | 39.1 | 39.6 | 38.5 | 36.7 | 35.9 | 34.7 | 36.0 | 36.5 | 35.6 | 35.2 | 36.1 | 36.4 | 36.5 | 43.2 | 40.9 | 38.2 | 37.2 | 37.0 |
| Finland | 57.0 | 55.4 | 56.7 | 55.3 | 54.6 | 53.5 | 55.4 | 53.1 | 53.2 | 52.8 | 52.5 | 53.1 | 53.3 | 52.8 | 53.6 | 53.2 | 52.5 | 51.2 | 51.3 | 51.6 |
| France | 48.6 | 48.9 | 50.5 | 50.9 | 50.1 | 50.8 | 50.1 | 50.0 | 49.6 | 49.3 | 49.7 | 50.7 | 50.6 | 49.8 | 50.0 | 49.2 | 49.6 | 50.5 | 51.3 | 51.9 |
| Germany | 45.6 | 45.4 | 45.7 | 45.4 | 45.7 | 46.7 | 46.2 | 44.5 | 44.0 | 44.2 | 43.4 | 43.6 | 43.7 | 43.7 | 44.0 | 44.9 | 43.7 | 44.3 | 44.2 | 44.1 |
| Greece | 36.8 | 37.0 | 37.8 | 39.3 | 40.9 | 41.7 | 43.3 | 41.2 | 40.6 | 39.4 | 38.4 | 39.0 | 39.2 | 40.8 | 40.7 | 38.0 | 39.5 | 40.9 | 42.2 | 43.4 |
| Hungary | .. | 47.1 | 46.9 | 44.3 | 43.6 | 44.0 | 44.7 | 43.7 | 42.5 | 42.4 | 42.6 | 42.2 | 42.7 | 45.6 | 45.5 | 46.9 | 45.2 | 52.7 | 45.9 | 46.0 |
| Iceland | 35.3 | 39.8 | 40.6 | 40.7 | 40.9 | 43.2 | 43.6 | 41.9 | 41.7 | 42.8 | 44.0 | 47.1 | 48.0 | 47.7 | 44.1 | 41.0 | 41.5 | 40.6 | 41.8 | 42.2 |
| Ireland | 41.5 | 38.9 | 38.8 | 38.0 | 36.6 | 36.5 | 35.9 | 34.0 | 33.0 | 33.5 | 34.9 | 35.4 | 37.2 | 36.7 | 35.5 | 34.7 | 35.5 | 35.6 | 35.4 | 35.5 |
| Israel | .. | .. | .. | .. | 47.0 | 47.4 | 47.4 | 47.4 | 47.6 | 46.0 | 44.9 | 44.5 | 45.3 | 44.9 | 42.4 | 39.3 | 40.5 | 40.9 | 40.9 | 40.9 |
| Italy | 44.2 | 44.8 | 45.2 | 47.2 | 46.0 | 45.9 | 45.0 | 44.5 | 44.0 | 44.4 | 44.0 | 43.4 | 45.0 | 46.0 | 45.9 | 46.3 | 45.8 | 46.5 | 48.2 | 49.3 |
| Japan | 31.2 | 31.2 | 31.6 | 31.7 | 31.3 | 31.2 | 31.4 | 32.2 | 30.8 | 30.5 | 30.9 | 31.7 | 34.5 | 33.5 | 35.1 | 33.3 | 32.6 | 33.6 | 33.2 | 32.2 |
| Korea | 22.9 | 23.9 | 24.4 | 24.8 | 25.5 | 25.5 | 27.9 | 28.3 | 28.7 | 29.4 | 28.8 | 30.0 | 31.7 | 33.3 | 33.4 | 31.9 | 30.9 | 31.7 | 32.0 | 32.1 |
| Luxembourg | 41.4 | 42.1 | 42.3 | 44.3 | 44.4 | 42.6 | 43.6 | 44.2 | 43.6 | 42.2 | 41.5 | 41.5 | 39.9 | 39.9 | 40.1 | 42.1 | 41.4 | 41.3 | 41.0 | 40.6 |
| Netherlands | 50.0 | 47.1 | 47.5 | 46.2 | 45.8 | 46.4 | 46.1 | 45.0 | 44.0 | 43.9 | 44.4 | 44.5 | 46.0 | 45.4 | 46.7 | 46.0 | 46.2 | 46.3 | 47.2 | 47.2 |
| New Zealand | 45.5 | 44.4 | 43.3 | 42.6 | 40.6 | 40.0 | 40.0 | 39.3 | 40.6 | 41.3 | 41.2 | 42.9 | 44.9 | 44.1 | 42.3 | 40.2 | 39.1 | 41.3 | 39.5 | 39.6 |
| Norway | 54.3 | 54.2 | 54.8 | 54.5 | 52.4 | 53.7 | 57.7 | 57.4 | 56.3 | 55.5 | 56.6 | 57.2 | 58.9 | 58.6 | 59.8 | 58.0 | 56.7 | 56.3 | 56.0 | 55.8 |
| Poland | .. | 43.3 | 46.2 | 41.9 | 40.2 | 40.6 | 38.1 | 38.5 | 39.3 | 38.5 | 37.2 | 39.4 | 40.3 | 40.3 | 39.5 | 37.3 | 37.6 | 39.2 | 41.3 | 41.5 |
| Portugal | 35.3 | 36.5 | 37.5 | 37.8 | 37.3 | 38.3 | 38.2 | 38.2 | 39.4 | 40.7 | 41.3 | 39.9 | 40.5 | 41.1 | 41.1 | 39.7 | 41.6 | 43.5 | 42.4 | 42.8 |
| Slovak Republic | .. | 45.2 | 43.8 | 42.6 | 40.5 | 40.7 | 39.9 | 38.0 | 36.8 | 37.4 | 35.3 | 35.2 | 33.3 | 32.4 | 32.8 | 33.5 | 32.3 | 33.5 | 33.3 | 33.3 |
| Slovenia | .. | 44.0 | 43.0 | 42.2 | 43.0 | 43.1 | 42.8 | 43.4 | 43.8 | 43.6 | 43.5 | 43.8 | 43.2 | 42.4 | 42.4 | 43.2 | 44.3 | 44.9 | 45.4 | 45.7 |
| Spain | 38.9 | 37.2 | 37.7 | 37.6 | 38.0 | 38.7 | 38.2 | 38.1 | 38.7 | 38.0 | 38.8 | 39.7 | 40.7 | 41.1 | 37.0 | 35.1 | 36.3 | 36.5 | 36.6 | 36.7 |
| Sweden | 59.3 | 57.6 | 59.6 | 59.0 | 59.7 | 58.9 | 58.7 | 56.1 | 54.1 | 54.4 | 54.6 | 55.8 | 54.9 | 54.5 | 53.9 | 54.1 | 52.8 | 51.9 | 52.7 | 52.8 |
| Switzerland | 32.4 | 33.0 | 33.5 | 32.7 | 33.8 | 33.8 | 35.2 | 34.7 | 35.0 | 34.6 | 34.2 | 34.6 | 34.3 | 34.0 | 34.7 | 35.1 | 34.8 | 34.8 | 34.7 | 34.5 |
| Turkey | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 34.0 | 33.4 | 32.0 | 32.7 | 32.5 | 33.7 | 33.8 | 33.6 |
| United Kingdom | 37.8 | 38.2 | 38.0 | 38.4 | 39.4 | 39.8 | 40.2 | 40.5 | 38.9 | 38.6 | 39.5 | 40.7 | 41.5 | 41.1 | 42.9 | 40.1 | 40.2 | 40.4 | 40.2 | 40.2 |
| United States[1] | 33.4 | 33.8 | 34.3 | 34.6 | 34.9 | 34.9 | 35.4 | 34.4 | 31.9 | 31.3 | 31.6 | 33.0 | 33.9 | 34.0 | 32.6 | 31.0 | 31.7 | 31.9 | 31.8 | 32.4 |
| Euro area | 45.8 | 45.5 | 46.2 | 46.4 | 46.1 | 46.6 | 46.1 | 45.2 | 44.8 | 44.8 | 44.6 | 44.8 | 45.3 | 45.3 | 45.0 | 44.8 | 44.7 | 45.3 | 45.9 | 46.2 |
| Total OECD | 37.6 | 37.9 | 38.4 | 38.5 | 38.7 | 38.8 | 38.9 | 38.4 | 37.1 | 36.8 | 36.8 | 37.6 | 38.5 | 38.5 | 38.1 | 36.9 | 36.9 | 37.4 | 37.4 | 37.6 |

*Note:* Data refer to the general government sector, which is a consolidation of accounts for central, state and local governments plus social security.

1. Excludes the operating surpluses of public enterprises.

*Source:* OECD Economic Outlook 90 database.

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## Annex Table 27. **General government financial balances**

Surplus (+) or deficit (-) as a per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -3.2 | -2.3 | -1.2 | 0.1 | 1.8 | 2.2 | 1.3 | 0.5 | 1.7 | 2.3 | 1.9 | 2.1 | 2.1 | 2.1 | 0.5 | -4.1 | -4.8 | -3.3 | -1.5 | -0.3 |
| Austria | -4.9 | -5.9 | -4.1 | -1.9 | -2.5 | -2.4 | -1.8 | -0.2 | -0.9 | -1.7 | -4.6 | -1.8 | -1.7 | -1.0 | -1.0 | -4.1 | -4.4 | -3.4 | -3.2 | -3.1 |
| Belgium | -5.1 | -4.5 | -4.0 | -2.3 | -1.0 | -0.7 | -0.1 | 0.4 | -0.2 | -0.2 | -0.4 | -2.8 | 0.1 | -0.3 | -1.3 | -5.9 | -4.2 | -3.5 | -3.2 | -2.2 |
| Canada | -6.7 | -5.3 | -2.8 | 0.2 | 0.1 | 1.6 | 2.9 | 0.7 | -0.1 | -0.1 | 0.9 | 1.5 | 1.6 | 1.4 | -0.4 | -4.9 | -5.6 | -5.0 | -4.1 | -3.0 |
| Czech Republic | .. | -12.8 | -3.1 | -3.6 | -4.8 | -3.6 | -3.6 | -5.6 | -6.5 | -6.7 | -2.8 | -3.2 | -2.4 | -0.7 | -2.2 | -5.8 | -4.8 | -3.7 | -3.4 | -3.4 |
| Denmark | -3.4 | -2.9 | -2.0 | -0.6 | -0.1 | 1.3 | 2.2 | 1.2 | 0.3 | -0.1 | 1.9 | 5.0 | 5.0 | 4.8 | 3.3 | -2.8 | -2.8 | -3.7 | -5.1 | -3.0 |
| Estonia | .. | 1.1 | -0.4 | 2.2 | -0.7 | -3.5 | -0.2 | -0.1 | 0.3 | 1.7 | 1.6 | 1.6 | 2.5 | 2.4 | -2.9 | -2.0 | 0.3 | 0.1 | -1.9 | 0.0 |
| Finland | -6.7 | -6.1 | -3.5 | -1.4 | 1.6 | 1.7 | 6.9 | 5.1 | 4.1 | 2.4 | 2.3 | 2.7 | 4.0 | 5.3 | 4.2 | -2.7 | -2.8 | -2.0 | -1.4 | -1.1 |
| France | -5.5 | -5.5 | -4.0 | -3.3 | -2.6 | -1.8 | -1.5 | -1.7 | -3.3 | -4.1 | -3.6 | -3.0 | -2.4 | -2.7 | -3.3 | -7.6 | -7.1 | -5.7 | -4.5 | -3.0 |
| Germany | -2.5 | -9.5 | -3.3 | -2.7 | -2.3 | -1.6 | 1.1 | -3.1 | -3.8 | -4.1 | -3.8 | -3.3 | -1.7 | 0.2 | -0.1 | -3.2 | -4.3 | -1.2 | -1.1 | -0.6 |
| Greece | -8.3 | -9.1 | -6.7 | -5.9 | -3.9 | -3.1 | -3.8 | -4.5 | -4.9 | -5.8 | -7.5 | -5.6 | -6.0 | -6.8 | -9.9 | -15.8 | -10.8 | -9.0 | -7.0 | -5.3 |
| Hungary | .. | -8.8 | -4.6 | -6.1 | -8.0 | -5.5 | -3.1 | -4.1 | -9.0 | -7.3 | -6.5 | -7.9 | -9.4 | -5.1 | -3.7 | -4.5 | -4.3 | 4.0 | -3.4 | -3.3 |
| Iceland | -4.7 | -3.0 | -1.6 | 0.0 | -0.4 | 1.1 | 1.7 | -0.7 | -2.6 | -2.8 | 0.0 | 4.9 | 6.3 | 5.4 | -13.5 | -10.0 | -10.1 | -5.4 | -3.3 | -1.4 |
| Ireland | -2.0 | -2.0 | -0.1 | 1.4 | 2.2 | 2.6 | 4.7 | 0.9 | -0.3 | 0.4 | 1.4 | 1.7 | 2.9 | 0.1 | -7.3 | -14.2 | -31.3 | -10.3 | -8.7 | -7.6 |
| Israel | .. | .. | .. | .. | -8.0 | -6.3 | -4.0 | -6.4 | -8.2 | -8.3 | -6.1 | -4.9 | -2.5 | -1.5 | -3.8 | -6.4 | -5.0 | -4.0 | -3.8 | -3.5 |
| Italy | -9.0 | -7.4 | -7.0 | -2.7 | -2.9 | -2.0 | -0.9 | -3.2 | -3.2 | -3.6 | -3.6 | -4.5 | -3.4 | -1.6 | -2.7 | -5.4 | -4.5 | -3.6 | -1.6 | -0.1 |
| Japan | -3.8 | -4.7 | -5.1 | -4.0 | -11.2 | -7.4 | -7.6 | -6.3 | -8.0 | -7.9 | -6.2 | -6.7 | -1.6 | -2.4 | -2.2 | -8.7 | -7.8 | -8.9 | -8.9 | -9.5 |
| Korea | 2.3 | 3.5 | 3.2 | 3.0 | 1.3 | 2.4 | 5.4 | 4.3 | 5.1 | 0.5 | 2.7 | 3.4 | 3.9 | 4.7 | 3.0 | -1.1 | 0.0 | 0.8 | 1.3 | 1.9 |
| Luxembourg | 2.5 | 2.4 | 1.2 | 3.7 | 3.4 | 3.4 | 6.0 | 6.1 | 2.1 | 0.5 | -1.1 | 0.0 | 1.4 | 3.7 | 3.0 | -0.9 | -1.1 | -1.2 | -2.0 | -1.8 |
| Netherlands | -3.5 | -9.2 | -1.9 | -1.2 | -0.9 | 0.4 | 2.0 | -0.3 | -2.1 | -3.1 | -1.8 | -0.3 | 0.5 | 0.2 | 0.5 | -5.5 | -5.0 | -4.2 | -3.2 | -2.8 |
| New Zealand | 2.7 | 2.5 | 2.5 | 0.9 | 0.0 | -0.2 | 1.8 | 1.5 | 3.6 | 3.8 | 4.1 | 4.7 | 5.3 | 4.5 | 0.4 | -2.6 | -4.0 | -8.0 | -4.0 | -3.3 |
| Norway | 0.3 | 3.2 | 6.3 | 7.6 | 3.3 | 6.0 | 15.4 | 13.3 | 9.2 | 7.3 | 11.1 | 15.1 | 18.4 | 17.5 | 19.1 | 10.7 | 10.6 | 12.5 | 11.5 | 10.7 |
| Poland | .. | | -4.9 | -4.6 | -4.3 | -2.3 | -3.0 | -5.3 | -5.0 | -6.2 | -5.4 | -4.1 | -3.6 | -1.9 | -3.7 | -7.4 | -7.9 | -5.4 | -2.9 | -2.0 |
| Portugal | -7.1 | -5.0 | -4.5 | -3.4 | -3.5 | -2.7 | -2.9 | -4.3 | -2.9 | -3.1 | -3.4 | -5.9 | -4.1 | -3.2 | -3.7 | -10.2 | -9.8 | -5.9 | -4.5 | -3.0 |
| Slovak Republic | .. | -3.4 | -9.9 | -6.3 | -5.3 | -7.4 | -12.3 | -6.5 | -8.2 | -2.8 | -2.4 | -2.8 | -3.2 | -1.8 | -2.1 | -8.0 | -7.7 | -5.9 | -4.6 | -3.5 |
| Slovenia | .. | -8.3 | -1.1 | -2.3 | -2.4 | -3.0 | -3.7 | -4.0 | -2.4 | -2.7 | -2.3 | -1.5 | -1.4 | 0.0 | -1.9 | -6.1 | -5.8 | -5.3 | -4.5 | -3.3 |
| Spain | -7.8 | -7.2 | -5.5 | -4.0 | -3.0 | -1.2 | -1.0 | -0.5 | -0.2 | -0.4 | -0.1 | 1.3 | 2.4 | 1.9 | -4.5 | -11.2 | -9.3 | -6.2 | -4.4 | -3.0 |
| Sweden | -9.1 | -7.3 | -3.3 | -1.6 | 0.9 | 0.8 | 3.6 | 1.6 | -1.5 | -1.3 | 0.4 | 1.9 | 2.2 | 3.6 | 2.2 | -0.9 | -0.1 | 0.1 | 0.0 | 0.7 |
| Switzerland | -2.8 | -2.0 | -1.8 | -2.8 | -1.9 | -0.5 | 0.1 | -0.1 | -1.2 | -1.7 | -1.8 | -0.7 | 0.8 | 1.7 | 2.3 | 1.0 | 0.6 | 0.8 | 0.5 | 0.6 |
| Turkey | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0.8 | -1.2 | -2.2 | -6.7 | -4.6 | -2.6 | -2.4 | -2.4 |
| United Kingdom | -6.8 | -5.8 | -4.2 | -2.2 | -0.1 | 0.9 | 3.7 | 0.6 | -2.0 | -3.7 | -3.6 | -3.3 | -2.7 | -2.8 | -5.0 | -11.0 | -10.4 | -9.4 | -8.7 | -7.3 |
| United States | -3.7 | -3.3 | -2.3 | -0.9 | 0.3 | 0.7 | 1.5 | -0.6 | -4.0 | -5.0 | -4.4 | -3.3 | -2.2 | -2.9 | -6.6 | -11.6 | -10.7 | -10.0 | -9.3 | -8.3 |
| Euro area | -5.1 | -7.5 | -4.3 | -2.8 | -2.3 | -1.5 | -0.1 | -2.0 | -2.7 | -3.1 | -2.9 | -2.5 | -1.4 | -0.7 | -2.1 | -6.4 | -6.3 | -4.0 | -2.9 | -1.9 |
| Total OECD | -4.4 | -4.8 | -3.3 | -1.9 | -2.1 | -1.0 | 0.1 | -1.5 | -3.3 | -4.1 | -3.4 | -2.7 | -1.2 | -1.3 | -3.4 | -8.3 | -7.7 | -6.6 | -5.9 | -5.1 |
| *Memorandum items* | | | | | | | | | | | | | | | | | | | | |
| **General government financial balances excluding social security** | | | | | | | | | | | | | | | | | | | | |
| United States | -4.5 | -4.1 | -3.2 | -1.9 | -0.9 | -0.7 | -0.1 | -2.2 | -5.5 | -6.3 | -5.8 | -4.6 | -3.6 | -4.3 | -7.8 | -12.5 | -11.2 | -10.4 | -9.9 | -8.9 |
| Japan | -5.8 | -6.7 | -6.9 | -5.8 | -12.5 | -8.5 | -8.2 | -6.5 | -7.9 | -8.0 | -6.6 | -7.0 | -1.7 | -2.2 | -1.6 | -7.5 | -7.0 | -8.1 | -7.9 | -8.3 |

*Note:* Financial balances include one-off factors, such as those resulting from the sale of the mobile telephone licenses. As data are on a national accounts basis (SNA93/ESA95), the government financial balances may differ from the numbers reported to the European Commission under the Excessive Deficit Procedure for some EU countries. For more details, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558859

Annex Table 28. **General government cyclically-adjusted balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -2.7 | -2.1 | -0.9 | 0.4 | 1.7 | 1.9 | 1.0 | 0.7 | 1.8 | 2.3 | 1.8 | 1.8 | 1.9 | 1.6 | 0.1 | -3.7 | -4.3 | -2.5 | -1.0 | 0.0 |
| Austria | -4.3 | -5.3 | -3.6 | -1.4 | -2.4 | -3.0 | -3.0 | -0.9 | -1.0 | -1.0 | -3.6 | -1.1 | -1.6 | -1.8 | -1.9 | -3.0 | -2.9 | -2.4 | -2.1 | -1.9 |
| Belgium | -4.2 | -3.8 | -2.9 | -2.0 | -0.4 | -0.8 | -1.2 | 0.0 | 0.0 | 0.5 | -0.3 | -2.7 | -0.1 | -1.0 | -1.6 | -4.1 | -2.9 | -3.1 | -2.3 | -1.5 |
| Canada | -6.0 | -4.9 | -1.9 | 0.8 | 0.4 | 1.3 | 2.0 | 0.1 | -0.5 | -0.3 | 0.6 | 1.1 | 1.1 | 0.8 | -0.6 | -3.4 | -4.3 | -4.1 | -3.2 | -2.3 |
| Czech Republic | .. | .. | .. | .. | .. | -2.6 | -3.1 | -5.1 | -5.5 | -5.6 | -1.9 | -3.1 | -3.2 | -2.1 | -3.8 | -4.8 | -4.0 | -2.8 | -2.1 | -2.0 |
| Denmark | -2.3 | -2.7 | -2.1 | -1.1 | -0.7 | 0.8 | 1.0 | 0.3 | -0.1 | 0.3 | 2.2 | 4.7 | 3.8 | 2.9 | 1.9 | -1.0 | -0.1 | -1.3 | -2.7 | -1.0 |
| Estonia | .. | .. | .. | .. | .. | .. | .. | -0.4 | 0.3 | 1.5 | 1.5 | 0.6 | -0.1 | -1.5 | -5.4 | 1.5 | 3.4 | 1.3 | -0.7 | 0.9 |
| Finland | -3.2 | -3.5 | -1.4 | -0.8 | 1.5 | 1.4 | 6.2 | 4.7 | 4.3 | 3.1 | 2.5 | 2.8 | 3.6 | 3.9 | 3.2 | 0.4 | -0.3 | -0.3 | 0.3 | 0.6 |
| France | -4.8 | -5.1 | -3.4 | -2.7 | -2.4 | -2.0 | -2.3 | -2.5 | -3.6 | -3.8 | -3.4 | -2.9 | -2.6 | -3.4 | -3.6 | -6.0 | -5.1 | -3.9 | -2.3 | -0.6 |
| Germany | -2.0 | -9.2 | -2.7 | -2.1 | -1.8 | -1.2 | 0.9 | -3.4 | -3.6 | -3.1 | -2.5 | -1.9 | -1.3 | -0.5 | -0.8 | -1.6 | -3.3 | -1.1 | -0.8 | -0.4 |
| Greece | -8.0 | -8.6 | -6.1 | -5.4 | -3.4 | -2.4 | -3.1 | -3.8 | -4.0 | -5.8 | -7.8 | -5.5 | -7.1 | -8.1 | -10.0 | -13.5 | -6.5 | -1.8 | 2.0 | 3.8 |
| Hungary | .. | .. | -3.5 | -5.2 | -7.4 | -4.8 | -2.6 | -3.8 | -9.1 | -7.7 | -7.5 | -9.5 | -11.8 | -6.8 | -5.0 | -2.9 | -2.5 | 5.0 | -1.5 | -1.5 |
| Iceland | -3.4 | -1.4 | -0.5 | 0.5 | -0.7 | 0.5 | 1.0 | -1.3 | -2.3 | -2.1 | -0.3 | 3.2 | 4.5 | 3.3 | -15.5 | -8.9 | -6.9 | -2.7 | -1.0 | 0.7 |
| Ireland | -0.1 | -1.3 | 0.2 | 0.7 | 1.2 | 0.9 | 2.5 | -1.0 | -2.0 | -1.1 | -0.1 | -0.1 | 0.9 | -2.4 | -7.8 | -10.6 | -25.5 | -6.6 | -5.3 | -4.7 |
| Israel | .. | .. | .. | .. | .. | .. | -5.6 | -6.9 | -7.2 | -6.7 | -5.3 | -4.7 | -2.9 | -2.6 | -4.9 | -5.8 | -4.7 | -4.0 | -3.3 | -3.0 |
| Italy | -7.5 | -6.6 | -6.2 | -2.1 | -2.3 | -1.3 | -1.0 | -3.7 | -3.4 | -3.4 | -3.6 | -4.8 | -4.5 | -3.3 | -3.8 | -3.9 | -3.1 | -2.5 | -0.3 | 1.4 |
| Japan | -3.6 | -4.6 | -5.3 | -4.4 | -10.5 | -6.3 | -7.0 | -5.5 | -6.9 | -6.9 | -5.7 | -6.6 | -1.9 | -3.3 | -2.6 | -7.0 | -6.5 | -7.3 | -7.6 | -8.5 |
| Korea | 2.2 | 3.1 | 2.5 | 2.4 | 2.4 | 3.1 | 5.5 | 4.4 | 4.9 | 0.4 | 2.7 | 3.3 | 3.7 | 4.2 | 2.7 | -0.5 | 0.2 | 1.0 | 1.5 | 1.9 |
| Luxembourg | 2.0 | 3.0 | 3.2 | 5.7 | 4.8 | 3.6 | 4.9 | 5.2 | 1.4 | 0.5 | -1.0 | -0.5 | 0.2 | 1.5 | 1.1 | -0.1 | 0.5 | 0.2 | -0.2 | 0.1 |
| Netherlands | -2.4 | -8.4 | -1.4 | -1.2 | -1.3 | -0.4 | 0.7 | -1.6 | -2.5 | -2.5 | -0.7 | 0.6 | 0.6 | -0.8 | -1.0 | -5.7 | -4.2 | -3.8 | -2.8 | -2.5 |
| New Zealand | 2.6 | 2.0 | 1.9 | 0.7 | 0.8 | 0.0 | 1.7 | 1.6 | 3.3 | 3.2 | 3.3 | 3.9 | 5.1 | 4.2 | 1.0 | -0.9 | -2.6 | -6.9 | -3.5 | -3.1 |
| Norway[1] | -5.5 | -2.2 | -1.9 | -1.2 | -2.1 | -0.5 | 1.6 | 0.7 | -1.7 | -3.7 | -2.0 | -0.9 | 1.2 | 3.3 | 2.2 | -0.3 | -0.6 | -1.0 | -1.6 | -2.0 |
| Poland | .. | .. | -4.4 | -5.0 | -4.8 | -3.0 | -3.8 | -5.2 | -4.2 | -5.5 | -5.1 | -3.5 | -3.3 | -2.1 | -4.2 | -7.2 | -8.0 | -5.9 | -3.2 | -2.1 |
| Portugal | -5.8 | -4.2 | -4.0 | -3.3 | -4.2 | -3.7 | -4.3 | -5.6 | -3.6 | -2.8 | -3.3 | -5.6 | -4.0 | -3.8 | -4.0 | -9.1 | -9.1 | -4.6 | -1.7 | -0.3 |
| Slovenia | .. | .. | .. | .. | .. | .. | -3.7 | -3.6 | -2.1 | -2.0 | -2.0 | -1.7 | -2.6 | -2.8 | -5.2 | -5.4 | -4.7 | -3.6 | -2.1 | -0.9 |
| Spain | -6.5 | -6.1 | -4.4 | -3.2 | -2.8 | -1.6 | -2.0 | -1.7 | -1.0 | -0.9 | -0.7 | 0.4 | 1.0 | 0.2 | -5.5 | -9.8 | -7.0 | -3.6 | -1.4 | 0.0 |
| Sweden | -6.6 | -6.1 | -1.8 | -0.4 | 1.4 | 0.6 | 2.7 | 1.4 | -1.5 | -1.2 | -0.1 | 1.2 | 0.6 | 1.6 | 1.9 | 2.3 | 1.8 | 1.1 | 1.4 | 2.0 |
| Switzerland | -2.2 | -1.4 | -1.1 | -2.3 | -1.9 | -0.5 | -0.5 | -0.6 | -1.1 | -0.8 | -1.0 | -0.2 | 0.8 | 1.1 | 1.8 | 1.6 | 1.1 | 1.1 | 1.1 | 1.1 |
| United Kingdom | -6.2 | -5.5 | -3.9 | -2.1 | -0.1 | 0.9 | 3.4 | 0.4 | -2.1 | -4.1 | -4.3 | -4.0 | -3.5 | -4.1 | -5.6 | -9.2 | -8.4 | -7.5 | -6.5 | -5.2 |
| United States | -3.3 | -2.9 | -2.0 | -0.9 | 0.0 | 0.1 | 0.7 | -0.9 | -3.8 | -4.9 | -4.8 | -4.0 | -3.1 | -3.9 | -6.8 | -9.8 | -9.0 | -8.3 | -7.7 | -6.8 |
| Euro area | -4.3 | -6.9 | -3.6 | -2.2 | -2.0 | -1.4 | -0.7 | -2.6 | -2.8 | -2.7 | -2.5 | -2.2 | -1.8 | -1.8 | -2.9 | -4.9 | -4.6 | -2.7 | -1.3 | -0.3 |
| Total OECD | -4.0 | -4.6 | -3.1 | -1.9 | -2.1 | -1.2 | -0.7 | -2.0 | -3.5 | -4.0 | -3.7 | -3.3 | -2.2 | -2.6 | -4.3 | -7.1 | -6.6 | -5.7 | -4.9 | -4.2 |

*Note:* Cyclically-adjusted balances exclude one-off revenues from the sale of mobile telephone licenses. For more details on the methodology used for estimating the cyclical component of government balances, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558878

Annex Table 29. **General government underlying balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -2.9 | -2.0 | -0.8 | 0.3 | 1.6 | 1.8 | 0.6 | 0.8 | 2.0 | 2.1 | 1.8 | 1.8 | 1.9 | 1.6 | 0.0 | -3.6 | -3.9 | -2.5 | -0.8 | 0.2 |
| Austria | -4.2 | -5.6 | -3.7 | -1.5 | -2.0 | -3.0 | -3.6 | -0.5 | -0.9 | -1.1 | -0.2 | -1.0 | -1.7 | -1.5 | -2.1 | -3.1 | -2.6 | -2.3 | -2.1 | -1.9 |
| Belgium | -4.2 | -3.9 | -3.0 | -1.8 | -0.3 | -0.7 | -1.0 | -0.5 | -0.1 | -0.8 | -0.7 | -0.5 | -0.4 | -1.0 | -1.7 | -3.6 | -3.0 | -3.3 | -2.5 | -1.8 |
| Canada | -6.1 | -4.9 | -2.0 | 0.5 | 0.3 | 1.0 | 2.0 | 0.0 | -0.5 | -0.3 | 0.6 | 1.2 | 1.1 | 0.8 | -0.7 | -3.3 | -4.3 | -4.1 | -3.2 | -2.3 |
| Czech Republic | .. | .. | .. | .. | .. | -3.1 | -4.8 | -4.3 | -4.4 | -8.1 | -2.8 | -4.5 | -4.0 | -2.7 | -3.7 | -5.5 | -4.0 | -3.1 | -1.9 | -1.6 |
| Denmark | -2.3 | -2.8 | -2.1 | -1.2 | -0.6 | 0.8 | 1.1 | -0.1 | -0.1 | 0.4 | 2.0 | 4.6 | 3.6 | 2.8 | 2.2 | -1.0 | -0.1 | -1.3 | -1.8 | -1.1 |
| Estonia | .. | .. | .. | .. | .. | .. | .. | -0.3 | 0.3 | 1.4 | 1.2 | 0.3 | -0.4 | -1.2 | -4.2 | -1.8 | -0.3 | 0.3 | 0.4 | 0.9 |
| Finland | -2.8 | -2.1 | -1.2 | -1.7 | 0.9 | 1.5 | 6.0 | 4.7 | 4.3 | 3.0 | 2.5 | 2.9 | 3.5 | 3.9 | 3.2 | 0.5 | -0.3 | -0.3 | 0.3 | 0.5 |
| France | -4.8 | -4.8 | -3.6 | -3.2 | -2.5 | -1.9 | -2.5 | -2.5 | -3.6 | -4.0 | -3.5 | -3.4 | -2.7 | -3.4 | -3.5 | -5.9 | -5.2 | -4.0 | -2.3 | -0.6 |
| Germany | -2.1 | -2.7 | -2.8 | -2.2 | -1.8 | -1.3 | -4.1 | -3.3 | -3.5 | -3.0 | -2.5 | -1.9 | -1.4 | -0.6 | -0.8 | -1.5 | -2.3 | -1.1 | -0.8 | -0.4 |
| Greece | -8.9 | -9.1 | -7.2 | -5.1 | -3.2 | -1.4 | -4.0 | -4.3 | -4.0 | -6.0 | -7.3 | -6.0 | -7.7 | -7.7 | -9.9 | -12.8 | -6.8 | -1.8 | 1.9 | 3.6 |
| Hungary | .. | .. | -3.4 | -4.7 | -5.4 | -5.3 | -2.7 | -3.6 | -7.4 | -7.6 | -8.0 | -9.8 | -11.8 | -6.4 | -5.0 | -3.6 | -5.5 | -6.5 | -2.5 | -1.6 |
| Iceland | -3.1 | -1.5 | -0.3 | 0.5 | -0.9 | 0.4 | 1.0 | -1.2 | -2.3 | -1.9 | -0.2 | 3.3 | 4.5 | 3.2 | -2.0 | -8.2 | -3.2 | -2.6 | -1.0 | 0.7 |
| Ireland | 0.5 | -1.1 | 0.2 | 0.5 | 1.0 | 2.3 | 2.3 | -0.8 | -2.3 | -1.1 | -0.1 | 0.0 | 0.8 | -2.5 | -6.7 | -8.0 | -7.1 | -6.5 | -5.2 | -4.7 |
| Israel | .. | .. | .. | .. | .. | .. | -5.7 | -7.0 | -7.2 | -7.0 | -5.3 | -4.7 | -2.9 | -2.6 | -4.8 | -5.6 | -4.9 | -4.3 | -3.6 | -3.3 |
| Italy | -7.2 | -5.8 | -5.8 | -2.6 | -2.4 | -1.2 | -3.4 | -3.6 | -3.1 | -4.3 | -4.2 | -4.8 | -3.5 | -3.2 | -3.9 | -4.4 | -3.5 | -2.6 | -0.3 | 1.3 |
| Japan | -3.7 | -4.5 | -5.0 | -4.4 | -4.8 | -6.1 | -6.3 | -5.8 | -6.9 | -6.6 | -6.9 | -5.7 | -4.3 | -4.4 | -4.4 | -8.3 | -7.7 | -8.0 | -8.3 | -8.6 |
| Korea | 2.1 | 2.9 | 2.6 | 2.5 | 3.0 | 3.2 | 5.2 | 4.4 | 4.9 | 4.2 | 2.9 | 3.2 | 3.6 | 3.9 | 2.6 | -0.4 | 0.3 | 1.1 | 1.6 | 1.9 |
| Luxembourg | 2.1 | 3.1 | 3.2 | 5.7 | 4.7 | 3.5 | 4.9 | 3.6 | 1.5 | 0.6 | -0.7 | -0.4 | 0.6 | 1.4 | 0.8 | 0.0 | 0.5 | 0.2 | -0.2 | 0.1 |
| Netherlands | -2.4 | -3.1 | -1.8 | -1.1 | -1.3 | -0.4 | -0.5 | -1.2 | -2.3 | -2.2 | -0.8 | 0.4 | 0.3 | -0.9 | -0.9 | -4.8 | -3.7 | -3.6 | -2.8 | -2.5 |
| New Zealand | 2.4 | 2.1 | 2.1 | 0.9 | 0.8 | 0.0 | 1.7 | 1.6 | 3.3 | 3.2 | 3.2 | 3.7 | 5.1 | 4.0 | 1.1 | -0.8 | -2.5 | -3.2 | -3.3 | -2.9 |
| Norway[1] | -5.4 | -2.3 | -2.3 | -1.4 | -2.4 | -0.5 | 2.2 | 0.6 | -1.7 | -3.7 | -2.1 | -1.0 | 1.2 | 3.3 | 2.3 | -0.3 | -0.7 | -0.8 | -1.4 | -1.8 |
| Poland | .. | .. | -3.5 | -4.7 | -4.2 | -3.1 | -3.8 | -5.2 | -4.3 | -5.1 | -5.2 | -3.4 | -3.3 | -2.3 | -4.1 | -6.9 | -8.2 | -6.0 | -3.3 | -2.2 |
| Portugal | -5.9 | -4.3 | -4.1 | -3.6 | -3.7 | -3.5 | -4.7 | -5.5 | -4.9 | -5.1 | -4.9 | -5.2 | -3.8 | -3.7 | -4.4 | -8.7 | -9.5 | -6.4 | -2.2 | -1.3 |
| Slovenia | .. | .. | .. | .. | .. | .. | -3.7 | -3.7 | -2.3 | -1.8 | -1.9 | -1.7 | -2.9 | -3.1 | -4.9 | -5.3 | -4.8 | -3.9 | -2.5 | -1.3 |
| Spain | -5.9 | -6.1 | -4.6 | -3.3 | -2.9 | -1.9 | -2.2 | -1.6 | -0.9 | -1.1 | -0.3 | 0.3 | 0.8 | 0.1 | -4.9 | -9.5 | -7.1 | -4.1 | -1.9 | -0.5 |
| Sweden | -5.9 | -5.8 | -2.0 | -0.1 | 0.4 | 0.6 | 2.6 | 1.3 | -1.5 | -1.2 | -0.2 | 1.3 | 0.6 | 1.6 | 1.7 | 2.3 | 1.9 | 1.2 | 1.5 | 2.1 |
| Switzerland | -2.2 | -1.4 | -1.2 | -2.4 | -1.5 | -0.7 | 0.9 | -0.1 | -0.4 | -0.8 | -1.0 | -0.3 | 0.6 | 1.1 | 2.1 | 1.4 | 0.9 | 0.9 | 0.9 | 0.9 |
| United Kingdom | -6.3 | -5.4 | -3.9 | -2.1 | -0.2 | 0.7 | -1.5 | 0.3 | -2.2 | -4.1 | -4.4 | -4.2 | -3.3 | -4.1 | -5.1 | -8.1 | -8.0 | -7.5 | -6.5 | -5.2 |
| United States | -3.3 | -3.0 | -2.0 | -1.0 | -0.1 | 0.1 | 0.6 | -1.0 | -3.8 | -4.8 | -4.7 | -3.8 | -3.2 | -3.8 | -6.3 | -8.9 | -8.5 | -7.9 | -7.7 | -6.8 |
| Euro area | -4.2 | -4.2 | -3.6 | -2.5 | -2.0 | -1.4 | -2.8 | -2.5 | -2.7 | -3.0 | -2.5 | -2.3 | -1.7 | -1.8 | -2.8 | -4.7 | -4.1 | -2.8 | -1.4 | -0.4 |
| Total OECD | -4.0 | -3.8 | -3.1 | -2.0 | -1.4 | -1.2 | -1.5 | -2.0 | -3.5 | -4.0 | -3.9 | -3.2 | -2.5 | -2.8 | -4.3 | -6.8 | -6.4 | -5.7 | -5.0 | -4.2 |

*Note:* The underlying balances are adjusted for the cycle and for one-offs. For more details, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558897

Annex Table 30. **General government underlying primary balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -0.8 | 0.0 | 0.8 | 1.8 | 2.7 | 2.7 | 1.3 | 1.1 | 2.3 | 2.2 | 2.0 | 2.0 | 1.9 | 1.5 | -0.3 | -3.6 | -3.6 | -2.0 | -0.2 | 0.8 |
| Austria | -1.4 | -2.3 | -0.3 | 1.6 | 1.1 | -0.1 | -0.7 | 2.2 | 1.6 | 1.3 | 2.0 | 1.2 | 0.4 | 0.5 | 0.0 | -0.9 | -0.6 | -0.3 | 0.1 | 0.4 |
| Belgium | 4.5 | 4.4 | 4.9 | 5.5 | 6.7 | 5.8 | 5.4 | 5.6 | 5.3 | 4.1 | 3.9 | 3.6 | 3.4 | 2.7 | 1.9 | -0.3 | 0.2 | 0.0 | 0.9 | 2.0 |
| Canada | -1.0 | 0.8 | 3.2 | 5.3 | 5.0 | 5.3 | 5.1 | 3.0 | 2.1 | 1.6 | 2.2 | 2.2 | 1.8 | 1.4 | -0.6 | -2.5 | -3.7 | -3.8 | -2.9 | -1.9 |
| Czech Republic | .. | .. | .. | .. | .. | -2.6 | -4.6 | -3.9 | -4.1 | -7.7 | -2.1 | -3.8 | -3.3 | -2.0 | -2.9 | -4.5 | -2.9 | -2.0 | -0.8 | -0.6 |
| Denmark | 1.3 | 0.7 | 1.1 | 1.8 | 2.1 | 3.3 | 3.2 | 1.8 | 1.6 | 1.9 | 3.2 | 5.5 | 4.2 | 3.2 | 2.2 | -0.6 | 0.4 | -0.8 | -1.3 | -0.6 |
| Estonia | .. | .. | .. | .. | .. | .. | .. | -0.4 | 0.2 | 1.1 | 1.0 | 0.2 | -0.7 | -1.6 | -4.6 | -2.0 | -0.5 | 0.2 | 0.4 | 0.9 |
| Finland | -1.8 | -1.4 | 0.1 | 0.1 | 2.5 | 2.9 | 6.9 | 5.2 | 4.3 | 3.0 | 2.5 | 2.8 | 3.1 | 3.3 | 2.2 | -0.1 | -0.5 | -0.4 | 0.3 | 0.7 |
| France | -2.0 | -1.8 | -0.5 | -0.1 | 0.5 | 0.8 | 0.2 | 0.2 | -0.9 | -1.4 | -0.9 | -0.9 | -0.3 | -0.9 | -0.8 | -3.8 | -3.0 | -1.7 | 0.0 | 1.9 |
| Germany | 0.7 | 0.3 | 0.1 | 0.6 | 1.2 | 1.4 | -1.4 | -0.6 | -1.0 | -0.4 | 0.0 | 0.5 | 1.0 | 1.9 | 1.6 | 0.8 | -0.3 | 0.9 | 1.1 | 1.5 |
| Greece | 2.9 | 1.4 | 2.7 | 2.6 | 4.0 | 4.9 | 2.5 | 1.6 | 1.2 | -1.3 | -2.7 | -1.6 | -3.1 | -3.0 | -5.2 | -8.0 | -1.6 | 4.1 | 7.9 | 9.7 |
| Hungary | .. | .. | 4.0 | 2.4 | 0.8 | 0.8 | 2.1 | 0.4 | -3.7 | -3.8 | -3.9 | -5.9 | -7.9 | -2.5 | -1.2 | 0.3 | -1.8 | -2.8 | 1.5 | 2.6 |
| Iceland | -1.7 | -0.1 | 1.0 | 1.7 | 0.1 | 1.3 | 1.7 | -0.6 | -2.0 | -1.3 | 0.1 | 2.9 | 3.8 | 2.2 | -2.5 | -5.3 | -0.5 | 0.7 | 2.2 | 4.1 |
| Ireland | 5.9 | 3.8 | 4.3 | 4.0 | 4.2 | 4.6 | 4.2 | 0.5 | -1.1 | 0.0 | 0.9 | 0.9 | 1.5 | -1.8 | -5.9 | -6.7 | -4.7 | -3.6 | -1.3 | 0.5 |
| Israel | .. | .. | .. | .. | .. | .. | 1.6 | -0.1 | -0.4 | -0.3 | 1.5 | 2.0 | 2.6 | 2.5 | -0.2 | -1.5 | -0.8 | -0.2 | 0.4 | 0.6 |
| Italy | 3.1 | 4.8 | 4.8 | 6.1 | 5.3 | 5.0 | 2.7 | 2.5 | 2.3 | 0.5 | 0.5 | -0.3 | 1.0 | 1.6 | 1.1 | -0.2 | 0.7 | 1.8 | 4.7 | 7.2 |
| Japan | -2.5 | -3.2 | -3.7 | -3.1 | -3.4 | -4.7 | -4.8 | -4.4 | -5.6 | -5.4 | -5.8 | -4.8 | -3.7 | -3.7 | -3.5 | -7.2 | -6.6 | -6.7 | -6.8 | -6.7 |
| Korea | 1.6 | 2.3 | 1.9 | 1.6 | 1.9 | 2.3 | 3.9 | 3.4 | 4.0 | 3.4 | 1.9 | 2.1 | 2.3 | 2.4 | 1.2 | -1.4 | -0.5 | 0.2 | 0.8 | 1.1 |
| Luxembourg | 0.5 | 1.7 | 2.1 | 4.7 | 3.7 | 2.7 | 3.6 | 2.3 | 0.4 | -0.3 | -1.5 | -1.1 | -0.2 | 0.3 | -0.4 | -0.5 | 0.3 | 0.1 | -0.2 | 0.1 |
| Netherlands | 1.7 | 1.3 | 2.6 | 3.0 | 2.7 | 3.2 | 2.5 | 1.3 | -0.2 | -0.3 | 1.1 | 2.2 | 1.9 | 0.8 | 0.8 | -3.4 | -2.4 | -2.2 | -1.3 | -0.9 |
| New Zealand | 6.0 | 4.9 | 4.4 | 2.7 | 2.4 | 1.5 | 3.1 | 2.8 | 4.3 | 3.9 | 3.9 | 4.3 | 5.5 | 4.1 | 1.1 | -0.6 | -1.9 | -2.6 | -2.6 | -1.5 |
| Norway[1] | -7.5 | -4.2 | -4.2 | -3.2 | -3.7 | -2.3 | -0.1 | -2.0 | -4.4 | -6.0 | -4.6 | -3.6 | -1.9 | -0.7 | -2.0 | -3.4 | -3.4 | -3.3 | -3.6 | -3.7 |
| Poland | .. | .. | 0.6 | -0.8 | -0.5 | -0.7 | -1.3 | -2.4 | -2.2 | -2.8 | -2.8 | -1.3 | -1.2 | -0.6 | -2.5 | -4.9 | -6.0 | -3.6 | -0.7 | 0.3 |
| Portugal | -0.2 | 1.1 | 0.6 | 0.1 | -0.6 | -0.6 | -1.7 | -2.5 | -2.1 | -2.5 | -2.3 | -2.8 | -1.1 | -0.6 | -1.3 | -5.8 | -6.5 | -2.3 | 2.3 | 3.4 |
| Slovenia | .. | .. | .. | .. | .. | .. | -1.9 | -1.9 | -0.6 | -0.3 | -0.5 | -0.4 | -1.7 | -2.0 | -4.1 | -4.2 | -3.6 | -2.5 | -0.9 | 0.6 |
| Spain | -1.6 | -1.5 | 0.1 | 0.9 | 0.9 | 1.4 | 0.7 | 1.1 | 1.5 | 1.1 | 1.5 | 1.8 | 2.2 | 1.2 | -3.8 | -8.2 | -5.6 | -2.7 | -0.1 | 1.4 |
| Sweden | -4.2 | -3.4 | 0.7 | 2.9 | 3.0 | 3.1 | 4.7 | 3.1 | 0.6 | 0.1 | 0.7 | 2.3 | 1.5 | 2.3 | 2.2 | 2.6 | 2.0 | 1.4 | 1.7 | 2.3 |
| Switzerland | -1.5 | -0.6 | -0.4 | -1.6 | -0.5 | 0.4 | 1.9 | 0.8 | 0.6 | 0.2 | 0.0 | 0.6 | 1.3 | 1.7 | 2.5 | 1.7 | 1.1 | 1.1 | 1.1 | 1.1 |
| United Kingdom | -3.7 | -2.3 | -0.8 | 1.1 | 2.8 | 3.2 | 0.9 | 2.3 | -0.5 | -2.3 | -2.7 | -2.3 | -1.6 | -2.2 | -3.3 | -6.6 | -5.5 | -4.7 | -3.7 | -2.5 |
| United States | 0.0 | 0.5 | 1.3 | 2.2 | 3.0 | 2.8 | 3.1 | 1.2 | -1.8 | -3.0 | -3.0 | -2.0 | -1.4 | -1.8 | -4.5 | -7.4 | -6.8 | -6.0 | -5.6 | -4.5 |
| Euro area | 0.5 | 0.6 | 1.2 | 1.9 | 2.1 | 2.3 | 0.7 | 0.9 | 0.4 | -0.1 | 0.3 | 0.4 | 0.9 | 0.9 | -0.1 | -2.3 | -1.7 | -0.3 | 1.3 | 2.5 |
| Total OECD | -0.5 | -0.2 | 0.5 | 1.3 | 1.8 | 1.7 | 1.2 | 0.4 | -1.3 | -2.0 | -1.9 | -1.3 | -0.7 | -0.9 | -2.5 | -5.1 | -4.6 | -3.8 | -2.9 | -2.0 |

*Note:* Adjusted for the cycle and for one-offs, and excludes net interest payments. For more details, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558916

Annex Table 31. **General government net debt interest payments**

Per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 2.0 | 1.9 | 1.6 | 1.5 | 1.1 | 0.9 | 0.7 | 0.4 | 0.3 | 0.1 | 0.2 | 0.1 | 0.0 | -0.1 | -0.3 | 0.0 | 0.4 | 0.5 | 0.6 | 0.7 |
| Austria | 2.9 | 3.3 | 3.4 | 3.2 | 3.1 | 2.8 | 2.8 | 2.7 | 2.5 | 2.4 | 2.2 | 2.2 | 2.2 | 2.0 | 2.1 | 2.2 | 2.1 | 2.1 | 2.2 | 2.4 |
| Belgium | 8.8 | 8.4 | 8.0 | 7.3 | 7.0 | 6.5 | 6.3 | 6.1 | 5.4 | 5.0 | 4.6 | 4.1 | 3.8 | 3.6 | 3.6 | 3.4 | 3.3 | 3.3 | 3.5 | 3.8 |
| Canada | 5.2 | 5.7 | 5.3 | 4.8 | 4.8 | 4.3 | 3.1 | 2.9 | 2.6 | 1.8 | 1.6 | 1.0 | 0.7 | 0.6 | 0.1 | 0.9 | 0.7 | 0.3 | 0.4 | 0.4 |
| Czech Republic | .. | 0.3 | 0.5 | 0.4 | 0.5 | 0.5 | 0.2 | 0.3 | 0.3 | 0.5 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 1.0 | 1.2 | 1.1 | 1.1 | 1.1 |
| Denmark | 3.6 | 3.5 | 3.2 | 2.9 | 2.7 | 2.5 | 2.1 | 1.8 | 1.7 | 1.5 | 1.3 | 0.9 | 0.6 | 0.4 | 0.0 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Estonia | .. | 0.2 | 0.1 | -0.1 | 0.1 | -0.1 | 0.0 | -0.1 | -0.1 | -0.3 | -0.3 | -0.2 | -0.2 | -0.3 | -0.4 | -0.3 | -0.2 | -0.1 | 0.0 | 0.0 |
| Finland | 1.0 | 0.8 | 1.4 | 1.8 | 1.6 | 1.4 | 0.9 | 0.5 | 0.0 | -0.1 | -0.1 | -0.2 | -0.4 | -0.6 | -0.9 | -0.6 | -0.2 | 0.0 | 0.0 | 0.1 |
| France | 2.9 | 3.0 | 3.2 | 3.1 | 3.0 | 2.7 | 2.6 | 2.7 | 2.7 | 2.6 | 2.6 | 2.5 | 2.4 | 2.5 | 2.7 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Germany | 2.8 | 2.9 | 2.9 | 2.9 | 3.0 | 2.8 | 2.7 | 2.6 | 2.5 | 2.6 | 2.5 | 2.5 | 2.5 | 2.5 | 2.4 | 2.3 | 2.1 | 2.0 | 1.9 | 2.0 |
| Greece | 11.8 | 10.6 | 10.0 | 7.8 | 7.3 | 6.4 | 6.6 | 5.9 | 5.2 | 4.7 | 4.6 | 4.4 | 4.5 | 4.5 | 4.8 | 5.0 | 5.7 | 6.9 | 7.3 | 7.5 |
| Hungary | .. | 8.2 | 7.6 | 7.3 | 6.2 | 6.2 | 4.8 | 4.0 | 3.6 | 3.7 | 4.0 | 3.9 | 3.7 | 3.8 | 3.7 | 4.1 | 3.8 | 3.9 | 4.1 | 4.3 |
| Iceland | 1.5 | 1.5 | 1.4 | 1.1 | 1.0 | 0.9 | 0.7 | 0.5 | 0.3 | 0.6 | 0.3 | -0.4 | -0.7 | -0.9 | -0.5 | 3.0 | 2.9 | 3.5 | 3.4 | 3.7 |
| Ireland | 5.6 | 5.0 | 4.2 | 3.5 | 3.2 | 2.2 | 1.8 | 1.2 | 1.1 | 1.1 | 1.0 | 0.9 | 0.7 | 0.6 | 0.8 | 1.4 | 2.7 | 3.2 | 4.2 | 5.5 |
| Israel | .. | .. | .. | .. | 8.2 | 7.2 | 7.0 | 6.8 | 6.9 | 7.0 | 6.9 | 6.7 | 5.4 | 5.0 | 4.5 | 4.2 | 4.1 | 4.0 | 4.0 | 3.9 |
| Italy | 10.6 | 10.7 | 10.7 | 8.7 | 7.8 | 6.3 | 6.1 | 6.0 | 5.4 | 4.9 | 4.6 | 4.5 | 4.4 | 4.7 | 4.9 | 4.3 | 4.2 | 4.5 | 5.1 | 6.0 |
| Japan | 1.2 | 1.3 | 1.3 | 1.3 | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 0.8 | 0.6 | 0.6 | 0.9 | 1.1 | 1.2 | 1.4 | 1.6 | 2.0 |
| Korea | -0.4 | -0.6 | -0.7 | -0.9 | -1.2 | -1.0 | -1.2 | -0.9 | -0.9 | -0.8 | -1.0 | -1.0 | -1.2 | -1.5 | -1.3 | -1.0 | -0.7 | -0.8 | -0.8 | -0.8 |
| Luxembourg | -1.6 | -1.4 | -1.1 | -1.0 | -1.0 | -0.9 | -1.2 | -1.4 | -1.1 | -0.9 | -0.8 | -0.7 | -0.7 | -1.0 | -1.2 | -0.5 | -0.2 | -0.1 | 0.0 | 0.0 |
| Netherlands | 4.2 | 4.4 | 4.4 | 4.2 | 4.0 | 3.6 | 2.9 | 2.4 | 2.2 | 2.0 | 1.9 | 1.8 | 1.6 | 1.6 | 1.6 | 1.4 | 1.3 | 1.5 | 1.5 | 1.6 |
| New Zealand | 3.5 | 2.8 | 2.3 | 1.8 | 1.6 | 1.4 | 1.4 | 1.2 | 1.0 | 0.7 | 0.7 | 0.6 | 0.4 | 0.1 | 0.0 | 0.2 | 0.7 | 0.7 | 0.7 | 1.4 |
| Norway | -1.9 | -1.6 | -1.6 | -1.4 | -1.1 | -1.5 | -1.7 | -1.9 | -2.1 | -1.9 | -2.0 | -2.0 | -2.2 | -3.0 | -3.1 | -2.5 | -2.2 | -1.9 | -1.7 | -1.4 |
| Poland | .. | 5.1 | 4.2 | 3.8 | 3.7 | 2.4 | 2.5 | 2.7 | 2.1 | 2.4 | 2.5 | 2.2 | 2.1 | 1.7 | 1.6 | 2.1 | 2.1 | 2.4 | 2.5 | 2.5 |
| Portugal | 5.9 | 5.6 | 4.8 | 3.7 | 3.1 | 2.9 | 2.9 | 2.9 | 2.8 | 2.7 | 2.6 | 2.4 | 2.7 | 3.0 | 3.1 | 2.9 | 3.0 | 4.2 | 4.9 | 5.0 |
| Slovak Republic | .. | 1.3 | 1.6 | 1.8 | 2.1 | 2.9 | 3.1 | 3.1 | 3.0 | 1.7 | 1.4 | 1.1 | 0.9 | 1.0 | 0.9 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
| Slovenia | .. | 1.6 | 1.7 | 2.0 | 1.8 | 1.9 | 1.8 | 1.8 | 1.8 | 1.5 | 1.4 | 1.3 | 1.2 | 1.0 | 0.8 | 1.1 | 1.3 | 1.5 | 1.8 | 2.0 |
| Spain | 4.4 | 4.7 | 4.7 | 4.2 | 3.8 | 3.3 | 2.9 | 2.6 | 2.4 | 2.1 | 1.8 | 1.6 | 1.3 | 1.1 | 1.1 | 1.4 | 1.5 | 1.5 | 1.9 | 2.0 |
| Sweden | 1.8 | 2.4 | 2.8 | 3.0 | 2.6 | 2.5 | 2.1 | 1.7 | 2.1 | 1.3 | 0.9 | 1.0 | 0.8 | 0.7 | 0.5 | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 |
| Switzerland | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 1.1 | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 0.9 | 0.7 | 0.6 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 |
| United Kingdom | 2.6 | 3.1 | 3.1 | 3.2 | 3.0 | 2.5 | 2.4 | 2.0 | 1.7 | 1.7 | 1.7 | 1.8 | 1.7 | 1.8 | 1.8 | 1.5 | 2.6 | 2.8 | 2.9 | 2.8 |
| United States | 3.4 | 3.5 | 3.4 | 3.2 | 3.1 | 2.7 | 2.5 | 2.2 | 2.0 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.6 | 1.7 | 2.0 | 2.2 | 2.4 |
| Euro area | 4.7 | 4.7 | 4.9 | 4.4 | 4.1 | 3.6 | 3.5 | 3.3 | 3.1 | 3.0 | 2.8 | 2.7 | 2.6 | 2.6 | 2.6 | 2.5 | 2.5 | 2.6 | 2.8 | 3.0 |
| Total OECD | 3.4 | 3.6 | 3.5 | 3.2 | 3.1 | 2.7 | 2.5 | 2.3 | 2.1 | 2.0 | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 | 1.6 | 1.7 | 1.9 | 2.1 | 2.2 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558935

Annex Table 32. **General government gross financial liabilities**

Per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 40.0 | 41.8 | 39.0 | 37.4 | 32.3 | \| 27.9 | 24.9 | 22.0 | 20.0 | 18.5 | 16.7 | 16.2 | 15.5 | 14.4 | 13.7 | 19.4 | 23.6 | 26.8 | 27.9 | 27.9 |
| Austria | 65.3 | 69.5 | 70.0 | 66.4 | 68.0 | 70.8 | 70.7 | 71.7 | 72.8 | 71.0 | 70.6 | 70.6 | 66.4 | 63.4 | 68.4 | 74.4 | 78.2 | 79.9 | 81.9 | 83.2 |
| Belgium[1] | 137.7 | 135.3 | 133.2 | 127.8 | 123.1 | 119.5 | 113.6 | 111.9 | 108.3 | 103.3 | 98.3 | 95.8 | 91.6 | 88.0 | 93.0 | 100.0 | 100.2 | 100.3 | 101.5 | 101.0 |
| Canada | 98.0 | 101.6 | 101.7 | 96.3 | 95.2 | 91.4 | 82.1 | 82.7 | 80.6 | 76.6 | 72.6 | 71.6 | 70.3 | 66.5 | 71.1 | 83.4 | 85.1 | 87.8 | 92.8 | 96.6 |
| Czech Republic | .. | .. | .. | .. | .. | .. | .. | .. | 31.5 | 33.2 | 33.1 | 32.8 | 32.6 | 31.0 | 34.4 | 41.1 | 44.5 | 47.1 | 48.7 | 49.7 |
| Denmark | 85.8 | 81.7 | 79.1 | 74.8 | 72.4 | 67.1 | 60.4 | 58.4 | 58.2 | 56.6 | 54.0 | 45.9 | 41.2 | 34.3 | 42.6 | 52.4 | 55.6 | 56.1 | 58.0 | 58.2 |
| Estonia | .. | 13.3 | 12.3 | 11.3 | 10.0 | 10.9 | 9.4 | 8.9 | 10.2 | 10.8 | 8.5 | 8.2 | 8.0 | 7.3 | 8.5 | 12.7 | 12.5 | 12.3 | 13.1 | 13.0 |
| Finland | 60.7 | 65.3 | 66.2 | 64.7 | 61.2 | 54.9 | 52.4 | 49.9 | 49.5 | 51.4 | 51.5 | 48.4 | 45.6 | 41.4 | 40.4 | 51.6 | 57.6 | 61.2 | 65.5 | 68.5 |
| France | 60.1 | 62.6 | 66.4 | 69 | 70.4 | 66.9 | 65.7 | 64.3 | 67.5 | 71.7 | 74.1 | 76.0 | 71.2 | 73.0 | 79.3 | 90.8 | 95.2 | 98.6 | 102.4 | 104.1 |
| Germany[2] | 46.5 | 55.7 | 58.8 | 60.4 | 62.3 | 61.8 | 60.8 | 60.1 | 62.5 | 65.9 | 69.3 | 71.8 | 69.8 | 65.6 | 69.7 | 77.4 | 87.1 | 86.9 | 87.3 | 86.4 |
| Greece | .. | 102.0 | 104.1 | 100.9 | 98.6 | 102.4 | 116.4 | 119.2 | 118.6 | 113.3 | 115.8 | 113.3 | 116.9 | 115.0 | 118.1 | 133.5 | 149.1 | 165.1 | 181.2 | 183.9 |
| Hungary | 92.4 | 89.1 | 76.9 | 67.4 | 65.5 | 67.7 | 62.2 | 60.5 | 61.1 | 62.1 | 65.5 | 68.8 | 72.4 | 73.4 | 77.0 | 86.7 | 86.9 | 89.8 | 90.8 | 91.5 |
| Iceland | .. | .. | .. | .. | 77.3 | 73.6 | 72.9 | 75.0 | 72.0 | 71.0 | 64.4 | 52.6 | 57.4 | 53.3 | 102.1 | 119.8 | 125.0 | 127.3 | 127.4 | 126.2 |
| Ireland | .. | .. | .. | .. | 62.6 | 51.7 | 40.0 | 37.4 | 35.7 | 34.5 | 33.1 | 32.9 | 29.2 | 28.7 | 49.6 | 71.1 | 98.5 | 112.6 | 118.8 | 122.4 |
| Israel | .. | .. | .. | .. | 101.0 | 94.8 | 84.3 | 89.0 | 96.7 | 99.3 | 97.7 | 93.7 | 84.7 | 78.1 | 77.0 | 79.4 | 76.0 | 74.6 | 73.8 | 72.4 |
| Italy | 120.4 | 122.0 | 128.1 | 129.6 | 131.7 | 125.5 | 121.0 | 120.1 | 118.7 | 116.3 | 116.7 | 119.4 | 116.9 | 112.1 | 114.7 | 127.1 | 126.1 | 127.7 | 128.1 | 126.6 |
| Japan[3] | 79.0 | 86.2 | 93.8 | 100.5 | 113.2 | 127.0 | 135.4 | 143.7 | 152.3 | 158.0 | 165.5 | 175.3 | 172.1 | 167.0 | 174.1 | 194.1 | 200.0 | 211.7 | 219.1 | 226.8 |
| Korea[4] | .. | .. | .. | .. | .. | .. | .. | .. | 19.2 | 19.7 | 23.3 | 25.5 | 28.5 | 28.7 | 30.4 | 33.5 | 34.6 | 35.5 | 36.3 | 36.8 |
| Luxembourg | .. | .. | .. | .. | 16.2 | 14.8 | 13.4 | 13.5 | 12.2 | 13.1 | 14.0 | 12.1 | 11.5 | 11.3 | 18.3 | 18.0 | 24.5 | 28.2 | 30.9 | 34.6 |
| Netherlands | 86.6 | 89.5 | 88.0 | 82.1 | 80.7 | 71.6 | 63.8 | 59.4 | 60.2 | 61.3 | 61.9 | 60.7 | 54.5 | 51.5 | 64.8 | 67.4 | 70.6 | 72.5 | 75.3 | 76.9 |
| New Zealand | 56.8 | 50.7 | 44.3 | 41.7 | 41.6 | 39.0 | 36.9 | 34.9 | 33.0 | 30.9 | 28.2 | 26.9 | 26.6 | 25.7 | 28.9 | 34.4 | 37.8 | 44.1 | 47.6 | 50.2 |
| Norway | 34.6 | 37.9 | 33.6 | 29.7 | 28.0 | 29.1 | 32.7 | 31.6 | 38.8 | 48.2 | 51.0 | 47.9 | 59.4 | 57.4 | 55.0 | 49.1 | 49.7 | 56.5 | 51.3 | 48.6 |
| Poland | .. | 51.6 | 51.5 | 48.4 | 44.0 | 46.8 | 45.4 | 43.7 | 55.0 | 55.4 | 54.6 | 54.8 | 55.2 | 51.7 | 54.4 | 58.5 | 62.4 | 64.9 | 65.4 | 64.7 |
| Portugal | .. | 66.8 | 66.5 | 65.3 | 63.3 | 60.5 | 60.2 | 61.7 | 65.0 | 66.8 | 69.3 | 72.8 | 77.6 | 75.4 | 80.7 | 93.3 | 103.6 | 111.9 | 121.9 | 123.7 |
| Slovak Republic | .. | 38.2 | 37.6 | 39.0 | 41.2 | 53.5 | 57.6 | 57.1 | 50.2 | 48.2 | 47.6 | 39.1 | 34.1 | 32.9 | 31.8 | 40.0 | 44.8 | 49.8 | 53.4 | 55.3 |
| Slovenia | .. | .. | .. | .. | .. | .. | .. | 33.6 | 34.7 | 34.1 | 34.9 | 34.0 | 33.8 | 30.7 | 30.4 | 44.3 | 48.4 | 53.7 | 58.1 | 61.0 |
| Spain | 64.3 | 69.3 | 76.0 | 75.0 | 75.3 | 69.4 | 66.5 | 61.9 | 60.3 | 55.3 | 53.3 | 50.7 | 46.2 | 42.3 | 47.7 | 62.9 | 67.1 | 74.1 | 77.2 | 79.0 |
| Sweden | 82.5 | 81.1 | 84.4 | 83.0 | 82.0 | 73.2 | 64.3 | 62.7 | 60.2 | 59.3 | 60.0 | 60.8 | 53.9 | 49.3 | 49.6 | 52.0 | 49.1 | 46.2 | 45.3 | 43.1 |
| Switzerland | 45.5 | 47.7 | 50.1 | 52.1 | 54.8 | 51.9 | 52.4 | 51.2 | 57.2 | 57.0 | 57.9 | 56.4 | 50.2 | 46.8 | 43.6 | 43.7 | 42.6 | 42.0 | 41.2 | 40.7 |
| United Kingdom | 46.8 | 51.6 | 51.2 | 52.0 | 52.5 | 47.4 | 45.2 | 40.4 | 40.8 | 41.5 | 43.8 | 46.4 | 46.0 | 47.2 | 57.4 | 72.4 | 82.2 | 90.0 | 97.2 | 102.3 |
| United States | 71.1 | 70.7 | 69.9 | 67.4 | 64.2 | 60.5 | 54.5 | 54.4 | 56.8 | 60.2 | 61.3 | 61.5 | 60.9 | 62.1 | 71.4 | 85.0 | 94.2 | 97.6 | 103.6 | 108.5 |
| Euro area | 71.1 | \| 75.5 | 80.0 | 81.0 | 81.5 | 78.2 | 76.0 | 74.4 | 75.3 | 76.0 | 77.3 | 78.1 | 74.7 | 71.8 | 77.0 | 87.6 | 92.9 | 95.6 | 97.9 | 98.2 |
| Total OECD | 69.9 | \| 72.4 | 73.9 | 73.6 | 74.2 | 72.6 | 69.9 | 69.6 | 71.6 | 73.5 | 75.0 | 76.4 | 74.6 | 73.3 | 79.7 | 91.4 | 97.9 | 101.6 | 105.7 | 108.4 |

*Note:* Gross debt data are not always comparable across countries due to different definitions or treatment of debt components.

Maastricht debt for European Union countries is shown in Annex Table 62. For more details, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

For euro area countries with unsustainable fiscal positions that have asked for assistance from the European Union and the IMF (Greece, Ireland and Portugal) the change in 2010 in government financial liabilities has been approximated by the change in government liabilities recorded for the Maastricht definition of general government debt (see Box 1.2 on policy and other assumptions in Chapter 1).

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. Includes the debt of the Inherited Debt Fund from 1995 onwards.
3. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account from 1998 onwards.
4. Data are on a non-consolidated basis (SNA93).

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558954

Annex Table 33. **General government net financial liabilities**

Per cent of nominal GDP

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 25.7 | 26.3 | 20.9 | 21.1 | 16.0 | 14.9 | 8.8 | 6.4 | 4.5 | 2.4 | 0.3 | -1.3 | -4.6 | -7.2 | -7.5 | -3.7 | 1.8 | 4.9 | 6.1 | 6.1 |
| Austria | 35.2 | 38.6 | 40.2 | 36.4 | 36.5 | 35.7 | 34.7 | 35.6 | 37.1 | 36.1 | 38.1 | 37.9 | 34.0 | 31.4 | 34.7 | 40.6 | 44.0 | 45.2 | 47.4 | 48.9 |
| Belgium[1] | 114.4 | 114.5 | 115.3 | 110.8 | 107.7 | 103.0 | 97.5 | 94.9 | 93.1 | 90.2 | 83.7 | 82.0 | 77.2 | 73.2 | 73.6 | 79.7 | 80.3 | 80.4 | 81.5 | 81.1 |
| Canada | 67.9 | 70.7 | 70.0 | 64.7 | 60.8 | 55.8 | 46.2 | 44.3 | 42.6 | 38.7 | 35.2 | 31.0 | 26.3 | 22.9 | 22.6 | 28.3 | 30.4 | 33.6 | 36.6 | 38.3 |
| Czech Republic | .. | .. | .. | .. | .. | .. | .. | .. | -15.6 | -7.2 | -9.3 | -10.9 | -11.2 | -15.7 | -6.7 | -2.7 | 2.3 | 6.0 | 9.2 | 12.2 |
| Denmark | 32.9 | 33.4 | 33.3 | 32.3 | 35.1 | 28.4 | 22.5 | 20.1 | 19.1 | 18.0 | 14.8 | 10.5 | 1.9 | -3.8 | -5.3 | -3.7 | -1.3 | 2.4 | 7.4 | 10.2 |
| Estonia | .. | -39.2 | -28.6 | -23.5 | -40.4 | -39.8 | -30.4 | -28.5 | -28.6 | -29.1 | -32.1 | -31.9 | -31.4 | -28.9 | -26.3 | -29.6 | -36.5 | -32.7 | -28.9 | -26.9 |
| Finland[2] | -16.3 | -7.3 | -6.7 | -7.5 | -14.5 | -50.3 | -31.1 | -31.7 | -31.3 | -38.5 | -46.7 | -58.6 | -69.5 | -72.6 | -52.2 | -62.5 | -64.5 | -60.9 | -56.6 | -53.6 |
| France | 29.6 | 37.4 | 41.9 | 42.4 | 40.6 | 33.6 | 35.2 | 36.7 | 41.9 | 44.4 | 45.4 | 43.4 | 37.4 | 35.7 | 45.9 | 52.3 | 58.9 | 62.7 | 66.2 | 67.7 |
| Germany[3] | 19.1 | 29.7 | 32.7 | 32.5 | 36.3 | 34.4 | 33.7 | 36.1 | 40.3 | 43.3 | 47.3 | 49.6 | 47.7 | 42.5 | 44.6 | 49.1 | 52.2 | 51.5 | 51.6 | 50.5 |
| Greece | .. | 81.7 | 82.2 | 77.5 | 73.3 | 71.2 | 89.8 | 94.1 | 95.9 | 88.4 | 88.5 | 83.7 | 87.1 | 82.0 | 90.4 | 102.0 | 115.5 | 133.1 | 144.6 | 147.8 |
| Hungary | 3.4 | 24.5 | 25.5 | 25.2 | 32.1 | 34.4 | 33.0 | 32.5 | 36.9 | 37.8 | 41.8 | 46.2 | 51.7 | 53.5 | 51.9 | 59.9 | 61.0 | 55.0 | 56.6 | 58.0 |
| Iceland | .. | .. | .. | .. | 42.6 | 35.9 | 37.5 | 29.2 | 28.5 | 30.7 | 27.6 | 13.6 | 7.9 | -1.0 | 26.0 | 39.9 | 48.2 | 50.5 | 50.6 | 49.4 |
| Ireland | .. | .. | .. | .. | 42.2 | 27.4 | 15.9 | 12.5 | 14.0 | 11.9 | 8.7 | 6.4 | 2.0 | -0.1 | 12.6 | 26.3 | 54.9 | 65.0 | 72.5 | 77.6 |
| Italy | 104.0 | 98.6 | 103.9 | 104.1 | 106.3 | 100.3 | 95.0 | 95.7 | 95.2 | 92.3 | 92.0 | 93.4 | 90.3 | 86.6 | 89.5 | 99.7 | 98.6 | 100.2 | 100.6 | 99.1 |
| Japan[4] | 19.6 | 23.8 | 29.2 | 34.8 | 46.2 | 53.8 | 60.4 | 66.3 | 72.6 | 76.5 | 82.7 | 84.6 | 84.3 | 81.5 | 96.5 | 110.0 | 116.0 | 127.6 | 134.8 | 142.5 |
| Korea[5] | .. | .. | .. | .. | .. | .. | .. | .. | -32.3 | -31.1 | -31.6 | -35.9 | -36.8 | -40.3 | -37.7 | -39.0 | -37.4 | -38.3 | -39.4 | -40.7 |
| Luxembourg | .. | .. | .. | .. | -53.2 | -52.4 | -54.5 | -60.6 | -59.2 | -56.9 | -54.1 | -51.4 | -51.0 | -54.8 | -50.8 | -55.6 | -49.9 | -46.2 | -43.5 | -39.8 |
| Netherlands | 44.6 | 54.0 | 52.7 | 49.7 | 48.2 | 36.7 | 34.9 | 33.0 | 34.8 | 36.2 | 37.6 | 35.0 | 31.6 | 27.8 | 27.0 | 29.7 | 34.4 | 37.7 | 40.2 | 41.8 |
| New Zealand | 43.9 | 37.6 | 32.4 | 29.8 | 27.8 | 25.4 | 23.4 | 21.1 | 17.6 | 13.1 | 8.3 | 3.7 | -1.2 | -5.5 | -5.0 | -1.0 | 2.9 | 10.8 | 14.3 | 16.8 |
| Norway | -30.6 | -36.1 | -41.0 | -48.5 | -51.9 | -57.3 | -67.2 | -84.4 | -80.7 | -95.1 | -104.2 | -121.4 | -135.1 | -141.3 | -126.3 | -158.8 | -165.9 | -162.5 | -167.7 | -170.4 |
| Poland | .. | -15.0 | -5.7 | 0.3 | 6.4 | 13.5 | 15.5 | 18.5 | 22.1 | 22.7 | 20.8 | 23.5 | 22.4 | 17.0 | 17.2 | 22.5 | 28.7 | 32.2 | 33.7 | 34.0 |
| Portugal | .. | 24.3 | 26.5 | 31.2 | 32.5 | 30.4 | 28.0 | 29.8 | 34.0 | 36.2 | 41.1 | 44.1 | 50.1 | 49.6 | 54.1 | 64.5 | 69.6 | 75.8 | 82.2 | 83.9 |
| Slovak Republic | .. | -30.7 | -18.2 | -12.1 | -3.7 | 1.2 | 12.5 | 10.9 | 1.7 | 1.8 | 7.6 | 4.9 | 6.5 | 7.3 | 8.9 | 17.2 | 21.6 | 26.4 | 29.8 | 31.6 |
| Slovenia | .. | .. | .. | .. | .. | .. | .. | -15.6 | -14.2 | -9.5 | -9.7 | -8.5 | -9.9 | -16.9 | -5.0 | 0.1 | 0.8 | 6.1 | 10.5 | 13.5 |
| Spain | 46.4 | 51.6 | 55.5 | 54.2 | 53.7 | 47.7 | 44.2 | 41.6 | 40.3 | 36.8 | 34.6 | 29.1 | 22.4 | 17.8 | 22.6 | 34.4 | 40.3 | 45.6 | 49.6 | 51.7 |
| Sweden | 20.7 | 25.6 | 26.6 | 24.6 | 22.0 | 12.4 | 5.5 | -2.5 | 3.9 | 0.0 | -2.7 | -7.9 | -18.9 | -22.5 | -16.6 | -24.4 | -26.1 | -24.9 | -24.2 | -24.0 |
| Switzerland | .. | .. | .. | .. | .. | 6.0 | 3.3 | 2.8 | 7.3 | 7.4 | 9.3 | 8.4 | 5.5 | 1.0 | 2.8 | 1.9 | 1.3 | 0.4 | 0.0 | -0.6 |
| United Kingdom | 19.7 | 26.3 | 27.9 | 30.6 | 32.6 | 29.0 | 26.8 | 23.2 | 23.7 | 23.9 | 25.9 | 27.1 | 27.5 | 28.4 | 33.3 | 44.1 | 53.9 | 61.7 | 68.9 | 74.0 |
| United States | 54.4 | 53.8 | 51.9 | 48.8 | 44.9 | 40.2 | 35.3 | 34.6 | 37.2 | 40.5 | 42.1 | 42.5 | 41.8 | 42.7 | 48.5 | 60.5 | 68.4 | 73.8 | 80.3 | 85.6 |
| Euro area | 44.2 | 49.2 | 53.6 | 53.6 | 53.9 | 48.3 | 47.5 | 48.0 | 50.4 | 50.6 | 51.4 | 50.5 | 46.6 | 42.6 | 47.4 | 54.5 | 58.5 | 60.8 | 62.8 | 63.1 |
| Total OECD | 41.8 | 43.4 | 44.3 | 43.6 | 44.0 | 40.5 | 38.2 | 37.8 | 40.0 | 41.4 | 42.5 | 42.1 | 40.0 | 38.3 | 43.9 | 52.5 | 58.1 | 62.5 | 66.7 | 69.7 |

*Note:* Net debt measures are not always comparable across countries due to different definitions or treatment of debt (and asset) components, see also *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. From 1995 onwards housing corporation shares are no longer classified as financial assets.
3. Includes the debt of the Inherited Debt Fund from 1995 onwards.
4. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account from 1998 onwards.
5. Data are on a non-consolidated basis (SNA93).

*Source:* OECD Economic Outlook 90 database.

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Annex Table 34. **Short-term interest rates**

Per cent, per annum

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 5.4 | 5.0 | 5.0 | 6.2 | 4.9 | 4.7 | 4.9 | 5.5 | 5.6 | 6.0 | 6.7 | 7.0 | 3.4 | 4.7 | 4.8 | 4.5 | 4.8 | 4.6 | 4.5 | 4.8 |
| Austria | 3.5 | 3.6 | | | | | | | | | | | | | | | | | | |
| Belgium | 3.4 | 3.6 | | | | | | | | | | | | | | | | | | |
| Canada | 3.6 | 5.1 | 4.9 | 5.7 | 4.0 | 2.6 | 3.0 | 2.4 | 2.8 | 4.1 | 4.6 | 3.5 | 0.8 | 0.8 | 1.2 | 1.2 | 1.5 | 1.1 | 1.2 | 1.9 |
| Chile | .. | 16.4 | 11.0 | 10.8 | 7.2 | 3.9 | 2.8 | 1.8 | 3.5 | 4.8 | 5.2 | 7.3 | 1.7 | 1.9 | 5.0 | 5.0 | 5.0 | 5.5 | 5.0 | 5.0 |
| Czech Republic | 16.0 | 14.3 | 6.9 | 5.4 | 5.2 | 3.5 | 2.3 | 2.4 | 2.0 | 2.3 | 3.1 | 4.0 | 2.2 | 1.3 | 1.2 | 1.2 | 1.4 | 1.2 | 1.2 | 1.6 |
| Denmark | 3.7 | 4.1 | 3.3 | 4.9 | 4.6 | 3.5 | 2.4 | 2.1 | 2.2 | 3.1 | 4.3 | 4.9 | 1.8 | 0.7 | 1.1 | 0.9 | 0.6 | 1.2 | 0.8 | 0.4 |
| Estonia | 8.6 | 13.9 | 7.8 | 5.7 | 5.3 | 3.9 | 2.9 | 2.5 | 2.4 | 3.2 | 4.9 | 6.7 | 5.9 | 1.6 | | | | | | |
| Finland | 3.2 | 3.6 | | | | | | | | | | | | | | | | | | |
| France | 3.5 | 3.6 | | | | | | | | | | | | | | | | | | |
| Germany | 3.3 | 3.5 | | | | | | | | | | | | | | | | | | |
| Greece | 10.4 | 11.6 | 8.9 | | | | | | | | | | | | | | | | | |
| Hungary | 20.1 | 18.0 | 14.7 | 11.0 | 10.8 | 8.9 | 8.2 | 11.3 | 7.0 | 6.9 | 7.6 | 8.9 | 8.5 | 5.4 | 5.8 | 5.5 | 5.3 | 5.8 | 5.3 | 5.3 |
| Iceland | 7.1 | 7.5 | 9.3 | 11.2 | 12.0 | 9.0 | 5.3 | 6.3 | 9.4 | 12.4 | 14.3 | 15.8 | 11.3 | 6.8 | 4.1 | 4.5 | 4.5 | 4.4 | 4.5 | 4.5 |
| Ireland | 6.1 | 5.4 | | | | | | | | | | | | | | | | | | |
| Israel | 13.8 | 11.9 | 12.0 | 9.0 | 6.5 | 7.2 | 6.6 | 4.3 | 3.9 | 5.5 | 4.3 | 3.6 | 0.6 | 1.6 | 2.9 | 2.3 | 2.6 | 2.9 | 2.3 | 3.0 |
| Italy | 6.9 | 5.0 | | | | | | | | | | | | | | | | | | |
| Japan | 0.6 | 0.7 | 0.2 | 0.2 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.2 | 0.7 | 0.7 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 |
| Korea | 13.4 | 15.2 | 6.8 | 7.1 | 5.3 | 4.8 | 4.3 | 3.8 | 3.6 | 4.5 | 5.2 | 5.5 | 2.6 | 2.7 | 3.4 | 4.1 | 5.1 | 3.6 | 4.5 | 5.5 |
| Luxembourg | 3.4 | 3.6 | | | | | | | | | | | | | | | | | | |
| Mexico | 21.3 | 26.2 | 22.4 | 16.2 | 12.2 | 7.4 | 6.5 | 7.1 | 9.3 | 7.3 | 7.4 | 7.9 | 5.5 | 4.6 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 |
| Netherlands | 3.3 | 3.5 | | | | | | | | | | | | | | | | | | |
| New Zealand | 7.7 | 7.3 | 4.8 | 6.5 | 5.7 | 5.7 | 5.4 | 6.1 | 7.1 | 7.5 | 8.3 | 8.0 | 3.0 | 3.0 | 2.8 | 3.1 | 4.2 | 2.8 | 3.7 | 4.6 |
| Norway | 3.7 | 5.8 | 6.5 | 6.7 | 7.2 | 6.9 | 4.1 | 2.0 | 2.2 | 3.1 | 5.0 | 6.2 | 2.5 | 2.5 | 2.9 | 3.0 | 3.4 | 3.0 | 3.0 | 3.5 |
| Poland | 23.1 | 19.9 | 14.7 | 18.9 | 15.7 | 8.8 | 5.7 | 6.2 | 5.2 | 4.2 | 4.8 | 6.3 | 4.3 | 3.9 | 4.5 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 |
| Portugal | 5.7 | 4.3 | | | | | | | | | | | | | | | | | | |
| Slovak Republic | 22.4 | 21.1 | 15.7 | 8.6 | 7.8 | 7.8 | 6.2 | 4.7 | 2.9 | 4.3 | 4.3 | | | | | | | | | |
| Slovenia | .. | .. | .. | .. | .. | 8.0 | 6.8 | 4.7 | 4.0 | 3.6 | | | | | | | | | | |
| Spain | 5.4 | 4.2 | | | | | | | | | | | | | | | | | | |
| Sweden | 4.1 | 4.2 | 3.1 | 4.0 | 4.0 | 4.1 | 3.0 | 2.1 | 1.7 | 2.3 | 3.6 | 3.9 | 0.4 | 0.5 | 1.7 | 1.5 | 1.3 | 1.7 | 1.5 | 1.3 |
| Switzerland | 1.6 | 1.5 | 1.4 | 3.2 | 2.9 | 1.1 | 0.3 | 0.5 | 0.8 | 1.6 | 2.6 | 2.5 | 0.4 | 0.2 | 0.1 | 0.1 | 0.3 | 0.1 | 0.2 | 0.4 |
| Turkey | .. | .. | .. | 38.4 | 92.4 | 59.5 | 38.5 | 23.8 | 15.9 | 17.9 | 18.2 | 18.8 | 11.0 | 7.8 | 8.4 | 8.9 | 9.5 | 8.6 | 9.1 | 9.6 |
| United Kingdom | 6.8 | 7.3 | 5.4 | 6.1 | 5.0 | 4.0 | 3.7 | 4.6 | 4.7 | 4.8 | 6.0 | 5.5 | 1.2 | 0.7 | 0.9 | 0.9 | 0.7 | 1.0 | 0.8 | 0.6 |
| United States | 5.7 | 5.5 | 5.4 | 6.5 | 3.7 | 1.8 | 1.2 | 1.6 | 3.5 | 5.2 | 5.3 | 3.2 | 0.9 | 0.5 | 0.4 | 0.4 | 0.3 | 0.4 | 0.3 | 0.4 |
| Euro area | 4.5 | 4.1 | 3.1 | 4.4 | 4.3 | 3.4 | 2.4 | 2.1 | 2.2 | 3.1 | 4.3 | 4.6 | 1.2 | 0.8 | 1.4 | 1.0 | 0.6 | 1.4 | 0.8 | 0.4 |

*Note:* Three-month money market rates where available, or rates on similar financial instruments. For further information, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).* Individual euro area countries are not shown after 1998 (1999 for Greece, 2006 for Slovenia, 2007 for the Slovak Republic and 2010 for Estonia) since their short-term interest rates are equal to the euro area rate.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932558992

Annex Table 35. **Long-term interest rates**

Per cent, per annum

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Fourth quarter 2011 | Fourth quarter 2012 | Fourth quarter 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 7.0 | 5.5 | 6.0 | 6.3 | 5.6 | 5.8 | 5.4 | 5.6 | 5.3 | 5.6 | 6.0 | 5.8 | 5.0 | 5.4 | 4.9 | 4.4 | 5.0 | 4.4 | 4.5 | 5.3 |
| Austria | 5.7 | 4.7 | 4.7 | 5.6 | 5.1 | 5.0 | 4.2 | 4.2 | 3.4 | 3.8 | 4.3 | 4.4 | 3.9 | 3.2 | 3.3 | 3.4 | 4.0 | 2.9 | 3.7 | 4.2 |
| Belgium | 5.6 | 4.7 | 4.7 | 5.6 | 5.1 | 4.9 | 4.1 | 4.1 | 3.4 | 3.8 | 4.3 | 4.4 | 3.8 | 3.3 | 4.1 | 4.1 | 4.5 | 4.1 | 4.2 | 4.7 |
| Canada | 6.1 | 5.3 | 5.5 | 5.9 | 5.5 | 5.3 | 4.8 | 4.6 | 4.1 | 4.2 | 4.3 | 3.6 | 3.2 | 3.2 | 2.8 | 2.8 | 3.8 | 2.2 | 3.2 | 4.2 |
| Chile | .. | .. | .. | .. | .. | .. | .. | .. | 6.0 | 6.1 | 6.1 | 7.0 | 5.7 | 6.3 | 6.2 | 5.6 | 5.6 | 5.9 | 5.6 | 5.6 |
| Czech Republic | .. | .. | .. | .. | 6.3 | 4.9 | 4.1 | 4.8 | 3.5 | 3.8 | 4.3 | 4.6 | 4.8 | 3.9 | 3.6 | 3.7 | 4.4 | 3.2 | 4.0 | 4.7 |
| Denmark | 6.3 | 5.0 | 4.9 | 5.7 | 5.1 | 5.1 | 4.3 | 4.3 | 3.4 | 3.8 | 4.3 | 4.3 | 3.6 | 2.9 | 2.8 | 2.9 | 3.6 | 2.4 | 3.1 | 3.9 |
| Finland | 6.0 | 4.8 | 4.7 | 5.5 | 5.0 | 5.0 | 4.1 | 4.1 | 3.4 | 3.8 | 4.3 | 4.3 | 3.7 | 3.0 | 3.0 | 2.9 | 3.5 | 2.4 | 3.2 | 3.9 |
| France | 5.6 | 4.6 | 4.6 | 5.4 | 4.9 | 4.9 | 4.1 | 4.1 | 3.4 | 3.8 | 4.3 | 4.2 | 3.6 | 3.1 | 3.3 | 3.5 | 4.0 | 3.0 | 3.8 | 4.2 |
| Germany | 5.7 | 4.6 | 4.5 | 5.3 | 4.8 | 4.8 | 4.1 | 4.0 | 3.4 | 3.8 | 4.2 | 4.0 | 3.2 | 2.7 | 2.6 | 2.4 | 3.3 | 1.9 | 2.7 | 3.7 |
| Greece | 9.9 | 8.5 | 6.3 | 6.1 | 5.3 | 5.1 | 4.3 | 4.3 | 3.6 | 4.1 | 4.5 | 4.8 | 5.2 | 9.1 | 17.5 | 26.4 | 19.8 | 25.9 | 26.7 | 15.7 |
| Hungary | .. | .. | .. | 8.6 | 7.9 | 7.1 | 6.8 | 8.3 | 6.6 | 7.1 | 6.7 | 8.2 | 9.1 | 7.3 | 7.4 | 7.2 | 7.0 | 7.5 | 7.0 | 7.0 |
| Iceland | 8.7 | 7.7 | 8.5 | 11.2 | 10.4 | 8.0 | 6.7 | 7.5 | 7.7 | 9.3 | 9.8 | 11.1 | 8.0 | 5.0 | 3.3 | 4.4 | 5.6 | 3.6 | 4.9 | 5.9 |
| Ireland | 6.3 | 4.7 | 4.8 | 5.5 | 5.0 | 5.0 | 4.1 | 4.1 | 3.3 | 3.8 | 4.3 | 4.6 | 5.2 | 6.0 | 9.4 | 7.4 | 6.9 | 7.9 | 7.2 | 6.7 |
| Israel | 4.1 | 4.9 | 5.2 | 5.5 | 4.8 | 5.3 | 4.7 | 7.6 | 6.4 | 6.3 | 5.6 | 5.9 | 5.1 | 4.7 | 5.0 | 4.7 | 4.8 | 4.9 | 4.7 | 4.9 |
| Italy | 6.9 | 4.9 | 4.7 | 5.6 | 5.2 | 5.0 | 4.3 | 4.3 | 3.6 | 4.0 | 4.5 | 4.7 | 4.3 | 4.0 | 5.3 | 6.5 | 6.0 | 6.0 | 6.8 | 5.7 |
| Japan | 2.4 | 1.5 | 1.7 | 1.7 | 1.3 | 1.3 | 1.0 | 1.5 | 1.4 | 1.7 | 1.7 | 1.5 | 1.3 | 1.1 | 1.1 | 1.4 | 2.1 | 1.0 | 1.7 | 2.4 |
| Korea | 11.7 | 12.8 | 8.7 | 8.5 | 6.9 | 6.6 | 5.0 | 4.7 | 5.0 | 5.2 | 5.4 | 5.6 | 5.2 | 4.8 | 4.2 | 4.3 | 5.2 | 3.8 | 4.6 | 5.5 |
| Luxembourg | 5.6 | 4.7 | 4.7 | 5.5 | 4.9 | 4.7 | 3.3 | 2.8 | 2.4 | 3.3 | 4.5 | 4.6 | 4.2 | 3.2 | 2.9 | 2.8 | 3.7 | 2.3 | 3.1 | 4.1 |
| Mexico | 22.4 | 24.8 | 24.1 | 16.9 | 13.8 | 8.5 | 7.4 | 7.7 | 9.3 | 7.5 | 7.6 | 8.1 | 5.8 | 4.9 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 |
| Netherlands | 5.6 | 4.6 | 4.6 | 5.4 | 5.0 | 4.9 | 4.1 | 4.1 | 3.4 | 3.8 | 4.3 | 4.2 | 3.7 | 3.0 | 3.0 | 2.7 | 3.5 | 2.3 | 3.0 | 3.9 |
| New Zealand | 7.2 | 6.3 | 6.4 | 6.9 | 6.4 | 6.5 | 5.9 | 6.1 | 5.9 | 5.8 | 6.3 | 6.1 | 5.5 | 5.6 | 5.0 | 4.9 | 5.9 | 4.5 | 5.5 | 6.3 |
| Norway | 5.9 | 5.4 | 5.5 | 6.2 | 6.2 | 6.4 | 5.0 | 4.4 | 3.7 | 4.1 | 4.8 | 4.5 | 4.0 | 3.5 | 3.2 | 3.3 | 4.2 | 2.9 | 3.5 | 4.7 |
| Portugal | 6.4 | 4.9 | 4.8 | 5.6 | 5.2 | 5.0 | 4.2 | 4.1 | 3.4 | 3.9 | 4.4 | 4.5 | 4.2 | 5.4 | 10.1 | 12.1 | 10.0 | 11.6 | 12.4 | 8.5 |
| Slovak Republic | 9.4 | 21.7 | 16.2 | 9.8 | 8.0 | 6.9 | 5.0 | 5.0 | 3.5 | 4.4 | 4.5 | 4.7 | 4.7 | 3.9 | 4.3 | 4.8 | 4.5 | 4.4 | 5.2 | 4.9 |
| Slovenia | .. | .. | .. | .. | .. | .. | 6.4 | 4.7 | 3.8 | 3.9 | 4.5 | 4.6 | 4.4 | 3.8 | 4.6 | 5.2 | 5.1 | 4.6 | 5.5 | 5.0 |
| Spain | 6.4 | 4.8 | 4.7 | 5.5 | 5.1 | 5.0 | 4.1 | 4.1 | 3.4 | 3.8 | 4.3 | 4.4 | 4.0 | 4.3 | 5.4 | 5.9 | 5.7 | 5.4 | 6.2 | 5.4 |
| Sweden | 6.7 | 5.0 | 5.0 | 5.4 | 5.1 | 5.3 | 4.6 | 4.4 | 3.4 | 3.7 | 4.2 | 3.9 | 3.2 | 2.9 | 2.6 | 2.4 | 3.3 | 1.9 | 2.7 | 3.7 |
| Switzerland | 3.4 | 3.0 | 3.0 | 3.9 | 3.4 | 3.2 | 2.7 | 2.7 | 2.1 | 2.5 | 2.9 | 2.9 | 2.2 | 1.6 | 1.5 | 1.4 | 2.3 | 0.9 | 1.8 | 2.6 |
| Turkey | .. | .. | .. | 36.9 | 95.2 | 65.0 | 46.5 | 25.2 | 16.5 | 17.9 | 18.3 | 19.2 | 11.6 | 8.4 | 8.5 | 9.3 | 9.8 | 8.8 | 9.5 | 9.9 |
| United Kingdom | 7.1 | 5.6 | 5.1 | 5.3 | 4.9 | 4.9 | 4.5 | 4.9 | 4.4 | 4.5 | 5.0 | 4.6 | 3.6 | 3.6 | 3.1 | 2.8 | 3.9 | 2.3 | 3.2 | 4.3 |
| United States | 6.4 | 5.3 | 5.6 | 6.0 | 5.0 | 4.6 | 4.0 | 4.3 | 4.3 | 4.8 | 4.6 | 3.7 | 3.3 | 3.2 | 2.8 | 2.7 | 3.8 | 2.1 | 3.1 | 4.2 |
| Euro area | 6.0 | 4.8 | 4.7 | 5.4 | 5.0 | 4.9 | 4.2 | 4.1 | 3.4 | 3.8 | 4.3 | 4.3 | 3.8 | 3.6 | 4.2 | 4.6 | 4.8 | 4.2 | 5.0 | 4.8 |

*Note:* 10-year benchmark government bond yields where available or yield on similar financial instruments (for Korea a 5-year bond is used). For further information, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

*Source:* OECD Economic Outlook 90 database.

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Annex Table 36. **Nominal exchange rates (*vis-à-vis* the US dollar)**

Average of daily rates

| | Monetary unit | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Estimates and assumptions[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | 2011 | 2012 | 2013 |
| Australia | *Dollar* | 1.727 | 1.935 | 1.841 | 1.542 | 1.359 | 1.313 | 1.328 | 1.195 | 1.198 | 1.282 | 1.090 | 0.967 | 0.978 | 0.978 |
| Canada | *Dollar* | 1.485 | 1.548 | 1.570 | 1.400 | 1.301 | 1.212 | 1.134 | 1.074 | 1.068 | 1.141 | 1.030 | 0.988 | 1.017 | 1.017 |
| Chile | *Peso* | 539.5 | 634.9 | 688.9 | 691.4 | 609.5 | 559.8 | 530.3 | 522.5 | 523.5 | 558.9 | 510.0 | 481.3 | 500.6 | 500.6 |
| Czech Republic | *Koruny* | 38.64 | 38.02 | 32.73 | 28.13 | 25.69 | 23.95 | 22.59 | 20.29 | 17.08 | 19.05 | 19.08 | 17.61 | 18.81 | 18.807 |
| Denmark | *Krone* | 8.088 | 8.321 | 7.884 | 6.577 | 5.988 | 5.996 | 5.943 | 5.443 | 5.099 | 5.359 | 5.622 | 5.340 | 5.454 | 5.454 |
| Estonia | *Kroon* | 17.0 | 17.5 | 16.6 | 13.9 | 12.6 | 12.6 | 12.5 | 11.4 | 10.7 | 11.3 | 11.8 | | | |
| Hungary | *Forint* | 282.3 | 286.5 | 257.9 | 224.3 | 202.6 | 199.5 | 210.4 | 183.6 | 172.5 | 202.1 | 207.8 | 200.9 | 231.4 | 231.4 |
| Iceland | *Krona* | 78.84 | 97.67 | 91.59 | 76.69 | 70.19 | 62.88 | 69.90 | 64.07 | 88.00 | 123.66 | 122.24 | 115.51 | 115.92 | 115.92 |
| Israel | *Sheqel* | 4.08 | 4.21 | 4.74 | 4.55 | 4.48 | 4.49 | 4.46 | 4.11 | 3.58 | 3.93 | 3.73 | 3.57 | 3.72 | 3.72 |
| Japan | *Yen* | 107.8 | 121.5 | 125.3 | 115.9 | 108.1 | 110.1 | 116.4 | 117.8 | 103.4 | 93.6 | 87.8 | 79.6 | 77.0 | 77.0 |
| Korea | *Won* | 1 130.6 | 1 290.4 | 1 251.0 | 1 191.0 | 1 145.2 | 1 024.2 | 954.7 | 929.5 | 1 100.9 | 1 274.9 | 1 155.4 | 1 104.5 | 1 125.5 | 1 125.5 |
| Mexico | *Peso* | 9.453 | 9.344 | 9.660 | 10.790 | 11.281 | 10.890 | 10.903 | 10.929 | 11.153 | 13.504 | 12.632 | 12.394 | 13.502 | 13.502 |
| New Zealand | *Dollar* | 2.205 | 2.382 | 2.163 | 1.724 | 1.509 | 1.421 | 1.542 | 1.361 | 1.425 | 1.600 | 1.388 | 1.263 | 1.283 | 1.283 |
| Norway | *Krone* | 8.797 | 8.993 | 7.986 | 7.078 | 6.739 | 6.441 | 6.415 | 5.858 | 5.648 | 6.290 | 6.044 | 5.581 | 5.680 | 5.680 |
| Poland | *Zloty* | 4.346 | 4.097 | 4.082 | 3.888 | 3.651 | 3.234 | 3.103 | 2.765 | 2.410 | 3.119 | 3.015 | 2.941 | 3.213 | 3.213 |
| Slovak Republic | *Koruna* | 46.23 | 48.35 | 45.30 | 36.76 | 32.23 | 31.04 | 29.65 | 24.68 | | | | | | |
| Slovenia | *Tolar* | 222.7 | 242.8 | 240.3 | 207.1 | 192.3 | 192.8 | 191.0 | | | | | | | |
| Sweden | *Krona* | 9.161 | 10.338 | 9.721 | 8.078 | 7.346 | 7.472 | 7.373 | 6.758 | 6.597 | 7.653 | 7.202 | 6.467 | 6.675 | 6.675 |
| Switzerland | *Franc* | 1.688 | 1.687 | 1.557 | 1.345 | 1.243 | 1.246 | 1.253 | 1.200 | 1.084 | 1.086 | 1.043 | 0.884 | 0.905 | 0.905 |
| Turkey | *Lira* | 0.624 | 1.228 | 1.512 | 1.503 | 1.426 | 1.341 | 1.430 | 1.300 | 1.299 | 1.547 | 1.499 | 1.661 | 1.772 | 1.772 |
| United Kingdom | *Pound* | 0.661 | 0.694 | 0.667 | 0.612 | 0.546 | 0.550 | 0.543 | 0.500 | 0.546 | 0.641 | 0.647 | 0.622 | 0.628 | 0.628 |
| United States | *Dollar* | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Euro area | *Euro* | 1.084 | 1.118 | 1.060 | 0.885 | 0.806 | 0.805 | 0.797 | 0.730 | 0.681 | 0.718 | 0.754 | 0.716 | 0.733 | 0.733 |

1. On the technical assumption that exchange rates remain at their levels of 14 November 2011.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 37. **Effective exchange rates**

Indices 2005 = 100, average of daily rates

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Estimates and assumptions[1] 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 89.0 | 89.4 | 83.0 | 77.7 | 80.8 | 90.3 | 97.5 | 100.0 | 98.6 | 104.8 | 102.6 | 98.0 | 111.3 | 119.4 | 118.9 | 118.9 |
| Austria | 96.9 | 97.2 | 95.0 | 95.4 | 96.2 | 99.6 | 100.7 | 100.0 | 100.1 | 100.8 | 101.4 | 102.3 | 99.8 | 99.8 | 100.1 | 100.1 |
| Belgium | 94.7 | 94.4 | 90.6 | 91.7 | 93.6 | 98.6 | 100.4 | 100.0 | 100.2 | 101.6 | 103.7 | 104.6 | 101.4 | 101.9 | 101.8 | 101.8 |
| Canada | 82.9 | 82.7 | 83.5 | 81.0 | 79.7 | 88.1 | 93.5 | 100.0 | 106.6 | 111.3 | 110.7 | 104.8 | 115.0 | 118.1 | 115.2 | 115.2 |
| Chile | 115.6 | 107.8 | 105.0 | 94.0 | 92.0 | 86.8 | 94.5 | 100.0 | 103.6 | 100.6 | 98.3 | 95.3 | 102.7 | 104.9 | 102.4 | 102.4 |
| Czech Republic | 79.7 | 79.2 | 80.1 | 84.2 | 93.9 | 93.8 | 94.1 | 100.0 | 105.0 | 107.4 | 119.8 | 114.9 | 117.3 | 120.8 | 116.1 | 116.1 |
| Denmark | 96.5 | 95.8 | 91.8 | 93.4 | 94.9 | 99.5 | 100.9 | 100.0 | 99.9 | 101.2 | 103.2 | 105.7 | 101.6 | 101.2 | 101.3 | 101.3 |
| Estonia | 85.7 | 93.7 | 91.4 | 92.8 | 94.8 | 99.3 | 100.8 | 100.0 | 99.8 | 100.9 | 102.4 | 106.1 | 101.8 | 101.5 | 101.8 | 101.8 |
| Finland | 91.4 | 93.9 | 89.6 | 91.5 | 93.5 | 98.9 | 100.8 | 100.0 | 99.9 | 101.6 | 103.8 | 106.0 | 100.9 | 100.7 | 100.4 | 100.4 |
| France | 96.1 | 95.4 | 91.8 | 92.7 | 94.3 | 99.0 | 100.5 | 100.0 | 100.1 | 101.5 | 103.2 | 103.9 | 101.0 | 101.3 | 101.1 | 101.1 |
| Germany | 94.5 | 94.4 | 90.2 | 91.3 | 93.2 | 99.0 | 101.1 | 100.0 | 100.1 | 101.6 | 103.0 | 104.6 | 100.6 | 100.8 | 101.1 | 101.1 |
| Greece | 98.1 | 98.3 | 91.6 | 92.5 | 94.4 | 99.2 | 100.9 | 100.0 | 100.0 | 101.3 | 103.2 | 104.2 | 101.1 | 101.6 | 101.4 | 101.4 |
| Hungary | 98.4 | 94.7 | 89.7 | 91.4 | 97.8 | 97.4 | 99.5 | 100.0 | 93.7 | 99.2 | 99.6 | 90.6 | 89.5 | 88.3 | 78.2 | 78.2 |
| Iceland | 94.2 | 95.5 | 96.3 | 82.1 | 84.8 | 89.0 | 89.9 | 100.0 | 89.7 | 90.7 | 65.8 | 47.7 | 48.9 | 49.0 | 49.8 | 49.8 |
| Ireland | 96.0 | 93.3 | 86.8 | 87.9 | 90.1 | 97.9 | 100.2 | 100.0 | 100.2 | 102.6 | 107.9 | 110.1 | 105.9 | 106.8 | 105.8 | 105.8 |
| Israel | 120.3 | 113.3 | 122.9 | 124.3 | 109.1 | 104.9 | 101.1 | 100.0 | 100.3 | 103.7 | 115.7 | 109.9 | 115.1 | 116.7 | 113.6 | 113.6 |
| Italy | 94.9 | 94.6 | 91.0 | 92.3 | 94.3 | 99.1 | 100.8 | 100.0 | 100.1 | 101.4 | 102.9 | 104.1 | 100.7 | 101.0 | 101.0 | 101.0 |
| Japan | 86.4 | 99.4 | 108.0 | 99.5 | 95.6 | 98.9 | 103.1 | 100.0 | 92.6 | 87.5 | 97.6 | 111.2 | 115.9 | 122.6 | 127.9 | 127.9 |
| Korea | 76.7 | 88.3 | 94.5 | 87.3 | 90.3 | 89.8 | 89.8 | 100.0 | 107.4 | 106.8 | 86.1 | 73.4 | 78.8 | 78.2 | 76.7 | 76.7 |
| Luxembourg | 97.7 | 97.5 | 94.7 | 95.1 | 96.2 | 99.5 | 100.6 | 100.0 | 100.2 | 101.6 | 102.8 | 102.4 | 100.6 | 100.8 | 100.3 | 100.3 |
| Mexico | 121.6 | 116.1 | 118.6 | 122.0 | 118.5 | 103.4 | 97.2 | 100.0 | 99.3 | 97.3 | 94.7 | 78.7 | 83.3 | 83.4 | 76.7 | 76.7 |
| Netherlands | 93.6 | 93.3 | 88.3 | 89.6 | 91.8 | 98.2 | 100.7 | 100.0 | 100.1 | 102.0 | 104.0 | 104.6 | 100.5 | 100.9 | 100.5 | 100.5 |
| New Zealand | 83.8 | 81.1 | 73.4 | 72.3 | 78.4 | 89.3 | 95.5 | 100.0 | 92.4 | 98.8 | 92.4 | 84.8 | 91.5 | 94.1 | 93.2 | 93.2 |
| Norway | 92.6 | 92.3 | 90.2 | 93.2 | 101.2 | 99.1 | 95.8 | 100.0 | 99.5 | 101.0 | 100.9 | 97.8 | 101.9 | 104.0 | 104.6 | 104.6 |
| Poland | 100.3 | 93.4 | 96.1 | 105.9 | 101.5 | 91.4 | 89.5 | 100.0 | 103.1 | 106.8 | 116.3 | 95.5 | 100.9 | 98.4 | 92.1 | 92.1 |
| Portugal | 98.0 | 97.5 | 95.1 | 96.0 | 97.1 | 99.8 | 100.5 | 100.0 | 100.0 | 100.8 | 102.0 | 102.5 | 100.3 | 100.6 | 100.5 | 100.5 |
| Slovak Republic | 96.3 | 89.2 | 90.6 | 88.5 | 88.9 | 94.0 | 98.1 | 100.0 | 103.1 | 113.6 | 122.6 | 131.3 | 127.1 | 127.2 | 129.1 | 129.1 |
| Slovenia | 118.5 | 117.4 | 107.6 | 102.3 | 100.1 | 101.7 | 101.3 | 100.0 | 99.8 | 101.0 | 102.2 | 104.5 | 101.1 | 101.6 | 102.1 | 102.1 |
| Spain | 96.1 | 95.6 | 92.5 | 93.6 | 95.4 | 99.3 | 100.5 | 100.0 | 100.2 | 101.3 | 102.9 | 104.0 | 101.3 | 101.6 | 101.5 | 101.5 |
| Sweden | 101.0 | 100.7 | 100.9 | 92.7 | 95.1 | 100.7 | 102.5 | 100.0 | 100.4 | 101.6 | 99.6 | 91.4 | 98.7 | 104.6 | 103.5 | 103.5 |
| Switzerland | 91.2 | 91.9 | 90.1 | 93.8 | 98.7 | 100.4 | 100.8 | 100.0 | 98.6 | 96.1 | 101.6 | 107.2 | 113.7 | 128.3 | 127.7 | 127.7 |
| Turkey | 548.7 | 361.9 | 263.0 | 148.1 | 110.3 | 97.4 | 95.0 | 100.0 | 93.2 | 95.3 | 91.4 | 81.4 | 84.7 | 73.0 | 69.6 | 69.6 |
| United Kingdom | 97.2 | 97.7 | 100.0 | 99.1 | 100.6 | 96.9 | 101.5 | 100.0 | 100.6 | 102.4 | 89.5 | 79.5 | 79.3 | 78.8 | 79.7 | 79.7 |
| United States | 105.5 | 105.2 | 107.7 | 113.3 | 113.9 | 107.3 | 102.6 | 100.0 | 98.3 | 94.0 | 90.7 | 95.8 | 92.2 | 87.9 | 89.7 | 89.7 |
| Euro area | 90.6 | 89.7 | 81.5 | 83.5 | 87.0 | 97.7 | 101.6 | 100.0 | 100.2 | 103.4 | 107.1 | 109.6 | 102.0 | 102.5 | 102.4 | 102.4 |

*Note:* For details on the method of calculation, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. On the technical assumption that exchange rates remain at their levels of 14 November 2011.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559049

Annex Table 38. **Export volumes of goods and services**

National accounts basis, percentage changes from previous year

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 8.8 | 5.0 | 10.4 | 12.6 | 0.4 | 4.5 | 11.0 | 2.9 | 0.7 | -2.0 | 4.2 | 2.8 | 2.3 | 2.5 | 4.7 | 2.9 | 5.2 | -1.3 | 9.2 | 6.4 |
| Austria | 5.8 | 7.0 | 4.9 | 11.9 | 8.4 | 6.3 | 13.1 | 6.2 | 3.8 | 1.6 | 10.0 | 7.4 | 7.8 | 8.8 | 1.0 | -13.7 | 8.3 | 7.0 | 3.1 | 6.1 |
| Belgium | 8.3 | 5.0 | 3.8 | 10.1 | 4.7 | 4.5 | 11.7 | 1.1 | 2.5 | 0.5 | 6.2 | 3.8 | 5.5 | 5.2 | 1.8 | -11.3 | 9.9 | 6.1 | 3.1 | 5.7 |
| Canada | 12.7 | 8.5 | 5.6 | 8.3 | 9.1 | 10.7 | 8.9 | -3.0 | 1.2 | -2.3 | 5.0 | 1.9 | 0.6 | 1.2 | -4.7 | -13.8 | 6.4 | 4.7 | 5.0 | 6.3 |
| Chile | .. | .. | 11.8 | 11.2 | 5.2 | 7.3 | 5.1 | 7.2 | 1.6 | 6.5 | 13.3 | 4.3 | 5.1 | 7.6 | 3.2 | -6.4 | 1.9 | 7.4 | 4.6 | 4.7 |
| Czech Republic | 0.2 | 16.7 | 6.5 | 9.7 | 11.6 | 5.7 | 17.3 | 11.6 | 2.4 | 7.6 | 13.7 | 11.8 | 14.0 | 11.3 | 3.9 | -10.0 | 16.6 | 9.2 | 3.9 | 5.9 |
| Denmark | 8.4 | 3.1 | 4.2 | 4.9 | 4.1 | 11.6 | 12.7 | 3.1 | 4.1 | -1.0 | 2.8 | 8.0 | 9.0 | 2.8 | 2.8 | -9.7 | 3.8 | 7.0 | 2.5 | 4.6 |
| Estonia | .. | .. | 0.3 | 26.4 | 13.4 | 0.4 | 27.4 | 4.0 | -2.7 | 7.7 | 14.5 | 18.6 | 6.1 | 3.7 | 0.6 | -18.6 | 22.5 | 26.7 | 7.3 | 6.8 |
| Finland | 13.7 | 8.5 | 5.9 | 13.9 | 9.2 | 11.1 | 17.3 | 1.7 | 3.3 | -1.9 | 8.2 | 7.0 | 12.2 | 8.2 | 5.9 | -21.5 | 8.6 | -0.3 | 4.6 | 3.3 |
| France | 8.1 | 8.4 | 3.6 | 12.9 | 8.2 | 4.3 | 12.8 | 2.6 | 1.6 | -1.3 | 4.2 | 3.1 | 5.5 | 2.3 | -0.6 | -12.2 | 9.3 | 4.2 | 2.5 | 5.9 |
| Germany | 8.2 | 6.8 | 6.6 | 11.6 | 7.1 | 5.4 | 13.9 | 6.8 | 4.3 | 2.5 | 9.7 | 8.0 | 13.5 | 8.3 | 2.1 | -13.6 | 13.4 | 8.3 | 3.4 | 6.6 |
| Greece | 7.4 | 3.0 | 3.5 | 20.0 | 5.3 | 18.1 | 14.1 | 0.0 | -8.4 | 2.9 | 17.3 | 2.5 | 3.1 | 6.9 | 3.0 | -19.5 | 4.2 | 7.9 | 6.5 | 7.1 |
| Hungary | .. | .. | 11.1 | 21.0 | 16.5 | 11.1 | 19.7 | 8.0 | 3.8 | 6.2 | 15.0 | 11.3 | 19.1 | 15.0 | 5.7 | -10.2 | 14.3 | 9.4 | 4.8 | 6.4 |
| Iceland | 9.3 | -2.3 | 9.9 | 5.6 | 2.5 | 4.0 | 4.2 | 7.4 | 3.8 | 1.6 | 8.4 | 7.5 | -4.6 | 17.7 | 7.0 | 6.6 | 0.4 | 1.9 | 1.7 | 2.8 |
| Ireland | 15.1 | 20.0 | 12.5 | 17.6 | 23.1 | 15.5 | 21.1 | 8.4 | 4.9 | 0.6 | 7.7 | 4.4 | 5.1 | 8.4 | -1.1 | -4.2 | 6.3 | 4.2 | 3.3 | 5.8 |
| Israel | .. | .. | 5.9 | 9.1 | 6.8 | 14.2 | 23.7 | -11.2 | -2.2 | 8.1 | 17.6 | 4.4 | 5.5 | 9.2 | 6.6 | -11.9 | 13.6 | 4.8 | 3.9 | 7.8 |
| Italy | 9.6 | 12.6 | 1.4 | 5.3 | 2.5 | -1.1 | 11.6 | 2.8 | -3.0 | -1.2 | 6.3 | 3.4 | 8.4 | 6.2 | -2.8 | -17.5 | 12.2 | 4.9 | 1.7 | 4.2 |
| Japan | 3.9 | 4.2 | 5.9 | 11.1 | -2.7 | 1.9 | 12.7 | -6.9 | 7.5 | 9.2 | 13.9 | 7.0 | 9.7 | 8.4 | 1.6 | -23.9 | 24.1 | 1.0 | 5.0 | 6.0 |
| Korea | 16.4 | 24.7 | 11.6 | 19.8 | 12.9 | 14.4 | 18.1 | -3.4 | 12.1 | 14.5 | 19.7 | 7.8 | 11.4 | 12.6 | 6.6 | -1.2 | 14.5 | 11.0 | 7.9 | 9.8 |
| Luxembourg | 7.7 | 4.6 | 2.3 | 11.4 | 11.2 | 14.2 | 12.6 | 4.5 | 2.1 | 6.8 | 11.1 | 4.5 | 13.0 | 9.1 | 4.0 | -10.9 | 2.8 | 4.3 | 0.7 | 3.8 |
| Mexico | 17.7 | 30.2 | 18.2 | 10.6 | 12.3 | 12.3 | 16.3 | -3.5 | 1.4 | 2.7 | 11.5 | 6.7 | 11.0 | 5.7 | 0.5 | -13.9 | 25.7 | 9.7 | 5.9 | 6.5 |
| Netherlands | 8.7 | 9.2 | 4.4 | 10.9 | 6.7 | 8.7 | 13.5 | 1.9 | 0.9 | 1.5 | 7.9 | 6.0 | 7.3 | 6.4 | 2.0 | -8.1 | 10.8 | 4.7 | 2.8 | 5.7 |
| New Zealand | 9.9 | 3.8 | 3.8 | 3.9 | 1.5 | 7.9 | 7.0 | 3.3 | 6.4 | 2.3 | 6.2 | -0.5 | 1.7 | 4.0 | -1.2 | 2.0 | 2.9 | 1.6 | 2.4 | 4.5 |
| Norway | 8.4 | 5.0 | 10.0 | 7.8 | 0.7 | 2.8 | 3.2 | 4.3 | -0.3 | -0.2 | 1.1 | 1.1 | 0.0 | 2.3 | 1.0 | -3.9 | -1.7 | -2.2 | 1.9 | 2.2 |
| Poland | 13.1 | 22.9 | 10.9 | 13.3 | 14.3 | -2.6 | 22.2 | 4.2 | 4.8 | 14.0 | 12.7 | 9.3 | 14.8 | 9.1 | 5.8 | -6.0 | 10.1 | 8.5 | 5.4 | 4.4 |
| Portugal | 8.4 | 8.8 | 7.2 | 7.1 | 8.3 | 3.8 | 8.8 | 1.8 | 2.8 | 3.6 | 4.1 | 0.2 | 11.6 | 7.6 | -0.1 | -11.6 | 8.8 | 7.2 | 4.0 | 6.1 |
| Slovak Republic | 14.8 | 4.5 | -1.4 | 5.8 | 21.0 | 12.2 | 8.9 | 6.9 | 5.2 | 15.9 | 7.4 | 10.0 | 21.0 | 14.3 | 3.1 | -15.9 | 16.5 | 10.3 | 3.5 | 7.0 |
| Slovenia | .. | .. | .. | 11.1 | 7.5 | 1.6 | 13.1 | 6.4 | 6.8 | 3.1 | 12.4 | 10.6 | 12.5 | 13.7 | 2.9 | -17.2 | 9.5 | 8.0 | 3.5 | 4.0 |
| Spain | 16.7 | 9.4 | 10.3 | 15.0 | 8.0 | 7.5 | 10.2 | 4.2 | 2.0 | 3.7 | 4.2 | 2.5 | 6.7 | 6.7 | -1.0 | -10.4 | 13.5 | 9.1 | 3.6 | 5.6 |
| Sweden | 13.4 | 11.2 | 4.8 | 13.6 | 9.1 | 6.9 | 11.4 | 1.8 | 0.9 | 4.3 | 9.5 | 7.0 | 9.4 | 6.3 | 0.3 | -11.8 | 9.9 | 7.3 | 2.8 | 5.6 |
| Switzerland | 1.9 | 0.6 | 3.7 | 11.2 | 4.3 | 6.5 | 12.5 | 0.5 | -0.1 | -0.5 | 7.9 | 7.8 | 10.3 | 9.6 | 3.1 | -8.6 | 8.4 | 3.9 | 0.4 | 5.7 |
| Turkey | 15.2 | 8.0 | 22.0 | 19.1 | 12.0 | -10.7 | 16.0 | 3.9 | 6.9 | 6.9 | 11.2 | 7.9 | 6.6 | 7.3 | 2.7 | -5.0 | 3.4 | 5.1 | 4.1 | 6.8 |
| United Kingdom | 9.2 | 9.4 | 8.8 | 8.1 | 3.9 | 3.4 | 9.6 | 3.1 | 1.9 | 1.9 | 5.1 | 7.7 | 11.7 | -1.3 | 1.3 | -9.5 | 6.2 | 5.3 | 3.6 | 6.9 |
| United States | 8.7 | 10.1 | 8.3 | 11.9 | 2.3 | 4.4 | 8.6 | -5.6 | -2.1 | 1.6 | 9.5 | 6.8 | 9.0 | 9.3 | 6.1 | -9.4 | 11.3 | 6.7 | 5.1 | 6.6 |
| Total OECD | 9.0 | 9.0 | 6.8 | 11.0 | 5.5 | 5.5 | 11.9 | 0.6 | 1.9 | 2.4 | 8.6 | 5.9 | 8.9 | 6.7 | 2.1 | -11.6 | 11.5 | 6.0 | 4.1 | 6.2 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2005 $.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559068

Annex Table 39. **Import volumes of goods and services**

National accounts basis, percentage changes from previous year

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 14.1 | 8.3 | 8.0 | 10.4 | 6.7 | 8.4 | 7.4 | -4.6 | 11.2 | 10.6 | 15.1 | 8.6 | 7.1 | 12.5 | 11.3 | -9.0 | 13.9 | 11.2 | 10.1 | 8.8 |
| Austria | 8.8 | 6.5 | 4.4 | 7.6 | 5.2 | 5.0 | 10.3 | 5.4 | -0.1 | 4.1 | 9.6 | 6.8 | 5.4 | 6.9 | -0.9 | -12.5 | 7.4 | 7.0 | 3.1 | 5.5 |
| Belgium | 7.3 | 4.7 | 3.7 | 9.2 | 5.6 | 2.7 | 12.6 | -0.4 | 0.7 | 0.5 | 6.0 | 5.6 | 5.0 | 5.2 | 2.9 | -10.6 | 8.7 | 6.5 | 3.2 | 5.4 |
| Canada | 8.1 | 5.7 | 5.1 | 14.2 | 5.1 | 7.8 | 8.1 | -5.1 | 1.7 | 4.1 | 8.0 | 7.1 | 4.9 | 5.9 | 1.5 | -13.4 | 13.1 | 7.4 | 5.3 | 6.3 |
| Chile | .. | .. | 11.8 | 13.2 | 6.7 | -9.5 | 10.1 | 4.1 | 2.3 | 9.7 | 18.4 | 17.2 | 10.6 | 14.5 | 12.6 | -14.6 | 29.5 | 15.2 | 9.5 | 9.1 |
| Czech Republic | 7.8 | 21.2 | 12.0 | 6.6 | 7.1 | 5.0 | 16.0 | 12.5 | 4.7 | 7.4 | 10.1 | 6.1 | 11.0 | 12.9 | 2.7 | -11.7 | 16.2 | 7.0 | 3.7 | 5.9 |
| Denmark | 12.8 | 7.2 | 3.3 | 9.5 | 8.5 | 3.5 | 13.0 | 1.9 | 7.5 | -1.6 | 7.7 | 11.1 | 13.4 | 4.3 | 2.7 | -12.5 | 3.9 | 6.1 | 3.1 | 5.5 |
| Estonia | .. | .. | 8.5 | 28.6 | 12.5 | -5.9 | 27.2 | 4.8 | 7.2 | 11.2 | 14.7 | 18.9 | 13.9 | 6.3 | -6.3 | -32.4 | 20.6 | 27.3 | 7.2 | 7.1 |
| Finland | 13.0 | 8.2 | 7.2 | 11.9 | 8.7 | 4.2 | 16.7 | 1.3 | 3.2 | 3.2 | 7.4 | 11.4 | 7.9 | 7.0 | 7.3 | -16.1 | 7.4 | 2.0 | 3.6 | 1.8 |
| France | 8.9 | 7.5 | 2.2 | 8.0 | 11.6 | 6.2 | 15.4 | 2.3 | 1.7 | 1.0 | 5.0 | 5.8 | 5.5 | 5.5 | 0.6 | -10.6 | 8.3 | 5.1 | 1.9 | 5.8 |
| Germany | 8.5 | 7.3 | 4.6 | 8.7 | 9.0 | 8.3 | 11.0 | 1.5 | -1.2 | 5.4 | 7.5 | 6.4 | 12.2 | 5.6 | 3.0 | -9.2 | 11.5 | 8.0 | 4.1 | 6.2 |
| Greece | 1.5 | 8.9 | 7.0 | 14.2 | 9.2 | 15.0 | 15.1 | 1.2 | -1.3 | 3.0 | 5.7 | -1.5 | 8.2 | 14.6 | 3.3 | -20.2 | -7.2 | -14.3 | -5.7 | 0.2 |
| Hungary | .. | .. | 9.0 | 22.2 | 22.9 | 12.3 | 18.0 | 5.4 | 6.7 | 9.3 | 14.3 | 6.9 | 15.1 | 12.8 | 5.5 | -14.8 | 12.8 | 6.8 | 3.3 | 5.5 |
| Iceland | 3.8 | 3.6 | 16.5 | 8.0 | 23.4 | 4.4 | 8.6 | -9.1 | -2.6 | 10.7 | 14.5 | 29.3 | 11.3 | -1.5 | -18.4 | -24.0 | 4.0 | 3.3 | 4.5 | 2.7 |
| Ireland | 15.5 | 16.4 | 12.8 | 16.5 | 27.5 | 12.7 | 21.5 | 7.2 | 2.4 | -1.4 | 8.7 | 8.4 | 6.9 | 8.0 | -2.9 | -9.3 | 2.7 | 0.8 | 1.2 | 4.7 |
| Israel | .. | .. | 7.3 | 4.0 | 1.8 | 15.6 | 12.2 | -5.3 | -1.4 | -1.2 | 11.9 | 3.3 | 3.2 | 11.7 | 2.2 | -14.0 | 12.8 | 12.7 | 5.2 | 8.3 |
| Italy | 8.0 | 9.6 | -0.7 | 9.5 | 9.0 | 4.5 | 9.7 | 1.9 | 0.2 | 2.1 | 4.8 | 3.5 | 7.9 | 5.2 | -3.0 | -13.4 | 12.7 | 3.4 | 1.5 | 2.2 |
| Japan | 8.2 | 14.2 | 13.4 | 0.5 | -6.8 | 3.6 | 9.2 | 0.6 | 0.9 | 3.9 | 8.1 | 5.8 | 4.2 | 1.6 | 0.4 | -15.3 | 9.8 | 5.7 | 5.2 | 5.4 |
| Korea | 22.8 | 22.5 | 14.7 | 4.2 | -22.0 | 26.4 | 22.6 | -4.9 | 14.4 | 11.1 | 11.7 | 7.6 | 11.3 | 11.7 | 4.4 | -8.0 | 16.9 | 8.1 | 7.7 | 9.0 |
| Luxembourg | 6.7 | 4.2 | 5.4 | 12.6 | 11.8 | 14.8 | 10.5 | 6.0 | 0.8 | 6.9 | 11.8 | 4.2 | 12.8 | 9.3 | 5.6 | -12.0 | 4.6 | 6.1 | 1.1 | 3.9 |
| Mexico | 21.2 | -15.1 | 22.7 | 22.7 | 16.8 | 13.9 | 21.6 | -1.5 | 1.4 | 0.7 | 10.7 | 8.4 | 12.7 | 7.1 | 3.0 | -18.8 | 23.5 | 8.1 | 8.1 | 8.1 |
| Netherlands | 9.0 | 10.2 | 5.3 | 11.9 | 9.0 | 9.3 | 12.2 | 2.5 | 0.3 | 1.8 | 5.7 | 5.4 | 8.8 | 5.6 | 2.3 | -8.0 | 10.6 | 4.3 | 2.0 | 5.7 |
| New Zealand | 13.1 | 8.7 | 7.6 | 2.1 | 1.3 | 12.0 | -0.4 | 2.0 | 9.6 | 8.4 | 15.9 | 5.4 | -2.5 | 9.1 | 2.4 | -14.6 | 10.3 | 5.7 | 4.8 | 7.6 |
| Norway | 5.8 | 5.8 | 8.8 | 12.5 | 8.8 | -1.6 | 2.0 | 1.7 | 1.0 | 1.4 | 8.8 | 8.7 | 8.4 | 8.6 | 4.3 | -11.7 | 9.0 | 5.8 | 1.9 | 4.4 |
| Poland | 11.3 | 24.2 | 26.2 | 23.2 | 18.5 | 1.2 | 13.6 | -3.5 | 2.6 | 9.6 | 14.1 | 7.6 | 18.8 | 13.7 | 6.1 | -13.2 | 11.5 | 7.2 | 4.1 | 3.5 |
| Portugal | 8.8 | 7.4 | 5.8 | 10.5 | 14.7 | 9.0 | 5.6 | 1.0 | -0.5 | -0.5 | 7.6 | 2.3 | 7.2 | 5.5 | 2.3 | -10.6 | 5.1 | -4.9 | -5.2 | 0.5 |
| Slovak Republic | -4.7 | 11.6 | 17.3 | 7.9 | 19.1 | 0.4 | 8.1 | 13.4 | 4.4 | 7.4 | 8.3 | 12.3 | 17.8 | 9.2 | 3.1 | -18.1 | 16.3 | 6.7 | 3.4 | 5.9 |
| Slovenia | .. | .. | .. | 11.3 | 9.6 | 7.8 | 7.1 | 3.1 | 4.9 | 6.7 | 13.3 | 6.7 | 12.2 | 16.7 | 3.7 | -19.6 | 7.2 | 4.7 | 2.5 | 3.3 |
| Spain | 11.4 | 11.1 | 8.8 | 13.3 | 14.8 | 13.7 | 10.8 | 4.5 | 3.7 | 6.2 | 9.6 | 7.7 | 10.2 | 8.0 | -5.2 | -17.2 | 8.9 | 1.5 | -1.7 | 3.0 |
| Sweden | 12.5 | 7.7 | 3.4 | 12.9 | 11.1 | 4.6 | 12.1 | -1.5 | -1.3 | 4.0 | 5.7 | 6.9 | 9.5 | 9.3 | 3.1 | -13.7 | 12.0 | 7.0 | 3.0 | 5.6 |
| Switzerland | 7.7 | 4.0 | 4.0 | 8.1 | 7.4 | 4.1 | 10.3 | 2.3 | -1.1 | 1.3 | 7.3 | 6.6 | 6.5 | 6.1 | 0.3 | -5.5 | 7.3 | 2.0 | 2.7 | 7.0 |
| Turkey | -21.9 | 29.6 | 20.5 | 22.4 | 2.3 | -3.7 | 21.8 | -24.8 | 20.9 | 23.5 | 20.8 | 12.2 | 6.9 | 10.7 | -4.1 | -14.3 | 20.7 | 14.3 | 1.3 | 5.8 |
| United Kingdom | 5.9 | 5.5 | 9.7 | 9.7 | 10.1 | 6.8 | 9.4 | 5.0 | 5.3 | 1.9 | 6.7 | 7.4 | 10.2 | -0.9 | -1.2 | -12.2 | 8.5 | 0.1 | 1.5 | 6.5 |
| United States | 11.9 | 8.0 | 8.7 | 13.5 | 11.7 | 11.5 | 13.0 | -2.8 | 3.3 | 4.4 | 11.1 | 6.1 | 6.1 | 2.4 | -2.7 | -13.6 | 12.5 | 4.7 | 3.8 | 6.3 |
| Total OECD | 9.4 | 8.4 | 7.5 | 10.3 | 7.8 | 8.2 | 12.2 | 0.1 | 2.5 | 4.0 | 8.7 | 6.5 | 8.1 | 5.3 | 0.5 | -12.4 | 11.3 | 5.4 | 3.5 | 5.9 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2005 $.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559087

Annex Table 40. **Export prices of goods and services**

National accounts basis, percentage changes from previous year, national currency terms

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -3.7 | 6.0 | -2.2 | -0.9 | 1.8 | -4.6 | 12.6 | 6.0 | -2.3 | -5.2 | 4.2 | 11.9 | 13.1 | 1.5 | 21.7 | -12.2 | 8.3 | 14.2 | 2.9 | 0.2 |
| Austria | 1.3 | 1.6 | 0.3 | 0.9 | 0.1 | 0.3 | 1.3 | 0.5 | 0.7 | -0.2 | 1.1 | 1.8 | 2.4 | 1.8 | 2.3 | -3.4 | 2.9 | 3.5 | 1.6 | 1.2 |
| Belgium | 1.3 | 1.6 | -1.4 | 1.2 | -1.0 | -0.2 | 5.6 | 1.4 | -0.6 | -1.4 | 2.1 | 4.0 | 2.3 | 2.4 | 3.8 | -5.2 | 4.7 | 5.1 | 2.1 | 1.6 |
| Canada | 5.9 | 6.4 | 0.6 | 0.2 | -0.3 | 1.1 | 6.2 | 1.3 | -1.9 | -1.3 | 2.2 | 2.8 | 0.3 | 0.8 | 10.5 | -9.5 | 2.2 | 5.7 | 1.2 | 1.7 |
| Chile | .. | .. | -8.1 | -0.7 | -2.9 | 6.6 | 11.0 | 5.5 | 7.1 | 11.2 | 12.3 | 10.3 | 23.9 | 5.9 | -4.8 | -5.8 | 17.4 | 2.9 | 2.1 | 2.1 |
| Czech Republic | 5.2 | 6.4 | 4.3 | 4.4 | 2.9 | 0.7 | 2.9 | -0.7 | -5.7 | -0.3 | 2.2 | -2.5 | -1.8 | 0.1 | -4.5 | 0.0 | -1.5 | -0.5 | 0.7 | 0.6 |
| Denmark | -0.3 | 1.0 | 1.5 | 2.7 | -2.1 | -0.5 | 8.2 | 1.6 | -1.3 | -1.1 | 1.9 | 5.4 | 3.0 | 1.4 | 5.4 | -8.4 | 7.2 | 2.1 | 1.3 | 1.7 |
| Estonia | .. | .. | 19.1 | 13.0 | 2.9 | 0.2 | 8.3 | 2.7 | 1.8 | 1.5 | 2.4 | 3.5 | 5.6 | 6.8 | 6.5 | -4.6 | 3.5 | 3.3 | 2.1 | 2.4 |
| Finland | 1.3 | 4.9 | -0.6 | -1.0 | -1.0 | -5.0 | 3.4 | -1.3 | -2.6 | -1.4 | -0.4 | 1.2 | 2.3 | 1.0 | -0.3 | -5.7 | 3.9 | 5.9 | 2.5 | 2.0 |
| France | -0.5 | -0.5 | 0.8 | 1.3 | -1.4 | -1.5 | 2.5 | -0.3 | -1.5 | -1.7 | 0.3 | 1.7 | 2.0 | 1.9 | 3.1 | -3.4 | 1.7 | 3.6 | 1.7 | 1.0 |
| Germany | 0.9 | 1.3 | -0.4 | 1.1 | -0.7 | -0.7 | 2.7 | 0.5 | -0.2 | -1.6 | -0.3 | 0.9 | 1.3 | 0.7 | 1.1 | -3.0 | 2.4 | 2.7 | 1.0 | 1.1 |
| Greece | 8.6 | 8.7 | 5.6 | 3.6 | 4.1 | 1.9 | 8.0 | 3.9 | 2.4 | 1.6 | 2.3 | 2.9 | 3.3 | 2.7 | 4.2 | -1.8 | 5.5 | 2.1 | 1.4 | 1.7 |
| Hungary | 18.5 | 45.5 | 19.3 | 15.8 | 13.2 | 4.8 | 10.3 | 3.0 | -4.1 | 0.1 | -1.1 | -0.4 | 6.5 | -4.0 | 1.0 | 2.2 | 1.9 | 0.2 | -0.5 | 0.5 |
| Iceland | 6.2 | 4.8 | -0.2 | 2.1 | 4.5 | 0.0 | 3.8 | 21.5 | -1.7 | -7.1 | 1.3 | -4.5 | 21.3 | 2.2 | 35.5 | 12.5 | 8.8 | 8.0 | 2.9 | 2.0 |
| Ireland | 0.2 | 1.9 | -0.3 | 1.2 | 2.7 | 2.3 | 5.3 | 5.0 | -0.1 | -5.1 | -0.8 | 1.3 | 1.1 | -0.1 | -0.4 | 1.4 | 1.6 | 0.6 | 1.3 | 1.5 |
| Israel | .. | .. | 7.8 | 6.3 | 6.7 | 9.7 | -1.9 | 0.8 | 11.9 | -1.9 | 0.9 | 5.0 | 2.2 | -3.7 | -6.2 | 3.5 | -0.7 | 1.1 | 4.1 | 2.3 |
| Italy | 3.4 | 8.2 | 0.3 | 1.3 | 1.4 | 0.8 | 4.4 | 2.3 | 1.4 | 0.0 | 1.1 | 2.1 | 2.3 | 2.3 | 2.9 | -2.4 | 2.4 | 5.5 | 2.1 | 1.4 |
| Japan | -3.4 | -1.9 | 3.5 | 1.8 | 0.9 | -8.8 | -4.1 | 2.2 | -1.2 | -3.4 | -1.2 | 1.4 | 3.7 | 2.5 | -4.1 | -11.6 | -1.3 | -2.2 | -0.7 | 0.6 |
| Korea | 1.8 | 1.8 | -2.0 | 5.0 | 22.7 | -19.6 | -3.6 | 3.6 | -8.5 | -0.7 | 4.1 | -6.7 | -4.7 | 0.7 | 24.9 | -1.5 | 1.3 | 4.4 | 1.5 | -1.1 |
| Luxembourg | 3.1 | 1.5 | 6.8 | 1.6 | 0.6 | 5.3 | 9.8 | -4.0 | -0.1 | -1.8 | 6.4 | 8.0 | 8.1 | 4.9 | 0.4 | -2.0 | 7.3 | 3.9 | 1.0 | 3.4 |
| Mexico | 5.9 | 79.5 | 23.0 | 7.2 | 9.3 | 6.6 | 3.4 | -2.3 | 3.3 | 11.2 | 6.7 | 3.0 | 4.3 | 3.0 | 7.5 | 11.9 | -4.3 | 3.1 | 2.9 | 2.0 |
| Netherlands | 0.6 | 0.7 | 0.8 | 2.5 | -2.0 | -1.2 | 6.0 | 0.9 | -1.8 | -0.8 | 0.6 | 3.4 | 2.6 | 1.3 | 4.8 | -5.7 | 5.5 | 4.6 | 1.8 | 1.5 |
| New Zealand | -2.6 | -0.5 | -2.5 | -2.4 | 4.9 | -0.1 | 14.3 | 7.2 | -7.2 | -7.3 | -0.1 | 1.2 | 6.9 | 1.2 | 15.8 | -8.5 | 3.4 | 6.5 | 0.7 | 1.9 |
| Norway | -2.8 | 1.8 | 6.9 | 2.0 | -7.9 | 10.7 | 36.7 | -2.2 | -10.2 | 2.1 | 12.9 | 17.3 | 15.4 | 1.4 | 16.0 | -17.2 | 9.8 | 20.0 | 1.5 | 1.3 |
| Poland | 31.7 | 19.6 | 7.8 | 12.8 | 13.0 | 6.7 | 1.2 | 1.2 | 4.9 | 7.2 | 8.3 | -2.8 | 1.8 | 3.1 | -0.5 | 11.3 | 0.4 | 3.5 | 2.5 | 3.0 |
| Portugal | 6.4 | 5.6 | -0.8 | 3.3 | 1.4 | 0.4 | 5.4 | 0.7 | 0.0 | -1.4 | 1.5 | 1.7 | 4.4 | 1.9 | 2.5 | -4.4 | 4.3 | 6.0 | 1.7 | 1.1 |
| Slovak Republic | 10.7 | 8.4 | 4.3 | 10.7 | -4.8 | -1.1 | 17.3 | 4.9 | 1.0 | 1.5 | 1.8 | 1.6 | 2.2 | 0.5 | 1.4 | -5.1 | 3.0 | 4.0 | 1.7 | 1.2 |
| Slovenia | 17.3 | 9.6 | 13.0 | 5.4 | 2.6 | 2.1 | 10.3 | 8.1 | 4.4 | 2.9 | 3.0 | 2.9 | 2.8 | 2.3 | 1.2 | -0.5 | 2.6 | 2.8 | -0.3 | 1.3 |
| Spain | 4.6 | 5.9 | 1.4 | 3.0 | 0.5 | 0.0 | 7.3 | 1.8 | 0.7 | -0.2 | 1.6 | 4.3 | 4.1 | 2.5 | 2.8 | -3.1 | 0.0 | 4.3 | 1.1 | 1.1 |
| Sweden | 3.7 | 6.7 | -5.1 | 0.2 | -1.8 | -1.1 | 2.7 | 1.3 | -1.1 | -2.1 | 0.9 | 2.5 | 2.5 | 1.4 | 5.4 | -1.1 | 0.5 | -1.5 | 1.2 | 1.1 |
| Switzerland | -0.4 | -0.3 | -1.1 | 0.7 | -0.3 | -0.8 | 2.9 | 0.3 | -2.4 | 0.5 | 0.5 | 0.8 | 2.7 | 3.8 | 1.7 | -1.4 | -1.7 | -1.3 | 0.2 | 0.9 |
| Turkey | 164.8 | 73.0 | 69.0 | 87.0 | 60.1 | 52.0 | 42.0 | 89.4 | 25.4 | 10.7 | 13.3 | -0.2 | 13.7 | 2.1 | 17.5 | 2.9 | 1.5 | 20.4 | 9.9 | 3.5 |
| United Kingdom | 1.2 | 3.3 | 1.6 | -4.1 | -5.4 | 0.6 | 1.5 | -0.5 | -0.6 | 1.6 | -0.5 | 1.2 | 2.5 | 0.0 | 11.6 | 3.3 | 4.0 | 5.4 | 1.4 | 1.4 |
| United States | 1.1 | 2.3 | -1.3 | -1.7 | -2.3 | -0.6 | 1.8 | -0.4 | -0.3 | 2.1 | 3.5 | 3.6 | 3.4 | 3.3 | 4.7 | -5.4 | 4.4 | 6.6 | 2.5 | 2.2 |
| Total OECD | 4.3 | 6.8 | 2.7 | 2.8 | 2.0 | -0.1 | 4.1 | 2.5 | -0.2 | 0.3 | 2.1 | 2.0 | 3.0 | 1.8 | 5.0 | -3.0 | 2.5 | 4.4 | 1.8 | 1.4 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2005 GDP volumes expressed in $.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559106

## Annex Table 41. **Import prices of goods and services**

National accounts basis, percentage changes from previous year, national currency terms

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -4.4 | 3.2 | -6.5 | -1.5 | 6.5 | -4.3 | 7.4 | 5.9 | -4.2 | -8.5 | -4.8 | 0.6 | 4.2 | -4.0 | 7.5 | -2.2 | -7.1 | -1.8 | 1.8 | 1.7 |
| Austria | 1.2 | 1.4 | 2.2 | 1.7 | 0.4 | 0.5 | 3.0 | 0.5 | -1.0 | -0.6 | 1.3 | 2.6 | 3.3 | 1.9 | 3.9 | -3.2 | 4.8 | 4.9 | 1.2 | 1.2 |
| Belgium | 1.8 | 1.7 | -0.6 | 1.5 | -1.8 | 1.0 | 7.8 | 1.3 | -1.8 | -1.2 | 3.0 | 4.4 | 3.0 | 2.1 | 6.4 | -8.4 | 6.4 | 6.2 | 2.0 | 1.6 |
| Canada | 6.6 | 3.4 | -1.1 | 0.8 | 3.7 | -0.2 | 2.1 | 3.0 | 0.6 | -6.5 | -2.2 | -0.7 | -0.7 | -2.2 | 5.1 | -0.2 | -3.4 | 1.4 | 1.4 | 1.7 |
| Chile | .. | .. | 5.4 | -1.0 | -0.2 | 3.9 | 8.0 | 10.2 | 3.6 | 2.9 | -6.2 | 0.7 | -0.5 | 4.3 | 14.0 | -10.0 | -5.2 | 2.5 | 2.1 | 2.1 |
| Czech Republic | 2.6 | 5.8 | 2.4 | 5.5 | -0.7 | 1.5 | 6.5 | -2.5 | -8.1 | -0.1 | 2.0 | -0.2 | 0.7 | -0.7 | -3.1 | -1.4 | 1.0 | 0.4 | -0.3 | 0.7 |
| Denmark | 0.5 | 0.5 | -0.1 | 2.4 | -2.1 | -0.5 | 7.2 | 1.5 | -2.5 | -2.0 | 0.7 | 3.3 | 3.3 | 1.8 | 4.0 | -7.7 | 4.3 | 2.4 | 1.1 | 2.1 |
| Estonia | .. | .. | 16.7 | 8.6 | 2.2 | 0.8 | 5.8 | 0.8 | -1.0 | -1.2 | 1.2 | 2.1 | 3.5 | 3.8 | 6.6 | -1.5 | 5.6 | 5.9 | 2.2 | 2.4 |
| Finland | -0.5 | 0.1 | 0.3 | 0.4 | -2.8 | -2.0 | 7.4 | -3.0 | -2.7 | 0.0 | 1.9 | 4.8 | 5.7 | 1.2 | 1.9 | -8.3 | 6.4 | 6.6 | 0.6 | 2.0 |
| France | 0.1 | 0.2 | 1.6 | 1.2 | -2.8 | -1.8 | 5.3 | -0.6 | -3.2 | -1.7 | 1.3 | 3.1 | 3.6 | 0.6 | 3.8 | -5.1 | 4.0 | 5.1 | 1.1 | 1.0 |
| Germany | -0.2 | -0.3 | 0.1 | 2.8 | -2.4 | -1.5 | 7.5 | 0.6 | -2.4 | -2.6 | -0.5 | 2.8 | 2.8 | 0.3 | 2.7 | -6.6 | 4.5 | 6.0 | 1.1 | 1.1 |
| Greece | 5.6 | 7.5 | 5.0 | 2.8 | 3.8 | 1.7 | 9.3 | 3.0 | 0.8 | -0.3 | 2.1 | 3.7 | 3.5 | 2.3 | 5.5 | -1.3 | 5.2 | 3.1 | 0.7 | 1.2 |
| Hungary | 15.6 | 41.1 | 20.8 | 13.7 | 12.0 | 5.6 | 12.7 | 2.4 | -5.3 | 0.4 | -1.0 | 1.3 | 8.0 | -4.3 | 1.7 | 1.4 | 1.8 | 1.0 | 0.3 | 0.6 |
| Iceland | 5.9 | 3.7 | 3.1 | 0.0 | -0.7 | 0.6 | 6.3 | 21.1 | -2.3 | -3.1 | 2.6 | -5.4 | 17.4 | 2.1 | 44.3 | 24.8 | 2.7 | 7.0 | 1.5 | 2.0 |
| Ireland | 2.4 | 3.8 | -0.5 | 0.9 | 2.5 | 2.3 | 7.3 | 3.7 | -1.1 | -4.2 | -0.1 | 1.7 | 1.9 | 1.5 | 1.9 | -0.3 | 2.9 | 3.0 | 1.0 | 1.5 |
| Israel | .. | .. | 5.0 | 3.0 | 4.4 | 7.4 | 0.6 | 1.5 | 12.2 | 0.8 | 3.8 | 6.7 | 3.0 | -1.9 | -2.4 | -4.4 | 1.8 | 4.5 | 4.2 | 2.4 |
| Italy | 4.8 | 11.4 | -2.6 | 1.8 | -1.6 | 0.7 | 11.2 | 1.5 | -0.3 | -1.8 | 1.9 | 5.2 | 5.6 | 1.2 | 5.1 | -7.7 | 6.9 | 8.0 | 1.4 | 1.1 |
| Japan | -4.7 | -2.5 | 8.4 | 6.5 | -2.7 | -8.5 | 1.5 | 2.4 | -0.9 | -0.8 | 2.9 | 8.3 | 11.4 | 7.3 | 6.4 | -21.8 | 5.7 | 6.5 | -0.7 | 0.0 |
| Korea | 1.0 | 4.3 | 3.0 | 11.4 | 26.8 | -17.0 | 4.0 | 6.4 | -8.6 | 0.2 | 7.0 | -3.2 | -1.2 | 1.4 | 35.2 | -4.2 | 1.5 | 9.1 | 2.6 | -0.2 |
| Luxembourg | 2.1 | 1.3 | 5.9 | 5.2 | 1.7 | 3.0 | 12.3 | -3.2 | -1.0 | -5.8 | 7.6 | 7.7 | 6.0 | 4.5 | -1.2 | -1.8 | 6.1 | 4.6 | 1.4 | 3.2 |
| Mexico | 5.1 | 95.1 | 21.4 | 3.6 | 12.0 | 3.7 | 0.1 | -2.8 | 2.0 | 12.5 | 8.4 | 0.3 | 1.9 | 2.9 | 7.2 | 15.7 | -3.0 | 2.8 | 2.4 | 2.0 |
| Netherlands | 0.3 | 0.3 | 0.7 | 1.5 | -2.4 | -0.9 | 5.8 | -0.4 | -2.9 | -0.9 | 1.4 | 2.7 | 3.0 | 1.5 | 4.7 | -4.8 | 6.1 | 4.8 | 1.9 | 1.5 |
| New Zealand | -3.8 | -1.8 | -3.7 | -0.4 | 5.7 | 0.7 | 15.4 | 2.2 | -5.9 | -11.4 | -4.3 | 1.0 | 10.0 | -4.7 | 13.3 | -1.7 | -3.6 | 3.6 | 2.6 | 2.5 |
| Norway | 0.7 | 0.6 | 0.8 | 0.3 | 1.2 | -1.1 | 7.5 | -0.1 | -5.0 | 1.1 | 4.8 | 1.5 | 3.1 | 3.9 | 3.0 | -0.3 | 0.2 | 2.4 | 2.0 | 1.1 |
| Poland | 27.0 | 18.0 | 11.6 | 14.2 | 10.9 | 6.9 | 9.2 | 0.1 | 5.4 | 6.6 | 5.3 | -5.9 | 2.2 | 1.1 | 2.2 | 9.4 | 1.8 | 5.0 | 3.6 | 3.0 |
| Portugal | 4.3 | 3.9 | 1.7 | 2.6 | -1.4 | -0.8 | 8.5 | 0.4 | -1.6 | -1.7 | 2.2 | 3.0 | 3.9 | 1.3 | 5.0 | -8.5 | 4.8 | 8.8 | 1.0 | 1.1 |
| Slovak Republic | 12.3 | 7.3 | 9.6 | 5.8 | -2.4 | 0.3 | 14.1 | 6.0 | 1.0 | 1.9 | 2.1 | 1.7 | 3.6 | 1.6 | 3.0 | -4.1 | 3.6 | 4.8 | 1.8 | 1.4 |
| Slovenia | 14.4 | 6.9 | 11.6 | 5.0 | 1.9 | 1.9 | 13.9 | 6.3 | 2.5 | 2.1 | 4.1 | 5.0 | 3.3 | 1.4 | 2.7 | -4.6 | 6.6 | 5.3 | 1.2 | 1.6 |
| Spain | 5.8 | 4.4 | 0.4 | 3.4 | -1.5 | 0.3 | 10.6 | -0.2 | -2.0 | -1.5 | 2.2 | 3.7 | 3.8 | 1.9 | 4.7 | -7.3 | 4.3 | 7.0 | 0.8 | 0.9 |
| Sweden | 3.4 | 4.2 | -3.9 | 0.0 | -0.9 | 1.6 | 3.7 | 3.8 | 0.1 | -2.3 | 1.9 | 4.6 | 2.8 | 0.3 | 4.8 | -0.2 | 0.4 | -1.0 | 0.2 | 1.4 |
| Switzerland | -4.5 | -2.6 | -0.4 | 3.8 | -1.6 | -0.1 | 5.8 | 0.5 | -5.9 | -1.4 | 1.2 | 3.3 | 3.9 | 4.1 | 2.2 | -6.1 | -0.6 | -0.7 | 0.8 | 1.1 |
| Turkey | 163.3 | 85.0 | 80.4 | 74.1 | 62.5 | 47.9 | 56.7 | 93.4 | 22.1 | 7.1 | 10.8 | 0.2 | 19.0 | 0.1 | 21.3 | 0.8 | 4.7 | 22.4 | 5.7 | 2.7 |
| United Kingdom | 3.0 | 5.9 | 0.1 | -7.0 | -6.4 | -0.1 | 2.8 | -0.5 | -2.6 | 0.7 | -0.5 | 3.5 | 2.0 | 0.1 | 12.2 | 3.9 | 4.2 | 6.9 | 2.0 | 1.4 |
| United States | 0.9 | 2.7 | -1.7 | -3.5 | -5.4 | 0.6 | 4.3 | -2.4 | -1.0 | 3.5 | 4.8 | 6.2 | 4.1 | 3.5 | 10.6 | -10.6 | 6.1 | 8.0 | 2.0 | 1.9 |
| Total OECD | 4.7 | 8.0 | 2.9 | 2.6 | 1.3 | 0.2 | 6.4 | 2.2 | -1.3 | 0.2 | 2.5 | 3.2 | 3.9 | 1.7 | 7.9 | -5.3 | 3.6 | 6.2 | 1.7 | 1.4 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2005 GDP volumes expressed in $.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 42. **Competitive positions: relative consumer prices**

Indices, 2005 = 100

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 85.9 | 79.3 | 83.2 | 81.9 | 89.6 | 88.5 | 80.8 | 81.5 | 77.7 | 74.7 | 79.1 | 89.5 | 97.0 | 100.0 | 99.9 | 105.9 | 103.8 | 100.6 | 114.9 |
| Austria | 101.3 | 102.4 | 102.6 | 105.5 | 103.1 | 99.3 | 99.6 | 98.4 | 95.9 | 96.1 | 96.6 | 99.5 | 100.5 | 100.0 | 99.4 | 99.8 | 100.0 | 100.6 | 98.2 |
| Belgium | 98.2 | 98.0 | 99.6 | 103.0 | 100.5 | 95.3 | 96.1 | 94.8 | 91.1 | 92.0 | 93.5 | 98.0 | 99.8 | 100.0 | 99.7 | 100.5 | 103.4 | 103.4 | 100.4 |
| Canada | 106.6 | 99.4 | 91.3 | 89.3 | 89.4 | 88.7 | 83.7 | 83.1 | 83.6 | 81.1 | 80.4 | 89.4 | 94.2 | 100.0 | 105.6 | 109.6 | 107.3 | 101.9 | 111.8 |
| Chile | .. | .. | .. | .. | .. | 113.1 | 111.8 | 105.4 | 104.1 | 95.7 | 94.7 | 88.6 | 94.7 | 100.0 | 104.0 | 102.1 | 103.7 | 100.0 | 106.4 |
| Czech Republic | .. | 62.2 | 65.3 | 67.6 | 72.0 | 73.1 | 80.1 | 78.9 | 80.4 | 85.9 | 95.5 | 93.5 | 94.3 | 100.0 | 105.5 | 108.3 | 123.9 | 118.9 | 120.9 |
| Denmark | 93.5 | 94.2 | 94.0 | 97.3 | 95.9 | 93.4 | 95.5 | 95.6 | 92.1 | 93.5 | 95.4 | 100.3 | 101.0 | 100.0 | 99.7 | 100.2 | 101.8 | 104.9 | 101.2 |
| Estonia | .. | .. | .. | .. | .. | 82.2 | 86.1 | 90.7 | 88.5 | 91.2 | 93.7 | 97.0 | 99.3 | 100.0 | 101.7 | 106.4 | 113.9 | 116.3 | 112.4 |
| Finland | 117.0 | 97.8 | 101.5 | 109.1 | 102.7 | 98.9 | 100.6 | 100.3 | 96.0 | 97.3 | 98.5 | 102.7 | 102.6 | 100.0 | 99.0 | 100.3 | 102.1 | 103.0 | 97.1 |
| France | 101.0 | 102.0 | 101.9 | 104.1 | 103.4 | 99.0 | 99.8 | 97.8 | 93.3 | 93.2 | 94.7 | 99.4 | 101.0 | 100.0 | 99.6 | 99.9 | 100.7 | 100.8 | 97.5 |
| Germany | 104.0 | 107.4 | 108.1 | 112.2 | 107.7 | 102.2 | 103.3 | 100.9 | 94.8 | 94.8 | 95.8 | 100.5 | 101.9 | 100.0 | 99.4 | 100.5 | 100.4 | 101.2 | 96.2 |
| Greece | 87.9 | 88.5 | 89.2 | 92.1 | 94.7 | 95.3 | 93.9 | 94.2 | 88.1 | 89.0 | 91.7 | 97.3 | 99.6 | 100.0 | 100.9 | 102.6 | 104.8 | 106.1 | 105.5 |
| Hungary | .. | 72.1 | 70.4 | 66.9 | 67.5 | 71.7 | 72.1 | 74.2 | 75.1 | 81.3 | 89.7 | 91.9 | 98.0 | 100.0 | 95.4 | 106.3 | 109.0 | 102.4 | 104.1 |
| Iceland | 89.2 | 83.9 | 78.6 | 77.5 | 77.0 | 78.6 | 80.6 | 82.7 | 85.9 | 76.3 | 81.6 | 85.8 | 88.1 | 100.0 | 93.7 | 97.5 | 76.4 | 62.0 | 66.0 |
| Ireland | 94.0 | 86.9 | 86.8 | 87.8 | 89.3 | 88.4 | 86.4 | 83.7 | 80.6 | 83.7 | 88.4 | 97.6 | 100.0 | 100.0 | 101.8 | 106.9 | 112.7 | 108.8 | 101.4 |
| Israel | .. | .. | .. | .. | .. | 128.7 | 125.5 | 120.9 | 128.6 | 127.6 | 115.6 | 109.4 | 102.5 | 100.0 | 99.7 | 100.6 | 112.5 | 109.5 | 114.9 |
| Italy | 111.0 | 93.7 | 91.1 | 84.6 | 93.6 | 93.8 | 95.2 | 94.3 | 90.6 | 91.9 | 94.0 | 99.4 | 101.0 | 100.0 | 100.0 | 100.5 | 101.4 | 102.4 | 98.4 |
| Japan | 102.5 | 118.9 | 128.3 | 130.5 | 109.1 | 102.5 | 102.9 | 115.7 | 122.5 | 109.6 | 103.0 | 104.4 | 106.0 | 100.0 | 90.5 | 82.9 | 89.4 | 100.0 | 100.7 |
| Korea | 95.9 | 93.1 | 94.2 | 95.3 | 98.7 | 92.6 | 70.2 | 80.2 | 86.4 | 81.7 | 86.1 | 87.5 | 89.0 | 100.0 | 107.8 | 107.1 | 86.8 | 76.0 | 82.4 |
| Luxembourg | 98.8 | 98.7 | 99.9 | 102.3 | 99.9 | 96.2 | 96.2 | 95.5 | 93.5 | 94.1 | 95.4 | 98.9 | 100.2 | 100.0 | 100.9 | 102.3 | 103.1 | 102.9 | 101.4 |
| Mexico | 97.9 | 104.6 | 100.0 | 67.8 | 75.7 | 87.5 | 88.3 | 96.7 | 105.1 | 112.1 | 112.5 | 100.4 | 96.4 | 100.0 | 100.0 | 99.1 | 97.4 | 85.4 | 92.4 |
| Netherlands | 93.9 | 94.2 | 94.3 | 97.9 | 95.2 | 89.9 | 92.5 | 91.9 | 86.9 | 89.5 | 93.1 | 99.7 | 101.3 | 100.0 | 99.0 | 99.8 | 100.2 | 101.2 | 96.4 |
| New Zealand | 74.7 | 76.4 | 80.5 | 86.3 | 91.5 | 92.9 | 82.7 | 78.9 | 71.6 | 70.7 | 77.5 | 88.3 | 94.6 | 100.0 | 93.2 | 99.7 | 93.1 | 86.7 | 93.7 |
| Norway | 98.1 | 94.3 | 91.9 | 94.1 | 93.0 | 94.0 | 91.6 | 92.1 | 91.0 | 94.5 | 102.0 | 100.5 | 96.0 | 100.0 | 99.9 | 99.7 | 99.7 | 98.1 | 102.7 |
| Poland | .. | 69.0 | 69.7 | 74.5 | 79.9 | 82.6 | 88.0 | 85.4 | 94.0 | 106.2 | 101.5 | 90.2 | 89.4 | 100.0 | 102.2 | 105.7 | 115.4 | 97.6 | 103.7 |
| Portugal | 95.2 | 92.2 | 90.8 | 94.1 | 94.0 | 92.8 | 93.5 | 93.6 | 91.7 | 94.0 | 96.2 | 99.9 | 100.7 | 100.0 | 100.6 | 101.2 | 101.2 | 100.3 | 97.7 |
| Slovak Republic | .. | 66.0 | 65.3 | 66.7 | 66.6 | 70.2 | 70.7 | 69.7 | 76.9 | 77.9 | 78.9 | 89.1 | 97.6 | 100.0 | 105.4 | 116.1 | 125.8 | 135.2 | 129.5 |
| Slovenia | .. | .. | .. | .. | .. | 91.4 | 96.5 | 97.3 | 94.1 | 93.9 | 96.3 | 100.9 | 101.4 | 100.0 | 99.8 | 101.6 | 104.2 | 106.0 | 102.1 |
| Spain | 106.6 | 94.9 | 90.7 | 92.0 | 93.5 | 89.2 | 90.2 | 90.1 | 88.1 | 90.1 | 92.5 | 97.2 | 99.3 | 100.0 | 101.5 | 103.0 | 105.1 | 105.1 | 102.2 |
| Sweden | 134.9 | 110.8 | 109.2 | 108.4 | 116.7 | 110.8 | 107.8 | 105.7 | 104.2 | 95.6 | 98.2 | 104.0 | 104.2 | 100.0 | 99.6 | 100.5 | 98.2 | 88.8 | 95.0 |
| Switzerland | 97.8 | 99.6 | 104.1 | 110.4 | 106.4 | 98.0 | 100.2 | 99.1 | 96.2 | 98.5 | 102.3 | 102.7 | 101.8 | 100.0 | 97.4 | 93.2 | 97.1 | 101.1 | 105.8 |
| Turkey | 77.7 | 83.3 | 61.2 | 66.4 | 67.1 | 71.5 | 78.8 | 82.8 | 92.4 | 75.4 | 82.3 | 86.9 | 89.9 | 100.0 | 99.6 | 108.1 | 109.7 | 102.5 | 113.3 |
| United Kingdom | 98.1 | 88.2 | 88.1 | 84.3 | 85.7 | 98.6 | 104.1 | 103.8 | 104.4 | 101.8 | 102.3 | 97.9 | 101.6 | 100.0 | 100.6 | 102.1 | 89.0 | 80.4 | 81.3 |
| United States | 88.6 | 89.8 | 90.0 | 88.7 | 91.5 | 95.9 | 103.3 | 102.3 | 105.6 | 111.6 | 112.0 | 105.7 | 101.4 | 100.0 | 99.3 | 95.1 | 91.5 | 95.3 | 91.1 |
| Euro area | 106.6 | 100.2 | 99.8 | 103.4 | 102.0 | 92.8 | 95.2 | 91.9 | 82.7 | 84.3 | 87.8 | 98.5 | 102.0 | 100.0 | 99.7 | 101.9 | 104.0 | 105.1 | 96.5 |

*Note* . Competitiveness-weighted relative consumer prices in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the manufacturing sector of 49 countries. An increase in the index indicates a real effective appreciation and a corresponding deterioration of the competitive position. For details on the method of calculation, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

*Source:* OECD Economic Outlook 90 database.

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Annex Table 43. **Competitive positions: relative unit labour costs**

Indices, 2005 = 100

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 71.2 | 64.5 | 68.4 | 71.1 | 79.2 | 80.4 | 73.4 | 77.3 | 73.1 | 67.0 | 71.5 | 81.8 | 92.2 | 100.0 | 100.4 | 109.9 | 105.6 | 100.6 | 115.3 |
| Austria | 109.7 | 110.7 | 111.2 | 108.9 | 103.3 | 100.4 | 101.6 | 100.2 | 94.8 | 93.9 | 95.1 | 98.9 | 100.4 | 100.0 | 98.2 | 96.8 | 92.5 | 92.7 | 92.7 |
| Belgium | 98.0 | 99.5 | 103.5 | 105.1 | 100.6 | 93.2 | 93.9 | 95.0 | 90.3 | 90.6 | 93.6 | 99.3 | 100.5 | 100.0 | 102.4 | 104.0 | 104.5 | 105.9 | 101.1 |
| Canada | 80.0 | 72.5 | 67.7 | 69.3 | 71.9 | 71.1 | 68.0 | 68.4 | 65.6 | 65.8 | 69.0 | 79.7 | 92.0 | 100.0 | 108.8 | 117.2 | 115.0 | 108.4 | 118.4 |
| Czech Republic | .. | 68.4 | 66.7 | 66.6 | 72.6 | 73.4 | 83.5 | 76.8 | 75.8 | 85.5 | 96.5 | 101.1 | 99.0 | 100.0 | 100.6 | 101.9 | 107.7 | 100.2 | 98.3 |
| Denmark | 80.3 | 82.5 | 79.6 | 83.4 | 85.4 | 82.2 | 85.9 | 86.6 | 83.1 | 85.3 | 89.4 | 96.2 | 98.6 | 100.0 | 100.3 | 103.3 | 100.7 | 101.5 | 94.6 |
| Estonia | .. | .. | .. | .. | .. | 77.7 | 85.0 | 90.6 | 88.3 | 85.2 | 90.2 | 96.0 | 100.0 | 100.0 | 104.1 | 117.6 | 121.9 | 125.8 | 106.4 |
| Finland | 136.6 | 103.7 | 109.2 | 126.6 | 119.6 | 112.7 | 112.4 | 112.5 | 101.5 | 100.3 | 98.1 | 100.6 | 101.5 | 100.0 | 93.7 | 88.1 | 87.1 | 89.5 | 85.2 |
| France | 109.6 | 112.0 | 111.6 | 113.1 | 112.4 | 105.1 | 102.7 | 99.8 | 95.0 | 94.0 | 96.2 | 98.5 | 101.2 | 100.0 | 101.4 | 103.4 | 102.8 | 101.8 | 101.0 |
| Germany | 99.7 | 104.4 | 104.6 | 114.3 | 112.3 | 103.2 | 105.9 | 105.9 | 99.3 | 98.0 | 100.2 | 104.7 | 104.9 | 100.0 | 95.8 | 95.0 | 97.5 | 101.3 | 98.0 |
| Hungary | .. | 103.8 | 92.9 | 84.3 | 78.6 | 79.5 | 76.7 | 76.7 | 80.1 | 87.0 | 94.1 | 91.7 | 97.6 | 100.0 | 92.9 | 99.2 | 100.7 | 92.4 | 84.9 |
| Iceland | 67.2 | 61.7 | 60.4 | 61.2 | 60.9 | 64.3 | 70.2 | 77.7 | 84.4 | 73.6 | 78.3 | 82.6 | 85.6 | 100.0 | 97.4 | 104.5 | 77.4 | 53.3 | 60.5 |
| Ireland | 133.4 | 127.1 | 126.4 | 119.0 | 118.1 | 112.1 | 101.9 | 95.0 | 88.3 | 85.8 | 81.2 | 90.2 | 94.4 | 100.0 | 99.5 | 96.4 | 96.6 | 84.4 | 70.9 |
| Israel | .. | .. | .. | .. | .. | 109.8 | 111.0 | 111.1 | 121.2 | 125.0 | 111.4 | 103.5 | 100.3 | 100.0 | 102.6 | 107.4 | 117.1 | 107.8 | 117.0 |
| Italy | 96.8 | 80.3 | 76.4 | 69.5 | 78.7 | 81.6 | 82.3 | 83.5 | 79.1 | 80.4 | 84.5 | 94.1 | 98.9 | 100.0 | 100.7 | 103.6 | 108.0 | 109.9 | 106.7 |
| Japan | 113.2 | 131.9 | 150.4 | 149.9 | 122.3 | 116.3 | 120.0 | 137.5 | 140.6 | 128.6 | 120.8 | 113.3 | 111.3 | 100.0 | 87.8 | 77.1 | 82.2 | 97.4 | 94.0 |
| Korea | 105.9 | 102.3 | 106.3 | 117.6 | 126.6 | 111.6 | 77.1 | 80.1 | 84.7 | 79.3 | 84.1 | 83.5 | 86.9 | 100.0 | 103.8 | 101.7 | 79.0 | 67.0 | 70.0 |
| Luxembourg | 95.6 | 91.3 | 91.8 | 98.1 | 95.8 | 91.5 | 88.7 | 85.2 | 82.7 | 88.6 | 89.1 | 92.4 | 96.1 | 100.0 | 106.7 | 100.1 | 110.8 | 135.9 | 127.2 |
| Mexico | 80.0 | 87.4 | 84.8 | 52.8 | 55.6 | 66.1 | 68.0 | 78.6 | 91.1 | 100.5 | 105.2 | 95.9 | 95.7 | 100.0 | 100.6 | 100.8 | 94.2 | 79.1 | 86.2 |
| Netherlands | 98.8 | 97.0 | 94.9 | 97.6 | 94.3 | 91.5 | 94.9 | 94.6 | 88.0 | 89.6 | 93.5 | 101.5 | 103.4 | 100.0 | 98.1 | 97.8 | 100.3 | 99.1 | 92.8 |
| New Zealand | 63.2 | 63.8 | 69.7 | 73.8 | 80.1 | 83.1 | 74.9 | 72.1 | 63.6 | 64.7 | 70.5 | 82.6 | 92.4 | 100.0 | 95.9 | 102.9 | 96.3 | 85.4 | 93.6 |
| Norway | 70.2 | 68.8 | 71.8 | 76.2 | 75.7 | 79.9 | 79.5 | 86.1 | 88.1 | 91.0 | 101.9 | 96.9 | 93.7 | 100.0 | 108.7 | 115.3 | 115.1 | 111.4 | 120.1 |
| Poland | .. | 97.3 | 103.3 | 110.6 | 118.2 | 122.0 | 128.8 | 122.5 | 125.9 | 129.2 | 114.4 | 94.2 | 88.8 | 100.0 | 97.7 | 99.0 | 105.0 | 75.6 | 76.9 |
| Portugal | 95.5 | 92.0 | 92.2 | 94.8 | 92.0 | 92.6 | 94.0 | 95.0 | 93.0 | 93.2 | 94.6 | 96.8 | 98.5 | 100.0 | 100.9 | 99.9 | 98.1 | 96.4 | 96.2 |
| Slovak Republic | .. | 78.6 | 94.7 | 97.4 | 101.2 | 117.9 | 109.6 | 101.7 | 114.3 | 105.6 | 104.3 | 105.8 | 102.5 | 100.0 | 102.5 | 108.0 | 117.4 | 134.2 | 131.5 |
| Slovenia | .. | .. | .. | .. | .. | 81.5 | 85.5 | 87.6 | 87.3 | 88.3 | 89.6 | 95.1 | 99.2 | 100.0 | 101.1 | 104.0 | 105.9 | 112.5 | 109.1 |
| Spain | 98.1 | 90.3 | 86.5 | 87.0 | 89.0 | 87.0 | 87.3 | 85.7 | 84.8 | 85.8 | 88.4 | 94.1 | 97.7 | 100.0 | 102.5 | 107.3 | 111.4 | 111.0 | 104.4 |
| Sweden | 195.9 | 143.8 | 134.8 | 129.5 | 145.0 | 134.8 | 126.9 | 118.0 | 118.2 | 113.0 | 108.2 | 110.2 | 106.2 | 100.0 | 95.2 | 99.1 | 99.7 | 97.8 | 94.0 |
| Turkey | 124.4 | 114.7 | 84.5 | 72.2 | 70.9 | 76.0 | 82.1 | 107.1 | 119.3 | 89.1 | 90.8 | 85.4 | 86.6 | 100.0 | 96.3 | 102.1 | 106.9 | 97.3 | 109.5 |
| United Kingdom | 79.1 | 70.9 | 71.0 | 68.5 | 69.6 | 83.3 | 94.2 | 96.0 | 98.4 | 96.2 | 99.2 | 96.3 | 101.1 | 100.0 | 102.4 | 104.9 | 89.8 | 83.6 | 88.1 |
| United States | 127.1 | 126.5 | 124.4 | 117.9 | 119.7 | 124.6 | 131.5 | 128.5 | 134.9 | 138.0 | 128.9 | 119.7 | 105.3 | 100.0 | 96.8 | 89.6 | 87.3 | 89.5 | 83.8 |
| Euro area | 104.1 | 99.5 | 98.1 | 103.4 | 103.8 | 93.3 | 94.5 | 93.1 | 82.6 | 82.0 | 86.9 | 98.2 | 103.1 | 100.0 | 98.9 | 101.2 | 105.3 | 107.6 | 100.0 |

*Note:* Competitiveness-weighted relative unit labour costs in the manufactoring sector in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the manufacturing sector of 49 countries. An increase in the index indicates a real effective appreciation and a corresponding deterioration of the competitive position. For details on the method of calculation, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559163

## Annex Table 44. **Export performance for total goods and services**

Percentage changes from previous year

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 0.8 | 5.5 | 1.7 | 0.0 | -1.7 | 2.9 | -5.0 | -9.5 | -8.2 | -6.3 | -6.1 | -5.0 | -0.2 | 13.9 | -7.5 | -8.5 | 2.4 | -2.2 |
| Austria | -0.7 | 2.0 | 0.2 | 0.3 | 1.5 | 3.9 | 2.0 | -3.5 | 0.9 | 0.1 | -2.6 | 1.0 | -1.9 | -2.6 | -2.8 | 0.2 | -0.7 | 0.1 |
| Belgium | -1.8 | 0.0 | -3.6 | -1.7 | -0.4 | -0.7 | 0.7 | -3.3 | -2.0 | -3.0 | -3.4 | -1.2 | -0.2 | -0.1 | -0.5 | 0.3 | -0.2 | -0.4 |
| Canada | -3.0 | -3.8 | -0.9 | 0.3 | -3.6 | -1.0 | -2.2 | -6.7 | -5.5 | -4.5 | -5.9 | -2.2 | -3.5 | -1.0 | -5.6 | -0.6 | 0.7 | -0.4 |
| Chile | 2.1 | 1.1 | 2.2 | 1.8 | -6.5 | 6.8 | -1.2 | -0.4 | 1.5 | -3.8 | -4.2 | -1.0 | -0.5 | 4.2 | -11.5 | -0.3 | -1.8 | -3.4 |
| Czech Republic | -0.2 | -0.3 | 1.8 | 0.1 | 5.5 | 8.5 | 0.9 | 2.3 | 4.5 | 3.9 | 2.4 | 3.4 | 1.0 | 2.4 | 4.7 | 2.2 | 0.4 | 0.1 |
| Denmark | -2.2 | -5.1 | -3.8 | 5.6 | 1.2 | 2.0 | 2.2 | -5.3 | -5.5 | 0.4 | -0.5 | -4.2 | 0.2 | 2.4 | -6.5 | 0.8 | -1.2 | -1.4 |
| Estonia | -5.2 | 14.1 | 5.2 | -3.2 | 13.6 | 2.0 | -5.4 | 3.0 | 5.0 | 8.5 | -3.7 | -5.1 | -4.4 | -5.0 | 10.9 | 18.5 | 3.7 | 1.6 |
| Finland | 0.0 | 3.7 | 3.4 | 7.4 | 4.1 | -0.7 | -0.2 | -7.7 | -2.3 | -2.3 | 0.8 | -2.0 | 1.0 | -9.0 | -3.5 | -8.2 | 0.0 | -3.4 |
| France | -2.5 | 2.5 | 0.7 | -1.4 | 1.6 | 0.9 | -1.0 | -5.8 | -4.7 | -4.2 | -3.6 | -4.9 | -3.0 | -1.1 | -1.0 | -1.5 | -1.0 | -0.2 |
| Germany | 0.0 | 1.2 | -0.4 | 0.0 | 1.5 | 4.8 | 1.2 | -2.1 | 0.1 | 0.3 | 4.0 | 0.4 | 0.0 | -1.8 | 2.2 | 2.2 | -0.3 | 0.3 |
| Greece | -2.1 | 8.9 | -1.9 | 13.1 | 3.9 | -1.6 | -11.4 | -2.4 | 6.8 | -5.6 | -5.5 | -1.7 | -0.9 | -8.8 | -5.4 | 0.5 | 3.2 | 1.3 |
| Hungary | 4.9 | 10.5 | 7.7 | 5.2 | 7.9 | 5.2 | 2.0 | 1.0 | 5.7 | 3.5 | 7.9 | 6.4 | 2.7 | 1.9 | 3.3 | 2.3 | 1.4 | 0.7 |
| Iceland | 3.1 | -4.0 | -5.8 | -2.8 | -6.2 | 5.0 | 1.2 | -1.9 | 0.2 | 0.2 | -12.9 | 11.3 | 5.4 | 20.7 | -8.3 | -2.9 | -1.0 | -2.8 |
| Ireland | 5.5 | 7.0 | 14.1 | 8.0 | 8.4 | 7.1 | 2.1 | -3.0 | -0.7 | -2.3 | -3.2 | 3.5 | -2.0 | 8.2 | -4.0 | -0.6 | 0.0 | -0.4 |
| Israel | -1.6 | -1.8 | 0.5 | 7.8 | 9.3 | -10.3 | -5.5 | 2.6 | 5.7 | -2.8 | -2.4 | 3.0 | 5.3 | -0.1 | 0.3 | -1.4 | -0.7 | 0.6 |
| Italy | -4.8 | -4.3 | -4.7 | -6.3 | 0.0 | 0.8 | -5.6 | -6.0 | -3.1 | -4.3 | -1.0 | -2.1 | -5.8 | -6.6 | 1.8 | -1.4 | -1.8 | -2.0 |
| Japan | -2.6 | 1.3 | -4.0 | -6.1 | -2.1 | -5.8 | 0.1 | -0.3 | -0.2 | -2.2 | -0.3 | 0.1 | -2.3 | -16.8 | 7.6 | -6.1 | -1.6 | -2.7 |
| Korea | 1.8 | 9.8 | 10.6 | 7.5 | 3.6 | -4.0 | 4.7 | 3.6 | 4.6 | -2.1 | 0.8 | 3.2 | 2.0 | 7.2 | -0.4 | 2.7 | 0.5 | 0.3 |
| Luxembourg | -2.5 | 1.8 | 2.6 | 7.7 | 0.8 | 2.7 | 0.7 | 3.3 | 3.3 | -2.0 | 3.8 | 3.0 | 2.5 | 0.4 | -6.7 | -1.2 | -2.4 | -1.8 |
| Mexico | 9.0 | -2.1 | 1.4 | 1.9 | 3.5 | -1.3 | -1.7 | -1.9 | 0.4 | 0.1 | 4.2 | 2.1 | 2.1 | -0.9 | 11.7 | 4.2 | 1.8 | 0.0 |
| Netherlands | -1.2 | 1.1 | -1.1 | 2.6 | 1.5 | 0.2 | -1.1 | -2.5 | -0.6 | -1.2 | -2.0 | -0.4 | -0.3 | 3.9 | 0.3 | -1.4 | -0.7 | -0.3 |
| New Zealand | -4.4 | -4.4 | -1.4 | 1.2 | -4.0 | 4.3 | 0.3 | -4.8 | -5.6 | -8.8 | -6.5 | -4.0 | -6.5 | 13.5 | -8.7 | -6.1 | -4.0 | -3.2 |
| Norway | 3.4 | -2.3 | -7.2 | -3.5 | -7.7 | 2.7 | -2.9 | -3.5 | -6.5 | -5.8 | -8.5 | -2.6 | -0.4 | 9.1 | -11.1 | -7.0 | -1.3 | -3.8 |
| Poland | 5.3 | 3.5 | 5.9 | -7.5 | 9.7 | 1.2 | 2.8 | 8.5 | 3.6 | 1.5 | 3.7 | 0.8 | 2.3 | 7.4 | -1.3 | 0.9 | 1.9 | -1.3 |
| Portugal | 1.0 | -3.1 | -1.1 | -3.1 | -2.3 | -0.7 | 0.1 | -0.7 | -4.2 | -6.9 | 2.2 | 0.3 | -0.9 | 0.6 | -0.9 | 2.3 | 1.5 | 0.5 |
| Slovak Republic | -7.6 | -3.9 | 11.0 | 5.9 | -2.9 | 3.3 | 3.1 | 9.8 | -1.7 | 2.9 | 9.2 | 5.2 | 0.4 | -4.5 | 4.3 | 3.2 | 0.1 | 1.4 |
| Slovenia | -1.4 | 1.5 | -0.4 | -2.9 | 2.2 | 2.9 | 4.8 | -1.8 | 3.3 | 2.9 | 2.1 | 4.4 | -0.5 | -5.4 | -1.0 | 0.5 | 0.4 | -1.2 |
| Spain | 4.5 | 4.5 | -1.0 | 1.7 | -0.8 | 2.3 | 0.1 | 0.3 | -3.7 | -4.2 | -2.0 | 0.1 | -3.4 | 0.9 | 3.1 | 3.8 | 0.7 | -0.2 |
| Sweden | -1.9 | 2.8 | 1.5 | 2.3 | 0.3 | 0.3 | -2.1 | 0.2 | 0.0 | -1.5 | -0.1 | -0.9 | -2.8 | 0.1 | -0.4 | 1.0 | -1.0 | -0.5 |
| Switzerland | -2.2 | 1.3 | -2.8 | 0.3 | 0.7 | -1.0 | -2.3 | -5.2 | -1.3 | 0.3 | 0.9 | 2.2 | 0.7 | 2.9 | -2.5 | -2.4 | -3.5 | -0.6 |
| Turkey | 16.1 | 8.8 | 4.6 | -14.6 | 5.5 | 0.6 | 3.7 | 2.0 | 1.6 | -1.1 | -2.7 | -2.8 | -2.0 | 6.6 | -4.6 | -1.4 | 0.4 | 0.7 |
| United Kingdom | 2.1 | -2.1 | -3.7 | -2.5 | -2.6 | 2.1 | -0.8 | -2.5 | -4.3 | -0.2 | 3.0 | -8.5 | -1.1 | 1.8 | -3.7 | -0.7 | -0.4 | 0.5 |
| United States | -0.4 | 1.1 | -1.7 | -1.7 | -3.4 | -5.1 | -5.0 | -3.4 | -1.1 | -1.6 | 0.0 | 1.1 | 2.2 | 2.5 | -2.3 | -0.6 | -0.8 | -0.9 |
| Total OECD | -0.3 | 0.7 | -1.0 | -0.8 | -0.3 | -0.2 | -1.3 | -2.8 | -1.5 | -1.9 | -0.3 | -0.7 | -0.6 | -0.4 | -0.4 | -0.5 | -0.5 | -0.6 |
| *Memorandum items* | | | | | | | | | | | | | | | | | | |
| China | 9.2 | 13.1 | 3.3 | 6.2 | 13.5 | 6.5 | 21.4 | 19.6 | 11.5 | 14.5 | 14.5 | 12.2 | 5.1 | 2.2 | 14.0 | 3.2 | 3.5 | 3.6 |
| Other industrialised Asia[1] | -1.5 | -1.0 | -1.0 | -1.2 | 2.6 | -2.6 | 1.9 | 0.7 | 2.0 | 1.5 | 1.2 | 0.0 | 0.1 | -0.4 | 2.2 | 0.1 | -0.9 | -0.4 |
| Russia | -2.8 | -10.2 | -5.1 | 6.1 | -1.4 | 2.3 | 6.6 | 6.1 | 1.7 | -1.7 | -2.2 | -2.6 | -2.8 | 6.1 | -3.4 | -4.7 | -0.5 | -1.3 |
| Brazil | .. | -1.4 | -1.2 | 2.6 | 2.4 | 10.5 | 8.8 | 2.2 | 1.7 | -0.9 | -4.5 | -3.8 | -4.6 | 1.6 | -2.5 | -4.3 | 2.0 | 2.2 |
| Other oil producers | -4.6 | -1.8 | -2.2 | -6.6 | -3.9 | -0.3 | -3.7 | 4.2 | -1.4 | 3.8 | -2.9 | -1.3 | 3.6 | 6.1 | -9.4 | -1.2 | -0.8 | -0.9 |
| Rest of the world | -1.2 | -3.1 | -1.9 | 0.7 | -3.3 | 3.4 | 0.0 | -0.2 | -0.3 | -2.4 | -3.2 | -2.3 | 0.2 | 4.1 | -3.9 | 0.5 | -0.2 | -0.1 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade. Export performance is measured as actual growth in exports relative to the growth of the country's export market. For more details, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods)*.

1. Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Vietnam; Thailand; India and Indonesia.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 45. **Shares in world exports and imports**

Percentage, values for goods and services, national accounts basis

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A. Exports** | | | | | | | | | | | | | | | | | |
| Canada | 3.6 | 3.7 | 4.0 | 4.2 | 4.1 | 3.8 | 3.5 | 3.4 | 3.3 | 3.1 | 2.9 | 2.7 | 2.4 | 2.5 | 2.4 | 2.4 | 2.3 |
| France | 5.3 | 5.7 | 5.4 | 4.9 | 5.0 | 5.0 | 5.0 | 4.7 | 4.4 | 4.1 | 4.0 | 3.9 | 3.9 | 3.5 | 3.3 | 3.2 | 3.2 |
| Germany | 8.5 | 9.1 | 8.8 | 8.0 | 8.6 | 9.0 | 9.3 | 9.3 | 8.9 | 8.9 | 9.1 | 8.8 | 8.8 | 8.2 | 8.0 | 7.8 | 7.7 |
| Italy | 4.4 | 4.5 | 4.1 | 3.7 | 4.0 | 3.9 | 4.0 | 3.9 | 3.6 | 3.5 | 3.6 | 3.3 | 3.2 | 2.9 | 2.9 | 2.8 | 2.7 |
| Japan | 6.7 | 6.2 | 6.4 | 6.5 | 5.7 | 5.6 | 5.5 | 5.4 | 5.1 | 4.7 | 4.5 | 4.3 | 4.0 | 4.4 | 4.0 | 4.1 | 4.1 |
| United Kingdom | 5.6 | 5.7 | 5.5 | 5.2 | 5.2 | 5.2 | 5.1 | 4.9 | 4.7 | 4.7 | 4.3 | 4.0 | 3.9 | 3.6 | 3.5 | 3.5 | 3.4 |
| United States | 13.7 | 14.0 | 13.9 | 13.9 | 13.5 | 12.5 | 11.2 | 10.5 | 10.2 | 9.9 | 9.6 | 9.3 | 10.0 | 9.8 | 9.4 | 9.6 | 9.6 |
| Other OECD countries | 26.1 | 27.2 | 27.3 | 26.6 | 27.2 | 27.5 | 28.0 | 28.1 | 27.4 | 27.0 | 27.4 | 27.3 | 27.6 | 26.5 | 26.2 | 25.6 | 25.3 |
| Total OECD | 73.9 | 76.1 | 75.5 | 72.9 | 73.2 | 72.5 | 71.6 | 70.1 | 67.5 | 66.1 | 65.4 | 63.6 | 63.9 | 61.4 | 59.7 | 58.9 | 58.3 |
| China | 3.0 | 3.0 | 3.1 | 3.5 | 3.9 | 4.5 | 5.2 | 5.8 | 6.5 | 7.2 | 7.8 | 8.0 | 8.4 | 9.4 | 9.5 | 10.3 | 10.8 |
| Other industrialised Asia | 12.5 | 11.3 | 11.7 | 12.4 | 11.8 | 11.9 | 11.5 | 11.5 | 11.6 | 11.7 | 11.5 | 11.3 | 11.9 | 12.9 | 12.9 | 13.1 | 13.3 |
| Brazil | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
| Russia | 1.4 | 1.3 | 1.2 | 1.5 | 1.5 | 1.5 | 1.6 | 1.8 | 2.1 | 2.3 | 2.3 | 2.6 | 2.2 | 2.4 | 2.6 | 2.5 | 2.5 |
| Other oil producers | 3.8 | 2.9 | 3.5 | 4.7 | 4.3 | 4.3 | 4.6 | 5.1 | 6.5 | 7.0 | 7.0 | 8.1 | 7.0 | 7.3 | 8.3 | 8.2 | 8.0 |
| Rest of the world | 4.5 | 4.5 | 4.3 | 4.2 | 4.4 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.2 | 5.4 | 5.4 | 5.7 | 5.6 | 5.6 |
| Total of non-OECD countries | 26.1 | 23.9 | 24.5 | 27.1 | 26.8 | 27.5 | 28.4 | 29.9 | 32.5 | 33.9 | 34.6 | 36.4 | 36.1 | 38.6 | 40.3 | 41.1 | 41.7 |
| **B. Imports** | | | | | | | | | | | | | | | | | |
| Canada | 3.5 | 3.6 | 3.7 | 3.7 | 3.5 | 3.4 | 3.2 | 3.0 | 3.0 | 3.0 | 2.8 | 2.6 | 2.7 | 2.7 | 2.6 | 2.5 | 2.5 |
| France | 4.8 | 5.2 | 5.0 | 4.7 | 4.8 | 4.7 | 4.9 | 4.7 | 4.5 | 4.4 | 4.4 | 4.2 | 4.3 | 3.9 | 3.8 | 3.6 | 3.6 |
| Germany | 8.3 | 8.8 | 8.6 | 7.9 | 8.1 | 7.9 | 8.4 | 8.1 | 7.8 | 8.0 | 7.9 | 7.8 | 7.9 | 7.4 | 7.5 | 7.3 | 7.2 |
| Italy | 3.8 | 4.0 | 3.8 | 3.6 | 3.7 | 3.8 | 3.9 | 3.8 | 3.6 | 3.7 | 3.7 | 3.5 | 3.3 | 3.2 | 3.2 | 3.0 | 2.9 |
| Japan | 6.1 | 5.2 | 5.4 | 5.6 | 5.3 | 4.9 | 4.7 | 4.7 | 4.6 | 4.5 | 4.1 | 4.4 | 4.0 | 4.2 | 4.4 | 4.5 | 4.3 |
| United Kingdom | 5.6 | 5.9 | 5.9 | 5.5 | 5.7 | 5.8 | 5.6 | 5.5 | 5.3 | 5.3 | 4.9 | 4.4 | 4.3 | 4.0 | 3.8 | 3.7 | 3.6 |
| United States | 15.6 | 16.6 | 17.8 | 18.7 | 18.3 | 17.9 | 16.7 | 16.1 | 15.9 | 15.4 | 14.1 | 13.2 | 12.8 | 12.9 | 12.2 | 12.3 | 12.2 |
| Other OECD countries | 25.8 | 26.5 | 26.6 | 25.9 | 26.0 | 26.4 | 27.0 | 27.1 | 26.7 | 26.7 | 27.4 | 27.3 | 26.7 | 25.8 | 25.3 | 24.5 | 24.2 |
| Total OECD | 73.6 | 75.8 | 76.9 | 75.8 | 75.4 | 74.8 | 74.3 | 73.0 | 71.7 | 70.8 | 69.4 | 67.4 | 65.9 | 64.0 | 62.7 | 61.4 | 60.6 |
| China | 2.4 | 2.4 | 2.7 | 3.2 | 3.5 | 4.1 | 4.8 | 5.4 | 5.6 | 5.9 | 6.1 | 6.3 | 7.2 | 8.3 | 8.7 | 9.6 | 10.3 |
| Other industrialised Asia | 12.8 | 10.7 | 10.8 | 11.6 | 10.9 | 10.9 | 10.6 | 10.9 | 11.1 | 11.1 | 10.9 | 11.2 | 11.5 | 12.6 | 12.7 | 12.9 | 13.0 |
| Brazil | 1.2 | 1.1 | 0.9 | 1.0 | 1.0 | 0.8 | 0.7 | 0.7 | 0.8 | 0.9 | 1.0 | 1.2 | 1.2 | 1.4 | 1.5 | 1.6 | 1.6 |
| Russia | 1.3 | 1.1 | 0.7 | 0.8 | 1.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.4 | 1.7 | 1.9 | 1.6 | 1.8 | 1.9 | 2.0 | 2.0 |
| Other oil producers | 3.2 | 3.1 | 2.9 | 2.9 | 3.2 | 3.4 | 3.4 | 3.6 | 4.1 | 4.2 | 4.8 | 5.3 | 6.0 | 5.5 | 5.6 | 5.8 | 5.8 |
| Rest of the world | 5.5 | 5.7 | 5.1 | 4.9 | 5.1 | 4.9 | 5.0 | 5.2 | 5.5 | 5.7 | 6.1 | 6.7 | 6.5 | 6.4 | 6.9 | 6.8 | 6.6 |
| Total of non-OECD countries | 26.4 | 24.2 | 23.1 | 24.2 | 24.6 | 25.2 | 25.7 | 27.0 | 28.3 | 29.2 | 30.6 | 32.6 | 34.1 | 36.0 | 37.3 | 38.6 | 39.4 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559201

Annex Table 46. **Geographical structure of world trade growth**

Average of export and import volumes

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Percentage changes from previous year | | | | | | | | | | | | | | | | |
| **A. Trade growth** | | | | | | | | | | | | | | | | | |
| OECD America[1] | 12.7 | 7.8 | 8.8 | 11.3 | -3.7 | 1.2 | 2.7 | 9.9 | 6.2 | 6.9 | 5.1 | 0.8 | -12.5 | 13.0 | 6.2 | 4.9 | 6.6 |
| OECD Europe | 10.6 | 8.4 | 5.8 | 12.2 | 3.0 | 1.8 | 2.5 | 7.4 | 6.2 | 9.4 | 5.9 | 1.0 | -11.6 | 9.8 | 5.5 | 2.7 | 5.5 |
| OECD Asia & Pacific[2] | 7.2 | -4.0 | 7.1 | 12.7 | -2.9 | 6.6 | 7.7 | 12.1 | 6.6 | 7.8 | 7.7 | 3.4 | -12.7 | 15.4 | 5.7 | 6.7 | 7.4 |
| Total OECD | 10.7 | 6.6 | 6.8 | 12.1 | 0.4 | 2.2 | 3.2 | 8.7 | 6.2 | 8.5 | 6.0 | 1.3 | -12.0 | 11.4 | 5.7 | 3.8 | 6.1 |
| China | 17.5 | 1.7 | 17.4 | 25.4 | 6.8 | 25.7 | 28.2 | 23.8 | 18.9 | 20.2 | 17.1 | 6.5 | -4.0 | 24.8 | 9.9 | 10.4 | 12.4 |
| Other industrialised Asia | 7.4 | -2.5 | 2.4 | 17.9 | -4.0 | 7.8 | 10.0 | 16.9 | 11.2 | 10.7 | 7.6 | 6.7 | -10.1 | 17.4 | 8.3 | 5.8 | 8.6 |
| Brazil | 13.6 | 2.1 | -6.8 | 11.6 | 5.8 | -2.7 | 4.7 | 14.4 | 9.0 | 10.8 | 12.5 | 7.8 | -10.9 | 24.4 | 9.0 | 11.5 | 11.8 |
| Russia | -0.2 | -5.0 | 2.4 | 15.3 | 8.4 | 11.7 | 14.2 | 15.7 | 10.1 | 12.6 | 14.4 | 7.0 | -17.2 | 14.6 | 9.4 | 4.7 | 6.5 |
| Other oil producers | 7.3 | 0.1 | -1.9 | 7.0 | 2.7 | 3.8 | 9.9 | 11.2 | 15.7 | 6.7 | 13.5 | 10.3 | -3.7 | 1.0 | 6.4 | 5.4 | 7.4 |
| Rest of the world | 8.5 | 5.1 | 0.9 | 5.1 | 5.0 | 1.7 | 6.6 | 11.1 | 8.7 | 8.9 | 11.0 | 7.3 | -10.6 | 8.5 | 9.6 | 3.8 | 5.6 |
| Total Non-OECD | 8.3 | 0.0 | 2.3 | 13.5 | 1.4 | 8.0 | 12.2 | 15.9 | 12.9 | 11.7 | 11.7 | 7.4 | -8.1 | 14.8 | 8.7 | 6.7 | 9.0 |
| World | 10.0 | 4.9 | 5.7 | 12.4 | 0.6 | 3.6 | 5.5 | 10.7 | 8.2 | 9.5 | 7.7 | 3.2 | -10.7 | 12.6 | 6.7 | 4.8 | 7.1 |
| | Percentage points | | | | | | | | | | | | | | | | |
| **B. Contribution to World Trade growth** | | | | | | | | | | | | | | | | | |
| OECD America[1] | 2.5 | 1.6 | 1.8 | 2.4 | -0.8 | 0.2 | 0.5 | 1.9 | 1.2 | 1.3 | 0.9 | 0.1 | -2.1 | 2.2 | 1.0 | 0.8 | 1.1 |
| OECD Europe | 4.6 | 3.6 | 2.6 | 5.5 | 1.3 | 0.8 | 1.1 | 3.2 | 2.7 | 3.9 | 2.5 | 0.4 | -4.7 | 3.9 | 2.1 | 1.0 | 2.1 |
| OECD Asia & Pacific[2] | 0.7 | -0.4 | 0.6 | 1.1 | -0.2 | 0.6 | 0.7 | 1.1 | 0.6 | 0.7 | 0.7 | 0.3 | -1.1 | 1.3 | 0.5 | 0.6 | 0.6 |
| Total OECD | 7.8 | 4.8 | 5.1 | 9.1 | 0.3 | 1.6 | 2.3 | 6.2 | 4.4 | 5.9 | 4.1 | 0.9 | -8.0 | 7.5 | 3.7 | 2.4 | 3.9 |
| China | 0.4 | 0.0 | 0.4 | 0.7 | 0.2 | 0.9 | 1.1 | 1.2 | 1.0 | 1.2 | 1.1 | 0.5 | -0.3 | 2.0 | 0.9 | 1.0 | 1.2 |
| Other industrialised Asia | 0.8 | -0.3 | 0.2 | 1.7 | -0.4 | 0.8 | 1.0 | 1.8 | 1.2 | 1.2 | 0.9 | 0.8 | -1.2 | 2.1 | 1.0 | 0.7 | 1.1 |
| Brazil | 0.1 | 0.0 | -0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | -0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| Russia | 0.0 | -0.1 | 0.0 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.1 | -0.3 | 0.3 | 0.2 | 0.1 | 0.1 |
| Other oil producers | 0.4 | 0.0 | -0.1 | 0.3 | 0.1 | 0.2 | 0.5 | 0.6 | 0.8 | 0.4 | 0.7 | 0.6 | -0.2 | 0.1 | 0.4 | 0.3 | 0.4 |
| Rest of the world | 0.5 | 0.3 | 0.0 | 0.3 | 0.2 | 0.1 | 0.3 | 0.6 | 0.4 | 0.4 | 0.6 | 0.4 | -0.6 | 0.5 | 0.5 | 0.2 | 0.3 |
| Total Non-OECD | 2.3 | 0.0 | 0.6 | 3.3 | 0.3 | 2.0 | 3.2 | 4.4 | 3.8 | 3.6 | 3.6 | 2.4 | -2.7 | 5.1 | 3.0 | 2.4 | 3.3 |
| World | 10.0 | 4.9 | 5.7 | 12.4 | 0.6 | 3.6 | 5.5 | 10.7 | 8.2 | 9.5 | 7.7 | 3.2 | -10.7 | 12.6 | 6.7 | 4.8 | 7.1 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2005 $.

1. Canada, Chile, Mexico and United States.
2. Australia, Japan, Korea and New Zealand.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559220

Annex Table 47. **Trade balances for goods and services**

$ billion, national accounts basis

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -4.6 | -5.4 | -0.6 | 1.7 | -6.7 | -10.2 | -4.2 | 2.3 | -4.4 | -13.8 | -18.0 | -13.5 | -9.2 | -18.4 | -9.1 | -4.4 | 14.9 | 28.6 | 32.2 | 20.9 |
| Austria | -2.5 | -2.5 | -3.7 | -1.0 | 1.5 | 2.4 | 3.2 | 3.9 | 9.6 | 9.2 | 11.5 | 12.3 | 16.1 | 22.9 | 26.0 | 17.6 | 16.8 | 16.6 | 17.5 | 20.3 |
| Belgium | 8.5 | 10.6 | 9.1 | 9.6 | 9.7 | 10.7 | 6.1 | 8.7 | 14.7 | 17.1 | 18.5 | 14.1 | 14.5 | 17.6 | 5.6 | 13.2 | 12.8 | 9.1 | 9.6 | 11.6 |
| Canada | 6.7 | 18.9 | 24.7 | 12.6 | 12.3 | 24.2 | 41.6 | 41.2 | 32.4 | 32.5 | 42.7 | 42.5 | 32.0 | 27.1 | 24.3 | -22.8 | -29.6 | -25.2 | -28.9 | -31.6 |
| Chile | .. | 1.5 | -1.3 | -1.7 | -2.6 | 1.6 | 1.4 | 1.0 | 1.6 | 3.1 | 8.8 | 10.2 | 22.1 | 22.9 | 7.1 | 12.7 | 14.7 | 11.7 | 7.9 | 4.3 |
| Czech Republic | -0.8 | -2.1 | -3.4 | -2.8 | -0.3 | -0.4 | -1.3 | -1.0 | -0.9 | -1.2 | 1.0 | 3.6 | 4.5 | 4.9 | 5.5 | 8.1 | 6.3 | 9.1 | 10.6 | 11.1 |
| Denmark | 8.1 | 7.4 | 9.1 | 6.3 | 3.7 | 8.8 | 9.6 | 10.7 | 10.2 | 13.3 | 11.9 | 12.7 | 8.7 | 7.2 | 10.9 | 11.8 | 16.4 | 19.6 | 19.4 | 18.4 |
| Estonia | .. | -0.3 | -0.5 | -0.5 | -0.6 | -0.3 | -0.2 | -0.2 | -0.5 | -0.7 | -0.8 | -0.9 | -1.7 | -2.0 | -1.1 | 1.1 | 1.3 | 1.2 | 1.3 | 1.4 |
| Finland | 5.7 | 9.8 | 9.0 | 9.1 | 10.5 | 11.9 | 11.1 | 11.7 | 12.6 | 11.2 | 12.4 | 8.1 | 9.8 | 12.6 | 10.5 | 4.0 | 3.1 | 0.2 | 3.4 | 5.2 |
| France | 19.2 | 23.5 | 25.6 | 40.6 | 37.3 | 31.5 | 13.5 | 15.4 | 22.4 | 15.7 | 8.8 | -12.7 | -23.7 | -40.6 | -59.9 | -48.2 | -59.3 | -86.3 | -78.4 | -82.8 |
| Germany | 6.7 | 15.0 | 23.5 | 27.9 | 29.7 | 18.2 | 6.1 | 37.7 | 91.7 | 96.3 | 135.2 | 143.6 | 164.6 | 235.8 | 226.6 | 165.6 | 176.7 | 159.9 | 149.6 | 169.7 |
| Greece | -9.5 | -12.6 | -14.4 | -13.3 | -15.0 | -16.0 | -17.6 | -17.6 | -20.5 | -24.3 | -23.6 | -22.3 | -28.4 | -41.2 | -49.1 | -36.6 | -26.8 | -9.9 | 0.5 | 6.4 |
| Hungary | .. | 0.0 | 0.3 | 0.6 | -0.6 | -1.2 | -1.6 | -0.5 | -1.3 | -3.2 | -3.7 | -2.3 | -1.0 | 1.2 | 0.7 | 6.4 | 8.4 | 11.4 | 11.0 | 12.5 |
| Iceland | 0.3 | 0.3 | 0.0 | 0.0 | -0.4 | -0.4 | -0.6 | -0.1 | 0.1 | -0.3 | -0.7 | -2.0 | -3.0 | -2.2 | -0.7 | 1.0 | 1.3 | 1.4 | 1.4 | 1.5 |
| Ireland | 5.6 | 7.8 | 8.7 | 10.4 | 10.2 | 13.3 | 12.9 | 16.3 | 21.3 | 25.4 | 27.8 | 23.9 | 21.7 | 23.5 | 23.8 | 34.8 | 39.6 | 45.7 | 51.0 | 56.8 |
| Israel | .. | -7.8 | -7.9 | -5.4 | -3.0 | -3.1 | -0.2 | -3.2 | -3.5 | -1.0 | -0.1 | -0.5 | 0.4 | -2.5 | -2.7 | 4.7 | 4.2 | -4.8 | -6.3 | -7.6 |
| Italy | 36.5 | 43.5 | 59.8 | 47.1 | 39.4 | 23.3 | 10.7 | 15.6 | 11.3 | 8.3 | 12.0 | -1.0 | -15.2 | -5.4 | -18.7 | -11.1 | -39.4 | -51.9 | -46.9 | -32.5 |
| Japan | 96.5 | 74.8 | 23.4 | 47.4 | 72.4 | 69.4 | 68.0 | 26.1 | 51.2 | 69.3 | 89.0 | 63.3 | 54.5 | 73.3 | 6.1 | 15.7 | 62.4 | -49.6 | -54.8 | -45.9 |
| Korea | -1.5 | -2.8 | -15.8 | -3.6 | 43.2 | 29.8 | 15.3 | 11.4 | 8.4 | 14.7 | 29.9 | 22.9 | 13.2 | 15.8 | -11.8 | 31.2 | 28.3 | 23.2 | 18.8 | 18.6 |
| Luxembourg | 3.6 | 4.4 | 4.2 | 3.2 | 3.2 | 4.1 | 4.3 | 3.6 | 4.4 | 7.0 | 8.3 | 9.6 | 13.1 | 16.6 | 18.6 | 16.2 | 16.6 | 17.1 | 16.2 | 17.6 |
| Mexico | -20.1 | 7.8 | 7.2 | 0.0 | -8.5 | -7.5 | -11.2 | -13.6 | -11.4 | -10.0 | -13.2 | -12.4 | -12.0 | -16.4 | -23.5 | -12.6 | -14.9 | -10.6 | -16.3 | -23.8 |
| Netherlands | 19.8 | 23.8 | 22.1 | 21.9 | 18.9 | 17.4 | 21.3 | 23.2 | 28.8 | 33.9 | 45.1 | 54.5 | 52.5 | 64.5 | 72.7 | 54.1 | 58.3 | 67.6 | 73.1 | 78.7 |
| New Zealand | 1.1 | 0.7 | 0.3 | 0.3 | 0.2 | -0.6 | 0.4 | 1.5 | 0.8 | 0.7 | -0.4 | -2.2 | -1.7 | -1.5 | -2.4 | 1.7 | 2.1 | 2.0 | -0.1 | -2.0 |
| Norway | 7.6 | 9.2 | 14.3 | 13.0 | 2.8 | 11.6 | 28.7 | 28.9 | 25.8 | 29.2 | 35.1 | 49.6 | 60.8 | 59.9 | 86.1 | 50.7 | 55.1 | 81.3 | 82.1 | 82.2 |
| Poland | 2.2 | 3.1 | -2.2 | -6.2 | -8.5 | -9.8 | -11.3 | -7.2 | -6.8 | -5.2 | -4.9 | -0.6 | -6.2 | -11.7 | -21.2 | 0.7 | -4.6 | -6.0 | -5.4 | -3.6 |
| Portugal | -7.2 | -7.9 | -8.7 | -9.4 | -11.4 | -13.0 | -13.0 | -12.3 | -11.0 | -11.0 | -15.5 | -18.1 | -17.5 | -18.6 | -25.5 | -17.6 | -16.4 | -10.3 | -1.4 | 3.5 |
| Slovak Republic | 0.8 | 0.4 | -2.3 | -2.1 | -2.4 | -0.9 | -0.5 | -1.7 | -1.8 | -0.6 | -1.2 | -2.2 | -2.2 | -0.8 | -2.3 | -0.6 | -1.1 | 0.7 | 0.7 | 1.6 |
| Slovenia | .. | -0.4 | -0.2 | -0.2 | -0.3 | -0.9 | -0.7 | -0.2 | 0.3 | -0.1 | -0.4 | -0.1 | -0.2 | -0.8 | -1.8 | 0.7 | 0.3 | 0.6 | 0.4 | 0.6 |
| Spain | 0.1 | 0.0 | 3.3 | 5.0 | -1.4 | -11.3 | -18.2 | -15.4 | -14.7 | -21.2 | -41.8 | -59.4 | -78.7 | -97.3 | -93.7 | -27.3 | -29.5 | -13.3 | 12.1 | 25.5 |
| Sweden | 9.7 | 17.3 | 18.3 | 18.9 | 17.0 | 16.8 | 15.7 | 15.2 | 17.0 | 21.6 | 29.6 | 29.0 | 32.4 | 34.6 | 33.1 | 26.7 | 27.9 | 32.2 | 34.2 | 35.6 |
| Switzerland | 14.6 | 16.1 | 14.7 | 14.1 | 13.1 | 14.8 | 14.5 | 12.6 | 18.4 | 21.4 | 25.0 | 25.0 | 32.4 | 44.6 | 57.2 | 54.6 | 59.9 | 75.9 | 66.9 | 67.1 |
| Turkey | 6.1 | -0.1 | -3.1 | -1.1 | 2.7 | 0.8 | -8.0 | 7.7 | 3.7 | -3.1 | -10.4 | -16.9 | -26.1 | -33.8 | -33.7 | -7.1 | -40.9 | -70.7 | -58.4 | -59.9 |
| United Kingdom | -4.5 | -1.4 | 1.0 | 7.1 | -11.4 | -21.7 | -27.2 | -34.5 | -42.2 | -43.1 | -59.8 | -77.6 | -75.0 | -85.4 | -73.7 | -39.9 | -61.5 | -40.3 | -29.8 | -28.2 |
| United States | -92.7 | -90.7 | -96.3 | -101.4 | -161.8 | -262.1 | -382.1 | -371.0 | -427.2 | -504.1 | -618.7 | -722.7 | -769.3 | -713.1 | -709.7 | -391.5 | -516.9 | -570.9 | -566.7 | -599.3 |
| Euro area | 87.3 | 115.1 | 135.5 | 148.3 | 129.2 | 90.2 | 38.9 | 88.7 | 168.5 | 166.3 | 196.3 | 149.3 | 124.6 | 186.7 | 131.7 | 165.8 | 153.0 | 147.0 | 208.8 | 283.5 |
| Total OECD | 116.1 | 162.0 | 118.3 | 148.0 | 92.7 | -48.8 | -213.6 | -183.5 | -159.5 | -212.8 | -260.5 | -442.6 | -518.1 | -406.9 | -525.7 | -86.2 | -213.2 | -334.8 | -273.5 | -246.2 |

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559239

## Annex Table 48. **Investment income, net**

$ billion

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -11.4 | -13.4 | -14.2 | -13.8 | -11.3 | -11.9 | -11.0 | -10.2 | -11.5 | -15.0 | -21.9 | -27.6 | -31.8 | -40.9 | -39.6 | -38.0 | -46.3 | -52.9 | -54.3 | -53.9 |
| Austria | -0.4 | -2.1 | -0.6 | -1.3 | -1.7 | -2.8 | -2.3 | -3.0 | -1.5 | -1.1 | -1.3 | -2.0 | -1.9 | -2.3 | 2.5 | -1.5 | 0.7 | 1.1 | 0.8 | 0.5 |
| Belgium[1] | 7.4 | 7.3 | 6.8 | 6.3 | 6.9 | 6.6 | 6.4 | 4.6 | 4.5 | 6.5 | 5.7 | 5.0 | 5.2 | 7.3 | 11.9 | 0.1 | 11.3 | 3.5 | 2.6 | 2.7 |
| Canada | -18.9 | -22.7 | -21.5 | -20.9 | -20.0 | -22.6 | -22.3 | -25.4 | -19.3 | -21.3 | -18.6 | -18.9 | -11.9 | -12.6 | -16.0 | -14.1 | -16.0 | -19.1 | -17.2 | -16.4 |
| Chile | .. | .. | -2.5 | -2.6 | -1.9 | -2.2 | -2.9 | -2.5 | -2.8 | -4.5 | -7.8 | -10.5 | -18.4 | -18.6 | -13.8 | -11.7 | -15.4 | -17.7 | -16.1 | -12.6 |
| Czech Republic | 0.0 | -0.1 | -0.7 | -0.8 | -1.1 | -1.4 | -1.4 | -2.2 | -3.5 | -4.3 | -6.1 | -5.4 | -7.3 | -12.7 | -10.4 | -13.1 | -13.3 | -17.5 | -17.4 | -21.4 |
| Denmark | -3.8 | -3.8 | -3.7 | -3.4 | -2.8 | -2.6 | -3.6 | -3.6 | -2.7 | -2.6 | -2.2 | 1.6 | 2.8 | 1.8 | 3.5 | 3.9 | 5.0 | 6.6 | 5.3 | 4.7 |
| Estonia | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 | -0.2 | -0.3 | -0.3 | -0.5 | -0.6 | -0.6 | -0.9 | -1.5 | -1.3 | -0.7 | -1.1 | -0.9 | -1.0 | -1.2 |
| Finland | -4.3 | -4.4 | -3.6 | -2.5 | -3.1 | -2.0 | -1.7 | -1.0 | -0.6 | -2.6 | 0.2 | -0.3 | 0.8 | -0.7 | -1.6 | 2.1 | 2.3 | 1.9 | 2.1 | 1.7 |
| France | -6.2 | -8.4 | -1.9 | 7.1 | 8.7 | 22.9 | 19.4 | 19.5 | 8.7 | 14.9 | 22.5 | 29.5 | 37.2 | 42.8 | 48.6 | 44.0 | 48.4 | 59.3 | 57.6 | 59.3 |
| Germany | 1.4 | -2.8 | 0.7 | -2.7 | -10.8 | -12.4 | -8.9 | -10.0 | -17.5 | -17.5 | 24.5 | 29.7 | 55.5 | 59.6 | 53.4 | 71.7 | 59.3 | 58.3 | 64.5 | 67.2 |
| Greece | -1.5 | -1.9 | -2.4 | -1.7 | -1.6 | -0.7 | -0.9 | -1.8 | -2.0 | -4.5 | -5.4 | -7.0 | -9.1 | -12.7 | -15.6 | -12.5 | -10.8 | -13.1 | -15.8 | -19.5 |
| Hungary | .. | -1.7 | -2.0 | -2.7 | -3.0 | -2.9 | -2.6 | -2.9 | -3.6 | -4.2 | -5.4 | -6.3 | -6.7 | -10.1 | -10.9 | -6.9 | -7.3 | -8.9 | -9.3 | -11.0 |
| Iceland | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.3 | 0.0 | -0.2 | -0.6 | -0.6 | -1.0 | -1.1 | -3.7 | -2.4 | -2.6 | -2.6 | -1.9 | -1.5 |
| Ireland | -5.4 | -7.3 | -8.2 | -9.7 | -10.5 | -13.5 | -13.8 | -16.4 | -22.4 | -24.8 | -28.0 | -30.9 | -30.2 | -38.2 | -36.9 | -38.9 | -36.3 | -43.8 | -46.4 | -50.8 |
| Israel | .. | -2.6 | -3.4 | -4.0 | -4.0 | -5.1 | -8.3 | -5.5 | -4.6 | -4.7 | -4.0 | -1.4 | -0.8 | -0.2 | -4.1 | -5.1 | -6.3 | -6.5 | -6.7 | -7.1 |
| Italy | -16.7 | -14.1 | -14.8 | -11.2 | -12.3 | -11.1 | -12.0 | -10.4 | -14.6 | -20.2 | -18.4 | -17.1 | -17.1 | -26.8 | -28.3 | -14.3 | -11.6 | -13.6 | -5.9 | -4.6 |
| Japan | 40.7 | 45.3 | 53.5 | 58.0 | 54.3 | 57.6 | 60.8 | 69.0 | 65.9 | 71.8 | 86.1 | 104.6 | 119.5 | 138.1 | 153.6 | 131.6 | 134.7 | 174.1 | 175.2 | 180.1 |
| Korea | -0.5 | -1.4 | -1.9 | -2.5 | -5.6 | -5.1 | -2.4 | -1.2 | 0.4 | 0.3 | 1.0 | -1.8 | 0.1 | 0.1 | 4.4 | 2.3 | 0.8 | 3.1 | 3.5 | 3.8 |
| Luxembourg | .. | 1.6 | 1.3 | 0.5 | 0.2 | -0.5 | -1.3 | -1.6 | -3.4 | -4.0 | -4.3 | -6.5 | -11.0 | -15.3 | -17.0 | -15.8 | -19.6 | -20.3 | -18.8 | -20.7 |
| Mexico | -13.0 | -13.3 | -13.9 | -12.8 | -13.3 | -12.9 | -15.1 | -13.9 | -12.7 | -12.4 | -10.6 | -14.9 | -18.6 | -18.9 | -17.1 | -14.9 | -14.4 | -22.7 | -18.8 | -19.0 |
| Netherlands | 4.2 | 6.6 | 2.7 | 7.0 | -2.5 | 4.0 | -2.3 | -0.4 | -0.4 | 1.4 | 12.5 | 4.6 | 16.3 | -0.9 | -19.7 | -10.0 | 4.1 | 13.4 | 7.1 | 6.5 |
| New Zealand | -3.4 | -4.0 | -4.7 | -4.9 | -2.6 | -3.1 | -3.2 | -2.9 | -3.1 | -4.0 | -5.4 | -6.9 | -7.7 | -9.6 | -10.1 | -4.8 | -7.0 | -7.9 | -7.8 | -7.8 |
| Norway | -2.2 | -1.9 | -1.9 | -1.7 | -1.2 | -1.3 | -2.3 | 0.2 | 0.6 | 1.4 | 0.5 | 2.1 | 0.4 | -1.2 | -2.4 | -2.1 | 1.5 | 5.0 | 5.0 | 5.1 |
| Poland | -2.6 | -2.0 | -1.1 | -1.1 | -1.2 | -1.0 | -0.7 | -0.6 | -1.1 | -2.5 | -8.4 | -6.8 | -9.7 | -16.4 | -12.9 | -16.6 | -16.7 | -18.9 | -18.6 | -20.4 |
| Portugal | -0.1 | 0.0 | -1.0 | -1.5 | -1.6 | -1.6 | -2.4 | -3.5 | -3.0 | -2.6 | -3.7 | -4.8 | -7.9 | -9.6 | -11.4 | -12.2 | -10.6 | -13.9 | -12.5 | -13.0 |
| Slovak Republic | -0.1 | 0.0 | 0.0 | -0.1 | -0.2 | -0.3 | -0.3 | -0.3 | -0.5 | -1.9 | -2.2 | -1.9 | -2.4 | -3.1 | -3.2 | -1.9 | -1.8 | -1.6 | -1.7 | -1.7 |
| Slovenia | .. | .. | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | -0.2 | -0.3 | -0.4 | -0.4 | -0.6 | -1.1 | -1.6 | -1.1 | -0.7 | -0.9 | -0.9 | -1.1 |
| Spain | -7.8 | -5.4 | -7.5 | -7.4 | -8.6 | -9.5 | -6.9 | -11.3 | -11.6 | -11.7 | -15.1 | -21.3 | -26.2 | -41.4 | -52.0 | -41.0 | -29.0 | -38.7 | -42.4 | -49.8 |
| Sweden | -5.9 | -5.5 | -6.3 | -4.9 | -3.2 | -2.0 | -1.4 | -1.4 | -1.8 | 3.9 | 0.0 | 2.7 | 7.5 | 14.4 | 17.2 | 6.8 | 7.9 | 9.5 | 8.4 | 7.4 |
| Switzerland | 6.0 | 9.8 | 10.7 | 14.2 | 15.2 | 17.8 | 19.2 | 11.8 | 9.4 | 24.3 | 25.2 | 33.9 | 32.0 | 2.6 | -36.8 | 10.6 | 33.4 | 23.1 | 28.2 | 31.5 |
| Turkey | -3.3 | -3.2 | -2.9 | -3.0 | -3.0 | -3.5 | -4.0 | -5.0 | -4.6 | -5.6 | -5.6 | -5.8 | -6.7 | -7.1 | -8.4 | -8.2 | -7.4 | -8.1 | -8.7 | -9.9 |
| United Kingdom | 2.0 | -1.4 | -3.8 | 0.5 | 19.6 | -1.7 | 3.0 | 13.6 | 27.9 | 29.1 | 33.2 | 40.1 | 17.4 | 43.2 | 63.8 | 32.0 | 35.6 | 58.7 | 62.8 | 66.2 |
| United States | 17.1 | 20.9 | 22.3 | 12.6 | 4.3 | 11.9 | 19.2 | 29.7 | 25.2 | 43.7 | 65.1 | 68.6 | 44.2 | 101.5 | 147.1 | 128.0 | 165.2 | 234.9 | 227.1 | 207.1 |
| Euro area | -29.5 | -31.0 | -28.5 | -17.3 | -37.3 | -20.9 | -27.1 | -35.7 | -64.6 | -68.9 | -14.0 | -24.0 | 7.8 | -43.8 | -72.2 | -32.0 | 4.6 | -9.3 | -11.0 | -24.6 |
| Total OECD | -28.9 | -32.1 | -26.6 | -11.2 | -18.3 | -13.1 | -6.4 | 10.8 | -6.6 | 24.4 | 100.6 | 122.6 | 111.0 | 108.5 | 131.2 | 145.4 | 235.9 | 322.8 | 327.6 | 300.3 |

1. Including Luxembourg until 1994.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559258

Annex Table 49. **Total transfers, net**

$ billion

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 0.2 | 0.3 | 0.5 | 0.4 | 0.2 | 0.4 | 0.1 | 0.3 | 0.4 | 0.3 | 0.1 | -0.3 | -0.5 | -0.1 | -0.3 | -1.0 | -1.6 | -2.4 | -2.5 | -2.5 |
| Austria | -0.8 | -2.0 | -2.1 | -2.0 | -1.9 | -2.0 | -1.7 | -1.7 | -1.6 | -1.8 | -1.7 | -1.8 | -1.7 | -1.7 | -2.4 | -2.3 | -2.6 | -2.6 | -2.5 | -2.5 |
| Belgium[1] | -3.3 | -4.2 | -4.1 | -3.7 | -4.3 | -4.6 | -3.9 | -4.1 | -4.4 | -6.4 | -6.5 | -6.4 | -6.5 | -6.4 | -8.9 | -9.1 | -8.4 | -10.9 | -10.2 | -11.6 |
| Canada | -0.3 | -0.1 | 0.5 | 0.5 | 0.6 | 0.5 | 0.8 | 1.0 | 0.0 | -0.2 | -0.5 | -1.2 | -1.3 | -1.8 | -0.9 | -2.4 | -2.6 | -3.5 | -3.3 | -3.3 |
| Chile | .. | .. | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.4 | 0.6 | 0.6 | 1.0 | 1.8 | 3.3 | 3.2 | 2.9 | 1.5 | 4.9 | 5.9 | 5.6 | 5.6 |
| Czech Republic | 0.1 | 0.6 | 0.4 | 0.4 | 0.5 | 0.6 | 0.4 | 0.5 | 0.9 | 0.6 | 0.2 | 0.5 | -0.5 | -0.4 | -0.3 | -0.2 | 0.5 | 0.6 | 0.5 | 0.5 |
| Denmark | -2.0 | -2.4 | -2.6 | -1.8 | -2.3 | -2.9 | -3.0 | -2.6 | -2.6 | -3.7 | -4.6 | -4.2 | -4.8 | -5.3 | -5.5 | -5.2 | -5.8 | -7.6 | -7.9 | -6.4 |
| Estonia | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 | 0.3 | 0.3 | 0.5 | 0.3 | 0.2 |
| Finland | -0.5 | -0.4 | -0.8 | -0.7 | -0.9 | -0.7 | -0.5 | -0.4 | -0.8 | -1.2 | -1.1 | -1.5 | -1.7 | -1.9 | -2.3 | -2.4 | -2.2 | -1.1 | -2.0 | -2.0 |
| France | -10.6 | -5.9 | -7.4 | -13.0 | -12.4 | -13.2 | -14.0 | -14.8 | -14.2 | -19.2 | -21.8 | -27.3 | -27.5 | -32.1 | -35.5 | -37.7 | -35.1 | -36.1 | -34.9 | -34.9 |
| Germany | -36.2 | -38.8 | -34.0 | -30.5 | -30.2 | -26.6 | -25.9 | -24.1 | -25.9 | -32.0 | -34.6 | -36.0 | -36.1 | -45.1 | -48.7 | -46.1 | -50.6 | -48.4 | -48.5 | -50.2 |
| Greece | 8.3 | 9.0 | 8.9 | 8.3 | 7.9 | 4.1 | 3.3 | 3.5 | 3.6 | 4.3 | 4.5 | 3.8 | 4.3 | 2.2 | 4.1 | 1.8 | 0.1 | 0.2 | 0.2 | 0.2 |
| Hungary | 0.9 | 0.2 | 0.0 | 0.2 | 0.2 | 0.4 | 0.4 | 0.4 | 0.5 | 0.7 | -0.2 | -0.4 | -0.4 | -0.7 | -0.9 | 0.6 | 0.5 | 0.1 | 0.1 | 0.1 |
| Iceland | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Ireland | 1.7 | 1.8 | 2.2 | 2.0 | 1.5 | 1.3 | 0.9 | 0.3 | 0.7 | 0.5 | 0.5 | 0.3 | -0.6 | -1.4 | -1.7 | -1.7 | -1.6 | -1.1 | -1.0 | -1.1 |
| Israel | .. | 5.5 | 6.0 | 6.1 | 6.1 | 6.2 | 6.6 | 6.7 | 6.9 | 6.5 | 6.3 | 6.1 | 7.5 | 7.4 | 8.4 | 7.4 | 8.5 | 9.3 | 9.3 | 9.9 |
| Italy | -7.1 | -4.1 | -7.2 | -4.2 | -7.3 | -5.5 | -4.4 | -5.9 | -5.4 | -8.0 | -10.3 | -12.5 | -16.6 | -19.6 | -21.8 | -16.4 | -21.2 | -12.8 | 0.4 | 0.4 |
| Japan | -6.1 | -7.8 | -9.1 | -8.8 | -8.8 | -10.8 | -9.8 | -8.1 | -5.6 | -7.7 | -8.0 | -7.3 | -10.6 | -11.6 | -13.1 | -12.2 | -12.8 | -14.5 | -8.3 | -5.7 |
| Korea | 1.3 | 0.0 | 0.0 | 0.6 | 3.3 | 1.9 | 0.6 | -0.4 | -1.6 | -2.9 | -2.4 | -2.5 | -4.1 | -3.5 | -0.7 | -0.7 | -3.2 | -3.1 | -3.5 | -3.5 |
| Luxembourg | .. | -0.6 | -0.6 | -0.5 | -0.4 | -0.6 | -0.5 | -0.5 | -0.3 | -0.6 | -1.1 | -1.1 | -1.2 | -2.0 | -2.7 | -1.4 | -0.9 | -1.8 | -2.0 | -2.0 |
| Mexico | 3.8 | 4.0 | 4.5 | 5.2 | 6.0 | 6.3 | 7.0 | 9.3 | 10.3 | 15.6 | 18.8 | 22.1 | 25.9 | 26.4 | 25.5 | 21.5 | 21.5 | 23.2 | 24.0 | 25.7 |
| Netherlands | -5.3 | -6.4 | -6.8 | -6.1 | -7.1 | -6.4 | -6.3 | -6.8 | -6.6 | -7.2 | -10.4 | -12.1 | -12.8 | -16.3 | -17.3 | -10.3 | -14.4 | -17.6 | -17.6 | -17.6 |
| New Zealand | 0.3 | 0.3 | 0.6 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 | 0.2 | 0.4 | 0.4 | 0.6 | 0.2 | 0.0 | -0.4 | -0.5 | -0.5 |
| Norway | -1.7 | -2.0 | -1.5 | -1.4 | -1.5 | -1.5 | -1.2 | -1.6 | -2.2 | -2.9 | -2.6 | -2.6 | -2.8 | -3.5 | -3.5 | -4.2 | -4.6 | -5.3 | -5.2 | -5.3 |
| Poland | 1.3 | 1.0 | 1.7 | 2.0 | 2.9 | 2.2 | 1.3 | 1.5 | 2.0 | 2.5 | 1.1 | 2.0 | 3.2 | 4.2 | 3.6 | 2.2 | 3.6 | 6.5 | 6.0 | 7.0 |
| Portugal | 5.5 | 7.3 | 4.4 | 3.8 | 4.1 | 3.8 | 3.4 | 3.4 | 2.8 | 3.3 | 3.5 | 2.8 | 3.2 | 3.6 | 3.6 | 3.0 | 2.9 | 4.0 | 4.2 | 4.4 |
| Slovak Republic | 0.1 | 0.1 | 0.2 | 0.2 | 0.4 | 0.2 | 0.1 | 0.2 | 0.2 | 0.4 | 0.1 | -0.1 | -0.1 | -0.6 | -1.3 | -0.8 | -0.5 | -0.5 | -0.4 | -0.4 |
| Slovenia | .. | .. | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 | -0.1 | -0.1 | -0.2 | -0.3 | -0.4 | -0.2 | 0.1 | 0.5 | 0.3 | 0.1 |
| Spain | 1.2 | 4.8 | 3.2 | 3.0 | 3.2 | 3.0 | 1.6 | 1.3 | 2.4 | -0.6 | -0.1 | -4.2 | -8.2 | -9.8 | -13.7 | -11.2 | -9.4 | -11.0 | -9.5 | -10.7 |
| Sweden | -1.2 | -2.6 | -1.9 | -2.4 | -2.5 | -2.7 | -2.5 | -2.5 | -2.9 | -2.3 | -4.7 | -4.6 | -5.0 | -4.8 | -6.3 | -5.1 | -6.2 | -7.0 | -7.0 | -7.0 |
| Switzerland | -3.5 | -4.4 | -4.3 | -4.0 | -4.6 | -5.3 | -4.5 | -5.5 | -5.9 | -5.6 | -6.5 | -10.9 | -9.3 | -9.4 | -12.9 | -12.1 | -12.2 | -15.6 | -15.8 | -16.6 |
| Turkey | 3.0 | 4.4 | 4.1 | 4.5 | 5.5 | 4.9 | 4.8 | 3.0 | 2.4 | 1.0 | 1.1 | 1.5 | 1.9 | 2.2 | 2.1 | 2.3 | 1.3 | 1.9 | 2.1 | 2.1 |
| United Kingdom | -7.9 | -11.6 | -7.1 | -9.0 | -13.6 | -11.8 | -14.7 | -9.4 | -13.3 | -16.0 | -18.8 | -21.5 | -21.9 | -27.2 | -25.9 | -23.5 | -31.1 | -32.5 | -30.7 | -30.7 |
| United States | -40.3 | -38.1 | -43.0 | -45.1 | -53.2 | -50.4 | -58.8 | -64.6 | -65.0 | -71.8 | -88.2 | -105.7 | -91.5 | -115.1 | -125.9 | -123.3 | -136.1 | -135.0 | -140.1 | -144.1 |
| Euro area | -46.9 | -39.2 | -43.9 | -43.3 | -47.4 | -46.8 | -47.6 | -49.6 | -49.3 | -68.3 | -79.0 | -96.2 | -105.9 | -131.4 | -148.7 | -134.5 | -143.5 | -138.9 | -123.3 | -127.7 |
| Total OECD | -99.1 | -92.1 | -94.7 | -95.0 | -107.7 | -108.0 | -119.5 | -120.8 | -124.4 | -153.5 | -187.0 | -223.3 | -216.2 | -271.1 | -301.9 | -288.8 | -319.0 | -318.3 | -300.8 | -302.8 |

1. Including Luxembourg until 1994.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559277

## Annex Table 50. **Current account balances**

$ billion

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -15.8 | -18.4 | -14.3 | -11.7 | -17.7 | -21.7 | -15.2 | -7.6 | -15.5 | -28.5 | -39.7 | -41.4 | -41.5 | -59.4 | -48.9 | -43.7 | -33.1 | -24.3 | -21.6 | -32.6 |
| Austria | -1.9 | -7.4 | -6.9 | -5.1 | -3.4 | -3.4 | -1.4 | -1.5 | 5.7 | 4.4 | 6.0 | 6.1 | 8.8 | 13.1 | 20.2 | 10.4 | 11.2 | 12.7 | 14.3 | 16.7 |
| Belgium[1] | 14.3 | 15.4 | 13.8 | 13.8 | 13.3 | 12.9 | 9.4 | 7.9 | 11.6 | 12.9 | 12.6 | 9.5 | 8.4 | 7.3 | -8.0 | -7.5 | 6.8 | -2.6 | -1.7 | -1.0 |
| Canada | -13.0 | -4.4 | 3.4 | -8.2 | -7.7 | 1.7 | 19.7 | 16.3 | 12.6 | 10.6 | 22.9 | 21.6 | 18.0 | 11.8 | 6.4 | -40.3 | -49.3 | -49.0 | -50.7 | -52.6 |
| Chile | .. | .. | -3.1 | -3.6 | -3.9 | 0.1 | -0.9 | -1.1 | -0.6 | -0.8 | 2.1 | 1.5 | 7.1 | 7.5 | -3.3 | 2.5 | 4.3 | -2.6 | -5.3 | -5.4 |
| Czech Republic | -0.8 | -1.4 | -4.1 | -3.6 | -1.3 | -1.5 | -2.7 | -3.3 | -4.2 | -5.8 | -5.7 | -1.2 | -3.0 | -7.8 | -4.7 | -4.6 | -6.1 | -7.4 | -5.7 | -9.2 |
| Denmark | 2.3 | 1.2 | 2.7 | 0.7 | -1.5 | 3.4 | 2.5 | 4.2 | 5.0 | 7.3 | 5.7 | 11.1 | 8.2 | 4.4 | 9.0 | 11.1 | 16.3 | 18.5 | 16.2 | 16.2 |
| Estonia | -0.2 | -0.2 | -0.4 | -0.6 | -0.5 | -0.2 | -0.3 | -0.3 | -0.8 | -1.1 | -1.4 | -1.4 | -2.6 | -3.5 | -2.3 | 0.7 | 0.7 | 0.8 | 0.6 | 0.4 |
| Finland | 1.1 | 5.6 | 5.1 | 6.4 | 6.8 | 7.1 | 9.6 | 10.8 | 11.5 | 8.0 | 11.8 | 6.5 | 8.8 | 10.5 | 6.9 | 4.9 | 4.3 | 1.1 | 3.4 | 4.9 |
| France | 8.2 | 11.0 | 20.8 | 37.2 | 38.9 | 46.0 | 19.3 | 23.6 | 17.4 | 14.2 | 10.4 | -10.5 | -12.9 | -26.1 | -50.0 | -39.2 | -45.0 | -63.2 | -60.4 | -63.2 |
| Germany | -30.3 | -29.4 | -13.6 | -10.0 | -17.0 | -28.2 | -34.1 | 0.1 | 40.9 | 47.6 | 125.0 | 138.5 | 181.4 | 250.8 | 228.9 | 189.5 | 184.1 | 177.2 | 173.5 | 194.7 |
| Greece | -0.2 | -3.2 | -5.1 | -5.3 | -3.8 | -7.7 | -9.9 | -9.5 | -9.7 | -12.8 | -13.3 | -18.3 | -29.8 | -44.8 | -51.2 | -36.0 | -30.6 | -26.1 | -18.4 | -16.2 |
| Hungary | .. | -1.6 | -1.7 | -2.0 | -3.4 | -3.8 | -4.0 | -3.2 | -4.7 | -6.7 | -8.8 | -8.3 | -8.3 | -9.9 | -11.3 | -0.1 | 1.4 | 2.7 | 1.8 | 1.6 |
| Iceland | 0.1 | 0.1 | -0.1 | -0.1 | -0.6 | -0.6 | -0.9 | -0.4 | 0.1 | -0.5 | -1.3 | -2.6 | -4.0 | -3.2 | -4.4 | -1.4 | -1.4 | -1.3 | -0.5 | -0.1 |
| Ireland | 1.5 | 1.7 | 2.0 | 1.9 | 0.7 | 0.6 | 0.1 | -0.7 | -1.2 | 0.0 | -1.1 | -7.0 | -7.9 | -14.0 | -15.1 | -6.5 | 1.0 | 1.0 | 3.7 | 4.9 |
| Israel | .. | -5.0 | -5.3 | -3.4 | -1.0 | -1.7 | -4.0 | -1.8 | -1.2 | 0.9 | 2.1 | 4.4 | 7.1 | 4.0 | 2.2 | 6.9 | 6.5 | -1.9 | -3.4 | -4.5 |
| Italy | 13.9 | 23.2 | 40.2 | 33.8 | 19.8 | 8.1 | -5.7 | -0.6 | -9.8 | -19.6 | -16.4 | -29.5 | -48.1 | -51.8 | -65.4 | -41.4 | -71.7 | -79.1 | -56.5 | -40.9 |
| Japan | 130.6 | 114.3 | 65.4 | 96.8 | 119.1 | 115.5 | 120.2 | 87.9 | 112.0 | 136.4 | 172.3 | 166.8 | 171.2 | 210.2 | 158.8 | 142.6 | 196.1 | 130.0 | 136.4 | 152.8 |
| Korea | -3.5 | -8.0 | -23.0 | -8.2 | 42.6 | 24.5 | 14.8 | 8.4 | 7.5 | 15.6 | 32.3 | 18.6 | 14.1 | 21.8 | 3.2 | 32.8 | 28.2 | 19.9 | 15.0 | 13.9 |
| Luxembourg | .. | 2.5 | 2.3 | 1.9 | 1.8 | 1.8 | 2.7 | 1.8 | 2.3 | 2.4 | 4.1 | 4.4 | 4.4 | 5.3 | 3.0 | 3.3 | 4.1 | 3.9 | 3.7 | 3.1 |
| Mexico | -29.7 | -1.6 | -2.5 | -7.7 | -16.0 | -14.0 | -18.7 | -17.7 | -14.2 | -7.2 | -5.2 | -5.0 | -4.5 | -8.9 | -16.3 | -6.5 | -5.7 | -5.6 | -9.3 | -15.3 |
| Netherlands | 18.4 | 25.8 | 21.2 | 25.5 | 13.3 | 16.6 | 7.9 | 10.3 | 11.4 | 30.5 | 48.1 | 48.2 | 63.0 | 52.4 | 37.2 | 34.3 | 52.0 | 65.9 | 63.8 | 68.8 |
| New Zealand | -2.0 | -3.0 | -3.9 | -4.3 | -2.1 | -3.5 | -2.5 | -1.2 | -2.2 | -3.2 | -5.7 | -8.8 | -9.0 | -10.7 | -11.7 | -3.0 | -4.9 | -6.3 | -8.3 | -10.4 |
| Norway | 3.8 | 5.3 | 11.0 | 10.0 | 0.0 | 8.8 | 25.1 | 27.5 | 24.2 | 27.7 | 32.9 | 49.2 | 58.3 | 55.2 | 80.0 | 44.4 | 52.0 | 81.1 | 82.9 | 83.0 |
| Poland | 1.0 | 0.9 | -3.3 | -5.7 | -6.9 | -12.5 | -10.3 | -5.9 | -5.5 | -5.5 | -13.3 | -7.2 | -13.1 | -26.5 | -35.0 | -17.2 | -21.0 | -22.4 | -21.6 | -20.6 |
| Portugal | -1.6 | -0.2 | -5.0 | -6.7 | -8.5 | -10.3 | -12.2 | -12.4 | -10.9 | -10.5 | -15.5 | -19.8 | -21.5 | -23.5 | -31.9 | -25.6 | -22.6 | -19.4 | -8.6 | -3.9 |
| Slovak Republic | 0.8 | 0.5 | -2.0 | -1.8 | -2.0 | -1.0 | -0.7 | -1.7 | -1.9 | -1.9 | -3.3 | -4.0 | -4.4 | -4.0 | -6.3 | -2.8 | -3.0 | -1.5 | -1.5 | -0.6 |
| Slovenia | .. | .. | 0.1 | 0.1 | -0.2 | -0.9 | -0.6 | 0.0 | 0.2 | -0.2 | -0.9 | -0.6 | -1.0 | -2.3 | -3.8 | -0.6 | -0.4 | -0.1 | -0.3 | -0.4 |
| Spain | -6.5 | -1.7 | -1.5 | -0.6 | -7.2 | -17.9 | -23.0 | -24.0 | -22.5 | -31.1 | -54.9 | -83.1 | -111.1 | -144.6 | -154.6 | -75.5 | -64.0 | -60.2 | -34.4 | -29.6 |
| Sweden | 2.5 | 8.4 | 9.8 | 10.3 | 9.7 | 10.7 | 9.4 | 8.5 | 9.8 | 22.1 | 23.7 | 25.0 | 33.7 | 42.9 | 43.2 | 28.6 | 30.7 | 36.1 | 36.8 | 37.2 |
| Switzerland | 16.9 | 20.8 | 21.1 | 24.6 | 25.2 | 29.0 | 30.1 | 21.0 | 24.8 | 43.4 | 48.6 | 52.4 | 58.6 | 39.1 | 9.5 | 56.8 | 82.7 | 85.5 | 79.5 | 82.2 |
| Turkey | 2.6 | -2.3 | -2.4 | -2.7 | 2.0 | -0.9 | -9.9 | 3.8 | -0.6 | -7.5 | -14.4 | -22.3 | -32.3 | -38.4 | -42.0 | -14.0 | -47.8 | -77.6 | -65.8 | -68.5 |
| United Kingdom | -10.4 | -14.3 | -9.8 | -1.4 | -5.4 | -35.2 | -38.9 | -30.3 | -27.5 | -30.0 | -45.5 | -59.1 | -79.6 | -69.4 | -35.8 | -31.4 | -56.9 | -14.1 | 2.2 | 7.2 |
| United States | -121.6 | -113.6 | -124.8 | -140.7 | -215.1 | -301.7 | -416.3 | -396.6 | -457.2 | -519.1 | -628.5 | -745.8 | -800.6 | -710.3 | -677.1 | -376.6 | -470.9 | -455.4 | -462.6 | -519.2 |
| Euro area | 17.4 | 43.7 | 71.1 | 90.5 | 51.9 | 23.5 | -39.1 | 3.7 | 44.3 | 42.8 | 111.3 | 38.9 | 35.5 | 24.8 | -92.4 | 8.2 | 26.8 | 10.3 | 81.1 | 137.8 |
| Total OECD | -19.6 | 20.9 | -14.0 | 29.6 | -31.9 | -179.9 | -341.6 | -287.8 | -292.9 | -307.9 | -314.4 | -512.3 | -584.2 | -522.8 | -670.4 | -204.7 | -252.0 | -283.8 | -203.1 | -206.4 |

*Note:* Balance-of-payments data in this table are based on the concepts and definition of the International Monetary Fund, Fifth Balance of Payments Manual.

1. Including Luxembourg until 1994.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559296

Annex Table 51. **Current account balances as a percentage of GDP**

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | -4.4 | -4.8 | -3.4 | -2.8 | -4.7 | -5.3 | -3.7 | -2.0 | -3.6 | -5.2 | -6.0 | -5.6 | -5.3 | -6.2 | -4.5 | -4.3 | -2.7 | -1.6 | -1.4 | -1.9 |
| Austria | -0.9 | -3.1 | -2.9 | -2.5 | -1.6 | -1.6 | -0.7 | -0.8 | 2.7 | 1.7 | 2.1 | 2.0 | 2.7 | 3.5 | 4.8 | 2.7 | 3.0 | 3.0 | 3.4 | 3.8 |
| Belgium[1] | 5.9 | 5.4 | 5.0 | 5.5 | 5.2 | 5.1 | 4.0 | 3.4 | 4.6 | 4.1 | 3.5 | 2.6 | 1.9 | 1.6 | -1.6 | -1.7 | 1.5 | -0.5 | -0.3 | -0.2 |
| Canada | -2.3 | -0.8 | 0.5 | -1.3 | -1.2 | 0.3 | 2.7 | 2.3 | 1.7 | 1.2 | 2.3 | 1.9 | 1.4 | 0.8 | 0.3 | -3.0 | -3.1 | -2.8 | -2.9 | -2.9 |
| Chile | .. | .. | -4.1 | -4.4 | -4.9 | 0.2 | -1.2 | -1.6 | -0.9 | -1.1 | 2.2 | 1.2 | 4.8 | 4.6 | -2.2 | 1.5 | 2.1 | -1.1 | -2.2 | -2.0 |
| Czech Republic | -1.7 | -2.4 | -6.4 | -6.0 | -2.0 | -2.4 | -4.6 | -5.1 | -5.3 | -6.0 | -5.0 | -1.0 | -2.0 | -4.3 | -2.1 | -2.4 | -3.1 | -3.3 | -2.7 | -4.2 |
| Denmark | 1.5 | 0.7 | 1.4 | 0.4 | -0.9 | 1.9 | 1.6 | 2.6 | 2.9 | 3.4 | 2.3 | 4.3 | 3.0 | 1.4 | 2.7 | 3.6 | 5.3 | 5.5 | 4.8 | 4.7 |
| Estonia | .. | -4.2 | -8.4 | -11.1 | -8.6 | -4.2 | -5.4 | -5.2 | -10.6 | -11.3 | -11.3 | -10.0 | -15.3 | -16.0 | -9.7 | 3.7 | 3.6 | 3.5 | 2.6 | 1.5 |
| Finland | 1.1 | 4.3 | 4.0 | 5.2 | 5.2 | 5.4 | 7.8 | 8.6 | 8.5 | 4.8 | 6.2 | 3.3 | 4.2 | 4.3 | 2.5 | 1.9 | 1.8 | 0.4 | 1.2 | 1.7 |
| France | 0.6 | 0.7 | 1.3 | 2.6 | 2.6 | 3.2 | 1.4 | 1.8 | 1.2 | 0.8 | 0.5 | -0.5 | -0.6 | -1.0 | -1.8 | -1.5 | -1.8 | -2.3 | -2.2 | -2.2 |
| Germany | -1.4 | -1.2 | -0.6 | -0.4 | -0.8 | -1.3 | -1.8 | 0.0 | 2.0 | 1.9 | 4.6 | 5.0 | 6.2 | 7.5 | 6.3 | 5.7 | 5.6 | 4.9 | 4.9 | 5.3 |
| Greece | -0.2 | -2.5 | -3.7 | -3.9 | -2.8 | -5.6 | -7.9 | -7.3 | -6.6 | -6.6 | -5.8 | -7.6 | -11.4 | -14.6 | -14.9 | -11.1 | -10.1 | -8.6 | -6.3 | -5.4 |
| Hungary | .. | -3.3 | -3.8 | -4.4 | -7.1 | -7.8 | -8.7 | -6.1 | -7.0 | -8.0 | -8.6 | -7.5 | -7.4 | -7.3 | -7.3 | -0.2 | 1.1 | 1.9 | 1.4 | 1.2 |
| Iceland | 1.9 | 0.7 | -1.8 | -1.8 | -6.8 | -6.8 | -10.2 | -4.3 | 1.5 | -4.8 | -9.8 | -16.2 | -23.8 | -15.7 | -24.5 | -11.7 | -11.2 | -9.3 | -3.4 | -0.5 |
| Ireland | 2.7 | 2.5 | 2.7 | 2.4 | 0.8 | 0.6 | 0.0 | -0.6 | -1.0 | 0.0 | -0.6 | -3.5 | -3.5 | -5.3 | -5.6 | -2.9 | 0.5 | 0.5 | 1.7 | 2.2 |
| Israel | .. | -5.2 | -5.0 | -3.1 | -0.9 | -1.5 | -3.2 | -1.5 | -1.1 | 0.8 | 1.7 | 3.3 | 4.9 | 2.4 | 1.1 | 3.5 | 3.0 | -0.8 | -1.4 | -1.7 |
| Italy | 1.3 | 2.0 | 3.2 | 2.8 | 1.6 | 0.7 | -0.5 | -0.1 | -0.8 | -1.3 | -0.9 | -1.6 | -2.6 | -2.4 | -2.9 | -2.0 | -3.5 | -3.6 | -2.6 | -1.8 |
| Japan | 2.7 | 2.2 | 1.4 | 2.3 | 3.1 | 2.6 | 2.6 | 2.1 | 2.9 | 3.2 | 3.7 | 3.7 | 3.9 | 4.8 | 3.3 | 2.8 | 3.6 | 2.2 | 2.2 | 2.4 |
| Korea | -0.8 | -1.5 | -4.0 | -1.3 | 12.0 | 5.3 | 2.8 | 1.7 | 1.3 | 2.4 | 4.5 | 2.2 | 1.5 | 2.1 | 0.5 | 3.9 | 2.8 | 1.8 | 1.3 | 1.1 |
| Luxembourg | .. | 12.1 | 11.2 | 10.4 | 9.2 | 8.4 | 13.2 | 8.8 | 10.5 | 8.1 | 11.9 | 11.5 | 10.4 | 10.1 | 5.1 | 6.5 | 7.7 | 6.5 | 6.3 | 5.1 |
| Mexico | -5.8 | -0.4 | -0.7 | -1.6 | -3.3 | -2.5 | -2.8 | -2.5 | -2.0 | -1.0 | -0.7 | -0.6 | -0.5 | -0.9 | -1.5 | -0.7 | -0.5 | -0.5 | -0.8 | -1.3 |
| Netherlands | 5.2 | 6.2 | 5.0 | 6.6 | 3.3 | 4.0 | 2.0 | 2.6 | 2.6 | 5.6 | 7.9 | 7.5 | 9.3 | 6.7 | 4.2 | 4.2 | 6.7 | 7.8 | 7.6 | 7.9 |
| New Zealand | -3.8 | -5.0 | -5.7 | -6.3 | -3.7 | -6.1 | -4.6 | -2.3 | -3.6 | -3.9 | -5.7 | -7.9 | -8.3 | -8.2 | -8.8 | -2.6 | -3.4 | -3.9 | -5.0 | -5.9 |
| Norway | 3.0 | 3.5 | 6.8 | 6.3 | 0.0 | 5.6 | 15.0 | 16.1 | 12.6 | 12.3 | 12.7 | 16.3 | 17.3 | 14.1 | 17.7 | 11.8 | 12.6 | 16.4 | 16.4 | 15.6 |
| Poland | 0.9 | 0.6 | -2.1 | -3.7 | -4.0 | -7.5 | -6.0 | -3.1 | -2.8 | -2.5 | -5.3 | -2.4 | -3.8 | -6.2 | -6.5 | -3.9 | -4.5 | -4.4 | -4.4 | -4.0 |
| Portugal | -1.6 | -0.1 | -4.2 | -5.8 | -6.9 | -8.2 | -10.4 | -10.3 | -8.3 | -6.5 | -8.4 | -10.4 | -10.7 | -10.1 | -12.6 | -10.9 | -9.9 | -8.0 | -3.8 | -1.7 |
| Slovak Republic | 4.9 | 2.6 | -9.3 | -8.5 | -8.9 | -4.8 | -3.5 | -8.3 | -7.9 | -5.9 | -7.8 | -8.5 | -7.8 | -5.3 | -6.6 | -3.2 | -3.5 | -1.6 | -1.5 | -0.5 |
| Slovenia | .. | .. | 0.3 | 0.3 | -0.7 | -3.9 | -3.1 | 0.2 | 1.1 | -0.8 | -2.6 | -1.7 | -2.5 | -4.8 | -6.9 | -1.3 | -0.8 | -0.2 | -0.5 | -0.8 |
| Spain | -1.2 | -0.3 | -0.2 | -0.1 | -1.2 | -2.9 | -4.0 | -3.9 | -3.3 | -3.5 | -5.2 | -7.4 | -9.0 | -10.0 | -9.6 | -5.2 | -4.6 | -4.0 | -2.3 | -2.0 |
| Sweden | 1.1 | 3.3 | 3.5 | 4.1 | 3.8 | 4.1 | 3.8 | 3.7 | 4.0 | 7.0 | 6.6 | 6.7 | 8.4 | 9.3 | 8.8 | 7.1 | 6.7 | 6.7 | 6.9 | 6.7 |
| Switzerland | 6.2 | 6.6 | 6.9 | 9.3 | 9.3 | 10.8 | 12.0 | 8.2 | 8.8 | 13.3 | 13.4 | 14.0 | 15.0 | 9.0 | 1.9 | 11.4 | 15.6 | 13.4 | 12.6 | 12.8 |
| Turkey | 2.0 | -1.2 | -1.0 | -1.0 | 0.9 | -0.6 | -3.7 | 2.0 | -0.3 | -2.5 | -3.7 | -4.6 | -6.1 | -5.9 | -5.6 | -2.2 | -6.5 | -9.8 | -8.0 | -7.4 |
| United Kingdom | -1.0 | -1.2 | -0.8 | -0.1 | -0.4 | -2.3 | -2.6 | -2.1 | -1.7 | -1.6 | -2.1 | -2.6 | -3.2 | -2.5 | -1.4 | -1.5 | -2.5 | -0.6 | 0.1 | 0.3 |
| United States | -1.7 | -1.5 | -1.6 | -1.7 | -2.4 | -3.2 | -4.2 | -3.9 | -4.3 | -4.7 | -5.3 | -5.9 | -6.0 | -5.1 | -4.7 | -2.7 | -3.2 | -3.0 | -2.9 | -3.2 |
| Euro area | 0.3 | 0.6 | 1.0 | 1.4 | 0.8 | 0.3 | -0.6 | 0.1 | 0.6 | 0.5 | 1.1 | 0.4 | 0.3 | 0.2 | -0.7 | 0.0 | 0.2 | 0.1 | 0.6 | 1.0 |
| Total OECD | -0.1 | 0.1 | -0.1 | 0.1 | -0.1 | -0.7 | -1.3 | -1.1 | -1.1 | -1.0 | -0.9 | -1.4 | -1.5 | -1.3 | -1.5 | -0.5 | -0.6 | -0.6 | -0.4 | -0.4 |

1. Including Luxembourg until 1994.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559315

Annex Table 52. **Structure of current account balances of major world regions**

$ billion

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Goods and services trade balance[1] | | | | | | | | | | | | | | | | | |
| OECD | 148 | 93 | -49 | -214 | -184 | -159 | -213 | -261 | -443 | -518 | -407 | -526 | -86 | -213 | -335 | -274 | -246 |
| China | 43 | 44 | 31 | 29 | 28 | 37 | 36 | 49 | 125 | 209 | 307 | 349 | 220 | 232 | 221 | 197 | 180 |
| Other industrialised Asia[2] | -1 | 52 | 72 | 65 | 65 | 82 | 94 | 81 | 86 | 116 | 139 | 59 | 103 | 109 | 112 | 125 | 136 |
| Russia | 9 | 12 | 33 | 52 | 39 | 37 | 49 | 72 | 105 | 126 | 113 | 155 | 93 | 124 | 154 | 133 | 122 |
| Brazil | -19 | -17 | -8 | -11 | -8 | 6 | 16 | 26 | 32 | 32 | 20 | 3 | -2 | -21 | -20 | -27 | -41 |
| Other oil producers | 49 | -13 | 46 | 143 | 86 | 74 | 115 | 180 | 320 | 418 | 405 | 566 | 175 | 363 | 636 | 597 | 593 |
| Rest of the world | -61 | -75 | -55 | -48 | -48 | -37 | -44 | -62 | -90 | -121 | -184 | -260 | -153 | -164 | -240 | -233 | -214 |
| World[3] | 168 | 96 | 69 | 16 | -21 | 41 | 54 | 86 | 134 | 261 | 394 | 347 | 349 | 430 | 529 | 518 | 530 |
| Investment income, net | | | | | | | | | | | | | | | | | |
| OECD | -11 | -18 | -13 | -6 | 11 | -7 | 24 | 101 | 123 | 111 | 108 | 131 | 145 | 236 | 323 | 328 | 300 |
| China | -11 | -17 | -14 | -15 | -19 | -15 | -8 | -4 | -16 | -5 | 8 | 18 | 7 | 30 | -23 | -9 | -13 |
| Other industrialised Asia[2] | -8 | -10 | -16 | -18 | -12 | -17 | -13 | -23 | -34 | -26 | -26 | -27 | -24 | -46 | -64 | -68 | -71 |
| Russia | -9 | -12 | -8 | -7 | -4 | -7 | -13 | -13 | -19 | -29 | -31 | -49 | -40 | -49 | -50 | -53 | -51 |
| Brazil | -15 | -18 | -19 | -18 | -20 | -18 | -19 | -21 | -26 | -27 | -29 | -41 | -34 | -40 | -46 | -51 | -52 |
| Other oil producers | 2 | 1 | 0 | -9 | -11 | -20 | -26 | -34 | -45 | -31 | -33 | -52 | -43 | -65 | -85 | -90 | -96 |
| Rest of the world | -28 | -26 | -27 | -31 | -30 | -30 | -38 | -45 | -48 | -53 | -67 | -75 | -68 | -84 | -97 | -102 | -109 |
| World[3] | -81 | -99 | -98 | -103 | -85 | -114 | -92 | -38 | -66 | -61 | -70 | -95 | -56 | -17 | -41 | -45 | -91 |
| Net transfers, net | | | | | | | | | | | | | | | | | |
| OECD | -95 | -108 | -108 | -120 | -121 | -124 | -153 | -187 | -223 | -216 | -271 | -302 | -289 | -319 | -318 | -301 | -303 |
| China | 5 | 4 | 5 | 6 | 8 | 13 | 18 | 23 | 25 | 29 | 39 | 46 | 34 | 43 | 32 | 36 | 36 |
| Other industrialised Asia[2] | 11 | 7 | 15 | 16 | 17 | 20 | 27 | 24 | 34 | 41 | 53 | 66 | 66 | 69 | 69 | 72 | 74 |
| Russia | 0 | 0 | 1 | 0 | -1 | -1 | 0 | -1 | -1 | -2 | -4 | -3 | -3 | -4 | -2 | -2 | -2 |
| Brazil | 2 | 1 | 2 | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Other oil producers | -18 | -18 | -18 | -19 | -20 | -20 | -19 | -19 | -13 | -8 | -21 | -31 | -40 | -44 | -49 | -51 | -53 |
| Rest of the world | 35 | 39 | 40 | 46 | 52 | 58 | 68 | 79 | 90 | 105 | 121 | 139 | 134 | 140 | 150 | 150 | 150 |
| World[3] | -61 | -74 | -64 | -69 | -62 | -52 | -58 | -78 | -85 | -46 | -79 | -79 | -94 | -112 | -115 | -93 | -95 |
| Current balance | | | | | | | | | | | | | | | | | |
| OECD | 30 | -32 | -180 | -342 | -288 | -293 | -308 | -314 | -512 | -584 | -523 | -670 | -205 | -252 | -284 | -203 | -206 |
| China | 37 | 31 | 21 | 21 | 17 | 35 | 46 | 69 | 134 | 233 | 354 | 412 | 261 | 305 | 230 | 224 | 204 |
| Other industrialised Asia[2] | -8 | 46 | 58 | 47 | 60 | 77 | 103 | 76 | 69 | 121 | 159 | 94 | 131 | 105 | 110 | 120 | 130 |
| Russia | 0 | 0 | 25 | 47 | 34 | 29 | 35 | 60 | 85 | 95 | 78 | 104 | 49 | 70 | 102 | 78 | 70 |
| Brazil | -30 | -33 | -25 | -24 | -23 | -8 | 4 | 12 | 14 | 14 | 2 | -28 | -24 | -47 | -49 | -56 | -70 |
| Other oil producers | 24 | -35 | 20 | 109 | 51 | 29 | 68 | 124 | 261 | 379 | 351 | 483 | 92 | 249 | 498 | 452 | 439 |
| Rest of the world | -55 | -62 | -42 | -33 | -26 | -8 | -13 | -28 | -47 | -68 | -129 | -194 | -86 | -107 | -185 | -184 | -172 |
| World[3] | -3 | -84 | -122 | -176 | -174 | -138 | -64 | -1 | 3 | 190 | 292 | 201 | 218 | 324 | 423 | 431 | 394 |

*Note:* Historical data for the OECD area are aggregates of reported balance-of-payments data of each individual country. Because of various statistical problems as well as a large number of non-reporters among non-OECD countries, trade and current account balances estimated on the basis of these countries' own balance-of-payments records may differ from corresponding estimates shown in this table.

1. National-accounts basis for OECD countries and balance-of-payments basis for the non-OECD regions.
2. Dynamic Asian Economies (Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Vietnam and Thailand), India and Indonesia.
3. Reflects statistical errors and asymmetries. Given the very large gross flows of world balance-of-payments transactions, statistical errors and asymmetries easily give rise to world totals (balances) that are significantly different from zero.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559334

Annex Table 53. **Export market growth in goods and services**

Percentage changes from previous year

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 10.2 | 13.2 | 9.6 | 6.8 | -1.3 | 4.5 | 12.9 | 0.0 | 6.0 | 8.4 | 13.5 | 9.7 | 9.0 | 7.8 | 4.9 | -9.7 | 13.7 | 7.8 | 6.7 | 8.8 |
| Austria | 7.2 | 8.8 | 5.6 | 9.7 | 8.2 | 6.1 | 11.4 | 2.2 | 1.8 | 5.3 | 9.0 | 7.4 | 10.7 | 7.8 | 2.9 | -11.5 | 11.4 | 6.8 | 3.8 | 6.0 |
| Belgium | 7.9 | 8.5 | 5.7 | 10.0 | 8.7 | 6.3 | 12.2 | 1.9 | 1.8 | 3.9 | 8.4 | 7.0 | 9.2 | 6.4 | 1.9 | -11.2 | 10.5 | 5.8 | 3.3 | 6.1 |
| Canada | 11.2 | 8.1 | 8.9 | 12.6 | 10.1 | 10.4 | 12.9 | -2.0 | 3.5 | 4.7 | 11.1 | 6.7 | 6.9 | 3.5 | -1.2 | -12.9 | 12.7 | 5.3 | 4.3 | 6.7 |
| Chile | 8.7 | 9.0 | 9.5 | 10.0 | 3.0 | 5.4 | 12.3 | 0.4 | 2.8 | 6.9 | 11.6 | 8.5 | 9.7 | 8.6 | 3.7 | -10.1 | 15.1 | 7.7 | 6.6 | 8.4 |
| Czech Republic | 6.7 | 8.9 | 6.6 | 10.0 | 9.6 | 5.6 | 11.2 | 2.8 | 1.5 | 5.2 | 8.7 | 7.6 | 11.4 | 7.6 | 2.9 | -12.2 | 11.3 | 6.9 | 3.5 | 5.8 |
| Denmark | 8.4 | 8.5 | 6.6 | 10.5 | 8.2 | 5.7 | 11.3 | 1.1 | 1.9 | 4.6 | 8.8 | 7.6 | 9.5 | 7.2 | 2.5 | -11.8 | 11.1 | 6.1 | 3.7 | 6.1 |
| Estonia | 8.3 | 8.9 | 5.8 | 10.8 | 7.7 | 3.8 | 12.2 | 2.0 | 2.9 | 4.6 | 9.1 | 9.3 | 10.2 | 9.3 | 5.2 | -14.4 | 10.5 | 6.9 | 3.5 | 5.0 |
| Finland | 6.2 | 9.2 | 5.9 | 9.9 | 5.6 | 3.5 | 12.6 | 2.4 | 3.6 | 6.3 | 10.8 | 9.5 | 11.2 | 10.4 | 4.8 | -13.7 | 12.6 | 8.6 | 4.6 | 7.0 |
| France | 6.7 | 8.5 | 6.2 | 10.2 | 7.4 | 5.8 | 11.0 | 1.7 | 2.6 | 4.8 | 9.3 | 7.7 | 9.4 | 7.6 | 2.4 | -11.3 | 10.5 | 5.8 | 3.6 | 6.1 |
| Germany | 7.4 | 9.1 | 6.6 | 10.3 | 7.6 | 5.5 | 12.2 | 1.9 | 3.1 | 4.7 | 9.6 | 7.7 | 9.1 | 7.8 | 2.2 | -12.0 | 11.0 | 5.9 | 3.7 | 6.3 |
| Greece | 4.5 | 8.8 | 5.7 | 10.2 | 7.3 | 4.5 | 9.8 | 1.6 | 3.3 | 5.5 | 9.9 | 8.6 | 9.2 | 8.8 | 3.9 | -11.7 | 10.2 | 7.4 | 3.3 | 5.7 |
| Hungary | 6.5 | 8.7 | 6.0 | 9.5 | 8.1 | 5.6 | 10.9 | 2.7 | 1.8 | 5.1 | 8.8 | 7.6 | 10.3 | 8.0 | 2.9 | -11.9 | 10.7 | 6.9 | 3.4 | 5.6 |
| Iceland | 8.1 | 8.2 | 6.6 | 10.0 | 8.9 | 7.0 | 11.1 | 2.3 | 2.5 | 3.6 | 8.2 | 7.3 | 9.6 | 5.8 | 1.5 | -11.7 | 9.4 | 5.0 | 2.8 | 5.7 |
| Ireland | 8.3 | 7.8 | 6.6 | 9.9 | 7.9 | 7.0 | 11.7 | 1.2 | 2.7 | 3.7 | 8.5 | 6.9 | 8.6 | 4.8 | 0.9 | -11.5 | 10.7 | 4.9 | 3.3 | 6.2 |
| Israel | 9.3 | 9.5 | 7.7 | 11.1 | 6.2 | 5.9 | 13.1 | -0.9 | 3.5 | 5.4 | 11.2 | 7.4 | 8.1 | 6.0 | 1.3 | -11.8 | 13.2 | 6.3 | 4.6 | 7.1 |
| Italy | 6.3 | 8.5 | 6.5 | 10.1 | 7.6 | 5.6 | 11.6 | 1.9 | 2.7 | 5.1 | 9.7 | 8.1 | 9.5 | 8.5 | 3.2 | -11.6 | 10.2 | 6.3 | 3.6 | 6.3 |
| Japan | 11.0 | 12.3 | 8.7 | 9.6 | 1.3 | 8.5 | 15.1 | -1.2 | 7.4 | 9.6 | 14.1 | 9.3 | 10.0 | 8.4 | 3.9 | -8.6 | 15.3 | 7.5 | 6.7 | 9.0 |
| Korea | 8.7 | 11.9 | 9.6 | 9.1 | 2.1 | 6.4 | 13.9 | 0.6 | 7.1 | 10.5 | 14.5 | 10.1 | 10.4 | 9.1 | 4.5 | -7.8 | 15.0 | 8.0 | 7.4 | 9.5 |
| Luxembourg | 7.9 | 7.8 | 4.9 | 9.4 | 8.4 | 6.1 | 11.7 | 1.7 | 1.3 | 3.4 | 7.5 | 6.6 | 8.8 | 6.0 | 1.5 | -11.2 | 10.3 | 5.6 | 3.1 | 5.7 |
| Mexico | 10.9 | 8.0 | 8.5 | 13.1 | 10.7 | 10.3 | 12.4 | -2.2 | 3.1 | 4.7 | 11.0 | 6.6 | 6.6 | 3.5 | -1.5 | -13.1 | 12.5 | 5.3 | 4.0 | 6.5 |
| Netherlands | 7.5 | 8.1 | 5.6 | 9.7 | 8.0 | 5.9 | 11.8 | 1.7 | 2.0 | 4.2 | 8.5 | 7.3 | 9.5 | 6.8 | 2.4 | -11.5 | 10.4 | 6.2 | 3.5 | 6.0 |
| New Zealand | 9.5 | 10.5 | 8.5 | 8.7 | 3.0 | 6.5 | 11.6 | -1.0 | 6.1 | 7.5 | 12.5 | 9.0 | 8.8 | 8.3 | 5.7 | -10.1 | 12.8 | 8.1 | 6.6 | 8.0 |
| Norway | 8.5 | 8.0 | 6.4 | 10.3 | 8.5 | 6.6 | 11.8 | 1.6 | 2.7 | 3.5 | 8.1 | 7.3 | 9.3 | 5.1 | 1.5 | -11.9 | 10.6 | 5.1 | 3.2 | 6.2 |
| Poland | 6.8 | 8.9 | 5.3 | 9.5 | 8.0 | 5.2 | 11.4 | 3.0 | 1.9 | 5.1 | 8.8 | 7.7 | 10.7 | 8.3 | 3.4 | -12.5 | 11.5 | 7.4 | 3.4 | 5.8 |
| Portugal | 7.5 | 8.4 | 6.1 | 10.5 | 9.5 | 7.2 | 11.4 | 2.5 | 2.6 | 4.4 | 8.7 | 7.7 | 9.2 | 7.3 | 0.8 | -12.2 | 9.7 | 4.8 | 2.4 | 5.6 |
| Slovak Republic | 7.6 | 10.7 | 6.7 | 10.1 | 9.0 | 5.9 | 12.2 | 3.5 | 2.0 | 5.5 | 9.3 | 6.9 | 10.8 | 8.7 | 2.7 | -12.0 | 11.7 | 6.9 | 3.4 | 5.5 |
| Slovenia | 6.3 | 9.1 | 4.5 | 9.4 | 8.0 | 4.7 | 10.7 | 3.4 | 1.9 | 5.0 | 8.8 | 7.5 | 10.3 | 8.9 | 3.5 | -12.5 | 10.7 | 7.4 | 3.1 | 5.3 |
| Spain | 7.0 | 7.6 | 5.6 | 10.0 | 9.1 | 5.6 | 11.1 | 1.9 | 1.9 | 3.4 | 8.1 | 7.0 | 8.9 | 6.6 | 2.4 | -11.2 | 10.0 | 5.2 | 2.9 | 5.8 |
| Sweden | 7.5 | 8.2 | 6.8 | 10.5 | 7.6 | 4.5 | 11.1 | 1.5 | 3.1 | 4.1 | 9.5 | 8.6 | 9.6 | 7.3 | 3.2 | -11.9 | 10.3 | 6.3 | 3.9 | 6.1 |
| Switzerland | 7.5 | 8.8 | 6.1 | 9.8 | 7.3 | 6.2 | 11.7 | 1.5 | 2.2 | 5.0 | 9.3 | 7.5 | 9.4 | 7.3 | 2.4 | -11.1 | 11.2 | 6.5 | 4.0 | 6.4 |
| Turkey | 3.6 | 8.1 | 5.0 | 9.5 | 7.1 | 4.6 | 9.9 | 3.3 | 3.1 | 4.8 | 9.4 | 9.0 | 9.6 | 10.3 | 4.9 | -10.9 | 8.4 | 6.6 | 3.6 | 6.1 |
| United Kingdom | 7.8 | 9.3 | 6.5 | 10.4 | 7.8 | 6.1 | 12.4 | 1.0 | 2.8 | 4.5 | 9.8 | 8.0 | 8.5 | 7.8 | 2.4 | -11.0 | 10.2 | 6.0 | 4.0 | 6.4 |
| United States | 8.6 | 7.0 | 8.7 | 10.7 | 4.0 | 6.2 | 12.4 | -0.5 | 3.1 | 5.2 | 10.7 | 8.5 | 8.9 | 8.1 | 3.8 | -11.6 | 13.9 | 7.3 | 5.9 | 7.6 |
| Total OECD | 8.1 | 8.8 | 7.1 | 10.2 | 6.5 | 6.4 | 12.3 | 0.8 | 3.3 | 5.3 | 10.2 | 8.0 | 9.2 | 7.4 | 2.7 | -11.2 | 12.0 | 6.5 | 4.6 | 6.9 |
| *Memorandum items* | | | | | | | | | | | | | | | | | | | | |
| China | 9.1 | 10.9 | 8.0 | 8.9 | 2.8 | 6.3 | 12.6 | -0.9 | 3.9 | 5.8 | 11.3 | 8.1 | 8.2 | 6.8 | 3.2 | -12.2 | 12.5 | 6.9 | 4.7 | 6.9 |
| Other industrialised Asia[1] | 10.7 | 13.1 | 8.9 | 8.4 | 0.9 | 6.4 | 14.3 | -0.6 | 6.7 | 9.5 | 14.1 | 9.9 | 10.1 | 8.1 | 5.1 | -8.6 | 14.8 | 8.0 | 6.8 | 9.0 |
| Russia | 5.2 | 10.1 | 6.7 | 10.8 | 7.4 | 4.8 | 11.1 | 1.8 | 3.5 | 6.1 | 10.0 | 8.3 | 9.7 | 9.2 | 3.5 | -10.2 | 10.9 | 6.8 | 3.9 | 6.2 |
| Brazil | 8.3 | 6.3 | 8.7 | 12.5 | 6.1 | 2.9 | 10.2 | -0.4 | -1.2 | 8.1 | 13.4 | 10.3 | 10.0 | 10.4 | 5.4 | -11.6 | 14.4 | 9.0 | 6.1 | 7.8 |
| Other oil producers | 8.2 | 11.7 | 8.4 | 8.5 | 1.7 | 6.2 | 12.5 | 0.0 | 4.7 | 6.9 | 11.5 | 8.4 | 8.8 | 8.0 | 3.3 | -10.5 | 12.8 | 7.0 | 5.5 | 7.5 |
| Rest of the world | 5.1 | 9.1 | 6.6 | 10.3 | 5.6 | 3.3 | 11.3 | 1.9 | 3.4 | 5.9 | 11.1 | 9.2 | 9.7 | 10.0 | 4.7 | -11.9 | 12.1 | 7.8 | 4.9 | 7.0 |

*Note:* Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Vietnam; Thailand; India and Indonesia.

*Source:* OECD Economic Outlook 90 database.

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## Annex Table 54. **Import penetration**

Goods and services import volume as a percentage of total final expenditure, constant prices

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia | 11.2 | 11.6 | 11.9 | 12.5 | 12.7 | 13.2 | 13.6 | 12.7 | 13.5 | 14.3 | 15.7 | 16.3 | 17.0 | 18.0 | 19.3 | 17.5 | 19.2 | 20.6 | 21.5 | 22.4 |
| Austria | 25.8 | 26.4 | 26.8 | 27.6 | 27.9 | 28.3 | 29.8 | 30.6 | 30.1 | 30.8 | 32.3 | 33.3 | 33.7 | 34.4 | 33.8 | 31.6 | 32.8 | 33.8 | 34.4 | 35.2 |
| Belgium | 36.0 | 36.2 | 36.8 | 37.9 | 38.7 | 38.5 | 40.5 | 40.2 | 40.1 | 40.0 | 40.7 | 41.5 | 42.0 | 42.5 | 43.0 | 41.0 | 42.5 | 43.6 | 44.2 | 45.1 |
| Canada | 24.6 | 25.1 | 25.8 | 27.6 | 27.8 | 28.2 | 28.8 | 27.3 | 27.1 | 27.5 | 28.5 | 29.4 | 29.8 | 30.6 | 30.8 | 28.3 | 30.3 | 31.5 | 32.3 | 33.2 |
| Chile | .. | .. | 22.4 | 23.5 | 24.1 | 22.4 | 23.4 | 23.4 | 23.4 | 24.5 | 26.6 | 28.7 | 29.8 | 31.7 | 33.6 | 30.5 | 35.1 | 36.9 | 38.1 | 39.1 |
| Czech Republic | 24.9 | 27.2 | 28.5 | 29.9 | 31.3 | 31.9 | 34.2 | 36.0 | 36.5 | 37.4 | 38.5 | 38.4 | 39.2 | 40.8 | 40.7 | 38.8 | 41.9 | 43.2 | 43.8 | 44.5 |
| Denmark | 22.0 | 22.7 | 22.8 | 23.8 | 24.9 | 25.1 | 26.7 | 27.0 | 28.3 | 27.9 | 28.9 | 30.6 | 32.6 | 33.2 | 34.0 | 32.2 | 32.7 | 33.8 | 34.4 | 35.3 |
| Estonia | .. | 34.6 | 35.2 | 38.4 | 39.5 | 38.0 | 41.2 | 40.9 | 41.1 | 41.8 | 43.6 | 45.7 | 46.6 | 46.3 | 46.0 | 39.3 | 43.3 | 47.2 | 48.2 | 48.9 |
| Finland | 21.4 | 21.8 | 22.5 | 23.3 | 23.7 | 23.7 | 25.6 | 25.5 | 25.8 | 26.1 | 26.7 | 28.3 | 29.0 | 29.4 | 30.8 | 29.1 | 29.9 | 29.6 | 30.1 | 30.0 |
| France | 15.3 | 16.0 | 16.1 | 16.9 | 17.9 | 18.3 | 20.0 | 20.0 | 20.2 | 20.2 | 20.6 | 21.2 | 21.7 | 22.2 | 22.4 | 20.9 | 22.0 | 22.6 | 22.9 | 23.6 |
| Germany | 17.7 | 18.4 | 19.0 | 20.0 | 21.2 | 22.2 | 23.5 | 23.5 | 23.3 | 24.3 | 25.5 | 26.5 | 28.1 | 28.5 | 28.9 | 28.0 | 29.5 | 30.5 | 31.3 | 32.1 |
| Greece | 19.2 | 20.2 | 20.9 | 22.6 | 23.7 | 25.7 | 27.7 | 27.1 | 26.2 | 25.7 | 25.9 | 25.1 | 26.1 | 28.1 | 28.6 | 24.6 | 23.6 | 21.6 | 21.1 | 21.0 |
| Hungary | 21.8 | 24.1 | 25.6 | 28.6 | 31.8 | 33.4 | 35.9 | 36.3 | 36.7 | 37.8 | 39.8 | 40.5 | 43.0 | 45.9 | 47.0 | 44.7 | 47.5 | 48.9 | 49.8 | 51.0 |
| Iceland | 21.0 | 21.4 | 23.3 | 23.7 | 26.4 | 26.5 | 27.3 | 24.8 | 24.3 | 25.7 | 26.8 | 30.6 | 31.9 | 30.3 | 26.0 | 22.5 | 23.8 | 23.8 | 24.2 | 24.2 |
| Ireland | 33.1 | 34.3 | 35.2 | 36.2 | 39.9 | 40.1 | 42.2 | 42.6 | 41.8 | 40.3 | 41.3 | 42.0 | 42.4 | 43.1 | 43.1 | 42.8 | 43.5 | 43.2 | 43.2 | 43.7 |
| Israel | .. | 28.0 | 28.4 | 28.5 | 28.0 | 30.4 | 31.0 | 29.8 | 29.6 | 29.0 | 30.4 | 30.1 | 29.6 | 30.8 | 30.5 | 27.2 | 28.6 | 30.3 | 30.9 | 31.8 |
| Italy | 15.6 | 16.4 | 16.2 | 17.2 | 18.2 | 18.7 | 19.5 | 19.6 | 19.6 | 20.0 | 20.4 | 20.9 | 21.8 | 22.4 | 22.1 | 20.6 | 22.4 | 22.8 | 23.2 | 23.5 |
| Japan | 6.9 | 7.7 | 8.4 | 8.3 | 8.0 | 8.2 | 8.7 | 8.7 | 8.8 | 9.0 | 9.4 | 9.7 | 9.9 | 9.8 | 10.0 | 9.2 | 9.6 | 10.1 | 10.4 | 10.7 |
| Korea | 20.1 | 22.0 | 23.1 | 22.9 | 19.8 | 21.8 | 23.9 | 22.4 | 23.5 | 24.9 | 26.1 | 26.8 | 27.9 | 29.1 | 29.6 | 27.9 | 29.8 | 30.6 | 31.4 | 32.2 |
| Luxembourg | .. | 48.2 | 49.2 | 50.8 | 52.0 | 53.4 | 53.8 | 54.6 | 53.9 | 55.1 | 56.9 | 56.6 | 58.3 | 58.9 | 60.1 | 58.2 | 58.7 | 59.8 | 60.0 | 60.4 |
| Mexico | 13.7 | 12.5 | 14.3 | 16.0 | 17.5 | 18.9 | 21.1 | 21.0 | 21.2 | 21.1 | 22.2 | 23.0 | 24.3 | 25.0 | 25.3 | 22.7 | 25.6 | 26.3 | 27.2 | 28.1 |
| Netherlands | 29.3 | 30.6 | 30.9 | 32.3 | 33.3 | 34.2 | 35.9 | 36.0 | 36.1 | 36.4 | 37.2 | 37.9 | 39.1 | 39.5 | 39.6 | 38.5 | 40.5 | 41.2 | 41.6 | 42.6 |
| New Zealand | 21.1 | 21.7 | 22.4 | 22.2 | 22.4 | 23.6 | 22.9 | 22.9 | 23.7 | 24.3 | 26.4 | 26.9 | 25.9 | 27.1 | 27.8 | 24.4 | 26.0 | 26.9 | 27.4 | 28.3 |
| Norway | 18.0 | 18.2 | 18.7 | 19.6 | 20.5 | 20.0 | 19.8 | 19.7 | 19.7 | 19.7 | 20.4 | 21.4 | 22.4 | 23.3 | 24.0 | 22.1 | 23.5 | 24.2 | 24.2 | 24.5 |
| Poland | 14.9 | 16.9 | 19.4 | 21.7 | 23.8 | 23.3 | 24.9 | 24.1 | 24.3 | 25.3 | 26.8 | 27.6 | 30.0 | 31.4 | 31.6 | 28.0 | 29.5 | 30.0 | 30.2 | 30.4 |
| Portugal | 21.6 | 22.1 | 22.4 | 23.4 | 25.1 | 25.9 | 26.2 | 26.0 | 25.8 | 25.9 | 27.0 | 27.3 | 28.4 | 29.1 | 29.5 | 27.8 | 28.5 | 27.8 | 27.4 | 27.4 |
| Slovak Republic | 31.6 | 32.7 | 34.8 | 35.6 | 38.4 | 38.5 | 40.0 | 42.2 | 42.1 | 42.7 | 43.4 | 44.7 | 46.8 | 46.5 | 45.9 | 42.2 | 44.9 | 45.8 | 46.2 | 46.7 |
| Slovenia | .. | .. | 32.6 | 33.9 | 35.2 | 35.7 | 36.4 | 36.4 | 36.7 | 37.5 | 39.5 | 40.1 | 41.6 | 43.8 | 43.8 | 40.4 | 41.8 | 42.7 | 43.2 | 43.5 |
| Spain | 14.6 | 15.6 | 16.4 | 17.6 | 19.0 | 20.3 | 21.2 | 21.3 | 21.5 | 22.0 | 23.0 | 23.7 | 24.8 | 25.6 | 24.4 | 21.7 | 23.3 | 23.4 | 23.1 | 23.4 |
| Sweden | 22.9 | 23.5 | 23.8 | 25.5 | 26.8 | 26.8 | 28.2 | 27.5 | 26.9 | 27.2 | 27.5 | 28.2 | 29.2 | 30.3 | 31.2 | 29.1 | 30.4 | 31.0 | 31.4 | 32.1 |
| Switzerland | 23.8 | 24.5 | 25.1 | 26.2 | 27.1 | 27.6 | 28.9 | 29.1 | 28.8 | 29.1 | 30.1 | 30.9 | 31.5 | 32.1 | 31.7 | 30.9 | 31.8 | 31.9 | 32.3 | 33.4 |
| Turkey | 11.8 | 13.9 | 15.2 | 16.9 | 16.8 | 16.7 | 18.7 | 15.4 | 17.2 | 19.7 | 21.3 | 21.9 | 22.0 | 23.0 | 22.1 | 20.2 | 22.1 | 22.9 | 22.6 | 22.8 |
| United Kingdom | 17.3 | 17.7 | 18.7 | 19.6 | 20.5 | 21.0 | 21.8 | 22.1 | 22.5 | 22.3 | 22.9 | 23.9 | 25.2 | 24.4 | 24.4 | 22.8 | 24.0 | 23.8 | 24.0 | 24.9 |
| United States | 9.0 | 9.4 | 9.8 | 10.6 | 11.2 | 11.9 | 12.7 | 12.3 | 12.5 | 12.7 | 13.5 | 13.8 | 14.2 | 14.3 | 14.0 | 12.7 | 13.8 | 14.1 | 14.3 | 14.8 |
| Total OECD | 14.1 | 14.8 | 15.3 | 16.2 | 16.8 | 17.5 | 18.6 | 18.4 | 18.5 | 18.8 | 19.7 | 20.3 | 21.1 | 21.5 | 21.6 | 20.0 | 21.3 | 21.9 | 22.2 | 22.9 |

*Note:* The OECD aggregate is calculated inclusive of intra-regional trade as the sum of import volumes expressed in 2005 $ divided by the sum of total final expenditure expressed in 2005 $.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559372

Annex Table 55. **Quarterly demand and output projections**

Percentage changes from previous period, seasonally adjusted at annual rates, volume

| | 2011 | 2012 | 2013 | 2011 Q4 | 2012 Q1 | Q2 | Q3 | Q4 | 2013 Q1 | Q2 | Q3 | Q4 | 2011 Q4 / Q4 | 2012 Q4 / Q4 | 2013 Q4 / Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Private consumption** | | | | | | | | | | | | | | | |
| Canada | 1.8 | 1.9 | 3.0 | 1.3 | 2.0 | 2.3 | 2.6 | 2.8 | 3.0 | 3.2 | 3.5 | 3.6 | 1.0 | 2.4 | 3.3 |
| France | 0.6 | 0.7 | 1.6 | -0.2 | 1.0 | 1.2 | 1.4 | 1.5 | 1.6 | 1.6 | 1.7 | 1.8 | -0.1 | 1.3 | 1.7 |
| Germany | 1.0 | 0.7 | 1.1 | 0.8 | 0.4 | 0.6 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 0.4 | 0.8 | 1.1 |
| Italy | 0.9 | 0.2 | 0.2 | 0.4 | 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.6 | 0.1 | 0.2 |
| Japan | -0.2 | 1.3 | 1.3 | 0.7 | 0.9 | 1.0 | 1.0 | 1.3 | 1.3 | 1.4 | 1.5 | 1.6 | 0.8 | 1.0 | 1.5 |
| United Kingdom | -0.9 | 0.5 | 2.0 | -0.2 | -0.2 | 1.0 | 1.7 | 1.8 | 2.0 | 2.2 | 2.4 | 2.4 | -0.9 | 1.1 | 2.3 |
| United States | 2.3 | 2.2 | 2.6 | 2.2 | 2.2 | 2.3 | 2.4 | 2.6 | 2.6 | 2.8 | 2.8 | 2.8 | 1.8 | 2.4 | 2.7 |
| Euro area | 0.4 | 0.1 | 0.9 | -0.4 | 0.0 | 0.3 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | -0.2 | 0.5 | 1.1 |
| Total OECD | 1.6 | 1.5 | 2.2 | 1.0 | 1.4 | 1.7 | 2.1 | 2.0 | 2.2 | 2.4 | 2.6 | 2.3 | 1.2 | 1.8 | 2.4 |
| **Public consumption** | | | | | | | | | | | | | | | |
| Canada | 1.0 | -0.2 | -0.5 | -0.3 | -0.3 | -0.3 | -0.3 | -0.5 | -0.5 | -0.5 | -0.5 | -0.5 | 0.3 | -0.4 | -0.5 |
| France | 0.7 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.6 | 0.0 | 0.1 |
| Germany | 0.9 | 0.9 | 0.8 | 1.0 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 1.0 | 0.8 | 0.8 |
| Italy | 0.1 | -0.9 | -1.2 | -0.8 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 | 0.4 | -1.2 | -1.2 |
| Japan | 2.3 | 0.2 | -0.1 | -0.9 | -0.1 | 0.1 | 0.3 | -0.1 | 0.1 | -0.1 | -0.6 | -0.5 | 1.7 | 0.0 | -0.3 |
| United Kingdom | 1.7 | -0.8 | -1.8 | -0.7 | -1.4 | -1.6 | -1.8 | -1.8 | -1.8 | -1.8 | -1.8 | -1.8 | 1.7 | -1.6 | -1.8 |
| United States | -1.0 | -0.3 | 0.4 | -0.5 | -0.5 | -0.1 | 0.1 | 0.2 | 0.4 | 0.4 | 0.7 | 0.7 | -0.8 | -0.1 | 0.6 |
| Euro area | 0.0 | -0.3 | -0.2 | -0.7 | -0.2 | -0.2 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.1 | -0.2 | -0.2 | -0.2 |
| Total OECD | 0.4 | 0.1 | 0.2 | -0.3 | -0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.1 | 0.3 |
| **Business investment** | | | | | | | | | | | | | | | |
| Canada | 14.2 | 8.6 | 6.9 | 8.5 | 8.0 | 8.0 | 7.8 | 7.5 | 7.0 | 6.5 | 6.0 | 5.0 | 11.4 | 7.8 | 6.1 |
| France | 3.7 | 0.7 | 4.6 | -0.4 | -0.6 | 1.6 | 3.2 | 4.5 | 4.9 | 5.3 | 5.3 | 5.5 | 1.8 | 2.2 | 5.3 |
| Germany | 8.4 | 2.4 | 4.9 | -2.0 | 0.8 | 2.8 | 4.7 | 4.9 | 4.9 | 5.1 | 5.8 | 5.8 | 5.5 | 3.3 | 5.4 |
| Italy | 3.7 | 1.1 | 2.6 | -2.0 | 0.5 | 0.6 | 2.0 | 2.1 | 2.4 | 3.4 | 3.6 | 3.2 | 3.1 | 1.3 | 3.2 |
| Japan | 0.1 | 4.0 | 5.8 | 3.5 | 4.3 | 4.7 | 4.8 | 5.3 | 5.6 | 6.4 | 6.8 | 7.3 | 0.3 | 4.8 | 6.5 |
| United Kingdom | 0.4 | 4.7 | 8.0 | 0.2 | -1.0 | 1.7 | 6.7 | 7.4 | 8.7 | 9.1 | 9.5 | 9.5 | 1.7 | 3.6 | 9.2 |
| United States | 8.4 | 4.9 | 6.4 | 0.7 | 1.2 | 4.8 | 6.3 | 6.4 | 6.6 | 6.6 | 6.7 | 6.7 | 6.8 | 4.7 | 6.6 |
| Euro area | 4.6 | 1.0 | 3.8 | -2.1 | -0.2 | 1.5 | 2.9 | 3.5 | 3.9 | 4.5 | 4.8 | 4.9 | 3.7 | 1.9 | 4.5 |
| Total OECD | 5.1 | 4.0 | 5.7 | 1.2 | 2.1 | 4.1 | 5.3 | 5.6 | 5.7 | 6.0 | 6.2 | 6.2 | 4.4 | 4.3 | 6.0 |
| **Total investment** | | | | | | | | | | | | | | | |
| Canada | 8.7 | 5.6 | 4.0 | 5.6 | 5.2 | 5.3 | 4.9 | 4.7 | 4.1 | 3.6 | 3.0 | 2.5 | 7.5 | 5.0 | 3.3 |
| France | 2.8 | 0.7 | 3.0 | 0.1 | -0.7 | 0.7 | 2.1 | 2.8 | 3.3 | 3.5 | 3.6 | 3.9 | 2.2 | 1.2 | 3.6 |
| Germany | 7.2 | 1.2 | 3.8 | -2.1 | -0.2 | 1.9 | 3.6 | 3.8 | 3.8 | 4.0 | 4.4 | 4.4 | 5.3 | 2.3 | 4.2 |
| Italy | 0.7 | -0.9 | 0.3 | -2.0 | -1.5 | -1.5 | -0.6 | 0.2 | 0.3 | 0.9 | 1.0 | 1.0 | 0.3 | -0.9 | 0.8 |
| Japan | -0.3 | 5.4 | 3.7 | 6.5 | 6.9 | 6.1 | 4.9 | 3.4 | 3.1 | 3.2 | 3.4 | 3.8 | 1.8 | 5.3 | 3.4 |
| United Kingdom | -2.4 | -0.9 | 5.6 | -4.9 | -3.7 | -0.1 | 3.8 | 5.2 | 6.2 | 6.7 | 7.1 | 7.3 | -2.7 | 1.3 | 6.8 |
| United States | 3.4 | 3.3 | 4.6 | 0.2 | 0.7 | 3.2 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 4.9 | 2.8 | 3.2 | 4.8 |
| Euro area | 2.1 | -0.4 | 2.3 | -2.5 | -1.3 | 0.2 | 1.5 | 2.1 | 2.4 | 2.8 | 3.1 | 3.2 | 1.4 | 0.6 | 2.9 |
| Total OECD | 3.3 | 2.9 | 4.2 | 1.2 | 1.8 | 3.1 | 4.0 | 4.1 | 4.2 | 4.4 | 4.5 | 4.6 | 2.9 | 3.2 | 4.4 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559391

Annex Table 55. **Quarterly demand and output projections *(cont'd)***

Percentage changes from previous period, seasonally adjusted at annual rates, volume

| | 2011 | 2012 | 2013 | 2011 Q4 | 2012 Q1 | Q2 | Q3 | Q4 | 2013 Q1 | Q2 | Q3 | Q4 | 2011 Q4 / Q4 | 2012 Q4 / Q4 | 2013 Q4 / Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total domestic demand** | | | | | | | | | | | | | | | |
| Canada | 3.2 | 2.0 | 2.5 | 1.4 | 2.2 | 2.4 | 2.5 | 2.6 | 2.5 | 2.5 | 2.6 | 2.5 | 2.6 | 2.4 | 2.5 |
| France | 1.9 | 0.2 | 1.5 | -0.5 | -0.4 | 0.8 | 1.2 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.1 | 0.7 | 1.7 |
| Germany | 2.6 | 0.8 | 1.5 | -0.5 | 0.4 | 0.9 | 1.5 | 1.5 | 1.5 | 1.6 | 1.7 | 1.7 | 1.9 | 1.1 | 1.6 |
| Italy | 0.3 | -0.5 | -0.1 | -0.7 | -0.5 | -0.5 | -0.2 | -0.1 | 0.0 | 0.1 | 0.1 | 0.1 | -0.7 | -0.3 | 0.1 |
| Japan | 0.4 | 2.1 | 1.5 | 1.5 | 1.9 | 1.9 | 1.7 | 1.5 | 1.4 | 1.5 | 1.5 | 1.7 | 1.4 | 1.7 | 1.5 |
| United Kingdom | -0.8 | -0.2 | 1.7 | -1.6 | -1.4 | 0.2 | 1.2 | 1.5 | 1.8 | 2.0 | 2.2 | 2.2 | -0.9 | 0.4 | 2.0 |
| United States | 1.6 | 1.9 | 2.6 | 2.2 | 1.6 | 2.0 | 2.3 | 2.5 | 2.5 | 2.7 | 2.8 | 2.8 | 1.3 | 2.1 | 2.7 |
| Euro area | 1.0 | -0.2 | 0.9 | -1.4 | -0.5 | 0.2 | 0.7 | 0.8 | 1.0 | 1.1 | 1.2 | 1.3 | 0.2 | 0.3 | 1.1 |
| Total OECD | 1.7 | 1.4 | 2.2 | 0.9 | 1.2 | 1.7 | 2.1 | 2.0 | 2.2 | 2.4 | 2.6 | 2.4 | 1.3 | 1.7 | 2.4 |
| **Export of goods and services** | | | | | | | | | | | | | | | |
| Canada | 4.7 | 5.0 | 6.3 | 2.4 | 4.0 | 5.0 | 5.5 | 6.0 | 6.5 | 6.5 | 7.0 | 7.5 | 4.5 | 5.1 | 6.9 |
| France | 4.2 | 2.5 | 5.9 | 1.0 | 1.6 | 3.2 | 4.1 | 4.9 | 6.6 | 6.9 | 7.0 | 7.3 | 2.8 | 3.4 | 6.9 |
| Germany | 8.3 | 3.4 | 6.6 | 0.8 | 0.9 | 3.6 | 4.9 | 6.1 | 6.9 | 7.4 | 7.8 | 8.2 | 6.3 | 3.9 | 7.6 |
| Italy | 4.9 | 1.7 | 4.2 | 0.4 | 0.8 | 2.0 | 3.2 | 3.9 | 4.5 | 4.8 | 4.9 | 5.3 | 2.6 | 2.5 | 4.9 |
| Japan | 1.0 | 5.0 | 6.0 | 3.4 | 3.6 | 4.2 | 4.7 | 5.3 | 5.8 | 6.6 | 7.7 | 8.1 | 2.1 | 4.4 | 7.0 |
| United Kingdom | 5.3 | 3.6 | 6.9 | 4.2 | 2.2 | 4.9 | 4.9 | 7.0 | 7.1 | 7.6 | 8.0 | 8.0 | 2.5 | 4.7 | 7.7 |
| United States | 6.7 | 5.1 | 6.6 | 4.1 | 5.1 | 6.0 | 6.0 | 6.1 | 6.8 | 7.1 | 7.1 | 7.1 | 4.9 | 5.8 | 7.0 |
| Total OECD[1] | 6.4 | 4.2 | 6.3 | 3.1 | 3.3 | 4.7 | 5.4 | 6.0 | 6.5 | 6.8 | 7.0 | 7.2 | 4.8 | 4.8 | 6.9 |
| **Import of goods and services** | | | | | | | | | | | | | | | |
| Canada | 7.4 | 5.3 | 6.3 | 3.7 | 4.5 | 5.5 | 6.0 | 6.2 | 6.4 | 6.4 | 6.6 | 6.8 | 7.3 | 5.5 | 6.5 |
| France | 5.1 | 1.9 | 5.8 | 1.0 | 1.6 | 3.2 | 4.1 | 4.9 | 6.4 | 6.8 | 6.8 | 7.2 | 2.4 | 3.4 | 6.8 |
| Germany | 8.0 | 4.1 | 6.2 | 1.2 | 2.2 | 4.1 | 4.9 | 5.7 | 6.5 | 6.7 | 7.0 | 7.4 | 6.8 | 4.2 | 6.9 |
| Italy | 3.4 | 1.5 | 2.2 | 2.0 | 1.6 | 2.2 | 2.0 | 2.3 | 2.2 | 2.1 | 2.1 | 2.2 | -0.9 | 2.0 | 2.2 |
| Japan | 5.7 | 5.2 | 5.4 | 3.5 | 4.2 | 4.4 | 4.6 | 4.8 | 5.3 | 5.9 | 6.5 | 7.0 | 6.2 | 4.5 | 6.2 |
| United Kingdom | 0.1 | 1.5 | 6.5 | -1.0 | -0.6 | 4.1 | 4.9 | 5.7 | 6.8 | 7.3 | 7.8 | 7.8 | -3.1 | 3.5 | 7.4 |
| United States | 4.7 | 3.8 | 6.3 | 2.0 | 4.0 | 6.0 | 6.0 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 3.0 | 5.6 | 6.4 |
| Total OECD[1] | 5.6 | 3.6 | 5.9 | 2.1 | 3.1 | 4.5 | 5.1 | 5.6 | 6.1 | 6.3 | 6.6 | 6.7 | 3.6 | 4.6 | 6.4 |
| **GDP** | | | | | | | | | | | | | | | |
| Canada | 2.2 | 1.9 | 2.5 | 0.9 | 2.0 | 2.2 | 2.3 | 2.4 | 2.5 | 2.5 | 2.6 | 2.7 | 1.7 | 2.2 | 2.6 |
| France | 1.6 | 0.3 | 1.4 | -0.6 | -0.5 | 0.7 | 1.1 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.1 | 0.7 | 1.5 |
| Germany | 3.0 | 0.6 | 1.9 | -0.6 | -0.3 | 0.8 | 1.6 | 1.9 | 1.9 | 2.2 | 2.3 | 2.4 | 2.0 | 1.0 | 2.2 |
| Italy | 0.7 | -0.5 | 0.5 | -1.2 | -0.8 | -0.6 | 0.1 | 0.3 | 0.6 | 0.8 | 0.9 | 1.0 | 0.1 | -0.3 | 0.8 |
| Japan | -0.3 | 2.0 | 1.6 | 1.5 | 1.8 | 1.8 | 1.6 | 1.5 | 1.5 | 1.6 | 1.7 | 1.8 | 0.8 | 1.7 | 1.6 |
| United Kingdom | 0.9 | 0.5 | 1.8 | -0.1 | -0.6 | 0.5 | 1.2 | 1.8 | 1.8 | 2.0 | 2.2 | 2.3 | 1.0 | 0.7 | 2.1 |
| United States | 1.7 | 2.0 | 2.5 | 2.5 | 1.7 | 1.9 | 2.2 | 2.3 | 2.5 | 2.7 | 2.8 | 2.8 | 1.5 | 2.0 | 2.7 |
| Euro area | 1.6 | 0.2 | 1.4 | -1.0 | -0.4 | 0.5 | 1.1 | 1.3 | 1.5 | 1.6 | 1.7 | 1.8 | 0.9 | 0.6 | 1.7 |
| Total OECD | 1.9 | 1.6 | 2.3 | 1.1 | 1.2 | 1.7 | 2.2 | 2.1 | 2.3 | 2.4 | 2.7 | 2.5 | 1.6 | 1.8 | 2.5 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Includes intra-regional trade.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559391

Annex Table 56. **Quarterly price, cost and unemployment projections**

Percentage changes from previous period, seasonally adjusted at annual rates, volume

| | 2011 | 2012 | 2013 | 2011 | 2012 | | | | 2013 | | | | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | Q4 / Q4 | |
| **Consumer price index[1]** | | | | | | | | | | | | | | | |
| Canada | 2.8 | 1.6 | 1.4 | 2.1 | 1.5 | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 2.4 | 1.5 | 1.4 |
| France | 2.1 | 1.4 | 1.1 | 1.0 | 1.6 | 1.5 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 2.0 | 1.3 | 1.1 |
| Germany | 2.4 | 1.6 | 1.5 | 1.6 | 1.5 | 1.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 2.4 | 1.5 | 1.5 |
| Italy | 2.7 | 1.7 | 1.1 | 3.0 | 1.4 | 1.4 | 1.2 | 1.1 | 1.1 | 1.0 | 1.0 | 1.1 | 2.7 | 1.3 | 1.0 |
| Japan | -0.3 | -0.6 | -0.3 | -0.6 | -0.7 | -0.6 | -0.5 | -0.4 | -0.3 | -0.2 | -0.1 | -0.1 | -0.3 | -0.6 | -0.2 |
| United Kingdom | 4.5 | 2.7 | 1.3 | 3.1 | 2.7 | 2.2 | 1.8 | 1.8 | 1.2 | 0.9 | 0.6 | 1.0 | 4.5 | 2.1 | 0.9 |
| United States | 3.2 | 2.4 | 1.4 | 2.5 | 2.3 | 2.1 | 1.8 | 1.5 | 1.3 | 1.2 | 1.2 | 1.2 | 3.7 | 1.9 | 1.3 |
| Euro area | 2.6 | 1.6 | 1.2 | 1.9 | 1.6 | 1.5 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 2.5 | 1.4 | 1.2 |
| **GDP deflator** | | | | | | | | | | | | | | | |
| Canada | 3.1 | 1.3 | 1.3 | 0.1 | 1.4 | 1.4 | 1.4 | 1.4 | 1.2 | 1.2 | 1.2 | 1.2 | 2.2 | 1.4 | 1.2 |
| France | 1.5 | 1.5 | 1.0 | 1.2 | 1.9 | 1.7 | 0.8 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.7 | 1.3 | 1.0 |
| Germany | 0.7 | 1.3 | 1.3 | 1.1 | 1.6 | 1.6 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.0 | 1.4 | 1.3 |
| Italy | 1.3 | 1.7 | 1.2 | 3.0 | 1.8 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.0 | 1.0 | 2.0 | 1.4 | 1.1 |
| Japan | -2.0 | -0.7 | -0.3 | -0.3 | -0.7 | -0.5 | -0.4 | -0.3 | -0.3 | -0.2 | -0.1 | 0.0 | -1.7 | -0.5 | -0.1 |
| United Kingdom | 2.2 | 2.0 | 1.5 | 1.8 | 2.3 | 2.1 | 1.9 | 1.9 | 1.5 | 1.3 | 1.1 | 1.2 | 1.8 | 2.0 | 1.3 |
| United States | 2.2 | 1.9 | 1.4 | 1.8 | 1.8 | 1.6 | 1.6 | 1.5 | 1.4 | 1.3 | 1.3 | 1.3 | 2.4 | 1.6 | 1.3 |
| Euro area | 1.3 | 1.5 | 1.2 | 1.5 | 1.6 | 1.5 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.6 | 1.3 | 1.1 |
| Total OECD | 2.0 | 1.8 | 1.6 | 1.7 | 1.8 | 1.7 | 1.6 | 1.6 | 1.6 | 1.6 | 1.5 | 1.5 | 2.0 | 1.7 | 1.5 |
| **Unit labour cost (total economy)** | | | | | | | | | | | | | | | |
| Canada | 2.5 | 2.0 | 1.5 | 2.3 | 1.9 | 1.9 | 1.6 | 1.5 | 1.5 | 1.5 | 1.3 | 1.3 | 2.4 | 1.7 | 1.4 |
| France | 1.8 | 2.3 | 1.1 | 2.6 | 3.3 | 1.9 | 1.4 | 1.2 | 0.8 | 1.0 | 0.9 | 0.9 | 2.2 | 1.9 | 0.9 |
| Germany | 1.2 | 1.4 | -0.1 | 3.6 | 2.7 | 0.7 | -0.3 | -0.4 | 0.0 | 0.1 | -0.1 | -0.1 | 1.8 | 0.6 | 0.0 |
| Italy | 2.1 | 2.3 | 0.7 | 5.9 | 2.5 | 2.2 | 1.3 | 1.0 | 0.7 | 0.3 | 0.1 | -0.1 | 2.3 | 1.7 | 0.2 |
| Japan | 0.5 | -1.3 | -0.6 | 1.2 | -1.5 | -1.1 | -1.0 | -0.6 | -0.6 | -0.5 | -0.5 | -0.5 | -0.2 | -1.1 | -0.5 |
| United Kingdom | 0.3 | 1.0 | 0.6 | 2.0 | 2.1 | 0.7 | 0.4 | 0.2 | 0.5 | 0.5 | 1.0 | 1.1 | 1.0 | 0.9 | 0.8 |
| United States | 1.7 | 0.8 | 1.4 | 0.4 | 1.4 | 1.3 | 1.2 | 1.3 | 1.5 | 1.4 | 1.5 | 1.6 | 1.7 | 1.3 | 1.5 |
| Euro area | 0.8 | 1.4 | 0.4 | 3.4 | 1.9 | 1.0 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 1.2 | 0.9 | 0.3 |
| **Total OECD** | 1.4 | 1.1 | 0.8 | 2.2 | 1.4 | 1.0 | 0.5 | 1.1 | 0.7 | 0.7 | 0.5 | 1.0 | 1.5 | 1.0 | 0.7 |
| | | | | | | | Per cent of labour force | | | | | | | | |
| **Unemployment** | | | | | | | | | | | | | | | |
| Canada | 7.4 | 7.3 | 7.2 | 7.3 | 7.4 | 7.3 | 7.3 | 7.3 | 7.3 | 7.2 | 7.2 | 7.2 | | | |
| France | 9.2 | 9.7 | 9.8 | 9.4 | 9.5 | 9.6 | 9.8 | 9.9 | 9.9 | 9.9 | 9.8 | 9.8 | | | |
| Germany | 5.9 | 5.7 | 5.5 | 5.7 | 5.7 | 5.8 | 5.8 | 5.7 | 5.7 | 5.6 | 5.5 | 5.4 | | | |
| Italy | 8.1 | 8.3 | 8.6 | 8.1 | 8.1 | 8.3 | 8.3 | 8.4 | 8.5 | 8.6 | 8.6 | 8.7 | | | |
| Japan | 4.6 | 4.5 | 4.4 | 4.5 | 4.6 | 4.5 | 4.5 | 4.5 | 4.4 | 4.4 | 4.4 | 4.4 | | | |
| United Kingdom | 8.1 | 8.8 | 9.1 | 8.5 | 8.6 | 8.8 | 8.9 | 9.0 | 9.1 | 9.1 | 9.1 | 9.1 | | | |
| United States | 9.0 | 8.9 | 8.6 | 9.0 | 9.0 | 9.0 | 8.9 | 8.8 | 8.7 | 8.6 | 8.5 | 8.4 | | | |
| Euro area | 9.9 | 10.3 | 10.3 | 10.1 | 10.2 | 10.3 | 10.3 | 10.4 | 10.4 | 10.3 | 10.2 | 10.1 | | | |
| Total OECD | 8.0 | 8.1 | 7.9 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.0 | 8.0 | 7.9 | 7.8 | | | |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. For the United Kingdom, the euro area countries and the euro area aggregate, the Harmonised Index of Consumer Prices (HICP) is used.

*Source:* OECD Economic Outlook 90 database.

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Annex Table 57. **Contributions to changes in real GDP in OECD countries**

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| **Australia** | | | | |
| Final domestic demand | 3.6 | 3.8 | 4.3 | 4.1 |
| Stockbuilding | 0.2 | 0.7 | 0.2 | 0.0 |
| Net exports | -1.8 | -3.0 | -0.5 | -0.9 |
| GDP | 2.5 | 1.8 | 4.0 | 3.2 |
| **Austria** | | | | |
| Final domestic demand | 0.6 | 1.6 | 0.8 | 1.2 |
| Stockbuilding | 0.4 | 0.1 | -0.3 | 0.0 |
| Net exports | 0.8 | 0.3 | 0.1 | 0.6 |
| GDP | 2.4 | 3.2 | 0.6 | 1.8 |
| **Belgium** | | | | |
| Final domestic demand | 1.1 | 1.6 | 0.5 | 1.2 |
| Stockbuilding | 0.0 | 0.6 | 0.0 | 0.0 |
| Net exports | 1.2 | -0.1 | 0.0 | 0.3 |
| GDP | 2.3 | 2.0 | 0.5 | 1.6 |
| **Canada** | | | | |
| Final domestic demand | 4.8 | 3.3 | 2.5 | 2.8 |
| Stockbuilding | 0.6 | 0.1 | -0.3 | 0.0 |
| Net exports | -2.2 | -0.9 | -0.2 | -0.1 |
| GDP | 3.2 | 2.2 | 1.9 | 2.5 |
| **Chile** | | | | |
| Final domestic demand | 12.5 | 12.0 | 7.6 | 8.5 |
| Stockbuilding | 4.9 | 0.1 | 0.2 | 0.0 |
| Net exports | -8.5 | -2.1 | -1.5 | -1.5 |
| GDP | 5.1 | 6.6 | 4.0 | 4.7 |
| **Czech Republic** | | | | |
| Final domestic demand | 0.4 | 0.4 | 1.2 | 2.6 |
| Stockbuilding | 1.4 | -0.4 | 0.0 | 0.0 |
| Net exports | 0.9 | 1.7 | 0.3 | 0.3 |
| GDP | 2.7 | 2.1 | 1.6 | 3.0 |
| **Denmark** | | | | |
| Final domestic demand | 0.7 | -0.3 | 0.9 | 1.6 |
| Stockbuilding | 0.9 | 0.6 | -0.1 | 0.0 |
| Net exports | 0.1 | 0.8 | -0.1 | -0.2 |
| GDP | 1.7 | 1.1 | 0.7 | 1.4 |
| **Estonia** | | | | |
| Final domestic demand | -3.2 | 5.3 | 4.0 | 4.4 |
| Stockbuilding | 3.4 | 2.6 | -1.5 | 0.0 |
| Net exports | 2.5 | 1.4 | 0.5 | 0.1 |
| GDP | 2.3 | 8.0 | 3.2 | 4.4 |
| **Finland** | | | | |
| Final domestic demand | 2.0 | 2.8 | 0.8 | 1.3 |
| Stockbuilding | 0.9 | 1.1 | 0.2 | 0.0 |
| Net exports | 0.6 | -0.9 | 0.4 | 0.6 |
| GDP | 3.6 | 3.0 | 1.4 | 2.0 |
| **France** | | | | |
| Final domestic demand | 0.8 | 1.1 | 0.6 | 1.5 |
| Stockbuilding | 0.5 | 0.9 | -0.4 | 0.0 |
| Net exports | 0.1 | -0.3 | 0.1 | -0.1 |
| GDP | 1.4 | 1.6 | 0.3 | 1.4 |
| **Germany** | | | | |
| Final domestic demand | 1.5 | 2.0 | 0.7 | 1.4 |
| Stockbuilding | 0.6 | 0.4 | 0.0 | 0.0 |
| Net exports | 1.4 | 0.6 | -0.2 | 0.5 |
| GDP | 3.6 | 3.0 | 0.6 | 1.9 |
| **Greece** | | | | |
| Final domestic demand | -7.0 | -8.3 | -6.0 | -1.4 |
| Stockbuilding | 1.7 | -1.6 | 0.0 | 0.0 |
| Net exports | 3.1 | 6.1 | 3.2 | 1.9 |
| GDP | -3.5 | -6.1 | -3.0 | 0.5 |
| **Hungary** | | | | |
| Final domestic demand | -3.6 | -1.6 | -2.0 | -0.2 |
| Stockbuilding | 3.1 | 0.5 | -0.1 | 0.0 |
| Net exports | 1.8 | 2.7 | 1.7 | 1.3 |
| GDP | 1.3 | 1.5 | -0.6 | 1.1 |
| **Iceland** | | | | |
| Final domestic demand | -2.1 | 2.0 | 3.2 | 2.1 |
| Stockbuilding | -0.2 | 1.4 | 0.4 | 0.0 |
| Net exports | -1.5 | -0.4 | -1.2 | 0.3 |
| GDP | -4.0 | 2.9 | 2.4 | 2.4 |
| **Ireland** | | | | |
| Final domestic demand | -5.0 | -2.6 | -0.9 | 0.1 |
| Stockbuilding | 1.0 | 1.1 | -0.2 | 0.0 |
| Net exports | 3.7 | 3.6 | 2.4 | 2.3 |
| GDP | -0.4 | 1.2 | 1.0 | 2.4 |
| **Israel** | | | | |
| Final domestic demand | 6.0 | 6.3 | 2.9 | 4.2 |
| Stockbuilding | -1.4 | 0.7 | 0.3 | 0.0 |
| Net exports | 0.6 | -2.7 | -0.6 | -0.4 |
| GDP | 4.8 | 4.7 | 2.9 | 3.9 |
| **Italy** | | | | |
| Final domestic demand | 1.0 | 0.7 | -0.2 | -0.1 |
| Stockbuilding | 0.7 | -0.3 | -0.3 | 0.0 |
| Net exports | -0.2 | 0.3 | 0.0 | 0.6 |
| GDP | 1.5 | 0.7 | -0.5 | 0.5 |
| **Japan** | | | | |
| Final domestic demand | 1.5 | 0.3 | 1.8 | 1.5 |
| Stockbuilding | 0.7 | 0.1 | 0.2 | 0.0 |
| Net exports | 1.8 | -0.7 | -0.1 | 0.0 |
| GDP | 4.1 | -0.3 | 2.0 | 1.6 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559429

Annex Table 57. **Contributions to changes in real GDP in OECD countries *(cont'd)***

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| **Korea** | | | | |
| Final domestic demand | 4.5 | 1.4 | 3.4 | 3.6 |
| Stockbuilding | 2.0 | 0.6 | -0.1 | 0.0 |
| Net exports | -0.6 | 1.7 | 0.3 | 0.6 |
| GDP | 6.2 | 3.7 | 3.8 | 4.3 |
| **Luxembourg** | | | | |
| Final domestic demand | 1.9 | 1.5 | 1.2 | 1.3 |
| Stockbuilding | 2.2 | 1.1 | -0.5 | 0.0 |
| Net exports | -1.4 | -1.0 | -0.4 | 1.0 |
| GDP | 2.7 | 2.0 | 0.4 | 2.2 |
| **Mexico** | | | | |
| Final domestic demand | 4.3 | 4.8 | 4.0 | 4.3 |
| Stockbuilding | 0.9 | -1.3 | 0.0 | 0.0 |
| Net exports | 0.2 | 0.4 | -0.8 | -0.7 |
| GDP | 5.4 | 4.0 | 3.3 | 3.6 |
| **Netherlands** | | | | |
| Final domestic demand | -0.4 | 0.8 | -0.3 | 1.0 |
| Stockbuilding | 1.2 | 0.2 | -0.4 | 0.0 |
| Net exports | 0.9 | 0.6 | 0.8 | 0.5 |
| GDP | 1.6 | 1.4 | 0.3 | 1.5 |
| **New Zealand** | | | | |
| Final domestic demand | 2.5 | 2.5 | 3.3 | 4.1 |
| Stockbuilding | 1.3 | -0.3 | 0.0 | 0.0 |
| Net exports | -2.0 | -1.1 | -0.7 | -0.9 |
| GDP | 2.3 | 1.4 | 2.5 | 3.0 |
| **Norway** | | | | |
| Final domestic demand | 0.4 | 3.0 | 2.6 | 3.1 |
| Stockbuilding | 3.4 | 1.4 | -0.8 | 0.0 |
| Net exports | -3.2 | -2.6 | 0.3 | -0.3 |
| GDP | 0.3 | 1.5 | 2.0 | 2.7 |
| **Poland** | | | | |
| Final domestic demand | 2.4 | 3.8 | 2.4 | 2.2 |
| Stockbuilding | 1.9 | 0.5 | -0.3 | 0.0 |
| Net exports | -0.5 | 0.4 | 0.5 | 0.4 |
| GDP | 3.8 | 4.2 | 2.5 | 2.5 |
| **Portugal** | | | | |
| Final domestic demand | 0.8 | -5.6 | -6.7 | -1.6 |
| Stockbuilding | -0.1 | -0.2 | 0.1 | 0.0 |
| Net exports | 0.6 | 4.2 | 3.4 | 2.1 |
| GDP | 1.4 | -1.6 | -3.2 | 0.5 |
| **Slovak Republic** | | | | |
| Final domestic demand | 2.3 | 0.4 | 1.2 | 2.4 |
| Stockbuilding | 1.8 | -0.2 | 0.4 | 0.0 |
| Net exports | 0.0 | 2.8 | 0.1 | 1.1 |
| GDP | 4.2 | 3.0 | 1.8 | 3.6 |

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| **Slovenia** | | | | |
| Final domestic demand | -2.1 | -2.6 | -0.4 | 1.2 |
| Stockbuilding | 1.9 | 1.7 | 0.1 | 0.0 |
| Net exports | 1.5 | 2.2 | 0.8 | 0.6 |
| GDP | 1.4 | 1.0 | 0.3 | 1.8 |
| **Spain** | | | | |
| Final domestic demand | -1.0 | -1.3 | -1.3 | 0.4 |
| Stockbuilding | 0.0 | 0.1 | 0.0 | 0.0 |
| Net exports | 0.9 | 2.0 | 1.6 | 0.8 |
| GDP | -0.1 | 0.7 | 0.3 | 1.3 |
| **Sweden** | | | | |
| Final domestic demand | 3.3 | 3.1 | 1.3 | 2.0 |
| Stockbuilding | 2.2 | 0.3 | -0.3 | 0.0 |
| Net exports | -0.2 | 0.6 | 0.1 | 0.3 |
| GDP | 5.4 | 4.1 | 1.3 | 2.3 |
| **Switzerland** | | | | |
| Final domestic demand | 2.7 | 1.7 | 1.5 | 1.9 |
| Stockbuilding | -1.2 | -1.2 | 0.2 | 0.0 |
| Net exports | 1.3 | 1.3 | -0.9 | 0.0 |
| GDP | 2.7 | 1.8 | 0.8 | 1.9 |
| **Turkey** | | | | |
| Final domestic demand | 10.1 | 10.4 | 2.4 | 4.7 |
| Stockbuilding | 2.0 | 1.3 | 0.0 | 0.0 |
| Net exports | -4.3 | -2.7 | 0.5 | -0.2 |
| GDP | 9.0 | 7.4 | 3.0 | 4.5 |
| **United Kingdom** | | | | |
| Final domestic demand | 1.5 | -0.5 | 0.0 | 1.7 |
| Stockbuilding | 1.3 | -0.3 | -0.1 | 0.0 |
| Net exports | -0.8 | 1.5 | 0.6 | 0.1 |
| GDP | 1.8 | 0.9 | 0.5 | 1.8 |
| **United States** | | | | |
| Final domestic demand | 1.9 | 1.9 | 2.0 | 2.6 |
| Stockbuilding | 1.7 | -0.3 | -0.1 | 0.0 |
| Net exports | -0.5 | 0.1 | 0.0 | -0.2 |
| GDP | 3.0 | 1.7 | 2.0 | 2.5 |
| **Euro area** | | | | |
| Final domestic demand | 0.5 | 0.6 | -0.1 | 0.9 |
| Stockbuilding | 0.6 | 0.3 | -0.2 | 0.0 |
| Net exports | 0.8 | 0.7 | 0.4 | 0.6 |
| GDP | 1.8 | 1.6 | 0.2 | 1.4 |
| **Total OECD** | | | | |
| Final domestic demand | 2.0 | 1.7 | 1.5 | 2.2 |
| Stockbuilding | 1.2 | -0.1 | -0.1 | 0.0 |
| Net exports | -0.1 | 0.2 | 0.1 | 0.1 |
| GDP | 3.1 | 1.9 | 1.6 | 2.3 |

*Note:* The adoption of national accounts systems SNA93 or ESA95 has been proceeding at an uneven pace among OECD member countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559429

Annex Table 58. **Household wealth and indebtedness**

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Canada** | | | | | | | | | | | | |
| Net wealth | 507.0 | 502.2 | 503.2 | 512.7 | 516.1 | 518.1 | 534.5 | 545.5 | 548.5 | 538.9 | 551.2 | 546.4 |
| Net financial wealth | 239.1 | 240.1 | 235.5 | 231.4 | 224.0 | 214.6 | 216.5 | 217.9 | 210.6 | 204.0 | 211.8 | 206.0 |
| Non-financial assets | 267.9 | 262.0 | 267.7 | 281.3 | 292.1 | 303.5 | 318.0 | 327.7 | 337.9 | 334.8 | 339.4 | 340.4 |
| Financial assets | 353.2 | 352.7 | 349.6 | 348.5 | 344.7 | 338.9 | 345.9 | 349.6 | 347.9 | 345.3 | 360.4 | 356.5 |
| *of which:* Equities | 81.1 | 84.3 | 84.2 | 83.6 | 81.0 | 79.4 | 79.4 | 85.2 | 85.2 | 87.5 | 92.1 | 91.0 |
| Liabilities | 114.1 | 112.6 | 114.1 | 117.1 | 120.6 | 124.3 | 129.4 | 131.8 | 137.3 | 141.3 | 148.6 | 150.5 |
| *of which:* Mortgages | 71.8 | 69.6 | 69.6 | 71.2 | 73.2 | 75.9 | 79.1 | 80.7 | 84.7 | 87.6 | 92.3 | 94.3 |
| **France** | | | | | | | | | | | | |
| Net wealth | 554.4 | 564.7 | 560.4 | 575.9 | 626.7 | 683.1 | 752.0 | 796.1 | 808.9 | 759.8 | 759.6 | 811.8 |
| Net financial wealth | 221.9 | 218.6 | 197.0 | 187.4 | 196.1 | 200.7 | 209.3 | 220.0 | 217.2 | 191.0 | 209.4 | 216.4 |
| Non-financial assets | 332.5 | 346.1 | 363.4 | 388.6 | 430.6 | 482.4 | 542.7 | 576.2 | 591.8 | 568.7 | 550.3 | 595.3 |
| Financial assets | 293.5 | 288.0 | 266.7 | 258.5 | 270.3 | 277.3 | 292.2 | 307.7 | 309.0 | 282.7 | 305.1 | 315.4 |
| *of which:* Equities | 93.9 | 91.4 | 74.5 | 65.5 | 72.4 | 75.3 | 80.9 | 92.7 | 91.1 | 65.9 | 76.6 | 80.4 |
| Liabilities | 71.6 | 69.4 | 69.6 | 71.1 | 74.3 | 76.6 | 82.9 | 87.7 | 91.8 | 91.7 | 95.7 | 99.0 |
| *of which:* Long-term loans | 54.2 | 53.9 | 54.1 | 55.1 | 57.8 | 61.0 | 66.3 | 70.6 | 74.5 | 77.9 | .. | .. |
| **Germany** | | | | | | | | | | | | |
| Net wealth | 542.0 | 545.4 | 541.6 | 542.3 | 555.4 | 567.4 | 587.2 | 599.9 | 628.9 | 616.9 | .. | .. |
| Net financial wealth | 154.6 | 153.9 | 153.7 | 148.3 | 160.4 | 168.7 | 181.6 | 179.5 | 194.3 | 179.6 | 191.6 | 199.8 |
| Non-financial assets | 387.4 | 391.5 | 388.0 | 394.0 | 395.0 | 398.6 | 405.5 | 420.5 | 434.6 | 437.3 | .. | .. |
| Financial assets | 269.4 | 270.3 | 267.6 | 262.1 | 272.9 | 279.7 | 290.0 | 285.3 | 297.3 | 279.0 | 291.7 | 297.3 |
| *of which:* Equities | 74.9 | 76.4 | 72.7 | 58.3 | 64.1 | 64.3 | 71.6 | 67.4 | 70.6 | 50.6 | 53.5 | 56.8 |
| Liabilities | 114.8 | 116.4 | 114.0 | 113.9 | 112.5 | 111.0 | 108.3 | 105.9 | 103.0 | 99.4 | 100.1 | 97.5 |
| *of which:* Mortgages | 71.4 | 72.8 | 72.6 | 73.5 | 73.2 | 72.6 | 71.7 | 71.5 | 69.7 | 67.3 | 68.1 | .. |
| **Italy** | | | | | | | | | | | | |
| Net wealth | 742.8 | 756.2 | 738.6 | 747.5 | 768.9 | 793.8 | 825.5 | 846.7 | 857.2 | 843.9 | 883.4 | .. |
| Net financial wealth | 314.2 | 319.1 | 298.8 | 284.7 | 279.3 | 286.6 | 295.3 | 292.3 | 281.7 | 261.8 | 278.2 | .. |
| Non-financial assets | 428.6 | 437.1 | 439.7 | 462.8 | 489.6 | 507.1 | 530.3 | 554.4 | 575.5 | 582.1 | 605.2 | .. |
| Financial assets | 363.0 | 371.9 | 351.1 | 344.9 | 344.0 | 355.9 | 370.2 | 371.3 | 364.6 | 345.9 | 366.7 | .. |
| *of which:* Equities | 87.1 | 91.2 | 77.1 | 70.9 | 65.1 | 68.7 | 77.8 | 78.8 | 72.8 | 58.1 | 65.5 | .. |
| Liabilities | 48.8 | 52.8 | 52.3 | 60.2 | 64.7 | 69.3 | 74.9 | 79.0 | 82.9 | 84.1 | 88.5 | .. |
| *of which:* Medium and long-term loans | 27.2 | 28.4 | 28.2 | 35.3 | 38.4 | 42.3 | 46.4 | 49.0 | 51.5 | 51.8 | 54.9 | .. |
| **Japan** | | | | | | | | | | | | |
| Net wealth | 746.2 | 743.9 | 740.5 | 719.4 | 728.1 | 720.1 | 739.2 | 744.7 | 735.3 | 700.5 | 703.6 | .. |
| Net financial wealth | 327.3 | 335.6 | 341.6 | 340.7 | 361.1 | 369.4 | 397.1 | 401.4 | 386.3 | 359.5 | 375.7 | .. |
| Non-financial assets | 418.9 | 408.3 | 398.9 | 378.7 | 367.0 | 350.7 | 342.1 | 343.3 | 349.0 | 341.1 | 327.8 | .. |
| Financial assets | 460.7 | 470.2 | 477.5 | 474.4 | 494.7 | 500.8 | 529.0 | 531.8 | 513.7 | 485.6 | 501.3 | .. |
| *of which:* Equities | 45.6 | 41.5 | 31.8 | 29.8 | 42.1 | 48.9 | 75.5 | 75.8 | 50.3 | 31.8 | 35.8 | .. |
| Liabilities | 133.4 | 134.5 | 135.9 | 133.6 | 133.6 | 131.4 | 131.8 | 130.4 | 127.4 | 126.2 | 125.6 | .. |
| *of which:* Mortgages[1] | 58.9 | 61.0 | 63.1 | 62.8 | 63.9 | 63.4 | 64.1 | 65.2 | 64.9 | 64.8 | 65.3 | .. |
| **United Kingdom** | | | | | | | | | | | | |
| Net wealth | 769.4 | 768.4 | 714.4 | 716.3 | 749.4 | 798.0 | 828.9 | 869.3 | 898.9 | 755.3 | 803.2 | 823.8 |
| Net financial wealth | 410.4 | 380.4 | 323.6 | 261.1 | 266.4 | 270.4 | 305.1 | 311.9 | 307.3 | 244.1 | 287.5 | 300.5 |
| Non-financial assets | 359.1 | 388.0 | 390.8 | 455.2 | 483.0 | 527.6 | 523.8 | 557.4 | 591.6 | 511.2 | 515.8 | 523.3 |
| Financial assets | 524.0 | 497.6 | 445.0 | 395.0 | 411.5 | 430.3 | 467.6 | 488.0 | 490.2 | 422.1 | 458.4 | 466.0 |
| *of which:* Equities | 121.4 | 113.7 | 85.9 | 61.5 | 67.4 | 71.4 | 76.2 | 77.4 | 72.7 | 46.8 | 63.2 | 68.0 |
| Liabilities | 113.7 | 117.2 | 121.5 | 133.9 | 145.1 | 159.9 | 162.5 | 176.1 | 182.9 | 178.0 | 170.9 | 165.5 |
| *of which:* Mortgages | 82.7 | 85.4 | 88.5 | 97.2 | 106.9 | 119.1 | 121.4 | 130.4 | 138.0 | 136.1 | 133.0 | .. |
| **United States** | | | | | | | | | | | | |
| Net wealth | 625.3 | 582.6 | 555.5 | 515.1 | 563.1 | 592.7 | 636.7 | 648.3 | 616.5 | 466.9 | 502.7 | 515.0 |
| Net financial wealth | 406.3 | 353.6 | 315.7 | 266.9 | 303.3 | 315.7 | 331.1 | 349.9 | 347.9 | 245.2 | 282.9 | 305.6 |
| Non-financial assets | 219.0 | 229.1 | 239.8 | 248.2 | 259.8 | 277.0 | 305.6 | 298.3 | 268.6 | 221.8 | 219.8 | 209.4 |
| Financial assets | 505.9 | 454.2 | 420.4 | 376.8 | 421.2 | 439.8 | 462.7 | 485.7 | 485.8 | 374.5 | 413.4 | 430.3 |
| *of which:* Equities | 186.2 | 148.1 | 123.5 | 92.2 | 115.8 | 122.8 | 126.8 | 139.5 | 136.5 | 82.3 | 107.0 | 118.5 |
| Liabilities | 99.6 | 100.7 | 104.7 | 109.9 | 117.8 | 124.1 | 131.6 | 135.7 | 137.9 | 129.4 | 130.5 | 124.7 |
| *of which:* Mortgages | 66.6 | 67.2 | 71.3 | 77.2 | 84.3 | 90.2 | 97.9 | 101.8 | 103.5 | 97.5 | 98.2 | 91.9 |

*Note:* Assets and liabilities are amounts outstanding at the end of the period, in per cent of nominal disposable income.

For a more detailed description of the variables, see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Fiscal year data.

*Sources:* Canada: Statistics Canada; France: INSEE; Germany: Deutsche Bundesbank, Federal Statistical Office (Destatis); Italy: Banca d'Italia; Japan: Economic Planning Agency; United Kingdom: Office for National Statistics; United States: Federal Reserve.

StatLink http://dx.doi.org/10.1787/888932559448

Annex Table 59. **House prices**

Percentage change from previous year

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Nominal** | | | | | | | | | | | | | | | | | |
| United States | 2.5 | 2.9 | 3.5 | 3.4 | 5.2 | 4.8 | 6.3 | 7.6 | 6.3 | 6.2 | 9.3 | 11.3 | 7.3 | 1.4 | -4.3 | -4.6 | -3.6 |
| Japan | -2.4 | -1.6 | -1.9 | -1.4 | -1.6 | -3.2 | -3.8 | -4.2 | -4.6 | -5.4 | -6.1 | -4.8 | -3.0 | -1.0 | -1.6 | -3.8 | -3.7 |
| Germany | | 1.3 | -1.3 | -1.8 | -1.0 | 0.2 | 0.4 | 0.0 | -0.7 | -1.3 | -1.4 | -0.9 | 0.1 | 1.1 | 0.6 | 0.6 | 2.3 |
| France | | | -1.7 | -0.4 | 2.0 | 6.9 | 8.7 | 7.9 | 8.6 | 11.9 | 15.1 | 15.4 | 12.0 | 6.5 | 0.9 | -7.1 | 5.2 |
| Italy | -2.8 | 0.8 | -3.3 | -4.6 | 2.1 | 5.6 | 8.3 | 8.2 | 9.6 | 10.3 | 9.9 | 7.5 | 6.4 | 5.2 | 1.7 | -3.7 | -2.0 |
| United Kingdom | 2.6 | 0.7 | 3.7 | 8.8 | 11.5 | 10.9 | 14.9 | 8.1 | 16.1 | 15.7 | 11.9 | 5.5 | 6.3 | 10.9 | -0.9 | -7.8 | 7.2 |
| Canada | 3.3 | -4.6 | 0.1 | 2.9 | -1.4 | 3.8 | 3.7 | 4.6 | 9.8 | 9.5 | 9.4 | 9.9 | 11.4 | 10.8 | -1.3 | 4.6 | 6.8 |
| Australia | 3.6 | 1.2 | 0.8 | 4.0 | 7.3 | 7.2 | 8.3 | 11.2 | 18.8 | 18.2 | 6.5 | 1.5 | 7.8 | 11.3 | 4.4 | 3.4 | 12.1 |
| Belgium | 6.4 | 4.5 | 2.2 | 2.4 | 6.3 | 7.1 | 5.4 | 4.8 | 6.4 | 6.9 | 8.7 | 12.7 | 11.8 | 9.3 | 4.9 | -0.4 | 5.4 |
| Denmark | 12.2 | 7.6 | 10.7 | 11.5 | 9.0 | 6.7 | 6.5 | 5.8 | 3.6 | 3.2 | 8.9 | 17.6 | 21.6 | 4.6 | -4.5 | -12.0 | 2.8 |
| Finland | | | | | | | 3.9 | -1.4 | 6.0 | 6.3 | 8.2 | 8.1 | 6.4 | 5.5 | 0.6 | -0.3 | 8.7 |
| Greece | .. | .. | .. | .. | 14.4 | 8.9 | 10.6 | 14.4 | 13.9 | 5.4 | 2.3 | 10.9 | 13.0 | 6.2 | 1.5 | -4.3 | -4.4 |
| Ireland | 4.7 | 6.3 | 8.6 | 14.7 | 24.1 | 21.5 | 20.6 | 12.4 | 7.0 | 14.2 | 11.2 | 8.1 | 14.5 | 8.5 | -5.9 | -18.3 | -13.1 |
| Korea | -1.6 | -0.1 | 1.0 | 2.7 | -9.2 | -1.3 | 1.8 | 4.0 | 16.6 | 9.1 | 1.1 | 0.8 | 6.2 | 9.0 | 4.0 | 0.2 | 2.4 |
| Netherlands | 12.3 | 6.9 | 10.8 | 12.0 | 10.9 | 16.3 | 18.2 | 11.1 | 6.5 | 3.6 | 4.3 | 3.8 | 4.6 | 4.2 | 2.9 | -3.3 | -2.0 |
| Norway | 13.2 | 7.2 | 9.2 | 11.8 | 11.1 | 11.2 | 15.7 | 7.0 | 4.9 | 1.7 | 10.1 | 8.2 | 13.7 | 12.6 | -1.1 | 2.0 | 8.2 |
| New Zealand | 13.7 | 9.3 | 10.3 | 6.1 | -1.7 | 2.1 | -0.4 | 1.8 | 9.5 | 19.4 | 17.8 | 14.5 | 10.5 | 10.9 | -4.4 | -1.6 | 1.9 |
| Spain | 1.5 | 3.5 | 2.6 | 4.2 | 4.9 | 7.0 | 7.5 | 9.5 | 16.9 | 20.0 | 18.3 | 14.6 | 10.0 | 5.5 | 0.2 | -7.6 | -3.6 |
| Sweden | 4.6 | 0.3 | 0.8 | 6.6 | 9.5 | 9.4 | 11.2 | 7.9 | 6.3 | 6.6 | 9.3 | 9.0 | 12.2 | 10.4 | 3.3 | 1.6 | 7.8 |
| Switzerland | -0.1 | -3.9 | -5.3 | -3.5 | -0.9 | -0.1 | 0.9 | 1.9 | 4.6 | 3.0 | 2.4 | 1.1 | 2.5 | 2.1 | 2.6 | 5.1 | 4.7 |
| **Real**[1] | | | | | | | | | | | | | | | | | |
| United States | 0.5 | 0.7 | 1.3 | 1.5 | 4.2 | 3.2 | 3.7 | 5.6 | 4.9 | 4.1 | 6.5 | 8.1 | 4.5 | -1.3 | -7.4 | -4.8 | -5.3 |
| Japan | -2.9 | -1.3 | -1.8 | -2.6 | -1.7 | -2.6 | -2.7 | -3.1 | -3.2 | -4.6 | -5.5 | -4.1 | -2.8 | -0.4 | -2.0 | -1.7 | -2.1 |
| Germany | | -0.1 | -2.2 | -3.0 | -1.5 | -0.2 | -0.4 | -1.8 | -1.8 | -2.9 | -2.5 | -2.5 | -0.9 | -0.3 | -1.1 | 0.5 | 0.4 |
| France | | | -3.4 | -1.3 | 1.6 | 7.4 | 6.2 | 5.8 | 7.5 | 9.8 | 12.7 | 13.3 | 9.8 | 4.4 | -2.0 | -6.6 | 3.9 |
| Italy | -7.5 | -4.9 | -7.2 | -6.7 | 0.2 | 3.7 | 4.9 | 5.4 | 6.5 | 7.2 | 7.1 | 5.2 | 3.8 | 2.8 | -1.4 | -3.7 | -3.4 |
| United Kingdom | 0.6 | -2.5 | 0.2 | 6.2 | 9.4 | 9.6 | 14.4 | 7.0 | 15.2 | 13.7 | 9.8 | 3.0 | 3.5 | 8.1 | -4.2 | -9.2 | 3.4 |
| Canada | 2.2 | -5.8 | -1.5 | 1.3 | -2.6 | 2.1 | 1.5 | 2.7 | 7.7 | 7.8 | 7.8 | 8.1 | 9.8 | 9.1 | -2.8 | 4.1 | 5.4 |
| Australia | 2.0 | -1.4 | -1.3 | 2.5 | 6.1 | 6.3 | 5.1 | 7.3 | 15.1 | 16.0 | 5.1 | -0.4 | 4.6 | 8.1 | 1.7 | 1.7 | 10.0 |
| Belgium | 3.6 | 2.4 | 1.5 | 0.8 | 5.3 | 6.8 | 1.9 | 2.9 | 5.2 | 5.4 | 6.3 | 9.7 | 8.6 | 6.2 | 1.5 | 0.6 | 3.5 |
| Denmark | 9.3 | 5.6 | 9.0 | 9.4 | 7.5 | 4.8 | 3.7 | 3.4 | 1.9 | 1.9 | 7.6 | 15.8 | 19.3 | 3.3 | -7.3 | -13.2 | 0.2 |
| Finland | | | | | | | -0.4 | -3.7 | 3.7 | 6.9 | 7.7 | 7.2 | 4.9 | 3.2 | -2.7 | -1.9 | 6.6 |
| Greece | .. | .. | .. | .. | 9.5 | 6.4 | 7.0 | 11.6 | 10.9 | 2.0 | -0.6 | 7.2 | 9.2 | 2.8 | -2.8 | -5.0 | -8.5 |
| Ireland | 2.0 | 3.4 | 5.8 | 11.8 | 19.4 | 17.8 | 14.8 | 7.7 | 1.4 | 9.7 | 9.2 | 6.2 | 11.8 | 5.2 | -8.7 | -14.8 | -11.1 |
| Korea | -10.3 | -6.2 | -5.5 | -3.3 | -14.6 | -3.9 | -2.5 | -0.4 | 13.2 | 5.7 | -2.0 | -1.4 | 4.5 | 6.9 | -0.5 | -2.3 | -0.2 |
| Netherlands | 9.5 | 4.7 | 8.6 | 9.4 | 8.7 | 14.1 | 13.8 | 6.4 | 3.4 | 1.2 | 3.3 | 1.7 | 2.3 | 2.3 | 1.8 | -2.8 | -3.4 |
| Norway | 12.1 | 4.7 | 7.9 | 9.2 | 8.4 | 9.0 | 12.4 | 4.8 | 3.5 | -1.2 | 9.3 | 7.1 | 11.6 | 11.3 | -4.5 | -0.6 | 6.2 |
| New Zealand | 12.1 | 6.8 | 7.5 | 4.2 | -3.7 | 1.5 | -2.6 | -0.4 | 7.3 | 18.4 | 16.1 | 12.1 | 7.3 | 9.2 | -7.7 | -3.9 | 0.7 |
| Spain | -3.2 | -1.3 | -0.6 | 1.5 | 2.9 | 4.6 | 3.6 | 5.9 | 13.6 | 16.3 | 14.2 | 10.7 | 6.2 | 2.2 | -3.2 | -6.4 | -5.9 |
| Sweden | 1.8 | -2.5 | -0.1 | 5.2 | 9.0 | 7.7 | 10.3 | 5.7 | 4.7 | 5.0 | 8.2 | 7.9 | 11.0 | 9.0 | 0.2 | -0.2 | 6.3 |
| Switzerland | -0.4 | -5.2 | -6.5 | -4.3 | -0.8 | -0.5 | 0.1 | 1.3 | 3.7 | 2.6 | 1.5 | 0.6 | 1.1 | 0.7 | 0.1 | 5.6 | 3.9 |

1. Nominal house prices deflated by the private consumption deflator.

*Source:* Various national sources and Nomisma, see table A.1 in Girouard, N., M. Kennedy, P. van den Noord and C. André, "Recent house price developments: the role of fundamentals", *OECD Economics Department Working Papers,* No. 475, 2006.

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Annex Table 60. **House price ratios**

Long-term average = 100

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Price-to-rent ratio** | | | | | | | | | | | | | | | | | |
| United States | 90.3 | 90.1 | 90.3 | 90.5 | 92.2 | 93.9 | 96.7 | 100.3 | 102.8 | 106.7 | 113.5 | 123.1 | 127.7 | 124.9 | 116.5 | 109.9 | 106.4 |
| Japan | 115.1 | 111.1 | 107.4 | 104.4 | 102.1 | 98.9 | 95.1 | 90.9 | 86.8 | 82.2 | 77.3 | 73.6 | 71.4 | 70.8 | 69.6 | 67.1 | 64.8 |
| Germany | | 100.5 | 96.3 | 92.4 | 90.5 | 89.8 | 89.1 | 88.2 | 86.4 | 84.4 | 82.5 | 81.0 | 80.2 | 80.0 | 79.3 | 78.8 | 79.7 |
| France | | | 75.0 | 73.7 | 73.7 | 77.4 | 84.2 | 90.5 | 95.9 | 104.5 | 116.9 | 130.2 | 141.1 | 145.8 | 143.9 | 130.9 | 135.5 |
| Italy | 102.9 | 97.6 | 87.9 | 78.6 | 76.2 | 77.9 | 82.3 | 87.1 | 93.3 | 100.1 | 107.0 | 112.6 | 116.9 | 120.3 | 119.4 | 111.2 | 106.9 |
| United Kingdom | 72.4 | 69.5 | 68.9 | 72.1 | 77.7 | 83.6 | 93.2 | 97.6 | 110.3 | 125.5 | 137.3 | 140.5 | 145.4 | 155.8 | 148.8 | 133.8 | 140.4 |
| Canada | 94.8 | 89.1 | 89.3 | 92.2 | 90.5 | 93.0 | 94.4 | 96.4 | 104.0 | 111.0 | 118.8 | 127.4 | 137.1 | 146.0 | 138.9 | 143.5 | 152.2 |
| Australia | 84.5 | 84.2 | 82.4 | 83.2 | 86.7 | 90.5 | 95.1 | 102.5 | 118.9 | 137.9 | 143.4 | 142.3 | 148.6 | 156.8 | 152.1 | 147.2 | 158.2 |
| Belgium | 85.7 | 87.0 | 86.8 | 87.4 | 91.9 | 97.0 | 100.8 | 103.7 | 107.7 | 112.7 | 120.2 | 132.8 | 143.5 | 154.1 | 158.5 | 154.9 | 161.4 |
| Denmark | 71.5 | 75.3 | 82.2 | 89.3 | 95.5 | 99.3 | 103.0 | 106.2 | 107.2 | 107.8 | 114.1 | 130.9 | 156.0 | 159.9 | 149.0 | 127.4 | 127.2 |
| Finland | | | | | | | 103.1 | 98.0 | 104.4 | 111.6 | 119.6 | 125.8 | 128.2 | 127.5 | 123.0 | 127.1 | 137.3 |
| Greece | .. | .. | .. | 73.8 | 79.3 | 82.6 | 87.9 | 96.7 | 104.9 | 105.2 | 102.1 | 108.6 | 117.6 | 119.5 | 116.7 | 107.8 | 100.6 |
| Ireland | 65.0 | 64.9 | 71.2 | 76.8 | 92.1 | 134.9 | 145.5 | 135.2 | 148.0 | 179.5 | 194.2 | 193.4 | 180.6 | 149.2 | 124.9 | 153.2 | 130.0 |
| Korea | 96.9 | 92.7 | 90.2 | 89.7 | 79.7 | 81.6 | 83.2 | 83.3 | 92.3 | 97.2 | 96.1 | 96.7 | 101.7 | 108.7 | 110.0 | 108.2 | 108.8 |
| Netherlands | 76.4 | 77.8 | 82.8 | 89.3 | 95.7 | 108.0 | 124.2 | 134.2 | 138.8 | 139.5 | 141.1 | 142.9 | 145.9 | 148.7 | 150.3 | 142.5 | 136.8 |
| Norway | 68.6 | 72.5 | 77.8 | 84.9 | 92.2 | 99.8 | 111.0 | 114.4 | 115.0 | 112.4 | 121.4 | 128.8 | 143.2 | 158.2 | 151.9 | 149.6 | 157.5 |
| New Zealand | 73.9 | 75.8 | 79.8 | 82.1 | 78.8 | 81.4 | 80.8 | 90.9 | 97.7 | 113.1 | 129.2 | 144.4 | 156.1 | 168.2 | 156.1 | 151.3 | 152.0 |
| Spain | 93.1 | 91.3 | 87.2 | 85.6 | 85.6 | 88.5 | 91.6 | 96.2 | 107.8 | 124.0 | 141.0 | 154.9 | 163.3 | 165.1 | 158.8 | 142.3 | 135.7 |
| Sweden | 66.6 | 64.7 | 63.0 | 65.1 | 70.7 | 77.3 | 85.6 | 90.8 | 94.5 | 98.2 | 104.1 | 110.8 | 123.3 | 134.0 | 135.0 | 132.8 | 141.0 |
| Switzerland | 96.6 | 91.9 | 85.9 | 82.4 | 81.7 | 81.0 | 80.5 | 79.8 | 82.7 | 84.9 | 85.9 | 85.6 | 86.0 | 85.8 | 86.0 | 88.2 | 91.3 |
| **Price-to-income ratio** | | | | | | | | | | | | | | | | | |
| United States | 93.6 | 92.6 | 91.9 | 91.1 | 90.6 | 91.8 | 91.6 | 95.4 | 97.8 | 100.2 | 104.1 | 112.1 | 113.6 | 110.7 | 101.0 | 99.2 | 93.1 |
| Japan | 106.6 | 104.6 | 102.9 | 99.9 | 98.3 | 96.3 | 94.5 | 93.8 | 89.7 | 86.3 | 80.4 | 75.9 | 72.8 | 72.2 | 71.2 | 69.3 | 66.1 |
| Germany | | 104.9 | 102.0 | 98.8 | 96.3 | 94.4 | 93.3 | 90.2 | 88.8 | 85.6 | 83.0 | 80.6 | 78.8 | 78.4 | 76.7 | 77.5 | 76.9 |
| France | | | 80.0 | 78.1 | 77.4 | 81.3 | 84.3 | 87.1 | 91.1 | 100.2 | 111.4 | 125.7 | 135.7 | 138.4 | 136.2 | 126.3 | 130.7 |
| Italy | 97.8 | 92.9 | 84.8 | 79.3 | 80.6 | 82.8 | 86.6 | 88.8 | 93.8 | 100.5 | 107.2 | 113.3 | 117.3 | 120.4 | 121.0 | 121.6 | 118.6 |
| United Kingdom | 77.5 | 73.8 | 72.0 | 73.7 | 78.8 | 84.4 | 92.6 | 94.4 | 106.5 | 118.0 | 129.6 | 131.7 | 135.6 | 146.1 | 139.3 | 123.7 | 127.8 |
| Canada | 103.9 | 96.7 | 96.3 | 96.7 | 92.3 | 92.2 | 90.0 | 90.9 | 97.3 | 103.5 | 108.4 | 115.1 | 120.6 | 127.9 | 120.8 | 126.1 | 129.9 |
| Australia | 90.8 | 87.3 | 84.2 | 85.1 | 90.0 | 92.8 | 95.2 | 99.6 | 115.9 | 131.3 | 132.5 | 128.7 | 129.2 | 133.5 | 132.8 | 130.2 | 142.4 |
| Belgium | 88.9 | 87.4 | 89.4 | 89.9 | 92.9 | 97.1 | 97.4 | 97.6 | 103.3 | 109.6 | 116.9 | 128.8 | 137.2 | 143.7 | 144.0 | 141.5 | 145.6 |
| Denmark | 76.5 | 76.1 | 82.3 | 90.5 | 95.0 | 103.8 | 107.4 | 107.5 | 107.7 | 107.5 | 112.8 | 128.2 | 150.8 | 156.2 | 145.6 | 128.5 | 124.5 |
| Finland | | | | | | | 96.9 | 90.6 | 92.1 | 93.2 | 96.0 | 102.2 | 104.8 | 104.9 | 100.0 | 96.9 | 101.7 |
| Greece | .. | .. | .. | 76.6 | 81.7 | 87.4 | 94.0 | 101.0 | 109.6 | 107.1 | 103.6 | 109.5 | 114.0 | 107.7 | 107.4 | 99.4 | 98.1 |
| Ireland | 75.6 | 73.1 | 73.0 | 76.9 | 86.1 | 100.0 | 110.3 | 110.5 | 122.3 | 132.2 | 138.7 | 139.7 | 153.2 | 154.6 | 136.9 | 120.0 | 109.4 |
| Korea | 98.7 | 88.7 | 79.5 | 76.3 | 68.4 | 64.4 | 63.1 | 62.7 | 69.0 | 69.9 | 65.7 | 63.4 | 64.8 | 67.7 | 66.7 | 64.3 | 62.0 |
| Netherlands | 79.9 | 82.0 | 87.0 | 92.0 | 97.3 | 109.4 | 122.8 | 124.6 | 130.5 | 136.1 | 140.1 | 143.3 | 146.1 | 146.0 | 149.6 | 147.4 | 143.6 |
| Norway | 75.5 | 77.2 | 80.7 | 85.4 | 88.1 | 94.3 | 102.9 | 108.3 | 104.3 | 99.3 | 105.4 | 105.7 | 127.1 | 134.3 | 125.5 | 121.0 | 124.9 |
| New Zealand | 90.7 | 92.7 | 97.2 | 99.5 | 93.7 | 89.1 | 90.6 | 87.2 | 95.4 | 106.1 | 118.8 | 132.4 | 141.1 | 144.2 | 135.7 | 129.8 | 126.4 |
| Spain | 95.6 | 87.4 | 85.3 | 85.6 | 86.0 | 88.1 | 89.3 | 92.7 | 103.7 | 118.3 | 133.8 | 145.0 | 151.9 | 153.1 | 146.2 | 134.6 | 133.8 |
| Sweden | 78.3 | 76.4 | 76.9 | 81.3 | 87.2 | 91.4 | 95.9 | 95.4 | 97.1 | 101.3 | 108.8 | 115.5 | 124.0 | 129.1 | 126.3 | 124.8 | 131.9 |
| Switzerland | 100.6 | 94.3 | 89.7 | 85.0 | 82.3 | 80.1 | 77.8 | 77.1 | 81.7 | 85.0 | 85.1 | 84.0 | 83.0 | 81.4 | 82.5 | 86.8 | 91.8 |

*Source:* Various national sources and Nomisma, see table A.1 in Girouard, N., M. Kennedy, P. van den Noord and C. André, "Recent house price developments: the role of fundamentals", *OECD Economics Department Working Papers,* No. 475, 2006 and OECD estimates.

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## Annex Table 61. **Central government financial balances**

Surplus (+) or deficit (-) as a percentage of nominal GDP

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Canada | -2.0 | 0.7 | 0.8 | 0.9 | 1.9 | 1.1 | 0.8 | 0.3 | 0.8 | 0.1 | 0.9 | 1.0 | -0.1 | -2.2 | -2.6 |
| France | -3.6 | -3.2 | -2.8 | -2.5 | -2.4 | -2.4 | -3.6 | -3.9 | -2.8 | -2.8 | -2.3 | -2.6 | -3.6 | -6.4 | -5.8 |
| Germany | -1.8 | -1.6 | -1.9 | -1.5 | 1.4 | -1.3 | -1.8 | -1.9 | -2.3 | -2.2 | -1.5 | -0.8 | -0.6 | -1.6 | -3.2 |
| Italy | -6.7 | -2.6 | -2.5 | -1.5 | -1.2 | -3.1 | -3.1 | -3.0 | -3.0 | -3.9 | -2.8 | -2.0 | -2.6 | -4.7 | -4.3 |
| Japan | -4.1 | -3.5 | -10.6 | -7.3 | -6.4 | -5.9 | -6.7 | -6.7 | -5.2 | -6.2 | -1.0 | -2.6 | -2.6 | -7.9 | -7.9 |
| United Kingdom | -4.1 | -2.0 | 0.2 | 1.1 | 3.9 | 0.8 | -2.0 | -3.5 | -3.2 | -3.1 | -2.7 | -2.7 | -4.7 | -11.0 | -10.1 |
| United States | -2.0 | -0.6 | 0.5 | 1.0 | 1.9 | 0.3 | -2.6 | -3.8 | -3.6 | -2.8 | -1.8 | -2.2 | -5.3 | -10.4 | -10.1 |
| less social security | -2.9 | -1.7 | -0.7 | -0.4 | 0.3 | -1.3 | -4.2 | -5.2 | -4.9 | -4.2 | -3.3 | -3.6 | -6.6 | -11.2 | -10.5 |
| Total of above countries | -2.9 | -1.6 | -2.0 | -1.0 | 0.1 | -1.2 | -3.1 | -3.8 | -3.4 | -3.2 | -1.7 | -2.1 | -3.8 | -8.1 | -8.0 |

*Note:* Central government financial balances include one-off revenues from the sale of mobile telephone licenses.
*Source:* OECD Economic Outlook 90 database.

StatLink http://dx.doi.org/10.1787/888932559505

## Annex Table 62. **Maastricht definition of general government gross public debt**

As a percentage of nominal GDP

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Austria | 66.8 | 66.2 | 66.8 | 66.2 | 65.3 | 64.7 | 64.2 | 62.3 | 60.3 | 63.9 | 69.6 | 71.9 | 73.6 | 75.6 | 76.9 |
| Belgium | 113.6 | 107.8 | 106.5 | 103.4 | 98.4 | 94.1 | 91.9 | 87.9 | 84.1 | 89.5 | 95.9 | 96.2 | 96.3 | 97.4 | 97.0 |
| Czech Republic | 15.8 | 17.9 | 23.9 | 27.1 | 28.6 | 28.9 | 28.4 | 28.3 | 27.9 | 28.7 | 34.4 | 37.6 | 40.2 | 41.7 | 42.8 |
| Denmark | 58.1 | 52.4 | 49.6 | 49.5 | 47.2 | 45.1 | 37.8 | 32.1 | 27.5 | 34.5 | 41.8 | 43.7 | 44.2 | 46.1 | 46.3 |
| Estonia | 6.5 | 5.1 | 4.8 | 5.7 | 5.6 | 5.0 | 4.6 | 4.4 | 3.7 | 4.5 | 7.2 | 6.7 | 6.5 | 7.3 | 7.2 |
| Finland | 45.7 | 43.8 | 42.5 | 41.5 | 44.5 | 44.4 | 41.7 | 39.7 | 35.2 | 34.0 | 43.3 | 48.3 | 51.9 | 56.2 | 59.2 |
| France | 58.9 | 57.3 | 56.9 | 59.0 | 63.2 | 65.1 | 66.7 | 63.9 | 64.2 | 68.3 | 79.0 | 82.4 | 85.8 | 89.6 | 91.3 |
| Germany | 61.4 | 60.2 | 59.1 | 60.7 | 64.3 | 66.4 | 68.6 | 67.9 | 65.1 | 66.7 | 74.5 | 83.4 | 83.2 | 83.7 | 82.8 |
| Greece | 94.9 | 104.4 | 104.7 | 102.6 | 98.3 | 99.8 | 101.2 | 107.3 | 107.4 | 113.0 | 129.3 | 144.9 | 160.9 | 177.1 | 179.7 |
| Hungary | 60.8 | 56.1 | 52.7 | 55.9 | 58.6 | 59.5 | 61.7 | 65.9 | 67.0 | 72.9 | 79.7 | 81.3 | 84.2 | 85.1 | 85.9 |
| Ireland | 48.0 | 37.5 | 35.2 | 31.9 | 30.7 | 29.4 | 27.2 | 24.7 | 24.9 | 44.4 | 65.2 | 92.6 | 106.7 | 112.9 | 116.5 |
| Italy | 113.0 | 108.5 | 108.2 | 105.1 | 103.9 | 103.4 | 105.4 | 106.1 | 103.1 | 105.8 | 115.5 | 118.4 | 120.0 | 120.4 | 118.9 |
| Luxembourg | 6.4 | 6.2 | 6.3 | 6.3 | 6.1 | 6.3 | 6.1 | 6.7 | 6.7 | 13.7 | 14.8 | 19.1 | 22.8 | 25.4 | 29.2 |
| Netherlands | 61.1 | 53.7 | 50.7 | 50.5 | 51.9 | 52.5 | 51.8 | 47.3 | 45.3 | 58.4 | 60.7 | 62.9 | 64.8 | 67.6 | 69.2 |
| Poland | 39.7 | 36.8 | 37.5 | 42.2 | 47.1 | 45.7 | 47.1 | 47.8 | 45.0 | 47.1 | 51.1 | 55.0 | 56.8 | 57.1 | 56.3 |
| Portugal | 49.6 | 48.5 | 51.2 | 53.8 | 55.9 | 57.6 | 62.8 | 63.9 | 68.3 | 71.6 | 83.0 | 93.3 | 101.7 | 111.7 | 113.4 |
| Slovak Republic | 47.8 | 50.3 | 48.9 | 43.4 | 42.4 | 41.5 | 34.2 | 30.5 | 29.6 | 27.8 | 35.5 | 41.0 | 46.1 | 49.6 | 51.5 |
| Slovenia | .. | .. | 26.5 | 27.8 | 27.2 | 27.3 | 26.7 | 26.4 | 23.1 | 21.9 | 35.3 | 38.8 | 44.0 | 48.5 | 51.4 |
| Spain | 62.3 | 59.3 | 55.5 | 52.5 | 48.7 | 46.2 | 43.0 | 39.5 | 36.2 | 40.1 | 53.8 | 61.0 | 68.1 | 71.2 | 73.0 |
| Sweden | 64.3 | 53.9 | 54.7 | 52.5 | 51.7 | 50.3 | 50.4 | 45.0 | 40.2 | 38.8 | 42.7 | 39.7 | 36.8 | 35.9 | 33.7 |
| United Kingdom | 43.7 | 41.0 | 37.7 | 37.5 | 39.0 | 40.9 | 42.5 | 43.4 | 44.4 | 54.8 | 69.6 | 79.9 | 87.6 | 94.9 | 100.0 |
| Euro area | 71.9 | 69.4 | 68.1 | 68.0 | 69.1 | 69.6 | 70.2 | 68.5 | 66.3 | 70.2 | 79.9 | 85.7 | 88.3 | 90.6 | 91.0 |

*Note:* For the period before 2010, gross debt figures are provided by Eurostat, the Statistical Office of the European Communities, unless more recent data are available, while GDP figures are provided by national authorities.This explains why these ratios can differ significantly from the ones published by Eurostat. For the projection period, debt ratios are in line with the OECD projections for general government gross financial liabilities and GDP.
*Source:* OECD Economic Outlook 90 database.

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Annex Table 63. **Monetary and credit aggregates: recent trends**

Annualised percentage change, seasonally adjusted

| | | Annual change (to 4th quarter) | | | | | Latest twelve months | |
|---|---|---|---|---|---|---|---|---|
| | | 2006 | 2007 | 2008 | 2009 | 2010 | | |
| Canada | M2 | 8.9 | 6.4 | 12.5 | 10.9 | 5.2 | 5.4 | (Sep 2011) |
| | BL[1] | 7.5 | 10.0 | 7.4 | 3.7 | 4.8 | 6.0 | (Sep 2011) |
| Japan | M2 | 0.6 | 2.0 | 1.8 | 3.2 | 2.6 | 2.7 | (Sep 2011) |
| | BL[1] | -0.2 | -0.9 | 3.4 | 3.5 | 3.6 | 2.8 | (Sep 2011) |
| United Kingdom | M2 | 8.1 | 7.5 | 5.1 | 5.7 | 3.9 | 3.6 | (Sep 2011) |
| | M4 | 13.2 | 12.5 | 15.8 | 6.5 | 6.4 | -1.0 | (Sep 2011) |
| | BL[1] | 12.6 | 12.5 | 14.3 | 11.5 | 2.5 | -0.8 | (Sep 2011) |
| United States | M2 | 5.7 | 6.3 | 8.6 | 5.0 | 3.2 | 10.1 | (Sep 2011) |
| | BL[1] | 12.2 | 11.2 | 8.3 | -8.0 | 1.2 | 1.2 | (Oct 2011) |
| Euro area | M2 | 8.8 | 11.3 | 9.7 | 2.1 | 2.5 | 2.5 | (Sep 2011) |
| | M3 | 9.0 | 12.2 | 9.0 | -0.3 | 1.7 | 3.1 | (Sep 2011) |
| | BL[1] | 7.9 | 11.5 | 9.1 | 3.1 | 4.4 | 1.6 | (Sep 2011) |

1. Commercial bank credit.

*Source:* OECD Main Economic Indicators; US Federal Reserve Board; Bank of Japan; European Central Bank; Bank of England; Statistics Canada.

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Annex Table 64. **Macroeconomic indicators for selected non-member economies**

Calendar year basis

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Real GDP growth** | | | | | | | | | | | | | | | | |
| China | 7.8 | 7.6 | 8.4 | 8.3 | 9.1 | 10.0 | 10.1 | 11.3 | 12.7 | 14.2 | 9.6 | 9.2 | 10.4 | 9.3 | 8.5 | 9.5 |
| Brazil | 0.1 | 0.3 | 4.3 | 1.3 | 2.6 | 1.2 | 5.7 | 3.2 | 3.9 | 6.1 | 5.2 | -0.7 | 7.5 | 3.4 | 3.2 | 3.9 |
| India | 5.9 | 6.9 | 5.5 | 4.0 | 4.6 | 7.0 | 8.3 | 9.2 | 9.3 | 10.0 | 6.2 | 7.0 | 9.9 | 7.7 | 7.2 | 8.2 |
| Indonesia | -13.1 | 0.8 | 4.9 | 3.6 | 4.5 | 4.8 | 5.0 | 5.7 | 5.5 | 6.3 | 6.0 | 4.6 | 6.1 | 6.3 | 6.1 | 6.5 |
| Russian Federation | -5.3 | 6.4 | 10.0 | 5.1 | 4.7 | 7.3 | 7.2 | 6.4 | 8.2 | 8.5 | 5.2 | -7.8 | 4.0 | 4.0 | 4.1 | 4.1 |
| South Africa | 0.5 | 2.4 | 4.2 | 2.7 | 3.7 | 2.9 | 4.6 | 5.3 | 5.6 | 5.6 | 3.6 | -1.7 | 2.8 | 3.2 | 3.6 | 4.7 |
| **Inflation**[1] | | | | | | | | | | | | | | | | |
| China | -1.7 | -2.2 | -0.8 | 0.3 | -0.7 | 1.1 | 3.8 | 1.8 | 1.7 | 4.8 | 5.9 | -0.7 | 3.2 | 5.6 | 3.8 | 3.8 |
| Brazil | 1.7 | 8.9 | 6.0 | 7.7 | 12.5 | 9.3 | 7.6 | 5.7 | 3.1 | 4.5 | 5.9 | 4.3 | 5.9 | 6.5 | 5.8 | 4.7 |
| India | 13.2 | 4.7 | 3.9 | 3.7 | 4.5 | 3.7 | 3.9 | 4.0 | 6.3 | 6.4 | 8.3 | 10.9 | 12.0 | 8.9 | 7.9 | 7.2 |
| Indonesia | 58.4 | 20.5 | 3.7 | 11.5 | 11.9 | 6.8 | 6.1 | 10.5 | 13.1 | 6.4 | 10.2 | 4.4 | 5.1 | 5.6 | 5.9 | 4.8 |
| Russian Federation | 27.8 | 85.7 | 20.8 | 21.5 | 15.8 | 13.7 | 10.9 | 12.7 | 9.7 | 9.0 | 14.1 | 11.7 | 6.9 | 8.4 | 6.5 | 5.7 |
| South Africa | .. | .. | .. | 5.7 | 9.2 | 5.9 | 1.4 | 3.4 | 4.6 | 7.1 | 11.0 | 7.1 | 4.3 | 4.9 | 5.3 | 4.7 |
| **Fiscal balance**[2] | | | | | | | | | | | | | | | | |
| China | -0.9 | -1.6 | -1.9 | -1.6 | -1.6 | -1.2 | -0.4 | -0.2 | 0.5 | 1.9 | 0.9 | -1.1 | -0.6 | -1.2 | -1.5 | -1.2 |
| Brazil | .. | -5.3 | -3.4 | -3.3 | -4.4 | -5.2 | -2.9 | -3.6 | -3.6 | -2.8 | -2.0 | -3.3 | -2.5 | -2.7 | -2.8 | -2.6 |
| India | -8.3 | -9.2 | -9.2 | -9.6 | -9.4 | -8.5 | -7.4 | -6.7 | -5.7 | -4.1 | -7.3 | -9.8 | -7.2 | -7.1 | -6.3 | -6.0 |
| Indonesia | .. | .. | .. | .. | .. | .. | .. | .. | -1.0 | -1.2 | -0.1 | -1.6 | -0.6 | -1.5 | -1.3 | -1.2 |
| Russian Federation | .. | .. | .. | .. | -0.7 | 1.7 | 6.0 | 6.0 | 8.3 | 5.6 | 7.3 | -4.3 | -3.5 | 0.2 | -0.7 | -0.7 |
| South Africa | -4.3 | -3.0 | -3.3 | -2.0 | -2.7 | -3.7 | -3.8 | -2.0 | -1.4 | -0.8 | -2.4 | -5.5 | -6.0 | -6.0 | -5.6 | -4.8 |
| **Current account balance**[2] | | | | | | | | | | | | | | | | |
| China | 3.1 | 1.9 | 1.7 | 1.3 | 2.4 | 2.8 | 3.6 | 5.9 | 8.6 | 10.1 | 9.1 | 5.2 | 5.2 | 3.1 | 2.6 | 2.1 |
| Brazil | -4.0 | -4.3 | -3.8 | -4.1 | -1.2 | 0.7 | 1.8 | 1.6 | 1.3 | 0.1 | -1.7 | -1.4 | -2.3 | -2.0 | -2.2 | -2.5 |
| India | -1.5 | -0.7 | -0.8 | 0.4 | 1.4 | 1.7 | 0.2 | -1.3 | -1.0 | -0.6 | -2.1 | -2.5 | -3.1 | -2.1 | -2.1 | -2.0 |
| Indonesia | 4.1 | 3.8 | 4.9 | 4.3 | 4.0 | 3.5 | 0.7 | 0.1 | 3.0 | 2.4 | 0.0 | 1.9 | 0.8 | 0.5 | -0.2 | -0.3 |
| Russian Federation | 2.4 | 12.8 | 18.1 | 11.1 | 8.5 | 8.2 | 10.1 | 11.1 | 9.6 | 5.9 | 6.1 | 3.9 | 4.7 | 5.6 | 4.0 | 3.3 |
| South Africa | -1.8 | -0.5 | -0.1 | 0.3 | 0.8 | -1.0 | -3.0 | -3.5 | -5.3 | -7.0 | -7.1 | -4.1 | -2.8 | -3.7 | -4.7 | -4.8 |

1. Percentage change from previous period in the Consumer Price Index (CPI).
2. Percentage of GDP. Fiscal balances are not comparable across countries due to different definitions.

*Source:* OECD Economic Outlook 90 database.

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