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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	2016 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
Real GDP growth								Percentage changes								
United States	2.4	1.8	2.2	2.0	1.4	0.8	2.3	2.3	2.3	2.3	2.1	2.1	2.0	2.0	1.9	2.1
Euro area	1.6	1.6	1.7	1.3	1.6	2.1	1.4	1.6	1.7	1.8	1.8	1.9	1.9	1.7	1.7	1.8
Japan	0.6	0.7	0.4	1.6	-1.8	1.7	1.0	1.6	1.8	2.1	-4.1	-0.5	1.5	0.8	1.5	-0.3
Total OECD	2.1	1.8	2.1	2.1	1.4	1.6	1.9	2.2	2.2	2.3	1.7	2.0	2.2	1.9	2.0	2.0
China	6.9	6.5	6.2											6.8	6.3	6.1
Inflation[1]								year-on-year percentage changes								
United States	0.3	1.0	1.8	0.3	0.5	1.0	0.9	1.0	1.3	1.7	1.8	1.8	1.9			
Euro area	0.0	0.2	1.2	0.1	0.2	0.1	-0.1	0.2	0.6	1.2	1.2	1.1	1.1			
Japan	0.8	0.1	2.1	0.2	0.3	0.1	-0.1	0.1	0.4	0.8	2.4	2.5	2.6			
Total OECD	0.7	1.1	1.8	0.7	0.9	1.2	1.0	1.1	1.2	1.6	1.8	1.9	1.9			
China	1.5	2.6	3.0	1.7	1.5	2.2	2.4	2.5	3.1	3.0	3.0	3.0	3.0			
Unemployment rate[2]																
United States	5.3	5.0	4.7	5.1	5.0	4.9	5.0	5.0	4.9	4.8	4.7	4.6	4.6			
Euro area	10.8	10.2	9.8	10.7	10.5	10.3	10.2	10.1	10.0	9.9	9.8	9.7	9.6			
Japan	3.4	3.2	3.1	3.4	3.3	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1			
Total OECD	6.8	6.4	6.2	6.7	6.5	6.5	6.5	6.4	6.4	6.3	6.2	6.2	6.1			
								Percentage changes								
World trade growth	2.6	2.1	3.2	4.0	2.4	-0.2	3.0	3.4	3.3	3.2	3.1	3.3	3.4	1.9	2.4	3.2
Current account balance[3]																
United States	-2.7	-2.5	-2.5													
Euro area	3.8	3.8	3.6													
Japan	2.9	3.4	3.7													
Total OECD	0.1	0.2	0.2													
China	3.1	2.8	2.6													
Fiscal balance[3]																
United States	-4.4	-4.3	-3.7													
Euro area	-2.1	-1.8	-1.4													
Japan	-5.4	-5.1	-4.0													
Total OECD	-3.1	-2.9	-2.4													
China	-1.3	-1.8	-2.0													
Policy interest rate									Per cent							
United States	0.5	1.0	1.5	0.3	0.5	0.5	0.5	0.8	1.0	1.0	1.3	1.3	1.5			
Euro area	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
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 18 May 2016.

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368827

EDITORIAL
POLICYMAKERS: ACT NOW TO BREAK OUT OF THE LOW-GROWTH TRAP AND DELIVER ON OUR PROMISES

Policymaking is at an important juncture. Without comprehensive, coherent and collective action, disappointing and sluggish growth will persist, making it increasingly difficult to make good on promises to current and future generations.

Global growth has languished over the past eight years as OECD economies have struggled to average only 2 per cent per year, and emerging markets have slowed, with some falling into deep recession. In this *Economic Outlook* the global economy is set to grow by only 3.3 per cent in 2017. Continuing the cycle of forecast optimism followed by disappointment, global growth has been marked down, by some 0.3 per cent, for 2016 and 2017 since the November *Outlook*.

The prolonged period of low growth has precipitated a self-fulfilling low-growth trap. Business has little incentive to invest given insufficient demand at home and in the global economy, continued uncertainties, and a slowed pace of structural reform. In addition, although the unemployment rate in the OECD is projected to fall to 6.2 per cent by 2017, 39 million people will still be out of work, almost 6.5 million more than before the crisis. Muted wage gains and rising inequality depress consumption growth. Global trade growth, at less than 3 per cent on average over the projection period, is well below historical rates, as value-chain intensive and commodity-based trade are being held back by factors ranging from spreading protectionism to China rebalancing toward consumption-oriented growth.

Negative feedback-loops are at work. Lack of investment erodes the capital stock and limits the diffusion of innovations. Skill mismatches and forbearance by banks capture labour and capital in low productivity firms. Sluggish trade prospects slow knowledge transfer. These malignant forces slow down productivity growth, constraining potential output, investment, and trade. In per capita terms, the potential of the OECD economies to grow has halved from just below 2 per cent 20 years ago to less than one per cent per year, and the drop across emerging markets is similarly dramatic. The sobering fact is that it will take 70 years, instead of 35, to double living standards.

The low-growth trap is not ordained by demographics or globalization and technological change. Rather, these can be harnessed to achieve a different global growth path – one with higher employment, faster wage growth, more robust consumption with greater equity. The high-growth path would reinvigorate trade and more innovation would diffuse from the frontier firms as businesses respond to economic signals and invest in new products, processes, and workplaces.

What configuration of fiscal, monetary, and structural policies can propel economies from the low-growth trap to the high-growth path, safeguarding living standards for both young and older generations?

Monetary policy has been the main tool, used alone for too long. In trying to revive economic growth alone, with little help from fiscal or structural policies, the balance of benefits-to-risks is tipping. Financial markets have been signalling that monetary policy is overburdened. Pricing of risks to maturity, credit, and liquidity are so sensitized that small changes in investor attitude have generated volatility spikes, such as in late 2015 and again in early 2016.

Fiscal policy must be deployed more extensively, and can take advantage of the environment created by monetary policy. Governments today can lock in very low interest rates for very long maturities to effectively open up fiscal space. Prioritized and high-quality spending generates the capacity to repay the obligations in the longer term while also supporting growth today. Countries have different needs and initial situations, but OECD research points to the kind of projects and activities that have high multipliers, including both hard infrastructure (such as digital, energy, and transport) and soft infrastructure (including early education and innovation). The right choices will catalyse business investment, which, as the *Outlook* of a year ago argued, is ultimately the key to propelling the economy from the low-growth trap to the high-growth path.

The high-growth path cannot be achieved without structural policies that enhance market competition, innovation, and dynamism; increase labour market skills and mobility; and strengthen financial market stability and functioning. As outlined in the special chapter in this *Outlook*, the OECD's *Going for Growth* and the comprehensive *Productivity for Inclusive Growth Nexus Report* of the OECD Ministerial Summit, there is a coherent policy set for each country based on its own characteristics and objectives that can raise productivity, growth and equity.

The need is urgent. The longer the global economy remains in the low-growth trap, the more difficult it will be to break the negative feedback loops, revive market forces, and boost economies to the high-growth path. As it is, a negative shock could tip the world back into another deep downturn. Even now, the consequences of policy inaction have damaged prospects for today's youth with 15 per cent of them in the OECD not in education, employment, or training; have drastically reduced the retirement incomes people are likely to get from pension funds compared to those who retired in 2000; and have left us on a carbon path that will leave us vulnerable to climatic disruption.

Citizens of the global economy deserve a better outcome. If policymakers act, they can deliver to raise the future path of output – which is the wherewithal for economies to make good on promises – to create jobs and develop career paths for young people, to pay for health and pension commitments to old people, to ensure that investors receive adequate returns on their assets, and to safeguard the planet.

1st June 2016



Catherine L. Mann
OECD Chief Economist

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Chapter 1

GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

Introduction

Eight years after the financial crisis, the recovery remains disappointingly weak. Global GDP growth is projected to be 3% in 2016, unchanged from last year, with only a modest improvement foreseen in 2017. Global trade growth also remains very subdued. Many emerging market economies (EMEs) have lost momentum, with sharp downturns in some, especially commodity producers. The upturn in the advanced economies remains modest, with growth held back by slow wage gains and subdued investment. Low commodity prices and accommodative monetary policies continue to offer support in many economies, albeit punctuated by periods of tightened and volatile financial conditions, especially early in the year. All this culminates in growth rates much weaker than anticipated a few years ago and well below pre-crisis norms. Moreover, such a prolonged period of slow growth has damaged the longer-run supply-side potential of economies, via the scarring effect of extended unemployment, foregone investment and the adverse impact of weak trade growth on productivity.

Financial instability risks also persist. EMEs have high private debt burdens and remain vulnerable to capital outflows and weaker-than-expected growth. Risks also stem from the difficulties of agreeing effective responses to policy challenges in many countries. In Europe, these include the refugee surge and the unpopularity of austerity measures in a number of countries. The forthcoming UK referendum on EU membership has already raised uncertainty, and an exit would depress growth in Europe and elsewhere substantially. In China, the risk of an abrupt near-term growth decline has eased as policy stimulus takes effect, but the choices will likely slow the rebalancing process and raise financial exposures, adding to longer term challenges.

To break out of this low rate of global economic growth requires comprehensive national policies, incorporating more proactive fiscal prioritisation and revived structural ambition in combination with accommodative monetary policies. It is clear that reliance on monetary policy alone has failed to deliver satisfactory growth and inflation. Additional monetary policy easing could now prove to be less effective than in the past, and even counterproductive in some circumstances. Many countries have room for fiscal expansion to strengthen activity via public investment, following the lead of China and Canada, especially as low long-term interest rates have effectively increased fiscal space, at least temporarily. Almost all countries have scope to reallocate public spending towards more growth-friendly items. Collective action across economies to raise public investment in carefully selected projects with a high growth impact would boost demand without compromising fiscal sustainability. In addition, collective efforts to revive structural reform momentum would improve productivity, resource allocation and the effects of supportive macroeconomic policies. Given the weak global economy and the backdrop of rising income inequality in many countries, structural reforms will need to focus on the possible short-term benefits for demand as well as measures to promote long-term improvements in employment, productivity growth and inclusiveness, as discussed in Chapter 2.

Economic prospects and risks

The recovery is projected to remain slow

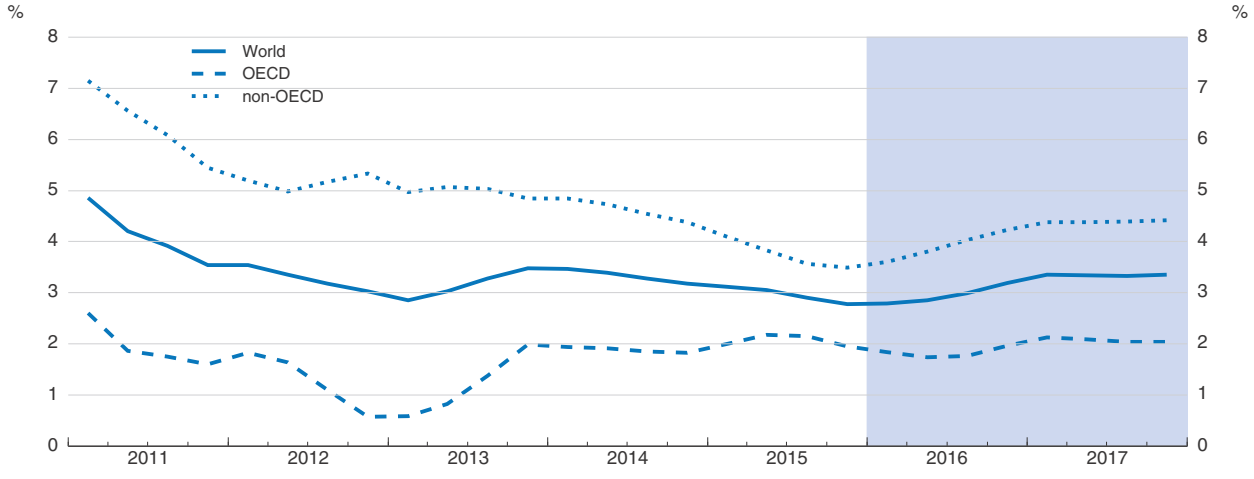
Global GDP growth remains modest (Figure 1.1). This reflects a combination of subdued aggregate demand, poor underlying supply-side developments, with weak investment, trade and productivity growth, and diminished reform momentum. In recent months, soft domestic demand in the advanced economies, especially the United States, has added to the pressures stemming from the growth slowdown in many EMEs. Policy stimulus is helping to hold up demand in China, but deep recessions persist in Brazil and Russia. Global trade growth is again weak this year (Figure 1.2), with little or no growth in the first quarter, especially in many Asian economies, consistent with the recent slowdown in the level of new orders in global business surveys. Though firming recently, commodity prices remain relatively low, reflecting ample supply and persisting concerns about future demand strength. Financial market sentiment has improved after considerable volatility earlier in the year. Nevertheless, declines in equity prices and stronger effective exchange rates, and in the United States a further tightening of credit conditions, mean that aggregate financial conditions in the major economies generally remain tighter than in the latter half of 2015, despite additional supportive monetary policy measures in the euro area and Japan (Figure 1.3).

Only a slow recovery appears likely for global growth and trade over the latter half of 2016 and through 2017 (Table 1.1).

- OECD GDP growth is projected to be just under 2% on average over 2016-17, broadly in line with outcomes in the previous two years (Figure 1.4, Panel A). Supportive macroeconomic policies and low commodity prices (Annex 1.1) should continue to underpin a modest recovery in the advanced economies, assuming that wage increases and business investment growth both start to pick up and tensions in financial markets do not reoccur. However, weakness in external demand stemming from the EMEs remains a drag on the advanced economies.

Figure 1.1. **Global GDP growth is set to remain subdued**

Year-on-year percentage changes

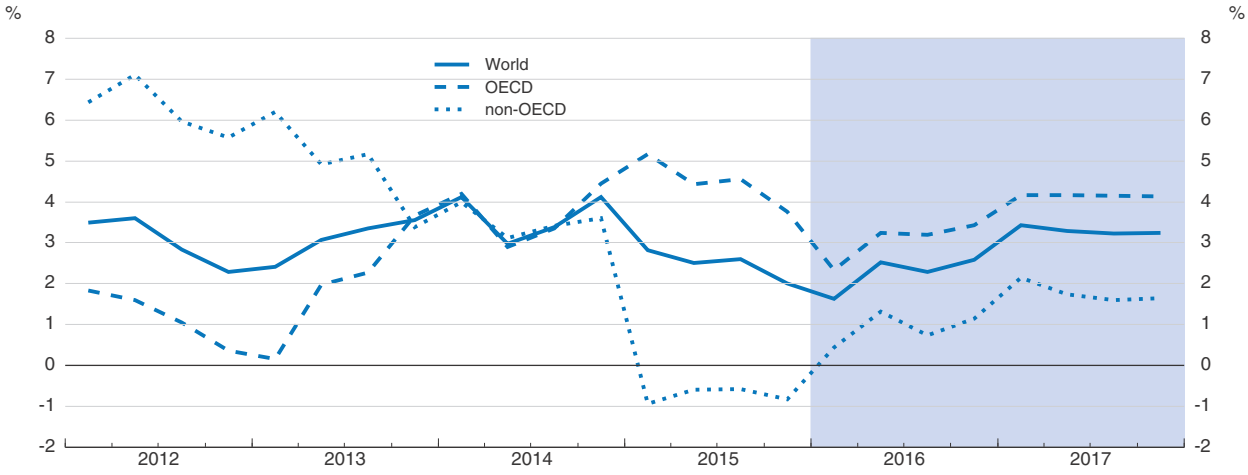


Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367262

Figure 1.2. **Non-OECD import volume growth collapsed in 2015**

Year-on-year percentage changes



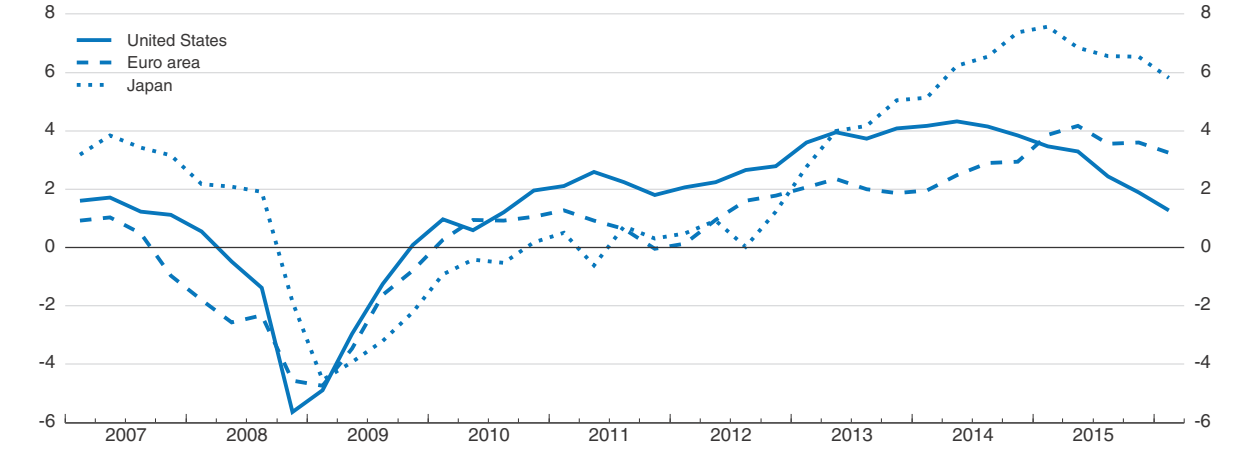
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367279

- In the United States, a moderate recovery is expected to continue as headwinds from the strong dollar and declining energy sector investment fade. A gradual upturn in wage growth is projected to support domestic demand as the labour market approaches full employment, with a slow improvement in productivity growth limiting the emergence of labour market pressures. In Japan, GDP growth is likely to remain modest, with the tightening labour market having only a limited impact on nominal wage growth and sizeable fiscal consolidation projected in 2017. In the euro area, growth is projected to improve slowly, helped by the gradual impact of recent monetary policy easing on credit

Figure 1.3. **Financial conditions in major 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 increases (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 18 May 2016.
Source: OECD Economic Outlook 99 database; Thomson Reuters; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933367289

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 Q4	2016 Q4	2017 Q4
	Per cent								
Real GDP growth[1]									
World[2]	4.0	3.2	3.3	3.0	3.0	3.3	2.8	3.2	3.3
OECD[2]	1.7	1.2	1.9	2.1	1.8	2.1	1.9	2.0	2.0
United States	1.8	1.5	2.4	2.4	1.8	2.2	2.0	1.9	2.1
Euro area	0.9	-0.3	1.0	1.6	1.6	1.7	1.7	1.7	1.8
Japan	0.8	1.4	0.0	0.6	0.7	0.4	0.8	1.5	-0.3
Non-OECD[2]	6.7	5.0	4.6	3.7	3.9	4.4	3.5	4.2	4.4
China	10.5	7.7	7.3	6.9	6.5	6.2	6.8	6.3	6.1
Output gap[3]	-0.4	-2.5	-2.2	-1.7	-1.5	-1.0			
Unemployment rate[4]	7.0	7.9	7.3	6.8	6.4	6.2	6.5	6.4	6.1
Inflation[1,5]	2.1	1.4	1.6	0.7	1.1	1.8	0.9	1.2	1.9
Fiscal balance[6]	-4.6	-4.1	-3.6	-3.1	-2.9	-2.4			
Memorandum Items									
World real trade growth[1]	5.6	3.3	3.7	2.6	2.1	3.2	1.9	2.4	3.2

1. Year-on-year increase.
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.
6. Per cent of GDP.

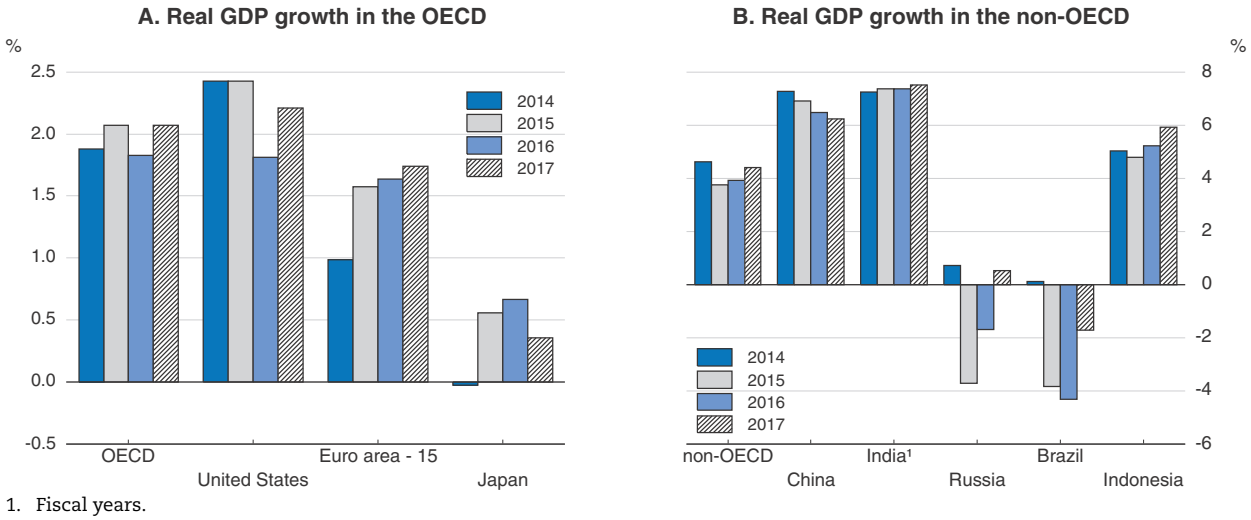
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368831

growth and, in some countries, additional fiscal spending to assist asylum seekers. However, still sizeable labour market slack, elevated debt burdens and non-performing loans continue to hamper the recovery in some countries.

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

Year-on-year percentage changes



1. Fiscal years.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367297

- Non-OECD GDP growth should edge up as the sharp downturns in many commodity producers gradually ease (Figure 1.4, Panel B), provided commodity prices stabilise at their current level. However, EMEs are likely to experience diverse outcomes, reflecting differences in available policy support, the impact of low commodity prices, progress in enacting structural reforms and the extent of financial vulnerabilities. GDP growth is projected to continue moderating gradually in China, to around 6¼ per cent in 2017, as the economy rebalances from manufacturing to services. Recent fiscal policy measures provide considerable support to growth, via infrastructure and real estate investment, but also add to the challenges of achieving a smooth rebalancing and avoiding financial tensions. Solid growth should persist in India and Indonesia, helped respectively by a large planned increase in public sector wages and substantially higher infrastructure spending. The outlook for Brazil and Russia remains challenging, given the hit to incomes from low commodity prices, still high inflation, fiscal difficulties and, in Brazil, heightened political uncertainty.

Given this low level of aggregate demand growth, only slow additional improvements are anticipated in investment growth and labour market outcomes in advanced economies.

- OECD business investment is projected to rise by between ½ and ¾ per cent in 2016, with global demand and low commodity prices checking investment in many countries, including the United States, Canada and Australia, and heightened uncertainty damping near-term spending in the United Kingdom. As these factors fade, albeit against a backdrop of continued moderate global demand growth, OECD business investment could rise gradually by between 3½ and 3¾ per cent in 2017.
- The OECD-wide unemployment rate is projected to decline to under 6¼ per cent by the latter half of 2017, despite only small changes in some of the larger economies now close to or even below estimated longer-term sustainable unemployment rates, including Germany, Japan, the United Kingdom and the United States (Table 1.2). Unemployment

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

	2012	2013	2014	2015	2016	2017
Employment	Percentage change from previous period					
United States	1.8	1.0	1.6	1.7	2.1	1.5
Euro area	-0.6	-0.6	0.6	1.0	1.3	1.0
Japan	-0.3	0.7	0.6	0.4	0.5	-0.2
OECD	1.0	0.7	1.3	1.4	1.5	1.1
Labour force	Percentage change from previous period					
United States	0.9	0.3	0.3	0.8	1.8	1.2
Euro area	0.7	0.1	0.2	0.2	0.5	0.5
Japan	-0.6	0.3	0.2	0.2	0.3	-0.3
OECD	1.0	0.6	0.7	0.8	1.2	0.9
Unemployment rate	Per cent of labour force					
United States	8.1	7.4	6.2	5.3	5.0	4.7
Euro area	11.3	11.9	11.5	10.8	10.2	9.8
Japan	4.3	4.0	3.6	3.4	3.2	3.1
OECD	7.9	7.9	7.3	6.8	6.4	6.2

Source: OECD Economic Outlook 99 database.

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remains much higher in the euro area overall, especially in the countries hardest hit by the crisis and by fiscal consolidation. In most countries, broader measures of labour market slack also remain high. With consumer price inflation projected to remain low, only modest productivity growth and possibly greater slack than estimated, wage inflation is projected to remain moderate (Figure 1.5). In the OECD economies as a whole, the growth in compensation per employee is projected to edge up to around 2½ per cent by 2017, from 1¾ per cent on average per annum in 2014-15.

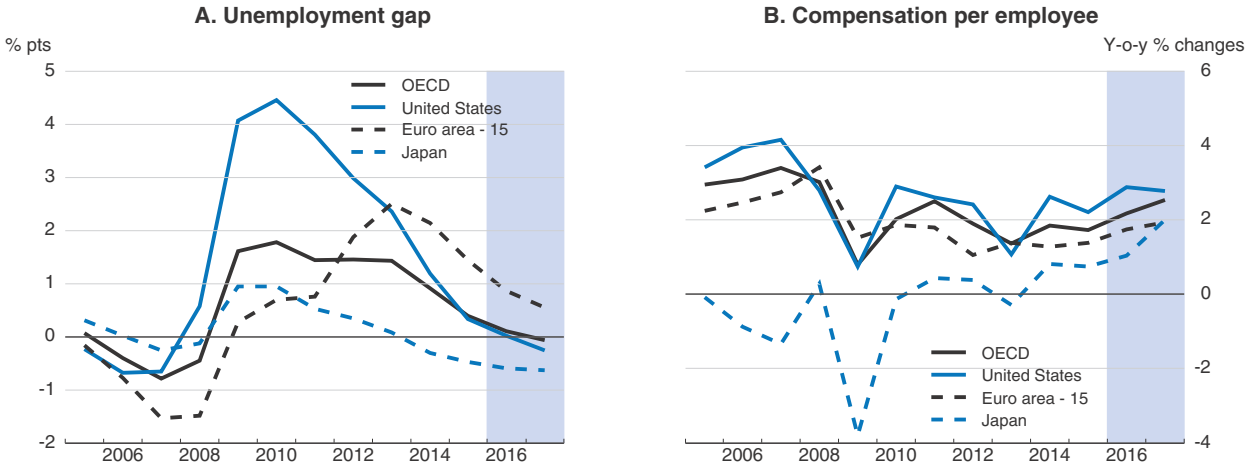
Investment, trade, labour market developments, and their implications for potential output and inflation are discussed further below.

Reflecting recent behaviour, these projections are conditional on traditional key linkages between macroeconomic variables remaining generally weaker than over a longer historical period. These include the links between unemployment and wage growth, trade volumes and exchange rates, and interest rates and investment. If the links are even weaker than assumed, the pick-up in growth will be slower than outlined above. On the other hand, if the strength of these relationships were to return to historical norms, the recovery would be firmer.

Weaknesses in demand, investment, trade and potential output have reinforced each other

A prolonged period of weak demand is being reflected increasingly in adverse supply-side developments. Estimates of potential output per capita growth in the major OECD economies have been revised down repeatedly in the aftermath of the crisis and, in some countries, fiscal consolidation. For the OECD as a whole, it is estimated at 1% in 2016, which is between ¾ and 1 percentage point below the average in the two decades preceding the crisis (Figure 1.6). If policymakers fail to take action, this slowdown will deepen, with negative longer-run consequences for employment, income and inequality.

Figure 1.5. **Labour market outcomes are improving slowly**

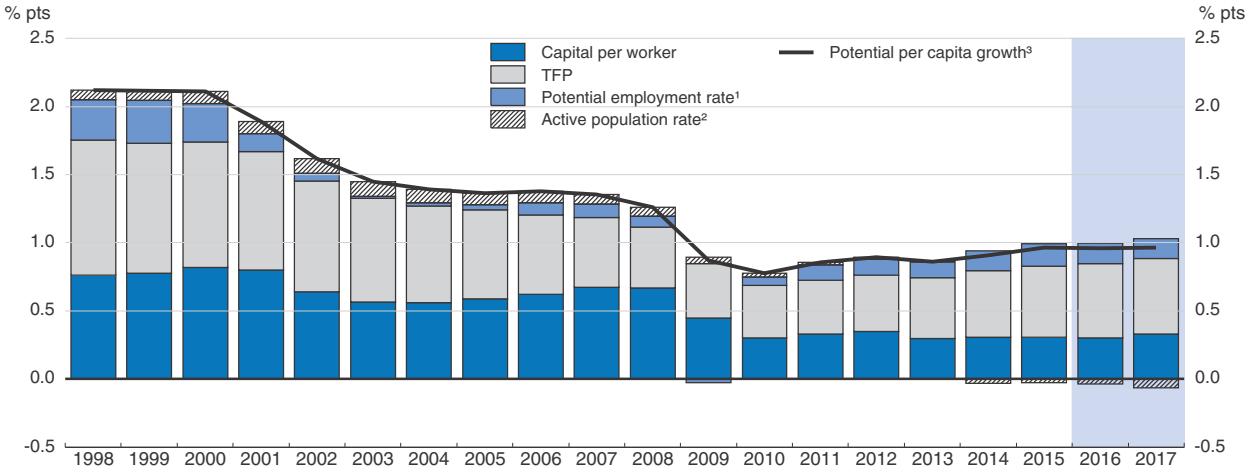


Note: The unemployment gap is the difference between the unemployment rate and the estimated structural rate.
Source: OECD Economic Outlook 99 database.

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Figure 1.6. **Weak investment and productivity growth have hit potential output growth**

Contribution to potential per capita growth



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 total factor productivity (E*) then $y^* = a * (n^*+e^*) + (1 - a) * k$, where lower case letters denote logs and a is the wage share. If P is the total population and PWA the population of working age (here taken to be aged 15-74), then the growth rate of potential GDP per capita (where growth rates are denoted by the first difference, d( ), of logged variables) can be decomposed into the four components depicted in the figure: $d(y^* - p) = a * d(e^*) + (1-a) * d(k - n^*) + d(n^* - pwa) + d(pwa - p)$.

1. Potential employment rate refers to potential employment as a share of the working-age population (aged 15-74).
2. Active population rate refers to the share of the population of working age in the total population.
3. Percentage changes.

Source: OECD Economic Outlook 99 database.

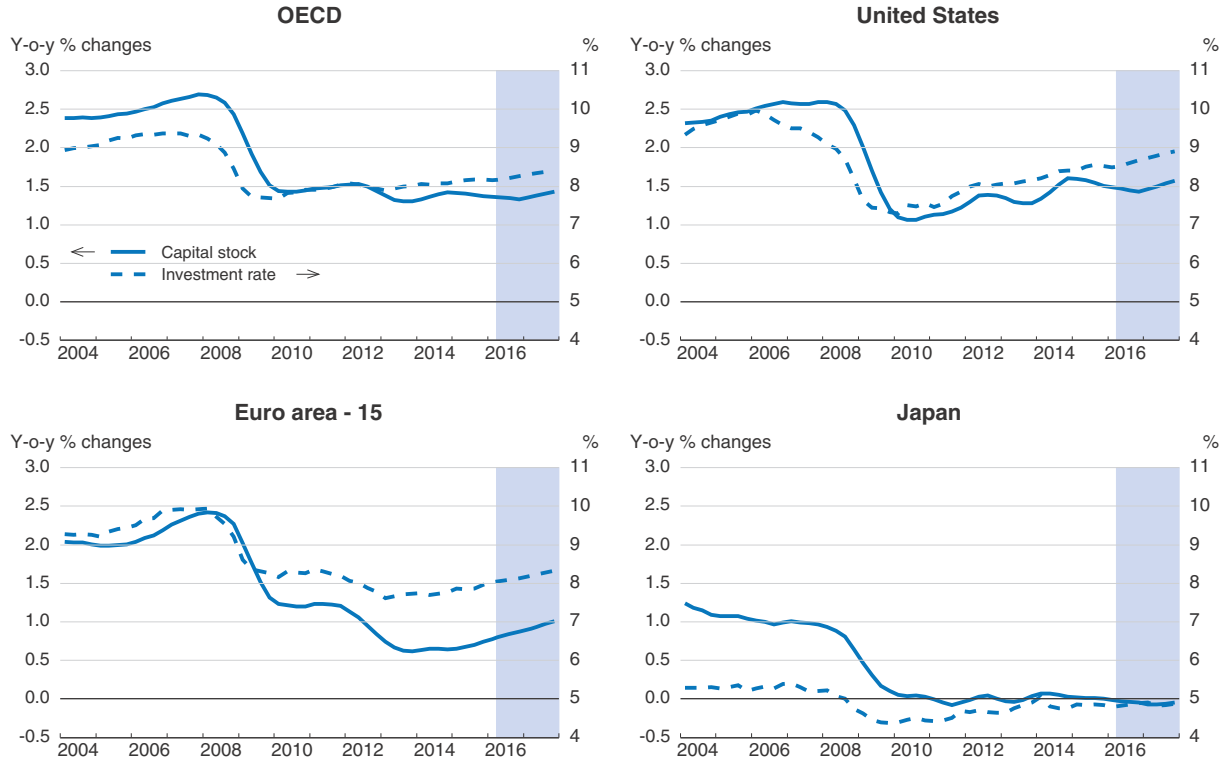
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Two main factors have contributed to the decline in the growth rate of OECD potential output per capita:

- Weak capital stock growth accounts for around one-half of the slowdown. Investment in many advanced countries remains below pre-crisis levels, though it is increased in recent years, especially in the United States (Figure 1.7). At the same time, depreciation rates are high following the rise in the share of ICT and intangible investment in total investment (OECD, 2015b).
- The rest of the decline in potential growth per capita is accounted for largely by declining total factor productivity growth. This reflects the moderation of the pace at which innovations spread across the economy, a decline of business dynamism as entry and exit rates have fallen, and only limited new product market reforms (Adalet McGowan et al., 2015).

In addition, weak labour markets have also reduced potential growth in some economies through increases in the structural unemployment rate and the number of people withdrawing from the labour force, and indirectly through deterioration in the skills of people without employment for an extended period. The slowdown in global trade, partly reflecting weak investment, has also been an important intermediate factor in slowing potential output growth in many economies, by reducing competitive pressures and technological spillovers and hence innovative activity (discussed below).

Figure 1.7. **Capital stock growth and the investment rate will pick up from low levels**



Note: The investment rate is investment as a percentage of the previous period's capital stock.
Source: OECD Economic Outlook 99 database; and OECD calculations.

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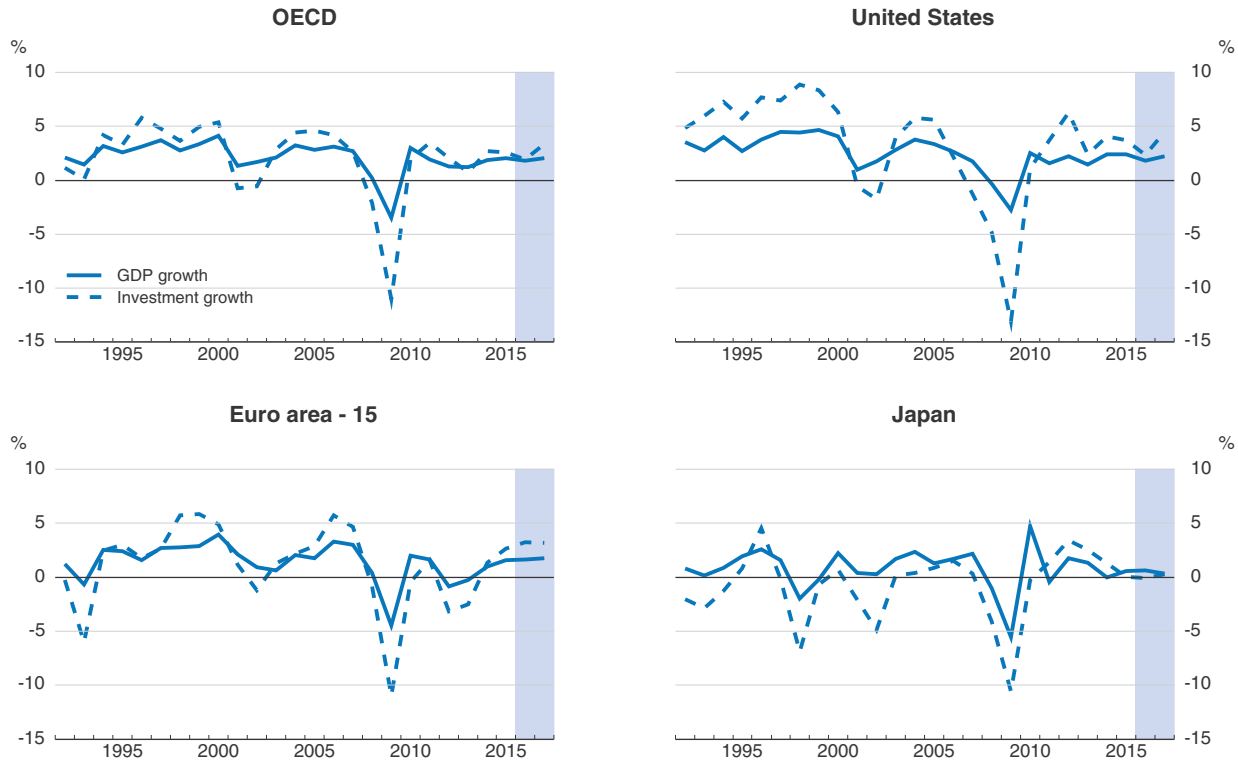
Investment dynamics are broadly aligned with output factors

Investment growth and its composition have varied across the main OECD areas, reflecting differences in demand dynamics and country-specific developments. This tendency is expected to continue in 2016 and 2017 (Figures 1.7, 1.8 and 1.9).

- In the United States, total investment increased between 2010 and mid-2015 at a pace similar to that seen before the crisis and in line with overall GDP growth. However, in the second half of 2015, investment levelled off and demand for commercial and industrial loans weakened. This was associated with lower profits, increasing defaults and a sharp fall in investment by oil producing companies as global oil prices collapsed. As these effects ease, business investment should pick up, supported by generally healthy corporate finances, although soft global demand conditions could offset more favourable domestic demand. Companies have reduced their leverage and hold large amounts of cash and deposits. Housing investment is expected to be more robust, reflecting pent-up demand, rising incomes and still favourable financing conditions.
- In the euro area, investment strengthened somewhat in the second half of 2015 together with corporate profits. So far, bank lending to enterprises has barely grown in the area as a whole. However, loan demand by enterprises has increased, reflecting the low cost of credit and increasing needs for working capital and fixed investment. The total cost of bank borrowing for enterprises has fallen, especially in countries hardest hit by the crisis, and intra euro area differences in bank rates have diminished. Credit standards on

Figure 1.8. **Investment growth is expected to strengthen in the euro area and the United States**

Year-on-year percentage changes



Source: OECD Economic Outlook 99 database.

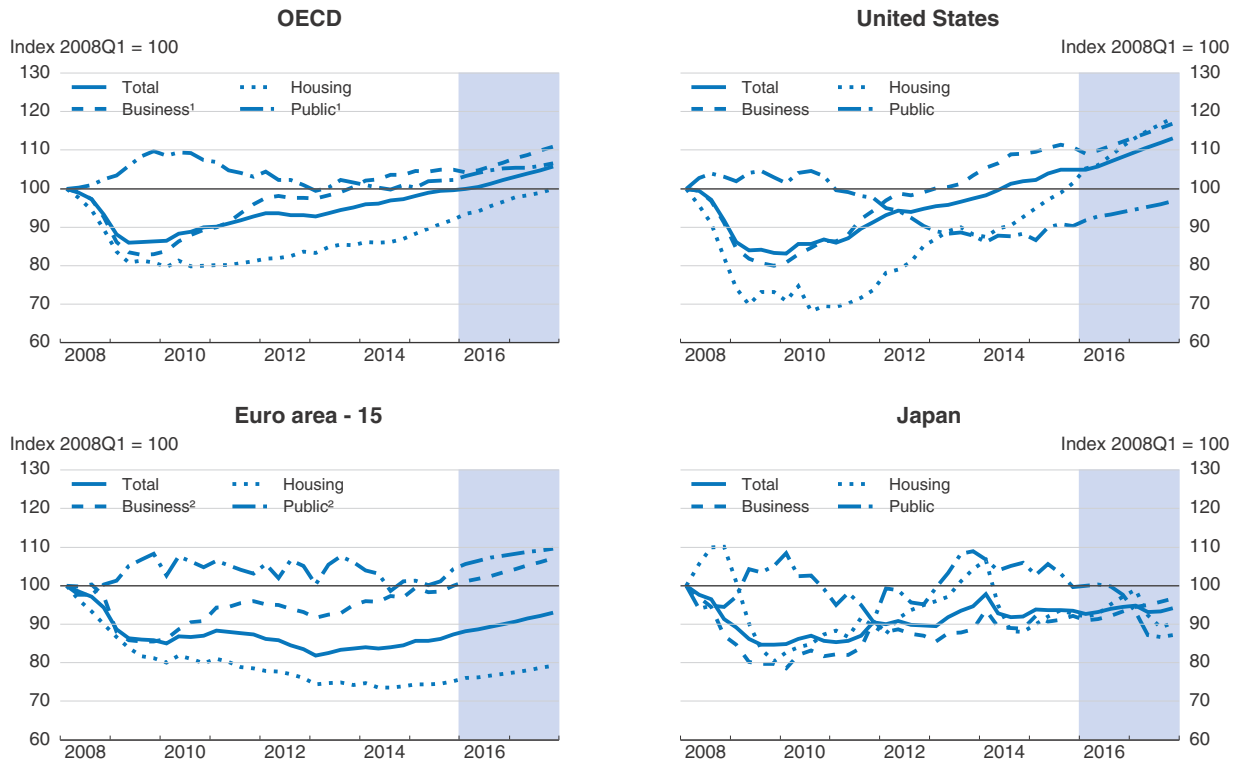
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loans to enterprises have also continued to ease. Nevertheless, modest growth prospects together with political uncertainty (see below) and not fully resolved problems in the banking sector mean that investment will grow at a broadly similar pace as in recent years.

- In Japan, business investment, which has been supported by record high corporate profits and large cash holdings in the corporate sector, is expected to continue increasing as labour shortages worsen and firms report capacity shortages in the service sector. Nevertheless, due to the decline in public investment as reconstruction spending wanes, total investment growth is expected to remain weak.
- In EMEs, investment dynamics are even more diverse. In China, total investment has moderated over the past year but policy-induced investment in infrastructure and real estate has already begun to offset this weakness. In Brazil and Russia, investment is set to continue declining given the prolonged recession, political uncertainty and low commodity prices. In contrast, in India and Indonesia, strong investment is expected to continue, helped by reforms to bolster infrastructure spending and robust demand growth.

If companies continue to doubt that national and global demand will strengthen, or if economies are hit by negative shocks, business investment growth will be weaker than projected. As in recent years, the very low cost of capital is not likely to offset weak

Figure 1.9. **The composition of total investment growth in advanced countries will continue to differ**



1. Country coverage differs for business and public investment aggregates, which include only Australia, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Japan, Korea, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States.
2. Country coverage differs for business and public investment aggregates, which include only Belgium, Finland, France, Germany and the Netherlands.

Source: OECD Economic Outlook 99 database; and OECD calculations.

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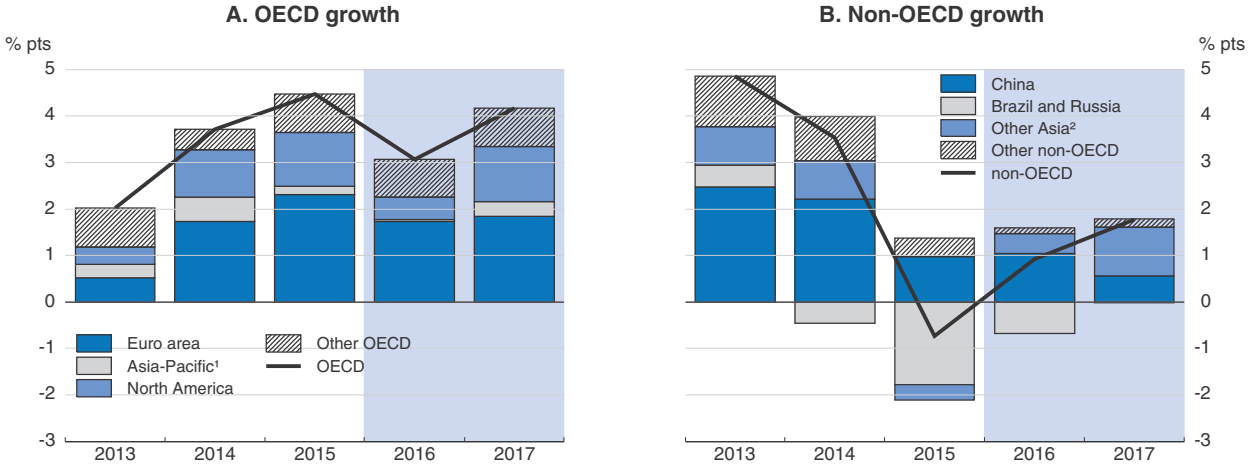
confidence or heightened uncertainty. On the other hand, more robust policy reforms to improve competitive conditions could be an impetus for investment (Chapter 3 in OECD, 2015b). In oil producing countries, adjustment to investment in the energy-related sectors will hinge upon developments in oil prices, with a renewed decline in prices implying further fall in investment. In several EMEs, repeated downward revisions to expected potential growth, reduced rates of return and the build-up of excess capacities in some sectors may constrain investment (OECD, 2016b).

Trade growth is set to recover but still remain subdued, checking productivity

Global trade volume growth eased to 2½ per cent in 2015, representing a further marked slowdown relative to GDP growth. Import growth picked up in the advanced economies, largely due to an upturn in the euro area, but declined by around 1 percentage point in the EMEs. Import weakness was especially marked in China, other economies in Asia connected in value chains with China, and Brazil and Russia, where import volumes in 2015 are estimated to have fallen by one-fifth due to deep recessions (Figure 1.10).

No improvement is projected in 2016, with global trade growth rising by between 2 and 2¼ per cent (Table 1.3). After a pick-up in the latter half of 2015, trade flows have weakened

Figure 1.10. **Contributions to the annual growth of OECD and non-OECD import volumes**



1. Asia-Pacific includes Australia, Chile, Japan, Korea and New Zealand.
2. The Other Asia group comprises India, Indonesia and the Dynamic Asian Economies.

Source: OECD Economic Outlook 99 database; and OECD calculations.

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Table 1.3. **World trade growth remains very weak**

Goods and services trade

	2013	2014	2015	2016	2017
	Percentage change from previous period				
World trade[1]	3.3	3.7	2.6	2.1	3.2
OECD exports	2.7	3.9	3.9	2.6	4.0
OECD imports	2.0	3.7	4.5	3.1	4.2
Non-OECD exports	4.8	3.3	0.7	0.9	1.7
Non-OECD imports	4.9	3.5	-0.7	0.9	1.8
Trade prices[2]					
OECD exports	0.3	-1.2	-13.4	-0.8	2.0
OECD imports	-0.6	-1.4	-14.5	-1.7	1.7
Non-OECD exports	-1.8	-2.8	-13.5	-5.7	2.6
Non-OECD imports	-0.9	-1.9	-10.9	-4.2	2.5
Current account balances	Per cent of GDP				
OECD	0.0	0.0	0.1	0.2	0.2
United States	-2.3	-2.2	-2.7	-2.5	-2.5
Japan	0.8	0.5	2.9	3.4	3.7
Euro area	2.9	3.1	3.8	3.8	3.6
Non-OECD	1.5	1.5	0.8	0.6	0.6
China	1.6	2.7	3.1	2.8	2.6
Major oil producers	9.1	5.1	-3.0	-5.8	-5.6
Rest of the world	-9.3	-6.3	0.7	3.6	3.6
World[3]	0.5	0.5	0.3	0.3	0.3

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 US dollars.
3. Includes world discrepency.

Source: OECD Economic Outlook 99 database.

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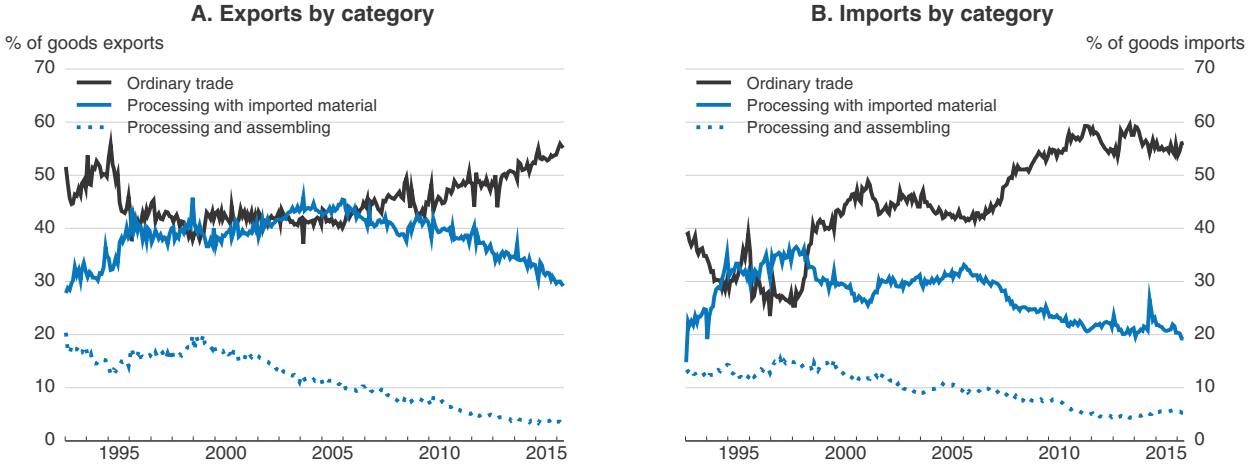
again in the early part of this year, especially in many Asian economies and also in the United States. For 2017, global trade growth is projected to edge up to around 3¼ per cent. The investment-led stimulus in China, a gradual stabilisation of demand in the commodity producers and, in 2017, the weak cyclical improvement in investment growth in the advanced economies all contribute to this gentle upturn in trade growth.

Such outcomes would be markedly weaker than in the two decades prior to the financial crisis when trade grew twice as fast as output (measured in constant dollar exchange rates). In retrospect, however, the pre-crisis period may have been unusual, in part due to the boost from a strong one-time boom in manufacturing and investment in China that raised commodity demand and imports of intermediate and capital goods. A slow transformation away from investment and export-led growth in China, and a growing tendency for some Chinese firms to use domestically-produced intermediate inputs (Figure 1.11), appears to be an important structural factor behind the more recent softening of the global trade-GDP elasticity. The weak post-crisis recovery in investment, with global capital goods imports largely stagnating from 2011, is a persisting cyclical factor.

An accumulation of trade restrictions in the major economies has also contributed to the moderation of trade intensity. Indeed, 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). G-20 economies continued to add new trade restrictive measures through 2015, with over three-quarters of the total measures imposed since 2008 still in place. With around three-quarters of global trade comprising purchases of intermediate inputs, capital goods and services that contribute to final production (OECD, 2015a), the cost of barriers to cross-border trade can quickly cumulate along value chains. Barriers to cross-border foreign investments may also hit export capacity in some countries.

Moving from the pace of trade growth in the two decades prior to the crisis to trade growth becoming aligned with GDP growth could reduce the level of total factor productivity by around 4 percentage points after 20 years, all else equal, drawing on estimates in Égert and Gal (forthcoming) (Figure 1.12). The slowdown in production

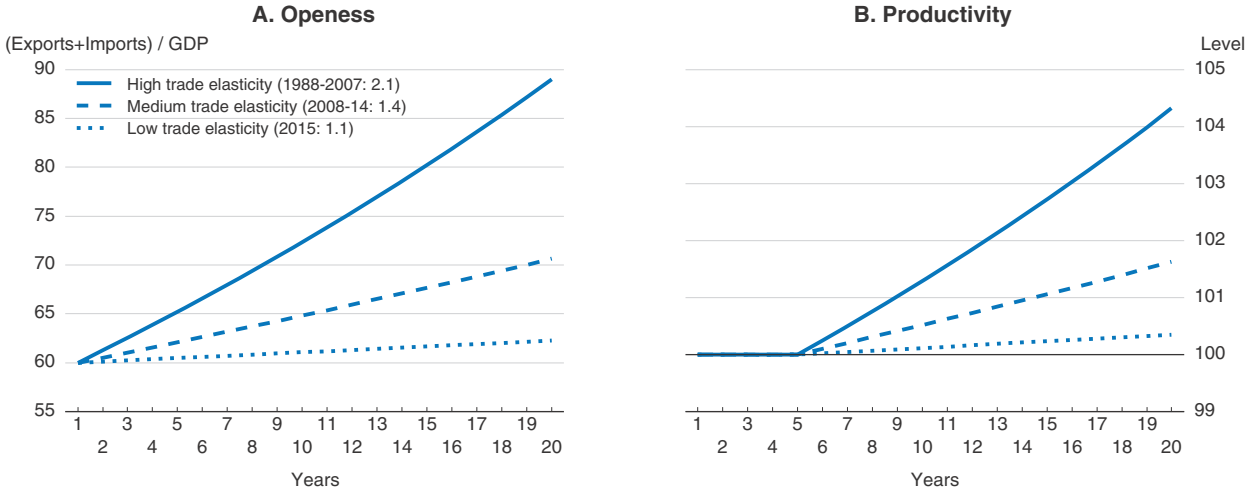
Figure 1.11. **China is on-shoring its value chain**



Source: General Administration of Customs of China.

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Figure 1.12. **Stronger trade growth would help to boost productivity**



Note: The evolution of trade openness assumes annual real GDP growth of 2%, and the evolution of productivity assumes that a 4-percentage point increase in openness raises total factor productivity by 0.8% after 5 years.
Source: OECD calculations.

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fragmentation in global value chains reinforces these adverse effects on productivity substantially. Slower trade growth and reduced participation in global value chains both limit the diffusion of innovations at the global frontier to national firms (Adalet McGowan et al., 2015). Weaker competition also discourages incentives to innovate and invest, and hampers the growth of the most productive domestic firms, especially in smaller economies in which the minimum efficient scale of production is high relative to the size of the home market. Better framework policies and the institutional environment, particularly with regard to barriers to the entry of new firms and obstacles to the exit of less efficient ones, have an important bearing on the productivity outcome (Saia et al., 2015).

The cost of persistently soft trade growth reinforces the need to undertake additional measures to boost global demand, particularly investment (as discussed below), and reduce structural barriers to trade. The new Trans-Pacific Partnership agreement is a welcome step in this regard, and will boost trade growth and global activity in the medium term (Petri and Plummer, 2012). Ratification and prompt implementation of the WTO Trade Facilitation Agreement, reached two years ago in Bali, would provide a further stimulus. Regulatory reforms in services are also needed to reduce trade facilitation costs and increase cross-border competition, particularly in network industries and commercial services which are increasingly incorporated in merchandise trade. Anti-competitive regulation is generally higher in services and there is much wider dispersion across countries. In Europe, implementing the EU single market directives and reducing regulatory differences could raise cross-border trade and investment substantially, possibly by up to one-fifth (Fournier, 2015; Fournier et al., 2015).

Labour markets are healing slowly

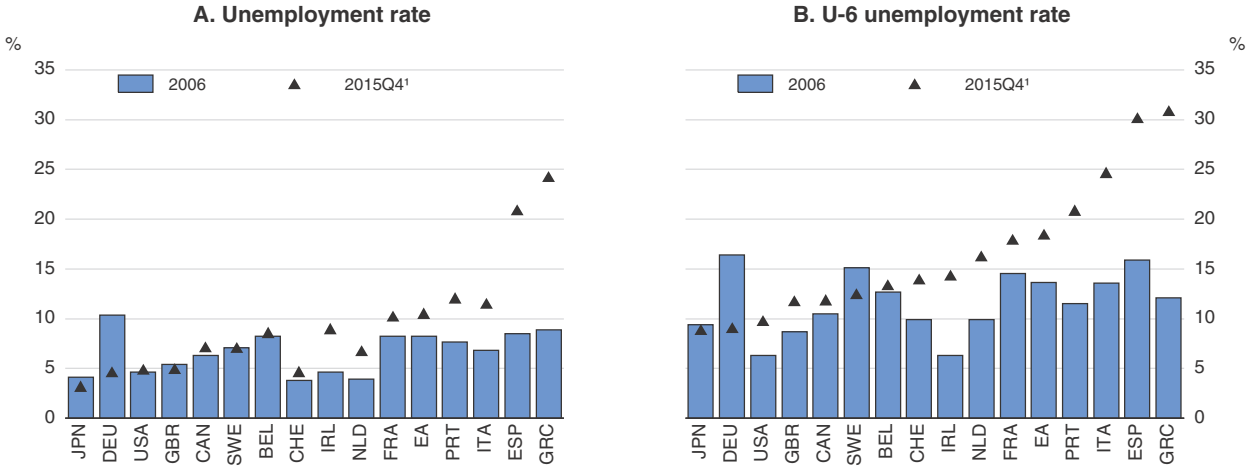
Whilst unemployment rates are gradually declining in most OECD economies, and in a few are now at or below estimated longer-term sustainable rates, other indicators of labour market slack are still elevated. Long-term and youth unemployment rates remain

high and 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 above pre-crisis norms in most economies (Figure 1.13). High persistent labour market slack can result in hardship for a large number of people and gradually undermine the productive potential of the economy as skills are either not developed or erode.

Participation rates are also well below pre-crisis levels in a few countries, including the United States, but this appears to be partly linked to demographic developments (and retirement age) and therefore may not fully translate into sizeable cyclical slack. However, in the majority of countries, participation rates are now higher than a few years ago (Figure 1.14, Panel A), in part due to the impact of reforms, including higher female labour force participation through improved access to childcare services, and measures to reduce labour taxation on low-paid workers and pathways to early retirement (OECD, 2016a). Overall, demographic headwinds have intensified, resulting in a stagnant or declining working-age population in some countries, and labour force growth in recent years has been weaker than prior to the crisis in several countries (Figure 1.14, Panel B).

Against the backdrop of low inflation, weak underlying productivity growth and elevated slack, nominal wage growth has been low in recent years, although minimum wage increases are boosting overall compensation growth in some countries. The unemployment gap is now small or even negative in a few countries, but this may not result in rapid wage growth, especially in real terms. The relationship between wage growth and labour market slack, as measured by the unemployment gap, has shifted since the crisis in some countries, particularly in the United States and the United Kingdom (Figure 1.15). In Japan, nominal wage growth in recent years has remained broadly in line with what might have been expected given the unemployment gap, but there is little

Figure 1.13. **Broad measures of labour market slack remain elevated**



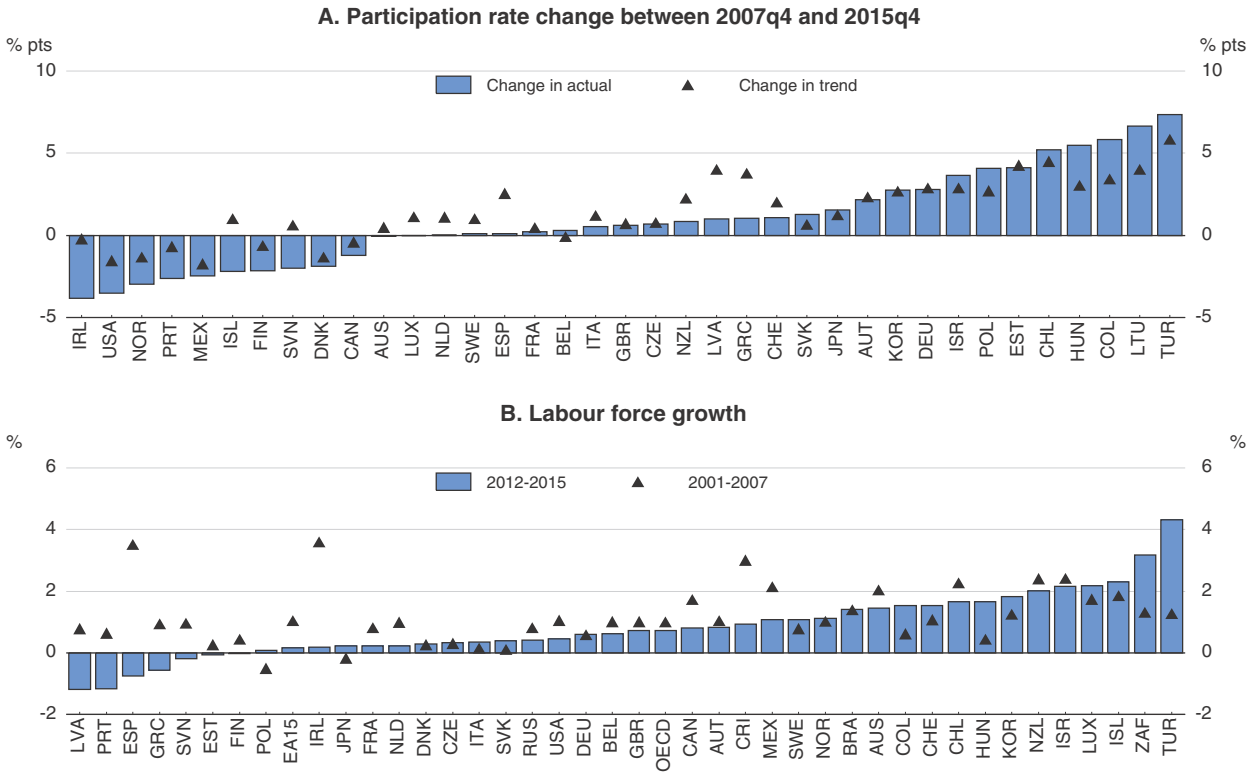
Note: : U-6 is a measure of labour underutilisation calculated as the sum of total unemployed, all persons marginally attached to the labour force and total involuntary employed part time for economic reasons, as a per cent of the civilian labour force plus all persons marginally attached to the labour force. The age group is 15 years old and above.

1. 2016Q1 for Canada, Japan and the United States.

Source: Eurostat; Ministry of Internal Affairs and Communications of Japan; United States Bureau of Labor Statistics; OECD Labour Force Statistics; OECD Main Economic Indicators; and OECD calculations.

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Figure 1.14. **Participation rates have risen but labour force growth has slowed in several countries**



Source: OECD Economic Outlook 99 database; and OECD calculations.

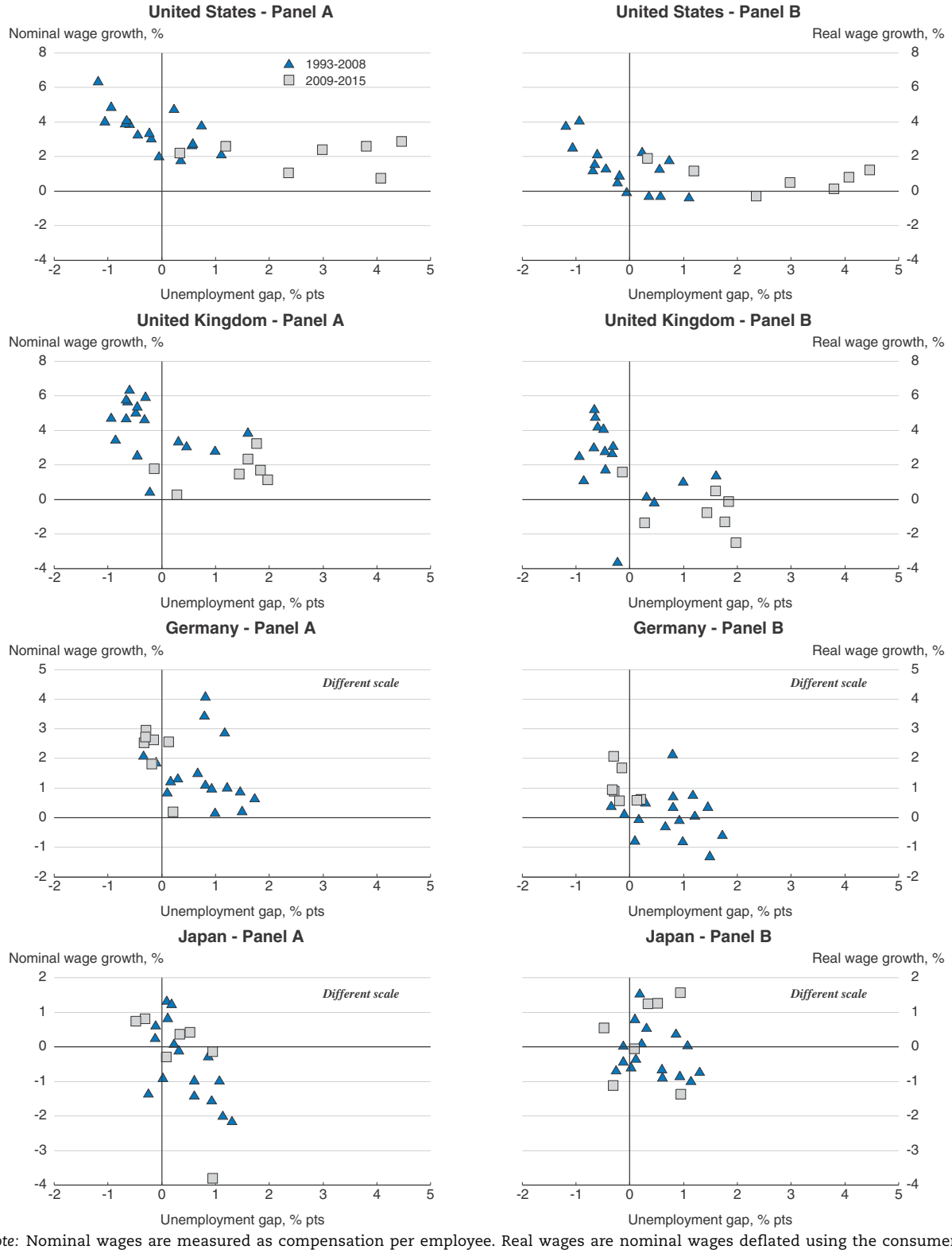
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apparent relationship between real wage growth and slack. In contrast, wage growth in Germany has recently been somewhat stronger than implied by past experience, especially after the estimated unemployment gap became negative.

In addition to changes in the relationship between wages and slack, there are a number of other factors that may presently be limiting wage growth:

- Downward nominal rigidities may have limited the extent to which wage growth was lowered in the aftermath of the crisis, when slack was very high. If so, firms may be slower than usual to increase wage growth as the labour market returns towards equilibrium, particularly when future demand growth rates are uncertain, until labour shortages start to become pressing.
- In most economies with small unemployment gaps, broader measures of labour market slack often remain elevated (Figure 1.13), although less so in Germany and Japan, and labour force participation rates have picked up (Figure 1.14, Panel A).
- Against a background of persisting supply-side shocks and uncertainty about future employment prospects, workers may be reluctant to press for wage increases to the same extent as in the past, particularly as low price inflation may still imply real wage gains despite subdued growth in nominal wages.

Figure 1.15. **The relationship between wage growth and unemployment has changed in some countries**



Note: Nominal wages are measured as compensation per employee. Real wages are nominal wages deflated using the consumers' expenditure deflator. The unemployment gap is the difference between the unemployment rate and the estimated sustainable rate.
Source: OECD Economic Outlook 99 database.

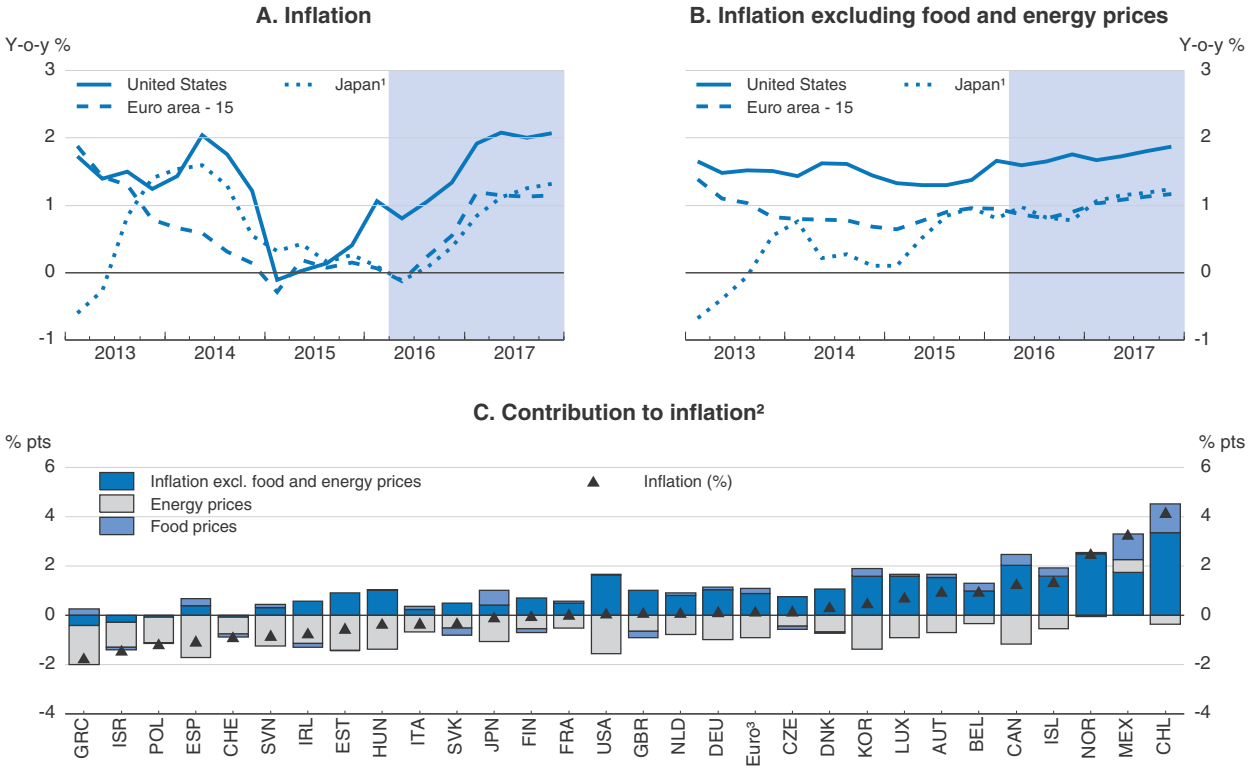
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Inflation is projected to remain low

In advanced economies, inflation is projected to edge up slowly, with oil prices assumed to stabilise and no longer reduce the price level, but significant further acceleration is unlikely given muted labour market and resource utilisation pressures.

- Recent declines in inflation across the OECD can be largely accounted for by the fall in energy prices that started in mid-2014 (Figure 1.16). The overall effect was smaller than some years ago, owing to the downward trend in the oil intensity of GDP, which is now roughly a third of what it was in the early 1970s for the larger OECD economies.
- Inflation expectations have remained broadly anchored for the larger OECD economies. Those based on the opinions of professional forecasters have remained stable, but market-based measures of long-term inflation (which are calculated from the price differences of financial securities with different levels of inflation protection) have remained low. However, in the United States, this may be due to specific factors, such as changing liquidity premia for different types of securities, rather than changes to expectations, suggesting stable and well-anchored US inflation expectations (Gospodinov and Wei, 2016).

Figure 1.16. **Energy prices have pulled down inflation across the OECD**



1. Data for Japan exclude the estimated impact of the consumption tax increases in April 2014 and April 2017.
2. Average annualised monthly contribution of food, energy, and inflation excluding food and energy prices to the change in consumer price index from July 2014 to March 2016.
3. For the euro area, food also includes alcohol and tobacco.

Source: OECD Economic Outlook 99 database; OECD, Main Economic Outlook database; Eurostat; and OECD calculations.

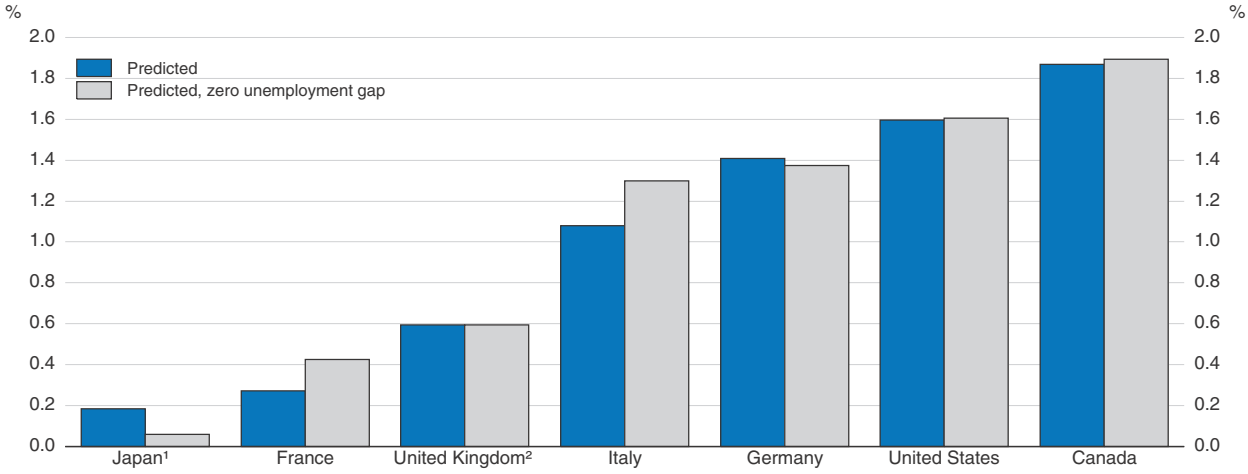
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- Unemployment and output gaps now tend to have a smaller impact on consumer price inflation than in the past. This decline began in the mid-1970s, but has stabilised more recently (Blanchard et al., 2015; Rusticelli, 2014; Rusticelli et al., 2015). This is likely to reflect better anchored inflation expectations, downward nominal rigidities at a time when inflation is very low, and a smaller impact of domestic pressures on consumer price inflation, with globalisation leading to more consumer items being imported (IMF, 2006; Pain et al., 2008; Woodford, 2010; and IMF, 2013).
- Inflation models estimated for large advanced economies, and which assume anchored inflation expectations (Rusticelli et al., 2015), suggest that a sustained increase in the unemployment gap by 1 percentage point should reduce core inflation on average by about 0.4 percentage point after 1½ years. In this context, the contribution of unemployment gaps to inflation since mid-2014 has been relatively minor, with the exception of Italy and France (Figure 1.17), owing also to the fact that estimated gaps have been relatively small. In Germany and Japan, unemployment gaps have been negative and inflation has risen, in contrast to the other countries analysed.

A prolonged undershooting of inflation targets could reduce longer-term inflation expectations, resulting in lower consumer price and wage inflation. Inflation projections continue to be surrounded by upside and downside risks in part due to uncertain oil price developments. Oil prices and inflation will be lower if oil supply does not adjust downwards and a possible renewed weakness in global economic activity damps demand for oil. An effective agreement among the main oil producers to cut production and stronger global activity would lead to higher inflation, but recent meetings to coordinate producers have failed to achieve consensus and global growth projections remain modest.

Figure 1.17. **The unemployment gap has recently contributed little to price inflation**

Average year-on-year core inflation rate between 2014Q3 and 2015Q4



Note: According to the anchored expectations Phillips curve as used by the OECD (Rusticelli et al., 2015), changes in the core consumer price inflation rate (i.e. excluding prices of food, drink, tobacco and energy) can be explained by the unemployment gap, import prices, anchored inflation expectations, previous changes in inflation, and residual error terms. The above figure compares predicted inflation given the observed outcomes for all the explanatory variables with predicted inflation assuming a zero unemployment gap between 2014Q3 and 2015Q4.

1. The price level for Japan is adjusted for the estimated effect of the consumption tax rate increase in April 2014 of 1.9%.
2. Data for the United Kingdom refers to headline consumer price inflation.

Source: OECD calculations.

StatLink http://dx.doi.org/10.1787/888933367424

Similarly, large exchange rate moves will affect domestic prices, especially in small open economies. Risks of further currency depreciations, and thus stronger inflation, are particularly high in EMEs and the United Kingdom.

Geopolitical risks are intensifying

The potential exit of the United Kingdom from the European Union (Brexit) is a major downside risk. In the run-up to the referendum, financial markets have increasingly begun to price in the possible risk of Brexit, with a depreciation of sterling and an increase in risk premia across several asset types. Business confidence has eased, policy uncertainty has risen and investment growth has slowed. However, the projections are conditional on the United Kingdom remaining in the European Union, with growth beginning to pick up from the latter half of 2016. A decision to exit would result in considerable additional volatility in financial markets and an extended period of uncertainty about future policy developments, with substantial negative consequences for the United Kingdom, the European Union and the rest of the world. This is illustrated in a recent OECD analysis (Kierzenkowski et al., 2016):

- In the near term, after a vote to leave the European Union, heightened and prolonged uncertainty would be likely to push up risk premia in the United Kingdom and, to a lesser extent, other European economies, and depress asset prices. A shock to sentiment could also be reflected in households and companies temporarily postponing spending decisions amid tighter credit conditions. A sharp depreciation of sterling could mitigate these effects, but at the same time hurt other European economies and raise UK inflation. Overall, this would reduce UK GDP growth significantly in the latter half of 2016 through to 2018, possibly by around ½ percentage point per annum on average. By 2018, there would be a significant hit to activity in other European economies, especially those who have strong economic linkages with the United Kingdom (Box 1.1), with many non-European economies also experiencing a decline in output due to weaker demand in Europe.
- On exit from the European Union, which is assumed to occur at the start of 2019, the UK economy would be hit further by a substantial shock to trade. There likely would be a marked change in the UK trade regime, raising barriers to market access for many exporters, especially in the European Economic Area and in the 53 countries with which the European Union has trade agreements. This would provide a renewed shock to demand through the trade channel, and likely keep economic uncertainty elevated for a considerable period. By 2020, GDP in the United Kingdom could be over 3% below the level it might otherwise have been if it had remained in the European Union, with GDP in the rest of the European Union around 1% weaker than otherwise.
- Over time, the UK economy would also face growing supply-side challenges. In the longer term, the impact of exit on the United Kingdom would depend on supply-side effects. Lower trade openness would hit economic dynamism and productivity. The reduced access to the EU market would also lower inward foreign direct investment, with associated adverse effects on innovation and managerial quality. The weaker UK economy, as well as possible new restrictions after exit from the European Union, would lower net migration inflows, adding to the supply-side challenges by reducing the size of the labour force. Some of these effects could be offset by reductions in domestic regulatory burdens, but the overall net effect on living standards would be strongly negative. By 2030, UK GDP could be over 5% lower than otherwise if exit had not occurred.

Box 1.1. **Financial market shocks from Brexit**

A UK vote to exit from the European Union could be expected to heighten uncertainty, reduce confidence and result in a series of financial market shocks in the United Kingdom and other European economies. The stylised scenarios set out in this Box provide some illustrative estimates of the possible impact on global activity by 2018, using simulations on the NiGEM global macro model, building on Kierzenkowski et al. (2016).

In the United Kingdom, financial market shocks are assumed to be of a magnitude similar to those observed during the acute phase of the euro area crisis in 2011-12, but much smaller than during the financial crisis in 2008-09. Investment and equity risk premia in the United Kingdom are raised by 50 basis points in the first half of 2016, 150 basis points over 2016H2-2017 and 100 basis points in 2018. This broadly reflects the stylised shock reported by Kierzenkowski et al. (2016), based on a two standard deviation increase in the UK economic policy uncertainty index and in UK stock market volatility. The wedge between bank borrowing and lending rates for the household and corporate sectors is also raised by 100 basis points over 2016H2-2017, reflecting the possibility that enhanced uncertainty could tighten credit conditions. Finally, the term premium on UK government long-term bonds is raised, initially by 20 basis points in 2016 and then by 50 basis points in 2017 and 2018. After 2018, these financial shocks can be expected to fade gradually, although not completely, since formal exit of the United Kingdom from the European Union (assumed to take place in 2019 in Kierzenkowski et al. (2016)) would itself be an additional source of uncertainty and additional risk.

The exit vote can also be expected to hit confidence, leading UK households to undertake additional precautionary saving. Higher saving adds to the negative impact on consumption from the decline in activity and lower asset prices. To take this effect into account, an additional shock was applied, raising the ex ante household saving rate in the United Kingdom by a little over 1 percentage point in the latter half of 2016.

The aftermath of a vote to leave would also be likely to raise sterling risk premia, leading to an additional sharp exchange rate depreciation. The impact of this depreciation is likely to be more limited than in the past, but at the margin it would be likely to reduce the overall impact of the other forces acting on the UK economy, whilst adding to challenges in other economies, especially in Europe. A 10% depreciation of sterling against the US dollar is assumed to occur in mid-2016, with all other bilateral exchange rates held unchanged. The depreciation is assumed to be persistent, but to gradually fade over the simulation period. On average, the sterling effective exchange rate is around 6% below baseline in 2017 and 4% below baseline by 2018, implying an appreciation of the euro and other currencies relative to sterling. Other bilateral exchange rates are held constant.

The UK decision to exit could reinforce uncertainty about the future of the European Union and the Single Market. The resulting uncertainty would lead to more difficult financial conditions in other European countries. To illustrate the possible magnitude of such factors, investment and equity risk premia and the spread between household borrowing and deposit rates are widened in all European Economic Area (EEA) countries plus Switzerland.

Some differences across countries could be expected, given the underlying differences in the strength of their economic linkages with the United Kingdom. Three different sets of linkages are explored for the European economies: UK imports of goods and services from each country as a share of that country's GDP in 2014; the end-2014 stock of direct and portfolio assets invested in the United Kingdom by each country as a share of that country's GDP in 2014; and a big data indicator of linkages from Google Trends, based on the relative intensity of searches for "Brexit", from February to mid-May this year. There is a considerable degree of similarity in the respective country rankings on each of these metrics, with a cross-country rank correlation between trade and the other two indicators of 0.5, and a correlation of 0.8 between the rankings for the degree of financial linkages and Brexit searches:

- Ireland, Luxembourg and the Netherlands are relatively highly exposed to the UK economy on all three metrics, with Switzerland and Norway highly exposed through financial linkages and also in the Brexit search indicator.

Box 1.1. **Financial market shocks from Brexit** *(cont.)*

- Austria, Belgium, Denmark, Germany, Finland, France, Greece, Spain and Sweden are moderately exposed to the UK economy on all three linkages, broadly in line or above the median exposure across the European economies.
- The Czech Republic, Estonia, Italy, Hungary, Poland, Portugal, the Slovak Republic and Slovenia are relatively less exposed directly to the United Kingdom. A number of the smaller economies have trade linkages that are at or above the median European economy, but are well below the median on the other two metrics.

These differences are reflected in the different financial shocks applied to each country in NiGEM:

- In most of the highly-exposed economies, the shocks applied are between one-third and one-half of those in the United Kingdom, with investment and equity risk premia rising by 75 basis points at their peak and the interest rate spread by 34 basis points. Ireland is an exception, given the strength of its bilateral trade and financial linkages, with investment and equity risk premia rising by 100 basis points at their peak and the interest rate spread by 50 basis points.
- In the moderately-exposed economies, the shocks applied are between one-quarter and one-third of those in the UK, with investment and equity risk premia rising by 50 basis points at their peak and the interest rate spread by 25 basis points.
- In the economies with lower bilateral exposure to the United Kingdom, the shocks applied were between one-fifth and one-quarter of those in the United Kingdom, with investment and equity risk premia rising by 40 basis points at their peak and the interest rate spread by 20 basis points

No shocks were applied directly in the European economies to either term premia on government bonds or to the household saving rate.

The NiGEM model was run in backward-looking mode, reflecting a judgment that in a period characterised by considerable uncertainty, businesses and households would be unlikely to behave as if the future was known with certainty. Monetary policy was left exogenous (although the depreciation of sterling changes UK monetary conditions), and the budget targeting rule was left unchanged, implying that governments react to the various shocks by attempting to maintain their announced budget path. Differences across economies in their response to the shocks imposed reflect the strength of trade linkages with all other European economies, differences in the sensitivity of domestic demand to changes in financial conditions and differences in the sensitivity of trade to changes in the real exchange rate.

The results indicate that Brexit would generate a large negative shock to the UK economy by 2018, with UK GDP declining between 1¼ and 1½ per cent relative to baseline by that time (see figure below), as in Kierzenkowski et al. (2016). Around 1 percentage point of this stems directly from the financial shocks in the United Kingdom (including the sterling depreciation), with the remainder stemming from the adverse impact on demand of the additional financial shocks in other European countries. The near-term hit to the UK economy would be larger without the depreciation of sterling. Whilst cushioning the decline in activity, this initially raises inflationary pressures, through higher import prices, adding around ½ percentage point to consumer price inflation in 2016-17. Business investment weakens significantly, by over 10% in 2017 and 2018 relative to baseline, and the unemployment rate is ¾ percentage point higher by 2018.

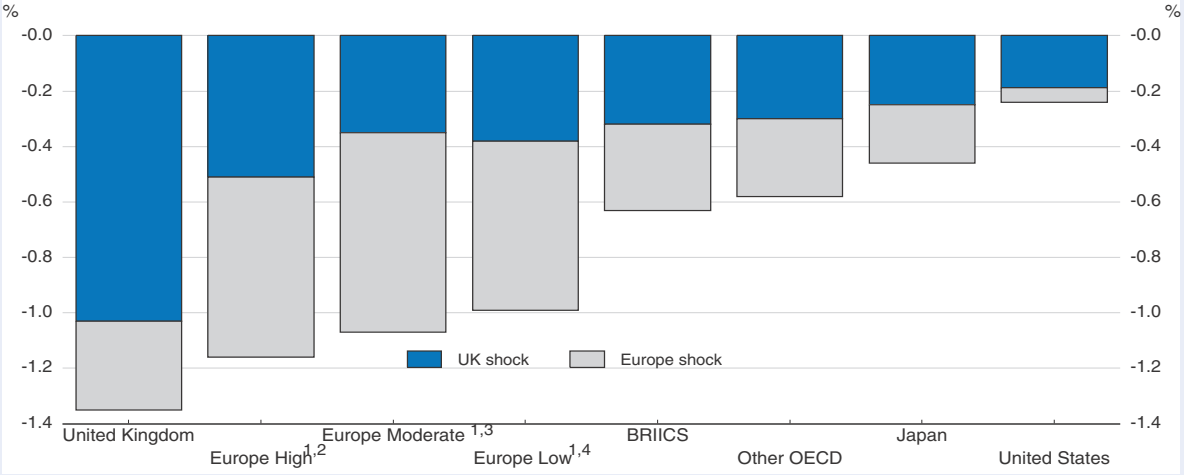
Output in the other European economies is reduced by around 1 percentage point by 2018. Around four-tenths of this stems directly from the UK financial shocks (including the sterling depreciation), with the remainder stemming from the additional financial shocks in their own economies. Overall, the hit to the economies most exposed to the United Kingdom is around a ¼ percentage point higher than that to the economies with a comparatively low exposure to the United Kingdom. A larger sterling depreciation against domestic currencies would magnify the negative impact on other European economies, as would any deeper confidence shocks in those economies. On the other hand, a euro depreciation could help to offset some of the negative impact, but at the expense of magnifying the negative effects on output in the UK and non-European economies.

Box 1.1. **Financial market shocks from Brexit** *(cont.)*

Weaker demand in the European economies also adversely affects the rest of the world, with GDP in the BRIICS and other non-OECD economies lowered by over ½ percentage point by 2018. Within these groups, Turkey and Russia are relatively heavily hit, reflecting their comparatively strong trade linkages with the European economies.

The impact of financial shocks on real GDP by 2018

Difference from baseline



Note: The UK shock includes shocks to financial conditions and confidence in the UK alone, plus a sterling depreciation. The Europe shock includes shocks to financial conditions in all European Economic Area economies plus Switzerland.

1. See text for criteria used to classify European countries into high, moderate and low.
2. Europe high includes Ireland, the Netherlands, Norway and Switzerland.
3. Europe moderate includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Spain and Sweden.
4. Europe low includes the Czech Republic, Estonia, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, the Slovak Republic and Slovenia.

Source: OECD calculations.

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UK exit would have much stronger spillovers if it were to undermine confidence in the future of the European Union. In such a scenario, equity prices would drop further and risk premia for euro area sovereign and corporate bonds would increase by more, slowing GDP growth more substantially. Together with a fall in the euro, this would add to pressures on private and public finances, especially in countries where debt remains high. This risk would compound the existing political tensions in the European Union related to high refugee inflows and ongoing financial efforts to stabilise Greece. Downside risks to global activity also relate to a possible escalation of conflicts, including in Ukraine and the Middle East.

Financial vulnerabilities persist in EMEs

The recently announced stimulus measures in China are projected to help hold up demand. So far, the reaction of financial markets has been positive: stock markets have stabilised, the fall in foreign exchange reserves has ceased, the renminbi has strengthened against the US dollar, and capital outflows have eased. These particular policy measures will, however, inevitably slow the necessary rebalancing of current and capital expenditures that needs to occur and entail the risk that already-high leverage, excess

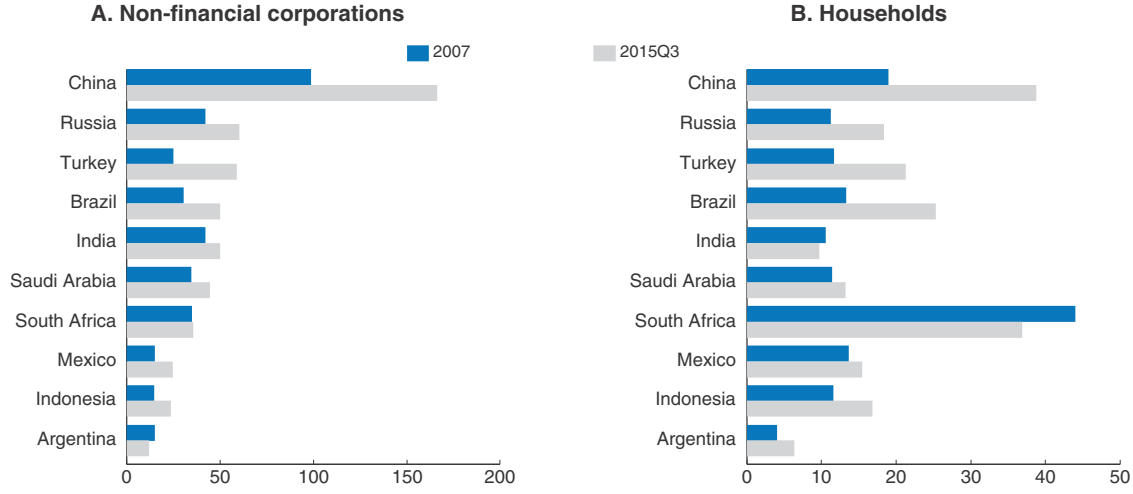
industrial capacity and public debt could increase further. Indeed, year-on-year credit growth for the whole economy continues to increase around twice as fast as nominal GDP and China's fiscal rating outlook has been downgraded by one of the main rating agencies. In this context, a sharper slowdown in China and ensuing financial turbulence remain a risk which could have a sizeable negative impact on global growth (OECD, 2015e).

After a strong deterioration at the beginning of 2016, confidence in EMEs has recently strengthened, with stock markets and exchange rates recuperating earlier losses, sovereign bond spreads narrowing and portfolio capital outflows reversing. However, several domestic vulnerabilities persist in some EMEs, even though many are better placed than before past crises, with higher foreign exchange reserves and lower public debt (Annex 1.2).

- Past experience suggests that a rapid pace of private debt accumulation could give rise to debt repayment problems as growth and profits slow and the cost of financing increases. In Brazil and Russia, both of which remain mired in recession, and in China, Indonesia and Turkey, the debt of non-financial corporations as a percentage of GDP increased by between 40 and 120 percentage points between 2007 and the third quarter of 2015 (Figure 1.18). While EMEs have benefited from favourable costs of borrowing, both domestically and from abroad, since 2014 these costs have been increasing for many of them. Moreover, the profitability of non-financial corporations in EMEs as a whole has been on the decline since late 2011 (Chui et al., 2016; OECD, 2016b). In Brazil, China and Turkey, household indebtedness also nearly doubled over the same period (but from a low level).
- Escalation of political or geopolitical tensions in some EMEs, especially Brazil, Russia, South Africa and Turkey, could dent investors' confidence. Stronger than expected increases in US policy interest rates could also trigger capital outflows from EMEs.
- Past currency depreciations have raised the cost of servicing debt denominated in foreign currencies, especially in Brazil, Russia, Turkey and South Africa, given the size of their exchange rate depreciations since mid-2014 and the large shares of external debt

Figure 1.18. **Credit has increased substantially in some large EMEs**

End-period stock, per cent of GDP



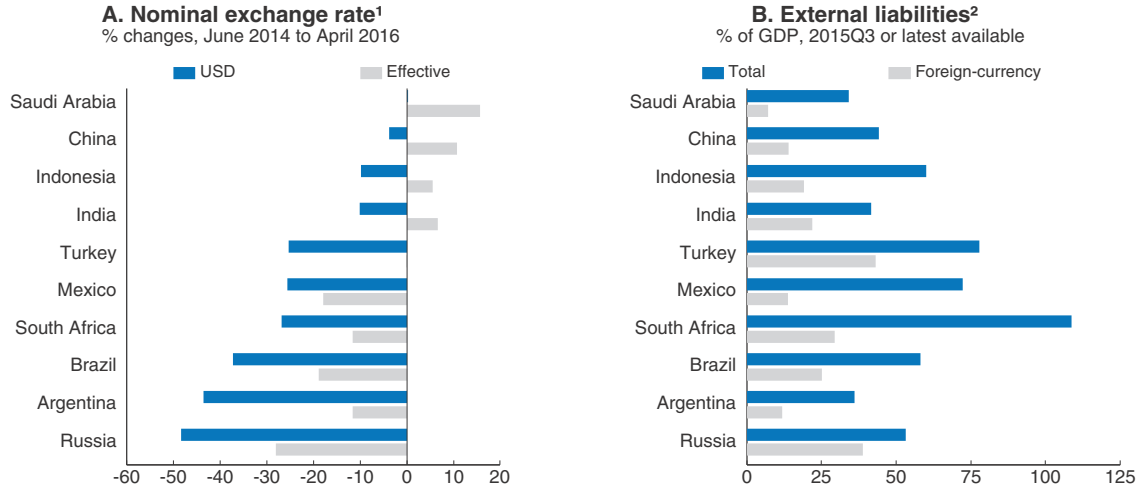
Note: Credit from banks and non-banks adjusted for breaks. For South Africa, 2008Q1 instead of 2007.
Source: Bank for International Settlements (BIS).

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denominated in foreign currencies (Figure 1.19).[1] Although these depreciations have not resulted in a major stress in the banking and corporate sectors of these economies, it remains to be seen whether these countries would be resilient to further depreciations.

The number of corporate debt defaults rose in 2015 in EMEs, but as yet there are few signs of widespread financial difficulties for businesses and households despite the slowdown in growth, the weakness of commodity prices and large recent currency depreciations. Regarding foreign currency exposures, one possibility is that currency risks have been hedged successfully, either due to a high proportion of revenues in foreign currencies or via financial instruments. For commodity producers, whose export revenues are also largely in US dollars, the natural hedge has been weakened by the decline in global commodity prices. A further possibility is that large debt repayments have not yet come due. Government interventions in some countries have also eased the stress, with central banks effectively acting as the lender of last resort and using foreign exchange reserves to provide foreign currency swap lines for affected businesses.[2] Non-performing loans in the banking sector have been rising in several countries, including India where growth has been comparatively robust, but the increase is surprisingly small in the countries with large GDP declines. This may reflect supervisory leniency, allowing some banks to delay classifying domestic loans as non-performing. Such actions help to safeguard financial

Figure 1.19. **EME's external vulnerabilities have 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).
2. Foreign-currency external liabilities are approximated by the sum of a positive difference between debt securities issued by nationals and residents from the BIS debt securities database (a proxy for off-shore external bond liabilities) and external liabilities for financial derivatives and other investments (the latter includes bank loans) from the IMF international investment position database.

Source: OECD Economic Outlook 99 database; Bank for International Settlements; International Monetary Funds; and OECD calculations.

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1. In addition, the majority of bank loans in US dollars to non-bank borrowers in Russia and Turkey are issued by local banks (McCauley et al., 2015), and thus are not classified as foreign debt. In most EMEs, the majority of foreign-currency denominated external debt is estimated to be in US dollars, with the shares of yen and euro-denominated debt at low levels, other than in economies with relatively strong trade links with Japan and the euro area respectively (OECD, 2015b).
2. For instance, the central bank in Brazil has offered currency swaps that protect their holders from currency depreciations, with the losses born by the fiscal authorities.

stability in the near term. However, they add to moral hazard and if maintained for a long period will prevent resource reallocation from non-viable firms, with possible negative effects on productivity and employment growth.

Policy requirements

Sluggish demand and productivity growth, low inflation, substantial downside risks and, in some areas, still high unemployment call for sustained well-balanced macroeconomic policy stimulus and productivity-enhancing structural reforms. Policy needs differ across countries, reflecting differences in their cyclical position, past policy measures and resulting policy space. Adopting a more co-ordinated and comprehensive policy approach both within and across countries offers the prospect of breaking out of the low-level global growth environment, where doubling the standard of living of citizens in OECD economies would take seventy years, more than twice as long as two decades ago.

The need and scope for policy to offset current cyclical weakness varies across major EMEs

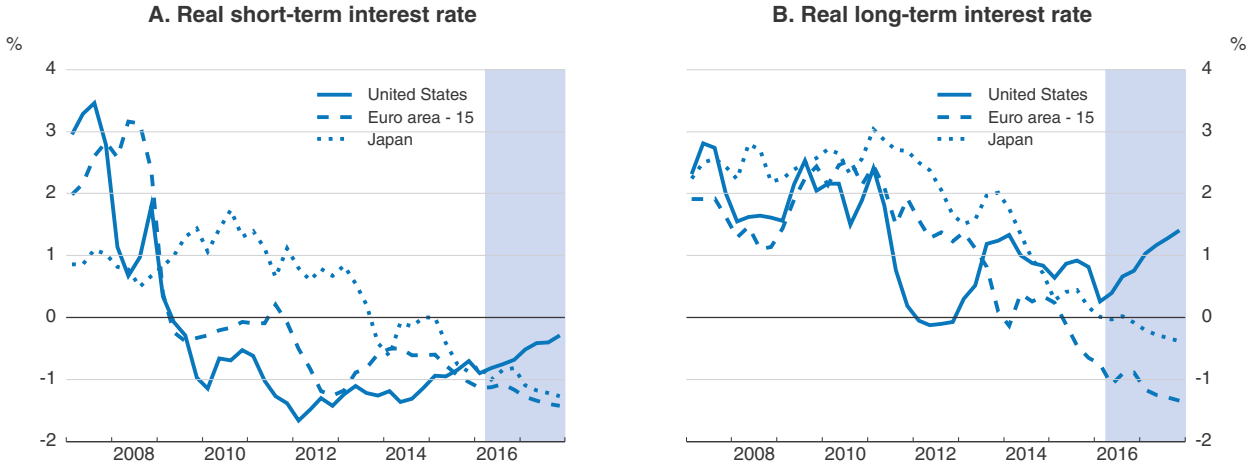
In China, the sustained monetary and fiscal stimulus, with further cuts to interest rates and higher spending (Annex 1.1), appears sufficient to ensure that growth, in the near term, eases only gradually, while raising potential risks in the medium term. However, shifting the focus of the stimulus towards reducing precautionary household saving (through supportive pension, education and health policies) would spur the desired transformation toward a more service and consumption-based economy and temper the financial risks associated with high debt burdens and equity and exchange rate volatility. In Brazil and Russia, sharp recessions call for accommodative policy but the scope for stimulus is limited in view of high budget deficits and inflation. Government spending should be reduced in line with lower commodity prices, with cuts focused on subsidies rather than infrastructure and education where the negative consequences for growth are magnified. The expected moderation of inflation and recent appreciation of domestic currencies provide some room for lowering policy interest rates. Similarly, in India, if inflation continues to decline, the monetary authorities could cut interest rates in 2017, whilst further steps should be taken to improve monetary policy transmission. The Indian authorities should also continue to reduce the budget deficit via improved tax mobilisation, while shifting more spending towards physical and social infrastructure.

Monetary policy cannot revive near and long-term growth by itself and distortions are increasing

In advanced economies, monetary policy has been extremely supportive in recent years (Figure 1.20) but it cannot provide sufficient support for an extended period by itself, as shown by persisting weak growth and low inflation. In the euro area and Japan, it has recently been further eased by expanding the size and duration of asset purchase programmes and making deposit rates negative. In contrast, the US Federal Reserve raised the policy rate by 25 basis points in December 2015 and it should continue gradual tightening in 2016-17 provided that its full employment and inflation objectives look set to be attained as projected. On balance, the US monetary policy stance remains accommodative and the FOMC has lowered the expected path of future interest rates.

The prolonged period of highly accommodative monetary policy has also created a number of distortions. This suggests that the net marginal benefits of monetary policy in

Figure 1.20. **Real short and long-term interest rates have been low or negative**



Note: Real interest rates are calculated using year-on-year core consumer price inflation. Data for Japan exclude the estimated impact of the consumption tax increases in April 2014 and April 2017.
Source: OECD Economic Outlook 99 database; and OECD calculations.

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raising aggregate demand have diminished and that supply-side constraints, which monetary policy cannot target directly, are undermining monetary policy efficiency.

- Following this period of very low interest rates, some central banks are now pursuing negative interest rates. If sustained for a long time, banks' profits will be lowered further if bank deposit rates cannot be made negative (Box 1.2). Banks' profitability is stressed by the ensuing flattening of the yield curve (Figure 1.21) and the general low-interest rate environment (Borio et al., 2015; Claessens et al., 2016). In response, private banks could be forced to maintain or raise the cost of credit and fees as compensation. Financial stability requires the achievement of the appropriate balance between lending to riskier borrowers at higher rates or investing in riskier assets (which is part of the objective of more accommodative policy) and the growth outcome of the accommodative policies.
- The protracted low/negative-interest rate environment also increases financial strains for pension funds and financial institutions offering life insurance policies that promise pre-crisis or fixed nominal returns (OECD, 2015c). A fall in the discount rate increases the present value of liabilities of defined-benefit pension funds and life insurance companies more than of assets, and thus undermines solvency. In this context, life insurers with capital buffers close to the regulatory minimum have already been investing more in riskier assets (IMF, 2016). Greater sensitivity to interest rates has also raised the correlation of the stock price of life insurers, suggesting greater systemic risk.
- Very low or negative interest rates sustained for a prolonged period will be less potent in stimulating consumption if some households increase savings to compensate for lower future returns or if pension funds raise employee contributions. These possibilities are particularly likely in countries with ageing populations and large household financial assets, and also when declining interest rates cease to be passed through to indebted households.

Box 1.2. **Effects of central bank negative interest rates**

Several central banks have introduced negative policy interest rates to raise inflation closer to target or alleviate the appreciation pressures on domestic currencies.[1] Negative interest rates signal an easier monetary policy stance and thus should stimulate the economy by lowering short and longer-term market interest rates. This, with unchanged monetary policy abroad, should weaken the domestic currency. Negative interest rates should also encourage banks to take more risks and thus ease credit conditions (Buiter and Panigirtzoglou, 2003), and could strengthen the portfolio rebalancing channel when combined with large-scale purchases of long-term bonds and thus lower longer-term interest rates (Goodfriend, 2000).

Negative policy interest rates have been passed through to short-term market interest rates. Money market rates have turned negative in all economies adopting such measures apart from Hungary and Norway, and, in Denmark and Sweden, interest rates on large time deposits have fallen below zero too (Jensen and Spange, 2015; Jackson, 2015; table below). In most countries, longer-term bond yields and bank lending interest rates have also declined, with some rates turning negative. However, these effects cannot be entirely attributed to interest rate cuts as several central banks have continued to buy government and private bonds. However, in Denmark and Switzerland, selected bank lending rates and fees have been raised (Bech and Malkhozov, 2016).

Isolating the impact of negative interest rates on exchange rates is difficult as other measures can affect the domestic monetary stance and monetary policy abroad can evolve as well. Nevertheless, negative interest rates have likely helped limit the appreciation pressures in Denmark and Switzerland. However, in the euro area, the effective exchange rate first depreciated by nearly 10% but then reverted back to the initial level, while in Japan the yen appreciated.

Interest rates have become negative across different maturities

	Central bank		Overnight	Government bond yields						
	main[1]	deposit[2]	market	1Y	2Y	3Y	5Y	7Y	10Y	15Y
Switzerland	-0.25	-0.75	-0.96	-0.86	-0.92	-0.92	-0.77	-0.59	-0.32	..
Sweden	-0.50	-1.25	-0.52	..	-0.55	-0.44	-0.13	0.16	0.64	..
Denmark	0.00	-0.65	-0.22	..	-0.36	-0.27	-0.06	..	0.47	..
Germany	0.00	-0.40	-0.30	-0.47	-0.50	-0.48	-0.35	-0.18	0.20	0.50
Netherlands	0.00	-0.40	-0.30	-0.48	-0.49	-0.45	-0.33	-0.11	0.31	0.49
Finland	0.00	-0.40	-0.30	-0.47	-0.45	-0.40	-0.21	0.14	0.47	..
Austria	0.00	-0.40	-0.30	-0.35	-0.45	-0.40	-0.17	0.03	0.56	..
France	0.00	-0.40	-0.30	-0.42	-0.42	-0.37	-0.17	0.03	0.55	1.04
Belgium	0.00	-0.40	-0.30	-0.44	-0.44	-0.44	-0.25	0.00	0.48	1.09
Ireland	0.00	-0.40	-0.30	-0.32	-0.28	-0.17	-0.04	..	0.80	1.29
Italy	0.00	-0.40	-0.30	-0.08	0.00	0.01	0.29	0.74	1.44	1.86
Japan	..	-0.10	-0.01	-0.21	-0.23	-0.23	-0.21	-0.19	-0.06	0.14
Norway	0.50	-0.50	0.60	..	0.51	..	0.80	1.03	1.32	..
Hungary	1.05	-0.05	1.20	1.04	1.35	1.62	..	2.63	2.93	..

Note: Average interest rates for the period 1 February – 18 May 2016 (with the exception of central bank policy interest rates).
1. As of 18 May 2016. The central bank main policy rate refers to: the upper target range for the 3-month LIBOR rate in Switzerland; the repo rate in Sweden, the current account rate in Denmark; the main refinancing operations rate in the euro area countries; the key policy rate (sight deposit rate) in Norway; and the 3-month deposit rate in Hungary.
2. As of 18 May 2016. The central bank deposit rate refers to: the rate on central bank current accounts beyond exemptions in Denmark, Japan, Norway and Switzerland; and the rate on deposit facility in the euro area countries, Sweden and Hungary.
Source: Factset; and Thomson Reuters.

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Box 1.2. **Effects of central bank negative interest rates** *(cont.)*

If implemented in pure form, negative interest rates would have side effects with a perverse impact on loan demand and growth, as they reduce banks' profitability when lower returns on reserves held at central banks cannot be offset by lower funding costs. However, as implemented and in conjunction with current bank behaviour, the theoretical outcome is not observed. Interest costs on banks' funds at central banks have so far been limited and tiny compared to banks' profits (table below, final column). This stems from various forms of exemptions (tiered reserve systems in Denmark, Japan, Norway and Switzerland; exemption for required reserves in the euro area and Japan). In Sweden, the costs are lowered as banks effectively do not use the deposit facility given that they can purchase Riksbank's certificates or use overnight fine-tuning operations that are remunerated at less negative interest rates than the deposit rate. Consequently, in all countries the average interest rates on funds placed in the central banks are less negative than the central banks' deposit rates. Currently, the system is the least costly in Japan, Hungary and Norway. In Japan, banks as a whole continue to earn net positive interest income from excess reserves. In Hungary, the negative deposit rate effectively does not apply as there is no excessive liquidity and banks can use the 3-month deposit facility remunerated at a positive interest rate (currently at 1.2%). Similarly, in Norway, banks have kept deposits at Norges Bank largely below the quotas and thus deposits have been remunerated at a positive sight deposit rate (currently at 0.5%).

Characteristics of negative interest rate frameworks

	Total volume/	Current accounts			Negative-rate claims		Annual net interest income on funds at central bank, % of banks' profits [2]
	average IR [1]	IR > 0	IR = 0	IR <0	overnight	one-week	
Denmark	Individual current account limits (on aggregate 32 billion krone)						
Volume	111	0	30	81	-	-	-2.04
Interest rate	-0.47	-	0.00	-0.65	-	-	
Euro area	Required reserves exempted from negative interest rates						
Volume	944		115	828	-	-	-1.91 / -2.18
Interest rate	-0.35		0.00	-0.40	-	-	
Japan	Three-tiered system; the BoJ maintains the balance of negative-interest tier in the 10 to 30 trillion-yen range						
Volume	276	209	45	21	-	-	3.13
Interest rate	0.07	0.10	0.00	-0.10	-	-	
Sweden	Negative costs mitigated by the use of term claims remunerated at less negative interest rates						
Volume	278	0	0	0.08	100	178	-0.35 / -0.36
Interest rate	-0.54	-	0.00	-1.25	-0.60	-0.50	
Switzerland [3]	Individual exemption thresholds (20 times reserve requirements in October-November 2014)						
Volume	421	0	293	128	-	-	-4.58
Interest rate	-0.23	-	0.00	-0.75	-	-	

Note: IR stands for interest rate. Volumes are in trillions of yen for Japan and in billions of national currency for the remaining countries. Interest rates are in per cent.
1. As of end-April 2016 for Denmark and Sweden, end-March 2016 for Switzerland, and 11 May 2016 for the euro area. The April 2016 maintenance period averages are referred to for Japan.
2. For the euro area and Sweden, less negative figures assume constant levels of reserves and short-term claims at the reference points of time; while more negative figures assume that reserves and short-term claims will increase in 2016 in line with currently planned asset purchases (and an assumed 500 billion euro rise in longer-term refinancing operations in the euro area). Annualised profits refer to 2014 profits for Denmark and Sweden, are approximated based on 2014H1 profits for the euro area, 2015H1 profits for Japan and 2015Q1-Q3 for Sweden (major banks only).
3. Domestic banks only.
Source: National central banks; Statistics Denmark; Japanese Bankers Association; and OECD calculations.

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Box 1.2. **Effects of central bank negative interest rates** *(cont.)*

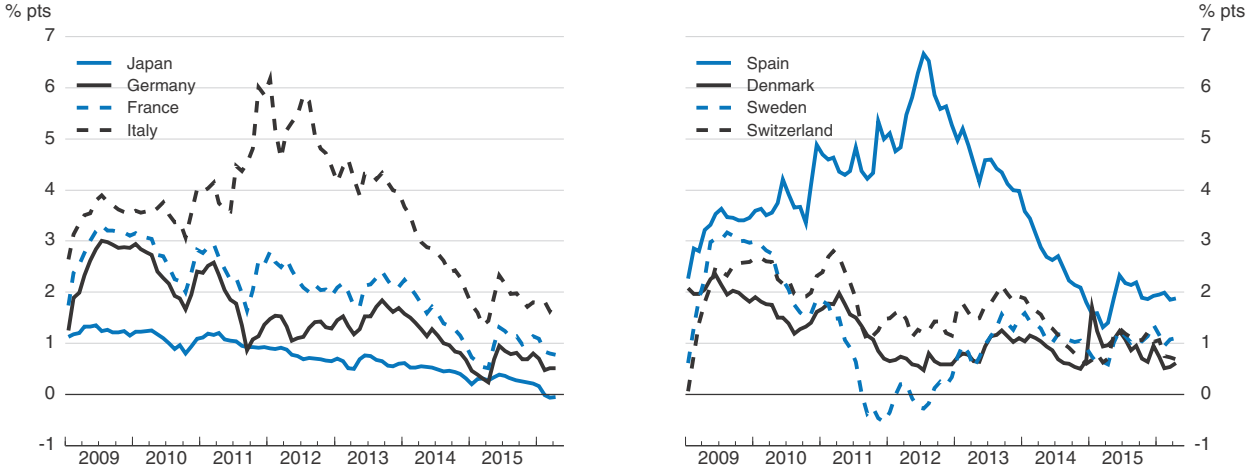
The cost of negative interest rates for banks is going to increase with the expansion of central bank balance sheets (either due to asset purchases or exchange rate interventions) and the concomitant increase in reserves. The possibility for banks to compensate profit losses will depend on their business models and competition pressures. It will be particularly limited for banks with a large share of retail deposits, given that passing negative interest rates risks widespread withdrawals, especially of small retail deposits, as storing small amounts of cash is not very costly. Japan will be the exception despite the Bank of Japan's intention to sustain asset purchases, as the negative-interest tier has been capped at around 30 trillion yen.

1. The Sveriges Riksbank in July 2009, the Danmarks Nationalbank in July 2012, the European Central Bank in June 2014, the Swiss National Bank in December 2014, Norges Bank in September 2015, the Bank of Japan in February 2016, and the Magyar Nemzeti Bank in March 2016. This measure involved mainly negative central bank deposit rates, but the Sveriges Riksbank introduced also a negative repo rate and the Swiss National Bank introduced a negative target range for the 3-month LIBOR.

- With continuing purchases of government bonds, central banks have become dominant buyers and holders of sovereign debt (Figure 1.22). This could limit market liquidity, with potential negative consequences for market volatility.[3]
- Distortions in government debt markets can be alleviated by expanding asset purchase programmes to include private bonds and equity, but this involves different risks for central banks and distributional effects. Purchases of corporate bonds or equities lower the cost of financing primarily for large companies, with small firms benefiting less.
- The exchange rate channel of monetary policy is muted when several monetary authorities are reducing interest rates at the same time. Even to the extent that a

Figure 1.21. **The slope of the yield curve has declined**

Difference between 10-year government bond yield and the overnight interest rate



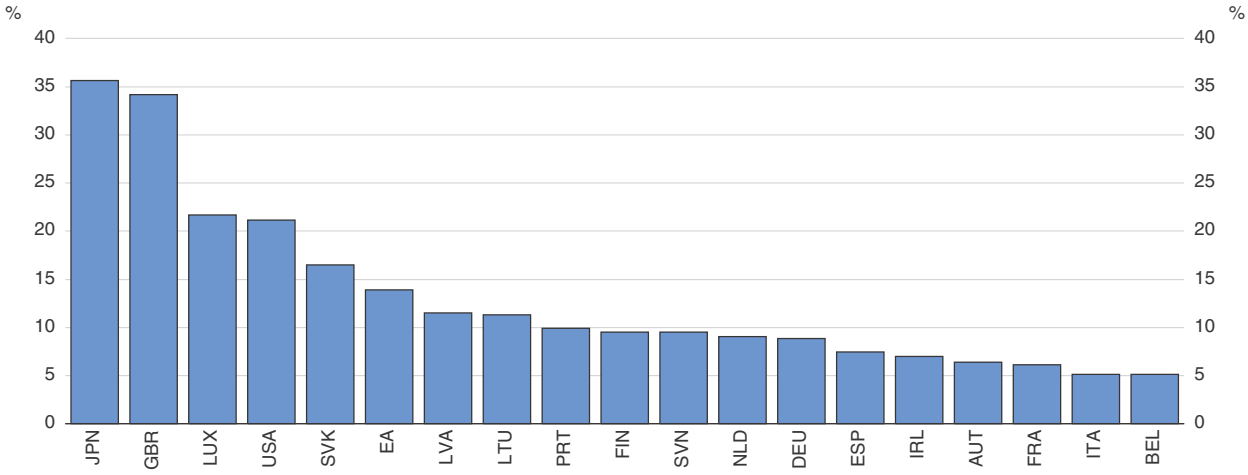
Source: Thomson Reuters.

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3. According to some measures, liquidity in the Japanese government bond market diminished after the expansion of the qualitative and quantitative easing programme in October 2014 but it is not clear if this was due to bond purchases by the Bank of Japan (Kurosaki et al., 2015). More recently, Japanese bond dealers have reported perceptions of deteriorated liquidity (Bank of Japan, 2016).

Figure 1.22. **Some central banks have become dominant holders of domestic government bonds**

Government debt securities held by central banks as a per cent of total government debt securities



Source: Board of Governors of the Federal Reserve System; Bank of Japan; UK Debt Management Office; European Central Bank (ECB); and OECD calculations.

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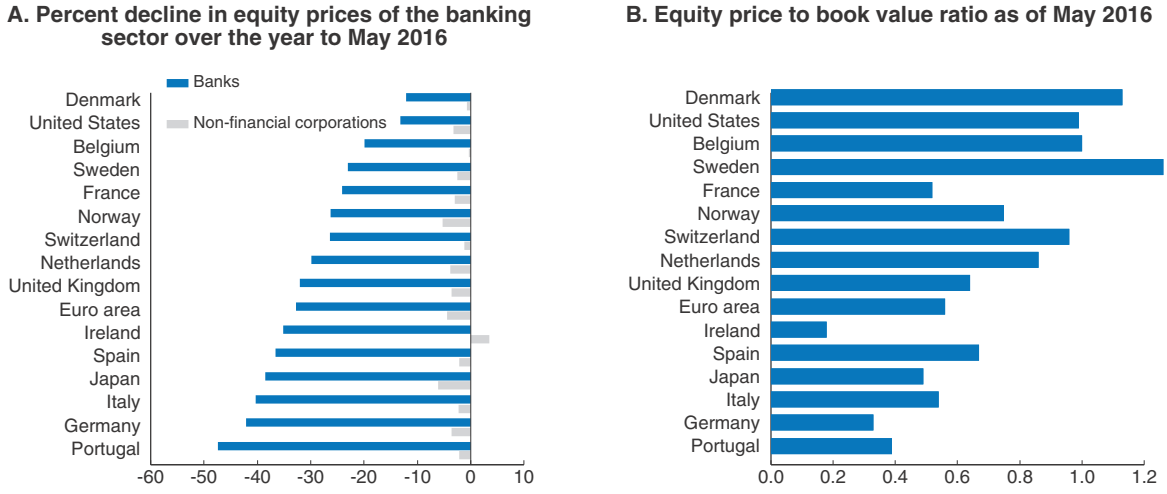
reduction in interest rates results in a depreciation of the currency, negative policy rates may be less effective in boosting the economy than in the past given some evidence of a declining sensitivity of trade volumes to changes in competitiveness (Ollivaud et al., 2015).

- In several advanced economies, partly as a result of monetary stimulus, house price inflation has been on the rise. Rapid house price appreciation increases financial stability risks and thus calls for prudential measures. While these should help contain the rise in property prices, even very strict measures may not be sufficient in practice to check continued increases in house prices, raising issues of whether they would conflict with the continued need to support demand.[4]

The side effects of highly stimulative monetary policy for the banking sector are exacerbated by recent prudential regulation. Senior bonds issued by banks have become riskier and thus costlier as they can now be used to cover banks' losses, which is the objective of such "bail-in" versus "bail-out" policies. In several European countries and Japan, negative yields for sovereign bonds, which are held by banks as part of the Liquidity Coverage Ratio, reduce banks' profits and returns on assets (OECD, 2016b).[5] All these factors have contributed to heightened stress in the banking sectors of the main advanced economies at the start of the year. Bank equity prices have fallen sharply, implying a widening gap between market and book values of banks, especially in some euro area countries and Japan (Figure 1.23).

4. Akinci and Olmstead-Rumsey (2015) find that macro-prudential measures, specially directly targeted at limiting housing credit growth, are associated with lower house price inflation. However, Cerutti et al. (2015) suggest that macro-prudential measures are less effective in more developed and open economies as their usage comes with greater cross-border borrowing.
5. Domestic (euro area) government securities account for only around 1% of total assets in Denmark, Sweden and Switzerland, and between 5% and 12% of total assets in most euro area countries and Japan.

Figure 1.23. **Markets have become pessimistic about the outlook for banks**



Source: Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933367481

Fiscal and structural policies should be used more actively to reduce the burden on monetary policy

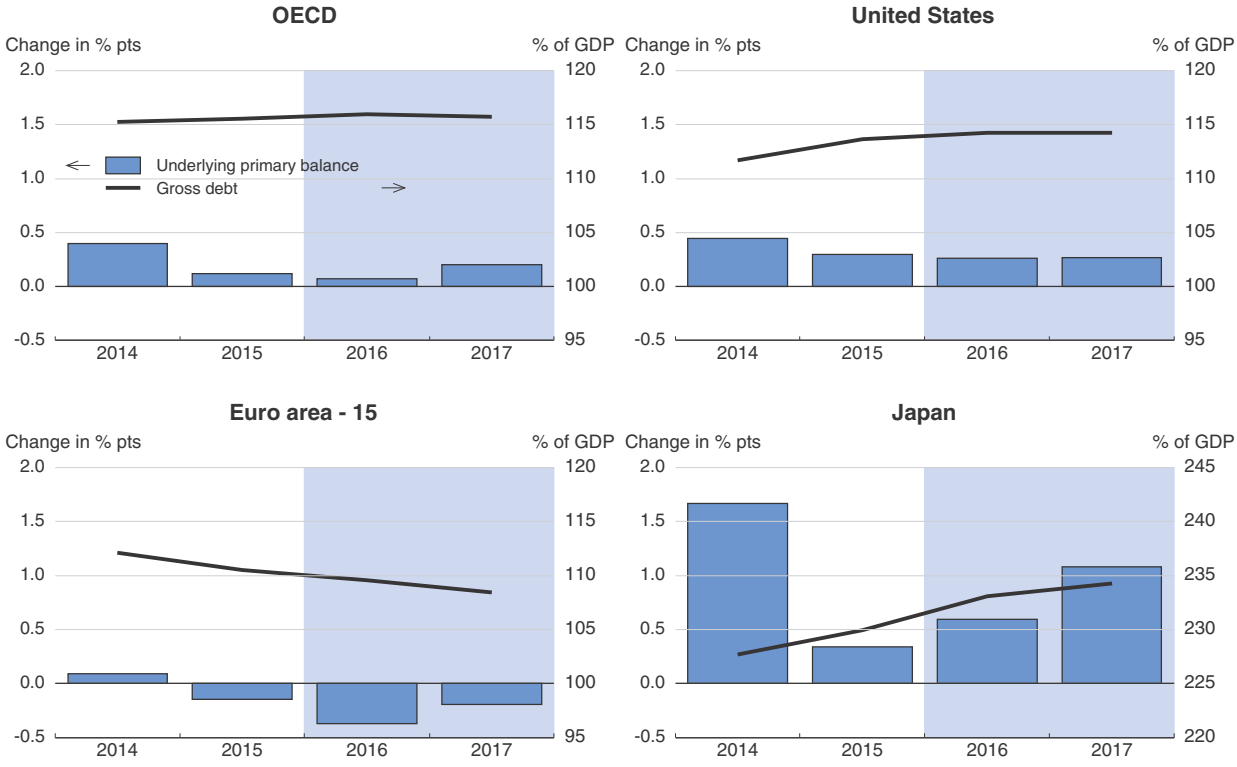
The declining net benefits from additional monetary policy actions suggest that accommodative monetary policy needs to be complemented by enhanced use of fiscal and structural policies. Policy strategies that explicitly combine macroeconomic and structural efforts in a common framework are especially desirable, allowing full advantage to be taken of their complementarities for demand and resource reallocation.

Fiscal policy in the OECD as a whole and many EMEs in 2016 and 2017 is projected to be either broadly neutral or tighter, with the notable exception of China, Canada and some EU countries (Figure 1.24). However, consolidation is set to be implemented in Japan (amounting to 1.7 percentage points of GDP over 2016-17) and also the United Kingdom and Australia. In the United States, the structural deficit as a share of potential GDP is to be reduced by just over ½ percentage point over the next two years. In contrast, easing is projected in many euro area countries, including Germany and Italy, partly through the additional spending to assist asylum seekers.[6] For the OECD as a whole, government debt in 2016-17 is expected to remain broadly unchanged at a high level.

Despite the rise in debt ratios since the crisis (as GDP has yet to recover fully in some countries), the current period of exceptionally low interest rates effectively increases fiscal space in many countries by offering an opportunity for governments to borrow for long periods at very low cost. Almost all countries have room to reallocate spending and taxation towards items that offer more support to growth (Cournède et al., 2014). The need to expand public investment is pressing in many countries, reflecting the extent to which infrastructure spending, including necessary maintenance, was deferred as part of past consolidation efforts. Such measures would be particularly beneficial in countries where the initial level of public capital is low, and returns to investment are accordingly likely to be high, and in countries where demand has been persistently weak (Box 1.3). A

6. These expenditures are estimated to be between ¼ and 1% of GDP in countries affected the most by the refugee inflows (Box 1.1 in OECD, 2015b).

Figure 1.24. **Fiscal stances in OECD countries**



Source: OECD Economic Outlook 99 database.

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commitment to raising public investment collectively would boost supply and demand while also improving fiscal sustainability. In particular, collective action across OECD countries to expand investment spending could raise the first-year multiplier effect by around one-half on average in some major advanced countries (OECD, 2015e).

Investment spending has a high-multiplier and good-quality infrastructure projects, including additional spending on clean energy projects, education, skills and telecommunication, would help to support future growth and the capacity of the economy to deliver higher living standards. Possible near-term clean energy measures include improvements to public building standards, new low emission vehicles in public transport and new "smart" technologies (OECD, 2015e). Options for telecommunication include investment in high-speed broadband networks and deeper fibre deployment (OECD, 2015d).

The impact of additional fiscal stimulus on the private sector would be enhanced by collective efforts to revive structural reform momentum, thereby creating greater scope for productivity-enhancing improvements in resource allocation. In recent years, the pace of structural reforms in both advanced and EMEs has slowed. This slowdown is particularly troubling for long-term growth prospects. Actions across a broad range of reform objectives, such as product market competition, labour mobility and financial market robustness are essential in order to help to reverse the widespread slowdown in productivity and improve inclusiveness by addressing poor labour market performance and widening wage dispersion (Chapter 2).

Box 1.3. **Conditions for an increase in public investment to lift growth in OECD economies**

Unusually low interest rates offer most OECD countries a temporary increase in fiscal space that can be exploited to increase public investment. Long-term rates are unprecedentedly low in nominal terms, in particular in Japan, France and Germany, and negative in real terms in some countries. They justify any public investment projects that have an expected positive real rate of return after allowing for risk. At the same time, infrastructure needs are sizeable in OECD countries, especially as fiscal consolidation in recent years has pushed down public capital spending to very low levels in many countries. In such a situation, additional public investment is likely to benefit from high rates of return (Fournier, forthcoming).

OECD analysis suggests that increasing good-quality public investment is likely to bring output gains, whose amplitude will vary across countries (OECD, 2015e, and Mourougane et al., forthcoming). A permanent budget-neutral increase in public investment of 0.5% of GDP in each single economy, assuming fixed interest rates, helps stimulate demand in the short term with growth effects of around 0.3-0.4% in the first year in the major advanced economies. Being relatively closed, the United States gets stronger output gains than more open economies, such as the European countries and Canada. By contrast, the ability of Japan to stimulate its economy through additional public investment will depend on the size of its fiscal multipliers, which has been very hard to estimate in the most recent period (Auerbach and Gorodnichenko, 2014), and the type of projects chosen. Thanks to the increase in output, the public debt-to-GDP ratio falls in the short term notwithstanding the increase in debt levels, by around 0.3-0.4 percentage point of GDP in most of the countries.

An investment-led stimulus of 0.5% of GDP in each single economy could also have longer-term benefits, although these are hard to pin down precisely. Depending on the modelling approach used, the long-term output gains could amount to between 0.5% and 2% in the large advanced economies (figure below). There are substantial uncertainties regarding the long-term impact on the debt-to-GDP ratio, reflecting different output gains, changes to the price level and the extent to which budget neutrality is achieved in the different types of models. A sustained rise in the stock of public capital and in potential output will help reduce risks on debt, notably in small European economies.

Countries where the initial level of capital is low are likely to benefit the most from the stimulus on the assumption that all forms of additional investment have a high rate of return in these economies. Amongst the large advanced economies, the effect on output would be above average in Germany and the United Kingdom, where the stock of public capital is relatively low. On the other hand, depending on the type of project chosen, the output gains could be very negative for Japan, reflecting a large initial public capital stock and associated low marginal rates of return. Lowering returns to public capital by one standard deviation would significantly reduce the long-term effect on output, which would now amount to 0.7% on average for the OECD countries and 0.5% for the major advanced countries.

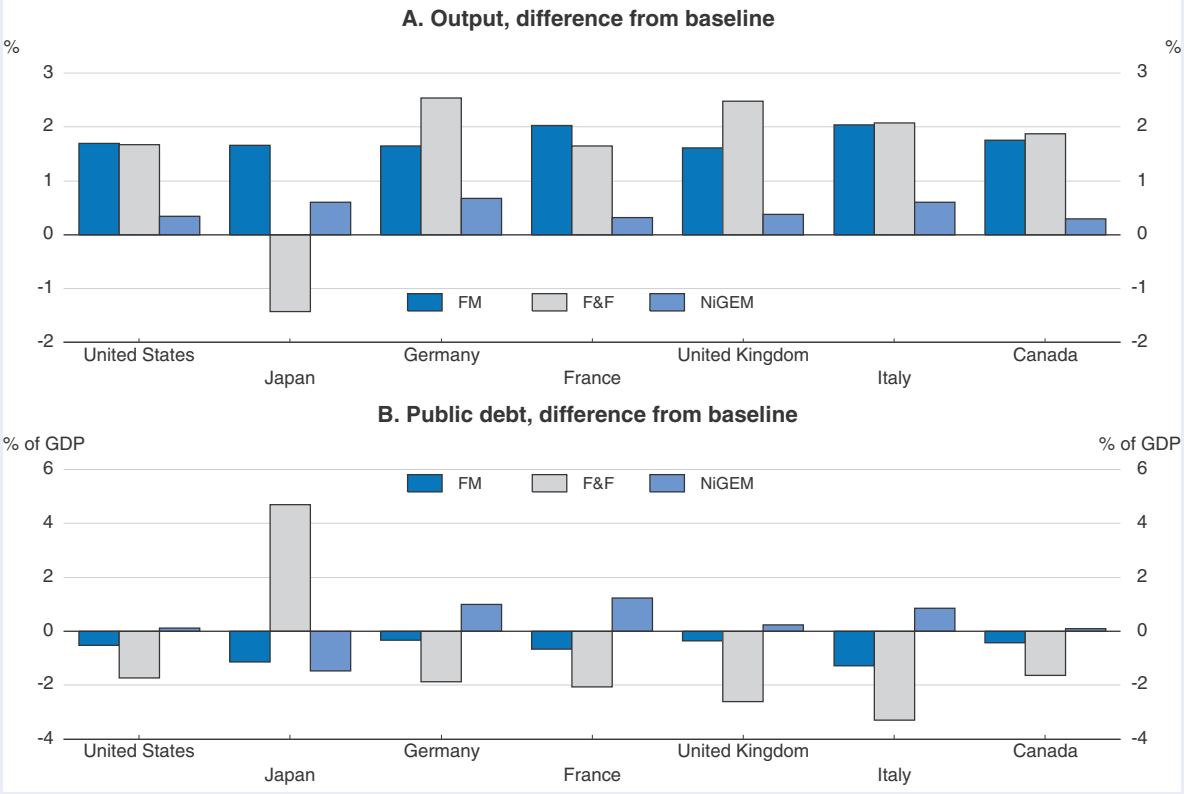
If persistent demand weakness gradually undermines the productive capacity of the economy ("hysteresis") the case for an investment-led stimulus is reinforced, as the stimulus would lead to stronger long-term output gains. The amplitude of these gains depends on the initial situation in the business cycle, and to a lesser extent on the degree of labour market rigidity. They would be particularly important for Italy and France.

Collective action among the major advanced economies to raise good-quality public investment is estimated to bring additional GDP gains of about 0.2 percentage point on average after one year in the economies concerned compared to a scenario where countries act individually, taking the first-year multiplier above unity in almost all countries. This would represent a gain of around one-half on average in all the major advanced economies but Japan, where the gains are uncertain as mentioned above. As a consequence, the debt-to-GDP ratio would also fall more than otherwise. Germany would be, amongst the major advanced economies, the country that benefits the most from collective action to boost public investment.

Box 1.3. **Conditions for an increase in public investment to lift growth in OECD economies** *(cont.)*

Some structural reforms can increase the short-term growth impact of an investment-led stimulus and accentuate the extent to which it lowers the debt-to-GDP ratio. In particular, reforms targeted at frictions that hold back demand for investment, such as increasing product market competition, can lower the opportunity costs of investing. Lowering product market regulations by the average improvement over two years in a typical OECD country could add around 0.1-0.3 point to the growth impact after the first year. The resulting effects on public debt ratios would be marked in Japan, Italy and France, by around 1 percentage point after one year.

Long-term effect of a sustained increase in public investment by 0.5% of GDP



Note: F&F refers to the stochastic model described in Fall and Fournier (2015), FM refers to the fiscal maquette developed in Botev and Mourougane (forthcoming) and NiGEM refers to the macro-economic model from the UK National Institute of Economic and Social Research (NIESR).
Source: OECD calculations.

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Packages of structural reforms to promote long-term improvements in employment and productivity growth should also focus on possible short-term demand benefits, given the weak global economy (Box 1.4). Aside from higher investment in public infrastructure, these include reductions of barriers to entry in services sectors with pent-up demand, as well as reforms in the area of housing policies and job-search assistance to facilitate geographic and job mobility. Additional labour market measures may, however, be needed to support low-skilled and low-income workers, who are the most vulnerable to job loss

Box 1.4. **Structural reform priorities in difficult macroeconomic conditions**

Structural reforms introduced in "normal" times have a different impact to those that are implemented when there is a difficult macroeconomic environment such as persistently weak demand and a large negative output gap or low potential output growth. The availability and effectiveness of macroeconomic policies in supporting structural reforms also matter.

The short-term impact of some reforms on GDP growth and employment can be weak or even negative in normal times, but is usually accommodated by strong aggregate activity, and is outweighed by their positive longer-term impact. However, when the economy is weak, the short-term effect can be less favourable and have negative implications for longer-term growth and reform effectiveness. Against the current background of subdued global economic prospects, there is a need to prioritise structural reforms that, in addition to stimulating productivity and employment, can yield positive short-term gains in domestic demand. As outlined in the latest *Going for Growth Interim Report* (OECD, 2016a), reform strategies that should be prioritised in the current weak economic environment include:

- Putting more weight on shifting the composition of public spending towards investment. More specifically, increasing investment in public infrastructure that effectively raises growth potential in the medium term (e.g. high-speed broadband networks) and can stimulate private investment in the short term.
- Reducing barriers to entry through product market reforms in services sectors with pent-up demand, thereby facilitating the entry of new firms. Reforming rules restricting the entry of new suppliers (e.g. exclusive rights) and the capacity of existing suppliers to compete (e.g. fees control) in services industries characterised by high barriers to entry and strict conduct regulation. Examples include taxi and professional services (legal, accounting, architecture and engineering). Reforming entry barriers to retail trade, where restrictions typically limit the presence of large firms, can also have a positive short-term impact on employment and demand.
- Changing housing policies and job-search assistance programmes to facilitate geographic and job mobility. This could ease frictions in the reallocation of resources, increasing the speed of employment gains in difficult times. Housing market policies that promote residential mobility include lowering transaction taxes or costs on buying properties as well as reducing the stringency of rental regulation.
- Adjusting benefit entitlements in health or pension systems to contain future ageing-related costs. This can create the space for short-term stimulus and raise its effectiveness, notably through increased confidence in the sustainability of public finances. The gains from such reforms can exceed the cost in the short term to the extent that only future benefits are reduced.

Countries where economic conditions are the weakest are among those that have the greatest scope to reform in some of the areas mentioned. Shifting public expenditures towards investment is particularly desirable in Spain, Portugal and Greece where public investment as a share of total government expenditures is low and negative output gaps are the widest amongst OECD countries. Furthermore, strengthening and better targeting job search assistance programmes are needed in Spain, Greece, Ireland, Portugal and the Slovak Republic, as recommended in *Going for Growth*. Professional services reforms would benefit Turkey where regulations in the sector are amongst the strictest.

1. Röhn (2010) shows that public investment expenditure is the most effective policy instrument given the limited associated offset from higher private saving.

when competitive pressures intensify. Reforms that initially place downward pressure on economy-wide wages are less likely to offer short-run benefits at a time of weak demand.

In the euro area, there is also a need to unblock the bank-lending channel. To this end, speeding-up the restructuring of non-performing loans through stronger bank supervision, debt enforcement and insolvency frameworks is needed. The resolution of the large

amount of distressed debt on banks' balance sheets would also facilitate the development of a market for such assets. In this context, the latest private-sector agreement among Italian financial institutions to create a fund to support the recapitalisation of weaker lenders and facilitate the establishment of a secondary market for non-performing loans, together with the government promise to markedly speed up bankruptcy procedures, are welcome. Improving corporate governance of financial institutions is an important complement to new institutional frameworks.

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ANNEX 1.1

Policy and other assumptions underlying the projections

Fiscal policy settings for 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 the aggregate change in the fiscal balance, the presumption is that it applies equally to the spending and revenue sides, and is spread proportionally across their main components.

- In the United States, the general government underlying primary deficit is assumed to decline to 0.3% of GDP in 2017.
- In Japan, the projections incorporate a 2-percentage point increase in the consumption tax rate to 10% in the second quarter of 2017. Overall, the underlying primary deficit is assumed to improve over the projection period to reach 3.8% 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, spending of allocated funds is being encouraged, the deficit target has increased and quasi-fiscal spending through policy banks is adopted.
- In India, the projections incorporate an increase in public wages and pensions and on-going efforts to improve tax compliance.
- In Brazil, fiscal stance assumptions follow current policy announcements by the government.

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 that of the monetary authorities.

- In the United States, the upper bound of the target federal funds rate range is assumed to be raised gradually to reach 1.5% in December 2017, up from the current level of 0.5%.
- In Japan, the interest rate applied to the policy-rate balance in the complementary deposit facility 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% until the end of 2017.
- In the United Kingdom, the Bank rate is assumed to be increased gradually between February and December 2017, from the current level of 0.5% to 1.25%.

- 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 is assumed to be cut from 4.35% to 3.6% in 2017 and the reserve requirement ratio from 17% to 15%. Liquidity is also assumed to be provided 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 its current level of 6.5% up to the end of 2016 and then be gradually reduced to 6% by the end of 2017.
- In Brazil, the policy rate is assumed to stay at its current level of 14.25% until the end of 2016, and subsequently decline to 12.75% 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 of purchased assets by central banks are assumed to be maintained unchanged until the end of projection horizon. In Japan and the euro area, asset purchases are assumed to continue through the projection period; thereby, long-term interest rates are assumed to remain constant until the end of 2017.

In the United Kingdom and the United States, 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 for 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) for each 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 12 May 2016: one US dollar equals JPY 108.93, EUR 0.88 (or equivalently one euro equals USD 1.14) and 6.51 renminbi.

The ***price of a barrel of Brent crude oil*** is assumed to remain constant at 45 US dollars throughout the projection period. Non-oil commodity prices are assumed to be constant over the projection period at their average levels of April 2016.

The cut-off date for information used in the projections is 18 May 2016.

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,[7] 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 Standard 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).

7. 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 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 2015Q4 (or the latest available) along various dimensions of its financial account structure, and *ii)* the country-specific change, from 2007 to 2015Q4 (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]	Real effective exchange rate[2]	Household gross debt[3,4]	Non-financial corporation gross debt[1,4]	Real house prices
	2015	2015Q4	2015	% change 2000Q1-15Q4	2015 or latest available	2015 or latest available	% change 2000Q1-15Q4
United States	-0.8	0.1	2.7	-7.2	108.3	113.9	23.6
Japan	-0.2	-0.5	-2.9	-48.6	..	..	-20.1
Germany	-0.1	-0.4	-8.6	-11.3	93.6	71.2	11.3
France	-0.1	0.8	0.1	0.7	104.7	101.2	72.4
Italy	-1.1	2.4	-2.2	11.5	77.3	89.9	10.5
United Kingdom	-0.5	-0.4	5.2	-10.5	152.6	120.5	86.5
Canada	0.5	0.6	3.3	19.7	171.9	153.2	103.0
Australia	0.1	0.0	4.6	31.8	215.5	90.7	107.2
Austria	0.3	1.4	-2.6	-0.9	89.1	91.1	31.0
Belgium	-0.1	0.6	0.0	3.3	112.2	116.6	52.4
Chile	1.0	-0.4	2.0	15.2	..	..	..
Czech Republic	-2.5	-1.4	-0.9	33.1	68.8	63.0	..
Denmark	-0.4	-0.2	-7.0	12.4	304.8	125.4	41.4
Estonia	0.6	-2.0	-1.9	46.9	80.9	97.0	..
Finland	-0.2	2.1	-0.1	0.4	129.9	95.3	25.1
Greece	-0.5	6.8	0.1	5.1	110.2	73.1	-11.9
Hungary	-1.2	-2.4	-4.4	21.0	46.7	77.9	..
Iceland	-2.0	-0.6	-4.2	-13.6	..	266.1	..
Ireland	-5.5	-1.6	-4.5	-9.7	207.4	236.9	15.0
Israel	0.6	-0.5	-4.4	-7.8	..	74.7	48.3
Korea	0.6	0.0	-7.9	7.6	162.7	166.4	31.9
Luxembourg	-2.1	0.3	-5.5	22.7	156.4	315.0	..
Mexico	0.3	-0.6	2.8	-15.8	..	70.7	..
Netherlands	-0.9	1.3	-9.1	-1.3	270.0	128.8	2.6
New Zealand	-0.8	-0.2	3.0	45.7	..	..	122.1
Norway[8]	0.5	1.1	-9.0	31.8	227.2	111.7	93.0
Poland	-0.5	-0.7	0.2	-12.4	64.4	60.5	..
Portugal	-1.4	0.5	-0.5	-3.6	135.7	143.4	-25.3
Slovak Republic	-1.0	0.1	1.1	29.6	62.3	76.9	..
Slovenia	-1.5	0.7	-7.3	-5.2	57.6	92.3	..
Spain	-2.8	2.3	-1.4	4.2	120.8	96.7	27.1
Sweden	-1.7	-0.4	-5.9	-5.9	173.2	131.0	148.6
Switzerland	0.9	0.9	-11.4	34.9	201.9	..	53.3
Turkey	0.5	0.9	4.4	-25.9	..	..	..
Brazil	5.5	..	3.2	-6.4	..	..	..
China	0.2	..	-3.1	105.3	..	..	..
Colombia	1.0	-0.5	6.4	-5.7	..	..	79.5
Costa Rica	1.3	..	4.2	..	..	..	..
India	-0.2	..	1.1	..	..	..	..
Indonesia	0.8	..	2.1	-13.8	..	..	..
Latvia	-0.5	0.0	1.2	17.6	52.6	101.0	..
Lithuania	0.8	-2.0	1.7	17.0	51.4	48.8	..
Russia	4.2	..	-5.3	158.1	..	..	..
South Africa	1.1	..	4.3	-10.0	..	..	114.5

1. In per cent of GDP.
2. Based on unit labour costs.
3. In per cent of gross household disposable income.
4. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
5. In per cent of total (unweighted) assets.
6. OECD Economic Outlook 99 database.
7. Rating for sovereign debt in foreign currency.
8. 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 (ECB); European Commission; OECD Analytical Housing Price database; Standards & Poors; OECD Economic Outlook 99 database; and OECD calculations.

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

Financial sector			Public finance				
Core Tier-1 leverage ratio[5]	Non-performing loans to total loans	Financial corporation gross debt[1,4]	Headline government budget deficit[1,6]	Gross government debt[1,6]	Real 10-year sovereign bond yield-potential GDP growth rate differential	Sovereign credit rating S&P[7]	
Latest available	Latest available	2015 or latest available	2015	2015	2016Q1 or latest available	Latest	
6.3	1.5	338.5	4.4	113.6	-0.9	AA+	United States
4.6	1.5	..	5.4	230.0	-1.8	..	Japan
4.0	2.3	296.6	-0.7	78.7	-3.0	AAA	Germany
3.7	4.0	303.1	3.5	120.8	-1.1	AA	France
5.3	18.0	207.4	2.6	160.2	1.1	BBB-	Italy
4.3	1.4	640.9	4.4	112.8	-1.0	AAA	United Kingdom
3.8	0.5	380.8	1.7	98.5	-0.7	AAA	Canada
4.1	1.0	295.6	1.7	44.2	0.2	AAA	Australia
6.3	3.4	227.3	1.2	106.6	-2.1	AA+	Austria
4.9	3.7	336.9	2.6	126.7	-1.5	AA	Belgium
..	1.9	..	..	..	-3.2	AA-	Chile
..	5.5	130.5	0.4	55.8	-3.0	AA-	Czech Republic
4.5	3.6	408.0	2.1	54.0	-1.1	AAA	Denmark
..	1.0	123.4	-0.4	12.5	..	..	Estonia
4.7	..	226.2	2.7	73.9	-0.8	AA+	Finland
10.0	36.7	190.1	7.3	182.7	11.5	..	Greece
..	11.7	116.3	2.0	97.7	-0.7	..	Hungary
..	..	757.6	0.4	82.9	-0.4	..	Iceland
6.6	14.9	910.2	2.3	115.9	-5.1	A+	Ireland
..	1.8	208.1	2.9	64.8	-3.2	A+	Israel
..	0.6	349.7	-0.8	44.8	-2.4	AA-	Korea
..	0.2	6233.3	-1.2	35.3	-3.4	AAA	Luxembourg
..	2.5	69.7	0.5	..	0.2	BBB+	Mexico
4.4	2.7	743.6	1.8	77.3	-1.2	AAA	Netherlands
..	..	..	0.4	41.9	-0.5	AA	New Zealand
6.9	1.1	228.2	-5.7	38.2	0.9	AAA	Norway[8]
..	4.3	99.3	2.6	66.4	-0.9	..	Poland
6.0	12.0	271.4	4.4	150.3	1.4	BB+	Portugal
..	4.9	120.4	3.0	59.6	-1.8	A+	Slovak Republic
..	10.0	127.3	2.9	98.7	-0.2	A-	Slovenia
5.6	6.3	219.6	5.1	116.3	1.0	BBB+	Spain
3.7	1.2	322.7	0.0	52.3	-3.2	AAA	Sweden
4.9	0.7	..	0.2	45.9	-1.2	..	Switzerland
..	3.0	..	..	..	-1.5	..	Turkey
..	3.3	..	10.4	..	42.5	..	Brazil
..	1.7	..	1.3	..	-4.1	..	China
..	2.9	..	..	..	2.3	..	Colombia
..	1.7	..	..	..	..	..	Costa Rica
..	5.9	..	6.1	..	30.5	..	India
..	2.4	..	2.3	..	2.1	..	Indonesia
..	4.6	150.6	1.3	43.8	-2.8	..	Latvia
..	5.7	78.9	0.2	52.5	..	..	Lithuania
..	..	..	3.6	..	39.3	..	Russia
..	3.1	..	3.9	..	36.4	..	South Africa

1. In per cent of GDP.
2. Based on unit labour costs.
3. In per cent of gross household disposable income.
4. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
5. In per cent of total (unweighted) assets.
6. OECD Economic Outlook 99 database.
7. Rating for sovereign debt in foreign currency.
8. 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 Analytical Housing Price database; Standards & Poors; OECD Economic Outlook 99 database; and OECD calculations.

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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	50.5	14.5	5.1	35.2	168.3	127.8	0.7	21.3
Japan	58.3	21.3	17.4	81.4	122.4	192.6	29.4	3.8
Germany	59.4	29.1	14.0	48.3	208.6	257.0	1.9	19.5
France	61.5	58.3	31.8	54.6	323.4	304.1	2.3	13.3
Italy	70.2	25.1	10.1	40.4	166.3	140.0	2.8	15.3
United Kingdom	51.4	61.8	40.8	65.9	525.2	506.9	4.1	13.0
Canada	54.9	27.8	14.8	53.2	173.0	195.8	5.3	31.7
Australia	53.4	24.9	8.0	31.9	190.4	132.2	3.9	25.8
Austria	62.0	43.3	12.1	28.0	260.3	263.5	3.5	31.6
Belgium	43.1	44.4	19.0	42.7	412.2	472.9	3.7	49.7
Chile	28.7	20.3	9.3	45.9	157.7	137.9	17.0	63.8
Czech Republic	39.4	19.1	4.9	25.8	131.5	100.8	35.0	56.5
Denmark	59.9	64.2	39.5	61.6	261.2	307.7	35.5	16.4
Estonia	42.8	6.3	3.4	54.4	173.0	134.4	1.7	54.9
Finland	57.3	51.6	20.2	39.2	361.4	368.2	3.8	16.1
Greece	92.6	20.9	7.3	34.8	267.5	140.6	1.2	4.2
Hungary	24.2	22.1	7.7	34.7	303.2	235.3	27.3	72.2
Iceland	82.9	35.5	8.8	24.8	595.2	245.8	26.9	16.3
Ireland	28.5	129.4	54.7	42.3	1990.1	1921.7	0.8	19.6
Israel	27.3	5.4	2.9	53.5	94.5	117.2	30.0	36.6
Korea	40.8	11.9	7.1	59.4	69.3	83.9	26.7	18.5
Luxembourg	20.0	867.2	297.2	34.3	17870.4	17901.5	1.2	43.2
Mexico	49.1	11.3	4.0	35.3	87.2	49.8	15.8	37.0
Netherlands	34.9	101.4	36.8	36.2	1021.4	1087.3	2.5	53.5
New Zealand	54.8	19.8	7.7	38.7	155.9	93.2	8.9	28.6
Norway	65.5	35.7	12.8	35.8	196.8	378.9	14.8	24.7
Poland	48.5	22.7	6.2	27.3	108.7	48.7	19.4	43.1
Portugal	70.1	31.9	9.0	28.3	289.7	178.2	2.7	23.6
Slovak Republic	50.5	31.0	13.2	42.8	133.5	65.3	2.2	48.7
Slovenia	74.9	18.1	5.0	27.7	140.7	102.8	1.8	22.9
Spain	61.0	32.2	13.1	40.7	237.4	148.7	3.7	23.9
Sweden	51.2	46.7	20.7	44.2	284.5	282.9	10.8	26.8
Switzerland	34.5	62.0	40.6	65.4	570.3	665.4	88.1	34.3
Turkey	68.5	27.7	14.5	52.6	83.5	31.1	13.5	24.7
Argentina	53.2	2.5	1.6	62.1	36.4	50.0	5.4	41.5
Brazil	36.8	13.6	7.5	55.5	80.2	49.8	22.8	50.5
China	27.9	7.9	5.8	73.1	43.9	58.1	32.7	60.2
Colombia	40.5	10.5	4.2	40.3	103.1	55.3	17.1	54.0
Costa Rica	36.5	20.4	6.2	30.5	87.3	41.0	15.2	63.5
India	53.2	10.0	5.5	54.7	43.7	25.8	16.4	30.0
Indonesia	43.2	12.5	6.2	49.5	66.1	22.8	12.2	39.5
Latvia	66.5	10.0	3.5	34.9	182.8	124.0	12.1	32.1
Lithuania	63.0	10.1	3.1	30.3	105.4	60.9	3.7	36.2
Russia	48.6	7.7	3.0	38.6	46.1	61.3	16.6	37.4
Saudi Arabia	17.5	11.1	6.6	59.4	44.3	152.0	94.4	77.4
South Africa	28.9	11.6	4.7	40.8	113.7	128.3	13.3	35.0

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

Source: Bank for International Settlments (BIS); International Monetary Fund (IMF); World Bank; and OECD calculations.

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

Change from 2007 (in percentage points)

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			
-4.7	-5.9	-3.6	-7.7	13.8	-17.7	0.1	2.5	United States
3.3	8.3	8.3	11.7	48.8	68.0	7.2	-0.5	Japan
-9.6	-21.0	-13.8	-7.3	-6.0	21.1	0.4	1.6	Germany
1.5	-9.1	-11.8	-10.1	20.7	11.0	0.3	0.2	France
-1.4	-26.1	-8.2	4.6	7.5	8.0	1.3	0.4	Italy
-11.4	-54.1	-45.8	-8.8	-45.4	-51.0	2.4	3.4	United Kingdom
20.3	4.6	0.2	-9.8	0.1	37.0	2.2	-15.4	Canada
4.6	-7.0	-4.2	-6.2	16.4	22.9	1.1	0.3	Australia
-1.5	-28.9	-14.6	-9.1	-63.5	-49.1	0.5	5.0	Austria
-18.8	-70.6	-69.9	-34.6	-105.1	-76.2	1.3	15.7	Belgium
-3.7	2.1	-0.2	-6.7	56.3	36.0	6.5	3.1	Chile
5.8	-3.5	-3.9	-13.3	20.5	34.3	15.4	-1.0	Czech Republic
-7.9	-7.0	2.7	9.8	9.0	62.1	24.6	-4.9	Denmark
-6.4	-99.2	-20.8	31.4	-36.7	9.0	-14.5	10.0	Estonia
17.9	11.6	7.6	7.6	78.7	116.6	0.8	-2.8	Finland
17.2	-38.2	-9.7	6.2	67.4	46.6	1.0	-4.8	Greece
-7.3	-41.6	-10.1	6.8	-8.3	23.3	9.1	8.2	Hungary
3.7	-256.7	-117.7	-18.5	-138.4	-367.9	13.2	1.2	Iceland
-25.0	-140.4	-96.2	-13.7	561.7	514.2	0.5	5.2	Ireland
-17.5	-3.0	-1.0	7.5	-23.4	-0.2	13.1	11.4	Israel
-2.0	-5.0	-3.3	-2.3	-3.4	28.7	2.4	2.9	Korea
-9.7	-273.9	-203.6	-9.6	4553.4	4605.7	0.9	18.9	Luxembourg
15.4	3.4	1.6	5.1	18.8	20.1	7.0	-6.7	Mexico
-5.6	-33.8	-30.5	-13.5	48.7	132.0	1.0	5.5	Netherlands
-3.6	-5.6	-5.2	-12.1	-23.9	-1.3	-5.1	-3.8	New Zealand
1.5	-25.7	-27.7	-30.0	-28.1	91.6	-2.0	4.9	Norway
2.8	-1.7	0.1	2.5	2.8	5.0	3.0	-2.8	Poland
0.2	-43.1	-18.8	-8.8	-15.1	-25.5	1.8	4.6	Portugal
9.4	-0.8	1.0	4.2	-0.2	-0.9	-24.0	-8.7	Slovak Republic
3.3	-30.3	-8.0	0.7	-2.2	-14.9	-0.5	-2.1	Slovenia
-3.1	-27.2	-5.8	8.9	1.7	0.5	2.9	3.5	Spain
1.4	-7.3	-11.7	-15.7	2.5	2.6	4.9	-5.0	Sweden
-15.9	-110.3	-84.5	-7.2	-19.4	-67.3	77.9	13.7	Switzerland
13.8	8.8	6.2	8.3	0.5	1.9	0.9	-7.3	Turkey
-1.0	-4.3	-1.8	11.8	-21.0	-18.8	-9.6	2.3	Argentina
12.7	5.9	3.9	8.3	8.7	18.2	8.3	15.7	Brazil
-4.3	2.0	2.5	17.9	5.4	-17.6	-15.3	2.9	China
-3.9	3.4	0.0	-19.2	46.8	24.9	6.0	0.1	Colombia
-10.4	-4.8	-5.2	-14.7	19.7	-9.1	-1.5	10.4	Costa Rica
3.6	-1.5	-0.5	2.7	2.5	-7.7	-10.4	4.3	India
-10.0	1.8	0.5	-3.6	4.8	-0.6	-0.1	7.8	Indonesia
-8.3	-70.5	-29.9	-6.5	3.7	29.6	-8.4	7.9	Latvia
0.3	-33.4	-8.9	2.7	-18.2	2.9	-17.6	0.6	Lithuania
13.0	-5.5	-3.3	-9.1	-57.0	-29.6	-22.2	-2.1	Russia
-19.0	2.0	0.9	-2.9	13.7	20.7	13.3	13.8	Saudi Arabia
9.2	0.1	-0.4	-4.4	-0.1	48.1	2.7	-6.4	South Africa

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

Source: Bank for International Settlments (BIS); International Monetary Fund (IMF); World Bank; and OECD calculations.

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Chapter 2

PROMOTING PRODUCTIVITY AND EQUALITY: A TWIN CHALLENGE

Summary

- Economies become more prosperous when output per worker rises. Since the early 2000s, however, productivity growth has declined in many advanced countries. The slowdown in productivity has been particularly pronounced since the global financial crisis.
- Income inequality has been on an upward trend over the past two to three decades, albeit at a slower pace during the 2000s than the 1990s. The more limited increase in inequality before taxes and transfers in the 2000s has not, contrary to the past, been offset with additional redistribution through taxes and transfers.
- The combined effect of the productivity slowdown and the rise in inequality has been a reduction in the income growth of many workers and their families. In most countries, incomes have continued to rise. But growth rates have been much weaker than in the past, and they may have been lower than what people expected.
- Macroeconomic policy and structural reforms are necessary to promote productivity and curb the rise in inequality. Monetary and fiscal policies that strengthen aggregate demand, in particular through stronger investment, would increase productivity and household income. By boosting job creation and employment, they would also work towards undoing the rise in inequality that is due to the downturn since the global financial crisis.
- The composition of public expenditure and taxes matters for productivity and inequality. Shifting spending towards education and public investment is likely to raise productivity. Improvements in the effectiveness of early childhood and primary education would be particularly beneficial for disadvantaged groups. Reductions in corporate income taxes and fiscal incentives for innovation tend to lift productivity.
- Reforms that ease regulatory barriers to competition in product markets raise productivity and jobs. They tend to increase wage disparity among workers but, thanks to higher job creation, have no strong influence on overall income inequality. When packaged with an increase in the effectiveness of active labour market programmes, such policies can promote both productivity and equality. The effects of job protection regulations on productivity and inequality are empirically less well established.
- Finance is important to fund investment and innovation. Write-downs of non-performing loans and faster bank recapitalisations help households deleverage and facilitate the provision of new credit. Phasing out too-big-to-fail guarantees and restricting compensation practices that reward short-term success bear the promise of promoting both productivity and equality.

Introduction

Economies become more prosperous when output per worker rises. Since the early 2000s, however, productivity growth has declined in advanced countries. This slowdown in productivity has taken place during a period in which income inequality has increased in many economies. To put the most recent years in historical context: never in the past 30 years has productivity growth been lower than since the global financial crisis, and never has income inequality been higher than it is today.

The productivity slowdown and the rise in inequality have impacted the well-being of many workers and their families. Low- and middle-income households have had to cope with slow-growing, and in some cases stagnant or falling, real incomes. These trends are threatening progress in living standards, fiscal sustainability and social cohesion. Macroeconomic policy measures and structural reforms are necessary to promote productivity and curb the rise in inequality.

This chapter explores the twin challenge of slowing productivity and rising inequality. The first part documents, and explains, the trends in productivity growth and income inequality. The second part outlines policies that can create synergies between higher productivity and lower inequality. The chapter summarises some of the research findings and highlights outstanding questions on themes that are explored in greater depth in the OECD report on the productivity-inclusiveness nexus (OECD, 2016a).

The twin challenge: slowing productivity and rising inequality

The productivity slowdown

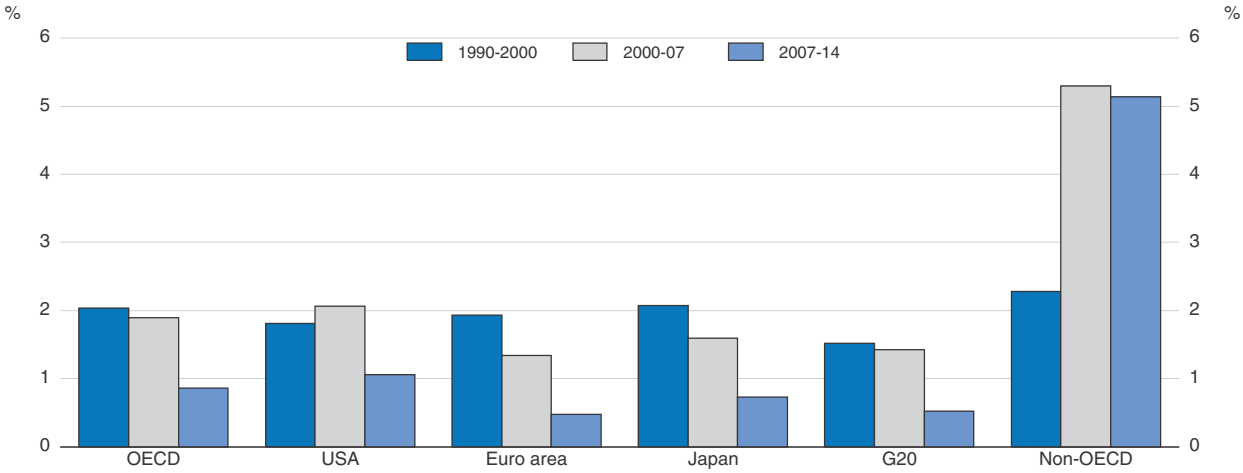
Productivity growth in advanced countries has been much weaker since 2000 than in the 1990s. For several economies, the productivity slowdown goes back to the early 2000s. But since the global financial crisis the decline in productivity growth has become much more pronounced and has affected nearly every country in the OECD. Slowing productivity, not declining employment, has been the principal factor behind slowing GDP per capita. Discussions about productivity growth have therefore taken centre-stage in policy circles, reflected for example in the creation of productivity commissions in many countries.

Hourly labour productivity growth in OECD countries averaged 2.0% during 1990-2000, 1.9% during 2000-07 and 0.9% during 2007-14 (Figure 2.1). From the 1990s to 2007, OECD economies experienced different productivity trends, with productivity slowing in 19 countries and accelerating in 14. The United States is among the countries where productivity accelerated in the early 2000s, while productivity slowed in the euro area and Japan. Most worrying are the developments since the global financial crisis, when productivity has grown at less than half the rate in the 1990s.

The productivity slowdown in advanced countries is apparent whether productivity is measured as output per worker or per hour worked. It is also apparent when productivity growth is corrected for the business cycle, even if such adjustments are difficult given the protracted slow recovery. Some of the post-crisis decline is thus likely to remain when economies will be back at full employment. In a longer historical perspective, the low growth rates of the 2000s have been even more unusual, as growth until the 1970s was very strong (OECD, 2015a). More recently, productivity has also slowed in some emerging market economies, including China and Russia, although on average less markedly than in advanced countries.

Figure 2.1. **Productivity growth has declined since the 1990s**

Annualised growth of labour productivity (output per hour worked)



Note: OECD, euro area, G20 and non-OECD are aggregated using GDP PPP weights. OECD includes all OECD countries, and euro area includes all euro area countries, in both cases except Estonia. G20 includes all G20 countries except South Africa. Non-OECD is Argentina, Brazil, China, Colombia, India, Indonesia, Latvia, Lithuania, Russia and Saudi Arabia. Data for several countries begin between 1991 and 1995, not in 1990. Labour productivity for non-OECD countries is measured per worker, not per hour worked.

Source: OECD estimations using OECD National Accounts database; OECD Productivity database; International Labour Organisation database.

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The rise in inequality

Declining productivity growth has been bad news for workers, since it has reduced the room for productivity-driven real labour income growth. The picture has, however, been even gloomier for two reasons (Kappeler et al., 2016): average labour income has grown less than productivity, and labour income inequality has risen. The increase in labour income inequality began earlier than the post-2000 slowdown in productivity. It is, for example, evident in below-average growth of the labour income of the median worker, i.e. the worker at the midpoint of the distribution.

The combined effect of the productivity slowdown and the rise in inequality has been a decline in income growth to very low rates for many workers. Labour incomes of the majority of workers have continued to grow, and thus people's well-being, in particular aspects relating to income and consumption, should have improved. But these rates of improvement have no longer been as strong as in the past, and they may have been lower than what people expected. Disparities in other well-being dimensions, such as health, education or employment opportunities, are also large (OECD, 2016a).

A simple calculation illustrates how the productivity slowdown, the low growth of labour income relative to productivity and the rise in labour income inequality have pulled down labour income growth. Analysing the period 1990-2013 for 23 OECD countries, productivity grew by 3.1% per year during 1990-2000 and 0.9% during 2000-13.[1] Hence, if productivity had not slowed, the room for productivity-driven labour income growth would have been much larger. In addition, the growth rate of average labour income was 1.5%, one-fifth less than the average 1.8% productivity growth rate over the full period (Kappeler et al., 2016).

1. These growth rates are somewhat different to those in Figure 2.1, mainly because the country coverage for the present calculation is smaller.

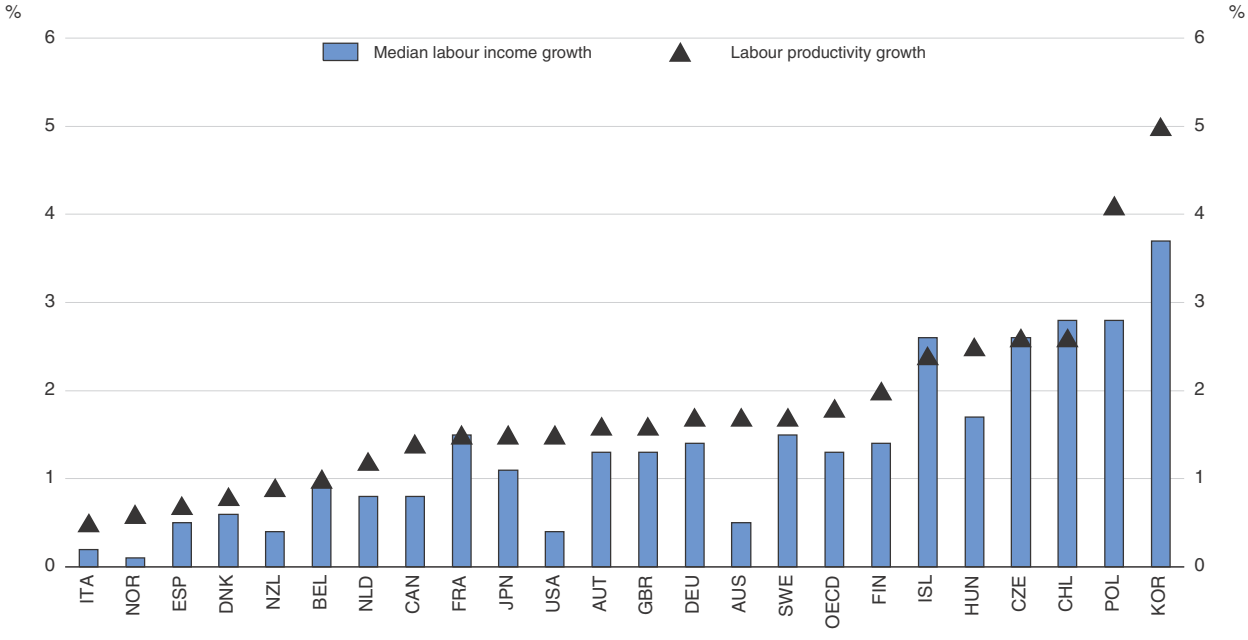
Rising inequality has damped the labour income growth of many workers further. Labour income growth of the median worker was 1.3%, about one-tenth less than the 1.5% average labour income growth rate. Lower-income workers have fared even worse. Labour income of the median worker has grown less than productivity in 21 of 23 OECD countries (Figure 2.2). The two exceptions are Chile and Iceland.

Labour income makes up the bulk of what is referred to as market income, i.e. the sum of labour and capital income. Studying market income, for which more comparable cross-country data are available, is thus quite similar to analysing labour income. Market income inequality has risen in line with labour income inequality. It is to some extent offset by redistribution through taxes and cash transfers. In other words, inequality in market income is higher than inequality in disposable income, i.e. income after taxes and transfers.

The redistributive power of tax-and-transfer systems has been lower in the 2000s than the 1990s. Even though market income inequality has increased since 2000, the amount of redistribution has stayed the same. The rise in market income inequality has not been offset with additional redistribution through taxes and transfers. No change in redistribution since 2000 is the result of reduced redistribution before the crisis and higher redistribution since the crisis (OECD, 2015b). Tax-and-transfer systems may have been deployed less strongly to counteract market income inequality, or they may have become less effective at redistributing income. Such changes in inequality can be quantified with

Figure 2.2. **Labour income of the typical worker has grown less than productivity**

Annualised growth rates, per hour worked, 1990-2013



Note: OECD is the unweighted average of the countries for which data are available. Labour income and value added are deflated using the value added price index. For several countries, the time period begins later than 1990 or ends earlier than 2013. Median labour income growth is calculated by adjusting average labour income growth in the earnings data to average labour income growth in the national accounts. The earnings data cover full-time workers.

Source: OECD estimations based on Kappeler et al. (2016), "Decoupling of Productivity and Median Wage Growth: Macro-Level Evidence", *OECD Economics Department Working Papers*, forthcoming; OECD National Accounts database; OECD Earnings database.

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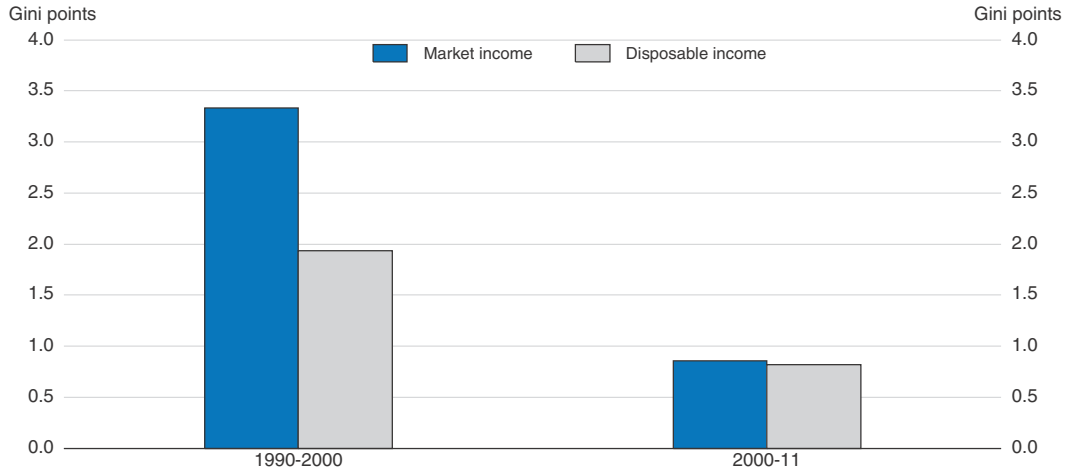
the Gini coefficient, a measure of income inequality that scores 0 when everybody has the same income and 1 when all the income goes to only one person. The Gini for disposable income is about two-thirds of the Gini for market income.

Time series since the 1990s for inequality in market and disposable income are available for 13 OECD countries. From 1990 to 2000, the Gini coefficient for market income increased substantially in this sample. The Gini coefficient for disposable income rose less, as taxes and transfers offset the increase in market income inequality in the 1990s somewhat more than in the past. From 2000 to 2011, the Gini coefficients for market and disposable income increased about the same, albeit much less than in the 1990s (Figure 2.3). Redistribution through taxes and transfers did not offset at all the rise of market income inequality in the 2000s. Overall, the redistributive power of tax-and-transfer systems in 2011 was about the same as pre-1990. The rise in the redistributive power of taxes and transfers during the 1990s was undone by the reduction in their redistributive power during the 2000s.[2]

To sum up, labour income inequality, market income inequality and disposable income inequality have all risen over the past two to three decades in advanced economies. The analysis above shows that pay has grown faster for the mean than the median worker. Has inequality risen mainly around the middle of the distribution or at the extremes? Income growth rates at different points in the distribution can be examined for disposable income, the income concept probably most closely related to people's well-being.

Figure 2.3. **The redistributive power of taxes and transfers has declined since the 1990s**

Change in the Gini coefficient, total population



Note: The figure depicts the unweighted average of the 13 OECD countries for which data are available: Canada, Denmark, Finland, Germany, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, the United Kingdom and the United States. Some data points have been interpolated or use the value from the closest available year.
Source: OECD estimations using OECD Income Distribution database.

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2. Redistribution is measured as the difference, in Gini points, between the Gini coefficient for market income and the Gini coefficient for disposable income. Redistributive power is measured as unity minus the ratio of the Gini coefficient for disposable income to the Gini coefficient for market income. When the Gini coefficients for market and disposable income are the same, i.e. when there is no redistribution, this measure takes on value 0.

Since 1990, real disposable income has risen more for the average than for the median household, even if the difference is small (Figure 2.4). Differences in growth rates have been larger at the extremes of the distribution. Since 1990, disposable income of the top 10% households has increased by 30%, that of the bottom 10% households by only 4%. The top 10% households have seen their incomes rise at a higher rate than the bottom 10% households in every five-year period since 1990, including during the crisis years when real incomes of the bottom 10% shrank by 7%. Increases at the very top of the distribution, such as for the top 1%, have been even stronger, and may not be fully reflected in these statistics.

In many emerging market economies, income inequality increased during the 1990s, similar to the pattern for advanced countries. But since then inequality has declined in several of them, for example Argentina and Brazil. Nevertheless, inequality levels in many emerging market economies continue to be higher than in advanced countries (OECD, 2015b).

Explanations for the productivity slowdown

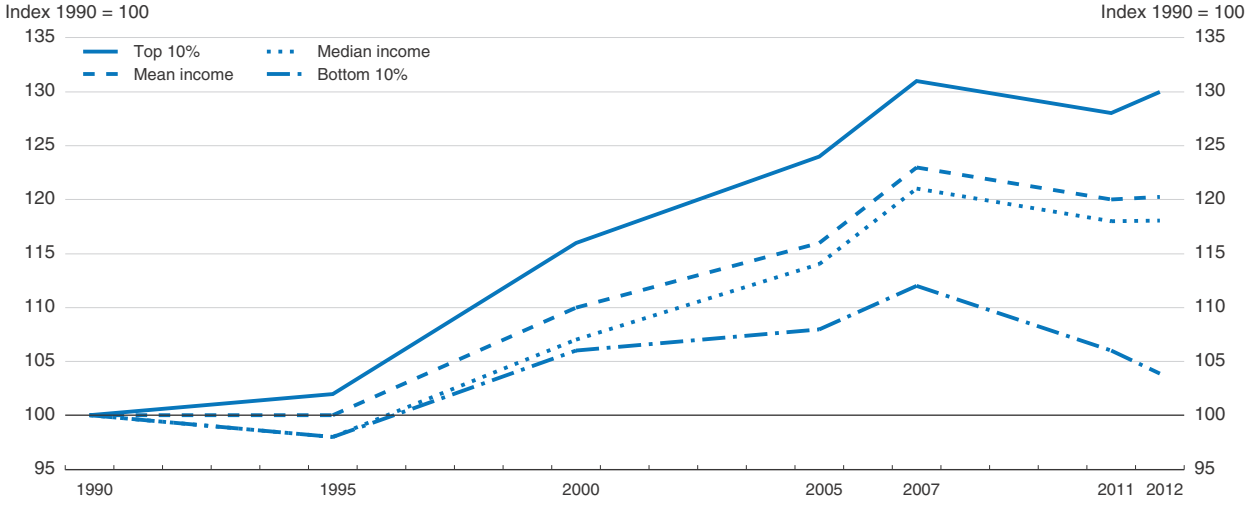
The evidence suggests that both cyclical and long-term structural factors are responsible for the current low productivity growth. The following four factors are likely to be part of the explanation:

- Weak aggregate demand since the global financial crisis.
- Declines in business dynamism.
- Increased dispersion in productivity growth between the best-performing and other firms.
- Misallocation of capital.

The prolonged cyclical downturn and weak aggregate demand since the global financial crisis have resulted in below-trend labour productivity growth on average

Figure 2.4. **Disposable income inequality has increased since 1990**

Household disposable income, total population



Note: The figure depicts the unweighted average of the 17 OECD countries for which data are available: Canada, Denmark, Finland, France, Germany, Greece, Israel, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Sweden, the United Kingdom and the United States. Some data points have been interpolated or use the value from the closest available year.

Source: OECD estimations based on OECD (2015), *In It Together: Why Less Inequality Benefits All*; OECD Income Distribution database.

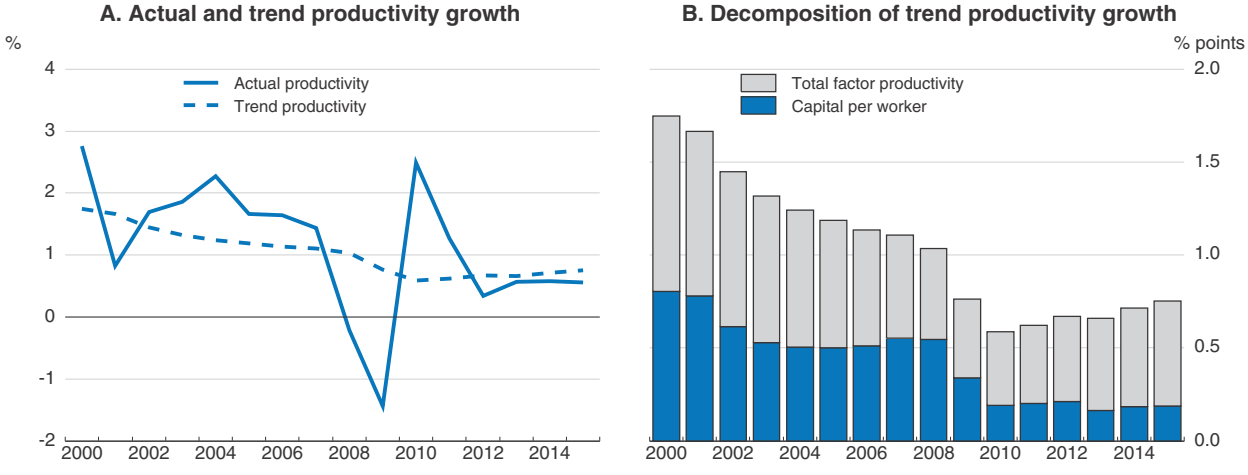
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(Figure 2.5, Panel A). Productivity growth during 2000-07 is estimated to have exceeded its trend by 0.3 percentage points per year on average. This pattern then reversed during 2007-15, when productivity growth averaged 0.2 percentage points less than trend. Thus, some of the productivity gains during the boom period were cyclical. One half of the productivity growth decline since 2007 is attributable to the cycle, the other half to a reduction in trend productivity growth (Ollivaud et al., 2016). These calculations come, as any such estimates, with some degree of uncertainty, given the unobservability of trend productivity.

Trend labour productivity can be decomposed into capital per worker and total factor productivity (TFP). Capital rises with more investment in both tangible and less tangible forms of assets (machines and equipment, infrastructure, software, R&D). TFP increases when better technologies or improvements in business products, processes and workplace practices raise the efficiency with which workers and machines are utilised. Capital per worker grew by 0.6% per year during 2000-07 and 0.3% during 2007-15. TFP growth declined from 0.7% before the crisis to 0.5% since the crisis (Figure 2.5, Panel B).

The declining contribution of capital per worker to trend productivity growth over the post-crisis period reflects the persistent weakness of investment. Trend productivity removes cyclical variation from TFP and employment, but not from the capital stock. Investment fluctuates strongly with the cycle. The contribution of capital per worker has thus been smaller in the post-crisis period when the cyclical downturn brought investment down. Similarly, capital per worker contributed increasingly more to productivity growth during the boom before the crisis as investment rose in the upturn. Investment has lagged the recovery in GDP, especially in Europe (OECD, 2016b). Weak demand and growth prospects for the world economy, a slowdown in pro-competitive reforms and, in some markets, high costs of finance have been inhibiting investment (OECD, 2015c). Other recent

Figure 2.5. **Labour productivity growth has been low during the cyclical downturn after the global financial crisis**



Note: The figure depicts the weighted average of OECD countries. In the calculation of trend productivity, the production function is assumed to be Cobb-Douglas, and total factor productivity is labour-augmenting. Ollivaud and Turner (2015) and Johansson et al. (2013) provide further details on the OECD method of estimating trend productivity.

Source: OECD estimations based on Ollivaud, P., Y. Guillemette and D. Turner (2016), "The Links between Weak Investment and the Slowdown in OECD Productivity and Potential Output Growth", *OECD Economics Department Working Papers*, forthcoming; OECD Economic Outlook 99 database.

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analysis also suggests that the depletion of the capital stock in the United States has played a key role in propagating the shock of the financial crisis (Hall, 2016).

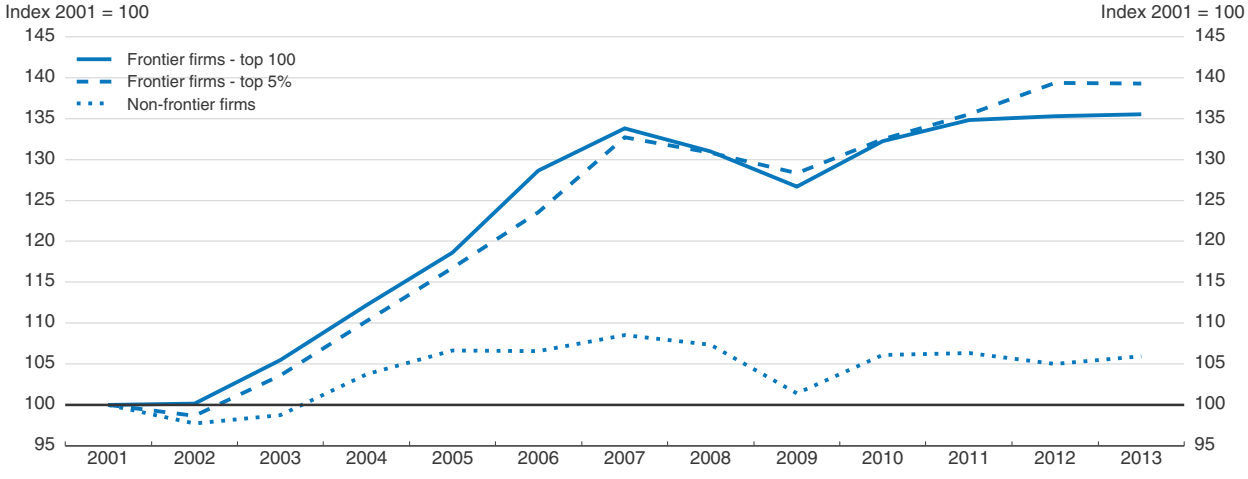
In addition to weak aggregate demand, long-term structural factors have weighed on productivity growth. Business dynamism has declined, as is evident from the fall in business start-up rates and the slowdown in investment in knowledge-based capital (OECD, 2015a). Knowledge-based capital can, for example, take the form of R&D, firm-specific skills, organisational know-how, databases, design or intellectual property. In Europe, productivity growth has been weaker in industries that have recorded larger declines in the share of young firms (Andrews et al., 2016a).

A disaggregation of firms by productivity shows that the productivity growth of the top firms, i.e. the most productive or innovative ones, has been more robust than that of non-frontier firms. Based on industry-level data for 15 OECD countries, the productivity of industries in countries where the industry has the highest productivity level has grown at a similar speed in the 2000s as before. By contrast, productivity of non-frontier industries has slowed markedly. Andrews et al. (2015, 2016b) come to a similar conclusion when using firm-level data for 24 OECD countries. Productivity of the most productive firms in their sector worldwide has risen since 2001 at more than four times the speed compared with other firms (Figure 2.6). Preliminary results show that the crisis seems to have had a negative impact on the frontier firms, slowing down their productivity. Still, non-frontier firms appear to have experienced even lower productivity growth, thereby leading to a growing gap between the two groups.

The question of what may have caused the productivity divergence between frontier and non-frontier firms cannot be answered definitively with the evidence to date.

Figure 2.6. **The productivity gap between the globally most productive firms and other firms has widened**

Labour productivity



Note: "Frontier firms" is the average labour productivity (value added per worker) of the 100 or 5% globally most productive firms in each two-digit industry. "Non-frontier firms" is the average of all firms, except the 5% globally most productive firms. Included industries are manufacturing and business services, excluding the financial sector. The coverage of firms in the dataset varies across the 24 countries in the sample and is restricted to firms with at least 20 employees.

Source: Preliminary results based on Andrews, D., C. Criscuolo and P. Gal (2016), "Mind the Gap: Productivity Divergence between the Global Frontier and Laggard Firms", *OECD Productivity Working Papers*, forthcoming; Orbis database of Bureau van Dijk.

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Declining growth rates of firms away from the global productivity frontier may be attributable to several, possibly complementary, factors (OECD, 2016a): Diffusion of technology and knowledge from frontier firms to others may have declined; poorly-performing firms may remain longer in the market, rather than exit, thereby trapping resources in unproductive activities; high-skilled workers may sort into the same firms to a greater extent than in the past; and a rise in the concentration of market power and rent-seeking by frontier firms may have left non-frontier firms behind.

Evidence on the third possible structural factor for the productivity slowdown, misallocation of capital, is comparatively less solid to date and warrants further research, including through more cross-country evidence. Several studies suggest that misallocation of capital has been particularly pertinent for the euro area. Following the introduction of the euro, countries in the periphery experienced large capital inflows and low productivity growth (Gopinath et al., 2015). Detailed analyses of Belgium, France, Italy, Portugal and Spain indicate that capital has been allocated to low-productivity firms (Calligaris, 2015; Dias et al., 2015; Gamberoni et al., 2016; García-Santana et al., 2016).

This misallocation of capital may have resulted in lower productivity growth also after the crisis. The slowdown of the capital stock since the crisis has been sharpest in OECD countries, which had the lowest interest rates before the crisis and may have over-accumulated capital (Ollivaud et al., 2016). Further, in some countries, the industries that are the main sources of productivity growth are no longer the same, suggesting misallocation across industries before and after the crisis. In the United Kingdom, for example, the contribution of financial services to productivity growth was strong and positive before the crisis, likely reflecting excessive leverage, but it has been negative since the crisis (Kierzenkowski et al., 2016).

Explanations for the rise in inequality

Several reasons underpin the upward trend in labour income inequality, and consequently market and disposable income inequality. Factors that are likely to be part of the explanation include:

- High unemployment since the global financial crisis.
- Skill-biased technological change.
- Decreased worker bargaining power.
- Globalisation and increased international connectedness.
- Productivity divergence across firms.
- Rising income shares at the top of the distribution.

Income inequality continued to increase during the global financial crisis and subsequent period of fiscal consolidation. The fall in employment, not relative wage developments, was the main factor behind the rise in inequality of both market and disposable income. In fact, income poverty also increased after the crisis (OECD, 2015b). Disposable income inequality rose less than market income inequality, as more redistribution, in part due to automatic stabilisers, offset some of the income losses of households at the lower end of the distribution. The increase in redistribution during the crisis reversed the decline observed earlier in the decade so that the overall amount in 2011 was about the same as in 2000. As a result, inequality in market and disposable incomes increased by very similar magnitudes between 2000 and 2011 (as shown in Figure 2.3).

Several factors have contributed to the long-term rise in inequality. Inequality in the distribution of labour income has accounted for most of the increase in income inequality. To a certain extent, the increase in labour income inequality is likely related to technological progress, which may itself have been driven by investment in R&D and innovation. Technical advancements may have benefited high-skilled workers more; for instance, earnings gains have been particularly large for people with much-demanded skills to deal with new information and communication technologies. In addition, a growing share of non-standard labour contracts and a lower coverage of collective bargaining in some countries may have further curbed the wage growth of low- and medium-skilled workers (OECD, 2011). These trends might have been compounded by globalisation and increased interconnectedness, for example through the integration of China in international trade flows (Autor et al., 2013, 2014).

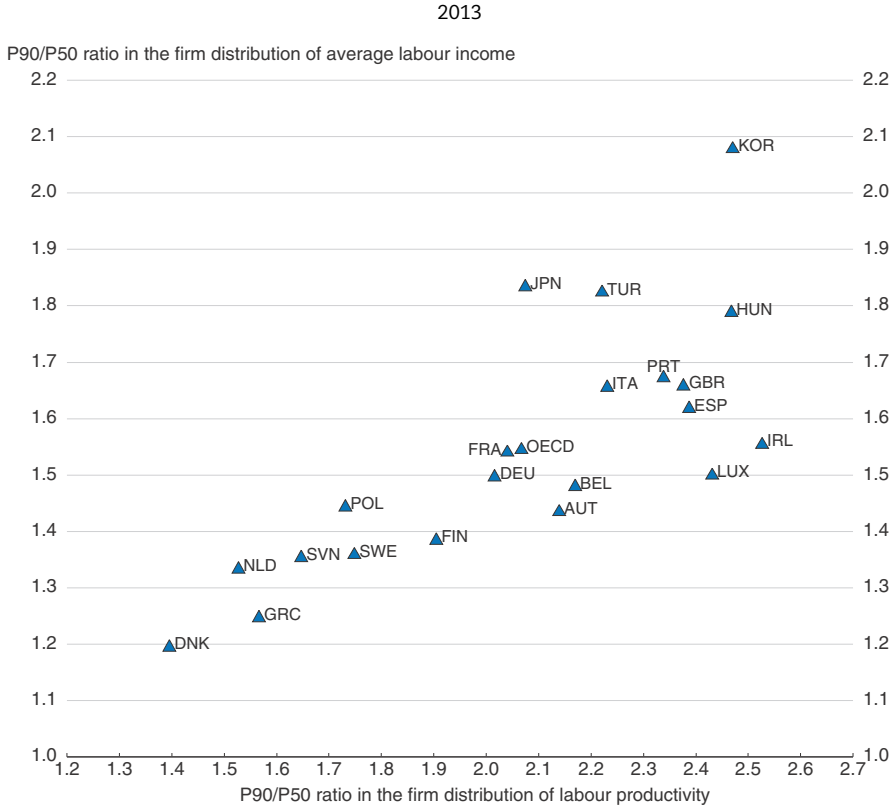
At least in some countries, the rise of labour income inequality has been primarily due to a rise in wage differences between firms, not within firms. This has been shown to be the case in Germany (Card et al., 2013), Sweden (Håkanson et al., 2015) and the United States (Song et al., 2015). According to this research, inequality has risen because some firms now pay all their employees much more than other firms, not because top managers have increasingly been paid more than support staff. The results in these studies indicate that some of the wage divergence between firms may be related to so-called assortative matching, whereby high-wage workers and high-wage firms increasingly "match" with each other.

This phenomenon is in line with Figure 2.6 on productivity divergence between firms, which would imply rising dispersion of labour incomes across firms. When advanced countries are compared with one another, dispersion of firm productivity is highly positively correlated with dispersion of labour income across firms (Figure 2.7).[3] This finding is not predicated on the economic conditions since the global financial crisis, as conclusions are the same with pre- and post-crisis data. Further, alternative firm-level data sources, such as the OECD MultiProd database (OECD, 2016a), yield similar results. Hence, a conjecture (consistent with the evidence to date, although without conclusive proof of causality) is that the productivity divergence across firms has resulted in an increase in labour income inequality.

Income at the very top of the income distribution has grown far more rapidly than for the rest of the population (Alvaredo et al., 2013; Förster et al., 2014), notwithstanding the observation that household surveys, including those used by the OECD, have the drawback of under-coverage of the top 1% incomes (Ruiz and Woloszko, 2016). Rising inequality in wealth and capital income, which are already more concentrated than labour income, is likely to have increased total incomes at the top. Other factors that may have contributed to the strong rise of top incomes are reductions in top marginal income tax rates and stronger protection of rents. In the United States, for example, corporate profits in the technology and financial industries are close to record highs and many industries have become more concentrated. This growing market power may have benefited employees in high-wage firms the most. Further analysis of the sources of top income inequality is an important area of future research.

3. Regressing the P90/P50 ratio in the firm distribution of average labour income on the P90/P50 ratio in the firm distribution of labour productivity yields a coefficient estimate of 0.47 and a p-value of 0.0001. The R-squared is 0.58, and the number of observations is 21.

Figure 2.7. **Labour income inequality and productivity dispersion across firms are positively correlated**



Note: OECD is the unweighted average of the countries for which data are available. The country-specific data points indicate the unweighted average of within-industry labour income inequality and productivity dispersion between firms. The coverage of firms in the dataset varies across countries and is restricted to firms with at least 20 employees. The P90/P50 ratio is average labour income or labour productivity of the firm at the 90th percentile divided by the corresponding value of the firm at the median. Labour income is total compensation including taxes and the employer's and employee's social security contributions. The data point for Japan refers to 2008, the most recent year for which data are available.

Source: OECD estimations based on Saia and Schwellnus (2016), "Decoupling of Productivity and Median Wage Growth: Micro-Level Evidence", *OECD Economics Department Working Papers*, forthcoming; Orbis database of Bureau van Dijk.

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Policies to promote productivity and equality

The declining growth of productivity and earnings, especially of people on low incomes, fuels concerns about socio-economic developments in advanced economies. Many policy choices – on monetary policy, fiscal policy and structural policies – affect both productivity and inequality. They could therefore act as levers to tackle the productivity slowdown and the rise in inequality together, or may sometimes involve trade-offs. This part discusses measures in four areas: policies to support aggregate demand; public spending and tax policies; competition and innovation policies; and financial market policies.

Policies to support aggregate demand

The productivity slowdown has become much more pronounced since the global financial crisis, in part due to weak aggregate demand. Policies that strengthen aggregate

demand, in particular through stronger investment, may therefore increase productivity, employment and household income. Monetary and fiscal policies support demand most directly. Structural reforms improve economic growth prospects in the long term and, with appropriate choices, can also support aggregate demand in the short term.

Monetary, fiscal and structural policies must be deployed in a consistent and synergistic manner. None of the three levers can work alone. Experience to date suggests that the strong reliance on monetary policy has been insufficient to deliver satisfactory growth. With monetary policy close to its limits, fiscal policy is important to generate demand, and structural reforms can facilitate the necessary reallocation of resources.

Monetary and fiscal policy options to support demand vary across economies (Chapters 1 and 3). In several economies, the macro policy mix, which needs to remain accommodative, would benefit from the enhanced use of fiscal policies, given growing concerns about the potential distortions caused by non-conventional monetary policy actions and diminishing returns of further easing. The very low interest rates for government borrowing have in effect increased fiscal space, providing many countries with room for expansion. Collective fiscal action, that lets countries mutually benefit from the positive spillovers of fiscal actions in other countries, would raise the pay-off for individual countries from undertaking fiscal expansion and is consistent with fiscal sustainability.

The effects of such aggregate demand policies on income inequality have a cyclical and structural dimension. The current situation of inadequate aggregate demand, where many economies operate at less than potential output, is synonymous with low employment rates. Low employment rates are an important source of poverty and income disparities, because they generate no labour income for an unusually large number of workers. As emphasised above, the decline in employment over the cyclical downturn since the global financial crisis has increased poverty and income inequality.[4]

Macroeconomic expansion to further stimulate aggregate demand would be suited to reduce this cyclical effect of a temporary rise in poverty and income inequality. Demand management in today's economic environment can have the additional benefit of countering increases in income inequality even over the longer term. Continued economic weakness may damage the employability of workers who have been out of work for too long. Long-term unemployment erodes the skills of workers and their earnings prospects and could thus result in permanently higher inequality.

A very powerful fiscal tool to raise demand, productivity and income would be to increase public investment. Public investment has fallen as a share of GDP compared with pre-crisis levels at the aggregate OECD level (Ollivaud et al., 2016). Multiplier estimates are usually larger for investment than other spending components (Auerbach and Gorodnichenko, 2012; Ilzetzki et al., 2013). Infrastructure is often perceived to be deficient, and many governments are now able to borrow at very low interest rates for long maturities. Public investment can be particularly effective when it catalyses private investment (OECD, 2015c). More investment would have the twin benefit of not only expanding demand today, but also supply tomorrow, by adding to the capital stock. Evidence in the next section on the structural composition of public spending suggests that higher levels of public investment should be maintained, even when monetary policy

4. Effects from the very expansionary stance of monetary policy on income inequality via financial channels are likely to have been small (O'Farrell et al., 2016).

eventually gains more traction again and the global economy gets back to potential. Insofar as reductions in public expenditure are needed in the long term to preserve fiscal sustainability, they should be sought in areas other than investment.

Public spending and tax policies

Governments in advanced countries collect on average about 40% of GDP in taxes and spend a similar amount on public goods, services and transfers. Size, composition and design of spending and taxes may influence productivity growth and the distribution of income. As the first part of this chapter showed, the redistributive power of taxes and cash transfers, an important component of public spending, has been less in the 2000s than the 1990s. This section studies the long-term effects of government effectiveness and size, the composition of public spending and specific taxes on productivity and inequality.

Government effectiveness and size

Government effectiveness – as defined by citizens' perception of the quality of a broad range of public goods and services, such as education, health and transport – matters. It has been associated with higher growth and productivity and lower income inequality (Table 2.1). Further, a larger overall size of government, measured as higher spending or taxes, has had no statistically significant effect on growth in countries with effective governments, although it has on average raised productivity. Larger governments have reduced growth and productivity in countries with ineffective governments. Increasing the size of government has been associated with lower income inequality in countries with effective and ineffective governments. These estimated relationships are derived on average from the historically observed levels of government effectiveness and size; they should not be extrapolated to overly high or low values (Fournier and Johansson, 2016).

Public spending policies

Besides the overall size of government, the composition of public spending is important as well. Better and more education is associated with higher growth and productivity, and also greater income equality, when years of schooling count only time in

Table 2.1. **The effects on growth, productivity and equality vary across different public spending policies**

Policy		Growth	Productivity	Equality
Increasing government effectiveness		+	+	+
Increasing the overall size of government	Effective government	n.s.	+	+
	Ineffective government	-	-	+
Improving education outcomes		+	+	0/+
Increasing public investment		+	+	n.s.
Increasing family benefits		n.s.	n.s.	+
Decreasing public subsidies		+	n.s.	-

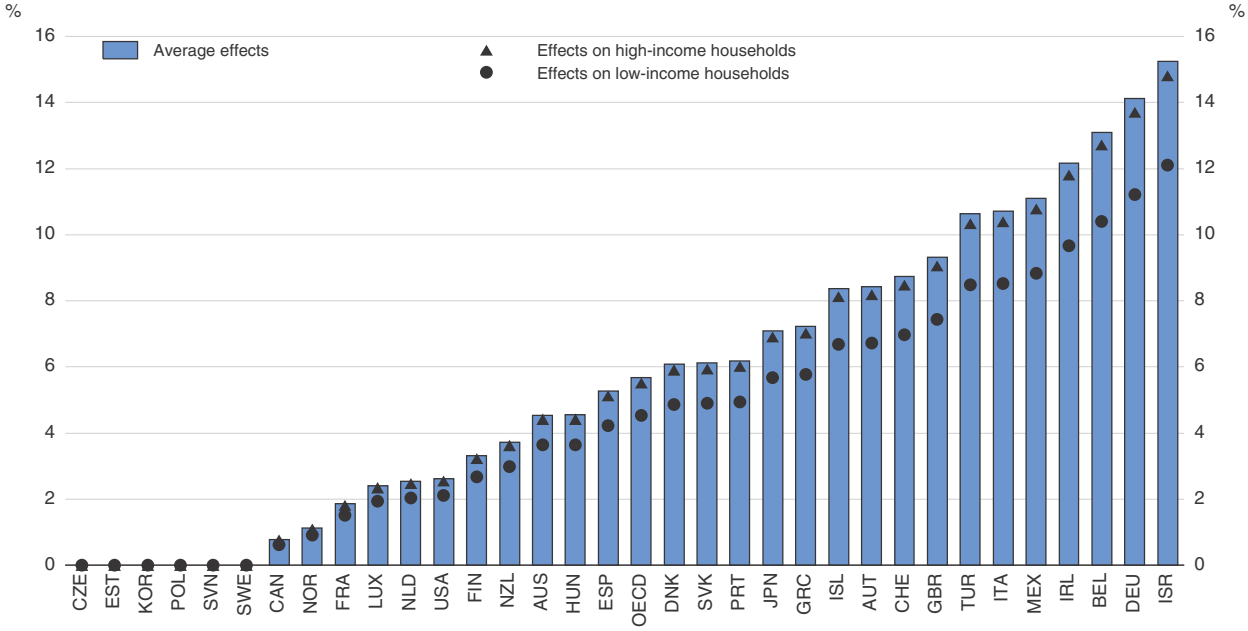
Note: + stands for a positively significant, - for a negatively significant and n.s. for an insignificant effect, each at the 10% level. 0/+ indicates that the equity effect of education depends on whether the reform focuses on reducing inequality in educational attainment.
Source: OECD estimations based on Fournier and Johansson (2016), "The Effect of the Size and the Mix of Public Spending on Growth and Inequality", *OECD Economics Department Working Papers*, forthcoming; World Bank Worldwide Governance Indicators database.

primary and secondary education, not tertiary education.[5] This is in line with evidence that investing in early childhood education yields high returns since it enhances equality of opportunity and skill acquisition throughout life (Wößmann, 2008; Cuhna et al., 2010; Heckman, 2011; Cingano, 2014; OECD, 2015b). The empirical links of better and more education with higher growth, productivity and equality suggest long-term benefits from a greater share of education in public spending.

Governments allocating a larger share of total expenditure to good-quality public investment tend to boost growth and productivity over the long term in the average advanced country (Fournier, 2016). Higher public investment raises disposable incomes of households across the distribution, leaving income inequality broadly unchanged. Illustrative simulations similar to those in Fournier and Johansson (2016) have been conducted, wherein public investment in countries with public investment relative to trend GDP below the average ratio of that of countries in the top half converges to this average ratio over ten years. Households in many countries could experience income gains, of up to 15%, from a shift in spending towards public investment (Figure 2.8). Differences between low- and high-income households are small and far from statistical significance.

Figure 2.8. **Changing the spending structure in favour of public investment can deliver large income gains for households across the distribution**

Long-term effects on household disposable income



Note: Public investment in countries, where public investment to trend GDP is below the average ratio of that of countries in the top half of the sample, is assumed to converge to this average ratio. The figure reports the effects after 45 years of a reform phased in over 10 years.

Source: OECD estimations based on Fournier and Johansson (2016), "The Effect of the Size and the Mix of Public Spending on Growth and Inequality", *OECD Economics Department Working Papers*, forthcoming.

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5. The analysis uses a quality-adjusted measure of the level of education, instead of education spending which can take long to translate in better educational achievement. In particular, the average number of years of schooling of the working-age population is interacted with the country's score in the OECD Programme for International Student Assessment (PISA).

Education and public investment are the two areas of public expenditure that are estimated to be associated with higher long-term productivity. They should thus receive priority in government budgetary plans. Two other spending items, social spending on family and child care and public subsidies, appear to reduce income inequality. Family benefits tend to target lower-income households, and more child care may facilitate access to the labour market especially for lower-income households with children. Some subsidies may be used to redistribute, lowering income inequality. Subsidies are, however, negatively related with economic growth, although they do not appear to be associated with lower productivity. No statistically significant effects have been identified for other areas of public spending, for example health.

Tax policies

Evidence is also available about the consequences of specific taxes, in particular corporate income taxes, on productivity and inequality (Johansson et al., 2008; Cournède et al., 2014). Reducing statutory corporate income tax rates tends to raise productivity (Schwellnus and Arnold, 2008; Vartia, 2008). High corporate income taxes may reduce incentives to invest in innovative activities by lowering their after-tax returns. Further, corporate income taxes favour debt over equity when only interest payments, and not the notional costs of equity finance, are tax deductible, as is the practice in most advanced countries. This may discriminate against industries, such as knowledge-based industries, that rely more on equity. The effect of lower corporate income taxes on inequality is less clear, which can limit their attractiveness, despite the likely productivity gains. Inequality may rise, because of the concentration of holdings of corporate shares. But lower corporate income taxes may also increase employment, which could reduce inequality.

Other tax instruments that are related to incentives for innovation include top personal income tax rates and R&D tax credits. Higher top personal income tax rates have been associated with lower long-run productivity (Vartia, 2008), possibly because they reduce the post-tax returns for successful entrepreneurs. R&D tax credits boost R&D spending (Westmore, 2014), which may, as some evidence indicates (Égert, 2016), increase productivity. As the next section shows, such fiscal incentives for R&D tend to be broadly neutral with respect to income inequality. Some countries have introduced preferential taxes on intellectual activities ("IP boxes") to encourage investment in knowledge-based capital. However, concerns have been raised about their efficacy in encouraging new innovation and the degree to which they encourage profit shifting (OECD, 2015d; IMF, 2016).

Competition and innovation policies

In the aftermath of the global financial crisis, many advanced countries have undertaken structural reforms, such as reforms in product and labour markets. These structural reforms have improved resource allocation and the prospects for economic growth. Their benefits may be due to higher productivity, higher employment or both, and they might, or might not, be evenly spread across income groups. This section highlights reforms that are likely to promote productivity and examines their effects on income inequality.

Reforms of product markets

Product market reforms raise productivity. Evidence on this beneficial effect of product market reforms comes from several cross-country sources: the macro-level

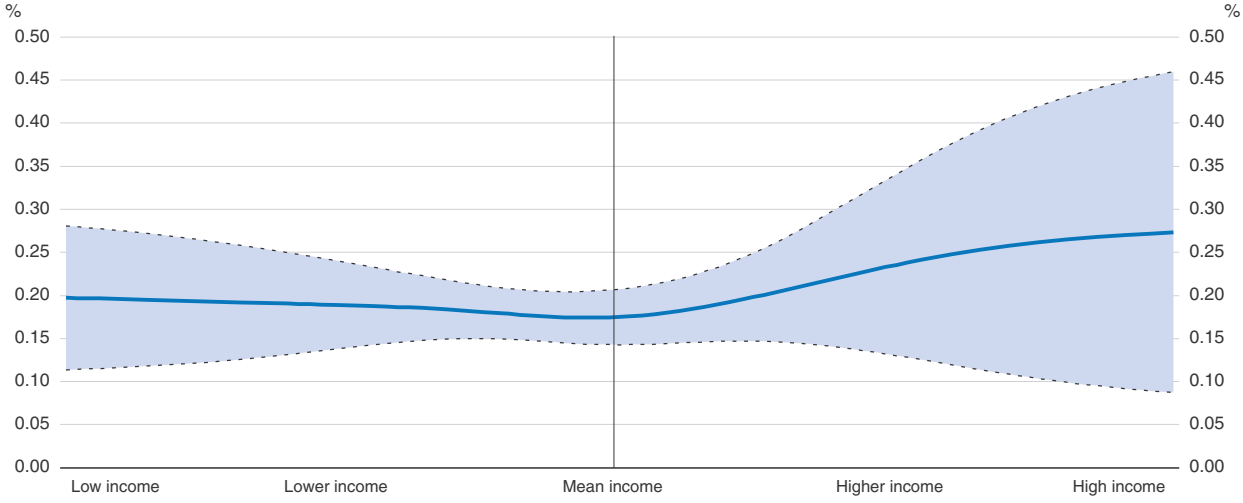
analysis of Égert (2016), the industry-level analysis of Cette et al. (2016) and the firm-level analysis of Andrews et al. (2015). Égert (2016) uses annual data over a long time horizon on the extent of regulation in three network industries: energy (electricity and gas), transport (air, rail and road) and communication (telecom and post). The indicator combines information on entry barriers, public ownership and other aspects of regulation. Reducing the stringency of network industry regulation is estimated to raise both labour productivity and TFP in a statistically significant manner. Andrews et al. (2015) reach a similar conclusion for overall product market regulation, not only the regulation of network industries. Product market reforms also increase employment (Gal and Theising, 2015).

Product market reforms are inclusive in that they lift the disposable income of households across the distribution. Income equality remains broadly unchanged. Causa et al. (2016) nest the macroeconomic estimate of Égert (2016) in an empirical framework that estimates how product market reforms translate into income gains for households at different points in the distribution. Their analysis shows that the disposable income of households across the distribution increases when the regulation of network industries is eased (Figure 2.9). Wage disparity rises, but so does employment. The effects are statistically significant across the distribution and not significantly different for low- and high-income households. Andrews et al. (2015) conclude that product market liberalisations leave the productivity distribution of firms broadly the same. This suggests too that income inequality may not change much, insofar as productivity and wage dispersion move together.

Related research links slowing productivity and rising inequality with higher firm market power (Krugman, 2015; Reich, 2015; Council of Economic Advisers, 2016). Greater market power may lead to higher rents and allow companies to block new competitors from entering the market. Furman and Orszag (2015) argue that some firms, such as in the

Figure 2.9. **Reduced regulation in network industries has increased income across the distribution**

Effects on household disposable income after a 1% reduction in the regulation index



Note: The shaded area indicates the 90% confidence band for how the total effect of reduced regulation is distributed across households. The total effect itself is assumed to be certain.

Source: OECD estimations based on Causa, O., M. Hermansen and N. Ruiz (2016), "The Distributional Impact of Pro-Growth Reforms", *OECD Economics Department Working Papers*, forthcoming.

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technology sector or finance, benefit from consistently high supernormal profits and share these with workers through wage premiums. To a certain extent, such winner-takes-all phenomena can be efficient due to the way technologically-advanced services benefit from a large user base. In other cases, however, anti-competitive actions by firms (such as mergers and acquisitions) may have exacerbated market power. Robust enforcement of the competition regime, combined with a reduction in regulatory barriers to entry and exit, can thus improve efficiency and equality. Competition regimes may also have to be reviewed and adapted to new technologies. Furthermore, in areas, such as intellectual property rights protection, copyright systems or R&D support, well-intentioned policies designed to boost innovation efforts may inadvertently give an edge to incumbents at the expense of innovative start-ups (Bravo-Biosca et al., 2014).

Innovation policies

The effects of policies specifically aimed at boosting innovation, for which few direct indicators are available, are more difficult to determine. Égert (2016) and Causa et al. (2016) approximate innovation with private and public R&D expenditure (per cent of GDP) and the number of patent applications (per capita). These measures may be interpreted as capturing the effects of policies that increase incentives for R&D spending and patent applications. When R&D spending or patent applications increase, labour productivity and TFP rise in a statistically significant manner. In line with these results, stronger patent rights protection has been found to raise productivity (Bouis et al., 2011).

Empirical evidence suggests that, like product market reforms, higher R&D spending is inclusive in that it is associated with higher disposable income for households across the distribution. Income gains from innovation activities reflected in the number of patent applications are more unequally distributed, as the income of households in the lower half of the distribution does not increase. This finding may be due to technological advancements primarily benefiting high-skilled workers. However, the magnitude of the differences in the effects on households is small, so that policy changes also in this area are unlikely to lead to a notable rise in income inequality. Related studies that not only focus on inequality of income but also of opportunity indicate that innovativeness is positively correlated with social mobility. As innovativeness in an economy rises, children become more likely to be either higher up or lower down in the income distribution than their parents (Aghion et al., 2015, 2016).

Innovation policies that reduce productivity dispersion across firms may diminish labour income inequality. Results from firm-level micro data suggest that more R&D collaboration between universities and firms reduces the productivity gap between the less productive and most productive firms (Andrews et al., 2015). This may be because R&D collaboration with universities facilitates technological diffusion by providing smaller firms with access to sources of knowledge, such as advanced machinery or skilled scientists. Thus, initiatives to encourage R&D collaboration between universities and firms bear the promise of both raising productivity and equality.

Policies to reduce skill mismatch

Skill mismatch is high in many advanced economies (OECD, 2016a). A better matching of jobs and skills is likely to improve the allocation of labour across firms. Adalet McGowan and Andrews (2015) find that skill mismatch is associated with more stringent framework policies (product market regulation, cost of closing a business) and mobility-restricting

housing policies (transaction costs, rent control, responsiveness of housing supply). Reforms in these areas can facilitate the reallocation of workers who are over-skilled for their jobs to new jobs that better match their skills. This reallocation lifts workers' productivity at the new firm and leads to higher wages. It is unlikely to make other workers worse off. The influence of such worker reallocation on income inequality depends on the location of over-skilled workers in the income distribution. Some evidence indicates that over-skilling may be particularly common in some high-income industries, such as finance and information and communication (Cazenave-Lacroutz, 2014).

Reforms of labour market regulations

Employment protection legislation may adversely impact productivity by restricting workers from moving into emerging, high-productivity firms or industries and discouraging entrepreneurs from undertaking high-growth but risky ventures. Studies using both firm- and industry-level data provide evidence in support of this (Bassanini et al., 2009; Andrews et al., 2015). Recent research based on aggregate cross-country time-series data finds mixed results for the productivity effect of employment protection regulations (Égert, 2016). Easing of employment protection may benefit efficient firms, which at least initially could widen productivity differentials between firms and wage differentials between workers (Andrews et al., 2015). Such a reform might increase inequality (OECD, 2011), possibly by further depressing the income of lower-income households (Causa et al., 2016). On the other hand, easing of dismissal costs tends to reduce labour market duality by aligning the stringency of employment protection between standard and non-standard work (Boeri, 2011). While effects of duality are difficult to identify in cross-country data, studies focusing on specific countries tend to show that reducing duality can improve productivity and lower inequality, by allowing more workers to get a foothold in stable jobs and increasing their commitment.

Coherence between policies

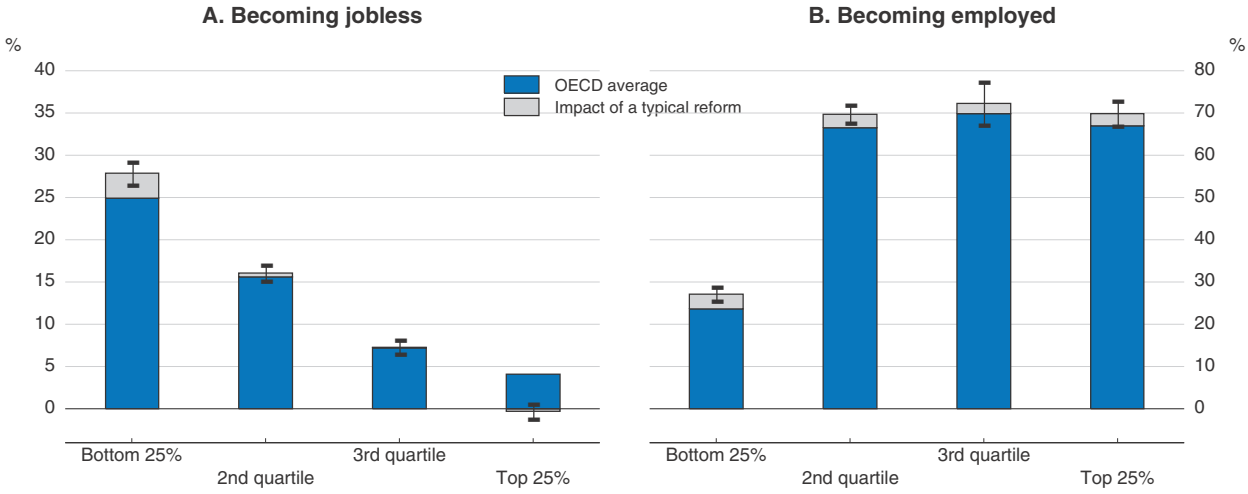
Coherence between policies is important for ensuring that they work together to enhance the overall well-being of citizens. Labour market policies, for example, can interact with other policies, such as product market policies, and influence the productivity benefits from reforming product markets. Product market reforms often enhance economic flexibility. Labour market policies can facilitate the reallocation of workers, which would help reap the benefits from more flexible product markets.

Product market reforms imply a higher likelihood of losing a job and of finding a job for people who are unemployed or out of the labour force. Which income groups are affected by the increased labour market churn that comes with product market reforms? Low-income workers have a higher probability than other income groups of leaving employment (Cournède et al., 2016a; Garda, 2016). They are also the income group for which the job exit rate rises after reductions in network industry regulation (Figure 2.10, Panel A). This higher job exit rate is, however, offset by a higher job entry rate for low-income workers (Figure 2.10, Panel B).

Hence, product market reforms increase the labour market turnover of low-income workers. This effect of enhanced economic flexibility suggests accompanying product market reforms with active labour market programmes (ALMPs) to help individuals transition to new jobs (Cournède et al., 2016b). ALMPs tend to benefit workers in the lower half of the income distribution (Causa et al., 2016). The combination of product market

Figure 2.10. **Reduced regulation in network industries has increased labour market transitions for low-income groups**

Changes in average transition rates after a typical reform in network regulation



Note: Black segments indicate 90% confidence intervals. Quartiles are calculated over the previous year's average monthly labour income in months during which the individual worked. The effects are estimated with micro data for 26 OECD countries over 1994-2012.
Source: OECD estimations based on Cournède, B., O. Denk and P. Garda (2016), "Effects of Flexibility-Enhancing Reforms on Employment Transitions", *OECD Economics Department Working Papers*, forthcoming.

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reforms and effective ALMPs can therefore raise productivity and household income, while lowering income inequality. Complementary evidence on mass lay-offs underlines that ALMPs also improve re-employment prospects of displaced workers (Andrews and Saia, 2016).

Other policy interactions are likely to be important for productivity. For instance, implementing regulatory reforms in product and labour markets jointly may be better than a "one-sided" reform (Égert, 2016). The effectiveness of policies is also likely to depend on the economic environment in the country. An example is higher R&D spending, where favourable effects on productivity increase with a stronger rule of law, market settings more conducive to business start-ups and growth and lower barriers to trade. Estimating empirically the inequality effects of such policy complementarities is an important area for future research.

Financial market policies

Finance is important for funding investment and innovation. But finance is also likely to have contributed to the initial shortfall in aggregate demand and the current weakness in investment. Excessive leverage has been stifling household consumption, and credit supply constraints may have exacerbated the investment slowdown. Write-downs of non-performing loans and faster bank recapitalisations would help households deleverage and facilitate the provision of new credit, which is particularly important for the euro area. For some European countries, inefficient insolvency regimes have been identified as a barrier to addressing the rise in non-performing loans (Bergthaler et al., 2015). In the United States, high household debt levels were an important source of the contraction in consumption (Mian and Sufi, 2014).

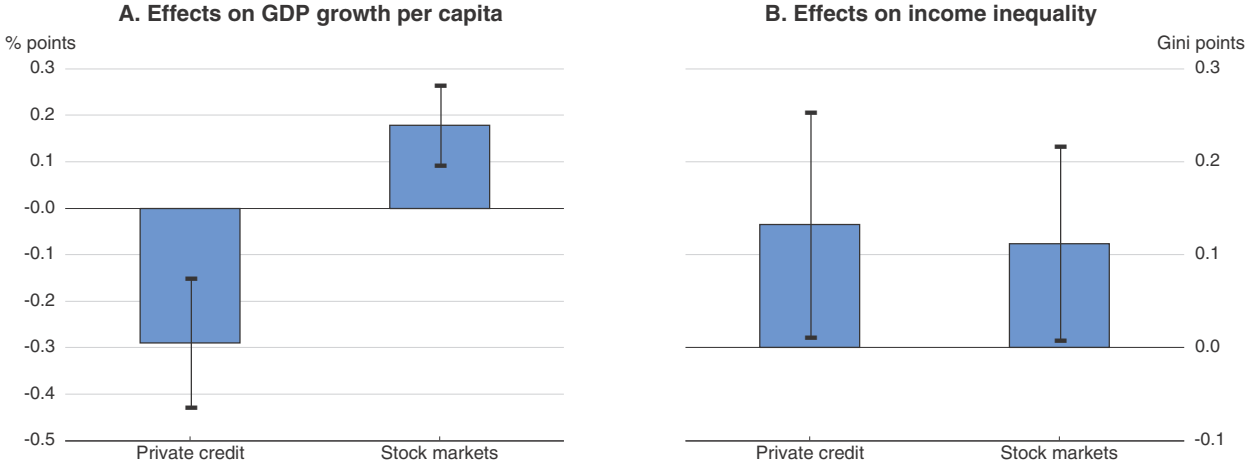
One finance-related factor which is likely to hold back long-term productivity growth is that many banks and similar financial institutions benefit from too-big-to-fail (TBTF) guarantees by governments and central banks, despite new regulatory measures in Basel III. TBTF reflects the perception by the holders of bank debt and, to some extent, bank equity that their investments are protected. One way such TBTF guarantees may have found their way into the real economy is the rapid pre-crisis rise of bank credit.

Empirical evidence supports this conjecture. Data from the past 50 years show that above-trend credit expansions have led to a slowdown in GDP per capita, and that the effect is particularly strong in countries where TBTF is larger (Cournède and Denk, 2015; Denk et al., 2015). By contrast, a stronger reliance on stock markets has been associated with higher economic growth (Figure 2.11, Panel A). When the regressions use productivity instead of GDP growth, estimates appear weaker and less stable, but they remain negative for bank credit and positive for stock markets.

Credit overexpansion may be particularly harmful by inducing labour reallocations to industries with lower productivity growth (Borio et al., 2015). It may also exacerbate misallocation of capital, for example through too much lending to households (Turner, 2015). More recently, credit has expanded very rapidly in several emerging market economies, including China and Turkey. The positive productivity effect of higher equity finance concurs with the finding that countries with better developed venture capital markets are more effective at channelling resources to young innovative firms (Andrews and Criscuolo, 2013).

The rise of finance is also linked with changes in income inequality (Denk and Cournède, 2015). More bank credit and larger stock markets are both correlated with a less equal distribution of household disposable income, when accounting for many other factors (Figure 2.11, Panel B).

Figure 2.11. **Equity finance has been more favourable to growth than credit finance**



Note: The bars show the effects of a 10% of GDP increase in private credit or stock market capitalisation. Private credit is credit to the non-financial private sector by banks and similar financial institutions, and stock market capitalisation is the value of all shares listed in a stock market. Black segments indicate 90% confidence intervals.

Source: Cournède, B. and O. Denk (2015), "Finance and Economic Growth in OECD and G20 Countries", *OECD Economics Department Working Papers*, No. 1223; Denk, O. and B. Cournède (2015), "Finance and Income Inequality in OECD Countries", *OECD Economics Department Working Papers*, No. 1224.

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Another channel through which TBTF has arguably found its way into the real economy is overly high pay in finance. In Europe, the financial sector wage premium (or how much financial employees receive in excess of what similar workers are paid in other industries) is 25% of average earnings (Denk, 2015a). It rises across the earnings distribution, reaching nearly 40% for top-paid workers (Figure 2.12). High wage premiums are one reason why finance is the industry most disproportionately represented among the top 1% earners (Denk, 2015b). Such financial rents raise inequality and, as a symptom of excessive returns to the conduct of banking activities, they are likely to reduce productivity as well, not least considering the importance of banking services as inputs for other industries. Restricting compensation practices that reward short-term success with no claw-back provisions would cap very high financial sector pay when it is the most unjustified.

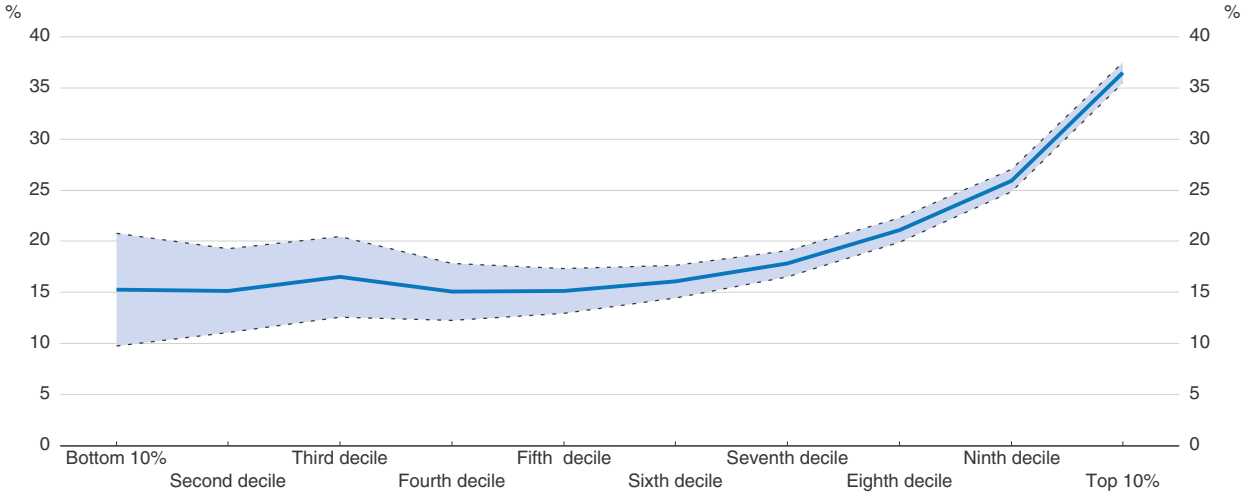
The phasing-out of TBTF bears a similar promise of promoting both productivity and equality. One avenue would be to break up TBTF banks into small entities which can go bankrupt without creating systemic risk. Alternative approaches would be, for example, to impose higher capital surcharges on TBTF banks or to force creditors to take losses more frequently in the case of insolvent banks (Cournède et al., 2015). In the short term, however, such measures can hurt economic activity.

Conclusion

Slowing productivity and rising inequality pose two of today's foremost challenges for advanced economies. Solving the productivity-inequality twin challenge is essential to lift people's income prospects from the very low rates of the past two to three decades. This

Figure 2.12. **The financial sector wage premium[1] increases along the earnings distribution**

European countries, 2010



Note: The shaded area indicates the 90% confidence band. The figure depicts the unweighted average of the 18 European countries for which data are available.

1. The financial sector wage premium is the percentage by which annual labour earnings of full-time employees in finance exceed what other industries pay. It is obtained from regressions using micro data and controlling for age, gender, highest level of education, years of experience in the firm and their square, number of employees in the firm, geographical location of the firm, type of financial control, level of wage bargaining, type of employment contract, number of overtime hours paid and occupation.

Source: OECD estimations based on Denk, O. (2015), "Financial Sector Pay and Labour Income Inequality: Evidence from Europe", *OECD Economics Department Working Papers*, No. 1225.

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requires coherent and comprehensive policy packages combining demand and structural policies. The chapter has outlined the key general lessons for the design of such policy packages. Reforms also need to take into account country-specific aspects of the institutional framework and policy settings currently in place. Even as each package deploys monetary and fiscal policy, and levers from each of the suite of structural policies (public spending and taxes, competition and innovation, financial system structure and performance), there is no one-size fits all.

The primary focus of the chapter has been on advanced economies, for which the productivity slowdown has been most severe and the evidence base is the strongest. However, productivity growth has declined and income inequality is high in some emerging market economies, too. Gaps in productivity and income are large between advanced and emerging market economies. Many structural reform priorities are similar to those for advanced countries (OECD, 2016b). One distinguishing feature of emerging market economies are high rates of informality. These often trap low-skilled workers in informal, low-productivity firms and can thus contribute to low productivity and high inequality (Hsieh, 2015). In such cases, reforms that combine education, regulation, taxation and the rule of law can help (Dougherty and Escobar, 2013).

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Chapter 3

DEVELOPMENTS IN INDIVIDUAL OECD AND SELECTED NON-MEMBER ECONOMIES

AUSTRALIA

Output growth will gradually strengthen towards 3% in 2017. Adjustment to declining resource-sector investment will continue. Growth in the non-resource sector will pick up, aided by dollar depreciation and a steady increase in household consumption. Further falls in the rate of unemployment are not expected to generate strong inflationary pressures and will help reduce inequality.

With receding risks from the housing boom, there is leeway for further monetary policy easing in the event of a new downturn. Close vigilance on housing-market developments is still required. Fiscal consolidation should be back-loaded in light of economic uncertainties. Tax reform should be a core element of structural policy.

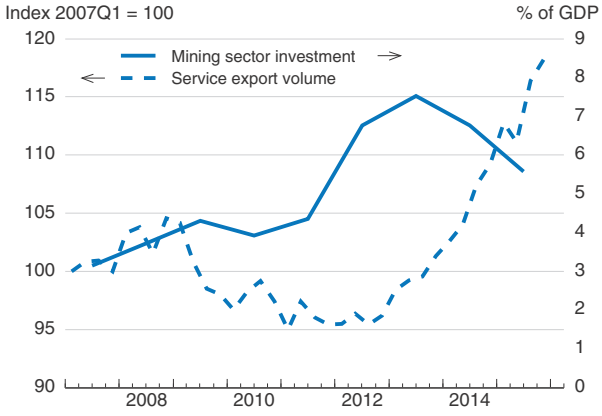
Boosting productivity in Australia requires a focus on innovation. Targeted R&D policy, university-business linkages and effectiveness and efficiency of financial support for research are important. Ensuring strong competition, regulation that accommodates new internet-platform-based businesses, sound ICT infrastructure and continuing education reform are also key for productivity performance. In addition, education reform will boost inclusiveness through stronger low-end skills and better ICT infrastructure can reduce gaps in economic opportunity by improving access in rural areas.

Rebalancing away from resource sectors continues

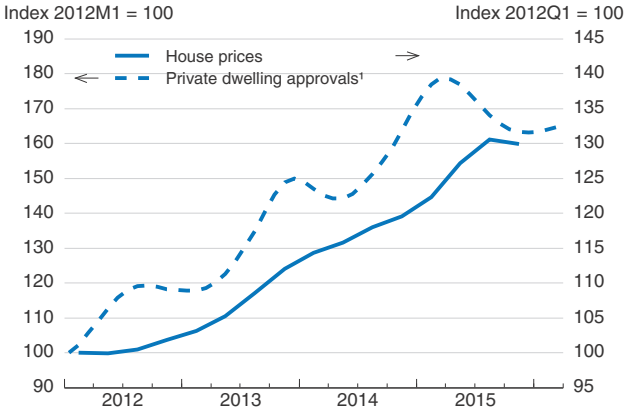
Resource-sector investment and employment face ongoing decline and commodity prices remain low, although new liquefied-natural-gas (LNG) production is boosting exports. Non-resource activity continues to pick up, especially in services exports, in part reflecting past depreciation of the currency. Non-resource activity is now driving employment growth. In addition, house-price and mortgage-credit growth are slowing, assisted by macro-prudential tightening. Consumer price inflation remains low. Also, uncertainty about global economic prospects is impacting Australia's stock market and business sentiment.

Australia

Economic rebalancing continues



The housing market is cooling



1. Data are smoothed to reduce the impact of the irregular component of the seasonally adjusted series.

Source: Australian Bureau of Statistics; OECD Analytical House Price database.

StatLink http://dx.doi.org/10.1787/888933367620

Australia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices AUD billion	Percentage changes, volume (2013/2014 prices)				
GDP at market prices	1 505.5	2.0	2.6	2.5	2.6	2.9
Private consumption	820.6	1.8	2.8	2.8	2.9	3.0
Government consumption	272.5	1.2	0.6	2.8	2.4	2.0
Gross fixed capital formation	432.2	-2.0	-1.9	-4.0	-2.1	-0.3
Final domestic demand	1 525.2	0.6	1.1	1.0	1.5	2.0
Stockbuilding[1]	2.3	-0.5	0.0	0.0	-0.5	0.0
Total domestic demand	1 527.6	0.1	1.1	1.0	1.1	2.0
Exports of goods and services	301.7	5.9	6.7	6.1	6.5	6.5
Imports of goods and services	323.8	-1.8	-1.7	1.0	-0.2	2.1
Net exports[1]	- 22.1	1.6	1.7	1.0	1.3	0.9
Memorandum items						
GDP deflator	_	1.3	0.2	-0.6	1.4	2.2
Consumer price index	_	2.5	2.5	1.5	1.4	2.1
Private consumption deflator	_	2.5	2.1	1.5	1.3	1.9
Unemployment rate	_	5.7	6.1	6.1	5.7	5.4
Household saving ratio, net[2]	_	10.3	9.5	8.6	7.7	7.0
General government financial balance[3]	_	-2.0	-2.3	-1.7	-1.4	-0.8
General government gross debt[3]	_	38.2	42.2	44.2	46.2	47.6
Current account balance[3]	_	-3.4	-3.1	-4.6	-3.8	-2.7

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369200

Continued policy support for economic adjustment and productivity growth is required

The Reserve Bank reduced the policy rate by 25 basis points in May to 1.75%, the first rate change in 12 months, prompting a depreciation of the exchange rate. The projection envisages no further easing and assumes that policy-rate increases begin in 2017. Nevertheless, room for further rate cuts remains in the event of below-par growth. Fiscal policy needs to let the automatic stabilisers operate while keeping a medium-term objective of reducing the public-debt burden.

In structural policy, the OECD has long emphasised the scope for improving Australia's tax system, in particular through greater use of efficient tax bases, such as the Goods and Services Tax and land tax, and reforms in specific areas, such as the taxation of pensions ("superannuation"). Reform to the latter could lower inequality by narrowing differences across households and between women and men among older cohorts. Strengthening of consumer-protection regulation in banking would also benefit households. Australia's greenhouse-gas reduction policy relies principally on the Emission Reduction Fund, which provides financial incentives for businesses to reduce emissions and as of July 2016 it will backed by a safeguard mechanism that discourages offsetting emissions.

Boosting productivity requires strengthening capacities for generating and absorbing innovation. Research collaboration between the university and business sectors remains a

point of weakness. Also, ensuring value-for-money in financial incentives, such as R&D tax breaks, remains a challenge. Policy responses to "disruptive" internet-platform innovations have generally been positive. Australian product and labour market regulation is broadly conducive to resource re-allocation, thus helping innovation via "creative destruction". However, ICT infrastructure and services require ongoing policy attention and there is scope for greater innovation in public services.

The pick-up in growth will be gradual, but risks and uncertainties remain sizeable

Output growth is projected to be just under 3% in 2017. Negative effects from shrinking mining investment are set to ease and new LNG production will boost exports. Exchange rate depreciation and supportive macroeconomic policy have helped rebalance activity towards non-mining sectors. Employment growth will drive a further decline in the rate of unemployment. Household consumption is expected to remain solid, helped by further erosion of the household savings ratio. The pick-up in activity will not generate significant inflationary pressure, due to remaining economic slack.

Australia's exposure to commodity-market developments, particularly those linked to the Chinese economy remains an important source of uncertainty and risk. Domestically, the unwinding of housing-market tensions to date may presage dramatic and destabilising developments, rather than herald a soft landing. Uncertainties on future economic policy ahead of the Federal election, which is scheduled for 2nd July, are also adding a degree of risk.

AUSTRIA

A gradual recovery is underway. For the first time since 2011, growth is projected to exceed 1% in 2016 and to strengthen further in 2017. The recent tax reform will boost private consumption. Investment growth has turned positive and is expected to strengthen further on the back of historically low interest rates and low oil prices.

Completing orderly wind-downs of failed banks is important to revive confidence, reduce the financial links between banks and the public sector, and strengthen the banking sector. Remaining subsidies to early retirement should be eliminated to raise employment of the elderly, especially women, closer to the OECD average. Rapid integration of migrants in the labour market would entail benefits for social cohesion, growth and Austria's fiscal position.

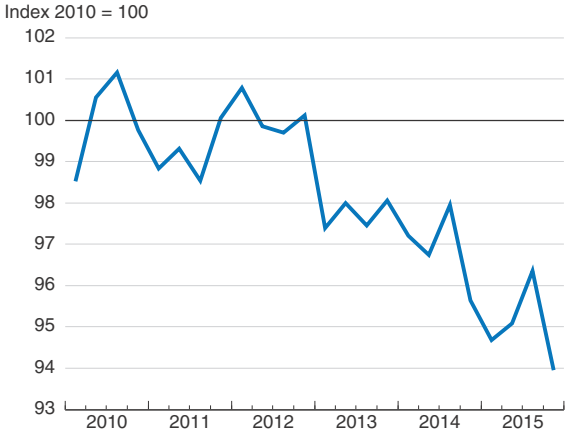
Labour productivity growth has varied considerably across sectors in Austria over the past five years, remaining buoyant in manufacturing but declining in services and construction. Reform backlogs in services hinder competition and reduce other sectors' prospects of benefiting from cost-efficient intermediate inputs and the diffusion of new technologies.

The recovery is gaining momentum

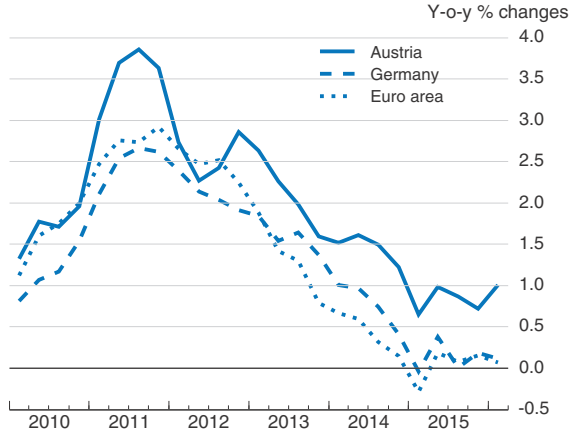
A tax reform, which came into effect at the start of 2016, boosted disposable household income and confidence. Investment growth resumed in 2015 but the investment rate remains considerably below historical average. Despite weak economic growth since 2011 and rising unemployment, inflation has been persistently higher than in other euro area countries. Falling labour productivity in services has raised intermediate costs which may have weakened international competitiveness and contributed to subdued export performance. Structural changes in regional value chains, in particular the relocation of supply chains from Austria to central and eastern European countries, may also partly explain losses in export market shares.

Austria

Export performance remains subdued[1]



The inflation differential with the euro area persists[2]



1. Export performance is measured as actual growth in exports relative to the growth of the country's export markets.
2. HCPI.

Source: OECD Economic Outlook 99 database; and Statistics Austria.

StatLink http://dx.doi.org/10.1787/888933367632

Austria: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices*	317.0	0.3	0.5	0.8	1.3	1.6
Private consumption	170.2	0.0	0.0	0.3	1.8	1.2
Government consumption	62.7	0.4	0.8	1.4	1.2	0.8
Gross fixed capital formation	71.8	-0.2	-0.2	0.4	2.0	3.6
Final domestic demand	304.7	0.0	0.2	0.6	1.7	1.7
Stockbuilding[1]	3.9	-0.4	-0.3	0.0	0.2	0.0
Total domestic demand	308.6	-0.4	-0.1	0.6	1.9	1.7
Exports of goods and services	170.7	0.7	2.3	1.6	3.4	4.7
Imports of goods and services	162.3	0.0	1.3	1.9	4.3	5.2
Net exports[1]	8.4	0.4	0.5	-0.1	-0.3	0.0
Memorandum items						
GDP deflator	_	1.5	1.6	1.5	1.9	1.8
Harmonised index of consumer prices	_	2.1	1.5	0.8	1.0	2.0
Private consumption deflator	_	2.1	2.0	1.0	1.5	2.0
Unemployment rate[2]	_	5.4	5.7	5.8	5.8	5.6
Household saving ratio, net[3]	_	7.3	7.8	6.9	7.3	6.7
General government financial balance[4]	_	-1.3	-2.7	-1.2	-1.6	-1.3
General government gross debt[4]	_	98.5	106.8	106.6	106.4	105.8
General government debt, Maastricht definition[4]	_	80.8	84.2	86.2	86.0	85.3
Current account balance[4]	_	2.0	1.9	2.6	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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369211

Supply-side reforms should supplement recent demand-side boosts

The fiscal stance will be slightly expansionary in 2016 owing to expenditures for migrants and a decline in net revenues induced by the tax reform. The winding-down of failed banks is still not completed, but announced bail-in of senior creditors would be an important step towards containing expectations of implicit guarantees. The projection assumes that no additional capital transfers or subsidies to troubled banks will be necessary. Growth could be boosted further 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 more family-friendly workplaces and working-time models.

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 improve productivity and provide better jobs in the 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. The integration of refugees into the labour market may temporarily weigh on average

productivity but is of critical importance for the preservation of social cohesion, Austria's growth potential and its fiscal position.

Growth will be led by domestic demand

GDP growth is projected to increase gradually driven by a pick-up in private consumption and investment. The current account surplus will continue to be supported by buoyant tourism. Some risks surround the projection. Overall export performance may be stronger than projected if lost market shares are regained or weaker if the slide in market shares continues amid subdued competitiveness and restructuring of regional value chains. The restructuring of the banking sector is ongoing which may continue to affect public finances. Associated uncertainties could weigh on confidence and hold back investment more 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. The projected rebound of investment could be hampered by weaker-than-expected growth in the euro area and emerging markets or substantial increases in oil prices.

BELGIUM

Economic growth will slow down in 2016 as fiscal consolidation and wage moderation curb private consumption. In addition, the terrorist attacks in Brussels and Paris in winter have reduced activity, for example in the tourism and restaurant sectors. Activity will gradually accelerate and become more broad-based as firms' profit margins improve and better financial conditions boost investment. A reform that shifted taxes from earned income to other bases will reduce labour costs and so raise employment. Exports will strengthen as growth picks up in Europe. Inflation will continue to increase, following the rise of indirect taxes in 2016 and as economic slack shrinks.

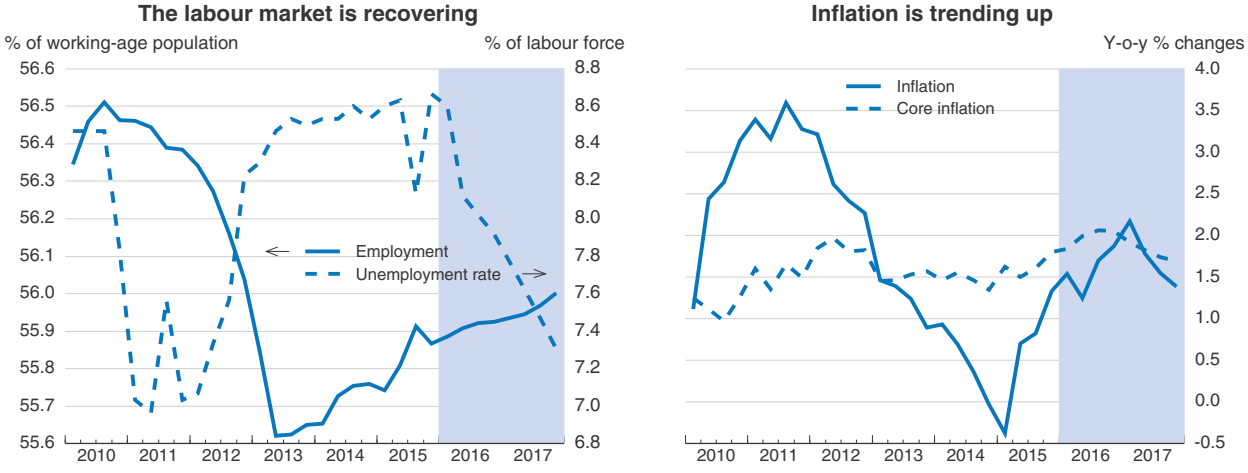
The commitment to reach a balanced budget in structural terms by 2018 is welcome given the high public debt. However, the automatic stabilisers should be allowed to operate. Fiscal savings can be reached by improving spending efficiency. Better integration of migrants in the labour market and further strengthening the activation of seniors would make growth more inclusive and sustainable.

The decline in labour productivity growth has been more pronounced than in other OECD countries. Promoting ICT industries, improving regulation in network industries and reducing barriers to entrepreneurship could strengthen productivity growth.

The economic recovery remains modest

Economic growth is becoming more broad-based. Stronger growth in main trading partners, in particular the United States and Europe, are supporting exports. High capacity utilisation rates and the decline of unit labour costs for the second consecutive year are feeding a slow rise of private investment, but a large one-off investment in the pharmaceuticals in 2015 has not been replaced. Low oil prices have boosted household spending, but the pace of consumption growth is slowing as the suspension of the automatic indexation of wages and social benefits and restrictions on collective wage bargaining bear down on real incomes. The terrorist attacks in Paris and Brussels have

Belgium



Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367640

Belgium: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2013 prices)				
GDP at market prices	387.4	0.0	1.3	1.4	1.2	1.5
Private consumption	201.2	0.9	0.4	1.3	0.9	1.2
Government consumption	94.0	-0.1	0.3	0.2	0.2	0.2
Gross fixed capital formation	87.7	-1.7	7.0	2.3	1.1	2.6
Final domestic demand	382.8	0.0	1.8	1.3	0.8	1.3
Stockbuilding[1]	2.3	-0.7	-0.2	0.4	0.0	0.0
Total domestic demand	385.1	-0.7	1.7	1.7	0.7	1.3
Exports of goods and services	318.9	1.6	5.4	4.8	4.9	5.2
Imports of goods and services	316.5	0.8	5.9	5.2	4.4	5.1
Net exports[1]	2.4	0.7	-0.4	-0.3	0.5	0.2
Memorandum items						
GDP deflator	_	1.3	0.7	0.9	1.7	1.8
Harmonised index of consumer prices	_	1.2	0.5	0.6	1.6	1.7
Private consumption deflator	_	1.1	0.6	0.5	1.5	1.7
Unemployment rate	_	8.5	8.6	8.5	8.2	7.5
Household saving ratio, net[2]	_	5.1	5.2	5.1	5.2	5.2
General government financial balance[3]	_	-3.0	-3.1	-2.6	-2.9	-2.5
General government gross debt[3]	_	118.0	129.6	126.7	126.7	126.0
General government debt, Maastricht definition[3]	_	105.2	106.6	106.1	106.1	105.3
Current account balance[3]	_	-0.2	-0.2	0.0	0.8	1.3

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369222

driven down private consumption growth during the first half of 2016. Inflation, the highest in the euro area, is trending up, mainly due to the increases of indirect taxes, in particular on electricity.

Gradual fiscal tightening will resume after a pause in 2016

The fiscal deficit is the lowest since the financial crisis. Gradual consolidation is appropriate, as public debt exceeds GDP. However, the remaining slack in the economy requires letting the automatic stabilisers operate fully if growth disappoints. Public investment, in particular in transport infrastructure where investment has been comparatively low for decades, should be enhanced to boost competitiveness and productivity.

The 2015-2019 pro-growth policy of increasing taxation on capital gains, excise duties and value added taxes is welcome. Lower social security contributions for employers, and corporate tax deduction for productive investment in SMEs and for high tech investment, are expected to strengthen labour market performance and productivity growth. Higher tax relief for low wage workers can, by increasing take-home pay, enhance inclusiveness. However, more is needed to ensure equal educational and labour market opportunities, especially for migrants and the low-skilled, notably by reducing the concentration of

disadvantaged students in particular schools, delaying tracking in secondary education, and expanding training offers and diversity plans in firms.

Economic growth will progressively strengthen but external risks remain

Exports will pick up as activity in the euro area strengthens. The inflation gap with trading partners is expected to remain positive but to narrow as euro area inflation gets closer to the target set by the European Central Bank. Favourable financing conditions will boost private investment. Wage growth is projected to pick up in the second half of 2016 as the indexation mechanism is restored, supporting private consumption. The recovery will lower unemployment but labour market slack will remain.

Prolonged weaker-than-projected growth in main trading partners would reduce growth. A Brexit scenario combined with lower economic growth in the United Kingdom would in particular undermine exports as the United Kingdom accounts for almost 9% of total exports. Another risk is lower growth in emerging markets, including China: even though the markets represent only a small portion of exports, the effect could be substantial through global value chains. Increased financial volatility in emerging markets and uncertainty regarding the oil price could also lower business confidence and investment. By contrast, domestic demand could be stronger if the "tax shift" policy has a stronger-than-expected impact on labour and capital demand.

BRAZIL

The deep recession is set to continue in 2016 and in 2017 against the backdrop of high political uncertainty and ongoing corruption revelations that are undermining consumer and business confidence, leading to a continuous contraction in domestic demand. As the economy shrinks, unemployment is set to rise further. Inflation will gradually return into the target range as the effects of administrative price increases and past currency depreciation wear off and economic slack widens.

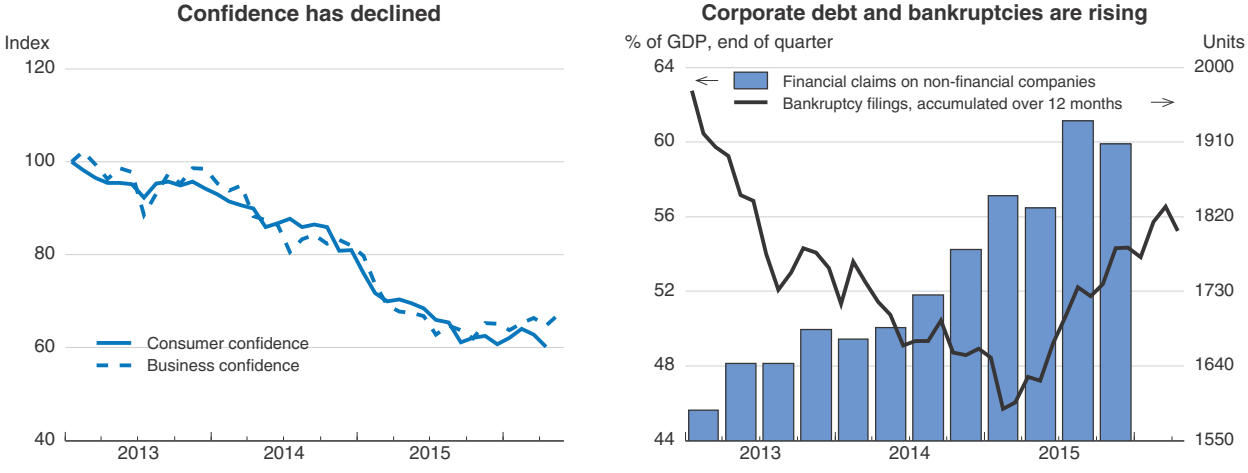
Deep political divisions have reduced the chances for any noticeable momentum on policy reforms in the near term and gross government debt is continuing to rise. Improvements in confidence will depend on the authorities' ability to implement a significant fiscal adjustment, including steps to ensure the sustainability of the pension system, and a new wave of structural reforms. While remaining restrictive, monetary policy will loosen slightly as inflation declines.

Raising productivity will depend on reforms to boost competition, lower trade barriers and administrative burdens and simplify indirect taxes. Given that demographics will provide much less support than they have in the past, stronger productivity will be key for solid economic growth in the medium term.

Political uncertainty is high and confidence low

The economy is in a severe recession. Over the past 12 months, almost 2 million formal jobs have been lost and the currency has depreciated by almost 20%, despite a slight appreciation in recent months. Corporate bankruptcies and debt have risen. The low investor and consumer confidence have fallen further as political uncertainty has deepened. A presidential impeachment procedure is ongoing and an interim government has been formed, but political uncertainty and instability are likely to remain.

Brazil



Source: Fundação Getúlio Vargas; Confederação Nacional de Indústria; Serasa/Experian; and CEMEC-IBMEC.

StatLink http://dx.doi.org/10.1787/888933367654

Brazil: **Macroeconomic indicators**

	2012	2013	2014	2015	2016	2017
	Current prices BRL billion	Percentage changes, volume (2000 prices)				
GDP at market prices	4 805.9	3.0	0.1	-3.9	-4.3	-1.7
Private consumption	2 949.7	3.5	1.3	-4.0	-4.8	-3.5
Government consumption	892.6	1.5	1.2	-1.0	-1.8	0.0
Gross fixed capital formation	995.6	5.8	-4.4	-14.1	-14.0	-4.5
Final domestic demand	4 837.9	3.6	0.1	-5.4	-5.9	-2.9
Stockbuilding[1]	33.4	0.2	-0.1	-1.6	-0.9	0.0
Total domestic demand	4 871.4	3.7	0.0	-6.9	-6.8	-3.0
Exports of goods and services	563.5	2.6	-1.0	6.1	1.3	4.5
Imports of goods and services	628.9	6.9	-1.1	-14.1	-14.1	-4.4
Net exports[1]	- 65.4	-0.6	0.0	2.7	2.2	1.2
Memorandum items						
GDP deflator	_	7.4	6.9	8.0	8.1	5.3
Consumer price index	_	6.2	6.3	9.0	9.2	5.7
Private consumption deflator	_	7.3	6.9	9.8	8.8	5.7
General government financial balance[2]	_	-3.0	-6.0	-10.4	-10.0	-7.8
Current account balance[2]	_	-3.0	-4.3	-3.2	-1.4	-0.8

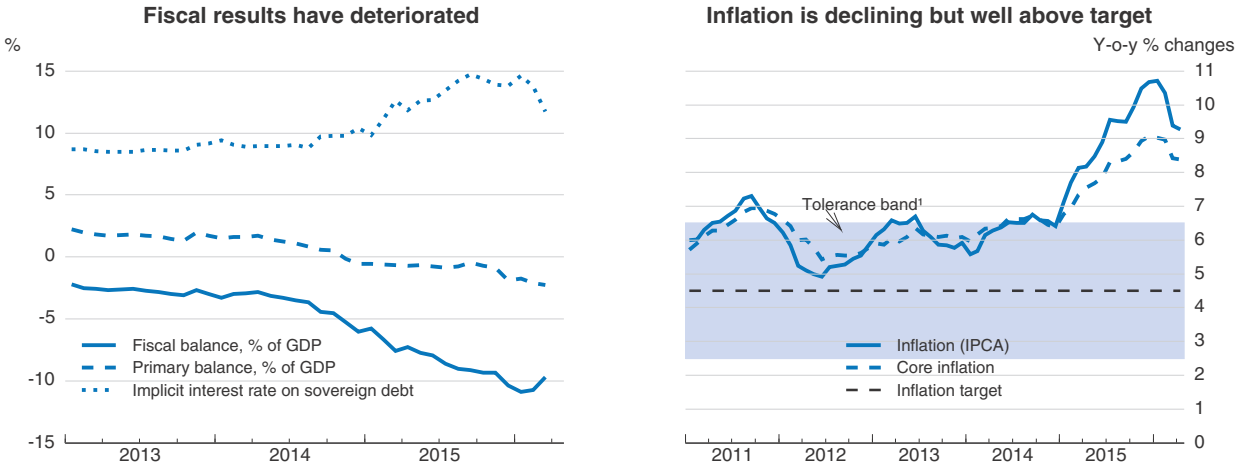
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369473

Fiscal results have deteriorated further and inflation remains high

The fiscal deficit has risen to above 10% of GDP and the primary deficit exceeds 2% of GDP, even though Brazil requires primary surpluses to keep its public debt on a firmly

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/10.1787/888933367663

declining path. Another rating downgrade occurred in December, and no major rating agency now considers Brazil's sovereign debt to be investment grade. This deterioration is due to declining revenues in the face of the recession, and there may be further revenue shortfalls. The plan to unwind significant tax exemptions was not fully implemented, further weakening the fiscal position. Expenditures continue on an upward trend while spending efficiency remains low. Year-on-year inflation is slowly coming down as the recession reduces inflationary pressures and the strong increases in administrative prices in early 2015 are beginning to fall out of the 12-month window. Still, inflation remains well above the ceiling of the target range of 6.5%.

Structural reforms should support economic adjustment and inclusive growth

Structural reforms have a significant potential to boost growth. Reducing the compliance costs and distortions imposed by Brazil's fragmented system of indirect taxes would provide an almost immediate cost reduction for firms, and could be achieved by consolidating indirect taxes into a single, broad-based value-added tax with full deductibility for inputs and a zero-rating for exports. In addition, reducing barriers to international trade would reduce the costs of imported inputs and strengthen incentives to enhance productivity. Improvements in infrastructure could also reduce transport costs, particularly for exporters. Stronger trade integration would benefit low-income earners in particular, as an expansion of the export sector would have a larger impact on the demand for low-skilled labour. Further improvements in educational attainment would not only raise productivity, but also allow more low-income households to join Brazil's growing middle class.

The economy will remain in recession over the projection period, but political upside risks exist

In the baseline scenario, the political situation will remain highly uncertain throughout the projection period and confidence levels will remain subdued. In this scenario, growth will be negative in both 2016 and 2017 as domestic demand fails to show any significant signs of recovery. Only export growth remains solid, buoyed by a more competitive exchange rate and new export opportunities gradually being seized by businesses. Imports are projected to decline as domestic demand shrinks. As a result, the current account deficit narrows. Unemployment is projected to rise further. Inflation will continue to decline due to weak activity, and the monetary authorities will be in a position to lower the monetary policy rate. While remaining above the 4.5% inflation target, inflation is projected to return into the tolerance band during 2017, whose ceiling will then be at 6%.

As the political panorama has a major impact on economic performance, it presents both upside and downside risks for the projections. If uncertainty about future policies is resolved more rapidly than assumed and a consensus for reforms is achieved, confidence could improve rapidly and growth could even be positive in 2017. At the same time, the deep political divisions could also lead to further instability well into 2018, which would make it very difficult to pursue the economic policies needed to sustain growth.

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 351 billion (20% of GDP) provide a strong cushion. Additional downside risks could come from the corporate sector, where the effects of the ongoing recession are becoming

increasingly visible. Bankruptcy filings are increasing across all company sizes and corporate defaults may rise going forward. Among publicly traded companies, net financial debt rose by 24% during 2015, at the same time as earnings declined by 29%, without counting the three large companies with public participation (Petrobras, Vale, Electrobras). Further currency depreciation could help exporters, but it could also imply difficulties for corporate borrowers, even if almost half of the corporate debt in foreign currency is hedged or backed by export revenues. 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 strengthen in 2016 and reach 2.2% in 2017. As the contraction in the resource sector slows, activity in the rest of the economy is projected to gain traction. Non-energy exports should continue to benefit from the earlier depreciation and strengthening export market growth. Consumer price inflation is projected to rise to around 2% as the effect of falling gasoline prices fades and excess capacity is gradually eliminated.

The moderately expansionary policy stance in the 2016 federal budget will help the economy return to full employment. In the medium term however, in light of provinces' unfavourable debt dynamics, the government should adopt ambitious medium-term debt and budget balance objectives to ensure that general government debt remains sustainable. Gradual increases in policy interest rates are assumed from late 2016 to stabilise inflation at around 2%. Macro-prudential measures should be tightened further and targeted regionally to reduce financial-stability risks from high household debt and house prices.

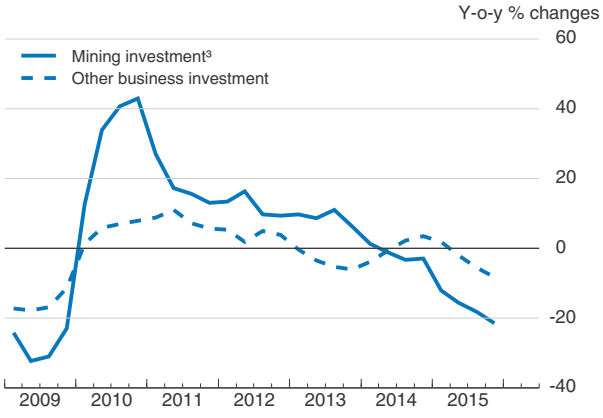
Reducing barriers to foreign direct investment in telecommunications and broadcasting and air transportation would boost productivity and reduce quality-adjusted prices. Such measures would also disproportionately benefit lower- and middle-income households. Boosting inter-provincial competition by liberalising electricity generation and distribution and reducing barriers to internal trade would have similar effects. Replacing the tax preference for small companies by targeted measures for small businesses having difficulty obtaining finance would also boost productivity.

Canada

Export-related industries are outperforming



Non-residential investment is falling



1. Three-month moving average of real output.
2. For more details on the composition of the industries and their weight on GDP, see note in Chart 9 of Bank of Canada (2016).
3. Includes oil and gas. Also includes some engineering structures investment that may relate to other sectors.

Source: Bank of Canada (2016), Monetary Policy Report, April, Chart 9; Statistics Canada, Tables 379-0031 and 380-0068; OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367670

Canada: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.4	0.6	0.9	0.6	1.0
Unemployment rate[1]	7.1	6.9	6.9	7.1	6.8
Compensation per employee[2]	2.9	3.0	1.8	2.4	3.1
Unit labour cost	1.9	1.3	1.4	1.3	1.9
Household disposable income	4.3	3.2	3.4	3.4	4.1
GDP deflator	1.6	1.8	-0.5	1.2	2.1
Consumer price index	0.9	1.9	1.1	1.7	2.1
Core consumer price index[3]	1.2	1.8	2.2	2.0	2.1
Private consumption deflator	1.4	1.9	1.1	1.7	1.9

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.

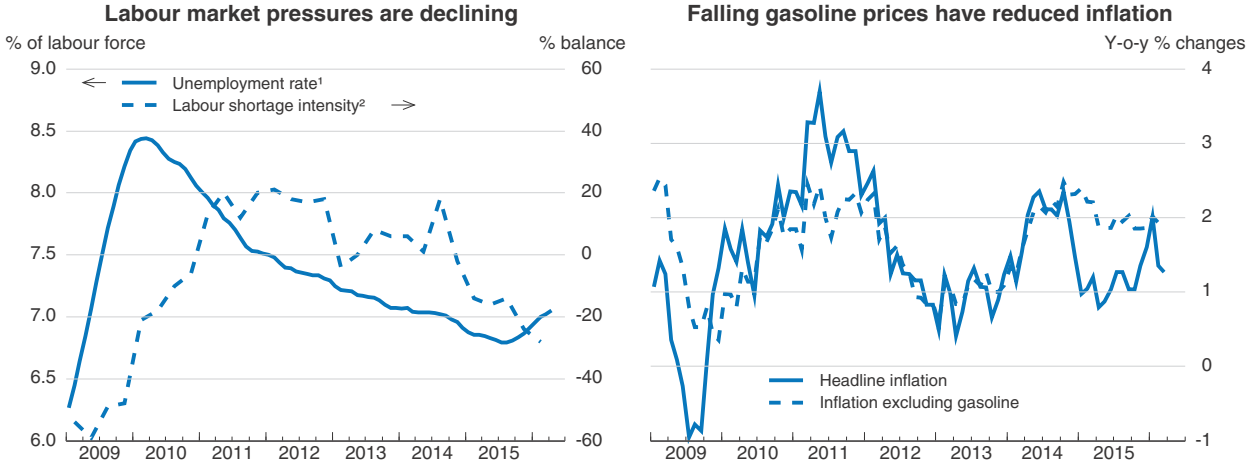
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369127

The economy is recovering

Looking through quarterly volatility, real GDP is expanding at an annual rate of around 2%. Growth in non-commodity export-related industries has picked up to still higher rates, aided by the earlier fall in the Canadian dollar and the recovery in export markets, but industries most affected by commodity prices remain depressed. Business investment in the oil and gas sector continues to fall sharply – it is likely to be about 60% below its 2014 level in 2016 - but should be a smaller drag on growth thereafter. Other business investment is also weak but should pick up as capacity utilisation in many non-commodity exporting sectors is already high and credit conditions are easing. Growth in private

Canada



1. Twelve-month moving average.
2. Percentage of firms reporting more intense labour shortages minus the percentage reporting less intense shortages.

Source: Statistics Canada, Tables 282-001, 282-0047 and 326-0020; Bank of Canada (2016), Business Outlook Survey - Results of the Spring 2016 Survey, April.

StatLink http://dx.doi.org/10.1787/888933367683

Canada: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	5.1	4.0	4.3	4.3	4.3
General government financial balance[2]	-1.9	-0.5	-1.7	-2.2	-2.2
General government gross debt[2,3]	90.3	93.2	98.5	99.8	100.7
General government net debt[2,3]	31.2	31.7	31.8	33.1	34.0
Current account balance[2]	-3.2	-2.3	-3.3	-3.0	-3.0
Short-term interest rate[4]	1.2	1.2	0.8	0.9	1.5
Long-term interest rate[5]	2.3	2.2	1.5	1.5	2.3

1. As a percentage of disposable income.
2. As a percentage of GDP.
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 99 database.

StatLink http://dx.doi.org/10.1787/888933369131

consumption has been subdued, reflecting adjustment to the terms of trade losses since mid-2014 (amounting to about 3% of national income), but should get a boost from the new Canada Child Benefit. At the national level, housing starts are running at the higher end of demographic requirements and housing investment is robust, especially in British Columbia and Ontario, although it is declining in oil-producing provinces. The recent fires in Alberta have shut down some oil-sands production, depressing economic growth in the

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	1 973.0	1.2	1.7	2.2	0.5	1.9	2.4
Private consumption	1 106.7	1.9	1.7	2.1	1.4	1.8	2.2
Government consumption	406.3	1.4	1.5	1.7	1.9	1.7	1.7
Gross fixed investment	469.7	-3.6	-1.5	2.7	-6.9	1.6	3.0
Public[1]	75.5	2.7	2.7	6.0	-0.9	7.0	4.2
Residential	140.9	3.7	1.5	0.9	2.7	1.1	0.7
Non-residential	253.3	-9.4	-4.7	2.8	-14.0	0.1	4.0
Final domestic demand	1 982.8	0.5	0.9	2.2	-0.5	1.7	2.3
Stockbuilding[2]	8.9	-0.2	-0.4	0.0			
Total domestic demand	1 991.7	0.3	0.5	2.2	-1.2	1.8	2.3
Exports of goods and services	624.6	3.0	2.1	4.6	1.9	2.7	5.1
Imports of goods and services	643.2	0.1	-1.5	4.4	-3.2	2.3	4.6
Net exports[2]	- 18.6	0.9	1.1	0.0			

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 99 database.

StatLink http://dx.doi.org/10.1787/888933369148

Canada: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	556.4	565.6	487.6	489	529
Goods and services imports	585.2	582.4	524.8	521	563
Foreign balance	- 28.9	- 16.8	- 37.2	- 32	- 34
Invisibles, net	- 29.1	- 23.8	- 14.3	- 15	- 16
Current account balance	- 57.9	- 40.5	- 51.6	- 47	- 49
			Percentage changes		
Goods and services export volumes	2.8	5.3	3.0	2.1	4.6
Goods and services import volumes	1.5	1.8	0.1	- 1.5	4.4
Export performance[1]	1.1	1.4	- 1.2	0.2	0.7
Terms of trade	- 0.1	- 1.3	- 6.9	- 2.5	0.0

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369150

second quarter of 2016, but activity is likely to bounce back in the third quarter as production resumes.

Despite steady employment growth, the unemployment rate has remained slightly over 7% since late 2014. High involuntary part-time employment and long-term unemployment, as well as weak wage pressures, point to continued labour market slack. Consumer price inflation has fallen to the lower end of the Bank of Canada's 1-3% target range despite the exchange rate depreciation, but this reflects falling gasoline prices — excluding these, inflation is near 2%.

Macroeconomic policies are expansionary

Fiscal stimulus in the recent budget could boost GDP growth by around 0.5% in both 2016 and 2017. The general government deficit is projected to rise by 0.5% of GDP over 2015-17, to 2.2% of GDP. This increase mainly reflects 2016 federal budget measures to boost demand, notably infrastructure spending, which is a government priority. The new policy package also includes measures to redistribute income towards low- and middle-income families. The most important of these is the replacement of existing programmes to help families with children, some of which are not means tested, by the means-tested Canada Child Benefit. There is also a substantial increase in funding to improve conditions for Aboriginal peoples.

The central bank held its policy rate unchanged at 0.5% at its April meeting, despite upward pressure on the dollar. Based on the Bank's projection that economic slack will be taken up by the second half of 2017, the projection assumes that monetary stimulus will be gradually withdrawn starting in late 2016. Very low borrowing rates have encouraged household credit growth and underpinned rapidly rising housing prices, particularly in Vancouver and Toronto, which together are a third of the Canadian housing market. In relation to household incomes, both house prices and household debt are high. Macro-prudential measures have been strengthened recently but should be tightened further and targeted regionally.

A number of policies could raise productivity and reduce income inequality. In telecoms and broadcasting and air transportation, easing restrictive foreign ownership rules would sharpen competitive pressures, raise productivity and reduce prices for consumers. In the electricity sector, developing more east-west connections where economic and allowing competition in generation and retail distribution would also lower prices. In inter-provincial trade, to reduce non-tariff barriers, which raise costs and prices, coverage of the Agreement on Internal Trade should be broadened and provincial authorities should reconcile regulatory differences, in some cases by recognising each other's regulations.

Growth in non-energy exports and investment should lead the recovery

Economic growth is projected to strengthen in 2016 and reach 2.2% in 2017. The drag from falling investment and employment in the resource sector should soon peak and then gradually fade away. Non-energy exports should lead the recovery as they continue to benefit from the lower Canadian dollar and strengthening export market growth. Business investment outside the resource sector should rise with a lag as sectoral capacity constraints become binding. Growth in housing investment, on the other hand, should weaken, 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 6¾ per cent by late 2017, and, with gasoline prices and the exchange rate stable and excess capacity eliminated, the inflation rate could rise to around 2%, the midpoint of the Bank of Canada's target range.

The greatest risk surrounding these projections is global oil prices. If they were to be higher than assumed, this would limit cuts in energy-sector investment and employment, while further falls in prices would accentuate these cuts. Developments in emerging market economies, notably China, will have an important bearing on commodity prices and export demand. The main domestic downside risk is a disorderly housing market correction, particularly in the high-price Toronto and Vancouver markets. This would damp residential investment and private consumption, and could threaten financial stability. In addition, the rotation of economic activity from commodity-producing sectors to other sectors could be more protracted than expected. The main upside risk is that the US economic expansion could be stronger than projected, lifting demand for Canadian exports.

CHILE

Economic growth is projected to moderate further in 2016, reflecting weak commodity prices, tighter financial conditions and fragile consumer and business confidence. Activity will improve in 2017 as confidence starts to rebound and the global economy strenghtens, underpinning a gradual recovery in investment and private consumption. Once the effects of the past currency depreciation have worn off, inflation will return to within the central bank's tolerance range.

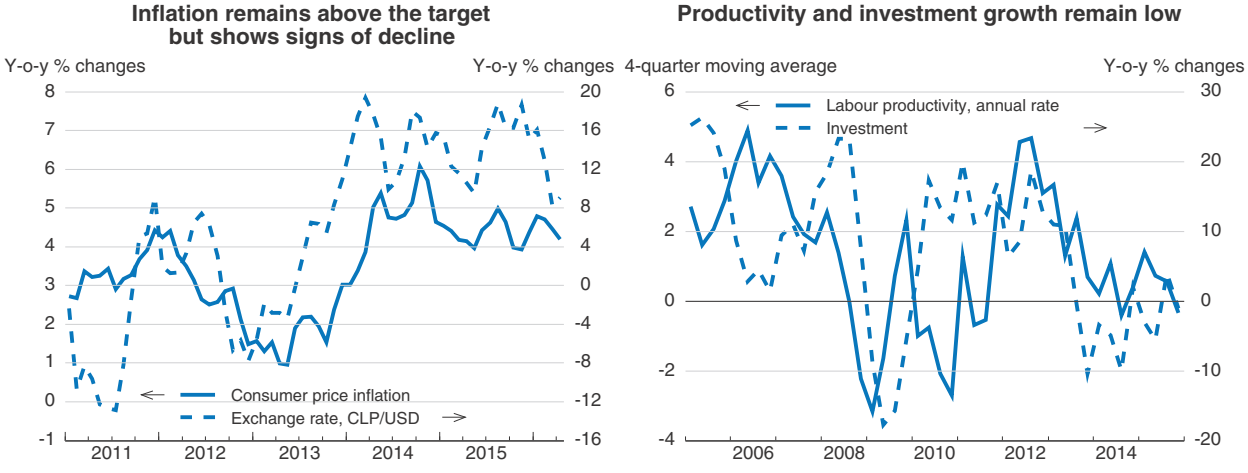
The central bank raised its main policy interest rate to 3.5% in 2015 to contain inflation. As long as inflation expectations remain well-anchored, monetary policy should remain accommodative to support economic activity, as fiscal policy is becoming less expansionary in response to lower expected medium-term copper prices.

Measures to boost productivity were introduced in the context of 2016 as the "Year of Productivity" in Chile, and a new bill with key measures has been sent to Congress. Actions are intended to improve access to financing, increase exports of services, and simplify regulatory procedures to strengthen entrepreneurship and investment. Implementation of such initiatives can both raise growth and ensure that more Chileans can benefit from higher incomes.

Growth is moderate due to lower commodity prices

Economic growth has continued to moderate due to low copper prices and weak external demand, which has cut private investment, especially in mining. More restrictive lending conditions and lower business confidence have also held back investment. Private consumption growth has also declined significantly, reflecting weaker real income growth and a deterioration of consumer confidence. As growth slows, the labour market has weakened and unemployment is drifting up.

Chile



Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367697

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	4.0	1.8	2.1	1.5	2.5
Private consumption	80 664.7	5.5	2.4	1.5	1.8	2.4
Government consumption	15 674.3	3.5	5.1	5.8	4.3	3.8
Gross fixed capital formation	31 044.5	2.2	-4.2	-1.5	0.9	1.6
Final domestic demand	127 383.5	4.4	1.1	1.3	1.9	2.4
Stockbuilding[1]	1 900.1	-0.8	-1.5	0.4	-1.1	0.0
Total domestic demand	129 283.5	3.8	-0.2	1.9	0.7	2.4
Exports of goods and services	44 265.7	3.3	1.1	-1.9	1.3	2.2
Imports of goods and services	44 521.7	2.1	-5.7	-2.8	0.6	2.0
Net exports[1]	- 256.0	0.4	2.2	0.3	0.2	0.1
Memorandum items						
GDP deflator	_	2.2	5.6	4.3	4.2	3.4
Consumer price index	_	1.8	4.7	4.3	4.0	3.1
Private consumption deflator	_	2.9	5.3	5.7	4.8	3.8
Unemployment rate	_	6.0	6.3	6.2	6.8	6.9
Central government financial balance[2]	_	-0.6	-1.8	-2.2	-2.9	-2.8
Current account balance[2]	_	-3.6	-1.2	-2.0	-2.3	-2.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369230

Monetary policy is supportive although fiscal policy is becoming less expansionary

Inflation remains above the central bank's tolerance range of 2% to 4% due to the partial pass-through of currency depreciation. To make inflation converge to the target, the central bank has appropriately raised its interest rate by 50 basis points, to 3.5%, in the last quarter of 2015, stating that further increases would be required, but at a slow pace. However, since inflation is already showing signs of decline and inflation expectations are well anchored, monetary policy should remain supportive given that economic slack is expected to rise in the next several months. Furthermore, fiscal consolidation measures, concentrated mostly on current expenditures and consistent with the fiscal rule, were recently announced in response to lower expected medium-term copper prices. As a result, there will be little support from this source.

Measures such as the recently announced first Strategic Programme to increase mining productivity should help to develop providers, technologies, and services for mining that could be used in other sectors and exported to foreign markets, allowing for larger inclusion of domestic producers in global value chains. Initiatives to diversify exports and encourage non-mining investment are also welcome to broaden the base of the economy and support inclusive growth. A credit line to enhance small-company financing, allowing insurance and pension funds to invest in infrastructure, and simplifying procedures for service exporters should all facilitate entrepreneurship and investment. However, measures to strengthen inclusivity by bridging skills mismatches in the labour market and to foster female and youth participation to reduce inequalities are

still needed to expand opportunities for everyone to enjoy the benefits of greater prosperity.

Growth will gradually recover in an uncertain external environment

Growth in 2016 will moderate as investment and external demand stay weak, and fiscal policy moves from an expansionary to a neutral stance. As growth weakens, the unemployment rate is projected to increase in 2016 and 2017. Activity will pick up in 2017 driven mainly by an improving export performance reflecting competitiveness gains and stronger external demand, which will spur investment and private consumption.

The main risks to growth relate to the growth of Chile's trading partners and the evolution of commodity prices. Weaker-than-projected demand from China and Latin America, or volatile global financial conditions, would reduce external demand. Growth could also be weakened if business confidence does not revive. On the upside, a recovery of the price of copper would boost confidence and investment, and increase government revenues. New measures to boost competition and productivity could improve the business climate more than assumed. Risks for inflation remain closely tied to the evolution of the exchange rate and oil prices.

CHINA

Economic growth is set to edge down further, from 6.5% in 2016 to 6.2% by 2017. Large-scale infrastructure spending will only partly make up for slowing business investment as overcapacity is being worked off in several industries. Real estate investment is bottoming out, but housing inventories remain sizeable. Consumption is projected to stay buoyant. The reduction in excess capacity will ease the downward pressure on producer prices, but consumer price inflation will remain low.

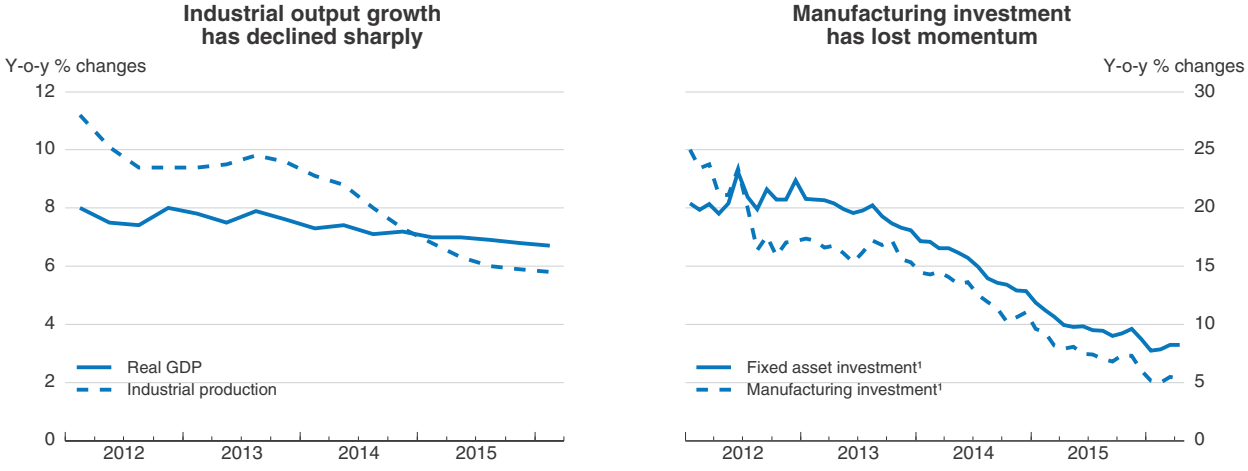
Monetary policy is assumed to ease to reduce financing costs and to provide adequate liquidity. Market forces should be allowed to drive the pricing of credit risk by removing implicit guarantees and ending bailouts. Corporations need to deleverage as slowing growth heightens credit risks. Fiscal policy is being eased significantly, potentially crowding out of private investment and building up imbalances. Spending should be targeted at areas that promote long-term inclusive growth, such as ensuring equal access to public services and extending the social safety net.

Productivity gains are becoming the main engine of improvements in living standards as capital-deepening-led growth has run its course. This calls for fostering innovation and entrepreneurship. Lower barriers to entry have spurred entrepreneurial activity, but the exit mechanism for unviable firms should also be streamlined. Policy emphasis is shifting towards supply-side reforms that seek to ensure sustainable development. Reallocation of labour from agriculture to industry and services has been a major driver of inclusive productivity growth and is likely to continue in the future.

Supply-side reforms to curb overcapacity are gathering momentum

Growth continues to decline as adjustment in manufacturing sectors plagued by excess capacity gathers momentum. Capacity cuts started in the coal and steel sectors, with cancelling or delaying new construction as well as closing inefficient and heavily-polluting firms. Consequently, manufacturing investment remains sluggish by historical

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/10.1787/888933367704

China: **Macroeconomic indicators**

	2012	2013	2014	2015	2016	2017
	Current prices CNY trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	53.4	7.7	7.3	6.9	6.5	6.2
Total domestic demand	51.9	8.2	8.1	9.4	8.7	6.6
Exports of goods and services	13.7	9.1	6.8	-1.9	-1.9	1.1
Imports of goods and services	12.3	11.0	9.3	3.9	4.0	2.1
Net exports[1]	1.5	0.1	-0.3	-2.0	-1.9	-0.3
Memorandum items						
GDP deflator	_	2.2	0.8	-0.5	1.1	1.5
Consumer price index	_	2.6	2.1	1.5	2.6	3.0
General government financial balance[2,3]	_	-0.5	-0.6	-1.3	-1.8	-2.0
Headline government financial balance[2,4]	_	-2.0	-2.1	-2.4	-3.0	-3.4
Current account balance[2]	_	1.6	2.7	3.1	2.8	2.6

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

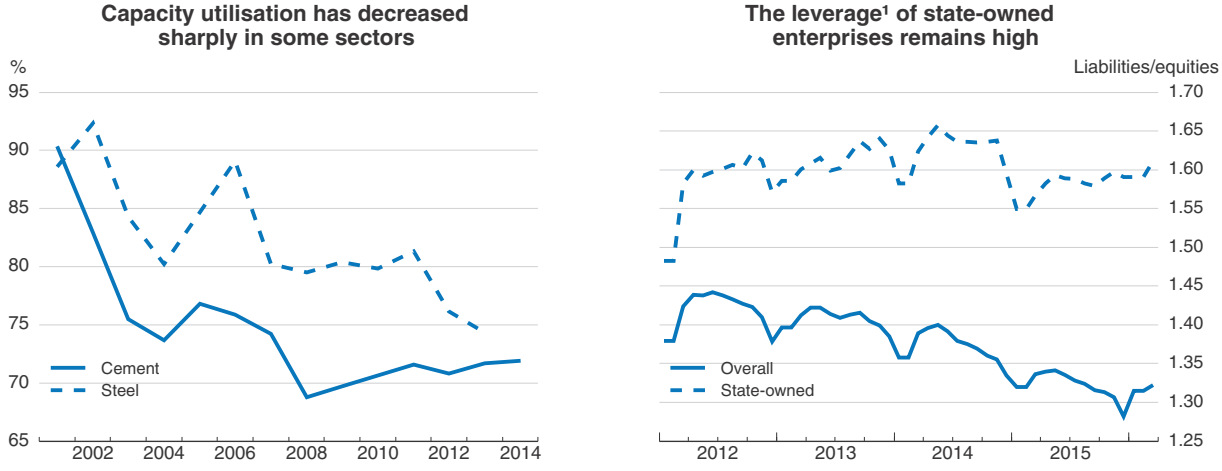
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369489

standards. Real estate investment is bottoming out, although trends in upper and lower-tier cities are increasingly diverging with sharply rising demand and prices in the former, prompting new home purchase restrictions. The implementation of programmed infrastructure projects is accelerating.

Consumption has remained robust, supported by stable employment prospects and steadily rising incomes, in particular in rural areas, showing that growth is becoming more inclusive. Some services, such as tourism and cultural services as well as e-commerce, are

China



1. Leverage is defined as the liabilities-to-equity ratio. Overall as well as state-owned refer to industrial enterprises.

Source: CEIC.

StatLink http://dx.doi.org/10.1787/888933367713

thriving. Weak business investment demand weighs on imports and so do rising costs on exports. Producer price declines have moderated as excess capacity is being removed and infrastructure and real estate investment strengthened.

Policy easing and structural reforms support growth

Monetary policy has remained accommodative with a combination of conventional and non-conventional easing measures to provide liquidity, resulting in strong lending growth. Financing costs have come down slightly, but are still high in real terms as producer prices keep falling. Continued easing will reduce costs further and provide sufficient liquidity amid capital outflows. Corporate profitability is recovering after a sharp fall in 2015, against the backdrop of more moderate producer price deflation. Leverage, especially in the state-owned sector, remains high. Debt-equity swaps may provide only temporary relief, and may also delay necessary adjustment, including the exit of unviable firms. Loans with past due payment have risen sharply, foreshadowing a surge in bad debt. Recent defaults are expected to instil greater market discipline and better credit risk pricing. Collateralisation of land operation rights will allow farmers to buy housing in small cities, where inventories are high, though for such cities to become attractive, they need to provide better public services and job opportunities.

Exchange rate transparency has improved. The People's Bank of China started to publish a trade-weighted currency index at the end of 2015, and disclosed its weights. Notwithstanding the delay of further US interest rate hikes, capital outflows continued, leading to a contraction of foreign exchange reserves through February 2016 and putting pressure on the exchange rate. Expected renminbi depreciation has led the corporate sector to reduce its foreign liabilities and boost its foreign assets. Individuals will also likely diversify their asset holdings as the capital account opens up further. Continued expectations of depreciation could trigger additional outflows, exacerbating the pressure on the exchange rate.

Fiscal policy is set to loosen further with a 3% of GDP deficit target for 2016, up from a deficit of 2.4% in 2015. In terms of a broader and internationally more comparable definition of the budget, adding up all four budget accounts, this implies a deficit of 1.3% of GDP in 2015 and 1.8% in 2016. Additional large-scale quasi-fiscal spending through policy banks, which will partly finance the 2016-18 grandiose infrastructure package, will further ensure that the growth target is met. Local government investment vehicles, which have fuelled the urbanisation boom but also the accumulation of illicit sub-national government debt, will have fast-track access to the enterprise bond market and to subsidised loans, which may lead to another potential round of bailouts. Conversion of the business tax into a value-added tax in the remaining service industries will support services growth and more specialisation in general through outsourcing, thereby enhancing overall efficiency.

Rebalancing might stall

The large ongoing stimulus measures will ensure that growth remains in the range of 6.5-7% in 2016. The structure of investment is tilted towards infrastructure and real estate, while excess capacity will continue to weigh on business capital spending. State-owned enterprise reform will focus on mergers and acquisitions as well as streamlining business operations, leaving exit as a last option. Investment is increasingly financed by public funds, crowding out the private sector and potentially leading to further misallocation of capital. Slow corporate profit growth and high leverage will constrain household income

growth, holding back consumption growth. Gradual adjustment in the industrial sector is expected to lead to moderate producer price reflation. While the planned adjustment in the steel and coal sectors will not have a major labour market impact, creating enough jobs for new graduates that meet their expectations appears more of a challenge.

Greater-than-expected stimulus would result in stronger growth in the short term, though it would increase vulnerability over longer horizons. By the same token, faster-than-planned adjustment in the industrial sector would drag growth down, although that would improve the economy's resilience. Supply-side policies, including deleveraging and working off excess capacity, are crucial to avoid a sharp slowdown. Delayed adjustment continues to exert downward pressure on prices, which in turn hinders profit recovery and potentially increases future non-performing loans. In addition, the re-leveraging of local government investment vehicles could augment future government debt due to the assumed implicit guarantees and bailout. A further rebound in commodity prices could ease downward price pressure in upstream industries and help profit recovery in some industries.

COLOMBIA

Economic growth will continue to moderate in 2016, reflecting weak external conditions, low commodity prices and a slowdown in internal demand, but it will strengthen to 3% in 2017, as external demand recovers and the government's infrastructure agenda is implemented. The current account deficit remains high and inflation is accelerating due to exchange rate depreciation and rising food prices resulting from *El Niño*. As the effects of these shocks dissipate, inflation will gradually come down in 2017.

Monetary policy has appropriately become less accommodative to anchor inflation expectations. Credit growth has weakened but inflation expectations remain high. The announced cut in public spending is appropriate to contain the headline fiscal deficit, but a comprehensive tax reform is required to increase progressivity, boost revenues and reduce the large inequalities in incomes.

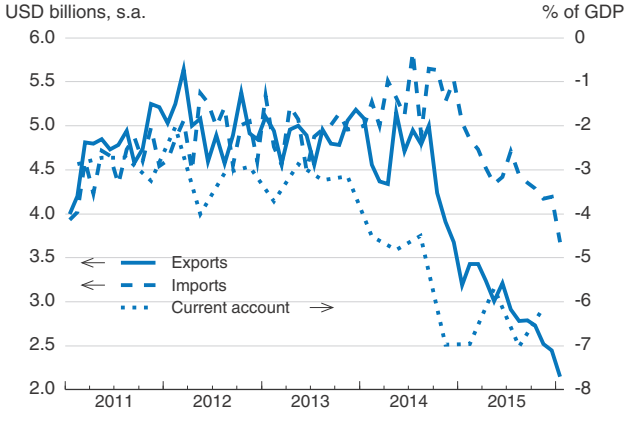
Productivity growth has declined in recent years. Strengthening competitiveness through simplified customs procedures, infrastructure investment and streamlined regulation are needed to improve productivity in the medium term. The plans to broaden access to quality education will also contribute to productive transformation and allow the fruits of growth to be shared more equitably, increasing social cohesion. Reaching an agreement on the peace talks is crucial to boost confidence and investment.

Adjustment to the terms-of-trade shock continues

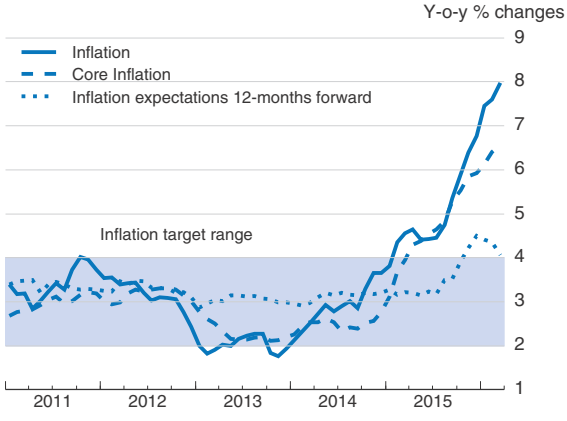
The value of exports of crude oil and coal, which represent two-thirds of total exports, has collapsed since 2013. As a result, the exchange rate has depreciated sharply and the current account and fiscal deficit have widened, despite recent spending cuts introduced by the government. The intensification of *El Niño* is hurting the agricultural sector and power generation, weakening consumer confidence, private consumption and employment growth. Inflation has accelerated to nearly 8% since mid-2015 due to the exchange rate depreciation and pressures on food and energy prices created by *El Niño*.

Colombia

Exports have collapsed and the current account deficit remains high



Inflation and inflation expectations are above the central bank's target



Source: OECD Economic Outlook 99 database; Central Bank of Colombia.

StatLink http://dx.doi.org/10.1787/888933367723

Colombia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices COP trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	664.2	4.9	4.4	3.1	2.4	3.0
Private consumption	408.7	3.4	4.1	3.7	2.4	3.0
Government consumption	108.9	9.3	4.8	2.8	2.1	1.3
Gross fixed capital formation	157.3	6.8	9.8	2.8	1.1	2.9
Final domestic demand	675.0	5.2	5.6	3.3	2.0	2.7
Stockbuilding[1]	1.1	-0.1	0.5	0.0	-0.1	0.0
Total domestic demand	676.1	5.1	6.1	3.8	2.2	2.7
Exports of goods and services	121.3	5.2	-1.3	-0.7	1.1	2.0
Imports of goods and services	133.1	6.0	7.8	3.9	0.9	1.1
Net exports[1]	- 11.8	-0.2	-1.8	-0.9	-0.1	0.0
Memorandum items						
GDP deflator	_	2.0	2.1	2.6	5.6	4.3
Consumer price index	_	2.0	2.9	5.0	6.9	4.0
Private consumption deflator	_	2.3	3.5	5.8	7.3	4.5
Unemployment rate	_	9.6	9.1	8.9	9.1	8.7
Current account balance[2]	_	-3.2	-5.2	-6.4	-6.0	-5.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369536

Macroeconomic policies are appropriate, but structural reforms are required to boost productivity

The central bank has increased interest rates by 250 basis points since September 2015. With real interest rates in negative territory, monetary policy remains appropriately accommodative, but is assumed to cautiously move to a more neutral stance to bring inflation expectations back into line with the target of the central bank. Financial soundness indicators have been strong and the exposure of the financial system to the oil sector is very low. Due to the fall of oil revenues, the government announced a reduction of public expenditure to comply with the fiscal rule in 2016. The cuts are appropriately well-targeted to smooth the social impact. However, in the medium term, a comprehensive tax reform is needed to raise more revenue, given the need to accommodate public finances to the seemingly permanently lower commodity prices, and make growth more inclusive.

Structural reforms that improve public infrastructure, raise productivity and make growth more inclusive are essential for strong and sustainable development. Barriers to trade and competition, which prevent entry of new innovative and dynamic firms and prevent allocation of labour and capital resources towards high-productivity firms and sectors, should be reduced. Broadening access to quality education and training is also essential for boosting labour productivity and reduce income inequality. Finally, policies to address labour market duality, create quality jobs, and reduce gender gaps and informality can increase growth by enhancing domestic demand, while reducing income inequality.

Growth is projected to pick up only gradually

Growth in 2016 will continue to be weakened by falling real incomes, increasing interest rates, and low demand. The envisaged fiscal consolidation, a decrease in private investment due to low commodity prices, and deteriorated business confidence will add to the weak growth outlook. However, activity is projected to improve in 2017 supported by the implementation of the government's infrastructure agenda, the re-opening of Cartagena Refinery and a pick-up of exports, which will benefit from the depreciation of the exchange rate and stronger external demand. The persistence of *El Niño* and the activation of an indexing mechanism will continue to put pressure on prices during 2016, but as these effects dissipate, inflation will gradually come down in 2017.

The still significant current account deficit, large near-term external financing needs and potential capital inflow reversals resulting from volatile global financial conditions bear on the outlook. A deterioration of growth prospects of China or regional trading partners' could also generate negative financial and real spill-overs. Declines in oil prices could also fuel additional currency depreciation and inflation. On the upside, bringing the peace process to fruition could improve business confidence and capital inflows, reinforcing the recovery that will follow the necessary adjustment process.

COSTA RICA

After weak growth last year, activity is set to accelerate in 2016-17. Domestic demand is projected to be the main driver, but exports will also recover as world markets regain momentum. The unemployment rate is likely to remain above 9%. After falling temporarily into negative territory at the end of 2015, inflation will slowly return to the central bank's target as the economy strengthens.

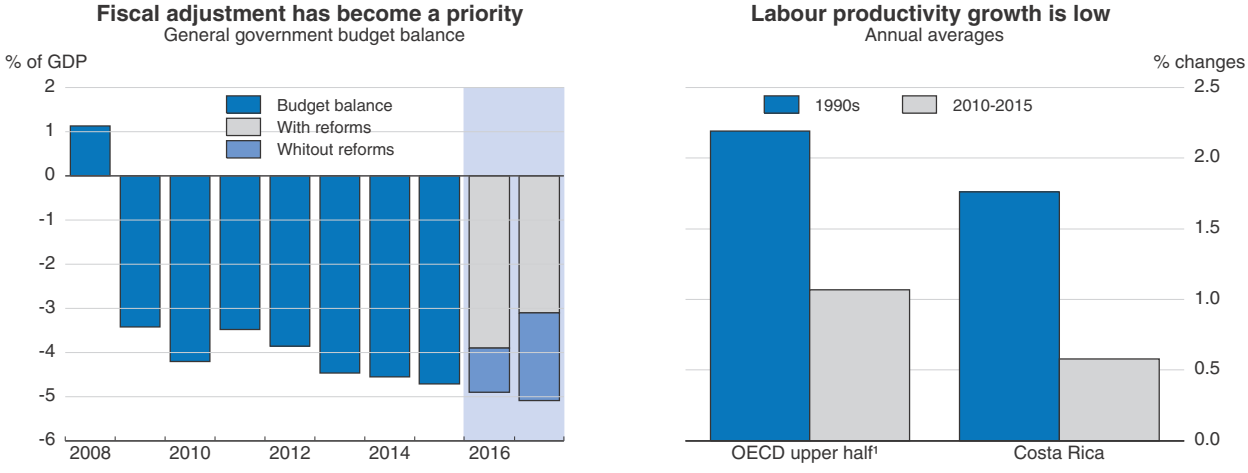
Public debt has continued to increase and reached 42.4% of GDP in 2015. With credit rating agencies having a negative outlook and bond investors requiring high risk spreads, measures to restore fiscal sustainability have become urgent. The reforms proposed by the government, if approved and implemented, would be just enough to stabilise the debt-to-GDP ratio at the current level. But additional measures, such as further tax reform and reforming public employment, will be needed to ensure more robust debt sustainability.

Disappointing labour productivity growth calls for measures to promote innovation, competition and transport infrastructure. Such reforms need to go together with making Costa Rica a more inclusive society by improving the quality of education and reducing gender inequalities.

Activity is rising

Real GDP rose by 2.9% in 2015. Domestic demand was boosted by the improved terms of trade, from lower import commodity prices, and higher investment, which more than offset the withdrawal of a large electronics company and adverse weather conditions related to *El Niño*. Household consumption recovered significantly, supported by the favourable terms of trade, low interest rates and price stability. Owing to falling oil prices and the stability of the exchange rate, consumer prices fell in the second half of 2015.

Costa Rica



1. OECD refers to the 17 upper half countries based on GDP per capita; GDP is expressed in 2011 PPP.

Source: OECD Economic Outlook 99 database; and OECD calculations based on the Conference Board Total Economy Database.

StatLink http://dx.doi.org/10.1787/888933367739

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

	2012	2013	2014	2015	2016	2017
	Current prices CRC trillion	Percentage changes, volume (1991 prices)				
GDP at market prices	22.8	3.3	3.5	2.9	4.0	4.1
Private consumption	14.8	3.4	3.9	4.6	4.2	4.4
Government consumption	4.0	2.8	3.5	3.2	1.9	2.6
Gross fixed capital formation	4.7	12.5	4.7	8.2	2.3	5.2
Final domestic demand	23.5	5.1	4.0	5.2	3.4	4.3
Stockbuilding[1]	0.3	-2.7	-1.7	1.7	2.4	0.0
Total domestic demand	23.8	2.5	2.4	7.2	6.5	4.1
Exports of goods and services	8.5	3.7	-1.6	-8.4	2.0	5.2
Imports of goods and services	9.5	2.2	-3.8	-0.6	7.2	5.0
Net exports[1]	- 1.0	0.9	1.1	-4.1	-2.5	-0.1
Memorandum items						
GDP deflator	_	4.5	4.8	2.5	3.4	4.3
Consumer price index	_	5.2	4.5	0.8	0.6	2.1
Private consumption deflator	_	4.8	3.9	0.6	0.2	2.2
Unemployment rate	_	9.4	9.6	9.6	9.5	9.3
Current account balance[2]	_	-5.5	-5.2	-4.2	-4.4	-4.4

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369558

Reforms are required to tackle the fiscal challenge and boost productivity

Increased budget deficits have resulted in rising public debt, which almost doubled in the period 2008-2015, reaching 42.4% of GDP. The authorities have proposed a plan to start gradual fiscal adjustment this year, which is under discussion in the parliament. The package of tax reform and stricter expenditure control, if legislated and implemented, would cut the deficit by about 2% of GDP during 2016-17. However, additional fiscal adjustment of 1% of GDP will be needed to put debt on a firm downward path. Steps towards this include the recent legislative proposals to reform public employment conditions, thus preventing excessive automatic increases in current outlays, and further tax reform to increase revenues and reduce Costa Rica's high inequality.

Structural reforms are needed to boost productivity and to make the society more inclusive. Enhancing productivity requires a comprehensive strategy to strengthen institutions, enhance competition, promote innovation and access to finance, and improve transport infrastructure. Raising the quality of education and work prospects for women would decrease inequality by expanding opportunities and sharing prosperity more widely.

Strong GDP growth will be led by domestic demand, but downside risks loom

Growth is projected to continue to accelerate, supported by domestic demand and an improving export performance; however, it will not reach a pace sufficient to reduce unemployment from its high level. Factors supporting strong growth include the continued US recovery, domestic monetary stimulus and continued real credit expansion. Inflation will remain weak in 2016, slowly returning towards the new central bank target range of 2-4% as the economy strengthens.

As Costa Rica is a small open economy, external developments are critical. Costa Rica is an energy importer, so global energy prices are important for growth and incomes. Global market volatility, deeper-than-expected slowdowns in advanced and emerging market economies and currency depreciation, could create problems for the stability of the banking system given its high credit dollarisation. On the domestic front, persistently large fiscal deficits and rising public debt make the economy vulnerable to sudden changes in financial market conditions. In addition, large government gross financing requirements could push up domestic interest rates, weighing on private investment and consumption, and limiting the transmission of the monetary stimulus to lending rates.

CZECH REPUBLIC

GDP growth increased strongly in 2015, partly due to EU-financed public investment. Financial conditions and income growth will continue to support domestic demand, but falling public investment is weighing on growth in 2016. Although gains in market share are likely to be smaller than in recent years, stronger demand from European countries will support export growth. Headline inflation remains low, but robust wage growth and fading effects of food and energy price falls will push inflation to the 2% target by end-2017.

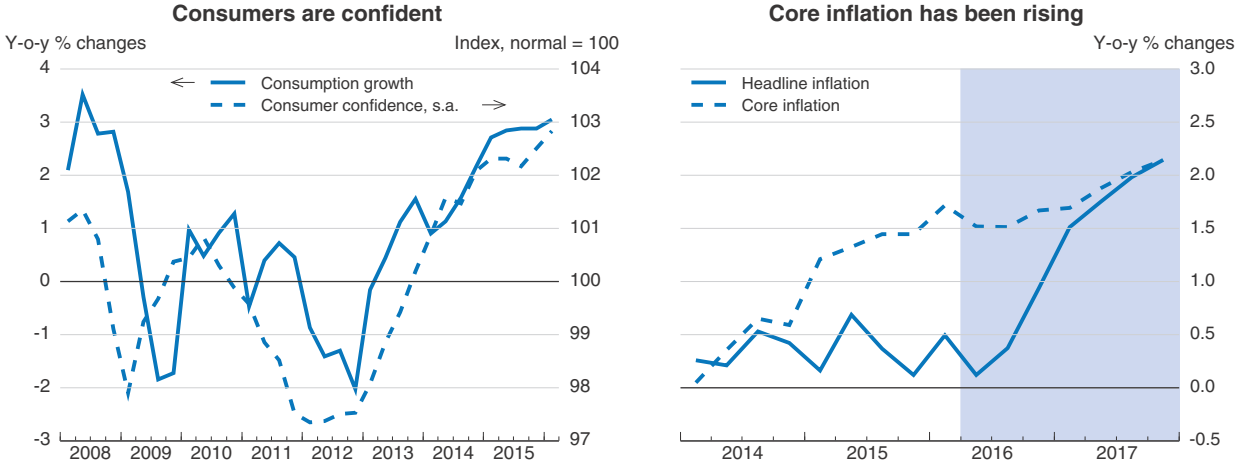
The exchange rate floor prevented appreciation of the currency and thereby helped to contain deflationary pressures. As these pressures are waning, the central bank has rightly confirmed that the floor is temporary. Public investment has fallen sharply with the transition to the new EU programming period, and will be offset only partly by spending elsewhere.

Income convergence stalled in the aftermath of the crisis. Structural policies are needed to underpin faster growth on a sustainable and inclusive basis. Policies should focus on generating domestic innovation and creating conditions for successful SMEs to flourish. Expanding childcare availability would increase labour market participation and reduce gender-related wage gaps, thereby reducing labour market tightness and improving inclusiveness.

Growth has slowed after an exceptional year

In 2015, a push to use expiring EU funds contributed to the fastest GDP growth since 2007. Private investment has been supported by growth in profits and credit, but public investment is falling. The buoyant labour market, income growth and accommodative financial conditions have bolstered consumer confidence. The saving rate has declined and consumption growth is robust. Exports accelerated in late 2015 and are benefitting from favourable developments in the important automotive industry. Falling food and energy prices are temporarily holding down inflation, but increasing wages are pushing up costs.

Czech Republic



Source: OECD Economic Outlook 99 database; and OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933367746

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	1.9	4.3	2.4	2.6
Private consumption	1 998.0	0.7	1.4	2.8	3.3	2.8
Government consumption	782.7	2.3	1.8	2.8	2.3	2.0
Gross fixed capital formation	1 052.3	-2.8	2.0	7.4	0.0	3.2
Final domestic demand	3 832.9	0.1	1.7	4.0	2.2	2.8
Stockbuilding[1]	9.0	-0.6	0.6	0.7	-0.5	0.0
Total domestic demand	3 841.9	-0.5	2.3	4.8	1.6	2.7
Exports of goods and services	3 097.1	0.0	8.8	7.2	5.5	5.7
Imports of goods and services	2 897.1	0.1	9.8	8.1	4.9	6.2
Net exports[1]	200.0	0.0	-0.2	-0.2	0.8	0.1
Memorandum items						
GDP deflator	_	1.4	2.5	0.7	0.8	1.3
Consumer price index	_	1.4	0.4	0.3	0.5	1.8
Private consumption deflator	_	0.9	0.5	0.1	0.0	1.2
Unemployment rate	_	6.9	6.1	5.0	4.4	4.2
General government financial balance[2]	_	-1.3	-1.9	-0.4	-0.5	-0.4
General government gross debt[2]	_	58.4	57.6	55.8	55.8	55.4
General government debt, Maastricht definition[2]	_	45.1	42.7	41.0	41.0	40.6
Current account balance[2]	_	-0.5	0.2	0.9	1.4	1.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369244

Monetary and fiscal policies are supportive

The policy rate remains near zero and borrowing rates have eased further. The central bank announced that it expects to maintain the exchange rate floor until mid-2017. It has intervened to maintain the floor in most months since July 2015. It will be appropriate to exit the floor as the effects of food and energy price falls pass and inflation rises. There is room for fiscal policy to support activity if the exchange rate appreciates too sharply.

Public investment will subtract from GDP growth with the transition to the new EU programming period, although fiscal policy is projected to be expansionary in 2016 due to other spending. More domestically-funded investment could reduce infrastructure gaps or improve energy efficiency and also smooth the cycle. The fiscal responsibility package – including a fiscal council and a debt brake – should be passed to buttress medium-term fiscal sustainability.

Structural policies are needed to boost productivity and accelerate income convergence

The government is gradually raising the retirement age and expanding childcare availability, to foster greater participation of older people and women in the labour market. Labour participation rates are rising but further steps are needed to offset population ageing and prevent labour market tightness from constraining the economy. Increased childcare access could reduce the gender pay gap by facilitating mothers' return to work.

Faster productivity growth would speed up income convergence. Reforms are needed to allow successful firms to expand and unproductive firms to exit more easily. These include increasing competition in product markets and reducing the cost of bankruptcy proceedings. Spurring domestic innovation would boost productivity. Increasing skills and reducing barriers to worker mobility could reduce mismatches and raise productivity and wages alike.

Private domestic demand will continue to drive growth

Household consumption will continue to drive GDP growth, supported by growth in employment and wages. The unemployment rate is expected to fall below its pre-crisis level. Profit and credit growth will support private fixed investment. Housing starts data suggest housing construction may soften the effect of falling public investment on construction activity. Stronger demand from trading partners, including in Europe, will boost exports. Domestic costs will maintain inflationary pressures. Headline inflation is projected to remain subdued in 2016 but should reach 2% by end-2017.

External developments pose both upside and downside risks, given the economy's integration in global value chains. Reduction in the degree of European integration, disappointing growth in Europe or the transmission of slower growth in big emerging economies would hit exports and investment. On the upside, a faster pick-up in wage growth or a lower savings rate would result in stronger consumption growth. Faster take-up of EU funds would boost public investment.

DENMARK

Economic growth is projected to rise to nearly 2% in 2017, driven mainly by domestic demand. Private consumption will be supported by growth in real incomes, related to higher employment and real wage gains, as well as by increasing property prices. Exports are projected to rebound somewhat after a very weak 2015.

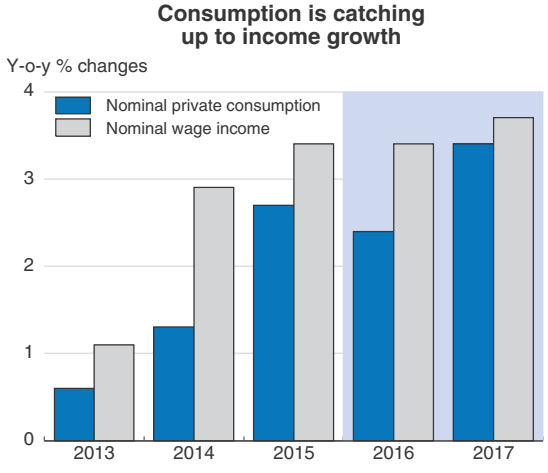
Spare capacity in the economy is diminishing, and accordingly fiscal policy should gradually move towards a more neutral stance. Investment activity should benefit from the accommodative monetary policy stance, which is expected to remain through the peg to the euro. As real estate prices continue to rise, notably in the Copenhagen area, macro-prudential measures have been rightly stepped up in order to prevent the build-up of imbalances.

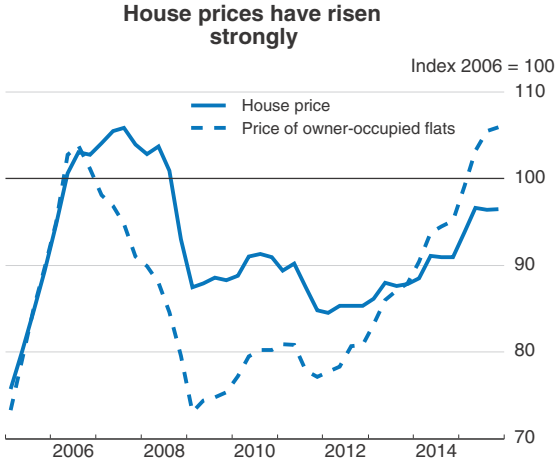
Subdued productivity growth continues to be a major long-term challenge. More reforms are crucial, particularly in areas such as domestic services and innovation. A number of reforms have been launched, but more can be done, for instance boosting competition in retailing and pharmacies; such reforms would reduce prices, favouring the less well-off particularly.

The economy is growing – but only slowly

Exports have been weak, in part because of the slowdown in Europe and Asia. On the other hand, private consumption continues to underpin growth as households benefit from private sector job creation and real wage gains. Consumer sentiment is supported by loose monetary conditions, low inflation and rising house prices. Business investment is expanding only slowly, reflecting in part weak exports. Housing investment has not yet reacted to higher property prices, partly reflecting the lack of building land in metropolitan areas, where prices have increased most. Consumer price inflation hovers around zero, pulled down by low energy prices, while core inflation has come down to less than 1%.

Denmark





Source: OECD Economic Outlook 99 database; and Statistics Denmark.

StatLink http://dx.doi.org/10.1787/888933367759

Denmark: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices DKK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 882.6	-0.2	1.3	1.2	1.0	1.8
Private consumption	908.7	-0.1	0.5	2.1	1.8	1.9
Government consumption	501.6	-0.7	0.2	0.6	0.3	0.6
Gross fixed capital formation	356.8	1.1	3.4	1.2	1.4	2.8
Final domestic demand	1 767.1	0.0	1.0	1.5	1.3	1.7
Stockbuilding[1]	13.3	-0.2	0.2	-0.3	0.2	0.0
Total domestic demand	1 780.5	-0.2	1.3	1.2	1.4	1.7
Exports of goods and services	1 008.6	0.9	3.1	-1.0	0.0	2.9
Imports of goods and services	906.4	1.1	3.3	-1.4	0.7	2.8
Net exports[1]	102.2	-0.1	0.1	0.1	-0.3	0.2
Memorandum items						
GDP deflator	_	1.4	0.8	1.0	1.1	1.6
Consumer price index	_	0.8	0.6	0.5	0.4	1.5
Private consumption deflator	_	0.8	0.8	0.6	0.6	1.5
Unemployment rate[2]	_	7.0	6.5	6.2	6.1	6.1
Household saving ratio, net[3]	_	1.2	-2.8	6.8	8.1	7.8
General government financial balance[4]	_	-1.1	1.5	-2.1	-2.5	-2.1
General government gross debt[4]	_	57.5	60.0	54.0	56.3	58.1
General government debt, Maastricht definition[4]	_	44.7	44.8	40.2	42.4	44.3
Current account balance[4]	_	7.1	7.7	7.0	7.1	7.2

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.

Source: OECD Economic Outlook 99 database.

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Economic policy remains accommodative

The central bank's policy rate is -0.65% and has been negative since the fall of 2014, to contain surges in demand for the *krone*. The peg to the euro means that the policy rate is likely to remain negative and the interest rates are assumed to be low over the projection period. This may increase the risk of unsustainable increases in property prices. Before this risk materialises, fiscal and macro-prudential policies need to be stepped up to avoid a repeat of past boom and bust episodes. Fiscal policy has been accommodative overall. Low oil prices and declining oil production in the North Sea has weighed on government revenues, and are expected to continue to do so. Fiscal policy is expected to tighten only gradually, partly through a reduction in investment. However, this may be insufficient to contain emerging imbalances in the economy, particularly, given the already small degree of labour market slack. Further decreasing interest rate tax deductibility and regularly updating property valuations are the preferred forms of fiscal tightening in the medium term and would also establish tax neutrality across different asset classes.

Growth will remain slow in 2016 before accelerating

Growth is projected to pick up during 2016 as exports recover, notably due to improvements in the euro area. Private consumption should continue to support growth,

underpinned by the strong labour market although high household debt will weigh on household finances. This will support property prices across the country, which should underpin residential investments. Investment should firm on the back of broad-based demand increases, higher capacity utilisation and low interest rates. Inflation is projected to rise gradually, as the spare capacity in the economy declines and commodity prices recover.

Continued trade weakness linked to a slowdown in emerging markets, in particular China, or disappointing growth in the euro area pose the main downside risks to exports. A potential Brexit could also hamper exports, as the United Kingdom is the fourth largest market for Danish exports. On the domestic side, stronger debt reduction among households would weaken domestic demand in the short term, but would provide room for stronger consumption and investment later on. The very supportive monetary policy stance, low energy prices and rising property prices could boost domestic demand further in the projection period. Likewise, recent labour market reforms could have a larger-than-expected effect on labour supply.

ESTONIA

Economic growth is projected to strengthen gradually, boosted by private consumption. Exports and investment will gain some momentum in 2017 as economic activity strengthens in European trading partners. Shortages of skilled labour will push up wages and raise consumer price inflation somewhat.

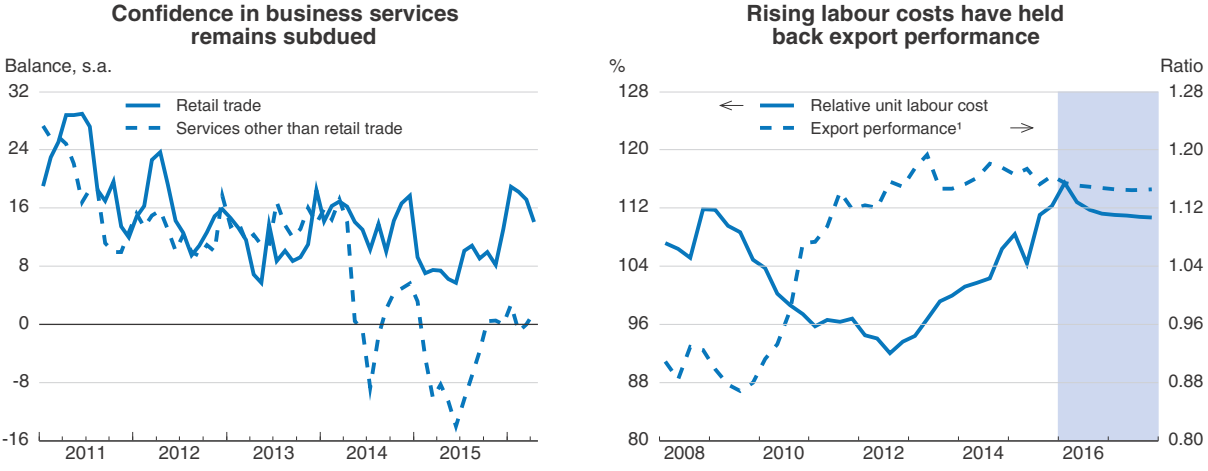
The government's fiscal stance is slightly expansionary, but public debt is very low. Reducing the structural surplus further would be appropriate to fund increased growth-enhancing spending, including for education and infrastructure. Aligning energy tax rates across different energy sources more closely and raising them according to their CO_2 content would help improve energy efficiency, which is lower than in most OECD countries.

Labour productivity declined in 2015 and is expected to recover only gradually. Improving collaboration in applied research between domestic and foreign institutions, strengthening infrastructure, in particular by expanding access to European transport networks, and shortening corporate insolvency procedures would accelerate productivity growth. Strengthening vocational training would boost the productivity of low-wage workers, thereby making growth more inclusive.

Economic growth is subdued

Economic growth has been driven by robust private consumption, supported by strong wage growth, low energy prices, as well as by lower personal income tax and unemployment insurance contributions. Recorded employment has grown strongly, but this partly reflects stepped up requirements for employers to register informal workers. Unemployment has fallen, pushing up wage growth. Exports to Russia have dropped while growth of exports to other major trade partners, notably Finland, has remained modest. Transportation, storage and wholesale trade services have been particularly affected by the drop in trade with Russia. While cheaper oil has reduced import and consumer prices, it

Estonia



1. Export performance is measured as the ratio of actual export volume and the country's export market.

Source: OECD Economic Outlook 99 database; and OECD Business Tendency and Consumer Opinion Indicators.

StatLink http://dx.doi.org/10.1787/888933367761

Estonia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	18.0	1.7	2.9	1.2	1.8	3.0
Private consumption	9.1	3.8	3.6	5.0	3.4	2.8
Government consumption	3.3	1.6	2.9	2.1	2.5	2.6
Gross fixed capital formation	4.7	2.8	-1.8	-4.9	1.4	3.1
Final domestic demand	17.1	3.1	2.0	1.8	2.7	2.8
Stockbuilding[1]	0.7	-1.1	2.4	-2.2	0.3	0.0
Total domestic demand	17.8	1.9	4.6	-0.4	3.0	2.8
Exports of goods and services	15.6	4.7	1.8	-1.1	1.2	3.5
Imports of goods and services	15.4	4.5	1.4	-1.8	3.1	3.3
Net exports[1]	0.2	0.2	0.4	0.5	-1.4	0.3
Memorandum items						
GDP deflator	_	3.8	2.1	1.4	0.8	1.8
Harmonised index of consumer prices	_	3.2	0.5	0.1	0.4	1.8
Private consumption deflator	_	3.1	1.0	-0.2	0.2	1.6
Unemployment rate	_	8.6	7.4	6.1	6.3	6.4
General government financial balance[2]	_	-0.2	0.8	0.4	-0.4	0.3
General government gross debt[2]	_	13.4	13.7	12.5	12.0	11.0
General government debt, Maastricht definition[2]	_	9.9	10.4	9.7	9.3	8.3
Current account balance[2]	_	-0.1	1.0	1.9	0.9	-0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369263

has weighed on the production of oil shale and oil shale products. Weak exports have held back business investment despite the favourable funding conditions.

The government has taken steps to address labour shortages

The decline in the working-age population and shortages of skilled workers keep the labour market tight and wage pressures high. The increase in the minimum wage by 10% in both 2016 and 2017 will reduce in-work poverty and boost wages more generally, thereby encouraging Estonians to remain, rather than emigrate, and easing labour shortages. The reform of disability benefits in 2016 will also increase labour supply by introducing stricter assessments of work capacity and offering more counselling and training. The government also took measures to alleviate skill mismatch, such as extending the apprenticeship programme and strengthening capabilities to forecast the supply of, and demand for, skills.

To improve the position of poor workers and encourage work, the basic personal income tax allowance will be raised in 2016 and 2017, further income tax reductions will apply to workers earning less than EUR 649 per month and in 2017 health insurance contributions will be reduced. The impact on tax revenues will be partly offset by higher taxes on alcohol, tobacco and fuels. These measures will boost employment, competitiveness and private consumption, especially among low-income households. Government investment is expected to dip as the use of EU structural funds from the 2009-2013 allocation period has come to an end.

Investment will strengthen as export markets recover

GDP growth is projected to pick up as stronger exports encourage business investment. The government's tax measures and structural reforms will mitigate the effect of wage growth on Estonia's competitiveness. The unemployment rate will fall further, raising inflation somewhat. The current account balance may turn negative. The government budget will move into deficit in 2016, as tax-benefit reforms reduce revenues and raise spending, but is projected to return to surplus in 2017 as higher excise taxes and economic growth boost revenues.

The tax, disability-benefit and education reforms may boost employment and competitiveness more strongly than expected. Stronger euro area recovery would enable Estonia to expand its export markets and reinvigorate investment. On the other hand, major trading partners, in particular Russia and Finland, may experience a more prolonged economic slowdown than projected. Further escalation of the conflict in Ukraine could also undermine exports and investment. A further fall in oil prices would raise real household income but result in further downscaling of production in the oil shale industry. Although financial market turbulence in emerging market economies could spill over to Estonia, low debt levels, strong equity buffers in the banking sector and euro membership are likely to mitigate such risks.

EURO AREA

The ongoing moderate recovery is projected to continue, with GDP growth reaching 1.7% in 2017. Sustained monetary stimulus and low oil prices will support domestic demand, but the slowdown in emerging market economies will weigh on exports. As a result, the large external surplus will decrease slightly. The decline in unemployment should also continue at a modest pace, but differences across euro area countries will persist. Continued cyclical slack and some second-round effects from cheaper energy will hold inflation well under the ECB's target of just below 2%.

Monetary policy should remain accommodative until inflation is clearly rising to the target. Completion of the banking union would improve monetary policy transmission and strengthen confidence. Countries with fiscal space should use fiscal stimulus to support aggregate demand, especially through infrastructure investment. Reforms of tax and spending policies, such as lowering taxes on labour and prioritising growth and equity-friendly spending, will increase jobs and living standards.

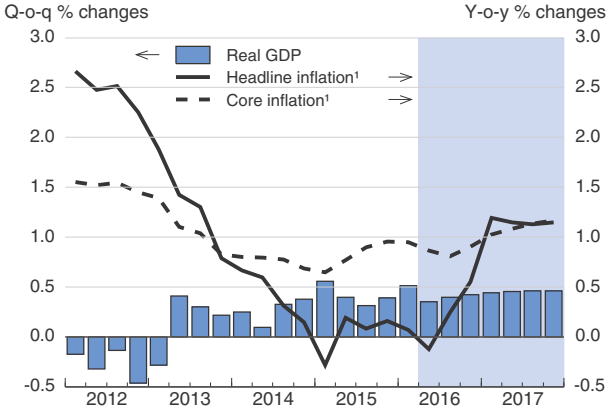
Productivity growth has been very sluggish and has tended to become more dispersed across firms, reflecting insufficient diffusion of innovations. Enhanced public support for R&D and more effective adult learning would foster knowledge diffusion. But diffusion also occurs through investment, and better financing conditions are needed to increase dynamism, which requires faster resolution of non-performing loans and insolvencies. Completing the Single Market in network sectors and services is essential to raise productivity growth. Investment would also be strengthened by speeding up the implementation of the Juncker plan.

A moderate recovery has continued

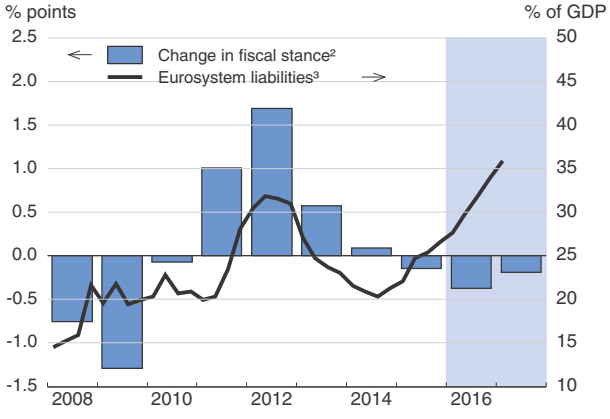
Growth continued at a moderate pace in early 2016. As in the second half of 2015, domestic demand has been the main driver of activity, with private consumption, public

Euro area

Growth has been sub par and inflation low



Monetary and fiscal policies have become more supportive



1. Headline refers to the harmonised index of consumer prices and core excludes food, energy, alcohol and tobacco.
2. Change in the underlying primary balance as a percentage of potential GDP.
3. Estimates from second quarter of 2016 based on monthly increases of EUR 80 billion.

Source: OECD Economic Outlook 99 database; and Thomson Reuters.

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

Percentage changes

	2013	2014	2015	2016	2017
Employment	-0.6	0.6	1.0	1.3	1.0
Unemployment rate[1]	11.9	11.5	10.8	10.2	9.8
Compensation per employee[2]	1.4	1.3	1.4	1.7	1.9
Labour productivity	0.4	0.4	0.5	0.4	0.7
Unit labour cost	1.0	0.9	1.0	1.1	0.8
Household disposable income	0.7	1.3	2.0	2.5	2.5
GDP deflator	1.3	0.8	1.2	0.9	1.1
Harmonised index of consumer prices	1.3	0.4	0.0	0.2	1.2
Core harmonised index of consumer prices[3]	1.1	0.8	0.8	0.9	1.1
Private consumption deflator	1.1	0.5	0.2	0.3	1.0

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 99 database.

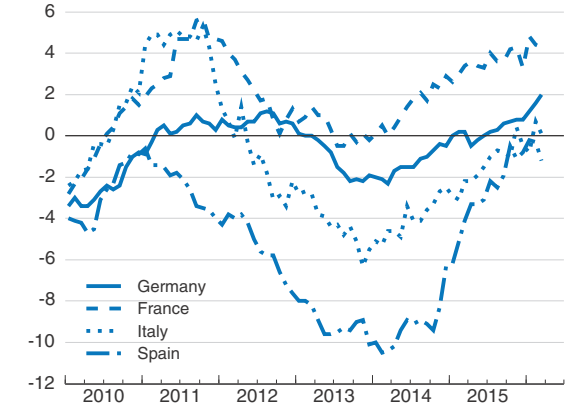
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consumption and investment all displaying some dynamism. However, the slowdown in global growth has weighed on exports. Unemployment has declined further but remains high. The sharp drop in oil and commodity prices reduced headline inflation to levels around zero. Cyclical slack, recent euro appreciation and declining inflation expectations have kept core inflation hovering somewhat below 1%.

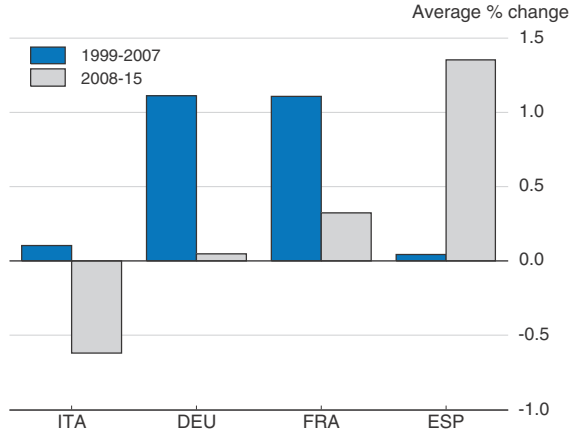
Economic performance has remained uneven from country to country, with only a modest reversal of the very divergent output and unemployment dynamics brought about by the sovereign debt crisis. Among the countries hit hardest, only Ireland and Spain have had growth clearly above the euro area average. The countries most affected by the crisis

Euro area

Credit is recovering[1]



Productivity growth has generally been very low[2]



1. Loans to non-financial corporations adjusted for sales and securitisation.
2. Real GDP per person employed.
Source: OECD Economic Outlook 99 database; and European Central Bank.

StatLink http://dx.doi.org/10.1787/888933367789

Euro area: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	6.4	6.4	6.4	6.7	6.6
General government financial balance[2]	-3.0	-2.6	-2.1	-1.8	-1.4
General government gross debt[2]	105.2	112.1	110.5	109.6	108.5
General government debt, Maastricht definition[2]	93.7	94.7	93.3	92.4	91.3
Current account balance[2]	2.9	3.1	3.8	3.8	3.6
Short-term interest rate[3]	0.2	0.2	0.0	-0.2	-0.3
Long-term interest rate[4]	2.9	2.0	1.1	0.9	0.8

Note: Covers the euro area countries that are members of the OECD.
1. As a percentage of disposable income.
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year government bonds.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369175

have largely or fully eliminated their current account deficits, but, in most cases, this reflects still weak domestic demand. Ireland and Spain again stand out for their stronger export growth, which is essential to avoid external deficits reappearing as the recovery continues.

Growth and equity need further support from fiscal, structural and financial sector policies

Despite some improvement in credit conditions, the recovery in investment will be limited by modest growth prospects, uncertainty about developments in European integration and still high private sector debt. Private consumption remains hampered by labour market weakness and high indebtedness. Subdued global trade growth will limit export growth.

Euro area: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices EUR billion	Percentage changes from previous year, volume (2011 prices)					
GDP at market prices	10 033.5	1.6	1.6	1.7	1.7	1.7	1.8
Private consumption	5 579.6	1.6	1.8	1.7	1.5	1.9	1.7
Government consumption	2 113.8	1.3	1.7	1.1	1.6	1.5	0.9
Gross fixed investment	1 971.5	2.6	3.3	3.2	3.5	2.9	3.4
Final domestic demand	9 664.9	1.8	2.1	1.9	1.9	2.1	1.9
Stockbuilding[1]	- 4.7	0.0	0.1	0.0			
Total domestic demand	9 660.2	1.7	2.2	1.9	2.2	2.0	1.9
Net exports[1]	373.2	-0.1	-0.4	-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 99 database.

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Euro area: **External indicators**

	2013	2014	2015	2016	2017
	USD billion				
Foreign balance	449.8	494.4	510.3	523	532
Invisibles, net	- 72.9	- 82.2	- 72.5	- 74	- 92
Current account balance	376.9	412.3	437.8	448	441

Note: Covers the euro area countries that are members of the OECD.
Source: OECD Economic Outlook 99 database.

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In the euro area as whole, fiscal policy is projected to remain slightly expansionary in 2016 and 2017, which is a sharp contrast to the consolidation in the 2011-13 period. However, more support will be needed to move growth to a higher track. Some countries have room to provide additional fiscal support. In this context, well designed and chosen infrastructure investment is attractive in that it has a high short-term multiplier and lays the foundations for a more sustained expansion. In addition, tax and spending policy reforms can be growth and employment friendly. Decreasing labour taxation, especially for low earners, shifting the composition of expenditure towards investment, education and childcare, and increasing public spending efficiency would help to boost growth and make it more inclusive. Further efforts to strengthen national budgetary frameworks hold the promise of improving the quality of public finances.

In December 2015 and March 2016 the European Central Bank took additional expansionary measures, *inter alia* by decreasing policy rates, increasing the scope and size of asset purchases, and by providing stronger incentives for bank lending in another round of targeted longer-term refinancing operations. The very accommodative monetary conditions are assumed to persist over the projection horizon. To further spur credit growth and make it flow towards productive firms, faster resolution of non-performing loans is essential, and could be fostered by prudential tools and the setting up of asset management companies, possibly at the European level. To further reduce financial fragmentation and ease crisis management, a common backstop to the Single Resolution Fund and deposit insurance at the European level would be helpful.

Investment is still far below pre-crisis levels in many countries, which slows down productivity growth, notably by hindering the diffusion of innovation. While innovation gives a temporary advantage to leading firms, enabling them to pay higher wages, the full gains from innovations are realised only when they are diffused through the market. Completing the Single Market in services and network sectors would spur investment by increasing competition and reducing regulatory burdens (in part by harmonising regulation). In turn, market integration would benefit from faster deployment of Trans-European transport and energy networks. Improving the availability and effectiveness of lifelong learning and job-related training would enhance knowledge diffusion and labour reallocation towards high-productivity firms.

Mild growth is projected for the coming quarters

GDP growth is projected to accelerate modestly to 1.7% in 2017. Monetary stimulus and cheap oil should continue to support private consumption and investment, and fiscal policy in the area as a whole will no longer be a brake on demand. Though gradually

recovering, export growth will remain subdued throughout most of the projection horizon, and the large current account surplus will decline only slightly. Unemployment is projected to fall, but it will remain high in a number of countries. Due to cyclical slack and low inflation expectations, core inflation is projected to increase only slightly and remain well below 2%.

A decision by the United Kingdom to leave the European Union could significantly weaken growth across the euro area through higher risk premia, lower asset prices, and euro appreciation vis-à-vis the sterling. Financial turbulence in emerging market economies, induced by high corporate indebtedness or other vulnerabilities, would weaken demand for euro area exports and could also harm investment through higher interest rates. Lower-than-expected inflation would compound deleveraging challenges, but could boost real wages. Faster progress in cleaning up banks' balance sheets and reforming product markets, spending and tax policies, in tandem with regained momentum in European integration, would boost GDP growth.

FINLAND

The economy is recovering slowly on the back of strengthening domestic demand. However, exports remain weak, the recent pick-up in private consumption was partly due to temporary factors and uncertainty, both domestic and global, is high. Hence, output growth is projected to remain sluggish and unemployment, which is currently stabilising, to stay high.

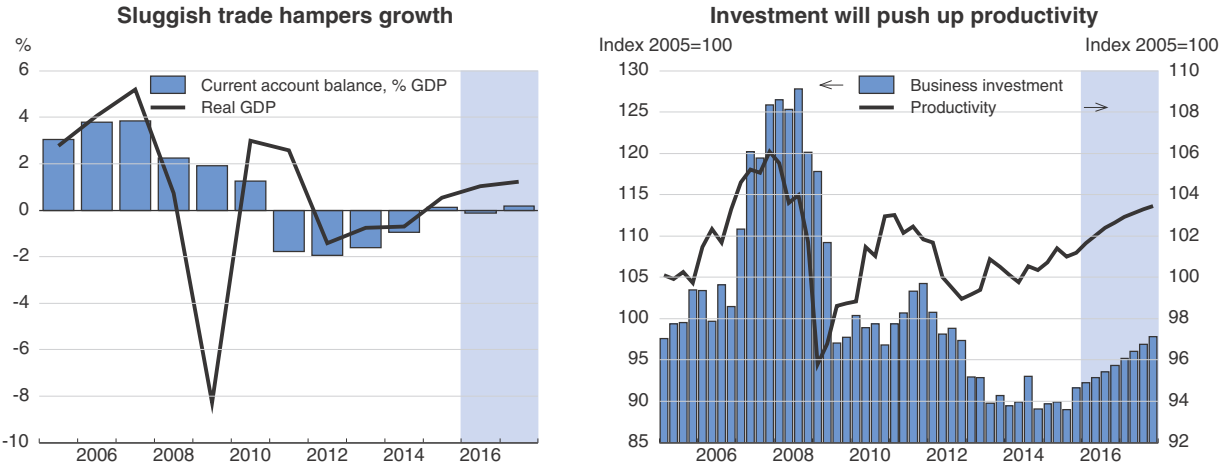
The euro area monetary policy stance is supporting the recovery, but fiscal consolidation exerts a drag. The government has embarked on an ambitious structural reform programme to enhance competitiveness, labour market flexibility and fiscal sustainability. However, it is facing resistance, which risks delaying growth-enhancing reforms. The uncertainty regarding policy may weigh on the recovery.

Productivity has declined since 2007. Although this mainly results from poor performance in manufacturing and notably information and communication technologies, the service sector has also tended to underperform. Policies need to enhance framework conditions further and support innovation to revive investment and foster inclusive growth.

Growth is picking up slowly

Output growth is driven by private consumption and investment. However, exports are being held back by the recession in Russia, weak global demand and eroded competitiveness. Low inflation is lifting household real disposable income and consumption, although some policies to support consumption in 2015 have expired. Following a long slump, investment is starting to rise again. Low interest rates and migration into growth centres is raising residential construction, while large-scale projects are lifting business investment. Unemployment shows signs of stabilisation, albeit at a high level. The fiscal deficit is back under 3% of GDP, thanks to spending containment and increasing tax revenues.

Finland



Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367794

Finland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	199.8	-0.8	-0.7	0.5	1.0	1.2
Private consumption	109.1	-0.5	0.6	1.4	0.7	0.5
Government consumption	48.7	1.1	-0.3	-0.9	0.4	0.0
Gross fixed capital formation	44.6	-4.9	-2.6	-1.1	2.9	2.6
Final domestic demand	202.4	-1.1	-0.3	0.4	1.1	0.8
Stockbuilding[1,2]	0.3	0.0	0.5	-1.1	0.4	0.0
Total domestic demand	202.7	-1.0	0.2	-0.7	1.5	0.8
Exports of goods and services	78.9	1.1	-0.9	0.6	1.7	3.4
Imports of goods and services	81.8	0.5	0.0	-0.4	2.6	2.5
Net exports[1]	- 2.9	0.3	-0.4	0.4	-0.3	0.4
Memorandum items						
GDP without working day adjustments	_	-0.8	-0.7	0.5	..	..
GDP deflator	_	2.6	1.7	0.4	0.4	0.9
Harmonised index of consumer prices	_	2.2	1.2	-0.2	0.1	0.8
Private consumption deflator	_	2.5	1.6	0.2	0.6	0.8
Unemployment rate	_	8.2	8.7	9.4	9.5	9.5
General government financial balance[3]	_	-2.6	-3.2	-2.7	-2.4	-1.6
General government gross debt[3]	_	64.0	70.6	73.9	75.8	77.3
General government debt, Maastricht definition[3]	_	55.5	59.3	63.1	65.6	68.5
Current account balance[3]	_	-1.6	-0.9	0.1	-0.1	0.2

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369276

The government is struggling to implement structural reforms

The government is facing opposition to some of its plans to enhance labour market flexibility and improve competitiveness, as well as to some of its intended public spending cuts. Hence, the extent and timing of the reforms remain uncertain. Fiscal consolidation efforts, assumed to be about half a percentage point of GDP per year, exert a drag on growth, even though spending cuts are partly offset by strategic expenditure on key government projects financed through balance-sheet transactions. However, expansionary euro area monetary policy and relatively easy access to credit are supporting growth.

Successful implementation of the government's programme would raise employment and productivity, thereby fostering inclusive growth. A recently announced entrepreneurship programme will use wage subsidies start-up grants and tax incentives to encourage companies to hire their first employees. The government has initiated social welfare and health care reform to raise public-sector productivity and reduce health and social inequalities. Streamlining land-use planning regulations would improve housing affordability and allow productivity gains in retail trade.

The recovery is facing headwinds

The recovery is being driven by domestic demand but needs further impulse from exports to gather speed, especially as the temporary factors which have been boosting

consumption have expired. The investment recovery is broad-based and set to continue. Residential investment is fuelled by low interest rates and high demand in growth centres, while major commercial building projects are underway. Investment in machinery and equipment is rising, including for capacity expansion, as utilisation rates increase, notably in the forest and metal industries. Such investments will raise productivity, which has been lacklustre over recent years. Nevertheless, projected growth will be too weak to markedly reduce unemployment, even if policies enhance labour market flexibility. Inflation is set to remain subdued. The fiscal deficit will decline slowly, as consolidation measures are partly offset by rising ageing-related costs.

As a small open economy, Finland is sensitive to developments in the global economy and particularly in Nordic countries, Germany and Russia, which implies both downside and upside risks. Worsening geopolitical tensions, a further economic slowdown in China or increased volatility in emerging market economies and oil prices could disrupt the recovery. The ability of the government to implement its programme in the face of public resistance conditions medium-term growth and fiscal sustainability. In the short term, uncertainty over reform implementation and potential industrial action could weigh on the recovery.

FRANCE

Economic growth is projected to reach 1.4% this year and 1.5% in 2017 thanks to lower energy prices, tax cuts on labour and businesses and persistently low interest rates. Employment will increase, supported by lower social security contributions and new hiring subsidies, but will lead to only a gradual fall in unemployment. Inflation will remain low, as slack will persist to the end of the forecast period.

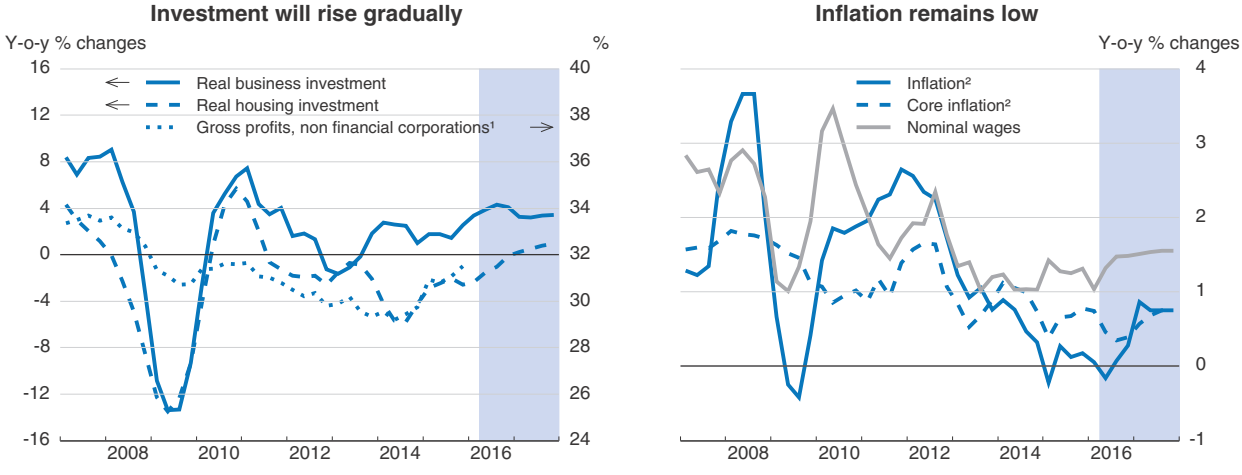
Despite tax reductions, lower debt-servicing costs and some spending restraint should bring the fiscal deficit down to 3% of GDP in 2017. This will limit further increases in public debt, while minimising risks to the still fragile recovery. To fight high unemployment the authorities announced new hiring subsidies for small and medium-sized firms and up-scaled training measures for jobseekers. A draft labour market reform clarifies conditions for dismissals for economic reasons and gives more room for firm-level negotiations, mainly as to working time.

The level of productivity is high, but productivity growth has been weak for several decades. Quickly implementing the foreseen quality assurance and guidance systems for training would help foster the inclusion of low-skilled workers in the workplace by strengthening their productivity. Greater legal certainty for dismissals would make firms more willing to hire and take chances on expansion, offering more stable jobs. Easing entry into a wider range of regulated professions would enhance competition and productivity, thereby lowering prices to the benefit of consumers, especially poor ones.

A gradual recovery has taken hold

Falling energy prices and low inflation have led to rising real wages, supporting stronger private consumption growth. Business investment began to rebound in 2015, thanks to strong profits, low energy prices, accelerated depreciation allowances, and cuts in social contributions and business taxes. However, public-sector spending restraint has

France



1. As a percentage of gross value added.
2. Harmonised consumer price index, excluding energy, food, alcohol, and tobacco for core inflation.

Source: OECD Economic Outlook 99 database; and INSEE.

StatLink http://dx.doi.org/10.1787/888933367801

France: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	-0.2	0.1	0.0	0.4	0.5
Unemployment rate[1]	9.9	9.9	10.0	9.8	9.7
Compensation per employee[2]	1.6	1.3	1.1	1.3	1.5
Unit labour cost	0.7	1.0	0.1	0.4	0.5
Household disposable income	0.8	1.1	1.6	1.9	2.0
GDP deflator	0.8	0.5	0.7	0.6	0.6
Harmonised index of consumer prices	1.0	0.6	0.1	0.1	0.8
Core harmonised index of consumer prices[3]	0.7	1.0	0.6	0.5	0.7
Private consumption deflator	0.8	0.0	-0.1	0.0	0.3
Memorandum item					
Unemployment rate[4]	10.3	10.3	10.3	10.2	10.1

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 99 database.

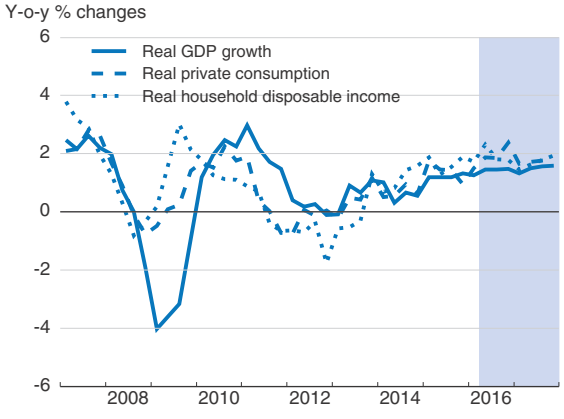
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led to declining local government investment. Residential investment is still contracting although building permits and housing starts have levelled off since early 2015.

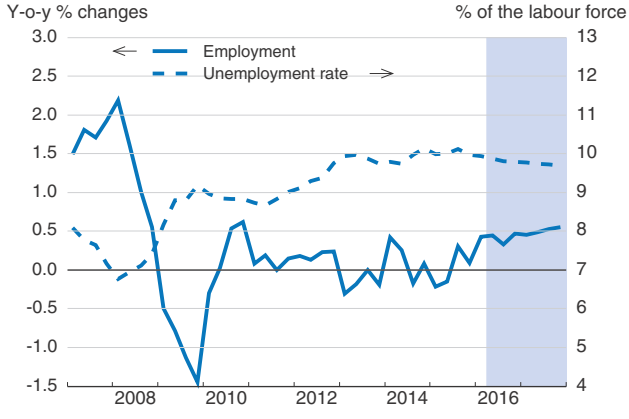
A lower euro and tax reductions have helped French exporters restore their competitiveness and regain market share, while cheaper oil has lowered the cost of imports. This has led to a substantial decline in the external deficit. The rise in the unemployment rate has stopped, thanks to subsidised jobs for young and low-skilled workers, mainly in the non-market sector, and more recently growth in temporary agency jobs. Despite extremely accommodative monetary policy, widespread excess capacity and falling oil prices have pushed inflation down.

France

Consumption continues to support growth



Employment should grow and unemployment should fall gradually



Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367816

France: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, gross[1]	14.4	14.8	15.1	15.1	15.1
General government financial balance[2]	-4.0	-4.0	-3.5	-3.4	-3.0
General government gross debt[2]	110.9	120.3	120.8	121.6	122.1
General government debt, Maastricht definition[2]	92.3	95.3	96.1	96.9	97.4
Current account balance[2]	-0.8	-0.9	-0.1	-0.7	-0.8
Short-term interest rate[3]	0.2	0.2	0.0	-0.2	-0.3
Long-term interest rate[4]	2.2	1.7	0.8	0.5	0.5

1. As a percentage of disposable income (gross saving).
2. As a percentage of GDP.
3. 3-month interbank rate.
4. 10-year benchmark government bonds.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369039

Labour tax cuts and training reform promote employment and productivity of low-skilled workers

Owing to sharp cuts in local government investment the general government deficit fell to 3.5% of GDP in 2015, lower than had been expected. Spending restraint and the pick-up in economic growth will help the government lower the deficit further to the target of 3% of GDP in 2017, notwithstanding a number of measures that will increase spending. This gradual pace of consolidation is appropriate, given the still fragile recovery.

France: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 140.2	1.2	1.4	1.5	1.3	1.5	1.6
Private consumption	1 184.0	1.4	1.9	1.7	1.0	2.4	1.8
Government consumption	516.0	1.5	1.4	0.6	1.5	1.0	0.6
Gross fixed investment	463.1	0.0	2.2	2.2	1.1	2.4	2.4
Public	78.7	-3.0	1.0	0.1	1.2	-0.4	0.3
Residential	109.7	-2.5	-1.3	0.6	-2.6	-0.1	1.0
Non-residential	274.8	1.9	3.9	3.3	2.6	4.1	3.4
Final domestic demand	2 163.1	1.1	1.9	1.6	1.1	2.1	1.6
Stockbuilding[1]	17.3	0.3	0.4	0.0			
Total domestic demand	2 180.4	1.4	2.2	1.5	2.2	1.8	1.6
Exports of goods and services	612.7	6.1	1.8	3.8	4.7	2.0	4.1
Imports of goods and services	652.9	6.4	4.4	3.9	7.0	3.1	4.1
Net exports[1]	- 40.2	-0.2	-0.8	-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 99 database.

StatLink http://dx.doi.org/10.1787/888933369045

A number of recent and envisaged reforms could help improve the productivity and employment chances of lower-skilled workers. Following a 2014 reform the unemployed will receive rights to additional training hours. The envisaged reform to improve legal certainty regarding dismissals would make employers more willing to hire on open-ended contracts and this could improve chances to obtain more stable employment for low-skilled workers, many of whom work currently on short-term contracts with poor access to training. That said, this would come at the cost of increasing risks to be dismissed for workers who already have an open-ended contract today. The cuts in social contributions mainly targeted at low-wage workers will also increase labour-market inclusiveness. However, as the measure is phased out as income rises, the associated increase in taxes could weaken incentives to participate in training and create low-wage traps. Further personal income tax cuts on low- and middle-income households, streamlined and more effective in-work benefits and additional reductions in employers' social contributions will improve employment chances of low-wage workers, supporting consumption and making growth more inclusive. The recent product market reform should be extended to a wider range of regulated professions and retail regulation should be further eased, in order to expand job opportunities.

Growth is projected to increase gradually

Further social security contribution cuts and new hiring subsidies should support a moderate pace of employment and private consumption growth. The recently announced extension of the accelerated depreciation allowance beyond April 2016 and lower business taxes and employers' social security contributions will underpin gains in business investment. Residential investment should bottom out around mid-year, but the subsequent pick-up will be modest. Exports are expected to grow broadly in line with external demand.

This is a central scenario, and a number of factors could lead to different outcomes. The series of recent reforms could strengthen household and business confidence more than expected, leading to stronger consumption and investment following recent increases in the household savings rate and profit margins. On the other hand, a stronger-than-expected slowdown in emerging market economies, notably China, or lower euro area growth, e.g. related to a vote for Brexit, could hit external demand and confidence.

GERMANY

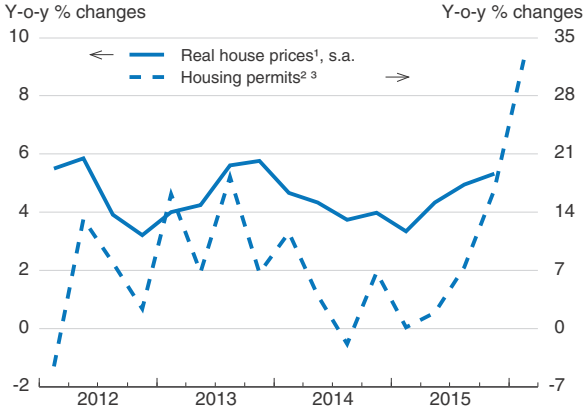
Economic growth is projected to remain solid, as a robust labour market and low oil prices underpin private consumption, while low interest rates and the housing needs of refugees boost residential investment. Business investment will strengthen somewhat, as capacity utilisation and employment rise. Demand for German exports in emerging market economies and euro area countries are expected to recover gradually. The refugees will gradually join the labour force. Robust domestic demand growth will reduce the current account surplus, which will nevertheless remain very large.

The budgetary stance is mildly expansionary, which is appropriate as spending room is available to improve the integration of immigrants and to strengthen active labour market policies for those who have difficulties finding work. In addition, gaps remain in the provision of early childhood education and care, full-day primary schooling and transport infrastructure. The education system should provide more support for youth with a weak socio-economic background. These measures would boost the inclusiveness of the ongoing economic expansion, and are an investment to raise growth in the future.

Productivity has grown little in recent years and is relatively low in services. Accelerating refugees' access to the labour market and further raising their skills would expand output, reduce dependence on public support and include refugees more rapidly in society. Reducing the high taxes on second earners would remove barriers for women to work full-time, improving access to more productive jobs and careers. Reforms to remove barriers to entry and competition in professional services and network industries would strengthen productivity and investment and could reduce the current account surplus.

Germany

Construction of housing is accelerating



Exports are projected to recover slowly

Seasonally adjusted, in nominal terms



1. Prices for owner-occupied apartments in 7 cities.
2. Construction of new dwellings.
3. Average of growth in January and February 2016 for 2016Q1.

Source: OECD Economic Outlook 99 database; OECD Analytical House Price database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933367820

Germany: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.0	0.9	0.7	1.6	0.8
Unemployment rate[1]	5.2	5.0	4.6	4.4	4.6
Compensation per employee[2]	1.8	2.6	2.7	3.1	2.9
Unit labour cost	2.4	2.2	2.4	2.5	1.7
Household disposable income	1.8	2.3	2.8	3.2	2.7
GDP deflator	2.1	1.7	2.1	1.3	1.3
Harmonised index of consumer prices	1.6	0.8	0.1	0.3	1.5
Core harmonised index of consumer prices[3]	1.2	1.1	1.1	1.1	1.5
Private consumption deflator	1.2	0.9	0.6	0.4	1.3

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.

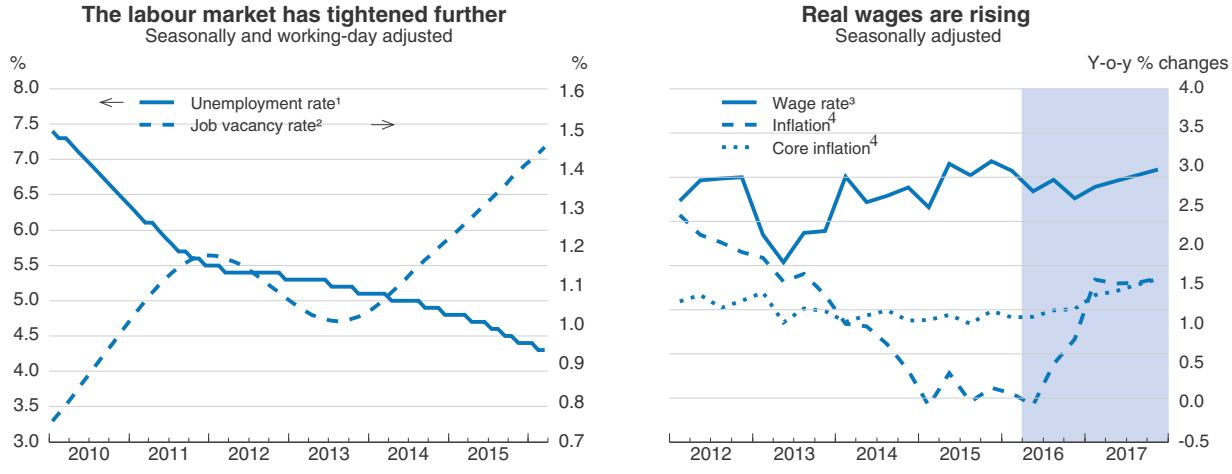
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368998

Domestic demand is supporting activity but skill mismatch holds back productivity

Activity expanded vigorously in the first quarter, especially in construction, which was boosted by unusually mild winter weather. Wages and employment rose, while low oil prices damped consumer prices, boosting private household consumption. Government employment has risen to deal with the needs of refugees. About 1 million refugees arrived in 2015 (1¼ per cent of the population). Most of them have not yet started looking for a job, as asylum procedures and first training measures are being completed. Unemployment remains at historical lows. However, close to one half of the unemployed have been looking for a job for more than a year, while at the same time skill shortages are contributing to

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. Projection from 2016Q1.
4. Harmonised consumer price index (HICP). Core HICP excludes energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 99 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933367835

Germany: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	9.1	9.5	9.7	10.4	9.9
General government financial balance[2]	-0.1	0.3	0.7	0.3	0.4
General government gross debt[2]	81.4	82.1	78.7	75.2	72.6
General government debt, Maastricht definition[2]	77.1	74.6	71.2	67.7	65.1
Current account balance[2]	6.8	7.4	8.6	9.2	8.5
Short-term interest rate[3]	0.2	0.2	0.0	-0.2	-0.3
Long-term interest rate[4]	1.6	1.2	0.5	0.2	0.1

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369002

rising vacancies. Barriers in the tax system and only limited full-day childcare and schooling hold back full-time female employment, restraining women's careers and productivity.

Rising household incomes and the large number of refugees have boosted demand for housing, pushing up rents and prices in urban centres and spurring construction. Nonetheless, lending to households remains modest. Foreign orders for investment goods,

Germany: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 919.8	1.4	1.6	1.7	1.3	1.8	1.9
Private consumption	1 593.9	1.9	1.8	1.9	1.4	2.0	1.8
Government consumption	564.0	2.4	3.5	2.5	2.8	3.3	2.2
Gross fixed investment	586.8	1.7	3.5	3.0	2.5	3.5	3.3
Public	63.5	1.8	8.5	3.5	5.6	5.7	2.7
Residential	172.3	1.0	3.8	2.8	3.0	3.6	3.3
Non-residential	351.0	1.9	2.5	3.1	1.7	3.0	3.4
Final domestic demand	2 744.8	1.9	2.5	2.3	1.9	2.6	2.2
Stockbuilding[1]	- 22.6	-0.5	0.1	0.0			
Total domestic demand	2 722.2	1.4	2.6	2.3	1.8	2.6	2.3
Exports of goods and services	1 336.8	4.8	1.6	3.2	3.1	2.4	3.6
Imports of goods and services	1 139.2	5.4	3.9	4.8	4.5	4.6	4.8
Net exports[1]	197.7	0.1	-0.8	-0.4			
Memorandum items							
GDP without working day adjustments	2 915.6	1.7	1.7	1.5			

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 99 database.

StatLink http://dx.doi.org/10.1787/888933369011

on which German manufacturing is specialised, have weakened. Exports to China, which absorb 7% of German merchandise exports, have fallen.

Immigration and higher government spending are boosting domestic demand

Many refugees will start entering the labour market in the second half of 2016, once their asylum requests have been processed. Since they have no German language skills and most lack formal qualifications, many will not find jobs quickly. The government has taken stock of immigrants' skills, expanded training opportunities and facilitated access to the education system. It is planning to ease legal barriers for asylum-seekers to look for a job. In view of the young age of many immigrants, such steps have a high long-term pay-off.

Government spending to receive and integrate immigrants is expected to increase by ¼ per cent of GDP in each of 2016 and 2017. Spending for child benefits, child tax allowances and long-term care benefits will rise by 0.2% of GDP. The child tax allowances have little impact on labour supply or poverty reduction, whereas the child benefit supplement for low-income children reduces poverty risk. Government investment spending for transport infrastructure, broadband networks, energy efficiency, housing, childcare facilities, universities and other research institutions will also increase by 0.2% of GDP. The supply of childcare facilities is progressing, helping to reconcile professional and family lives, but gaps remain, and most primary schools continue to provide teaching only in the morning. The federal government has also made higher transfers to local governments for investment and plans to create a long-distance road infrastructure corporation, to which it has assigned the revenues of road use charges. Most of the additional spending will make economic growth more inclusive.

Domestic demand will be the main driver of growth

Economic growth is projected to remain robust, driven by private household demand and higher government spending. Strong domestic demand will push up consumer prices somewhat, as the impact of low oil prices fades and wages grow more strongly than productivity. Unemployment is expected to rise somewhat. World trade and investment in key trading partners are expected to remain subdued, damping exports. Moreover, the euro has appreciated and strong wage growth will reduce Germany's competitiveness. Strong tax revenue growth and declining debt servicing costs are expected to keep the government budget in surplus, notwithstanding rising spending.

A sharp slowdown of activity in emerging market economies and protracted weak demand in the euro area would weaken exports and investment. Rising geopolitical tensions would affect the export-oriented German economy particularly strongly. An exit of the United Kingdom from the European Union would also increase uncertainty about trade and investment prospects. If they materialise, these risks would spill over to consumer confidence and financial markets. Lower oil prices would boost household consumption and business profitability but could also contribute to global financial market turbulence. The low leverage ratios in systemically important banks could aggravate the consequences of financial market turbulence. On the other hand, steps to implement reforms to complete the Single Market in the European Union and establish a comprehensive banking union in the Euro Area could boost exports and the attractiveness of Germany as a location to invest. Adopting policies to deal with domestic long-term challenges, notably with respect to population ageing and long-term greenhouse gas emission reduction targets, could boost investment in the near term.

GREECE

Growth is projected to turn positive in the second half of 2016, after a deep and prolonged recession, as recovering confidence boosts investment and consumption and improved competitiveness raises exports. Unemployment is still very high, which is causing serious social problems, but is now gradually receding. The huge public debt burden is undermining investment and confidence, making some form of additional debt relief (for example, extending maturities) crucial.

The pace of fiscal consolidation has slowed. This is appropriate given the need for growth and rising fiscal pressures, including from the refugee crisis. The implementation of policies such as the Guaranteed Minimum Income and school meal and housing programmes will reduce poverty and inequality, which rose sharply during the crisis. Fighting tax evasion would increase fairness and raise the revenues needed to deal with social problems. Dealing with the large stock of non-performing loans in banks is a priority to restore the availability of credit for investment.

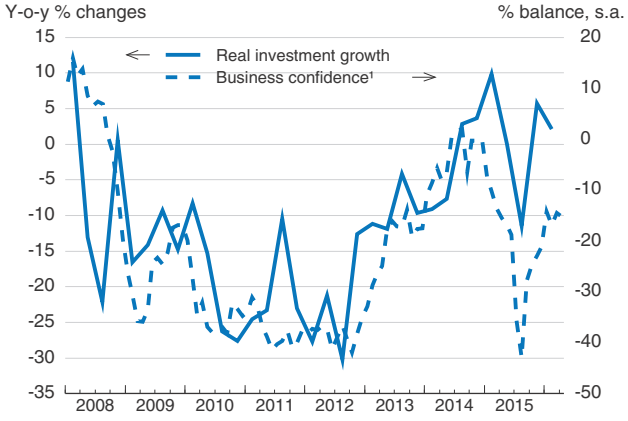
Persistently weak productivity performance accounts for a significant part of the decline in output since the onset of the crisis. The full implementation of structural reforms will boost productivity and growth. Labour market reforms have improved flexibility and thereby productivity. Productivity growth will also be boosted by easing the regulatory burden and barriers to competition further, especially in network industries and protected professions, and increasing the efficiency of bankruptcy procedures.

The economy is recovering gradually from a deep recession

The financing programme agreed with the European Stability Mechanism in August 2015 has reduced uncertainty and, together with the gradual softening of capital controls, boosted confidence and growth. Investment rebounded in the last quarter of 2015. Job creation improved and the high unemployment rate declined further. The inadequate

Greece

Increased confidence spurs investment



Unit labour costs have increased as productivity has fallen since 2014



1. Unweighted average of data for manufacturing industry, construction, trade and business-related services.

Source: OECD Economic Outlook 99 database; and OECD National Accounts Database.

StatLink http://dx.doi.org/10.1787/888933367848

Greece: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	191.4	-3.1	0.7	-0.3	-0.2	1.9
Private consumption	133.7	-2.5	0.7	0.3	-0.1	1.3
Government consumption	41.7	-5.5	-2.4	-0.1	-2.1	-0.8
Gross fixed capital formation	24.0	-9.3	-2.6	0.9	3.6	4.0
Final domestic demand	199.5	-4.0	-0.3	0.3	-0.1	1.2
Stockbuilding[1,2]	0.5	-0.2	1.4	-1.7	-0.3	0.0
Total domestic demand	200.1	-3.7	1.1	-1.2	-0.6	1.2
Exports of goods and services	55.0	1.7	7.4	-3.7	-1.0	5.7
Imports of goods and services	63.7	-2.9	7.8	-6.9	-1.9	3.5
Net exports[1]	- 8.7	1.4	-0.3	1.2	0.3	0.6
Memorandum items						
GDP deflator	_	-2.9	-2.3	-0.6	-0.2	0.5
Harmonised index of consumer prices	_	-0.9	-1.4	-1.1	-0.5	0.0
Private consumption deflator	_	-2.0	-2.8	-1.3	0.1	0.5
Unemployment rate	_	27.5	26.5	24.9	24.0	23.2
General government financial balance[3,4]	_	-13.1	-3.7	-7.3	-1.9	-0.5
General government gross debt[5]	_	182.6	182.9	182.7	185.3	182.3
General government debt, Maastricht definition[3]	_	178.0	180.5	177.4	176.9	172.7
Current account balance[6]	_	-2.0	-2.1	-0.1	-1.6	-0.9

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. Data for 2013 include total government support to financial institutions. Data also include Eurosystem 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.
6. On settlement basis, as a percentage of GDP.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369286

social safety net has been unable to stem the rise in poverty. Inflation was still negative at the end of 2015 due to large spare capacity and falling oil prices.

Despite the recapitalisation of banks last December credit conditions are still sluggish due to large non-performing loans. Due to continuing fiscal consolidation, the primary balance became positive at 0.7% of GDP in 2015, outperforming the target of -0.25% of GDP. Public debt is still very high, however, bearing on investment and confidence.

Policies to reduce poverty and structural reforms are needed for more inclusive growth

The slower pace of consolidation set out in the August agreement is appropriate. The implementation of planned social policies, such as the Guaranteed Minimum Income, would alleviate poverty and help to deal with the high social costs of the crisis. The modernisation of the public employment service and the expansion of active labour market policies would reduce unemployment. Fighting tax evasion and rationalising the pension system will raise revenues to finance these policies.

The full implementation of the structural reforms agreed under the August agreement will significantly boost output over the next decade. Further reforms are needed to shift the economic structure towards exports and the expansion of new enterprises. Easing regulation in network industries will increase competitiveness and enhance exports. Further reducing regulatory procedures and administrative burdens on firms will enhance productivity and investment.

The recovery is expected to gain strength but uncertainty remains high

Output growth is projected to turn positive only in the second half of 2016 but the economy should recover in 2017 as structural reforms spur domestic demand and stronger external demand enhances exports. Increases in VAT will raise headline inflation temporarily in 2016, but inflation will stay negative or close to zero given the large economic slack. Unemployment will continue to decline alleviating poverty further.

Successful negotiations to lower the gross financing needs of the public sector could significantly improve the medium-term outlook by addressing debt sustainability risks. Full and swift implementation of structural reforms would boost confidence and lead to a stronger and faster economic recovery; but slippage in this area will be harmful for growth. Rising global risks such as weaker global trade, low oil prices and weaker growth in China and the euro area would reduce Greek exports. The cost of the refugee crisis, estimated at 0.4% of GDP for 2015, could be higher in 2016.

HUNGARY

Growth is projected to moderate in 2016 due to a temporary contraction in public investment as a new cycle of EU structural funds commences, but should pick up again in 2017. Private demand should remain solid and employment should continue to expand, supported in part by the still large public work schemes. The disappearance of economic slack and the one-off effects of lower energy prices will push up inflation during 2017.

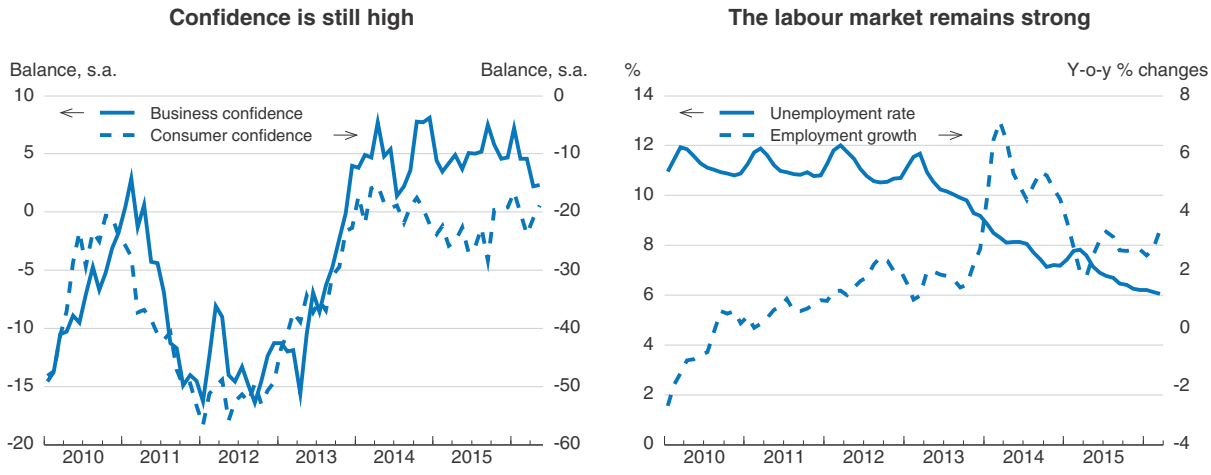
The fiscal stance will be broadly neutral in 2016, but is set to become expansionary in 2017 even though economic slack will largely be eliminated. The public work schemes (which cost ½ per cent of GDP) should be gradually scaled down as employment opportunities in the private labour market expand. With rising inflation, the central bank may need to consider moving towards a more neutral policy stance by end-2017.

Productivity growth has been low since the global financial crisis. Broad structural reforms are needed to secure more competitive firms and an adequately skilled labour force. In particular, red tape should be cut and regulatory impact assessments should be better used to improve transparency, stability and formulation of regulatory policies. The effectiveness of labour market training programmes should be enhanced together with measures to improve vocational training, work-family balance and lifelong learning. A comprehensive SME strategy could increase economic dynamism and inclusiveness.

Growth is driven by domestic demand

The economy contracted in early 2016. A major factor was the slower disbursement of EU structural funds in the beginning of the new funding cycle, which has cut public investment. Business sector investment has also been lacklustre despite an increase in demand, still high business confidence and favourable credit conditions. On the other hand, private consumption has accelerated on the back of rising real incomes and the strength of consumer confidence. Exports in 2015 benefitted from past currency depreciation, but have slowed in line with the deceleration in export markets.

Hungary



Source: Thomson Reuters; Hungarian Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888933367853

Hungary: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices HUF billion	Percentage changes, volume (2005 prices)				
GDP at market prices	28 743.9	2.0	3.6	3.0	1.6	3.1
Private consumption	15 362.6	0.3	1.8	3.0	3.7	3.7
Government consumption	5 755.9	2.4	2.9	0.6	0.2	0.6
Gross fixed capital formation	5 547.7	7.3	11.2	1.9	-1.8	6.9
Final domestic demand	26 666.2	2.2	4.1	2.2	1.6	3.7
Stockbuilding[1]	153.7	-0.6	0.1	-0.3	0.2	0.1
Total domestic demand	26 819.9	1.6	4.2	1.9	1.8	3.8
Exports of goods and services	24 855.5	6.4	7.6	8.4	3.6	5.5
Imports of goods and services	22 931.5	6.3	8.5	7.8	3.7	6.6
Net exports[1]	1 924.0	0.5	-0.2	1.2	0.3	-0.4
Memorandum items						
GDP deflator	_	3.3	3.2	1.7	2.2	2.3
Consumer price index	_	1.7	-0.2	-0.1	0.1	1.7
Private consumption deflator	_	2.1	1.0	0.1	0.2	1.7
Unemployment rate	_	10.1	7.7	6.8	5.8	5.3
General government financial balance[2]	_	-2.6	-2.3	-2.0	-1.9	-2.6
General government gross debt[2]	_	96.1	99.0	97.7	97.1	96.1
General government debt, Maastricht definition[2]	_	76.2	75.7	74.9	74.3	73.3
Current account balance[2]	_	4.0	2.0	4.4	4.9	4.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369296

Employment growth is being mainly driven by the private sector, although the expanding public work schemes continue to be an important factor behind the fall in unemployment. Bottlenecks have started to appear in the labour market and wage growth is increasing. Inflation is hovering around zero as the result of falling energy prices; core inflation, which removes food and energy, is about 1½ per cent.

Macroeconomic policies are supporting growth

The fiscal policy stance is now broadly neutral in 2016, but will become expansionary in 2017 as public investment, public wages and housing subsidies are set to rise. However, in view of tightening cyclical conditions, such an expansion could increase economic tensions. In the first half of 2016, the central bank lowered again its policy rate twice, to 0.9% – a level that the bank judges to be in line with the medium-term achievement of its 3% inflation target, signalling an end to the policy rate cutting cycle.

The central bank's use of unconventional monetary policy is evolving. The funding for growth schemes, which provide liquidity to banks for SME lending, are being phased out during 2016 and replaced by the Market-Based Lending Scheme where the central bank will assume some of the interest rate risks for loans to SMEs, reduce supervisory risk weights on loans to SMEs, and provide credit data for better risk assessments. While support for SMEs may be helpful in raising economic dynamism, reduced risk weights may lead banks

to take on too much risk. With both monetary policy and supervisory responsibilities, the central bank is in a position to monitor these trade-offs closely.

After a pause, growth is expected to accelerate in 2017

For 2016, economic growth is projected to slow temporarily as public investment contracts, reflecting lower disbursement of EU structural funds at the beginning of a new funding cycle. Economic activity is projected to pick up during the course of the year and into 2017. Private consumption is set to expand strongly as real incomes are boosted by higher employment, lower personal income taxes, lower VAT rates on selected products, and a new family housing programme. Exporters are expected to continue to gain market shares, which will raise the current account surplus further. Sustained private employment growth and public work schemes will continue to drive down unemployment. Inflation is projected to edge up, despite the reduction in VAT rates, as the temporary effects of lower energy prices run their course and economic slack diminishes.

If the employment content of growth surprises on the upside, private consumption could accelerate further. Likewise, if the measures to advance infrastructure investment are more effective than envisaged, growth could be stronger in 2016. External risks are mostly negative. A weaker-than-projected recovery in world trade would hurt exports. Financial turmoil in Europe could force the central bank to tighten its policy rate earlier than assumed now. If temporary border controls recently put in place by several countries are maintained, this could hamper the free movement of goods and cross-border labour, hurting Hungarian workers and exporters.

ICELAND

The economy continues its robust expansion, driven by strong private consumption growth, a terms-of-trade boost and a boom in tourism. Large investments in energy-intensive projects and continued strong wage growth are fuelling domestic demand. The capital controls introduced during the financial crisis will begin to be lifted in 2016.

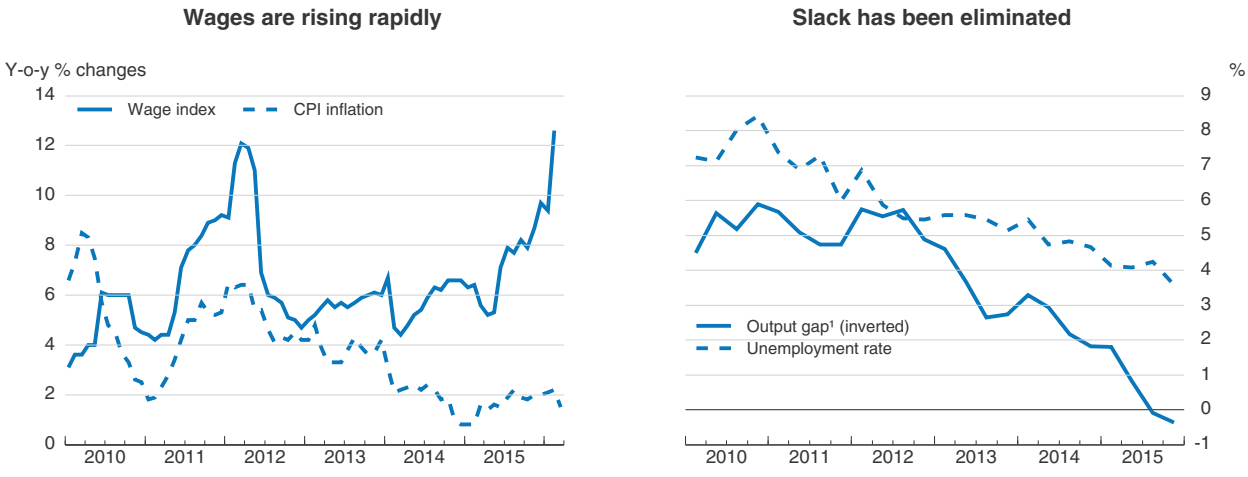
Inflation has been modest in early 2016 at around 2%, and has been held down by exchange rate appreciation and falling energy prices. However, underlying inflationary pressures are strong and monetary policy should therefore remain tight, which will slow growth in 2017. Fiscal policy is eased in 2016, but still targets a primary surplus, which coupled with windfall receipts arising from the lifting of capital controls will bring down government debt.

Labour productivity growth has been negligible since the crisis. In part this reflects a compositional shift towards low-productivity sectors, such as tourism. Toughening competition policy to stop abuse of dominant positions and tacit collusion, and lowering legal barriers to entry would boost productivity growth.

The economy is booming

The economy continues its robust recovery, underpinned by strong private demand, a surge in investment activity and a boom in tourism. Household income continues to benefit from the double digit wage increases awarded in 2015. In March, wage growth accelerated to around 13% relative to a year earlier. These pay rises are far above productivity growth, which remains subdued, and will affect competitiveness. Employment growth has also been robust, bringing the unemployment rate down to just 3.1%. The tourism boom has continued and is supporting construction. In addition, investment in a number of energy-intensive projects is boosting business fixed investment during 2016.

Iceland



1. The output gap is the three-month centred moving average inverted.
Source: OECD Economic Outlook 99 database; and Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888933367863

Iceland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices ISK billion	Percentage changes, volume (2005 prices)				
GDP at market prices	1 777.2	4.4	2.0	4.0	4.4	3.5
Private consumption	948.4	1.0	3.0	4.8	6.1	3.6
Government consumption	436.3	1.0	1.7	1.1	1.1	1.2
Gross fixed capital formation	284.5	2.2	16.0	18.6	15.8	8.0
Final domestic demand	1 669.2	1.2	4.9	6.6	6.8	4.0
Stockbuilding[1]	1.8	0.7	-1.0	-1.1	-1.1	0.0
Total domestic demand	1 671.0	2.1	4.1	5.5	5.7	4.0
Exports of goods and services	1 013.3	6.7	3.1	8.2	6.0	2.5
Imports of goods and services	907.1	0.1	9.8	13.5	9.8	3.5
Net exports[1]	106.2	3.7	-2.9	-2.0	-1.4	-0.3
Memorandum items						
GDP deflator	_	1.8	4.0	5.9	4.8	5.7
Consumer price index	_	3.9	2.0	1.6	2.4	4.1
Private consumption deflator	_	3.1	2.9	0.9	1.7	3.6
Unemployment rate	_	5.4	4.9	4.0	3.3	3.6
General government financial balance[2]	_	-1.8	-0.1	-0.4	0.3	0.5
General government gross debt[2]	_	87.3	83.6	82.9	67.9	65.5
General government net debt[2]	_	27.3	25.8	23.8	21.5	19.1
Current account balance[2]	_	5.7	3.7	4.2	3.9	3.7

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369306

Macroeconomic policies need to tighten

Inflation has remained below the central bank's target of 2½ per cent, reflecting the appreciation of the Krona and the fall in energy prices. Longer-term inflation expectations have begun to stabilise, but some way above the central bank's target. However, considerable inflationary pressure has built up, not least owing to the high wage increases. The central bank needs to prevent a wage-price spiral emerging and establish monetary policy credibility if it is to achieve low and stable inflation. The projections assume that the short term interest rates on 7-day deposits will rise above 6% from the second quarter of 2016.

The budgetary position has improved substantially and a surplus is assumed for 2016 and 2017, although the underlying primary balance will deteriorate somewhat. Substantial windfall receipts, expected to be around 13% of GDP, from agreements with the estates of the failed banks (part of the plan to lift of capital controls) should be used to reduce public debt as planned, thereby reducing high interest payments. Given demand pressures, fiscal policy should tighten to prevent overheating.

Lethargic productivity growth in part reflects the shifting composition of the economy towards tourism, but productivity is generally weak except in fishing and energy-intensive metallurgy. The small size of the economy can limit opportunities. However, a number of artificial barriers and anti-competitive behaviour of incumbents limit competitive

pressures. Reducing barriers to entry and enforcing competition policy robustly to prevent abuse of dominant position or tacit collusion would boost productivity.

Output growth will remain robust with risks of overheating

Robust income growth and investment will support the economy in 2016. Maintaining a relatively tight monetary policy combined with the moderation of investments in energy-intensive projects will eventually begin to slow the economy and slacken employment growth, edging up the unemployment rate. However, wage increases remain particularly strong and the danger of a wage-price spiral is acute. In an election year it is imperative for macroeconomic policy to remain tight. Fiscal policy needs to resist calls for relaxation when the large windfall receipts from reaching agreements with bank resolution committees are received.

INDIA

Economic growth is projected to remain strong, hovering around 7.5%. Private consumption will be boosted by expected large increases in public wages and declining inflation. Investment will pick up gradually as excess capacity fades, deleveraging continues for corporations and banks, and infrastructure projects mature.

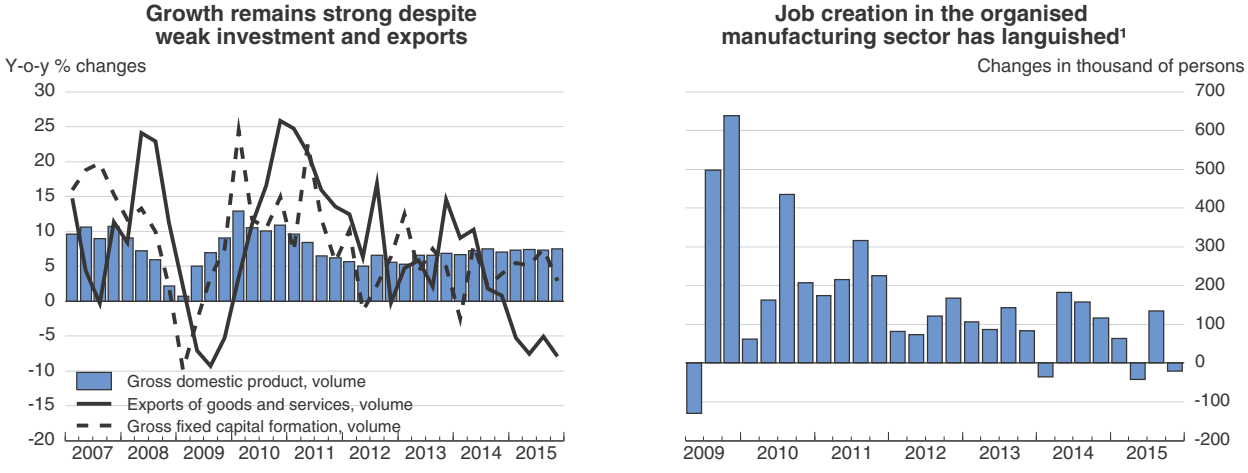
Inflation is above the long-term target and public debt is high, leaving little room for accommodative policies. However, some monetary impulse is to come as recent cuts in policy rates are passed on to consumers and investors. The renewed commitment for fiscal consolidation is welcome but the quality of public finances should be improved by increasing tax revenue and tilting the spending mix towards physical and social infrastructure. Creating more and better quality jobs is the key to inclusive growth and requires modernising labour laws and making further progress in the ease of doing business.

Improving productivity is essential for India's GDP per capita to catch up with higher-income countries. In the agriculture sector, which still absorbs about half of total employment, this would require farm consolidation and mechanisation as well as better storage and transport infrastructure. In the manufacturing sector, labour and product market regulations should be reformed to enable firms to expand to an efficient size. Providing better access to quality health and education systems is also key, both to raise productivity and to ensure its fruits are spread more equitably.

India remains one of the fastest growing countries

Private consumption in urban areas has been buoyed by prospects of higher public wages and pensions combined with declining inflation. Government investment and consumption have been strong. However, demand in rural areas has suffered from two consecutive years of bad weather. Moreover, private investment has failed to pick up,

India



1. Job creation in enterprises with at least 10 employees in 8 industries (textiles including apparels; leather; metals; automobiles; gems and jewellery; transport; information technology or business process outsourcing; and handloom and powerloom).

Source: OECD Economic Outlook 99 database; and Government of India, Labour Bureau.

StatLink http://dx.doi.org/10.1787/888933367876

India: **Macroeconomic indicators**

	2012	2013	2014	2015	2016	2017
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	99.5	6.6	7.2	7.4	7.4	7.5
Private consumption	56.7	6.8	6.2	6.2	8.3	8.5
Government consumption	10.6	0.4	12.8	4.3	5.8	5.4
Gross fixed capital formation	33.2	3.4	4.9	4.9	4.5	7.1
Final domestic demand	100.5	5.0	6.5	5.6	6.9	7.7
Stockbuilding[1]	5.7	-0.1	0.1	0.0	0.0	0.0
Total domestic demand	106.2	2.0	6.9	7.3	7.4	7.7
Exports of goods and services	24.4	7.8	1.7	-6.0	-0.7	2.8
Imports of goods and services	31.1	-8.2	0.8	-5.6	-0.1	4.1
Net exports[1]	- 6.7	4.5	0.2	0.0	-0.1	-0.3
Memorandum items						
GDP deflator	_	6.2	3.3	1.0	3.8	4.2
Consumer price index	_	9.5	6.4	4.9	5.0	4.6
Wholesale price index (WPI)[2]	_	6.0	2.0	-2.5	1.1	3.0
General government financial balance[3,4]	_	-6.6	-6.9	-6.4	-6.1	-5.8
Current account balance[3]	_	-1.7	-1.3	-1.2	-1.3	-1.4

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.
4. Gross fiscal balance for central and state governments.

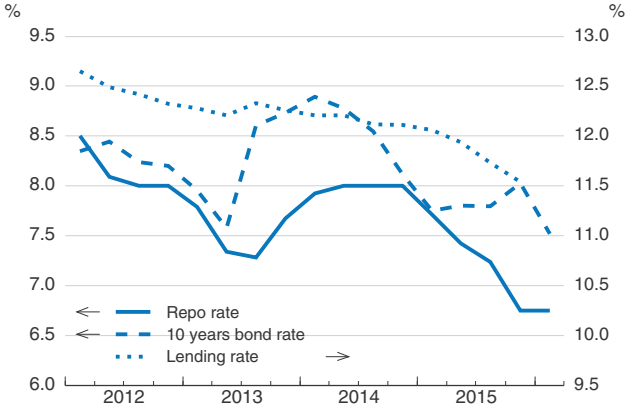
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369492

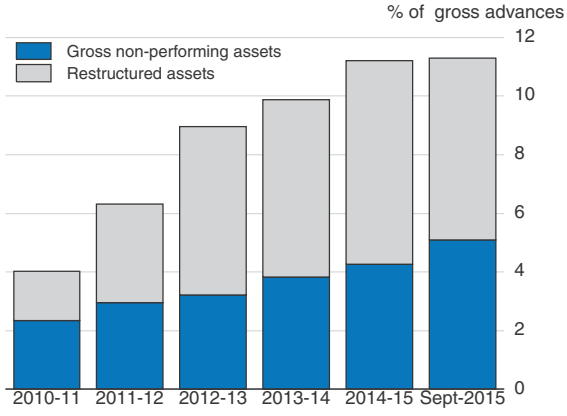
reflecting low capacity utilisation rates, the weak financial position of some corporations and high non-performing loans in public banks. While the government has succeeded in fast-tracking public infrastructure projects, stalled investment projects have again risen to more than 8% of GDP, with the private sector accounting for the bulk of the delays.

India

Cuts in policy rates will gradually drive down lending rates



Banks' distressed assets have risen



Source: Reserve Bank of India.

StatLink http://dx.doi.org/10.1787/888933367886

Acquiring land and getting clearances remain difficult. Inflation has remained contained, helped by subdued commodity prices, active management of food stocks to avoid spikes in food prices and still low capacity utilisation in the industrial sector.

Job creation in the organised sector (enterprises with 10 or more employees) has been slow, leaving most workers in the unorganised sector, with little job protection, training opportunities and social coverage as well as much lower compensation. The participation rate of women is low and when women work, they tend to have marginal jobs. Despite equal pay laws, gender wage gaps are large. Overall, almost half of total employment remains in the agriculture sector while manufacturing employment is concentrated in small enterprises. This employment pattern weighs on labour productivity.

External vulnerabilities remain relatively low. The decline in merchandise imports, driven by subdued commodity prices and weak business investment, has contributed to keeping the current account deficit at about 1½ per cent of GDP. Exports have been weak but net foreign direct investment has rebounded and more than fully financed the current account deficit in 2015.

Macroeconomic policies have improved but structural reforms lag behind

CPI inflation stood at 4.9% in FY 2015-16, allowing the Reserve Bank to cut again policy rates in April 2016. However, there is little room left for further cuts as inflation expectations remain stubbornly high and the 4% CPI inflation target over the medium term is, in historical terms, ambitious. Recent measures to improve monetary policy transmission should gradually be reflected in lower lending rates, supporting the economy.

High ratios of public debt and deficits to GDP do not leave much room for fiscal policy to support growth. The large increase in public wages and pensions, recommended by the 7th Pay Commission, and the need to recapitalise banks and clean up balance sheets of states' power distribution companies, are likely to put the public finances under strain. To finance much-needed social and physical infrastructure programmes, there is scope to raise more revenue from personal income and property taxes and to further rationalise subsidy programmes. Efforts to recognise stressed assets, to clean up banks' balance sheets and to avoid a future build-up of bad loans are necessary for investment to revive, although they may have a negative impact in the short run. The Insolvency and Bankruptcy Code passed in May 2016, which replaces multiple laws dealing with insolvency and sets a time limit for the resolution of insolvency, is a welcome step.

The lack of a majority in the upper chamber of parliament has made it difficult to pass some of the long-awaited structural reforms, including the unified value added tax (GST), land acquisition reform and labour laws. Such measures are urgently needed to boost productivity and employment in the manufacturing sector, which has remained under-developed compared to other emerging market economies. Meeting the aspirations of a rapidly growing working-age population, still largely rural, will also require training programmes and specific support to populations at risk.

Some states have taken advantage of the new federalism framework to modernise regulations and improve the ease of doing business. Evaluating the impact of states' reforms and sharing best practices across states would support the reform process.

Domestic demand will remain buoyant

Private consumption will remain the main source of demand. The return to normal weather conditions after two years of poor monsoon should support agriculture production and consumption in rural areas. Buoyant private consumption should gradually spur more private investment to meet that demand. Inflation will continue to decline, as the effectiveness and credibility of monetary policy strengthen and weather conditions improve.

The economy could grow faster and create more and better quality employment if parliament passed key reforms, including the GST, land acquisition and labour laws. Financial risks could undermine growth prospects. Some corporations are highly leveraged, with large unhedged foreign positions. Non-performing assets and restructured loans are weighing on public banks' ability to extend loans and finance investment projects. India could also suffer from more volatile capital flows, exchange rates and financial markets. However, external vulnerabilities have declined as the current account deficit has narrowed, FDI has rebounded and external reserves have increased.

INDONESIA

GDP growth is set to strengthen in coming quarters. The government's plan to ramp up infrastructure spending has now gained traction, boosting confidence. In addition, the central bank has eased rates over three consecutive months. As a result, both private consumption and investment are showing signs of picking up. However, external demand remains weak.

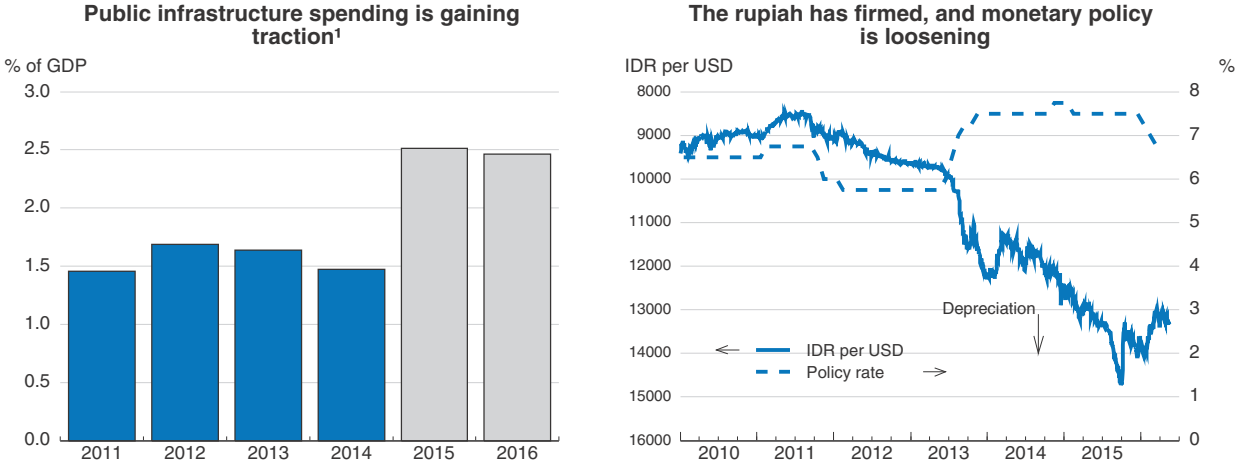
The government has recently released a series of reform packages to streamline investment, liberalise FDI and improve the business climate. There should be scope for further interest rate cuts in the medium term, as inflation should remain subdued and the exchange rate firm. However, the fiscal balance could deteriorate owing to lower commodity prices, which, in light of the 3% of GDP deficit ceiling, may constrain future public spending.

Although in line with its stage of development, productivity levels are low in Indonesia. More needs to be done to facilitate the transformation of the economy away from low-productivity sectors, such as agriculture, and towards manufacturing and services. Infrastructure bottlenecks, impediments to foreign investment and inflexible labour market regulations are barriers to greater participation in global value chains. Regulatory uncertainty, related to overlapping central and regional jurisdictions, is also restraining private investment.

Activity has been muted by weak external conditions and impaired confidence

Growth has been weak in recent quarters, with low prices for Indonesia's commodity exports and limited demand from major trading partners putting a damper on economic activity. Private consumption and business investment have both been soft. Moreover, the fragile currency and above-target inflation previously prevented monetary policy from becoming more expansionary.

Indonesia



1. 2015 and 2016 are OECD estimates.

Source: Statistics Indonesia (BPS); Ministry of finance of Indonesia; and Bank Indonesia.

StatLink http://dx.doi.org/10.1787/888933367891

Indonesia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices IDR trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	8 615.7	5.6	5.0	4.8	5.2	5.9
Private consumption	4 858.3	5.5	5.3	4.8	5.1	5.4
Government consumption	796.8	6.7	1.2	5.4	5.4	5.0
Gross fixed capital formation	2 819.0	5.0	4.6	5.1	6.8	7.7
Final domestic demand	8 474.2	5.4	4.7	5.0	5.7	6.1
Stockbuilding[1]	175.5	-0.3	0.8	-0.9	-0.3	0.0
Total domestic demand	8 649.7	5.0	5.4	3.9	5.4	6.2
Exports of goods and services	2 119.0	4.2	1.0	-2.0	0.1	3.5
Imports of goods and services	2 152.9	1.9	2.2	-5.8	0.6	4.7
Net exports[1]	- 34.0	0.6	-0.3	0.9	-0.1	-0.2
Memorandum items						
GDP deflator	_	5.0	5.4	4.2	3.3	5.3
Consumer price index	_	6.4	6.4	6.4	4.4	4.9
Private consumption deflator	_	5.9	5.7	4.0	3.5	4.7
General government financial balance[2]	_	-2.4	-2.5	-2.3	-2.5	-2.8
Current account balance[2]	_	-3.1	-3.1	-2.1	-2.2	-2.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369501

Macroeconomic policies are accommodative

Bank Indonesia has cut interest rates three months in a row, to 6.75%. Inflation has fallen to 4.5%, within the target range of 4±1%. In contrast with the trend depreciation over the past several years, the rupiah has staged a recent rebound against the dollar, appreciating by about 5%.

Spending on infrastructure is increasing after the government created significant fiscal space by abolishing fossil fuel subsidies. Nevertheless, revenue shortfalls are now emerging, largely related to low commodity prices, and the deficit is in danger of the breaching the 3% of GDP limit. To forestall this possibility, the government has recently announced plans to revise the 2016 budget and cut expenditure. But to ensure the fiscal resources for critical policies needed for long-term growth, including a broader social safety net to ensure growth is widely spread, the government needs to step up efforts to improve tax collection.

Structural reforms to improve the business environment are welcome

The government has recently released a series of welcome reform packages, which have focused on improving the business climate, including by removing impediments to foreign investment. It has also recently committed to providing guarantees for private participation in 30 high-priority infrastructure projects and substantially reformed special economic zones. As well as taking measures to boost revenues, there is ample scope to improve public spending efficiency, thereby making room for expanding inclusive social programmes.

Productivity should benefit from these recent reforms, although more needs to be done to make the labour market more flexible, especially in light of the need to bring more workers out of the large informal sector into the formal sector, where jobs are better. Regulatory uncertainty related to overlapping central and regional jurisdictions is also holding back private sector investment as well as weakening enforcement of environmental regulations. This risks a recurrence of 2015's devastating forest fires.

Growth is set to firm, but external uncertainties could temper confidence

GDP growth is expected to pick up over the course of 2016 and firm further in 2017. Despite continuing weak external conditions, with government investment gathering pace, inflation moderating and the rupiah firming, confidence is returning. Motor vehicle sales are starting to turn around, credit growth is picking up, and business sentiment has also started to recover, pointing to stronger consumption and a rebound in business investment.

If external conditions worsen significantly, especially in major export markets like China, and the current balance deteriorates further, the exchange rate may come under renewed pressure, and the monetary authorities would have to delay further interest rate cuts. If oil and other commodity prices fall further and budget revenues continue to weaken, the government could hit the 3% of GDP deficit ceiling and be forced to pull back on infrastructure spending. If the shift from public to private participation in infrastructure investment does not happen, activity will weaken and confidence would suffer. Given Indonesia's exposure to external sources of funding, volatility in financial markets also poses a risk.

IRELAND

The Irish economy is projected to continue its robust expansion in 2016 and 2017. Both exports and business investment, which surged due to temporary impetus by multinational enterprises, will moderate but remain solid. Activity in the domestic sector will remain firm and employment will grow steadily. Wage growth will be strong as the labour market tightens. Household consumption will be solid, supported by labour earnings growth and tax cuts.

The government is assumed to remain on track towards its medium-term goal of balancing the budget. The overall balance is projected to improve, but owing largely to cyclical conditions. Strong revenue growth and low interest costs should be primarily used for a more rapid reduction of still high public debt. Structural reforms should prioritise getting more people back into work by enhancing activation policy, which would spread the benefits of increased prosperity widely across society.

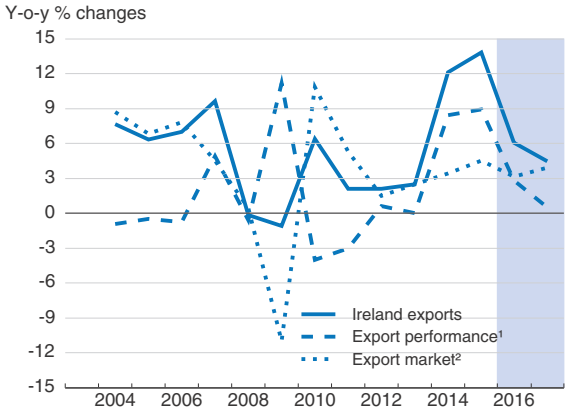
Productivity growth has been trending down for some time, in association with a slowdown in knowledge-based capital (KBC) investment. The recent surge in KBC investment by multinational enterprises will lift productivity growth. However, the diffusion of innovation to smaller, national firms is likely to be limited by the weak linkages with multinationals. Public support to business R&D, which is skewed towards R&D tax credits, should be rebalanced towards more direct support for domestic SMEs.

Growth has become broad-based, lifted also by temporary impetus

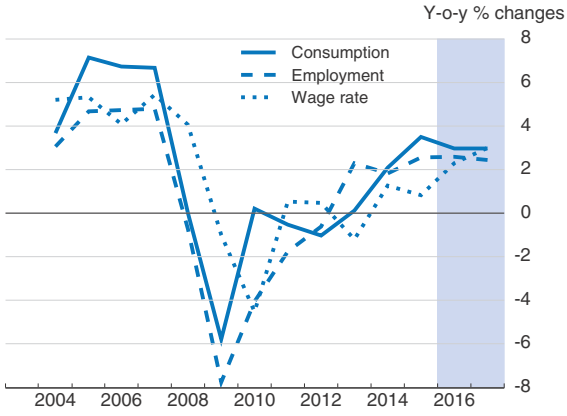
The strength of the Irish economy has become broad-based. The unusually strong expansion in 2015 was driven by multinational enterprises, but activity in the domestic sector also gained ground. Both business investment (even excluding multinationals) and employment have grown solidly. The unemployment rate fell to 9%, although the

Ireland

Exports will converge to export market growth



Labour earnings support household consumption



1. Export performance is a ratio of the country's total real exports to a weighted sum of the total real imports of its trade partners, with weights reflecting the share of the country's exports to a particular trade partner in its total exports.
2. Export market is a weighted sum of the total real imports of country's trade partners, with weights reflecting the share of the country's exports to a particular trade partner in its total exports.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367901

Ireland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2013 prices)				
GDP at market prices	174.8	1.4	5.2	7.8	5.0	3.4
Private consumption	79.3	0.1	2.1	3.5	3.0	3.0
Government consumption	31.2	-0.1	4.0	0.0	1.6	2.1
Gross fixed capital formation	33.3	-6.2	14.1	28.2	10.7	4.3
Final domestic demand	143.8	-1.5	5.2	8.6	4.9	3.2
Stockbuilding[1]	1.0	0.3	0.5	0.6	0.0	0.0
Total domestic demand	144.8	-1.2	5.6	9.2	4.8	3.2
Exports of goods and services	187.4	2.5	12.1	13.8	6.0	4.5
Imports of goods and services	157.4	0.0	14.7	16.4	6.9	4.5
Net exports[1]	30.0	2.7	0.1	0.1	0.4	0.9
Memorandum items						
GDP deflator	_	1.2	0.1	5.3	2.9	2.5
Harmonised index of consumer prices	_	0.5	0.3	0.0	0.3	2.2
Private consumption deflator	_	1.6	1.7	0.4	0.8	2.0
Unemployment rate	_	13.0	11.3	9.4	8.2	7.6
General government financial balance[2,3]	_	-5.7	-3.8	-2.3	-0.7	-0.3
General government gross debt[2]	_	134.6	126.5	115.9	111.0	108.7
General government debt, Maastricht definition[2]	_	120.0	107.6	93.8	88.9	86.6
Current account balance[2]	_	3.1	3.6	4.5	4.6	5.0

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369317

employment rate remains still low. Private consumption grew strongly in 2015, reflecting the strong momentum of household disposable income, driven by employment gains, income tax cuts and low energy prices.

Policy should aim to make growth sustainable and inclusive

Financial conditions have improved on the back of monetary easing by the European Central Bank. The full return to normal credit supply is, however, hindered by the persistence of non-performing bank loans. The lending interest rates for SMEs remain among the highest in the euro area. New lending, although accelerating, is still outpaced by debt repayment in both the non-financial corporate and household sectors. The rise in property prices has been tempered, thanks to macro-prudential measures, but very low interest rates and housing supply shortages risk boosting prices again.

Fiscal policy is projected to be somewhat less contractionary than in past years, reflecting higher expenditures planned by the authorities, including a fiscal package of 1.5 billion euros for 2016. Nevertheless, most of the improvement will reflect stronger output growth, which raises taxes and reduces certain spending. Given the vigorous expansion, the government should avoid more fiscal stimulus than currently planned in order to prevent overheating pressures. Structural reforms should prioritise getting more people back into work by enhancing the efficiency of public employment services so that growth can become more sustainable.

The economy will expand robustly but risks are significant

The economy is projected to expand solidly, but with tightening capacity pushing up inflation. Exports will increase in line with demand of trading partners. Business investment should grow solidly given improved profitability prospects, although tight credit conditions will continue to exert a drag. Employment will grow steadily while labour force participation will rise. Wage growth is projected to become stronger as the labour market tightens. Household consumption will be solid as labour earnings grow further, although debt repayment is likely to keep its momentum in check.

Wage growth may turn out to be much stronger than projected, lifting demand in the short run but fuelling further inflationary pressures and eroding competitiveness. Fiscal policy may prove more expansionary than assumed, as there will be a temptation to spend the extra revenue that very high growth will bring. This would also fuel demand pressures. The potential exit of the United Kingdom from the European Union would significantly affect the Irish economy. Irish exports to the United Kingdom, accounting for 20% of its overall exports, would be particularly sensitive to any raising of trade barriers or a sharp depreciation of sterling.

ISRAEL*

Growth is projected to remain at 2½ per cent in 2016 before rising to 3% in 2017. An expansionary budget and continuing low interest rates and oil prices should support domestic demand and employment. Exports have been very weak of late but should pick up with a gradual strengthening of foreign demand, albeit damped by the shekel's appreciation.

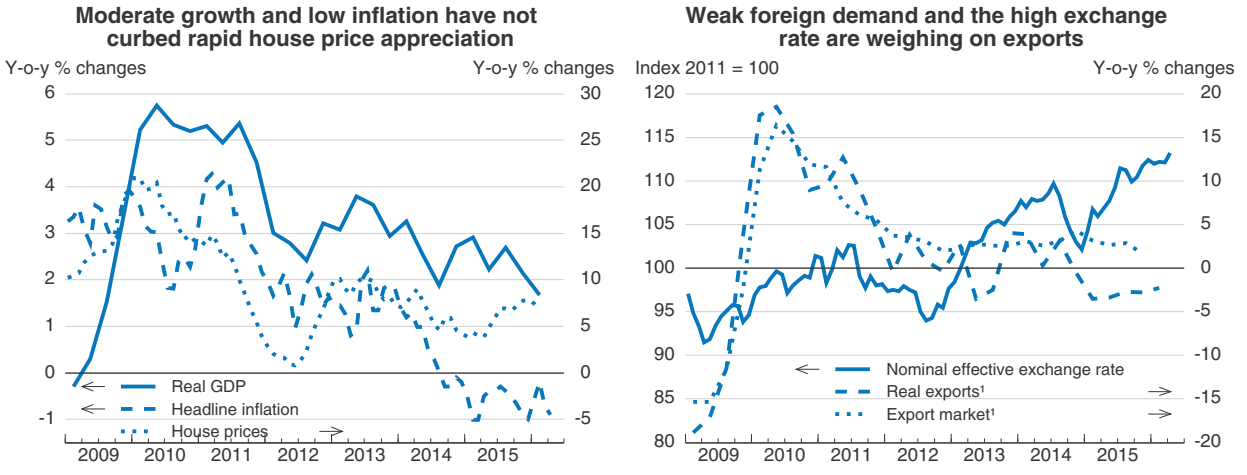
Given very low inflation and highly expansionary global monetary policies, continuing the current accommodative domestic monetary policy is desirable to prevent currency appreciation. Persisting tension on the property market still needs close monitoring by the authorities. Tax cuts and increased government spending in 2016 will boost the economy in the short term but will also complicate attaining the public debt reduction objective in the medium term.

The catching-up process and social cohesion could be enhanced by stronger productivity in sheltered sectors, which often have a low-skilled workforce. Current efforts to stimulate competition in these sectors, especially agriculture and banking, are most welcome and should be pursued to increase purchasing power. Improvements in public transport and a more effective education system to facilitate the integration of under-privileged groups into the labour market would also increase the efficiency of the economy and public well-being.

The weak external environment continues to weigh on growth

After a jump in late 2015, growth slowed sharply at the beginning of 2016. The combination of weak external demand and a high exchange rate hit exports, which had

Israel



1. Of goods and services.

Source: Central Bureau of Statistics; OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367914

* 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	2.4	3.1
Private consumption	555.2	4.1	3.6	4.8	4.2	3.3
Government consumption	222.8	4.1	3.3	2.9	3.5	1.6
Gross fixed capital formation	206.1	3.7	-2.1	-1.0	8.5	4.2
Final domestic demand	984.2	4.0	2.4	3.2	4.9	3.1
Stockbuilding[1]	4.1	-0.4	0.5	0.6	0.0	0.0
Total domestic demand	988.3	3.6	2.9	3.7	4.8	3.0
Exports of goods and services	369.0	0.1	1.7	-3.1	0.2	4.2
Imports of goods and services	356.2	0.5	3.0	0.7	7.0	4.2
Net exports[1]	12.8	-0.1	-0.4	-1.2	-1.9	0.1
Memorandum items						
GDP deflator	_	2.1	1.0	2.6	1.9	1.2
Consumer price index	_	1.6	0.5	-0.6	-0.2	0.8
Private consumption deflator	_	1.5	0.5	-0.6	0.0	0.9
Unemployment rate[2]	_	6.3	5.9	5.2	5.4	5.4
General government financial balance[3,4]	_	-4.2	-3.5	-2.9	-3.8	-3.7
General government gross debt[3]	_	67.2	66.7	64.8	65.1	65.8
Current account balance[3]	_	3.2	3.7	4.4	3.3	3.3

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.
4. Excluding Bank of Israel profits and the implicit costs of CPI-indexed government bonds.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369327

recovered somewhat at the end of 2015. Following the pattern of recent years, the main economic driver remains consumer spending, buoyed by increased employment and real wages, supported by higher minimum wages, and low interest rates. With easy access to credit, businesses increased their investmentin late 2015 and early 2016. Strong housing construction benefitted from government support. Unemployment remains low, at around 5¼ per cent, and prices continue to decline, under the impact of falling costs of imports and oil and cuts in VAT and some public tariffs. While confortable at 4½ per cent of GDP in 2015, the current account surplus declined at the beginning of 2016.

The lack of macroeconomic leeway highlights the need for structural reform

The Bank of Israel has kept its policy interest rate at 0.10% since March 2015 and has continued to intervene on the currency market. Since the end of 2015, it has incorporated forward guidance on monetary policy into its communication, according to which policy is set to remain accommodating for a considerable time. Despite having stabilised in recent months, the shekel has appreciated by over 5% in effective terms compared to the first quarter of 2015. Long-term interest rates remain low, while property prices have risen by 7% year on year.

The public deficit fell to 2.1% of GDP in 2015, but is expected rise to 2.9% of GDP in 2016, which will support growth. Lower business taxes and increased public spending, especially

on welfare and housing, will make the economy more inclusive. As of 2017, however, it would be appropriate to resume the public debt reduction strategy. On a structural level, the steps taken to open the agricultural and food sector to imports and the banking sector to new competitors will generate benefits in terms of higher productivity and wages, and will help reduce the cost of living. Social cohesion, employment and productivity would also be encouraged by a better public transport network and improved training for underprivileged groups, currently poorly integrated into the labour market.

The economy should pick up gradually

Domestic demand is projected to remain the main driver of growth. Accommodative monetary policy, the fiscal easing in 2016 and low oil prices should sustain consumption spending, while investment should continue to benefit from new project launches in the technology sector and government measures to stimulate house building. External demand is set to recover only slowly, as the high exchange rate holds back exports. Thereafter growth could gradually pick up to reach its potential in 2017, but some economic slack will persist. In these conditions, unemployment will stay low, as will inflation, which will rise only slowly.

Global economic prospects, notably in China and Europe, remain volatile and external developments could have a large effect on the Israeli economy. The strong rise in housing prices, despite the authorities' efforts to reverse the trend, is also adding to the risks and to pressure on monetary policy. And failure to find a solution to the problems in developing Leviathan, the offshore gas field, would also hit the Israeli economy, especially if global energy prices rebound.

ITALY

GDP growth is expected to reach 1% in 2016 and 1.4% in 2017. Private consumption continues to be the main driver of the recovery. Employment growth has temporarily slowed but real income gains and pent-up demand are supporting household spending. Investment is turning around, providing some support to domestic demand, but constraints on the availability of bank credit still impede a faster investment recovery.

The government has reiterated its commitment to fiscal consolidation, but at a gradual pace, and to the structural reform programme. To generate the fiscal space for a much needed increase in public investment and avert the hike in indirect taxes programmed for 2017, it plans to use EU budget flexibility rules and to contain public spending. ECB monetary policy support and gradual fiscal consolidation have stabilised the debt-to-GDP ratio, which should start decreasing in 2017.

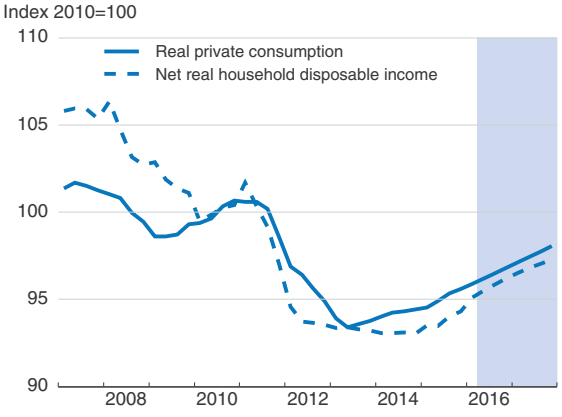
The collapse of investment in the wake of the crisis has exacerbated a long-standing labour productivity slowdown. Policy priorities to raise productivity involve speeding up the resolution of banks' non-performing loans, improving the selection process and execution of public infrastructure projects, raising public administration efficiency, and enhancing business dynamism and innovation.

The recovery continues to rely on private demand

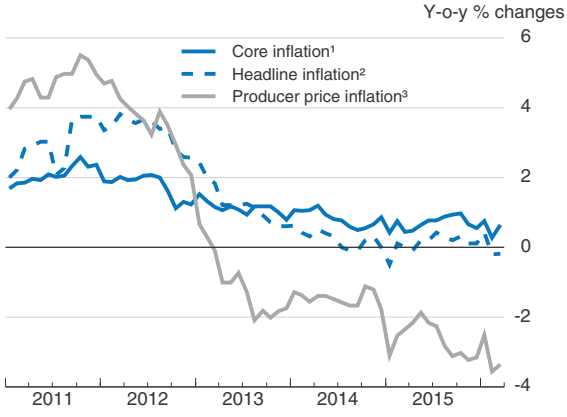
Consumer and business confidence have retreated from their post-crisis peaks but remain high. Net real household income gains, driven by rising nominal income, low inflation and fiscal measures, along with pent-up demand, especially for transport vehicles and other durable goods, are sustaining private consumption despite the recent slowdown in employment growth. Producer price deflation, mainly due to declining prices of energy

Italy

Real household purchasing power is driving private consumption higher



Price inflation remains low



1. All items less food, energy, alcohol and tobacco.
2. Headline refers to the harmonised index of consumer prices.
3. Industry (excluding construction).

Source: OECD Economic Outlook 99 database and ISTAT.

StatLink http://dx.doi.org/10.1787/888933367929

Italy: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment[1]	-1.8	0.1	0.6	0.6	0.9
Unemployment rate[1,2]	12.1	12.6	11.9	11.3	10.8
Compensation of employee[3]	0.8	0.2	0.9	0.9	1.0
Unit labour cost	0.8	0.7	1.1	0.9	0.4
Household disposable income	0.4	0.1	0.9	1.9	2.0
GDP deflator	1.2	0.8	0.8	0.7	0.9
Harmonised index of consumer prices	1.2	0.2	0.1	0.2	0.9
Core harmonised index of consumer prices[4]	1.2	0.7	0.7	0.8	0.9
Private consumption deflator	1.2	0.2	0.1	0.2	0.8

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 99 database.

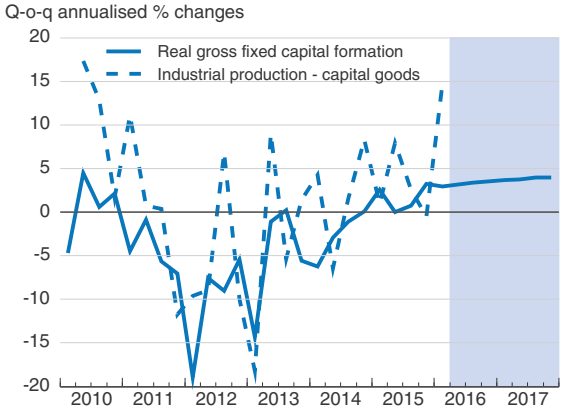
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and petroleum-based products, weak inflation expectations and still large spare capacity are exerting downward pressures on consumer price inflation.

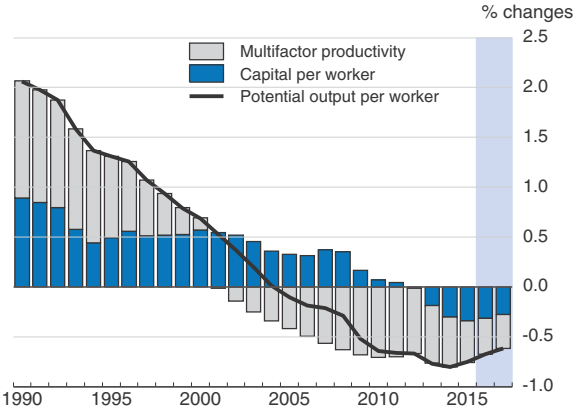
After a slowdown in late 2015, the recovery is set to regain strength, driven by private consumption and, to a lesser extent, by a moderate investment recovery. Industrial production is trending up, with recent gains attributable to a large extent to capital and consumer durable goods. The increase in capital goods production and the trough reached in the construction sector indicate that investment may finally be turning around. However, bank credit supply constraints, along with uncertainty about future demand conditions, hinder a strong recovery of investment. The government is paving the way to create a secondary market for non-performing loans and improve banks' balance sheets,

Italy

The rise in the production of capital goods anticipates a gradual investment recovery



Low capital accumulation and technical progress are slowing labour productivity growth



Source: OECD Economic Outlook 99 database; and ISTAT.

StatLink http://dx.doi.org/10.1787/888933367938

Italy: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	3.5	3.0	2.9	3.3	3.1
General government financial balance[2]	-2.9	-3.0	-2.6	-2.3	-2.0
General government gross debt[2]	145.5	159.1	160.2	160.3	159.4
General government debt, Maastricht definition[2]	129.0	132.4	132.8	132.8	131.9
Current account balance[2]	0.9	1.8	2.2	2.1	2.2
Short-term interest rate[3]	0.2	0.2	0.0	-0.2	-0.3
Long-term interest rate[4]	4.3	2.9	1.7	1.5	1.5

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369061

an important precondition to raise credit supply and investment. Sluggish external demand has been holding back export growth, while robust private consumption has been sustaining import growth.

Boosting productivity is key to propelling output growth

The budget deficit declined to 2.6% of GDP in 2015 and is projected to decrease further, largely as a result of the cyclical recovery and low interest rates. The government plans to contain public spending and fully use the flexibility available under EU deficit rules, equivalent to about 0.8% of GDP, to raise public investment, slightly lower taxes and avert a hike in indirect taxes previously programmed for 2017. Rationalising and reducing public spending is a priority, but it will depend in part on raising public-administration efficiency. Permanently lowering social security contributions, especially for those on low salaries,

Italy: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	1 612.9	0.6	1.0	1.4	1.1	1.2	1.3
Private consumption	989.5	0.9	1.3	1.3	1.3	1.3	1.3
Government consumption	312.6	-0.7	0.6	-0.2	-0.2	0.1	-0.5
Gross fixed investment	267.9	0.6	2.7	3.7	1.6	3.3	3.9
Final domestic demand	1 569.9	0.5	1.4	1.4	1.0	1.4	1.4
Stockbuilding[1]	- 3.8	0.5	-0.2	0.0			
Total domestic demand	1 566.1	1.0	1.2	1.4	1.7	1.4	1.4
Exports of goods and services	476.1	4.1	2.1	3.8	2.6	2.8	4.1
Imports of goods and services	429.3	5.8	3.2	4.3	5.4	3.6	4.7
Net exports[1]	46.8	-0.3	-0.2	0.0			

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 99 database.

StatLink http://dx.doi.org/10.1787/888933369077

coupled with effective active labour market policies, and shifting the tax burden towards consumption and real estate, based on updated cadastral value, would lay the foundations for a stronger and more equitable growth.

Progress on the structural reform programme is contributing to strengthening long-term growth prospects, but more needs to be done to boost productivity and inclusiveness. The National Agency for Active Labour Market Polices, established under the Jobs Act to coordinate and evaluate activation policies, will be key to bringing more people into good jobs and reduce job-skill mismatch – but it has yet to become operational. Reducing youth unemployment, which is still high, will hinge on better coordinating education and labour market policies. Fully and rapidly implementing the Good School reform and the Jobs Act would be meaningful steps in the right direction. Strengthening the provision of good quality care for children and the elderly would remove barriers keeping women from fully participating in the labour market.

Raising the efficiency of the public administration would contribute to higher aggregate productivity. The ongoing, but only partly approved, public administration reform will introduce a more performance-oriented human resource system, rationalise enterprises owned by local authorities, set time limits for administrative procedures concerning large investment projects, and extend the access to public services by electronic means. However, implementation will be crucial. Continuing the efforts to accelerate judicial proceedings is critical as lengthy trials undermine the rule of law and reduce investment.

Boosting the quantity and quality of public and private investment will be crucial to make the recovery sustainable. Implementing the new public procurement code for construction works, improving and accelerating project selection and execution, and vigorously fighting corruption will enhance the quality of public capital spending. The government has recently approved a decree to shorten the process of debt recovery for new loans and existing ones – if both parties agree. Further steps in reforming bankruptcy procedures might be needed to complement the measures already taken.

Growth is expected to regain momentum

GDP growth is projected to rise to 1% this year and 1.4% next year. Rising real household disposable income and improving labour market conditions will buttress private spending. Gross fixed capital formation will continue its gradual recovery and modestly accelerate in 2017. Robust internal demand will result in imports growing faster than exports. Inflation will remain low, reflecting continued product and labour market slack.

The recovery of investment will depend on the effects of the government's initiatives to remove bad loans from banks' balance sheets and create a secondary market for them. A faster recovery than anticipated of main trading partners would boost exports and growth. Geopolitical uncertainties in the Mediterranean region remain high; the refugee crisis and the costs it entails will depend on how they evolve. Delays in implementing the ambitious public investment programme and sufficiently cut public expenditure to avoid the hike in indirect taxes, for which Italy successfully invoked EU budget flexibility rules, would slow the recovery and worsen the fiscal position. The event of Brexit and renewed financial market turmoil in the euro area could raise risk spreads, and debt financing costs, requiring more fiscal restraint. Private consumption growth could be lower than projected if the reduction in social-security-contribution exemptions affects employment growth more than expected.

JAPAN

Output growth has been slowed by a drop in demand from China and other Asian countries and by sluggish private consumption. Growth is projected to be around 0.7% in 2016 and 0.4% in 2017, as labour and capacity shortages and record-high corporate profits support business investment, employment and wages. The impact of the consumption tax hike planned for 2017 is expected to be partially offset by a pick-up in exports.

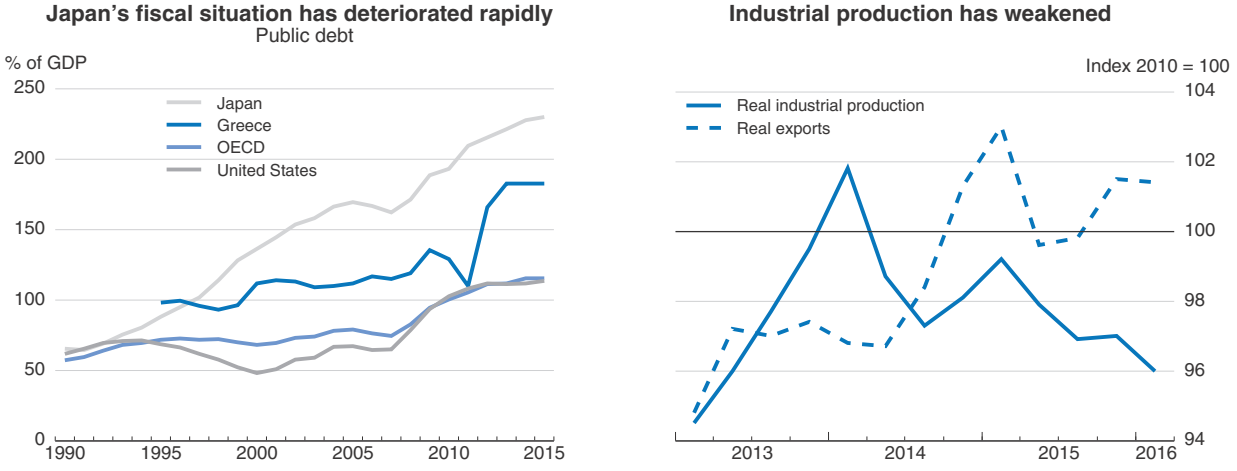
Raising output growth is essential to reduce the ratio of public debt to GDP, which will reach 234% in 2017. To achieve a primary budget surplus and maintain confidence in Japan's public finances, it is necessary to implement a more detailed and concrete strategy to reduce spending and raise revenue, including by gradual increases in the consumption tax rate. Continuing the quantitative and qualitative easing policy until the 2% inflation target has been sustainably achieved is also necessary.

Structural reform to raise productivity is fundamental to long-term growth. Narrowing the productivity gap with the top half of OECD countries requires bold reforms, such as enhancing trade integration through the Trans-Pacific Partnership and other agreements, and increasing business-sector dynamism through improved corporate governance and regulatory reform. Boosting investment in knowledge-based capital, such as vocational education and training, is also essential to spur productivity growth.

The engines of growth remain in place

With the working-age population falling more than 1% a year, employment growth has been sustained by higher labour force participation, particularly among women. Nevertheless, labour shortages have risen to their highest levels in 25 years. Although the response of nominal wages to tightening labour market conditions has been weak thus far, real wages are rising, as consumer price inflation has fallen close to zero as a result of the drop in energy prices. The impact of household income gains on private consumption has

Japan



Source: OECD Economic Outlook 99 database; Ministry of Economy, Trade and Industry; and Bank of Japan.

StatLink http://dx.doi.org/10.1787/888933367943

Japan: **Employment, income and inflation**

Percentage changes

	2013	2014	2015	2016	2017
Employment	0.7	0.6	0.4	0.5	-0.2
Unemployment rate[1]	4.0	3.6	3.4	3.2	3.1
Compensation per employee[2]	-0.3	0.8	0.7	1.0	2.0
Unit labour cost	-0.8	1.6	1.0	1.6	1.6
Household disposable income	0.2	0.5	1.0	1.1	1.1
GDP deflator	-0.6	1.7	2.0	0.9	1.8
Consumer price index[3]	0.3	2.7	0.8	0.1	2.1
Core consumer price index[4]	-0.1	1.9	1.1	0.8	2.1
Private consumption deflator	-0.2	1.9	0.2	0.0	2.2

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368957

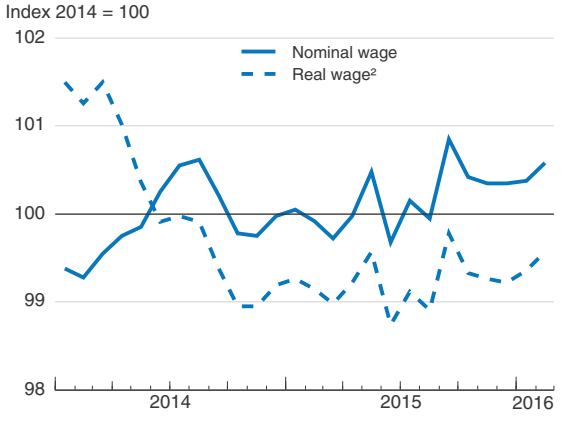
been limited by a rise in the household saving rate from negative territory in 2013-14 to more than 1% in 2015.

Despite a decline in industrial production, due notably to weaker demand from Asia, business investment rebounded in the second half of 2015, reflecting labour and capacity shortages. Investment is also supported by record high profits and by the cut in the corporate tax rate from 37% in FY 2013 to just under 30% in FY 2016. Consequently, corporate cash holdings have surpassed 60% of GDP. However, the 10% appreciation of the yen relative to the dollar in early 2016 and uncertainty about China's growth prospects have weakened business confidence.

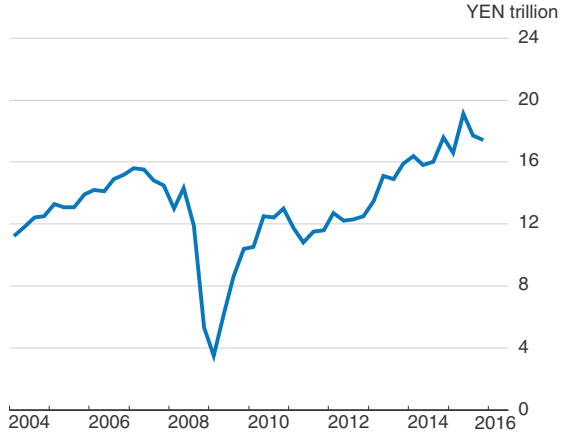
Japan

Real wages have increased since mid-2015

Three-month moving average 2014 = 100[1]



Corporate profits remain near their record high[3]



1. Seasonally-adjusted data based on establishments with thirty or more workers.
2. Deflated by the consumer price index, excluding imputed rent.
3. Profits of non-financial firms, seasonally-adjusted.

Source: Ministry of Health, Labour and Welfare; and Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888933367954

Japan: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	-0.1	-0.8	1.3	2.1	1.0
General government financial balance[2]	-8.5	-6.2	-5.4	-5.1	-4.0
General government gross debt[2]	221.5	227.7	230.0	233.1	234.3
General government net debt[2]	124.2	126.2	128.5	131.7	132.8
Current account balance[2]	0.8	0.5	2.9	3.4	3.7
Short-term interest rate[3]	0.2	0.1	0.1	0.0	0.0
Long-term interest rate[4]	0.7	0.6	0.4	-0.1	-0.1

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368969

Structural reforms are key to boosting growth and achieving fiscal sustainability

Raising productivity and boosting growth toward the 2% target in the Japan Revitalisation Strategy calls for a wide range of bold reforms. The Trans-Pacific Partnership agreement is a major step and will help Japan shift to a more market-oriented agricultural sector. Additional free trade agreements currently under negotiation, such as Japan-EU and Japan-China-Korea, would also be beneficial. Another key to higher productivity is unlocking the corporate sector's large cash holdings to boost investment and wages. The priority is to strengthen corporate governance by effective implementation of the recently-

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	486.9	0.6	0.7	0.4	0.8	1.5	-0.3
Private consumption	295.4	-1.2	0.3	0.0	-1.0	1.7	-1.1
Government consumption	100.5	1.2	1.8	-0.5	1.7	1.0	-0.3
Gross fixed investment	107.1	0.0	-0.1	0.3	1.8	1.0	-0.4
Public[1]	23.7	-2.5	-3.3	-10.9	-5.9	-2.0	-10.6
Residential	15.0	-2.5	2.4	-1.7	5.3	4.9	-7.1
Non-residential	68.3	1.5	0.4	3.9	3.9	1.1	3.7
Final domestic demand	503.0	-0.5	0.5	0.0	0.1	1.4	-0.8
Stockbuilding[2]	- 0.9	0.6	-0.1	0.0			
Total domestic demand	502.1	0.1	0.5	0.0	0.8	1.4	-0.9
Exports of goods and services	86.4	2.8	1.1	3.6	-1.0	3.1	3.7
Imports of goods and services	101.6	0.3	0.3	1.6	-0.6	2.4	0.1
Net exports[2]	- 15.2	0.4	0.2	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 99 database.

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Japan: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	794.8	816.6	738.5	772	819
Goods and services imports	934.0	961.7	778.8	766	799
Foreign balance	- 139.2	- 145.1	- 40.3	6	21
Invisibles, net	178.8	168.1	161.4	148	155
Current account balance	39.6	23.0	121.1	154	176
			Percentage changes		
Goods and services export volumes	1.2	8.3	2.8	1.1	3.6
Goods and services import volumes	3.1	7.2	0.3	0.3	1.6
Export performance[1]	- 3.3	4.0	0.4	- 1.0	0.7
Terms of trade	- 2.0	- 1.0	8.8	5.3	- 0.2

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 99 database.

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introduced Stewardship Code and Corporate Governance Code. Labour productivity also depends on developing the skills demanded in the labour market. Sustaining employment growth and promoting social cohesion require policies to narrow the large employment and wage gaps between men and women, which are among the highest in the OECD, by increasing the availability of affordable, high-quality childcare and promoting work-life balance. In addition, the tax and social contribution systems should be reformed to remove disincentives to work by second earners in households. Breaking down dualism would narrow wage inequality, which is a major cause of income inequality and relative poverty, and make growth more inclusive.

The introduction of negative interest rates in February 2016 reaffirmed the Bank of Japan's commitment to its 2% inflation target and has helped to push the yield on long-term government bonds into negative territory. The Bank continues to expand the monetary base by 80 trillion yen (16% of GDP) per year through its qualitative and quantitative easing. Nevertheless, headline consumer price inflation (excluding the tax hike), which peaked in mid-2014 at 1½ per cent (year-on-year), has remained close to zero since mid-2015, reflecting the decline in oil prices. Excluding food and energy, inflation has been nearly 1% in recent months.

The general government primary deficit, which fell from 7.8% of GDP in 2013 to 4.8% in 2015, is projected to narrow further to 3¾ per cent in 2017 due to the consumption tax hike planned for that year and the continued fall in reconstruction spending. Depending on economic conditions, well-timed fiscal stimulus may be needed to mitigate the impact of the 2017 tax hike. However, even with the planned measures, Japan is not on track to achieve its target of a primary surplus (central and local governments) by FY 2020. A more detailed and concrete fiscal strategy should include measures to contain the growth of social spending and boost revenue through a gradual increase in the consumption tax rate, a broadening of the personal and corporate income tax bases and higher environmental taxes, which would also promote green growth.

The expansion is projected to continue at a moderate pace through 2017

Output growth is projected to be around 0.7% in 2016 and 0.4% in 2017, supported by a gradual pick-up in wages, notably for non-regular workers and employees in SMEs. The quarterly growth pattern, though, is likely to be volatile due to the consumption tax hike. As in 2013-14, "rush demand" is expected to boost private consumption through the first quarter of 2017, followed by a decline after the tax hike. Weaker private consumption is projected to be partially offset by a pick-up in export growth as world trade rebounds, which will support business investment. Assuming broadly stable oil prices, headline inflation is projected to converge toward core inflation, reaching around 1% (excluding the tax hike) in 2017.

Sustained output growth depends on a virtuous circle of rising prices, wages and corporate earnings. The major uncertainty pertains to wages; while wage stagnation is a major downside risk, faster-than-expected gains would lead to stronger private consumption. External risks are largely on the downside, given uncertainty about China, which accounts for a quarter of Japanese exports. Continued yen appreciation would lower corporate profits and exports. Japan's unprecedentedly high level of public debt is another key risk. Unless Japan implements a more detailed and concrete strategy to achieve its fiscal targets, it 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.

KOREA

Output growth is projected to be 2.7% in 2016, reflecting weak external demand and fiscal tightening, with inflation around 1%. With stronger external demand in 2017, growth is projected to pick up to about 3%, in line with potential. The current account surplus will remain high at 7½ per cent of GDP.

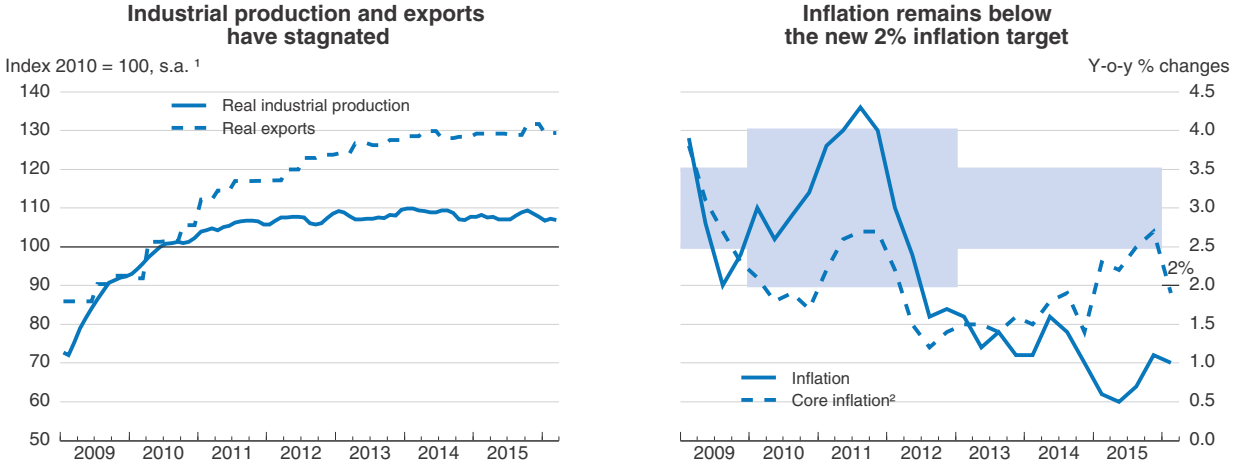
Government spending is set to rise less than 1% in 2016. Given its budget surplus and low debt, Korea should introduce a supplementary budget to provide some stimulus. Inflation has undershot the target since 2012, suggesting scope to cut the policy interest rate, although the central bank needs to take high household debt and the risk of capital outflows into account.

Korea's labour productivity growth was the fastest in the OECD during the past 25 years, but the level of labour productivity is still only 55% of the average of the top half of OECD countries, reflecting weak productivity in services. Product market regulation is among the most stringent in the OECD area. The government is addressing the causes of low productivity through its Three-year Plan for Economic Innovation launched in 2014. Policies to break down labour market dualism would encourage firm-based training, thereby boosting productivity.

Output growth faces some headwinds

The strong rebound in the second half of 2015, supported by fiscal stimulus, faltered in early 2016 as private consumption declined. Weak demand from China, which accounts for a quarter of Korean exports, continues to constrain export growth. Residential investment, which increased at a double-digit pace over 2013-15, is moderating following the tightening of prudential rules on mortgage lending in early 2016, in part to restrain the high and rising level of household debt. Weak domestic demand and the fall in oil prices contributed to a

Korea



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 99 database; and Bank of Korea.

StatLink http://dx.doi.org/10.1787/888933367963

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	2.6	2.7	3.0
Private consumption	707.6	1.9	1.7	2.2	2.5	3.0
Government consumption	204.3	3.3	3.0	3.4	1.2	1.3
Gross fixed capital formation	407.3	3.3	3.4	3.8	3.5	3.4
Final domestic demand	1 319.2	2.5	2.5	2.9	2.6	2.9
Stockbuilding[1]	19.7	-1.0	0.5	0.9	0.0	0.0
Total domestic demand	1 339.0	1.4	3.0	3.7	2.6	2.9
Exports of goods and services	776.1	4.3	2.0	0.8	1.1	3.5
Imports of goods and services	737.6	1.7	1.5	3.2	0.6	3.3
Net exports[1]	38.5	1.5	0.4	-1.1	0.3	0.3
Memorandum items						
GDP deflator	_	0.9	0.6	2.2	0.7	1.6
Consumer price index	_	1.3	1.3	0.7	1.0	1.7
Private consumption deflator	_	1.0	1.0	0.9	1.0	1.7
Unemployment rate	_	3.1	3.5	3.6	3.5	3.4
Household saving ratio, net[2]	_	5.6	7.2	8.8	8.7	8.7
General government financial balance[3]	_	1.3	1.3	0.8	1.1	1.6
General government gross debt	_	40.5	43.7	44.8	45.0	45.2
General government net debt[4]	_	..	..	..	..	..
Current account balance[3]	_	6.2	6.0	7.9	7.6	7.6

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.
4. Consolidated data on an SNA 2008 basis is not available.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369338

rise in the current account surplus to nearly 8% of GDP in 2015, while consumer price inflation fell to 0.7%. Nevertheless, employment and real wages continue to increase.

More expansionary macroeconomic policies and progress in structural reform are needed

Fiscal policy helped to sustain activity in 2015, as government spending, including a supplementary budget, increased by 8%. While the government has taken some fiscal measures, such as frontloading spending and extending a tax cut on cars, spending in 2016 is set to increase by only 0.4%, followed by 2.6% in 2017. Monetary policy is very supportive, but has been on hold since the Bank of Korea cut its policy interest rate in June 2015 to a record low 1.5%. With inflation continuing to undershoot the newly introduced inflation target of 2%, the projection assumes an additional interest rate cut. However, the central bank remains cautious, concerned that lower rates would further boost household debt even though the financial supervisor has moved to counter systemic risks to the financial system.

Structural reforms are needed to boost productivity growth, which has slowed to an annual rate of less than 1% since 2011. Ultimately, higher productivity will be the key to raising living standards for all Koreans. The government has focused on regulatory reform,

abolishing around 10% of economic regulations during the year to January 2015 and it is launching a "cost-in, cost-out" system to cap the regulatory burden on firms. In addition, Korea has signed free trade agreements with six countries, including China and Canada, over 2014-15. Effective implementation of product market reforms should be accompanied by labour market reforms to boost female employment and break down labour market dualism, thereby promoting socially-inclusive growth.

Output growth is projected to reach 3% in 2017

Output growth is projected to pick up in 2017, thanks in part to faster world trade growth that will boost Korean exports and business investment. The household saving rate, which has risen sharply to nearly 9%, is likely to edge down as consumer sentiment has improved, supporting private consumption. With faster growth and stable oil prices, headline inflation should converge toward the core rate, which was 2.2% in 2015.

Given Korea's reliance on export-led growth, a delayed rebound in world trade is the biggest risk to a sustained expansion. In particular, a sharper-than-expected slowdown in China would be very detrimental to Korea. Global financial market turbulence in the context of diverging monetary policy stances and weakness in emerging market economies also pose downside risks. The planned restructuring of some major industries could lead to higher unemployment in the short run, while the upward trend in household debt could further constrain private consumption. On the upside, Korea's strong external position provides a buffer against shocks and effective structural reforms could reignite domestic demand and reverse the decline in export performance.

LATVIA

The economy is projected to recover from the temporary weakness in the last quarter of 2015 and first quarter of 2016 related to the expiry of EU funds and the sharp decline of economic relations with Russia. Strong wage growth underpins solid spending by private households. Uncertainty is holding back investment, but this will be gradually overcome once the recovery of the euro area generates healthier export markets.

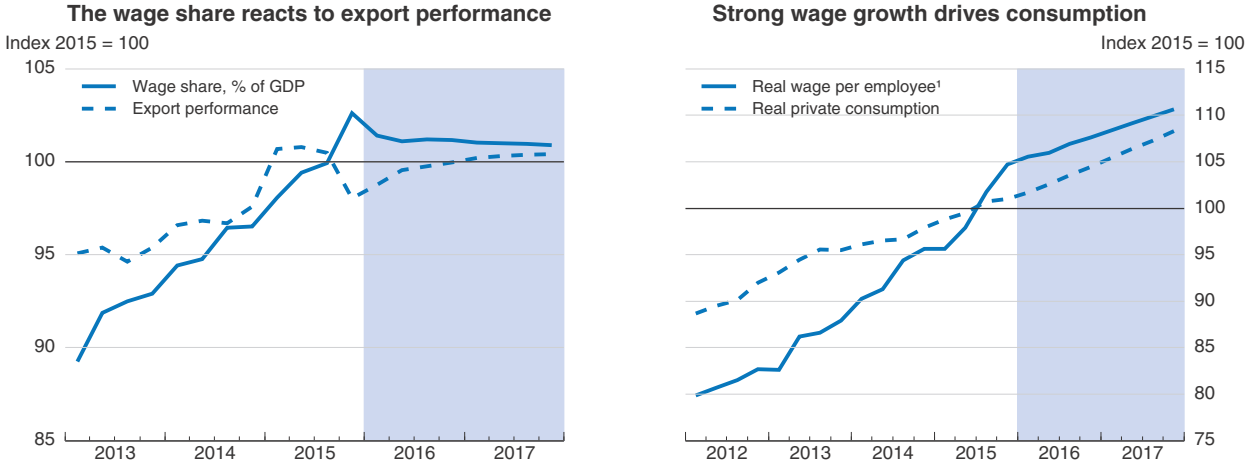
The accommodative monetary conditions provided by the ECB will make it easier for investment to recover, which is important for continuing Latvia's catch-up to the higher incomes of the Nordic region. Fiscal policy is on track to achieve its targets. Structural policies need to prioritise measures which increase productivity and improve social cohesion.

Productivity will be crucial in the catch-up process. Policies need to continue improving the business environment and strengthening the capacity of the vocational education system to provide graduates with employable and internationally competitive skills. Stepping up tax collection will widen the fiscal room to finance growth-enhancing structural reforms and reduce taxes on low wages.

The economy has passed through a soft spot

Weak export markets and a spending decline related to the transition of EU funds to a new multi-year framework contributed to weaker growth at the turn of 2015/16. Exports suffered from the strong reduction of Russian demand and the hesitant recovery in the European Union. Manufacturing output has recovered. At the same time, labour market improvements came to a halt and the unemployment rate stagnated just below 10%. Unemployment is mainly structural and labour supply is held back by the combination of past emigration and population ageing. Consumer prices are falling because of the pass-through of low oil and food prices. The current account is in a small surplus, mostly

Latvia



1. Deflated by the harmonised consumer price index.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367974

Latvia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	21.8	3.0	2.4	2.7	1.9	3.5
Private consumption	13.3	5.1	2.3	3.3	3.1	3.6
Government consumption	3.8	1.6	4.9	3.1	2.1	1.9
Gross fixed capital formation	5.6	-6.0	0.5	2.7	0.9	4.8
Final domestic demand	22.6	1.7	2.3	3.1	2.4	3.6
Stockbuilding[1]	0.1	0.4	-1.4	-0.1	0.3	0.0
Total domestic demand	22.8	2.2	0.9	3.0	2.8	3.6
Exports of goods and services	13.4	1.1	3.1	1.4	1.4	5.0
Imports of goods and services	14.4	-0.2	0.8	1.8	1.3	5.3
Net exports[1]	- 1.0	0.8	1.4	-0.3	0.1	-0.2
Memorandum items						
GDP deflator	_	1.3	1.2	0.6	1.3	1.8
Harmonised index of consumer prices	_	0.0	0.7	0.3	-0.5	1.9
Private consumption deflator	_	0.2	0.8	0.4	-0.3	1.8
Unemployment rate	_	11.8	10.8	9.9	10.0	9.5
General government financial balance[2]	_	-0.9	-1.6	-1.3	-1.0	-1.0
General government gross debt[2]	_	44.1	47.1	43.8	46.8	47.0
General government debt, Maastricht definition[2]	_	39.1	40.8	37.6	40.5	40.7
Current account balance[2]	_	-2.4	-2.0	-1.2	-0.5	-0.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369543

on account of the lower oil import bill and weak investment demand on one side, and the traditionally strong position of business service exports (including financial services) on the other side.

Monetary conditions provided by the membership in the euro area have continued to be very supportive. Nevertheless, bank lending is still weak even though deposits from residents and non-residents have been rising strongly. Cross-border information exchange and strict monitoring of financial institutions with a significant share of non-EU customers is helping to maintain financial stability. Fiscal policy is broadly neutral. The government is committed to achieving budgetary targets and does not have much room to move. The Fiscal Discipline Law will help to reduce pro-cyclicality by establishing reserves to be accumulated in boom years.

Structural reforms should assist economic adjustment and inclusive growth

Most unemployment is now structural, and the high marginal tax and benefit withdrawal rates at low income ranges establish poverty and inactivity traps. The informal sector is relatively large and the compliance with tax regulation is low. Measures to enhance competition are underway and an action plan is in place to reduce red tape. However, the implementation of governance reforms for state-owned enterprises has turned out to be cumbersome. The strong expansion of work-based learning should pay off

by making vocational education school leavers more employable, reducing skills mismatches and improving social cohesion.

Output growth will pick up in the course of 2016, but external uncertainties dominate the risk profile

Strengthening private consumption underpinned by strong wage growth is projected to continue contributing significantly to output increases. Housing construction, business investment and exports will be soft for a while, but, in the course of 2017, external demand and investment are projected to become again major drivers of growth.

External risks are dominated by regional developments. Easing tensions in the relations with Russia could provide significant turnarounds for the economy, initially in particular for the food industry and transportation, and more strategically as an endpoint of logistic chains for Chinese shipments to Europe. A downturn in the housing market in nearby Sweden and sluggish growth in Finland would worsen the external environment. On the other hand, a stronger euro area recovery would boost the diversification of Latvian export markets, while renewed euro area weakness would aggravate the impact of uncertainty on investment and economic activity in general.

LITHUANIA

GDP growth is projected to gain momentum in 2016 and 2017, thanks to a recovery in key export markets. Domestic investment will accelerate as confidence strengthens and real interest rates stay low. At the same time, improving labour market conditions and high real wage growth should support private consumption and put pressure on inflation.

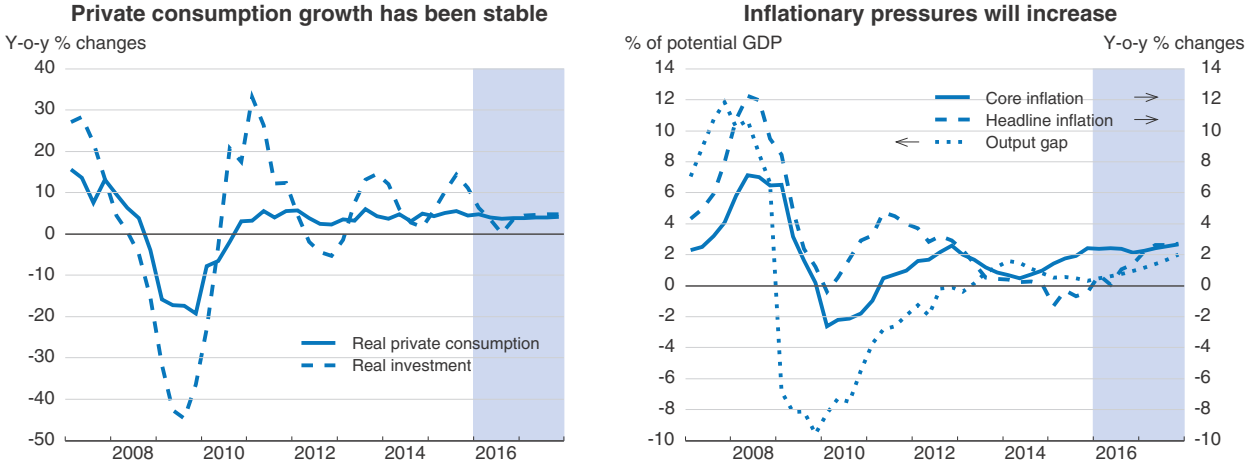
The government's fiscal stance is set to be broadly neutral in 2016 before becoming contractionary in 2017, which is appropriate given the projected path of demand. Inequality and poverty rates are elevated and necessitate in-work benefits for second earners of large families and social assistance recipients who are currently not eligible. Environmental taxation, such as levies on motor and heating fuels, should be used to meet spending needs and to tackle relatively high greenhouse gas emissions intensity.

Labour productivity remains low. Improvements in the quality of education at all levels and more on-the-job training can better match the skills of people to those needed by firms. Business innovation would benefit from measures to strengthen the capacity of firms to absorb and implement new ideas.

The economy is recovering despite weak external conditions

Recession in Russia and counter-sanctions caused the value of Lithuanian exports to Russia to shrink by around one-third in 2015. Nevertheless, enterprises have had some success in re-orienting exports to a diverse range of countries across the European Union, Middle East and Asia. At the same time, domestic demand growth has been stable. Investment spending from EU structural assistance funds was high in 2015 and private consumption has been supported by strong real wage growth.

Lithuania



Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933367983

Lithuania: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	33.3	3.5	3.0	1.6	2.8	3.4
Private consumption	20.9	4.3	4.1	4.9	4.1	4.0
Government consumption	5.8	1.0	1.3	2.0	0.7	0.6
Gross fixed capital formation	5.8	8.3	5.4	10.3	3.3	4.7
Final domestic demand	32.4	4.5	3.9	5.4	3.4	3.5
Stockbuilding[1]	0.6	0.3	-0.4	-0.2	0.0	0.0
Total domestic demand	33.0	3.8	3.0	6.5	2.3	3.7
Exports of goods and services	27.2	9.6	3.0	-0.2	2.7	4.6
Imports of goods and services	26.9	9.3	2.9	6.0	3.0	5.2
Net exports[1]	0.3	0.3	0.2	-4.9	-0.2	-0.3
Memorandum items						
GDP deflator	_	1.3	1.2	0.2	0.9	2.6
Harmonised index of consumer prices	_	1.2	0.2	-0.7	0.8	2.5
Private consumption deflator	_	1.0	0.1	-0.9	1.0	2.4
Unemployment rate	_	12.0	10.9	9.3	8.6	7.9
General government financial balance[2]	_	-2.6	-0.7	-0.2	-0.8	-0.1
General government gross debt[2]	_	48.0	52.7	52.5	52.4	51.0
General government debt, Maastricht definition[2]	_	38.8	40.7	42.8	42.7	41.4
Current account balance[2]	_	1.5	3.6	-1.7	0.9	1.1

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369568

Monetary policy is supportive and fiscal consolidation has eased

Monetary policy by the European Central Bank will remain accommodative, keeping interest rates low. This will support private investment, given high capacity utilisation rates and recent improvements in business confidence in both the manufacturing and services sectors. Increases in the statutory minimum wage in July 2015 and January 2016, combined with tightening labour market conditions, will exert further upward pressure on wage growth, prompting increased consumer spending.

Abstracting from one-off revenues in 2015 related to the Deposit Insurance Fund of state-owned enterprises, fiscal policy is expected to be broadly neutral in 2016 before becoming contractionary in 2017. Lithuania's high poverty rate needs to be addressed through the expansion of in-work benefits to, in particular, the second earners of large families and social assistance recipients who are currently not eligible. To fund such obligations, improvements in tax compliance and in education and health spending efficiency are needed. There is also scope to increase some environmental taxation, such as levies on motor and heating fuels, which are currently among the lowest in the European Union.

The level of labour productivity remains around one-third below the OECD average despite steady productivity growth for two decades. Many Lithuanian firms consider the workforce to be inadequately educated, highlighting the need for education reforms. Attracting higher-performing graduates to the teaching profession will be important, as

will measures that promote participation in lifelong learning activities. Productivity convergence can also be accelerated by improvements in the performance of state-owned enterprises, which have a large presence in Lithuania. In particular, ensuring that the ownership and regulatory functions of these entities are not performed by the same government ministry and increasing the proportion of independent non-executive members on their boards is key to improving governance and, therefore, performance.

Growth is expected to accelerate

Economic growth is projected to gain momentum in 2016 and 2017 as export growth recovers along with activity in Lithuania's major export markets. Combined with easier financing conditions, this will spur domestic private investment, especially in 2017. Improving labour market conditions will continue to support private consumption. The unemployment rate will fall further and exert upward pressure on wages. Growth in unit labour costs will be relatively high, even assuming a solid rise in productivity, and inflationary pressures will increase.

A sharp slowdown in emerging market economies or a weaker-than-expected recovery in the euro area would hurt exports. Volatility in energy prices may weaken business confidence and investment activity. So too could a rise in geopolitical tensions, but an easing in tensions would bring meaningful economic relief. On the upside, a larger increase in EU infrastructure investment could further boost external demand for Lithuanian goods and services. This could be through the positive effect on trading partner economic activity and lower cost for Lithuania to access foreign markets.

LUXEMBOURG

Economic growth is projected to stay robust, at close to 4% in both 2016 and 2017, owing to strong domestic demand and exports of financial services. The next round of backward-looking wage indexation, which is expected in the first half of 2017, could boost inflation.

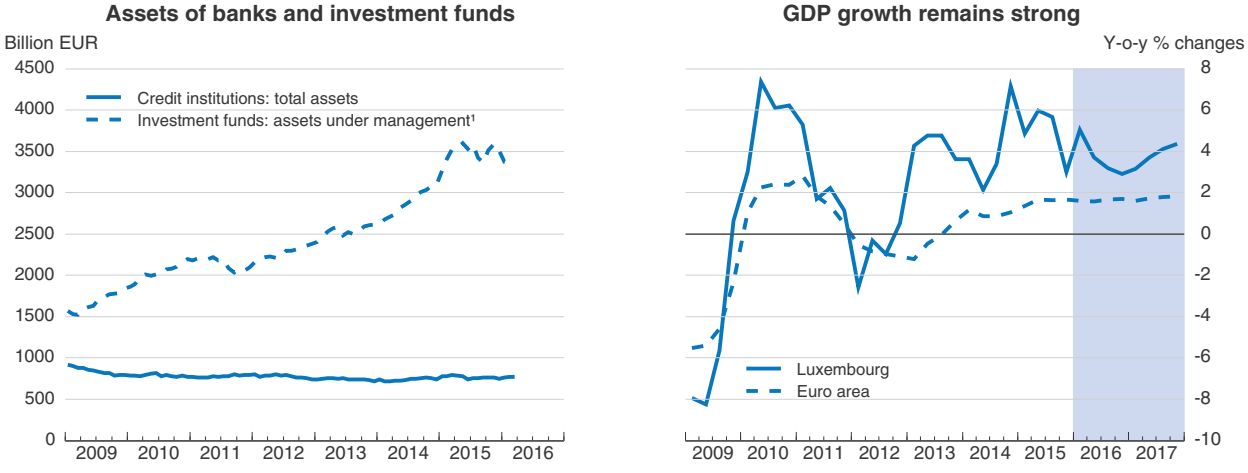
In order to meet its fiscal targets, the government should introduce a spending ceiling in its medium-term budgeting framework. Structural reforms should focus on increasing labour market inclusion by introducing separate income tax assessment of spouses, improving the availability of childcare and enhancing active labour market policies. Improved education outcomes would make growth more inclusive and raise productivity.

Trend productivity growth has been weak for several years. To bolster falling private R&D spending, policies that avoid favouring incumbents over entrants, such as immediate R&D expenditure refunds and the carry-forward of losses for tax deduction purposes, should be used. Product and labour market reforms that reduce barriers to labour mobility and skills mismatch, such as housing market and lifelong learning policies, should be used to facilitate the reallocation of resources from low to high-productivity firms.

Economic growth is supported by domestic demand

Indicators of economic activity in 2016 point to robust growth in non-financial sectors, supported by resilient domestic demand and improving confidence. The financial sector has been affected by increased market volatility and low rates, which weigh on the performance of banks and insurance companies. Luxembourg's external position remains strong, characterised by persistent current account surpluses and a positive net international asset position. The general government budget is in surplus and gross debt is low, at 21% of GDP on the Maastricht definition, whereas net debt is negative.

Luxembourg



1. Undertakings for collective investment, net assets.

Source: OECD Economic Outlook 99 database; Commission de Surveillance du Secteur Financier; and Banque Centrale du Luxembourg.

StatLink http://dx.doi.org/10.1787/888933367993

Luxembourg: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	43.5	4.4	4.1	4.9	3.7	3.8
Private consumption	14.3	0.9	3.7	0.1	2.5	2.8
Government consumption	7.3	3.9	4.5	2.7	1.3	2.2
Gross fixed capital formation	8.8	-7.2	9.5	-2.5	1.4	3.2
Final domestic demand	30.4	-0.7	5.5	0.0	1.9	2.8
Stockbuilding[1]	- 0.1	0.9	0.1	1.6	1.1	0.0
Total domestic demand	30.3	0.5	6.5	2.5	3.6	2.7
Exports of goods and services	82.4	6.9	6.8	7.0	3.1	4.5
Imports of goods and services	69.2	5.7	8.0	6.5	3.6	4.3
Net exports[1]	13.2	4.0	0.4	3.2	0.3	2.1
Memorandum items						
GDP deflator	_	2.4	0.9	1.7	0.9	3.0
Harmonised index of consumer prices	_	1.7	0.7	0.1	-0.1	1.5
Private consumption deflator	_	1.3	0.7	0.2	0.6	1.3
Unemployment rate	_	6.9	7.1	6.9	6.5	6.3
General government financial balance[2]	_	0.8	1.7	1.2	1.3	0.5
General government gross debt[2]	_	30.0	33.7	35.3	36.0	38.3
General government debt, Maastricht definition[2]	_	23.3	22.9	21.4	22.1	24.4
Current account balance[2]	_	5.7	5.5	5.5	4.3	6.4

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369344

Although the government's medium-term fiscal plan includes an increase in VAT rates and other measures offsetting the loss of revenues from e-commerce and the upcoming tax reform, the fiscal surplus of the general government is projected to decline in 2017. To manage medium-term spending pressures, mainly from population ageing, the fiscal framework could be strengthened by adding a ceiling on general government spending.

Labour market measures are needed to boost inclusive growth

The joint taxation of family income increases marginal tax rates for second earners, mostly women. As a result, they tend to work only part-time, reducing career opportunities and underutilising their skills. Better availability of childcare would reduce barriers to work by making it easier to manage a job and a family. Active labour market policies offering individualised support and focusing on training, rather than temporary job creation, are crucial to reduce long-term unemployment and boost inclusive growth.

Overall educational attainment in Luxembourg is comparable to the OECD average, but secondary school students suffer from high rates of grade repetition, which is costly and largely ineffective in raising educational outcomes. Children of immigrants have lower performance and parents' educational attainment substantially affects student achievement. The forthcoming introduction of free childcare for children under the age of three is welcome, and will pay off in terms of better lifelong learning outcomes, especially

for children from disadvantaged backgrounds, and by expanding parents' work-family possibilities.

A national systemic risk board was established to improve the conduct of macro-prudential policy. 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, and continue co-operation with regulatory authorities in other jurisdictions, in order to develop tools for effective cross-border resolution.

Growth is projected to stay robust

After having been boosted in 2015 by carry-over effects, notably from consumption brought forward prior to the VAT increase in 2015, growth rates are projected to be close to 4% in both 2016 and 2017. Activity will be supported by very accommodative monetary conditions, domestic demand and gradually improving exports of services. A round of wage indexation could take place in the first half of 2017, and could boost inflation above the euro area average.

Given Luxembourg's trade and financial linkages, much depends on the pace of the euro area recovery. 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, should regional or global tensions reappear or rise, the solid reputation of the Luxembourg's financial sector could result in larger capital inflows.

MEXICO

Despite lower oil prices and softer external demand, GDP growth is expected to strengthen to 3% in 2017, reflecting the structural reforms implemented by the government. The depreciation of the peso reinforced gains in Mexican export market share and resilient domestic demand continues to support economic activity.

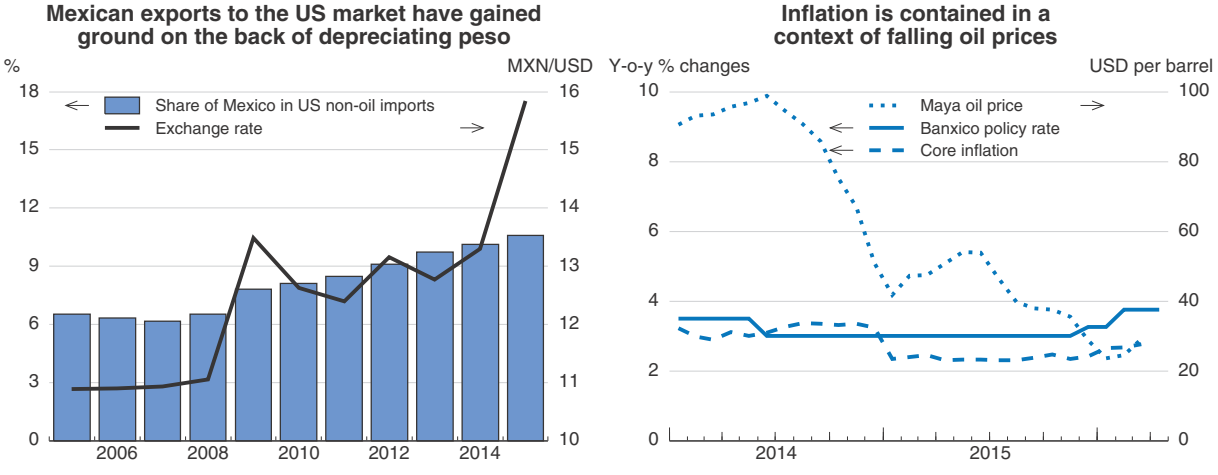
Monetary policy remains focused on achieving inflation stability and avoiding upward price pressures from currency weakness, with interest rates kept above underlying inflation. Public-sector spending cuts are being implemented following the sharp reduction in oil-related government revenues. The government is also taking measures to ensure the financial viability of the state oil company PEMEX.

While productivity growth has been weak over the past few years, there are signs of a pick-up. Key structural reforms, notably measures to foster competition in network industries and to facilitate access to credit, are expected to bolster business-sector capital formation and productivity. However, full implementation of reforms is essential, and a renewed push may be needed to fight informality and to boost anti-corruption efforts.

Economic growth remains modest

Weakening global growth, policy uncertainty in some other emerging market economies, concerns about divergent monetary policies in advanced economies, and further downward pressures on commodity prices held back economic growth in Mexico in 2015. Yet, the sharp depreciation of the peso has improved export competitiveness, with Mexican manufacturing exports gaining market share in the United States. Domestic demand has been the main driver of overall growth on the back of a strong expansion of credit as well as gains in real wages, services employment and foreign remittances. Notwithstanding the significant depreciation of the Mexican peso, inflation has remained

Mexico



Source: Banxico; Instituto Nacional de Estadísticas y Geographía (INEGI); Petróleos Mexicanos (PEMEX); Thomson Reuters; and U.S. Energy Information Administration (EIA).

StatLink http://dx.doi.org/10.1787/888933368009

Mexico: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices MXN billion	Percentage changes, volume (2008 prices)				
GDP at market prices	15 624.5	1.6	2.3	2.5	2.6	3.0
Private consumption	10 502.1	2.5	1.8	3.1	2.7	2.7
Government consumption	1 848.4	1.3	2.4	2.4	0.0	-0.3
Gross fixed capital formation	3 488.3	-1.5	2.8	3.9	1.3	2.9
Final domestic demand	15 838.8	1.5	2.1	3.2	2.1	2.4
Stockbuilding[1]	- 37.5	-0.1	0.0	-0.1	-0.1	0.0
Total domestic demand	15 801.3	1.4	2.1	3.1	2.1	2.5
Exports of goods and services	5 101.8	2.2	7.0	9.1	6.2	6.4
Imports of goods and services	5 278.6	3.5	5.9	5.1	4.4	4.8
Net exports[1]	- 176.8	-0.4	0.3	1.2	0.6	0.5
Memorandum items						
GDP deflator	_	1.5	4.7	2.5	2.2	3.5
Consumer price index	_	3.8	4.0	2.7	2.8	3.2
Private consumption deflator	_	2.6	4.3	4.1	3.7	3.2
Unemployment rate[2]	_	4.9	4.8	4.3	4.4	4.3
Public sector borrowing requirement[3,4]	_	-3.8	-4.6	-4.0	-3.5	-3.2
Current account balance[4]	_	-2.4	-1.9	-2.8	-3.3	-2.4

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369355

below the central bank's target, pushed down by supply factors such as the reductions in agriculture, electricity, gasoline and telecoms prices.

The central bank has increased interest rates by 75 basis points since December 2015 to maintain an orderly foreign exchange market and align its policy stance with the US Federal Reserve. To achieve its targeted deficit despite lower oil revenues, the government tightened its fiscal stance through a cut in spending of 0.7% of GDP for 2016, and plans to reduce the public sector borrowing requirement to 3% of GDP by 2017, mostly from reduced spending in PEMEX. These measures, if fully implemented, would ensure that the public debt ratio is put on a downward trajectory by 2017.

Steady implementation of the structural reforms package is critical

The first wave of structural reforms has led to important progress across a range of areas, boosting expectations among investors. Progress has already been made to open energy and telecoms to competition. These and further reforms should raise private-sector investment, improve efficiency and innovation, and upgrade the skills of low-educated workers. Measures to strengthen education, skills and financial inclusion will offer all Mexicans, but especially women, greater opportunities to contribute to society. A renewed push is essential to complete the reform process, and to make growth sustainable and inclusive.

GDP growth is expected to increase in 2017

Economic growth is expected to pick up in 2017 as transitory downward pressures on US demand fade away and the government's broad reform agenda begins to boost investment. In particular, it is crucial that oilfield auctions attract significant investment commitments.

The main risks surrounding the projections are a drag on world trade, especially in case of a weaker-than-expected US and Chinese economic growth. Another risk is a further degradation of market sentiment vis-à-vis emerging market economies. Conversely, should the US economy grow at a higher rate than projected, Mexican exports and foreign direct investment could grow faster. Inflation expectations for both 2016 and 2017 remain low, but second-round effects of past depreciations could raise the pass-through, in particular if they feed into wage growth, and increase inflation above the target. Inversely, further downward pressures on oil prices and difficulties in implementing cuts in PEMEX, in particular those related to current expenses, could delay reaching the budget deficit target and erode market confidence, although the government's current fiscal projections for 2016 and 2017 were made using conservative assumptions for oil prices.

NETHERLANDS

Economic growth is projected to remain sound, at around 2%, and broad-based. Private consumption will benefit from fiscal stimulus in 2016 and improving labour market conditions. The strengthening of the housing market and brighter business prospects continue to support investment. Inflation is projected to increase somewhat, but to remain low. The current account surplus will fall further on the back of lower gas exports and firming domestic demand, albeit from a high level.

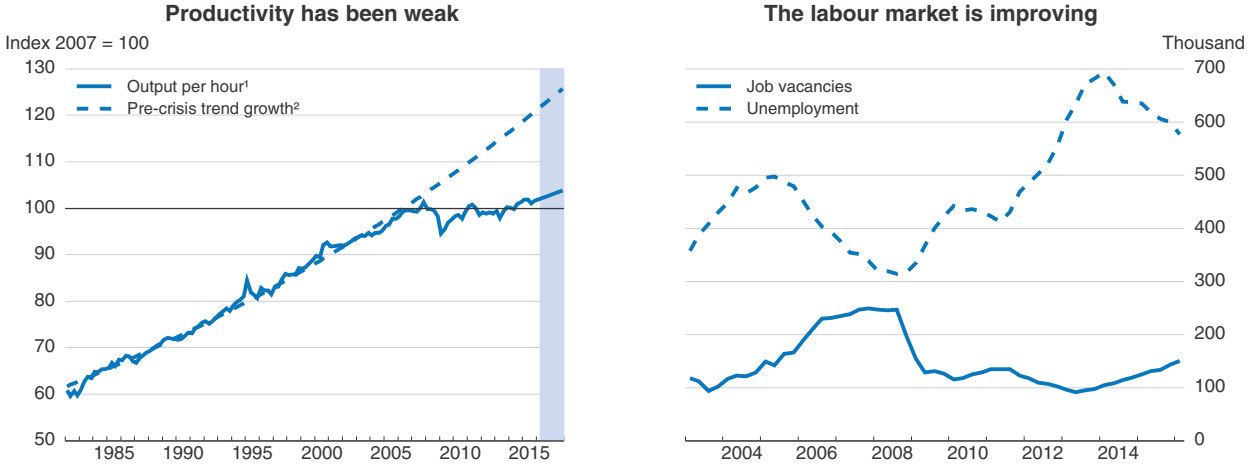
Public finances are healthy. However, the tax system can be made more efficient, equitable and environmentally-friendly, and efforts for a broad reform should be revived. Further easing the employment protection provided by permanent contracts would reduce labour market duality. Ensuring that the self-employed are sufficiently insured against disability and have adequate pension savings would avoid the risk of future public spending pressures.

Raising productivity, which has been weak since the onset of the crisis, is essential to keep GDP growth on a sustainable and inclusive footing. To this end, more private sector investment in innovation and business capital is needed. Continuing to improve skills, particularly of immigrants and the long-term unemployed, and better matching of skills to jobs would also raise productivity and help to ensure that everyone benefits from higher growth.

Domestic demand continues to drive growth

The economy has been growing at a healthy pace, mainly driven by domestic demand. Higher employment and strong wage growth have supported private consumption, as did the ongoing recovery of the housing market. Business investment has picked up strongly owing to higher demand and a gradual normalisation of credit conditions. Business and consumer confidence are high. A reduction in gas extraction has weighed on growth and exports, and, consequently, the large current account surplus has narrowed.

Netherlands



1. Real GDP divided by total hours worked.
2. Pre-crisis labour productivity trend growth is calculated between 1982 Q1 and 2007 Q4, and is projected from 2008 onwards.

Source: OECD Economic Outlook 99 database; and Statistics Netherlands (CBS).

StatLink http://dx.doi.org/10.1787/888933368014

Netherlands: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	645.0	-0.4	1.0	2.0	1.7	2.1
Private consumption	289.8	-1.4	0.0	1.5	1.3	1.7
Government consumption	169.9	0.2	0.3	0.3	0.9	1.2
Gross fixed capital formation	121.9	-4.5	3.5	10.3	5.7	4.9
Final domestic demand	581.6	-1.6	0.8	3.0	2.1	2.3
Stockbuilding[1]	1.6	-0.1	-0.1	-0.4	0.1	0.0
Total domestic demand	583.2	-1.7	0.6	2.5	2.3	2.3
Exports of goods and services	528.2	2.4	4.0	5.3	5.3	4.8
Imports of goods and services	466.4	1.1	4.0	6.4	6.6	5.3
Net exports[1]	61.8	1.1	0.5	-0.2	-0.3	0.1
Memorandum items						
GDP deflator	_	1.3	0.8	0.4	0.4	1.0
Harmonised index of consumer prices	_	2.6	0.3	0.2	0.1	1.2
Private consumption deflator	_	2.2	1.3	0.3	0.6	1.1
Unemployment rate	_	7.3	7.4	6.9	6.2	5.9
Household saving ratio, net[2]	_	7.3	8.2	6.9	6.8	6.8
General government financial balance[3]	_	-2.4	-2.4	-1.8	-1.6	-1.2
General government gross debt[3]	_	76.3	81.0	77.3	76.9	76.3
General government debt, Maastricht definition[3]	_	67.9	68.2	65.1	64.7	64.1
Current account balance[3]	_	10.1	9.5	9.1	7.8	7.3

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369364

An income tax cut in early 2016 has supported household consumption and labour supply, but the broadly neutral fiscal stance is appropriate so as not to derail the recovery. Nevertheless, the structural deficit has moved further away from the Medium-Term Objective of 0.5% of GDP as a result of lower gas revenues, and offsetting measures over the medium term could be needed. Efforts to reform the tax system stalled in 2015, but should be revived to increase tax efficiency. Priorities should be to broaden the tax base by accelerating the reduction of mortgage interest rate relief and phasing out the lower VAT rate.

More private investment and further structural reforms would bolster productivity

Productivity growth has been weak in recent years. Business investment has picked up lately, but spending on research and development remains low and would benefit from more direct public support. Continuing efforts to raise skills and use them more efficiently would also boost productivity. In particular, strengthening skills of the long-term unemployed, immigrants and inactive youth would help their labour market integration and raise their living standards. Skill utilisation would be enhanced by further cutting tax and benefit disincentives for women's full-time work.

Labour market conditions have been gradually improving, but job vacancies, despite their recent rise, remain scarce compared to the number of job-seekers. Easing

employment protection legislation on permanent contracts by continuing to lower the cap on severance payments would reduce labour market duality. For employees with low wages in some sectors, the income stability could be strengthened by reducing tax incentives for self-employment.

Growth will be broadly stable

Economic activity is expected to continue growing at around 2% per annum. Private consumption growth should strengthen due to the tax stimulus, wage growth and improvements in labour market conditions. Residential and business investment are projected to moderate, but will continue to support growth. As the economy expands, the public deficit will fall further. Inflation will increase somewhat, but should remain low as economic slack is projected to persist in the near term. The current account surplus will continue to shrink but still remain above 7% of GDP in 2017.

Further cuts in gas production would reduce growth and fiscal revenues. Past subdued economic growth may have weakened SMEs' balance sheets, which could reduce the sector's dynamism and thereby lower economic growth. If the United Kingdom were to leave the European Union, it would increase uncertainty and reduce growth, although there is some fiscal space to mitigate the impact. On the positive side, the improving economic outlook might trigger investments that have so far been postponed. Private consumption could also turn out higher if the pace of the housing market recovery remains the same or increases.

NEW ZEALAND

Economic growth is projected to moderate somewhat to 3% in 2016 and 2.7% in 2017. The impact of lower dairy prices on exports and an end to stimulus from the earthquake-related rebuild will curb activity, although the slowdown in construction will be attenuated by expansion elsewhere in response to high immigration. Immigration will also sustain growth in private consumption. Inflation will rise but stay below target.

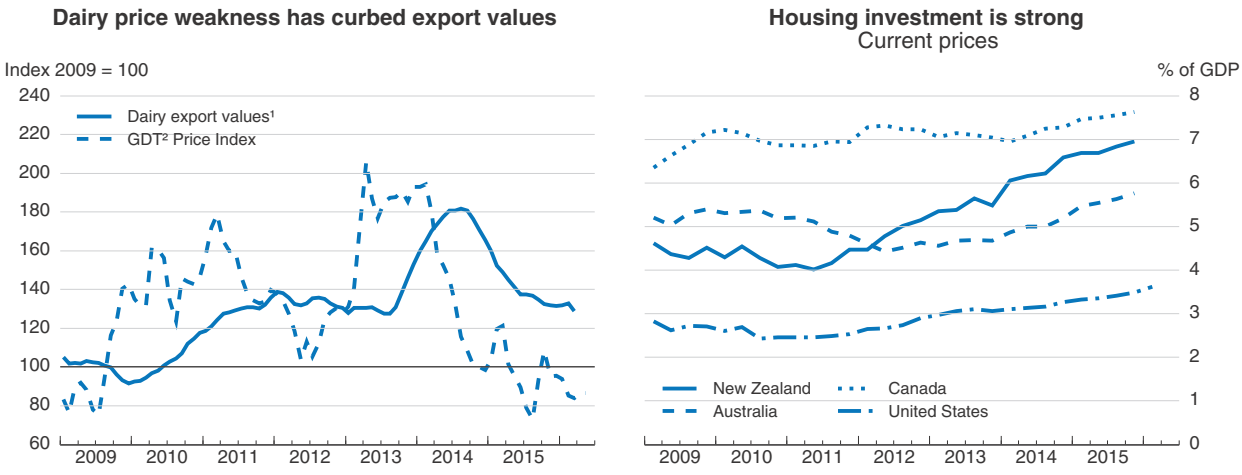
The Reserve Bank has continued to lower its policy rate and signalled more cuts to come, as persistently below-target inflation risks pushing already low inflation expectations down further. Weaker global growth prospects and recent currency strength have accentuated this risk. Fiscal policy is still on a consolidation path, which seems appropriate given robust domestic demand.

Reducing barriers to FDI and to competition in the electricity, transport and telecoms sectors would facilitate greater investment and innovation, increasing productivity and reducing prices. The innovation framework should be strengthened, for example by reinstating the R&D tax credit. Greater urban infrastructure would promote productivity-enhancing densification. Further reforms are required to enhance skills development, especially for disadvantaged groups.

Domestic demand remains robust

Growth has been strong in recent quarters, despite headwinds from the huge fall in dairy prices in 2014-15. Tourism has soared and immigration has set new records (the working-age population rose by 2.5% over the past year). This inflow has boosted residential construction, especially in Auckland, attenuating the effect of plateauing earthquake-related reconstruction.

New Zealand



1. Twelve-month moving average.
2. Global Dairy Trade.

Source: GlobalDairyTrade, Trading Events Historical Data, May 2016; and OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368023

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	216.6	1.7	3.0	3.4	3.0	2.7
Private consumption	127.9	3.0	2.7	2.5	3.0	2.6
Government consumption	41.7	1.6	2.7	2.2	1.9	1.9
Gross fixed capital formation	44.8	5.2	10.9	3.1	3.8	4.5
Final domestic demand	214.4	3.2	4.4	2.6	3.0	2.9
Stockbuilding[1]	1.2	0.0	0.0	-0.3	0.0	0.0
Total domestic demand	215.6	3.2	4.4	2.3	3.0	2.9
Exports of goods and services	62.7	1.0	3.0	6.7	1.4	2.6
Imports of goods and services	61.7	6.4	7.9	3.6	1.3	3.4
Net exports[1]	1.0	-1.5	-1.3	0.9	0.0	-0.2
Memorandum items						
GDP deflator	_	2.9	2.0	-0.1	-0.2	1.6
Consumer price index	_	1.1	1.2	0.3	0.6	1.4
Core consumer price index[2]	_	1.2	1.4	1.1	1.2	1.3
Private consumption deflator	_	1.1	1.1	1.1	1.1	1.1
Unemployment rate	_	6.3	5.8	5.8	5.8	5.8
Household saving ratio, net[3]	_	1.8	-0.7	-1.9	-2.2	-2.2
General government financial balance[4]	_	-0.8	-0.1	-0.4	-0.2	0.0
General government gross debt[4]	_	40.5	40.9	41.9	42.0	41.8
Current account balance[4]	_	-3.1	-3.1	-3.0	-3.5	-3.5

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369372

Unemployment has also edged down to 5.7%, thanks to very strong employment growth partly offset by rapid increases in the working-age population. Wage gains have been moderate, owing to low headline inflation. Consumer prices are up only 0.4% year-on-year, weighed down by persistent declines in tradeables prices and weak non-tradeables inflation. Most estimates of underlying inflation are higher but still well below the official 2% target midpoint.

Monetary policy is expansionary

The Reserve Bank has cut its official rate five times in the past year to a record low of 2.25%. These cuts have been aimed at pushing inflation back towards the 2% mid-point of the target range (which it projects to occur in the first quarter of 2018), partly assisted by a weaker exchange rate. They have, however, added pressure to the already hot housing market: prices increased by almost 11% over the past year, led by Auckland, where restrictive land-use rules prevent supply from keeping pace with demand. Macro-prudential and other measures have been tightened further, including through Auckland-specific mortgage restrictions for the buy-to-let sector, tightening of capital gains tax rules and obligatory foreign buyer registration. Together, these changes have cooled the market somewhat. The government has maintained a rather tight fiscal stance.

The budget has moved into a broadly balanced position (abstracting from financial gains and losses) in the current fiscal year and projects a small but growing surplus thereafter.

While the well-being of most New Zealanders is high, income inequality and poverty have increased since the mid-1980s, as in many other countries, and some groups have fared relatively poorly, notably children of welfare beneficiaries, and Maori and Pasifika. The government is rightly focusing on targeted social investment to lift long-term outcomes and make growth more inclusive. It needs to do so by improving actions across the whole public sector in areas such as social housing, obesity and early childhood education. The government also significantly increased real welfare benefits earlier this year.

Output growth will slow somewhat

Expenditure-based GDP growth should ease as dairy farmers fully adjust spending to their lower incomes, income gains from falling oil prices wane, government spending slows, housing investment cools somewhat and exports moderate in line with declining market growth abroad. Yet, activity should stay strong enough to keep any slack from returning, implying fairly stable unemployment and a pick-up in inflation.

Risks are both internal and external. The housing market is strong, and construction is a large share of the economy, sustained by the Canterbury rebuild and the shortage of houses in Auckland. Should this drop away suddenly, both consumption and housing investment would suffer. External risks are, as elsewhere, centred on China both directly (its demand for dairy products) and indirectly (its imports from New Zealand's key trading partners). European dairy policies also have a major influence on farm incomes.

NORWAY

Economic activity is projected to be weak in 2016 as petroleum investment falls, with spillovers on non-oil sectors. Output growth will pick up gradually as non-oil investment strengthens with improved external demand, aided by currency depreciation, and as new oil-investment projects commence. Unemployment will peak in 2016. Inflation will drift down as currency-depreciation effects wane and economic slack continues.

Monetary and fiscal policies should remain supportive. Appropriately, macro-prudential tools are being used to contain risks from the housing market and high household debt. A tax-mix that encourages business activity through heavier reliance on indirect taxation would promote transition to broader-based growth. Reforms of the sickness and disability programmes aimed at encouraging labour supply are important for inclusive growth and need to continue.

Enhancing skills is key to improving Norway's productivity and well-being. Improvements in the quality and completion rates of secondary and tertiary education, including through measures to enhance teacher qualifications and better monitor the quality of outcomes, are essential. Further reductions in red tape and improved public-sector efficiency would also bolster productivity.

The economic slowdown continues

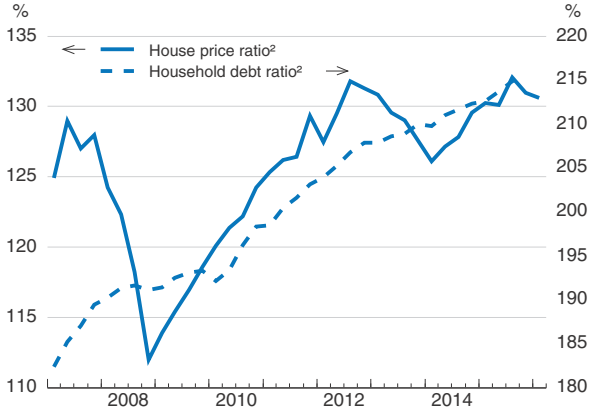
Declining petroleum investment continues to restrain mainland output growth through its impact on oil-related industries. The unemployment rate rose above 4½ per cent in early 2016, acting as a drag on consumption. However, low interest rates, rising housing wealth and an expansionary fiscal policy are supporting household spending, whereas currency depreciation and slowing wage growth are helping non-oil exports. The cyclical weakening is containing price pressures, notwithstanding pressures from

Norway

The labour market has been deteriorating



House prices and household indebtedness remain high



1. The share of firms reporting that labour supply is a constraint on output growth.
2. Ratios to disposable income.

Source: Statistics Norway; Norges Bank.

StatLink http://dx.doi.org/10.1787/888933368032

Norway: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices NOK billion	Percentage changes, volume (2013 prices)				
GDP at market prices	2 965.2	1.0	2.2	1.6	0.6	1.3
Private consumption	1 176.4	2.7	1.7	2.0	1.2	1.8
Government consumption	618.9	1.0	2.9	1.9	2.9	2.0
Gross fixed capital formation	659.8	6.3	0.0	-4.2	-1.8	2.1
Final domestic demand	2 455.1	3.2	1.6	0.3	0.8	1.9
Stockbuilding[1]	126.8	0.4	0.5	0.3	0.5	0.0
Total domestic demand	2 581.9	3.5	2.0	0.6	1.3	1.7
Exports of goods and services	1 204.4	-1.7	2.2	3.4	-1.6	1.2
Imports of goods and services	821.0	4.9	1.5	1.1	-0.2	2.5
Net exports[1]	383.3	-2.0	0.4	1.0	-0.5	-0.4
Memorandum items						
Mainland GDP at market prices[2]	_	2.3	2.3	1.0	0.8	1.8
GDP deflator	_	2.5	0.5	-2.3	0.1	2.4
Consumer price index	_	2.1	2.0	2.2	2.9	2.2
Private consumption deflator	_	2.1	2.1	2.2	3.3	2.4
Unemployment rate	_	3.4	3.5	4.3	4.7	4.5
Household saving ratio, net[3]	_	7.6	8.2	8.8	8.6	8.6
General government financial balance[4]	_	10.8	8.7	5.7	3.2	3.1
General government gross debt[4]	_	35.3	32.9	38.2	41.3	44.4
Current account balance[4]	_	10.2	11.9	9.0	5.1	5.1

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369388

imported inflation. House prices remain high relative to income, with widening regional disparities. Household debt is large and continues to rise.

Macroeconomic and structural policies support the transition to broader-based growth

The central bank reduced the policy rate in early 2016 to 0.50%. Economic slack has held inflation down, despite a depreciation of the currency. The new rules on mortgage lending practices have probably moderated household debt growth. However, their effectiveness needs to be closely monitored and assessed.

The revised 2016 budget provides a fiscal stimulus of 1.1 percentage points of trend mainland GDP, somewhat larger than initially budgeted. Most of this post-budget increase comes from higher expenditures on the integration of refugees, lower revenues, as well as new targeted policies to boost employment in regions most affected by the decline in oil prices. This expansionary stance is appropriate given the economic slowdown.

Boosting productivity through a more supportive business environment and stronger competition is essential for promoting a broader-based growth. Recent steps include a cut in the corporate tax rate and red-tape reduction, such as lighter reporting requirements for employers to the social security authorities and simplification in building and planning

legislation. Advances on these fronts are welcome. In addition, efforts to boost productivity in public services, for instance through mergers of small municipalities, should be pursued further.

Enhancing skills is also crucial for boosting productivity and well-being. Current reforms focus appropriately on the quality and completion rates in upper-secondary and tertiary education. Announced measures to improve teaching quality through stricter entry requirements to teaching-degree courses and to expand opportunities for continuing education are welcome. Tertiary-education policy-makers should examine the factors driving student decisions on what to study and the pace of study, and the authorities should better monitor the quality of outcomes. Initiatives seeking to boost labour supply by addressing problems in the sickness and disability programmes are vital for inclusive growth.

Growth will pick up gradually

The mainland economy is projected to recover from the slowdown in 2016. Expansionary macroeconomic policies, buoyant non-oil exports, helped by currency depreciation, and a rebound in non-oil investment as external demand and domestic activity strengthen will underpin the recovery. Also, new petroleum investment projects are expected to start during the projection period. The unemployment rate will peak in 2016 at 4¾ per cent. Inflation is projected to drift down as currency-depreciation effects wane and economic slack continues.

Oil-sector developments remain a substantial source of uncertainty and risk to the mainland's sizeable sector of oil-related companies. The speed of economic recovery is also sensitive to developments in Europe, through export demand. Domestically, high levels of household debt continue to pose real-side and financial risks. Progress in productivity-enhancing reforms currently underway provides some upside risk to the outlook.

POLAND

Real GDP growth is projected to increase from around 3% in 2016 to 3½ per cent in 2017. Rising employment and wages, higher social transfers and low energy prices will support faster consumption growth. Easy credit conditions, and a pick-up in infrastructure investment supported by EU funds in 2017, will also underpin stronger investment. Consumer price inflation is projected to gradually rise, as energy prices stabilise and the labour market tightens.

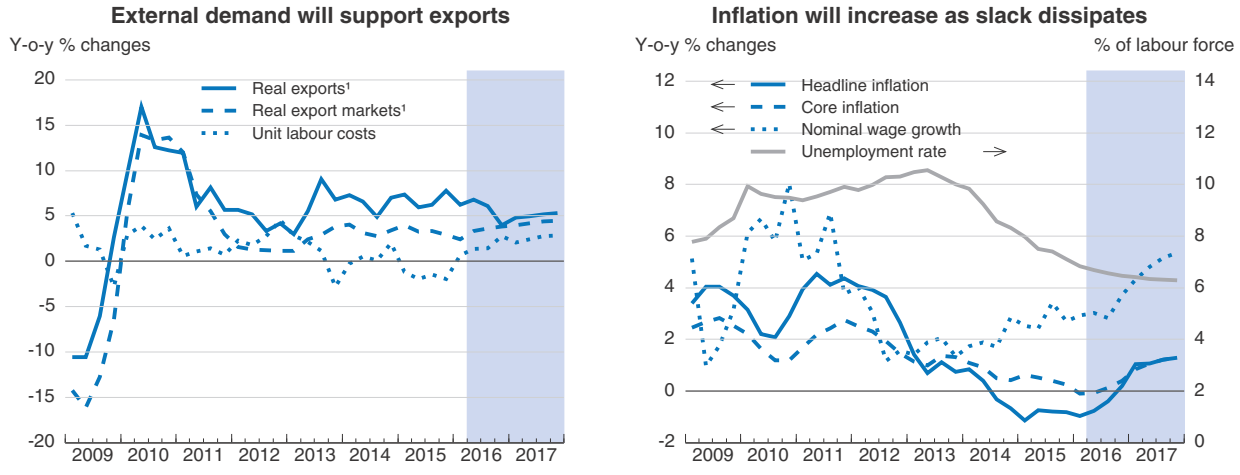
The central bank should start increasing interest rates as robust growth absorbs the remaining economic slack and price pressures emerge in late 2017. Additional fiscal consolidation would help finance new social spending and investment in infrastructure and skills over the longer term. Enhancing employment incentives for women and older workers, as well as increasing green taxes, would raise fiscal revenues, with positive effects on potential growth and environmental outcomes.

Planned investments in infrastructure, notably public transport, will strengthen productivity growth and well-being. At the same time, developing the rental housing market and life-long training opportunities would enhance workers' mobility and skills, reducing inequality. Easing regulatory barriers to firms' entry and growth would also improve prospects for young, dynamic firms and raise productivity.

Economic growth has been volatile but robust

Despite recent volatility, economic activity has been expanding at a solid pace. Exports are moving ahead rapidly owing to a progressive recovery in export markets and contained growth in unit labour costs. Steady gains in employment and wages, and low energy prices, are supporting private consumption. Rising corporate profits, high capacity utilisation and easy credit conditions have led to robust business investment growth. At the same time, public investment has fallen.

Poland



1. Goods and services.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368043

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	3.6	3.0	3.5
Private consumption	1 002.7	0.2	2.4	3.0	3.0	3.9
Government consumption	292.0	2.2	4.7	3.4	4.7	3.7
Gross fixed capital formation	322.5	-1.1	10.0	5.8	1.2	4.7
Final domestic demand	1 617.1	0.3	4.3	3.6	3.0	4.0
Stockbuilding[1]	19.6	-1.0	0.5	-0.2	0.0	0.0
Total domestic demand	1 636.7	-0.7	4.8	3.4	3.0	4.0
Exports of goods and services	723.6	6.1	6.4	6.8	5.8	5.1
Imports of goods and services	731.3	1.7	10.0	6.3	6.4	6.1
Net exports[1]	- 7.7	1.9	-1.5	0.3	-0.2	-0.3
Memorandum items						
GDP deflator	_	0.4	0.5	0.4	1.0	1.0
Consumer price index	_	1.0	0.1	-0.9	-0.5	1.1
Private consumption deflator	_	0.4	-0.1	-1.2	-0.5	1.1
Unemployment rate	_	10.3	9.0	7.5	6.6	6.3
General government financial balance[2]	_	-4.0	-3.3	-2.6	-2.6	-3.2
General government gross debt[2]	_	62.6	66.2	66.4	67.4	68.9
General government debt, Maastricht definition[2]	_	56.0	50.5	51.3	52.3	53.7
Current account balance[2]	_	-1.3	-2.0	-0.2	0.0	-0.2

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369391

Consumer prices have continued to decline, driven by downward pressures on energy prices. The steady decrease in the unemployment rate, higher social levies on some atypical contracts and a new hourly minimum wage are set to increase wage growth further and shrink labour market inequalities. Stabilising energy prices, rising social transfers and the pass-through of new taxes to consumers would underpin a return to inflation. On this projection, the central bank should gradually increase its policy rate late in 2017 as economic slack narrows and underlying price pressures reappear.

Improving medium-term growth and fiscal outcomes requires structural reforms

The recent introduction of a new child benefit programme will be mostly balanced by one-off revenues in 2016. However, rising social spending and a planned reduction in the standard VAT rate will push the deficit to 3.2% of GDP in 2017, despite additional taxes on banks and retailers and efforts to strengthen tax compliance. The currently considered higher personal income tax allowance could increase the deficit further, though it would help those on low incomes. The envisaged lowering of the statutory retirement age would also worsen longer-term fiscal outcomes. By contrast, continuing to raise the statutory retirement age, developing the availability of childcare and long-term care facilities and increasing green taxes would enhance employment incentives for women and older workers, have positive effects on growth and well-being, and help to finance public investment when EU funds diminish.

The investment priority should be to upgrade energy capacity and develop public transport to secure a greener energy supply, improve workers' mobility and reduce damage to public health from urban air pollution. This would require stable energy and climate change policies and stronger local administrative capacity to raise investment efficiency. At the same time, more lifelong training opportunities and a larger rental housing market would help reduce skill mismatches and enhance worker mobility, strengthening productivity and inclusiveness. Streamlining administrative procedures for young firms and improving public support for R&D would also bolster productivity.

Domestic demand will strengthen

GDP growth is projected to recover from around 3% in 2016 to 3½ per cent in 2017, underpinned by increasing labour incomes and higher social transfers. Falling spare capacity and good financing conditions are expected to stimulate business investment, while public investment financed by EU funds will gain momentum in 2017. Exports should continue to grow at a solid pace, as the slow recovery in external demand should offset the negative effects of higher growth of unit labour cost on cost competitiveness.

A vote for Brexit in the United Kingdom, a stronger-than-expected slowdown in emerging markets, notably China, and a weaker-than-expected global trade could hit exports. Domestic risks are also significant. The envisaged conversion of foreign-currency-denominated mortgages into domestic currency could reduce banks' capital positions and credit to the real economy. Together with uncertainty about fiscal policy, this could negatively affect business confidence and investment. Alternatively, large income gains and efficient implementation of the new long-term economic development plan could lead to stronger-than-expected private spending.

PORTUGAL

Moderate growth is projected for 2016 and 2017. Private consumption will strengthen mildly due to lower unemployment, a higher minimum wage and reversals of public sector pay cuts. However, job creation will be too weak for consumer spending to expand at its current pace beyond 2016. High corporate leverage and weak bank conditions have been holding back investment. In 2017, investment will partly recover and somewhat compensate the loss of momentum in consumption.

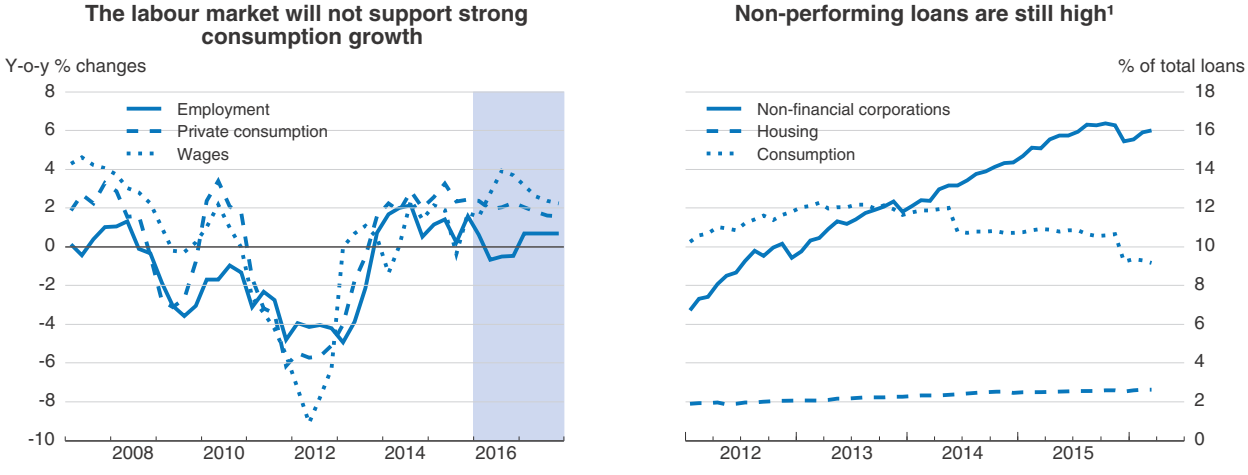
Recent fiscal policy changes are likely to raise disposable incomes, particularly benefitting low-income households. Public debt remains high and putting it on a declining path may require further fiscal consolidation measures.

Structural bottlenecks hold back productivity growth. Recent simplification efforts to cut red tape are welcome. More determined policy action to tackle high corporate debt would boost investment and – together with stronger competition in non-tradable sectors – accelerate resource reallocation and productivity growth. Territorial development reform would further improve the business climate. Increasing education attainments and skills, including by strengthening the links with the private sector and developing vocational education and training, would boost productivity.

Growth has eased recently

After a gradual recovery, the economy grew less than the euro area in the first quarter of 2016, owing partly to weak external demand, while private consumption remained robust. Investment, by contrast, has fallen sharply and continues to be a drag on growth, due to high corporate debt, weak bank balance sheets, policy uncertainty and falling momentum in the implementation of structural reforms. Unemployment remains at a high level and picked up slightly at the beginning of the year. Inflation has remained subdued, even if slightly above the euro area average.

Portugal



1. Loans overdue by more than 90 days.
Source: OECD Economic Outlook 99 database; and Banco de Portugal.

StatLink http://dx.doi.org/10.1787/888933368050

Portugal: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2011 prices)				
GDP at market prices	168.4	-1.1	0.9	1.5	1.2	1.3
Private consumption	111.6	-1.2	2.2	2.6	2.2	1.5
Government consumption	31.2	-2.0	-0.5	0.6	0.1	0.3
Gross fixed capital formation	26.7	-5.1	2.8	3.9	-1.5	1.2
Final domestic demand	169.5	-2.0	1.8	2.5	1.2	1.2
Stockbuilding[1]	- 0.2	0.0	0.4	0.0	0.0	0.0
Total domestic demand	169.3	-2.0	2.2	2.5	1.2	1.2
Exports of goods and services	63.5	7.0	3.9	5.2	2.8	3.8
Imports of goods and services	64.4	4.7	7.2	7.4	2.8	3.6
Net exports[1]	- 0.9	0.9	-1.2	-0.9	0.0	0.1
Memorandum items						
GDP deflator	_	2.3	1.0	1.9	1.2	1.0
Harmonised index of consumer prices	_	0.4	-0.2	0.5	0.3	0.8
Private consumption deflator	_	0.8	0.6	0.7	0.4	0.5
Unemployment rate	_	16.2	13.9	12.5	12.1	11.5
Household saving ratio, gross[2]	_	7.8	5.7	4.2	4.7	5.3
General government financial balance[3,4]	_	-4.8	-7.2	-4.4	-2.9	-2.6
General government gross debt[3]	_	142.6	152.4	150.3	149.6	149.7
General government debt, Maastricht definition[3]	_	129.0	130.2	129.0	128.3	128.3
Current account balance[3]	_	1.5	0.1	0.5	0.2	0.3

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.
4. Based on national accounts definition.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369402

Fiscal policy eased in 2015 and is projected to stay accommodative over the forecast period. The 2016 budget relies more on consumption taxes, and less on income taxes. This change in the tax mix should help growth, but is also potentially regressive. A reduced VAT rate on restaurants will reduce revenues and will probably have little effect on employment. Planned reductions in corporate taxes, which could boost investment and growth, have been cancelled. An increase in social benefits will support low-income households. Projected spending reductions are subject to severe implementation risks. The public debt is still very high and, on the whole, current budget plans are insufficient to ensure it will decline. Although care needs to be taken not to derail the fragile economic recovery, it is possible that further fiscal measures will be required eventually, especially if productivity and, therefore, longer-term growth do not pick up.

Structural reforms would enhance productivity, boost job creation and increase equity

Portugal's growth potential has been very low for several years. The labour market is highly segmented and the youth unemployment rate is one of the highest in the euro area. Plans to reform the public administration, particularly the judiciary system, would enhance productivity, while stronger competition in electricity, ports and professional

services would boost productivity in these sectors and in downstream export activities. It is crucial to complete the implementation of zero licence procedures and to implement a comprehensive reform of territorial development legislation to further improve the business climate.

Policies to boost domestic demand will not produce long-lasting effects

Recent policy changes, such as a higher minimum wage, the reversal of public sector pay cuts and the phasing out of an extraordinary personal income tax, will keep private consumption robust during 2016, partially offsetting the negative developments in investment. But the resulting increase in consumer spending is facing limits imposed by a historically low saving rate and slow job creation, leading private consumption to lose steam in 2017 as households increase their saving. Conversely, investment is projected to pick up during 2017, while improved competitiveness and recovering external demand will gradually strengthen exports. Taken together, these developments should support moderate growth over the projection period. The current account will continue to post a small surplus.

Apart from economic developments in Angola, risks are mostly internal and stem from the high indebtedness of the private and public sectors. A rating downgrade of Portugal's sovereign debt could make access to external finance, including from the European Central Bank, more difficult. The banking sector remains constrained by weak profitability and a high share of non-performing loans, both of which raise concerns about financial stability. On the other hand, the successful implementation of recent policy initiatives aiming at reducing corporate debt and repairing banks' balance sheets could reduce the vulnerability of banks and allow more resources to flow into new productive investment.

RUSSIA

The sharp fall in global oil prices has resulted in a prolonged recession. Reduced export earnings are cutting imports and investment and severely limiting fiscal policy. The depreciation of the ruble has raised prices, squeezed real incomes, especially of the poorest, and reduced private consumption. Unemployment will continue to rise. Growth is projected to turn positive in 2017 as falling inflation and rising real incomes strengthen domestic demand. The recovery will nevertheless be slow, amid a lack of structural reforms and uncertain prospects for oil prices.

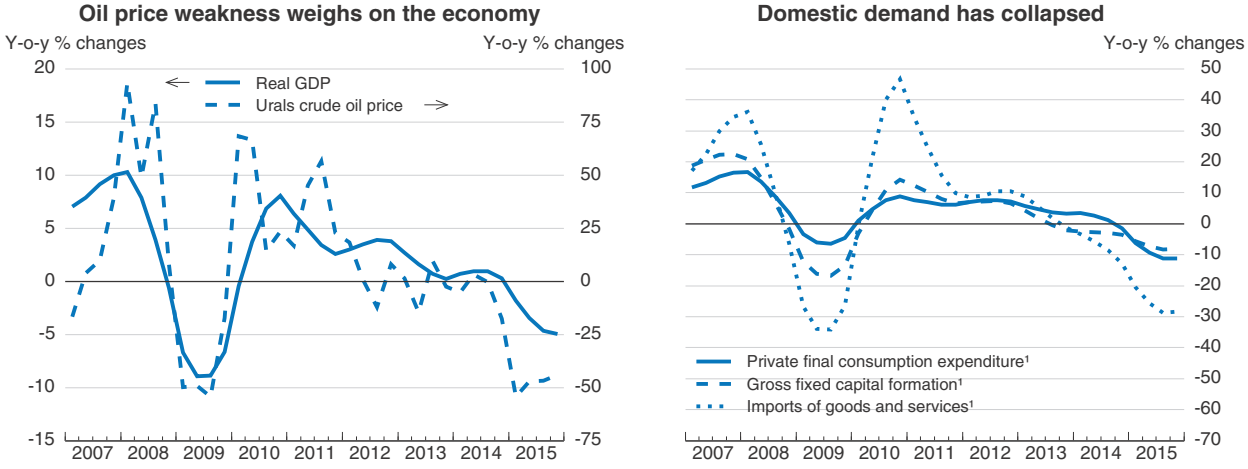
Given the large drop in real incomes, it is important to prioritise social spending and protect the incomes of the weakest. The accommodative fiscal stance is appropriate, but in the medium term fiscal policy needs to adjust to permanently lower oil prices. Returning to a fiscal rule limiting the use of oil revenues could facilitate this adjustment. The current tight stance of monetary policy seems appropriate, but easing should proceed with reductions in inflation expectations. Bank balance sheets should be monitored closely, as non-performing loans have been on the rise.

Measures to combat corruption, strengthen the rule of law, reduce state control, and reinforce skills and innovation would raise productivity. While red tape has been reduced recently, more progress is needed at the regional level. In the medium term, making the economy less dependent on rents from natural resource extraction will be the key to stronger and more stable income growth.

Oil price weakness weighs on the economy

The dramatic fall in oil prices since the end of 2014 has substantially reduced real incomes and the economy remains in recession. Geopolitical uncertainty and international sanctions and countersanctions further aggravate the situation. Lower oil prices caused a large ruble depreciation, which pushed up inflation sharply. The waning of these effects and the weak economy has reduced inflation, which stood at 7.3% in April 2016.

Russia



1. In volume.

Source: OECD Economic Outlook 99 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933368061

Russia: **Macroeconomic indicators**

	2012	2013	2014	2015	2016	2017
	Current prices RUB trillion	Percentage changes, volume (2011 prices)				
GDP at market prices	66.9	1.3	0.7	-3.7	-1.7	0.5
Private consumption	34.6	4.3	1.5	-9.5	-4.5	0.2
Government consumption	12.5	1.4	0.2	-1.8	-1.1	-0.7
Gross fixed capital formation	13.1	0.8	-3.0	-7.3	-5.1	1.8
Final domestic demand	60.2	3.0	0.3	-7.5	-2.8	0.0
Stockbuilding[1]	2.2	-1.8	-1.1	-2.4	0.1	0.0
Total domestic demand	62.4	1.0	-0.9	-10.1	-3.9	0.4
Exports of goods and services	18.3	4.6	0.6	3.6	3.7	2.8
Imports of goods and services	13.8	3.6	-7.6	-25.7	-6.3	3.2
Net exports[1]	4.5	0.5	1.7	6.4	2.4	0.2
Memorandum items						
GDP deflator	_	4.8	9.0	7.7	5.9	4.5
Consumer price index	_	6.8	7.8	15.5	7.3	5.3
Private consumption deflator	_	6.2	7.7	15.2	7.8	4.9
General government financial balance[2,3]	_	0.3	0.2	-3.6	-4.2	-3.6
Current account balance[2]	_	1.6	2.9	5.3	5.2	4.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
3. Consolidated budget.

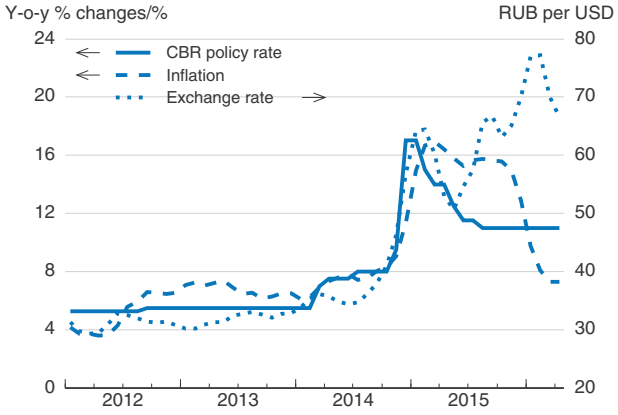
Source: OECD Economic Outlook 99 database.

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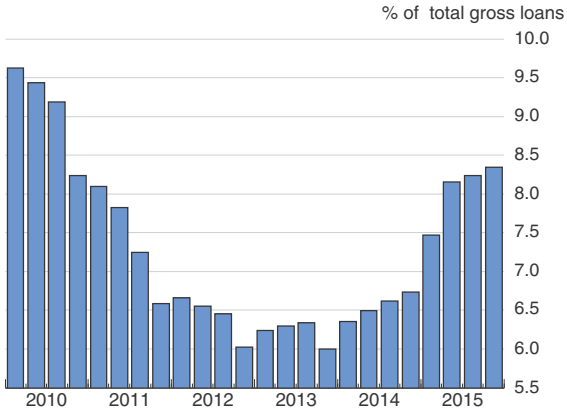
Investment has declined strongly due to weak sentiment, elevated financing costs and limited access to international finance. Falling real incomes weigh on private consumption and imports have declined sharply in response to weak demand, reduced external purchasing power and international sanctions. Nevertheless, improved external

Russia

The central bank is cautious due to renewed ruble weakness



Non-performing loans are on the rise



Source: OECD Economic Outlook 99 database; IMF International Financial Statistics database; Bank of Russia; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933368071

competitiveness has helped hold up exports in real terms and import substitution has sustained activity in the food industry, chemicals and mining.

High inflation has drastically reduced real incomes, especially of vulnerable groups, as wages and pensions have not kept up. While this has helped labour market adjustment and limited increases in unemployment, the poverty rate increased from 11% in 2013 to 15% in the first half of 2015. This situation has been aggravated because food prices have risen even faster than inflation, eroding the real incomes of the poorest, who spend more of their budget on food.

The current account has improved as the collapse in incomes sharply reduced imports. The uncertainty due to geopolitical tensions and sanctions has also triggered capital outflows. A balance-of-payments crisis has been avoided, however, as Russian borrowers have drawn on their foreign currency assets to pay down their foreign debt and the central bank has provided foreign exchange liquidity from its reserves.

The room for policy stimulus is limited due to high inflation and low oil revenues

The central bank faces a difficult environment of negative growth and high inflation. To deal with ruble weakness and uncertain prospects for the oil price, the central bank has kept the interest rate unchanged at 11% since August 2015. The pace of easing has also been influenced by decreasing liquidity shortages in the money market, as the government is financing the budget deficit primarily from the (oil-revenue-funded) Reserve Fund instead of borrowing. To support the economy, the central bank should reduce interest rates when inflation and inflation expectations fall.

The central bank should be vigilant with respect to foreign exchange liquidity provisions for banks and should avoid propping up insolvent institutions. Weakening bank balance sheets should be monitored closely, as non-performing loans have been on the rise.

While low oil prices have cut fiscal revenues, the ruble depreciation has sustained them in nominal terms. Fiscal policy has become expansionary to support activity and the deficit has widened as spending on social programmes, economic subsidies and national defence has risen in nominal terms. Nevertheless, public expenditures have declined in real terms.

In the recessionary environment, it is appropriate to let the automatic stabilisers operate and protect the incomes of the poor. The government intends to continue to finance the budget deficit from the Reserve Fund. But policy may need to adjust to a potential new reality of persistently lower oil prices and rapid ageing of the population by reducing and restructuring public expenditure. A return to a fiscal rule limiting the use of oil revenues could help guide policy during this difficult adjustment. There should be more support to education and provision of a fertile environment for innovation. Raising transparency and accountability in the public sector and judiciary, easing administrative barriers and lowering state involvement could make growth more inclusive.

The recession will continue in 2016

The economy is projected to remain in recession in 2016 and return to growth only slowly in 2017. Improved macroeconomic stability and lower inflation will help domestic demand to gradually recover. Global growth, increased competitiveness and an easing of

financing conditions as interest rates decline will help exports and investment. Unemployment is projected to remain higher than before the crisis.

The projections assume that the current low oil price continues, the value of the ruble remains constant and sanctions continue. Improvement in any of these areas would materially strengthen growth. If geopolitical tensions deteriorate, investment and growth will face additional downward pressures and capital outflows would intensify. The opposite would have a beneficial impact on prospects for growth. There is a risk that under current difficult circumstances non-performing assets will grow fast, undermining financial stability and credit growth. A global slowdown, especially in China, but also in Europe, would reduce exports and growth in Russia.

SLOVAK REPUBLIC

After accelerating in 2015, economic activity should slow somewhat as the boost from exceptional absorption of EU funds fades. Nonetheless, annual growth is projected to remain above 3%, led by persistently strong domestic demand. Household consumption will strengthen further, driven by improved labour market outcomes, low inflation and rising disposable income. Lower public investment will be partly compensated by new foreign direct investments in the automotive sector.

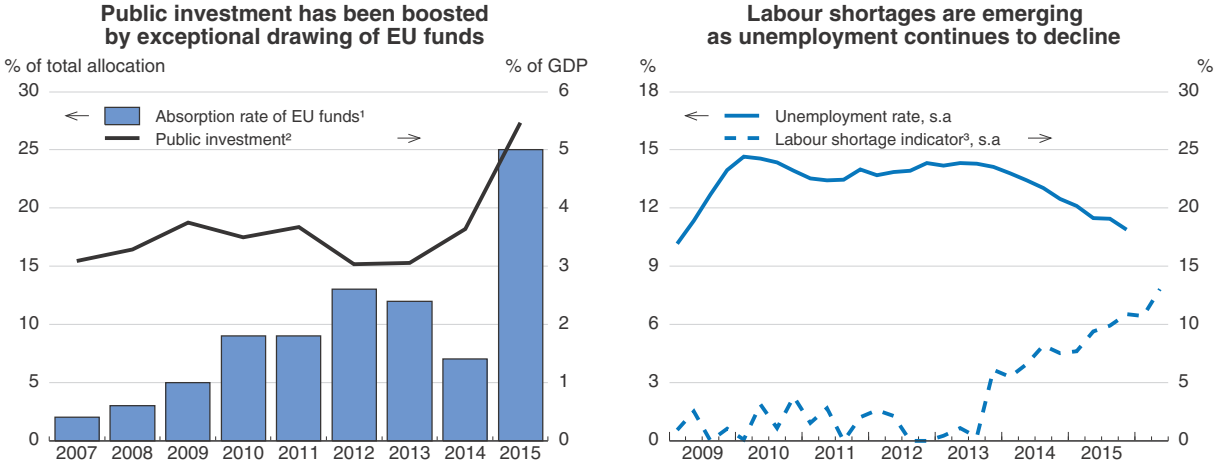
Fiscal consolidation is set to resume as the new government intends to reach a small budget surplus by 2019. In order to increase fiscal room for manoeuvre and to finance growth-friendly measures, the government should enhance public-sector efficiency, including via the current Value for Money initiative.

Productivity growth, although higher than the OECD average, has slowed considerably since the 2008-09 recession. Increasing it will be critical to continue the process of income convergence towards the best OECD performers. Reforming the educational system is a top priority, to extend educational opportunities to all and to enhance workers' capacity to learn the new skills needed in a changing labour market, thereby increasing their employability and improving their well-being.

Growth has accelerated

The economy expanded rapidly in 2015, boosted by exceptionally rapid drawing of EU funds. In addition, private consumption continued to increase on the back of stronger consumer confidence, favourable labour market outcomes and the support to real incomes from falling prices. Consumer prices have declined mainly due to falling food and energy prices and cuts in regulated prices. The unemployment rate has declined considerably but

Slovak Republic



1. In the programming period 2007-13.
2. General government gross fixed capital formation.
3. Percentage of manufacturing firms pointing to labour shortage as a factor limiting production.

Source: OECD Economic Outlook 99 database; Statistical Office of the Slovak Republic and European Commission.

StatLink http://dx.doi.org/10.1787/888933368080

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

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	72.4	1.4	2.5	3.6	3.1	3.2
Private consumption	41.6	-0.8	2.3	2.4	3.3	3.2
Government consumption	13.0	2.2	5.9	3.4	2.5	0.8
Gross fixed capital formation	15.4	-1.1	3.5	14.0	2.3	3.8
Final domestic demand	70.0	-0.3	3.3	5.1	2.9	2.9
Stockbuilding[1]	- 0.2	0.6	-0.2	-0.2	0.0	0.0
Total domestic demand	69.8	0.2	3.0	4.9	3.0	2.9
Exports of goods and services	66.5	6.2	3.6	7.0	4.4	5.5
Imports of goods and services	63.8	5.1	4.3	8.2	3.3	5.3
Net exports[1]	2.7	1.2	-0.4	-0.8	1.1	0.4
Memorandum items						
GDP deflator	_	0.5	-0.2	-0.3	0.3	1.2
Harmonised index of consumer prices	_	1.5	-0.1	-0.3	-0.3	0.9
Private consumption deflator	_	1.3	-0.1	-0.1	-0.2	0.8
Unemployment rate	_	14.2	13.2	11.5	10.4	9.6
General government financial balance[2]	_	-2.7	-2.7	-3.0	-2.3	-1.6
General government gross debt[2]	_	60.7	60.1	59.6	60.0	59.7
General government debt, Maastricht definition[2]	_	55.0	53.9	52.9	53.3	53.0
Current account balance[2]	_	2.0	0.1	-1.1	0.0	0.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369415

is still around 11%. Exports have also performed strongly, but buoyant domestic demand has boosted imports even more, resulting in a small current account deficit.

Fiscal consolidation will resume, but structural reforms are needed

Despite this strong growth and improved tax collection, the fiscal deficit was larger than planned. Budget consolidation is set to resume, with annual structural balance adjustments of 0.5% of GDP in 2016 and 0.7% of GDP in 2017. This is appropriate, given robust economic growth and the medium-term challenges posed by rapid population ageing. Implementing multi-annual spending ceilings would help guide policy and, in particular, avoid overexpansion during a boom. In order to create fiscal room for manoeuvre and finance growth-friendly measures, the government should enhance public-sector efficiency. This should include effective implementation of the Value for Money initiative, which incorporates evidence-based analysis into policy making.

In the face of demographic drag, mobilising labour resources and increasing productivity will be essential to maintaining the income convergence process. Structural unemployment remains high, particularly among marginalised groups, such as the Roma. At the same time, companies in some sectors are increasingly experiencing skilled labour shortages as unemployment falls. Structural reforms that reduce skills mismatch in the labour market would quicken productivity growth. In particular, education reform could

improve the skills of students from disadvantaged backgrounds, easing their access to jobs in high value added industries and making growth more inclusive.

Domestic demand will drive growth

Growth is projected to remain robust at above 3% annually over the projection period. The main driving force will be private consumption underpinned by the improving labour market and favourable financial conditions. Unemployment is expected to decline further, but at a slower pace as it reaches its estimated structural rate. The foreseen drop in public investment will be offset by new foreign investments in the automotive sector. Exporters will continue to gain market share, allowing the current account to return to a modest surplus. Inflation should increase only slowly, restrained by continued economic slack.

Downside risks are mainly related to export developments. Exports could be lower if the European recovery disappoints, China slowdown is sharper than expected or wage increases restrain competitiveness. In addition, spreading labour shortages and inadequate labour skills could deter foreign investments. On the upside, supportive financial conditions could strengthen private domestic demand even more than projected.

SLOVENIA

Economic growth is projected to slow in 2016 owing to sluggish global trade and temporarily weaker public investment as EU-financed projects slow down. Growth will pick up in 2017 as a strengthening labour market boosts private consumption, and improved financial conditions and stronger balance sheets of companies enhance private investment. Inflation will remain low due to remaining slack in the economy. Unemployment will fall over the projection period.

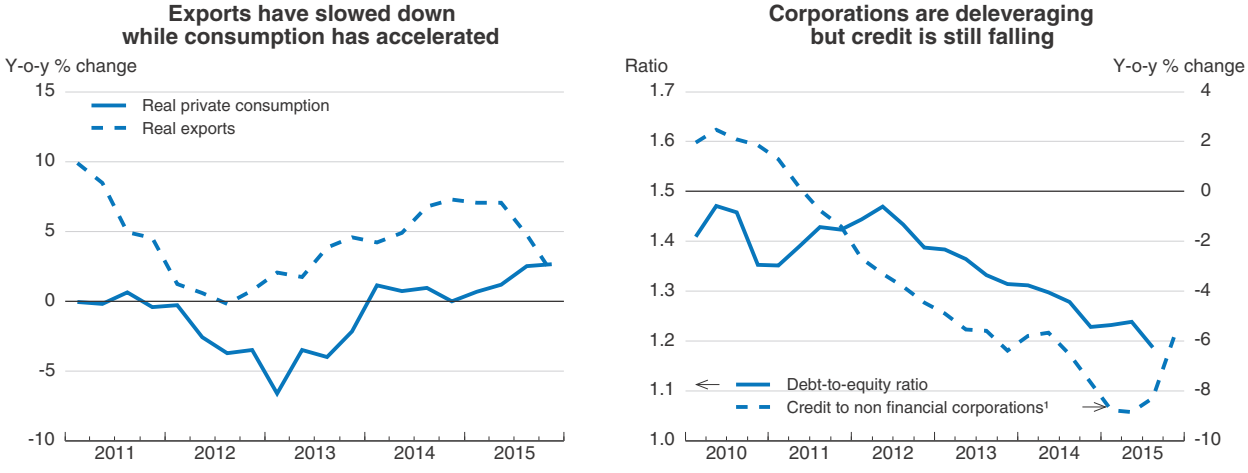
Continued corporate, and especially SME, restructuring and a reduction of non-performing loans remain priorities to revive credit flows. Continued fiscal effort is needed to tackle the still rising public debt, while the incomes of the poorest need to be protected. Structural reforms to pensions, education and health care could boost growth and bring savings without jeopardising service quality.

Productivity could be boosted by lowering regulatory burdens and implementing the privatisation programme. These reforms would also help stimulate more foreign direct investment, improve corporate governance, attract new technologies and raise innovative activity. Lowering the high tax wedge on labour income could boost employment, especially of the high-skilled.

Exports and public investment have been driving growth

Economic growth in 2015 was sustained by exports, aided by improvements in competitiveness, and temporarily strong public investment, financed by EU funds. In early 2016 exports remained strong and competitiveness continues to improve. Private consumption is gathering pace as the labour market strengthens, interest rates are low and confidence returns. The banking sector is gradually recovering from the clean-up of bad assets, but non-performing loans remain high and credit to enterprises continues to

Slovenia



1. Outstanding loans to non-financial corporation, adjusted for sales and securitisation, neither seasonally nor working day adjusted.
Source: OECD Economic Outlook 99 database; and European central bank.

StatLink http://dx.doi.org/10.1787/888933368094

Slovenia: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	36.0	-1.1	3.0	2.9	1.5	2.3
Private consumption	20.4	-4.1	0.7	1.7	2.1	2.5
Government consumption	7.3	-1.5	-0.1	0.7	1.0	1.1
Gross fixed capital formation	6.9	1.7	3.2	0.5	-3.5	4.1
Final domestic demand	34.7	-2.4	1.0	1.3	0.6	2.6
Stockbuilding[1]	- 0.2	0.2	0.5	0.8	0.3	0.0
Total domestic demand	34.5	-2.2	1.6	2.1	1.0	2.5
Exports of goods and services	26.4	3.1	5.8	5.2	3.5	4.6
Imports of goods and services	24.9	1.7	4.0	4.4	3.1	5.2
Net exports[1]	1.5	1.1	1.6	0.9	0.6	0.1
Memorandum items						
GDP deflator	_	0.8	0.8	0.4	-0.3	0.6
Harmonised index of consumer prices	_	1.9	0.4	-0.8	-0.5	0.7
Private consumption deflator	_	0.8	0.0	-1.1	-1.2	0.2
Unemployment rate	_	10.1	9.7	9.0	8.7	8.2
General government financial balance[2]	_	-15.0	-5.0	-2.9	-2.2	-1.9
General government gross debt[2]	_	79.6	97.4	98.7	100.6	101.7
General government debt, Maastricht definition[2]	_	71.0	81.0	83.2	85.1	86.2
Current account balance[2]	_	5.6	7.0	7.3	6.9	6.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369425

contract. Enterprises are deleveraging, but private investment in machinery and equipment is picking up.

Inflation remains low on the back of low commodity prices and economic slack. The unemployment rate is declining, but youth and long-term unemployment are still high. Labour force participation of older people is low. Despite the strongly distributive welfare system, the percentage of population at risk of poverty and social exclusion has been growing.

Structural reforms can support inclusive growth and aid fiscal consolidation

The budget deficit has declined, helped by the pick-up in growth, but also reflecting consolidation efforts. Given the still rising public debt, gradual fiscal consolidation based on permanent measures should continue. Structural reforms can help reduce pressures on public expenditure by boosting growth. Participation rates of younger workers can be raised by better active labour market policies. Pension reform, such as raising the retirement age, would help to counter the fiscal pressures from population ageing. Improved efficiency in public health and education could reduce costs without undermining quality of the service. 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 and reduce risks of poverty.

It is important to continue with the consolidation and privatisation in the banking sector and business restructuring, especially for SMEs. Reducing the still high non-performing loans held by banks and effectively disposing of the assets of the asset management company ("bad bank") would free up financing for new growth activities. The large presence of state-owned companies and a restrictive regulatory framework impede productivity and create unnecessary barriers to market entry and FDI.

A pick-up in domestic demand will sustain growth

Exports will slow down due to weaker global trade in 2016, but household consumption will continue growing as the labour market strengthens and incomes rise. Easing financing conditions and stronger corporate balance sheets as deleveraging progresses will support private investment. However, public investment will drop temporarily, because the absorption of EU funds will fall significantly. Unemployment will fall further, but inflation is set to remain low as slack will persist and wage pressures will be subdued.

Sluggish global trade, especially in Europe but also in the emerging markets, could reduce growth. Uncertainty and volatility in commodity markets also pose risks as do potential adverse geopolitical developments. Domestically, strong wage increases may reverse the recent gains in export competitiveness, if not accompanied by corresponding gains in productivity. On the other hand, recent reforms - of red tape, insolvency procedures and the labour market - and a more decisive progress on corporate restructuring and privatisation could have a more positive effect on growth than assumed.

SOUTH AFRICA

Drought and electricity constraints slowed economic growth in 2015, and tighter financial conditions and low confidence will weaken it further in 2016. Investment will grow modestly, deterred by continuing lack of electricity and an uncertain policy environment. Growth will broaden and pick up again in 2017 once new electricity capacity comes on stream.

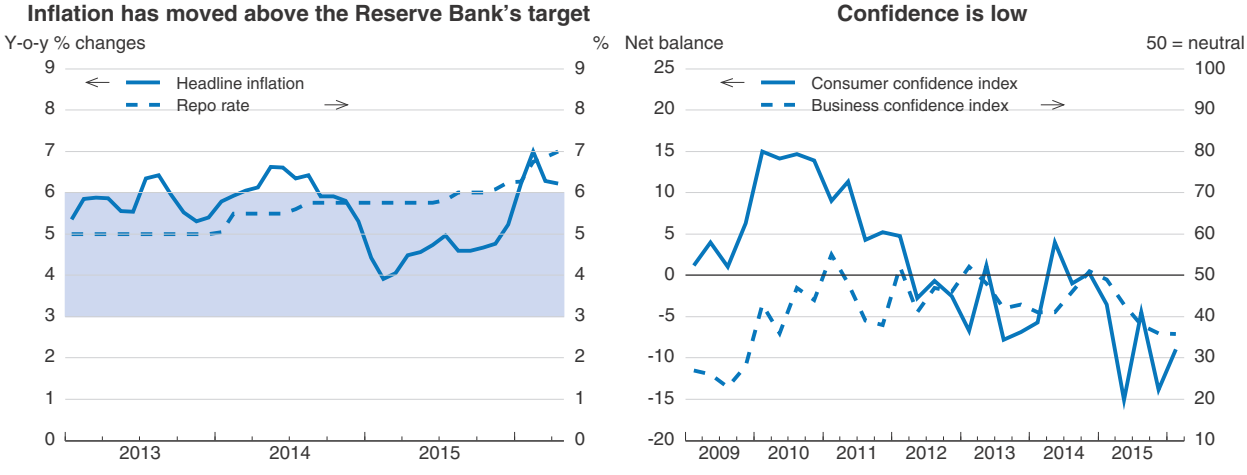
South Africa is experiencing a difficult monetary policy environment, with high inflation and weak growth. Inflation is partly driven by temporary factors, mainly rising food prices and the pass-through of past currency depreciation, but there are risks of second-round effects to restore margins and real wages. Monetary policy should remain ready to act to ensure that inflation expectations do not become anchored above the target band of the Reserve Bank. Fiscal policy needs to earn credibility by sticking to announced consolidation and prioritising growth-enhancing spending. The cost of fiscal consolidation would be greatly offset if long overdue structural reforms would be finally implemented.

Labour productivity has trended down since 2011. Structural reforms are needed to boost productivity and employment to raise incomes and living standards. Ensuring more market competition, in particular in network sectors, strengthening the management and investments of state-owned enterprises, encouraging the development of SMEs by reducing red tape and access barriers and improving the education system are all key measures to boost productivity and inclusion.

Growth remains subdued as structural weaknesses persist

Persistent electricity shortages and drought affecting agricultural production cut growth in 2015. Political uncertainties reduced confidence further, hurting investment and consumption. The depreciation of the rand supported exports, benefiting some

South Africa



Source: SARB; Statistics South Africa; and Bureau of Economic Research.

StatLink http://dx.doi.org/10.1787/888933368107

South Africa: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices ZAR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	3 254.7	2.3	1.7	1.3	0.7	1.4
Private consumption	1 983.6	2.0	0.7	1.8	0.9	1.2
Government consumption	658.7	3.8	1.8	0.2	1.0	0.7
Gross fixed capital formation	625.6	7.0	1.5	2.5	1.0	1.4
Final domestic demand	3 268.0	3.3	1.1	1.6	1.0	1.1
Stockbuilding[1]	34.0	-0.5	-0.6	0.2	-0.6	0.0
Total domestic demand	3 302.0	2.8	0.5	1.8	0.4	1.1
Exports of goods and services	967.2	3.6	3.3	3.8	3.9	4.0
Imports of goods and services	1 014.4	5.0	-0.5	5.3	2.5	3.1
Net exports[1]	- 47.2	-0.5	1.1	-0.5	0.4	0.2
Memorandum items						
GDP deflator	_	6.6	5.8	3.9	5.7	5.4
Consumer price index	_	5.8	6.1	4.6	6.5	6.3
Private consumption deflator	_	6.0	5.8	4.1	4.9	5.4
General government financial balance[2]	_	-3.3	-4.1	-3.9	-3.3	-3.0
Current account balance[2]	_	-5.7	-5.4	-4.3	-4.4	-4.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369528

manufacturing sub-sectors, and helped the mining sector deal with falling commodity prices.

Macroeconomic policies are at a critical juncture

Apart from electricity shortages, inflation and financial market reactions are the main forces behind current economic developments. Higher food prices and rising administered prices will continue to push inflation above the 6% upper limit of the target band in 2016. The weaker currency will push up inflation and low profitability means that cost increases are more likely to be passed on. Oil prices have worked in the opposite direction. However, the effect on inflation of the sharp spike in food prices should diminish in the near term and therefore monetary policy can remain in a fairly supportive stance while being ready to counter a build-up of trend inflation.

Public debt has increased steadily in recent years. Moreover, interest payments have been increasing rapidly, prompting fiscal consolidation strategies. However, given the weakness of the economy and investment needs, the consolidation pace should be gradual. The government has to improve cost effectiveness of government spending and prioritise investment projects according to their social returns. Fiscal credibility will depend on effectively controlling spending and implementing current consolidation plans.

South Africa needs bold structural reforms to boost the economy, remove bottlenecks on production capacities (electricity and skill shortages) and increase market competition in network sectors. These reforms are fundamental for growth, job creation and reduction of the high unemployment rate, and would allow reform of social safety net policies in a way which stimulates economic activity and labour force participation.

Political uncertainty and risks are on the rise

2016 will mark a third year of declining growth. Improvements in electricity production are only expected by the end of the year and financial markets are concerned about the rising public debt. Confidence is likely to remain low, deterring investment and consumption. In 2017, growth is projected to pick up modestly. Improvements in electricity capacity will remove production bottlenecks, bring back confidence and push up investment a little. Also, sustained job creation will increase household disposable income and consumption. And, improvements in external demand, in particular the assumed stabilisation of commodity prices, will lift export markets.

More rating agency downgrades would further lower confidence. Delays in electricity supply improvements cannot be ruled out. Further declines in commodity prices and global demand of raw materials would also drive down the economy. On the other hand, a normal rainy season would allow the agriculture sector to recover and push down food prices, and increases in global commodity prices would boost exports and growth.

SPAIN

The recovery is projected to continue in 2016 and 2017, although at a more moderate pace. Low borrowing rates for businesses and households will keep providing support. Some of the positive forces, including lower oil and other commodity prices and a mildly positive fiscal stimulus, will boost consumption in 2016 but then fade in 2017.

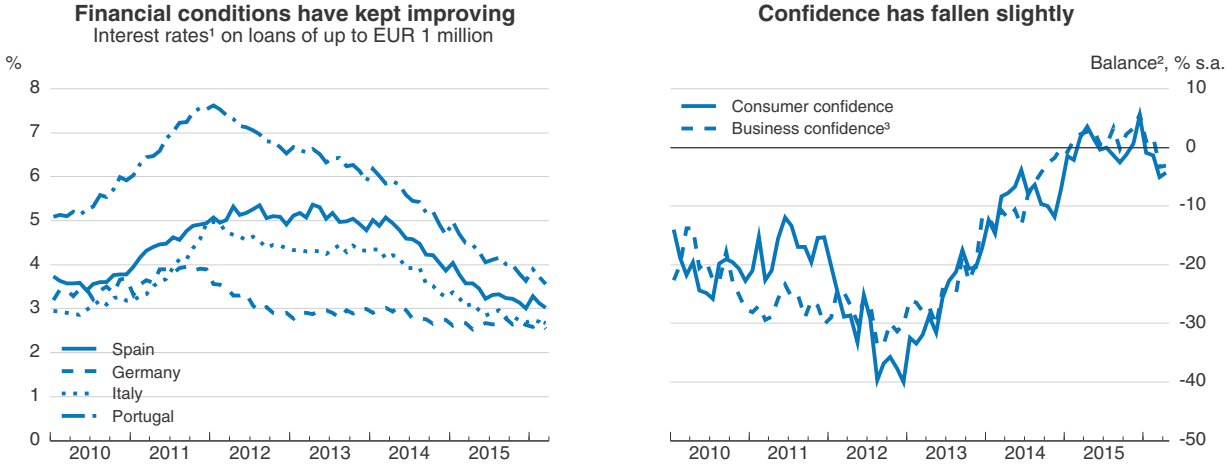
The return to a more neutral fiscal stance is welcome, but public debt remains high. To ensure that public debt is sustainable, the government should stick to its medium-term consolidation path. The unemployment rate and the share of long-term unemployed have fallen, but remain painfully high. More effective active labour market policies will be crucial to help the unemployed get back to work and to further reduce income inequality.

Spain has low productivity growth, hampering its ability to generate sustainable and inclusive growth. Recent structural reforms addressing fragmentation in product and service markets, simplifying business creation, and reforms of labour and financial markets have gone in the right direction. Increased competition, skills and innovation will also be needed to sustainably boost productivity and generate well-paying jobs.

The recovery is set to continue at a more sustainable pace

The recovery continues to be supported by strong employment growth, low oil prices and expansionary monetary policy, but growth has moderated gently relative to 2015. Consumption remains bolstered by robust gains in employment and higher disposable income, but has decelerated marginally lately. Consumer and business confidence have weakened in the past months. Industrial production has slowed and recent indicators, such as capital investment, show more moderate quarterly growth.

Spain



1. Interest rates on loans to non-financial corporations with an initial rate fixation period of less than one year.
2. Net balance of answers to surveys taking the value between -100% (unfavourable) and +100% (favourable).
3. Unweighted average of the confidence indicators for manufacturing, construction, retail trade and services (excluding retail trade).

Source: European Central Bank; and OECD Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933368111

Spain: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 042.9	-1.7	1.4	3.2	2.8	2.3
Private consumption	611.4	-3.1	1.2	3.1	3.1	2.1
Government consumption	205.2	-2.8	0.0	2.7	1.5	1.2
Gross fixed capital formation	209.2	-2.5	3.5	6.4	4.6	3.8
Final domestic demand	1 025.8	-2.9	1.4	3.7	3.1	2.3
Stockbuilding[1]	1.8	-0.2	0.2	0.1	-0.1	0.0
Total domestic demand	1 027.6	-3.1	1.6	3.8	3.0	2.3
Exports of goods and services	319.2	4.3	5.1	5.4	4.8	5.0
Imports of goods and services	304.0	-0.3	6.4	7.5	5.5	5.2
Net exports[1]	15.3	1.4	-0.2	-0.5	-0.1	0.1
Memorandum items						
GDP deflator	_	0.6	-0.4	0.6	0.4	1.2
Harmonised index of consumer prices	_	1.5	-0.2	-0.6	-0.5	1.0
Private consumption deflator	_	1.0	0.3	-0.5	0.2	0.8
Unemployment rate	_	26.1	24.4	22.1	19.8	18.4
Household saving ratio, net[2]	_	4.2	3.9	3.5	3.1	3.0
General government financial balance[3,4]	_	-6.9	-5.9	-5.1	-3.7	-2.7
General government gross debt[3]	_	103.9	117.9	116.3	117.4	117.3
General government debt, Maastricht definition[3]	_	93.7	99.3	99.2	100.3	100.1
Current account balance[3]	_	1.5	1.0	1.4	1.1	0.9

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.
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 99 database.

StatLink http://dx.doi.org/10.1787/888933369435

Structural reforms would boost growth

After loosening in 2015, fiscal policy is expected to return to a broadly neutral stance. Owing to the low growth potential, sustainably reducing debt would require an improvement in the structural balance. The neutral stance is appropriate, as it balances the need for continued growth and job creation with the need to gradually reduce public debt. Monetary policy in the euro area will remain highly accommodative, boosting investment and consumption via lower lending rates. However, other forces supporting the recovery will lessen. External demand has lost some momentum as many emerging market economies have weakened, and the positive impact of falling oil prices will moderate. Political uncertainty since the general election in December 2015 will weigh on demand, if it continues.

Boosting productivity is a necessary condition for sustainable medium-term growth. Additional measures, such as reducing the degree of vertical integration in the electricity market and lowering the barriers to entry into professional professions, would contribute to higher productivity. The unemployment rate is set to remain close to 20% with a large share of long-term unemployment and one of highest levels of youth unemployment in the OECD. Improving job opportunities for the unemployed and facilitating their return to work

is key to reducing income inequality and including more people in the benefits of the economic recovery. More reforms are needed to boost the resources and efficiency of public employment services, strengthening activation for the unemployed, and allocating more funds towards effective training schemes. Tackling early school leaving and providing second-chance opportunities for those who have not completed secondary education would help to boost skills at the same time as contributing to reduce youth unemployment.

The pace of the recovery will moderate

Growth is projected to gradually slow to 2.8% and 2.3% in 2016 and 2017. Unemployment is projected to continue falling gradually, given sustained employment gains, but remain very high. Inflation will gradually increase but pressures will remain moderate due to still significant slack. The current account will remain in surplus.

A prolonged period of political uncertainty could further weigh on investment and consumption. Weaker-than-projected global growth, notably in emerging market economies, would reduce exports and hurt the prospects for Spain's foreign direct investments in Latin America. On the upside, stronger demand from Europe, Spain's main export destination, could boost growth more than projected and so could higher construction investment.

SWEDEN

Healthy output growth is set to continue, reaching 3.4% in 2016, with further expansion of employment and gradually declining unemployment. Recent wage settlements will lead to only moderate increases in household income, and private consumption will grow somewhat more slowly than output. Inflationary pressures are projected to remain subdued. Business investment will increase further, and high housing demand will continue to support residential investment.

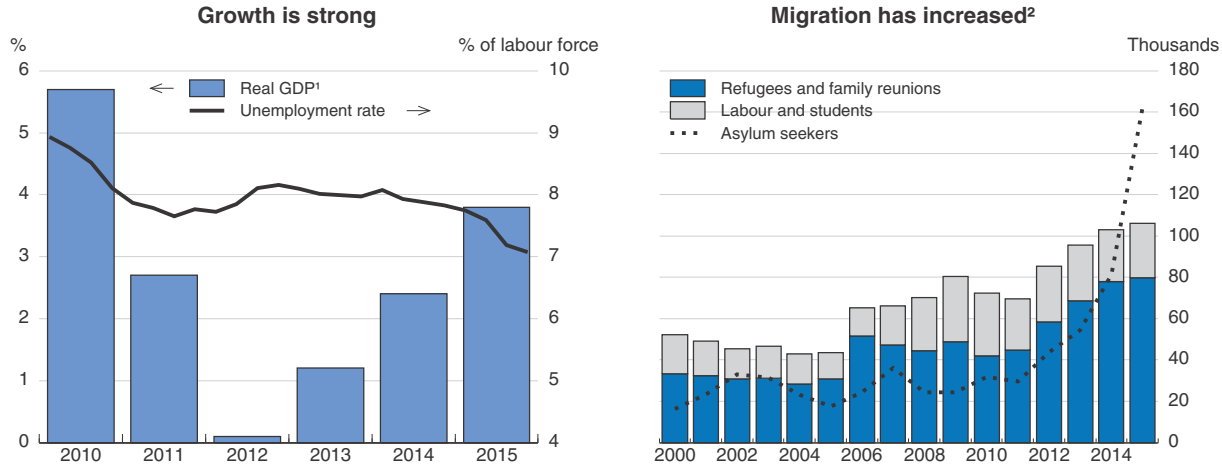
Buoyant cyclical conditions argue for a broadly neutral fiscal stance, but monetary policy should remain expansionary until inflation is clearly moving towards target. To contain financial risks, an amortisation requirement for new mortgages will enter into force in June and the countercyclical capital buffer will be raised in 2017. Easing planning and rental regulations and phasing out mortgage interest deductibility would help contain the rise in housing demand and household debt, which may prove destabilising if unchecked.

After flatlining since 2006, productivity has picked up lately. Sweden's knowledge-based economy and highly skilled workers make for high productivity, strong integration in the high-value parts of global value chains, and inclusive growth. However, falling school results and comparatively low skills among immigrants pose challenges.

Growth is strong and broad-based

Strong output growth is underpinned by healthy export and investment growth, notably in the residential sector. Public consumption has increased, partly in response to migrant inflows, but surging tax revenues have returned public finances to balance. Recent wage settlements foreshadow only moderate wage growth despite tightening labour markets. Consumption is growing moderately too, in part because increases in disposable

Sweden



1. Working day adjusted.
2. Excluding immigrants from European Economic Area countries.

Source: OECD Economic Outlook 99 database; Swedish Migration Agency.

StatLink http://dx.doi.org/10.1787/888933368121

Sweden: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices SEK billion	Percentage changes, volume (2014 prices)				
GDP at market prices	3 688.7	1.2	2.4	3.8	3.4	2.8
Private consumption	1 715.7	1.9	2.3	2.5	2.7	2.5
Government consumption	954.1	1.3	1.5	2.2	3.5	3.2
Gross fixed capital formation	835.6	0.6	7.6	6.9	5.4	4.1
Final domestic demand	3 505.4	1.4	3.3	3.5	3.6	3.1
Stockbuilding[1]	1.6	0.2	0.1	0.0	0.1	0.0
Total domestic demand	3 507.0	1.6	3.5	3.6	3.7	3.1
Exports of goods and services	1 710.5	-0.8	3.7	5.6	5.4	4.9
Imports of goods and services	1 528.8	-0.2	6.3	5.0	6.1	5.7
Net exports[1]	181.7	-0.3	-0.9	0.4	0.0	-0.1
Memorandum items						
GDP deflator	_	1.1	1.6	1.9	1.4	1.9
Consumer price index[2]	_	0.0	-0.2	0.0	1.2	1.7
Private consumption deflator	_	0.7	0.8	1.0	1.2	1.8
Unemployment rate[3]	_	8.0	7.9	7.4	6.7	6.5
Household saving ratio, net[4]	_	15.1	15.2	16.0	16.5	16.8
General government financial balance[5]	_	-1.4	-1.6	0.0	0.2	0.1
General government gross debt[5]	_	47.9	54.9	52.3	53.4	54.6
General government debt, Maastricht definition[5]	_	39.7	44.7	43.4	42.5	41.5
Current account balance[5]	_	6.0	5.3	5.9	5.7	5.4

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369440

incomes are being funnelled into savings and housing. Ultra-loose monetary policy continues as inflation shows signs of picking up only modestly, boosting house prices and household borrowing.

Further policy measures are required to strengthen sustainable and inclusive growth

Strong government revenue growth will be partly offset by increasing spending related to migration. The government is considering moving from targeting a surplus over the cycle to budget balance, which is appropriate given Sweden's relatively low public debt. Gradually increasing inflation weaken the case for further rate cuts, following the cut in the repo rate from -0.35% to -0.50% in mid-February.

Strong population growth, low interest rates, favourable tax treatment of property and a slow supply response have led to double-digit house price increases for the past two years, and to higher household indebtedness. The authorities have taken new macro-prudential measures and steps to increase housing supply. Easing planning and rental regulations would support supply. Phasing out mortgage interest deductibility would damp price increases, improve capital allocation and be positive for income and wealth distribution.

Productivity is high in Sweden, but has grown sluggishly for a decade, despite a recent uptick. Sweden is strongly integrated in global value chains and has specialised in high value-added knowledge-based activities, such as design and marketing. High and equitably distributed skills drive productivity and inclusiveness, but the low-skilled struggle to gain a toe-hold in the labour market. Falling school results need to be addressed, and migrants need to be better integrated through language training, up-skilling and support for employment.

Steaming ahead, but at a slower pace

Modest increases in wages should lead to moderate real income and consumption growth. Private investment, notably in housing, will continue to grow strongly, albeit at a slowing pace as capacity utilisation rises. Expansionary monetary policy and diminishing labour market slack are projected to drive inflation gradually up towards the target. Public consumption and tax revenues will grow strongly, resulting in a balanced budget. So will foreign trade, with a steady increase of both imports and exports.

As a small, open economy strongly integrated into global value chains, Sweden is particularly exposed to developments in its trading partners, including China and the United Kingdom. Currency movements, notably vis-à-vis the euro and the Norwegian krone, would impact output. With policy rates set to stay low for some time, a failure to rein in household debt could result in unbalanced growth, heightening financial risks and households' vulnerability to house price declines and interest rate increases.

SWITZERLAND

After a weak 2015, economic growth is projected to strengthen gradually as domestic demand receives support from negative interest rates and increasing real wages. With the currency stabilising over recent months and oil prices recovering, consumer prices should turn up during 2017. After a recent rise, unemployment will start to fall in 2017, but the outsized current account surplus will persist.

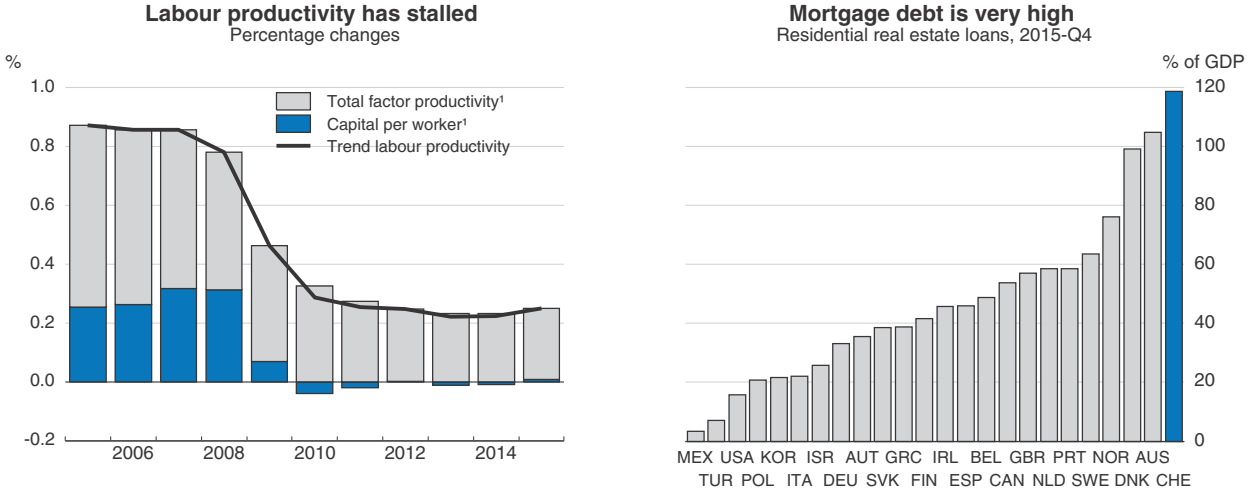
The budgetary situation is sufficiently sound to withstand a downturn or any foreseeable medium-term challenges. Monetary policy settings are appropriate, but continued vigilance on the housing market is required. The government needs to be careful in implementing immigration quotas to avoid damaging its relationship with the European Union.

While the level of labour productivity is high, its slow growth over the past decade should be actively addressed. Competition in the telecoms and energy sectors needs to be sharpened. Support to agriculture should be further curtailed, and more free-trade agreements should be concluded. Greater female market employment should be promoted to increase inclusiveness and ensure that womens' skills are utilised fully.

The economy is recovering gradually

Economic growth has shown signs of picking up after a weak outcome last year. The negative effects of the sharp exchange rate appreciation in January 2015 are fading, and exchange rate stability since last summer has contributed to a rebound in exports. However, some other components of demand are still suffering, including business investment and consumption of durable goods. Employment growth has resumed. Consumer price deflation has persisted through 2015 and thus far in 2016, but in part this has reflected the transitory effects of the sharp oil price declines. Business and household

Switzerland



1. Contribution to trend labour productivity growth rate.

Source: OECD Economic Outlook 99 Database; and IMF, Financial Soundness Indicators.

StatLink http://dx.doi.org/10.1787/888933368134

Switzerland: **Demand, output and prices**

	2012	2013	2014	2015	2016	2017
	Current prices CHF billion	Percentage changes, volume (2010 prices)				
GDP at market prices	624.0	1.8	1.9	0.9	1.2	1.7
Private consumption	338.9	2.2	1.3	1.0	1.2	1.9
Government consumption	68.8	1.3	1.3	1.7	2.1	2.0
Gross fixed capital formation	147.7	1.3	2.1	1.4	0.4	1.5
Final domestic demand	555.4	1.9	1.5	1.2	1.1	1.8
Stockbuilding[1]	2.8	-2.4	0.7	-0.9	-0.3	0.0
Total domestic demand	558.2	-0.8	2.4	0.3	0.8	1.9
Exports of goods and services	420.4	15.2	-6.9	3.1	6.2	4.0
Imports of goods and services	354.7	13.5	-8.1	2.5	6.6	5.0
Net exports[1]	65.7	2.6	-0.1	0.7	0.6	0.0
Memorandum items						
GDP deflator	_	0.0	-0.7	-1.3	-0.3	0.3
Consumer price index	_	-0.2	0.0	-1.1	-0.4	0.2
Private consumption deflator	_	-0.6	-0.3	-1.1	-0.7	0.0
Unemployment rate	_	4.3	4.5	4.5	4.9	4.8
General government financial balance[2]	_	-0.3	-0.2	-0.2	-0.4	-0.3
General government gross debt[2]	_	45.5	45.6	45.9	46.2	46.4
Current account balance[2]	_	11.1	8.8	11.4	10.6	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.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369459

confidence were hit by the 2015 appreciation, but it has now improved notably in manufacturing. The persistently large current account surplus, which averaged almost 11½ per cent of GDP in 2015, dropped in the fourth quarter, owing to a fall in primary income.

Monetary policy will remain accommodative, and structural policy could help revive the economy

The very accommodative monetary stance is appropriate, given still negative inflation and the intermediate objective of avoiding an appreciation of the franc. However, macro-prudential policy may need to be reinforced as mortgage debt is extremely high, even if borrowing costs will stay very low for the foreseeable future. Fiscal policy is slightly contractionary, with the budget nearly balanced and public indebtedness stable at modest levels. While the debt brake rule has helped in the past, it should not be allowed to block a fiscal expansion if that is needed.

While Switzerland benefits from a relatively high level of labour productivity, the recent slowdown is worrying. Competition in the energy and telecoms sectors should be increased and direct payments to agriculture curtailed. Growth prospects would also improve if more women, many of whom now work part-time, were fully included in the labour force and market employment. Reducing the cost of childcare and reforming second-earner taxation would remove impediments to full-time work and make it easier to

reconcile careers and home life. Pushing forward with free-trade agreements – particularly with India and the United States – would favour growth. Immigration of highly-skilled workers has contributed to past productivity performance but is now endangered by the imposition of quotas scheduled for 2017.

Output growth will resume, but with significant uncertainties related to the European Union

Strengthening private consumption and business investment are projected to contribute significantly to output increases. The unemployment rate is projected to decline, but only slightly as the trade-exposed sector continues to suffer from the weak global environment and the strong Swiss franc. Low, but positive, inflation is set to return in 2017 as external deflationary factors dissipate. The external surplus is set to edge down on the back of a shrinking primary income balance.

A prolonged sluggish global recovery, especially in Europe, would hurt growth. Financial turmoil in Europe or further monetary easing by the ECB would put upward pressure on the Swiss franc, hurting exports. A failure of negotiations with the European Union regarding immigration quotas constitutes a serious risk to the economy. A more pronounced rebound in global trade than projected would be a boost.

TURKEY

GDP growth is projected to remain close to 4% per annum in 2016 and 2017. A sharp hike in the minimum wage and social transfers in early 2016 will boost private consumption. However, the associated increase in labour costs, despite subsidies to alleviate them in the first year, will hurt competitiveness and exports. As the short-run impact of the jump in household income wanes, growth is projected to edge down in 2017.

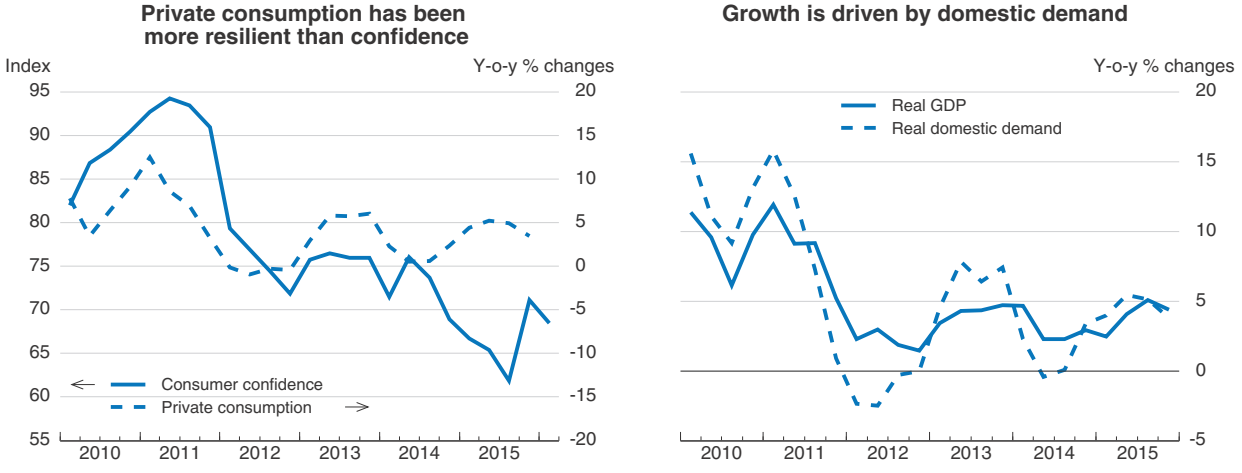
Business and household confidence remain frail in the context of severe regional geopolitical tensions and a difficult domestic political climate. The implementation of the key provisions of the 2016 Action Plan, which entails convergence towards OECD good practices in many areas, would improve both domestic and international confidence, and support investment and growth.

Productivity is undermined by the fragmentation of the business sector. Efficient firms cannot grow at full potential due to shortcomings in the regulatory framework. At the same time, low-productivity entities, which employ a large share of the low-skilled, survive thanks to the incomplete enforcement of rules and regulations. The resulting stalemate calls for a comprehensive upgrading of the business environment and skills, to foster the shift of resources from low to higher-productivity firms.

Strong growth has been driven by domestic demand

GDP growth has been strong since early 2015, driven by private consumption. The deterioration of household confidence amid domestic political uncertainties and severe regional conflicts has not held back consumption. Household spending remained robust, boosted by promises of a large hike in the minimum wage and increases in social transfers. The influx of refugees from Syria also stimulated demand. In contrast, private business investment stayed subdued.

Turkey



Source: OECD Economic Outlook 99 database; and Turkish Statistical Institute.

StatLink http://dx.doi.org/10.1787/888933368148

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	3.0	4.0	3.9	3.7
Private consumption	994.4	5.1	1.4	4.5	4.2	4.0
Government consumption	210.3	6.5	4.7	6.7	8.0	2.7
Gross fixed capital formation	287.1	4.4	-1.3	3.6	1.8	4.0
Final domestic demand	1 491.8	5.2	1.4	4.7	4.3	3.8
Stockbuilding[1]	- 1.9	1.4	-0.1	-0.3	0.0	0.0
Total domestic demand	1 489.9	6.5	1.3	4.6	4.5	3.9
Exports of goods and services	372.6	-0.2	7.4	-0.8	2.7	5.2
Imports of goods and services	445.7	9.0	-0.3	0.3	5.6	5.4
Net exports[1]	- 73.1	-2.9	2.0	-0.3	-1.0	-0.3
Memorandum items						
GDP deflator	_	6.2	8.3	7.5	7.0	6.5
Consumer price index	_	7.5	8.9	7.7	7.9	7.3
Private consumption deflator	_	6.2	7.0	6.6	7.3	6.6
Unemployment rate	_	9.0	10.0	10.3	10.1	10.2
Current account balance[2]	_	-7.7	-5.5	-4.4	-4.8	-4.6

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369464

Exports remained weak due to a sharp contraction in regional markets, despite competitiveness gains stemming from exchange rate depreciation through 2015. As of January-February 2016, exports to Russia had fallen by 63% year-on-year and exports to Iraq by 21%. At the same time, exporters of manufactured goods gained market share in the EU and US markets. Still, total goods and services exports declined in volume in 2015, while the current account deficit fell owing to the sharp drop in oil prices. The Russian embargo on Turkey's exports from January 2016 heralds further contraction of the Russian market, notably for tourism which accounts for 7% of total employment. Foreign funding needs, which will approach 20% of GDP in 2016, have so far been financed smoothly by capital inflows.

Macroeconomic policies are supportive in the short term

At least 30% of wage earners earn the minimum wage, so the 30% minimum wage hike granted in January and increases in other social transfers are giving a significant boost to private consumption. But they are also heightening pressures on inflation, which had reached 8.8% at the end of 2015 before declining to 7.5% at the end of the first quarter thanks to favourable food prices and a stronger exchange rate. Despite competitiveness losses induced by the minimum wage jump, business confidence was helped by a Government Action Plan announced in early 2016 which included important structural reform objectives in labour and product markets. If fully implemented, this programme should support firms in the formal sector and thereby create higher-productivity and better-paid jobs. At the same time, tensions in the Eastern regions, persisting geopolitical strains across borders and terrorist attacks in early 2016 have affected general confidence.

Macroeconomic policies are supportive in the short term, and the projection assumes that the new government will stick to the basic orientations of the Medium-Term Economic Programme published in January. The fiscal stance will be expansionary in 2016 with the fulfilment of election promises, but spending restraint is planned from 2017, with the share of general government spending in GDP inching back down to 41%. Monetary policy was loosened between February and April in the context of supportive global financing conditions, with a decline in the average funding rate of the central bank and cuts in the upper end of the interest-rate corridor. Macro-prudential policies were slightly relaxed, facilitating the use of credit cards for certain categories of consumer purchases.

Risks are significant on both sides

Annual growth is projected to approach 4% in 2016 and to edge down in 2017. Inflation is projected to be just under 8% in the second half of 2016, well above the target of 5%, before subsiding somewhat in 2017. If the intended structural reforms proceed, and domestic political and regional geopolitical conditions improve, stronger private investment and exports may propel growth to higher levels. The projection, however, is conditional on political stability and assumes that the key orientations of the existing medium-term economic framework are retained. If not, or if regional and domestic tensions were to intensify, domestic demand and tourism would be adversely affected. Any associated weakening in international confidence may trigger capital outflows and exchange-rate volatility, weighing on short-term growth. In addition, Turkey is exposed to global risks arising from China's prospects and from the expected normalisation of US monetary policy and would be negatively affected by a slowdown in Europe.

UNITED KINGDOM

Growth has slowed, and is projected to be 1¾ per cent in 2016. Uncertainty about the outcome of the end-June 2016 referendum, which could lead to an exit of the United Kingdom from the European Union (Brexit), has undermined growth. This projection assumes that the United Kingdom remains in the European Union, in which case growth is projected to pick up in the second half of 2016 and then stabilise in 2017. The unemployment rate has fallen to around 5%. The current account deficit has reached 7% of GDP, the highest level on record, increasing vulnerabilities.

Fiscal consolidation is planned to continue, but its pace will ease to below 1% of GDP per year over the projection horizon, which is appropriate given a weaker economic outlook. Capacity pressures have abated and should remain contained, but the recent exchange rate depreciation will push up prices. This projection assumes interest rate normalisation will start in early 2017.

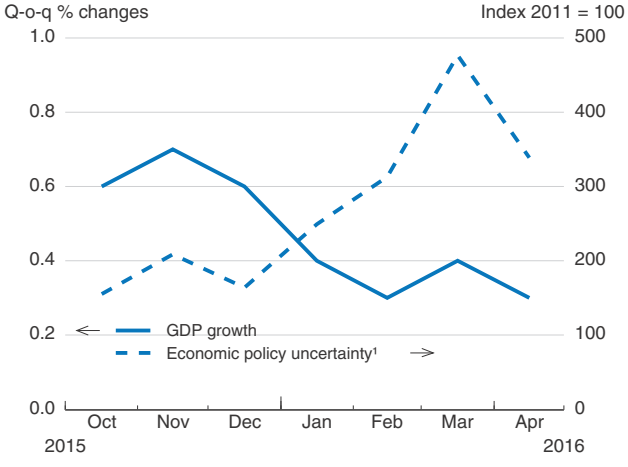
Productivity has been exceptionally weak since 2007, and reviving it is essential to sustain growth and living standards. Fiscal decentralisation and greater infrastructure investment would support capital stock accumulation and better use of resources. Better matching of skills to jobs and higher skill levels would also lift productivity. Financial conditions have improved for businesses, but as markets tighten more rapid exit of non-viable businesses would make room for new, more innovative businesses.

Economic activity has weakened

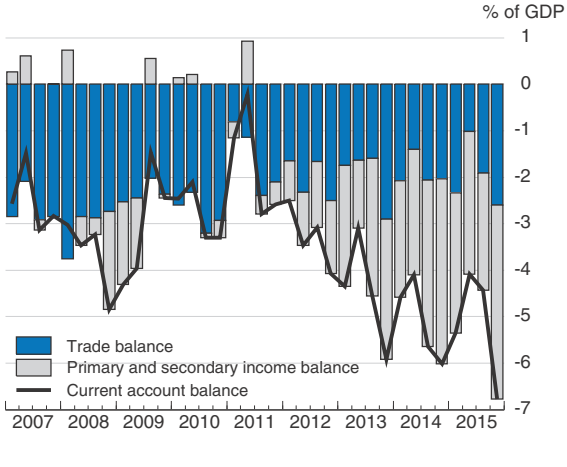
Following recent robust GDP growth driven by vibrant domestic demand, rising uncertainty about the outcome of the referendum on the membership of the United Kingdom in the European Union, and a possible exit (Brexit), has led to a significant slowdown in economic activity. Business investment has contracted as businesses have put their spending decisions on hold and hiring intentions have weakened. Financial

United Kingdom

Uncertainty is affecting growth



The current account deficit is at a record high



1. The newspaper-based economic policy uncertainty index is constructed based on the number of articles that appear in The Times of London and the Financial Times and refer to economic policy uncertainty. It is normalised to a mean of 100 prior to 2011.

Source: National Institute of Economic and Social Research; www.policyuncertainty.com; and OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368159

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

Percentage changes

	2013	2014	2015	2016	2017
Employment	1.2	2.3	1.5	1.2	0.6
Unemployment rate[1]	7.6	6.2	5.4	5.1	5.2
Compensation per employee[2]	1.5	0.3	1.8	2.0	2.2
Unit labour cost	0.6	-1.0	1.3	1.5	1.2
Household disposable income	1.2	1.9	4.1	2.3	2.3
GDP deflator	2.0	1.8	0.3	0.0	1.2
Harmonised index of consumer prices[3]	2.6	1.5	0.1	0.4	1.6
Core harmonised index of consumer prices[4]	2.0	1.6	1.1	1.2	1.7
Private consumption deflator	2.3	1.6	0.2	0.9	1.2

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.

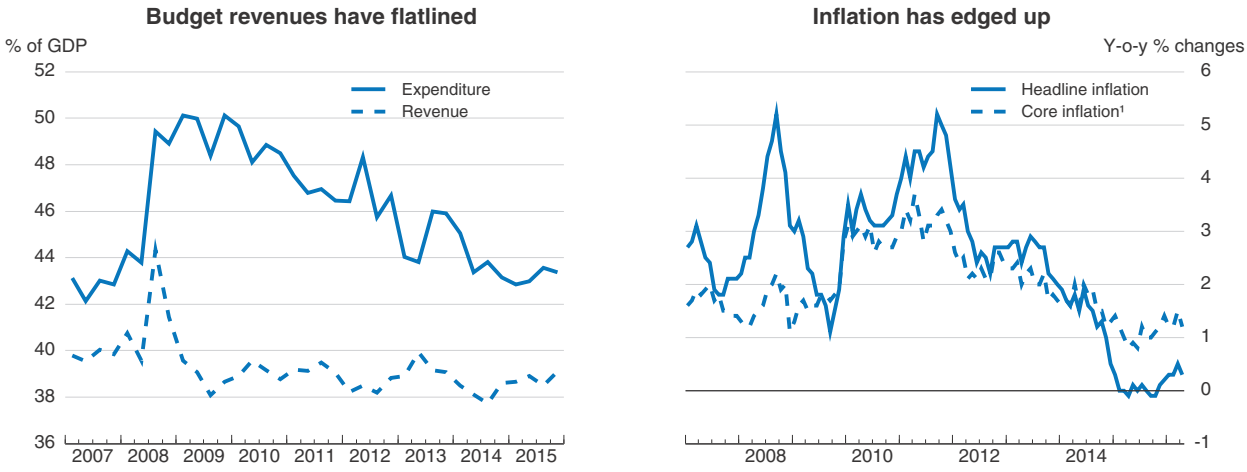
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369082

markets have also increasingly started to price in the risk of Brexit. The exchange rate has fallen and the cost of protection against its future volatility has increased. Equity prices have so far been resilient, as many listed companies are global, but rising investors' fears have pushed up the cost of protection against sovereign default.

The labour market has remained strong, with record high participation rates and the unemployment rate falling to about 5%, low by historical standards. However, productivity growth has been sluggish. The current account deficit has increased further, to 7% of GDP, driven by lower returns on external assets relative to the return on domestic assets held by foreigners, and to a lesser extent by further losses of the market share of exports. Consumer price inflation is still weak, but has edged up from recent lows.

United Kingdom



1. Excludes energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 99 database; and Office for National Statistics.

StatLink http://dx.doi.org/10.1787/888933368161

United Kingdom: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, gross[1]	6.3	5.4	4.2	3.2	3.2
General government financial balance[2]	-5.7	-5.6	-4.4	-3.8	-2.7
General government gross debt[2]	106.4	117.1	112.8	115.3	115.3
General government debt, Maastricht definition[2]	86.2	88.2	89.2	89.9	89.4
Current account balance[2]	-4.5	-5.1	-5.2	-5.9	-5.3
Short-term interest rate[3]	0.5	0.5	0.6	0.6	1.2
Long-term interest rate[4]	2.4	2.6	1.9	1.9	2.8

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369095

Weak productivity has been holding back wage growth. In April 2016, the new statutory minimum wage for workers aged 25 or more, the National Living Wage, was increased by 7.5%. Further hikes are planned to gradually lift it by about 35%, to 60% of median hourly earnings, by 2020. For those with jobs, this should increase incomes and reduce poverty, but the effects on employment need to be closely monitored. Efforts to improve the skills of low-productivity workers also need to continue, in order for more people to enjoy the benefits of the economic recovery. The authorities plan to support the development of vocational skills by introducing an apprenticeship levy on large businesses.

United Kingdom: **Demand and output**

	2014	2015	2016	2017	Fourth quarter 2015	Fourth quarter 2016	Fourth quarter 2017
	Current prices GBP billion	Percentage changes from previous year, volume (2012 prices)					
GDP at market prices	1 817.2	2.3	1.7	2.0	2.1	1.6	1.9
Private consumption	1 175.2	2.7	2.1	1.6	2.8	1.9	1.4
Government consumption	358.5	1.5	0.2	0.6	2.2	-0.8	1.4
Gross fixed investment	305.7	4.1	1.0	5.6	2.1	3.7	5.0
Public[1]	48.8	0.5	-3.1	1.0	-5.2	0.6	1.2
Residential	87.5	4.0	5.8	5.7	4.5	6.1	5.3
Non-residential	169.4	5.2	-0.2	6.6	3.0	3.3	5.8
Final domestic demand	1 839.4	2.7	1.6	2.1	2.5	1.7	2.0
Stockbuilding[2]	12.3	-0.1	0.3	0.0			
Total domestic demand	1 851.6	2.6	1.8	2.0	2.5	1.7	2.0
Exports of goods and services	513.4	5.1	1.9	2.3	2.2	2.3	2.3
Imports of goods and services	547.8	6.3	2.9	2.6	4.7	2.4	2.7
Net exports[2]	- 34.4	-0.5	-0.3	-0.1			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.
1. Including nationalised industries and public corporations.
2. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369106

United Kingdom: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	814.5	845.7	781.7	741	771
Goods and services imports	868.4	902.2	837.6	812	844
Foreign balance	- 53.8	- 56.6	- 56.0	- 71	- 73
Invisibles, net	- 68.5	- 95.3	- 90.9	- 92	- 79
Current account balance	- 122.4	- 151.9	- 146.9	- 163	- 151
			Percentage changes		
Goods and services export volumes	1.2	1.2	5.1	1.9	2.3
Goods and services import volumes	2.8	2.4	6.3	2.9	2.6
Export performance[1]	- 1.1	- 3.4	0.0	- 1.6	- 1.6
Terms of trade	1.7	1.1	0.7	- 1.2	0.4

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933369114

The macroeconomic policy mix will continue to shift

The government has confirmed its commitment to reach a budget surplus of 0.5% of GDP by 2019, mainly by spending reduction. Stripping out cyclical effects, the authorities expect to cut the deficit by around 0.8% of GDP per year in 2016-17. This is less than planned before, which should ease the impact of consolidation on growth. At the same time, monetary policy is set to remain highly supportive, and the first interest rate increase is assumed to take place only in early 2017.

Persistent very supportive monetary policy risks creating bubbles, and house prices have continued to rise rapidy, reducing affordability, notably in London. In response, the Bank of England has raised counter-cyclical capital requirements. However, there is also a need to boost housing supply by relaxing planning regulations in order to make housing more affordable again.

Further policy reforms could help to strengthen aggregate productivity performance and better spread the advantages of growth to more people. Stronger infrastructure investment would reduce bottlenecks. Releasing more land for housing would make it possible for more people to afford housing near their jobs thereby reducing skill mismatches, which would improve the quality and productiveness of work. Lending to small and medium sized enterprises has started to recover, which is positive for the emergence of new high-growth and innovative businesses, but it is also important to support corporate restructuring. The government has started important reforms to transfer greater responsibilities to major cities, which is welcome as local governments can be more responsive to people's needs and it may help to raise productivity and incomes in lagging regions.

Growth is projected to pick up after the referendum

This projection assumes that the United Kingdom remains in the European Union. Growth is set to be weak and volatile in the first half of 2016 owing to the impact of the referendum on spending decisions, mainly of businesses. However, GDP growth will

strengthen in the second half of 2016 as uncertainty dissipates, and stabilise at 2% in 2017. This growth will be enough to keep the unemployment rate low.

The outcome of the referendum is a major risk for the economy. A vote for Brexit would heighten uncertainty, raise the cost of finance and hamper investment. According to OECD estimates, GDP growth could be lower by 0.5 percentage point in 2017 and 2018 and by 1.5 percentage points in 2019. The Bank of England could stabilise the financial sector through liquidity support, but refinancing of public debt could become more costly. The large current account deficit may also be harder to finance, which could force a costly adjustment. Higher productivity growth would sustain economic activity and wages, and improve public finances more than projected. Stronger demand from the euro area would limit the extent of the current account deficit by supporting exports, but this could be offset by further headwinds from emerging markets.

UNITED STATES

Despite a recent soft patch reflecting transitory factors, output remains on a moderate growth trajectory sustained by mutually-reinforcing gains in employment, income and household spending. Steady job gains have pushed down the unemployment rate, and recently the labour force has risen. Moderate output gains are likely to resume as these influences wane, with solid domestic demand growth counteracted by relatively sluggish gains in external demand.

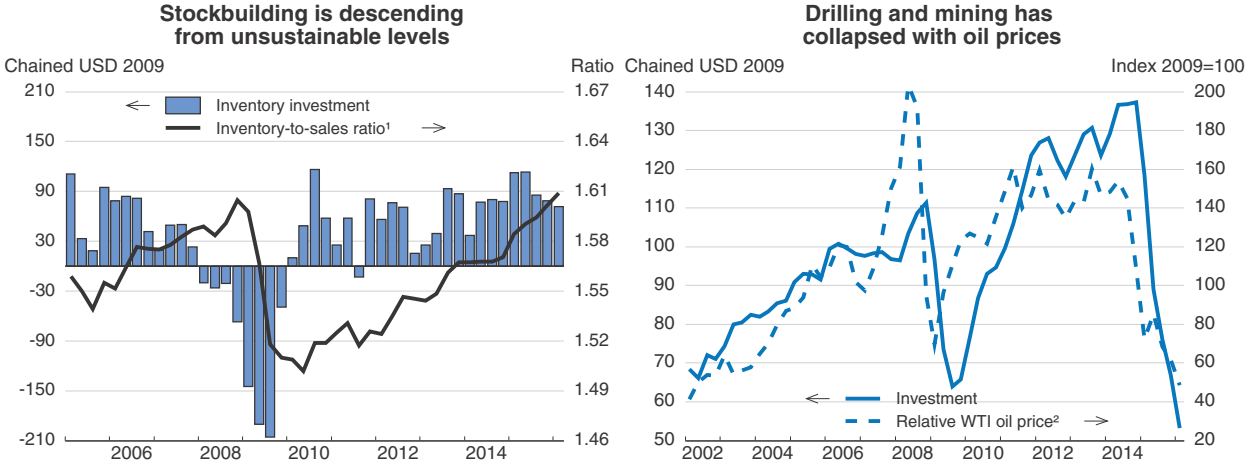
Monetary policy is very accommodative, consistent with below-target inflation, weak nominal wage pressures and subdued inflation expectations. The Federal Reserve raised its policy rates last December by ¼ percentage point, and this projection assumes they inch up to 1½ per cent by end-2017 in the context of weak inflationary pressures and asymmetric downside risks to the inflation outlook. Fiscal policy is projected to be roughly neutral in 2016 and 2017. Public debt prospects have improved, but the debt-to-GDP ratio will remain high without higher growth or further consolidation.

Productivity growth has been especially slow in recent years, intensifying a broad-based deceleration initiated in the early 2000s. Although cyclical weakness in demand has contributed to the slowdown, there are signs that structural forces are undermining allocative efficiency, including declines in business dynamism, signs of diminished competitive pressures, and sagging public infrastructure provision. Multiple policies to reinvigorate productivity would be appropriate, such as targeted investments in public infrastructure, eliminating needless inter-jurisdictional differences in occupational licensing, and broadening the scope of antitrust laws.

GDP growth hit a soft patch at the turn of the year

The US recovery has generally outpaced most OECD countries, with activity now nearing potential and employment on a steady upward trend. However, in late 2015 and

United States



1. Measured by inventories to final sales ratio.
2. WTI oil price divided by GDP deflator.

Source: OECD calculations using NIPA estimates.

StatLink http://dx.doi.org/10.1787/888933368177

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

Percentage changes

	2013	2014	2015	2016	2017
Employment[1]	1.4	1.8	2.1	2.1	1.5
Unemployment rate[2]	7.4	6.2	5.3	5.0	4.7
Compensation per employee[3]	1.1	2.6	2.2	2.9	2.8
Labour productivity	0.1	0.6	0.3	-0.3	0.7
Unit labour cost	1.2	2.2	1.9	2.9	1.9
GDP deflator	1.6	1.6	1.0	1.4	2.1
Consumer price index	1.5	1.6	0.1	1.1	2.0
Core PCE deflator[4]	1.5	1.5	1.3	1.7	1.8
PCE deflator[5]	1.4	1.4	0.3	1.0	1.8
Real household disposable income	-1.4	2.7	3.4	3.1	1.9

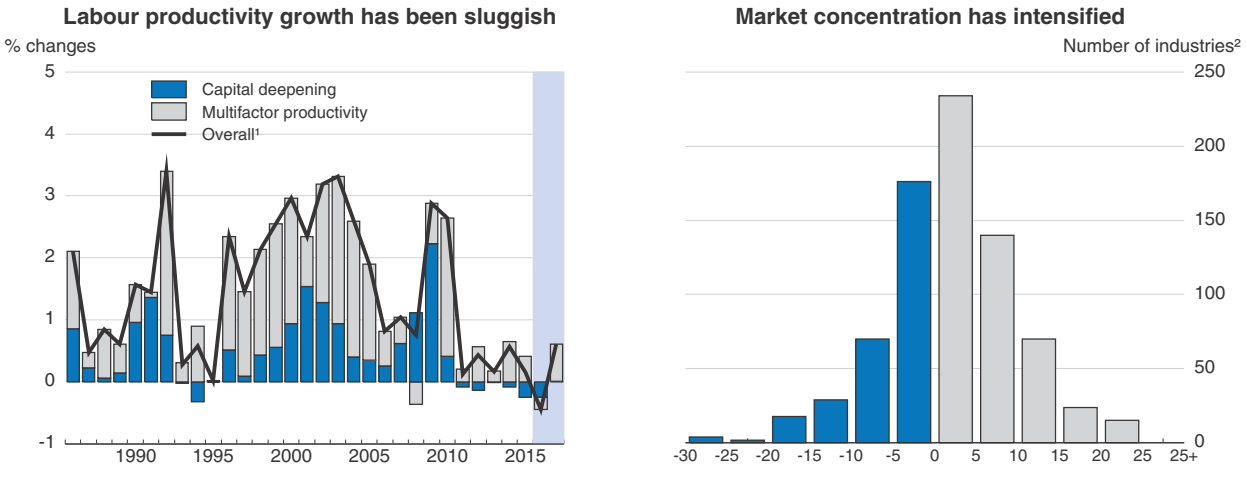
1. Based on the Bureau of Labor Statistics (BLS) Establishment Survey.
2. As a percentage of labour force, based on the BLS Household Survey.
3. In the total economy.
4. Deflator for private consumption excluding food and energy.
5. Private consumption deflator. PCE stands for personal consumption expenditures.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368918

early 2016, activity was weighed down by transitory pressures, including an inventory investment correction and the drag on net exports from earlier strengthening in the dollar. Recent softness may also reflect measurement difficulties, as a recurring pattern of early-year lurches in real GDP growth has eluded seasonal adjustments (which are applied to the individual data series used to construct aggregate expenditures and not to the aggregates themselves). Transitory fluctuations aside, domestic demand is being supported by income from steady job gains, which is boosting household consumption and new housing demand. However, business investment has been lacklustre, in part because of sustained

United States



1. Real GDP per hour worked.
2. Six-digit NAICS industries.

Source: OECD Economic Outlook 99 database; and OECD calculations using quinquennial Economic Census.

StatLink http://dx.doi.org/10.1787/888933368189

United States: **Financial indicators**

	2013	2014	2015	2016	2017
Household saving ratio, net[1]	4.8	4.8	5.1	5.2	4.5
General government financial balance[2]	-5.5	-5.1	-4.4	-4.3	-3.7
General government gross debt[2]	111.4	111.7	113.6	114.2	114.2
Current account balance[2]	-2.3	-2.2	-2.7	-2.5	-2.5
Short-term interest rate[3]	0.3	0.3	0.5	0.9	1.4
Long-term interest rate[4]	2.4	2.5	2.1	2.2	3.0

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

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368926

downward pressure on drilling and mining investment from low oil prices, and the drag on final demand from weak external markets.

Labour market slack continues to narrow. The unemployment rate has been hovering near estimates of the natural rate for some time, and the participation rate has recently climbed toward its estimated structural level. But these structural levels are measured imprecisely, and signs of slack remain for less-skilled workers (a group tilted toward lower wage earners such as teenagers and ethnic minorities), workers employed part-time for economic reasons, and some other groups. In any case, acceleration in nominal compensation per hour has so far been weak. With the labour market expected to tighten

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	1.8	2.2	2.0	1.9	2.1
Private consumption	11 866.0	3.1	2.7	2.1	2.7	2.6	1.8
Government consumption	2 556.3	0.4	0.5	0.8	0.8	0.6	0.8
Gross fixed investment	3 378.7	3.7	2.4	4.5	3.0	3.2	4.4
Public	595.9	2.3	4.1	2.9	2.4	4.2	2.9
Residential	549.2	8.9	10.1	7.5	9.4	9.7	6.6
Non-residential	2 233.7	2.8	-0.1	4.1	1.5	1.2	4.2
Final domestic demand	17 800.9	2.8	2.3	2.4	2.5	2.4	2.2
Stockbuilding[1]	77.1	0.2	-0.3	0.0			
Total domestic demand	17 878.0	3.0	2.0	2.4	2.5	2.2	2.2
Exports of goods and services	2 342.0	1.1	0.4	3.5	-0.6	1.6	3.6
Imports of goods and services	2 871.9	4.9	1.9	4.3	2.9	3.4	3.8
Net exports[1]	- 530.0	-0.7	-0.2	-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 99 database.

StatLink http://dx.doi.org/10.1787/888933368939

United States: **External indicators**

	2013	2014	2015	2016	2017
			USD billion		
Goods and services exports	2 263.3	2 342.0	2 253.4	2 215	2 316
Goods and services imports	2 771.7	2 871.9	2 782.3	2 724	2 853
Foreign balance	- 508.4	- 530.0	- 528.9	- 509	- 537
Invisibles, net	131.7	140.4	44.8	55	46
Current account balance	- 376.8	- 389.5	- 484.1	- 454	- 491
			Percentage changes		
Goods and services export volumes	2.8	3.4	1.1	0.4	3.5
Goods and services import volumes	1.1	3.8	4.9	1.9	4.3
Export performance[1]	- 0.7	- 0.1	- 0.7	- 1.1	0.3
Terms of trade	0.9	0.3	3.0	1.9	0.6

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368944

further, wage growth is likely to strengthen, which will provide welcome support to household income and consumer spending. Wage acceleration would be particularly supportive if it boosted earnings for those at the lower end of the earnings distribution.

The policy environment remains supportive

With little sign that narrowing slack is pushing up inflation, the Federal Reserve is assumed to raise policy rates very gradually to 1½ per cent by end-2017, if data come in as projected. This will leave interest rates supportive throughout the projection, which is broadly appropriate given weak inflationary pressures as well as asymmetric risks to the outlook posed by the ongoing weakness of global demand and the diminished capacity of policy to respond to negative shocks.

The impetus from fiscal policy is assumed to remain roughly neutral over the projection. General government gross debt stabilises near 114% of GDP in 2016 as the maturing recovery drives down the overall deficit. In December, Congress made permanent a number of tax incentives—including credits for renewable energy generation and research and development—that had previously been extended annually, thus eliminating delays and uncertainty. The deceleration in health outlays has made fiscal consolidation less urgent for now, but federal debt is still elevated by historical standards and could be placed on an unsustainable course by fiscal indiscipline or by further sluggish productivity growth.

Productivity growth has been unusually weak throughout the recovery. This partly reflects unusual cyclical employment dynamics, with outsized layoffs in the crisis aftermath followed by unusually strong hiring thereafter, and with capital accumulation restrained by sluggish post-crisis aggregate demand. Even so, productivity has suffered a broad-based deceleration since the early-to-mid 2000s, and this may owe to structural forces that are undermining allocative efficiency – such as diminished business dynamism, weaker competitive pressures, and sagging public infrastructure. These same structural forces may be contributing to widening and persistent income inequality as well. A multi-pronged strategy to reinvigorate productivity would be appropriate, including targeted

infrastructure investments to stimulate aggregate demand and improve efficiency, as well as structural measures such as broadening the scope of antitrust laws and eliminating needless variations in occupational licensing across jurisdictions.

GDP is projected to return to a moderate growth trajectory

GDP is projected to resume its moderate growth trajectory over the remainder of 2016 and in 2017 as transitory downward pressures on domestic demand and net exports play out. Domestic demand strengthens, on balance, as inventory investment flattens, oil drilling fades as a share of GDP, and business investment re-accelerates to rates in line with activity. Exports are also projected to strengthen as the drag from previous dollar appreciation wanes and export markets pick up. Household spending gradually loses vigour as the boost to real disposable income from wage acceleration is insufficient to offset the deceleration in employment as demographic pressures on labour market participation increasingly bind.

Risks surround this outlook. Wages could accelerate more forcefully than expected, igniting inflationary pressures. Alternatively, relatively weak demand conditions could be more sustained than expected, unleashing a more intense drag from net exports and production as well as disinflationary pressures. Hourly labour compensation could also fail to accelerate, which could endanger the recovery if coupled with a deceleration in employment from demographic pressures. Remaining slack in the labour market could be substantially wider than thought, implying less inflationary pressure and a more gradual normalisation of monetary policy.

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

2015 weights used for real GDP regional aggregates

	OECD euro area[1]	OECD	World		OECD euro area[1]	OECD	World
Australia		2.2	1.0	Sweden		0.9	0.4
Austria	3.1	0.8	0.4	Switzerland		1.0	0.4
Belgium	3.7	1.0	0.5	Turkey		3.1	1.4
Canada		3.2	1.5	United Kingdom		5.2	2.4
Chile		0.8	0.4	United States		35.1	16.2
Czech Republic		0.7	0.3	Euro area	100.0	26.4	12.2
Denmark		0.5	0.2	Total OECD		100.0	46.1
Estonia	0.3	0.1	0.0				
Finland	1.7	0.4	0.2			Non-OECD	World
France	19.7	5.2	2.4				
Germany	28.6	7.5	3.5	Argentina		1.7	0.9
Greece	2.2	0.6	0.3	Brazil		5.4	2.9
Hungary		0.5	0.2	China		31.7	17.1
Iceland		0.0	0.0	Colombia		1.1	0.6
Ireland	1.9	0.5	0.2	Costa Rica		0.1	0.1
Israel		0.6	0.3	Indonesia		4.6	2.5
Italy	16.3	4.3	2.0	India		13.3	7.2
Japan		9.2	4.2	Latvia		0.1	0.0
Korea		3.4	1.6	Lithuania		0.1	0.1
Luxembourg	0.4	0.1	0.1	Russia		6.0	3.2
Mexico		4.3	2.0	Saudi Arabia		2.9	1.6
Netherlands	6.2	1.6	0.8	South Africa		1.2	0.6
New Zealand		0.3	0.2	Dynamic Asian Economies		8.7	4.7
Norway		0.7	0.3	Other major oil producers		10.8	5.8
Poland		2.0	0.9	Rest of non-OECD		12.3	6.6
Portugal	2.3	0.6	0.3				
Slovak Republic	1.2	0.3	0.1	Non-OECD countries			53.9
Slovenia	0.5	0.1	0.1				
Spain	12.1	3.2	1.5	World			100.0

Note: Weights are calculated using nominal GDP at PPP rates in 2015. 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 99 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; and 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 (1959q3-2015q4)	SNA08 (1959q3-2015q4)	2013/2014
Austria	ESA10 (1996q1-2015q4)	ESA10 (1995-2015)	2010
Belgium	ESA10 (1995q1-2015q4)	ESA10 (1999-2015)	2013
Canada	SNA08 (1981q1-2015q4)	SNA08 (1981q1-2015q4)	2007
Chile	SNA93 (1996q1-2015q4)	..	2008
Czech Republic	ESA10 (1996q1-2015q4)	ESA10 (1999-2015)	2010
Denmark	ESA10 (1995q1-2015q4)	ESA10 (1995-2015)	2010
Estonia	ESA10 (1995q1-2015q4)	ESA10 (1995-2014)	2010
Finland	ESA10 (1990q1-2015q4)	ESA10 (1999q1-2015q4)	2010
France	ESA10 (1949q1-2016q1)	ESA10 (1980q1-2015q4)	2010
Germany	ESA10 (1991q1-2015q2)	ESA10 (1991-2015)	2010
Greece	ESA10 (1995q1-2015q4)	..	2010
Hungary	ESA10 (1995q1-2015q4)	ESA10 (1995-2014)	2005
Iceland	SNA08 (1997q1-2015q4)	..	2005
Ireland	ESA10 (1997q1-2015q4)	ESA10(1970-2015)	2013
Israel	SNA08 (1995q1-2016q1)	..	2010
Italy	ESA10 (1995q1-2015q4)	ESA10 (1995-2015)	2010
Japan	SNA93 (1994q1-2016q1)	SNA93 (1980-2014)	2005
Korea	SNA08 (1970q1-2016q1)	SNA08 (1975-2015)	2010
Luxembourg	ESA10 (1995q1-2015q4)	ESA95 (2007-2012)	2010
Mexico	SNA08 (1993q1-2015q4)	..	2008
Netherlands	ESA10 (1995q1-2016q1)	ESA10 (1995-2015)	2010
New Zealand	SNA93 (1987q4-2015q4)	SNA93 (1986-2015)	2009/2010
Norway	SNA08 (1978q1-2016q1)	ESA10 (1995-2015)	2013
Poland	ESA10 (2002q1-2015q4)	ESA10 (2000-2015)	2010
Portugal	ESA10 (1995q1-2015q4)	ESA10 (1995-2015)	2011
Slovak Republic	ESA10 (1997q1-2015q4)	ESA10 (1995-2014)	2010
Slovenia	ESA10 (1995q1-2015q4)	ESA10 (1995-2015)	2010
Spain	ESA10 (1995q1-2015q4)	ESA10 (1999-2015)	2010
Sweden	ESA10 (1995q1-2015q4)	ESA10 (1993q1-2015q4)	2014
Switzerland	ESA10 (1980q1-2015q4)	ESA10 (1995-2013)	2010
Turkey	SNA93 (1998q1-2015q4)	..	1998
United Kingdom	ESA10 (1980q1-2015q4)	ESA10 (1987q1-2014q4)	2012
United States	NIPA (SNA08) (1947q1-2016q1)	NIPA (SNA08) (1947q1-2016q1)	2009
Brazil	SNA08 (1996-2014)	..	2000
China	SNA93 (1992-2014)	..	2005
Colombia	SNA93 (2000-2014)	..	2005
Costa Rica	SNA93 (1991-2015)	..	1991
Indonesia	SNA08 (2000-2014)	..	2010
India	SNA93 (2011-2014)	..	2012
Latvia	SNA08 (1995-2015)	..	2010
Lithuania	SNA08 (1995-2015)	..	2010
Russia	SNA93/SNA08 (2003-2015)	..	2011
South Africa	SNA08 (1961-2015)	..	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 (1959q3-2015q4)	SNA08 (1959q3-2015q4)	BPM6 (1959q3-2015q4)	Australia
ESA10 (1995-2014)	ESA10 (1995-2015)	BPM6 (2006q1-2015q4)	Austria
ESA10 (1998-2015)	ESA10 (1995-2015)	BPM6 (2008q1-2015q4)	Belgium
SNA08 (1981q1-2015q4)	SNA08 (1981q1-2015q4)	BPM6 (1981q1-2015q4)	Canada
..	..	BPM6 (2003q1-2015q4)	Chile
ESA10 (1999-2014)	ESA10 (1995-2015)	BPM6 (1993q1-2015q4)	Czech Republic
ESA10 (1994-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2015q4)	Denmark
ESA10 (1995-2014)	ESA10 (1995-2015)	BPM6 (1993q1-2015q4)	Estonia
ESA10 (1995-2015)	ESA10 (1975-2015)	BPM6 (2006q1-2015q4)	Finland
ESA10 (1995-2015)	ESA10 (1978-2015)	BPM6 (2008q1-2015q4)	France
ESA10 (1991-2014)	ESA10 (1991-2015)	BPM6 (1991q1-2016q1)	Germany
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2008q1-2015q4)	Greece
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2015q4)	Hungary
SNA08 (2003-2013)	SNA08 (1998-2015)	BPM6 (1995q1-2015q4)	Iceland
ESA10 (1990-2014)	ESA10 (1990-2015)	BPM6 (2002q1-2015q4)	Ireland
SNA08 (1995-2015)	SNA08 (1995-2014)	BPM5 (1995q1-2015q4)	Israel
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2015q4)	Italy
SNA93 (1994-2014)	SNA93 (1994-2014)	BPM6 (1994q1-2015q4)	Japan
SNA08(2008-2014)	SNA08 (1975-2014)	BPM6 (1980q1-2015q4)	Korea
ESA10 (1990-2014)	ESA10 (1995-2015)	BPM6 (2002q1-2015q4)	Luxembourg
..	..	BPM5 (1980q1-2015q4)	Mexico
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2008q1-2015q4)	Netherlands
SNA93 (1986-2014)	SNA93 (1986-2014)	BPM6 (1971q1-2015q4)	New Zealand
SNA08 (1995-2015)	SNA08 (1995-2015)	BPM6 (1981q1-2015q4)	Norway
ESA10 (1998-2015)	ESA10 (2010-2015)	BPM6 (2004q1-2015q4)	Poland
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1996q1-2015q4)	Portugal
ESA10 (1995-2014)	ESA10 (1995-2015)	BPM6 (2004q1-2015q4)	Slovak Republic
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1996q1-2015q4)	Slovenia
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2015q4)	Spain
ESA10 (1997-2015)	ESA10 (1993-2015)	BPM6 (2006q1-2015q4)	Sweden
ESA10 (1999-2013)	ESA10 (1995-2014)	BPM6 (2000q1-2015q4)	Switzerland
..	..	BPM5 (1992q1-2015q4)	Turkey
ESA10 (1987q1-2015q4)	ESA95 (1987q1-2015q4)	BPM6 (1999q1-2015q4)	United Kingdom
NIPA (SNA08) (1952q1-2015q4)	NIPA (SNA08) (1947q1-2016q1)	BPM6 (1960q1-2015q4)	United States
..	..	BPM6 (2014q1-2015q4)	Brazil
..	..	BPM6 (1998q1-2016q1)	China
..	..	BPM6 (2000q1-2015q4)	Colombia
..	..	BPM6 (2009q1-2015q4)	Costa Rica
..	..	BPM6 (2004q1-2015q4)	Indonesia
..	..	BPM6 (2010q3-2015q4)	India
..	ESA10 (1995-2015)	BPM6 (2000q1-2015q4)	Latvia
..	ESA10 (1995-2015)	BPM6 (2004q1-2015q4)	Lithuania
..	..	BPM6 (1994q1-2015q4)	Russia
..	..	BPM6 (1990q1-2015q4)	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 changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	3.8	4.0	3.0	3.9	3.2	2.7	4.5	2.5	1.8	2.4	2.6	3.6	2.0	2.6	2.5	2.6	2.9	2.9	2.4	3.2
Austria	2.4	1.5	0.9	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	1.6	1.1	1.7	1.6
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	1.4	1.2	1.5	1.5	1.2	1.7
Brazil	..	3.1	1.1	5.8	3.2	4.0	6.1	5.1	-0.1	7.5	3.9	1.9	3.0	0.1	-3.9	-4.3	-1.7	..	..	..
Canada	3.2	3.0	1.8	3.1	3.2	2.6	2.1	1.0	-2.9	3.1	3.1	1.7	2.2	2.5	1.2	1.7	2.2	0.5	1.9	2.4
Chile	6.2	2.7	3.8	6.9	6.2	5.8	5.2	3.3	-1.1	5.7	5.8	5.5	4.0	1.8	2.1	1.5	2.5	1.4	2.2	2.6
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	6.9	6.5	6.2	6.8	6.3	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	4.4	3.1	2.4	3.0	..	..	..
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	4.0	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	1.9	4.3	2.4	2.6	4.0	2.2	2.7
Denmark	2.6	0.5	0.4	2.6	2.4	3.8	0.8	-0.7	-5.1	1.6	1.2	-0.1	-0.2	1.3	1.2	1.0	1.8	0.5	1.9	1.7
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	1.2	1.8	3.0	0.8	1.8	3.3
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	-0.8	-0.7	0.5	1.0	1.2	0.9	1.4	1.0
France	2.2	1.1	0.8	2.8	1.6	2.4	2.4	0.2	-2.9	2.0	2.1	0.2	0.6	0.6	1.2	1.4	1.5	1.3	1.5	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	1.4	1.6	1.7	1.3	1.8	1.9
Greece	..	4.0	5.8	4.7	0.8	5.6	3.2	-0.2	-4.3	-5.5	-9.2	-7.3	-3.1	0.7	-0.3	-0.2	1.9	-0.8	0.9	2.0
Hungary	2.0	4.5	3.8	4.7	4.5	3.9	0.4	0.6	-6.4	0.7	1.8	-1.7	2.0	3.6	3.0	1.6	3.1	2.7	2.3	2.8
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	4.4	2.0	4.0	4.4	3.5	3.4	4.7	3.7
India[1]	6.7	3.8	8.4	8.3	9.3	9.3	9.8	3.9	8.5	10.3	6.6	5.6	6.6	7.2	7.4	7.4	7.5	..	..	..
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	4.8	5.2	5.9	..	..	..
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	7.8	5.0	3.4	9.3	2.8	3.6
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	2.4	3.1	2.1	2.7	3.0
Italy	1.6	0.2	0.2	1.4	1.2	2.1	1.3	-1.1	-5.5	1.7	0.7	-2.9	-1.8	-0.3	0.6	1.0	1.4	1.1	1.2	1.3
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	1.4	0.0	0.6	0.7	0.4	0.8	1.5	-0.3
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	2.6	2.7	3.0	3.1	2.5	3.1
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	2.7	1.9	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	1.6	2.8	3.4	..	..	..
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	4.9	3.7	3.8	3.0	2.9	4.4
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	2.3	2.5	2.6	3.0	2.5	2.5	3.4
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	2.0	1.7	2.1	1.2	2.2	2.1
New Zealand	3.5	5.1	4.6	4.4	2.6	2.8	3.9	-0.4	0.3	2.0	1.9	2.8	1.7	3.0	3.4	3.0	2.7	3.7	2.2	3.0
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	1.0	2.2	1.6	0.6	1.3	0.1	1.0	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	3.6	3.0	3.5	4.1	3.0	3.3
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	1.5	1.2	1.3	1.3	1.5	1.1
Russia	..	4.7	7.3	7.2	6.4	8.2	8.5	5.2	-7.8	4.5	4.3	3.5	1.3	0.7	-3.7	-1.7	0.5	..	..	..
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	3.6	3.1	3.2	3.9	2.7	3.5
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	2.9	1.5	2.3	2.8	1.4	2.4
South Africa	2.2	3.7	2.9	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.3	2.3	1.7	1.3	0.7	1.4	..	..	..
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	2.8	2.3	3.5	2.4	2.5
Sweden	2.4	2.1	2.5	3.8	2.8	4.9	3.5	-0.7	-5.1	5.7	2.7	0.1	1.2	2.4	3.8	3.4	2.8	4.5	2.8	2.7
Switzerland	1.4	0.1	0.1	2.6	3.1	4.2	4.1	2.2	-2.1	2.9	1.9	1.1	1.8	1.9	0.9	1.2	1.7	0.3	1.5	1.8
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	3.0	4.0	3.9	3.7	4.4	3.8	3.7
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	2.3	1.7	2.0	2.1	1.6	1.9
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	1.8	2.2	2.0	1.9	2.1
Euro area	2.1	1.0	0.7	2.0	1.8	3.3	3.0	0.4	-4.5	2.0	1.6	-0.9	-0.3	1.0	1.6	1.6	1.7	1.7	1.7	1.8
Total OECD	2.8	1.7	2.1	3.3	2.8	3.2	2.7	0.2	-3.5	3.0	1.9	1.3	1.2	1.9	2.1	1.8	2.1	1.9	2.0	2.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368196

Annex Table 2. **Nominal GDP**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	5.8	7.2	6.2	7.7	7.8	7.9	9.1	9.2	1.8	8.0	7.2	3.3	3.3	2.8	1.9	4.0	5.1	2.4	4.9	5.3
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	3.2	3.4	2.3	3.8	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	1.3	2.0	2.2	3.0	3.4	2.9	2.9	3.4
Brazil	..	13.2	15.4	14.0	10.9	11.0	12.9	14.3	7.2	16.6	12.6	9.9	10.6	7.0	3.8	3.5	3.5	..	..	..
Canada	5.0	4.3	5.1	6.5	6.4	5.3	5.4	5.0	-5.2	6.0	6.5	3.0	3.8	4.3	0.6	2.9	4.3	0.2	3.9	4.5
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	6.4	7.5	6.5	5.7	6.0	4.8	7.0	5.6
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	8.1	6.4	7.6	7.8	6.2	8.1	7.7
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	7.0	6.6	5.7	8.1	7.4	..	..	..
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	5.4	7.6	8.6	..	..	..
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	5.0	3.1	3.9	4.6	2.7	4.8
Denmark	4.4	2.8	1.9	4.8	5.4	6.1	3.4	3.4	-4.6	4.9	1.9	2.7	1.1	2.1	2.2	2.1	3.5	0.6	3.8	3.2
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	2.6	4.8	1.8	3.3	4.9
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	1.8	0.9	1.0	1.5	2.0	1.0	1.8	2.0
France	3.5	3.2	2.7	4.5	3.6	4.6	5.0	2.6	-2.8	3.1	3.0	1.3	1.4	1.1	1.9	2.1	2.1	2.1	2.0	2.2
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	3.5	3.0	3.0	3.6	2.8	3.3
Greece	..	7.4	9.4	8.4	2.9	9.3	6.8	3.9	-1.6	-4.6	-8.6	-7.6	-5.9	-1.6	-0.9	-0.5	2.4	-1.2	0.9	2.7
Hungary	19.5	13.3	9.4	9.7	7.0	8.0	5.9	5.4	-2.6	2.9	4.0	1.7	5.4	6.9	4.7	3.8	5.5	5.2	3.8	5.6
Iceland	6.8	6.1	3.2	11.0	9.7	13.4	14.0	13.0	3.1	1.8	5.1	4.5	6.3	6.1	10.1	9.4	9.4	5.8	12.3	9.2
India[1]	14.8	7.7	12.2	14.3	13.9	16.3	16.1	12.9	15.1	20.2	15.7	13.9	13.3	10.8	8.4	11.4	12.0	..	..	..
Indonesia	..	10.7	10.5	14.0	20.8	20.4	18.3	25.3	11.0	14.2	14.1	10.0	10.8	10.7	9.2	8.7	11.6	..	..	..
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	13.5	8.1	5.9	14.5	4.7	6.4
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	5.2	4.4	4.3	5.0	4.2	4.3
Italy	5.0	3.6	3.4	3.9	3.1	4.0	3.8	1.4	-3.7	2.0	2.2	-1.5	-0.5	0.5	1.4	1.7	2.3	1.7	1.7	2.3
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	0.8	1.6	2.5	1.6	2.2	2.3	2.4	1.9
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	4.0	4.9	3.4	4.6	5.0	4.2	4.7
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	3.4	3.2	5.4	..	..	..
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	3.8	6.1	..	..	..
Luxembourg	6.7	5.3	4.4	7.0	7.5	12.4	10.1	2.4	-3.8	9.0	6.9	3.2	6.9	5.0	6.6	4.6	6.9	2.6	6.1	7.0
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	7.0	5.1	4.9	6.6	5.0	4.9	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	2.4	2.1	3.1	1.6	2.8	3.2
New Zealand	5.3	5.8	6.0	8.0	5.1	5.2	8.4	3.5	1.2	5.0	4.8	2.5	4.7	5.1	3.3	2.8	4.4	3.5	3.6	4.6
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	3.6	2.7	-0.7	0.7	3.8	-1.7	3.4	3.5
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	4.1	4.1	4.6	6.5	2.8	4.6
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	3.4	2.4	2.4	3.7	2.3	2.1
Russia	..	21.1	22.3	28.9	26.9	24.6	23.5	24.2	-6.0	19.3	20.9	12.1	6.1	9.8	3.7	4.1	5.1	..	..	..
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	3.3	3.4	4.4	3.6	3.5	4.8
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	3.3	1.2	2.9	3.4	1.1	3.1
South Africa	11.8	16.4	8.9	11.4	11.0	12.2	14.7	12.3	5.9	9.6	10.0	7.7	9.1	7.5	5.2	6.5	6.8	..	..	..
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	3.8	3.3	3.5	4.3	2.9	3.9
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	5.9	4.9	4.8	6.1	4.7	4.6
Switzerland	2.3	-0.2	1.0	3.0	3.8	6.2	6.5	4.0	-1.6	3.1	2.2	0.9	1.8	1.1	-0.4	1.0	1.9	-0.9	1.6	2.2
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	11.7	11.1	10.5	13.7	9.4	10.8
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	2.6	1.7	3.2	2.2	2.1	3.5
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	3.5	3.2	4.3	3.1	3.6	4.3
Euro area	4.5	3.4	2.9	4.0	3.6	5.2	5.4	2.3	-3.5	2.7	2.7	0.4	1.0	1.8	2.8	2.6	2.8	2.9	2.5	3.0
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	3.6	3.4	3.2	4.0	3.3	3.4	4.1

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368204

Annex Table 3. **Real private consumption expenditure**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	3.6	4.2	3.9	5.7	3.2	3.8	5.6	2.1	1.0	3.3	3.2	2.3	1.8	2.8	2.8	2.9	3.0	2.9	2.8	3.1
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	0.3	1.8	1.2	0.8	1.9	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	1.3	0.9	1.2	1.5	1.0	1.4
Brazil	..	1.3	-0.6	3.9	4.4	5.3	6.4	6.5	4.4	6.2	4.8	3.5	3.5	1.3	-4.0	-4.8	-3.5	..	..	..
Canada	2.9	4.0	2.8	3.0	3.9	4.2	4.4	3.0	0.0	3.6	2.3	1.9	2.4	2.5	1.9	1.7	2.1	1.4	1.8	2.2
Chile	..	2.8	4.5	8.4	8.5	7.8	7.6	5.2	-0.8	10.8	8.9	6.1	5.5	2.4	1.5	1.8	2.4	1.1	2.3	2.4
Colombia	..	2.0	2.9	3.9	4.1	6.4	7.2	3.5	0.6	5.0	6.0	4.4	3.4	4.1	3.7	2.4	3.0	..	..	..
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	3.9	4.6	4.2	4.4	..	..	..
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	1.4	2.8	3.3	2.8	2.9	3.3	2.7
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	-0.1	0.5	2.1	1.8	1.9	1.9	2.0	1.8
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	3.6	5.0	3.4	2.8	3.5	3.6	2.3
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	-0.5	0.6	1.4	0.7	0.5	2.0	0.2	0.6
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	1.4	1.9	1.7	1.0	2.4	1.8
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	1.8	1.9	1.4	2.0	1.8
Greece	..	5.3	4.5	3.6	3.2	2.8	4.0	3.4	-1.6	-6.4	-9.9	-7.9	-2.5	0.7	0.3	-0.1	1.3	-0.9	0.8	1.5
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	3.7	3.7	3.2	3.6	3.7
Iceland	2.7	-0.8	6.7	7.4	10.7	2.5	6.7	-7.0	-9.2	-0.3	2.5	2.1	1.0	3.0	4.8	6.1	3.6	5.7	5.4	3.1
India[1]	..	2.9	5.9	5.2	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.3	6.8	6.2	6.2	8.3	8.5	..	..	..
Indonesia	..	3.8	3.9	5.0	4.0	3.2	5.0	5.3	4.7	4.1	5.1	5.5	5.5	5.3	4.8	5.1	5.4	..	..	..
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	3.5	3.0	3.0	3.3	2.7	3.0
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	4.8	4.2	3.3	4.3	3.5	3.3
Italy	1.5	0.0	0.8	0.9	1.3	1.4	1.2	-1.1	-1.5	1.2	0.0	-4.0	-2.4	0.6	0.9	1.3	1.3	1.3	1.3	1.3
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	1.7	-0.9	-1.2	0.3	0.0	-1.0	1.7	-1.1
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	1.7	2.2	2.5	3.0	3.3	2.2	2.9
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	3.3	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	4.9	4.1	4.0	..	..	..
Luxembourg	2.9	4.4	1.9	0.7	1.9	3.3	2.4	1.4	1.0	1.7	2.2	2.7	0.9	3.7	0.1	2.5	2.8	-0.8	2.8	2.9
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	2.5	1.8	3.1	2.7	2.7	3.5	2.2	3.1
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	1.5	1.3	1.7	0.9	1.9	1.6
New Zealand	3.1	4.0	6.3	6.1	4.4	3.2	4.0	1.0	-0.6	3.1	2.7	2.8	3.0	2.7	2.5	3.0	2.6	2.9	2.6	2.7
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	2.7	1.7	2.0	1.2	1.8	1.8	0.8	2.5
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	2.4	3.0	3.0	3.9	2.6	3.8	3.4
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	2.6	2.2	1.5	2.4	2.3	1.1
Russia	..	8.3	7.4	11.9	11.7	12.0	14.2	10.4	-5.1	5.5	6.7	7.4	4.3	1.5	-9.5	-4.5	0.2	..	..	..
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	2.4	3.3	3.2	2.6	3.6	2.9
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	1.7	2.1	2.5	2.6	2.1	2.8
South Africa	2.9	3.2	2.8	6.2	6.1	8.8	6.5	1.2	-2.6	3.9	5.1	3.7	2.0	0.7	1.8	0.9	1.2	..	..	..
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	3.1	2.1	3.5	2.6	2.0
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	2.5	2.7	2.5	2.7	2.5	2.5
Switzerland	1.3	0.3	0.4	1.7	1.5	1.6	2.3	1.5	1.2	1.6	0.9	2.8	2.2	1.3	1.0	1.2	1.9	0.8	1.6	2.0
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	4.5	4.2	4.0	3.5	4.8	3.6
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	2.5	2.7	2.1	1.6	2.8	1.9	1.4
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	3.1	2.7	2.1	2.7	2.6	1.8
Euro area	2.0	0.9	1.1	1.6	1.8	2.1	1.7	0.3	-0.9	0.7	-0.1	-1.3	-0.6	0.8	1.6	1.8	1.7	1.5	1.9	1.7
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	2.3	2.0	2.1	2.4	1.8

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368218

Annex Table 4. **Real public consumption expenditure**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	2.8	2.6	3.9	3.7	2.7	3.6	3.1	4.3	1.6	3.5	3.6	2.5	1.2	0.6	2.8	2.4	2.0	3.6	2.0	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	1.4	1.2	0.8	2.6	0.6	0.8
Belgium	1.5	2.7	1.4	1.6	0.7	1.0	1.9	2.8	1.1	1.0	1.3	1.5	-0.1	0.3	0.2	0.2	0.2	-0.3	0.5	0.1
Brazil	..	3.8	1.6	3.9	2.0	3.6	4.1	2.1	2.9	3.9	2.2	2.3	1.5	1.2	-1.0	-1.8	0.0	..	..	..
Canada	0.7	2.3	2.9	1.9	1.1	2.8	2.4	3.8	2.7	2.3	1.3	0.7	0.3	0.3	1.4	1.5	1.7	1.9	1.7	1.7
Chile	..	2.3	0.8	6.1	5.9	6.4	7.0	0.3	9.2	4.6	2.5	3.5	3.5	5.1	5.8	4.3	3.8	5.9	5.5	3.0
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	4.8	2.8	2.1	1.3	..	..	..
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	3.2	1.9	2.6	..	..	..
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	2.8	2.3	2.0	1.8	2.2	1.9
Denmark	2.4	2.1	0.2	1.5	1.2	2.5	1.2	3.2	3.0	1.3	-1.4	0.0	-0.7	0.2	0.6	0.3	0.6	-0.1	1.1	0.4
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	2.9	2.1	2.5	2.6	2.9	1.7	2.9
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	1.1	-0.3	-0.9	0.4	0.0	0.3	0.0	0.0
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	1.4	0.6	1.5	1.0	0.6
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	2.4	3.5	2.5	2.8	3.3	2.2
Greece	..	2.7	3.0	4.0	4.1	6.8	5.4	-2.3	2.1	-4.2	-7.0	-7.2	-5.5	-2.4	-0.1	-2.1	-0.8	2.8	-0.8	-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	0.6	0.2	0.6	2.0	-1.4	1.3
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	1.0	1.7	1.1	1.1	1.2	1.1	1.2	1.2
India[1]	..	-0.4	2.6	3.6	8.9	3.8	9.6	10.4	13.9	5.8	6.9	0.5	0.4	12.8	4.3	5.8	5.4	..	..	..
Indonesia	..	13.0	10.0	4.0	6.6	9.6	3.9	10.4	11.2	4.0	5.5	4.5	6.7	1.2	5.4	5.4	5.0	..	..	..
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	0.0	1.6	2.1	-5.4	5.7	0.0
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	2.9	3.5	1.6	4.6	1.3	1.4
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	-1.0	-0.7	0.6	-0.2	-0.2	0.1	-0.5
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	0.1	1.2	1.8	-0.5	1.7	1.0	-0.3
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	3.0	3.4	1.2	1.3	3.8	-2.0	4.7
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	3.1	2.1	1.9	..	..	..
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	2.0	0.7	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	3.6	3.9	4.5	2.7	1.3	2.2	1.6	1.1	2.5
Mexico	0.8	-1.0	-0.5	2.5	2.9	3.3	2.4	3.2	2.3	1.6	2.5	3.3	1.3	2.4	2.4	0.0	-0.3	2.2	-1.1	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	0.9	1.2	0.6	1.4	1.2
New Zealand	1.9	1.7	3.5	5.0	7.1	4.6	4.2	4.5	0.6	0.8	2.6	-0.4	1.6	2.7	2.2	1.9	1.9	2.6	1.9	1.8
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	1.0	2.9	1.9	2.9	2.0	1.2	3.3	1.6
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	4.7	3.4	4.7	3.7	5.1	3.5	3.7
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	0.6	0.1	0.3	0.7	0.3	0.2
Russia	..	2.6	2.3	2.1	1.4	2.3	2.7	3.4	-0.6	-1.5	1.4	2.5	1.4	0.2	-1.8	-1.1	-0.7	..	..	..
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	3.4	2.5	0.8	3.3	1.4	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	0.7	1.0	1.1	2.5	-0.4	1.4
South Africa	0.8	4.6	5.7	5.2	5.1	4.9	4.0	5.8	4.6	3.0	2.8	3.5	3.8	1.8	0.2	1.0	0.7	..	..	..
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	2.7	1.5	1.2	3.7	1.2	1.2
Sweden	0.6	2.1	0.9	-0.9	0.2	1.8	0.7	1.1	2.2	1.0	0.9	1.6	1.3	1.5	2.2	3.5	3.2	2.4	3.9	3.0
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	1.7	2.1	2.0	0.3	2.6	1.8
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	6.7	8.0	2.7	6.4	10.4	-1.3
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	2.5	1.5	0.2	0.6	2.2	-0.8	1.4
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	0.5	0.8	0.8	0.6	0.8
Euro area	1.7	2.1	1.8	1.3	1.6	2.1	2.1	2.4	2.4	0.8	-0.1	-0.3	0.2	0.8	1.3	1.7	1.1	1.6	1.5	0.9
Total OECD	1.7	3.0	2.0	1.8	1.5	1.9	1.9	2.3	3.0	1.0	-0.4	0.3	0.0	0.8	1.4	1.5	1.0	1.8	1.2	1.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368227

Annex Table 5. **Real total gross fixed capital formation**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	4.8	14.7	8.9	7.1	9.0	4.7	9.4	7.6	-1.4	4.4	6.7	9.2	-2.0	-1.9	-4.0	-2.1	-0.3	-2.7	-2.7	0.8
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	-0.2	-0.2	0.4	2.0	3.6	1.8	2.2	3.9
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	2.3	1.1	2.6	2.5	1.9	2.6
Brazil	..	-1.5	-3.9	8.4	2.0	6.6	11.9	12.3	-2.2	18.2	6.8	0.8	5.8	-4.4	-14.1	-14.0	-4.5	..	..	..
Canada	3.6	1.0	5.2	8.4	9.1	6.3	3.2	1.6	-11.3	11.5	4.6	4.9	-0.5	0.7	-3.6	-1.5	2.7	-6.9	1.6	3.0
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	2.2	-4.2	-1.5	0.9	1.6	-1.1	1.1	1.9
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	6.8	9.8	2.8	1.1	2.9	..	..	..
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	8.2	2.3	5.2	..	..	..
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	7.4	0.0	3.2	8.0	-0.5	3.2
Denmark	4.5	-0.7	0.0	4.2	4.8	15.1	0.7	-3.3	-14.3	-4.0	0.3	3.9	1.1	3.4	1.2	1.4	2.8	-1.5	2.5	2.9
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	-4.9	1.4	3.1	-0.2	1.8	4.0
Finland	2.7	-3.0	2.8	4.7	3.2	1.3	10.0	0.3	-12.5	1.1	4.1	-1.9	-4.9	-2.6	-1.1	2.9	2.6	1.5	3.1	2.4
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	0.0	2.2	2.2	1.1	2.4	2.4
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	1.7	3.5	3.0	2.5	3.5	3.3
Greece	..	-0.3	15.0	2.9	-11.9	19.1	15.8	-7.1	-13.8	-19.3	-20.7	-23.4	-9.3	-2.6	0.9	3.6	4.0	5.7	-5.2	6.1
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	1.9	-1.8	6.9	8.9	-4.9	13.0
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	2.2	16.0	18.6	15.8	8.0	31.8	9.2	7.5
India[1]	..	6.8	13.6	18.9	16.2	13.8	16.2	3.5	7.7	11.0	12.3	4.9	3.4	4.9	4.9	4.5	7.1	..	..	..
Indonesia	..	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.9	6.7	8.9	9.1	5.0	4.6	5.1	6.8	7.7	..	..	..
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	14.1	28.2	10.7	4.3	28.4	2.8	5.1
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	-1.0	8.5	4.2	0.7	7.8	3.9
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	-3.3	0.6	2.7	3.7	1.6	3.3	3.9
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	2.5	1.3	0.0	-0.1	0.3	1.8	1.0	-0.4
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	3.4	3.8	3.5	3.4	5.6	4.6	2.7
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	2.7	0.9	4.8	..	..	..
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	10.3	3.3	4.7	..	..	..
Luxembourg	4.6	0.0	4.2	6.4	-3.3	4.6	15.2	7.3	-13.4	-0.1	17.2	0.2	-7.2	9.5	-2.5	1.4	3.2	-14.6	9.5	2.5
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	2.8	3.9	1.3	2.9	0.7	2.5	3.3
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	10.3	5.7	4.9	10.1	4.6	4.6
New Zealand	5.8	12.0	10.5	13.6	3.7	-1.2	7.7	-3.0	-12.6	0.7	6.4	6.9	5.2	10.9	3.1	3.8	4.5	0.8	4.5	4.9
Norway	3.7	-0.3	0.4	10.0	12.0	9.1	11.7	0.9	-6.8	-6.6	7.4	7.6	6.3	0.0	-4.2	-1.8	2.1	-2.4	-0.9	3.0
Poland	8.2	-6.9	1.2	6.7	8.7	13.3	19.2	8.3	-1.9	-0.2	8.8	-1.8	-1.1	10.0	5.8	1.2	4.7	4.4	1.5	4.6
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	3.9	-1.5	1.2	0.2	0.1	1.6
Russia	..	3.1	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	9.2	7.0	0.8	-3.0	-7.3	-5.1	1.8	..	..	..
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	14.0	2.3	3.8	19.2	-4.4	5.9
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	0.5	-3.5	4.1	3.7	-2.8	4.9
South Africa	3.0	3.5	10.2	12.9	11.0	12.1	13.8	12.8	-6.7	-3.9	5.5	2.6	7.0	1.5	2.5	1.0	1.4	..	..	..
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	4.6	3.8	6.4	3.6	4.4
Sweden	1.7	-2.3	2.7	5.1	5.2	9.6	8.3	0.3	-13.3	5.6	5.8	0.2	0.6	7.6	6.9	5.4	4.1	6.4	4.3	4.0
Switzerland	1.1	0.2	-1.0	4.7	3.4	4.8	5.0	0.6	-7.5	4.2	4.3	2.9	1.3	2.1	1.4	0.4	1.5	0.1	1.2	1.7
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	3.6	1.8	4.0	3.4	1.7	5.4
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	7.3	4.1	1.0	5.6	2.1	3.7	5.0
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	3.7	2.4	4.5	3.0	3.2	4.4
Euro area	2.1	-1.2	1.3	2.2	2.9	5.8	4.7	-0.8	-11.0	-0.4	1.6	-3.2	-2.5	1.4	2.6	3.3	3.2	3.5	2.9	3.4
Total OECD	3.2	-0.6	2.9	4.5	4.6	4.2	2.6	-2.1	-11.0	2.0	3.5	2.1	0.7	2.7	2.6	2.0	3.4	2.4	2.6	3.5

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.

1. Fiscal year.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368239

Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	5.0	13.3	11.9	7.5	12.7	7.8	11.7	6.8	-2.2	0.3	12.9	15.4	-2.5	-5.0	-7.2	-4.9	-2.2	-5.9	-5.8	-0.3
Belgium	2.7	-4.8	-2.4	11.0	2.9	2.3	6.5	3.4	-7.5	-2.1	6.5	0.0	-0.5	8.1	3.2	1.3	3.5	3.1	3.2	3.6
Canada	4.7	-5.2	6.6	9.1	11.2	9.0	2.5	4.0	-20.2	14.0	11.6	7.1	1.3	-0.6	-9.4	-4.7	2.8	-14.0	0.1	4.0
Denmark	4.6	0.0	-3.6	0.2	1.7	17.7	2.0	2.5	-15.4	-5.4	-6.2	6.5	2.4	2.1	2.6	2.3	3.4	1.4	3.2	3.5
Finland	4.1	-7.2	-1.5	2.1	5.5	2.2	16.6	4.9	-15.6	-6.2	3.1	-3.1	-7.3	-1.3	-0.4	3.5	3.4	2.9	2.9	3.7
France	2.6	-2.8	0.9	2.7	2.4	5.3	8.0	3.8	-11.7	3.1	4.8	0.9	-0.3	2.2	1.9	3.9	3.3	2.6	4.1	3.4
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	1.9	2.5	3.1	1.7	3.0	3.4
Iceland	4.9	-18.6	18.2	32.0	54.3	25.7	-22.4	-21.7	-50.4	0.3	23.9	7.1	-2.1	17.5	28.1	18.7	8.5	44.0	11.5	7.6
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	-0.5	3.1	1.5	0.4	3.9	3.9	1.1	3.7
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	3.3	3.5	4.0	4.3	5.3	5.0	3.6
Netherlands	4.1	-7.7	-1.8	0.3	3.2	7.1	8.9	6.0	-10.9	-3.0	12.9	-3.9	-3.0	4.4	8.6	5.2	5.6	10.3	3.9	5.3
New Zealand	8.1	-2.6	16.0	14.6	7.4	0.7	11.6	-0.1	-21.3	-0.7	13.1	10.5	4.1	11.0	0.3	2.0	3.9	-1.0	2.7	4.7
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	5.1	-1.7	-8.6	-6.6	0.7	-9.8	-3.6	2.6
Sweden	4.3	-6.6	3.2	4.7	5.1	9.5	10.2	4.0	-15.2	3.4	7.2	2.9	0.8	6.3	5.8	4.7	4.0	4.1	3.6	4.0
Switzerland	1.7	0.3	-3.9	5.5	4.7	7.1	7.3	0.5	-10.6	3.9	5.2	3.9	1.5	2.3	0.7	1.1	1.8	0.6	1.5	2.0
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	4.7	5.2	-0.2	6.6	3.0	3.3	5.8
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	2.8	-0.1	4.1	1.5	1.2	4.2

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368248

Annex Table 7. **Real gross residential fixed capital formation**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	3.8	23.7	5.2	5.8	-1.9	-3.1	2.2	2.4	-4.7	5.7	-0.8	-6.8	2.3	7.5	9.5	5.3	3.4	9.8	4.0	3.0
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	-1.8	0.1	1.4	-0.7	0.6	1.6
Belgium	0.5	-5.5	4.7	3.9	15.6	4.8	4.7	-2.2	-10.4	1.8	-2.5	-0.1	-4.1	5.7	1.2	0.4	0.9	2.8	-2.4	0.9
Canada	2.3	14.3	3.5	8.3	4.9	2.4	2.6	-4.1	-5.8	7.7	1.3	5.8	-0.3	2.5	3.7	1.5	0.9	2.7	1.1	0.7
Denmark	4.4	2.3	13.5	12.1	16.7	11.4	-5.5	-16.7	-20.4	-8.9	15.8	-5.5	-1.1	3.1	-0.5	0.4	4.0	-3.1	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	-5.3	-6.5	-2.4	2.0	2.9	-0.2	2.8	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	-2.5	-1.3	0.6	-2.6	-0.1	1.0
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	1.0	3.8	2.8	3.0	3.6	3.3
Greece	-2.0	5.4	18.2	16.6	-9.2	17.6	15.0	-23.9	-19.7	-26.3	-14.4	-38.2	-30.7	-52.2	-23.3	-11.4	2.9	-16.7	-1.8	3.9
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	-3.1	15.0	9.3	9.1	7.8	9.9
Ireland	9.4	3.6	16.6	11.9	16.8	3.8	-8.0	-17.0	-37.6	-32.9	-18.7	-20.6	3.0	14.7	6.8	5.7	6.1	8.4	6.1	6.1
Italy	0.3	3.0	3.9	2.5	6.2	5.2	1.0	-1.9	-9.2	-0.2	-6.5	-7.7	-4.4	-2.7	-0.2	2.3	3.1	1.2	2.6	3.2
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	8.4	-5.3	-2.5	2.4	-1.7	5.3	4.9	-7.1
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	11.1	14.2	10.9	2.8	24.6	6.3	1.1
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	26.9	11.9	5.7	17.9	8.9	5.1
New Zealand	3.1	20.8	20.3	3.7	-4.0	-2.1	3.1	-18.1	-14.1	1.0	0.9	15.9	13.1	14.5	6.2	4.6	3.1	4.7	3.6	3.0
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	5.3	-1.5	1.6	5.4	2.3	8.4	2.9	2.5
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	2.4	2.4	2.3	2.2	2.3	2.3
Sweden	-7.6	10.7	5.2	12.9	10.0	14.4	6.6	-13.3	-18.9	12.6	8.0	-11.8	0.9	19.5	16.8	10.7	6.4	18.5	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	0.4	0.6	1.0	0.0	1.0
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	13.7	4.0	5.8	5.7	4.5	6.1	5.3
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	8.9	10.1	7.5	9.4	9.7	6.6

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368251

Annex Table 8. **Real total domestic demand**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	3.8	6.1	5.7	6.1	4.5	3.5	7.0	3.5	0.0	3.9	4.6	4.1	0.1	1.1	1.0	1.1	2.0	1.5	1.3	2.3
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	0.6	1.9	1.7	2.1	1.6	1.7
Belgium	1.9	-0.2	0.7	3.5	2.9	1.9	3.3	2.1	-1.9	2.0	2.2	-0.2	-0.7	1.7	1.7	0.7	1.3	1.7	1.1	1.4
Brazil	..	0.6	-0.1	5.3	2.8	5.5	7.9	7.5	0.0	11.1	4.9	2.0	3.7	0.0	-6.9	-6.8	-3.0	..	..	..
Canada	2.6	3.3	4.2	4.0	5.0	4.2	3.6	2.8	-2.9	5.2	3.4	2.0	1.8	1.3	0.3	0.5	2.2	-1.2	1.8	2.3
Chile	..	3.0	4.7	8.2	11.5	8.0	7.4	8.3	-5.6	13.5	9.4	7.5	3.8	-0.2	1.9	0.7	2.4	1.2	2.5	2.4
China	..	8.5	10.5	9.5	8.0	9.5	11.6	8.3	16.6	7.9	9.7	8.2	8.2	8.1	9.4	8.7	6.6	10.3	7.6	6.7
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	5.1	6.1	3.8	2.2	2.7	..	..	..
Costa Rica	5.0	4.4	1.1	5.2	5.0	7.4	5.0	8.2	-8.5	10.1	6.2	5.2	2.5	2.4	7.2	6.5	4.1	..	..	..
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	4.8	1.6	2.7	3.6	2.4	2.7
Denmark	2.6	1.4	0.2	4.4	3.3	5.4	1.7	-0.3	-6.4	1.1	0.7	0.5	-0.2	1.3	1.2	1.4	1.7	0.8	1.7	1.6
Estonia	..	12.2	11.3	6.6	7.2	17.4	9.4	-8.7	-21.0	0.5	9.1	8.6	1.9	4.6	-0.4	3.0	2.8	0.4	2.7	2.8
Finland	2.2	1.4	3.3	3.6	4.1	2.4	4.8	0.9	-6.2	3.7	4.1	-1.3	-1.0	0.2	-0.7	1.5	0.8	1.2	0.8	0.8
France	2.0	1.2	1.4	2.8	2.3	2.6	3.1	0.4	-2.5	2.0	2.0	-0.3	0.8	0.7	1.4	2.2	1.5	2.2	1.8	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	1.4	2.6	2.3	1.8	2.6	2.3
Greece	..	4.1	7.4	2.7	0.3	7.9	5.3	-0.7	-6.1	-6.4	-11.2	-10.0	-3.7	1.1	-1.2	-0.6	1.2	-1.9	0.0	1.6
Hungary	2.4	6.3	5.7	5.2	1.7	1.7	-1.1	0.2	-9.5	-0.6	-0.2	-3.1	1.6	4.2	1.9	1.8	3.8	2.6	1.8	4.7
Iceland	2.9	-1.6	5.7	10.2	13.5	8.9	1.7	-7.0	-15.3	-3.3	2.8	1.1	2.1	4.1	5.5	5.7	4.0	6.0	5.2	3.6
India[1]	..	2.8	9.0	7.7	10.5	9.7	10.7	6.1	8.5	9.7	8.5	5.5	2.0	6.9	7.3	7.4	7.7	..	..	..
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	5.4	3.9	5.4	6.2	..	..	..
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	9.2	4.8	3.2	7.7	3.1	3.0
Israel	..	0.2	-1.7	3.0	3.7	4.9	6.4	1.9	0.0	5.3	5.4	3.3	3.6	2.9	3.7	4.8	3.0	4.4	3.9	2.9
Italy	1.3	1.1	0.9	1.0	1.0	2.0	1.1	-1.2	-4.2	1.9	-0.5	-5.7	-2.6	-0.3	1.0	1.2	1.4	1.7	1.4	1.4
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	1.7	0.0	0.1	0.5	0.0	0.8	1.4	-0.9
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	3.7	2.6	2.9	4.6	1.6	3.1
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	3.0	2.8	3.6	..	..	..
Lithuania	..	7.2	10.7	12.0	8.6	8.6	15.3	3.4	-22.4	2.1	5.6	0.1	3.8	3.0	6.5	2.3	3.7	..	..	..
Luxembourg	3.5	1.1	5.5	2.8	2.9	2.0	4.8	3.9	-6.2	5.0	5.7	1.5	0.5	6.5	2.5	3.6	2.7	-0.4	4.0	2.6
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	1.4	2.1	3.1	2.1	2.5	2.7	1.9	2.8
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	2.5	2.3	2.3	2.5	2.4	2.2
New Zealand	3.6	5.6	6.5	7.8	4.6	1.5	5.3	1.0	-4.8	3.8	3.3	3.0	3.2	4.4	2.3	3.0	2.9	2.5	2.7	3.1
Norway	3.4	2.1	1.3	7.2	5.5	6.4	6.2	1.5	-3.3	3.0	2.7	3.5	3.5	2.0	0.6	1.3	1.7	0.4	2.2	2.3
Poland	4.9	0.9	2.5	6.3	2.5	7.2	9.4	5.0	-0.1	4.3	4.2	-0.5	-0.7	4.8	3.4	3.0	4.0	3.6	3.2	3.7
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	2.5	1.2	1.2	2.3	1.6	1.0
Russia	..	4.6	7.8	10.0	9.2	11.2	13.7	9.2	-13.0	8.2	8.7	5.5	1.0	-0.9	-10.1	-3.9	0.4	..	..	..
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	4.9	3.0	2.9	6.3	1.5	3.2
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	2.1	1.0	2.5	3.7	0.5	2.9
South Africa	1.8	5.1	5.2	7.9	5.7	8.5	5.8	3.6	-1.4	3.7	5.6	3.3	2.8	0.5	1.8	0.4	1.1	..	..	..
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	3.8	3.0	2.3	4.3	2.5	2.4
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	3.6	3.7	3.1	3.7	3.3	3.0
Switzerland	1.2	0.1	0.8	-0.3	4.2	2.3	0.6	2.6	2.4	-0.7	4.3	-1.4	-0.8	2.4	0.3	0.8	1.9	-0.1	2.8	2.0
Turkey	3.1	9.0	8.8	11.6	9.2	6.8	5.7	-1.1	-6.6	12.2	8.9	-1.3	6.5	1.3	4.6	4.5	3.9	3.8	4.0	3.7
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	3.2	2.6	1.8	2.0	2.5	1.7	2.0
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	2.0	2.4	2.5	2.2	2.2
Euro area	2.0	0.4	1.4	1.6	2.0	3.1	2.7	0.3	-3.8	1.4	0.7	-2.4	-0.7	1.0	1.7	2.2	1.9	2.2	2.0	1.9
Total OECD	2.8	1.9	2.5	3.4	3.0	3.1	2.4	-0.2	-3.9	3.1	1.8	0.8	1.0	1.8	2.3	1.9	2.1	2.2	2.1	2.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368261

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	2015 Fourth quarter[1]	2016 Fourth quarter[1]	2017 Fourth quarter[1]
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	1.0	1.3	0.9	-0.1	0.9	1.0
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	-0.1	-0.3	0.0	-2.3	0.0	0.0
Belgium	0.4	2.0	0.1	0.3	-0.7	0.7	0.2	-1.2	-0.4	0.7	-0.3	0.3	0.7	-0.4	-0.3	0.5	0.2	-0.9	0.1	0.5
Brazil	..	2.8	1.7	0.9	0.6	-1.4	-1.3	-2.0	-0.2	-2.6	-0.7	-0.1	-0.6	0.0	2.7	2.2	1.2	..	..	..
Canada	0.7	-0.2	-2.2	-0.8	-1.6	-1.4	-1.5	-1.8	-0.4	-2.2	-0.3	-0.3	0.4	1.0	0.9	1.1	0.0	2.4	-0.2	0.1
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	0.4	2.2	0.3	0.2	0.1	5.5	0.0	0.2
China	..	0.8	-0.3	0.8	3.6	3.7	3.6	2.2	-5.4	3.2	0.5	0.2	0.1	-0.3	-2.0	-1.9	-0.3	0.8	0.0	-0.5
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	-0.2	-1.8	-0.9	-0.1	0.0	..	..	..
Costa Rica	-0.2	-1.6	5.2	-1.0	1.2	1.5	2.8	-5.2	7.6	-4.4	-1.4	-0.1	0.9	1.1	-4.1	-2.5	-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	-0.2	0.8	0.1	2.9	-0.3	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	-0.6	-0.1	0.1	0.1	-0.3	0.2	0.3	0.2	0.2
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	0.5	-1.4	0.3	-1.1	0.2	0.5
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	0.3	-0.4	0.4	-0.3	0.4	-2.2	0.5	-0.1
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	-0.8	-0.1	-1.4	0.0	-0.1
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	0.1	-0.8	-0.4	-2.0	-0.5	-0.1
Greece	..	-0.5	-2.4	2.1	0.2	-2.8	-2.4	0.4	3.0	1.8	2.7	3.3	1.4	-0.3	1.2	0.3	0.6	-12.1	1.1	0.3
Hungary	-0.4	-2.0	-2.1	-0.3	2.7	2.2	1.5	0.7	2.6	1.3	2.0	1.3	0.5	-0.2	1.2	0.3	-0.4	0.1	0.5	-1.7
Iceland	0.0	2.3	-3.2	-2.3	-8.7	-5.6	8.4	9.7	13.2	-1.3	-1.1	-0.2	3.7	-2.9	-2.0	-1.4	-0.3	-9.5	-1.6	0.4
India[2]	-0.1	0.9	-0.7	0.5	-1.3	-0.6	-1.2	-2.4	-0.5	0.0	-2.2	-0.2	4.5	0.2	0.0	-0.1	-0.3	..	..	..
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	0.9	-0.1	-0.2	..	..	..
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	0.1	0.4	0.9	6.5	0.7	1.3
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	-1.2	-1.9	0.1	-4.9	0.0	0.2
Italy	0.3	-0.9	-0.7	0.3	0.1	0.1	0.2	0.2	-1.3	-0.2	1.2	2.9	0.9	0.0	-0.3	-0.2	0.0	0.5	0.1	-0.1
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	0.4	0.2	0.3	0.3	0.0	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	0.4	-1.1	0.3	0.3	-1.1	0.5	0.2
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	-0.3	0.1	-0.2	..	..	..
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	-4.9	-0.2	-0.3	..	..	..
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	3.2	0.3	2.1	-0.3	1.7	2.8
Mexico	-0.8	-0.2	-0.4	0.0	-0.9	-0.8	-0.7	-1.4	1.8	-0.3	0.0	0.3	-0.4	0.3	1.2	0.6	0.5	0.6	0.4	0.5
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	-0.2	-0.3	0.1	-0.4	0.0	0.2
New Zealand	0.0	-0.6	-1.8	-3.1	-2.0	1.2	-1.4	-1.3	5.3	-2.0	-1.1	-0.2	-1.5	-1.3	0.9	0.0	-0.2	-0.4	-0.3	0.0
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	-2.0	0.4	1.0	-0.5	-0.4	-6.2	-0.3	0.0
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	0.3	-0.2	-0.3	-0.7	-0.3	-0.3
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	0.1	0.8	0.3	0.2
Russia	0.3	0.3	0.2	-1.3	-1.3	-1.8	-3.1	-2.8	4.8	-3.1	-3.9	-1.6	0.5	1.7	6.4	2.4	0.2	..	..	..
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	-0.8	1.1	0.4	2.6	0.2	0.4
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	0.9	0.6	0.1	-1.1	0.3	-0.3
South Africa	0.2	-1.1	-2.2	-3.0	-0.6	-2.9	-0.6	-0.4	-0.2	-0.6	-2.2	-1.0	-0.5	1.1	-0.5	0.4	0.2	..	..	..
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	-0.5	-0.1	0.1	0.9	0.0	0.3
Sweden	1.0	1.0	0.4	2.1	0.4	0.8	-0.9	-0.6	-1.1	0.3	-0.2	0.3	-0.3	-0.9	0.4	0.0	-0.1	1.8	0.0	-0.2
Switzerland	0.3	0.0	-0.6	2.9	-0.8	2.0	3.6	-0.1	-4.2	3.3	-1.9	2.3	2.6	-0.1	0.7	0.6	0.0	1.3	0.0	0.1
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	2.0	-0.3	-1.0	-0.3	-9.3	-0.6	-0.1
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	-0.4	-0.5	-0.3	-0.1	-1.0	-0.1	-0.2
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	-0.2	-0.2	-0.1	-0.3	-0.1
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	-0.4	-0.1	-0.9	-0.1	0.1
Total OECD	-0.1	-0.2	-0.4	-0.1	-0.2	0.0	0.2	0.4	0.5	-0.2	0.2	0.6	0.2	0.0	-0.2	-0.1	0.0	-0.5	-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 99 database.

StatLink http://dx.doi.org/10.1787/888933368279

Annex Table 10. **Quarterly demand and output projections**

Percentage changes, seasonally adjusted at annual rates, volume

	2015	2016	2017	2015 Q4	2016 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2015	2016 Q4 / Q4	2017
Private consumption															
Canada	1.9	1.7	2.1	1.0	1.7	1.5	2.0	2.1	2.2	2.2	2.2	2.2	1.4	1.8	2.2
France	1.4	1.9	1.7	-0.4	4.7	1.6	1.6	1.6	1.8	1.8	1.8	1.8	1.0	2.4	1.8
Germany	1.9	1.8	1.9	1.1	2.2	2.0	1.9	1.9	1.9	1.9	1.8	1.7	1.4	2.0	1.8
Italy	0.9	1.3	1.3	1.0	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Japan	-1.2	0.3	0.0	-3.3	1.9	0.6	1.6	2.5	6.0	-11.7	1.1	1.1	-1.0	1.7	-1.1
United Kingdom	2.7	2.1	1.6	2.4	2.4	1.3	2.1	1.7	1.6	1.4	1.3	1.2	2.8	1.9	1.4
United States	3.1	2.7	2.1	2.4	1.9	3.7	2.4	2.2	2.1	1.8	1.7	1.6	2.7	2.6	1.8
Euro area	1.6	1.8	1.7	1.0	2.6	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.5	1.9	1.7
Total OECD	2.3	2.3	2.0	1.7	2.2	2.7	2.3	2.3	2.5	0.8	1.9	1.9	2.1	2.4	1.8
Public consumption															
Canada	1.4	1.5	1.7	1.5	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.9	1.7	1.7
France	1.5	1.4	0.6	2.1	1.7	1.0	0.7	0.6	0.6	0.6	0.6	0.6	1.5	1.0	0.6
Germany	2.4	3.5	2.5	4.0	4.2	3.6	3.0	2.5	2.4	2.2	2.1	2.1	2.8	3.3	2.2
Italy	-0.7	0.6	-0.2	2.3	0.5	0.1	0.0	0.0	0.0	-0.5	-0.5	-1.0	-0.2	0.1	-0.5
Japan	1.2	1.8	-0.5	2.9	2.8	2.1	0.2	-0.9	-3.1	1.2	0.2	0.6	1.7	1.0	-0.3
United Kingdom	1.5	0.2	0.6	1.3	-0.8	-0.8	-0.8	-0.8	1.4	1.4	1.4	1.4	2.2	-0.8	1.4
United States	0.4	0.5	0.8	0.6	-0.3	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.6	0.8
Euro area	1.3	1.7	1.1	2.2	2.0	1.6	1.4	1.2	1.1	0.9	0.9	0.9	1.6	1.5	0.9
Total OECD	1.4	1.5	1.0	1.8	1.6	1.4	1.1	0.9	0.7	1.2	1.0	1.0	1.8	1.2	1.0
Business investment															
Canada	-9.4	-4.7	2.8	-11.5	-1.0	-2.0	1.5	2.0	3.0	4.0	4.5	4.5	-14.0	0.1	4.0
France	1.9	3.9	3.3	4.0	6.6	3.6	3.0	3.2	3.2	3.5	3.5	3.5	2.6	4.1	3.4
Germany	1.9	2.5	3.1	3.8	5.5	1.3	2.0	3.2	3.3	3.4	3.5	3.5	1.7	3.0	3.4
Japan	1.5	0.4	3.9	4.7	-5.3	1.8	3.5	4.7	5.7	2.0	3.5	3.7	3.9	1.1	3.7
United Kingdom	5.2	-0.2	6.6	-7.6	-3.0	-6.0	16.0	7.8	6.0	5.9	5.7	5.5	3.0	3.3	5.8
United States	2.8	-0.1	4.1	-2.1	-6.2	3.0	4.2	4.2	4.2	4.2	4.2	4.2	1.5	1.2	4.2
Total investment															
Canada	-3.6	-1.5	2.7	-6.3	0.8	0.2	2.8	2.7	2.9	3.0	3.1	2.9	-6.9	1.6	3.0
France	0.0	2.2	2.2	2.8	3.8	1.9	1.9	2.1	2.2	2.4	2.5	2.5	1.1	2.4	2.4
Germany	1.7	3.5	3.0	6.3	6.9	1.4	2.3	3.2	3.2	3.3	3.4	3.3	2.5	3.5	3.3
Italy	0.6	2.7	3.7	3.3	3.0	3.2	3.4	3.6	3.7	3.8	4.0	4.0	1.6	3.3	3.9
Japan	0.0	-0.1	0.3	-0.7	-3.6	2.0	3.4	2.5	1.3	-6.6	0.3	3.6	1.8	1.0	-0.4
United Kingdom	4.1	1.0	5.6	-4.4	0.0	-1.9	11.1	6.3	5.2	5.1	4.9	4.7	2.1	3.7	5.0
United States	3.7	2.4	4.5	-0.1	0.0	3.2	4.8	4.8	4.6	4.3	4.3	4.3	3.0	3.2	4.4
Euro area	2.6	3.3	3.2	6.0	3.7	2.3	2.7	3.1	3.2	3.4	3.5	3.5	3.5	2.9	3.4
Total OECD	2.6	2.0	3.4	1.1	0.7	2.2	3.7	3.7	3.5	2.8	3.6	3.9	2.4	2.6	3.5

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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368284

Annex Table 10. **Quarterly demand and output projections (cont.)**

Percentage changes, seasonally adjusted at annual rates, volume

	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
Total domestic demand															
Canada	0.3	0.5	2.2	-1.8	1.8	1.2	2.1	2.2	2.2	2.3	2.3	2.3	-1.2	1.8	2.3
France	1.4	2.2	1.5	2.9	2.9	1.4	1.4	1.5	1.6	1.6	1.6	1.6	2.2	1.8	1.6
Germany	1.4	2.6	2.3	3.4	3.7	2.2	2.3	2.3	2.3	2.3	2.2	2.2	1.8	2.6	2.3
Italy	1.0	1.2	1.4	-0.1	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.3	1.7	1.4	1.4
Japan	0.1	0.5	0.0	-2.0	0.9	1.2	1.7	1.8	2.2	-5.6	-1.1	1.1	0.8	1.4	-0.9
United Kingdom	2.6	1.8	2.0	2.7	1.4	0.3	3.0	2.0	2.2	2.0	1.9	1.8	2.5	1.7	2.0
United States	3.0	2.0	2.4	1.5	1.0	2.5	2.6	2.5	2.4	2.2	2.1	2.0	2.5	2.2	2.2
Euro area	1.7	2.2	1.9	2.6	2.5	1.8	1.8	1.9	1.9	1.9	1.9	1.9	2.2	2.0	1.9
Total OECD	2.3	1.9	2.1	1.8	1.6	2.1	2.3	2.3	2.4	1.6	2.0	2.1	2.2	2.1	2.0
Exports of goods and services															
Canada	3.0	2.1	4.6	-2.2	0.7	1.0	5.0	4.0	5.1	5.1	5.1	5.1	1.9	2.7	5.1
France	6.1	1.8	3.8	3.9	-0.8	1.0	3.6	4.0	4.0	4.1	4.1	4.2	4.7	2.0	4.1
Germany	4.8	1.6	3.2	-2.5	2.3	2.1	2.5	2.9	3.2	3.4	3.8	4.0	3.1	2.4	3.6
Italy	4.1	2.1	3.8	5.1	1.5	2.5	3.2	3.9	4.0	4.1	4.1	4.1	2.6	2.8	4.1
Japan	2.8	1.1	3.6	-3.1	2.4	2.2	3.6	4.1	3.6	3.5	3.8	3.8	-1.0	3.1	3.7
United Kingdom	5.1	1.9	2.3	0.2	2.2	2.3	2.4	2.3	2.2	2.3	2.4	2.5	2.2	2.3	2.3
United States	1.1	0.4	3.5	-2.0	-2.0	1.5	3.5	3.5	3.5	3.7	3.7	3.7	-0.6	1.6	3.6
Total OECD[1]	4.0	2.7	4.1	1.9	1.5	3.1	3.9	4.1	4.1	4.3	4.4	4.6	2.9	3.1	4.4
Imports of goods and services															
Canada	0.1	-1.5	4.4	-8.9	-3.0	3.8	4.0	4.5	4.5	4.6	4.6	4.6	-3.2	2.3	4.6
France	6.4	4.4	3.9	8.6	1.9	2.8	3.6	3.9	3.9	4.1	4.1	4.2	7.0	3.1	4.1
Germany	5.4	3.9	4.8	2.0	4.5	4.5	4.8	4.8	4.8	4.8	4.9	4.9	4.5	4.6	4.8
Italy	5.8	3.2	4.3	3.9	2.9	3.5	3.9	4.1	4.4	4.4	5.0	5.0	5.4	3.6	4.7
Japan	0.3	0.3	1.6	-4.3	-1.8	3.5	3.9	4.2	4.5	-5.7	0.3	1.6	-0.6	2.4	0.1
United Kingdom	6.3	2.9	2.6	3.6	2.2	2.4	2.5	2.5	2.5	2.6	2.7	2.9	4.7	2.4	2.7
United States	4.9	1.9	4.3	-0.7	-0.2	3.5	5.5	5.0	4.2	3.8	3.6	3.7	2.9	3.4	3.8
Total OECD[1]	4.5	3.2	4.3	3.9	1.5	3.9	4.4	4.5	4.4	3.9	4.3	4.5	3.8	3.6	4.3
GDP															
Canada	1.2	1.7	2.2	0.8	3.1	0.3	2.4	1.9	2.4	2.4	2.4	2.4	0.5	1.9	2.4
France	1.2	1.4	1.5	1.3	2.2	0.9	1.4	1.4	1.6	1.6	1.6	1.6	1.3	1.5	1.6
Germany	1.4	1.6	1.7	1.1	2.7	1.3	1.4	1.7	1.8	1.8	1.9	1.9	1.3	1.8	1.9
Italy	0.6	1.0	1.4	0.6	1.0	1.1	1.3	1.5	1.4	1.4	1.3	1.2	1.1	1.2	1.3
Japan	0.6	0.7	0.4	-1.8	1.7	1.0	1.6	1.8	2.1	-4.1	-0.5	1.5	0.8	1.5	-0.3
United Kingdom	2.3	1.7	2.0	2.4	1.4	0.3	3.0	1.9	2.1	1.9	1.8	1.7	2.1	1.6	1.9
United States	2.4	1.8	2.2	1.4	0.8	2.3	2.3	2.3	2.3	2.1	2.1	2.0	2.0	1.9	2.1
Euro area	1.6	1.6	1.7	1.6	2.1	1.4	1.6	1.7	1.8	1.8	1.9	1.9	1.7	1.7	1.8
Total OECD	2.1	1.8	2.1	1.4	1.6	1.9	2.2	2.2	2.3	1.7	2.0	2.2	1.9	2.0	2.0

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. Includes intra-regional trade.

Source: OECD Economic Outlook 99 database.

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Annex Table 11. **Contributions to changes in real GDP in OECD countries**

	2014	2015	2016	2017		2014	2015	2016	2017
Australia					**France**				
Final domestic demand	1.1	1.0	1.6	2.0	Final domestic demand	0.5	1.1	1.9	1.6
Stockbuilding	0.0	0.0	-0.5	0.0	Stockbuilding	0.2	0.3	0.4	0.0
Net exports	1.7	1.0	1.3	0.9	Net exports	-0.5	-0.2	-0.8	-0.1
GDP	2.6	2.5	2.6	2.9	GDP	0.6	1.2	1.4	1.5
Austria					**Germany**				
Final domestic demand	0.1	0.6	1.6	1.6	Final domestic demand	1.6	1.8	2.4	2.1
Stockbuilding	-0.3	0.0	0.2	0.0	Stockbuilding	-0.3	-0.5	0.1	0.0
Net exports	0.5	-0.1	-0.3	0.0	Net exports	0.3	0.1	-0.8	-0.4
GDP	0.5	0.8	1.3	1.6	GDP	1.6	1.4	1.6	1.7
Belgium					**Greece**				
Final domestic demand	1.8	1.3	0.8	1.3	Final domestic demand	-0.3	0.3	-0.1	1.2
Stockbuilding	-0.2	0.4	0.0	0.0	Stockbuilding	1.4	-1.7	-0.3	0.0
Net exports	-0.4	-0.3	0.5	0.2	Net exports	-0.3	1.2	0.3	0.6
GDP	1.3	1.4	1.2	1.5	GDP	0.7	-0.3	-0.2	1.9
Canada					**Hungary**				
Final domestic demand	1.7	0.5	0.9	2.2	Final domestic demand	3.8	2.1	1.4	3.4
Stockbuilding	-0.4	-0.2	-0.4	0.0	Stockbuilding	0.1	-0.3	0.2	0.1
Net exports	1.0	0.9	1.1	0.0	Net exports	-0.2	1.2	0.3	-0.4
GDP	2.5	1.2	1.7	2.2	GDP	3.6	3.0	1.6	3.1
Chile					**Iceland**				
Final domestic demand	1.1	1.3	1.9	2.4	Final domestic demand	4.5	6.2	6.3	3.8
Stockbuilding	-1.5	0.4	-1.1	0.0	Stockbuilding	-1.0	-1.1	-1.1	0.0
Net exports	2.2	0.3	0.2	0.1	Net exports	-2.9	-2.0	-1.4	-0.3
GDP	1.8	2.1	1.5	2.5	GDP	2.0	4.0	4.4	3.5
Czech Republic					**Ireland**				
Final domestic demand	1.6	3.8	2.0	2.5	Final domestic demand	4.1	7.0	3.8	2.5
Stockbuilding	0.6	0.7	-0.5	0.0	Stockbuilding	0.5	0.6	0.0	0.0
Net exports	-0.2	-0.2	0.8	0.1	Net exports	0.1	0.1	0.4	0.9
GDP	1.9	4.3	2.4	2.6	GDP	5.2	7.8	5.0	3.4
Denmark					**Israel**				
Final domestic demand	0.9	1.4	1.2	1.6	Final domestic demand	2.3	3.1	4.7	3.0
Stockbuilding	0.2	-0.3	0.2	0.0	Stockbuilding	0.5	0.6	0.0	0.0
Net exports	0.1	0.1	-0.3	0.2	Net exports	-0.4	-1.2	-1.9	0.1
GDP	1.3	1.2	1.0	1.8	GDP	2.6	2.5	2.4	3.1
Estonia					**Italy**				
Final domestic demand	1.9	1.7	2.6	2.7	Final domestic demand	-0.4	0.5	1.4	1.4
Stockbuilding	2.4	-2.2	0.3	0.0	Stockbuilding	0.1	0.5	-0.2	0.0
Net exports	0.4	0.5	-1.4	0.3	Net exports	0.0	-0.3	-0.2	0.0
GDP	2.9	1.2	1.8	3.0	GDP	-0.3	0.6	1.0	1.4
Finland					**Japan**				
Final domestic demand	-0.3	0.4	1.1	0.8	Final domestic demand	-0.2	-0.5	0.6	0.0
Stockbuilding	0.5	-1.1	0.4	0.0	Stockbuilding	0.2	0.6	-0.1	0.0
Net exports	-0.4	0.4	-0.3	0.4	Net exports	0.0	0.4	0.2	0.3
GDP	-0.7	0.5	1.0	1.2	GDP	0.0	0.6	0.7	0.4

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368294

Annex Table 11. **Contributions to changes in real GDP in OECD countries (cont.)**

	2014	2015	2016	2017		2014	2015	2016	2017
Korea					**Slovenia**				
Final domestic demand	2.3	2.7	2.5	2.7	Final domestic demand	1.0	1.2	0.6	2.3
Stockbuilding	0.5	0.9	0.0	0.0	Stockbuilding	0.5	0.8	0.3	0.0
Net exports	0.4	-1.1	0.3	0.3	Net exports	1.6	0.9	0.6	0.1
GDP	3.3	2.6	2.7	3.0	GDP	3.0	2.9	1.5	2.3
Luxembourg					**Spain**				
Final domestic demand	3.6	0.0	1.2	1.7	Final domestic demand	1.3	3.6	3.0	2.2
Stockbuilding	0.1	1.6	1.1	0.0	Stockbuilding	0.2	0.1	-0.1	0.0
Net exports	0.4	3.2	0.3	2.1	Net exports	-0.2	-0.5	-0.1	0.1
GDP	4.1	4.9	3.7	3.8	GDP	1.4	3.2	2.8	2.3
Mexico					**Sweden**				
Final domestic demand	2.1	3.2	2.2	2.5	Final domestic demand	3.2	3.4	3.4	3.0
Stockbuilding	0.0	-0.1	-0.1	0.0	Stockbuilding	0.1	0.0	0.1	0.0
Net exports	0.3	1.2	0.6	0.5	Net exports	-0.9	0.4	0.0	-0.1
GDP	2.3	2.5	2.6	3.0	GDP	2.4	3.8	3.4	2.8
Netherlands					**Switzerland**				
Final domestic demand	0.7	2.6	1.9	2.1	Final domestic demand	1.3	1.1	1.0	1.6
Stockbuilding	-0.1	-0.4	0.1	0.0	Stockbuilding	0.7	-0.9	-0.3	0.0
Net exports	0.5	-0.2	-0.3	0.1	Net exports	-0.1	0.7	0.6	0.0
GDP	1.0	2.0	1.7	2.1	GDP	1.9	0.9	1.2	1.7
New Zealand					**Turkey**				
Final domestic demand	4.3	2.6	3.0	2.9	Final domestic demand	1.4	4.9	4.5	4.0
Stockbuilding	0.0	-0.3	0.0	0.0	Stockbuilding	-0.1	-0.3	0.0	0.0
Net exports	-1.3	0.9	0.0	-0.2	Net exports	2.0	-0.3	-1.0	-0.3
GDP	3.0	3.4	3.0	2.7	GDP	3.0	4.0	3.9	3.7
Norway					**United Kingdom**				
Final domestic demand	1.3	0.2	0.7	1.7	Final domestic demand	3.3	2.7	1.6	2.1
Stockbuilding	0.5	0.3	0.5	0.0	Stockbuilding	0.0	-0.1	0.3	0.0
Net exports	0.4	1.0	-0.5	-0.4	Net exports	-0.4	-0.5	-0.3	-0.1
GDP	2.2	1.6	0.6	1.3	GDP	2.9	2.3	1.7	2.0
Poland					**United States**				
Final domestic demand	4.2	3.6	2.9	3.8	Final domestic demand	2.6	2.9	2.4	2.5
Stockbuilding	0.5	-0.2	0.0	0.0	Stockbuilding	0.1	0.2	-0.3	0.0
Net exports	-1.5	0.3	-0.2	-0.3	Net exports	-0.2	-0.7	-0.2	-0.2
GDP	3.3	3.6	3.0	3.5	GDP	2.4	2.4	1.8	2.2
Portugal					**Euro area**				
Final domestic demand	1.8	2.4	1.2	1.2	Final domestic demand	0.9	1.7	2.0	1.8
Stockbuilding	0.4	0.0	0.0	0.0	Stockbuilding	0.0	0.0	0.1	0.0
Net exports	-1.2	-0.9	0.0	0.1	Net exports	0.0	-0.1	-0.4	-0.1
GDP	0.9	1.5	1.2	1.3	GDP	1.0	1.6	1.6	1.7
Slovak Republic					**Total OECD**				
Final domestic demand	3.1	4.9	2.9	2.8	Final domestic demand	1.8	2.2	2.1	2.1
Stockbuilding	-0.2	-0.2	0.0	0.0	Stockbuilding	0.1	0.1	-0.1	0.0
Net exports	-0.4	-0.8	1.1	0.4	Net exports	0.0	-0.2	-0.1	0.0
GDP	2.5	3.6	3.1	3.2	GDP	1.9	2.1	1.8	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. Totals may not add up due to rounding and/or statistical discrepancy.

Source: OECD Economic Outlook 99 database.

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Annex Table 12. **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	-0.1	0.2	0.3	-0.1	0.6	0.4	1.0	0.9	0.4	1.6	0.9	0.0	-0.6	-1.2	-0.8	-1.7	-1.9	-2.0	-1.8	-1.1
Austria	0.4	1.5	2.7	1.6	0.8	-0.5	-0.2	0.2	1.9	3.5	2.8	-2.4	-2.0	-0.4	-0.9	-1.9	-2.5	-2.8	-2.5	-2.1
Belgium	-0.7	0.4	1.6	0.0	-0.3	-1.5	0.2	0.4	1.2	2.8	2.0	-1.7	-0.1	0.5	-0.5	-1.5	-1.3	-1.2	-1.2	-1.0
Canada	-0.6	1.4	3.3	1.9	2.0	1.2	1.6	2.3	2.3	2.0	0.8	-3.8	-2.6	-1.5	-1.7	-1.4	-0.8	-1.3	-1.1	-0.5
Chile	1.9	-3.0	-2.0	-2.4	-3.5	-3.5	-0.8	1.0	2.2	3.1	1.7	-3.6	-2.1	-0.5	0.8	1.0	-0.5	-1.5	-2.9	-3.2
Czech Republic	-0.7	-2.3	-0.9	-1.4	-3.5	-3.6	-2.5	0.0	3.4	5.6	5.4	-1.3	-0.6	0.1	-1.9	-3.7	-3.3	-0.9	-0.4	0.4
Denmark	0.3	1.0	2.6	1.5	0.2	-0.9	0.4	1.7	4.3	4.1	2.4	-3.3	-2.1	-1.4	-1.9	-2.7	-2.1	-1.7	-1.5	-0.5
Estonia	..	..	-4.2	-3.0	-2.4	-0.8	0.1	4.4	10.7	14.4	5.3	-11.1	-10.1	-4.9	-2.1	-2.5	-1.6	-2.2	-2.1	-0.9
Finland	-0.9	0.0	1.8	0.9	-0.5	-1.2	0.1	0.5	2.3	5.6	4.6	-4.7	-2.2	-0.1	-1.9	-2.9	-3.9	-3.7	-3.1	-2.5
France	-0.5	0.5	1.9	1.5	0.6	-0.3	0.9	0.9	1.8	2.7	1.4	-2.5	-1.6	-0.5	-1.2	-1.6	-2.0	-1.8	-1.6	-1.3
Germany	-0.9	-0.7	0.6	1.0	0.0	-1.6	-1.8	-1.7	0.7	2.6	1.8	-4.7	-1.9	0.6	0.1	-0.5	0.0	0.2	0.4	0.7
Greece	-0.8	-1.6	-1.5	-1.1	-0.6	1.8	3.8	2.7	6.9	9.3	8.6	4.5	0.1	-7.5	-12.6	-14.2	-12.4	-12.0	-11.8	-10.0
Hungary	-2.0	-2.5	-2.1	-1.6	-0.3	0.3	2.1	4.0	5.7	4.3	3.7	-3.3	-2.8	-1.7	-4.2	-3.4	-1.4	-0.3	-0.5	0.7
Iceland	0.3	0.8	1.8	2.0	-0.6	-0.9	3.5	5.1	4.2	9.1	6.9	-0.4	-5.5	-5.2	-5.6	-3.0	-2.7	-0.8	1.3	2.4
Ireland	3.0	6.6	9.7	8.9	8.9	7.0	5.9	7.0	8.5	9.4	2.8	-5.6	-7.2	-6.3	-7.8	-7.8	-4.5	0.6	2.7	3.3
Israel	-0.3	-0.8	4.2	0.7	-2.5	-4.8	-3.2	-2.3	-0.5	1.9	1.5	-0.5	1.1	2.1	1.0	0.8	0.1	-0.5	-1.2	-1.2
Italy	-1.0	-0.8	1.8	2.0	1.0	0.1	0.4	0.7	2.0	2.8	1.3	-4.2	-2.4	-1.5	-3.9	-5.0	-4.8	-3.7	-2.4	-0.9
Japan	-3.5	-4.8	-3.8	-4.3	-4.7	-3.7	-2.1	-1.3	-0.2	1.4	-0.2	-6.0	-1.8	-2.6	-1.2	-0.2	-0.6	-0.3	0.1	0.2
Luxembourg	-1.4	2.0	5.6	3.0	2.1	-0.6	-0.3	-0.8	0.8	5.8	1.4	-7.0	-4.3	-4.7	-8.4	-7.0	-5.7	-3.8	-2.8	-1.8
Mexico	2.6	1.8	3.5	0.2	-2.0	-2.9	-1.2	-0.4	2.1	2.8	1.7	-4.7	-1.9	-0.2	1.0	-0.1	-0.6	-0.9	-1.2	-1.1
Netherlands	0.7	2.1	3.2	2.5	0.3	-1.4	-1.4	-0.9	1.1	3.2	3.5	-1.5	-1.1	-0.4	-2.3	-3.5	-3.4	-2.5	-2.0	-1.1
New Zealand	-1.3	-0.2	0.3	-0.9	0.6	1.7	2.5	1.7	1.3	2.4	-0.5	-1.9	-1.6	-1.6	-0.8	-1.3	-0.7	0.1	0.5	0.7
Norway[1]	1.7	0.8	0.7	-0.4	-1.9	-3.7	-1.8	-0.1	1.7	4.3	2.8	-1.5	-1.9	-2.0	-0.3	0.0	0.2	-0.8	-2.0	-2.0
Poland	-0.1	-0.1	-0.3	-3.2	-5.4	-5.3	-3.6	-3.8	-1.8	1.0	0.7	-0.5	-0.2	1.5	-0.1	-1.7	-1.5	-1.0	-1.2	-0.8
Portugal	3.1	3.9	4.7	4.0	2.5	-0.2	0.1	-0.5	-0.1	1.4	0.6	-3.0	-1.5	-3.5	-7.0	-7.7	-6.8	-5.5	-4.4	-3.2
Slovak Republic	1.1	-3.8	-6.6	-7.6	-7.6	-6.6	-5.8	-4.0	-0.3	5.7	7.1	-2.1	-0.2	-0.6	-2.0	-3.0	-2.9	-1.9	-1.5	-1.1
Slovenia	..	-1.3	-0.8	-1.5	-1.1	-1.5	-0.5	0.5	3.2	7.2	7.9	-2.2	-1.8	-1.7	-4.9	-6.5	-4.7	-3.3	-3.1	-2.3
Spain	-1.1	-0.2	1.7	2.4	2.0	2.0	2.0	2.7	4.0	5.2	4.0	-1.2	-2.1	-3.7	-6.7	-8.5	-7.6	-5.0	-2.8	-1.2
Sweden	-1.8	-0.6	1.1	-0.2	-0.8	-0.9	0.4	0.8	3.4	4.5	1.4	-5.4	-1.6	-0.6	-2.1	-2.4	-1.9	-0.3	0.7	1.2
Switzerland	-0.6	-0.8	1.5	1.0	-0.6	-2.3	-1.6	-0.6	1.2	2.9	2.7	-1.5	-0.6	-0.5	-1.3	-1.3	-1.2	-2.0	-2.4	-2.3
Turkey	2.1	-4.5	-1.7	-10.0	-6.8	-4.5	0.9	4.9	6.9	6.8	2.8	-6.0	-1.8	1.7	-1.1	-1.6	-3.1	-3.6	-4.0	-4.4
United Kingdom	-0.4	-0.3	0.4	0.2	0.0	0.8	0.9	1.7	2.4	3.1	1.0	-4.2	-3.6	-2.6	-2.6	-1.7	-0.5	0.0	0.1	0.5
United States	0.3	1.6	2.4	0.4	-0.4	0.0	1.4	2.5	2.8	2.4	-0.1	-4.7	-3.8	-3.8	-3.3	-3.5	-2.8	-2.0	-1.8	-1.2
Euro area	-0.6	0.0	1.6	1.6	0.7	-0.3	0.1	0.3	2.0	3.4	2.3	-3.1	-1.9	-1.0	-2.4	-3.2	-2.9	-2.2	-1.5	-0.7
Total OECD	-0.6	-0.1	1.1	-0.1	-0.7	-0.8	0.3	1.1	2.1	2.8	1.0	-3.9	-2.5	-2.0	-2.2	-2.5	-2.2	-1.7	-1.5	-1.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368305

Annex Table 13. **GDP deflators**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	1.9	3.1	3.1	3.6	4.5	5.1	4.3	6.5	0.0	5.6	4.5	-0.3	1.3	0.2	-0.6	1.4	2.2	-0.5	2.4	2.1
Austria	1.7	1.3	1.2	1.8	2.6	1.9	2.2	1.8	1.9	1.0	1.9	1.9	1.5	1.6	1.5	1.9	1.8	1.2	2.1	1.8
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	0.9	1.7	1.8	1.4	1.7	1.7
Brazil	..	9.8	14.1	7.7	7.4	6.8	6.4	8.8	7.3	8.4	8.3	7.8	7.4	6.9	8.0	8.1	5.3	..	..	..
Canada	1.7	1.2	3.3	3.3	3.1	2.6	3.3	4.0	-2.3	2.9	3.2	1.2	1.6	1.8	-0.5	1.2	2.1	-0.3	1.9	2.0
Chile	6.2	3.9	5.0	7.6	7.1	12.6	4.8	0.5	3.9	8.8	3.3	0.8	2.2	5.6	4.3	4.2	3.4	3.3	4.7	2.9
China	..	0.6	2.6	6.9	3.9	3.9	7.8	7.8	-0.1	6.9	8.1	2.4	2.2	0.8	-0.5	1.1	1.5	-0.5	1.7	1.5
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	2.0	2.1	2.6	5.6	4.3	..	..	..
Costa Rica	14.1	9.2	8.3	11.9	10.4	11.0	9.6	12.4	8.3	7.9	4.3	3.9	4.5	4.8	2.5	3.4	4.3	..	..	..
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	0.7	0.8	1.3	0.6	0.5	2.0
Denmark	1.8	2.3	1.5	2.1	2.9	2.2	2.5	4.1	0.5	3.2	0.8	2.8	1.4	0.8	1.0	1.1	1.6	0.1	1.9	1.4
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	1.4	0.8	1.8	1.0	1.5	1.6
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	1.7	0.4	0.4	0.9	0.2	0.4	1.0
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	0.5	0.7	0.6	0.6	0.8	0.5	0.6
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	2.1	1.3	1.3	2.2	1.0	1.4
Greece	..	3.2	3.4	3.5	2.0	3.5	3.5	4.1	2.8	0.9	0.6	-0.3	-2.9	-2.3	-0.6	-0.2	0.5	-0.4	0.1	0.7
Hungary	17.2	8.4	5.4	4.7	2.3	4.0	5.4	4.7	4.1	2.2	2.2	3.5	3.3	3.2	1.7	2.2	2.3	2.4	1.5	2.7
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	5.9	4.8	5.7	2.3	7.2	5.3
India[1]	7.5	3.8	3.6	5.6	4.2	6.4	5.8	8.7	6.1	9.0	8.5	7.9	6.2	3.3	1.0	3.8	4.2	..	..	..
Indonesia	..	5.9	5.5	8.6	14.3	14.1	11.3	18.1	6.0	7.3	7.5	3.8	5.0	5.4	4.2	3.3	5.3	..	..	..
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	5.3	2.9	2.5	4.8	1.8	2.7
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	2.6	1.9	1.2	2.8	1.5	1.2
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	1.2	0.8	0.8	0.7	0.9	0.7	0.5	1.0
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	2.0	0.9	1.8	1.5	0.9	2.2
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	2.2	0.7	1.6	1.8	1.6	1.6
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	0.6	1.3	1.8	..	..	..
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	0.2	0.9	2.6	..	..	..
Luxembourg	2.3	1.6	3.0	2.4	4.1	6.9	1.6	3.3	1.7	3.1	4.2	4.1	2.4	0.9	1.7	0.9	3.0	-0.3	3.0	2.6
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	4.7	2.5	2.2	3.5	2.4	2.4	4.0
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	0.4	0.4	1.0	0.3	0.6	1.1
New Zealand	1.8	0.7	1.4	3.4	2.5	2.3	4.3	3.9	0.9	2.9	2.9	-0.3	2.9	2.0	-0.1	-0.2	1.6	-0.2	1.4	1.5
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	2.5	0.5	-2.3	0.1	2.4	-1.9	2.4	1.4
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	0.5	0.4	1.0	1.0	2.4	-0.1	1.3
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	1.9	1.2	1.0	2.4	0.9	1.0
Russia	..	15.6	14.0	20.3	19.3	15.2	13.8	18.0	2.0	14.2	15.9	8.3	4.8	9.0	7.7	5.9	4.5	..	..	..
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	-0.3	0.3	1.2	-0.3	0.8	1.2
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	0.4	-0.3	0.6	0.6	-0.3	0.6
South Africa	9.4	12.2	5.8	6.5	5.4	6.3	8.8	8.8	7.5	6.4	6.5	5.3	6.6	5.8	3.9	5.7	5.4	..	..	..
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	0.6	0.4	1.2	0.7	0.6	1.4
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	1.6	1.9	1.4	1.9	1.5	1.8	1.9
Switzerland	0.9	-0.3	0.9	0.3	0.7	1.9	2.3	1.8	0.5	0.2	0.2	-0.3	0.0	-0.7	-1.3	-0.3	0.3	-1.2	0.1	0.5
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	7.5	7.0	6.5	8.9	5.4	6.8
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	1.8	0.3	0.0	1.2	0.1	0.4	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	1.4	2.1	1.1	1.7	2.1
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	0.8	1.2	0.9	1.1	1.2	0.8	1.2
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	1.3	1.3	1.9	1.4	1.4	2.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368311

Annex Table 14. **Private consumption deflators**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	2.1	2.8	2.3	1.5	2.2	3.6	3.2	3.2	2.5	2.3	2.5	2.5	2.5	2.1	1.5	1.3	1.9	1.7	1.4	1.9
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	1.0	1.5	2.0	0.6	1.9	2.0
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	0.5	1.5	1.7	1.0	1.9	1.4
Brazil	..	7.8	15.9	6.8	6.7	5.3	5.1	7.1	6.5	6.7	7.5	8.1	7.3	6.9	9.8	8.8	5.7	..	..	..
Canada	1.6	2.0	1.7	1.5	1.7	1.3	1.6	1.5	0.2	1.4	2.1	1.3	1.4	1.9	1.1	1.7	1.9	1.4	1.8	1.9
Chile	..	2.9	2.7	0.7	4.1	3.2	3.9	7.5	1.3	3.1	3.8	2.7	2.9	5.3	5.7	4.8	3.8	5.5	4.3	3.7
Colombia	..	5.8	6.3	5.8	4.4	4.6	4.3	5.8	3.9	2.4	4.7	2.7	2.3	3.5	5.8	7.3	4.5	..	..	..
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	0.6	0.2	2.2	..	..	..
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	0.1	0.0	1.2	-0.1	0.3	1.5
Denmark	1.9	1.9	1.2	1.2	1.7	2.2	1.7	2.9	1.3	2.5	2.4	2.4	0.8	0.8	0.6	0.6	1.5	0.3	0.8	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	-0.2	0.2	1.6	-0.1	0.8	1.7
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	2.5	1.6	0.2	0.6	0.8	0.1	0.6	0.9
France	1.2	0.9	1.7	2.1	1.8	2.2	2.1	2.7	-1.4	1.1	1.8	1.4	0.8	0.0	-0.1	0.0	0.3	0.1	0.1	0.3
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	0.4	1.3	0.7	0.6	1.5
Greece	..	2.0	2.6	3.3	2.9	3.2	3.7	4.3	1.0	3.6	2.3	0.4	-2.0	-2.8	-1.3	0.1	0.5	-0.6	0.3	0.6
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	0.1	0.2	1.7	0.2	0.7	2.1
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	0.9	1.7	3.6	0.4	2.7	3.6
India[1]	..	2.8	3.4	2.9	3.3	6.1	4.9	6.7	6.2	8.2	7.9	9.7	7.5	4.1	4.4	3.8	3.5	..	..	..
Indonesia	..	14.1	7.2	6.4	12.1	13.6	14.2	13.4	6.0	7.9	7.1	6.1	5.9	5.7	4.0	3.5	4.7	..	..	..
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	0.4	0.8	2.0	0.3	1.4	2.1
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	-0.6	0.0	0.9	-0.7	0.7	0.9
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	0.2	0.1	0.2	0.8	0.2	0.4	0.8
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	-0.2	1.9	0.2	0.0	2.2	-0.2	0.4	2.5
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	1.0	0.9	1.0	1.7	1.0	1.3	1.8
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	0.4	-0.3	1.8	..	..	..
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	-0.9	1.0	2.4	..	..	..
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	0.2	0.6	1.3	0.8	1.0	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	4.3	4.1	3.7	3.2	4.3	3.0	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	0.3	0.6	1.1	0.9	0.5	1.2
New Zealand	1.5	2.0	0.5	1.3	1.9	2.9	1.6	3.8	2.6	1.2	2.9	0.8	0.6	0.8	0.7	0.7	1.0	0.6	0.8	1.0
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	2.1	2.1	2.2	3.3	2.4	2.7	2.8	2.5
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	-1.2	-0.5	1.1	-0.8	0.0	1.3
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	0.7	0.4	0.5	0.7	0.2	0.6
Russia	..	15.6	12.6	14.7	12.5	8.6	8.2	12.7	10.7	6.6	7.8	6.7	6.2	7.7	15.2	7.8	4.9	..	..	..
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	-0.2	0.8	-0.5	0.1	1.0
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	-1.1	-1.2	0.2	-1.2	-0.6	0.4
South Africa	8.8	9.0	5.5	7.1	4.8	3.0	7.0	8.3	7.7	4.6	5.6	6.2	6.0	5.8	4.1	4.9	5.4	..	..	..
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	-0.5	0.2	0.8	-0.4	0.2	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	1.0	1.2	1.8	0.9	1.7	1.9
Switzerland	1.2	-0.3	0.8	0.7	1.1	1.2	1.3	1.9	-0.5	0.5	0.0	-1.1	-0.6	-0.3	-1.1	-0.7	0.0	-1.4	-0.3	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	6.6	7.3	6.6	7.3	6.2	6.7
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	1.6	0.2	0.9	1.2	0.4	0.3	1.5
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	1.0	1.8	0.5	1.3	1.9
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	0.2	0.3	1.0	0.3	0.5	1.0
Total OECD	4.5	2.2	2.0	2.3	2.4	2.4	2.3	3.2	0.3	1.9	2.5	1.9	1.4	1.6	0.7	1.1	1.8	0.9	1.2	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 99 database.

StatLink http://dx.doi.org/10.1787/888933368328

Annex Table 15. **Consumer price indices**

Percentage changes

	Average 1991-01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2015	2016 Q4 / Q4	2017
Australia	2.3	3.0	2.8	2.3	2.7	3.6	2.4	4.3	1.8	2.9	3.3	1.7	2.5	2.5	1.5	1.4	2.1	1.7	1.6	2.1
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	0.8	1.0	2.0	0.7	1.5	2.0
Belgium	1.9	1.5	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	1.6	1.7	1.3	1.9	1.4
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	9.0	9.2	5.7	..	..	..
Canada	..	2.3	2.7	1.8	2.2	2.0	2.1	2.4	0.3	1.8	2.9	1.5	0.9	1.9	1.1	1.7	2.1	1.3	2.0	2.1
Chile	7.6	2.5	2.8	1.1	3.1	3.4	4.4	8.7	1.5	1.5	3.3	3.0	1.8	4.7	4.3	4.0	3.1	4.1	3.6	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	1.5	2.6	3.0	1.5	3.1	3.0
Colombia	17.8	6.4	7.1	5.9	5.0	4.3	5.5	7.0	4.2	2.3	3.4	3.2	2.0	2.9	5.0	6.9	4.0	..	..	..
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	0.6	2.1	..	..	..
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	0.3	0.5	1.8	0.1	0.9	2.1
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	0.4	1.5	0.3	0.8	1.6
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	0.4	1.8	0.1	1.0	1.8
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	0.1	0.8	-0.3	0.2	0.9
France	..	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	0.1	0.8	0.2	0.3	0.7
Germany	..	1.4	1.0	1.8	1.9	1.8	2.3	2.8	0.2	1.1	2.5	2.1	1.6	0.8	0.1	0.3	1.5	0.2	0.8	1.6
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	-1.1	-0.5	0.0	0.1	-0.6	0.0
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	0.1	1.7	0.5	0.3	2.1
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	1.6	2.4	4.1	1.9	3.2	4.1
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	4.9	5.0	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	6.4	4.4	4.9	..	..	..
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	0.0	0.3	2.2	0.0	1.2	2.1
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	-0.6	-0.2	0.8	-0.8	0.3	0.8
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	1.2	0.2	0.1	0.2	0.9	0.1	0.5	0.9
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	0.3	2.7	0.8	0.1	2.1	0.3	0.4	2.6
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	1.0	1.7	1.1	1.1	1.8
Latvia	..	1.7	3.0	6.5	6.6	6.7	10.1	15.5	2.6	-0.9	4.3	2.1	0.0	0.7	0.3	-0.5	1.9	..	..	..
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	0.8	2.5	..	..	..
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	-0.1	1.5	0.4	0.5	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	2.7	2.8	3.2	2.3	3.0	3.2
Netherlands	2.2	3.9	2.2	1.4	1.5	1.6	1.6	2.2	1.0	0.9	2.5	2.8	2.6	0.3	0.2	0.1	1.2	0.4	0.3	1.2
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	0.3	0.6	1.4	0.1	1.1	1.4
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	2.2	2.9	2.2	2.5	2.6	2.2
Poland	20.6	1.9	0.7	3.4	2.2	1.3	2.5	4.2	3.8	2.6	4.2	3.6	1.0	0.1	-0.9	-0.5	1.1	-0.8	0.2	1.3
Portugal	4.0	3.7	3.2	2.5	2.1	3.0	2.4	2.7	-0.9	1.4	3.6	2.8	0.4	-0.2	0.5	0.3	0.8	0.5	0.5	0.9
Russia	..	15.8	13.7	10.9	12.7	9.7	9.0	14.1	11.6	6.8	8.4	5.1	6.8	7.8	15.5	7.3	5.3	..	..	..
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	-0.3	-0.3	0.9	-0.5	0.1	1.1
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	-0.8	-0.5	0.7	-0.9	-0.1	1.0
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	4.6	6.5	6.3	..	..	..
Spain	..	3.6	3.1	3.1	3.4	3.6	2.8	4.1	-0.2	2.0	3.0	2.4	1.5	-0.2	-0.6	-0.5	1.0	-0.5	0.2	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	0.0	1.2	1.7	0.1	1.7	1.8
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	-1.1	-0.4	0.2	-1.4	0.2	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	7.7	7.9	7.3	8.2	7.6	7.0
United Kingdom	2.1	1.2	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	0.4	1.6	0.1	0.7	1.9
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	0.1	1.1	2.0	0.4	1.3	2.1
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	0.0	0.2	1.2	0.2	0.6	1.1

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 99 database.

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Annex Table 16. **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	48.5	48.6	48.5	49.3	50.1	50.4	50.2	50.1	48.4	46.4	47.0	46.4	45.9	46.0	45.7	46.2	46.1	..
of which: North America	23.4	24.1	24.3	24.3	24.4	24.8	25.7	25.9	25.7	25.9	24.6	23.7	24.2	24.0	23.6	24.1	24.1	24.4	24.5	..
Europe	15.5	15.4	15.3	15.5	15.4	15.5	15.6	15.7	15.7	15.6	15.4	14.7	14.7	14.2	13.8	13.6	13.5	13.7	13.7	..
Pacific	8.6	8.9	8.9	8.8	8.7	8.9	8.8	8.8	8.7	8.6	8.3	7.9	8.1	8.1	8.5	8.3	8.1	8.1	8.0	..
Non-OECD	27.2	27.9	28.7	29.4	30.1	31.0	33.2	34.3	35.5	37.0	38.1	39.2	41.7	43.1	44.8	45.9	47.2	48.6	49.8	..
Total	74.7	76.4	77.2	78.0	78.6	80.2	83.3	84.7	85.7	87.2	86.5	85.5	88.7	89.6	90.7	91.9	92.9	94.7	95.9	..
Supply																				
OECD	21.8	21.4	21.9	21.7	21.7	21.4	21.1	20.2	19.8	19.4	18.7	18.8	18.9	18.9	19.8	21.0	22.9	23.9	23.2	..
OPEC total	32.5	31.1	32.2	31.7	30.1	32.2	34.6	35.9	36.2	36.0	37.1	35.2	35.7	36.7	38.4	37.5	37.5	38.7	..	..
Former USSR	7.3	7.5	8.0	8.6	9.5	10.5	11.4	11.8	12.3	12.8	12.8	13.1	13.8	13.8	13.8	13.9	13.9	14.0	14.0	..
Other non-OECD	14.8	15.1	15.2	15.5	15.9	16.3	16.5	16.9	17.2	17.4	17.9	18.3	19.2	19.4	18.9	19.0	19.5	19.8	..	..
Total	76.4	75.1	77.3	77.5	77.3	80.4	83.5	84.8	85.5	85.6	86.6	85.3	87.5	88.8	90.9	91.3	93.7	96.4	..	..
Trade																				
OECD net imports	26.0	26.3	26.8	27.2	26.5	28.1	29.2	30.5	30.7	30.5	30.0	27.6	28.2	27.3	26.3	24.9	23.2	23.1	..	..
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	9.0	9.5	9.2	9.2	9.2	8.9	9.1	9.1	..
Other non-OECD net exports	22.5	22.5	22.6	22.3	20.8	21.4	21.6	22.5	22.4	21.8	21.4	18.6	18.7	18.1	17.2	15.7	14.3	14.0	..	..
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	52.4	41.8	45.0
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	85	86
Agricultural raw materials	59	59	62	54	52	63	70	71	79	94	90	74	100	111	92	94	93	77	75	76
Minerals, ores and metals	37	36	41	37	36	40	54	63	92	102	102	71	100	116	98	94	87	67	62	63
Total[4]	47	44	47	42	42	48	58	63	81	94	100	77	100	118	103	98	93	75	71	72

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 99 database; and International Energy Agency, Oil Market Report.

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Annex Table 17. **Compensation per employee**

Percentage changes 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	4.3	3.5	3.7	4.6	3.6	3.5	5.2	3.6	4.5	6.3	4.0	1.1	5.3	5.7	3.6	1.6	2.5	0.6	1.7	3.2
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	1.7	1.6	1.2	1.6
Belgium	4.1	3.5	2.1	3.5	3.9	2.0	1.7	1.9	3.6	3.5	3.7	1.1	1.4	3.4	3.2	2.6	1.0	0.3	0.4	1.4
Canada	3.3	2.5	5.2	1.9	1.4	1.8	4.0	4.5	4.3	4.1	3.2	1.3	1.4	3.4	3.1	2.9	3.0	1.8	2.4	3.1
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	2.3	2.5	4.2
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	1.8	1.1	1.8	1.9	2.2	2.5
Estonia	..	8.4	14.6	9.6	9.2	11.7	11.8	11.0	13.8	24.9	10.3	-3.2	2.3	0.4	6.3	5.1	8.0	4.6	4.5	4.4
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	1.6	0.9	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	1.1	1.3	1.5
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	2.7	3.1	2.9
Greece	..	6.4	5.8	5.9	11.0	7.9	3.9	3.5	3.1	4.6	3.7	3.1	-2.0	-3.8	-3.0	-7.0	-2.1	-1.3	-0.9	0.7
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	0.9	3.3	3.1	4.6
Iceland	7.1	7.9	9.0	7.3	8.8	2.2	9.8	8.7	12.4	8.3	1.9	-3.2	5.7	9.3	5.2	5.6	4.0	5.4	7.2	6.0
Ireland	..	5.0	7.8	7.9	5.4	6.5	5.2	5.4	4.3	5.7	4.0	-1.1	-4.5	1.2	0.0	-0.7	1.7	0.8	2.3	3.0
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	0.9	2.8	2.9	3.0
Italy	5.2	2.1	2.5	3.0	2.4	3.0	3.2	2.8	2.3	2.1	2.9	0.5	2.3	1.1	-1.1	0.8	0.2	0.9	0.9	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	-0.3	0.8	0.7	1.0	2.0
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	2.0	2.2	1.4	3.0
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	3.6	3.0	0.8	0.4	2.2
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	2.9	3.0
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	0.3	2.1	2.8
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	2.9	2.4	2.6
Poland	..	13.1	11.4	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	0.4	2.3	4.9
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	-0.6	2.3	2.1
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	2.4	3.5	3.8
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	1.2	1.6
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	0.7	-1.5	0.9	-0.4	0.6	0.7	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	3.6	3.3	3.1
Switzerland	..	1.5	2.4	3.8	1.4	0.0	0.1	2.5	1.8	3.1	1.5	1.1	0.6	1.1	0.7	1.1	0.8	-0.5	0.1	0.7
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	0.3	1.8	2.0	2.2
United States	3.7	4.1	6.4	3.3	2.7	3.9	4.8	3.4	3.9	4.2	2.8	0.7	2.9	2.6	2.4	1.1	2.6	2.2	2.9	2.8
Euro area	..	2.3	2.9	3.0	3.0	2.8	2.3	2.2	2.5	2.7	3.4	1.5	1.9	1.8	1.1	1.4	1.3	1.4	1.7	1.9
Total OECD	5.4	4.1	5.1	3.8	2.5	3.1	3.2	2.9	3.1	3.4	3.0	0.8	2.0	2.5	1.9	1.4	1.8	1.7	2.2	2.5

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368353

Annex Table 18. **Labour productivity**

Percentage changes 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	0.8	1.2	2.0	0.7	2.2	-0.1	0.2	1.4	-0.4	1.1	0.3	0.8	2.4	1.1	1.9	0.6	0.7	1.3
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	0.1	-0.1	0.4
Belgium	1.7	2.2	1.6	-0.6	2.0	0.9	2.6	0.6	1.4	1.7	-1.0	-2.1	2.0	0.4	-0.2	0.4	0.9	0.5	0.3	0.5
Canada	1.0	2.5	2.6	0.6	0.7	-0.6	1.4	1.9	0.9	-0.2	-0.4	-1.4	1.6	1.6	0.5	0.8	1.8	0.3	1.0	1.2
Chile	4.8	0.8	3.4	2.1	0.8	0.0	4.1	2.2	4.1	2.4	0.4	-0.5	-1.9	0.6	3.6	1.9	0.3	0.6	0.7	0.8
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	3.0	1.8	2.2
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	0.5	-0.4	0.4	0.1	-0.2	0.9
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	-1.6	2.2	2.8
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	0.0	0.2	0.9	1.1	0.9
France	1.5	0.9	1.3	0.5	0.6	0.8	2.7	0.9	1.3	0.9	-0.3	-1.8	1.8	1.3	-0.1	0.6	0.2	0.9	1.0	1.0
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	0.7	0.0	0.9
Greece	..	2.9	3.7	3.8	1.5	4.3	2.3	-0.1	3.7	1.8	-1.5	-3.8	-3.0	-2.5	-1.1	0.5	0.6	-2.2	-2.2	-0.2
Hungary	..	0.4	3.2	4.2	4.6	3.8	5.7	4.8	3.5	0.4	2.6	-4.1	1.0	1.7	-1.9	1.1	-1.1	0.1	-0.5	1.5
Iceland	1.2	0.5	2.7	2.0	1.9	2.6	8.3	2.5	-0.7	4.8	0.7	1.5	-3.3	1.7	0.1	1.3	-0.6	0.5	2.0	2.6
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	5.1	2.4	0.9
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	0.4	1.1
Italy	1.6	0.4	2.0	-0.4	-1.4	-1.2	0.8	0.6	0.1	0.1	-1.3	-3.9	2.3	0.4	-2.2	0.0	-0.3	0.1	0.4	0.5
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	0.7	-0.6	0.2	0.2	0.6
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	1.2	1.3	1.4	1.8
Luxembourg	1.6	3.3	2.7	-3.4	0.7	-0.4	2.0	0.5	1.2	3.8	-5.4	-6.4	3.8	-0.4	-3.2	2.5	1.5	2.3	1.5	1.7
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	2.6	0.3	0.7	1.4
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	1.1	0.7	1.2
New Zealand	1.1	1.3	4.2	-0.4	2.0	1.8	1.1	-1.7	0.5	2.8	-2.7	2.4	0.8	0.6	3.3	-1.1	-0.3	1.3	0.9	1.4
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	-0.1	1.1	1.1	0.5	0.7
Poland	..	7.6	7.2	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	1.5	2.2	1.7	2.8
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	1.5	0.6
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	1.6	1.4	2.1
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	1.4	1.0	1.5
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	1.7	1.5	1.3	0.4	0.3	-0.1	0.2
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	2.3	1.7	1.6
Switzerland	0.8	0.8	3.1	-0.2	-0.6	0.4	2.3	2.3	2.0	1.5	-0.2	-2.6	2.5	-0.4	-0.4	0.4	0.1	-0.7	0.4	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	-2.0	1.1	0.9	0.9
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	0.6	0.8	0.5	1.4
United States	1.4	2.6	2.3	1.1	3.0	2.7	2.7	1.7	0.9	0.9	0.4	1.5	3.2	0.6	0.6	0.1	0.6	0.3	-0.3	0.7
Euro area	..	0.9	1.5	1.0	0.4	0.4	1.3	0.8	1.6	1.2	-0.4	-2.7	2.5	1.3	-0.4	0.4	0.4	0.5	0.4	0.7
Total OECD	1.8	1.8	2.8	0.8	1.7	1.9	2.3	1.7	1.6	1.4	-0.2	-1.4	2.5	1.3	0.3	0.6	0.6	0.6	0.4	1.0

Note: Labour productivity measured as GDP per person employed.

Source: OECD Economic Outlook 99 database.

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Annex Table 19. **Employment and labour force**

Percentage changes 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	0.7	1.9	1.9	1.6	1.3	2.1	1.6	1.3	1.4	1.2	1.8	1.5	1.3
Austria	0.8	0.8	0.9	0.8	0.5	0.2	0.9	1.5	1.2	0.8	1.0	0.6	1.1	1.0	0.5	1.0	1.5	1.0
Belgium	0.6	0.8	1.3	0.4	-0.4	0.3	0.9	1.0	1.0	0.7	1.0	0.1	0.8	0.6	0.4	0.8	0.6	0.3
Canada	1.6	1.4	1.5	1.3	1.4	0.6	0.9	0.6	1.0	1.1	1.5	0.9	1.1	1.1	0.4	0.8	0.9	0.6
Chile	2.0	3.0	5.1	1.9	2.1	1.5	1.5	0.8	1.6	2.2	2.7	4.1	1.1	1.6	1.9	1.4	1.4	1.7
Czech Republic	..	0.5	-0.2	0.3	1.0	0.7	1.4	0.6	0.4	..	0.4	-0.8	0.6	0.9	-0.2	0.2	-0.1	0.2
Denmark	0.3	-0.1	-0.1	-0.5	0.0	1.0	1.4	1.2	0.9	-0.1	0.2	0.0	-0.6	-0.6	0.5	1.0	1.1	0.9
Estonia	..	-0.4	6.4	1.9	1.0	0.6	2.6	-0.4	0.2	..	0.0	1.2	-0.6	-0.6	-0.8	1.2	-0.3	0.3
Finland	0.1	0.4	1.1	0.4	-1.0	-0.4	-0.4	-0.1	0.2	0.3	0.3	0.4	0.3	-0.5	0.1	0.3	0.1	0.2
France	0.6	0.6	0.1	0.2	-0.2	0.1	0.0	0.4	0.5	0.6	0.8	0.0	0.8	0.4	0.2	0.1	0.2	0.4
Germany	-0.3	0.5	2.5	1.0	1.0	0.9	0.7	1.6	0.8	0.0	0.4	1.3	0.5	0.8	0.7	0.3	1.4	1.0
Greece	..	0.5	-7.6	-8.9	-4.9	0.7	2.1	2.1	2.1	..	0.7	-1.8	-0.9	-1.0	-0.7	-0.1	0.9	1.0
Hungary	..	-0.4	0.7	1.8	1.7	5.3	2.7	2.2	1.6	..	0.3	0.5	1.8	0.8	2.6	1.7	1.1	1.1
Iceland	1.5	0.6	0.3	1.1	3.1	2.5	3.4	2.4	0.9	1.5	1.2	-0.6	0.1	2.5	2.0	2.4	1.7	1.2
Ireland	4.3	0.8	-1.8	-0.6	2.3	1.8	2.6	2.6	2.4	3.0	2.1	-0.9	-0.6	0.4	-0.2	0.4	1.3	1.8
Israel	..	2.9	3.0	3.3	2.6	3.1	2.5	2.1	1.9	..	2.5	1.7	3.0	2.0	2.7	1.8	2.2	2.0
Italy	-0.3	0.3	0.3	-0.3	-1.5	0.4	0.9	0.8	0.9	-0.1	0.2	0.4	2.3	0.1	1.0	0.0	0.2	0.2
Japan	0.1	-0.2	-0.1	-0.3	0.7	0.6	0.4	0.5	-0.2	0.4	-0.2	-0.6	-0.6	0.3	0.2	0.2	0.3	-0.3
Korea	1.4	1.1	1.7	1.8	1.6	2.1	1.3	1.2	1.2	1.6	1.1	1.4	1.6	1.5	2.6	1.4	1.1	1.0
Luxembourg	1.3	1.6	2.7	2.4	1.8	2.2	1.8	2.1	2.1	1.4	2.0	2.5	2.9	2.6	2.5	1.5	1.6	2.0
Mexico	2.8	1.6	2.2	3.3	1.1	0.4	2.4	2.0	1.6	2.8	1.9	2.1	3.0	1.1	0.3	1.9	2.0	1.5
Netherlands	1.9	0.7	0.0	0.6	-0.8	-0.6	1.0	0.9	0.9	1.5	0.9	0.0	1.5	0.8	-0.4	0.4	0.2	0.5
New Zealand	2.0	1.8	1.5	0.2	1.5	3.5	2.3	2.2	1.3	1.4	1.9	1.4	0.7	0.8	3.0	2.3	2.3	1.3
Norway	1.4	1.1	1.4	2.0	0.6	1.0	0.6	0.1	0.6	1.1	1.1	1.1	1.9	0.9	1.0	1.4	0.5	0.5
Poland	..	1.3	0.6	0.2	-0.1	1.9	1.4	1.3	0.7	..	0.2	0.6	0.7	0.1	0.4	-0.2	0.4	0.4
Portugal	0.7	-0.5	-3.2	-4.1	-2.6	1.6	1.1	-0.3	0.7	0.7	0.3	-1.2	-0.8	-1.8	-1.1	-0.6	-0.6	0.0
Slovak Republic	..	1.0	-0.1	0.6	0.0	1.5	2.6	1.8	1.1	..	0.3	-1.0	1.0	0.3	0.2	0.6	0.6	0.1
Slovenia	..	0.6	-3.1	-1.3	-1.9	1.2	0.1	0.4	0.8	..	0.7	-2.1	-0.6	-0.6	0.7	-0.7	0.1	0.2
Spain	1.9	1.6	-1.6	-4.3	-2.8	1.2	3.0	2.9	2.1	1.7	2.8	0.3	0.0	-1.1	-1.0	-0.1	0.0	0.3
Sweden	-0.6	0.4	2.3	0.6	1.1	1.4	1.4	1.6	1.2	-0.3	0.8	1.4	0.8	1.1	1.3	0.8	0.8	1.0
Switzerland	0.2	0.9	2.2	1.2	1.2	1.6	1.4	0.8	1.3	0.3	1.1	1.6	1.4	1.4	1.8	1.4	1.2	1.2
Turkey	1.2	1.6	6.1	3.1	2.9	5.1	2.9	3.0	2.8	1.0	2.0	3.8	2.3	3.6	6.2	3.2	2.8	2.9
United Kingdom	0.5	0.6	0.5	1.1	1.2	2.3	1.5	1.2	0.6	0.1	0.9	0.8	0.9	0.8	0.7	0.7	0.8	0.7
United States	1.7	0.2	0.6	1.8	1.0	1.6	1.7	2.1	1.5	1.4	0.8	-0.2	0.9	0.3	0.3	0.8	1.8	1.2
Euro area	0.4	0.6	0.2	-0.6	-0.6	0.6	1.0	1.3	1.0	0.6	0.8	0.3	0.7	0.1	0.2	0.2	0.5	0.5
Total OECD	..	0.6	1.0	1.0	0.7	1.3	1.4	1.5	1.1	..	0.9	0.6	1.0	0.6	0.7	0.8	1.2	0.9

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368374

Annex Table 20. **Labour force, employment and unemployment**

Millions

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Labour force																				
Major seven countries	338.2	340.7	344.5	346.4	348.0	350.3	351.8	355.1	358.7	361.6	363.8	363.8	363.7	364.1	366.6	368.2	369.6	371.5	375.7	378.4
Total of smaller countries	191.5	193.7	195.9	198.3	201.5	203.3	207.3	210.4	213.7	216.8	220.3	223.3	226.3	229.3	232.7	234.9	237.9	241.0	244.1	247.1
Euro area	139.3	140.6	141.9	143.4	144.8	146.2	147.5	149.4	151.1	152.7	154.1	154.5	154.7	155.2	156.3	156.5	156.8	157.1	157.9	158.8
Total OECD	529.7	534.4	540.4	544.7	549.5	553.6	559.2	565.5	572.3	578.4	584.1	587.1	590.0	593.4	599.3	603.1	607.6	612.6	619.8	625.4
Employment																				
Major seven countries	317.2	320.3	325.3	326.3	325.8	327.2	329.6	333.3	338.1	342.1	342.7	334.8	334.2	336.4	339.7	342.2	346.2	350.1	355.0	358.1
Total of smaller countries	177.5	179.7	182.6	184.5	186.6	187.9	191.4	195.1	199.6	203.9	206.8	204.8	206.9	210.0	212.1	213.4	216.9	221.1	225.0	228.4
Euro area	125.2	127.4	129.8	131.9	132.7	133.2	134.0	136.0	138.6	141.3	142.6	139.9	139.2	139.6	138.7	137.9	138.7	140.1	141.9	143.3
Total OECD	494.7	500.1	507.9	510.8	512.4	515.1	521.0	528.4	537.8	546.0	549.4	539.5	541.1	546.3	551.8	555.6	563.1	571.2	580.0	586.6
Unemployment																				
Major seven countries	20.9	20.4	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	21.5	20.7	20.2
Total of smaller countries	14.1	14.0	13.3	13.8	14.9	15.4	15.9	15.4	14.0	12.9	13.6	18.5	19.4	19.3	20.6	21.5	21.1	19.9	19.1	18.6
Euro area	14.0	13.1	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	17.0	16.0	15.5
Total OECD	35.0	34.4	32.5	33.9	37.2	38.5	38.2	37.1	34.6	32.4	34.7	47.6	48.9	47.1	47.5	47.5	44.5	41.3	39.8	38.9

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368380

Annex Table 21. **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	2015 Fourth quarter	2016 Fourth quarter	2017 Fourth quarter
Australia	745.6	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	6.1	5.7	5.4	5.8	5.5	5.4
Austria	248.0	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	5.8	5.8	5.6	5.9	5.7	5.5
Belgium	432.6	7.5	8.2	8.4	8.5	8.3	7.5	7.0	7.9	8.3	7.2	7.6	8.5	8.6	8.5	8.2	7.5	8.7	7.9	7.3
Canada	1321.8	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	7.1	6.8	7.1	7.0	6.6
Chile	534.1	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	6.2	6.8	6.9	6.2	7.1	6.7
Czech Republic	323.4	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	5.0	4.4	4.2	4.5	4.3	4.1
Denmark	189.8	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	6.2	6.1	6.1	6.1	6.1	6.1
Estonia	49.8	11.1	10.5	10.1	8.0	5.9	4.6	5.6	13.5	16.6	12.3	10.0	8.6	7.4	6.1	6.3	6.4	6.3	6.3	6.5
Finland	232.6	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	9.5	9.5	9.5	9.5	9.5
France	2837.8	7.5	8.1	8.5	8.5	8.5	7.7	7.1	8.7	8.9	8.8	9.4	9.9	9.9	10.0	9.8	9.7	10.0	9.8	9.7
Germany	2095.8	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	4.4	4.6	4.4	4.5	4.5
Greece	1274.4	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	24.9	24.0	23.2	..	..	..
Hungary	343.3	5.8	5.9	6.1	7.2	7.5	7.4	7.8	10.1	11.2	11.0	11.0	10.1	7.7	6.8	5.8	5.3	6.4	5.4	5.3
Iceland	9.2	3.3	3.4	3.0	2.4	2.7	2.2	3.1	7.3	7.7	6.9	5.9	5.4	4.9	4.0	3.3	3.6	3.6	3.5	3.6
Ireland	242.9	4.4	4.7	4.5	4.3	4.4	4.7	6.4	12.0	13.9	14.6	14.7	13.0	11.3	9.4	8.2	7.6	9.0	7.7	7.6
Israel	224.2	12.8	13.3	12.9	11.3	10.5	9.1	7.7	9.5	8.3	7.1	6.8	6.3	5.9	5.2	5.4	5.4	5.2	5.4	5.3
Italy	3223.7	8.5	8.4	8.0	7.7	6.8	6.1	6.7	7.7	8.3	8.4	10.7	12.1	12.6	11.9	11.3	10.8	11.5	11.1	10.5
Japan	2360.0	5.4	5.3	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	3.1	3.1
Korea	936.4	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	3.6	3.5	3.4	3.5	3.3	3.5
Luxembourg	18.3	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	6.5	6.3	6.7	6.4	6.3
Mexico[1]	2508.6	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	4.3	4.4	4.3	4.2	4.5	4.3
Netherlands	659.7	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	6.2	5.9	6.7	6.1	5.8
New Zealand	140.8	5.3	4.8	4.0	3.8	3.8	3.6	4.1	6.1	6.5	6.5	6.9	6.3	5.8	5.8	5.8	5.8	5.3	5.9	5.8
Norway	94.8	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	4.7	4.5	4.4	4.9	4.3
Poland	1566.8	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	7.5	6.6	6.3	7.1	6.5	6.3
Portugal	726.7	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	12.5	12.1	11.5	12.1	11.9	11.3
Slovak Republic	358.7	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	10.4	9.6	10.9	10.2	9.2
Slovenia	98.1	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	9.0	8.7	8.2	8.5	8.5	8.0
Spain	5610.4	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	18.4	20.9	19.3	17.8
Sweden	410.8	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	7.4	6.7	6.5	7.1	6.5	6.5
Switzerland	215.5	3.0	4.1	4.4	4.4	4.0	3.6	3.4	4.3	4.5	4.0	4.1	4.3	4.5	4.5	4.9	4.8	4.9	4.9	4.8
Turkey	2863.0	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	10.3	10.1	10.2	10.4	10.2	10.4
United Kingdom	2026.8	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	5.4	5.1	5.2	5.1	5.1	5.3
United States	9598.3	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	5.0	4.7	5.0	4.9	4.6
Euro area	18109.6	8.4	8.9	9.1	9.0	8.3	7.5	7.5	9.4	10.0	10.1	11.3	11.9	11.5	10.8	10.2	9.8	10.5	10.0	9.6
Total OECD	44522.7	6.8	7.0	6.8	6.6	6.0	5.6	5.9	8.1	8.3	7.9	7.9	7.9	7.3	6.8	6.4	6.2	6.5	6.4	6.1

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368395

Annex Table 22. **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	2015
Australia	8.4	7.7	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	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	5.7
Belgium	9.2	9.3	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	8.5
Canada	9.1	8.3	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	6.9
Chile	6.1	6.4	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	6.2
Czech Republic	4.8	6.5	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	5.1
Denmark	5.2	4.9	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	6.2
Estonia	9.6	9.2	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	6.2
Finland	12.6	11.4	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	9.4
France	12.3	12.1	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	10.4
Germany	9.7	9.5	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	4.6
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	25.0
Hungary	9.1	8.7	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	6.8
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	4.0
Ireland	9.9	7.6	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	9.4
Israel	7.7	8.5	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	5.2
Italy	11.2	11.3	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	11.9
Japan	3.4	4.1	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	3.4
Korea	2.6	7.0	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	3.6
Luxembourg	2.7	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	6.1	6.5
Mexico	3.7	3.2	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	4.4
Netherlands	6.5	5.1	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	6.9
New Zealand	6.8	7.7	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	5.8
Norway	3.9	3.1	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	4.4
Poland	10.9	10.2	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	7.5
Portugal	6.7	6.1	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	12.7
Slovak Republic	..	12.7	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	11.5
Slovenia	6.9	7.4	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	9.0
Spain	18.4	16.4	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	22.1
Sweden	9.9	8.2	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	7.4
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4.5	4.0	4.2	4.4	4.5	4.5
Turkey	..	..	..	..	..	..	..	..	..	9.2	8.8	8.8	9.7	12.6	10.7	8.8	8.2	8.7	10.0	10.3
United Kingdom	6.8	6.1	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	5.3
United States	5.0	4.5	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	5.3
Euro area	10.8	10.6	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	10.9
Total OECD	6.9	6.8	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	6.8

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/10.1787/888933368404

Annex Table 23. **Quarterly price, cost and unemployment projections**

Percentage changes, 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	1.1	1.7	2.1	0.9	0.9	2.8	2.2	2.0	2.0	2.1	2.1	2.1	1.3	2.0	2.1
France	0.1	0.1	0.8	0.0	-1.6	1.2	0.7	0.7	0.8	0.7	0.7	0.7	0.2	0.3	0.7
Germany	0.1	0.3	1.5	0.2	-1.5	1.7	1.6	1.5	1.5	1.5	1.6	1.7	0.2	0.8	1.6
Italy	0.1	0.2	0.9	-0.2	-0.8	0.6	1.1	1.0	0.9	0.9	0.9	0.9	0.1	0.5	0.9
Japan	0.8	0.1	2.1	-0.1	-0.6	0.3	0.7	1.1	1.2	6.6	1.2	1.3	0.3	0.4	2.6
United Kingdom	0.1	0.4	1.6	-0.1	-0.2	0.7	0.9	1.3	1.7	1.9	2.0	2.1	0.1	0.7	1.9
United States	0.1	1.1	2.0	0.8	-0.3	1.4	2.4	1.9	2.0	2.0	2.1	2.1	0.4	1.3	2.1
Euro area	0.0	0.2	1.2	-0.1	-1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.2	0.2	0.6	1.1
GDP deflator															
Canada	-0.5	1.2	2.1	-0.3	0.7	2.6	2.4	2.0	2.1	2.1	2.0	1.9	-0.3	1.9	2.0
France	0.7	0.6	0.6	1.3	0.6	0.2	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.5	0.6
Germany	2.1	1.3	1.3	3.2	0.6	0.9	1.1	1.2	1.3	1.3	1.4	1.5	2.2	1.0	1.4
Italy	0.8	0.7	0.9	1.1	-0.2	0.7	0.8	0.8	0.9	0.9	1.0	1.1	0.7	0.5	1.0
Japan	2.0	0.9	1.8	1.0	0.4	0.9	1.0	1.1	1.0	5.2	1.2	1.3	1.5	0.9	2.2
United Kingdom	0.3	0.0	1.2	-1.6	-0.3	0.4	0.6	0.9	1.4	1.6	1.7	1.8	0.1	0.4	1.6
United States	1.0	1.4	2.1	0.9	0.6	1.9	2.2	2.0	2.0	2.0	2.2	2.2	1.1	1.7	2.1
Euro area	1.2	0.9	1.1	1.5	0.4	0.7	1.0	1.1	1.1	1.1	1.2	1.2	1.2	0.8	1.2
Total OECD	1.3	1.3	1.9	1.2	0.8	1.5	1.6	1.8	1.9	2.3	2.0	2.0	1.4	1.4	2.0
Unit labour costs (total economy)															
Canada	1.4	1.3	1.9	2.2	0.0	3.3	1.5	2.0	1.7	1.8	1.9	1.8	1.7	1.7	1.8
France	0.1	0.4	0.5	0.7	-0.2	0.9	0.4	0.6	0.5	0.5	0.5	0.5	0.3	0.4	0.5
Germany	2.4	2.5	1.7	4.3	2.0	2.1	1.7	1.6	1.7	1.7	1.8	1.9	2.9	1.8	1.8
Italy	1.1	0.9	0.4	1.5	1.1	0.3	0.3	0.1	0.4	0.4	0.5	0.6	1.2	0.4	0.5
Japan	1.0	1.6	1.6	4.0	0.8	1.1	-0.4	-0.3	0.2	6.5	3.0	0.9	1.1	0.3	2.6
United Kingdom	1.3	1.5	1.2	0.9	1.6	2.8	0.1	1.3	1.1	1.3	1.5	1.6	1.1	1.5	1.4
United States	1.9	2.9	1.9	2.7	5.6	1.9	1.6	1.8	1.9	1.9	2.1	2.1	2.0	2.7	2.0
Euro area	1.0	1.1	0.8	1.9	0.8	0.9	0.7	0.7	0.8	0.8	0.8	0.8	1.2	0.8	0.8
Total OECD	1.4	1.8	1.5	2.0	2.6	1.6	1.0	1.2	1.3	2.1	1.8	1.5	1.4	1.6	1.7
Unemployment							Per cent of labour force								
Canada	6.9	7.1	6.8	7.1	7.2	7.2	7.1	7.0	7.0	6.8	6.7	6.6			
France	10.0	9.8	9.7	10.0	9.9	9.9	9.8	9.8	9.8	9.7	9.7	9.7			
Germany	4.6	4.4	4.6	4.4	4.3	4.3	4.4	4.5	4.6	4.6	4.6	4.5			
Italy	11.9	11.3	10.8	11.5	11.5	11.4	11.3	11.1	11.0	10.8	10.7	10.5			
Japan	3.4	3.2	3.1	3.3	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1			
United Kingdom	5.4	5.1	5.2	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.3			
United States	5.3	5.0	4.7	5.0	4.9	5.0	5.0	4.9	4.8	4.7	4.6	4.6			
Euro area	10.8	10.2	9.8	10.5	10.3	10.2	10.1	10.0	9.9	9.8	9.7	9.6			
Total OECD	6.8	6.4	6.2	6.5	6.5	6.5	6.4	6.4	6.3	6.2	6.2	6.1			

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. 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 99 database.

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Annex Table 24. **Potential GDP and productive capital stock**

Percentage changes 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	3.2	3.2	3.0	2.8	2.6	2.4	2.2	2.5	4.1	5.2	5.5	4.9	4.1	3.3	2.6	2.2
Austria	2.4	1.9	1.3	1.3	1.2	1.2	1.1	1.1	1.1	2.8	2.2	1.4	1.5	1.4	1.3	1.1	1.2	1.3
Belgium	2.3	1.7	1.2	1.1	1.0	1.1	1.3	1.3	1.3	2.8	2.0	1.5	1.5	1.2	1.4	1.6	1.6	1.6
Brazil	2.3	3.3	3.3	2.9	2.6	2.2	1.7	1.2	1.0	1.4	2.1	4.3	4.2	4.2	3.8	2.7	1.6	1.0
Canada	2.7	2.4	1.9	2.0	1.9	1.8	1.7	1.5	1.5	2.4	2.7	2.7	2.7	2.7	2.5	2.0	1.5	1.5
China	10.6	10.3	8.8	8.0	7.7	7.4	7.1	6.8	6.6	10.3	10.8	11.3	10.3	10.4	10.5	10.4	10.2	10.0
Colombia	..	..	4.5	4.7	4.5	4.2	4.1	3.8	3.6	..	4.7	6.9	7.2	7.0	7.2	7.1	6.5	6.0
Costa Rica	..	4.5	4.1	4.2	4.3	4.2	4.1	4.0	3.8	..	5.1	5.3	5.5	6.0	6.1	6.2	6.1	5.8
Czech Republic	..	3.1	1.3	1.2	1.3	1.5	1.8	1.8	1.8	..	3.0	2.5	2.2	1.9	1.8	2.0	2.1	2.0
Denmark	2.3	1.1	0.4	0.5	0.6	0.7	0.8	0.8	0.8	2.8	1.9	0.5	0.5	0.6	0.6	0.7	0.6	0.7
Estonia	..	3.9	1.6	2.1	2.1	1.9	1.8	1.7	1.7	..	7.8	4.0	4.9	4.7	4.3	3.6	3.2	3.1
Finland	2.7	2.0	0.4	0.4	0.3	0.3	0.3	0.4	0.5	1.4	1.9	1.1	1.0	0.6	0.3	0.3	0.3	0.5
France	2.2	1.5	1.0	1.0	1.0	1.0	1.1	1.2	1.2	2.2	2.0	1.4	1.4	1.3	1.2	1.0	1.1	1.2
Germany	2.0	1.1	1.1	1.1	1.0	1.0	1.3	1.4	1.3	1.9	0.8	0.6	0.5	0.3	0.4	0.4	0.5	0.6
Greece	..	1.4	-1.8	-1.9	-1.4	-1.3	-0.8	-0.4	-0.1	..	2.9	0.6	-0.3	-0.6	-0.4	-0.2	0.0	0.1
Hungary	..	1.9	0.7	0.8	1.1	1.5	1.8	1.8	1.9	..	3.8	2.3	2.1	2.3	2.8	3.0	2.8	2.8
Iceland	2.6	3.5	1.6	1.7	1.6	1.7	2.0	2.2	2.4	3.0	4.5	0.2	0.6	0.6	1.1	2.1	3.0	3.5
India[2]	..	7.6	7.8	7.6	7.4	7.2	7.1	7.1	7.1	..	8.8	10.5	9.9	9.4	8.7	8.2	7.7	7.5
Indonesia	4.2	4.6	5.7	5.8	5.8	5.7	5.6	5.5	5.5	4.7	4.0	5.8	6.1	6.1	6.0	5.9	5.8	5.9
Ireland	6.3	4.5	1.7	1.8	1.4	1.6	2.3	2.8	2.8	4.1	5.8	2.4	2.9	1.9	2.6	4.6	6.1	5.9
Israel	..	3.5	4.0	3.9	3.6	3.3	3.1	3.1	3.1	..	3.8	4.5	4.6	4.4	4.0	3.5	3.6	3.8
Italy	1.5	0.6	-0.2	-0.5	-0.6	-0.5	-0.4	-0.3	-0.2	2.0	1.8	0.6	0.2	-0.4	-0.7	-0.7	-0.6	-0.4
Japan	2.0	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.2	3.7	0.9	0.0	0.0	0.0	0.1	0.0	0.0	-0.1
Korea	7.0	4.1	3.8	3.6	3.5	3.3	3.3	3.2	3.1	10.7	5.2	4.4	4.2	3.7	3.7	3.5	3.4	3.4
Lithuania	..	..	1.3	1.8	2.2	2.2	2.4	2.6	2.5	..	7.2	3.9	4.0	4.0	4.1	4.4	4.6	4.5
Latvia	..	4.3	0.7	1.9	2.0	2.0	2.3	2.4	2.5	..	10.1	4.0	5.1	4.7	4.1	4.0	3.7	3.6
Luxembourg	..	3.6	3.0	3.2	2.7	2.7	2.8	2.6	2.7	..	3.6	2.8	3.3	2.1	1.9	2.0	1.8	2.1
Mexico	..	2.3	2.3	2.6	2.7	2.8	2.9	2.9	2.9	4.8	4.8	4.3	4.5	4.3	4.1	4.1	3.9	3.8
Netherlands	3.1	1.6	0.9	0.9	0.8	0.9	1.1	1.2	1.3	3.6	2.4	1.8	1.6	1.1	1.1	1.3	1.5	1.6
New Zealand	3.1	2.9	1.9	2.0	2.2	2.4	2.6	2.6	2.5	2.1	3.7	2.6	2.6	2.5	2.8	2.9	2.8	2.9
Norway	3.0	2.9	2.0	1.9	2.0	2.1	2.1	1.9	1.9	2.5	3.5	2.8	2.9	2.9	2.9	2.7	2.6	2.7
Poland	..	3.8	3.3	3.1	2.9	3.0	3.2	3.2	3.1	..	4.0	3.7	3.5	3.0	3.3	3.7	3.6	3.6
Portugal	2.9	1.2	0.2	-0.4	-0.4	-0.1	0.1	0.1	0.0	5.3	4.2	2.5	0.7	0.1	0.4	0.4	0.4	0.3
Russia	..	4.8	2.2	1.9	1.5	1.0	0.5	0.1	0.0	..	5.8	6.4	6.6	6.2	5.5	4.4	3.6	3.2
Slovak Republic	..	4.1	3.3	2.9	2.5	2.4	2.6	2.6	2.8	..	3.6	3.4	3.0	2.4	2.3	2.9	3.2	3.2
Slovenia	..	2.7	0.6	0.5	0.6	1.2	1.3	1.4	1.4	..	4.3	1.7	1.3	1.1	1.3	1.3	1.1	1.1
South Africa	..	3.0	2.6	2.6	2.6	2.5	2.4	2.3	2.2	0.9	2.3	2.6	2.7	2.7	2.8	2.5	2.3	2.2
Spain	2.9	2.5	0.7	0.4	0.3	0.3	0.4	0.5	0.7	4.3	4.5	2.5	1.9	1.4	1.5	1.8	2.0	2.1
Sweden	2.3	2.3	1.7	1.6	1.6	1.9	2.1	2.4	2.4	2.0	2.1	1.8	1.8	1.6	1.7	1.9	2.0	2.1
Switzerland	1.5	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6	2.8	2.1	1.6	1.6	1.5	1.5	1.5	1.4	1.3
United Kingdom	2.5	1.9	1.0	1.1	1.2	1.6	1.8	1.7	1.5	3.5	3.1	2.2	2.2	2.1	2.4	2.4	2.2	2.3
United States	3.2	2.2	1.6	1.7	1.7	1.7	1.7	1.6	1.5	3.0	2.2	1.2	1.4	1.3	1.5	1.6	1.5	1.5
Euro area	2.2	1.5	0.7	0.7	0.6	0.7	0.8	0.9	1.0	2.4	2.0	1.2	1.0	0.7	0.6	0.7	0.8	1.0
Total OECD	2.8	2.0	1.5	1.5	1.5	1.5	1.6	1.6	1.5	3.6	2.3	1.5	1.5	1.3	1.4	1.4	1.4	1.4

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368420

Annex Table 25. **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 changes*								
Australia	7.6	5.5	5.2	5.3	5.5	5.7	5.8	5.9	5.9	1.5	3.5	5.4	2.0	0.7	0.5	-0.1	0.9	1.6
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	1.9	0.9	1.0
Belgium	8.2	8.0	7.9	7.9	8.0	8.0	8.0	8.1	8.1	1.5	1.7	2.8	3.3	1.9	-0.1	-0.2	0.1	0.9
Canada	9.0	6.9	6.6	6.5	6.5	6.5	6.5	6.5	6.5	0.8	2.4	2.2	2.8	1.9	1.3	1.4	1.3	1.9
Czech Republic	..	6.9	6.4	6.4	6.3	6.1	5.9	5.9	5.9	11.1	2.2	0.3	3.2	1.2	0.3	0.0	1.0	2.2
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	1.2	1.5	1.4	2.2	2.3	1.8
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	5.6	2.9	1.3
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	1.6	0.9	0.5	0.4	0.3
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	0.7	1.0	0.1	0.4	0.5
Germany	7.4	8.4	6.2	5.7	5.4	5.2	4.9	4.8	4.7	1.4	0.6	0.6	3.2	2.4	2.2	2.4	2.5	1.7
Greece	..	11.5	15.2	16.1	16.4	16.9	17.3	17.5	17.5	..	4.9	-1.8	-2.7	-7.3	-2.7	1.8	1.0	0.8
Hungary	..	7.8	10.0	9.7	9.4	9.1	8.9	8.7	8.5	..	4.3	1.6	3.9	1.7	2.3	3.2	3.8	3.1
Iceland	3.4	3.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.0	4.5	7.7	5.2	4.0	5.0	4.9	3.8	3.3
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	-3.9	-0.1	2.0
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	2.5	2.1	2.2
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	0.8	0.7	1.1	0.9	0.4
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	1.6	1.0	1.6	1.6
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	1.7	2.2	0.6	1.5
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	-1.3	-0.8	0.5
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	1.9	1.7	1.8	1.5
Netherlands	6.3	4.9	5.2	5.3	5.3	5.4	5.4	5.4	5.4	1.8	1.8	0.8	2.6	0.7	0.5	-0.7	1.1	1.0
New Zealand	7.5	5.1	6.1	6.2	6.1	6.0	5.7	5.4	5.2	0.8	3.3	2.0	-0.1	2.5	2.5	0.4	1.0	1.1
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	4.7	2.3	1.8	1.8	1.7
Poland	..	11.9	8.8	8.5	8.2	8.0	7.8	7.7	7.5	..	1.6	0.9	2.8	0.8	0.6	-1.6	1.6	2.5
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	-0.3	2.5	1.3
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	1.3	1.7	1.2
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	-0.6	0.5	0.1
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	0.7	-0.7	-1.0
Sweden	7.2	7.0	7.4	7.4	7.4	7.5	7.5	7.5	7.5	0.8	1.6	2.9	3.9	1.8	1.3	1.5	1.9	1.6
Switzerland	2.8	3.7	3.9	4.0	4.0	4.0	4.0	4.0	4.0	0.5	0.8	1.6	1.3	0.5	0.4	1.3	-0.1	0.3
United Kingdom	7.8	5.8	6.1	6.1	6.2	5.9	5.6	5.4	5.4	2.5	2.5	-0.5	1.1	0.6	-1.0	1.3	1.5	1.2
United States	5.6	5.2	5.1	5.1	5.0	5.0	4.9	4.9	4.9	2.1	1.4	2.2	1.9	1.2	2.2	1.9	2.9	1.9
Euro area	9.0	9.0	9.3	9.4	9.4	9.4	9.4	9.3	9.2	2.1	2.1	0.3	1.3	1.0	0.9	1.0	1.1	0.8
Total OECD	6.4	6.4	6.5	6.5	6.4	6.4	6.4	6.3	6.3	3.6	1.8	1.6	1.7	1.1	1.4	1.4	1.8	1.5

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 99 database.

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Annex Table 26. **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	2.3	1.2	3.4	6.6	9.9	9.7	11.0	10.4	10.3	9.5	8.6	7.7	7.0
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	6.9	7.3	6.7
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	5.1	5.2	5.1	5.2	5.2
Canada	4.3	4.2	4.6	4.5	2.9	1.9	2.3	1.3	2.4	1.9	3.2	4.4	4.0	4.1	4.7	5.1	4.0	4.3	4.3	4.3
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	5.1	4.9	4.8
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	0.7	1.2	-2.8	6.8	8.1	7.8
Estonia	-0.5	-0.7	0.3	-1.8	-9.5	-9.3	-10.8	-10.2	-10.7	-6.7	2.0	7.3	4.1	5.2	2.0	4.0	3.4	4.7	5.5	5.3
Finland	1.4	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	1.5	-0.2	-0.6	-0.8	-0.8
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	9.7	10.4	9.9
Hungary	10.9	7.1	5.3	6.0	3.1	1.7	4.5	5.7	6.3	2.2	1.5	3.6	3.6	4.1	2.6	3.9	4.9	5.9	6.6	6.6
Ireland	..	..	..	..	-0.7	-0.5	0.3	0.7	-2.0	-2.1	3.9	9.4	6.4	3.6	3.5	1.0	-0.4	5.2	5.2	5.4
Italy	10.0	8.8	7.4	8.9	9.6	9.1	9.5	9.0	8.4	8.0	7.8	7.0	4.1	3.6	1.9	3.5	3.0	2.9	3.3	3.1
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	-0.1	-0.8	1.3	2.1	1.0
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	7.2	8.8	8.7	8.7
Luxembourg	..	..	..	..	..	..	..	..	..	..	9.5	12.1	13.0	13.6	13.7	16.4	17.5	18.5	17.5	17.5
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	6.9	6.8	6.8
New Zealand	-1.7	3.0	-2.5	-1.4	-6.8	-4.3	-3.7	-5.9	-4.1	-0.4	-2.1	1.3	2.2	2.4	2.0	1.8	-0.7	-1.9	-2.2	-2.2
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	8.2	8.8	8.6	8.6
Poland	12.2	10.6	10.5	12.4	9.0	7.9	4.0	3.0	2.7	2.2	0.8	3.2	2.4	-1.1	-1.1	-0.1	-0.7	-1.2	0.4	0.9
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	4.1	4.2	4.2
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	3.5	3.1	3.0
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	15.2	16.0	16.5	16.8
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	18.5	19.0	19.3	20.1	20.1	20.0
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	5.1	5.2	4.5
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	14.4	14.8	15.1	15.1	15.1
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	5.7	4.2	4.7	5.3
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	5.4	4.2	3.2	3.2

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 "households" refer to the household sector plus non-profit institutions servicing households (in some cases referred to as personal saving).

Source: OECD Economic Outlook 99 database.

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Annex Table 27. **Gross national saving**

Per cent of nominal GDP

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Australia	21.5	21.7	21.7	20.6	21.5	21.3	21.5	21.4	21.0	21.8	21.5	21.7	24.3	23.0	23.6	24.8	24.5	24.2	23.7	22.2
Austria	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	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	19.4	20.1	19.6	21.0	23.6	22.5	21.7	22.0	23.5	24.4	24.5	24.2	24.2	18.4	19.1	20.7	20.8	21.2	21.7	20.0
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	22.0	20.7	20.9	20.4
Czech Republic	30.2	26.9	28.9	27.2	27.8	27.6	25.5	24.7	25.5	26.5	26.2	27.4	26.2	22.6	22.0	22.5	24.1	23.6	23.3	24.6
Denmark	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	25.3	26.6	27.6	..
Estonia	21.4	20.9	22.4	21.2	23.9	23.6	22.2	22.9	21.8	23.6	23.9	23.8	22.3	23.0	23.2	26.6	27.7	28.0	27.5	25.9
Finland	22.7	26.0	27.1	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	19.5	19.6	19.5
France	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	19.8	..
Germany	22.1	22.2	22.6	22.1	22.2	22.0	21.8	21.1	23.7	23.5	25.5	27.5	26.5	24.0	25.4	27.3	26.4	26.0	27.0	27.5
Greece	..	..	..	..	..	..	..	..	..	..	13.7	11.4	8.5	5.7	5.6	5.0	8.6	9.3	9.2	9.3
Hungary	21.8	22.5	22.4	19.7	20.3	20.6	18.9	16.4	17.4	16.7	18.2	16.9	17.9	19.5	20.9	21.2	21.0	24.4	24.2	..
Ireland	..	..	..	24.3	24.9	23.4	22.5	24.7	25.4	25.8	26.6	23.2	18.2	14.7	17.0	17.2	18.1	21.5	23.8	27.6
Israel	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	22.3	22.1	21.4	21.1	20.5	20.9	21.0	20.0	20.6	19.9	20.2	20.7	18.8	17.0	16.9	17.1	18.1	18.4	18.2	17.9
Japan	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	23.2	22.3	22.0	21.9	22.5	..
Korea	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	34.5	35.4
Mexico	17.1	19.3	23.1	22.8	23.7	22.5	20.8	21.7	22.1	21.9	22.8	23.7	25.0	23.5	21.2	22.9	23.7	23.4	22.9	25.0
Netherlands	28.6	28.7	27.4	29.1	29.5	27.7	26.5	27.4	28.7	28.2	30.5	30.8	27.6	27.2	28.1	29.4	29.3	29.0	28.7	..
New Zealand	18.2	19.0	18.0	18.5	20.0	22.1	21.1	21.7	20.4	17.8	17.3	18.5	15.6	18.4	17.5	17.5	17.5	20.2	20.3	..
Norway	29.4	31.1	27.9	30.0	36.5	36.3	32.8	31.6	34.0	38.8	40.3	39.5	41.7	35.4	36.3	38.2	39.0	38.2	40.2	37.7
Poland	19.9	20.0	21.0	20.1	19.4	18.2	16.4	17.2	14.4	16.5	17.7	18.3	17.9	16.9	16.5	17.7	17.7	18.5	19.0	..
Portugal	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	15.1	15.1
Slovak Republic	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	..	..	..	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	27.2
Spain	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	23.9	24.4	25.3	26.3	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	27.9	27.9	29.4
Switzerland	31.3	33.2	34.0	34.7	36.7	34.0	31.3	35.5	35.4	38.4	39.4	34.7	28.0	34.3	39.3	35.0	35.2	34.6	..	..
United Kingdom	15.6	16.5	17.4	15.2	14.5	14.9	14.8	14.9	14.8	14.7	14.1	15.4	15.6	12.1	11.8	12.9	10.0	8.9	..	..
United States	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	18.7

Note: Based on SNA93, SNA08, ESA95 or ESA10.
Source: National accounts of OECD countries database.

StatLink http://dx.doi.org/10.1787/888933368457

Annex Table 28. **Household wealth and indebtedness**

Per cent of nominal disposable income

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Canada												
Net wealth	634.1	669.6	695.2	701.5	638.7	682.6	706.5	711.7	743.0	767.0	799.1	815.7
Net financial wealth	273.9	297.1	304.8	299.5	243.8	273.7	291.8	284.9	303.7	319.6	343.2	350.7
Non-financial assets	360.2	372.5	390.4	402.0	394.9	408.9	414.7	426.8	439.3	447.4	455.9	464.9
Financial assets	398.3	429.5	442.0	444.7	394.1	432.3	452.3	447.2	466.8	482.6	508.5	518.3
of which: Equities	50.1	63.9	67.2	79.6	54.9	76.3	87.1	78.0	82.9	87.7	88.6	83.8
Liabilities	124.4	132.3	137.2	145.2	150.3	158.6	160.6	162.3	163.1	163.1	165.2	167.6
of which: Mortgages	75.2	79.4	82.4	88.1	91.5	96.2	99.0	101.3	103.0	103.5	105.7	108.6
France												
Net wealth	670.6	742.7	790.0	797.5	724.0	734.2	772.8	779.7	785.7	788.2	781.3	..
Net financial wealth	202.8	212.6	228.1	226.0	192.8	208.5	216.8	213.2	227.4	238.4	244.2	..
Non-financial assets	467.9	530.1	561.9	571.4	531.2	525.7	556.0	566.5	558.3	549.8	537.1	..
Financial assets	283.7	300.0	320.6	321.6	290.4	311.5	323.0	318.9	329.4	340.8	347.5	..
of which: Equities	84.5	91.4	105.6	104.3	73.8	81.0	84.2	78.4	87.1	93.3	94.1	..
Liabilities	80.9	87.4	92.5	95.6	97.6	103.0	106.3	105.7	102.0	102.4	103.4	..
of which: Long-term loans	58.3	63.4	67.7	71.6	74.9	78.7	81.2	83.9	85.3	86.5	87.2	..
Germany												
Net wealth	572.8	586.1	586.3	611.2	597.0	621.4	626.3	624.6	638.9	651.9	664.6	..
Net financial wealth	166.3	179.4	176.4	189.8	173.5	186.3	192.9	188.8	197.8	205.5	212.8	218.7
Non-financial assets	406.5	406.7	409.9	421.4	423.5	435.1	433.4	435.8	441.1	446.5	451.8	..
Financial assets	276.7	287.4	282.1	292.4	272.9	286.6	291.2	285.4	293.3	300.0	306.4	311.9
of which: Equities	63.8	71.3	67.5	70.7	50.4	53.8	55.3	50.0	53.4	56.7	59.5	63.3
Liabilities	110.4	108.1	105.7	102.7	99.4	100.3	98.3	96.5	95.5	94.6	93.6	93.2
of which: Mortgages	72.2	71.5	71.4	69.5	67.4	68.2	66.9	65.7	65.4	..	..	..
Italy												
Net wealth	813.6	865.1	913.3	894.7	891.2	915.5	920.7	902.8	943.6	936.8	..	..
Net financial wealth	303.6	330.3	342.5	302.8	277.4	276.3	266.4	251.1	277.4	287.6	298.1	..
Non-financial assets	510.0	534.8	570.9	592.0	613.8	639.3	654.2	651.7	666.1	649.2	..	..
Financial assets	369.1	401.6	418.6	383.0	359.1	362.8	356.9	341.2	369.6	378.5	388.3	..
of which: Equities	68.5	93.4	112.8	84.3	65.3	58.2	50.4	44.2	53.3	62.4	64.2	..
Liabilities	65.5	71.3	76.2	80.2	81.7	86.6	90.5	90.0	92.1	90.9	90.2	..
of which: Medium and long-term loans	39.6	43.4	46.8	49.9	50.6	54.1	57.0	57.1	58.4	57.5	57.2	..
Japan												
Net wealth	780.2	805.8	812.8	808.7	776.8	779.5	772.3	762.9	778.1	811.6	817.7	..
Net financial wealth	385.5	417.2	419.2	408.7	381.4	396.4	399.4	398.7	419.0	452.4	460.2	..
Non-financial assets	394.7	388.5	393.6	400.0	395.4	383.1	372.9	364.3	359.0	359.1	357.5	..
Financial assets	519.1	551.4	554.1	538.1	510.3	524.9	526.9	523.0	542.3	577.3	587.6	..
of which: Equities	48.9	77.3	77.0	55.6	34.5	34.9	36.0	33.3	39.8	58.0	58.8	..
Liabilities	133.6	134.1	134.9	129.4	128.9	128.5	127.4	124.3	123.2	124.9	127.4	..
of which: Mortgages [1]	64.4	64.8	66.0	65.3	65.7	66.2	66.6	67.4	67.7	68.3	68.5	..
United Kingdom												
Net wealth	794.1	812.5	830.8	841.2	731.2	736.6	753.4	778.7	776.8	786.8	862.5	..
Net financial wealth	329.4	350.6	340.6	328.6	284.4	297.2	311.0	338.6	339.7	335.0	381.6	380.3
Non-financial assets	464.8	462.0	490.2	512.6	446.8	439.4	442.4	440.0	437.1	451.7	480.9	..
Financial assets	494.3	517.9	519.5	512.0	462.9	465.1	470.0	498.3	493.5	487.4	536.4	533.0
of which: Equities	71.0	75.5	75.8	72.1	45.0	60.4	66.1	55.4	47.5	53.9	57.7	61.6
Liabilities	165.0	167.3	178.9	183.4	178.5	167.9	159.0	159.7	153.9	152.4	154.8	152.8
of which: Mortgages	117.7	120.0	128.6	134.0	131.9	126.1	120.2	118.8	116.0	115.7	115.5	114.0
United States												
Net wealth	620.2	656.8	658.3	633.3	510.8	530.6	554.2	537.4	560.9	640.5	651.9	648.0
Net financial wealth	342.4	353.6	364.7	365.0	284.8	313.7	345.9	338.7	358.2	416.9	425.8	416.7
Non-financial assets	277.8	303.3	293.6	268.3	226.0	216.9	208.2	198.7	202.8	223.6	226.1	231.3
Financial assets	464.7	483.0	498.8	502.0	414.7	442.2	468.6	453.7	468.1	528.1	535.5	525.0
of which: Equities	118.2	122.7	139.7	136.3	78.7	102.0	116.4	107.6	121.2	158.5	167.9	160.0
Liabilities	122.2	129.4	134.1	137.0	129.9	128.5	122.7	115.0	110.0	111.2	109.7	108.3
of which: Mortgages	89.1	96.6	100.6	103.0	98.1	97.1	90.1	83.9	78.1	77.5	74.4	72.5

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.

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.

StatLink http://dx.doi.org/10.1787/888933368468

Annex Table 29. **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	34.8	34.2	33.4	34.0	33.7	33.6	33.6	34.2	37.1	36.6	35.6	36.0	35.6	35.7	35.6	35.5	35.3
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	50.8	52.5	51.7	50.9	50.6
Belgium	50.6	50.1	49.0	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	54.0	53.6	52.9
Canada	43.6	41.9	40.7	41.2	40.5	40.4	39.3	38.6	38.8	38.6	38.9	43.5	43.2	41.7	41.0	40.3	39.0	40.3	40.5	40.5
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	43.2	44.7	42.8	42.8	42.6	41.4	41.3
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	58.3	56.5	56.0	55.7	55.1	54.6
Estonia	39.5	40.4	36.5	35.1	36.1	35.1	34.4	34.1	33.6	34.2	39.7	46.0	40.5	37.5	39.1	38.3	37.9	39.5	39.3	38.7
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	56.2	57.5	58.1	58.3	58.3	57.8
France	52.3	52.1	51.1	51.2	52.3	52.8	52.5	52.9	52.5	52.2	53.0	56.8	56.4	55.9	56.8	56.9	57.3	57.0	56.6	56.2
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	44.5	44.2	44.0	44.3	44.4
Greece	45.2	46.1	46.3	45.9	45.8	46.6	47.6	45.5	45.1	47.1	50.9	54.0	52.3	54.2	55.2	62.2	50.8	55.5	53.1	53.2
Hungary	50.5	48.5	47.0	46.9	50.6	48.9	48.6	49.5	51.3	49.7	48.7	50.4	49.3	49.5	48.4	49.3	49.5	50.5	49.1	48.7
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	45.4	44.0	45.3	42.6	40.5	39.1
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	38.6	35.2	32.0	30.9
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	41.3	41.3
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	50.5	50.0	49.3
Japan	41.4	38.2	38.8	38.0	38.2	37.8	36.6	36.4	36.0	35.8	36.9	41.9	40.7	41.8	41.8	42.4	42.0	41.3	40.8	39.6
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	32.0	32.9	32.3	31.6
Luxembourg	41.4	39.2	37.6	38.7	41.9	44.1	44.3	44.0	40.1	38.2	40.2	46.1	44.9	43.3	44.6	43.2	42.4	41.5	41.0	40.1
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	44.3	43.7
New Zealand	39.8	39.4	37.5	37.2	36.5	37.0	36.6	37.7	39.0	38.7	40.7	41.8	47.8	44.8	43.6	42.8	42.0	41.9	41.8	41.4
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	44.0	45.6	48.6	50.8	51.1
Poland	45.5	43.9	42.1	44.8	45.3	45.7	43.8	44.5	44.8	43.1	44.5	45.3	45.6	43.6	42.6	42.4	42.2	41.5	41.7	42.3
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	48.3	47.1	46.8
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	40.5	41.3	41.9	45.6	43.5	42.9
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	49.9	48.0	48.4	47.9
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	45.8	48.0	45.1	44.5	43.3	41.9	40.6
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	51.6	50.4	50.2	49.9
Switzerland	34.6	33.9	34.2	33.8	36.2	35.6	35.0	34.0	32.2	30.9	31.2	33.1	32.9	32.9	33.3	34.0	33.7	34.0	34.1	34.0
United Kingdom	38.1	38.0	37.8	39.1	40.0	41.2	42.3	42.7	42.9	42.8	46.6	49.7	48.8	46.9	46.8	44.9	43.8	43.2	43.3	42.2
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	37.8	37.9	37.6
Euro area	48.0	47.6	45.7	46.7	47.0	47.4	46.9	46.7	46.1	45.4	46.7	50.7	50.6	49.2	49.8	49.7	49.4	48.8	48.3	47.9
Total OECD	40.4	39.5	38.7	39.7	40.3	40.0	39.4	39.3	39.1	39.0	41.0	44.5	44.0	43.1	42.6	42.0	41.5	41.2	40.9	40.5

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368476

Annex Table 30. **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	35.8	35.9	36.1	35.5	33.9	33.1	32.0	32.1	32.9	33.6	33.4	33.9	34.1	34.5
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	49.5	49.8	50.5	49.3	49.3
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	52.6	52.0	51.4	50.8	50.4
Canada	43.7	43.6	43.3	41.8	40.3	40.3	40.0	40.2	40.6	40.4	39.1	39.6	38.4	38.4	38.5	38.5	38.5	38.6	38.2	38.2
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	40.5	40.7	41.6	40.8	42.2	40.9	41.0
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	54.8	55.5	57.4	53.6	52.6	52.5
Estonia	38.7	37.1	36.4	35.3	36.5	36.9	36.8	35.2	36.5	37.0	37.1	43.8	40.7	38.7	38.8	38.1	38.7	39.9	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	54.9	54.9	55.5	55.9	56.2
France	49.9	50.5	49.8	49.8	49.2	48.9	49.0	49.7	50.2	49.7	49.8	49.6	49.6	50.8	52.0	52.9	53.4	53.5	53.2	53.3
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	44.7	44.6	44.8
Greece	39.0	40.3	42.3	40.5	39.7	38.8	38.8	39.3	39.2	40.4	40.7	38.9	41.1	44.0	46.4	49.2	47.1	48.2	51.1	52.8
Hungary	43.1	43.4	44.0	42.9	41.8	41.8	42.3	41.7	42.1	44.7	45.0	45.8	44.8	44.1	46.1	46.7	47.3	48.4	47.1	46.2
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	42.1	45.3	42.2	40.8	39.7
Ireland	36.6	36.4	35.8	33.5	32.7	33.4	34.5	35.0	36.7	36.2	34.9	33.4	33.4	33.0	33.8	34.0	34.8	32.9	31.3	30.6
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	38.1	37.5	37.6
Italy	45.3	45.6	44.1	44.1	43.7	43.8	43.3	43.0	44.0	45.3	45.2	45.9	45.7	45.6	47.8	48.1	48.1	47.9	47.7	47.3
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	34.0	35.8	35.9	35.7	35.6
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	33.8	33.4	33.2
Luxembourg	44.6	42.6	43.5	44.6	44.4	44.3	43.0	44.1	42.1	42.4	43.6	45.4	44.2	43.9	44.9	44.0	44.2	42.8	42.2	40.7
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	43.0	42.6	42.5
New Zealand	39.7	39.2	39.2	38.6	39.8	40.5	40.5	42.3	44.2	43.0	41.2	39.0	40.7	40.7	41.4	42.0	41.9	41.6	41.6	41.4
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	54.8	54.4	54.4	54.0	54.2
Poland	41.2	41.6	39.1	40.0	40.4	39.6	38.7	40.6	41.2	41.3	40.9	38.0	38.1	38.8	38.9	38.4	38.9	38.9	39.1	39.1
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	43.9	44.2	44.2
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	36.2	38.6	39.2	42.7	41.2	41.3
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	43.3	44.5	45.2	44.9	45.1	46.1	46.1
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	38.2	38.1	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	50.1	50.4	50.4	49.9
Switzerland	32.7	32.9	33.7	33.0	33.6	33.2	32.8	32.8	32.5	31.9	33.2	33.9	33.3	33.6	33.5	33.7	33.5	33.8	33.7	33.7
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	39.3	38.2	38.8	39.5	39.5
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	33.5	33.6	33.9
Euro area	45.5	46.1	45.4	44.7	44.2	44.2	43.9	44.1	44.6	44.7	44.5	44.5	44.4	45.0	46.2	46.7	46.8	46.7	46.5	46.4
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	37.9	37.9	38.1	38.0	38.1

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 99 database.

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Annex Table 31. **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	2.5	2.6	1.5	0.0	1.6	2.7	1.8	2.2	2.6	2.0	-0.3	-4.0	-4.6	-3.5	-3.0	-2.0	-2.3	-1.7	-1.4	-0.8
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	-1.2	-1.6	-1.3
Belgium	-0.9	-0.6	-0.1	0.2	0.0	-1.8	-0.2	-2.6	0.2	0.1	-1.1	-5.4	-4.0	-4.1	-4.2	-3.0	-3.1	-2.6	-2.9	-2.5
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	-3.0	-6.0	-10.4	-10.0	-7.8
Canada	0.1	1.7	2.6	0.5	-0.2	-0.1	0.8	1.6	1.8	1.8	0.2	-3.9	-4.7	-3.3	-2.5	-1.9	-0.5	-1.7	-2.2	-2.2
China	-1.5	-2.3	-2.8	-2.4	-2.4	-2.0	-1.0	-0.9	-0.1	1.6	1.1	-1.6	-0.7	-0.1	0.1	-0.5	-0.6	-1.3	-1.8	-2.0
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	-3.9	-1.3	-1.9	-0.4	-0.5	-0.4
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	-3.5	-1.1	1.5	-2.1	-2.5	-2.1
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	-0.2	0.8	0.4	-0.4	0.3
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	-2.2	-2.6	-3.2	-2.7	-2.4	-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	-4.0	-4.0	-3.5	-3.4	-3.0
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	0.7	0.3	0.4
Greece	-6.3	-5.8	-4.1	-5.5	-6.0	-7.8	-8.8	-6.2	-5.9	-6.7	-10.2	-15.1	-11.2	-10.2	-8.8	-13.1	-3.7	-7.3	-1.9	-0.5
Hungary	-7.4	-5.1	-3.0	-4.0	-8.8	-7.1	-6.3	-7.8	-9.3	-5.0	-3.6	-4.6	-4.5	-5.4	-2.3	-2.6	-2.3	-2.0	-1.9	-2.6
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	-1.8	-0.1	-0.4	0.3	0.5
India[1]	-9.0	-9.5	-9.5	-10.0	-9.6	-8.5	-7.4	-6.7	-5.5	-4.1	-8.6	-9.6	-7.1	-7.8	-6.9	-6.6	-6.9	-6.4	-6.1	-5.8
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	-2.1	-2.4	-2.5	-2.3	-2.5	-2.8
Ireland	2.0	2.4	4.9	1.0	-0.3	0.4	1.3	1.6	2.8	0.3	-7.0	-13.8	-32.3	-12.6	-8.0	-5.7	-3.8	-2.3	-0.7	-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	-2.9	-3.8	-3.7
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	-2.9	-2.9	-3.0	-2.6	-2.3	-2.0
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	-6.2	-5.4	-5.1	-4.0
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	1.3	0.8	1.1	1.6
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	-1.3	-1.0	-1.0
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	-0.2	-0.8	-0.1
Luxembourg	3.2	3.5	5.9	6.0	2.5	0.2	-1.3	0.1	2.0	4.2	3.4	-0.7	-0.7	0.5	0.3	0.8	1.7	1.2	1.3	0.5
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	-1.8	-1.6	-1.2
New Zealand	0.0	-0.2	1.7	1.4	3.3	3.5	3.9	4.6	5.2	4.4	0.5	-2.8	-7.1	-4.0	-2.1	-0.8	-0.1	-0.4	-0.2	0.0
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	8.7	5.7	3.2	3.1
Poland	-4.2	-2.3	-3.0	-4.8	-4.8	-6.1	-5.1	-4.0	-3.6	-1.9	-3.6	-7.3	-7.5	-4.9	-3.7	-4.0	-3.3	-2.6	-2.6	-3.2
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	-4.4	-2.9	-2.6
Russia	..	..	..	..	-0.6	1.6	5.7	5.6	7.8	5.2	6.8	-3.8	-1.1	3.5	2.3	0.3	0.2	-3.6	-4.2	-3.6
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	-4.3	-2.7	-2.7	-3.0	-2.3	-1.6
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	-6.7	-4.1	-15.0	-5.0	-2.9	-2.2	-1.9
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	-3.9	-3.3	-3.0
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	-9.6	-10.4	-6.9	-5.9	-5.1	-3.7	-2.7
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	-1.6	0.0	0.2	0.1
Switzerland	-1.9	-0.9	-0.4	-0.8	-2.7	-2.4	-2.2	-1.2	0.3	0.9	2.1	0.8	0.3	0.8	0.2	-0.3	-0.2	-0.2	-0.4	-0.3
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	-5.6	-4.4	-3.8	-2.7
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	-4.4	-4.3	-3.7
Euro area	-2.4	-1.5	-0.3	-2.0	-2.7	-3.2	-3.0	-2.6	-1.5	-0.6	-2.2	-6.3	-6.2	-4.2	-3.7	-3.0	-2.6	-2.1	-1.8	-1.4
Total OECD	-2.3	-1.2	-0.4	-1.8	-3.7	-4.3	-3.7	-2.8	-1.6	-1.5	-3.5	-8.4	-7.9	-6.6	-5.8	-4.1	-3.6	-3.1	-2.9	-2.4
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	-4.4	-4.5	-3.9
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	-5.6	-4.7	-4.4	..

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368496

Annex Table 32. **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	2.6	2.5	1.3	0.1	1.2	2.5	1.3	1.7	2.4	1.1	-0.8	-4.0	-4.3	-2.8	-2.6	-1.1	-1.3	-0.6	-0.4	-0.2
Austria	-3.0	-3.5	-3.7	-1.6	-1.9	-1.5	-4.7	-2.6	-3.6	-3.3	-3.1	-3.9	-3.3	-2.3	-1.6	-0.2	-1.1	0.6	-0.1	0.0
Belgium	-0.5	-0.8	-1.1	0.2	0.3	-0.8	-0.3	-2.9	-0.5	-1.8	-2.4	-4.2	-3.9	-4.4	-3.9	-2.0	-2.1	-1.8	-2.0	-1.7
Canada	0.5	1.5	2.1	0.3	-1.4	-0.8	-0.1	0.3	0.6	0.7	-0.2	-1.6	-3.2	-2.4	-1.5	-1.1	-0.1	-1.0	-1.6	-2.0
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	0.0	-0.3	-0.5
Denmark	-0.6	0.4	0.6	0.4	-0.1	0.3	1.9	4.1	3.0	3.2	2.1	-1.1	-1.6	-1.4	-2.5	0.3	2.6	-1.2	-1.7	-1.8
Estonia	..	..	1.8	1.5	1.5	2.1	2.4	-0.7	-1.4	-3.1	-5.1	3.8	5.1	3.3	0.7	1.0	1.5	1.5	0.7	0.8
Finland	2.2	1.7	5.8	4.5	4.3	3.1	2.2	2.3	2.7	2.3	1.8	0.2	-1.3	-1.0	-1.1	-0.8	-0.8	-0.4	-0.4	-0.1
France	-2.1	-1.9	-2.4	-2.3	-3.5	-3.7	-4.0	-3.7	-3.4	-4.1	-4.0	-5.6	-5.8	-4.8	-4.0	-3.0	-2.7	-2.3	-2.3	-2.1
Germany	-2.1	-1.3	0.6	-3.6	-3.9	-3.4	-2.9	-2.6	-2.1	-1.0	-1.0	-0.8	-3.3	-1.2	-0.1	0.1	0.3	0.6	0.1	0.0
Greece	-5.9	-5.1	-3.4	-5.0	-5.7	-8.6	-10.5	-7.4	-8.9	-10.8	-14.2	-17.5	-11.2	-6.3	-1.9	-4.6	2.5	-0.9	3.8	4.5
Hungary	-6.3	-3.7	-1.9	-3.2	-8.6	-7.3	-7.5	-10.0	-12.5	-7.5	-5.7	-2.7	-3.0	-4.5	-0.2	-0.9	-1.6	-1.9	-1.7	-2.9
Iceland	-0.7	0.4	0.2	-2.1	-2.4	-2.6	-2.4	1.5	3.4	-0.2	-18.0	-9.4	-6.2	-2.3	-0.3	0.0	1.7	0.1	-0.4	-0.8
Ireland	0.8	-0.3	1.2	-2.6	-3.9	-2.4	-1.1	-1.3	-0.7	-3.8	-8.4	-10.7	-27.0	-9.2	-4.1	-1.9	-1.7	-2.6	-1.7	-1.6
Israel	-6.8	-5.3	-5.7	-6.0	-5.7	-4.7	-3.5	-3.0	-1.7	-1.9	-3.6	-5.7	-4.6	-4.4	-5.5	-4.6	-3.5	-2.7	-3.2	-3.2
Italy	-2.5	-1.4	-2.2	-4.4	-3.6	-3.5	-3.8	-4.5	-4.6	-2.9	-3.4	-3.0	-3.0	-2.7	-0.9	-0.2	-0.5	-0.6	-1.0	-1.6
Japan	-8.7	-5.2	-5.9	-4.2	-5.7	-6.1	-5.2	-4.3	-1.2	-2.6	-1.8	-6.2	-7.5	-7.6	-8.1	-8.4	-5.9	-5.3	-5.1	-4.1
Korea	3.6	2.8	4.5	3.3	3.2	-1.8	0.2	1.6	2.0	3.4	1.9	-0.7	0.6	0.6	1.1	1.7	1.6	1.4	1.9	2.4
Luxembourg	..	..	..	..	..	..	..	..	1.6	1.6	2.8	3.1	1.6	3.0	4.7	4.4	4.6	3.1	2.7	1.4
Netherlands	-1.2	-0.8	0.3	-1.6	-2.2	-2.3	-1.0	0.2	-0.4	-1.5	-1.6	-4.6	-4.4	-4.1	-2.7	-0.5	-0.5	-0.5	-0.6	-0.6
New Zealand	0.6	-0.1	1.6	1.8	3.0	2.7	2.7	3.8	4.5	3.2	0.8	-1.8	-6.2	-3.2	-1.7	-0.1	0.2	-0.4	-0.4	-0.4
Norway[1]	-1.8	-0.3	1.2	1.0	-0.6	-1.7	-0.8	-0.4	0.7	1.6	1.1	0.0	0.4	0.8	0.3	-0.3	-0.7	0.1	-0.7	-0.8
Poland	-4.2	-2.2	-2.9	-3.3	-2.3	-3.6	-3.4	-2.2	-2.7	-2.3	-4.0	-7.0	-7.4	-5.5	-3.6	-3.3	-2.7	-2.2	-2.0	-2.9
Portugal	-5.9	-4.9	-5.6	-6.9	-4.6	-4.3	-6.2	-5.9	-4.3	-3.7	-4.1	-8.1	-10.3	-5.4	-1.8	-0.2	-3.0	-1.2	-0.4	-0.8
Slovenia	..	-2.4	-3.3	-3.2	-1.9	-1.9	-1.8	-1.6	-2.6	-3.2	-4.8	-4.9	-4.8	-5.9	-1.9	-11.5	-2.8	-1.5	-0.9	-0.9
Spain	-2.3	-1.2	-2.0	-1.9	-1.6	-1.5	-1.2	-0.4	-0.2	-1.2	-6.9	-10.2	-8.0	-7.1	-5.7	-1.1	-0.8	-1.8	-2.0	-1.9
Sweden	2.1	1.2	2.5	1.5	-0.9	-0.7	0.0	1.2	-0.1	0.5	1.1	2.9	1.0	0.3	0.4	0.2	-0.3	0.2	-0.3	-0.7
Switzerland	-1.6	-0.6	-1.1	-1.2	-2.4	-1.4	-1.5	-0.9	-0.2	-0.2	1.0	1.4	0.6	1.0	0.8	0.2	0.3	0.6	0.6	0.6
United Kingdom	0.0	0.9	0.9	0.3	-2.1	-3.8	-4.1	-4.5	-4.3	-4.8	-5.7	-8.1	-7.4	-6.1	-6.7	-4.7	-5.3	-4.4	-3.8	-3.0
United States	-0.6	-0.8	-0.4	-1.6	-4.6	-5.9	-6.2	-5.4	-4.5	-4.9	-7.1	-10.3	-10.1	-8.6	-7.2	-3.7	-3.7	-3.3	-3.3	-3.1
Euro area	-2.1	-1.5	-1.1	-2.9	-3.1	-3.0	-3.0	-2.8	-2.5	-2.4	-3.4	-4.5	-5.1	-3.6	-2.2	-1.1	-0.9	-0.8	-0.9	-1.0
Total OECD	-2.0	-1.3	-1.0	-2.0	-3.5	-4.3	-4.2	-3.6	-2.8	-3.0	-4.3	-6.7	-6.9	-5.7	-4.8	-2.9	-2.6	-2.3	-2.3	-2.1

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 99 database.

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Annex Table 33. **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	2.4	2.3	1.2	0.2	1.3	2.3	1.1	1.6	2.1	1.0	-1.0	-4.0	-4.0	-2.8	-2.6	-1.4	-1.4	-1.3	-0.6	-0.2
Austria	-2.7	-3.5	-4.0	-1.2	-1.8	-1.6	-1.1	-2.9	-3.8	-3.5	-3.4	-3.4	-3.3	-2.5	-1.4	-0.8	0.1	0.6	-0.1	0.0
Belgium	-0.4	-0.9	-1.0	0.1	0.1	-0.4	-0.7	-0.7	-0.8	-1.7	-2.2	-3.8	-3.5	-3.6	-2.7	-1.9	-1.8	-1.4	-1.9	-1.7
Canada	0.3	1.5	2.0	0.1	-1.5	-0.8	0.0	0.4	0.7	0.8	-0.2	-1.4	-3.0	-2.3	-1.3	-0.9	0.0	-0.9	-1.6	-2.0
Czech Republic	-3.6	-3.0	-4.7	-3.9	-3.4	-6.5	-2.2	-2.8	-4.2	-3.4	-4.4	-5.6	-4.7	-3.2	0.1	0.1	-0.4	0.2	-0.3	-0.5
Denmark	-0.5	0.4	0.7	0.1	-0.1	0.4	1.7	4.0	2.8	3.1	2.5	-1.0	-1.6	-1.2	-1.2	0.4	1.5	-1.6	-1.6	-1.8
Estonia	..	..	1.7	1.5	1.5	2.1	2.1	-0.7	-1.9	-3.1	-3.8	1.1	1.8	1.4	1.6	0.8	1.8	2.0	1.2	1.3
Finland	2.1	2.1	5.8	4.6	4.4	3.0	2.1	2.4	2.6	2.3	1.7	0.3	-1.3	-0.9	-1.0	-0.9	-0.7	-0.3	-0.4	-0.1
France	-2.1	-1.7	-2.6	-2.3	-3.4	-3.9	-4.1	-3.9	-3.4	-4.2	-3.9	-5.4	-5.8	-4.9	-4.0	-3.0	-2.7	-2.5	-2.2	-2.0
Germany	-2.0	-1.2	-1.4	-3.0	-3.4	-2.9	-2.6	-2.2	-2.0	-1.0	-0.7	-0.7	-2.3	-1.2	-0.2	0.0	0.2	0.4	0.0	0.0
Greece	-6.9	-6.6	-4.9	-6.1	-5.9	-9.3	-10.9	-9.1	-11.4	-12.8	-14.9	-17.4	-11.8	-7.0	-0.4	2.7	1.2	2.5	2.7	3.2
Hungary	-4.8	-4.4	-2.0	-3.1	-7.1	-7.4	-8.1	-10.4	-12.4	-6.8	-5.1	-2.6	-3.0	-3.3	0.0	-0.8	-1.9	-2.2	-2.4	-2.9
Iceland	-0.9	0.3	0.2	-1.9	-2.5	-2.5	-2.4	1.4	3.2	-0.6	-4.9	-9.3	-3.0	-1.7	0.1	-0.3	2.9	1.4	12.3	-0.8
Ireland	0.4	1.0	1.0	-2.5	-4.1	-2.5	-0.9	-1.2	-1.1	-4.2	-7.9	-8.0	-6.8	-5.6	-4.0	-2.6	-2.0	-1.8	-1.7	-1.6
Israel	-6.7	-5.0	-5.6	-5.8	-5.4	-4.6	-3.3	-2.9	-1.6	-1.7	-3.5	-5.2	-4.6	-4.6	-5.5	-4.6	-3.7	-2.8	-3.3	-3.2
Italy	-2.7	-1.4	-3.4	-4.0	-3.3	-4.4	-4.2	-4.3	-3.4	-2.6	-3.2	-3.2	-3.0	-3.1	-0.6	-0.4	-0.4	-0.3	-0.9	-1.6
Japan	-4.3	-5.5	-5.6	-4.8	-5.8	-5.7	-5.9	-4.2	-2.6	-2.7	-2.6	-6.3	-7.7	-7.4	-8.0	-8.2	-6.4	-6.1	-5.3	-4.1
Korea	4.2	2.7	4.3	3.1	2.9	2.6	1.0	2.0	2.5	2.8	1.3	-0.2	0.3	1.0	1.3	1.4	1.7	1.5	1.9	2.4
Luxembourg	..	..	..	..	..	..	..	..	2.0	1.5	2.5	3.2	1.7	2.9	4.8	4.5	4.5	3.1	2.7	1.4
Netherlands	-1.1	-0.7	-0.2	-1.2	-2.0	-2.1	-1.0	0.0	-0.7	-1.6	-1.6	-3.9	-4.0	-4.2	-2.7	-1.1	-0.7	-0.9	-1.3	-1.0
New Zealand	0.6	-0.1	1.6	1.8	3.0	2.7	2.7	3.6	4.5	3.1	1.0	-1.8	-2.2	-1.6	-0.9	0.4	0.3	-0.5	-0.5	-0.4
Norway[1]	-2.0	-0.3	1.6	0.9	-0.6	-1.7	-0.9	-0.4	0.6	1.6	1.2	0.0	0.4	0.9	0.3	-0.4	-0.7	0.1	-0.7	-0.8
Poland	-3.8	-2.4	-3.0	-3.4	-2.5	-3.2	-3.5	-2.3	-2.7	-2.4	-3.7	-6.7	-7.9	-6.5	-4.2	-3.4	-2.8	-2.5	-2.7	-2.9
Portugal	-5.3	-4.6	-5.6	-6.9	-5.4	-4.7	-5.9	-5.9	-4.1	-3.7	-4.4	-7.9	-8.0	-5.3	-3.2	-1.0	-0.1	-0.4	-0.4	-0.8
Slovenia	..	-2.3	-3.3	-3.3	-2.1	-1.7	-1.9	-1.7	-3.0	-3.3	-4.8	-5.3	-5.4	-5.2	-2.6	-2.3	-3.1	-1.5	-0.9	-0.9
Spain	-2.4	-1.5	-2.0	-1.8	-1.5	-1.6	-0.7	-0.2	0.0	-0.7	-6.1	-9.2	-7.4	-6.3	-2.4	-0.9	-1.0	-1.8	-2.0	-1.9
Sweden	1.4	1.3	2.4	1.5	-0.9	-0.7	0.0	1.3	-0.1	0.6	1.1	2.9	1.0	0.4	0.3	0.1	-0.3	0.1	-0.3	-0.7
Switzerland	-2.1	-1.2	0.2	-1.0	-1.0	-1.6	-1.5	-1.1	-0.5	-0.5	1.1	1.1	0.3	0.8	0.3	0.5	0.1	0.4	0.5	0.6
United Kingdom[2]	-0.1	0.8	0.7	0.1	-2.3	-3.9	-4.6	-4.0	-4.8	-5.5	-5.9	-7.6	-7.7	-6.7	-7.0	-6.6	-6.8	-5.8	-5.1	-4.3
United States	-0.6	-0.8	-0.4	-1.7	-4.6	-5.8	-6.1	-5.3	-4.6	-4.9	-6.8	-9.6	-9.8	-8.4	-7.2	-3.8	-3.8	-3.6	-3.3	-3.1
Euro area	-2.1	-1.5	-2.0	-2.6	-2.9	-3.1	-2.9	-2.7	-2.4	-2.4	-3.2	-4.2	-4.3	-3.5	-1.8	-1.0	-0.8	-0.8	-1.0	-1.0
Total OECD	-1.4	-1.3	-1.3	-2.0	-3.4	-4.1	-4.2	-3.5	-3.0	-3.1	-4.2	-6.3	-6.6	-5.6	-4.6	-3.1	-2.8	-2.6	-2.5	-2.2

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 99 database.

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Annex Table 34. **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	3.5	3.2	2.0	0.6	1.7	2.6	1.4	1.8	2.2	0.9	-1.2	-3.8	-3.6	-2.3	-2.1	-0.8	-0.7	-0.7	0.0	0.4
Austria	0.3	-0.7	-1.1	1.5	0.8	0.8	1.1	-0.5	-1.4	-1.2	-1.1	-1.2	-1.2	-0.4	0.7	1.3	2.1	2.4	1.5	1.3
Belgium	6.5	5.6	5.3	6.0	5.4	4.5	3.8	3.3	3.0	2.0	1.4	-0.5	-0.3	-0.3	0.5	1.0	0.9	1.1	0.4	0.4
Canada	5.1	5.6	5.1	3.0	1.1	1.0	1.5	1.4	1.3	1.3	0.1	-0.3	-2.2	-1.7	-0.6	-0.3	0.5	0.1	-0.4	-0.9
Czech Republic	-3.1	-2.5	-4.6	-3.6	-3.0	-6.1	-1.6	-2.2	-3.5	-2.7	-3.7	-4.7	-3.6	-2.1	1.3	1.2	0.6	1.1	0.5	0.1
Denmark	2.5	3.3	3.2	2.1	1.9	2.0	3.1	5.1	3.7	3.6	2.7	-0.6	-1.0	-0.6	-0.7	0.8	1.9	-0.9	-0.8	-1.2
Estonia	..	..	1.8	1.5	1.5	1.8	2.0	-0.9	-2.2	-3.5	-4.3	0.9	1.6	1.2	1.5	0.7	1.8	1.9	1.1	1.2
Finland	3.6	3.4	6.7	5.1	4.4	3.0	2.1	2.3	2.4	1.9	1.2	0.0	-1.2	-0.9	-0.8	-0.8	-0.5	-0.1	-0.3	-0.1
France	0.8	0.9	0.0	0.4	-0.8	-1.4	-1.6	-1.4	-1.0	-1.6	-1.2	-3.2	-3.6	-2.4	-1.6	-0.9	-0.7	-0.6	-0.4	-0.3
Germany	0.9	1.5	1.3	-0.4	-0.8	-0.4	-0.2	0.1	0.4	1.4	1.6	1.5	-0.2	0.8	1.6	1.5	1.6	1.6	1.0	0.7
Greece	0.4	0.5	1.5	-0.1	-0.5	-4.4	-6.0	-4.4	-6.8	-8.1	-9.9	-12.4	-6.3	-0.7	3.5	5.8	4.4	5.5	5.7	6.2
Hungary	1.2	1.5	2.7	0.8	-3.6	-3.7	-4.1	-6.4	-8.6	-2.9	-1.3	1.3	0.6	0.4	4.0	3.3	1.8	1.2	0.9	0.3
Iceland	1.5	2.5	2.1	-0.3	-1.3	-1.0	-1.1	2.6	3.6	-0.3	-5.1	-6.2	-0.4	0.9	3.2	3.1	6.4	4.8	15.1	2.0
Ireland	3.5	3.2	2.8	-1.3	-2.8	-1.3	0.1	-0.3	-0.3	-3.5	-7.2	-6.6	-4.5	-3.1	-1.1	0.6	1.3	1.1	0.9	0.8
Israel	0.3	1.4	1.1	0.4	0.5	1.3	2.6	3.1	3.3	2.7	0.4	-1.5	-0.9	-0.9	-1.9	-1.3	-0.5	0.2	-0.4	-0.3
Italy	4.8	4.7	2.6	1.9	2.0	0.4	0.3	0.0	1.0	2.1	1.6	0.9	1.1	1.2	4.2	4.0	3.8	3.5	2.7	1.9
Japan	-3.1	-4.2	-4.4	-4.0	-5.1	-5.1	-5.4	-4.1	-2.7	-2.7	-2.4	-5.8	-7.1	-6.6	-7.1	-7.5	-5.8	-5.5	-4.9	-3.8
Korea	3.3	1.9	3.3	2.2	2.2	2.5	0.9	1.4	1.7	1.9	1.1	-1.0	-0.2	0.4	1.1	0.9	1.6	1.4	1.7	2.0
Luxembourg	..	..	..	..	..	..	..	..	1.2	0.4	1.3	2.7	1.5	2.7	4.6	4.3	4.3	2.9	2.5	1.2
Netherlands	2.4	2.5	2.4	1.0	-0.1	-0.3	0.7	1.6	0.7	-0.2	-0.3	-2.7	-2.8	-3.0	-1.6	-0.1	0.3	-0.1	-0.6	-0.4
New Zealand	2.6	1.5	3.0	3.3	4.2	3.7	3.5	4.3	4.9	3.2	1.3	-1.1	-1.4	-0.6	0.3	1.2	1.2	0.4	0.3	0.3
Norway[1]	-3.3	-1.9	-0.2	-1.1	-2.8	-3.8	-3.1	-2.5	-1.7	-1.5	-2.1	-2.5	-1.8	-1.4	-1.7	-2.5	-3.2	-2.7	-3.7	-3.8
Poland	0.1	0.2	-0.4	-0.6	-0.4	-0.9	-1.2	-0.1	-0.6	-0.5	-2.1	-4.6	-5.7	-4.3	-1.9	-1.3	-1.2	-0.9	-1.2	-1.3
Portugal	-2.5	-2.0	-3.0	-4.2	-2.8	-2.4	-3.6	-3.7	-1.6	-1.1	-1.7	-5.2	-5.3	-1.7	0.7	2.8	3.9	3.5	3.6	3.3
Slovenia	..	-0.5	-1.5	-1.5	-0.4	-0.2	-0.5	-0.4	-1.8	-2.2	-4.0	-4.4	-4.4	-3.8	-1.2	-0.4	-0.5	1.1	1.6	1.4
Spain	1.2	1.6	0.9	0.8	0.8	0.5	1.1	1.3	1.4	0.4	-5.1	-7.9	-5.8	-4.4	-0.1	1.8	1.8	0.7	0.5	0.5
Sweden	3.9	3.7	4.4	3.1	1.1	0.6	0.9	2.3	0.8	1.3	1.6	3.1	1.3	0.7	0.3	0.1	-0.3	0.0	-0.4	-0.8
Switzerland	-1.1	-0.1	1.2	-0.1	0.0	-0.5	-0.5	-0.1	0.2	0.1	1.6	1.6	0.8	1.1	0.7	0.8	0.4	0.5	0.6	0.7
United Kingdom[2]	2.7	3.2	3.0	2.1	-0.6	-2.3	-2.9	-2.2	-3.0	-3.6	-4.1	-6.1	-5.2	-3.9	-4.5	-4.1	-4.4	-3.8	-3.2	-2.3
United States	3.0	2.4	2.5	1.0	-2.0	-3.1	-3.5	-2.6	-2.0	-2.2	-4.3	-6.9	-6.9	-5.4	-4.2	-1.6	-1.1	-0.8	-0.6	-0.3
Euro area	1.9	2.1	1.4	0.7	0.2	-0.2	-0.2	0.0	0.2	0.2	-0.6	-1.9	-1.9	-0.9	0.8	1.3	1.4	1.3	0.9	0.7
Total OECD	1.8	1.5	1.4	0.4	-1.2	-1.9	-2.1	-1.5	-1.1	-1.1	-2.3	-4.4	-4.5	-3.4	-2.4	-1.2	-0.8	-0.7	-0.6	-0.4

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368527

Annex Table 35. **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	1.1	0.8	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	0.7	0.6	0.6	0.7
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	1.6	1.4
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	2.6	2.3	2.2
Canada	4.7	4.1	3.0	2.9	2.5	1.8	1.5	1.0	0.6	0.5	0.3	1.1	0.8	0.6	0.7	0.7	0.5	1.0	1.1	1.1
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	0.9	0.8	0.7
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	0.4	0.4	0.8	0.8	0.7
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	0.2	0.1	0.0
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	2.1	1.9	1.8	1.8
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	1.2	1.0	0.7
Greece	7.3	7.2	6.5	6.0	5.4	4.8	4.7	4.6	4.3	4.3	4.6	4.8	5.5	6.8	4.5	3.6	3.7	3.4	3.4	3.3
Hungary	6.1	6.1	4.7	3.9	3.6	3.7	3.9	3.8	3.6	3.7	3.6	4.0	3.8	3.7	4.2	4.3	3.8	3.5	3.3	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	3.3	3.5	3.6	3.4	2.8	2.7
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	2.8	2.5	2.4
Israel	7.0	6.5	6.4	6.1	6.1	6.3	6.1	6.1	4.9	4.4	3.9	3.8	3.7	3.6	3.6	3.3	3.2	3.0	2.9	2.9
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	4.4	4.0	3.7	3.5
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	0.6	0.6	0.4	0.3
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	-0.1	-0.2	-0.4
Luxembourg	-1.0	-0.8	-1.2	-1.3	-1.1	-0.9	-0.8	-0.7	-0.8	-1.0	-1.2	-0.5	-0.2	-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	0.9	0.7	0.6
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	0.8	1.0	1.2	0.8	0.9	0.8	0.8	0.7
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	-3.1	-3.1
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	1.6	1.5	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	4.2	4.2	4.2
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	1.5	1.3	1.1
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	2.7	2.6	2.4
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	2.7	2.5	2.4
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	-0.1	-0.1	-0.1
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	0.3	0.4	0.3	0.3	0.2	0.1	0.0
United Kingdom	2.9	2.4	2.3	1.9	1.7	1.6	1.7	1.8	1.8	1.9	1.8	1.5	2.6	2.9	2.6	2.5	2.4	2.0	1.9	1.9
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	2.8	2.8
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	2.1	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	1.9	1.8	1.8

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368530

Annex Table 36. **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	33.6	27.2	25.1	24.2	22.9	20.4	20.8	20.7	19.7	19.5	20.5	26.4	29.4	34.0	37.3	38.2	42.2	44.2	46.2	47.6
Austria	67.3	70.7	70.4	71.6	75.0	73.7	73.0	80.4	77.7	74.6	80.1	92.4	96.2	96.7	102.6	98.5	106.8	106.6	106.4	105.8
Belgium[1]	137.8	126.4	120.3	118.9	118.1	114.6	110.2	107.8	99.9	93.7	101.1	109.5	107.8	110.1	120.2	118.0	129.6	126.7	126.7	126.0
Canada	101.5	92.5	84.7	85.4	83.6	80.1	76.2	75.8	74.6	70.6	71.5	83.9	86.3	89.1	92.9	90.3	93.2	98.5	99.8	100.7
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	49.0	58.6	58.4	57.6	55.8	55.8	55.4
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	61.0	57.5	60.0	54.0	56.3	58.1
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	12.5	12.0	11.0
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	64.0	70.6	73.9	75.8	77.3
France	77.0	73.5	71.9	71.0	74.6	78.5	80.1	81.7	76.9	75.7	81.6	93.2	96.8	100.7	110.4	110.9	120.3	120.8	121.6	122.1
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	78.7	75.2	72.6
Greece	93.1	96.3	111.6	114.1	113.1	108.8	110.1	111.9	116.9	114.8	119.0	135.2	129.1	109.8	165.9	182.6	182.9	182.7	185.3	182.3
Hungary	64.7	66.7	61.2	59.2	59.8	60.8	64.5	67.4	70.8	71.6	75.5	84.4	86.2	95.1	97.9	96.1	99.0	97.7	97.1	96.1
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	95.4	87.3	83.6	82.9	67.9	65.5
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	115.9	111.0	108.7
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	70.5	68.7	67.8	67.2	66.7	64.8	65.1	65.8
Italy	130.7	123.9	118.8	118.2	117.0	114.3	116.3	118.9	116.3	111.7	114.5	127.4	126.1	119.6	138.3	145.5	159.1	160.2	160.3	159.4
Japan[2]	113.8	127.9	136.1	144.4	153.5	158.3	166.3	169.5	166.8	162.4	171.1	188.7	193.2	209.4	215.4	221.5	227.7	230.0	233.1	234.3
Korea	..	..	..	..	..	..	..	..	..	..	29.4	31.6	33.5	36.1	38.5	40.5	43.7	44.8	45.0	45.2
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	35.3	36.0	38.3
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	76.3	81.0	77.3	76.9	76.3
New Zealand	40.9	38.3	36.2	34.3	32.4	30.4	27.7	26.6	26.2	25.1	28.1	33.4	37.0	40.3	41.2	40.5	40.9	41.9	42.0	41.8
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	34.7	35.3	32.9	38.2	41.3	44.4
Poland	43.4	46.2	44.8	43.2	54.3	54.8	53.8	54.4	54.6	50.9	54.0	57.1	60.7	61.1	60.7	62.6	66.2	66.4	67.4	68.9
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	138.9	142.6	152.4	150.3	149.6	149.7
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	60.0	59.7
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	79.6	97.4	98.7	100.6	101.7
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	77.8	92.2	103.9	117.9	116.3	117.4	117.3
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	45.5	45.7	47.9	54.9	52.3	53.4	54.6
Switzerland	55.5	52.6	52.7	52.5	60.1	58.5	59.7	57.1	50.7	50.5	48.7	46.5	44.9	45.0	45.8	45.5	45.6	45.9	46.2	46.4
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	117.1	112.8	115.3	115.3
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	111.5	111.4	111.7	113.6	114.2	114.2
Euro area	82.2	78.5	76.3	74.8	76.1	76.9	78.2	79.3	75.8	72.2	77.4	88.2	92.3	93.5	104.1	105.2	112.1	110.5	109.6	108.5
Total OECD	72.3	69.8	67.9	69.2	73.2	74.0	78.2	78.8	76.3	74.5	82.4	94.2	100.4	105.3	111.1	111.7	115.3	115.5	116.0	115.7

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 38. 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.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368547

Annex Table 37. **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	-17.5	-21.8	-21.5	-19.3	-21.1	-24.7	-26.9	-27.6	-30.1	-31.4	-30.5	-27.7	-23.2	-16.5	-13.9	-15.6	-13.2	-14.0	-12.0	-10.6
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	59.1	58.8	58.2
Belgium[1]	119.4	106.6	100.9	98.5	99.4	96.1	90.9	88.8	80.4	74.1	76.7	83.1	81.7	83.3	92.0	90.0	100.3	98.1	98.2	97.4
Canada	66.4	53.8	45.8	44.3	43.7	39.6	35.1	30.7	27.3	23.8	23.5	29.1	31.1	34.2	35.0	31.2	31.7	31.8	33.1	34.0
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	9.2	16.6	18.2	20.4	19.8	19.7	19.3
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	6.6	4.0	4.9	5.5	7.8	9.6
Estonia	-40.3	-39.4	-30.2	-29.1	-28.6	-29.4	-32.0	-32.1	-30.8	-28.6	-25.8	-28.8	-35.9	-34.1	-32.0	-31.2	-30.5	-30.2	-29.0	-28.0
Finland	-14.0	-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	-50.2	-53.8	-54.4	-55.2	-52.0	-49.3
France	38.9	31.0	32.5	34.6	39.5	41.6	43.0	41.0	35.5	32.2	42.6	50.2	54.6	59.5	67.4	66.3	74.6	75.5	77.4	78.8
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	43.7	42.1	40.5
Greece	67.5	65.4	84.6	88.6	90.1	83.6	83.0	82.1	87.3	82.5	91.4	101.8	92.6	71.2	100.0	117.6	133.3	144.2	146.8	143.8
Hungary	32.5	34.3	32.9	32.1	36.3	37.3	41.5	44.4	51.1	52.5	50.7	58.4	60.6	62.3	69.5	70.0	71.3	69.0	68.4	67.4
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	28.9	27.3	25.8	23.8	21.5	19.1
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	74.2	69.3	65.8
Italy	103.6	102.1	96.3	96.9	96.5	93.2	94.5	95.8	92.3	88.8	91.9	102.7	101.2	95.8	111.8	118.3	131.1	133.1	133.2	132.3
Japan[2]	44.7	52.4	58.9	65.5	74.5	77.6	82.4	82.1	81.0	80.5	95.3	106.2	113.0	127.2	129.2	124.2	126.2	128.5	131.7	132.8
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	-44.6	-43.9	-41.6
Netherlands	39.4	28.8	27.8	27.3	30.9	32.0	32.7	29.9	27.2	23.5	22.7	27.4	31.9	36.7	39.2	39.6	43.3	42.1	42.8	42.7
New Zealand	27.2	25.0	23.0	20.7	17.2	12.8	8.2	3.7	-1.2	-5.3	-4.9	-0.9	1.6	4.4	6.6	6.1	5.3	5.2	5.2	5.0
Norway	-57.5	-61.0	-70.8	-87.2	-81.7	-96.3	-104.4	-122.3	-135.3	-139.8	-124.2	-154.4	-164.1	-160.1	-169.4	-207.7	-248.6	-283.6	-284.8	-277.6
Poland	6.1	12.8	14.7	17.6	21.0	24.8	22.2	22.1	21.0	15.6	16.0	20.8	26.6	30.5	31.7	35.3	38.2	39.2	40.2	41.6
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	98.7	108.5	108.8	109.2	109.3
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	36.9	38.1	38.1
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	13.9	19.7	25.1	27.1	28.2
Spain	52.8	46.8	43.4	40.6	39.2	36.0	33.5	28.6	22.1	17.4	22.3	33.8	39.4	48.1	59.1	70.4	82.9	82.4	83.6	83.4
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	-26.9	-29.4	-29.6	-29.1	-28.0	-27.0	-25.8
Switzerland	..	10.9	7.3	6.8	12.5	11.9	13.8	12.9	9.5	8.5	11.8	7.5	10.3	9.3	7.0	7.6	7.7	8.0	8.3	8.5
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	81.1	80.8	83.3	83.4
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	88.5	87.7	87.4	88.5	90.0	90.0
Euro area	52.4	47.5	46.6	47.2	49.8	50.0	51.1	50.5	46.6	42.2	47.0	54.4	56.3	57.9	65.1	66.1	72.5	72.0	72.0	71.5
Total OECD	40.6	36.4	35.0	36.3	40.8	41.4	44.9	44.1	41.1	39.1	46.2	54.9	59.7	65.5	69.4	68.3	70.9	71.2	72.2	72.2

Note: Net debt measures are not always comparable across countries due to different definitions or treatment of debt (and asset) components. 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 99 database.

StatLink http://dx.doi.org/10.1787/888933368558

Annex Table 38. **Maastricht definition of general government gross public debt**

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
Austria	63.6	66.6	65.8	66.4	66.3	65.5	65.0	68.3	66.9	64.8	68.7	79.7	82.5	82.2	81.6	80.8	84.2	86.2	86.0	85.3
Belgium	118.2	114.4	108.8	107.6	104.7	101.1	96.5	94.6	91.0	87.0	92.5	99.6	99.7	102.3	104.1	105.2	106.6	106.1	106.1	105.3
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	45.1	42.7	41.0	41.0	40.6
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	45.2	44.7	44.8	40.2	42.4	44.3
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	9.7	9.3	8.3
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	55.5	59.3	63.1	65.6	68.5
France	61.0	60.2	58.7	58.2	60.1	64.2	65.7	67.2	64.4	64.4	68.1	79.0	81.7	85.2	89.6	92.3	95.3	96.1	96.9	97.4
Germany	59.4	60.1	58.8	57.5	59.1	62.8	64.9	67.0	66.3	63.5	65.0	72.5	81.2	78.4	79.6	77.1	74.6	71.2	67.7	65.1
Greece	97.6	98.9	104.7	107.0	104.8	101.5	102.8	107.3	103.5	103.1	109.6	126.7	145.8	172.0	159.4	178.0	180.5	177.4	176.9	172.7
Hungary	59.7	59.7	54.9	51.4	54.6	57.3	58.5	60.4	64.2	65.1	71.5	77.5	80.2	80.4	78.0	76.2	75.7	74.9	74.3	73.3
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	109.1	120.1	120.0	107.6	93.8	88.9	86.6
Italy	110.9	109.8	105.0	104.8	102.0	100.4	100.3	101.9	102.4	99.8	102.4	112.6	115.5	116.5	123.3	129.0	132.4	132.8	132.8	131.9
Luxembourg	7.6	6.7	6.5	7.0	6.9	6.9	7.3	7.5	7.9	7.8	15.1	16.0	20.1	19.1	22.0	23.3	22.9	21.4	22.1	24.4
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	65.1	64.7	64.1
Poland	38.8	39.5	36.6	37.2	41.8	46.6	45.3	46.7	47.2	44.2	46.6	49.8	53.3	54.4	54.0	56.0	50.5	51.3	52.3	53.7
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	129.0	128.3	128.3
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	52.4	55.0	53.9	52.9	53.3	53.0
Slovenia	22.8	23.7	25.9	26.1	27.3	26.7	26.8	26.3	26.0	22.8	21.8	34.6	38.4	46.6	53.9	71.0	81.0	83.2	85.1	86.2
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	99.2	100.3	100.1
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	37.1	39.7	44.7	43.4	42.5	41.5
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	89.2	89.9	89.4
Euro area	71.6	70.8	68.2	67.1	67.0	68.2	68.7	69.4	67.5	65.2	68.9	78.6	84.4	87.0	91.6	93.7	94.7	93.3	92.4	91.3

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368564

Annex Table 39. **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	2015	2016	2017
																		Fourth quarter		
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	2.3	2.1	2.4	2.2	2.0	2.6
Brazil	17.4	19.2	23.5	16.4	19.1	15.3	12.1	12.4	10.2	9.9	11.8	8.6	8.3	11.0	13.5	14.1	13.3	14.3	13.8	12.8
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	0.9	1.5	0.8	1.1	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	3.1	3.6	3.9	3.3	3.8	4.1
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	4.1	3.7	4.4	3.9	3.7
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	6.3	6.4	5.0	6.4	6.4
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	0.3	0.3	0.3	0.3
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	-0.1	-0.1	-0.1	-0.1
Estonia	5.3	3.9	2.9	2.5	2.4	3.2	4.9	6.7	5.9	1.6	1.4	0.6	0.2	0.2	0.0	-0.2	-0.3	-0.1	-0.3	-0.3
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	1.1	1.1	0.7	1.1	1.2
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	5.9	6.9	7.1	6.5	7.1	7.1
India[1]	8.5	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	6.4	6.1	6.8	6.5	6.0
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	8.3	7.1	6.3	8.0	6.8	6.1
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	0.1	0.2	0.1	0.1	0.5
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	0.0	0.0	0.1	0.0	0.0
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	1.8	1.5	1.4	1.6	1.4	1.6
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	0.2	0.0	-0.2	-0.3	-0.1	-0.3	-0.3
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	0.0	-0.2	-0.3	-0.1	-0.3	-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	3.1	3.8	4.4	3.2	4.1	4.6
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	2.5	2.6	2.8	2.4	2.9
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	0.9	1.1	0.9	0.9
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	1.7	1.8	1.7	1.7	2.1
Slovak Republic	7.8	7.8	6.2	4.7	2.9	4.3	4.3	4.2	1.2	0.8	1.4	0.6	0.2	0.2	0.0	-0.2	-0.3	-0.1	-0.3	-0.3
Slovenia	..	8.0	6.8	4.7	4.0	3.6	4.3	4.6	1.2	0.8	1.4	0.6	0.2	0.2	0.0	-0.2	-0.3	-0.1	-0.3	-0.3
South Africa	9.7	11.2	10.7	7.5	6.9	7.3	9.1	10.9	7.8	6.4	5.5	5.3	5.1	5.8	6.1	6.9	7.2	6.4	6.9	7.2
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	-0.4	0.0	-0.4	-0.2	0.0
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	-0.7	-0.7	-0.8	-0.7	-0.7
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	11.0	11.4	11.1	11.6	11.3	11.0
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	0.6	1.2	0.6	0.7	1.5
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	0.5	0.9	1.4	0.7	1.1	1.6
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	-0.2	-0.3	-0.1	-0.3	-0.3

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368570

Annex Table 40. **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	2015	2016	2017
																		Fourth quarter		
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	2.5	2.7	2.8	2.4	2.8
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	0.4	0.4	0.8	0.4	0.4
Belgium	5.1	5.0	4.2	4.2	3.4	3.8	4.3	4.4	3.9	3.5	4.2	3.0	2.4	1.7	0.8	0.6	0.6	0.9	0.6	0.6
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	1.5	2.3	1.5	1.8	2.5
Chile	..	..	..	..	6.0	6.2	6.1	7.0	5.7	6.3	6.0	5.5	5.3	4.7	4.4	4.5	4.7	4.5	4.6	4.8
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	7.8	9.0	8.4	8.5	8.9	8.4
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	0.6	0.5	0.5	0.5	0.5	0.5
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	0.7	0.7	0.8	0.8	0.8	0.8
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	0.6	0.6	0.8	0.6	0.6
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	0.8	0.5	0.5	0.9	0.5	0.5
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	0.2	0.1	0.5	0.1	0.1
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	9.6	8.1	5.9	7.8	7.1	5.1
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	3.4	3.3	3.5	3.4	3.3	3.7
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	6.3	5.9	5.9	5.7	5.9	5.9
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	7.9	7.6	7.3	8.0	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	0.8	0.8	1.1	0.8	0.8
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	2.2	3.0	2.2	2.5	3.3
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	1.5	1.5	1.6	1.5	1.5
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	-0.1	-0.1	0.3	-0.1	-0.1
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	1.9	2.3	2.2	1.9	2.6
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	1.0	0.7	0.7	1.1	0.7	0.7
Luxembourg	4.9	4.7	3.3	2.8	2.4	3.4	4.5	4.6	4.2	3.2	2.8	1.8	1.9	1.2	0.4	0.4	0.4	0.3	0.4	0.4
Mexico	..	10.1	9.0	9.5	9.4	8.4	7.8	8.3	7.8	7.0	6.8	6.1	5.8	6.0	5.8	6.3	6.8	5.6	6.5	7.0
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	0.4	0.4	0.7	0.4	0.4
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	3.2	3.6	3.5	3.2	3.7
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	1.6	1.5	1.6	1.6	1.5	1.7
Poland	10.7	7.4	5.8	6.9	5.2	5.2	5.5	6.1	6.1	5.8	6.0	5.0	4.0	3.5	2.7	3.0	3.1	2.8	3.0	3.2
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	3.1	3.2	2.5	3.2	3.2
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	0.9	0.6	0.6	0.7	0.6	0.6
Slovenia	..	..	6.4	4.7	3.8	3.9	4.6	4.6	4.3	3.8	5.2	5.7	5.8	3.1	1.7	1.4	1.4	1.7	1.4	1.4
South Africa	11.4	11.5	9.6	9.5	8.1	7.9	8.0	9.1	8.7	8.6	8.5	7.9	7.7	8.3	8.2	9.4	9.4	8.7	9.4	9.4
Spain	5.1	5.0	4.1	4.1	3.4	3.8	4.3	4.4	4.0	4.3	5.4	5.8	4.6	2.7	1.7	1.6	1.6	1.7	1.6	1.6
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	1.0	1.3	0.8	1.1	1.4
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	-0.1	-0.2	0.1	-0.2	-0.1	0.2
Turkey	..	..	..	..	..	16.0	16.8	19.3	13.5	9.5	9.4	8.5	7.7	9.2	9.3	10.2	10.0	10.2	10.2	9.9
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	1.9	2.8	1.9	2.2	3.1
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	2.2	3.0	2.2	2.5	3.3
Euro area	5.0	4.9	4.2	4.1	3.4	3.8	4.3	4.3	3.8	3.6	4.2	3.7	2.9	2.0	1.1	0.9	0.8	1.1	0.8	0.8

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368584

Annex Table 41. **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	Assumptions[1] 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	1.364	1.363
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	3.331	3.599	3.487
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	1.278	1.306	1.283
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	654.3	686.1	682.9
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	6.284	6.518	6.514
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	2 744.5	3 018.0	2 931.8
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	534.59	535.76	536.020
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	24.59	23.94	23.729
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	6.725	6.594	6.533
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	279.2	277.9	276.4
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	131.90	124.33	122.88
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	64.2	66.8	66.6
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	13 386.1	13 346.1	13 299.0
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	3.89	3.81	3.78
Japan	*Yen*	108.1	110.1	116.4	117.8	103.4	93.6	87.8	79.7	79.8	97.6	105.8	121.0	110.6	108.9
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	1 131.3	1 171.7	1 164.1
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	15.87	17.89	17.89
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	1.434	1.473	1.463
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	8.064	8.252	8.106
Poland	*Zloty*	3.651	3.234	3.103	2.765	2.410	3.119	3.015	2.962	3.252	3.160	3.154	3.770	3.893	3.881
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	61.26	67.70	65.16
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	12.765	15.182	15.019
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	8.429	8.224	8.155
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	0.962	0.975	0.970
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	2.723	2.939	2.952
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	0.654	0.693	0.690
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	0.901	0.885	0.877

1. On the technical assumption that exchange rates remain at their levels of 12 May 2016.

Source: OECD Economic Outlook 99 database.

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Annex Table 42. **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	90.2	88.8	88.4
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	101.8	101.9
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	99.6	102.3	102.4
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	62.6	59.9	61.4
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	86.6	85.8	87.0
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	90.7	89.3	89.1
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	126.1	123.1	122.2
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	79.6	74.1	75.8
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	108.3	109.8	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	93.6	96.5	96.5
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	99.2	101.8	101.9
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	107.6	111.1	110.8
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	107.7	107.5
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	98.6	100.9	101.0
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	99.3	102.2	102.3
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	107.1	107.0
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	89.7	90.7	90.4
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	111.9	119.7	119.9
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	80.0	78.3	78.1
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	75.0	76.2	76.0
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	95.3	98.0	98.2
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	110.5	114.5	114.7
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	100.7	103.8	103.8
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	79.0	88.7	89.6
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	115.4	113.0	113.1
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	115.6	121.4	120.6
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	109.6	114.4	113.9
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	98.4	99.9	100.0
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	84.5	75.4	75.2
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	99.8	102.5	102.5
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	109.1	107.6	107.8
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	87.4	85.6	86.4
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	97.9	95.3	94.6
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	101.7	101.7
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	58.0	52.5	54.0
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	104.8	104.8
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	104.3	104.3
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	65.4	55.5	55.8
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	99.8	102.6	102.7
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	105.8	105.7
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	126.4	125.9	125.7
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	67.1	63.0	62.1
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	116.7	110.8	110.4
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	116.3	119.9	119.0
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	99.5	104.5	104.7

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 12 May 2016.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368608

Annex Table 43. **Nominal house prices**

Percentage changes from previous period

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Australia	0.8	4.0	7.3	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	9.0
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	4.9
Belgium	2.2	2.4	6.3	7.1	5.4	4.8	6.4	6.9	8.7	11.7	9.8	7.8	4.4	-0.5	3.1	4.0	2.2	1.2	-0.6	0.8
Canada	0.0	2.5	-1.3	2.7	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	5.2
Chile	..	..	..	..	..	..	..	2.3	5.2	3.7	-0.6	7.1	-1.0	3.1	7.6	5.5	5.7	8.5	5.9	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	-3.8	-1.8	0.0	-1.4	0.0	2.4	4.0
Denmark	10.7	11.5	9.0	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	6.8
Estonia	..	..	..	..	..	..	..	..	..	..	49.5	20.8	-9.6	-37.2	5.7	8.5	7.3	10.7	13.7	6.9
Finland	5.9	15.8	8.8	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	-0.8
France	-1.7	-0.4	2.0	6.9	8.7	7.9	8.6	11.9	15.1	15.4	12.0	6.5	0.9	-7.1	5.1	5.9	-0.5	-2.1	-1.8	-1.8
Germany	-1.3	-1.8	-0.9	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	5.2
Greece	..	..	14.4	8.9	10.6	14.4	13.9	5.4	2.3	10.9	13.0	6.2	1.5	-4.3	-4.4	-5.5	-11.8	-10.9	-8.0	-5.0
Hungary	..	..	..	..	..	..	..	..	..	..	..	..	2.4	-5.2	-2.4	-3.4	-3.7	-2.6	4.2	11.7
Iceland	..	..	..	..	..	..	..	..	..	..	16.8	9.4	6.2	-9.7	-3.0	4.6	6.9	5.8	8.4	8.2
Ireland	8.6	14.7	24.1	21.5	20.7	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	10.5
Israel	16.0	9.2	3.8	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	5.8
Italy	-3.3	-4.6	2.1	5.6	8.3	8.2	9.6	10.3	9.9	7.5	6.4	5.2	1.7	-3.7	-1.1	0.7	-2.8	-5.7	-4.4	-2.4
Japan	-1.8	-1.4	-1.7	-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	2.4
Korea	0.7	3.0	-9.2	-1.3	1.8	3.9	16.6	9.0	0.7	1.0	6.7	10.0	7.1	0.9	2.2	4.9	1.2	-1.1	1.5	2.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	3.3	-1.1	5.4	3.7	4.2	5.0	4.4	5.4
Mexico	..	..	..	..	..	..	..	..	..	..	6.7	7.6	4.6	5.4	3.9	4.2	4.8	3.8	4.4	6.6
Netherlands	10.8	11.9	10.9	16.3	18.2	11.1	6.4	3.6	4.3	3.8	4.3	4.9	2.2	-4.4	-1.7	-2.0	-6.7	-6.0	0.8	3.5
New Zealand	11.9	6.2	-1.9	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	11.5
Norway	9.2	11.8	11.1	11.2	15.7	7.0	4.9	1.7	10.1	8.2	13.7	12.6	-1.1	1.9	8.3	8.0	6.7	4.1	2.7	6.1
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0.1	-3.5	-4.4	1.0	1.5
Portugal	1.6	3.6	4.5	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	3.1
Slovak Republic	..	..	..	..	..	..	..	..	..	..	16.7	29.0	17.9	-12.8	-4.0	-1.5	-2.7	0.9	1.4	5.4
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..	7.0	-9.5	0.1	2.7	-6.9	-5.2	-6.6	0.8
Spain	2.5	4.3	4.9	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	3.6
Sweden	0.8	6.6	9.5	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	13.1
Switzerland	-5.3	-3.5	-0.9	-0.1	0.9	1.9	4.6	3.0	2.4	1.1	2.5	2.1	2.6	5.0	4.7	4.1	3.7	4.7	1.3	2.3
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10.2	11.7	12.7	14.5	18.4
United Kingdom	3.7	8.8	11.5	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	6.7
United States	3.0	2.9	4.8	6.1	6.7	6.9	7.1	7.7	9.5	10.5	5.9	0.1	-8.0	-5.8	-3.0	-4.1	3.1	7.4	5.5	5.6
Euro area	-0.3	0.3	2.9	5.5	6.5	5.8	6.6	7.2	7.5	7.4	7.0	5.2	0.8	-3.7	1.4	1.6	-1.6	-1.2	0.7	1.8
Total OECD	1.2	2.0	3.2	4.6	5.5	5.0	6.4	6.4	6.5	6.6	5.6	3.6	-2.0	-3.9	1.0	-0.1	1.4	3.4	4.0	4.7

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933368614

Annex Table 44. **Real house prices**

Percentage changes from previous period

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Australia	-1.2	2.5	6.0	6.2	4.7	7.5	15.5	15.4	4.7	-0.3	3.2	7.1	0.7	1.4	9.2	-4.6	-2.8	4.1	6.9	7.4
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	3.8
Belgium	1.5	0.9	5.1	6.4	2.1	2.7	4.9	5.2	6.1	8.7	6.5	4.8	1.2	-0.1	1.4	1.0	0.2	0.1	-1.1	0.3
Canada	-1.5	1.1	-2.6	1.1	2.0	2.6	6.0	6.5	6.6	6.2	10.2	9.8	3.9	-3.0	7.4	2.8	3.5	1.2	3.0	4.0
Chile	..	..	..	..	..	..	..	-0.4	4.4	-0.4	-3.6	3.2	-7.9	1.7	4.4	1.6	2.9	5.5	0.5	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.7	-2.3	-1.6	-3.6	-0.8	1.9	3.9
Denmark	8.8	9.5	7.4	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	-5.0	3.1	2.9	6.2
Estonia	..	..	..	..	..	..	..	..	..	..	40.9	12.3	-16.6	-37.3	2.4	2.8	3.6	7.3	12.6	7.1
Finland	4.9	13.5	7.0	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	-0.8	-2.1	-1.1
France	-3.3	-1.2	1.7	7.4	6.3	5.8	7.7	10.0	12.7	13.3	9.7	4.3	-1.8	-5.8	4.0	4.1	-1.9	-2.9	-1.8	-1.7
Germany	-2.3	-3.0	-1.4	-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	4.5
Greece	..	..	9.0	5.9	7.1	11.2	11.6	2.8	-1.0	7.7	9.4	2.4	-2.7	-5.2	-7.7	-7.6	-12.1	-9.1	-5.3	-3.8
Hungary	..	..	..	..	..	..	..	..	..	..	..	..	-3.1	-8.9	-5.9	-6.9	-9.4	-4.6	3.1	11.6
Iceland	..	..	..	..	..	..	..	..	..	..	8.2	4.6	-6.4	-18.2	-5.1	1.0	1.2	2.5	5.4	7.3
Ireland	5.5	13.0	18.7	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	10.1
Israel	8.1	2.7	-1.7	-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	6.5
Italy	-7.0	-6.7	0.2	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	-2.5
Japan	-1.8	-2.6	-1.6	-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	2.2
Korea	-5.7	-3.1	-14.5	-3.8	-2.5	-0.5	13.1	5.6	-2.4	-1.1	5.1	7.8	2.4	-1.6	-0.3	1.2	-1.0	-2.0	0.5	1.9
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	1.1	-1.8	4.3	1.1	2.4	3.7	3.7	5.1
Mexico	..	..	..	..	..	..	..	..	..	..	3.1	2.5	-1.6	0.0	-0.5	0.7	0.9	1.2	0.1	2.4
Netherlands	8.4	9.4	8.8	14.5	14.5	7.4	3.2	1.6	2.7	2.3	1.6	2.5	0.0	-3.4	-2.7	-4.0	-8.0	-8.1	-0.5	3.2
New Zealand	9.9	4.8	-3.2	1.2	-2.7	-1.1	6.5	18.7	16.7	12.0	7.4	9.4	-7.8	-4.3	0.9	-1.8	4.0	8.3	5.6	10.7
Norway	7.9	9.2	8.4	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	2.0	0.6	3.8
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.6	-6.7	-4.7	1.1	2.8
Portugal	-1.2	0.6	2.0	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	2.4
Slovak Republic	..	..	..	..	..	..	..	..	..	..	11.3	25.7	12.9	-12.8	-4.9	-5.2	-5.9	-0.4	1.5	5.5
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..	1.3	-10.2	-1.3	0.9	-8.2	-6.0	-6.6	1.9
Spain	-0.3	1.4	3.2	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	4.1
Sweden	-0.1	5.1	9.0	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	8.5	12.0
Switzerland	-6.2	-4.4	-1.1	-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	3.4
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1.2	3.2	6.2	7.0	11.1
United Kingdom	0.4	6.7	9.2	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	8.2	6.5
United States	0.8	1.1	4.0	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	1.2	6.0	4.0	5.3
Euro area	-2.3	-1.4	1.7	4.5	3.9	3.3	4.5	4.8	5.4	5.2	4.6	2.8	-1.8	-3.0	-0.2	-0.7	-3.4	-2.3	0.2	1.6
Total OECD	-0.7	0.2	2.1	3.6	3.4	3.2	5.0	4.6	4.6	4.5	3.4	1.4	-4.7	-4.0	-0.6	-2.5	-0.5	2.0	2.5	4.0

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933368625

Annex Table 45. **House price-to-rent ratio**

Long-term average = 100

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Australia	78.1	78.9	82.2	85.9	90.3	97.3	112.8	130.7	135.5	135.0	139.7	146.4	141.3	137.7	147.4	137.9	132.0	136.2	144.9	155.4
Austria	..	..	..	..	101.8	99.1	98.0	96.5	92.5	94.3	95.9	96.5	95.0	94.6	100.6	103.5	106.4	108.6	108.1	108.6
Belgium	82.2	82.8	87.0	91.8	95.4	98.1	101.8	106.5	113.6	124.4	132.6	140.2	143.5	140.0	142.7	146.7	147.7	147.5	143.6	143.4
Canada	80.6	81.6	79.7	81.0	83.5	86.1	91.2	97.4	104.3	111.7	123.6	135.7	140.7	134.8	145.0	150.5	155.6	157.1	162.5	168.9
Denmark	80.4	87.3	93.3	97.0	100.6	103.6	104.7	105.1	111.4	129.0	157.0	157.9	145.7	124.5	124.5	118.8	112.7	114.7	116.9	122.6
Finland	79.4	90.0	95.8	101.3	99.3	94.5	100.6	107.6	115.3	121.2	123.5	122.9	118.5	122.5	133.3	132.5	129.6	128.2	123.6	119.0
France	72.2	70.9	70.9	74.5	81.1	87.2	92.3	100.6	112.5	125.4	135.8	140.3	138.5	126.1	130.4	136.6	133.8	128.9	125.3	122.3
Germany	95.8	91.8	89.9	89.1	88.5	87.5	85.7	83.7	81.9	80.3	79.6	79.4	78.9	78.6	79.8	83.4	87.5	91.8	95.0	98.8
Greece	..	76.8	82.5	86.0	91.5	100.7	109.3	109.5	106.3	113.1	122.4	124.4	121.5	112.2	104.7	98.1	88.4	84.5	84.2	83.7
Ireland	71.4	77.1	92.5	135.4	146.0	135.7	148.6	180.2	195.0	195.1	182.7	149.2	123.4	150.8	128.9	97.2	88.7	91.2	103.8	113.9
Israel	110.0	107.3	100.7	96.8	93.9	87.7	82.7	80.8	81.8	83.3	83.0	85.7	93.7	95.3	107.7	114.4	113.9	121.5	126.9	132.1
Italy	88.4	79.0	76.7	78.3	82.8	87.6	93.8	100.6	107.6	113.2	117.6	120.9	120.0	111.9	108.6	107.6	102.4	95.3	91.4	89.1
Japan	111.0	108.5	106.9	103.8	100.0	95.8	90.9	85.5	80.6	76.9	74.7	74.0	74.5	70.5	71.8	72.2	71.8	73.3	74.8	76.8
Korea	85.4	85.1	76.9	79.1	80.9	80.8	89.1	93.8	93.0	94.2	100.1	108.1	113.2	112.5	112.8	113.9	110.6	106.6	105.7	106.0
Netherlands	82.0	88.3	94.6	106.6	122.7	132.9	137.5	138.2	139.8	141.6	144.2	148.2	149.0	139.1	133.7	128.8	117.5	106.4	102.7	102.9
New Zealand	77.7	80.0	76.8	79.2	78.5	87.6	93.3	108.0	123.8	137.9	149.1	161.1	149.5	144.7	145.7	144.5	148.1	158.1	164.8	179.5
Norway	71.0	77.5	84.1	91.0	101.3	104.4	104.9	102.6	110.8	117.6	130.7	144.4	138.8	136.6	143.8	151.9	159.0	160.5	160.6	165.8
Portugal	94.7	94.5	96.2	103.4	108.8	111.7	108.8	107.4	105.3	105.2	104.7	102.5	94.4	91.1	89.9	84.7	77.2	74.8	74.7	76.1
Spain	84.8	83.3	83.3	86.1	89.2	93.7	104.9	120.8	137.3	150.9	164.2	172.9	163.5	148.1	143.9	131.5	111.5	101.5	102.5	106.7
Sweden	59.0	60.9	66.2	72.5	80.2	85.1	88.6	92.0	97.6	103.9	115.8	128.2	126.5	126.1	134.1	134.3	132.5	136.6	146.9	163.8
Switzerland	85.8	82.3	81.5	80.9	80.4	79.8	82.6	84.8	85.8	85.6	86.1	85.9	86.2	88.3	91.4	94.0	96.8	100.9	101.0	102.4
United Kingdom	64.0	67.4	72.9	78.5	87.4	91.5	103.5	118.0	129.2	131.6	135.7	145.9	139.9	126.6	133.9	129.4	127.3	128.6	138.2	143.3
United States	90.3	90.1	91.4	94.3	97.5	100.5	103.7	109.0	116.2	125.1	128.1	123.7	111.0	103.4	100.7	95.4	96.3	101.1	103.7	106.2
Euro area	87.0	84.2	84.1	87.1	91.0	94.2	98.1	102.8	107.9	112.9	117.2	119.6	117.6	111.7	111.5	111.6	108.2	105.7	105.3	106.3
Total OECD	88.9	88.1	88.7	91.1	94.1	96.3	99.7	104.0	108.6	113.4	116.7	117.5	112.4	106.3	106.5	104.6	104.0	105.6	107.8	110.6

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933368633

Annex Table 46. **House price-to-income ratio**

Long-term average = 100

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Australia	84.0	84.6	89.2	91.0	93.6	96.4	111.4	125.5	124.6	120.5	122.8	124.0	120.9	119.4	128.7	118.9	115.7	120.5	128.4	137.6
Austria	..	..	..	..	99.7	99.2	98.4	95.8	90.8	90.1	89.9	90.2	88.9	92.4	100.7	104.3	107.7	113.9	115.8	122.2
Belgium	85.0	85.3	88.1	92.1	92.5	92.8	98.5	104.2	111.4	120.8	126.7	131.1	130.9	129.1	133.6	137.6	138.3	139.8	138.6	138.0
Canada	93.8	93.6	89.3	87.8	86.5	87.8	92.0	97.2	101.1	105.4	111.4	119.0	120.2	116.3	122.4	124.3	126.8	125.7	129.2	132.7
Denmark	82.1	90.6	95.0	102.6	106.3	106.5	105.4	105.2	110.7	126.1	150.2	153.5	143.7	122.3	118.9	113.6	108.2	113.0	115.1	115.7
Finland	85.1	92.3	95.8	96.1	95.7	90.3	91.6	92.9	96.2	102.0	104.8	105.3	100.7	98.0	102.4	101.4	100.9	100.1	99.6	98.1
France	77.2	75.2	74.2	77.7	80.4	83.0	87.3	96.1	106.8	121.0	130.8	133.4	131.6	122.5	126.3	131.9	131.1	127.9	124.7	120.9
Germany	102.3	99.0	96.7	94.4	93.4	89.3	88.3	85.0	82.2	80.0	78.2	77.5	76.0	77.0	77.1	79.2	82.6	86.4	89.2	91.9
Greece	..	76.3	81.1	86.4	92.7	99.4	106.8	103.6	100.2	106.1	111.6	111.5	107.7	101.4	106.0	109.9	106.7	102.7	97.0	93.0
Ireland	72.3	76.4	85.2	99.2	119.1	118.5	120.2	130.9	138.4	140.9	155.6	157.9	138.8	121.4	112.5	99.1	88.3	90.9	100.7	100.8
Italy	84.2	78.7	79.9	82.1	85.5	88.4	93.5	99.8	105.4	111.2	114.7	117.0	118.0	117.7	117.4	116.0	116.8	110.3	105.7	102.6
Japan	107.1	104.1	102.1	100.1	97.9	96.4	91.8	87.1	81.7	77.5	74.9	74.0	75.1	71.5	72.4	72.4	71.7	72.7	73.3	74.2
Korea	83.3	80.0	71.5	67.7	65.8	64.9	71.0	72.9	68.7	66.2	67.7	71.3	72.6	71.0	68.7	68.6	67.2	63.6	62.0	60.8
Netherlands	85.4	89.6	95.1	105.9	119.5	121.5	126.7	131.2	135.7	140.0	142.1	143.3	145.2	140.0	137.9	132.1	123.4	114.8	113.2	114.7
New Zealand	93.5	95.7	91.4	86.6	88.2	84.1	90.8	100.5	113.0	124.3	129.3	133.8	127.6	119.9	118.1	113.2	115.2	123.4	133.7	150.1
Norway	77.2	81.5	84.1	89.7	97.8	103.5	99.4	94.6	100.1	99.7	120.0	127.2	119.2	116.2	122.0	126.8	130.0	129.2	127.7	130.9
Portugal	114.4	112.5	108.4	110.6	112.9	113.7	109.9	109.4	105.0	102.9	101.6	97.6	89.3	89.0	87.3	86.4	82.8	80.8	83.3	84.0
Spain	83.7	84.1	84.4	86.2	84.9	87.4	98.1	111.8	126.9	140.1	153.4	165.6	157.4	145.1	145.4	133.3	117.3	106.8	105.8	107.0
Sweden	73.2	77.8	83.3	87.0	91.1	90.7	92.4	96.7	103.6	109.6	117.7	124.6	120.6	119.4	126.0	122.9	120.1	124.7	133.9	147.1
Switzerland	89.4	84.1	80.9	78.4	76.2	75.6	80.2	82.9	83.8	82.9	81.6	79.8	80.6	84.4	87.9	90.9	92.7	95.6	96.6	98.7
United Kingdom	66.4	68.4	72.9	78.0	83.7	86.5	98.0	110.4	120.5	122.6	126.1	134.1	127.6	112.6	115.5	113.6	111.2	114.5	124.5	128.6
United States	93.2	92.0	91.4	93.7	93.9	96.8	100.2	103.8	108.1	115.4	115.7	111.7	99.1	94.7	90.1	82.9	82.0	88.8	90.6	92.8
Euro area	89.4	87.3	87.5	89.5	91.6	92.2	95.7	99.8	103.9	109.0	112.8	114.8	112.7	109.4	110.4	110.5	109.3	107.5	107.1	107.2
Total OECD	91.4	90.1	89.8	91.3	92.2	93.6	97.0	100.3	103.1	106.9	108.5	108.5	102.9	98.6	97.6	94.3	93.2	95.7	97.1	98.8

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933368649

Annex Table 47. **Export volumes of goods and services**

National accounts basis, percentage changes from previous period

	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	6.3	5.9	6.7	6.1	6.5	6.5
Austria	8.1	6.2	13.4	5.8	4.0	0.4	8.7	6.5	7.8	7.3	2.2	-14.9	13.7	6.0	1.7	0.7	2.3	1.6	3.4	4.7
Belgium	4.3	5.0	12.4	0.4	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	4.8	4.9	5.2
Brazil	4.8	5.7	13.4	8.7	6.5	11.1	14.0	10.6	4.8	5.8	0.1	-8.8	11.6	5.1	-0.1	2.6	-1.0	6.1	1.3	4.5
Canada	9.5	10.8	9.1	-3.0	1.2	-1.7	5.5	2.2	0.9	1.1	-4.6	-13.0	6.6	4.8	2.6	2.8	5.3	3.0	2.1	4.6
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	3.3	1.1	-1.9	1.3	2.2
China	6.6	11.3	28.3	6.0	26.5	28.0	24.4	23.5	25.1	20.2	9.7	-10.8	24.9	14.0	6.2	9.1	6.8	-1.9	-1.9	1.1
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	5.2	-1.3	-0.7	1.1	2.0
Costa Rica	27.3	21.4	-0.1	-10.2	3.8	12.0	6.9	14.6	10.7	9.0	-3.1	-5.1	5.8	6.2	8.2	3.7	-1.6	-8.4	2.0	5.2
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	8.8	7.2	5.5	5.7
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	0.6	0.9	3.1	-1.0	0.0	2.9
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	-1.1	1.2	3.5
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	-0.9	0.6	1.7	3.4
France	8.6	4.8	13.0	3.0	1.8	-1.0	4.6	3.8	6.0	2.7	0.0	-11.0	8.6	7.1	2.6	1.8	2.4	6.1	1.8	3.8
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	4.8	1.6	3.2
Greece	5.1	24.5	23.3	-1.4	-7.2	-0.8	18.0	4.4	5.1	10.0	3.6	-18.2	4.4	0.8	1.1	1.7	7.4	-3.7	-1.0	5.7
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	8.4	3.6	5.5
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	8.2	6.0	2.5
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	7.8	1.7	-6.0	-0.7	2.8
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	-2.0	0.1	3.5
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	13.8	6.0	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	-3.1	0.2	4.2
Italy	2.4	-1.3	12.8	2.3	-2.5	-1.5	5.5	4.3	8.5	5.5	-3.3	-17.9	11.3	6.1	2.0	0.9	2.9	4.1	2.1	3.8
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	8.3	2.8	1.1	3.6
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	2.0	0.8	1.1	3.5
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	1.4	1.4	5.0
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	-0.2	2.7	4.6
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	7.0	3.1	4.5
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	7.0	9.1	6.2	6.4
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	5.3	5.3	4.8
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	6.7	1.4	2.6
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	-1.7	2.2	3.4	-1.6	1.2
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	6.8	5.8	5.1
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	5.2	2.8	3.8
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	1.4	4.6	0.6	3.6	3.7	2.8
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	7.0	4.4	5.5
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	5.2	3.5	4.6
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	3.6	0.7	3.6	3.3	3.8	3.9	4.0
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	5.4	4.8	5.0
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	5.6	5.4	4.9
Switzerland	2.4	3.1	12.6	0.0	-2.0	-0.9	9.0	6.8	6.6	11.3	3.7	-9.9	12.6	4.8	1.4	15.2	-6.9	3.1	6.2	4.0
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	7.4	-0.8	2.7	5.2
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	1.2	5.1	1.9	2.3
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	1.1	0.4	3.5
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	2.7	3.9	3.9	2.6	4.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368657

Annex Table 48. **Import volumes of goods and services**

National accounts basis, percentage changes from previous period

	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	1.0	-0.2	2.1
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	1.9	4.3	5.2
Belgium	5.0	3.3	13.5	-1.0	0.9	1.5	6.2	6.5	4.6	5.7	3.5	-9.0	9.6	7.3	1.4	0.8	5.9	5.2	4.4	5.1
Brazil	0.3	-15.2	11.8	2.7	-13.5	-0.7	9.7	8.8	17.7	18.6	16.4	-7.3	33.9	10.5	0.3	6.9	-1.1	-14.1	-14.1	-4.4
Canada	5.3	8.1	8.5	-4.9	1.8	4.2	8.5	7.3	5.3	5.8	0.9	-12.4	13.8	5.6	3.6	1.5	1.8	0.1	-1.5	4.4
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	2.1	-5.7	-2.8	0.6	2.0
China	-3.0	23.1	24.0	9.2	25.0	32.5	23.3	12.8	16.9	13.7	5.6	4.0	18.1	16.0	7.1	11.0	9.3	3.9	4.0	2.1
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	6.0	7.8	3.9	0.9	1.1
Costa Rica	25.4	0.2	-2.6	1.1	6.8	1.1	8.9	12.3	8.2	4.2	6.5	-18.9	16.4	9.4	8.5	2.2	-3.8	-0.6	7.2	5.0
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	9.8	8.1	4.9	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	1.8	1.1	3.3	-1.4	0.7	2.8
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	-1.8	3.1	3.3
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	0.5	0.0	-0.4	2.6	2.5
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	6.4	4.4	3.9
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	5.4	3.9	4.8
Greece	18.2	14.5	22.6	-1.4	-3.4	7.4	4.0	2.5	13.2	14.3	1.0	-20.2	-3.4	-8.2	-9.4	-2.9	7.8	-6.9	-1.9	3.5
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	-3.5	6.3	8.5	7.8	3.7	6.6
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	0.1	9.8	13.5	9.8	3.5
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	-8.2	0.8	-5.6	-0.1	4.1
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	-5.8	0.6	4.7
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	16.4	6.9	4.5
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	0.7	7.0	4.2
Italy	8.6	4.1	11.3	1.7	0.9	1.3	4.1	3.8	8.2	4.7	-3.9	-12.7	12.1	1.2	-8.3	-2.2	3.0	5.8	3.2	4.3
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	7.2	0.3	0.3	1.6
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	1.5	3.2	0.6	3.3
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	1.8	1.3	5.3
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	6.0	3.0	5.2
Luxembourg	11.8	14.8	10.6	6.4	0.4	5.3	11.2	5.8	12.7	7.2	9.5	-13.5	8.6	7.5	1.5	5.7	8.0	6.5	3.6	4.3
Mexico	14.4	14.2	20.2	0.4	2.6	2.4	8.8	8.6	10.3	5.9	3.6	-17.0	20.5	8.1	4.7	3.5	5.9	5.1	4.4	4.8
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	6.4	6.6	5.3
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	3.6	1.3	3.4
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	4.9	1.5	1.1	-0.2	2.5
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	6.3	6.4	6.1
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	7.4	2.8	3.6
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	9.7	3.6	-7.6	-25.7	-6.3	3.2
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	8.2	3.3	5.3
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	4.4	3.1	5.2
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	11.9	4.2	5.0	-0.5	5.3	2.5	3.1
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	7.5	5.5	5.2
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	6.3	5.0	6.1	5.7
Switzerland	4.7	3.3	8.2	1.0	-2.3	0.5	3.5	10.0	3.4	5.8	4.7	-3.8	7.9	9.4	-2.5	13.5	-8.1	2.5	6.6	5.0
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	-0.3	0.3	5.6	5.4
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	2.4	6.3	2.9	2.6
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	4.9	1.9	4.3
Total OECD	7.2	7.8	12.3	0.0	2.4	4.1	8.8	6.7	8.0	5.5	0.5	-11.9	11.5	5.7	1.2	2.0	3.7	4.5	3.1	4.2

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368660

Annex Table 49. **Export prices of goods and services**

National accounts basis, percentage changes from previous period, 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	11.1	-9.6	-0.2	-3.9	-8.6	0.2	1.8
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	1.0	0.3	0.8
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	-2.0	0.4	0.8
Brazil	1.1	39.7	3.5	22.6	22.2	10.8	8.9	-7.6	-0.1	-1.1	16.0	-5.7	3.4	14.5	12.4	7.2	3.6	14.0	12.9	1.9
Canada	-0.6	1.1	6.3	1.3	-1.8	-1.6	2.1	2.8	0.2	0.8	10.6	-9.7	1.7	6.9	-0.8	1.2	3.5	-3.2	0.3	1.8
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	-3.1	10.1	-2.4	3.3	3.0
China	-6.5	-5.5	-0.7	1.4	-3.3	5.1	9.0	2.0	-0.3	0.6	-0.9	-7.9	1.8	4.9	-0.5	-3.3	0.6	0.1	-2.2	2.0
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	-2.2	-1.8	-1.9	3.6	1.8
Costa Rica	11.3	11.5	2.1	4.3	11.0	13.2	8.1	7.2	10.3	7.5	11.1	5.4	-3.4	0.2	0.8	-0.6	8.8	1.6	4.0	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	-1.1	-1.1	1.3
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	3.3	0.8	-1.9	3.1	0.8	1.3
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	-1.4	-0.1	1.7
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	-1.1	-0.8	-1.0	-1.7	1.8
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	0.1	-1.3	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	1.0	-0.1	0.8
Greece	4.7	1.8	6.1	4.0	1.9	2.0	2.0	2.0	3.3	2.9	3.8	-1.9	5.9	5.5	2.7	-1.6	-2.0	-5.0	-3.8	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	-0.3	0.7	1.5
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	1.6	-3.1	-1.2	1.9	-2.4	4.4
India[1]	5.3	-2.8	3.4	0.3	1.0	6.9	7.1	-0.6	5.8	6.3	13.7	2.7	9.9	8.9	6.5	8.6	-1.4	0.9	0.3	3.7
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	8.3	-0.6	-4.7	1.7
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	6.5	2.9	3.4
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	4.7	-0.3	1.1
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	-0.3	-0.3	-0.4	0.4	1.4
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	2.8	0.6	-5.7	1.0
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	-4.9	-5.0	-3.5	1.6
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	0.7	0.4	1.2
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	-4.0	1.9	2.3
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	4.8	2.1	2.7
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	6.0	-1.9	1.8	5.4	5.6	3.4
Netherlands	-1.4	-1.1	5.6	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	-2.9	-3.4	1.0
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	-4.1	-0.5	2.3
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	1.6	-0.9	-8.0	-5.1	2.5
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	1.4	1.3	1.3
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	-1.0	0.2	1.3
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	-1.3	12.9	7.3	5.8	0.6
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	-1.4	0.2	1.2
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	-0.1	0.5	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	13.0	4.3	9.1	5.3	-0.1	7.8	5.8
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	0.3	2.2	0.9
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	1.6	0.1	1.7
Switzerland	-0.9	0.1	3.3	-0.1	-2.0	0.4	0.7	1.9	4.9	3.9	2.5	-0.4	2.3	-0.5	2.2	-5.1	-3.4	-4.7	-1.1	0.7
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	13.0	4.1	1.2
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	-2.6	-5.2	-1.5	1.2
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	-4.9	-2.1	1.1
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	-1.0	-0.6	1.4

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 99 database.

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Annex Table 50. **Import prices of goods and services**

National accounts basis, percentage changes from previous period, 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	4.0	3.1	2.1	1.5
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	-0.4	-1.0	0.8
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	-3.2	-0.9	0.5
Brazil	2.9	55.3	7.6	25.0	20.3	12.5	5.3	-8.1	-7.1	-2.3	12.6	-5.2	-8.8	5.9	17.1	10.5	7.7	24.4	13.0	2.1
Canada	3.5	-0.3	2.0	2.5	0.5	-6.7	-2.2	-0.7	-0.8	-2.2	6.0	-0.6	-3.4	3.4	0.7	1.3	4.9	4.0	2.8	1.8
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	-0.1	12.1	2.2	3.9	3.2
China	2.1	-5.9	7.6	-0.4	-3.0	5.2	9.5	2.3	0.4	1.7	4.6	-15.1	12.5	8.9	-3.0	-4.2	-2.2	-11.2	-5.7	1.4
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	4.9	15.5	6.4	1.0
Costa Rica	9.0	13.8	11.4	5.6	12.4	16.2	9.2	13.7	14.3	9.7	11.8	0.0	-4.5	3.0	-0.4	-1.1	7.5	-6.3	0.2	4.1
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	-1.5	-1.6	1.4
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	2.5	-0.6	-2.3	2.8	0.5	0.8
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	-1.8	-0.4	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	-1.7	-1.6	-3.2	-1.3	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	-2.9	-2.6	1.1
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	-1.6	-1.7	0.8
Greece	4.2	1.1	8.3	2.8	0.9	-0.1	2.1	3.3	3.4	2.0	5.5	-1.4	5.3	6.1	4.2	-2.8	-3.7	-8.6	-1.7	0.1
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	4.1	-0.5	0.3	-1.0	0.2	1.6
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	4.8	-1.2	-4.3	-4.5	-4.0	1.8
India[1]	0.6	9.9	7.2	1.8	8.7	1.0	17.2	-2.0	5.4	6.2	8.1	3.9	7.9	9.6	8.1	11.8	0.5	0.6	1.4	2.8
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	-1.0	-1.7	2.0
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	2.9	1.2	3.0
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	-3.5	-2.4	1.5
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	-1.8	-2.5	-2.7	-1.3	1.3
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	3.9	-7.6	-10.5	1.2
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	-12.1	-2.9	1.7
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	-1.0	-1.0	1.6
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	-6.9	-1.0	1.8
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	4.1	1.5	2.1
Mexico	13.8	4.9	1.1	-3.1	2.8	11.1	10.3	0.1	4.1	4.0	6.7	13.3	-1.5	6.0	6.8	-3.6	3.3	12.1	8.5	3.4
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	-3.7	-3.2	1.2
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	0.7	2.2	1.4
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	1.6	4.6	4.9	1.4	2.3
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	-1.3	-0.7	1.6
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	-4.1	-1.2	0.6
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	4.7	4.4	18.2	41.5	15.4	0.1
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	-1.1	-0.1	0.9
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	-1.3	0.4	0.7
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	6.5	8.6	10.6	7.1	-3.6	7.7	5.4
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	-1.4	1.6	0.3
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	1.7	0.9	0.1	1.6
Switzerland	-1.9	-0.4	5.4	-0.2	-4.6	-1.2	1.9	3.5	6.2	4.9	3.6	-2.8	2.5	0.0	2.8	-5.1	-3.0	-6.3	-2.2	0.7
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	6.9	3.3	1.6
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	-3.6	-5.9	-0.3	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	-7.7	-3.9	0.4
Total OECD	1.3	0.5	6.5	2.1	-1.2	0.2	2.6	3.4	4.0	1.7	8.0	-5.6	3.6	6.6	1.9	-0.6	-0.1	-2.9	-1.3	1.2

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 99 database.

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Annex Table 51. **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	71.6	68.2	65.8	69.6	78.7	85.1	87.6	87.4	92.9	91.0	88.2	100.0	106.9	108.4	103.7	99.0	89.8	87.8	87.0
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	100.4	102.5	102.9
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	96.7	100.2	100.2
Brazil	95.4	63.9	69.4	58.9	55.9	53.7	55.9	69.3	77.6	83.7	87.9	87.9	100.0	104.8	94.8	89.9	88.6	73.9	74.9	78.6
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	84.5	83.8	84.8
Chile	101.4	95.3	94.4	85.6	87.9	82.0	87.6	93.2	97.5	95.9	97.3	94.8	100.0	101.1	103.7	103.1	94.2	92.7	92.5	93.1
China	97.2	92.3	92.8	97.8	95.9	89.4	86.7	85.7	87.1	90.1	97.9	102.0	100.0	102.3	108.1	114.7	117.5	128.0	126.1	125.5
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	81.6	80.1	83.5
Costa Rica	89.5	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	117.3	116.7	115.8
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	90.5	93.0	92.5
Denmark	95.1	95.6	91.7	92.8	95.0	100.1	101.0	99.7	99.4	99.9	101.5	104.4	100.0	99.4	96.7	97.7	98.9	96.0	97.6	97.3
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	102.8	104.8	104.5	106.1	105.3
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	100.9	99.4
France	103.2	101.3	96.0	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	93.7	94.6	93.4
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	94.6	96.1	95.7
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	90.8	91.6	90.3
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	89.2	89.3	88.9
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	117.9	125.3	127.1
India	86.4	86.1	88.0	88.8	88.5	87.0	86.0	88.1	87.3	93.5	88.9	90.2	100.0	99.1	94.6	93.7	96.4	104.2	104.0	104.6
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	96.0	91.9	85.7	86.4	88.7	90.0
Ireland	86.2	84.5	81.8	84.8	89.4	98.2	100.7	100.3	102.1	107.1	112.0	107.8	100.0	100.2	95.7	97.2	96.8	90.1	91.7	92.2
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	103.7	103.5	104.3	103.1
Italy	97.8	97.5	93.1	94.1	96.6	102.5	104.3	102.8	102.4	102.8	103.6	104.9	100.0	99.8	97.9	99.5	100.1	96.1	97.1	95.9
Japan	106.0	118.5	125.4	112.5	105.1	105.7	107.0	100.6	90.8	83.2	89.8	100.5	100.0	101.2	99.9	80.2	76.0	71.4	78.2	78.8
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	110.7	107.0	106.2
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	103.7	105.9	104.5
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	100.4	103.9	103.6
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	98.0	98.6	98.5
Mexico	96.6	105.8	115.2	123.1	123.4	109.8	105.1	108.9	108.9	107.6	105.5	92.8	100.0	100.1	97.3	102.7	101.8	91.4	82.7	83.2
Netherlands	97.6	97.5	92.9	95.4	98.6	104.2	105.0	103.5	102.2	102.5	103.0	104.8	100.0	99.4	96.9	99.8	101.0	97.7	99.3	98.7
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	104.3	101.3	100.2
Norway	89.4	90.1	88.4	91.2	98.8	98.3	94.0	97.3	96.9	96.9	97.5	95.5	100.0	100.7	100.3	98.6	93.8	86.3	86.3	87.8
Poland	85.9	85.2	93.0	104.1	99.6	89.0	88.1	97.8	99.4	102.6	111.7	94.8	100.0	98.2	95.7	96.0	97.1	94.3	90.0	88.7
Portugal	95.0	95.3	92.9	95.3	97.9	102.1	103.2	102.3	102.8	103.5	103.7	102.9	100.0	100.8	99.5	99.6	99.3	96.7	98.4	97.7
Russia	74.9	48.6	54.5	64.6	66.3	67.3	72.5	80.4	88.7	93.0	99.3	91.1	100.0	104.0	105.9	107.5	97.1	78.9	75.7	80.1
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	100.6	99.7
Slovenia	95.8	96.6	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	96.5	95.0
South Africa	106.3	100.0	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	74.8	66.1	68.4
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	95.3	95.6	94.9
Sweden	114.8	113.1	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	95.3	98.0	97.8
Switzerland	96.4	95.8	92.8	94.9	98.5	99.1	98.1	95.9	93.1	88.9	92.3	96.3	100.0	109.7	105.6	103.7	104.8	111.7	109.5	107.5
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	85.7	84.7	87.1
United Kingdom	129.5	129.7	130.5	127.1	127.4	121.6	126.3	123.9	124.4	125.9	109.6	99.4	100.0	100.6	104.9	103.5	111.3	117.7	110.3	109.2
United States	114.3	113.4	117.5	124.1	124.2	116.8	111.8	110.0	109.2	104.3	100.4	104.8	100.0	95.3	97.7	97.8	100.1	111.3	113.5	112.1
Euro area	100.7	98.5	88.6	89.9	93.7	104.6	107.9	105.1	104.0	105.9	107.8	109.5	100.0	99.2	94.3	97.3	98.7	91.8	94.2	93.0

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 99 database.

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Annex Table 52. **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	65.5	66.7	62.8	59.0	61.7	70.5	77.8	81.3	82.4	90.8	89.7	84.5	100.0	110.1	112.1	106.4	100.2	89.4	87.3	86.8
Austria	106.1	105.4	100.0	98.7	97.8	101.2	101.5	100.2	100.2	100.6	101.0	102.6	100.0	99.3	98.4	100.9	102.9	101.0	101.9	101.2
Belgium	97.9	97.7	92.1	94.4	96.4	101.2	101.1	100.1	100.7	101.6	104.1	104.5	100.0	101.5	99.8	102.6	102.6	97.7	98.5	97.7
Brazil	117.7	71.8	73.8	61.8	58.1	53.9	56.3	70.0	77.0	82.1	88.3	90.4	100.0	108.9	101.3	95.8	95.1	77.2	76.7	81.4
Canada	70.1	68.9	69.8	67.9	67.0	74.5	79.3	84.8	91.3	95.7	94.7	91.6	100.0	101.6	102.7	100.7	94.5	86.3	84.6	85.8
Chile	86.6	84.4	82.0	74.5	79.2	74.2	78.3	82.3	85.9	85.6	89.5	91.2	100.0	103.6	107.6	109.8	101.2	99.1	99.3	100.2
China	64.7	67.3	71.1	79.4	82.8	79.3	78.5	78.9	80.9	83.8	92.6	98.6	100.0	102.5	110.4	118.7	123.6	137.2	135.1	135.7
Colombia	87.8	80.1	72.4	71.6	71.4	60.6	65.7	74.4	74.2	83.0	87.4	87.6	100.0	99.1	107.5	105.9	99.3	78.3	71.4	71.8
Costa Rica	282.8	254.9	235.3	219.9	199.1	170.1	147.4	130.0	117.3	108.6	99.6	93.4	100.0	98.3	97.8	97.4	90.9	97.0	96.0	93.7
Czech Republic	66.1	66.9	66.3	70.8	81.8	81.9	84.6	88.9	92.2	94.9	105.8	99.4	100.0	101.7	98.2	95.9	90.6	88.8	90.7	91.0
Denmark	89.9	90.0	84.1	86.3	89.0	94.2	95.0	94.8	95.2	98.9	102.0	105.5	100.0	97.8	93.6	95.2	97.0	95.3	98.1	98.1
Estonia	70.3	79.1	73.7	73.9	75.3	80.4	82.5	83.4	86.7	96.4	107.7	108.7	100.0	96.4	93.5	97.5	102.9	109.0	112.8	110.9
Finland	104.0	107.0	98.8	99.3	100.0	104.3	104.5	103.3	101.0	98.8	100.7	107.4	100.0	98.7	97.4	99.0	101.4	100.1	101.1	98.8
France	98.3	97.3	92.3	92.5	95.2	100.6	101.7	101.2	101.3	101.9	102.1	102.6	100.0	99.2	96.6	97.8	98.8	94.3	95.2	94.4
Germany	121.2	120.3	112.0	108.5	108.5	114.0	114.0	108.9	104.0	101.7	101.3	105.8	100.0	98.6	96.6	100.0	102.8	100.3	104.0	104.0
Greece	75.8	79.7	74.1	74.4	81.8	87.3	90.2	92.4	91.9	94.5	97.4	101.7	100.0	96.9	89.4	82.9	81.5	80.6	82.2	81.1
Hungary	72.1	73.6	76.5	85.1	95.2	101.6	106.7	109.4	103.2	113.1	113.8	102.9	100.0	98.6	94.0	93.3	92.1	91.5	94.1	94.8
Iceland	140.0	149.8	155.6	137.0	148.3	157.8	159.9	185.1	182.3	187.2	133.8	90.5	100.0	105.6	105.8	110.0	121.4	130.5	141.8	144.0
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
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	69.5	68.6
Ireland	91.2	89.8	84.6	87.7	89.7	100.1	105.3	108.1	109.5	113.5	119.9	113.7	100.0	96.4	89.9	90.4	88.6	79.0	79.8	80.3
Israel	119.0	116.2	124.3	127.2	110.3	100.8	92.9	90.9	91.3	92.4	101.8	94.7	100.0	100.9	97.2	104.4	106.9	109.9	113.7	114.3
Italy	89.6	90.0	84.1	85.5	89.4	96.4	98.9	99.3	99.8	100.7	102.2	105.0	100.0	99.0	95.6	97.0	98.2	95.1	96.9	95.4
Japan	124.7	139.0	144.6	126.3	114.9	111.8	110.0	103.0	92.2	82.7	90.1	102.2	100.0	103.5	100.5	80.7	76.2	72.0	80.6	81.3
Korea	91.9	101.7	108.2	100.9	105.8	110.2	112.8	127.4	134.8	132.8	106.2	93.1	100.0	99.2	99.4	105.3	112.9	115.7	111.8	111.5
Latvia	78.1	96.8	97.6	91.2	84.7	82.2	82.7	87.8	96.5	117.1	131.5	115.8	100.0	95.5	94.1	96.4	104.1	111.9	116.8	113.8
Lithuania	79.0	95.1	91.0	84.9	86.9	90.0	94.3	96.6	103.2	106.0	113.2	112.0	100.0	98.0	93.9	95.6	99.9	104.1	108.4	108.2
Luxembourg	83.0	82.1	80.3	84.1	86.3	89.5	91.3	92.7	94.4	93.8	98.9	104.2	100.0	100.9	101.5	102.3	103.3	98.1	97.2	96.4
Mexico	80.0	90.1	101.9	113.2	117.8	106.9	102.3	107.3	107.7	106.5	107.0	94.4	100.0	100.5	97.4	102.3	99.3	87.3	77.4	76.8
Netherlands	95.6	96.4	93.4	94.7	99.3	105.4	105.6	102.2	100.1	101.3	102.7	105.9	100.0	99.1	96.6	97.8	98.4	93.6	95.3	94.6
New Zealand	80.9	76.7	68.5	68.7	74.9	87.2	95.7	103.3	96.4	105.1	100.2	92.0	100.0	102.1	103.9	109.2	115.2	106.8	104.6	104.2
Norway	69.8	72.1	70.1	72.4	80.1	79.3	76.8	81.4	84.9	90.9	96.1	93.5	100.0	106.2	109.0	110.1	105.0	95.7	93.7	94.7
Poland	100.0	98.4	101.3	113.4	103.1	89.9	85.2	95.1	97.1	101.4	115.1	92.5	100.0	96.1	92.6	92.7	93.9	90.3	87.3	87.1
Portugal	93.3	94.4	93.6	95.2	97.8	102.2	102.9	104.0	102.9	102.3	102.0	102.3	100.0	97.2	90.9	93.8	93.4	89.8	92.7	92.9
Russia	55.4	27.5	35.6	43.0	48.0	49.4	57.0	63.9	75.8	87.4	97.5	88.5	100.0	112.5	118.2	122.2	109.6	83.0	79.7	86.9
Slovak Republic	72.6	70.1	74.5	71.6	72.7	77.7	80.1	83.3	85.7	91.6	97.1	105.1	100.0	99.9	97.4	97.9	99.8	98.5	100.4	99.7
Slovenia	94.3	94.2	91.8	92.6	92.7	95.6	96.9	95.8	95.4	96.2	98.5	104.1	100.0	97.4	93.5	92.3	91.3	87.8	88.7	87.1
South Africa	86.0	82.3	79.8	68.5	58.4	77.7	88.8	91.4	88.9	84.9	74.4	82.1	100.0	100.5	95.1	85.8	81.1	80.3	72.6	77.3
Spain	83.7	84.3	82.0	83.4	86.5	91.8	94.9	96.3	98.7	102.3	105.8	104.8	100.0	97.8	90.1	89.8	89.5	86.3	86.4	84.1
Sweden	105.3	105.3	107.1	100.1	101.9	107.6	108.0	103.6	101.5	104.1	102.9	95.9	100.0	106.8	109.3	112.4	108.6	103.4	106.6	106.4
Switzerland	93.2	93.2	89.2	94.0	99.5	99.9	97.3	94.6	91.1	87.4	90.5	96.7	100.0	112.5	110.5	109.7	111.3	120.9	118.0	116.1
Turkey	89.4	116.0	124.5	92.5	93.1	86.7	85.8	96.6	90.9	94.2	98.8	91.1	100.0	86.6	91.0	94.1	90.6	90.3	89.5	92.7
United Kingdom	114.6	118.1	122.3	121.7	121.6	116.6	124.5	122.3	125.4	128.3	109.1	99.1	100.0	96.6	99.1	96.0	100.5	107.4	101.6	100.8
United States	124.6	124.7	129.5	133.7	131.1	121.9	116.7	113.0	112.1	107.9	102.3	104.3	100.0	95.2	97.1	97.5	101.1	114.6	119.5	118.8
Euro area	103.1	102.5	90.8	90.2	94.3	106.1	108.4	105.1	102.6	103.0	105.2	110.1	100.0	97.6	91.8	94.9	97.1	91.2	94.5	93.0

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 99 database.

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Annex Table 53. **Export market growth in goods and services**

Percentage changes from previous period

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	-3.1	5.8	13.6	0.7	6.5	9.9	13.6	9.0	9.8	7.9	5.1	-8.7	14.7	10.0	5.2	4.4	5.3	1.6	1.7	2.5
Austria	7.6	5.7	11.9	2.0	1.3	5.5	9.5	7.6	10.6	8.5	3.0	-11.4	11.9	6.9	0.8	3.2	3.2	3.6	3.2	4.2
Belgium	9.1	6.9	12.3	1.8	1.8	4.3	8.4	7.2	9.5	6.8	2.5	-10.7	10.7	6.1	1.5	2.3	3.7	4.2	3.5	4.0
Canada	9.9	9.0	12.8	-1.9	3.8	4.9	11.3	6.8	7.1	3.6	-1.1	-12.8	12.7	6.0	2.7	1.8	3.9	4.3	1.9	3.9
Chile	1.6	5.3	13.3	0.7	3.8	8.5	12.3	8.3	10.2	8.7	4.2	-8.9	15.2	9.7	3.8	4.5	4.6	1.7	1.6	2.5
Czech Republic	8.0	5.4	11.6	2.7	1.3	5.3	9.2	7.6	11.2	8.1	3.0	-12.1	11.8	6.8	1.1	2.8	3.5	3.9	3.5	4.4
Denmark	8.5	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	2.4	4.0	3.8	3.3	4.0
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	11.9	9.5	3.4	2.2	1.6	-0.8	2.4	4.0
Finland	6.4	4.2	12.3	1.5	3.0	6.1	10.3	8.6	10.8	9.3	3.7	-13.4	12.9	8.5	3.1	2.8	2.7	0.5	2.5	3.8
France	7.2	5.7	11.5	1.6	2.3	5.3	9.4	7.7	9.7	8.1	2.6	-11.1	10.9	5.9	1.3	2.7	3.6	3.4	2.9	3.6
Germany	7.3	5.1	12.4	1.9	3.1	4.9	9.6	7.9	9.4	8.0	2.9	-11.3	11.3	6.6	1.7	2.9	3.3	3.0	3.2	3.9
Greece	7.2	3.3	10.7	1.3	3.5	6.1	10.5	7.9	9.6	10.2	4.3	-11.2	10.6	7.1	2.2	2.8	2.8	2.8	2.6	2.8
Hungary	7.3	5.0	11.5	2.8	1.9	5.5	9.8	7.7	10.8	8.7	3.1	-12.3	11.7	7.0	1.5	2.6	3.2	3.3	3.3	4.0
Iceland	7.8	6.7	10.9	2.1	2.0	3.6	8.0	7.0	9.2	6.4	2.0	-10.9	9.9	5.0	2.0	2.5	3.2	3.8	3.7	4.1
Ireland	8.1	7.1	12.0	0.4	2.8	3.9	8.7	6.8	7.8	4.5	0.4	-11.0	10.8	5.3	1.5	2.5	3.4	4.5	3.1	3.9
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	13.5	7.6	3.1	2.6	3.3	2.6	2.2	3.6
Italy	7.7	5.4	12.1	1.6	2.5	5.4	9.7	8.1	9.6	8.9	3.4	-11.3	10.7	6.7	2.0	3.2	3.0	2.7	2.8	3.6
Japan	0.3	6.7	15.3	-1.0	7.2	9.8	14.5	9.0	10.2	8.7	4.0	-8.6	15.3	9.0	4.1	4.6	4.2	2.3	2.2	2.9
Korea	1.7	4.3	14.2	0.8	6.4	10.5	14.7	9.6	10.8	9.6	5.1	-8.6	14.8	9.5	5.0	5.1	5.0	1.7	2.0	2.6
Luxembourg	8.4	6.0	12.4	1.5	1.4	3.7	7.4	7.0	9.0	6.5	1.7	-10.4	10.4	5.8	0.6	2.6	3.4	4.5	3.7	4.2
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	2.4	1.5	3.6	4.2	1.7	4.0
Netherlands	8.1	6.0	12.2	1.4	1.5	4.4	8.4	7.2	9.4	7.0	2.2	-11.0	10.8	6.1	1.1	2.4	3.8	4.2	3.3	4.1
New Zealand	2.1	5.1	12.1	-0.6	6.7	8.7	13.5	8.9	9.6	9.5	6.0	-9.3	13.5	8.8	5.2	2.4	3.0	1.6	1.3	2.4
Norway	8.3	6.8	11.8	2.0	2.9	3.7	7.8	7.2	9.5	4.6	1.1	-10.5	10.1	4.7	2.0	2.2	3.7	4.6	3.4	3.8
Poland	7.9	5.4	12.1	2.9	2.0	5.1	9.6	7.9	10.7	8.2	2.6	-12.5	11.6	6.9	1.3	2.6	3.3	3.4	3.3	4.3
Portugal	10.1	7.7	11.2	2.7	2.5	4.7	9.0	7.5	8.9	8.2	0.5	-12.4	9.1	4.1	0.1	1.9	4.1	4.5	3.4	3.8
Slovak Republic	9.0	5.6	12.9	2.8	2.1	5.6	10.5	7.6	10.7	9.2	2.9	-12.1	11.9	6.4	0.6	2.2	4.5	4.3	3.9	4.8
Slovenia	7.8	4.3	11.6	3.0	1.9	5.2	9.5	7.4	10.5	9.4	3.6	-12.3	11.5	7.0	1.0	2.3	3.1	3.1	3.1	3.9
Spain	9.0	5.4	11.8	1.5	1.7	3.6	8.2	6.9	9.0	7.4	2.6	-10.6	10.5	5.2	0.7	2.6	3.5	4.0	3.0	3.6
Sweden	7.7	4.1	11.0	1.5	3.0	4.1	9.3	8.4	10.1	7.6	3.2	-11.5	10.0	6.3	2.4	2.7	3.1	2.4	2.3	3.4
Switzerland	6.8	6.3	12.4	1.1	2.4	5.4	9.6	7.3	9.5	7.1	2.1	-11.0	12.0	6.4	1.8	2.5	3.8	3.3	2.6	3.6
Turkey	6.7	3.1	10.8	4.0	3.3	5.6	10.4	9.2	10.5	11.8	5.9	-10.7	8.9	6.3	4.0	2.8	3.0	1.0	1.6	2.5
United Kingdom	9.5	6.8	13.0	1.4	2.4	4.2	9.3	8.1	9.1	7.7	2.0	-9.9	10.1	5.5	2.0	2.4	4.7	5.1	3.6	4.0
United States	3.8	5.7	12.4	-0.4	3.2	6.0	10.8	8.6	9.2	8.3	4.3	-10.7	14.3	7.9	4.0	3.5	3.5	1.8	1.5	3.1
Total OECD	6.4	6.0	12.5	0.8	3.1	5.7	10.3	8.0	9.4	7.6	2.9	-10.8	12.2	7.0	2.5	3.0	3.7	3.1	2.6	3.5
China	2.2	4.7	13.2	-0.8	3.9	6.2	12.0	8.0	8.8	7.5	3.8	-12.1	13.5	6.9	3.5	2.5	3.0	1.4	1.4	3.1
Other industrialised Asia[1]	0.3	4.1	14.1	-0.2	5.7	8.7	13.8	8.9	9.6	8.5	4.6	-9.3	14.2	8.4	4.5	4.1	4.3	1.8	1.9	2.7
Russia	6.0	4.9	12.0	1.2	3.6	6.1	10.1	8.1	9.7	9.0	3.7	-10.8	11.2	7.2	2.3	3.0	3.6	3.3	3.2	3.5
Brazil	5.0	2.2	10.8	0.2	-0.3	9.5	14.1	9.9	10.6	10.8	5.7	-10.4	14.2	10.1	3.4	3.9	2.5	2.3	2.3	2.8
Other oil producers	2.6	5.4	13.1	0.2	4.9	7.6	12.2	9.0	9.9	8.1	4.9	-10.2	13.2	8.5	4.2	2.4	3.9	1.5	1.5	2.8
Rest of the world	5.7	3.0	11.7	2.0	3.6	6.7	11.5	9.0	10.5	10.6	5.3	-11.7	12.3	8.3	3.6	3.1	2.5	0.4	1.4	2.7

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 99 database.

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Annex Table 54. **Export performance for total goods and services**

Percentage changes from previous period

	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	-2.0	1.9	-5.5	-10.5	-8.6	-5.5	-6.1	-4.4	-1.5	12.3	-8.1	-9.2	1.0	1.5	1.4	4.4	4.7	3.9
Austria	0.5	0.5	1.4	3.7	2.7	-4.8	-0.7	-1.1	-2.6	-1.1	-0.8	-3.9	1.6	-0.8	0.9	-2.4	-0.9	-1.9	0.1	0.5
Belgium	-4.4	-1.8	0.0	-1.4	1.9	-2.6	-2.0	-2.0	-3.9	-1.0	-0.8	1.5	-0.4	0.6	0.3	-0.7	1.6	0.6	1.4	1.1
Canada	-0.4	1.7	-3.3	-1.1	-2.5	-6.3	-5.2	-4.3	-5.8	-2.3	-3.4	-0.3	-5.4	-1.2	0.0	1.1	1.4	-1.2	0.2	0.7
Chile	3.7	1.1	-7.2	6.2	-1.7	-1.6	1.6	-5.1	-4.6	-1.4	-4.7	4.7	-11.2	-3.8	-3.5	-1.2	-3.4	-3.6	-0.2	-0.3
Czech Republic	1.6	-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	-2.7	5.1	3.1	1.9	1.3
Denmark	-4.0	5.5	1.1	2.2	1.9	-5.0	-5.6	0.5	0.1	-3.6	0.8	2.3	-8.4	1.0	-1.3	-1.5	-0.9	-4.6	-3.2	-1.0
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	2.7	2.4	0.2	-0.3	-1.2	-0.5
Finland	2.3	6.9	3.4	-0.2	0.6	-6.9	-1.5	-1.6	-0.6	-0.2	2.8	-7.7	-6.0	-6.0	-1.8	-1.6	-3.5	0.0	-0.8	-0.4
France	1.3	-0.9	1.3	1.4	-0.4	-5.9	-4.4	-3.6	-3.4	-5.0	-2.5	0.1	-2.1	1.2	1.3	-0.9	-1.2	2.6	-1.1	0.2
Germany	-0.2	-0.1	1.8	4.1	1.2	-2.9	0.7	-0.9	3.1	1.5	-1.6	-3.3	2.6	1.7	1.7	-1.1	0.6	1.8	-1.6	-0.7
Greece	-1.9	20.5	11.4	-2.6	-10.3	-6.4	6.8	-3.2	-4.1	-0.2	-0.7	-7.8	-5.6	-5.8	-1.1	-1.1	4.4	-6.3	-3.6	2.8
Hungary	7.7	6.5	12.1	5.9	3.8	0.7	7.4	4.8	7.9	6.8	3.7	1.0	-0.4	-0.4	-3.2	3.7	4.2	5.0	0.3	1.4
Iceland	-5.9	-3.3	-6.4	4.5	1.4	-2.6	0.1	0.0	-12.8	16.0	1.3	21.5	-8.1	-1.5	1.6	4.1	-0.1	4.2	2.2	-1.5
Ireland	13.9	7.9	7.0	8.4	2.9	-2.9	-0.9	-0.5	-0.8	4.9	-0.6	11.2	-4.0	-3.0	0.6	0.0	8.4	8.9	2.8	0.5
Israel	-0.9	7.3	9.3	-10.2	-5.9	1.8	5.4	-2.8	-3.2	4.1	3.4	0.0	1.2	1.2	-2.0	-2.4	-1.6	-5.5	-2.0	0.6
Italy	-4.9	-6.4	0.7	0.7	-4.8	-6.6	-3.9	-3.5	-1.0	-3.1	-6.5	-7.5	0.6	-0.5	0.0	-2.2	-0.1	1.4	-0.7	0.3
Japan	-3.0	-4.6	-2.4	-6.1	0.7	-0.3	-0.4	-2.5	-0.2	0.0	-2.5	-17.1	8.3	-8.6	-4.2	-3.3	4.0	0.4	-1.0	0.7
Korea	12.3	8.4	2.6	-3.0	6.2	3.1	5.1	-1.6	1.1	2.8	2.2	9.1	-1.8	5.2	0.1	-0.8	-2.8	-0.9	-0.9	0.9
Luxembourg	2.6	7.9	0.2	3.8	0.7	-0.9	3.3	-1.4	3.7	2.2	4.2	-2.0	-1.9	-0.3	-0.4	4.2	3.3	2.4	-0.6	0.4
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	6.8	2.0	3.4	0.7	3.2	4.7	4.4	2.3
Netherlands	-1.6	2.3	0.8	0.0	-1.0	-2.4	-0.3	-1.2	-2.0	-1.3	-0.3	2.3	-0.5	-1.6	2.7	-0.1	0.2	1.1	1.9	0.7
New Zealand	0.0	3.1	-3.9	3.8	0.2	-5.8	-7.3	-8.7	-7.1	-4.2	-6.7	12.4	-9.0	-5.7	-3.2	-1.3	0.1	4.9	0.2	0.1
Norway	-7.1	-3.7	-7.7	2.3	-3.1	-3.7	-6.3	-6.3	-9.4	-3.1	-1.0	7.2	-8.6	-5.2	-0.5	-3.7	-1.4	-1.1	-4.9	-2.5
Poland	5.9	-7.6	10.6	-0.5	2.7	8.6	-4.3	1.7	4.5	1.8	4.3	7.1	1.2	0.9	3.2	3.4	3.0	3.3	2.4	0.8
Portugal	-1.9	-3.8	-2.4	-0.4	0.6	-1.3	-4.1	-6.5	3.2	-0.8	-0.8	2.5	0.4	2.8	3.3	5.0	-0.2	0.6	-0.6	0.0
Slovak Republic	-10.6	4.3	-4.8	7.6	4.9	12.1	9.3	4.9	11.0	5.0	0.1	-5.3	3.4	5.3	8.7	4.0	-0.9	2.6	0.5	0.6
Slovenia	0.0	-2.2	0.9	4.0	5.7	-1.9	3.2	3.7	3.3	3.9	0.6	-4.9	-1.2	-0.1	-0.4	0.8	2.6	2.0	0.4	0.7
Spain	-0.9	2.5	-1.2	2.1	-0.4	-0.2	-3.7	-4.8	-3.7	0.8	-3.3	-0.5	-1.0	2.1	0.4	1.7	1.5	1.4	1.7	1.3
Sweden	1.0	2.6	0.9	-0.6	-1.7	0.2	0.5	-1.7	-0.9	-2.7	-1.5	-3.2	1.3	-0.1	-0.8	-3.4	0.6	3.1	3.1	1.5
Switzerland	-4.1	-3.0	0.2	-1.1	-4.3	-6.0	-0.5	-0.5	-2.6	3.9	1.5	1.2	0.5	-1.5	-0.4	12.4	-10.4	-0.1	3.4	0.4
Turkey	4.9	-13.4	4.7	0.0	3.4	1.2	0.7	-1.2	-3.5	-4.1	-3.0	6.3	-5.0	1.5	11.9	-2.9	4.3	-1.8	1.1	2.6
United Kingdom	-5.7	-3.7	-3.0	0.6	0.0	-1.4	-3.9	-0.1	3.1	-8.6	-0.7	1.2	-3.9	0.3	-1.2	-1.1	-3.4	0.0	-1.6	-1.6
United States	-1.4	-2.9	-3.4	-5.5	-4.7	-4.0	-0.9	-2.1	-0.2	0.9	1.3	2.1	-2.1	-1.0	-0.5	-0.7	-0.1	-0.7	-1.1	0.3
Total OECD	-1.2	-1.0	-0.5	-0.4	-1.1	-3.2	-1.5	-2.0	-0.7	-0.7	-0.9	-0.5	-0.8	-0.7	0.3	-0.3	0.1	0.9	0.0	0.4
China	4.4	6.3	13.3	6.8	21.8	20.6	11.1	14.3	15.0	11.8	5.8	1.4	10.0	6.6	2.6	6.5	3.6	-3.3	-3.3	-1.9
Other industrialised Asia[1]	-0.1	0.7	2.9	-2.9	2.9	1.5	2.3	2.6	1.8	-0.3	0.7	1.3	1.9	-0.6	-1.1	0.8	-0.4	-2.6	-0.7	-0.5
Russia	-3.8	6.0	-2.2	3.0	6.5	6.1	1.5	-1.5	-2.2	-2.5	-3.0	6.7	-3.7	-6.4	-0.9	1.5	-2.9	0.3	0.5	-0.7
Brazil	-0.2	3.4	2.4	8.4	6.8	1.5	0.0	0.6	-5.3	-4.5	-5.3	1.8	-2.3	-4.6	-3.4	-1.2	-3.4	3.8	-0.9	1.6
Other oil producers	-0.7	-8.7	-8.8	-0.3	-7.0	4.8	-2.2	-0.5	-5.5	-4.4	-0.7	3.2	-7.9	-3.1	1.8	-2.2	-3.8	3.7	1.5	-1.6
Rest of the world	-3.3	-0.5	-3.1	2.3	-0.2	-0.4	-0.9	-2.8	-3.7	-2.5	-1.3	4.7	-3.4	-1.7	-0.6	0.8	-0.6	1.0	0.1	-1.5

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, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Source: OECD Economic Outlook 99 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	11.2	11.6	12.0	11.2	11.9	12.6	13.8	14.3	15.0	16.0	17.1	15.5	17.2	18.3	18.7	18.1	17.5	17.3	17.0	16.8
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	33.6	34.2	35.0
Belgium	38.1	38.0	40.2	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	47.5	48.4
Brazil	12.2	10.4	11.1	11.2	9.6	9.4	9.7	10.1	11.3	12.5	13.6	12.8	15.4	16.2	16.0	16.5	16.3	14.9	13.5	13.2
Canada	21.6	22.1	22.6	21.5	21.3	21.7	22.5	23.2	23.6	24.3	24.3	22.5	24.2	24.7	25.0	24.9	24.8	24.6	24.0	24.4
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	30.1	28.3	27.2	27.2	27.1
China	12.2	13.7	15.3	15.5	17.3	20.1	22.0	22.3	22.9	22.8	22.2	21.3	22.5	23.5	23.4	23.9	24.2	23.7	23.3	22.6
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	22.2	22.3	22.1	21.8
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	32.4	33.1	33.3
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	43.4	44.0	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	32.0	32.3	32.7	32.1	32.1	32.3
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	47.2	46.3	45.8	46.2	46.3
Finland	22.0	21.9	23.5	23.4	23.9	24.4	25.1	26.6	27.1	27.4	28.9	26.8	27.2	27.9	28.5	28.8	28.8	28.8	29.1	29.3
France	17.2	17.6	19.2	19.2	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	24.4	24.9	25.3
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	29.8	30.4
Greece	20.4	22.1	25.1	24.0	22.7	23.0	22.8	23.2	24.4	26.3	26.6	23.1	23.4	23.6	23.2	23.1	24.3	23.1	22.8	23.1
Hungary	28.7	30.5	33.7	34.1	34.9	36.1	38.6	39.4	41.9	45.0	46.2	44.0	46.3	47.0	46.5	47.6	48.8	50.1	50.5	51.5
Iceland	26.6	26.4	27.0	24.2	23.6	24.9	25.9	29.8	30.9	28.4	23.7	20.1	21.3	22.1	22.7	21.9	23.2	24.7	25.6	25.6
India[1]	12.6	12.6	12.6	12.4	13.2	13.8	15.3	18.0	19.6	19.6	22.4	20.7	21.5	23.7	23.8	21.2	20.2	18.2	17.1	16.7
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	17.3	16.6	16.5
Ireland	42.4	42.8	44.6	44.7	43.8	42.7	43.8	44.7	46.1	46.5	46.3	47.1	48.0	46.5	47.0	46.6	48.9	50.9	51.5	51.8
Israel	23.9	25.9	26.4	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	24.8	25.6	25.8
Italy	17.5	17.8	18.8	18.9	19.0	19.1	19.5	20.0	20.9	21.5	21.0	19.7	21.3	21.4	20.4	20.4	20.9	21.7	22.1	22.6
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	13.3	13.2	13.2	13.3
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	33.1	33.3	32.8	32.9
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	37.9	37.6	38.0
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	42.6	43.7	43.6	44.7	44.9	45.4
Luxembourg	52.3	53.5	54.0	55.0	54.3	55.1	56.7	57.3	59.0	58.7	60.9	58.9	59.5	60.7	61.2	61.5	62.2	62.6	62.8	62.9
Mexico	15.9	17.3	19.5	19.7	19.9	20.1	20.6	21.4	22.1	22.7	23.1	20.8	23.2	23.7	23.6	24.1	24.7	24.8	25.1	25.4
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	42.2	43.4	44.1
New Zealand	18.8	19.9	19.2	19.2	19.9	20.4	22.3	22.9	22.0	22.9	23.5	20.7	22.2	23.0	23.0	23.8	24.7	24.8	24.4	24.6
Norway	18.3	17.8	17.7	17.6	17.5	17.5	18.1	18.8	19.8	20.9	21.3	19.8	21.0	21.5	21.5	22.2	22.1	22.0	21.8	22.0
Poland	24.0	23.4	24.9	24.0	24.2	25.3	25.8	26.3	28.4	30.0	31.0	27.7	29.6	29.8	29.4	29.5	30.8	31.3	32.1	32.6
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	30.9	31.3	31.8
Russia	8.0	6.9	7.9	8.8	9.5	10.2	11.4	12.3	13.5	15.2	16.3	12.8	14.9	16.7	17.6	17.9	16.6	13.3	12.7	13.0
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	47.8	48.3
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	41.6
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	22.9	23.2	23.7	23.3	24.0	24.3	24.6
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	22.3	22.7	23.2
Sweden	24.5	24.5	25.7	25.2	24.5	24.8	25.2	25.9	26.6	27.3	28.2	26.3	27.4	28.3	28.5	28.2	29.0	29.2	29.8	30.3
Switzerland	31.1	31.4	32.3	32.2	31.7	31.7	31.9	33.4	33.2	33.6	34.1	33.7	34.8	36.4	35.6	38.1	35.5	35.9	37.1	37.9
Turkey	16.8	16.6	18.5	15.4	17.1	19.5	21.1	21.8	21.8	22.7	21.9	20.0	21.9	22.2	21.7	22.5	21.9	21.2	21.6	21.8
United Kingdom	20.1	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	25.1	25.4	25.5
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	14.0	14.2
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	23.0

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368734

Annex Table 56. **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	2.4	2.4
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	7.9	7.9
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	2.8	2.8
Japan	6.2	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	3.6	3.7	3.8
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	3.6	3.6
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	10.9	10.8	10.7
Other OECD countries	27.5	27.5	26.8	27.4	27.7	28.2	28.3	27.7	27.3	27.8	27.8	28.2	27.2	26.9	26.3	26.6	26.7	26.6	27.6	28.1
Total OECD	76.3	75.7	73.2	73.5	72.7	71.8	70.4	68.0	66.6	66.0	64.1	64.4	62.2	60.6	59.4	59.4	59.9	60.8	62.4	62.8
China	2.8	2.8	3.2	3.6	4.2	4.8	5.4	6.1	6.8	7.4	7.7	8.0	8.6	9.1	9.7	10.2	10.8	11.7	10.9	10.7
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	12.8	13.0	13.0	13.1	13.5	13.5	13.3
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	1.2	1.2
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	1.9	1.9	1.9
Other oil producers	2.9	3.5	4.6	4.3	4.3	4.7	5.2	6.4	6.8	6.8	7.8	6.7	7.0	7.9	8.4	8.0	7.2	5.6	4.9	4.8
Rest of the world	4.4	4.3	4.2	4.4	4.4	4.5	4.5	4.6	4.7	4.9	5.3	5.5	5.5	5.6	5.6	5.5	5.4	5.4	5.2	5.2
Total of non-OECD countries	23.7	24.3	26.8	26.5	27.3	28.2	29.6	32.0	33.4	34.0	35.9	35.6	37.8	39.4	40.6	40.6	40.1	39.2	37.6	37.2
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	2.5	2.6	2.6	2.6
France	5.3	5.1	4.8	4.9	4.8	5.0	4.8	4.7	4.5	4.5	4.4	4.5	4.0	4.0	3.8	3.8	3.8	3.7	3.8	3.9
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	6.6	6.4	6.7	6.8
Italy	4.0	3.8	3.7	3.8	3.8	3.9	3.8	3.7	3.7	3.7	3.4	3.3	3.2	3.0	2.6	2.5	2.5	2.4	2.5	2.5
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	3.8	3.7
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	3.9	4.1	4.0	4.0
United States	16.7	18.0	18.9	18.4	18.1	16.9	16.3	16.2	15.6	14.3	13.3	12.9	13.0	12.4	12.6	12.4	12.6	13.7	13.5	13.4
Other OECD countries	26.6	26.6	25.9	26.0	26.4	27.1	27.3	27.1	27.0	27.8	27.7	27.2	26.3	26.3	25.4	25.4	25.3	25.0	25.9	26.3
Total OECD	75.9	77.1	76.0	75.6	75.1	74.6	73.3	72.2	71.3	69.8	67.8	66.4	64.5	63.6	61.9	61.3	61.5	61.7	62.8	63.2
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	9.9	10.1	9.6	9.4
Other industrialised Asia[1]	10.8	10.9	11.7	11.0	11.0	10.7	11.0	11.2	11.2	11.0	11.3	11.7	12.8	12.8	13.2	13.1	12.9	13.0	12.9	13.0
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	1.3	1.1	1.1
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	1.7	1.9	2.0	2.1	1.9	1.4	1.4	1.4
Other oil producers	3.1	2.8	2.8	3.1	3.3	3.4	3.5	3.9	4.1	4.7	5.2	5.8	5.4	5.1	5.6	5.6	5.7	5.8	5.5	5.3
Rest of the world	5.7	5.1	4.9	5.0	4.9	5.0	5.2	5.4	5.6	6.1	6.7	6.6	6.5	6.7	6.9	6.9	6.7	6.8	6.7	6.6
Total of non-OECD countries	24.1	22.9	24.0	24.4	24.9	25.4	26.7	27.8	28.7	30.2	32.2	33.6	35.5	36.4	38.1	38.7	38.5	38.3	37.2	36.8

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 99 database.

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Annex Table 57. **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
A. Trade growth	Percentage changes from previous period																			
OECD America[1]	7.6	7.5	11.0	-3.6	1.6	2.8	9.9	6.1	6.7	4.9	0.5	-12.1	12.8	6.3	3.1	2.0	3.8	3.3	1.6	4.2
OECD Europe	7.9	5.7	12.5	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	3.6	5.2	3.7	4.2
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	4.8	2.1	1.2	3.2
Total OECD	6.2	6.3	12.1	0.2	2.2	3.2	8.7	6.3	8.3	6.1	1.2	-11.6	11.4	5.9	2.0	2.4	3.8	4.2	2.8	4.1
China	1.8	16.9	26.2	7.6	25.7	30.2	23.8	18.1	21.2	17.2	7.9	-4.3	21.6	15.0	6.6	10.0	8.0	0.9	1.0	1.6
Other industrialised Asia[3]	-2.3	1.9	17.9	-3.8	7.7	10.0	17.1	11.4	10.8	7.7	7.2	-9.5	17.4	7.8	4.2	3.7	3.2	-0.9	1.2	2.6
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	0.1	4.9	-1.0	-4.9	-6.3	0.5
Russia	-4.5	3.0	14.8	8.1	11.6	14.0	15.4	9.8	12.3	13.9	6.6	-16.4	14.2	8.7	5.2	4.1	-3.3	-9.8	-0.1	2.9
Other oil producers	2.1	-4.5	4.0	3.3	0.7	11.4	11.3	11.4	7.3	10.6	8.1	-6.4	3.5	4.7	8.2	1.7	2.1	2.3	0.9	0.5
Rest of the world	4.5	-0.7	6.6	4.0	2.1	7.2	12.1	7.6	9.1	11.8	7.1	-10.4	9.3	9.3	3.7	3.5	1.6	2.4	1.9	1.3
Total Non-OECD	0.6	0.7	12.7	1.5	6.8	12.5	15.7	11.7	11.7	11.2	7.5	-8.4	14.3	9.2	5.2	4.9	3.4	0.0	0.9	1.7
World	4.5	4.8	12.3	0.5	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.5	12.5	7.1	3.2	3.3	3.7	2.6	2.1	3.2
B. Contribution to world trade growth	Percentage points																			
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	0.3	0.7
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	3.8	2.1	0.4	0.9	1.3	1.9	1.4	1.6
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	0.2	0.1	0.3
Total OECD	4.4	4.6	8.9	0.1	1.6	2.3	6.1	4.3	5.6	4.1	0.8	-7.5	7.3	3.8	1.3	1.5	2.3	2.6	1.8	2.6
China	0.0	0.4	0.7	0.2	0.8	1.1	1.1	0.9	1.2	1.1	0.5	-0.3	1.6	1.2	0.6	0.9	0.8	0.1	0.1	0.2
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	0.5	0.5	0.4	-0.1	0.2	0.3
Brazil	0.0	-0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.3	0.1	0.0	0.1	0.0	-0.1	-0.1	0.0
Russia	-0.1	0.0	0.2	0.1	0.2	0.2	0.3	0.2	0.2	0.3	0.1	-0.4	0.3	0.2	0.1	0.1	-0.1	-0.2	0.0	0.1
Other oil producers	0.1	-0.3	0.2	0.2	0.0	0.6	0.7	0.7	0.4	0.6	0.5	-0.4	0.2	0.3	0.5	0.1	0.1	0.1	0.1	0.0
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	0.6	0.6	0.2	0.2	0.1	0.1	0.1	0.1
Total Non-OECD	0.2	0.2	3.4	0.4	1.9	3.5	4.7	3.6	3.8	3.7	2.5	-3.0	5.2	3.4	2.0	1.9	1.3	0.0	0.3	0.6
World	4.5	4.8	12.3	0.5	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.5	12.5	7.1	3.2	3.3	3.7	2.6	2.1	3.2

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368755

Annex Table 58. **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	12.9	-22.9	-10.2	-9.0	-25.2	-13.7	-2.3
Austria	-0.3	1.0	2.6	3.3	7.7	7.0	8.5	9.5	11.8	16.2	17.8	12.1	13.2	11.0	10.8	12.9	16.7	16.6	18.3	18.5
Belgium	8.7	10.0	5.8	8.1	14.4	16.8	17.7	13.9	15.0	18.0	3.0	11.2	8.8	2.7	3.0	6.7	4.7	7.5	15.1	17.8
Brazil	-20.5	-11.1	-14.7	-12.7	2.8	12.6	22.8	30.4	30.0	18.8	-3.6	-7.5	-22.9	-20.1	-33.3	-57.2	-65.9	-25.1	16.9	39.0
Canada	12.1	24.1	41.6	41.8	32.8	34.1	44.9	45.6	35.2	30.5	28.3	-20.3	-30.9	-21.6	-35.9	-28.9	-16.8	-37.2	-32.0	-33.5
Chile	-2.7	1.7	1.4	1.2	1.6	3.1	9.3	10.5	22.1	22.9	4.5	13.4	14.0	7.9	-0.6	-2.2	2.3	-0.5	-0.6	-0.6
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	262.7	384.6	312.9	315.2
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	-9.7	-20.2	-27.7	-28.2	-28.8
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	-1.0	-1.3	-1.4
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	11.7	14.2	14.6
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	17.6	20.5	21.0	18.8	18.8	20.5
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	0.9	0.7	0.7
Finland	10.6	12.1	11.5	11.9	12.5	11.1	12.2	7.9	9.0	12.3	10.5	5.1	3.1	-2.3	-3.7	-2.4	-2.5	0.7	-0.3	0.5
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	-73.6	-58.2	-52.6	-53.7	-26.2	-36.0	-39.4
Germany	29.2	14.6	5.7	35.1	92.6	92.8	139.7	143.7	160.3	231.4	224.3	169.6	174.5	180.6	216.7	227.7	262.2	260.5	260.2	250.3
Greece	-14.0	-13.1	-15.0	-14.2	-15.6	-22.3	-20.2	-21.1	-29.5	-39.7	-44.7	-32.2	-25.8	-20.1	-11.1	-6.7	-5.9	-0.1	-0.9	0.5
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	10.4	11.4	11.0
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	1.2	1.1	1.4
India[1]	-7.1	-8.8	-4.3	-4.3	-5.1	-4.2	-12.6	-23.0	-30.0	-50.0	-61.9	-74.2	-74.7	-118.8	-123.3	-56.6	-60.8	-54.0	-60.7	-66.9
Indonesia	10.6	13.5	17.2	12.7	11.5	16.7	10.8	10.3	18.3	15.6	2.4	14.5	14.3	22.3	-3.5	-7.6	-7.0	2.1	-4.2	-7.4
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	43.6	38.6	46.0	45.9	49.5	57.3	63.3
Israel	-2.9	-2.8	0.1	-3.0	-3.3	-0.8	0.3	0.1	0.6	-1.2	-0.8	6.0	5.2	1.7	3.2	5.2	5.1	8.4	4.7	4.7
Italy	38.5	22.0	9.5	14.5	9.7	7.4	9.9	-1.9	-16.6	-8.3	-18.4	-14.2	-42.4	-35.3	20.5	48.7	62.0	57.8	63.6	65.7
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	-145.1	-40.3	5.9	20.7
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	74.1	96.1	89.9	95.8
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	-0.4	-0.1	-0.3
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	-0.1	0.7	0.8
Luxembourg	4.2	5.3	5.5	4.8	5.6	6.7	8.2	9.1	12.7	16.2	16.4	15.1	16.7	18.1	17.0	20.8	21.0	20.9	22.5	25.4
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	-12.5	-14.6	-13.5	-11.6	-14.1	-23.8	-27.9	-23.9
Netherlands	26.6	23.6	26.9	28.5	31.9	39.0	51.3	58.7	63.6	74.3	81.2	63.2	69.8	76.2	79.5	95.0	100.5	84.6	79.5	80.6
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	0.9	-0.3	-0.3
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	55.8	46.2	21.8	10.5	9.5
Poland	-8.6	-9.8	-10.9	-6.8	-6.8	-5.8	-6.3	-2.8	-6.5	-14.2	-26.3	-3.2	-9.7	-10.6	-2.4	10.0	7.0	13.2	16.8	15.0
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	1.6	2.7	3.6
Russia	12.6	33.3	52.3	39.4	37.7	49.7	73.2	105.5	127.1	114.1	156.2	92.5	125.1	165.4	146.3	125.3	134.8	110.6	113.7	121.7
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	2.1	3.4	4.1
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	4.0	4.4	4.6
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	3.5	-5.7	-8.8	-6.1	-3.2	-1.7	-0.6
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	29.9	32.1	36.0
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	26.6	26.8	26.2	21.4	21.2	21.3	21.2
Switzerland	13.3	13.7	16.6	15.7	20.5	23.7	35.0	29.7	36.9	54.5	59.0	42.3	63.3	58.2	70.1	83.5	79.8	82.5	88.1	89.3
Turkey	2.7	0.8	-8.1	7.5	3.7	-3.1	-10.4	-16.9	-26.1	-33.8	-33.7	-7.1	-40.9	-67.7	-40.8	-53.9	-33.8	-20.8	-24.7	-27.6
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	-56.6	-56.0	-71.2	-72.9
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	-530.0	-528.9	-508.6	-537.0
Euro area	134.4	94.1	48.6	97.8	178.6	170.4	208.4	155.5	130.3	197.5	146.4	190.1	167.6	187.8	337.1	449.8	494.4	510.3	522.7	532.3
Total OECD	102.8	-37.1	-192.3	-167.5	-147.6	-208.5	-240.3	-417.2	-506.2	-394.0	-536.5	-90.6	-200.3	-369.1	-274.6	-67.3	-27.0	63.8	126.4	137.9

1. Fiscal year.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368760

Annex Table 59. **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	-33.4	-29.3	-31.1	-31.1
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	-3.2	-2.4	-4.3	-4.4
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	8.1	5.5	1.1	-7.5	-7.6
Brazil	-17.8	-18.5	-17.5	-19.3	-17.7	-18.1	-20.1	-25.6	-27.0	-29.0	-41.8	-35.0	-67.1	-70.5	-54.3	-32.5	-52.2	-42.4	-49.5	-57.7
Canada	-21.4	-23.5	-23.4	-26.5	-20.7	-23.5	-21.1	-22.3	-15.6	-17.4	-23.4	-17.3	-23.4	-24.4	-25.6	-25.3	-21.4	-11.8	-12.2	-12.7
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	-11.0	-10.2	-7.5	-6.1	-6.8	-7.0
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	13.3	-45.4	7.6	7.6
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	-14.9	-14.2	-12.6	-6.0	-2.6	-2.6
Costa Rica	..	0.5	0.7	0.7	0.7	0.8	0.9	1.1	1.4	1.7	2.2	2.7	3.1	3.8	4.0	4.4	4.7	4.7	4.8	4.7
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	-12.6	-9.9	-11.1	-11.6
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	10.9	12.1	7.5	7.8	7.4
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	-0.5	-0.5	-0.8
Finland	-3.1	-2.0	-1.6	-0.9	-0.5	-2.5	1.1	0.5	1.2	-0.4	-1.5	2.1	2.3	0.3	0.1	0.3	1.8	1.3	2.4	2.4
France	16.0	31.4	24.3	24.9	14.2	23.7	28.4	39.0	48.5	55.0	64.4	61.3	70.7	80.4	60.9	63.6	58.8	53.3	54.3	54.7
Germany	-13.9	-19.1	-13.3	-15.5	-24.5	-22.2	19.8	24.7	50.7	50.5	37.4	77.2	65.2	97.4	84.2	84.7	83.4	73.2	84.3	86.9
Greece	-1.7	-0.9	-1.1	-1.9	-2.1	-4.8	-2.1	-3.3	-5.3	-9.0	-11.1	-9.4	-7.7	-9.1	1.0	-0.6	0.8	0.8	1.7	1.7
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	-4.4	-4.4	-4.1
Iceland	-0.2	-0.2	-0.3	-0.3	0.0	-0.2	-0.6	-0.7	-1.1	-1.0	-3.7	-2.3	-2.1	-1.8	-1.3	-0.2	-0.3	-0.2	-0.2	-0.2
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	-24.1	-24.1	-27.0	-30.0
Indonesia	..	..	..	..	..	..	-10.9	-12.9	-13.8	-15.5	-15.2	-15.1	-20.7	-26.5	-26.6	-27.1	-29.7	-28.0	-26.9	-25.1
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	-33.4	-35.9	-40.7	-44.5
Israel	-4.0	-5.1	-8.3	-5.5	-4.6	-4.7	-4.1	-1.4	-0.7	-0.3	-4.3	-5.2	-5.2	-3.5	-6.9	-5.8	-3.7	-4.0	-3.5	-3.0
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	-5.5	-2.1	-2.3	-1.5	-1.3
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	155.7	141.8	148.8
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	4.2	8.1	4.7	4.7
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	-1.8	0.8	-0.7	-1.6	-1.4	-1.1	-0.7	-1.6	-1.4	-1.4
Luxembourg	..	..	-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	-19.1	-17.7	-20.4	-21.6
Mexico	-12.8	-12.0	-13.8	-13.0	-12.1	-12.0	-10.0	-16.7	-19.8	-23.3	-20.5	-15.1	-13.3	-20.4	-25.4	-40.1	-32.7	-32.8	-30.7	-28.0
Netherlands	-11.8	-0.7	-12.9	-8.3	-7.0	-8.9	7.7	-0.4	14.9	-1.8	-23.9	-3.1	3.3	17.0	21.2	10.1	0.5	-0.9	1.0	-1.3
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	-6.1	-5.8	-6.3
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	4.7	4.2	5.5	21.5	19.8	16.7	16.8
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	-13.4	-13.8	-13.0
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	-5.6	-2.9	-4.0	-4.3	-5.1	-5.7
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	-36.7	-26.2	-33.8
Slovak Republic	0.0	-0.2	-0.3	-0.2	-0.4	-1.5	-1.9	-1.7	-2.2	-3.0	-2.8	-0.8	-2.5	-3.3	-1.6	-0.9	-2.2	-2.0	-2.1	-2.1
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	-0.4	-0.6	-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	-9.4	-7.9	-7.6	-7.9
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	-1.0	-8.0	-12.5
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	11.0	12.0	11.2	10.8	10.3	11.0	11.1
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	8.0	14.1	13.1	6.2	15.3	3.6	4.1
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	-6.6	-8.6	-8.1	-9.5	-7.1	-7.8
United Kingdom	20.9	-1.0	10.8	16.2	28.6	33.9	43.2	59.6	30.3	32.8	12.4	9.5	31.2	33.0	1.7	-26.6	-53.9	-53.0	-64.6	-58.7
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	191.3	171.0	171.0
Euro area	-30.7	-9.2	-25.8	-32.4	-57.9	-57.0	11.4	9.9	53.1	1.8	-52.3	33.3	61.8	89.9	104.0	98.9	80.4	62.5	52.9	43.2
Total OECD	-14.8	-0.8	13.0	13.7	-4.6	40.0	142.8	174.2	168.9	137.1	77.4	189.4	325.6	394.7	384.9	353.4	339.2	289.8	218.1	223.7

1. Fiscal year.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368778

Annex Table 60. **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	-2.0	-1.8	-1.9	-1.9
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	-3.8	-4.4	-4.6
Belgium	-10.9	-11.2	-9.1	-8.5	-10.5	-13.4	-13.7	-12.3	-12.1	-11.8	-8.3	-7.8	-6.9	-7.8	-7.7	-9.1	-8.6	-7.2	-3.8	-3.8
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	3.7	2.7	2.7	3.5	3.7
Canada	0.4	0.2	0.3	0.4	0.3	-0.2	-0.5	-1.5	-1.7	-2.2	-1.5	-3.1	-3.8	-3.7	-4.2	-3.8	-2.4	-2.6	-3.0	-3.1
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	2.1	1.8	1.8	1.9	2.0
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	1.4	-8.7	-6.8	-6.8
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	5.1	5.2	5.7
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	0.2	0.2
Czech Republic	0.5	0.6	0.4	0.5	0.9	0.6	0.2	0.5	-0.5	-0.4	-0.7	-1.1	-0.6	-1.0	-1.4	-0.5	-0.3	0.0	0.0	-0.4
Denmark	-3.2	-3.7	-3.7	-3.3	-3.3	-4.4	-5.6	-5.5	-5.6	-6.2	-6.1	-6.5	-6.5	-6.6	-6.5	-7.2	-6.4	-5.7	-4.6	-4.8
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	-0.9	-0.9	-1.4	-2.2	-2.6	-2.2	-2.4	-2.9	-3.0	-2.7	-2.7	-2.2	-3.2	-3.2	-2.4	-2.3	-2.4
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	-45.8	-45.2	-45.6
Germany	-32.6	-28.4	-27.6	-26.0	-25.8	-36.1	-36.5	-39.0	-39.3	-46.8	-52.3	-53.1	-53.9	-49.5	-51.3	-55.9	-52.4	-40.9	-23.2	-24.9
Greece	8.0	6.6	3.4	3.5	3.5	4.3	1.1	0.1	0.5	-1.6	-0.4	-1.4	-2.4	-2.1	-1.2	2.4	-0.4	-0.6	0.1	0.1
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	-0.8	-0.6	-0.7	-0.8
Iceland	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	-0.1	-0.3	-0.2	-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	65.7	63.1	67.3	74.4
Indonesia	..	..	..	..	..	..	1.1	4.8	4.9	5.1	5.4	4.6	4.6	4.2	4.1	4.2	5.2	5.5	6.1	6.1
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	-3.2	-4.5	-4.8
Israel	6.1	6.2	6.6	6.7	6.9	6.5	6.2	6.1	7.4	7.2	8.0	7.2	8.2	8.7	8.0	9.1	9.8	9.4	9.8	10.2
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	-21.0	-16.3	-14.0	-14.1
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	-16.3	-14.3	-14.5
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	-5.0	-4.5	-5.6	-5.8
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	0.1	0.1	0.1
Lithuania	..	..	..	..	..	..	0.4	0.4	0.6	0.8	0.8	0.7	1.3	1.1	0.5	1.3	1.5	1.0	1.0	1.1
Luxembourg	..	..	-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	0.5	0.4	0.4	0.4
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	24.3	23.3	24.9
Netherlands	-1.0	-5.3	3.1	0.3	-0.7	-2.0	-10.7	-12.5	-15.9	-19.4	-15.2	-11.2	-11.8	-12.0	-11.3	-17.6	-17.3	-14.8	-19.0	-19.2
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	-0.2	-0.1	0.0
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	-8.0	-7.8	-7.0	-6.6	-5.2
Poland	1.2	0.3	-0.4	0.6	1.3	2.2	0.7	0.2	0.7	1.1	1.4	-1.4	-0.1	1.1	-0.2	-0.5	-0.6	-1.0	-1.0	-1.0
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	1.7	1.5	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	-5.6	-4.9	-5.1
Slovak Republic	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.3	-0.6	-1.1	-1.4	-0.7	-1.1	-1.3	-1.8	-1.6	-1.2	-1.3	-1.5
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	-0.5	-0.8	-0.8
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	-2.6	-1.9	-2.6
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	-10.7	-8.9	-10.0
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	-10.0	-9.7	-9.7	-8.1	-8.2	-8.3
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	-12.6	-18.6	-12.3	-12.5	-14.2
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	0.8	1.3	1.7	1.7
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	-41.4	-37.9	-26.9	-19.8
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	-135.6	-135.0	-135.0
Euro area	-65.3	-69.2	-63.8	-65.5	-73.7	-101.6	-126.0	-141.0	-152.6	-176.3	-186.1	-183.9	-179.2	-180.0	-176.8	-192.5	-189.1	-145.3	-125.5	-129.8
Total OECD	-129.0	-132.4	-137.8	-138.7	-150.0	-186.4	-235.0	-266.0	-263.9	-319.5	-345.0	-346.1	-353.0	-367.5	-363.7	-383.5	-387.4	-342.5	-309.6	-306.1

1. Fiscal year.

Source: OECD Economic Outlook 99 database.

StatLink http://dx.doi.org/10.1787/888933368785

Annex Table 61. **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	-44.1	-66.2	-51.4	-44.4	-56.3	-46.7	-35.4
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	8.3	9.6	8.1	8.1
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	-1.3	-0.2	3.7	6.4
Brazil	-33.9	-25.9	-24.8	-23.7	-8.1	3.8	11.3	13.5	13.0	0.4	-30.6	-26.3	-75.8	-77.0	-74.2	-74.8	-104.2	-58.9	-24.3	-15.0
Canada	-8.9	0.8	18.5	15.8	12.5	10.3	23.2	21.9	17.9	10.9	3.3	-40.7	-58.2	-49.7	-65.7	-57.9	-40.5	-51.6	-47.3	-49.3
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	-9.3	-10.1	-3.2	-4.6	-5.5	-5.6
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	277.4	330.6	313.7	316.0
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	-11.1	-12.3	-19.6	-18.9	-17.4	-17.3
Costa Rica	..	-0.7	-0.7	-0.6	-0.9	-0.9	-0.8	-1.0	-1.0	-1.6	-2.8	-0.6	-1.3	-2.3	-2.5	-2.7	-2.6	-2.2	-2.5	-2.7
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	0.3	1.7	2.6	2.0
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	18.5	24.2	26.7	20.6	22.0	23.1
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	0.4	0.2	0.0
Finland	6.9	7.0	9.5	10.4	11.5	8.0	11.5	6.2	8.2	9.8	6.4	4.9	3.1	-4.9	-5.0	-4.3	-2.6	0.3	-0.3	0.5
France	43.0	50.7	16.2	20.9	17.6	16.1	9.2	-0.3	0.7	-8.5	-28.2	-22.3	-22.1	-28.2	-32.0	-22.7	-26.9	-2.9	-17.8	-21.1
Germany	-17.2	-32.2	-35.1	-6.0	42.6	34.7	122.1	129.4	170.6	234.5	209.0	194.2	185.0	226.8	251.5	256.1	287.0	288.6	324.3	312.3
Greece	-6.3	-8.8	-13.9	-13.3	-13.5	-17.4	-18.6	-21.9	-31.8	-48.7	-53.9	-41.1	-34.5	-28.9	-9.5	-4.9	-4.9	-0.1	-3.2	-1.9
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	2.8	5.3	6.2	6.1
Iceland	-0.6	-0.6	-0.9	-0.4	0.1	-0.6	-1.4	-2.7	-4.0	-3.0	-4.2	-1.3	-0.9	-0.8	-0.6	0.9	0.6	0.7	0.8	0.8
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	-48.2	-78.3	-88.4	-32.9	-26.6	-25.7	-30.5	-35.7
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	-17.8	-21.0	-22.4
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	10.6	12.1	14.0
Israel	-1.2	-1.5	-2.0	-1.9	-1.1	0.8	2.0	4.3	6.6	6.1	2.5	7.2	8.5	6.1	3.7	9.3	11.5	13.1	10.3	11.0
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	18.8	39.2	39.7	40.1	42.2
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	121.1	154.1	176.1
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	84.4	108.3	104.1	109.9
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	-0.3	-0.1	-0.2
Lithuania	..	..	..	..	..	..	-1.7	-1.9	-3.2	-6.0	-6.5	0.8	-0.1	-1.7	-0.5	0.7	1.7	-0.7	0.4	0.5
Luxembourg	..	..	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	3.2	2.7	4.3
Mexico	-16.0	-14.0	-18.8	-17.8	-14.7	-8.1	-7.0	-9.3	-7.9	-14.8	-20.7	-8.6	-5.2	-13.4	-16.6	-30.3	-24.8	-32.4	-35.4	-27.0
Netherlands	11.5	14.1	6.9	9.2	10.5	27.0	44.2	41.3	57.4	50.3	38.9	50.3	61.6	81.5	89.5	87.3	83.5	68.8	61.2	59.9
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	-5.3	-6.0	-6.4
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	53.4	60.0	35.4	19.8	20.4
Poland	-7.2	-13.0	-10.8	-6.2	-5.8	-5.7	-13.8	-8.0	-13.9	-27.4	-35.8	-17.9	-25.9	-27.4	-18.6	-6.7	-11.1	-1.1	-0.1	-1.0
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	-4.1	3.3	0.3	0.9	0.4	0.6
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	69.6	65.5	65.1
Slovak Republic	-2.0	-1.0	-0.7	-1.7	-1.9	-1.9	-3.3	-4.1	-4.4	-4.1	-6.1	-3.0	-4.2	-4.9	0.9	1.9	0.1	-1.0	0.0	0.5
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	3.4	3.1	3.1	3.1
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	-13.6	-12.3	-12.3
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	-3.3	20.6	13.3	16.8	13.6	11.8
Sweden	9.7	10.6	10.2	11.3	11.8	21.9	24.0	25.1	34.8	43.4	44.5	25.3	29.4	34.5	32.0	34.9	30.5	29.2	30.1	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	53.1	68.7	76.2	61.6	75.9	70.0	70.4
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	-48.0	-63.6	-43.6	-32.1	-35.2	-37.3
United Kingdom	-6.3	-39.4	-34.8	-31.1	-34.8	-33.1	-41.8	-30.0	-60.0	-74.8	-100.5	-69.4	-67.4	-43.7	-86.8	-122.4	-151.9	-146.9	-162.7	-151.4
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	-484.1	-453.9	-491.0
Euro area	44.7	13.8	-51.0	-12.1	38.3	22.8	98.5	35.5	39.3	36.3	-88.0	50.8	56.5	111.6	285.3	376.9	412.3	437.8	448.2	440.5
Total OECD	-45.4	-188.4	-332.9	-304.4	-308.9	-332.3	-310.9	-487.2	-574.4	-533.6	-768.9	-227.8	-199.4	-293.3	-184.6	-24.3	-1.5	34.9	75.6	86.3

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 99 database.

StatLink http://dx.doi.org/10.1787/888933368796

Annex Table 62. **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	-3.5	-2.9	-4.2	-3.4	-3.1	-4.6	-3.8	-2.7
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	1.9	2.6	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	-0.2	0.0	0.8	1.3
Brazil	-3.9	-4.3	-3.8	-4.2	-1.3	0.7	1.7	1.5	1.2	0.1	-1.8	-1.5	-3.4	-2.9	-3.0	-3.0	-4.3	-3.2	-1.4	-0.8
Canada	-1.4	0.1	2.5	2.1	1.7	1.1	2.3	1.8	1.4	0.8	0.1	-2.9	-3.6	-2.8	-3.6	-3.2	-2.3	-3.3	-3.0	-3.0
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	-3.5	-3.6	-1.2	-2.0	-2.3	-2.2
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	2.7	3.1	2.8	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	-3.0	-3.2	-5.2	-6.4	-6.0	-5.5
Costa Rica	..	-4.1	-4.3	-3.7	-5.1	-5.0	-4.2	-4.9	-4.5	-6.2	-9.3	-2.2	-3.6	-5.6	-5.5	-5.5	-5.2	-4.2	-4.4	-4.4
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	0.2	0.9	1.4	1.0
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	5.7	7.1	7.7	7.0	7.1	7.2
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	1.9	0.9	-0.2
Finland	5.1	5.2	7.5	8.1	8.2	4.6	5.8	3.0	3.8	3.8	2.2	1.9	1.2	-1.8	-1.9	-1.6	-0.9	0.1	-0.1	0.2
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	-0.1	-0.7	-0.8
Germany	-0.8	-1.5	-1.8	-0.3	2.0	1.4	4.3	4.5	5.7	6.8	5.5	5.6	5.4	6.0	7.1	6.8	7.4	8.6	9.2	8.5
Greece	-4.4	-5.9	-10.5	-9.8	-8.7	-8.6	-7.7	-8.9	-11.6	-15.2	-15.1	-12.4	-11.4	-10.0	-3.8	-2.0	-2.1	-0.1	-1.6	-0.9
Hungary	-7.1	-7.9	-8.5	-5.8	-6.3	-8.0	-8.5	-7.0	-7.0	-7.1	-7.1	-0.8	0.3	0.7	1.7	4.0	2.0	4.4	4.9	4.6
Iceland	-7.2	-7.2	-10.3	-4.3	1.1	-4.9	-9.8	-15.8	-23.3	-14.0	-22.7	-9.7	-6.6	-5.3	-4.2	5.7	3.7	4.2	3.9	3.7
India[1]	-1.0	-1.1	-0.6	0.7	1.3	2.3	-0.5	-1.3	-1.0	-1.3	-2.2	-2.8	-2.9	-4.3	-4.8	-1.7	-1.3	-1.2	-1.3	-1.4
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	-3.1	-3.1	-2.1	-2.2	-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	4.5	4.6	5.0
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	3.7	2.3	1.5	3.2	3.7	4.4	3.3	3.3
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	1.8	2.2	2.1	2.2
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	2.9	3.4	3.7
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	6.0	7.9	7.6	7.6
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	-1.2	-0.5	-0.8
Lithuania	..	..	..	..	..	..	-7.6	-7.2	-10.5	-15.0	-13.3	2.1	-0.3	-3.9	-1.2	1.5	3.6	-1.7	0.9	1.1
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	5.5	4.3	6.4
Mexico	-3.2	-2.4	-2.7	-2.5	-2.0	-1.1	-0.9	-1.1	-0.8	-1.4	-1.9	-1.0	-0.5	-1.1	-1.4	-2.4	-1.9	-2.8	-3.3	-2.4
Netherlands	2.7	3.2	1.7	2.2	2.2	4.6	6.8	6.1	7.9	6.0	4.1	5.8	7.4	9.1	10.8	10.1	9.5	9.1	7.8	7.3
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	-2.2	-2.8	-3.9	-3.1	-3.1	-3.0	-3.5	-3.5
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	10.2	11.9	9.0	5.1	5.1
Poland	-4.2	-7.8	-6.3	-3.2	-2.9	-2.6	-5.5	-2.6	-4.0	-6.4	-6.7	-4.0	-5.4	-5.2	-3.7	-1.3	-2.0	-0.2	0.0	-0.2
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	-1.9	1.5	0.1	0.5	0.2	0.3
Russia	2.0	12.0	16.4	9.8	7.5	7.2	9.3	10.4	8.8	5.2	5.8	3.7	4.1	4.8	3.3	1.6	2.9	5.3	5.2	4.8
Slovak Republic	-8.7	-4.7	-3.4	-8.1	-7.7	-5.8	-7.6	-8.3	-7.7	-5.3	-6.2	-3.5	-4.7	-5.0	0.9	2.0	0.1	-1.1	0.0	0.5
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	7.3	6.9	6.7
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	-5.7	-5.4	-4.3	-4.4	-4.0
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	1.4	1.1	0.9
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	6.1	5.9	6.0	5.3	5.9	5.7	5.4
Switzerland	9.6	11.3	12.4	8.6	9.0	13.2	15.3	14.0	14.9	10.8	3.0	8.0	14.9	7.7	10.3	11.1	8.8	11.4	10.6	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	-7.7	-5.5	-4.4	-4.8	-4.6
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	-5.2	-5.9	-5.3
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	-2.7	-2.5	-2.5
Euro area	0.7	0.2	-0.8	-0.2	0.5	0.2	1.0	0.3	0.3	0.3	-0.6	0.4	0.4	0.8	2.3	2.9	3.1	3.8	3.8	3.6
Total OECD	-0.2	-0.7	-1.2	-1.1	-1.1	-1.1	-0.9	-1.3	-1.5	-1.2	-1.7	-0.5	-0.5	-0.6	-0.4	0.0	0.0	0.1	0.2	0.2

1. Fiscal year.

Source: OECD Economic Outlook 99 database.

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Annex Table 63. **Structure of current account balances of major world regions**

USD billion

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Goods and services trade balance[1]																				
OECD	103	-37	-192	-167	-148	-208	-240	-417	-506	-394	-536	-91	-200	-369	-275	-67	-27	64	126	138
China	44	31	29	28	37	36	51	125	209	308	349	220	223	182	232	235	263	385	313	315
Other industrialised Asia[2]	52	72	66	66	83	95	82	86	116	140	56	105	84	74	16	61	118	162	151	129
Russia	13	33	52	39	38	50	73	106	127	114	156	93	125	165	146	125	135	111	114	122
Brazil	-21	-11	-15	-13	3	13	23	30	30	19	-4	-7	-23	-20	-33	-57	-66	-25	17	39
Other oil producers	-14	48	138	88	82	121	189	329	399	370	521	151	329	631	649	575	393	-2	-110	-98
Rest of the world	-79	-56	-51	-50	-39	-45	-67	-89	-117	-180	-259	-157	-170	-212	-262	-274	-279	-273	-269	-279
World[3]	98	79	28	-9	56	60	111	169	258	377	283	314	369	451	473	599	536	421	342	366
Balance of primary income																				
OECD	-15	-1	13	14	-5	40	143	174	169	137	77	189	326	395	385	353	339	290	218	224
China	-17	-14	-15	-19	-15	-10	-5	-16	-5	8	29	-9	-26	-70	-20	-78	13	-45	8	8
Other industrialised Asia[2]	-1	-6	-9	-5	-9	-6	-21	-33	-25	-24	-27	-30	-46	-48	-72	-82	-88	-80	-84	-86
Russia	-12	-8	-7	-4	-7	-13	-13	-19	-29	-29	-46	-40	-47	-60	-68	-80	-68	-37	-26	-34
Brazil	-18	-18	-17	-19	-18	-18	-20	-26	-27	-29	-42	-35	-67	-70	-54	-33	-52	-42	-50	-58
Other oil producers	6	4	-4	-7	-16	-22	-28	-42	-21	-29	-56	-44	-69	-87	-89	-82	-77	-75	-75	-76
Rest of the world	-28	-28	-33	-33	-33	-41	-50	-54	-59	-75	-82	-72	-99	-122	-124	-123	-124	-116	-108	-108
World[3]	-83	-72	-71	-74	-102	-71	6	-16	3	-41	-147	-40	-28	-63	-41	-124	-56	-106	-117	-130
Balance of secondary income																				
OECD	-129	-132	-138	-139	-150	-186	-235	-266	-264	-320	-345	-346	-353	-368	-364	-383	-387	-342	-310	-306
China	4	5	6	8	13	17	23	24	28	37	43	32	41	25	3	-9	1	-9	-7	-7
Other industrialised Asia[2]	4	13	14	16	18	26	25	36	43	55	69	68	71	84	91	92	95	89	94	102
Russia	0	1	0	-1	-1	0	-1	-2	-3	-6	-7	-6	-6	-6	-6	-9	-8	-6	-5	-5
Brazil	1	2	2	2	2	3	3	4	4	4	4	3	3	3	3	4	3	3	3	4
Other oil producers	-18	-18	-19	-20	-20	-19	-19	-20	-11	-20	-28	-38	-42	-49	-56	-68	-74	-79	-81	-81
Rest of the world	38	40	45	51	58	68	79	90	104	121	139	130	139	150	157	167	170	170	171	171
World[3]	-100	-90	-90	-83	-80	-92	-126	-135	-98	-128	-124	-156	-148	-160	-172	-207	-200	-173	-134	-123
Current balance																				
OECD	-45	-188	-333	-304	-309	-332	-311	-487	-574	-534	-769	-228	-199	-293	-185	-24	-2	35	76	86
China	31	21	20	17	35	43	69	132	232	353	421	243	238	136	215	148	277	331	314	316
Other industrialised Asia[2]	43	59	47	60	78	104	77	72	125	159	87	135	102	100	16	58	116	152	197	193
Russia	0	25	45	32	27	33	59	84	92	72	104	50	67	97	71	35	58	70	65	65
Brazil	-34	-26	-25	-24	-8	4	11	14	13	0	-31	-26	-76	-77	-74	-75	-104	-59	-24	-15
Other oil producers	-27	30	119	60	43	82	146	297	381	339	444	77	225	484	494	409	233	-119	-210	-198
Rest of the world	-62	-41	-35	-27	-6	-10	-27	-43	-62	-114	-183	-77	-103	-146	-183	-178	-162	-172	-171	-182
World[3]	-93	-120	-161	-185	-138	-76	24	69	207	276	73	175	253	302	354	372	417	237	246	265

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 99 database.

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