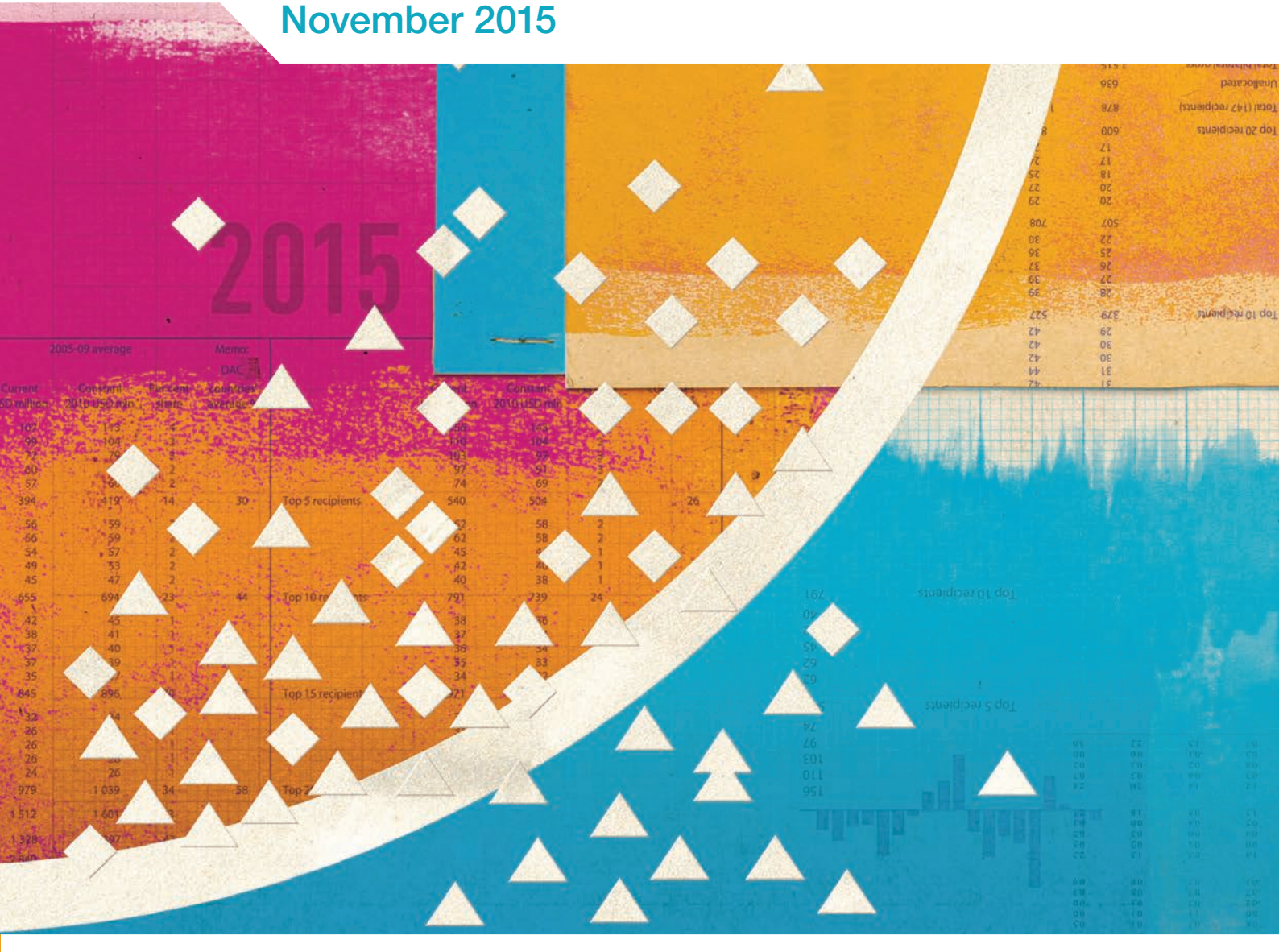
OECD Economic Outlook

November 2015



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OECD ECONOMIC OUTLOOK

98

NOVEMBER 2015

OECD
BETTER POLICIES FOR BETTER LIVES

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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

	2015	2016	2017	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2015 Q4 / Q4	2016 Q4 / Q4	2017 Q4 / Q4
	Per cent															
Real GDP growth																
United States	2.4	2.5	2.4	1.5	2.4	2.5	2.7	2.8	2.4	2.3	2.2	2.3	2.3	2.1	2.6	2.3
Euro area	1.5	1.8	1.9	1.0	1.7	1.9	1.9	2.0	1.9	1.9	1.9	2.0	2.0	1.6	1.9	2.0
Japan	0.6	1.0	0.5	0.2	1.0	1.1	1.3	1.6	1.7	3.2	-4.9	-0.1	1.7	1.1	1.4	-0.1
Total OECD	2.0	2.2	2.3	1.4	2.2	2.4	2.4	2.5	2.4	2.5	1.7	2.2	2.4	1.9	2.4	2.2
China	6.8	6.5	6.2											6.6	6.4	6.1
Inflation[1]	year-on-year															
United States	0.3	1.3	1.7	0.3	0.5	1.3	1.1	1.2	1.5	1.6	1.7	1.8	1.8			
Euro area	0.1	0.9	1.3	0.1	0.3	0.9	0.6	1.0	1.1	1.2	1.3	1.3	1.4			
Japan	0.8	0.7	2.3	0.2	0.4	0.7	0.5	0.7	1.0	1.1	2.5	2.6	2.7			
Total OECD	0.8	1.5	1.9	0.8	0.9	1.4	1.3	1.5	1.6	1.7	1.9	2.0	2.1			
China	1.7	2.5	2.5	1.7	2.0	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5			
Unemployment rate[2]																
United States	5.3	4.7	4.7	5.1	4.9	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.7			
Euro area	10.9	10.4	9.8	10.8	10.6	10.5	10.4	10.3	10.2	10.1	9.9	9.8	9.6			
Japan	3.4	3.2	3.1	3.3	3.3	3.3	3.3	3.2	3.2	3.1	3.1	3.1	3.1			
Total OECD	6.8	6.5	6.3	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.3	6.3	6.3			
World trade growth	2.0	3.6	4.8	2.7	3.2	3.8	4.3	4.5	4.8	5.2	4.5	4.9	5.0	1.4	4.4	4.9
Current account balance[3]																
United States	-2.5	-2.8	-3.0													
Euro area	3.8	3.7	3.7													
Japan	3.3	2.9	3.3													
Total OECD	0.2	0.1	0.1													
China	3.0	2.7	2.6													
Fiscal balance[3]																
United States	-4.5	-4.2	-3.7													
Euro area	-1.9	-1.7	-1.0													
Japan	-6.7	-5.7	-5.0													
Total OECD	-3.3	-2.8	-2.3													
China	-1.0	-1.9	-1.5													
Policy interest rate																
United States	0.5	1.0	2.0	0.3	0.5	0.5	0.8	0.8	1.0	1.3	1.5	1.8	2.0			
Euro area	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3			
Japan	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			

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. 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: the upper bound of the target Federal Funds rate; Japan: the Bank of Japan uncollateralised overnight call rate; euro area: the ECB main refinancing rate.

The cut-off date for information used in the compilation of the projections is 30 October 2015.

1. United States: price index for personal consumption expenditure; Japan and China: consumer price index; the euro area: harmonised index of consumer prices; and the total OECD: private consumption deflator.
2. Per cent of the labour force.
3. Per cent of GDP.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296646

EDITORIAL
TRADE WINDS BLOWING NO GOOD?

Global trade, which was already growing relatively slowly over the past few years, appears to have stagnated and even declined since late 2014. This is deeply concerning. Robust trade and global growth go hand in hand. Trade strengthens competition, keeping domestic firms fit and prices low, and expands variety for consumers and businesses. Technology transfer through trade contributes to the diffusion of new technologies and productivity growth. World trade has been a bellwether for global output. The growth rates of global trade observed so far in 2015 have, in the past, been associated with global recession.

Looking back, sluggish trade growth in 2012 and 2013 appears to have centered on the advanced countries, particularly reduced appetite for imports by US consumers and very slow GDP growth within Europe, which accounts for a large share of global trade.

In 2015, by contrast, weak global trade growth centers on emerging markets. Developments in China appear to be at the heart of this. China's transition from infrastructure investment and manufacturing and towards consumption and services is one important reason for the decline in commodity prices, and may be reducing its role in global value chains as well. Commodity exporters, such as Australia, Brazil, Canada and Russia, have been particularly affected, as have economies with close trade links to China, including Japan, Korea and South East Asian economies. On the financial front, equity market volatility may have tempered Chinese consumers' optimism and imports.

Many economies, especially the emerging markets, face financial challenges, as well as a weaker outlook for their exports. Emerging market borrowing, mostly in the private sector, has expanded during the long period of very low global interest rates. Speculative portfolio capital repositioned itself during the middle of 2015, anticipating that the first rise in US policy interest rates would be in September. Following the stay of that policy action, this capital moved back into emerging markets. These large and volatile cross-border gross flows present acute challenges to emerging market policy makers, even if net flows are less than in previous periods of financial stress.

Despite these growth weaknesses and financial vulnerabilities, the OECD's projections in this *Economic Outlook* show a modest revival of both world trade and GDP growth. In part, this is because policy actions are already being implemented that will help to address the weak underlying trends. For example, China has announced a range of stimulus measures including lowering bank lending rates and expanding infrastructure investment. These policy actions should help to put a floor under global commodity prices and stabilise commodity-exporting economies. But a fiscal strategy focused on social safety nets and

environmental spending would both support demand and encourage the necessary rebalancing of the Chinese economy.

Globally, all countries have some policy efforts in train to realise higher global growth, employment, and increase living standards. In Europe, policymakers should build on the recovery jump-started by the ECB to create more lasting economic dynamism. A fragmented financial system with high non-performing loans and high debt levels in households and non-financial firms inhibits new lending and reduces the effectiveness of monetary easing. Real investment would be enhanced by greater Europe-wide regulatory harmonization. On the fiscal side, collective action to increase public investment would increase growth sufficiently to reduce debt-to-GDP ratios, as long as investment projects are of high quality and supported by good structural policies. These policy actions would make European growth a driver of the global economy.

A collective approach to the recent surge in asylum-seekers arriving in the EU would help to reduce political tensions. Given the right policies, asylum-seekers need not impose an unmanageable economic burden. Indeed, if the refugees who stay are rapidly integrated into European societies, they are likely to benefit the host countries.

In the United States, where GDP growth has been relatively robust and unemployment falling, wage growth has not yet started to pick up. Without wage growth, the recovery will lose steam, and prospects for the US to support the rebound in global trade and growth will come into question. Structural policies and reforms to tax and transfer systems may be the key to a more equitable distribution of income and a more sustainable growth path.

To aid the rebound in trade, policymakers need to turn back the rise in protectionism: according to the OECD-WTO-UNCTAD report to the G-20, countries have taken more than one thousand trade-restricting measures since the global crisis. Regional agreements like the TPP and TTIP would renew impetus towards trade liberalisation to support growth.

Addressing climate change is critical for long-term economic sustainability and healthy growth. Collective action, in the context of COP21, is needed now. The current fragile state of economic recovery is not an excuse for policy inaction on climate change. In fact, a clear and predictable policy stance on climate would create a more positive environment for investment that would support growth and trade, as well as put us on a path to urgently-needed climate improvement.

9th November 2015

Catherine L. Mann
OECD Chief Economist

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Chapter 1

GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

Introduction

Global growth prospects have clouded this year. A further sharp slowdown in emerging market economies (EMEs) is weighing on global activity and trade, and subdued investment and productivity growth is checking the momentum of the recovery in the advanced economies. Supportive macroeconomic policies and lower commodity prices are projected to strengthen global growth gradually through 2016 and 2017, but this outcome is far from certain given rising downside risks and vulnerabilities, and uncertainties about the path of policies and the response of trade and investment.

The outlook for the EMEs is a key source of global uncertainty at present, given their large contribution to global trade and GDP growth. In China, ensuring a smooth rebalancing of the economy, whilst avoiding a sharp reduction in GDP growth and containing financial stability risks, presents challenges. A more significant slowdown in Chinese domestic demand could hit financial market confidence and the growth prospects of many economies, including the advanced economies. For EMEs more broadly, challenges have increased, reflecting weaker commodity prices, tighter credit conditions and lower potential output growth, with the risk that capital outflows and sharp currency depreciations may expose financial vulnerabilities. Growth would also be hit in the euro area, as well as Japan, where the short-run impact of past stimulus has proved weaker than anticipated and uncertainty remains about future policy choices.

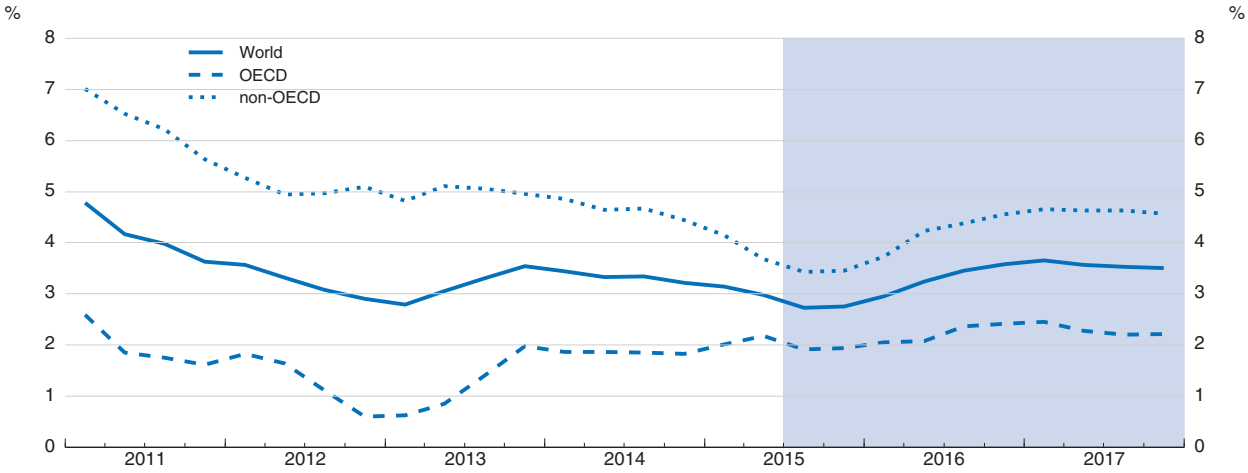
There are increasing signs that the anticipated path of potential output may fail to materialise in many economies, requiring a reassessment of monetary and fiscal policy strategies. The risk of such an outcome underlines the importance of implementing productivity-raising structural policies, alongside measures to reduce persisting negative supply effects from past demand weakness in labour markets and capital investment, whilst ensuring that macroeconomic policies continue to support growth and stability. Early and decisive actions to spur reductions in greenhouse gas emissions via predictable paths of policy including tax reforms, or public investment programmes, or action on research and development might also help to support short-term growth and improve longer-term prospects, as discussed in Chapter 2.

The outlook

Global growth has eased to around 3% this year, well below its long-run average. This largely reflects further weakness in EMEs (Figure 1.1). Deep recessions have emerged in Brazil and Russia, whilst the ongoing slowdown in China and the associated weakness of commodity prices has hit activity in key trading partners and commodity exporting economies, and increased financial market uncertainty. Global trade growth has slowed markedly, especially in the EMEs (Figure 1.2), and financial conditions have become less supportive in most economies (Figure 1.3). Growth in the OECD economies has held up this year, at around 2%, implying a modest reduction in economic slack, helped by an upturn in private consumption growth. However, business investment remains subdued, raising

Figure 1.1. **Global GDP growth is set to recover slowly**

Year-on-year percentage changes



Source: OECD Economic Outlook 98 database.

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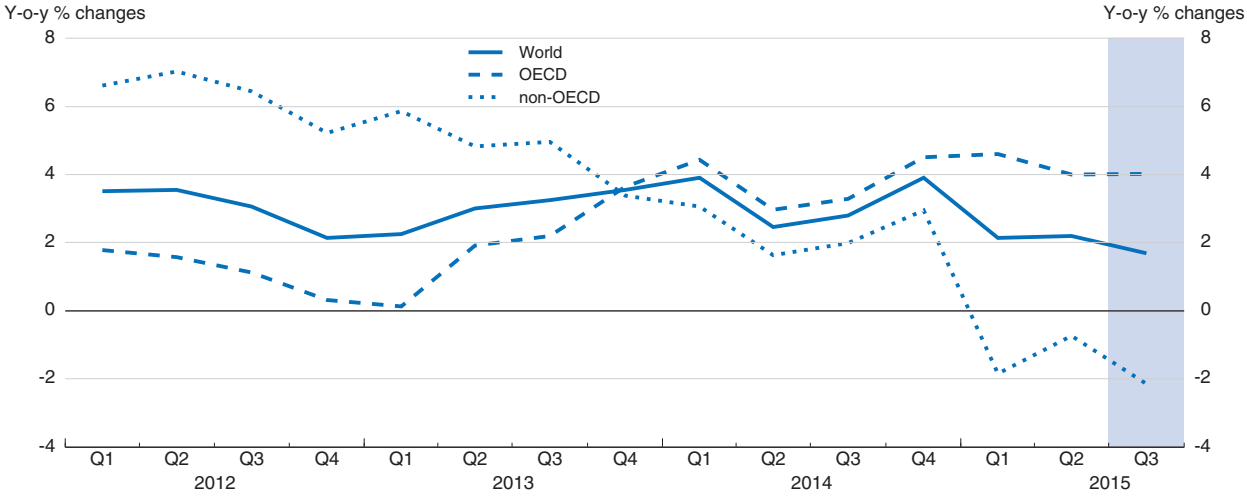
questions about future potential growth rates and about the extent to which stronger growth in the advanced economies can help to overcome cyclical weakness in the EMEs.

Global growth is projected to strengthen slowly over the course of 2016-17, against a background of subdued inflationary pressures (Table 1.1).

- Supportive macroeconomic policies (Annex 1.1), lower commodity prices and a further steady improvement in labour market outcomes should continue to underpin the upturn in the advanced economies, with OECD GDP growth projected to average 2¼ per cent per annum over the next two years (Figure 1.4). The decline in oil prices since mid-2014 could add between ¼ and ½ percentage point to OECD GDP growth in 2016, with the further drop of over 20% since June 2015 contributing around 0.1-0.2 percentage point of

Figure 1.2. **Global import volume growth has slowed this year**



Source: OECD Economic Outlook 98 database.

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Table 1.1. **The global recovery will gain momentum only slowly**

OECD area, unless noted otherwise

	Average 2003-2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
		Per cent							
Real GDP growth[1]									
World[2]	4.0	3.2	3.3	2.9	3.3	3.6	2.8	3.6	3.5
OECD[2]	1.7	1.2	1.9	2.0	2.2	2.3	1.9	2.4	2.2
United States	1.8	1.5	2.4	2.4	2.5	2.4	2.1	2.6	2.3
Euro area	0.9	-0.3	0.9	1.5	1.8	1.9	1.6	1.9	2.0
Japan	0.8	1.6	-0.1	0.6	1.0	0.5	1.1	1.4	-0.1
Non-OECD[2]	6.7	5.0	4.7	3.7	4.2	4.6	3.5	4.6	4.6
China	10.5	7.7	7.3	6.8	6.5	6.2	6.6	6.4	6.1
Output gap[3]	-0.3	-2.5	-2.2	-1.8	-1.2	-0.6			
Unemployment rate[4]	7.0	7.9	7.3	6.8	6.5	6.3	6.8	6.4	6.3
Inflation[5]	1.0	1.4	1.5	0.8	1.5	1.9	0.9	1.6	2.1
Fiscal balance[6]	-4.6	-4.1	-3.8	-3.3	-2.8	-2.3			
Memorandum Items									
World real trade growth	5.6	3.3	3.4	2.0	3.6	4.8	1.4	4.4	4.9

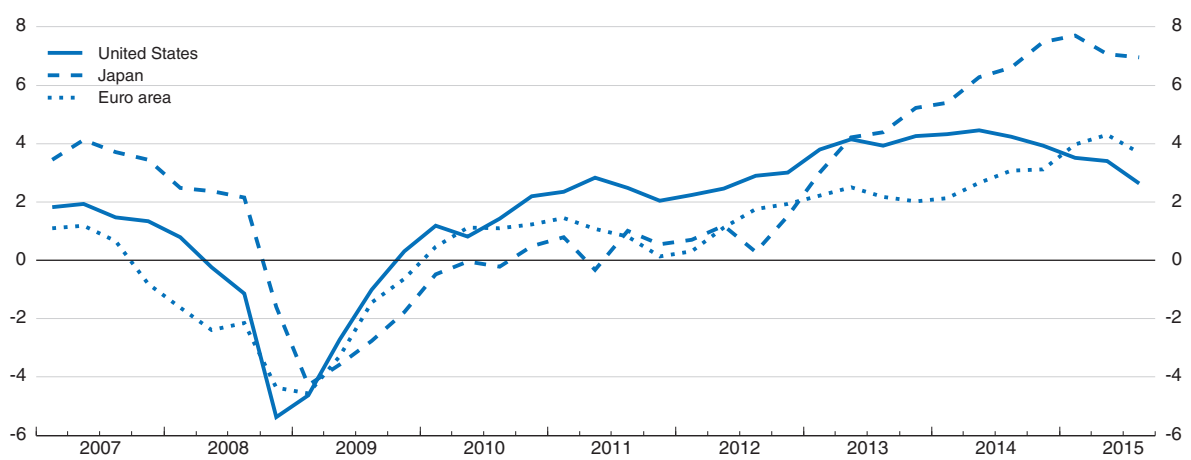
1. Year-on-year increase; last three columns show the increase over a year earlier.
2. Moving nominal GDP weights, using purchasing power parities.
3. Per cent of potential GDP.
4. Per cent of labour force.
5. Private consumption deflator. Year-on-year increase; last 3 columns show the increase over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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296655

Figure 1.3. **Financial conditions in advanced economies have become less supportive**

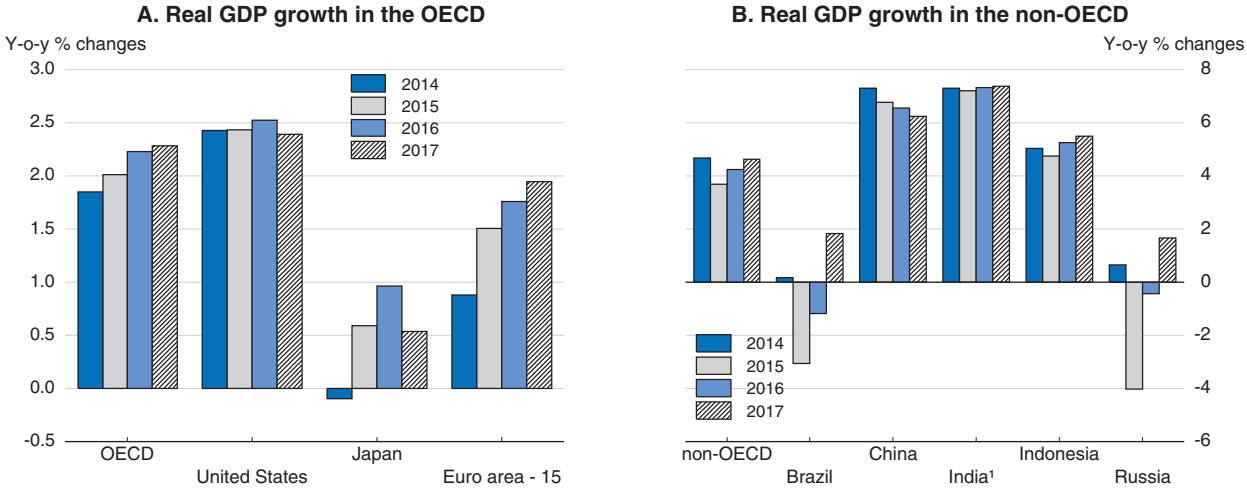
OECD financial conditions index



Note: The OECD Financial Conditions Index is a weighted average of real short and long-term interest rates, real exchange rate, bank credit conditions, household wealth and the yield spread between corporate and government long-term bonds. 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). Based on available information up to 30 October 2015.
Source: OECD Economic Outlook 98 database; Thomson Reuters; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933295776

Figure 1.4. **GDP growth projections for the major economies**



1. Fiscal years.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933295788

this.[1] Growth in the United States is set to remain relatively solid, at around 2½ per cent per annum, with strong household consumption growth and a moderate upturn in private sector investment outweighing the impact of the US dollar appreciation over the past year and weaker energy sector activity. The so far muted recovery in the euro area is set to strengthen somewhat, with GDP growth at around 1¾-2% per annum over 2016-17, helped by the continued accommodative monetary policy stance and the stimulatory impact of lower oil prices. Fiscal support of up to ¼ per cent of GDP to assist asylum seekers should provide a small additional stimulus to demand. The outlook for Japan remains softer than in other advanced economies, despite an anticipated upturn in real wage growth. This reflects a larger drag exerted by weak external demand, especially in Asia, and strong fiscal headwinds, particularly from the further consumption tax increase planned for 2017. Given the modest upturn projected in domestic and global activity, a gentle strengthening of investment spending is projected in the OECD economies over 2016-17. Business investment growth is projected to rise by just under 4¼ per cent per annum in the next two years, after rising by an estimated 3¼ per cent per annum over 2014-2015.

- Growth in the EMEs is projected to turn up through 2016-17, helped initially by the easing of the sharp downturns in 2015 in the major commodity producers and the small open Asian economies. Even so, growth prospects are likely to continue to diverge in the large EMEs (Figure 1.4). A gradual slowdown is projected to continue in China, with GDP growth easing to 6¼ per cent by 2017 and import penetration declining. New fiscal measures announced this year, worth up to 1½ per cent of GDP, along with small additional measures in the next two years should help to support demand but will check the pace at which the economy rebalances. Growth prospects in India should remain relatively robust, provided further progress is made in implementing structural reforms.

1. Estimates relative to a baseline with oil prices held at their mid-2014 levels, based on simulations using the NiGEM global macroeconomic model, augmented with OECD estimates of supply responses in OECD net oil exporters and the United States. Oil prices are assumed to be $50 per barrel from the fourth quarter of 2015 onwards.

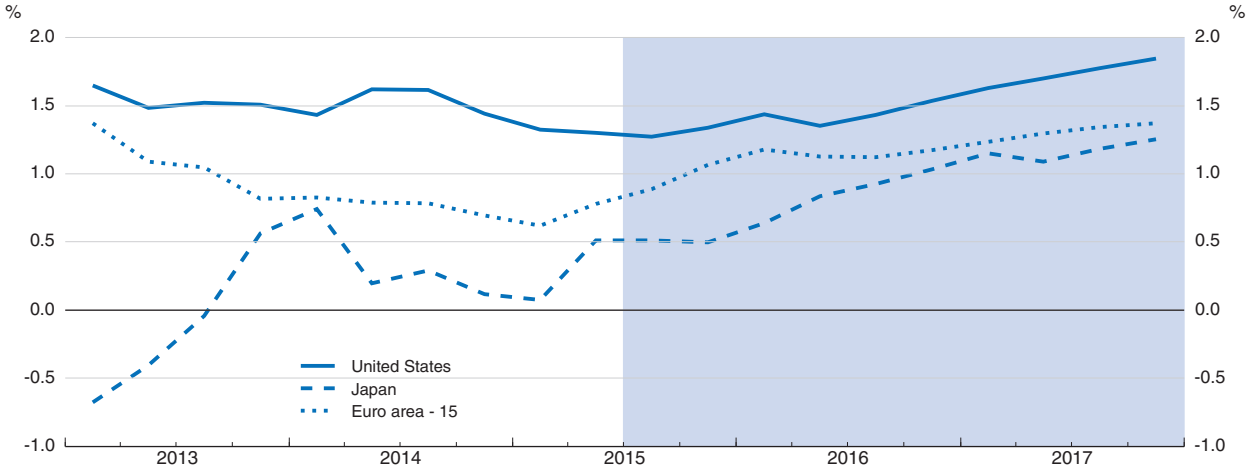
This reflects the more positive outlook for investment and consumption and its position as a major net importer of commodities. Despite large currency depreciations, recovery will be only gradual in Brazil and Russia as confidence firms after an initial stabilisation of activity, given soft external demand, still high inflation and limited space for macroeconomic policy support. Growth in Indonesia should pick up slowly, helped by the implementation of plans to boost infrastructure investment.

Inflationary pressures remain weak in the major OECD economies and in China, but have edged up in several other EMEs, particularly those in which large currency depreciations have occurred.

- Headline consumer price inflation has fallen in recent months in the OECD economies, following the further sharp decline in commodity prices, and market-based measures of inflation expectations have edged down further. Core inflation has remained comparatively stable, at low levels, reflecting persistent economic slack and weak import prices, particularly in the United States where the effective exchange rate has appreciated by around 15% over the past year. In the absence of significant further moves in commodity prices, exchange rates and inflation expectations, core inflation (excluding food and energy prices) should generally remain weak over the next two years in the advanced economies, edging up marginally as economic slack declines and the transitory effects of past changes in commodity prices and exchange rates fade (Figure 1.5). Inflation is projected to be around 1¾ per cent by the latter part of 2017 in the United States, where the recovery is relatively advanced, but remain between 1¼ and 1½ per cent in euro area and Japan.[2]

Figure 1.5. **Inflation is likely to remain weak**

Annual rate of change in core consumer prices



Note: Consumer prices excluding food and energy. The private consumption deflator is used for the United States. Data for Japan exclude the estimated impact of the consumption tax increases in April 2014 and April 2017.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933295790

2. The assumed rise in the consumption tax rate in Japan will boost the consumer price level by around 1¼ percentage point in April 2017.

- Amongst the major EMEs, consumer price inflation is set to remain relatively low in China and India, helped by weak import price pressures. Inflation is projected to remain stronger for some time in countries such as Russia, Brazil and Indonesia, due to the impact of sizeable past currency depreciations and, in Russia, sanctions, although widening economic slack should eventually help to ease cost pressures.

Labour markets should continue to improve in the major OECD economies (Table 1.2).

- The OECD-wide unemployment rate has declined by 1 percentage point since 2013, amidst improved job growth. A further decline of ½ percentage point is projected over 2016-2017, with employment continuing to rise by just under 1% per year (Table 1.2). This pace is below that observed in 2014-15, with demographic factors limiting the feasible pace of job growth in the United States and Japan (Aaronson et al., 2014). Unemployment is projected to decline to, or stay below, pre-crisis rates in the United States and Japan, but remain comparatively high in the aggregate euro area (Figure 1.6), where persisting negative supply effects from past demand weakness are relatively strong and there remains considerable cross-country dispersion in labour market developments.
- Wage pressures are set to remain moderate, although some upturn is likely as price inflation and productivity growth pick up and unemployment declines (Figure 1.6). Labour market slack is, however, more extensive than suggested by claimant-based unemployment rates alone. Broader measures of unemployment, incorporating part-time workers who want to work full-time and inactive persons wanting to work (but not actively seeking a job), remain well above pre-crisis norms in many economies, including the United States and the euro area. This may help to damp wage growth for some time to come.

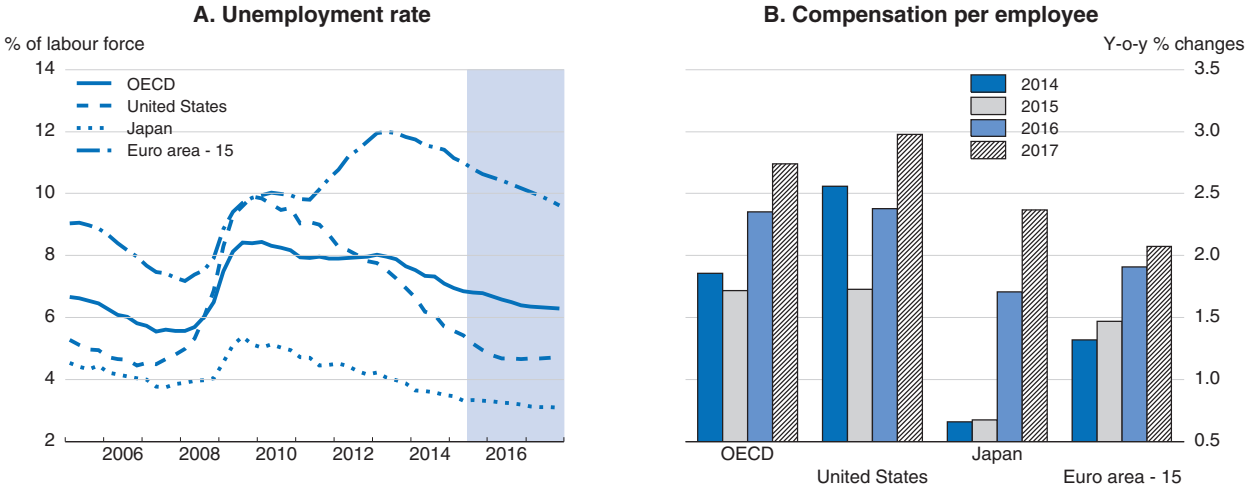
Table 1.2. **OECD labour market conditions will improve slowly**

	2012	2013	2014	2015	2016	2017
	Percentage change from previous period					
Employment						
United States	1.8	1.0	1.6	1.7	0.9	0.7
Euro area	-0.6	-0.6	0.6	0.9	1.0	1.1
Japan	-0.3	0.7	0.6	0.2	-0.3	-0.2
OECD	1.0	0.7	1.3	1.2	0.9	0.9
Labour force						
United States	0.9	0.3	0.3	0.8	0.3	0.7
Euro area	0.7	0.2	0.1	0.2	0.4	0.5
Japan	-0.6	0.3	0.2	0.0	-0.4	-0.3
OECD	1.0	0.7	0.7	0.7	0.5	0.6
Unemployment rate	Per cent of labour force					
United States	8.1	7.4	6.2	5.3	4.7	4.7
Euro area	11.3	11.9	11.5	10.9	10.4	9.8
Japan	4.3	4.0	3.6	3.4	3.2	3.1
OECD	7.9	7.9	7.3	6.8	6.5	6.3

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296668

Figure 1.6. **Labour market outcomes should improve gradually in the major OECD economies**



Source: OECD Economic Outlook 98 database.

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- The large inflows of new asylum seekers in Europe could also influence labour market outcomes through the next two years. Their impact will depend on the support that can be given to help new refugees integrate, the extent to which regulations allow them to enter the labour force and their skill mix (Box 1.1). Labour force growth in the euro area is projected to rise to 0.5% per annum over 2016-17, from 0.2% per annum over 2013-15, helped in part by stronger supply in Germany as a result of net immigration from outside the EU. At the margin, this could ease emerging wage pressures in the comparatively-tight German labour market. In the longer term, net immigration from outside the EU can also help to moderate demographic pressures due to population ageing.

Box 1.1. **The labour market and fiscal impact of the European refugee surge**

Europe is facing its biggest refugee inflow since World War II. Estimating the number of arrivals remains very challenging, but over one million asylum applications could be received this year in the European Union (EU), up from 630 thousand applications in 2014, with an estimated 350-450 thousand people likely to be granted refugee or other humanitarian status (equivalent to 0.07-0.09% of the EU population). Large inflows of asylum seekers are also continuing in Turkey, where the number of registered refugees from Syria alone is now above 2 million, having risen so far in 2015 by over 350 thousand people. Additional sizeable arrivals seem possible over 2016-17, including from follow-on migration arising from "friends and family" type effects (Mitchell et al., 2011).

The numbers and the heterogeneity of the new refugees make this inflow particularly difficult to address (OECD, 2015d,e). Asylum seekers are arriving from a diverse group of countries (across MENA, South Asia and Eastern Europe), and with a varied range of skills. This has put a strain on processing and settlement systems, and raises the challenges involved in integrating new arrivals into societies. The upfront costs of integrating asylum seekers are also likely to be higher than for economic migrants. The numbers of new entrants have also resulted in some temporary border closures within the Schengen area. Appropriate policy choices in host countries can help to minimise the possible short-run challenges of absorbing a

Box 1.1. **The labour market and fiscal impact of the European refugee surge** *(cont.)*

sudden large inflow of new asylum applicants and maximise the longer-run benefits that might result. A key point is to ensure that there are no barriers that prevent newly-accepted refugees from ultimately moving to locations in the EU that reflect economic conditions rather than other differences.

The new surge of asylum seekers into the European Union comes on top of an already-sizeable number of economic migrants into the area, although both are small relative to aggregate EU population (see figure below). In 2014, there were nearly 1 million immigrants to the EU-28 from non-member countries. The number of individuals who gained refugee or other humanitarian status, on a first-time decision basis, was around 160 thousand, less than half of the numbers expected in 2015, with further decisions likely in 2016. The new EU arrivals in 2015 seem likely to largely settle in three economies – Germany (where around 900 thousand new asylum seekers are anticipated), Austria and Sweden (where 140-190 thousand new asylum seekers are projected this year and 100-170 thousand in 2016). Most other EU economies will receive a small number of new arrivals.

Effects on fiscal positions

Estimating the economic impact on host-nations of the sharp rise in refugees is difficult for a number of reasons: there is limited research on the impact of large refugee inflows on advanced economies, with most research focusing on the impact of increased total immigration (of which the share of refugees is usually quite small); different countries have different lags associated with the time it takes to process asylum-seekers, and further lags and restrictions may be associated with the ability for refugees to enter into local labour markets. The unprecedented nature and uniqueness of the current crisis makes it difficult to draw lessons from previous episodes.

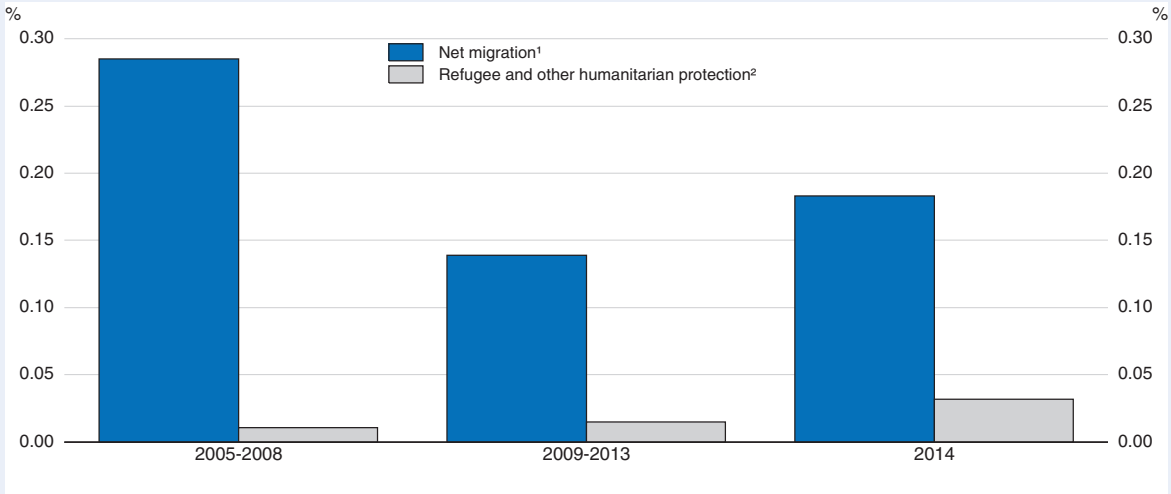
Estimates of the short to medium-term fiscal impact of total immigration are quite varied across studies, but usually small, with some indicating net fiscal benefits and others net fiscal costs to host countries (OECD, 2013b; Dustman and Fratini, 2014). Short-term expenditure required to help support newly-arrived asylum seekers include: humanitarian assistance to provide food and shelter and basic income support; up-front expenditures associated with necessary language training and schooling; steps to identify the true skills of migrants and the expenditures associated with processing additional asylum claims. Additional support may be required in the medium term to assist new entrants enter the labour market. A possible longer-term benefit from the new arrivals is that they will help to improve the sustainability of pension systems, particularly in economies where there might otherwise be pressures due to population ageing.

In most of the main countries affected by the present surge of asylum seekers, the additional expenditures announced so far have been relatively modest. Germany has projected an additional ¼ per cent of GDP support this year and ½ per cent of GDP support per annum through to 2017 to meet initial needs of newly-arrived immigrants and to integrate them in the labour market. Austria projects that spending on refugees and asylum seekers will rise from 0.1% of GDP in 2014 to 0.15% of GDP in 2015 and 0.3% of GDP in 2016. Sweden, which has been a major host country for refugees for a number of years, has budgeted for additional spending in 2016 of 0.9% of GDP to improve the integration of newly-arrived immigrants. Hungary, an important transit country into the Schengen area, has announced additional spending of 0.1% of GDP in 2015, to cover costs associated with the new flows of refugees. Since 2011, the Turkish government has provided aid to Syrian refugees amounting to 0.8% of 2014 GDP. The European Commission has announced funding of €9.2 billion to address the refugee crisis over 2015-16 (0.1% of EU GDP).

Box 1.1. **The labour market and fiscal impact of the European refugee surge** *(cont.)*

The number of refugees into Europe is rising but still small compared with total net migration

In per cent of total EU population as at the beginning of the year



1. Net migration is calculated as the residual from the change in total population, subtracting births and adding deaths. For the purpose of comparisons over time, statistical adjustments for Italy in 2012 and 2013 have been subtracted from the total net migration figures for EU28.
2. Data from 2008 onwards refer to the number of positive first-time decisions in a given year. Pre-2008 data represent the number of total decisions (first-time or otherwise). 2007 data do not include estimates for Belgium, Italy or the Netherlands.

Source: Eurostat; and ISTAT.

StatLink http://dx.doi.org/10.1787/888933295939

These additional fiscal measures should provide a modest boost to aggregate demand, provided they are not offset by budgetary cuts elsewhere, with most of the public funds spent on non-tradable goods and services. In addition, the marginal propensity to consume of refugees will likely be quite high, given their low income levels. In the European economies as a whole in 2016 and 2017, the boost to aggregate demand could be worth between 0.1 and 0.2% of GDP.

Effects on labour markets

The initial impact of higher asylum seekers on the labour force will depend upon the success of asylum-seekers in gaining refugee status, the length of the application process, and whether or not they will enter the labour force. These factors vary considerably across EU countries, types of immigrants and over time. In general, the effects on host country labour markets should build up over time as refugees become better integrated.

- In Germany the period of time taken to obtain refugee status declined to under 5½ months by the first half of 2015 (Newhouse, 2015), compared to an average processing time of close to a year as of 2012.
- Refugees are eligible to enter the labour markets of host countries. Asylum applicants may also be able to enter host country labour markets, but this varies across countries. For example, asylum seekers in Sweden are eligible to enter the labour force immediately, including via apprenticeship and training schemes, in Germany there is a 3-month wait (after application), in France a 9-month wait and in the United Kingdom a 12-month wait.

Box 1.1. **The labour market and fiscal impact of the European refugee surge** *(cont.)*

For the European Union as a whole, the labour market participation rate of those born in non-EU countries has, on average, been marginally lower than for EU citizens, at around 70-75% (Eurostat, 2015), but this varies considerably by the age, skills and gender of migrants.

The impact of refugee arrivals on the destination labour market will depend on current labour market conditions and institutions, the skills and characteristics of the new arrivals, and labour and product market regulations.

- A prompt evaluation of the existing skill-sets of recent arrivals will allow authorities to better relocate migrants to local areas where demand outstrips supply for the specific type of labour. Skill matching tends to be a problem for immigrants, more generally, as they tend to be more overqualified for their jobs than native workers in host nations (OECD / European Union, 2015). Ensuring a wider recognition of the foreign qualifications of immigrants would also help (OECD, 2014b).
- Ensuring that immigrants are included in active labour market programmes can enable them to make a quick transition into employment (OECD, 2012; OECD, 2014b).
- More generally, there is a need to ensure that new arrivals are eventually able to move freely across different EU countries. This should help to increase the longer-term supply-side benefits of the new arrivals.
- Employment protection legislation (EPL) may affect the ability of refugees to enter the labour force and find employment and also the extent of their participation in the informal economy. Some countries, including Germany and Austria, have been proactive in addressing labour market access concerns for refugees (OECD, 2015e).
- Product market regulation (PMR) can also affect the integration of newly arrived refugees into the labour market. More regulated product and labour markets can mean that an increase in the labour force share of immigrants weakens the employment prospects of the native population in the short-term, although this effect typically disappears in the medium-term (Jean and Jimenez, 2007).
- The sharp increase in refugees into Turkey in recent years is thought to have affected both informal and formal labour markets (Del Carpio and Wagner, 2015); refugees have displaced informal domestic workers but have pushed formal wages up through increased demand for goods and services.

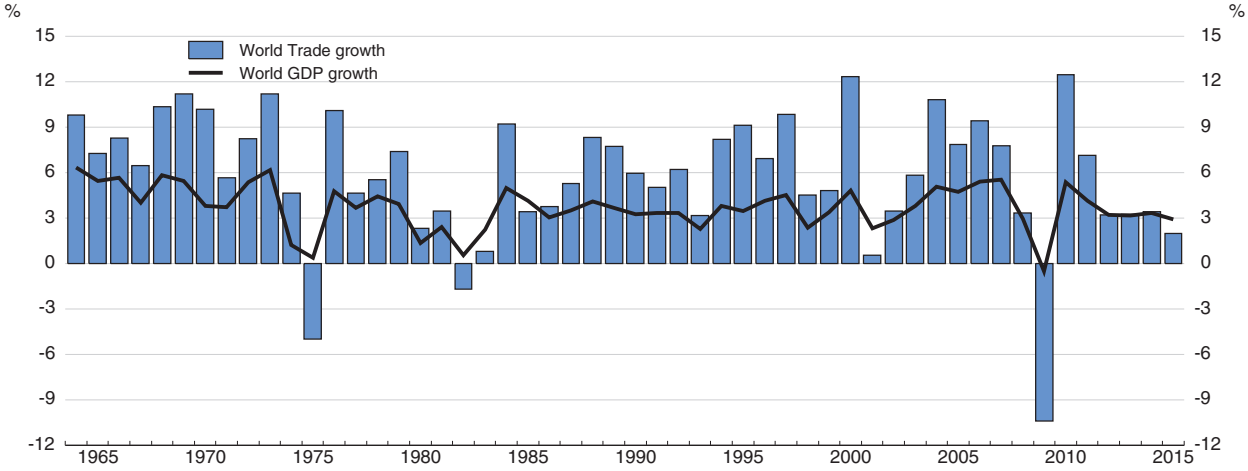
Main issues and risks for economic prospects

The weakness of global trade

A key uncertainty stems from the unexpectedly sharp slowdown in world trade growth this year, to an estimated 2%. Over the past five decades there have been only five other years in which global trade growth has been 2% or less, all of which coincided with a marked downturn of global growth (Figure 1.7). In part, the current trade slowdown reflects weaker global GDP growth. But the slowdown has been more pronounced than might have been expected on the basis of past relationships with global output growth, even given the post-crisis decline in the elasticity of trade to output. In the early stages of the recovery, moderate trade growth largely reflected weak demand in the advanced economies, especially in the trade-intensive euro area (Ollivaud and Schwellnus, 2015). More recently, the weakness stems from the EMEs. A substantial proportion of the overall slowdown in global trade growth this year relative to 2014 is accounted for by a decline in import volumes in the non-OECD economies (Figure 1.2), reflecting both weaker demand growth and a reduction in import intensity. This has contributed to weaker external demand in the

Figure 1.7. **Global trade growth is unusually weak this year**

Year-on-year percentage changes



Note: Global trade is goods plus services trade volumes. Global GDP growth in purchasing power parities.
Source: OECD Economic Outlook 98 database.

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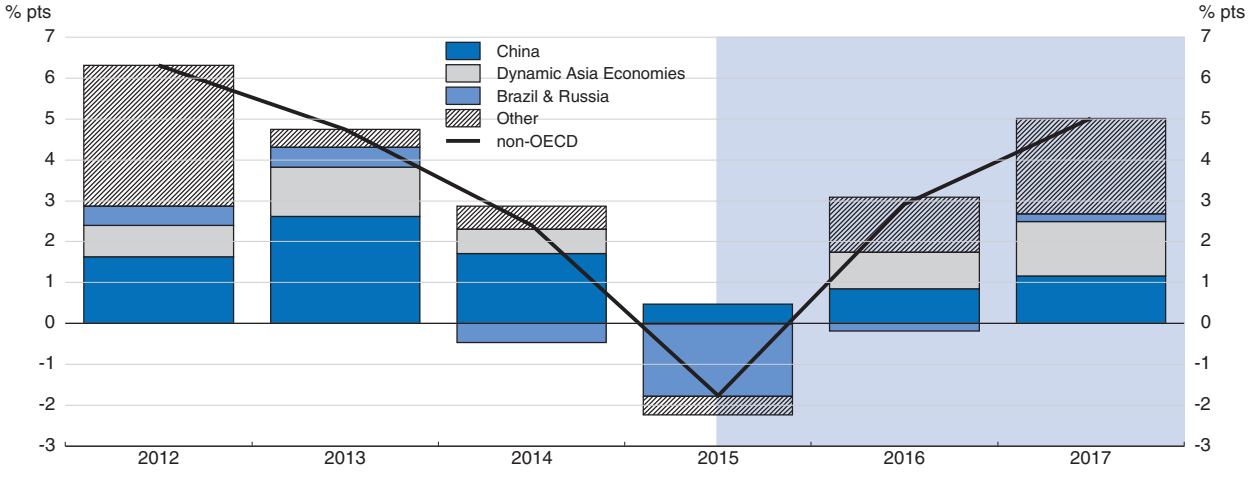
advanced economies. All told, the slowdown in non-OECD import demand this year and next, relative to earlier projections (OECD, 2015a), is likely to reduce OECD GDP growth by 0.4 percentage point per annum, all else equal.

There are a number of factors contributing to the weakness in non-OECD trade:

- Import volumes have fallen this year by over 10% in Brazil and over 20% in Russia, reflecting deep recessions and, in Russia, the continued impact of sanctions. These declines account directly for just under one-third of the slowdown in non-OECD import volume growth between 2014 and 2015 (Figure 1.8).

Figure 1.8. **Non-OECD import volume growth has fallen sharply this year**

Contributions to year-on-year growth of total non-OECD import volumes



Source: OECD Economic Outlook 98 database.

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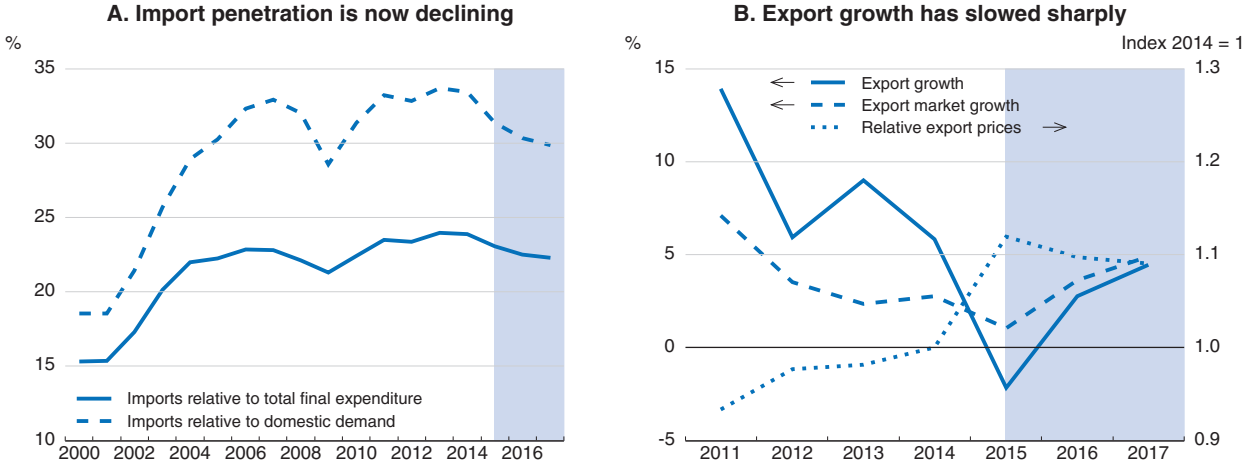
- Softer import volume growth in China also accounts directly for just under one-third of the slowdown in non-OECD import volume growth between 2014 and 2015. This reflects both a sharp decline in Chinese export volume growth this year and the changing composition of domestic demand (Figure 1.9):
  - The decline in Chinese export volume growth, which reflects both weaker external demand and a significant appreciation of the real exchange rate, is depressing imports because of the relatively high import content of exports. This could account for around one-half of the estimated slowdown in Chinese import volume growth from 7% in 2014 to just under 2% in 2015 under standard assumptions, as around one-third of Chinese exports comprise imported goods and services.[3] China's loss in market share this year is concentrated in countries whose currencies have depreciated relative to the renminbi, including euro area countries and Japan (Figure 1.10).
  - The rebalancing of the economy (see below) has reduced the overall import intensity of growth, as the import intensities of consumption and service sector activity are lower than for investment and industrial activity. The slowdown in investment growth has in particular reduced the demand for commodity imports. Trade data for China covering the first eight months of 2015 suggest that the quantity of imported metals rose only marginally relative to 2014. Crude petroleum imports rose by almost 10%, but the quantity of coal and cotton imports declined by over 30%.
  - These developments have reinforced the longer-term tendency over the past decade for Chinese firms to make greater use of domestically-produced intermediate inputs in place of foreign inputs (Constantinescu et al., 2015).
  - Even with these factors considered – rebalancing towards consumption, a higher share of domestic intermediates and weaker external demand – Chinese import volumes have been very weak this year relative to final expenditure, after growing broadly in

Figure 1.9. **Significant changes are occurring in Chinese trade flows**



Note: Total final expenditure is the sum of domestic demand and exports.
Source: OECD Economic Outlook 98 database.

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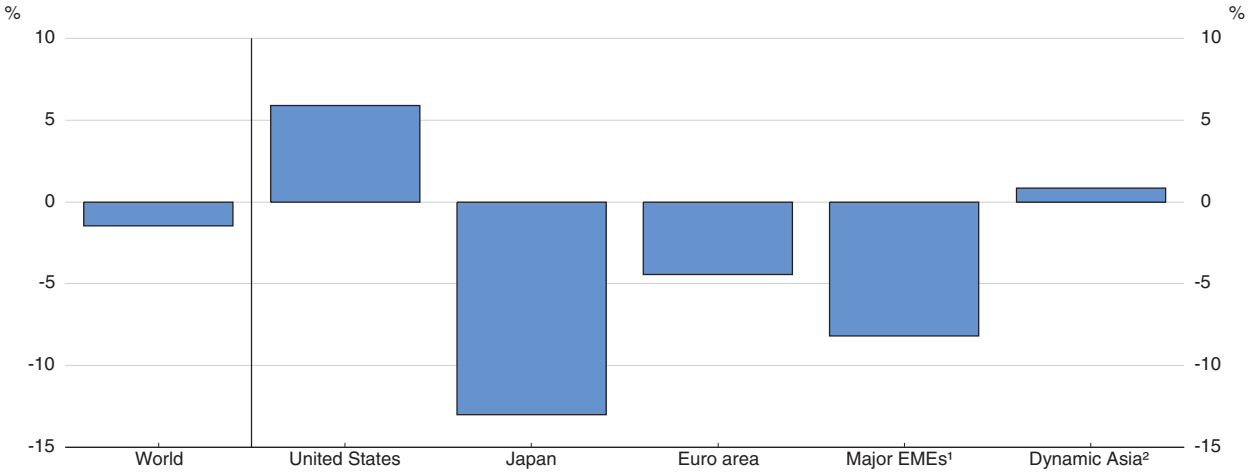
3. Export volume growth is estimated to have slowed by around 8 percentage points between 2014 and 2015. All else equal, this would slow import volume growth by around 2.7 percentage points.

Figure 1.10. **Chinese merchandise export growth to selected partner countries**

Percentage changes, US dollar values, 2015H1 over 2014H1



Note: Information based on Chinese partners imports.
1. Major EMEs are Brazil, Russia, India and Indonesia.
2. Dynamic Asia is: Hong-Kong, China; Malaysia, Philippines, Singapore, Thailand and Chinese Taipei.
Source: Thomson Reuters.

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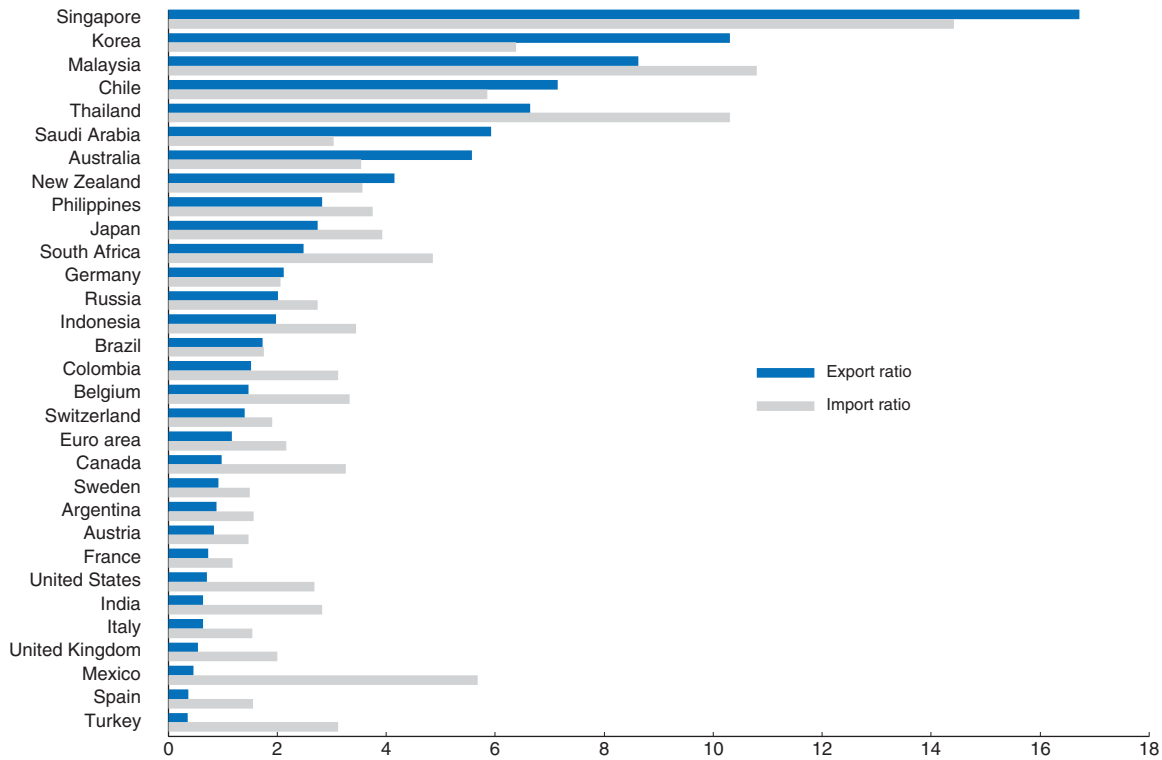
line with respect to total final expenditure in the 2006-14 period. For 2015 as a whole, the projected increase in import volumes (goods plus services) is only around one-third of the growth of total final expenditure.

- The slowdown in China has damped external demand for other Asian economies, including Japan and Korea, reflecting the integrated nature of manufacturing supply chains in East and South-East Asia (Figure 1.11). In 2014, over a third of all merchandise imports in China came from regional trading partners. Direct trade exposures to China are generally weaker in the United States and the euro area, although both economies are more heavily exposed to weaker demand in China's main trading partners.
- Many commodity exporters are also relatively heavily exposed to weaker demand in China, including Chile, Australia and New Zealand. Rebalancing in China has weakened global commodity prices and the export revenues of commodity producers, with the past investment boom having left China as the largest source of demand in many commodity markets, accounting for most of the increase in global demand over the past fifteen years.[4]
- The on-going accumulation of trade restrictions in the major economies may also be a factor behind the continued softening of global trade intensity, although this is unlikely to be able to account for much of the precipitate drop in trade growth this year.[5]

4. China accounted for around one-half of total global demand for metals such as aluminium, copper, nickel and zinc in 2014 and most of the overall increase in global demand since 2000. It also accounted for 12% of global crude oil demand in 2014 and around one-half of global coal consumption, and a substantial share of the rise in global demand since 2000. Around 80% of the increase in global imports of soybeans, coffee and cotton since 2000 is also accounted for by China (World Bank, 2015).
5. The number of trade restrictive measures introduced by G-20 countries since the onset of the crisis now covers around 6% of G-20 merchandise imports (OECD/WTO/UNCTAD, 2015), although the number of new measures introduced per month slowed slightly in the most recent six-month period. The number of trade facilitation measures introduced has, however, not yet slowed, although they cover only around 1% of G-20 merchandise imports.

Figure 1.11. **Trade linkages with China in 2014**

Merchandise exports to and imports from China as a per cent of GDP



Source: International Monetary Fund Direction of Trade Statistics; and OECD calculations.

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Global trade growth is projected to recover gradually over the projection period, rising broadly in line with global output growth in 2016, and by 4¾ per cent in 2017 (Table 1.3). This would imply a rise in the trade elasticity of global growth to around 1⅓, compared with an elasticity of around 2 prior to the financial crisis. In the OECD economies, as well as India and Indonesia (both part of the other non-OECD in Figure 1.8), the composition of demand is likely to slowly become more trade-intensive, as fixed investment growth picks up relative to final consumption growth. New fiscal measures to boost infrastructure spending in China should also help to strengthen import growth in China somewhat. Aggregate demand will also benefit moderately from the projected fading of the present weaknesses in many commodity producers, including Brazil and Russia. In the medium term, the new Trans-Pacific Partnership agreement will help to boost trade growth and global activity (Petri and Plummer, 2012). A successful conclusion to the current negotiations on the Transatlantic Trade and Investment Agreement would provide a further boost.

Table 1.3. **World trade will strengthen gradually**

	Goods and services trade				
	2013	**2014**	**2015**	**2016**	**2017**
	Percentage change from previous period				
World trade[1]	3.3	3.4	2.0	3.6	4.8
OECD exports	2.6	4.0	3.4	3.5	4.6
OECD imports	2.0	3.8	4.0	4.0	4.7
Trade prices[2]					
OECD exports	0.3	-1.3	-12.5	0.3	1.1
OECD imports	-0.5	-1.5	-13.7	0.0	1.0
Non-OECD exports	-1.8	-2.9	-10.8	-0.6	2.1
Non-OECD imports	-0.7	-1.9	-7.6	0.3	2.4
Current account balances	Per cent of GDP				
United States	-2.3	-2.2	-2.5	-2.8	-3.0
Japan	0.8	0.5	3.3	2.9	3.3
Euro area	2.8	3.3	3.8	3.7	3.7
OECD	-0.1	0.0	0.2	0.1	0.1
China	1.6	2.1	3.0	2.7	2.6
	USD billion				
OECD	-25	0	94	32	35
United States	-377	-390	-450	-517	-588
Japan	40	23	138	124	143
Euro area	371	432	436	438	452
Non-OECD	383	362	245	260	261
China	148	220	323	303	318
Major oil producers	281	169	-69	-38	-34
Rest of the world	-46	-27	-9	-4	-23
World	358	362	339	293	296

Note: Regional aggregates include intra-regional trade.
1. Growth rates of the arithmetic average of import volumes and export volumes.
2. Average unit values in dollars.
Source: OECD Economic Outlook 98 database.

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The slowdown in China and associated spillovers

The outlook for China is an important vector for global growth and uncertainty, given its large and rising contribution to trade, investment and activity.[6] The large fall in Chinese share prices since June, along with an unexpected adjustment in the exchange rate pricing mechanism, have added to concerns about a possible sharp growth slowdown and domestic financial fragilities, and have raised volatility in global financial markets. Reported GDP growth has continued to moderate in 2015, to just over 6¾ per cent, as the economy transitions from industrial to services-based growth and deals with the

6. The share of China in global import demand for goods plus services is now around 9¾ per cent, up from around 2% in the mid-1990s. Thus, a sharp slowdown in China would now have larger spillover effects than before.

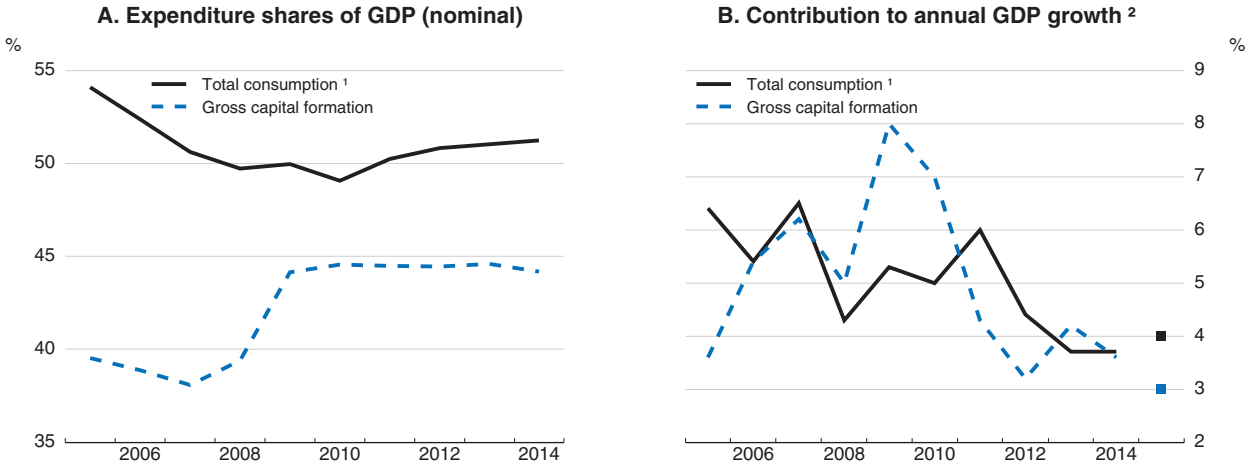
imbalances in property and heavy industries and the high debt levels in local government and the corporate sector (OECD, 2015c). Achieving a smooth unwinding of these imbalances presents challenges, raising the risk that an abrupt slowdown could occur with adverse effects for the global economy. Hence, a closer look at the economic transition in China is warranted.

Reflecting ongoing rebalancing, consumption (public plus private) has become a relatively more important source of growth in China than fixed investment (Figure 1.12), even though the growth rate of both types of expenditure is now weaker than in the past. The services sector is now the main driver of economic growth, whilst industrial production growth has slowed sharply to the weakest rate since 2008. At the same time, the easing of total final expenditure growth, with export volumes declining, is prompting concerns that the slowdown in China could be deeper and progressing more rapidly than initially thought, with negative spillover effects via trade and financial linkages.

- Trade linkages understate the extent to which many advanced economies are exposed to a slowdown in China, given the additional direct sales in China by the foreign affiliates of parent companies from these countries. For instance, sales by US foreign affiliates located in China amounted to $364 billion in 2013, over twice the value of bilateral exports of goods and services to China from the United States. Sales of the local subsidiaries of Japanese manufacturers in China in 2014 were also almost double Japanese merchandise exports to China. Weaker demand growth in China may thus hit the revenues and profitability of many multinational companies, and hence their share prices, even if the parent companies do not produce goods and services that are exported to China.
- Direct financial linkages with China are also rising rapidly, but generally remain small relative to total global linkages. Outstanding cross-border banking sector claims on Chinese residents were around $760 billion as of the first quarter of 2015 (on an ultimate

Figure 1.12. **Rebalancing is continuing in China**

GDP growth by sector



Note: Shares do not add to 100 since the net exports share is not included in the chart.
1. Total consumption includes both public and private consumption.
2. Dots represent the contribution to the growth of GDP in the first three quarters of 2015 relative to a year earlier.

Source: OECD Economic Outlook 98 database; National Bureau of Statistics (China); and Thomson Reuters.

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risk basis), 3.1% of total cross-border claims by BIS-reporting banks. China has become the leading location for international foreign direct investment flows in recent years (OECD, 2015b), but only hosts around 4¼ per cent of the total global inward FDI stock (excluding that located in Hong Kong). Nevertheless, financial spillovers may be stronger than these data suggest, as demonstrated by the sharp reaction in global financial markets to the large correction in Chinese share prices since June and the unexpected depreciation of the renminbi against the US dollar in August. This was particularly pronounced in Japan, where share prices fell sharply.

Faced with signs of a slowdown, the Chinese authorities have announced major stimulus measures, including a range of monetary and financial policy changes to support asset prices, credit and activity, as well as new fiscal measures worth up to 1½ per cent of GDP. The new fiscal measures, which are about one-quarter the size of those introduced in 2009 during the global financial crisis, are largely intended to finance additional infrastructure spending, particularly on transport networks. This support is projected to help hold up demand, with GDP growth expected to slow modestly to 6¼ per cent by 2017, but will inevitably slow the necessary rebalancing of expenditure that needs to occur and entails the risk that leverage and excess industrial capacity might increase further. The additional investment will moderate the trend reduction in the import intensity of domestic demand, helping to underpin global trade growth. A range of other structural policies could prove more effective for rebalancing overall, including services liberalisation and expanding social expenditures to support household consumption growth. Measures of this kind would help the transition in the Chinese economy, but would not offer as much support for global trade, given the lower import intensity of consumption spending.

If Chinese domestic demand were to slow by more than currently anticipated, the global repercussions could be sizeable (Gauvin and Rebillard, 2015) and more severe than implied only by direct trade and financial linkages, given indirect confidence effects in financial markets. Weaker global commodity prices and more accommodative monetary policy could offset this in part, but a reduction of two percentage points in Chinese domestic demand growth in 2016 and 2017, augmented by global financial stresses, could still reduce global GDP growth by over ½ percentage point in both years (Box 1.2).

Fragilities in emerging market economies

The projected pick-up in other EMEs is conditional on a gentle growth slowdown and rebalancing in China, stable commodity prices and exchange rates, and a recovery of confidence that allows policy to become more accommodative. If any of these conditions fail to hold, growth would be weaker than projected. Further currency depreciations would exacerbate underlying inflationary pressures in some of these economies, requiring tighter monetary policy, but providing more external stimulus. Failure to reduce political uncertainty and restore confidence in several EMEs, including Brazil, Russia and Turkey, would undermine growth. Commodity prices are a balanced risk. If recent conditions of excess supply were to persist or intensify, lower commodity prices would reduce the revenues of commodity producers, including Brazil, Chile, Mexico, Russia and other oil producers, weigh on real activity and government revenues and weaken external positions. Alternatively, if global demand were to strengthen more than projected, or if geopolitical risks were to intensify, commodity prices could strengthen, raising the revenues of commodity producers.

Box 1.2. **The global impact of weaker demand growth in China**

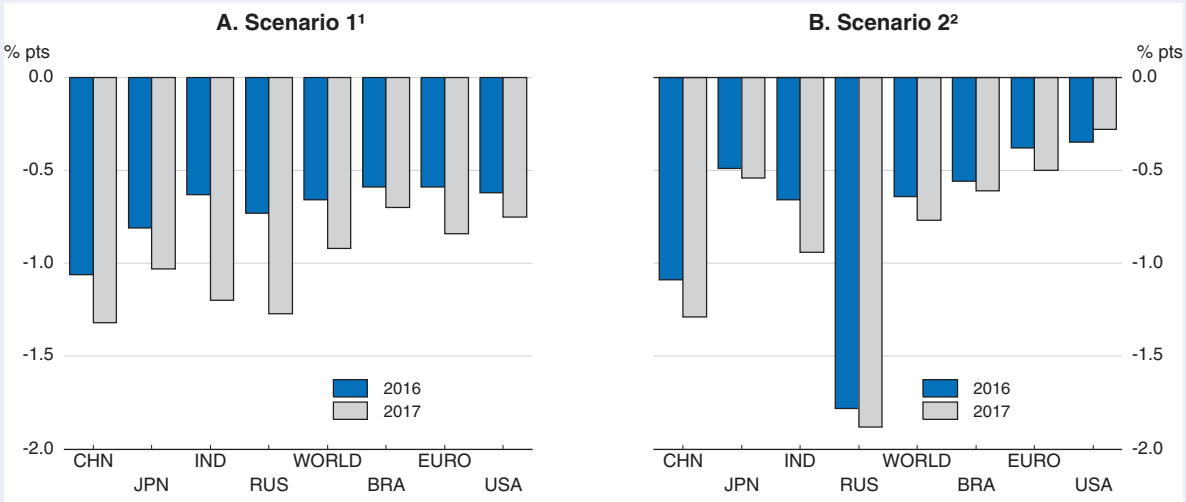
The scenarios set out in this box provide an illustration of the possible economic effects that could result from weaker growth outcomes in China, using simulations on the NiGEM macro-model. The simulations consider the impact of a reduction of two percentage points in Chinese domestic demand growth that persists for two years (2016 and 2017).

- The negative spillovers via trade linkages alone would be only modest, with the decline in Chinese domestic demand growth reducing OECD GDP growth by only between 0.1 and 0.2 percentage point per annum. Overall, global GDP would decline by aroud ⅓ percentage point per year in 2016-17.[1]
- The effects of slower demand growth in China would be stronger if they gave rise to corrections in global financial markets, such as reductions in equity prices and higher uncertainty and risk premia, as observed in the second half of August this year. Adding three adverse financial shocks to the initial Chinese demand shock – a 15% decline in worldwide equity prices and a 50-basis point rise in the equity and investment risk premia in all countries – would reduce global GDP growth by between ¾-1 percentage point per annum on average in 2016-17. The full impact of the combined shocks would be relatively large in Japan, as well as India and Russia, reflecting comparatively strong linkages with China or other emerging economies that trade heavily with China, and the impact of higher risk premia (see figure, panel A).

A further decline in Chinese demand would also place additional downward pressure on commodity prices, especially if it were driven by weaker fixed investment. In the main commodity-producing economies this would have negative effects on incomes, but in commodity-importing economies it would act to cushion the impact of the initial shocks on growth, whilst intensifying the disinflationary impact. Monetary policy easing (or the expectation of future easing), given stronger disinflationary pressures, could also affect the overall impact of the initial shocks and the effects on individual economies.

GDP growth impact of an adverse two-year domestic demand shock in China

Difference from baseline



1. Panel A: Based on a decline of 2 percentage points in the growth rate of domestic demand in China for two years; a reduction of 15% in global equity prices and a 50 basis point increase in the equity risk premium and investment risk premium in all countries.
2. Panel B: Panel A simulation plus a 25 basis point reduction in long-term interest rates in all economies and a 15% decline in global prices of oil and metals plus minerals.

Source: OECD Economic Outlook 98 database; and OECD calculations.

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Box 1.2. **The global impact of weaker demand growth in China** *(cont.)*

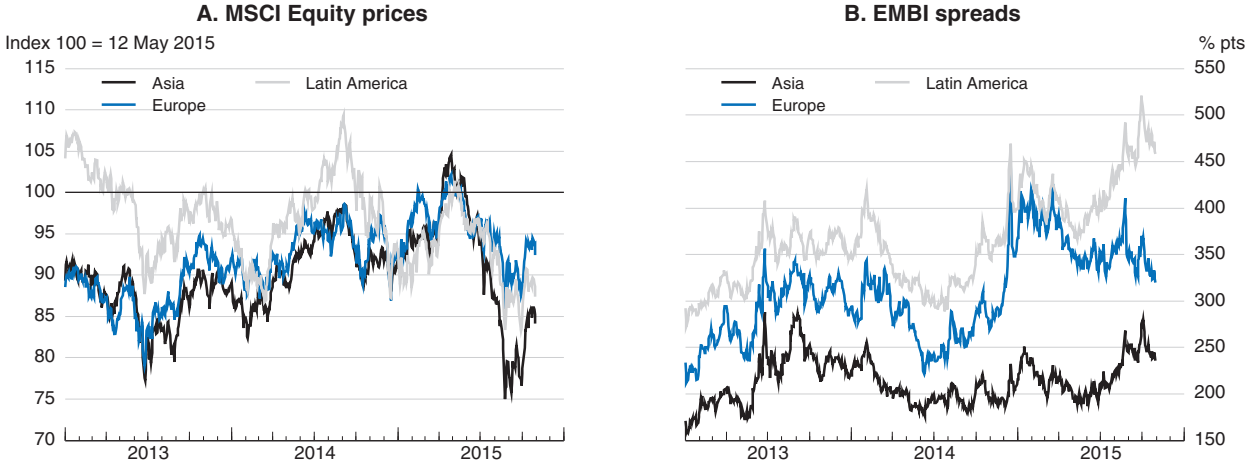
- To illustrate these effects, two additional shocks are added to the first scenario – a 15% decline in the global prices of oil and metals and minerals, and a 25 basis point reduction in long-term interest rates in all economies. In the advanced economies, these "shock absorbers" reduce the overall impact of the initial demand and financial shocks by around ¼ percentage point in 2016 and 0.4 percentage point in 2017 (see figure, panel B). Nonetheless, OECD GDP growth would still be reduced by around ½ percentage point in both 2016 and 2017. Amongst the EMEs, commodity producers such as Russia are hit by the reduction in commodity prices, raising the impact of the initial shocks. For other EMEs, the direct benefits from lower commodity prices and interest rates are largely offset, particularly in 2016, by the income reductions in the EME commodity producers who are major trading partners. Overall, global GDP growth is reduced by an average 0.7 percentage point per annum over 2016-17.

A sizeable depreciation of the renminbi would also have spillover effects for other countries, particularly if it added to financial market volatility. It would help to support aggregate demand in China, but would delay restructuring by making growth more export-driven. In practice, as in August this year, it would be likely to induce currency depreciations in many other EMEs, especially close competitors with China and in major commodity producing economies. The net result would be to limit the benefits to China.

1. Imports would fall sharply in China given the initial shock to domestic demand, reducing the overall impact of the shock on China to a decline of around 1 percentage point per annum in GDP growth.

EMEs are also subject to possible risks associated with the eventual US monetary policy normalisation. Along with weaker growth outcomes, the anticipation of tighter monetary policy in the United States has contributed to greater portfolio rebalancing away from EME assets in recent months, with gross capital inflows falling, sovereign bond spreads widening and equity prices declining by between 10% and 15% since early May (Figure 1.13). The eventual start of US monetary policy normalisation may heighten volatility in financial markets and spread to EMEs, even if it would be predicated on a

Figure 1.13. **Financial conditions in emerging market economies have tightened**



Source: Thomson Reuters.

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healthy recovery and price stability in the United States.[7] This could then trigger further portfolio flows and asset price changes, exposing underlying vulnerabilities. The volatile nature of investors' sentiment, contagion and negative feedback loops make the size, duration and economic effects of portfolio and price shifts hard to predict. Negative spillovers to EMEs are more likely if investors reduce their risk tolerance (Box 1.3). However, past experience indicates that over the entire US monetary policy tightening cycle overall financial conditions in EMEs need not necessarily worsen.

EMEs have better fundamentals than before past crises, including higher foreign exchange reserves, and some of them have arrangements to obtain emergency foreign currency credit, but these do not necessarily insulate them from possible capital flow reversals and financial market turbulence.[8] Some countries remain vulnerable (Tables 1.A2.1 and 1.A2.2):

- Foreign currency debt in several large EMEs is lower relative to GDP than before the Asian crisis in the late 1990s (Ollivaud et al., 2015), although it has risen since 2007. The structure of foreign gross liabilities has also improved in many EMEs, with an increasing share of FDI and a corresponding decline in the share of debt liabilities (Obstfeld, 2015). Nevertheless, several economies, including Chile, Mexico, Poland, Turkey and South Africa, have attracted large bond portfolio inflows, with bond liabilities as a share of GDP increasing in the aftermath of the global financial crisis. As past experience demonstrates, this increases the risk of capital flow reversal when monetary policy tightens in the advanced economies (Ahmed et al., 2015).
- Recent currency depreciations have raised the cost of servicing debt denominated in foreign currencies. This is especially the case in Brazil, Russia and Turkey given the size of their exchange rate depreciations since mid-2014 and of foreign debt denominated in foreign currencies – primarily in US dollars (Figure 1.14). The apparent lack of widespread financial difficulties of businesses and households in these economies so far suggests that exchange rate risks were hedged either via revenues in foreign currencies or via financial instruments. Government interventions in some countries have also eased the stress.[9] A further possibility is that debt repayments have not yet come due.
- Leverage has risen substantially in many EMEs. In Brazil, China and Turkey, the debt of non-financial corporations and households nearly doubled in relation to GDP between

7. At the end of October, expectations derived from the forward rates based on overnight index swaps pointed to a delayed start of monetary policy tightening and a lower interest rate path than expected by the US FOMC members in September. Thus, an alignment of financial market expectations with the FOMC views could imply that 10-year US government bond yields increase by around 1 percentage point, with a risk that similar increases occur in EMEs bond rates. Higher increases may even occur because term premia – which have been at historic lows – will probably rise as well. This would likely trigger global adjustments in corporate bond and equity prices.
8. Empirical evidence on the role of fundamentals in explaining capital flows is inconclusive (Ahmed et al., 2015; Koepke, 2015). According to some studies, the role of macroeconomic fundamentals has increased over time and played a role in insulating the EMEs from the 2013 taper tantrum shock (Ahmed et al., 2015). However, Eichengreen and Gupta (2014) suggest that EMEs with larger and more liquid markets are likely to be affected to a larger extent by US monetary policy spillovers, irrespective of their fundamentals.
9. Companies in EMEs have increased borrowing in foreign currencies, but the lack of comprehensive data makes difficult to assess the extent of hedging (Chui et al., 2014). Brazil's central bank has offered currency swaps which protect their holders from currency depreciations, with the losses born by the fiscal authorities.

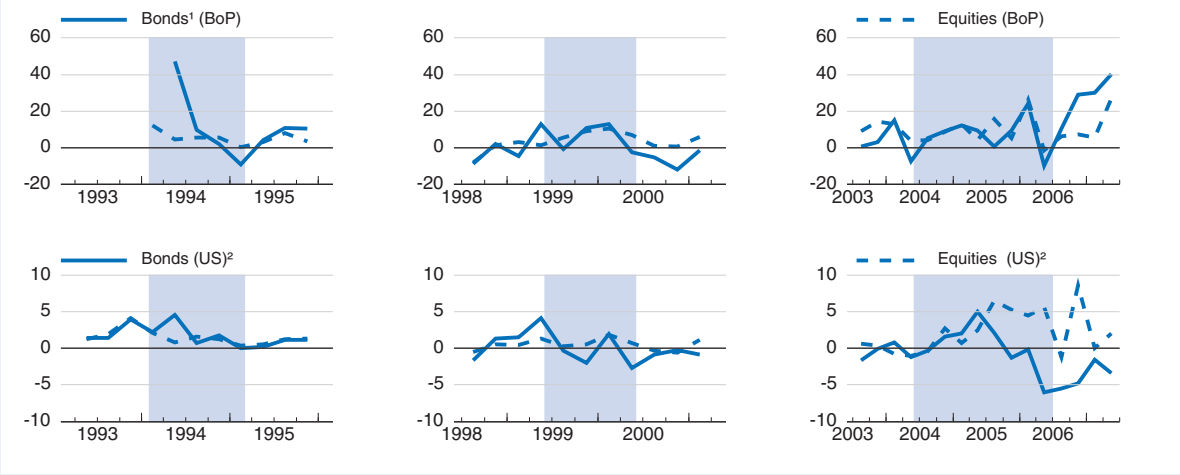
Box 1.3. **Rising US policy interest rates and spillovers to emerging market economies**

This box looks at capital flows and financial market developments in selected EMEs during US monetary policy tightening cycles in the 1990s and the 2000s, and assesses potential implications for the forthcoming cycle.

Empirical evidence suggests that portfolio capital flows to EMEs, especially debt securities, are negatively affected by an increase in US policy rates or expectations thereof (Koepke, 2015). For instance, Dahlhaus and Vasishtha (2014) find that a 120-basis point increase in the spread between US 10-year Treasuries and the federal funds rate reduces portfolio capital inflows to EMEs on aggregate by 1.7% of their GDP after six months. Indeed, according to balance of payments data, during the US monetary policy tightening episodes from 1994-95 and 1999-2000, bond and equity capital flows to selected EMEs declined on aggregate, though with some cross-country differences (figure below). This pattern is confirmed for capital flows from US residents only. In contrast, in 2004-06, portfolio capital inflows into EMEs strengthened, suggesting other factors were at play.[1]

Portfolio capital flows to EMEs during past episodes of US monetary policy tightening

USD billions



Note: Due to data availability the EMEs include Argentina, Brazil, Hungary, Indonesia, India, Korea, Mexico, Russia, South Africa and Turkey. The shaded areas correspond to US monetary policy tightening periods (February 1994-February 1995; June 1999-May 2000; and June 2004-June 2006).

1. Excluding India.
2. Net purchases of EMEs' securities by US residents based on US Treasury International Capital System data.

Source: International Monetary Fund Balance of Payments BP5; and US Treasury International Capital System (TIC).

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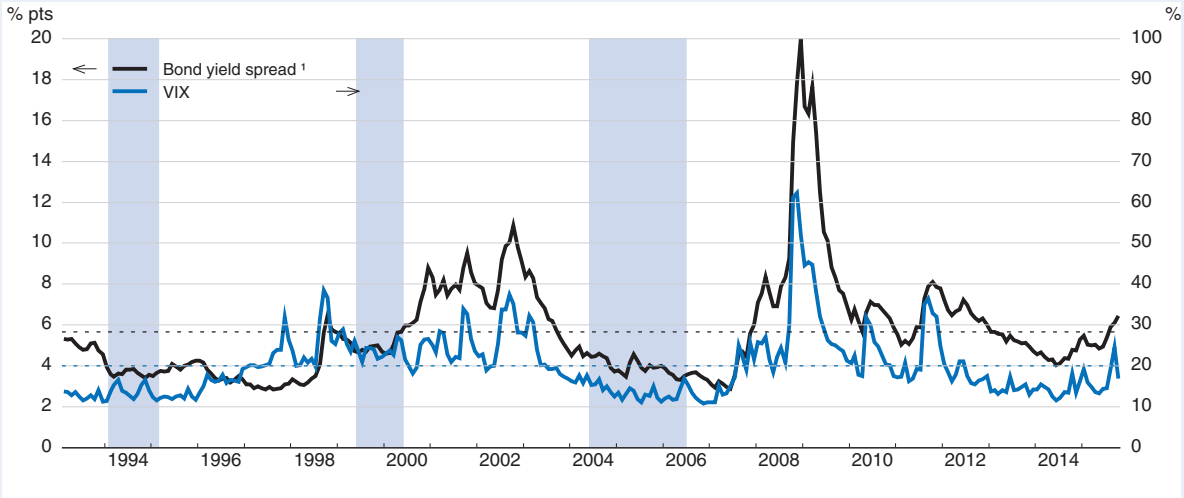
The negative impact of monetary policy tightening on portfolio capital inflows could be exacerbated by a decline in investors' risk tolerance (Koepke, 2015). As EMEs are viewed as higher-risk markets, they are prone to a flight to safety by investors. Risk aversion, as measured by the implied volatility in equity prices and the yield spread between US high-yield corporate bonds and US Treasuries, increased somewhat in the 1994-95 and 1999-2000, but not in the 2004-06 episode (figure below). Over recent years, these measures were below historical averages, helped by extraordinary monetary policy stimulus, though they picked up somewhat over recent months. The normalisation of US monetary policy may thus reduce risk tolerance, with possible adverse effects on capital inflows into EMEs.

However, US monetary policy tightening has generally not led to tighter overall financial conditions in EMEs over the entire cycle. Indeed, on average, nominal bilateral exchange rates against the dollar and nominal effective exchange rates depreciated in 1994-05 and 1999-2000, and equity prices increased in 1999-2000 and 2004-06, though this masks considerable cross-country heterogeneity (second figure below).

Box 1.3. **Rising US policy interest rates and spillovers to emerging market economies** *(cont.)*

Measures of risk aversion



Note: The dotted lines are the total sample average. The shaded areas correspond to US monetary policy tightening periods (February 1994-February 1995; June 1999-May 2000; and June 2004-June 2006).

1. The spread between the US high-yield corporate bond yields (BoA ML with the average duration of 5 years) and the 5-year US government bond yields.

Source: Thomson Reuters.

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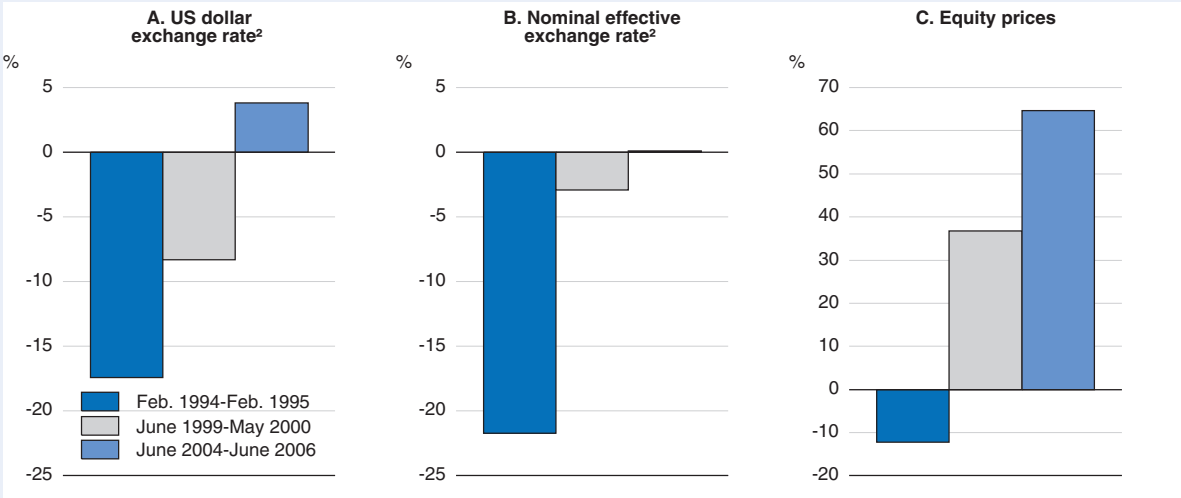
Thus, whilst US monetary policy tightening may reduce portfolio capital flows to EMEs, especially if investors become more risk averse, it does not have to necessarily result in tighter financial conditions in EMEs over the entire policy tightening cycle.

Financial market conditions during past episodes of US monetary policy tightening

Unweighted average of percentage change for EMEs[1]



1. The EMEs include Argentina, Brazil, Hungary, Indonesia, India, Korea, Mexico, Russia, South Africa and Turkey.
2. Negative changes correspond to a depreciation.

Source: Thomson Reuters; OECD Exchange rate database; and OECD calculations.

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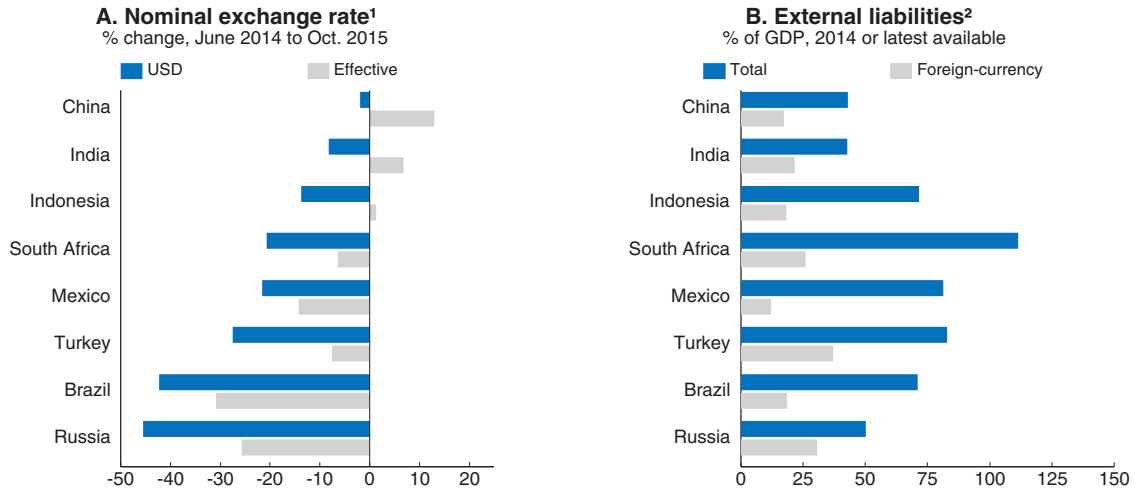
1. This may reflect the fact that investors became less risk averse, with surging global equity prices and falling equity price volatility.

Figure 1.14. **EMEs' external vulnerabilities increased due to exchange rate depreciations**



1. Negative numbers imply a depreciation of the indicated country's currency against the US dollar (USD) and against a trade-weighted basket of currencies effective exchange rate.
2. Foreign currency liabilities include bank loans, other investment liabilities and offshore external bond liabilities. The latter is computed as the difference between debt securities by nationality of the issuer and by residence of the issuer and is set to zero when the difference is negative.

Source: OECD Economic Outlook 98 database; Bank for International Settlements; International Monetary Funds; and OECD calculations.

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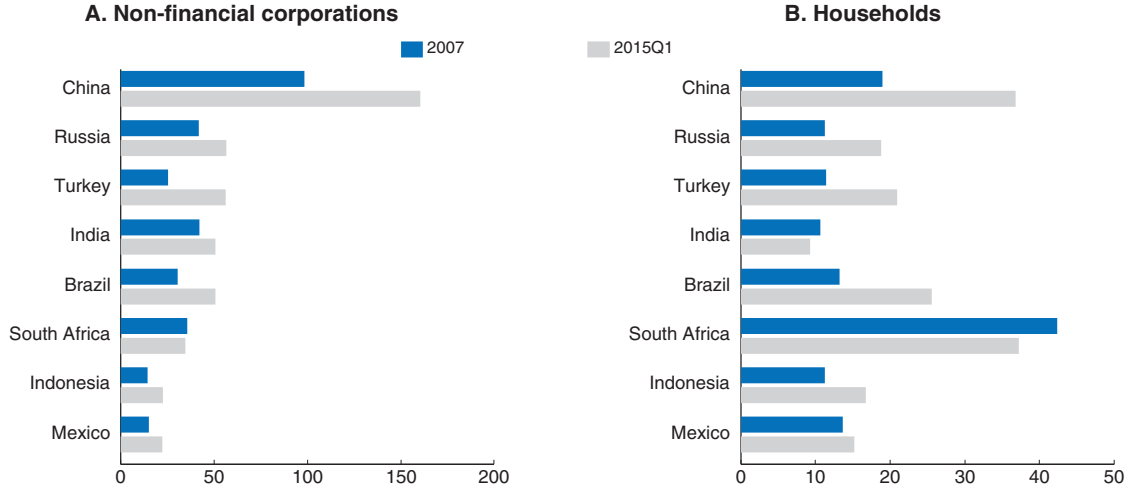
2007 and early 2015 (Figure 1.15). Based on past experience, such a rapid pace of debt accumulation may foreshadow debt repayment problems as growth slows. However, with the exception of Russia, officially reported non-performing loans in many EMEs have been surprisingly low. This may, however, reflect supervisory leniency rather than the lack of actual financial stress.

Figure 1.15. **Credit has increased substantially in some EMEs**

End-period stock, per cent of GDP



Note: Credit from banks and non-banks adjusted for breaks. For South Africa 2008 instead of 2007.

Source: Bank for International Settlements.

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Growth in the euro area and Japan is weaker than expected

Euro area and Japanese GDP growth in 2015 seems likely to be weaker than anticipated in mid-2014, despite the boost provided by lower oil prices, weaker currencies and highly stimulative monetary policy.[10] Model simulations of these changes suggest that GDP growth in the euro area and Japan this year could have been at least 1 percentage point higher than projected currently (Box 1.4). This is offset to some extent, by a negative impact on output from weaker-than-projected external demand growth.

In the euro area, subdued growth could reflect a continued impaired credit channel due to an unfinished repair of banks' balance sheets.

- The functioning of the bank lending channel has improved, but has not fully healed in the countries hit hardest by the crisis. Annual credit growth has just turned positive for the euro area as a whole, but it remains negative in the countries hit hardest by the crisis (Figure 1.16).
- The cost of credit has come down from crisis levels, but in some countries remains high. Intra-euro area spreads for bank lending rates and sovereign bond yields remain high relative to the levels seen prior to the financial crisis. Asset purchases, including covered bonds and asset-backed securities, and targeted longer-term refinancing operations by the ECB have facilitated access of banks to funding and lowered its costs.
- The recapitalisation of banks ahead of the comprehensive assessment at the end of 2014 and gradual adoption of more stringent bank regulation have resulted in stronger balance sheets. Nevertheless, many banks in countries particularly strongly hit by the crisis still have very high non-performing loans, which are lowering profits and thus raising the cost of funding, and necessitate wider lending margins (IMF, 2015b; Table 1.A2.1; and Figure 1.16).

The weak recovery may also reflect limited deleveraging in the non-financial private sector. Although over recent years household net financial wealth in the euro area and Japan increased in relation to GDP, the ratio of household gross debt to GDP has barely changed (Figure 1.17). This is in contrast to the United States, where household gross debt declined in relation to GDP. Favourable nominal GDP dynamics in the United States, as opposed to the euro area and Japan, account for the different outcomes, with debt write-offs playing an important role for the deleveraging in the United States as well.[11] The euro area aggregate masks important cross-country differences. While household debt in relation to GDP declined strongly in Ireland and Portugal, and to a lesser extent in Spain and Germany, it increased somewhat in Italy (although it remains comparatively low) and France. There was also little deleveraging of non-financial corporations in Japan and the euro area. In the latter, this is likely to be the counterpart of high levels of non-performing loans in the banking system.

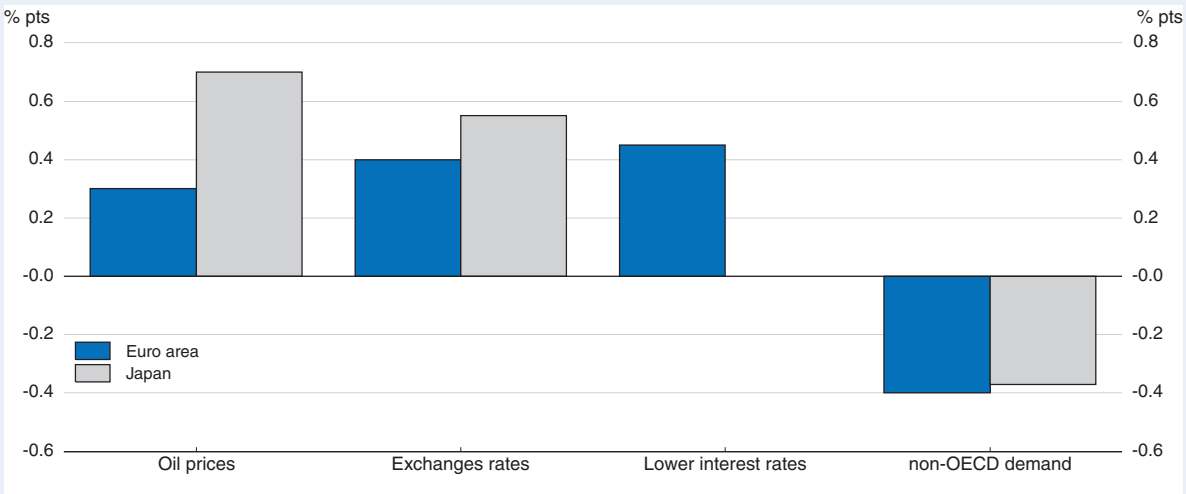
10. The October 2015 consensus forecasts for GDP growth in 2015 in the euro area and Japan were 1.5% and 0.6% respectively. The euro area consensus is little changed from the June 2014 consensus forecast of euro area GDP growth in 2015, but the current Japan consensus is ½ percentage point weaker than the June-2014 consensus forecast of Japanese GDP growth in 2015.
11. Write-offs are part of *other changes* in debt depicted in Figure 1.17 but cannot be identified exactly. Looking beyond national accounts data, the role of debt write-offs in the United States is contested, with some suggesting that it explained nearly two-thirds of deleveraging and others pointing to only a marginal role (Bouis et al., 2013).

Box 1.4. **Growth shortfalls in the euro area and Japan**

Macro-model simulations, using NiGEM, suggest that much stronger growth outcomes would have been expected in both the euro area and Japan in 2015 than now looks likely. Projections for 2016 are also lower than indicated by simulations for both economies. The decline in oil prices since mid-2014 is estimated to boost GDP by around 0.3 and 0.7 percentage point per annum over 2015-16 in the euro area and Japan, respectively. In addition, the effective exchange rate depreciations since mid-2014 could boost GDP growth by 0.3-0.4 percentage point in the euro area in 2015 and by 0.5-0.6 percentage point in Japan. The observed decline in long-term government bond rates and private sector borrowing rates since mid-2014 could also be expected to boost euro area GDP growth by a further 0.4-0.5 percentage point this year, all else equal. The additional public spending resulting from higher inflows of asylum seekers in Europe should also be making a small positive contribution to euro area GDP growth in 2015-16.

Estimated impact on GDP growth in 2015 of changes in forces acting since June 2014

Difference from baseline



Source: OECD calculations.

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These shocks are not fully independent, since the underlying softness of demand that prompted the monetary authorities in Japan and the euro area to purchase assets last year contributed to the decline in oil prices, and the anticipated easing of monetary policy contributed to the depreciation of the euro and the yen. Nonetheless, they suggest that in isolation it would not have been surprising if GDP growth this year would have been at least 1 percentage point higher than now appears likely in the euro area and Japan.

The positive stimulus has been offset, at least in part, by the greater-than-expected slowdown in China and other EMEs, reducing external demand for both the euro area and Japan. The slowdown relative to what was expected in mid-2014, has on average reduced GDP growth by a little under ½ percentage point per annum over 2015-16 in the euro area and Japan.

Conventional macro-model simulations implicitly assume that all adjustment mechanisms in the economy are working as they did on average over the period in which they were estimated. In this context, the simulation results from NiGEM may be misleadingly strong. They could reflect specification errors and may not incorporate ongoing structural changes, such as the limited impact that interest rates now appear to have on business investment (OECD, 2015b), particularly at a time of heightened uncertainty. Downward rigidities in nominal wages and prices may also generate asymmetric responses to large declines or rises in oil prices, rather than the similar effects embodied in standard macro-models (Raciborski et al., 2015). In the euro area, monetary policy stimulus could also be weakened by the still impaired credit channel.

Box 1.4. **Growth shortfalls in the euro area and Japan** *(cont.)*

The declining sensitivity of trade volumes to changes in competitiveness (Ollivaud et al., 2015) may also account for the lower than expected effects from past exchange rate depreciations. In the euro area, export performance has improved in 2015, with export volumes rising twice as quickly as export market growth, suggesting that the real exchange rate has had some impact. However, there is little evidence of such effects on imports, with import growth accelerating this year relative to total final expenditure. For Japan, the further exchange rate depreciation since mid-2014 came on top of a larger decline in the previous year. The initial decline boosted export performance in 2014, but the further decline has had little observed impact on performance this year.

Finally, it might also be the case that growth has been weaker than expected because the positive impact of the economic shocks has been added to an overoptimistic baseline projection, as it frequently has been for year-ahead forecasts in the aftermath of the crisis (OECD, 2014a). Relatedly, since the November 2014 *Economic Outlook,* the OECD estimate of euro area and Japanese potential output growth in 2015 has been revised down by 0.2 and 0.5 percentage point, respectively.

Persistent uncertainty could also weigh on growth performance.

- The August agreement between Greece and its creditors has relieved financial market pressures and significantly reduced the chances of further disruption in the near term. It remains to be seen whether these measures suffice to revive growth and make the debt situation sustainable over the long term. Uncertainties over implementation may weigh on investment in the short term.
- In Japan, the government has set up a new fiscal strategy relying on stronger economic growth to put government accounts on a sustainable footing. Additional measures will be needed to put debt on a downward trend and maintain investors' confidence in fiscal sustainability.

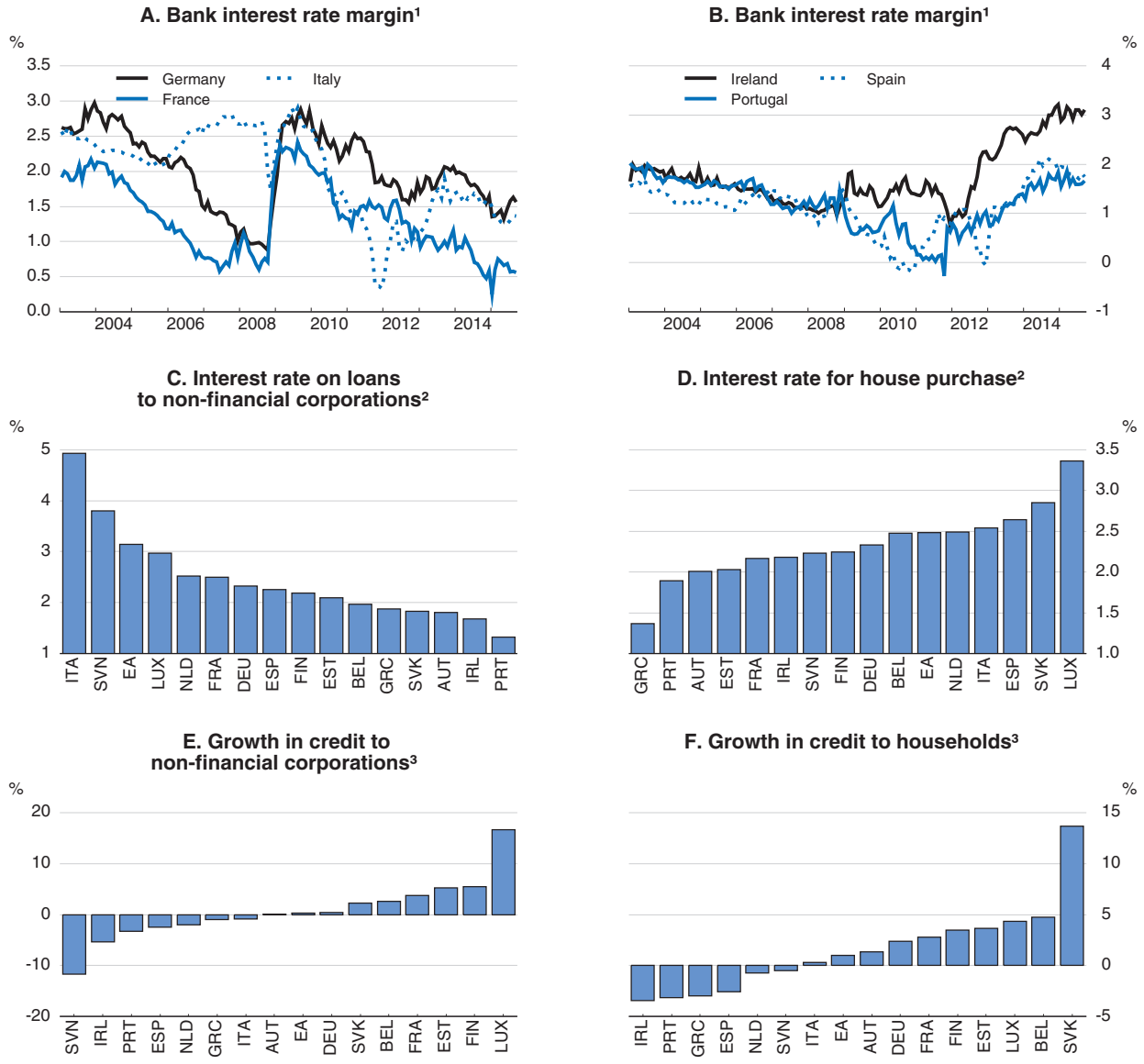
Lower potential output growth and uncertainty

The OECD has revised its estimates of potential growth and output gaps (Box 1.5) prompted by a further period of weak investment, with adverse consequences for productivity growth. Potential growth rates have generally been marked down for the recent past and near future, with a decline of ¼ percentage point in the main OECD areas in 2016. This downward revision comes on top of sizeable past revisions in the aftermath of the crisis. Even if the output gap estimates are little changed for the OECD area as a whole following the new revisions, estimated slack is now noticeably smaller in some economies than previously projected, including the United States. The implications of these developments for macroeconomic policies are discussed further below.

Estimates of output gaps and potential growth rates are imprecisely measured, and uncertainty is high.[12] Uncertainties stem in part from the weakened relationship between inflation and measured slack in recent years. A focus on national measures of economic slack may also be less relevant for inflation developments in the context of more globally-integrated output and factor markets. There is also uncertainty about the sources of

12. Many studies have highlighted the fact that the sign and the magnitude of the output gaps estimated in real time are subject to large revisions as new information becomes available (Turner et al., forthcoming; European Commission, 2015; Bundesbank, 2014; IMF, 2015a).

Figure 1.16. **Conditions in the banking sector across euro area countries continue to differ**



1. The interest rate margin is calculated as the difference between interest rates charged on bank loans for house purchases and paid on households deposits.
2. The average for 3 months to September 2015 of the bank total cost of borrowing to non-financial corporations and of the bank interest for house purchases.
3. The average for 3 months to September 2015 of annual growth in loans adjusted for sales and securitisation.

Source: European Central Bank; and OECD calculations.

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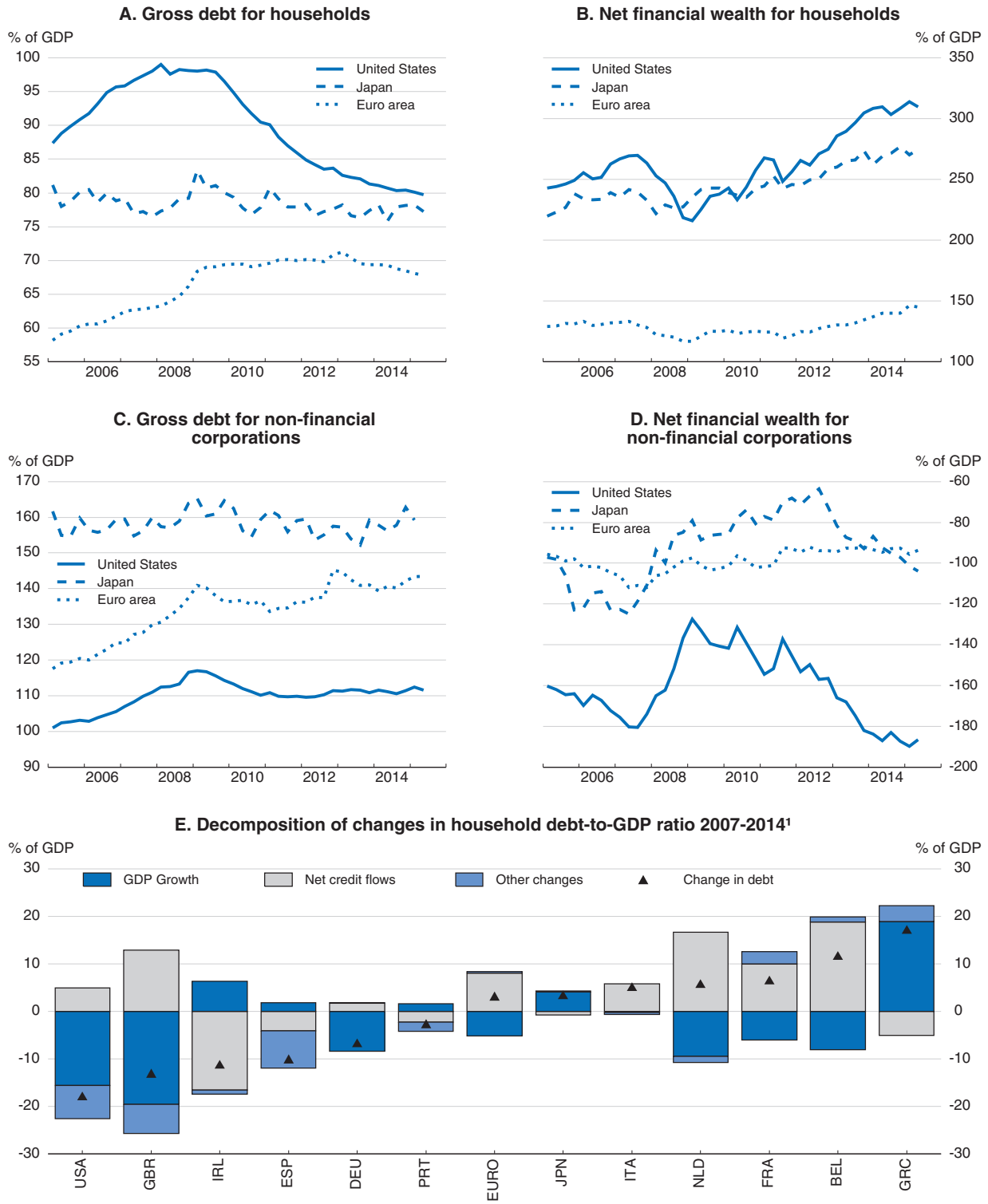
Figure 1.17. **Little progress with deleveraging in the euro area and Japan**



1. The change in debt-to-GDP ratio is decomposed according the formula: d(debt[t]) = -g[t]/(1+g[t])*debt[t-1] + net credit flows[t] + other changes[t], where g[t] is percentage nominal GDP growth (divided by 100), and the first term indicates the contribution of nominal GDP growth to debt dynamics. Other changes reflect changes due to write-offs, reclassification and revaluation.

Source: OECD, National Accounts database; European Central Bank; and OECD calculations.

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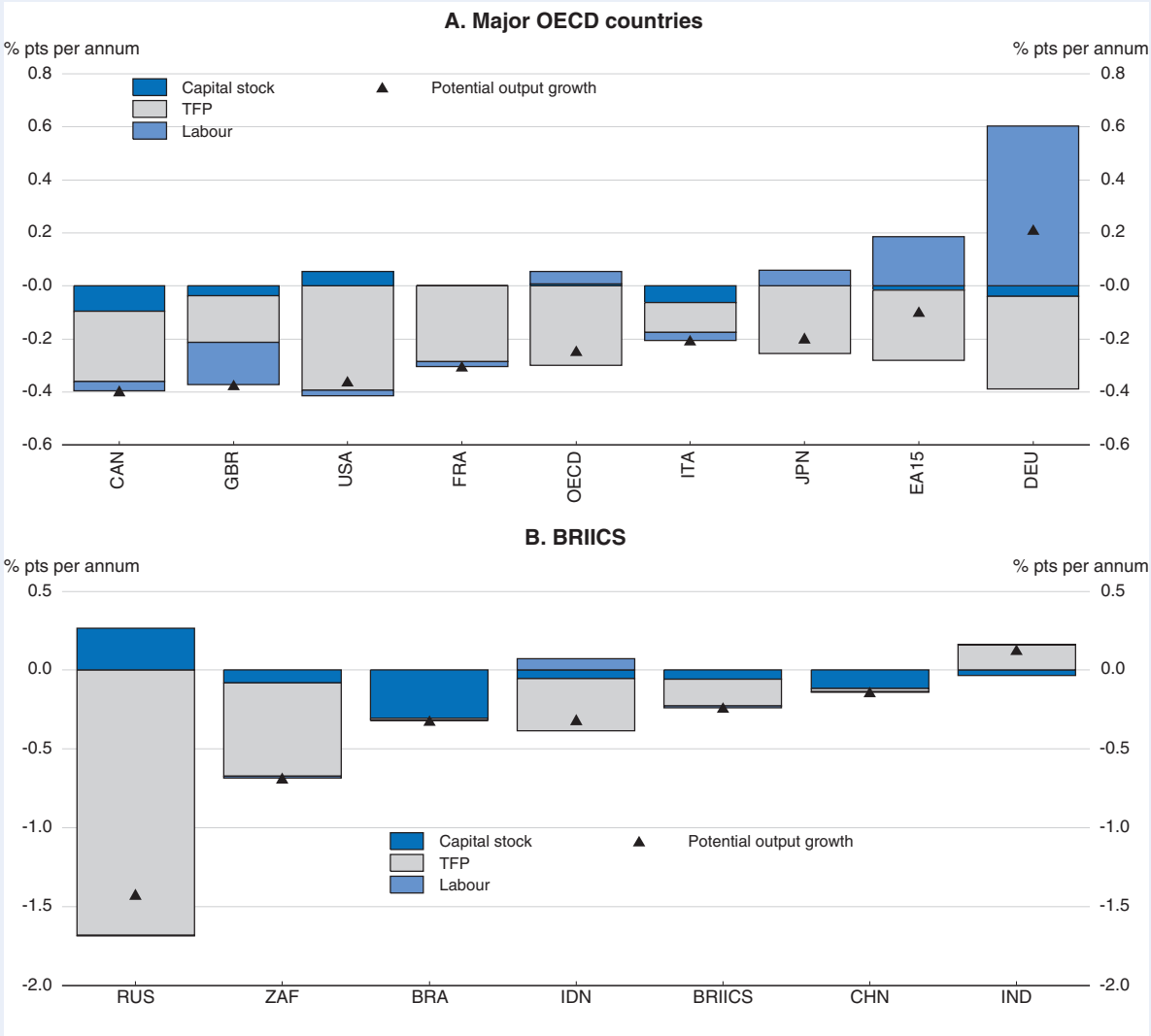
Box 1.5. **Revisions to potential output growth**

For the aggregate OECD, current potential growth projections have been revised down by ¼ of a percentage point in 2016 relative to projections in June (OECD, 2015a), reflecting the disappointing recovery, particularly of productivity. Downward revisions apply to most OECD countries and all of the G7 countries, with the exception of Germany (figure below, Panel A). The changes mostly reflect revisions to the total factor productivity (TFP) component of potential growth, although for Germany, downward revisions to TFP are more than offset by larger upward revisions to labour input, reflecting higher net inward migration.

Revision to potential output growth for 2016

Current relative to previous published projections



Note: Assuming potential output (Y^*) can be represented by a Cobb-Douglas production function in terms of potential employment (N^*), the capital stock (K) and labour-augmenting technical progress (E^*) then $y^* = a\,(n^*+e^*) + (1 - a)\,k$, where lower case letters denote logs, a is the wage share and total factor productivity (TFP) is given by $TFP = a\,e^*$.

Source: OECD Economic Outlook 98 database; and OECD Economic Outlook 97 database.

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Box 1.5. **Revisions to potential output growth** *(cont.)*

For the BRIICS, aggregate potential output growth projections have been revised down by 0.2 percentage point in 2016, with much of the revision also due to lower TFP growth (figure above, panel B). There is, however, much greater variation across the BRIICs than for the major OECD economies; the downward revisions are particularly marked for Russia and South Africa, whereas potential growth has been revised marginally upwards for India, anticipating the effect of structural reforms.

The concentration of revisions on TFP growth reflects the difficulty of projecting what is effectively the residual GDP growth that is not explained by changes in factor inputs. Projecting TFP is also problematic because it is difficult to distinguish whether TFP is temporarily weak for cyclical reasons. In the post-crisis period, observed TFP growth was low, but was initially judged to be mostly cyclical; therefore estimates of trend TFP growth remained relatively high. As additional TFP growth observations accumulated, however, the cyclical weakness position gradually became more untenable and, given the filtering techniques used to estimate trend TFP, more and more of the recent weakness became embedded into the trend.[1] Disappointments on TFP growth could reflect a number of factors including: poor diffusion of new technology in frontier firms to the majority of firms (OECD, 2015f), partly because of weak investment following the crisis that reduced embodied technical change (Oulton, 2007); a slowdown in structural reform efforts; or a slowdown in the rate of improvement in the global productivity frontier (Gordon, 2012).

The downward revisions to potential growth leave the rate of improvement in projected OECD potential GDP per capita (a proxy for living standards) at only about 1% per annum, compared with twice that rate around the turn of the millennium, and just under 1½ per cent in the years immediately preceding the crisis. For the BRIICS, the growth rate of potential GDP per capita has also fallen, by an average of 1¼ percentage points compared to the period 2005-10, driven by the slowdown of Brazil, China and Russia and in contrast to a stabilisation for India and Indonesia. There is also great heterogeneity in the speed at which living standards are improving: potential output per capita for China, although decelerating, is growing about 6¼ per cent for 2016, while it barely increases for Brazil and Russia (between ½ and ¾ per cent).

1. To help with such end-point problems, a recent innovation (Turner et al, forthcoming) to the potential output methodology has been to make use of survey measures of manufacturing capacity utilisation which - for some, but not all, countries - seem well correlated with cyclical fluctuations in TFP.

economic slack. Traditional measures of labour-market slack may also be too narrow, failing to capture the post-crisis rise in the number of involuntary part-time workers and inactive persons wanting to work but not registered as job seekers.

There is also significant uncertainty about future potential growth rates, and in particular about trend productivity growth rates. Since the beginning of the financial crisis weak domestic and foreign demand, greater financial constraints and persistent uncertainties have discouraged investment. In addition, public and infrastructure investments have been held back in some countries by fiscal consolidation. Overall, the sluggish recovery in investment is estimated to account for over half of the slowdown in the growth rate of OECD potential output per capita in recent years compared to pre-crisis averages (OECD, 2015a). The crisis may also have depressed the supply of labour in the wake of the crisis, notably in the euro area. High skill mismatch and a slowing of the pace at which new innovations spread out throughout the economy may have contributed to lower labour productivity growth (Adalet McGowan et al., 2015). A slower pace of product-market reforms may also have played a role. Some of the slowdown in trend productivity that started in the 2000s could be long-lasting if policies fail to respond.

Policy requirements

Macroeconomic policies in advanced and emerging market economies

The main advanced economies require continued policy support to stimulate aggregate demand and strengthen potential growth.

- Differences in expected growth and inflation developments call for increasingly divergent monetary policy stances. The gradual disappearance of slack in the United States, and the associated prospect of inflation moving towards its target, requires gradually higher policy rates. In the euro area and Japan, very low inflation warrants continued very supportive monetary policy, as planned. A persistent undershooting of inflation in Japan and the euro area poses challenges for monetary policy, as there are limits to what additional stimulus can achieve (OECD, 2015a; Rawdanowicz et al., 2013).
- Public debt levels remain high by historical standards and a number of countries still have large budget deficits (Table 1.4). Fiscal challenges remain particularly large in Japan, where structural budget deficits should continue to be reduced. In all economies there is scope to adjust the composition of public spending to strengthen near-term demand and

Table 1.4. **Fiscal positions will continue to improve**

Per cent of GDP / potential GDP

	2013	2014	2015	2016	2017
United States					
Actual balance	-5.5	-5.1	-4.5	-4.2	-3.7
Underlying balance	-3.8	-3.8	-3.7	-3.7	-3.6
Underlying primary balance	-1.5	-1.1	-1.0	-0.8	-0.6
Gross financial liabilities	111.4	111.6	110.6	111.4	111.5
Euro area					
Actual balance	-3.0	-2.6	-1.9	-1.7	-1.0
Underlying balance	-0.9	-0.6	-0.5	-0.4	-0.4
Underlying primary balance	1.4	1.6	1.6	1.5	1.4
Gross financial liabilities	104.9	111.7	111.2	110.2	108.5
Japan					
Actual balance	-8.5	-7.7	-6.7	-5.7	-5.0
Underlying balance	-8.6	-7.8	-7.0	-6.3	-5.6
Underlying primary balance	-7.9	-6.9	-6.0	-5.5	-4.8
Gross financial liabilities	220.3	226.1	229.2	232.4	233.8
OECD[1]					
Actual balance[1]	-4.1	-3.8	-3.3	-2.8	-2.3
Underlying balance[2]	-3.1	-2.9	-2.8	-2.7	-2.5
Underlying primary balance[2]	-1.2	-0.9	-0.8	-0.7	-0.5
Gross financial liabilities[2]	112.1	115.5	115.2	115.4	114.8

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 98 database.

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long-term supply without raising deficits, in particular by reallocating public spending towards investment (Cournède et al., 2014). In fact, collective action that focuses new spending on high-multiplier investments can augment GDP growth sufficiently to reduce debt-to-GDP ratios in the near term (Box 1.6) provided that it is accompanied by supportive structural policy settings.

Box 1.6. **The impact of an increase in public investment in OECD economies**

The stylised scenarios set out in this box provide some illustrative estimates of the possible economic and fiscal impacts of a temporary increase in public investment in the OECD economies, using simulations on the NiGEM global macro model. The rationale for such investments is that they could help to push economies onto a higher growth path than might otherwise be the case, at a time when private investment growth remains modest. Two scenarios are considered: the first is with a collective increase in public investment in the OECD economies; the second is with separate increases in public investment in one economy at a time, with such investment remaining unchanged in the other OECD economies.

Public investment is assumed to be increased by ½ per cent of GDP for two years in each economy, implying an increase in the volume of government investment of around 15% in the typical OECD member state. In some countries this may be challenging to achieve immediately. The analysis nonetheless assumes that the projects undertaken are economically worthwhile, with net benefits to the economy.

Collective action to increase public investment can be expected to boost the initial domestic multiplier effects from the stimulus, since private investment and exports in each economy will benefit from stronger demand in other economies (Barrell et al., 2012; OECD, 2015b). Monetary policy is assumed to be accommodative, with policy interest rates held fixed. This is likely to further increase the short-term positive effect on growth, all else equal, since real interest rates decline as inflation edges up following the demand stimulus. Budget solvency rules are also switched off, so that the higher level of investment spending initially raises the budget deficit; the implications of imposing budget solvency are discussed below. Finally, the multiplier effects from an investment-led stimulus are likely to be a little larger than from other forms of fiscal stimulus, since the former also has small, but positive, supply-side effects (Coenen et al., 2012).

The first-year multiplier from the collective stimulus is above 1, with OECD GDP rising by over 0.6% (see first figure below), and GDP rising by over 0.5% in each of the major economies. The impact is larger in Japan and the United States than in the euro area, the United Kingdom and Canada, since the latter economies are more open, so that a larger proportion of the stimulus is offset by higher imports. Stronger demand in the OECD economies also boosts the major EMEs, with GDP in the BRIICS rising by around ¼ percentage point. All told, global GDP rises by a little over 0.4%. Reflecting the comparatively high import content of investment spending, global trade rises by over 1% in the first year. The growth effects could be even stronger if the additional public investment was concentrated in network industries, particularly in the EU, where there is a greater possibility of crowding in private investment (OECD, 2015b). The first-year effects on GDP are lower by around 20-25% in the United States, Japan and the euro area if the investment shock is conducted separately for each of these economies and around 40% lower in the United Kingdom and Canada. Thus, there are clear benefits from undertaking collective action to boost public investment.

The initial increase of ½ per cent of GDP in the budget deficit from stronger expenditure is offset in part by the favourable fiscal effects of stronger economic activity, so that the first-year increase in the budget deficit is below ½ per cent of GDP (see second figure below, Panel A). The offset in the collective action scenario is around one-quarter in the euro area, the United Kingdom and Canada, but one-third or more in Japan and the United States, reflecting the comparatively stronger initial boost to activity. The budgetary offsets are smaller in the go-it-alone scenario, reflecting the weaker activity effects that result.

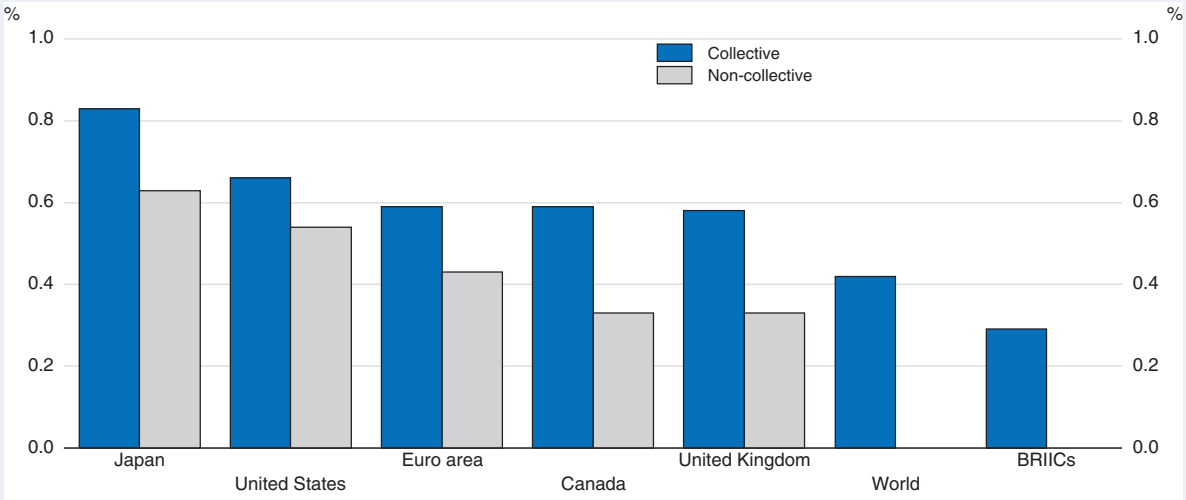
Box 1.6. **The impact of an increase in public investment in OECD economies** *(cont.)*

Government debt-to-GDP ratios decline in the first year in the collective action scenario, despite the increase in the deficit-to-GDP ratio (see second figure below, Panel B). This is because the favourable impact of the increase in (nominal) GDP on the debt-to-GDP ratio more than offsets the impact of the higher budget deficit. The decline is largest in Japan, reflecting both the sizeable impact of the stimulus on activity and the high initial government debt-to-GDP ratio. In the alternative scenario, with the shock conducted separately for each economy, there are still first year declines in the debt-to-GDP ratio in Japan, the United States and the euro area, but the declines in Canada and the United Kingdom are almost entirely eliminated.

In the second year of the collective action scenario (not shown here), there is a small additional increase in GDP growth in the OECD economies, reflecting second-round effects from increased global activity and the impact of a decline in real interest rates. The level of OECD GDP is around 0.8% above baseline. Government deficit-to-GDP ratios remain above their baseline values, by around ¼ per cent of GDP in most major OECD economies (0.1% of GDP in Japan), but debt-to-GDP ratios are below their baseline levels. In contrast, debt-to-GDP ratios are higher than in the baseline in the United Kingdom and Canada when the government investment is shock conducted separately for each economy.

First-year GDP effects of a government investment stimulus in OECD economies

First-year change from baseline



Note: Based on a two-year increase in the level of government investment equivalent to ½ per cent of GDP per annum in all OECD countries (Collective) and separately in the United States, Japan, the euro area, the United Kingdom and Canada (Non-Collective).
Source: OECD calculations.

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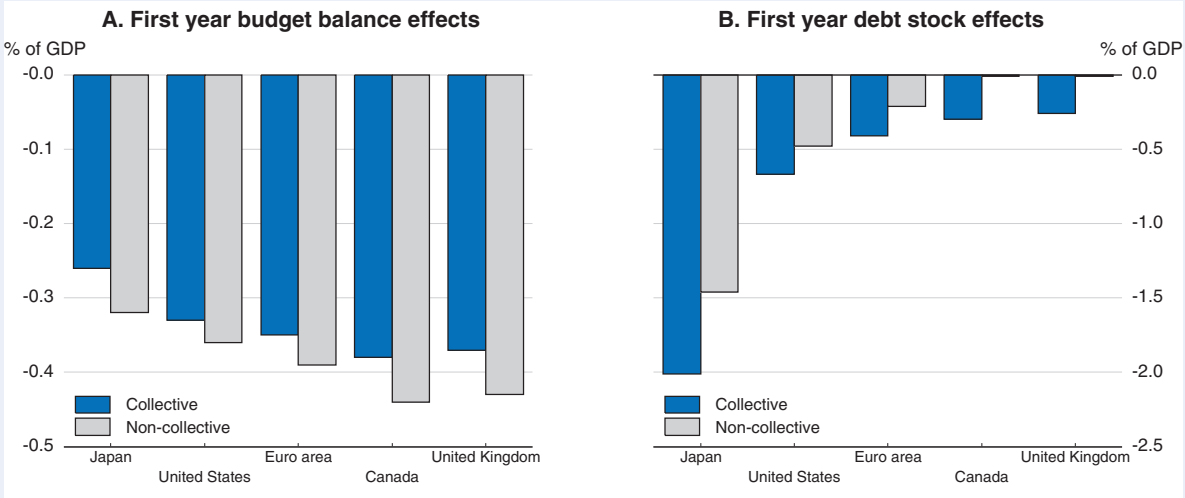
If the budget solvency rule in NiGEM is allowed to operate, the increase in expenditure is offset by an increase in direct taxes on households to bring the budget balance back to its baseline level by the second year in both of the scenarios considered. This has relatively little impact on the initial multiplier effect from the boost to government investment, but starts to reduce GDP growth by the second year, reflecting the impact of weaker disposable incomes on household consumption growth.

Box 1.6. **The impact of an increase in public investment in OECD economies** *(cont.)*

The impact of a government investment stimulus on budget deficits and government debt

First-year change from baseline



Note: Based on a two-year increase in the level of government investment equivalent to ½ per cent of GDP per annum in all OECD countries (Collective) and separately in the United States, Japan, the euro area, the United Kingdom and Canada (Non-Collective). The euro area debt stock figures are a weighted average of Germany, France and Italy.
Source: OECD calculations.

StatLink http://dx.doi.org/10.1787/888933296018

- Structural policies with a positive impact on short-term demand, including a reduction of barriers to entry in sectors with pent-up demand and a cut in administrative burdens for firms, are needed (Caldera Sanchez et al., forthcoming). This would help to maximise the returns from public infrastructure investment projects with favourable net social benefits. Joint action to generate profitable investment opportunities by removing or reducing border protection would also help to boost growth prospects. Co-ordinated international action to combat climate change could also help underpin a surge in new investments. As argued in Chapter 2, ambitious measures to help lower greenhouse gas emissions can fit well with the need to stimulate investment and technical progress. In Europe, legislation has been passed to make the European Fund for Strategic Investment operational in Autumn 2015 and some energy initiatives have been announced as part of the Juncker Plan. Further progress in this direction is required.

In the euro area, there is a need to speed up the restructuring of non-performing loans in order to unblock the bank lending channel and help shift economic resources to more productive uses. To this end, a strengthening of bank supervision, debt enforcement and insolvency frameworks is needed. Also, the resolution of the large amount of distressed debt on banks' balance sheet would be facilitated by the development of a market for such assets. Banks' losses need to be recognised swiftly, even if this requires injections of public money to recapitalise banks or an orderly wind-down of insolvent institutions. In the longer term, banking and capital market union is needed to ensure a well-functioning banking system.

If financial market tensions were to occur and result in significantly tighter financial conditions and thus weaker economic growth, an offset from macroeconomic policies would be needed. It should involve either postponing planned tightening or adding additional stimulus, from both fiscal and monetary policies, with the appropriate policy mix depending on country-specific situations and the room available for policy action. The ensuing, even more protracted, environment of very low interest rates would raise financial stability risks.

The scope for policy to respond to flagging economic growth varies across EMEs, reflecting existing economic imbalances and vulnerabilities. China still has further room for monetary and fiscal stimulus, even after recent stimulus measures, but may have to accept a slower rate of growth as the economy rebalances. Policy stimulus should be designed to avoid aggravating current financial vulnerabilities. In many EMEs, including Brazil, the rapidly deteriorating fiscal situation means that there is little room for stimulus beyond automatic stabilisers. The prospective normalisation of policy interest rates in the United States poses challenges for EMEs. With globally integrated financial markets, it may be difficult for them to respond to any interest rate increases in the United States and to any associated depreciation of their currencies or capital outflows. Such developments could prompt monetary authorities in EMEs to raise interest rates to address threats to price and financial stability, especially if inflation expectations are poorly anchored. This could damp economic activity if not offset by fiscal stimulus.

In EMEs, trade-offs stemming from the need to ensure simultaneously price, financial and growth stability, at a time of increasing international spillovers, require the use of multiple instruments and ensuring that there is sufficient room for policy response. Some spillovers via gross credit flows and leverage, leading to excessive debt build-up and international exposure, could be addressed by macro-prudential policies. Many EMEs are already using such policies to strengthen the resilience of the financial sector (Box 1.5 in OECD (2013a)). They should be accompanied by close monitoring of non-performing loans and bank capitalisation by bank regulators, with regular stress tests. Proper bankruptcy and loan restructuring rules should also be in place.

Financial market stability in EMEs could be strengthened by structural reforms. A higher share of FDI liabilities in total foreign liabilities reduces the risks of volatile capital flows. Such a safer structure of liabilities could be promoted by reducing regulatory burdens on foreign direct investment and product markets, and removing tax incentives for debt over equity financing (Ahrend and Goujard, 2012). Re-starting growth-enhancing structural reforms would also help improve economic prospects more generally and boost investors' confidence.

Implications of weaker and uncertain potential growth for macroeconomic policies in advanced economies

Weaker potential growth (Box 1.5) and heightened uncertainties have implications for fiscal assessments:

- In the short term, smaller output gaps and weaker growth make fiscal targets more difficult to achieve, because there will be less "bonus" from a cyclical recovery (or the structural deficit is closer to the actual deficit than assumed). For instance, fiscal targets

in France and Italy will be harder to reach if the cyclical strengthening of budget positions is lower than expected (Figure 1.18).[13]

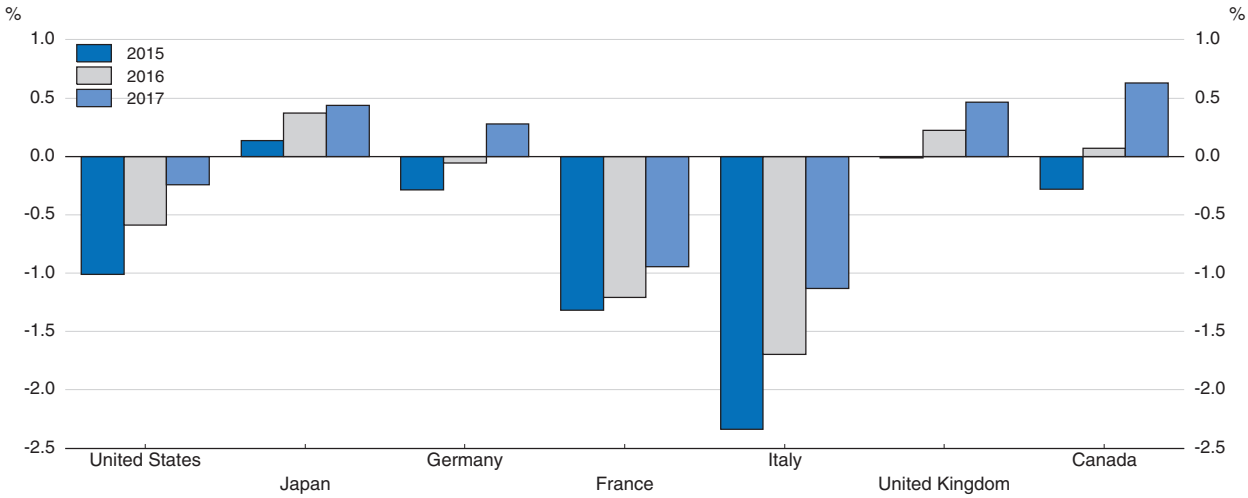
- The concept of a "prudent" debt target, and the corresponding fiscal deficit trajectory in a medium-term framework, could be a way to account for uncertainty in potential output without increasing the complexity of fiscal rules (Fall and Fournier, 2015).[14] In such a framework, larger uncertainties about future growth and associated fiscal outcomes in a given country are associated with a lower prudent debt target. However, the objective of reducing the risk of near-term recession implies higher prudent debt targets. Collective action on high-multiplier fiscal strategies could achieve both objectives.

While slower potential growth and high uncertainties call for measures to reduce public debt ratios, fiscal measures need to be designed with care to attain that goal. Indeed, if multipliers are sufficiently high, fiscal consolidation could worsen debt-to-GDP ratios, as the reduction in the level of debt would be more than offset by the negative impact on GDP, especially in economies where the debt ratio is high and automatic stabilisers are large.

One reason for weak potential output growth at present is weak investment growth, both public and private. This has implications for the composition of fiscal packages. In particular, cutting public investment, whose multiplier is estimated to be higher than

Figure 1.18. **The cyclical component of budget deficits**

Per cent of GDP



Note: The calculation uses the semi-elasticity to the output gap derived in Price et al. (2015). Semi-elasticities vary from 0.41 in Japan to 0.61 in France. Observed differences in the impact mostly reflect differences in the currently estimated output gaps.
Source: OECD Economic Outlook 98 database.

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13. Over the medium term, the extent to which lower potential output growth will affect public finances depends on the adjustment speed of public spending to productivity and growth. In the longer term, lower potential growth need not have any implication for debt sustainability provided neutral interest rates decline in line with lower growth.
14. Such targets are computed so that there is less than a 25% risk of the debt-to-GDP ratio going beyond 85% for non-euro area OECD countries and 65% for euro area countries, accounting for uncertainties surrounding the development of the main macroeconomic variables. Using a stochastic framework to quantify those uncertainties, the prudent debt target is estimated to be on average 50% of GDP for euro area countries and 70% of GDP for the rest of the OECD, with some heterogeneity among countries.

those of other spending components (Auerbach and Gorodnichenko, 2012; Gechert et al., 2015) could result in higher debt ratios, and harm both actual and potential output growth. Conversely, collective action to raise good-quality public investment, particularly at a time of low long-term financing costs, might boost growth and reduce debt ratios, notably in highly indebted countries (Box 1.6).

More broadly, strategies to reduce debt should focus on measures that do not have a large negative short-term effect on growth. In economies where the recovery is still fragile, it may be appropriate to reverse consolidation, if the right policies can be implemented, to allow a period of more robust GDP growth after which adjustment measures can be taken when normal economic conditions prevail and fiscal multipliers are lower.

Weaker potential growth and high uncertainty also matter for monetary policy. Although the link between the estimated output gap and inflation has been weak, reduced spare capacity would imply stronger inflationary pressures and possibly the need to tighten policy rates faster. However, a permanent reduction in potential growth would also imply a lower neutral interest rate and thus weaker stimulus from the current level of policy rates, slowing output dynamics. Greater reliance on current inflation developments and expectations and survey-based measures of economic slack could be a particularly useful guide for policymakers at present, given the extensive uncertainty around the extent of current slack and of future productivity growth (Orphanides, 2003; Pain and Röhn, 2011).

Overall, even if there is a risk that potential growth may be weaker than predicted, tightening policies at present is generally unwarranted. It will be important to resist the pressure to implement pro-cyclical policy, especially in the euro area where demand is still depressed. Rigidity in labour markets and inertia in fixed investment decisions strengthen the case for such a strategy.

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ANNEX 1.1

Policy and other Assumptions Underlying the Projections

Fiscal policy settings for 2015, 2016 and 2017 are based as closely as possible on legislated tax and spending provisions. Fiscal account projections are consistent with growth, inflation and wage projections. Where government plans 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. Where there is insufficient information to determine the allocation of budget cuts, the presumption is that they apply equally to the spending and revenue sides, and are spread proportionally across components.

- In the United States, the general government underlying primary balance is assumed to decline over the projection period to reach 0.6% of GDP in 2017, roughly as implied by current legislation, including the Bipartisan Budget Act and the Budget Control Act.
- In Japan, the projections incorporate a 2 percentage point increase in the consumption tax rate from 8% to 10% in the second quarter of 2017. Overall, the underlying primary balance is assumed to improve over the projection period to reach 4.8% of GDP in 2017.
- In euro area countries, fiscal stances over the projection period are based on draft budget laws or, if these are not available, the stated targets in Stability Programmes.
- In China, unspent reserves are being re-allocated and spending accelerated and new sources of revenue are being tapped. Based on measures that have been announced, fiscal stimulus is assumed to amount to around 1½ per cent of GDP in 2015, ½ per cent of GDP in 2016 and ¼ per cent of GDP in 2017.
- In India, the projections incorporate an increase in public investment, public pensions and pay, as well in various recently launched social infrastructure programmes. They also reflect on-going efforts to reduce tax evasion.
- In Brazil, fiscal stance assumptions follow current policy announcements by the government, implying a primary budget surplus of 0.15% of GDP in 2015, 0.7% in 2016 and 1.3% in 2017.

Regarding ***monetary policy***, the assumed path of policy interest rates represents the most likely outcome, conditional upon the OECD projections of activity and inflation, which may differ from those of the monetary authorities.

- In the United States, the upper bound of the target federal funds rate is assumed to be raised gradually between December 2015 and December 2017 from the current level of 0.25% to 2%.
- In Japan, the overnight interest rate is assumed to be kept at 0.1% for the entire projection period.

- In the euro area, the main refinancing rate is assumed to be kept at 0.05% until the second quarter of 2017, and is subsequently raised to 0.25% by the end of 2017.
- In the United Kingdom, the Bank rate is assumed to be increased gradually between February 2016 and December 2017, from the current level of 0.5% to 2.25%.
- In China, it is assumed that monetary easing will continue to reduce financing costs to provide adequate liquidity and offset capital outflows. The base lending rate for loans up to one year will be cut from 4.35% to 3.6% in 2017 and the reserve requirement ratio from 17.5% to 15%. Liquidity provision will also take place through short-term facilities such as the Pledged Supplementary Lending or the Medium-Term Lending facilities.
- In India, the repo rate is assumed to be kept at 6.75% up to the end of 2016 and be subsequently cut to 6.25%.
- In Brazil, the policy rate is assumed to stay at its current level of 14.25% until the fourth quarter of 2016, and subsequently decline to 12% by the end of 2017.

Although their impact is difficult to assess, the following quantitative easing measures are assumed to be taken over the projection period, implicitly affecting the speed of convergence of long-term interest rates to their reference rates. In the United States and the United Kingdom, the stocks are assumed to be maintained unchanged until the end of projection. In Japan, asset purchases are assumed to continue through the projection; thereby, the long-term interest rate is assumed to remain constant until the end of 2017. In the euro area, current programmes of Targeted Longer-Term Refinancing Operations and purchases of private securities and sovereign bonds are assumed to last until the end of 2016. Consequently, long-term interest rates are assumed to remain constant until the end of 2016 and then gradually to converge to their reference values.

In the United States and the United Kingdom, 10-year government bond yields are assumed to converge slowly toward a reference rate (reached only well after the end of the projection), determined by future projected short-term interest rates (including after 2017), a term premium and an additional fiscal premium. The latter premium is assumed to be 2 basis points per each percentage point of the gross government debt-to-GDP ratio in excess of 75% and an additional two basis points (four basis points in total) per percentage point of the debt ratio in excess of 125%.

Structural reforms that have been implemented or announced for the projection period are taken into account, but no further reforms are assumed to take place.

The projections assume unchanged ***exchange rates*** from those prevailing on 22 October 2015: one US dollar equals JPY 119.69, EUR 0.90 (or equivalently one euro equals USD 1.11) and 6.36 renminbi.

The ***price of a barrel of Brent crude oil*** is assumed to remain constant at USD 50 throughout the projection period. Non-oil commodity prices are assumed to be constant over the projection period at their average levels of September 2015.

The cut-off date for information used in the projections is 30 October 2015.

ANNEX 1.2

Indicators of Potential Financial Vulnerabilities

The following tables show the position of OECD and selected non-OECD countries on a number of indicators that could reveal potential exposure to financial turbulence. The main focus of Table 1.A2.1 is on domestic vulnerabilities of the OECD and BRIICS countries, that of Table 1.A2.2 on financial account vulnerabilities of the OECD and non-OECD G-20 countries. The presented variables are a subset of over 70 vulnerability indicators identified as useful in monitoring risks of a costly crisis in OECD economies (Röhn et al., 2015).

Table 1.A2.1 presents indicators typically associated with financial vulnerabilities arising primarily from the domestic economy, in four broad categories: the real economy, the non-financial sector, the financial sector and public finances (International Monetary Fund, 2012; European Commission, 2012; Hermansen and Röhn, 2015). Possible weaknesses in the real economy are captured by the difference between the potential and the actual GDP growth rate, the difference between the actual unemployment rate and the natural rate of unemployment (or NAIRU), the current account deficit and the evolution of relative unit labour costs. Indicators of financial market excesses related to the non-financial sector are the debt of households and non-financial corporations and real house price growth. An aggregated ratio of core Tier-1 capital to total assets (i.e. the leverage ratio) for selected banks in each country,[15] non-performing loans, and financial corporations' debt are included to account for the direct risk exposure of the financial sector. Vulnerabilities stemming from the public sector are quantified along three dimensions: government net borrowing, gross government debt and the difference between 10-year real sovereign bond yields and the potential real GDP growth rate. Higher values, with the exception of the leverage ratio, indicate a larger vulnerability. Table 1.A2.1 also includes the current sovereign credit ratings issued by Standards and Poor's.

Table 1.A2.2 displays financial-accounts-related risk factors for financial stability in the OECD and non-OECD G-20 countries based on previous OECD empirical analysis (Ahrend and Goujard, 2012a, 2012b). The analysis shows that:

- Greater (short-term) borrowing from external banks, or a skew in external liabilities towards debt, increases the risk of a financial crisis substantially (external bank debt being defined as debt to a foreign bank).

15. The calculations of the country leverage ratios are based on over 1200 commercial banks, including 915 in the United States, 197 in the OECD euro area countries, 23 in the United Kingdom, 11 in Canada and 7 in Japan.

- A larger share of foreign direct investment (FDI) in gross external liabilities decreases the chances of a financial crisis.
- Shorter maturity of banks' debt raises the crisis risk, mainly by increasing exposure to financial contagion.
- The size of foreign reserve holdings reduces the probability of a crisis.
- Total external assets (excluding reserves) or liabilities are found not to affect the crisis risk for countries with small and moderate levels of assets and liabilities. However, external assets reduce, and external liabilities increase, the crisis risk when they are large.

Table 1.A2.2 shows for each of the 8 selected indicators: *i)* the position of each country in 2015Q1 (or the latest available) along various dimensions of its financial account structure, and *ii)* the country-specific change, from 2007 to 2015Q1 (or the latest available). For some of the variables, the numbers need to be interpreted with care, since the relevance of the variable may differ across countries. For example, the foreign currency reserves of the United States are the lowest relative to GDP in the OECD area, but this does not signify a weakness as the US dollar is a reserve currency; the same applies to low currency reserves in individual euro area countries.

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Table 1.A2.1. **Indicators of potential financial vulnerabilities**

	Real economy				Non-financial sector		
	Potential GDP growth rate-actual GDP growth rate differential	Actual unemployment rate-NAIRU differential	Current account deficit[1]	Relative unit labour cost	Household gross debt[2,3]	Non-financial corporation gross debt[1,3]	Real house prices
	2015	2015Q3	2015	% change 2000Q1-15Q2	2014 or latest available	2014 or latest available	% change 2000Q1-15Q2
United States	-0.8	-0.3	2.5	-12.8	109.7	113.2	20.8
Japan	-0.2	-0.5	-3.3	-51.4	132.6	160.9	-20.2
Germany	-0.3	-0.4	-8.3	-14.1	93.6	71.2	6.3
France	0.0	0.8	-0.2	0.4	104.9	101.5	70.6
Italy	-0.8	3.2	-1.5	9.4	77.2	89.8	9.7
United Kingdom	-0.5	-0.3	4.0	-11.4	155.7	113.6	79.3
Canada	0.3	0.4	3.3	29.0	170.1	140.6	97.1
Australia	0.4	0.4	4.7	36.9	211.2	87.3	103.6
Austria	0.1	1.6	-2.3	-2.6	89.1	91.1	25.8
Belgium	0.0	0.7	-0.1	2.5	110.0	137.0	..
Chile	0.9	-0.3	-0.2	24.3	..	..	..
Czech Republic	-2.5	-0.8	-0.7	30.3	68.8	63.0	..
Denmark	-1.0	0.0	-7.0	9.7	315.2	126.9	38.8
Estonia	0.3	-1.8	-3.3	35.2	81.1	97.0	..
Finland	0.7	2.2	1.0	-2.7	126.6	94.0	25.6
Greece	0.9	7.7	0.3	5.1	117.4	73.6	-12.0
Hungary	-1.2	-1.5	-4.3	22.0	53.3	80.2	..
Iceland	-2.3	-0.5	-3.5	-22.0	..	271.0	..
Ireland	-3.5	-1.5	-3.6	-8.5	197.4	236.9	10.6
Israel	0.7	-0.7	-3.5	-10.6	..	69.3	41.9
Korea	0.6	0.3	-7.3	10.2	164.2	166.5	29.3
Luxembourg	-0.5	0.4	-3.6	26.0	157.8	315.0	..
Mexico	0.5	0.2	2.0	-8.8	..	63.3	..
Netherlands	-1.1	1.0	-11.0	-4.0	270.0	128.8	0.3
New Zealand	0.2	0.3	4.3	61.0	..	..	108.9
Norway[7]	1.1	1.0	-7.1	42.3	223.8	108.2	90.6
Poland	-0.4	0.1	0.2	-7.1	60.5	58.6	..
Portugal	-1.4	0.4	-0.6	-3.8	138.5	145.6	-26.2
Slovak Republic	-0.4	0.4	0.4	26.1	62.3	76.9	..
Slovenia	-1.4	1.6	-7.5	-6.4	57.6	92.3	..
Spain	-2.7	3.0	-1.5	2.8	128.0	104.5	25.6
Sweden	-1.2	0.5	-6.0	-6.8	173.1	131.4	133.3
Switzerland	0.8	0.3	-9.8	37.9	197.4	..	51.4
Turkey	1.2	1.1	5.3	-36.3	..	2.6	..
Brazil	4.2	..	3.4	11.0	..	..	..
China	0.4	..	-3.0	101.2	..	..	..
Colombia	1.2	-0.9	6.1	12.1	..	..	80.1
Costa Rica	1.2	..	4.0	..	..	..	..
India	-0.3	..	0.7	-42.2	..	..	..
Indonesia	0.8	..	1.6	-12.9	..	..	..
Latvia	-0.2	-0.3	2.0	9.2	60.1	93.9	..
Lithuania	1.0	-1.9	3.4	8.7	..	..	..
Russia	4.7	..	-6.6	209.9	..	..	..
South Africa	0.8	..	4.2	-0.6	..	..	113.0

1. In per cent of GDP.
2. In per cent of gross household disposable income.
3. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
4. In per cent of total (unweighted) assets.
5. OECD Economic Outlook 98 database.
6. Rating for sovereign debt in foreign currency.
7. Mainland (potential) GDP is used instead of total (potential) GDP where applicable.

Source: OECD National Accounts database; IMF Financial Soundness Indicators database; European Central Bank; European Commission; OECD Analytical Housing Prices database; Standards & Poors; OECD calculations; and OECD Economic Outlook 98 database.

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Table 1.A2.1. **Indicators of potential financial vulnerabilities** *(cont.)*

Financial sector			Public finance				
Core Tier-1 leverage ratio[4]	Non-performing loans to total loans	Financial corporation gross debt[1,3]	Headline government budget deficit[1,5]	Gross government debt[1,5]	Real 10-year sovereign bond yield-potential GDP growth rate differential	Sovereign credit rating S&P[6]	
Latest available	Latest available	2014 or latest available	2015	2015	2015Q2 or latest available	Latest	
6.4	..	347.3	4.5	110.6	-1.0	AA+	United States
4.4	1.6	582.8	6.7	229.2	-1.2	A+	Japan
4.1	2.3	296.6	-0.9	78.5	-2.7	AAA	Germany
3.6	4.5	304.0	3.8	120.1	-1.0	AA	France
5.6	17.3	207.2	2.6	160.7	1.0	BBB-	Italy
4.4	1.8	675.9	3.9	116.4	-1.8	AAA	United Kingdom
3.8	0.5	340.0	1.9	94.8	-1.0	AAA	Canada
3.8	1.1	278.7	1.9	44.2	-0.1	AAA	Australia
6.2	3.6	227.3	1.8	107.3	-1.8	AA+	Austria
4.9	4.0	339.5	2.6	130.5	-1.2	AA	Belgium
..	1.9	..	..	..	-2.7	AA-	Chile
..	5.6	130.5	1.9	56.1	-3.1	AA-	Czech Republic
4.4	4.4	412.0	2.7	57.1	-1.2	AAA	Denmark
..	1.3	123.4	-0.2	12.7	..	..	Estonia
3.7	..	230.2	3.3	73.3	-1.4	AA+	Finland
7.6	34.4	193.5	4.3	190.0	14.2	..	Greece
..	12.7	123.6	2.3	99.6	-0.6	..	Hungary
..	..	969.2	-0.3	81.6	1.1	..	Iceland
6.7	18.9	910.2	2.1	120.0	-1.8	A+	Ireland
..	2.1	206.8	3.3	66.1	-3.1	A+	Israel
..	..	349.9	..	..	-2.1	AA-	Korea
..	0.2	6233.6	-0.9	35.6	-4.3	AAA	Luxembourg
..	2.9	71.6	0.3	..	-0.2	BBB+	Mexico
4.2	2.9	743.6	2.0	80.8	-1.3	AA+	Netherlands
..	..	..	-1.4	41.1	-1.1	AA	New Zealand
6.4	1.1	215.9	-6.9	34.1	-1.6	AAA	Norway[7]
..	4.7	98.5	2.8	66.9	-0.6	..	Poland
6.1	12.3	278.3	3.0	148.9	0.4	BB+	Portugal
..	5.3	120.4	2.7	59.6	-1.8	A+	Slovak Republic
..	11.5	127.3	2.9	99.8	-0.2	A-	Slovenia
5.7	7.0	224.6	4.2	118.9	1.1	BBB+	Spain
3.6	1.2	322.5	1.1	53.9	-2.5	AAA	Sweden
4.4	0.7	..	0.2	46.4	-0.9	..	Switzerland
..	2.8	2.6	..	..	-0.7	..	Turkey
..	3.1	..	7.4	..	9.7	..	Brazil
..	1.2	..	1.0	..	-3.3	..	China
..	3.1	..	..	..	1.4	..	Colombia
..	1.7	..	..	..	..	..	Costa Rica
..	4.6	..	6.1	..	0.7	..	India
..	2.3	..	2.0	..	1.2	..	Indonesia
..	4.6	..	1.6	44.9	-2.5	..	Latvia
..	6.7	..	1.5	53.7	..	..	Lithuania
..	7.4	..	4.0	..	8.7	..	Russia
..	3.2	..	4.3	..	4.8	..	South Africa

1. In per cent of GDP.
2. In per cent of gross household disposable income.
3. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
4. In per cent of total (unweighted) assets.
5. OECD Economic Outlook 98 database.
6. Rating for sovereign debt in foreign currency.
7. Mainland (potential) GDP is used instead of total (potential) GDP where applicable.

Source: OECD National Accounts database; IMF Financial Soundness Indicators database; European Central Bank; European Commission; OECD Analytical Housing Prices database; Standards & Poors; OECD calculations; and OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296695

Table 1.A2.2. **Financial-accounts-related risk factors to financial stability**

Latest available (in per cent)

	External debt[1]	External bank debt[2]	Short-term external bank debt[2]	Short-term external bank debt[3]	External liabilities[2]	External assets[2]	Foreign exchange reserves[2]	FDI liabilities[1]
	Higher values indicate higher financial stability risk					Higher values indicate lower financial stability risk		
United States	48.9	15.2	5.8	38.4	182.0	143.4	0.7	19.9
Japan	55.8	20.9	17.3	82.9	119.8	189.0	29.0	3.9
Germany	58.6	33.9	16.5	48.8	224.6	265.6	2.0	17.1
France	59.3	58.5	32.0	54.6	334.0	312.8	2.2	12.1
Italy	69.3	26.8	10.4	38.8	168.2	139.7	2.7	14.8
United Kingdom	50.4	65.4	42.8	65.4	574.6	556.4	3.8	12.2
Canada	51.0	26.4	15.0	56.6	169.8	180.7	4.9	32.5
Australia	51.2	23.0	7.6	33.0	182.3	127.6	4.2	24.9
Austria	63.3	44.8	12.2	27.3	265.6	269.2	3.6	29.9
Belgium	45.3	48.3	21.7	44.9	430.2	489.9	3.6	48.1
Chile	28.6	17.6	7.7	43.8	145.0	129.8	15.5	62.9
Czech Republic	37.5	19.1	4.9	25.8	123.6	95.0	28.8	57.6
Denmark	59.9	64.7	39.9	61.7	262.9	309.8	35.7	16.4
Estonia	42.7	9.4	4.0	42.8	170.5	132.5	1.9	54.7
Finland	53.9	51.9	19.6	37.8	372.9	371.7	3.7	14.6
Greece	92.9	17.2	4.7	27.3	247.7	127.4	1.2	4.6
Hungary	26.7	28.2	9.8	34.6	314.2	244.3	32.9	69.9
Iceland	82.9	37.6	10.6	28.3	619.9	257.2	26.6	16.3
Ireland	29.4	140.4	57.7	41.1	2089.8	2002.7	0.7	17.3
Israel	29.8	6.1	3.2	52.6	96.6	119.0	29.5	35.3
Korea	39.6	13.2	8.1	61.8	73.1	78.9	25.6	17.9
Luxembourg	21.5	891.8	336.5	37.7	16408.6	16439.1	1.2	38.9
Mexico	50.0	11.8	4.7	40.2	81.6	46.9	16.4	34.4
Netherlands	35.9	107.9	41.9	38.8	1017.3	1090.7	2.4	50.6
New Zealand	56.1	18.0	6.8	37.9	148.4	83.7	8.5	30.9
Norway	63.4	28.6	10.3	36.0	171.7	315.5	12.9	26.7
Poland	47.7	22.9	6.8	29.7	111.2	46.9	19.7	43.2
Portugal	70.2	32.2	9.3	28.9	289.9	180.3	3.6	23.1
Slovak Republic	51.5	33.6	13.7	40.7	134.7	67.8	3.1	47.7
Slovenia	76.3	22.9	6.4	27.9	143.0	103.1	2.0	21.5
Spain	60.0	33.6	13.8	41.2	239.9	147.3	3.7	22.3
Sweden	51.8	53.8	27.5	51.0	305.6	300.5	11.3	25.2
Switzerland	34.7	67.2	46.8	69.5	533.9	636.7	80.6	31.0
Turkey	67.2	21.6	12.5	57.8	82.0	30.3	13.5	24.4
Argentina	53.2	2.6	1.6	62.3	36.4	50.0	5.4	41.5
Brazil	34.5	12.5	6.4	50.7	71.2	38.7	17.9	47.2
China	29.6	8.9	6.7	75.7	46.9	60.2	35.3	55.3
Colombia	41.2	8.1	3.4	41.6	85.3	47.3	14.6	53.4
Costa Rica	36.8	19.8	5.9	29.8	84.9	40.9	16.2	63.2
India	53.3	10.5	5.7	54.8	42.8	25.1	15.7	29.9
Indonesia	40.1	12.5	6.2	49.5	71.5	24.1	12.3	43.8
Latvia	69.1	9.6	4.5	46.9	182.4	124.1	11.1	29.6
Lithuania	63.9	10.3	3.0	28.8	106.5	60.2	2.2	35.1
Russia	48.6	8.4	3.3	38.6	50.4	66.9	18.2	37.4
Saudi Arabia	17.0	9.0	5.3	58.9	36.9	142.6	97.4	77.7
South Africa	28.0	10.0	4.2	41.7	121.8	114.2	12.7	32.6

1. As per cent of external liabilities.
2. As per cent of GDP.
3. As per cent of external bank debt.
Source : BIS; IMF; World Bank; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933296702

Table 1.A2.2. **Financial-accounts-related risk factors to financial stability** *(cont.)*

External debt[1]	External bank debt[2]	Short-term external bank debt[2]	Short-term external bank debt[3]	External liabilities[2]	External assets[2]	Foreign exchange reserves[2]	FDI liabilities[1]	
Positive values indicate an increase in the financial stability risk					Positive values indicate a decrease in the financial stability risk			
-6.3	-5.2	-2.9	-4.5	27.5	-2.0	0.2	1.1	United States
0.9	7.8	8.2	13.2	46.2	64.4	6.8	-0.4	Japan
-10.5	-16.2	-11.3	-6.7	10.0	29.7	0.4	-0.8	Germany
-0.6	-8.8	-11.6	-10.1	31.6	20.0	0.2	-1.0	France
-2.3	-24.5	-8.0	3.0	9.2	7.7	1.2	-0.1	Italy
-12.5	-50.5	-43.8	-9.3	4.1	-1.5	2.0	2.6	United Kingdom
16.3	3.0	0.2	-6.3	0.1	24.2	1.7	-14.0	Canada
2.4	-8.9	-4.6	-5.1	8.3	18.3	1.4	-0.7	Australia
-0.2	-27.3	-14.5	-9.8	-58.2	-43.4	0.5	3.3	Austria
-16.6	-66.7	-67.1	-32.3	-87.1	-59.3	1.1	14.1	Belgium
-3.9	-0.6	-1.9	-8.8	43.5	27.9	5.1	2.3	Chile
3.9	-3.5	-3.9	-13.3	12.5	28.5	9.1	0.1	Czech Republic
-7.9	-6.5	3.1	9.9	10.8	64.1	24.9	-4.9	Denmark
-6.5	-96.1	-20.2	19.9	-39.2	7.1	-14.2	9.9	Estonia
14.6	11.9	7.0	6.2	90.1	120.1	0.7	-4.3	Finland
17.5	-41.8	-12.2	-1.4	47.7	33.4	0.9	-4.3	Greece
-4.8	-36.0	-8.2	6.7	0.0	30.5	14.5	5.9	Hungary
3.7	-254.7	-115.9	-15.0	-113.8	-356.6	12.9	1.3	Iceland
-24.1	-129.4	-93.2	-14.8	661.5	595.2	0.4	2.8	Ireland
-15.0	-2.4	-0.7	6.5	-21.4	1.7	12.5	10.1	Israel
-3.2	-3.7	-2.3	0.1	0.5	23.6	1.2	2.3	Korea
-8.2	-249.3	-164.3	-6.2	3090.0	3141.8	0.9	14.6	Luxembourg
16.4	3.9	2.3	9.9	13.5	15.8	7.7	-9.4	Mexico
-4.6	-27.4	-25.4	-10.9	44.6	135.4	1.0	2.6	Netherlands
-2.3	-7.5	-6.1	-12.9	-31.9	-11.1	-5.5	-1.5	New Zealand
-0.5	-32.8	-30.2	-29.8	-53.2	28.3	-3.8	6.9	Norway
2.1	-1.6	0.7	4.8	5.3	3.2	3.4	-2.6	Poland
0.2	-42.8	-18.5	-8.2	-14.9	-23.4	2.7	4.1	Portugal
10.4	1.8	1.4	2.1	15.1	8.5	-23.1	-9.7	Slovak Republic
4.6	-25.4	-6.7	0.9	0.1	-14.6	-0.2	-3.6	Slovenia
-4.0	-25.9	-5.1	9.4	4.1	-0.9	2.9	2.0	Spain
2.1	-0.3	-4.9	-8.8	23.6	20.2	5.4	-6.7	Sweden
-15.7	-105.4	-78.6	-3.1	-56.9	-97.4	70.4	10.4	Switzerland
12.5	2.6	4.1	13.6	-1.2	1.0	0.9	-7.7	Turkey
-1.0	-4.2	-1.8	12.1	-21.0	-18.8	-9.6	2.3	Argentina
10.4	4.8	2.7	3.6	-0.5	6.9	3.5	12.5	Brazil
-2.7	2.9	3.4	20.5	8.4	-15.6	-12.7	-2.0	China
-3.2	0.9	-0.9	-17.8	29.0	16.8	3.5	-0.5	Colombia
-10.1	-5.4	-5.5	-15.5	17.1	-9.3	-0.6	10.1	Costa Rica
3.7	-0.9	-0.2	2.8	2.2	-8.1	-10.7	4.2	India
-13.1	1.8	0.5	-3.6	10.2	0.7	-0.1	12.1	Indonesia
-5.6	-70.9	-28.9	5.5	3.3	29.7	-9.3	5.4	Latvia
1.3	-33.2	-9.0	1.2	-17.0	2.2	-19.0	-0.5	Lithuania
13.0	-5.6	-3.4	-9.1	-59.2	-29.5	-23.1	-2.1	Russia
-19.5	0.0	-0.3	-3.4	6.3	11.5	16.5	14.2	Saudi Arabia
8.2	-1.5	-1.0	-3.4	8.1	34.0	2.1	-8.8	South Africa

1. As per cent of external liabilities.
2. As per cent of GDP.
3. As per cent of external bank debt.

Source: BIS; IMF; World Bank; and OECD calculations.

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Chapter 2

COOL POLICY: CLIMATE CHANGE MITIGATION SUPPORTING GROWTH

Summary

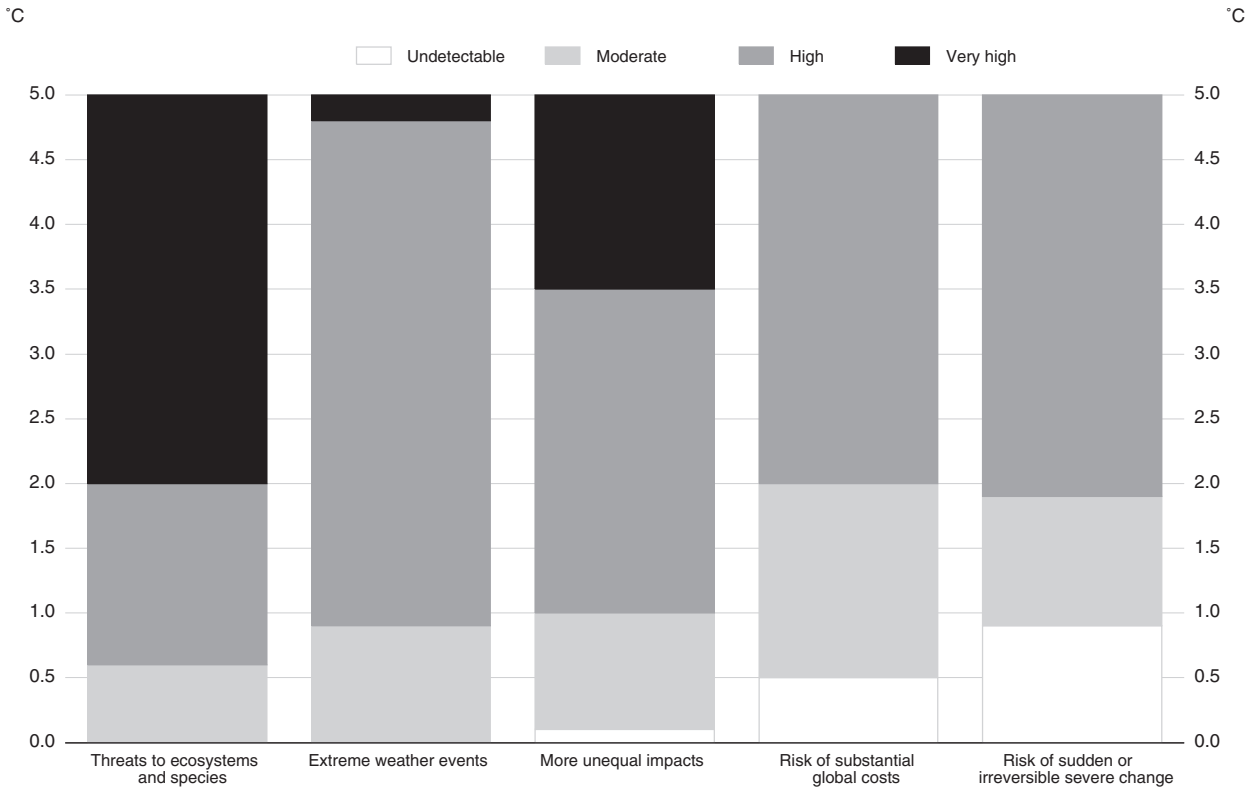
- Climate change must be tackled decisively to avoid future costs, especially to reduce the likelihood of catastrophic changes. Stabilising greenhouse gas concentrations will eventually require a zero net carbon emission economy.
- Markets are beginning to incorporate a number of risks related to climate change. The global public good nature of the climate and the potential consequences of tail risks, nevertheless, call for strong public action to underpin these developments.
- The kind of action that is needed is well-known. Most OECD countries and a growing number of emerging market economies have already taken some action. This has helped to decouple emissions from GDP growth in many countries and led to growing investment in low-carbon technologies. A strong response with decisive and coordinated policies could strengthen the recovery, with a more predictable policy environment boosting investment and research. Both will be needed to meet the challenge of climate change.
- Most policy actions could be budget-neutral and potentially part of needed fiscal reform. Worries about the effect on the poor can be dealt with within such reforms. Some policies, including for green investment, are pro-growth. Hence, concerns related to fiscal balance, inequality or growth should not be used as an excuse to delay policy action on climate change.
- There are plenty of examples of countries and regions that have taken individual actions successfully (including Indonesia, Sweden and British Columbia) without obvious negative consequences for equity, fiscal balances, investment or productivity.
- Some carbon-mitigation measures that have been excessively expensive, such as very high feed-in tariffs, are being reined back, and the lessons from them should be incorporated into future policy design.
- There is room for experimentation, but policy makers should in general avoid measures that favour particular industries, energy sources or technologies, and instead seek to install consistent incentives to reduce emissions and to encourage research and investment in new technologies, across the whole economy.

Introduction

The 21st meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change, COP21, is concerned with securing our long-term future. On current trends and policies, greenhouse gas emissions over the next 50 years will cause damaging changes in the world's climate. This is true especially, but not only, in some of the poorer and emerging market economies. Furthermore, the climate system is sensitive to, and subject to, threshold effects; the potential for very rapid changes - whose effects may not be manageable, even catastrophic - will increase significantly if temperatures rise too far (Figure 2.1). To keep these risks down, ambitious reductions in greenhouse gas

Figure 2.1. **Level of additional risk due to climate change**

Global mean temperature change,relative to 1986–2005



Source: Adapted from Figure 1, Box 2.4 in IPCC(2014c), 5th Annual Synthesis Report.

(GHG) emissions are required, more ambitious than embodied in this year's independent nationally determined commitments (INDC), along with the decisive policy actions needed to achieve those reductions (IEA, 2015a). To have a chance of keeping climate change within acceptable limits, the world will have to move to zero net carbon emissions before the end of the century (IPCC, 2014a).

Set against the fragility of the short-term macroeconomic situation in many countries, this long-term concern might seem less urgent. Costly action on climate change may be thought to add to the short-term economic problems. On the contrary, however, a credible plan of action to reduce emissions over the longer term, including firm measures to change the path of emissions in the near future, can complement measures taken to promote economic recovery. Studies suggest that, once economies adjust to new policies, the cost in terms of lower material living standards is quite low. Nevertheless, there are adjustment costs, likely concentrated in particular kinds of activity and therefore felt more strongly in some countries than others. To allow these adjustments to be made as smoothly as possible, early and progressive but decisive action is needed. The range of actions needed (Box 2.1) has been broadly understood for some time. Many of them can be part of policies introduced to spur short-term growth and improve longer-term prospects, such as tax reform, public investment programmes, or action on research and development. Moreover, over the last few years, oil market volatility has led to large and rapid changes in final user

Box 2.1. **What's needed: Key policy measures to reduce greenhouse gas emissions**

Pricing greenhouse gases

- Phase in effective prices on emissions of carbon dioxide and other significant greenhouse gases, including through abolishing fossil fuel subsidies.
- Prices for different gases and sectors should converge through time on a uniform CO_2 equivalent price.
- The price should apply in public policy decisions as well as for private transactions.
- It can guide policy even in areas where direct emission pricing is impossible, such as deforestation and agriculture.

Regulation

To back up greenhouse gas (GHG) pricing, regulatory measures can be necessary, such as:

- emissions regulation where explicit pricing is infeasible;
- 'nudging' policies to influence consumer or producer behaviour where information gaps, myopia or habits and inertia inhibit reactions to pricing; and,
- incentives to invest where financial market myopia, long time horizons, or policy uncertainty lead to market failure.

Research and development

- Increase public funding for R&D aimed at reducing GHG emissions and encourage private sector R&D in the same direction.
- Promote technology transfer so that effective mitigation techniques are disseminated as rapidly as possible.

Public sector planning

- Public policies and investment decisions that have long-lasting impacts on technology choices or economic structure, such as urban planning and energy infrastructure, should be assessed on their costs and benefits, with their impact on GHG emissions through time valued at the price expected for private transactions.

Aligning policies

- Climate policy can be made more effective if ministries with portfolios outside the traditional climate agenda can revisit the most misaligned policy frameworks in their domains.
- There are no universal solutions to misalignments, as policy setting technology choices, technology priorities, development priorities and resource endowments vary across countries. But every county can make a diagnosis by taking a comprehensive look at policy settings, and start addressing misalignments with climate goals for a more sustainable, low-carbon future.

prices of petroleum products. Economies have generally adapted to these changes, which are larger than carbon pricing itself would generate in the near future.[1]

This chapter gives a brief overview of the gains from taking action now to limit climate change, emphasising that an extremely important – but difficult to value - part of those gains comes from reducing the risk of catastrophic scenarios. The chapter acknowledges that there are definite economic costs involved – as with any policy reform – but that these are small relative to consequences of such tail events. Next, the chapter notes that some progress has already been made towards the climate change goal, even with somewhat

1. For example, the additional gasoline tax due to adding a tax of USD 50 per ton of CO_2 to existing taxation would be about 44 US cents per gallon, or 11 US cents per litre.

inconsistent policy signals so far. Finally the chapter argues that, far from impeding the current fragile recovery, ambitious measures to set the global economy on a path to zero net greenhouse gas emissions can fit very well within current policy priorities of stimulating investment and technical progress, tax reforms and environmental improvements. These measures need to be part of clear and credible policies, so that individuals and firms fully understand the need for change and plan current and future investment in line with climate change objectives. Addressing climate change policies now and in this way will more likely support than derail global economic growth.

Why act? What's the problem with global warming?

Years of research have established that increased GHG emissions as a result of human activity have led to and, if nothing is done, will continue to lead to significant increases in global average temperatures. Although there is some uncertainty about the exact response of average temperature to GHG concentrations, the Intergovernmental Panel on Climate Change (IPCC) estimates that current trends will lead to an average temperature rise somewhere between 3 and 5°C.

To put this in perspective: "When global warming has happened at various times in the past two million years, it has taken the planet about 5,000 years to warm 5 degrees. The predicted rate of warming for the next century is at least 20 times faster. This rate of change is extremely unusual" (NASA, 2015). This rapid increase will make it difficult, and in some cases impossible, for ecosystems and societies to adapt. Moreover, rapid and irreversible changes, with catastrophic consequences, in at least some regions, seem likely (IPCC, 2014b). Rises in sea levels of several metres due to melting of one or more of the major ice sheets, or disruption to ocean currents that could cause rapid switches in regional climates, are examples of these changes. Natural global climate change at rates lower than current human-related climate change "caused significant ecosystem shifts and species extinctions during the past millions of years" (IPCC, 2014b). Current world tensions over migration, water, land and other natural resources illustrate limits to the ability of human societies to easily adjust.

Climate change will reduce overall disposable incomes partly through some direct effects on productivity in food production, partly through the effects of losses of land through sea-level rise or through increased recurring damage from extreme weather events. These are partly offset by some expected benefits from higher temperatures in some areas and the higher CO_2 concentrations that can favour plant growth.

Recent OECD modelling work shows that the net economic consequences are projected to be negative in 23 of 25 world regions (OECD, 2015c). They are especially large in Africa and Asia, where the regional economies are vulnerable to a range of different climate impacts, such as heat stress and crop yield losses. Variation within some regions is likely to be higher than variation across regions. The two regions estimated to benefit from climate change are those with significant territory in the higher latitudes.

Some of the social costs of change would be those associated with changes in production and losses of productivity. Probably more significant would be difficult-to-quantify costs from premature death and the social costs of migration and other adaptive behaviour that cannot be captured in GDP. It is the substantially increased risk of catastrophic changes, especially if rising temperatures trigger some of the potential climate tipping points, that calls for action.

Action is needed

Adaptation

Some climate change is already inevitable, so we will need to adapt. Much adaptation will take place without any policy action as people and firms adjust to changing circumstances. But it is important to plan for policies to facilitate adaptation, especially where long-lasting investment in public or private infrastructure is concerned. Many countries already have such policy frameworks in place, for example planning construction codes to anticipate sea level rise. There are many other steps that can be taken, such as anticipating the zoning and infrastructure policies that will be needed to moderate the impact of flooding caused by more frequent and severe heavy precipitation events (OECD, 2015e). In many cases, the impact of climate change will be to accentuate existing problems, such as migration flows, rather than to create new ones, so it is not easy to blame any particular phenomenon on our own carelessness with the atmosphere.

The magnitude of likely global temperature change if growth in GHG emissions is left unchecked, and the disproportionate increase in the risk of catastrophic changes as temperatures rise beyond the hoped-for limit of a 2° C increase relative to pre-industrial levels, mean that action to reduce emissions is necessary. For example, with larger increases in temperatures, migration flows clearly caused by land being swallowed by sea-level rise will be added to those with poverty or conflict as proximate causes. Relying on adaptation is not enough.

Action has been piecemeal

This conclusion was reached nearly two decades ago and the necessary policies are summarised in Box 2.1 and have been set out in more detail in many places (OECD, 2009, 2015a; IEA, 2015b). Those policies are required to achieve three broad objectives: (i) to discourage activity that emits GHGs; (ii) to encourage investment in technologies that support low-emissions activity; and (iii) to encourage research to generate new technologies. In general there has been progress, but apart from being insufficient, it has left doubt about whether governments are fully committed to a credible and coherent set of policies to address the twin tragedies of the commons and the horizons that are at the root of the climate change challenge (Box 2.2).

Central to all these objectives is to ensure that emitters of CO_2 and other GHGs face a clear incentive to reduce emissions, by establishing a carbon price. The idea of a carbon price is more than ensuring that actual transactions take into account their impact on climate change. It is also needed for *ex ante* public investment and policy evaluation, as a "shadow price" in cost-benefit investigations.[2] In 1997, the Kyoto Protocol was designed as one way to work towards such a price. This prototype for a worldwide "cap-and-trade" system for GHG emissions presupposed a strong degree of common purpose which could have expanded to a worldwide level. Such an expansion was not part of the objective at that time, and the parties to the protocol were differentiated into two groups, one of developed countries who took on explicit emission reduction objectives and the others who did not. Despite the advantages of the cap and trade approach (Box 2.3), the Kyoto Protocol was not ratified by some key countries, though it came into force in 2005 for those who did ratify.

2. Smith and Braathen (2015) surveys the current use of carbon pricing across the world.

Box 2.2. **Two tragedies**

Resources can be severely over-exploited, when benefits from their use accrue to individuals or small groups but the costs are widely shared. Private benefits can exceed private costs even up to the point where the resource is destroyed entirely. This **Tragedy of the commons** applies in the case of greenhouse gas emissions, where the corresponding resource is the ability of the atmosphere to absorb emissions without causing global warming.

A related misuse of resources can occur when the benefits of use are felt in the present but the costs arise in the distant future, incurred by generations who have no voice in today's decisions and when most of the beneficiaries are likely to have died. As the effects of GHG emissions are felt over several generations, the **Tragedy of the horizons** is also a key characteristic of climate change.

Decisions that are efficient for society as a whole in this kind of context depend on a high degree of coordination and consensus. Box 2.3 suggests one natural, if idealistic, approach to the tragedy of the commons. Standard economic methods of discounting future costs and benefits may be inappropriate in the case of the very distant time periods implicated in climate change (Heal, 2009) reviews the issues on discounting), while the prospects of tail events are difficult to price in any case. Both of these accentuate the tragedy of the horizons.

In many transactions, an implicit carbon tax is already in place. The highest taxes are due to the taxation of energy, especially transport fuel; those taxes mostly pre-date concern about climate change. Expressed in terms of CO_2 content, the taxes vary widely across and between countries. In Germany, for example, which has a strong programme to switch to green energy, the highest tax rates can be ten times higher than the lowest, while some fuels are not taxed at all. A similar pattern can be seen everywhere, even when the different rates are averaged across countries (Figure 2.2). There are different external costs for different uses of fuels, so there can reasonably be some difference in taxes when expressed only in relation to carbon content. But the degree of variation observed is more than can be justified in that way; it gives distorted incentives. A more efficient tax structure would level out the tax rates, as would a carbon trading system applied uniformly to all emitters. The other main greenhouse gases, methane and nitrous oxide, are not subject to direct pricing in any country because specific emissions are hard to monitor and measure.

Many other kinds of policy are in use. An overview can be found in OECD (2015b). These include regulations on building standards, waste disposal, fertiliser use, fuel economy or energy efficiency, tax incentives or subsidies for energy efficient appliances or vehicles, or public procurement policies. Some of these policies are only second best, being relatively inefficient compared with a carbon pricing mechanism, although they may have other objectives than reducing GHG emissions; fuel economy standards and certain subsidy programmes are examples (Parry et al., 2014; Fowlie et al., 2015; Ito, 2015). In other cases, they are necessary either to back up carbon pricing, or to cover market failures where information asymmetries or other barriers inhibit behavioural reaction to pricing, or where monitoring is too costly. Conversely, they are unlikely to work well where carbon pricing at adequate levels is not in place.

On its own carbon pricing can have significant effects. This can be seen reflected in the relatively low fuel consumption of vehicles using highly-taxed road fuel in Europe compared with the United States, and in the significant cut in fuel consumption in British Columbia after that province introduced its own carbon tax independently of the rest of Canada (Figure 2.3). Some research suggests that the response in British Columbia was

Box 2.3. **A worldwide cap-and-trade system? Seemingly impracticable, but useful as a reference point for other options**

The Paris meeting of the Conference of the Parties to the UNFCCC is focusing on a set of independently determined national targets for reducing greenhouse gas emissions, recognising that there was little chance of agreeing on a comprehensive global agreement such as the cap-and-trade agreements that are in operation in some regions. Cap-and-trade, as a voluntary action by a group of countries, has some valuable attributes which are nevertheless worth recalling.

The atmosphere is a global resource which no individual can appropriate for their private use, nor protect against abuse by others. It, and the services it provides, are therefore subject to the full consequences of the "tragedy of the commons" (Box 2.2).

One way to reduce the risk of over-exploitation represented by the tragedy of the commons is to assess a sustainable rate of exploitation and attribute property rights in such exploitation to individuals. This approach is already widely used (often with imperfections, largely due to enforcement difficulties), for example in contexts such as protecting fisheries or limiting water use. As the climate-regulation property of the atmosphere is a true global resource from which everyone benefits equally,[1] a natural inclusive approach would give equal emission rights to everyone, more practically to each country in proportion to its changing population. In principle the sum of those rights over time would be equivalent to the carbon budget, the limit on accumulated GHG emissions that is consistent with stabilising atmospheric concentration at a tolerable level. IPCC estimates are that the carbon budget needed to limit the temperature rise to within 2°C would be used, at current emission rates, within 25 years.

An effective market in such emission rights would allow emission-intensive activities to occur where they were most valuable, at the same time compensating others for use of "their" rights. Currently, the issue of financing climate change policy, and the necessary investment and adaptation, especially in developing countries, is a difficult part of the climate change negotiation process.

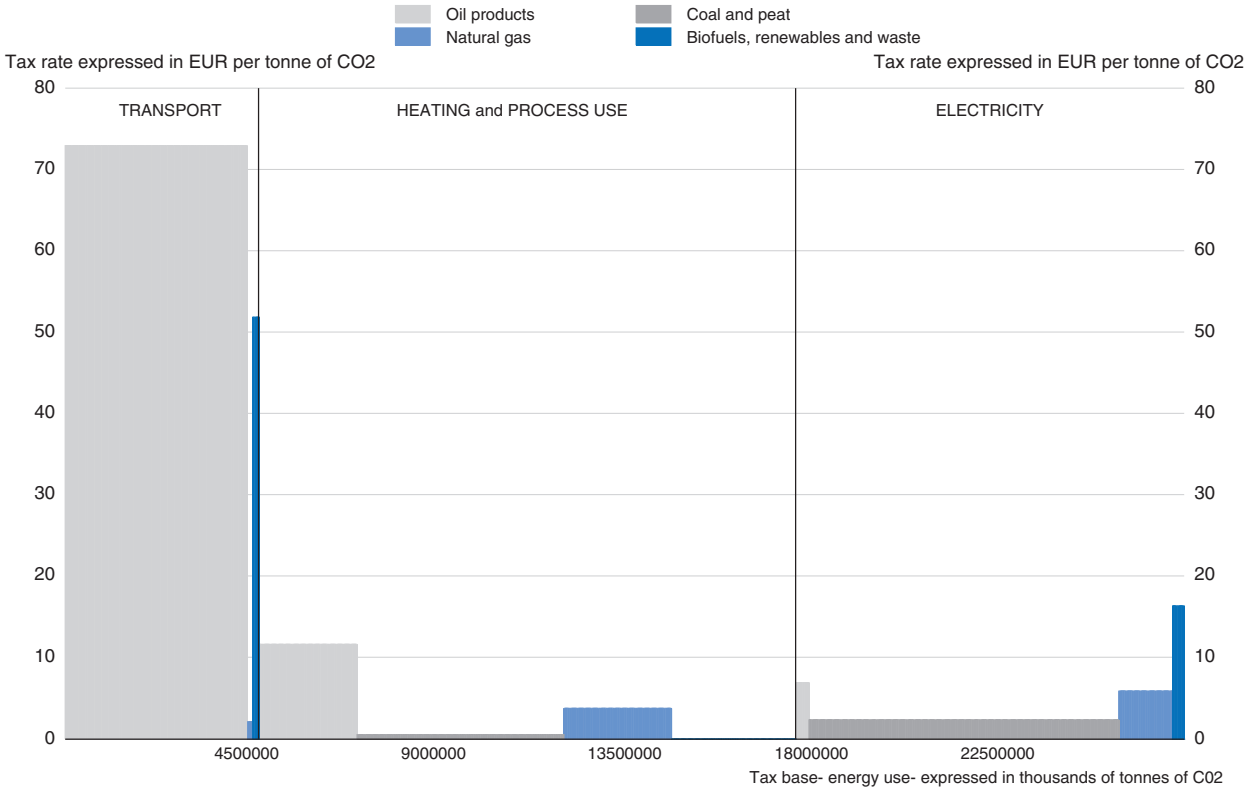
Carbon prices would emerge naturally from this trading and, if the market were reasonably efficient, prices would converge to be the same in all countries. Established emission-intensive interests would lose substantially from such an approach, as they would from any measure of effective GHG emission pricing, while some current low emitters would benefit.

Other methods of establishing a GHG price, such as carbon taxation, have many properties in common with a worldwide cap-and-trade system. Explicit taxes can provide a clearer, more immediate, price signal than the uncertain outcome of trading systems. For example, the allowance price in the European Trading System has been very low as a result of poor initial implementation, the severe recession and perhaps also uncertainty as to the future of the system. The greater certainty of other pricing mechanisms can be partly illusory, however, as tax rates are likely to need adjusting as experience reveals how the economy reacts. Related market incentives, such as feed-in tariffs for different types of renewables used in electricity generation, have been very unstable. Furthermore, they do not lead so easily to a common carbon or GHG price, nor to a redistributive mechanism with such a natural justification.

Such a cap-and-trade system is simple to outline, but enormously difficult to negotiate or implement, because of differences of view and economic interests between and within countries and because of the costs of monitoring and enforcement. Though an implausible outcome in the short term, it could be thought of as a reference point for the evolving diverse set of targets and policies used in different countries.

1. This is not strictly true since some, hard to identify, people are likely to benefit from climate change.

Figure 2.2. **The carbon tax[1] in OECD and seven partner countries [2]**

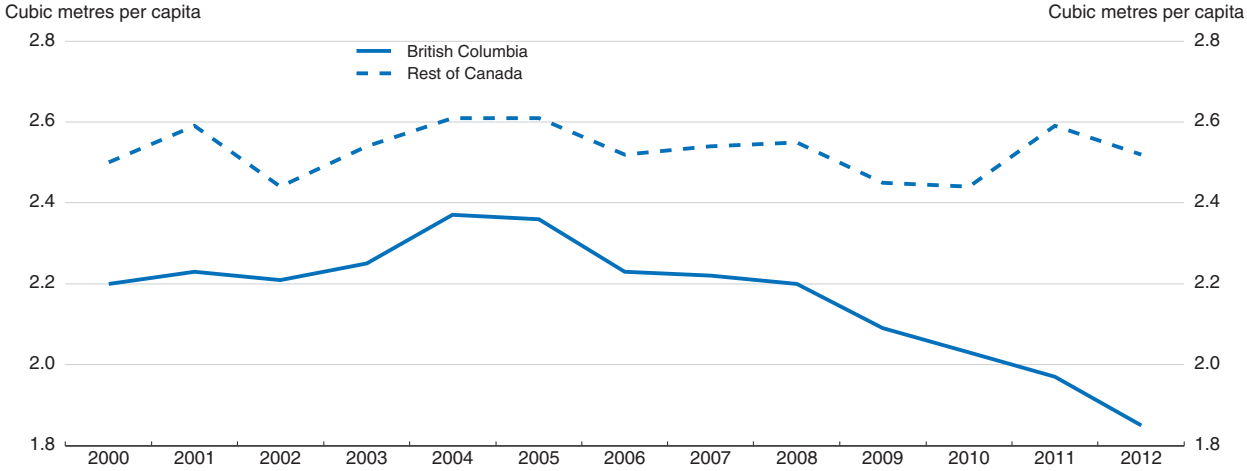


1. Calculated as total indirect taxes on each fuel-use divided by implicit CO_2 emissions from combustion. It therefore includes taxes whose purpose is not carbon taxation per se.
2. Argentina, Brazil, China, India, Indonesia, Russia and South Africa.

Source: OECD (2015), Taxing Energy Use 2015.

StatLink http://dx.doi.org/10.1787/888933296597

Figure 2.3. **Sales of petroleum fuels subject to British Columbia's carbon tax**



Note: Years N start in August N-1 and finish in July N.

Source: Statistics Canada (2015), CANSIM database.

StatLink http://dx.doi.org/10.1787/888933296605

stronger than might have been expected on the basis of the actual change in tax-inclusive fuel prices, partly due to the visibility of the carbon tax (Rivers and Schaufele, 2015).

Finally, while continuing GHG emissions could lead to changes in climate quite outside previous experience, putting a price on CO_2 and other emissions, even a quite high and rising price, would not be so unfamiliar. Swings in the price of oil have been at least large, if not greater, than likely carbon taxes. Oil price changes involve shifts of income between countries rather than the largely domestic switches that carbon pricing involves. Yet the world economy has learnt to deal with these changes successfully.

Financial markets and climate change

Getting the price right should encourage both investment in, and the development of, low-carbon technologies - provided finance is available. But the same kind of difficulties faced by R&D – the long time-horizons involved, dependence on future government policy – can inhibit the availability of private sector finance. For example, the financial community may be more sceptical about governments' long-term commitments to support than entrepreneurs. The mobilisation of finance to help poorer countries reduce their emissions and deal with the consequences of climate change is one of the key sticking points in climate change negotiations. Progress in meeting existing financial commitments by developed countries is hard to monitor or assess (Ellis and Moarif, 2015).

Innovation in financial instruments may improve access to private sector finance for climate change activities. For example, "project bonds" have been developed as a means to introduce private finance into infrastructure projects, even when the ultimate sponsor is the public sector, though a major part of their attraction is the tax concessions they are often given. Applying a similar model to climate change initiatives could widen the range of finance available for climate change projects. A market for "green bonds", characterised by being tied to specific projects such as renewable energy, is developing. Annual issuance of "labelled" green bonds was USD 10 billion in 2013, rising to USD 18 billion in 2014.[3] Though green bonds might remain a niche market driven by some investors' preferences for such investments, unless either the investments or the bonds themselves are subsidised, there is potential for growth: in 2015 institutions such as Barclays, Deutsche Bank and Citigroup announced major investments in green bonds to be held as "high-quality liquidity reserves", and the German government announced its intention to purchase EUR 1 billion of green bonds through the country's KfW Group development bank, while in 2011 total outstanding green bonds represented under 0.02% of capital held in global bond markets (Bloomberg, 2015a, 2015b; Della Croce et al, 2011). In a period when central banks are active in promoting recovery from the financial crisis and recession by supporting financial markets, providing this support to suitable instruments financing GHG mitigation, "green monetary policy", could constitute a useful extension.

Financial markets are also important for the capacity of the insurance and reinsurance industries to provide cover to help manage extreme events. OECD (2015g) notes the development of "catastrophe bonds", where payout is often triggered by specific events rather than on the basis of quantified damage, as an element of innovation in financial markets that can improve the supply of funds to insurance markets. There may be a role for governments in ensuring that disaster risk coverage is available in the insurance and

3. See Climate Bonds Initiative, *https://www.climatebonds.net/cbi/pub/data/bonds*.

reinsurance markets. Where the scope of such uninsurable risks is limited, this has often been addressed through targeted investments in risk reduction. For example, in Australia, a range of specific mitigation investments have been made by the government to reduce the potential for loss in areas severely affected by the 2010-11 Queensland floods. In Germany, a programme has been established to allow households in flood-exposed areas to obtain a flood-resilience certificate, based on an assessment by authorised experts, as a means to secure insurance coverage. However, intervention in the provision of disaster insurance must be carefully designed to ensure that government involvement does not discourage the development of private markets for disaster insurance (see OECD, 2015g).

These and other financial innovations could help both to accelerate progress in cutting emissions and to improve the ability of the economy to manage risk through insurance, while also mobilising idle funds. Once financial markets are fully convinced that governments are serious about climate change policy and using market mechanisms like carbon pricing with well-defined time profiles,[4] private finance for research and investment will in any case be more readily forthcoming. This, together with continued financial innovation, could magnify any macroeconomic stimulus from climate change policies by helping to accelerating the investment response.

To some extent, this finance will be switched from projects that carbon pricing or regulation have made unprofitable. There are potential risks for the short-term here, as financial markets identify companies who may be left with "stranded assets" – investments that seemed profitable when they were made before public policy on climate change was clear. Bank of England (2015) notes this as a potential – but manageable – risk for insurance companies' asset management operations, in addition to their potential liabilities on insurance itself. The insurance industry is one key part of the financial sector which may promote action in its own interest.

Insurance: coping with climate change – and reducing it?

Since the "climate" can only be described statistically rather than with certainty, climate change can be difficult to spot. But one of the main characteristics of predicted change is increased frequency of extreme events, where insured damages can be very large. IPCC (2012) provides evidence of a number of likely impacts of climate change on the nature of extreme events, such as more heavy precipitation events and a shift in extra-tropical storm tracks towards the poles. There is some evidence that these impacts are already being felt, in that hotter temperatures and drought may be increasing the frequency and size of wildfires in the United States (Dennison et al, 2014); the intensity of tornadoes may increase as a result climate change (Elsner, Elsner and Jagger, 2014). The number of registered weather-related natural hazard loss events has tripled since the 1980s (Bank of England, 2015, reporting data supplied by Munich Re). There does seem to have been some rise, though very erratic, in economic losses from natural disasters over the past few decades. Inflation-adjusted insurance losses from weather-related natural hazard losses have increased from an annual average of around USD 10 billion in the 1980s to around US$50 billion over the past decade (Figure 2.4), even if the total remains small

4. For example, a recent French law sets a carbon tax at €14 per tonne, and announced that the level of the tax will rise to €56 by 2020 and €100 by 2030. Most countries have in the past had special arrangements on energy taxes for particular sectors (reflected in Figure 2.2); governments will have to show that this will not recur if they are to generate full credibility for this sort of measure.

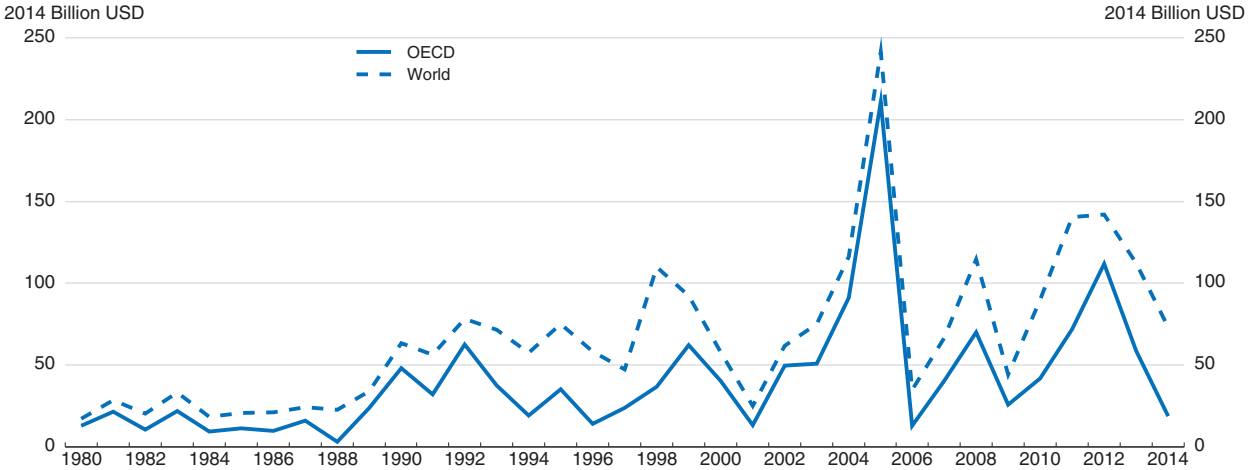
compared with global wealth.

Climate change cannot be confidently identified as a factor in this increase in insured losses, because many other contributory factors are at work, including wider insurance cover, the increasing value of insured assets as the economy grows, or greater activity in risky areas. Increased economic integration, facilitated by transport mobility and communication, has also acted as a vector for propagating shocks globally (OECD, 2014). Climate change is nevertheless predicted to increase some types of insured losses. The insurance industry is thus in a good position to detect change and may be able to price in the costs of climate change, creating incentives for both adaptation to, and avoidance of, climate change.

One kind of risk insurers could face gives them a direct interest in avoiding climate change. They could potentially in the future face liability claims similar to those related to asbestos, on the grounds that the companies they had insured had been negligent in emitting greenhouse gases and thereby causing climate change, increasing the probability of weather-related damage (see e.g. Faure and Nollkaemper (2007); Ross et al (2007); Faure and Peters (2011)). Though it is not clear that such litigation would be successful in making insurers liable for damages, the possibility that it might be reinforces the incentive for insurers to find ways to encourage GHG mitigation. The insurance sector has generally been quite vocal in supporting strong action against climate change (see e.g. *http://www.climate-insurance.org*). Insurers are also likely to face higher payouts through time in any case; for example, climate-related supply chain disruption is already an issue for them (Advisen, 2013). Bank of England (2015) surveys climate change issues in insurance from the regulator's point of view.

Insurance policies usually carry clauses to reduce the risk of accident by invalidating claims, or provide for "deductibles" (reduced compensation) if the policyholder has not taken obvious precautions (specified in the contract). Such clauses work best when the underlying risks are stable. Where the underlying risks are changing, but to an unknown degree, insurance companies, always exposed to normal "tail" risk, can be exposed to a

Figure 2.4. **Economic losses from climatological, meteorological and hydrological disasters**



Source: OECD (2015e), Climate Change Risks and Adaptation: Linking Policy and Economics.

StatLink http://dx.doi.org/10.1787/888933296615

different kind of risk, that of predicting the underlying likelihood of damaging events. When this is too difficult, the private sector may withdraw from providing insurance (Bank of England, 2015). This may be felt as "unfair" though ironically it is good for adaptation: the absence of flood insurance is a strong incentive to avoid building on flood plains. On the other hand, private insurers will generally not handle the risks of nuclear accidents, which are usually taken up by the public sector.

Although the role of insurance in adaptation can thus be important (OECD, 2015e), insurance can theoretically generate "moral hazard" where the fact of being insured results in people or companies being less vigilant in avoiding risky behaviour. Flood insurance, either private or through public insurance, could have combined with insufficient land-use controls to increase losses due to catastrophic floods in a number of countries in recent years, for example. The use of deductibles can both reduce this risk and give incentives to take action, however. Flood Re, a UK public insurance scheme to which every citizen has to contribute (through household insurance), replacing private insurance, limits this by excluding coverage of houses that were built after 2009 on flood plains. The US National Flood Insurance Program similarly limits the availability of insurance to communities that commit to adopting and enforcing floodplain management regulations.

The design of insurance policies can have a positive role to play, although the insurance industry itself may be less dependent on clear and credible climate change policies than other industries, since its existence is due to uncertainty itself. The actual occurrence of individual catastrophic events does not necessarily lead to lower overall supply of insurance. For example. Kramer and Schich (2008) show that following the 20 most costly disasters between 1974 and 2004, where insurance companies saw very large payouts way beyond accumulated premiums, insurance companies' share prices tended to rise relative to the market after an initial fall. Disasters appear to stimulate the demand for insurance, allowing insurers to charge higher premiums, making more profit and attracting new capital.

But industrial and commercial companies' insurance risks depend in part on regulatory policy, such as rules on flood plain building or on liability for contributions to climate change, for example. Appropriate and credible regulations in such areas can help to prevent a narrowing of insurance cover and increases in premiums in the face of global warming, so that the insurance sector can improve economies' resilience both by promoting adaptation and by sharing catastrophic losses.

Greenhouse gas mitigation and the short-term outlook

Slow and piecemeal action is costly, not only due to the reduced chances of avoiding climate change, but also because it can affect macroeconomic prospects, particularly when the outlook is fragile as it is now. Clear commitment now to strong GHG mitigation emission policy over the next decade could actually boost the economy in the short term, even though the objective of GHG policy itself is to change the structure of economies rather than their overall growth rates. Some effects could be directly related to the policies themselves, others more indirectly through links with confidence and expectations.

Reducing greenhouse gas emissions with investment

Investment is key to preventing climate change in the longer term as well as to reviving economic growth in the short to medium term. The switch to low-emission power

generation will need investment in technologies which are more capital intensive than fossil-fuel-based generation, and other measures such as improved building standards also call for more investment spending. Investment can be costly, but in current circumstances, with many economies operating well below capacity and with an overall shortfall in investment (OECD, 2015d), an additional benefit from a reinvigorated long-term investment strategy would be its contribution to stimulating demand and supporting the recovery into the medium term. Its magnitude depends on the nature and timing of the needed investment as well on the extent to which it represents additional investment, as opposed to investment in new technology being offset by declining investment in GHG-intensive technologies.

As far as public investment is concerned, projects should be subject to normal evaluation procedures focusing on value for money, where a high – and rising through time – shadow price of GHG emissions is part of the analysis.[5] GHG emission-reduction policies or projects cannot be valued entirely "normally" however, because there is little empirical basis on which to evaluate the costs of tail risks.[6] The demand channel would vary by country but could be both in investment and exports, as many countries would need to import technology and equipment from OECD (and non-OECD) suppliers.

In the longer run, successful climate change policy could also support even those economies that might be less affected by climate change damage, as it will improve prospects in many developing countries which are both highly vulnerable to climate change and likely to be of growing importance as trade partners for OECD countries. As investors respond not just to today's developments but also to long-term prospects, removing possible climate change catastrophe as a source of future concern may raise confidence even in the short run.

That said, estimates suggest that even quite determined climate change policies seem unlikely to elicit demand for investment that is extremely large in aggregate macroeconomic terms. The required shifts in the composition of investment may be substantial, nevertheless, and the sooner that policy makers are committed to this, the better. IPCC (2014c) estimates, with a wide margin of error, that the net rise in investment needed to respond to climate change policy could be $500 billion annually, with the increase in "green" investment being partly offset by less investment in, for example, coal-fired power generation. This is about 5% of total fixed investment in OECD countries, or 2½ per cent of fixed investment globally, in 2014. Corfee and Kennedy (2013) also conclude, again with a wide margin of error, that the net increase in investment could be up to $450 billion a year. From a different perspective, IEA (2015b) has estimated that, up to 2030, the level of investment in energy efficiency, the power industry and fuel supply will average more than 10% of total investment in OECD countries, but that the total would not rise substantially even on the path needed to keep atmospheric GHG concentration within the limit of 450 parts per million and thereby limit the likely temperature rise to 2° C.

5. The long period of low long-term interest rates is leading a number of countries to consider revising down the inter-temporal discount rate used in investment and policy evaluation. A lower discount rate increases the importance of future monetary benefits and costs compared with today's.
6. This is because of multiple uncertainty and lack of information. The impact of any policy on actual GHG concentrations is uncertain. The conditional distribution of the risks of climate change for any given change in concentrations is unknown, especially concerning the catastrophic or "tipping point" events. The consequences of those events on future economies are, in turn, also uncertain.

Research and development

Research and development spending on low carbon energy sources and on energy efficiency is essential to developing new technologies on which a low-carbon future depends. Among the OECD member countries for which statistics are available, total expenditure on energy-related research, development and demonstration (RD&D) accounts for between 0.001% (Portugal in 2013) and 0.167% (Luxembourg in 2012) of national GDP, with the simple average around 0.045%. Much of this goes on either energy efficiency or renewables, although in some countries nuclear power or fossil fuels take a significant share (a high share for fossil fuels is usually due to carbon capture and storage research). The overall amounts are relatively small, on average total public spending on energy-related RD&D amounts to only around one fifth of the average revenue from environmental taxation.

Public support for RD&D is important, because it can be a public good with a number of market failures in its production (for a comprehensive discussion, see Andrews and Criscuolo, 2013). The degree of market failure can justify more durable policies than the "nudges" that are sufficient elsewhere, especially because of the long time-horizons involved in developing new technologies to avoid climate change. Policy instability itself is also an obstacle, just as for fixed investment decisions.

Design of RD&D support is difficult. For example, a key choice is between "picking winners" with targeted support, where misguided administrative decisions can be very costly, and general support through tax allowances or subsidies, which run the risk of financing activity that would have happened anyway. Which is more cost-effective is not clear. Broadly, public financing is best for basic research and general purpose technologies with broad applications, such as energy storage.

Successful RD&D and innovation policy can be very important, especially where it can support fairly broad objectives; support directed at climate change policy can have spillovers for other industries. In this way, just as fixed investment encouraged by climate change policy may improve short-term prospects from the demand side, increased overall expenditure on RD&D, even if primarily directed towards specific climate change issues, could well improve longer-term prospects for overall productivity growth. Both spillover effects and stimulus to the supply of RD&D facilities and researchers themselves may play a part in this long-run effect.

Investors need clear signals

Policy instability can be a source of uncertainty for investors and researchers. Investors' lives are already full of uncertainty, and those related to new technologies and long-lived equipment, as is overwhelmingly the case in climate change, are particularly difficult. Where possible, policy makers should therefore avoid adding to this uncertainty. Governments cannot directly reduce the inherent uncertainty in climate change itself, although they can use measures such as subsidies or guaranteed prices to shift the risk away from investors.

Successful climate change policy will reduce the overall level of risk, however, because by reducing the rate of global warming it makes the catastrophic outcomes, whose consequences are particularly difficult to deal with, less likely. High levels of overall risk are likely to depress investment, as firms may prefer to wait rather than make difficult-to-reverse decisions. Some work also shows that higher levels of uncertainty reduce the

responsiveness of investment to shocks (Bloom et al, 2007). This might affect the ability of policy to get investment moving again after recessions, for example.

Policy instability is itself a source of uncertainty for investors and innovators. This is a particular problem for climate change policy, because of the very long-term horizon and the relatively short history of policy engagement on the issue. Climate change policy has indeed suffered from instability in some countries. For example, carbon taxes have been proposed and then removed or watered down (France, Australia), trading systems have been poorly implemented (EU ETS), subsidies to renewables have been at first excessive and then radically reduced in many European countries or have had their conditions frequently modified (Italy, United States).

Policy makers must therefore tread a line between providing long-term assurance that investments made today and today's research and development activity will be profitable many years hence, and preserving the flexibility needed to adjust policies in the light of experience and changing circumstances. Hence, clear and credible policy frameworks can reduce long-term climate risk and shorter-term policy risk, further enhancing the prospects for investment growth. Where credibility is low because of past instability, it cannot be rebuilt rapidly or by ambitious statements of intent alone and there are no clear commitment mechanisms. Policy statements coming from COP21 therefore need to be ambitious, but with a credible level of ambition, and subsequently backed up by steady introduction of the right policy measures. One way to promote such clarity is to ensure that different kinds of policy are consistently directed towards the policy objective (Box 2.4). The sooner this is done, the stronger will be the investment response.

Environmental stringency, productivity growth, and competition

Clear and credible commitment to GHG mitigation means more stringent policies. OECD research suggests that, despite claims, there is little evidence of adverse effects of more stringent environmental policies on short-term productivity growth (Albrizio *et al*. 2014). This result does need to be treated with caution – there are losers and winners. Productivity gains can come from axing less efficient and/or more polluting activities and one possible consequence is industry shutdowns or "leakage" to other countries. Follow-up research (Kozluk and Timiliotis, 2015) suggests that leakage is rather limited, and its impact on the trade balance should be eventually offset by the improved comparative advantage of "cleaner" activity. In the short term there may nevertheless be some adjustment costs. The already low risk of leakage is much reduced if stringency can be increased simultaneously in many countries, as can hopefully be achieved in the current climate change negotiations.

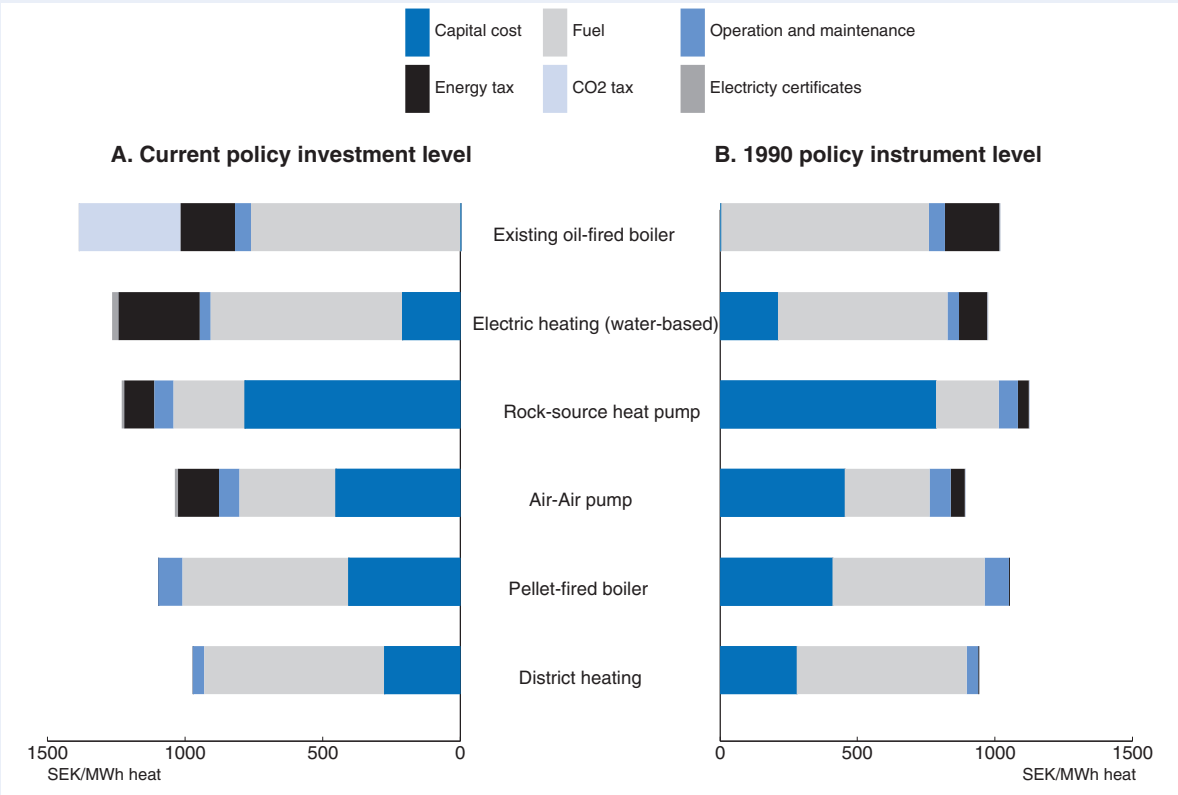
Climate change policy and fiscal sustainability

Many governments face a difficult fiscal situation, while climate change recommendations include the need to increase the "price" of CO_2 emissions through methods such as increasing taxation. Increasing carbon taxation would seem to work towards solving two problems at the same time. Removing the many subsidies to fossil fuel use would also help in the same way; they are equivalent to over one tenth of energy tax revenue in a number of countries (such as the United Kingdom, Canada and Hungary) and more than this in some countries, such as Australia and Brazil (OECD, 2015h).

Box 2.4. **Integrated policies reduced Swedish residential greenhouse gas emissions by 80%**

In 1990, total residential GHG emissions in Sweden were over 6.6 million tonnes CO_2 equivalent. By 2009, they had fallen to under 1.3 million tonnes. Emissions fell despite an increase in per capita residential surface area, as a series of policies pushed Swedes to invest in better homes. The key policies included increasing taxation on oil and gas-fired heating, so that their overall cost increased by up to 30% compared with zero emissions alternatives; tighter building standards; and an energy certification scheme (Ministry of Environment, Sweden, 2014).

Heat production costs in single-family houses with different heating alternatives

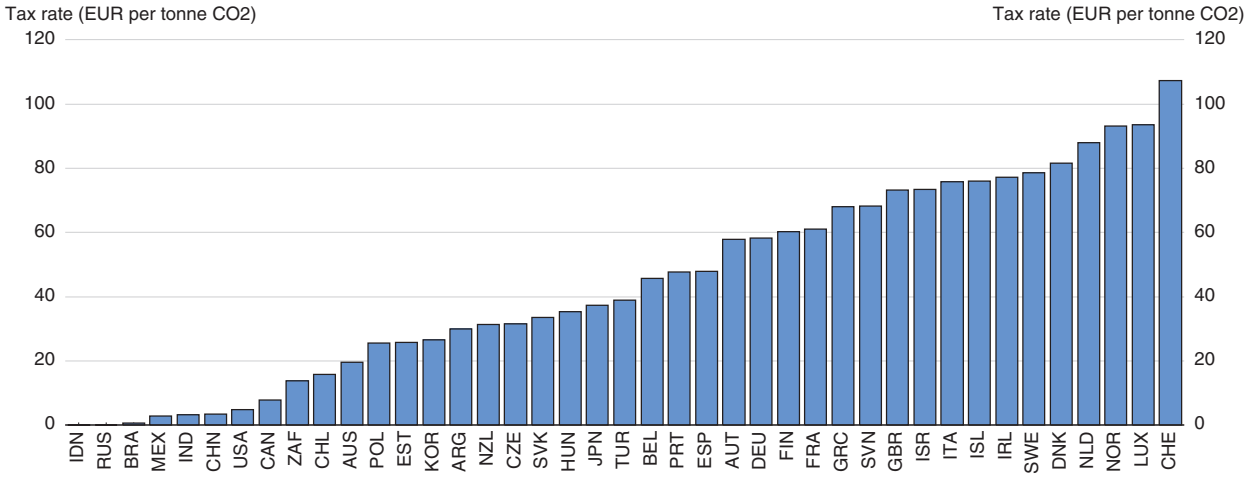


Source: Ministry of the Environment (2014), Sweden's sixth national communication on climate change.

StatLink http://dx.doi.org/10.1787/888933296631

Carbon taxation, in the form of motor fuel tax, already raises a lot of revenue in most countries. Expressed as taxation per unit of CO_2 emitted, motor fuel taxes are much higher than on any other kind of CO_2 emissions (and often higher than estimates of the average tax rate needed to reach mitigation goals). Average tax rates vary widely across countries (Figure 2.5). The rate of explicit taxation is not the same as the carbon "price" notably because some countries have cap-and-trade systems in place. The economic and environmental effect is similar to a carbon tax but they have much less impact on government revenue, since allowances have been mostly issued at no charge, though this proportion tends to decline (in the European Trading System, for instance, 96% of emission allowances were allocated free for 2008-12, while about half will be so allocated for the 2013-20 period).

Figure 2.5. **Economy-wide effective tax rates on CO_2 from energy**[1]



1. 2012 data.

Source: OECD (2015), Taxing Energy Use 2015: OECD and Selected Partner Economies.

StatLink http://dx.doi.org/10.1787/888933296621

Overall revenues from environmental taxation, most of which is energy and transport related, show similar variation, with some countries collecting the equivalent of over 3% of GDP and others less than 1.5%. Some countries could therefore improve their public finances if they adopted taxation nearer the upper end of this scale.

Using environmental tax revenues

Revenues from taxes and charges on GHG emissions could be used in a number of ways. In the case of most taxes, earmarking their revenue to particular purposes is not a good idea, because it makes spending dependent on events or trends in tax bases likely to be irrelevant for the costs and benefits of that particular expenditure. This would seem to be the case in principle with taxation of greenhouse gas emissions. For example, in theory what matters for such taxes (and for so-called "Pigou taxes" in general) is the tax rate on marginal emissions; tax systems with good properties can have a zero average rate provided there is an incentive to reduce pollution at the margin.[7] Such taxes give good incentives to reduce pollution but produce no revenue for the government. From this point of view, revenue from taxes or charges on GHG emissions should be treated as general tax revenue and used to reduce other taxes, reduce debt, or finance general expenditure, according to political choice.

There are nevertheless a number of pragmatic reasons for some earmarking of tax revenues in the case of climate change (see e.g. Grubb *et al.*, 2014). "Getting the price right" is an essential first step to induce behavioural change, but there is evidence that households and businesses are slow to react even when they can save money. Here there is room for "nudging" policies, where small amounts of public expenditure can be used to kick-start a reaction; this could be targeted, temporary, subsidies or publicity campaigns, for example. Many countries provide some form of subsidy to energy-saving home

7. There are not many examples in practice, one is the tax on NOx emissions in Sweden, whose revenues are refunded in proportion to energy use; cap-and-trade systems with free allocation of permits are essentially equivalent.

improvements, in the face of evidence that householders, and especially owners of rental property, do not make these investments despite their cost-effectiveness. Thus, allocating some climate change revenues to such limited and temporary measures is reasonable, especially from a political economy point of view where it can help to sell the idea of the necessary taxes. Nevertheless, governments should always monitor the impact of these programmes which, despite their good intentions, are not always cost effective (Parry et al., 2014; Fowlie et al,. 2015; Ito, 2015).

Another justification for earmarking can be found in the need to fund investment, especially in RD&D. "Getting the price right" and some "nudging" should give the right incentives for private sector investment but some of the investment needed to reduce GHG emissions will be in the public sector itself, such as better building standards for public buildings. Some could be more indirect, such as investment in low-emission vehicles in public transport or subsidies for initial infrastructure needed for electrically powered road vehicles. Again, such investment, or subsidies to encourage it, might be needed for only a temporary period. Finally, using some revenue from climate change measures to finance RD&D makes sense, since it has an essential role in developing a low-carbon economy. Some RD&D can be targeted on specific groups of technologies or materials and pricing may stimulate this directly, but progress often comes from basic research which is more dependent on untied funding from industry or government. In political economy terms, too, such an allocation can help to make the necessary taxes or charges acceptable.

The social safety net and energy subsidies

Many countries use energy subsidies to relieve the burden of high energy prices on particular sections of the population or particular industries. These tend to increase the use of the subsidised energy, which is usually fossil-fuel based, so that GHG emissions are thereby encouraged. The population targeted is usually small so this direct effect may be small, but poor targeting means that the affected group is often much larger so that the unintended effects of poverty-motivated or industry-specific energy subsidies can be significant. They may spread over time, as successive groups argue that they deserve special treatment. They are difficult to remove as they come to be seen as rights. Ultimately their cost can be many times the actual benefit to the targeted group, unless a complex administrative system is set up to control allocation.

In countries with effective social safety nets, energy subsidies (whether through sales tax reductions, price controls, or other means) can simply be replaced with appropriate adjustments to social benefits. The situation is more difficult where the country does not have a well-developed system. In this case the waste of subsidising the well-off as well as the poor may be tolerated, but reform is preferable. Setting up an entire welfare system just to replace energy subsidies is unlikely; such reform would have to be part of a larger package.

Reforms can take advantage of favourable opportunities. For example, Indonesia recently took advantage of lower energy prices to reduce energy subsidies to households at a time when their loss for poorer people was offset by falling market prices. At the same time an income support scheme was introduced, which should deliver better targeted poverty alleviation. The income support scheme in Indonesia may in practice be temporary, and most of the savings have been allocated to such programmes as infrastructure investment or education. IMF (2013) identifies targeted mitigating measures as an element in the success of 18 out of 28 reform episodes. No country where fossil fuel

subsidies have been important has successfully abolished the full range of these subsidies, which should remain a long-term policy priority (OECD, 2015h).

Conclusion

COP21 could be an important step on the road to the zero-carbon economy that is needed to give the world a chance of avoiding the worst consequences of climate change. A clear commitment to a zero-carbon path, along with credible policy programmes across the world to meet that target, would usher in an era of radical change in energy supply and industrial structure. Major investment commitments by both public and private sectors would be needed. While these would be costly, this chapter has argued that there are many reasons to suppose that both the direct effects of increased investment and the indirect effects of reduced risks and gains in confidence will support rather than hinder the recovery.

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Chapter 3

DEVELOPMENTS IN INDIVIDUAL OECD COUNTRIES AND SELECTED NON-MEMBER ECONOMIES

AUSTRALIA

Economic growth is projected to recover to 3% in 2017. Ongoing decline in resource-sector investment will be offset by strengthening consumption, non-resource sector investment and exports. Consumer price inflation will increase gradually as the economic upswing gathers momentum and the labour market starts tightening.

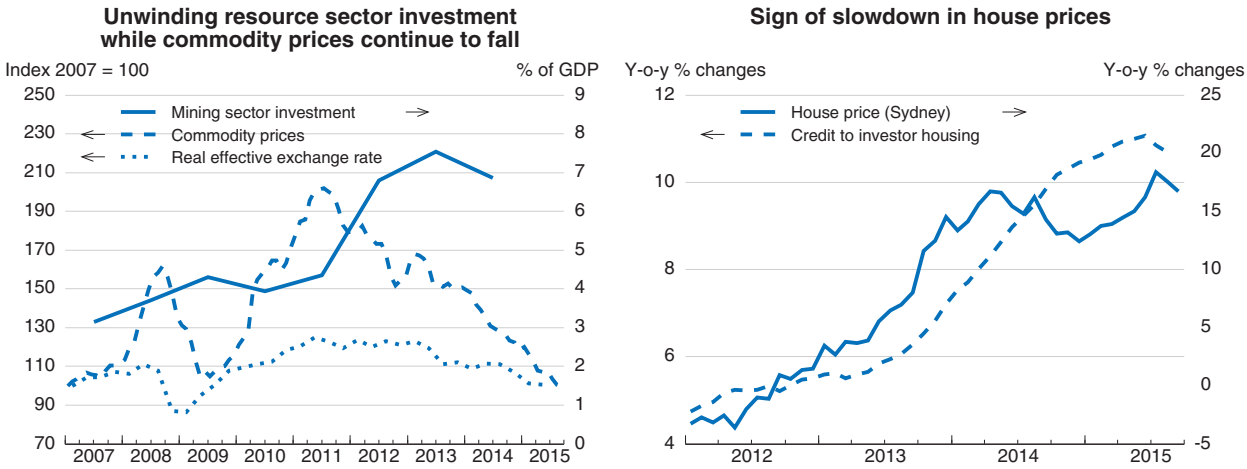
With prudential measures reducing downside risks from the housing boom, further monetary policy easing should be implemented in the event of a deepening downturn. The planned pace of fiscal consolidation is broadly appropriate but there is room for support if cyclical conditions deteriorate. Boosting productivity requires improved framework conditions, in particular through a further shift towards indirect taxes, and reforms that enhance inclusiveness, such as improved childcare provisions for working families.

Climate change could increase the extent and frequency of Australia's droughts. The recently finalised Safeguard Mechanism will help to prevent the gains made through the Emissions Reduction Fund being offset by emissions increases elsewhere. The government has announced it will conduct a review in 2017-2018 to identify whether Australia's climate policy settings will require adjustments in order to achieve the announced 2030 emission-reduction goal.

Rebalancing is gathering pace

Declining resource-sector investment and weak global commodity markets continue to weigh heavily on growth, even though offsetting processes are underway. Exchange rate depreciation is assisting exports (including tourism) and employment. Also, there have been positive signals on business confidence, profits and credit growth in non-resource sectors. A strong *El Niño* is likely to increase drought conditions and therefore reduce agricultural output, but may also mean fewer tropical cyclones and therefore less disruption to mining. Growth in house prices, which are particularly high in Sydney, has

Australia



Source: OECD Economic Outlook 98 database; Reserve Bank of Australia; Australian Bureau of Statistics; CoreLogic / RP Data.

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Australia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices AUD billion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	1 502.2	2.0	2.7	2.2	2.6	3.0
Private consumption	820.1	1.7	2.4	2.6	2.9	3.2
Government consumption	269.5	0.8	2.0	3.2	1.8	1.8
Gross fixed capital formation	432.0	-2.2	-2.0	0.6	-1.1	0.3
Final domestic demand	1 521.6	0.5	1.1	2.1	1.7	2.2
Stockbuilding[1]	2.7	-0.4	0.0	-0.8	-0.1	0.0
Total domestic demand	1 524.3	0.0	1.2	1.3	1.6	2.2
Exports of goods and services	301.8	6.2	6.7	4.3	4.2	6.0
Imports of goods and services	323.9	-1.8	-1.7	0.6	-0.5	1.8
Net exports[1]	- 22.1	1.6	1.7	0.8	0.9	0.8
Memorandum items						
GDP deflator	_	1.2	0.3	-0.8	1.3	2.4
Consumer price index	_	2.4	2.5	1.6	2.1	2.5
Private consumption deflator	_	2.6	2.3	1.4	2.0	2.4
Unemployment rate	_	5.7	6.1	6.2	6.2	6.0
Household saving ratio, net[2]	_	10.4	9.4	8.9	8.3	7.2
General government financial balance[3]	_	-1.4	-2.1	-1.9	-1.5	-0.9
General government gross debt[3]	_	38.2	42.1	44.2	46.2	47.6
Current account balance[3]	_	-3.4	-3.1	-4.7	-4.5	-3.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297003

begun to moderate, as has credit growth to property investors. Recent macro-prudential tightening, together with increases in housing supply, is playing a role in these welcome developments. Meanwhile, consumer price inflation remains moderate.

Policy needs to focus on assisting economic adjustment and inclusive growth

Two interest rate cuts by the Reserve Bank in the first half of this year brought the policy rate to 2%. The projection envisages no further easing in the near term and assumes that policy rate increases begin in the fourth quarter of 2016. However, there is room for further rate cuts in the event of below-par growth.

The government is appropriately allowing the automatic fiscal stabilisers to operate. There is room to stimulate the economy if needed, as the public debt burden is moderate. Nevertheless, medium-term fiscal planning must remain strongly committed to putting the debt-to-GDP ratio on a downward track.

Initiatives underway to strengthen infrastructure are welcome though care is needed to ensure value for money. Further tax reform would also strengthen the framework for growth. Tackling tax-breaks on pensions ("superannuation") and capital gains is important. Also, there is debate on a reform to increase and broaden goods and services tax (GST) and other efficient taxes (*e.g.* tax on land), and lower more distorting income and

transaction taxes; such a move would significantly improve the growth-friendliness of Australia's tax system.

Aboriginal communities will be helped by the recent simplification of support programmes but this is unlikely to substantially narrow the large socio-economic gaps with the rest of the population. Boosting childcare support, to which the government has committed, would help parents to combine work and family life. The core scheme in greenhouse gas reduction policy, the Emission Reduction Fund, which provides financial incentives for businesses to reduce emissions is complemented by a recently finalised safeguard mechanism that discourages offsetting emissions and, encouragingly, also allows for some use of credits for compliance. However, the mechanism's parameters, particularly the baseline emissions, may require tightening following the planned 2017-18 review if emission-reduction goals for 2030 are to be achieved.

Output growth will pick up, but external uncertainties dominate the risk profile

Output growth is expected be 2.2% for 2015 but rise to 3% in 2017. Headwinds from shrinking mining investment will be countered by strengthening growth in private consumption as the household saving rate continues to unwind due to continuing wealth-effects from housing. Non-mining investment and exports will also pick up in response to domestic and external demand. Unemployment will begin to trend downwards, as rebalancing of the economy towards non-commodity sectors continues. Inflation will remain moderate due to continuing slack.

Commodity prices may strengthen rather than remain unchanged as assumed in projection, in which case growth would be stronger. Developments in China will remain a key influence and risk. Domestically, the housing market may experience a hard rather than soft landing and there are substantial uncertainties about the strength of household spending growth and about the net impact of *El Niño* effects. The prospect of structural reforms, such as in taxation, adds to upside risks.

AUSTRIA

A gradual recovery is underway and economic growth is projected to reach 1.7% by 2017. The recovery will be driven mainly by historically low interest rates, lower oil prices, a pick-up in foreign demand and a weaker euro. Consumer confidence remains weak but the income tax reform, to enter into force in 2016, will boost private consumption.

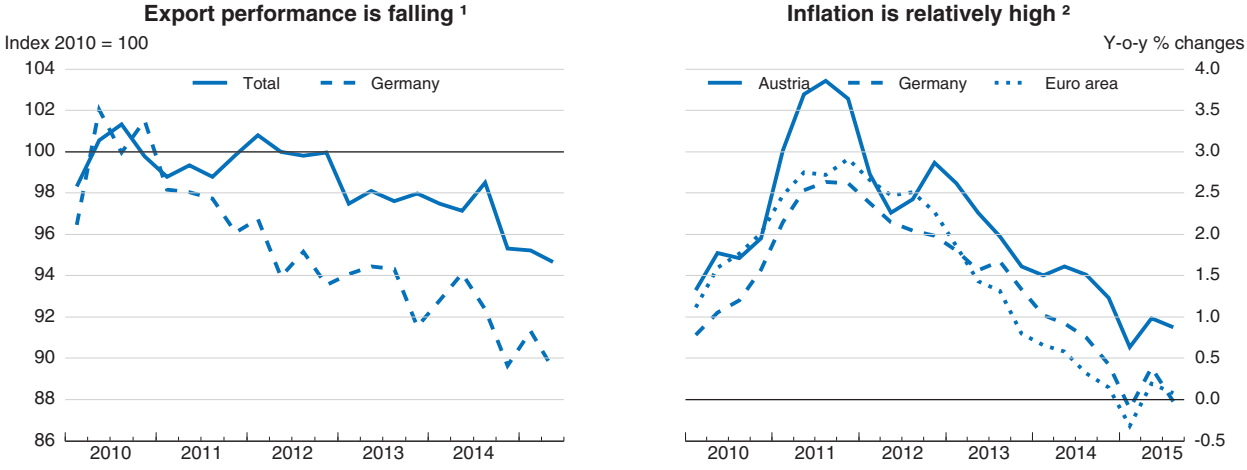
Close supervision of banks, in particular those active abroad, is essential to revive confidence. Reform backlogs in services hinder competition and reduce other sectors' prospects of benefiting from cost-efficient intermediate inputs and the diffusion of new technologies. Growth could be further strengthened and made more inclusive by removing remaining impediments that restrict the scope of the elderly, in particular women, to participate in work.

Greenhouse gas emissions have declined since 2005. However, low fuel prices compared to neighbouring countries encourage fuel exports and encourage transit traffic, which accounts for one-third of the country's total transport emissions. Fuel taxes ought to be increased and tax breaks for CO_2-emitting company cars and energy-intensive industries should be phased out.

The recovery is gaining momentum

Business confidence is improving and investment is gradually picking up, buttressed by strengthening foreign demand. Consumer confidence has stabilised at very low levels but is expected to improve as the tax reform boosts disposable household income in 2016. Despite weak growth and rising unemployment, inflation has been persistently higher than in other euro area countries, notably in services. Even though real wages are still below pre-crisis levels, falling labour productivity has weakened international

Austria



1. Cumulated differences between Austria's bilateral export growth and the growth of the corresponding partners' imports are shown (all in value). Total corresponds to export-weighted average of trading partners.
2. HCPI.

Source: OECD Economic Outlook 98 database; and Statistics Austria.

StatLink http://dx.doi.org/10.1787/888933296037

Austria: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices*	317.0	0.3	0.5	0.8	1.3	1.7
Private consumption	170.2	0.0	0.0	0.4	1.6	1.2
Government consumption	62.7	0.4	0.8	0.8	-0.6	0.8
Gross fixed capital formation	71.8	-0.3	-0.2	-0.5	2.4	4.0
Final domestic demand	304.7	0.0	0.1	0.2	1.3	1.7
Stockbuilding[1]	3.9	-0.4	-0.3	-0.2	0.0	0.0
Total domestic demand	308.6	-0.4	-0.1	0.0	1.3	1.7
Exports of goods and services	170.7	0.7	2.2	0.7	3.3	4.7
Imports of goods and services	162.3	0.0	1.3	0.2	3.6	5.1
Net exports[1]	8.4	0.4	0.5	0.3	0.0	0.0
Memorandum items						
GDP deflator	_	1.5	1.6	1.4	1.4	1.6
Harmonised index of consumer prices	_	2.1	1.5	0.9	1.5	1.7
Private consumption deflator	_	2.1	2.0	1.1	1.5	1.7
Unemployment rate[2]	_	5.4	5.7	6.0	6.1	5.9
Household saving ratio, net[3]	_	7.3	7.8	8.7	9.5	9.3
General government financial balance[4]	_	-1.3	-2.7	-1.8	-1.9	-1.3
General government gross debt[4]	_	98.5	106.8	107.3	107.7	107.1
General government debt, Maastricht definition[4]	_	80.8	84.2	84.7	85.0	84.4
Current account balance[4]	_	2.0	2.0	2.3	2.0	2.0

* Based on seasonal and working-day adjusted quarterly data; may differ from official non-working-day adjusted annual data.
1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297014

competitiveness, contributing to substantial losses in export market shares. The relocation of portions of Germany-based manufacturing chains to Eastern Europe may have amplified these losses.

Domestic and international conditions are improving

Fiscal policy is to remain broadly neutral, although the legislated income tax reform is projected to exert a slight expansionary effect in the short run notwithstanding offsetting financing measures. It is assumed that no additional capital transfers or subsidies towards troubled banks will be necessary. Stringent regulations in the service sector hamper labour productivity and partly explain the relatively high level of inflation. Tackling rigidities in the services sector would not only improve productivity and provide better jobs in the services sector. It may also help to preserve and extend employment in the tradable sector as participation in global and regional production chains increasingly depends on the provision of high-quality services. Growth could be further boosted and become more inclusive by promoting a more gender-equal society with a tax-and-benefit system that encourages a more balanced distribution of work, the provision of more full-day schools

and care centres, and fostering more family-friendly workplaces and working-time models.

Greenhouse gas emissions have declined in Austria since 2005, reverting to their 1990 level by 2012. However, in the transport sector, greenhouse gas emissions soared by 54% between 1990 and 2012, in part due to cross-border traffic encouraged by low fuel prices. To comply with the Kyoto Protocol commitments, Austria has made extensive use of a variety of mechanisms to purchase carbon credits. Going forward, domestic measures should be prioritised to meet reduction targets. Besides increasing fuel taxes, the government should phase out tax exemptions for energy-intensive industries and support the adoption of low-carbon technologies.

Export growth will largely determine the pace of recovery

GDP growth is projected to increase gradually driven by a pick-up in exports and investment, with an additional boost provided by private consumption. Export performance may be stronger than projected, if lost market shares are regained supported by recently concluded moderate wage agreements, or weaker if the slide in market shares continues amid subdued competitiveness and restructuring of regional value chains. Similarly, stronger or weaker growth in emerging market economies, in particular in China, as well as geopolitical tensions would affect export growth and, hence, the pace of the recovery in Austria. The restructuring of the banking sector is ongoing. If associated uncertainties explain more of the current sluggishness of investment and consumer confidence than assumed, growth may prove more subdued than projected. On the upside, the tax reform could boost private consumption more if saving rates pick up less than expected. Second-round effects of the reform on employment and investment may also be stronger than anticipated. Austria is experiencing large inflows of asylum seekers per inhabitant. The integration of those who will be granted asylum is both a challenge and a major opportunity for the Austrian economy.

BELGIUM

Economic growth is projected to strengthen slowly. A pick-up in private investment will be underpinned by favourable financial conditions and export growth is expected to benefit from stronger growth in Europe. However, household consumption will be held back by ongoing fiscal consolidation and wage restraining measures. Nonetheless, activity should be sufficiently strong to allow a slow decline in unemployment. Inflation is set to tick up as the effects of lower energy prices dissipate.

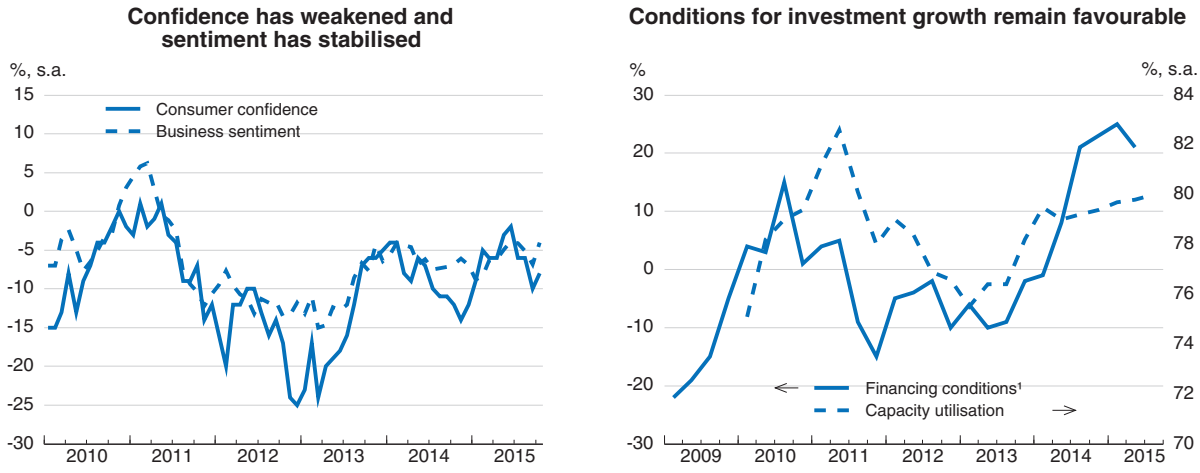
The government's fiscal consolidation plan is addressing one of the highest public debt-to-GDP ratios in the European Union, while making the tax burden less growth distortive. If the higher tax burden on consumption and capital were to be undermined by base erosion, the government will need to take corrective measures. The temporary wage restraining measures and tax shift from labour to consumption will promote employment and competitiveness, but need to be accompanied with further reforms of the wage formation process to link wages to domestic productivity. In addition, training measures aimed at vulnerable groups, notably immigrants, could make growth more inclusive.

Belgium has been making progress in reducing greenhouse gas emissions, but housing and transport-related emissions remain high. Reductions of transport subsidies, including the generous tax treatment of company cars, and greater use of road pricing could help to decrease transport related emissions and improve inner-city air quality. The planned phase-out of nuclear power by 2025 calls for substantial investment in low-emission energy generation.

Economic activity is recovering slowly

In 2015, economic activity became more broad-based as both domestic and external demand strengthened. Private consumption has been boosted by low energy prices, although the recent weakening of consumer confidence suggests some short-term

Belgium



1. Assessment of financing conditions survey, balance of percentages of replies favourable/better (+) and unfavorable/less favorable (-).
Source: National Bank of Belgium Online statistics; OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933296046

Belgium: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2013 prices)				
GDP at market prices	387.4	0.0	1.3	1.3	1.5	1.6
Private consumption	201.2	0.9	0.4	1.8	1.2	1.3
Government consumption	94.0	-0.1	0.6	0.1	-0.2	-0.1
Gross fixed capital formation	87.7	-1.7	7.0	2.5	0.3	3.3
Final domestic demand	382.9	0.0	1.9	1.5	0.6	1.4
Stockbuilding[1]	2.2	-0.7	-0.2	0.3	0.0	0.0
Total domestic demand	385.0	-0.6	1.7	1.9	0.7	1.5
Exports of goods and services	318.9	1.6	5.4	4.2	4.8	5.0
Imports of goods and services	316.5	0.8	5.9	5.0	4.0	5.0
Net exports[1]	2.4	0.7	-0.4	-0.6	0.8	0.2
Memorandum items						
GDP deflator	_	1.3	0.7	0.4	1.2	1.5
Harmonised index of consumer prices	_	1.2	0.5	0.6	1.3	1.4
Private consumption deflator	_	1.1	0.6	0.6	1.3	1.4
Unemployment rate	_	8.4	8.5	8.7	8.6	8.3
Household saving ratio, net[2]	_	5.0	5.1	4.0	3.6	3.6
General government financial balance[3]	_	-2.9	-3.1	-2.6	-2.0	-1.0
General government gross debt[3]	_	117.9	129.6	130.5	129.8	127.8
General government debt, Maastricht definition[3]	_	105.1	106.7	107.6	106.9	104.8
Current account balance[3]	_	-0.2	0.1	0.1	1.0	1.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297027

softening of household spending. Business investment growth has been supported by favourable financial conditions and increasing profit margins. Exports have benefited from a firming of export markets and improved international price competiveness, aided by the weaker euro. The unemployment rate increased until mid-year, when it stabilised just below 9%. Inflation has risen as the effects of lower energy prices waned.

Fiscal consolidation is accompanied by structural reforms

The government aims at achieving a fiscal consolidation of ½ per cent of GDP in 2015 and ¾ per cent of GDP in 2016-17, mainly by reducing spending, to meet the requirements of the European budgetary framework. Expenditure measures include reductions in the number of public sector workers, operating costs and investments. Tightening eligibility conditions and a temporary suspension of nominal indexation will curb the growth of social benefits. The restrictive policy stance is appropriate given the high level of debt, but will require consolidation effort at all levels of government. Adverse effects of the fiscal consolidation on domestic demand, will be partly offset by accommodative monetary policy in the euro area and supportive financial conditions.

The government is implementing a tax reform to promote employment and revive competitiveness. The reform will shift the tax burden from labour to consumption and

capital in a revenue neutral way. In particular, employer social security contributions are planned to be reduced gradually and additional deductions in personal income tax should benefit lower and middle-income families. The government has also extended the mandatory pension age from 65 to 67 years and tightened early retirement, both of which should keep people attached to the labour force for longer. Nonetheless, further structural reforms are needed to ensure rising living standards. Notably, broader reform of wage setting is required to link wages to domestic productivity. Improving the integration of immigrants, including by better targeting training and job-search measures, would both strengthen growth and make it more inclusive.

Recovery will be slow

Growth is projected to increase gradually in the coming two years. Export growth will continue to grow in line with improving external demand, increasing the current account surplus. The combination of high capacity utilisation and favourable financial conditions will spur business investment growth. Fiscal consolidation and temporary wage suspension measures will weigh on household consumption, although the improving labour market will underpin consumer confidence. Despite increases in indirect taxes, inflation is projected to rise only slowly due to the negative output gap.

The reduction in labour taxation may stimulate employment growth more than expected and there could be a stronger pass-through of favourable financial conditions to domestic demand. Downside risks are mainly external, including renewed disturbances on international financial markets, which would damp private sector confidence and raise the cost of public-debt servicing. A slower-than-expected expansion of world trade would hurt the export-led recovery with potentially substantial negative effects on domestic demand.

BRAZIL

The recession is projected to continue into 2016, due to needed fiscal adjustment, tighter monetary policy to contain inflation and a lack of investor confidence related to political uncertainty. A slow recovery is expected to unfold into 2017 as confidence in macroeconomic policies improves. Unemployment is set to increase further in 2016. Although inflation expectations have come down, the return of inflation to the central bank's target is likely to be delayed by the recent sharp depreciation of the currency.

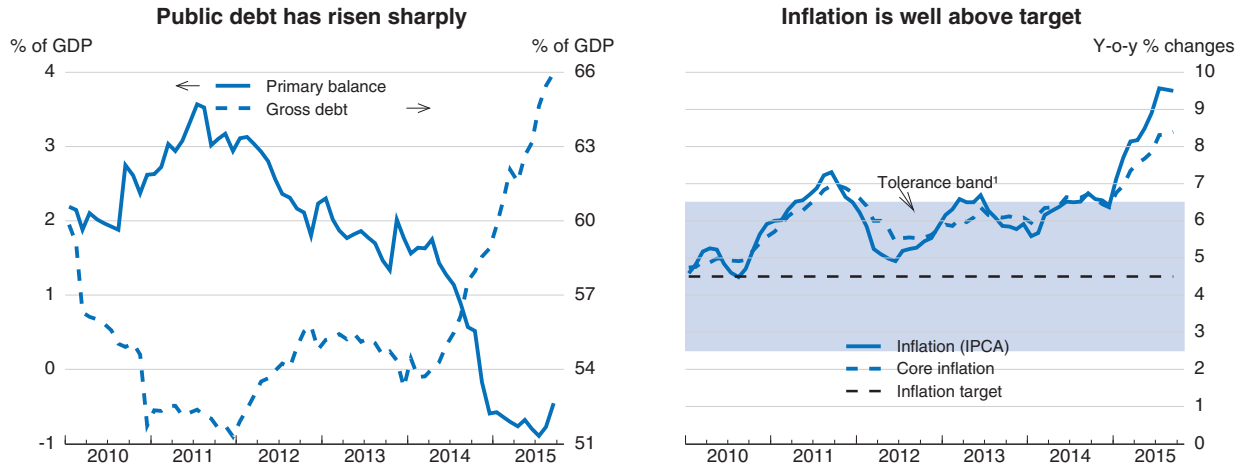
The prospects of a rapid improvement of the fiscal balance have deteriorated, which led to Brazil's sovereign debt being downgraded below investment grade in 2015. Consequently, rebuilding confidence in macroeconomic policies remains the priority even though the recession makes fiscal tightening very difficult. In the medium term, stronger growth will hinge on the success of structural reforms, including a comprehensive reform of indirect taxes, lowering trade barriers and reducing administrative burdens.

Brazil has made remarkable progress in reducing greenhouse gas emissions. Declining deforestation rates have been driving this success, while emissions from agriculture and energy, including energy used for transportation, are still rising. Efforts to reduce deforestation should continue, including better monitoring, stricter law enforcement and incentive-based measures. While petrol and diesel taxes have risen recently, they are still below international averages and could be raised further.

The macroeconomic situation has deteriorated sharply

The economy has entered into recession as a result of low confidence levels, political uncertainty and lower commodity prices. Unemployment has ended its long decline and is now rising. The fiscal situation has deteriorated and gross public debt has risen rapidly.

Brazil



1. The inflation target is met whenever the accumulated inflation during the period January-December of each year falls within the tolerance band.

Source: Central Bank of Brazil; and IBGE.

StatLink http://dx.doi.org/10.1787/888933296053

Brazil: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Brazilian Real billion	Percentage changes, volume (2000 prices)				
GDP at market prices	4 713.1	2.7	0.2	-3.1	-1.2	1.8
Private consumption	2 908.4	2.9	0.9	-3.7	-2.3	1.8
Government consumption	909.6	2.2	1.4	-1.2	-0.3	-0.1
Gross fixed capital formation	952.5	6.0	-4.4	-12.6	-5.9	3.6
Final domestic demand	4 770.5	3.4	-0.1	-4.9	-2.5	1.7
Stockbuilding[1]	6.3	0.2	0.2	-1.0	-0.3	0.0
Total domestic demand	4 776.8	3.5	0.1	-5.8	-2.7	1.7
Exports of goods and services	563.6	2.3	-1.0	9.9	6.1	4.5
Imports of goods and services	627.3	7.2	-1.0	-10.9	-5.4	3.5
Net exports[1]	- 63.7	-0.7	0.0	2.7	1.5	0.1
Memorandum items						
GDP deflator	_	6.5	6.9	8.2	6.3	5.3
Consumer price index	_	6.2	6.3	8.8	5.8	4.6
Private consumption deflator	_	7.0	6.8	9.1	6.7	5.7
General government financial balance[2]	_	-3.1	-6.2	-7.4	-7.2	-6.2
Current account balance[2]	_	-3.4	-4.4	-3.4	-2.7	-2.6

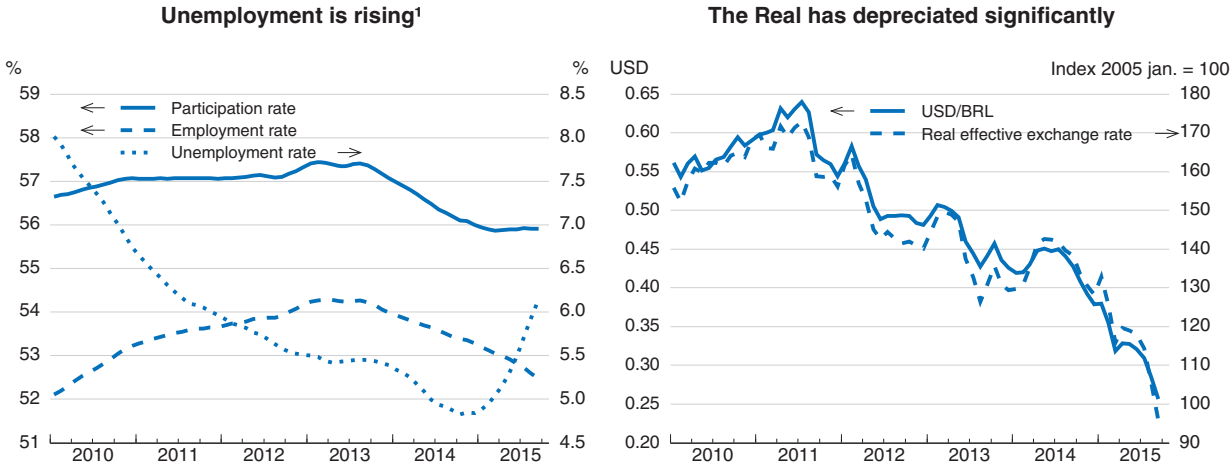
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297277

Headline and core inflation have been significantly above the ceiling of the tolerance band since the beginning of 2015.

Political uncertainty and risks surrounding the implementation of the announced fiscal adjustment continue to be a drag on business and consumer confidence. Some

Brazil



1. Twelve-month moving averages.
Source: Central Bank of Brazil; and IBGE.

StatLink http://dx.doi.org/10.1787/888933296065

Brazilian sovereign bonds have recently lost investment-grade rating with a major rating agency, which may increase the cost of capital for some Brazilian companies. The Brazilian Real has depreciated rapidly, both against the US dollar and in effective terms. This is helping exporting companies, but it is also pushing prices up.

Implementing the planned fiscal adjustment and structural reforms will be key for the recovery

Macroeconomic policy space is severely limited by the need to restore confidence. Achieving a substantial fiscal adjustment will be seen as a litmus test for improved macroeconomic policies, especially as it needs to be implemented during a recession. Further increases in fuel taxes would help to align fiscal and environmental objectives. In the longer term, population ageing will require containing social expenditures through better targeting. This would include a reform of Brazil's pension and social assistance system, but can be done without compromising the commitment to reduce inequality.

The central bank's strategy of bringing inflation back to the 4.5% target by end-2016 has helped to contain inflation expectations, but the recent currency depreciation has made it more ambitious. A recent decision to narrow the tolerance band to 1.5% around the target as of 2017 should contribute towards a better anchoring of inflation expectations. Monetary policy effectiveness could be strengthened if the government reduced the volume of directed credit, as it has announced, and by adjusting the interest rate charged for directed credit more frequently in line with the central bank policy rate.

Structural reforms have a significant potential to boost growth. Reducing the compliance costs and distortions imposed by Brazil's fragmented system of indirect taxes could provide an almost immediate cost reduction for firms, and could be achieved by consolidating indirect taxes into a broad-based value-added tax. In addition, reducing barriers to international trade would reduce the costs of imported inputs and strengthen incentives to enhance productivity. Recent policy initiatives to reduce barriers to entry as of end-2015 could also strengthen competition and raise productivity. Improvements in infrastructure could moreover reduce transport costs, particularly for exporters. Improving the targeting of social benefits by shifting the focus of spending increases towards conditional cash transfers could accelerate the decline of inequality and make social spending more efficient.

The economy is set for a gradual recovery

GDP is projected to contract again in 2016, but, once fiscal results improve and inflation recedes, recovering confidence will support stronger investment and consumption going into 2017.

If the fiscal adjustment plans are effectively implemented as announced and coupled with progress on the structural reform agenda, the ensuing confidence boost could be more powerful than expected. Additional upside risks include a larger-than-expected demand boost from the 2016 Olympic Games to be held in Rio de Janeiro, and an improvement of economic conditions in Argentina, which would increase the demand for Brazilian manufacturing goods.

Negative risks to the outlook include a stalling reform momentum with no credible medium-term fiscal adjustment, possibly due to political divisions. Confidence could also suffer if monetary policy fails to deliver significant reductions in inflation. Fallout from the

events unfolding at Petrobras and alleged corruption cases could be stronger than expected in the event of further cancellations of planned investment projects, or if the investigations lead to further bankruptcies in upstream activities, including in the construction sector. Volatility on international capital markets could return in the context of monetary policy normalisation in the United States, but Brazil's high foreign currency reserves of USD 361 billion (25% of GDP) provide a strong cushion. Further currency depreciation could imply difficulties for corporate borrowers, even if a significant fraction of corporate debt is hedged against currency risks. A further slowdown of growth in China, the export destination for many of Brazil's commodity exports, could also reduce growth in Brazil.

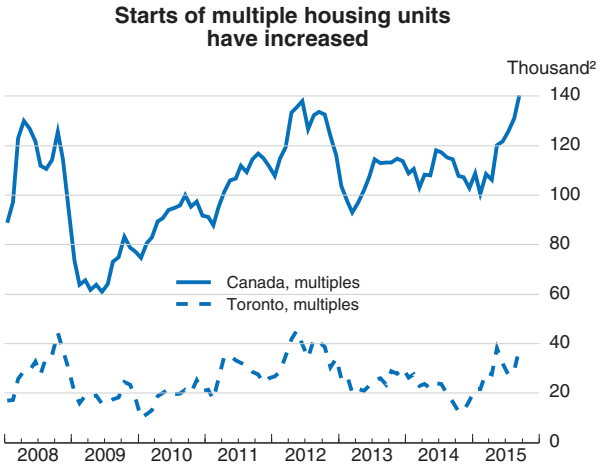
CANADA

Economic growth is projected to recover in 2016, and reach 2.3% in 2017. The drag from falling energy investment should fade away by early 2016, while non-energy exports lead the subsequent pick-up, with business investment following. As economic slack is taken up through 2016, inflation should increase to above the 2% midpoint of the Bank of Canada's inflation target range in 2017.

Increases in policy rates are assumed in late 2016 and to be gradual thereafter. Further macro-prudential measures should be taken to contain financial stability risks from high household debt and house prices. Reductions in the general government budget deficit are set to decline, reflecting the incoming federal government's pledge to run small deficits to finance infrastructure spending. Reducing barriers to foreign direct investment in telecommunications, broadcasting and airlines, and continued efforts to increase the quantity and productivity of R&D would raise long-term growth prospects. To make growth more inclusive, targeted needs-based financial assistance to disadvantaged groups for tertiary education should be increased, the aid application process made more transparent and public health coverage of essential pharmaceuticals expanded.

Canada is not on track to meet its target of reducing greenhouse gas emissions by 30% relative to the 2005 level by 2030. The federal government has indicated its intention to pursue a collaborative approach with provinces and territories to achieve Canada's climate change objectives. The four largest provinces have adopted, or are in the process of adopting, price instruments – cap and trade or a carbon tax. To reduce abatement costs, the other provinces and territories should follow suit. However, emissions reductions would be less costly if provinces coordinated or the federal government took the lead on a national greenhouse gas abatement policy.

Canada



1. Investment in engineering structures and mineral (including oil and gas) exploration and evaluation.
2. Three-month moving average.

Source: Statistics Canada.

StatLink http://dx.doi.org/10.1787/888933296076

Canada: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.4	0.6	0.9	0.8	1.0
Unemployment rate[1]	7.1	6.9	6.9	6.8	6.4
Compensation per employee[2]	2.3	2.7	2.1	2.8	3.4
Unit labour cost	1.6	1.1	1.7	1.6	2.1
Household disposable income	3.8	3.4	3.4	3.7	4.3
GDP deflator	1.4	1.8	-0.1	1.8	2.2
Consumer price index	1.0	1.9	1.2	2.0	2.3
Core consumer price index[3]	1.2	1.8	2.2	2.1	2.3
Private consumption deflator	1.3	1.9	1.2	1.9	2.1

1. As a percentage of labour force.
2. In the total economy.
3. Bank of Canada definition: consumer price index excluding eight of the most volatile components and the effects of changes in indirect taxes on the remaining components.

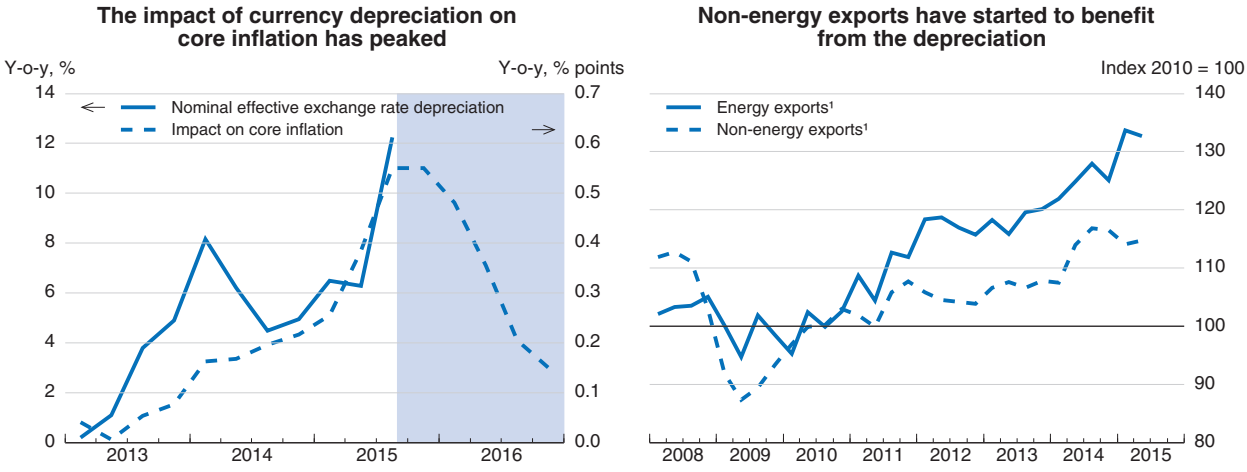
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296921

The economy is recovering from the recent contraction

The economy is recovering from a brief contraction in the first half of the year which was mainly caused by a sharp decline in business investment due to the sharp fall in oil prices. This adjustment should be largely complete by early 2016. Non-energy exports were also weak, but are now picking up. Private consumption continues to increase at a healthy pace, supported by rising household incomes. At the national level, housing starts are running at the higher end of demographic requirements and housing investment is robust. In Ontario, and especially Toronto, economic activity has been relatively buoyant and

Canada



1. In 2007 prices.

Source: Bank of Canada (2015), Monetary Policy Report, October; Statistics Canada; OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296084

Canada: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	5.2	4.0	4.1	3.9	4.2
General government financial balance[2]	-2.7	-1.6	-1.9	-1.5	-1.3
General government gross debt[2,3]	92.3	94.6	94.8	94.8	94.3
General government net debt[2,3]	39.7	40.8	41.0	41.0	40.5
Current account balance[2]	-3.0	-2.1	-3.3	-2.4	-1.8
Short-term interest rate[4]	1.2	1.2	0.8	0.8	1.4
Long-term interest rate[5]	2.3	2.2	1.5	1.7	2.3

1. As a percentage of disposable income.
2. As a percentage of GDP at market value.
3. Debt is overstated relative to most other countries as no account is taken of assets in government-employee pension funds
4. 3-month interbank rate.
5. 10-year government bonds.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296930

demand by foreigners has been boosted by the falling Canadian dollar. That said, newly completed but unoccupied housing units have soared in Toronto, increasing the risk of a sharp market correction.

Despite steady employment growth, the unemployment rate has stayed at around 7% over the past year and wage growth has remained subdued. Headline inflation has fallen to

Canada: **Demand and Output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices CAD billion	Percentage changes from previous year, volume (2007 prices)					
GDP at market prices	1 974.8	1.2	2.0	2.3	0.8	2.2	2.4
Private consumption	1 100.7	2.1	2.0	1.8	2.0	1.8	1.8
Government consumption	417.5	0.6	1.0	0.8	0.8	0.9	0.8
Gross fixed investment	467.2	-2.9	-0.8	2.4	-4.9	1.0	2.5
Public[1]	72.5	2.5	0.0	6.0	1.3	3.5	4.0
Residential	138.1	3.8	1.7	-1.0	3.0	0.2	-1.2
Non-residential	256.6	-8.0	-2.6	3.4	-10.8	0.7	4.4
Final domestic demand	1 985.4	0.6	1.2	1.7	0.1	1.4	1.8
Stockbuilding[2]	7.4	0.0	-0.1	0.0			
Total domestic demand	1 992.8	0.6	1.1	1.7	0.0	1.4	1.7
Exports of goods and services	624.3	2.5	4.7	5.4	2.3	5.1	5.5
Imports of goods and services	642.3	1.0	1.8	3.4	-0.1	2.6	3.5
Net exports[2]	- 18.0	0.5	0.9	0.6			

Note: 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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296942

Canada: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	555.1	565.4	487.1	502	535
Goods and services imports	584.5	581.5	523.1	525	549
Foreign balance	- 29.3	- 16.2	- 36.0	- 23	- 14
Invisibles, net	- 25.3	- 21.3	- 16.2	- 16	- 16
Current account balance	- 54.6	- 37.5	- 52.2	- 38	- 30
			Percentage changes		
Goods and services export volumes	2.0	5.4	2.5	4.7	5.4
Goods and services import volumes	1.3	1.8	1.0	1.8	3.4
Export performance[1]	0.3	1.6	- 1.7	- 0.2	0.0
Terms of trade	0.1	- 1.2	- 5.6	- 0.2	0.0

1. Ratio between export volume and export market of total goods and services.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296957

the lower end of the Bank of Canada's target range despite the currency depreciation because of sharp declines in gasoline prices. Abstracting from the effects of the currency depreciation, which peaked at the beginning of 2015 and should fade out completely by end-2016, the core inflation rate is estimated to be 1.5-1.7%.

Monetary conditions are accommodative and the pace of fiscal consolidation is slowing

The Bank of Canada lowered its policy rate a further 25 basis points in July 2015, to 0.50%, to counter weakness from the fall in oil prices. Based on the Bank's projections of the rate at which economic slack will be taken up, it is assumed that monetary stimulus will be gradually withdrawn starting in late 2016. However, on OECD estimates, which imply that economic slack will be taken up more quickly, this path is projected to result in inflation rising somewhat above the 2% midpoint of the inflation target range. Given the supportive monetary stance, high household debt and strong price increases in some markets (single dwellings in Toronto and Vancouver) that are already expensive relative to fundamentals, further macro-prudential tightening on mortgage lending in these markets, such as maximum loan-to-value or debt-servicing ratios, should be implemented to ensure financial stability.

The general government deficit is projected to fall by 0.6% of GDP over 2015-17, to 1.3% of GDP. However, this reduction reflects mainly the effects of economic growth, rather than the net effects of policy measures, which will increase the federal deficit slightly and reduce provincial deficits. The general government debt-to-GDP ratio is expected to edge down. Rising health-care costs will remain a longer-run challenge, and continued structural reforms to limit such expenditure growth are needed. Raising tax efficiency by relying more on environmentally-related taxes would help achieve greener growth – Canada has one of the lowest tax rates on carbon dioxide emissions from energy use in the OECD. British Columbia introduced its own carbon tax and has seen a significant reduction in related fuel sales. To make growth more inclusive, the incoming federal government has undertaken to increase income tax rates on high earners to finance cuts for middle income

earners and to terminate income splitting. It should reduce the Small Business Deduction, which mainly benefits high-income households and reduces productivity, instead of increasing it, as planned. Increasing targeted needs-based financial assistance in tertiary education and expanding public core health insurance coverage to include essential pharmaceuticals would also make growth more inclusive. To increase R&D productivity and productivity more generally, the augmented Scientific Research and Experimental Development Credit for small firms should be reduced and savings used to finance direct support measures to help SMEs grow into larger, competitive firms.

Growth in non-energy exports and investment are projected to lead the expansion

Economic growth is projected to recover to 2.3% in 2017, led by non-energy exports, which will benefit from the lower Canadian dollar and stronger export market growth, although some sectors are likely to continue to face broader structural competitiveness challenges. Business investment should rise with a lag as capacity constraints become binding. Housing investment, on the other hand, should begin to decline from mid-2016, as further supply comes onto the market and the boost from past interest rate cuts fades. With moderate growth in household incomes, private consumption should continue to grow steadily. The unemployment rate is projected to edge down to 6.2% by late 2017 and the inflation rate to rise to 2.4%.

Growth will depend on non-energy exports, which will depend on the competitiveness of Canadian producers and the evolution of export markets, especially the United States. It will also depend on changes in global oil prices, as these will affect energy-sector investment. A disorderly housing market correction, particularly in the high-price Toronto and Vancouver markets, would depress residential investment and private consumption, and could threaten financial stability.

CHILE

Economic growth is weak, reflecting low commodity prices, but is projected to pick up gradually over the next two years. Activity is now being sustained by public spending, but will get futher impetus from stronger private domestic and external demand. Inflation will remain temporarily high as a consequence of the sharp depreciation of the peso, but is projected to decline towards the central bank's target as the effects of depreciation wear off and unemployment rises.

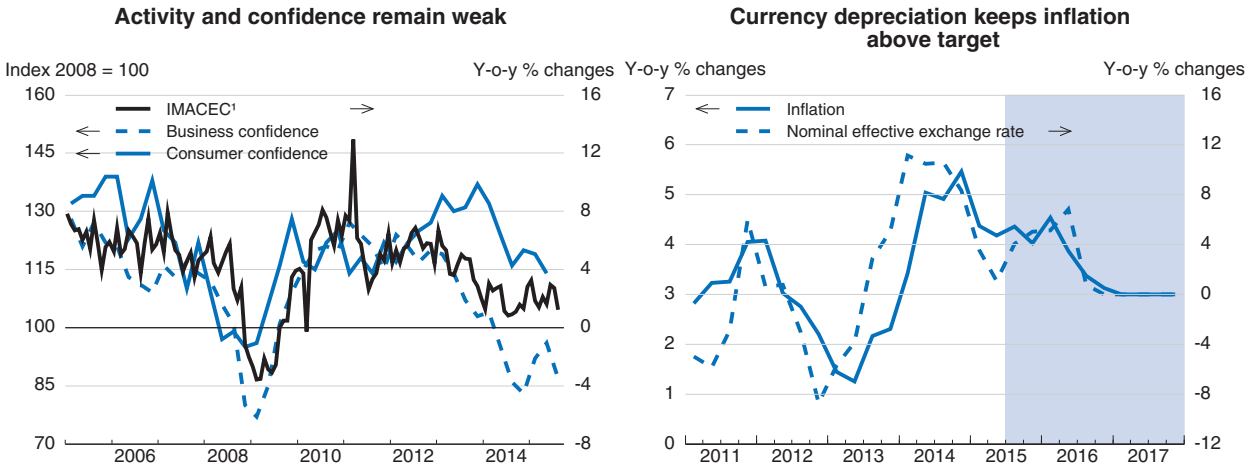
To contain inflation, the central bank raised its benchmark interest rate by 25 basis points, to 3.25%, in October 2015. However, given the expected decline of inflation and an anticipated rise in unemployment, monetary policy should remain accommodative, with negative real interest rates, as long as inflation expectations are well-anchored. Gradual budget consolidation is consistent with the fiscal rule and is needed for the public finances to adjust to lower copper prices.

Enhanced efforts are needed to diversify energy sources, as part of a broader effort to reduce greenhouse gas emissions. These should include better charging for externalities through energy taxation, improving the management of water, waste and industrial chemicals, and taking further measures to protect biodiversity.

Despite overall resilience, growth remains weak

Economic activity has weakened sharply by lower global copper prices, which have reduced exports, investment and consumer incomes and confidence. However, a strong fiscal impulse in 2015 has sustained domestic demand. Government spending increased by 10% from last year, and was used to finance the government's priorities to improve education and welfare.

Chile



1. The IMACEC index is a monthly indicator of GDP growth.
Source: OECD Economic Outlook 98 database; Datastream; and Central Bank of Chile.

StatLink http://dx.doi.org/10.1787/888933296096

Chile: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices CLP billion	Percentage changes, volume (2008 prices)				
GDP at market prices	129 027.6	4.3	1.8	2.2	2.6	3.3
Private consumption	80 664.7	5.9	2.2	1.8	2.8	3.4
Government consumption	15 674.3	3.4	4.4	4.2	3.9	2.6
Gross fixed capital formation	31 044.5	2.1	-6.1	-1.3	0.7	3.3
Final domestic demand	127 383.5	4.6	0.5	1.4	2.5	3.2
Stockbuilding[1]	1 900.1	-0.9	-1.1	0.4	-0.5	0.0
Total domestic demand	129 283.5	3.9	-0.5	2.0	2.0	3.3
Exports of goods and services	44 265.7	3.4	0.7	-2.6	1.7	4.0
Imports of goods and services	44 521.7	1.7	-7.0	-3.3	1.9	3.9
Net exports[1]	- 256.0	0.6	2.5	0.2	0.0	0.1
Memorandum items						
GDP deflator	_	1.8	5.5	5.1	3.6	3.5
Consumer price index	_	1.8	4.7	4.4	3.9	3.0
Private consumption deflator	_	2.5	5.6	5.6	4.4	3.6
Unemployment rate	_	6.0	6.3	6.3	6.6	6.8
Central government financial balance[2]	_	-0.6	-1.8	-2.9	-2.5	-1.2
Current account balance[2]	_	-3.6	-1.1	0.2	-0.2	-0.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297030

Monetary policy is supportive but fiscal policy is set to become neutral

Inflation has remained above 4% since early 2014, above the central bank's target range of 2 to 4%. To ensure the convergence of inflation to the target, the central bank raised its benchmark interest rate by 25 basis points, to 3.25%, in October 2015, and additional increases are expected in the coming months, but will be limited as the rise in inflation is mainly temporary, reflecting a large exchange rate depreciation, rather than fundamental domestic pressures. Given the downside risks to the recovery and the expected rise in unemployment, monetary policy should remain accommodative while inflation expectations are well anchored.

Fiscal policy is set to become less expansionary, as the government brings its public finances into line with lower copper prices. Fiscal consolidation will take place gradually, which is appropriate to smooth the social impact of the slowdown and avoid delaying the recovery.

The green growth strategy could help to address environmental challenges

Strong economic growth with heavy reliance on natural resources has come at a cost for the environment. While efforts have been made to reduce environmental impacts of growth, work remains to be done in several key areas. Further progress on energy taxes could better cover externalities, especially for energy use outside the transport sector and diesel. Moving forward with the 2015 Energy Agenda is needed to greater diversify energy sources, improve energy security and reduce greenhouse gas and other emissions. A skills

strategy to upgrade the quality of human capital and further reforms to reduce labour market inequality and skill mismatches, would raise productivity and help to ensure that all Chileans benefit.

Growth is set to slowly accelerate

In 2016 and 2017, growth is projected to slowly accelerate, driven by strengthening private domestic and external demand. Inflation is projected to fall to the central bank's target as the effects of the peso depreciation dissipate and because of remaining economic slack. A two-percentage-point reduction in the growth rate of domestic demand in China, which is the destination of one-quarter of Chile's exports, could result in a one-half percentage point reduction in Chile's GDP growth. Brazil could recover faster or slower than projected, which would affect Chile through trade and financial links. Stronger-than-expected trade, however, would boost Chile's open economy.

CHINA

Economic growth is projected to decline gradually to 6.2% by 2017. The announced infrastructure stimulus measures will help overall investment, but adjustment in several heavy industries is set to continue and this stimulus is not sustainable in the longer term. Real estate investment is bottoming out, but working off housing inventories will take some more time. Consumption is set to remain robust. Food and services prices are rising, but the absence of price pressures in other areas will keep consumer price inflation low.

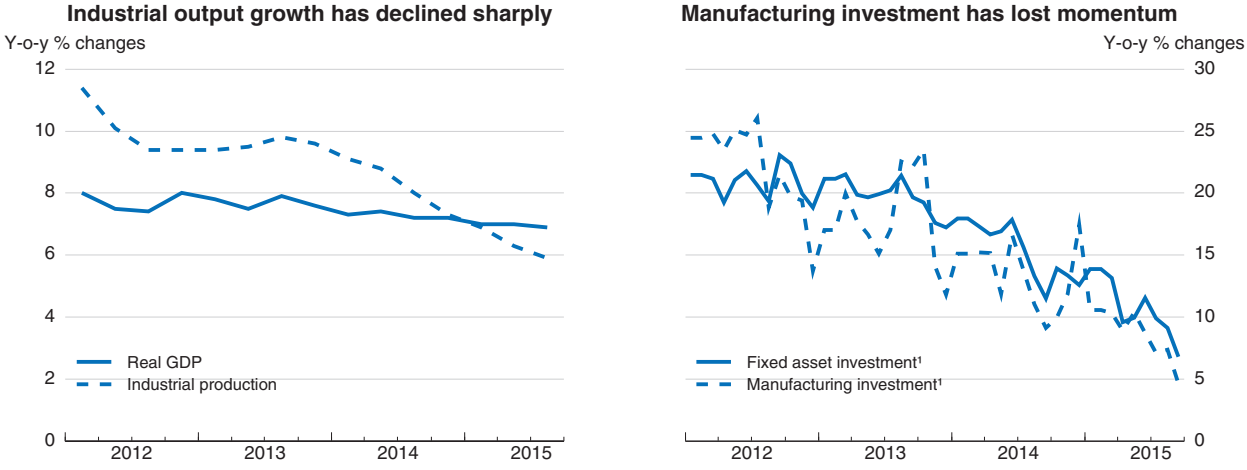
Monetary and fiscal policies should accommodate the ongoing re-balancing of the economy, which will lead to more sustainable and inclusive growth. Spending should be targeted at areas that promote long-term inclusive growth, such as extending the social safety net, upgrading skills and ensuring equal access to public services. Pension reform should be stepped up to safeguard fiscal sustainability.

Meeting the commitment to increase the share of non-fossil fuels in primary energy consumption to about 20% and to have carbon emissions peak by 2030 will be aided by weakening growth and restructuring of the economy. A national cap-and-trade carbon emissions system, to be rolled out from 2017, can meaningfully reduce emissions only if it raises the cost of polluting sufficiently for the polluter to cut output, switch to new technology or reduce emissions in other ways.

The slowdown in manufacturing has become more pronounced

Growth is declining as adjustment in manufacturing sectors plagued by excess capacity proceeds. Consequently, manufacturing investment remains sluggish by historical standards. Real estate investment is bottoming out, although no significant pick-up is foreseen in the short term as unsold inventories are large, especially in third- and fourth-tier cities. The infrastructure projects announced in recent months will support overall investment.

China



1. Fixed asset investment and manufacturing investment refer to nominal values and do not include investment by rural households.
Source: CEIC.

StatLink http://dx.doi.org/10.1787/888933296102

China: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Renminbi trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	53.4	7.7	7.3	6.8	6.5	6.2
Total domestic demand	51.9	8.3	7.8	8.7	6.9	6.4
Exports of goods and services	13.7	9.0	5.8	-2.1	2.7	4.4
Imports of goods and services	12.3	11.2	7.0	1.9	3.4	4.8
Net exports[1]	1.5	0.0	0.0	-1.4	-0.1	0.1
Memorandum items						
GDP deflator	_	2.2	0.8	-0.4	-0.1	0.8
Consumer price index	_	2.6	2.1	1.7	2.5	2.5
General government financial balance[2,3]	_	-0.2	-0.3	-1.0	-1.9	-1.5
Headline government financial balance[2,4]	_	-1.8	-1.8	-3.8	-4.5	-4.3
Current account balance[2]	_	1.6	2.1	3.0	2.7	2.6

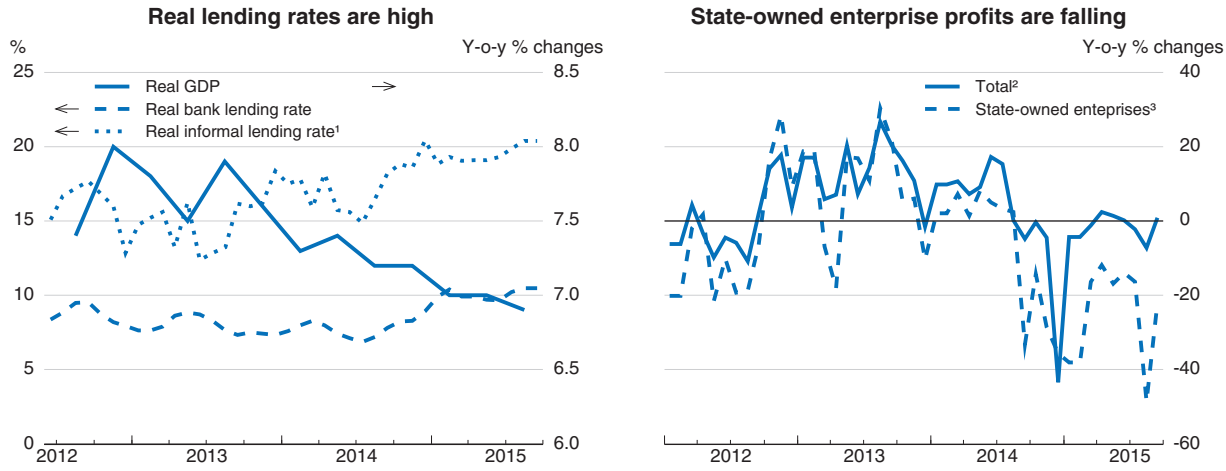
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
3. Encompasses the balances of all four budget accounts (general account, government managed funds, social security funds and the state-owned capital management account).
4. Balance of the general budget account.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297286

Notwithstanding the slowdown, buoyant household incomes, high job vacancy rates and bright earnings prospects are fuelling robust consumption growth. Services and online sales in particular are thriving. Exports have declined significantly in the wake of the

China



1. The informal lending rate refers to lending by private informal institutions in Wenzhou. The interest rates are deflated with the producer price index.
2. Total refers to industrial enterprises.
3. State-owned enterprises only include industrial enterprises.

Source: CEIC.

StatLink http://dx.doi.org/10.1787/888933296119

exchange rate appreciation that took place through to July 2015. The import bill fell even more, however, reflecting sluggish demand for imported investment goods and falling commodity prices. As a result, the trade surplus widened to over 5% of GDP in the first half of 2015.

Substantial macroeconomic policy stimulus is being imparted

Monetary easing has continued in the face of slowing activity, a sharp correction in the stock market and deflationary pressures, with cuts in policy rates and in reserve requirement ratios. However, excess capacity continues to drag down producer prices, pushing up the real cost of borrowing. This in turn squeezes firms' profits, further increasing their already high debt burden and weighing on investment. The recent cuts in down-payment ratios for second-home buyers will support housing sales in first- and second-tier cities where demand is robust, while the higher loan-to-value ratios for first buyers in smaller cities will help reduce housing inventories where they are largest. The interest rate ceiling on deposits has been removed – the last milestone in the interest rate liberalisation process.

Exchange rate flexibility was increased in August 2015, accompanied by a 1.8% devaluation against the US dollar. Expectation of further renminbi depreciation triggered capital outflows and prompted the authorities to step in to defend the currency, resulting in a sharp decline in foreign exchange reserves. The authorities also imposed reserves for currency derivatives. Further measures, including more rigorous monitoring of foreign exchange purchases by businesses and individuals and a crackdown on illegal foreign exchange transactions, curbed capital outflows and limited the decline in reserves. Narrowing of the interest differential and slowing growth, however, may lead to further capital outflows and pressure on the exchange rate.

Fiscal policy is being loosened, with a 2.4% of GDP headline deficit target (3.1% accounting for carry-over and debt-swaps) for 2015, up from 1.8% in 2014. (In terms of a broader definition of the budget adding up all four budget accounts, the deficit is set to increase from 0.3% of GDP in 2014 to 1% in 2015.) Large infrastructure projects are being implemented, including in railways, water and environmental protection, where ample needs remain. Overall, based on measures that have been announced, fiscal stimulus is assumed to amount to around 1½ per cent of GDP in 2015, ½ per cent in 2016 and ¼ per cent in 2017. Local government investment vehicles, which had transferred part of their debt to subnational governments, have been allowed to borrow again, which may lead to another round of implicit government debt accumulation. The cut in the vehicle purchase tax from 10% to 5% until end-2016 will support consumer spending. In addition, the new fund for public-private financing of projects is expected to boost private investment in infrastructure and thus to support urbanisation.

Large-scale stimulus may delay re-balancing

The fiscal stimulus will help the economy approach the growth target of "around 7%" in 2015. Infrastructure investment is being targeted at areas with insufficient capital stock such as urban underground structures and urban rail. However, it will contribute to slower adjustment in heavy industries. Consumption is set to remain robust on the back of rising real incomes. Inflation will remain very low in part due to economic slack. The current account surplus is set to increase to over 3% of GDP this year owing to lower commodity

prices, and then to decline slightly as eroding competitiveness will weigh on exports. Low commodity prices will also support growth and mitigate the impact of adjustment.

Additional fiscal stimulus would prop up short-term growth at the cost of increasing imbalances and crowding out private investment. Likewise, raising loan-to-value ratios further would support house sales now, but at the cost of prolonging price adjustment. Either way, deleveraging would be delayed. Faster adjustment in industries affected by overcapacity, in contrast, would further slow investment in the short term but would reduce imbalances. Shrinking corporate profits as a result of deepening producer price deflation could increase the share of bad loans on bank balance sheets. A weaker currency could boost exports temporarily, but competitiveness pressures need to be addressed by lasting measures such as further reducing the costs of doing business, accelerating efficiency-enhancing reforms of state-owned enterprises and opening up more industries to private investment. Furthermore, stepping up structural reforms to boost rural incomes and to extend the social safety net would stimulate spending and could also provide a boost to growth and give new impetus to re-balancing. Greater spending power at the lower end of the income distribution would also make growth more inclusive.

COLOMBIA

Economic growth slowed in 2015 due to the fall in commodity prices, but is projected to gradually recover in 2016 and 2017 with investment and non-oil exports recovering. The sharp devaluation of the peso and the effect of *El Niño* have pushed inflation above the central bank's target range. The peace talks set to conclude end-March 2016 will boost confidence and generate investment and jobs. Inequality and relative poverty have declined but remain high.

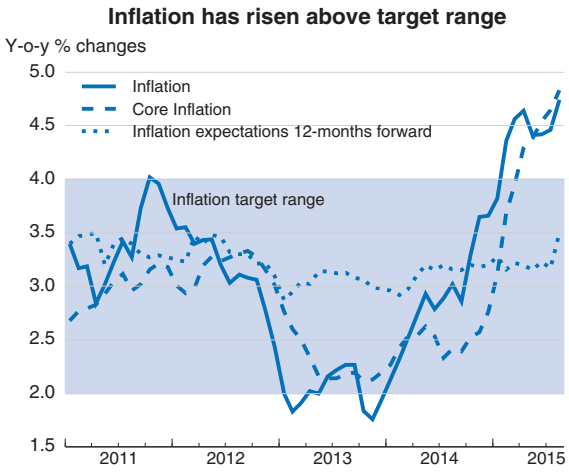
Monetary policy is assumed to move towards a neutral stance as the effect of *El Niño* on inflation should be temporary and the still negative output gap will contain price pressures. Fiscal consolidation in line with the fiscal rule is appropriate to maintain confidence. Reducing widespread informality by upgrading the quality of education and limiting the increase of the relatively high minimum wage would raise productivity and make growth more inclusive.

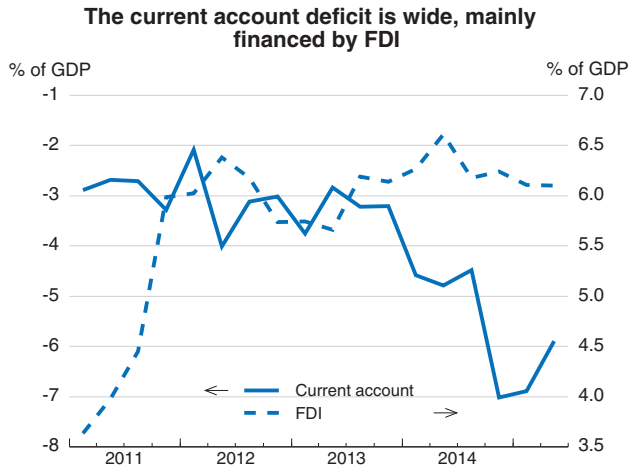
Colombia's contribution to global warming has been low so far, but the expansion of extractive industries, urbanisation, road traffic and livestock grazing all pose challenges if decisive action is not taken. Colombia aims at generating 77% of energy from renewable sources by 2020 and reducing greenhouse gas emissions by at least 20% by 2030.

Growth is low mainly due to low terms of trade

The fall in commodity prices reduced investment and consumption growth in 2015 through an important wealth effect. Inflation has been pushed up by the devaluation of the peso and the increase of food and energy prices due to *El Niño*. Inflation is now above the target range of the central bank and inflation expectations are increasing. The fall in global commodity prices has led to a widening of the current account deficit. The weaker peso and low import demand are expected to narrow the deficit in 2016 and 2017.

Colombia





Source: OECD Economic Outlook 98 database; Central Bank of Colombia.

StatLink http://dx.doi.org/10.1787/888933296128

Colombia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Colombian Peso trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	664.2	4.9	4.6	2.8	3.0	3.3
Private consumption	408.7	3.8	4.3	3.0	3.2	3.2
Government consumption	108.9	9.3	6.2	1.8	2.2	2.4
Gross fixed capital formation	157.3	6.0	10.9	0.9	1.3	3.5
Final domestic demand	675.0	5.3	6.2	2.3	2.6	3.1
Stockbuilding[1]	1.1	-0.1	0.2	0.3	0.0	0.0
Total domestic demand	676.1	5.2	6.7	2.2	2.4	3.1
Exports of goods and services	121.3	5.3	-1.7	-2.5	2.5	5.8
Imports of goods and services	133.1	6.4	9.2	-2.7	0.3	3.9
Net exports[1]	- 11.8	-0.3	-2.1	0.2	0.3	0.0
Memorandum items						
GDP deflator	_	1.9	1.8	2.9	4.0	2.8
Consumer price index	_	2.0	2.9	4.9	4.1	2.9
Private consumption deflator	_	2.1	2.9	5.2	4.3	3.1
Unemployment rate	_	9.6	9.1	8.6	8.5	8.4
Current account balance[2]	_	-3.2	-5.2	-6.1	-5.7	-5.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297336

Monetary policy is expected to move towards neutrality and fiscal consolidation to be in line with the fiscal rule

To contain the increase in inflation and inflation expectations and keep inflation in its target range, the central bank raised its benchmark rate by 25 basis points in September and by 50 basis points in October 2015, to 5.25%. It is assumed to remain on hold from now on as the economy is still growing below its potential, and the temporary increase in inflation is projected to fade.

To meet budget targets in 2015 and 2016, public spending is being reduced to compensate for lower resource-related revenues. Gradual fiscal consolidation is appropriate. However, public investment in infrastructure is essential to growth and should not be reduced. Moreover, a comprehensive tax reform would raise revenue to meet social needs and shift tax burden from income to consumption to support growth. Tax rates on transport fuels and other greenhouse gas emissions that do not cover their environmental costs should be progressively raised. Investment in low-emission facilities in agriculture and other industries and in public infrastructure should be encouraged.

Structural reforms are needed to sustain growth and make it more inclusive. The business climate has improved, but more reforms are needed to reduce barriers to trade and competition, strengthen public governance, close transport infrastructure gaps, increase access to finance and make labour markets more efficient and inclusive. A pension reform is needed to increase coverage and alleviate poverty among the elderly.

Growth may be boosted by stronger foreign demand

The recovery in trading partners, mainly the United States, will boost investment and non-oil exports in 2016 and 2017. In addition to stronger foreign demand and the devaluation of the peso, the restarting of the Reficar refinery will boost exports. Inflation is expected to move closer to the target as weather conditions improve.

Stagnation of oil prices at low levels, a further deterioration in economic conditions in Ecuador and Venezuela and lower-than-expected growth in the United States and China would have a negative impact on exports and investment. An additional depreciation of the exchange rate would increase the relative price of investment goods, which could reduce potential output growth. The *El Niño*-induced drought will reduce agricultural production and energy supply, but may be less pronounced than expected. The success of the peace talks will boost growth and confidence, but may also have an important fiscal cost. If financial turmoil in international capital markets materialises, the large current account deficit represents a risk which is partially mitigated by the existing reserves and contingent credit lines.

COSTA RICA

Output growth is projected to increase from 2.9% in 2015 to 3.5% in 2016 and 4.1% in 2017. Exports will recover in 2016 following the slump in 2015, which was caused mainly by the closure of a large electronics plant. As the effects of falling oil prices wear off, inflation will pick up in the next two years. Unemployment will remain close to 10%.

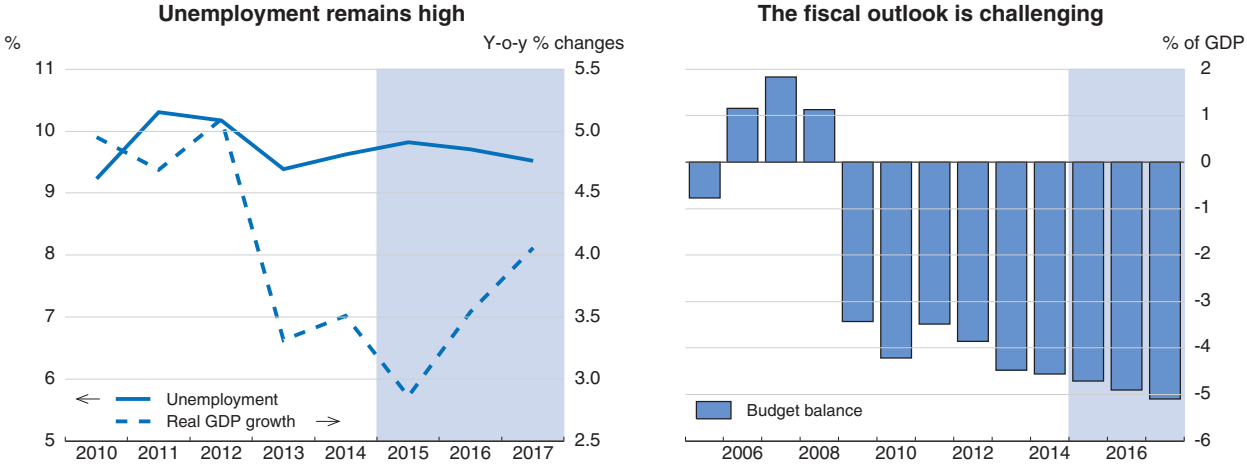
Costa Rica has recently improved its monetary policy framework. In early 2015, the central bank introduced greater exchange rate flexibility as a further step towards full inflation targeting. Measures should also be adopted to restore fiscal sustainability, particularly the proposed reforms to raise tax revenue and contain public spending. Structural reforms are needed to boost productivity, make growth more inclusive, reduce unemployment and to boost competition and central bank independence.

Costa Rica has been acclaimed for its pioneering efforts on green growth, but the goal of decarbonising its economy still requires significant reduction in the transport sector's emissions, which account for 80% of total emissions. Improving public transportation will be crucial in this regard. Existing plans to extend carbon markets and payment for ecosystem services should be pursued.

Growth is slowing down

Growth decelerated in the first half of 2015 following the shutdown of the manufacturing activities of a large electronics company, which reduced the level of both imports and exports. *El Niño* also reduced harvests of the main export crops. Public investment has partly offset the drag on growth caused by these developments. Labour market conditions remain weak, with the unemployment rate staying persistently close to 10%. Inflation has undershot the 3-5% target range of the central bank for most of 2015, due mostly to low energy prices, and inflation expectations have trended down.

Costa Rica



Source: OECD Economic Outlook 98 database; Ministry of Finance; and INEC.

StatLink http://dx.doi.org/10.1787/888933296135

Costa Rica: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices trillion	Percentage changes, volume (1991 prices)				
GDP at market prices	22.8	3.3	3.5	2.9	3.5	4.1
Private consumption	14.8	3.4	4.0	4.5	3.7	3.8
Government consumption	4.0	2.8	3.5	3.3	2.3	2.0
Gross fixed capital formation	4.7	12.5	4.7	7.4	5.5	5.4
Final domestic demand	23.5	5.1	4.0	5.0	3.9	3.8
Stockbuilding[1]	0.4	-2.4	-1.7	1.4	0.0	0.2
Total domestic demand	23.8	3.1	2.4	6.6	3.9	3.9
Exports of goods and services	8.5	2.5	-1.5	-8.3	4.7	5.8
Imports of goods and services	9.5	2.2	-3.8	-1.4	5.5	5.4
Net exports[1]	- 1.0	0.2	1.2	-3.6	-0.4	0.1
Memorandum items						
GDP deflator	_	4.6	4.8	3.0	3.3	3.8
Consumer price index	_	5.2	4.5	0.8	2.7	3.8
Private consumption deflator	_	4.8	3.9	1.4	3.1	4.0
Unemployment rate	_	9.4	9.6	9.8	9.7	9.5
Current account balance[2]	_	-5.0	-4.3	-4.0	-4.1	-4.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297355

Reforms to tackle the fiscal challenge and boost inclusive growth

Stagnant tax revenues and increasing public spending have resulted in a large and rising government budget deficit, which is estimated to be 4.7% of GDP in 2015. A tax reform has been submitted to Congress to increase tax revenue by about 2% of GDP over three years and to improve tax collection. Approval of these measures is a key step to start tackling the rising budget deficit and public debt. Additional measures should focus on rationalising government expenditure and curtailing its growth. Monetary policy is expected to remain supportive.

Structural reforms are needed to boost growth and make it more inclusive. Promoting innovation among local SMEs and removing barriers to entrepreneurship would help to increase productivity and boost job creation. Boosting competition in key markets by increasing the independence of regulators and by eliminating anti-trust exemptions would also be fundamental. Better targeted education and training policies would help to reduce skill mismatches and help to curb unemployment and informality. Increasing the supply of childcare services would support female labour market participation, which remains very low.

Costa Rica aspires to become carbon-neutral by 2021. The country pioneered environmental services payment mechanisms, and is preparing a voluntary domestic carbon market to facilitate carbon-neutral certification for corporations. Close to 100% of its electricity already comes from renewables. Further action must focus on reducing

transport sector's emissions, which will require substantial upgrade of public transportation infrastructure.

Growth is projected to gradually pick up

Output growth is projected to increase from 2.9% in 2015 to 3.5% in 2016 and 4.1% in 2017. Low commodity prices should sustain private consumption, which coupled with robust private construction, will support growth throughout 2016 and 2017. Stronger trading partner growth should help exports to recover over the projection horizon. Inflation will return to the target range by 2017.

As Costa Rica is a small open economy, shocks to its main trading partners, notably the United States, would have an important impact on growth. Further declines in energy prices would have a positive effect on Costa Rica. On the downside, a faster-than-expected normalisation of US monetary policy might put pressure on the exchange rate, causing tensions in the financial system and hurting consumption and investment – as the private sector's debt is highly dollarised. Failure to implement the proposed fiscal reform will increase deficits and debt steadily and call into question the fiscal sustainability of current policies. Further weather disruptions from the *El Niño* phenomenon could affect infrastructure, lower agricultural output and exports and impact tourism.

CZECH REPUBLIC

Economic growth picked up strongly in 2015, driven by private demand and a boost from EU-financed public investment. Supportive financial conditions, growth in wages and profits and strengthening external demand are projected to support robust growth in 2016 and 2017. Rising domestic costs will push inflation to the 2% target level in 2017.

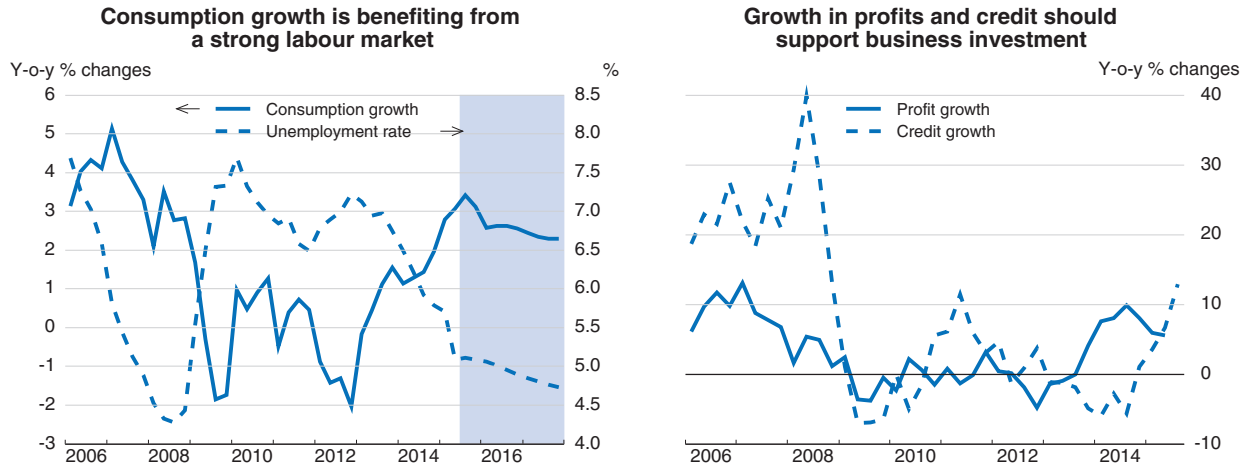
Monetary policy remains appropriately expansionary to ensure that inflation returns to the target. But as soon as inflation is clearly increasing towards the target, the unconventional exchange rate policy – preventing appreciation against the euro – should be ended. Fiscal policy will become slightly restrictive, consistent with medium-term budgetary objectives. Reforms to expand labour supply, reduce skills mismatches and increase competition would boost economic convergence and help to make growth more inclusive.

The challenge for climate change policy is to reduce the high energy and carbon intensity of growth by shifting away from coal and improving energy efficiency. Subsidies and grants for investment in renewable energy and improving energy efficiency have been expanded. The effective tax rate on CO_2 emissions is low relative to other OECD countries and could be increased.

Domestic demand growth has surged

Economic growth is set to rebound in 2015 to its fastest pace since 2007, driven by domestic demand. Strong income growth, easier borrowing conditions and diminishing spare capacity have buoyed consumer and business confidence. Public investment has risen sharply, largely using expiring EU funds. Exports benefited from competitiveness gains early in the year but have slowed subsequently. Core inflation has risen steadily in year-on-year terms, but falling food and energy prices have weighed on headline inflation.

Czech Republic



Source: OECD Economic Outlook 98 database; OECD, Quarterly National Accounts database; and European Central Bank.

StatLink http://dx.doi.org/10.1787/888933296142

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

	2012	2013	2014	2015	2016	2017
	Current prices CZK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	4 041.9	-0.5	2.0	4.3	2.3	2.4
Private consumption	1 998.0	0.7	1.5	3.1	2.6	2.3
Government consumption	782.7	2.3	1.8	2.2	1.8	1.7
Gross fixed capital formation	1 052.3	-2.8	2.0	6.7	3.3	3.1
Final domestic demand	3 832.9	0.1	1.7	3.9	2.6	2.4
Stockbuilding[1]	9.0	-0.6	0.6	1.0	-0.1	0.0
Total domestic demand	3 841.9	-0.5	2.3	4.9	2.4	2.4
Exports of goods and services	3 097.1	0.0	8.9	6.7	4.7	5.9
Imports of goods and services	2 897.1	0.1	9.9	7.6	5.0	6.2
Net exports[1]	200.0	0.0	-0.2	-0.3	0.1	0.2
Memorandum items						
GDP deflator	_	1.4	2.5	1.0	1.2	1.7
Consumer price index	_	1.4	0.4	0.4	1.3	2.0
Private consumption deflator	_	0.9	0.5	0.4	1.2	1.8
Unemployment rate	_	6.9	6.1	5.2	5.0	4.8
General government financial balance[2]	_	-1.3	-1.9	-1.9	-1.3	-0.8
General government gross debt[2]	_	58.1	57.2	56.1	56.1	56.1
General government debt, Maastricht definition[2]	_	45.2	42.7	40.5	40.5	40.5
Current account balance[2]	_	-0.5	0.6	0.7	0.2	-0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297041

Macroeconomic policies should gradually become less expansionary

Monetary policy remains focussed on preventing deflation, with the policy rate almost at zero and the central bank committed to retaining the exchange rate floor against the euro until at least mid-2016. Nonetheless, once inflation is clearly rising towards the 2% target, the exchange rate should be allowed to float freely, with careful communication and timing to limit volatility. The first increase in the policy rate is not likely until late 2017, when the normalisation of the euro area policy rate is also assumed to start.

Fiscal policy is expected to become slightly restrictive. Revenue growth will be supported by intensified efforts to reduce tax evasion. Falling borrowing costs and improved liquidity management have reduced government debt. Implementation of the planned fiscal responsibility package, with a debt-brake rule and an independent fiscal council, should reinforce fiscal control. Better management and take-up of available EU funds, including the structural programmes and the EU Investment Plan, would increase capital deepening and productivity.

Structural policy reforms are needed to boost productivity and potential output growth. Greater competition in services markets would raise productivity. Ensuring the effective expansion of childcare provision and the quality of post-school training would expand labour supply, particularly of women with care obligations and graduates from disadvantaged backgrounds, and reduce skills mismatches. Upcoming changes will see

more children from disadvantaged backgrounds attend mainstream schools, and raising educational quality in schools would strengthen inclusiveness further. Subsidies and grants related to climate change should be monitored for efficacy and cost-effectiveness and incentives strengthened where appropriate.

Growth will remain solid

Domestic demand will continue to drive GDP growth, though at a slower pace than in 2015. Although private investment will remain robust, public sector investment will fall in early 2016 as the boost from spending on EU-financed projects fades. Rising labour demand will reduce the unemployment rate further and push up wage growth, supporting household incomes and consumption. Export growth will increase gradually, reflecting the slow recovery in external demand. As spare capacity diminishes and the disinflationary effects of commodity prices wane, domestic costs will drive inflation to the 2% target.

If firms' optimism falters, private investment could be weaker than expected. A shock transmitted through the automotive industry would dent growth, as would renewed euro area difficulties or geopolitical tensions. There is also a risk that after the exchange rate floor is lifted an appreciation of the koruna overshoots, damping growth and inflation. On the other hand, consumption growth would be stronger if wages accelerate more than expected. On the external side, exporters may offset rising costs to make further market share gains than projected.

DENMARK

GDP is projected to grow in 2016 and 2017 at just under 2%, supported by investment and a pick-up in world trade. Households will continue to reap the benefits of low inflation and energy prices and a stronger labour market. Exporters will get a boost from the weaker effective exchange rate and stronger growth in the European Union.

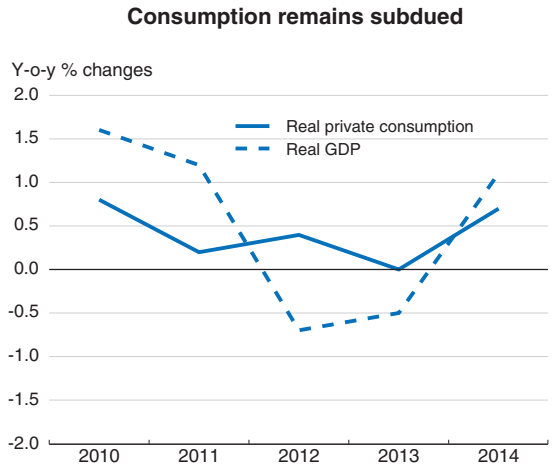
While the accommodative monetary policy continues to maintain the euro exchange rate peg, the economy is reaching its capacity, thereby raising pressure for fiscal policy tightening. To reduce tensions in local real estate markets, further macro-prudential tools would be warranted to limit the risk of another house-price-driven boom-bust cycle, including raising property taxes and updating property values, in particular in Copenhagen. To foster competition, regulation in retail and professional services needs to be eased.

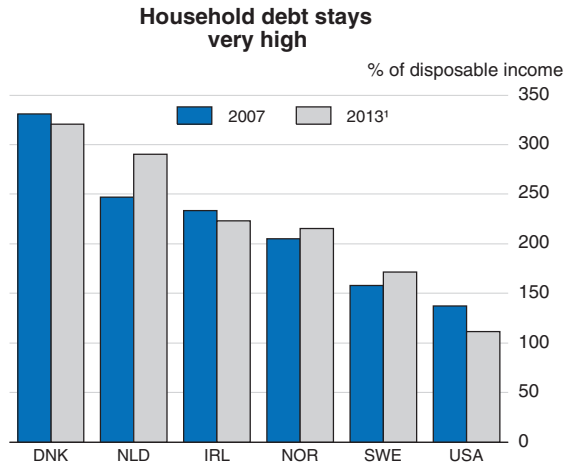
Denmark has pioneered wind power and is a global player in production of wind turbines. Moreover, the country is currently on an ambitious transition to fossil-fuel-free energy supply by 2050. Given a new focus on cost-benefit assessment of climate change policies, the recently renewed housing improvements scheme should be targeted to credit-constrained households.

The recovery is fragile but expected to firm up

The recovery of the Danish economy continues, although some weaknesses appeared in the course of 2015, with private consumption and trade growth losing momentum. A number of households face substantial debt overhangs, which could in part explain weak consumption. At the same time, current low interest rates, inflation and energy prices, and a stronger labour market, are supporting economic activity. Indicators point to firming growth in the European Union - a destination for just over half of the Danish exports. Employment has been rising for two years now, with its growth being broadly based and largely in the private sector.

Denmark





1. 2012 for Ireland and the Netherlands.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296152

Denmark: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices DKK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 866.8	-0.5	1.1	1.8	1.8	1.9
Private consumption	911.3	0.0	0.7	1.9	1.6	2.0
Government consumption	502.0	-0.5	0.2	1.3	0.2	0.5
Gross fixed capital formation	341.7	0.9	4.0	0.6	3.0	2.9
Final domestic demand	1 755.0	0.0	1.2	1.5	1.5	1.8
Stockbuilding[1]	11.8	-0.2	0.3	-0.6	0.3	0.0
Total domestic demand	1 766.8	-0.2	1.6	0.8	1.8	1.8
Exports of goods and services	1 007.5	0.8	2.6	1.4	3.3	4.1
Imports of goods and services	907.5	1.5	3.8	-0.4	3.5	4.1
Net exports[1]	100.0	-0.3	-0.4	1.0	0.1	0.3
Memorandum items						
GDP deflator	_	1.5	0.8	1.4	1.5	1.9
Consumer price index	_	0.8	0.6	0.5	0.9	1.4
Private consumption deflator	_	1.0	0.7	1.0	1.2	1.5
Unemployment rate[2]	_	7.0	6.5	6.3	6.2	5.9
Household saving ratio, net[3]	_	-0.4	-6.5	-4.1	-3.7	-1.8
General government financial balance[4]	_	-1.3	1.5	-2.7	-2.8	-2.8
General government gross debt[4]	_	58.0	60.6	57.1	56.4	58.9
General government debt, Maastricht definition[4]	_	45.0	45.1	41.6	40.9	43.3
Current account balance[4]	_	7.2	6.3	7.0	7.2	7.4

1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297050

Policies remain supportive but also add to vulnerabilities

Monetary policy, which is governed by the peg to the euro, and overall financial conditions will remain supportive even as the slack in the economy is disappearing. This will put more of the burden of stabilisation on tighter fiscal policy. Some taxes are set to decrease and others are kept artificially low; for example, property taxes have been effectively frozen for over 10 years, which is widening regional disparities and adding to overheating in some local housing markets. Further macro-prudential tools should be considered to ensure that the spillovers from the ultra-loose monetary policy do not undermine financial stability and credit quality.

Structural policies can do more to improve growth. To boost competition and productivity growth, the authorities could go further to support investment by easing restrictions in sectors such as pharmacies, taxis and professional services. To support young innovative firms, the authorities should improve access to funding through better framework conditions and continue to foster a more entrepreneurial culture via the education system. Notwithstanding one of the lowest inequalities in OECD, work incentives and inclusiveness remain prominent on the policy agenda.

Denmark has been at the forefront of renewable energy technologies (using wind in particular), and has been successful in diffusing the knowledge to other countries. So-called green exports constitute about a tenth of exported goods and have increased faster than total exports in recent years. The share of environmental taxes is among the highest in the OECD, with revenues of around 4% of GDP. The new government plans to review climate change policies to improve their cost-efficiency. A good start would be to limit tax deductions for housing improvements (re-introduced recently) to credit-constrained households.

Risks to the outlook are both domestic and external

Economic growth will stabilise at just below 2% until 2017, supported by investment, stronger world trade and moderately stronger private consumption. However, private consumption will be held back by a further reduction in household debt. Given the consolidation needs, the growth of both public investment and public consumption is set to ease. Improving prospects in the EU will help lift exports and release pent-up investment pressure. Inflation is projected to rise slightly towards the end of the projection period. Downside risks include a weaker world trade recovery, disappointing recovery in the euro area and stronger deleveraging by Danish households, which could prolong the weakness of private consumption. A stronger impact of the loose monetary policy stance and increasing property prices would on the other hand boost domestic demand growth more than projected.

ESTONIA

Growth is projected to strengthen gradually in the coming two years. It will be supported by an upswing of investment and exports, which will benefit from stronger growth in the European Union. Private consumption will grow in line with real household income.

The government's fiscal policy set to become expansionary and public debt is the lowest of OECD countries. More investment is essential to address some of the Estonia's needs, including on skills and education, and on infrastructure. Improving skills and reducing taxes on low labour earnings would boost employment and make growth more inclusive. Improving knowledge transfer to Estonian firms by promoting applied research and collaboration with foreign institutions would raise productivity.

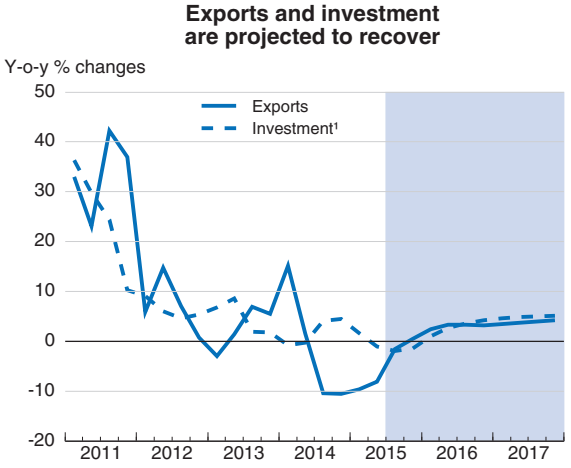
Tax rates on energy sources should be aligned and raised according to their CO_2 emission content. Incentives for operators of heating networks to improve efficiency should be strengthened. Low-income households should receive more financial support for energy-saving investments.

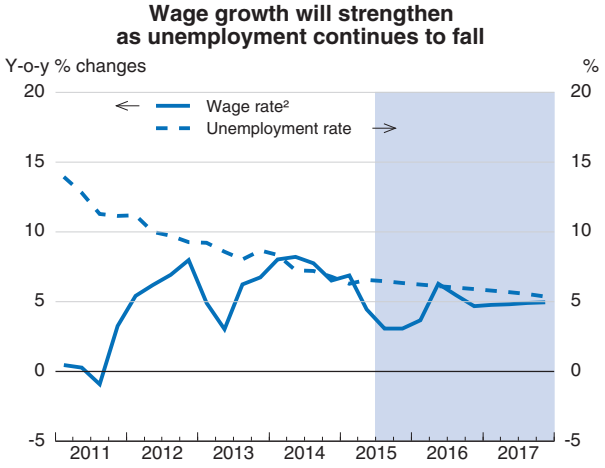
Consumption is the main driver of economic growth

Economic growth is benefiting from strong consumption spending, backed by solid household income gains. Confidence is strengthening and labour market developments remain very positive. Falling energy prices have kept consumer price inflation close to zero. However, export growth has been damped by weaknesses of some of Estonia's main trading partners, including Finland and Russia, which account for 16% and 6% of Estonia's exports, respectively.

Very supportive monetary policy in the euro area will continue to improve financial conditions in Estonia. Fiscal policy is set to become expansionary. Public investment is picking up, partly funded in 2015 by expiring EU funds. Also, spending on defence will

Estonia





1. Real gross fixed capital formation.
2. Average nominal wage per employee, seasonally adjusted.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296162

Estonia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	18.0	1.7	2.9	1.8	2.5	2.9
Private consumption	9.1	3.8	3.5	5.2	3.7	3.2
Government consumption	3.3	1.6	3.0	1.1	0.9	1.0
Gross fixed capital formation	4.7	2.8	-1.8	-4.8	3.0	3.9
Final domestic demand	17.1	3.1	2.0	1.7	3.0	2.9
Stockbuilding[1]	0.7	-1.1	2.4	-3.6	-0.9	0.0
Total domestic demand	17.8	1.9	4.6	-2.1	2.2	3.0
Exports of goods and services	15.6	4.7	1.8	-0.7	2.9	4.9
Imports of goods and services	15.4	4.5	1.4	-2.7	2.9	5.1
Net exports[1]	0.2	0.2	0.4	1.6	0.1	0.1
Memorandum items						
GDP deflator	_	3.8	2.1	0.7	1.4	2.5
Harmonised index of consumer prices	_	3.2	0.5	0.1	1.3	2.4
Private consumption deflator	_	3.1	1.0	0.0	1.2	2.3
Unemployment rate	_	8.6	7.4	6.4	6.0	5.6
General government financial balance[2]	_	-0.1	0.7	0.2	0.4	0.5
General government gross debt[2]	_	13.4	13.7	12.7	11.8	10.8
General government debt, Maastricht definition[2]	_	9.9	10.4	9.4	8.6	7.5
Current account balance[2]	_	-0.1	1.0	3.3	2.3	2.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297062

increase in 2016. The government continues to shift taxes from labour to consumption, as income tax rates and unemployment insurance contributions were cut in 2015. Further measures to reduce labour taxes are planned for 2017, partly targeted towards low-income households. These welcome measures are partly financed by broadening the VAT base, and increases in taxes on tobacco, alcohol and natural gas.

A number of recent structural reforms will raise sustainable growth. The government has implemented reforms to make the R&D system more effective, including through a new innovation strategy and by strengthening coordination across ministries. The government has also taken substantial steps to improve vocational education, including by upgrading the technical equipment of vocational schools. Ample provision of upskilling opportunities would ensure inclusiveness in growth driven by the adoption of new technologies.

Greenhouse gas emissions per unit of GDP remain among the highest in the OECD, largely due to the use of oil shale, which will undermine competitiveness in the longer term. The government has proposed draft regulation that encourages the use of renewable biomass in district heating. The government's plans to make heating networks more efficient are welcome.

Domestic demand and investment will stimulate growth

Economic growth is projected to strengthen gradually. However, household consumption will grow less vigorously as wage income growth, which had been boosted by minimum wage increases, falls and the population declines. Investment will strengthen slowly as capacity utilisation improves and new EU funds boost public investment from 2017 onwards. Exports will benefit from stronger economic activity in the European Union. The government's budget is projected to remain in surplus.

Economic growth and exports could be held back more than projected by weaknesses of some of Estonia's main trading partners, although the effects of the collapse of trade with Russia have already been absorbed. If regional tensions eased, exports would benefit. Private investment could recover faster than projected if spending of structural funds initiates strong productivity growth. Because of past experiences, financial institutions have become more risk averse to finance residential investments and may therefore constrain such spending. Moreover, an increase in loan losses in the Nordic countries, for instance due to asset price falls, could hit domestic lending by Estonia's Nordic-owned banking sector.

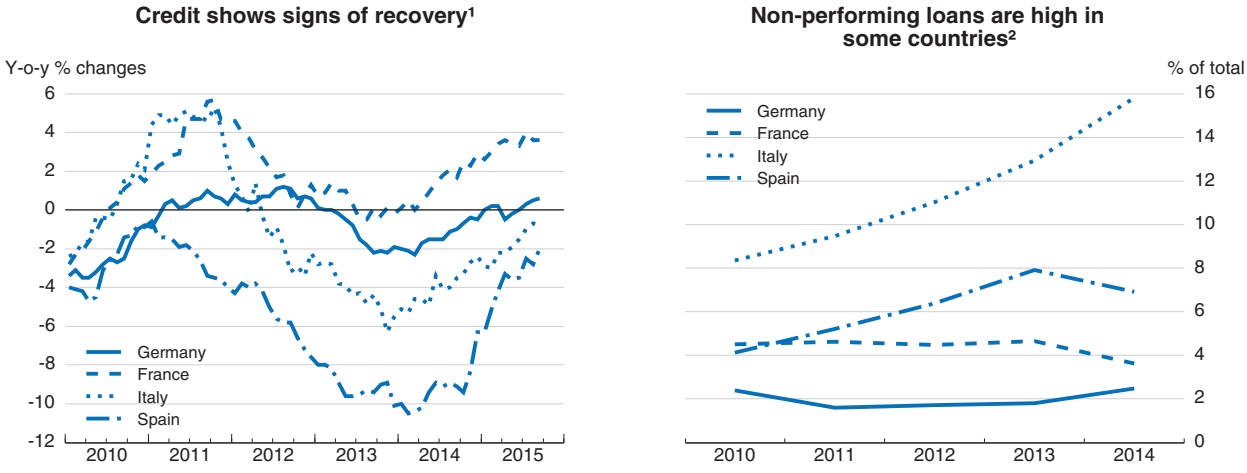
EURO AREA

GDP growth is projected to rise to almost 2% in 2016 and 2017, despite a slowdown in several emerging markets. Activity will continue to be supported by sustained monetary stimulus, a broadly neutral fiscal stance and lower oil prices. High private indebtedness will remain a drag on consumption and investment in many countries. Unemployment will decline only gradually, and the stark differences across countries within the euro area will persist. Inflation should edge up to just under 1½ per cent by the end of the projection horizon as the effects of cheaper energy wane and cyclical slack decreases, even though high uncertainties surround inflation projections.

Improving the credit channel of monetary policy transmission is a key priority, and requires completion of the banking union, swifter recognition of non-performing loans and, in many countries, better insolvency procedures. To foster growth and make it more inclusive, euro area countries should pursue fiscal and structural reforms to promote employment and social mobility, such as decreasing labour taxation and enhancing prioritisation of growth-enhancing investments, including in education and childcare. Joint actions to increase public investment could spur growth without raising debt ratios in the near term. Policies to better integrate immigrants have taken on heightened urgency, as they will be key to managing the recent wave of asylum seekers. Further product market reforms at the national level and completing the Single Market are essential to raise living standards and well-being.

The 2030 EU climate and energy framework commits to a domestic reduction in greenhouse gas emissions of at least 40% relative to 1990 levels. This framework can foster investment in both large-scale projects, such as energy interconnections and public transportation, and small-scale ones, such as improvements in residential energy efficiency. Reducing the multiple forms of budgetary support for fossil fuels, ranging from low taxation of company cars as a fringe benefit to diesel tax advantages, would

Euro area



1. Loans to non-financial corporations adjusted for sales and securitisation.
2. Gross non-performing debt instruments as a percentage of total gross debt instruments.

Source: European Central Bank.

StatLink http://dx.doi.org/10.1787/888933296179

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

Percentage changes

	2013	2014	2015	2016	2017
Employment	-0.6	0.6	0.9	1.0	1.1
Unemployment rate[1]	11.9	11.5	10.9	10.4	9.8
Compensation per employee[2]	1.4	1.3	1.5	1.9	2.1
Labour productivity	0.3	0.3	0.6	0.8	0.9
Unit labour cost	1.0	1.2	0.9	0.8	0.7
Household disposable income	0.7	1.3	1.9	2.8	3.1
GDP deflator	1.3	0.9	1.1	1.0	1.3
Harmonised index of consumer prices	1.3	0.4	0.1	0.9	1.3
Core harmonised index of consumer prices[3]	1.1	0.8	0.8	1.2	1.3
Private consumption deflator	1.1	0.5	0.3	0.9	1.3

Note: Covers the euro area countries that are members of the OECD.

1. As a percentage of labour force.
2. In the total economy.
3. Harmonised index of consumer prices excluding energy, food, drink and tobacco.

Source: OECD Economic Outlook 98 database.

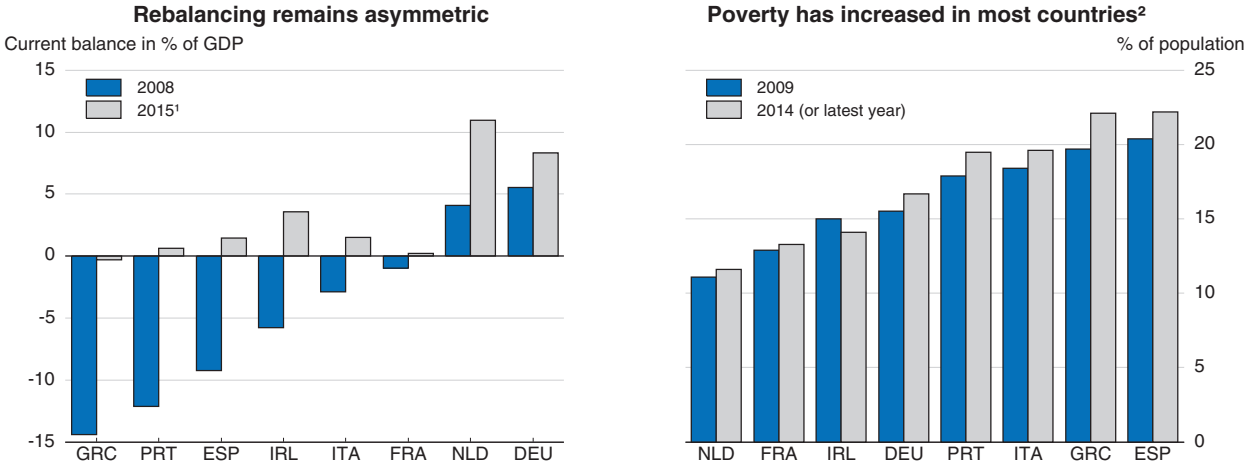
StatLink http://dx.doi.org/10.1787/888933296967

help to reduce CO_2 emissions in a cost-efficient way and to create fiscal space. In some cases, accompanying measures to prevent adverse redistributive impacts would be needed.

A hesitant recovery has continued, with enduring disparities

Moderate growth has continued in 2015, supported by both domestic demand and exports, but has still been hampered by the lack of a sustained acceleration of investment.

Euro area



1. Projections.
2. The rate of persons at risk of poverty is measured as the share of persons with an equivalised disposable income below the at-risk-of-poverty threshold which is set at 60% of the national median equivalised disposable income.

Source: OECD Economic Outlook 98 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933296181

Euro area: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	6.4	6.5	6.5	6.7	6.8
General government financial balance[2]	-3.0	-2.6	-1.9	-1.7	-1.0
General government gross debt[2]	104.9	111.7	111.2	110.2	108.5
General government debt, Maastricht definition[2]	93.7	94.7	94.1	93.1	91.4
Current account balance[2]	2.8	3.3	3.8	3.7	3.7
Short-term interest rate[3]	0.2	0.2	0.0	0.0	0.1
Long-term interest rate[4]	2.9	2.0	1.2	1.1	1.4

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 at market value.
3. 3-month interbank rate.
4. 10-year government bonds.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296972

Unemployment has edged down only marginally. Labour market weakness and expectations of low future inflation have kept annual core inflation broadly stable at close to 1%, while declines in energy prices have made headline inflation hover around zero. The significant area-wide current account surplus has broadly stabilised.

Major asymmetries in cyclical conditions have persisted across euro area countries, reflecting a still incomplete rebalancing process. Unemployment rates are still much higher in some countries than in others. High long-term unemployment and labour force decreases in vulnerable countries, partly explained by emigration, could have enduring negative effects on growth potential. All vulnerable countries have largely or fully eliminated their headline current account deficits, although the estimated cyclically-

Euro area: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices euro billion	Percentage changes from previous year, volume (2011 prices)					
GDP at market prices	10 030.3	1.5	1.8	1.9	1.6	1.9	2.0
Private consumption	5 579.9	1.7	1.8	1.8	1.6	1.9	1.8
Government consumption	2 117.0	1.2	1.1	1.0	0.9	1.3	0.8
Gross fixed investment	1 971.9	2.1	2.6	3.4	2.1	3.4	3.4
Final domestic demand	9 668.9	1.6	1.8	1.9	1.6	2.0	1.9
Stockbuilding[1]	- 14.2	-0.2	0.0	0.0			
Total domestic demand	9 654.7	1.4	1.8	2.0	1.5	2.1	1.9
Net exports[1]	375.6	0.1	0.1	0.1			

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, actual amount in the first column.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296984

Euro area: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Foreign balance	451.3	497.7	527.4	554	576
Invisibles, net	- 80.6	- 66.2	- 91.1	- 117	- 123
Current account balance	370.7	431.5	436.4	438	452

Note: Covers the euro area countries that are members of the OECD.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296991

adjusted deficits remain sizeable in some. Germany and the Netherlands have further widened their current account surpluses.

Fiscal and structural reforms are needed for sustained growth, rebalancing and better equity

While continuing to benefit from the euro depreciation of the recent past, export growth will not be immune to the economic slowdown in some large emerging market economies. High levels of private indebtedness, subdued confidence and weak bank lending continue to weigh on internal demand, and especially on investment.

In the euro area as a whole, the fiscal stance is expected to remain broadly neutral over the projection horizon, and the shift from a period of consolidation will favour growth. But countries need to implement employment-friendly fiscal reforms, which should lower labour tax wedges and shift the composition of spending in favour of investment, education and childcare. Improving the labour market integration of the wave of immigrants will have to receive high priority. These reforms would help reduce inequality and, by spurring potential growth, would also shore up public debt sustainability.

Expansionary monetary policy by the ECB, which is assumed to persist over the projection horizon, has eased financial conditions and spurred some recovery in credit to the private sector. However, the transmission of monetary policy through the credit channel remains impaired by high non-performing loans and still significant financial fragmentation, factors which are also barriers to further rebalancing in the euro area. Banking and capital markets union will be needed for a durable resolution of these issues. Near-term steps should include a common backstop to the Single Resolution Fund, faster cleaning-up of banks' balance sheets, and enhanced supervisory action.

Investment is crucial for a more dynamic recovery and for higher growth potential, not least through stronger diffusion of innovation. The ambitious EU goals for reducing greenhouse gas emissions can act as a catalyst to both public and private investment in areas like energy infrastructure or residential retrofitting. Completing a genuine Single Market in network industries and services would pave the way for growth-enhancing investment. Product market reforms would also promote rebalancing across the area.

Growth will strengthen gradually

GDP growth is projected to rise to almost 2%, supported by monetary policy and cheaper oil, but still hampered by the slowdown in emerging markets and enduring investment weakness. Unemployment should fall slowly, with stark disparities across euro

area countries expected to persist, and inflation is projected to accelerate modestly, while remaining well below the 2% medium-term target. A sizeable area-wide current account surplus should stay broadly unchanged.

A stronger-than-projected slowdown in China and other risks weighing on emerging market economies, such as volatility induced by monetary policy normalisation in the United States, would weaken demand for euro area exports. While tail risks surrounding Greece have receded, confidence in the euro area could weaken due to tensions on a number of fronts, including the refugee crisis. A more long-lasting period of low inflation or even falling prices in some countries could also make the deleveraging process more difficult and have a negative impact on investment and consumption decisions. On the other hand, more rapid progress in fiscal and structural reform would boost growth relative to the projection.

FINLAND

The economy is slowly coming out of a long recession. Economic activity was broadly flat in 2015, but is projected to strengthen in 2016. Export growth remains subdued despite the weaker euro, as global demand for capital goods has weakened and exports to Russia have collapsed. Domestic demand is being held back by rising unemployment, low income growth, weak confidence and ample spare capacity.

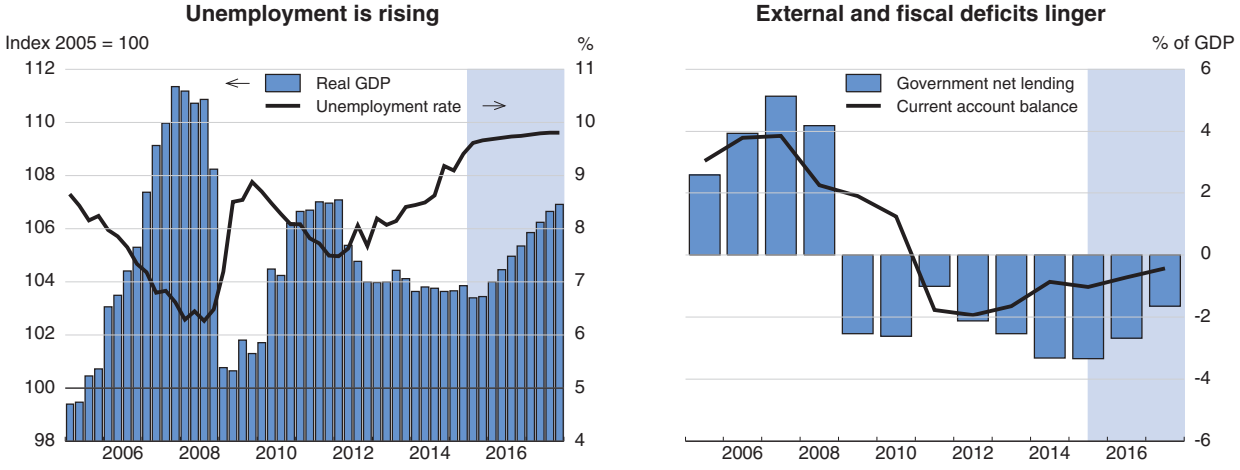
The budget deficit has risen above 3% of GDP for the first time since the mid-1990s. The government's consolidation package, which is mainly based on spending cuts, will reduce the deficit, but only gradually because of the weakness of the economy. Structural reforms are essential to revive growth, ensure long-term fiscal sustainability and generate resources to support well-being.

Finland's long-standing use of economic incentives, especially taxation, to promote green growth has considerably reduced the intensity of greenhouse gas emissions since 1990. Ambitious emission reduction targets call for the implementation of further cost-efficient measures, including phasing out environmentally harmful subsidies and exceptions to carbon taxation, and ensuring the efficiency of environmental regulations and direct support.

The economy is expected to slowly get back to growth

Real GDP expanded modestly in the first two quarters of 2015. Export growth remains muted due to the recession in Russia, weak global demand for investment goods, in which Finland specialises, and eroded competitiveness. Private consumption continues to be weak, reflecting low consumer confidence, as unemployment has risen to its highest level in over a decade. After four years of contraction, investment has stopped falling but remains low, as spare capacity is ample and uncertainties are high. Inflation has fallen to close to zero. The fiscal deficit has been widening as a result of the weak economy and rising spending due to population ageing.

Finland



Source: OECD Economic Outlook 98 database.

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Finland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	199.8	-1.1	-0.4	-0.1	1.1	1.6
Private consumption	109.1	-0.3	0.5	0.4	0.4	0.8
Government consumption	48.7	0.8	-0.2	0.3	1.3	1.0
Gross fixed capital formation	44.5	-5.2	-3.3	-0.9	3.7	3.1
Final domestic demand	202.3	-1.1	-0.5	0.1	1.3	1.4
Stockbuilding[1,2]	0.4	0.0	0.5	-0.5	-0.1	0.0
Total domestic demand	202.7	-1.1	0.1	-0.4	1.2	1.4
Exports of goods and services	78.9	1.1	-0.7	0.6	3.3	4.0
Imports of goods and services	81.8	0.0	0.0	-0.4	2.6	3.4
Net exports[1]	- 2.9	0.4	-0.3	0.4	0.3	0.2
Memorandum items						
GDP without working day adjustments	_	-1.1	-0.4	..	..	..
GDP deflator	_	2.6	1.6	0.2	0.9	1.2
Harmonised index of consumer prices	_	2.2	1.2	-0.2	0.4	0.8
Private consumption deflator	_	2.3	1.6	0.6	0.7	0.8
Unemployment rate	_	8.2	8.7	9.4	9.7	9.8
General government financial balance[3]	_	-2.5	-3.3	-3.3	-2.7	-1.6
General government gross debt[3]	_	64.2	71.4	73.3	75.7	77.5
General government debt, Maastricht definition[3]	_	55.6	59.3	60.6	62.7	65.0
Current account balance[3]	_	-1.7	-0.9	-1.0	-0.7	-0.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statistical discrepancy.
3. As a percentage of GDP at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297076

The government is implementing fiscal consolidation and structural reforms

The government aims at gradually reducing the fiscal deficit, which is estimated at above 3% of GDP in 2015. Government spending as a share of GDP is the highest in the OECD and gross government debt will exceed 60% of GDP in 2015. Measures to lower the deficit by about 2% of GDP, mainly spending cuts, are expected over the next four years. This consolidation will restrain growth, but is to be partly offset by front-loaded public investments financed through balance-sheet transactions. The government's structural reform programme includes measures to streamline regulations, facilitate competition in product markets, increase the flexibility of the labour market and enhance work incentives. These measures will support growth and employment in the medium term. Better work incentives and a stronger economy should push up the employment rate of women and narrow gender inequality further. The recent surge in immigration, albeit from a very low level, could mitigate the impact of ageing on labour supply and boost growth, but this will depend on successful integration of the migrants into Finnish society. In any case, strengthening these sort of measures - training and job search assistance, for example - would make the Finnish economy more inclusive in a broader sense.

Finland has reduced greenhouse gas emissions intensity considerably since 1990 through taxation and other economic instruments. However, it is still the third highest

emitter of greenhouse gases per unit of GDP in the OECD, because of the importance of energy intensive industries, the cold climate and long transport distances. To meet Finland's emission targets, environmentally harmful subsidies and exceptions to carbon taxes should be reduced, and the efficiency of environmental regulation and direct support enhanced.

The recovery is projected to gather pace but is dependent on the external environment

The projected recovery hinges on stronger exports, as slow household income growth, uncertainty and cuts in public spending will hold back domestic demand. Higher exports are projected to reduce spare capacity, thereby reviving private investment. Public investment will be raised by spending on transport, energy and water supply infrastructure. Altogether, investment is projected to increase in 2016. Unemployment will creep up, as firms will intensify utilisation of their manpower before hiring. Inflation is projected to increase somewhat over the projection period.

The pace of the recovery is highly dependent on exports, which implies both downside and upside risks, related to developments in the global economy and particularly in the Nordic countries, Germany and Russia. The strength of the global investment cycle is also crucial as Finland is a big exporter of capital goods. Besides growth in export markets, Finland's ability to regain market share through enhanced cost-competitiveness and innovation will have a strong impact on the strength of the recovery. The ability of the government to implement its programme, notably reforms to enhance the flexibility of the labour market, in the face of public resistance also conditions medium-term growth and fiscal sustainability.

FRANCE

Economic growth is projected to rise gradually to 1.3% in 2016 and 1.6% in 2017 thanks to lower oil prices, less fiscal contraction and the cumulative effects of sustained monetary stimulus. Rising wages, exchange rate pass-through and stabilising energy prices should bring a pick-up in inflation, despite significant economic slack. Low energy prices, strengthening external demand and pro-competitive reforms are expected to underpin an increase in consumption and export volumes. However, declining house prices and weak business confidence are continuing to weigh on investment, and unemployment will decline only slightly.

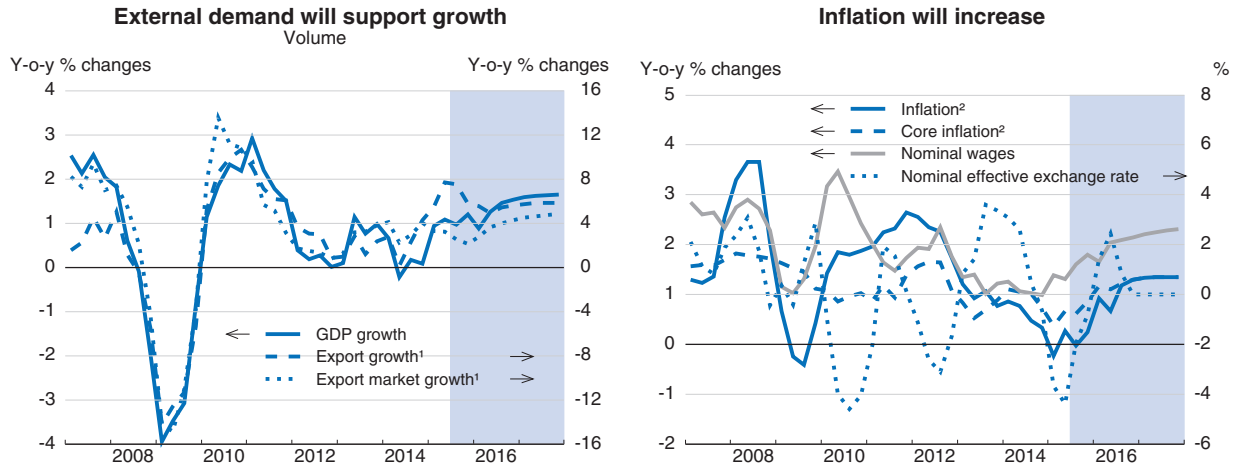
Budget deficit reductions over 2016-17 are assumed to be based on spending restraint, while income and corporate taxes and social security revenues are reduced as a share of GDP. This structural consolidation effort is the minimum necessary to control still rising public debt, but automatic stabilisers should be allowed to play freely to avoid endangering the still fragile recovery.

France's greenhouse gas emissions intensities are relatively low, due to the preponderant role of nuclear power. The recent energy transition law sets ambitious goals for halving energy consumption by 2050, cutting such emissions and reducing the shares of fossil and nuclear energy. The CO_2 component of the energy excise tax is set to increase gradually, but there is still plenty of room to develop an efficient environmental tax system, which would help meet fiscal consolidation needs, by increasing the marginal tax rates on fossil fuels according to their CO_2 emissions and other externalities.

The economy is slowly improving

Economic growth has been volatile in 2015. Business investment is slowly recovering, but the construction sector remains very weak. The rise in unemployment has stopped,

France



1. Goods and services.
2. Harmonised consumer price index. Core HICP excludes energy , food, alcohol, and tobacco.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296200

France: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	0.1	0.1	-0.1	0.1	0.5
Unemployment rate[1]	9.9	9.9	10.0	10.0	9.9
Compensation per employee[2]	1.6	1.3	1.3	2.1	2.3
Unit labour cost	0.6	1.5	0.4	0.9	1.1
Household disposable income	0.8	1.0	1.7	2.3	2.9
GDP deflator	0.8	0.6	1.1	0.9	1.3
Harmonised index of consumer prices	1.0	0.6	0.1	1.0	1.2
Core harmonised index of consumer prices[3]	0.7	1.0	0.6	1.1	1.2
Private consumption deflator	0.8	0.0	0.0	0.9	1.2
Memorandum item					
Unemployment rate[4]	10.3	10.3	10.4	10.4	10.2

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

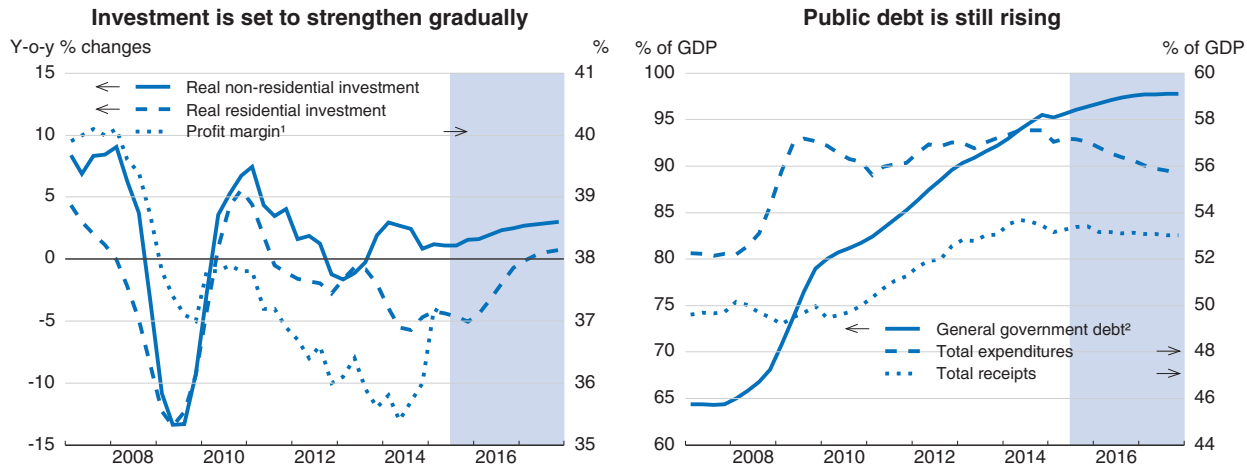
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296821

mainly due to subsidised jobs for youth and the low-skilled in the non-market sector. However, the mid-year fall in energy prices and ample economic slack have pushed inflation down further, despite very accommodative monetary conditions.

Euro depreciation is boosting French exports both directly and by strengthening France's euro-area export markets. Cheaper oil is cutting the import bill, shrinking the trade deficit to 0.8% of GDP, compared to a peak of 3% of GDP in 2011. Lower energy prices

France



1. Of non-financial corporations.
2. Maastricht definition.

Source: OECD Economic Outlook 98 database; and INSEE.

StatLink http://dx.doi.org/10.1787/888933296217

France: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, gross[1]	14.3	14.8	14.9	14.6	14.4
General government financial balance[2]	-4.1	-3.9	-3.8	-3.4	-2.8
General government gross debt[2]	110.1	119.1	120.1	121.3	121.7
General government debt, Maastricht definition[2]	92.2	95.5	96.5	97.7	98.1
Current account balance[2]	-0.8	-0.9	0.2	0.2	0.3
Short-term interest rate[3]	0.2	0.2	0.0	0.0	0.1
Long-term interest rate[4]	2.2	1.7	0.9	1.0	1.3

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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296831

are also raising both domestic and external demand. With improving household confidence and a slowly stabilising unemployment rate, private consumption is recovering, supported by real wage growth. Business investment should follow as profit margins improve from a historically low level, and uncertainty about demand and scepticism surrounding the reform agenda dissipate. Temporary fiscal measures in 2016, further structural reforms designed to increase firms' profitability and the Juncker Plan for leveraged EU-wide investment should also help kick-start business investment. At the

France: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices euro billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 133.6	1.1	1.3	1.6	1.3	1.6	1.6
Private consumption	1 184.0	1.6	1.7	1.9	1.7	1.9	1.9
Government consumption	516.0	1.5	0.6	0.4	1.1	0.4	0.4
Gross fixed investment	463.1	-0.7	1.0	1.9	0.0	1.5	2.1
Public	78.7	-2.3	-0.1	0.2	0.0	0.0	0.3
Residential	109.7	-4.3	-1.3	0.5	-4.1	0.0	0.8
Non-residential	274.8	1.2	2.1	2.8	1.5	2.5	3.0
Final domestic demand	2 163.1	1.1	1.3	1.5	1.2	1.4	1.6
Stockbuilding[1]	10.8	-0.2	-0.1	0.0			
Total domestic demand	2 173.9	0.9	1.2	1.5	1.0	1.4	1.6
Exports of goods and services	612.7	6.6	5.4	5.8	5.8	5.6	5.8
Imports of goods and services	652.9	5.7	4.7	5.4	4.9	5.2	5.5
Net exports[1]	- 40.2	0.2	0.2	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. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296841

same time, the steady house price decline will imply only a gradual increase in residential investment, and spending restraints will weigh on local public investment.

Budget consolidation will focus on spending restraint

Public expenditure growth has slowed, and the deficit has declined, but further efforts will be necessary to reduce the tax burden and put public debt on a firmly declining trend. Spending restraint and measures to ease the tax burden will result in fiscal consolidation over 2016-17 of about 0.6% of GDP, which is broadly appropriate given the weak recovery. Low interest payments on public debt and the phasing in of the 2010 pension reform will bring some savings, as will the continuing freeze in central government civil servants' base wages and efforts to moderate health-care, social and local government expenditures. These measures will make room for a tax credit on low wages (CICE), further reduction in personal income taxes for low- and middle-income households and in employers' social contributions, all of which will ease the burden on the most vulnerable, making the recovery in growth more inclusive. Lower labour taxes, as well as well as a gradual reduction of corporate taxes, could spur investment. At the same time, more targeted in-work benefits should support income and employment for the low-skilled, and the increase in the CO_2 component of the energy excise tax in 2016 will bring additional revenues and promote greener growth.

Further decreasing public spending as a share of GDP over the medium term would provide the fiscal space to cut the tax burden, improve competitiveness and raise growth. There is also ample room to improve the tax structure by lowering social contributions, eliminating inefficient tax expenditures and increasing environmental taxes. This would also strengthen incentives for energy efficiency investments. Simplifying regulations, administrative procedures and especially labour law, and increasing competition would improve confidence and investment. These measures would boost incomes and lower unemployment, raising well-being and making growth more inclusive. Developing firm- and industry-level negotiations on wages, working hours and employment conditions would be a step in the right direction, and the ongoing programme of administrative simplification and reforms of the services sector need to be taken further. To take full advantage of such reforms, skills have to be strengthened, in particular by expanding apprenticeships in secondary education and by developing an efficient quality-insurance system for training providers, as planned.

Growth is projected to increase gradually

Improved financial conditions, the euro depreciation, lower energy prices and the slowing pace of fiscal consolidation should gradually strengthen exports and private consumption growth. As uncertainties about economic prospects and policies dissipate, a gradual acceleration in business investment will place the expansion on a sounder footing. The unemployment rate is projected to start to decline slowly late in 2016. The current account should stabilise near balance with a lower energy import bill and continued export performance improvement underpinned by euro depreciation and better cost competitiveness, though unit labour costs would rise moderately.

There are several risks around the central projection. The programme of structural reforms could raise confidence more than assumed, boosting business investment. Additional declines in oil prices would also raise growth. The household saving rate remains high, allowing for a potential boost to private consumption once the turnaround

takes hold. On the other hand, if structural reforms are poorly communicated or weakly implemented, or if measures to reduce the tax burden are not sufficient, confidence could fall and the recovery could stall. Heightened uncertainties about euro-area prospects and a stronger-than-projected slowdown in key emerging markets (notably China) would also lower external demand. In addition, the impact of still low business profitability, housing market contraction and policy uncertainty could linger, and a higher-than-assumed exchange rate and oil prices would weigh on activity.

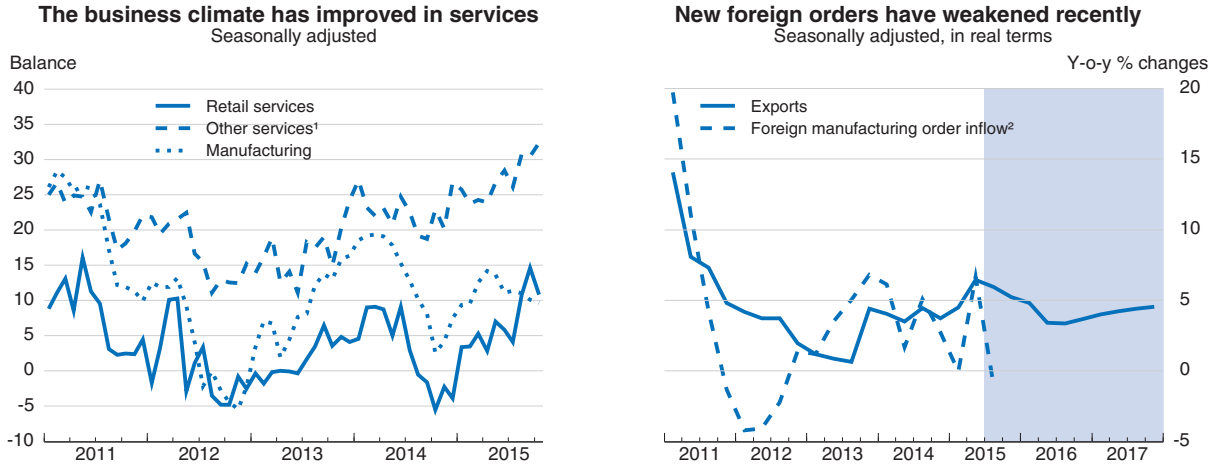
GERMANY

Economic growth is projected to strengthen in 2016, as a robust labour market, low interest rates and low oil prices underpin private consumption. Weaker demand from emerging market economies will gradually be offset by stronger exports to other euro area economies. Business investment is expected to recover with rising capacity utilisation. The refugees with prospects to stay durably will enter the labour market gradually and can help reduce the impact of demographic change in the medium term. The unemployment rate will remain historically low. The current account surplus will narrow somewhat but will remain very high.

The budgetary stance is expansionary, which is appropriate to make room for near-term spending priorities related to structural reforms to raise inclusive growth and well-being and to address the needs related to the inflow of asylum seekers. Efforts to facilitate the integration of the new immigrants are needed to allow them to better integrate into German society and improve their employment prospects. More support is needed for youth with weak socio-economic background in the education system. Better childcare and lower taxation on second earners would increase options for women who wish to work longer hours. Removing barriers to competition in services would strengthen innovation and investment, and could reduce Germany's big external imbalance.

Steps to eliminate tax expenditures for activities that have high CO_2 emission intensity, and to align taxation of fossil fuels with their carbon content, would help Germany to reach its emission-reduction targets in a cost-efficient way. To reduce the energy intensity of the economy, exemptions for energy-intensive industries should be phased out, tax breaks for company cars and commuting allowances abolished, and taxes on diesel raised to those on petrol. The government should use its influence to ensure that EU standards on emissions of transport vehicles are more effective in reducing emissions.

Germany



1. Services excluding government, financial services, wholesale and retail trade.
2. Data available until August 2015.

Source: OECD Economic Outlook 98 database; Statistisches Bundesamt; and CESifo Group Munich.

StatLink http://dx.doi.org/10.1787/888933296220

Germany: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.0	0.9	0.6	0.5	0.8
Unemployment rate[1]	5.2	5.0	4.6	4.6	4.6
Compensation per employee[2]	1.8	2.6	2.9	2.8	2.9
Unit labour cost	2.4	2.2	2.1	1.5	1.2
Household disposable income	1.8	2.3	2.4	2.8	3.1
GDP deflator	2.1	1.7	2.0	1.2	1.4
Harmonised index of consumer prices	1.6	0.8	0.1	1.0	1.6
Core harmonised index of consumer prices[3]	1.2	1.1	1.1	1.3	1.6
Private consumption deflator	1.2	0.9	0.6	1.0	1.5

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

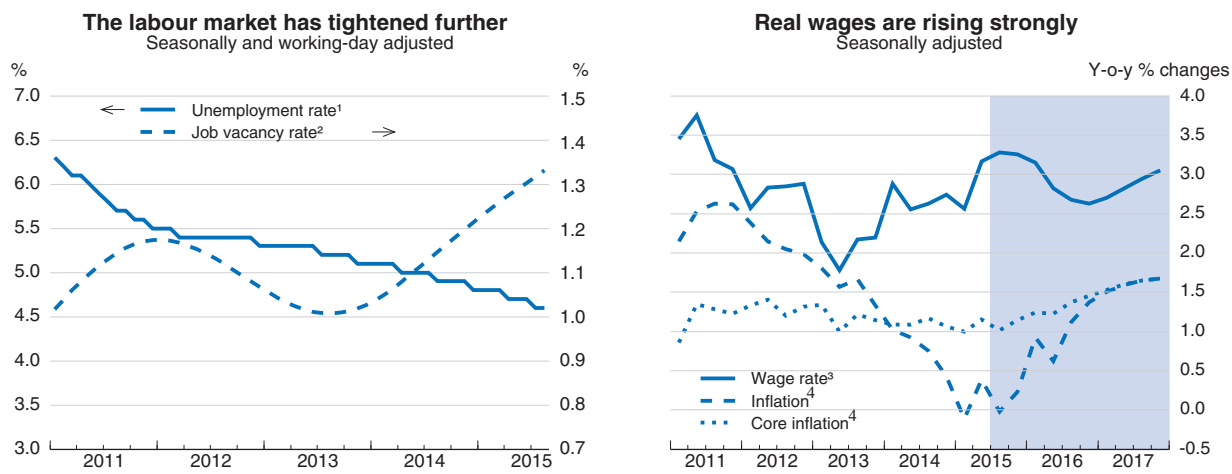
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296795

Household demand has sustained economic growth but exports are weakening

Economic growth continued in the third quarter. Private household demand expanded on the back of strong real income growth, boosting confidence in the service sector to high levels. Low oil prices damped consumer prices while a tight labour market pushed up wages. Employment has continued to grow and the unemployment rate, already the lowest in the European Union, has fallen further. However, the pay gap between women and men

Germany



1. Population aged 15-74 years. Based on the German labour force survey.
2. Percentage of unfilled job vacancies relative to total employment.
3. Average nominal wage per employee.
4. Harmonised consumer price index (HICP). Core HICP excludes energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 98 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933296234

Germany: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	9.1	9.5	9.5	9.4	9.1
General government financial balance[2]	-0.1	0.3	0.9	0.6	0.9
General government gross debt[2]	81.4	82.1	78.5	75.0	71.6
General government debt, Maastricht definition[2]	77.2	74.8	71.2	67.7	64.3
Current account balance[2]	6.5	7.5	8.3	8.0	7.5
Short-term interest rate[3]	0.2	0.2	0.0	0.0	0.1
Long-term interest rate[4]	1.6	1.2	0.5	0.6	0.9

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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296806

remains large, reflecting barriers for women to develop their professional activities. The national minimum wage has added about ½ percentage point to wage growth, but there appear to have been no job losses. Demand for housing continues to rise, pushing up housing rents and prices in urban centers, but also spurring construction. Business investment is strengthening only slowly, notwithstanding historically low long-term

Germany: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices euro billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 919.8	1.5	1.8	2.0	1.6	2.0	2.0
Private consumption	1 593.9	1.9	2.0	2.0	1.5	2.1	1.9
Government consumption	564.0	2.1	2.7	2.3	2.3	2.6	2.2
Gross fixed investment	586.8	1.9	2.9	3.8	2.3	3.7	3.8
Public	63.5	-0.5	4.7	3.1	-0.1	5.5	2.1
Residential	172.3	2.3	2.3	3.0	3.9	2.6	3.1
Non-residential	351.0	2.2	2.8	4.3	2.0	3.9	4.4
Final domestic demand	2 744.8	1.9	2.3	2.4	1.8	2.6	2.4
Stockbuilding[1]	- 22.6	-0.6	-0.1	0.0			
Total domestic demand	2 722.2	1.3	2.2	2.5	1.4	2.6	2.4
Exports of goods and services	1 336.8	5.5	3.8	4.3	5.2	3.7	4.5
Imports of goods and services	1 139.2	5.7	5.2	5.7	5.4	5.4	5.8
Net exports[1]	197.7	0.3	-0.3	-0.3			
Memorandum items							
GDP without working day adjustments	2 915.6	1.8	1.9	1.8			

Note: 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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

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interest rates and high profitability. Investment remains particularly subdued in energy-intensive manufacturing sectors. Extensive energy tax reductions and uncertainty about future regulatory changes are likely to hold back energy-saving investment in these sectors. Growth of lending to the private non-financial sector also remains subdued.

Exporters continued to gain substantial market shares in the first half of 2015, in part reflecting the depreciation of the euro. Exports of transport, electronic and optical equipment and chemicals, for all of which Germany has a longstanding comparative advantage, were particularly strong. However, foreign order inflows in manufacturing have softened in recent months on account of weaker demand from outside the euro area. Exports to China, which absorb 7% of German merchandise exports, have weakened and exports to Russia have dropped sharply.

Immigration and higher government spending are boosting domestic demand

Net immigration has risen markedly and may exceed 1 million (1.25% of the population) in 2015. The government has undertaken a major logistical effort to provide temporary housing for the refugees. It is beginning to take stock of immigrants' skills, expand training opportunities and facilitate access to the education system. In view of the young age of many of the immigrants, such steps have a high long-term pay-off. Spending to meet initial needs of the newly arrived immigrants and to integrate them in the labour market is projected to amount to ½ per cent of GDP a year in 2016 and 2017.

In addition, already planned fiscal policy measures are expected to reduce the government budget surplus by ½ per cent of GDP. These include additional funding for long-term care benefits, child benefits and child tax allowances (0.2% of GDP). Government investment spending for transport infrastructure investment, childcare facilities, universities and other research institutions will increase by 0.1% of GDP. The federal government has also raised transfers for local government investment.

Weakening activity in emerging market economies is reducing demand for investment goods, on which German exports are specialised, although export markets are expected to strengthen in the course of 2016. Moreover, the impact of the recent depreciation of the euro is diminishing and strong wage growth will reduce Germany's competitiveness. The Volkswagen emissions scandal has not hurt confidence in the Germany automobile sector.

CO_2 emissions have been broadly stable in recent years. Renewable energy, supported by guaranteed feed-in tariffs, has expanded vigorously and now accounts for 30% of electricity generation. The government has also taken steps to better integrate renewable energy into the electricity market and the transmission network. To reduce emissions to 40% below the 1990 level, the government has decided to make payments to operators to put their carbon-intensive lignite power plants into reserve and subsequently remove them from electricity supply. It has also introduced a wide-ranging programme to support energy-saving investment. Measures to reduce emissions of harmful substances, including in car exhaust fumes, have substantial benefits for human health.

Adverse external risks can be countered with decisive policy action

Economic growth is expected to remain strong, mostly driven by private household demand. Exports and business investment will gain momentum gradually. Immigration is projected to expand the labour force by about 1% by 2017 partly easing labour market shortages, but this will require strong policies to integrate people into jobs. Consumer price

inflation may rise somewhat, as wage growth has been strong and there is little remaining economic slack. Robust domestic demand growth and lower net foreign capital income will reduce the current account surplus. Strong tax revenue growth is expected to allow the government budget to remain in surplus, notwithstanding discretionary spending increases.

Renewed turmoil in the euro area and a sharp slowdown of activity in emerging markets could weaken exports and domestic investment more strongly than projected, and could spill over to consumer confidence. The Volkswagen emissions scandal could have a stronger impact than envisaged. On the other hand, steps to implement reforms to improve the business climate, complete the Single Market and establish a comprehensive banking union could boost exports and the attractiveness of Germany as a location to invest.

GREECE

The economy slipped back into recession in the latter part of 2015 after growing in late 2014 and the first half of 2015. Growth is projected to gain some momentum in the second half of 2016 as confidence strengthens and as structural reforms finally take hold and boost exports and investment. Inflation remains low due to the very depressed state of the economy. Unemployment will decline, but only gradually, which emphasises the importance of poverty reduction efforts.

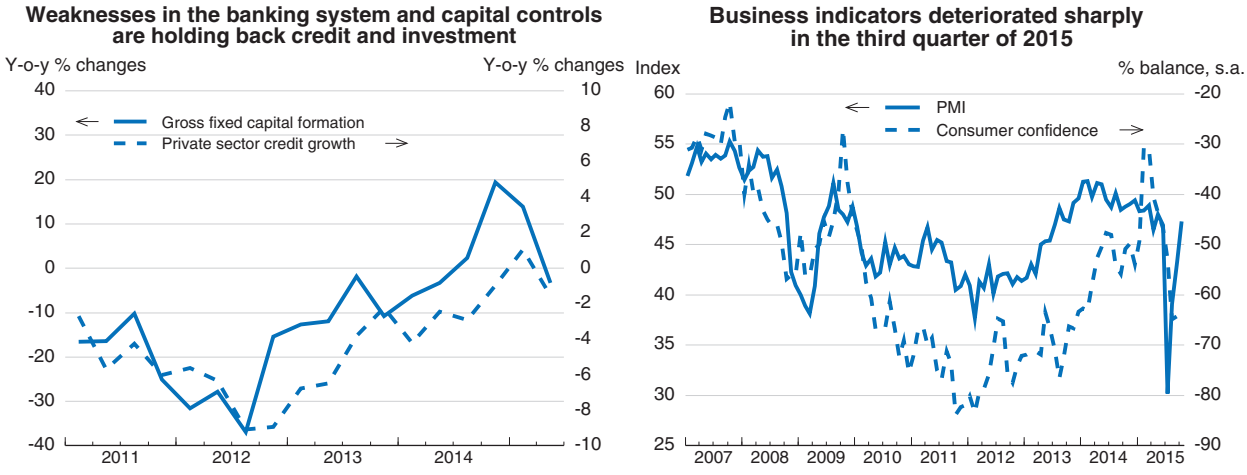
While growth is fundamental to reducing the huge public debt burden in the medium term, meeting the fiscal targets is critical to contain debt and to ensure smooth financing for bank recapitalisation and further debt relief. Strengthening tax administration, including combating tax evasion, is a necessary component of this effort. Recapitalising the banking system, reducing non-performing loans and lifting capital controls would ease financial constraints and so open a path for growth. Product market reforms would improve competitiveness and create jobs. Public administration reforms would reduce the regulatory burden and enhance the capacity of social programmes to protect the most vulnerable.

Subsidies for renewable energy need to be reviewed. These subsidies are very generous, particularly for photovoltaic installations, and contribute to the renewable energy scheme's deficit. Higher prices for non-renewable energy are needed to encourage CO_2 emission reduction over the medium term. However, increases should be gradual to moderate short-term effects on households, who will face higher energy bills.

Weak confidence and financial conditions pushed the economy back into recession

The political uncertainty since the end of 2014 and the prolonged negotiations with creditors have led to a sharp deterioration in confidence, and financial stress in the banking system pushed the economy back into recession after surprising resilience during

Greece



Source: OECD Economic Outlook 98 database; OECD, National Accounts database; Markit; and Central Bank of Greece

StatLink http://dx.doi.org/10.1787/888933296241

Greece: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	194.3	-4.0	0.7	-1.4	-1.2	2.1
Private consumption	134.8	-2.2	1.4	0.5	-0.8	1.1
Government consumption	41.3	-5.2	-0.8	1.5	-1.4	-0.7
Gross fixed capital formation	22.8	-9.5	2.9	-16.6	-17.0	8.1
Final domestic demand	198.9	-3.6	1.1	-1.3	-2.4	1.3
Stockbuilding[1,2]	4.1	-1.2	-0.6	-0.4	-0.4	0.0
Total domestic demand	203.0	-4.5	0.5	-1.0	-2.9	1.3
Exports of goods and services	55.1	1.5	8.7	-0.2	4.5	5.0
Imports of goods and services	63.8	-2.9	7.4	-0.5	-0.5	2.8
Net exports[1]	- 8.7	1.4	0.2	0.1	1.6	0.8
Memorandum items						
GDP deflator	_	-2.3	-2.6	-1.7	-0.5	0.7
Harmonised index of consumer prices	_	-0.9	-1.4	-0.9	0.7	0.5
Private consumption deflator	_	-1.6	-2.2	-1.3	0.0	0.8
Unemployment rate	_	27.5	26.5	25.2	24.8	23.4
General government financial balance[3,4]	_	-12.3	-3.6	-4.3	-7.7	-1.5
General government gross debt[5]	_	182.0	181.3	190.0	200.0	197.4
General government debt, Maastricht definition[3]	_	175.1	177.5	183.4	190.2	184.3
Current account balance[6]	_	-2.0	-2.1	-0.3	1.2	1.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. Including statistical discrepancy.
3. National Accounts basis, as a percentage of GDP.
4. The data for years 2012 and 2013 include the total impact of government support to financial institutions. Data also include Eurosystem bank profits on Greek government bonds remitted back to Greece. For 2015-2017, data include the estimated government support to financial institutions and privatisation proceeds.
5. As a percentage of GDP at market value.
6. On settlement basis, as a percentage of GDP.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297084

the first half of 2015. Nevertheless, employment continued to rise and the unemployment rate fell further, although it is still very high. Inflation remains negative, as the economy is still in a deep recession.

Capital controls and financial fragilities in the banking system added to the already tight financial constraints caused by still weak bank balance sheets. Credit to finance investment and consumption is falling and exports are constrained. The new financing programme with the European Stability Mechanism has removed financing uncertainties for the government over the next three years, and public debt service in the coming years is low. However, public debt is set to rise to 200% of GDP, mainly due to the cost of bank recapitalisation. The pace of fiscal consolidation under the new programme has eased, but targets remain ambitious.

Bank recapitalisation and structural reforms are needed for a sustained and inclusive recovery

Recapitalising the banking system and implementing an efficient framework to facilitate the resolution of non-performing loans would release financial resources for productive activities, increase confidence and reduce financing costs for firms and households. Rapid implementation of the recently approved reforms to judiciary and bankruptcy procedures is crucial for this. Growth, in turn, is essential to reduce extremely high unemployment, raise incomes and reduce poverty. Reforms to reduce tax evasion will boost revenues, making it easier to reach fiscal targets and creating room for changing the structure of taxation to make it more growth-friendly and fair. Gradually building a modern social safety net and improving labour market activation policies will be essential to protect the most vulnerable and to get people, some of whom have been out of work for years, back to work.

Swift and full implementation of the reforms agreed under the new memorandum will rebuild confidence and bring forward the positive economic and social impact of structural reforms. Reforms to reduce barriers to competition in the energy sector would increase competitiveness and investment. Opening up remaining closed professions, faster use of EU structural funds, and reducing red tape further would spur the business formation that is needed to create jobs and increase prosperity. Further relief would reduce the negative effects of the public debt overhang on confidence and economic activity.

The recovery is still subject to high uncertainty

Output is projected to contract in 2015 due to weak domestic demand, but start to recover in the second half of 2016 as confidence increases and exports maintain momentum. The recovery will gain strength in 2017, as structural reforms and stronger external demand boost investment and job creation. Export growth will strengthen the current account, even as domestic demand and imports recover. Inflation will only gradually move into positive territory in 2016 and 2017, as economic slack continues to be large.

Larger negative effects of the credit crunch on domestic demand, triggering a second round of fiscal consolidation measures and lower growth pose a downside risk. Strong implementation of structural reforms could raise confidence and the willingness of firms to invest and hire workers; but slippage in this area would have the opposite effect. Faster resolution of financial fragilities could also lead to a stronger and faster recovery in investment. Successful negotiations to lower the debt burden could reduce financing needs and boost confidence.

HUNGARY

Economic growth was strong in 2015 but is projected to slow in 2016 as public investment declines and the fiscal stance becomes less accommodative. Activity should rebound in 2017 on the back of renewed public investment. Private demand should remain fairly robust over the coming two years. Economic growth and the public work schemes are projected to boost employment. Inflation will pick up and could reach the central bank's inflation target of 3% at the end of the projection period as economic slack disappears.

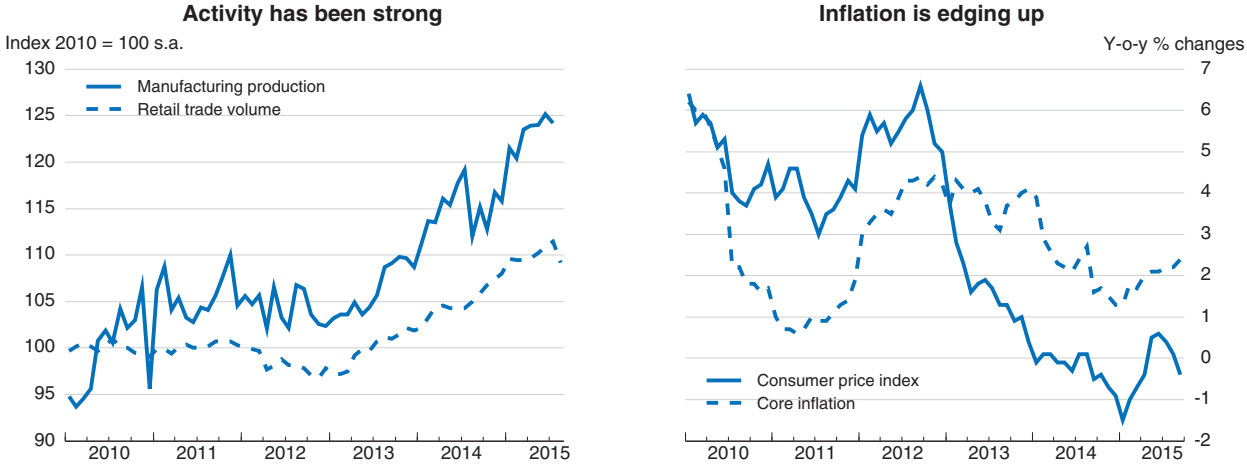
Fiscal policy is shifting to a broadly neutral stance. However, additional consolidation is needed to reduce public debt more quickly and expand the room to manoeuvre in the event of an adverse economic shock. Monetary policy is expected to be tightened in 2017 to contain inflation pressures through a combination of higher policy rates and a reconsideration of the expansion of the central bank's balance sheet through the "Funding for Growth" schemes. Accelerating the slow income convergence process requires pro-competitive reforms in product markets to bolster private investment and productivity growth.

Carbone dioxide emissions have dropped considerably over the past decades, and Hungary is now a seller of tradable emission permits. This partly reflects the increase in the share of renewable energy sources to 8% of the total; the share is planned to reach 20% by 2030. The cost of achieving the target would be reduced by removing the many tax exemptions for intensive energy users.

Growth is increasingly reliant on private demand

Growth has remained solid in 2015, underpinned by private demand, although a weather-related slowdown in the agricultural sector softened growth in mid-year. Private consumption growth has remained robust, and has benefitted from one-off payments by banks in compensation for past unilateral interest rate hikes and costly foreign exchange

Hungary



Source: OECD, Main Economic Indicators database.

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Hungary: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices HUF billion	Percentage changes, volume (2005 prices)				
GDP at market prices	28 627.9	1.9	3.7	3.0	2.4	3.1
Private consumption	15 362.6	0.3	1.8	3.0	3.2	3.2
Government consumption	5 755.9	2.4	2.9	0.4	0.2	0.0
Gross fixed capital formation	5 547.7	7.3	11.2	2.3	-3.2	0.8
Final domestic demand	26 666.2	2.2	4.1	2.3	1.0	2.0
Stockbuilding[1]	37.6	-0.7	0.0	-0.4	0.1	0.0
Total domestic demand	26 703.9	1.6	4.2	1.8	1.1	2.0
Exports of goods and services	24 855.5	6.4	7.6	7.4	5.6	6.1
Imports of goods and services	22 931.5	5.9	10.0	7.3	4.9	5.2
Net exports[1]	1 924.0	0.9	-1.4	0.7	1.1	1.3
Memorandum items						
GDP deflator	_	3.1	3.2	1.3	3.0	3.0
Consumer price index	_	1.7	-0.2	0.1	2.2	2.7
Private consumption deflator	_	2.1	1.0	-0.2	1.9	2.7
Unemployment rate	_	10.2	7.7	7.0	6.3	5.9
General government financial balance[2]	_	-2.5	-2.5	-2.3	-1.9	-1.5
General government gross debt[2]	_	96.7	99.5	99.6	97.9	95.4
General government debt, Maastricht definition[2]	_	76.8	76.2	76.3	74.6	72.0
Current account balance[2]	_	4.0	2.3	4.3	5.5	6.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297095

transactions. Consumer confidence and financial stability were boosted by the recent conversion of foreign-exchange denominated loans (notably mortgages) into domestic-currency loans. Business sector investment is contributing more to growth, while infrastructure investment has surged as EU structural funds were spent at the end of the current cycle. Exports continue to gain market share, benefitting from past depreciation, expanded production capacity in the automotive sector, and the integration of major exporters into the supply chains of German firms.

Employment growth is increasingly being underpinned by higher private labour demand, although an expansion of public work schemes continues to contribute to the fall in unemployment. The public work schemes hold the promise of making growth more inclusive, but need to be reconfigured to better address the labour market prospects of vulnerable groups, such as the Roma people and those with low educational attainment. Younger women have a low labour participation rate, and while the promotion of flexible work arrangements is a step in the right direction, more probably needs to be done. So far, wage growth has remained subdued. Real wages were boosted by falling energy prices that induced deflation although this is expected to end in late 2015. Core inflation has stabilised just above 2%.

Macro-economic policy remains supportive

The fiscal stance was supportive in 2015, but is set to be broadly neutral thereafter to keep the ratio of public debt to GDP on its downwards trend. Conversely, monetary policy remains very accommodative. During the first half of 2015, the central bank lowered its policy rate five times, by a cumulated 75 basis points, to 1.35%. In August, a new 10-year interest rate swap facility was introduced to encourage banks to increase their holdings of long-term assets, including government bonds. In September, the bank switched to a three-month deposit rate as its new key policy rate to further reduce external vulnerability.

As part of its unconventional monetary policy, the bank is continuing to expand its balance sheet through the Funding for Growth schemes, which inject liquidity to banks for SME lending at a fixed rate of 2½ per cent. Further measures to strengthen the quality of banks' portfolios include the purchasing of bad commercial real estate loans and properties from banks and a gradual reduction of the levy on financial institutions' balance sheets. In addition, the government is introducing a voluntary conversion of households' foreign-currency denominated consumption loans and lowering the bank levy. These measures should spur lending and allow the central bank to wind up the Funding for Growth schemes by end-2016. Nonetheless, non-performing loans remain high. Demand for credit for investment purposes in the non-tradable sectors could be stimulated by securing a more stable regulatory framework that focusses on promoting competition in these sectors. Reforms to improve the labour market prospects of Roma people, the low-skilled and younger women would bolster the inclusiveness of economic growth.

Growth is expected to ease

In 2016, economic growth is projected to slow significantly as public investment contracts, reflecting lower disbursement of EU structural funds at the beginning of a new funding cycle. Private consumption will not benefit from another one-off transfer from the banks, but this will, at least partly, be offset by higher private employment and lower personal income taxes. Exports will remain vigorous, allowing a further increase of the current account surplus. Unemployment will continue to decline in response to the extensive use of public work schemes and higher private employment growth. Inflation will continue to increase as economic slack disappears, reaching the 3% target in 2017.

Domestic risks are mainly on the upside. If the effects of the loose monetary policy, notably the Funding for Growth Schemes, are stronger than expected, business and housing investment could develop faster than projected. Likewise, if the employment content of growth surprises on the upside, private consumption could accelerate further. Downside risks are mostly external. Hungary is specialised in auto production, making it vulnerable any fallout from to the recent regulatory scandal. A faster-than-expected monetary policy normalisation in the United States could force the central bank to tighten its policy rate earlier than expected.

ICELAND

The economy continues its robust recovery. Strong household income growth and investment will fuel domestic demand in 2016. However, as investment slows and interest rates increase growth will begin to moderate. Lifting the capital controls introduced during the financial crisis is planned to begin in 2016.

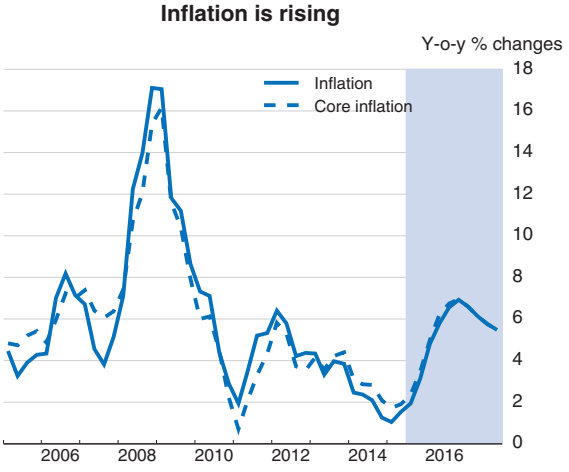
Inflationary pressure is mounting as spare capacity is eliminated and wage settlements have been far in excess of productivity growth. As a result, monetary policy has started tightening. Further interest rate increases will be necessary to stop a wage-price spiral emerging. The fiscal deficit has fallen markedly, and the budget targets a small surplus in 2016. Accordingly, public debt is falling in relation to GDP. Windfall receipts that arise during the lifting of capital controls should be used to retire government debt, which carries a high interest rate.

Greenhouse gas emissions decreased following the crisis and are currently below the Kyoto-related target. Greenhouse gas abatement policies have been put in place, including a tax on the carbon content of fuel. The authorities should ensure that the effective tax rate on carbon is harmonised across different fuels.

The economy is booming

The economy continues its robust recovery, underpinned by strong private demand. Household income, particularly for low-paid workers, has been supported by substantial wage settlements in both the private and public sector of at least 20% over three years; these are far in excess of economy-wide productivity growth. Furthermore, there is continuing pressure to grant ever more generous pay rises and to put pressure on the government to relax fiscal policy. The government has announced a revised plan to lift capital controls, with the first major steps likely to occur in 2016 when the estates of the failed banks are resolved. However, while the broad principles have been established, the timing of the next steps remains uncertain (and are not included in these projections). This process could bring the government substantial revenues.

Iceland



Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296264

Iceland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices ISK billion	Percentage changes, volume (2005 prices)				
GDP at market prices	1 775.5	3.9	1.8	4.1	3.7	2.9
Private consumption	947.2	1.0	3.1	4.6	4.3	3.1
Government consumption	435.0	1.1	1.8	1.3	1.5	1.4
Gross fixed capital formation	284.5	-1.0	15.4	13.7	14.4	8.0
Final domestic demand	1 666.7	0.7	4.8	5.7	5.6	3.7
Stockbuilding[1]	1.8	-0.5	0.4	0.9	-0.1	0.0
Total domestic demand	1 668.5	0.4	5.1	6.3	5.4	3.8
Exports of goods and services	1 011.4	6.7	3.1	7.9	2.7	2.3
Imports of goods and services	904.5	0.2	9.8	11.3	6.0	4.0
Net exports[1]	107.0	3.7	-3.0	-1.1	-1.4	-0.7
Memorandum items						
GDP deflator	_	1.8	4.0	6.3	5.0	5.3
Consumer price index	_	3.9	2.0	1.9	6.0	6.0
Private consumption deflator	_	3.1	2.9	1.4	5.4	5.4
Unemployment rate	_	5.4	4.9	3.8	4.0	4.3
General government financial balance[2]	_	-1.9	-0.1	0.3	0.3	0.7
General government gross debt[2]	_	87.8	85.4	81.6	78.4	76.1
General government net debt[2]	_	27.4	26.0	23.2	21.0	18.7
Current account balance[2]	_	5.7	3.4	3.5	2.5	1.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value. Includes unfunded liabilities of government employee pension plans, which amounted to about 25% of GDP in 2012.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297100

Monetary policy needs to tighten, and fiscal policy should remain tight

Monetary policy needs to tighten further to contain inflationary pressures unleashed during the recent wage bargaining round and to establish the central bank's credibility in achieving low and stable inflation. Inflation expectations are not well anchored and began rising again when the contours of the outsized wage agreements became known. While inflation dropped below target in 2015, the central bank needs to act to prevent a wage-price spiral emerging as the moderating effects of exchange rate appreciation and lower energy prices dissipate and inflation begins to gather pace. The projections assume that the policy interest rate rises to 8% in the latter part on 2016 before easing somewhat in the course of 2017.

Although the budgetary position has improved substantially and is now quite strong — a surplus is planned for next year — fiscal policy should remain tight to deal with the overheating and high wage settlements and to reduce public debt further. Reducing the size of the government balance sheet, as planned, by selling shares in *Landsbankinn*, a state-owned bank, and using the proceeds to retire government debt (which carries a high interest rate), should reduce debt-service costs. The process of lifting capital controls is likely to result in substantial one-off government revenue, due to a planned tax on the assets of the failed banks (or due to agreements with the estates of the failed banks), which should also be used to retire debt.

Reforms to the wage bargaining system that support reaching more realistic wage increases — such as giving the state mediator more power — would better support macroeconomic stabilisation.

Climate change policy is on track to meet the Kyoto-related target. The government has established an action plan, including a carbon tax, to reduce greenhouse gas emissions. The effective tax on carbon varies across different types of fuels. Climate change objectives can be met more efficiently by ensuring that marginal carbon tax rates are harmonised across fuels.

Output growth remains strong but risks abound

Private consumption will remain robust and inflation will pick up in 2016, which is assumed to be countered by rises in interest rates to forestall a wage-price spiral. Monetary tightening combined with lower investment in energy-intensive projects will begin to slow growth during 2016. As a consequence, the unemployment rate will edge up. Fiscal policy should nonetheless remain on target to record small government budget surpluses.

Despite the lull in inflation in 2015, wage settlements have created significant cost-push inflationary pressure, posing the risk that monetary policy may have to tighten significantly more than assumed before regaining control on inflation expectations. The lifting of capital controls could also involve financial turbulence with knock-on effects on growth. On the other hand, progress in lifting capital controls in an orderly way would boost both confidence and growth.

INDIA

Economic growth is projected to remain robust, at around 7¼ per cent over the projection period. Public investment has picked up with faster clearance of key projects; better infrastructure and greater ease of doing business are promoting private investment; and more generous benefits and wages for public employees are supporting private consumption. Even so, large non-performing loans, high leverage ratios for some companies and difficulty in passing key structural reforms are holding the economy back. The current account deficit is widening as machinery imports increase, but is largely financed by rising foreign direct investment inflows.

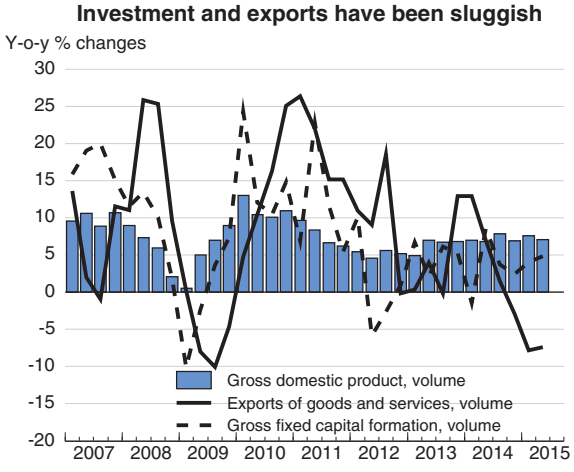
Fiscal policy is assumed to remain supportive. Public investment in the energy, transport, sanitation, housing and social protection sectors is critical to raising living standards for all and can be financed through tax reform and reductions in subsidies. The remaining slack in the economy and the disinflation process will provide room for some monetary easing by the end of the projection period. Creating more and better jobs will require further improving the ease of doing business, modernising labour regulations, implementing the goods and services tax and making land transactions easier.

Rapid economic growth, better household access to energy and more manufacturing activity will raise energy consumption, which is now highly subsidised and carbon intensive. Despite recent hikes in coal, petrol and diesel duties, average effective tax rates on CO_2 emissions remain relatively low. Phasing out subsidies for kerosene and gas and raising electricity prices would help contain emissions. Such measures risk hurting the poor, however, and so will need to be accompanied by compensating measures.

The Indian economy continues to grow rapidly

Economic growth has largely been driven by consumption and public investment. Efforts to improve transport and energy infrastructure and the ease of doing business are

India



Source: Reserve Bank of India; and Indian Central Statistical Organisation.

StatLink http://dx.doi.org/10.1787/888933296279

India: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Indian Rupee trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	99.9	6.9	7.3	7.2	7.3	7.4
Private consumption	58.8	6.2	6.3	7.1	7.8	7.8
Government consumption	10.9	8.2	6.6	3.7	11.3	8.4
Gross fixed capital formation	31.4	3.0	4.6	7.3	5.9	8.1
Final domestic demand	101.0	5.4	5.9	6.7	7.7	7.9
Stockbuilding[1]	5.5	-0.1	0.1	0.0	0.0	0.0
Total domestic demand	106.6	2.4	6.8	6.9	7.8	7.8
Exports of goods and services	24.4	7.3	-0.8	-5.6	4.0	7.8
Imports of goods and services	31.1	-8.4	-2.1	-6.0	6.6	10.0
Net exports[1]	- 6.7	4.4	0.4	0.2	-0.6	-0.6
Memorandum items						
GDP deflator	_	6.3	3.0	2.6	4.4	4.5
Consumer price index	_	9.5	6.4	4.3	4.9	4.6
Wholesale price index (WPI)[2]	_	6.0	2.0	0.4	4.3	4.4
General government financial balance[3,4]	_	-6.6	-6.9	-6.6	-6.3	-6.0
Current account balance[3]	_	-1.7	-1.3	-0.8	-1.0	-1.3

Note: Data refer to fiscal years starting in April.
1. Contributions to changes in real GDP, actual amount in the first column.
2. All commodities index.
3. As a percentage of GDP at market value.
4. Gross fiscal balance for central and state governments.
Source: OECD Economic Outlook 98 database.

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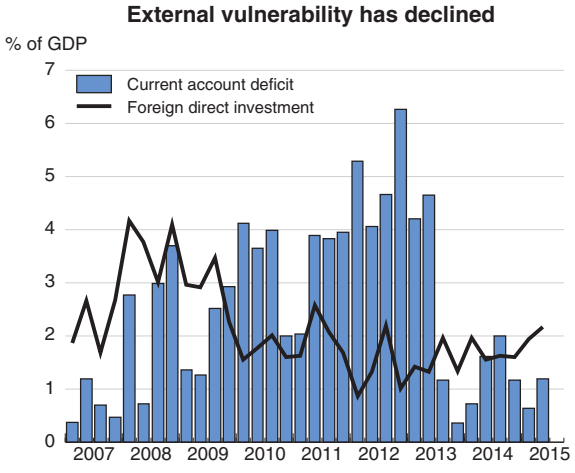
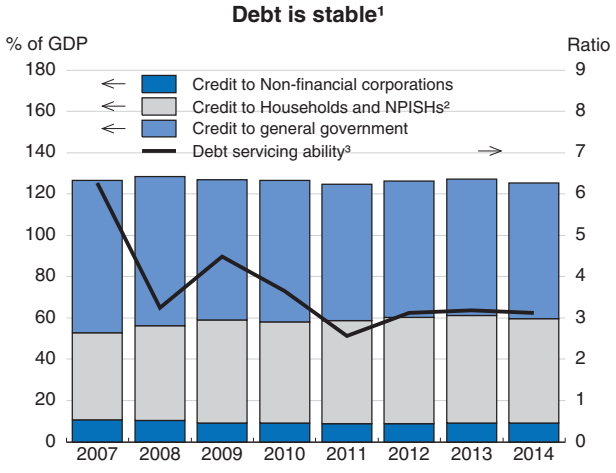
India





1. Fiscal years starting on April 1st.
2. NPISHs stands for non-profit institutions serving households.
3. The debt servicing ability is defined as the ratio of earnings before interest and tax to interest expenses.
Source: Reserve Bank of India; Central Statistics Office of India; and Bank for International Settlements.

StatLink http://dx.doi.org/10.1787/888933296283

gradually raising industrial production and investment, although private investment has been held back by ample spare capacity and high leverage in some companies. Most jobs remain informal, in low productivity activities, contributing to high inequalities. Exports have faltered, as competitiveness has deteriorated and global demand has slowed. External vulnerabilities have nevertheless declined. The current account deficit has significantly narrowed and is financed fully by rising FDI inflows. India's external liabilities and trade exposure to China are relatively low. Portfolio flows have recently been more volatile but external reserves are high by past norms.

Consumer price inflation has decreased to a level not seen for a decade, reflecting falling commodity prices, enhanced credibility of monetary policy, pro-active management of food prices and stocks, and spare productive capacity.

The macroeconomic policy stance is broadly appropriate but structural reforms are critical

The Reserve Bank cut policy rates three times in 2015. The full impact on domestic demand is yet to come as banks have not fully adjusted lending rates. Monetary policy transmission will gradually improve since households are shifting back from physical (gold and houses) to financial assets as inflation is better controlled. Recent efforts to promote financial inclusion and address non-performing loans will improve transmission further, but bankruptcy laws need reforming. Further cuts in policy rates will be warranted if inflation remains low. Reaching quickly an agreement on the composition of the Monetary Policy Committee will strengthen the credibility of the inflation targeting framework.

Public debt and deficits are relatively high and fiscal consolidation has been slow in recent years. However, the composition and quality of spending has improved, with a larger share devoted to physical infrastructure, particularly roads and rails, and to social spending. The *Housing for All* initiative to rehabilitate slum dwellers should help reduce severe deprivation which affects many urban households. The new pension and insurance scheme for informal workers will extend the limited social safety net. Investing more human and financial resources into the health sector would raise well-being. The unique identification number has the potential to reduce abuses and better target those in need.

A plethora of tax incentives and high tax rates harm economic growth and employment, and raise inequalities. Implementing the Goods and Services Tax (GST) is a priority, and should be accompanied by reform of the corporate and personal income taxes.

Recent reforms include FDI deregulation, and more transparent allocation of mining rights and telecommunication spectrum. New bank licences have been granted, and the opening up of the financial and utility sectors will contribute to growth and give Indians better access to key public services. However, the failure to modernise land acquisition, indirect taxes and labour laws weighs on growth and job creation. The move towards co-operative and competitive federalism, with more autonomy in managing financial resources given to the states and more transparency on the ease of doing business at the state level, could be a game-changer. Several states have taken initiatives to make land transactions easier and promote job creation in the formal sector.

Recent policy initiatives will help contain greenhouse gas emissions, contribute to fiscal consolidation and reduce inequality, including: the elimination of the diesel subsidy, which benefitted the rich most, and the hike in excise duties on petrol and diesel. For cooking gas, the gradual shift from price subsidy to a cash transfer is promising and should

serve as a model for other subsidies, including those embodied in low electricity prices and fertilisers.

Growth is projected to remain high

India is in a position to resist the effects of the weaknesses affecting many emerging market economies as macroeconomic conditions are now much healthier than in 2013 and its trade exposure to China is relatively limited. It will still probably experience more volatile capital flows, exchange rates and credit markets. However, domestic demand is projected to remain strong as private investment is reviving, and private consumption is being boosted by the upward adjustment in public wages and pensions. Traditional export markets are projected to recover. The current account deficit will increase, as the rebound in investment will boost imports, but be sustainable.

Financial risks remain of concern. Domestic and external debts have increased less than in many emerging market economies and remain relatively low. However, some companies have excessive leverage and may face difficulty in servicing debt. Large exchange rate movements would make unhedged foreign positions unsustainable. On the other hand, the current reform momentum at the state level may boost job creation, investment and growth and promote a more positive attitude to reform.

INDONESIA

Growth is projected to pick up gradually next year and reach 5.5% in 2017. Public spending should gather pace, and the impact of the significant fall of the rupiah since early 2014, notwithstanding its a recent strengthening, should provide a boost. Low prices for many primary commodities and regulatory uncertainty will continue to hold back private investment.

While there remains ample room for fiscal support, to date the government has focused primarily on removing obstacles to its infrastructure investment plans. Inconsistent signals regarding protecting domestic industry, openness to foreign investment and free trade are hurting business confidence. A normalisation of monetary policy is constrained by the fall in the currency and its pass-through to inflation.

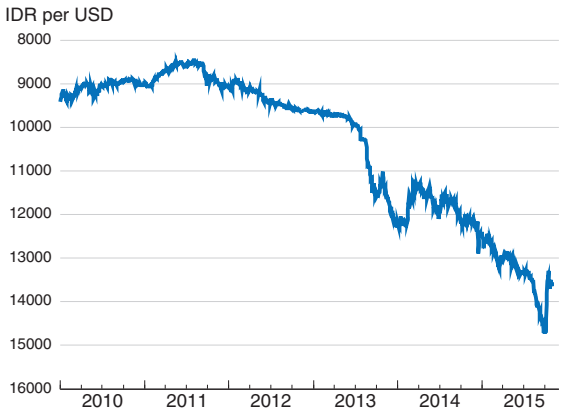
The almost complete removal of fuel subsidies at the beginning of 2015 was a very positive step. However, the new administrative fuel price-setting regime is still cumbersome. Corruption and lack of enforcement are permitting the illegal clearing and burning of forests, resulting in lower carbon absorption and severe air pollution throughout the region. The government could do more to promote the use of renewables, including tapping Indonesia's vast geothermal potential.

Activity continues to slow

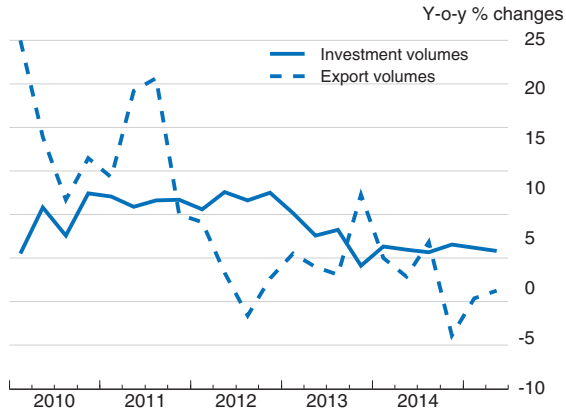
GDP growth has continued to wane with both domestic and external demand slowing. Low levels of consumer confidence are weighing on private consumption, and, while government consumption has picked up, it remains soft. An expected pick-up in investment has not yet materialised as infrastructure spending remains bogged down by implementation bottlenecks and private investment is being held back by lower commodity prices and impaired business confidence. Notwithstanding significant currency depreciation, partly due to lower commodity prices, export growth has been very weak on the back of stagnant foreign demand. While weakening growth and lower

Indonesia

The rupiah has depreciated significantly over the past 18 months



Growth in investment and exports remains weak



Source: Statistics Indonesia (BPS); OECD Economic Outlook 98 database; and Bank Indonesia.

StatLink http://dx.doi.org/10.1787/888933296294

Indonesia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Rupiah trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	8 615.7	5.6	5.0	4.7	5.2	5.5
Private consumption	4 858.3	5.4	5.3	4.6	4.5	5.3
Government consumption	796.8	6.9	2.0	3.3	4.6	5.2
Gross fixed capital formation	2 819.0	5.3	4.1	3.9	5.4	6.4
Final domestic demand	8 474.2	5.5	4.6	4.2	4.8	5.7
Stockbuilding[1]	175.5	-0.4	0.8	-0.6	0.0	0.0
Total domestic demand	8 649.7	5.0	5.3	3.6	4.8	5.6
Exports of goods and services	2 119.0	4.2	1.0	0.5	4.1	4.9
Imports of goods and services	2 152.9	1.9	2.2	-4.6	1.9	5.6
Net exports[1]	- 34.0	0.6	-0.3	1.2	0.5	0.0
Memorandum items						
GDP deflator	_	4.7	5.4	4.9	4.8	4.8
Consumer price index	_	6.4	6.4	6.7	6.3	5.6
Private consumption deflator	_	6.5	5.1	3.9	5.8	5.2
General government financial balance[2]	_	-2.1	-2.2	-2.0	-2.1	-2.2
Current account balance[2]	_	-3.2	-3.1	-1.6	-1.7	-2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297306

commodity prices have seen the currency depreciate significantly over the past 18 months, the currency has recently rebounded somewhat on the back of profit-taking. However, the currency remains significantly below the levels of one year ago, and notwithstanding this export growth has been very weak due to stagnant foreign demand. Moreover, despite softer foreign demand, slowing domestic spending and improved terms of trade contributed to a rapid shrinking of the current account deficit.

While the impact on inflation of the removal of fuel subsidies at the beginning of 2015 has abated and lower world energy prices have exerted downward pressure on prices, food prices and the depreciating exchange rate have both kept inflation high. At 6.8% year-on-year in September, inflation is well above the central bank's target range of 4±1%.

Official interest rates have remained unchanged since the small cut in February. While weakening activity and the improved external balance suggest that interest rates should be cut, persistently high inflation and the fragile exchange rate are hobbling Bank Indonesia for now.

Structural reforms are being implemented, but much remains to be done

In recent months, the government has unveiled a series of reform and stimulus packages aimed at promoting investment and shoring up the plunging currency. Despite these reforms, political, administrative and execution impediments, particularly at the regional level, continue to stand in the way of the government's plans to boost infrastructure spending. More needs to be done to remove barriers to both foreign and

domestic investment, and to improve the administrative capacities of government at all levels.

In July, the government announced additional import-substitution measures to protect farmers and other domestic producers. The announcement included large increases in import tariffs on food, clothes, cars and many other consumer goods with the explicitly stated intent of protecting local industry. This approach, however, risks undermining pressure on domestic companies to increase efficiency and adopt modern technology as well as increasing the prices poorer households pay for stable foods and other consumption goods. The government should instead focus on improving the general business environment. Moreover, growth could be made more inclusive by improving access of low income earners to public services such as health and education and by tackling informality in the labour market.

Growth is projected to pick up gradually

Economic growth is projected to strengthen in 2016. The government's plans to lift spending should finally get traction and help confidence to recover. While the cheaper rupiah will lift exports, it is offsetting the impact of lower energy prices and holding up inflation and thereby delaying a normalisation of monetary policy.

Despite progress in pushing through much needed reforms, additional protectionist measures would likely damage growth and investment. Developments in the external sector continue to be highly uncertain, including commodity prices and demand in major trading partners, especially China. However, if commodity prices were to recover, a rebound in private investment would be likely, and this would lift growth. Moreover, if the currency weakens again, the rebound in exports may be stronger than expected. On the other hand, if the currency stabilises and inflation moderates more quickly than expected, monetary policy could provide more stimulus.

IRELAND

The Irish economy is projected to continue its strong expansion in the next two years. Exports will rise in line with increasing demand in its trading partners. Business investment should remain robust thanks to rising profitability and favourable financing conditions. Growth will provide momentum to job creation and reduce the still high rate of unemployment, thereby spreading the fruits of the recovery more widely. Household consumption will be supported by labour earnings growth.

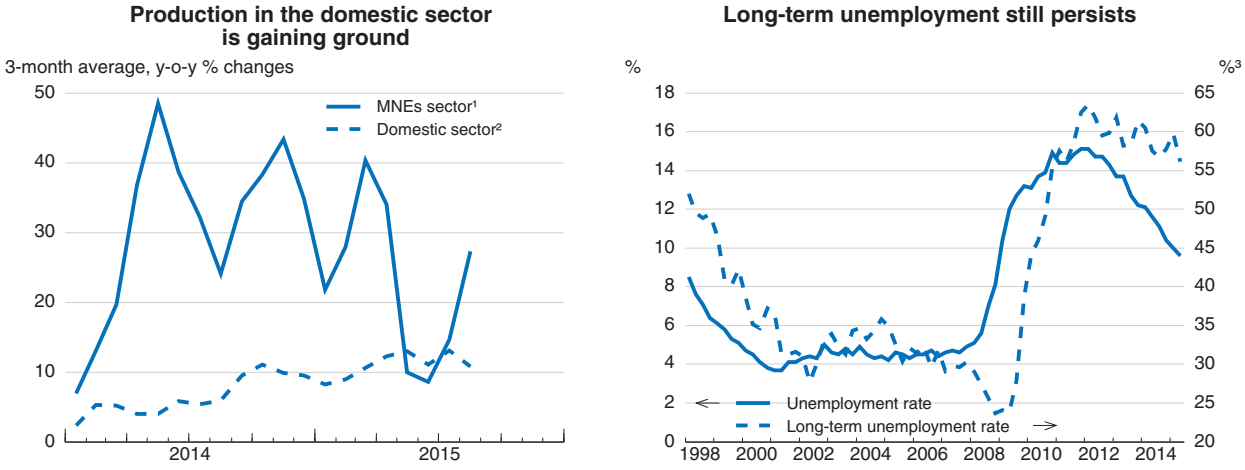
Fiscal policy is expected to exert a smaller drag on activity than in past years, while the government remains on track towards its medium-term goal of balancing the budget. Fiscal windfall gains from strong economic growth and low interest costs should be used primarily for more rapid reduction of public debt. A fiscal package of EUR 1.5 billion in 2016 (0.7% of GDP) should prioritise getting more people back into work by revamping the tax and benefit system and enhancing activation policy.

Measures targeted on the agricultural sector will also be needed to meet Ireland's target of a 40% reduction in greenhouse gas emissions by 2030. The announced six-year plan on public investment will revitalise public transport, infrastructure and services. The plan should focus on increasing the density of the metropolitan area, which will help to increase the viability of public transport and lower emissions of greenhouse gases.

Strong growth is becoming increasingly broad-based

The Irish economy is strong, with growth catalysed by the multi-national enterprise sector, notably pharmaceuticals, information technology and medical devices. Momentum in that sector has spread to the domestic sector, which is more labour intensive. Unemployment has declined but wage growth is still weak, and labour force participation

Ireland



1. "Multi-national enterprises (MNEs) sector" includes the following sectors, essentially dominated by MNEs: chemicals and pharmaceuticals; computer, electronic, optical and electrical equipment; reproduction of recorded media; medical and dental instruments and supplies.
2. "Domestic sector" includes all industries excluding "MNEs sector".
3. Share of long-term unemployed (with a duration of more than 1 year).

Source: Central Statistics Office.

StatLink http://dx.doi.org/10.1787/888933296308

Ireland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2013 prices)				
GDP at market prices	174.8	1.4	5.2	5.6	4.1	3.5
Private consumption	79.3	0.1	2.1	3.0	2.9	3.2
Government consumption	31.2	-0.1	4.0	1.9	1.1	0.0
Gross fixed capital formation	33.3	-6.2	14.0	14.6	10.6	7.1
Final domestic demand	143.8	-1.5	5.1	5.5	4.5	3.7
Stockbuilding[1]	1.0	0.3	0.5	0.0	-0.1	0.0
Total domestic demand	144.8	-1.2	5.6	5.4	4.3	3.7
Exports of goods and services	187.4	2.5	12.1	11.9	4.7	4.5
Imports of goods and services	157.4	0.0	14.7	12.2	4.8	4.8
Net exports[1]	30.0	2.7	0.1	1.9	1.0	0.6
Memorandum items						
GDP deflator	_	1.2	0.1	3.4	1.2	3.1
Harmonised index of consumer prices	_	0.5	0.3	0.1	1.6	2.0
Private consumption deflator	_	1.6	1.7	1.0	1.8	2.0
Unemployment rate	_	13.0	11.3	9.4	8.3	7.5
General government financial balance[2,3]	_	-5.7	-3.9	-2.1	-1.1	-0.3
General government gross debt[2]	_	134.6	126.5	120.0	117.4	114.1
General government debt, Maastricht definition[2]	_	120.1	107.5	101.0	98.3	95.1
Current account balance[2]	_	3.1	3.6	3.6	3.4	4.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
3. Includes the one-off impact of recapitalisations in the banking sector.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297117

remains subdued. Household consumption has been recovering at a moderate pace in recent quarters.

The legacy of the crisis should continue to be tackled while making growth more inclusive

Financial conditions have improved and interest rates have remained low on the back of monetary easing by the European Central Bank. However, the banks still have to tackle non-performing loans, which account for a fifth of the value of outstanding loans. New lending, although accelerating, is still outpaced by debt repayment in both the non-financial corporate and household sector.

The fiscal deficit is projected to decline to 2.1% of GDP, well below its excessive deficit procedure target of 3% of GDP in 2015, due to fiscal consolidation and strong economic growth. However, under current plans, public debt should decline only gradually relative to GDP and remain at high levels (slightly below 100% in 2016, which may decline further due to asset sales). Thus, any windfall fiscal gains should be primarily used for more rapid debt reduction.

The government is to introduce a fiscal stimulus package of EUR 1.5 billion in 2016, which is reasonable as long as the public finances continue to progress toward the

medium-term objective of eliminating the structural deficit. The package should target bringing more people back into work, as those remaining out of the labour market still account for a large share of the working-age population. The planned tax cuts and increase in benefits should also aim at reducing high marginal effective tax rates at low income levels, as this will encourage work and raise the incomes of the poor. Additional spending should also be devoted to upgrading the skills of the unemployed and strengthening their attachment to the labour market.

The economy will grow robustly but risks are significant

Growth is projected to be robust and broadly based. Exports will increase in line with demand in trading partners. Investment will grow robustly, given improved profitability prospects and low financing costs. Wage growth will pick up with improving labour market conditions, and labour force participation will also increase. Household consumption will be solid as disposable income grows further. Debt repayment, however, is likely to keep the momentum of household consumption in check. Inflation will gradually rise on the back of the increasingly tight labour market.

Pent-up demand after a long crisis may result in stronger private spending than projected. Strong property price rises may boost construction activity further in the short run but also risk sparking another spiral of higher property prices and credit. Notwithstanding the institutional improvements in the euro area, Ireland's still high debt leaves it particularly vulnerable to any re-emergence of the banking and sovereign debt crisis.

ISRAEL*

After a moderate pace in 2015, economic growth is projected to pick up to around 3¼ per cent in 2016 and 2017. This increase in activity should keep unemployment low. A rise in the minimum wage, falling oil prices and budgetary measures to stimulate the economy will support domestic demand, while exports are likely to recover with the improvement in the global economy.

Pursuing an accommodative monetary policy is appropriate to prevent an appreciation of the shekel, as long as inflation remains low and other major central banks maintain their expansionary stances. Property market tension poses a risk, however, and macro-prudential policy may need to be reinforced if necessary. The fiscal easing planned for 2016, including tax cuts and major spending increases, will make the medium-term public debt reduction objective more difficult to achieve. Stepping up structural reforms to strengthen competition in sheltered sectors would be beneficial to boost productivity and promote inclusive growth.

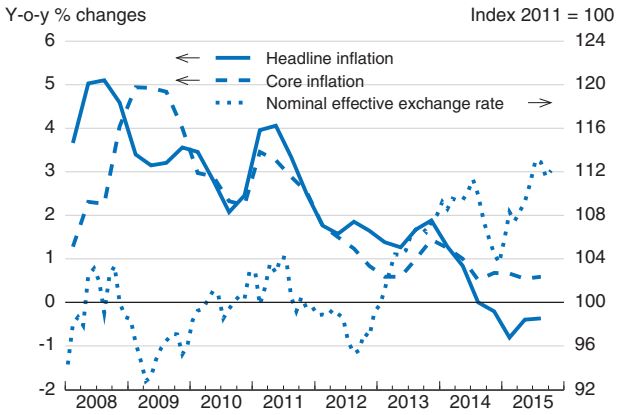
The commitment to reduce CO_2 emissions per capita by 26% before 2030 is welcome but could be more ambitious. Introducing a carbon tax would help to meet this objective in a growth-friendly way, and pursuing public rail transport development would also reduce the costs of urban congestion. The taxation of private cars should target their use rather than their ownership, and the tax breaks associated with company cars should be abolished.

Growth remains modest

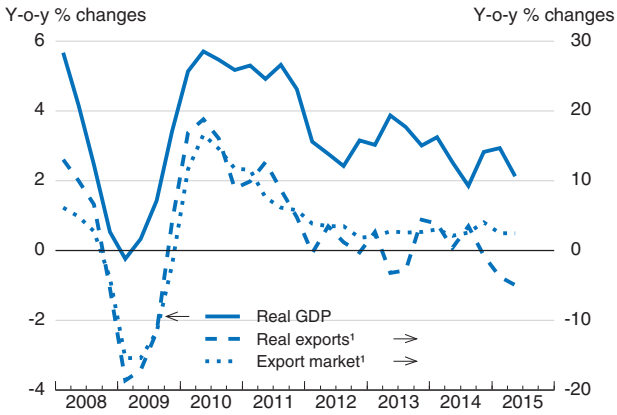
Growth reached about 2.5% year-on-year in the first half of 2015. Exports were hit hard by weakening foreign demand, competitiveness losses related to the appreciation of the

Israel

Exchange rate appreciation reduced inflation



Export weakness has driven the growth slowdown



1. Of goods and services.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296318

* 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**

	2012	2013	2014	2015	2016	2017
	Current prices NIS billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 001.0	3.4	2.6	2.5	3.2	3.3
Private consumption	555.2	4.1	3.6	5.0	3.9	3.9
Government consumption	222.8	4.1	3.3	2.5	3.5	2.6
Gross fixed capital formation	206.1	3.7	-2.1	-1.7	2.5	4.6
Final domestic demand	984.2	4.0	2.4	3.1	3.5	3.8
Stockbuilding[1]	4.1	-0.4	0.5	1.6	0.2	0.0
Total domestic demand	988.3	3.6	2.9	4.7	3.6	3.7
Exports of goods and services	369.0	0.1	1.7	-3.7	3.3	4.4
Imports of goods and services	356.2	0.5	3.0	1.6	4.6	5.6
Net exports[1]	12.8	-0.1	-0.4	-1.7	-0.3	-0.3
Memorandum items						
GDP deflator	_	2.1	1.0	3.0	1.3	1.5
Consumer price index	_	1.6	0.5	-0.5	0.8	1.5
Private consumption deflator	_	1.5	0.5	-0.3	0.8	1.5
Unemployment rate[2]	_	6.3	6.0	5.2	5.2	5.2
General government financial balance[3,4]	_	-4.2	-3.5	-3.3	-3.6	-3.5
General government gross debt[3]	_	67.2	67.1	66.1	66.1	66.1
Current account balance[3]	_	3.2	3.7	3.5	3.3	3.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. Employment and unemployment data prior to Q1 2012 are derived from a quarterly labour-force survey that has since been replaced by a monthly survey, which included a number of methodological changes. The data prior to Q1 2012 have been adjusted to be compatible with the new series
3. As a percentage of GDP at market value.
4. Excluding Bank of Israel profits and the implicit costs of CPI-indexed government bonds.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297124

shekel and the temporary impact of a strike by chemical workers. Business investment also fell, reflecting the completion of infrastructure projects. Consumer spending remained brisk thanks to increased employment and higher real wages, boosted by a minimum wage increase. Consumer prices declined on a year-on-year basis, owing partly to falling prices of imports, oil, and water and electricity. The unemployment rate has stabilised slightly below its structural level.

Budgetary easing aims to support the economy, but priority should be given to structural reforms

The Bank of Israel has kept its rate at 0.10% since March 2015 and has continued to intervene on the currency market. The value of the shekel has appreciated by some 5% in effective terms since the first quarter of 2015, as a result of the very expansionary policies of major central banks. Long-term interest rates have remained low, and house price increases have risen to 6% year-on-year.

The central government deficit is expected to be 2.5% of GDP in 2015 and is set to reach 2.9% of GDP in 2016 according to the draft budget, as the VAT was reduced in October 2015, the corporate tax rate is to be cut in 2016, and public spending is set to be unusually strong. As a result, the trend reduction in the public debt to GDP ratio will probably be interrupted

for the first time since 2009, and meeting the government's medium-term objective of reducing public debt will be somewhat more difficult. On the structural policy front, the reforms launched to increase the responsiveness of housing supply and bring prices down by cutting red tape and construction lead-times, are heading in the right direction and should be pursued. It will alleviate the housing affordability problems, which are particularly acute for low-income and young families. Increased efforts to strengthen competition in the food industry, promote the entry of new competitors in credit provision while preserving financial stability, and reduce non-tariff barriers to imports would foster productivity and make growth more inclusive by cutting the cost of living and reducing poverty.

Economic activity should pick up

Despite some likely weakening of private consumption in late-2015 due to security tensions, demand should strengthen in 2016-17. Accommodative monetary policy, fiscal easing, lower oil prices, new planned rises in the minimum wage and the recovery of external markets will all contribute to stronger activity. The government's plan to build more homes and the launch of several major projects in high-technology industry should also boost investment. Unemployment should remain low and inflation rise steadily to the target range of 1-3%, once the effects of the falls in oil prices, VAT and public tariffs and the appreciation of the shekel have dissipated.

The expansion could be undermined if current security tensions persist or worsen, or in the event of a broader deterioration in the regional situation. Slower global growth than assumed would hurt exports. On the other hand, the recent policy initiative taken to overcome the regulatory obstacles that have hampered the development of the gas sector since end-2014 might lead to a stronger pick-up of activity over the projection horizon.

ITALY

GDP growth is expected to rise to 1.4% in 2016 and 2017. The labour market is improving, helping to drive private consumption higher. However, bank credit remains constrained due to the large and still rising amount of non-performing loans, hampering investment growth. Sluggish export market growth is hindering exports. Large, although declining, economic slack will contain consumer price and wage inflation.

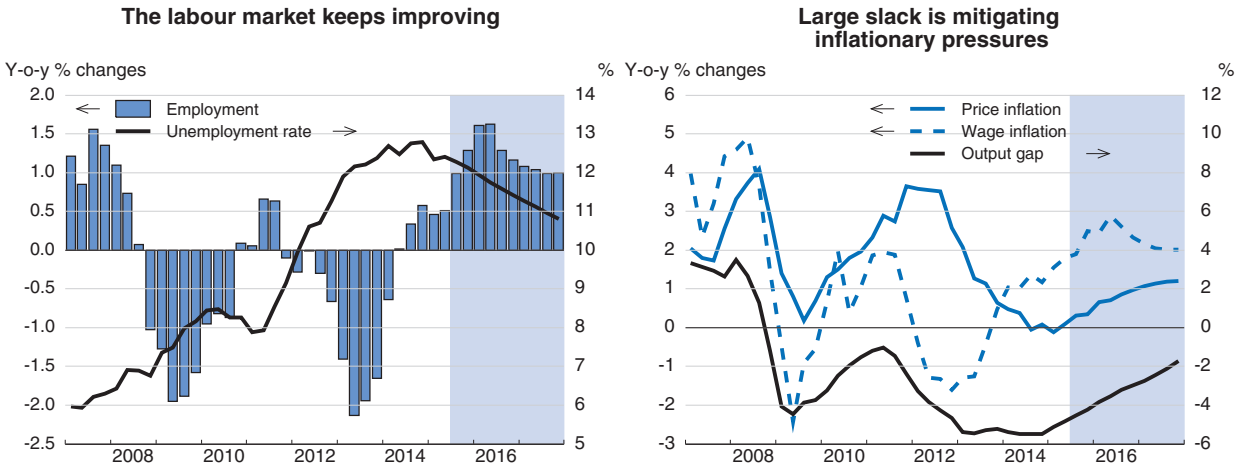
The government budget deficit will continue to decline gradually, as the economic recovery raises tax revenue and interest payments on the public debt decline. Extending the cuts in social security contributions is a priority to consolidate the recovery of the labour market. Further measures to address banks' holdings of non-performing loans would strengthen the recovery. Permanently shifting the tax burden from labour to consumption and real estate, and raising environmental taxes would strengthen the foundations of stronger, greener and more inclusive growth.

In recent years, the depressed economy resulted in a decline in carbon emissions. As the recovery strengthens, containing the growth in emissions will depend on simplifying energy efficiency incentives and selecting those entailing the lowest abatement costs. Price-based mechanisms, such as pollution and congestion charges, could be used more extensively, and vehicle taxation should be restructured to reflect CO_2 emissions and other environmental externalities.

The recovery is firming up

The recovery is gradually gaining speed, with households and business confidence improving and industrial production trending up, albeit somewhat volatile. The labour market continues to improve and the employment rate reached 56.5% in August, up nearly one percentage point since a year ago. The labour market participation rate is increasing and the unemployment rate has fallen below 12%. The improving labour market is bolstering consumer and business confidence and – along with subdued commodity and energy prices – households' purchasing power and private consumption.

Italy



Source: OECD Economic Outlook 98 database.

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Italy: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment[1]	-1.8	0.1	0.8	1.4	1.0
Unemployment rate[1,2]	12.2	12.7	12.3	11.7	11.0
Compensation of employee[3]	0.9	0.8	1.0	1.1	1.0
Unit labour cost	1.0	1.4	1.1	1.1	0.6
Household disposable income	0.6	0.0	1.3	3.3	3.5
GDP deflator	1.3	0.9	0.4	0.8	1.2
Harmonised index of consumer prices	1.3	0.2	0.2	0.8	1.1
Core harmonised index of consumer prices[4]	1.3	0.7	0.7	1.1	1.2
Private consumption deflator	1.2	0.3	0.2	0.7	1.0

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. In the total economy.
4. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

Source: OECD Economic Outlook 98 database.

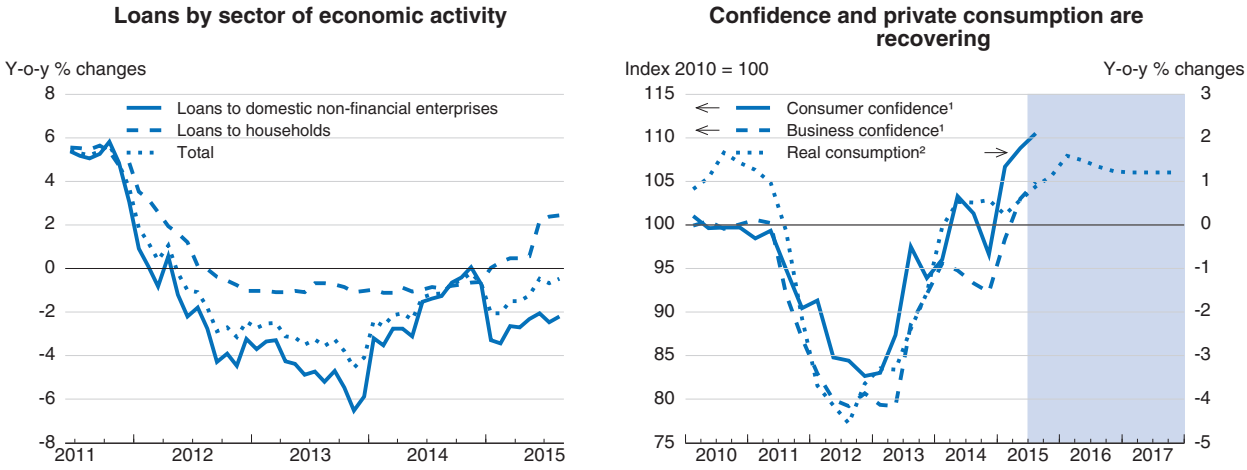
StatLink http://dx.doi.org/10.1787/888933296857

Investment has been tentative, owing to still large spare capacity, restricted credit supply, and weak public investment. Subdued world trade growth and the slowdown in key trading partners are weakening exports.

Significant reforms have boosted growth

The government has made progress on implementing its comprehensive reform plan. The "Jobs Act" along with the three-year social security contributions' waiver for new

Italy



1. Three month average.
2. Private final consumption expenditure.

Source: OECD Economic Outlook 98 database; Banca d'Italia, statistical database; and Istat.

StatLink http://dx.doi.org/10.1787/888933296337

Italy: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	3.9	3.4	3.8	4.8	6.0
General government financial balance[2]	-2.9	-3.0	-2.6	-2.2	-1.6
General government gross debt[2]	145.0	158.7	160.7	159.9	158.1
General government debt, Maastricht definition[2]	128.8	132.3	134.3	133.5	131.8
Current account balance[2]	0.9	1.9	1.5	1.3	1.7
Short-term interest rate[3]	0.2	0.2	0.0	0.0	0.1
Long-term interest rate[4]	4.3	2.9	1.7	1.7	2.0

1. Net saving as a percentage of net disposable income. Includes "famiglie produttrici".
2. As a percentage of GDP at market value. 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 98 database.

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permanent contracts are driving the labour market turnaround; they have led to a sizeable increase in new open-ended contracts and widened the social safety net, making growth more inclusive. The extension of the social security contributions' exemptions for new permanent contracts, as envisaged by the 2016 budget under discussion, will help sustain the labour market recovery. The establishment of an effective National Labour Agency to define and coordinate active labour market policies across regions – foreseen by the Jobs Act – will be paramount to bring more people into good jobs and reduce structural unemployment. Recently approved and ongoing reforms concerning bankruptcy, the school system, competition and the public administration will strengthen growth

Italy: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices euro billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	1 614.6	0.8	1.4	1.4	1.3	1.4	1.6
Private consumption	986.3	0.7	1.4	1.2	1.1	1.2	1.2
Government consumption	315.3	-0.2	0.7	-0.1	-1.3	1.7	-0.8
Gross fixed investment	268.4	0.6	1.5	2.6	1.5	1.9	3.0
Final domestic demand	1 570.1	0.5	1.3	1.2	0.7	1.4	1.1
Stockbuilding[1]	- 4.1	0.5	0.1	0.0			
Total domestic demand	1 566.0	1.0	1.4	1.2	1.8	1.4	1.1
Exports of goods and services	476.9	4.1	3.3	4.6	3.1	3.6	5.2
Imports of goods and services	428.3	5.3	3.3	4.2	4.9	3.8	4.2
Net exports[1]	48.6	-0.2	0.1	0.2			

Note: 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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296873

prospects. Further action is needed to close gender gaps by encouraging female labour force participation, through strengthening the provision of good quality care for children and the elderly, and reduce youth unemployment, which remains high.

The fall in bank lending to the private sector is finally abating. The contraction of loans to the private sector has progressively receded from -2% (on a yearly basis) at the start of the year to -0.5% in August, with loans to households showing more positive dynamics than those to non-financial corporations because of their lower default risks. Recent government initiatives, involving more efficient bankruptcy procedures and a shortened period to write off bad loans in banks' balance sheets, are positive steps to revive the credit market. Establishing a specialised asset management company to acquire impaired loans could significantly contribute to broaden the recovery to investment. Progress on this front is, however, uncertain because of the need to comply with EU's regulations on state aid.

The fiscal deficit is projected to decline steadily in the next two years, largely reflecting the stronger economy, but also some spending cuts. In 2016, the government plans to fully use the flexibility under EU deficit rules (which allow less consolidation if structural reforms are implemented) to raise public investment and to lower taxes. Shifting the tax burden from labour to consumption and real estate, and raising environmental taxes, would set the stage for stronger and environmentally friendly growth.

Italy’s climate-mitigation strategy has relied heavily on several economic incentives for promoting renewable energy sources and increasing energy efficiency aided by high marginal tax rates on fuels, especially for road transport. As the recovery gains momentum, achieving climate change mitigation goals in the context of fiscal consolidation will have to rely on streamlining the system of incentives and select those entailing the lowest abatement costs. Using more extensively price-based mechanisms, such as pollution and congestion charges, and reforming vehicle taxation to reflect CO_2 emissions, while decreasing less growth friendly taxes, will contribute to higher growth and lower emissions.

Growth is set to edge up

GDP growth is set to rise in the next two years as household purchasing power increases on the back of an improving labour market and declining unemployment. Growth in gross fixed capital formation will turn positive in 2015 and will only modestly accelerate afterwards because of persistent credit supply constraints. The closing output gap will exert moderate upward pressures on consumer price inflation.

The rebound in investment could be stronger than predicted, especially if a specialised asset management company to acquire impaired loans is established and the residential property market picks up more quickly than projected. Stronger-than-expected growth in Italy's main trading partners could result in higher exports. On the downside, renewed financial turmoil in the euro area, resulting in higher interest rates, could impel the government to accelerate fiscal consolidation to achieve its fiscal targets, hurting short-term growth. Continued weakness of the main trading partners among emerging market economies, especially Russia and northern Africa, would hurt exports, lowering the contribution of external demand to growth.

JAPAN

The economic expansion was derailed in 2015 by a sharp slowdown in demand from China and other Asian countries and sluggish private consumption. Output growth is projected to pick up from around ½ per cent in 2015 to 1% in 2016, as rising real wages support consumer spending. However, with the consumption tax hike in 2017, growth is likely to slow to ½ per cent. Headline consumer price inflation, which has fallen close to zero with the decline in oil prices, is projected to reach 1½ per cent by end-2017.

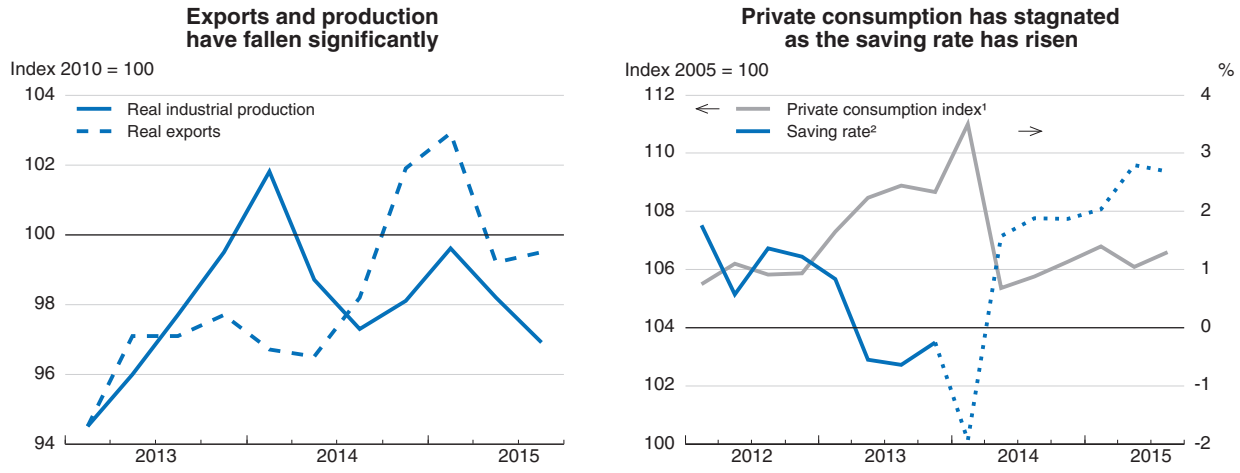
The government's target of a primary surplus by FY 2020 remains a priority to put gross public debt, which has risen to 230% of GDP, on a downward trend. Above all, achieving fiscal sustainability requires faster output growth through bold and wide-ranging structural reforms. To sustain confidence in Japan's public finances, a detailed and concrete consolidation plan to achieve the FY 2020 primary surplus target is essential. The Bank of Japan's quantitative and qualitative easing (QQE) should continue until the 2% inflation target is sustainably achieved.

Japan's reliance on thermal energy sources increased sharply following the Great East Japan Earthquake, as all nuclear power plants were closed until mid-2015. The government envisages that nuclear power will supply around 20% of electricity in 2030, compared to around 30% before the earthquake, which would reduce energy costs and greenhouse gas emissions. The plan to enhance competition in the electricity sector will facilitate the use of renewable energy from its current low level and promote green growth. Japan's relatively low taxation of CO_2-emitting fuels, especially in heating and industrial processing, could be increased.

The expansion stalled in 2015, due in part to a fall in demand from Asia

A slowdown in demand from China and other Asian countries, which account for around half of Japan's exports, resulted in a marked contraction in Japanese exports and

Japan



1. The third quarter of 2015 is based on July and August 2015.
2. OECD estimates from the first quarter of 2014.

Source: Ministry of Economy, Trade and Industry; Bank of Japan; Cabinet Office; and OECD Economic Outlook 98 database.

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Japan: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	0.7	0.6	0.2	-0.3	-0.2
Unemployment rate[1]	4.0	3.6	3.4	3.2	3.1
Compensation per employee[2]	-0.1	0.7	0.7	1.7	2.4
Unit labour cost	-0.8	1.5	0.6	0.6	1.7
Household disposable income	0.4	1.7	1.2	1.3	2.2
GDP deflator	-0.6	1.7	2.3	1.0	2.2
Consumer price index[3]	0.4	2.7	0.8	0.7	2.3
Core consumer price index[4]	-0.1	1.9	0.9	0.8	2.1
Private consumption deflator	-0.3	2.0	0.3	0.9	2.3

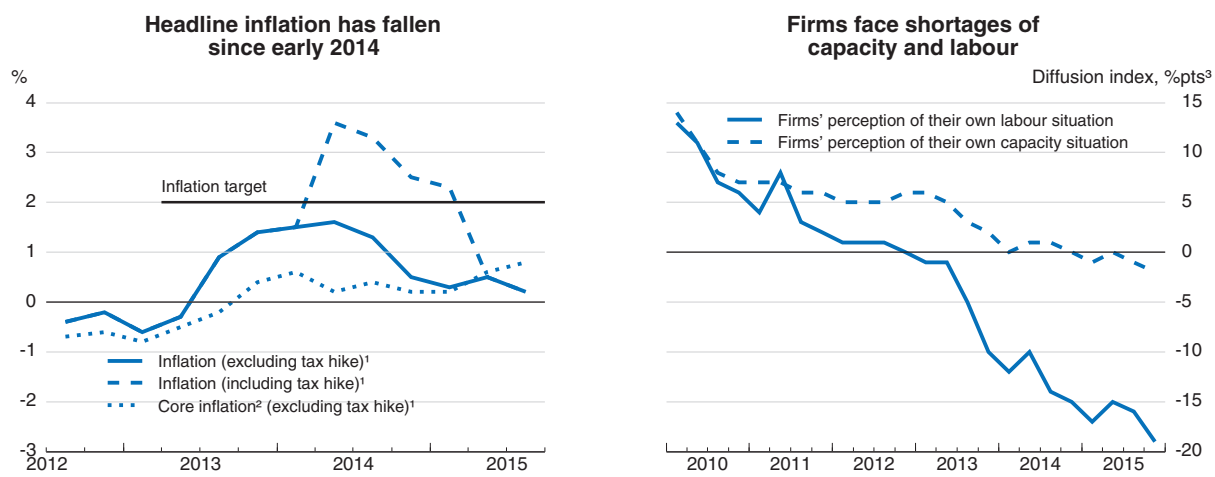
1. As a percentage of labour force.
2. In the total economy.
3. Calculated as the sum of the seasonally adjusted quarterly indices for each year.
4. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296756

industrial production during the second and third quarters of 2015. Private consumption has stagnated, remaining below its 2013 level. A rapid rise in the household saving rate from negative territory in 2013 to an estimated 2½ per cent in 2015 offset the impact of tepid wage gains on consumption, despite the fall in unemployment to its lowest rate since

Japan



1. In April 2014, the consumption tax was raised from 5% to 8%. The tax hike added 2 percentage points to inflation according to estimates by the Bank of Japan and the Cabinet Office.
2. OECD measure, which excludes food and energy.
3. The diffusion indices show the number of firms responding they had an excess number of workers minus those reporting a shortage and the number responding that they had excess capacity minus those with a capacity shortage. A negative number thus indicates an overall shortage of labour and capacity. Numbers for the fourth quarter in 2015 are companies' projections made in September 2015.

Source: OECD Economic Outlook 98 database; Bank of Japan; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933296354

Japan: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	-0.2	0.8	2.4	1.5	1.7
General government financial balance[2]	-8.5	-7.7	-6.7	-5.7	-5.0
General government gross debt[2]	220.3	226.1	229.2	232.4	233.8
General government net debt[2]	122.9	128.7	131.8	135.0	136.4
Current account balance[2]	0.8	0.5	3.3	2.9	3.3
Short-term interest rate[3]	0.2	0.1	0.1	0.1	0.1
Long-term interest rate[4]	0.7	0.6	0.4	0.3	0.3

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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296768

1997. Weak demand has damped business investment. Consumer price inflation, which peaked in early 2014 at 1½ per cent (year-on-year, excluding the tax hike), fell to close to zero in mid-2015, reflecting the decline in oil prices. However, core inflation (excluding food and energy) edged up during 2015.

A number of factors are supporting growth. Tightening labour market conditions are gradually increasing wages, which will support household incomes and consumption.

Japan: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices Yen trillion	Percentage changes from previous year, volume (2005 prices)					
GDP at market prices	487.6	0.6	1.0	0.5	1.1	1.4	-0.1
Private consumption	295.5	-0.8	1.4	-0.3	0.5	1.9	-1.6
Government consumption	100.7	1.1	0.5	0.6	1.1	-0.2	1.5
Gross fixed investment	109.0	0.6	0.8	1.2	2.0	1.9	-0.5
Public[1]	24.5	-1.4	-16.2	-6.8	-7.2	-16.7	-0.8
Residential	15.1	-2.3	8.6	-1.4	7.4	10.4	-8.1
Non-residential	69.3	1.8	4.5	3.7	4.0	5.7	1.0
Final domestic demand	505.2	-0.1	1.1	0.2	0.9	1.5	-0.8
Stockbuilding[2]	- 2.5	0.6	0.1	0.0			
Total domestic demand	502.8	0.5	1.2	0.3	1.7	1.5	-0.7
Exports of goods and services	86.4	1.6	2.1	4.8	-1.9	4.3	4.9
Imports of goods and services	101.5	1.0	3.3	3.0	1.7	4.4	1.1
Net exports[2]	- 15.2	0.1	-0.3	0.3			

Note: 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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296773

Japan: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	794.7	816.5	738.8	767	813
Goods and services imports	933.9	960.9	788.5	822	858
Foreign balance	- 139.2	- 144.3	- 49.7	- 56	- 45
Invisibles, net	178.8	167.3	188.1	179	188
Current account balance	39.6	23.0	138.4	124	143
			Percentage changes		
Goods and services export volumes	1.2	8.4	1.6	2.1	4.8
Goods and services import volumes	3.1	7.4	1.0	3.3	3.0
Export performance[1]	- 3.2	4.8	0.2	- 1.4	- 0.1
Terms of trade	- 2.0	- 1.0	9.5	0.7	0.0

1. Ratio between export volume and export market of total goods and services.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296785

Labour and capacity shortages have prompted firms to expand their investment plans, supported by the cut in the corporate income tax rate, record high profits and large cash holdings that exceed 60% of GDP.

Large-scale quantitative easing is accompanying fiscal consolidation

Following the recalibration of QQE in October 2014, the Bank of Japan has aimed to raise the monetary base by 80 trillion yen (16% of GDP) per year. QQE, which far exceeds quantitative measures taken elsewhere in the OECD area, has boosted the Bank of Japan's balance sheet to 65% of GDP and increased inflation expectations. It needs to continue until the 2% inflation target is durably achieved, while monitoring risks.

The general government primary deficit is projected to narrow from 5.7% of GDP in 2015 to 4¼ per cent in 2017. This consolidation reflects a cut in government investment as reconstruction spending wanes, and the planned hike in the consumption tax rate to 10% in April 2017. However, even with these measures Japan is not on track to achieve its target of a primary surplus (central and local governments) by FY 2020. A detailed and concrete fiscal strategy requires measures to boost revenues through further increases in the consumption tax rate, broadening the personal and corporate income tax bases and raising environmental taxes, which would also promote green growth. Fiscal consolidation also requires containing the growth of social spending, in particular by raising the pension eligibility age, shortening hospital stays and increasing the use of generic drugs.

However, fiscal consolidation measures alone will not be enough. Achieving fiscal sustainability also requires deep structural reforms to durably raise growth. Implementing the second set of "three arrows", adopted in October 2015, will therefore be critical. These include greater support for raising children, as well as enhancing the social security system to ensure that no one is forced to leave their job to care for elderly parents. Such policies, which should be financed by additional fiscal consolidation measures, would promote inclusive growth by increasing employment, especially of women. In addition, the Trans-Pacific Partnership agreement, which will double the share of Japanese exports covered by

free trade agreements, will boost productivity in Japan. It should be accompanied by additional free trade agreements with other countries in Asia and Europe, and a shift to a more market-oriented agricultural sector.

The expansion is projected to continue through 2017

Output growth is projected to pick up from around ½ per cent in 2015 to 1% in 2016, as tighter labour markets help spark faster wage growth. Real income gains, combined with some reversal of the saving rate towards its medium-term average, should support private consumption. With the yen still 31% below its 2012 level in trade-weighted terms, Japan is well placed to benefit from a gradual increase in world trade. Stronger domestic and external demand would prompt companies to further expand investment.

The planned hike in the consumption tax in 2017 will temporarily damp private consumption, as in 2014. Output growth is projected to slow to around ½ per cent. Nevertheless, sustained growth should lift headline inflation to around 1½ per cent by the end of 2017, while the current account surplus will remain above 3% of GDP.

Japan is vulnerable to further weakness in Asian countries, which would restrain exports and industrial production. On the domestic side, Japan's unprecedentedly high level of public debt is a key risk. In the absence of a detailed and concrete strategy to achieve its fiscal targets, Japan could face a loss of confidence in its fiscal sustainability, which in turn could destabilise the financial sector and the real economy with large spillovers to the world economy. Sustained output growth requires a virtuous circle of rising prices, wages and corporate earnings. Wage growth may be the weak link in such a circle, as it has been slow to respond to tightening labour market conditions. On the positive side, recent reforms adopted as part of the third arrow of Abenomics, such as the improved corporate governance framework and measures to boost female employment, may boost growth more than assumed in the projection.

KOREA

The economy was hit by two shocks in 2015 - an outbreak of the Middle East Respiratory Syndrome (MERS) and a marked slowdown in demand from China and other Asian countries – that reduced output growth to around 2¾ per cent. While the MERS outbreak has been resolved, weaker demand from Asia remains a headwind to growth. Nevertheless, a pick-up in private consumption is projected to increase output growth to 3% in 2016 and 3½ per cent in 2017, while inflation rises to around 2%.

The 2015 fiscal stimulus ought to be supplemented by further measures in 2016. With inflation far below the target range of 2.5% to 3.5%, an additional cut in the policy interest rate would be beneficial. The top policy priority should be wide-ranging structural reforms, including those in the 2014 Three-year Plan for Economic Innovation, to sustain Korea's growth potential in the face of rapid population ageing and to make growth more inclusive.

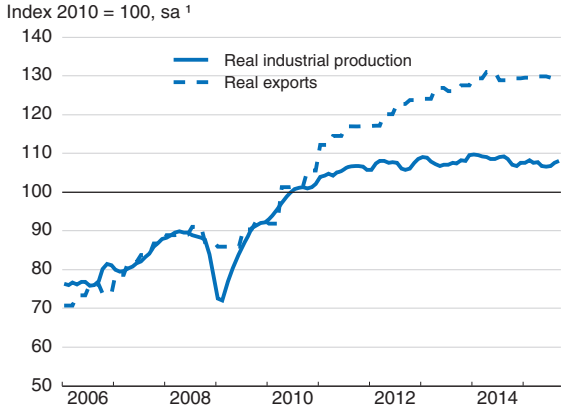
Korea continues to promote green growth, launching a second five-year plan and an emissions trading system in 2015 and boosting public investment in green technology. Nevertheless, greenhouse gas emissions and energy intensity rose during the 2009-13 green growth plan. A well-functioning emissions trading system should promote investment in green technology, thereby boosting growth, while helping achieve Korea's target of a 37% reduction in emissions from a business-as-usual baseline.

Korea is rebounding from the 2015 shocks

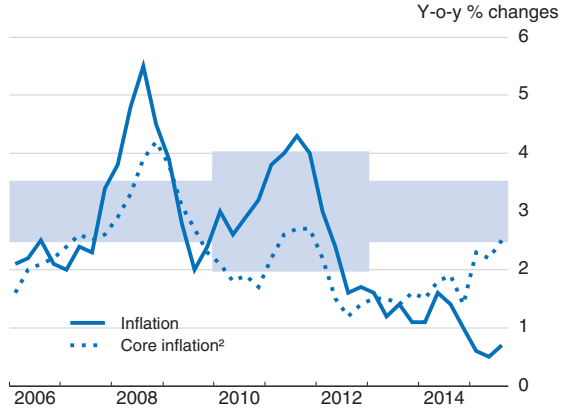
Weaker demand from China and other Asian countries, which account for about half of Korean exports, has slowed exports since the beginning of 2015. The appreciation of the won, which rose more than 20% in trade-weighted terms during the three years to April 2015, also reduced Korea's international competitiveness. The negative external shock was compounded by the MERS outbreak in June, which led to a contraction in private

Korea

Industrial production has edged down while exports have stagnated



Headline inflation has fallen further below the central bank's target zone



1. Exports on a national accounts basis and a three-month moving average for industrial production.
2. OECD measure, which excludes food and energy.

Source: Statistics Korea; OECD Economic Outlook 98 database; and Bank of Korea.

StatLink http://dx.doi.org/10.1787/888933296366

Korea: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices KRW trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 377.5	2.9	3.3	2.7	3.1	3.6
Private consumption	707.6	1.9	1.8	2.1	2.9	3.0
Government consumption	204.3	3.3	2.8	3.6	2.8	3.0
Gross fixed capital formation	407.3	3.3	3.1	4.5	4.0	3.6
Final domestic demand	1 319.2	2.5	2.4	3.1	3.2	3.2
Stockbuilding[1]	19.7	-1.0	0.5	1.0	0.1	0.0
Total domestic demand	1 339.0	1.4	3.0	4.0	3.4	3.2
Exports of goods and services	776.1	4.3	2.8	0.2	2.8	4.6
Imports of goods and services	737.6	1.7	2.1	2.6	3.3	3.9
Net exports[1]	38.5	1.5	0.5	-1.1	0.0	0.5
Memorandum items						
GDP deflator	_	0.9	0.6	2.1	0.7	1.8
Consumer price index	_	1.3	1.3	0.7	1.6	2.0
Private consumption deflator	_	1.0	1.1	0.8	1.6	2.0
Unemployment rate	_	3.1	3.5	3.7	3.5	3.4
Household saving ratio, net[2]	_	5.6	7.0	7.2	7.0	6.8
General government financial balance[3]	_	1.3	0.9	0.0	0.5	0.8
General government gross debt[4]	_	..	..	..	..	..
General government net debt[4]	_	..	..	..	..	..
Current account balance[3]	_	6.2	6.3	7.3	6.3	6.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP at market value.
4. Consolidated data on an SNA 2008 basis is not available.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297131

consumption in the second quarter. Inflation remains below 1% and the current account surplus is still above 7% of GDP, despite a rebound in growth since mid-2015.

With inflation undershooting its target range since 2012, the Bank of Korea has cut its policy rate by 1 percentage point since mid-2014 to a record-low 1.5%. Monetary conditions have also been eased by a 5% depreciation of the won from its April peak. The projection assumes that the central bank cuts the policy rate once more before launching monetary tightening in 2017.

Fiscal policy has also shifted to a more pro-growth stance. Government spending, initially set to rise by 5.5% in 2015, was further boosted in mid-2015 by fiscal stimulus equivalent to 1% of GDP. A fiscal package is also needed in 2016 to support the expansion; otherwise central government spending growth would slow significantly. The fiscal plan for 2015-19 projects that the consolidated central government budget, excluding the social security surplus, will remain in deficit through 2018.

The measures in the government's 2013 roadmap to achieve a 70% employment rate have promoted job creation. The employment rate has risen by about one percentage point since 2013, to around 65.5%. The largest increase has been among women, due in part to the free provision of childcare for children up to age five. Further expanding female

employment is essential to offset the fall in the working-age population from 2017 and to promote social cohesion.

Growth and inflation are projected to pick up during 2016-17

Despite weaker demand from China and other Asian countries, output growth is expected to gain momentum, rising from 2¾ per cent in 2015 to 3½ per cent in 2017. Free trade agreements with Australia, Canada and New Zealand in 2014, and China in 2015 will support export growth. Despite higher wage gains, high household debt will continue to constrain private consumption, which has lagged output growth since 2006. Faster output growth and the stabilisation of oil prices are expected to boost inflation to 2% in 2017, while the current account surplus will remain high at around 6½ per cent of GDP.

With merchandise exports to China accounting for 10% of Korean GDP, the second largest share in the world, a sharper-than-expected slowdown in China would significantly slow output growth in Korea. Another possible downside risk is financial turbulence following the expected rise in US interest rates, although the sharp reduction in Korea's short-term foreign debt limits the risk of capital outflows. On the domestic side, an additional increase in household debt could further constrain private consumption. On the upside, effective structural reforms could reignite Korea's exports, which have grown at an annual pace of only 1.4% during the past two years to September 2015.

LATVIA

GDP growth is projected to accelerate to 3.1% in 2016 and 3.5% in 2017, mainly driven by domestic demand. High wage growth will further sustain household consumption. Exports will pick up following the trade recovery in the European Union and support investment, but export performance will be weakened by increases in unit labour costs.

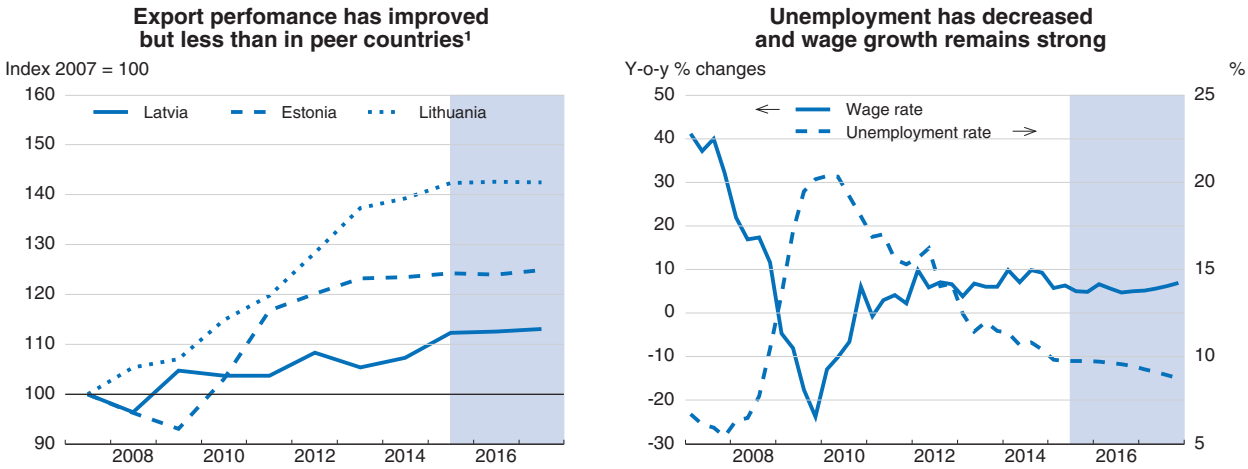
Financial conditions are projected to improve, backed by the loose monetary policy in the euro area. Fiscal policy will remain prudent and planned measures for 2016 will increase the progressivity of the tax system. Efforts to reduce poverty and inequality, which are among the highest in the OECD, should continue, notably by reforming social assistance.

Lowering energy intensity from the current high level can help to reduce energy dependency and the sensitivity of the economy to changes of global energy prices. Providing financial support for credit-constrained households to help them make residential buildings more energy efficient or removing tax exemptions on fossil fuels and corporate cars can both bring additional benefits, including lower energy poverty and higher tax revenues.

Economic activity has strengthened

GDP growth rebounded in the second quarter of 2015 supported by exports and private consumption. Exports have performed well notwithstanding a sharp drop of demand from Russia. Market diversification continues – exports to the United States, China, and the Middle East increased significantly in the first half of the year – but remains insufficient to maintain activity in some sectors (e.g. food production and processing). Investment shows some positive signs, with rising imports of machinery and equipment and corporate credit

Latvia



1. Export performance is measured as actual growth in exports relative to the growth of the country's export market.
Source: Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296374

Latvia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	21.8	3.0	2.4	2.5	3.1	3.5
Private consumption	13.3	5.1	2.3	2.4	3.1	3.6
Government consumption	3.8	1.6	4.9	3.3	2.8	2.8
Gross fixed capital formation	5.6	-6.0	0.5	2.3	2.8	3.8
Final domestic demand	22.6	1.7	2.3	2.6	3.0	3.5
Stockbuilding[1]	0.2	0.4	-1.4	0.0	0.4	0.0
Total domestic demand	22.8	2.2	0.9	2.5	3.3	3.5
Exports of goods and services	13.4	1.1	3.1	2.4	3.5	5.1
Imports of goods and services	14.4	-0.2	0.8	2.6	3.7	5.0
Net exports[1]	- 1.0	0.8	1.4	-0.2	-0.2	-0.1
Memorandum items						
GDP deflator	_	1.3	1.2	0.7	1.9	2.5
Harmonised index of consumer prices	_	0.0	0.7	0.6	1.7	2.5
Private consumption deflator	_	0.2	0.8	0.6	1.7	2.5
Unemployment rate	_	11.8	10.8	9.8	9.6	9.0
General government financial balance[2]	_	-0.9	-1.6	-1.6	-1.1	-1.1
General government gross debt[2]	_	44.5	47.9	44.9	47.6	47.6
General government debt, Maastricht definition[2]	_	39.1	40.8	37.8	40.5	40.6
Current account balance[2]	_	-2.4	-2.0	-2.0	-2.1	-2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297340

is turning around. Strong wage growth and declining unemployment further boost household purchasing power. Nevertheless, high emigration persists and constrains potential growth.

Macroeconomic policies will have a limited impact on growth prospects

Lower-than-expected tax revenues in 2015 reduce the fiscal space for 2016. Consolidation measures amounting to 0.5% of GDP have been announced to comply with EU and national fiscal rules. Reforms increasing the progressivity of the tax system are also planned, including raising non-taxable income and the tax rate on high revenues. The net impact of fiscal policy on activity will be limited.

Investment decisions have been delayed largely due to regional geopolitical tensions. Accommodative monetary policy in the euro area, EU funds, and a firming external situation should support credit expansion and stimulate investment in 2016 and 2017.

Greenhouse gas emissions intensity (i.e. per unit of GDP) is among the highest in the OECD. Achieving energy efficiency gains should be a priority, since it can also reduce the vulnerability of the Latvian economy to supply disruptions, volatility in global energy prices and expected increases in carbon prices. Support for energy-saving investment should be targeted to credit-constrained households, thereby addressing energy poverty. Harmonising the taxation of energy sources according to their CO_2 content and removing

tax exemptions on environmentally harmful activities can deter the use of polluting fuels while creating fiscal space.

Domestic demand is expected to drive growth but uncertainty remains high

GDP growth is projected to strengthen gradually to 3.1% in 2016 and 3.5% in 2017 driven by firming private consumption and investment. Inflation is expected to exceed 2% in 2017. Household spending should pick up as the pace in debt reduction slows down and wages continue to grow. Tensions on the labour market will appear due to falling working age population and will contribute to increasing unit labour costs, weakening job creation and strengthening capital intensity. The contribution of trade will be slightly negative, with export performance being held back by eroding cost competitiveness.

The key risks relate to export market developments, notably in Russia and the euro area. Further degradation of regional geopolitical tensions might affect trade developments. A slowdown of euro area foreign trade in the wake of the recession in some emerging market economies and a sharper deceleration of exports to China could prolong low investment activity and reduce Latvia's inclusion into high value-added supply chains. By contrast, increasing traffic on the Silk Road might benefit Latvian logistics businesses. Internally, firms' capacity to invest and recruit adequate labour, while maintaining competitiveness, remains uncertain.

LITHUANIA

Economic growth is projected to pick up from 1¾ per cent in 2015 to 3¾ per cent in 2017. Activity will be underpinned by continued private consumption growth and stronger exports. The trend decline in the unemployment rate will continue, and as a result wage pressures will slowly begin to mount.

The government's fiscal stance is expected to be broadly neutral following a long period of strong consolidation. Further reforms are needed to reduce the tax wedge and shift taxation away from labour, which should reduce structural unemployment. Improvements in the education system, easing restrictions on the employment of some foreign workers and policy measures that promote access to finance for young firms with high growth potential are needed for further productivity catch-up.

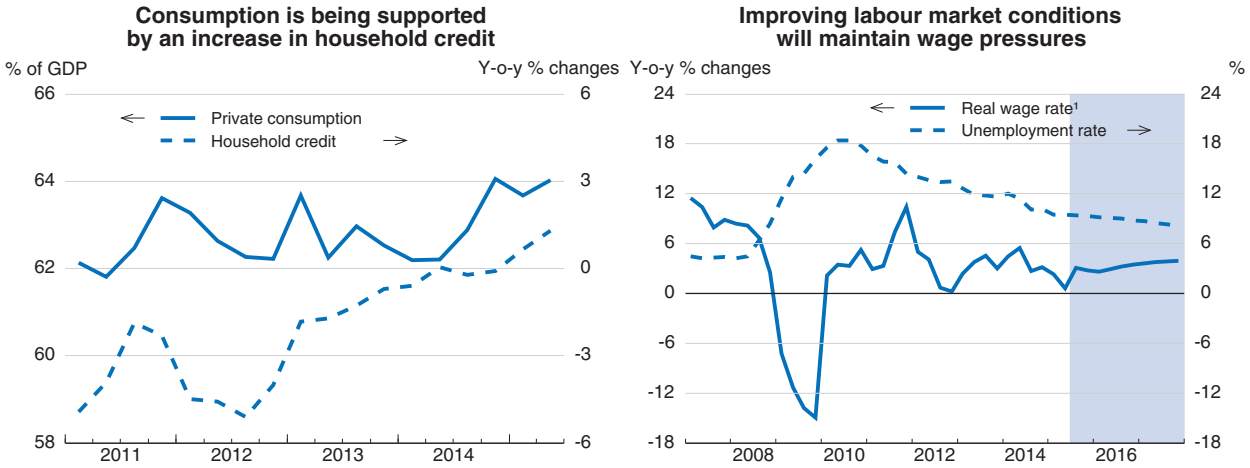
Lithuania's energy mix has become significantly more environmentally friendly since it transitioned to a market-oriented economy. Nevertheless, energy intensity is still relatively high and has declined little since 2005. There is scope to increase environmental taxation, including through raising taxes on motor and heating fuels.

Domestic demand has been driving activity

Recent growth has been driven by domestic demand. Household spending growth has been high on average, underpinned by rising incomes and improving labour market conditions. Investment activity has begun to recover following a period of languid growth. Higher dwelling investment has reflected rising house prices since mid-2013 and easier financing conditions. There has also been strong investment in machinery and equipment, though this is partly due to one-off factors in the first half of 2015.

A collapse in import demand in Russia and counter-sanctions caused the value of Lithuanian exports to Russia to shrink by around 38% in the first half of 2015 in year-on-year terms. However, Lithuania has had some success in reorienting exports to other markets.

Lithuania



1. Deflated by the harmonised core inflation index.
Source: Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296385

Lithuania: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	33.3	3.5	3.0	1.7	2.9	3.7
Private consumption	20.9	4.3	4.1	4.6	3.8	4.0
Government consumption	5.8	1.0	1.3	2.2	0.6	0.6
Gross fixed capital formation	5.8	8.3	5.4	8.4	3.0	4.9
Final domestic demand	32.4	4.4	3.9	4.9	3.1	3.6
Stockbuilding[1]	0.6	0.2	-0.6	0.8	0.0	0.0
Total domestic demand	33.0	3.5	2.8	7.4	3.4	3.6
Exports of goods and services	27.2	9.6	3.0	1.5	3.4	4.9
Imports of goods and services	26.9	9.3	2.9	9.2	4.6	4.8
Net exports[1]	0.3	0.3	0.2	-6.1	-1.0	0.0
Memorandum items						
GDP deflator	_	1.3	1.2	0.1	1.7	1.8
Harmonised index of consumer prices	_	1.2	0.2	-0.7	1.4	2.0
Private consumption deflator	_	1.0	0.1	-0.5	1.8	2.0
Unemployment rate	_	12.0	10.9	9.4	9.0	8.4
General government financial balance[2]	_	-2.6	-0.7	-1.5	-1.5	-1.1
General government gross debt[2]	_	48.0	52.7	53.7	54.0	53.7
General government debt, Maastricht definition[2]	_	38.8	40.7	41.3	41.1	40.4
Current account balance[2]	_	1.5	3.6	-3.4	-2.5	-2.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297365

Monetary policy is supportive and the fiscal stance will become neutral

Accommodative monetary policy by the European Central Bank will keep interest rates very low over the projection period. Financing conditions should continue to support investment and consumption activity in the next two years. While household debt has been falling, there are signs that the deleveraging process is coming to an end and credit to households has begun to rise again.

The fiscal stance is expected to become neutral in 2016 and 2017, following several years of consolidation that has returned public debt to a sustainable level. Still, there is scope to make the tax mix more growth and equity friendly by further shifting the tax burden from incomes to immovable property and environmentally damaging activities. Lithuania has neither car taxation nor road user fees for passenger cars, and taxes on petrol and heating fuel are below the EU average. Increasing such taxes could curb Lithuania's relatively high energy and greenhouse gas emissions intensity. Furthermore, the average tax wedge on labour is relatively high and appears to particularly discourage employment of low-productivity workers.

Economic convergence is ongoing, but labour productivity is still well below the OECD average. Many firms have difficulty finding suitable workers due to gaps in the education system, labour market mismatch and very high emigration. Tight restrictions on the employment of workers from outside the European Union add to the problem. Productivity

growth is hampered by low innovation intensity which could be improved by measures that provide better access to finance for young firms with high growth potential.

Growth will strengthen as exports recover

Growth is projected to gain momentum in 2016 and 2017 as private consumption remains solid and export growth recovers with improvements in major export markets. Improving labour market conditions will support private consumption. The unemployment rate will continue to fall, exerting upward pressure on wage growth and inflation.

Risks derive mainly from external sources. A weaker-than-expected recovery in the euro area could hurt business confidence and exports. So too could a rise in geopolitical tensions in the region, although an easing in tensions could have the opposite effect. On the upside, the stimulus from low interest rates and oil prices and progress in implementing structural reforms could boost European growth. Domestic risks concern the success of the implementation of structural reforms including the ongoing changes to the social model.

LUXEMBOURG

Economic growth in 2016 and 2017 will remain anchored around 3%, supported by the strengthening cyclical position of the euro area and rebounding activity in the financial sector. Higher VAT rates and solid growth will boost inflation pressures, and the next round of backward-looking wage indexation expected in early 2016 could also boost inflation.

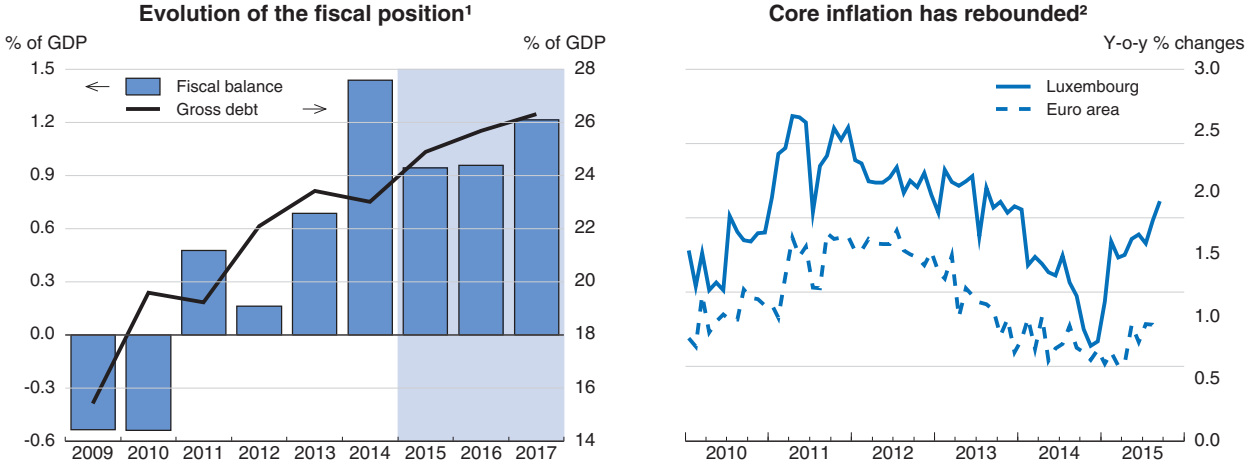
In order to better attain its fiscal targets, the government should introduce more effective spending control, including a spending ceiling for the general government, in the medium-term budgeting framework. The long-term sustainability of the pension system will also need to be addressed. Structural reforms should focus on increasing labour market inclusion by introducing separate income tax assessment of spouses, improving the availability of childcare, enhancing active labour market policies and reforming education to improve the attainment of students from disadvantaged backgrounds.

A key policy priority is to reduce carbon emissions, especially through further reforms of the transport sector, which accounts for more than half of the greenhouse gas emissions. Foreign drivers buy fuel in Luxembourg to take advantage of its relatively low taxes, which should be raised. Traffic flows are also influenced by other factors, such as the attractiveness of public transport for commuters. It is therefore important that Luxembourg increases the capacity of the public transport system, engaging in cross-border co-operation where appropriate.

Economic growth outpaces the euro area

Economic growth in 2015 has been strong, supported by resilient domestic demand and robust balance of trade in services. However, the unemployment rate has remained virtually unchanged, owing to the high number of new jobs filled in by foreign cross-border

Luxembourg



1. General government net lending and Maastricht definition of gross public debt.
2. Harmonised consumer price index excluding energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296396

Luxembourg: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	43.5	4.4	4.1	3.0	3.0	2.9
Private consumption	14.3	0.9	3.7	0.3	3.1	2.7
Government consumption	7.7	-0.7	0.2	5.0	2.5	2.7
Gross fixed capital formation	8.8	-7.2	9.4	-4.0	-1.5	1.7
Final domestic demand	30.8	-1.8	4.3	0.4	1.7	2.4
Stockbuilding[1]	- 0.4	1.6	0.9	-0.7	-0.3	0.0
Total domestic demand	30.3	0.5	6.0	-0.3	1.3	2.4
Exports of goods and services	82.4	6.9	6.8	5.4	3.8	4.2
Imports of goods and services	69.2	5.7	8.0	4.3	3.4	4.3
Net exports[1]	13.2	4.0	0.4	3.7	2.0	1.4
Memorandum items						
GDP deflator	_	2.4	0.9	3.3	1.1	1.5
Harmonised index of consumer prices	_	1.7	0.7	0.1	1.0	1.5
Private consumption deflator	_	1.3	0.7	0.9	1.2	1.5
Unemployment rate	_	6.9	7.1	6.9	6.8	6.8
General government financial balance[2]	_	0.7	1.4	0.9	1.0	1.2
General government gross debt[2]	_	30.0	33.7	35.6	36.4	37.0
General government debt, Maastricht definition[2]	_	23.4	23.0	24.9	25.7	26.3
Current account balance[2]	_	5.7	5.5	3.6	5.1	5.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297145

workers. Luxembourg's external position is strong, characterised by persistent current account surpluses and a positive net international asset position. The general government budget is in surplus and general government gross debt is low, at 25% of GDP on the Maastricht definition, whereas net debt is negative.

The 2015 budget launched a multi-year fiscal consolidation to address falling VAT revenues. The new EU VAT regime for e-commerce is expected to reduce government revenues by about 1.5% of GDP in 2015 with the loss gradually increasing to almost 2.5% of GDP in 2017. An increase in the VAT rates by 2 percentage points is estimated to raise revenues by about 0.5% of GDP per year. It is complemented by an additional package of measures that is projected to yield savings, gradually increasing from 0.5% of GDP in 2015 to 1% in 2017. These measures could be complemented by strengthening the fiscal framework by adding a spending ceiling to manage medium-term budgeting pressures. The newly established fiscal council could be charged with evaluating budgets from the perspective of medium-term budget developments and, if it were adopted, the spending ceiling.

A more robust revenue system and additional expenditure savings may also be needed as significant tax receipts could prove susceptible to changes in EU and global tax standards. The issue could be addressed gradually, using adjustment in recurrent taxes on immovable property and other instruments. A more comprehensive pension reform,

aiming at increasing the effective retirement age, limiting credits for time outside work and linking retirement age to life expectancy, is needed to make the fiscal position more resilient to population ageing.

The authorities should continue to monitor financial risks using a comprehensive framework that accounts for linkages between banks and non-bank financial intermediaries, notably investment funds. Continued co-operation with regulatory authorities in other jurisdictions outside the EU is also needed to develop resolution plans and to undertake resolvability assessments that facilitate effective cross-border resolution.

Growth is projected to decelerate

Growth rates are projected to remain at around 3% in both 2016 and 2017. Throughout the projection, activity will be supported by very accommodative monetary conditions, domestic demand growth and stable level of services exports. The unemployment rate could edge down in 2016. The VAT hike and a round of wage indexation expected to take place in early 2016 will keep inflation above the euro area average.

Given Luxembourg's trade and financial linkages, much depends on the pace of the euro area recovery. The negative effect of the new EU VAT regime on Luxembourg's position in e-commerce and government revenues could be larger than projected. High cross-border financial linkages between domestic banks, their groups' foreign banks and investment funds could transmit external shocks into the domestic economy. On the other hand, the solid reputation of Luxembourg's financial sector could also result in larger capital inflows.

MEXICO

After growing by 2.3% in 2015, real GDP is projected to grow in excess of 3% in both 2016 and 2017. The economy will benefit from a stronger US economy, the depreciation of the peso, and the easing of problems in the construction sector. The implementation of important structural reforms has also improved the business climate. Consequently, investment is picking up, and manufacturing activity is gradually accelerating, supporting a robust formal job market, boosting household incomes and consumption growth.

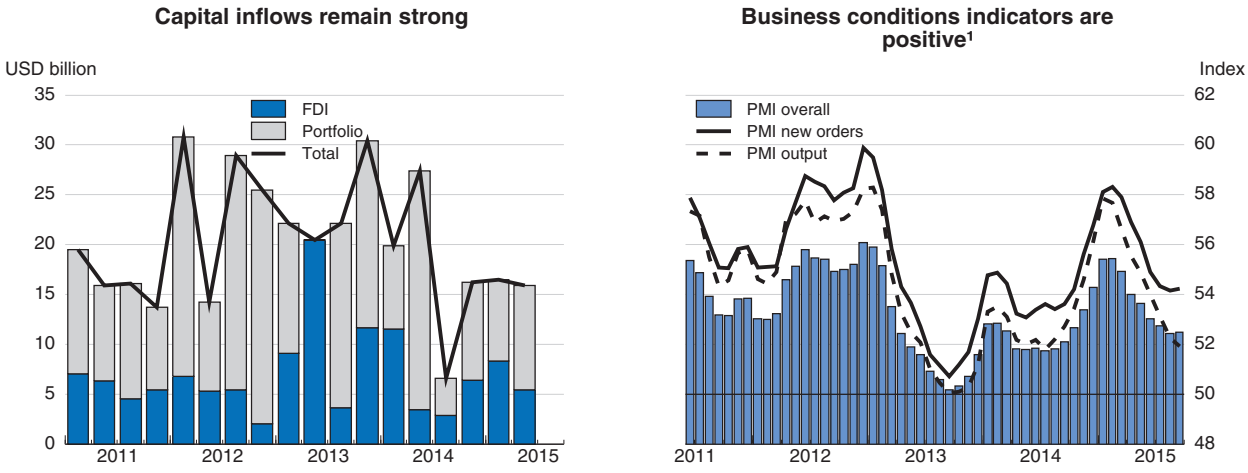
Monetary policy remains supportive, although interest rates will need to be raised once the US Federal Reserve raises its rates to forestall potential capital outflows. The budget deficit is being narrowed, but low oil prices may create some difficulty in achieving the objective by 2017.

Recent reforms have helped to address environmental challenges. The introduction of a carbon tax is an important breakthrough, but it will need to be evaluated and likely raised to more fully take account of pollution externalities. Low oil prices will allow the phase-out of the gasoline price setting mechanism to be advanced before 2018.

The adjustment continues, with investment picking up

The Mexican economy has faced repeatedly delayed recoveries in recent periods, due to a combination of weak global demand and a drop in oil production. US growth and the recent comprehensive package of structural reforms in Mexico are supporting business confidence. Although consumption has firmed up, consumer confidence has been unsteady, and the oil industry is still going through an adjustment phase. Investment is now picking up substantially, supported by sustained capital inflows. Manufacturing activity and exports continue to gain ground, supporting a robust formal job market and boosting household incomes.

Mexico



1. Based on a 3-month moving average of the Markit Purchasing Managers' Index (PMI) for Mexico. Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 signal a deterioration.

Source: Bank of Mexico; and Markit.

StatLink http://dx.doi.org/10.1787/888933296402

Mexico: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices MXN billion	Percentage changes, volume (2008 prices)				
GDP at market prices	15 624.1	1.6	2.1	2.3	3.1	3.3
Private consumption	10 502.3	2.6	2.0	2.8	2.9	3.1
Government consumption	1 848.3	1.5	2.5	2.0	-0.5	-0.3
Gross fixed capital formation	3 488.4	-1.5	2.2	5.5	3.2	3.1
Final domestic demand	15 838.9	1.6	2.1	3.3	2.5	2.7
Stockbuilding[1]	- 37.5	-0.1	0.3	0.0	0.0	0.0
Total domestic demand	15 801.4	1.5	2.4	3.3	2.6	2.7
Exports of goods and services	5 101.9	2.2	7.3	7.9	6.1	6.3
Imports of goods and services	5 279.2	3.0	6.2	4.7	4.5	4.7
Net exports[1]	- 177.3	-0.3	0.3	1.0	0.5	0.6
Memorandum items						
GDP deflator	_	1.5	4.2	4.9	3.3	2.8
Consumer price index	_	3.8	4.0	2.9	3.4	3.2
Private consumption deflator	_	2.6	3.7	3.8	3.3	3.1
Unemployment rate[2]	_	4.9	4.8	4.7	4.7	4.6
Public sector borrowing requirement[3,4]	_	-3.8	-4.7	-3.9	-3.4	-3.2
Current account balance[4]	_	-2.4	-1.9	-2.0	-1.8	-1.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. Based on National Employment Survey.
3. Central government and public enterprises.
4. As a percentage of GDP at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297155

Inflation dynamics have become more complex

Inflation is now at a historically low rate, slightly below the centre of the central bank's target of 3%, despite the sharp depreciation of the currency, which has raised durables prices. Lower prices for telecom services and other goods have helped to boost real wages. Medium-term inflation expectations still remain firmly anchored, even though the recent increase of the minimum wage by 6.9% will push up prices by around ¼ percentage point this year, and will further raise the incomes of the poorer workers in the formal sector. Therefore, the central bank has considerable room to remain supportive.

Fiscal policy has become mildly contractionary this year, as the government prepares to face the impact of lower oil prices on the budget in 2016. The oil price hedging programme has helped to stabilise the budget, and oil prices have been hedged in the 2016 budget at USD 50 a barrel. The "traditional" budget is planned to be in balance by end-2017. Investment by the state oil company has been reduced by a further 20%, leaving more room for private sector exploration. The second phase of "Round One" oilfield auctions to the private sector has been successful, boding well for the upcoming deep sea fields that will be the largest auction so far, and may substantially boost long-term investment.

Economic activity is set to rebound

Despite weak financial conditions globally, strong US import demand together with currency depreciation will help support the rebound of activity in export-oriented

manufacturing and services, absorbing excess production capacity. Low oil prices have helped to advance the phase-out of the gasoline price setting mechanism before 2018, with a plan to introduce a price corridor in 2016. On-going implementation of structural reforms by the administration need to be sustained in order to ensure sufficient increases in capital formation, and help support inclusive productivity growth. Strengthening the legal system is among the foremost challenges, for which an important reform deadline looms in 2016.

Volatility associated with the withdrawal of US monetary policy accommodation is the main risk, which is intensified by weak conditions in some key emerging markets (notably Brazil and China). Mexico could face capital outflows that would drive up longer-term interest rates. However, robust foreign exchange reserves and the Flexible Credit Line provide important buffers against possible shocks. Severe weather risks are also present as a result of *El Niño*, such as the recent hurricane, which turned out to be benign.

NETHERLANDS

Economic growth is projected to strengthen further and to remain broad-based. Private consumption and residential investment will remain robust thanks to the housing market recovery, employment growth and a reduction in income taxes. The brighter economic outlook should further support business investment. The relatively strong performance of the Netherlands' key export markets will underpin export growth.

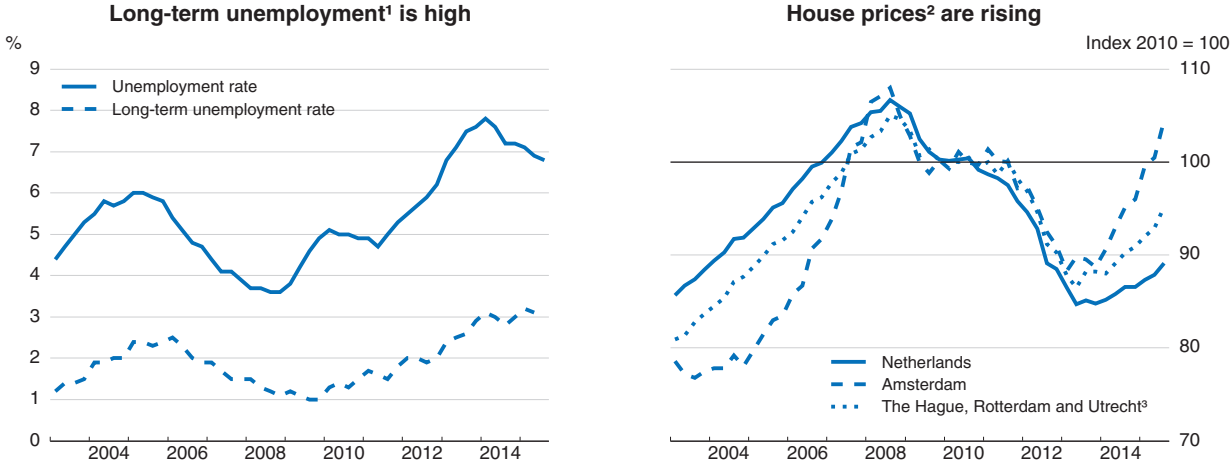
Tax cuts and new expenditures in 2016 will broadly offset the tightening effects of previously-decided fiscal consolidation; the resulting neutral fiscal stance is appropriate. The labour market would benefit from continuing the harmonisation of temporary and permanent contracts. Reducing mortgage interest relief and increasing the scope of the unregulated rental sector would improve the functioning of the housing market.

Following a recent court verdict, the government now targets lower greenhouse gas emissions for 2020. Additional efforts should reduce emissions not covered by the EU Emissions Trading System, for example from natural gas use by households, to ensure that EU-wide emissions will fall. Reconsidering the planned tax exemption for coal used in electricity generation and gradually phasing out the advantageous tax treatment of diesel relative to gasoline would be beneficial for the local environment.

Domestic demand is driving growth

Private consumption has picked up further, and investment has increased strongly, both aided by the recovery of the housing market. Business investment in non-real estate assets has started to expand as well. Employment has grown robustly, and stronger output growth together with structural labour market reforms triggered substantial inflows into the labour force. The improved employment conditions, low inflation and higher real

Netherlands



1. As a percentage of the labour force. Long-term unemployment refers to those who have been unemployed for 12 months or more.
2. Price index of existing own homes that are located on Dutch territory and sold to private individuals.
3. Unweighted average.

Source: Eurostat; and Statistics Netherlands (CBS).

StatLink http://dx.doi.org/10.1787/888933296410

Netherlands: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	645.0	-0.4	1.0	2.2	2.5	2.7
Private consumption	289.8	-1.4	0.0	1.9	1.5	1.7
Government consumption	169.9	0.2	0.3	-0.3	0.6	1.0
Gross fixed capital formation	121.9	-4.5	3.5	10.4	7.0	5.6
Final domestic demand	581.6	-1.6	0.8	3.0	2.4	2.4
Stockbuilding[1]	1.6	-0.1	-0.1	-0.8	0.1	0.0
Total domestic demand	583.2	-1.7	0.6	2.1	2.6	2.5
Exports of goods and services	528.1	2.4	4.0	4.6	3.9	5.3
Imports of goods and services	466.4	1.1	4.0	4.8	4.3	5.4
Net exports[1]	61.8	1.1	0.5	0.4	0.2	0.5
Memorandum items						
GDP deflator	_	1.3	0.8	0.3	1.3	1.5
Harmonised index of consumer prices	_	2.6	0.3	0.3	1.2	1.6
Private consumption deflator	_	2.2	1.3	0.2	1.3	1.6
Unemployment rate	_	7.3	7.4	6.9	6.6	6.1
Household saving ratio, net[2]	_	7.3	8.2	8.5	8.8	9.5
General government financial balance[3]	_	-2.4	-2.4	-2.0	-1.3	-0.7
General government gross debt[3]	_	76.0	80.9	80.8	80.5	79.3
General government debt, Maastricht definition[3]	_	67.9	68.2	68.1	67.8	66.7
Current account balance[3]	_	11.0	10.6	11.0	10.7	10.6

1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297168

wages pushed consumer confidence to the highest level since the beginning of the crisis. Producer confidence has also been strong, but has broadly stabilised.

The government budget for 2016 includes tax cuts and additional spending for a total of EUR 5 billion (0.7% of GDP), which broadly offset the tightening effect in 2016 of measures that were decided in recent years. The budget deficit will decrease further, although the structural deficit is estimated to deteriorate slightly and remain above the medium-term objective of 0.5% of GDP. The new measures will support household consumption and labour supply through lower income taxes. Higher childcare subsidies will facilitate women's participation in paid work, and a reduction in labour costs for employees with low incomes will increase their chances of finding work. However, plans for a broader overhaul of the tax system, including environmental taxes, have been shelved.

Structural reforms should continue

Long-term unemployment remains high, especially among older workers. Many small companies have considered the two-year period of sickness pay at the charge of individual employers to be an obstacle to hiring, and the introduction of a collective insurance for the second year, as has been recently announced, will thus support labour demand. Earlier

activation of the recently unemployed would improve labour market outcomes, as current active labour market measures start only after three months.

The structure of the housing market contributes to drive up prices and hamper much needed investment in private rental housing. The rental market could be strengthened by expanding the unregulated rental sector and by reducing public support for home ownership. More public support for energy efficiency improvements of dwellings would reduce the high level of residential greenhouse gas emissions.

Growth will increase further

The domestic economy is projected to maintain its strong growth momentum and will be helped by solid growth in Germany, the United Kingdom and the United States, which are key export partners. Inflation is set to edge up as capacity utilisation tightens. Job creation will remain strong and lead to a more pronounced fall in unemployment over time as inflows into the labour force slow down. Stronger economic growth will improve the public finances.

Growth would be damped if past economic weakness undermined the financial position of SMEs to such an extent that it inhibits their investment. If, by contrast, lending picks up sharply, the capital position of banks could become a bottleneck, while in general the fragile insurance sector could also generate negative spillovers. A further restriction of gas production would result in lower growth and budget revenues. Stronger growth in the euro area would lift external demand, but subdued growth of emerging markets could weaken growth indirectly by hurting trading partners.

NEW ZEALAND

Economic growth is projected to slow to 1.9% in 2016 before recovering slightly in 2017. Activity is being held back by a sharp fall in global dairy prices, softer external demand, a diminished boost from the Canterbury rebuild and a predicted drop in agricultural output due to drought as a result of *El Niño*. A normalisation of weather conditions, along with additional monetary stimulus and faster global growth should provide greater support to exports and business investment in 2017.

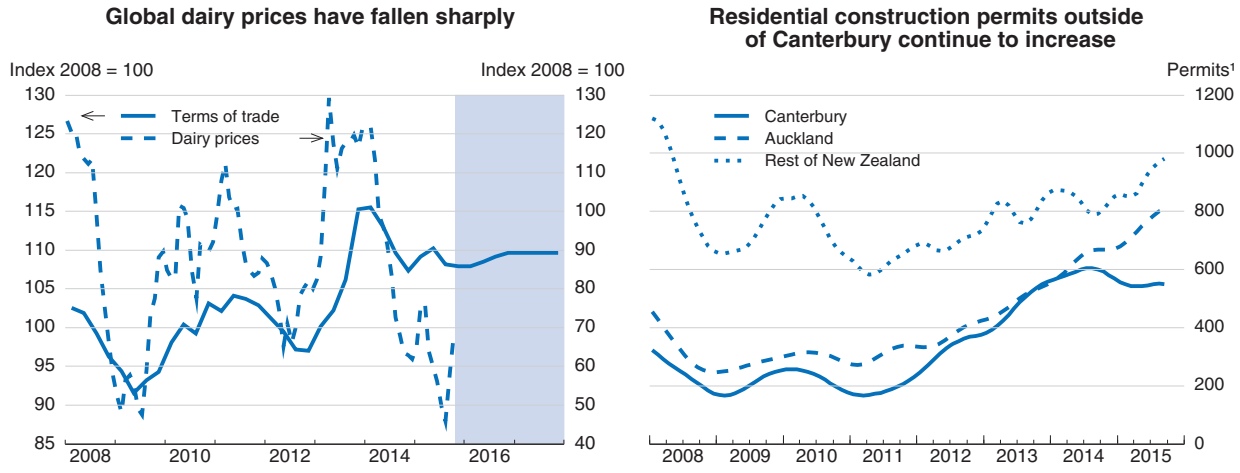
Additional monetary accommodation is appropriate to support a return of inflation to the 1-3% target range. However, there are financial stability risks associated with the housing boom; further efforts to reduce barriers to house building in Auckland would help alleviate pressures. Fiscal consolidation should proceed as planned, but efforts to improve the well-being of the most vulnerable New Zealanders need to continue to make growth more inclusive.

Terminating the transitional arrangements that halve the number of emission permits (and hence their price) needed by emitters in the NZ Emissions Trading Scheme would improve environmental outcomes. Developing a strategy through a combination of pricing, regulation and R&D could help to contain greenhouse gas emissions from livestock, a major source of emissions in New Zealand.

Economic growth has slowed

Economic growth has slowed in 2015, mainly owing to a sharp fall in global dairy prices which has depressed the terms of trade. In addition, the Canterbury rebuild has peaked, and its boost to residential investment is therefore fading. However, persistently strong net immigration, robust construction activity in Auckland, low interest rates and the large depreciation of the New Zealand dollar provide underlying support to growth. Given slowing momentum, employment gains have failed to keep pace with labour force growth,

New Zealand



1. New dwellings permits, trend (as defined by Statistics New Zealand).

Source: GlobalDairyTrade, Trading Events Historical Data, October 2015; Statistics New Zealand, Building Consents Statistics, October 2015; and OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296426

New Zealand: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices NZD billion	Percentage changes, volume (2009/2010 prices)				
GDP at market prices	213.7	2.5	3.0	2.3	1.9	2.3
Private consumption	125.1	3.0	3.2	2.6	2.4	2.2
Government consumption	41.5	2.0	3.0	2.7	0.6	0.7
Gross fixed capital formation	45.1	8.6	8.8	2.2	3.4	2.3
Final domestic demand	211.6	4.0	4.4	2.5	2.3	1.9
Stockbuilding[1]	1.1	0.1	0.1	-0.1	0.1	0.0
Total domestic demand	212.7	4.0	4.4	2.4	2.4	1.9
Exports of goods and services	62.7	1.0	3.0	5.4	1.6	4.4
Imports of goods and services	61.7	6.4	7.9	6.0	3.0	3.0
Net exports[1]	1.0	-1.5	-1.3	-0.1	-0.4	0.4
Memorandum items						
GDP deflator	_	2.9	2.1	1.1	1.0	1.9
Consumer price index	_	1.1	1.2	0.4	1.4	1.8
Core consumer price index[2]	_	1.2	1.4	1.2	1.5	1.8
Private consumption deflator	_	0.6	0.8	0.6	1.0	1.4
Unemployment rate	_	6.3	5.8	5.9	5.9	5.6
Household saving ratio, net[3]	_	2.2	3.2	3.4	3.2	3.3
General government financial balance[4]	_	0.3	1.3	1.4	1.5	1.8
General government gross debt[4]	_	40.7	41.1	41.1	39.5	37.6
Current account balance[4]	_	-3.1	-3.1	-4.3	-5.6	-4.9

1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297176

resulting in a slight increase in the unemployment rate since late 2014. Wage pressures remain subdued. Falling oil prices, past NZ dollar strength and a reduction in vehicle accident insurance levies have kept headline CPI inflation below the Reserve Bank's 1-3% target range.

Fiscal consolidation continues, but monetary policy remains accommodative

The underlying primary surplus is projected to rise cumulatively by 0.5% of potential GDP over 2015-17, largely through ongoing expenditure restraint. The fiscal position needs to continue to be strengthened, as New Zealand generally faces large macroeconomic shocks and long-term pension and health-care spending pressures. At the same time, planned consolidation should be undertaken without sacrificing continued efforts to improve the well-being of the most vulnerable members of society.

The Reserve Bank has lowered policy rates by 75 basis points since June 2015, reaching 2.75%, to drive CPI inflation up towards the midpoint of the target range. It has announced that further monetary accommodation would be likely, depending on the flow of economic data. It is assumed in the OECD projections that further interest rate cuts will occur in the fourth quarter of 2015 and in early 2016, bringing the official rate to 2.25%. House prices

have been rising rapidly in Auckland, a situation that the Reserve Bank needs to continue to monitor and which calls for maintaining macro-prudential measures. Housing supply has been responding to higher prices, but reducing remaining barriers to building would further ease pressures. Recent measures to rein in investor purchases, and the decision to strengthen the test for making taxable gains from the sale of properties that are purchased with an intention of resale, appear to have led to some moderation in house price increases.

Growth should remain subdued

Growth is projected to moderate to 1.9% in 2016 as the boost from the Canterbury rebuild eases and net immigration slows. In addition, *El Niño* is likely to cause drought conditions in some areas of the country, weakening agricultural production and exports and hydro-electricity production. A normalisation of weather conditions, along with additional monetary stimulus and a faster global expansion should support a recovery to 2.3% growth in 2017. Accordingly, the unemployment rate is projected to edge down in 2017. Wage increases may remain modest, but headline inflation is projected to pick up to 1.9% by late 2017, reflecting exchange rate pass-through (particularly in 2016) and less economic slack.

Prospects may be weaker than expected if China experiences a sharp slowdown in activity, which could lower demand for New Zealand output and could further reduce dairy prices. The effects of *El Niño* are uncertain and could be greater or smaller than assumed in the projection. On the upside, dairy prices could recover more than projected, supporting income growth. The persistence of high rates of immigration (rather than the moderation assumed in the projection) would lead to stronger growth. Continued house price appreciation would boost household wealth and consumption but also poses a growing risk of a damaging correction to the extent that prices deviate from fundamentals.

NORWAY

Growth is projected to recover gradually in 2016 and 2017 as non-oil investment picks up in response to higher exports and some new oil investment projects start up. Aggregate demand will also be sustained by accommodative macroeconomic policies. Unemployment will rise but remain low in the OECD context. Inflation has been temporarily boosted by currency depreciation but is otherwise contained by remaining cyclical slack. The extensive welfare state is cushioning the impact of the economic slowdown on well-being and protecting the vulnerable.

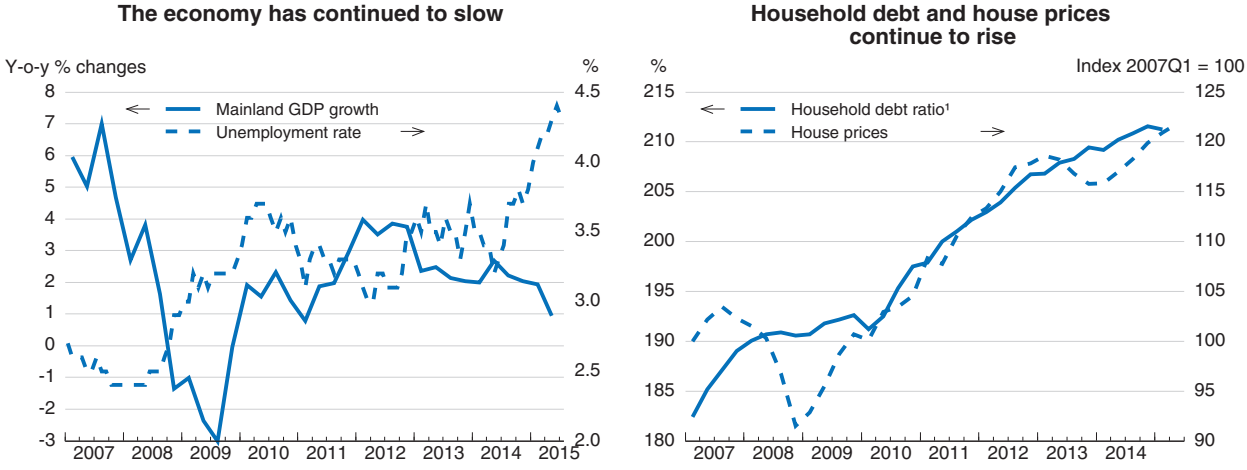
Monetary and fiscal policies are appropriately supporting activity, but will have to tighten as growth picks up. The use of macro-prudential tools to contain risks from high and rising house prices and household debt is welcome. Further improvement to the business environment, including shifting from direct to indirect taxation, and better business regulation and education outcomes would set the conditions for broad-based and inclusive growth.

Norway has a comprehensive framework for incorporating environmental issues into policy-making and a long experience in the use of taxation of greenhouse gas emissions. Most emissions are covered by carbon taxes and/or the EU emission trading system. Further research into more cost efficient greenhouse-gas emission reductions would be useful.

Low oil prices weigh on growth

Mainland output growth has continued to slow in 2015 as the drop in petroleum investments affected non-oil activities. Consumption has held up, supported by low interest rates and expansionary fiscal policy. Currency depreciation and moderate wage growth are strengthening the competitiveness of non-oil exports. The unemployment rate has increased to over 4% of the labour force in 2015. The regions affected by oil-related

Norway



1. Ratio of household debt to disposable income.

Source: OECD Economic Outlook 98 database; Statistics Norway; and Norges Bank.

StatLink http://dx.doi.org/10.1787/888933296435

Norway: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices NOK billion	Percentage changes, volume (2012 prices)				
GDP at market prices	2 965.2	0.7	2.2	1.2	1.1	1.9
Private consumption	1 176.4	2.1	2.0	2.4	1.7	2.5
Government consumption	618.4	1.7	2.7	2.4	2.7	1.5
Gross fixed capital formation	659.8	6.8	0.6	-3.5	0.2	2.3
Final domestic demand	2 454.6	3.3	1.8	0.8	1.6	2.2
Stockbuilding[1]	127.3	0.5	0.2	0.8	-0.6	0.0
Total domestic demand	2 581.9	3.6	1.9	1.6	0.8	2.1
Exports of goods and services	1 204.4	-3.0	2.7	2.1	1.8	2.5
Imports of goods and services	821.0	4.3	1.9	3.3	1.4	3.1
Net exports[1]	383.3	-2.4	0.5	-0.2	0.3	0.0
Memorandum items						
Mainland GDP at market prices[2]	_	2.3	2.2	1.3	1.6	2.2
GDP deflator	_	2.7	0.4	-0.9	2.7	2.4
Consumer price index	_	2.1	2.0	2.1	2.4	2.1
Private consumption deflator	_	2.8	2.3	2.5	2.6	2.4
Unemployment rate	_	3.4	3.5	4.3	4.5	4.3
Household saving ratio, net[3]	_	7.6	8.5	8.4	8.3	8.3
General government financial balance[4]	_	10.8	9.1	6.9	5.5	5.4
General government gross debt[4]	_	35.0	32.7	34.1	36.2	37.9
Current account balance[4]	_	10.0	9.4	7.1	7.1	7.1

1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297182

activities have been mostly affected. The economic downturn is containing inflationary pressures. Housing prices and household debt are quite high and are still rising, posing financial and real-side vulnerabilities.

Macroeconomic and structural policies are appropriately supportive

The central bank has gradually reduced its policy rate and has room to continue to support activity. Inflation is temporarily boosted by currency depreciation but otherwise is contained by remaining economic slack and inflation expectations remain low. Appropriately, macro-prudential tools are being used to mitigate the risks from the housing market. The new rules on mortgage lending practices that are due to expire in 2016 need be renewed if the housing market pressures continue.

The 2016 budget proposal provides a fiscal stimulus of 0.7 percentage point of trend mainland GDP. However, as activity recovers, fiscal policy should become less expansionary. In addition to tax reductions, including a cut in the corporate tax rate, the budget proposal also contains plans for new infrastructure investment and increased spending on education, as well as initiatives to modernise public administration. These

steps will help rebalance and attract non-oil investment. Further shifts in the tax mix towards indirect taxes would be welcome.

The increased spending on education and reforms in higher education to improve quality will enhance skills and boost productivity and broad-based inclusive growth. Training programmes for adults to gain basic skills and qualifications and enhanced care services will also make growth inclusive by bringing jobs to the disadvantaged and boosting welfare. Further reforms in other areas, including more extensive use of cost-benefit analysis in infrastructure projects and lowering incentives for early retirement, would also promote broad-based growth.

The economy is projected to recover gradually

Accommodative macroeconomic policies and strong non-oil exports will underpin firmer growth. Non-oil business investment is expected to firm up as global demand increases and domestic prospects improve. In the petroleum sector, an expected fall in production will dent total export growth in 2016, although new investment projects will partly offset the decline in ongoing projects. Unemployment will fall as activity recovers. Inflation will remain low given economic slack and as the impact of the currency depreciation abates.

An important risk to the outlook stems from uncertain oil price developments. A further decline in oil prices could see substantial cuts in oil production and exploration activity, curbing demand for mainland inputs to the offshore sector. By contrast, a rise in oil prices from the current low levels would boost demand and production. The speed of the recovery is also affected by export demand in Europe. Domestically, the high level of households' indebtedness increases their vulnerability to interest rate or house price shocks. However, further improvements in competitiveness could boost growth more than anticipated.

POLAND

Real GDP should continue to grow around 3½ per cent annually, supported by solid investment and consumption growth. Considerable infrastructure investment supported by EU funds will continue to underpin productivity and GDP growth, despite a temporary slowdown in 2016 at the switchover of budget periods for EU funds. Consumer price inflation is expected to gradually recover as the effect of sharp falls in energy and food prices fades.

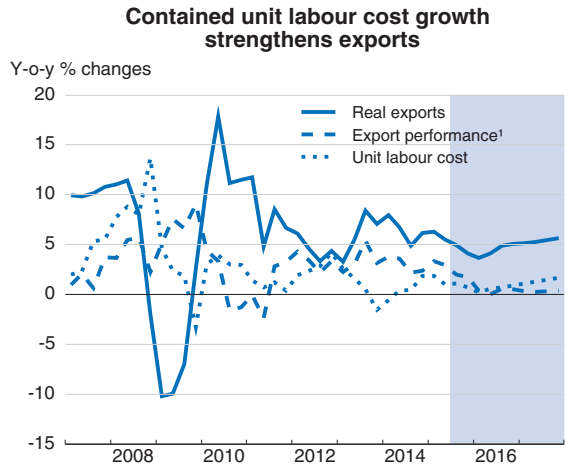
The central bank is assumed to start raising interest rates from record low levels at end-2016, as economic slack diminishes and inflation turns up. Now that Poland has exited the EU excessive deficit procedure, the recently elected government plans various revenue reforms and higher spending on child benefits. In the context of weak revenue growth owing to low inflation, further consolidation efforts are needed to continue gradual deficit reduction in 2016. Further lowering incentives to use irregular work contracts would strengthen productivity, wages and inclusiveness.

Focusing infrastructure spending on renewable energy, rail and urban public transport would help reduce Poland's dependence on coal and road traffic, with positive effects on the climate and public health. Coherent and stable climate change policies and road pricing are needed along with green tax reform to provide for a strong price signal to internalise the effects of CO_2 emissions.

Output growth has been robust

Real GDP has been growing at a solid pace. Improved labour market outcomes and rising real incomes related to falling food and energy prices are supporting consumption. Infrastructure spending, enterprises' good financial situation and easy credit have underpinned rapid investment growth. Contained unit labour cost growth has contributed to Poland's continued integration into global value chains and strong export performance.

Poland



1. Volume; export performance is measured as actual growth in exports relative to the growth of the country's export markets.
2. Deflated by CPI.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296446

Poland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices PLN billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 629.0	1.3	3.3	3.5	3.4	3.5
Private consumption	1 002.7	0.2	2.5	3.5	3.5	3.6
Government consumption	292.0	2.2	4.9	3.1	2.5	2.5
Gross fixed capital formation	322.5	-1.1	9.8	7.8	5.8	6.7
Final domestic demand	1 617.1	0.3	4.4	4.3	3.8	4.1
Stockbuilding[1]	19.6	-1.0	0.5	-0.5	0.0	0.0
Total domestic demand	1 636.7	-0.7	4.9	3.7	3.8	4.1
Exports of goods and services	723.6	6.1	6.4	5.2	4.4	5.4
Imports of goods and services	731.3	1.7	10.0	5.5	5.2	6.5
Net exports[1]	- 7.7	1.9	-1.5	-0.1	-0.3	-0.5
Memorandum items						
GDP deflator	_	0.4	0.4	0.2	1.1	1.7
Consumer price index	_	1.0	0.1	-0.8	1.0	1.7
Private consumption deflator	_	0.4	-0.1	-1.5	1.0	1.6
Unemployment rate	_	10.3	9.0	7.6	7.3	7.1
General government financial balance[2]	_	-4.0	-3.3	-2.8	-2.8	-2.4
General government gross debt[2]	_	62.6	65.9	66.9	66.9	66.5
General government debt, Maastricht definition[2]	_	55.9	50.4	51.5	51.5	51.1
Current account balance[2]	_	-1.3	-2.0	-0.2	-1.0	-1.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297198

Deficit reduction should continue and green investment is needed to improve well-being

As a result of steep declines in food and energy costs, consumer prices have been falling since July 2014. The central bank has kept the official interest rate at a record low rate of 1.5%. After the effect of the mid-year's further oil price decline fades, headline consumer prices are expected to rise gradually owing to continued labour market improvement and rising wages. Rate increases to normalise monetary policy should start at end-2016. However, caution is necessary to avoid destabilising capital inflows, as monetary policy remains extremely supportive in the euro area.

Now that Poland has exited the EU excessive deficit procedure, the government should continue following its expenditure rule to gradually reduce the deficit. Additional spending restraint would be needed in 2016 to achieve this as revenue growth is expected to be weak owing to low inflation. Any future tax or expenditure reforms should be budget neutral, at a minimum, in order to avoid jeopardising deficit and debt objectives. Postponing the reversal of an earlier VAT rise foreseen in 2017 would be worth considering until measures to strengthen compliance take effect.

The government has started to levy social contributions on widely used contracts governed by civil rather than labour law and not subject to minimum wage or regular social security provisions. A further alignment of tax and social contribution provisions with

labour contracts, along with a revenue-neutral reform cutting labour taxes on low wage earners, would improve working conditions and access to training, thereby buttressing future productivity, wages and inclusiveness.

Ample availability of EU funds over the next 5 years provides an excellent opportunity to upgrade Poland's ageing and emissions-intensive energy, transport and housing infrastructure. This would bolster productivity, mitigate climate change and reduce health damage from urban air pollution. The focus should be on substantially increasing the share of renewables in energy production; on boosting rail and urban public transport investment; and on improving the energy efficiency of the housing stock. In addition to public investment in public transport and energy infrastructure, stable climate change policies, road pricing and a uniform economy-wide CO_2 price are all needed to encourage necessary private investment.

Growth will remain strong

Further firming of employment and wages will continue to support private consumption growth. Investment should grow at a somewhat slower pace, as capacity has already expanded significantly and demand remains uncertain. The use of EU funds is assumed to gain momentum going into 2017 after a temporary slowdown that tends to occur at the switchover of budget periods. After a soft patch in the second half of 2015, mainly owing to summer holidays in German car plants and a heatwave, export growth is expected to resume gradually in line with strengthening world trade.

Renewed turmoil in the euro area and a sharp slowdown in emerging market economies, in particular Russia or China, could depress exports and investment. A stronger-than-expected effect of the automobile emissions scandal could impact on exports of Polish suppliers and car plants. By contrast, private consumption and investment could respond more strongly to confidence improvements and income gains.

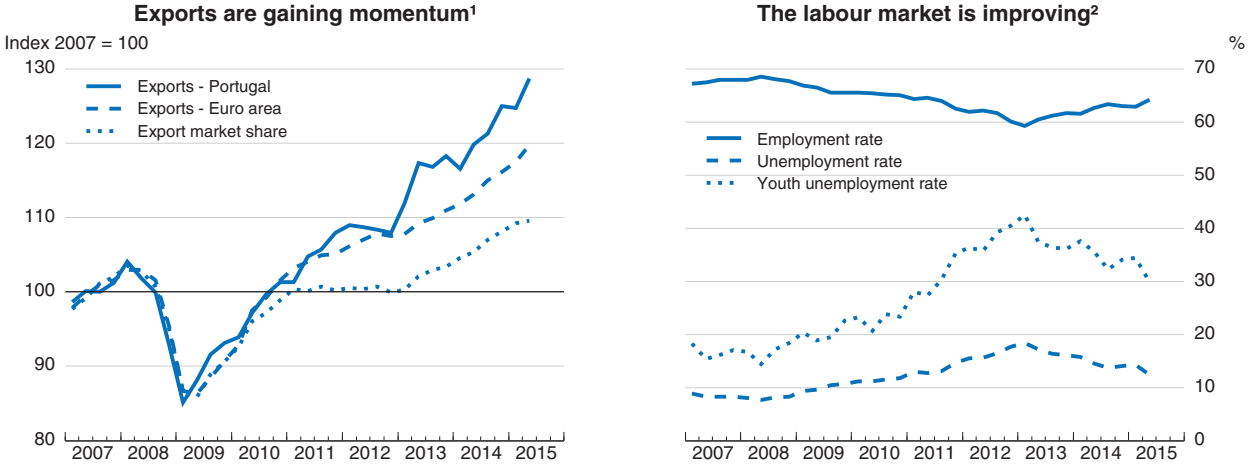
PORTUGAL

The economic recovery is projected to continue in 2016 and 2017, boosted by private consumption and exports. However, growth will ease from the high rate in 2015, as much of the current investment pick-up is likely to lose steam once capital stocks have been rebuilt, following a decline in investment of nearly 35% between 2007 and 2014. The pace of the recovery will allow further reductions of the unemployment rate, albeit only small ones.

The rebalancing of the economy has made significant progress with structural improvements in the fiscal and current account balances. However, potential growth needs to be further boosted to enable public and external debt to be put firmly on a declining path. Hence, additional efforts to reduce corporate debt are essential for strengthening investment and accelerating the reallocation of credit towards the tradeable sector, which would be particularly beneficial for exporting firms. Strengthening competition in energy and professional services sectors would lower input prices for other sectors and bolster export competitiveness. A comprehensive assessment of the effects of recent structural reforms is needed, including an evaluation of progress on implementation. Reducing the high share of long-term unemployment and young people not in education or employment would raise output and reduce inequality and poverty.

Although Portugal has been a leader in renewable energy, legacy remuneration schemes provided significant rents to incumbent electricity generators. Even though policy action has led to a considerable reduction in these rents, additional measures should be taken to further decrease them and to boost competition in the sector, also enhancing the competitiveness of downstream industries. Accelerating plans to improve connectivity to European networks would also stimulate efficiency. Further

Portugal



1. Exports of goods and services. Export market share is defined as total exports divided by a weighted sum of partner countries' total imports, the weights being equal to nominal exports to the respective partner countries as a share of total nominal exports in 2010.
2. Age 15-24 for youth, age 15-64 for other series. Break in series in first quarter of 2011.

Source: OECD Economic Outlook 98 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933296450

Portugal: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2011 prices)				
GDP at market prices	168.4	-1.1	0.9	1.7	1.6	1.5
Private consumption	111.6	-1.2	2.2	2.5	1.6	1.5
Government consumption	31.2	-2.0	-0.5	0.5	0.5	0.4
Gross fixed capital formation	26.7	-5.1	2.8	6.0	3.0	2.6
Final domestic demand	169.5	-2.0	1.8	2.7	1.6	1.5
Stockbuilding[1]	- 0.2	0.0	0.4	0.0	0.0	0.0
Total domestic demand	169.3	-2.0	2.2	2.7	1.7	1.5
Exports of goods and services	63.5	7.0	3.9	6.8	5.9	5.5
Imports of goods and services	64.4	4.7	7.2	9.2	6.0	5.4
Net exports[1]	- 0.9	0.9	-1.2	-0.9	0.0	0.0
Memorandum items						
GDP deflator	_	2.3	1.0	1.4	0.5	0.8
Harmonised index of consumer prices	_	0.4	-0.2	0.5	0.7	1.0
Private consumption deflator	_	0.8	0.6	0.6	0.4	0.7
Unemployment rate	_	16.2	13.9	12.3	11.3	10.6
Household saving ratio, gross[2]	_	-0.2	-2.3	-0.1	-0.3	-1.1
General government financial balance[3,4]	_	-4.8	-7.2	-3.0	-2.8	-2.6
General government gross debt[3]	_	141.3	150.8	148.9	148.5	148.0
General government debt, Maastricht definition[3]	_	129.0	130.2	128.2	127.9	127.4
Current account balance[3]	_	1.4	0.5	0.6	0.5	0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP at market value.
4. Based on national accounts definition.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297205

strengthening the reliance on green taxes, while reducing other taxes, would enhance investment incentives and promote sustainable growth.

Economic activity is strengthening

The economy is growing somewhat faster than the average growth registered since Portugal joined the euro area, with both domestic and external demand strengthening. Consumer spending is supported by lower oil prices and a sharp decline in unemployment. After contracting each year since 2010, public consumption has also started to support growth. Business investment remains solid for now, owing to a necessary reconstitution of depleted capital stock after years of very low investment and more supportive financial conditions. Robust external demand and a weaker euro have allowed a strong rebound in exports and Portugal is gaining export market shares. However, the high level of youth and long-term unemployment continues to limit potential growth.

Fiscal consolidation has eased but high leverage continues to be a drag on the economy

The primary balance is expected to turn positive in 2015, breaking an over-20-year-long series of consecutive deficits. The government has moderated the pace of fiscal consolidation, but higher-than-budgeted expenditure and lower revenue growth will make it more difficult to reach the deficit target of 2.7% of GDP for 2015. Gross public debt and interest payments are being reduced by refinancing high-interest loans with lower-interest bond issuance and drawing down cash and asset holdings. However, the debt ratio remains at an uncomfortably high level and the projected decline in deficits together with the low growth potential of the economy is not sufficient to put the debt-to-GDP ratio on a firmly declining path.

An evaluation of the revenue-raising capacity of recent tax reforms should be pursued, and this could also help to achieve a tax structure that is more supportive of growth, the environment and equity. The effectiveness of active labour market policies in reducing youth and long-term unemployment should also be assessed, including the ability to reach out to non-registered young people who are not in employment, education and training. More should be done to reduce public expenditures.

While fiscal consolidation has made progress, the corporate sector remains highly indebted and non-performing loans continue to rise, weighing on banks' profitability and impairing the credit channel. Accelerating corporate sector debt resolutions by a swift liquidation of non-viable firms and restructuring viable but over-leveraged firms would free financial resources to support new investment and accelerate the ongoing rebalancing towards the export sector.

Sustaining growth will require maintaining reform momentum

Growth is set to continue over the forecast period, but will lose some steam as the need to rebuild the capital stock fades away and investment growth decelerates. Hampered by high corporate debt and low bank profitability, business investment will not be sufficiently vigorous to accelerate job creation and provide a stronger basis for consumption growth once firms complete rebuilding depleted capital stock. As favourable cyclical tailwinds fade away, sustaining export growth and guaranteeing a steady reduction in external debt will require further structural reforms to boost competitiveness and potential growth.

Apart from declining activity in Angola, risks are mainly domestic. High leverage, private and public, and low bank profitability remain an important source of vulnerability. Failure to meet fiscal targets could dent confidence and raise borrowing costs. Political instability could slow down reforms which will weigh on medium-term growth prospects. By contrast, further reforms that successfully improve competitiveness, facilitate investment, and increase the skills of the young, particularly vocational education and training, and long-term unemployed would bolster confidence and growth. Territorial development and lighter local regulations can also improve the investment climate.

RUSSIA

The economy is in recession. Falling oil prices, international sanctions and capital flight have reduced investment, domestic consumption and imports. The large depreciation of the ruble has pushed inflation to double digits and reduced real incomes, especially of the poorest. Recovery will be only gradual against the backdrop of an uncertain external environment and lack of structural reforms. Unemployment will rise from the current low levels. Growth is projected to turn positive in 2017 as exports strengthen and domestic demand recovers.

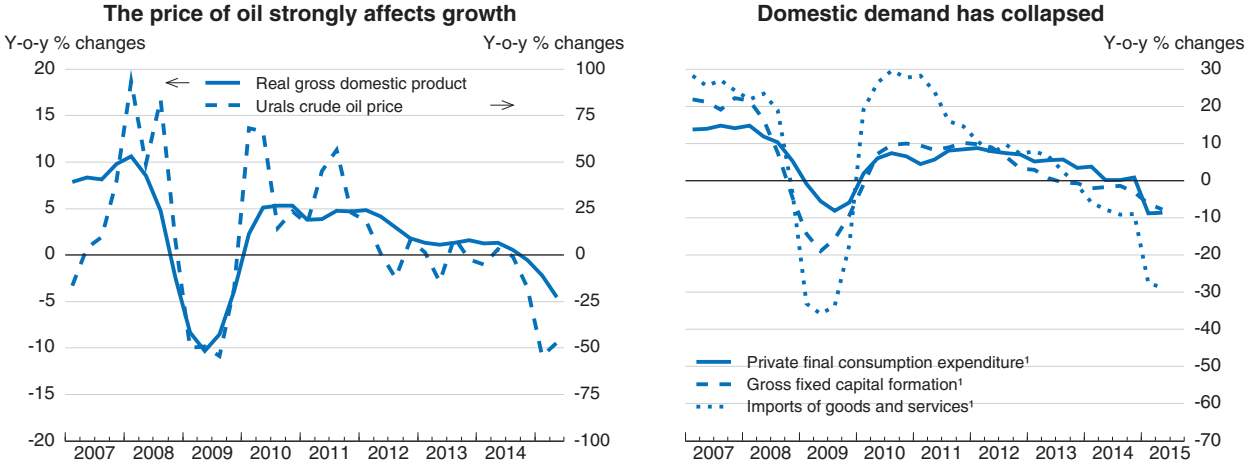
The accommodative fiscal stance is appropriate, given the size of the demand shock. Targeted income support to lower-income groups would reduce poverty risks from large falls in real wages. Fiscal consolidation is nevertheless needed in the medium term to adjust to lower oil prices and an ageing population. The scope for monetary policy easing will depend on declines in inflation and inflation expectations. Weakening bank balance sheets should be monitored closely to arrest the build-up of non-performing assets. Measures to combat corruption, reduce the role of the state in the economy and to reinforce skills and innovation would raise potential growth.

Energy intensity is high and Russia is one of the world's largest emitters of greenhouse gases. Low air quality contributes to a high premature mortality rate. Attaining the goal of a 40% reduction of the energy intensity of GDP from 2008 levels by 2020 will be challenging. Energy intensity could be substantially reduced by eliminating high fuel subsidies (costing 2% of GDP), which would improve energy efficiency in transport, housing and industry.

Domestic demand has collapsed due to the low oil price and lower real incomes

The dramatic fall in the oil price has greatly reduced export and fiscal revenues. Investment has declined strongly due to general uncertainty, high financing costs and

Russia



1. In volume.

Source: OECD Economic Outlook 98 database; and Thomson Reuters (2015), Datastream Database.

StatLink http://dx.doi.org/10.1787/888933296463

Russia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices Russian Ruble trillion	Percentage changes, volume (2008 prices)				
GDP at market prices	62.2	1.3	0.6	-4.0	-0.4	1.7
Private consumption	31.3	4.9	1.2	-9.8	-0.9	0.9
Government consumption	11.7	1.1	-0.1	-0.3	-0.4	0.0
Gross fixed capital formation	13.1	0.6	-2.1	-7.2	-0.1	3.9
Final domestic demand	56.1	3.1	0.2	-6.9	-0.3	0.0
Stockbuilding[1]	1.6	-1.8	-1.1	-5.7	-0.2	0.0
Total domestic demand	57.7	1.2	-1.0	-13.4	-0.9	1.4
Exports of goods and services	18.4	4.6	-0.1	1.1	1.6	3.8
Imports of goods and services	13.9	3.8	-7.9	-27.3	-0.4	3.7
Net exports[1]	4.5	0.5	1.8	6.6	0.6	0.4
Memorandum items						
GDP deflator	_	5.0	7.2	7.2	8.2	5.6
Consumer price index	_	6.8	7.8	15.6	9.5	6.1
Private consumption deflator	_	6.4	8.3	18.4	10.0	6.3
General government financial balance[1,2]	_	0.3	0.3	-4.0	-3.2	-1.8
Current account balance[1]	_	1.7	3.2	6.6	6.6	6.2

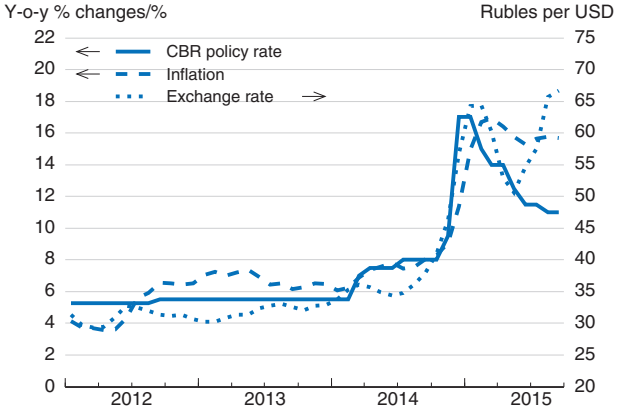
1. As a percentage of GDP at market value.
2. Consolidated budget.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297312

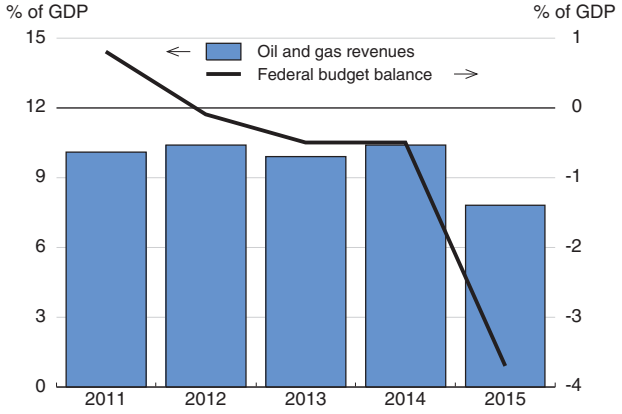
limited access to international finance. Consumption has been hit by a large cut in real wages, loss of confidence and tighter financing conditions for consumer loans. Imports have declined sharply in response to weak demand and external sanctions, while exports held up in real terms, aided by the sharp depreciation of the ruble.

Russia

Central bank moderated the easing cycle due to renewed ruble weakness



The fall in oil prices poses fiscal challenges



Source: Russian Ministry of finance; OECD Economic Outlook 98 database; IMF International financial statistics database; Bank of Russia; and Thomson Reuters (2015), Datastream Database.

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The large ruble depreciation has pushed up inflation. Food prices have increased even more. A sharp drop in real wages that were not fully indexed to inflation has helped labour market adjustment and unemployment rose only a little from low levels. However, it also cut real incomes and raised poverty risks. Pensions and social benefits were also only partially indexed to inflation, eroding purchasing power of vulnerable groups. The poverty rate has increased significantly, from 11% in 2013 to 15% in the first half of 2015, with around 22 million people living in poverty.

The large drop in imports has improved the current account despite lower oil prices, but it reflects the collapse in incomes and domestic demand. External sanctions have raised uncertainty, triggered capital outflows and aggravated ruble depreciation. With international financing cut off, Russian borrowers have been unable to roll over their external debt, although banks and companies were able to draw on their foreign currency assets and the central bank provided foreign exchange liquidity.

Monetary and fiscal policy are constrained by high inflation, negative growth and low oil revenues

The large depreciation has absorbed part of the oil shock by reducing the cut in oil and gas revenues in ruble terms. To defend the ruble and arrest capital flight, the central bank raised interest rates to a 10-year record high of 17% in December 2014. Ruble depreciation fuelled inflation, and the central bank faced a difficult environment of negative growth and soaring inflation. The central bank is more clearly focused on achieving a medium-term inflation target of 4%, and accordingly slowed monetary easing in response to the exchange rate depreciation and associated spike in inflation. It has kept the policy rate at 11% for the last three months. If inflation and inflation expectations fall, as expected, the central bank will be able to further reduce interest rates.

The central bank should be vigilant with respect to foreign exchange liquidity provisions for banks and avoid propping up insolvent institutions. To prevent a crisis, the authorities introduced a capital support programme for banks, while at the same time many small insolvent institutions were closed down. The authorities should remove credit growth targets and weakening bank balance sheets should be monitored closely to avert a build-up of non-performing assets.

Fiscal policy has become increasingly expansionary as the recession has deepened. Low oil prices have cut revenues, while outlays on social programmes, economic subsidies and national defence spending have been raised.

In this challenging environment, it is appropriate to let the automatic stabilisers fully operate. The fiscal deficit will be partly financed from the Reserve Fund, while the National Wealth Fund is being used to recapitalise banks and fund investment. However, the two oil funds cannot support deficits for long, and policy will therefore need to adjust to a potential new reality of lower oil prices and rapid ageing by lowering and restructuring public expenditure. At the same time, means-tested benefits will be needed to protect incomes of the poorest, and more focus on supporting education and providing a fertile environment for innovation is needed to help growth and raise non-oil fiscal revenues. Reducing corruption by raising transparency and accountability in the public sector and judiciary, easing administrative barriers and lowering state involvement could make growth more inclusive for all.

Growth will return in 2017

The economy is projected to stagnate in 2016 and return to weak growth in 2017. The dissipation of the negative impact of current account shocks, improved macroeconomic stability and lower inflation will help domestic demand to gradually recover. At the same time, global growth will help sustain exports. Unemployment is projected to remain higher than before the crisis.

Projections assume the current low levels of oil prices, a constant low value of the ruble and the continuation of sanctions. Improvement in any of these areas would materially strengthen growth. If geopolitical tensions eased significantly, investment and growth would increase and financing would become easier, but if they were to deteriorate the Russian economy would face further pressures. Meanwhile, scarce resources are used for import substitution, and there is a risk that under current difficult circumstances banks will evergreen non-performing assets, ultimately undermining financial stability. A global slowdown, especially in China, would reduce Russian exports and growth.

SLOVAK REPUBLIC

Economic growth has been robust in 2015 and is projected to increase to around 3½ per cent in 2016 and 2017. Improvements in the labour market and rising incomes will support private consumption. The launch of new car models and the modernisation of production lines by incumbent foreign investors will provide additional momentum to the car industry. Solid growth in the euro area and easing financing conditions will boost investment and exports.

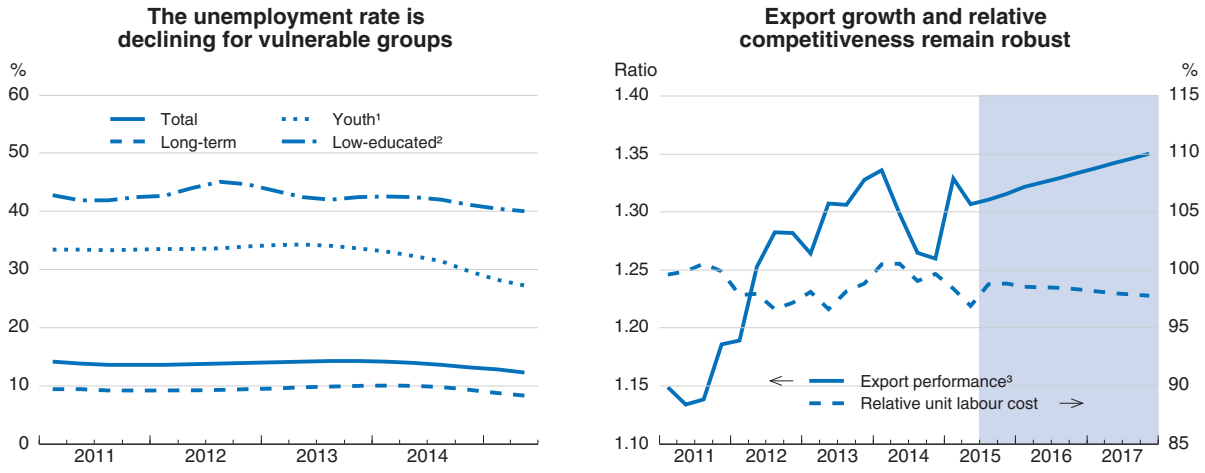
After five years of fiscal consolidation, fiscal policy easing in 2014 and 2015 has provided room for strengthening measures to raise inclusive growth, notably active labour market programmes and social security exemptions for low-wage workers. However, as the Slovak Republic has one of the fastest ageing populations in Europe, further debt reduction is needed in the medium term. Widening the tax base, improving further tax collection and strengthening tax administration capacity are key.

Energy intensity is one of the highest in the OECD, but revenues from environmental taxation are among the lowest. Reducing subsidies on electricity consumption and promoting further renewable energy would make a contribution to climate change mitigation.

Growth is robust and has become more broad-based

Domestic demand has been the main driver of growth for the second consecutive year. Investment growth has accelerated thanks to foreign investment in the automotive industry and robust public investment has been boosted by the absorption of the EU funds remaining from the 2007-13 programme period. Residential investment has also accelerated as households and non-financial corporations have taken advantage of easier financial conditions.

Slovak Republic



1. 15-24 years old.
2. Less than primary, primary and lower secondary education.
3. Export performance is measured as actual growth in exports relative to the growth of the country's export markets.

Source: OECD Economic Outlook 98 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933296483

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

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	72.4	1.4	2.5	3.2	3.4	3.5
Private consumption	41.6	-0.8	2.3	2.2	3.3	3.0
Government consumption	13.0	2.2	5.9	3.0	1.1	0.8
Gross fixed capital formation	15.4	-1.1	3.5	7.0	4.4	3.2
Final domestic demand	70.0	-0.3	3.3	3.4	3.1	2.6
Stockbuilding[1]	- 0.2	0.6	-0.2	0.3	0.2	0.0
Total domestic demand	69.8	0.2	3.0	3.7	3.4	2.6
Exports of goods and services	66.5	6.2	3.6	5.7	5.2	6.6
Imports of goods and services	63.8	5.1	4.3	6.9	5.2	5.8
Net exports[1]	2.7	1.2	-0.4	-0.9	0.2	1.0
Memorandum items						
GDP deflator	_	0.5	-0.2	0.1	1.2	1.6
Harmonised index of consumer prices	_	1.5	-0.1	-0.2	1.0	1.5
Private consumption deflator	_	1.3	-0.1	0.1	0.9	1.5
Unemployment rate	_	14.2	13.2	11.5	10.7	10.0
General government financial balance[2]	_	-2.6	-2.8	-2.7	-1.9	-0.6
General government gross debt[2]	_	60.7	60.1	59.6	59.1	58.3
General government debt, Maastricht definition[2]	_	54.6	53.5	52.9	52.4	51.7
Current account balance[2]	_	1.5	0.1	-0.4	-0.5	0.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297214

A strengthening labour market has supported private consumption. Unemployment has declined across all categories, particularly for youth and the low-skilled. However, two-thirds of the unemployed have not worked for more than one year. Stronger active labour market policies, exemptions of social security contributions for the low-skilled and in-work benefits have all helped to bring more of the most vulnerable back into the labour market. Further efforts are still needed in lagging regions to reduce regional inequality, which is among the highest in the OECD.

Export growth has been boosted by a better external environment, in particular in Germany and other Visegrad countries, which together absorb almost 50% of Slovakia's exports. Growth of wages in line with productivity enabled competiveness to be maintained. Exports to Russia have slowed but the impact is limited as they represent less than 5% of total exports. The Slovak Republic remains a popular destination of FDI in the automotive sector and attracts the production of new models.

Fiscal and monetary policies have been appropriate

The accommodative monetary policy implemented by the European Central Bank has been appropriate for the Slovak Republic as inflation remains subdued. Inflation has been pushed down by the fall of global commodity prices, notably oil prices, and a cut of regulated gas prices.

After five years of substantial fiscal consolidation, a broadly neutral stance in 2014-15 has eased the drag on demand. However, longer-term fiscal challenges require reducing public debt further as the Slovak Republic is one of the fastest ageing countries in Europe. Revenues from the privatisation of Slovak Telekom have helped to reduce the gross debt-to-GDP ratio in 2015. Further consolidation efforts in 2016 and 2017 are assumed to put the debt ratio on a declining trend.

Growth will strengthen as exports recover

Growth is projected to pick up in 2016 and 2017. Private consumption growth will remain robust as the labour market continues to improve. An increase of the minimum wage by 6.5% in 2016 and a further reduction of regulated gas prices will also help to boost consumption growth in 2016, while competitiveness is maintained through a strong recovery in productivity. Measures to strengthen growth in the euro area, including quantitative easing, should boost investment. In 2017, exports will gain momentum as foreign demand strengthens.

A plan for a major greenfield investment from a car manufacturing firm, if it materialises, will provide a new impetus to investment from 2016 and then to exports from 2018 onward. The economy could also be affected by external regional tensions in either way. The consequences of the scandal around diesel cars produced by a major German car manufacturer, which is also one of the biggest exporters and investors in the Slovak Republic, remains uncertain. The baseline forecast assumes that the company will recover from the scandal and will keep consumers' confidence. A sharp slowdown of China could weaken exports, mainly through an indirect effect via German-led global value chains. Progress in the completion of a European banking union and further structural reforms may further boost growth in the euro area.

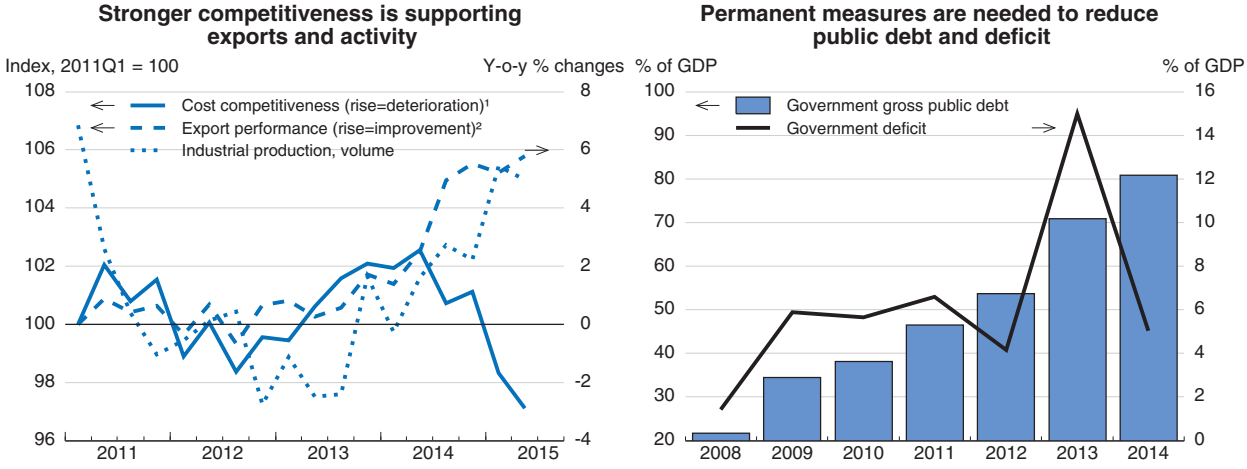
SLOVENIA

Economic growth will be supported by strong exports and gradually recovering private consumption and investment. The improving labour market will raise incomes and the healthier corporate sector will boost investment and improve competitiveness. Growth will slow temporarily in 2016 as investment is expected to decelerate, due to the lower inflow of EU funds. Unemployment will decline gradually, but remaining slack will contain inflation.

Continued corporate restructuring and dealing with remaining non-performing loans in order to revive credit activity remain priorities. Further fiscal consolidation is needed given the high and rising public debt. Permanent measures are key to arrest growing public expenditure, but, at the same time, the incomes of the poorest need to be protected. Well-designed structural reforms to education, health care and public administration could bring savings without jeopardising services. Ageing pressures can be mitigated by raising the participation rates of the young and old. Growth could be raised further by lowering regulatory burdens, continuing to pursue the planned privatisation programme and boosting foreign direct investment.

Greenhouse gas emissions per capita are below the OECD average. Rising emissions from transport, due to heavy international transit traffic on roads, have been offset in recent years by falling emissions from energy. Implicit CO_2 taxation is high but effective tax rates vary across different forms of energy. Measures favouring emissions, such as low tax rates on some forms of energy, should be phased out. The government has introduced measures to support the installation of low-carbon and efficient energy sources, which could be backed up by encouraging an increase in Slovenia's very low expenditure on energy-related R&D.

Slovenia



1. Real effective exchange rates based on unit labour costs for total economy.
2. Export performance is measured as actual growth in exports relative to the growth of the country's export markets, which represents the potential export growth for a country assuming that its market shares remain unchanged.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296493

Slovenia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	36.0	-1.1	3.0	2.5	1.9	2.7
Private consumption	20.4	-4.1	0.7	1.8	1.2	2.6
Government consumption	7.3	-1.5	-0.1	-0.1	-0.2	-0.2
Gross fixed capital formation	6.9	1.7	3.2	2.5	-0.5	2.8
Final domestic demand	34.7	-2.4	1.0	1.6	0.5	2.1
Stockbuilding[1]	- 0.2	0.2	0.5	0.6	0.0	0.0
Total domestic demand	34.5	-2.2	1.6	1.5	0.3	2.0
Exports of goods and services	26.4	3.1	5.8	4.7	5.5	6.1
Imports of goods and services	24.9	1.7	4.0	4.2	3.9	5.8
Net exports[1]	1.5	1.1	1.6	0.7	1.6	0.9
Memorandum items						
GDP deflator	_	0.8	0.8	0.2	0.1	0.3
Harmonised index of consumer prices	_	1.9	0.4	-0.6	0.5	1.1
Private consumption deflator	_	0.8	0.0	-1.7	-0.5	0.3
Unemployment rate	_	10.1	9.7	9.3	9.1	8.4
General government financial balance[2]	_	-15.0	-5.0	-2.9	-2.3	-1.8
General government gross debt[2]	_	79.7	97.4	99.8	101.7	102.7
General government debt, Maastricht definition[2]	_	70.8	80.8	83.2	85.0	86.1
Current account balance[2]	_	5.6	7.0	7.5	8.5	8.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297225

Exports are driving growth

Growth has been sustained by strong recovery in exports as a result of improving competitiveness, and by a temporary peak in public investment in local infrastructure projects financed from EU funds that will expire at end-2015. Private consumption is recovering as the labour market strengthens. Ongoing restructuring and deleveraging of banks and corporates has slowed the recovery in private investment. Banks are cleaning up their balance sheets, but credit to corporates is still falling.

Unemployment has started to decline, but youth and long-term unemployment remain high. The large slack in the economy and the decline in global commodity prices have kept inflation low or even negative. The strongly distributive welfare system has delivered low income inequality and shielded the poorest during the downturn, but long-term unemployment and poverty rates are still on the rise.

Public sector and structural reforms would enhance sustainable and inclusive growth

Public debt has risen in recent years due to recurrent fiscal deficits and large recapitalisations of the banking sector. The planned consolidation path is necessary and appropriate, but more permanent measures are required. Raising efficiency in education, health and public administration would restore the necessary fiscal space to deal with

future crises. Fiscal pressures from population ageing can be countered by raising the participation rates of younger and older workers. Increasing the skills of workers from disadvantaged backgrounds and better targeting of active labour market policies to the long-term unemployed and the low-skilled would make growth more inclusive.

It is crucial that corporate balance sheets are further improved and debt is reduced through further restructuring. Reducing the still large number of non-performing loans held by banks and effectively disposing of the assets of the bad bank would free financing for new growth activities. Simpler regulation, less state ownership and better corporate governance would improve the business environment and attract foreign direct investment.

Improving private demand will sustain growth

Exports will continue to sustain growth as demand picks up in export markets and moderate wage growth continues to improve cost competitiveness. Domestic demand will gradually strengthen as the improving labour market supports household consumption, and expanding credit and healthy companies boost investment. Unemployment will decline further, but inflation will remain low as considerable slack remains.

Export developments depend on the growth of Slovenia's trading partners, especially in Europe. Additional euro depreciation could open access to new markets, but a stronger slowdown in emerging market economies would slow growth considerably. Decisive progress on corporate restructuring, consolidation in the banking sector and privatisation would all improve growth. The government has yet to implement specific measures to reach its fiscal targets, and fiscal slippage could again raise the cost of financing.

SOUTH AFRICA

The outlook for 2016 and 2017 is uncertain and economic activity will likely remain subdued. Expected increases in electricity supply from investments in generating capacity should raise supply only by 2017, easing constraints that have hindered production and increasing investor confidence. Also, strengthening growth in major trade partners, such as Europe and the United States, should reinforce export growth. Inflation is hovering around the upper end of the target band, driven by the depreciation of the rand and higher electricity and food prices.

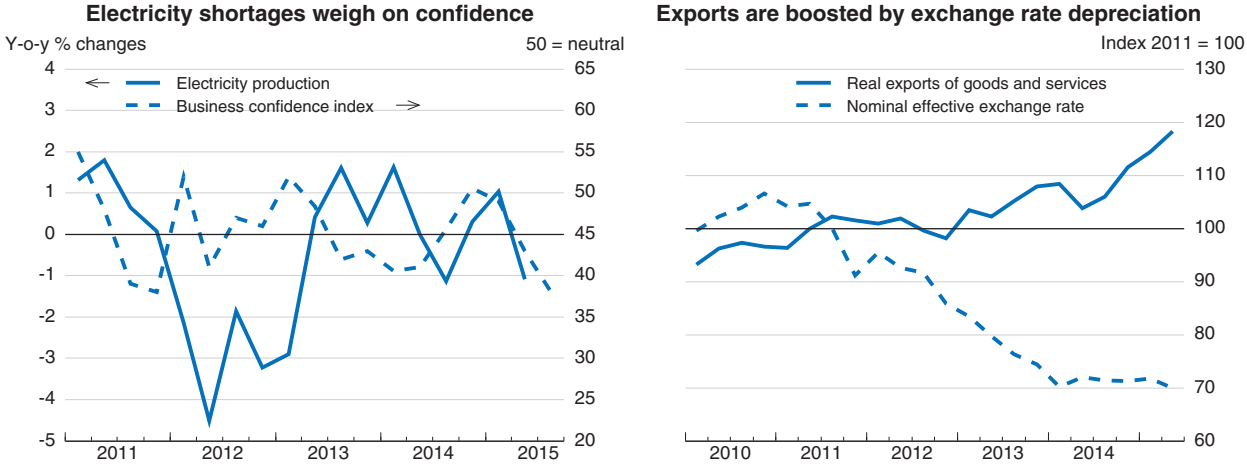
Fiscal policy has turned restrictive, constrained by a spending ceiling and the need to stabilise public debt. The combination of higher inflation and deteriorating economic activity is a dilemma for monetary policy, and any further tightening should be cautious. Structural reforms – including improving the business climate and removing bottlenecks, and liberalising energy and transport markets – are needed more than ever to boost output, jobs and living standards for the whole population, and hence to make growth more inclusive.

South Africa is heavily dependent on coal, and is a very energy and carbon-intensive economy. The government is committed to reducing greenhouse emissions by 42% relative to a no-change scenario by 2025. Renewable energy and the development of a nuclear power plant are part of the strategy toward a low-carbon economy. However, coal-fired power stations remain important. The planned carbon tax should be implemented and subsidies to fossil fuel consumption reduced. Incentives to increase energy efficiency should be strengthened further.

The economic outlook is uncertain

In 2015, continued electricity shortages hampered manufacturing and mining and a severe drought reduced agricultural production. The relief from new electricity generators has not yet materialised due to delays in construction and unplanned maintenance. On the

South Africa



Source: Economic Outlook 98 database; Statistics South Africa; and Bureau of Economic Research.

StatLink http://dx.doi.org/10.1787/888933296501

South Africa: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices rand billion	Percentage changes, volume (2010 prices)				
GDP at market prices	3 262.5	2.2	1.5	1.5	1.5	2.0
Private consumption	1 974.6	2.9	1.4	1.5	1.3	2.0
Government consumption	650.9	3.3	1.9	0.2	1.1	1.6
Gross fixed capital formation	614.5	7.6	-0.4	1.2	2.2	3.4
Final domestic demand	3 240.0	3.9	1.1	1.2	1.4	2.2
Stockbuilding[1]	64.6	-2.4	-0.6	-1.1	0.0	0.0
Total domestic demand	3 304.5	1.4	0.6	0.2	1.4	2.2
Exports of goods and services	969.8	4.6	2.6	10.4	6.6	6.7
Imports of goods and services	1 011.8	1.8	-0.5	5.9	6.5	7.3
Net exports[1]	- 42.0	0.7	0.9	1.3	0.1	-0.1
Memorandum items						
GDP deflator	_	6.0	5.8	4.0	5.7	5.9
Consumer price index	_	5.8	6.1	4.9	6.3	6.2
Private consumption deflator	_	5.5	5.8	4.4	6.1	6.0
General government financial balance[2]	_	-3.3	-4.1	-4.3	-4.0	-3.8
Current account balance[2]	_	-5.8	-5.4	-4.2	-4.6	-5.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297326

external side, demand from commodity-importing countries, such as China, and commodity prices declined. Nevertheless, exports have held up as the currency has depreciated sharply and mining exports have rebounded from strikes. The depreciation of the rand, electricity price increases and higher food prices following the drought have driven up inflation, notwithstanding the oil price decline. High inflation in the context of economic weakness poses a challenge to monetary policy. The Reserve Bank will need to exercise keen judgment to separate transitory effects boosting inflation from more fundamental factors, and carefully calibrate interest rate moves.

Implementing structural policy reforms is essential to lift up the potential of the economy

The potential for growth-enhancing structural policies is substantial. The government should accelerate the removal of barriers preventing the creation and development of SMEs, open and better regulate network industries, and encourage the entry and development of private providers in the electricity sector.

The poor labour market is a key economic weakness. The unemployment rate is chronically high, leading to large inequalities. Conflictual labour relations have depressed exports directly through strikes and indirectly by undermining investor confidence.

The government could improve the functioning of the labour market by establishing a public employment service as a one-stop shop for job seekers to lower the cost of job search and hiring costs for employers. It should also encourage the use of mediation and

arbitration to make wage negotiations less confrontational. Removing entry barriers in product markets and network industries would significantly help to create more jobs.

Reviving confidence is key

Economic activity is projected to remain subdued in 2016, but then to pick up moderately in 2017. The main drivers should be a rebound in investment and household consumption provided that electricity problems are resolved and confidence returns. Inflation is expected to increase above the target band, pushed by pass-through of the exchange rate depreciation and higher electricity and food prices, but should eventually recede as these factors wear off.

New strikes in the mining sector or further delays in putting new electricity generating capacity into service would significantly cut growth. The currency is exposed to possible turbulence from the normalisation of US monetary policy, which could result in further depreciation and inflation, and possibly capital outflows. However, agreement on a new wage negotiation and industrial relations framework between business representatives and unions could create momentum for investment acceleration and growth. Moreover, higher wage growth than productivity gains, in particular in the public sector, poses a risk to inflation.

SPAIN

A robust economic recovery in Spain is projected to continue into 2016 and 2017, though at a gradually slowing pace as the positive impact of the depreciation of the euro, and lower oil and other commodity prices, dissipate. Low borrowing rates for businesses and households will also continue to provide support together with the fiscal stance, which is expected to be mildly expansionary over the next two years. These factors, together with the implementation of significant structural reforms, are increasing business confidence.

As public debt remains high and growth is firming, the government should resume gradual and steady consolidation to reduce the deficit and put debt firmly on a downward path. Further product market reforms and increasing innovation are crucial to boost the economy's productivity. Reforms to improve training for the unemployed and strengthen public employment services are critical to reverse the increase in inequality since the crisis and make growth more inclusive.

Premiums paid over market prices to renewable electricity producers have induced a large increase in the share of wind and solar energy in total electricity generation. This has helped to ensure that Spain's economy has one of the lowest greenhouse gas emissions intensities in the OECD but it came at a very high cost for the economy due to higher energy prices and rising public debt. More equal pricing of emissions across sources would reduce emissions at the lowest social cost and promote green industry and jobs.

The economy is growing robustly

A broad-based expansion of more than 3% per annum and strong job creation is underway, supported by the European recovery, falling bank lending rates, lower oil and other commodity prices, easier fiscal policy (including tax cuts) and the depreciation of the euro. All these factors and the implementation of significant structural reforms have

Spain

1. Merchandise exports. 3-month moving average.

Source: Instituto Nacional de Estadística (INE); and OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296519

Spain: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices euro billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 042.9	-1.7	1.4	3.2	2.7	2.5
Private consumption	611.4	-3.1	1.2	3.1	3.0	2.4
Government consumption	205.2	-2.8	0.0	1.4	0.3	1.1
Gross fixed capital formation	209.2	-2.5	3.5	6.4	5.1	4.1
Final domestic demand	1 025.8	-2.9	1.4	3.4	2.9	2.5
Stockbuilding[1]	1.8	-0.2	0.2	0.0	0.0	0.0
Total domestic demand	1 027.6	-3.1	1.6	3.4	2.9	2.5
Exports of goods and services	319.2	4.3	5.1	5.6	5.1	5.4
Imports of goods and services	304.0	-0.3	6.4	6.5	5.8	5.8
Net exports[1]	15.3	1.4	-0.2	-0.1	-0.1	0.0
Memorandum items						
GDP deflator	_	0.6	-0.4	0.7	1.1	1.1
Harmonised index of consumer prices	_	1.5	-0.2	-0.6	0.3	0.9
Private consumption deflator	_	1.0	0.3	-0.1	0.7	0.9
Unemployment rate	_	26.1	24.4	22.1	19.8	18.2
Household saving ratio, net[2]	_	4.2	3.9	2.9	2.7	2.7
General government financial balance[3,4]	_	-6.9	-5.9	-4.2	-2.9	-1.8
General government gross debt[3]	_	103.8	117.7	118.9	118.7	117.7
General government debt, Maastricht definition[3]	_	93.7	99.3	100.5	100.3	99.2
Current account balance[3]	_	1.5	1.0	1.5	1.3	1.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of disposable income.
3. As a percentage of GDP at market value.
4. The deficits for Spain in 2012 and 2013 include outlays related to one-off banks restructuring operations amounting to 3.8% and 0.5% of GDP respectively.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297234

boosted business confidence. New credit growth has picked up. Defying the broader global trend of weak international trade, Spanish merchandise export growth has increased in 2015, thanks to both stronger trading partner demand and gains in competitiveness. Employment is growing solidly and the unemployment rate will fall by more than 2 percentage points in 2015. The stronger labour market is underpinning household incomes and solid consumer spending. Commodity price falls are expected to result in negative consumer price inflation for the second year running. The current account remains in surplus.

Forces supporting the recovery will lessen

The confluence of favourable cyclical forces will continue to propel growth. Fiscal policy has eased from a sizeable consolidation and the fiscal stance is expected to be mildly expansionary over the next two years. The monetary policy of the European Central Bank will remain highly accommodative and lower bank lending rates in Spain are expected to boost investment and consumption. The recovery in Europe is projected to strengthen, increasing demand for exports. However, the positive impact of other factors, such as lower oil prices and the depreciation of the euro, will gradually moderate.

Looking past the cyclical recovery, additional structural reforms will be crucial to boost low underlying productivity growth. The market unity law should be fully implemented to harmonise business regulation across the regions. Greater competition should be fostered in professional services, cargo handling at ports, oil distribution and electricity. More needs to be done to boost innovation. The R&D certification process should be streamlined and greater scale and specialisation should be encouraged at universities and research organisations. Better carbon pricing can lift innovation in environmental technologies, boosting growth and reducing carbon emissions. Diesel is taxed less per litre than petrol despite producing more CO_2 and fine particulate matter per litre. The taxation per litre on diesel should be increased in order to equalise carbon prices**.** Fuel used in heating and some industrial processes is also under-taxed relative to that used in transport.

So far, the recovery has generated around a million jobs. Around two-thirds are temporary posts but the share of temporary employment remains well below its pre-crisis peak and the GDP growth threshold for job creation appears to have fallen from around 2% to 1%. The unemployment rate is expected to continue to fall but will remain far too high without greater efforts to activate the long-term unemployed. Reforms are needed to improve training for the unemployed and to strengthen public employment services to get a wider cross-section of people back into work. Such measures are critical to reverse the large increase in inequality that resulted from the fall in employment during the crisis and to make growth more inclusive. New tools launched at the end of 2014, including personalised activation programmes and case management for the unemployed, are welcome. Activation needs to be complemented with well-designed fiscal policies that boost growth and jobs by shifting the tax burden away from labour, while protecting low-income households.

The cyclical recovery is expected to gradually moderate

Growth of around 2¾ and 2½ per cent is expected in 2016 and 2017, respectively. Downside risks around this projection include possible political uncertainty and its effects on the national reform agenda. Other risks include a slowdown in Europe should China suffer a hard landing; and rapid increases in sovereign bond yields or oil and commodity prices. On the upside, from a low base, both construction and business investment growth could be stronger than projected, especially if the economy is able to attract higher levels of foreign investment.

SWEDEN

Output will continue to grow briskly, at around 3% per annum, supported by low interest rates and rising wages, which will lift consumption and inflation. Employment continues to grow and unemployment is declining. Business investment will increase further in response to rising demand, and surging house prices will continue to support residential investment, but may also pose risks.

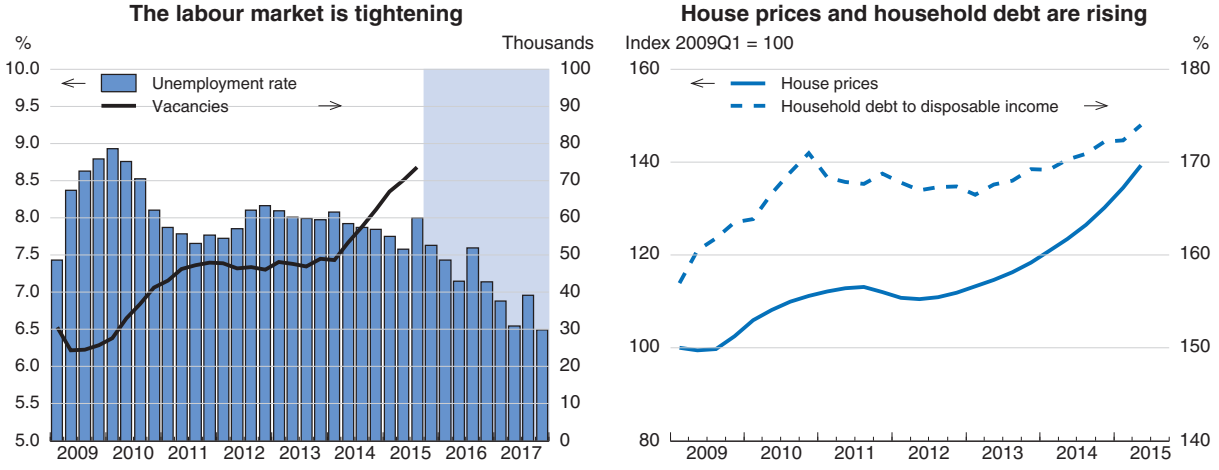
Monetary policy is expansionary, which is necessary to move inflation towards target. The housing market is overheating and further macro-prudential measures are called for. Phasing out mortgage interest deductibility would help to contain the rise in housing demand and household debt. The large inflow of migrants poses a challenge in terms of employment, housing and integration into society more broadly. Meeting this challenge will call for a vigorous programme of up-skilling and language training.

Greenhouse gas emissions ceased to increase decades ago, partly thanks to the long-standing carbon tax and participation in the EU Emissions Trading Scheme. As a result, greenhouse gas emissions per unit of output are among the lowest in the OECD. Reducing emissions further in accordance with bold targets will require enhancing the coherence and cost-effectiveness of policies.

Slack is diminishing

Output growth gathered momentum during 2015, driven by strong private investment growth and net exports. Unemployment has fallen faster than expected, and diminishing labour market slack is boosting incomes. Consumption has not increased commensurately, as households have saved and invested in housing in response to ultra-loose monetary policy. Core inflation is slowly picking up, but headline inflation is still hovering around zero due to lower energy prices and the direct impact of lower interest rates on housing costs.

Sweden



Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296523

Sweden: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices SEK billion	Percentage changes, volume (2014 prices)				
GDP at market prices	3 688.6	1.2	2.4	2.9	3.1	3.0
Private consumption	1 715.7	1.9	2.3	2.3	2.8	2.8
Government consumption	954.1	1.3	1.8	1.8	2.0	1.5
Gross fixed capital formation	835.5	0.6	7.7	5.2	5.1	4.7
Final domestic demand	3 505.3	1.4	3.4	2.9	3.2	3.0
Stockbuilding[1]	1.7	0.2	0.1	0.0	0.0	0.0
Total domestic demand	3 506.9	1.6	3.5	2.8	3.2	3.0
Exports of goods and services	1 710.4	-0.8	3.7	3.1	3.2	3.4
Imports of goods and services	1 528.8	-0.2	6.5	2.4	3.5	3.4
Net exports[1]	181.7	-0.3	-0.9	0.4	0.0	0.1
Memorandum items						
GDP deflator	_	1.1	1.5	2.2	1.7	2.0
Consumer price index[2]	_	0.0	-0.2	0.1	1.4	2.2
Private consumption deflator	_	0.7	0.8	1.1	1.4	1.9
Unemployment rate[3]	_	8.0	7.9	7.7	7.3	6.7
Household saving ratio, net[4]	_	15.1	15.3	15.8	16.5	16.2
General government financial balance[5]	_	-1.4	-1.7	-1.1	-0.6	-0.3
General government gross debt[5]	_	47.6	54.8	53.9	52.9	52.0
General government debt, Maastricht definition[5]	_	39.8	44.8	43.9	43.0	42.0
Current account balance[5]	_	6.7	6.2	6.0	5.5	5.5

1. Contributions to changes in real GDP, 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 at market value.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297248

Challenges to making growth even more sustainable, inclusive and green

Fiscal policy is set to move from slightly expansionary to neutral as slack diminishes, while becoming more redistributive. Moving from targeting a surplus over the cycle to a balanced budget target, as considered by the government, would be appropriate given the strong public sector financial position. The Riksbank lowered the repo rate further into negative territory in July and extended the programme of quantitative easing to re-anchor inflation expectations and contain currency appreciation that would move inflation further away from the target. Inflation expectations are still below the 2% inflation target. The krona has weakened against the dollar while remaining stable against the euro.

However, monetary policy has boosted household borrowing and housing prices from already very high levels, heightening the need to further tighten macro-prudential regulation and phase out mortgage interest rate deductibility. Measures to address the shortage of housing, notably by encouraging the construction of rental apartments, are welcome. A tighter labour market is improving the employment prospects of marginal groups, thereby making growth more inclusive. Nevertheless, raising skills will be crucial

for further employment and inclusiveness gains. A particular challenge is to integrate the growing stream of humanitarian and family-reunion immigrants into Swedish society and the economy.

Putting a price on carbon has helped Sweden decouple greenhouse gas emissions from economic growth. Greenhouse gas emission intensity is among the lowest, and the share of renewables in energy supply among the highest, in the OECD. The authorities' ambitious goal of zero net emissions by 2050 will require enhancing policy coherence and cost-effectiveness, in particular by reducing overlaps, better harmonising carbon prices across sectors and phasing out environmentally harmful subsidies.

Strong growth will continue

Private consumption will gather pace as a tighter labour market feeds into wages and consumer confidence. Residential investment should continue to grow in response to rising house prices, but at a slower pace as supply-side constraints become increasingly binding. Expansionary monetary policy, diminishing labour market slack and the fading effect of the fall in oil prices are expected to push up inflation. Strong growth should shrink the government deficit from 1.1% of GDP in 2015 to 0.3% in 2017.

As a small open economy, Sweden is particularly exposed to unexpected developments in its trading partners, notably in the European Union and Norway, and currency movements will have a major impact on output. Direct trade with China is limited, but slowing global trade is a concern to Sweden, which is highly integrated in global value chains. With policy rates set to stay low for some time, a failure to rein in the rise in household debt through the implementation of macro-prudential policies, the removal of mortgage interest deductibility and structural reforms could result in unbalanced growth, heightening financial risks and households' vulnerability to house price declines and interest rate increases.

SWITZERLAND

Economic growth is projected to strengthen gradually, as a pick-up in global demand offsets the headwinds from the strong currency. Ultra-low interest rates, robust population growth, mainly driven by immigration, and lower import and commodity prices will support domestic demand. Resuming growth and the recent depreciation of the franc should allow inflation to become positive at the beginning of 2017.

Interest rates are set to remain negative until inflation becomes firmly positive. The automatic fiscal stabilisers should be allowed to play fully as the economy adjusts to the strong franc. Productivity can be boosted by increasing competition, especially in the telecoms and energy sectors, and by pushing forward with reforms in agriculture.

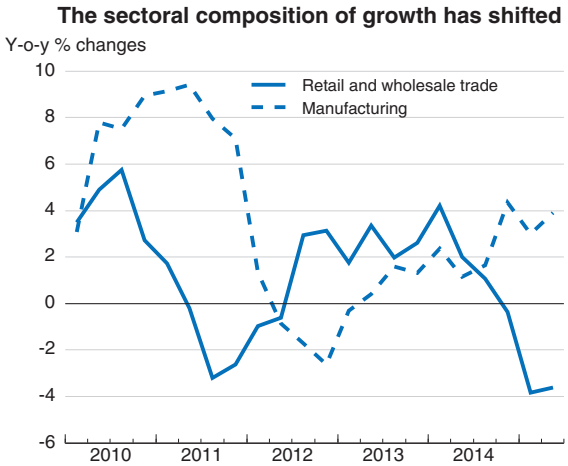
Switzerland's greenhouse gas emissions are low thanks to its plentiful nuclear and hydroelectric power. However, the planned phase-out of nuclear generation and an ambitious commitment to reduce greenhouse gas emissions will require raising the price placed on greenhouse gas emissions, preferably through market-based instruments such as a carbon tax or a permit system. In transport, a variable congestion charge on roads and rail during peak periods could help.

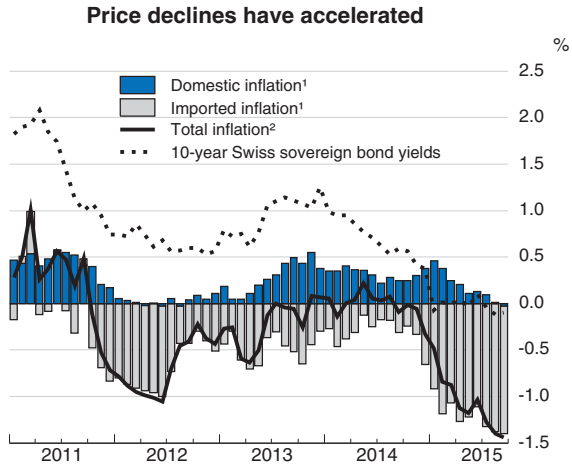
Growth is returning

The economy is showing resilience to the sharp appreciation that followed the discontinuation of the exchange rate ceiling in January. After a slight contraction in the first quarter, broad-based GDP growth has resumed. Employment is still growing and the unemployment rate has remained low. However, consumption growth continues to slow despite rising real wages and sustained population growth.

Despite the strong franc, export volumes have stabilised. Manufacturing expansion has become the main engine of GDP growth, reflecting low price sensitivity in some key

Switzerland





1. Percentage point contributions to total inflation.
2. Year-on-year percentage changes.

Source: OECD Economic Outlook 98 database; SECO; and FSO.

StatLink http://dx.doi.org/10.1787/888933296535

Switzerland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices CHF billion	Percentage changes, volume (2010 prices)				
GDP at market prices	623.9	1.8	1.9	0.7	1.1	1.6
Private consumption	338.9	2.2	1.3	1.2	1.5	1.3
Government consumption	68.8	1.3	1.3	2.4	0.6	0.4
Gross fixed capital formation	147.8	1.2	2.1	1.3	1.3	1.0
Final domestic demand	555.5	1.8	1.5	1.4	1.3	1.1
Stockbuilding[1]	3.4	-2.5	0.6	0.8	-0.4	0.0
Total domestic demand	558.9	-0.9	2.4	2.3	0.9	1.1
Exports of goods and services	419.9	15.2	-6.9	-2.1	0.0	2.7
Imports of goods and services	354.9	13.4	-8.1	-0.1	-0.6	2.0
Net exports[1]	65.1	2.6	-0.1	-1.3	0.3	0.6
Memorandum items						
GDP deflator	_	0.0	-0.7	-1.0	-0.3	0.2
Consumer price index	_	-0.2	0.0	-1.2	-0.5	0.1
Private consumption deflator	_	-0.6	-0.3	-1.2	-0.8	0.1
Unemployment rate	_	4.3	4.4	4.3	4.3	4.2
General government financial balance[2]	_	-0.3	-0.2	-0.2	-0.3	-0.2
General government gross debt[2]	_	46.0	46.2	46.4	46.6	46.7
Current account balance[2]	_	11.1	7.3	9.8	9.9	10.4

Note: In accordance with ESA 2010 national accounts definitions.
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297258

sectors, such as pharmaceuticals. By contrast, retail and wholesale trade has been negatively impacted by the high franc.

Macroeconomic policy is supportive, but structural reforms are needed to foster sustainable growth

Some weakening of the currency in mid-year has not slowed the pace at which prices are falling, reflecting lower oil prices and price cuts on domestic goods. Nevertheless, surveys show no entrenchment of deflation expectations. Monetary policy will remain very accommodative. However, the unintended consequences of this stance are becoming apparent. Real estate investment is very attractive, fuelling house price increases in some local markets, which have worsened affordability. Pension funds are struggling to reach their legally required targets on returns. Monetary stimulus will need to be gradually removed as inflation clearly turns positive, but this is not projected to occur until well into 2017. The automatic fiscal stabilisers should be allowed to play fully to support monetary policy, and, if needed, there is room for fiscal expansion under the debt-break rule.

Productivity can be boosted by pushing forward with reforms in agriculture and by increasing competition in the telecoms and energy sectors. While women constitute the majority of tertiary graduates, most work only part time. Promoting more intensive participation of women in the work force, such as by increasing the supply and lowering the cost of childcare facilities and shifting to individual as opposed to family taxation,

would remove barriers to women working more. In transport, removing the CO_2 levy exemption on fuels and introducing a variable congestion charge on roads and rail during peak periods could help reduce both congestion and emissions.

Growth is set to rise gradually

Growth is projected to pick up to 1.1% in 2016 and 1.6% in 2017, underpinned by stronger global activity and continued very expansionary monetary policy. The adjustment by exporters to the franc appreciation has been remarkable, and will pave the way for a gradual rise in export growth.

With interest rates being negative, the appeal of real estate investment may overwhelm the effect of recent macro-prudential measures, potentially destabilising the economy. On the other hand, negative interest rates and low energy prices may boost growth more than expected. Switzerland would also benefit, or suffer, from any surprises in growth of its European partners. There is uncertainty surrounding the measures in response to the 2014 referendum limiting immigration. The limits themselves would cut growth, and they may even imply abrogation of treaties with the European Union. Although the limits would not come into force until 2017, the uncertainties may soon start to be a visible drag on growth.

TURKEY

GDP growth is projected to increase from 3% in 2015 to above 4% in 2017, as political uncertainties are assumed to fade, employment continues to rise, and the exchange rate depreciation and the gradual strengthening of global markets support export growth. The geopolitical crisis at the southern border and the associated influx of refugees pose challenges. Currency depreciation until October has strengthened price competitiveness, but has also weakened household confidence, created pressures on corporate balance sheets and added to already high inflation.

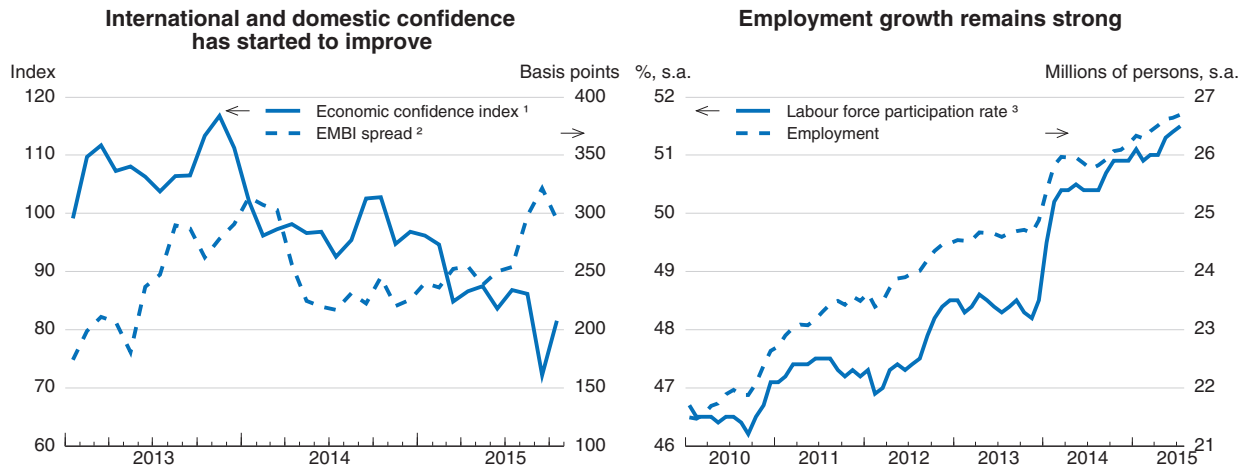
Large external funding needs and volatile international capital market conditions warrant cautious macroeconomic policies. Monetary policy should remain tight to ensure inflation is controlled, and it may have to be tightened if inflation remains persistently above target. Room is probably available for fiscal support, although shortcomings in fiscal transparency at the general government level make judgments in this area difficult. Progress in implementing programmed structural reforms will be crucial to rebalance demand and strengthen growth.

Turkey's carbon footprint per capita is lower than in the more advanced economies, but is growing at one of the fastest rates in the OECD area. The government's recent announcement of a quantitative emission path for the period 2020-30 should help to set concrete energy efficiency measures, such as stronger harmonisation of tax rates on fuels in different uses, and will promote investment in renewable energy.

Growth has been below potential

Job creation and private demand have remained robust on the back of falling oil prices. On the external side, regional turmoil has escalated and total exports have continued to contract, notably reflecting rapidly declining trade with Russia and Iraq. Over 2 million

Turkey



1. Türkstat composite index combining consumer, business, retail trade, construction and service sector indexes.
2. Stripped spread in basis points of the JP Morgan Emerging market bond index (EMBI), global index for Turkey.
3. In percentage of the population aged 15 and older.

Source: Thomson Reuters (2015), Datastream database; and Turkish Statistical Institute.

StatLink http://dx.doi.org/10.1787/888933296541

Turkey: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices TRY billion	Percentage changes, volume (1998 prices)				
GDP at market prices	1 416.8	4.2	2.9	3.1	3.4	4.1
Private consumption	994.4	5.1	1.4	3.3	2.8	3.8
Government consumption	210.3	6.5	4.7	8.1	5.2	3.6
Gross fixed capital formation	287.1	4.4	-1.3	5.7	4.7	5.0
Final domestic demand	1 491.8	5.1	1.3	4.5	3.5	4.0
Stockbuilding[1]	- 1.9	1.4	0.0	-0.7	-0.3	0.0
Total domestic demand	1 489.9	6.5	1.4	3.9	3.3	4.1
Exports of goods and services	372.6	-0.2	6.8	-0.7	2.5	5.7
Imports of goods and services	445.7	9.0	-0.2	1.5	2.4	5.6
Net exports[1]	- 73.1	-2.9	1.8	-0.7	-0.1	-0.1
Memorandum items						
GDP deflator	_	6.2	8.3	7.3	6.8	5.0
Consumer price index	_	7.5	8.9	7.4	6.9	6.5
Private consumption deflator	_	6.2	7.0	7.3	6.5	5.9
Unemployment rate	_	9.0	10.0	10.5	10.8	10.3
Current account balance[2]	_	-7.9	-5.8	-5.3	-4.9	-4.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP at market value.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297268

refugees from Syria are adding to Turkey's strains. In contrast, export prospects in European markets have been improving and domestic and international confidence turned up in October, while the outcome of the legislative elections in November reduced political uncertainty.

The sharp exchange rate depreciation improved price competitiveness for exporters, but has also pushed up consumer price inflation and end-of-year inflation expectations, which are now both running at around 8%, well above the 5% target of the central bank. The current account deficit is projected to remain above 5% of GDP in 2015, as growth continues to rely disproportionately on domestic demand. Foreign funding needs are projected to reach 25% of GDP in 2016, including the refinancing of external debt. Bank and other corporate liabilities are being rolled over smoothly, but high dependence on global capital market conditions remains a source of vulnerability.

Prudent macroeconomic management and ambitious structural reforms are needed

Monetary policy should stay cautious despite significant economic slack, as the priority is to maintain confidence by containing inflation. This may require tightening if inflation remains persistently above target. There might be room for countercyclical fiscal stimulus, but weak fiscal transparency at the general government level makes judgments about the stance and sustainability of the fiscal position difficult. The consolidated balances, on an accrual basis, of the social security system and local governments, government guarantees to public-private partnerships and the quasi-fiscal activities of

state-owned entities should all be reported more systematically. Macro-prudential measures have helped contain loan growth since mid-2014 and should remain in place.

Enhancing competitiveness is key to make the most of the ongoing recovery of Turkey's main European export markets. The sharp exchange rate depreciation has helped exports, but the competitiveness gains will be dissipated if inflation stays high or, worse, rises. Progress with the structural reforms programmed in the National Development Plan 2014-18, notably in the labour market, would help shift employment to formal firms, improve productivity and help rebalance growth. The creation of higher-quality and better-paid jobs in the formal sector, notably for low-skilled women, many of whom currently work in the informal sector, would improve social inclusion.

Greenhouse gas emissions per capita are lower than in the more advanced economies but increased by 110% between 1990 and 2013, one of the fastest rates among OECD countries. This calls for effective energy efficiency measures, such as stronger harmonisation of the implicit carbon tax rates on fuels, including coal, used across sectors, and investment in renewable energy.

Growth is set to pick up gradually

Growth is projected to increase to 3½ per cent in 2016 and to over 4% in 2017, assuming that political normalisation after the November elections will foster a recovery in private consumption and investment. The main downside risks relate to the escalation of regional geopolitical conflicts and to a weakening of activity in Europe and China. Any further deterioration in international and domestic confidence may worsen financial strains, and hold back growth more than projected. In contrast, improved governance conditions and tangible progress with reforms could lift competitiveness and confidence and stimulate additional investment and job creation.

UNITED KINGDOM

Economic growth is projected to continue at a robust pace over the coming two years, driven by domestic demand. House prices have continued to rise, although housing supply is edging up. The unemployment rate has stabilised at around 5.5%, and recently wage growth has picked up. Projected increases in labour productivity should underpin real wage growth. The trade deficit has remained contained, but weak global trade and past currency appreciation are holding back exports. Inflation is expected to increase towards the 2% inflation target as pressures on capacity emerge.

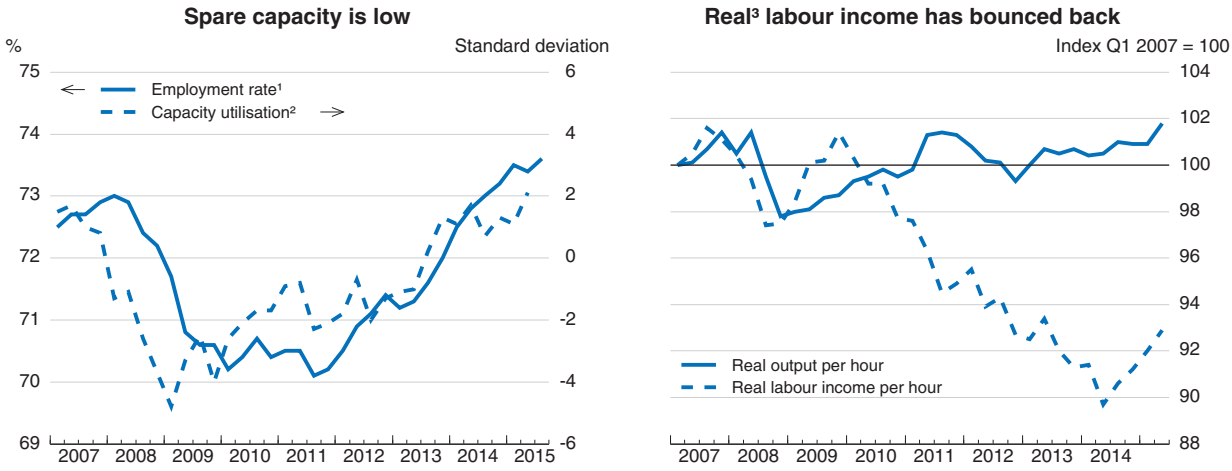
This projection assumes the Bank of England will begin to raise its policy rate in early 2016, and then raise it gradually through 2017 to ward off excess demand pressures. The pace of fiscal consolidation has appropriately been smoothed to around 1% of GDP per year and now involves smaller reductions in spending on public services than earlier planned. However, the decision to significantly lift the minimum wage will increase labour costs, possibly lowering the contribution of employment to GDP growth.

The United Kingdom has made significant progress in its climate-change mitigation efforts. It has established a long-term framework with a unilateral commitment to reduce greenhouse gas emissions to 80% of their 1990 level by 2050, delivered through five-yearly reduction targets. To help reach this ambitious objective at low cost, carbon emissions could be taxed more uniformly by increasing the low implicit rates now faced by some sectors.

Economic growth is robust

Solid GDP growth continued in 2015, driven by domestic demand. Private consumption continues to grow rapidly due to record-high employment, the acceleration in nominal

United Kingdom



1. Population aged between 16 and 64. Last data point for Q3 2015 refers to Jun - Aug 2015.
2. Difference from Q1 1999 - Q3 2007 average. The surveys are adjusted to have a mean of zero and a variance of one over Q1 1999 to Q3 2007. Aggregate indicator of capacity utilisation of the Confederation of British Industry refers to manufacturing, financial services, business, commercial and professional services and distributive trades.
3. Real output per hour deflated by the GDP deflator. Real labour income per hour deflated by the CPI.

Source: Office for National Statistics; and Bank of England.

StatLink http://dx.doi.org/10.1787/888933296551

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

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.2	2.3	1.2	0.7	0.6
Unemployment rate[1]	7.6	6.2	5.6	5.7	5.8
Compensation per employee[2]	1.5	0.8	2.4	3.4	3.8
Unit labour cost	0.6	-0.6	1.6	1.9	2.5
Household disposable income	1.1	0.8	6.1	3.2	3.4
GDP deflator	2.0	1.7	1.1	1.2	1.5
Harmonised index of consumer prices[3]	2.6	1.5	0.1	1.5	2.0
Core harmonised index of consumer prices[4]	2.0	1.6	1.0	1.2	1.9
Private consumption deflator	2.3	1.5	0.3	1.1	1.6

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

Source: OECD Economic Outlook 98 database.

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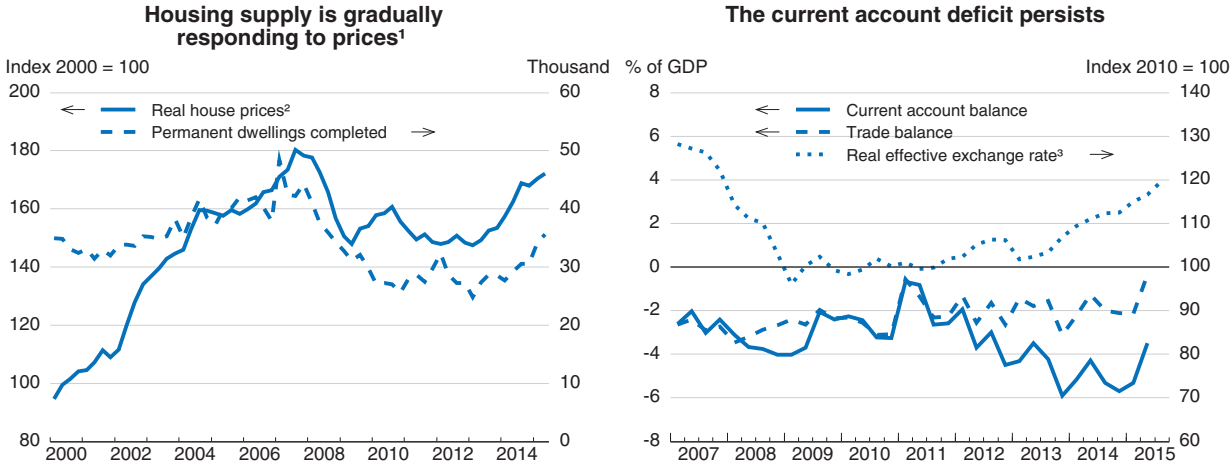
wages, wealth effects from rising house prices and easier credit conditions. Stronger demand, falling spare capacity and higher credit availability have supported business investment. The number of residential dwellings completed has been trending upwards, but housing supply remains tight because of a backlog from the recession and rapid increases in population.

United Kingdom



1. Data refer to England.
2. Based on mortgages completed and adjusted for the mix of dwellings sold. Deflated by CPI.
3. Competitiveness indicator based on relative consumer prices.

Source: Office for National Statistics; Department for Communities and Local Government; and OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296566

United Kingdom: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, gross[1]	6.3	4.9	4.3	3.9	4.0
General government financial balance[2]	-5.7	-5.7	-3.9	-2.6	-1.5
General government gross debt[2]	106.4	116.8	116.4	115.5	114.1
General government debt, Maastricht definition[2]	86.2	88.2	87.8	86.9	85.5
Current account balance[2]	-4.5	-5.1	-4.0	-3.4	-3.0
Short-term interest rate[3]	0.5	0.5	0.6	1.1	2.1
Long-term interest rate[4]	2.4	2.6	1.9	2.3	3.1

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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296895

International competitiveness, as measured by the real effective exchange rate, has weakened, but the trade deficit has so far been contained. Although volatile, high frequency trade data point to weaker exports to non-EU countries, including China. Also, the primary income deficit has remained large.

The unemployment and participation rates have stabilised, but hours worked have continued to increase. Disappearing slack in the labour market and a revival in labour

United Kingdom: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices livre billion	Percentage changes from previous year, volume (2012 prices)					
GDP at market prices	1 816.4	2.4	2.4	2.3	2.2	2.3	2.2
Private consumption	1 175.7	3.0	2.6	2.0	3.2	2.2	2.0
Government consumption	357.3	1.7	0.4	0.3	1.6	0.3	0.3
Gross fixed investment	306.1	4.0	6.4	6.7	5.6	6.8	6.6
Public[1]	49.6	2.9	0.6	0.9	3.4	0.2	1.2
Residential	87.5	0.7	6.4	7.0	2.2	7.5	6.8
Non-residential	169.0	6.0	8.0	8.0	7.9	8.2	7.9
Final domestic demand	1 839.1	2.9	2.8	2.6	3.3	2.7	2.5
Stockbuilding[2]	11.9	-1.0	-0.4	0.0			
Total domestic demand	1 851.0	1.9	2.5	2.6	1.9	2.7	2.5
Exports of goods and services	515.2	3.0	2.1	2.4	1.2	2.1	2.5
Imports of goods and services	549.7	1.1	2.3	3.4	-0.6	3.3	3.5
Net exports[2]	- 34.5	0.5	-0.1	-0.3			

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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296906

United Kingdom: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	814.5	848.6	805.7	835	863
Goods and services imports	868.4	905.4	841.2	870	907
Foreign balance	- 53.8	- 56.8	- 35.5	- 36	- 45
Invisibles, net	- 68.5	- 96.0	- 81.1	- 66	- 48
Current account balance	- 122.4	- 152.7	- 116.6	- 102	- 92
			Percentage changes		
Goods and services export volumes	1.2	1.8	3.0	2.1	2.4
Goods and services import volumes	2.8	2.8	1.1	2.3	3.4
Export performance[1]	- 1.1	- 2.5	- 1.1	- 1.8	- 2.4
Terms of trade	1.7	0.8	0.3	0.3	0.2

1. Ratio between export volume and export market of total goods and services.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296915

productivity have boosted wage growth, but real wage incomes are still well below pre-crisis levels. Past structural reforms have put the structural unemployment rate on a downward trend, although the recent decision to lift the minimum wage could work in the opposite direction. The Low Pay Commission should carefully consider the current and expected state of the economy and the labour market when making its recommendations about increases of the minimum wage to the government.

Macroeconomic policies are gradually being adjusted to ensure balanced growth

The government has amended its medium-term fiscal plan to bring the budget to a small surplus by 2020. Additionally, asset sales have been accelerated to reduce gross public debt. Adjusting for cyclical effects, the planned deficit reduction is about 1% of GDP per year between 2015 and 2019, which is a welcome smoothing of fiscal consolidation. The composition of fiscal consolidation has also been revised, with a commendable reduction in the downward pressure on public services that had contributed significantly to past consolidation. The authorities should also continue to review the distributional effects of budgetary adjustments to ensure growth is inclusive.

The United Kingdom has set ambitious targets for reducing greenhouse gas emissions. Five-year carbon budgets have been established until 2027. The fourth carbon budget (2023-2027) aims to cut emissions by half of the levels in 1990. The share of renewables in the energy mix has increased rapidly, with numerous policies aming to increase renewable electricity, heat and transport, despite the recent removal of the Climate Change levy exemption for renewable electricity for businesses. A move towards a more consistent pricing of carbon would include an alignment of taxation across sectors and, as a first step, raising low rates at least somewhat towards the level of taxation of energy in the transport sector. Diesel should also be more taxed than gasoline to reflect higher carbon emissions per litre (and higher emmissions of other pollutants).

Spare capacity is low and a gradual normalisation in interest rates, with the first hike in early 2016, would be prudent to contain excess demand pressures that now seem to be developing. Yet, since consumer price inflation has been very low and expectations are well anchored, the pace of monetary adjustment should be gradual. Higher interest rates should encourage greater economic restructuring thereby supporting productivity, which stronger infrastructure investment would further boost. Releasing more land for housing, as considered by the authorities in a recent Productivity Plan, would also support productivity by improving labour mobility and reducing skills mismatches.

Growth will moderate somewhat

GDP growth is expected to continue at a solid pace, with private domestic demand remaining a key driver. Employment is projected to continue to rise but more slowly, and wage growth should remain solid, reflecting the tighter labour market and further gains in labour productivity. Consumer prices should pick up in 2016 and 2017 with higher capacity pressures and the unwinding of temporary effects of weaker energy prices and the stronger exchange rate.

Labour resource utilisation could be lower than expected owing to measures increasing the costs of employing low-income earners. The magnitude of their impacts is uncertain, but a higher minimum wage could hurt employment by pricing out low productivity workers from the labour market and result in losses of competiveness if not matched by stronger productivity. House price buoyancy could restrict access to the rental market, reducing labour mobility, and boost household indebtedness, creating financial stability risks. Stronger growth in the euro area would boost exports and further narrow the current account deficit, but could be offset by weaker external demand from China and other emerging markets.

UNITED STATES

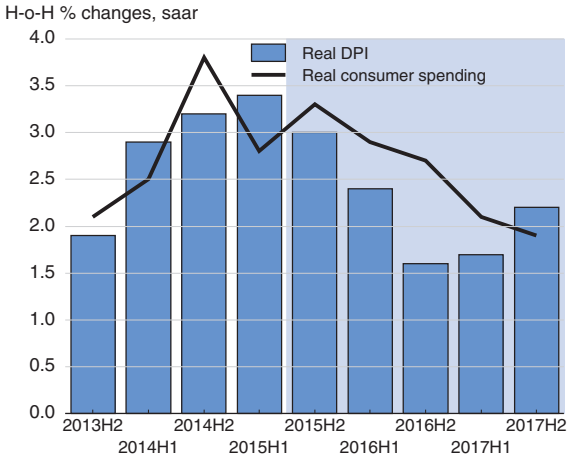
Output remains on a solid growth trajectory, propelled by household demand. Steady employment gains continue to push down the unemployment rate and other indicators of labour market slack. Domestic demand will continue to be sustained by supportive financial conditions, the improving labour market and the boost to household purchasing power from low energy prices and the stronger dollar. However, the boost from these influences should gradually subside, and will be damped by weaker export growth due to sluggish external demand and the recent strengthening of the dollar.

Monetary policy remains very accommodative, which is consistent with stubbornly below-target inflation, subdued wage pressures and hints of downward pressure on inflation expectations. However, as the economy has returned to near full employment, policy rates are assumed to increase by end-2015. Subsequent increases, which will depend on incoming data, are assumed to gradually lift the federal funds rate to 2% by end-2017. Public debt is above historic norms, but the budget deficit continues to narrow and slowing health expenditures have improved long-term prospects. Targeted measures to encourage inclusive longer-term growth remain appropriate, such as expanding the earned income tax credit to boost labour market participation amongst less-skilled workers.

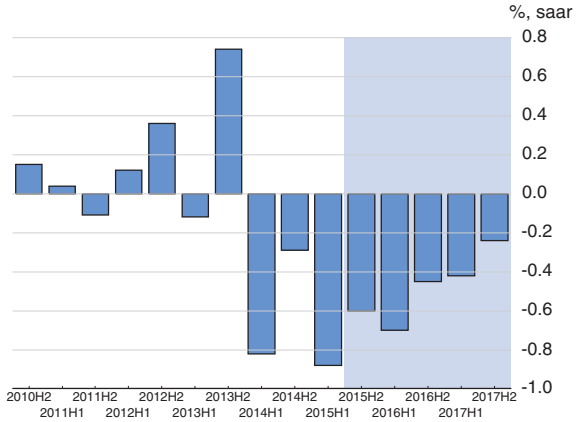
US greenhouse gas emissions are high relative to OECD averages, and policies to reorient energy production could be a timely way to complement ongoing support to aggregate demand from monetary policy. US emissions decreased 9% between 2005 and 2013, partly due to investments that are transforming generation capacity from coal to cleaner-burning fuels and to progress in boosting vehicle efficiency. Reinforcing these successes should be a priority, including by encouraging additional renewables investment, putting a price on emissions, eliminating fossil fuel subsidies and enacting regulations that address market externalities.

United States

Real income is boosting household spending



Net exports are a drag on growth
contribution to real GDP growth[1]



1. Average quarterly growth contribution.
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296575

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

Percentage changes

	2013	2014	2015	2016	2017
Employment[1]	1.4	1.8	2.1	1.0	0.7
Unemployment rate[2]	7.4	6.2	5.3	4.7	4.7
Compensation per employee[3]	1.0	2.6	1.7	2.4	3.0
Labour productivity	0.0	0.6	0.4	1.5	1.7
Unit labour cost	1.2	2.2	1.4	0.9	1.2
GDP deflator	1.6	1.6	1.0	1.6	1.9
Consumer price index	1.5	1.6	0.0	1.0	1.8
Core PCE deflator[4]	1.5	1.5	1.3	1.4	1.7
PCE deflator[5]	1.4	1.4	0.3	1.3	1.7
Real household disposable income	-1.4	2.7	3.3	2.4	1.8

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 total economy.
4. Deflator for private consumption excluding food and energy.
5. Private consumption deflator. PCE stands for personal consumption expenditures.

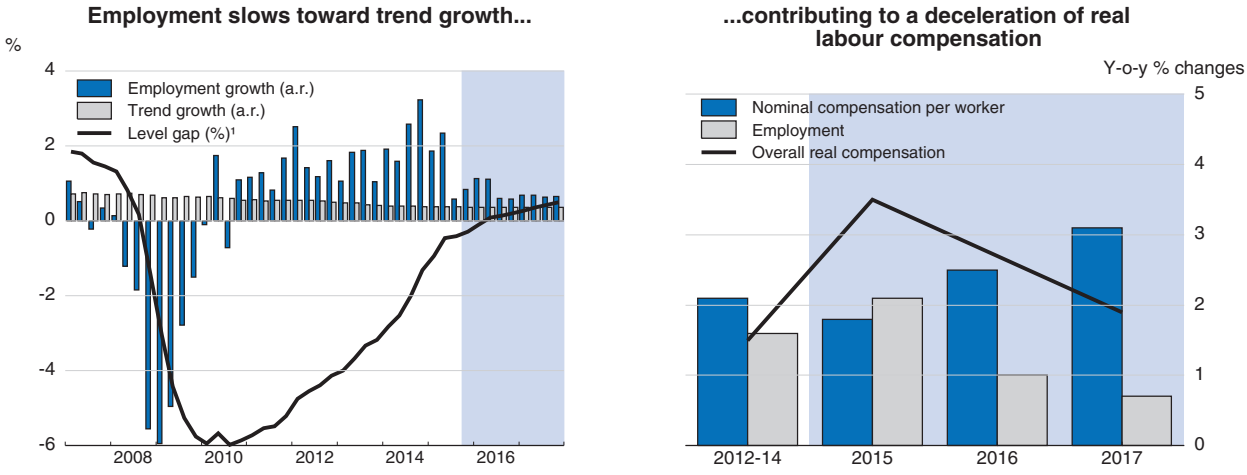
Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296714

The recovery remains on track

The US recovery continues to outpace most advanced countries, notwithstanding some quarterly swings. Aggregate demand has mainly been fuelled by household spending, which has been boosted by rising payroll employment, net increases in overall wealth, and, more recently, falling energy prices and the strengthening dollar. These influences are also helping to revive household formation, which should hasten the still slow recovery of residential construction. Business fixed investment has been on a

United States



1. Employment as percentage of trend employment.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296587

United States: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	4.8	4.8	4.9	4.0	3.1
General government financial balance[2]	-5.5	-5.1	-4.5	-4.2	-3.7
General government gross debt[2]	111.4	111.6	110.6	111.4	111.5
Current account balance[2]	-2.3	-2.2	-2.5	-2.8	-3.0
Short-term interest rate[3]	0.3	0.3	0.4	0.9	1.7
Long-term interest rate[4]	2.4	2.5	2.1	2.6	3.2

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

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296724

mediocre trajectory that is weighing on potential output growth. The boost to output growth from comparatively strong domestic demand has been damped by the trade deficit, which has widened thanks to the strengthening dollar and sluggish external growth.

The steady recovery of the labour market has continued, with the unemployment rate having fallen somewhat below most estimates of the structural rate. However, such estimates are imprecise, and unemployment remains high among less-skilled workers, especially youth and ethnic minorities, and the participation rate remains below the downward trend suggested by demographics. As yet, there is no meaningful upward

United States: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices USD billion	Percentage changes from previous year, volume (2009 prices)					
GDP at market prices	17 348.1	2.4	2.5	2.4	2.1	2.6	2.3
Private consumption	11 866.0	3.2	3.0	2.2	2.9	2.7	1.9
Government consumption	2 556.3	0.4	0.6	0.8	0.7	0.6	1.0
Gross fixed investment	3 378.7	3.9	5.4	5.7	4.0	6.0	5.5
Public	595.9	2.2	2.0	2.0	2.4	1.5	2.3
Residential	549.2	8.5	10.7	10.2	8.4	12.2	9.2
Non-residential	2 233.7	3.3	5.0	5.5	3.3	5.6	5.3
Final domestic demand	17 800.9	2.9	3.1	2.7	2.8	3.1	2.5
Stockbuilding[1]	77.1	0.1	-0.1	0.0			
Total domestic demand	17 878.0	3.0	3.0	2.7	2.7	3.1	2.5
Exports of goods and services	2 342.0	1.5	2.6	4.1	0.4	3.2	4.2
Imports of goods and services	2 871.9	5.3	5.5	5.7	4.5	6.2	5.4
Net exports[1]	- 530.0	-0.7	-0.5	-0.4			

Note: 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, actual amount in the first column.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296733

United States: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	2 263.2	2 342.0	2 264.9	2 301	2 401
Goods and services imports	2 771.7	2 871.9	2 803.0	2 911	3 082
Foreign balance	- 508.4	- 529.9	- 538.2	- 610	- 681
Invisibles, net	131.7	140.4	88.1	94	93
Current account balance	- 376.8	- 389.5	- 450.0	- 517	- 588
			Percentage changes		
Goods and services export volumes	2.8	3.4	1.5	2.6	4.1
Goods and services import volumes	1.1	3.8	5.3	5.5	5.7
Export performance[1]	- 0.5	0.2	0.2	- 0.3	- 0.2
Terms of trade	0.9	0.3	2.8	0.6	0.1

1. Ratio between export volume and export market of total goods and services.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933296742

pressure on hourly nominal compensation growth, which continues at rates that imply further erosion of labour's share of aggregate income.

The policy environment is supportive

Even though the monetary base is no longer expanding, the policy stance remains accommodative with the fed funds rate still near zero. Although full employment seems nearly achieved, annual inflation rates continue to linger below the Federal Reserve's 2% target — even after abstracting from the transitory downward pressure from energy prices and exchange rates — suggesting that a supportive policy stance remains appropriate. Rate normalisation should therefore proceed cautiously, while remaining mindful of the risks of waiting too long. Accordingly, the funds rate is assumed to be lifted in December 2015 and then increase gradually, although actual moves will depend on incoming data on inflation and employment.

Fiscal policy is projected to be broadly neutral through 2017. The maturing recovery will reduce the deficit enough to stabilise general government gross debt at around 110% of GDP. Congressional Budget Office projections suggest that deficits will widen somewhat beyond 2017 due to demographic pressures and an increase in debt servicing costs as interest rates rise to more normal levels. Although the recent deceleration of healthcare spending has made consolidation less urgent, debt remains high by historical standards and could constrain policy responses to future adverse shocks. Targeted measures to diminish pressures on benefits would be desirable, but care needs to be taken to avoid undermining the position of the poor and vulnerable; one option would be to raise payroll taxes at higher incomes.

Measures to address problems with growing income inequality and the apparent slowing of potential output should be a policy priority. Among other things, an expansion of the earned income tax credit designed to boost labour force participation by further lowering the effective tax rate for low-wage workers could help confront both of these issues.

Solar and wind electricity generation capacity has expanded nearly tenfold since 2003 (to 6% of overall capacity), encouraged by various tax credits to promote renewable energy. Legislation has typically extended such incentives for a limited duration, beyond which they can be withdrawn or reformulated. This piecemeal approach creates uncertainty that undermines the objective of encouraging the transition to renewable generation. Legislating a more permanent extension of these credits would better reflect the enduring nature of the market externalities that justify them.

Growth is expected to decelerate slightly

Another moderate increase in GDP is projected in the second half of 2015 as the ongoing boost to household spending from energy prices and the dollar is roughly offset by slower inventory accumulation and further declines in net exports. The drag from trade is expected to fade through 2017 on the assumption that the dollar remains unchanged and export markets strengthen, but the effect on aggregate demand is countered by a slowing of household income. Although wages accelerate to reflect the tightening labour market, the effect on real disposable income growth is more than offset by a deceleration of employment toward demographic trends and by normalising inflation.

The tightening labour market could stoke inflationary pressures either through a more forceful acceleration of wages or by unleashing pent-up demand for housing and business capital. Alternatively, more prolonged sluggishness of foreign demand (including China) could unleash more sustained disinflationary pressure and intensify the drag from global trade. Disinflationary pressures could also intensify if hourly labour compensation fails to accelerate. The natural unemployment rate could also be substantially lower than thought, implying less inflationary pressure, more gradual monetary policy normalisation and stronger growth.

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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 2015 to 2017 are OECD estimates and projections. 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 time-varying weights. 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.htm*).

Corrigenda for the current and earlier issues, as applicable, can be found at *www.oecd.org/about/publishing/corrigenda.htm*.

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 QUARTERLY PROJECTIONS

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.

Additional information

2014 weights used for real GDP regional aggregates

	OECD euro area[1]	OECD	World		OECD euro area[1]	OECD	World
Australia		2.1	1.0	Sweden		0.9	0.4
Austria	3.0	0.8	0.4	Switzerland		1.0	0.4
Belgium	3.7	1.0	0.5	Turkey		3.0	1.4
Canada		3.2	1.5	United Kingdom		5.2	2.4
Chile		0.8	0.4	United States		35.2	16.4
Czech Republic		0.6	0.3	Euro area	100.0	26.3	12.3
Denmark		0.5	0.2	Total OECD		100.0	46.7
Estonia	0.3	0.1	0.0				
Finland	1.7	0.4	0.2			Non-OECD	World
France	19.9	5.2	2.4				
Germany	28.6	7.5	3.5	Argentina		1.7	0.9
Greece	2.2	0.6	0.3	Brazil		5.9	3.1
Hungary		0.5	0.2	China		31.0	16.5
Iceland		0.0	0.0	Colombia		1.1	0.6
Ireland	1.7	0.5	0.2	Costa Rica		0.1	0.1
Israel		0.6	0.3	Indonesia		4.8	2.5
Italy	16.4	4.3	2.0	India		12.4	6.6
Japan		9.4	4.4	Latvia		0.1	0.0
Korea		3.5	1.6	Lithuania		0.1	0.1
Luxembourg	0.4	0.1	0.1	Russia		6.7	3.5
Mexico		4.3	2.0	Saudi Arabia		2.8	1.5
Netherlands	6.2	1.6	0.8	South Africa		1.3	0.7
New Zealand		0.3	0.2	Dynamic Asian Economies		8.8	4.7
Norway		0.7	0.3	Other major oil producers		11.1	5.9
Poland		1.9	0.9	Rest of non-OECD		12.2	6.5
Portugal	2.3	0.6	0.3				
Slovak Republic	1.2	0.3	0.1	Non-OECD countries			53.3
Slovenia	0.5	0.1	0.1				
Spain	11.9	3.1	1.5	World			100.0

Note: Weights are calculated using nominal GDP at PPP rates in 2014. Regional aggregates are calculated using moving nominal GDP weights evaluated at PPP rates.

1. Countries that are members of both the euro area and the OECD.

Source: OECD Economic Outlook 98 database.

Irrevocable euro conversion rates

National currency unit per euro

Austria	13.7603	Luxembourg	40.3399
Belgium	40.3399	Netherlands	2.20371
Estonia	15.6466	Portugal	200.482
Finland	5.94573	Spain	166.386
France	6.55957	Slovak Republic	30.126
Germany	1.95583	Slovenia	239.64
Greece	340.75		
Ireland	0.78756	Latvia	0.702804
Italy	1936.27	Lithuania	3.4528

Source : European Central Bank.

Non-OECD trade regions

Dynamic Asian Economies: Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Thailand and Vietnam.

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

The status of national accounts in the OECD countries is as follows :

	Expenditure accounts	Household accounts	Benchmark/ base year
Australia	SNA08 (1959q3-2015q2)	SNA08 (1959q3-2015q2)	2012/2013
Austria	ESA10 (1996q1-2015q2)	ESA10 (1995-2014)	2010
Belgium	ESA10 (1995q1-2015q2)	ESA10 (1999-2013)	2013
Canada	SNA08 (1981q1-2015q2)	SNA08 (1981q1-2015q2)	2007
Chile	SNA93 (1996q1-2015q2)	..	2008
Czech Republic	ESA10 (1996q1-2015q2)	ESA10 (1995-2014)	2010
Denmark	ESA10 (1995q1-2015q2)	ESA10 (1995-2014)	2010
Estonia	ESA10 (1995q1-2015q2)	ESA95 (1995-2014)	2010
Finland	ESA10 (1990q1-2015q2)	ESA10 (1999q1-2015q2)	2010
France	ESA10 (1949q1-2015q2)	ESA10 (1980q1-2015q2)	2010
Germany	ESA10 (1991q1-2015q2)	ESA10 (1991-2014)	2010
Greece	ESA10 (1995q1-2015q2)	..	2010
Hungary	ESA10 (1991-2014)	ESA10 (1995-2014)	2005
Iceland	SNA08 (1997q1-2015q2)	..	2005
Ireland	ESA10 (1997q1-2015q2)	ESA95 (1970-2013)	2013
Israel	SNA08 (1995q1-2015q2)	..	2010
Italy	ESA10 (1995q1-2015q2)	ESA10 (1995-2014)	2010
Japan	SNA93 (1994q1-2015q2)	SNA93 (1980-2013)	2005
Korea	SNA08 (1970q1-2015q3)	SNA08 (1975-2014)	2010
Luxembourg	ESA10 (1995q1-2015q2)	ESA95 (2007-2012)	2010
Mexico	SNA08 (1993q1-2015q2)	..	2008
Netherlands	ESA10 (1995q1-2015q2)	ESA10 (1995-2014)	2010
New Zealand	SNA93 (1987q4-2014q4)	SNA93 (1986-2013)	2009/2010
Norway	SNA08 (1978q1-2015q2)	SNA93 (1978-2014)	2012
Poland	ESA10 (2002q1-2015q2)	ESA10 (2000-2013)	2010
Portugal	ESA10 (1995q1-2015q2)	ESA10 (1995-2014)	2011
Slovak Republic	ESA10 (1993-2014)	ESA10 (1995-2014)	2010
Slovenia	ESA10 (1995q1-2015q2)	ESA10 (1995-2014)	2010
Spain	ESA10 (1995q1-2015q2)	ESA10 (1999-2014)	2010
Sweden	ESA10 (1995q1-2015q2)	ESA10 (1993q1-2015q2)	2014
Switzerland	ESA10 (1980q1-2015q2)	ESA10 (1995-2013)	2010
Turkey	SNA93 (1998q1-2015q2)	..	1998
United Kingdom	ESA10 (1980q1-2015q2)	ESA10 (1987q1-2014q4)	2012
United States	NIPA (SNA08) (1947q1-2015q3)	NIPA (SNA08) (1947q1-2015q3)	2009
Brazil	SNA08 (1996-2014)	..	2000
China	SNA93 (1992-2014)	..	2005
Colombia	SNA93 (2000-2014)	..	2005
Costa Rica	SNA93 (1991-2014)	..	1991
Indonesia	SNA08 (2000-2014)	..	2010
India	SNA93 (2011-2014)	..	2012
Latvia	SNA08 (1995-2014)	..	2010
Lithuania	SNA08 (1995-2014)	..	2010
Russia	SNA93 (2003-2014)	..	2008
South Africa	SNA08 (1961-2014)	..	2010

Note: SNA: System of National Accounts. ESA: European Standardised Accounts. NIPA: National Income and Product Accounts. The numbers in brackets indicate the starting year for the time series and the latest available historical data included in this Outlook database.
BPM: Balance of Payments and International Investment Position Manual, edition 5 or 6.

National accounts reporting systems, base years and latest data updates *(con't)*

The status of national accounts in the OECD countries is as follows :

Government accounts		Balance of payments	
Financial	Non financial		
SNA08 (1959q3-2015q2)	SNA08 (1959q3-2015q2)	BPM6 (1959q3-2015q2)	Australia
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (2006q1-2015q2)	Austria
ESA10 (1998-2014)	ESA10 (1995-2014)	BPM6 (2008q1-2015q2)	Belgium
SNA08 (1981q1-2015q2)	SNA08 (1981q1-2015q2)	BPM6 (1981q1-2015q2)	Canada
..	..	BPM6 (2003q1-2015q2)	Chile
ESA10 (1999-2014)	ESA10 (1995-2014)	BPM6 (1993q1-2015q2)	Czech Republic
ESA10 (1994-2014)	ESA10 (1995-2014)	BPM6 (1995q1-2015q2)	Denmark
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1993q1-2015q2)	Estonia
ESA10 (1995-2014)	ESA10 (1975-2014)	BPM6 (2006q1-2015q2)	Finland
ESA10 (1995-2014)	ESA10 (1978-2014)	BPM6 (2008q1-2015q2)	France
ESA10 (1991-2014)	ESA10 (1991-2014)	BPM6 (1991q1-2015q2)	Germany
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (2008q1-2015q2)	Greece
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1995q1-2015q2)	Hungary
SNA08 (2003-2013)	SNA08 (1998-2014)	BPM6 (1995q1-2015q2)	Iceland
ESA10 (1990-2014)	ESA10 (1990-2014)	BPM6 (2002q1-2015q2)	Ireland
SNA08 (1995-2014)	SNA08 (1995-2014)	BPM5 (1995q1-2015q2)	Israel
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1995q1-2015q2)	Italy
SNA93 (1994-2013)	SNA93 (1994-2013)	BPM6 (1994q1-2015q2)	Japan
..	SNA08 (1975-2014)	BPM6 (1980q1-2015q2)	Korea
ESA10 (1990-2014)	ESA10 (1995-2014)	BPM6 (2002q1-2015q2)	Luxembourg
..	..	..	Mexico
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (2008q1-2015q2)	Netherlands
SNA93 (1986-2013)	SNA93 (1986-2013)	BPM6 (1971q1-2015q2)	New Zealand
SNA08 (1995-2014)	SNA08 (1995-2014)	BPM6 (1981q1-2015q2)	Norway
ESA10 (1998-2014)	ESA10 (2010-2014)	BPM6 (2004q1-2015q2)	Poland
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1996q1-2015q2)	Portugal
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (2009q1-2015q2)	Slovak Republic
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1996q1-2015q2)	Slovenia
ESA10 (1995-2014)	ESA10 (1995-2014)	BPM6 (1995q1-2015q2)	Spain
ESA10 (1997-2014)	ESA10 (1993-2014)	BPM6 (2006q1-2015q2)	Sweden
ESA10 (1999-2012)	ESA10 (1995-2014)	BPM6 (2000q1-2015q2)	Switzerland
..	..	BPM5 (1992q1-2015q2)	Turkey
ESA95 (1987q1-2015q2)	ESA95 (1987q1-2015q2)	BPM6 (1999q1-2015q2)	United Kingdom
NIPA (SNA08) (1952q1-2015q2)	NIPA (SNA08) (1947q1-2015q3)	BPM6 (1960q1-2015q2)	United States
..	..	BPM6 (2014q1-2015q2)	Brazil
..	..	BPM6 (1998q1-2015q2)	China
..	..	BPM6 (2000q1-2015q2)	Colombia
..	..	BPM6 (2009q1-2015q2)	Costa Rica
..	..	BPM6 (2004q1-2015q2)	Indonesia
..	..	BPM6 (2010q3-2015q2)	India
..	..	BPM6 (2000q1-2015q2)	Latvia
..	..	BPM6 (2004q1-2015q2)	Lithuania
..	..	BPM6 (1994q1-2015q2)	Russia
..		BPM6 (1990q1-2015q2)	South Africa

Note: SNA: System of National Accounts. ESA: European Standardised Accounts. NIPA: National Income and Product Accounts. The numbers in brackets indicate the starting year for the time series and the latest available historical data included in this Outlook database.

BPM: Balance of Payments and International Investment Position Manual, edition 5 or 6.

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Annex Table 1. **Real GDP**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	3.8	4.0	3.0	4.0	3.2	2.7	4.5	2.5	1.6	2.3	2.6	3.7	2.0	2.7	2.2	2.6	3.0	2.3	2.8	3.3
Austria	2.4	1.5	0.8	2.4	2.4	3.7	3.5	1.2	-3.6	1.8	3.0	0.7	0.3	0.5	0.8	1.3	1.7	1.3	1.5	1.8
Belgium	2.1	1.8	0.8	3.6	2.1	2.5	3.4	0.7	-2.3	2.7	1.8	0.2	0.0	1.3	1.3	1.5	1.6	1.3	1.6	1.6
Brazil	..	3.0	1.2	5.6	3.2	4.0	6.0	5.0	-0.2	7.6	3.9	1.8	2.7	0.2	-3.1	-1.2	1.8	..	..	..
Canada	3.3	2.8	1.9	3.1	3.2	2.6	2.0	1.2	-2.7	3.4	3.0	1.9	2.0	2.4	1.2	2.0	2.3	0.8	2.2	2.4
Chile	6.2	2.7	3.8	6.9	6.2	5.8	5.2	3.2	-1.0	5.7	5.8	5.5	4.3	1.8	2.2	2.6	3.3	2.2	3.2	3.4
China	..	9.1	10.0	10.1	11.3	12.7	14.2	9.6	9.2	10.6	9.5	7.7	7.7	7.3	6.8	6.5	6.2	6.6	6.4	6.1
Colombia	2.5	2.5	3.9	5.3	4.7	6.7	6.9	3.5	1.7	4.0	6.6	4.0	4.9	4.6	2.8	3.0	3.3	..	..	..
Costa Rica	5.1	2.9	6.4	4.2	6.2	8.8	7.7	2.7	-0.9	5.0	4.7	5.1	3.3	3.5	2.9	3.5	4.1	..	..	..
Czech Republic	..	1.6	3.6	4.8	6.5	7.1	5.5	2.5	-4.7	2.1	2.0	-0.8	-0.5	2.0	4.3	2.3	2.4	4.5	2.3	2.5
Denmark	2.6	0.5	0.4	2.6	2.4	3.8	0.8	-0.7	-5.1	1.6	1.2	-0.7	-0.5	1.1	1.8	1.8	1.9	1.7	1.9	1.9
Estonia	..	6.2	7.6	6.2	9.1	10.5	7.4	-5.0	-14.3	1.8	7.5	5.1	1.7	2.9	1.8	2.5	2.9	1.5	2.5	3.0
Finland	3.2	1.7	2.0	3.9	2.8	4.1	5.2	0.7	-8.3	3.0	2.6	-1.4	-1.1	-0.4	-0.1	1.1	1.6	-0.2	1.9	1.5
France	2.2	1.1	0.8	2.6	1.6	2.6	2.3	0.1	-2.9	1.9	2.1	0.2	0.7	0.2	1.1	1.3	1.6	1.3	1.6	1.6
Germany	1.6	0.0	-0.7	0.7	0.9	3.9	3.4	0.8	-5.6	3.9	3.7	0.6	0.4	1.6	1.5	1.8	2.0	1.6	2.0	2.0
Greece	..	3.1	6.5	4.9	1.1	5.7	3.4	-0.4	-4.4	-5.3	-8.9	-6.6	-4.0	0.7	-1.4	-1.2	2.1	-4.0	2.1	2.0
Hungary	2.0	4.5	3.8	4.9	4.4	3.8	0.4	0.8	-6.6	0.7	1.8	-1.7	1.9	3.7	3.0	2.4	3.1	3.2	2.0	3.3
Iceland	3.0	0.5	2.7	8.2	6.0	4.2	9.5	1.5	-4.7	-3.6	2.0	1.2	3.9	1.8	4.1	3.7	2.9	5.2	2.2	3.6
India[1]	6.7	3.8	8.4	8.3	9.3	9.3	9.8	3.9	8.5	10.3	6.6	5.1	6.9	7.3	7.2	7.3	7.4	..	..	..
Indonesia	..	4.5	4.8	5.0	5.7	5.5	6.3	6.0	4.7	6.4	6.2	6.0	5.6	5.0	4.7	5.2	5.5	..	..	..
Ireland	7.8	5.9	3.9	4.4	6.4	6.3	5.5	-2.2	-5.7	0.4	2.6	0.1	1.4	5.2	5.6	4.1	3.5	4.3	5.0	2.8
Israel	..	-0.1	1.2	5.1	4.4	5.6	6.2	3.2	1.2	5.4	5.0	2.9	3.4	2.6	2.5	3.2	3.3	2.2	3.4	3.3
Italy	1.6	0.3	0.2	1.4	1.1	2.1	1.4	-1.1	-5.5	1.7	0.7	-2.9	-1.8	-0.4	0.8	1.4	1.4	1.3	1.4	1.6
Japan	0.8	0.3	1.7	2.4	1.3	1.7	2.2	-1.0	-5.5	4.7	-0.5	1.7	1.6	-0.1	0.6	1.0	0.5	1.1	1.4	-0.1
Korea	6.4	7.4	2.9	4.9	3.9	5.2	5.5	2.8	0.7	6.5	3.7	2.3	2.9	3.3	2.7	3.1	3.6	3.6	2.6	4.0
Latvia	..	7.1	8.4	8.3	10.7	11.9	10.0	-3.6	-14.3	-3.8	6.2	4.0	3.0	2.4	2.5	3.1	3.5	..	..	..
Lithuania	..	6.8	10.5	6.6	7.7	7.4	11.1	2.6	-14.8	1.6	6.0	3.8	3.5	3.0	1.7	2.9	3.7	..	..	..
Luxembourg	4.4	3.6	1.4	4.4	3.2	5.1	8.4	-0.9	-5.4	5.7	2.6	-0.8	4.4	4.1	3.0	3.0	2.9	0.9	3.1	2.8
Mexico	2.9	0.1	1.4	4.0	3.2	5.0	3.1	1.2	-4.5	5.1	4.0	3.8	1.6	2.1	2.3	3.1	3.3	2.2	3.4	3.2
Netherlands	3.3	0.1	0.4	1.8	2.2	3.6	3.7	1.7	-3.8	1.3	1.7	-1.1	-0.4	1.0	2.2	2.5	2.7	1.8	2.9	2.6
New Zealand	3.5	5.2	4.6	4.4	2.8	2.4	3.7	-0.8	0.5	2.0	1.4	2.9	2.5	3.0	2.3	1.9	2.3	1.6	1.9	2.5
Norway	3.6	1.4	0.9	4.0	2.6	2.4	2.9	0.4	-1.6	0.6	1.0	2.7	0.7	2.2	1.2	1.1	1.9	0.3	1.5	2.1
Poland	4.7	1.4	3.6	5.1	3.5	6.2	7.2	3.9	2.6	3.7	5.0	1.6	1.3	3.3	3.5	3.4	3.5	3.5	3.4	3.6
Portugal	2.6	0.8	-0.9	1.8	0.8	1.6	2.5	0.2	-3.0	1.9	-1.8	-4.0	-1.1	0.9	1.7	1.6	1.5	1.8	1.6	1.5
Russia	..	4.7	7.3	7.2	6.4	8.2	8.5	5.2	-7.8	4.5	4.3	3.4	1.3	0.6	-4.0	-0.4	1.7	..	..	..
Slovak Republic	..	4.5	5.4	5.3	6.4	8.5	10.8	5.7	-5.5	5.1	2.8	1.5	1.4	2.5	3.2	3.4	3.5	3.3	3.5	3.4
Slovenia	..	3.8	2.8	4.4	4.0	5.7	6.9	3.3	-7.8	1.2	0.6	-2.7	-1.1	3.0	2.5	1.9	2.7	2.7	1.7	2.8
South Africa	2.2	3.7	2.9	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.2	2.2	2.2	1.5	1.5	1.5	2.0	..	..	..
Spain	2.9	2.9	3.2	3.2	3.7	4.2	3.8	1.1	-3.6	0.0	-1.0	-2.6	-1.7	1.4	3.2	2.7	2.5	3.4	2.4	2.6
Sweden	2.4	2.1	2.5	3.8	2.8	4.9	3.5	-0.7	-5.1	5.7	2.7	0.0	1.2	2.4	2.9	3.1	3.0	2.7	3.2	2.8
Switzerland	1.4	0.1	0.0	2.8	3.0	4.0	4.1	2.3	-2.1	3.0	1.8	1.1	1.8	1.9	0.7	1.1	1.6	-0.1	1.7	1.5
Turkey	3.0	6.2	5.3	9.4	8.4	6.9	4.7	0.7	-4.8	9.2	8.8	2.1	4.2	2.9	3.1	3.4	4.1	2.5	4.9	3.9
United Kingdom	2.8	2.5	3.3	2.5	3.0	2.7	2.6	-0.5	-4.2	1.5	2.0	1.2	2.2	2.9	2.4	2.4	2.3	2.2	2.3	2.2
United States	3.5	1.8	2.8	3.8	3.3	2.7	1.8	-0.3	-2.8	2.5	1.6	2.2	1.5	2.4	2.4	2.5	2.4	2.1	2.6	2.3
Euro area	2.1	0.9	0.7	2.0	1.8	3.3	3.0	0.4	-4.5	2.0	1.6	-0.8	-0.3	0.9	1.5	1.8	1.9	1.6	1.9	2.0
Total OECD	2.8	1.7	2.1	3.2	2.8	3.2	2.7	0.2	-3.4	3.0	1.9	1.3	1.2	1.9	2.0	2.2	2.3	1.9	2.4	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297371

Annex Table 2. **Nominal GDP**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	5.8	7.2	6.2	7.7	7.9	7.9	9.1	9.1	1.7	8.0	7.1	3.3	3.3	3.1	1.4	4.0	5.5	1.7	5.2	5.9
Austria	4.1	2.8	2.1	4.2	5.0	5.6	5.8	3.0	-1.7	2.8	4.9	2.7	1.8	2.1	2.3	2.7	3.3	2.5	3.1	3.5
Belgium	4.0	3.5	2.8	5.7	4.3	4.9	5.5	2.7	-1.5	4.7	3.8	2.2	1.4	2.0	1.7	2.7	3.2	1.9	3.0	3.2
Brazil	..	13.3	15.3	13.9	10.9	11.0	12.8	14.3	7.1	16.8	12.6	7.7	9.4	7.1	4.9	5.0	7.3	..	..	..
Canada	5.0	4.1	5.3	6.5	6.5	5.4	5.3	5.1	-4.8	6.1	6.5	3.5	3.4	4.3	1.1	3.8	4.5	1.4	4.3	4.6
Chile	12.7	6.7	8.9	15.0	13.8	19.1	10.3	3.8	2.8	15.1	9.3	6.4	6.2	7.4	7.4	6.4	6.9	6.8	6.8	7.0
China	..	9.7	12.9	17.7	15.7	17.1	23.1	18.2	9.1	18.3	18.4	10.3	10.1	8.2	6.3	6.5	7.0	5.8	7.0	6.9
Colombia	21.7	8.6	11.0	13.0	10.5	12.9	12.3	11.4	5.1	8.0	13.8	7.2	6.9	6.5	5.8	7.1	6.2	..	..	..
Costa Rica	19.9	12.4	15.2	16.6	17.2	20.8	18.1	15.4	7.3	13.2	9.2	9.2	8.0	8.4	6.0	6.9	8.1	..	..	..
Czech Republic	..	4.3	4.7	9.0	6.6	7.8	9.2	4.6	-2.2	0.7	1.8	0.6	0.9	4.5	5.4	3.5	4.1	5.6	3.6	4.3
Denmark	4.4	2.8	1.9	4.8	5.4	6.1	3.4	3.4	-4.6	4.9	1.9	1.8	1.1	1.9	3.2	3.3	3.9	2.4	4.3	3.5
Estonia	..	11.6	12.3	10.9	16.0	20.2	19.8	2.2	-14.2	3.8	13.1	8.2	5.6	5.1	2.6	3.9	5.5	1.9	4.8	5.7
Finland	5.2	2.7	2.2	4.6	3.7	5.0	8.1	3.8	-6.5	3.4	5.2	1.5	1.5	1.2	0.1	2.0	2.9	-0.1	3.2	2.6
France	3.5	3.2	2.7	4.3	3.6	4.8	4.9	2.5	-2.8	3.0	3.1	1.4	1.5	0.7	2.2	2.3	2.9	2.3	2.7	3.0
Germany	3.3	1.4	0.5	1.8	1.5	4.2	5.1	1.6	-3.9	4.7	4.8	2.1	2.5	3.3	3.6	3.0	3.4	3.6	3.1	3.5
Greece	..	6.7	10.0	8.2	3.1	9.3	6.9	3.9	-1.8	-4.5	-8.3	-6.6	-6.2	-2.0	-3.1	-1.7	2.8	-5.2	2.2	3.0
Hungary	19.5	13.3	9.5	10.2	6.9	7.5	5.8	5.9	-2.9	3.0	4.0	1.8	5.0	7.0	4.3	5.4	6.2	5.4	4.7	6.6
Iceland	6.8	6.1	3.2	11.0	9.7	13.4	14.0	13.0	3.1	1.8	5.1	4.4	5.8	5.9	10.6	8.8	8.3	8.3	9.0	8.0
India[1]	14.8	7.7	12.2	14.3	13.9	16.3	16.1	12.9	15.1	20.2	15.7	13.1	13.6	10.5	10.0	12.0	12.2	..	..	..
Indonesia	..	10.7	10.5	14.0	20.8	20.4	18.3	25.3	11.0	14.2	14.1	10.0	10.6	10.7	9.9	10.3	10.5	..	..	..
Ireland	12.0	11.5	7.2	7.2	8.8	8.8	6.5	-4.8	-9.7	-1.9	4.7	0.5	2.6	5.4	9.1	5.4	6.6	4.8	8.0	6.0
Israel	..	4.3	0.6	5.1	5.6	7.4	7.1	5.4	5.2	7.1	6.9	6.9	5.5	3.6	5.6	4.5	4.9	5.1	4.6	5.1
Italy	5.0	3.6	3.4	4.0	3.0	4.0	3.8	1.4	-3.7	2.0	2.2	-1.5	-0.5	0.5	1.2	2.3	2.6	1.8	2.5	2.8
Japan	0.6	-1.3	-0.1	1.0	0.0	0.6	1.2	-2.3	-6.0	2.4	-2.3	0.8	1.0	1.6	2.9	1.9	2.7	3.1	2.4	2.6
Korea	11.2	10.7	6.4	8.0	5.0	5.0	8.0	5.9	4.3	9.9	5.3	3.4	3.8	3.9	4.9	3.8	5.4	5.4	4.2	6.0
Latvia	..	12.5	13.7	15.7	23.0	25.7	32.1	7.8	-22.6	-4.7	13.0	7.7	4.4	3.6	3.2	5.0	6.1	..	..	..
Lithuania	..	7.1	9.6	9.4	15.2	14.6	20.6	12.6	-17.6	4.1	11.5	6.6	4.9	4.2	1.9	4.6	5.5	..	..	..
Luxembourg	6.7	5.3	4.4	7.0	7.5	12.4	10.1	2.4	-3.7	9.0	6.9	3.2	6.9	5.0	6.5	4.1	4.4	3.3	4.4	4.4
Mexico	19.1	5.8	7.5	12.9	8.6	11.6	8.2	7.5	-1.3	9.8	9.5	7.4	3.1	6.5	7.3	6.4	6.2	9.8	3.4	7.5
Netherlands	5.7	3.7	2.5	3.3	4.2	6.2	5.9	4.2	-3.4	2.2	1.8	0.3	0.9	1.8	2.5	3.8	4.2	2.7	4.1	4.3
New Zealand	5.3	5.9	6.1	7.9	5.3	4.8	8.1	2.9	1.3	5.0	4.3	2.5	5.5	5.2	3.4	2.9	4.2	3.8	3.7	4.3
Norway	7.1	-0.3	3.8	10.0	11.6	11.4	6.1	10.9	-6.7	6.6	7.8	6.2	3.5	2.6	0.3	3.8	4.4	1.1	4.5	4.3
Poland	24.3	3.6	4.4	9.6	6.2	8.2	11.4	7.6	6.6	6.1	8.4	4.0	1.7	3.8	3.6	4.5	5.3	4.1	5.0	5.5
Portugal	7.8	5.0	2.5	4.3	4.1	4.8	5.5	1.9	-1.9	2.6	-2.1	-4.4	1.1	1.9	3.1	2.1	2.3	3.1	2.1	2.3
Russia	..	21.1	22.3	28.9	26.9	24.6	23.5	24.2	-6.0	19.3	20.9	11.1	6.5	7.9	2.9	7.7	7.3	..	..	..
Slovak Republic	11.6	8.7	11.1	11.3	9.0	11.7	12.1	8.6	-6.6	5.6	4.5	2.8	2.0	2.3	3.2	4.7	5.1	3.8	4.9	5.2
Slovenia	..	11.7	8.7	7.8	5.6	8.0	11.4	8.0	-4.7	0.2	1.8	-2.5	-0.2	3.9	2.8	2.0	3.0	2.9	1.9	3.4
South Africa	11.8	16.4	8.9	11.4	11.0	12.2	14.7	12.3	5.9	9.6	10.1	7.9	8.3	7.4	5.6	7.3	8.1	..	..	..
Spain	6.9	7.1	7.2	7.2	8.0	8.3	7.2	3.3	-3.3	0.2	-1.0	-2.6	-1.1	1.0	3.9	3.8	3.6	4.5	3.4	3.8
Sweden	4.3	3.7	4.3	4.4	3.6	6.8	6.5	2.6	-2.8	6.8	3.9	1.0	2.3	4.0	5.2	4.8	5.0	4.8	5.1	4.9
Switzerland	2.3	-0.2	1.0	3.2	3.7	6.0	6.5	4.2	-1.7	3.3	2.0	0.9	1.7	1.2	-0.2	0.8	1.8	-1.0	1.8	1.7
Turkey	75.9	45.9	29.8	22.9	16.1	16.9	11.2	12.7	0.2	15.4	18.1	9.2	10.6	11.5	10.7	10.4	9.3	10.2	11.1	9.3
United Kingdom	5.1	5.1	6.2	5.5	6.0	5.7	5.5	2.4	-2.2	4.7	4.1	2.8	4.2	4.7	3.6	3.6	3.8	3.7	3.6	3.9
United States	5.6	3.3	4.9	6.6	6.7	5.8	4.5	1.7	-2.0	3.8	3.7	4.1	3.1	4.1	3.4	4.1	4.3	3.2	4.5	4.3
Euro area	4.5	3.4	2.9	4.0	3.7	5.3	5.4	2.3	-3.5	2.7	2.7	0.4	1.0	1.8	2.7	2.8	3.3	2.7	3.1	3.4
Total OECD	7.0	4.2	4.5	5.9	5.3	5.8	5.2	2.6	-2.4	4.4	3.8	2.8	2.6	3.5	3.5	3.8	4.2	3.6	4.0	4.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297389

Annex Table 3. **Real private consumption expenditure**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	3.6	4.2	3.9	5.7	3.2	3.8	5.6	1.9	0.8	3.3	3.1	2.5	1.7	2.4	2.6	2.9	3.2	2.5	3.1	3.2
Austria	2.0	0.6	1.7	2.0	2.5	2.3	1.0	0.5	0.8	0.9	1.5	0.6	0.0	0.0	0.4	1.6	1.2	0.8	1.6	1.2
Belgium	1.6	0.4	0.5	1.6	1.2	1.5	1.9	1.7	0.5	2.7	0.3	0.6	0.9	0.4	1.8	1.2	1.3	1.6	1.3	1.3
Brazil	..	1.2	-0.7	3.9	4.3	5.4	6.3	6.5	4.1	6.4	4.8	3.9	2.9	0.9	-3.7	-2.3	1.8	..	..	..
Canada	2.9	3.7	3.0	3.0	3.6	4.1	4.3	2.9	0.4	3.4	2.3	1.9	2.5	2.7	2.1	2.0	1.8	2.0	1.8	1.8
Chile	..	2.8	4.5	8.4	8.5	7.8	7.6	5.2	-0.8	10.8	8.9	6.1	5.9	2.2	1.8	2.8	3.4	2.1	3.2	3.5
Colombia	..	2.0	2.9	3.9	4.1	6.4	7.2	3.5	0.6	5.0	6.0	4.4	3.8	4.3	3.0	3.2	3.2	..	..	..
Costa Rica	4.7	3.0	3.2	3.1	4.4	5.8	7.4	3.5	1.7	4.4	4.6	4.1	3.4	4.0	4.5	3.7	3.8	..	..	..
Czech Republic	..	2.9	4.8	3.4	3.3	3.9	4.1	2.8	-0.6	0.9	0.3	-1.4	0.7	1.5	3.1	2.6	2.3	3.1	2.5	2.3
Denmark	1.8	1.4	1.3	4.6	3.7	2.9	1.8	0.5	-3.4	0.8	0.2	0.4	0.0	0.7	1.9	1.6	2.0	1.1	2.0	2.0
Estonia	..	9.5	9.1	7.8	9.3	12.8	9.0	-4.8	-15.2	-1.9	3.6	4.5	3.8	3.5	5.2	3.7	3.2	4.3	3.4	3.2
Finland	2.0	2.6	4.2	3.6	3.2	4.1	3.5	2.1	-2.7	3.1	2.9	0.3	-0.3	0.5	0.4	0.4	0.8	0.1	1.2	0.5
France	2.1	2.0	1.5	1.9	2.5	2.4	2.4	0.4	0.3	1.8	0.4	-0.2	0.5	0.7	1.6	1.7	1.9	1.7	1.9	1.9
Germany	1.7	-0.8	0.1	0.5	0.5	1.6	0.0	0.5	0.3	0.3	1.3	0.9	0.8	1.0	1.9	2.0	2.0	1.5	2.1	1.9
Greece	..	4.9	3.9	4.3	4.6	2.9	3.4	2.7	-0.7	-6.9	-10.7	-7.9	-2.2	1.4	0.5	-0.8	1.1	-1.5	0.7	1.3
Hungary	1.8	8.1	8.4	2.0	2.9	1.4	1.0	-1.2	-6.7	-2.8	0.8	-2.2	0.3	1.8	3.0	3.2	3.2	3.2	3.3	3.2
Iceland	2.7	-0.8	6.7	7.4	10.7	2.5	6.7	-7.0	-9.2	-0.3	2.5	1.9	1.0	3.1	4.6	4.3	3.1	4.5	4.1	2.5
India[1]	..	2.9	5.9	5.2	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.5	6.2	6.3	7.1	7.8	7.8	..	..	..
Indonesia	..	3.8	3.9	5.0	4.0	3.2	5.0	5.3	4.7	4.1	5.1	5.5	5.4	5.3	4.6	4.5	5.3	..	..	..
Ireland	6.1	3.6	2.9	3.7	7.1	6.7	6.7	0.0	-5.8	0.2	-0.5	-1.0	0.1	2.1	3.0	2.9	3.2	2.2	3.2	3.2
Israel	..	1.7	0.2	5.1	3.4	5.0	8.3	1.4	0.8	4.9	3.4	2.2	4.1	3.6	5.0	3.9	3.9	3.6	4.2	3.7
Italy	1.5	0.0	0.8	1.0	1.3	1.4	1.2	-1.1	-1.5	1.2	0.0	-4.0	-2.6	0.4	0.7	1.4	1.2	1.1	1.2	1.2
Japan	1.3	1.2	0.5	1.2	1.5	1.1	0.9	-0.9	-0.7	2.8	0.3	2.3	2.1	-1.3	-0.8	1.4	-0.3	0.5	1.9	-1.6
Korea	5.7	8.9	-0.5	0.3	4.4	4.6	5.1	1.4	0.2	4.4	2.9	1.9	1.9	1.8	2.1	2.9	3.0	2.9	2.3	3.4
Latvia	..	6.1	8.1	10.5	10.0	19.4	10.2	-7.9	-16.1	2.8	3.0	3.2	5.1	2.3	2.4	3.1	3.6	..	..	..
Lithuania	..	6.2	11.3	10.9	11.6	9.1	12.4	3.9	-17.4	-3.4	4.6	3.6	4.3	4.1	4.6	3.8	4.0	..	..	..
Luxembourg	2.9	4.4	2.0	0.7	1.9	3.3	2.4	1.4	1.0	1.7	2.2	2.7	0.9	3.7	0.3	3.1	2.7	0.0	2.6	2.7
Mexico	3.0	1.4	1.1	5.3	4.7	5.5	3.0	1.7	-6.3	5.7	4.8	4.7	2.6	2.0	2.8	2.9	3.1	2.7	3.3	3.0
Netherlands	3.2	1.1	-0.2	0.5	0.9	-0.3	1.9	0.9	-2.1	0.0	0.2	-1.2	-1.4	0.0	1.9	1.5	1.7	1.7	1.6	1.8
New Zealand	3.1	4.2	6.3	6.1	4.9	2.6	3.6	0.4	-0.7	3.0	2.1	2.8	3.0	3.2	2.6	2.4	2.2	2.4	2.3	2.2
Norway	3.4	3.1	3.2	5.4	4.4	5.0	5.3	1.7	0.0	3.8	2.3	3.5	2.1	2.0	2.4	1.7	2.5	1.8	2.4	2.6
Poland	4.7	3.3	1.6	4.2	2.4	4.7	6.4	6.1	3.4	2.7	3.1	0.7	0.2	2.5	3.5	3.5	3.6	3.5	3.5	3.7
Portugal	2.9	1.3	-0.3	2.6	1.6	1.5	2.5	1.4	-2.3	2.4	-3.6	-5.5	-1.2	2.2	2.5	1.6	1.5	2.4	1.5	1.4
Russia	..	8.3	7.4	11.9	11.7	12.0	14.2	10.4	-5.1	5.5	6.7	7.7	4.9	1.2	-9.8	-0.9	0.9	..	..	..
Slovak Republic	..	5.7	2.9	5.0	5.8	6.0	7.5	6.0	-0.5	0.4	-0.6	-0.4	-0.8	2.3	2.2	3.3	3.0	2.7	3.4	2.7
Slovenia	..	2.5	3.4	3.0	2.2	1.2	6.4	2.4	0.9	1.3	0.0	-2.5	-4.1	0.7	1.8	1.2	2.6	1.6	2.3	2.7
South Africa	2.9	3.2	2.8	6.2	6.1	8.8	6.5	1.2	-2.6	3.9	4.9	3.4	2.9	1.4	1.5	1.3	2.0	..	..	..
Spain	2.6	3.0	2.4	4.0	4.0	3.8	3.3	-0.7	-3.6	0.3	-2.4	-3.5	-3.1	1.2	3.1	3.0	2.4	3.4	2.6	2.4
Sweden	1.6	2.6	2.4	2.6	2.8	2.8	3.9	0.2	0.4	3.8	1.9	0.9	1.9	2.3	2.3	2.8	2.8	2.3	3.1	2.7
Switzerland	1.3	0.3	0.4	1.8	1.5	1.5	2.3	1.5	1.3	1.6	0.8	2.7	2.2	1.3	1.2	1.5	1.3	1.3	1.4	1.3
Turkey	2.7	4.7	10.2	11.0	7.9	4.6	5.5	-0.3	-2.3	6.7	7.7	-0.5	5.1	1.4	3.3	2.8	3.8	1.0	4.2	4.0
United Kingdom	3.8	4.1	3.6	3.5	3.1	1.9	3.0	-0.7	-3.1	0.0	0.1	1.8	1.9	2.6	3.0	2.6	2.0	3.2	2.2	2.0
United States	4.0	2.6	3.1	3.8	3.5	3.0	2.2	-0.3	-1.6	1.9	2.3	1.5	1.7	2.7	3.2	3.0	2.2	2.9	2.7	1.9
Euro area	2.0	0.9	1.0	1.6	1.9	2.1	1.7	0.2	-0.9	0.7	-0.1	-1.3	-0.6	0.8	1.7	1.8	1.8	1.6	1.9	1.8
Total OECD	3.0	2.4	2.3	3.1	3.1	2.8	2.5	0.2	-1.4	2.1	1.7	1.0	1.3	1.7	2.3	2.5	2.1	2.3	2.5	1.9

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297399

Annex Table 4. **Real public consumption expenditure**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	2.8	2.6	3.9	3.8	2.8	3.7	3.1	4.3	1.6	3.4	3.6	2.3	0.8	2.0	3.2	1.8	1.8	3.3	1.5	2.0
Austria	2.2	1.8	1.3	1.0	2.4	3.0	1.5	3.8	2.5	0.1	0.2	0.1	0.4	0.8	0.8	-0.6	0.8	0.8	-0.2	0.8
Belgium	1.5	2.6	1.5	1.6	0.7	1.0	1.9	2.8	1.1	1.0	1.3	1.5	-0.1	0.6	0.1	-0.2	-0.1	-0.4	-0.2	0.0
Brazil	..	3.8	1.6	3.9	2.0	3.6	4.1	2.1	2.9	3.9	2.2	3.2	2.2	1.4	-1.2	-0.3	-0.1	..	..	..
Canada	0.7	2.2	2.9	2.0	1.6	3.1	2.8	4.6	3.3	2.7	0.8	1.2	0.4	0.2	0.6	1.0	0.8	0.8	0.9	0.8
Chile	..	2.3	0.8	6.1	5.9	6.4	7.0	0.3	9.2	4.6	2.5	3.5	3.4	4.4	4.2	3.9	2.6	3.5	3.9	2.1
Colombia	..	-0.6	1.8	6.4	5.2	5.5	6.1	3.2	6.0	5.6	3.5	6.4	9.3	6.2	1.8	2.2	2.4	..	..	..
Costa Rica	2.2	2.3	-0.3	1.3	0.2	2.9	2.3	4.4	6.7	4.7	1.4	1.0	2.8	3.5	3.3	2.3	2.0	..	..	..
Czech Republic	..	8.2	6.0	-1.5	0.6	0.4	0.4	1.1	3.0	0.4	-3.0	-1.8	2.3	1.8	2.2	1.8	1.7	1.2	1.8	1.7
Denmark	2.4	2.1	0.2	1.5	1.2	2.5	1.2	3.2	3.0	1.3	-1.4	-0.2	-0.5	0.2	1.3	0.2	0.5	1.2	0.4	0.5
Estonia	..	3.5	3.9	2.9	3.2	5.6	6.5	4.6	-3.1	-0.3	1.4	3.4	1.6	3.0	1.1	0.9	1.0	0.4	1.0	1.0
Finland	0.9	2.4	1.3	1.5	1.9	1.1	1.3	1.6	1.6	-0.1	-0.1	0.5	0.8	-0.2	0.3	1.3	1.0	1.2	1.0	1.0
France	1.4	1.8	1.9	2.1	1.3	1.4	1.8	1.1	2.5	1.2	1.1	1.6	1.7	1.5	1.5	0.6	0.4	1.1	0.4	0.4
Germany	1.9	1.2	0.5	-0.8	0.5	1.0	1.5	3.4	3.0	1.3	0.9	1.3	0.8	1.7	2.1	2.7	2.3	2.3	2.6	2.2
Greece	..	2.1	5.8	4.1	4.7	5.5	4.8	-2.2	1.8	-4.4	-6.3	-6.6	-5.2	-0.8	1.5	-1.4	-0.7	2.4	-0.6	-0.8
Hungary	-0.3	5.4	5.0	2.3	3.2	1.3	-6.7	3.1	1.4	-0.4	0.2	-1.5	2.4	2.9	0.4	0.2	0.0	-0.1	0.0	0.0
Iceland	2.8	5.6	2.1	2.4	3.4	4.1	4.5	4.9	-1.1	-3.7	-0.1	-1.8	1.1	1.8	1.3	1.5	1.4	1.7	1.2	1.5
India[1]	..	-0.4	2.6	3.6	8.9	3.8	9.6	10.4	13.9	5.8	6.9	1.7	8.2	6.6	3.7	11.3	8.4	..	..	..
Indonesia	..	13.0	10.0	4.0	6.6	9.6	3.9	10.4	11.2	4.0	5.5	4.5	6.9	2.0	3.3	4.6	5.2	..	..	..
Ireland	5.2	6.9	3.0	1.7	4.6	5.1	6.8	1.3	-2.5	-4.7	-2.2	-1.3	-0.1	4.0	1.9	1.1	0.0	-1.2	1.4	-0.8
Israel	..	5.3	-2.9	-1.5	2.1	3.7	2.5	2.0	2.9	2.4	2.4	3.7	4.1	3.3	2.5	3.5	2.6	2.3	3.1	2.5
Italy	0.5	1.2	1.3	1.0	0.6	-0.4	0.4	1.0	0.4	0.6	-1.8	-1.4	-0.3	-0.7	-0.2	0.7	-0.1	-1.3	1.7	-0.8
Japan	3.1	2.6	1.9	1.5	0.8	0.0	1.1	-0.1	2.3	1.9	1.2	1.7	1.9	0.2	1.1	0.5	0.6	1.1	-0.2	1.5
Korea	4.3	5.6	3.8	4.5	4.5	7.4	6.1	5.1	5.2	3.8	2.2	3.4	3.3	2.8	3.6	2.8	3.0	4.7	0.5	4.5
Latvia	..	3.5	4.4	3.6	2.7	6.5	3.3	2.4	-10.7	-8.1	3.0	0.3	1.6	4.9	3.3	2.8	2.8	..	..	..
Lithuania	..	2.0	3.2	4.1	3.5	1.9	2.1	0.2	-1.2	-3.6	0.2	1.3	1.0	1.3	2.2	0.6	0.6	..	..	..
Luxembourg	4.5	4.6	3.6	3.4	4.1	0.7	1.1	2.4	4.2	3.3	1.1	-1.2	-0.7	0.2	5.0	2.5	2.7	5.8	2.7	2.7
Mexico	0.8	-1.0	-0.6	2.5	2.9	3.3	2.4	3.2	2.3	1.6	2.5	3.3	1.5	2.5	2.0	-0.5	-0.3	1.5	-1.4	0.2
Netherlands	2.5	4.4	3.0	-0.5	1.7	9.4	3.1	3.3	4.7	1.0	-0.2	-1.3	0.2	0.3	-0.3	0.6	1.0	-0.1	1.3	0.9
New Zealand	1.9	1.7	3.5	5.0	7.1	4.8	4.2	4.5	0.6	0.8	2.5	-0.9	2.0	3.0	2.7	0.6	0.7	2.4	0.4	0.9
Norway	3.1	2.9	1.3	1.3	1.9	1.9	2.0	2.4	4.1	2.2	1.0	1.6	1.7	2.7	2.4	2.7	1.5	2.5	2.5	0.8
Poland	2.8	1.7	3.5	3.8	3.6	5.5	3.0	5.1	3.6	3.3	-1.8	-0.4	2.2	4.9	3.1	2.5	2.5	2.3	2.5	2.5
Portugal	2.7	2.6	1.6	2.9	2.7	-0.2	0.6	0.4	2.6	-1.3	-3.8	-3.3	-2.0	-0.5	0.5	0.5	0.4	1.0	0.4	0.4
Russia	..	2.6	2.3	2.1	1.4	2.3	2.7	3.4	-0.6	-1.5	1.4	2.6	1.1	-0.1	-0.3	-0.4	0.0	..	..	..
Slovak Republic	..	3.5	5.8	-2.8	5.1	9.4	0.3	6.7	6.0	1.8	-1.7	-2.6	2.2	5.9	3.0	1.1	0.8	2.0	0.9	0.8
Slovenia	..	3.2	2.7	2.7	2.7	3.1	1.9	4.9	2.4	-0.5	-0.7	-2.3	-1.5	-0.1	-0.1	-0.2	-0.2	-0.4	-0.2	-0.2
South Africa	0.8	4.6	5.7	5.2	5.1	4.9	4.0	5.8	4.6	3.0	1.7	3.4	3.3	1.9	0.2	1.1	1.6	..	..	..
Spain	2.8	3.9	4.9	6.3	5.6	5.0	6.2	5.9	4.1	1.5	-0.3	-4.5	-2.8	0.0	1.4	0.3	1.1	1.5	0.8	1.2
Sweden	0.6	2.1	0.9	-0.8	0.3	1.8	0.7	1.1	2.2	1.0	0.9	1.6	1.3	1.8	1.8	2.0	1.5	2.0	1.6	1.5
Switzerland	1.1	1.6	2.4	0.8	1.1	0.1	0.1	-1.9	3.5	0.2	2.1	2.1	1.3	1.3	2.4	0.6	0.4	0.8	0.5	0.4
Turkey	4.2	5.8	-2.6	6.0	2.5	8.4	6.5	1.7	7.8	2.0	4.7	6.1	6.5	4.7	8.1	5.2	3.6	9.8	4.4	3.0
United Kingdom	1.6	3.9	4.2	3.3	2.3	2.2	1.1	2.2	1.2	0.2	0.1	1.8	0.5	1.9	1.7	0.4	0.3	1.6	0.3	0.3
United States	1.2	3.9	1.8	1.5	0.8	1.1	1.4	2.5	3.7	0.1	-2.7	-0.9	-2.5	-0.5	0.4	0.6	0.8	0.7	0.6	1.0
Euro area	1.7	2.0	1.8	1.3	1.6	2.1	2.1	2.4	2.4	0.8	-0.1	-0.3	0.2	0.9	1.2	1.1	1.0	0.9	1.3	0.8
Total OECD	1.7	3.0	2.0	1.8	1.5	1.9	1.9	2.4	3.0	1.0	-0.4	0.4	0.0	0.8	1.4	1.0	1.0	1.4	0.9	1.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297406

Annex Table 5. **Real total gross fixed capital formation**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	4.8	14.6	8.8	7.2	9.0	4.7	9.2	7.7	-1.4	4.2	7.1	8.9	-2.2	-2.0	0.6	-1.1	0.3	-0.6	-0.5	1.2
Austria	1.8	-2.9	3.8	0.9	0.2	1.1	4.7	1.4	-7.3	-2.1	6.6	1.4	-0.3	-0.2	-0.5	2.4	4.0	0.4	3.4	4.1
Belgium	2.2	-4.3	-0.4	8.9	6.1	2.0	6.8	1.9	-6.6	-0.8	4.2	0.2	-1.7	7.0	2.5	0.3	3.3	1.0	3.2	3.4
Brazil	..	-1.6	-3.8	8.4	2.3	6.0	11.9	12.7	-1.9	18.1	6.7	-0.6	6.0	-4.4	-12.6	-5.9	3.6	..	..	..
Canada	3.6	1.0	5.2	8.4	9.2	6.3	3.2	1.6	-11.5	11.5	4.8	4.8	0.4	0.2	-2.9	-0.8	2.4	-4.9	1.0	2.5
Chile	8.5	2.2	6.5	11.3	23.5	4.3	10.8	17.9	-12.1	11.6	15.0	11.6	2.1	-6.1	-1.3	0.7	3.3	-1.5	2.2	3.6
Colombia	0.6	11.1	11.5	11.1	13.2	18.1	14.4	9.9	-1.3	4.9	19.0	4.7	6.0	10.9	0.9	1.3	3.5	..	..	..
Costa Rica	6.7	6.7	7.1	-0.6	4.1	10.8	18.1	11.2	-11.2	5.6	8.4	8.3	12.5	4.7	7.4	5.5	5.4	..	..	..
Czech Republic	..	2.0	1.8	3.5	6.6	6.3	13.5	2.2	-9.8	0.9	1.1	-3.0	-2.8	2.0	6.7	3.3	3.1	8.7	1.6	3.0
Denmark	4.5	-0.7	0.0	4.2	4.8	15.1	0.7	-3.3	-14.3	-4.0	0.3	0.6	0.9	4.0	0.6	3.0	2.9	-0.7	3.0	2.8
Estonia	..	23.5	18.6	5.2	15.0	22.9	10.9	-12.8	-36.6	-4.0	33.7	6.9	2.8	-1.8	-4.8	3.0	3.9	0.5	3.1	4.2
Finland	2.7	-3.0	2.8	4.7	3.2	1.3	10.0	0.3	-12.5	1.1	4.1	-2.2	-5.2	-3.3	-0.9	3.7	3.1	3.8	2.4	3.5
France	2.0	-0.9	1.9	3.1	2.9	4.0	5.5	0.7	-9.0	1.9	2.1	0.3	-0.4	-1.2	-0.7	1.0	1.9	0.0	1.5	2.1
Germany	1.1	-5.8	-1.4	-0.9	1.0	8.1	4.3	0.9	-10.0	5.1	7.4	0.2	-1.3	3.5	1.9	2.9	3.8	2.3	3.7	3.8
Greece	..	-1.0	15.5	5.4	-12.8	17.0	17.6	-6.5	-13.3	-20.8	-17.0	-28.5	-9.5	2.9	-16.6	-17.0	8.1	-41.2	6.4	8.2
Hungary	4.7	7.8	1.3	7.6	3.6	0.7	4.2	1.0	-8.3	-9.5	-1.3	-4.4	7.3	11.2	2.3	-3.2	0.8	5.5	-7.1	4.2
Iceland	3.9	-12.8	9.8	26.7	32.0	23.4	-11.2	-19.0	-47.8	-8.6	11.6	5.3	-1.0	15.4	13.7	14.4	8.0	22.9	10.0	7.9
India[1]	..	6.8	13.6	18.9	16.2	13.8	16.2	3.5	7.7	11.0	12.3	-0.3	3.0	4.6	7.3	5.9	8.1	..	..	..
Indonesia	..	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.9	6.7	8.9	9.1	5.3	4.1	3.9	5.4	6.4	..	..	..
Ireland	9.2	5.7	7.8	10.0	16.9	7.2	-0.4	-11.4	-16.9	-15.7	3.3	8.6	-6.2	14.0	14.6	10.6	7.1	7.0	15.0	4.1
Israel	..	-5.5	-5.2	1.8	3.2	6.2	10.3	5.4	-3.6	10.0	14.6	3.4	3.7	-2.1	-1.7	2.5	4.6	-1.9	3.4	5.2
Italy	1.5	4.2	-0.2	1.7	2.0	3.4	1.3	-3.2	-10.0	-0.6	-1.7	-9.4	-6.6	-3.4	0.6	1.5	2.6	1.5	1.9	3.0
Japan	-1.0	-4.9	0.2	0.4	0.8	1.5	0.3	-4.1	-10.6	-0.2	1.4	3.4	3.2	2.6	0.6	0.8	1.2	2.0	1.9	-0.5
Korea	4.2	6.9	4.8	2.9	2.0	3.6	5.0	-0.9	0.3	5.5	0.8	-0.5	3.3	3.1	4.5	4.0	3.6	8.8	2.8	4.0
Latvia	..	-3.4	10.2	28.9	20.4	15.1	22.5	-9.2	-33.3	-19.8	24.1	14.4	-6.0	0.5	2.3	2.8	3.8	..	..	..
Lithuania	..	11.1	14.1	15.8	11.5	19.6	22.3	-4.0	-38.9	1.5	20.1	-1.8	8.3	5.4	8.4	3.0	4.9	..	..	..
Luxembourg	4.6	0.0	4.2	6.4	-3.3	4.6	15.2	7.3	-13.4	-0.2	17.1	0.2	-7.2	9.4	-4.0	-1.5	1.7	-10.7	1.6	1.7
Mexico	4.4	0.6	3.0	7.4	5.8	8.7	5.9	5.1	-9.3	1.2	7.8	4.8	-1.5	2.2	5.5	3.2	3.1	5.7	0.9	4.3
Netherlands	4.2	-4.5	-1.6	0.3	3.1	7.2	6.5	4.1	-9.2	-6.5	5.6	-6.3	-4.5	3.5	10.4	7.0	5.6	9.5	6.3	5.3
New Zealand	5.8	12.0	10.5	13.6	3.8	-1.5	7.7	-3.3	-11.8	0.6	5.7	7.9	8.6	8.8	2.2	3.4	2.3	2.4	2.1	2.5
Norway	3.7	-0.4	0.4	10.0	12.0	9.1	11.7	0.9	-6.8	-6.6	7.4	7.6	6.8	0.6	-3.5	0.2	2.3	-1.4	0.9	2.8
Poland	8.2	-6.9	1.2	6.7	8.7	13.3	19.2	8.4	-1.9	-0.4	8.8	-1.8	-1.1	9.8	7.8	5.8	6.7	6.6	5.9	7.0
Portugal	4.9	-3.4	-7.3	0.1	0.1	-0.8	3.1	0.4	-7.6	-0.9	-12.5	-16.6	-5.1	2.8	6.0	3.0	2.6	4.9	2.8	2.5
Russia	..	3.1	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	9.2	7.0	0.6	-2.1	-7.2	-0.1	3.9	..	..	..
Slovak Republic	..	0.0	-3.2	4.7	16.5	9.1	8.9	1.6	-18.7	7.2	12.7	-9.2	-1.1	3.5	7.0	4.4	3.2	5.8	3.0	3.3
Slovenia	..	0.5	5.8	5.4	3.5	10.2	12.0	7.0	-22.0	-13.3	-4.9	-8.8	1.7	3.2	2.5	-0.5	2.8	9.4	-4.0	4.1
South Africa	3.0	3.5	10.2	12.9	11.0	12.1	13.8	12.8	-6.7	-3.9	5.7	3.6	7.6	-0.4	1.2	2.2	3.4	..	..	..
Spain	3.6	4.6	7.0	5.1	7.5	7.4	4.4	-3.9	-16.9	-4.9	-6.9	-7.1	-2.5	3.5	6.4	5.1	4.1	6.6	4.5	4.1
Sweden	1.7	-2.2	2.8	5.0	5.1	9.6	8.3	0.3	-13.3	5.5	5.8	0.3	0.6	7.7	5.2	5.1	4.7	3.6	4.5	4.8
Switzerland	1.0	0.2	-1.0	5.1	3.2	4.7	4.9	0.7	-7.5	4.4	4.3	2.9	1.2	2.1	1.3	1.3	1.0	1.0	1.2	0.9
Turkey	0.7	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	30.5	18.0	-2.7	4.4	-1.3	5.7	4.7	5.0	6.3	5.1	5.0
United Kingdom	1.5	2.8	2.3	2.8	3.4	3.0	5.7	-5.9	-14.4	5.0	2.0	1.5	2.6	7.5	4.0	6.4	6.7	5.6	6.8	6.6
United States	6.2	-1.8	3.9	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.7	6.3	2.4	4.1	3.9	5.4	5.7	4.0	6.0	5.5
Euro area	2.1	-1.2	1.3	2.3	2.9	5.7	4.7	-0.8	-11.0	-0.5	1.7	-3.3	-2.5	1.4	2.1	2.6	3.4	2.1	3.4	3.4
Total OECD	3.2	-0.6	2.9	4.5	4.6	4.2	2.6	-2.1	-11.0	1.9	3.5	2.0	0.8	2.8	2.9	3.5	4.1	3.2	3.9	4.0

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297415

Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	5.1	13.4	11.8	7.5	12.8	7.9	11.5	6.8	-2.3	0.4	12.6	14.9	-2.9	-5.4	-1.8	-3.6	-1.3	-4.0	-2.5	0.0
Belgium	2.7	-5.0	-2.2	11.0	2.7	2.3	6.7	3.4	-7.3	-3.0	5.4	-0.1	-0.6	9.8	3.5	0.2	4.5	1.6	4.4	4.6
Canada	4.7	-5.3	6.3	9.2	11.3	9.0	2.6	3.9	-20.0	14.0	11.5	7.5	1.4	-0.2	-8.0	-2.6	3.4	-10.8	0.7	4.4
Denmark	4.6	0.0	-3.6	0.2	1.7	17.7	2.0	2.5	-15.4	-5.4	-5.8	1.2	3.3	1.7	1.9	3.3	3.0	1.9	3.2	2.8
Finland	4.1	-7.2	-1.5	2.1	5.4	2.2	16.6	4.9	-15.7	-6.3	3.0	-3.1	-8.2	-2.9	-0.5	4.0	3.0	4.1	3.0	3.0
France	2.6	-2.8	0.9	2.7	2.4	5.3	8.0	3.8	-11.7	3.1	4.8	0.8	-0.3	2.2	1.2	2.1	2.8	1.5	2.5	3.0
Germany	1.3	-6.4	-0.9	1.6	3.7	8.5	7.8	2.1	-15.5	6.2	7.3	-1.4	-1.7	4.5	2.2	2.8	4.3	2.0	3.9	4.4
Iceland	4.9	-18.6	18.2	32.1	54.3	25.7	-22.4	-21.7	-50.4	0.3	23.9	7.1	-6.9	16.4	20.7	17.7	8.8	33.2	13.1	8.2
Japan	-1.4	-5.2	4.9	3.5	5.7	4.0	4.9	-2.6	-14.3	0.3	4.1	3.7	0.4	3.9	1.8	4.5	3.7	4.0	5.7	1.0
Korea	4.7	7.1	2.2	3.2	2.0	6.4	7.6	0.9	-3.7	14.2	3.3	0.2	0.9	4.9	3.5	2.8	3.7	2.4	3.0	4.0
Netherlands	4.1	-7.7	-1.8	0.3	3.1	7.0	8.9	6.0	-10.9	-3.0	12.9	-3.9	-3.0	4.4	7.5	6.7	6.5	6.8	6.8	6.3
New Zealand	8.1	-2.6	16.0	14.6	7.5	0.2	11.6	-0.6	-20.2	1.3	13.3	13.5	5.8	8.9	2.0	3.5	2.9	2.6	1.6	3.9
Norway	3.9	-2.2	-3.4	10.7	16.7	10.9	15.5	2.2	-10.4	-8.9	6.2	9.4	7.1	-0.9	-6.8	-1.4	1.9	-6.2	0.4	2.3
Sweden	4.3	-6.5	3.3	4.5	5.1	9.6	10.2	3.9	-15.2	3.4	7.2	3.0	0.8	6.3	4.2	5.0	5.1	2.0	4.5	5.2
Switzerland	1.7	0.3	-3.9	6.1	4.5	6.9	7.3	0.7	-10.6	4.2	5.1	3.8	1.4	2.1	0.7	1.1	1.2	0.6	1.4	1.0
United Kingdom	3.5	0.2	-0.2	-2.8	13.9	-6.7	9.7	-0.7	-16.2	6.0	4.9	5.1	2.3	4.6	6.0	8.0	8.0	7.9	8.2	7.9
United States	7.9	-6.9	1.9	5.2	7.0	7.1	5.9	-0.7	-15.6	2.5	7.7	9.0	3.0	6.2	3.3	5.0	5.5	3.3	5.6	5.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297420

Annex Table 7. **Real gross residential fixed capital formation**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	3.8	23.7	5.2	5.7	-1.9	-3.1	2.2	2.4	-4.4	4.9	1.5	-6.2	0.8	8.1	8.5	3.5	4.0	6.5	4.0	4.0
Austria	2.0	-4.8	-4.2	0.7	1.5	0.5	1.9	0.6	-1.5	0.7	2.9	-1.3	-0.1	-1.2	-2.1	0.7	1.9	-0.9	1.5	2.0
Belgium	0.5	-5.5	4.7	3.9	15.6	4.8	4.7	-2.2	-9.4	3.3	1.4	-0.5	-3.5	0.7	0.2	1.5	1.5	0.6	1.5	1.5
Canada	2.3	14.3	3.5	8.3	5.0	2.4	2.6	-4.0	-6.3	8.0	1.5	5.8	-0.4	2.6	3.8	1.7	-1.0	3.0	0.2	-1.2
Denmark	4.4	2.3	13.5	12.1	16.7	11.4	-5.5	-16.7	-20.4	-8.9	15.8	-8.2	-5.0	6.8	-2.8	3.2	4.0	-1.4	4.0	4.0
Finland	1.2	-0.5	11.3	11.2	5.0	3.8	-0.3	-10.6	-13.9	24.1	5.3	-3.5	-5.2	-5.9	-0.9	4.0	3.0	3.8	3.0	3.0
France	1.8	2.9	2.7	4.0	4.3	4.9	2.6	-4.0	-11.9	1.6	1.1	-2.0	-1.3	-5.0	-4.3	-1.3	0.5	-4.1	0.0	0.8
Germany	1.9	-6.1	-1.9	-4.1	-4.1	6.8	-1.6	-4.0	-3.2	4.1	10.1	4.0	-0.9	3.3	2.3	2.3	3.0	3.9	2.6	3.1
Greece	-1.7	2.4	17.8	16.3	-7.3	14.3	14.6	-23.5	-18.9	-26.5	-14.7	-33.4	-27.7	-51.4	-23.2	-12.5	0.9	-20.5	0.7	0.8
Iceland	0.8	12.4	3.7	14.2	11.9	16.5	13.2	-21.9	-55.7	-18.0	5.4	6.9	10.8	14.8	-8.4	10.4	9.4	-1.5	7.8	10.4
Ireland	9.3	3.5	18.1	11.1	16.3	2.7	-12.1	-17.2	-39.9	-34.0	-16.5	-19.4	5.5	16.4	10.7	10.5	6.5	16.8	7.4	6.5
Italy	0.3	3.0	3.9	2.5	6.2	5.2	1.0	-1.9	-9.3	-0.2	-6.5	-7.7	-4.5	-3.0	-1.0	0.0	0.4	-0.5	0.3	0.4
Japan	-2.3	-3.4	-1.3	1.7	-0.9	0.6	-9.8	-6.6	-16.6	-4.5	5.1	3.2	8.8	-5.1	-2.3	8.6	-1.4	7.4	10.4	-8.1
Korea	-0.2	14.1	12.0	3.1	2.1	-2.3	-3.5	-9.4	-2.5	-12.0	-8.0	-2.9	23.4	8.9	11.4	5.2	3.6	20.0	3.7	3.5
Netherlands	3.3	-5.5	-4.0	4.6	5.5	5.8	5.1	0.4	-14.9	-16.0	-4.4	-12.9	-11.6	6.9	29.0	12.6	6.7	22.0	9.3	5.8
New Zealand	3.1	20.8	20.3	3.7	-4.0	-2.1	3.1	-18.1	-14.2	2.1	-1.6	14.8	16.5	16.0	5.0	3.9	0.7	3.7	2.6	-0.4
Norway	6.1	-0.7	1.8	16.3	9.7	4.0	2.7	-9.0	-8.1	-1.6	17.0	10.9	6.4	-1.6	-0.2	1.9	2.5	3.1	2.1	2.7
Spain	6.1	6.6	8.2	4.9	6.5	6.7	1.3	-9.2	-20.3	-11.6	-13.3	-5.4	-7.2	-1.4	3.3	3.0	2.3	3.5	2.4	2.3
Sweden	-7.6	10.7	5.2	12.9	10.0	14.4	6.6	-13.3	-18.9	12.7	8.0	-11.8	0.9	19.6	12.3	7.1	6.4	10.3	7.0	6.0
Switzerland	-0.9	-3.7	14.4	7.0	1.1	-1.6	-3.0	-4.2	1.8	3.5	2.2	1.5	1.7	1.6	1.0	1.1	0.5	1.0	0.9	0.4
United Kingdom	-0.2	6.1	3.7	5.8	5.6	2.8	1.1	-22.1	-23.3	4.7	0.8	-0.2	8.4	13.9	0.7	6.4	7.0	2.2	7.5	6.8
United States	5.2	6.1	9.1	10.0	6.6	-7.6	-18.8	-24.0	-21.2	-2.5	0.5	13.5	9.5	1.8	8.5	10.7	10.2	8.4	12.2	9.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297437

Annex Table 8. **Real total domestic demand**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	3.9	6.1	5.7	6.1	4.6	3.5	7.0	3.6	-0.2	3.9	4.7	4.1	0.0	1.2	1.3	1.6	2.2	1.6	1.9	2.5
Austria	2.0	-0.6	2.3	1.7	2.3	2.5	2.6	0.7	-1.6	0.5	3.1	0.2	-0.4	-0.1	0.0	1.3	1.7	0.9	1.6	1.8
Belgium	1.9	-0.2	0.7	3.6	2.8	1.9	3.4	2.1	-2.0	2.0	2.2	-0.2	-0.6	1.7	1.9	0.7	1.5	1.2	1.4	1.5
Brazil	..	0.6	0.0	5.2	2.8	5.6	7.7	7.4	-0.1	11.2	4.9	1.8	3.5	0.1	-5.8	-2.7	1.7	..	..	..
Canada	2.6	3.1	4.1	4.0	5.0	4.2	3.6	2.9	-2.8	5.4	2.4	2.2	1.9	1.3	0.6	1.1	1.7	0.0	1.4	1.7
Chile	..	3.0	4.7	8.2	11.5	8.0	7.4	8.3	-5.6	13.5	9.4	7.5	3.9	-0.5	2.0	2.0	3.3	2.3	3.1	3.3
China	..	8.6	10.5	9.5	7.9	9.5	11.6	8.2	16.6	7.8	9.8	8.2	8.3	7.8	8.7	6.9	6.4	8.2	6.4	6.3
Colombia	2.9	2.9	4.1	5.4	5.8	8.8	8.4	4.9	-0.1	5.8	9.0	4.9	5.2	6.7	2.2	2.4	3.1	..	..	..
Costa Rica	5.0	4.6	0.9	4.8	5.7	7.1	4.7	8.4	-8.5	10.3	6.2	4.7	3.1	2.4	6.6	3.9	3.9	..	..	..
Czech Republic	..	3.5	3.6	3.3	3.4	5.1	6.5	1.9	-5.4	1.7	0.0	-2.2	-0.5	2.3	4.9	2.4	2.4	5.0	2.1	2.3
Denmark	2.6	1.4	0.2	4.4	3.3	5.4	1.7	-0.3	-6.4	1.1	0.7	-0.3	-0.2	1.6	0.8	1.8	1.8	0.6	1.7	1.7
Estonia	..	12.2	11.3	6.6	7.2	17.4	9.4	-8.7	-21.0	0.4	9.1	8.6	1.9	4.6	-2.1	2.2	3.0	-2.2	2.9	3.0
Finland	2.2	1.4	3.3	3.6	4.1	2.4	4.8	1.0	-6.2	3.2	3.9	-1.1	-1.1	0.1	-0.4	1.2	1.4	0.5	1.5	1.3
France	2.0	1.2	1.4	2.8	2.3	2.6	3.2	0.4	-2.5	2.0	2.0	-0.3	0.8	0.7	0.9	1.2	1.5	1.0	1.4	1.6
Germany	1.5	-2.1	0.3	-0.6	0.3	3.0	1.8	1.0	-3.1	2.9	3.0	-0.9	0.9	1.3	1.3	2.2	2.5	1.4	2.6	2.4
Greece	..	3.4	7.8	3.3	0.1	8.4	5.5	-0.4	-6.1	-7.0	-10.8	-9.6	-4.5	0.5	-1.0	-2.9	1.3	-5.7	0.9	1.4
Hungary	2.4	6.3	5.7	5.2	1.6	1.7	-1.1	0.2	-9.5	-0.6	-0.2	-3.1	1.6	4.2	1.8	1.1	2.0	3.4	0.0	2.7
Iceland	2.9	-1.8	6.0	10.4	14.1	8.9	0.9	-7.6	-18.2	-2.6	3.8	2.1	0.4	5.1	6.3	5.4	3.8	6.3	4.6	3.5
India[1]	..	2.8	9.0	7.7	10.5	9.7	10.7	6.1	8.5	9.7	8.5	5.0	2.4	6.8	6.9	7.8	7.8	..	..	..
Indonesia	3.9	4.0	4.0	7.0	5.9	5.3	6.4	6.1	3.0	6.5	6.1	7.7	5.0	5.3	3.6	4.8	5.6	..	..	..
Ireland	6.7	5.1	4.8	3.9	10.0	7.4	3.6	-4.2	-8.5	-3.7	1.2	1.0	-1.2	5.6	5.4	4.3	3.7	1.5	6.0	2.7
Israel	..	0.1	-1.7	3.1	3.7	4.9	6.4	1.8	0.0	5.3	5.4	3.3	3.6	2.9	4.7	3.6	3.7	4.2	3.7	3.7
Italy	1.3	1.1	0.9	1.1	1.0	2.0	1.2	-1.3	-4.2	1.9	-0.5	-5.7	-2.7	-0.5	1.0	1.4	1.2	1.8	1.4	1.1
Japan	0.8	-0.5	1.0	1.5	1.0	0.9	1.1	-1.3	-4.0	2.9	0.4	2.6	1.9	-0.1	0.5	1.2	0.3	1.7	1.5	-0.7
Korea	4.9	8.1	1.8	2.0	3.8	5.1	5.0	1.1	-2.7	8.3	3.0	0.7	1.4	3.0	4.0	3.4	3.2	5.0	2.2	3.8
Latvia	..	6.1	11.3	12.1	9.4	18.5	12.4	-8.8	-22.4	-4.0	11.5	1.4	2.2	0.9	2.5	3.3	3.5	..	..	..
Lithuania	..	7.2	10.7	12.0	8.6	8.6	15.3	3.4	-22.4	2.1	5.6	-0.2	3.5	2.8	7.4	3.4	3.6	..	..	..
Luxembourg	3.5	1.1	5.5	2.9	2.9	1.9	4.8	4.0	-6.2	5.0	5.6	1.5	0.5	6.0	-0.3	1.3	2.4	-4.0	2.4	2.5
Mexico	3.1	1.2	1.3	5.7	4.1	6.5	3.1	3.0	-7.0	4.9	4.7	4.8	1.5	2.4	3.3	2.6	2.7	3.3	2.2	3.0
Netherlands	3.2	0.0	0.3	0.3	1.7	3.7	3.4	1.9	-2.5	-0.1	0.8	-2.3	-1.7	0.6	2.1	2.6	2.5	2.3	2.6	2.4
New Zealand	3.6	5.8	6.5	7.8	4.8	1.1	5.0	0.6	-4.7	3.8	2.8	3.1	4.0	4.4	2.4	2.4	1.9	2.6	1.9	2.0
Norway	3.5	2.2	1.5	6.8	5.4	6.2	6.1	1.5	-3.2	3.0	2.7	3.5	3.6	1.9	1.6	0.8	2.1	1.5	1.9	2.1
Poland	4.9	0.9	2.5	6.2	2.5	7.2	9.5	5.0	-0.2	4.2	4.2	-0.5	-0.7	4.9	3.7	3.8	4.1	3.6	3.8	4.2
Portugal	3.3	-0.2	-1.8	3.0	1.3	0.9	2.2	1.1	-3.6	1.9	-5.7	-7.3	-2.0	2.2	2.7	1.7	1.5	3.1	1.5	1.4
Russia	..	4.4	8.0	10.3	9.2	11.3	13.9	9.8	-14.1	8.7	9.0	5.6	1.2	-1.0	-13.4	-0.9	1.4	..	..	..
Slovak Republic	..	4.0	0.0	5.9	8.2	6.7	6.8	6.5	-7.1	4.6	1.1	-4.2	0.2	3.0	3.7	3.4	2.6	3.9	2.8	2.4
Slovenia	..	2.8	4.5	4.9	1.9	4.7	9.0	3.1	-9.5	-0.8	-0.7	-5.8	-2.2	1.6	1.5	0.3	2.0	2.2	0.4	2.4
South Africa	1.8	5.1	5.2	7.9	5.7	8.5	5.8	3.6	-1.4	3.7	4.9	3.9	1.4	0.6	0.2	1.4	2.2	..	..	..
Spain	2.8	3.5	3.9	4.8	5.1	5.1	4.1	-0.4	-6.0	-0.5	-3.1	-4.7	-3.1	1.6	3.4	2.9	2.5	3.7	2.7	2.5
Sweden	1.5	1.1	2.3	1.9	2.6	4.4	4.8	-0.1	-4.3	5.7	3.0	-0.2	1.6	3.5	2.8	3.2	3.0	2.5	3.0	2.9
Switzerland	1.2	0.2	0.8	-0.1	4.2	2.3	0.5	2.7	2.4	-0.6	4.0	-1.2	-0.9	2.4	2.3	0.9	1.1	3.3	1.3	1.0
Turkey	3.0	9.3	8.7	11.6	9.2	6.9	5.7	-1.0	-6.6	12.1	8.9	-1.3	6.5	1.4	3.9	3.3	4.1	1.5	4.5	4.1
United Kingdom	3.4	3.4	3.3	3.0	2.7	2.3	2.6	-1.2	-4.4	2.3	0.5	1.9	2.6	3.3	1.9	2.5	2.6	1.9	2.7	2.5
United States	3.9	2.3	3.1	4.3	3.5	2.6	1.1	-1.3	-3.8	2.9	1.6	2.1	1.2	2.5	3.0	3.0	2.7	2.7	3.1	2.5
Euro area	1.9	0.4	1.4	1.7	1.9	3.2	2.7	0.3	-3.8	1.4	0.7	-2.4	-0.7	0.9	1.4	1.8	2.0	1.5	2.1	1.9
Total OECD	2.8	1.9	2.5	3.4	3.0	3.1	2.4	-0.2	-3.9	3.1	1.7	0.8	1.0	1.8	2.3	2.4	2.3	2.3	2.5	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 9. **Foreign balance contributions to changes in real GDP**

Percentage points

	Average 1991-2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter[1] 2015	2016	2017
Australia	-0.1	-2.2	-2.6	-2.4	-1.3	-1.2	-2.2	-1.6	2.6	-2.1	-2.2	0.1	1.6	1.7	0.8	0.9	0.8	1.2	0.7	0.7
Austria	0.4	1.7	-1.2	0.5	0.6	1.1	1.0	0.6	-2.0	1.2	0.1	0.3	0.4	0.5	0.3	0.0	0.0	0.0	-0.1	0.3
Belgium	0.3	2.0	0.1	0.3	-0.5	0.7	0.1	-1.3	-0.3	0.7	-0.3	0.3	0.7	-0.4	-0.6	0.8	0.2	0.2	0.3	0.2
Brazil	..	2.8	1.7	0.9	0.6	-1.4	-1.3	-2.0	-0.2	-2.6	-0.7	0.0	-0.7	0.0	2.7	1.5	0.1	..	..	..
Canada	0.7	-0.2	-2.2	-0.8	-1.6	-1.4	-1.5	-1.8	-0.5	-2.1	-0.4	-0.4	0.2	1.1	0.5	0.9	0.6	0.8	0.4	0.7
Chile	0.5	0.0	-0.7	-0.8	-4.1	-1.6	-1.1	-3.9	4.5	-6.7	-3.0	-1.6	0.6	2.5	0.2	0.0	0.1	-0.2	0.1	0.1
China	0.0	0.7	-0.2	0.8	3.6	3.8	3.6	2.2	-5.5	3.2	0.4	0.1	0.0	0.0	-1.4	-0.1	0.1	0.6	0.0	0.0
Colombia	-0.7	-0.4	-0.4	-0.4	-1.3	-2.3	-1.7	-1.3	1.3	-1.8	-1.9	-0.7	-0.3	-2.1	0.2	0.3	0.0	..	..	..
Costa Rica	0.0	-1.8	5.4	-0.6	0.5	1.8	3.1	-5.3	7.6	-4.6	-1.3	0.5	0.2	1.2	-3.6	-0.4	0.1	..	..	..
Czech Republic	..	-2.0	0.0	1.4	3.2	2.0	-0.8	0.8	0.5	0.5	1.9	1.3	0.0	-0.2	-0.3	0.1	0.2	-0.5	0.1	0.3
Denmark	0.2	-0.8	0.2	-1.5	-0.7	-1.3	-0.9	-0.4	1.2	0.5	0.5	-0.4	-0.3	-0.4	1.0	0.1	0.3	-0.3	0.3	0.3
Estonia	-1.8	-7.0	-3.2	-0.4	0.5	-8.6	-1.7	4.9	8.1	3.0	-0.7	-4.1	0.2	0.4	1.6	0.1	0.1	-0.7	0.1	0.2
Finland	1.5	0.1	-1.7	0.7	-1.0	1.6	1.0	-0.2	-2.1	0.0	-1.5	-0.2	0.4	-0.3	0.4	0.3	0.2	-8.6	3.9	-2.7
France	0.3	0.0	-0.5	-0.2	-0.7	0.0	-0.9	-0.3	-0.3	-0.1	0.0	0.5	0.0	-0.5	0.2	0.2	0.1	0.1	0.1	0.0
Germany	0.2	2.1	-1.0	1.3	0.6	1.1	1.6	-0.1	-2.6	1.2	0.9	1.5	-0.5	0.3	0.3	-0.3	-0.3	-0.7	-0.3	-0.2
Greece	..	-0.6	-1.9	1.4	0.6	-2.9	-2.3	0.0	2.7	2.4	2.6	3.3	1.4	0.2	0.1	1.6	0.8	1.4	0.9	0.4
Hungary	-0.4	-2.0	-2.1	-0.3	2.7	2.2	1.5	0.7	2.6	1.3	2.0	1.1	0.9	-1.4	0.7	1.1	1.3	1.3	2.1	0.9
Iceland	0.0	2.3	-3.2	-2.3	-8.7	-5.6	8.4	9.8	13.2	-1.3	-1.1	-0.2	3.7	-3.0	-1.1	-1.4	-0.7	-5.5	-1.8	0.6
India[1]	-0.1	0.9	-0.7	0.5	-1.3	-0.6	-1.2	-2.4	-0.5	0.0	-2.2	-0.2	4.4	0.4	0.2	-0.6	-0.6	..	..	..
Indonesia	..	0.5	0.8	-1.8	-0.1	0.2	-0.1	-0.1	1.7	0.0	0.2	-1.5	0.6	-0.3	1.2	0.5	0.0	..	..	..
Ireland	2.3	2.9	0.7	0.8	-1.8	-1.7	2.4	1.9	1.5	3.1	3.5	-0.3	2.7	0.1	1.9	1.0	0.6	0.1	0.4	0.7
Israel	..	-0.3	3.0	1.9	0.7	0.8	-0.2	1.4	1.1	0.4	-0.3	-0.4	-0.1	-0.4	-1.7	-0.3	-0.3	-0.3	-0.3	-0.3
Italy	0.3	-0.9	-0.7	0.3	0.1	0.1	0.2	0.2	-1.3	-0.3	1.2	2.9	1.0	0.1	-0.2	0.1	0.2	0.4	0.1	0.7
Japan	0.0	0.8	0.7	0.8	0.3	0.8	1.1	0.2	-1.5	1.8	-0.9	-0.9	-0.3	0.0	0.1	-0.3	0.3	0.1	-0.3	0.4
Korea	1.3	-0.4	1.2	3.0	0.3	0.2	0.5	1.7	3.2	-1.4	0.8	1.5	1.5	0.5	-1.1	0.0	0.5	0.0	0.9	0.6
Latvia	-1.2	0.6	-4.1	-5.3	0.0	-9.1	-5.0	7.1	11.6	0.2	-5.7	2.3	0.8	1.4	-0.2	-0.2	-0.1	..	..	..
Lithuania	-1.5	-1.1	-0.8	-6.1	-1.3	-1.9	-5.4	-1.0	11.9	-0.2	0.2	4.0	0.3	0.2	-6.1	-1.0	0.0	..	..	..
Luxembourg	1.9	2.6	-2.3	2.1	1.0	3.7	5.1	-3.3	-1.4	2.1	-1.3	-1.9	4.0	0.4	3.7	2.0	1.4	1.5	1.5	1.3
Mexico	-0.8	-0.1	-0.6	0.0	-0.9	-0.9	-0.6	-1.4	1.7	-0.2	-0.1	0.4	-0.3	0.3	1.0	0.5	0.6	-0.8	0.9	0.4
Netherlands	0.3	0.1	0.1	1.4	0.6	0.2	0.5	-0.1	-1.5	1.4	1.0	1.1	1.1	0.5	0.4	0.2	0.5	0.3	0.6	0.5
New Zealand	0.0	-0.6	-1.8	-3.1	-2.0	1.2	-1.4	-1.3	5.4	-2.0	-1.1	-0.2	-1.5	-1.3	-0.1	-0.4	0.4	-0.1	0.4	0.4
Norway	0.4	-0.4	-0.4	-2.0	-2.0	-2.8	-2.2	-0.9	1.0	-2.1	-1.4	-0.3	-2.4	0.5	-0.2	0.3	0.0	0.0	-0.1	0.3
Poland	-0.4	0.5	1.0	-1.3	1.0	-1.0	-2.4	-1.2	2.9	-0.5	0.7	2.1	1.9	-1.5	-0.1	-0.3	-0.5	-0.4	-0.5	-0.5
Portugal	-1.0	0.9	1.0	-1.4	-0.6	0.6	0.1	-1.1	0.9	-0.1	4.3	3.6	0.9	-1.2	-0.9	0.0	0.0	0.0	0.0	0.1
Russia	0.4	0.3	0.2	-1.4	-1.5	-2.0	-3.4	-3.0	5.2	-3.3	-4.2	-1.6	0.5	1.8	6.6	0.6	0.4	..	..	..
Slovak Republic	-0.3	0.3	5.4	-0.9	-2.1	1.5	3.8	-0.5	2.1	0.5	1.7	5.7	1.2	-0.4	-0.9	0.2	1.0	0.7	0.9	1.0
Slovenia	..	1.1	-1.7	-0.5	2.1	1.0	-2.0	0.2	1.9	2.0	1.3	3.0	1.1	1.6	0.7	1.6	0.9	1.8	0.9	0.7
South Africa	0.2	-1.1	-2.2	-2.6	-0.1	-2.4	-0.2	-0.3	-0.2	-0.6	-1.6	-1.7	0.7	0.9	1.3	0.1	-0.1	..	..	..
Spain	0.0	-0.7	-0.8	-1.7	-1.6	-1.2	-0.6	1.6	2.8	0.5	2.1	2.1	1.4	-0.2	-0.1	-0.1	0.0	0.1	-0.1	0.2
Sweden	1.0	1.0	0.4	2.1	0.4	0.8	-0.9	-0.6	-1.1	0.3	-0.1	0.3	-0.3	-0.9	0.4	0.0	0.1	1.3	0.3	0.0
Switzerland	0.3	0.0	-0.7	3.0	-0.8	1.9	3.7	-0.1	-4.3	3.3	-1.8	2.2	2.6	-0.1	-1.3	0.3	0.6	-0.7	0.7	0.5
Turkey	0.4	-3.0	-3.8	-2.4	-1.3	-0.3	-1.3	1.7	2.8	-4.3	-1.2	4.0	-2.9	1.8	-0.7	-0.1	-0.1	-0.3	0.2	-0.4
United Kingdom	-0.3	-0.9	-0.1	-0.6	0.2	0.3	-0.1	0.8	0.4	-0.9	1.5	-0.7	-0.5	-0.3	0.5	-0.1	-0.3	-0.4	-0.3	-0.3
United States	-0.5	-0.6	-0.4	-0.6	-0.3	-0.1	0.6	1.1	1.3	-0.4	0.0	0.1	0.2	-0.2	-0.7	-0.5	-0.4	-0.8	-0.4	-0.2
Euro area	0.2	0.6	-0.7	0.4	-0.1	0.2	0.3	0.1	-0.7	0.6	0.9	1.5	0.4	0.0	0.1	0.1	0.1	-0.2	0.1	0.1
Total OECD	-0.1	-0.2	-0.4	-0.1	-0.2	0.0	0.2	0.4	0.5	-0.1	0.2	0.6	0.2	0.0	-0.2	-0.1	0.0	-0.3	-0.1	0.0

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Contributions to per cent change from the previous period, seasonally adjusted at annual rates.
2. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 10. **Output gaps**

Deviations of actual GDP from potential GDP as a per cent of potential GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	0.0	0.3	0.2	-0.1	0.6	0.3	0.9	0.8	0.3	1.5	0.9	-0.2	-0.8	-1.3	-0.8	-1.6	-1.5	-1.9	-1.8	-1.1
Austria	0.5	1.5	2.7	1.6	0.8	-0.5	-0.2	0.1	1.8	3.4	2.7	-2.5	-2.1	-0.5	-1.0	-1.9	-2.4	-2.6	-2.2	-1.4
Belgium	-0.5	0.7	1.9	0.4	0.1	-1.0	0.7	1.0	1.7	3.5	2.5	-1.1	0.4	1.0	0.1	-0.9	-0.7	-0.7	-0.6	-0.3
Canada	-0.7	0.8	2.5	1.0	0.8	0.1	0.6	1.3	1.5	1.2	0.4	-3.8	-2.3	-1.2	-1.1	-0.9	-0.2	-0.5	0.1	1.1
Chile	1.9	-3.0	-2.0	-2.4	-3.6	-3.7	-1.0	0.6	1.8	2.5	1.1	-4.2	-2.6	-1.1	0.1	0.5	-1.1	-1.9	-2.2	-1.7
Czech Republic	-0.7	-2.3	-0.9	-1.4	-3.5	-3.6	-2.6	0.0	3.4	5.6	5.4	-1.3	-0.5	0.1	-2.0	-3.8	-3.4	-1.1	-0.7	-0.3
Denmark	0.9	1.5	3.1	1.8	0.5	-0.6	0.7	1.9	4.5	4.1	2.3	-3.5	-2.3	-1.5	-2.5	-3.5	-3.0	-2.0	-1.1	-0.2
Estonia	..	..	..	0.7	1.5	3.2	4.1	8.5	14.7	18.0	8.1	-9.2	-8.4	-3.4	-0.8	-1.4	-0.8	-1.1	-0.8	0.0
Finland	0.5	1.1	2.7	1.6	0.0	-1.0	0.2	0.4	2.2	5.4	4.4	-4.8	-2.4	-0.4	-2.3	-3.8	-4.7	-5.3	-5.0	-4.1
France	-0.1	0.7	2.2	1.7	0.7	-0.3	0.5	0.5	1.5	2.3	1.0	-2.8	-1.8	-0.6	-1.3	-1.4	-2.2	-2.2	-2.0	-1.5
Germany	-0.7	-0.6	0.9	1.3	0.1	-1.5	-1.7	-1.7	0.6	2.3	1.4	-5.2	-2.4	-0.1	-0.7	-1.4	-0.8	-0.6	-0.1	0.6
Greece	0.6	-0.1	0.0	-0.3	-0.8	2.1	4.0	2.8	6.9	9.2	7.9	3.4	-1.2	-8.7	-13.3	-15.8	-14.4	-15.2	-15.9	-14.1
Hungary	-2.2	-2.5	-1.9	-1.3	0.1	1.0	3.2	5.1	6.8	5.4	4.7	-2.7	-2.5	-1.9	-4.5	-3.9	-1.8	-0.7	-0.1	1.1
Iceland	0.8	0.9	1.7	1.6	-1.2	-1.6	2.8	4.4	3.6	8.6	6.6	-0.5	-5.5	-4.9	-5.2	-2.9	-2.6	-0.4	1.2	2.0
Ireland	2.3	5.7	8.7	7.8	7.7	5.9	4.9	6.2	7.9	9.2	2.9	-5.2	-6.5	-5.5	-6.9	-6.8	-3.5	-0.3	1.4	2.3
Israel	-0.1	-0.6	4.2	0.6	-2.7	-5.0	-3.3	-2.4	-0.5	1.9	1.6	-0.4	1.3	2.3	1.2	0.8	0.0	-0.8	-0.8	-0.6
Italy	-0.6	-0.5	2.0	2.2	1.2	0.2	0.6	0.9	2.2	3.0	1.6	-4.0	-2.3	-1.5	-4.0	-5.3	-5.5	-4.7	-3.4	-2.3
Japan	-2.6	-3.9	-2.7	-3.2	-3.6	-2.6	-0.9	-0.2	0.9	2.5	0.8	-5.1	-1.0	-1.8	-0.5	0.7	0.2	0.3	0.9	1.1
Luxembourg	-0.4	3.1	6.9	4.3	3.4	0.6	1.0	0.5	2.1	7.1	2.7	-5.7	-2.9	-3.4	-7.0	-5.5	-4.1	-3.6	-3.0	-2.5
Mexico	2.6	1.8	3.5	0.2	-2.0	-2.9	-1.2	-0.4	2.1	2.8	1.8	-4.6	-1.7	0.0	1.3	0.4	-0.2	-0.7	-0.6	-0.3
Netherlands	0.5	2.0	3.2	2.5	0.2	-1.3	-1.3	-0.7	1.3	3.4	3.7	-1.2	-0.7	0.1	-1.8	-2.9	-2.8	-1.8	-0.6	0.7
New Zealand	-1.7	-0.5	0.1	-1.0	0.8	2.1	3.1	2.7	2.2	3.2	-0.1	-1.3	-1.1	-1.7	-1.0	-0.7	-0.2	-0.4	-0.9	-0.9
Norway[1]	1.9	1.0	0.9	-0.2	-1.7	-3.6	-1.8	-0.2	1.6	4.2	2.9	-1.3	-1.7	-1.8	-0.2	-0.2	-0.3	-1.3	-2.0	-1.9
Poland	0.0	-0.1	-0.3	-3.2	-5.4	-5.1	-3.5	-3.6	-1.6	1.2	0.9	-0.5	-0.3	1.4	-0.3	-1.9	-1.5	-1.1	-0.9	-0.5
Portugal	3.4	4.2	5.1	4.3	2.8	0.1	0.3	-0.2	0.1	1.6	0.8	-2.8	-1.4	-3.3	-7.0	-7.9	-7.1	-5.8	-4.6	-3.5
Slovak Republic	0.9	-4.0	-6.9	-8.0	-8.0	-7.0	-6.2	-4.2	-0.2	6.0	7.8	-1.2	1.0	0.5	-0.9	-2.2	-2.3	-1.9	-1.3	-0.8
Slovenia	..	-1.0	-0.5	-1.0	-0.5	-1.0	0.0	0.8	3.2	7.1	7.5	-2.6	-2.2	-1.9	-4.9	-6.2	-4.3	-3.0	-2.3	-1.0
Spain	-0.8	0.0	1.8	2.4	1.9	1.8	1.8	2.4	3.7	4.9	3.8	-1.3	-2.1	-3.7	-6.7	-8.5	-7.6	-5.1	-3.1	-1.4
Sweden	-1.4	-0.3	1.4	0.1	-0.6	-0.7	0.6	1.0	3.4	4.6	1.5	-5.3	-1.5	-0.7	-2.3	-2.8	-2.1	-1.0	0.3	1.4
Switzerland	-0.3	-0.4	1.5	1.1	-0.6	-2.4	-1.5	-0.6	1.1	2.9	2.8	-1.3	-0.3	-0.3	-1.0	-0.9	-0.6	-1.4	-1.7	-1.5
Turkey	2.7	-3.9	-1.1	-9.4	-6.3	-4.0	1.2	5.0	6.9	6.6	2.6	-6.2	-1.9	1.7	-1.0	-1.4	-2.9	-4.0	-4.7	-4.8
United Kingdom	-0.1	-0.1	0.6	0.4	0.1	0.8	0.9	1.8	2.5	3.4	1.4	-3.7	-3.1	-2.3	-2.3	-1.6	-0.5	0.0	0.4	0.8
United States	0.7	2.1	3.0	0.9	0.1	0.5	1.9	2.9	3.2	2.6	0.0	-4.6	-3.8	-3.9	-3.4	-3.5	-2.8	-2.0	-1.2	-0.5
Euro area	-0.3	0.3	1.9	1.8	0.8	-0.3	0.0	0.3	1.9	3.3	2.2	-3.2	-2.0	-1.2	-2.6	-3.4	-3.3	-2.7	-1.9	-1.0
Total OECD	-0.3	0.2	1.5	0.3	-0.4	-0.5	0.6	1.3	2.3	2.9	1.2	-3.8	-2.4	-2.0	-2.2	-2.5	-2.2	-1.8	-1.2	-0.6

Note: For methodological details see Sources & Methods of the OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).

1. Mainland Norway.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297467

Annex Table 11. **Compensation per employee**

Percentage change from previous period

	Average 1988-1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	4.4	3.4	3.5	4.7	3.7	3.5	5.2	3.6	4.5	6.3	4.0	1.0	5.3	5.7	3.2	0.9	2.0	0.5	2.5	3.3
Austria	3.7	2.0	2.4	1.6	2.0	1.7	2.0	2.1	3.0	3.0	3.3	1.6	1.0	2.1	2.7	2.2	1.8	1.6	1.1	1.9
Belgium	4.1	3.5	1.9	3.7	3.9	2.0	1.7	1.8	3.6	3.5	3.7	1.1	1.4	3.2	3.3	2.5	0.9	0.5	0.6	1.0
Canada	3.3	2.3	5.2	1.9	1.6	2.4	4.1	4.7	4.8	3.4	3.1	1.8	1.4	3.5	3.2	2.3	2.7	2.1	2.8	3.4
Czech Republic	..	6.2	7.5	8.4	7.8	7.7	7.9	3.9	5.9	6.2	4.1	-0.6	3.3	2.8	1.7	-0.3	1.5	3.0	3.9	4.5
Denmark	3.5	4.1	3.2	4.1	3.8	3.6	3.2	3.4	3.6	3.8	3.9	2.8	3.2	1.4	1.5	1.3	1.6	2.1	1.8	1.8
Finland	4.4	3.4	3.9	3.6	1.7	2.2	3.6	3.5	3.4	3.3	4.3	2.0	2.2	3.6	2.8	1.3	1.4	1.2	1.2	0.9
France	2.7	1.8	2.5	2.8	3.5	2.9	3.4	3.0	3.2	2.5	2.6	1.6	2.8	2.3	2.2	1.6	1.3	1.3	2.1	2.3
Germany	..	1.1	1.4	1.9	1.3	1.5	0.2	0.2	1.0	0.9	2.1	0.2	2.6	3.0	2.5	1.8	2.6	2.9	2.8	2.9
Greece	..	7.7	4.4	5.8	10.9	6.6	3.7	4.1	2.7	4.7	3.3	3.2	-2.6	-2.3	-2.0	-7.1	-1.6	-0.8	-1.5	0.0
Hungary	..	6.9	15.5	15.5	11.3	11.5	9.8	7.6	5.3	5.7	7.3	-1.4	-0.3	3.0	2.1	1.8	2.6	3.9	3.5	4.2
Iceland	7.1	7.9	9.0	7.4	8.8	2.2	10.2	8.8	12.6	7.1	4.8	-3.5	4.8	8.7	5.8	3.2	5.6	6.9	10.2	6.0
Ireland	..	5.0	7.7	7.9	5.4	6.5	5.2	5.4	4.3	5.8	4.0	-1.1	-4.5	1.2	0.0	-0.7	1.7	2.0	3.4	3.4
Israel	..	6.2	6.1	2.5	0.6	-2.0	0.3	1.9	5.4	2.6	2.9	-0.8	3.8	4.2	2.4	2.5	1.0	2.4	2.5	3.2
Italy	5.2	2.1	2.5	2.9	2.4	3.0	3.2	2.8	2.3	2.1	2.9	0.5	2.3	1.1	-1.1	0.9	0.8	1.0	1.1	1.0
Japan	1.7	-1.5	-0.2	-0.9	-2.1	-2.0	-1.4	-0.1	-0.9	-1.3	0.3	-3.8	-0.1	0.4	0.4	-0.1	0.7	0.7	1.7	2.4
Korea	11.4	3.3	3.9	7.2	6.3	7.2	4.8	5.8	3.7	4.6	3.9	2.2	3.8	3.7	3.2	2.2	2.3	1.8	2.8	2.8
Luxembourg	4.1	3.9	4.8	3.4	4.1	1.1	3.8	4.0	4.3	4.3	2.7	1.7	2.1	2.0	1.6	3.7	3.0	1.2	2.5	2.4
Mexico	21.1	20.5	15.9	10.8	5.5	6.7	4.4	5.9	4.6	5.8	5.4	2.8	-1.9	5.8	3.0	3.5	3.2	2.6	2.8	2.8
Netherlands	2.5	3.8	5.5	3.1	4.1	3.2	3.1	1.1	1.6	3.2	3.8	2.4	0.4	1.8	2.1	2.0	2.0	0.2	2.5	3.2
Norway	4.2	5.5	4.9	5.7	4.3	4.1	4.3	4.6	5.5	6.3	6.2	3.4	3.1	4.7	4.6	4.4	3.4	2.8	2.8	2.9
Poland	..	13.7	10.8	10.3	2.4	1.6	1.5	2.0	2.1	5.1	9.0	3.3	6.6	5.3	3.6	1.7	1.6	3.3	3.5	4.4
Portugal	..	5.1	6.0	4.2	3.6	3.6	2.8	4.7	1.8	3.5	2.6	2.4	2.1	-1.8	-3.1	3.6	-1.4	-0.8	0.5	1.1
Slovak Republic	..	6.6	13.2	5.6	8.9	7.8	8.1	9.1	7.9	8.7	6.6	2.6	5.5	2.0	2.6	2.6	1.8	1.9	4.0	4.2
Slovenia	..	8.2	10.5	11.6	8.2	7.9	7.6	6.2	5.4	6.1	7.0	2.3	3.7	1.7	-1.0	0.5	1.1	0.9	1.5	1.8
Spain	6.2	2.0	2.8	3.8	3.5	2.8	2.3	2.9	3.3	4.6	6.7	4.5	0.2	0.6	-1.8	0.7	-0.8	0.3	1.0	1.1
Sweden	5.5	3.9	6.8	4.2	3.2	3.7	4.3	3.1	3.1	5.3	3.7	2.7	2.2	3.2	3.0	2.0	2.1	3.2	4.1	3.3
Switzerland	..	1.2	2.4	3.8	1.4	-0.2	-0.4	2.6	2.0	3.2	1.9	1.1	0.1	1.5	0.9	0.4	0.0	0.6	0.1	0.8
United Kingdom	5.8	5.1	5.7	5.8	2.6	4.7	4.8	3.5	6.0	5.4	0.5	2.4	3.2	1.1	1.7	1.5	0.8	2.4	3.4	3.8
United States	3.7	4.1	6.4	3.3	2.7	3.9	4.8	3.4	4.0	4.2	2.8	0.8	2.9	2.6	2.4	1.0	2.6	1.7	2.4	3.0
Euro area	..	2.3	2.9	3.0	3.0	2.8	2.3	2.3	2.5	2.7	3.4	1.5	1.8	1.8	1.0	1.4	1.3	1.5	1.9	2.1
Total OECD	5.4	4.5	5.3	4.0	2.6	3.2	3.2	3.1	3.1	3.4	3.1	0.9	1.9	2.6	1.9	1.4	1.9	1.7	2.4	2.7

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297471

Annex Table 12. **Labour productivity**

Percentage change from previous period

	Average 1988-1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	1.8	2.2	0.7	1.3	2.0	0.7	2.2	-0.1	0.2	1.4	-0.3	0.9	0.3	0.9	2.5	1.1	2.0	0.6	1.5	1.6
Austria	2.2	1.9	2.7	0.6	1.6	0.2	1.8	1.1	1.8	1.6	-0.7	-3.1	1.0	1.4	-0.3	-0.2	-0.4	0.3	0.4	0.5
Belgium	1.7	2.2	1.6	-0.6	2.0	0.8	2.6	0.7	1.4	1.7	-1.0	-2.1	2.0	0.4	-0.1	0.3	1.0	0.6	0.6	0.7
Canada	1.1	2.4	2.6	0.5	0.5	-0.5	1.4	1.9	0.9	-0.3	-0.2	-1.1	1.9	1.4	0.6	0.6	1.8	0.3	1.2	1.3
Chile	4.8	0.8	3.4	2.1	0.8	-0.1	4.1	2.3	4.1	2.4	0.3	-0.4	-2.0	0.6	3.5	2.1	0.3	0.9	1.7	2.5
Czech Republic	..	3.5	5.5	3.3	0.9	4.4	5.0	4.5	5.6	3.4	0.4	-2.9	3.2	2.3	-1.2	-0.9	1.4	3.1	1.9	1.9
Denmark	2.0	2.2	3.0	-0.1	0.4	1.3	3.2	1.0	1.6	-1.4	-1.8	-2.2	4.0	1.2	-0.4	-0.5	0.3	1.1	0.8	0.6
Estonia	..	3.9	9.3	5.7	6.3	5.4	6.5	6.7	5.4	7.1	-4.8	-4.6	7.2	1.0	3.4	0.5	2.1	-0.8	2.0	3.0
Finland	3.0	1.9	3.4	1.1	0.6	1.9	3.3	1.2	2.2	3.0	-1.5	-6.0	3.7	1.3	-2.3	-0.4	0.4	0.4	1.4	1.7
France	1.5	0.9	1.5	0.5	0.7	0.8	2.5	0.9	1.4	0.9	-0.4	-1.8	1.8	1.3	-0.1	0.7	-0.2	1.0	1.2	1.2
Germany	..	0.2	0.9	2.1	0.5	0.4	0.3	0.9	3.1	1.6	-0.5	-5.7	3.6	2.3	-0.5	-0.2	0.7	1.1	1.3	1.2
Greece	..	3.0	3.9	3.2	0.7	5.1	2.4	0.2	3.9	2.0	-1.7	-3.8	-2.7	-2.1	1.3	-0.2	0.0	-2.5	-2.3	-0.8
Hungary	..	0.5	3.2	4.0	4.6	3.8	5.9	4.7	3.4	0.3	2.9	-4.2	1.0	1.7	-1.8	0.9	0.6	0.5	1.4	2.6
Iceland	1.2	0.5	2.7	2.0	1.9	2.6	8.7	2.6	-0.8	4.7	0.5	1.6	-3.3	2.0	0.2	0.4	0.2	0.0	2.5	2.0
Ireland	..	4.0	5.5	2.7	4.3	2.0	1.0	1.4	1.6	1.1	-1.6	2.4	4.6	4.4	0.7	-0.9	3.4	2.7	1.5	0.8
Israel	..	0.3	5.4	-1.5	-0.5	0.3	2.8	0.7	2.4	1.9	-0.4	-0.8	2.3	2.0	-1.1	0.6	-0.2	0.2	0.8	1.1
Italy	1.6	0.4	1.9	-0.3	-1.4	-1.2	0.8	0.6	0.1	0.1	-1.3	-3.9	2.3	0.4	-2.6	0.0	-0.4	-0.1	0.0	0.4
Japan	1.2	0.6	2.5	0.9	1.6	1.9	2.2	0.9	1.2	1.6	-0.8	-4.1	5.0	-0.3	2.1	0.9	-0.7	0.3	1.3	0.7
Korea	4.9	9.4	4.5	2.5	4.6	3.1	2.8	2.6	3.8	4.2	2.2	1.0	5.1	1.9	0.5	1.3	1.1	1.6	1.6	1.9
Luxembourg	1.6	3.3	2.7	-3.4	0.7	-0.4	2.0	0.5	1.3	3.8	-5.4	-6.4	3.8	-0.4	-3.2	2.5	1.5	0.8	1.2	0.8
Mexico	..	1.5	2.8	-0.6	-2.1	0.6	0.6	2.6	1.5	1.4	-1.1	-3.4	-2.9	3.4	-0.7	1.0	2.5	1.2	1.9	2.2
Netherlands	1.2	2.1	2.4	0.2	-0.6	1.0	2.9	1.6	1.5	0.7	0.1	-3.0	2.0	0.8	-0.9	0.5	1.2	1.4	1.3	1.3
New Zealand	1.3	1.3	4.2	-0.4	2.1	1.8	1.1	-1.4	0.1	2.6	-3.2	1.6	0.7	-0.1	3.1	-0.3	-0.4	-0.2	0.8	0.9
Norway	2.8	1.1	2.6	1.7	1.0	2.1	3.3	1.3	-1.0	-1.1	-2.8	-1.2	1.1	-0.5	0.7	-0.5	1.0	0.6	0.7	1.0
Poland	..	8.7	6.2	3.6	4.6	4.8	3.9	1.3	2.9	2.6	0.1	2.3	3.2	4.4	1.4	1.3	1.6	2.2	2.8	3.0
Portugal	1.9	2.3	1.6	0.2	0.4	0.0	2.5	1.2	1.2	2.5	-0.2	-0.3	3.4	0.1	0.1	1.8	-0.5	0.1	0.7	1.0
Slovak Republic	..	2.4	3.2	2.7	4.4	4.3	5.5	4.7	6.3	8.6	2.4	-3.6	6.7	1.0	1.5	2.2	1.1	1.4	2.5	2.7
Slovenia	..	3.7	2.6	2.3	2.3	3.1	4.0	4.5	4.0	3.5	0.7	-6.2	3.5	2.3	-1.8	0.3	2.4	1.1	1.7	2.2
Spain	1.2	-0.1	0.3	0.6	0.3	-0.1	-0.6	-0.5	0.0	0.5	0.9	2.9	1.8	1.6	1.1	1.0	0.1	0.2	0.0	0.1
Sweden	2.5	2.1	2.4	-0.4	2.0	3.1	4.6	2.5	3.2	1.2	-1.6	-2.8	4.7	0.6	-0.7	0.3	1.0	1.6	1.9	1.7
Switzerland	0.8	0.9	2.9	-0.2	-0.6	0.4	2.6	2.3	1.9	1.5	-0.1	-2.6	2.4	-0.6	-0.4	0.5	0.2	-0.8	0.1	0.4
Turkey	2.2	-4.5	9.0	-5.7	6.5	6.1	7.3	6.1	5.1	3.2	-1.1	-5.1	3.0	2.5	-1.0	1.3	-2.1	0.9	2.0	2.2
United Kingdom	1.8	1.7	2.6	1.9	1.6	2.3	1.4	1.9	1.6	1.7	-1.3	-2.6	1.3	1.5	0.1	1.0	0.7	1.2	1.7	1.7
United States	1.4	2.6	2.4	1.1	3.0	2.8	2.7	1.7	0.9	0.9	0.4	1.5	3.2	0.6	0.6	0.0	0.6	0.4	1.5	1.7
Euro area	..	0.9	1.5	1.0	0.3	0.5	1.3	0.8	1.7	1.2	-0.4	-2.7	2.5	1.3	-0.5	0.3	0.3	0.6	0.8	0.9
Total OECD	1.8	1.9	2.7	0.8	1.7	1.9	2.3	1.7	1.7	1.4	-0.2	-1.4	2.5	1.3	0.3	0.6	0.5	0.7	1.4	1.5

Note: Labour productivity measured as GDP per person employed.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297480

Annex Table 13. **Unemployment rates: national definitions**

Per cent of labour force

	2014 Unemployment thousands	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	746	6.4	5.9	5.4	5.0	4.8	4.4	4.2	5.6	5.2	5.1	5.2	5.7	6.1	6.2	6.2	6.0	6.3	6.1	5.9
Austria	248	4.0	4.3	5.5	5.7	5.3	4.9	4.2	5.4	4.9	4.6	4.9	5.4	5.7	6.0	6.1	5.9	6.2	6.1	5.9
Belgium	430	7.6	8.2	8.3	8.4	8.2	7.5	7.1	7.9	8.2	7.2	7.6	8.4	8.5	8.7	8.6	8.3	8.7	8.5	8.2
Canada	1 322	7.7	7.6	7.2	6.8	6.3	6.0	6.1	8.3	8.0	7.5	7.3	7.1	6.9	6.9	6.8	6.4	6.9	6.7	6.2
Chile	534	9.8	9.5	10.0	9.2	7.8	7.1	7.8	9.7	8.1	7.2	6.4	6.0	6.3	6.3	6.6	6.8	6.4	6.7	6.9
Czech Republic	323	7.3	7.8	8.3	7.9	7.1	5.3	4.4	6.7	7.3	6.7	7.0	6.9	6.1	5.2	5.0	4.8	5.1	4.9	4.7
Denmark	190	4.6	5.4	5.5	4.8	3.9	3.8	3.5	6.0	7.5	7.6	7.5	7.0	6.5	6.3	6.2	5.9	6.5	6.1	5.7
Estonia	50	11.1	10.5	10.1	7.9	5.9	4.5	5.6	13.5	16.6	12.3	10.0	8.6	7.4	6.4	6.0	5.6	6.3	5.9	5.3
Finland	233	9.1	9.0	8.8	8.4	7.7	6.8	6.4	8.3	8.4	7.8	7.7	8.2	8.7	9.4	9.7	9.8	9.7	9.7	9.8
France	2 838	7.5	8.1	8.5	8.5	8.5	7.7	7.1	8.8	8.9	8.8	9.4	9.9	9.9	10.0	10.0	9.9	10.0	10.0	9.7
Germany	2 090	8.6	9.7	10.3	11.0	10.0	8.6	7.4	7.7	7.0	5.9	5.4	5.2	5.0	4.6	4.6	4.6	4.5	4.6	4.5
Greece	1 274	10.4	9.8	10.6	10.0	9.0	8.4	7.8	9.6	12.7	17.9	24.4	27.5	26.5	25.2	24.8	23.4	..	..	..
Hungary	343	5.8	5.9	6.1	7.2	7.5	7.4	7.8	10.0	11.2	11.0	11.0	10.2	7.7	7.0	6.3	5.9	6.7	6.0	5.8
Iceland	9	3.2	3.3	3.1	2.6	2.9	2.3	3.0	7.2	7.6	7.1	6.0	5.4	4.9	3.8	4.0	4.3	3.9	4.2	4.4
Ireland	243	4.4	4.7	4.5	4.3	4.4	4.7	6.4	12.0	13.8	14.6	14.7	13.0	11.3	9.4	8.3	7.5	8.8	8.0	7.1
Israel	225	12.8	13.3	12.9	11.3	10.5	9.1	7.7	9.5	8.3	7.1	6.9	6.3	6.0	5.2	5.2	5.2	5.2	5.2	5.2
Italy	3 231	8.5	8.4	7.9	7.7	6.8	6.1	6.7	7.7	8.4	8.4	10.6	12.2	12.7	12.3	11.7	11.0	12.1	11.4	10.8
Japan	2 363	5.4	5.2	4.7	4.4	4.1	3.8	4.0	5.0	5.0	4.6	4.3	4.0	3.6	3.4	3.2	3.1	3.3	3.2	3.1
Korea	936	3.3	3.6	3.7	3.7	3.5	3.2	3.2	3.7	3.7	3.4	3.2	3.1	3.5	3.7	3.5	3.4	3.6	3.4	3.5
Luxembourg	18	2.5	3.3	3.7	4.1	4.3	4.2	4.2	5.5	5.8	5.7	6.1	6.9	7.1	6.9	6.8	6.8	6.8	6.8	6.7
Mexico[1]	2 509	2.9	3.0	3.7	3.5	3.5	3.6	3.9	5.4	5.3	5.2	4.9	4.9	4.8	4.7	4.7	4.6	5.5	4.2	4.7
Netherlands	660	3.6	4.8	5.7	5.9	5.0	4.2	3.7	4.4	5.0	5.0	5.8	7.3	7.4	6.9	6.6	6.1	6.8	6.4	5.9
New Zealand	141	5.3	4.8	4.0	3.8	3.8	3.7	4.1	6.1	6.6	6.5	6.9	6.3	5.8	5.9	5.9	5.6	6.0	5.9	5.5
Norway	95	3.8	4.0	4.2	4.4	3.4	2.5	2.6	3.1	3.5	3.2	3.1	3.4	3.5	4.3	4.5	4.3	4.4	4.5	4.1
Poland	1 567	20.0	19.7	19.0	17.8	13.9	9.6	7.1	8.2	9.6	9.6	10.1	10.3	9.0	7.6	7.3	7.1	7.4	7.2	7.0
Portugal	727	5.0	6.3	6.6	7.6	7.6	8.0	7.6	9.5	10.8	12.6	15.5	16.2	13.9	12.3	11.3	10.6	11.8	11.0	10.4
Slovak Republic	359	18.6	17.5	18.1	16.2	13.3	11.0	9.6	12.1	14.4	13.6	13.9	14.2	13.2	11.5	10.7	10.0	11.0	10.5	9.6
Slovenia	98	6.3	6.7	6.3	6.5	5.9	4.8	4.4	5.9	7.2	8.2	8.8	10.1	9.7	9.3	9.1	8.4	9.3	9.0	7.9
Spain	5 610	11.5	11.5	11.0	9.1	8.5	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.4	22.1	19.8	18.2	20.9	19.2	17.6
Sweden	411	6.0	6.6	7.4	7.7	7.1	6.1	6.2	8.3	8.6	7.8	8.0	8.0	7.9	7.7	7.3	6.7	7.6	7.1	6.5
Switzerland	215	2.4	3.7	4.3	4.3	3.9	3.6	3.3	4.3	4.5	4.0	4.1	4.3	4.4	4.3	4.3	4.2	4.4	4.3	4.2
Turkey	2 864	9.8	9.9	9.7	9.5	9.0	9.2	10.0	13.0	11.1	9.1	8.4	9.0	10.0	10.5	10.8	10.3	..	..	..
United Kingdom	2 027	5.2	5.0	4.8	4.8	5.4	5.3	5.7	7.6	7.9	8.1	8.0	7.6	6.2	5.6	5.7	5.8	5.6	5.7	5.8
United States	9 596	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.7	4.7	4.9	4.7	4.7
Euro area	18 108	8.4	8.9	9.1	9.0	8.3	7.5	7.5	9.5	10.0	10.1	11.3	11.9	11.5	10.9	10.4	9.8	10.6	10.2	9.6
Total OECD	44 523	6.8	6.9	6.8	6.6	6.0	5.6	5.9	8.1	8.3	7.9	7.9	7.9	7.3	6.8	6.5	6.3	6.8	6.4	6.3

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 98 database.

StatLink http://dx.doi.org/10.1787/888933297491

Annex Table 14. **Harmonised unemployment rates**

Per cent of civilian labour force

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	8.5	8.4	7.7	6.9	6.3	6.7	6.4	5.9	5.4	5.0	4.8	4.4	4.2	5.6	5.2	5.1	5.2	5.7	6.1
Austria	4.7	4.7	4.7	4.2	3.9	4.0	4.4	4.8	5.5	5.6	5.3	4.9	4.1	5.3	4.8	4.6	4.9	5.4	5.6
Belgium	9.5	9.2	9.3	8.5	6.9	6.6	7.5	8.2	8.4	8.4	8.3	7.5	7.0	7.9	8.3	7.2	7.6	8.5	8.5
Canada	9.6	9.1	8.3	7.6	6.8	7.2	7.7	7.6	7.2	6.8	6.3	6.1	6.1	8.4	8.1	7.5	7.3	7.1	6.9
Chile	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	9.7	8.2	7.1	6.4	5.9	6.4
Czech Republic	3.9	4.8	6.5	8.7	8.8	8.1	7.3	7.8	8.3	7.9	7.1	5.3	4.4	6.7	7.3	6.7	7.0	7.0	6.1
Denmark	6.3	5.2	4.9	5.2	4.3	4.5	4.6	5.4	5.5	4.8	3.9	3.8	3.5	6.0	7.5	7.6	7.5	7.0	6.5
Estonia	..	9.6	9.2	11.4	14.5	13.0	11.3	10.4	10.1	8.0	5.9	4.6	5.5	13.6	16.7	12.4	10.0	8.6	7.4
Finland	14.6	12.6	11.4	10.2	9.8	9.1	9.1	9.0	8.8	8.4	7.7	6.9	6.4	8.2	8.4	7.8	7.7	8.2	8.7
France	12.4	12.3	12.1	11.3	9.6	8.7	8.6	8.5	8.9	8.9	8.8	8.0	7.4	9.1	9.3	9.2	9.8	10.3	10.3
Germany	8.9	9.7	9.5	8.6	8.0	7.9	8.7	9.8	10.5	11.3	10.3	8.5	7.4	7.6	7.0	5.8	5.4	5.2	5.0
Greece	..	..	..	12.0	11.2	10.7	10.3	9.7	10.6	10.0	9.0	8.4	7.8	9.6	12.8	17.9	24.5	27.5	26.6
Hungary	9.9	9.1	8.7	6.9	6.3	5.6	5.6	5.7	6.1	7.2	7.5	7.4	7.8	10.0	11.2	11.1	11.0	10.1	7.7
Iceland	..	..	..	..	..	..	..	3.4	3.1	2.6	2.9	2.3	3.0	7.2	7.6	7.1	6.0	5.4	5.0
Ireland	11.7	9.9	7.6	5.7	4.3	3.9	4.5	4.6	4.5	4.4	4.5	4.7	6.4	12.0	13.9	14.7	14.7	13.1	11.3
Israel	6.7	7.7	8.5	8.9	8.8	9.3	10.3	10.7	10.4	9.0	8.4	7.3	6.1	7.5	6.6	5.6	6.9	6.2	5.9
Italy	11.2	11.2	11.3	10.9	10.1	9.0	8.5	8.4	8.0	7.7	6.8	6.1	6.7	7.8	8.4	8.4	10.6	12.1	12.7
Japan	3.4	3.4	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	4.4	4.0	3.6
Korea	2.1	2.6	7.0	6.6	4.4	4.0	3.3	3.6	3.7	3.7	3.5	3.3	3.2	3.7	3.7	3.4	3.2	3.1	3.5
Luxembourg	2.9	2.7	2.7	2.4	2.2	1.9	2.6	3.8	5.0	4.7	4.6	4.2	4.9	5.1	4.6	4.8	5.1	5.9	6.0
Mexico	5.5	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	5.2	5.0	4.9	4.8
Netherlands	7.7	6.5	5.1	4.2	3.7	3.1	3.7	4.8	5.7	5.9	5.0	4.2	3.7	4.4	5.0	5.0	5.8	7.2	7.4
New Zealand	6.3	6.8	7.7	7.0	6.2	5.5	5.3	4.8	4.0	3.8	3.9	3.7	4.2	6.1	6.6	6.5	6.9	6.2	5.8
Norway	4.8	3.9	3.1	3.0	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.5	2.6	3.2	3.6	3.3	3.2	3.5	3.5
Poland	..	10.9	10.2	13.4	16.1	18.3	20.0	19.8	19.1	17.9	14.0	9.6	7.0	8.1	9.7	9.7	10.1	10.3	9.0
Portugal	7.2	6.7	6.1	5.6	5.1	5.1	6.1	7.4	7.8	8.8	8.9	9.1	8.8	10.7	12.0	12.9	15.8	16.5	14.1
Slovak Republic	..	..	12.7	16.5	18.9	19.5	18.8	17.7	18.4	16.4	13.5	11.2	9.6	12.1	14.5	13.7	14.0	14.2	13.2
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	8.2	8.9	10.1	9.7
Spain	19.9	18.4	16.4	13.6	11.9	10.6	11.4	11.5	11.0	9.2	8.5	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.5
Sweden	9.6	9.9	8.2	6.7	5.6	5.8	6.0	6.6	7.4	7.6	7.0	6.1	6.2	8.3	8.6	7.8	8.0	8.0	7.9
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4.5	4.0	4.2	4.4	4.5
Turkey	..	..	..	..	..	..	..	..	..	9.2	8.8	8.8	9.7	12.6	10.7	8.8	8.2	8.7	10.0
United Kingdom	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	8.1	7.9	7.6	6.2
United States	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	9.0	8.1	7.4	6.2
Euro area	10.8	10.8	10.6	9.8	8.9	8.3	8.6	9.1	9.3	9.1	8.4	7.5	7.6	9.6	10.2	10.2	11.4	12.0	11.6
Total OECD	7.2	6.9	6.8	6.6	6.1	6.3	6.9	7.0	6.9	6.6	6.1	5.6	6.0	8.1	8.3	7.9	7.9	7.9	7.4

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: OECD, Main Economic Indicators.

StatLink http://dx.doi.org/10.1787/888933297503

Annex Table 15. **Labour force, employment and unemployment**

Millions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Labour force																		
Major seven countries	344.5	346.4	348.0	350.3	351.8	355.1	358.6	361.6	363.8	363.8	363.7	364.1	366.5	368.2	369.6	371.4	372.5	374.1
Total of smaller countries	195.9	198.3	201.6	203.3	207.4	210.4	213.7	216.9	220.4	223.3	226.3	229.4	232.7	235.0	238.0	240.4	242.6	244.8
Euro area	141.9	143.4	144.8	146.2	147.4	149.4	151.1	152.6	154.1	154.5	154.6	155.1	156.3	156.6	156.8	157.1	157.7	158.5
Total OECD	540.4	544.7	549.5	553.6	559.2	565.5	572.3	578.5	584.1	587.1	590.0	593.4	599.3	603.2	607.6	611.8	615.0	618.9
Employment																		
Major seven countries	325.3	326.3	325.8	327.2	329.6	333.3	338.1	342.1	342.6	334.7	334.2	336.3	339.6	342.2	346.2	349.8	351.9	353.8
Total of smaller countries	182.6	184.5	186.6	187.9	191.4	195.1	199.7	203.9	206.8	204.8	206.9	210.0	212.1	213.5	216.9	220.2	222.9	225.9
Euro area	129.8	131.9	132.7	133.2	134.0	136.0	138.5	141.3	142.6	139.9	139.2	139.5	138.7	137.9	138.7	140.0	141.3	142.9
Total OECD	508.0	510.8	512.4	515.1	521.0	528.4	537.7	546.0	549.4	539.5	541.1	546.4	551.8	555.6	563.1	569.9	574.8	579.8
Unemployment																		
Major seven countries	19.2	20.1	22.2	23.1	22.2	21.8	20.6	19.5	21.1	29.0	29.5	27.7	26.9	26.0	23.5	21.6	20.6	20.3
Total of smaller countries	13.3	13.8	14.9	15.4	15.9	15.4	14.0	12.9	13.6	18.5	19.4	19.4	20.6	21.5	21.1	20.3	19.6	18.8
Euro area	12.1	11.5	12.1	13.0	13.4	13.4	12.5	11.4	11.6	14.6	15.4	15.6	17.6	18.7	18.1	17.1	16.3	15.6
Total OECD	32.5	33.9	37.1	38.5	38.2	37.1	34.6	32.4	34.7	47.6	48.9	47.1	47.5	47.5	44.5	41.9	40.2	39.1

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297519

Annex Table 16. **GDP deflators**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	1.9	3.1	3.1	3.6	4.5	5.1	4.3	6.4	0.1	5.6	4.4	-0.4	1.2	0.3	-0.8	1.3	2.4	-0.6	2.3	2.5
Austria	1.7	1.3	1.2	1.8	2.5	1.9	2.2	1.8	1.9	1.0	1.9	1.9	1.5	1.6	1.4	1.4	1.6	1.2	1.5	1.6
Belgium	1.8	1.7	2.0	2.0	2.1	2.3	2.1	2.0	0.8	1.9	2.0	2.0	1.3	0.7	0.4	1.2	1.5	0.5	1.4	1.6
Brazil	..	9.9	13.9	7.8	7.5	6.7	6.4	8.9	7.4	8.5	8.3	5.9	6.5	6.9	8.2	6.3	5.3	..	..	..
Canada	1.7	1.2	3.3	3.3	3.2	2.7	3.2	3.9	-2.1	2.6	3.4	1.5	1.4	1.8	-0.1	1.8	2.2	0.6	2.0	2.2
Chile	6.2	3.9	5.0	7.6	7.1	12.6	4.8	0.5	3.8	8.8	3.4	0.8	1.8	5.5	5.1	3.6	3.5	4.5	3.5	3.5
China	..	0.6	2.6	6.9	3.9	3.9	7.8	7.8	-0.1	7.0	8.1	2.4	2.2	0.8	-0.4	-0.1	0.8	-0.8	0.5	0.8
Colombia	18.7	6.0	6.8	7.3	5.6	5.8	5.0	7.6	3.4	3.9	6.7	3.0	1.9	1.8	2.9	4.0	2.8	..	..	..
Costa Rica	14.1	9.2	8.3	11.9	10.3	11.0	9.6	12.4	8.3	7.9	4.3	3.9	4.6	4.8	3.0	3.3	3.8	..	..	..
Czech Republic	..	2.7	1.1	4.0	0.1	0.7	3.5	2.0	2.6	-1.4	-0.2	1.4	1.4	2.5	1.0	1.2	1.7	1.0	1.2	1.8
Denmark	1.8	2.3	1.5	2.1	2.9	2.2	2.5	4.1	0.5	3.2	0.8	2.5	1.5	0.8	1.4	1.5	1.9	0.7	2.4	1.6
Estonia	..	5.0	4.4	4.5	6.3	8.8	11.6	7.5	0.0	1.9	5.1	2.9	3.8	2.1	0.7	1.4	2.5	0.4	2.2	2.6
Finland	2.0	1.0	0.2	0.6	0.9	0.9	2.8	3.1	1.9	0.4	2.6	3.0	2.6	1.6	0.2	0.9	1.2	0.1	1.3	1.1
France	1.3	2.1	1.9	1.6	1.9	2.2	2.6	2.4	0.1	1.1	0.9	1.2	0.8	0.6	1.1	0.9	1.3	1.0	1.1	1.3
Germany	1.6	1.4	1.2	1.1	0.6	0.3	1.7	0.8	1.8	0.8	1.1	1.5	2.1	1.7	2.0	1.2	1.4	2.0	1.1	1.4
Greece	..	3.5	3.2	3.2	2.0	3.4	3.4	4.3	2.6	0.9	0.6	0.0	-2.3	-2.6	-1.7	-0.5	0.7	-1.2	0.1	1.0
Hungary	17.2	8.4	5.5	5.0	2.4	3.5	5.4	5.0	3.9	2.3	2.2	3.5	3.1	3.2	1.3	3.0	3.0	2.1	2.7	3.2
Iceland	3.7	5.6	0.4	2.6	3.5	8.8	4.2	11.4	8.2	5.6	3.0	3.2	1.8	4.0	6.3	5.0	5.3	3.0	6.7	4.3
India[1]	7.5	3.8	3.6	5.6	4.2	6.4	5.8	8.7	6.1	9.0	8.5	7.6	6.3	3.0	2.6	4.4	4.5	..	..	..
Indonesia	..	5.9	5.5	8.6	14.3	14.1	11.3	18.1	6.0	7.3	7.5	3.8	4.7	5.4	4.9	4.8	4.8	..	..	..
Ireland	3.9	5.3	3.3	2.6	2.3	2.3	1.0	-2.7	-4.2	-2.3	2.0	0.4	1.2	0.1	3.4	1.2	3.1	0.5	2.9	3.1
Israel	..	4.4	-0.5	0.1	1.2	1.7	0.9	2.2	3.9	1.6	1.8	3.9	2.1	1.0	3.0	1.3	1.5	2.8	1.2	1.7
Italy	3.3	3.4	3.2	2.5	1.9	1.9	2.4	2.5	2.0	0.3	1.5	1.4	1.3	0.9	0.4	0.8	1.2	0.4	1.0	1.2
Japan	-0.2	-1.6	-1.7	-1.4	-1.3	-1.1	-0.9	-1.3	-0.5	-2.2	-1.9	-0.9	-0.6	1.7	2.3	1.0	2.2	1.9	1.0	2.6
Korea	4.5	3.1	3.4	3.0	1.0	-0.1	2.4	3.0	3.5	3.2	1.6	1.0	0.9	0.6	2.1	0.7	1.8	1.8	1.5	1.9
Latvia	..	5.0	4.9	6.8	11.1	12.3	20.1	11.8	-9.7	-1.0	6.4	3.6	1.3	1.2	0.7	1.9	2.5	..	..	..
Lithuania	..	0.3	-0.8	2.7	6.9	6.7	8.6	9.7	-3.3	2.4	5.2	2.7	1.3	1.2	0.1	1.7	1.8	..	..	..
Luxembourg	2.3	1.6	3.0	2.4	4.1	6.9	1.6	3.3	1.8	3.1	4.2	4.0	2.4	0.9	3.3	1.1	1.5	2.3	1.3	1.5
Mexico	15.8	5.6	6.0	8.5	5.2	6.3	4.9	6.3	3.3	4.5	5.3	3.5	1.5	4.2	4.9	3.3	2.8	7.5	0.0	4.2
Netherlands	2.3	3.6	2.1	1.5	1.9	2.5	2.1	2.5	0.4	0.9	0.1	1.4	1.3	0.8	0.3	1.3	1.5	0.8	1.2	1.7
New Zealand	1.8	0.7	1.4	3.4	2.4	2.4	4.3	3.8	0.8	3.0	2.9	-0.4	2.9	2.1	1.1	1.0	1.9	2.2	1.7	1.7
Norway	3.4	-1.7	2.9	5.8	8.8	8.8	3.1	10.4	-5.2	6.0	6.8	3.4	2.7	0.4	-0.9	2.7	2.4	0.7	2.9	2.1
Poland	18.8	2.2	0.8	4.3	2.6	1.8	3.9	3.6	3.9	2.3	3.2	2.4	0.4	0.4	0.2	1.1	1.7	0.6	1.5	1.8
Portugal	5.0	4.2	3.4	2.4	3.3	3.2	3.0	1.7	1.1	0.6	-0.3	-0.4	2.3	1.0	1.4	0.5	0.8	1.3	0.6	0.8
Russia	..	15.6	14.0	20.3	19.3	15.2	13.8	18.0	2.0	14.2	15.9	7.4	5.0	7.2	7.2	8.2	5.6	..	..	..
Slovak Republic	..	4.0	5.4	5.8	2.4	2.9	1.1	2.8	-1.2	0.5	1.6	1.3	0.5	-0.2	0.1	1.2	1.6	0.5	1.3	1.7
Slovenia	..	7.6	5.7	3.3	1.6	2.2	4.2	4.5	3.4	-1.0	1.1	0.3	0.8	0.8	0.2	0.1	0.3	0.2	0.1	0.5
South Africa	9.4	12.2	5.8	6.5	5.4	6.3	8.8	8.8	7.5	6.4	6.7	5.5	6.0	5.8	4.0	5.7	5.9	..	..	..
Spain	3.8	4.1	3.9	3.9	4.1	4.0	3.3	2.1	0.3	0.2	0.0	0.0	0.6	-0.4	0.7	1.1	1.1	1.1	0.9	1.2
Sweden	1.8	1.6	1.7	0.6	0.8	1.8	2.8	3.4	2.4	1.1	1.2	1.0	1.1	1.5	2.2	1.7	2.0	2.0	1.8	2.0
Switzerland	0.9	-0.3	0.9	0.4	0.6	2.0	2.3	1.9	0.4	0.3	0.2	-0.2	0.0	-0.7	-1.0	-0.3	0.2	-0.9	0.1	0.2
Turkey	70.8	37.4	23.3	12.4	7.1	9.3	6.2	12.0	5.3	5.7	8.6	6.9	6.2	8.3	7.3	6.8	5.0	7.6	5.9	5.2
United Kingdom	2.2	2.5	2.7	2.9	2.9	3.0	2.9	2.9	2.0	3.1	2.1	1.6	2.0	1.7	1.1	1.2	1.5	1.4	1.3	1.6
United States	2.0	1.5	2.0	2.7	3.2	3.1	2.7	2.0	0.8	1.2	2.1	1.8	1.6	1.6	1.0	1.6	1.9	1.0	1.8	2.0
Euro area	2.3	2.5	2.2	2.0	1.8	1.9	2.3	1.9	1.0	0.7	1.0	1.2	1.3	0.9	1.1	1.0	1.3	1.1	1.1	1.4
Total OECD	4.1	2.5	2.3	2.6	2.4	2.5	2.5	2.4	1.1	1.4	1.8	1.5	1.4	1.7	1.5	1.6	1.9	1.6	1.6	2.1

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297528

Annex Table 17. **Private consumption deflators**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	2.1	2.8	2.3	1.5	2.2	3.6	3.2	3.2	2.6	2.2	2.6	2.5	2.6	2.3	1.4	2.0	2.4	1.6	2.2	2.5
Austria	1.9	1.0	1.5	1.8	2.5	2.1	2.5	2.2	0.5	1.7	3.2	2.4	2.1	2.0	1.1	1.5	1.7	0.9	1.6	1.8
Belgium	2.0	1.4	1.6	2.4	2.7	3.1	2.9	3.2	-0.4	1.7	3.0	2.0	1.1	0.6	0.6	1.3	1.4	1.2	1.3	1.5
Brazil	..	8.2	15.9	6.8	6.7	5.3	5.2	7.1	6.7	6.6	7.5	6.2	7.0	6.8	9.1	6.7	5.7	..	..	..
Canada	1.6	1.9	1.7	1.6	1.7	1.3	1.6	1.6	0.2	1.3	2.1	1.3	1.3	1.9	1.2	1.9	2.1	1.4	2.0	2.2
Chile	..	2.9	2.7	0.7	4.1	3.2	3.9	7.5	1.3	3.1	3.8	2.7	2.5	5.6	5.6	4.4	3.6	5.4	3.7	3.6
Colombia	..	5.8	6.3	5.8	4.4	4.6	4.3	5.8	3.9	2.4	4.7	2.7	2.1	2.9	5.2	4.3	3.1	..	..	..
Costa Rica	14.0	8.0	9.7	11.7	14.5	12.3	10.9	13.3	3.3	5.3	5.6	4.6	4.8	3.9	1.4	3.1	4.0	..	..	..
Czech Republic	..	1.4	0.1	3.1	1.1	1.8	3.0	4.7	0.9	0.5	1.6	2.2	0.9	0.5	0.4	1.2	1.8	0.7	1.3	2.0
Denmark	1.9	1.9	1.2	1.2	1.7	2.2	1.7	2.9	1.3	2.5	2.4	2.6	1.0	0.7	1.0	1.2	1.5	1.1	1.4	1.6
Estonia	..	3.9	2.3	3.7	4.4	6.1	7.7	8.4	0.1	3.2	5.5	3.6	3.1	1.0	0.0	1.2	2.3	0.1	2.0	2.5
Finland	2.0	1.6	1.0	0.3	1.0	1.3	1.9	3.4	1.8	1.4	3.2	2.8	2.3	1.6	0.6	0.7	0.8	0.5	0.7	0.9
France	1.2	0.9	1.7	2.1	1.8	2.2	2.1	2.8	-1.4	1.1	1.8	1.4	0.8	0.0	0.0	0.9	1.2	0.3	1.2	1.2
Germany	1.7	1.3	1.8	1.0	1.5	1.1	1.6	1.7	-0.4	2.0	2.0	1.6	1.2	0.9	0.6	1.0	1.5	0.6	1.3	1.6
Greece	..	2.3	3.0	2.9	2.8	3.3	3.5	4.2	1.0	3.6	2.4	0.8	-1.6	-2.2	-1.3	0.0	0.8	-0.7	0.3	1.0
Hungary	17.2	6.0	4.3	5.4	3.5	3.3	6.7	5.6	4.1	3.7	3.7	6.3	2.1	1.0	-0.2	1.9	2.7	0.3	2.4	2.8
Iceland	3.1	4.9	1.0	3.2	2.8	8.0	4.6	13.5	10.5	2.1	3.5	5.6	3.1	2.9	1.4	5.4	5.4	2.1	6.4	5.0
India[1]	..	2.8	3.4	2.9	3.3	6.1	4.9	6.7	6.2	8.2	7.9	9.4	8.5	4.7	2.4	3.7	3.4	..	..	..
Indonesia	..	14.1	7.2	6.4	12.1	13.6	14.2	13.4	6.0	7.9	7.1	6.1	6.5	5.1	3.9	5.8	5.2	..	..	..
Ireland	3.0	5.3	3.9	1.8	1.4	2.4	3.0	1.6	-6.4	-2.3	1.7	0.6	1.6	1.7	1.0	1.8	2.0	1.3	1.9	2.0
Israel	..	4.3	0.4	0.5	1.6	2.4	1.3	5.5	1.9	3.1	3.1	1.7	1.5	0.5	-0.3	0.8	1.5	0.1	1.2	1.7
Italy	3.8	2.9	2.9	2.4	2.1	2.6	2.3	3.1	-0.4	1.4	2.9	2.7	1.2	0.3	0.2	0.7	1.0	0.4	0.9	1.1
Japan	0.2	-1.4	-1.0	-0.8	-0.6	-0.3	-0.7	0.2	-2.5	-1.7	-0.8	-0.9	-0.3	2.0	0.3	0.9	2.3	0.1	1.1	2.7
Korea	6.2	3.1	3.3	3.2	2.2	1.5	2.0	4.5	2.6	2.5	3.7	2.2	1.0	1.1	0.8	1.6	2.0	1.1	2.0	2.0
Latvia	..	5.5	5.1	7.0	9.7	9.9	11.6	13.4	-3.6	-2.5	6.1	3.3	0.2	0.8	0.6	1.7	2.5	..	..	..
Lithuania	..	-0.4	-1.6	-0.2	2.4	4.7	5.9	10.9	4.3	1.3	4.1	3.1	1.0	0.1	-0.5	1.8	2.0	..	..	..
Luxembourg	2.6	1.5	1.8	2.1	2.9	2.5	2.2	2.2	0.6	1.0	2.5	1.7	1.3	0.7	0.9	1.2	1.5	1.8	1.3	1.5
Mexico	16.9	4.1	-0.5	6.0	4.8	3.5	5.0	6.3	5.5	4.4	3.5	3.9	2.6	3.7	3.8	3.3	3.1	3.8	2.9	3.2
Netherlands	2.5	3.2	1.9	1.6	1.5	2.6	2.3	2.1	-1.0	1.1	2.1	1.5	2.2	1.3	0.2	1.3	1.6	0.8	1.3	1.8
New Zealand	1.5	2.0	0.5	1.3	1.9	3.0	1.5	3.5	2.5	1.3	2.9	0.7	0.6	0.8	0.6	1.0	1.4	0.6	1.2	1.5
Norway	2.1	1.4	2.8	1.2	1.1	1.8	1.3	3.5	2.5	2.1	1.1	1.1	2.8	2.3	2.5	2.6	2.4	2.6	2.5	2.4
Poland	19.7	3.3	0.5	3.4	2.3	1.5	2.4	3.8	2.7	3.2	4.9	3.4	0.4	-0.1	-1.5	1.0	1.6	-0.6	1.4	1.6
Portugal	4.4	3.5	3.6	2.3	3.8	3.5	3.4	2.8	-1.9	1.8	1.7	1.8	0.8	0.6	0.6	0.4	0.7	0.3	0.5	0.7
Russia	..	15.6	12.6	14.7	12.5	8.6	8.2	12.7	10.7	6.6	7.8	5.8	6.4	8.3	18.4	10.0	6.3	..	..	..
Slovak Republic	..	2.9	6.6	7.2	2.7	4.9	2.6	4.5	0.1	1.0	3.9	3.4	1.3	-0.1	0.1	0.9	1.5	0.1	1.2	1.6
Slovenia	..	7.5	5.2	3.0	2.2	2.4	4.1	5.6	0.9	1.4	1.8	1.4	0.8	0.0	-1.7	-0.5	0.3	-1.7	-0.1	0.6
South Africa	8.8	9.0	5.5	7.1	4.8	3.0	7.0	8.3	7.7	4.6	5.6	6.3	5.5	5.8	4.4	6.1	6.0	..	..	..
Spain	3.8	2.8	3.2	3.6	3.4	3.6	3.3	3.6	-0.9	2.0	2.4	2.4	1.0	0.3	-0.1	0.7	0.9	0.3	0.5	1.0
Sweden	2.1	1.5	1.6	0.8	1.1	1.2	1.4	3.1	2.2	1.5	1.7	0.5	0.7	0.8	1.1	1.4	1.9	1.3	1.7	2.0
Switzerland	1.2	-0.3	0.8	0.7	1.1	1.3	1.3	1.9	-0.5	0.5	0.0	-1.1	-0.6	-0.3	-1.2	-0.8	0.1	-1.7	-0.2	0.2
Turkey	71.5	38.5	23.4	10.8	8.3	9.8	6.6	10.8	4.9	8.5	8.9	8.1	6.2	7.0	7.3	6.5	5.9	7.2	5.9	6.4
United Kingdom	2.1	0.8	1.6	2.1	2.3	2.7	2.5	4.2	1.8	4.6	3.7	1.8	2.3	1.5	0.3	1.1	1.6	-0.2	1.4	1.8
United States	2.0	1.3	2.0	2.4	2.9	2.7	2.5	3.1	-0.1	1.7	2.5	1.9	1.4	1.4	0.3	1.3	1.7	0.5	1.5	1.8
Euro area	2.5	1.9	2.2	2.0	2.1	2.2	2.3	2.7	-0.7	1.6	2.3	1.9	1.1	0.5	0.3	0.9	1.3	0.5	1.1	1.3
Total OECD	4.5	2.2	2.1	2.3	2.4	2.4	2.3	3.2	0.3	1.9	2.5	2.0	1.4	1.5	0.8	1.5	1.9	0.9	1.6	2.1

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297531

Annex Table 18. **Consumer price indices**

Percentage change from previous year

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	2.3	3.0	2.7	2.3	2.6	3.6	2.3	4.4	1.7	2.9	3.4	1.7	2.4	2.5	1.6	2.1	2.5	1.8	2.3	2.6
Austria	1.9	1.7	1.3	2.0	2.1	1.7	2.2	3.2	0.4	1.7	3.6	2.6	2.1	1.5	0.9	1.5	1.7	1.0	1.6	1.8
Belgium	1.9	1.6	1.5	1.9	2.5	2.3	1.8	4.5	0.0	2.3	3.4	2.6	1.2	0.5	0.6	1.3	1.4	1.2	1.3	1.5
Brazil	..	8.5	14.7	6.6	6.9	4.2	3.6	5.7	4.9	5.0	6.6	5.4	6.2	6.3	8.8	5.8	4.6	..	..	..
Canada	..	2.3	2.7	1.8	2.2	2.0	2.1	2.4	0.3	1.8	2.9	1.5	1.0	1.9	1.2	2.0	2.3	1.6	2.1	2.4
Chile	7.6	2.5	2.8	1.1	3.1	3.4	4.4	8.7	0.4	1.4	3.3	3.0	1.8	4.7	4.4	3.9	3.0	4.4	3.1	3.0
China	6.4	-0.7	1.1	3.8	1.8	1.6	4.8	5.9	-0.7	3.2	5.5	2.6	2.6	2.1	1.7	2.5	2.5	2.0	2.5	2.5
Colombia	17.8	6.4	7.1	5.9	5.1	4.3	5.5	7.0	4.2	2.3	3.4	3.2	2.0	2.9	4.9	4.1	2.9	..	..	..
Costa Rica	14.2	9.2	9.4	12.3	13.8	11.5	9.4	13.4	7.8	5.7	4.9	4.5	5.2	4.5	0.8	2.7	3.8	..	..	..
Czech Republic	..	1.9	0.1	2.8	1.8	2.5	2.9	6.3	1.0	1.5	1.9	3.3	1.4	0.4	0.4	1.3	2.0	0.4	1.5	2.2
Denmark	2.1	2.4	2.1	1.2	1.8	1.9	1.7	3.4	1.3	2.3	2.8	2.4	0.8	0.6	0.5	0.9	1.4	0.5	1.2	1.4
Estonia	..	3.6	1.4	3.0	4.1	4.4	6.7	10.6	0.2	2.7	5.1	4.2	3.2	0.5	0.1	1.3	2.4	0.1	2.1	2.6
Finland	1.9	2.0	1.3	0.1	0.8	1.3	1.6	3.9	1.6	1.7	3.3	3.2	2.2	1.2	-0.2	0.4	0.8	-0.3	0.5	0.9
France	1.6	1.9	2.2	2.3	1.9	1.9	1.6	3.2	0.1	1.7	2.3	2.2	1.0	0.6	0.1	1.0	1.2	0.3	1.2	1.2
Germany	..	1.4	1.0	1.8	1.9	1.8	2.3	2.8	0.2	1.2	2.5	2.1	1.6	0.8	0.1	1.0	1.6	0.2	1.4	1.7
Greece	..	3.9	3.4	3.0	3.5	3.3	3.0	4.2	1.3	4.7	3.1	1.0	-0.9	-1.4	-0.9	0.7	0.5	0.7	0.3	0.7
Hungary	17.6	5.3	4.7	6.7	3.6	3.9	8.0	6.0	4.2	4.9	3.9	5.7	1.7	-0.2	0.1	2.2	2.7	1.0	2.4	2.9
Iceland[1]	3.2	5.2	2.1	3.2	4.0	6.7	5.1	12.7	12.0	5.4	4.0	5.2	3.9	2.0	1.9	6.0	6.0	3.1	6.9	5.5
India[2]	7.8	5.0	4.1	4.0	3.7	6.8	5.9	9.2	10.6	9.5	9.5	10.2	9.5	6.4	4.3	4.9	4.6	..	..	..
Indonesia	..	11.9	6.8	6.1	10.5	13.1	6.4	10.2	4.4	5.1	5.4	4.3	6.4	6.4	6.7	6.3	5.6	..	..	..
Ireland	..	4.7	4.0	2.3	2.2	2.7	2.9	3.1	-1.7	-1.6	1.2	1.9	0.5	0.3	0.1	1.6	2.0	0.6	1.9	2.0
Israel	7.8	5.7	0.7	-0.4	1.3	2.1	0.5	4.6	3.3	2.7	3.5	1.7	1.6	0.5	-0.5	0.8	1.5	-0.5	1.2	1.7
Italy	3.3	2.6	2.8	2.3	2.2	2.2	2.0	3.5	0.8	1.6	2.9	3.3	1.3	0.2	0.2	0.8	1.1	0.3	1.0	1.2
Japan	0.4	-0.9	-0.3	0.0	-0.6	0.2	0.1	1.4	-1.4	-0.7	-0.3	0.0	0.4	2.7	0.8	0.7	2.3	0.4	1.0	2.7
Korea	4.6	2.8	3.5	3.6	2.8	2.2	2.5	4.7	2.8	2.9	4.0	2.2	1.3	1.3	0.7	1.6	2.0	1.1	1.8	2.1
Latvia	..	2.0	2.9	6.2	6.9	6.6	10.1	15.3	3.3	-1.2	4.2	2.3	0.0	0.7	0.6	1.7	2.5	..	..	..
Lithuania	..	0.3	-1.1	1.2	2.7	3.8	5.8	11.1	4.2	1.2	4.1	3.2	1.2	0.2	-0.7	1.4	2.0	..	..	..
Luxembourg	..	2.1	2.5	3.2	3.8	3.0	2.7	4.1	0.0	2.8	3.7	2.9	1.7	0.7	0.1	1.0	1.5	0.5	1.4	1.6
Mexico	16.7	5.0	4.5	4.7	4.0	3.6	4.0	5.1	5.3	4.2	3.4	4.1	3.8	4.0	2.9	3.4	3.2	2.9	3.0	3.3
Netherlands	2.2	3.9	2.2	1.4	1.5	1.7	1.6	2.2	1.0	0.9	2.5	2.8	2.6	0.3	0.3	1.2	1.6	0.8	1.2	1.8
New Zealand	1.8	2.7	1.8	2.3	3.0	3.4	2.4	4.0	2.1	2.3	4.0	1.1	1.1	1.2	0.4	1.4	1.8	0.6	1.6	1.9
Norway	2.3	1.3	2.5	0.5	1.5	2.3	0.7	3.8	2.2	2.4	1.3	0.7	2.1	2.0	2.1	2.4	2.1	2.4	2.2	2.1
Poland	20.6	1.9	0.7	3.4	2.2	1.3	2.4	4.2	3.8	2.6	4.2	3.6	1.0	0.1	-0.8	1.0	1.7	-0.4	1.5	1.7
Portugal	4.0	3.7	3.3	2.5	2.1	3.0	2.4	2.7	-0.9	1.4	3.6	2.8	0.4	-0.2	0.5	0.7	1.0	0.7	0.8	1.0
Russia	..	15.8	13.7	10.9	12.7	9.7	9.0	14.1	11.7	6.9	8.4	5.1	6.8	7.8	15.6	9.5	6.1	..	..	..
Slovak Republic	..	3.5	8.4	7.5	2.8	4.3	1.9	3.9	0.9	0.7	4.1	3.7	1.5	-0.1	-0.2	1.0	1.5	0.0	1.2	1.6
Slovenia	..	7.5	5.7	3.7	2.5	2.5	3.8	5.5	0.9	2.1	2.1	2.8	1.9	0.4	-0.6	0.5	1.1	-0.5	0.7	1.4
South Africa	..	9.2	5.9	1.4	3.4	4.6	7.1	11.0	7.1	4.3	5.0	5.7	5.8	6.1	4.9	6.3	6.2	..	..	..
Spain	..	3.6	3.1	3.1	3.4	3.6	2.8	4.1	-0.2	2.0	3.1	2.4	1.5	-0.2	-0.6	0.3	0.9	-0.2	0.7	1.0
Sweden[3]	1.6	2.2	1.9	0.4	0.5	1.4	2.2	3.4	-0.5	1.2	3.0	0.9	0.0	-0.2	0.1	1.4	2.2	0.5	1.7	2.4
Switzerland	1.5	0.6	0.6	0.8	1.2	1.1	0.7	2.4	-0.5	0.7	0.2	-0.7	-0.2	0.0	-1.2	-0.5	0.1	-1.4	-0.1	0.2
Turkey	74.9	45.0	21.6	8.6	8.2	9.6	8.8	10.4	6.3	8.6	6.5	8.9	7.5	8.9	7.4	6.9	6.5	7.0	6.5	7.0
United Kingdom	2.1	1.3	1.4	1.3	2.0	2.3	2.3	3.6	2.2	3.3	4.5	2.8	2.6	1.5	0.1	1.5	2.0	0.5	1.7	2.1
United States	2.7	1.6	2.3	2.7	3.4	3.2	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.6	0.0	1.0	1.8	-0.1	1.5	1.9
Euro area	..	2.3	2.1	2.2	2.2	2.2	2.1	3.3	0.3	1.6	2.7	2.5	1.3	0.4	0.1	0.9	1.3	0.3	1.1	1.4

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. Fiscal year.
3. The consumer price index includes mortgage interest costs.

Source: OECD Economic Outlook 98 database.

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Annex Table 19. **Oil and other primary commodity markets**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Estimates and assumptions 2016	2017
Oil market conditions[1]	Million barrels per day																			
Demand																				
OECD	47.5	48.5	48.6	48.6	48.6	49.4	50.2	50.5	50.2	50.1	48.4	46.4	47.0	46.5	46.0	46.1	45.7	46.3	46.3	..
of which: North America	23.4	24.1	24.3	24.3	24.4	24.9	25.7	25.9	25.7	25.8	24.5	23.7	24.1	24.0	23.6	24.1	24.1	24.5	24.6	..
Europe	15.5	15.4	15.3	15.5	15.4	15.5	15.6	15.7	15.7	15.6	15.5	14.7	14.7	14.3	13.8	13.7	13.4	13.6	13.6	..
Pacific	8.6	9.0	8.9	8.8	8.8	9.0	8.9	8.9	8.8	8.7	8.4	8.0	8.2	8.2	8.6	8.3	8.2	8.2	8.1	..
Non-OECD	27.2	27.9	28.6	29.3	30.0	30.9	33.1	34.1	35.4	36.9	37.9	39.1	41.3	42.4	44.2	45.8	47.1	48.2	49.4	..
Total	74.8	76.5	77.2	77.9	78.7	80.2	83.3	84.7	85.6	87.0	86.3	85.5	88.3	88.9	90.2	91.9	92.7	94.5	95.7	..
Supply																				
OECD	21.8	21.5	21.9	21.7	21.8	21.5	21.1	20.2	19.8	19.5	18.8	18.8	18.9	19.0	19.9	20.9	22.9	23.6	23.4	..
OPEC total	30.6	29.2	30.8	30.3	28.8	30.8	33.3	34.8	35.1	35.0	36.2	34.2	34.7	35.8	37.5	36.7	36.6	..	..	..
Former USSR	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	13.7	13.9	13.9	13.9	13.8	..
Other non-OECD	16.3	16.6	16.7	16.9	17.3	17.5	17.7	18.0	18.3	18.5	19.0	19.4	20.2	20.3	19.9	19.9	20.3	..	..	..
Total	76.0	74.8	77.3	77.5	77.4	80.3	83.5	84.8	85.5	85.7	86.8	85.7	87.4	88.6	90.9	91.4	93.7	..	..	..
Trade																				
OECD net imports	26.1	26.3	26.8	27.2	26.6	28.2	29.3	30.6	30.7	30.4	29.9	27.6	28.2	27.2	26.3	25.0	23.2	23.2	23.0	..
Former USSR net exports	3.5	3.8	4.2	4.9	5.8	6.6	7.6	8.0	8.3	8.7	8.6	9.2	9.4	9.2	9.2	9.1	8.9	9.1	8.9	..
Other non-OECD net exports	22.5	22.6	22.6	22.3	20.8	21.5	21.7	22.6	22.4	21.7	21.3	18.4	18.8	18.1	17.1	15.9	14.2	14.1	14.1	..
Prices[2]	fob, USD per barrel																			
Brent crude oil price[3]	12.8	17.9	28.4	24.5	25.0	28.8	38.3	54.4	65.2	72.5	97.0	61.5	79.5	111.2	111.6	108.7	99.0	54.1	50.0	50.0
Prices of other primary commodities[2]	USD indices, 2010 = 100																			
Food and tropical beverages	59	48	45	42	47	51	57	56	62	78	105	90	100	129	123	109	106	88	83	83
Agricultural raw materials	59	59	62	54	52	63	70	71	79	94	90	74	100	111	92	94	93	77	75	75
Minerals, ores and metals	37	36	41	37	36	40	54	63	92	102	102	71	100	116	98	94	87	69	64	64
Total[4]	47	44	47	42	42	48	58	63	81	94	100	77	100	118	103	98	93	75	71	71

1. Based on data published in various issues of International Energy Agency, *Oil Market Report*.
2. Indices through 2015 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.
3. North Sea Dated, London close, midpoint.
4. OECD calculations. The total price index for non-energy primary commodities is a weighted average of the individual HWWI non-oil commodity price indices with the weights based on the commodity's share in total non-energy commodities world trade.

Source: OECD Economic Outlook 98 database; and International Energy Agency, Oil Market Report.

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Annex Table 20. **Employment and labour force**

Percentage change from previous period

	Employment									Labour force								
	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017
Australia	1.7	2.3	1.7	1.2	0.9	0.8	1.6	1.1	1.4	1.3	2.1	1.6	1.3	1.4	1.2	1.7	1.2	1.1
Austria	0.7	0.8	0.9	0.8	0.5	0.2	0.4	0.8	1.2	0.8	1.0	0.6	1.1	1.0	0.5	0.7	1.0	1.0
Belgium	0.6	0.8	1.4	0.3	-0.3	0.4	0.7	0.8	0.9	0.7	1.0	0.3	0.7	0.6	0.5	0.9	0.7	0.6
Canada	1.6	1.4	1.5	1.3	1.4	0.6	0.9	0.8	1.0	1.1	1.5	0.9	1.1	1.1	0.4	0.8	0.8	0.6
Chile	2.0	3.0	5.1	1.9	2.1	1.5	1.3	0.9	0.7	2.2	2.7	4.0	1.2	1.6	1.9	1.3	1.1	1.0
Czech Republic	..	0.5	-0.2	0.3	1.0	0.7	1.3	0.5	0.5	..	0.4	-0.8	0.6	0.9	-0.2	0.4	0.2	0.3
Denmark	0.3	-0.1	-0.1	-0.5	0.0	1.0	1.2	1.0	1.4	-0.1	0.2	0.0	-0.6	-0.6	0.5	0.9	0.9	1.0
Estonia	..	-0.4	6.4	1.9	1.0	0.6	2.3	0.5	-0.1	..	0.0	1.1	-0.6	-0.6	-0.8	1.3	0.2	-0.6
Finland	0.1	0.4	1.1	0.4	-1.0	-0.4	-0.7	-0.3	0.0	0.3	0.3	0.4	0.3	-0.5	0.1	0.1	0.0	0.1
France	0.6	0.6	0.2	0.0	0.1	0.1	-0.1	0.1	0.5	0.6	0.7	0.2	0.6	0.6	0.2	0.0	0.2	0.3
Germany	-0.3	0.5	2.4	1.0	1.0	0.9	0.6	0.5	0.8	0.0	0.4	1.2	0.5	0.8	0.6	0.2	0.5	0.8
Greece	..	0.5	-7.6	-8.9	-4.9	0.7	1.3	1.1	2.9	..	0.7	-1.8	-0.9	-1.0	-0.7	-0.4	0.5	1.0
Hungary	..	-0.4	0.7	1.8	1.7	5.3	2.3	1.0	0.5	..	0.3	0.6	1.8	0.8	2.6	1.5	0.2	0.1
Iceland	1.5	0.6	0.0	1.0	3.4	1.6	4.1	1.1	0.9	1.5	1.2	-0.5	-0.1	2.8	1.1	2.8	1.4	1.2
Ireland	4.3	0.8	-1.8	-0.6	2.3	1.8	2.7	2.6	2.7	3.0	2.1	-0.9	-0.6	0.4	-0.2	0.6	1.4	1.8
Israel	..	2.9	3.0	3.2	2.8	3.0	2.6	2.3	2.2	..	2.5	1.7	2.9	2.1	2.7	1.8	2.3	2.2
Italy	-0.3	0.3	0.2	-0.1	-1.5	0.3	1.0	1.4	1.0	-0.1	0.2	0.2	2.4	0.2	0.8	0.6	0.7	0.3
Japan	0.1	-0.2	-0.1	-0.3	0.7	0.6	0.2	-0.3	-0.2	0.4	-0.2	-0.6	-0.6	0.3	0.2	0.0	-0.4	-0.3
Korea	1.4	1.1	1.7	1.8	1.6	2.1	1.1	1.5	1.7	1.6	1.1	1.4	1.6	1.5	2.6	1.2	1.3	1.6
Luxembourg	1.3	1.6	2.7	2.4	1.8	2.2	1.8	1.8	2.1	1.4	2.0	2.5	2.9	2.6	2.5	1.5	1.7	2.0
Mexico	2.8	1.6	2.2	3.3	1.1	0.4	1.2	1.2	1.1	2.8	1.9	2.1	3.0	1.1	0.3	1.1	1.1	1.0
Netherlands	1.9	0.7	0.0	0.6	-0.8	-0.6	1.1	1.1	1.3	1.5	0.9	0.0	1.5	0.8	-0.4	0.5	0.7	0.8
New Zealand	2.0	1.8	1.4	0.2	1.5	3.5	2.5	1.1	1.3	1.4	1.9	1.4	0.7	0.8	3.0	2.7	1.1	1.0
Norway	1.4	1.1	1.4	2.0	0.6	1.0	0.6	0.4	0.9	1.1	1.1	1.1	1.9	0.9	1.0	1.5	0.7	0.7
Poland	..	1.3	0.6	0.2	-0.1	1.9	1.0	0.6	0.5	..	0.2	0.6	0.7	0.1	0.4	-0.5	0.2	0.3
Portugal	0.7	-0.5	-3.2	-4.1	-2.6	1.6	1.3	0.9	0.5	0.7	0.3	-1.2	-0.8	-1.8	-1.1	-0.5	-0.3	-0.2
Slovak Republic	..	1.0	-0.1	0.6	0.0	1.5	2.1	0.9	0.8	..	0.3	-1.0	1.0	0.3	0.2	0.2	0.0	0.0
Slovenia	..	0.6	-3.1	-1.3	-1.9	1.2	0.3	0.3	0.5	..	0.7	-2.1	-0.6	-0.6	0.7	-0.1	0.1	-0.3
Spain	1.9	1.6	-1.6	-4.3	-2.8	1.2	3.0	2.7	2.4	1.7	2.8	0.3	0.0	-1.1	-1.0	-0.1	-0.2	0.4
Sweden	-0.6	0.4	2.3	0.6	1.1	1.4	1.2	1.2	1.3	-0.2	0.8	1.4	0.8	1.1	1.3	1.0	0.7	0.6
Switzerland	0.2	0.9	2.2	1.2	1.1	1.5	1.5	1.0	1.3	0.2	1.2	1.7	1.3	1.3	1.7	1.4	1.0	1.1
Turkey	1.2	1.6	6.1	3.1	2.9	5.1	2.2	1.4	1.9	1.0	2.0	3.8	2.3	3.6	6.2	2.8	1.7	1.3
United Kingdom	0.5	0.6	0.5	1.1	1.2	2.3	1.2	0.7	0.6	0.1	0.9	0.8	0.9	0.8	0.7	0.6	0.7	0.7
United States	1.7	0.2	0.6	1.8	1.0	1.6	1.7	0.9	0.7	1.4	0.8	-0.2	0.9	0.3	0.3	0.8	0.3	0.7
Euro area	0.4	0.6	0.2	-0.6	-0.6	0.6	0.9	1.0	1.1	0.6	0.8	0.3	0.7	0.2	0.1	0.2	0.4	0.5
Total OECD	..	0.6	1.0	1.0	0.7	1.3	1.2	0.9	0.9	..	0.9	0.6	1.0	0.7	0.7	0.7	0.5	0.6

Source: OECD Economic Outlook 98 database.

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Annex Table 21. **Potential GDP and productive capital stock**

Percentage change from previous period

	Potential GDP									Productive capital stock[1]								
	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017
Australia	3.5	3.2	3.1	3.2	2.9	2.7	2.6	2.5	2.3	2.6	4.2	5.6	5.3	4.6	3.9	3.4	3.0	2.7
Austria	2.5	1.9	1.3	1.3	1.1	1.1	0.9	0.9	0.9	2.8	2.1	1.5	1.5	1.3	1.2	1.1	1.2	1.3
Belgium	2.2	1.7	1.2	1.1	1.0	1.2	1.3	1.3	1.3	2.9	2.1	1.6	1.4	1.1	1.6	1.7	1.5	1.7
Brazil	..	3.4	3.5	2.8	2.1	1.6	1.2	1.2	1.3	..	3.0	5.1	4.6	4.7	4.0	2.7	2.1	2.2
Canada	2.8	2.3	1.8	1.9	1.8	1.7	1.5	1.4	1.3	2.4	2.7	2.7	2.8	2.6	2.4	1.8	1.5	1.6
China	10.6	10.3	8.9	8.1	7.7	7.4	7.1	6.8	6.6	10.3	11.0	10.9	10.2	10.5	10.5	10.3	10.2	9.8
Colombia	..	..	4.6	4.7	4.5	4.2	4.0	3.7	3.4	..	4.9	7.4	7.1	6.8	7.4	6.8	6.2	6.0
Costa Rica	..	4.4	4.0	4.1	4.2	4.1	4.0	3.8	3.8	5.5	5.1	5.4	5.6	6.3	6.1	6.3	6.2	6.1
Czech Republic	..	3.1	1.3	1.2	1.4	1.6	1.9	2.0	2.0	..	3.0	2.5	2.0	1.8	1.8	2.1	2.2	2.3
Denmark	2.2	1.1	0.3	0.4	0.5	0.6	0.7	0.9	1.0	2.8	1.8	0.3	0.4	0.4	0.5	0.5	0.6	0.7
Estonia	..	4.1	1.9	2.4	2.4	2.3	2.2	2.2	2.1	..	7.9	4.9	5.0	4.7	4.1	3.5	3.5	3.5
Finland	2.9	2.1	0.5	0.5	0.5	0.5	0.6	0.7	0.7	1.4	1.9	1.1	0.9	0.4	0.3	0.2	0.4	0.5
France	2.1	1.5	0.9	0.9	0.9	1.0	1.0	1.2	1.2	2.2	1.9	1.4	1.3	1.2	1.1	1.0	1.0	1.1
Germany	2.0	1.2	1.3	1.2	1.1	1.1	1.3	1.3	1.3	1.9	0.8	0.6	0.4	0.2	0.3	0.3	0.5	0.7
Greece	..	1.7	-1.4	-1.6	-1.1	-1.0	-0.5	-0.4	0.0	..	2.7	0.4	-0.8	-0.9	-0.3	-0.7	-1.2	-0.9
Hungary	..	2.0	1.1	1.0	1.2	1.5	1.8	1.8	1.8	..	3.7	2.3	2.0	2.5	3.0	2.9	2.5	2.4
Iceland	3.1	3.4	1.4	1.5	1.4	1.5	1.8	2.0	2.1	3.1	4.2	0.4	0.6	0.4	1.1	2.0	2.7	3.1
India[2]	..	7.5	7.9	7.5	7.3	7.1	7.1	7.2	7.3	..	9.0	10.3	9.1	8.5	8.0	7.8	7.6	7.6
Indonesia	4.3	4.6	5.7	5.8	5.7	5.6	5.6	5.5	5.4	4.6	4.2	5.9	6.2	6.1	6.0	5.7	5.7	5.7
Ireland	6.5	4.3	1.5	1.7	1.4	1.7	2.1	2.4	2.6	4.3	5.7	2.3	2.6	2.0	3.0	4.1	4.7	5.0
Israel	..	3.5	4.0	4.0	3.7	3.5	3.3	3.2	3.1	7.0	3.7	4.8	4.5	4.4	3.8	3.2	3.1	3.2
Italy	1.5	0.7	-0.1	-0.3	-0.4	-0.3	-0.1	0.1	0.2	2.0	1.7	0.5	-0.1	-0.4	-0.6	-0.5	-0.5	-0.3
Japan	1.8	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.6	0.8	0.0	0.0	0.0	0.1	0.1	0.0	0.1
Korea	7.0	4.2	3.8	3.7	3.5	3.3	3.3	3.2	3.1	10.4	5.1	4.3	4.0	3.7	3.6	3.5	3.5	3.5
Lithuania	..	..	1.4	2.0	2.4	2.5	2.7	2.8	2.9	..	7.1	4.4	3.8	4.1	4.1	4.4	4.3	4.3
Latvia	..	4.3	0.4	1.6	1.9	2.0	2.3	2.5	2.6	..	9.8	4.6	5.4	4.3	4.0	3.9	3.8	3.8
Luxembourg	..	3.6	3.0	3.1	2.6	2.5	2.6	2.3	2.4	..	3.4	3.4	3.1	1.5	1.9	1.7	1.5	1.5
Mexico	..	2.3	2.2	2.5	2.6	2.7	2.8	3.0	3.0	4.4	4.5	4.2	4.3	3.8	3.7	3.9	3.8	3.8
Netherlands	3.2	1.6	0.8	0.8	0.7	1.0	1.1	1.3	1.4	3.7	2.3	1.9	1.4	1.1	1.1	1.4	1.7	1.9
New Zealand	3.0	2.7	2.0	2.1	2.3	2.4	2.5	2.4	2.3	2.4	3.6	2.7	2.7	2.8	3.1	2.9	2.9	2.9
Norway	2.9	2.9	2.0	2.1	2.2	2.3	2.3	2.3	2.2	2.5	3.5	2.7	3.0	2.9	2.9	2.7	2.6	2.6
Poland	..	3.8	3.3	3.2	3.0	2.9	3.1	3.2	3.2	..	4.0	3.9	3.2	2.9	3.5	3.9	4.1	4.4
Portugal	2.9	1.2	0.2	-0.2	-0.2	0.1	0.3	0.3	0.4	5.5	4.0	1.8	0.7	0.5	0.7	0.9	1.0	1.1
Russia	..	4.8	2.4	2.1	1.6	1.2	0.7	0.4	0.2	..	5.9	6.6	6.6	6.0	5.2	4.1	3.7	3.7
Slovak Republic	..	4.0	3.3	3.0	2.7	2.7	2.7	2.8	3.0	..	3.6	3.7	2.7	2.4	2.5	2.8	2.9	2.9
Slovenia	..	2.8	0.4	0.3	0.4	0.9	1.1	1.2	1.3	..	4.2	1.6	1.1	1.2	1.3	1.4	1.3	1.4
South Africa	..	2.9	2.6	2.6	2.5	2.4	2.3	2.2	2.4	..	2.2	2.6	2.7	3.0	2.7	2.5	2.4	2.4
Spain	2.9	2.5	0.7	0.4	0.3	0.4	0.5	0.6	0.8	4.3	4.4	2.3	1.6	1.3	1.5	1.8	2.0	2.1
Sweden	2.3	2.3	1.9	1.8	1.7	1.7	1.7	1.8	1.8	2.0	2.1	1.8	1.7	1.5	1.7	1.8	2.0	2.2
Switzerland	1.5	2.1	1.9	1.8	1.7	1.6	1.5	1.5	1.4	2.8	2.1	1.6	1.6	1.5	1.5	1.4	1.4	1.4
United Kingdom	2.6	1.9	1.1	1.3	1.4	1.8	2.0	2.0	1.8	3.4	3.2	2.3	2.3	2.3	2.4	2.5	2.8	3.1
United States	3.1	2.3	1.7	1.7	1.6	1.6	1.6	1.6	1.7	3.0	2.2	1.2	1.4	1.3	1.6	1.5	1.7	1.9
Euro area	2.2	1.5	0.8	0.7	0.6	0.7	0.9	1.0	1.0	..	..	..	..	..	..	..	..	..
Total OECD	2.8	2.0	1.5	1.6	1.5	1.5	1.6	1.6	1.6	..	..	..	..	..	..	..	..	..

Note: For methodological details see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Total economy less housing.
2. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 22. **Structural unemployment and unit labour costs**

	Structural unemployment rate									Unit labour costs								
	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017	Average 1991-00	Average 2001-10	2011	2012	2013	2014	2015	2016	2017
	Per cent									*Percentage change*								
Australia	7.6	5.5	5.2	5.3	5.5	5.7	5.8	5.9	5.9	1.5	3.5	5.3	1.5	0.2	0.1	0.1	1.3	1.5
Austria	3.9	4.3	4.4	4.4	4.5	4.5	4.5	4.5	4.5	1.0	1.6	0.9	3.4	2.5	2.1	1.7	0.7	1.2
Belgium	8.2	8.0	7.9	7.9	8.0	8.0	8.0	8.1	8.1	1.5	1.7	2.7	3.3	1.9	-0.2	-0.2	0.1	0.4
Canada	9.0	6.9	6.6	6.5	6.5	6.5	6.5	6.5	6.5	0.7	2.4	2.4	2.7	1.6	1.1	1.7	1.6	2.1
Czech Republic	..	6.9	6.4	6.4	6.3	6.1	5.9	5.9	5.9	..	2.2	0.3	3.2	1.2	0.3	0.4	2.3	2.7
Denmark	6.3	5.5	6.1	6.2	6.2	6.3	6.3	6.3	6.3	1.2	2.8	0.2	1.9	1.8	1.5	1.4	0.7	0.9
Estonia	..	9.8	9.1	8.7	8.3	8.3	8.3	8.3	8.3	..	6.2	-0.4	3.0	5.0	3.9	3.7	2.9	1.8
Finland	11.0	8.4	7.9	7.8	7.6	7.5	7.4	7.4	7.4	-0.4	2.0	2.2	5.1	2.0	0.6	0.9	0.5	-0.2
France	9.1	8.4	8.9	9.1	9.2	9.3	9.2	9.1	8.9	1.1	2.0	0.7	2.0	0.6	1.5	0.4	0.9	1.1
Germany	7.3	8.3	6.0	5.6	5.4	5.1	4.9	4.9	4.8	1.4	0.6	0.6	3.2	2.4	2.2	2.1	1.5	1.2
Greece	..	11.5	15.2	16.1	16.4	16.9	17.3	17.5	17.5	..	4.5	-0.5	-3.3	-6.9	0.3	2.3	0.9	0.6
Hungary	..	7.8	9.8	9.5	9.1	8.8	8.4	8.1	7.7	..	4.3	1.6	3.9	1.8	2.3	3.3	1.9	1.6
Iceland	3.4	3.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.0	4.6	6.7	5.7	2.5	5.6	4.4	7.2	3.9
Ireland	11.2	8.4	10.5	10.7	10.8	10.8	10.7	10.5	10.3	1.8	1.7	-2.5	-0.8	-0.9	-1.7	-1.0	1.6	2.3
Israel	..	10.2	7.5	6.8	6.4	6.2	5.9	5.7	5.5	..	0.7	2.3	2.7	1.9	1.2	2.3	1.8	2.0
Italy	9.3	8.2	8.1	8.4	8.8	9.0	9.1	9.2	9.2	1.8	3.1	0.8	1.6	1.0	1.4	1.1	1.1	0.6
Japan	3.1	4.1	4.1	4.0	3.9	3.9	3.8	3.8	3.7	0.2	-1.8	1.0	-1.4	-0.8	1.5	0.6	0.6	1.7
Korea	3.3	3.6	3.4	3.3	3.3	3.4	3.4	3.4	3.4	3.5	2.7	2.6	2.7	2.1	2.0	1.2	1.2	1.0
Luxembourg	2.2	4.1	5.7	6.0	6.2	6.3	6.4	6.4	6.4	2.5	3.3	2.4	5.0	1.1	1.4	0.6	1.6	1.6
Mexico	3.4	3.8	4.8	4.8	4.8	4.8	4.7	4.7	4.7	17.9	4.8	3.1	3.8	2.7	2.0	1.9	1.3	0.9
Netherlands	6.3	4.9	5.4	5.6	5.8	5.9	5.9	5.9	5.9	1.8	1.8	0.8	2.6	0.7	0.5	-1.4	0.5	0.9
New Zealand	7.5	5.1	6.1	6.2	6.1	6.0	5.7	5.4	5.2	0.8	3.4	2.4	1.2	1.7	2.5	2.3	1.8	1.6
Norway	4.2	3.4	3.2	3.3	3.3	3.3	3.3	3.3	3.3	2.3	4.5	5.4	4.0	5.0	2.3	2.2	2.1	2.0
Poland	..	11.9	8.8	8.5	8.1	7.8	7.4	7.1	6.7	21.1	1.6	0.9	2.8	0.8	0.5	1.2	0.6	1.4
Portugal	6.0	8.2	11.1	11.6	11.9	11.9	11.7	11.5	11.3	4.9	2.3	-2.0	-3.9	2.5	-0.5	-0.8	-0.2	0.1
Slovak Republic	..	12.5	12.8	12.3	11.9	11.4	11.0	10.5	9.8	..	1.9	1.7	1.6	0.6	1.5	0.9	1.4	1.3
Slovenia	..	6.1	6.7	7.2	7.8	7.8	7.8	7.8	7.7	..	3.8	-1.0	0.4	-1.3	-1.3	-0.4	0.0	-0.8
Spain	14.9	14.2	17.5	18.0	18.3	18.5	18.6	18.7	18.5	3.7	3.3	-0.9	-3.6	-0.7	-0.5	0.2	-0.6	-1.2
Sweden	7.2	7.0	7.4	7.4	7.4	7.5	7.5	7.5	7.5	0.8	1.6	3.0	4.0	1.8	1.3	1.5	2.1	1.5
Switzerland	2.8	3.7	3.9	4.0	4.0	4.0	4.0	4.0	4.0	0.5	0.8	2.1	1.5	-0.1	0.2	1.1	-0.2	-0.2
United Kingdom	7.8	5.8	6.5	6.5	6.6	6.3	6.0	5.8	5.9	2.5	2.5	-0.5	1.1	0.6	-0.6	1.6	1.9	2.5
United States	5.7	5.7	5.6	5.5	5.5	5.4	5.4	5.4	5.4	2.1	1.4	2.2	1.9	1.2	2.2	1.4	0.9	1.2
Euro area	9.0	9.0	9.3	9.4	9.4	9.4	9.4	9.4	9.3	2.1	2.1	0.4	1.3	1.0	1.2	0.9	0.8	0.7
Total OECD	6.4	6.5	6.6	6.6	6.6	6.6	6.5	6.5	6.4	3.6	1.8	1.6	1.6	1.1	1.5	1.3	1.1	1.3

Note: For more information about sources and definitions, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*
Source: OECD Economic Outlook 98 database.

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Annex Table 23. **Household saving rates**

Per cent of disposable household income

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net saving																				
Australia	1.8	1.5	1.3	3.7	0.8	0.4	1.3	2.2	1.2	3.5	6.8	10.1	9.8	11.1	10.5	10.4	9.4	8.9	8.3	7.2
Austria	10.4	11.7	10.5	8.8	8.9	9.2	9.2	10.7	11.3	12.1	11.9	11.3	9.3	7.9	9.2	7.3	7.8	8.7	9.5	9.3
Belgium	11.1	11.3	10.4	11.9	11.0	10.6	8.9	8.5	9.2	9.4	10.0	11.4	8.2	6.6	6.4	5.0	5.1	4.0	3.6	3.6
Canada	3.5	3.3	3.4	3.5	2.4	1.8	2.3	1.6	3.5	3.0	4.0	5.3	4.3	4.4	5.2	5.2	4.0	4.1	3.9	4.2
Czech Republic	5.4	4.9	6.0	6.2	6.3	5.7	4.9	6.1	7.8	7.0	6.3	8.5	7.6	5.9	6.2	5.5	5.7	5.5	5.5	5.5
Denmark	-3.4	-7.2	-6.0	0.0	1.2	1.8	-2.2	-4.6	-1.7	-3.1	-4.2	0.8	2.1	0.9	0.0	-0.4	-6.5	-4.1	-3.7	-1.8
Estonia	-0.3	-0.3	0.3	-1.9	-9.5	-9.3	-11.0	-10.7	-11.2	-7.3	1.6	6.9	3.3	4.1	1.4	3.9	3.1	2.9	2.9	2.3
Finland	0.8	3.5	3.0	2.7	2.7	2.3	3.0	1.0	-0.4	-0.4	-0.2	3.4	3.2	1.3	0.7	1.3	-0.3	0.8	1.5	1.4
Germany	10.0	9.5	9.0	9.6	9.6	10.1	10.1	10.1	10.1	10.2	10.5	10.0	10.0	9.6	9.3	9.1	9.5	9.5	9.4	9.1
Hungary	12.6	8.6	6.5	7.2	5.8	3.4	6.7	7.6	8.3	4.7	4.1	6.1	6.8	7.6	5.5	5.4	7.3	9.0	8.1	7.5
Ireland	..	..	..	..	0.0	0.4	1.2	1.9	-0.6	-0.7	6.3	12.2	9.6	7.3	8.5	8.1	6.9	6.9	7.0	7.3
Italy	10.0	8.8	7.4	8.9	9.6	9.1	9.5	9.0	8.4	8.0	7.7	7.0	4.1	3.6	1.8	3.9	3.4	3.8	4.8	6.0
Japan	9.4	8.1	6.8	3.7	3.1	2.5	2.1	1.4	1.1	0.9	0.4	2.4	2.0	2.7	1.2	-0.2	0.8	2.4	1.5	1.7
Korea	22.9	15.8	9.2	5.5	1.1	4.8	8.2	6.7	5.5	3.5	3.8	4.8	4.7	3.9	3.9	5.6	7.0	7.2	7.0	6.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	9.5	12.1	13.0	13.6	13.7	16.4	16.8	17.3	17.0	17.0
Netherlands	9.2	7.3	6.2	8.1	7.9	7.4	6.8	5.7	3.8	3.9	3.7	7.1	4.9	5.8	6.8	7.3	8.2	8.5	8.8	9.5
New Zealand	-1.7	3.0	-2.5	-1.4	-7.0	-4.6	-4.0	-6.4	-3.8	-1.5	-1.3	0.9	2.7	1.5	2.3	2.2	3.2	3.4	3.2	3.3
Norway	5.7	4.7	4.3	3.1	8.2	8.8	6.9	9.7	-0.5	0.9	3.6	5.1	4.0	5.8	7.1	7.6	8.5	8.4	8.3	8.3
Poland	12.7	11.1	11.0	12.4	9.0	7.9	4.0	3.0	2.7	2.2	0.8	3.2	3.0	-0.5	-0.5	0.7	2.1	3.2	3.2	3.3
Slovak Republic	7.5	6.0	5.8	3.7	3.4	1.1	0.3	1.1	0.1	1.9	0.8	2.3	4.7	2.9	1.7	2.9	3.8	3.9	3.9	3.9
Spain	6.7	5.2	5.8	5.5	5.2	6.7	5.0	3.2	1.4	-1.0	1.6	7.3	3.7	4.6	2.6	4.2	3.9	2.9	2.7	2.7
Sweden	1.7	1.9	4.0	8.0	7.8	6.6	5.8	5.4	6.9	9.4	12.7	12.2	11.0	12.7	15.3	15.1	15.3	15.8	16.5	16.2
Switzerland	13.9	14.6	15.3	15.5	15.3	14.8	13.7	14.0	15.8	17.4	16.7	17.1	17.0	17.8	18.7	19.0	18.3	17.8	17.0	16.8
United States	6.2	4.4	4.2	4.3	5.0	4.8	4.5	2.6	3.3	2.9	4.9	6.1	5.6	6.0	7.6	4.8	4.8	4.9	4.0	3.1
Gross saving																				
France	15.0	14.7	14.5	15.0	15.9	15.3	15.5	14.2	14.3	14.8	14.7	15.9	15.5	15.2	14.7	14.3	14.8	14.9	14.6	14.4
Portugal	12.0	11.4	10.5	11.0	10.9	10.0	10.0	9.2	8.0	7.0	6.8	10.4	9.2	7.5	7.7	7.8	5.9	7.6	7.6	6.8
United Kingdom	10.7	8.4	9.8	10.8	9.8	9.1	7.8	7.0	6.6	7.3	5.8	9.8	11.6	9.1	8.7	6.3	4.9	4.3	3.9	4.0

Note: The adoption of new national account systems has been proceeding at an uneven pace among 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. gross saving minus consumption of fixed capital by households and unincorporated businesses). In most countries "household" refers to the household sector plus non-profit institutions servicing households (in some cases referred to as personal saving).

Source: OECD Economic Outlook 98 database.

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Annex Table 24. **Gross national saving**

Per cent of nominal GDP

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	21.0	21.9	21.6	20.8	21.4	20.9	21.8	21.1	21.6	21.0	21.9	21.8	22.5	24.6	22.6	24.1	25.2	24.6	24.4	..
Austria	24.0	23.8	24.1	24.4	24.5	24.8	24.4	26.1	25.6	26.0	25.4	26.7	28.1	28.6	24.7	25.8	26.1	25.7	25.5	24.6
Belgium	26.3	25.5	26.9	26.8	27.5	27.7	26.7	26.7	26.5	27.0	27.0	27.6	28.5	27.1	22.6	26.3	24.1	24.6	23.1	23.8
Canada	19.0	19.5	20.2	19.7	21.1	23.9	22.7	21.8	22.0	23.8	24.6	24.7	24.4	24.2	18.4	19.4	21.0	21.1	21.3	21.5
Chile	..	23.6	23.1	21.9	21.1	20.9	21.1	21.3	20.8	22.9	23.6	25.3	24.8	22.4	22.3	24.0	22.5	21.9	20.6	20.2
Czech Republic	30.5	29.8	27.0	28.7	27.1	27.8	27.6	25.5	24.7	25.4	26.5	26.3	27.4	26.2	22.6	22.0	22.5	24.1	23.6	23.3
Denmark	22.4	22.5	23.6	23.0	23.8	24.6	25.6	25.0	25.0	25.4	26.4	27.6	26.8	26.8	22.2	24.1	25.2	24.6	26.0	25.8
Estonia	..	..	..	..	..	24.1	23.8	22.6	22.7	22.5	24.6	24.2	23.9	22.3	23.1	23.3	26.6	27.8	28.2	27.8
Finland	23.5	22.9	26.0	27.2	28.7	30.7	31.3	30.2	27.3	28.8	28.0	28.4	29.6	27.8	23.2	23.1	22.0	20.6	19.3	18.4
France	21.1	20.8	22.1	23.2	24.0	23.8	23.6	22.4	21.9	22.3	22.0	22.6	23.0	22.7	19.7	20.2	21.0	19.7	19.7	19.9
Germany	22.5	22.1	22.3	22.6	22.1	22.2	22.0	21.8	21.1	23.6	23.4	25.5	27.6	26.4	23.9	25.4	27.3	26.4	26.0	27.1
Greece	12.6	12.7	12.5	12.6	12.6	12.5	12.8	12.0	13.6	13.4	12.4	12.6	10.7	8.2	5.0	5.5	5.4	9.6	9.5	..
Hungary	20.2	21.9	22.7	22.6	19.8	20.4	20.8	19.0	16.5	17.4	16.7	18.3	17.0	17.9	19.6	21.0	21.3	21.1	24.6	24.4
Ireland	21.3	21.9	23.9	25.2	24.3	24.5	23.2	22.3	24.5	25.4	25.8	26.5	23.4	18.4	14.8	17.1	16.8	18.3	21.0	..
Israel	20.8	21.0	21.8	22.2	21.9	21.1	20.9	19.5	20.0	21.4	23.9	25.0	24.1	21.2	21.9	21.7	22.8	22.6	23.1	23.6
Italy	21.7	21.9	21.9	21.1	20.8	20.4	20.8	20.9	20.2	20.6	20.2	20.3	20.8	18.9	17.5	17.1	17.4	17.4	18.0	18.3
Japan	29.1	29.1	29.3	28.6	27.3	27.4	25.6	24.7	24.9	25.6	25.8	26.4	27.5	25.9	22.2	23.3	22.4	22.0	21.8	..
Korea	37.9	36.2	36.2	37.7	35.5	34.1	32.1	31.6	33.1	35.2	33.4	32.6	33.0	32.8	32.7	34.8	34.7	34.4	34.5	34.9
Mexico	21.1	24.7	26.5	22.5	22.7	22.7	19.7	20.4	21.1	23.1	22.3	23.8	23.5	22.8	22.0	22.2	22.3	20.6	17.9	..
Netherlands	28.3	28.6	28.8	27.4	29.1	29.6	27.7	26.5	27.5	28.7	28.2	30.5	30.8	27.6	27.2	28.1	29.4	29.3	29.0	28.7
New Zealand	19.5	18.1	18.9	17.8	18.1	19.7	21.7	20.8	21.3	20.1	17.6	17.0	18.1	15.6	18.5	17.5	17.5	17.7	20.0	..
Portugal	20.9	19.8	20.2	20.6	20.2	17.8	17.9	17.2	16.2	15.4	13.4	12.5	13.0	11.0	10.7	10.8	13.1	13.7	15.4	15.4
Slovak Republic	28.8	26.6	27.0	25.8	25.3	25.0	24.3	23.2	19.4	20.7	21.2	20.6	22.9	22.2	17.8	19.3	19.6	21.2	21.7	20.2
Slovenia	23.4	23.6	24.8	25.1	24.4	24.6	25.3	25.5	25.1	25.6	26.3	28.3	28.7	27.4	22.6	21.7	21.6	20.9	23.2	26.3
Spain	21.6	21.4	22.2	22.3	22.5	22.5	22.4	23.1	23.9	23.1	22.5	22.3	21.7	20.4	20.3	19.7	18.6	19.8	20.6	20.8
Sweden	24.8	24.3	24.7	25.6	26.2	27.4	27.8	27.1	28.2	28.3	29.1	31.4	33.6	33.1	27.6	29.6	29.9	29.1	28.3	29.2
Switzerland	31.9	31.3	33.2	34.0	34.6	36.7	34.0	31.4	35.5	35.3	38.4	39.4	34.7	28.0	34.4	39.2	35.0	35.2	34.6	..
United Kingdom	17.7	17.5	18.0	18.6	17.1	17.7	17.4	17.2	17.1	16.5	17.2	16.5	16.7	14.4	12.2	13.6	14.5	13.0	12.4	12.4
United States	18.7	19.5	20.7	21.3	20.7	20.6	19.5	18.1	17.3	17.5	17.9	19.1	17.3	15.4	14.3	15.1	15.7	17.7	18.2	18.8

Note: Based on SNA93, SNA08, ESA95 or ESA10.

Source: National accounts of OECD countries database.

StatLink http://dx.doi.org/10.1787/888933297608

Annex Table 25. **General government total outlays**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	33.9	34.3	34.6	34.9	34.2	33.4	34.0	33.8	33.6	33.7	34.3	37.2	36.7	35.6	36.0	35.6	35.9	36.4	36.4	36.1
Austria	51.9	51.8	50.2	51.0	50.7	51.0	53.6	51.0	50.1	49.1	49.9	54.1	52.8	50.8	51.1	50.9	52.6	51.7	51.0	50.4
Belgium	50.6	50.1	49.1	49.2	49.5	50.7	48.9	51.4	48.4	48.2	50.3	54.1	53.3	54.4	55.8	55.6	55.1	54.5	53.9	53.0
Canada	43.5	41.8	40.5	41.2	40.4	40.2	39.0	38.4	38.6	38.6	39.2	43.7	43.3	41.7	41.1	40.7	39.4	40.1	39.6	39.4
Czech Republic	41.8	41.1	40.3	42.5	44.3	48.5	42.2	41.9	40.8	39.9	40.2	43.6	43.0	43.0	44.5	42.6	42.5	42.6	41.9	41.7
Denmark	55.4	54.5	52.7	52.8	53.2	53.6	53.0	51.2	49.8	49.6	50.5	56.8	57.1	56.8	58.8	57.1	56.9	56.8	56.0	55.6
Estonia	39.5	40.4	36.5	35.1	36.1	35.1	34.4	34.1	33.6	34.2	39.7	45.9	40.5	37.5	39.1	38.3	38.0	39.9	38.5	38.5
Finland	52.4	51.0	48.0	47.3	48.5	49.4	49.3	49.3	48.3	46.8	48.3	54.8	54.8	54.4	56.1	57.6	58.3	59.0	58.4	56.9
France	52.3	52.1	51.1	51.2	52.3	52.8	52.6	52.9	52.5	52.2	53.0	56.8	56.5	56.0	56.8	57.0	57.5	57.1	56.5	55.8
Germany	47.7	47.8	44.7	46.8	47.2	47.7	46.5	46.3	44.7	42.8	43.6	47.6	47.4	44.8	44.4	44.4	44.2	43.9	44.1	43.9
Greece	42.5	42.5	45.8	44.5	44.4	44.2	44.8	44.1	45.1	47.0	50.8	54.1	52.3	54.0	54.3	60.1	49.6	50.2	56.6	50.6
Hungary	50.8	48.7	47.2	47.2	51.0	49.2	48.7	49.6	51.7	50.1	48.8	50.7	49.6	49.7	48.6	49.5	49.9	49.2	47.9	47.1
Iceland	40.8	41.6	41.3	41.9	43.4	44.8	43.0	41.5	41.1	41.0	55.7	48.5	49.4	45.7	45.5	44.2	45.7	43.8	42.8	41.7
Ireland	34.6	34.0	30.9	32.5	33.1	32.9	33.1	33.4	33.8	35.9	41.9	47.2	65.7	45.5	41.8	39.7	38.3	36.0	34.8	33.9
Israel	51.9	50.5	48.2	50.2	51.5	50.3	47.0	45.9	44.6	42.6	42.3	42.4	41.6	41.0	41.5	41.5	41.2	41.0	41.1	40.9
Italy	48.3	47.4	45.4	47.5	46.8	47.2	46.9	47.1	47.6	46.8	47.8	51.2	49.9	49.1	50.8	51.0	51.2	51.0	50.2	49.1
Japan	41.4	38.2	38.8	38.0	38.3	37.8	36.6	36.4	36.0	35.8	36.9	41.9	40.7	41.8	41.8	42.3	42.4	41.2	40.0	39.7
Korea	26.7	25.8	24.7	26.4	26.1	32.6	29.6	29.5	30.1	29.7	32.0	34.9	31.0	32.3	32.7	31.8	32.3	33.0	32.2	31.4
Luxembourg	39.5	37.6	36.3	37.1	40.6	42.2	42.6	42.6	39.5	37.3	39.3	44.9	43.8	43.3	44.6	43.3	42.4	41.9	41.9	41.7
Netherlands	44.1	43.5	41.8	43.1	43.9	44.7	43.7	42.3	43.0	42.4	43.6	48.2	48.2	47.0	47.1	46.4	46.2	44.9	43.6	42.9
New Zealand	39.8	39.4	37.5	37.2	36.4	37.0	36.6	37.6	39.0	38.8	41.1	42.2	47.8	44.7	43.5	42.4	41.1	40.5	40.0	39.1
Norway	48.5	47.1	42.0	43.8	46.7	47.9	45.0	42.1	40.8	41.4	40.2	46.1	45.0	43.8	42.9	44.1	45.6	47.7	48.6	48.8
Poland	45.5	43.9	42.1	44.8	45.3	45.7	43.7	44.4	44.7	43.1	44.4	45.2	45.6	43.6	42.6	42.4	42.1	41.7	41.3	40.5
Portugal	42.7	42.6	42.6	44.1	43.7	45.3	46.1	46.7	45.2	44.5	45.3	50.2	51.8	50.0	48.5	49.9	51.7	47.8	47.8	47.5
Slovak Republic	45.6	47.9	52.0	44.4	45.1	39.9	37.8	39.6	38.6	36.1	36.7	43.9	42.0	40.5	40.1	41.0	41.6	41.5	40.7	39.8
Slovenia	45.0	45.8	46.1	47.0	45.8	45.8	45.3	44.9	44.2	42.2	43.9	48.2	49.3	50.0	48.6	60.3	49.8	46.8	46.6	45.3
Spain	41.0	39.9	39.1	38.5	38.6	38.3	38.7	38.3	38.3	38.9	41.1	45.8	45.6	45.6	48.0	45.1	44.5	42.8	41.1	39.8
Sweden	57.2	56.6	53.6	53.0	54.2	54.3	52.9	52.8	51.4	49.6	50.4	53.1	51.3	50.6	51.6	52.3	51.7	50.5	49.6	48.7
Switzerland	34.5	33.8	34.2	33.8	36.3	35.7	34.9	34.0	32.2	31.0	31.2	33.1	32.9	32.9	33.3	34.0	33.7	34.0	34.0	33.7
United Kingdom	38.1	38.0	37.8	39.1	40.0	41.2	42.3	42.8	42.9	42.8	46.6	49.6	48.8	46.9	46.8	44.9	43.9	43.6	42.9	41.6
United States[1]	34.7	34.3	33.9	35.2	36.3	36.8	36.5	36.6	36.4	37.2	39.7	43.2	43.2	42.0	40.2	38.9	38.2	37.9	38.1	38.0
Euro area	47.9	47.5	45.7	46.7	46.9	47.3	46.8	46.7	46.1	45.3	46.7	50.7	50.6	49.1	49.8	49.7	49.4	48.7	48.2	47.5
Total OECD	40.4	39.5	38.7	39.7	40.2	40.0	39.4	39.3	39.1	39.0	41.0	44.5	44.0	43.1	42.6	42.0	41.5	41.1	40.7	40.2

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 98 database.

StatLink http://dx.doi.org/10.1787/888933297617

Annex Table 26. **General government total tax and non-tax receipts**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	36.4	36.9	36.1	34.9	35.8	36.1	35.7	35.9	36.1	35.5	33.9	33.1	32.0	32.1	33.4	34.2	33.8	34.5	35.0	35.1
Austria	49.2	49.2	48.2	50.4	49.3	49.2	48.8	48.5	47.6	47.8	48.5	48.8	48.4	48.2	49.0	49.6	49.9	49.9	49.2	49.0
Belgium	49.6	49.5	49.0	49.4	49.6	49.0	48.8	48.9	48.7	48.3	49.2	48.8	49.3	50.3	51.6	52.7	52.0	51.9	51.9	51.9
Canada	43.7	43.6	43.4	41.9	40.4	40.3	40.0	40.1	40.4	40.1	38.9	39.1	38.3	38.0	38.0	38.0	37.7	38.2	38.1	38.1
Czech Republic	37.1	37.7	36.8	37.1	38.0	42.1	39.5	38.7	38.5	39.2	38.1	38.1	38.6	40.2	40.5	41.3	40.6	40.7	40.6	40.9
Denmark	55.0	55.4	54.6	54.0	53.2	53.5	55.1	56.2	54.8	54.6	53.7	54.0	54.3	54.8	55.2	55.8	58.4	54.1	53.2	52.9
Estonia	38.7	37.0	36.4	35.3	36.5	36.9	36.8	35.2	36.5	37.0	37.0	43.8	40.7	38.7	38.8	38.1	38.7	40.1	38.9	39.0
Finland	54.0	52.6	54.9	52.3	52.6	51.8	51.5	51.9	52.3	51.9	52.4	52.2	52.1	53.3	54.0	55.0	54.9	55.7	55.8	55.2
France	49.9	50.5	49.8	49.7	49.2	48.9	49.1	49.8	50.1	49.7	49.8	49.6	49.7	50.9	52.0	52.9	53.6	53.3	53.1	53.1
Germany	45.2	46.1	45.6	43.7	43.3	43.6	42.7	42.9	43.0	42.9	43.5	44.4	43.1	43.8	44.3	44.3	44.5	44.8	44.7	44.9
Greece	38.9	39.6	42.1	40.2	39.7	38.6	37.5	38.8	39.2	40.3	40.7	38.9	41.1	43.8	45.6	47.8	46.1	46.0	48.9	49.0
Hungary	43.3	43.6	44.2	43.2	42.1	42.0	42.3	41.7	42.3	45.0	45.1	46.1	45.0	44.3	46.3	47.0	47.4	46.8	46.0	45.7
Iceland	40.1	42.4	42.6	40.9	40.6	41.6	42.7	45.9	47.0	45.9	42.5	38.8	39.6	40.1	41.7	42.4	45.6	44.1	43.1	42.4
Ireland	36.6	36.4	35.8	33.5	32.7	33.7	34.5	34.7	36.7	36.2	34.9	33.4	33.4	33.0	33.8	34.0	34.4	34.0	33.7	33.6
Israel	44.9	44.8	44.7	44.5	44.4	42.9	41.9	41.8	42.6	41.7	39.4	36.5	37.6	37.6	36.5	37.3	37.7	37.7	37.5	37.5
Italy	45.3	45.6	44.1	44.1	43.7	43.8	43.3	42.9	44.0	45.2	45.1	45.9	45.6	45.6	47.8	48.1	48.2	48.4	48.1	47.5
Japan	31.1	31.0	31.2	32.0	30.5	30.1	30.6	31.6	34.7	33.7	35.1	33.1	32.4	33.0	33.1	33.9	34.7	34.5	34.3	34.7
Korea	27.3	27.5	29.1	29.4	29.6	30.6	29.9	31.0	32.4	33.9	34.3	33.6	32.0	33.3	33.7	33.1	33.2	33.0	32.7	32.2
Luxembourg	42.8	41.0	42.0	43.0	42.8	42.7	41.5	42.8	40.9	41.4	42.6	44.4	43.3	43.8	44.8	44.0	43.9	42.9	42.8	42.9
Netherlands	43.2	43.8	43.6	42.8	41.8	41.7	41.9	42.1	43.2	42.6	43.8	42.7	43.2	42.7	43.2	44.0	43.9	42.9	42.3	42.3
New Zealand	39.7	39.2	39.2	38.6	39.8	40.5	40.5	42.2	44.2	43.2	41.5	39.3	41.1	41.2	41.9	42.7	42.3	41.9	41.5	40.9
Norway	51.7	53.0	57.1	57.0	55.8	55.1	55.9	56.9	58.8	58.6	58.9	56.4	56.0	57.3	56.8	54.9	54.7	54.6	54.1	54.2
Poland	41.2	41.6	39.1	40.0	40.4	39.6	38.6	40.5	41.1	41.2	40.8	37.9	38.1	38.8	38.9	38.4	38.8	38.9	38.5	38.1
Portugal	38.3	39.5	39.4	39.3	40.4	40.9	39.9	40.5	40.9	41.5	41.6	40.4	40.6	42.6	42.9	45.1	44.5	44.8	45.0	44.9
Slovak Republic	40.4	40.6	40.0	38.0	37.1	37.2	35.5	36.7	35.0	34.2	34.3	36.1	34.5	36.4	36.0	38.4	38.9	38.8	38.8	39.1
Slovenia	42.7	42.8	42.5	43.1	43.4	43.2	43.4	43.6	43.0	42.1	42.5	42.3	43.6	43.4	44.4	45.3	44.8	43.9	44.3	43.5
Spain	38.1	38.6	38.1	37.9	38.2	37.9	38.6	39.5	40.5	40.9	36.7	34.8	36.2	36.2	37.5	38.2	38.6	38.6	38.2	38.0
Sweden	58.1	57.4	56.8	54.4	52.7	53.0	53.2	54.6	53.5	53.0	52.3	52.4	51.2	50.5	50.7	50.9	50.0	49.5	49.0	48.3
Switzerland	32.6	32.9	33.7	33.0	33.6	33.2	32.7	32.8	32.5	31.9	33.2	33.9	33.3	33.7	33.5	33.7	33.5	33.8	33.7	33.6
United Kingdom	37.9	38.8	39.0	39.5	37.9	37.8	38.7	39.2	40.0	39.8	41.5	38.8	39.1	39.2	38.4	39.2	38.2	39.6	40.2	40.1
United States[1]	34.3	34.2	34.7	33.8	31.5	30.9	31.0	32.4	33.3	33.5	32.5	30.4	31.0	31.3	31.2	33.4	33.1	33.4	33.9	34.3
Euro area	45.5	46.0	45.4	44.7	44.2	44.2	43.9	44.1	44.6	44.7	44.5	44.5	44.4	45.0	46.1	46.7	46.8	46.8	46.6	46.5
Total OECD	38.1	38.3	38.4	37.9	36.6	35.7	35.7	36.5	37.5	37.5	37.4	36.1	36.1	36.5	36.8	37.8	37.7	37.8	37.9	38.0

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 98 database.

StatLink http://dx.doi.org/10.1787/888933297622

Annex Table 27. **General government financial balances**

Surplus (+) or deficit (-) as a per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	2.6	2.7	1.5	0.0	1.6	2.7	1.7	2.2	2.5	1.9	-0.4	-4.1	-4.7	-3.4	-2.6	-1.4	-2.1	-1.9	-1.5	-0.9
Austria	-2.7	-2.6	-2.0	-0.6	-1.3	-1.8	-4.8	-2.5	-2.5	-1.3	-1.5	-5.3	-4.5	-2.6	-2.2	-1.3	-2.7	-1.8	-1.9	-1.3
Belgium	-0.9	-0.6	-0.1	0.2	0.0	-1.8	-0.2	-2.6	0.3	0.1	-1.1	-5.4	-4.0	-4.1	-4.1	-2.9	-3.1	-2.6	-2.0	-1.0
Brazil	..	-5.2	-3.3	-3.3	-4.4	-5.2	-2.9	-3.5	-3.6	-2.7	-2.0	-3.2	-2.4	-2.5	-2.3	-3.1	-6.2	-7.4	-7.2	-6.2
Canada	0.2	1.8	2.9	0.8	0.0	0.1	1.0	1.7	1.8	1.5	-0.3	-4.5	-4.9	-3.7	-3.1	-2.7	-1.6	-1.9	-1.5	-1.3
China	-1.6	-2.4	-2.9	-2.5	-2.5	-2.1	-1.1	-1.0	-0.2	1.5	1.0	-0.5	0.1	0.5	0.0	-0.2	-0.3	-1.0	-1.9	-1.5
Czech Republic	-4.6	-3.5	-3.5	-5.3	-6.3	-6.4	-2.7	-3.1	-2.3	-0.7	-2.1	-5.5	-4.4	-2.7	-4.0	-1.3	-1.9	-1.9	-1.3	-0.8
Denmark	-0.4	0.9	1.9	1.1	0.0	-0.1	2.1	5.0	5.0	5.0	3.2	-2.8	-2.7	-2.1	-3.6	-1.3	1.5	-2.7	-2.8	-2.8
Estonia	-0.8	-3.3	-0.1	0.2	0.4	1.8	2.4	1.1	2.9	2.7	-2.7	-2.2	0.2	1.2	-0.3	-0.1	0.7	0.2	0.4	0.5
Finland	1.6	1.7	6.9	5.0	4.1	2.4	2.2	2.6	3.9	5.1	4.2	-2.5	-2.6	-1.0	-2.1	-2.5	-3.3	-3.3	-2.7	-1.6
France	-2.4	-1.6	-1.3	-1.4	-3.1	-3.9	-3.5	-3.2	-2.3	-2.5	-3.2	-7.2	-6.8	-5.1	-4.8	-4.1	-3.9	-3.8	-3.4	-2.8
Germany	-2.5	-1.7	0.9	-3.1	-3.9	-4.2	-3.8	-3.4	-1.7	0.2	-0.2	-3.2	-4.2	-1.0	-0.1	-0.1	0.3	0.9	0.6	0.9
Greece	-3.7	-3.0	-3.7	-4.4	-4.8	-5.6	-7.3	-5.3	-5.9	-6.7	-10.2	-15.2	-11.2	-10.2	-8.7	-12.3	-3.6	-4.3	-7.7	-1.5
Hungary	-7.5	-5.1	-3.0	-4.1	-8.9	-7.1	-6.4	-7.8	-9.3	-5.1	-3.6	-4.6	-4.5	-5.5	-2.3	-2.5	-2.5	-2.3	-1.9	-1.5
Iceland	-0.6	0.8	1.2	-1.0	-2.8	-3.1	-0.3	4.5	5.9	4.9	-13.1	-9.7	-9.8	-5.6	-3.7	-1.9	-0.1	0.3	0.3	0.7
India[1]	-8.9	-9.4	-9.4	-9.8	-9.5	-8.4	-7.3	-6.6	-5.5	-4.1	-8.5	-9.5	-7.0	-7.8	-6.9	-6.6	-6.9	-6.6	-6.3	-6.0
Indonesia	-1.4	-0.2	-1.1	-2.2	-1.2	-1.6	-0.9	-0.5	-0.8	-1.2	-0.1	-1.5	-0.7	-1.1	-1.8	-2.1	-2.2	-2.0	-2.1	-2.2
Ireland	2.0	2.4	4.9	1.0	-0.3	0.7	1.4	1.3	2.8	0.3	-7.0	-13.8	-32.3	-12.5	-8.0	-5.7	-3.9	-2.1	-1.1	-0.3
Israel	-6.9	-5.7	-3.4	-5.6	-7.1	-7.3	-5.2	-4.2	-1.9	-0.9	-2.9	-5.9	-4.1	-3.4	-5.0	-4.2	-3.5	-3.3	-3.6	-3.5
Italy	-3.0	-1.8	-1.3	-3.4	-3.1	-3.4	-3.6	-4.2	-3.6	-1.5	-2.7	-5.3	-4.2	-3.5	-3.0	-2.9	-3.0	-2.6	-2.2	-1.6
Japan	-10.3	-7.1	-7.5	-6.0	-7.7	-7.7	-5.9	-4.8	-1.3	-2.1	-1.9	-8.8	-8.3	-8.8	-8.7	-8.5	-7.7	-6.7	-5.7	-5.0
Korea	0.6	1.6	4.4	3.0	3.5	-2.0	0.2	1.6	2.3	4.2	2.3	-1.3	1.0	1.0	1.0	1.3	0.9	0.0	0.5	0.8
Latvia	0.0	-3.7	-2.7	-2.0	-2.2	-1.6	-1.0	-0.4	-0.6	-0.7	-4.1	-9.1	-8.5	-3.4	-0.8	-0.9	-1.6	-1.6	-1.1	-1.1
Lithuania	-3.0	-2.8	-3.2	-3.5	-1.9	-1.3	-1.4	-0.3	-0.3	-0.8	-3.1	-9.1	-6.9	-8.9	-3.1	-2.6	-0.7	-1.5	-1.5	-1.1
Luxembourg	3.4	3.4	5.7	6.0	2.3	0.5	-1.1	0.2	1.4	4.1	3.3	-0.5	-0.5	0.5	0.2	0.7	1.4	0.9	1.0	1.2
Netherlands	-0.9	0.3	1.9	-0.3	-2.1	-3.0	-1.7	-0.3	0.2	0.2	0.2	-5.4	-5.0	-4.3	-3.9	-2.4	-2.4	-2.0	-1.3	-0.7
New Zealand	0.0	-0.2	1.7	1.4	3.4	3.5	3.9	4.6	5.1	4.4	0.4	-2.9	-6.8	-3.5	-1.6	0.3	1.3	1.4	1.5	1.8
Norway	3.3	5.9	15.1	13.2	9.1	7.2	10.9	14.8	18.0	17.1	18.7	10.3	11.0	13.4	13.8	10.8	9.1	6.9	5.5	5.4
Poland	-4.2	-2.3	-3.0	-4.8	-4.8	-6.1	-5.2	-4.0	-3.6	-1.9	-3.6	-7.3	-7.5	-4.9	-3.7	-4.0	-3.3	-2.8	-2.8	-2.4
Portugal	-4.4	-3.0	-3.2	-4.8	-3.3	-4.4	-6.2	-6.2	-4.3	-3.0	-3.8	-9.8	-11.2	-7.4	-5.7	-4.8	-7.2	-3.0	-2.8	-2.6
Russia	..	..	..	..	-0.7	1.7	6.0	6.0	8.3	5.6	7.3	-4.0	-1.2	3.8	2.5	0.3	0.3	-4.0	-3.2	-1.8
Slovak Republic	-5.2	-7.3	-12.0	-6.4	-8.1	-2.7	-2.3	-2.9	-3.6	-1.9	-2.3	-7.9	-7.5	-4.1	-4.2	-2.6	-2.8	-2.7	-1.9	-0.6
Slovenia	-2.3	-3.0	-3.6	-3.9	-2.4	-2.6	-2.0	-1.3	-1.2	-0.1	-1.4	-5.9	-5.6	-6.6	-4.1	-15.0	-5.0	-2.9	-2.3	-1.8
South Africa	-5.3	-3.7	-4.1	-2.5	-3.3	-4.5	-4.6	-2.4	-1.7	-0.7	-1.7	-3.9	-3.1	-3.0	-3.2	-3.3	-4.1	-4.3	-4.0	-3.8
Spain	-2.9	-1.3	-1.0	-0.5	-0.4	-0.4	0.0	1.2	2.2	2.0	-4.4	-11.0	-9.4	-9.5	-10.4	-6.9	-5.9	-4.2	-2.9	-1.8
Sweden	0.9	0.8	3.2	1.4	-1.5	-1.3	0.3	1.8	2.2	3.3	2.0	-0.7	0.0	-0.1	-0.9	-1.4	-1.7	-1.1	-0.6	-0.3
Switzerland	-1.9	-0.9	-0.4	-0.8	-2.7	-2.4	-2.2	-1.2	0.3	0.9	2.0	0.8	0.3	0.8	0.2	-0.3	-0.2	-0.2	-0.3	-0.2
United Kingdom	-0.2	0.7	1.1	0.4	-2.1	-3.4	-3.6	-3.5	-2.9	-3.0	-5.1	-10.8	-9.7	-7.7	-8.3	-5.7	-5.7	-3.9	-2.6	-1.5
United States	-0.4	0.0	0.8	-1.4	-4.8	-6.0	-5.5	-4.2	-3.1	-3.7	-7.2	-12.8	-12.2	-10.8	-9.0	-5.5	-5.1	-4.5	-4.2	-3.7
Euro area	-2.4	-1.5	-0.2	-2.0	-2.7	-3.1	-2.9	-2.6	-1.5	-0.6	-2.2	-6.3	-6.2	-4.1	-3.7	-3.0	-2.6	-1.9	-1.7	-1.0
Total OECD	-2.3	-1.2	-0.4	-1.8	-3.6	-4.3	-3.6	-2.8	-1.6	-1.5	-3.6	-8.4	-7.9	-6.6	-5.8	-4.1	-3.8	-3.3	-2.8	-2.3
General government financial balances excluding social security																				
United States	-1.6	-1.4	-0.7	-2.9	-6.3	-7.3	-6.7	-5.5	-4.5	-5.0	-8.4	-13.7	-12.6	-11.2	-9.3	-5.7	-5.3	-4.6	-4.5	-4.0
Japan	-11.7	-8.2	-8.1	-6.3	-7.6	-7.8	-6.4	-5.0	-1.3	-2.0	-1.3	-7.7	-7.2	-7.9	-7.9	-7.8	-7.1	-6.0	-4.9	-5.0

Note: Financial balances include one-off factors, such as those resulting from the sale of mobile telephone licenses. As data are on a national accounts basis, 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 Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source. OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297636

Annex Table 28. **General government cyclically adjusted balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	2.5	2.5	1.4	0.1	1.3	2.5	1.3	1.7	2.3	1.1	-0.9	-4.0	-4.3	-2.8	-2.2	-0.6	-1.3	-0.8	-0.5	-0.3
Austria	-3.0	-3.5	-3.7	-1.6	-1.8	-1.5	-4.6	-2.6	-3.5	-3.3	-3.0	-3.8	-3.2	-2.3	-1.6	-0.2	-1.2	-0.2	-0.5	-0.5
Belgium	-0.6	-1.0	-1.3	-0.1	0.0	-1.1	-0.6	-3.2	-0.8	-2.2	-2.8	-4.6	-4.3	-4.8	-4.2	-2.3	-2.6	-2.1	-1.6	-0.8
Canada	0.5	1.5	2.1	0.3	-0.4	0.0	0.7	1.0	1.0	0.8	-0.5	-2.2	-3.6	-3.1	-2.4	-2.2	-1.6	-1.6	-1.6	-1.9
Czech Republic	-4.3	-2.4	-3.1	-4.7	-4.6	-4.6	-1.5	-3.1	-3.7	-3.1	-4.4	-4.9	-4.2	-2.8	-3.1	0.4	-0.5	-1.4	-1.0	-0.7
Denmark	-0.9	0.1	0.4	0.2	-0.3	0.2	1.8	4.1	2.9	3.1	2.1	-1.0	-1.5	-1.3	-2.2	0.6	3.1	-1.6	-2.2	-2.7
Estonia	..	..	..	-0.1	-0.2	0.4	0.7	-2.4	-2.9	-4.6	-6.4	2.7	4.3	2.6	0.1	0.5	1.1	0.8	0.8	0.6
Finland	1.3	1.0	5.3	4.1	4.1	3.0	2.1	2.4	2.8	2.3	1.9	0.2	-1.2	-0.8	-0.7	-0.2	-0.4	0.0	0.4	0.8
France	-2.3	-2.0	-2.6	-2.4	-3.5	-3.7	-3.8	-3.5	-3.3	-3.9	-3.8	-5.4	-5.7	-4.7	-4.0	-3.1	-2.5	-2.4	-2.1	-1.8
Germany	-2.2	-1.4	0.4	-3.7	-4.0	-3.4	-2.9	-2.6	-2.0	-0.9	-0.8	-0.6	-3.0	-0.9	0.2	0.5	0.7	1.2	0.7	0.7
Greece	-3.9	-2.9	-3.6	-4.2	-4.4	-6.5	-9.0	-6.6	-8.9	-10.7	-13.9	-16.9	-10.5	-5.7	-1.4	-3.1	3.6	3.0	0.7	5.3
Hungary	-6.3	-3.8	-2.0	-3.3	-8.9	-7.7	-8.1	-10.7	-13.3	-8.1	-6.3	-3.1	-3.2	-4.5	0.0	-0.5	-1.6	-2.0	-1.9	-2.0
Iceland	-1.0	0.3	0.3	-1.9	-2.1	-2.2	-2.0	1.9	3.8	0.1	-17.7	-9.4	-6.2	-2.5	-0.5	-0.1	1.6	0.5	-0.4	-0.4
Ireland	1.1	0.1	1.6	-2.1	-3.4	-1.6	-0.6	-1.3	-0.5	-3.7	-8.5	-10.9	-27.5	-9.6	-4.6	-2.4	-2.2	-1.9	-1.7	-1.2
Israel	-6.9	-5.4	-5.7	-6.0	-5.6	-4.6	-3.4	-2.9	-1.6	-1.9	-3.7	-5.7	-4.7	-4.5	-5.5	-4.6	-3.5	-2.9	-3.3	-3.2
Italy	-2.7	-1.6	-2.3	-4.5	-3.6	-3.5	-3.9	-4.6	-4.7	-3.0	-3.5	-3.1	-3.1	-2.7	-0.8	-0.1	-0.1	-0.2	-0.4	-0.4
Japan	-9.1	-5.6	-6.4	-4.7	-6.2	-6.6	-5.6	-4.7	-1.6	-3.1	-2.2	-6.6	-7.9	-8.0	-8.4	-8.8	-7.8	-6.8	-6.1	-5.4
Korea	3.6	2.7	4.5	3.3	3.1	-1.9	0.2	1.6	2.0	3.4	1.9	-0.7	0.6	0.6	1.2	1.7	1.2	0.5	1.1	1.2
Luxembourg	..	..	..	..	..	..	..	..	0.4	0.9	2.1	2.6	1.0	2.2	3.9	3.5	3.5	2.8	2.5	2.5
Netherlands	-1.2	-0.7	0.3	-1.6	-2.2	-2.3	-1.1	0.1	-0.5	-1.6	-1.7	-4.7	-4.6	-4.4	-2.9	-0.9	-0.8	-1.0	-1.0	-1.0
New Zealand	0.8	0.0	1.7	1.9	3.0	2.5	2.5	3.2	4.0	2.7	0.5	-2.2	-6.1	-2.6	-1.1	0.7	1.3	1.5	1.9	2.2
Norway[1]	-1.9	-0.4	1.1	0.9	-0.7	-1.7	-0.8	-0.3	0.7	1.7	1.1	-0.1	0.3	0.8	0.3	-0.7	-0.3	-0.7	-1.4	-1.6
Poland	-4.2	-2.2	-2.9	-3.3	-2.3	-3.7	-3.6	-2.3	-2.9	-2.4	-4.0	-7.1	-7.4	-5.5	-3.6	-3.2	-2.6	-2.4	-2.4	-2.2
Portugal	-6.1	-5.1	-5.7	-7.0	-4.8	-4.4	-6.4	-6.1	-4.4	-3.8	-4.2	-8.2	-10.4	-5.4	-1.8	-0.1	-2.7	0.4	-0.1	-0.6
Slovenia	..	-2.5	-3.4	-3.4	-2.2	-2.2	-1.9	-1.7	-2.6	-3.1	-4.6	-4.7	-4.6	-5.7	-2.0	-11.6	-3.1	-1.6	-1.3	-1.4
Spain	-2.5	-1.4	-2.1	-1.9	-1.5	-1.4	-1.1	-0.3	-0.1	-1.0	-6.8	-10.1	-7.9	-6.9	-5.7	-1.1	-0.8	-0.9	-1.0	-0.9
Sweden	1.9	1.0	2.3	1.4	-1.0	-0.8	-0.1	1.2	-0.1	0.4	1.0	2.8	1.0	0.3	0.6	0.5	-0.3	-0.4	-0.8	-1.2
Switzerland	-1.8	-0.8	-1.1	-1.3	-2.4	-1.4	-1.6	-0.9	-0.1	-0.2	1.0	1.3	0.5	0.9	0.7	0.0	0.1	0.4	0.5	0.4
United Kingdom	-0.2	0.8	0.8	0.2	-2.2	-3.9	-4.1	-4.6	-4.4	-4.9	-5.9	-8.4	-7.7	-6.3	-6.9	-4.7	-5.4	-3.9	-2.8	-2.0
United States	-0.7	-1.0	-0.6	-1.9	-4.8	-6.2	-6.4	-5.6	-4.7	-5.0	-7.2	-10.4	-10.1	-8.6	-7.2	-3.7	-3.7	-3.5	-3.6	-3.5
Euro area	-2.3	-1.6	-1.3	-3.0	-3.1	-3.0	-3.0	-2.8	-2.5	-2.4	-3.3	-4.5	-5.0	-3.5	-2.1	-0.9	-0.7	-0.4	-0.6	-0.4
Total OECD	-2.1	-1.4	-1.2	-2.1	-3.6	-4.4	-4.3	-3.7	-2.9	-3.1	-4.4	-6.8	-7.0	-5.8	-4.8	-3.0	-2.8	-2.5	-2.4	-2.2

Note: For more details on the methodology used for estimating the cyclical component of government balances, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

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 98 database.

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Annex Table 29. **General government underlying balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	2.3	2.4	1.3	0.2	1.4	2.3	1.1	1.6	2.1	0.9	-1.2	-4.0	-4.0	-2.8	-2.3	-0.9	-1.4	-1.5	-1.3	-1.1
Austria	-2.7	-3.5	-3.9	-1.2	-1.8	-1.5	-1.1	-2.8	-3.7	-3.4	-3.3	-3.3	-3.2	-2.4	-1.4	-0.8	0.0	0.4	0.0	0.1
Belgium	-0.5	-1.1	-1.2	-0.2	-0.2	-0.7	-1.0	-1.1	-1.1	-2.1	-2.6	-4.2	-3.9	-4.0	-3.1	-2.2	-2.3	-1.8	-1.1	-0.3
Canada	0.3	1.5	2.0	0.1	-0.5	-0.1	0.7	1.1	1.1	0.8	-0.6	-2.1	-3.6	-2.9	-2.3	-2.1	-1.4	-1.5	-1.5	-1.8
Czech Republic	-3.6	-3.0	-4.7	-3.9	-3.3	-6.5	-2.1	-2.8	-4.2	-3.4	-4.4	-5.6	-4.7	-3.2	0.1	0.2	-0.4	-1.2	-1.0	-0.8
Denmark	-0.8	0.1	0.4	-0.1	-0.2	0.2	1.6	3.9	2.8	3.1	2.5	-0.9	-1.5	-1.1	-0.9	0.6	2.0	-1.5	-1.5	-2.4
Estonia	..	..	..	-0.1	-0.2	0.3	0.4	-2.4	-3.5	-4.5	-5.1	0.0	0.9	0.7	1.0	0.3	1.5	1.3	1.1	0.9
Finland	1.3	1.4	5.3	4.2	4.1	2.9	2.1	2.4	2.7	2.3	1.8	0.4	-1.2	-0.7	-0.7	-0.3	-0.3	0.1	0.5	1.0
France	-2.3	-1.8	-2.7	-2.4	-3.5	-3.8	-3.9	-3.6	-3.2	-4.0	-3.6	-5.2	-5.6	-4.8	-4.0	-3.2	-2.5	-2.5	-2.1	-1.8
Germany	-2.1	-1.3	-1.6	-3.1	-3.5	-2.9	-2.6	-2.3	-1.9	-0.9	-0.5	-0.5	-2.0	-0.9	0.1	0.4	0.7	1.0	0.7	0.7
Greece	-4.1	-2.4	-3.2	-3.8	-3.8	-7.3	-9.4	-8.0	-10.8	-12.1	-14.1	-16.3	-10.6	-5.9	0.2	4.2	2.2	1.4	2.5	3.5
Hungary	-4.7	-4.5	-2.1	-3.2	-7.4	-7.8	-8.7	-11.0	-13.1	-7.4	-5.7	-2.9	-3.2	-3.2	0.1	-0.5	-2.0	-2.4	-1.8	-1.8
Iceland	-1.2	0.2	0.2	-1.7	-2.2	-2.1	-2.0	1.8	3.5	-0.3	-4.7	-9.2	-3.0	-1.8	-0.1	-0.3	2.8	1.9	0.5	0.3
Ireland	0.7	1.3	1.4	-2.0	-3.6	-1.7	-0.5	-1.2	-0.8	-4.1	-7.9	-8.2	-7.1	-5.9	-4.5	-3.1	-2.5	-1.9	-1.7	-1.2
Israel	-6.8	-5.1	-5.6	-5.8	-5.4	-4.6	-3.2	-2.8	-1.6	-1.7	-3.6	-5.3	-4.7	-4.7	-5.6	-4.6	-3.6	-3.1	-3.4	-3.4
Italy	-2.9	-1.6	-3.5	-4.1	-3.3	-4.4	-4.3	-4.4	-3.5	-2.7	-3.3	-3.3	-3.0	-3.1	-0.6	-0.3	0.0	0.2	0.0	-0.3
Japan	-4.7	-5.9	-6.0	-5.3	-6.3	-6.1	-6.3	-4.6	-3.1	-3.1	-3.0	-6.6	-8.1	-7.8	-8.3	-8.6	-7.8	-7.0	-6.3	-5.6
Korea	4.2	2.7	4.3	3.0	2.8	2.5	0.9	2.0	2.5	2.8	1.3	-0.2	0.3	1.0	1.3	1.4	1.3	0.6	1.1	1.2
Luxembourg	..	..	..	..	..	..	..	..	0.8	0.9	1.8	2.7	1.1	2.2	3.9	3.6	3.4	2.8	2.5	2.5
Netherlands	-1.1	-0.6	-0.2	-1.2	-2.0	-2.1	-1.1	-0.1	-0.8	-1.7	-1.8	-4.1	-4.2	-4.5	-3.0	-1.4	-1.0	-1.0	-1.0	-1.0
New Zealand	0.9	0.0	1.7	1.9	3.0	2.5	2.4	3.1	4.0	2.6	0.7	-2.1	-2.1	-1.0	-0.2	1.2	1.4	1.5	1.9	2.1
Norway[1]	-2.1	-0.4	1.5	0.8	-0.7	-1.7	-0.9	-0.4	0.7	1.6	1.2	-0.1	0.3	0.8	0.3	-0.7	-0.3	-0.7	-1.4	-1.6
Poland	-3.8	-2.4	-3.0	-3.4	-2.5	-3.3	-3.7	-2.4	-2.9	-2.5	-3.8	-6.7	-7.9	-6.4	-4.1	-3.3	-2.8	-2.7	-2.6	-2.4
Portugal	-5.5	-4.8	-5.8	-7.0	-5.5	-4.9	-6.0	-6.0	-4.2	-3.8	-4.5	-8.0	-8.1	-5.4	-3.2	-0.9	0.1	0.4	-0.1	-0.6
Slovenia	..	-2.4	-3.4	-3.5	-2.3	-1.9	-2.0	-1.8	-3.0	-3.2	-4.6	-5.1	-5.2	-5.0	-2.6	-2.3	-3.4	-1.6	-1.3	-1.4
Spain	-2.6	-1.6	-2.1	-1.8	-1.4	-1.5	-0.6	-0.1	0.2	-0.6	-6.0	-9.2	-7.3	-6.1	-2.4	-0.9	-0.9	-0.9	-1.0	-1.0
Sweden	1.1	1.1	2.2	1.3	-1.0	-0.8	-0.1	1.2	-0.1	0.5	1.1	2.9	1.0	0.5	0.4	0.3	-0.3	-0.5	-0.9	-1.3
Switzerland	-2.2	-1.3	0.1	-1.0	-1.0	-1.5	-1.6	-1.1	-0.5	-0.5	1.1	1.1	0.2	0.7	0.2	0.3	-0.2	0.1	0.2	0.1
United Kingdom[2]	-0.2	0.7	0.7	0.1	-2.3	-3.9	-4.5	-3.9	-4.7	-5.4	-5.9	-7.7	-7.9	-6.8	-7.1	-6.5	-6.6	-6.4	-5.7	-4.7
United States	-0.8	-1.0	-0.7	-2.0	-4.8	-6.1	-6.3	-5.5	-4.8	-5.0	-6.9	-9.6	-9.8	-8.4	-7.1	-3.8	-3.8	-3.7	-3.7	-3.6
Euro area	-2.2	-1.5	-2.1	-2.6	-2.9	-3.0	-2.8	-2.6	-2.3	-2.4	-3.1	-4.2	-4.2	-3.4	-1.7	-0.9	-0.6	-0.5	-0.4	-0.4
Total OECD	-1.6	-1.4	-1.4	-2.2	-3.6	-4.2	-4.3	-3.6	-3.1	-3.2	-4.3	-6.4	-6.7	-5.6	-4.6	-3.1	-2.9	-2.8	-2.7	-2.5

Note: The underlying balances are adjusted for the cycle and for one-offs. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297658

Annex Table 30. **General government underlying primary balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	3.3	3.2	2.0	0.6	1.8	2.6	1.4	1.7	2.1	0.9	-1.3	-3.8	-3.6	-2.3	-1.8	-0.3	-0.7	-0.7	-0.5	-0.3
Austria	0.3	-0.7	-1.1	1.5	0.8	0.9	1.2	-0.4	-1.4	-1.2	-1.0	-1.1	-1.1	-0.3	0.8	1.3	2.0	2.2	1.8	1.8
Belgium	6.4	5.4	5.1	5.8	5.1	4.2	3.5	3.0	2.7	1.6	1.0	-0.8	-0.7	-0.7	0.1	0.7	0.5	0.7	1.2	1.7
Canada	5.1	5.6	5.1	3.0	2.0	1.7	2.2	2.1	1.7	1.4	-0.5	-1.3	-3.0	-2.5	-1.8	-1.7	-1.1	-0.9	-1.0	-1.3
Czech Republic	-3.1	-2.5	-4.6	-3.6	-3.0	-6.1	-1.5	-2.1	-3.5	-2.7	-3.7	-4.7	-3.6	-2.1	1.3	1.2	0.7	-0.3	-0.2	0.0
Denmark	2.2	3.0	3.0	1.9	1.7	1.9	3.0	5.0	3.6	3.6	2.7	-0.5	-0.9	-0.5	-0.4	1.0	2.4	-1.2	-1.3	-2.3
Estonia	..	..	..	-0.1	-0.2	0.1	0.3	-2.5	-3.8	-4.9	-5.6	-0.2	0.7	0.5	0.9	0.3	1.4	1.2	1.0	0.8
Finland	2.8	2.8	6.2	4.7	4.2	2.9	2.1	2.4	2.5	2.0	1.3	0.1	-1.1	-0.7	-0.5	-0.2	-0.1	0.4	0.7	1.1
France	0.6	0.8	-0.1	0.3	-0.8	-1.4	-1.4	-1.2	-0.8	-1.4	-1.0	-3.1	-3.4	-2.3	-1.6	-1.0	-0.5	-0.7	-0.5	-0.3
Germany	0.8	1.4	1.1	-0.5	-0.9	-0.4	-0.2	0.1	0.4	1.5	1.8	1.7	0.0	1.1	1.9	1.9	2.0	2.1	1.6	1.4
Greece	3.0	3.9	3.2	2.0	1.3	-2.6	-4.8	-3.6	-6.2	-7.4	-9.1	-11.3	-5.2	0.3	4.0	7.2	5.4	5.0	6.1	7.0
Hungary	1.3	1.5	2.6	0.7	-3.8	-4.1	-4.7	-7.0	-9.2	-3.4	-1.9	1.0	0.5	0.5	4.1	3.6	1.8	1.2	1.7	1.5
Iceland	1.3	2.4	2.2	-0.1	-1.0	-0.6	-0.7	3.0	4.0	-0.1	-4.9	-6.1	-0.4	0.8	3.1	3.1	6.4	5.3	4.1	4.3
Ireland	3.8	3.5	3.2	-0.9	-2.4	-0.5	0.5	-0.3	-0.1	-3.4	-7.2	-6.8	-4.8	-3.5	-1.6	0.2	0.8	1.3	1.3	1.6
Israel	0.3	1.5	1.2	0.5	0.7	1.5	2.8	3.2	3.4	2.8	0.5	-1.5	-0.9	-1.0	-1.9	-1.3	-0.5	-0.1	-0.6	-0.7
Italy	4.6	4.5	2.5	1.8	2.0	0.3	0.2	-0.1	0.9	2.0	1.5	0.8	1.0	1.2	4.2	4.1	4.2	4.2	3.7	3.2
Japan	-3.5	-4.6	-4.8	-4.4	-5.6	-5.6	-5.9	-4.5	-3.2	-3.1	-2.8	-6.2	-7.4	-7.0	-7.4	-7.9	-6.9	-6.0	-5.5	-4.8
Korea	3.3	1.9	3.3	2.2	2.1	2.4	0.8	1.4	1.7	1.9	1.1	-1.0	-0.2	0.4	1.1	1.0	1.2	0.6	1.0	1.1
Luxembourg	..	..	..	..	..	..	..	..	0.0	-0.2	0.5	2.2	0.9	2.0	3.8	3.5	3.2	2.6	2.3	2.3
Netherlands	2.5	2.6	2.4	1.0	0.0	-0.3	0.6	1.5	0.6	-0.3	-0.4	-2.9	-3.0	-3.2	-1.9	-0.4	0.0	-0.1	-0.1	-0.2
New Zealand	2.8	1.6	3.1	3.3	4.1	3.5	3.3	3.8	4.4	2.8	1.0	-1.5	-1.6	-0.3	0.7	1.7	1.9	1.9	2.2	2.4
Norway[1]	-3.4	-2.1	-0.3	-1.2	-2.9	-3.8	-3.1	-2.4	-1.6	-1.5	-2.1	-2.6	-1.9	-1.5	-1.7	-2.8	-2.8	-3.5	-4.2	-4.2
Poland	0.0	0.2	-0.4	-0.6	-0.4	-1.0	-1.3	-0.2	-0.7	-0.6	-2.2	-4.6	-5.7	-4.2	-1.8	-1.2	-1.2	-1.1	-1.1	-0.8
Portugal	-2.7	-2.1	-3.1	-4.4	-2.9	-2.5	-3.7	-3.8	-1.7	-1.2	-1.8	-5.3	-5.4	-1.7	0.8	3.0	4.1	4.4	3.9	3.4
Slovenia	..	-0.6	-1.7	-1.7	-0.6	-0.5	-0.6	-0.5	-1.8	-2.1	-3.9	-4.2	-4.2	-3.6	-1.2	-0.5	-0.8	1.3	1.6	1.4
Spain	1.0	1.5	0.8	0.8	0.9	0.6	1.2	1.5	1.5	0.6	-4.9	-7.9	-5.8	-4.2	-0.1	1.8	1.8	1.8	1.6	1.6
Sweden	3.6	3.4	4.3	3.0	1.0	0.5	0.8	2.2	0.7	1.2	1.5	3.1	1.2	0.7	0.5	0.4	-0.3	-0.6	-0.9	-1.4
Switzerland	-1.3	-0.2	1.1	-0.1	0.0	-0.5	-0.6	-0.2	0.3	0.2	1.6	1.6	0.7	1.1	0.6	0.6	0.1	0.3	0.3	0.2
United Kingdom[2]	2.7	3.2	2.9	2.0	-0.6	-2.2	-2.8	-2.1	-2.9	-3.5	-4.1	-6.2	-5.4	-4.0	-4.5	-4.0	-4.2	-4.0	-3.4	-2.4
United States	2.8	2.2	2.2	0.7	-2.2	-3.3	-3.7	-2.8	-2.1	-2.3	-4.3	-6.9	-6.9	-5.4	-4.2	-1.5	-1.1	-1.0	-0.8	-0.6
Euro area	1.8	2.0	1.3	0.6	0.2	-0.2	-0.1	0.0	0.2	0.2	-0.5	-1.8	-1.9	-0.8	0.8	1.4	1.6	1.6	1.5	1.4
Total OECD	1.6	1.4	1.2	0.3	-1.3	-2.0	-2.2	-1.6	-1.2	-1.2	-2.4	-4.4	-4.6	-3.4	-2.4	-1.2	-0.9	-0.8	-0.7	-0.5

Note: Adjusted for the cycle and for one-offs, and excludes net interest payments. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 98 database.

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Annex Table 31. **General government net debt interest payments**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	1.0	0.9	0.7	0.4	0.4	0.3	0.3	0.2	0.0	0.0	-0.2	0.1	0.4	0.5	0.5	0.6	0.8	0.8	0.8	0.9
Austria	3.0	2.8	2.7	2.7	2.6	2.4	2.3	2.4	2.3	2.2	2.2	2.2	2.2	2.1	2.2	2.1	2.0	1.9	1.8	1.7
Belgium	6.9	6.4	6.2	6.0	5.3	4.9	4.4	4.0	3.7	3.6	3.5	3.4	3.3	3.2	3.2	3.0	2.8	2.4	2.3	2.1
Canada	4.6	4.1	3.0	2.8	2.5	1.8	1.5	1.0	0.6	0.6	0.0	0.9	0.6	0.4	0.5	0.4	0.3	0.6	0.5	0.5
Czech Republic	0.5	0.5	0.1	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7	1.0	1.1	1.1	1.2	1.1	1.1	1.0	0.9	0.8
Denmark	3.0	2.9	2.5	2.0	2.0	1.6	1.4	1.1	0.8	0.5	0.2	0.4	0.6	0.6	0.5	0.5	0.4	0.3	0.2	0.1
Estonia	0.2	0.1	0.1	0.0	0.0	-0.3	-0.2	-0.2	-0.2	-0.4	-0.5	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Finland	1.5	1.4	0.9	0.5	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.5	-0.4	0.1	0.0	0.2	0.1	0.2	0.3	0.2	0.1
France	2.9	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.5	2.6	2.2	2.3	2.5	2.4	2.2	2.0	1.9	1.6	1.5
Germany	2.9	2.7	2.7	2.6	2.5	2.5	2.5	2.4	2.3	2.4	2.3	2.3	2.1	2.0	1.8	1.6	1.4	1.1	0.9	0.7
Greece	7.1	6.3	6.5	5.8	5.1	4.6	4.4	4.3	4.3	4.3	4.6	4.8	5.5	6.8	4.4	3.6	3.7	4.2	4.2	4.1
Hungary	6.1	6.1	4.8	4.0	3.6	3.7	3.9	3.8	3.6	3.8	3.6	4.0	3.8	3.7	4.2	4.3	3.8	3.6	3.4	3.2
Iceland	2.5	2.2	1.9	1.6	1.2	1.5	1.3	1.2	0.4	0.3	-0.1	3.1	2.8	2.7	3.4	3.5	3.7	3.4	3.6	3.9
Ireland	3.0	2.1	1.6	1.1	1.1	1.1	1.0	0.9	0.7	0.6	0.7	1.4	2.5	2.6	3.2	3.5	3.5	3.3	3.0	2.7
Israel	7.2	6.7	6.5	6.3	6.2	6.4	6.2	6.2	5.0	4.4	4.0	3.9	3.8	3.6	3.7	3.3	3.1	3.0	2.8	2.8
Italy	7.5	6.1	5.9	5.8	5.2	4.8	4.5	4.3	4.2	4.5	4.7	4.2	4.1	4.5	5.0	4.7	4.5	4.2	3.9	3.6
Japan	1.2	1.3	1.2	0.9	0.7	0.6	0.4	0.1	-0.1	0.0	0.3	0.5	0.7	0.8	0.9	0.7	0.9	1.0	0.9	0.7
Korea	-1.1	-0.8	-1.0	-0.9	-0.7	-0.1	-0.1	-0.6	-0.8	-0.9	-0.1	-0.8	-0.5	-0.5	-0.2	-0.4	-0.1	0.0	-0.1	-0.1
Luxembourg	-1.0	-0.8	-1.2	-1.3	-1.1	-0.9	-0.8	-0.7	-0.8	-1.0	-1.3	-0.5	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Netherlands	3.5	3.2	2.5	2.2	2.0	1.8	1.7	1.6	1.4	1.3	1.3	1.2	1.1	1.2	1.1	1.1	1.1	1.0	0.9	0.8
New Zealand	2.0	1.6	1.5	1.5	1.1	1.0	0.8	0.7	0.4	0.1	0.3	0.6	0.5	0.8	0.9	0.6	0.5	0.4	0.3	0.2
Norway	-1.3	-1.6	-1.8	-2.0	-2.3	-2.2	-2.2	-2.1	-2.2	-2.9	-3.2	-2.6	-2.3	-2.3	-2.0	-2.1	-2.5	-2.8	-2.8	-2.7
Poland	3.8	2.6	2.6	2.8	2.2	2.4	2.4	2.3	2.2	1.9	1.6	2.1	2.2	2.2	2.3	2.2	1.7	1.5	1.6	1.6
Portugal	2.7	2.6	2.5	2.5	2.5	2.4	2.3	2.3	2.5	2.6	2.7	2.7	2.7	3.8	4.3	4.2	4.3	4.3	4.2	4.1
Slovak Republic	2.0	2.8	3.0	3.0	2.9	1.6	1.4	1.1	0.9	0.9	0.8	1.1	1.1	1.3	1.6	1.7	1.6	1.6	1.6	1.6
Slovenia	1.8	1.9	1.8	1.8	1.7	1.4	1.4	1.3	1.2	1.0	0.7	0.9	1.1	1.4	1.4	2.0	2.7	3.0	2.9	2.8
Spain	3.7	3.1	2.9	2.5	2.3	2.0	1.8	1.5	1.3	1.1	1.0	1.3	1.5	2.0	2.5	2.9	3.0	2.9	2.7	2.6
Sweden	2.5	2.4	2.0	1.7	2.0	1.3	0.9	0.9	0.8	0.7	0.5	0.2	0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Switzerland	0.9	1.1	1.0	0.9	1.0	1.0	1.0	1.0	0.8	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.2	0.1	0.1
United Kingdom	2.9	2.4	2.3	1.9	1.7	1.6	1.7	1.8	1.8	1.9	1.8	1.6	2.6	2.9	2.6	2.6	2.4	2.4	2.3	2.3
United States	3.6	3.2	2.8	2.7	2.6	2.7	2.6	2.6	2.6	2.6	2.6	2.8	2.9	3.1	3.1	2.3	2.7	2.8	2.9	3.0
Euro area	4.0	3.5	3.4	3.2	3.0	2.9	2.7	2.6	2.5	2.5	2.6	2.4	2.4	2.6	2.6	2.5	2.3	2.2	1.9	1.8
Total OECD	3.2	2.8	2.6	2.4	2.3	2.2	2.0	1.9	1.8	1.9	1.9	2.0	2.1	2.2	2.2	1.9	2.0	2.0	1.9	1.9

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297675

Annex Table 32. **General government gross financial liabilities**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	33.4	28.4	27.2	26.0	24.5	21.8	22.1	21.8	20.7	20.4	21.2	26.7	30.0	34.1	37.3	38.2	42.1	44.2	46.2	47.6
Austria	67.3	70.7	70.4	71.6	75.0	73.7	72.9	80.4	77.7	74.6	80.1	92.4	96.2	96.7	102.6	98.5	106.8	107.3	107.7	107.1
Belgium[1]	137.8	126.4	120.4	118.9	118.1	114.6	110.2	107.8	99.8	93.6	100.9	109.3	107.6	110.0	120.1	117.9	129.6	130.5	129.8	127.8
Canada	101.6	92.2	84.2	85.7	84.8	80.3	76.5	75.8	74.9	70.4	74.7	87.4	89.5	93.1	95.9	92.3	94.6	94.8	94.8	94.3
Czech Republic	17.5	23.4	24.0	28.0	30.2	32.7	32.5	32.2	32.0	30.7	34.6	41.4	46.3	48.6	58.3	58.1	57.2	56.1	56.1	56.1
Denmark	72.6	67.1	60.5	58.3	58.1	56.1	52.4	45.1	40.5	34.6	42.0	49.5	53.8	60.6	61.5	58.0	60.6	57.1	56.4	58.9
Estonia	10.0	10.8	6.8	6.7	7.6	8.4	8.6	8.2	8.0	7.3	8.4	12.6	11.9	9.4	12.9	13.4	13.7	12.7	11.8	10.8
Finland	59.3	53.0	50.9	48.2	48.0	49.5	49.6	46.4	43.9	40.1	38.8	49.5	55.9	57.1	62.9	64.2	71.4	73.3	75.7	77.5
France	77.0	73.5	71.8	70.9	74.6	78.5	80.2	81.8	76.8	75.6	81.6	93.2	96.9	100.8	110.5	110.1	119.1	120.1	121.3	121.7
Germany	60.5	60.1	59.8	58.8	61.3	64.7	68.0	70.4	68.3	64.2	68.2	75.6	84.2	83.6	86.3	81.4	82.1	78.5	75.0	71.6
Greece	92.6	95.8	111.0	114.0	113.7	108.8	110.3	112.0	116.9	114.6	118.6	135.2	128.6	111.2	166.2	182.0	181.3	190.0	200.0	197.4
Hungary	65.0	67.0	61.5	59.6	60.3	61.1	64.6	67.5	71.3	72.2	75.7	84.9	86.6	95.5	98.3	96.7	99.5	99.6	97.9	95.4
Iceland	47.3	43.2	40.5	44.9	40.9	39.9	34.8	26.5	32.1	30.2	70.9	85.6	90.9	97.5	95.5	87.8	85.4	81.6	78.4	76.1
Ireland	61.2	49.9	38.4	35.3	34.2	33.0	31.6	31.9	28.2	28.1	48.3	68.8	85.7	112.0	132.4	134.6	126.5	120.0	117.4	114.1
Israel	95.7	89.6	79.5	83.7	90.2	92.9	91.3	87.9	79.8	72.7	71.6	74.3	70.6	68.8	67.9	67.2	67.1	66.1	66.1	66.1
Italy	130.7	123.8	118.8	118.1	117.0	114.2	116.2	118.9	116.2	111.7	114.5	127.3	126.0	119.4	138.1	145.0	158.7	160.7	159.9	158.1
Japan[2]	113.8	127.9	136.1	144.4	153.5	158.3	166.3	169.6	166.8	162.4	171.1	188.8	193.2	209.4	215.4	220.3	226.1	229.2	232.4	233.8
Korea[3]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	14.2	14.4	13.2	13.5	12.3	13.2	14.1	12.4	11.9	11.6	19.2	19.0	26.2	27.0	30.6	30.0	33.7	35.6	36.4	37.0
Netherlands	76.0	67.3	60.1	56.1	56.9	58.0	58.0	57.1	51.0	48.2	61.0	63.7	67.6	71.6	77.4	76.0	80.9	80.8	80.5	79.3
New Zealand	40.9	38.3	36.2	34.3	32.4	30.4	27.7	26.5	26.2	25.1	28.4	33.6	37.3	40.8	41.8	40.7	41.1	41.1	39.5	37.6
Norway	27.6	28.7	32.2	31.3	38.7	48.0	49.9	46.9	57.8	55.6	54.2	48.1	48.4	33.8	34.6	35.0	32.7	34.1	36.2	37.9
Poland	43.4	46.2	44.8	43.2	54.3	54.8	53.7	54.4	54.5	50.9	53.9	57.1	60.7	61.1	60.7	62.6	65.9	66.9	66.9	66.5
Portugal	65.3	62.5	62.0	63.5	66.8	70.6	76.7	80.0	79.4	78.1	82.8	96.1	104.1	108.4	137.6	141.3	150.8	148.9	148.5	148.0
Slovak Republic	40.4	52.6	57.9	56.6	49.4	47.5	45.1	38.1	36.0	34.5	33.5	42.0	46.9	49.4	57.7	60.7	60.1	59.6	59.1	58.3
Slovenia	..	..	..	33.0	34.0	33.5	34.3	33.4	33.3	28.9	28.4	42.4	46.6	50.2	60.4	79.7	97.4	99.8	101.7	102.7
Spain	73.5	67.9	65.2	60.6	59.3	54.4	52.5	50.0	45.7	41.7	47.1	61.9	66.7	77.7	92.0	103.8	117.7	118.9	118.7	117.7
Sweden	76.6	67.2	56.9	58.4	58.1	57.0	56.5	57.5	51.3	45.9	46.0	47.7	45.3	45.7	45.4	47.6	54.8	53.9	52.9	52.0
Switzerland	55.4	52.5	52.7	52.6	60.1	58.5	59.6	57.1	50.7	50.5	48.7	46.5	44.9	45.1	45.8	46.0	46.2	46.4	46.6	46.7
United Kingdom	59.8	55.1	55.7	51.3	53.4	52.2	54.7	56.1	55.3	55.6	68.3	81.7	93.0	106.9	111.1	106.4	116.8	116.4	115.5	114.1
United States	57.7	52.3	48.1	50.7	57.4	58.8	66.7	66.9	64.4	64.9	78.6	93.5	102.7	108.3	111.4	111.4	111.6	110.6	111.4	111.5
Euro area	82.2	78.5	76.3	74.8	76.1	76.9	78.2	79.3	75.7	72.2	77.4	88.1	92.3	93.5	104.1	104.9	111.7	111.2	110.2	108.5
Total OECD	72.3	69.8	68.0	69.2	73.2	74.0	78.3	78.9	76.3	74.5	83.0	94.9	101.1	105.9	111.7	112.1	115.5	115.2	115.4	114.8

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 34.
Financial liabilities are measured at market value. For more details, see Sources & Methods of the OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account from 1998 onwards.
3. Consolidated data on SNA 2008 basis are not available.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297688

Annex Table 33. **General government net financial liabilities**

Per cent of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-17.7	-22	-21.5	-19.4	-21.2	-24.8	-26.9	-27.7	-30.1	-31.5	-30.6	-28.1	-23.2	-16.6	-14.5	-16.9	-15.0	-12.9	-10.9	-9.4
Austria	36.1	35.7	34.8	33.8	37.5	36.0	37.9	44.7	42.3	39.5	43.9	50.0	51.5	52.9	56.2	54.9	59.3	59.8	60.1	59.5
Belgium[1]	119.4	106.6	100.9	98.5	99.4	96.1	90.9	88.8	80.3	74.0	76.5	82.9	81.5	83.1	91.9	89.9	100.2	101.2	100.5	98.4
Canada	69.9	58.1	49.4	47.8	48.5	43.2	39.0	34.2	29.8	27.0	28.9	34.6	37.4	42.0	43.3	39.7	40.8	41.0	41.0	40.5
Czech Republic	-33.8	-28.3	-25.4	-23.4	-15.1	-7.0	-10.2	-11.5	-11.7	-14.5	-5.8	-1.4	6.4	6.1	13.6	15.2	17.1	18.1	18.8	18.8
Denmark	37.6	30.6	25.5	22.0	21.1	18.4	14.2	9.5	1.1	-4.6	-6.7	-5.9	-3.3	1.1	6.7	3.4	3.6	6.2	8.8	11.3
Estonia	-40.3	-39.4	-30.2	-29.1	-28.6	-29.4	-31.9	-32.1	-30.8	-28.6	-25.8	-28.8	-35.9	-34.1	-32.0	-31.2	-30.5	-30.0	-29.2	-28.3
Finland	-14.1	-48.4	-30.1	-30.4	-30.2	-36.8	-44.7	-56.0	-66.5	-69.7	-50.0	-59.6	-61.8	-48.8	-50.3	-54.0	-54.0	-50.7	-47.0	-44.0
France	38.9	31.0	32.4	34.6	39.5	41.6	43.1	41.0	35.5	32.2	42.7	50.2	54.6	59.6	67.5	66.0	73.6	75.3	76.8	77.2
Germany	34.9	33.7	33.2	35.4	39.6	42.7	46.7	48.8	47.0	41.6	43.4	47.8	48.3	49.3	49.1	45.1	45.9	43.4	41.5	39.2
Greece	67.3	65.2	84.4	88.8	90.8	83.8	83.3	82.2	87.3	82.3	91.1	101.8	92.1	72.7	101.2	117.5	131.9	140.3	150.3	147.8
Hungary	32.7	34.4	33.1	32.4	36.6	37.5	41.5	44.5	51.5	52.9	50.8	58.7	60.9	62.6	69.8	70.4	71.4	70.8	69.1	66.5
Iceland	16.6	9.3	8.8	3.5	1.7	3.7	2.1	-9.9	-15.0	-20.5	0.3	13.8	22.2	27.0	29.0	27.4	26.0	23.2	21.0	18.7
Ireland	40.9	25.7	14.7	11.3	12.9	10.5	7.4	6.0	1.3	-0.2	12.4	25.5	48.3	61.2	79.3	81.9	81.6	76.9	74.1	69.7
Italy	103.6	102.1	96.3	96.9	96.4	93.2	94.4	95.7	92.3	88.8	92.0	102.8	101.3	96.1	112.0	118.4	131.3	132.4	131.6	129.8
Japan[2]	44.7	52.4	58.8	65.5	74.5	77.6	82.4	82.2	81.0	80.5	95.3	106.2	113.1	127.2	129.2	122.9	128.7	131.8	135.0	136.4
Korea[3]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	-51.0	-50.4	-52.2	-58.8	-57.9	-57.3	-54.1	-52.8	-52.0	-56.3	-53.9	-57.7	-52.1	-46.1	-48.4	-48.0	-46.2	-44.4	-43.6	-42.9
Netherlands	39.4	29.6	28.2	27.6	31.1	31.0	32.2	29.9	27.2	23.5	22.7	27.4	31.9	36.7	39.2	39.9	43.7	44.6	44.3	43.1
New Zealand	27.2	25.0	23.0	20.7	17.2	12.8	8.2	3.7	-1.2	-5.4	-4.9	-0.9	1.7	4.5	6.7	6.2	5.4	4.2	2.6	0.7
Norway	-52.4	-57.0	-67.2	-84.7	-80.1	-93.5	-101.8	-118.8	-131.9	-137.4	-121.9	-152.3	-161.6	-157.5	-166.9	-203.9	-242.3	-249.9	-255.2	-253.5
Poland	6.1	12.8	14.7	17.6	21.0	24.8	22.4	22.4	21.3	15.8	16.2	21.0	26.6	30.5	31.7	35.3	38.1	39.6	40.7	41.0
Portugal	37.6	36.2	37.8	40.0	44.4	47.2	53.9	55.9	54.7	55.0	59.6	70.3	71.0	66.6	90.6	98.4	108.0	107.8	108.4	108.6
Slovak Republic	-4.1	0.9	13.1	10.6	0.9	1.5	4.8	9.5	13.9	12.9	14.7	21.8	27.4	32.2	30.7	32.3	35.1	36.7	37.0	35.8
Slovenia	..	..	..	-15.3	-13.9	-9.3	-9.5	-8.4	-9.8	-18.0	-6.4	-1.1	-0.4	2.1	7.9	13.8	19.1	21.5	23.3	24.4
Spain	52.7	46.7	43.3	40.5	39.1	35.9	33.5	28.5	22.0	17.3	22.1	33.2	38.8	47.1	58.2	69.9	82.1	83.3	83.1	82.0
Sweden	22.0	10.4	2.8	-2.0	4.7	0.9	-1.2	-6.2	-16.3	-20.8	-15.2	-22.6	-24.3	-21.7	-26.0	-27.2	-27.9	-25.5	-23.8	-22.3
Switzerland	..	10.9	7.3	6.9	12.5	11.9	13.8	12.9	9.6	8.5	11.7	7.5	10.3	9.4	7.1	7.3	7.4	7.6	7.9	7.9
United Kingdom	35.2	31.9	30.8	27.8	30.6	29.7	32.0	32.6	32.8	33.2	40.2	50.2	55.2	70.5	72.1	69.8	80.7	80.3	79.4	78.0
United States	39.0	32.7	29.5	31.4	38.4	40.0	48.2	48.4	45.6	45.4	56.3	69.5	77.5	85.3	88.3	87.4	87.1	86.4	87.2	87.3
Euro area	52.4	47.5	46.7	47.2	49.8	49.9	51.1	50.5	46.6	42.2	47.0	54.4	56.3	57.9	65.1	66.0	72.2	72.2	71.8	70.5
Total OECD	40.8	36.6	35.2	36.4	40.9	41.5	45.0	44.3	41.2	39.2	46.9	55.6	60.4	66.2	70.1	68.9	71.7	71.7	72.2	71.8

Note: Net debt measures are not always comparable across countries due to different definitions or treatment of debt (and asset) components, see Sources & Methods of the *OECD Economic Outlook* (http://www.oecd.org/eco/sources-and-methods.htm). Financial liabilities are measured at market value.

1. Includes the debt of the Belgium National Railways Company (SNCB) from 2005 onwards.
2. Includes the debt of the Japan Railway Settlement Corporation and the National Forest Special Account from 1998 onwards.
3. Consolidated data on SNA 2008 basis are not available.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297690

Annex Table 34. **Maastricht definition of general government gross public debt**

As a percentage of nominal GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Austria	63.6	66.5	65.8	66.4	66.3	65.5	65.0	68.3	66.9	64.8	68.7	79.7	82.5	82.2	81.7	80.8	84.2	84.7	85.0	84.4
Belgium	118.2	114.4	108.8	107.6	104.7	101.1	96.5	94.6	90.9	86.9	92.4	99.5	99.6	102.2	104.1	105.1	106.7	107.6	106.9	104.8
Czech Republic	13.9	15.2	17.0	22.8	25.9	28.1	28.5	28.0	27.9	27.8	28.7	34.0	38.2	40.0	44.7	45.2	42.7	40.5	40.5	40.5
Denmark	62.2	58.5	52.4	48.5	49.1	46.2	44.2	37.4	31.5	27.3	33.4	40.4	42.9	46.4	45.6	45.0	45.1	41.6	40.9	43.3
Estonia	6.0	6.5	5.1	4.8	5.7	5.6	5.1	4.6	4.4	3.7	4.5	7.0	6.6	5.9	9.5	9.9	10.4	9.4	8.6	7.5
Finland	46.9	44.1	42.5	41.0	40.2	42.8	42.7	40.0	38.2	34.0	32.7	41.7	47.1	48.5	52.9	55.6	59.3	60.6	62.7	65.0
France	61.0	60.3	58.6	58.1	60.0	64.2	65.8	67.3	64.4	64.4	68.1	79.0	81.7	85.2	89.6	92.2	95.5	96.5	97.7	98.1
Germany	59.5	60.2	58.9	57.6	59.2	62.9	64.9	67.1	66.4	63.5	65.1	72.6	81.2	78.5	79.7	77.2	74.8	71.2	67.7	64.3
Greece	89.2	88.3	99.2	99.8	98.1	94.1	94.8	98.1	103.6	103.0	109.4	126.7	145.7	171.2	156.9	175.1	177.5	183.4	190.2	184.3
Hungary	60.0	59.9	55.1	51.7	55.0	57.6	58.5	60.5	64.7	65.6	71.6	78.0	80.6	80.8	78.3	76.8	76.2	76.3	74.6	72.0
Ireland	51.5	46.7	36.1	33.3	30.6	29.9	28.2	26.1	23.6	23.9	42.4	61.8	86.8	109.3	120.3	120.1	107.5	101.0	98.3	95.1
Italy	110.8	109.7	104.9	104.7	101.9	100.4	100.2	101.9	102.4	99.7	102.4	112.5	115.4	116.4	123.2	128.8	132.3	134.3	133.5	131.8
Luxembourg	7.2	6.4	6.1	6.6	6.5	6.4	6.5	6.3	7.0	7.0	14.4	15.4	19.6	19.2	22.1	23.4	23.0	24.9	25.7	26.3
Netherlands	62.4	58.2	51.3	48.7	48.2	49.3	49.7	49.0	44.5	42.4	54.5	56.5	59.0	61.7	66.5	67.9	68.2	68.1	67.8	66.7
Poland	38.8	39.5	36.6	37.2	41.8	46.6	45.3	46.7	47.1	44.2	46.6	49.8	53.3	54.4	54.0	55.9	50.4	51.5	51.5	51.1
Portugal	51.8	51.0	50.3	53.4	56.2	58.7	62.0	67.4	69.2	68.4	71.7	83.6	96.2	111.4	126.2	129.0	130.2	128.2	127.9	127.4
Slovak Republic	33.9	47.1	49.6	48.3	42.9	41.6	40.6	33.9	30.8	29.9	28.2	36.0	40.8	43.3	51.9	54.6	53.5	52.9	52.4	51.7
Slovenia	22.8	23.7	25.9	26.1	27.3	26.7	26.8	26.3	26.0	22.7	21.6	34.5	38.2	46.4	53.7	70.8	80.8	83.2	85.0	86.1
Spain	62.5	60.9	58.0	54.2	51.3	47.6	45.3	42.3	38.9	35.5	39.4	52.7	60.1	69.5	85.4	93.7	99.3	100.5	100.3	99.2
Sweden	66.7	61.5	50.6	51.7	49.8	48.9	48.0	48.3	43.2	38.3	36.9	40.4	37.7	37.0	37.2	39.8	44.8	43.9	43.0	42.0
United Kingdom	44.0	41.7	38.9	36.0	35.8	37.3	40.2	41.5	42.4	43.5	51.7	65.7	76.6	81.8	85.3	86.2	88.2	87.8	86.9	85.5
Euro area	71.4	70.6	68.1	67.0	66.8	68.0	68.5	69.2	67.5	65.2	68.9	78.6	84.4	87.0	91.6	93.7	94.7	94.1	93.1	91.4

Note: For the period before 2014, 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297704

Annex Table 35. **Short-term interest rates**

Per cent, per annum

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	2016	2017
Australia	4.9	4.7	4.9	5.5	5.6	6.0	6.7	7.0	3.4	4.7	4.8	3.7	2.8	2.7	2.2	2.2	3.0	2.2	2.6	3.3
Canada	4.0	2.6	3.0	2.3	2.8	4.2	4.6	3.2	0.5	0.8	1.2	1.2	1.2	1.2	0.8	0.8	1.4	0.7	0.8	1.8
Chile	7.2	3.9	2.8	1.8	3.5	4.8	5.2	7.4	1.7	1.8	4.9	5.0	4.9	3.7	3.0	3.6	3.9	3.3	3.8	4.0
China	5.9	5.4	5.3	5.4	5.6	5.9	6.8	7.0	5.3	5.4	6.4	6.3	6.0	5.9	4.9	3.9	3.6	4.2	3.8	3.5
Colombia	12.4	8.9	7.8	7.8	7.0	6.3	8.0	9.7	6.1	3.7	4.2	5.4	4.2	4.1	4.6	5.2	5.2	5.2	5.2	5.2
Czech Republic	5.2	3.5	2.3	2.4	2.0	2.3	3.1	4.0	2.2	1.3	1.2	1.0	0.5	0.4	0.3	0.3	0.5	0.3	0.3	0.8
Denmark	4.7	3.5	2.4	2.2	2.2	3.2	4.4	5.3	2.5	1.2	1.4	0.6	0.3	0.3	-0.1	0.1	0.3	-0.1	0.1	0.4
Estonia	5.3	3.9	2.9	2.5	2.4	3.2	4.9	6.7	5.9	1.6										
Hungary	10.8	8.9	8.2	11.3	7.0	6.9	7.6	8.9	8.5	5.4	6.0	6.9	4.2	2.2	1.2	0.8	1.4	0.8	0.8	1.9
Iceland	12.0	9.0	5.3	6.3	9.4	12.4	14.3	15.8	11.3	6.8	4.3	5.5	6.2	6.1	6.1	8.0	7.9	7.2	8.2	7.7
India[1]	..	7.8	6.9	6.0	6.2	7.1	7.8	7.4	4.8	6.0	8.1	7.9	7.6	7.9	7.0	6.7	6.4	6.8	6.8	6.3
Indonesia	15.5	15.5	10.6	6.4	8.1	11.4	8.0	8.5	9.3	7.0	6.9	5.9	6.3	8.8	8.6	8.1	7.4	8.5	8.1	7.0
Israel	6.5	7.2	6.6	4.3	3.9	5.5	4.3	3.6	0.6	1.6	2.8	2.3	1.3	0.5	0.1	0.6	1.4	0.1	0.8	1.7
Japan	0.2	0.1	0.1	0.1	0.1	0.3	0.8	0.9	0.5	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Korea	5.3	4.8	4.3	3.8	3.6	4.5	5.2	5.5	2.6	2.7	3.4	3.3	2.7	2.5	1.7	1.4	1.7	1.4	1.4	1.8
Latvia	6.9	4.4	3.8	4.2	3.1	4.4	8.7	8.0	13.1	2.0	1.0	0.9	0.4							
Lithuania	5.9	3.7	2.8	2.7	2.4	3.1	5.1	6.0	7.1	1.8	1.7	1.1	0.5	0.3						
Mexico	12.2	7.4	6.5	7.1	9.3	7.3	7.4	7.9	5.5	4.6	4.4	4.4	3.8	3.1	3.2	4.2	4.5	3.5	4.5	4.5
New Zealand	5.7	5.7	5.4	6.1	7.1	7.5	8.3	8.0	3.0	3.0	2.8	2.7	2.7	3.4	3.2	2.3	2.3	2.7	2.3	2.5
Norway	7.2	6.9	4.1	2.0	2.2	3.1	5.0	6.2	2.5	2.5	2.9	2.2	1.8	1.7	1.3	0.9	0.8	1.0	0.8	0.8
Poland	15.7	8.8	5.7	6.2	5.2	4.2	4.8	6.3	4.3	3.9	4.6	4.9	3.0	2.5	1.7	1.8	2.1	1.7	2.0	2.3
Slovak Republic	7.8	7.8	6.2	4.7	2.9	4.3	4.3													
Slovenia	0.0	8.0	6.8	4.7	4.0	3.6														
Sweden	4.1	4.3	3.2	2.3	1.9	2.6	3.9	4.7	0.9	0.9	2.5	2.0	1.2	0.7	-0.2	-0.3	0.1	-0.3	-0.2	0.3
Switzerland	2.9	1.1	0.3	0.5	0.8	1.6	2.6	2.5	0.4	0.2	0.1	0.1	0.0	0.0	-0.8	-0.6	-0.3	-0.7	-0.4	-0.2
Turkey	..	..	39.7	24.1	16.8	17.5	18.6	18.2	10.1	7.6	8.8	8.9	6.9	10.3	11.2	10.4	10.3	12.7	9.3	10.7
United Kingdom	5.0	4.0	3.7	4.6	4.7	4.8	6.0	5.5	1.2	0.7	0.9	0.8	0.5	0.5	0.6	1.1	2.1	0.6	1.4	2.5
United States	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	0.3	0.4	0.9	1.7	0.5	1.1	2.1
Euro area	4.3	3.4	2.4	2.1	2.2	3.1	4.3	4.6	1.2	0.8	1.4	0.6	0.2	0.2	0.0	0.0	0.1	0.0	0.0	0.4

Note: Three-month money market rates where available, or rates on similar financial instruments. For further information, see Sources & Methods of the *OECD Economic Outlook* (*http://www.oecd.org/eco/sources-and-methods.htm*). Individual euro area countries are not shown (after 2006 for Slovenia, 2007 for the Slovak Republic, 2010 for Estonia, 2014 for Latvia and 2015 for Lithuania) since their short-term interest rates are equal to the euro area rate.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297711

Annex Table 36. **Long-term interest rates**

Per cent, per annum

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
Australia	5.6	5.8	5.4	5.6	5.3	5.6	6.0	5.8	5.0	5.4	4.9	3.4	3.7	3.7	2.7	2.9	3.7	2.8	3.2	3.9
Austria	5.1	5.0	4.1	4.1	3.4	3.8	4.3	4.4	3.9	3.2	3.3	2.4	2.0	1.5	0.7	0.8	1.1	0.8	0.8	1.3
Belgium	5.1	4.9	4.1	4.1	3.4	3.8	4.3	4.4	3.8	3.3	4.2	3.0	2.4	1.7	0.9	0.9	1.2	0.9	0.9	1.4
Canada	5.5	5.3	4.8	4.6	4.1	4.2	4.3	3.6	3.2	3.2	2.8	1.9	2.3	2.2	1.5	1.7	2.3	1.4	1.9	2.6
Chile	..	..	..	6.3	6.0	6.2	6.1	7.0	5.7	6.3	6.0	5.5	5.3	4.7	4.4	4.9	5.0	4.6	5.0	5.0
Colombia	..	..	15.5	14.6	11.8	9.2	10.0	11.9	9.6	8.5	8.1	6.9	6.4	7.0	7.6	8.2	8.2	8.2	8.2	8.2
Czech Republic	6.3	4.9	4.1	4.8	3.5	3.8	4.3	4.6	4.8	3.9	3.7	2.8	2.1	1.6	0.7	1.0	1.5	0.9	1.0	1.8
Denmark	5.1	5.1	4.3	4.3	3.4	3.8	4.3	4.3	3.6	2.9	2.7	1.4	1.7	1.3	0.6	0.8	1.1	0.8	0.8	1.3
Finland	5.0	5.0	4.1	4.1	3.4	3.8	4.3	4.3	3.7	3.0	3.0	1.9	1.9	1.4	0.7	0.7	1.0	0.7	0.7	1.2
France	4.9	4.9	4.1	4.1	3.4	3.8	4.3	4.2	3.6	3.1	3.3	2.5	2.2	1.7	0.9	1.0	1.3	1.0	1.0	1.5
Germany	4.8	4.8	4.1	4.0	3.4	3.8	4.2	4.0	3.2	2.7	2.6	1.5	1.6	1.2	0.5	0.6	0.9	0.6	0.6	1.1
Greece	5.3	5.1	4.3	4.3	3.6	4.1	4.5	4.8	5.2	9.1	15.7	22.5	10.1	6.9	9.9	7.0	6.3	7.6	6.6	6.1
Hungary	7.9	7.1	6.8	8.3	6.6	7.1	6.7	8.2	9.1	7.3	7.6	7.9	5.9	4.8	3.5	3.6	3.7	3.6	3.6	3.8
Iceland	10.4	8.0	6.7	7.5	8.6	8.8	9.4	11.1	8.3	6.1	6.0	6.2	5.8	6.4	6.5	6.7	6.5	6.5	6.7	6.2
India[1]	8.7	6.9	5.4	6.3	7.2	7.8	7.9	7.6	7.3	7.9	8.4	8.2	8.5	8.3	7.7	7.4	7.3	7.4	7.5	7.3
Ireland	5.0	5.0	4.1	4.1	3.3	3.8	4.3	4.6	5.2	6.0	9.6	6.0	3.8	2.3	1.1	1.0	1.4	1.0	1.0	1.6
Israel	6.4	9.2	8.9	7.6	6.4	6.3	5.6	5.9	5.1	4.7	5.0	4.4	3.8	2.9	2.1	2.9	3.4	2.4	3.1	3.6
Italy	5.2	5.0	4.3	4.3	3.6	4.0	4.5	4.7	4.3	4.0	5.4	5.5	4.3	2.9	1.7	1.7	2.0	1.7	1.7	2.2
Japan	1.3	1.3	1.0	1.5	1.4	1.7	1.7	1.5	1.3	1.2	1.1	0.8	0.7	0.6	0.4	0.3	0.3	0.3	0.3	0.3
Korea	6.9	6.6	5.0	4.7	5.0	5.2	5.4	5.6	5.2	4.8	4.2	3.4	3.3	3.2	2.3	2.3	2.8	2.2	2.4	2.9
Latvia	7.6	5.4	4.9	4.9	3.9	4.1	5.3	6.4	12.4	10.3	5.9	4.6	3.3	2.5	1.1	1.2	1.6	1.2	1.2	1.8
Luxembourg	4.9	4.7	3.3	2.8	2.4	3.3	4.5	4.6	4.2	3.2	2.9	1.8	1.8	1.3	0.4	0.3	0.6	0.3	0.3	0.8
Mexico	10.5	10.1	9.0	9.5	9.4	8.4	7.8	8.2	7.8	7.0	6.7	6.0	5.7	5.9	5.9	6.5	6.7	6.1	6.7	6.7
Netherlands	5.0	4.9	4.1	4.1	3.4	3.8	4.3	4.2	3.7	3.0	3.0	1.9	2.0	1.5	0.7	0.7	1.0	0.7	0.7	1.2
New Zealand	6.4	6.5	5.9	6.1	5.9	5.8	6.3	6.1	5.5	5.6	4.9	3.7	4.1	4.3	3.4	3.5	4.0	3.4	3.6	4.2
Norway	6.2	6.4	5.0	4.4	3.7	4.1	4.8	4.5	4.0	3.5	3.1	2.1	2.6	2.5	1.5	1.4	1.6	1.4	1.5	1.7
Portugal	5.2	5.0	4.2	4.1	3.4	3.9	4.4	4.5	4.2	5.4	10.2	10.5	6.3	3.8	2.4	2.4	2.7	2.4	2.4	2.9
Slovak Republic	8.0	6.9	5.0	5.0	3.5	4.4	4.5	4.7	4.7	3.9	4.4	4.6	3.2	2.1	1.0	1.0	1.4	1.0	1.0	1.6
Slovenia	..	8.6	6.4	4.7	3.8	3.9	4.5	4.6	4.4	3.8	5.0	5.8	5.8	3.3	1.6	1.6	2.0	1.6	1.6	2.2
Spain	5.1	5.0	4.1	4.1	3.4	3.8	4.3	4.4	4.0	4.2	5.4	5.8	4.6	2.7	1.7	1.7	2.0	1.7	1.7	2.2
Sweden	5.1	5.3	4.6	4.4	3.4	3.7	4.2	3.9	3.2	2.9	2.6	1.6	2.1	1.7	0.7	0.7	1.1	0.7	0.8	1.3
Switzerland	3.4	3.2	2.7	2.7	2.1	2.5	2.9	2.9	2.2	1.6	1.5	0.6	0.9	0.7	0.0	0.0	0.4	-0.1	0.3	0.5
Turkey	..	60.4	47.2	25.7	17.2	18.3	19.2	19.6	11.7	8.7	9.3	9.3	7.6	10.6	11.2	10.5	10.6	12.8	9.6	11.2
United Kingdom	4.9	4.9	4.5	4.9	4.4	4.5	5.0	4.6	3.6	3.6	3.1	1.9	2.4	2.6	1.9	2.3	3.1	1.8	2.6	3.3
United States	5.0	4.6	4.0	4.3	4.3	4.8	4.6	3.7	3.3	3.2	2.8	1.8	2.4	2.5	2.1	2.6	3.2	2.1	2.8	3.5
Euro area	5.0	4.9	4.2	4.1	3.4	3.8	4.3	4.3	3.8	3.5	4.2	3.7	2.9	2.0	1.2	1.1	1.4	1.1	1.1	1.6

Note: 10-year benchmark government bond yields where available or yield on similar financial instruments (for Korea a 5-year bond is used). The long-term interest rates refer to yields in secondary bond markets and are not representative of average government funding costs. For more details, see *Sources & Methods of the OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297723

Annex Table 37. **Nominal exchange rates (*vis-à-vis* the US dollar)**

Average of daily rates

	Monetary unit	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Assumptions[1] 2016	2017
Australia	*Australian Dollar*	1.359	1.313	1.328	1.195	1.198	1.282	1.090	0.969	0.966	1.036	1.109	1.331	1.388	1.388
Brazil	*Brazilian Real*	2.927	2.435	2.175	1.947	1.835	2.000	1.760	1.674	1.953	2.158	2.354	3.350	3.936	3.936
Canada	*Canadian Dollar*	1.301	1.212	1.134	1.074	1.068	1.141	1.030	0.989	0.999	1.030	1.105	1.272	1.311	1.311
Chile	*Chilean Peso*	609.6	559.7	530.3	522.2	523.5	558.9	510.0	483.4	486.0	495.3	570.6	652.2	691.6	691.6
China	*Yuan Renminbi*	8.278	8.194	7.972	7.607	6.950	6.831	6.769	6.463	6.309	6.148	6.160	6.275	6.357	6.357
Colombia	*Colombian Peso*	2 629.2	2 321.3	2 359.1	2 077.7	1 966.1	2 156.8	1 899.8	1 847.9	1 797.7	1 869.7	2 002.6	2 713.0	2 934.0	2 934.0
Costa Rica	*Costa Rican Colon*	437.71	477.90	511.54	517.24	526.53	570.56	521.89	502.39	503.13	500.96	537.22	535.11	535.52	535.525
Czech Republic	*Czech Koruna*	25.69	23.95	22.59	20.29	17.08	19.05	19.08	17.67	19.54	19.56	20.76	24.40	23.93	23.925
Denmark	*Danish Krone*	5.988	5.996	5.943	5.443	5.099	5.359	5.622	5.357	5.790	5.618	5.619	6.670	6.594	6.594
Estonia	*Estonian Kroon*	12.6	12.6	12.5	11.4	10.7	11.3	11.8							
Hungary	*Forint*	202.6	199.5	210.4	183.6	172.5	202.1	207.8	200.9	224.8	223.6	232.6	276.6	275.4	275.4
Iceland	*Iceland Krona*	70.19	62.88	69.90	64.07	88.00	123.66	122.24	116.06	125.12	122.17	116.69	131.06	125.88	125.88
India	*Indian Rupee*	45.3	44.1	45.3	41.3	43.5	48.3	45.7	46.6	53.4	58.6	61.0	64.0	65.2	65.2
Indonesia	*Rupiah*	8 931.5	9 701.3	9 164.0	9 139.4	9 663.9	10 376.8	9 078.0	8 760.8	9 355.1	10 450.0	11 866.3	13 367.9	13 640.0	13 640.0
Israel	*New Israeli Sheqel*	4.48	4.49	4.46	4.11	3.58	3.93	3.73	3.57	3.85	3.61	3.58	3.88	3.86	3.86
Japan	*Yen*	108.1	110.1	116.4	117.8	103.4	93.6	87.8	79.7	79.8	97.6	105.8	120.6	119.7	119.7
Korea	*Won*	1 145.2	1 024.2	954.7	929.5	1 100.9	1 274.9	1 155.4	1 107.3	1 125.9	1 094.9	1 053.1	1 127.3	1 138.2	1 138.2
Latvia	*Lats*	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5				
Lithuania	*Lithuanian Litas*	2.8	2.8	2.8	2.5	2.4	2.5	2.6	2.5	2.7	2.6	2.6			
Mexico	*Mexican Peso*	11.28	10.89	10.90	10.93	11.15	13.50	12.63	12.43	13.15	12.77	13.31	15.81	16.50	16.50
New Zealand	*New Zealand Dollar*	1.509	1.421	1.542	1.361	1.425	1.600	1.388	1.266	1.235	1.220	1.206	1.429	1.473	1.473
Norway	*Norwegian Krone*	6.739	6.441	6.415	5.858	5.648	6.290	6.042	5.605	5.815	5.877	6.302	7.981	8.198	8.198
Poland	*Zloty*	3.651	3.234	3.103	2.765	2.410	3.119	3.015	2.962	3.252	3.160	3.154	3.740	3.781	3.781
Russia	*Russian Ruble*	28.80	28.24	27.18	25.57	24.87	31.77	30.37	29.40	31.05	31.86	38.59	60.44	62.72	62.72
Slovak Republic	*Slovak Koruna*	32.23	31.04	29.65	24.68										
Slovenia	*Tolar*	192.4	192.8	191.0											
South Africa	*Rand*	6.454	6.364	6.770	7.056	8.263	8.417	7.305	7.249	8.202	9.648	10.846	12.568	13.443	13.443
Sweden	*Swedish Krona*	7.346	7.474	7.373	6.758	6.597	7.653	7.202	6.489	6.769	6.513	6.860	8.382	8.329	8.329
Switzerland	*Swiss Franc*	1.243	1.246	1.253	1.200	1.084	1.086	1.043	0.887	0.937	0.927	0.915	0.955	0.960	0.960
Turkey	*New Turkish Lira*	1.426	1.341	1.430	1.300	1.299	1.547	1.499	1.672	1.792	1.905	2.189	2.722	2.892	2.892
United Kingdom	*Pound Sterling*	0.546	0.550	0.543	0.500	0.546	0.641	0.647	0.624	0.631	0.640	0.607	0.652	0.649	0.649
United States	*US 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*	0.804	0.804	0.796	0.730	0.681	0.718	0.754	0.719	0.778	0.753	0.753	0.896	0.896	0.896

1. On the technical assumption that exchange rates remain at their levels of 22 October 2015.

Source: OECD Economic Outlook 98 database.

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Annex Table 38. **Effective exchange rates**

Indices 2010 = 100, average of daily rates

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Assumptions[1] 2016	2017
Australia	79.4	79.6	74.0	69.8	72.7	81.4	87.9	90.0	88.7	94.5	92.6	88.8	100.0	107.2	109.4	104.4	99.4	90.0	87.3	87.3
Austria	93.9	95.5	93.1	93.8	95.1	99.1	100.4	99.5	99.5	100.5	101.4	102.9	100.0	100.1	98.6	100.4	102.0	99.9	100.5	100.5
Belgium	91.4	92.1	88.3	89.5	91.8	97.2	99.2	98.5	98.6	100.1	102.3	103.6	100.0	100.6	98.3	100.9	102.7	99.7	100.6	100.6
Brazil	143.6	93.6	97.0	78.8	71.9	62.0	62.2	74.3	82.6	88.9	92.8	89.6	100.0	102.3	90.7	83.3	79.7	62.2	52.8	52.8
Canada	71.6	71.6	72.6	71.2	70.3	77.4	81.8	87.3	93.0	96.5	95.5	91.7	100.0	101.9	102.5	100.0	94.4	86.8	84.9	84.9
Chile	102.8	95.8	93.6	84.0	88.2	83.5	90.8	96.8	101.2	98.4	96.3	93.6	100.0	101.8	104.4	104.7	94.1	90.8	87.2	87.2
China	90.9	89.8	91.8	98.2	98.5	92.5	88.2	87.6	89.7	90.7	97.1	103.0	100.0	99.9	105.5	111.7	115.0	125.9	126.7	126.7
Colombia	135.6	113.8	98.2	92.6	87.6	72.4	76.6	84.9	82.8	90.6	94.0	90.2	100.0	100.1	106.1	103.0	99.3	80.2	75.0	75.0
Costa Rica	209.3	194.4	186.4	180.4	166.0	144.2	127.3	114.9	106.4	101.7	97.3	93.1	100.0	101.1	103.3	104.6	99.6	108.0	109.3	109.3
Czech Republic	63.7	66.0	66.6	70.1	78.7	79.0	79.7	84.5	88.7	90.9	101.9	98.5	100.0	103.3	99.4	97.8	93.8	93.8	96.3	96.3
Denmark	92.5	93.2	89.0	90.6	92.6	97.7	99.3	98.4	98.4	99.8	102.0	104.7	100.0	99.8	97.2	99.3	101.5	99.5	101.5	101.5
Estonia	77.1	90.1	87.2	88.4	91.1	96.5	98.2	97.7	97.3	98.4	100.2	104.1	100.0	100.1	97.9	100.1	104.4	107.5	108.6	108.6
Finland	85.2	90.5	86.4	88.1	90.7	96.6	98.7	97.8	97.6	99.3	101.6	105.3	100.0	100.0	97.1	99.7	103.6	104.2	105.3	105.3
France	92.6	92.9	89.0	90.1	92.3	97.6	99.3	98.6	98.7	100.2	102.2	103.4	100.0	100.4	98.2	100.4	101.8	98.7	99.4	99.4
Germany	91.2	92.4	88.3	89.5	91.9	97.9	100.0	98.9	98.9	100.5	102.4	104.4	100.0	100.4	97.8	100.5	102.6	99.4	100.3	100.3
Greece	92.1	95.1	88.8	89.7	92.1	97.1	98.9	98.0	98.1	99.6	101.7	103.6	100.0	100.8	98.3	100.8	104.1	103.4	104.8	104.8
Hungary	102.9	103.3	97.6	99.7	107.3	107.6	109.9	110.5	103.5	109.8	110.9	101.7	100.0	99.2	93.7	93.2	91.5	90.1	91.2	91.2
Iceland	191.9	195.7	196.9	167.0	172.2	181.3	183.7	203.9	182.5	184.7	134.4	98.2	100.0	100.3	98.2	100.3	107.4	112.1	118.0	118.0
India	122.2	120.1	121.0	120.9	117.3	113.2	110.6	112.3	107.9	112.3	103.6	96.9	100.0	94.1	84.1	77.6	76.1	80.1	79.9	79.9
Indonesia	109.6	135.4	129.3	112.7	123.6	126.1	115.7	105.0	109.8	105.3	96.1	91.8	100.0	98.4	93.4	86.3	77.6	74.9	74.8	74.8
Ireland	89.1	88.4	83.1	84.2	86.7	93.8	96.1	95.7	95.8	98.2	102.7	104.5	100.0	100.9	97.1	100.0	101.1	95.4	96.1	96.1
Israel	102.9	97.6	106.5	108.1	95.2	91.4	87.8	86.8	86.9	89.7	99.9	95.6	100.0	101.4	97.8	104.9	108.1	110.3	112.4	112.4
Italy	90.1	91.4	87.8	89.2	92.0	97.5	99.4	98.5	98.6	100.1	102.0	104.0	100.0	100.5	98.2	100.8	103.2	100.8	101.9	101.9
Japan	74.0	85.2	93.0	86.3	82.9	85.4	88.8	86.0	79.8	75.4	84.6	97.0	100.0	105.7	107.2	88.0	83.1	79.1	81.3	81.3
Korea	92.7	108.5	117.6	108.6	112.5	111.9	112.1	124.6	133.3	131.8	107.4	93.4	100.0	99.8	99.9	105.3	113.0	115.5	116.2	116.2
Latvia	78.4	104.2	112.1	112.6	111.5	106.3	103.7	97.9	97.5	97.8	98.8	105.1	100.0	100.9	100.2	102.3	108.5	115.4	117.2	117.2
Lithuania	54.3	71.7	80.5	83.6	90.0	96.6	98.3	96.7	96.1	97.4	99.0	104.5	100.0	100.7	98.5	101.3	106.2	109.5	111.0	111.0
Luxembourg	95.0	95.1	92.3	93.1	94.5	98.3	99.5	98.9	99.0	100.0	101.4	102.6	100.0	100.2	98.6	100.0	100.9	98.5	98.9	98.9
Mexico	146.6	140.2	143.5	148.1	143.9	125.2	117.3	120.5	119.6	116.9	113.6	94.9	100.0	100.0	95.4	98.9	96.0	84.7	81.7	81.7
Netherlands	92.0	92.6	88.6	89.8	91.9	97.2	99.0	98.3	98.3	99.8	102.0	103.8	100.0	100.4	98.1	100.5	102.4	99.9	100.7	100.7
New Zealand	88.6	86.4	78.2	77.0	83.8	96.2	103.2	108.0	99.5	106.6	100.0	92.5	100.0	103.3	107.5	111.6	116.7	109.3	107.7	107.7
Norway	88.2	88.7	86.4	88.8	97.1	96.1	93.3	97.0	96.5	98.2	99.0	95.8	100.0	102.7	104.0	101.9	96.3	87.9	85.8	85.8
Poland	91.3	89.5	91.9	101.5	98.2	89.4	87.9	98.1	101.0	104.8	114.5	95.2	100.0	97.3	94.0	95.5	98.1	98.1	97.7	97.7
Portugal	95.4	95.3	92.7	93.6	95.2	98.5	99.5	98.9	98.9	99.8	101.4	102.3	100.0	100.3	98.9	100.7	101.9	99.7	100.5	100.5
Russia	432.3	142.4	136.5	138.2	126.2	115.2	114.6	115.3	118.8	117.5	114.7	95.2	100.0	99.2	98.7	95.9	81.8	58.5	56.4	56.4
Slovak Republic	67.8	67.1	67.9	66.6	68.0	72.9	76.4	77.9	80.3	88.9	96.2	103.4	100.0	100.2	99.1	101.0	103.3	102.4	102.9	102.9
Slovenia	118.8	117.4	108.2	102.9	100.5	101.1	100.3	99.2	99.2	100.0	101.1	103.3	100.0	100.5	98.9	101.0	103.2	101.8	102.7	102.7
South Africa	148.7	135.5	127.8	108.9	87.8	111.4	122.5	122.9	115.5	103.9	86.1	88.6	100.0	97.0	88.7	76.1	69.1	66.1	62.4	62.4
Spain	92.7	92.9	89.7	90.9	93.3	97.6	99.0	98.4	98.5	99.8	101.7	103.1	100.0	100.5	98.5	100.9	102.6	99.9	100.9	100.9
Sweden	99.4	100.5	100.3	92.5	95.3	101.7	103.9	101.1	101.5	103.0	101.4	93.4	100.0	106.1	107.4	110.8	107.5	102.5	104.0	104.0
Switzerland	78.5	80.1	78.6	82.0	86.6	88.5	89.0	88.2	86.8	84.6	89.5	94.9	100.0	113.0	112.3	112.9	115.9	126.8	126.9	126.9
Turkey	607.4	412.4	299.4	168.7	126.7	112.9	110.5	116.3	108.2	111.0	106.8	96.6	100.0	86.2	84.4	79.2	70.8	66.8	63.3	63.3
United Kingdom	120.9	122.7	126.1	125.0	126.9	122.2	127.9	125.9	126.5	128.5	112.5	100.7	100.0	99.3	103.3	101.4	109.1	116.6	118.3	118.3
United States	111.7	112.2	115.7	122.0	122.8	115.7	110.4	107.6	105.9	101.1	97.8	103.9	100.0	95.7	98.6	99.7	102.9	115.9	118.3	118.3
Euro area	83.8	85.6	78.1	80.3	84.4	95.0	98.7	97.0	96.9	100.0	104.0	107.9	100.0	100.6	96.3	100.8	104.4	99.6	101.2	101.2

Note: For details on the method of calculation, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. It is assumed that exchange rates remain at their levels of 22 October 2015.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297749

Annex Table 39. **Export volumes of goods and services**

National accounts basis, percentage change from previous year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	0.3	4.5	11.3	2.7	0.6	-1.7	3.9	3.0	3.2	3.2	3.5	2.5	5.4	-0.2	6.5	6.2	6.7	4.3	4.2	6.0
Austria	8.1	6.2	13.4	5.8	4.1	0.4	8.7	6.5	7.8	7.3	2.2	-14.9	13.7	6.0	1.7	0.7	2.2	0.7	3.3	4.7
Belgium	4.3	5.0	12.4	0.3	3.7	1.6	6.2	5.0	5.3	5.7	1.7	-9.4	10.3	6.7	1.8	1.6	5.4	4.2	4.8	5.0
Brazil	4.8	5.7	13.3	8.8	6.5	11.1	14.0	10.6	4.8	5.9	0.1	-8.8	11.6	5.0	0.1	2.3	-1.0	9.9	6.1	4.5
Canada	9.5	10.8	9.1	-3.0	1.2	-1.7	5.5	2.2	0.9	1.1	-4.5	-13.1	6.9	4.6	2.6	2.0	5.4	2.5	4.7	5.4
Chile	5.3	6.4	5.1	6.9	2.0	6.7	14.0	2.8	5.1	7.2	-0.7	-4.5	2.3	5.5	0.1	3.4	0.7	-2.6	1.7	4.0
China	6.4	11.4	28.6	6.0	26.5	28.1	24.4	23.6	25.2	20.2	9.5	-10.9	25.3	13.9	5.9	9.0	5.8	-2.1	2.7	4.4
Colombia	9.6	5.6	7.8	2.8	-2.4	7.4	9.8	5.7	8.6	6.9	4.5	-2.8	1.3	11.8	6.0	5.3	-1.7	-2.5	2.5	5.8
Costa Rica	27.7	21.6	0.8	-11.3	3.4	12.6	7.6	13.4	11.3	9.5	-3.3	-5.1	5.4	6.4	9.3	2.5	-1.5	-8.3	4.7	5.8
Czech Republic	9.7	4.8	15.6	9.4	0.8	8.9	29.2	18.4	14.8	11.0	3.8	-9.5	14.4	9.3	4.5	0.0	8.9	6.7	4.7	5.9
Denmark	4.1	11.3	12.6	3.4	3.6	-0.4	2.6	8.1	9.8	3.6	3.2	-9.5	1.9	7.3	0.1	0.8	2.6	1.4	3.3	4.1
Estonia	13.1	0.5	-6.9	6.3	2.8	10.1	17.3	20.0	9.5	12.6	0.9	-20.3	24.0	24.2	6.2	4.7	1.8	-0.7	2.9	4.9
Finland	8.9	11.3	16.1	1.3	3.7	-1.2	8.7	6.9	10.1	9.1	6.6	-20.1	6.2	2.0	1.2	1.1	-0.7	0.6	3.3	4.0
France	8.6	4.8	13.0	3.0	1.8	-1.0	4.5	3.8	6.0	2.7	0.0	-11.0	8.6	7.1	2.6	1.8	2.4	6.6	5.4	5.8
Germany	7.1	5.0	14.5	6.1	4.3	1.8	10.4	7.0	12.8	9.6	1.3	-14.3	14.2	8.4	3.4	1.8	3.9	5.5	3.8	4.3
Greece	4.2	24.7	23.8	-1.5	-7.4	-0.7	18.0	4.7	5.2	9.7	3.5	-18.1	4.3	1.0	1.0	1.5	8.7	-0.2	4.5	5.0
Hungary	15.6	11.9	25.0	8.8	5.8	6.3	18.0	12.9	19.5	16.1	6.9	-11.4	11.3	6.6	-1.8	6.4	7.6	7.4	5.6	6.1
Iceland	1.4	3.1	3.9	6.7	3.4	0.9	8.2	7.1	-4.7	23.3	3.3	8.3	1.0	3.4	3.6	6.7	3.1	7.9	2.7	2.3
India[1]	13.9	18.0	18.2	4.3	21.1	9.6	27.2	26.1	20.4	5.9	14.6	-4.7	19.6	15.6	6.7	7.3	-0.8	-5.6	4.0	7.8
Indonesia	11.2	-31.8	26.5	0.6	-1.2	5.9	13.5	16.6	9.4	8.5	9.5	-2.0	15.3	14.8	1.6	4.2	1.0	0.5	4.1	4.9
Ireland	23.1	15.5	19.8	8.9	5.7	0.9	7.7	6.3	7.0	9.6	-0.1	-1.1	6.4	2.1	2.1	2.5	12.1	11.9	4.7	4.5
Israel	6.4	14.7	23.5	-11.1	-2.0	8.2	17.6	5.1	5.3	10.5	5.8	-11.3	14.9	8.9	1.0	0.1	1.7	-3.7	3.3	4.4
Italy	2.4	-1.3	12.8	2.3	-2.5	-1.5	5.4	4.3	8.5	5.5	-3.3	-17.9	11.3	6.1	2.0	1.0	2.8	4.1	3.3	4.6
Japan	-2.7	1.8	12.6	-7.0	7.9	9.5	14.0	6.2	9.9	8.7	1.4	-24.2	24.8	-0.4	-0.2	1.2	8.4	1.6	2.1	4.8
Korea	14.3	13.1	17.2	-2.3	13.0	13.9	20.6	7.8	12.1	12.7	7.5	-0.3	12.7	15.1	5.1	4.3	2.8	0.2	2.8	4.6
Latvia	4.7	-6.3	14.4	9.0	5.0	4.0	13.7	23.5	7.5	13.8	2.4	-12.9	13.4	12.0	9.8	1.1	3.1	2.4	3.5	5.1
Lithuania	3.8	-18.8	14.1	24.1	20.2	9.1	4.3	20.6	12.6	3.2	13.4	-12.8	18.9	14.9	12.2	9.6	3.0	1.5	3.4	4.9
Luxembourg	11.2	14.3	12.6	5.4	2.1	2.8	10.9	5.5	13.0	8.9	6.0	-12.1	8.3	5.5	0.2	6.9	6.8	5.4	3.8	4.2
Mexico	7.5	6.5	11.0	-3.4	2.0	0.9	9.2	5.6	7.7	3.6	-1.2	-11.9	20.6	8.3	5.9	2.2	7.3	7.9	6.1	6.3
Netherlands	6.3	8.5	13.1	1.4	0.5	1.9	8.0	5.9	7.3	5.6	1.8	-8.9	10.3	4.4	3.8	2.4	4.0	4.6	3.9	5.3
New Zealand	2.0	8.3	7.7	3.3	6.9	2.4	5.2	-0.6	1.8	4.9	-1.2	1.9	3.3	2.6	1.8	1.0	3.0	5.4	1.6	4.4
Norway	0.7	2.8	3.2	4.3	-0.3	-0.1	1.0	0.5	-0.8	1.4	0.1	-4.1	0.7	-0.8	1.4	-3.0	2.7	2.1	1.8	2.5
Poland	14.3	-2.6	23.9	2.4	4.7	14.1	4.9	9.7	15.6	10.2	7.0	-6.3	12.9	7.9	4.6	6.1	6.4	5.2	4.4	5.4
Portugal	8.0	3.6	8.4	2.3	3.1	3.3	4.5	0.5	12.4	7.3	-0.3	-10.2	9.5	7.0	3.4	7.0	3.9	6.8	5.9	5.5
Russia	1.9	11.2	9.5	4.2	10.3	12.6	11.8	6.5	7.3	6.3	0.6	-4.7	7.0	0.3	1.1	4.6	-0.1	1.1	1.6	3.8
Slovak Republic	-2.6	10.1	7.5	10.6	7.0	18.4	20.9	12.9	22.9	14.6	3.0	-16.8	15.7	12.0	9.3	6.2	3.6	5.7	5.2	6.6
Slovenia	7.8	2.0	12.6	7.2	7.8	3.2	13.0	11.4	14.1	13.6	4.2	-16.6	10.2	6.9	0.6	3.1	5.8	4.7	5.5	6.1
South Africa	3.2	1.3	8.3	2.4	1.0	0.1	2.8	8.6	7.5	7.8	1.5	-17.0	7.7	4.3	0.1	4.6	2.6	10.4	6.6	6.7
Spain	8.0	8.0	10.5	3.7	1.4	3.4	4.3	1.8	4.9	8.3	-0.8	-11.0	9.4	7.4	1.1	4.3	5.1	5.6	5.1	5.4
Sweden	8.8	6.8	11.9	0.9	1.3	4.4	9.8	6.6	9.1	4.7	1.6	-14.3	11.4	6.2	1.5	-0.8	3.7	3.1	3.2	3.4
Switzerland	2.6	3.3	12.2	0.0	-2.0	-1.0	9.5	6.5	6.3	11.4	3.9	-10.0	12.8	4.9	1.1	15.2	-6.9	-2.1	0.0	2.7
Turkey	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	7.9	16.3	-0.2	6.8	-0.7	2.5	5.7
United Kingdom	3.2	2.8	9.6	2.1	2.4	2.8	5.1	8.1	12.4	-1.6	1.3	-8.8	5.8	5.8	0.7	1.2	1.8	3.0	2.1	2.4
United States	2.3	2.6	8.6	-5.8	-1.7	1.8	9.8	6.2	9.0	9.3	5.7	-8.8	11.9	6.9	3.4	2.8	3.4	1.5	2.6	4.1
Total OECD	5.2	4.9	11.9	0.4	2.0	2.3	8.7	5.8	8.6	6.8	2.0	-11.2	11.4	6.2	2.8	2.6	4.0	3.4	3.5	4.6

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297756

Annex Table 40. **Import volumes of goods and services**

National accounts basis, percentage change from previous year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	6.8	8.4	7.6	-4.6	11.1	10.9	15.4	8.8	8.5	13.1	10.5	-8.8	15.3	10.7	6.3	-1.8	-1.7	0.6	-0.5	1.8
Austria	5.7	4.1	10.2	5.2	0.2	3.4	8.0	5.5	5.8	5.6	1.0	-12.1	11.9	6.3	1.1	0.0	1.3	0.2	3.6	5.1
Belgium	5.0	3.3	13.1	-0.7	0.9	1.5	6.3	6.2	4.6	5.9	3.6	-9.1	9.6	7.3	1.4	0.8	5.9	5.0	4.0	5.0
Brazil	0.3	-15.2	11.9	2.6	-13.5	-0.7	9.7	8.9	17.7	18.5	16.4	-7.3	33.9	10.5	0.2	7.2	-1.0	-10.9	-5.4	3.5
Canada	5.3	8.1	8.5	-4.9	1.8	4.2	8.5	7.3	5.3	5.8	0.8	-12.4	13.6	5.7	3.7	1.3	1.8	1.0	1.8	3.4
Chile	6.7	-9.9	9.9	4.5	2.0	9.6	18.3	17.3	11.4	14.3	11.2	-16.2	25.5	16.0	4.8	1.7	-7.0	-3.3	1.9	3.9
China	-3.1	22.6	24.3	8.9	25.5	32.6	23.3	12.9	16.8	13.7	5.4	4.0	18.4	16.2	7.0	11.2	7.0	1.9	3.4	4.8
Colombia	-3.9	-24.2	6.7	8.7	0.3	8.2	10.3	11.9	20.0	14.0	10.5	-9.1	10.8	21.5	9.1	6.4	9.2	-2.7	0.3	3.9
Costa Rica	25.4	0.3	-2.6	1.1	6.8	1.1	8.9	12.3	8.2	4.2	6.4	-18.8	16.4	9.4	8.5	2.2	-3.8	-1.4	5.5	5.4
Czech Republic	5.5	4.3	15.4	11.2	4.7	8.6	25.6	13.0	11.9	12.8	2.8	-10.7	14.5	6.7	2.8	0.1	9.9	7.6	5.0	6.2
Denmark	7.6	2.6	13.7	2.4	6.4	-1.0	7.1	11.0	14.2	5.7	4.3	-12.4	0.9	7.1	0.9	1.5	3.8	-0.4	3.5	4.1
Estonia	14.0	-6.1	-5.3	12.5	13.4	13.9	15.7	17.0	20.9	13.2	-6.0	-30.6	20.7	27.4	11.7	4.5	1.4	-2.7	2.9	5.1
Finland	8.5	4.3	14.9	1.4	4.3	4.1	8.1	11.2	6.7	7.4	7.9	-16.9	6.5	6.0	1.6	0.0	0.0	-0.4	2.6	3.4
France	12.0	6.6	15.9	2.2	2.0	1.0	5.6	6.5	5.9	5.7	1.1	-9.3	8.5	6.5	0.8	1.8	3.9	5.7	4.7	5.4
Germany	8.9	8.6	11.3	1.2	-2.5	5.7	7.1	6.0	11.5	6.5	1.8	-9.6	12.6	7.1	0.1	3.2	3.7	5.7	5.2	5.7
Greece	15.1	16.8	21.3	-1.6	-3.3	5.9	6.5	1.2	13.4	13.7	2.2	-19.2	-5.5	-7.8	-9.4	-2.9	7.4	-0.5	-0.5	2.8
Hungary	22.6	13.3	23.1	5.8	8.7	9.5	17.3	7.8	15.5	13.9	6.0	-14.7	10.1	4.5	-3.3	5.9	10.0	7.3	4.9	5.2
Iceland	21.9	3.4	7.8	-10.0	-2.7	10.3	13.7	28.8	9.8	-2.3	-20.3	-22.4	4.4	6.8	4.6	0.2	9.8	11.3	6.0	4.0
India[1]	20.8	7.0	4.5	2.8	12.3	13.8	22.2	32.6	21.5	10.2	22.7	-2.1	15.6	21.1	6.0	-8.4	-2.1	-6.0	6.6	10.0
Indonesia	-5.3	-40.7	25.9	4.2	-4.2	1.6	26.7	17.8	8.6	9.1	10.0	-9.3	16.6	15.0	8.0	1.9	2.2	-4.6	1.9	5.6
Ireland	27.5	12.7	19.5	7.5	3.2	0.2	8.3	10.5	10.6	7.3	-2.7	-3.2	3.6	-1.5	2.9	0.0	14.7	12.2	4.8	4.8
Israel	2.1	15.5	11.9	-5.5	-1.1	-0.8	11.8	3.4	3.3	11.0	2.4	-14.0	15.2	10.4	2.3	0.5	3.0	1.6	4.6	5.6
Italy	8.6	4.1	11.2	1.7	0.9	1.3	4.1	3.8	8.2	4.8	-3.9	-12.8	12.1	1.2	-8.3	-2.4	2.7	5.3	3.3	4.2
Japan	-6.7	3.3	10.7	0.9	0.3	3.9	7.9	4.2	4.5	2.3	0.3	-15.7	11.1	5.9	5.3	3.1	7.4	1.0	3.3	3.0
Korea	-24.0	24.9	21.8	-3.6	15.0	10.6	12.3	7.8	12.4	11.6	3.2	-6.8	17.3	14.3	2.4	1.7	2.1	2.6	3.3	3.9
Latvia	16.8	-5.2	2.7	15.6	2.7	11.9	21.0	16.9	21.4	17.3	-10.7	-31.7	12.4	22.0	5.4	-0.2	0.8	2.6	3.7	5.0
Lithuania	6.4	-14.5	6.6	19.7	20.1	9.6	15.6	20.3	14.2	10.8	12.2	-28.0	18.7	14.2	6.6	9.3	2.9	9.2	4.6	4.8
Luxembourg	11.8	14.8	10.6	6.4	0.4	5.3	11.2	5.7	12.7	7.2	9.5	-13.5	8.6	7.5	1.5	5.7	8.0	4.3	3.4	4.3
Mexico	14.5	14.0	20.5	-0.2	2.3	3.1	8.9	8.4	10.5	5.4	3.6	-16.6	20.2	8.1	4.6	3.0	6.2	4.7	4.5	4.7
Netherlands	8.0	9.8	11.7	2.0	0.4	2.0	6.3	5.6	8.0	5.6	2.2	-7.7	9.1	3.5	2.7	1.1	4.0	4.8	4.3	5.4
New Zealand	-0.1	12.4	-0.9	2.3	9.8	8.6	16.8	6.2	-2.4	9.3	3.3	-14.4	10.9	6.9	2.7	6.4	7.9	6.0	3.0	3.0
Norway	8.8	-1.6	2.0	1.7	1.0	1.2	9.0	7.9	9.1	10.0	3.2	-10.0	8.3	4.0	3.1	4.3	1.9	3.3	1.4	3.1
Poland	18.7	1.2	13.6	-3.8	2.6	9.6	8.1	6.3	18.1	15.8	9.4	-12.4	14.0	5.8	-0.3	1.7	10.0	5.5	5.2	6.5
Portugal	14.7	9.1	5.5	1.1	-0.2	-0.4	7.6	2.2	7.5	5.4	2.5	-9.9	7.8	-5.8	-6.3	4.7	7.2	9.2	6.0	5.4
Russia	-17.4	-17.0	32.4	18.7	14.6	17.3	23.3	16.6	21.3	26.2	14.8	-30.4	25.8	20.3	8.7	3.8	-7.9	-27.3	-0.4	3.7
Slovak Republic	-1.1	-3.6	6.6	18.9	5.8	8.0	21.6	15.3	19.5	9.4	3.6	-18.8	14.7	9.6	2.5	5.1	4.3	6.9	5.2	5.8
Slovenia	10.1	8.4	6.6	3.6	5.6	6.5	14.0	7.3	12.4	16.8	3.8	-18.8	6.8	5.0	-3.7	1.7	4.0	4.2	3.9	5.8
South Africa	2.0	-8.4	5.3	0.2	5.3	8.1	15.5	10.9	18.3	9.4	2.8	-17.7	10.8	10.5	6.0	1.8	-0.5	5.9	6.5	7.3
Spain	14.1	13.9	9.5	3.5	3.6	5.9	10.1	7.0	8.2	8.6	-5.6	-18.3	6.9	-0.8	-6.2	-0.3	6.4	6.5	5.8	5.8
Sweden	11.1	4.7	12.0	-1.6	-1.3	4.0	5.7	6.9	8.7	7.9	3.5	-14.0	12.3	7.4	1.1	-0.2	6.5	2.4	3.5	3.4
Switzerland	4.9	3.4	7.9	1.0	-2.3	0.4	3.9	9.8	3.2	5.8	4.9	-3.8	8.1	9.2	-2.6	13.4	-8.1	-0.1	-0.6	2.0
Turkey	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	10.7	-0.4	9.0	-0.2	1.5	2.4	5.6
United Kingdom	9.2	7.4	9.6	4.8	5.5	2.7	6.7	6.6	10.2	-1.3	-1.7	-9.2	8.3	0.6	2.9	2.8	2.8	1.1	2.3	3.4
United States	11.7	10.1	13.0	-2.8	3.7	4.5	11.4	6.3	6.3	2.5	-2.6	-13.7	12.7	5.5	2.2	1.1	3.8	5.3	5.5	5.7
Total OECD	7.2	7.8	12.3	0.0	2.4	4.1	8.8	6.6	8.0	5.5	0.5	-11.8	11.4	5.7	1.2	2.0	3.8	4.0	4.0	4.7

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297763

Annex Table 41. **Export prices of goods and services**

National accounts basis, percentage change from previous year, national currency terms

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	2.1	-4.7	12.4	5.9	-2.2	-5.4	4.1	11.9	12.6	1.0	22.2	-12.2	8.2	11.2	-9.8	-0.5	-3.9	-8.2	-0.1	1.6
Austria	-0.1	0.1	1.7	0.5	0.1	0.0	1.1	2.0	2.4	1.9	2.4	-2.6	2.7	4.0	1.3	-0.1	-0.1	1.6	1.5	1.4
Belgium	-1.3	0.0	5.8	1.4	-1.1	-1.3	2.1	3.7	2.6	2.2	3.9	-5.4	4.6	3.9	1.3	-0.4	-1.0	-1.2	1.6	1.5
Brazil	1.1	39.7	3.6	22.5	22.2	10.8	9.0	-7.6	-0.1	-1.1	16.0	-5.8	3.4	14.5	12.2	7.5	3.6	6.3	3.5	2.2
Canada	-0.6	1.1	6.3	1.3	-1.8	-1.6	2.1	2.8	0.2	0.8	10.6	-9.6	1.5	7.0	-0.4	1.3	3.6	-3.2	1.5	1.1
Chile	-3.5	7.9	10.9	6.5	5.8	11.0	13.2	12.0	23.5	5.9	-4.1	-3.6	15.2	3.6	-4.2	-3.0	11.2	-0.6	1.4	3.0
China	-6.2	-5.6	-0.9	1.4	-3.2	5.0	9.0	1.9	-0.3	0.6	-0.7	-7.8	1.5	5.0	-0.2	-3.2	-0.5	-1.2	-0.6	1.0
Colombia	7.0	24.7	23.7	1.8	7.1	15.7	4.1	5.0	8.8	-1.5	14.7	-2.5	6.0	19.7	-1.5	-2.1	-1.4	-3.5	2.3	1.8
Costa Rica	10.9	11.3	1.2	5.7	11.4	12.7	7.3	8.4	9.8	7.0	11.4	5.4	-3.1	0.0	-0.2	0.5	8.7	3.5	4.3	4.1
Czech Republic	4.3	1.0	3.8	0.3	-4.8	0.1	2.7	-2.2	-1.3	0.3	-4.3	0.5	-1.2	0.7	3.1	1.7	4.1	-0.3	0.7	0.7
Denmark	-2.1	-0.5	8.2	1.6	-1.2	-1.1	1.9	5.5	3.0	1.4	5.1	-8.6	9.6	1.2	3.6	0.8	-1.9	3.8	1.6	1.4
Estonia	3.7	-0.2	8.3	5.9	3.1	0.0	1.2	4.4	5.6	6.3	6.6	-2.2	3.1	5.4	1.9	1.1	-0.4	-1.1	1.1	1.9
Finland	-1.0	-5.0	3.5	-1.3	-2.5	-1.4	-0.4	1.2	2.3	1.0	-0.2	-5.9	3.8	4.5	1.1	-1.0	-0.7	-0.3	1.1	2.1
France	-1.6	-1.6	2.6	-0.3	-1.5	-1.7	0.5	1.8	2.1	1.9	3.2	-3.8	2.3	2.9	1.4	-0.3	-0.9	0.6	1.0	1.0
Germany	-0.7	-0.7	2.7	0.7	-0.6	-1.3	-0.2	1.1	1.1	0.3	1.0	-2.6	2.3	2.6	1.8	-0.3	-0.1	1.3	0.7	0.8
Greece	5.7	1.6	7.2	2.9	2.1	1.8	1.8	2.5	3.3	2.7	3.8	-1.9	5.9	5.7	2.7	-1.8	-1.5	-2.4	-0.3	0.4
Hungary	13.1	4.8	10.1	3.0	-4.1	0.1	-1.1	-0.5	6.4	-3.9	0.8	2.9	1.8	3.4	3.1	0.0	1.0	0.1	2.5	1.9
Iceland	5.3	0.4	4.1	21.8	-1.2	-6.4	1.7	-4.4	21.4	-0.9	36.1	14.3	8.8	7.0	1.4	-3.1	-1.1	6.8	2.6	3.0
India[1]	4.9	-2.4	3.3	0.3	1.0	6.9	7.1	-0.6	5.7	6.3	13.7	2.7	10.0	8.9	6.6	9.2	2.6	2.6	5.0	5.0
Indonesia	160.4	13.1	9.9	12.1	-6.2	-2.7	6.2	9.6	0.2	3.4	15.8	-5.8	1.9	7.7	1.1	3.5	8.4	1.5	5.3	4.1
Ireland	3.0	2.3	6.5	4.3	0.1	-5.2	-0.8	1.3	0.9	-0.6	-0.7	1.5	1.5	0.7	4.2	-0.4	0.2	4.8	1.6	3.9
Israel	7.3	9.7	-1.8	0.9	11.9	-1.9	0.9	4.5	1.9	-3.8	-5.2	2.8	-2.1	1.1	8.2	-5.1	-0.9	6.0	1.4	1.7
Italy	1.1	0.4	4.3	2.4	1.4	-0.1	1.1	1.9	2.2	2.4	2.9	-2.0	2.3	4.0	1.9	-0.2	-0.3	0.1	1.6	1.5
Japan	1.1	-8.6	-4.1	2.4	-1.4	-3.7	-1.4	2.0	3.3	2.2	-3.9	-11.1	-1.6	-2.2	-2.0	9.5	2.7	1.5	0.9	1.3
Korea	20.6	-19.2	-2.0	3.7	-7.7	-0.9	4.9	-6.4	-5.4	1.1	25.6	-0.4	1.3	3.2	-0.6	-4.8	-5.0	-5.4	-2.3	2.3
Latvia	5.2	-0.6	0.5	3.1	3.0	8.0	10.0	10.1	8.3	11.7	8.3	-4.4	5.8	8.8	4.1	1.3	-1.0	0.6	1.0	2.2
Lithuania	-6.9	-0.3	9.6	-2.2	-4.2	-2.0	7.7	8.6	5.1	5.8	12.5	-14.1	10.1	11.5	3.4	-1.5	-2.3	-1.4	1.5	1.4
Luxembourg	0.6	5.3	9.7	-3.1	-1.4	-0.2	5.4	7.5	8.4	6.0	-0.8	-3.5	8.2	5.1	5.0	3.3	2.2	5.2	1.5	1.6
Mexico	14.3	12.3	8.4	-2.3	2.6	13.2	9.0	4.1	7.5	5.1	9.5	9.5	-0.2	5.8	6.1	-1.9	1.7	4.5	3.7	1.6
Netherlands	-1.4	-1.1	5.7	0.6	-1.8	-1.0	1.4	3.3	3.1	1.7	4.3	-6.5	5.5	4.9	2.4	-0.5	-1.8	-1.6	1.5	1.4
New Zealand	4.2	0.0	13.3	7.3	-6.9	-7.4	0.8	1.1	7.2	1.0	15.3	-8.0	3.0	5.7	-5.3	2.4	1.7	-3.8	2.2	1.8
Norway	-7.9	10.7	36.7	-2.2	-10.2	2.0	12.9	17.4	15.5	1.5	17.5	-17.0	7.5	12.8	2.9	1.9	-1.3	-3.4	3.1	2.3
Poland	11.7	7.0	0.6	2.7	4.6	6.2	8.4	-2.4	2.3	2.8	-0.7	11.6	0.2	6.8	3.8	-0.1	0.0	1.6	1.4	1.9
Portugal	1.4	0.4	5.5	0.6	0.1	-1.5	1.7	1.6	4.4	1.9	2.7	-5.0	3.3	5.0	1.7	-1.0	-0.7	-0.9	0.6	0.7
Russia	39.1	128.3	41.0	-1.6	4.8	8.4	12.6	21.9	11.2	3.9	28.1	-11.9	16.6	24.8	7.2	-1.4	13.2	8.0	-4.6	0.0
Slovak Republic	-5.0	-1.1	17.3	4.9	1.0	1.5	1.8	1.6	2.1	0.5	1.4	-5.1	3.0	4.0	1.2	-1.9	-3.3	-1.0	1.8	1.7
Slovenia	2.8	2.2	10.5	8.0	4.5	2.8	3.0	2.8	2.7	2.5	1.4	-1.1	2.2	4.2	1.0	-0.7	-0.1	0.4	0.8	0.8
South Africa	9.4	6.9	15.1	16.8	24.7	-8.0	2.6	6.2	15.6	13.3	26.4	0.0	4.3	12.2	5.2	7.9	5.6	-3.1	7.5	7.6
Spain	0.6	0.1	6.7	1.7	0.4	-0.3	1.8	4.0	4.1	2.4	2.6	-2.7	3.0	4.5	2.0	-1.0	-2.1	0.1	1.1	0.8
Sweden	-1.2	-1.6	2.3	2.6	-1.5	-2.0	-0.3	2.6	3.1	2.0	4.0	1.3	-0.6	-1.0	-1.0	-2.5	2.1	3.7	2.5	2.4
Switzerland	-0.9	0.1	3.4	-0.1	-1.9	0.4	0.7	1.8	4.9	3.9	2.6	-0.4	2.3	-0.5	2.2	-5.1	-3.4	-3.6	-0.4	0.1
Turkey	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	23.8	2.9	8.1	12.9	14.1	5.0	-1.3
United Kingdom	-5.2	0.6	1.6	1.0	-1.7	1.9	-0.5	3.1	1.6	-0.8	9.2	3.9	5.4	5.7	0.2	2.6	-2.9	-1.0	0.9	0.9
United States	-2.4	1.4	1.8	-0.6	-0.6	2.0	3.5	4.3	3.4	3.2	4.7	-5.5	4.3	6.4	0.9	0.2	0.1	-4.7	-0.9	0.3
Total OECD	2.1	0.6	4.4	2.6	-0.4	0.4	2.3	2.4	3.0	1.7	4.9	-2.9	2.9	4.5	1.3	0.2	0.0	-0.4	0.9	1.1

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 42. **Import prices of goods and services**

National accounts basis, percentage change from previous year, national currency terms

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	6.4	-4.3	7.6	5.8	-4.1	-8.5	-5.0	0.6	4.2	-4.0	7.4	-2.4	-7.5	-1.3	0.9	3.6	4.1	4.0	4.0	1.8
Austria	0.3	0.6	2.7	0.3	-0.6	-0.8	1.7	2.8	3.6	2.3	3.8	-4.6	4.6	5.8	1.8	-0.1	-0.8	0.3	1.5	1.4
Belgium	-1.8	0.9	7.6	1.3	-1.8	-1.0	3.0	4.4	3.3	2.0	6.6	-8.3	6.3	5.1	1.5	-0.4	-1.0	-4.1	1.5	1.5
Brazil	2.9	55.3	7.4	25.1	20.3	12.5	5.3	-8.2	-7.1	-2.3	12.6	-5.2	-8.8	5.8	16.9	10.1	7.5	17.7	5.3	2.3
Canada	3.5	-0.3	2.0	2.5	0.5	-6.7	-2.2	-0.7	-0.8	-2.2	6.0	-0.7	-3.3	3.4	0.7	1.3	4.8	2.5	1.7	1.1
Chile	-0.1	4.2	8.2	9.7	3.9	3.4	-6.1	1.4	-0.5	4.0	15.5	-8.2	-1.9	3.8	0.4	0.0	12.8	-1.0	2.3	3.0
China	2.3	-5.5	7.4	-0.1	-3.5	5.2	9.5	2.2	0.5	1.7	4.9	-15.2	12.2	8.7	-2.9	-4.4	-3.2	-9.5	-0.9	0.9
Colombia	22.4	23.6	19.6	10.1	6.2	12.7	-1.9	-2.8	2.8	-5.1	3.2	4.2	-5.2	5.1	-1.2	1.4	3.4	8.9	2.2	1.0
Costa Rica	9.0	13.7	11.8	5.3	12.4	16.2	9.2	13.9	14.4	9.5	11.8	0.0	-4.5	3.1	-0.4	-1.2	7.6	-7.3	4.0	5.3
Czech Republic	-1.1	1.8	7.0	-2.5	-8.1	0.0	1.6	0.0	0.7	-0.8	-3.0	-1.5	0.7	2.3	3.7	0.5	2.6	-0.6	0.8	0.7
Denmark	-1.8	-0.2	7.5	1.7	-2.2	-1.9	1.1	3.6	3.5	1.7	3.4	-8.8	7.0	3.4	3.5	-0.6	-2.3	3.4	1.3	0.5
Estonia	1.7	0.3	5.4	1.4	-1.0	-1.6	1.0	1.8	3.2	4.0	6.2	-2.6	5.7	4.6	2.5	-0.2	-1.4	-1.2	1.5	1.9
Finland	-2.8	-2.0	7.4	-2.9	-2.7	0.0	1.8	4.7	5.6	1.1	1.7	-7.1	6.0	6.1	2.1	-1.4	-1.6	-0.8	1.7	1.8
France	-2.9	-1.9	5.3	-0.5	-3.1	-1.6	1.4	3.2	3.6	0.7	3.8	-6.2	3.7	5.4	1.7	-1.3	-2.4	-2.1	0.8	0.9
Germany	-2.6	-1.5	7.3	0.6	-2.6	-2.5	-0.4	3.0	2.8	0.1	2.8	-6.9	4.8	5.5	2.2	-1.7	-1.6	-1.0	0.3	0.9
Greece	5.0	1.3	8.3	3.2	0.7	-0.1	2.2	3.0	3.6	2.2	5.6	-1.7	5.4	6.0	4.2	-2.6	-2.8	-5.9	0.1	0.4
Hungary	12.0	5.4	12.3	2.4	-5.3	0.4	-0.9	1.3	7.8	-4.4	2.0	1.6	1.7	4.9	3.9	-0.1	-1.1	-0.9	1.9	1.9
Iceland	0.2	1.1	6.9	21.7	-1.7	-2.4	3.2	-5.3	17.7	2.8	45.7	23.9	4.1	10.0	4.5	-1.2	-4.2	1.3	2.0	2.9
India[1]	0.5	9.9	7.2	1.7	8.7	1.0	17.1	-1.9	5.3	6.2	8.0	4.1	7.9	9.6	8.1	12.1	2.4	1.8	3.8	4.0
Indonesia	147.0	23.1	11.4	14.8	-0.8	-4.6	7.2	11.5	-5.1	7.5	28.9	-7.7	3.8	5.6	6.7	7.6	7.0	1.6	8.9	5.3
Ireland	2.5	2.4	7.3	3.4	-0.7	-4.2	-0.3	2.4	1.5	1.5	1.9	-1.1	3.0	1.6	5.7	-0.4	0.3	2.5	2.1	3.4
Israel	4.3	7.4	0.8	1.8	12.1	0.5	3.7	6.7	3.2	-1.8	-2.7	-4.1	0.2	4.6	5.0	-7.3	-2.0	-0.7	1.2	1.7
Italy	-1.5	0.8	10.8	1.2	-0.3	-1.7	2.0	5.3	5.4	1.3	5.1	-7.8	6.6	6.8	3.5	-1.7	-2.4	-0.7	1.2	0.9
Japan	-3.1	-8.1	0.2	2.3	-0.6	-0.9	3.0	10.1	11.2	6.5	6.2	-21.5	4.5	5.8	-0.5	11.7	3.7	-7.3	0.2	1.3
Korea	29.8	-17.1	6.8	6.4	-9.4	0.7	8.0	-2.9	-1.1	1.2	34.7	-4.1	1.1	8.1	-0.4	-6.8	-5.7	-12.0	-0.6	2.4
Latvia	0.5	-3.9	6.4	1.7	5.7	5.9	7.3	11.1	9.0	6.7	10.2	-4.6	5.7	5.6	7.1	0.7	-0.1	0.7	1.0	2.2
Lithuania	-4.2	-4.1	4.1	-1.8	-4.5	-2.0	-0.8	7.5	8.2	4.9	8.6	-10.7	9.9	12.7	4.2	-1.7	-3.0	-3.7	1.3	1.5
Luxembourg	1.6	3.0	12.3	-1.5	-1.8	-1.6	6.0	7.6	6.2	7.5	-1.9	-4.8	8.2	4.6	4.3	2.9	2.7	4.7	1.8	1.6
Mexico	13.7	5.1	0.8	-2.5	3.0	10.5	10.2	0.3	3.9	4.5	6.7	12.7	-1.3	5.9	6.9	-3.2	2.7	7.1	3.5	2.0
Netherlands	-2.4	-0.8	5.8	-0.6	-2.5	-1.3	1.8	2.9	2.9	1.8	4.6	-7.3	6.6	6.5	2.7	-1.0	-2.3	-2.6	1.1	1.5
New Zealand	7.1	0.3	15.8	2.2	-5.9	-11.4	-4.4	0.7	9.9	-4.9	12.5	-1.4	-4.1	2.6	-1.0	-4.6	-3.3	-1.6	2.2	1.0
Norway	1.2	-1.1	7.5	-0.1	-5.0	1.4	4.7	1.5	3.2	3.9	4.2	-0.3	0.8	3.3	0.1	2.5	4.2	2.9	1.7	2.1
Poland	10.8	6.9	9.3	0.2	5.5	6.7	4.6	-3.6	2.4	1.1	0.9	8.0	2.1	8.5	5.1	-1.1	-1.9	-0.7	1.7	1.9
Portugal	-1.5	-0.7	8.4	0.3	-1.6	-1.5	2.1	2.9	3.8	1.4	5.1	-9.3	4.7	7.1	1.1	-2.7	-2.1	-3.0	1.1	0.7
Russia	48.1	135.6	5.1	3.9	6.6	1.6	-2.9	5.6	0.3	0.4	10.8	25.5	-2.2	3.3	4.8	4.4	18.0	33.0	-4.4	0.0
Slovak Republic	-1.9	0.6	13.4	6.1	1.0	1.9	2.1	1.7	3.6	1.6	3.0	-4.1	3.6	5.3	2.5	-1.4	-3.4	-1.0	1.7	1.7
Slovenia	1.8	1.9	14.0	6.2	2.5	2.1	4.2	5.0	3.3	1.5	2.7	-4.4	6.5	5.7	2.1	-1.5	-1.1	-0.4	0.7	0.8
South Africa	11.0	11.0	17.9	15.5	21.6	-11.7	0.7	4.4	10.2	10.0	25.1	-5.1	-1.6	7.6	6.6	14.1	7.6	-3.2	8.3	8.7
Spain	-2.1	0.0	10.8	-0.1	-2.4	-1.7	2.2	3.1	3.9	1.7	5.1	-7.4	5.5	8.5	3.8	-2.1	-0.8	-0.8	0.4	0.6
Sweden	-1.0	1.1	4.1	4.0	0.1	-2.1	0.9	4.6	3.4	0.5	4.4	0.4	-0.1	-0.2	-1.1	-2.8	1.6	3.2	2.5	2.4
Switzerland	-1.9	-0.4	5.4	-0.2	-4.6	-1.1	1.9	3.5	6.2	4.9	3.5	-2.7	2.5	0.0	2.8	-5.1	-3.1	-5.8	-0.8	0.2
Turkey	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	30.2	5.6	3.8	11.7	9.2	3.1	-0.5
United Kingdom	-5.8	-0.6	2.4	0.0	-2.5	0.6	-0.9	3.8	2.4	0.0	13.1	2.1	3.9	6.8	-0.6	0.9	-3.7	-1.3	0.6	0.8
United States	-5.4	1.6	4.4	-2.5	-1.2	3.4	4.7	6.0	4.1	3.4	10.5	-10.4	5.8	7.7	0.6	-0.8	-0.2	-7.3	-1.5	0.1
Total OECD	1.4	0.5	6.4	2.2	-1.2	0.2	2.6	3.4	4.0	1.8	8.0	-5.6	3.6	6.6	1.9	-0.5	-0.2	-2.4	0.7	1.0

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 43. **Indicators of competitiveness based on relative consumer prices**

Indices, 2010 = 100

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	71.6	71.5	68.2	65.8	69.6	78.6	85.1	87.6	87.4	92.9	91.0	88.2	100.0	106.9	108.4	103.7	99.0	89.6	87.2	87.5
Austria	102.1	101.3	98.1	98.3	99.0	102.3	103.4	102.5	101.7	102.1	102.2	103.0	100.0	100.4	98.8	100.8	102.6	100.5	101.1	101.1
Belgium	96.8	95.8	91.8	92.6	94.1	99.0	100.9	100.7	100.2	100.9	103.5	103.6	100.0	100.9	98.7	100.2	100.6	96.8	97.3	96.7
Brazil	95.4	63.9	69.4	58.8	55.8	53.7	55.9	69.2	77.6	83.6	87.9	87.9	100.0	104.8	94.8	89.9	88.6	73.2	64.5	66.2
Canada	76.1	75.2	76.1	74.4	73.8	81.6	85.7	90.8	95.9	98.7	96.0	92.0	100.0	101.5	101.1	97.6	92.0	84.8	83.1	83.2
Chile	102.6	96.5	95.5	86.6	89.0	83.0	88.7	94.3	98.7	97.1	98.5	94.9	100.0	101.1	103.7	103.1	94.2	92.8	91.0	91.9
China	97.2	92.3	92.8	97.8	95.8	89.4	86.7	85.7	87.1	90.1	97.9	102.0	100.0	102.2	108.0	114.6	117.4	127.8	127.2	126.0
Colombia	91.9	83.2	76.1	75.2	73.7	63.4	69.1	78.0	77.0	86.3	91.6	90.4	100.0	99.8	106.0	102.4	98.8	82.2	78.5	79.0
Costa Rica	89.4	88.3	90.9	94.9	93.0	86.2	83.3	83.1	83.5	84.7	88.0	90.1	100.0	102.4	106.6	111.3	108.4	117.1	119.5	121.7
Czech Republic	66.8	66.8	67.4	71.6	79.8	78.2	79.1	83.4	87.6	89.9	102.9	99.0	100.0	102.0	98.8	96.6	91.5	90.8	92.5	92.3
Denmark	95.1	95.6	91.7	92.8	95.0	100.1	101.0	99.8	99.4	99.9	101.4	104.4	100.0	99.4	96.8	97.7	98.9	96.3	97.5	97.1
Estonia	79.8	86.1	82.7	84.3	86.5	89.6	91.2	91.4	92.2	95.8	101.7	103.4	100.0	101.2	100.1	102.9	104.8	104.6	103.9	103.7
Finland	105.2	106.2	101.0	101.7	103.1	107.8	107.6	104.2	102.6	103.6	105.1	106.7	100.0	99.6	96.9	98.6	101.4	99.3	98.6	97.1
France	103.2	101.3	96.1	95.9	97.7	103.0	104.8	103.4	102.7	103.1	103.8	104.0	100.0	99.3	96.3	97.4	97.8	93.8	93.9	93.3
Germany	107.8	105.9	99.2	99.1	100.3	105.3	106.7	104.5	103.5	104.8	104.8	105.7	100.0	99.0	95.7	97.8	99.0	94.7	94.8	94.3
Greece	89.5	91.0	84.7	85.3	88.0	93.5	95.8	95.9	96.6	98.0	99.8	101.4	100.0	100.7	96.8	95.9	95.5	91.0	90.7	89.2
Hungary	69.9	73.1	73.4	79.1	87.4	89.5	95.4	96.9	92.1	102.5	105.2	99.2	100.0	99.8	96.8	96.0	92.5	89.6	90.5	91.1
Iceland	125.7	129.3	133.5	117.6	125.4	132.2	135.7	153.4	143.1	148.7	116.4	95.0	100.0	101.0	101.5	105.4	113.1	118.4	128.6	132.9
India	86.4	86.1	88.0	88.7	88.5	87.0	86.0	88.1	87.2	93.5	88.9	90.2	100.0	99.1	94.6	93.7	96.4	103.7	105.3	106.5
Indonesia	48.8	71.8	69.8	66.8	81.1	87.0	83.0	81.7	94.8	94.3	90.4	89.5	100.0	99.8	96.1	92.0	85.7	86.6	89.5	91.9
Ireland	86.1	84.5	81.8	84.8	89.4	98.2	100.7	100.4	102.1	107.1	112.0	107.9	100.0	100.2	95.7	97.2	96.9	90.4	91.1	91.2
Israel	111.2	107.4	114.6	113.6	102.9	96.8	90.3	87.7	87.2	87.7	97.7	95.5	100.0	101.1	96.2	102.3	103.6	103.4	104.2	103.6
Italy	97.8	97.5	93.1	94.1	96.6	102.5	104.3	102.8	102.3	102.8	103.6	104.9	100.0	99.9	97.9	99.5	100.1	96.2	95.9	94.9
Japan	106.0	118.5	125.4	112.4	105.1	105.7	107.0	100.5	90.8	83.2	89.8	100.5	100.0	101.2	99.9	80.2	76.0	71.5	72.6	72.6
Korea	86.9	99.9	108.4	102.0	107.0	108.2	109.8	122.7	131.1	129.1	105.0	93.1	100.0	100.0	99.7	103.7	109.9	110.9	111.1	110.8
Latvia	80.9	94.5	98.9	95.3	92.1	87.7	88.2	85.9	88.2	93.8	103.0	109.6	100.0	100.6	99.0	98.0	101.5	103.6	103.1	102.5
Lithuania	75.5	85.6	91.2	89.7	92.1	94.1	93.6	90.9	90.4	93.1	98.9	106.1	100.0	100.7	98.5	99.6	101.8	100.2	100.1	99.3
Luxembourg	94.9	94.2	92.1	92.9	94.3	98.0	99.4	99.1	99.7	100.6	101.6	102.3	100.0	100.5	99.0	100.4	100.8	98.2	98.6	98.4
Mexico	96.6	105.8	115.1	123.1	123.4	109.7	105.1	108.9	108.9	107.6	105.5	92.8	100.0	100.1	97.3	102.7	101.8	91.5	89.3	90.4
Netherlands	97.6	97.5	92.9	95.4	98.6	104.2	105.0	103.5	102.1	102.5	103.0	104.8	100.0	99.4	96.9	99.8	101.0	98.0	98.4	98.0
New Zealand	88.1	84.0	76.0	75.0	82.3	94.2	101.2	106.7	99.0	106.0	98.9	92.6	100.0	103.8	106.6	109.4	113.1	104.6	102.4	101.6
Norway	89.4	90.1	88.4	91.2	98.8	98.3	94.0	97.3	96.8	96.9	97.5	95.5	100.0	100.7	100.3	98.6	93.8	86.7	85.6	86.0
Poland	85.9	85.2	93.0	104.1	99.6	88.9	88.1	97.8	99.4	102.6	111.7	94.8	100.0	98.2	95.7	96.0	97.1	94.5	92.9	92.5
Portugal	95.0	95.3	92.9	95.3	97.9	102.1	103.2	102.3	102.8	103.5	103.6	102.9	100.0	100.8	99.5	99.6	99.3	96.8	97.0	96.0
Russia	74.9	48.5	54.4	64.6	66.3	67.2	72.5	80.4	88.7	93.0	99.3	91.1	100.0	104.0	105.9	107.5	97.1	79.5	82.5	86.0
Slovak Republic	54.1	54.8	59.7	60.0	61.2	69.5	76.1	77.7	81.6	90.0	97.5	104.7	100.0	100.9	100.4	101.8	102.5	99.9	99.5	99.0
Slovenia	95.8	96.7	94.0	93.8	95.8	99.3	99.5	98.4	98.4	99.9	102.2	103.7	100.0	99.0	97.2	98.8	99.5	96.1	95.2	93.5
South Africa	106.3	99.9	97.1	85.5	74.1	97.1	103.8	104.0	98.5	91.6	80.0	87.3	100.0	98.1	92.3	81.8	77.0	75.8	74.5	77.3
Spain	88.7	88.8	86.5	88.3	91.0	95.9	98.1	98.5	99.8	101.3	103.4	103.4	100.0	100.5	98.2	99.9	99.8	95.2	94.6	93.6
Sweden	114.8	113.0	110.7	101.3	104.2	110.8	111.3	106.4	105.7	106.8	104.3	94.4	100.0	105.8	105.3	106.4	101.3	95.4	96.5	96.5
Switzerland	96.4	95.8	92.8	94.9	98.5	99.1	98.1	95.9	93.1	88.8	92.3	96.3	100.0	109.7	105.6	103.7	104.8	112.0	109.6	107.7
Turkey	70.3	74.7	82.9	67.4	73.7	78.2	80.9	89.6	88.8	96.1	97.0	91.3	100.0	88.4	91.7	90.3	86.1	85.0	83.3	86.2
United Kingdom	129.5	129.7	130.5	127.1	127.5	121.7	126.3	123.9	124.4	126.0	109.7	99.5	100.0	100.6	105.0	103.6	111.3	117.5	118.7	118.3
United States	114.3	113.4	117.5	124.1	124.1	116.8	111.8	110.0	109.2	104.3	100.3	104.8	100.0	95.3	97.7	97.8	100.1	110.9	112.5	111.9
Euro area	100.7	98.5	88.6	89.9	93.7	104.6	107.9	105.1	104.0	105.9	107.7	109.5	100.0	99.2	94.3	97.3	98.7	91.9	91.9	90.8

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 goods sector of 53 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 Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

Source: OECD Economic Outlook 98 database.

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Annex Table 44. **Indicators of competitiveness based on relative unit labour costs**

Indices, 2010 = 100

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	65.4	66.6	62.8	58.9	61.6	70.4	77.7	81.1	82.2	90.7	89.5	84.4	100.0	110.0	111.5	105.2	98.7	88.1	85.4	85.4
Austria	106.0	105.4	100.0	98.6	97.7	101.1	101.5	100.1	100.2	100.5	100.9	102.5	100.0	99.3	98.3	100.9	103.0	101.0	100.8	100.6
Belgium	97.9	97.6	91.9	94.4	96.4	101.2	101.1	100.0	100.6	101.6	104.1	104.5	100.0	101.4	99.7	102.6	102.6	97.9	97.4	96.2
Brazil	117.7	71.8	73.8	61.8	58.1	53.9	56.3	70.0	77.0	82.0	88.3	90.4	100.0	108.9	101.3	95.8	95.1	76.7	68.0	70.6
Canada	69.6	68.4	69.4	67.5	66.9	74.6	79.5	85.3	92.2	96.0	94.7	91.8	100.0	101.9	102.8	100.6	94.1	86.8	85.2	85.7
Chile	86.6	84.4	81.9	74.4	79.1	74.2	78.2	82.3	85.8	85.5	89.5	91.3	100.0	104.2	107.7	110.9	101.4	100.6	99.2	100.8
China	64.7	67.3	71.1	79.4	82.8	79.3	78.5	78.9	80.9	83.7	92.6	98.6	100.0	102.5	110.4	118.8	123.7	137.3	140.0	141.7
Colombia	87.8	80.2	72.4	71.6	71.4	60.6	65.7	74.4	74.2	83.0	87.4	87.6	100.0	99.0	107.5	105.8	99.2	78.9	72.8	71.8
Costa Rica	282.8	254.9	235.3	219.8	199.1	170.1	147.3	130.0	117.3	108.6	99.6	93.4	100.0	98.3	97.8	97.4	90.9	96.9	96.7	95.2
Czech Republic	66.1	66.9	66.2	70.8	81.8	81.8	84.5	88.8	92.1	94.9	105.7	99.4	100.0	101.7	98.2	95.9	90.6	89.5	92.5	93.4
Denmark	89.8	90.0	84.0	86.3	89.0	94.1	95.0	94.8	95.1	98.9	102.0	105.4	100.0	97.8	94.3	96.1	98.1	96.0	97.0	96.3
Estonia	70.2	79.0	73.7	73.8	75.2	80.3	82.4	83.4	86.7	96.4	107.6	108.7	100.0	96.4	93.5	97.6	102.9	107.0	108.4	107.5
Finland	103.9	106.9	98.7	99.2	99.9	104.2	104.4	103.2	100.9	98.7	100.6	107.3	100.0	98.7	97.4	99.4	101.5	100.6	99.9	97.4
France	98.2	97.3	92.1	92.4	95.0	100.4	101.7	101.2	101.1	101.7	102.0	102.5	100.0	99.2	96.5	97.7	99.2	95.2	95.5	95.3
Germany	121.2	120.2	112.0	108.4	108.4	113.9	113.9	108.9	103.9	101.6	101.2	105.8	100.0	98.6	96.6	100.0	102.8	100.2	101.1	100.7
Greece	77.9	82.7	75.7	76.5	84.7	88.7	91.2	93.7	92.8	95.3	98.1	102.6	100.0	98.1	90.0	83.9	85.2	85.0	85.1	84.0
Hungary	72.1	73.5	76.4	85.1	95.2	101.6	106.5	109.3	103.3	113.1	113.6	102.9	100.0	98.6	94.0	93.4	92.2	92.1	93.5	93.4
Iceland	139.1	148.8	154.7	136.2	147.4	156.8	158.8	183.9	181.5	184.6	135.7	91.4	100.0	104.7	105.3	108.0	120.0	128.5	142.5	145.4
India	131.2	126.8	131.6	125.7	121.2	115.7	111.7	111.8	107.7	109.2	98.2	93.9	100.0	96.8	84.9	76.9	73.9	76.3	74.7	73.2
Indonesia	49.8	75.7	75.4	85.2	100.8	105.5	101.0	97.9	112.4	107.3	98.5	92.5	100.0	95.2	88.9	81.4	72.4	69.3	68.5	67.8
Ireland	91.2	89.8	84.6	87.7	89.7	100.1	105.3	108.0	109.5	113.5	119.9	113.7	100.0	96.4	89.9	90.5	88.6	81.7	82.5	83.1
Israel	119.0	116.1	124.2	127.1	110.2	100.7	92.9	90.8	91.2	92.4	101.7	94.6	100.0	100.9	97.2	104.4	107.2	110.1	112.6	113.1
Italy	89.5	89.9	84.2	85.5	89.4	96.4	98.9	99.3	99.8	100.7	102.2	105.0	100.0	99.0	95.6	97.2	99.2	96.3	96.8	95.8
Japan	124.7	139.0	144.6	126.3	114.9	111.8	110.0	103.0	92.2	82.6	90.1	102.2	100.0	103.5	100.6	80.7	76.1	71.8	73.1	73.1
Korea	91.9	101.7	108.2	100.8	105.8	110.2	112.7	127.4	134.7	132.8	106.2	93.1	100.0	99.2	99.4	105.4	113.3	115.3	115.5	114.7
Latvia	78.0	96.6	97.4	90.9	84.5	82.1	82.5	87.6	96.3	116.8	131.2	115.7	100.0	95.5	94.1	96.5	104.1	111.3	111.7	110.7
Lithuania	78.9	95.0	90.9	84.8	86.8	89.9	94.3	96.6	103.1	105.9	113.1	111.9	100.0	98.0	93.8	95.3	100.5	103.3	104.7	105.5
Luxembourg	82.9	82.1	80.3	84.1	86.3	89.4	91.2	92.6	94.3	93.8	98.9	104.2	100.0	100.9	101.4	102.3	103.3	100.3	101.2	101.5
Mexico	80.0	90.1	101.9	113.2	117.8	106.9	102.3	107.3	107.7	106.5	107.0	94.3	100.0	100.5	97.4	102.3	99.4	88.1	85.0	84.5
Netherlands	95.5	96.4	93.4	94.6	99.2	105.4	105.6	102.1	100.1	101.3	102.7	105.8	100.0	99.1	96.6	97.8	98.5	93.1	92.9	92.2
New Zealand	80.5	76.3	68.2	68.3	74.5	86.7	95.1	102.4	95.9	104.6	100.1	91.9	100.0	102.6	105.7	110.4	116.5	110.2	109.1	109.1
Norway	69.8	72.1	70.1	72.4	80.0	79.3	76.8	81.4	84.9	90.8	96.0	93.5	100.0	106.2	109.0	110.3	105.2	96.8	95.2	95.6
Poland	99.8	98.3	101.2	113.3	103.0	89.8	85.1	95.0	97.0	101.3	115.0	92.4	100.0	96.1	92.5	92.7	93.9	93.2	91.6	91.1
Portugal	93.3	94.4	93.7	95.2	97.8	102.2	102.9	103.9	102.9	102.3	102.0	102.3	100.0	97.2	90.9	93.8	93.4	89.7	89.2	88.5
Russia	55.4	27.5	35.6	43.0	48.0	49.4	57.0	63.9	75.7	87.3	97.5	88.4	100.0	112.4	118.3	122.3	109.9	84.9	88.0	94.2
Slovak Republic	72.5	70.0	74.5	71.6	72.7	77.7	80.1	83.3	85.6	91.6	97.0	105.0	100.0	99.9	97.4	97.9	99.9	98.2	98.4	97.9
Slovenia	94.2	94.1	91.8	92.6	92.6	95.6	96.8	95.8	95.4	96.2	98.5	104.0	100.0	97.4	93.5	92.3	91.4	88.2	87.4	85.3
South Africa	86.0	82.3	79.8	68.5	58.4	77.7	88.7	91.4	88.9	84.9	74.4	82.1	100.0	100.6	95.2	86.0	81.4	81.0	80.0	83.4
Spain	83.7	84.2	82.0	83.3	86.4	91.8	94.9	96.3	98.7	102.2	105.7	104.7	100.0	97.8	90.0	89.8	89.5	86.1	85.1	82.8
Sweden	105.3	105.2	107.1	100.0	101.9	107.6	108.0	103.6	101.5	104.1	102.9	95.9	100.0	106.8	109.2	112.4	108.5	103.5	105.6	105.6
Switzerland	93.9	93.5	89.8	94.6	100.1	100.3	97.1	94.6	91.3	87.8	91.0	97.3	100.0	113.1	111.2	109.8	111.1	120.8	118.8	116.6
Turkey	89.2	115.7	124.3	92.3	92.9	86.6	85.7	96.4	90.7	94.1	98.7	90.9	100.0	86.6	91.0	92.7	82.0	75.7	70.3	68.9
United Kingdom	114.6	118.1	122.3	121.6	121.6	116.5	124.5	122.2	125.4	128.2	109.1	99.1	100.0	96.6	99.0	96.0	101.0	108.3	110.4	111.5
United States	124.8	124.9	129.6	133.9	131.1	121.8	116.6	112.9	111.9	107.8	102.3	104.3	100.0	95.2	97.1	97.6	101.2	113.6	115.2	114.8
Euro area	103.0	102.5	90.7	90.1	94.3	106.0	108.4	105.1	102.5	103.0	105.2	110.0	100.0	97.6	91.7	94.9	97.6	91.8	92.1	90.6

Note: Competitiveness-weighted relative unit labour costs for the overall economy in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the goods sector of 53 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 Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

Source: OECD Economic Outlook 98 database.

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Annex Table 45. **Export performance for total goods and services**

Percentage change from previous year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	3.5	-1.2	-2.1	2.0	-5.6	-10.5	-8.6	-5.5	-6.1	-4.3	-1.5	12.3	-8.2	-9.3	1.1	1.8	2.2	3.5	0.7	1.3
Austria	0.5	0.5	1.4	3.7	2.7	-4.7	-0.7	-1.1	-2.6	-1.1	-0.8	-3.9	1.6	-0.9	0.9	-2.3	-0.8	-2.3	-0.6	-0.4
Belgium	-4.4	-1.8	0.0	-1.4	1.9	-2.6	-2.1	-2.0	-3.9	-1.0	-0.8	1.5	-0.4	0.5	0.3	-0.7	1.7	0.8	0.7	-0.1
Canada	-0.3	1.6	-3.4	-1.1	-2.5	-6.3	-5.2	-4.2	-5.8	-2.3	-3.4	-0.4	-5.2	-1.3	-0.1	0.3	1.6	-1.7	-0.2	0.0
Chile	3.7	1.1	-7.2	6.3	-1.7	-1.6	1.5	-5.1	-4.6	-1.3	-4.7	4.7	-11.2	-3.9	-3.5	-1.1	-3.1	-3.6	-1.4	-0.6
Czech Republic	1.7	-0.6	3.6	6.5	-0.5	3.4	18.3	10.0	3.2	2.7	0.8	3.0	2.3	2.3	3.4	-2.6	5.3	3.3	0.4	0.7
Denmark	-4.0	5.4	1.1	2.3	1.9	-5.0	-5.6	0.5	0.1	-3.5	0.7	2.3	-8.4	1.0	-1.7	-1.5	-1.2	-1.4	-0.4	-0.5
Estonia	5.4	-1.1	-17.1	3.1	-0.9	4.1	6.3	8.6	-1.5	1.7	-3.8	-3.3	10.8	13.4	2.9	2.5	0.3	0.6	-0.2	0.7
Finland	2.3	6.9	3.4	-0.1	0.6	-6.9	-1.5	-1.6	-0.7	-0.2	2.7	-7.7	-6.0	-6.1	-1.7	-1.5	-3.2	1.0	0.0	-0.6
France	1.4	-0.9	1.3	1.4	-0.4	-5.8	-4.4	-3.6	-3.5	-4.9	-2.5	0.1	-2.2	1.0	1.3	-0.8	-0.9	3.9	1.6	1.0
Germany	-0.2	-0.1	1.8	4.2	1.2	-2.9	0.6	-0.9	3.0	1.5	-1.6	-3.3	2.6	1.7	1.7	-1.0	0.8	3.5	0.3	-0.5
Greece	-2.7	20.6	11.8	-2.7	-10.5	-6.5	6.9	-3.0	-4.2	-0.4	-0.9	-7.7	-5.8	-5.9	-1.3	-1.1	6.0	-2.1	0.9	0.1
Hungary	7.7	6.5	12.2	5.9	3.7	0.7	7.4	4.8	7.9	6.9	3.7	1.1	-0.4	-0.5	-3.2	3.8	4.3	4.9	1.5	0.9
Iceland	-5.9	-3.3	-6.4	4.5	1.4	-2.6	0.1	0.1	-12.8	16.0	1.3	21.5	-8.1	-1.5	1.6	4.2	-0.1	4.9	-1.1	-2.4
Ireland	13.9	7.9	7.0	8.4	2.9	-2.9	-1.0	-0.4	-0.8	4.9	-0.6	11.2	-4.0	-3.0	0.6	0.0	8.5	8.2	0.8	-0.3
Israel	-0.9	7.3	9.3	-10.2	-6.0	1.8	5.4	-2.8	-3.2	4.1	3.4	0.0	1.2	1.2	-2.0	-2.3	-1.2	-5.6	-0.7	-0.9
Italy	-4.9	-6.4	0.6	0.7	-4.8	-6.5	-4.0	-3.5	-1.1	-3.1	-6.6	-7.5	0.5	-0.7	0.0	-2.0	0.0	2.0	-0.3	-0.3
Japan	-2.9	-4.6	-2.5	-6.0	0.6	-0.2	-0.4	-2.5	-0.2	0.0	-2.5	-17.1	8.2	-8.7	-4.2	-3.2	4.8	0.2	-1.4	-0.1
Korea	12.4	8.4	2.4	-2.9	6.2	3.2	5.2	-1.6	1.0	2.9	2.2	9.1	-2.0	5.0	0.1	-0.8	-1.2	-0.6	-0.6	-0.3
Luxembourg	2.6	7.8	0.1	3.8	0.7	-0.8	3.2	-1.4	3.7	2.3	4.2	-2.0	-1.9	-0.3	-0.4	4.2	3.4	1.7	-0.1	-0.7
Mexico	-2.7	-2.1	-1.3	-1.1	-1.2	-3.7	-2.0	-1.0	0.8	-0.1	0.0	1.5	6.7	2.0	3.4	0.7	3.6	3.4	1.1	0.7
Netherlands	-1.6	2.3	0.8	0.0	-1.0	-2.4	-0.4	-1.2	-2.0	-1.3	-0.4	2.3	-0.5	-1.6	2.7	0.0	0.3	1.1	-0.1	0.3
New Zealand	0.1	3.1	-4.1	3.9	0.2	-5.7	-7.3	-8.7	-7.2	-4.2	-6.8	12.4	-9.1	-5.9	-3.3	-1.3	0.6	4.4	-0.9	0.3
Norway	-7.0	-3.7	-7.7	2.3	-3.1	-3.7	-6.3	-6.3	-9.5	-3.1	-1.0	7.2	-8.6	-5.3	-0.5	-5.0	-1.0	-0.6	-1.7	-1.9
Poland	6.0	-7.6	10.6	-0.5	2.7	8.6	-4.3	1.7	4.4	1.8	4.3	7.1	1.1	0.9	3.3	3.5	3.0	2.5	0.4	0.3
Portugal	-1.9	-3.8	-2.4	-0.4	0.6	-1.3	-4.1	-6.5	3.1	-0.8	-0.9	2.6	0.2	2.6	3.4	5.1	-0.1	3.0	1.6	0.4
Slovak Republic	-10.6	4.2	-4.7	7.6	4.9	12.1	9.3	4.9	11.0	5.0	0.1	-5.2	3.4	5.3	8.7	4.0	-0.9	2.0	0.9	1.3
Slovenia	0.0	-2.3	0.9	4.0	5.7	-1.9	3.3	3.7	3.2	3.9	0.5	-4.8	-1.2	-0.2	-0.4	0.9	2.7	2.2	1.5	1.0
Spain	-0.8	2.4	-1.2	2.1	-0.4	-0.2	-3.7	-4.7	-3.8	0.9	-3.4	-0.5	-1.0	2.0	0.4	1.7	1.6	2.1	1.2	0.4
Sweden	1.0	2.6	0.8	-0.6	-1.7	0.3	0.5	-1.6	-0.9	-2.6	-1.6	-3.2	1.3	-0.2	-0.8	-3.3	0.7	1.0	-0.1	-1.2
Switzerland	-3.9	-2.8	-0.2	-1.1	-4.3	-6.0	0.0	-0.7	-3.0	4.0	1.7	1.1	0.7	-1.5	-0.7	12.4	-10.1	-4.6	-3.8	-2.1
Turkey	5.1	-13.5	4.5	0.1	3.5	1.3	0.7	-1.2	-3.9	-4.1	-3.1	6.3	-5.4	1.0	12.0	-2.8	4.2	-1.1	-0.6	1.0
United Kingdom	-5.7	-3.7	-3.1	0.6	0.0	-1.3	-3.9	0.0	3.0	-8.6	-0.7	1.2	-4.0	0.2	-1.2	-1.1	-2.5	-1.1	-1.8	-2.4
United States	-1.4	-2.9	-3.5	-5.4	-4.7	-4.0	-0.9	-2.1	-0.3	1.0	1.3	2.1	-2.1	-1.1	-0.6	-0.5	0.2	0.2	-0.3	-0.2
Total OECD	-1.1	-1.0	-0.6	-0.4	-1.1	-3.1	-1.5	-2.0	-0.8	-0.7	-0.9	-0.5	-0.8	-0.8	0.3	-0.3	0.5	1.1	-0.2	-0.2
China	4.2	6.4	13.5	6.8	21.8	20.7	11.1	14.4	15.0	11.8	5.5	1.3	10.2	6.4	2.3	6.5	3.0	-3.2	-0.9	-0.4
Other industrialised Asia[1]	-0.1	0.7	2.8	-2.8	2.9	1.5	2.4	2.7	1.8	-0.3	0.9	1.1	1.8	-0.6	-1.0	0.4	-0.3	-2.0	-0.1	0.8
Russia	-3.8	5.9	-2.2	3.0	6.5	6.1	1.5	-1.5	-2.3	-2.5	-3.0	6.8	-3.8	-6.6	-1.2	1.7	-3.3	-1.4	-1.9	-1.0
Brazil	-0.1	3.4	2.1	8.6	6.9	1.6	0.0	0.6	-5.4	-4.4	-5.4	1.8	-2.4	-4.8	-3.2	-1.5	-2.8	8.4	2.4	-0.3
Other oil producers	-0.6	-9.2	-8.6	0.5	-7.3	5.0	-2.2	-1.8	-5.4	-4.2	-1.2	5.0	-8.3	-4.1	1.8	-1.8	-2.3	1.9	0.9	-0.2
Rest of the world	-3.1	0.0	-2.6	2.5	-0.2	-0.1	-1.1	-2.9	-4.1	-2.8	-0.9	4.7	-4.2	-1.8	-0.6	1.4	0.0	2.1	0.9	0.5

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 Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. Chinese Taipei; Hong Kong, China; Malaysia; Philippines; Singapore; Vietnam; Thailand; India and Indonesia.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297818

Annex Table 46. **Shares in world exports and imports**

Percentage, value of goods and services, national accounts basis

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A. Exports																				
Canada	3.7	4.0	4.2	4.1	3.8	3.6	3.4	3.4	3.2	2.9	2.7	2.5	2.5	2.5	2.5	2.4	2.4	2.3	2.3	2.3
France	5.8	5.5	4.9	5.1	5.1	5.2	4.9	4.6	4.3	4.2	4.1	4.2	3.7	3.6	3.4	3.5	3.5	3.5	3.6	3.6
Germany	8.8	8.4	7.7	8.3	8.6	8.9	8.9	8.5	8.5	8.7	8.4	8.3	7.7	7.6	7.3	7.4	7.6	7.6	7.7	7.6
Italy	4.5	4.1	3.8	4.0	3.9	4.0	3.9	3.6	3.5	3.5	3.3	3.1	2.9	2.8	2.7	2.7	2.7	2.6	2.7	2.7
Japan	6.3	6.4	6.6	5.8	5.7	5.6	5.5	5.1	4.8	4.5	4.4	4.1	4.5	4.1	3.9	3.5	3.5	3.5	3.5	3.5
United Kingdom	5.7	5.6	5.2	5.3	5.3	5.2	5.0	4.9	4.9	4.5	4.0	4.0	3.7	3.6	3.6	3.5	3.6	3.8	3.8	3.7
United States	14.1	14.1	14.0	13.6	12.6	11.3	10.6	10.3	10.1	9.8	9.5	10.2	10.0	9.5	9.8	9.8	10.0	10.8	10.6	10.4
Other OECD countries	27.5	27.5	26.8	27.4	27.7	28.2	28.3	27.7	27.4	27.8	27.8	28.2	27.2	27.0	26.3	26.6	26.7	26.3	26.4	26.5
Total OECD	76.4	75.7	73.3	73.5	72.8	71.9	70.5	68.0	66.6	66.0	64.2	64.5	62.3	60.7	59.4	59.5	60.1	60.4	60.6	60.3
China	2.8	2.8	3.2	3.6	4.2	4.9	5.4	6.1	6.8	7.4	7.7	8.0	8.6	9.1	9.7	10.2	10.6	11.2	10.9	10.8
Other industrialised Asia[1]	11.4	11.8	12.5	11.9	12.0	11.6	11.6	11.7	11.8	11.6	11.4	12.1	13.0	12.9	13.0	13.0	13.1	13.6	13.9	14.1
Brazil	0.9	0.8	0.9	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.3	1.4	1.3	1.2	1.2	1.1	1.0	1.0
Russia	1.3	1.2	1.5	1.5	1.5	1.6	1.8	2.1	2.3	2.3	2.7	2.2	2.4	2.6	2.6	2.6	2.4	1.8	1.7	1.6
Other oil producers	2.8	3.4	4.5	4.2	4.2	4.6	5.1	6.3	6.7	6.7	7.7	6.6	7.0	7.8	8.3	7.9	7.3	6.1	6.0	6.0
Rest of the world	4.0	3.8	3.8	4.0	3.9	4.1	4.1	4.2	4.3	4.5	4.7	4.9	4.9	5.0	5.0	4.9	4.8	5.2	5.5	5.6
Total of non-OECD countries	23.6	24.3	26.7	26.5	27.2	28.1	29.5	32.0	33.4	34.0	35.8	35.5	37.7	39.3	40.6	40.5	39.9	39.6	39.4	39.7
B. Imports																				
Canada	3.6	3.7	3.7	3.5	3.4	3.2	3.0	3.1	3.0	2.8	2.6	2.7	2.7	2.6	2.7	2.6	2.6	2.5	2.5	2.4
France	5.3	5.1	4.8	4.9	4.9	5.0	4.8	4.7	4.5	4.5	4.4	4.5	4.1	4.0	3.8	3.8	3.8	3.7	3.7	3.7
Germany	8.5	8.3	7.7	7.8	7.5	8.0	7.7	7.4	7.5	7.5	7.3	7.3	6.9	6.9	6.5	6.6	6.7	6.5	6.6	6.6
Italy	4.0	3.8	3.7	3.8	3.8	3.9	3.8	3.7	3.7	3.7	3.5	3.3	3.2	3.0	2.6	2.5	2.5	2.4	2.5	2.4
Japan	5.2	5.5	5.7	5.4	5.0	4.8	4.7	4.7	4.5	4.2	4.4	4.1	4.2	4.4	4.5	4.2	4.2	3.8	3.9	3.8
United Kingdom	6.0	6.0	5.6	5.8	6.0	5.8	5.7	5.5	5.5	5.0	4.5	4.4	4.1	3.9	3.9	3.9	4.0	4.1	4.1	4.0
United States	16.7	18.0	18.9	18.4	18.1	16.9	16.3	16.2	15.6	14.3	13.4	13.0	13.0	12.4	12.6	12.4	12.6	13.7	13.7	13.6
Other OECD countries	26.6	26.6	25.9	26.0	26.4	27.1	27.3	27.1	27.0	27.8	27.8	27.2	26.4	26.4	25.4	25.4	25.5	24.8	24.8	24.7
Total OECD	75.9	77.1	76.0	75.6	75.2	74.6	73.4	72.3	71.4	69.9	67.9	66.4	64.6	63.6	62.0	61.4	61.8	61.5	61.7	61.3
China	2.2	2.4	2.9	3.2	3.7	4.5	5.0	5.2	5.4	5.7	6.0	6.7	7.6	8.4	8.9	9.5	9.6	9.7	9.4	9.4
Other industrialised Asia[1]	10.8	10.9	11.7	11.0	11.1	10.7	11.0	11.2	11.2	11.1	11.3	11.7	12.8	12.8	13.3	13.1	12.9	13.0	13.2	13.5
Brazil	1.2	1.0	1.0	1.1	0.9	0.8	0.8	0.8	0.9	1.0	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.2	1.0	1.0
Russia	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	2.1	1.9	1.3	1.1	1.1
Other oil producers	3.0	2.8	2.7	3.0	3.2	3.3	3.4	3.8	4.0	4.6	5.1	5.7	5.3	5.0	5.4	5.5	5.6	6.1	6.2	6.2
Rest of the world	5.1	4.7	4.4	4.6	4.4	4.5	4.7	4.9	5.1	5.5	6.1	6.0	5.9	6.1	6.2	6.2	6.0	6.5	6.7	6.9
Total of non-OECD countries	24.1	22.9	24.0	24.4	24.8	25.4	26.6	27.7	28.6	30.1	32.1	33.6	35.4	36.4	38.0	38.6	38.2	38.5	38.3	38.7

Note: Regional aggregates are calculated inclusive of intra-regional trade.
1. Chinese Taipei, Hong Kong, China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 98 database.

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Annex Table 47. **Geographical structure of world trade growth**

Average of export and import volumes

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Percentage change from previous year																			
A. Trade growth																				
OECD America[1]	7.7	7.5	11.0	-3.6	1.5	2.8	10.0	6.1	6.7	4.9	0.5	-12.0	12.8	6.3	3.1	1.9	3.8	3.4	4.1	5.0
OECD Europe	7.9	5.7	12.4	2.5	1.8	2.6	7.5	6.4	9.1	6.3	1.1	-11.2	9.9	5.5	1.2	2.5	3.7	4.4	3.8	4.7
OECD Asia & Pacific[2]	-4.3	6.5	12.7	-2.2	6.2	7.3	11.8	5.8	8.1	7.7	3.0	-12.3	15.3	7.0	3.5	2.5	5.1	1.6	2.7	4.0
Total OECD	6.2	6.4	12.1	0.2	2.2	3.2	8.8	6.2	8.3	6.1	1.2	-11.5	11.4	5.9	2.0	2.3	3.9	3.7	3.8	4.7
China	1.6	16.8	26.4	7.4	26.0	30.3	23.8	18.2	21.2	17.2	7.6	-4.4	22.0	15.0	6.4	10.0	6.4	-0.2	3.1	4.6
Other industrialised Asia[3]	-2.3	1.8	17.9	-3.8	7.7	9.9	17.0	11.5	10.8	7.7	7.3	-9.6	17.4	7.9	4.3	3.3	2.4	-1.5	3.5	5.8
Brazil	2.3	-5.7	12.6	5.8	-2.9	6.1	12.3	9.9	9.7	11.0	7.2	-8.1	22.2	7.9	0.2	4.9	-1.0	-1.5	0.4	4.1
Russia	-4.6	3.0	14.9	8.1	11.6	14.1	15.4	9.9	12.3	13.9	6.6	-16.5	14.2	8.7	4.6	4.2	-3.8	-12.0	0.9	3.8
Other oil producers	1.9	-4.8	4.8	3.6	0.2	11.2	11.2	10.6	8.1	10.7	8.2	-5.3	4.0	4.9	8.0	1.8	1.8	1.1	3.6	4.5
Rest of the world	4.4	-0.4	6.8	4.1	2.2	7.5	11.9	7.5	9.0	11.5	7.5	-10.5	8.9	9.4	4.1	3.4	1.6	1.9	3.8	5.2
Total Non-OECD	0.5	0.8	13.0	1.6	6.8	12.5	15.7	11.5	11.8	11.2	7.5	-8.3	14.4	9.3	5.2	4.8	2.7	-0.8	3.2	5.0
World	4.5	4.8	12.3	0.6	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.4	12.5	7.2	3.2	3.3	3.4	2.0	3.6	4.8
	Percentage points																			
B. Contribution to world trade grov																				
OECD America[1]	1.5	1.5	2.2	-0.7	0.3	0.5	1.8	1.1	1.2	0.9	0.1	-2.0	2.1	1.0	0.5	0.3	0.6	0.5	0.7	0.8
OECD Europe	3.3	2.5	5.4	1.1	0.8	1.1	3.2	2.6	3.7	2.5	0.4	-4.4	3.9	2.1	0.4	0.9	1.3	1.6	1.4	1.8
OECD Asia & Pacific[2]	-0.4	0.6	1.1	-0.2	0.5	0.6	1.1	0.5	0.7	0.7	0.3	-1.1	1.3	0.6	0.3	0.2	0.4	0.1	0.2	0.4
Total OECD	4.4	4.6	8.9	0.1	1.6	2.3	6.2	4.3	5.7	4.1	0.8	-7.5	7.3	3.8	1.3	1.4	2.4	2.3	2.4	2.9
China	0.0	0.1	0.1	0.1	0.3	0.3	0.2	0.2	0.3	0.2	0.0	0.3	0.3	0.2	0.2	0.2	0.1	0.0	0.1	0.1
Other industrialised Asia[3]	-0.2	0.2	1.8	-0.4	0.8	1.0	1.8	1.3	1.3	0.9	0.9	-1.2	2.2	1.0	0.6	0.4	0.3	-0.2	0.4	0.7
Brazil	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	0.0	0.0	0.0	0.0	0.0	0.0
Russia	-0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Other oil producers	0.1	-0.3	0.3	0.2	0.0	0.6	0.6	0.6	0.5	0.6	0.5	-0.3	0.3	0.3	0.5	0.1	0.1	0.1	0.2	0.3
Rest of the world	0.3	0.0	0.4	0.2	0.1	0.4	0.7	0.4	0.5	0.7	0.4	-0.6	0.5	0.6	0.2	0.2	0.1	0.1	0.2	0.3
Total Non-OECD	0.1	0.2	3.5	0.4	1.8	3.5	4.7	3.6	3.8	3.7	2.5	-2.9	5.2	3.4	2.0	1.8	1.0	-0.3	1.2	1.9
World	4.5	4.8	12.3	0.6	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.4	12.5	7.2	3.2	3.3	3.4	2.0	3.6	4.8

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Canada, Chile, Mexico and the United States.
2. Australia, Japan, Korea and New Zealand.
3. Chinese Taipei, Hong Kong, China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297835

Annex Table 48. **Trade balances for goods and services**

USD billion, national accounts basis

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-6.5	-10.1	-4.3	2.1	-4.7	-14.3	-19.2	-14.8	-12.3	-22.7	-14.2	-9.9	6.6	13.1	-22.9	-10.2	-9.2	-29.2	-27.5	-19.1
Austria	-0.2	1.0	2.6	3.3	7.7	7.0	8.5	9.6	11.8	16.3	17.9	12.2	13.2	11.0	10.8	12.9	16.7	17.7	18.0	18.3
Belgium	8.6	9.9	6.3	8.0	14.3	16.7	17.5	14.3	15.4	17.9	2.6	11.2	8.7	2.7	3.0	6.7	4.7	12.6	16.8	18.3
Brazil	-20.5	-11.1	-14.7	-12.5	1.4	12.1	22.8	30.3	30.0	18.4	-4.8	-8.5	-23.0	-20.4	-32.6	-56.4	-64.5	-26.6	-1.9	0.1
Canada	12.1	24.1	41.6	41.8	32.8	34.1	44.9	45.6	35.2	30.5	28.3	-20.2	-30.6	-21.6	-33.9	-29.3	-16.2	-36.0	-22.9	-13.8
Chile	-2.7	1.7	1.4	1.2	1.6	3.1	9.3	10.5	22.1	22.9	4.5	13.3	14.0	7.9	-0.6	-1.9	3.8	4.1	3.2	3.5
China	43.8	30.6	28.8	28.1	37.4	35.8	51.2	124.6	208.9	308.0	348.8	220.1	223.0	181.9	231.8	235.4	284.0	366.7	362.6	377.4
Colombia	-7.3	-1.5	-0.9	-3.1	-3.3	-3.2	-2.7	-2.8	-4.7	-6.7	-6.0	-5.1	-5.3	-4.1	-6.6	-9.9	-20.2	-21.5	-19.1	-18.9
Costa Rica	-0.4	0.9	0.4	-0.5	-0.9	-0.3	-0.6	-1.1	-1.4	-1.2	-2.9	0.2	-1.0	-2.1	-2.1	-1.7	-1.1	-0.4	-0.5	-0.7
Czech Republic	-0.2	-0.3	-1.1	-0.8	-1.1	-1.2	1.0	3.2	4.3	4.7	5.2	8.2	6.4	8.9	10.2	12.1	13.8	11.8	12.0	12.4
Denmark	5.5	10.7	10.9	11.8	11.7	14.9	13.7	14.8	11.1	9.1	11.6	14.0	19.6	19.0	17.3	19.3	18.3	19.5	21.0	23.6
Estonia	-0.5	-0.3	-0.2	-0.2	-0.6	-0.8	-1.0	-0.7	-1.7	-2.0	-1.0	1.0	1.2	1.3	0.2	0.6	0.9	1.1	1.1	1.1
Finland	10.6	12.1	11.5	11.9	12.5	11.1	12.2	8.0	9.0	12.4	10.4	5.2	3.2	-2.3	-3.7	-2.2	-2.1	-0.5	-0.5	0.4
France	39.1	33.3	14.7	18.1	25.4	20.2	12.7	-8.9	-18.9	-34.9	-52.2	-38.0	-49.5	-73.5	-58.2	-52.6	-53.7	-20.1	-14.3	-11.2
Germany	29.2	14.6	5.8	35.1	92.6	92.8	139.7	143.7	160.3	231.4	224.3	169.6	174.5	180.6	216.6	227.7	262.2	264.2	262.6	254.3
Greece	-13.7	-13.8	-14.7	-14.4	-15.8	-21.7	-21.3	-20.8	-29.4	-39.5	-46.2	-34.2	-25.9	-20.2	-11.2	-7.2	-5.4	-1.8	1.1	2.6
Hungary	-0.8	-1.3	-1.7	-0.7	-1.4	-3.4	-4.1	-2.6	-1.2	0.9	0.5	5.4	7.0	8.6	8.6	9.8	10.0	10.3	12.5	14.5
Iceland	-0.4	-0.4	-0.6	-0.1	0.1	-0.3	-0.7	-2.0	-2.9	-2.0	-0.7	1.2	1.4	1.2	0.9	1.2	1.1	1.3	1.2	1.1
India[1]	-7.1	-8.8	-4.3	-4.3	-5.1	-4.2	-12.6	-23.0	-30.0	-50.0	-62.0	-74.2	-74.7	-119.0	-123.2	-56.3	-47.6	-37.5	-47.5	-60.1
Indonesia	10.6	13.5	17.2	12.7	11.5	16.7	10.8	10.3	18.3	15.6	2.5	14.5	14.3	22.3	-3.5	-7.6	-6.7	3.6	1.6	-2.4
Ireland	9.8	12.8	13.7	17.1	22.2	25.0	28.0	23.2	18.9	22.6	23.7	32.1	35.3	43.5	38.6	45.9	45.9	49.7	51.9	56.6
Israel	-2.9	-2.8	0.1	-2.9	-3.3	-0.8	0.3	0.1	0.6	-1.2	-0.8	6.1	5.2	1.7	3.2	5.2	5.0	5.7	5.0	4.2
Italy	38.5	22.1	9.5	14.4	9.6	7.5	9.8	-1.9	-16.5	-8.5	-18.5	-14.2	-42.5	-35.4	20.4	50.5	64.4	54.7	59.5	68.4
Japan	73.2	70.6	68.6	26.6	53.5	71.7	91.2	64.6	54.7	73.6	8.3	18.8	68.9	-50.8	-114.8	-139.2	-144.3	-49.7	-55.9	-45.0
Korea	39.7	27.7	11.7	8.3	9.0	13.8	29.2	21.9	8.0	12.7	-2.1	41.4	34.7	17.9	34.5	64.9	75.2	93.6	80.7	90.1
Latvia	-0.9	-0.7	-0.6	-0.9	-1.0	-1.5	-2.3	-2.5	-4.5	-5.9	-4.6	-0.4	-0.3	-1.4	-1.3	-1.0	-0.7	-0.7	-0.7	-0.7
Lithuania	-1.3	-1.1	-0.7	-0.7	-0.8	-1.1	-1.6	-1.9	-3.1	-5.2	-5.6	-0.6	-0.7	-1.1	0.4	0.6	0.9	-0.8	-1.2	-1.3
Luxembourg	4.2	5.3	5.5	4.8	5.6	6.7	8.2	9.1	12.7	16.1	16.4	15.1	16.7	18.1	17.0	20.8	21.0	21.1	22.3	23.4
Mexico	-1.2	-1.6	-3.8	-9.0	-10.4	-10.1	-13.3	-12.4	-12.0	-16.5	-24.2	-13.0	-12.6	-14.7	-13.5	-11.6	-12.0	-9.8	-2.6	2.3
Netherlands	26.6	23.6	27.0	28.5	31.9	39.0	51.2	58.7	63.7	74.4	81.2	63.2	69.8	76.2	79.4	95.0	100.5	91.0	95.5	100.5
New Zealand	0.7	0.1	1.1	2.2	1.8	1.7	0.6	-1.3	-0.8	-0.2	-1.1	2.8	3.4	3.5	0.8	1.8	2.1	0.5	-0.2	0.9
Norway	2.8	11.6	28.7	29.0	25.8	29.1	34.9	49.3	58.5	54.2	80.0	44.1	48.3	64.1	65.9	53.2	43.9	24.9	27.9	28.6
Poland	-8.6	-9.8	-10.9	-6.8	-6.8	-5.8	-6.3	-2.8	-6.6	-14.2	-26.3	-3.2	-9.7	-10.6	-2.4	10.0	7.0	10.8	8.7	6.5
Portugal	-11.4	-13.2	-13.1	-12.4	-11.1	-11.5	-15.7	-18.0	-17.2	-18.4	-25.6	-16.9	-18.0	-10.5	-1.1	2.3	0.9	0.8	0.2	0.3
Russia	12.0	33.0	52.0	39.0	37.2	48.9	72.4	104.6	125.9	112.5	155.7	92.5	123.3	162.3	145.7	123.0	134.8	126.9	122.4	127.4
Slovak Republic	-2.4	-0.9	-0.5	-1.7	-1.8	-0.6	-1.2	-2.2	-2.2	-0.9	-2.7	-1.2	-1.3	-0.9	3.4	4.2	3.7	2.3	2.7	3.6
Slovenia	-0.4	-1.0	-0.8	-0.2	0.2	-0.1	-0.5	-0.2	0.0	-0.6	-1.1	0.9	0.7	0.9	2.0	2.8	3.9	3.8	4.6	5.0
South Africa	1.7	3.5	3.9	4.9	4.4	4.1	-0.4	-0.7	-4.6	-4.0	-4.9	1.3	4.7	3.8	-5.0	-8.3	-6.6	-1.7	-2.4	-4.8
Spain	-3.2	-12.2	-17.9	-14.7	-14.5	-20.3	-41.3	-57.7	-74.9	-88.9	-84.9	-17.6	-18.6	-3.8	19.6	43.9	34.3	30.8	32.8	33.8
Sweden	16.8	16.4	15.2	14.9	16.7	21.2	29.0	28.0	31.9	34.1	32.3	24.8	26.8	26.5	26.8	26.2	21.4	21.1	22.0	23.2
Switzerland	13.3	13.8	16.7	15.7	20.6	23.7	35.2	29.7	36.6	54.2	59.2	41.8	62.9	58.8	69.4	82.9	79.4	73.0	75.9	80.0
Turkey	2.7	0.8	-8.1	7.6	3.7	-3.1	-10.4	-16.9	-26.1	-33.8	-33.7	-7.1	-40.9	-67.7	-40.8	-54.0	-35.4	-27.3	-23.2	-25.7
United Kingdom	-12.6	-25.7	-30.4	-37.4	-49.3	-49.4	-64.6	-66.3	-66.8	-79.6	-86.5	-54.1	-66.6	-41.9	-53.8	-53.8	-56.8	-35.5	-35.8	-44.6
United States	-162.7	-256.6	-375.8	-368.7	-426.5	-503.7	-619.2	-721.2	-771.0	-718.5	-723.1	-395.5	-512.7	-580.0	-565.6	-508.4	-529.9	-538.2	-610.3	-680.9
Euro area	134.7	93.4	49.4	97.4	178.2	171.1	206.9	156.1	130.9	197.3	144.3	188.3	167.4	187.6	336.8	451.3	497.7	527.4	554.3	575.7
Total OECD	103.1	-37.8	-191.5	-167.8	-148.0	-207.9	-241.6	-416.4	-505.9	-394.4	-538.5	-92.9	-200.6	-368.6	-273.9	-70.5	-25.1	78.5	46.0	37.5

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297842

Annex Table 49. **Balance of primary income**

USD billion

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-11.4	-11.9	-11.1	-10.3	-11.6	-15.1	-22.0	-28.0	-32.5	-41.1	-37.8	-38.0	-49.3	-54.8	-40.9	-39.0	-33.3	-26.3	-25.7	-25.7
Austria	-0.9	-1.7	-1.2	-2.0	-0.2	0.4	0.6	0.2	0.8	-0.4	3.6	-0.2	3.3	1.4	0.5	1.3	-3.0	-0.8	-1.6	-1.6
Belgium	6.5	6.2	5.9	4.0	3.9	5.9	4.9	4.0	3.9	5.9	10.3	-2.5	8.9	5.7	11.4	8.2	7.3	-0.2	-0.5	0.1
Brazil	-18.2	-18.8	-17.9	-19.7	-18.2	-18.6	-20.5	-26.0	-27.5	-29.3	-40.6	-33.7	-39.5	-47.3	-35.4	-39.8	-52.2	-39.4	-41.9	-45.7
Canada	-21.4	-23.5	-23.4	-26.5	-20.7	-23.5	-21.1	-22.3	-15.6	-17.3	-24.1	-17.8	-22.8	-23.3	-22.8	-23.5	-19.8	-14.2	-13.8	-14.0
Chile	-2.0	-2.3	-3.0	-2.6	-2.9	-4.5	-7.8	-10.4	-18.4	-18.9	-13.6	-11.4	-14.7	-13.9	-11.2	-10.6	-8.7	-4.6	-4.2	-4.2
China	-16.6	-14.5	-14.7	-19.2	-14.9	-10.2	-5.1	-16.1	-5.1	8.0	28.6	-8.5	-25.9	-70.3	-19.9	-78.4	-34.1	-34.1	-47.3	-47.3
Colombia	-1.6	-1.3	-2.2	-2.4	-2.6	-3.2	-4.1	-5.3	-5.7	-7.8	-9.6	-8.4	-11.2	-15.5	-15.0	-14.2	-12.7	-7.4	-6.9	-6.9
Costa Rica	..	0.5	0.7	0.7	0.7	0.8	0.9	1.1	1.4	1.7	2.2	2.5	2.9	3.7	4.2	4.5	4.6	3.6	3.5	3.6
Czech Republic	-1.1	-1.4	-1.4	-2.2	-3.5	-4.3	-6.1	-5.4	-7.3	-12.6	-8.8	-11.3	-13.1	-12.8	-12.2	-12.7	-12.5	-11.3	-12.3	-13.0
Denmark	-2.7	-2.5	-3.5	-3.5	-2.6	-2.4	-2.0	2.1	3.4	1.6	4.0	3.2	5.3	7.3	7.4	12.0	9.7	8.1	8.2	7.6
Estonia	-0.1	-0.1	-0.2	-0.3	-0.3	-0.5	-0.6	-0.5	-0.8	-1.5	-1.3	-0.6	-1.0	-1.2	-0.9	-0.6	-0.7	-0.4	-0.5	-0.5
Finland	-3.2	-2.1	-1.7	-0.9	-0.5	-2.6	0.4	-0.1	1.2	-0.4	-1.5	2.1	2.3	0.2	0.1	0.3	1.5	0.7	..	..
France	16.0	31.4	24.3	24.9	14.2	23.7	28.4	39.0	48.5	55.0	64.5	61.3	70.7	79.5	60.9	63.6	58.8	56.9	56.9	56.9
Germany	-13.9	-19.1	-13.3	-15.5	-24.5	-22.2	19.9	24.7	50.9	50.8	37.6	77.7	66.0	97.6	85.7	77.1	89.5	72.2	73.8	75.5
Greece	-1.7	-0.8	-1.0	-1.9	-2.1	-4.7	-5.7	-7.3	-9.4	-13.2	-11.1	-9.4	-7.7	-9.1	1.0	-0.6	0.8	-0.4	0.1	0.1
Hungary	-3.0	-2.9	-2.6	-2.8	-3.6	-4.1	-5.0	-5.4	-5.7	-9.0	-9.8	-6.0	-6.1	-6.8	-5.4	-3.9	-6.2	-4.7	-5.4	-5.8
Iceland	-0.2	-0.2	-0.3	-0.3	0.0	-0.2	-0.6	-0.7	-1.1	-1.0	-3.6	-2.4	-2.2	-1.8	-1.3	-0.2	-0.4	-0.5	-0.4	-0.4
India[1]	-3.6	-3.6	-5.1	-4.2	-3.5	-4.4	-5.0	-5.7	-7.4	-5.2	-7.0	-8.1	-17.8	-16.0	-21.5	-23.0	-25.0	-26.8	-31.6	-35.7
Indonesia	-8.2	-9.0	-8.4	-6.9	-7.0	-6.2	-10.9	-12.9	-13.8	-15.5	-15.2	-15.1	-20.7	-26.5	-26.6	-27.1	-29.7	-28.4	-29.7	-30.8
Ireland	-10.6	-13.9	-13.7	-16.5	-22.5	-25.0	-28.2	-31.2	-30.5	-38.6	-37.3	-39.2	-34.7	-44.6	-38.7	-34.7	-33.5	-39.0	-40.2	-42.4
Israel	-4.0	-5.1	-8.3	-5.5	-4.6	-4.7	-4.1	-1.4	-0.8	-0.3	-4.2	-5.2	-5.2	-3.5	-6.9	-5.8	-3.7	-6.1	-6.0	-5.7
Italy	-5.9	-1.6	-4.3	-3.0	-5.4	-7.5	-3.1	3.1	8.1	1.1	-21.6	-3.5	-6.5	-8.9	-5.3	-5.8	-0.8	-6.4	-8.2	-8.2
Japan	50.2	57.1	71.6	67.1	62.2	74.9	96.2	108.9	123.6	139.2	138.9	135.2	156.5	184.9	175.5	175.9	171.6	177.6	169.3	178.0
Korea	-5.1	-5.4	-4.0	-3.5	-2.2	-2.5	-1.3	-7.3	-4.0	-3.4	-1.2	-2.4	0.5	6.6	12.1	9.1	10.2	9.2	8.8	8.8
Latvia	..	..	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.6	-1.2	-0.9	1.6	0.2	0.0	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
Lithuania	..	..	..	..	..	..	-0.5	-0.4	-0.7	-1.6	-1.7	0.7	-0.7	-1.6	-1.4	-1.1	-0.7	-1.2	-0.6	-0.6
Luxembourg	0.0	-0.8	-1.6	-1.9	-3.7	-5.3	-3.7	-4.7	-7.9	-11.1	-13.7	-11.3	-11.4	-12.8	-13.7	-17.3	-19.4	-20.0	-20.6	-21.6
Mexico	-12.8	-12.0	-13.8	-13.0	-12.2	-12.2	-10.0	-16.4	-19.7	-23.1	-20.2	-14.8	-13.0	-20.2	-24.7	-39.2	-31.5	-38.4	-43.6	-50.6
Netherlands	-11.8	-0.7	-12.9	-8.3	-7.0	-8.9	7.7	-0.4	14.9	-1.8	-23.9	-3.2	3.3	17.1	21.2	15.5	8.8	5.8	3.6	3.3
New Zealand	-2.6	-3.2	-3.2	-2.8	-3.1	-3.9	-5.4	-6.9	-7.5	-9.4	-10.1	-5.7	-6.8	-7.9	-7.3	-7.3	-8.0	-7.4	-9.0	-9.5
Norway	-1.7	-1.3	-2.3	0.2	0.6	1.4	0.5	3.4	0.4	-1.2	-2.5	2.3	4.6	4.6	4.2	6.9	11.4	10.8	8.8	8.8
Poland	-1.0	-0.9	-0.5	-0.4	-0.8	-2.2	-8.1	-5.1	-7.2	-13.1	-10.2	-12.7	-15.6	-17.1	-15.6	-15.9	-17.7	-13.2	-13.2	-13.2
Portugal	-0.5	-0.7	-2.0	-2.7	-1.8	-1.6	-1.9	-2.8	-6.1	-7.3	-8.7	-9.3	-7.6	-6.5	-5.9	-2.9	-3.4	-3.3	-2.8	-2.9
Russia	-11.8	-7.7	-6.7	-4.2	-6.6	-13.2	-12.8	-18.5	-28.8	-28.8	-46.5	-39.7	-47.1	-60.4	-67.7	-79.6	-67.8	-41.7	-35.1	-38.3
Slovak Republic	-0.1	-0.3	-0.3	-0.3	-0.4	-1.8	-2.1	-1.9	-2.3	-3.0	-2.3	-0.8	-2.5	-3.3	-1.6	-1.8	-3.0	-1.7	-2.2	-2.2
Slovenia	0.1	0.1	0.0	0.1	-0.1	-0.2	-0.4	-0.3	-0.5	-1.1	-1.5	-0.7	-0.5	-0.4	-0.3	-0.2	-0.1	-0.3	-0.4	-0.7
South Africa	-3.2	-3.2	-3.2	-3.8	-2.8	-4.6	-4.3	-4.9	-5.2	-9.8	-9.1	-6.7	-8.0	-10.7	-10.8	-9.6	-9.3	-8.9	-9.6	-9.6
Spain	-4.7	-6.0	-3.9	-8.2	-7.4	-6.9	-9.3	-16.6	-21.4	-36.5	-44.7	-26.7	-20.1	-25.5	-9.1	-6.3	-5.7	-0.1	-3.5	-3.8
Sweden	-3.1	-1.9	-1.1	-1.1	-0.8	4.1	0.1	2.9	7.9	14.9	17.5	7.5	9.8	15.4	16.2	15.3	18.0	10.5	8.2	8.2
Switzerland	15.6	18.2	19.5	12.2	9.7	25.0	26.4	35.2	33.4	4.0	-35.0	10.7	35.2	7.9	14.1	13.1	-4.4	11.9	12.6	13.1
Turkey	-3.0	-3.5	-4.0	-5.0	-4.6	-5.6	-5.6	-5.8	-6.7	-7.1	-8.4	-8.3	-7.2	-7.9	-7.2	-9.0	-9.2	-9.7	-10.7	-11.4
United Kingdom	20.9	-1.0	10.8	16.1	28.6	33.7	43.1	59.5	30.3	33.0	11.4	9.2	31.2	32.9	1.7	-26.5	-54.4	-51.7	-44.0	-33.7
United States	4.3	11.9	19.2	29.7	25.2	42.8	64.1	67.6	43.3	100.6	146.1	123.6	177.7	221.0	212.2	224.5	238.0	201.7	202.6	202.6
Euro area	-30.8	-10.1	-25.9	-32.5	-57.9	-57.2	6.9	5.2	49.2	-2.1	-51.4	33.7	62.6	89.2	105.3	95.7	97.1	63.1	53.9	52.0
Total OECD	-14.9	-1.7	12.9	13.6	-4.8	39.4	138.3	169.6	165.0	133.6	77.0	189.3	327.3	399.7	393.1	358.9	346.2	304.7	283.8	291.6

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297859

Annex Table 50. **Balance of secondary income**

USD billion

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	0.0	0.2	-0.1	0.3	0.3	0.2	-0.1	-0.4	-0.5	-0.2	-0.4	-0.9	-1.6	-2.2	-2.4	-2.2	-1.8	-1.3	-1.3	-1.3
Austria	-4.1	-4.4	-3.5	-3.6	-3.2	-3.7	-3.5	-3.7	-3.5	-3.7	-4.5	-3.8	-4.0	-4.2	-4.1	-5.2	-4.4	-4.0	-4.3	-4.4
Belgium	-10.9	-11.2	-9.1	-8.5	-10.5	-13.4	-13.7	-12.3	-12.1	-11.8	-8.2	-7.8	-6.8	-7.9	-7.8	-9.2	-8.5	-8.6	-9.0	-9.0
Brazil	1.5	1.7	1.5	1.6	2.4	2.9	3.2	3.6	4.3	4.0	4.2	3.3	2.9	3.0	2.8	3.4	2.7	2.2	2.1	2.2
Canada	0.4	0.2	0.3	0.4	0.3	-0.2	-0.5	-1.5	-1.7	-2.0	-0.6	-2.3	-3.2	-2.9	-3.3	-1.8	-1.5	-2.0	-1.8	-1.8
Chile	0.5	0.6	0.6	0.4	0.6	0.6	1.1	1.8	3.4	3.1	2.9	1.6	4.4	2.9	2.1	2.2	1.9	1.4	1.2	1.3
China	4.3	4.9	6.3	8.5	13.0	17.4	22.9	23.9	28.1	37.1	43.2	31.7	40.7	24.5	3.4	-8.7	-30.2	-9.4	-12.4	-12.4
Colombia	0.8	1.5	1.7	2.4	2.7	3.3	3.7	4.1	4.7	5.2	5.5	4.6	4.4	4.8	4.6	4.6	4.4	4.5	4.4	4.7
Costa Rica	..	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Czech Republic	0.5	0.6	0.4	0.5	0.9	0.5	0.2	0.5	-0.5	-0.4	-0.7	-1.1	-0.6	-1.0	-1.4	-0.5	-0.4	0.5	0.2	-0.2
Denmark	-3.2	-3.7	-3.7	-3.3	-3.3	-4.4	-5.6	-5.6	-5.6	-6.2	-6.1	-6.5	-6.5	-6.6	-6.5	-7.1	-6.5	-6.3	-6.1	-6.3
Estonia	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Finland	-1.2	-1.0	-0.7	-1.0	-1.0	-1.5	-1.5	-2.0	-2.2	-2.4	-2.9	-3.0	-2.7	-2.7	-2.2	-3.2	-3.2	-1.8	-1.2	-1.4
France	-16.3	-18.7	-21.2	-22.0	-24.1	-31.5	-36.8	-39.1	-39.6	-45.2	-49.9	-50.9	-49.6	-52.0	-55.3	-59.0	-63.1	-49.5	-54.5	-54.9
Germany	-32.6	-28.5	-27.5	-26.0	-26.5	-35.6	-36.1	-38.0	-38.5	-47.3	-52.5	-52.1	-54.0	-49.6	-52.2	-54.0	-51.6	-52.5	-57.6	-58.9
Greece	8.0	6.6	3.4	3.5	3.5	4.3	4.5	3.9	4.3	2.1	-0.4	-1.4	-2.4	-2.1	-1.2	2.4	-0.4	-0.3	-0.3	-0.3
Hungary	0.2	0.4	0.4	0.4	0.5	0.7	-0.5	-1.2	-1.2	-1.6	-1.9	-0.4	-0.5	-0.8	-1.0	-0.6	-0.9	-0.8	-0.7	-0.7
Iceland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.3	-0.3
India[1]	10.6	12.6	13.1	15.8	16.8	22.3	20.7	24.6	30.0	41.8	45.0	52.3	53.3	63.6	64.1	65.3	65.5	67.3	74.9	82.2
Indonesia	1.5	1.9	1.8	1.5	1.7	1.9	1.1	4.8	4.9	5.1	5.4	4.6	4.6	4.2	4.1	4.2	5.2	5.4	5.0	5.0
Ireland	-1.6	-1.4	-1.0	-0.3	-0.7	-1.5	-1.6	-2.2	-2.6	-3.5	-4.0	-4.1	-3.6	-3.7	-3.4	-3.9	-3.6	-3.1	-3.3	-3.5
Israel	6.1	6.2	6.6	6.7	6.9	6.5	6.2	6.1	7.5	7.2	8.0	7.2	8.1	8.7	8.0	9.1	9.8	9.6	9.9	9.9
Italy	-5.5	-5.7	-4.6	-5.0	-7.4	-9.0	-13.8	-17.4	-20.5	-24.6	-26.4	-25.7	-26.5	-26.8	-25.1	-23.9	-22.1	-18.2	-17.2	-17.2
Japan	-8.8	-10.8	-9.8	-8.1	-5.6	-7.7	-8.0	-7.3	-10.6	-11.6	-13.1	-12.0	-12.8	-15.2	-14.2	-10.4	-19.0	-15.0	-14.7	-14.7
Korea	2.8	0.8	-0.2	-1.3	-2.1	-3.2	-3.0	-3.3	-4.4	-4.4	-1.3	-2.2	-5.3	-4.7	-5.5	-4.2	-5.5	-4.8	-5.4	-5.5
Latvia	..	..	0.2	0.1	0.3	0.5	0.7	0.5	0.4	0.3	0.5	0.6	0.6	0.5	0.5	0.4	0.1	0.2	0.2	0.2
Lithuania	..	..	..	..	..	..	0.4	0.4	0.6	0.8	0.8	0.7	1.3	1.0	0.5	1.3	1.5	0.7	0.7	0.8
Luxembourg	-0.5	-0.7	-0.5	-0.7	-0.4	0.2	-0.1	0.1	0.1	0.3	0.2	-0.9	0.2	0.1	-0.3	0.5	0.6	0.4	0.3	0.3
Mexico	6.0	6.3	7.0	9.3	10.3	15.6	18.8	22.1	25.9	26.4	25.5	21.6	21.5	23.0	22.6	21.7	22.9	24.0	25.1	26.7
Netherlands	-1.0	-5.3	3.1	0.3	-0.7	-1.9	-10.7	-12.5	-15.9	-19.4	-15.1	-11.2	-11.8	-12.0	-11.4	-15.5	-15.7	-11.9	-11.2	-11.2
New Zealand	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.4	0.4	0.7	0.3	0.0	-0.2	-0.4	-0.4	-0.3	-0.4	-0.4	-0.2
Norway	-1.5	-1.4	-1.3	-1.6	-2.2	-2.9	-2.6	-2.7	-3.0	-3.5	-3.8	-4.8	-5.9	-7.1	-6.7	-7.8	-7.9	-7.6	-7.5	-7.5
Poland	1.3	1.1	0.0	0.5	1.1	1.8	0.7	0.2	0.7	1.1	1.4	-1.4	-0.1	1.1	-0.2	-0.5	-0.6	0.4	-0.2	-0.4
Portugal	2.4	2.5	2.1	2.2	1.4	1.1	1.5	0.7	0.9	1.5	1.5	0.2	0.3	0.8	1.3	2.0	1.7	1.9	1.9	1.5
Russia	-0.3	0.6	0.1	-0.9	-0.8	-0.4	-1.0	-1.6	-2.6	-5.7	-6.8	-5.5	-6.3	-5.7	-6.1	-9.3	-8.2	-4.9	-4.2	-4.6
Slovak Republic	0.5	0.3	0.2	0.3	0.3	0.4	0.3	0.0	-0.1	-0.6	-1.8	-1.4	-0.7	-1.1	-1.3	-1.8	-1.6	-1.0	-0.9	-1.1
Slovenia	0.2	0.2	0.1	0.1	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.2	-0.1	-0.3	-0.4	-0.3	-0.4	-0.4	-0.4
South Africa	-0.7	-0.9	-0.9	-0.7	-0.6	-1.0	-1.7	-2.5	-2.4	-2.3	-2.3	-2.7	-2.3	-2.0	-3.8	-3.2	-3.2	-2.9	-2.6	-3.0
Spain	-2.6	-2.4	-4.2	-4.7	-4.9	-8.6	-9.6	-12.7	-18.0	-18.3	-22.7	-20.6	-17.7	-19.1	-14.7	-17.4	-15.4	-13.8	-15.1	-16.1
Sweden	-2.7	-3.2	-3.1	-3.1	-3.6	-2.0	-4.1	-4.6	-5.2	-5.3	-7.0	-5.7	-6.5	-7.0	-10.2	-9.9	-9.9	-7.6	-7.0	-7.0
Switzerland	-3.1	-3.3	-3.0	-4.1	-4.7	-4.0	-4.3	-8.7	-6.7	-6.4	-9.4	-8.6	-8.7	-9.0	-8.6	-12.7	-18.5	-11.8	-13.2	-13.2
Turkey	5.5	4.9	4.8	3.0	2.4	1.0	1.1	1.5	1.9	2.2	2.1	2.4	1.5	1.8	1.4	1.2	0.9	1.0	0.6	0.6
United Kingdom	-14.7	-12.7	-15.2	-9.9	-14.1	-17.7	-20.3	-23.4	-23.4	-28.0	-26.3	-24.8	-32.0	-34.7	-34.7	-41.9	-41.5	-38.7	-33.4	-25.3
United States	-53.2	-48.8	-57.4	-63.5	-64.3	-70.2	-88.0	-98.8	-88.3	-113.9	-128.2	-123.8	-125.0	-132.7	-125.1	-122.9	-119.2	-127.0	-129.0	-129.6
Euro area	-65.1	-69.6	-63.5	-65.1	-74.0	-100.7	-121.1	-135.3	-147.8	-173.2	-187.0	-182.9	-179.3	-180.1	-177.8	-188.4	-187.6	-162.8	-172.9	-176.7
Total OECD	-128.7	-132.0	-137.1	-138.4	-150.5	-186.0	-230.0	-260.3	-259.1	-316.2	-345.2	-344.4	-352.5	-366.9	-364.0	-377.3	-385.9	-349.5	-356.8	-352.3

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297862

Annex Table 51. **Current account balances**

USD billion

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-17.8	-21.8	-15.5	-8.0	-16.0	-29.3	-41.3	-43.3	-45.3	-64.0	-52.3	-48.8	-44.3	-44.0	-66.3	-51.5	-44.3	-56.8	-54.5	-46.1
Austria	-4.3	-4.4	-1.8	-2.0	6.9	5.3	7.8	8.0	11.1	14.8	19.5	10.4	11.2	7.0	6.1	8.3	8.5	8.6	7.9	8.0
Belgium	7.2	7.0	5.1	4.3	6.3	7.0	6.8	5.1	4.5	4.2	-4.7	-5.0	8.2	-5.7	-0.3	-1.0	0.5	0.4	4.7	7.7
Brazil	-33.4	-25.3	-24.2	-23.2	-7.6	4.2	11.7	14.0	13.6	1.6	-28.2	-24.3	-47.3	-52.5	-54.2	-81.1	-103.6	-60.9	-41.7	-43.4
Canada	-8.9	0.8	18.5	15.8	12.5	10.3	23.2	21.8	17.9	11.2	3.6	-40.3	-56.6	-47.8	-60.0	-54.6	-37.5	-52.2	-38.4	-29.6
Chile	-4.0	0.0	-1.0	-1.2	-0.7	-0.8	2.6	1.9	7.1	7.1	-5.8	3.5	3.8	-3.1	-9.6	-10.0	-2.9	0.5	-0.6	-0.2
China	31.5	21.1	20.4	17.4	35.4	43.1	68.9	132.4	231.8	353.2	420.6	243.3	237.8	136.1	215.4	148.2	219.7	323.2	302.9	317.7
Colombia	-4.8	0.7	0.8	-1.0	-1.3	-0.9	-0.8	-1.9	-2.9	-6.0	-6.5	-4.6	-8.7	-9.7	-11.3	-12.4	-19.6	-18.3	-16.5	-16.1
Costa Rica	..	-0.7	-0.7	-0.6	-0.9	-0.9	-0.8	-1.0	-1.0	-1.6	-2.8	-0.6	-1.1	-2.1	-2.2	-2.5	-2.1	-2.1	-2.3	-2.4
Czech Republic	-1.3	-1.5	-2.7	-3.3	-4.2	-5.7	-5.0	-1.3	-3.3	-8.2	-4.4	-4.5	-7.4	-5.0	-3.3	-1.1	1.2	1.3	0.3	-0.4
Denmark	-1.5	3.4	2.5	4.2	5.1	7.5	5.8	11.3	8.9	4.5	9.5	10.7	18.4	19.6	18.1	24.2	21.7	20.9	22.2	24.0
Estonia	-0.5	-0.2	-0.3	-0.4	-0.8	-1.3	-1.5	-1.2	-2.6	-3.3	-2.1	0.5	0.3	0.3	-0.6	0.0	0.3	0.7	0.5	0.6
Finland	6.4	6.6	9.0	9.9	10.9	7.5	11.2	6.2	8.2	9.8	6.4	4.9	3.1	-4.9	-5.0	-4.5	-2.4	-2.4	-1.7	-1.0
France	43.0	50.7	16.2	20.9	17.6	16.1	9.2	-0.3	0.7	-8.5	-28.1	-22.3	-22.1	-29.4	-32.0	-22.7	-26.9	5.7	5.9	8.7
Germany	-17.2	-32.2	-35.0	-5.9	42.1	35.2	122.9	130.2	171.5	233.9	208.8	195.1	185.0	226.9	242.7	242.6	291.0	281.0	278.9	270.9
Greece	-3.8	-5.4	-10.1	-9.6	-9.8	-13.0	-13.6	-18.5	-30.2	-45.3	-51.3	-36.1	-30.0	-28.8	-6.0	-4.9	-5.0	-0.6	2.2	3.7
Hungary	-3.5	-3.9	-4.0	-3.1	-4.3	-6.8	-8.8	-7.9	-8.0	-9.9	-11.1	-0.9	0.4	1.0	2.2	5.4	3.1	5.3	7.1	8.7
Iceland	-0.6	-0.6	-0.9	-0.4	0.1	-0.6	-1.4	-2.7	-4.0	-3.0	-4.3	-1.3	-0.9	-0.8	-0.6	0.9	0.6	0.6	0.5	0.4
India [1]	-4.1	-5.0	-2.9	3.3	6.4	13.9	-3.5	-10.3	-9.5	-15.8	-26.2	-37.4	-48.1	-78.3	-88.2	-32.7	-27.7	-16.3	-24.4	-34.0
Indonesia	4.1	5.8	8.0	6.9	7.8	8.1	1.6	0.3	10.9	10.5	0.1	10.6	5.1	1.7	-24.4	-29.1	-27.5	-14.2	-16.3	-21.4
Ireland	0.7	0.3	-0.3	-0.7	-1.2	0.8	-0.2	-6.9	-11.4	-16.4	-16.1	-9.8	-1.7	-2.8	-3.5	7.4	9.0	8.2	8.3	10.7
Israel	-1.2	-1.5	-2.0	-1.9	-1.1	0.8	2.0	4.3	6.7	6.1	2.5	7.2	8.4	6.1	3.8	9.2	11.5	10.3	10.3	9.7
Italy	25.8	14.1	0.6	5.9	-4.1	-9.9	-7.1	-17.4	-30.3	-32.3	-67.7	-42.3	-73.9	-70.3	-9.0	19.1	41.4	27.7	24.0	32.9
Japan	115.4	115.0	130.5	87.1	108.5	139.2	182.2	170.0	176.0	213.2	142.1	146.2	221.0	127.6	62.4	39.6	23.0	138.4	123.6	143.1
Korea	40.1	21.6	10.4	2.7	4.7	11.9	29.7	12.7	3.6	11.8	3.2	33.6	28.9	18.7	50.8	81.1	89.2	101.8	90.0	99.3
Latvia	..	..	-0.4	-0.6	-0.6	-0.9	-1.8	-2.0	-4.6	-6.4	-4.5	2.1	0.6	-0.8	-0.9	-0.7	-0.6	-0.5	-0.6	-0.6
Lithuania	..	..	..	..	..	..	-1.7	-1.9	-3.2	-6.0	-6.5	0.8	-0.1	-1.7	-0.5	0.7	1.7	-1.4	-1.1	-1.1
Luxembourg	1.5	1.5	2.5	1.5	2.1	2.0	4.1	4.1	4.2	5.0	4.3	3.6	3.6	3.6	3.4	3.5	3.6	2.1	3.1	3.1
Mexico	-16.0	-14.0	-18.8	-17.8	-14.8	-8.3	-7.0	-9.0	-7.7	-14.7	-20.3	-8.4	-5.0	-13.2	-16.4	-30.5	-25.0	-23.8	-21.0	-21.6
Netherlands	11.6	14.2	6.9	9.2	10.5	27.0	44.2	41.4	57.4	50.2	39.0	50.3	61.6	81.5	89.5	94.9	93.4	83.1	84.0	87.1
New Zealand	-1.5	-2.9	-1.8	-0.4	-1.3	-2.0	-4.7	-8.0	-7.9	-9.1	-10.4	-2.8	-3.3	-4.7	-6.8	-5.7	-6.2	-7.3	-9.5	-8.8
Norway	-0.5	8.9	25.1	27.5	24.1	27.6	32.8	50.0	55.9	49.5	73.4	41.5	46.9	61.7	63.4	52.4	47.4	28.2	28.6	29.5
Poland	-6.5	-11.8	-9.7	-5.6	-5.2	-5.2	-12.5	-6.1	-11.9	-25.9	-34.4	-16.5	-25.9	-27.4	-18.6	-6.7	-11.1	-0.7	-4.8	-7.2
Portugal	-9.4	-11.3	-12.8	-12.7	-11.4	-11.9	-15.8	-19.5	-22.2	-23.5	-31.9	-25.5	-24.2	-14.8	-4.4	3.2	1.3	1.2	1.0	0.4
Russia	0.2	24.6	45.4	32.1	27.5	33.1	58.6	84.4	92.3	72.2	103.9	50.4	67.5	97.3	71.3	34.8	58.4	79.5	83.2	84.5
Slovak Republic	-2.7	-1.3	-0.9	-2.4	-2.7	-2.7	-4.5	-5.6	-6.0	-5.5	-7.8	-3.0	-4.2	-4.9	0.9	1.5	0.1	-0.4	-0.5	0.3
Slovenia	-0.2	-0.9	-0.7	0.0	0.2	-0.2	-0.9	-0.6	-0.7	-2.0	-3.0	-0.3	-0.1	0.1	1.2	2.7	3.5	3.2	3.7	3.9
South Africa	-2.3	-0.7	-0.2	0.3	1.1	-1.5	-6.4	-8.1	-12.1	-16.2	-16.3	-8.1	-5.6	-8.9	-19.6	-21.1	-19.1	-13.5	-14.6	-17.4
Spain	-10.4	-20.7	-26.2	-27.5	-26.5	-35.3	-59.8	-86.7	-114.0	-143.3	-152.4	-64.0	-56.0	-47.2	-3.2	20.6	13.2	17.7	15.7	15.4
Sweden	9.7	10.6	10.2	11.4	11.8	21.9	24.0	25.1	34.8	43.4	44.5	25.3	29.4	38.9	36.1	38.8	35.3	29.5	28.8	30.1
Switzerland	28.1	32.5	33.7	24.0	27.5	46.8	59.9	57.4	64.2	51.2	16.7	44.4	86.9	53.0	68.7	76.2	51.1	65.9	66.7	71.4
Turkey	2.0	-0.9	-9.9	3.8	-0.6	-7.6	-14.2	-21.4	-31.8	-37.8	-40.2	-12.0	-45.3	-75.0	-48.5	-64.7	-46.5	-37.4	-36.1	-39.5
United Kingdom	-6.3	-39.4	-34.8	-31.1	-34.9	-33.3	-41.8	-30.2	-59.9	-74.7	-101.5	-69.7	-67.4	-43.7	-86.9	-122.4	-152.7	-116.6	-101.9	-92.3
United States	-215.1	-295.5	-410.8	-395.3	-458.1	-521.3	-633.8	-745.4	-806.7	-718.6	-690.8	-384.0	-442.0	-460.4	-449.7	-376.8	-389.5	-450.0	-516.7	-588.0
Euro area	47.6	17.8	-47.9	-9.6	40.1	26.6	102.9	38.3	40.2	37.7	-87.3	56.7	61.0	110.6	279.8	370.7	431.5	436.4	437.8	452.4
Total OECD	-41.9	-183.1	-328.8	-301.3	-306.8	-328.4	-305.3	-482.5	-571.3	-530.2	-767.4	-220.1	-193.1	-287.7	-181.2	-25.4	-0.1	94.2	32.3	34.8

Note: Balance-of-payments data in this table are based on the concepts and definition of the International Monetary Fund, Fifth and Sixth Balance of Payments Manual.
1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297875

Annex Table 52. **Current account balances as a percentage of GDP**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-4.7	-5.3	-3.8	-2.1	-3.7	-5.4	-6.3	-5.9	-5.8	-6.7	-4.8	-4.7	-3.6	-2.9	-4.3	-3.4	-3.1	-4.7	-4.5	-3.6
Austria	-2.0	-2.0	-0.9	-1.0	3.2	2.0	2.6	2.6	3.3	3.8	4.5	2.6	2.9	1.6	1.5	2.0	2.0	2.3	2.0	2.0
Belgium	2.7	2.7	2.1	1.8	2.4	2.2	1.8	1.4	1.0	0.9	-1.0	-1.1	1.8	-1.1	-0.1	-0.2	0.1	0.1	1.0	1.6
Brazil	-3.9	-4.2	-3.7	-4.1	-1.2	0.7	1.8	1.6	1.2	0.1	-1.6	-1.4	-2.1	-2.0	-2.3	-3.4	-4.4	-3.4	-2.7	-2.6
Canada	-1.4	0.1	2.5	2.1	1.7	1.1	2.3	1.9	1.4	0.8	0.1	-2.9	-3.5	-2.7	-3.3	-3.0	-2.1	-3.3	-2.4	-1.8
Chile	-4.9	0.0	-1.3	-1.6	-1.0	-1.1	2.6	1.5	4.6	4.1	-3.4	2.0	1.7	-1.2	-3.6	-3.6	-1.1	0.2	-0.2	-0.1
China	3.1	1.9	1.7	1.3	2.4	2.6	3.6	5.8	8.5	10.0	9.2	4.8	3.9	1.8	2.5	1.6	2.1	3.0	2.7	2.6
Colombia	-4.1	0.7	0.8	-1.1	-1.4	-1.0	-0.7	-1.3	-1.8	-2.9	-2.7	-2.0	-3.0	-2.9	-3.1	-3.2	-5.2	-6.1	-5.7	-5.2
Costa Rica	..	-4.1	-4.3	-3.7	-5.1	-5.0	-4.2	-4.9	-4.5	-6.2	-9.3	-2.0	-3.1	-5.0	-4.9	-5.0	-4.3	-4.0	-4.1	-4.0
Czech Republic	-1.9	-2.3	-4.4	-4.9	-5.1	-5.7	-4.2	-0.9	-2.1	-4.3	-1.9	-2.3	-3.6	-2.1	-1.6	-0.5	0.6	0.7	0.2	-0.2
Denmark	-0.8	1.9	1.6	2.5	2.8	3.4	2.3	4.3	3.2	1.4	2.7	3.3	5.7	5.7	5.6	7.2	6.3	7.0	7.2	7.4
Estonia	-8.6	-4.3	-5.4	-7.1	-11.1	-12.9	-12.0	-8.8	-15.0	-15.1	-8.7	2.5	1.8	1.3	-2.4	-0.1	1.0	3.3	2.3	2.4
Finland	4.7	4.9	7.1	7.6	7.8	4.4	5.6	3.0	3.8	3.8	2.2	1.9	1.2	-1.8	-1.9	-1.7	-0.9	-1.0	-0.7	-0.4
France	2.8	3.4	1.2	1.5	1.2	0.9	0.4	0.0	0.0	-0.3	-1.0	-0.8	-0.8	-1.0	-1.2	-0.8	-0.9	0.2	0.2	0.3
Germany	-0.8	-1.5	-1.8	-0.3	2.0	1.4	4.4	4.6	5.7	6.8	5.5	5.7	5.4	6.0	6.9	6.5	7.5	8.3	8.0	7.5
Greece	-2.7	-3.7	-7.6	-7.1	-6.4	-6.4	-5.6	-7.5	-11.0	-14.1	-14.4	-10.9	-9.9	-9.9	-2.4	-2.0	-2.1	-0.3	1.2	1.9
Hungary	-7.1	-7.9	-8.5	-5.9	-6.3	-8.0	-8.5	-7.0	-7.0	-7.1	-7.1	-0.8	0.3	0.7	1.7	4.0	2.3	4.3	5.5	6.4
Iceland	-7.2	-7.2	-10.3	-4.3	1.1	-4.9	-9.8	-15.8	-23.3	-14.0	-22.8	-9.7	-6.6	-5.3	-4.2	5.7	3.4	3.5	2.5	1.9
India[1]	-1.0	-1.1	-0.6	0.7	1.2	2.3	-0.5	-1.3	-1.0	-1.3	-2.2	-2.8	-2.9	-4.3	-4.8	-1.7	-1.3	-0.8	-1.0	-1.3
Indonesia	3.8	3.4	4.5	3.9	3.7	3.1	0.6	0.1	2.7	2.2	0.0	1.8	0.7	0.2	-2.7	-3.2	-3.1	-1.6	-1.7	-2.1
Ireland	0.8	0.2	-0.4	-0.6	-1.0	0.5	-0.1	-3.3	-4.9	-6.1	-5.8	-4.1	-0.8	-1.2	-1.5	3.1	3.6	3.6	3.4	4.1
Israel	-1.0	-1.3	-1.5	-1.4	-0.9	0.6	1.5	3.1	4.3	3.4	1.2	3.4	3.6	2.3	1.5	3.2	3.7	3.5	3.3	3.0
Italy	2.0	1.1	0.0	0.5	-0.3	-0.6	-0.4	-0.9	-1.6	-1.5	-2.9	-1.9	-3.5	-3.1	-0.4	0.9	1.9	1.5	1.3	1.7
Japan	2.9	2.6	2.8	2.1	2.7	3.2	3.9	3.7	4.0	4.9	3.0	2.9	4.0	2.2	1.0	0.8	0.5	3.3	2.9	3.3
Korea	10.9	4.4	1.9	0.5	0.8	1.7	3.9	1.4	0.3	1.0	0.6	3.8	2.7	1.6	4.1	6.2	6.3	7.3	6.3	6.6
Latvia	..	..	-4.7	-7.5	-6.5	-7.8	-12.3	-11.9	-20.9	-20.8	-12.4	8.1	2.3	-2.8	-3.3	-2.4	-2.0	-2.0	-2.1	-2.1
Lithuania	..	..	..	..	..	..	-7.6	-7.2	-10.5	-15.0	-13.3	2.1	-0.3	-3.9	-1.2	1.5	3.6	-3.4	-2.5	-2.4
Luxembourg	7.4	6.7	11.4	7.1	9.5	6.6	11.9	11.1	10.0	9.8	7.7	7.3	6.8	6.2	6.1	5.7	5.5	3.6	5.1	5.0
Mexico	-3.2	-2.4	-2.7	-2.5	-2.0	-1.2	-0.9	-1.0	-0.8	-1.4	-1.9	-0.9	-0.5	-1.1	-1.4	-2.4	-1.9	-2.0	-1.8	-1.7
Netherlands	2.7	3.2	1.7	2.2	2.2	4.7	6.8	6.1	7.9	6.0	4.1	5.8	7.4	9.1	10.8	11.0	10.6	11.0	10.7	10.6
New Zealand	-2.7	-4.9	-3.2	-0.8	-2.2	-2.4	-4.6	-7.1	-7.1	-6.8	-7.7	-2.3	-2.3	-2.8	-4.0	-3.1	-3.1	-4.3	-5.6	-4.9
Norway	-0.3	5.5	14.7	15.8	12.3	12.1	12.4	16.2	16.1	12.2	15.7	10.6	10.9	12.4	12.4	10.0	9.4	7.1	7.1	7.1
Poland	-3.8	-7.0	-5.7	-2.9	-2.6	-2.4	-5.0	-2.0	-3.5	-6.0	-6.4	-3.7	-5.4	-5.2	-3.7	-1.3	-2.0	-0.2	-1.0	-1.4
Portugal	-7.5	-8.9	-10.8	-10.4	-8.5	-7.2	-8.3	-9.9	-10.7	-9.7	-12.1	-10.4	-10.1	-6.0	-2.0	1.4	0.5	0.6	0.5	0.2
Russia	2.2	12.8	17.5	10.4	8.0	7.7	9.9	11.0	9.3	5.5	6.2	4.0	4.4	5.1	3.5	1.7	3.2	6.6	6.6	6.2
Slovak Republic	-12.0	-6.5	-4.7	-11.2	-10.7	-8.0	-10.5	-11.5	-10.6	-7.1	-8.1	-3.5	-4.7	-5.0	0.9	1.5	0.1	-0.4	-0.5	0.3
Slovenia	-0.9	-4.0	-3.2	0.0	0.9	-0.8	-2.7	-1.8	-1.8	-4.1	-5.3	-0.6	-0.1	0.2	2.6	5.6	7.0	7.5	8.5	8.7
South Africa	-1.7	-0.5	-0.1	0.3	0.9	-0.8	-2.8	-3.1	-4.5	-5.4	-5.5	-2.7	-1.5	-2.2	-5.0	-5.8	-5.4	-4.2	-4.6	-5.0
Spain	-1.7	-3.3	-4.4	-4.4	-3.7	-3.9	-5.6	-7.5	-9.0	-9.6	-9.3	-4.3	-3.9	-3.2	-0.2	1.5	1.0	1.5	1.3	1.2
Sweden	3.6	3.9	4.0	4.7	4.5	6.6	6.3	6.5	8.3	8.9	8.6	5.9	6.0	6.9	6.6	6.7	6.2	6.0	5.5	5.5
Switzerland	9.6	11.2	12.4	8.6	9.0	13.2	15.2	14.0	15.0	10.8	3.0	8.0	14.8	7.7	10.3	11.1	7.3	9.8	9.9	10.4
Turkey	0.9	-0.6	-3.8	2.0	-0.4	-2.5	-3.6	-4.4	-6.0	-5.8	-5.4	-1.9	-6.1	-9.6	-6.1	-7.9	-5.8	-5.3	-4.9	-4.9
United Kingdom	-0.4	-2.5	-2.2	-2.0	-2.1	-1.7	-1.8	-1.2	-2.3	-2.5	-3.6	-3.0	-2.8	-1.7	-3.3	-4.5	-5.1	-4.0	-3.4	-3.0
United States	-2.4	-3.1	-4.0	-3.7	-4.2	-4.5	-5.2	-5.7	-5.8	-5.0	-4.7	-2.7	-3.0	-3.0	-2.8	-2.3	-2.2	-2.5	-2.8	-3.0
Euro area	0.7	0.3	-0.8	-0.1	0.6	0.3	1.0	0.4	0.4	0.3	-0.6	0.4	0.5	0.8	2.2	2.8	3.3	3.8	3.7	3.7
Total OECD	-0.2	-0.7	-1.2	-1.1	-1.1	-1.0	-0.9	-1.3	-1.5	-1.2	-1.7	-0.5	-0.4	-0.6	-0.4	-0.1	0.0	0.2	0.1	0.1

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

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Annex Table 53. **Structure of current account balances of major world regions**

USD billion

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Goods and services trade balance[1]																	
OECD	-168	-148	-208	-242	-416	-506	-394	-538	-93	-201	-369	-274	-70	-25	79	46	38
China	28	37	36	51	125	209	308	349	220	223	182	232	235	284	367	363	377
Other industrialised Asia[2]	66	83	95	82	86	116	140	56	105	84	73	18	62	128	198	195	196
Russia	39	37	49	72	105	126	113	156	93	123	162	146	123	135	127	122	127
Brazil	-12	1	12	23	30	30	18	-5	-9	-23	-20	-33	-56	-65	-27	-2	0
Other oil producers	89	83	123	191	330	401	374	526	156	332	641	665	591	429	24	-2	2
Rest of the world	-50	-39	-46	-67	-89	-118	-179	-258	-156	-170	-215	-260	-274	-277	-268	-271	-291
World[3]	-8	55	61	110	170	258	379	285	316	369	455	493	611	609	500	451	450
Balance of primary income																	
OECD	14	-5	39	138	170	165	134	77	189	327	400	393	359	346	305	284	292
China	-19	-15	-10	-5	-16	-5	8	29	-9	-26	-70	-20	-78	-34	-34	-47	-47
Other industrialised Asia[2]	-12	-16	-12	-21	-33	-25	-24	-26	-29	-46	-48	-71	-81	-82	-74	-78	-85
Russia	-4	-7	-13	-13	-19	-29	-29	-46	-40	-47	-60	-68	-80	-68	-42	-35	-38
Brazil	-20	-18	-19	-21	-26	-27	-29	-41	-34	-39	-47	-35	-40	-52	-39	-42	-46
Other oil producers	-7	-16	-22	-28	-42	-21	-29	-56	-44	-69	-87	-89	-82	-77	-77	-78	-78
Rest of the world	-33	-33	-41	-50	-54	-59	-75	-82	-72	-99	-122	-124	-123	-124	-119	-118	-119
World[3]	-81	-110	-78	1	-21	-2	-45	-145	-37	1	-35	-14	-124	-90	-81	-115	-121
Balance of secondary income																	
OECD	-138	-151	-186	-230	-260	-259	-316	-345	-344	-352	-367	-364	-377	-386	-349	-357	-352
China	8	13	17	23	24	28	37	43	32	41	25	3	-9	-30	-9	-12	-12
Other industrialised Asia[2]	17	20	28	25	36	43	55	69	68	71	84	91	92	93	87	93	101
Russia	-1	-1	0	-1	-2	-3	-6	-7	-6	-6	-6	-6	-9	-8	-5	-4	-5
Brazil	2	2	3	3	4	4	4	4	3	3	3	3	3	3	2	2	2
Other oil producers	-20	-20	-19	-19	-20	-11	-20	-28	-38	-42	-49	-56	-68	-74	-74	-76	-76
Rest of the world	51	58	68	79	90	104	121	139	130	139	150	157	167	170	169	169	169
World[3]	-81	-78	-90	-121	-129	-93	-125	-124	-154	-147	-160	-172	-201	-232	-180	-186	-174
Current balance																	
OECD	-301	-307	-328	-305	-482	-571	-530	-767	-220	-193	-288	-181	-25	0	94	32	35
China	17	35	43	69	132	232	353	421	243	238	136	215	148	220	323	303	318
Other industrialised Asia[2]	60	78	104	77	72	125	159	88	137	102	100	17	63	126	170	176	168
Russia	32	27	33	59	84	92	72	104	50	67	97	71	35	58	79	83	85
Brazil	-23	-8	4	12	14	14	2	-28	-24	-47	-52	-54	-81	-104	-61	-42	-43
Other oil producers	60	43	82	146	296	380	343	442	82	228	495	502	416	246	-81	-62	-51
Rest of the world	-27	-8	-13	-31	-47	-65	-117	-185	-84	-113	-161	-200	-198	-184	-185	-198	-214
World[3]	-182	-139	-75	25	70	206	280	74	184	282	327	371	358	362	339	293	296

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. Chinese Taipei, Hong Kong, China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
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 98 database.

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Annex Table 54. **Export market growth in goods and services**

Percentage change from previous year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-3.1	5.7	13.7	0.7	6.6	9.8	13.6	9.0	9.9	7.9	5.1	-8.7	14.8	10.1	5.3	4.3	4.4	0.8	3.5	4.6
Austria	7.6	5.8	11.9	2.0	1.3	5.4	9.5	7.6	10.7	8.4	3.0	-11.4	11.9	7.0	0.8	3.1	3.1	3.1	4.0	5.1
Belgium	9.0	7.0	12.4	1.8	1.8	4.2	8.4	7.2	9.5	6.7	2.6	-10.7	10.8	6.1	1.5	2.3	3.6	3.3	4.1	5.1
Canada	9.9	9.0	12.9	-1.9	3.8	4.9	11.3	6.8	7.1	3.6	-1.1	-12.8	12.7	6.0	2.7	1.7	3.7	4.2	4.9	5.4
Chile	1.5	5.3	13.3	0.6	3.8	8.5	12.3	8.3	10.2	8.6	4.2	-8.9	15.3	9.8	3.8	4.5	3.9	1.1	3.1	4.6
Czech Republic	7.9	5.4	11.6	2.7	1.3	5.3	9.2	7.6	11.2	8.1	3.0	-12.1	11.8	6.9	1.0	2.8	3.4	3.2	4.3	5.2
Denmark	8.4	5.5	11.4	1.1	1.7	4.8	8.7	7.6	9.7	7.4	2.4	-11.5	11.3	6.2	1.9	2.3	3.9	2.8	3.7	4.6
Estonia	7.3	1.6	12.3	3.1	3.7	5.8	10.4	10.5	11.2	10.7	4.9	-17.5	12.0	9.5	3.2	2.1	1.5	-1.3	3.1	4.2
Finland	6.4	4.2	12.3	1.5	3.1	6.1	10.3	8.6	10.9	9.3	3.7	-13.5	13.0	8.6	3.0	2.7	2.5	-0.4	3.4	4.6
France	7.1	5.8	11.6	1.5	2.3	5.2	9.4	7.6	9.8	8.0	2.7	-11.1	11.0	6.0	1.3	2.7	3.3	2.6	3.7	4.8
Germany	7.3	5.1	12.5	1.9	3.1	4.8	9.6	7.9	9.5	8.0	3.0	-11.3	11.3	6.6	1.6	2.8	3.1	1.9	3.5	4.8
Greece	7.1	3.4	10.7	1.3	3.6	6.1	10.4	7.9	9.8	10.1	4.4	-11.3	10.7	7.3	2.3	2.6	2.6	2.0	3.5	4.9
Hungary	7.3	5.1	11.4	2.8	2.0	5.5	9.8	7.7	10.8	8.6	3.1	-12.3	11.8	7.1	1.5	2.5	3.1	2.5	4.1	5.2
Iceland	7.8	6.7	10.9	2.1	2.0	3.6	8.1	7.0	9.3	6.4	2.0	-10.9	9.9	5.0	1.9	2.5	3.2	2.9	3.8	4.8
Ireland	8.1	7.1	11.9	0.5	2.8	3.9	8.7	6.8	7.8	4.5	0.5	-11.0	10.8	5.3	1.5	2.4	3.4	3.5	3.9	4.8
Israel	7.4	6.9	13.0	-1.0	4.2	6.3	11.6	8.1	8.8	6.1	2.4	-11.3	13.6	7.7	3.1	2.5	2.9	2.0	4.0	5.3
Italy	7.6	5.5	12.1	1.6	2.5	5.4	9.8	8.0	9.7	8.9	3.5	-11.3	10.8	6.8	2.0	3.1	2.8	2.0	3.6	4.9
Japan	0.2	6.7	15.5	-1.0	7.2	9.7	14.4	9.0	10.2	8.7	4.1	-8.6	15.4	9.2	4.2	4.6	3.4	1.4	3.6	4.9
Korea	1.7	4.3	14.4	0.7	6.5	10.4	14.7	9.5	10.9	9.5	5.2	-8.6	15.0	9.7	5.0	5.1	4.0	0.8	3.4	4.8
Luxembourg	8.4	6.0	12.4	1.5	1.3	3.6	7.4	7.0	9.0	6.4	1.8	-10.3	10.4	5.8	0.6	2.6	3.3	3.6	3.9	4.9
Mexico	10.5	8.8	12.5	-2.3	3.3	4.8	11.4	6.7	6.9	3.7	-1.3	-13.2	12.9	6.1	2.5	1.5	3.6	4.4	4.9	5.5
Netherlands	8.0	6.0	12.2	1.5	1.5	4.4	8.4	7.2	9.5	7.0	2.2	-11.0	10.9	6.1	1.0	2.4	3.7	3.5	4.0	5.0
New Zealand	2.0	5.1	12.3	-0.6	6.7	8.6	13.4	8.9	9.7	9.5	6.0	-9.3	13.7	9.0	5.2	2.3	2.4	1.0	2.5	4.0
Norway	8.3	6.8	11.8	2.0	2.9	3.7	7.9	7.2	9.6	4.6	1.1	-10.6	10.1	4.7	1.9	2.2	3.8	2.7	3.6	4.5
Poland	7.9	5.4	12.0	2.9	2.0	5.1	9.6	7.9	10.7	8.2	2.6	-12.5	11.6	6.9	1.3	2.5	3.3	2.7	4.0	5.0
Portugal	10.1	7.7	11.2	2.7	2.4	4.7	9.0	7.5	9.0	8.2	0.5	-12.5	9.3	4.3	0.0	1.8	4.0	3.8	4.2	5.1
Slovak Republic	9.0	5.6	12.8	2.8	2.1	5.6	10.6	7.6	10.7	9.2	3.0	-12.2	11.9	6.4	0.6	2.1	4.6	3.6	4.3	5.3
Slovenia	7.8	4.4	11.6	3.0	2.0	5.2	9.5	7.4	10.6	9.3	3.7	-12.4	11.5	7.1	1.0	2.2	3.1	2.4	4.0	5.1
Spain	8.9	5.5	11.8	1.5	1.7	3.6	8.2	6.8	9.0	7.3	2.6	-10.6	10.6	5.3	0.7	2.5	3.4	3.4	3.9	4.9
Sweden	7.7	4.1	11.1	1.5	3.0	4.1	9.2	8.4	10.1	7.6	3.3	-11.5	10.0	6.4	2.3	2.6	3.0	2.1	3.4	4.6
Switzerland	6.8	6.3	12.4	1.1	2.4	5.3	9.6	7.3	9.6	7.1	2.2	-11.0	12.1	6.5	1.8	2.5	3.5	2.7	3.9	5.0
Turkey	6.5	3.3	11.0	3.9	3.3	5.4	10.4	9.2	11.0	11.8	6.1	-10.7	9.3	6.8	3.8	2.6	2.5	0.4	3.2	4.6
United Kingdom	9.4	6.8	13.0	1.4	2.4	4.1	9.3	8.1	9.2	7.6	2.1	-9.9	10.1	5.6	2.0	2.3	4.4	4.2	4.0	5.0
United States	3.8	5.7	12.5	-0.5	3.1	6.0	10.7	8.5	9.3	8.2	4.4	-10.6	14.3	8.0	4.0	3.4	3.2	1.3	2.9	4.4
Total OECD	6.4	6.0	12.6	0.8	3.1	5.6	10.3	7.9	9.5	7.6	2.9	-10.8	12.3	7.1	2.5	3.0	3.4	2.3	3.7	4.8
China	2.1	4.7	13.3	-0.8	3.9	6.1	12.0	8.0	8.9	7.5	3.8	-12.1	13.6	7.1	3.5	2.3	2.8	1.0	3.6	4.9
Other industrialised Asia[1]	0.2	4.1	14.2	-0.3	5.8	8.6	13.8	8.9	9.7	8.4	4.7	-9.3	14.4	8.6	4.5	4.0	3.6	1.1	3.5	4.8
Russia	5.9	5.0	12.0	1.1	3.6	6.1	10.1	8.1	9.8	9.0	3.7	-10.8	11.3	7.4	2.4	2.9	3.3	2.6	3.6	4.9
Brazil	4.9	2.2	11.0	0.2	-0.3	9.4	14.0	9.9	10.8	10.8	5.7	-10.4	14.4	10.3	3.4	3.8	1.8	1.5	3.6	4.8
Other oil producers	2.5	5.5	13.1	0.1	4.9	7.6	12.2	9.0	10.0	8.1	4.9	-10.2	13.4	8.7	4.2	2.3	3.2	0.9	3.7	5.1
Rest of the world	5.6	3.0	11.8	1.9	3.6	6.7	11.5	9.0	10.7	10.5	5.5	-11.7	12.5	8.5	3.6	3.0	2.1	-0.2	3.1	4.8

Note: Regional aggregates are calculated inclusive of intra-regional trade.

1. Chinese Taipei, Hong Kong, China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 98 database.

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Annex Table 55. **Import penetration**

Goods and services import volume as a percentage of total final expenditure, constant prices

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	10.6	11.0	11.4	10.7	11.3	12.0	13.1	13.6	14.3	15.2	16.2	14.7	16.3	17.4	17.7	17.2	16.6	16.4	16.0	15.8
Austria	27.2	27.3	28.4	29.3	29.1	29.6	30.8	31.3	31.8	32.2	32.2	30.2	32.3	33.0	33.1	33.1	33.3	33.3	33.8	34.5
Belgium	38.1	38.0	40.1	39.7	39.5	39.7	40.3	41.3	41.8	42.4	43.0	41.3	42.9	44.2	44.5	44.7	45.8	46.7	47.3	48.2
Brazil	12.1	10.4	11.0	11.2	9.5	9.4	9.7	10.1	11.3	12.5	13.6	12.8	15.4	16.2	16.0	16.5	16.4	15.2	14.7	14.9
Canada	21.6	22.1	22.6	21.5	21.3	21.7	22.6	23.2	23.7	24.4	24.3	22.5	24.2	24.9	25.2	25.1	24.9	24.9	24.9	25.1
Chile	21.0	19.4	20.1	20.2	20.0	20.8	22.4	24.2	25.2	26.8	28.3	25.1	28.6	30.6	30.5	29.9	27.9	26.7	26.7	26.8
China	12.1	13.6	15.3	15.4	17.3	20.1	22.0	22.2	22.9	22.8	22.1	21.3	22.4	23.5	23.4	24.0	23.9	23.1	22.5	22.3
Colombia	15.6	13.0	13.4	14.2	13.9	14.4	15.0	15.8	17.4	18.4	19.4	17.7	18.6	20.7	21.5	21.7	22.5	21.5	21.0	21.1
Costa Rica	36.3	34.6	33.5	33.6	34.4	33.3	34.3	35.6	35.5	34.7	35.5	31.1	33.4	34.4	35.1	34.8	33.2	32.2	32.7	32.9
Czech Republic	24.7	25.3	27.0	28.4	28.9	29.9	33.7	35.0	35.9	37.4	37.5	36.0	38.7	39.7	40.6	40.7	42.5	43.3	43.9	44.8
Denmark	23.3	23.2	24.8	25.1	26.2	25.9	26.7	28.3	30.2	31.2	32.2	30.5	30.4	31.6	31.9	32.4	32.9	32.4	32.8	33.3
Estonia	35.9	34.5	32.1	33.5	34.9	35.8	37.7	39.4	41.7	42.7	42.3	37.0	40.7	44.8	46.5	47.1	46.3	45.7	45.9	46.4
Finland	21.9	21.8	23.3	23.2	23.7	24.2	24.9	26.4	26.9	27.3	28.6	26.7	27.2	28.0	28.5	28.7	28.7	28.7	28.9	29.2
France	17.2	17.6	19.2	19.3	19.4	19.4	19.9	20.6	21.1	21.7	21.9	20.7	21.8	22.5	22.6	22.8	23.4	24.3	24.9	25.6
Germany	19.4	20.5	21.7	21.6	21.2	22.2	23.3	24.2	25.5	26.1	26.3	25.4	27.0	27.6	27.5	28.1	28.5	29.3	30.0	30.8
Greece	20.3	22.3	25.2	24.2	23.0	22.9	23.1	23.2	24.4	26.1	26.6	23.4	23.4	23.7	23.2	23.3	24.4	24.5	24.6	24.7
Hungary	28.8	30.5	33.8	34.1	34.9	36.1	38.6	39.4	42.0	45.0	46.3	44.0	46.3	47.0	46.6	47.5	49.4	50.7	51.4	52.0
Iceland	26.7	26.6	27.1	24.4	23.8	25.1	26.0	29.8	30.9	28.6	23.9	20.7	21.8	22.5	22.9	22.3	23.5	24.5	24.8	25.0
India[1]	12.5	12.4	12.5	12.3	13.1	13.7	15.1	17.8	19.5	19.5	22.2	20.5	21.3	23.5	23.7	21.0	19.5	17.5	17.4	17.8
Indonesia	20.3	13.0	15.2	15.3	14.2	13.8	16.2	17.7	18.1	18.5	19.1	17.0	18.3	19.5	19.8	19.3	18.8	17.5	17.0	17.0
Ireland	42.4	42.8	44.6	44.7	43.8	42.7	43.7	44.7	46.1	46.5	46.3	47.1	48.0	46.5	47.0	46.6	49.0	50.3	50.4	50.7
Israel	23.9	25.9	26.5	25.4	25.2	24.8	26.0	25.8	25.4	26.2	26.0	23.1	24.7	25.6	25.5	25.0	25.1	24.9	25.2	25.6
Italy	17.5	17.8	18.8	18.9	19.0	19.1	19.5	20.0	20.9	21.4	21.0	19.7	21.3	21.4	20.4	20.3	20.8	21.6	21.9	22.3
Japan	9.3	9.6	10.4	10.4	10.4	10.6	11.1	11.4	11.7	11.7	11.9	10.8	11.3	12.0	12.3	12.5	13.2	13.3	13.5	13.8
Korea	21.0	23.0	25.0	23.5	24.8	26.2	27.6	28.4	29.8	31.1	31.1	29.6	31.6	33.8	33.8	33.5	33.3	33.2	33.3	33.4
Latvia	33.7	31.8	31.1	32.9	31.9	32.7	35.1	36.3	38.2	39.8	37.7	32.1	35.6	38.9	39.3	38.5	38.1	38.2	38.3	38.6
Lithuania	31.1	28.1	28.6	30.9	33.5	33.3	35.1	37.6	39.1	38.9	41.0	36.6	40.2	42.0	42.7	43.9	43.8	45.7	46.2	46.5
Luxembourg	52.3	53.5	54.0	55.0	54.3	55.1	56.7	57.3	59.0	58.6	60.9	58.9	59.5	60.7	61.2	61.5	62.3	62.5	62.6	62.9
Mexico	16.0	17.3	19.5	19.6	19.8	20.2	20.6	21.4	22.2	22.7	23.0	20.9	23.2	23.8	23.6	24.0	24.6	24.6	24.9	25.1
Netherlands	32.0	32.9	34.4	34.4	34.4	34.8	35.8	36.5	37.5	37.9	38.0	37.1	38.8	39.3	40.1	40.5	41.2	41.8	42.2	42.9
New Zealand	18.8	19.9	19.2	19.2	19.9	20.5	22.3	22.9	22.0	22.9	23.7	20.9	22.3	23.2	23.2	23.9	24.8	25.5	25.6	25.8
Norway	18.4	18.0	17.8	17.7	17.6	17.6	18.3	19.0	20.0	21.0	21.5	20.0	21.1	21.6	21.7	22.3	22.2	22.6	22.6	22.8
Poland	23.9	23.4	24.8	24.0	24.2	25.2	25.7	26.2	28.3	29.9	31.0	27.7	29.6	29.8	29.4	29.5	30.8	31.2	31.5	32.1
Portugal	24.5	25.4	25.7	25.5	25.4	25.5	26.5	26.8	28.0	28.5	29.0	27.5	28.7	27.8	27.3	28.5	29.7	31.3	32.2	33.0
Russia	9.0	7.7	8.8	9.8	10.6	11.4	12.7	13.6	15.0	16.9	18.1	14.3	16.6	18.7	19.5	19.8	18.4	14.8	14.8	15.0
Slovak Republic	34.1	33.4	34.5	37.6	37.9	38.5	42.0	44.0	46.4	46.1	45.5	41.7	43.8	45.4	45.7	46.5	47.0	48.0	48.4	48.9
Slovenia	31.5	32.1	32.6	32.8	33.1	33.9	35.9	36.6	38.1	40.1	40.3	37.3	38.6	39.6	39.4	40.0	40.2	40.5	40.9	41.7
South Africa	19.3	17.7	17.8	17.5	17.7	18.4	20.0	20.8	22.7	23.4	23.3	20.3	21.5	22.7	23.3	23.3	22.9	23.7	24.5	25.5
Spain	18.6	19.9	20.5	20.5	20.6	21.0	22.1	22.6	23.3	24.1	22.8	20.1	21.2	21.2	20.6	20.8	21.6	22.1	22.6	23.2
Sweden	24.5	24.5	25.8	25.2	24.6	24.8	25.2	25.9	26.6	27.4	28.2	26.3	27.5	28.3	28.6	28.3	29.1	28.9	29.0	29.1
Switzerland	31.1	31.4	32.3	32.2	31.6	31.7	31.9	33.4	33.2	33.5	34.1	33.7	34.9	36.5	35.6	38.0	35.5	35.3	34.9	35.0
Turkey	16.8	16.7	18.5	15.4	17.2	19.6	21.2	21.8	21.8	22.8	21.9	20.1	21.9	22.3	21.8	22.6	22.0	21.7	21.6	21.8
United Kingdom	20.5	20.8	21.7	22.0	22.5	22.4	23.1	23.7	25.1	24.3	24.1	23.1	24.3	24.0	24.3	24.4	24.4	24.2	24.2	24.4
United States	10.8	11.3	12.1	11.7	11.9	12.1	12.9	13.2	13.6	13.7	13.4	12.1	13.1	13.6	13.6	13.5	13.7	14.0	14.4	14.8
Total OECD	16.5	17.1	18.2	18.0	18.1	18.4	19.2	19.8	20.6	21.0	21.1	19.6	20.9	21.6	21.5	21.7	22.0	22.4	22.7	23.1

Note: The OECD aggregate is calculated inclusive of intra-regional trade as the sum of import volumes expressed in 2010 USD divided by the sum of total final expenditure expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 98 database.

StatLink http://dx.doi.org/10.1787/888933297919

Annex Table 56. **Quarterly demand and output projections**

Percentage change from previous period, seasonally adjusted at annual rates, volume

	2015	2016	2017	2015	2016				2017				2015	2016	2017
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4 / Q4	
Private consumption															
Canada	2.1	2.0	1.8	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	2.0	1.8	1.8
France	1.6	1.7	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.7	1.9	1.9
Germany	1.9	2.0	2.0	2.0	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.9	1.5	2.1	1.9
Italy	0.7	1.4	1.2	1.6	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2
Japan	-0.8	1.4	-0.3	1.6	1.5	1.6	2.1	2.4	6.1	-13.8	1.1	1.3	0.5	1.9	-1.6
United Kingdom	3.0	2.6	2.0	3.0	2.4	2.3	2.2	2.1	2.0	2.0	1.9	1.9	3.2	2.2	2.0
United States	3.2	3.0	2.2	2.9	2.9	2.9	2.8	2.2	2.0	2.0	1.9	1.8	2.9	2.7	1.9
Euro area	1.7	1.8	1.8	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.6	1.9	1.8
Total OECD	2.3	2.5	2.1	2.4	2.6	2.5	2.5	2.3	2.5	0.7	2.1	2.1	2.3	2.5	1.9
Public consumption															
Canada	0.6	1.0	0.8	1.2	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.8
France	1.5	0.6	0.4	0.6	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	1.1	0.4	0.4
Germany	2.1	2.7	2.3	3.2	3.0	2.5	2.5	2.5	2.4	2.2	2.1	2.0	2.3	2.6	2.2
Italy	-0.2	0.7	-0.1	-1.2	2.4	2.4	2.0	0.0	-0.8	-0.8	-0.8	-0.8	-1.3	1.7	-0.8
Japan	1.1	0.5	0.6	0.9	1.4	0.6	-1.3	-1.5	0.5	3.5	1.3	0.6	1.1	-0.2	1.5
United Kingdom	1.7	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.6	0.3	0.3
United States	0.4	0.6	0.8	0.2	0.6	0.6	0.6	0.6	0.9	0.9	1.1	1.1	0.7	0.6	1.0
Euro area	1.2	1.1	1.0	0.8	1.4	1.4	1.3	1.0	0.9	0.8	0.8	0.8	0.9	1.3	0.8
Total OECD	1.4	1.0	1.0	1.1	1.1	1.0	0.7	0.8	1.0	1.4	1.1	1.1	1.4	0.9	1.2
Business investment															
Canada	-8.0	-2.6	3.4	-4.0	-1.5	0.5	1.5	2.5	4.0	4.5	4.5	4.5	-10.8	0.7	4.4
France	1.2	2.1	2.8	2.0	2.1	2.5	2.6	2.8	2.8	3.0	3.0	3.1	1.5	2.5	3.0
Germany	2.2	2.8	4.3	2.3	3.0	4.1	4.2	4.3	4.3	4.4	4.4	4.4	2.0	3.9	4.4
Japan	1.8	4.5	3.7	3.7	4.8	5.5	5.7	6.6	14.4	-10.4	0.5	1.2	4.0	5.7	1.0
United Kingdom	6.0	8.0	8.0	8.5	8.4	8.3	8.2	8.1	8.0	7.9	7.9	7.8	7.9	8.2	7.9
United States	3.3	5.0	5.5	5.5	5.5	5.6	5.8	5.8	5.5	5.5	5.2	5.2	3.3	5.6	5.3
Total investment															
Canada	-2.9	-0.8	2.4	-1.3	-0.5	0.3	0.9	3.4	2.8	2.4	2.5	2.5	-4.9	1.0	2.5
France	-0.7	1.0	1.9	0.7	1.2	1.5	1.6	1.8	1.9	2.0	2.2	2.2	0.0	1.5	2.1
Germany	1.9	2.9	3.8	2.6	3.2	3.8	3.9	3.9	3.7	3.8	3.8	3.8	2.3	3.7	3.8
Italy	0.6	1.5	2.6	1.6	1.6	1.7	1.9	2.3	2.6	2.9	3.2	3.5	1.5	1.9	3.0
Japan	0.6	0.8	1.2	-1.5	-1.0	1.6	3.3	3.7	10.1	-11.8	-1.0	2.0	2.0	1.9	-0.5
United Kingdom	4.0	6.4	6.7	6.9	6.8	6.8	6.7	6.8	6.7	6.6	6.6	6.5	5.6	6.8	6.6
United States	3.9	5.4	5.7	4.8	6.0	6.1	6.1	5.9	5.6	5.7	5.4	5.4	4.0	6.0	5.5
Euro area	2.1	2.6	3.4	2.8	3.1	3.4	3.4	3.4	3.3	3.4	3.5	3.5	2.1	3.4	3.4
Total OECD	2.9	3.5	4.1	3.2	3.5	3.8	4.0	4.3	5.1	2.9	3.9	4.2	3.2	3.9	4.0

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297926

Annex Table 56. **Quarterly demand and output projections *(cont'd)***

Percentage change from previous period, seasonally adjusted at annual rates, volume

	2015	2016	2017	2015	2016				2017				2015	2016	2017
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4 / Q4		
Total domestic demand															
Canada	0.6	1.1	1.7	1.1	1.1	1.3	1.4	1.9	1.8	1.7	1.7	1.7	0.0	1.4	1.7
France	0.9	1.2	1.5	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.0	1.4	1.6
Germany	1.3	2.2	2.5	2.4	2.6	2.6	2.6	2.5	2.4	2.4	2.4	2.4	1.4	2.6	2.4
Italy	1.0	1.4	1.2	1.0	1.6	1.5	1.5	1.2	1.0	1.1	1.2	1.2	1.8	1.4	1.1
Japan	0.5	1.2	0.3	0.9	1.0	1.4	1.7	1.9	4.3	-7.2	-0.8	1.3	1.7	1.5	-0.7
United Kingdom	1.9	2.5	2.6	3.1	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.5	1.9	2.7	2.5
United States	3.0	3.0	2.7	3.1	3.2	3.2	3.1	2.7	2.6	2.6	2.5	2.5	2.7	3.1	2.5
Euro area	1.4	1.8	2.0	1.8	2.1	2.1	2.1	2.0	1.9	1.9	1.9	1.9	1.5	2.1	1.9
Total OECD	2.3	2.4	2.3	2.5	2.5	2.5	2.5	2.5	2.7	1.6	2.2	2.4	2.3	2.5	2.2
Exports of goods and services															
Canada	2.5	4.7	5.4	4.5	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	2.3	5.1	5.5
France	6.6	5.4	5.8	5.1	5.3	5.4	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.6	5.8
Germany	5.5	3.8	4.3	2.8	3.1	3.6	3.9	4.1	4.4	4.5	4.6	4.6	5.2	3.7	4.5
Italy	4.1	3.3	4.6	3.1	3.2	3.4	3.8	4.2	4.4	5.0	5.5	6.0	3.1	3.6	5.2
Japan	1.6	2.1	4.8	3.0	3.8	4.1	4.7	4.5	4.6	5.0	5.5	4.7	-1.9	4.3	4.9
United Kingdom	3.0	2.1	2.4	1.8	1.9	2.1	2.2	2.3	2.4	2.5	2.6	2.7	1.2	2.1	2.5
United States	1.5	2.6	4.1	1.0	2.0	3.0	4.0	4.0	5.0	3.0	4.5	4.5	0.4	3.2	4.2
Total OECD[1]	3.5	3.6	4.7	2.9	3.8	4.3	4.6	4.7	4.8	4.6	5.0	5.0	2.6	4.3	4.9
Imports of goods and services															
Canada	1.0	1.8	3.4	1.6	2.0	2.1	2.3	4.0	4.0	3.5	3.2	3.2	-0.1	2.6	3.5
France	5.7	4.7	5.4	4.5	4.8	5.1	5.3	5.3	5.3	5.5	5.6	5.7	4.9	5.2	5.5
Germany	5.7	5.2	5.7	5.1	5.3	5.4	5.5	5.6	5.8	5.8	5.9	5.9	5.4	5.4	5.8
Italy	5.3	3.3	4.2	2.1	3.0	3.8	4.2	4.4	4.2	4.2	4.2	4.2	4.9	3.8	4.2
Japan	1.0	3.3	3.0	2.4	3.2	4.2	4.9	5.5	10.0	-8.0	1.2	2.2	1.7	4.4	1.1
United Kingdom	1.1	2.3	3.4	3.1	3.2	3.3	3.4	3.4	3.4	3.5	3.5	3.6	-0.6	3.3	3.5
United States	5.3	5.5	5.7	6.0	6.5	6.5	6.0	6.0	6.0	5.5	5.0	5.0	4.5	6.2	5.4
Total OECD[1]	4.1	4.1	4.8	4.1	4.3	4.6	4.6	4.9	5.4	4.3	4.8	4.9	3.4	4.6	4.9
GDP															
Canada	1.2	2.0	2.3	1.9	2.0	2.1	2.3	2.4	2.3	2.3	2.5	2.5	0.8	2.2	2.4
France	1.1	1.3	1.6	1.4	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.3	1.6	1.6
Germany	1.5	1.8	2.0	1.5	1.8	2.0	2.1	2.1	2.0	2.0	2.0	2.0	1.6	2.0	2.0
Italy	0.8	1.4	1.4	1.4	1.7	1.5	1.4	1.2	1.2	1.5	1.7	1.9	1.3	1.4	1.6
Japan	0.6	1.0	0.5	1.0	1.1	1.3	1.6	1.7	3.2	-4.9	-0.1	1.7	1.1	1.4	-0.1
United Kingdom	2.4	2.4	2.3	2.8	2.4	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.3	2.2
United States	2.4	2.5	2.4	2.4	2.5	2.7	2.8	2.4	2.3	2.2	2.3	2.3	2.1	2.6	2.3
Euro area	1.5	1.8	1.9	1.7	1.9	1.9	2.0	1.9	1.9	1.9	2.0	2.0	1.6	1.9	2.0
Total OECD	2.0	2.2	2.3	2.2	2.4	2.4	2.5	2.4	2.5	1.7	2.2	2.4	1.9	2.4	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297926

Annex Table 57. **Quarterly price, cost and unemployment projections**

Percentage change from previous period, seasonally adjusted at annual rates

	2015	2016	2017	2015 Q4	2016 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2015 Q4 / Q4	2016 Q4 / Q4	2017 Q4 / Q4
Consumer price index[1]															
Canada	1.2	2.0	2.3	1.7	1.9	2.0	2.1	2.2	2.4	2.4	2.4	2.4	1.6	2.1	2.4
France	0.1	1.0	1.2	0.7	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.3	1.2	1.2
Germany	0.1	1.0	1.6	0.6	1.1	1.3	1.5	1.6	1.6	1.7	1.7	1.7	0.2	1.4	1.7
Italy	0.2	0.8	1.1	0.7	0.8	1.0	1.0	1.1	1.2	1.2	1.2	1.2	0.3	1.0	1.2
Japan	0.8	0.7	2.3	0.3	0.8	0.9	1.0	1.2	1.3	6.8	1.4	1.5	0.4	1.0	2.7
United Kingdom	0.1	1.5	2.0	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.2	0.5	1.7	2.1
United States	0.0	1.0	1.8	-1.6	1.3	1.4	1.7	1.8	1.8	1.9	2.0	2.0	-0.1	1.5	1.9
Euro area	0.1	0.9	1.3	0.6	0.9	1.1	1.2	1.3	1.3	1.4	1.4	1.4	0.3	1.1	1.4
GDP deflator															
Canada	-0.1	1.8	2.2	1.5	1.8	2.0	2.1	2.1	2.2	2.2	2.2	2.1	0.6	2.0	2.2
France	1.1	0.9	1.3	1.0	0.7	1.1	1.2	1.5	1.0	1.3	1.3	1.6	1.0	1.1	1.3
Germany	2.0	1.2	1.4	1.2	0.9	1.1	1.2	1.3	1.3	1.4	1.5	1.5	2.0	1.1	1.4
Italy	0.4	0.8	1.2	0.8	0.9	1.0	1.0	1.2	1.2	1.2	1.2	1.2	0.4	1.0	1.2
Japan	2.3	1.0	2.2	0.5	0.8	0.9	1.0	1.2	1.2	6.6	1.4	1.5	1.9	1.0	2.6
United Kingdom	1.1	1.2	1.5	1.0	1.1	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.4	1.3	1.6
United States	1.0	1.6	1.9	0.7	1.9	1.7	1.8	1.9	1.9	1.9	2.0	2.0	1.0	1.8	2.0
Euro area	1.1	1.0	1.3	0.9	0.9	1.1	1.2	1.3	1.3	1.4	1.4	1.5	1.1	1.1	1.4
Total OECD	1.5	1.6	1.9	1.4	1.5	1.6	1.7	1.7	1.7	2.5	2.2	1.9	1.6	1.6	2.1
Unit labour costs (total economy)															
Canada	1.7	1.6	2.1	1.7	1.9	1.8	1.9	1.9	2.2	2.2	2.2	2.2	2.2	1.9	2.2
France	0.4	0.9	1.1	0.9	0.7	0.8	0.9	0.9	1.1	1.2	1.2	1.3	0.6	0.8	1.2
Germany	2.1	1.5	1.2	1.6	1.4	1.2	1.1	1.3	1.2	1.2	1.3	1.4	2.0	1.2	1.3
Italy	1.1	1.1	0.6	1.7	1.0	1.0	0.7	0.8	0.8	0.6	0.3	0.1	1.1	0.9	0.5
Japan	0.6	0.6	1.7	0.6	0.5	0.2	0.1	0.0	-0.7	7.9	2.7	1.0	0.1	0.2	2.7
United Kingdom	1.6	1.9	2.5	1.4	1.9	2.1	2.4	2.5	2.5	2.5	2.6	2.6	1.5	2.2	2.6
United States	1.4	0.9	1.2	1.1	0.7	0.5	0.5	1.0	1.3	1.6	1.6	1.8	1.1	0.7	1.6
Euro area	0.9	0.8	0.7	0.9	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.8	0.7	0.6
Total OECD	1.3	1.1	1.3	1.0	1.1	0.9	0.8	0.9	1.0	2.2	1.6	1.4	1.2	0.9	1.5
							Per cent of labour force								
Unemployment															
Canada	6.9	6.8	6.4	6.9	6.9	6.9	6.8	6.7	6.6	6.5	6.4	6.2			
France	10.0	10.0	9.9	10.0	10.0	10.0	10.0	10.0	10.0	9.9	9.8	9.7			
Germany	4.6	4.6	4.6	4.5	4.5	4.6	4.6	4.6	4.6	4.6	4.6	4.5			
Italy	12.3	11.7	11.0	12.1	12.0	11.8	11.6	11.4	11.3	11.1	11.0	10.8			
Japan	3.4	3.2	3.1	3.3	3.3	3.3	3.2	3.2	3.1	3.1	3.1	3.1			
United Kingdom	5.6	5.7	5.8	5.6	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8			
United States	5.3	4.7	4.7	4.9	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.7			
Euro area	10.9	10.4	9.8	10.6	10.5	10.4	10.3	10.2	10.1	9.9	9.8	9.6			
Total OECD	6.8	6.5	6.3	6.8	6.7	6.6	6.5	6.4	6.4	6.3	6.3	6.3			

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

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Annex Table 58. **Contributions to changes in real GDP in OECD countries**

	2014	2015	2016	2017		2014	2015	2016	2017
Australia					**France**				
Final domestic demand	1.2	2.2	1.7	2.3	Final domestic demand	0.5	1.1	1.3	1.5
Stockbuilding	0.0	-0.8	-0.1	0.0	Stockbuilding	0.2	-0.2	-0.1	0.0
Net exports	1.7	0.8	0.9	0.8	Net exports	-0.5	0.2	0.2	0.1
GDP	2.7	2.2	2.6	3.0	GDP	0.2	1.1	1.3	1.6
Austria					**Germany**				
Final domestic demand	0.1	0.2	1.2	1.7	Final domestic demand	1.6	1.8	2.2	2.3
Stockbuilding	-0.3	-0.2	0.0	0.0	Stockbuilding	-0.3	-0.6	-0.1	0.0
Net exports	0.5	0.3	0.0	0.0	Net exports	0.3	0.3	-0.3	-0.3
GDP	0.5	0.8	1.3	1.7	GDP	1.6	1.5	1.8	2.0
Belgium					**Greece**				
Final domestic demand	1.9	1.5	0.6	1.4	Final domestic demand	1.2	-1.3	-2.5	1.3
Stockbuilding	-0.2	0.3	0.0	0.0	Stockbuilding	-0.6	-0.4	-0.4	0.0
Net exports	-0.4	-0.6	0.8	0.2	Net exports	0.2	0.1	1.6	0.8
GDP	1.3	1.3	1.5	1.6	GDP	0.7	-1.4	-1.2	2.1
Canada					**Hungary**				
Final domestic demand	1.6	0.6	1.2	1.7	Final domestic demand	3.8	2.1	0.9	1.8
Stockbuilding	-0.2	0.0	-0.1	0.0	Stockbuilding	0.0	-0.4	0.1	0.0
Net exports	1.1	0.5	0.9	0.6	Net exports	-1.4	0.7	1.1	1.3
GDP	2.4	1.2	2.0	2.3	GDP	3.7	3.0	2.4	3.1
Chile					**Iceland**				
Final domestic demand	0.5	1.4	2.5	3.2	Final domestic demand	4.4	5.3	5.2	3.5
Stockbuilding	-1.1	0.4	-0.5	0.0	Stockbuilding	0.4	0.9	-0.1	0.0
Net exports	2.5	0.2	0.0	0.1	Net exports	-3.0	-1.1	-1.4	-0.7
GDP	1.8	2.2	2.6	3.3	GDP	1.8	4.1	3.7	2.9
Czech Republic					**Ireland**				
Final domestic demand	1.6	3.6	2.4	2.2	Final domestic demand	4.1	4.5	3.5	2.9
Stockbuilding	0.6	1.0	-0.1	0.0	Stockbuilding	0.5	0.0	-0.1	0.0
Net exports	-0.2	-0.3	0.1	0.2	Net exports	0.1	1.9	1.0	0.6
GDP	2.0	4.3	2.3	2.4	GDP	5.2	5.6	4.1	3.5
Denmark					**Israel**				
Final domestic demand	1.1	1.4	1.4	1.6	Final domestic demand	2.3	3.0	3.4	3.6
Stockbuilding	0.3	-0.6	0.3	0.0	Stockbuilding	0.5	1.6	0.2	0.0
Net exports	-0.4	1.0	0.1	0.3	Net exports	-0.4	-1.7	-0.3	-0.3
GDP	1.1	1.8	1.8	1.9	GDP	2.6	2.5	3.2	3.3
Estonia					**Italy**				
Final domestic demand	1.9	1.6	2.9	2.8	Final domestic demand	-0.5	0.5	1.2	1.1
Stockbuilding	2.4	-3.6	-0.9	0.0	Stockbuilding	0.0	0.5	0.1	0.0
Net exports	0.4	1.6	0.1	0.1	Net exports	0.1	-0.2	0.1	0.2
GDP	2.9	1.8	2.5	2.9	GDP	-0.4	0.8	1.4	1.4
Finland					**Japan**				
Final domestic demand	-0.5	0.1	1.3	1.4	Final domestic demand	-0.2	-0.1	1.1	0.2
Stockbuilding	0.5	-0.5	-0.1	0.0	Stockbuilding	0.1	0.6	0.1	0.0
Net exports	-0.3	0.4	0.3	0.2	Net exports	0.0	0.1	-0.3	0.3
GDP	-0.4	-0.1	1.1	1.6	GDP	-0.1	0.6	1.0	0.5

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297945

Annex Table 58. **Contributions to changes in real GDP in OECD countries *(cont'd)***

	2014	2015	2016	2017		2014	2015	2016	2017
Korea					**Slovenia**				
Final domestic demand	2.3	2.9	3.0	3.0	Final domestic demand	1.0	1.4	0.5	1.8
Stockbuilding	0.5	1.0	0.1	0.0	Stockbuilding	0.5	0.6	0.0	0.0
Net exports	0.5	-1.1	0.0	0.5	Net exports	1.6	0.7	1.6	0.9
GDP	3.3	2.7	3.1	3.6	GDP	3.0	2.5	1.9	2.7
Luxembourg					**Spain**				
Final domestic demand	2.9	0.2	1.1	1.5	Final domestic demand	1.3	3.3	2.8	2.5
Stockbuilding	0.9	-0.7	-0.3	0.0	Stockbuilding	0.2	0.0	0.0	0.0
Net exports	0.4	3.7	2.0	1.4	Net exports	-0.2	-0.1	-0.1	0.0
GDP	4.1	3.0	3.0	2.9	GDP	1.4	3.2	2.7	2.5
Mexico					**Sweden**				
Final domestic demand	2.1	3.3	2.6	2.7	Final domestic demand	3.3	2.7	3.0	2.9
Stockbuilding	0.3	0.0	0.0	0.0	Stockbuilding	0.1	0.0	0.0	0.0
Net exports	0.3	1.0	0.5	0.6	Net exports	-0.9	0.4	0.0	0.1
GDP	2.1	2.3	3.1	3.3	GDP	2.4	2.9	3.1	3.0
Netherlands					**Switzerland**				
Final domestic demand	0.7	2.7	2.2	2.2	Final domestic demand	1.3	1.2	1.2	1.0
Stockbuilding	-0.1	-0.8	0.1	0.0	Stockbuilding	0.6	0.8	-0.4	0.0
Net exports	0.5	0.4	0.2	0.5	Net exports	-0.1	-1.3	0.3	0.6
GDP	1.0	2.2	2.5	2.7	GDP	1.9	0.7	1.1	1.6
New Zealand					**Turkey**				
Final domestic demand	4.3	2.5	2.3	1.9	Final domestic demand	1.4	4.7	3.7	4.2
Stockbuilding	0.1	-0.1	0.1	0.0	Stockbuilding	0.0	-0.7	-0.3	0.0
Net exports	-1.3	-0.1	-0.4	0.4	Net exports	1.8	-0.7	-0.1	-0.1
GDP	3.0	2.3	1.9	2.3	GDP	2.9	3.1	3.4	4.1
Norway					**United Kingdom**				
Final domestic demand	1.5	0.7	1.4	2.0	Final domestic demand	3.3	3.0	2.8	2.6
Stockbuilding	0.2	0.8	-0.6	0.0	Stockbuilding	0.0	-1.0	-0.4	0.0
Net exports	0.5	-0.2	0.3	0.0	Net exports	-0.3	0.5	-0.1	-0.3
GDP	2.2	1.2	1.1	1.9	GDP	2.9	2.4	2.4	2.3
Poland					**United States**				
Final domestic demand	4.3	4.2	3.7	4.0	Final domestic demand	2.6	3.0	3.2	2.8
Stockbuilding	0.5	-0.5	0.0	0.0	Stockbuilding	0.1	0.1	-0.1	0.0
Net exports	-1.5	-0.1	-0.3	-0.5	Net exports	-0.2	-0.7	-0.5	-0.4
GDP	3.3	3.5	3.4	3.5	GDP	2.4	2.4	2.5	2.4
Portugal					**Euro area**				
Final domestic demand	1.8	2.7	1.6	1.5	Final domestic demand	0.9	1.6	1.7	1.9
Stockbuilding	0.4	0.0	0.0	0.0	Stockbuilding	0.0	-0.2	0.0	0.0
Net exports	-1.2	-0.9	0.0	0.0	Net exports	0.0	0.1	0.1	0.1
GDP	0.9	1.7	1.6	1.5	GDP	0.9	1.5	1.8	1.9
Slovak Republic					**Total OECD**				
Final domestic demand	3.1	3.3	3.0	2.5	Final domestic demand	1.8	2.3	2.4	2.3
Stockbuilding	-0.2	0.3	0.2	0.0	Stockbuilding	0.1	0.0	-0.1	0.0
Net exports	-0.4	-0.9	0.2	1.0	Net exports	9.3	-4.7	-1.9	6.1
GDP	2.5	3.2	3.4	3.5	GDP	1.9	2.0	2.2	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among 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 98 database.

StatLink http://dx.doi.org/10.1787/888933297945

Annex Table 59. **Household wealth and indebtedness**

Per cent of nominal disposable income

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Canada												
Net wealth	591.5	599.3	642.9	668.0	675.5	600.3	636.2	660.2	656.4	678.0	716.3	748.3
Net financial wealth	265.8	269.0	297.3	307.0	304.6	236.1	262.2	280.9	271.4	287.0	314.3	336.3
Non-financial assets	325.7	330.3	345.6	361.0	370.9	364.2	374.0	379.3	385.1	391.0	402.0	412.0
Financial assets	384.5	393.6	429.3	441.9	448.0	384.7	419.7	441.3	433.1	450.1	478.0	502.1
of which: Equities	45.7	50.4	64.1	67.0	79.5	59.8	76.0	87.6	78.4	83.1	88.3	89.2
Liabilities	118.7	124.6	132.0	134.9	143.4	148.6	157.5	160.4	161.8	163.1	163.7	165.8
of which: Mortgages	71.8	75.6	79.7	82.0	88.0	91.5	95.9	99.6	101.8	103.3	104.3	106.3
France												
Net wealth	614.3	671.2	743.3	790.6	798.0	724.3	734.4	773.1	780.0	783.5	786.9	..
Net financial wealth	198.3	202.8	212.6	228.1	226.0	192.8	208.5	216.8	213.2	227.4	238.4	244.4
Non-financial assets	416.0	468.5	530.7	562.4	571.9	531.5	525.9	556.3	566.7	556.1	548.5	..
Financial assets	278.5	283.7	300.0	320.6	321.6	290.4	311.5	323.0	318.9	329.4	340.8	347.9
of which: Equities	80.5	84.5	91.4	105.6	104.3	73.8	81.0	84.2	78.4	87.1	93.3	94.2
Liabilities	80.2	80.9	87.4	92.5	95.6	97.6	103.0	106.3	105.7	102.0	102.4	103.5
of which: Long-term loans	55.2	58.3	63.4	67.7	71.6	74.9	78.7	81.2	83.9	85.3	86.5	87.3
Germany												
Net wealth	549.1	560.8	575.5	576.1	603.5	591.7	618.2	625.1	627.2	644.6	640.4	..
Net financial wealth	157.9	166.3	179.4	176.4	189.8	173.5	186.3	192.9	188.9	197.8	205.7	212.3
Non-financial assets	391.2	394.5	396.1	399.7	413.7	418.2	432.0	432.2	438.3	446.7	434.7	..
Financial assets	269.9	276.7	287.4	282.1	292.4	272.9	286.6	291.2	285.5	293.4	300.2	305.9
of which: Equities	63.8	63.8	71.3	67.5	70.7	50.4	53.8	55.3	50.0	53.4	56.7	59.5
Liabilities	112.0	110.4	108.1	105.7	102.7	99.4	100.3	98.3	96.5	95.5	94.5	93.6
of which: Mortgages	72.8	72.2	71.5	71.4	69.5	67.4	68.2	66.9	65.7	65.4	..	..
Italy												
Net wealth	759.2	782.0	832.7	865.9	843.6	825.6	846.0	844.9	823.5	..	..	..
Net financial wealth	294.3	302.7	330.1	342.2	302.6	276.6	275.1	266.0	250.7	277.0	286.6	296.9
Non-financial assets	464.9	479.3	502.7	523.7	541.0	549.0	571.0	578.9	572.7	..	..	..
Financial assets	345.1	357.1	389.3	406.4	370.9	346.0	349.2	343.7	328.2	356.2	364.4	374.1
of which: Equities	131.4	133.1	157.6	173.6	140.4	109.1	104.2	98.2	86.8	100.0	112.3	122.3
Liabilities	50.9	54.5	59.3	64.2	68.3	69.5	74.2	77.7	77.5	79.3	77.8	77.2
of which: Medium and long-term loans	36.4	40.5	45.6	50.2	54.1	55.4	59.8	63.1	63.0	64.2	62.9	62.4
Japan												
Net wealth	787.6	780.2	805.8	812.8	808.7	776.8	779.5	772.3	762.9	778.0	808.6	..
Net financial wealth	379.1	385.5	417.2	419.2	408.7	381.4	396.4	399.4	398.6	419.0	450.4	..
Non-financial assets	408.5	394.7	388.5	393.6	400.0	395.4	383.1	372.9	364.3	359.0	358.2	..
Financial assets	513.0	519.1	551.4	554.1	538.1	510.3	524.9	526.9	523.0	542.2	574.9	..
of which: Equities	41.9	48.9	77.3	77.0	55.6	34.5	34.9	36.0	33.3	39.8	57.9	..
Liabilities	133.9	133.6	134.1	134.9	129.4	128.9	128.5	127.4	124.3	123.2	124.5	..
of which: Mortgages [1]	64.1	64.4	64.8	66.0	65.3	65.7	66.2	66.6	67.4	67.7	68.1	..
United Kingdom												
Net wealth	755.0	794.4	813.9	830.7	841.9	730.4	737.3	753.9	779.1	777.1	787.5	..
Net financial wealth	326.2	329.4	351.1	340.5	328.8	284.0	297.4	311.1	338.6	339.7	335.2	389.8
Non-financial assets	428.8	465.0	462.8	490.2	513.1	446.4	439.9	442.8	440.4	437.5	452.3	..
Financial assets	477.9	494.4	518.6	519.3	512.3	462.3	465.3	470.2	498.3	493.5	487.7	545.8
of which: Equities	67.8	71.0	75.6	75.8	72.1	44.9	60.4	66.1	55.4	47.5	53.9	61.3
Liabilities	151.7	165.0	167.5	178.9	183.5	178.3	168.0	159.1	159.7	153.8	152.5	156.0
of which: Mortgages	106.4	117.7	120.2	128.5	134.1	131.7	126.1	120.3	118.8	116.0	115.7	116.8
United States												
Net wealth	577.6	621.7	658.3	661.4	636.1	514.7	533.6	556.8	541.0	563.7	640.3	646.0
Net financial wealth	319.3	343.8	354.8	367.9	368.1	289.2	316.8	348.9	342.7	361.3	416.9	420.5
Non-financial assets	258.3	277.8	303.6	293.5	268.0	225.5	216.8	207.9	198.2	202.4	223.4	225.5
Financial assets	435.2	466.1	484.1	502.0	505.1	419.1	445.3	471.5	457.7	471.2	528.2	530.2
of which: Equities	112.0	118.9	123.1	142.1	138.7	82.4	104.6	119.1	111.8	124.1	159.4	163.6
Liabilities	115.9	122.2	129.4	134.1	137.0	129.9	128.5	122.6	115.0	109.9	111.3	109.7
of which: Mortgages	83.3	89.1	96.6	100.6	103.0	98.1	97.1	90.1	83.9	78.1	77.5	74.5

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 Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

1. Fiscal year data.

Source: 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.

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Annex Table 60. **House prices**

Percentage change from previous year

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Nominal																
Australia	7.3	8.3	11.2	18.7	18.0	6.2	1.8	6.9	10.5	3.9	4.0	11.7	-2.2	-0.3	6.6	9.1
Austria	..	..	0.8	0.6	0.3	-1.9	5.0	4.1	4.7	1.1	3.9	9.4	6.2	7.3	5.2	3.5
Belgium	7.1	5.4	4.8	6.4	6.9	8.7	12.7	11.8	9.3	4.9	-0.3	5.4	3.1	2.5	1.7	0.6
Canada	2.8	4.3	4.7	8.1	8.3	8.2	8.0	11.7	11.6	5.5	-2.8	8.9	5.0	4.8	2.6	4.9
Czech Republic	..	..	..	..	..	..	..	..	..	..	-3.8	-1.8	0.0	-1.4	0.0	2.4
Denmark	6.7	6.5	5.8	3.6	3.2	8.9	18.6	24.1	2.7	-5.2	-12.0	2.8	-1.7	-2.7	3.9	3.8
Estonia	..	..	..	..	..	..	..	49.5	20.8	-9.6	-37.2	5.7	8.5	7.3	10.7	13.7
Finland	7.1	3.9	-1.4	6.0	6.3	8.2	8.1	6.4	5.5	0.6	-0.3	8.7	2.7	1.6	1.6	-0.6
France	6.9	8.7	7.9	8.6	11.9	15.1	15.4	12.0	6.5	0.9	-7.1	5.1	5.9	-0.5	-2.1	-1.8
Germany	0.1	0.5	-0.1	-0.7	-1.4	-1.4	-0.9	0.1	0.9	0.6	0.6	2.8	5.8	6.2	6.2	5.1
Greece	8.9	10.6	14.4	13.9	5.4	2.3	10.9	13.0	6.2	1.5	-4.3	-4.4	-5.5	-11.8	-10.9	-8.1
Hungary	..	..	..	..	..	..	..	..	..	2.4	-5.2	-2.4	-3.4	-3.7	-2.6	4.2
Iceland	..	..	..	..	..	..	..	16.8	9.4	6.2	-9.7	-3.0	4.6	6.9	5.8	8.4
Ireland	21.5	20.6	12.4	7.0	14.2	11.2	8.8	14.8	7.3	-7.0	-18.8	-12.3	-13.9	-11.4	2.1	13.0
Israel	4.2	-4.8	-3.5	5.3	-5.7	-0.7	0.2	0.5	-1.6	7.6	13.7	17.6	10.5	3.2	9.1	6.4
Italy	5.6	8.3	8.2	9.6	10.3	9.9	7.5	6.4	5.2	1.7	-3.7	-1.1	0.7	-2.8	-5.7	-4.4
Japan	-3.1	-3.8	-4.4	-5.3	-6.2	-6.1	-4.9	-3.0	-1.0	0.7	-5.8	1.4	0.1	-0.9	1.6	1.6
Korea	-1.3	1.8	3.9	16.6	9.0	1.1	0.5	6.0	10.7	7.0	1.1	2.2	4.6	1.8	-1.3	1.5
Luxembourg	..	..	..	..	..	..	..	..	..	3.3	-1.1	5.4	3.7	4.2	5.0	4.4
Netherlands	16.4	18.2	11.1	6.4	3.6	4.3	3.8	4.2	4.9	2.2	-4.5	-1.7	-2.0	-6.7	-6.0	0.8
New Zealand	2.0	-0.7	1.1	8.6	19.3	18.2	14.1	10.6	11.1	-4.4	-1.7	2.1	1.1	4.9	9.0	6.5
Norway	11.2	15.7	7.0	4.9	1.7	10.1	8.2	13.7	12.6	-1.1	1.9	8.3	8.0	6.7	4.1	2.7
Portugal	9.0	7.7	5.4	0.6	1.1	0.6	2.3	2.1	0.5	-5.1	-0.9	0.8	-4.9	-7.1	-1.9	4.3
Slovak Republic	..	..	..	..	..	..	..	16.7	29.0	17.9	-12.8	-4.0	-1.5	-2.7	0.9	1.4
Slovenia	..	..	..	..	..	..	..	..	..	7.0	-9.5	0.1	2.7	-6.9	-5.2	-6.6
Spain	7.0	7.5	9.5	17.0	20.0	18.3	14.6	13.6	9.8	-1.4	-6.6	-1.8	-7.6	-14.8	-9.1	0.3
Sweden	9.4	11.2	7.9	6.3	6.6	9.3	9.0	12.4	12.5	1.1	3.0	8.0	2.5	1.2	5.5	9.4
Switzerland	-0.1	0.9	1.9	4.6	3.0	2.4	1.1	2.5	2.1	2.6	5.0	4.7	4.1	3.7	4.7	1.3
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	10.2	11.7	12.7	14.5
United Kingdom	10.9	14.9	8.1	16.2	15.7	11.9	5.5	6.3	10.9	-0.9	-7.8	7.2	-1.0	1.6	3.5	10.0
United States	6.1	6.7	6.9	7.1	7.7	9.5	10.5	6.0	0.1	-8.0	-5.8	-3.0	-4.1	3.2	7.5	5.5
Euro area	5.5	6.5	5.8	6.6	7.2	7.5	7.4	7.0	5.2	0.8	-3.7	1.5	1.6	-1.5	-1.2	0.7
Total OECD	4.6	5.5	5.0	6.4	6.4	6.6	6.6	5.6	3.6	-2.0	-3.9	1.0	-0.1	1.6	3.6	4.1

Source: OECD, Analytical house prices database.

StatLink http://dx.doi.org/10.1787/888933297968

Annex Table 60. **House prices *(cont'd)***

Percentage change from previous year

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Real																
Australia	6.2	4.7	7.5	15.5	15.4	4.7	-0.3	3.2	7.1	0.8	1.4	9.3	-4.6	-2.8	3.9	6.6
Austria	..	..	-1.5	-0.4	-1.2	-3.7	2.4	2.0	2.1	-1.1	3.4	7.5	3.0	4.8	3.0	1.4
Belgium	6.4	2.1	2.7	4.9	5.2	6.1	9.8	8.5	6.2	1.6	0.1	3.6	0.1	0.5	0.6	0.0
Canada	1.2	2.0	2.7	6.0	6.6	6.5	6.2	10.2	9.8	3.8	-3.0	7.5	2.8	3.4	1.3	2.9
Czech Republic	..	..	..	..	..	..	..	..	..	..	-4.7	-2.3	-1.6	-3.6	-0.8	1.9
Denmark	4.8	3.6	3.4	1.7	1.9	7.7	16.6	21.4	0.9	-7.8	-13.1	0.3	-4.0	-5.2	2.8	3.1
Estonia	..	..	..	..	..	..	..	40.9	12.3	-16.7	-37.3	2.4	2.8	3.5	7.3	12.6
Finland	5.5	0.8	-4.0	4.3	5.3	7.8	7.0	5.0	3.5	-2.7	-2.1	7.1	-0.5	-1.2	-0.7	-2.1
France	7.4	6.3	5.8	7.7	10.0	12.7	13.3	9.7	4.3	-1.8	-5.8	4.0	4.0	-1.9	-2.9	-1.8
Germany	-0.3	-0.3	-1.8	-1.9	-3.1	-2.3	-2.4	-1.0	-0.7	-1.0	1.0	0.8	3.7	4.6	4.9	4.1
Greece	6.2	6.9	11.2	11.3	2.3	-0.6	7.9	9.3	2.7	-2.7	-5.2	-7.7	-7.8	-12.5	-9.5	-6.0
Hungary	..	..	..	..	..	..	..	..	..	-3.1	-8.9	-5.9	-6.9	-9.4	-4.6	3.1
Iceland	..	..	..	..	..	..	..	8.2	4.6	-6.4	-18.2	-5.1	1.0	1.2	2.5	5.4
Ireland	19.3	15.1	7.7	1.5	9.9	9.2	7.3	12.0	4.3	-8.5	-13.2	-10.3	-15.3	-12.0	0.4	11.1
Israel	-1.3	-6.5	-4.1	0.9	-6.1	-1.2	-1.4	-1.9	-2.8	2.0	11.6	14.0	7.2	1.5	7.5	5.8
Italy	3.6	4.7	5.4	6.5	7.2	7.3	5.3	3.7	2.8	-1.4	-3.3	-2.5	-2.1	-5.4	-6.8	-4.6
Japan	-2.4	-3.1	-3.4	-4.0	-5.2	-5.4	-4.3	-2.7	-0.3	0.4	-3.4	3.2	0.9	0.0	1.9	-0.4
Korea	-3.8	-2.5	-0.5	13.1	5.6	-2.0	-1.7	4.4	8.5	2.4	-1.4	-0.3	0.9	-0.4	-2.2	0.4
Luxembourg	..	..	..	..	..	..	..	..	..	1.1	-1.8	4.3	1.1	2.4	3.7	3.7
Netherlands	14.5	14.5	7.4	3.2	1.6	2.7	2.3	1.6	2.5	0.1	-3.5	-2.7	-4.0	-8.0	-8.0	-0.5
New Zealand	1.2	-2.7	-1.1	6.5	18.7	16.7	12.0	7.4	9.5	-7.6	-4.2	0.8	-1.8	4.1	8.4	5.7
Norway	9.0	12.5	4.8	3.5	-1.1	8.8	7.0	11.6	11.2	-4.4	-0.6	6.0	6.8	5.6	1.2	0.4
Portugal	6.3	3.9	1.6	-2.8	-2.4	-1.6	-1.5	-1.4	-2.8	-7.7	1.0	-1.0	-6.5	-8.8	-2.7	3.6
Slovak Republic	..	..	..	..	..	..	..	11.3	25.7	12.9	-12.8	-4.9	-5.2	-5.9	-0.4	1.5
Slovenia	..	..	..	..	..	..	..	..	..	1.3	-10.2	-1.3	0.9	-8.2	-6.0	-6.6
Spain	4.8	3.3	5.8	13.8	16.3	14.2	10.9	9.6	6.3	-4.8	-5.8	-3.6	-9.8	-16.8	-10.0	0.1
Sweden	7.8	10.1	5.6	4.8	4.9	8.5	7.8	11.1	10.9	-2.0	0.7	6.4	0.8	0.7	4.7	8.6
Switzerland	-0.5	-0.5	1.3	5.0	2.1	1.6	0.0	1.2	0.7	0.7	5.6	4.2	4.1	4.9	5.3	1.6
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	1.2	3.2	6.2	7.0
United Kingdom	9.9	13.9	7.6	15.2	13.8	9.5	3.1	3.4	8.2	-4.9	-9.5	2.6	-4.5	-0.2	1.2	8.3
United States	4.6	4.1	4.9	5.6	5.6	6.9	7.4	3.2	-2.3	-10.7	-5.7	-4.6	-6.4	1.3	6.0	4.0
Euro area	4.5	3.9	3.3	4.5	4.8	5.4	5.2	4.7	2.8	-1.8	-3.0	-0.1	-0.7	-3.4	-2.3	0.2
Total OECD	3.6	3.4	3.2	5.0	4.6	4.6	4.5	3.4	1.5	-4.7	-4.0	-0.6	-2.5	-0.3	2.2	2.6

Note: Nominal house prices deflated by the private consumption deflator.
Source: OECD, Analytial house prices database.

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Annex Table 61. **House price ratios**

Long-term average = 100

	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Price-to-rent ratio																
Australia	86.6	91.0	98.1	113.7	131.8	136.6	136.1	140.9	147.6	142.5	138.8	148.6	139.1	133.1	137.3	146.1
Austria	..	102.2	99.5	98.3	96.9	92.8	94.7	96.2	96.9	95.3	95.0	101.0	103.9	106.8	109.0	108.5
Belgium	91.0	94.5	97.2	100.9	105.5	112.5	124.4	135.1	144.8	148.9	145.4	151.5	154.4	155.9	156.5	154.1
Canada	82.2	84.8	87.4	92.6	98.8	105.8	113.4	125.4	137.8	142.9	136.8	147.2	152.8	157.9	159.4	164.9
Denmark	97.3	100.8	103.9	105.0	105.5	111.7	129.4	157.5	158.4	146.6	125.3	125.2	119.4	113.2	115.0	117.2
Finland	101.2	99.3	94.4	100.6	107.5	115.3	121.1	123.5	122.8	118.5	122.5	132.3	130.3	130.4	133.2	131.2
France	74.9	81.5	87.6	92.7	100.8	112.6	125.5	135.9	140.3	138.4	125.9	130.3	136.2	133.3	128.3	124.6
Germany	89.1	88.5	87.5	85.7	83.7	81.9	80.3	79.6	79.4	78.9	78.5	79.8	83.4	87.5	91.8	95.0
Greece	85.6	91.1	100.3	108.8	109.0	105.9	112.6	121.9	123.9	121.0	111.7	104.3	97.7	88.0	84.1	83.8
Ireland	135.7	146.3	136.0	148.9	180.6	195.4	195.6	183.1	149.5	123.8	151.1	129.2	97.4	88.9	91.4	104.1
Israel	97.6	94.7	88.4	83.4	81.5	82.5	83.9	83.7	86.4	94.5	96.0	108.6	115.3	114.8	122.5	127.9
Italy	78.2	82.6	87.4	93.7	100.5	107.5	113.1	117.4	120.7	119.9	111.7	108.4	107.5	102.2	95.1	91.3
Japan	103.5	99.7	95.5	90.6	85.2	80.3	76.7	74.4	73.8	74.3	70.3	71.6	71.9	71.6	73.1	74.5
Korea	79.3	81.0	80.9	89.3	94.0	93.6	94.2	99.5	108.1	113.2	112.7	113.1	113.8	111.2	106.9	106.0
Netherlands	106.7	122.8	132.9	137.6	138.3	139.9	141.7	144.3	148.3	149.1	139.2	133.8	128.9	117.6	106.5	102.7
New Zealand	80.6	79.8	89.1	95.0	109.9	126.0	140.3	151.7	163.9	152.2	147.3	148.3	147.1	150.7	160.9	167.8
Norway	91.9	102.3	105.4	105.9	103.6	111.9	118.7	131.9	145.8	140.1	137.9	145.2	153.3	160.6	162.1	162.1
Portugal	103.0	108.4	111.2	108.3	106.9	104.9	104.7	104.3	102.1	94.1	90.7	89.5	84.4	76.9	74.5	74.4
Spain	86.2	89.3	93.8	105.1	120.9	137.4	151.1	164.4	173.0	163.7	148.3	144.0	131.7	111.6	101.6	102.6
Sweden	73.2	81.0	85.9	89.5	92.9	98.5	104.9	116.9	129.5	127.7	127.4	135.4	135.6	133.8	138.0	148.4
Switzerland	81.1	80.6	79.9	82.7	85.0	85.9	85.7	86.1	85.9	86.1	88.2	91.3	93.8	96.8	100.8	100.9
United Kingdom	79.0	88.0	92.1	104.2	118.7	130.0	132.5	136.5	146.8	140.8	127.4	134.8	130.3	128.1	129.4	139.1
United States	94.3	97.5	100.5	103.7	109.1	116.3	125.2	128.2	123.8	111.2	103.6	100.9	95.5	96.5	101.4	104.0
Euro area	87.2	91.1	94.3	98.2	102.8	107.8	112.9	117.3	119.7	117.7	111.8	111.7	111.7	108.4	105.9	105.6
Total OECD	91.2	94.2	96.4	99.8	104.1	108.7	113.5	116.8	117.6	112.5	106.5	106.6	104.8	104.4	106.2	108.5
Price-to-income ratio																
Australia	91.5	94.1	96.9	112.0	126.1	125.3	121.3	123.5	124.6	121.5	120.2	129.6	119.7	116.4	121.0	129.3
Austria	..	100.7	100.2	99.4	96.7	91.7	91.0	90.8	91.1	89.8	93.3	101.7	105.4	108.8	114.9	116.4
Belgium	91.2	91.6	91.9	97.5	103.1	110.3	120.8	129.0	135.3	135.7	134.0	142.2	145.0	146.1	148.7	149.0
Canada	89.1	88.0	89.2	93.2	97.9	101.7	106.0	111.1	119.0	120.3	116.1	123.3	125.1	127.3	126.8	129.7
Denmark	102.6	106.3	106.4	105.3	105.2	110.7	126.0	150.1	153.4	143.6	122.2	118.8	113.5	108.6	113.7	119.0
Finland	96.0	95.7	90.2	91.6	92.9	96.2	101.9	104.7	105.2	100.6	97.9	102.3	101.3	100.8	100.2	99.7
France	77.9	80.5	83.1	87.4	96.2	106.9	121.1	130.9	133.4	131.6	122.5	126.3	131.8	131.0	127.8	124.7
Germany	94.4	93.5	89.5	88.6	85.3	82.6	80.4	78.7	78.1	76.7	77.8	77.9	80.1	83.4	87.3	90.0
Greece	86.1	92.1	98.8	106.3	103.2	99.8	105.8	111.5	110.8	106.9	101.5	105.9	108.2	105.2	104.1	98.8
Ireland	100.2	110.4	109.1	121.8	132.5	140.0	142.2	156.8	159.1	138.6	121.2	111.8	98.4	87.2	88.4	97.3
Italy	82.2	85.5	88.5	93.6	99.8	105.4	111.3	114.8	117.1	118.1	117.7	117.4	116.0	116.8	110.1	105.7
Japan	99.8	97.6	96.1	91.5	86.9	81.5	77.3	74.7	73.8	74.9	71.2	72.2	72.2	71.5	72.2	72.0
Korea	67.0	65.1	64.3	70.3	72.2	68.3	65.4	66.5	70.5	71.7	70.3	68.0	67.7	66.8	63.0	61.9
Netherlands	106.0	119.6	121.5	126.7	131.2	135.7	140.1	142.2	143.3	145.3	140.1	138.0	132.2	123.5	114.9	113.2
New Zealand	87.4	89.0	84.9	91.7	101.5	114.0	125.4	130.4	137.5	130.0	123.5	120.6	118.2	118.9	127.6	132.4
Norway	90.1	98.3	104.0	100.1	95.0	100.7	100.2	120.7	127.9	119.8	116.8	122.6	127.5	130.6	129.9	128.2
Portugal	109.7	112.0	112.8	109.0	108.5	104.2	102.0	100.9	96.8	88.6	88.3	86.6	85.6	82.2	80.6	82.1
Spain	86.3	85.0	87.5	98.2	111.9	127.0	140.3	153.6	165.7	157.6	145.3	145.6	133.5	117.4	106.9	105.9
Sweden	87.6	91.8	91.4	93.1	97.4	104.3	110.4	118.6	125.5	121.5	120.3	126.9	123.8	121.0	125.6	134.8
Switzerland	78.5	76.3	75.6	80.2	83.0	83.8	82.9	81.7	79.9	80.6	84.5	87.9	91.0	92.5	95.7	95.7
United Kingdom	78.7	84.4	87.3	98.9	111.3	121.5	123.9	127.1	135.3	128.5	113.6	116.5	114.5	112.2	115.5	127.0
United States	93.6	93.8	96.7	100.1	103.7	108.0	115.3	115.6	111.6	99.1	94.7	90.1	82.9	82.0	88.8	90.5
Euro area	89.5	91.4	92.0	95.8	99.8	104.0	109.2	113.1	115.3	113.2	109.9	111.1	111.2	110.0	108.4	108.0
Total OECD	91.3	92.1	93.5	96.9	100.2	103.0	106.8	108.4	108.5	102.9	98.6	97.8	94.5	93.5	96.2	97.6

Source: OECD, Analytical house prices database.

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