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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		

EDITORIAL

DEPLOY EFFECTIVE FISCAL INITIATIVES AND PROMOTE INCLUSIVE TRADE POLICIES TO ESCAPE FROM THE LOW-GROWTH TRAP

For the last five years the global economy has been in a low-growth trap, with growth disappointingly low and stuck at around 3 per cent per year. Persistent growth shortfalls have weighed on future output expectations and thereby reduced current spending and potential output gains. Around the world, private investment has been weak, public investment has slowed, and global trade growth has collapsed, all of which have limited the improvements in employment, labour productivity and wages needed to support sustainable gains in living standards. Overall, a slowdown in structural policy ambition and policy incoherence have slowed business dynamism, trapped resources in unproductive firms, weakened financial institutions and undermined productivity growth. In the face of these limited prospects, the OECD has argued in previous *Economic Outlooks* that fiscal, monetary and structural policies need to be deployed comprehensively and collectively for economies to grow sufficiently to make good on promises to their citizens.

The projections in this *Economic Outlook* offer the prospect that fiscal initiatives could catalyse private economic activity and push the global economy to the modestly higher growth rate of around 3½ per cent by 2018. Durable exit from the low-growth trap depends on policy choices beyond those of the monetary authorities – that is, of fiscal and structural, including trade policies – as well as on concerted and effective implementation. Collective fiscal action undertaken by all countries, including a more expansionary stance than planned in many countries in Europe, would support domestic and global growth even for those economies, who by virtue of specific circumstances, need to consolidate their fiscal positions or pursue a more neutral stance.

Some might argue that there is no space for such fiscal initiatives, given the heavy public debt burden in many economies. In fact, following five years of intense fiscal consolidation, debt-to-GDP ratios in most advanced countries have flattened. It is past time to focus on expanding the denominator – GDP growth. This *Economic Outlook* argues that the current conjuncture of extraordinarily accommodative monetary policy with very low interest rates opens a window of opportunity to deploy fiscal initiatives. Fiscal space has been created by lower interest payments on rolled-over debt, which also increases gauges of

market access and of debt sustainability. On average, OECD economies could deploy deficit-financed fiscal initiatives for three to four years, while still leaving debt-to-GDP ratios unchanged in the long term. A front-loaded effort could allow deficit finance to taper sooner and put the debt-to-GDP ratio sustainably on a downward path.

The key is to deploy the right kind of fiscal initiatives that support demand in the short run and supply in the long run and address not just growth challenges but also inequality concerns. These include soft investments in education and R&D along with hard investment in public infrastructures. Such fiscal initiatives would improve outcomes for demand and supply potential even more for economies suffering from long-term unemployment, when undertaken collectively, and when fiscal initiatives are complemented by country-specific structural policies put together in a coherent package. The mix is different for different countries, as developed in Chapter 2, with further details in the Country Notes in Chapter 3 of this *Economic Outlook*.

Against this backdrop of fiscal initiatives, reviving trade growth through better policies would help to push the global economy out of the low-growth trap, as well as support revived productivity growth. In this *Economic Outlook* trade growth is projected to increase from a dismal ratio of global trade-to-GDP growth of around 0.8 to be about on par with global output growth – remaining much less than the multiple of 2 enjoyed over the last few decades. This sluggish trade growth compared to historical experience shaves some 0.2 percentage point from total factor productivity growth – which may seem minor – but is meaningful given the slow productivity growth of some 0.5% per year during the post-crisis period.

Some argue that slowing globalization would temper the brunt of adjustments to workers and firms. This *Economic Outlook* suggests that protectionism and inevitable trade retaliation would offset much of the effects of the fiscal initiatives on domestic and global growth, raise prices, harm living standards, and leave countries in a worsened fiscal position. Trade protectionism shelters some jobs, but worsens prospects and lowers well-being for many others. In many OECD countries, more than 25% of jobs depend on foreign demand. Instead, policymakers need to implement the structural policy packages that create more job opportunities, increase business dynamism, promote successful reallocation and enhance policies to ensure that gains from trade are better shared. Fortunately, the country-specific policy packages that make fiscal initiatives more effective in promoting demand growth and supply potential also help to make growth more inclusive.

The transition path to a more balanced policy set and higher sustainable growth involves financial risks. But so too does the status quo dependence on extraordinary monetary policy. Pricing distortions in financial markets abound. Yield curves are still fairly flat, with negative interest rates. Pricing of credit risk has narrowed even as issuance of riskier bonds has increased. Real estate prices continue to advance in many markets, even in the face of attempted tempering by macro-prudential measures. Expectations in currency markets are on edge as evidenced by high measures of currency volatility. These financial distortions and risks expose vulnerable balance sheets of firms in emerging markets, and challenge bank profitability and the long-term stability of pension schemes in advanced economies.

The fiscal initiatives in conjunction with trade and structural policies, as outlined in the scenarios in this *Economic Outlook*, should revive expectations for faster and more inclusive growth, thus allowing monetary policy to move toward a more neutral stance in

the United States at least, and possibly other countries as well. The risk of a growing divergence in monetary policy stances in the major economies over the next two years could be a new source of financial market tensions even as growth picks up, thus putting a premium on collective action by countries to revive growth in tandem.

In sum, policymakers should closely examine fiscal space; low interest rates enable many countries to boost hard and soft infrastructure and other growth-enhancing initiatives. Avoiding trade pitfalls, coupled with social measures to better share the gains from globalization and technological change, are key policy priorities. Using the window of opportunity created by monetary policy and following through on fiscal and structural measures should raise growth expectations and create the necessary momentum for the global economy to escape the low-growth trap.

28th November 2016



Catherine L. Mann
OECD Chief Economist

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Chapter 1

GENERAL ASSESSMENT OF THE MACROECONOMIC SITUATION

Introduction

For the last five years the global economy has been in a low-growth trap, with growth disappointingly low and stuck at around 3%. Persistent growth shortfalls have weighed on future output expectations and thereby reduced current spending and potential output growth. Global trade and investment have been weak, limiting the advances in labour productivity and wages that are required to support sustainable consumption growth. However, fiscal policies, both implemented and proposed, could, if effective, catalyse private economic activity and push the global economy to a modestly higher growth rate of around 3½ per cent by 2018. Exiting the low-growth trap depends on policy choices, as well as on concerted and effective implementation. If, as assumed in the projections, the incoming US Administration implements a significant and effective fiscal initiative that boosts domestic investment and consumption, global growth could increase by 0.1 percentage point in 2017 and 0.3 percentage point in 2018. If the fiscal stimulus underway in China continues to support demand, this could also bolster global growth by 0.2 percentage points per annum on average over 2017-18. A more robust fiscal easing than currently projected in many other advanced economies, including in the EU, would further support domestic and global activity. OECD analysis of fiscal space indicates that the EU has room for more concerted action.

Against this backdrop of fiscal initiatives, progress on trade policy would help propel the global economy out of the low-growth trap as well as support a revival of productivity. On the other hand, worsening protectionism and the threat of trade retaliation could offset much of the fiscal initiatives' impact on domestic and global growth, leaving countries with a poorer fiscal position as well. With pressures in labour and product markets building only slowly, inflation should remain modest in most economies, although resource pressures could start to emerge in the United States. If expectations of medium and longer-term growth revive, thus allowing monetary policy to move toward a more neutral stance in the United States, it might help to ameliorate some existing distortions in financial markets, such as a lack of term and credit risk premia. However, the risk of a growing divergence in the monetary policy stance in the major economies over the next two years could be a new source of financial market tensions. New challenges have also arisen from the UK vote to leave the European Union, raising the prospect of an extended period of uncertainty until the future scope of trade relationships with the rest of the European Union becomes clear.

In order to ensure the exit from the low-growth equilibrium, there is a need for effective and collective policy efforts to support aggregate demand in the short term and raise potential growth in the longer term. Towards these ends, accommodative monetary policy needs to be complemented by enhanced collective use of fiscal and more ambitious structural policies and avoidance of more widespread trade protectionism. Financial market distortions and prospects for greater volatility imply that there is no scope to expand monetary easing beyond existing plans in the main advanced economies. On the other hand, countries should closely examine fiscal space with lower interest rates

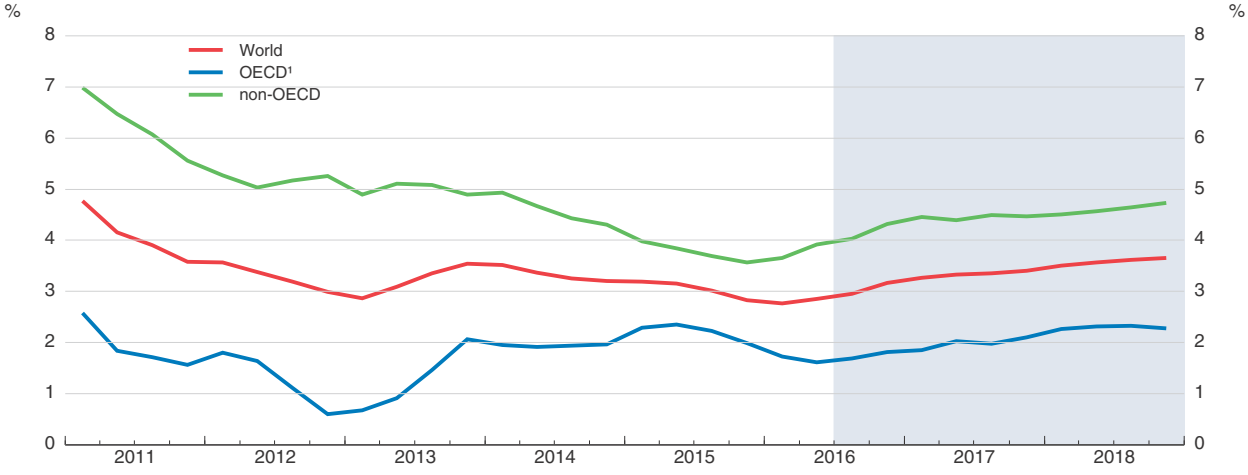
enabling countries to boost hard and soft infrastructure and other growth-enhancing spending for an average of four years while leaving debt-to-GDP ratios unchanged (see Chapter 2). Collective action in this area, including reallocating public spending towards more growth-friendly items, would catalyse business investment and deliver additional output gains from cross-country spillovers. Fiscal choices depend on structural policies, otherwise they will fail to strengthen productivity growth and labour utilisation and will undermine debt sustainability. Given the dramatic slowdown in trade, reversing protectionist measures since the crisis and further expanding the scope for international trade, coupled with measures to better share the gains from trade, are key collective structural policy priorities. A bold and comprehensive use of monetary, fiscal and structural measures should raise growth expectations and reduce risk perceptions, and thereby put the global economy on a sustainable higher-growth path.

The recovery could gain steam depending on policy choices

Prospects for sub-par global growth persist despite the low-interest rate environment (Figure 1.1), reflecting poor underlying supply-side developments, modest aggregate demand and diminished reform efforts. Despite an upturn in the third quarter of 2016, global GDP growth is estimated to have again been around 3% this year, over ¾ percentage point weaker than the average in the two decades prior to the crisis. In the absence of action to remedy this persistent shortfall, it will be increasingly difficult for governments to meet all of their implicit future commitments to society, or even meet current expectations for their citizens. While there are signs that output growth has now started to edge up in the emerging and developing economies after a prolonged slowdown, helped by the near-term effects of policy support in China and easing recessions in many commodity producers, the advanced economies have yet to collectively gain much additional momentum.

Figure 1.1. **Global GDP growth is set to rise**

Year-on-year percentage changes



Note: GDP measured using purchasing power parities.

1. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.

Source: OECD Economic Outlook 100 database.

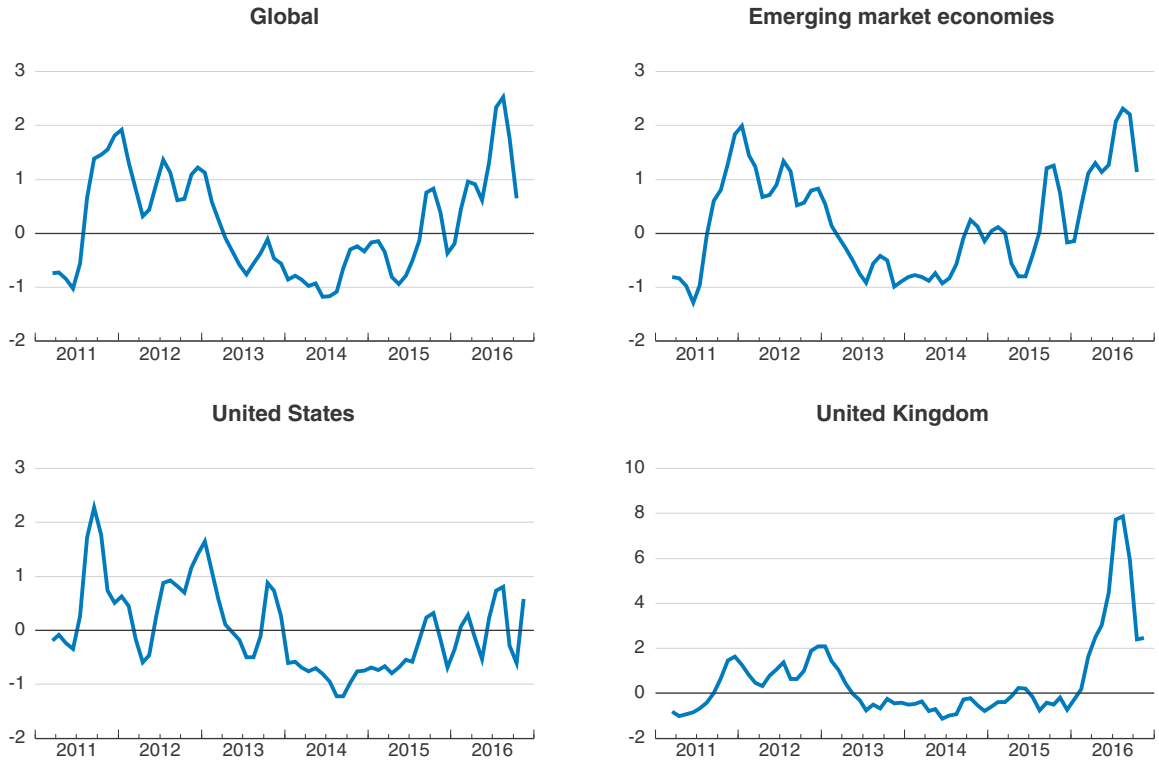
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News-based measures of policy uncertainty remain elevated in a number of countries, and at the global level (Figure 1.2). This adds to downside risks, with likely negative effects on activity if it persists. Despite this, equity market turbulence has eased after sharp initial reactions to the results of the US election and UK referendum, although bond market volatility has risen. Government bond yields have turned up from historic lows in many economies, helped by higher market expectations of future inflation and hence the future pace of policy interest rate rises in the United States.

Global growth could gain some steam through the next two years, albeit only to around 3½ per cent by 2018 and under the assumption of a more supportive fiscal stance in the United States, with associated demand spillovers to other economies (Table 1.1). If these changes in the United States and the estimated impact of projected fiscal easing in China and the euro area fail to materialise, global GDP growth would be around 0.4 percentage point weaker than projected in 2017 and 0.6 percentage point weaker in 2018 (Box 1.1 and Figure 1.3). Even weaker outcomes would result if restrictive trade measures were to be put in place, but the implementation of trade facilitation measures would boost growth (Box 1.3).

Figure 1.2. **Economic policy uncertainty remains elevated in a number of economies**

Policy uncertainty index normalised over 2011-2015, 3-month moving average



Note: The emerging market economies measure is a PPP weighted average of news-based policy uncertainty in China, India, Brazil and Russia. The estimates for the United States and the United Kingdom in November are based on daily data available up to November 21.
Source: PolicyUncertainty.com; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933437152

Table 1.1. **The global recovery could gain some steam**

OECD area, unless noted otherwise

	Average 2004-2013	2014	2015	2016	2017	2018	2016 Q4	2017 Q4	2018 Q4
		Per cent							
Real GDP growth[1]									
World[2]	3.9	3.3	3.1	2.9	3.3	3.6	3.2	3.4	3.7
OECD[2,7]	1.6	1.9	2.1	1.7	2.0	2.3	1.8	2.1	2.3
United States	1.6	2.4	2.6	1.5	2.3	3.0	1.8	2.5	2.9
Euro area[7]	0.8	1.2	1.5	1.7	1.6	1.7	1.6	1.6	1.7
Japan	0.8	0.0	0.6	0.8	1.0	0.8	1.5	0.8	0.9
Non-OECD[2]	6.6	4.6	3.8	4.0	4.5	4.6	4.3	4.5	4.7
China	10.3	7.3	6.9	6.7	6.4	6.1	6.8	6.1	6.1
Output gap[3]	-0.5	-2.1	-1.5	-1.4	-0.9	0.0			
Unemployment rate[4]	7.1	7.4	6.8	6.3	6.1	6.0	6.2	6.1	5.9
Inflation[1,5]	2.0	1.6	0.7	1.0	1.7	2.1	1.3	1.7	2.3
Fiscal balance[6]	-4.6	-3.5	-3.0	-3.1	-3.0	-2.9			
World real trade growth[1]	5.3	3.9	2.6	1.9	2.9	3.2	2.1	2.8	3.5

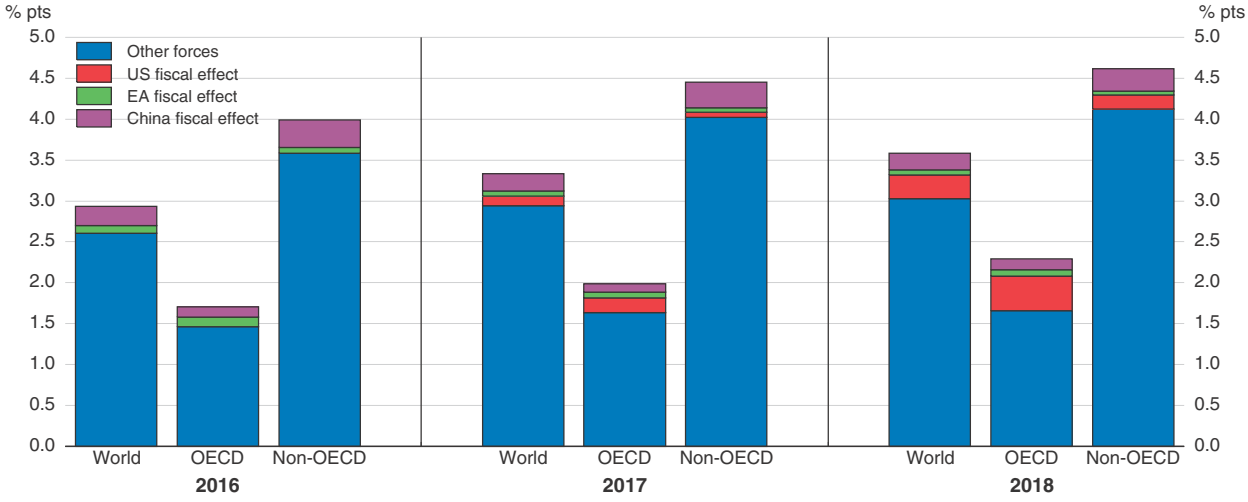
1. Percentage changes; last three columns show the increase over a year earlier.
2. Moving nominal GDP weights, using purchasing power parities.
3. Per cent of potential GDP.
4. Per cent of labour force.
5. Private consumption deflator.
6. Per cent of GDP.
7. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438659

Figure 1.3. **Fiscal stimulus is helping to support GDP growth**

Estimated contribution to annual GDP growth



Note: Based on macro-model simulations of an assumed fiscal stimulus in the United States worth ¾ per cent of GDP in 2017 and 1¾ per cent of GDP in 2018; actual and projected fiscal stimulus in China of 1½ per cent of GDP in 2016 and 1% of GDP in both 2017 and 2018; and actual and projected fiscal stimulus in the euro area of 0.4% of GDP in 2016, 0.2% of GDP in 2017 and 0.3% of GDP in 2018. The stimulus in China and the euro area is assumed to be implemented through government final expenditure on consumption. Details of the stimulus in the United States are set out in Box 1.1.

Source: OECD Economic Outlook 100 database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933437163

Box 1.1. **The short-term impact of fiscal stimulus in the United States**

In the aftermath of the US elections, there is widespread expectation of a significant change in direction for macroeconomic policy. The extent to which the fiscal programme set out by the new Administration during the election campaign is implemented will not become clear for some time, as agreement by Congress will be required to introduce necessary legislation and in some areas, notably tax reform, complex legislative changes may be needed. Nonetheless, it seems likely that there will be some easing of fiscal policy over the next two years, with implications for growth prospects and inflation in the United States and other economies.

The stylised scenario set out in this Box provides some illustrative estimates of the possible short-term economic effects that could result from a fiscal expansion in the United States of the form assumed and incorporated in the projections, using the NiGEM global macro model. The fiscal measures incorporated in the scenario are:

- An increase in government consumption and government investment each worth ¼ per cent of (baseline) GDP in 2017 and 2018.
- A reform to personal income taxes that reduces tax revenue by around ½ per cent of GDP in 2017 and 2018. In practice this is likely to include some reductions in the number of personal income tax brackets as well as some reduction in marginal rates.
- Reforms to corporate taxes that reduce revenues by around ¾ per cent of GDP in 2018. In the simulation this is assumed to arise from a reduction in the baseline effective corporate tax rate of just over 10%, rather than from an expansion in the tax base.

Given that some time will be needed to enact the necessary legislation to achieve these measures, the additional spending is assumed to be implemented from the second quarter of 2017, with the household tax reduction phased in over the course of 2017. 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 fiscal measures were known with certainty before they are legislated. Monetary policy was allowed to remain endogenous in the United States, but policy interest rates were kept fixed in other economies. The US budget solvency rule was switched off, so that the additional spending and reduced taxation initially raise the budget deficit.

All told, the combined fiscal measures raise calendar year US GDP growth by around 0.4 percentage points in 2017 and a little over 0.8 percentage points in 2018 (see first figure). Business investment rises relatively rapidly, and is around 5½ per cent above baseline by 2018, adding to productive potential. The unemployment rate declines further, by just under ½ percentage point by 2018, and signs of resource pressures start to emerge, with consumer price inflation rising by 0.1 percentage point in 2017 and 0.4 percentage point in 2018. Stronger growth relative to potential and higher inflation prompt tighter policy interest rates, which rise relative to the very low baseline level by around ¼ percentage point in 2017 and ¾ percentage point in 2018. This helps to push up long-term interest rates which are around 40 basis points above baseline in 2018.

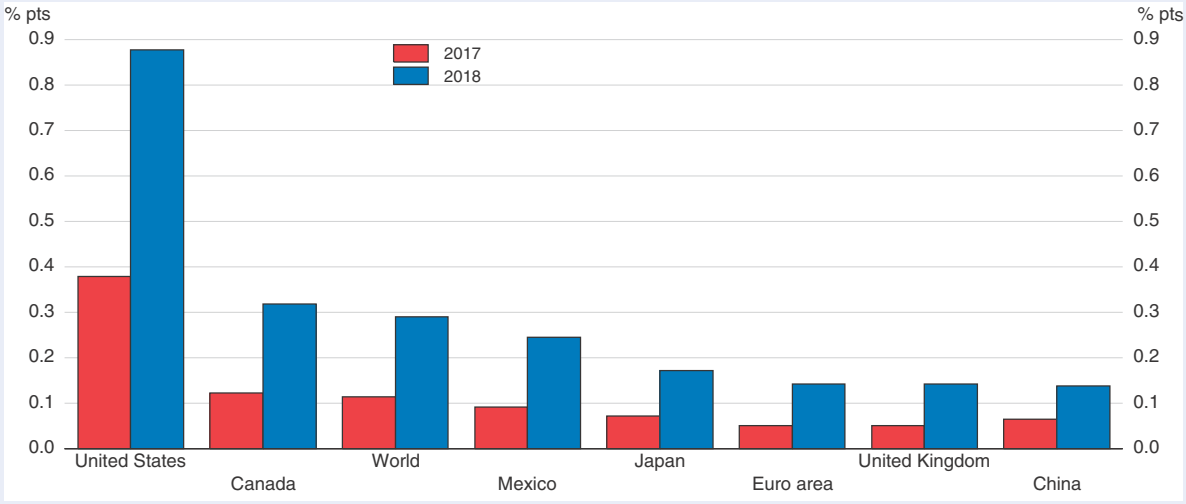
The boost to US final demand also strengthens import growth, with import volumes around 3% above their baseline value in 2018. This has modest positive spillover effects on other economies (see first figure), particularly Canada and Mexico (in the assumed absence of any offsetting trade policy measures). Overall, the stimulus boosts global GDP growth by around 0.1 percentage point in 2017 and 0.3 percentage point in 2018, with world trade growth rising by ¼ percentage point and ½ percentage point in 2017 and 2018 respectively. In the absence of the US fiscal stimulus, projected GDP growth in 2018 would be largely unchanged from that in 2017 in most countries (see second figure).

Box 1.1. **The short-term impact of fiscal stimulus in the United States** *(cont.)*

The initial ex-ante increase in the US budget deficit from stronger expenditure and lower taxes is offset in part by the favourable fiscal effects of stronger economic activity, so that the actual increase in the budget deficit relative to baseline is around ½ per cent of GDP in 2017 and 1½ per cent of GDP in 2018, as compared with the respective ex-ante rise in the deficit of ¾ per cent of GDP in 2017 and 1¾ per cent of GDP in 2018. The US government debt-to-GDP ratio declines marginally in both years, by around ½ per cent of GDP in 2018, despite the increases in the deficit-to-GDP ratio and long-term government bond yields. This is because the favourable impact of the increase in (nominal) GDP on the debt-to-GDP ratio more than offsets the impact of the higher budget deficit in the near term.

The near-term GDP growth impact of a stylised US fiscal stimulus

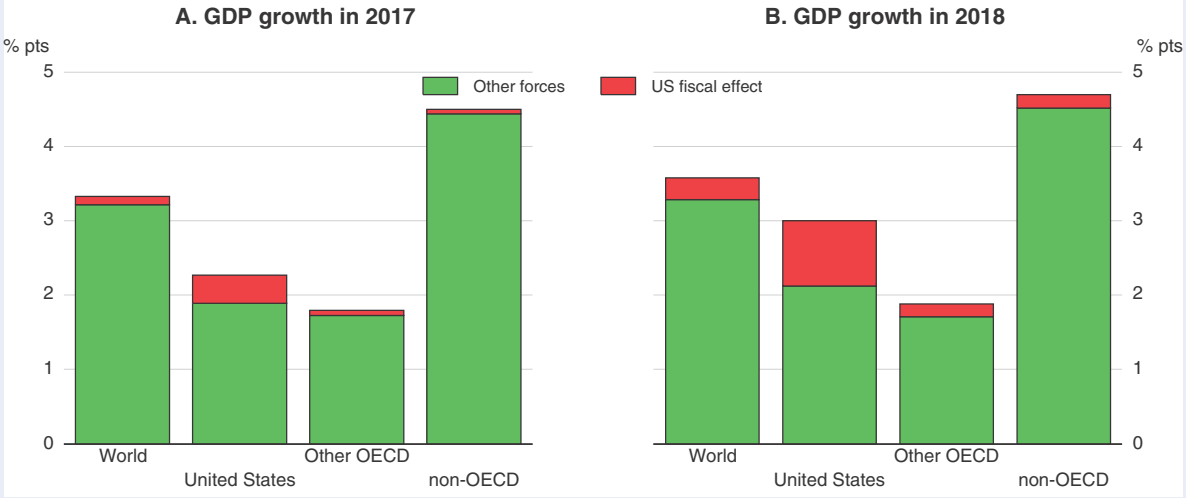
Difference from baseline



Source: OECD Economic Outlook 100 database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933437091

The contribution of US fiscal stimulus to projected GDP growth



Source: OECD Economic Outlook 100 database; and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933437108

Box 1.1. **The short-term impact of fiscal stimulus in the United States** *(cont.)*

There are a number of factors that could alter the initial output effects of the stimulus from those set out in this analysis:

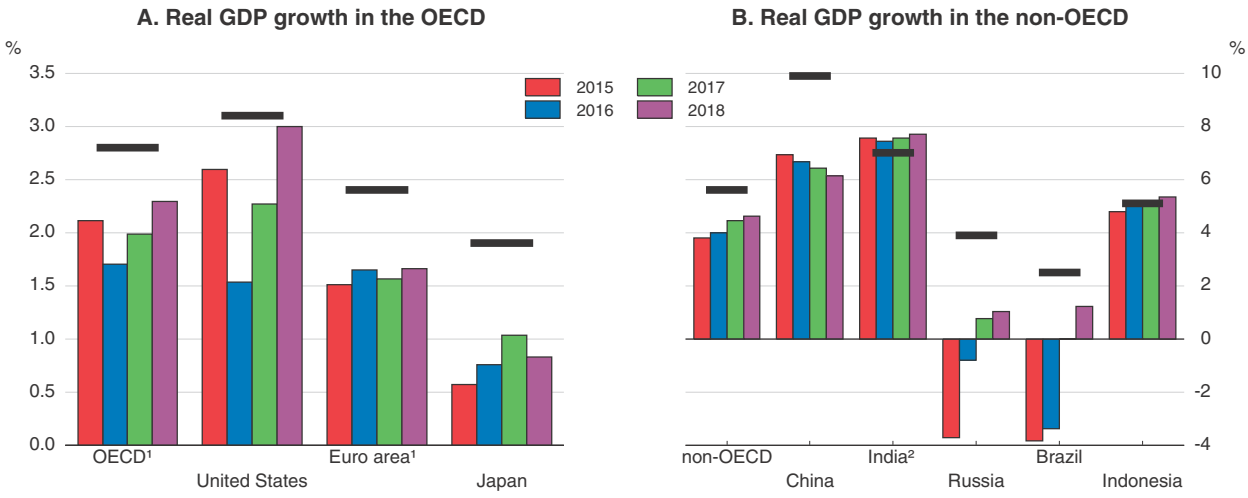
- Some of the fiscal measures introduced are likely to be permanent, particularly any corporate tax change, with longer-term implications for future fiscal deficits and debt. Knowledge that these may need to be offset in the future by either higher taxation or lower spending could serve to damp the short-term response of private sector demand to the stimulus. The stimulus measures could raise potential output in the longer-term, and thereby help with public debt sustainability, especially if businesses respond to lower corporate taxes by durably raising capital investment rather than by raising dividends or financial investments, but the extent to which this occurs is very uncertain.
- The extent to which tax reductions support demand will depend in practice on distributional issues as well as the size of any overall reduction in revenue. To the extent that higher-income households or cash-rich companies benefit from lower taxes than otherwise, the resulting additional revenue might be saved rather than used to finance additional final expenditure.
- A more aggressive monetary policy response in the United States, and associated larger appreciation of the US dollar, would also damp the short-term growth effects in the United States. However, it could provide some additional support to aggregate demand in other economies whose currencies depreciate, provided it did not add to financial market volatility. A stronger rise in term premia on long-term government bonds as a result of higher expected future government debt would also damp the response to the fiscal stimulus.
- On the other hand, if the stimulus measures succeeded in attracting a number of discouraged workers back into the labour force, or if the corporate investment response was even more forceful than estimated here, productive potential could rise more sharply. This would limit the emergence of inflationary pressures and reduce the need for increases in US policy interest rates.

In the advanced economies, supportive macroeconomic policies and stable commodity prices should continue to underpin activity, but there has yet to be a sustained collective pick-up in wage increases and business investment that is necessary for stronger growth and a sustainable consumption path. OECD GDP growth is projected to pick up to just over 2¼ per cent by 2018 from 1¾ per cent this year (Figure 1.4, Panel A). In the absence of US fiscal support, OECD GDP growth would average under 2% per annum over 2017-18, little different from the outcomes in 2015-16. Emerging market economies (EMEs) are likely to experience mixed outcomes, reflecting differences in policy support, sensitivity to commodity prices, progress in enacting structural reforms, and financial vulnerabilities. Overall, growth is set to pick up slowly in the next two years, driven by a gradual easing of the recessions in Brazil, Russia and other commodity-producing countries (Figure 1.4, Panel B). Key features of the projections for the major economies are summarised in Box 1.2.

Even in the context of policy support for a possibly-brighter global growth outcome, global trade volume growth remains exceptionally weak, slowing to below 2% this year from 2½ per cent in 2015. Only a modest improvement is projected in the next two years, with trade growth recovering to around 3¼ per cent by 2018, broadly in line with global output growth (at market exchange rates). This is much weaker than past trends, suggesting that globalisation, as measured by trade intensity, may now be close to stalling (Figure 1.5). Import volume growth in the emerging and developing economies is particularly weak, even allowing for the declines in import penetration that are persisting

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

Year-on-year percentage changes



Note: Horizontal lines show the average annual growth rate of GDP in the period 1987-2007. Data for Russia are for the average annual growth rate in the period 1994-2007.

1. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.
2. Fiscal years.

Source: OECD Economic Outlook 100 database.

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Box 1.2. **Growth and inflation projections in the major economies**

In the United States, GDP growth has picked up in the latter half of 2016, driven by continued solid consumption and job growth and fading headwinds from declining energy sector investment. An assumed fiscal easing, via rises in government spending and household and corporate tax reductions, is projected to provide an additional stimulus to domestic demand through the next two years, especially business investment, despite somewhat higher long-term interest rates. Under this scenario, GDP growth is projected to average just over 2½ per cent per annum in 2017-18. In the absence of these additional measures, GDP growth would likely be closer to 2% per annum on average over 2017-18.

In Japan, GDP growth is set to remain modest at between ¾ and 1% per annum over 2017-18, as the effects of the past appreciation of the yen and weak Asian trade on exports moderate, and exports respond to stronger US import demand. A projected modest fiscal easing will also help to support activity next year, but with fiscal headwinds due to intensify again from 2018, the key issue will be the extent to which capacity and labour shortages and strong profits feed through into corporate spending and wages.

In the euro area, growth is projected to remain between 1½ and 1¾ per cent per annum. Despite accommodative monetary policy and a modest fiscal easing over 2016-18, domestic demand remains moderate, held back by soft investment, still-high unemployment and high non-performing loans in some countries. Exports will benefit from stronger US import demand. However, negative effects from weaker demand growth in the United Kingdom and uncertainty about the future course of the European Union are also likely to become apparent over the next two years. A more robust use of fiscal space would improve prospects for both the EU and for the rest of the world, and encourage a sustained exit from the low-growth trap.

Box 1.2. **Growth and inflation projections in the major economies** *(cont.)*

Prospects in the United Kingdom are considerably weaker than set out prior to the vote to exit the European Union, with GDP growth projected to average between 1 and 1¼ per cent per annum over 2017-18, despite the additional policy support provided by more accommodative monetary policy and the easing of the sizeable fiscal tightening previously planned in 2017 and 2018. Uncertainty about the future direction of policy, the relationship between the United Kingdom and the European Union, and the reaction of the economy remains high, and is likely to persist even beyond an assumed departure from the European Union in 2019 with trade arrangements based on most favoured nation (MFN) rates. This will weigh on business investment, which is projected to decline sharply over the next two years. Some support to exports will be provided by the large sterling depreciation, but this will also raise inflation and damp real income growth.[1] Spillovers to the global economy are likely to become apparent over the course of the next two years.

In China, growth is projected to continue to ease, to around 6¼ per cent on average over 2017-18, as the support from policy stimulus eases and demand is further rebalanced towards domestic sources. Managing this rebalancing alongside financial system risks remains a key challenge. In India, a large increase in public sector wages and the recent passage of key structural reforms, particularly the goods and services tax, will help to keep GDP growth at a little over 7½ per cent per annum by raising incentives for business investment. In many other Asian economies, including Indonesia, solid domestic demand growth continues, supported by strong government investment in infrastructure or credit expansion, offsetting the drag from weak trade developments in China. In Brazil and Russia, a slow recovery is projected to get underway in the next two years, helped by firmer commodity prices, recent improvements in confidence and monetary policy support as inflation eases.

Against the backdrop for subdued aggregate demand growth, inflationary pressures are projected to remain muted in most economies. Headline consumer price inflation has begun to rise in the major advanced economies, but this largely reflects the recent strengthening of commodity prices. Input prices are also rising in many EMEs, notably China, where producer price inflation is now positive for the first time in four years. Core inflation has remained comparatively stable, at low levels, reflecting persistent economic slack and weak global price pressures, particularly in Japan where the effective exchange rate has appreciated substantially over the past year.

In the absence of significant further moves in commodity prices, exchange rates and inflation expectations, core inflation is projected to edge up slowly over the next two years in the advanced economies, but only to the extent that economic slack, cyclically adjusted, declines. Should demand rebound, investment and the re-entry of discouraged workers would tend to increase supply, easing pressures on resources. Inflation is projected to be around 2½ per cent by the latter part of 2018 in the United States, if fiscal stimulus is implemented as assumed, but to remain under 1¼ per cent and 1½ per cent respectively in Japan and the euro area. Amongst the major EMEs, consumer price inflation is projected to remain low in China and ease slowly in Brazil and Russia, helped by the impact of currency stabilisation. In India, inflationary pressures should also remain contained, although the goods and services tax could result in a one-off rise in the price level.

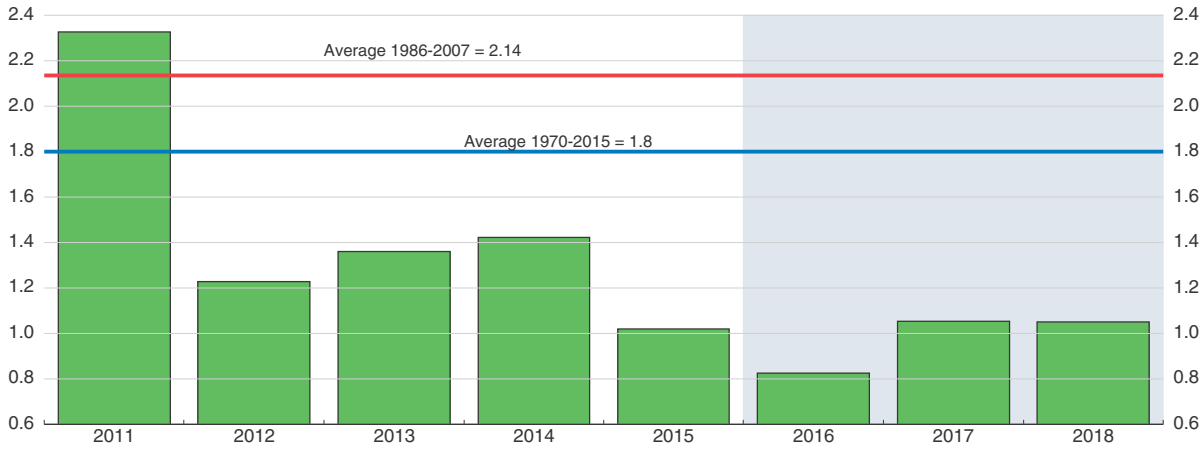
1. Overall, the projections are broadly consistent with OECD scenarios prior to the referendum (Kierzenkowski et al., 2016). These pointed to a near-term decline of over 3% in the level of UK GDP relative to baseline by 2020 on the assumption of exit from the European Union in 2019.

in China.[1] OECD analysis suggests that structural factors, such as a slowdown of trade liberalisation, new protectionist measures since the crisis and a contraction of global value chains (particularly in China and East Asia) account for a significant proportion of the

1. Excluding China, non-OECD import volumes (goods plus services) are projected to decline by over 1% this year, after falling by over 2½ per cent in 2015. A slow upturn to growth of around 2% per annum is projected in 2017-18.

Figure 1.5. **Global trade is very weak relative to historic norms**

Ratio of global trade growth to global GDP growth



Note: World trade volumes for goods plus services; global GDP at constant prices and market exchange rates. Period averages are the ratio of average annual world trade growth to average annual GDP growth in the period shown.
Source: OECD Economic Outlook 100 database; and OECD calculations.

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moderation in trade growth over the past five years (Haugh et al., 2016). Cyclical factors, including the deep recessions in some commodity producing economies, and the widespread weakness of fixed investment, have compounded structural problems. If fiscal initiatives, both implemented and proposed including infrastructure investment, catalyse business investment, global trade could be stronger than currently projected. Measures to reduce global trade facilitation costs would deliver further benefits (Box 1.3). On the other

Box 1.3. **The impact of changes in global trade costs**

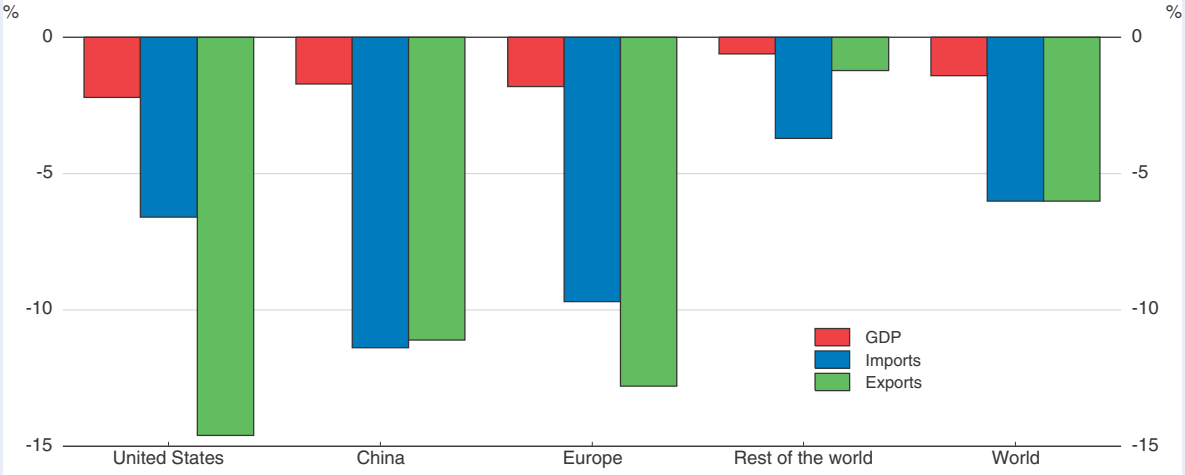
The slowdown in global trade growth is contributing to the low-growth trap. Trade enhances competitive pressures, enables greater specialisation and improved resource allocation, facilitates knowledge transfer and is essential for the functioning of global value chains. Therefore policies which impact on trade will affect output and productivity. With increased fragmentation of production across national borders (with intermediate inputs potentially crossing national borders multiple times), small changes in trade costs can have a sizeable impact on trade because of their cumulative effect. Policies that affect trade are therefore a critical element of responses to the low-growth trap. Stylised scenarios show the benefits of modest trade-enhancing actions versus the costs of policies that would throw sand in the wheels of global value chains.

A first scenario considers the impact of improved trade facilitation arrangements that raise the speed and efficiency of border procedures in all economies. This assumes that trade costs are reduced by 1.3% uniformly across all sectors in all countries. The assumed trade cost reduction is derived from the OECD's Trade Facilitation Indicators (Moïsé, 2013).[1] Based on the OECD METRO model (2015a), this would raise world GDP by about 1.5% and world trade by 1.7%. These effects would not occur immediately, but only once there had been full adjustment of demand and factors of production, although part of this might be expected to have been completed within the time horizon covered by the *Economic Outlook*. There would be productivity improvements over a number of years due to the efficiency gains from the lower costs of serving export markets. There could also be a positive but small increase in long-run total factor productivity associated with the increase in trade openness.

Box 1.3. **The impact of changes in global trade costs** *(cont.)*

A second scenario, in contrast, examines the potential impact of higher trade barriers in the major global trading economies – Europe, the United States and China – who are assumed to raise trade costs against all partners on all goods (but not services) by 10 percentage points. This magnitude is roughly equivalent to an average increase of tariffs to the bound tariff rates in 2001, the year when the trade negotiations under the Doha Development Round started.The effects would have a major adverse impact on trade and GDP, with those countries that imposed new trade barriers being the most severely affected (see first figure).

The effect of increased trade costs in the United States, China and Europe



Note: Effect of a rise in trade protection by the United States, China and European Union which raises trade costs by 10 percentage points. Europe includes the European Union, Switzerland and Norway. Trade results for Europe exclude intra-European trade. Simulation results on GDP and trade are from the OECD's METRO model, a global computable general equilibrium model of trade with a high degree of sectoral disaggregation (OECD 2015a).
Source: OECD calculations.

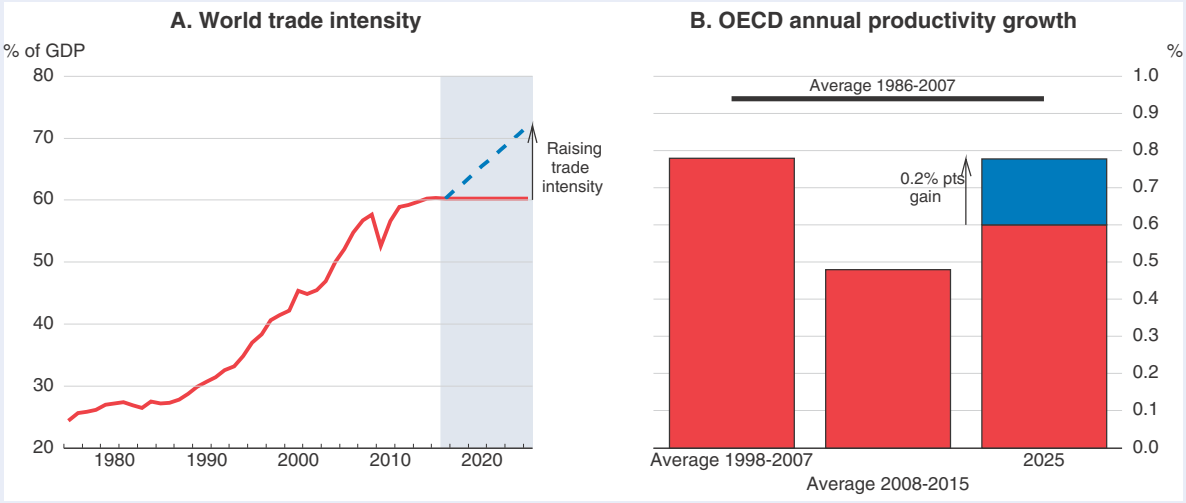
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While the change in protection shown here is illustrative, changes of a different magnitude might be expected to have correspondingly smaller or larger macroeconomic effects, although some likely adverse effects may not be captured here. For example, retaliatory actions could generate additional adverse effects on trade from disruption to global value chains, and the uncertainty introduced by protectionist trade policies would likely result in a slowdown of investment, leading to further drops in incomes and productivity.

A final scenario is designed to isolate the benefits of increasing openness for productivity growth. If collective trade policy helped global and OECD trade intensity to rise at the average pace observed over the two decades prior to the crisis, instead of remaining broadly unchanged, total factor productivity growth could be boosted by 0.2 percentage point per annum in the medium term, drawing on estimates about the link between trade openness and productivity growth in Égert and Gal (2016). This would raise annual TFP growth in the OECD economies by around one-third (see second figure).

Box 1.3. **The impact of changes in global trade costs** *(cont.)*

Raising trade intensity would boost productivity growth



Note: Scenario in which world and OECD trade intensity (exports plus imports as a share of GDP at market exchange rates) increases by 1.3 percentage points per annum (the average over 1986-2007) from 2017 onwards.
Source: Haugh et al. (2016), "Cardiac Arrest or Dizzy Spell: Why is World Trade So Weak and What can Policy Do About It?", *OECD Economic Policy Papers*, No. 18; and OECD calculations.

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1. For further details on the OECD Trade Facilitation Indicators, see also *http://www.oecd.org/tad/facilitation/indicators.htm*.

hand, if additional protectionist measures were introduced over the next two years in the major economies, global trade growth would be softer still, with negative consequences for productivity growth.

How would fiscal policy help to exit the low growth trap?

Weak growth holds back investment and productivity

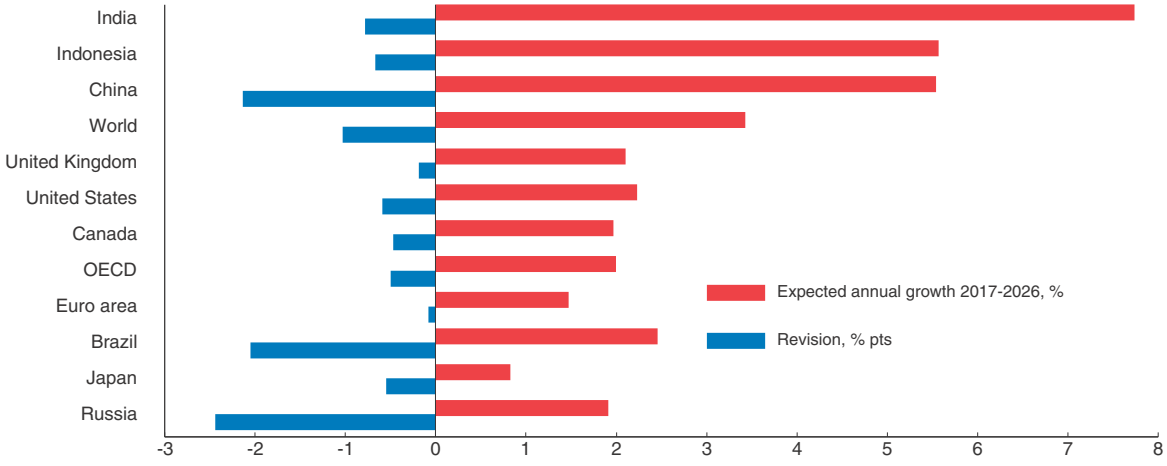
A prolonged period of weak demand is being reflected increasingly in adverse supply-side developments, undermining the longer-term capacity of an economy to deliver higher living standards for its citizens. Estimates of potential output per capita growth have been revised down repeatedly in the aftermath of the crisis, reflecting a slowdown in trend labour productivity growth due to weak investment and slower growth of total factor productivity, along with demographic effects in some countries (Ollivaud et al., 2016). For the OECD as a whole, per capita trend output growth is estimated at 0.9% in 2016-18, unchanged from the average growth rate since 2009, but 1¼ percentage points below the average achieved in the 1980s and 1990s. Potential output growth in the BRIICS on a per capita basis has also been revised down in recent years, by over 1¾ percentage points in China since 2011 and 1 percentage point in the remaining economies.

Additional evidence of the longer-term implications of persistent weak demand growth is provided by the decline in consensus projections of expected long-term GDP

growth in almost all economies over the past five years (Figure 1.6).[2] Expectations of future investment growth have fallen especially sharply.[3] The declines in expected GDP growth have typically been more pronounced in those economies in which actual GDP growth has fallen short of expectations in recent years, consistent with what might be expected in a self-fulfilling low-growth trap (Figure 1.7). In the absence of policy measures to strengthen demand and longer-term growth prospects, this trap is likely to deepen, with negative longer-run consequences for jobs, incomes and inclusiveness. On the other hand, effective fiscal policy, implemented now during the window of low interest rates and in conjunction with country-appropriate structural and trade policies, could change expectations, thus generating a positive feedback loop between expectations and actual GDP growth.

The persistent weakness of capital accumulation since the crisis largely reflects weak domestic and global demand, greater uncertainty and financial constraints arising from impaired banking sectors in some economies (OECD, 2015b). Fiscal consolidation has also constrained new and remedial infrastructure investments in many countries. The decline in expected future growth has also reduced incentives to invest for a given cost of capital.[4] Little improvement is projected in the next two years, with OECD aggregate business fixed investment growth projected to rise by a little over 2½ per cent per annum over 2017-18,

Figure 1.6. **Long-term GDP growth expectations have declined over the past five years**

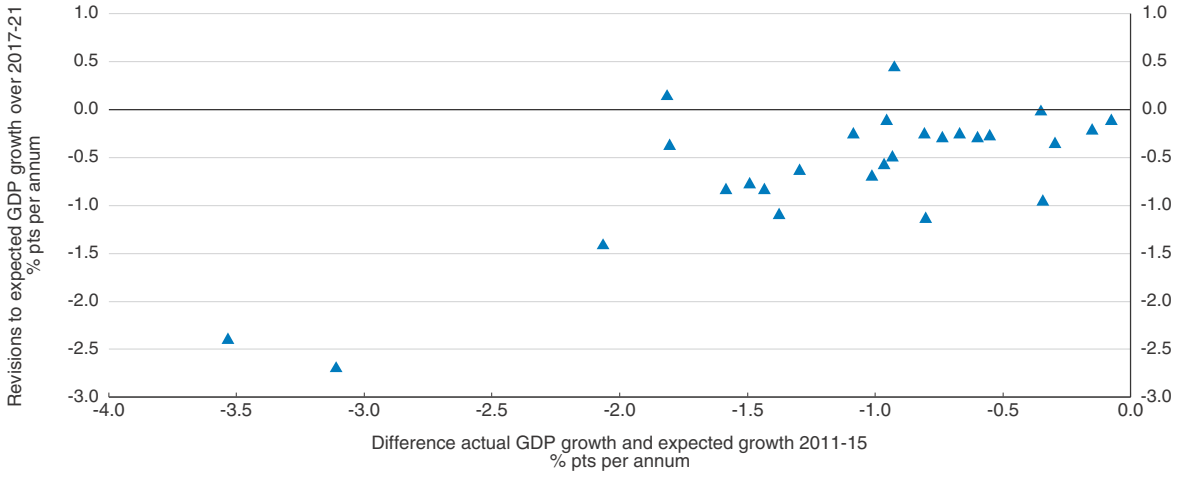


Note: The revision is the difference between April 2011 projections of average annual GDP growth over 2012-2021 and April 2016 projections of average annual GDP growth over 2017-2026. OECD and World estimates based on weighted average of available countries, using 2015 PPP shares.
Source: Consensus Forecasts; and OECD calculations.

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2. Very low real long-term bond yields may indicate that financial market participants expect significantly lower growth rates than survey measures of expected long-term GDP growth.
3. The expected annual rate of growth of fixed investment spending over the next ten years declined by 1½ percentage points between 2011 and 2016, to 3% per annum, based on a weighted average of the consensus forecasts available for OECD member states. During the same period, the expected annual rate of growth of private consumption over the next ten years declined by 0.3 percentage point to 2% per annum.
4. There is also some evidence that weak investment reflects an underlying inertia in the adjustment of corporate hurdle rates for fixed investment to the low interest rate environment (Lane and Rosewall, 2015; Poloz, 2016).

Figure 1.7. **Growth expectations have fallen in countries with past growth shortfalls**



Note: Series shown are the difference between April 2016 and April 2011 consensus projections of average annual GDP growth over 2017-2021 and the difference between average annual GDP growth over 2011-2015 and April 2011 consensus projections of average annual GDP growth over the same period.
Source: Consensus Forecasts; IMF; and OECD calculations.

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from around ¾ per cent per annum over 2015-16. The pick-up is stronger in the United States than elsewhere, reflecting a lower cost of capital due to the assumed reduction in the corporate tax rate. In the OECD excluding the United States, business investment is projected to rise by less than 1½ per cent per annum during the next two years.

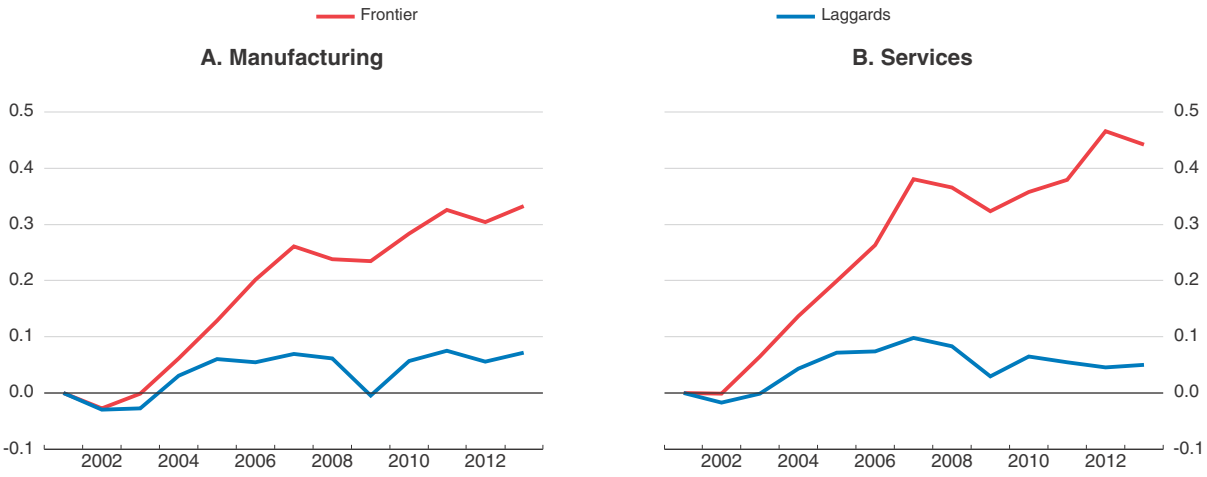
The slowdown in total factor productivity growth has occurred in a period during which the gap between global frontier and laggard firms has widened, pointing to a slowdown in the pace at which new innovations are diffused. Firms at the global productivity frontier have continued to innovate, even after the crisis (Andrews et al., 2016; Figure 1.8), although there are some signs that their rate of productivity growth has begun to moderate. In contrast, productivity growth in non-frontier firms has been very soft.[5] Weak capital investment, the trade slowdown, and reduced structural policy ambition have all contributed by slowing the diffusion of new technology embodied in new equipment.

Structural policy measures to strengthen product market dynamism and competitive pressures could help to improve the incentives to start new firms, to invest to grow, and to diffuse new technologies (Alesina et al., 2005; OECD, 2015b; Adalet McGowan et al., 2015; Andrews et al., 2016). Very accommodative monetary policy and the pressures on the business models of financial institutions (see below) may also be raising bank forbearance. Consequently, some failing firms could be kept in business, hampering the reallocation of resources towards more productive activities (Adalet McGowan et al., 2016). At the same time, product market reforms have been limited in many sectors, especially retail trade and professional services.

5. Between 2001 and 2013, average labour productivity at the global productivity frontier is estimated to have grown at an average annual rate of 2.8% in the manufacturing sector and 3.6% in the market services sector (Andrews et al., 2016). The corresponding growth rate of all other firms was around 0.5% in both sectors.

Figure 1.8. **A widening labour productivity gap between global frontier firms and other firms**

Labour productivity: value added per worker, 2001-2013



Note: The global frontier is measured by the average of log labour productivity for the top 5% of companies with the highest productivity levels within each 2-digit industry. Laggards capture the average log productivity of all the other firms. Unweighted averages across 2-digit industries are shown for manufacturing and services, normalised to 0 in the starting year. The time period is 2001-2013. The vertical axes represent log-differences from the starting year: for instance, the frontier in manufacturing has a value of about 0.3 in the final year, which corresponds to approximately 30% higher productivity in 2013 compared to 2001. Services refer to non-financial business sector services. Calculations based on the recent update of the OECD-Orbis productivity database (Gal, 2013).

Source: Andrews et al. (2016), "The global productivity slowdown, technology divergence and public policy: A firm level perspective" *Brookings Institution Hutchins Center Working Paper*, No. 24.

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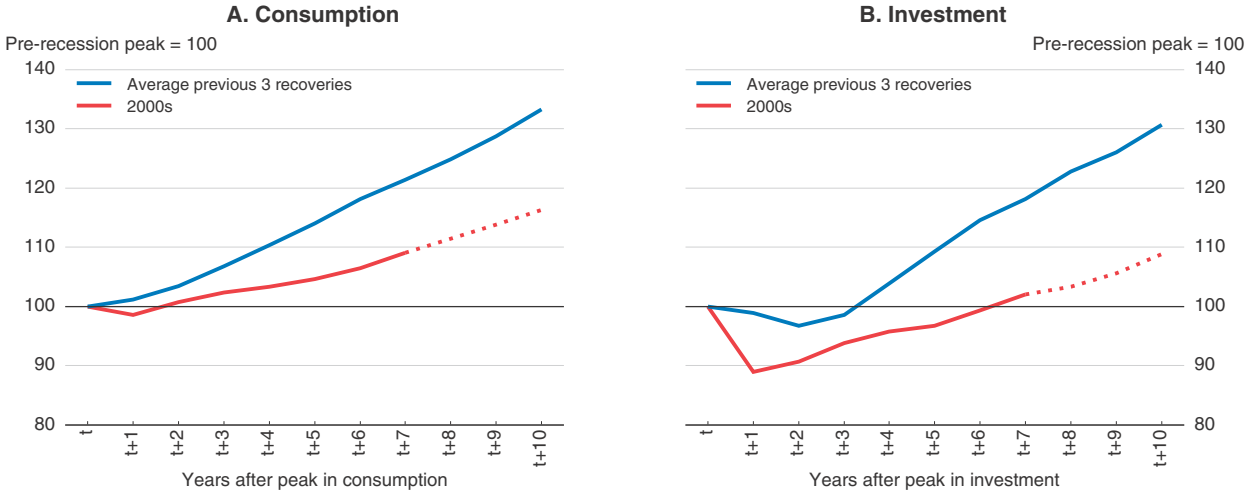
Significant new product market reforms could offer a substantial boost to investment even in the short term. Firm-level evidence in Gal and Hijzen (2016) suggests that major product market reforms to lower regulatory barriers can boost investment by around 4% after two years, with the main benefits occurring in network industries and the retail sector and from firms that do not have high debt ratios.[6] Steps to better match skills to jobs and to ensure that skills are used fully could also boost productivity by enabling new innovations and technologies to be used effectively (OECD, 2016a).

The low growth trap limits consumption growth

The recovery from the crisis has not only been sluggish but its quality has disappointed. Growth in the advanced economies has been unbalanced, both in terms of developments across economies and in terms of the composition of expenditure. Consumers' expenditure and fixed investment have both been persistently weaker than in past recoveries from recessions, but investment has failed to keep pace even with the modest rise in consumption, in contrast to earlier recoveries (Figure 1.9). In the near term, the gentle upturn in household demand can be met from existing capacity, but this cannot be sustained indefinitely without generating imbalances, inequalities and vulnerabilities. Stronger policy measures to support final demand are necessary to mitigate such outcomes.

6. A major pro-competitive reform is defined as a change in regulation corresponding to the 5% largest annual changes across different sectors over 1998-2013.

Figure 1.9. **The post-crisis recovery has been weak and unbalanced in the advanced economies**



Note: Aggregate data for the OECD economies. Consumption is total consumers' expenditure and investment is total gross fixed capital formation. The average of the past three recoveries is an unweighted average of developments after 1973Q4, 1980Q1 and 1990Q3. Series scaled to equal 100 in these quarters and 2008Q1. All data are at constant prices.
Source: OECD Economic Outlook 100 database.

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In the two decades prior to the crisis, OECD-wide consumers' expenditure rose at an average annual rate of just under 3%, with the household saving rate declining by over 5½ percentage points between 1987 and 2007. The financial crisis and the slow recovery have seen these trends reverse, with consumers' expenditure rising by just over 1% per annum on average over 2008-2015, and the household saving rate rising by around 1½ percentage points.[7] Only small changes are projected in the coming two years, with OECD-wide consumers' expenditure rising by a little over 2% per annum in 2017-18, with household saving rates remaining broadly unchanged in the majority of economies.

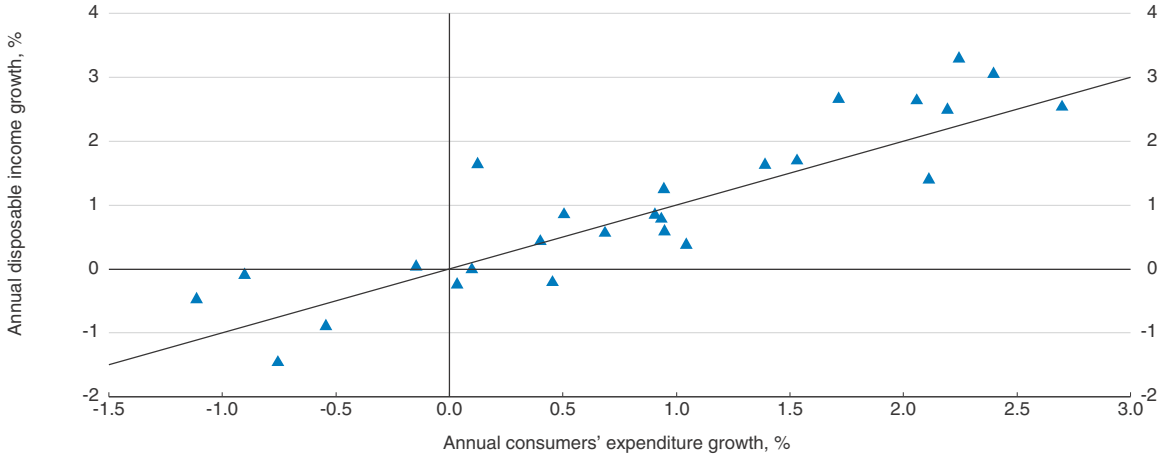
Cross-country differences in the behaviour of consumption since the crisis are closely associated with differences in real income growth (Figure 1.10). Consumption growth has outpaced income growth in a number of countries, including in the euro area as a whole, but this has mainly occurred in economies with particularly weak income growth, with a lower saving rate being used to help limit the decline in consumer spending.

The key underpinnings of sustainable consumption growth are employment and wage dynamics, with both dependent on private investment behaviour. Currently, employment conditions in countries vary widely (Figure 1.11). In some countries (including the United States, Germany and Japan) prospects for more robust job and consumption growth are limited by policies that undermine labour force participation by key segments of the potential work force. Elsewhere, including many euro area countries hardest hit by the crisis and by fiscal consolidation, considerable labour market slack remains. These differences are reflected in the growth of real compensation per employee, which is projected to pick up to around 1¾ and 1½ per cent per annum respectively in the United

7. In the median OECD economy, the annual rates of growth of consumers' expenditure and real disposable income were 3.5% and 2.9% respectively over 1997-2007. In the period from 2007 to 2015, the annual rate of growth of spending and income in the median economy slowed to 0.8% and 0.9% respectively.

Figure 1.10. **Differences in consumption growth largely reflect differences in income growth**

Average growth per annum 2008-2015

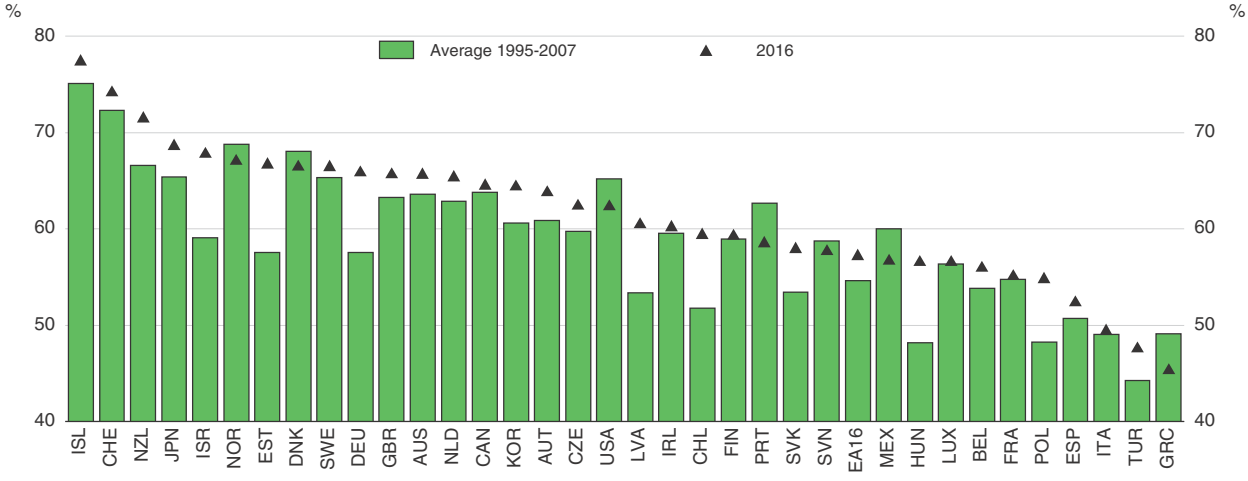


Note: Based on average annual growth of consumers' expenditure and household real disposable income over 2008-2015. Disposable income is on a gross basis in the euro area, France, Portugal and the United Kingdom and on a net basis in other countries.
Source: OECD Economic Outlook 100 database.

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Figure 1.11. **Employment rates differ widely across the OECD economies**

Ratio of total employment to the population aged 15-74 years



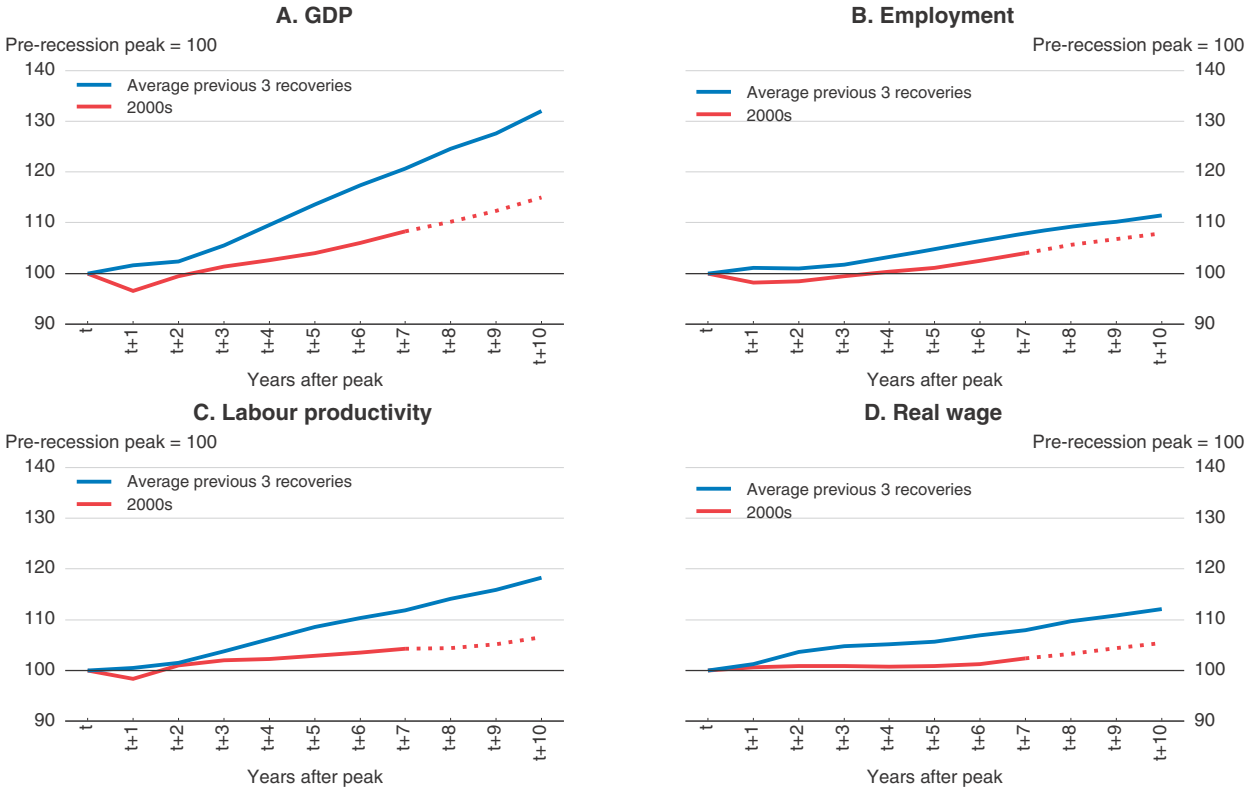
Source: OECD Economic Outlook 100 database.

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States and Germany over 2017-18, but remain subdued, given weaker productivity growth, at around ¾ per cent per annum in Japan and ½ per cent per annum in the rest of the euro area.

Persistent weakness in household income growth after the crisis in the advanced economies stems largely from the soft growth of labour incomes. Real wages have barely risen, reflecting weak productivity (Figure 1.12). As the labour market tightens, income growth will slow in the absence of an upturn in productivity and real wages, or reforms to strengthen labour force participation and employment, or fiscal measures to strengthen household incomes.

Figure 1.12. **Weak wage growth and subdued employment are holding back household incomes**



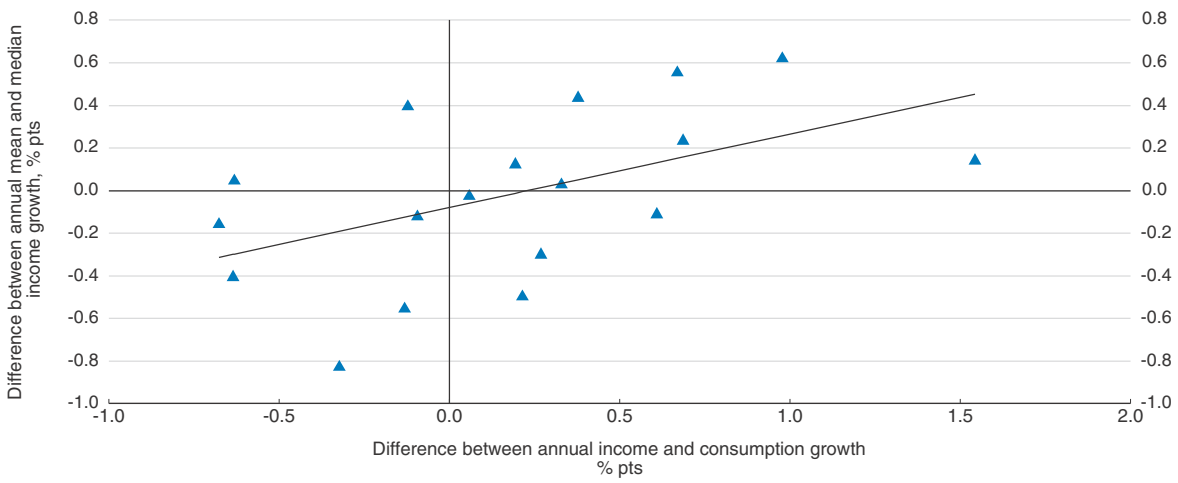
Note: Aggregate data for the OECD economies. All series scaled to equal 100 at pre-recession peak. The average of the past three recoveries is an unweighted average of developments after 1973Q4, 1980Q1 and 1990Q3. Labour productivity is measured as output per worker and real wages are measured as compensation per employee adjusted for the consumers' expenditure deflator.
Source: OECD Economic Outlook 100 database.

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The overall drag on spending exerted by weak income growth has been compounded by the continued rise in income inequality since the onset of the financial crisis in countries where income growth has been relatively concentrated in higher-income households, who typically have a lower marginal propensity to consume (Carroll et al., 2014; Alichi et al., 2016). In such countries, real mean income growth outpaced real median income growth, including in some of euro area economies heavily affected by the crisis where real income declines occurred across a broad range of households. Across countries, there is a positive correlation between the difference in mean and median income growth since the mid-2000s and the difference between annual income and consumption growth, although the relationship is not especially strong (Figure 1.13). Nonetheless, it suggests that income inequality may have contributed to the persistently higher saving rate and sluggish consumption growth in some countries after the crisis.

After a sharp initial rise at the onset of the financial crisis, saving rates have changed only slowly in many countries, despite sharp increases in asset prices boosted by the effects of very accommodative monetary policy, and overall improvements in household financial balance sheets. At the end of 2015, household financial balance sheets in most of the advanced economies were stronger (in net terms) relative to disposable income than before the crisis, even though household debt levels had fallen in only a few economies (most notably the United States). However, household saving was on average higher in

Figure 1.13. **Household saving has risen in countries with higher income inequality since the onset of the crisis**



Note: Data for aggregate household disposable income and consumption are average annual growth rates over 2008-2015. The average annual changes in mean and median real disposable incomes are calculated over different years for each economy, reflecting data availability: 2006-2011 for Korea, 2006-2012 for Japan; 2008-2013 for France, Germany, Italy and Sweden; 2008-2014 for Australia, the Netherlands and the United States; 2009-2013 for Switzerland; and 2007-2013 for all other countries. Household mean and median disposable incomes have been deflated by the consumer price index.
Source: OECD Income Distribution Database; OECD Economic Outlook 100 database; and OECD calculations.

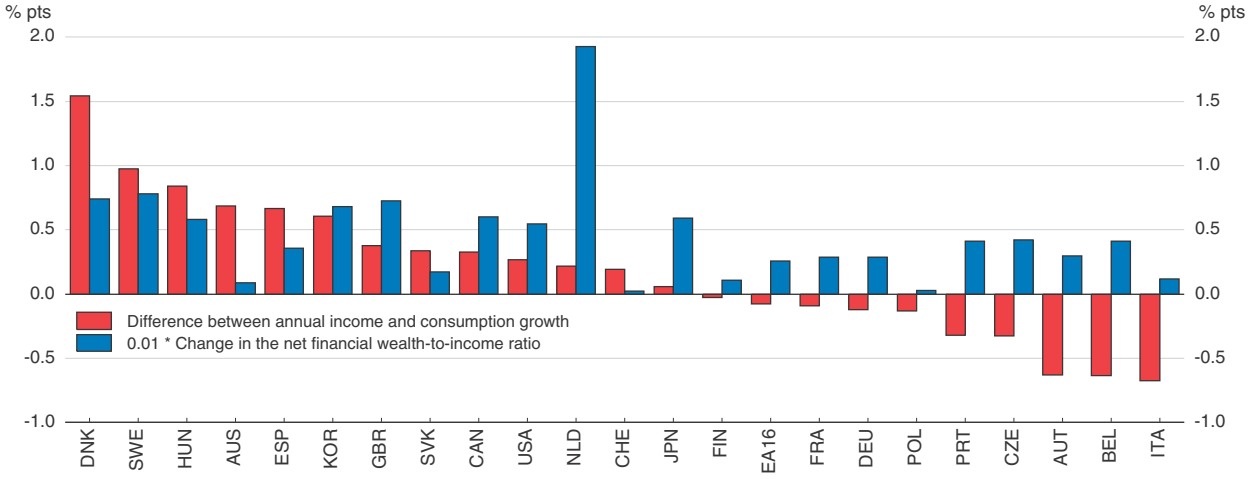
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those economies that experienced the largest balance sheet improvements (Figure 1.14).[8] This may reflect high or rising financial wealth inequality (O'Farrell et al., 2016), with the largest financial balance sheet improvements occurring in countries (on average) with the highest share of wealth owned by the richest individuals (Figure 1.15).

The relationship between house price growth and the propensity to consume also now appears to be weaker than in the pre-crisis period. In the decade prior to the financial crisis, there was a strong positive association between house price growth and the extent to which consumption growth outpaced income growth in most advanced economies (Figure 1.16). The relationship has become far more heterogeneous since the crisis, with house price developments appearing to have little consistent relationship with spending and saving. Indeed, some of the countries with comparatively strong house price growth in recent years, including Australia, Canada, Sweden and Switzerland, are amongst those countries in which income growth has exceeded consumption growth (on average) over the past eight years. The changing influence of house prices could reflect changes in financial regulations and credit standards in recent years, reducing the ability of households to use rising housing values as collateral for additional borrowing to fund current spending. Lower loan-to-value ratios, in part reflecting tighter prudential supervision, might also have increased the need for households to save in order to undertake housing purchases. All told, relative to the pre-crisis period, there are comparatively few signs of a build-up of vulnerabilities stemming from strong household spending growth being driven by rising leverage and inflated asset prices.

8. There is no clear relationship across countries between household saving and changes in the household financial liabilities-to-income ratio over the period 2007-2015.

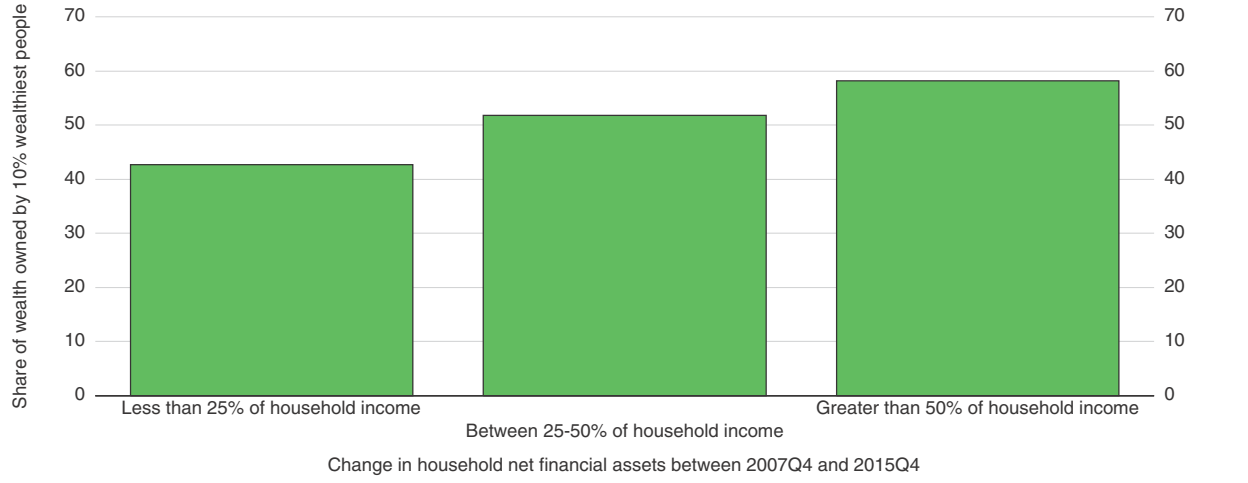
Figure 1.14. **Household saving has risen in many countries with strong improvements in household financial balance sheets**



Note: Data for aggregate household disposable income and consumption are average annual growth rates over 2008-2015. The change in the wealth-to-income ratio is the difference between the ratio of household net financial assets to household disposable income at the end of 2015 to that at the end of 2007, with income given by the average of household disposable incomes in the fourth quarter of the respective year and the first quarter of the following year.
Source: OECD Financial Accounts; OECD Economic Outlook 100 database; and OECD calculations.

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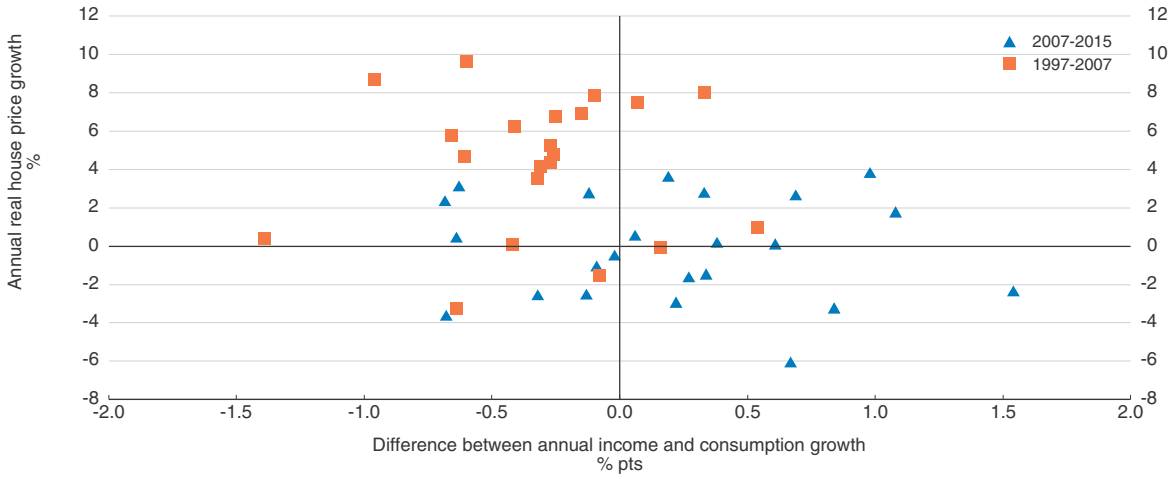
Figure 1.15. **The largest gains in financial balance sheets have occurred in countries with a relatively concentrated wealth distribution**



Note: The change in household net financial assets is the difference between the ratio of household net financial assets to household disposable income at the end of 2015 to that at the end of 2007, with income given by the average of household disposable incomes in the fourth quarter of the respective year and the first quarter of the following year. Data for 17 OECD countries. The wealth share data are for 2010 or 2012.
Source: OECD Wealth Distribution Database; OECD Financial Accounts; OECD Economic Outlook 100 database; and OECD calculations.

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Figure 1.16. **The association between house prices and household saving has weakened in recent years**



Note: Average annual growth of real house prices, consumers' expenditure and household disposable income over the sub-periods shown.
Source: OECD Analytical House Price database; OECD Economic Outlook 100 database; and OECD calculations.
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On the other hand, this suggests that very accommodative monetary policy is not being transmitted fully into private consumption via the wealth and credit channels. Necessary reforms to strengthen bank balance sheets and improve financial supervision and regulation also damp the balance sheet channel of monetary policy by lowering the extent to which households can use rising asset values as collateral for additional borrowing.[9] Moreover, as discussed below, the pressures being placed on the business models of many life insurance companies and pension funds by an extended period of very low interest rates may also be encouraging households to save in response to reduced expected future returns. Such concerns are heightened in the current context by the ongoing demographic changes in many economies with continued increases in old-age dependency ratios.[10]

Distortions and risks in financial markets

A persistent low-interest rate environment magnifies distortions and risks in financial markets

Sovereign bond yields have risen from their historical lows reached last summer, with a particularly sharp increase after the US elections. However, they still remain low by historic standards, especially in the euro area and Japan. The decline in bond yields in recent years reflected persistent weak growth after the financial crisis with associated excess savings by businesses and households. Sovereign bond yields have also been

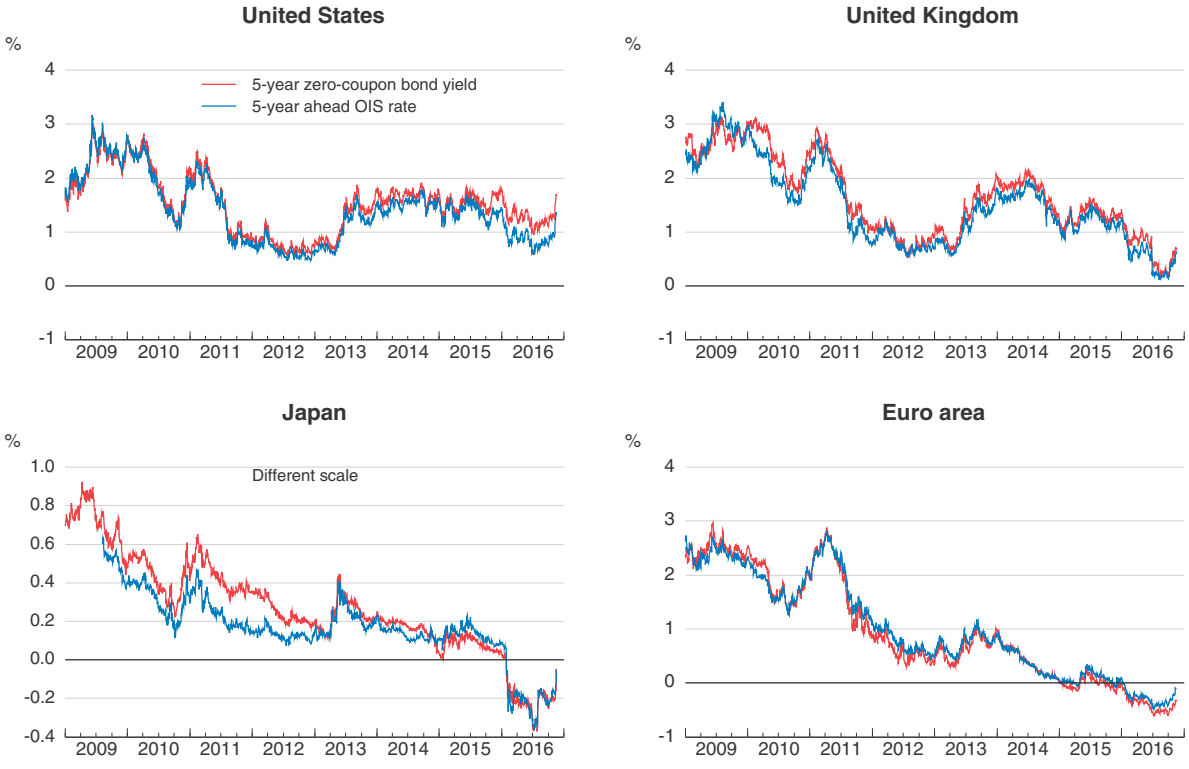
9. High wealth inequality may also be reducing the effective support to private consumption from monetary policy stimulus, although such effects are estimated to be small in recent years once account is taken of the support to house prices and employment (Bernanke, 2015; O'Farrell et al., 2016).
10. Life-cycle models of consumption suggest that individuals save less during retirement. Empirical evidence from the pre-crisis period suggested that this factor was already a significant influence on household saving in the United States and Japan (Hüfner and Koske, 2010).

pushed lower by higher demand for safe assets, at a time when the supply of such assets from the private sector has been reduced, with certain private asset classes losing their investment-grade status after the crisis (Caballero and Farhi, 2013). Before the US elections, disappointing GDP growth outcomes fuelled expectations of sustained and stronger monetary policy intervention in the markets in the main advanced economies. Indeed, the fall in expected market overnight interest rates (proxies of policy rates) over the next five years largely corresponds to the decline in 5-year sovereign bond yields in Europe, Japan and the United States (Figure 1.17). Even after the post-US-election snapback in bond yields in mid-November, bond valuations remain particularly extreme in Europe and Japan, where the share of sovereign bonds trading at negative yields is estimated to be above 50% in several countries (Figure 1.18). Consequently, around USD 12 trillion of government bonds, representing around 31% of OECD government debt, are estimated to have negative yields currently.

Low government bond yields have boosted the prices of riskier assets such as corporate bonds, equities and real estate:

- In several advanced economies, corporate bond yields have declined by even more than government bond yields, with risk spreads falling notably for sub-investment corporates in the euro area and the United States (Figure 1.19). This helped to push corporate bond issuance to record levels. Although corporate bond spreads have been above their

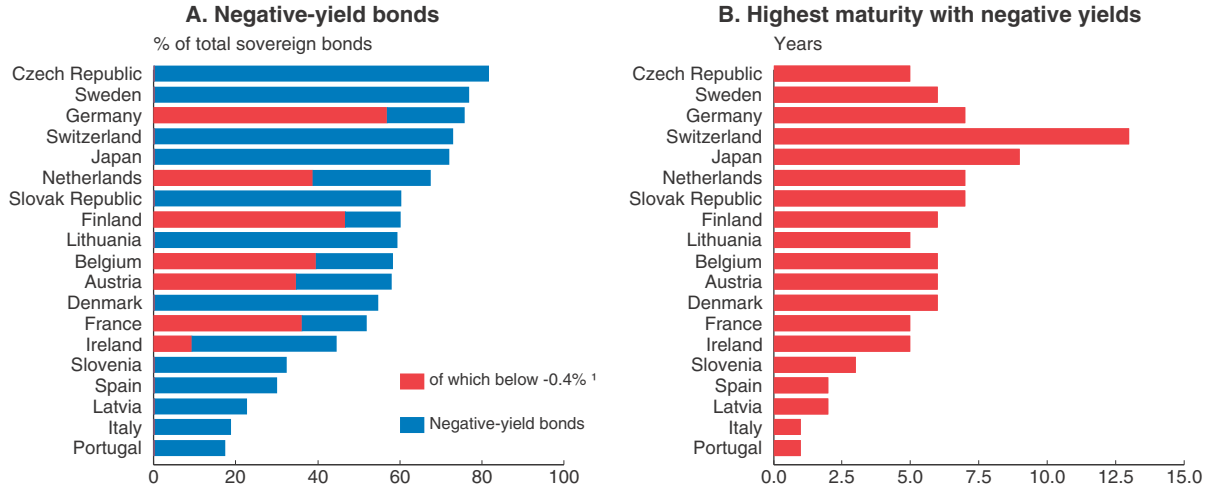
Figure 1.17. **Sovereign bond yields have declined in tandem with expected overnight interest rates**



Source: Bloomberg; and OECD calculations.

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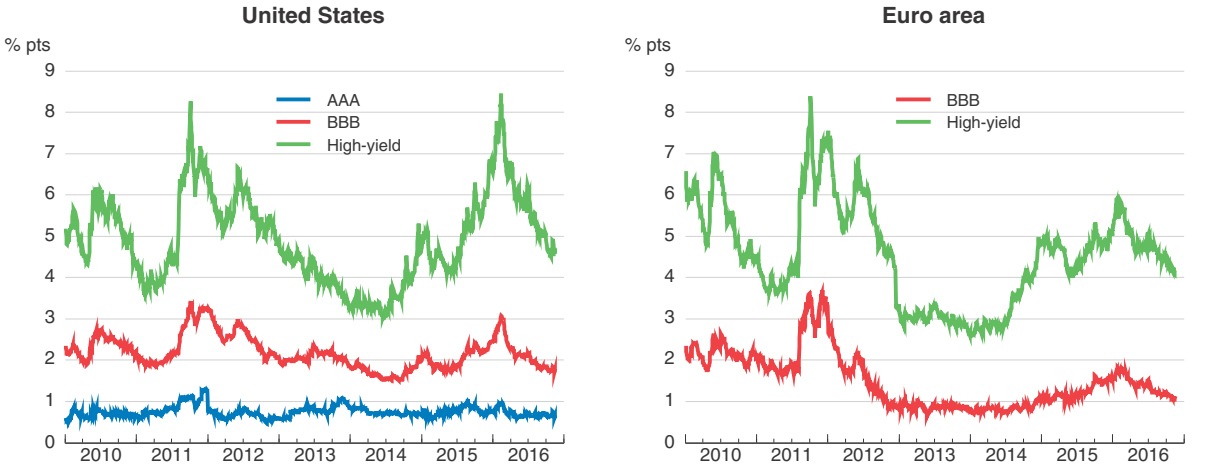
Figure 1.18. **Negative-yield sovereign bonds are dominant in Europe and Japan**



Note: Estimated based on benchmark sovereign bond yields as of 16 November 2016.
1. Only for euro area countries.
Source: Thomson Reuters; Bloomberg; and OECD calculations.

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Figure 1.19. **Corporate bond yield spreads have declined**
Difference in yields between corporate and sovereign bonds



Source: Thomson Reuters.

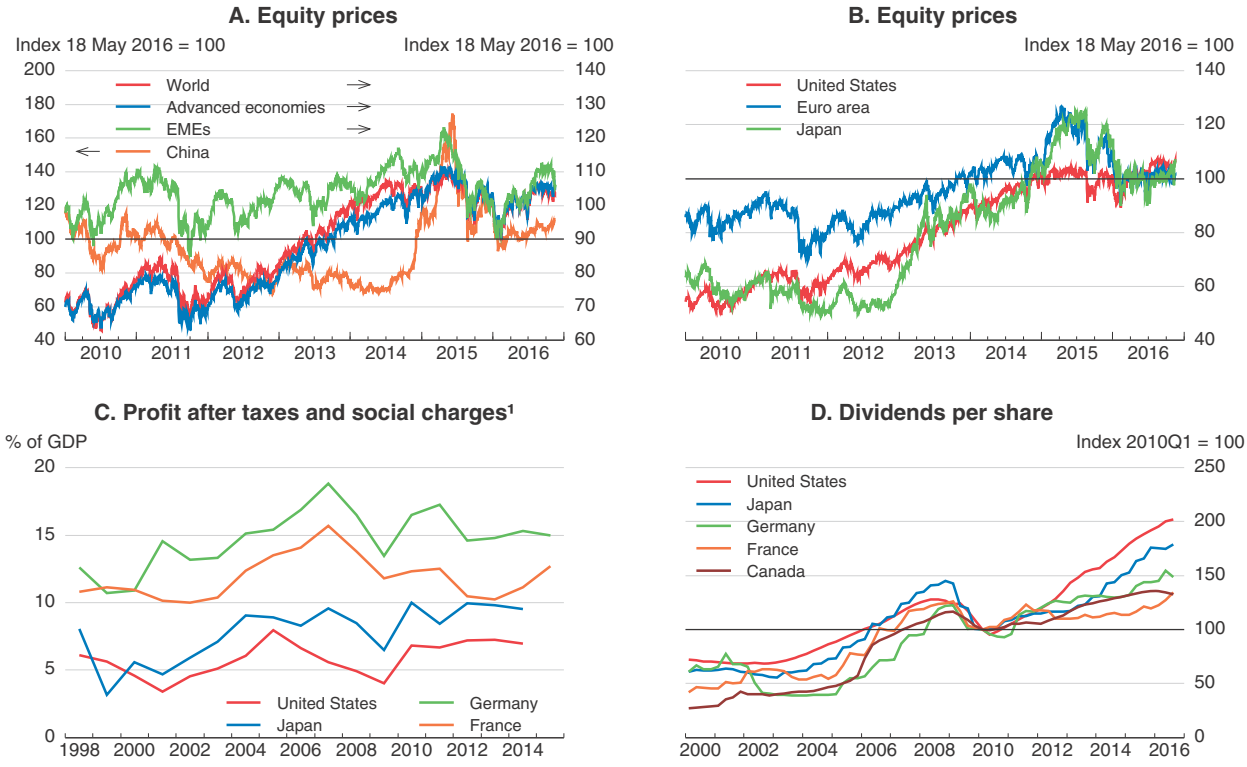
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2013-14 lows, increased risk-taking has shown up in a greater issuance of bonds with lower ratings (OECD, 2016b) and light covenants.[11]

- In the United States, following the elections, equity prices have attained their all-time peak, while, in the euro area and Japan, they have changed little since the beginning of the year and remain below highs reached in 2015 (Figure 1.20). Current prices seem to

11. According to Moody's, the percentage of newly issued global bonds with light covenants has risen to 75% this year from 46% in 2013. According to S&P Capital IQ, among the bonds sold to institutional investors in Europe, the percentage rose to around 50% last year from 0% in 2011.

Figure 1.20. **Equity prices point to a disconnect between real prospects and financial yields**



1. Profits of non-financial corporations are calculated as gross operating surplus + net property income + dividend and withdrawals from the income of quasi-corporations + reinvested earnings on foreign direct investment + net capital transfers - consumption of fixed capital + changes in inventories. Taxes and social charges include current taxes on income and wealth, and net social contributions and benefits.

Source: Bloomberg; Thomson Reuters; OECD National accounts; and OECD calculations.

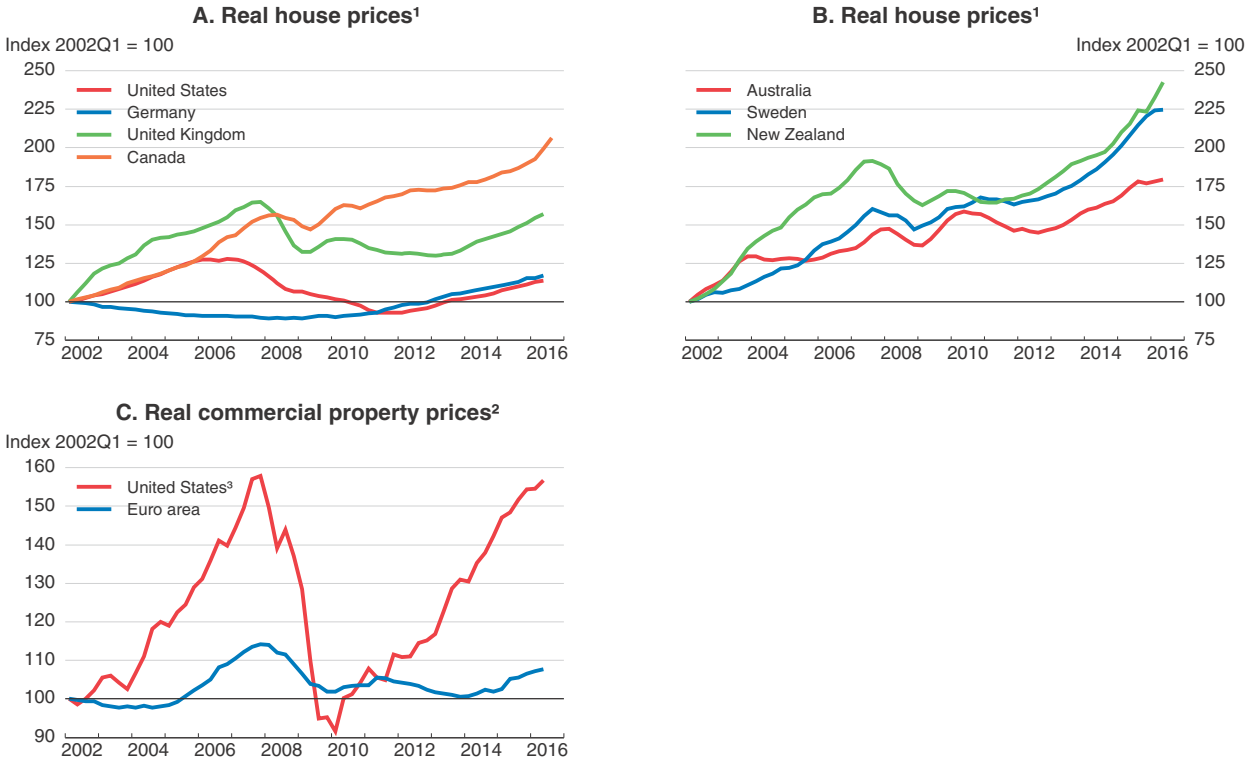
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reflect several abnormal conditions.[12] An extended period of low interest rates has induced portfolio rebalancing towards equities and raised the present value of expected future profits. By stimulating corporate borrowing, it has also contributed to large-scale share buybacks (OECD, 2016b), high dividend payouts per share and relative to net income (Figure 1.20) and strong merger and acquisition activity. All of these have pushed up equity prices. They have also been boosted by strong profit growth over recent years, with modest wage growth and other cost-cutting measures outweighing very weak productivity growth. There are, however, limits to such profit gains if weak nominal output growth is sustained.

- Over recent years, real house prices have been growing robustly in Australia, Canada, Germany, New Zealand, Sweden, the United Kingdom and the United States; in many of them approaching the pace observed prior to the crisis (Figure 1.21). The rise in real

12. If current share prices are boosted by low discount rates or expectations of high future profits, the cyclically-adjusted price-to-earnings ratio (CAPE), a ratio of current share prices adjusted for inflation to the 10-year average of real earnings, should go up. While CAPE ratios have increased in the United States and the United Kingdom since early 2016, they have declined in Japan and in large euro area countries. In all areas, they have, however, remained below country-specific historical averages from the early 1980s.

Figure 1.21. **Growth in real estate prices has been strong in some advanced economies**



1. Deflated with private consumption deflator.
2. Deflated with GDP deflator.
3. The Federal Reserve Board index. Most recently, it is based on the CoStar Commercial Repeat Sale Index.

Source: OECD Economic Outlook 100 database; OECD Analytical House Price database; European Central Bank; and Federal Reserve.

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estate prices has pushed up price-to-rent ratios to record highs in one-third of OECD member states, including Canada and several European countries. In the United States, commercial property prices corrected for GDP inflation have also gone up, approaching the pre-crisis peak. So far, appreciating property prices have not been accompanied by a rapid increase in household debt, reflecting moderate growth in household mortgage debt, in contrast to the period before the crisis. However, in a number of countries, including Australia, Canada, Sweden and the United Kingdom, debt in relation to household income has remained high.

A normalisation of asset prices is desirable, but it may involve financial turbulence. Despite relatively low perceived uncertainty based on financial market indicators, a reassessment of the future monetary policy stance and indeed an actual move,[13] regardless of how well communicated, is likely to prompt a snapback in bond yields. This has already happened after the US elections and during the so-called taper tantrum in 2013. The initial price correction could be magnified by fire-sales. This might occur if investors have been betting on continued price gains due to monetary policy support, and

13. Expected policy interest rates are abnormally low, especially in Japan and the euro area at more distant horizons, even if they have increased since summer. Such expectations appear inconsistent with current consensus projections of low but positive nominal GDP growth of around 2½ to 3½ per cent on average over the next ten years in most major advanced economies.

if liquidity were to dry up, as it has tended to do in recent times when there has been market stress. Reduced liquidity in bond markets under stress reflects a decline in the capacity and willingness of dealers to engage in market-making, the rise of algorithmic trading (BIS, 2016a) and the increase in government bond holdings of central banks. The snapback in bond yields would lead to a fall in other asset prices, due to a higher discount rate and risk aversion, and to exchange rate moves.

The low-interest rate and low-growth environment poses challenges for financial institutions

The financial health of banks, pension funds and insurance companies is crucial for financial stability, the transmission of monetary policy and ultimately economic growth. The prolonged period of low growth and interest rates has challenged the business models of financial institutions. Persistent low profitability restrains banks' capital accumulation and may, in turn, reduce financial intermediation or raise the cost of bank credit. Insufficient capital buffers could also discourage banks from recognising losses from NPLs. Weakened solvency of pension funds and insurance companies could have negative effects on other parts of the financial sector and undermine overall confidence. These institutions are closely interconnected with banks and asset managers, and are important investors in corporate bonds.

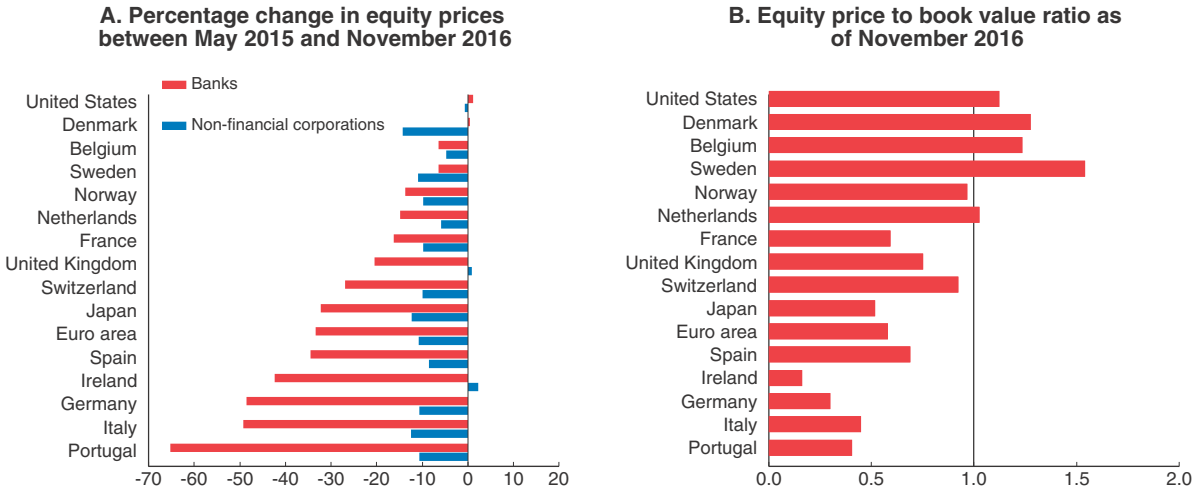
Banks' profitability has declined

Despite the recent improvement in the performance of banks in the main OECD areas, concerns about their profitability persist. Banks have increased the level and quality of capital and liquidity.[14] Moreover, the results of recent stress tests in the euro area, Japan and the United States generally indicate improved resilience to significant negative shocks, with higher initial capital ratios, and capital falling below the required minimum in fewer banks than in previous tests (European Bank Authority, 2016; Board of Governors of the Federal Reserve System, 2016; Bank of Japan, 2016). US bank equity prices have increased since the beginning of the year, especially after the US elections, boosting the equity price to book ratio to well above one. In contrast, despite their recent increase in the euro area and Japan, bank equity prices still remain between 30% and 65% below mid-2015 levels, underperforming non-financial companies (Figure 1.22). Consequently, the ratio of banks' equity price to book value is still close to levels last seen during the financial market turbulence in 2009 and 2012. This implies that financial markets view the quality of assets as much weaker than recorded in banks' balance sheets.

The low stock market valuation of banks in the euro area and Japan this year is related to concerns about profitability in the low-interest rate and low-growth environment. Over recent years, returns on assets have been below the pre-crisis levels in the main OECD areas, with such returns significantly lower in the euro area and Japan than in the United States (IMF, 2016). In the euro area, although the estimated average return on equity for significant banks has picked up since the turn of the year, it is still subdued and remains significantly below the estimated cost of capital (Constâncio, 2016). Returns on equity of many banks are also below the estimated cost of equity in Japan (IMF, 2016). Several factors

14. Common equity Tier-1 ratios for euro area significant banks and for Japanese internationally active banks almost doubled between 2008 and 2015, reaching 13%, even after applying the more demanding measurement of risk assets under the Basel III rulebook. In the United States, the increase was smaller but the ratio has been at a similar level.

Figure 1.22. **Investors have been pessimistic about the health of the banking sector in many advanced economies**



Note: November figures are computed as the average of the daily data up to 16 November 2016.
Source: Thomson Reuters.

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have challenged bank profitability, with their relative importance appearing to be country specific.[15] Some euro area countries, notably Italy, have still high non-performing loans (NPLs) (Table 1.A2.1 in Annex 1.A2). NPLs require higher provisions, which in turn reduce net income, and they generally do not generate income (Aiyar et al., 2015). The ensuing deterioration of banks' balance sheet positions can also raise borrowing costs for banks and reduce profitability even further. Moreover, high NPLs may slow the reallocation of resources and thus productivity growth (Adelet McGowan et al., 2016), with a possible negative feedback on the economy and the banking sector.

Pension funds and insurance companies face new solvency challenges

Prolonged low and negative interest rates also pose challenges for pension funds and financial institutions offering life insurance policies that promise pre-crisis or fixed nominal returns (Box 1.4; OECD, 2015c). A fall in the discount rate increases the present value of the liabilities of defined-benefit (DB) pension funds[16] and life insurance companies, undermining their solvency. The impact will be bigger, the higher the amount of liabilities with fixed returns or fixed benefits, the more difficult it is to renegotiate contracts, and the higher the share of fixed income investments in total investment portfolios. The adverse effects of low interest rates for pension funds are greater for funds that already had unfunded liabilities before the crisis.

Life insurance companies have been under market pressure, with their equity prices falling relative to overall indices and credit default swap spreads rising. In Europe, the return on assets in the pension fund sector declined substantially in 2015 (EIOPA, 2016),

15. They include flattening of the yield curve (Borio et al., 2015; Claessens et al., 2016); negative returns on government securities and on reserves held at central banks in many European countries and Japan (Box 1.2 in OECD, 2016c); changing bank regulation (IMF, 2016); and fines and penalties for misdeeds in the past.
16. In Europe, traditional defined benefit plans account for 75% of the pension fund sector's total assets (EIOPA, 2016).

and in Japan one major insurance firm has lost around 20% of its embedded value due to the fall in long-term interest rates. Pension funds' funding gaps have risen since the crisis and now stand at around 30% of total assets in the United Kingdom and the United States (Figure 1.23), aggravating challenges stemming from gains in longevity.[17]

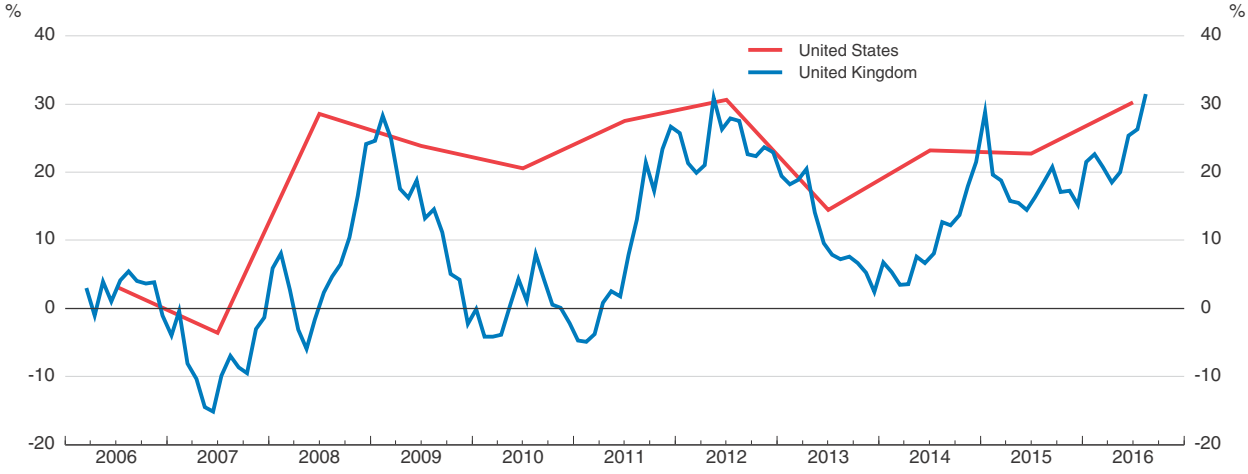
The current challenges for pension arrangements raise a number of policy questions. A central dilemma is how to strengthen the sustainability of pensions without at the same time raising saving and demand for risk-free assets, thereby worsening the underlying problem of low interest rates and low growth. This may lead to a tension between the individual interest of the pension scheme and the stability of the financial system. Strengthening near and long-term GDP growth prospects, leading to higher interest rates, would help to ease this tension.

For pay-as-you-go pensions, the policies needed to restore sound financing include lowering promises and raising contribution rates or effective retirement ages. In many countries, gradually raising the effective retirement age in line with gains in life expectancy – which would also increase GDP – should be a key part of the solution.

For DB schemes, it is essential to adjust the promises in new contracts and to future retirees to reflect the fact that interest rates are unlikely to return fully to past norms, which may necessitate raising contributions and premia. The adjustment of retirement promises also needs to reflect changes in other actuarial parameters such as life expectancy. It may also be necessary to modify contracts and conditions for existing retirees. Several countries, including the Netherlands, have already given pension funds some discretion over the level of indexation of pension promises. In some cases this allows

Figure 1.23. **Funding gaps of defined benefit pension funds have widened**

Net funding deficit as a per cent of total assets



Source: International Monetary Fund (2016), *Global Financial Stability Report. Fostering Stability in a Low-Growth, Low-Rate Era*, October, Figure 1.21.

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17. Data on current aggregate pension gaps are limited and the situation varies considerably across countries and between different plans in the same country. The extent of these funding gaps can be difficult to discern given regulatory and accounting conventions, including the continued use of assumed rates of return far in excess of current market returns and the discount rates used to calculate liabilities.

them to adjust accrued benefits. In exceptional circumstances, insurers and pension funds may need to renegotiate or adjust existing contracts and promises. Additionally, in the case of DB pension funds, pension-plan sponsors – and where relevant, plan members – could increase contributions to the pension fund to compensate for any shortfall.

Supervisors of DB pensions should step up monitoring. Policymakers face a difficult balance between putting excessive pressure on institutions to correct funding deficits, which could aggravate the low growth and low interest rate environment at a time of market weakness, and regulatory forbearance. Requirements to maintain certain funding ratios, as well as the marking-to-market of asset values, may force pension funds to reduce risk at the wrong time and become pro-cyclical. Several countries have already allowed pension funds to have flexibility in meeting funding requirements (e.g. the Netherlands, Ireland, Norway, Finland, the United Kingdom and the United States). The new OECD Core Principles on Private Pension Regulation provides a framework to address these issues.

Policymakers need to assess these risks carefully because there are potentially large consequences for future retirement incomes, pension funds and insurers, and ultimately public finances. The United Kingdom and the United States have government arrangements to protect pension funds, but pension challenges could also require government actions in other countries as well. It is also important to maintain public confidence in pension systems to encourage saving for old age and the stability of the institutions. In countries where defined-contribution arrangements are the main source for financing retirement (e.g. Australia, Chile, Mexico and New Zealand), concerns about the sustainability and adequacy of promised retirement income may lead to doubts about the design of current pension systems.

Box 1.4. **The impact of low interest rates and low economic growth on pensions**

Low interest rates and low rates of GDP growth present significant challenges to pension providers, governments and current and future pensioners. Through different channels, these factors affect the range of public and private pension provision across the OECD and could lead to financial stability problems, calling for measures to address these challenges.

The impact of low interest rates and growth depends on the design of pension arrangements

Pay-as-you-go (PAYG) pension schemes, where funds from today's contributors are used to pay current pensioners, are widely used in OECD countries, particularly for social security or public sector pensions. Low growth of GDP and wages translates into low growth in the financial resources available to fulfil pension promises. In practice, PAYG pension promises tend to be expressed in terms of replacement rates, the percentage of the wages that workers will receive when they retire. This implies that lower wage growth does not necessarily undermine the PAYG system as both revenues into the system and benefits paid out are reduced. By contrast, lower employment growth would weaken the system by reducing the number of workers paying in relative to the number of pensioners. Some systems have mechanisms to adjust the replacement rate depending on these factors.

For funded pensions, the impact of low interest rates and low growth is more direct (OECD, 2015c). For defined contribution (DC) pensions, prolonged low interest rates reduce long-term returns. DC pensions do not have fixed liabilities, so the effect is limited to reducing the amount of assets accumulated and annuity providers will increase their premia. While this does not affect the sustainability of the pension funds, it does reduce the amount of assets accumulated and retirement income that the same pot of money can buy (OECD, 2016d).

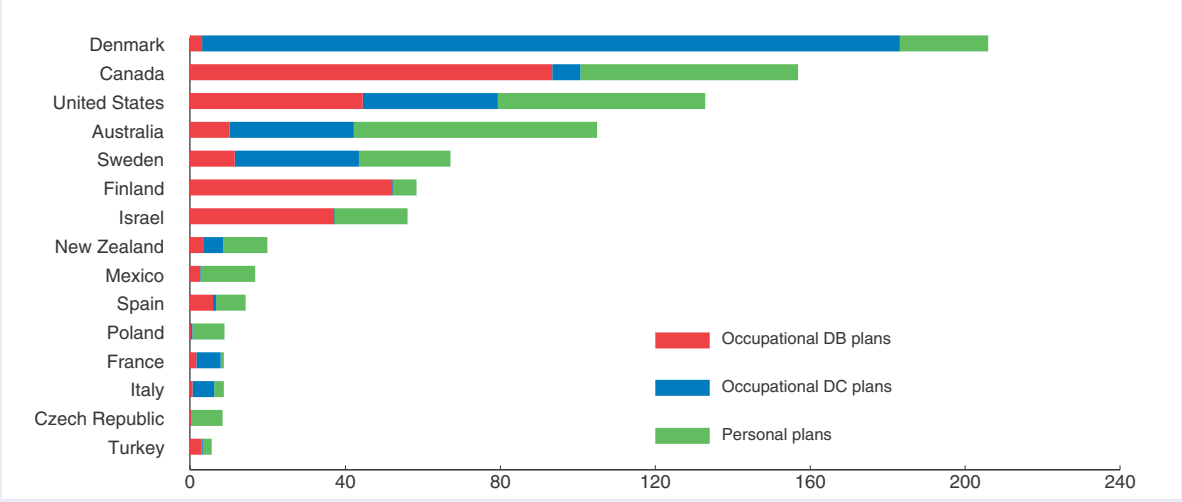
Box 1.4. **The impact of low interest rates and low economic growth on pensions** *(cont.)*

Defined benefit (DB) pension funds promise retirement income to pensioners, backed by a pool of funds. On the asset side, lower interest rates raise the current value of assets, but those bonds will mature and need to be replaced with bonds with lower yields. At the same time, low interest rates tend to increase the value of funds' liabilities. As with PAYG schemes, occupational pensions often target a given replacement rate and so depend also on the evolution of wages. A further difficulty is that the duration of fund liabilities tends to be larger than for assets, so lower interest rates increase liabilities more than assets. The adverse effect of low interest rates is higher when the liabilities consist of promised fixed investment returns, such as annuities. If DB funds are backed by corporate sponsors or governments, lower interest rates can increase their exposures.

The extent to which different individuals, institutions and countries are affected by these factors depends on their reliance on the various pension arrangements (figure below). It also depends on how long interest rates will remain low and developments in wages and employment. These additional pressures add to long standing challenges across many types of pension arrangements related to rising longevity and associated risks. A lower income environment reduces the room for manoeuvre to address these issues.

Pension arrangements vary widely across countries

Private pension assets as a percentage of GDP, 2015 or latest available



Source: OECD Global Pension Statistics.

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Unlike banks, pension funds are not exposed to runs as the value of assets accumulated cannot be redeemed except in exceptional circumstances. With their long-term outlook, pension funds tend to act as market stabilisers (Bikker et al., 2010; Bank of England, 2014). However, pension funds may become less stabilising through herd-like behaviour to address the challenge of low returns. One risk is that, while searching for yields, they acquire illiquid assets that could be more prone to negative shocks and fire-sales. Pension funds already had exposures to alternative investments of more than $6 trillion, i.e. around 25% of total assets, as of end-2015 (OECD, 2016d).

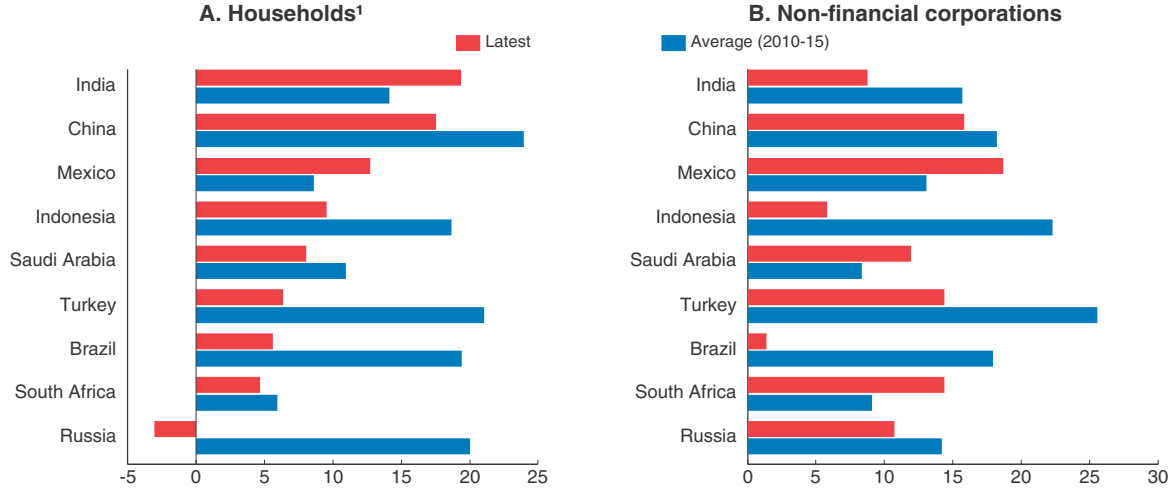
Rapid debt accumulation risks instability in EMEs

In China, high and rising private debt, covering state-owned enterprises, continues to pose risks to financial stability. The credit-to-GDP ratio relative to trend is now the highest among 43 advanced and emerging market economies and has reached levels observed in countries that experienced financial crises in the past (BIS, 2016b). The high pace of debt accumulation was sustained despite weaker domestic demand growth. This raises concerns about the underlying quality of new credit, disorderly corporate defaults and the possible extent to which it has been used to support financial asset prices. Residential property prices in some of the largest cities have risen by over 30% year-on-year, although price growth in smaller cities has been much more modest. The price gains have been partly driven by loose monetary policy and ample credit availability as well as reduced land supply. Non-financial corporations, with debt equal to 166% of GDP, face increasing challenges in servicing debt amid slowing growth, weak producer price inflation and overcapacity in several sectors. While the recent programme of debt-for-equity swaps will reduce the leverage of non-financial corporations, the banking sector will be burdened with the costs, undermining their profitability, at a time when NPLs are already rising.

In many other EMEs, private credit has also grown rapidly, with risks to financial stability and economic growth, though it has moderated recently (Figure 1.24). Credit growth has been fuelled by favourable financial conditions amid low interest rates in advanced economies. Overall, capital inflows have diminished over the past two years in many EMEs, especially portfolio capital, but they still remain sizeable and are estimated to have risen considerably during the third quarter of 2016. Consequently, private debt-to-GDP ratios have reached high levels. At the beginning of 2016, credit to the non-financial private sector was above 70% of GDP in Brazil, Russia, South Africa and Turkey, and above 137% of GDP in Malaysia. Rapid private credit growth is one of the key factors raising the risks of recessions, as are large foreign capital debt inflows (de Serres and Gori, forthcoming).

Figure 1.24. **Credit growth has remained robust despite its recent weakening in a few EMEs**

Year-on-year percentage changes in credit



Note: Credit from all sectors (including banks).
1. Including non-profit institutions serving households.
Source: Bank for International Settlements; and OECD calculations.

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More determined and comprehensive policy efforts are needed

Given the high costs for current and future generations of a persistent low-growth trap, and the multiple and interlinked causes of the trap, a comprehensive and collective policy response is needed. Countries should fully use the scope available for monetary, fiscal and structural policies to support demand and to generate expectations of higher future growth. The policy mix should reflect country and region-specific cyclical conditions, accounting for global and regional spillovers and recent measures taken. Greater use should be made of fiscal and structural policies as monetary policy on its own has become overburdened.

Monetary policy has reached its effective limits in many advanced economies

Since May 2016, the accommodative monetary policy stance has remained unchanged in the euro area and the United States. Japan has introduced a new policy framework with stronger forward guidance. In contrast, monetary policy has been eased in the United Kingdom in response to the Brexit vote. Conditional on the assumption of additional fiscal measures being implemented in the United States, the US policy interest rate is assumed to rise from 0.5% at present to 2% by end-2018 with a somewhat greater increase in 10-year bond yields. Policy rates are assumed to remain unchanged at current levels in Japan and the euro area. This also applies to 10-year bond yields on the assumptions that the new policy in Japan of targeting the 10-year yield is successful and that quantitative easing continues in the euro area.

Given a heavy and prolonged reliance on monetary policy in recent years to support demand and raise inflation, distortions and associated risks have risen. Consequently, the effective scope for additional monetary policy stimulus, without forceful support from fiscal and structural policies, is exhausted.

The implementation of announced monetary policy in Japan and the euro area is likely to be particularly challenging.

- The Bank of Japan's new policy framework involves yield curve control and an inflation-overshooting commitment so as to strengthen inflation expectations.[18] The Bank of Japan presently expects to continue to buy government bonds broadly in line with the current pace of about 80 trillion yen (16% of GDP) per year. It remains to be seen if the renewed efforts to raise inflation expectations to achieve the inflation target will be successful, with earlier similar attempts having muted effects despite the supportive yen depreciation at the time. Also, with the sustained guidance on the amount of bond purchases, targeting the 10-year government bond yield could be complicated in practice.
- In the euro area, government bond purchases, if continued beyond March 2017, may be constrained by the ECB's self-imposed limits (i.e. not to acquire more than 33% of a given bond issue, 33% of bonds of one issuer, and bonds yielding less than the ECB deposit rate). For instance, in mid-November, the share of government debt yielding less than -0.4% is estimated to be above 50% in Germany and 30-45% in five other euro area countries (Figure 1.18 above). Adjusting the limits should be considered.

18. The Bank of Japan has promised to continue expanding the monetary base until CPI inflation (excluding fresh food) exceeds the price stability target of 2% and stays above the target in a stable manner.

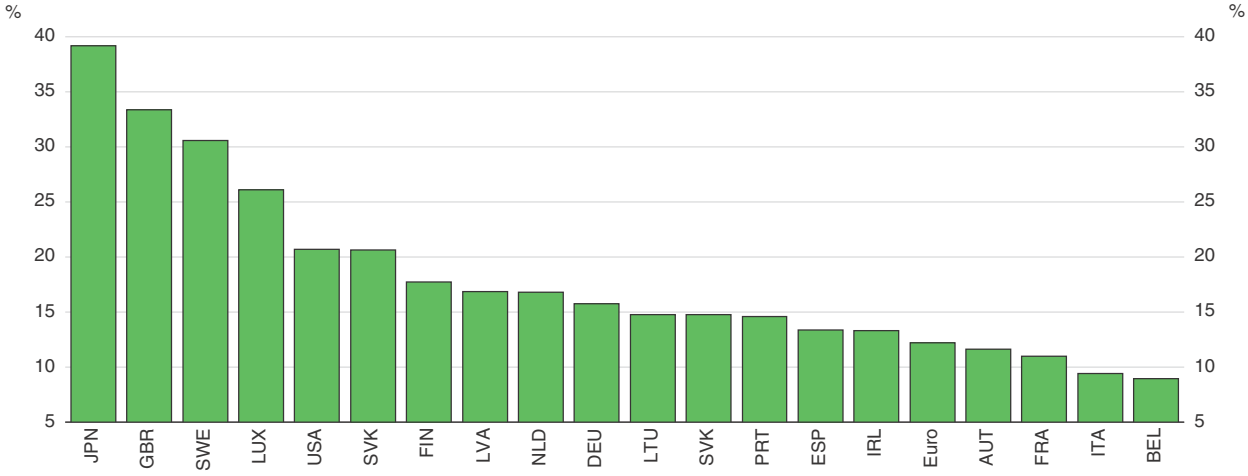
- With past and current purchases of government bonds, central banks have become dominant holders and buyers of sovereign debt (Figure 1.25), driving bond prices higher and inducing speculative investment. In the euro area and Japan, central bank holdings of government bonds will increase significantly under current monetary policy plans. In Japan, the share of bonds held by the Bank of Japan in total outstanding government bonds is likely to rise to around 60% by March 2019, if the bank sustains purchases of 80 trillion yen per year. To alleviate these effects, central banks could expand purchases of private bonds and equities. However, this would likely involve higher risks and raise equality concerns, given likely higher benefits to large private companies and the wealthiest individuals, and over time could lead to similar price distortions.

The likely increasing divergence in monetary policy stances across the main advanced economies will involve spillovers via exchange and interest rates, impacting the conduct of monetary policy around the world.

- An appreciation of the US dollar against other currencies would redistribute global demand from the United States to weaker economies. However, the strength of this mechanism may be weaker than prior to the crisis. The recent impact of real exchange rate movements on trade volumes appears to have been muted in the major advanced economies, once account is taken of changes in demand, consistent with recent empirical evidence of the declining sensitivity of trade volumes to changes in competitiveness (Ollivaud and Schwellnus, 2015).

Figure 1.25. **Several central banks have become dominant holders of domestic government bonds**

Government bonds held by central banks as a per cent of government debt securities, as of September 2016 [1]



Note: For the United States, marketable treasury securities, excluding treasury bills, held by the Federal Reserve as a share of outstanding marketable treasury securities excluding treasury bills at market value. For the United Kingdom, Asset Purchase Facility holdings as a share of outstanding gilts (conventional and index-linked), at market value. For Japan, government bonds held by the Bank of Japan as a share of outstanding treasury securities, excluding treasury discount bills and including FILP bonds, at market value. For the euro area countries, cumulative net purchases of government bonds in the Eurosystem Public Sector Purchase Programme at book value as a share of outstanding general government bonds at face value. For the euro area, the numerator and the denominator of the share are sums of respective values for all euro area countries. For Sweden, the planned purchases of government bonds (245 billion SEK by end 2016) as a share of the outstanding government bonds issued in national currency in September 2016, at face value.

1. For Japan, the United Kingdom and the United States, as of June 2016.

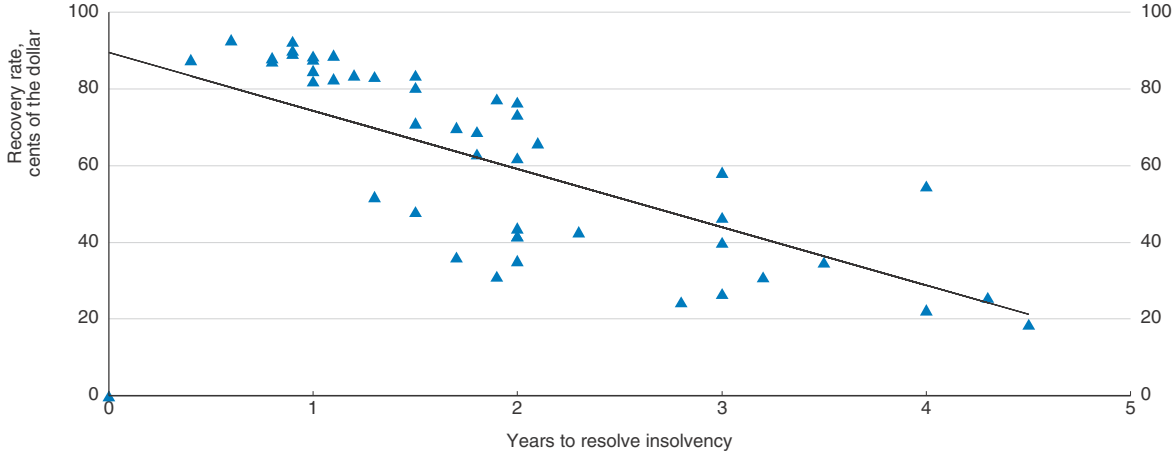
Source: Board of Governors of the Federal Reserve System; Bank of Japan; Sveriges Riksbank; UK Debt Management Office; European Central Bank; and OECD calculations.

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- A US dollar appreciation would also temporarily slow US inflation and raise inflation elsewhere. To the extent that this effect is be expected to be temporary and expected inflation is below or slightly above target, monetary authorities could look through these changes.
- However, a stronger US dollar would imply increased servicing costs on dollar-denominated foreign liabilities. There also could be spillovers to market interest rates from the United States, leading to tighter financial conditions. Given the build-up of vulnerabilities in EMEs discussed above, EMEs need to strengthen regulatory measures to increase resilience to such spillovers.

To strengthen the transmission of monetary policy in the euro area, a faster restructuring of NPLs is needed through stronger bank supervision and insolvency frameworks (OECD, 2016e). This could involve raising capital surcharges for long-standing NPLs. The resolution will be also facilitated by a development of a market for such assets and an establishment of asset management companies (AMCs), possibly at the European level. Under current regulation, selling non-performing assets above market price to a state-supported AMC is regarded as state aid and triggers the bailing-in of creditors, including retail customers who own bank bonds. Since this hinders restructuring of NPLs, an EU-wide agreement should be sought either not to trigger the bail-in procedure or to adopt a more lenient definition of market price levels that trigger state aid in those countries where NPLs are high and create a serious economic disturbance. An alternative strategy that would quickly clean balance sheets is to allow low-priced asset sales to private AMCs with options sold to the state to take advantage of the upside potential of such fire-sales. Regardless, insolvency procedures, which are unduly long in many countries, should be shortened, for instance, by resorting to out-of-court procedures. In view of international experience, this would reduce the costs of restructuring (Figure 1.26).

Figure 1.26. **Shortening insolvency procedures increases recovery rates**



Source: World Bank (2015), *Doing Business 2015. Going Beyond Efficiency*.

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Fiscal space should be used efficiently in conjunction with stronger structural reforms

With little scope for monetary policy to provide additional stimulus in most economies, more active fiscal policy, in conjunction with enhanced structural reforms, is needed to support aggregate demand and boost potential output. As discussed in

Chapter 2, there is a window of opportunity at present to provide a temporary fiscal stimulus with beneficial effects on growth and long-term supply, and without compromising debt sustainability:

- The fall in interest rates has reduced estimated debt servicing costs, amounting to between 0.6% and 3.5% of GDP over 2015-17 in the major advanced economies, by lowering the interest rates on newly issued debt.[19] With the fall in market interest rates exceeding the fall in potential output growth between 2014-16, the estimated debt limits at which governments lose market access have also risen, by more than 20% of GDP in some countries.
- This fiscal space should be used to permanently increase government spending on hard, soft and remedial infrastructure investment and other measures that add to demand and enhance supply. Such spending amounting to ½ per cent of GDP, could be deficit-financed for 3-4 years on average in OECD countries, and should boost growth by 0.4-0.6 percentage point in the first year, with positive long-term output gains and no long-term impact on debt-to-GDP ratios. Additional output gains would ensue from cross-country spillovers if countries collectively use fiscal resources for projects with a high growth impact.
- With or without fiscal expansion, most countries have room to restructure their spending and tax policies towards a more growth and equity-friendly mix (Cournède et al., 2014, Fournier and Johansson, 2016).

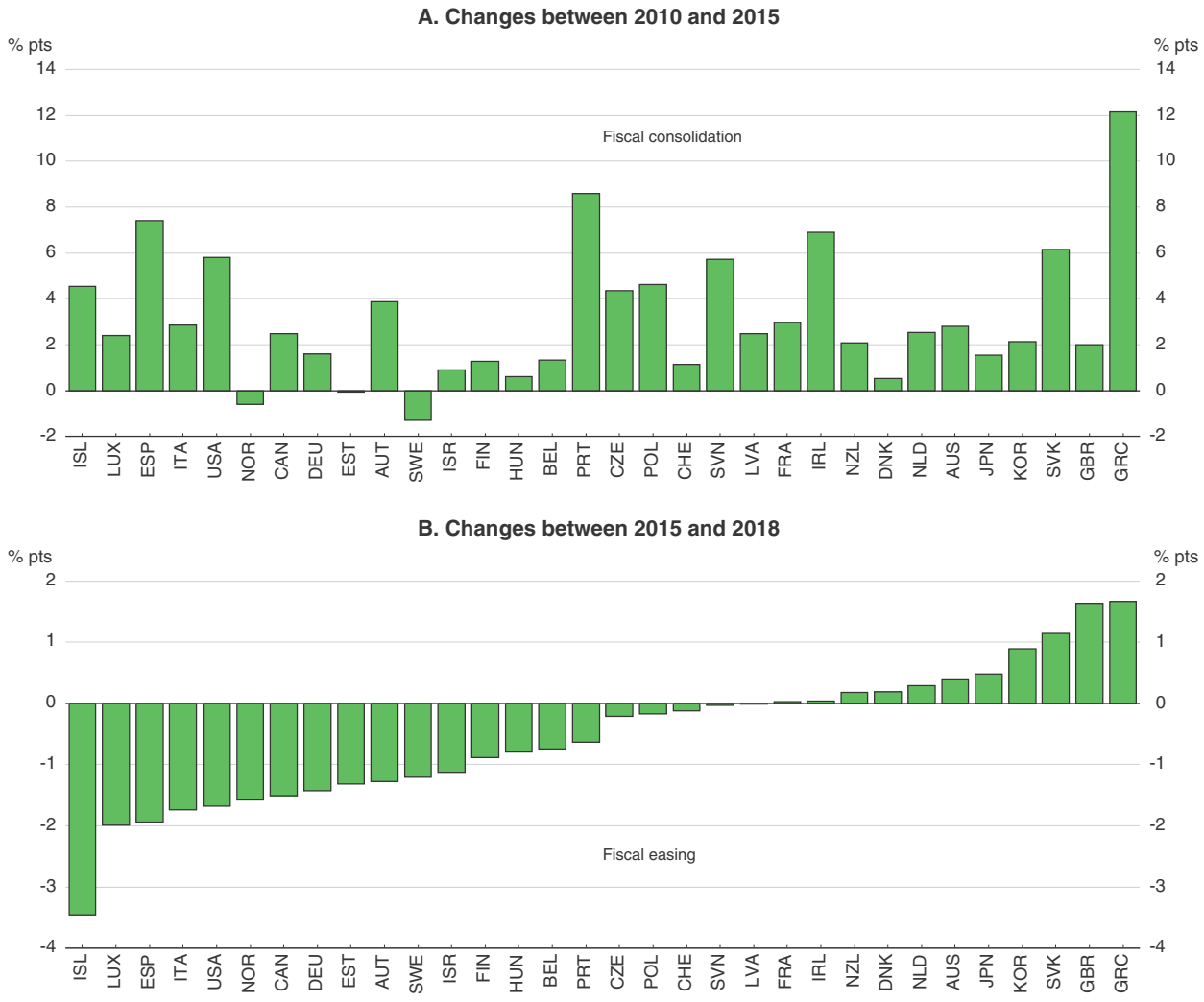
Fiscal policy is already being adjusted in a number of advanced economies to support growth or to ease planned consolidation, in marked contrast to the fiscal tightening in earlier years (Figure 1.27). The underlying primary balance for the OECD area as a whole is estimated to have already eased by 0.2% of GDP in 2016.

- In the United States, the incoming Administration is likely to ease the fiscal policy stance. The assumed increase in the underlying primary deficit of 1½ per cent of potential GDP in 2017-18 will boost demand significantly, with spending measures having a stronger multiplier than tax measures. While infrastructure spending will also raise potential output, as might corporate tax reductions if they durably boost business investment, increases in current spending and household tax cuts may have only limited effects on productive potential.
- Outside the United States, the planned fiscal easing and compositional changes in budgets are collectively insufficient to provide a significant boost to growth in the near term and potential output in the longer term in many economies. Hence more ambition is needed (Table 2.4 in Chapter 2). The underlying primary balance for the OECD area excluding the United States is projected to ease by only 0.2% of potential GDP in 2017-18, with 13 countries likely to ease their fiscal stance at least by ½ per cent of potential GDP over the period and six countries planning a tightening of at least ½ per cent of potential

19. In countries where central banks have bought large quantities of government bonds, the savings have been even larger, as the interest income earned on the bonds by central banks has been transferred back to governments. With very low remuneration of central bank liabilities, interest earned on government bonds has boosted central bank profits which are usually transmitted to the government. Over recent years, the Federal Reserve has returned almost all of its gross interest income to the US government, accounting for just below ¼ of total central government interest expenses. In the United Kingdom, almost all of the 24.1 billion pounds that the Asset Purchase Facility Fund accumulated from interest income was transferred to the UK government in 2014 (around 9% of government interest expenses since 2009; 1.5% of 2014 GDP).

Figure 1.27. **The fiscal stance has started to be loosened only recently**

Cumulative change in the underlying primary balance as per cent of GDP



Source: OECD Economic Outlook 100 database.

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GDP. Only a few countries (Australia, Greece, Norway and, to a smaller extent, Canada) are planning to increase public investment as a share of GDP in the 2016-18 period. This ratio is set to fall somewhat in Denmark, Finland, Iceland, Japan, Korea and New Zealand.

More ambitious structural reforms and a faster implementation of announced measures are also needed to complement the impact of additional fiscal stimulus on output growth and to make sure that the benefits of higher growth are shared broadly. Renewed efforts are needed across a wide range of reform areas after the slowdown in the pace of structural reforms in both advanced and emerging market economies in recent years. It is particularly important to ensure that reform efforts are coherent; otherwise they will not yield improved outcomes. For example, relaxing labour regulations in an environment of rigid product markets may only reduce employment and wages. In

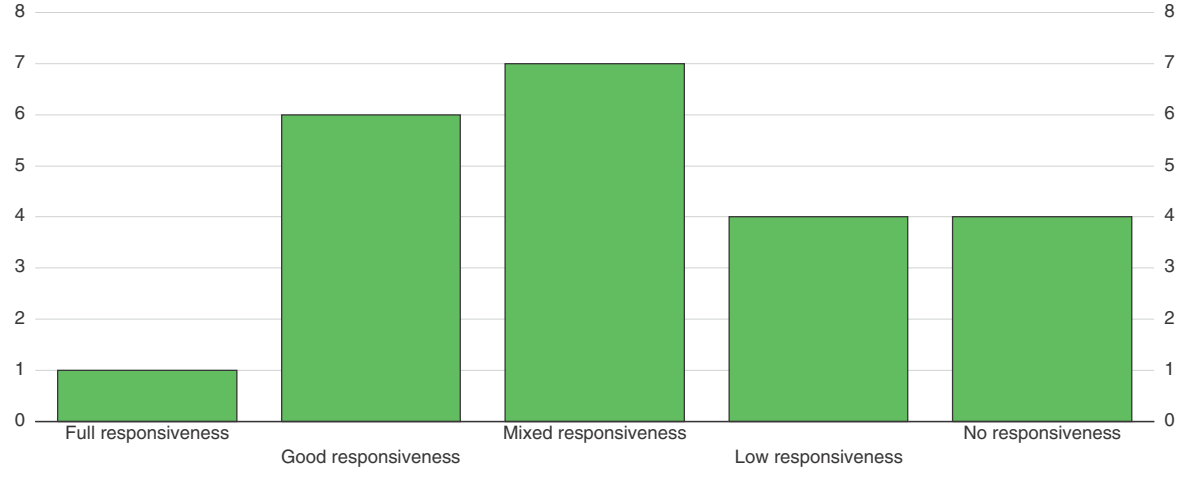
contrast, deregulating the business environment at the same time enhances the likelihood that businesses will compete for workers. However, the recent implementation of recommended reform packages has been uneven; reforms have been undertaken in either labour or product markets, but infrequently undertaken in both areas (Figure 1.28). Better coordination of reforms would facilitate implementation and maximise their impact in terms of growth and job-creation.

As discussed above, possible reform packages could include measures to enhance product market competition, particularly in services sectors with pent-up demand (Gal and Hijzen, 2016), reforms to housing policies and job-search assistance to facilitate geographic and job mobility, and reallocation-friendly banking sector and insolvency regime reforms that could ease the exit of failing firms (Adalet McGowan et al., 2016).

Trade policies should be viewed as an integral part of the policy packages. An enhanced collective focus on trade policies would help trade growth to recover from the anaemic rates experienced in recent years, with a resulting positive impact on competition and productivity (Box 1.3). A first set of trade policy priorities is to avoid new trade protectionist measures that reduce market access, alongside steps to roll back the protectionist measures introduced since the crisis. All advanced and emerging market economies could also boost trade and productivity by reducing unnecessary trade costs through improvements to border and customs procedures, removing tariff and non-tariff barriers, removing regulatory restrictions on trade in services, particularly logistics, and harmonising costly regulations between countries. Tackling impediments and distortions to cross border investment, including in the euro area (Fournier, 2015) would also contribute to trade by encouraging FDI and a better integration into global value chains.

Figure 1.28. **Implementation of structural reform packages has been uneven**

Number of countries categorised based on reform implementation rates 2015-2016



Note: The horizontal axis shows the responsiveness rate in 2015-16 to OECD recommended reform packages that include a mix of recommended product market reforms (including FDI and trade) and labour market reforms. Full responsiveness refers to a value of 1, indicating that all recommendations have been undertaken. Good responsiveness refers to a responsiveness rate at or above 0.5 for both product and labour market reforms. Mixed responsiveness refers to a responsiveness rate above 0.5 for either product or labour market reforms. Low responsiveness refers to a responsiveness rate between 0.5 and 0 for both sets of reforms.
Source: OECD (2017); and OECD calculations.

StatLink http://dx.doi.org/10.1787/888933437414

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ANNEX 1.A1

Policy and other assumptions underlying the projections

Fiscal policy settings for 2016 through 2018 are based as closely as possible on legislated tax and spending provisions and 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. For the United States, with the fiscal programme of the incoming Administration yet to be announced, the projections assume an increase in the underlying primary deficit of ¼ per cent of GDP in 2017 and 1¼ per cent in 2018, primarily due to reduced taxes. Elsewhere, where there is insufficient information to determine budget outcomes, the underlying primary balances are kept unchanged, implying no discretionary change in the fiscal stance; in euro area countries, the stated targets in Stability Programmes are also used.

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

- In the United States, the upper bound of the target federal funds rate is assumed to be raised gradually to reach 2% in December 2018 up from the current level of 0.5%.
- In Japan, the overnight interest rate is assumed to be kept at -0.1% for the entire projection period.
- In the euro area, the main refinancing rate is assumed to be kept at 0% until the end of 2018.
- In the United Kingdom, the Bank rate is assumed to be kept unchanged at 0.25% until the end of 2018.
- In China, it is assumed that the policy rate will be increased from the current level of 4.35% to 4.5%, targeted instruments will be used to provide liquidity to the agriculture, SMEs and other selected sectors, and that the reserve requirement ratio will remain unchanged.
- In India, the repo rate is assumed to be cut from the current level of 6.25% to 5.75% by September 2017 and then kept unchanged until the end of 2018.
- In Brazil, the policy rate is assumed to be cut gradually from the current level of 14% to 10% by the end of 2018.

Although their impact is difficult to assess, the following quantitative easing measures are assumed to be taken over the projection period, implicitly affecting long-term interest rates. In the United States, the stock of assets purchased by the Federal

Reserve is assumed to be maintained unchanged until the end of projection horizon. In Japan, the Bank of Japan's asset purchases and yield curve control are assumed to last until the end of 2018, maintaining the 10-year government bond yield at 0%. In the euro area, the ECB's asset purchases are assumed to be extended, but not expanded, through the projection period, keeping long-term interest rates constant. In the United Kingdom, long-term government bond yields are assumed to gradually edge up to 1.7%, reflecting higher inflation over the projection horizon which is only partly offset by the increase in asset purchases by the Bank of England to GBP 435 billion.

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 11 November 2016: one US dollar equals JPY 106.69, EUR 0.92 (or equivalently one euro equals USD 1.09) and 6.81 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 levels as of mid-November 2016.

The cut-off date for information used in the projections is 25 November 2016.

ANNEX 1.A2

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 sustainable 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,[20] 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).

20. 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 risk of a crisis, 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, 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 2016Q1 (or the latest available) along various dimensions of its financial account structure, and *ii*) the country-specific change, from 2007 to 2016Q1 (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[1]	Actual unemployment rate-NAIRU differential	Current account deficit[1,2]	Real effective exchange rate[3]	Household gross debt[4,5]	Non-financial corporation gross debt[2,5]	Real house prices
	2016	2016Q2	2016	% change 2000Q1-16Q2	2015 or latest available	2015 or latest available	% change 2000Q1-16Q2
United States	0.0	-0.1	2.5	-7.6	107.3	116.7	25.8
Japan	-0.5	-0.4	-3.8	-43.0	..	..	-17.2
Germany	-0.7	-0.6	-9.2	-11.2	92.9	69.9	13.1
France	0.0	0.6	1.0	1.5	108.3	104.8	72.6
Italy	-0.9	2.3	-3.0	12.0	76.4	88.5	9.0
United Kingdom	-0.3	-0.4	5.4	-15.7	150.7	129.2	86.8
Canada	0.2	0.5	3.5	23.1	171.9	155.3	113.4
Australia	-0.2	-0.1	3.5	33.7	211.5	90.8	110.2
Austria	-0.5	1.7	-2.7	0.2	93.5	87.8	35.1
Belgium	0.0	0.2	-0.8	3.4	113.5	120.9	53.0
Chile	1.0	0.0	1.4	18.8	85.3	156.2	..
Czech Republic	-0.3	-1.8	-2.3	38.1	68.5	58.7	..
Denmark	0.2	-0.1	-8.8	13.0	292.3	116.1	44.2
Estonia	0.4	-1.7	-0.9	47.3	80.9	98.1	..
Finland	-0.6	1.4	0.7	1.2	130.1	98.2	25.9
Greece	-0.3	6.0	1.0	10.7	115.1	70.5	-12.1
Hungary	0.0	-3.5	-6.8	23.0	47.4	76.5	..
Iceland	-2.6	-1.3	-3.5	-4.4	..	265.8	..
Ireland	-1.5	-2.2	-9.5	-12.3	179.2	309.3	12.5
Israel	-0.1	-0.9	-4.0	-8.0	..	73.9	51.8
Korea	0.4	0.2	-7.1	5.8	169.9	164.5	31.1
Latvia	1.0	-0.5	-0.7	22.0	49.4	96.9	..
Luxembourg	-0.8	0.0	-4.5	22.8	167.3	316.5	..
Mexico	0.6	-0.8	3.5	-18.6	..	70.7	..
Netherlands	-1.0	0.8	-8.1	-1.7	273.5	129.9	5.8
New Zealand	-0.9	-0.4	2.8	49.9	..	..	141.8
Norway [8]	1.4	1.4	-4.6	31.5	221.7	114.3	95.8
Poland	0.5	-1.5	0.6	-11.1	64.3	60.7	..
Portugal	-1.3	-0.3	-0.1	0.0	135.4	139.7	-22.2
Slovak Republic	-0.7	-0.8	1.4	30.0	68.0	80.4	..
Slovenia	-0.9	0.2	-7.5	-3.0	56.7	79.6	..
Spain	-2.7	4.3	-2.1	5.3	121.8	96.9	30.8
Sweden	-1.0	-0.7	-4.8	-4.0	177.3	124.2	151.7
Switzerland	0.0	0.4	-9.2	32.9	202.5	..	53.3
Turkey	1.2	0.9	4.6	-25.3	..	152.0	..
Brazil	5.0	2.9	1.1	6.2	..	..	..
China	0.1	..	-2.4	97.6	..	..	..
Colombia	1.4	-0.4	4.8	2.4	..	..	84.1
Costa Rica	-0.9	0.3	2.6	-59.9	..	..	..
India	-0.4	..	0.6	-44.7	..	..	..
Indonesia	0.4	..	1.8	-12.9	..	..	..
Lithuania	0.2	-2.6	0.2	19.0	54.0	52.5	..
Russia	1.0	0.2	-3.0	175.9	..	..	..
South Africa	1.9	1.3	4.0	-12.2	..	..	111.8

1. OECD projections.
2. In per cent of GDP.
3. Based on unit labour costs.
4. In per cent of gross household disposable income.
5. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
6. In per cent of total (unweighted) assets.
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 100 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[6]	Non-performing loans to total loans	Financial corporation gross debt[2,5]	Headline government budget deficit[1,2]	Gross government debt[1,2]	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	2016	2016	2016Q2 or latest available	Latest	
6.3	1.4	338.2	5.0	115.6	-1.1	AA+	United States
4.5	1.5	..	5.2	233.7	-1.8	..	Japan
4.0	2.3	294.7	-0.5	74.7	-2.7	AAA	Germany
3.7	3.9	308.1	3.3	122.7	-1.4	AA	France
5.4	18.1	211.8	2.4	159.3	0.8	BBB-	Italy
4.2	1.0	649.4	3.3	112.5	-1.4	AAA	United Kingdom
3.8	0.6	381.0	2.2	100.4	-0.5	AAA	Canada
4.3	1.0	296.9	2.6	45.4	-0.1	AAA	Australia
6.6	3.2	221.4	1.5	106.0	-2.4	AA+	Austria
4.8	3.4	332.9	3.0	127.0	-1.7	AA	Belgium
..	1.9	218.5	..	..	-2.7	AA-	Chile
..	5.0	131.5	0.2	52.3	-3.1	AA-	Czech Republic
4.4	3.4	380.8	0.7	53.7	-1.4	AAA	Denmark
..	1.0	124.8	-0.4	12.4	..	..	Estonia
4.7	..	224.5	2.7	78.0	-1.6	AA+	Finland
10.9	37.0	188.3	2.0	185.7	9.5	..	Greece
..	10.0	113.8	1.6	97.5	0.2	..	Hungary
..	..	756.7	-16.6	64.4	-1.4	..	Iceland
6.6	15.0	806.9	0.9	91.0	6.0	A+	Ireland
..	1.7	206.1	2.5	62.7	-3.3	A+	Israel
..	0.5	358.8	-1.9	44.2	-3.1	AA-	Korea
..	3.8	154.5	1.0	46.2	-2.2	..	Latvia
..	0.2	7018.6	-1.7	30.7	-3.1	AAA	Luxembourg
..	2.3	69.7	-0.1	..	-0.6	BBB+	Mexico
4.4	2.5	773.3	1.4	76.1	-1.0	AAA	Netherlands
..	..	..	0.2	39.9	-1.7	AA	New Zealand
6.9	1.2	227.8	-3.0	41.7	0.4	AAA	Norway[8]
..	4.4	98.8	2.4	67.5	-0.5	..	Poland
6.0	12.7	271.2	2.5	151.0	1.6	BB+	Portugal
..	4.8	128.5	2.1	59.2	-2.0	A+	Slovak Republic
..	8.0	119.2	2.4	99.4	-0.5	A-	Slovenia
5.7	5.8	222.6	4.6	118.4	0.7	BBB+	Spain
3.7	1.1	305.0	-0.2	52.9	-3.3	AAA	Sweden
4.9	0.8	..	-1.5	43.1	-1.4	..	Switzerland
..	3.2	127.5	..	..	-2.2	..	Turkey
..	3.8	..	10.2	..	9.2	..	Brazil
..	1.7	..	1.8	..	-3.9	..	China
..	3.2	..	3.3	..	1.5	..	Colombia
..	1.6	..	..	..	..	..	Costa Rica
..	7.6	..	7.1	..	-2.2	..	India
..	3.0	..	2.6	..	1.7	..	Indonesia
..	5.5	86.5	0.7	54.0	-1.5	..	Lithuania
..	9.7	..	3.5	..	..	..	Russia
..	3.2	..	3.7	..	5.3	..	South Africa

1. OECD projections.
2. In per cent of GDP.
3. Based on unit labour costs.
4. In per cent of gross household disposable income.
5. Gross debt is defined as liabilities less financial derivatives and shares and other equity. Based on consolidated data for most countries.
6. In per cent of total (unweighted) assets.
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 100 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	50.0	15.0	5.6	37.3	176.2	132.6	0.7	21.3
Japan	57.7	21.4	17.4	81.5	122.8	191.2	29.3	4.0
Germany	59.9	29.9	15.3	51.2	213.0	261.8	1.9	19.2
France	62.3	56.5	31.7	56.0	318.0	298.7	2.3	13.4
Italy	71.8	24.7	10.6	42.9	162.8	143.8	2.6	15.5
United Kingdom	51.0	61.3	40.7	66.3	539.0	536.2	4.7	11.6
Canada	51.8	25.8	10.1	39.1	187.1	194.5	5.4	33.8
Australia	53.4	24.9	8.0	31.9	191.6	132.5	4.0	25.7
Austria	62.3	42.8	12.0	28.0	255.9	258.8	3.5	31.2
Belgium	44.3	42.8	18.6	43.6	431.2	485.7	3.4	49.1
Chile	28.5	20.6	10.4	50.6	154.9	134.2	16.3	63.7
Czech Republic	40.9	22.2	6.2	27.8	130.0	103.6	38.0	55.3
Denmark	55.2	58.9	34.9	59.2	251.2	292.3	21.2	17.9
Estonia	42.6	5.3	2.4	45.5	176.6	137.5	2.0	55.2
Finland	57.1	43.6	14.5	33.3	336.7	338.6	3.8	15.0
Greece	90.3	24.6	11.6	47.1	265.5	134.2	1.5	5.3
Hungary	24.6	21.2	6.5	30.7	288.2	231.4	22.0	71.5
Iceland	45.0	36.2	6.2	17.1	172.7	171.7	29.1	52.3
Ireland	28.6	108.0	45.5	42.1	1944.7	1748.6	0.7	24.0
Israel	28.6	5.1	2.7	52.3	86.5	113.3	30.4	39.1
Korea	39.4	11.5	6.9	60.2	68.6	85.3	26.1	18.8
Latvia	69.1	8.5	3.7	42.9	193.1	133.9	11.6	29.5
Luxembourg	19.7	831.4	259.2	31.2	18494.1	18519.1	1.6	44.5
Mexico	48.2	11.8	4.1	34.4	93.7	55.2	16.5	38.0
Netherlands	34.3	99.3	40.3	40.6	1062.3	1136.8	2.1	52.8
New Zealand	54.9	19.8	7.7	38.6	157.2	93.4	8.9	28.7
Norway	65.2	35.9	12.9	35.9	200.1	381.8	14.8	25.1
Poland	48.3	22.7	6.2	27.4	109.0	48.2	19.3	43.2
Portugal	68.1	32.0	12.1	37.8	281.9	178.9	3.4	25.3
Slovak Republic	50.2	28.6	11.7	41.0	132.3	68.0	2.0	48.9
Slovenia	72.9	17.5	4.5	25.7	140.0	103.2	1.6	24.9
Spain	61.2	30.5	12.2	40.1	238.5	152.8	3.9	24.4
Sweden	52.5	46.2	21.6	46.8	275.0	283.9	10.5	27.2
Switzerland	34.8	61.3	41.7	68.1	542.0	657.9	94.4	35.6
Turkey	67.2	29.3	15.5	52.9	88.0	32.5	13.7	25.0
Argentina	52.4	2.4	1.5	63.5	34.9	43.2	3.7	41.7
Brazil	33.3	11.7	6.2	52.6	81.9	44.4	20.6	52.5
China	24.7	6.5	4.6	69.6	41.6	56.6	28.9	62.6
Colombia	40.6	12.5	6.0	48.0	103.4	54.6	16.3	54.0
Costa Rica	35.1	20.3	6.6	32.3	93.4	46.8	14.2	64.8
India	52.2	8.6	4.7	55.0	42.2	25.5	16.0	32.2
Indonesia	46.7	12.7	6.2	48.7	67.0	24.6	12.0	38.6
Lithuania	65.1	9.6	2.7	28.3	111.3	65.0	5.3	33.9
Russia	45.5	7.9	2.6	33.0	62.7	88.6	24.2	41.1
Saudi Arabia	17.5	11.1	6.6	59.4	44.3	152.0	94.4	77.4
South Africa	29.0	11.4	4.6	40.4	112.2	125.1	13.2	35.5

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			
-5.1	-5.5	-3.2	-5.5	21.7	-12.9	0.1	2.5	United States
2.8	8.3	8.3	11.7	49.3	66.6	7.2	-0.4	Japan
-9.1	-20.3	-12.6	-4.4	-1.7	25.8	0.4	1.4	Germany
2.3	-10.8	-11.9	-8.7	15.7	6.0	0.3	0.3	France
0.3	-26.5	-7.8	7.0	3.9	11.9	1.1	0.6	Italy
-11.8	-50.9	-43.2	-8.4	-14.0	-7.4	3.0	1.9	United Kingdom
17.2	2.6	-4.5	-23.8	14.2	35.7	2.3	-13.2	Canada
5.3	-7.0	-4.2	-6.2	9.1	15.0	1.1	-1.3	Australia
-1.2	-29.2	-14.7	-9.1	-67.4	-53.4	0.4	4.6	Austria
-17.6	-72.2	-70.2	-33.7	-86.3	-63.6	1.0	15.1	Belgium
-3.9	2.4	0.9	-2.0	53.7	32.5	5.9	3.1	Chile
7.3	-0.5	-2.7	-11.3	18.8	37.0	18.3	-2.2	Czech Republic
-12.6	-12.3	-1.9	7.5	-1.1	46.5	10.4	-3.4	Denmark
-6.7	-99.3	-21.6	22.6	-31.2	13.3	-14.0	10.3	Estonia
17.7	3.6	1.9	1.7	53.9	86.9	0.8	-3.9	Finland
16.8	-34.5	-5.4	18.4	59.0	35.4	1.2	-3.6	Greece
-6.8	-43.0	-11.4	2.8	-25.9	17.5	3.7	7.5	Hungary
-34.3	-258.3	-121.3	-26.2	-566.5	-446.7	15.3	37.3	Iceland
-24.9	-161.3	-105.1	-13.8	518.9	343.7	0.4	9.6	Ireland
-16.2	-3.4	-1.3	6.3	-32.0	-4.6	13.4	14.0	Israel
-3.4	-5.4	-3.5	-1.5	-4.0	30.1	1.8	3.2	Korea
-5.7	-72.1	-29.8	1.4	13.8	39.4	-8.9	5.3	Latvia
-10.0	-309.6	-241.6	-12.7	5177.8	5224.1	1.3	20.3	Luxembourg
15.6	3.9	1.7	4.1	25.0	25.4	7.8	-7.0	Mexico
-6.2	-35.9	-26.9	-9.1	89.7	181.7	0.6	4.8	Netherlands
-3.5	-5.6	-5.2	-12.2	-22.6	-1.1	-5.1	-3.8	New Zealand
1.3	-25.6	-27.6	-30.0	-24.8	94.6	-1.9	5.3	Norway
2.7	-1.7	0.2	2.6	3.0	4.5	2.9	-2.7	Poland
-1.8	-43.0	-15.7	0.7	-23.0	-24.8	2.6	6.2	Portugal
9.2	-3.2	-0.5	2.4	-1.0	2.0	-24.1	-8.5	Slovak Republic
1.3	-30.9	-8.6	-1.3	-2.7	-14.4	-0.6	-0.2	Slovenia
-1.4	-28.9	-6.7	8.3	3.2	9.0	3.0	2.6	Spain
2.9	-7.8	-10.7	-13.1	-7.6	0.1	4.6	-4.8	Sweden
-15.6	-111.3	-83.5	-4.5	-48.5	-75.9	84.2	15.1	Switzerland
12.5	10.4	7.1	8.6	4.9	3.3	1.0	-7.0	Turkey
-1.7	-5.5	-2.4	13.2	-31.0	-35.7	-13.4	2.4	Argentina
9.2	4.1	2.6	5.5	10.3	12.7	6.2	17.7	Brazil
-7.5	0.6	1.3	14.4	3.5	-18.6	-18.7	5.3	China
-3.9	5.3	1.7	-11.4	47.0	24.0	5.1	0.1	Colombia
-4.9	-4.5	-4.7	-12.9	18.3	4.9	-2.3	4.8	Costa Rica
2.6	-2.9	-1.3	2.9	1.1	-8.1	-10.8	6.5	India
-6.4	2.0	0.5	-4.4	5.7	1.2	-0.3	6.9	Indonesia
2.5	-33.9	-9.3	0.7	-12.2	7.0	-16.0	-1.7	Lithuania
9.9	-5.3	-3.7	-14.8	-40.6	-2.3	-14.6	1.6	Russia
-19.0	2.0	0.9	-3.0	13.7	20.7	13.3	13.8	Saudi Arabia
9.2	-0.1	-0.6	-4.7	-1.5	44.9	2.5	-5.8	South Africa

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

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

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Chapter 2

USING THE FISCAL LEVERS TO ESCAPE THE LOW-GROWTH TRAP

Introduction

Almost a decade after the outbreak of the financial crisis, the global economy remains in a low-growth trap with weak investment, trade, productivity and wage growth and rising inequality in some countries. Monetary policy is overburdened, leading to growing financial risks and distortions. Alongside structural reforms, a stronger fiscal policy response is needed to boost near-term growth and strengthen long-term prospects for inclusive growth.

However, in the context where public debt has reached high levels in most OECD countries, it is important to assess the extent of countries' fiscal space and the temporary deficit increase they can afford to run. In the past few years, the assessment of fiscal policy has focused essentially on public budget balance positions rather than on the consequences for growth. This focus has resulted in a higher debt-to-GDP ratio in the short term through shortfalls in investment, human capital and productivity. A rethink is needed for how the fiscal policy stance should be evaluated, particularly in the context where very low sovereign interest rates provide more fiscal space.

In order to escape the low-growth trap, this chapter emphasises the need for a fiscal initiative, comprising of spending or tax measures, to foster productivity in the medium to long term. Measures should be chosen depending on each country's most pressing needs and could include not only raising soft and hard infrastructure or education spending, but also cutting harmful taxes. In many countries, such a package could be deficit-financed for a few years, before turning budget-neutral. Combining this initiative with structural reforms will enhance the output gains.

The main messages from re-evaluation in this chapter are the following:

Fiscal space has increased

- Interest rates on government debt are very low in advanced economies, following exceptional monetary stimulus, and borrowing costs are also relatively favourable in many emerging market economies (EMEs).
- Measures of fiscal space – those that focus on the gap between actual debt and estimated levels at which market access would be compromised – appear to have risen in most OECD countries since 2014, as lower interest rates have more than offset headwinds from lower potential growth and higher debt.
- Other measures that account for projected long-term ageing-related spending pressures also point to some fiscal space in most of the larger advanced economies. This provides room for manoeuvre, provided that low interest rates are locked-in with long-term borrowing.
- Structural reforms that aim at containing the cost of healthcare and pension spending, including by reforming entitlements, can create additional space. Governments can also increase fiscal space with policies raising long-term growth, for instance by changing the composition of taxes and spending.

A fiscal initiative would support long-term growth

- OECD governments could finance a ½ percentage point of GDP productivity-enhancing fiscal initiative, for three to four years on average in OECD countries without raising the debt-to-GDP ratio in the medium term, provided the selected activities and projects are sound. Such an initiative could encompass high-quality spending on education, health and research and development as well as green infrastructure that all bring significant output gains in the long run.
  - In the current economic environment and with monetary policy unchanged, the average output gains for the large advanced economies of such a fiscal initiative amount to 0.4-0.6% in the first year. However, the gains are particularly uncertain for Japan.
  - Pursuing the fiscal initiative by reprioritising spending in later years would increase long-run output by up to 2% in the large advanced economies.

Its impact could be enhanced under certain conditions

- Complementing fiscal action with structural reforms is crucial to get the most out of the stimulus.
- Persistent demand weakness, which gradually undermines the productive capacity of the economy ("hysteresis"), reinforces the case for a fiscal initiative in Italy and France and in a number of smaller Southern European economies with wide negative output gaps.
- Collective fiscal action among the large advanced economies is estimated to bring additional output gains of about 0.2 percentage point on average after one year (through international trade linkages), compared with a scenario where countries act individually.

The fiscal initiative should be adapted to national circumstances

- The increased fiscal space should be used efficiently and country specificities, in particular their fiscal situation, cyclical position and other features, such as the extent of investment needs in soft or hard infrastructure or other priorities, need to be accounted for.
  - In about a third of the countries covered in the *Economic Outlook*, the OECD recommends more expansionary fiscal policy than currently planned.
  - With the fiscal stance in advanced economies expected to be broadly neutral in 2017 according to current fiscal plans, a number of large economies, including Germany, should borrow more than currently envisaged to raise public investment. A fiscal initiative in the United Kingdom would help to manage the contractionary impact of Brexit. In a few countries like Japan, however, a productivity-enhancing fiscal initiative should be budget-neutral.
  - Ample but narrowing fiscal space gives China room to run an expansionary fiscal policy, but less so than currently planned by the government. It should be directed at increasing social safety nets rather than already high infrastructure spending, which would tend to reduce precautionary household saving and thus achieve the same objective of higher demand and supply. India can regain fiscal room for manoeuvre with an increase in tax revenues and an improvement in spending efficiency.

- In all the countries covered, taxes and spending should be reprioritised and move towards a mix that fosters long-term growth and inclusiveness, including by restoring public investment and other productive spending that was cut in the recent past.

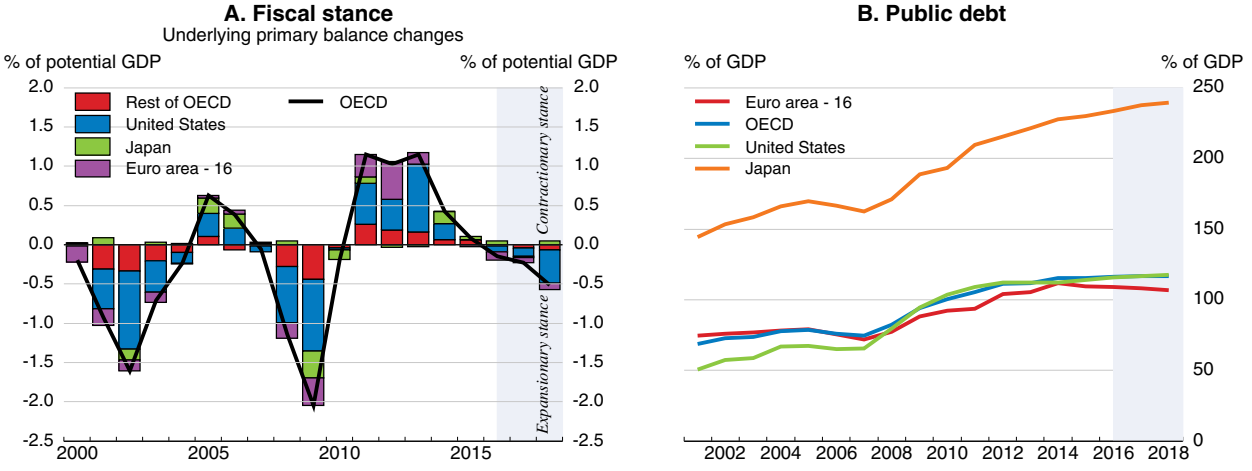
Very low interest rates in advanced economies have increased fiscal space

The very low level of interest rates on government debt in advanced economies raises important questions about the use of fiscal policy in the context of the low-growth trap and high debt levels. Other things being equal, low interest rates increase the amount of "fiscal space" – a measure of how much governments can borrow without losing market access or facing sustainability challenges. This shifts the perceived trade-off between borrowing to support growth and consolidation, making it possible in some countries to borrow more without undermining sustainability. However, lower growth and higher debt, as well as risks and long-term challenges need to be taken into account in evaluating the size and desirability of using fiscal space.

Public debt has risen since the mid-2000s…

The 2008 crisis, and the expansionary response it triggered, led to a surge in public debt. Fiscal policy was subsequently tightened in most OECD countries, bringing the debt-to-GDP ratio onto a more sustainable path but depressing demand (Figure 2.1). Since 2015, the fiscal stance in the OECD has moved to being broadly neutral in many countries and financial turbulence in euro area markets has waned. In a context where the recovery has been fragile, monetary policy is overburdened and political uncertainties have risen, a number of OECD countries have announced in 2016 a reconsideration of fiscal policy initiatives to support growth and increase long-term productive capacities.

Figure 2.1. **Fiscal stance and public debt levels in OECD countries**



Source: OECD Economic Outlook 100 database.

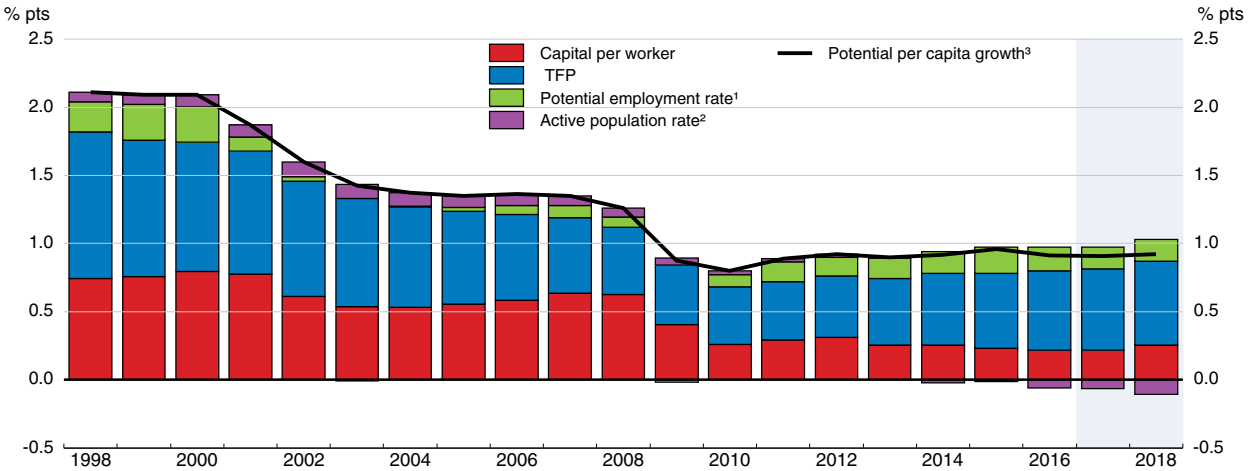
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… and potential output has been hit hard…

Estimates of potential output per capita growth in the major OECD economies have declined in the aftermath of the crisis. They are estimated on average at around 1% in 2016, almost 1 percentage point below the average in the two decades preceding the crisis (Figure 2.2). Weak capital stock growth and declining factor productivity were the two main factors contributing to the decline.

Figure 2.2. **OECD Potential output growth has slowed markedly**

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. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.

Source: OECD Economic Outlook 100 database.

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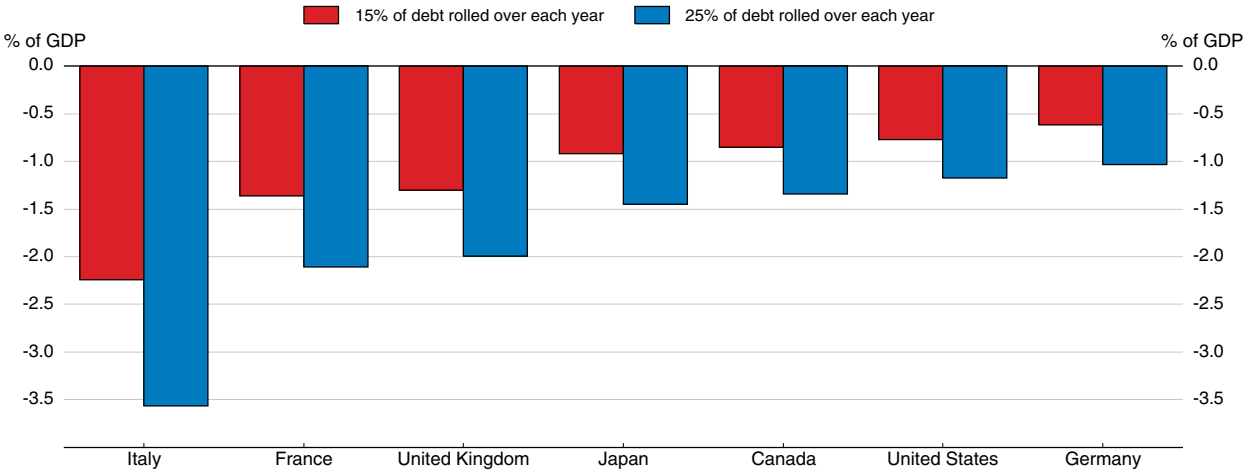
... but lower interest rates provide savings...

The fall in interest rates on government debt in advanced economies has in part reflected exceptional monetary policy stimulus, with just over 30% of OECD government debt currently trading at negative yields. This continues a long trend of declining nominal and real yields over past decades, which has been compounded by very low or even negative policy rates and large-scale central bank purchases at long maturities, as well as the reduction in the term premium following changes in banking regulations. In the euro area, declining risk spreads since the 2011-12 crisis have contributed to lower borrowing costs. At the same time, many governments have used the opportunity to extend the maturity of outstanding debt, locking in low rates (OECD, 2016). Nominal yields are also at relatively low levels in many EMEs compared with past experience, while EME interest rates remain typically well above those in advanced economies, commensurate with their growth and inflation prospects.

Declining interest rates have resulted in unexpected savings on interest costs for governments. Looking forward, and partially accounting for the maturity structure of public debt, further reduction in interest costs are likely if yields remain around the current level as old debt at higher yields matures. This would lead to significant additional savings, notably in Italy and to a lesser extent in France and the United Kingdom over the period 2015-17, under the assumption that 15% of the initial stock of debt is rolled over each year and the rest is valued at an implicit rate that captures the maturity structure of the debt (Figure 2.3). Assuming an alternative scenario of 25% of debt maturing each year would lead to even stronger gains.

Figure 2.3. **Fall in government interest payments**

Estimated budget gains over 2015-17 due to lower interest rates



Note: Based on general government debt at the end of 2014, assuming that 15% or 25% of this initial debt stock matures each year, comparing the interest rate on 10-year government bonds in 2014 with the interest rate for 2015 and the 2016 average until August for 2016 and 2017. The remaining stock of debt is valued at the implicit interest rate, which depends on the maturity structure. The computation does not incorporate the most recent increase in sovereign bond yields.

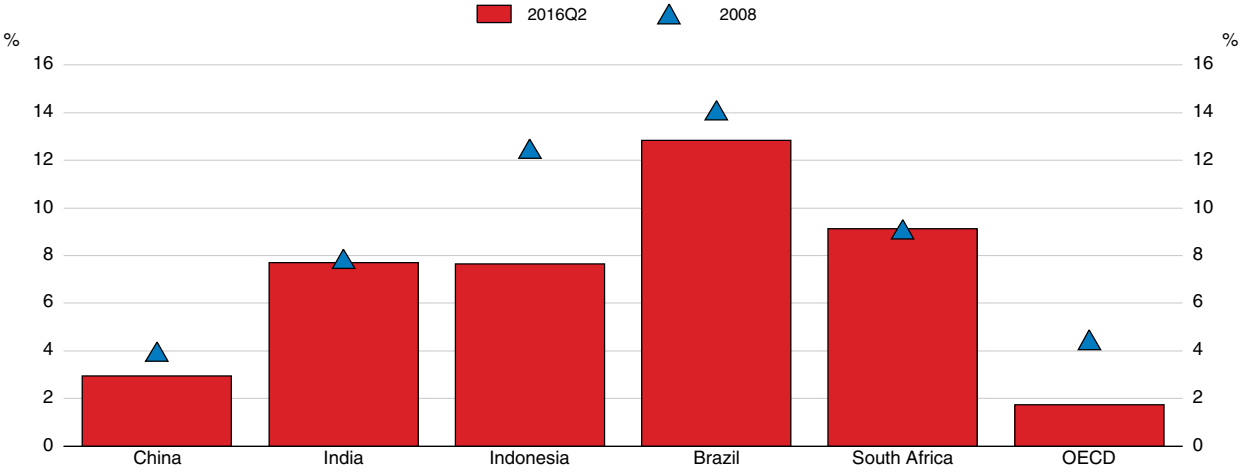
Source: OECD Economic Outlook 100 database and OECD analytical database.

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Interest rates have also come down in many EMEs (Figure 2.4). Many of them also benefit from savings on interest outlays, except South Africa where steady increases in public debt and higher borrowing rates have led to a rise in interest payments. Governments are taking advantage of the low borrowing rates: sovereign issuance has significantly increased in a few EMEs such as Brazil and Indonesia.

Figure 2.4. **Nominal long-term interest rates in EMEs**

Per cent



Source: OECD Economic Outlook 100 database.

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... and fiscal space has increased

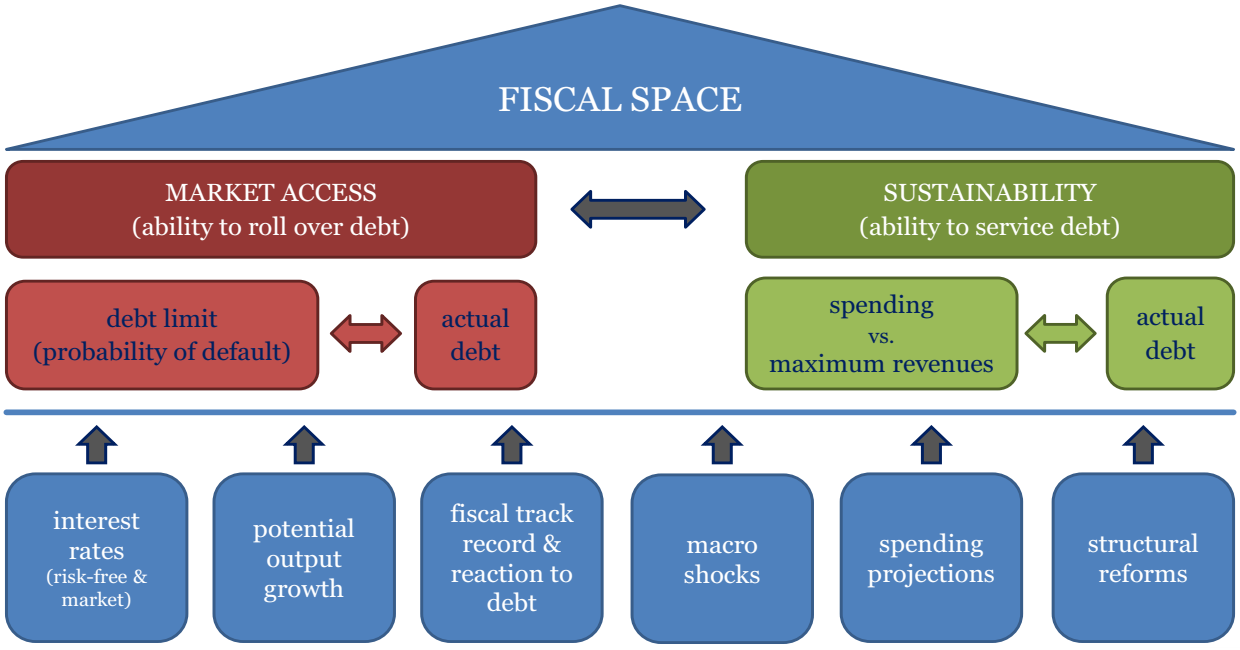
Several approaches to measure fiscal space

With conventional monetary policy facing constraints and evidence pointing to a greater effectiveness of fiscal policy to stabilise the economy than in the past, fiscal space needs to be reassessed (Furman, 2016). At first glance, fiscal space appears to be a relatively intuitive concept and can be defined as the "room in a government's budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy" (Heller, 2005).

However, there is no consensus on the way fiscal space should be measured. On one side, there is uncertainty about the extent to which the government is facing the risk to be unable to roll over debt anymore. The fiscal space can be thought of as the difference between the current debt level and the debt limit at which the government would lose *market access*. On the other side, fiscal space can be defined in terms of long-term *fiscal sustainability*. In practice, the conclusions from these two approaches can differ. For instance, a country with an expected marked rise in public spending on ageing and health can have fiscal space according to the former approach, but none according to the latter. These two aspects of fiscal space are sometimes interrelated, as long-term sustainability considerations often affect market access through risk premia. However, it is difficult to comprehensively capture all the factors affecting fiscal space with a single method, and therefore empirical studies usually predominantly focus on either market access or long-term sustainability (Figure 2.5).

The absence of information on factors potentially triggering a default in advanced economies in recent history renders the estimation of fiscal space – not least by the market access definition – challenging. Quantitative analysis can only build on assumptions on how households and businesses would react in the future should higher debt levels be reached. As a result, debt limits and resulting fiscal space estimates should be used with

Figure 2.5. **Different approaches to measuring fiscal space**



care and uncertainties surrounding such estimates underlined. In real life, debt limits have to account for many factors, including the level and trajectory of public debt, financing needs, fiscal track record, economic development, market sentiment and macroeconomic shocks. However, as statistical methods usually have to be parsimonious, the best option is to rely on a range on methods to get a full assessment. Rather than pointing to a precise point estimate, these complementary analyses help in understanding the key mechanisms at work.

In recent years, a number of new methods have complemented the more traditional approaches to assess fiscal space. This chapter relies essentially on three (see Annex 2.A1 for an overview of the different methods used in this chapter), with the objective of approaching the complex reality from different angles:

- Ghosh *et al.* (2013) and Fournier and Fall (2015) focus on *market access*. They calculate fiscal space as the distance between actual debt levels and their estimated limits, measured as the debt level at which a sovereign borrower loses market access and hence cannot service its debt in a normal way. Debt limits depend on assumptions made on risk-free interest rates and potential output growth, the size of shocks that hit economies, the country's fiscal track record and the fiscal reaction to increasing debt. The fiscal reaction relies on the assumption that governments cannot indefinitely sustain public primary surpluses and will experience fiscal fatigue at some point. The model includes a non-linear risk premium that rises sharply if debt becomes close to the debt limit.
- Bi (2011) and Bi and Leeper (2013) examine sovereign default risks but account for *long-term fiscal sustainability*. They rely on a DSGE approach, whereby the shape of the Laffer curve (which derives expected tax revenues from tax rates) depends on macroeconomic circumstances. Shocks to the economy and long-term projections of spending and transfers are accounted for. The approach does not compute a point estimate of the debt limit, but its distribution, i.e. the probability for a country to default at each value of the debt-to-GDP ratio. This distribution is derived using the expected present value of future maximum primary surpluses, where the latter comes from driving tax revenues to the peak of the Laffer curve and expenditure to its projected level.
- Blanchard et al. (1990) focus essentially on *long-term fiscal sustainability* in the context where the interest rate is above the economic growth rate. When the interest rate is persistently below the growth rate, governments are able to run permanent deficits of any size. When the differential between the interest rate and growth is positive, fiscal space is computed as the tax gap between the sustainable and the current tax-to-GDP rate, where the former is the constant tax rate that would achieve an unchanged debt-to-GDP ratio over the relevant horizon, for a given projection of public spending and transfers. In this chapter, a variant of this methodology is used: sustainable tax rates are recomputed using the FM model (see Annex 2.A2), whereby part of health spending is categorised as an investment.

The three methods used have their limitations. The market access method assumes that a lender of last resort prevents any self-fulfilling crisis. In practice, institutions do not always guarantee this, and a self-fulfilling crisis can crucially depend on other parameters, such as the debt maturity structure and the share of debt issued in foreign currency. The approach based on Laffer curves does not take into account possible political economy considerations associated with driving tax revenues to the peak of the Laffer curve or with adjusting government spending instead. The approach based on Blanchard et al. (1990), on

the other hand, does not take macroeconomic shocks into account. Therefore, this chapter does not rely on any one single approach, but rather treats them as illustrative. Consequently, the main focus of the analysis is not on precise numerical estimates of fiscal space, but rather on the trends and underlying mechanism at work.

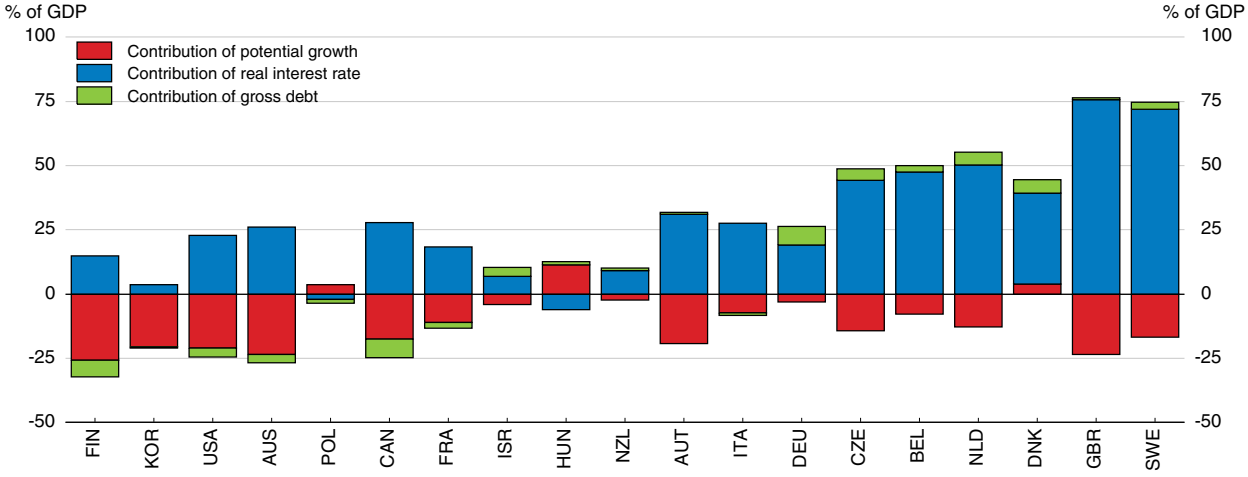
Very low interest rates have increased fiscal space

Focusing on market access, fiscal space is assessed to have increased significantly in many advanced economies from 2014 to 2016, as the impact of the reduction in interest rates outweighs the estimated fall in potential output growth and the increase in debt limits is larger than the changes in the debt-to-GDP ratio (Figure 2.6). The magnitude of the estimated increase in fiscal space varies widely across countries. It was above 20% of GDP in seven OECD countries, including Germany and the United Kingdom. However, it is estimated to have perceptibly narrowed in Finland and Korea, due to the large fall in potential output and the relatively small decline in real interest rates, but significant space remains.

An alternative way to look at fiscal space is to focus on long-term sustainability and compute the maximum primary surplus countries can accumulate, given their projected spending. A typical OECD country is indeed going to see its age-related spending, including pension and health care costs, rise dramatically over the next 30 years. At the same time, countries can maximise their tax revenues. As discussed above, a simple way to approach this is to make use of a Laffer curve, which will determine the maximum revenue a typical country can collect, given its characteristics and the state of the economy. If economies were not subject to shocks, the combination of such spending and revenues would define a debt limit. However, uncertainty in the economy means that there is no fixed threshold for debt that, when crossed, triggers sovereign default.

Figure 2.6. **Lower interest rates increase fiscal space**

Changes in fiscal space between 2014 and 2016 and contributions of changes in its determinants



Note: Fiscal space is the difference between debt limits and current debt. Debt limits are computed with a stylised model in which the estimated fiscal reaction function of governments has the "fiscal fatigue" property and the modelled interest rate takes into account market reactions. The potential growth and the real risk-free interest rate are exogenous. The debt limits are computed with the information available until 16 November 2016 and with the information available when the Economic Outlook No. 95 (May 2014) was finalised. The size of shocks and the fiscal track records are assumed unchanged between 2014 and 2016. 15 OECD countries are not shown in this chart in most cases because of data limitations and in some cases, as reported in Fournier and Fall (2015), because of the absence of solution in the model as the past behaviour did not suffice to keep debt sustainable.

Source: OECD calculations based on Fournier and Fall (2015) and OECD Economic Outlook 100 database.

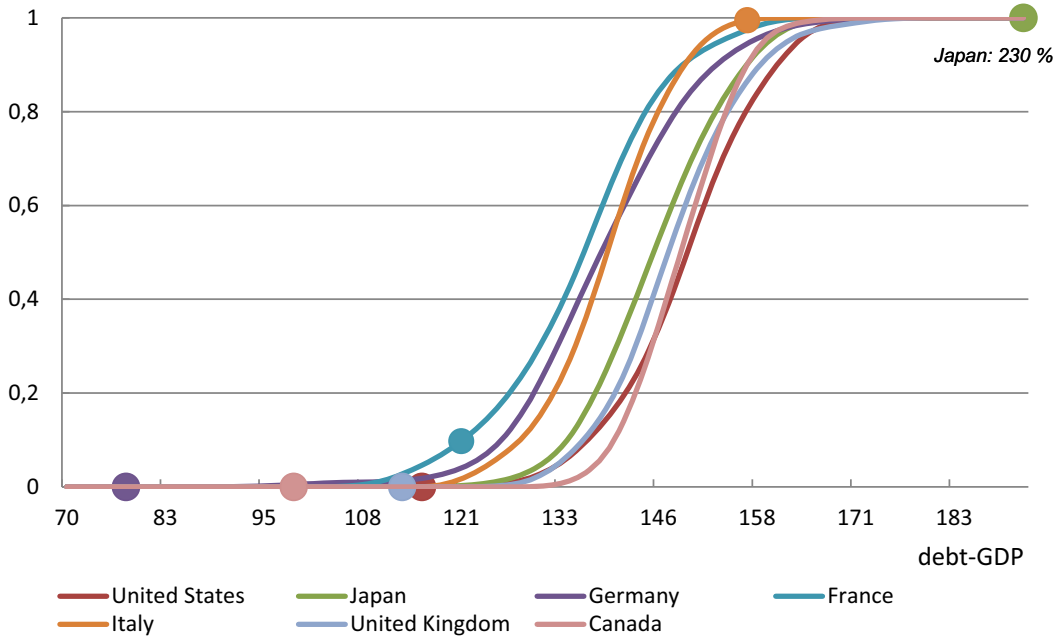
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Looking at fiscal space from this perspective, the distribution probability functions of the debt limits, that show the respective probability of default at a given level of public debt for each economy, suggest that most large advanced economies have fiscal space, Japan being a notable exception. The "market access" approach also suggests that Japan lacks fiscal space.

The "long-term fiscal sustainability" approach also points to uncertainties regarding the extent of fiscal space in France and Italy (Figure 2.7). In France, the "market access" measure of fiscal space points to small gains of fiscal space, within the margin of uncertainty. The "fiscal sustainability" measure does not send a clear signal either. In Italy, fiscal space appears to be limited when focusing on fiscal sustainability as compared to market access, reflecting whether the focus is on past developments of the primary balance ("market access" approach) or on the budgetary implications of population ageing ("long-term fiscal sustainability" approach).

A qualitative assessment suggests that the extent of the increase in fiscal space is mixed across EMEs, even though public debt is lower in these countries than in the average OECD country. Given the projected output growth, the current interest rate level but also financial-market fragility, the Economic Outlook projections suggest that there is ample though narrowing fiscal space in China, while India, Brazil and South Africa will continue to lack fiscal space in the absence of reforms.

Figure 2.7. **Fiscal limit cumulative distribution functions**



Note: For each country the curve depicts the probability of default at each given public debt-to GDP level. For instance, the probability of default is zero is in all advanced economies countries when the actual debt-to-GDP ratio is below 113%. Circles correspond to the 2015 level of the debt-to-GDP ratio. Public debt refers to general government gross financial liabilities according to the SNA definition.
Source: OECD calculations using Bi (2011) and Bi and Leeper (2013).

Fiscal space depends on the pace at which real interest rates and potential output growth become aligned…

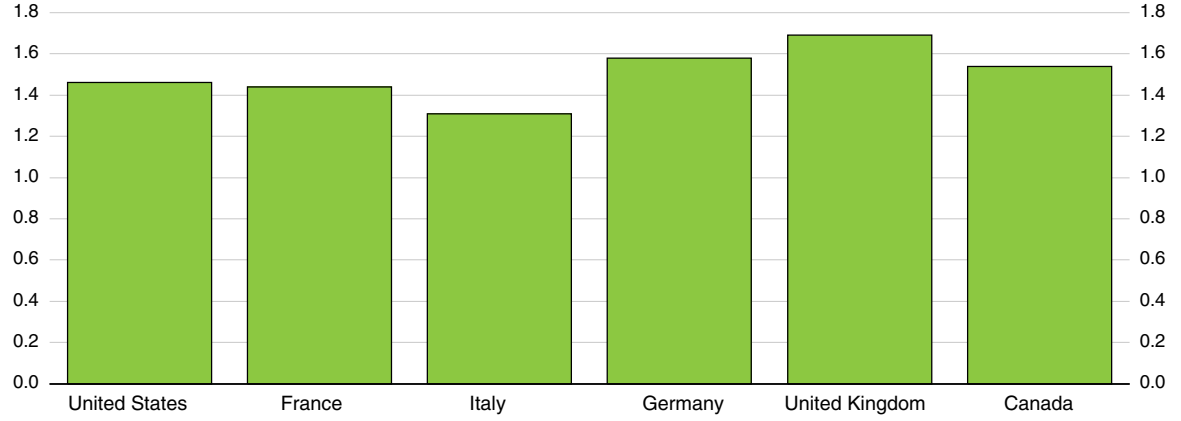
Low interest rates provide policy makers with room for manoeuvre but are also associated with fiscal risks. Assuming the differentials between growth and interest rates gradually converge to their long-term average, the long-term measure of fiscal space, based on Blanchard et al. (1990) and OECD pension spending projections, point to limited sustainability risks over the long term in the three main euro area economies (OECD, 2015a). However, health spending is expected to rise markedly over the next decades as the population ages (de la Maisonneuve and Oliveira Martins, 2015). Accounting for these projected increases in health costs, large advanced economies will have to adjust their tax ratios and/or spending by several percentage points of GDP to stabilise debt at current levels by 2060. The pace of this adjustment will depend to a large extent on the speed at which real interest rates become aligned to output growth. Locking in the very low levels of interest rates by issuing more long-dated bonds would help manage the interest-rate risk.

… but structural reforms to key spending programmes can help increase fiscal space

Structural fiscal reforms to contain health spending would ease long-term spending pressures, and many countries have room to reduce those costs (Joumard et al., 2010). Total health and long-term care expenditure could increase by 3.3 percentage points of GDP between 2010 and 2060 on average across OECD countries in a cost-containment scenario, down from 7.7 percentage points in a cost-pressure scenario, under similar income and demographic assumptions (de la Maisonneuve and Oliveira Martins, 2015). This would help countries regain some fiscal room, even when taking into account that some of the health spending is investment that contributes to future output, as the effect on the budget balance would dominate the effect on potential output (Figure 2.8). Across the largest advanced economies, tax gaps, which quantify by how much actual tax-to-GDP rates

Figure 2.8. **Fiscal space gains from healthcare reforms**

Percentage points



Note: Fiscal space is measured here in terms of tax gaps. These are computed by the difference between the actual and the sustainable tax rate, the latter being the tax rate that should prevail for the debt-to-GDP ratio in 2060 to be equal to the current level, for a given path of public spending. The reform is a change in entitlements, moving from a "cost-pressure"' to a "cost-contained" scenario.
Source: OECD calculations using Blanchard et al. (1990) and data from de la Maisonneuve and Oliviera Martins (2015).

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would have to increase for the debt-to-GDP ratios to be stabilised at current levels over the long term, would be reduced by 1.5 points on average.

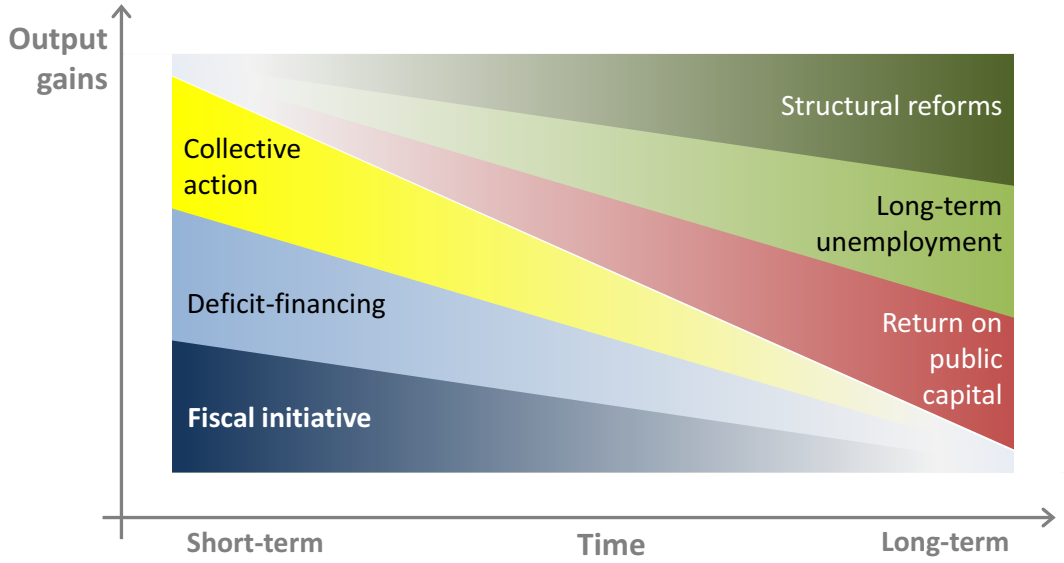
Thanks to a number of past reforms of pension systems, long-run sustainability has improved in some countries. Further reforms in this direction will also raise fiscal space. Whereas low growth of aggregate productivity can add to pension sustainability pressures (see Chapter 1), reforms that increase the retirement age allow contribution rates and replacement rates to be maintained, while also contributing to sizeable output gains (Johansson and Fournier, 2016). Finally, by raising potential output, product and labour market reforms will also increase the fiscal space available to governments.

A fiscal initiative can help boost long-term growth and inclusiveness

A continuation of the very low economic growth in recent years would further undermine longer-term fiscal sustainability and accentuates the need for well-designed fiscal stimulus programmes to raise productive potential. Such a programme could include high-quality spending on education, health and research and development as well as green infrastructure that all bring significant output gains in the long run and foster inclusiveness. The question is to what extent such a stimulus could be financed by issuing long-term bonds, without endangering long-term fiscal sustainability.

This section reviews the likely impact of such an initiative both in the short and long term. It also identifies the factors that can help maximise the growth impact of such an initiative. Those impacts will vary over time (Figure 2.9). Indeed, high returns on capital, the persistence of long-term unemployment and the implementation of structural reforms will have an impact that increases over time, while the effect of acting collectively and of financing the initiative through higher public deficit in the short term will dissipate over time. These different factors are described in more details in the following sections.

Figure 2.9. **Factors that can influence the growth impact of a fiscal initiative**

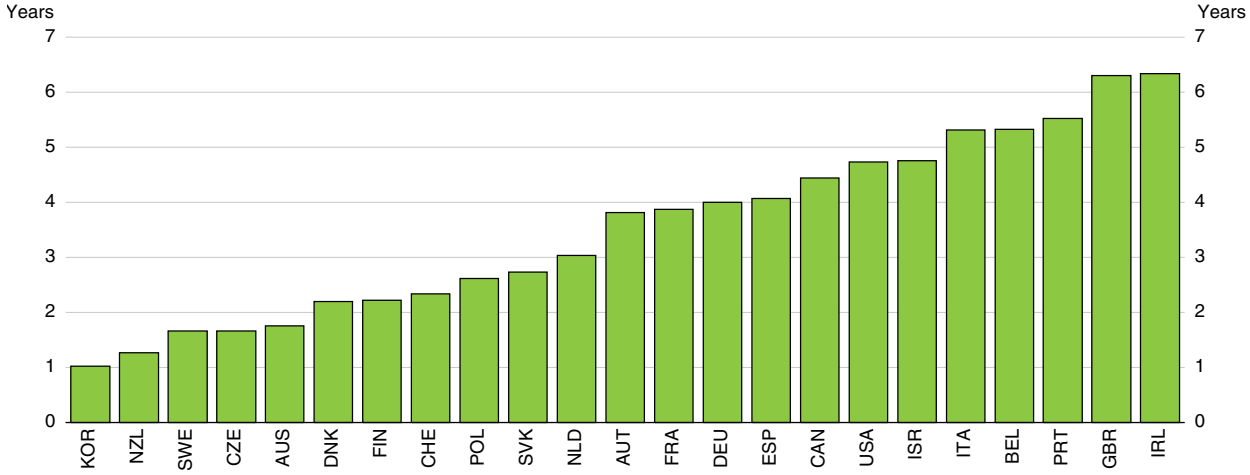


Note: The figure is illustrative and the relative gains of individual factors and the timing of their gains are not drawn to scale.

There is room to finance a ½ per cent of GDP of productivity-enhancing fiscal initiative for 3-4 years on average in OECD countries

A productivity-enhancing fiscal initiative can be financed temporarily by issuing debt. Taking the example of public investment, simulations suggest that the number of years during which a country can finance a permanent ½ per cent of GDP fiscal initiative by increasing its deficit ranges between 1 year in Korea to 6 years in Ireland or the United Kingdom (Figure 2.10). The intuition behind this is that the fiscal initiative can raise output more than it increases debt, reducing the debt-to-GDP ratio (Box 2.1). The magnitude of this fiscal initiative is close to the average of the annual increase in public investment observed over the past decades in OECD countries in the years when public

Figure 2.10. **Number of years during which a permanent investment increase can be funded with temporary deficits**



Note: A no-policy change scenario is compared to a scenario with a permanent increase of public investment by 0.5% of GDP and a temporary deficit increase of the same amount during the number of years reported in this figure. The number of years is set so that the debt level in 2040 is the same in the no-policy change scenario and in the investment shift scenario. Public investment has decreasing marginal returns as estimated in Fournier (2016), and the other structural parameters estimated in Fall and Fournier (2015) are homogenous across countries. The most important country-specific parameters that can influence the computation are the initial public investment level, the initial capital stock level, the initial public debt level and the interest rate to growth rate gap. The computation assumes countries have access to markets.

Source: OECD calculations based on Mourougane et al., (2016).

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Box 2.1. **Debt-financed public investment with no long-term effect on the debt-to-GDP ratio**

Debt-financed public investment has two long-term effects on the debt-to-GDP ratio: it increases the debt level as the government borrows more, and it raises the denominator as potential GDP is increased by hard or soft public investment and business investment is boosted. The government can choose how long to run the deficit so that the debt increase is just offset by the GDP increase. This depends on the difference between the return of the public investment (which is captured here with the positive effect of public investment on GDP) and the interest rate paid by the government.

This is illustrated here with a stylised scenario in which the government increases public investment relative to GDP permanently, against a no-policy change baseline scenario with constant ratio of public investment to GDP and with the primary deficit following an agreed plan. The long-term debt-to-GDP ratio in the baseline scenario is reported in the figure below (dashed line, no-policy action).

Box 2.1. **Debt-financed public investment with no long-term effect on the debt-to-GDP ratio** *(cont.)*

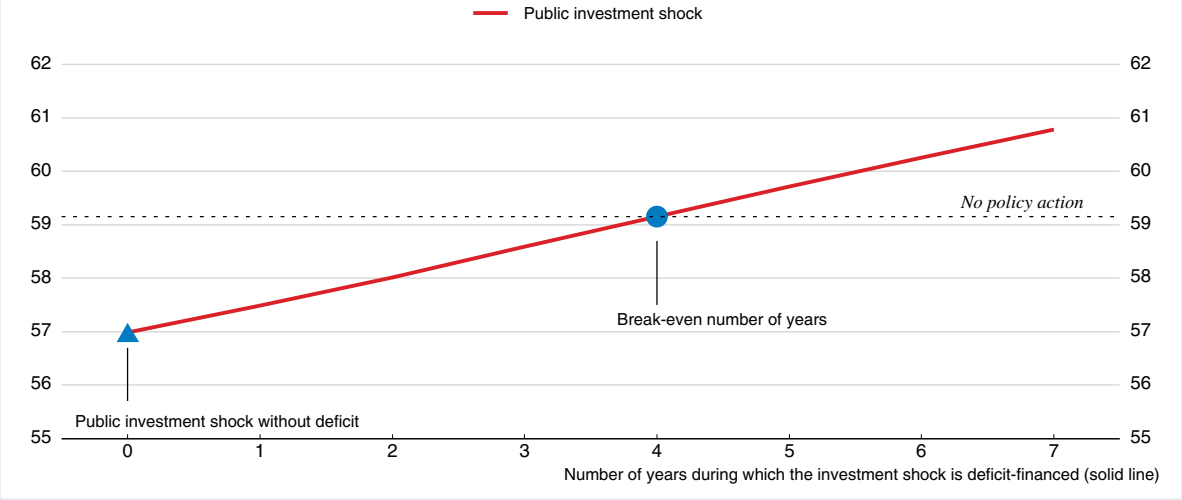
In a first scenario, it is assumed that public investment is financed by cuts in current spending or by tax increases. In this scenario, public borrowing is unchanged, while the denominator is increased on account of the different multipliers on the investment versus current spending versus taxes: the debt-to-GDP ratio declines. As a result, the debt-to-GDP ratio is 2 percentage points below the no-policy action scenario (triangle in the figure below). In a second scenario, investment is deficit-financed for a given number of years, and government borrowing will increase with the number of years, as illustrated by the solid line in the figure below. In this second scenario, it is assumed that it takes time to restrain current spending or to reap the benefits of public investment in terms of higher tax revenues. As the figure illustrates, there is a break-even duration of investment for which the debt-to-GDP ratio is equal to the one with the no-policy change scenario (circle in the figure below).

This break-even number of years depends on the effect of public investment on potential GDP. Should the government identify higher-quality projects and activities, the number of years of deficit-financing could be even greater. This is most likely the case in countries where public investment decreased during the crisis, or where the public capital stock is relatively low. Structural reforms that increase GDP can also provide room for longer-lasting deficits. Last, the break-even number of years depends on the level of the debt-to-GDP ratio itself: it is all the more crucial that the portfolio of changes to the fiscal budget increases GDP in the most indebted countries. For instance, a policy that increases GDP by one per cent while leaving the debt level unchanged would decrease the debt-to-GDP ratio by one percentage point if the debt-to-GDP ratio is 100%; it would decrease the debt-to-GDP ratio by only one-half of a percentage point if the debt-to-GDP ratio is 50%.

This stylised exercise considers gross debt: it ignores public real assets. This is a prudent simplification: the number of years during which investment-led stimulus can be deficit-financed would be higher if one replaces gross debt by net debt in the analysis. A permanent increase in public investment implies a permanent increase in the capital stock that decreases net debt.

The break-even number of years of deficit-financed public investment: the example of Germany

Long-term public debt in per cent of GDP



Note: The 2040 debt-to-GDP ratio is reported here to represent the long-term debt-to-GDP ratio.
Source: OECD calculations based on Fall and Fournier (2015).

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investment increased (0.6 % of GDP). In the simulation, the number of years is calculated so that the public debt level remained unchanged in 2040. This number is a function of the country's initial level of the public capital stock and of the differential between economic growth and the interest rate, as well as the initial level of public debt. According to this analysis, Japan is found to have no room to finance a fiscal initiative through higher deficit.

A productivity-enhancing fiscal initiative boosts the economy in the short and the long term

A productivity-enhancing fiscal initiative has not only a short-term demand effect but also a longer-term supply effect, in contrast with boosting current public expenditure. Public investment is an example of such a fiscal measure. To the extent that monetary policy is constrained, an investment-led stimulus may raise output more than it increases debt, leading to a fall in the debt-to-GDP ratio in the short term. This will likely be the case if public investment manages to catalyse private investment. In the long term, the boost in investment increases the productive capacity of the economy and the positive effect on potential output leads in additional tax revenues. Whether higher investment increases or lowers the debt-to-GDP ratio in the long term will depend on a number of factors, including the extent to which potential output is boosted. In all cases, the long-term effect of a public investment shock on the debt ratio will be more favourable than a public consumption shock that does not raise the productive capacity of economies.

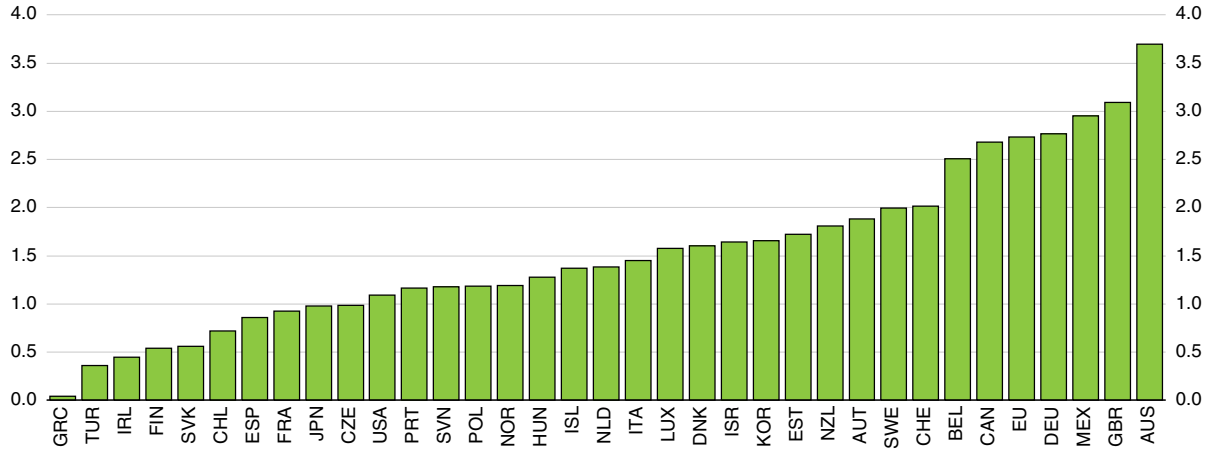
Strong institutions and effective public governance are key for a successful fiscal initiative. This includes respect for the rule of law, quality regulation, transparency, openness and integrity. Whole-of-government approaches will improve outcomes and enhance the use of public resources. Fiscal policy is intertwined with a lot of other public policies – like competitiveness, climate-change mitigation, managing demographic change and innovation – and their effective combination can bring about synergies (OECD, 2015b). Regarding public investment specifically, good governance and reliable *ex ante* assessment of projects' social rates of return are crucial to ensure that high returns materialise and to prevent the cost overruns and over-estimation of future demand that have occurred in a number of past infrastructure projects (Persson and Song, 2010). More generally, regulation and other framework conditions, including access to markets and pricing regimes, will also affect the return on investment (Sutherland et al., 2011). Evidence suggests that most OECD countries still have room to improve their existing regulatory framework to ensure that regulation is fit for purpose and achieves its goals (Figure 2.11, OECD, 2015c).

The short-term output impact of ½ per cent of GDP fiscal initiative could be up to 0.6% in the first year…

Quantitatively, in the current environment and with monetary policy unchanged, a permanent investment-led stimulus of ½ percentage point of GDP that would be deficit-financed for a few years is estimated to increase output by 0.4-0.6% in the first year in the large advanced economies (Figure 2.12). However, short-term output gains are particularly unclear for Japan where the evidence points to lower and much more uncertain fiscal multipliers in the most recent period (Auerbach and Gorodnichenko, 2014). In this country, the fiscal initiative is assumed to be budget neutral over the whole simulation period.

Estimates have been computed using three models (Annex 2.A2). They assume projects undertaken are economically worthwhile and can be implemented without delay. While some infrastructure projects may take a long time to activate, other forms of public

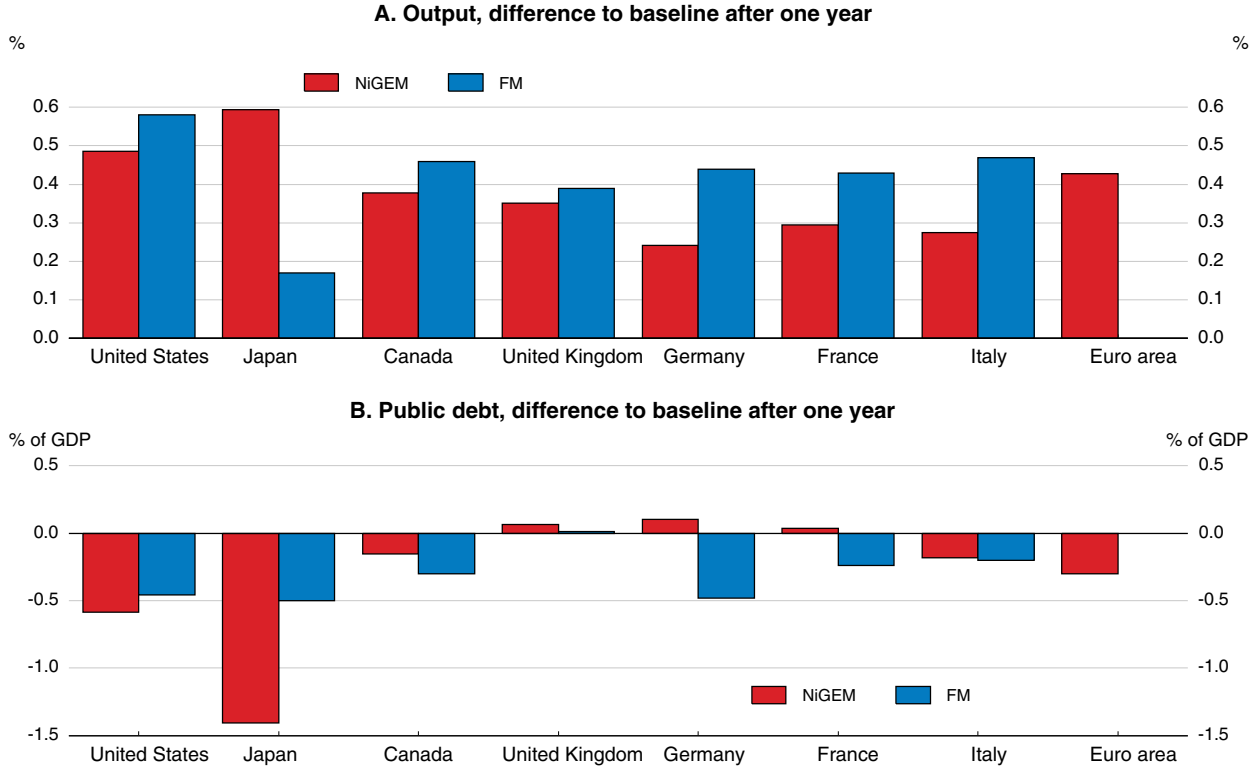
Figure 2.11. **Ex post evaluation of regulation**



Note: The vertical axis represents the total aggregate score across the four separate categories of the composite indicators. The maximum score for each category is one, and the maximum aggregate score for the composite indicator is four. The scores are an average of the scores for primary laws and subordinate regulations, except for the United States, for which only the results for subordinate regulations are presented. The groupings are based on countries that scored 0.5 above or below the mean score. The data covers practices on the national level that apply to all policy areas. Further information on the indicator design and methodology, as well as the full list of survey questions covered by the indicator are available in C. Arndt, A. Custance Baker, T. Querbach and R. Schultz (2015), 2015 Indicators of Regulatory Policy and Governance: Design, Methodology and Key Results, *OECD Regulatory Policy Working Papers*, No. 1.
Source: 2014 Regulatory Indicators Survey results, www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

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Figure 2.12. **The short-term effect of a sustained increase in public investment of 0.5% of GDP**



Note: The increase in public investment is deficit financed for a few years and subsequently budget neutral in all countries but Japan. It is budget neutral over the whole simulation period for Japan.
Source: OECD calculations using the NiGEM and FM models (see Annex 2.A2).

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investment could be mobilised more rapidly and, given the recent falls in public investment in many countries, there may be a backlog of existing projects or maintenance needs. Furthermore, commitment to bring new projects on stream may help to improve the environment for private investment.

Raising public investment lifts business investment by a median of 0.7% in the most advanced economies after one year, with corresponding increases in the business sector capital stock and potential output. These effects could be even stronger if the additional public investment were to be concentrated in network industries, particularly in the European Union, where there is a greater possibility of crowding in private investment (OECD, 2015d).

The stimulus impact on the public debt-to-GDP ratio depends essentially on growth dynamics. The public debt-to-GDP ratio would fall compared to the baseline in the short term in the United States and, to a lesser extent, in the euro area.

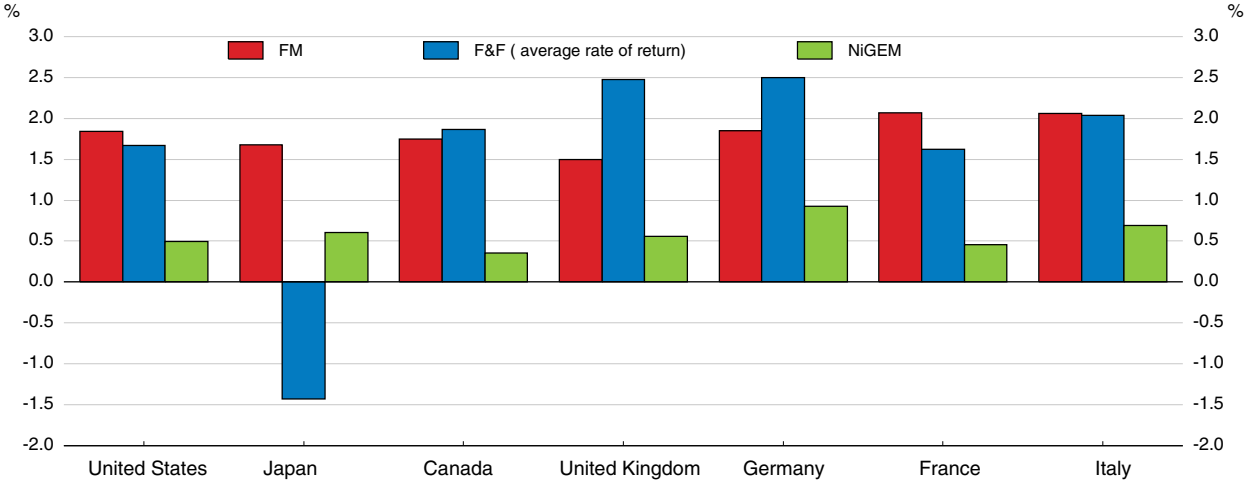
… while its long-term impact could reach up to 2%

Long-term output gains appear to be positive and could reach up to 2% on average in OECD countries and in the large advanced economies (Figure 2.13). The magnitude of these gains depends on a number of factors.

- First, returns on the hard and soft investment play a key role. While there is evidence that the returns depend on institutional factors, such as the quality of project selection and the regulatory and operational frameworks, public investment is likely to have high returns in countries where the initial stock of public capital and investment is low (Fournier, 2016). The effect on output would be, amongst the large advanced economies, above average in Germany and the United Kingdom, where the stock of public capital is estimated to be relatively low (Figure 2.14). On the other hand, the output gains could be

Figure 2.13. **Long-term output gains of a permanent increase in public investment of 0.5% of GDP**

Difference to baseline

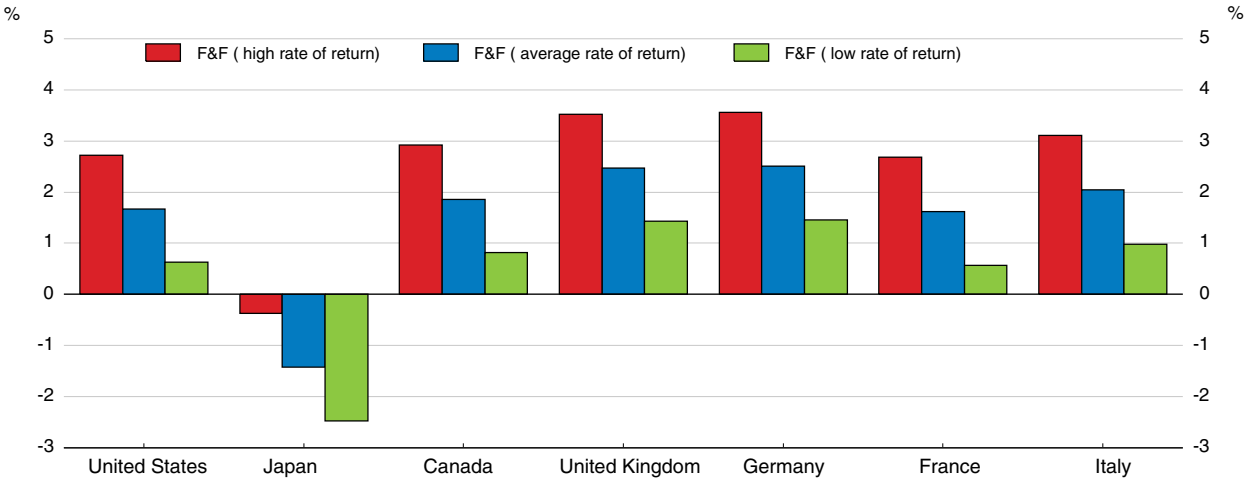


Note: FM and F&F assume budget neutrality is achieved by increasing non-distortionary taxes, while it is achieved through an increase in labour tax in NiGEM. The increase in public investment is deficit financed for a few years and subsequently budget neutral in all countries but Japan. It is budget neutral over the whole simulation period for Japan.
Source: OECD calculations using F&F, NiGEM and FM models (see Annex 2.A2).

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Figure 2.14. **Long-term output gains of different assumptions on the rate of return on public investment**

Difference to baseline



Note: The increase in public investment is deficit financed for a few years and subsequently budget neutral in all countries but Japan. It is budget neutral over the whole simulation period for Japan.
Source: OECD calculations using the F&F models.

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very negative for Japan, reflecting a large initial public capital stock and associated low and even negative rates of return at the margin for conventionally-defined public capital. The long-term elasticity of capital to potential output and the depreciation rates determine the extent to which the additional public investment will accumulate into productive capacity. These parameters have been calibrated using results reported in the economic literature. For instance, a meta-study by Bom and Ligthard (2014) suggests, that the elasticity of investment in core infrastructure, such as roads, rails and telecommunications on long-term output could be relatively high. In particular, spillovers from the higher public capital stock on potential output have been estimated to be positive for infrastructure spending in the United States and in the European Union (White House, 2016; European Commission, 2014).

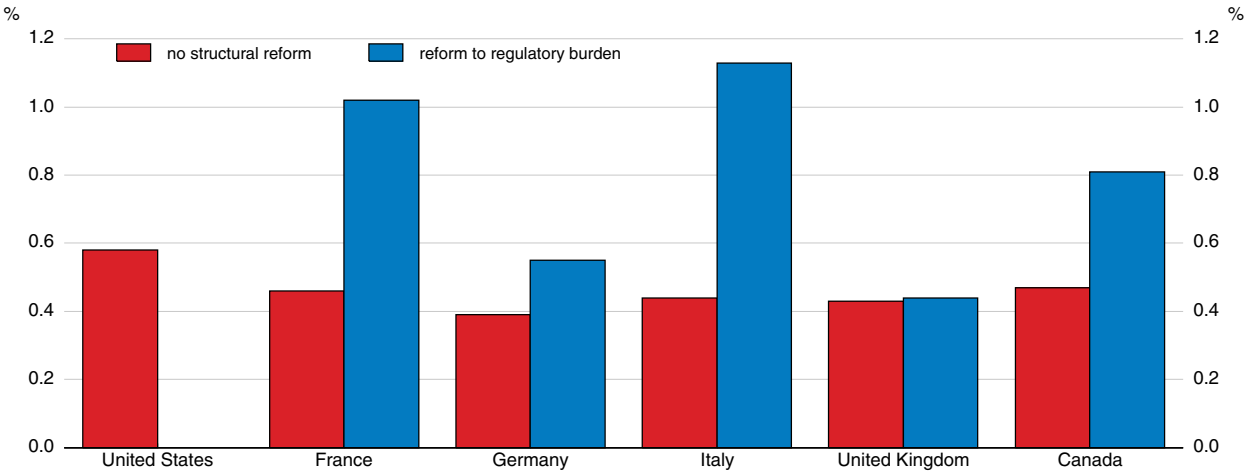
- Second, the long-term impact also depends on the way budget neutrality is achieved over the medium term. The 2% gains in long-term output are conditional on the assumption that the stimulus is financed after three to four years through an increase in non-distortionary taxes or a cut in other spending, with neither of these factors affecting potential output. Alternative assumptions, such as financing a stimulus through an increase in direct taxes on households, which reduces household disposable income and spending, would lower this impact.

Structural reforms enhance the growth impact of the fiscal initiative

The output gains of the fiscal initiative would be increased if countries undertake much needed structural reforms that will enhance total factor productivity and potential output. 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 reverse the widespread slowdown in productivity and improve inclusiveness.

Figure 2.15. **Additional output gains from structural reforms after one year**

Difference to baseline



Note: In the scenario with structural reform, the regulatory burden, stemming from anti-competitive product market regulation in upstream sectors, is assumed to be reduced by 10%. Its effect on total factor productivity has been derived from Bourls et al. (2010), where total factor productivity depends on institutions and the distance to the frontier country (the United States). Structural reforms are also assumed to increase the speed of adjustment of the economy following a shock. For illustrative purposes, the adjustment speed has been doubled when structural reforms are implemented. The possible broader effects of such a reform on employment and the capital stock have been omitted, suggesting possible over-estimation of the impact of the reform in the short term. Also, the budgetary costs of reforms are not considered, as the latter are hard to quantify.
Source: OECD calculations using the FM model.

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In particular, there could be benefits from reforms targeted at frictions that hold back demand for investment, such as lowering the regulatory burden. Simulations suggest that the output gains of a fiscal initiative could be lower by some 0.3 percentage point on average compared to a scenario where the fiscal initiative is combined with a 10% reduction in the regulatory burden as captured by OECD indicators (Figure 2.15).

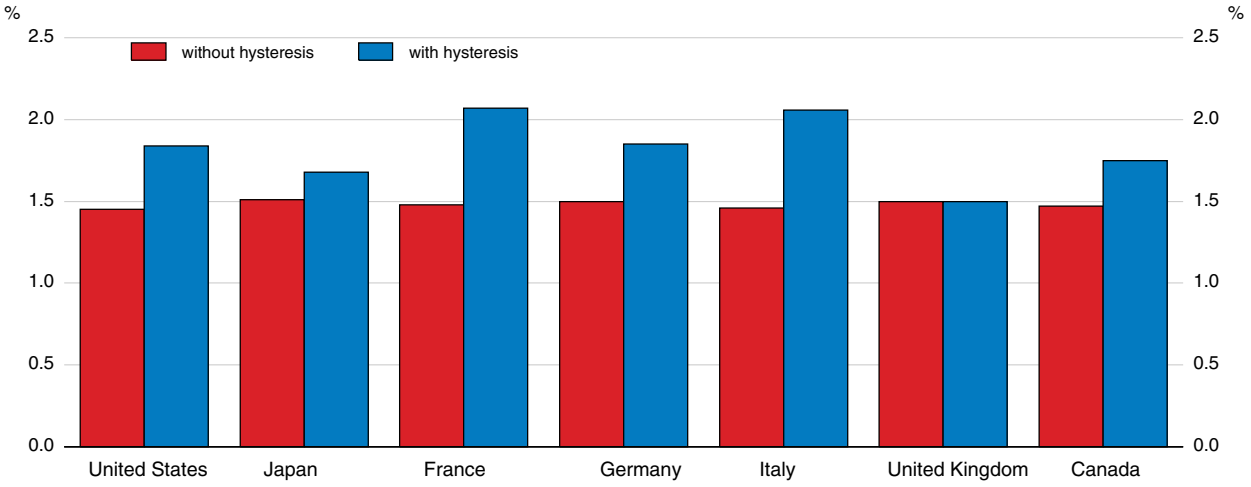
A number of caveats should be kept in mind when interpreting these results. While the focus is mainly on GDP and government balances, there could also be important distributional consequences, with some reforms affecting certain household groups more than others. A reduction in barriers to competition has been found to lift incomes of the lower-middle class more than GDP per capita, pointing to some synergies between growth and equity (Causa et al., 2015).

High long-term unemployment reinforces the case for a productivity-enhancing fiscal initiative in the current environment

The current economic environment is characterised by a low-growth trap with weak demand investment, productivity and trade. In such an environment, demand effects lead to permanent supply-side effects through the process of hysteresis, which changes the dynamics of labour demand and of capital investment through insiders/outsiders effects (Blanchard and Summers, 1987; Lindbeck and Snower, 1988) or skill losses (Pissarides, 1992). This in turn has persistent negative effects on supply (Delong and Summers, 2012). The existence of hysteresis in a weak economy leads to stronger long-term output gains from stimulus. The magnitude of the gains depends on the initial position in the cycle and, to a lesser extent, on the degree of labour market rigidity. They are estimated to be particularly important for France and Italy (Figure 2.16). They are also likely to be particularly marked in Southern European countries where demand has been depressed for an extended period of time.

Figure 2.16. **Effects of hysteresis on long-term output gains**

Difference to baseline



Source: OECD calculations using the FM model.

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Hysteresis matters essentially in the longer term and when the stimulus is sustained (Mourougane et al., 2016). For instance, an investment-led fiscal stimulus is found to have a stronger long-term effect on the output level of about ½ percentage point in France and Italy than it would be in the absence of labour market hysteresis. The differences are smaller, of by around ¼ percentage point, in the United States and Canada. Starting from an output gap that is close to zero, the United Kingdom does not benefit from additional output gains when hysteresis is taken into account.

Collective action brings additional gains

With globalisation and tighter links between countries, collective action may be increasingly more powerful than taking fiscal action alone. Demand spillovers, whereby policy action in one country influences investment and export flows with partner economies (Barrell et al., 2012), are found to be significant in the case of synchronised fiscal stimulus (Auerbach and Gorodnichenko, 2014). In addition to these traditional channels, knowledge spillovers, resulting from the international diffusion of innovations and higher trade levels, will raise the benefits to other countries from higher innovation in each economy. While the knowledge spillovers are less important in the short term, they play a role in the long term.

Episodes of collective fiscal action have rarely been observed in the past, the coordinated response to the 2008 financial crisis and the period of fiscal austerity that followed in the euro area being two notable exceptions. For example, the number of OECD countries which simultaneously injected a sustained large public investment stimulus was around four per year on average in the pre-crisis period, and in general these were not coordinated. By contrast, more than 15 countries markedly increased public investment spending in 2008 and 17 did so in 2009.

In order to quantify those spillover effects, the impact of an increase of ½ percentage point of GDP in public investment for each country acting alone was compared with a scenario where all the countries act simultaneously in a context where monetary policy is

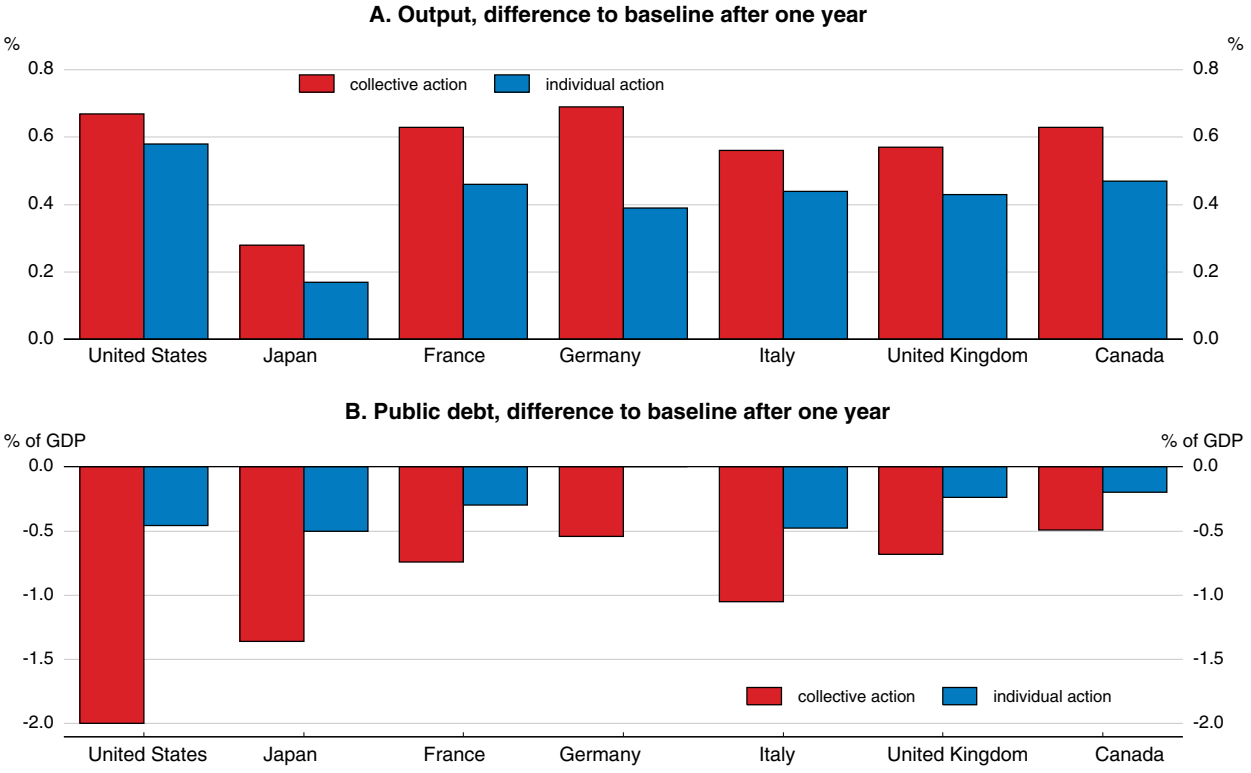
assumed to remain unchanged (OECD countries for the NiGEM model, large advanced economies for the FM model).

Overall, after one year, collective action to raise high-quality public investment is estimated to raise the fiscal multiplier in each country, bringing additional output gains of about 0.2 percentage point on average in the large advanced economies compared with a scenario where countries act individually (Figure 2.17, Mourougane et al., 2016). As a consequence, the debt-to-GDP ratio would also fall more in all countries compared with the outcome when each country acts alone.

Although the average output gains would be broadly of the same order of magnitude whether the collective action happens in OECD versus the large advanced economies, there are differences in the outcome across countries. In both cases, though, Germany would be, amongst the large advanced economies, the country that benefits the most from participating in collective action to boost public investment.

Table 2.1 provides a summary of the main results with respect to the initial size of the public capital stock, hysteresis and collective action for the large advanced economies.

Figure 2.17. **Gains from collective action in the OECD countries**



Note: The increase in public investment is deficit financed for a few years and subsequently budget neutral in all countries but Japan. It is budget neutral over the whole simulation period for Japan.
Source: OECD calculations using the FM model.

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Table 2.1. **Country-specific conditions and the impact of public investment stimulus**

	Low level of public capital/high rate of return	Hysteresis	Collective action
United States	+	+	+
Japan	--	=	+
Germany	++	=	++
France	+	++	+
Italy	+	++	+
United Kingdom	++	=	+
Canada	+	+	+

Note: signs summarise the amplitude of the output gains following an investment-led stimulus. + means that output gains are higher, ++ that they are markedly higher and = that there is no change. For instance the existence of hysteresis in France and Italy makes these countries gain more from such a measure than other advanced economies.
Source: OECD calculations based on F&F, FM and NiGEM models.

The composition of spending and taxes should be made more supportive of inclusive growth

A fiscal initiative now can be an opportunity to improve the tax and spending mix by focusing on the measures that will foster long-term growth and promote inclusiveness and the protection of the environment. Countries where fiscal space is limited also have room to move toward a mix that is more supportive of inclusive growth. Productive spending has a permanent effect on the supply side of the economy, while unproductive spending has a short-lived effect. Likewise, the tax structure can be modified to support inclusive growth. The composition of the fiscal initiative is thus essential for fiscal expansion to be undertaken without increasing the debt-to-GDP ratio in the long run.

Boosting public investment and improving education outcomes can yield large growth gains and benefit all

Increasing the share of public investment in government spending yields large growth gains for the whole population (Table 2.2; Fournier, 2016). These gains are particularly strong in fields that are associated with large externalities, such as health (e.g. hospitals, medical equipment and prevention). A spending shift towards public investment and away from other spending in less advanced economies would also speed up their convergence

Table 2.2. **Effects of public spending reforms on growth and equity**

Policy	Growth	Income of the poor	Countries which will benefit the most from the reform
Increasing government effectiveness	+	+	FRA, GRC, HUN, ITA, SVN
Increasing education outcomes	+	+	CHL, GRC, MEX, PRT, TUR
Increasing public investment (including R&D)	+	+	BEL, DEU, GBR, IRL, ISR, ITA, MEX, TUR
Pension reform	+	+	AUT, DEU, FIN, FRA, GRC, ITA, JPN, POL, PRT, SVN
Increasing family benefits	0	+	CHE, ESP, GRC, PRT
Decreasing public subsidies	+	0	BEL, CHE

Note: The analysis is based on information up until 2013 and therefore do not reflect recently implemented reforms. + stands for a positively significant, and – for a negatively significant. The countries which benefit the most from the reform are those where reforms would yield gains of more than 10% of GDP. For family benefits, the table shows countries where the reform would increase the income of the poor by more than 20%.
Source: Fournier J.M. and Johansson A. (2016), "The Effect of the Size and the Mix of Public Spending on Growth and Inequality", *OECD Economics Department Working Papers*, No. 1344.

with the most advanced economies, provided that good governance is in place. As discussed above, the growth gains from increasing public investment may decline at a high level of the public capital stock due to decreasing returns. Still, estimations suggest that all OECD countries but Japan have room for additional public investment. Overall, such a spending shift would lift "all boats" as it raises average income without any adverse equity effects. Targeted additional capital spending can also help achieve long-term objectives such as those related to climate change and environmental quality.

Output gains from increased public spending on research and development are potentially large, particularly if spending is directed to basic research where widespread market failures lead to under-investment by the private sector (OECD, 2015c). Higher public spending on basic research can also enhance the ability of economies to learn from innovations at the global frontier (Saia et al., 2015).

Recent evidence based on OECD countries suggests that increasing the quality of, and the time spent in, education yields large growth gains by raising skills and thereby productivity (Fournier and Johansson, 2016). In addition, an education reform that aims at encouraging completion of secondary education can decrease income inequality. This is in line with earlier research on the effect of education on earnings inequality: an increase in the share of upper-secondary degrees decreases labour earning inequality, while an increase in the share of tertiary degrees increases inequality in education outcomes and hence can increase earnings inequality (Fournier and Koske, 2012).

Shifting spending towards family benefits and childcare and away from other spending also decreases income inequality. This may also facilitate the participation of second earners in the labour market and will help the social inclusion of children from more deprived backgrounds. In the long run, these spending reforms could be funded by cutting public subsidies and raising the retirement age, as pensions and subsidies can have adverse effects on growth. Subsidy cuts that yield disproportionately greater gains for the rich than the poor can be complemented by other redistributive policies that reduce inequality.

Turning to revenues, shifting part of the revenue base from personal and corporate income taxes to less distortive taxes such as recurrent taxes on immovable property or consumption would boost growth (Johansson et al., 2008; Table 2.3). However, such a tax shift would reduce the overall progressivity of the tax system as these taxes are less progressive than income taxes. Furthermore, a combination of base broadening and rate reduction of individual taxes can complement a revenue shift.

Table 2.3. **Growth and equity effects of decreases in selected tax and contributions**

Decrease in…	Growth		Equity	
	Short-term	Long-term	Short-term	Long-term
Personal income taxes	+	++	-	-
Social security contributions	+	++	+	+
Corporate income taxes	+	++	-	-
Environmental taxes	+	-	+	
Consumption taxes (other than environmental)	+	+	+	
Recurrent taxes on immovable property	+			
Other property taxes	+		--	-
Sales of goods and services	+	-	+	+

Source: Cournède, B., A. Pina and A. Goujard (2014), "Reconciling Fiscal Consolidation with Growth and Equity", *OECD Journal: Economic Studies*, Vol. 2013 Issue 1.

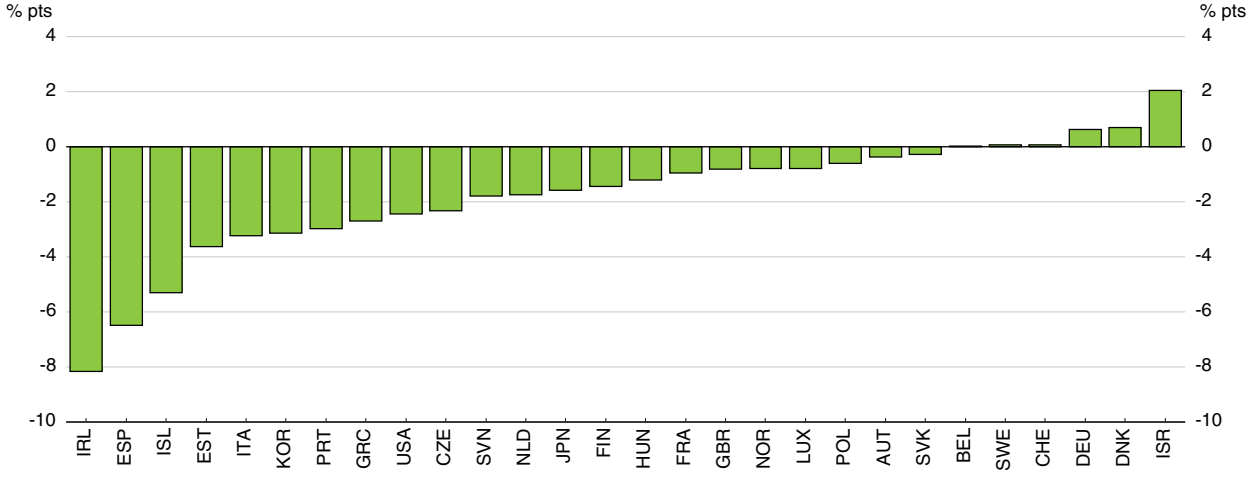
Beyond the average effects of a fiscal reform, the long-term effect depends on the context, the design and the implementation. For instance, public investment gains are the largest in countries with the lowest public capital stock, so that investment needs are the highest, and when it is targeted toward appropriate fields, such as research and development (Fournier, 2016). As regards education spending, sound education policies are key to improve outcomes (see Hanushek and Woessmann, 2011 for a literature review). For taxes, broadening the tax base while reducing the tax rate avoids tax-induced distortions (Johansson et al., 2008). Business investment can also be supported by a predictable and simple tax design.

The spending composition has moved towards unproductive outlays in recent years

Since the crisis, the tax and spending mix has moved towards a combination that is less favourable to long-term growth prospects.

- The share of productive spending in output has decreased in many OECD countries in recent years (Figure 2.18). Some euro area countries under market pressure have cut public investment substantially to help meet their fiscal consolidation objectives in the aftermath of the sovereign crisis (Figure 2.19). On average in OECD countries, consolidations of 1% of GDP were associated with a 0.3% of GDP cut in public investment (OECD, 2015d). Even some countries that have taken measures to ease the fiscal stance have at the same time made further cuts to investment.
- R&D spending as a percentage of GDP has been broadly stable on average in the OECD countries since the crisis, but has decreased in absolute terms in a few countries such as Spain and Portugal.
- The share of education and investment in primary spending has declined in most OECD economies, with massive declines in Spain, Ireland and Iceland.
- At the same time, about half of 27 OECD countries have increased the share of personal income tax, social security contribution and corporate income tax in their cyclically-adjusted primary revenues. This could be detrimental to long-term growth.

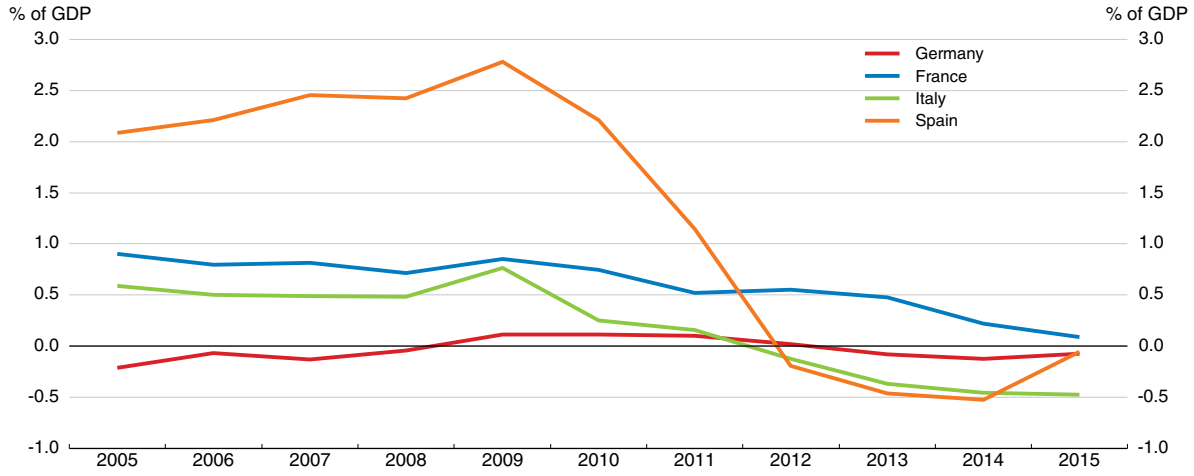
Figure 2.18. **Changes in the share of productive spending between 2007 and 2013**



Note: Cyclically-adjusted education and investment data are expressed as a percentage of cyclically-adjusted primary expenditure.
Source: OECD Public Finance Dataset, forthcoming.

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Figure 2.19. **Net public investment in large euro area countries**



Source: OECD Economic Outlook database.

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Most advanced countries should make use of the expanded fiscal space and all can make the tax and spending mix more growth and equity friendly

Although policy requirements vary by country depending on their national circumstances and positions in the cycle, most advanced countries have scope to use the expanded fiscal space in the context of an initiative, where the composition of tax and spending choices is adjusted over time to make the mix more supportive of inclusive growth (Table 2.4). In a few countries like Japan, however, a productivity-enhancing fiscal initiative should be budget-neutral.

Table 2.4. **Planned versus recommended fiscal stances for 2017-18**

		Recommended fiscal stance				
		Contractionary	Mildly contractionary	Broadly neutral	Mildly expansionary	Expansionary
Projected fiscal stance	Contractionary					
	Mildly contractionary		ARG, BRA, COL, CRI, GRC, SVK	BEL	AUS, GBR, IDN, KOR	
	Broadly neutral			CHL, CZE, DNK, ESP, IND, IRL, ISR, JPN, LTU, MEX, NZL, PRT,TUR, SWE, ZAF	AUT, FIN, NLD, FRA, RUS	CHE
	Mildly expansionary	HUN		SVN	CAN, ITA, NOR, POL	DEU, EST, LVA
	Expansionary	ISL			CHN	LUX, USA

OECD recommends more expansionary than planned
OECD recommends less expansionary policy than planned

Source: OECD Economic Outlook.

A number of countries have already announced a fiscal package to support the economy. In particular, Austria, Hungary, Iceland, Norway and Spain have provided a fiscal stimulus of 1% of GDP or more in 2016. Amongst the large advanced economies, fiscal support in 2016 amounts to around ½ per cent of GDP in Canada, Germany and Italy. Country-specific assessments of the fiscal packages are set out in Chapter 3.

The likely shift towards more expansionary fiscal policy in the United States in coming years will provide support to economic growth, although the mix between tax cuts and spending may unduly favour tax cuts. However, in many OECD countries, fiscal policy could be more expansionary than currently planned. A few large economies, including Germany, should borrow more in the coming years to raise public investment more than currently envisaged. A fiscal initiative in the United Kingdom would help to manage the contractionary impact of Brexit. By contrast, in a few countries such as Hungary and Iceland, tighter policy stances would be preferable.

Most EMEs have room to boost public investment and health and education spending. In China, spending needs to be directed at the health and education sectors. In India, an increase in tax revenues and an improvement in spending efficiency will help regain fiscal room.

The allocation of resources will depend on country needs and specificities, including the size of public investment needs (including both hard and soft infrastructure spending), room to improve the tax and spending mix and more generally to implement structural reforms that boost potential output in the medium term. Countries with no fiscal space would also benefit from raising the share of their productive spending and lowering the share of harmful taxes in total spending and taxes.

Most OECD countries with increased fiscal space have room to significantly increase either high-quality public investment or spending on health or education. In particular, there is a need to repair existing infrastructure and carry out other maintenance in a number of countries. More spending toward quality childcare and early education spending is also warranted in a number of countries, including Germany and Italy. A few countries such as Denmark and France, where tax rates are elevated, should possibly rather focus on lowering labour and/or corporate taxes rather than increase spending.

In about a third of OECD countries and Key partners, bank balance sheets need to be repaired. This is notably the case in China, India and Russia, but also in a few European countries, Italy in particular. In the European countries, it may be preferable to use the increase in fiscal space to clean up banks' balance sheets and opt for a stimulus at the euro-area-wide rather than the national level, for instance through larger bond issuance by the European Investment Bank.

In about half of the countries considered, there is evidence that existing fiscal rules limit recourse to fiscal policy in Europe and elsewhere, even when such a policy would be warranted. The application of the EU Stability and Growth Pact could be modified to allow for a more supportive fiscal stance, for example by excluding net investment spending from fiscal rules and, more generally, developing a coherent approach for using discretion in applying fiscal rules (Box 2.2).

Box 2.2. **Expanding fiscal space under the EU Stability and Growth Pact**

Making use of the increased fiscal space from exceptionally low interest rates to address low growth in the euro area is challenging in the context of the EU Stability and Growth Pact (SGP).[1] This box considers two options, one temporary and the other permanent, to expand the fiscal space available to countries under the SGP without fundamental and difficult-to-achieve changes to the Pact's architecture.

The rules of the SGP currently require the major euro area economies, with the exception of Germany, to pursue fiscal consolidation efforts of around 0.5 percentage point of GDP or higher each year. Under the "corrective arm", a benchmark annual structural balance adjustment of at least 0.5% of GDP is typically required under the Excessive Deficit Procedure regardless of cyclical conditions for countries. In the "preventive arm", for countries that have not reached their medium-term objective (MTO), a benchmark 0.5% of GDP annual structural balance adjustment is also required, although there is some limited scope to waive it, for example in the event of negative growth. In principle, the "1/20th of excess over 60% ceiling" debt reduction rule could here lead to much larger adjustments in countries with high debt. There is some flexibility under clauses for structural reforms and investment, as has been the case of Italy in 2016 but conditions are restrictive.

In practice, recommendations from the Council have often required annual adjustment of the structural balance in excess of 0.5% of GDP. However, incomplete compliance with these requirements has led – on the European Commission's assessment – to less consolidation than required and a somewhat easier stance than the rules implied.

Current very low government yields in the euro area create additional fiscal space. If a fiscal expansion in this conjuncture were well-designed, with strong emphasis on high-quality investment projects, debt-to-GDP ratios might not even increase and therefore fiscal sustainability would not be impaired.

The SGP rules make it difficult to use this additional fiscal space, both for countries currently in the EDP or who have not reached their MTOs, and can restrict policy for countries that currently meet the EU requirements.

To achieve the most appropriate area-wide fiscal stance, some modulation is required in how the rules are applied. Two options are set out below, one temporary and the other permanent, to expand the room available to countries under the SGP without fundamental and difficult-to-achieve changes to the Pact's architecture.

Using discretion and flexibility within the rules

In practice current rules appear to be extremely complex, have been interpreted in a very *ad hoc* way and, as a result, lack credibility. Indeed, the Council has full discretion as to whether a rule has been breached, whether to apply sanctions and whether to modify adjustment paths (OECD, 2014). There is some room for interpretation in the application of the rules, including the use of flexibility clauses. In practice, slippage relative to previous adjustment requirements has been common. For example, extensions of EDP deadlines have been allowed 18 times since 2009.

Rather than *ad hoc* extensions and responding in a piecemeal way to fiscal developments, the Council could develop a coherent approach to the application of discretion in the current exceptional circumstances. This would make policy more predictable and could encourage governments to pursue medium-term plans based on spending with high multipliers. The new European Fiscal Board (EFB) could provide guidance on the approach.

Box 2.2. **Expanding fiscal space under the EU Stability and Growth Pact** *(cont.)*

Treating public investment more flexibly

The SGP rules essentially do not distinguish between public investment and other forms of expenditure as they are defined in terms of overall budget balances or broad expenditure measures. A number of small adjustments exist to take into account investment, but these are marginal.[2]

Fiscal expansion through higher public investment would be facilitated by excluding net public investment spending from assessment of compliance with fiscal rules, as is currently the case for countries' contributions to the EFSI (Juncker Plan). This could, for example, be achieved by expanding the existing "investment clause" to cover all forms of (net) investment as defined in the national accounts and easing the conditions for its use. The clause should also apply in the corrective arm by broadening interpretation of structural reforms (European Commission, 2015). Such a move to a "golden rule" could be formalised on a permanent basis through deeper changes to the rules. Existing Eurostat rules and procedures would provide some safeguard against reclassification of spending towards investment, in part at the cost of focussing only on physical capital.

The advantage of this approach is that it creates an incentive to use additional fiscal space to boost public investment, for which short and long-run multipliers are likely to be higher than other forms of fiscal expansion. There is also evidence of sizeable spillovers across countries (OECD, 2015e; In't Veld, 2016). Furthermore, net public investment has been zero or negative in the main euro area economies in recent years.

These two options would help to use expanded fiscal space without fundamental changes to the EU SGP rules. There are a number of other potential issues with the EU rules in the current exceptional environment that would not be addressed by these options, including a possible exacerbation of measurement issues related to potential output whereby weak growth leads to a reduction in estimated potential output and narrows fiscal space. In addition, the change in circumstances since the numerical rules were calibrated would warrant careful re-consideration.

1. See also Box 1.6 "Fiscal space in the euro area under the European fiscal rules" in OECD (2014).
2. In the preventive arm, the investment clause allows a temporary leeway of up to 0.5% of GDP (or 0.75% in total if combined with the structural reform clause) but only for projects co-financed by the EU (including the European Fund for Strategic Investments, EFSI) and under poor cyclical conditions (negative growth or a negative output gap – below 1.5% of GDP). Further, a country can use the clause only once until it reaches its MTO and only if its structural balance is within 1.5 percentage points of GDP of the MTO. In addition, the expenditure benchmark smoothes total investment expenditure over four years. In the corrective arm, the European Commission should take into account whether the deficit exceeds total investment expenditure, but no operational provisions have been defined for investment (with the exception of national contributions to the EFSI).

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ANNEX 2.A1

Selected approaches to estimate fiscal space

This annex reviews the methods used to estimate fiscal space in this chapter.

All these methods face common limitations. In particular, they all boil down to a stylised representation of a very complex problem and consider a closed economy. They also do not account for many country-specific factors, for instance the maturity structure of public debt.

Fiscal space as a measure of distance to loss in market access

Following Ghosh et al. (2013), Fournier and Fall (2015) investigate the limits to public debt sustainability with a theoretical model that embeds both the fiscal reaction of government to rising debt and the market reaction. For those countries that have never experienced particularly high debt levels, a model-based approach makes it possible to investigate their theoretical debt limit. Such a model-based approach also provides insights on the mechanisms at work when government debt is becoming large.

The model builds on an estimated reaction of governments to rising debt. This means that market participants assume that governments will behave in the future as they did in the past. The reaction function estimation differs from Ghosh et al. (2013) and uses a piece-wise linear functional form. Post-2007 data are also taken into account. More specifically, fiscal authorities are assumed to follow a fiscal reaction function, whereby the primary budget balance reacts to the public debt level and control variables:

$$PB_{it} = \beta_1 GAP_{it} + \beta_2 OT_{it} + \beta_3\left(D_{it-1}1_{D_{it-1}<d_1} + d_1 1_{d_1 \le D_{it-1}}\right) + \beta_4\left(D_{it-1}1_{d_1 \le D_{it-1}<d_2} + (d_2 - d_1)1_{d_2 \le D_{it-1}}\right) + \beta_5 D_{it-1}1_{d_2 \le D_{it-1}} + \beta_6 OO_{it} + u_i + v_{it} \qquad (1)$$

where PB_{it} denotes the primary budget balance of country i at time t, GAP_{it} denotes the output gap, OT_{it} denotes the openness ratio scaled by the terms of trade, OO_{it} denotes fiscal one-offs, D_{it} denotes the public debt level and d_1 and d_2 are estimated thresholds beyond which the fiscal reaction to debt changes. u_i are country fixed effects and v_{it} follows an AR(1) process.

Using annual panel data for 31 OECD countries over the period 1985–2013, estimations in Fournier and Fall (2015) reveal different government behaviours at different debt levels. Estimates confirm that governments react weakly by increasing their primary balance when debt increases but remains below about 120% of GDP (d_1 in Figure 2.A1.1). But, from about 120% to about 170% (d_2 in Figure 2.A1.1), governments react strongly to rising debt. Beyond this threshold, governments may abandon fiscal discipline and measure the primary deficit. Alternative estimates also capture the effect of the business cycle on the

primary balance, and include additional control variables, such as asset prices, inflation, IMF programmes, the old age dependency ratio, the euro area or the government size.

The interest rate can include a risk premium reflecting the probability of default in the next period p_{t+1}, which is the probability that debt d_{t+1} goes beyond its maximum level $\bar{d}$:

$$p_{t+1} = P(d_{t+1} > \bar{d}) \qquad (2)$$

with the following debt accumulation dynamic:

$$d_{t+1} = (1 + r(p_{t+1}) - g)d_t + \mu + f(d) + \varepsilon_t \qquad (3)$$

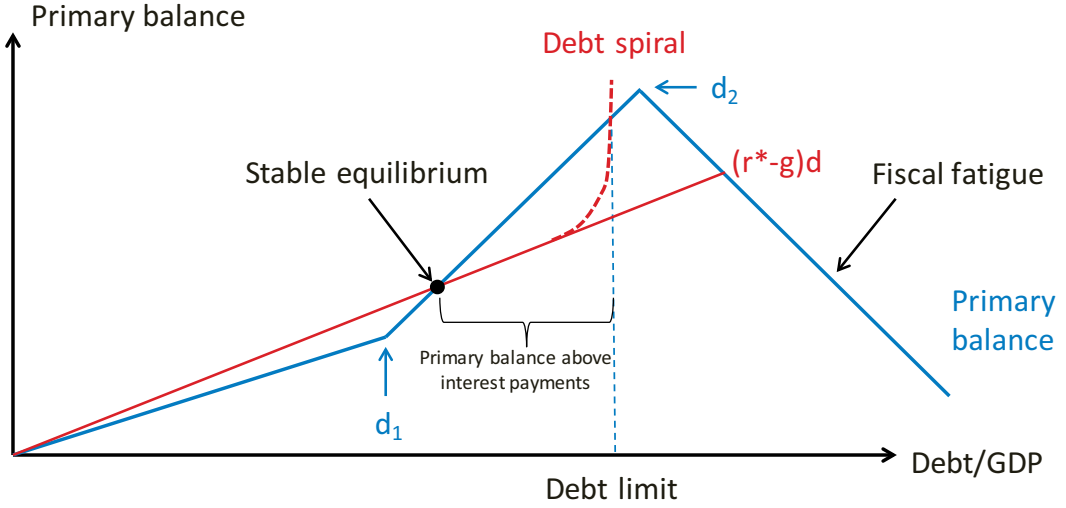
where g denotes the potential growth rate, μ denotes an average stance of fiscal policy, $f(d)$ the estimated reaction of the primary balance to debt and ε_t captures macroeconomic shocks to the primary balance.

The debt limit is a function of the exogenous variables of the model, including the risk-free interest rate-growth rate differential $r_i - g_i$, the size of the macroeconomic shocks $V(\varepsilon_i)$, and the average past primary surplus μ_i. Debt stabilises when the effect of past debt accumulation is exactly offset by the primary balance. There is a stable equilibrium for which the government would generate a higher surplus if a shock increases the debt ratio (Figure 2.A1.1). By contrast, when the debt level approaches the debt limit, then the government is facing an interest rate spiral, and at the debt limit, the interest rate goes towards infinity, which means that the government loses market access (dashed red curve in Figure 2.A1.1).

This model takes the macroeconomic environment as given. It is thus useful to examine the sensitivity of the results to the macroeconomic assumptions and identify the main determinants of estimated debt limits. Assumptions on potential growth, inflation, risk-free interest rate, size of shocks appears to be those that matter the most (Figure 2.A1.2).

The model is non-linear and can have two types of solutions. In most cases, a debt limit can be found, suggesting that the past behaviour is sustainable. In some other cases,

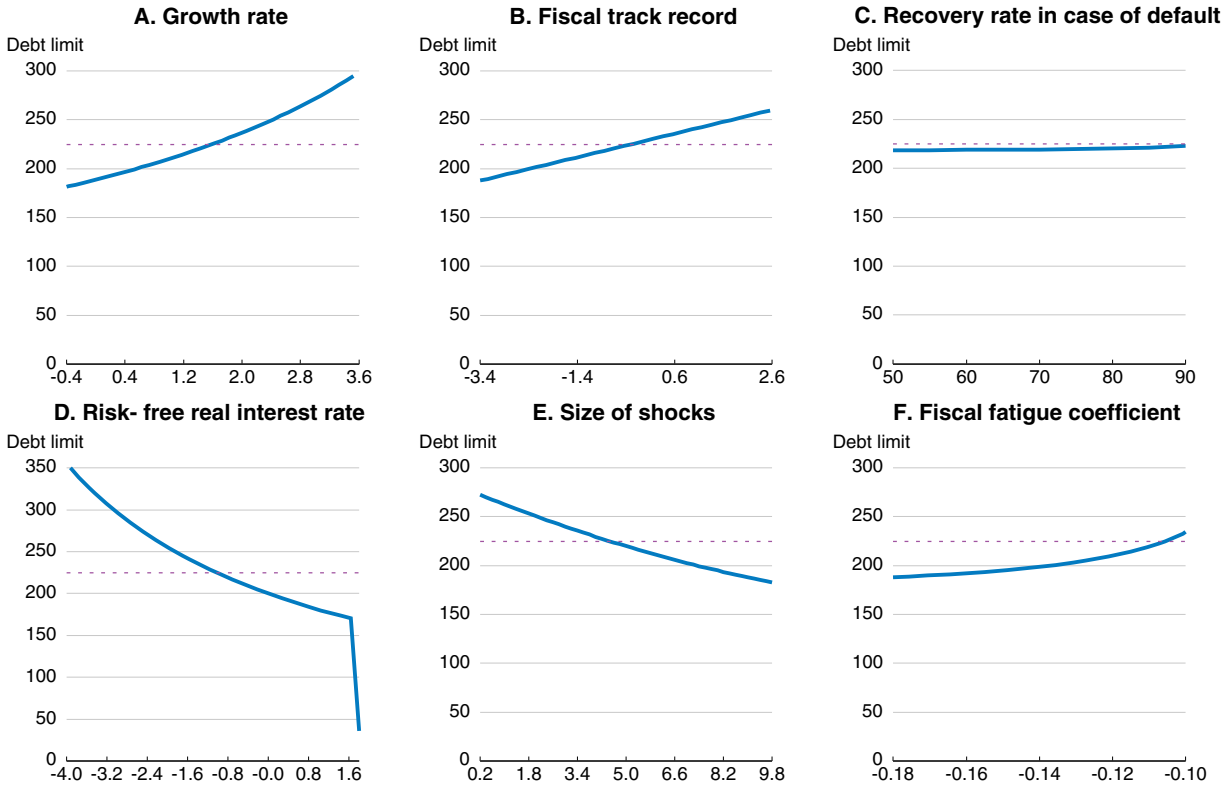
Figure 2.A1.1. **Determination of the debt limit**



Note: g is the growth rate, r* is the risk-free interest rate, d is the debt-to-GDP ratio, d_1 and d_2 are two estimated thresholds signalling changes in the reaction function to increasing debt.

Figure 2.A1.2. **Debt limit sensitivity analysis**

Per cent of GDP



Note: For each panel, the title refers to the parameter that is varied, all other parameters being set equal to the OECD average. Parameter values are reported on the horizontal axis, and the corresponding debt limit is reported on the vertical axis. The fiscal track record is the average primary deficit in GDP point that would prevail if the debt level is zero. Below a growth threshold, or above a risk-free real interest rate threshold, there is no solution. Horizontal lines denote the debt limit that would prevail in a virtual country parametrised using OECD average parameters.

Source: Calculations based on Fournier and Fall (2015).

StatLink http://dx.doi.org/10.1787/888933436677

no solution can be found, suggesting that under the assumption of unchanged behaviour, the public debt dynamic is not sustainable. One important feature of the approach is to underline that is that if the public debt of a country is quite close to its limit, a change in the macroeconomic environment can induce a shift into an unsustainable dynamic. Conversely, a change in government behaviour or an improvement in macroeconomic conditions can bring a country out of a sovereign stress situation.

One limitation of this approach is that a lender of last resort is assumed to prevent any self-fulfilling crisis. In practice, institutions do not always guaranty this, and a self-fulfilling crisis can crucially depend on other parameters, such as the debt maturity structure and the share of debt issued in foreign currency.

Defining fiscal space in terms of long-term fiscal sustainability

Rather than loosing access to market, a number of alternative approaches focus on measures that are consistent on ensuring fiscal sustainability. The rationale is that policymakers need to account for long-term spending projections when deciding today's fiscal stance.

Tax gaps and sustainable tax rates

Blanchard et al. (1990) assess fiscal space by examining the tax gap, which is the difference between the sustainable and the actual tax rate. This gap can be computed at different horizons. A positive indicator points to the need for either increasing taxes or decreasing spending in the future. The indicator also measures the size of the required adjustment, under the assumption the adjustment is undertaken without delay.

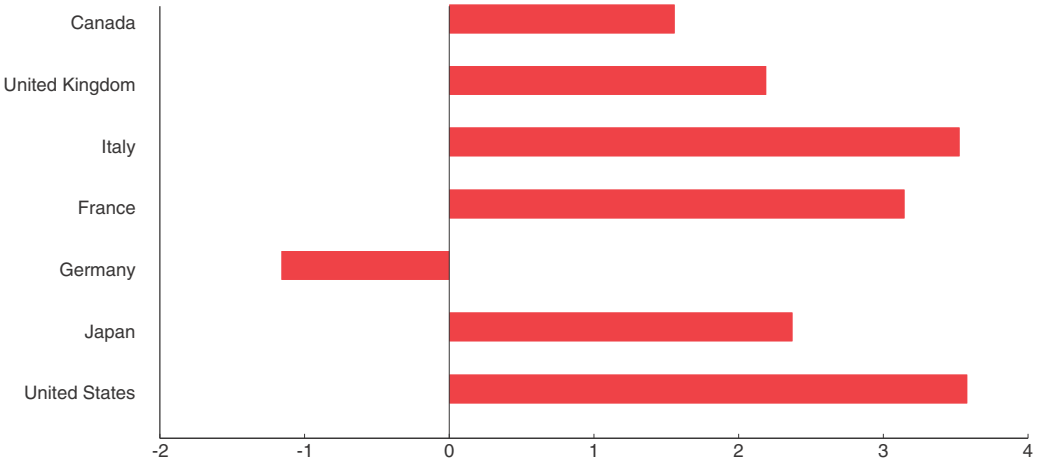
The sustainable tax rate is the rate which, if constant, would achieve an unchanged debt-to-GDP ratio over the relevant horizon, for a given forecast of spending and transfers. The assumption that the debt-to-GDP ratio converges to its initial level is less stringent than it could seem, as discounting means two different levels of the ratio far in the future imply nearly the same sustainable tax rate today.

This approach is valid in a context where the interest rate is above the economic growth rate. When the interest rate is persistently below the growth rate, governments are able to run permanent deficits of any size.

Over the medium term, a simplified indicator can be computed without having to project spending. Using the methodology described in Blanchard et al. (1990) and data from the latest Economic Outlook, two-year-ahead gaps appear to be positive in all the large advanced economies but Germany (Figure 2.A1.3). This result points to some fiscal space in Germany over the period 2016-17, reflecting essentially the negative interest rate to growth differential that is expected during that period. In such a situation, governments would no longer need to generate primary surpluses to achieve sustainability. Such a measure, however, faces the same limits as synthetic indicators in that it does not account for long-term developments in public spending.

Over the long term, the computation requires to project the main categories of public spending, such as those on social spending from population ageing, as governments' commitments to specific programmes have implications far into the future. For this purpose, projections of pensions were taken from *Pensions at a Glance* (2015) up to 2060 and healthcare spending from the long-term health spending scenario derived in de la

Figure 2.A1.3. **Medium term gap**
2-years ahead 2016-17, percentage points



Source: OECD calculations.

StatLink http://dx.doi.org/10.1787/888933436686

Maisonneuve and Oliveira Martins (2015). One caveat of using these two sets of projections is that they may rely, at least over the medium term, on different growth and price projections. Other spending is assumed to remain constant at 2015 levels.

In this chapter, the calculation is somewhat different from the original computation done in Blanchard et al. (1990). In particular, tax gaps are derived using the FM, a small macroeconomic model (see Annex 2.A2 for a brief description). Health spending is partly considered as an investment and fosters output growth. The sign of the gaps depends to a very large extent on the assumptions used to project health care spending, which are traditionally surrounded by large uncertainties, given the difficulty to estimate how technology affects costs. Measures taken to contain costs in the health sector are found to increase fiscal limits in all the countries considered. In the same vein, reforms that will restrain increase in pension spending will also increase fiscal space.

This method presents several advantages. It takes into account future developments of the economy and long-term spending projections. It is also tractable and relatively easy to communicate. Gaps can also be computed under a range of policy assumptions. However, in the current context of persistent low and negative interest rates, this approach loses some of its relevance. Finally, a major drawback is its reliance on specific assumptions, such as long-term spending on health care, which are surrounded by large uncertainties.

Making use of the Laffer curve and defining forward looking debt limits

Bi (2011) and Bi and Leeper (2013) also emphasise long-term sustainability in their assessment of fiscal limits, a measurement of the government's ability to service its debt. Empirically those limits are derived from a DSGE framework. The fiscal limit is forward-looking and depends on expected future policies and how credible those policies are, private behaviour (consumption-saving and labour-leisure choices) and the fundamental shocks to the economy.

In this approach, the fiscal limit arises endogenously from the economy's dynamic Laffer curve, whose shape depends on the state of the economy. The maximum debt level depends on the expected present value of future maximum primary surpluses. This is derived from driving tax revenues to the peak of the Laffer curve and driving expenditure and transfers to some expected levels.

More specifically, a closed economy with linear production technology is considered. Output depends on the level of productivity and labour supply. Household consumption and government purchases satisfy the aggregate resource constraint. The gap between productivity and its steady state follows an autoregressive process of order 1.

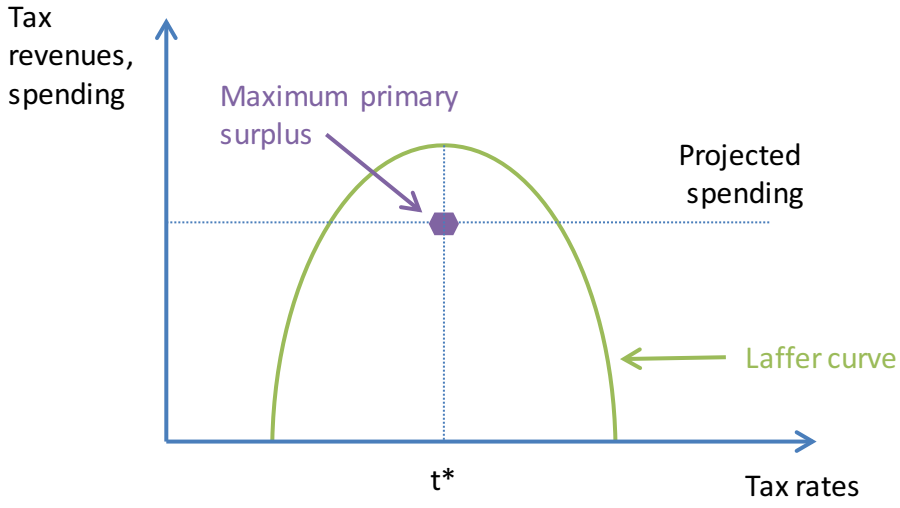
At time t, the government may partially default on its liability. The government finances lump-sum transfers to households and unproductive purchases by collecting tax revenue through a tax on labour income and issuing one-period bonds. Lump-sum transfers are countercyclical and government purchases follow an autoregressive process of order 1. Following Schmitt-Grohe and Uribe (2007), the government increases tax rates when public debt rises. An increase in the tax rate may or may not increase the tax revenue, depending on where that actual tax rate is in the Laffer curve. For a given state, the government can reach the maximum fiscal surplus at the peak of the Laffer curve. At each point in time and for each state of the economy, the maximum primary balance will be derived from the difference between these maximum revenues and projected spending

(Figure 2.A1.4). The resulting fiscal space will be computed as the sum of all these maximum primary surpluses, expressed in present value terms.

Uncertainty about the economy means that there is no one threshold for debt that, when crossed, triggers sovereign default. Rather, the outcome is a probability distribution of the fiscal limit, *i.e.* the probability for a country to default at each value of the public debt-to-GDP ratio.

This approach faces several limitations. First, a country may not be able, for political reasons, to raise tax to reach the peak of the Laffer curve. Second, some tax rates such as consumption tax rates do not necessarily yield a Laffer curve. Third, the ability to reduce spending is also important in determining the maximum surplus and the Laffer curve has no information about the potential for government spending reduction.

Figure 2.A1.4. **Maximum primary balance at a given period and state of the economy**



ANNEX 2.A2

Brief comparison of the models used in the public investment simulations

The three models employed in the analysis share a number of common features. In particular, the transmission mechanisms of an increase in public investment to the economy are very similar. In addition to the short-term boost in demand, such a shock increases output in the long run when it is permanent. When the shock is temporary, the long-term impact on output is close to zero in the three models.

The definition of the public sector differs across countries and partly explains observed differences in government investment across countries. One major source of difference is the extent to which governments subcontract the delivery of public services to private firms.

Each model has specific features that cast different lights on the examined issues.

- The Fall & Fournier model (F&F) is a long-term stochastic model and allows examining the impact of uncertainties on simulation outcomes. Twenty-six OECD economies are modelled. The efficiency of investment is estimated to be a decreasing function of the initial capital stock level (Fournier, 2016). In addition, interest rates are assumed to be more sensitive to public debt levels in the euro area countries than in the other OECD countries.
- The Fiscal Maquette (FM model) encompasses structural features (such as hysteresis) and some international dimensions, through trade volumes linkages. Only the large advanced economies and the rest of the world are modelled. As in the F&F model, a rise in public debt increases the credit risks premium faced by governments.
- NiGEM is a full-fledged international model maintained by the UK National Institute of Economic and Social Research. All economies, including large emerging-market economies, are modelled. Individual country models are linked through trade (via world demand and price competiveness). The model also encompasses a number of options in terms of monetary policy or fiscal rules and can be run in backward and forward-looking modes.

A more detailed description of the first two models is provided in Mourougane et al. (2016). More information on the NiGEM model can be found in Barrell et al. (2012).

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Chapter 3

DEVELOPMENTS IN INDIVIDUAL OECD AND SELECTED NON-MEMBER ECONOMIES

ARGENTINA

Economic growth is projected to rebound strongly in 2017 and 2018 as the impact of recent reforms and changes in economic policy start to gain traction. Inflation remains high but it will gradually decrease towards the central bank's target owing to widening economic slack and as the effect of administrative price increases and past currency depreciation wear off. Stronger growth will reduce unemployment from its current rate of 8.5%.

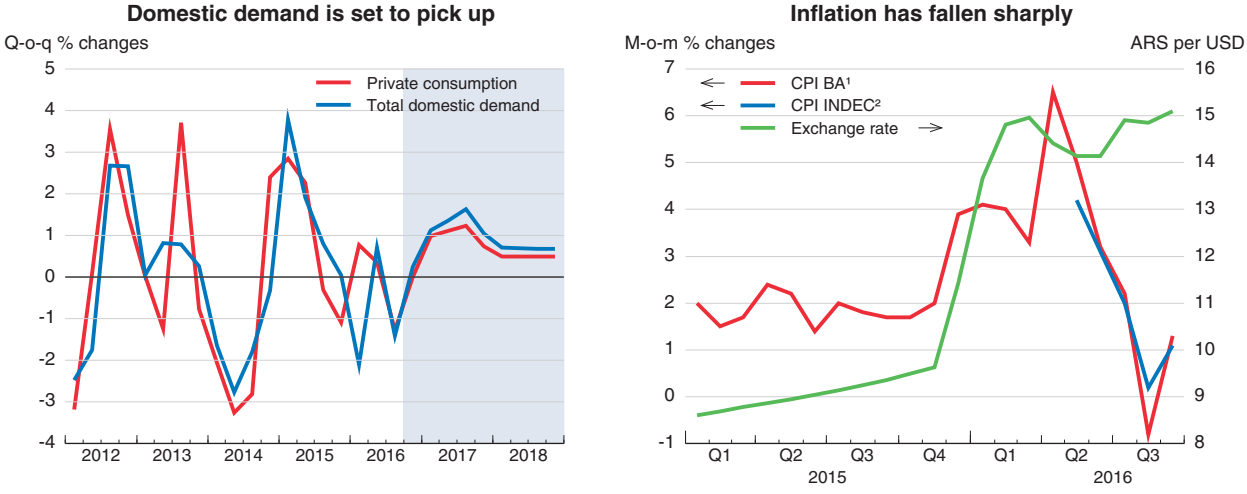
Rebuilding confidence in macroeconomic policies is a top priority. The reform of the national statistics agency has improved its credibility and enabled the central bank to introduce inflation targeting. Interest rates were increased sharply early in 2016 to contain inflationary and exchange rate pressures, but are slowly coming down as these tensions fade. Monetary policy remains restrictive, but it should loosen progressively as inflation declines.

The government has limited fiscal space to boost economic growth through fiscal expansion. The budget deficit remains large and the cost of borrowing, although decreasing, is still very high. Indeed, the envisaged fiscal consolidation is welcome, but should be gradual to reduce the associated social costs. The commitment to inclusive growth, including through further improvements in education and well-targeted social transfers, is welcome. There is also room to reduce fiscal pressure on firms by making the tax system more efficient. Shifting government spending towards public investment and increasing competition by reducing barriers to trade, investment and entrepreneurship would raise productivity and inclusive growth.

The economy is still in recession

Activity continues to contract, driven in part by a slowdown in private consumption, due to a decrease in real wages and a deteriorating labour market. Investment has been

Argentina



1. Consumer price index produced by the Dirección General de Estadísticas y Censos de la Ciudad de Buenos Aires.
2. New consumer price index for the city of Buenos Aires, produced by the Instituto Nacional de Estadísticas y Censos (INDEC).

Source: OECD Economic Outlook 100 database; INDEC, Gobierno de la Ciudad de Buenos Aires and Central Bank.

StatLink http://dx.doi.org/10.1787/888933437421

Argentina: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ARS billion	Percentage changes, volume (2004 prices)				
GDP at market prices	3 348.3	-2.5	2.5	-1.7	2.9	3.4
Private consumption	2 209.5	-4.4	3.6	0.0	2.1	2.7
Government consumption	562.7	2.9	6.6	-0.8	1.2	1.7
Gross fixed capital formation	545.4	-6.8	4.2	-3.4	7.5	6.7
Final domestic demand	3 317.6	-3.5	4.2	-0.7	2.7	3.1
Stockbuilding[1]	34.0	0.0	-0.3	-0.1	0.2	0.0
Total domestic demand	3 351.6	-3.9	3.7	-1.3	2.9	3.7
Exports of goods and services	489.4	-7.0	-0.6	4.7	3.1	4.8
Imports of goods and services	492.8	-11.5	5.6	4.9	3.1	5.8
Net exports[1]	- 3.3	0.7	-0.9	-0.1	0.0	-0.2
Memorandum items						
GDP deflator	_	40.3	24.5	38.9	20.7	15.5
Current account balance[2]	_	-1.4	-2.5	-2.5	-2.7	-2.9

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439347

slow, despite the significant improvement in business confidence due to the reforms introduced by the government. The sharp contraction is also a result of weakened external demand and lower global prices of agricultural commodities. In particular, the deep recession in Brazil has had a strong impact on exports, particularly in the automotive industry. As a result of the protracted recession that started in 2015, the unemployment rate is above 9% and a third of the population is below the poverty line.

Macroeconomic policies are regaining credibility

The government is moving forward with an extensive package of reforms to unwind the pervasive macroeconomic imbalances that have built up. Measures include unifying the exchange rate, normalising relations with foreign creditors, realigning utility prices closer to cost, removing distortions on trade and capital mobility, and improving transparency and governance, in particular of the national statistics agency.

Achieving strong, sustained, and equitable growth will require deploying monetary policy to steadily bring down inflation, and reducing fiscal imbalances. The central bank has formally adopted an inflation-targeting regime to bring inflation to single digits in the medium term. Monetary policy will remain restrictive to anchor expectations, but should loosen progressively as inflation declines. The government has also announced a gradual fiscal consolidation plan. This is welcome, as a too drastic reduction of the fiscal deficit could threaten the already weak economy.

Progress on a comprehensive tax reform, lowering trade barriers and reducing administrative burdens should spur competition and accelerate the recovery significantly. Rebuilding the institutional framework for doing business and deepening structural reforms will contribute to the recovery, creating an environment more conducive to private investment, more and better jobs, and a steady improvement in living standards. The

commitment to inclusive growth, including through further improvements in education, creating more opportunities for women, and well-targeted social transfers, is welcome to reduce the high poverty level.

Growth is expected to rebound sharply

Prospects have improved substantially and growth is expected to rebound strongly in 2017 and 2018. Disinflation will contribute to the economic recovery, as it will increase real wages and thus boost consumption. Investment is also expected to pick up, driven by strong capital inflows and improved business confidence. Finally, exports will benefit from the depreciation of the peso and stronger growth of trading partners, especially Brazil.

However, downside risks from an unfavourable external environment and domestic challenges may affect the outlook. Sustained inflationary pressures could require a tighter monetary policy that could delay the recovery. Moreover, sluggish world trade growth or a protracted and long recession in Brazil could significantly weaken growth. Also, uncertainties related to US monetary policy normalisation, or possible adverse developments in China, could increase global financial volatility, reducing capital inflows and constraining the pick-up in investment. Finally, a faster than projected recovery in Brazil and a capital inflow surge could boost exports and investment and, therefore, growth by more than projected.

AUSTRALIA

Economic growth is projected to pick up to 3% by 2018. The decline in resource-sector investment will tail off and the non-resource sector will be supported by a steady increase in household consumption and investment as wages and employment rise. Further falls in unemployment will help reduce inequality and are not expected to generate strong inflationary pressures.

Monetary policy tightening is expected to commence towards the end of 2017 and this is appropriate given likely monetary-policy developments elsewhere, the cyclical development of the domestic economy and the need to unwind tensions from the low-interest environment, notably in the housing market, which has in many places experienced rising prices for some time. The government envisages fiscal consolidation. In the event of disappointing growth, however, fiscal rather than monetary support should play the leading role given the housing-market concerns and fiscal leeway. Tax reform should be a core element of structural policy.

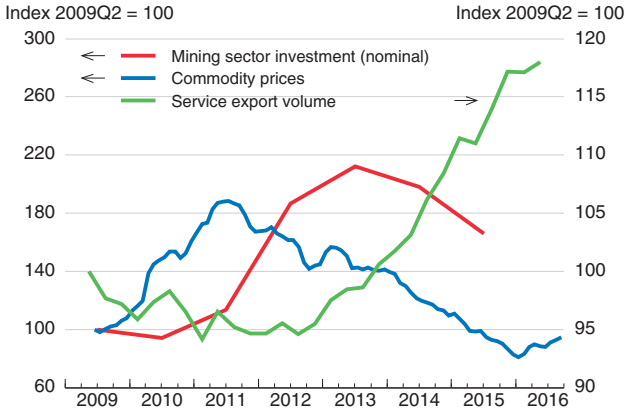
There is space for fiscal loosening given the low public-debt burden. Returns would be high for accelerated infrastructure development and investing in skills, an area where Australia falls short of top-performing countries. Active measures to increase transfers to households could help address inequality, thereby making the recovery more inclusive.

Reallocation towards non-resource sectors continues

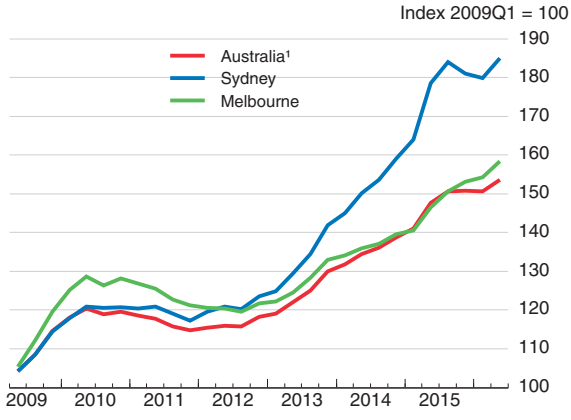
Global iron ore and, especially, coal prices have risen, and new liquefied-natural-gas (LNG) production is coming on stream. Nevertheless, resource-sector investment and employment continue to decline. Non-resource output and employment, assisted by currency depreciation, continues to strengthen, notably services exports. However, non-resource investment has yet to pick up. House prices and mortgage credit continue to

Australia

Adjustment in the wake of low commodity prices continues



House prices remain high despite the recent slowdown



1. Weighted average of eight capital cities.

Source: Australian Bureau of Statistics; Reserve Bank of Australia.

StatLink http://dx.doi.org/10.1787/888933437438

Australia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices AUD billion	Percentage changes, volume (2013/2014 prices)				
GDP at market prices	1 555.6	2.7	2.4	2.7	2.6	3.1
Private consumption	855.7	2.8	2.8	2.7	2.6	3.0
Government consumption	280.2	0.6	2.9	3.7	1.7	2.0
Gross fixed capital formation	430.0	-1.9	-4.0	-0.2	-0.9	1.5
Final domestic demand	1 565.9	1.1	1.0	2.2	1.6	2.5
Stockbuilding[1]	0.1	0.0	0.0	-0.9	0.0	0.0
Total domestic demand	1 566.1	1.1	1.0	1.3	1.6	2.4
Exports of goods and services	318.9	6.7	5.8	7.1	7.0	7.1
Imports of goods and services	329.4	-1.7	1.5	-0.2	1.9	3.8
Net exports[1]	- 10.5	1.7	0.9	1.4	0.9	0.6
Memorandum items						
GDP deflator	_	0.1	-0.7	0.3	1.9	1.8
Consumer price index	_	2.5	1.5	1.3	1.8	2.1
Private consumption deflator	_	2.1	1.5	1.1	1.7	2.2
Unemployment rate	_	6.1	6.1	5.7	5.5	5.3
Household saving ratio, net[2]	_	9.5	8.4	8.0	7.8	7.4
General government financial balance[3]	_	-2.3	-1.8	-2.6	-2.0	-1.5
General government gross debt[3]	_	42.3	44.5	45.4	45.1	44.6
Current account balance[3]	_	-3.0	-4.8	-3.5	-2.5	-1.9

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.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438977

grow, though macro-prudential tightening has recently helped lessen the pace of increase. Consumer price inflation remains low.

Continued policy support for economic adjustment and productivity growth is required

In August 2016, the Reserve Bank decreased its policy rate by 25 basis points to 1.50%, the second reduction in 12 months. No further easing is projected, and rate increases are projected to begin towards the end of 2017 as spare capacity fades. Fiscal consolidation of around ½ percentage point of GDP is projected, as envisaged by the government. Despite the employment of macro-prudential measures to cool the housing market, the net gain from monetary easing has narrowed. Significant housing market concerns remain and there is growing discord between financial market developments and rest of the economy due to the low-interest-rate environment.

General-government debt has risen but from a low level and the debt-to-GDP ratio, currently around 45%, is projected to begin to fall. There is already fiscal space to respond to an unanticipated downturn in activity. There is room for spending increases, notably an acceleration in the public investment programmes underway in telecommunications, roads and public transport systems.

Boosting productivity and combatting exclusion remain important structural challenges. Implementation of the *National Innovation and Science Agenda,* a wide ranging package to boost innovation, continues. Also, some tax reforms are underway, notably efforts to better target pension ("superannuation") taxation by assisting low-income earners and lowering taxpayer support for retirement accounts. Reductions in corporate tax rates are also proposed. However, the reforms fall short of a major shift in taxation as recommended in *OECD Economic Surveys*, which stress the importance of efficient tax bases, such as the Goods and Services Tax and land tax. In the greenhouse-gas-reduction policy area, a welcome safeguard mechanism has begun operating that discourages firms from offsetting emission reductions achieved via the Emission Reduction Fund.

A gradual pick-up in growth with sizeable uncertainties

Output growth is projected to strengthen to about 3% by 2018. LNG production will boost exports and negative effects from shrinking mining investment will diminish. Rebalancing towards non-mining sectors will drive a gradual pick-up of overall activity, helped by supportive macroeconomic policies. Employment growth should result in a further decline in the unemployment rate. Household consumption growth is expected to remain solid, aided by further downward adjustment in the household saving ratio to the historical average. The pick-up in aggregate demand is not projected to generate significant inflationary pressure, due to remaining economic slack.

Australia has experienced 25 years without recession, but there are risks looking forward. Commodity market developments, particularly those linked to the Chinese economy, remain an important source of uncertainty and risk. Domestically, non-resource investment may remain lacklustre, damping growth prospects. Also, the housing market remains a risk, as an acceleration in price adjustment would weaken consumption demand and construction activity.

AUSTRIA

After four years of disappointing growth, economic activity picked up in 2016. It has been supported by a fiscal reform that boosted household disposable income, a catch-up of investment and solid job creation, especially among elderly, women and immigrants. These factors will continue to support growth in 2017 and, to a lesser extent, in 2018.

Easing restrictive entry regulations in retail trade and liberal professions would improve labour market prospects, including for migrants, and intensify competition, innovation and growth. Further consolidation of banks would improve cost efficiency, but care would have to be taken to avoid reductions in competition and the creation of institutions that are too big to fail.

The fiscal stance is expansionary in 2016 owing to the tax reform and migrant-related spending, and is projected to be broadly neutral in 2017 and 2018. Past support for the banking sector has pushed up public debt and population ageing will entail fiscal costs. Nevertheless, the current low interest rate environment provides fiscal space that should be used to increase public expenditure on early child care and broadband infrastructure to better prepare Austria for the future.

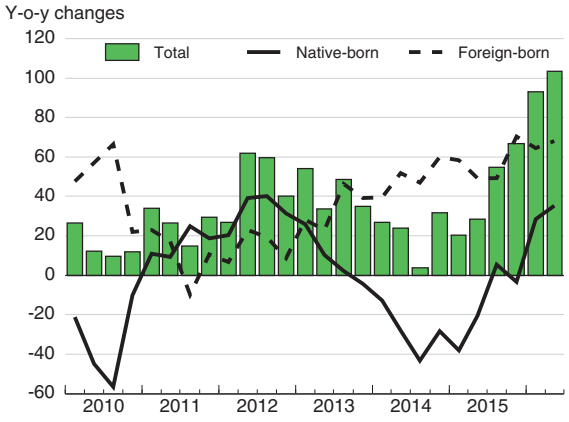
Growth is underpinned by domestic demand

The recovery gained pace in 2016 owing to stimulus from the tax reform and a long-awaited rebound of fixed investment. About half of the increase in disposable income provided by the tax reform has been saved so far, and some spending may therefore still be in the pipeline. Fixed investment is back to its pre-crisis level, but remains lower as a fraction of GDP. Support has been provided by rising labour supply, reflecting immigration and more women and the elderly taking jobs. Manufacturing firms remain competitive, but the service sector has long suffered from weak productivity. The resulting rise in unit labour costs in services increases the cost of those services to manufacturers, weakening their international competitiveness and reducing Austria's export performance.

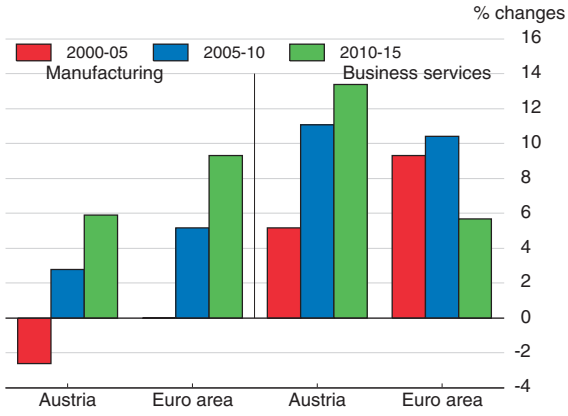
Austria

Steady increases in the labour force

In thousand persons



Unit labour costs are rising much faster in services



Source: Statistics Austria and OECD Productivity database.

StatLink http://dx.doi.org/10.1787/888933437447

Austria: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices*	322.4	0.8	0.8	1.5	1.5	1.3
Private consumption	173.5	-0.3	-0.1	1.1	1.1	0.9
Government consumption	63.8	0.8	2.2	1.8	0.5	0.8
Gross fixed capital formation	74.6	-0.8	0.7	3.8	3.4	3.0
Final domestic demand	311.9	-0.2	0.6	1.9	1.5	1.4
Stockbuilding[1]	2.1	0.3	0.1	0.4	0.2	0.0
Total domestic demand	314.0	0.2	0.6	2.3	1.7	1.4
Exports of goods and services	171.6	2.4	3.5	1.8	3.1	3.6
Imports of goods and services	163.2	1.3	3.4	3.6	3.8	3.9
Net exports[1]	8.4	0.6	0.2	-0.8	-0.2	0.0
Memorandum items						
GDP deflator	_	1.8	1.9	1.4	1.9	2.2
Harmonised index of consumer prices	_	1.5	0.8	0.9	1.7	1.8
Private consumption deflator	_	2.1	1.4	1.3	2.1	2.1
Unemployment rate[2]	_	5.7	5.8	6.3	6.6	6.6
Household saving ratio, net[3]	_	7.0	7.2	8.7	8.1	7.3
General government financial balance[4]	_	-2.7	-1.0	-1.5	-1.0	-0.6
General government gross debt[4]	_	106.8	106.2	106.0	105.1	103.8
General government debt, Maastricht definition[4]	_	84.4	85.6	85.4	84.5	83.2
Current account balance[4]	_	2.4	1.8	2.7	2.2	2.2

* 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 100 database.

StatLink http://dx.doi.org/10.1787/888933438983

There is a need to push ahead with structural reform and public investment

Notwithstanding progress in the recognition of foreign professional qualifications, regulations in many professional services and in the retail sector are still relatively stringent. Reducing entry barriers would not only spur competition and boost productivity, but also increase the absorption of new immigrants. The restructuring of the banking sector is still ongoing. Priority should be given to cost-efficiency improvements, including by addressing issues of over-banking and supporting consolidation among banks.

The public finances have been weighed down by the still incomplete winding-down of failed banks and costs of the recent tax reform and the influx of immigrants. At the same time, historically low interest rates have created fiscal space. This fiscal room should be used for public investment that boosts growth potential and promotes social inclusion. Candidates are infrastructure investments in early childcare institutions and high-speed broadband internet coverage. Such investments would enhance equality of opportunities and thereby foster inclusiveness across genders and regions. Furthermore, a tax-and-benefit system that encourages a more balanced distribution of work, as well as more

family-friendly workplaces and working-time models, would promote a more gender-equal society.

Additional room could be gained by revisiting the public expenditure mix, for instance, by shifting spending from passive towards active labour market policies or by replacing long-term care cash benefits, which are often poorly targeted, by means-tested benefits based on a transparent assessment of actual needs. A comprehensive spending review may help. Further savings could be expected from a bolder reform of the intergovernmental framework. In this regard, recent efforts to reduce misalignment between spending and financing responsibilities across levels of government should be stepped up.

Growth is set to remain modest

Domestic demand is projected to sustain the pace of growth at close to 1½ per cent per annum. Economic activity could be stronger if export performance recovers from its recent slump or if the recent tax reform were to spur consumption more than projected. Second-round effects of the tax reform on employment and investment may also be stronger than anticipated. On the other hand, the projected rebound of investment could be hampered by weaker-than-expected growth in the euro area and emerging markets or by substantial increases in oil prices. Growth would also come in weaker than projected if the decline in export performance continues, if world trade growth does not pick up as projected or if the increase in the household saving rate were to persist. Finally, political uncertainties may affect investors and consumer confidence.

BELGIUM

Economic growth is projected to rise only slightly over the next two years. Sluggish real wage growth will hold back private consumption, although lower taxation of labour will support employment. Investment is moderate, despite high profit margins and favourable financial conditions. Consumer price inflation is projected to be stable at under 2%.

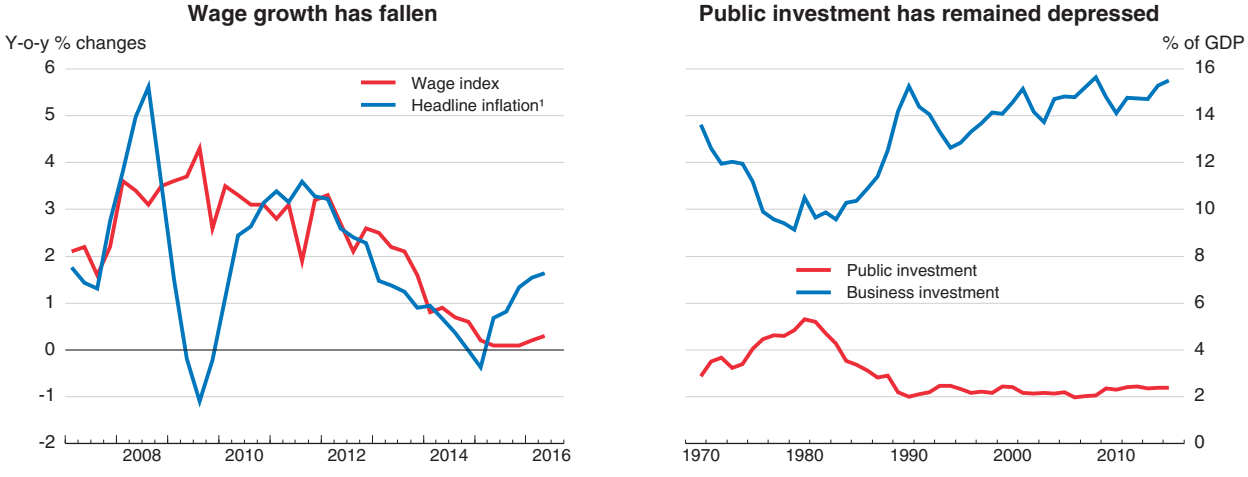
Productivity growth has been lower than in most other OECD countries in recent years. It would be boosted by structural reforms that remove barriers to entrepreneurship, strengthen innovation, reduce skill mismatches and foster labour mobility. Improving educational outcomes and labour force participation of vulnerable groups, including first and second-generation immigrants, would raise productivity and enhance inclusive growth. House prices and household mortgage debt have increased in recent years, although prudential measures and improvements in bank balance sheets have mitigated the associated risks to the real economy.

Low interest rates provide fiscal space that should be used to support growth. Public investment has fallen to the point where the stock of public capital is estimated to be declining. The ongoing plans to improve public transport infrastructure and build schools are a start to reversing this development, but more investments should be considered. Taxation could be further shifted from labour towards non-distortionary taxes to strengthen employment.

The recovery remains subdued

Domestic demand remains the main driver of economic growth. Private investment growth remains modest, although it has been supported by increased capacity utilisation, low interest rates and high corporate profits. Consumption growth is also tepid following declines in real wages and public expenditure. Although the unemployment rate has edged downwards since the end of 2015, announcements of future layoffs in financial services

Belgium



1. Headline refers to the harmonised index of consumer prices.
Source: OECD Economic Outlook 100 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933437452

Belgium: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2013 prices)				
GDP at market prices	391.7	1.7	1.5	1.2	1.3	1.5
Private consumption	204.4	0.6	1.1	0.6	1.0	1.1
Government consumption	95.9	1.4	0.5	-0.1	0.1	0.1
Gross fixed capital formation	87.0	5.1	2.4	3.6	3.2	3.4
Final domestic demand	387.3	1.8	1.2	1.1	1.3	1.4
Stockbuilding[1]	0.0	0.4	0.3	-0.7	-0.1	0.0
Total domestic demand	387.2	2.2	1.5	0.5	1.2	1.4
Exports of goods and services	320.5	5.1	4.3	4.2	3.5	3.6
Imports of goods and services	316.0	5.9	4.3	3.4	3.4	3.6
Net exports[1]	4.5	-0.6	0.0	0.8	0.1	0.1
Memorandum items						
GDP deflator	_	0.7	0.9	1.6	1.7	1.6
Harmonised index of consumer prices	_	0.5	0.6	1.7	1.7	1.7
Private consumption deflator	_	0.7	0.3	1.7	1.7	1.7
Unemployment rate	_	8.6	8.5	8.1	7.6	7.3
Household saving ratio, net[2]	_	4.6	4.2	4.0	4.0	4.4
General government financial balance[3]	_	-3.1	-2.5	-3.0	-2.2	-2.2
General government gross debt[3]	_	129.5	126.7	127.0	126.3	125.5
General government debt, Maastricht definition[3]	_	106.5	105.8	106.0	105.4	104.6
Current account balance[3]	_	-0.7	0.4	0.8	1.4	1.4

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438997

and manufacturing have undermined consumer confidence. Temporary suspension of wage indexation is likely to have reduced unit labour costs for the third consecutive year in 2016, boosting exports. Inflation remains significantly higher than in other euro area countries largely due to an increase in indirect taxes, particularly on electricity, and higher education fees in Flanders. Price increases in certain market services are also elevated.

Government measures will help enhance competitiveness

The fiscal deficit will rise this year as revenue growth has been weak. While fiscal prudence remains appropriate given high public indebtedness and population ageing, the authorities should make use of unusually low interest rates to support aggregate demand in the short term. Despite public expenditure being among the highest in the OECD, public investment has fallen to rates well below the EU average, and the stock of public capital is now estimated to be declining. There is an increasing need to relieve infrastructure bottlenecks, in rail networks and roads, particularly around big cities.

Reductions in taxation on labour income and employers' social security contributions will support employment, but Belgium still has some of the highest labour taxation rates in the OECD. Similarly, measures to increase excise duties, road pricing and capital gains tax, reform the corporate taxation regime, and broaden the VAT base, are welcome.

Taxation could be further shifted towards less distortionary measures by extending road pricing and increasing taxation on company cars. The government has also proposed changes to the wage bargaining process, including automatic ex post adjustment of wage settlements to prevent real wages from growing faster than those in Belgium's trading partners. Proposed measures to increase flexibility in working time could help boost employment and productivity growth.

Economic growth will remain weak

Growth is projected to rise only slightly through 2018. Wage moderation will hold back private consumption, but will tend to improve international competitiveness, although weak trade growth in Europe will hurt exports. Low interest rates, strong profits and high capacity utilisation will continue to support investment. By 2018, slightly stronger export demand and an uptick in consumption on the back of sustained employment growth will contribute to a moderate growth increase. Inflation will remain stable at under 2%.

External risks have increased due to uncertainty regarding the course of Brexit. Weaker trade than projected would reduce growth, particularly given Belgium's reliance on global value chains. House prices have more than doubled in nominal terms since 2000. Household gross debt has increased steadily over the past ten years and now stands around the euro area average. Mortgage loans constitute a relatively large share of the banking sector's balance sheet. While the overall financial position of households appears relatively robust, some low-income households are vulnerable to a rapid decline in house prices. The macro-prudential authorities' recent proposal for an additional capital buffer for risky mortgages should help mitigate this risk. On the other hand, tax reductions and labour market tightening could stimulate household consumption more than anticipated.

BRAZIL

The economy is emerging from a severe and protracted recession. Political uncertainty has diminished, consumer and business confidence are rising and investment has strengthened. However, unemployment is projected to continue rising until 2017 and decline only gradually thereafter. Inflation will gradually return into the target range.

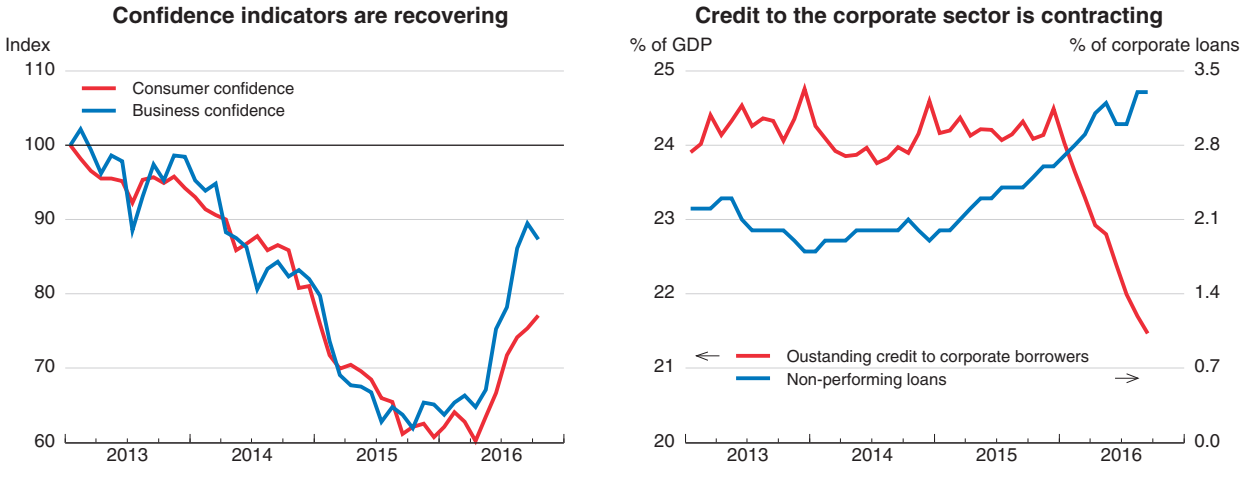
The fiscal stance is mildly contractionary over the projection period, which strikes an adequate balance between macroeconomic stability requirements and the need to restore the sustainability of public finances through a credible medium-term consolidation path. An effective fiscal adjustment would allow monetary policy to loosen further and support a recovery of investment. Raising productivity will depend on strengthening competition, including through lower trade barriers, fewer administrative burdens and improvements in infrastructure.

Public expenditures have been outgrowing GDP for many years and public debt has increased. A new fiscal rule is being implemented and, in combination with a planned reform of pensions and social benefits, it should strengthen fiscal sustainability. These reforms could simultaneously lead to stronger declines in income inequality. On the revenue side, there is substantial scope to reduce complexity and compliance costs, including by consolidating indirect taxes at the state and federal levels into one broad-based value added tax.

The economy is emerging from a severe and protracted recession

After six quarters of contracting activity, the unemployment rate has risen to 11.8% and corporate bankruptcies and debt have been rising. However, the economy seems to be now turning around. Confidence indicators have recently started to recover after a long decline, even if their level is still low. Investment growth has turned positive, while signals

Brazil



Source: Fundação Getúlio Vargas; Confederação Nacional de Indústria; Central Bank of Brazil.

StatLink http://dx.doi.org/10.1787/888933437469

Brazil: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices BRL billion	Percentage changes, volume (2000 prices)				
GDP at market prices	5 316.5	0.1	-3.9	-3.4	0.0	1.2
Private consumption	3 276.1	1.3	-4.0	-4.6	-0.7	0.9
Government consumption	1 007.8	1.2	-1.0	-1.7	-0.9	0.5
Gross fixed capital formation	1 113.8	-4.4	-14.0	-8.6	1.1	2.1
Final domestic demand	5 397.6	0.1	-5.4	-4.8	-0.4	1.0
Stockbuilding[1]	41.6	-0.1	-1.6	-1.1	0.1	0.0
Total domestic demand	5 439.2	0.0	-6.9	-5.8	-0.3	1.0
Exports of goods and services	620.1	-1.0	6.1	6.3	3.4	3.8
Imports of goods and services	742.8	-1.0	-14.1	-10.3	1.1	2.5
Net exports[1]	- 122.7	0.0	2.6	2.3	0.3	0.2
Memorandum items						
GDP deflator	_	6.9	8.0	8.4	7.1	6.1
Consumer price index	_	6.3	9.0	9.0	6.0	5.0
Private consumption deflator	_	6.9	9.8	9.7	7.6	6.6
General government financial balance[2]	_	-6.0	-10.4	-10.2	-8.9	-7.8
Current account balance[2]	_	-4.3	-3.2	-1.1	-0.9	-1.0

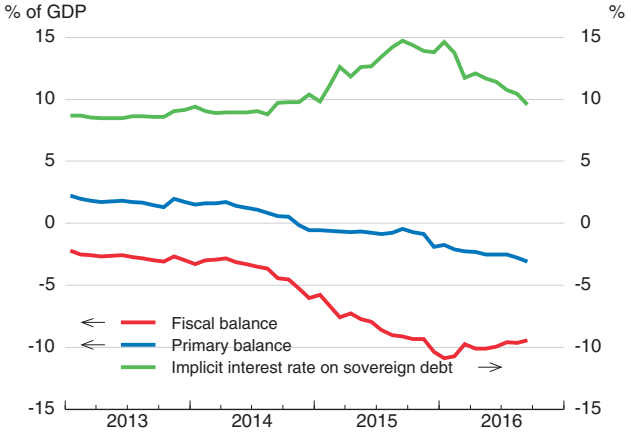
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439246

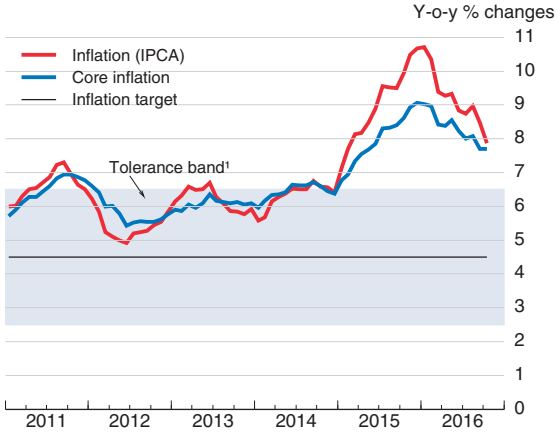
from industrial production have been mixed. Political uncertainty has diminished as the new government has been confirmed in power by congress until the next scheduled elections in October 2018.

Brazil

Fiscal indicators are improving only slowly



Inflation is coming down but remains above target



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/10.1787/888933437473

In the medium term, public expenditures will be contained through a new fiscal rule

The fiscal deficit remains high at over 9% of GDP and the primary deficit of 3% of GDP is distant from the primary surpluses required to keep public debt on a firmly declining path. Part of this deterioration is cyclical and related to weak revenues in the face of the recession, but poorly targeted tax exemptions in the past, which have yet to be completely unwound, have also played a role. Against the background of considerable slack, the fiscal stance is estimated to be only mildly contractionary. This is part of a necessary adjustment process to strengthen fiscal sustainability and correct past excesses, and strikes an appropriate balance.

Rising current expenditures in combination with projected increases in pension spending have raised concerns about longer-term fiscal sustainability. These concerns are being adequately addressed with the implementation of a new expenditure rule, in line with recommendations in previous OECD *Economic Surveys*. The new rule limits real increases in expenditures and reduces the rigidity of the budgeting process, except for pensions and benefits, which amount to almost half of central government spending. Implementing a separate pension reform will be crucial for turning the fiscal adjustment into a success, and could also lead to stronger declines in inequality and poverty by improving the targeting of social benefits. Scope for raising spending efficiency exists across many areas, and the new fiscal rule leaves sufficient room for attaining policy objectives.

The credible commitment to containing public expenditures will allow further monetary easing going forward, which should give rise to stronger investment. Year-on-year inflation is coming down towards the target range as inflationary pressures from administrative prices retract and economic slack widens.

Structural reforms should support economic adjustment and inclusive growth

Structural reforms have the potential to boost growth significantly and to make it more inclusive. 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 cut 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 is projected to embark on a slow and gradual recovery

Growth is projected to resume progressively during 2017 owing to improvements in confidence and investment. The pace of the recovery will be limited by high corporate sector debt and significant spare capacity in some sectors. Nevertheless, the implementation of structural reforms will gain momentum relative to the past, but fall short of the ambitious agenda required. Slow earnings growth and a continuing contraction in private credit will limit consumption growth initially, although lower interest rates may eventually

allow the recovery of consumption to accelerate. Against the background of low international trade growth and ongoing competitiveness challenges, the external sector will not be able to provide as much support as in past years.

Inflation will continue to ease on the back of lower pressures from administrative prices and weak activity. Inflation is projected to return into the tolerance band during 2017, whose ceiling will then be at 6%. Unemployment is projected to rise further until mid-2017, before starting to decline as the economy accelerates towards its growth potential in 2018.

Stronger momentum on structural reforms is a potential upside risk to the projections as this could enhance domestic demand through a combination of lower spreads, less currency appreciation and lower real interest rates. Downside risks could come from the corporate sector, where the protracted recession is reflected in rising corporate defaults in the face of high debt levels, which could in turn weaken some parts of the financial sector. Although they have diminished, political risks remain with respect to the final implementation of the new fiscal rule.

CANADA

Economic growth is projected to increase to 2.3% in 2018. As contraction in the resources sector slows, activity in the rest of the economy is projected to strengthen. Non-energy exports should continue to benefit from stronger export market growth and earlier exchange rate depreciation. Consumer price inflation should pick up to around 2% as the effect of falling energy prices fades and excess capacity is gradually eliminated.

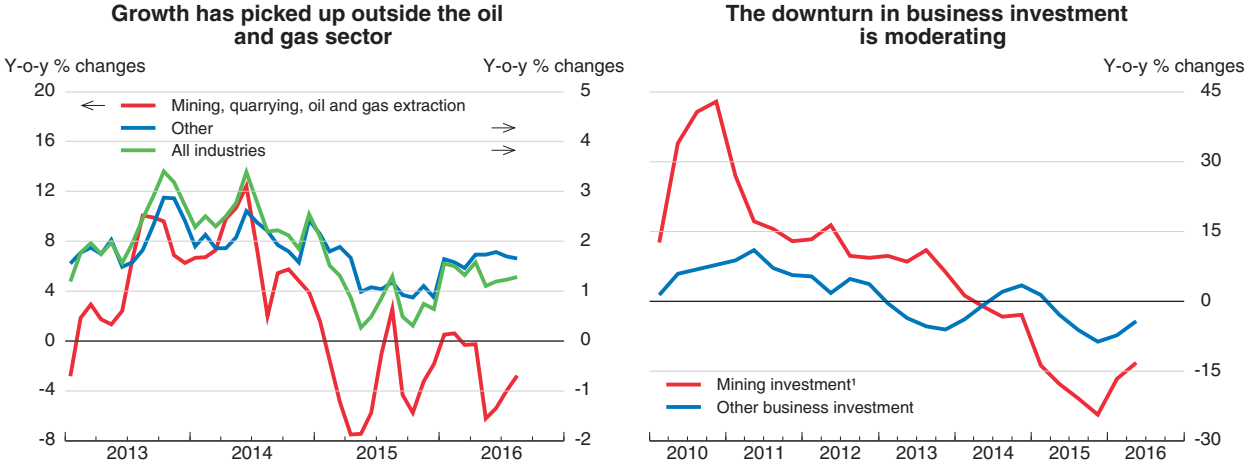
The moderately expansionary policy stance in the 2016 federal budget will help to speed the economy's return to full employment. It also increases scope to raise interest rates, which would mitigate financial stability risks arising from high and rising house prices and household debt. A gradual removal of monetary stimulus is projected from late 2017 to stabilise inflation at around the 2% midpoint of the official target range. Macro-prudential measures have been strengthened recently, but may need to be tightened further and targeted regionally to reduce financial stability risks.

The federal government used the fiscal space created by lower interest rates in its 2016 budget. New measures increase the budget deficit by 0.6-0.7% of GDP in 2016-17 and a further 0.3% of GDP in 2018-19. The deficit increase reflects higher spending on physical infrastructure, social housing, education and innovation. The increase in spending on social housing will make growth more inclusive, as will the new Canada Child Benefit, which is means tested, and measures to foster Indigenous Peoples' economic development and to make post-secondary education more affordable for students from low-income families. Provinces do not have the fiscal space to loosen their fiscal stance.

The economy is expanding

Outside the oil and gas sector, the economy is growing steadily. Private consumption is robust, buoyed by the introduction of the Canada Child Benefit in July, and residential

Canada



1. Includes oil and gas. Also includes some engineering structures investment that may relate to other sectors.

Source: Statistics Canada, Tables 379-0031 and 380-0068; OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437487

Canada: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.6	0.9	0.6	0.9	0.9
Unemployment rate[1]	6.9	6.9	7.0	6.8	6.5
Compensation per employee[2]	3.0	1.8	1.3	2.6	3.4
Unit labour cost	1.3	1.5	0.7	1.4	1.9
Household disposable income	3.2	3.5	2.7	3.6	4.1
GDP deflator	1.8	-0.6	0.5	2.0	2.0
Consumer price index	1.9	1.1	1.5	1.8	2.0
Core consumer price index[3]	1.8	2.2	2.0	1.8	2.0
Private consumption deflator	1.9	1.1	1.0	1.6	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.

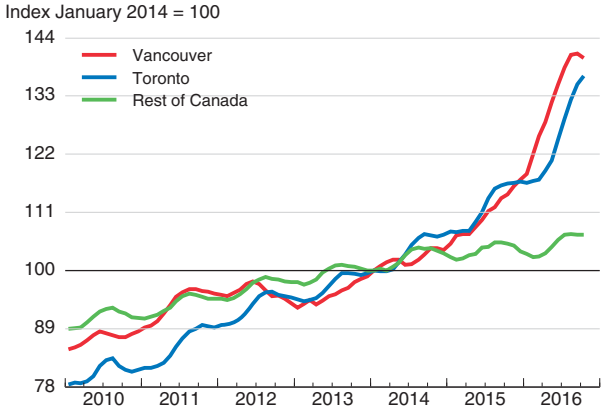
Source: OECD Economic Outlook 100 database.

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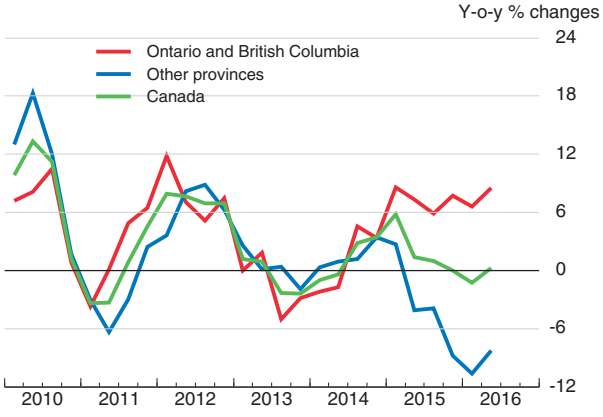
investment is strong, reflecting especially developments in British Columbia and Ontario, where house prices have been booming. Abstracting from the temporary mid-year decline in production caused by the wildfires in Fort McMurray, the drag on growth from the oil and gas sector is diminishing. The contraction of energy investment has slowed and should be nearly complete by the end of the year, at which time cumulative losses will have reached about 60% since 2014. Similarly, exports and other business investment are turning up, supported by gains in export competitiveness, a strengthening US economy and growing capacity constraints.

Canada

Vancouver and Toronto housing markets are overheating



Residential investment[1] growth is strong only in booming markets



1. In real terms.

Source: Teranet and National Bank of Canada, House Price Index; Statistics Canada, Table 026-0013.

StatLink http://dx.doi.org/10.1787/888933437497

Canada: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	4.0	4.4	4.0	4.0	4.0
General government financial balance[2]	-0.5	-1.3	-2.2	-2.3	-2.2
General government gross debt[2,3]	93.2	98.5	100.4	101.3	102.0
General government net debt[2,3]	31.7	31.4	33.1	34.0	34.8
Current account balance[2]	-2.3	-3.2	-3.5	-2.9	-2.4
Short-term interest rate[4]	1.2	0.8	0.8	1.0	1.8
Long-term interest rate[5]	2.2	1.5	1.2	1.9	2.9

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438904

Employment continues to increase steadily, but not by enough to reduce the unemployment rate, which has remained at around 7% since late 2012. These developments reflect the contrasting fortunes in energy-producing provinces, where labour market outcomes have worsened, and the rest of Canada, where the opposite has occurred. Higher unemployment in the energy-producing provinces has reduced wage pressures. Consumer price inflation remains below the mid-point of the Bank of Canada's 1-3% target range despite exchange rate depreciation, owing to a decline in energy prices.

Canada: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices CAD billion	Percentage changes from previous year, volume (2007 prices)					
GDP at market prices	1 983.3	1.2	2.1	2.3	1.7	2.2	2.4
Private consumption	1 139.9	2.2	2.0	2.0	2.3	1.9	2.1
Government consumption	419.8	2.2	1.8	1.5	2.7	1.5	1.5
Gross fixed investment	462.6	-1.9	2.1	1.7	1.3	1.9	1.8
Public[1]	78.8	1.2	6.6	2.5	5.3	4.7	2.0
Residential	149.6	3.7	0.8	-0.4	3.5	0.2	-0.5
Non-residential	234.2	-6.5	1.5	2.9	-1.6	1.9	3.4
Final domestic demand	2 022.3	1.3	2.0	1.8	2.1	1.8	1.9
Stockbuilding[2]	6.8	0.5	-0.1	0.0			
Total domestic demand	2 029.1	1.8	1.9	1.9	3.0	1.8	1.9
Exports of goods and services	625.4	0.5	2.9	4.7	0.0	4.2	4.9
Imports of goods and services	671.2	-1.0	2.2	3.1	1.3	2.9	3.1
Net exports[2]	- 45.8	0.5	0.2	0.4			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.
1. Excluding nationalised industries and public corporations.
2. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438911

Canada: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	565.6	489.7	462.2	476	507
Goods and services imports	582.4	525.6	502.6	508	533
Foreign balance	- 16.8	- 36.0	- 40.4	- 33	- 26
Invisibles, net	- 23.8	- 13.1	- 12.3	- 13	- 13
Current account balance	- 40.5	- 49.1	- 52.7	- 45	- 39
			Percentage changes		
Goods and services export volumes	5.3	3.4	0.5	2.9	4.7
Goods and services import volumes	1.8	0.3	- 1.0	2.2	3.1
Export performance[1]	0.9	- 0.5	- 0.7	- 1.0	0.0
Terms of trade	- 1.3	- 7.0	- 2.7	1.1	0.0

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438924

Macroeconomic policies are expansionary

The federal government adopted a mildly expansionary stance in its 2016 budget. New measures, which are front-loaded, could boost growth by 0.5 percentage point in 2016 and 2017. The general government deficit is projected to rise by 0.9% of GDP over 2015-18, to 2.2% of GDP. This increase essentially reflects the 2016 federal budget measures to boost demand. They should be particularly effective in delivering short-term stimulus, as infrastructure and social housing, which are a focus of the measures, have higher multipliers than most other budget items. However, most of the CAD 60 billion (2¼ per cent of GDP) increase in infrastructure spending over the next 10 years announced in the budget is to occur in a second phase, beyond the projection period. The focus in that phase is on investments to increase productivity and reduce the energy system's carbon footprint.

Monetary policy remains very supportive. With economic slack likely to be taken up by late 2018, it is assumed that monetary policy stimulus will be gradually withdrawn, starting in late 2017. Very low interest rates have encouraged household borrowing to purchase real estate, contributing to large increases in house prices, especially in Vancouver and Toronto, which together represent a third of the national market. Household debt is also high in relation to disposable income. To reduce offshore demand, British Columbia recently introduced a 15% stamp duty on houses purchased by non-residents, the Vancouver council imposed a special tax on vacant homes, and the federal government took steps to prevent non-residents from unduly claiming the capital gains tax exemption for principal residences. Macro-prudential measures have been strengthened recently but may need to be tightened further and targeted regionally. To discourage more risky lending, mortgage insurance, which is backed by the federal government, should cover only part of lenders' losses in case of default, as proposed by the federal government.

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

Economic growth is projected to strengthen to 2.3% in 2018. Fiscal stimulus and the waning drag from declining investment and employment in the resource sector should support the initial rise in growth, followed by a pick-up in non-energy exports. They should

continue to benefit from the lower Canadian dollar and strengthening export market growth, which will be boosted by US fiscal stimulus, potentially increasing Canadian GDP growth by just over ¼ percentage point in 2018. Non-resource business investment should then rise with a lag as capacity constraints become binding. Growth in housing investment, on the other hand, should slow as further supply comes onto the market and the Vancouver and Toronto markets cool. Private consumption should continue to grow steadily, given moderate household income gains. The unemployment rate is projected to edge down to the structural rate (6½ per cent) by mid-2018. With excess capacity eliminated, well-anchored inflation expectations around the middle of the official inflation target band and gasoline prices and the exchange rate stable, the inflation rate could rise to around 2% by early 2018.

The main downside risk to these projections is a disorderly housing market correction, notably in the over-valued Vancouver and Toronto markets. This could result from an external shock that results in higher mortgage interest rates and/or unemployment, making it difficult for some financially stretched households to service their mortgage commitments. Such a correction would reduce residential investment and, through wealth effects, private consumption, and in an extreme case could threaten financial stability. There is also a risk that increased trade barriers in the major economies could stymie exports, reducing economic growth. The main upside risk is that the US expansion could be stronger than projected, lifting demand for Canadian exports. If global oil prices diverge from their assumed level, Canadian growth would also be correspondingly affected.

CHILE

Economic growth moderated in 2016, reflecting weaker commodity prices and external demand, while consumer and business confidence have been fragile. Growth is projected to edge up in 2017 and 2018 as a somewhat stronger global economy underpins a gradual recovery in investment and private consumption. As the effects of past currency depreciation wear off, inflation will fall into the central bank's tolerance range.

Monetary policy remains supportive, with the policy interest rate at 3.5%. Recent measures to boost productivity and strengthen investment may help to diversify the economy and support more sustainable growth. However, more needs to be done to address skill mismatches and tackle inequality.

Following a supportive fiscal stance in 2017, medium-term fiscal consolidation is planned to adjust to lower global copper prices, as required by Chile's fiscal rule. Scope for issuing debt to finance a gradual consolidation exists, and can help to sustain the recovery, in part by supporting ongoing education reforms.

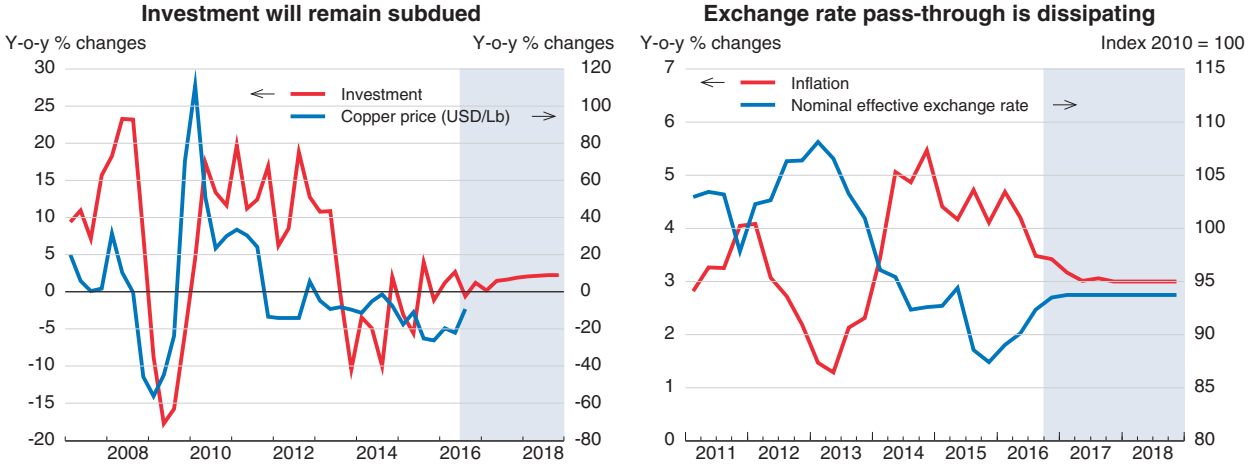
Growth is moderate due to lower commodity prices

Low global copper prices and weak external demand have depressed investment, especially in the mining and real estate sectors. Despite historically low interest rates, weak business confidence has held back investment in new projects. Private consumption growth has also slowed, reflecting weaker real income growth and a deterioration of consumer confidence. As growth has slowed, the labour market has softened and unemployment risen.

Monetary policy is supportive but fiscal consolidation is underway

Inflation is returning to within the central bank's target range of 2% to 4% with the stabilisation of the exchange rate, and as pass-through from the earlier depreciation runs

Chile



Source: OECD Economic Outlook 100 database; Central Bank of Chile.

StatLink http://dx.doi.org/10.1787/888933437506

Chile: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CLP billion	Percentage changes, volume (2008 prices)				
GDP at market prices	137 229.6	1.8	2.3	1.7	2.5	2.6
Private consumption	87 538.9	2.4	1.9	2.0	2.1	2.5
Government consumption	17 220.3	5.1	5.8	6.1	4.1	2.7
Gross fixed capital formation	32 683.9	-4.2	-1.5	1.1	1.3	2.2
Final domestic demand	137 443.0	1.1	1.6	2.3	2.2	2.5
Stockbuilding[1]	855.5	-1.5	0.4	-1.0	-0.4	0.0
Total domestic demand	138 298.4	-0.2	2.2	1.5	1.8	2.5
Exports of goods and services	44 319.1	1.1	-1.9	-0.1	2.2	2.5
Imports of goods and services	45 388.0	-5.7	-2.8	-1.7	2.1	2.2
Net exports[1]	-1 068.9	2.2	0.3	0.5	0.0	0.1
Memorandum items						
GDP deflator	_	5.6	4.3	4.3	3.3	3.5
Consumer price index	_	4.7	4.3	3.9	3.1	3.0
Private consumption deflator	_	5.3	5.7	4.5	3.8	3.7
Unemployment rate	_	6.3	6.2	6.5	6.4	6.2
Central government financial balance[2]	_	-1.8	-2.2	-2.8	-2.8	-2.5
Current account balance[2]	_	-1.2	-2.0	-1.4	-1.2	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933439007

its course. The central bank raised interest rates in late 2015 to 3.5%, stating that further increases would likely be needed in the near future. However, since inflation is already showing signs of decline and inflation expectations are well anchored, monetary policy should remain supportive given that substantial economic slack still exists.

Fiscal consolidation measures have been announced to gradually close the budget deficit, in accordance with the recently revised fiscal rule. This was in response to lower expected medium-term copper prices, which will reduce Chile's income. Nevertheless, the fiscal stance for 2017 is slightly expansionary. Persistently weak demand would justify a delay, or a slower pace, of fiscal consolidation. Chile's near zero net debt provides room for a supportive fiscal stance, and low interest rates make financing inexpensive.

More measures to boost productivity and reduce entry barriers are needed to broaden the base of the economy and support inclusive growth. The agenda on productivity, innovation and growth seeks to facilitate entrepreneurship among start-ups, expand programme funding for innovation, and promote services exports. A new law will strengthen the competition framework, increasing penalties for abuse of dominance. Further reforms to bridge skill mismatches in the labour market and to foster jobs for women and youth would reduce inequalities and expand opportunities for all to enjoy the benefits of greater prosperity.

Growth will recover modestly in an uncertain environment

Activity will pick up in 2017 and 2018, driven mainly by exports, reflecting competitiveness gains and somewhat stronger external demand. Better exports will, in turn, spur investment and private consumption. Growth is projected to be enough to broadly stabilise the unemployment rate.

The main risks to growth relate to the performance of Chile's principal trading partners and the evolution of commodity prices. Weaker-than-projected growth in China and Latin American neighbours, or volatile global financial conditions, would reduce external demand. Growth could also be weakened if current uncertainty in the business sector does not dissipate or if trade remains sluggish. 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 being supported by stimulus, but is set to edge down further to 6.1% by 2018. At the same time, risks are rising. The economy is undergoing transitions on several fronts. Private investment will be reinvigorated by the removal of entry restrictions in some service industries, but held back by adjustment in several heavy industries. Housing prices are again rising fast in the bigger cities, but working off housing inventories in smaller cities will take time. Consumption growth is set to hold up, especially as incomes rise and urbanisation continues. Reductions in excess capacity will ease downward pressure on producer prices but consumer price inflation will remain low. Import demand for goods will be damped by on-shoring, while services imports, in particular tourism, will grow rapidly. Exports will be held back by weak global demand and loss of competitiveness.

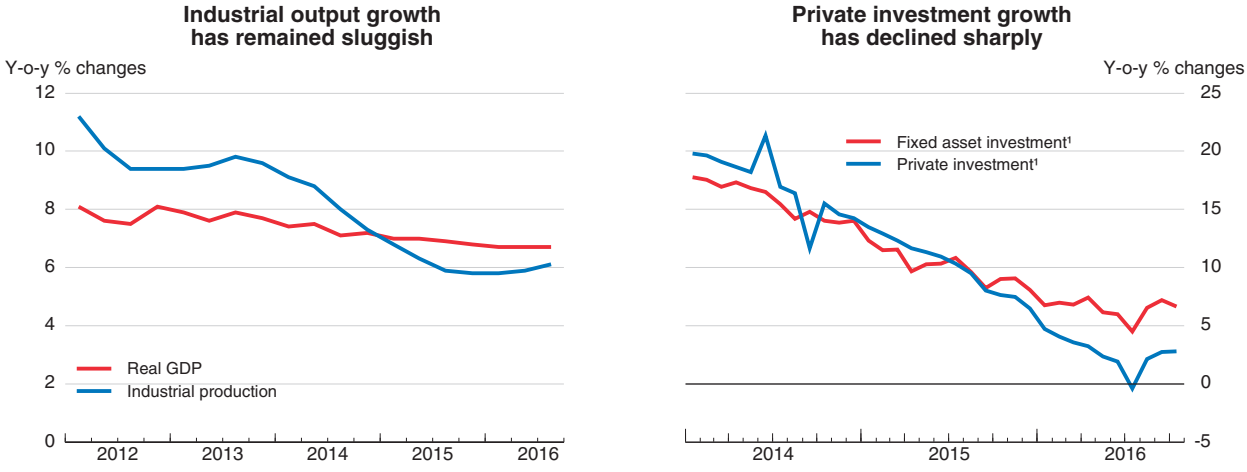
Fiscal policy, including via the policy banks, is very expansionary. Monetary policy prudence is called for so as not to aggravate imbalances. Removing implicit public guarantees and ending bailouts would make for better and more market-based pricing of risk. Corporate debt has risen substantially to high levels and the enterprise sector therefore needs to deleverage. Supply-side reforms to cut excess capacity need to accelerate and bankruptcy of zombie firms be made easier. Leveraged investment in asset markets should be contained and monitored.

Public investment should focus on efficiency and avoid crowding out the private sector. New revenue sources, such as property taxation or a more progressive personal income tax, can be used to meet increasing spending needs for public services and social security. Fiscal relations across government levels should be revamped so that local mandates are adequately funded.

Overcapacity and diminishing private investment have weighed on growth

Growth continues to decline very gradually as adjustment in manufacturing sectors plagued by excess capacity gathers momentum and as private domestic investment

China



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

StatLink http://dx.doi.org/10.1787/888933437512

China: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CNY trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	59.5	7.3	6.9	6.7	6.4	6.1
Total domestic demand	58.1	8.2	9.5	8.3	6.5	6.4
Exports of goods and services	14.5	6.8	-2.0	0.9	2.3	2.4
Imports of goods and services	13.0	9.3	3.9	5.4	2.2	3.0
Net exports[1]	1.4	-0.3	-2.0	-1.4	0.1	-0.1
Memorandum items						
GDP deflator	_	0.8	-0.5	0.9	2.0	2.5
Consumer price index	_	2.1	1.5	2.1	2.2	2.9
General government financial balance[2,3]	_	-0.6	-1.3	-1.8	-2.3	-2.7
Headline government financial balance[2,4]	_	-2.1	-2.4	-2.9	-3.5	-4.0
Current account balance[2]	_	2.7	3.0	2.4	2.4	2.4

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. The headline fiscal balance is the official balance defined as the difference between revenues and outlays. Revenues include: general budget revenue, revenue from the central stabilisation fund and sub-national budget adjustment. Outlays include: general budget spending, replenishment of the central stabilisation fund and repayment of principal on sub-national debt.

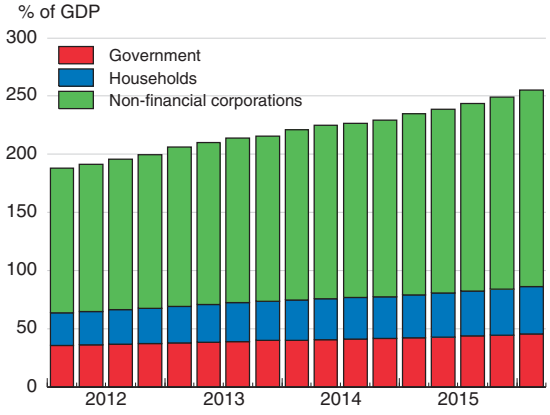
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439252

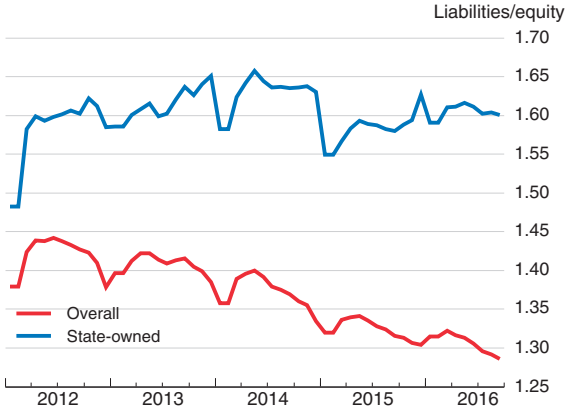
diminishes. Capacity cuts in the coal and steel sectors, together with disruptions in the distribution chain due to floods, have resulted in regional coal shortages and price hikes. The private-sector share in investment has shrunk partly because many services, which are a growing part of the economy, are not open for private investment. Real estate

China

Corporate debt is mounting



The leverage[1] of state-owned enterprises remains high



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/10.1787/888933437520

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. In lower-tier cities, working off excess capacity may take several more years.

Consumption has remained robust, with buoyant e-commerce sales and tourism services imports. Job vacancy rates have fallen sharply in the Eastern regions, where most export-processing industries are located, and migrant worker wages are slowing significantly. Weak business investment demand weighs on imports and rising costs weigh on exports. Producer price inflation turned positive in September after 54 months of deflation, but excess capacity continues to put downward pressure on producer prices.

Expansionary policies are propping up growth, while structural reforms are very gradual

Monetary policy has been gradually loosened since 2014, but the case for accommodation has lately been tempered by the need to safeguard financial stability. Liquidity provision to mitigate the effect of capital outflows tends to be channelled to overheated sectors. With falling returns and more enterprise defaults, banks are shifting new lending from the productive sector to the property and securities markets. Enterprise leverage, especially in the state-owned sector, is high. Debt-equity swaps may provide temporary relief but risk delaying necessary adjustment, including the exit of unviable firms. Loans with past-due payment have soared, foreshadowing a surge in bad debt. Recent defaults are expected to instil greater market discipline and better credit risk pricing, but occasional bailouts strengthen the perception that public sector entities enjoy implicit guarantees.

Capital outflows have continued, leading to a contraction of foreign exchange reserves and pressure on the exchange rate. Expected renminbi depreciation has led the corporate sector to reduce its foreign liabilities and build up foreign assets. Individuals will also likely diversify their asset holdings as the capital account opens up further. Large foreign bond investors can now access the domestic bond market without quotas and the Shenzhen-Hong Kong Stock Connect will be operational soon, opening up new channels for capital inflows. In addition, the recent inclusion of the renminbi in the IMF Special Drawing Rights will boost demand for renminbi assets.

Fiscal policy has become even more expansionary. Policy banks have issued large amounts of debt, exceeding the original target, to support major infrastructure projects. The rapid expansion of public investment may lead to further misallocation of capital. Furthermore, local government investment vehicles will be key players in implementing these projects. As they are still perceived to carry implicit guarantees, their re-leveraging may lead to another round of accumulation of implicit government debt and bailouts. Although gross public debt is still around 40% of GDP, large future spending obligations loom in the areas of social security, health and old-age care.

Risks are mounting

Policy stimulus will help keep growth above 6% over 2016-18. However, investment is increasingly financed by public funds. Opening up additional sectors to private investment will provide new opportunities for private capital. Current growth rates of disposable income will support consumption growth, but without structural reforms to reduce precautionary savings such as the provision of a better social safety net and higher-quality

public services, rebalancing will advance only slowly. The slow pace of reform of state-owned enterprises and high leverage will continue to take up resources, preventing reallocation for more efficient use.

Soaring property prices in first-tier cities and leveraged investment in asset markets magnify the risk of disorderly defaults. Excessive leverage and mounting debt in the corporate sector compound financial stability problems. Rapid adjustment in the real estate and industrial sectors would drag down growth temporarily, but is necessary to strengthen resilience. Supply-side policies, including deleveraging and working off excess capacity, are crucial to avoid a sharp slowdown down the road. Greater-than-expected stimulus, in contrast, would result in stronger growth in the short term but larger imbalances later. On the upside, a stronger-than-foreseen global rebound would support Chinese exports and growth.

COLOMBIA

Economic growth is projected to pick up in 2017 and 2018, driven by stronger external demand and a recovery in agriculture following the end of *El Niño*. The current account deficit remains high, but is projected to narrow gradually as the sharp peso depreciation contains imports and spurs non-traditional exports. Inequalities remain high despite a slight decline in unemployment.

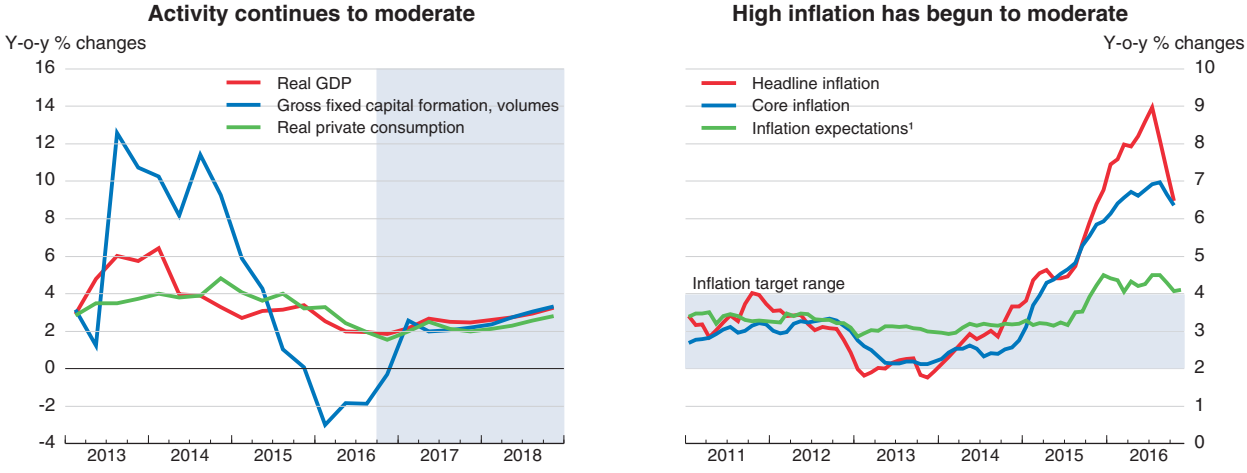
Inflation remains high but is declining as the effects of temporary shocks, such as the past depreciation and weather-related agricultural price hikes, have started to wane. The central bank raised interest rates earlier in the year and managed successfully to contain inflation expectations. Monetary policy can ease gradually as inflation continues to decline. Approving the financial conglomerates law can help reduce risks. Structural reforms in education, health and infrastructure, and reducing informality with reforms in non-wage labour costs, should make growth broader based and more inclusive.

Fiscal consolidation should continue, in line with the fiscal rule, to maintain credibility. The economic slowdown and the fall in oil prices have cut revenues, while peso depreciation has pushed up debt and interest spending. Revenues are projected to decrease further in the medium term as temporary taxes expire. The government has responded by introducing a comprehensive tax reform, and by reducing public spending and investment. The approval of the tax reform by the legislative assembly is crucial to raise revenues, boost growth and deal with social challenges.

Growth continues to moderate

Growth has continued to moderate as a result of weakening private consumption, slower public consumption, and a decrease in private investment reflecting a contraction in mining, transport equipment, and weak construction. High income inequality and informality remain major social and economic challenges despite recent progress in reducing poverty.

Colombia



1. Inflation expectations refers to inflation expectations 12-months forward.

Source: OECD Economic Outlook 100 database; and Central Bank of Colombia.

StatLink http://dx.doi.org/10.1787/888933437538

Colombia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices COP trillion	Percentage changes, volume (2005 prices)				
GDP at market prices	710.5	4.4	3.1	2.1	2.5	2.9
Private consumption	432.2	4.1	3.7	2.3	2.2	2.5
Government consumption	123.8	4.8	2.8	1.6	1.5	1.5
Gross fixed capital formation	172.3	9.8	2.8	-1.8	2.2	2.9
Final domestic demand	728.3	5.6	3.3	1.2	2.1	2.4
Stockbuilding[1]	0.4	0.5	0.0	-0.1	0.0	0.0
Total domestic demand	728.6	6.1	3.3	1.1	2.1	2.4
Exports of goods and services	124.8	-1.3	-0.7	3.5	3.0	6.0
Imports of goods and services	143.0	7.8	3.9	-3.0	0.2	2.8
Net exports[1]	- 18.1	-1.8	-0.9	1.2	0.4	0.2
Memorandum items						
GDP deflator	_	2.1	2.6	5.2	3.6	3.6
Consumer price index	_	2.9	5.0	7.5	3.8	3.3
Private consumption deflator	_	3.5	5.8	7.3	4.0	3.7
Unemployment rate	_	9.1	8.9	9.2	9.2	9.0
Current account balance[2]	_	-5.2	-6.4	-4.8	-4.2	-3.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439304

Macroeconomic policies are broadly appropriate

The central bank's interest-rate hikes have cooled credit and consumption growth and helped to anchor inflation expectations. This prudent approach is justified, but, as inflation falls further, monetary policy should start easing gradually. The financial system is sound, and approving the financial conglomerates law will improve the management of risks.

Lower oil revenues call for structural fiscal adjustments. However, consolidation should take place gradually to smooth the social impact and avoid derailing growth. Public investment should be protected, since infrastructure needs are large, and the quality of education needs to be improved. In the medium term, approving the tax reform currently in Congress is required to increase tax revenue, meet social and economic spending needs and reduce oil-related fiscal vulnerabilities.

Reigniting inclusive growth

Reigniting economic growth and making it more inclusive is essential to further social progress. In the medium term, key reforms should be aimed at further reducing informality, raising tax revenue, promoting financial inclusion and sustaining increased public investment. Strengthening the enforcement of the labour laws, reducing non-wage labour costs and easing procedures to register companies would lower informality further and extend coverage of social benefits. Expanding the use and access to active labour market programmes and early childhood education, alongside better elderly and disability

care, would also bring more women into the labour market and make growth more inclusive.

Growth is projected to pick up but external risks dominate

Growth is expected to strengthen to 2.5% in 2017 and 2.9% in 2018, driven by stronger external demand and a recovery in agricultural production following the end of *El Niño*. However, further fiscal adjustment will hold back domestic demand. Investment is projected to bounce back as fourth generation technology infrastructure projects move into the construction phase. The peace deal and recently improved prospects for oil prices will contribute to the recovery, as they are likely to increase confidence and investment. Inflation is expected to fall towards the target by 2018, as the effects of the past depreciation fade, agricultural production recovers and economic slack widens.

The challenging external environment could affect the recovery. The growth of export markets could fall short of expectations. Uncertainties related to US monetary policy normalisation or possible adverse developments in other emerging market economies, like China and Brazil, could increase global financial volatility, increasing the risk of a sudden-stop in capital inflows. Insufficient financing or other obstacles could delay public-private investment projects However, there are also upside risks from the end of the armed conflict, which could boost investment and growth more than projected.

COSTA RICA

The economy is projected to continue to expand at a strong pace. Growth will be driven by robust household consumption and increased exports due to stronger demand in the United States. Investment will be led by public infrastructure planned in the coming years. Inflation is starting to pick up and will return to the central bank's target range of 2-4% at the end of 2016.

Although a strong recovery is underway, unemployment rates remain high, especially for the poor who also suffer from high informality and are increasingly leaving the labour force. Targeted policies are needed to make the labour market more inclusive, especially for women. Improving the quality of education and enhancing the effectiveness of cash transfers would help reduce high poverty.

Fiscal reform is urgent. During the first half of 2016, fiscal performance has improved due to spending restraint and better tax collection. However, central government debt continued to raise, because of high interest payments that restrict fiscal space. Spending restraints will keep weighing on domestic demand until tax reforms are implemented.

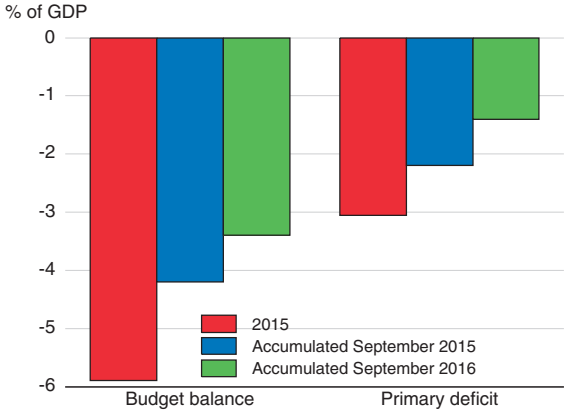
The economy is recovering at a good pace

The economy grew strongly during the first half of 2016, driven by household consumption. Government spending decelerated because of public expenditure containment. Despite strong growth, labour markets remain weak with falling employment rates. The unemployment rate has fallen mostly due to workers withdrawing from the labour force.

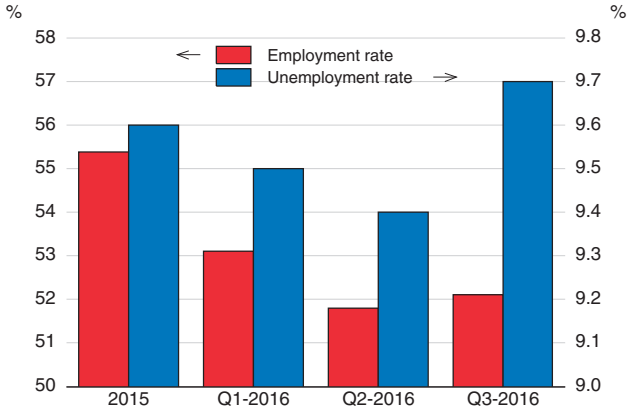
Consumer prices fell in the first half of 2016, owing to declining oil prices and the stability of the exchange rate. Due to monetary policy easing, inflation started to pick up during the third quarter of 2016 and is set to reach the central bank's target range of 2-4% at the end of the year.

Costa Rica

Fiscal[1] performance has improved but budget deficits are still high



The employment rate has declined



1. Central Government.
Source: Costa Rica's Finance Ministry and Central Bank data.

StatLink http://dx.doi.org/10.1787/888933437542

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

	2013	2014	2015	2016	2017	2018
	Current prices CRC trillion	Percentage changes, volume (2012 prices)				
GDP at market prices	24.8	3.0	3.8	4.1	4.0	4.0
Private consumption	16.5	3.5	4.4	4.6	4.6	4.4
Government consumption	4.4	2.9	2.4	1.3	2.5	3.2
Gross fixed capital formation	4.8	2.9	8.5	2.2	5.1	5.0
Final domestic demand	25.7	3.3	4.8	3.5	4.3	4.3
Stockbuilding[1]	- 0.2	-0.4	0.0	0.2	0.6	0.0
Total domestic demand	25.5	2.9	4.8	4.3	4.6	4.3
Exports of goods and services	7.8	3.4	2.5	8.9	5.3	5.1
Imports of goods and services	8.5	3.1	5.5	9.0	6.7	5.7
Net exports[1]	- 0.7	0.0	-1.2	-0.4	-0.8	-0.5
Memorandum items						
GDP deflator	_	5.7	3.3	0.8	4.0	5.5
Consumer price index	_	4.5	0.8	0.0	2.5	3.0
Private consumption deflator	_	4.2	0.2	-0.6	1.6	1.9
Unemployment rate	_	9.6	9.6	9.5	9.3	9.0
Current account balance[2]	_	-4.8	-4.3	-2.6	-3.0	-3.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439326

The fiscal reform is urgent

The central government deficit fell in the first half on 2016, driven by spending containment measures and buoyant revenue. However, fiscal space is limited given the still rising debt-to-GDP ratio and high interest payments, which absorb 20% of total revenue. There has been some progress on the tax reform, with 6 out of 13 projects of the reform package approved. However, two important bills to replace the sales tax with a full-fledged VAT system and a reform of the income tax are still under discussion in the legislative assembly.

It is urgent to approve the tax reform. The VAT and the income tax reform would cut the deficit by about 2% of GDP, which would help stabilise the debt-to-GDP ratio. The reforms are well thought out as they will broaden tax bases and the introduction of a VAT is a growth-friendly way to raise revenues. Additional fiscal or expenditure control measures of 1% of GDP will be needed to put debt on a firm downward path. These should focus on reforming the public employment system to prevent excessive automatic salary increases and raise public sector efficiency.

GDP growth is projected to be robust but with significant uncertainties on the domestic front

Growth is projected to remain strong. Household consumption will drive growth, supported by still-low oil prices, low interest rates and credit expansion. Investment growth will pick up, boosted by planned infrastructure investments. Other factors

supporting strong growth include a projected solid US recovery sustaining export expansion, firm credit expansion and continued monetary stimulus.

Disappointing labour productivity growth calls for measures to promote innovation and access to finance, competition and transport infrastructure. Raising the quality of education and work prospects for women would decrease inequality by expanding opportunities and sharing prosperity more widely.

The main risk to the current outlook concerns fiscal developments. Rising public debt makes 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. Furthermore, as Costa Rica is a small open economy, external developments are critical, such as higher international energy prices and extreme bouts of market volatility. Uncertainty in the international markets, and currency depreciation could create problems for the stability of the banking system given its high dollarisation.

CZECH REPUBLIC

Stable economic growth is projected for 2017 and 2018. Solid labour demand will push unemployment towards its lowest rate in the last two decades, accelerating wage and supporting consumption. Investment was cut sharply in 2016 due to the transition in EU funding programmes, but is projected to rebound in 2017. Rising cost pressures will push consumer price inflation to the 2% target during 2017.

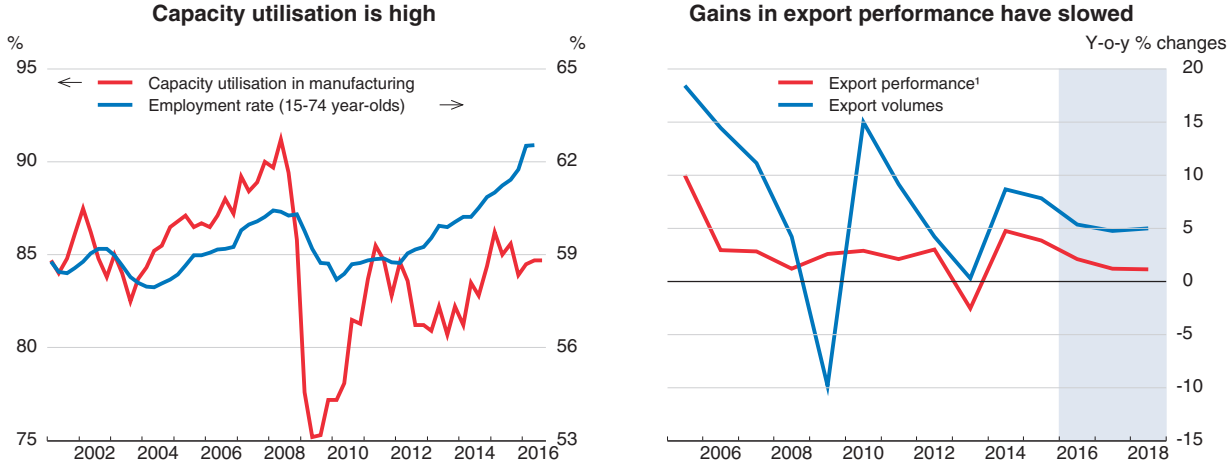
The central bank has committed to preventing exchange rate appreciation against the euro until at least the second quarter of 2017, to insure against deflationary forces. The policy rate could then cautiously be lifted, as the deflationary threat recedes, with fiscal policy supporting demand if needed. Structural policies addressing skill shortages and raising productivity would help sustain the expansion and increase inclusiveness. These include expanding childcare, increasing incentives for business R&D and reducing entry and exit barriers for firms.

Public debt is low and the budget is broadly in balance, providing room for fiscal support to enhance growth. Boosting investment should be a priority, and can take advantage of EU funds. Tax and spending policies could better support sustainable growth and equality, notably by lowering the tax wedge on labour income and increasing spending on childcare.

Growth has eased but remains robust

GDP growth slowed in 2016, largely due to the fall in public investment associated with the transition to a new EU programming period. New projects have been slow to commence. Businesses outside the construction sector are confident and financial conditions are supportive. Increasing labour shortages are raising wages and hours worked, and consequently, consumption. However, export growth has slowed amid subdued external conditions. Falling energy and food prices are restraining inflation but excluding these factors, inflation has hovered around 1¾ per cent during 2016.

Czech Republic



1. Export volume growth relative to export market.

Source: Eurostat; Thomson Reuters; and OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437554

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

	2013	2014	2015	2016	2017	2018
	Current prices CZK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	4 098.1	2.7	4.5	2.4	2.5	2.6
Private consumption	2 025.0	1.8	3.0	2.4	3.0	2.6
Government consumption	826.0	1.1	2.0	2.3	2.2	1.9
Gross fixed capital formation	1 027.1	3.9	9.0	-3.3	2.3	3.9
Final domestic demand	3 878.1	2.2	4.4	0.8	2.6	2.8
Stockbuilding[1]	- 16.2	1.1	0.3	0.3	0.0	0.0
Total domestic demand	3 861.9	3.4	4.7	1.1	2.6	2.8
Exports of goods and services	3 183.9	8.6	7.8	5.3	4.8	5.0
Imports of goods and services	2 947.7	10.0	8.3	3.9	5.1	5.4
Net exports[1]	236.2	-0.5	0.1	1.4	0.1	0.0
Memorandum items						
GDP deflator	_	2.5	1.0	0.9	1.2	2.1
Consumer price index	_	0.4	0.3	0.6	1.8	2.2
Private consumption deflator	_	0.6	0.1	0.3	1.4	1.8
Unemployment rate	_	6.1	5.0	4.1	3.9	3.8
General government financial balance[2]	_	-1.9	-0.6	-0.2	-0.2	0.1
General government gross debt[2]	_	56.8	54.0	52.3	52.1	51.6
General government debt, Maastricht definition[2]	_	42.2	40.3	38.6	38.5	38.0
Current account balance[2]	_	0.2	0.9	2.3	1.4	1.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439013

Structural policies should be deployed now to sustain the expansion later

The projected rise in inflation will facilitate policy rebalancing. Monetary policy is very accommodative, with the policy rate near zero and the exchange rate floor preventing appreciation against the euro. To mitigate financial stability risks, the central bank lowered the recommended maximum loan-to-value ratio on housing loans from October 2016 and counter-cyclical capital buffers will be required from January 2017. The central bank should exit the floor as deflationary risks recede, as planned. It could then gradually lift the policy rate, as assumed in the projections. The strong fiscal position provides space to offset the demand effects of exchange rate appreciation, if needed.

Stronger-than-expected revenues due to income growth and increased tax compliance helped to almost close the budget deficit and will continue supporting public finances. Fiscal policy is projected to be broadly neutral in 2017-18. Steps should be taken to speed up absorption of EU funds for investment, ensuring efficient procurement processes and co-ordination across government. Wage increases and a pension supplement will increase spending in 2017. Implementation of the new fiscal framework, which includes creation of a fiscal council, should enhance medium-term fiscal credibility and sustainability.

Policies that would ease labour market shortages and skill mismatches include faster expansion of childcare access and reducing disincentives to return to work. Addressing childcare shortages would also reduce gender wage gaps. Working with employers on

vocational training would improve the supply of skills. Reforms improving access to finance for innovative firms and speeding up the insolvency process would raise productivity and competitiveness.

Growth is projected to be domestically driven but key risks are external

Robust consumption growth will be maintained by strong income growth and favourable borrowing conditions. Incomes will also be boosted by the 11% minimum wage increase in 2017. A rebound in private investment is projected to raise imports, while only moderate growth in export markets and rising domestic costs will restrain export growth. Rising labour demand should lower the unemployment rate towards two-decade lows. That, and the fading effect of past import price declines, is projected to raise inflation to the 2% target by end-2017.

Key risks to the forecasts are external. Slower growth in world trade would lower exports through value chains. Conversely, exports could outperform if productivity gains offset rising costs. The risks from Brexit are two-sided: businesses may delay investment but any arrangement preserving European integration would particularly benefit Czech exporters. Domestic risks are mostly to the upside. Accelerating consumer credit or wages could fuel stronger consumption growth than projected. Increased public spending or faster take-up of EU funds would also raise output.

DENMARK

Economic growth is projected to gradually strengthen to 1.9% in 2018 fuelled by investment and exports. Household consumption growth will remain robust, backed by employment growth, higher real wages and rising property prices. Both residential and business investment will pick up due to low interest rates and increasing capacity utilisation. The current account surplus will remain sizeable.

Implementation of a proposed comprehensive package of reforms addressing a number of structural challenges, such as strengthening work incentives, fostering medium-term fiscal sustainability and boosting productivity, would improve economic performance and raise incomes. Frontloading property tax reform would help to rein-in an increasingly buoyant housing market and make the tax mix more growth friendly.

The fiscal stance remains broadly neutral with strong public investment declining only gradually. Against the backdrop of the package of reforms, the government has proposed to postpone the return to a balanced budget to 2025. Given the moderate public debt level, the authorities are right to use fiscal space and to push for structural reforms.

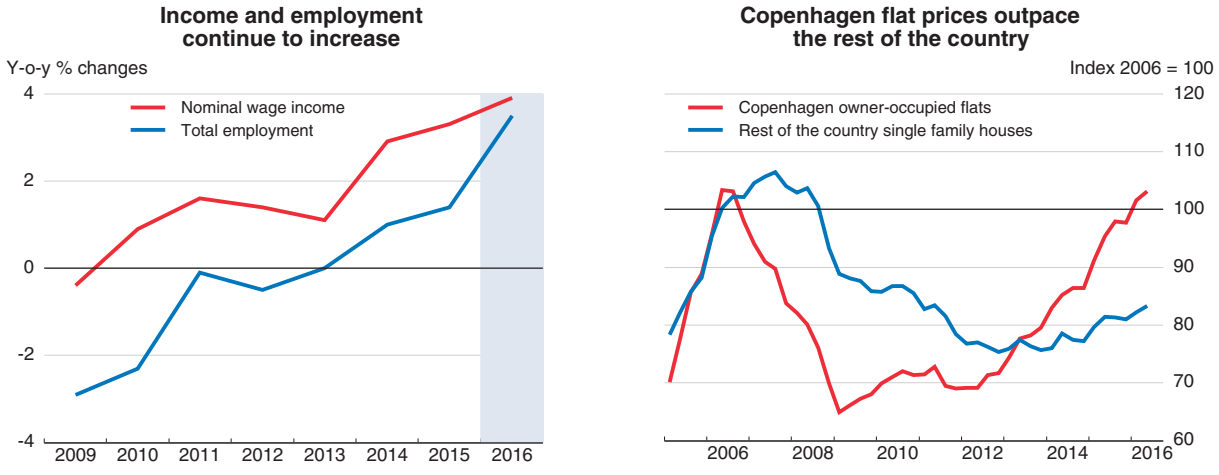
Strong employment growth supports household incomes

Economic activity has been moderate, but has driven rising employment growth that has brought down unemployment and created the beginnings of labour shortages in some sectors, such as construction and manufacturing. Current accommodative financial conditions continue to feed into rising house prices, in particular in Copenhagen. Business investment has yet to recover to pre-crisis levels, but capacity utilisation is back to its long-term average and manufacturing production is firm. Exports are being restrained by globally lower volumes of shipping and weak external developments.

An accommodative macroeconomic stance is backed by a plan for structural reforms

Constrained by the peg to the euro and the need to contain occasional surges in demand for the domestic currency, monetary policy remains highly accommodative. This

Denmark



Source: OECD Economic Outlook 100 database; and Statistics Denmark.

StatLink http://dx.doi.org/10.1787/888933437568

Denmark: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices DKK billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 929.7	1.7	1.6	1.0	1.5	1.9
Private consumption	920.4	0.6	1.9	1.9	1.5	2.0
Government consumption	501.9	1.2	0.6	1.1	0.8	0.8
Gross fixed capital formation	367.6	3.4	2.5	1.2	2.3	2.9
Final domestic demand	1 789.9	1.3	1.6	1.6	1.5	1.9
Stockbuilding[1]	12.3	0.2	-0.3	-0.3	-0.1	0.0
Total domestic demand	1 802.2	1.5	1.3	1.2	1.4	1.9
Exports of goods and services	1 058.0	3.6	1.8	1.0	2.7	3.2
Imports of goods and services	930.5	3.6	1.3	1.5	2.9	3.3
Net exports[1]	127.5	0.3	0.4	-0.2	0.1	0.2
Memorandum items						
GDP deflator	_	0.8	0.9	0.1	1.3	2.0
Consumer price index	_	0.6	0.5	0.3	1.1	1.7
Private consumption deflator	_	0.8	0.6	0.5	1.2	1.7
Unemployment rate[2]	_	6.5	6.2	6.1	5.6	5.5
Household saving ratio, net[3]	_	-1.8	4.4	5.0	4.8	4.5
General government financial balance[4]	_	1.4	-1.3	-0.7	-1.3	-1.3
General government gross debt[4]	_	59.0	53.1	53.7	54.9	55.9
General government debt, Maastricht definition[4]	_	44.0	39.6	40.2	41.3	42.3
Current account balance[4]	_	8.9	9.2	8.8	8.8	8.9

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439029

is fuelling price increases in the Copenhagen housing market, requiring continued vigilance. In that context, the reform of property taxation announced for the early 2020s will bring back an important counter-cyclical feature, but it could be too late to prevent another housing bubble. The authorities should therefore stand ready to impose stricter macro-prudential measures, for instance a limit on debt service to income ratios. Measures to develop the rental market could also ease house price increases.

Employment in the private sector has been particularly strong and wage growth has picked up, supporting domestic demand. However, if wages become disconnected from productivity improvements the competitiveness of Danish exports could be undermined. Proposed reforms to improve work incentives are welcome as labour shortages and wage pressures are likely to intensify. In particular, more can be done to bring some marginalised groups to the labour market, which would both raise growth and make it more inclusive.

The government proposed postponing the target of a balanced budget from 2020 to 2025 in the context of a comprehensive package of structural reforms. Given the moderate public debt level, existing fiscal space and the benefits of such reforms, this policy is welcome. The package, still under discussion, includes higher public investment during 2018-2025, a decrease in the corporate tax burden and an overhaul of public utilities. The

package would also improve medium-term fiscal sustainability by increasing the retirement age, and raising incentives for private pension savings and work.

The gradual upswing of the economy continues

Economic activity is projected to gradually strengthen, underpinned by solid private consumption, recovering business investment and stronger exports. Inflation is set pick up to 2% at the end of the projection period with the closing of the output gap and continued wage increases. The current account should remain in considerable surplus, reflecting significant private sector savings, positive returns on foreign assets and still low investment. The fiscal deficit will remain moderate.

Due to its close trade links with the United Kingdom and the safe-haven status of the *krone*, Denmark could be affected by Brexit and any related turbulence in financial markets. Rising unit labour costs could undermine export growth, while imbalances in the housing market could contribute to the overheating of the economy. It is uncertain that the package of reforms will gain enough support and be approved. If implemented, however, those reforms would considerably improve overall economic environment and contribute to higher growth in the medium term.

ESTONIA

GDP growth is projected to gain momentum in 2017 and reach 2.9% in 2018, mainly driven by domestic demand. Private consumption will remain robust and public investment will pick up, sustained by EU funds. Despite a favourable business environment and good financing conditions, private investment will recover only slowly. Exports will strengthen backed by increasing external demand. However, maintaining price competitiveness will be challenging due to increasing labour costs.

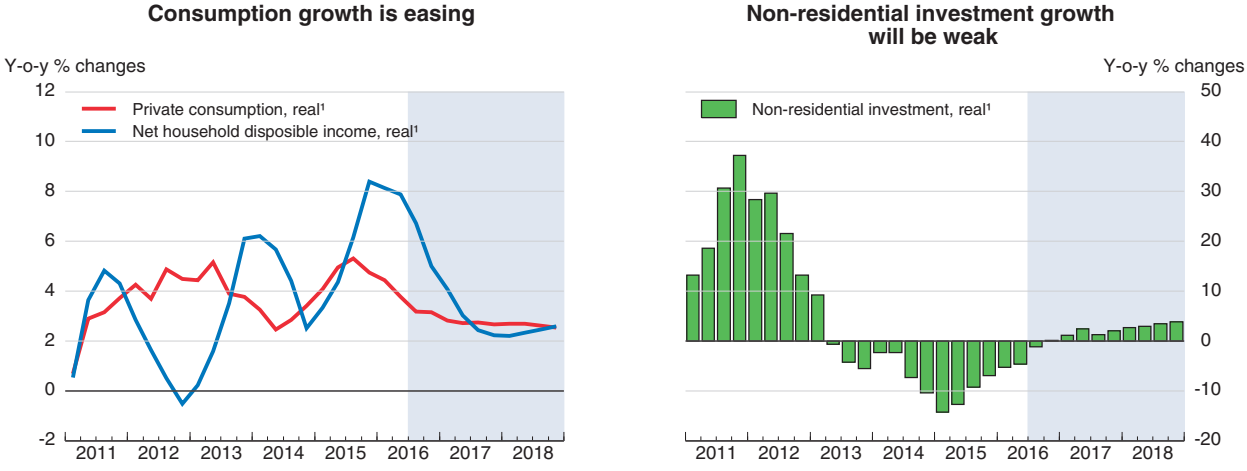
Fiscal policy will ease slightly but remain tighter than the fiscal rule of a structural balanced budget. Remaining inefficiencies in insolvency procedures, barriers to SME lending and labour shortages all undermine capital spending and productivity growth, calling for reforming the legal system, promoting new forms of business financing and strengthening the supply of marketable skills further.

With the lowest public debt in the OECD and a general government surplus in 2016, Estonia's fiscal position is very strong and prudent. The opportunity cost of this policy is high given the extremely favourable borrowing conditions and the need to fund growth-enhancing policies. Fiscal room should be used on measures to boost competitiveness and to make growth more inclusive, in particular by expanding active labour market policies and cutting labour taxes.

Domestic demand drives GDP growth

Output growth is driven by private consumption backed by rising household real disposable income. The labour market continues to tighten and wages are increasing fast. Inflation remains subdued due to earlier declines in commodity prices, despite rises in indirect taxes and unit labour costs. Exports are still held back by weak foreign demand and the high level of uncertainty about trade prospects. Business investment remains weak but may increase as confidence has strengthened and capacity utilisation has reached its long-term average. Tax receipts have been higher than expected and public investment

Estonia



1. Four-quarter moving average.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437576

Estonia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	18.9	2.7	1.5	1.1	2.4	2.9
Private consumption	9.7	3.4	4.8	3.2	2.7	2.5
Government consumption	3.6	2.5	3.4	0.1	1.5	1.3
Gross fixed capital formation	5.1	-6.9	-3.7	3.2	3.2	4.1
Final domestic demand	18.4	0.4	2.3	2.5	2.5	2.7
Stockbuilding[1]	0.1	2.4	-1.5	0.8	-0.2	0.0
Total domestic demand	18.5	3.0	0.7	3.4	2.3	2.7
Exports of goods and services	16.0	3.1	-0.6	3.9	3.8	4.3
Imports of goods and services	15.6	2.2	-1.4	6.6	3.5	4.1
Net exports[1]	0.4	0.8	0.6	-1.8	0.3	0.3
Memorandum items						
GDP deflator	_	1.9	1.0	1.7	2.4	2.6
Harmonised index of consumer prices	_	0.5	0.1	0.8	2.3	2.6
Private consumption deflator	_	0.5	0.0	0.7	2.3	2.6
Unemployment rate	_	7.4	6.2	6.9	7.6	8.0
General government financial balance[2]	_	0.7	0.1	0.4	-0.5	-0.1
General government gross debt[2]	_	14.1	12.9	12.4	13.1	13.3
General government debt, Maastricht definition[2]	_	10.7	10.1	9.5	10.2	10.4
Current account balance[2]	_	0.9	2.2	0.9	0.7	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 100 database.

StatLink http://dx.doi.org/10.1787/888933439037

lower than planned, suggesting the government will again outperform its fiscal targets in 2016.

Fiscal policy must support structural reforms

Fiscal policy will remain prudent: despite some easing in 2017, a surplus in structural terms will be maintained and the fiscal stance will be broadly neutral in 2018. A new tax refund for low-income earners, a higher family benefit and income tax allowance, and another significant increase in the minimum wage will support household purchasing power. Employer social security contributions will edge down from 33 per cent to 32.5 per cent and so only modestly mitigate the rise in labour costs.

Stronger fiscal easing would be appropriate given historically low borrowing costs, the very low level of debt (at around 10% of GDP) and the ample room for growth-enhancing policies. In particular, public spending can help to tackle upcoming supply-side constraints. Intensifying wage pressures and labour shortages will erode Estonia's competitiveness and its attractiveness for foreign investors. The tax wedge, which remains high by international standards, should be cut by further reducing social security contributions on low wage earners. The increase in the retirement age and the disability reform are expected to increase labour supply but active labour market policies should be stepped up to improve the employability of jobseekers. Also, more could be done to

alleviate skill mismatch and boost labour productivity, notably by improving the quality of vocational education and removing infrastructure bottlenecks.

Investment will recover only slowly

GDP growth is projected to pick up gradually to 2.9% in 2018. Following a long slump, investment will resume, underpinned by recovering foreign markets, increasing profits and low borrowing costs. Growth will remain subdued, however, due to persistent uncertainty on trade prospects and geopolitical developments. Public investment will rise in 2017 as EU structural funds from the 2014-2020 allocation period are absorbed.

Growth prospects are sensitive to global demand, especially developments in Sweden, Finland and Russia. The export sectors could be hit by a lower-than-expected recovery in Russia and worsening geopolitical tensions. On the other hand, investment could be boosted by stronger demand from the euro area and the Nordic countries in particular. The consequences of Brexit on trade in the Baltic Sea region are surrounded with uncertainty. Risks to the outlook also come from the impact of recent reforms on labour shortages, productivity gains and competitiveness.

EURO AREA

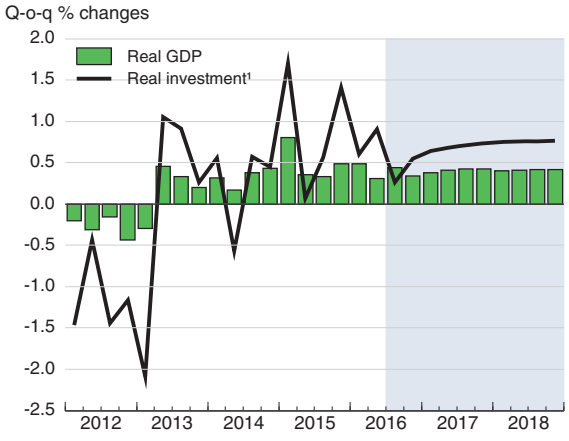
Economic growth is projected to remain subdued. Despite supportive monetary conditions, investment weakness will persist, reflecting low demand, banking sector fragilities and uncertainties about European integration. High unemployment and modest wage growth will hold back private consumption, while exports will be hampered by soft global trade and by weaker growth in the United Kingdom following the Brexit referendum. Inflation is set to rise very gradually. Across euro area countries, major differences in growth and unemployment prospects will persist.

The monetary policy stance should remain accommodative until inflation is clearly rising to the target of near 2%. However, monetary policy has become overburdened and should get more support from fiscal and structural policies. The projected fiscal stance is only slightly expansionary: a stronger fiscal stimulus with accompanying growth-friendly changes in the spending and taxation structure would rebalance the policy mix and support long-term growth. Completing the Single Market in services and network sectors would boost investment and productivity. Faster resolution of non-performing loans is also essential for stronger investment and may require establishing asset management companies and waiving existing bail-in procedures. Completion of the banking union would strengthen confidence and resilience to future crises.

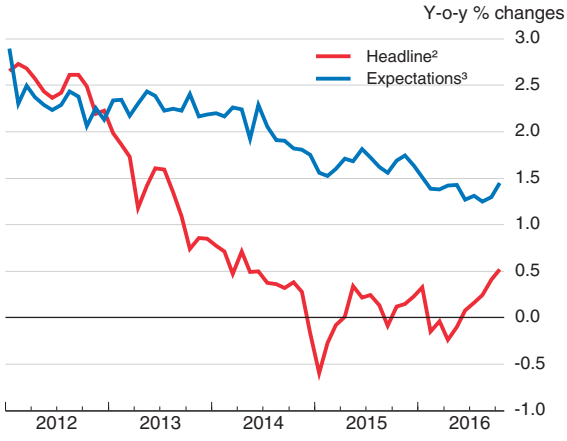
Very low interest rates have created additional fiscal space by reducing interest payments and allowing temporarily higher debt in several countries without triggering negative market reactions. This space should be used to support growth. High-quality infrastructure projects, like those reinforcing Trans-European networks, would support demand and raise output capacity. For this purpose, the conditions of the Stability and Growth Pact investment clause should be eased. To promote job creation and social mobility, countries should also shift taxes away from labour and prioritise spending on education and childcare.

Euro area

Growth remains modest and investment weak



Inflation is well below target



1. Total gross fixed capital formation.
2. Harmonised index of consumer prices.
3. Expected average annual inflation based on the difference between 5-year and 10-year inflation swaps.

Source: OECD Economic Outlook 100 database; Eurostat; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933437589

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

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.6	1.0	1.8	1.2	1.0
Unemployment rate[1]	11.6	10.9	10.0	9.5	9.1
Compensation per employee[2]	1.4	1.4	1.3	1.8	2.0
Labour productivity	0.6	0.8	0.2	0.4	0.7
Unit labour cost	0.7	0.8	1.1	1.2	1.2
Household disposable income	1.2	2.1	2.2	2.5	2.7
GDP deflator	0.9	1.1	1.0	1.1	1.3
Harmonised index of consumer prices	0.4	0.0	0.2	1.2	1.4
Core harmonised index of consumer prices[3]	0.8	0.8	0.9	1.1	1.4
Private consumption deflator	0.5	0.2	0.3	1.0	1.2

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 100 database.

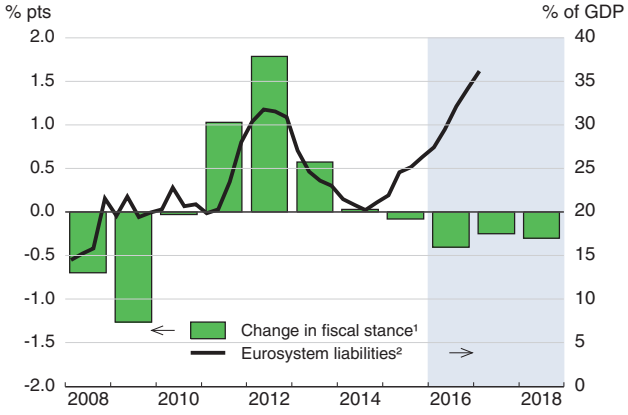
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Growth and investment have continued to disappoint

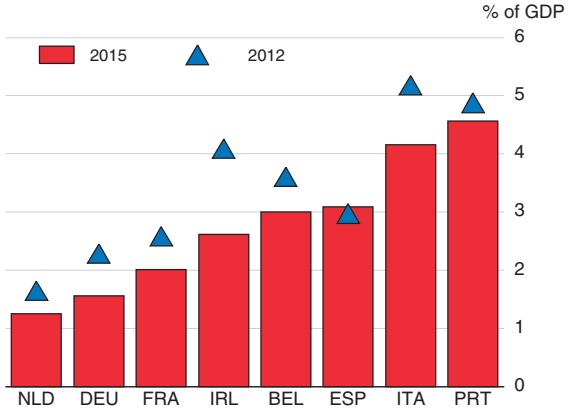
Growth slowed somewhat in the course of 2016, reflecting weakness in both exports and domestic demand. In particular, business investment has once more failed to display a sustained recovery. Weaker imports have helped to keep the area-wide current account surplus very large. Unemployment has continued to decline only gradually. The dissipation of effects from past falls in energy prices has increased consumer price inflation modestly, but core inflation (which excludes energy) has remained weak, reflecting a weak economy. Market-based inflation expectations have been trending downwards for some time until very recently.

Euro area

The fiscal-monetary mix is unbalanced



Government interest payments have fallen substantially



1. Change in the underlying primary balance as a percentage of potential GDP.
2. Estimates from fourth quarter of 2016 based on monthly increases of EUR 80 billion until March 2017.
Source: OECD Economic Outlook 100 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933437597

Euro area: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	6.0	6.0	6.2	6.2	6.1
General government financial balance[2]	-2.6	-2.1	-1.8	-1.5	-1.3
General government gross debt[2]	111.9	109.5	108.9	108.1	106.9
General government debt, Maastricht definition[2]	94.5	92.8	92.2	91.4	90.2
Current account balance[2]	3.0	3.9	4.1	4.0	4.0
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	2.0	1.1	0.8	0.6	0.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438946

Economic performance has remained divergent across countries, in line with the patterns observed in recent years. Activity in Germany has generally continued to outpace that in France and Italy, in tandem with a much lower unemployment rate. Among the countries hit hardest by the sovereign debt crisis, Ireland and Spain have maintained much stronger growth than their peers, with the recovery in Spain being boosted by a significant easing of fiscal policy.

Fiscal and structural policies need to do more for growth and equity

Modest growth prospects, high levels of private debt and uncertainty about the future of European integration continue to hamper private domestic demand, and especially investment. Furthermore, bank lending remains too weak, especially in countries with high levels of non-performing loans. Subdued global trade and slower growth in the United

Euro area: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2014 prices)					
GDP at market prices	10 387.8	1.7	1.6	1.7	1.6	1.6	1.7
Private consumption	5 705.2	1.6	1.4	1.5	1.4	1.5	1.5
Government consumption	2 153.0	1.8	1.3	1.2	1.4	1.4	1.1
Gross fixed investment	2 049.6	3.0	2.5	3.0	2.3	2.8	3.1
Final domestic demand	9 907.8	1.9	1.6	1.7	1.6	1.7	1.7
Stockbuilding[1]	7.9	-0.1	0.0	0.0			
Total domestic demand	9 915.7	1.8	1.6	1.7	1.4	1.7	1.7
Net exports[1]	472.1	-0.1	0.0	0.0			

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438958

Euro area: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Foreign balance	473.0	523.7	564.2	568	586
Invisibles, net	- 73.8	- 78.1	- 79.0	- 94	- 99
Current account balance	399.2	445.6	485.2	474	487

Note: Covers the euro area countries that are members of the OECD.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438965

Kingdom, a major export partner, following the Brexit decision will weigh on euro-area export growth.

Monetary conditions are projected to remain very accommodative over the projection horizon, with an unchanged policy rate for main refinancing operations and substantial asset purchases, mainly of sovereign bonds, beyond March 2017. This is appropriate given the weak recovery and below-target inflation. But monetary policy alone will not suffice to revive growth. It is increasingly clear that fiscal policy will have to play a larger role if Europe is to escape its low-growth trap.

The projected area-wide fiscal stance is only slightly expansionary in 2017-18. Furthermore, the countries where fiscal expansion is projected to be strongest are not always the ones where fiscal space is the largest, and some expansionary measures already planned will not make the composition of public finances more growth and equity-friendly. Fiscal stimulus should be increased, especially in countries with the most room for manoeuvre. Fiscal policy can also be made more supportive of growth and inclusiveness by reprioritising spending and taxation. Examples include giving higher priority to spending on education and childcare, with accompanying institutional and efficiency improvements, and decreasing labour taxation, especially for low earners. Another example is to focus spending on well-chosen and executed soft and hard infrastructure investments, such as Trans-European railways and energy network projects, which raise aggregate demand and, once in place, aggregate supply. Beyond fiscal policy, product market structural reforms to complete the Single Market in services and network sectors should also receive high priority.

To enable fiscal expansion and make it support growth sustainably, the investment clause of the Stability and Growth Pact (SGP) should be broadened, and the ECOFIN Council should develop a more coherent approach to the use of discretion when applying the SGP, with enhanced consideration of the quality of public finances. Incentives for growth and equity-friendly fiscal expansion could also be strengthened by introducing some conditionality in future sovereign bond purchases by the European Central Bank, linked for example to increases in public investment.

The financial sector also needs to be strengthened. Deepening the banking union through a common backstop to the Single Resolution Fund and deposit insurance at the European level would reinforce confidence in the monetary union and ease the management of future crises. Strengthening the financial sector also requires faster resolution of non-performing loans, which in some cases may require setting up asset management companies and waiving bail-in procedures.

Growth is projected to remain subdued

GDP growth is projected to stabilise at above 1½ per cent in the next two years. Domestic demand will be subdued, reflecting overburdened monetary policy, insufficient fiscal support and several structural bottlenecks. Despite modest export growth, the large current account surplus will persist. The projected decline in unemployment will still leave substantial labour market slack in many countries, and inflation, though gradually increasing, will consequently remain well below 2%.

Rising uncertainty about the modalities of the United Kingdom's exit from the European Union and the subsequent trade arrangements could hamper investment and exports. Financial turbulence abroad would decrease demand for euro area exports and investment. Confidence in the euro area could weaken due to idiosyncratic political or banking sector risks in vulnerable countries. A possible decision by the European Central Bank to taper unconventional policies would reduce risks of financial distortions but could rekindle tensions in sovereign debt markets, with knock-on effects in other asset markets. On the other hand, stronger fiscal and structural policy action than is now envisaged by policymakers would deliver higher growth than projected.

FINLAND

Rising private consumption and investment growth have pulled the economy out of recession. However, output growth is projected to remain sluggish over the coming years, as domestic demand growth is projected to weaken again, although export growth will rise significantly as external demand edges up and competitiveness improves. Unemployment will decline modestly and inflation will pick up only slowly.

Substantial progress has been made on implementing the government's reform programme. The social partners have agreed on a Competitiveness Pact, which lowers labour costs in 2017, and on wage moderation over the following years. Enhancing labour market flexibility would raise the employment rate further. Health care reform is also moving forward, with the decisions to shift some responsibilities from municipalities to newly-created regional institutions in 2019 and reform funding mechanisms. After easing in 2016, the stance of fiscal policy is set to be broadly neutral in 2017-18.

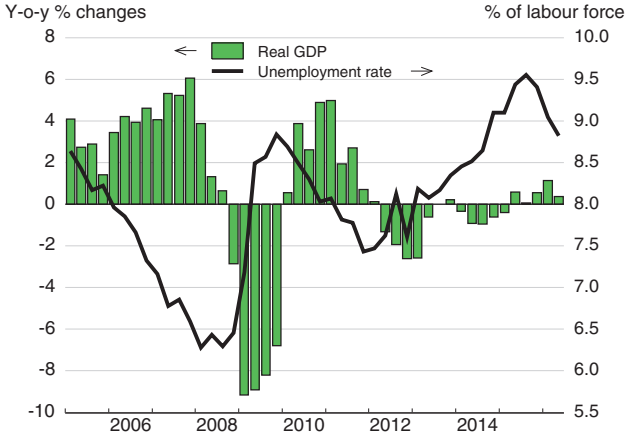
The room offered by Finland's low government deficit and debt should be used to support the economy through the tax and social contributions cuts linked to the Competitiveness Pact and through investments in infrastructure. There is room to spend more than currently planned on tertiary education and public R&D, and to provide fiscal incentives for private investment in R&D and staff training.

Output expansion lowers unemployment

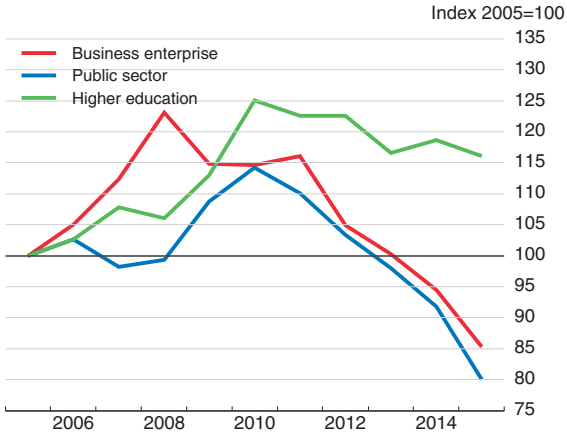
Output growth is strengthening somewhat, but is facing headwinds from weak external demand, especially for commodities and investment goods, which account for the bulk of Finnish exports. Very low wage increases, agreed by social partners to restore price competitiveness, are holding back private consumption. However, household real disposable income is rising due to low inflation. Coupled with low interest rates, this supports a rebound in investment, especially in construction. Investment in machinery

Finland

Output growth remains weak, but unemployment is falling



R&D spending is falling[1]



1. Deflated by GDP prices.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437601

Finland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	203.3	-0.7	0.2	0.9	0.9	1.1
Private consumption	111.3	0.6	1.5	1.5	0.6	0.8
Government consumption	50.3	-0.5	0.4	0.1	-1.2	0.0
Gross fixed capital formation	43.1	-2.5	0.7	4.4	2.4	2.1
Final domestic demand	204.7	-0.3	1.0	1.8	0.5	0.9
Stockbuilding[1,2]	0.5	0.2	0.4	-0.4	0.4	0.0
Total domestic demand	205.1	-0.1	1.4	1.4	0.9	0.9
Exports of goods and services	78.9	-1.7	-0.2	1.8	3.8	3.8
Imports of goods and services	80.7	-0.2	1.9	2.2	3.0	3.1
Net exports[1]	- 1.8	-0.6	-0.8	-0.2	0.3	0.2
Memorandum items						
GDP without working day adjustments	_	-0.7	0.2	..	..	..
GDP deflator	_	1.7	1.6	1.2	0.4	0.7
Harmonised index of consumer prices	_	1.2	-0.2	0.3	0.8	0.8
Private consumption deflator	_	1.5	0.4	0.5	0.7	0.8
Unemployment rate	_	8.7	9.4	8.8	8.6	8.5
General government financial balance[3]	_	-3.2	-2.8	-2.7	-2.5	-2.2
General government gross debt[3]	_	71.5	74.2	78.0	81.2	84.2
General government debt, Maastricht definition[3]	_	60.2	63.6	67.1	69.6	71.9
Current account balance[3]	_	-1.1	-0.4	-0.7	-0.6	-0.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439047

and equipment, notably in large-scale forestry and energy projects, is also strong. The unemployment rate is falling thanks to job creation in services and construction, while population ageing is shrinking the labour force. The fiscal deficit remains close to 3% of GDP, as spending cuts and higher revenue are offset by increasing age-related costs.

Major progress in structural reforms has been achieved

The social partners have agreed on a Competitiveness Pact, which will lower unit labour costs by about 4% from 2017. Employees will work 24 hours longer annually for the same wages, public sector holiday bonuses will be cut, and employer social security contributions will be reduced and partly shifted to employees. In addition, the current collective agreements freezing wages are extended to around end-2017. The pact also provides cuts in taxes and social contributions in 2017. All these measures should help to contain unit labour costs, and thereby strengthen international competitiveness and export prospects.

Additional spending on transport infrastructure maintenance over 2016-18 should further support growth. However, substantial cuts in tertiary education risk harming future growth, even though they may be partly offset by efficiency gains. Furthermore, both public and private R&D expenditures have declined over recent years. To enhance innovation,

more spending on public R&D and fiscal incentives for private investment in R&D and staff training should be considered.

Long-term fiscal sustainability is set to be strengthened by the health care reform. By shifting some responsibilities from municipalities to newly-created regional institutions in 2019, and by changing funding mechanisms, this reform will generate economies of scale, while enhancing user choice and equality in access to care across the country.

Growth set to remain sluggish

Continued weak growth will be supported mainly by exports, as private consumption is constrained by low household income growth. Investment growth is broad-based, with residential and commercial real estate investment fuelled by low interest rates and high demand in the biggest cities. Shrinking spare capacity in some sectors should support modest machinery and equipment investment. Although the unemployment rate is poised to continue to come down slowly, further policy reforms to enhance labour market flexibility will be needed to significantly increase the employment rate.

As a small open economy, Finland is sensitive to global economic and world trade developments. A slowdown in other Nordic countries and Germany would hurt exports. Worsening geopolitical tensions, a further economic slowdown in China or increased volatility in emerging market economies, notably Russia, could disrupt the recovery. Conversely, a rebound in global investment would boost Finnish exports.

FRANCE

GDP growth is projected to edge up to 1.6% by 2018, as tax cuts and faster job growth support stronger private consumption. Business investment should also pick up owing to tax reductions and low interest rates. In turn, the unemployment rate should continue to gradually fall, thanks to lower social security contributions, hiring subsidies and significant upscaling of training available to jobseekers. Inflation will remain low, as slack persists.

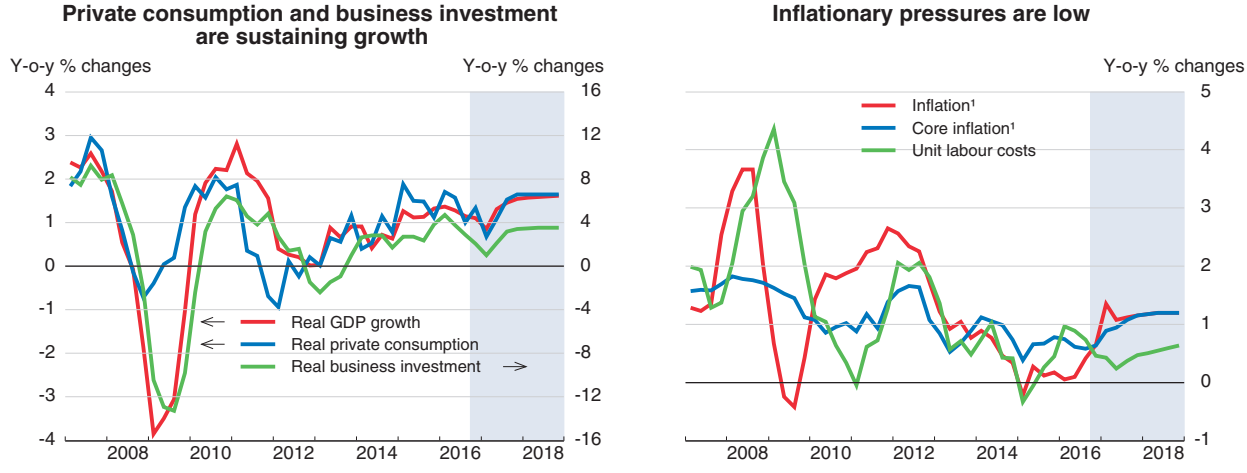
A continued reduction in debt servicing costs and some spending restraint is projected to bring the fiscal deficit down to just below 3% of GDP in 2018. Tax and social security cuts have reduced labour costs and improved the investment climate. A recent labour law reform clarifies conditions for dismissals and gives more importance to firm-level agreements on working time.

At 57% of GDP, France has one of the highest public spending ratios in the OECD, and high taxes are needed to finance it. The overall fiscal stance is largely neutral over the projection period. However, further tax and social security contribution cuts should be pulled forward to stimulate the economy and reduce unemployment faster. In the longer term, to lower the high tax burden, the government should continue to reduce spending, focussing more on limiting inefficiencies and non-priority areas. This requires continued efforts to better target social spending, reduce the number of sub-central governments and the overlaps in their competencies.

A gradual recovery has taken hold

Tax cuts and low energy prices have bolstered real wages and helped companies restore their profit margins, supporting a strong rebound in consumption and business investment. The economy hit a soft patch in mid-2016, but recent indicators suggest growth has resumed. The fall in residential investment has started to level off. Public

France



1. Harmonised consumer price index, excluding energy, food, alcohol, and tobacco for core inflation.
Source: OECD Economic Outlook 100 database; and INSEE.

StatLink http://dx.doi.org/10.1787/888933437617

France: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.1	0.1	0.7	0.5	0.7
Unemployment rate[1]	10.3	10.4	9.9	9.7	9.6
Compensation per employee[2]	1.1	1.1	1.1	1.3	1.7
Unit labour cost	0.7	0.1	0.6	0.6	0.8
Household disposable income	0.8	1.5	1.5	1.8	2.4
GDP deflator	0.5	0.6	0.8	0.8	1.0
Harmonised index of consumer prices	0.6	0.1	0.3	1.2	1.2
Core harmonised index of consumer prices[3]	1.0	0.6	0.6	1.0	1.2
Private consumption deflator	0.1	-0.2	0.0	0.6	0.7
Memorandum item					
Unemployment rate[4]	9.9	10.1	9.6	9.4	9.3

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

Source: OECD Economic Outlook 100 database.

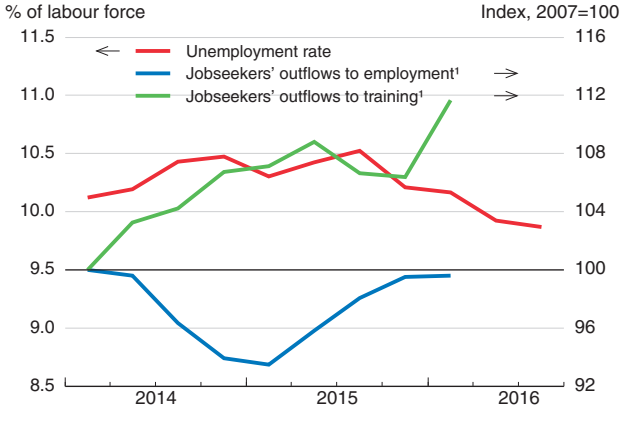
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investment has returned to growth after local governments had sharply cut back their investment in response to lower central government transfers.

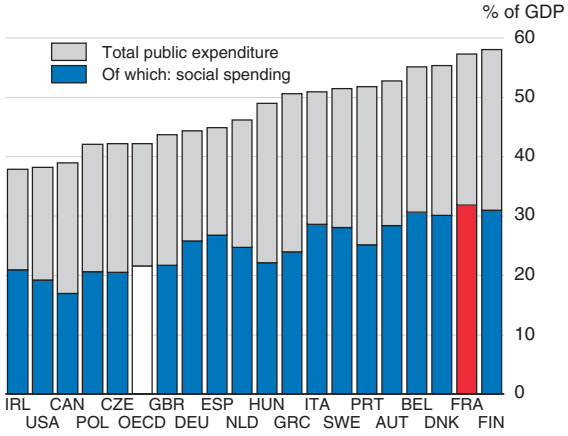
The unemployment rate has edged down, thanks to stronger economic growth in combination with tax reductions and hiring subsidies, which has spurred hiring. In addition, the expansion of training programmes for the unemployed has temporarily drawn people out of the labour force. Headline inflation has turned positive again, as

France

Employment growth and more training for jobseekers are reducing unemployment



Public spending is high
2014



1. Quarterly cumulated outflows of jobseekers, registered with Pôle Emploi in categories A, B and C, to employment or training schemes; three-month moving average.

Source: OECD Economic Outlook 100 Database; OECD Social Expenditure (SOCX) Database; and DARES.

StatLink http://dx.doi.org/10.1787/888933437628

France: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, gross[1]	14.1	14.1	14.1	14.1	14.1
General government financial balance[2]	-4.0	-3.5	-3.3	-3.0	-2.9
General government gross debt[2]	120.3	120.9	122.7	124.1	125.0
General government debt, Maastricht definition[2]	95.2	96.2	97.9	99.4	100.2
Current account balance[2]	-1.1	-0.2	-1.0	-0.8	-0.9
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	1.7	0.8	0.4	0.2	0.2

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438803

energy prices have stopped declining, but core inflation continues to be low as unemployment remains high and there is still ample spare capacity.

Further tax reductions should be pulled forward, but well-designed spending cuts are needed thereafter

Sharp cuts in local government investment reduced the general government deficit to 3.5% of GDP in 2015, which was lower than expected. The ongoing series of tax cuts will continue to reduce revenues, and the 2017 draft budget includes additional spending on

France: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	2 181.1	1.2	1.3	1.6	1.1	1.5	1.6
Private consumption	1 201.6	1.4	1.2	1.6	1.3	1.6	1.6
Government consumption	521.8	1.5	1.1	1.0	1.5	1.0	1.0
Gross fixed investment	469.1	2.8	2.3	2.9	2.1	2.8	2.9
Public	75.3	2.7	2.5	2.0	2.4	2.0	2.0
Residential	112.2	1.5	1.8	1.9	2.0	1.5	2.0
Non-residential	281.7	3.3	2.4	3.5	2.1	3.4	3.5
Final domestic demand	2 192.5	1.7	1.4	1.8	1.5	1.7	1.8
Stockbuilding[1]	18.8	0.1	0.1	0.0			
Total domestic demand	2 211.3	1.8	1.5	1.7	1.3	1.7	1.8
Exports of goods and services	654.8	1.0	3.2	3.2	1.4	3.3	3.3
Imports of goods and services	685.0	2.9	3.6	3.4	1.8	3.4	3.4
Net exports[1]	- 30.2	-0.6	-0.2	-0.1			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.
1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438815

employment, education and security. Yet, spending restraint in other areas, stronger growth and lower debt service, which is projected to fall by a full percentage point of GDP from 2012 levels by the end of the projection period, will help cut the deficit gradually to 2.9% of GDP in 2018.

France's very high public spending means a heavy tax burden, which hurts employment and investment. To help France escape from its low-growth trap and ensure durable reductions in unemployment, planned tax cuts should be pulled forward. However, reducing the tax burden will require controlling spending through reforms that are sustainable in the long term. After years of across-the-board expenditure restraint and a partial public-sector wage freeze, the authorities need to focus more on inefficiencies and identify non-priority areas for cuts.

Further efforts are needed to better target France's relatively high and rising social spending on the poor, contain spending on pensions and increase the effective retirement age, including by aligning older workers' unemployment benefit entitlements with those of younger workers. Such measures would make room for better supporting children and young adults, who are too often harmed by high unemployment and poverty. Building on recent sub-central government streamlining, further reforms are needed to reduce the large number of municipalities and eliminate overlaps in competencies across different levels of government. Education spending is broadly appropriate but needs to be better targeted at weak students. The quality of infrastructure is high overall, but the recent consolidation focussed too much on public investment cuts, and this needs to be reversed, while better targeting poor neighbourhoods.

Growth is projected to increase gradually

The modest pick-up in output growth, along with continued tax cuts and new hiring subsidies, is projected to support gradual employment gains and a further small decline in the unemployment rate. The extension of the accelerated depreciation allowance into 2017 and additional reductions in social contributions and business taxes will contribute to stronger business investment. The gradual recovery in residential investment is projected to continue, and public investment should grow moderately. The prospect of the United Kingdom leaving the European Union is projected to hold back France's exports. The current account deficit will stay largely stable at around 1% of GDP. Owing to persistent substantial slack, core consumer price inflation is not expected to accelerate.

The 2017 presidential elections create considerable uncertainty, as candidates' economic programmes differ widely. Adverse developments in emerging markets, China in particular, would also have negative repercussions. If the nature of the United Kingdom's exit from the European Union were to be clarified faster than expected and turned out to involve a more favourable trade regime with EU countries, such as continued adherence to the single market, French exports and investment could be stronger than under the baseline assumptions. Moreover, the medium-term effects of lower taxes and social charges on business sentiment could be larger than expected, leading to stronger investment, employment and consumption. Also, households have not yet spent all their energy-related savings but could do so in the future.

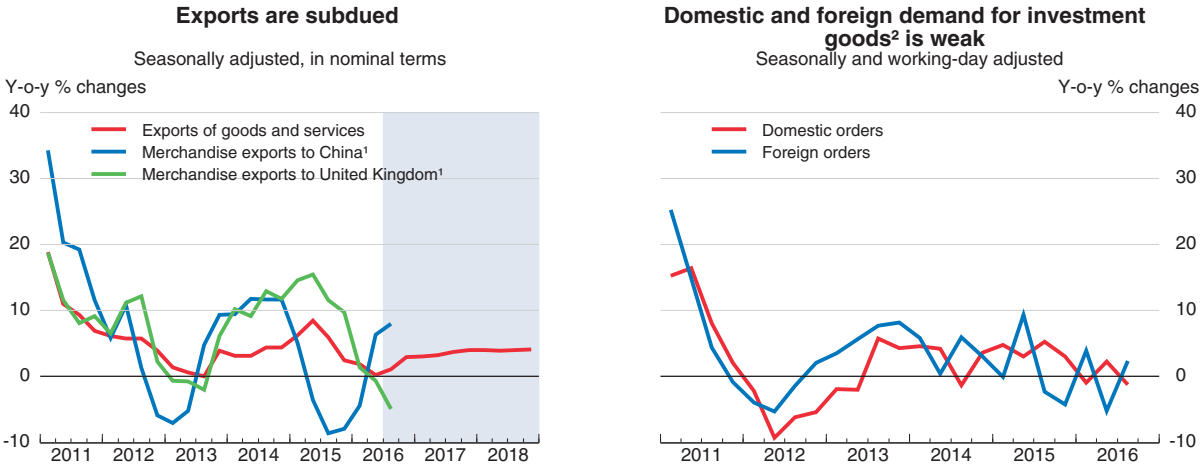
GERMANY

Economic growth is projected to remain solid, as a robust labour market, low interest rates and a mildly expansionary fiscal stance underpin consumption and residential investment. Demand from emerging market economies and euro area countries is expected to strengthen only slowly, holding back business investment. The unemployment rate will remain at historic lows. The current account surplus will fall somewhat but will remain high.

Budgetary policy needs to provide even more support to counter subdued demand in the euro area and to address key structural weaknesses holding back inclusive growth. Reforms to remove barriers to entry and competition in professional services, in telecommunications, postal and rail transport services and crafts would strengthen entrepreneurship, productivity and investment. More effective requirements for banks to separate investment from retail banking, and stricter leverage ratio requirements would reduce financial market risks.

The structural budget deficit is projected to remain within the medium-term target and government debt will continue to fall. Higher spending on key education services and tax reform would boost inclusive and green growth. Training for immigrants and the supply of childcare and full-day primary schools need to improve. Social security contributions for low-pay workers should be reduced. Lowering the tax rate faced by second earners in a family would remove significant work and career barriers for women. Tax expenditures for activities that damage the environment should be phased out and more taxes on emissions of harmful air pollutants introduced. Real estate valuations for tax purposes should reflect market values, reduced VAT rates should be phased out and taxation of capital gains extended to residential real estate.

Germany



1. Average of growth in July and August for 2016Q3.
2. Volume index of new orders.

Source: OECD Economic Outlook 100 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933437635

Germany: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.9	0.7	2.6	1.1	0.9
Unemployment rate[1]	5.0	4.6	4.2	4.2	4.1
Compensation per employee[2]	2.8	2.4	2.2	2.8	3.1
Unit labour cost	2.2	2.1	1.7	1.8	2.1
Household disposable income	2.3	3.1	2.5	2.8	3.2
GDP deflator	1.8	2.0	1.4	1.2	1.5
Harmonised index of consumer prices	0.8	0.1	0.3	1.4	1.7
Core harmonised index of consumer prices[3]	1.1	1.1	1.1	1.3	1.7
Private consumption deflator	0.9	0.6	0.5	1.2	1.5

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

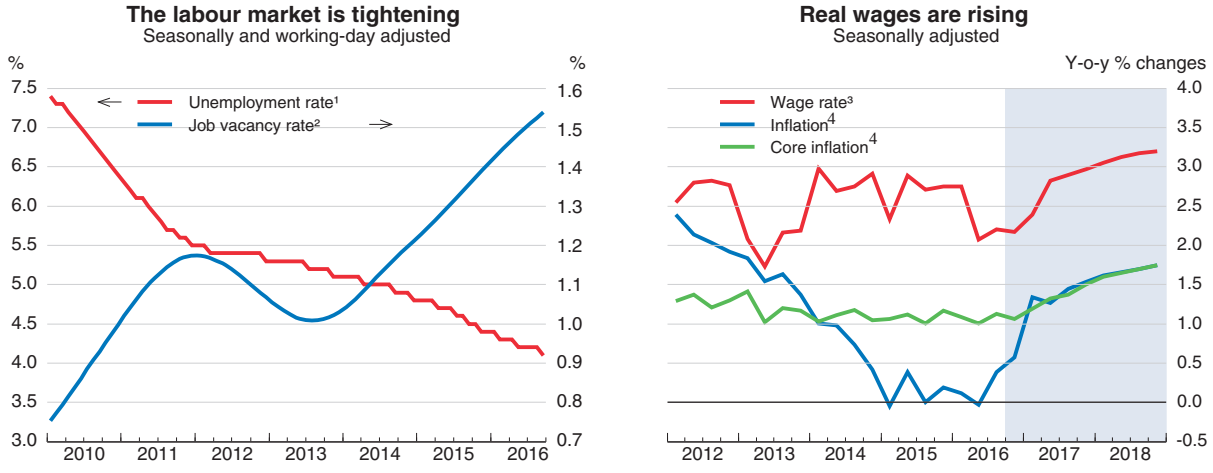
Source: OECD Economic Outlook 100 database.

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External demand has weakened

Economic activity decelerated in the third quarter, as subdued world trade and the slow recovery of the euro area weighed on exports. Foreign demand for investment goods, on which German industry is specialised, remained weak. Subdued exports are checking domestic business investment. By contrast, household demand remained vigorous. A robust labour market raised household incomes, boosting private consumption. Recent immigration and low interest rates spurred housing construction. Credit growth remained

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 2016Q3.
4. Harmonised consumer price index (HICP). Core HICP excludes energy, food, alcohol and tobacco.

Source: OECD Economic Outlook 100 database; and Statistisches Bundesamt.

StatLink http://dx.doi.org/10.1787/888933437641

Germany: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	9.4	9.7	9.7	9.6	9.4
General government financial balance[2]	0.3	0.7	0.5	0.5	0.7
General government gross debt[2]	81.9	77.9	74.7	71.7	68.7
General government debt, Maastricht definition[2]	74.7	71.2	68.0	65.0	62.0
Current account balance[2]	7.4	8.5	9.2	8.8	8.7
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	1.2	0.5	0.1	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933438777

low, as regulation of mortgage lending tightened. House prices have broadly risen in line with rental prices and incomes.

Vigorous activity in employment-intensive services, such as in retail trade and restaurants, has boosted employment and wage growth and kept unemployment at historic lows. The inflow of refugees fell sharply in the course of 2016. However, most

Germany: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	3 030.1	1.7	1.7	1.7	1.7	1.9	1.7
Private consumption	1 636.5	1.4	1.6	1.7	1.2	1.7	1.7
Government consumption	583.7	3.8	2.4	2.0	3.2	2.2	1.8
Gross fixed investment	602.4	2.0	1.4	2.3	0.8	2.3	2.3
Public	64.3	3.5	2.0	2.4	-2.9	2.7	2.3
Residential	177.3	3.6	2.9	3.3	3.4	3.2	3.2
Non-residential	360.8	1.0	0.6	1.8	0.1	1.7	1.9
Final domestic demand	2 822.6	2.0	1.7	1.9	1.5	2.0	1.9
Stockbuilding[1]	- 20.8	-0.3	0.0	0.0			
Total domestic demand	2 801.8	1.7	1.7	1.9	1.1	2.0	1.9
Exports of goods and services	1 415.4	2.7	2.7	2.8	3.7	3.0	2.8
Imports of goods and services	1 187.1	2.9	3.0	3.5	2.6	3.5	3.4
Net exports[1]	228.4	0.1	0.1	0.0			
Memorandum items							
GDP without working day adjustments	3 032.7	1.8	1.4	1.7			

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438783

refugees have yet to enter the labour market, once asylum procedures and first training measures are completed. Many are expected to do so in the coming two years.

An expansionary fiscal stance and favourable financial conditions are boosting domestic demand

The fiscal stance is projected to be mildly expansionary in 2017 and 2018, reflecting rising spending on the integration of immigrants, on long-term care benefits, on childcare facilities, and on investment (including broadband and social housing). The federal government will also increase transfers to fund local government investment and pension spending will rise automatically under entitlement rules. Higher spending on key education services and tax reform would boost inclusive and green growth. Training for immigrants and the supply of childcare and full-day primary schools need to expand further. More resources should be provided to schools with a relatively high share of pupils with disadvantaged socio-economic background. Planned increases in infrastructure spending may not be sufficient to maintain high-quality infrastructure in the long-term.

Financial market conditions are supportive of economic growth, reflecting very expansionary euro area monetary policy. Long-term interest rates on government debt dropped below zero and stock market prices rose. However, uncertainty about profitability of large, systemically important banks damps confidence, and this may be reinforced by their high leverage and the inherent difficulties in dealing with failing global systemically important financial institutions while avoiding a government bail-out. Restructuring the public *Landesbanken*, including through privatisation and focusing on core activities, could improve efficiency of lending and ensure that only banks with viable business models remain in the market.

Reducing barriers to entry in telecommunications, postal and rail transport services, in professional services and in some crafts would raise investment and productivity growth. Lower barriers for setting up a business, for example in construction-related crafts, would boost economic opportunities for immigrants, who are particularly likely to seek self-employment and employment in the construction sector. Lowering such barriers could help ease supply bottlenecks in the construction sector. Many refugees have poor German language skills and lack formal qualifications, and will not find jobs quickly. The government has expanded training opportunities and facilitated access to the education system. It has improved refugees' incentives to engage in training, for example by lowering legal barriers for refugees to take up jobs before their asylum request is processed.

Domestic demand will be the main driver of growth

Economic growth is projected to remain robust in 2017 and 2018, driven by private household demand and higher government spending. Strong domestic demand will push up consumer prices somewhat, as wages grow more strongly than productivity. The current account surplus will fall somewhat. Unemployment is expected to remain historically low. Subdued world trade and investment in key trading partners will keep export growth at a modest level and price competitiveness may weaken somewhat. Brexit-related weakness in the United Kingdom, Germany's third largest trading partner, will also damp exports. Notwithstanding fiscal easing, strong tax revenue growth and declining debt servicing costs are expected to raise the government surplus.

The exit of the United Kingdom from the European Union has increased uncertainty about trade and investment prospects. A sharp slowdown of activity in emerging market

economies and protracted weak demand in the euro area would weaken exports and investment. In the event of sharp losses among systemically important banks, financial market confidence could suffer substantially. On the other hand, some businesses have indicated they are considering shifting investment from the United Kingdom to Germany. Steps to implement reforms to complete the Single Market in the European Union and establish a more comprehensive banking union in the euro area could boost exports and the attractiveness of Germany as a location to invest.

GREECE

Growth has rebounded in the second half of 2016 and is projected to gain strength in 2017 and 2018 as structural reforms start to bear fruit, the conclusion of a policy review with creditors raises business and consumer confidence and the economic and political environment stabilises. Exports of services are underperforming because of structural rigidities and capital controls (which particularly affect the export revenue from the shipping industry). Employment is projected to increase but unemployment remains far too high.

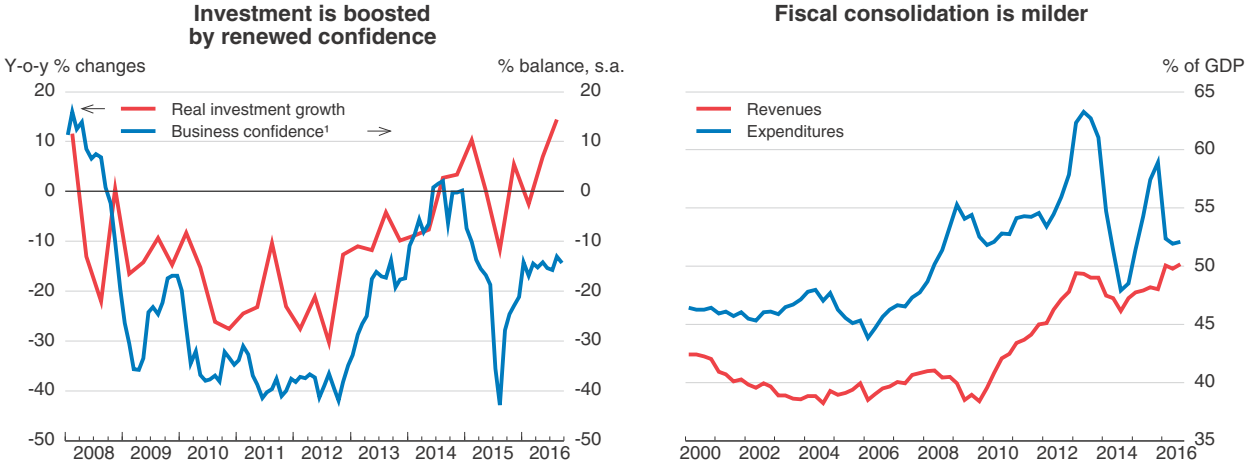
The Guaranteed Minimum Income should help address rising poverty and make growth more inclusive. The implementation of key structural reforms to reduce the regulatory burden and ease regulation in the energy and transport sectors will boost productivity and growth. The high level of non-performing loans undermines credit growth, holding back investment. To deal with this, the authorities should implement already legislated incentives and performance targets for banks to monitor their progress in reducing bad debt.

The huge public debt undercuts confidence in the Greek economy, a situation that calls for additional debt relief. Even if the ambitious medium-term fiscal targets established in the 2015 agreement with creditors were met, more should be done to make public debt clearly sustainable. The implementation of structural reforms would boost growth and thereby improve debt dynamics. Broadening further the tax base and ensuring that the new independent public revenue agency improves tax compliance and collection would increase revenues.

The economy is slowly recovering

The financing programme agreed with creditors in August 2015 and the completion of the first review has spurred confidence and boosted investment and consumption. However, travel receipts declined in the first half of 2016 and the contribution of tourism to

Greece



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

Source: OECD Economic Outlook 100 database; OECD, Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933437653

Greece: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	180.5	0.4	-0.3	0.0	1.3	1.9
Private consumption	127.8	0.7	0.3	-0.9	0.8	1.6
Government consumption	37.1	-2.4	-0.1	-1.7	-1.1	-0.4
Gross fixed capital formation	21.7	-2.7	0.9	3.3	4.3	4.6
Final domestic demand	186.5	-0.3	0.3	-0.6	0.8	1.6
Stockbuilding[1,2]	- 1.0	1.4	-1.7	1.3	-0.1	0.0
Total domestic demand	185.5	1.1	-1.1	0.6	0.8	1.6
Exports of goods and services	55.0	7.4	-3.8	-7.5	3.9	4.9
Imports of goods and services	60.1	7.8	-6.9	-2.2	2.6	3.5
Net exports[1]	- 5.1	-0.3	1.2	-1.6	0.3	0.3
Memorandum items						
GDP deflator	_	-1.9	-1.1	0.1	0.9	1.2
Harmonised index of consumer prices	_	-1.4	-1.1	0.1	1.1	1.4
Private consumption deflator	_	-2.8	-1.3	-0.2	0.7	1.3
Unemployment rate	_	26.5	24.9	23.5	23.1	22.7
General government financial balance[3,4]	_	-3.6	-7.5	-2.0	-0.2	0.5
General government gross debt[5]	_	182.8	183.9	185.7	182.7	177.6
General government debt, Maastricht definition[3]	_	179.8	177.7	179.7	176.6	171.5
Current account balance[6]	_	-1.6	0.1	-1.0	-0.6	-0.1

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439053

GDP growth is expected to decrease further due to the impact of Brexit and the refugee crisis. Financing conditions are still weak with the high level of non-performing loans limiting credit, despite the gradual but steady easing of the capital controls. Notwithstanding weak activity, employment has continued to increase, especially in manufacturing, but unemployment is still very high, resulting in a great deal of poverty.

The primary budget surplus is expected to be above the target of 0.5% of GDP in 2016. The government has legislated fiscal measures to reach the primary surplus target of 1.75% of GDP for 2017 and 3.5% for 2018. These measures include broadening of the tax base as well as spending cuts at a time when social needs are important. The government is undertaking a pilot review of some spending categories and plans to extend the review to the entire public administration to identify inefficiencies. The aim will be to redirect resources towards social protection measures to combat the exclusion and poverty that arose in the wake of the crisis that began in 2009. Notwithstanding these welcome initiatives, some form of debt relief will be needed to raise growth and incomes.

The full implementation of structural reforms is needed to enhance inclusiveness

The social cost of the crisis has been severe and the poverty rate almost tripled between 2007 and 2013, when measured against pre-crisis incomes. Fully implementing social policies, such as the guaranteed minimum income, a targeted school meal and housing assistance programmes, is therefore needed. The conclusion of the pension system reform will improve fairness, as pensioners are better off than the younger generation, and free up resources for greater support for the poor and the unemployed. The modernisation of the public employment service would benefit the high number of unemployed, especially among youth and the long-term unemployed.

The implementation of structural reforms, especially the reduction of oligopoly power and regulatory burdens, has been too slow to generate sustainable growth. Further reducing administrative burdens and opening up of professions would enhance productivity and investment, particularly for SMEs. Continuing easing of regulations in energy, communications and transports would raise competitiveness and enhance exports. The acceleration of privatisations would raise competitiveness and efficiency. Further broadening the tax base and ensuring that the new independent public revenue agency improves tax compliance and collection would increase revenues and help fighting tax evasion. That revenue could be used to support social policies and to make growth more inclusive.

Growth is projected to rebound but uncertainty remains

Output growth is projected to gain strength as structural reforms boost investment and consumption. Employment will increase but unemployment will stay high, especially for youth. Inflation is projected to rebound slightly over the projection period, pushed up by stronger wage growth.

Full and swift implementation of structural reforms, faster improvement in the liquidity and financing conditions of the banking system, and some form of further debt relief would spur confidence and the recovery. Weaker global trade and growth in the European Union and China would affect Greek exports. Geopolitical tensions among Greece's neighbours and the related refugee crisis would pose significant additional challenges.

HUNGARY

Growth should pick up in 2017 as new infrastructure projects are launched in the context of the new cycle of EU structural funding, before moderating in 2018. Private consumption should remain the main growth driver, given projected employment gains, in part supported by still large public works schemes, and faster wage growth. Increasing unit labour costs and weak markets will cut export growth.

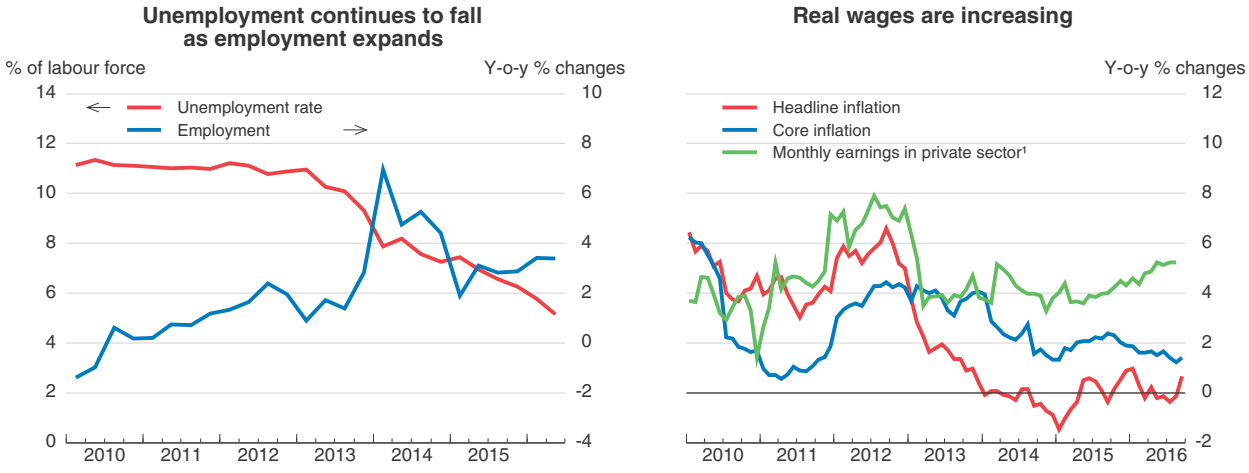
The fiscal stance is becoming expansionary, reflecting lower personal income taxes and other measures to support the economy. However, economic slack is disappearing, pushing up wage growth and consumer price inflation, which is projected to reach the official 3% target by end-2018.

Debt service costs have fallen by 1 percentage point of GDP since 2013, creating some fiscal space. However, using that space could prove pro-cyclical unless growth disappoints, and public debt is still high. Fiscal policy could focus more on enhancing the economy's growth potential by re-prioritising public spending. In particular, scaling back public works schemes as the labour market continues to strengthen, and bolstering public infrastructure investment (beyond what is financed by EU structural funds), particularly in transport, would boost productivity.

Growth is still driven by private consumption

The slower growth in 2016 was driven by a sharp reduction in public investment in infrastructure arising from the slower disbursement of EU structural funds at the beginning of the new funding cycle. More favourable credit conditions and higher lending activity are supporting business investment, especially in manufacturing, despite profits being squeezed by higher unit labour costs that resulted from declining productivity. Exporters have been sustained so far only because firms have cut prices, but this cannot continue indefinitely. Private consumption, on the other hand, sustained its brisk pace on the back of rising real incomes.

Hungary



1. Three-month moving average.

Source: OECD Main Economic Indicators database; and OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437666

Hungary: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices HUF billion	Percentage changes, volume (2005 prices)				
GDP at market prices	30 127.3	4.0	3.1	1.7	2.5	2.2
Private consumption	15 718.2	2.5	3.4	5.0	3.8	3.7
Government consumption	5 948.5	4.5	1.0	2.7	1.4	1.0
Gross fixed capital formation	6 308.2	9.9	1.9	-16.0	5.9	6.3
Final domestic demand	27 974.9	4.6	2.5	-0.5	3.7	3.6
Stockbuilding[1]	42.6	0.0	-1.0	1.8	-0.3	0.0
Total domestic demand	28 017.6	4.6	1.4	1.6	3.3	3.7
Exports of goods and services	25 909.4	9.8	7.7	8.1	4.8	4.3
Imports of goods and services	23 799.7	10.9	6.1	8.2	5.9	6.1
Net exports[1]	2 109.8	-0.2	1.8	0.7	-0.4	-1.1
Memorandum items						
GDP deflator	_	3.4	1.7	0.2	2.2	2.9
Consumer price index	_	-0.2	-0.1	0.1	1.4	2.5
Private consumption deflator	_	1.0	-0.3	-0.1	1.3	2.5
Unemployment rate	_	7.7	6.8	5.1	4.5	4.4
General government financial balance[2]	_	-2.1	-1.6	-1.6	-2.0	-2.0
General government gross debt[2]	_	98.7	97.0	97.5	96.4	95.2
General government debt, Maastricht definition[2]	_	75.7	74.7	75.1	74.1	72.8
Current account balance[2]	_	2.1	3.4	6.8	6.7	5.7

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439066

The private sector remains the main source of job creation, while the high level of enrolment in public work schemes is slowly coming down. Together with slower growth of the labour force, this has reduced the unemployment rate by almost 2 percentage points over the past year, to around 5%. Accordingly, wage compensation in the private sector has accelerated, reaching more than 5%. Headline inflation hovered around zero until late 2016, when the impact of previous declines in energy prices came to an end and higher indirect taxes pushed it to 1%. Excluding the effects of food and energy prices, core inflation has also dropped to about 1½ per cent.

Fiscal and monetary policy stances are supportive

The fiscal stance is set to be expansionary in 2017, as public wages, investment and housing subsidies increase. This expansion could add to economic tensions at a time when slack has disappeared. Monetary easing has continued, as the base and overnight lending rates were lowered to 0.90% and 1.05%, respectively, with the overnight deposit rate unchanged at -0.05%. Further reductions in the base rate are not expected, as the central bank has signalled that these rates are in line with the 3% inflation target. Market rates have been stable, with long-term rates around 3.2%.

A domestic demand-led recovery is projected to accelerate

Activity is projected to increase as faster disbursements from EU structural funds boost public infrastructure investment. Business investment should strengthen on the back of easier credit conditions, particularly for SMEs. Housing investment should also pick up along with higher subsidies and a recovery in housing loans. Private consumption should continue to expand robustly as real incomes continue to increase, supported by lower personal income tax and VAT on selected goods. However, export growth is projected to fall as competiveness will continue to be eroded by higher wage costs and slow productivity growth. Weak exports will contribute to a narrowing of the large current account surplus. Inflation is expected to reach 3% towards the end of 2018 as the positive output gap continues to increase.

Hungary depends heavily on exports to Europe, which would suffer if turbulence arose in financial markets or because of Brexit. If the public infrastructure investments have unexpectedly strong productivity effects, growth would benefit. Exporters may have more room to compress their margins, which would temper the slowdown in exports. If fiscal policy is loosened in 2018, growth could be higher, but labour market tensions would intensify.

ICELAND

Economic growth is strong with continued expansion in tourism, robust private consumption and favourable terms of trade. Steep wage gains, employment expansion and large investments are fuelling domestic demand. The capital controls introduced during the financial crisis are being lifted.

Currency appreciation and low import prices have kept inflation low. Inflationary pressures from wage increases and uncertainty with respect to the lifting of capital controls nevertheless call for a tight monetary stance. Moreover, the central bank should continue using its macro-prudential toolkit to tackle potentially large short-term capital inflows that might follow the lifting of capital controls. Reformed wage bargaining could prevent a future wage-price spiral while improved competition and reduced barriers to entry would boost productivity.

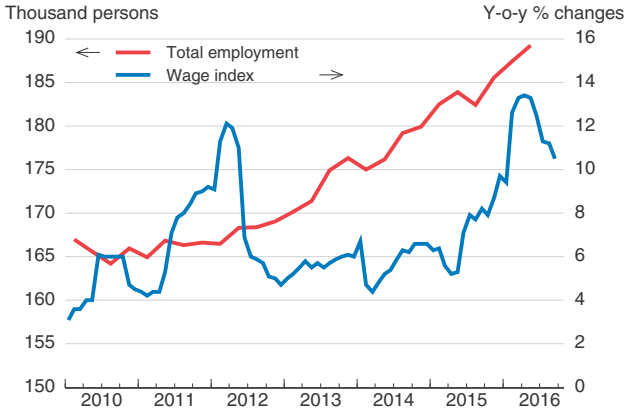
Iceland has considerably improved its fiscal position, reduced its net public debt and introduced a new budget law. Given the position of the economy, fiscal expansion would be unwise. But resources could be redeployed to health, pensions, and public infrastructure. Doing so would make growth more socially inclusive.

Economic growth is strong

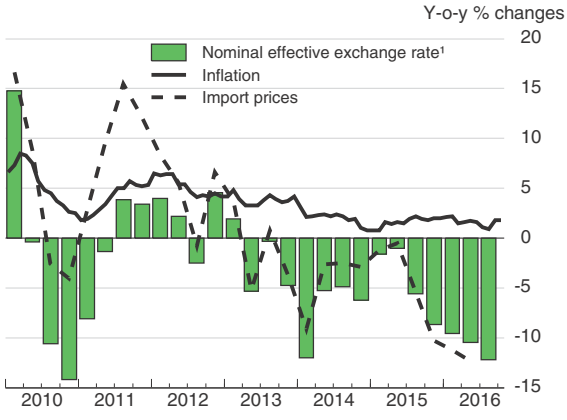
The economy is booming, supported by strong consumer spending and investment, a surge in tourism and fiscal easing. Household income continues to benefit from the strengthening labour market and double-digit wage increases. These pay rises far exceed productivity growth and will affect competitiveness as well as put pressure on inflation. Employment growth has been robust and the unemployment rate has fallen below 3%. The tourism boom continues and is supporting construction. In addition, a number of energy-intensive projects are boosting business investment.

Iceland

Wage gains and a strong labour market support consumption growth



Falling import prices and currency appreciation have contained inflation



1. A decrease denotes an appreciation.

Source: OECD Economic Outlook 100 database; and Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888933437672

Iceland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ISK billion	Percentage changes, volume (2005 prices)				
GDP at market prices	1 891.2	1.9	4.2	4.7	4.1	2.5
Private consumption	989.7	2.9	4.3	7.2	4.2	3.0
Government consumption	459.2	1.7	1.0	1.1	1.1	1.1
Gross fixed capital formation	296.8	16.0	18.3	18.1	7.7	0.8
Final domestic demand	1 745.7	4.8	6.3	7.9	4.2	2.0
Stockbuilding[1]	- 5.0	-0.9	-1.0	-0.7	0.0	0.0
Total domestic demand	1 740.8	4.0	5.2	7.2	4.2	2.0
Exports of goods and services	1 047.9	3.2	9.2	6.2	3.9	3.6
Imports of goods and services	897.5	9.8	13.5	13.8	4.4	2.6
Net exports[1]	150.4	-2.9	-1.5	-3.0	0.0	0.6
Memorandum items						
GDP deflator	_	4.1	5.9	3.4	3.1	3.8
Consumer price index	_	2.0	1.6	1.7	2.9	3.8
Private consumption deflator	_	2.9	0.7	1.5	2.9	3.8
Unemployment rate	_	4.9	4.0	3.1	3.1	3.2
General government financial balance[2]	_	-0.1	-0.8	16.6	0.5	0.5
General government gross debt[2]	_	83.1	73.8	64.4	63.6	56.0
General government net debt[2]	_	25.8	24.2	5.7	4.8	4.0
Current account balance[2]	_	4.0	5.1	3.5	2.3	2.9

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 100 database.

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Macroeconomic policies need to tighten

Inflation has remained below the central bank's target of 2½ per cent, reflecting currency appreciation and the fall in import prices. However, considerable inflationary pressure has built up, as reflected in very large wage increases. The central bank needs to keep a tight stance if it is to achieve low and stable inflation. The uncertainties surrounding the final steps in liberalisation of the capital account pose further monetary and financial policy challenges for the central bank. The projections assume that it will raise short-term interest rates. Given the projected high interest rate differential with the rest of the world, macro-prudential tools need to be used to reign in potential unstable short-term debt capital inflows as controls are relaxed.

Past fiscal tightening, much lower net public debt and consequently a lower interest burden have significantly improved the budgetary position. Substantial windfall receipts of around 17% of GDP in 2016 from agreements with the estates of the failed banks will be used to reduce public debt significantly. A fiscal surplus is projected through 2018, but the stance may have to be tightened further to contain demand pressures.

Rapid growth of tourism has buoyed the Icelandic economy in recent years, diversified the output mix, and provided jobs, though many with low skills. However, it is also putting pressure on infrastructure and the environment. A recent breakdown in negotiations between social partners indicates that Iceland needs to revamp its wage bargaining

framework in order to prevent a future wage-price spiral that undermines competitiveness. Reducing barriers to entry and better enforcing competition policy to prevent abuse of dominant positions or tacit collusion would boost productivity.

The economy will continue to grow with risks of overheating

Sustained investment and private consumption will support robust growth in 2017. Moderation in investment, end of the positive terms-of-trade shock and inflation pressures will gradually erode demand, and growth will slow in 2018 to more sustainable levels. The unemployment rate will stabilise at a low level.

Overheating and accelerating inflation are the biggest risks to the outlook. Possible future wage increases can fuel this further. Liberalisation of the capital account raises uncertainty about capital flows, while at the same time the relatively high interest rates could cause large capital inflows and strong appreciation of the Krona, hurting the economy. Slower growth in the global economy, and in particular more negative effects of Brexit than assumed, could have negative consequences for exports, notably tourism.

INDIA

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Private consumption will be supported by the hike in public wages and pensions and by higher agricultural production, on the back of a return to normal rain fall. Private investment will revive gradually as excess capacity in some sectors diminishes, infrastructure projects mature, corporates deleverage, banks clean their loan portfolios, and the Goods and Service Tax (GST) is implemented.

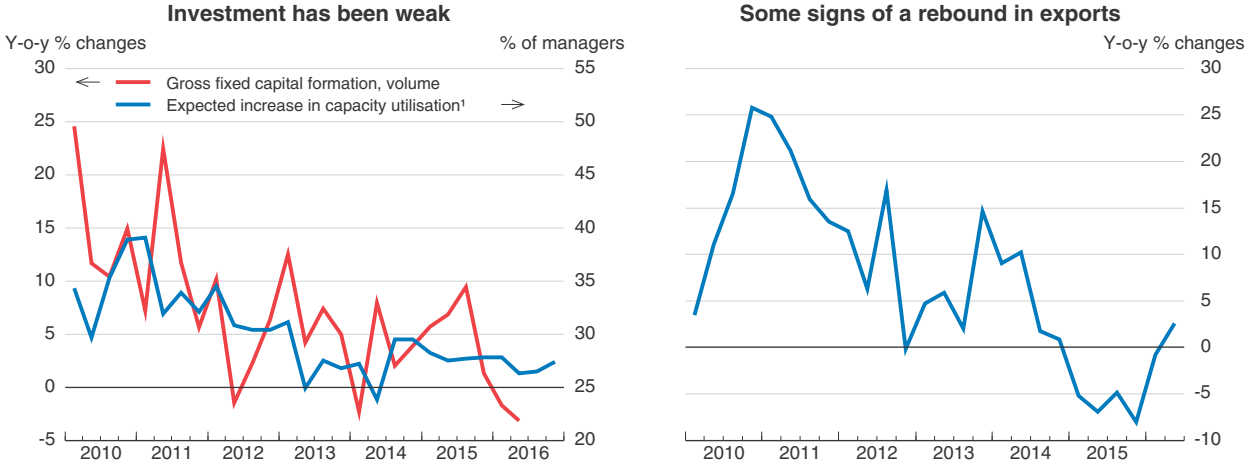
Despite commendable fiscal consolidation efforts at the central government level, the combined debt of states and central government remains high compared with other emerging economies. Inflation expectations are adjusting down only slowly. Overall there is little room for accommodative policies, although some monetary impulse is still to come, as recent cuts in policy rates are yet to be reflected fully in lower lending rates. Repairing public banks' balance sheets and improving their governance would support the revival in investment. Creating more and better jobs will require policies to improve the ease of doing business further, in particular faster and more predictable land acquisition, and upgrading social and physical infrastructure.

Despite the high public deficit compared with other emerging economies, there is room to make public finance more growth-friendly and inclusive. The ongoing landmark GST and subsidy reforms are promising. The government plan to cut the corporate income tax rate while broadening the base is also welcome. More revenue could be raised from the personal income tax, and its redistributive impact enhanced, to finance higher spending on health, education, housing, transport and water infrastructure and make growth more inclusive.

Steady private and public consumption growth

India has become the fastest-growing G20 economy, with growth rates hovering around 7.5%. Private consumption in urban areas is buoyed by an increase in public wages

India



1. Percentage of managers interviewed expecting an increase in capacity utilisation.
Source: Central Statistical Office; and Reserve Bank of India.

StatLink http://dx.doi.org/10.1787/888933437681

India: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	112.7	7.2	7.6	7.4	7.6	7.7
Private consumption	65.1	6.2	7.4	7.6	8.1	7.5
Government consumption	11.5	12.8	2.2	8.3	4.9	6.8
Gross fixed capital formation	35.6	4.9	3.9	0.7	4.7	7.3
Final domestic demand	112.3	6.5	5.8	5.7	6.8	7.4
Stockbuilding[1]	3.8	0.1	0.0	0.0	0.0	0.0
Total domestic demand	116.1	6.9	8.0	5.9	7.7	7.9
Exports of goods and services	28.5	1.7	-5.2	4.5	4.6	5.2
Imports of goods and services	31.9	0.8	-2.8	-2.3	5.4	6.3
Net exports[1]	- 3.4	0.2	-0.5	1.5	-0.2	-0.2
Memorandum items						
GDP deflator	_	3.3	1.1	3.8	4.4	4.3
Consumer price index	_	5.9	4.9	5.2	5.2	4.6
Wholesale price index (WPI)[2]	_	2.0	-2.5	3.2	4.0	4.2
General government financial balance[3,4]	_	-6.5	-7.2	-7.0	-6.6	-6.4
Current account balance[3]	_	-1.3	-1.1	-0.8	-0.9	-0.9

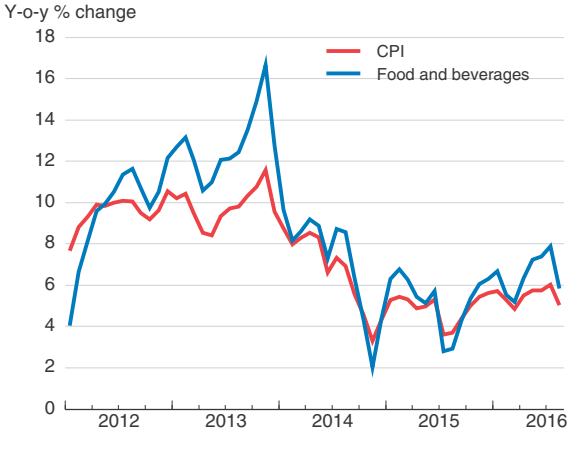
Note: Data refer to fiscal years starting in April.
1. Contributions to changes in real GDP, actual amount in the first column.
2. All commodities index.
3. As a percentage of GDP.
4. Gross fiscal balance for central and state governments.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439263

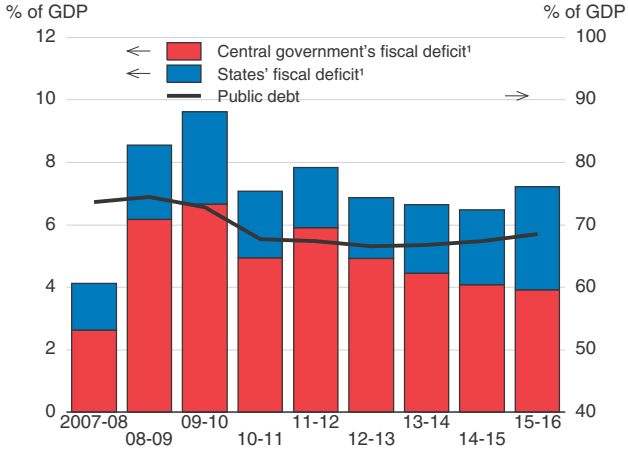
and pensions by over 20% in 2016 and 2017. The return to normal weather conditions, after two years of a poor monsoon, is raising agricultural production and consumption in rural areas. Exports bounced back early in 2016 and export orders are growing. However, private investment has remained weak, dragged down by low capacity utilisation and the weak

India

Inflation has hovered around 5%



Public deficits and debt remain high



1. Data for the fiscal year 2015-16 are provisional.
Source: Reserve Bank of India; and Controller General of Accounts.

StatLink http://dx.doi.org/10.1787/888933437695

financial position of some corporations. Job creation in the organised sector has also remained subdued.

Robust growth has been accompanied by a decline in inflation and the current account deficit. The disinflation process has been supported by the change in the monetary policy framework aimed at anchoring inflation expectations, the government's active management of food stocks to minimise spikes in food prices and lower commodity prices. The decline in merchandise imports, driven by weak (import-intensive) business investment, and lower gold imports have kept the current account deficit to below 1.5% of GDP.

Little room for expansionary macroeconomic policies but a role to play for structural reforms

The combined deficit and debt of the central government and states are high compared with other emerging market economies. The ongoing subsidy reform improves the targeting and effectiveness of social programmes and should be extended to other products, in particular food, fertiliser, water and electricity. The increase in public wages and pensions, combined with the need to recapitalise public banks, will leave little room in this and next year's budgets for higher public investment. In the longer term, the government should aim to raise public spending on education, health, water, energy and transport infrastructure to improve access for all to core basic services and to reduce bottlenecks to investment. Higher revenue from property and the personal income tax could finance additional spending.

The Reserve Bank of India has cut policy rates by 175 basis points since December 2014. Going forward, there is little room for significant further cuts since the rise in public sector wages, still high inflation expectations and firmer commodity prices will make reaching the 4% mid-range inflation target challenging. However, even in the absence of more cuts, some monetary impulse is still to come as monetary policy transmission has been slow and incomplete so far.

The government's success in passing key structural reforms is boosting growth prospects but effective implementation is key. The Goods and Services Tax (GST) should replace a myriad of consumption and sales taxes. By reducing tax cascading, the GST will boost competitiveness, investment and economic activity in the medium term. The government aims to implement the GST from April 2017, which is ambitious given the number of key parameters still to be agreed upon, the still complex legislative process involved and the required IT infrastructure to be developed. However, the projections assume that this objective will be met.

The new Bankruptcy Code should facilitate time-bound closure of businesses and the reallocation of resources to more productive firms and prevent the build-up of non-performing loans. Implementing the Code and reducing delays will require improving judicial institutions. Recent cuts in administrative requirements for hiring are most welcome. They should be accompanied by efforts to modernise labour laws, including at the state level, to boost quality job creation. Recent efforts to raise power generation capacity, including the focus on renewable energy, are promising. Adjusting utility prices to ensure they cover costs would make supply more responsive to demand conditions.

Growth is projected to remain strong and investment to revive

Buoyant private consumption will revive investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. The implementation of the GST from April 2017 should lower the price of capital goods and lift investment although it may have short-term adverse effects on prices and demand for services which will likely be subject to a higher rate of tax. The revival of (import-intensive) corporate investment and lower remittance flows will weigh on the current account deficit. Robust FDI inflows should, however, mitigate India's external vulnerability.

Further structural reform is a clear upside risk for growth. Some states have taken the lead in reforming land and labour market regulations but it is still unclear whether others will follow suit. There are also downside risks to the projections. Rolling out the GST later than projected may delay the investment recovery. Slower efforts to clean up banks' balance sheets and to recapitalise public banks would raise uncertainties and hurt investment. An increase in commodity prices would raise inflation, dampen private consumption and weigh on both the current account and fiscal deficits. Weak demand in major trading partners will affect exporting sectors. Geopolitical risks could escalate, affecting business sentiment and creating pressures on public (military) spending.

INDONESIA

GDP growth has been high and is set to edge up in 2017 and 2018. Government infrastructure spending continues to underpin economic activity, and both private consumption and private investment are showing signs of firming. The current account deficit is projected to be stable.

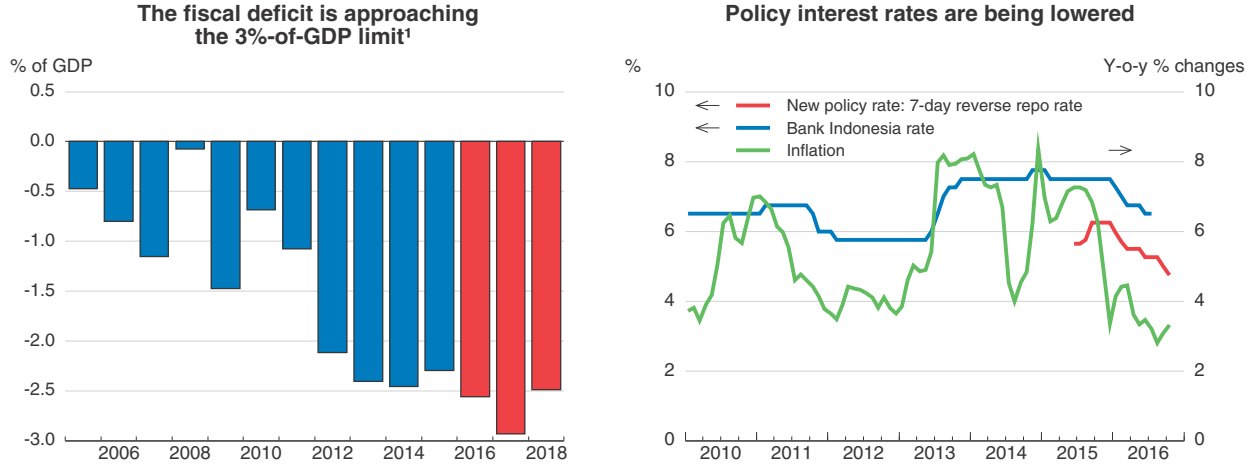
The central bank has eased rates six times since the beginning of the year. The government has released a string of reform packages over the past year to improve the business environment, streamline investment and liberalise inward investment. There should be scope for a few more interest rate cuts in the medium term, as inflation is projected to remain subdued. However, the fiscal balance is deteriorating owing to slower growth and low commodity prices. Public expenditure is being reined in to avoid breaching the legal deficit limit of 3% of GDP.

The government's priority has been to lift spending on infrastructure and social services, notably health and education. This policy is welcome as it will raise growth and make it more inclusive. However, the deficit's proximity to its legal ceiling has led to cuts in planned expenditure. While an ongoing tax amnesty may help ease this constraint in the short term, in the longer term tax revenues, which are very low, will have to be boosted. Policies are needed to address the narrow tax base, the low number of taxpayers and weak compliance.

Activity has started to pick up

Growth in Indonesia continues to outpace that of most other countries. Aggregate demand expansion has held up, fuelled largely by household consumption, which, in turn, has been underpinned by healthy labour market outcomes and strong real wage increases. The other components of spending have been weaker but have also been picking up. Investment was hit by weak commodity prices and regulatory uncertainty in the mining sector, but has now started to recover on the back of stabilised commodity prices and

Indonesia



1. 2016-18 are OECD estimates.

Source: Statistics Indonesia (BPS); Ministry of Finance of Indonesia; OECD Economic Outlook 100 database and Bank Indonesia.

StatLink http://dx.doi.org/10.1787/888933437703

Indonesia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices IDR trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	9 546.1	5.0	4.8	5.0	5.1	5.3
Private consumption	5 425.0	5.3	4.8	5.1	5.0	5.1
Government consumption	908.6	1.2	5.4	3.5	2.7	3.5
Gross fixed capital formation	3 051.5	4.6	5.1	4.7	5.4	5.4
Final domestic demand	9 385.1	4.7	5.0	4.8	4.9	5.0
Stockbuilding[1]	236.5	0.8	-0.9	0.0	0.3	0.0
Total domestic demand	9 621.6	5.4	3.9	4.8	5.3	5.1
Exports of goods and services	2 283.8	1.0	-2.0	-2.5	2.1	5.5
Imports of goods and services	2 359.2	2.2	-5.8	-4.0	2.8	4.1
Net exports[1]	- 75.4	-0.3	0.9	0.3	-0.1	0.3
Memorandum items						
GDP deflator	_	5.4	4.2	2.4	3.8	4.2
Consumer price index	_	6.4	6.4	3.6	3.9	4.0
Private consumption deflator	_	5.7	4.0	2.9	4.1	4.1
General government financial balance[2]	_	-2.5	-2.3	-2.6	-2.9	-2.5
Current account balance[2]	_	-3.1	-2.1	-1.8	-1.8	-1.9

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

Source: OECD Economic Outlook 100 database.

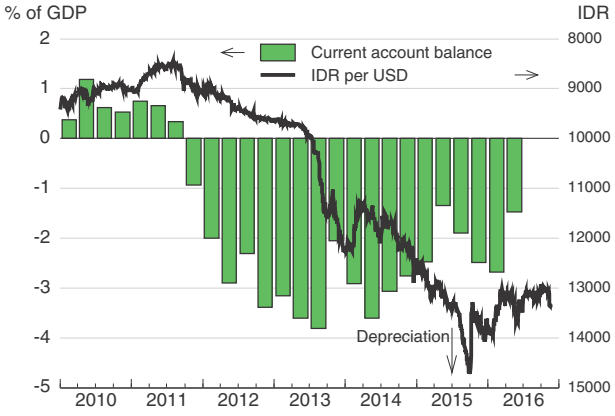
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accelerated government spending on infrastructure. Exports are also beginning to recover after sharp declines due to lower external demand for commodities and a ban on exporting unprocessed ores.

After having depreciated significantly since the end of 2011, the rupiah has stabilised and even recovered somewhat over the past year. Nevertheless, the currency remains at a

Indonesia

The rupiah has stabilised, and the current account deficit has fallen



Credit growth continues to decline



Source: Bank Indonesia and OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437710

low level, and this has helped the current account deficit to narrow. Still, Indonesia remains in need of external funding and is thus exposed to volatile international monetary conditions.

The policy environment is supportive

Inflation has now been within Bank Indonesia's (BI) target range of 4±1% for almost a year, and the central bank has lowered interest rates six times since the beginning of 2016. In August 2016, BI switched to a new target policy instrument, the 7-day reverse repo rate, which is expected to improve the transmission of monetary policy to the real economy. Nevertheless, real interest rates remain high, credit growth is at historic lows, and a wedge has continued to widen between the nominal and real effective exchange rates as price growth in Indonesia continues to outstrip that in other countries.

Fiscal policy had until recently been mildly expansionary, but in recent months official projections have suggested a worsening fiscal balance as higher spending on infrastructure, social security and transfers to sub-national government has outstripped the savings from the 2015 cut in fuel subsidies. Slower growth and low commodity prices have also cut into revenue. In light of these revenue shortfalls, the government has twice revised the 2016 budget, including expenditure cuts totalling over 7% of expenditure. A tax amnesty now underway is meant to help plug the hole in the budget. Public debt is low, at 27.3% of GDP in 2015, well below the 60% constitutional limit.

Going forward, the many urgent needs for government action and spending imply that increasing its size, both in terms of spending and revenue, is inevitable. This will require raising taxes by broadening the base and strengthening tax administration. In addition to improving the country's infrastructure, more needs to be done to tackle poverty and inequality – especially in the remote regions. While impressive progress has been made in improving standards of living, the social security system needs to be further expanded and access to high quality health and education improved. Addressing the high rate of labour market and business informality would facilitate access to government services and broaden the tax base.

Growth is projected to pick up slightly

GDP growth is projected to edge up over the coming two years, with household consumption still underpinning activity and exports recovering from the recent contraction. While private investment is also set to continue to recover, public consumption and investment, which have been among the main drivers of recent growth, are both set to be curbed as fiscal pressures mount.

There are several risks to the outlook. Firstly, if revenues continue to weaken, the government could hit the maximum deficit threshold and be forced to pull back on general expenditure, including infrastructure spending. If the switch from public to private participation in infrastructure investment does not happen, activity will weaken. Secondly, if trading partner demand falls dramatically and the external balance worsens, the exchange rate may come under renewed pressure, and the monetary authorities would have to be more cautious. An increase in worldwide trade protectionism would also threaten growth in Indonesia. On the upside, commodity prices may rebound more strongly, and this would boost growth and reduce the fiscal deficit.

IRELAND

Economic growth is projected to moderate gradually. The economy, particularly exports and investment, is already being slowed by the prospect of Brexit. Nonetheless, the Irish economy will continue to expand on the back of solid domestic demand and strong employment and wage growth.

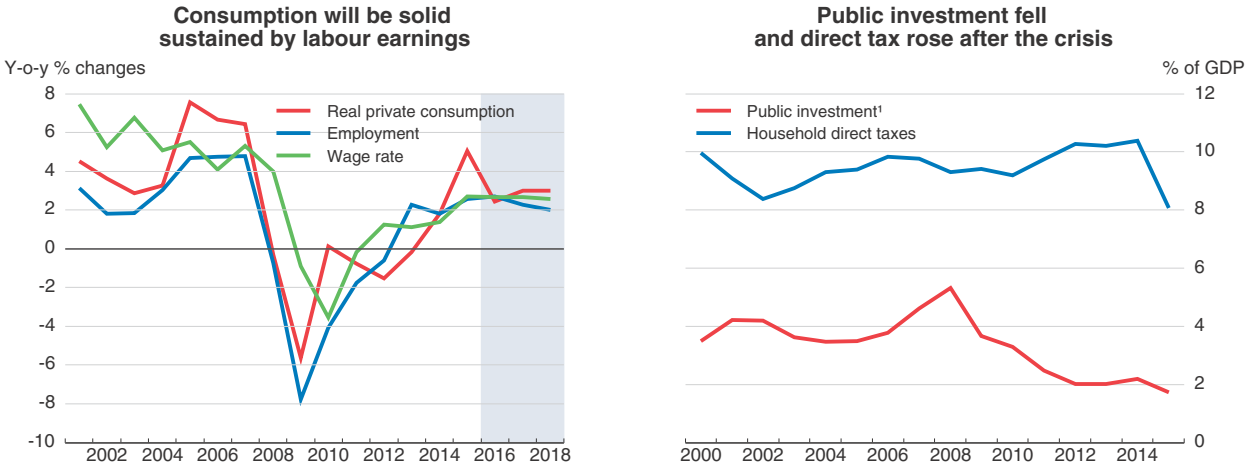
The fiscal stance is expected to be broadly neutral, exerting a smaller drag on activity than in past years. The government is nevertheless on track to attain its medium-term goal of balancing the budget. Financial conditions will remain supportive overall. Structural reforms should prioritise making economic growth more inclusive by getting more people back into work and revamping the tax and benefit system.

Public investment remains low and direct taxes rose following the crisis. Ireland has gained fiscal space through strong growth and low interest costs, providing room to roll back some of the measures taken after the crisis. The welcome six-year plan on infrastructure investment for 2016-21 will raise public investment back towards its pre-crisis level. The universal social charge, an income levy introduced after the crisis, should be reduced as planned.

The expansion has been broad-based

GDP is estimated to have grown at just under 4½ per cent in 2015, excluding one-off factors due to multinational enterprises (MNEs), and this rate of expansion has continued through 2016. The domestic sector has gained ground and its activity remains strong, sustaining solid employment growth. The unemployment rate has declined, while labour force participation remains somewhat subdued. Wage growth is strong, but inflationary pressures are contained due to the global low inflation environment. Strong labour earnings growth has supported household consumption. Overall investment was boosted thanks to intangibles investment by MNEs, while business investment in the domestic sector has risen steadily albeit at a moderate pace.

Ireland



1. Government fixed capital formation.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437728

Ireland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2014 prices)				
GDP at market prices	180.0	8.5	26.3	4.3	3.2	2.3
Private consumption	79.9	1.8	5.1	2.4	3.0	3.0
Government consumption	30.6	4.6	0.2	4.0	2.1	2.0
Gross fixed capital formation	32.9	18.0	32.5	11.7	7.1	3.8
Final domestic demand	143.4	6.2	11.1	5.0	4.1	3.1
Stockbuilding[1]	2.9	1.5	-0.6	0.3	0.0	0.0
Total domestic demand	146.3	7.8	9.8	4.8	3.8	3.0
Exports of goods and services	191.0	14.4	34.5	2.8	2.8	2.9
Imports of goods and services	157.3	15.3	21.7	3.6	3.4	3.7
Net exports[1]	33.7	1.9	18.4	0.1	0.3	0.2
Memorandum items						
GVA[2], excluding sectors dominated by foreign-owned multinational enterprises	_	8.7	4.4	..	..	..
GDP deflator	_	-1.2	4.9	0.1	3.6	3.0
Harmonised index of consumer prices	_	0.3	0.0	0.0	1.5	2.0
Private consumption deflator	_	1.5	0.6	1.3	1.6	2.2
Unemployment rate	_	11.3	9.4	7.9	7.1	6.7
General government financial balance[3,4]	_	-3.7	-1.9	-0.9	-0.5	0.0
General government gross debt[3]	_	124.1	92.7	91.0	88.9	86.1
General government debt, Maastricht definition[3]	_	105.4	78.7	77.1	75.0	72.2
Current account balance[3]	_	1.7	10.2	9.5	9.7	9.6

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

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439085

Fiscal policy should stand ready to stabilise growth in the case of Brexit-related turbulence

The Brexit referendum result is already affecting the Irish economy; for example business confidence has declined. Indeed, Ireland is the country that could be the most affected by the Brexit negotiations and the outcome of the process. The United Kingdom accounts for 15% of Irish exports, and slowing growth there plus the sharp depreciation of sterling will be a major challenge for Irish firms, particularly in the agriculture, food, textile and metal sectors.

Financial conditions will remain favourable, thanks to accommodative euro-area monetary policy. However, remaining high corporate indebtedness and non-performing loans will weigh on bank lending, squeezing Irish firms, especially SMEs, which face among the highest lending rates in the euro area.

Fiscal policy is projected to be broadly neutral in 2017 and 2018. Due to past fiscal efforts and strong growth, the fiscal deficit has diminished sharply and public debt is on a downward path. This improved fiscal position provides room to use fiscal policy to support

growth in the face of shocks from Brexit or some other source that threaten to derail the economic expansion.

After the crisis, Ireland had to curtail public investment and raise direct taxes to the largest extent of any OECD country. Improved fiscal trends allow some unwinding of these measures, including a tax cut in 2017 for low-paid households, which should support their incomes and encourage people to join the labour market. Both effects will increase the inclusiveness of growth. The six-year plan on infrastructure for 2016-21 will raise public investment as a ratio of GDP by 0.5 percentage point over the next six years, reversing the past declines. This should enhance growth. If more fiscal room becomes available, this plan should be scaled up.

The economy will continue to grow but risks are significant

The Irish economy is projected to slow. Strong labour earnings will support consumption and exports will expand steadily along with export markets. However, investment will fall significantly without strong impetus by MNEs, as business investment in the domestic sector is expected to lose steam. Nevertheless, the labour market is tight, and as a result both wage and price inflation will gather pace.

A downside risk to the outlook is that the Irish economy might be affected by Brexit more negatively than projected, although some firms could relocate to Ireland. Property prices might rise more strongly than projected, which would support construction activity in the near term. This would possibly come at the cost of increasing private sector indebtedness further, leaving Ireland vulnerable to any re-emergence of financial turmoil.

ISRAEL*

The 2016 pick-up in growth should continue, reaching 3¼ per cent in 2017-18. Support from slight budgetary easing, very low interest rates and measures to support the low-paid should continue to stimulate domestic demand and employment. However, the ongoing weakness of the international environment and the impact of exchange rate appreciation on foreign trade are projected to hold back export growth.

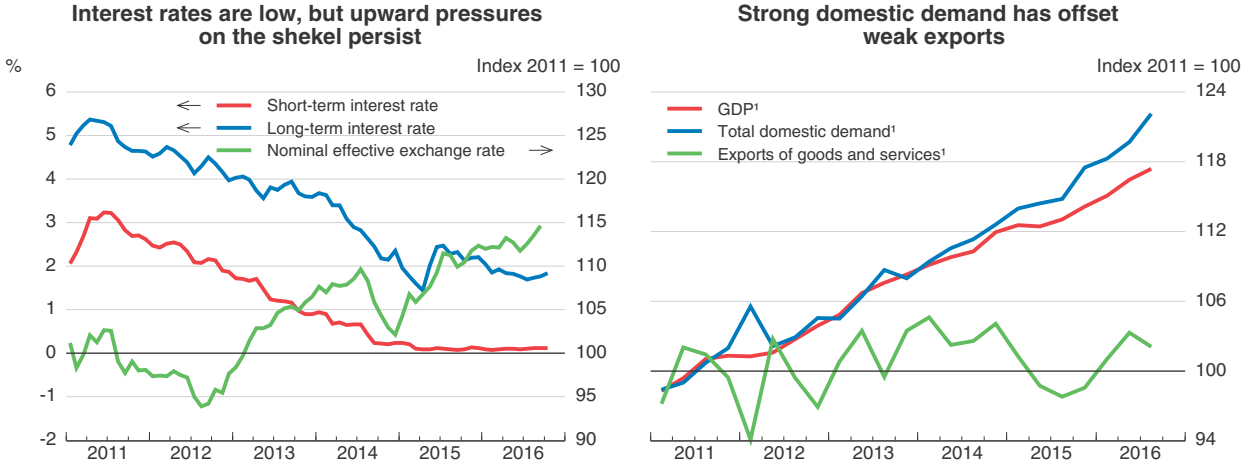
So long as inflation remains low, an accommodative monetary policy remains appropriate to damp currency appreciation. The rise in mortgage rates induced by the macro-prudential measures adopted by the Bank of Israel to stabilise the property market is welcome. Reforms designed to increase competition in banking should be extended to other sheltered sectors (such as farming) to enhance supply and productivity and foster catch-up. Lowering the regulatory burden on businesses by simplifying complex administrative and licensing procedures should be further promoted.

With the economy close to full capacity, the mild budgetary expansion planned for 2017 should only have a small positive and temporary effect on activity without excessively reducing the budgetary leeway achieved through the consolidation of previous years. Public finances could nevertheless play a greater role in stimulating growth and making it more inclusive, by shifting the structure of spending towards boosting investment and promoting efficiency in public transport and education.

Growth has recovered, largely under the impetus of domestic demand

Growth has gathered pace since 2015, as consumer spending was boosted by the strong labour market and credit conditions remained favourable. Business investment was

Israel



1. In real terms.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437730

* 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**

	2013	2014	2015	2016	2017	2018
	Current prices NIS billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 059.1	3.2	2.5	3.3	3.4	3.3
Private consumption	585.3	4.2	4.2	5.8	3.7	3.5
Government consumption	238.4	3.6	3.3	4.2	4.0	2.8
Gross fixed capital formation	215.4	0.0	0.0	10.6	7.6	4.3
Final domestic demand	1 039.1	3.2	3.1	6.4	4.6	3.5
Stockbuilding[1]	- 3.9	0.6	0.6	-1.4	0.2	0.0
Total domestic demand	1 035.2	3.8	3.8	4.9	4.8	3.5
Exports of goods and services	353.6	1.5	-4.1	3.3	3.1	4.0
Imports of goods and services	329.7	3.8	-0.5	9.1	8.0	4.8
Net exports[1]	23.9	-0.7	-1.2	-1.5	-1.3	-0.2
Memorandum items						
GDP deflator	_	1.1	2.8	1.7	1.4	1.5
Consumer price index	_	0.5	-0.6	-0.5	0.7	1.1
Private consumption deflator	_	0.6	-0.4	-0.2	0.7	1.2
Unemployment rate[2]	_	5.9	5.2	4.9	4.8	4.7
General government financial balance[3,4]	_	-3.2	-2.1	-2.5	-2.9	-3.1
General government gross debt[3]	_	66.0	64.1	62.7	62.2	61.9
Current account balance[3]	_	3.9	4.4	4.0	3.0	2.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439094

also vigorous. Despite the appreciation of the shekel and weak foreign demand, exports also picked up, driven by a dynamic hi-tech industry. With unemployment at a historic low level below 5%, increasing shortages of skilled labour, and a revaluation of the minimum wage that is set to continue until the end of 2017, wage increases have strengthened. Consumer prices, however, fell by 0.3% year-on-year in October 2016, because of lower import prices.

There has been a slight relaxation of budgetary policy, but supply conditions need improving

The Bank of Israel has kept its policy rate at 0.1% since March 2015. Despite intervention, the shekel appreciated by 3½ per cent in effective terms in 2016. Notwithstanding a significant pick-up in mortgage rates, linked to the adoption of macro-prudential measures, house price increases have remained strong at around 8% in recent months.

The general government budget deficit, which will probably rise from 2.1% to 2.5% of GDP between 2015 and 2016, is set to reach around 3% of GDP in 2017 and 2018. According to the government's budget proposal for these two years, public spending will rise quite rapidly, especially in the areas of housing, health care and transport. There are plans to cut

corporate taxes, but also to raise taxes on property investors. This limited budgetary expansion should provide only slight and temporary support to the economy. However, to offer more lasting and significant backing for growth, and make it more inclusive, the composition of public spending would need to shift towards training for marginal groups and investment in public transport. In combination with heightened competition in sheltered sectors, these structural reforms should stimulate supply and productivity.

The resilience of domestic demand should shore up the economy

Despite the appreciation of the currency and ongoing weakness of foreign demand, growth is projected to be robust in 2017 and 2018. The accommodative monetary stance and higher wages for the low-paid will bolster consumption, while investment will benefit from the launch of projects by major hi-tech firms and government measures to promote housing and transport. The current account surplus should shrink, unemployment remain low, and inflation increase steadily within the targeted range of 1-3%, driven by pay rises.

The international outlook remains fragile both at the global and regional levels due to persistent geopolitical tensions, and a weaker-than-expected external environment would undermine growth. On the other hand, if unemployment were to continue to fall and exacerbate wage pressures, domestic demand could be stronger than expected. The adoption of a budget for the two coming years further heightens budgetary risks because of the difficulties in forecasting tax revenues over a two-year timeframe.

ITALY

The economy will grow by 0.9% in 2017 and 1% in 2018. Despite stronger job gains, private consumption growth has weakened following rising uncertainty and declining consumer confidence. The large stock of non-performing loans and the uncertain recovery keep hampering banks' loan disbursements, hindering the recovery of investment. Low growth in Italy's export markets and geopolitical tensions are restraining exports.

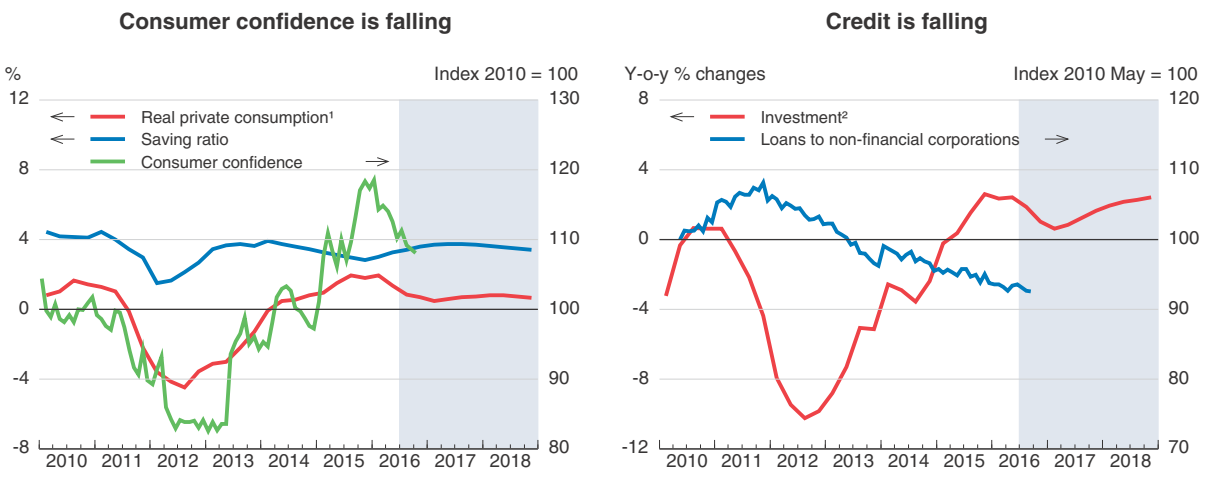
Accommodative euro-area monetary conditions are supporting the moderate recovery. The 2017 budget will appropriately support growth, and a further fiscal easing is assumed in 2018. Nonetheless, lower interest payments will help keep the budget deficit stable. The government is making progress on structural reforms, including active labour market policies, the public administration and the school system. The planned constitutional reform, subject to a referendum in December, would be a further step forward in the reform process and would enhance political and economic governance.

Since 2012, yearly interest payments have declined by more than EUR 15 billion (nearly 1% of GDP), generating fiscal space. The authorities need to use it to raise public investment, enhance targeted programmes to fight poverty and raise labour market participation, especially among women and the young, and encourage innovation.

Rising uncertainty has slowed household consumption growth

The self-reinforcing cycle of higher employment, household income and private consumption that began in early 2015 due to the Jobs Act, social security contribution exemptions and fiscal easing has weakened because of rising uncertainty and weaker consumer confidence. Employment has continued to expand, and this has drawn more workers, in particular women, into the labour market. Increasing labour market participation has prevented a faster decline in the unemployment rate. Real wages have

Italy



1. Year-on-year percentage changes.
2. Real gross fixed capital formation.

Source: OECD Economic Outlook 100 database; and Bank of Italy.

StatLink http://dx.doi.org/10.1787/888933437743

Italy: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment[1]	0.1	0.6	1.4	0.9	0.6
Unemployment rate[1,2]	12.6	11.9	11.5	11.0	10.7
Compensation of employee[3]	0.1	0.8	0.0	0.6	0.6
Unit labour cost	0.1	1.0	1.0	0.7	0.1
Household disposable income	0.5	0.9	1.3	1.8	1.6
GDP deflator	0.9	0.6	1.2	0.8	1.0
Harmonised index of consumer prices	0.2	0.1	-0.1	0.8	1.2
Core harmonised index of consumer prices[4]	0.7	0.7	0.6	0.7	1.2
Private consumption deflator	0.2	0.0	0.1	0.8	1.0

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

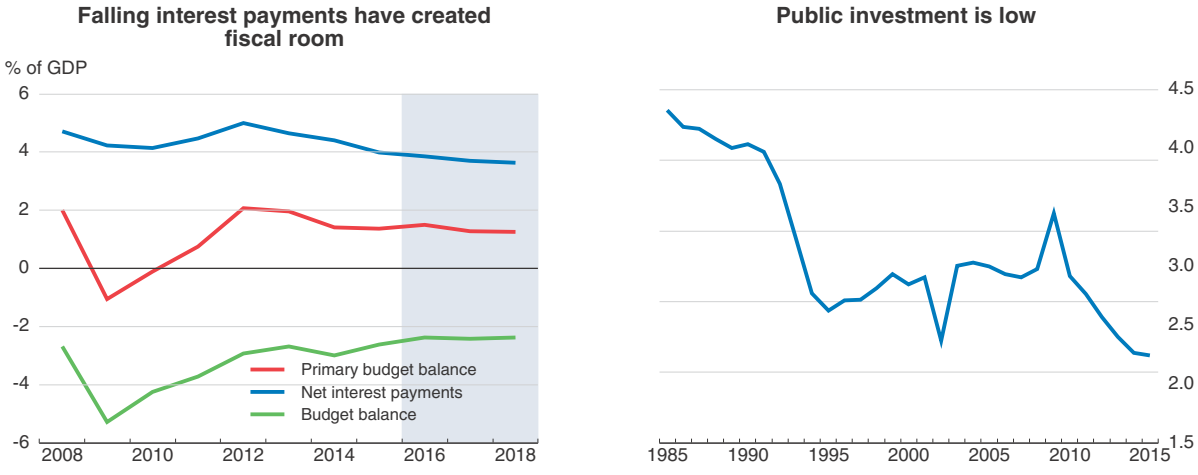
Source: OECD Economic Outlook 100 database.

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risen thanks to persistently low consumer price inflation stemming from still sizeable economic slack. Further positive developments in the labour market will be key to more inclusive and stronger growth going forward.

Investment growth remains lower than in previous recoveries. Credit to firms has been shrinking for some time as uncertain economic prospects and excess capacity have cut firms' demand for credit. Also, the still high stock of bad loans (about 18% of all loans to non-financial corporations) restricts credit supply.

Italy



Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437756

Italy: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	3.7	3.0	3.3	3.7	3.5
General government financial balance[2]	-3.0	-2.6	-2.4	-2.4	-2.4
General government gross debt[2]	158.3	159.6	159.3	159.5	159.3
General government debt, Maastricht definition[2]	131.8	132.4	132.1	132.3	132.0
Current account balance[2]	1.9	2.2	3.0	3.0	3.2
Short-term interest rate[3]	0.2	0.0	-0.3	-0.3	-0.3
Long-term interest rate[4]	2.9	1.7	1.5	1.7	1.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438836

Growth-enhancing fiscal policy is needed to complement structural reforms

The government budget deficit is estimated to decline to 2.4% of GDP in 2016 from 2.6% in 2015. The 2017 budget provides a range of incentives to boost investment and innovation and lowers the corporate income tax rate from 27.5 to 24%. It also extends for two years social security contribution exemptions for new permanent contracts, but limits them to newly-hired students who have completed internships at the firm. It also raises spending on low pensions and, to a much lesser extent, family benefits and the income-support scheme for the poor. The government plans to negotiate with the European Union a fiscal leeway amounting to about 0.4% of GDP on the ground of exceptional economic circumstances linked to the recent earthquake, the refugee crisis and infrastructure

Italy: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices EUR billion	Percentage changes from previous year, volume (2010 prices)					
GDP at market prices	1 641.5	0.8	0.9	1.0	0.8	1.1	0.9
Private consumption	1 002.0	1.2	0.6	0.7	0.7	0.7	0.7
Government consumption	311.0	0.5	0.7	0.5	0.0	1.2	0.0
Gross fixed investment	273.2	1.9	1.1	2.2	1.0	1.6	2.4
Final domestic demand	1 586.1	1.2	0.7	0.9	0.6	1.0	0.8
Stockbuilding[1]	5.3	-0.3	0.1	0.0			
Total domestic demand	1 591.4	0.9	0.8	0.9	0.7	1.0	0.8
Exports of goods and services	492.6	1.8	3.0	3.0	2.2	2.8	3.0
Imports of goods and services	442.5	2.2	3.0	2.9	2.1	2.8	3.0
Net exports[1]	50.1	-0.1	0.1	0.1			

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

1. Contributions to changes in real GDP, actual amount in the first column.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438845

investment. Lower interest payments and the mild economic expansion will keep the headline budget deficit at 2.4% of GDP in 2017 and 2018. This fiscal stance is broadly appropriate provided that the available fiscal space is used to finance policies leading to faster and more sustainable growth.

Lower interest payments, linked to very low interest rates, have generated substantial fiscal space. Since 2012 the effective interest rate on the public debt has declined by around a third, to about 3%, cutting interest payments by about 20%. The authorities should use this room to restore public investment, which has dropped in nominal terms by more than 30% since the start of the crisis, to 2.2% of GDP, the lowest level in more than 25 years. Raising public investment will accelerate growth and help reduce the debt ratio. Priorities could include a multi-year programme to make buildings earthquake proof and promoting decarbonisation of the economy in line with the COP21 goal. In addition, education spending and family benefits, which are low for an OECD country, should be raised to increase productivity and alleviate poverty.

Continuing and deepening structural reforms will be fundamental to raising living standards for all Italians. The constitutional reform that will be subject to a referendum in December would be a step forward as it would streamline the legislative process and clarify the division of responsibilities between the central and local governments that has hindered public and private investment. More can be done to make the taxation system fairer and more effective, primarily by permanently cutting social security contributions on lower income and shifting taxation towards consumption and immovable property. Fighting high poverty among families with children through a targeted national programme should be a priority. Strengthening the provision of good quality care for children and the elderly would help permanently raise labour market participation among women.

The economy will continue to expand moderately

GDP growth is estimated to be 0.8% in 2016, and is projected to edge up to 1% by 2018. Uncertainties concerning the banking sector and the effect of Brexit will moderate private consumption growth in 2017. In 2018, the expiration of social security contribution exemptions will mitigate employment growth. The moderate economic expansion and credit supply constraints linked to bad loans will curb private investment. Low growth in the euro area and other main trading partners will keep restraining sales abroad.

The resolution of uncertainties surrounding the banking sector and Brexit could help restore consumer confidence, leading to faster private consumption growth than expected. Faster progress on reducing bad loans would mitigate credit supply constraints. The planned increase in public investment could also be faster and more effective than anticipated, although implementation delays would have the opposite effect. Exports may benefit more than envisaged from expansionary policies in large non-EU economies. On the other hand, renewed financial market turmoil in the euro area or an aggravation of banks' balance sheet problems could drive risk spreads higher, raise debt financing costs and require a fiscal retrenchment. The refugee crisis could again intensify, straining government finances and capacity to deal with a larger influx of immigrants. Higher oil and energy prices would diminish household purchasing power, lowering private consumption. A new wave of trade protectionism would hinder exports to non-EU countries.

JAPAN

Economic growth is projected to reach 1.0% in 2017 before slowing to 0.8% in 2018, boosting headline inflation to 1¼ per cent by the end of 2018. With three supplementary budgets in 2016, fiscal consolidation is pausing, helping Japan to cope with the impact of the yen appreciation. Private consumption is projected to continue rising in the context of labour shortages and the historically high level of corporate profits.

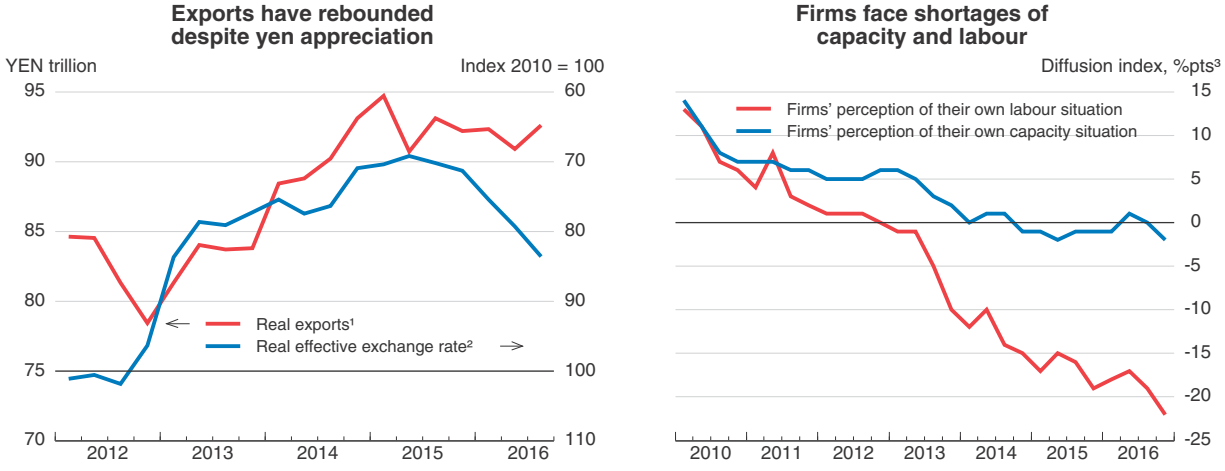
The Bank of Japan should maintain monetary easing, as intended, until inflation is stable above the 2% target, while taking account of costs and risks in terms of possible financial distortions. Structural reforms are essential to boost productivity and bring more people, especially women, into employment. This would enhance social cohesion, and reduce Japan's high relative poverty rate. Faster growth is critical to stopping and reversing the run-up in public debt, which is projected to reach 240% of GDP by 2018.

To sustain confidence in Japan's public finances, the implementation of a more detailed and credible consolidation plan, including a path of gradual increases in the consumption tax rate, is essential. Such a plan should also slow the rise in public social spending, which accounts for more than half of government expenditures. Investment in areas such as education and training is needed to boost Japan's growth potential. Limiting the negative impact of higher taxes on growth requires relying primarily on the consumption tax for increased revenue, accompanied by an earned income tax credit to promote employment and social cohesion.

Private consumption is driving growth

Real GDP increased at a 1.6% annualised rate in the first three quarters of 2016 despite yen appreciation and a decline in business investment. Growth was led by consumer

Japan



1. National accounts basis.
2. Trade-weighted, vis-à-vis 48 trading partners, calculated using consumer prices. A decrease indicates an appreciation of the yen.
3. The diffusion indices show the number of firms responding they had an excess number of workers minus those reporting a shortage and the number responding that they had excess capacity minus those with a capacity shortage. A negative number thus indicates an overall shortage of labour and capacity. Numbers for the fourth quarter in 2016 are companies' projections made in September 2016.

Source: OECD Economic Outlook 100 database; and Bank of Japan.

StatLink http://dx.doi.org/10.1787/888933437768

Japan: **Employment, income and inflation**

Percentage changes

	2014	2015	2016	2017	2018
Employment	0.6	0.4	1.0	0.2	-0.2
Unemployment rate[1]	3.6	3.4	3.1	3.0	2.9
Compensation per employee[2]	0.8	0.7	0.5	1.2	1.6
Unit labour cost	1.6	1.0	1.2	0.3	0.7
Household disposable income	0.5	1.1	1.0	0.4	0.7
GDP deflator	1.7	2.0	0.4	0.0	0.7
Consumer price index[3]	2.7	0.8	-0.3	0.3	1.0
Core consumer price index[4]	2.0	1.0	0.4	0.4	1.0
Private consumption deflator	1.9	0.2	-0.7	0.2	0.9

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.

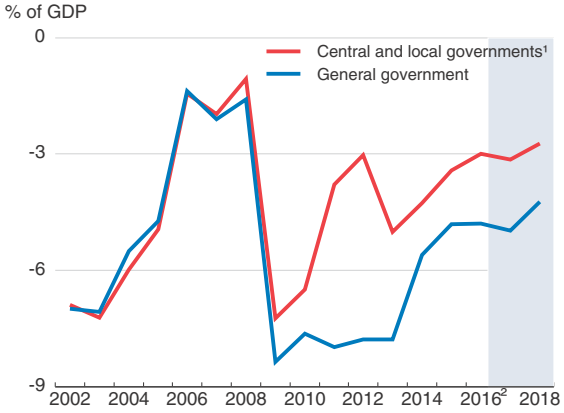
Source: OECD Economic Outlook 100 database.

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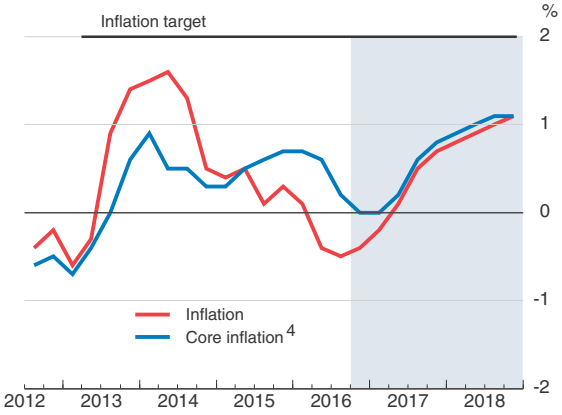
spending, supported by wage growth, which was nonetheless surprisingly muted given the tightest labour market conditions in 25 years. Consumer purchasing power was also boosted by the fall in headline inflation back into negative territory, in part due to declining oil prices. Even excluding energy and food prices, inflation is close to zero. After declining in the first half of 2016, exports rebounded sharply in the third quarter of 2016.

Japan

Japan's primary deficit remains large



Consumer price inflation has fallen since 2014
Excluding tax hike[3]



1. This measure excludes the balance of social security funds and reconstruction spending.
2. OECD estimate for 2015-16.
3. In April 2014, the consumption tax was raised from 5% to 8%. The tax hike added 2 percentage points to inflation in FY 2014 according to estimates by the Bank of Japan and the Cabinet Office.
4. OECD measure, which excludes food and energy.

Source: OECD Economic Outlook 100 database; OECD calculations; and Bank of Japan.

StatLink http://dx.doi.org/10.1787/888933437775

Japan: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	-0.8	1.4	2.7	2.4	1.8
General government financial balance[2]	-6.2	-5.4	-5.2	-5.2	-4.3
General government gross debt[2]	227.7	229.9	233.7	237.5	239.7
General government net debt[2]	126.2	128.5	132.2	136.1	138.3
Current account balance[2]	0.8	3.3	3.8	3.8	4.1
Short-term interest rate[3]	0.1	0.1	0.0	-0.1	-0.1
Long-term interest rate[4]	0.6	0.4	-0.1	0.0	0.0

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438733

Fiscal consolidation has paused

The expansion was also supported by two fiscal packages in the first half of 2016. In August, the government announced a Yen 7.5 trillion (1.5% of GDP) fiscal package for FY 2016-17, offsetting the earlier planned tightening. With three fiscal packages in 2016 and the decision to delay the consumption tax hike that had been planned for April 2017, the primary deficit is projected to remain close to 5% of GDP during 2015-17.

The government has an objective of achieving a primary surplus (central and local governments) in FY 2020. It has also set a benchmark of a primary deficit of around 1% of

Japan: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices YEN trillion	Percentage changes from previous year, volume (2005 prices)					
GDP at market prices	499.3	0.8	1.0	0.8	1.5	0.8	0.9
Private consumption	292.5	0.4	0.5	0.5	1.1	0.5	0.4
Government consumption	101.8	1.5	0.0	0.1	0.9	0.1	-0.2
Gross fixed investment	108.2	0.6	1.6	0.1	1.2	0.7	0.4
Public[1]	23.4	-1.6	0.0	-7.6	2.3	-4.8	-5.7
Residential	14.7	5.5	3.3	1.2	7.3	1.3	1.1
Non-residential	70.1	0.3	1.7	2.1	-0.4	2.2	1.9
Final domestic demand	502.5	0.7	0.7	0.3	1.1	0.5	0.3
Stockbuilding[2]	1.7	-0.1	0.0	0.0			
Total domestic demand	504.1	0.5	0.6	0.3	1.0	0.5	0.3
Exports of goods and services	89.3	-0.4	3.0	3.1	1.3	2.8	3.3
Imports of goods and services	94.2	-1.6	1.6	1.0	-0.9	1.8	1.0
Net exports[2]	- 4.9	0.2	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 100 database.

StatLink http://dx.doi.org/10.1787/888933438743

Japan: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	816.6	738.5	755.5	778	811
Goods and services imports	961.6	778.7	736.5	748	765
Foreign balance	- 145.0	- 40.3	19.0	29	45
Invisibles, net	181.6	175.1	160.5	155	156
Current account balance	36.6	134.9	179.5	184	201
			Percentage changes		
Goods and services export volumes	8.3	2.8	- 0.4	3.0	3.1
Goods and services import volumes	7.2	0.4	- 1.6	1.6	1.0
Export performance[1]	3.9	0.6	- 2.5	0.3	- 0.1
Terms of trade	- 1.0	8.9	6.9	0.0	- 0.1

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438750

GDP in FY 2018 to help achieve this target. However, the primary deficit by this measure is projected at over 2¾ per cent of GDP in 2018, even with some improvement in the fiscal position as reconstruction spending wanes.

Keeping Japan's promises to provide health and long-term care and pension benefits to its rapidly-ageing population requires a comprehensive plan to achieve fiscal sustainability. Such a plan should include detailed and concrete measures to boost revenues through gradual increases in the consumption tax, broadening the personal and corporate income tax bases and raising environmental taxes. The plan should also include reforms to contain the growth of social spending. In healthcare, savings could be achieved by shortening hospital stays and increasing elderly co-payments for health and long-term care spending. As for public pensions, it is important to raise the pension eligibility age and to fully apply macroeconomic indexation to pension benefits.

Controlling the growth of social spending would also create space for public "soft" investment that would boost Japan's growth potential. In particular, expanding childcare and long-term care – two priorities of Abenomics – would reduce the number of workers who leave their jobs to care for children or elderly relatives. In addition, eliminating the provisions of the tax code that discourage full-time work by second earners in households would boost labour inputs.

Achieving the inflation target remains a priority

Faster nominal output growth – by increasing real growth and inflation – is also essential to achieve fiscal sustainability. In September 2016, with inflation negative, the Bank of Japan (BoJ) announced a new policy framework based on "yield curve control" to keep the yield on 10-year government bonds near its current level of around zero. The new framework enhances flexibility in the amount of bond purchases. The short-term interest rate is to remain at -0.1% for a portion (about 4%) of bank deposits at the central bank. The BoJ also made an "inflation-overshooting commitment" to continue expanding the monetary base until consumer price inflation (excluding fresh food) exceeds the 2% target in a stable manner. Such policies should continue until the commitment has been

achieved, while taking account of costs and benefits. Thus far, there is no sign of price bubbles in the stock market and real estate.

Growth momentum will continue through 2018

Annual output growth is projected to remain between ¾ per cent and 1% over 2016-18. Although real wage gains are expected to ease as the increase in inflation outstrips wage growth, a fall in the saving rate to its pre-2013 level, supported by the improvement in consumer confidence, is projected to sustain private consumption. Export growth is expected to pick up with the rebound in international trade and this will support investment in the business sector, where profitability and cash holdings are historically high. As fiscal stimulus and reconstruction fade, the downward trend in public investment will resume, although it will be partly offset by construction related to the 2020 Olympics. Inflation is projected to rise to 1¼ per cent by the end of 2018, while the current account surplus remains close to 4% of GDP.

Sustained output growth requires a virtuous circle of rising prices, wages and corporate earnings. The major uncertainty is wage growth, which has remained sluggish despite high corporate profitability and labour shortages. If firms raise wages more rapidly than projected to reduce labour shortages, private consumption and output growth would be stronger. The major downside risk is that the improvement in consumer confidence will not be sustained, leaving the household saving rate high. A second risk is Japan's unprecedentedly high level of public debt. Unless it implements a more detailed and concrete strategy to stabilise the debt ratio, Japan could face a loss of confidence in its fiscal sustainability, which in turn could destabilise the financial sector and the real economy, with large spillovers to the world economy. External risks are largely on the downside, given uncertainty about China, which accounts for a quarter of Japanese exports.

KOREA

Economic growth continued at a moderate pace in 2016, supported by a supplementary budget and record low interest rates. Growth is projected to edge up from 2¾ per cent in 2016-17 to 3% in 2018. Inflation is projected to converge to the central bank's 2% target by 2018, and the current account surplus to remain large at 6½ per cent of GDP.

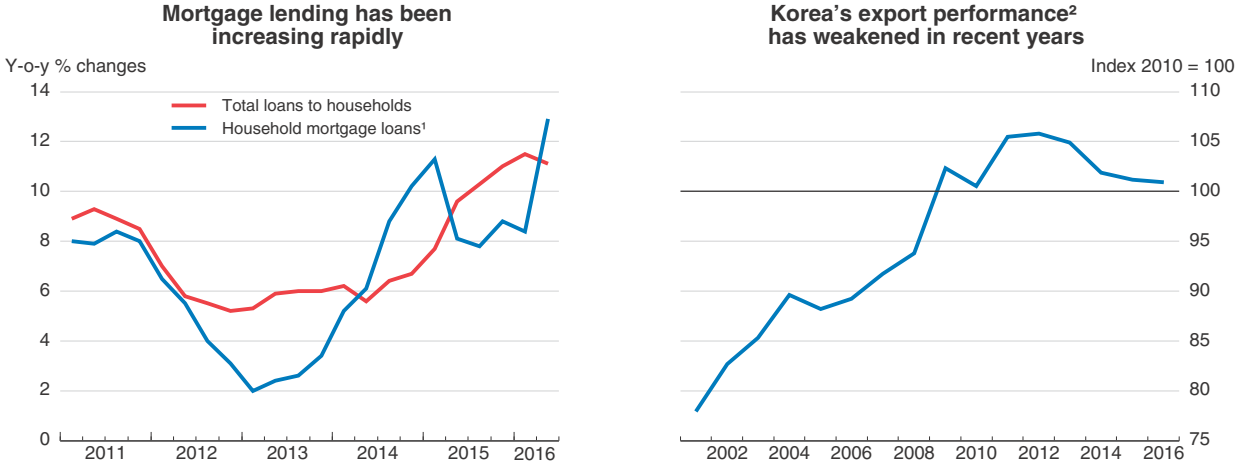
The Bank of Korea reduced its policy rate to an all-time low of 1¼ per cent in mid-2016. Concerns about rapidly rising household debt suggest fiscal policy may now be better placed to take some of the burden. The planned budget consolidation in 2017 will restrain growth. Instead, to support growth, government spending should be increased beyond the levels set in the National Fiscal Management Plan. In addition, structural reforms are needed to boost productivity and labour participation as the working-age population begins to decline.

Korea's persistent government surpluses and low public debt (around 45% of GDP) provide ample scope to increase spending in the near term, focusing on measures that would support its growth potential and social inclusion. The fiscal framework should be improved to provide more scope for short-term flexibility while maintaining a sound fiscal position, as Korea faces the most rapid population ageing in the OECD and the cost of possible rapprochement with North Korea.

Output growth remains below potential

Government policies continue to support the expansion. For the third time in four years, the government introduced in 2016 a supplementary budget, amounting to 0.6% of GDP. The relaxation of regulations on mortgage lending in 2013-14, combined with low interest rates, boosted residential investment growth to a 25% annual rate in the first three

Korea



1. By depository institutions.
2. Export performance is measured as actual growth in exports relative to the growth of the country's export markets. OECD projection for 2016.

Source: Bank of Korea; and OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437784

Korea: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices KRW trillion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 429.4	3.3	2.6	2.7	2.6	3.0
Private consumption	727.8	1.7	2.2	2.4	2.4	2.9
Government consumption	214.5	3.0	3.4	3.8	2.8	3.0
Gross fixed capital formation	418.3	3.4	3.8	5.1	3.5	3.1
Final domestic demand	1 360.6	2.5	2.9	3.5	2.8	3.0
Stockbuilding[1]	- 2.3	0.5	0.9	0.0	0.1	0.0
Total domestic demand	1 358.3	3.0	3.7	3.5	2.9	3.0
Exports of goods and services	770.1	2.0	0.8	1.6	2.2	2.8
Imports of goods and services	698.9	1.5	3.2	2.8	2.7	2.7
Net exports[1]	71.2	0.4	-1.1	-0.4	0.0	0.2
Memorandum items						
GDP deflator	_	0.6	2.2	1.8	1.3	1.8
Consumer price index	_	1.3	0.7	0.9	1.5	1.8
Private consumption deflator	_	1.0	0.9	1.0	1.7	1.8
Unemployment rate	_	3.5	3.6	3.8	3.8	3.8
Household saving ratio, net[2]	_	7.2	8.8	8.8	8.8	8.8
General government financial balance[3]	_	1.3	1.4	1.9	2.5	2.6
General government gross debt	_	43.7	44.2	44.2	43.3	42.7
General government net debt[4]	_	..	..	..	..	..
Current account balance[3]	_	6.0	7.7	7.1	6.4	6.5

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439103

quarters of 2016, accounting for nearly half of the gains in real GDP. The accompanying rise in mortgage lending has pushed household debt above 170% of disposable income. Although export growth slowed to 1% in the first three quarters of 2016, the current account surplus reached around 7½ per cent of GDP and inflation remained below 1%.

More expansionary macroeconomic policies and progress in structural reform are necessary

With inflation well below the 2% target, the projection assumes that the monetary policy stance remains accommodative. However, the central bank is concerned that lower rates would further increase already high household debt, notwithstanding efforts by the financial supervisor to address the systemic risks to the financial system and the government's tightening of regulations several times in 2016 to slow the growth of mortgage lending.

Supplementary budgets in 2015 and 2016 boosted central government spending significantly. As the prospect of further monetary expansion may be increasingly constrained, fiscal policy should be used more actively as a way of ensuring adequate aggregate demand. The fiscal position is strong and increased spending on priority areas, including investment to boost productivity and social spending, would be welcome.

However, in the absence of additional fiscal stimulus, spending growth in 2017-18 is set to slow. An improved fiscal framework is a priority to allow greater flexibility to help Korea break out of its low-growth trap while keeping public debt low over the long term.

Structural reforms are needed to boost labour productivity growth, which has slowed to an annual rate of less than 1% since 2011. The government has focused on regulatory reform, launching a "cost-in, cost-out" system to cap the regulatory burden on firms. This should be accompanied by labour market reforms to boost employment of women, youth and older persons and break down labour market dualism, thereby promoting socially-inclusive growth.

Output growth is projected to edge up to 3% in 2018

Output growth will be supported by the projected pick-up in world trade. This will also boost business investment, offsetting a gradual decline in residential investment following the tightening of regulations on mortgage lending. Private consumption is likely to gain traction as the household saving rate, which has risen from 4% in 2012 to nearly 9%, is expected to stabilise. With oil prices assumed to stay around recent levels, headline consumer price inflation is projected to rise to close to 2% in 2018, while the current account surplus falls to 6½ per cent of GDP.

Given Korea's reliance on export-led growth, a delayed rebound in world trade is the biggest risk to achieving 3% output growth. In addition, recent problems in the mobile phone industry could have a temporary adverse impact on demand for Korean products. On the domestic side, political uncertainty poses a short-term risk, while the near-term impact of restructuring in troubled industries and the recent introduction of an anti-corruption law may be larger than expected. However, well designed fiscal stimulus and effective structural reforms could reignite domestic demand and reverse the decline in Korea's export performance, leading to faster growth.

LATVIA

Economic growth is projected to pick up strongly as the disbursement of new EU funds increases investment and the recovery in Russia increases exports. Household consumption will remain robust, supported by continued wage growth, although unemployment will remain high. Wage growth is set to exceed productivity growth, which will hold back the improvement of export performance.

The fiscal stance is expansionary, which is appropriate in view of ample spare capacity, and reflects higher expenditure on healthcare and government investment. Strengthening active labour market policies and targeting them on the long-term unemployed would increase employment and make growth more inclusive. Raising the quality of vocational training would boost productivity growth by easing skill shortages.

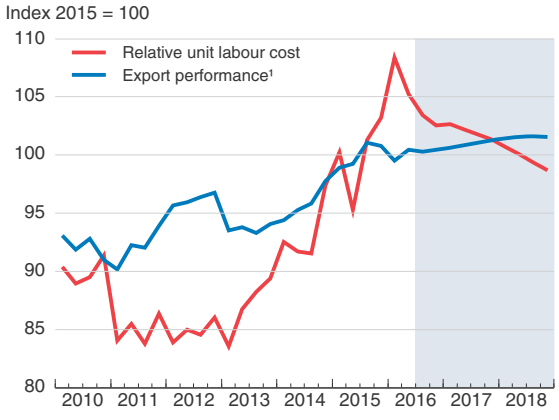
The relatively low debt level and budget deficit indicate room for further fiscal expansion. The planned increase in healthcare spending should improve the access to high-quality healthcare for low-income households, especially in rural areas. Higher infrastructure investment, such as expanding access to European transport networks, would boost growth. The tax system should shift the burden from labour income to immovable property and environmentally harmful activities while strengthening revenue collection.

Weak exports and investment hold back growth

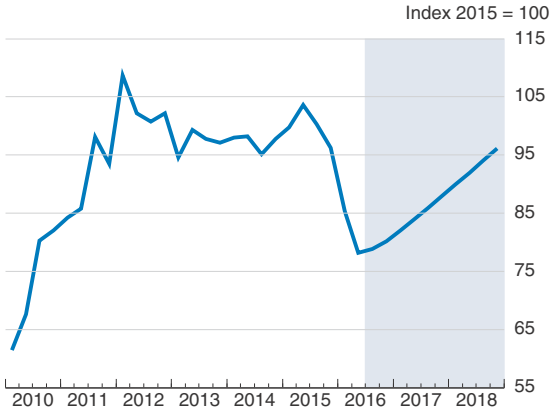
Exports to Russia decreased in 2016, driven by the devaluation of the rouble and the banning of Russian imports of certain food products. Weak growth in EU countries also held back exports. Investment declined sharply in the first half of 2016 due to the delay in disbursement of the new EU funds and unfavourable export market conditions. Credit growth remains low, as banks have only eased their lending standards marginally despite the ECB's expansionary monetary policy stance. Unemployment has remained high while

Latvia

Relative unit labour costs have fallen somewhat



Investment² is projected to recover



1. Export performance is measured as the ratio of actual export volume and the country's export market.
2. Real gross fixed capital formation.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437799

Latvia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	22.8	2.1	2.7	1.1	3.0	3.5
Private consumption	14.0	1.3	3.9	4.0	3.9	3.4
Government consumption	4.0	2.1	3.1	1.6	2.0	2.5
Gross fixed capital formation	5.3	0.1	2.8	-19.4	5.4	9.5
Final domestic demand	23.4	1.1	3.5	-1.6	3.8	4.4
Stockbuilding[1]	0.2	-1.1	-1.1	5.3	-0.3	0.0
Total domestic demand	23.5	0.1	2.5	3.7	3.4	4.3
Exports of goods and services	13.7	3.9	2.6	2.3	3.9	4.0
Imports of goods and services	14.5	0.5	2.1	5.6	4.9	5.4
Net exports[1]	- 0.7	2.0	0.3	-2.0	-0.5	-0.9
Memorandum items						
GDP deflator	_	1.5	0.4	1.4	2.0	2.1
Harmonised index of consumer prices	_	0.7	0.3	-0.2	1.3	1.9
Private consumption deflator	_	1.7	-0.6	0.3	1.4	1.9
Unemployment rate	_	10.8	9.9	9.6	9.2	8.8
General government financial balance[2]	_	-1.6	-1.3	-1.0	-1.0	-0.8
General government gross debt[2]	_	47.1	42.2	46.2	44.1	43.3
General government debt, Maastricht definition[2]	_	40.7	36.3	40.3	38.2	37.5
Current account balance[2]	_	-2.0	-0.8	0.7	-0.2	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933439315

skill shortages have contributed to growing wages. Strong wage growth and low inflation have supported private consumption. Although Latvia's unit labour costs recently fell due to the depreciation of euro, the level is still elevated as wages have grown faster than productivity.

Fiscal policy is boosting inclusive growth

The fiscal stance is expansionary in the near term, as the 2017 budget foresees increased spending on healthcare and government investment will expand with the disbursement of new EU funds. Structural unemployment is high and the informal sector is large. The government introduced in 2016 individualised support for the long-term unemployed that includes a health assessment, consultation and a motivation programme. Such measures are welcome, given that high unemployment is strongly related to poverty. The government is also gradually increasing the basic labour income tax allowance for earnings around the minimum wage to encourage formal employment of low-income workers. In order to address skill shortages, the government has been engaging in extensive reforms of vocational and tertiary education. However, apprenticeship positions and lifelong learning opportunities that enable upskilling are still limited. Barriers to entrepreneurship, such as the complex permits and licences system and the low recovery of loans in insolvency procedures, continue to hamper the efficient allocation of credit and productivity growth.

Growth will strengthen as external conditions improve and more EU structural funds are disbursed

Export market conditions are projected to improve gradually as Russia's economy recovers. The disbursement of the new EU funds will boost investment. Inflation should rise gradually as the slack in the economy narrows and high wage growth is only partially offset by productivity growth. Notwithstanding fiscal expansion, gross public debt will decline as a percentage of GDP. The current account balance will turn negative as robust private consumption and investment increase imports.

Intensified geopolitical risks and weak economic growth in Europe could slow the recovery of exports and investment. Brexit may impact industries with strong trade links with the United Kingdom, such as wood products, transportation and financial services. On the other hand, an easing of sanctions by Russia would improve exports and faster progress on implementation of structural reforms could increase competitiveness and help diversify Latvia's export destinations, boosting growth and reducing unemployment.

LITHUANIA

Economic growth is projected to rise to 2.8% by 2018, as investment benefits from low real interest rates and a gradual recovery in export markets. Consumption growth will hold up following a series of increases in the minimum wage. Inflationary pressures will mount as wages rise in response to a further decline in the unemployment rate.

The rapidly ageing population calls for prioritising reforms to the pension system and measures that promote labour force participation. In particular, the retirement age should be linked to life expectancy and primary health care should be bolstered. Such measures should particularly focus on low-income workers, given the existing high levels of inequality and poverty.

Fiscal policy is projected to be broadly neutral. This is appropriate given pressures on resources, but fiscal space exists with gross public debt at around 40% of GDP. New spending that raises potential output growth should therefore be undertaken. Strengthening active labour market programmes and providing incentives for participation in pre-primary education can help boost productivity and the inclusiveness of growth.

Domestic demand and exports have supported growth

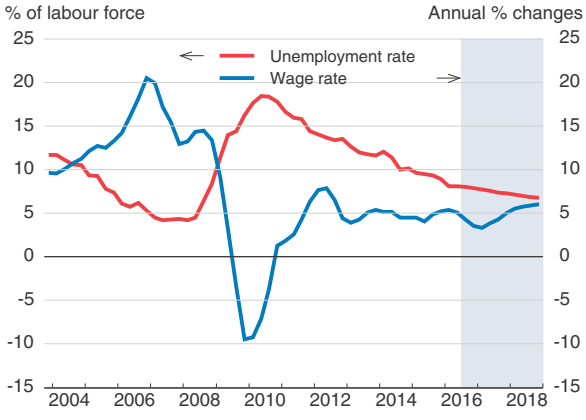
Private consumption rose strongly in the first half of 2016, reflecting high income growth and solid employment gains. The export sector has recovered from the recession in Russia and counter-sanctions in 2015. In contrast, investment fell in the first half of 2016 on the back of lower EU disbursements of structural funds. Strong labour demand in the private sector, combined with a decline in the labour force, has driven the unemployment rate lower and raised wage pressures.

Public spending should focus on expanding supply

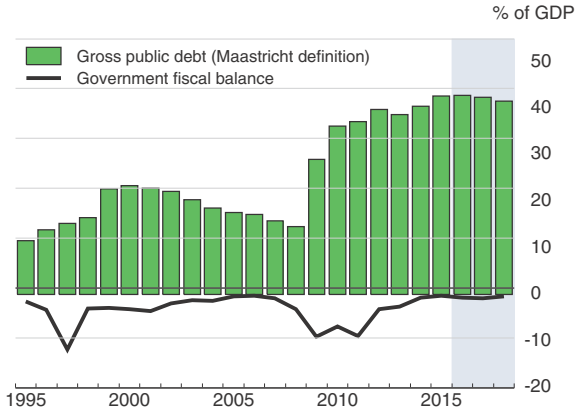
The stance of fiscal policy is expected to be broadly neutral in 2017 and 2018. Gross public debt as a share of GDP is low compared with other EU countries and significant

Lithuania

Labour market conditions have tightened substantially



Government debt is expected to decline



Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437803

Lithuania: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	35.0	3.5	1.8	2.1	2.7	2.8
Private consumption	21.9	4.3	4.1	5.1	3.9	3.5
Government consumption	5.9	0.3	0.9	1.0	0.5	0.8
Gross fixed capital formation	6.5	3.7	4.7	1.4	4.1	3.9
Final domestic demand	34.3	3.5	3.7	3.7	3.3	3.1
Stockbuilding[1]	0.3	0.0	0.3	-0.3	0.0	0.0
Total domestic demand	34.6	3.3	6.7	1.6	3.9	3.2
Exports of goods and services	29.4	3.5	-0.4	3.6	2.7	3.1
Imports of goods and services	29.0	3.3	6.2	2.7	3.5	3.7
Net exports[1]	0.4	0.2	-5.2	0.6	-0.6	-0.4
Memorandum items						
GDP deflator	_	1.0	0.2	0.2	2.6	2.7
Harmonised index of consumer prices	_	0.2	-0.7	0.6	2.3	2.8
Private consumption deflator	_	0.1	-0.9	1.2	2.4	2.8
Unemployment rate	_	10.9	9.3	8.0	7.5	6.9
General government financial balance[2]	_	-0.7	-0.2	-0.7	-0.8	-0.4
General government gross debt[2]	_	52.5	53.9	54.0	53.6	52.8
General government debt, Maastricht definition[2]	_	40.5	42.7	42.9	42.5	41.6
Current account balance[2]	_	3.6	-2.3	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933439332

spending needs exist. However, relatively high levels of capacity utilisation mean that further measures should be focused on boosting the supply side of the economy.

High income inequality can be reduced by strengthening active labour market programmes that better match unemployed workers with jobs. Opportunities can also be enhanced by measures that raise pre-primary education participation rates and improve the education system through attracting and developing high-quality teachers. Initiatives that promote healthy lifestyles and primary health care, especially in rural areas, will also improve wellbeing and increase labour supply. There is significant scope to invest in public infrastructure, including through upgrades to the railway and inland waterway transport network.

The accommodative stance of euro-area monetary policy will support both public and private investment over the projection period. At the same time, firms have high levels of cash reserves and business confidence has improved since the end of 2015. Investment will also continue to benefit from the pro-competition reforms of the past decade. Consumer demand will be buoyed by a series of increases in the statutory minimum wage, the most recent coming into effect in mid-2016.

GDP growth is projected to rise

Economic growth is set to strengthen in 2017 and 2018. Private consumption will be supported by rising wages as well as an ageing-related decline in the saving rate.

Nevertheless, a falling population will constrain further increases in aggregate consumption. Exports are projected to recover in line with activity in major export markets. The recovery in trade, as well as an increase in EU funding disbursements, should contribute to stronger investment growth. Pressures on resources will gradually intensify over the projection period, pushing inflation higher.

Consumer demand may be hurt by restrictions on immigration of EU citizens to the United Kingdom in the context of Brexit. Business confidence and investment activity could be weakened if the severity of mutual sanctions between the EU and Russia rise. However, a stronger euro area recovery could push growth higher, especially if it is partly enabled through infrastructure investment that improves Lithuania's connections with key export markets.

LUXEMBOURG

Economic growth is projected to remain robust, due to ongoing supportive monetary conditions, dynamic domestic demand and a rebound in financial sector activity, which will foster exports. Inflation is projected to rise as slack diminishes and wages are pushed up by the next round of indexation, due at the beginning of 2017.

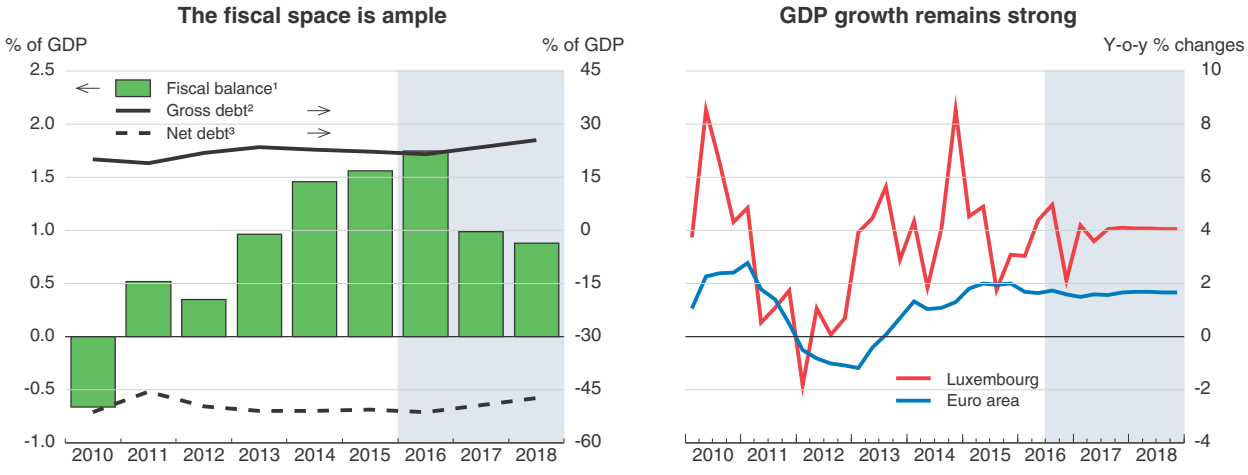
Structural reforms, such as strengthening incentives to accept job offers and stricter job search obligations for recipients of unemployment benefits, would improve the use of existing skills and reduce structural unemployment. Reforms that reduce barriers to labour mobility, such as changes in housing-market and life-long learning policies, should be complemented by the provision of adequate infrastructure and public services to accommodate the needs of new residents.

The government has shifted towards an expansionary fiscal policy stance. This shift is welcome given the ample fiscal space afforded by low levels of debt and low interest rates. The new fiscal target will make room for a growth-enhancing tax reform, combining a reduction in corporate and income tax rates with higher tax credits for investors and low-income taxpayers. This will make the tax system more growth and equity-friendly. In addition, fiscal space could be used for growth-enhancing spending on R&D and infrastructure.

Economic growth has been driven by the non-financial sectors

Indicators of economic activity in 2016 point to robust growth of non-financial services. However, the financial sector is suffering from low interest rates and associated weak profits. 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, the general government gross debt is low, at 21% of GDP, and net debt is negative.

Luxembourg



1. General government net lending.
2. General government gross debt, Maastricht definition.
3. General government net financial liabilities.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437819

Luxembourg: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	46.3	4.7	3.5	3.6	4.0	4.0
Private consumption	15.1	2.7	1.8	1.4	3.0	3.1
Government consumption	8.2	0.0	2.3	3.6	2.0	2.9
Gross fixed capital formation	9.0	5.4	1.4	2.1	6.4	3.6
Final domestic demand	32.3	2.7	1.8	2.2	3.7	3.2
Stockbuilding[1]	- 0.2	0.7	0.4	0.9	0.1	0.0
Total domestic demand	32.1	6.6	2.7	3.4	3.9	3.2
Exports of goods and services	88.9	12.1	12.8	4.5	4.7	4.5
Imports of goods and services	74.7	13.0	14.1	4.4	4.7	4.3
Net exports[1]	14.2	2.2	2.0	1.8	1.5	1.9
Memorandum items						
GDP deflator	_	1.5	0.4	-1.5	2.1	2.1
Harmonised index of consumer prices	_	0.7	0.1	-0.1	1.4	1.5
Private consumption deflator	_	0.3	-0.7	-0.1	1.3	1.5
Unemployment rate	_	7.1	6.8	6.4	6.3	6.2
General government financial balance[2]	_	1.5	1.6	1.7	1.0	0.9
General government gross debt[2]	_	32.0	31.4	30.7	32.7	34.7
General government debt, Maastricht definition[2]	_	22.8	22.1	21.4	23.4	25.4
Current account balance[2]	_	5.1	5.2	4.5	4.7	4.8

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439114

The government plans to start reducing corporate and income tax rates in 2017 in a multi-year tax reform that is projected to make the tax system more progressive and offset, at least partly, the tax base broadening resulting from European and international tax transparency initiatives. As a result, the fiscal surplus of the general government is projected to decline in 2017 and remain broadly stable in 2018.

Structural reforms will improve labour market outcomes

The proposed personal income tax reform will bring welcome changes, such as more progressive taxation and additional tax credits for low-income earners. Although affordable, the tax cuts could be partly compensated by increasing currently low taxation on housing. The possibility of individual taxation of family income could lead to lower marginal tax rates for second earners, mostly women, hence improving their incentive to work full-time and make better use of their skills. Higher tax credits for childcare and the recent extension of the childcare voucher scheme to cross-border workers will 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 on temporary job creation, are crucial to reduce long-term unemployment and boost inclusive growth.

However, the incentives introduced by the reforms need to be coupled by additional changes in structural policies. Including childcare providers outside Luxembourg in the childcare voucher scheme could prevent structural imbalances between demand and

supply. Rising house prices in Luxembourg may reflect supply bottlenecks that should be addressed by reformed zoning regulations, simplifying procedures for granting building permits and improved provision of social housing.

Growth is projected to remain strong

Growth is projected to be 4% in both 2017 and 2018. Private consumption and investment will be boosted by the reduction in private and corporate income tax rates from 2017. Activity will also be supported by accommodative monetary conditions and gradually improving services exports. A round of wage indexation is projected to take place at the beginning of 2017 and will likely lift inflation above the euro area average.

Given Luxembourg's trade and financial linkages, much depends on the pace of the euro area recovery and the continuation of accommodative monetary policies. High cross-border financial linkages between domestic banks, their groups' foreign banks and investment funds could transmit external shocks into the domestic economy. Creating a more level playing field in corporate taxation at a global level could benefit Luxembourg by emphasising its competitive advantages, including political stability and a highly qualified labour force.

MEXICO

Economic activity has been resilient to sharply lower oil prices, weak world trade growth and monetary policy tightening in the United States. Domestic demand remains the main driver of economic activity, supported by recent structural reforms that have cut prices to consumers, notably on electricity and telecoms services. Growth will be held back in 2017 and 2018, mostly through investment and consumer confidence, following uncertainties about future US policy, although the economy could benefit from stronger import demand from the United States.

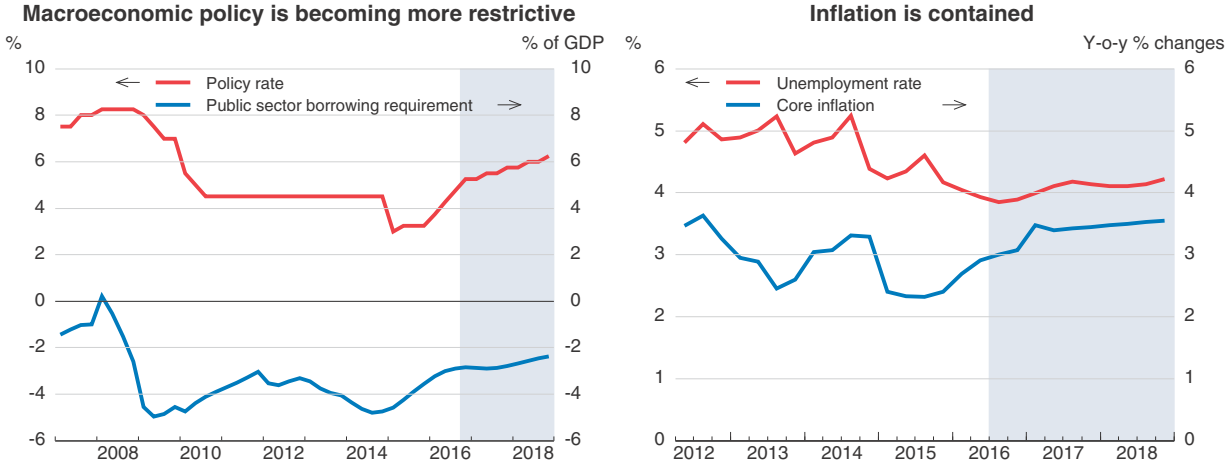
Macroeconomic policy is being tightened. Banco de Mexico raised policy rates to counter inflationary pressures and keep inflation expectations anchored near the inflation target and more recently in response to heightened uncertainty in the wake of the outcome of the US presidential election. In order to meet the consolidation path and ensure debt sustainability, the 2017 budget includes expenditure cuts, with the objective of returning to a primary surplus.

The government laid down a consolidation path two years ago to reduce the budget deficit (measured by the public sector borrowing requirement) by 2 percentage points of GDP over 4 years. However, there is scope for reallocating expenditures and further limiting tax expenditures to raise spending on programmes conducive to inclusive growth for Mexican families – such as child care, health, poverty reduction, and infrastructure.

Economic activity is being held back by external headwinds

Despite being hit by several external shocks, the Mexican economy has been resilient. The external environment is difficult, with the global economy remaining in a low-growth trap and poor expectations depressing trade, investment, and wages. Headwinds specific to Mexico include collapsing oil prices, which decreased government receipts, cutbacks in energy sector investments, and the sharply depreciating Mexican peso following market

Mexico



Source: OECD Economic Outlook 100 database; and Banxico.

StatLink http://dx.doi.org/10.1787/888933437823

Mexico: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices MXN billion	Percentage changes, volume (2008 prices)				
GDP at market prices	16 114.5	2.2	2.5	2.2	2.3	2.4
Private consumption	11 048.0	1.8	3.1	2.8	2.4	2.4
Government consumption	1 962.5	2.1	2.4	0.6	-0.1	0.0
Gross fixed capital formation	3 400.7	2.8	3.9	2.0	1.9	2.2
Final domestic demand	16 411.2	2.0	3.2	2.4	2.0	2.1
Stockbuilding[1]	- 150.9	0.0	-0.1	0.0	0.0	0.0
Total domestic demand	16 260.3	2.1	3.1	2.4	2.1	2.1
Exports of goods and services	5 119.4	6.9	9.1	2.6	4.3	4.9
Imports of goods and services	5 265.2	5.9	5.1	3.2	3.9	4.1
Net exports[1]	- 145.7	0.3	1.2	-0.3	0.1	0.2
Memorandum items						
GDP deflator	_	4.7	2.5	3.7	3.3	3.2
Consumer price index	_	4.0	2.7	2.8	3.5	3.6
Private consumption deflator	_	4.2	4.0	3.7	3.6	3.7
Unemployment rate[2]	_	4.8	4.3	3.9	4.1	4.1
Public sector borrowing requirement[3,4]	_	-4.6	-4.1	-3.0	-2.9	-2.5
Current account balance[4]	_	-2.0	-2.9	-3.5	-3.4	-3.1

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439127

expectations of US Federal Reserve tightening, and policy uncertainty in the United States. Domestic demand remains the main driver of growth thanks to the strong expansion of credit combined with gains in real wages, employment and foreign remittances. Unemployment remains low. The large depreciation of the peso has further increased the competitiveness of Mexican non-oil exports, with associated inflationary pressures being offset by reform-driven price reductions of several services.

The government is on track to meet its Public Sector Borrowing Requirements (PSBR) deficit target. The deficit was cut by 1.1% of GDP from 2015 to 2016, although this largely reflected a one-off profit remittance from the central bank. The loss of budget revenue following the collapse of global oil prices posed a challenge and an opportunity for Mexico, which it successfully met by implementing a reform to raise taxes by 3% of GDP since 2014, thereby significantly reducing fiscal dependence on oil. The central bank has raised its target interest rate by 225 basis points to 5.25% since end-2015 with the objective of countering inflationary pressures resulting from the significant depreciation of the peso and keeping inflation expectations anchored close to the 3% target.

Reforms are paying off and should be continued

There are signs of early benefits from the structural reforms, especially on productivity growth, which has picked up recently. Trade openness, foreign direct investment, integration into global value chains and incentives to introduce innovative

technologies have boosted selected activities, such as auto production. However, many other activities lag behind and more needs to be done to motivate people to participate in the formal labour market, while ensuring satisfactory work-life balance, and equipping workers with the necessary skills to be productive. Further reforms are needed to address the misallocation of productive resources, due to overly stringent local regulations, weak legal institutions, high rates of corruption and insufficient financial inclusion. Reforms should also aim at eradicating extreme poverty, reducing income inequality and informality, raising female participation, and encouraging more responsible business practices.

The outlook is linked to external developments

Despite benefitting from stronger US import demand, the expansion of the Mexican economy is projected to be affected by policy uncertainties in the United States. However, the economy will continue to be supported by a competitive exchange rate, solid credit expansion, and continuing improvements in the labour market aided by the government's structural reforms and the low inflation environment. On the other hand, declining oil production and public spending cuts weigh on the economy.

Risks to the projections include uncertainty about external policy developments, additional reductions in oil production, and softer business confidence and private investment. Inversely, an increase in oil prices could bring positive developments for both the current account and fiscal deficits. Domestically, full implementation of structural reforms, in particular education, is key to support longer-term growth.

NETHERLANDS

GDP growth is projected to remain broad-based and steady at around 2%. Private consumption will benefit from improving labour market conditions. The housing market will strengthen further on the back of low interest rates. Wages are set to accelerate as unemployment continues to decline, while inflation will increase gradually from its low level. The current account surplus is expected to remain high despite firm domestic demand and lower gas exports.

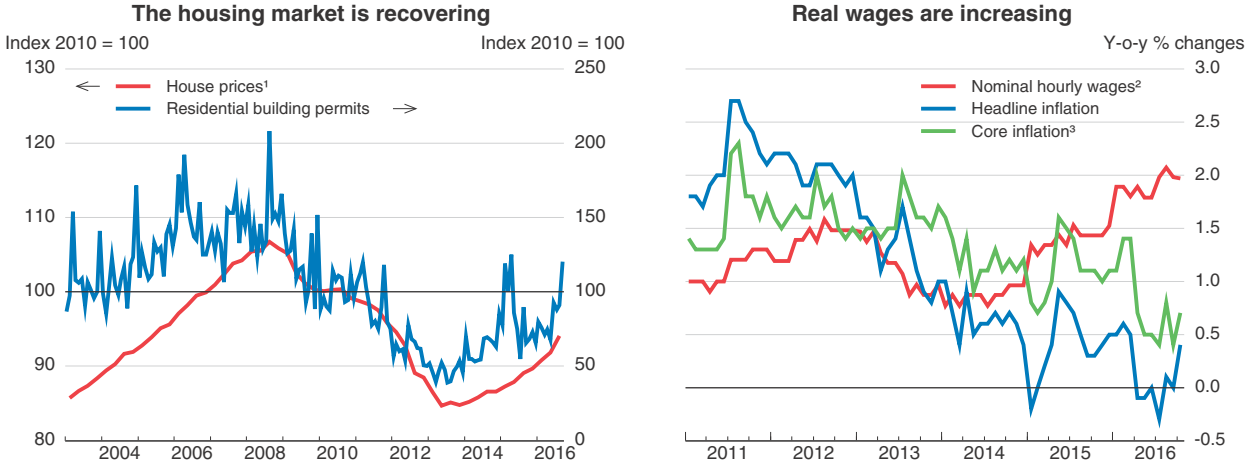
Very accommodative euro area monetary policy is supporting demand. The fiscal policy stance is projected to be broadly neutral. Continuing to improve skills, particularly of immigrants and the long-term unemployed, and better matching skills to jobs, would raise productivity and potential GDP growth while also helping to make growth more inclusive.

The public finances are healthy, which provides room that should be used to finance more growth-friendly spending, notably investment in education and R&D. The tax system can be made more efficient, equitable and environmentally friendly, and preparations for a broad tax reform should be revived. In view of the robust housing market recovery, the reduction of mortgage interest tax relief should be accelerated.

Solid growth is driven by domestic demand

The economy is growing steadily, if not spectacularly, mainly driven by domestic demand. Private consumption is supported by accelerating wages and declining unemployment. The housing market is further recovering as reflected by the strong growth in property prices and residential investment. Business investment is gathering pace as capacity utilisation increases, although the uncertainty following the UK referendum may delay certain projects. Inflation remains subdued.

Netherlands



1. Price index of existing own homes that are located on Dutch territory and sold to private individuals.
2. Including special payments, such as holiday allowance, Christmas bonus, one-time payments the compensation for public health costs and the employers' contribution for the life course savings scheme.
3. Excludes energy, food, alcohol and tobacco.

Source: Statistics Netherlands (CBS); and OECD Main Economic Indicators database.

StatLink http://dx.doi.org/10.1787/888933437838

Netherlands: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	652.8	1.4	2.0	2.0	2.0	1.9
Private consumption	293.6	0.3	1.8	1.5	1.8	1.6
Government consumption	170.3	0.3	0.2	0.7	1.1	1.4
Gross fixed capital formation	117.1	2.3	9.9	6.2	3.7	4.2
Final domestic demand	581.0	0.7	3.0	2.3	2.0	2.1
Stockbuilding[1]	2.1	0.2	-0.6	-0.1	0.1	0.0
Total domestic demand	583.1	0.8	2.3	2.1	2.1	2.1
Exports of goods and services	535.5	4.4	5.0	3.4	3.3	3.5
Imports of goods and services	465.8	4.2	5.8	3.8	3.7	4.1
Net exports[1]	69.7	0.6	0.0	0.1	0.1	-0.1
Memorandum items						
GDP deflator	_	0.2	0.1	0.6	0.8	1.3
Harmonised index of consumer prices	_	0.3	0.2	0.0	1.0	1.5
Private consumption deflator	_	0.8	0.0	0.3	0.5	1.5
Unemployment rate	_	7.4	6.9	6.0	5.6	5.5
Household saving ratio, net[2]	_	6.3	6.0	7.2	7.2	7.2
General government financial balance[3]	_	-2.3	-1.9	-1.4	0.0	0.0
General government gross debt[3]	_	81.2	77.9	76.1	74.3	72.5
General government debt, Maastricht definition[3]	_	67.9	65.1	63.3	61.6	59.7
Current account balance[3]	_	8.9	8.7	8.1	7.7	7.4

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439130

The labour market is improving. After a prolonged post-crisis weakness, employment is accelerating. The share of flexible contracts and the number of the self-employed keeps rising, which risks intensifying labour market dualism. To mitigate this risk, employment protection of those on permanent contracts should be eased by reducing the cap on severance payments, and generous tax incentives that encourage self-employment should be reviewed.

The fiscal stance is broadly neutral

Very low interest rates are stimulating the housing market and business investment, but are also reducing returns on investment by pension funds, leading to increased contribution rates and lower pension indexation.

The public finances are healthy, as the public debt ratio is well below the euro area average and on a firmly declining path and the deficit is low and heading to zero in the next two years. The 2017 budget is broadly neutral. The fiscal room should be used to raise growth and inclusivity by investing in higher quality of childcare facilities, more support to on-the-job learning and enhanced training programmes for new immigrants and the long-term unemployed. Supporting investment in research and development would also enhance long-term growth, while stronger investment in renewable energy and energy

efficiency is needed to meet environmental targets. Priority spending could be financed, and the tax system made more effective, by accelerating the reduction in mortgage interest tax relief and phasing out lower VAT rates.

Growth will remain steady

Economic activity is projected to continue growing at a pace close to 2% per year. It will be driven by strong private consumption and investment growth. Inflation will gradually increase as economic slack diminishes and wages accelerate, but it will remain below 2% in 2017 and 2018. As the economy expands, the budget is expected to be in balance in both 2017 and 2018. The current account surplus will decline further because of strong domestic demand and shrinking gas exports, but it will remain large.

The main downside risk is that uncertainties following the UK referendum weigh more than expected on business investment and international trade. The Netherlands is more exposed to Brexit than other European countries due to its strong trade and financial links with the United Kingdom and its position as a commercial hub. Still, it has ample policy space to cushion the impact of a shock. On the upside, private consumption could be stronger than projected if households fully translate their rapid gains in real income into higher spending.

NEW ZEALAND

Recent strong economic growth is projected to moderate to less than 3% in 2018. Both net migration and expenditure on the Canterbury earthquake rebuild are expected to slow gradually, slowing domestic demand, especially construction activity. The latest earthquake will entail rebuilding investment, but this is not included in the projection because it is too early to judge the economic effects. Growth will continue to be driven by tourism, with dairy price increases providing a further boost to incomes through the terms of trade. Inflation is likely to rise but remain below the mid-point of the official 1-3% target range.

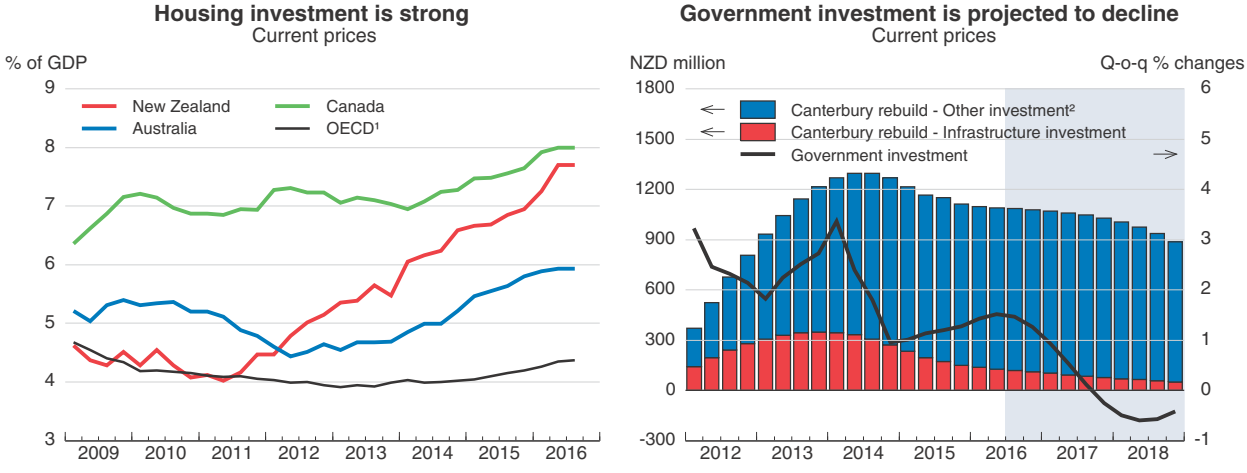
The Reserve Bank has tightened loan-to-value restrictions in order to limit financial stability risks from the high levels of household debt associated with rapid house price increases. These increases have been fuelled by low interest rates, as the Bank has attempted to lift persistently below-target inflation. The fiscal stance is currently neutral to mildly contractionary.

The government has substantial fiscal space, but immediate fiscal stimulus would risk overheating the economy. To the extent that the resources used in the Canterbury earthquake rebuild are freed up in the course of 2017 and beyond, the government should fund infrastructure and increase funding to meet the challenges posed by inequalities and exclusion.

Economic growth remains robust

Economic growth has been buoyed by high net immigration, rapid growth in housing construction and a flourishing tourism sector. Rapid employment growth has pushed the unemployment rate down to near 5%. While wage pressures remain contained in general, median wage growth is strong in construction, finance, health care and public administration. Consumer prices were up only 0.2% in the year to September. Most

New Zealand



1. Unweighted average of available countries.
2. Other investment includes residential and commercial investment.

Source: OECD Economic Outlook 100 database; Reserve Bank of New Zealand (2016), Bulletin, Vol. 79, No. 3, February.

StatLink http://dx.doi.org/10.1787/888933437843

New Zealand: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices NZD billion	Percentage changes, volume (2009/2010 prices)				
GDP at market prices	226.7	3.0	3.0	3.5	3.4	2.6
Private consumption	132.6	2.7	2.3	3.6	3.4	2.8
Government consumption	43.0	2.7	2.0	1.9	2.0	1.8
Gross fixed capital formation	47.3	10.9	3.0	6.4	6.3	3.7
Final domestic demand	222.8	4.4	2.4	3.9	3.9	2.9
Stockbuilding[1]	1.7	0.1	-0.4	-0.3	0.0	0.0
Total domestic demand	224.6	4.4	2.0	3.6	3.8	2.9
Exports of goods and services	64.8	3.1	6.8	3.8	3.5	2.8
Imports of goods and services	62.6	7.9	3.6	3.5	5.1	3.8
Net exports[1]	2.2	-1.3	1.0	0.1	-0.4	-0.3
Memorandum items						
GDP deflator	_	2.0	0.2	1.9	2.0	2.0
Consumer price index	_	1.2	0.3	0.5	1.0	1.5
Core consumer price index[2]	_	1.4	1.1	1.3	1.2	1.5
Private consumption deflator	_	1.1	1.1	1.1	1.1	1.1
Unemployment rate	_	5.4	5.4	5.0	4.5	4.4
Household saving ratio, net[3]	_	-0.7	-1.1	-0.2	0.4	0.6
General government financial balance[4]	_	-0.1	-0.3	-0.2	0.1	0.9
General government gross debt[4]	_	40.9	41.0	39.9	39.5	38.4
Current account balance[4]	_	-3.2	-3.3	-2.8	-2.9	-2.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439144

measures of underlying inflation are at, or just above, the bottom end of the Reserve Bank's inflation target range.

Expansionary monetary policy is exacerbating housing market pressures

The official interest rate is at a record low, and interest rates have encouraged borrowing to buy houses. House prices and household debt have risen to very high levels, raising economic and financial stability risks. The Reserve Bank has attempted to limit financial stability risks by tightening loan-to-value restrictions. Additional macro-prudential measures, such as debt-to-income restrictions, may be required if rapid price increases persist. In addition to initiatives underway to address restrictive land-use rules, notably the Auckland Unitary Plan, more social housing and/or higher targeted housing subsidies are needed to attenuate the effects of high housing costs on low-income households.

The effects of such stimulative monetary policy suggest that rebalancing should be considered, although tighter monetary policy and looser fiscal policy would risk an unwanted exchange rate appreciation. The government has substantial fiscal space: net general government debt is currently 5% of GDP and projected to fall further, and the deficit

is near zero. The fiscal policy stance is neutral to mildly contractionary in 2016-17, which is appropriate to forestall overheating. Although subject to future changes in spending in response to the November 2016 Kaikoura earthquake, the fiscal stance is set to become more contractionary as government investment declines through 2017. This is despite considerable scope to improve infrastructure. Government planning should begin now to establish a pipeline of good quality projects, including to promote productivity-enhancing urban densification and to service the rapidly expanding housing stock. As such investment would occur when the Canterbury rebuild is winding down, such spending would support growth and the construction industry would be better placed to meet this demand than at present. Spending should also be increased on measures to reduce poverty rates amongst welfare beneficiaries with children, Maori and Pasifika. Such spending should be on measures to enhance education and health outcomes, and to activate welfare beneficiaries.

Economic growth is projected to moderate

Growth is projected to moderate by 2018, as net migration falls from an annual rate of 70 000 to 28 000 and construction activity eases. Export growth is expected to slow but will continue to be driven by strong tourism demand from Asia and increases in dairy exports. Recent dairy price increases have raised pay-outs above the breakeven rate for the median dairy farm and are expected to drive a recovery in herd sizes following declines in 2015.

High house prices and associated levels of household debt are the biggest downside risks, as private consumption and housing investment would suffer if house prices fell. The economic effects of the Kaikoura earthquake are still unclear, but are likely to include some short-term curtailment of activity coupled with medium-term fiscal stimulus from reconstruction work. External risks centre on China, directly through demand for agricultural exports and indirectly through Chinese demand for exports from New Zealand's key trading partners. There are upside risks if dairy price increases continue or if net immigration does not decline to the assumed extent.

NORWAY

Economic growth will strengthen gradually until 2018 supported by higher private consumption and a rebound in non-oil investment, helped by better global prospects and a weaker currency. The pace of decline in petroleum investment is set to slow. The unemployment rate should peak in 2016, whereas inflation will edge down as the impact of the exchange rate depreciation abates and economic slack continues.

Monetary policy has been very accommodative and fiscal policy expansionary, which has supported activity. However, sustained low interest rates have fuelled a protracted housing boom. Additional fiscal stimulus, rather than a further easing of monetary policy, should be used to support activity as long as slack remains in the economy. Reforms to improve the business environment, to strengthen competition and to enhance skills and education outcomes are key for raising growth potential and maintaining inclusiveness.

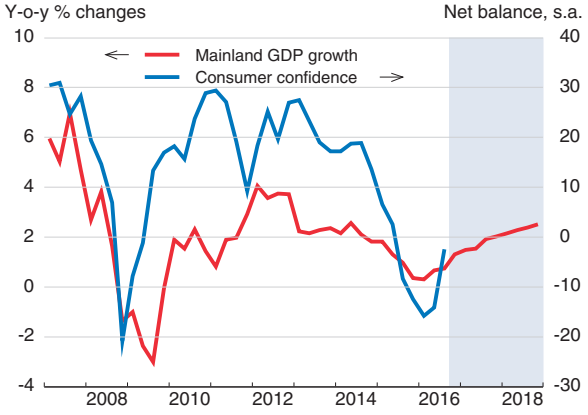
Norway is using its fiscal space to assist the economic recovery. Recent tax reductions, including in corporate taxation, will improve competitiveness. Additional public investment should be considered, even though it must be made judiciously as in some areas, such as in education, ensuring spending efficiency and high social returns has proved challenging.

Economic activity is picking up

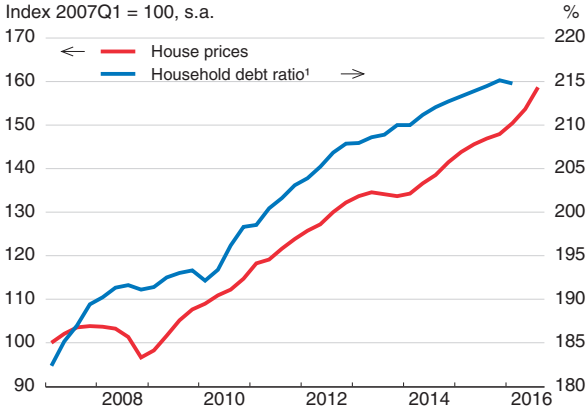
Mainland output growth has strengthened somewhat from recent lows. Declining petroleum investment has continued to affect oil-related industries, with the unemployment rate edging up. However, supportive fiscal and monetary policies and rising housing wealth are sustaining household spending, while a weaker currency and moderate wage growth are helping non-oil exports. The inflationary effects of currency depreciation are waning, but house prices, especially in some regions, continue to rise and household debt remains high relative to income.

Norway

Economic activity is picking up



Housing market pressures continue



1. Ratio to disposable income.

Source: OECD Economic Outlook 100 database; Thomson Reuters; Norges Bank.

StatLink http://dx.doi.org/10.1787/888933437858

Norway: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices NOK billion	Percentage changes, volume (2014 prices)				
GDP at market prices	3 071.1	1.9	1.6	0.7	0.5	1.4
Private consumption	1 232.9	1.9	2.1	1.4	1.8	2.4
Government consumption	652.3	2.7	2.1	2.6	1.7	1.6
Gross fixed capital formation	717.1	-0.7	-3.8	-0.2	1.7	2.1
Final domestic demand	2 602.4	1.4	0.5	1.3	1.7	2.1
Stockbuilding[1]	140.6	0.2	0.2	0.5	-0.3	0.0
Total domestic demand	2 742.9	1.6	0.7	1.8	1.3	2.0
Exports of goods and services	1 203.7	3.1	3.7	-1.7	-0.8	1.1
Imports of goods and services	875.5	2.4	1.6	1.2	1.5	2.8
Net exports[1]	328.2	0.5	1.0	-1.0	-0.8	-0.6
Memorandum items						
Mainland GDP at market prices[2]	_	2.2	1.1	0.8	1.7	2.3
GDP deflator	_	0.3	-2.3	-1.7	1.7	1.6
Consumer price index	_	2.0	2.2	3.6	2.4	1.9
Private consumption deflator	_	2.2	2.3	3.7	2.5	2.0
Unemployment rate	_	3.5	4.3	4.7	4.6	4.2
Household saving ratio, net[3]	_	8.2	10.4	7.9	7.7	7.6
General government financial balance[4]	_	8.8	6.4	3.0	2.9	2.8
General government gross debt[4]	_	33.2	39.1	41.7	41.3	41.3
General government net debt[4]	_	-249.4	-284.7	-278.1	-270.3	-260.1
Current account balance[4]	_	12.1	8.7	4.6	4.6	4.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439150

Policies should support recovery and promote broad-based growth

The central bank reduced the policy rate in early 2016 to 0.50%. The impact of the exchange rate depreciation on domestic prices was stronger than expected, but inflation expectations appear well anchored. Sustained low interest rates have fuelled a long housing boom, and a correction could significantly hurt economic growth. Further tightening of mortgage-lending rules may help, but the reliance on very low interest rates to support growth should be reconsidered.

The 2017 budget provides a fiscal stimulus of 0.4 percentage point of mainland GDP. Budget measures include further cuts in the corporate tax rate along with increased spending on infrastructure, regional support and the integration of refugees. Norway has considerable fiscal space due to its oil fund (Government Pension Fund Global). Additional fiscal stimulus, rather than a further easing of monetary policy, should be used to support activity as long as slack remains in the economy. The prospect of lower returns from the oil fund may require a tighter stance in the medium term in order to adhere to the Norwegian fiscal framework.

A successful structural adjustment towards broader-based growth hinges on policies that boost productivity and combat exclusion. Recent initiatives are welcome, including further cuts in the corporate tax rate and simplification of reporting requirements and regulations for businesses. The government's focus on improving the quality of education outcomes is also appropriate. Proposals for stricter requirements for teacher qualifications go in the right direction. Completion rates of secondary and tertiary education need to increase further. Tertiary-education reform should address the incentives that drive student decisions on the choice of courses and the pace of study. Further reforms to sickness and disability support should encourage participation in the labour force and potentially boost inclusiveness and well-being.

Output growth is projected to strengthen

Economic activity is projected to firm up gradually over the period to 2018, underpinned by low interest rates and fiscal support. Better global prospects and improved competitiveness will help non-oil exports and non-oil investment. The decline in petroleum investment is expected to slow as new projects commence, reducing the drag on activity. The unemployment rate will peak in 2016 at around 4¾ per cent of the labour force. Inflation will edge down, as the impact of the exchange rate depreciation abates and economic slack continues.

Oil-sector developments, as always, remain a key uncertainty. Developments in Europe, through export demand, will also influence the pace of the recovery. Uncertainties following the Brexit vote add to risks, given that the United Kingdom is an important trading partner. Domestically, the high level of household debt remains a source of real-side and financial risk. However, improvements in international competitiveness could boost growth more than projected.

POLAND

GDP growth is projected to strengthen to around 3% annually in 2017-18, thanks to higher social transfers, low interest rates and rising disbursements of EU funds. Increasing disposable income and consumption, the switchover to the new budgetary period for EU funds and diminishing spare capacity should lead to an acceleration in investment. Stronger aggregate demand is expected to underpin a return to modest inflation.

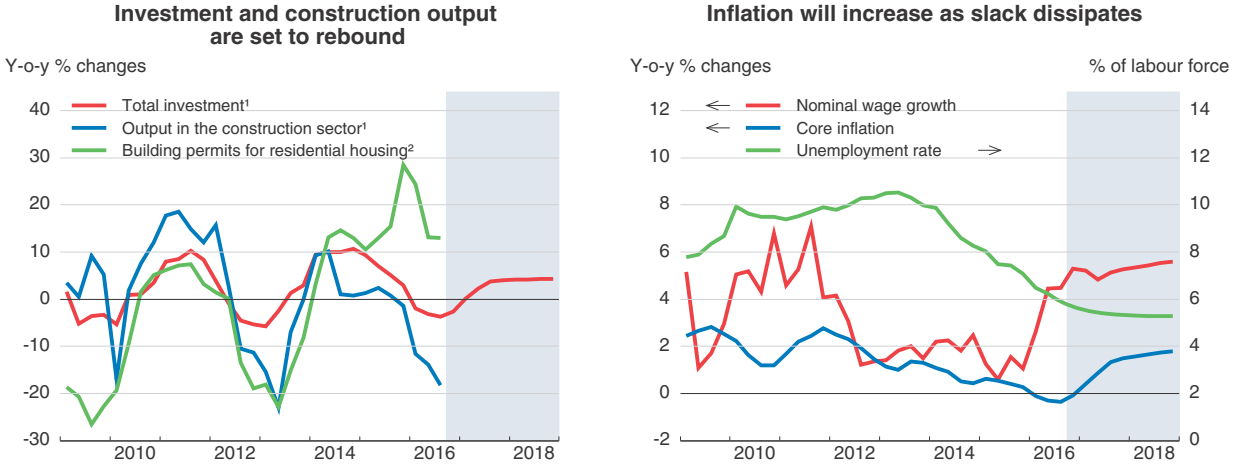
The central bank is projected to start increasing rates towards the end of 2017, as inflation picks up. New social spending was mostly financed by one-off revenues in 2016. Plans to increase tax compliance are welcome, and scaling down exemptions and special rates would improve efficiency, but lowering the retirement age would decrease potential growth and public revenues, which are already likely to be curbed by population ageing.

By 2017, interest payments on public debt will have fallen by about 1% of GDP since 2012, and this increase in fiscal space will be partly used to implement a mild current-spending-based fiscal expansion over the projection period. However, the available fiscal room could instead be used to bring forward the planned investment in infrastructure. This would strengthen productivity growth and environmental and health outcomes. Reducing taxes on low wages would also benefit low-skilled employment.

Economic growth remains robust

Economic growth eased in 2016. Exports are moving ahead rapidly owing to a progressive recovery in foreign markets and strong cost-competitiveness. Ongoing gains in employment and wages, higher social transfers and low energy prices are supporting private consumption and housing construction. However, infrastructure investment has

Poland



1. Volume.
2. Average growth over the past two quarters.

Source: OECD Economic Outlook 100 database; and GUS Macroeconomic Database.

StatLink http://dx.doi.org/10.1787/888933437866

Poland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices PLN billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 656.8	3.3	3.9	2.6	3.2	3.1
Private consumption	1 009.7	2.4	3.2	2.9	3.7	3.3
Government consumption	300.4	4.1	2.3	3.7	3.5	3.0
Gross fixed capital formation	311.7	10.0	6.1	-2.8	2.5	4.2
Final domestic demand	1 621.8	4.2	3.6	1.8	3.5	3.4
Stockbuilding[1]	2.8	0.5	-0.2	0.9	0.1	0.0
Total domestic demand	1 624.6	4.7	3.4	2.8	3.5	3.4
Exports of goods and services	767.5	6.7	7.7	9.1	5.8	5.2
Imports of goods and services	735.2	10.0	6.6	9.5	6.3	5.9
Net exports[1]	32.3	-1.3	0.6	0.1	-0.1	-0.2
Memorandum items						
GDP deflator	_	0.5	0.6	0.4	1.3	1.5
Consumer price index	_	0.1	-0.9	-0.8	1.1	1.7
Private consumption deflator	_	-0.1	-1.3	0.1	1.1	1.7
Unemployment rate	_	9.0	7.5	6.1	5.4	5.3
General government financial balance[2]	_	-3.4	-2.6	-2.4	-3.0	-3.0
General government gross debt[2]	_	66.0	66.2	67.5	68.8	69.9
General government debt, Maastricht definition[2]	_	50.2	51.1	52.5	53.8	54.9
Current account balance[2]	_	-2.1	-0.6	-0.6	-0.5	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933439166

fallen because of lower disbursements of EU funds, notably in network sectors. Increased uncertainty is also holding back business investment, despite easy credit conditions, rising profits and high capacity utilisation.

Despite rising wage pressures, consumer prices have continued to fall, driven by declining energy prices. The steady decline in the unemployment rate, a minimum wage hike and higher social levies on some atypical labour contracts are set to increase wage growth further and shrink earnings inequality. Stabilising energy prices, rising demand pressure and the pass-through of new taxes to consumers will underpin a return to inflation closer to the target. The central bank should gradually increase its policy rate towards the end of 2017 as underlying price pressures are set to strengthen.

Efficient infrastructure investment and structural reforms would improve medium-term growth

The public costs of the introduction of a new child benefit programme have been covered by one-off revenues in 2016. Rising social spending, a rebound in public investment, and a planned reduction in the statutory retirement age could push the deficit over the Maastricht ceiling of 3% of GDP in 2018, despite additional taxes on banks and retailers. Planned tax cuts for low-income households could also increase the deficit further. Although the overall fiscal path appears broadly appropriate, ongoing reforms are not conducive to long-term growth and female labour force participation. By contrast,

bringing forward and carefully selecting public infrastructure projects, and expanding childcare facilities would take full advantage of currently low financing costs.

Upgrading Poland's ageing coal-fired energy capacity and developing public transport would help secure a greener energy supply, improve workers' mobility and reduce damage to public health from noxious emissions. 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. Over the longer term, enhancing employment incentives for women and older workers, as well as increasing green taxes, would raise revenues and help finance rising health, pension and infrastructure needs, and increase growth and well-being.

Private consumption and investment are projected to strengthen

GDP growth is projected to strengthen to around 3% in 2017-18, 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 regain momentum towards the end of 2017. A slow recovery in external demand should support export growth, allowing the current account deficit to remain broadly stable. Unemployment should continue to ease and wages and prices should pick up.

A stronger-than-expected impact of Brexit and a slowdown in emerging market economies, notably China, would hit exports. Domestic risks are also significant. The envisaged forced compensation of foreign-currency-denominated mortgage holders for the high costs charged by banks prior to 2011 could reduce banks' capital positions and credit to the real economy. Rising uncertainty about fiscal and structural policies could negatively affect business confidence and investment. Alternatively, large income gains and an efficient implementation of the new long-term economic development plan could lead to faster private spending growth.

PORTUGAL

GDP growth is projected to remain subdued, at about 1¼ per cent in 2017 and 2018. High corporate leverage and a fragile banking sector will hold back private investment and still high unemployment will restrain consumption growth. As economic slack will persist, inflation will remain low.

Boosting investment and productivity are key to raise living standards and growth. Investment incentives could be strengthened through further reforms to simplify administrative procedures, including land use regulations, improvements in judicial efficiency to facilitate insolvency procedures, and easing entry barriers in professional services. Removing distressed legacy loans from bank balance sheets and opening up new sources of financing are needed to facilitate investment. Improving skills is also crucial to raise productivity, including through a continued expansion of adult education and training and more effective vocational education.

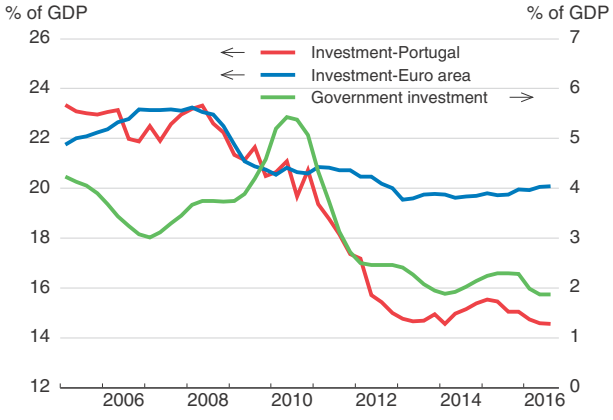
At about 130% of GDP, public debt remains very high despite significant progress achieved in fiscal consolidation, severely limiting fiscal space. The gradual consolidation in 2017 and 2018 strikes a balance between fiscal sustainability and not damaging economic prospects. Going forward, it is important to achieve a tax and spending structure reform that supports growth, including by achieving permanent cuts in current expenditures.

Low investment and unfavourable external conditions are curbing growth

Growth remains sluggish due to very weak public and private investment. The tourism sector and manufacturing production are supporting exports, but a sharp slowdown in extra-EU demand and energy exports have prevented a stronger contribution of exports to growth. The unemployment rate has declined but structural unemployment remains critically high.

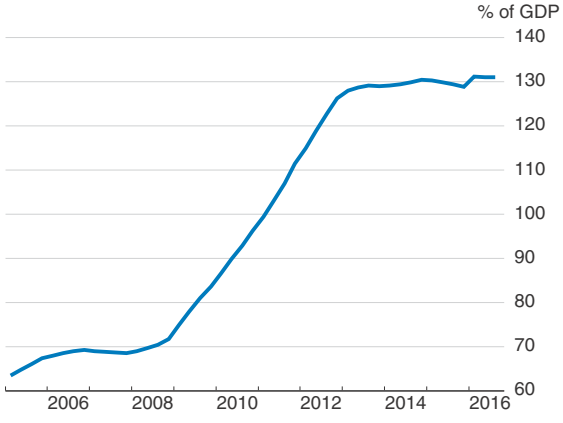
Portugal

Public and private investment have slowed sharply



Public debt is high

General government gross debt[1]



1. Maastricht definition.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437874

Portugal: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2011 prices)				
GDP at market prices	170.3	0.9	1.6	1.2	1.2	1.3
Private consumption	111.1	2.3	2.6	2.0	1.2	1.2
Government consumption	32.5	-0.5	0.8	1.1	0.2	0.3
Gross fixed capital formation	25.1	2.3	4.5	-2.0	0.7	1.6
Final domestic demand	168.8	1.8	2.5	1.2	1.0	1.1
Stockbuilding[1]	- 0.2	0.4	0.0	0.1	0.1	0.0
Total domestic demand	168.6	2.2	2.5	1.4	1.1	1.1
Exports of goods and services	67.3	4.3	6.1	3.3	3.7	4.0
Imports of goods and services	65.6	7.8	8.2	3.6	3.6	3.6
Net exports[1]	1.7	-1.3	-0.8	-0.1	0.1	0.2
Memorandum items						
GDP deflator	_	0.8	2.1	1.5	0.9	1.1
Harmonised index of consumer prices	_	-0.2	0.5	0.7	1.1	1.1
Private consumption deflator	_	0.3	0.7	0.9	1.0	1.1
Unemployment rate	_	13.9	12.5	11.0	10.1	10.1
Household saving ratio, gross[2]	_	5.2	4.4	4.6	4.4	4.2
General government financial balance[3,4]	_	-7.2	-4.4	-2.5	-2.1	-1.9
General government gross debt[3]	_	152.7	149.8	151.0	150.3	149.0
General government debt, Maastricht definition[3]	_	130.6	129.0	130.2	129.5	128.2
Current account balance[3]	_	0.1	0.4	0.1	0.5	0.7

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.
4. Based on national accounts definition.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439174

Resuming investment is key to boost growth and living standards

Both private and public investment are historically weak. A highly leveraged corporate sector and high uncertainty are holding back business investment, which is crucial to sustain export growth. A large stock of non-performing legacy loans is crowding out investment funding from banks. The use of alternative sources of investment financing could be enhanced by reducing the tax bias towards debt financing relative to corporate equity, as currently under discussion. Revising land regulations and limiting discretionary powers of municipalities would speed up licensing procedures and reduce investment costs.

Public debt remains very high, which makes recent achievements, including reaching a primary surplus, still fragile. Consequently, fiscal space is limited and the government should focus on the composition of expenditure and taxes to support growth. Public investment has been squeezed to meet deficit targets and its planned increase in 2017 is welcome, as it can support growth without weakening the fiscal position. However, achieving permanent reductions in current expenditures, notably regarding staff spending, would free up resources for still more productive spending. Pursuing a comprehensive expenditure review could also lead to efficiency gains. On the tax side, the projected shift

from income to consumption taxes is welcome as it will support production by reducing distortions. Additional revenue could be raised by reducing exemptions and limiting the use of reduced rates.

Downside risks are significant

Growth is projected to remain weak. Risks are significant and tilted to the downside. The banking sector remains highly leveraged, exposed to sovereign debt and to developments in the euro area, and could require more public support. This would further add to public debt, whose projected downward trajectory is already subject to significant risks, including potential increases in interest rate spreads. On the positive side, a stronger–than-expected recovery in Portugal's trading partners could boost exports and trigger higher investment. Faster resolution of non-performing loans and a stronger recapitalisation of the banking system could restore confidence and boost investment financing.

RUSSIA

After two years of recession, the economy will return to growth in 2017, as higher real wages boost private consumption and lower interest rate support investment. However, structural bottlenecks continue to hinder further diversification of the economy. The strength of the recovery will also remain dependent on the rebound of oil prices. The poverty rate, which increased from 11% in 2014 to 13% in 2015, will progressively decline as the labour market strengthens and inflation slows down.

Tight monetary policy has successfully brought down inflation, and now can be eased further to support the recovery, especially investment. Fiscal policy has been rightly accommodative during the recession. Fiscal consolidation plans for 2017 and 2018 aim at reducing the headline deficit by about 1% of GDP per year on average. A less tight fiscal policy is projected, as considerable economic slack remains and the electoral cycle may push up public spending.

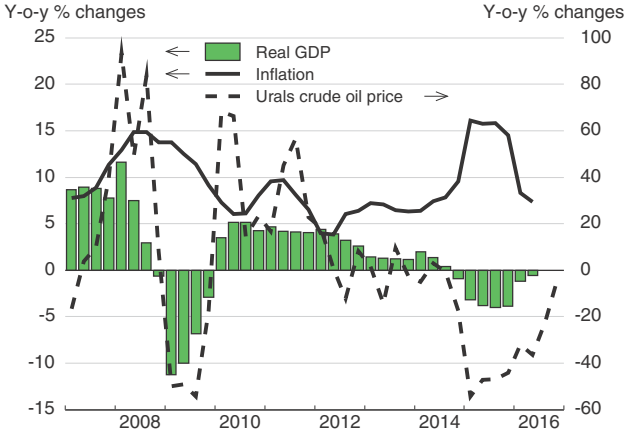
Public investment needs in education, innovation and infrastructures are high, and meeting them will be essential to boost growth and ensure that all Russians benefit from rising prosperity. However, by themselves, oil revenues can no longer be counted on. Additional revenue should be raised with reforms to the VAT, the taxation of state-owned enterprises, higher taxation on the hydrocarbon sector and higher excise taxes. Over the medium term, re-establishing fiscal rules that limit the pro-cyclical use of oil revenue would contribute to raise fiscal room for bad times.

On the road to recovery

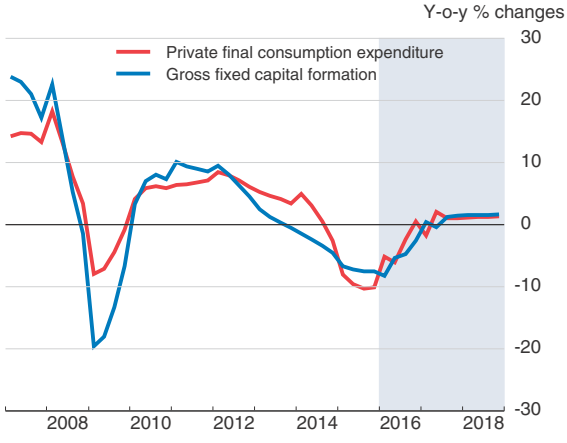
The recession is bottoming out as oil prices have rebounded since the beginning of the year and the rouble has stabilised. The stronger rouble has contributed to bring inflation down close to its pre-crisis level. Business activity has resumed, as evidenced by positive industrial production growth, after 13 months of consecutive contraction. The purchasing managers index has also returned to expansionary territory, suggesting stronger business confidence.

Russia

Macroeconomic conditions are stabilising



The contraction of domestic demand is bottoming out



Source: OECD Economic Outlook 100 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933437885

Russia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices RUB trillion	Percentage changes, volume (2011 prices)				
GDP at market prices	71.0	0.7	-3.7	-0.8	0.8	1.0
Private consumption	38.3	1.5	-9.5	-3.4	0.5	1.2
Government consumption	14.0	0.2	-1.8	-1.7	-1.5	-1.3
Gross fixed capital formation	13.9	-3.0	-7.3	-5.3	0.7	1.5
Final domestic demand	66.2	0.2	-7.5	-3.1	0.0	0.0
Stockbuilding[1]	0.8	-1.1	-2.4	2.0	0.4	0.0
Total domestic demand	67.0	-1.0	-10.1	-1.4	0.5	0.8
Exports of goods and services	18.9	0.6	3.6	0.6	3.0	3.2
Imports of goods and services	14.9	-7.6	-25.7	-5.4	2.6	2.7
Net exports[1]	4.0	1.7	6.4	1.3	0.3	0.3
Memorandum items						
GDP deflator	_	9.0	7.7	5.9	6.9	6.2
Consumer price index	_	7.8	15.5	7.2	5.9	5.0
Private consumption deflator	_	7.7	15.2	10.1	6.4	5.4
General government financial balance[2,3]	_	-1.1	-2.4	-3.5	-3.0	-2.3
Current account balance[2]	_	2.8	5.2	3.0	4.2	5.2

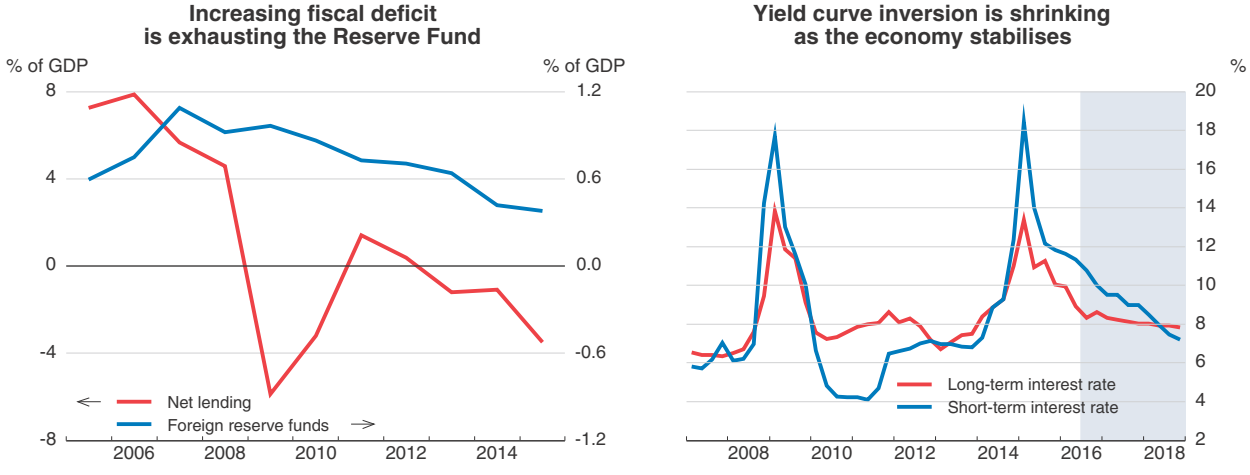
1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
3. Consolidated budget.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439282

However, the foundations for a solid recovery are still fragile. Real wage growth has turned positive and fuelled private consumption for workers, but, overall, real incomes have continued to fall, due notably to a partial indexation of pensions and a nominal freeze of income for specific categories (public-sector workers and pensioners who work).

Russia



Source: OECD Economic Outlook 100 database; and Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933437891

The high level of capacity utilisation and profit margins have provided incentives for investment, but restricted access to international financial markets and high uncertainty continue to weigh on firms' decisions. This is especially the case for firms with foreign participation, which account for about a quarter of total fixed investment in manufacturing and trade sectors.

Export growth has been modest, as the rouble has slightly appreciated since March and a deterioration in the business climate (including high uncertainty, corruption and administrative burdens) combined with the high cost of imported investment goods and transport bottlenecks have limited the potential for diversification. Exports have been more dynamic in the chemical industry, and the mining and machine building sectors. The agriculture sector has also benefited from higher prices due to counter-sanctions measures.

Fiscal and monetary policy should be eased further

Expansionary fiscal policy has been appropriate given economic slack but the fiscal deficit has risen to 3.5% of GDP. The financing of the deficit through the Reserve Fund is not sustainable, as the Fund is expected to be exhausted by 2018. At the same time, the ambitious fiscal consolidation plan for 2017-2020, implying a freeze of nominal spending and a decline of the fiscal deficit by 1 percentage point of GDP per year, might delay the recovery. Fiscal policy is projected to be less stringent than planned in 2017-18. An important challenge for Russia is to find fiscal room in the new environment of lower oil prices.

Fiscal space could be found by issuing government bonds to take advantage of low interest rates and the very low level of public debt (18% of GDP). Measures to tackle the grey economy and to raise non-oil taxation, especially excise taxes, environmental taxes and VAT, would raise revenue on a sustainable basis. Regarding spending, the large subsidies to state-owned enterprises should be curtailed in favour of spending on education and health. In the medium term, re-establishing the three-year expenditure framework and the expenditure rule, both recently suspended, would limit pro-cyclical spending.

Monetary policy has been tight, and inflation has fallen from 15% at end-2015 to 6% in September 2016. Inflationary pressures have fallen with the stabilisation of the rouble, and hence the central bank should be ready to ease its stance as inflation expectations decline. Large liquidity inflows to state-owned enterprises and banks during the recession have resulted in fast credit growth and an increasing share of non-performing loans that now require attention.

The strength of the recovery will be limited by the lack of structural reforms

Economic growth is projected to turn positive at the end of 2016 and to slightly accelerate over the next two years as the macroeconomic environment improves further. Lower inflation and stronger wage increases, on the back of stronger business activity, will support consumption growth and business confidence. The assumed stabilised exchange rate and lower interest rates will boost investment. Export growth will rise on the back of a still weak rouble and stronger world trade. However, this boost will remain moderate as the lack of structural reforms and a poor business climate impede diversification. The rise in the poverty rate is expected to stabilise as growth accelerates at the end of the projection period.

The projections assume a stabilisation of oil prices at the level observed in mid-November. Upside risks are associated with stronger export growth than projected and the possible firming of oil prices if the major oil producing countries manage to limit supply. The projection also assumes renewed economic sanctions and no major structural reforms. An easing of sanctions would improve the business climate and potential growth. A stronger slowdown in China would weigh on exports and the normalisation of US monetary policy comes with the risk of renewed rouble depreciation and another burst of inflation.

SLOVAK REPUBLIC

Strong economic growth is set to continue, reaching 3.8% in 2018. An improving labour market will underpin household spending. Investment is expected to recover, as a slowdown in projects financed by EU funds in 2016 will be compensated by other new public infrastructure spending and stronger business investment. Exports will continue to benefit from the expansion in the automotive sector, which is ramping up production.

The euro area monetary policy stance remains supportive, but a more ambitious structural reform programme is needed to share prosperity widely across society. In particular, measures to improve efficiency in health care and education services are important to enhance well-being and make growth more inclusive and sustainable.

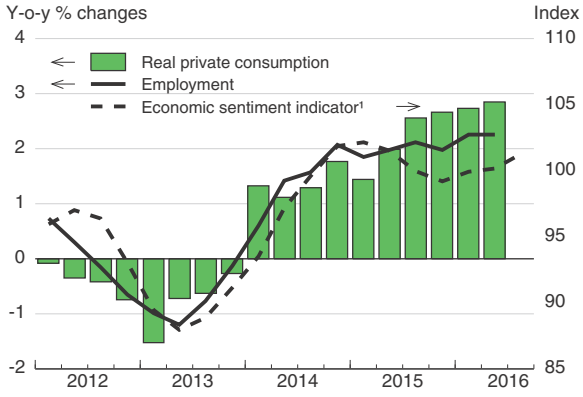
Strong fiscal revenues driven by the improving cyclical position and better tax collection will provide tailwinds for the government's plan to reduce the deficit, as population ageing presents a serious medium-term challenge. Nevertheless, improving public-sector efficiency and changing the composition of spending can provide fiscal space to finance extra growth-enhancing measures in areas such as education and R&D. Additional support can come from rebalancing the tax mix away from direct taxes and social security contributions towards property and environmentally related taxes.

Economic growth is being supported by domestic demand

Economic growth has been driven by private consumption, supported by a stronger labour market, lower prices and improving confidence. The unemployment rate has continued to fall, even though, at the same time, skill shortages in some sectors have resulted in rising vacancies. Labour force participation is steadily increasing as more women are entering the market in response to increases in their pension age and wider availability of part-time work. Exports continue to expand, benefiting from favourable

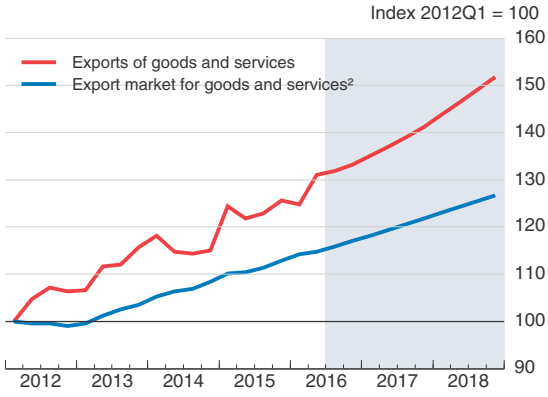
Slovak Republic

An improving labour market and confidence spur consumption



Exports will continue to gain market shares

In real terms



1. Three-quarter moving average.
2. Calculated as a market share-weighted sum of partner countries' imports.

Source: OECD Economic Outlook 100 database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933437907

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

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	74.2	2.6	3.8	3.6	3.4	3.8
Private consumption	41.8	1.4	2.2	2.8	3.1	3.3
Government consumption	13.7	5.3	5.4	2.8	1.1	1.0
Gross fixed capital formation	15.4	1.2	16.9	-0.2	5.0	5.0
Final domestic demand	70.8	2.1	6.0	2.1	3.1	3.2
Stockbuilding[1]	0.2	1.1	-1.1	-0.1	0.0	0.0
Total domestic demand	71.0	3.2	4.8	2.0	3.1	3.2
Exports of goods and services	69.6	3.7	7.0	5.3	6.1	7.0
Imports of goods and services	66.4	4.4	8.1	4.1	5.9	6.5
Net exports[1]	3.1	-0.5	-0.7	1.2	0.4	0.7
Memorandum items						
GDP deflator	_	-0.2	-0.2	-0.2	0.9	1.6
Harmonised index of consumer prices	_	-0.1	-0.3	-0.5	0.8	1.4
Private consumption deflator	_	-0.1	-0.1	-0.3	0.9	1.4
Unemployment rate	_	13.2	11.5	9.8	9.1	8.3
General government financial balance[2]	_	-2.7	-2.7	-2.1	-1.5	-0.6
General government gross debt[2]	_	60.5	59.2	59.2	59.2	58.0
General government debt, Maastricht definition[2]	_	53.6	52.5	52.5	52.4	51.2
Current account balance[2]	_	0.1	-1.3	-1.4	-0.7	0.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439188

developments in the important automotive industry and a strong pick-up in tourism. Consumer prices have declined mainly due to falling food and energy prices, while prices of services are still rising, even though only slowly.

More reforms are needed to make growth sustainable

Stronger government revenues fuelled by cyclical improvement and better tax collection provide tailwinds for government plans to reach the goal of budget balance in 2019. As the deficit declines and public-sector efficiency improves there should be room to finance growth-friendly measures in education, R&D and infrastructure. Improving and completing the transport infrastructure network will be important for reducing obstacles for job creation in the eastern region. In this regard, the government should continue to effectively implement the current Value for Money initiatives to incorporate evidence-based analysis in policy making. The Slovak Republic will also need to rebalance its tax mix away from direct taxes and social security contributions towards property and environmentally-related taxes. The government should also keep striving to improve tax collection by strengthening the tax administration in order to reduce non-compliance, especially with respect to value added and corporate income taxes.

Monetary policy in the euro area will remain highly accommodative, boosting investment and consumption through low lending rates. However, more ambitious national structural reforms are needed to ensure that the benefits of higher growth are

shared equitably, making it more inclusive and sustainable. Despite a recent decline, the share of the long-term unemployed remains high. More changes are needed to increase the efficiency of public employment services, with more resources allocated towards effective training measures. The government also needs to pursue much needed reform in education. This should focus on improving the outcomes of students from disadvantaged backgrounds, including Roma, by easing their access to early childhood education.

Growth is projected to stay robust

Growth is projected to strengthen and reach 3.8% in 2018, underpinned by strong domestic demand. Employment growth coupled with higher wages will spur household consumption, while favourable financial conditions will support investment growth. Also, new government infrastructure projects are expected to start during the projection period. Unemployment is expected to fall further to 8.3% in 2018. Exports will benefit from new investment in the automotive industry and will continue to gain market share. Inflation should increase but only slowly, led by an acceleration in wages but restrained by stable commodity prices.

External developments pose both upside and downside risks to the projections as the economy is strongly integrated into global value chains. A more robust euro area recovery would boost already strong exports, while significant slowing would aggravate the impact of uncertainty on investment and economic activity. On the upside, supportive financial conditions and lower saving could result in even stronger private consumption.

SLOVENIA

Economic activity is projected to gather pace in 2017 and 2018. Private consumption will accelerate on the back of employment gains and faster real wage growth. Investment will pick up as renewed EU structural funds bolster infrastructure investments, firms react to capacity constraints, and housing construction responds to higher property prices. Inflation is set to increase as economic slack disappears during 2018.

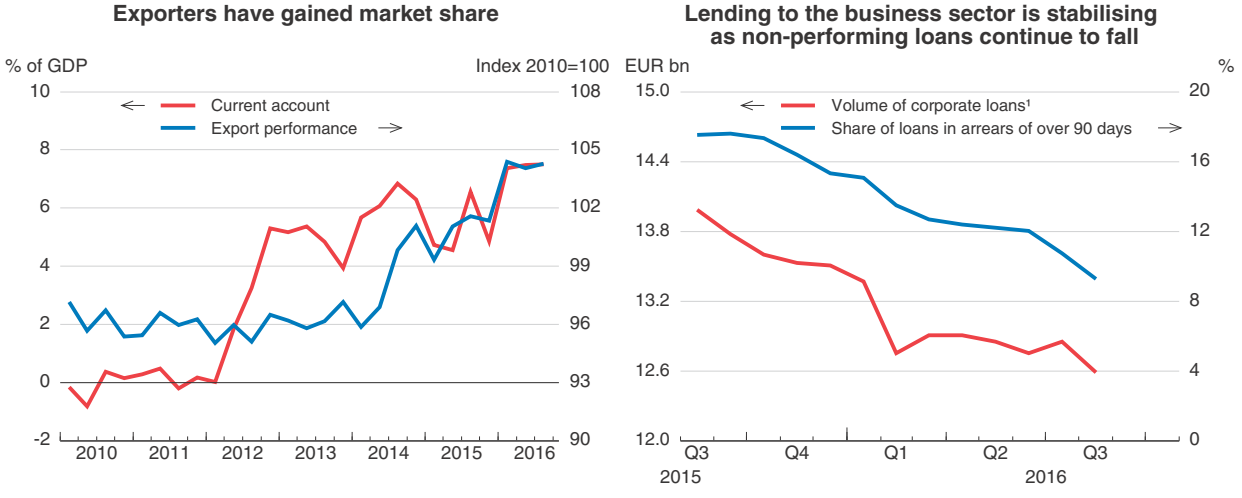
As the labour market tightens, there will be greater need for reforms to get the long-term unemployed back to work and improve labour force mobility to enhance the inclusiveness of economic growth. As economic slack is disappearing, fiscal tightening may be needed to prevent inflationary pressures. The sale of state-owned enterprises would promote competition and help to maintain the gains made in international competitiveness.

Fiscal space has narrowed as public debt is estimated to rise to 85% of GDP by the end of 2016 and interest payments have increased to almost 3% of GDP. The structure of fiscal policy could be more supportive on the supply side by moving the tax burden from labour towards property and shifting some spending on the unemployed in favour of training rather than passive income support.

Domestic demand is becoming the driver of growth

The economy has continued to grow at robust rates in 2016. Private consumption has accelerated with rising incomes and buoyant consumer sentiment. Government consumption has been growing since 2015, following several years of austerity. However, investment has contracted due to the slower disbursement of EU structural funds, although corporate deleveraging has largely tapered off. Since exporters have made substantial gains in market share and the terms of trade have continued to improve, the

Slovenia



1. Volume of loans measured as classified claims. These are financial assets measured as amortised cost and contingencies and commitments including also off-balance sheet items.

Source: Bank of Slovenia; OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437918

Slovenia: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	35.9	3.1	2.3	2.0	2.4	2.3
Private consumption	19.8	2.0	0.5	2.1	2.1	2.1
Government consumption	7.1	-1.2	2.5	2.0	1.3	0.7
Gross fixed capital formation	7.2	1.4	1.0	-4.0	4.0	4.0
Final domestic demand	34.0	1.2	1.0	0.7	2.3	2.2
Stockbuilding[1]	- 0.1	0.6	0.4	0.8	0.0	0.0
Total domestic demand	33.9	1.8	1.4	1.6	2.3	2.2
Exports of goods and services	27.0	5.7	5.6	6.3	4.3	4.2
Imports of goods and services	25.0	4.2	4.6	6.1	4.3	4.4
Net exports[1]	2.0	1.4	1.1	0.8	0.4	0.3
Memorandum items						
GDP deflator	_	0.8	1.0	0.8	1.1	1.5
Harmonised index of consumer prices	_	0.4	-0.8	-0.2	0.8	1.2
Private consumption deflator	_	0.0	-0.7	-0.5	0.5	1.2
Unemployment rate	_	9.7	9.0	7.8	7.1	6.9
General government financial balance[2]	_	-5.0	-2.7	-2.4	-1.6	-0.9
General government gross debt[2]	_	97.2	97.7	99.4	100.1	100.0
General government debt, Maastricht definition[2]	_	80.9	83.1	84.8	85.5	85.4
Current account balance[2]	_	6.2	5.2	7.5	7.7	8.0

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439198

current account surplus has improved to record levels of nearly 8% of GDP, consistent with the dearth of investment.

Unemployment has continued to fall, even though this has been accompanied by a shrinking labour force. Labour shortages have begun to appear in some occupations, despite the positive effects of the 2013 pension reform on the effective retirement age. Wages have increased moderately, particularly in the public sector. Inflation has hovered around zero after a prolonged period of moderate deflation.

Macroeconomic policies are broadly neutral

The fiscal stance will be broadly neutral in 2017 and in 2018. This may not suffice to stabilise the economy as slack disappears. The structural deficit will remain above the 1% of GDP stipulated in the EU's fiscal rules. Ratings agencies have upgraded government debt and interest rates have fallen, which will help reverse the sharp increase in the debt-to-GDP ratio and interest payments. Monetary conditions have improved as both bank lending rates and long-term interest rates have declined, which, combined with an ebbing of bank deleveraging, leaves firms with better access to financing.

Recent structural reforms have enhanced potential growth and its inclusiveness, with the pension reform having had clear labour supply benefits. Nevertheless, one of the most rapidly ageing populations in Europe has already begun to take its toll on the labour force.

Further reforms will be necessary to ensure fiscal sustainability in the longer term. Lowering the tax wedge could enhance the incentives for older workers to work, while greater investment in lifelong learning could increase their employability.

Economic slack is projected to disappear by 2018

Economic growth is projected to remain faster than the euro area average and sufficient to eliminate all slack by 2018. Domestic demand will become the main driver of the expansion. Private consumption will accelerate on the back of higher incomes as wages increase in a tightening labour market. Investment will accelerate in 2017 as a new disbursement of EU structural funds bolsters infrastructure investments and firms exploit easier lending conditions to invest in response to capacity constraints. Exporters will continue to gain market shares as they benefit from past gains in competitiveness. However, falling unemployment will put upward pressure on wages and unit labour costs.

If the easier lending conditions have a more positive effect on investment, growth would pick up more rapidly than foreseen. A faster-than-projected recovery in export markets would bolster exports. Tighter-than-expected labour market bottlenecks could erode the recent gains in competitiveness. Renewed international financial turbulence could hurt lending conditions, which would have a negative impact on investment in Slovenia.

SOUTH AFRICA

Economic growth is projected to rebound in 2017 and strengthen further in 2018, driven by household consumption and investment. In particular, the improvement in electricity production removes bottlenecks and should boost confidence and therefore investment, provided that political uncertainties dissipate. Rising production costs, together with the earlier rand appreciation should weigh on exports.

The macroeconomic situation is still difficult as growth is weak and inflation is above the central bank's target. Falling inflation will create scope to ease monetary policy; however, scope for easing may be limited in the short term as the persistent drought is driving up food prices. Lifting barriers to competition and favouring the development of SMEs could boost productivity, employment and living standards. Unless growth accelerates, however, unemployment and inequality will remain very high.

Fiscal policy is under pressure from the risk of a ratings downgrade. Due to the continued increase of government debt and higher borrowing rates in the context of persistent low growth, South Africa has no fiscal space. The government needs to stick to its consolidation path and improve the effectiveness of spending and investments.

Growth is low

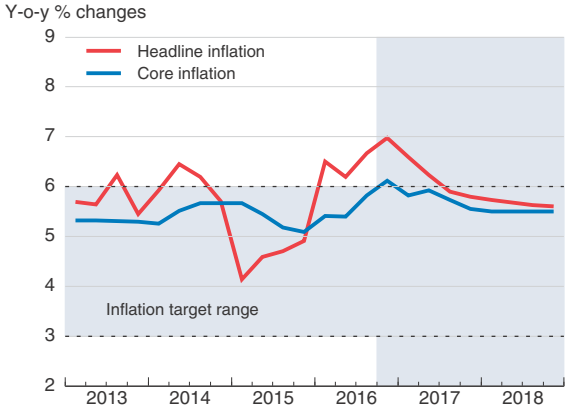
Falling investment and persistent drought are driving down growth. Political uncertainties have reduced confidence further. Private investment has recorded negative or zero growth for six consecutive quarters. However, in the second quarter of 2016, exports bounced back thanks to lagged effects of the rand depreciation and are lifting growth for 2016. At 27%, the unemployment rate is weighing on household consumption and driving up inequalities.

Increasing the efficiency of public spending to boost growth

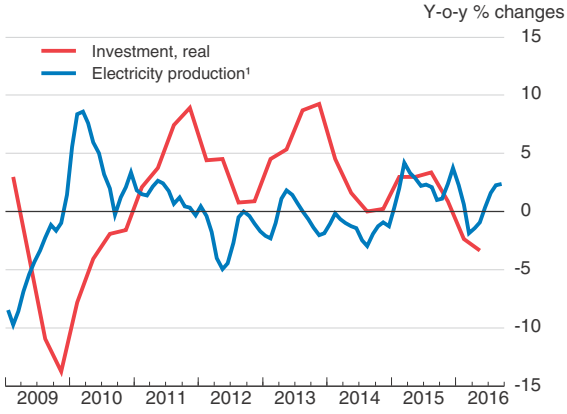
Inflation will peak by the end of 2016 before declining slowly in 2017. Ongoing food price inflation, and its knock-on effects on manufactured food prices, is pushing up

South Africa

Despite weak activity, inflation is high



Recovering electricity production should support investment



1. Three-month moving average.

Source: Statistics South Africa; and OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437925

South Africa: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices ZAR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	3 539.0	1.6	1.3	0.4	1.1	1.7
Private consumption	2 144.2	0.7	1.7	0.7	1.6	1.7
Government consumption	732.5	1.8	0.2	0.8	0.5	0.3
Gross fixed capital formation	719.8	1.5	2.5	-3.3	2.6	2.7
Final domestic demand	3 596.5	1.1	1.6	-0.1	1.6	1.6
Stockbuilding[1]	27.2	-0.6	0.1	-1.0	-0.2	0.0
Total domestic demand	3 623.7	0.5	1.7	-1.1	1.3	1.6
Exports of goods and services	1 093.1	3.3	4.1	2.5	3.5	4.7
Imports of goods and services	1 177.8	-0.5	5.3	-2.4	4.3	4.4
Net exports[1]	- 84.7	1.1	-0.4	1.5	-0.2	0.1
Memorandum items						
GDP deflator	_	5.5	5.0	6.7	5.7	5.3
Consumer price index	_	6.1	4.6	6.6	6.1	5.7
Private consumption deflator	_	5.8	4.1	6.0	5.7	5.6
General government financial balance[2]	_	-4.1	-3.9	-3.7	-3.4	-3.2
Current account balance[2]	_	-5.3	-4.3	-4.0	-4.2	-4.3

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933439297

inflation, despite lower than expected increases in administered prices. As inflation falls to be within the target band, it will open room for easing monetary policy while remaining vigilant on the evolution of food and oil prices. The dissipation of political uncertainties will play a key role in bringing back confidence and therefore strengthening investment and consumption.

Since 2015, the government has demonstrated its commitment to curbing spending. A strict consolidation plan is being implemented to limit the deficit and stabilise public debt. Higher-than-expected government revenues in the first half of the year and continued restrictions on spending are improving fiscal outcomes for 2016 and 2017. Fiscal policy is projected to remain restrictive in 2017-2018 to maintain credibility and reduce costs of borrowing. There is still room to increase the efficiency of spending and strengthen investment in infrastructure. Furthermore, more funds could be raised by allowing private sector participation in those state-owned enterprises which are servicing markets with a sufficient degree of competition or effective oversight by a regulator.

The high level of unemployment calls for bold structural reforms to boost the economy and job creation. Different areas of the economy are still subject to high barriers of entry or limited competition. Increasing market competition in network industries and lowering restrictions and licensing costs in service sectors could create entrepreneurial opportunities and therefore employment. Developing entrepreneurship through better training, vocational education and access to finance is key to reduce the high structural unemployment level.

Political uncertainty is the main risk

Confidence will be the key factor to restart growth. Improvements in confidence are projected to drive up investment and consumption. However, growth is projected to pick up only modestly. Improvements in electricity capacity are also expected to push up investment a little. Moreover, the recent positive trend in commodity prices and rand developments should raise exports. However, further delays on land reform and a new mining charter would weigh on confidence.

The main short-term risk is a sovereign downgrade by rating agencies. In a benign scenario, a downgrade would lead to a short-term spike in interest rates and a further weakening of the rand. In a more worrisome scenario, it could trigger a sharp reversal of capital flows and precipitate a recession. The main external risks are related to Brexit and unexpected increases in US interest rates that could have adverse effects on capital flows and the volatility of the rand. On the other hand, a normal rainy season would raise agricultural output and push down food prices. Also, if political developments stop affecting the rand, it should appreciate which would contribute to lower inflation.

SPAIN

The Spanish economy has grown strongly in 2016, led by domestic demand spurred by easy monetary policy in the euro area and a fiscal stimulus. The expansionary phase is expected to continue in 2017 and 2018, with domestic demand leading the recovery, albeit at a slower pace as some factors that have contributed to boost consumption, such as low oil prices and lower taxes, will recede. Inflation will gradually pick up as the effects of low oil prices diminish, but pressures will remain moderate due to still high unemployment.

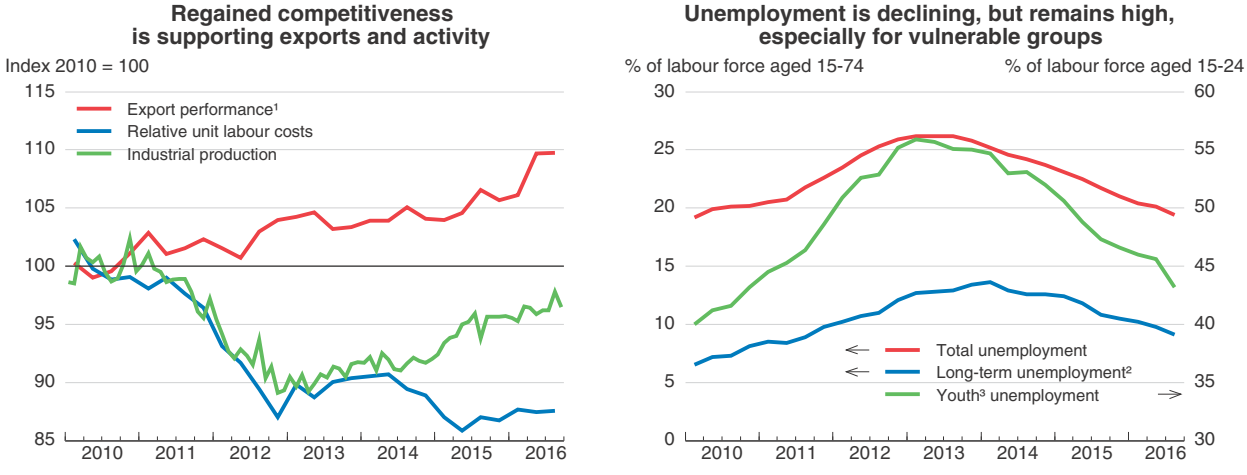
The unemployment rate is declining, but remains high, at about 19%. While falling, high long-term and youth unemployment pose particularly acute challenges. More effective active labour market policies and re-skilling are needed, along with a recovery in demand. Boosting living standards in the medium term hinges on increasing productivity via higher investment in innovation, strengthening skills and more intense competition.

After the significant easing of fiscal policy in 2015 and 2016, the fiscal stance will provide modest support over the projection period. With public debt around 100% of GDP and the deficit still at slightly below 5% of GDP, the scope for fiscal expansion is limited. It is nevertheless important to stimulate growth by shifting spending towards growth-enhancing outlays, such as education, active labour market policies and R&D, which are all below those in peer countries after having fallen substantially since the crisis. The structure of taxation remains tilted towards labour income which penalises growth and employment, and the tax burden should be shifted towards consumption and environmental taxes.

Growth is keeping its momentum

Economic growth remains robust: activity has grown steadily at an annualised 3.2% rate over the past two years. Domestic demand has been the main engine of growth, with

Spain



1. Ratio between the growth in export volumes and the growth of the country's export market.
2. Long-term unemployment refers to those who have been unemployed for 12 months or more.
3. 15-24 year-olds.

Source: OECD Economic Outlook 100 database; OECD Main Economic Indicators database; and Eurostat.

StatLink http://dx.doi.org/10.1787/888933437933

Spain: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices EUR billion	Percentage changes, volume (2010 prices)				
GDP at market prices	1 025.6	1.4	3.2	3.2	2.3	2.2
Private consumption	598.5	1.6	2.9	3.4	2.1	1.6
Government consumption	201.8	-0.3	2.0	0.9	1.2	1.2
Gross fixed capital formation	192.4	3.8	6.0	4.3	4.7	4.7
Final domestic demand	992.7	1.6	3.3	3.1	2.4	2.2
Stockbuilding[1]	- 0.5	0.3	0.1	0.1	0.0	0.0
Total domestic demand	992.2	1.9	3.4	3.2	2.4	2.2
Exports of goods and services	330.5	4.2	4.9	5.8	4.5	4.6
Imports of goods and services	297.1	6.5	5.6	5.9	5.0	4.7
Net exports[1]	33.4	-0.5	-0.1	0.1	0.0	0.1
Memorandum items						
GDP deflator	_	-0.3	0.5	0.6	1.2	1.1
Harmonised index of consumer prices	_	-0.2	-0.6	-0.3	1.5	1.3
Private consumption deflator	_	0.2	-0.2	-0.1	1.1	0.9
Unemployment rate	_	24.4	22.1	19.6	17.7	16.4
Household saving ratio, net[2]	_	3.2	2.3	1.9	2.4	2.5
General government financial balance[3]	_	-6.0	-5.1	-4.6	-3.6	-2.9
General government gross debt[3]	_	118.9	116.8	118.4	119.1	119.3
General government debt, Maastricht definition[3]	_	100.4	99.8	101.3	102.1	102.2
Current account balance[3]	_	1.1	1.4	2.1	1.7	1.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439206

euro-area monetary policy, fiscal stimulus and a strong labour market supporting household purchasing power and consumption. Business investment growth has continued its dynamic pace supported by favourable financial conditions, solid profit margins and reduced indebtedness. Residential investment has become more positive as households and non-financial corporations have taken advantage of easier financing conditions. Exports are benefitting from gains in competitiveness and from a significant expansion of export markets in recent years. Moderate wage growth has helped preserve competitiveness. Inflation has recently turned positive, but remains moderate owing to low energy prices and still significant slack.

Sustaining growth and putting public finances on a stronger footing will require reforms

After several years of substantial fiscal consolidation, a significant relaxation of the fiscal stance in 2015-2016 supported demand. The budget deficit is expected to decline to 4.6% of GDP in 2016 from 5.1% in 2015, driven by dynamic growth and some consolidation measures, including expenditure cuts and recent amendments to the corporate income tax to make up for a loss in revenue following the 2015 reform. The fiscal stance will provide modest support in 2017 and 2018. While more demand is needed to raise growth further and reduce unemployment significantly, high debt and deficits limit the scope for fiscal

expansion. Any available fiscal space should be used to finance initiatives leading to faster and more inclusive growth. Priorities for higher spending include strengthening vocational education and training and active labour market programmes to effectively fight youth and long-term unemployment. Fighting poverty, especially among families with children, by strengthening minimum income support programmes should also be a priority, as both poverty and inequality have worsened after the crisis.

The government should elaborate a medium-term fiscal plan with an explicit and steady path to medium-term fiscal sustainability. This should be combined with reforms of the tax and spending structure that promote growth. Further tax reform could reduce social security contributions on low-wage workers, broaden the income, corporate and value-added tax bases and make greater use of environmentally-related taxes, which are under-exploited. Exemptions and reduced rates significantly reduce VAT revenues and the new government should reassess the merits of reduced rates and start by progressively eliminating those that mainly benefit higher-income households. Spain has considerable scope to rely more on environmentally-related taxes, which would enhance investment incentives and help reduce the negative impact of growth on the environment. There is scope to raise taxes on fuel for road transport and to increase the taxation of diesel.

Growth will continue at a dynamic pace

GDP growth is projected to remain dynamic over the forecast period, but to slow somewhat as the pace of growth of domestic demand eases. The contribution of external demand will be subdued, given weakness in trading partners and anaemic world trade. Continued accommodative monetary policy in the euro area should keep boosting investment, but at a slower pace. Inflation will slowly increase, but remain moderate due to continuing slack. The unemployment rate is projected to edge down to 16% by late 2018, but remain almost double that of the euro area.

The balance of risks is tilted to the downside. Domestically, a minority government could reduce Spain's ability to continue to make the necessary reforms to boost growth sustainably. Externally, renewed turbulence in international financial markets could damp private sector confidence and raise the cost of public-debt servicing. A stronger-than-projected impact of Brexit would indirectly hurt Spain through its trade linkages with European markets. On the upside, internal demand could prove more resilient than expected on the back of a stronger pass-through of favourable financing conditions to consumers and businesses.

SWEDEN

Economic growth has been strong, but is projected to decline. Shortages of qualified labour and constructible land will slow residential investment, while uncertainty about global demand will slow business investment. Modest real wage gains will continue to damp consumption. The unemployment rate is levelling off as difficult-to-hire low-skilled workers make up a rising share of jobseekers. Labour market tightening will help lift inflation gradually.

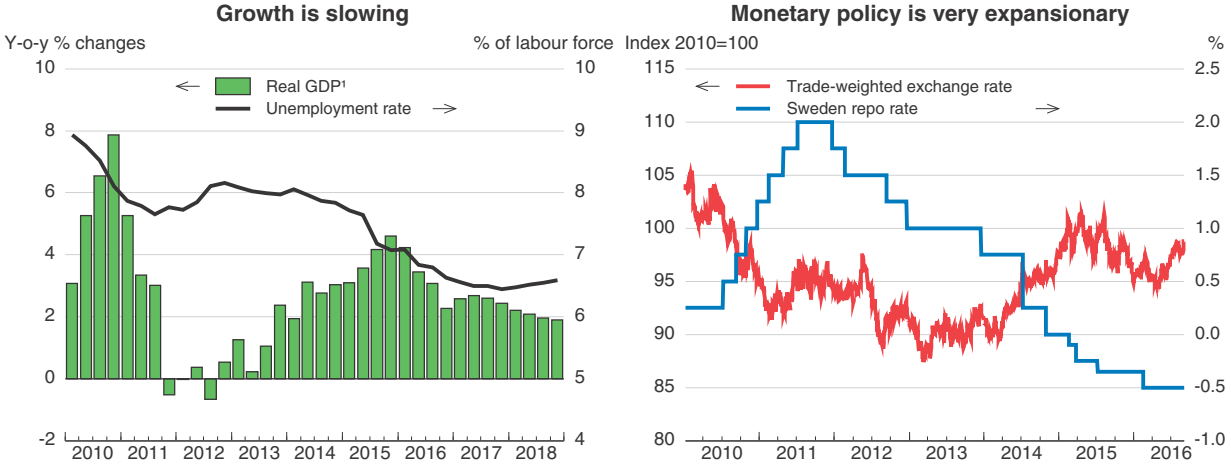
The current very expansionary monetary policy stance is a response to persistently below-target inflation, but has also fuelled a long housing boom which increasingly poses risks. Stronger macro-prudential policy, such as a debt-to-income cap, is called for to reduce financial and macroeconomic vulnerabilities. Easing planning and rental regulations and reforming housing taxation would help stabilise house prices, increase labour market mobility and improve equality.

Sweden has substantial fiscal space, as public debt is low and the budget is near balance. There is little need for further economic stimulus given the strength of the economy. However, the use of fiscal space to accommodate temporary migration-related costs is welcome.

Investment is booming, but slow wage growth holds back consumption

The domestic economy is decelerating but still growing strongly, underpinned by solid demand, labour force expansion and rising productivity. Unemployment is gradually declining, but the unemployed increasingly consist of harder-to-employ individuals, including recently arrived immigrants. Efforts to maintain cost-competitiveness in manufacturing, where weak global demand toughens competition, together with low short-term inflation expectations, hold back wage growth, which restrains private consumption growth. Inflation has stayed low and monetary policy has accordingly remained highly expansionary, which is boosting investment and asset prices.

Sweden



1. Working day adjusted.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437941

Sweden: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices SEK billion	Percentage changes, volume (2015 prices)				
GDP at market prices	3 773.4	2.7	3.9	3.3	2.7	2.2
Private consumption	1 759.8	2.2	2.6	2.5	2.6	2.5
Government consumption	992.0	1.7	2.2	3.5	2.4	1.2
Gross fixed capital formation	843.3	5.6	6.8	7.1	3.7	3.1
Final domestic demand	3 595.2	2.8	3.5	3.9	2.8	2.3
Stockbuilding[1]	7.7	0.2	0.3	0.1	0.0	0.0
Total domestic demand	3 602.9	3.0	3.8	4.0	2.8	2.3
Exports of goods and services	1 654.6	5.5	5.2	2.7	3.4	3.2
Imports of goods and services	1 484.2	6.5	5.0	4.5	3.5	3.5
Net exports[1]	170.5	-0.2	0.3	-0.6	0.1	0.0
Memorandum items						
GDP deflator	_	1.7	2.1	1.2	1.8	2.2
Consumer price index[2]	_	-0.2	0.0	0.9	1.5	2.0
Private consumption deflator	_	1.1	1.0	0.9	1.7	1.9
Unemployment rate[3]	_	7.9	7.4	6.9	6.7	6.7
Household saving ratio, net[4]	_	15.9	16.4	17.8	17.3	16.8
General government financial balance[5]	_	-1.6	0.2	0.2	-0.1	0.1
General government gross debt[5]	_	55.5	53.8	52.9	51.6	50.1
General government debt, Maastricht definition[5]	_	45.2	43.9	43.0	41.7	40.2
Current account balance[5]	_	4.6	5.2	4.8	4.8	4.9

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439214

Fiscal space is being used to cover migration-related costs

Humanitarian immigration has abated since its 2015 peak. Immigration rejuvenates the Swedish population and, in the longer term, will increase employment, provided that integration is successful. The use of fiscal space to accommodate temporary costs related to reception and integration may allow for less aggressive monetary policy. The decision to lower the fiscal surplus target from 1% to 0.33% of GDP increases fiscal space slightly over the coming years. The repo rate has stood at -0.50% since mid-February, driving up prices and inflation expectations, but recent readings have been weak.

Low interest rates, strong population growth, favourable tax treatment of property and a slow supply response led to double-digit housing price increases in the past two years and household debt continues to expand. Macro-prudential measures, including a mortgage amortisation requirement, have been taken. Supplementing existing measures by a debt-to-income cap should be considered. Steps to increase housing supply and ease planning regulations are welcome. Removing the ceiling of the property tax or phasing out mortgage interest deductibility would damp housing price increases, improve capital

allocation and increase redistribution. Easing rental regulations would improve the utilisation of the existing housing stock.

Growth will soften as the economy reaches full capacity

GDP growth is projected to slow significantly in the next two years. Residential investment will be held back by shortages of qualified labour and available land with building permission. Uncertain demand growth and weak exports will damp business investment. Labour force expansion will slow towards 2018, reflecting reduced immigration and ageing. Unemployment will level out, as an increasing share of the unemployed will be low-educated or recent immigrants. Real wage increases are contained by the leading role in collective bargaining of the export industry, which is exposed to tough global competition. However, nominal wages are set to accelerate, as expansionary monetary policy increases inflation expectations. The high saving rate, partly related to uncertainty and mortgage repayments, further limits consumption growth.

Sweden is a small, open economy, strongly integrated into global value chains, and hence particularly exposed to weak international trade growth and developments in its trading partners, including China and the United Kingdom. Currency movements would impact output, inflation and monetary policy. Interest rates are set to stay low for some time, and a failure to rein in household debt could heighten financial risks and households' vulnerability to house price declines and future interest rate increases.

SWITZERLAND

Economic growth is rising but will remain moderate as the global outlook remains subdued. The labour market has been resilient, and the recent modest unemployment increase should be reversed by 2018. Interest rates are projected to remain low, helping to revive domestic demand. Deflation is ending as the currency has stabilised. The huge current account surplus will persist.

Monetary policy settings are appropriate, but risks from a long period of negative policy rates are rising. Although less buoyant than earlier, the housing market merits continued vigilance. Uncertainties remain regarding the implementation of the immigration quota decided in the 2014 referendum, even though some progress is being made. The ongoing reforms to corporate taxes are welcome. The fiscal position remains solid with the surplus expected to be maintained.

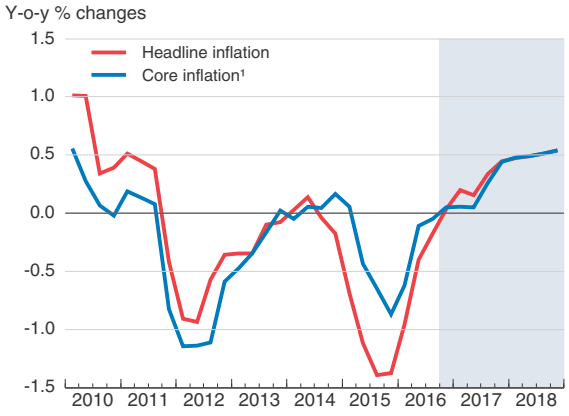
The solid fiscal balance and the low government debt give significant room to boost high-quality spending, notably on public investment, which has been modest in recent years. Government bonds yields are negative up to 10-year maturities. Interest payments have been halved since 2005 to 0.6% of GDP. Projects that would raise productivity and green the economy should be prioritised. Expanding provisions for early childhood education and care would help ensure that growth is more inclusive.

The economy is stabilising

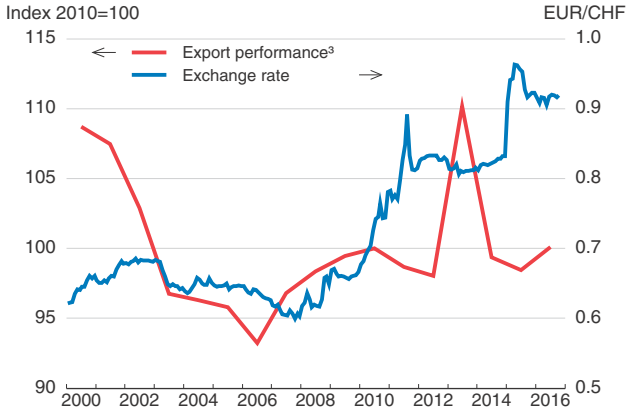
Economic growth is recovering from the 2015 slowdown. The franc has enjoyed a period of relative stability since the sharp currency appreciation in January 2015. This has contributed to some rebound in exports, which have performed well, driven notably by chemical and pharmaceutical products. While domestic demand has been weak for the past two years, recent indicators point to a recovery. Business confidence also points to

Switzerland

Prices are projected to pick up



Export performance has held up in the face of currency appreciation²



1. Excluding fresh and seasonal products, energy and fuels.
2. 2016 is partly based on projections.
3. Volume; export performance is measured as actual growth in exports relative to the growth of the country's export market.

Source: OECD Economic Outlook 100 database; and SNB.

StatLink http://dx.doi.org/10.1787/888933437955

Switzerland: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices CHF billion	Percentage changes, volume (2010 prices)				
GDP at market prices	635.0	2.0	0.8	1.6	1.7	1.9
Private consumption	344.0	1.2	1.0	1.0	1.6	2.1
Government consumption	70.6	1.5	2.2	2.8	2.5	1.8
Gross fixed capital formation	149.3	2.8	1.5	2.3	1.4	2.0
Final domestic demand	563.9	1.7	1.3	1.6	1.7	2.0
Stockbuilding[1]	- 6.0	0.2	0.5	0.0	0.0	0.0
Total domestic demand	557.8	2.1	1.9	1.4	1.7	2.1
Exports of goods and services	459.4	-6.1	2.2	3.7	4.1	3.6
Imports of goods and services	382.2	-7.9	4.3	4.0	4.5	4.2
Net exports[1]	77.2	0.3	-0.9	0.3	0.2	0.0
Memorandum items						
GDP deflator	_	-0.6	-0.5	-0.9	0.2	0.6
Consumer price index	_	0.0	-1.1	-0.4	0.3	0.5
Private consumption deflator	_	-0.2	-0.8	-0.4	0.1	0.2
Unemployment rate	_	4.5	4.5	4.6	4.6	4.5
General government financial balance[2]	_	-0.3	1.1	1.5	1.3	0.9
General government gross debt[2]	_	45.7	44.6	43.1	41.7	40.6
Current account balance[2]	_	9.1	11.1	9.2	9.2	9.2

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 100 database.

StatLink http://dx.doi.org/10.1787/888933439228

higher growth. After a long period of deflation, consumer prices are now stable. The large current account surplus has shrunk somewhat but remains high, at above 9% of GDP.

There is substantial fiscal room for manoeuvre

Monetary policy is appropriately very accommodative, as a sustainable return to positive inflation is still not ensured and the exchange rate remains under upward pressure. Indeed, Swiss foreign currency reserves have increased by more than 15% in the past year. The risks posed by negative interest rates have not materialised so far, although they are rising, notably for the financial sector. However, the possibility of additional central bank stimulus is limited. The authorities should stand ready to reinforce macro-prudential measures, as mortgage rates are very low and debt relatively high.

Conversely, fiscal policy should be employed to absorb the significant remaining slack in the economy, and the debt brake rule allows for such an expansion. Public debt and the fiscal position are sound. Debt servicing costs have fallen from 1.3% of GDP in 2005 to 0.6% in 2015. The fiscal space should be utilised to revive public investment with a view to boosting sustainable and inclusive growth. There is also room to increase the provision of early childhood education and care, especially for migrants. Through 2015-16, income tax receipts have surged as firms and individuals have paid taxes in advance and delayed withdrawing tax credits because of negative interest rates; however, this should be

reversed starting in 2018. In addition, the 2016 corporate tax reform, while welcome, will translate into lower government revenues.

Output growth is projected to recover and inflation will pick up

Private consumption should gradually strengthen in 2017, as the unemployment rate returns to pre-2015 levels and household saving remains stable at a high level. Business investment will also contribute to boost growth, driven by better domestic and external prospects. The contribution from foreign trade will remain modest due to the strong franc, and the current account surplus will remain above 9% of GDP. Positive inflation is set to return as the economy gains momentum, but price rises will stay modest in the coming two years.

An agreement with the European Union on the implementation of the referendum on migration quotas is still pending. This could potentially disrupt trade flows with Switzerland's main partner. Further weakness in Europe would also hurt the economy, both directly and through renewed pressure on the franc. A more pronounced rebound in global trade would be a boost.

TURKEY

GDP growth is estimated to have slowed to under 3% in 2016, but is projected to pick up gradually to around 3¾ per cent by 2018. The Turkish economy continues to face geopolitical headwinds and unsettled political conditions, after having weathered a coup attempt in July and engaged in military operations in Syria.

Uncertainties are high but fiscal, prudential and monetary policies are supportive and should spur household consumption from late 2016 onwards. New and generous incentives have been introduced to stimulate business investment, which, however, has stayed subdued so far. For private investment to pick up, it is important to durably restore confidence by implementing high-priority structural and institutional reforms.

The hard-won fiscal room gained through prudent budget policy enabled the authorities to phase in several counter-cyclical measures. The Medium-Term Economic Programme 2017-2019 published in early October announced further, and welcome, infrastructure investment. A transparent and integrated framework for the planning, procurement and fiscal management of large infrastructure projects, including those undertaken through public-private partnerships, would reduce their costs and create room for other growth-friendly spending, such as on education.

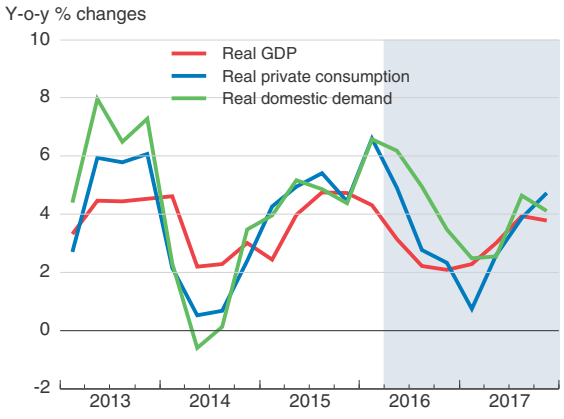
The economy has proved resilient to severe shocks

Following the coup attempt in mid-July, market sentiment worsened only temporarily. More recently, in a context of high geopolitical uncertainty and an extension of the state of emergency, a rating downgrade triggered additional exchange rate and stock market weakness. Household and business confidence declined.

Household consumption decelerated through 2016 despite the very large minimum wage hike in January. This partly reflected the sharp deceleration in consumer loans and credit card debt following measures to address fast household credit expansion. Private business investment has remained weak.

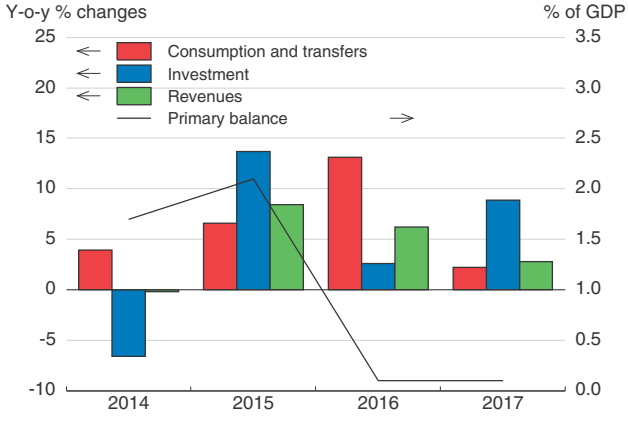
Turkey

Growth is driven by household consumption



Fiscal policy is supportive [1]

General government, volumes



1. On the basis of the Medium-Term Economic Programme 2017-19, October 2016.

Source: OECD Economic Outlook 100 database; and Ministry of Development.

StatLink http://dx.doi.org/10.1787/888933437961

Turkey: **Demand, output and prices**

	2013	2014	2015	2016	2017	2018
	Current prices TRY billion	Percentage changes, volume (1998 prices)				
GDP at market prices	1 567.3	3.0	4.0	2.9	3.3	3.8
Private consumption	1 109.7	1.4	4.8	4.1	3.0	4.4
Government consumption	236.6	4.7	6.7	12.8	3.5	2.7
Gross fixed capital formation	318.6	-1.3	4.0	0.6	4.9	3.1
Final domestic demand	1 664.9	1.4	4.9	4.8	3.4	3.9
Stockbuilding[1]	4.9	-0.1	-0.5	0.3	-0.1	0.0
Total domestic demand	1 669.8	1.3	4.6	5.3	3.5	4.0
Exports of goods and services	401.8	7.4	-0.9	-1.8	4.0	4.8
Imports of goods and services	504.3	-0.3	0.2	5.7	4.7	5.5
Net exports[1]	- 102.6	2.0	-0.3	-2.3	-0.3	-0.4
Memorandum items						
GDP deflator	_	8.3	7.4	6.9	7.4	7.4
Consumer price index	_	8.9	7.7	7.9	7.7	7.3
Private consumption deflator	_	7.0	6.9	6.9	7.2	6.9
Unemployment rate	_	9.9	10.3	10.6	10.7	10.7
Current account balance[2]	_	-5.5	-4.4	-4.6	-4.7	-4.5

1. Contributions to changes in real GDP, actual amount in the first column.
2. As a percentage of GDP.
Source: OECD Economic Outlook 100 database.

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Turkey's main export markets in Europe and in the region remain subdued. A trade embargo imposed by Russia in 2016, which is in the process of being waived, added to the volatility of export markets. Nonetheless, exporters are highly entrepreneurial and, backed by exchange rate depreciation, increased their share in several alternative markets in 2016, including in some EU countries. Still, the collapse of tourism revenues undermined overall export performance. With the expected normalisation of external trade conditions, real exports of goods and services are projected to recover gradually.

Macroeconomic policy is supportive

Fiscal, monetary and prudential policies are supportive. Fiscal policy was expansionary in 2016, mainly through increased public sector wages and social transfers, and expenditures for refugees. The share of primary general government spending in GDP is expected to increase from around 38% in 2015 to around 41% in 2016 and 2017, before falling below 40% in 2018. Monetary policy was loosened, despite above-target inflation and inflation expectations, with the average funding rate of the central bank cut by about 100 basis points between March and October. Prudential rules were relaxed, with an extension of term limits on consumer loans and credit cards. Tax amnesties, additional tax cuts and new subsidies were also offered to businesses. A more fundamental upgrading of the business environment through structural and institutional reform would give additional stimulus to business investment.

There are uncertainties ahead

GDP growth is projected to pick up to around 3¼ per cent in 2017 and 3¾ per cent in 2018, driven by recovering household consumption and gradual increases in exports. This projection is subject to above-average special risks. Military activity has increased across the south-eastern border, and a constitutional referendum might be held in 2017. Related developments will affect household and business confidence, and will bear on consumption, investment and growth.

Uncertainties will also affect external funding. The current account deficit fell from 8% of GDP in 2013 to an estimated 4.6% in 2016. However, external debt roll-over needs are high. In the current circumstances, preserving the credibility of economic policy institutions is crucial. The cautious implementation of the Medium-Term Economic Programme, the alignment of national accounts with international standards and related improvement in fiscal transparency, and the actual implementation of the announced structural and institutional reforms would strengthen internal and external confidence and reduce foreign funding risks. On the upside, diplomatic rapprochement with some neighboring countries may improve trade prospects faster than foreseen, not only for goods but also for tourism and other services.

UNITED KINGDOM

The Brexit referendum vote has reduced growth prospects and increased volatility, as reflected by the large currency depreciation. Monetary policy has mitigated the immediate impact of the shock by stabilising financial markets and shoring up consumer confidence. This projection assumes the United Kingdom will operate with a most favoured nation status after 2019, but there is considerable uncertainty about this, which will increasingly weigh on growth, and in particular private investment, including foreign direct investment. Higher inflation is projected to hit households' purchasing power and to reduce corporate margins, weakening private consumption and investment. As growth slows, the unemployment rate is projected to rise.

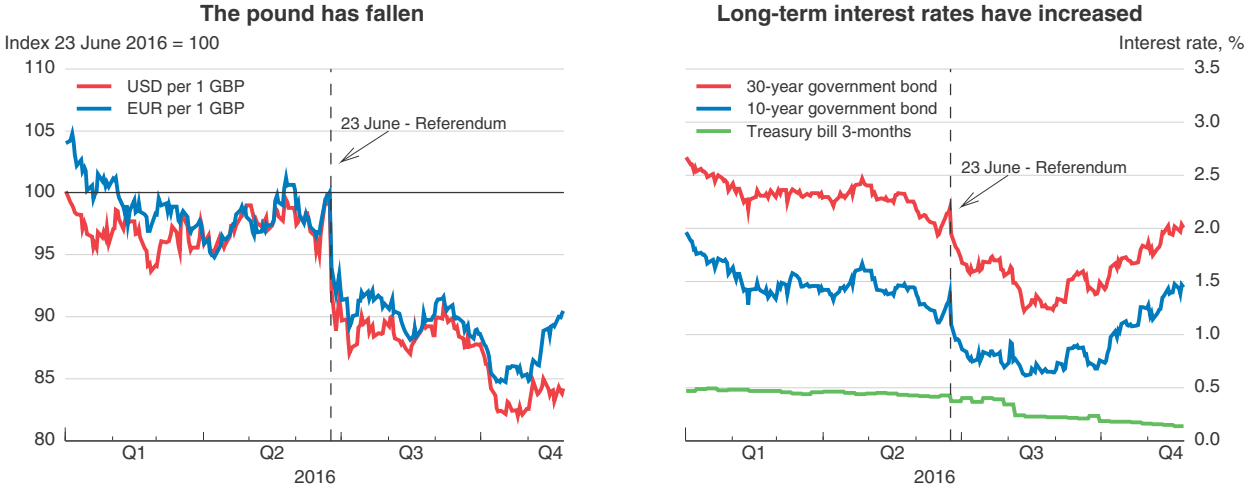
Macroeconomic policies need to be expansionary. Inflation is set to exceed the target of 2%, but the monetary policy stance is expected to be unchanged as the inflationary impact of currency depreciation should be temporary. The latest government plans released in the Autumn Statement indicate a slower pace of fiscal consolidation and some increase in public investment. A more significant increase in public investment would support demand in the near term and boost supply in the longer term. With a weak economic outlook, further raises in the minimum wage should be considered prudently.

Despite recent increases, long-term interest rates remain low, creating fiscal space as debt service obligations fall. Reducing tax expenditures and adopting a single VAT rate would improve both efficiency and fairness, but would require flanking policies to protect the poor. More spending on physical infrastructure and skills in regions lagging behind would raise productivity and wages, making fiscal policy more inclusive.

Economic activity has weakened

Growth momentum was strong in the run-up to the European Union referendum but has since weakened. Monetary stimulus has, however, eased the near-term drag on growth

United Kingdom



Source: Thomson Reuters.

StatLink http://dx.doi.org/10.1787/888933437976

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

Percentage changes

	2014	2015	2016	2017	2018
Employment	2.4	1.8	1.4	0.3	-0.3
Unemployment rate[1]	6.2	5.4	4.9	5.0	5.6
Compensation per employee[2]	0.7	1.3	1.7	2.3	2.5
Unit labour cost	-0.7	1.1	0.7	2.1	2.6
Household disposable income	2.9	3.8	3.5	2.9	3.1
GDP deflator	1.6	0.4	1.5	1.9	2.2
Harmonised index of consumer prices[3]	1.5	0.1	0.6	2.4	2.9
Core harmonised index of consumer prices[4]	1.6	1.1	1.1	2.0	2.6
Private consumption deflator	1.7	0.3	1.1	2.3	2.7

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.

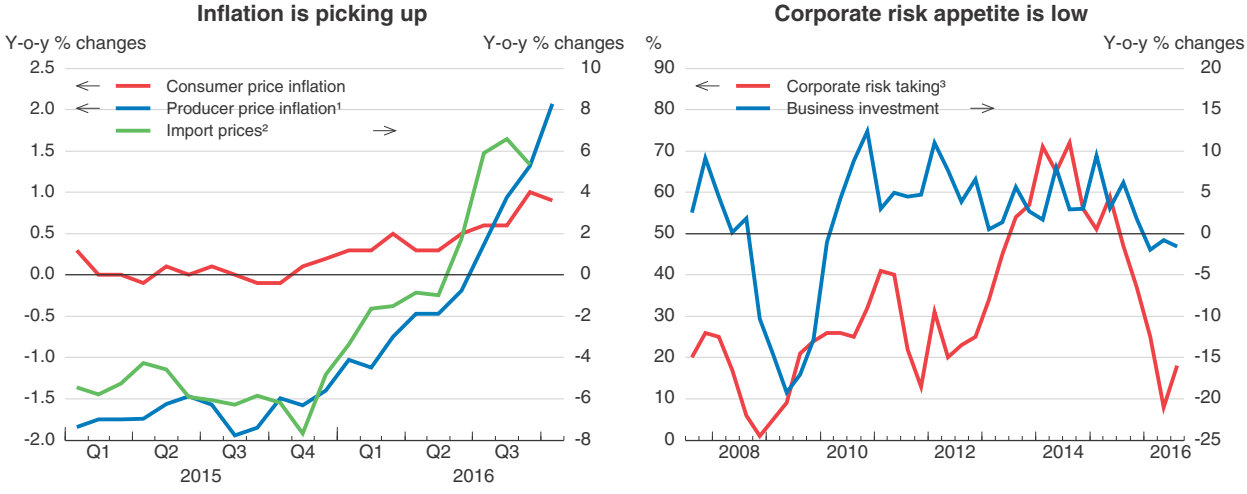
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438852

from the decision to leave the European Union. Consumer confidence has rebounded, but businesses have revised down significantly their outlook for hiring, capital expenditure and discretionary spending. Uncertainty about the United Kingdom's relationships with the rest of the world is high, and the risk of exit from the European Union's single market and customs union has pushed the exchange rate to new lows and lifted long-term interest rates.

Trade data suggest that currency depreciation has supported exports, but imports have fallen. The current account deficit remains sizeable, at 5¾ per cent of GDP, driven by

United Kingdom



1. Net sector output prices of manufactured products.
2. Import prices of total trade in goods.
3. Percentage of CFOs who think this is a good time to take greater risk onto their balance sheets. The survey was conducted between 12 and 26 September.

Source: Office for National Statistics; and Deloitte.

StatLink http://dx.doi.org/10.1787/888933437985

United Kingdom: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, gross[1]	6.8	6.1	4.7	3.7	3.4
General government financial balance[2]	-5.6	-4.3	-3.3	-3.1	-2.8
General government gross debt[2]	113.4	112.0	112.5	113.1	113.4
General government debt, Maastricht definition[2]	88.1	89.1	89.3	89.6	89.3
Current account balance[2]	-4.7	-5.4	-5.4	-4.8	-4.4
Short-term interest rate[3]	0.5	0.6	0.5	0.5	0.5
Long-term interest rate[4]	2.6	1.9	1.3	1.3	1.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438868

lower returns on external assets relative to the return on domestic assets held by foreigners, and by exports which have been growing less than UK export markets.

The labour market has been resilient, with the unemployment rate inching down to 4.8%, although job creation has moderated. Real wages have been growing at a time of low inflation, but the fall of the exchange rate has started to increase price pressures. Caution is needed with the implementation of the policy to raise the National Living Wage to 60% of median hourly earnings by 2020. The effects on employment need to be carefully

United Kingdom: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices GBP billion	Percentage changes from previous year, volume (2013 prices)					
GDP at market prices	1 870.7	2.0	1.2	1.0	1.9	1.0	1.0
Private consumption	1 215.9	2.8	1.8	1.0	2.8	1.3	0.8
Government consumption	363.0	1.2	0.6	0.5	1.0	0.5	0.5
Gross fixed investment	316.9	1.2	-0.9	-3.0	2.1	-2.5	-3.2
Public[1]	49.6	4.2	5.5	2.0	11.3	2.0	2.0
Residential	87.2	4.3	-1.7	-2.2	1.4	-2.0	-2.3
Non-residential	180.1	-1.1	-2.4	-4.9	0.0	-4.1	-5.3
Final domestic demand	1 895.8	2.2	1.1	0.2	2.3	0.5	0.1
Stockbuilding[2]	13.5	-0.5	-0.3	0.0			
Total domestic demand	1 909.4	1.7	0.8	0.2	1.6	0.5	0.1
Exports of goods and services	508.8	2.7	3.2	4.0	0.7	3.9	4.0
Imports of goods and services	547.4	2.4	1.5	1.5	0.7	2.2	1.2
Net exports[2]	- 38.7	0.0	0.4	0.7			

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438872

United Kingdom: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	842.7	777.3	728.4	766	846
Goods and services imports	902.4	836.4	787.6	824	903
Foreign balance	- 59.6	- 59.1	- 59.2	- 58	- 57
Invisibles, net	- 80.0	- 93.8	- 83.5	- 63	- 58
Current account balance	- 139.7	- 152.9	- 142.7	- 121	- 115
			Percentage changes		
Goods and services export volumes	1.5	4.5	2.7	3.2	4.0
Goods and services import volumes	2.5	5.4	2.4	1.5	1.5
Export performance[1]	- 3.4	- 1.3	0.3	- 0.1	0.3
Terms of trade	1.5	0.4	- 0.8	- 1.2	- 1.6

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438885

assessed before any further increases are adopted, especially as growth slows and labour markets weaken. Rolling out the universal credit should sharpen work incentives, but better skills are also needed to create better jobs. The planned introduction of an apprenticeship levy on large businesses will be an important step to support the development of vocational skills across all firms. Higher spending on active labour market policies would help upskilling and the reallocation of labour from the non-tradable to the tradable sectors underpinned by a weaker exchange rate, which should enhance productivity over time.

The macroeconomic policy stance needs to be expansionary

Fiscal space has increased, as very low interest rates have reduced debt-service costs, and to the extent that interest payments collected by the Bank of England under its quantitative easing measures are transferred to the budget. The government has appropriately indicated that it is no longer targeting a budget surplus by the end of the decade and has signalled that the automatic stabilisers will be allowed to work. Some discretionary fiscal measures will be used to increase infrastructure spending, which should support short-run economic activity and enhance long-term growth, but further fiscal tightening is planned overall by the authorities.

The Bank of England has taken a number of measures to support liquidity and lending in the aftermath of the EU referendum, including long-term refinancing operations and the reduction of the counter-cyclical capital buffer to 0%. In early August, the Bank cut the policy rate by 25 basis points to 0.25%, adopted a Term Funding Scheme to further lower refinancing costs for banks that lend, and restarted its quantitative easing programme with the purchase of GBP 70 billion (3.5% of GDP) of assets. Inflation is expected to exceed the 2% inflation target, but the extent of monetary stimulus should be maintained to ease the cost of economic adjustment to the departure from the European Union.

There is room to make the tax system more efficient. Income tax expenditures are large and reducing them in certain areas would improve resource allocation and productivity. Removing preferential and zero value-added tax rates would also reduce

distortions and in some cases make the system fairer (many favoured items are consumed by the rich), although this would require adjustment to welfare programmes to combat inequality.

Growth is projected to slow down

Growth is set to weaken significantly. Private investment is expected to contract amid large uncertainty. Private consumption growth is projected to slow, as the currency depreciation that has already taken place reduces real earnings growth. Export growth is projected to pick up, driven by a weaker exchange rate, allowing some gains in market share, and the current account deficit will narrow gradually. Weaker growth should raise the unemployment rate to above 5%.

The unpredictability of the exit process from the European Union is a major downside risk for the economy. Uncertainty could hamper domestic and foreign investment more than projected and the pass-through of currency depreciation to prices could be larger, deepening the extent of stagflation. Subdued world trade growth could limit the effect of depreciation on exports. The large current account deficit may be harder to finance, although weaker-than-projected consumption and imports would reduce the deficit eventually. Improved prospects of an orderly exit from the European Union while retaining strong trade linkages with the bloc would support near-term growth more than projected.

UNITED STATES

Economic growth is set to strengthen in 2017 and 2018, as an assumed fiscal stimulus boosts the economy and the effects of dollar appreciation, declines in energy investment and a substantial inventory correction abate. Employment has risen steadily, although the pace is expected to ease somewhat in 2017. A pick-up in wages will further support growth, offsetting somewhat sluggish external demand.

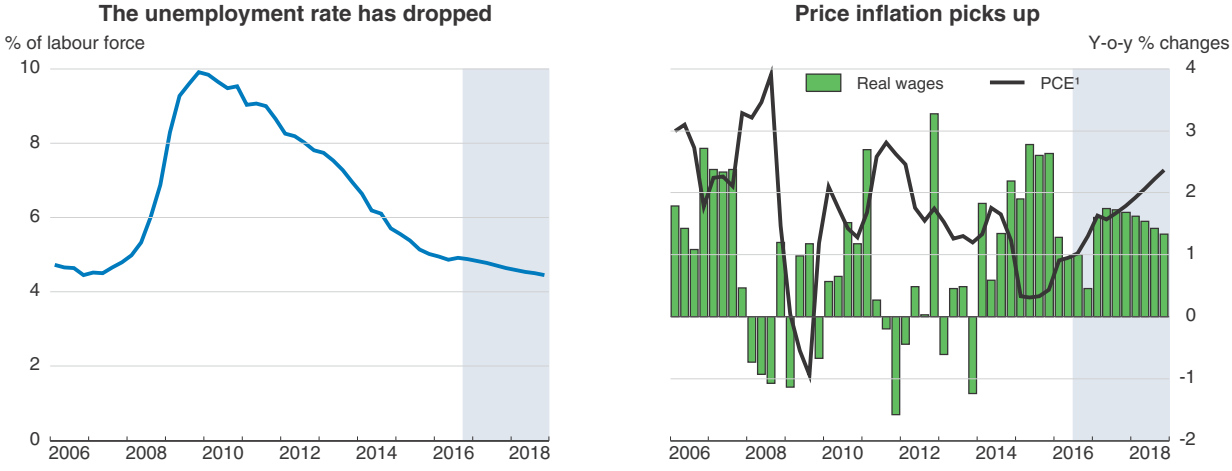
Monetary policy has remained very accommodative, consistent with inflation running below target. As economic slack is eliminated and pressure on resources emerges, policy rates will gradually increase. Monetary policy needs to tread a cautious path. Some measures of inflation expectations have edged down and persistently undershooting the inflation target could entrench lowered expectations. On the other hand, sustained low interest rates create financial market risks, which may require stronger macro-prudential action. More supportive fiscal policy eases the burden on monetary policy.

Fiscal policy was broadly neutral in 2016. The new Administration will begin implementing its policy priorities next year and in this context the fiscal stance is projected to become more expansionary as public spending and investment rise, while taxes are cut. This will provide a boost to the economy, particularly in 2018. Action will be needed to ensure public finances are sustainable in the medium term.

The economy is emerging from a soft patch

The economy entered a soft patch in 2016 as the fall in oil prices led to a sharp decline in the energy sector, an appreciation of the dollar hurt exports and manufacturing investment, and inventories were drawn down. Residential investment has been modest by historical standards, though there are signs that activity may be picking up as supply bottlenecks are overcome. Business investment has also been sluggish, but some signs - such as strengthening R&D spending – suggest it will accelerate. Household spending

United States



1. Personal Consumption Expenditures price index.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933437993

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

Percentage changes

	2014	2015	2016	2017	2018
Employment[1]	1.8	2.1	1.7	1.5	1.5
Unemployment rate[2]	6.2	5.3	4.9	4.7	4.5
Compensation per employee[3]	2.6	2.6	2.0	3.8	3.7
Labour productivity	0.6	0.5	-0.2	0.7	1.5
Unit labour cost	2.2	2.1	2.2	2.9	1.9
GDP deflator	1.8	1.1	1.3	1.9	2.4
Consumer price index	1.6	0.1	1.2	1.9	2.2
Core PCE deflator[4]	1.6	1.4	1.7	1.8	2.2
PCE deflator[5]	1.5	0.3	1.1	1.7	2.2
Real household disposable income	3.5	3.5	2.5	3.2	2.2

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.

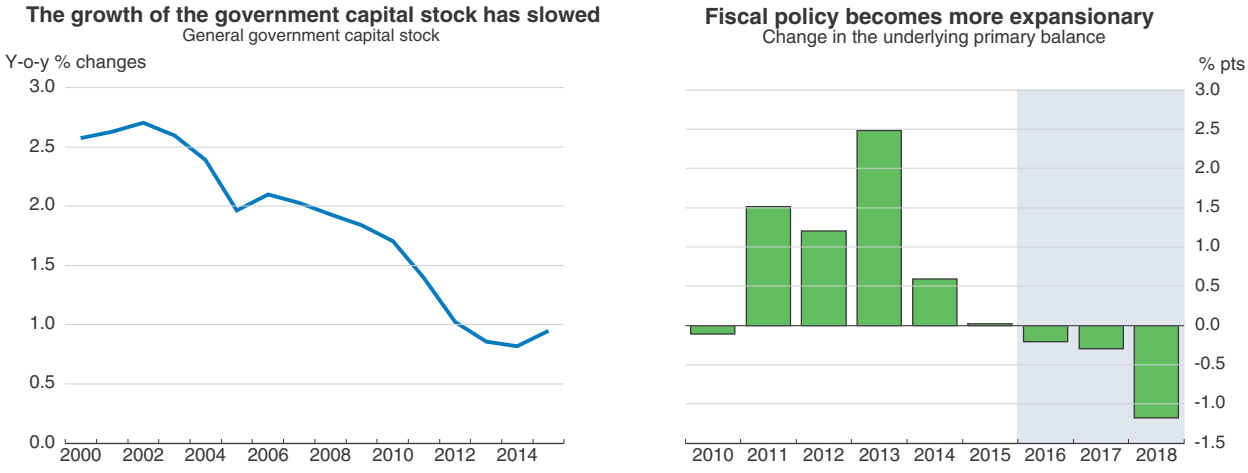
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438686

remained strong, however, benefitting from employment and wage gains as well as an increase in purchasing power due to the fall in energy prices. Weak external demand and the exchange rate appreciation constrained export growth during much of 2016, while the slowdown in import-intensive investment has weighed on imports.

The labour market has continued to perform well. Employment gains and wage growth have remained solid, labour force participation has been edging up, and the unemployment rate has fallen close to historical norms. Steady progress in reducing labour market slack has not spread to all areas. Notably little progress was made in 2016 in

United States



Source: OECD Economic Outlook 100 database; and Bureau of Economic Analysis.

StatLink http://dx.doi.org/10.1787/888933438001

United States: **Financial indicators**

	2014	2015	2016	2017	2018
Household saving ratio, net[1]	5.6	5.8	5.7	6.2	5.7
General government financial balance[2]	-5.0	-4.4	-5.0	-4.9	-5.4
General government gross debt[2]	112.3	114.0	115.6	116.9	117.5
Current account balance[2]	-2.3	-2.6	-2.5	-2.6	-2.9
Short-term interest rate[3]	0.3	0.5	0.9	1.5	2.3
Long-term interest rate[4]	2.5	2.1	1.8	2.4	3.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438696

reducing the numbers of workers employed part-time for economic reasons or the long-term unemployment rate. Furthermore, wage growth (measured as compensation per hour) has remained weak, although it strengthened recently.

Macroeconomic policy will be supportive

As inflation is rising, the Federal Reserve is assumed to raise policy rates gradually to 2% by end-2018. Inflation overshoots the target during the projections, though the monetary tightening, fading of the fiscal impulse and anchored expectations will return it towards target in the medium term. The gradual rise in interest rates will begin to reduce

United States: **Demand and output**

	2015	2016	2017	2018	Fourth quarter 2016	Fourth quarter 2017	Fourth quarter 2018
	Current prices USD billion	Percentage changes from previous year, volume (2009 prices)					
GDP at market prices	18 036.7	1.5	2.3	3.0	1.8	2.5	2.9
Private consumption	12 283.7	2.6	2.7	2.8	2.6	2.9	2.5
Government consumption	2 604.9	0.9	1.3	3.2	0.7	1.9	3.1
Gross fixed investment	3 576.7	0.6	2.3	5.3	-0.1	3.5	6.0
Public	613.4	0.5	1.1	5.6	-1.2	4.4	4.2
Residential	651.9	4.2	1.5	3.0	-1.0	3.5	2.7
Non-residential	2 311.3	-0.4	2.9	5.9	0.5	3.3	7.3
Final domestic demand	18 465.3	1.9	2.4	3.4	1.8	2.9	3.3
Stockbuilding[1]	93.3	-0.4	0.0	0.0			
Total domestic demand	18 558.6	1.5	2.4	3.3	1.6	2.9	3.2
Exports of goods and services	2 264.3	0.9	3.5	3.0	3.6	2.5	3.2
Imports of goods and services	2 786.3	0.9	4.4	5.4	1.7	5.0	5.6
Net exports[1]	- 522.0	0.0	-0.2	-0.4			

Note: Detailed quarterly projections are reported for the major seven countries, the euro area and the total OECD in the Statistical Annex.
1. Contributions to changes in real GDP, actual amount in the first column.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438707

United States: **External indicators**

	2014	2015	2016	2017	2018
			USD billion		
Goods and services exports	2 375.3	2 264.3	2 242.3	2 363	2 482
Goods and services imports	2 884.1	2 786.3	2 726.5	2 905	3 122
Foreign balance	- 508.8	- 522.0	- 484.2	- 542	- 641
Invisibles, net	116.7	59.0	21.6	47	49
Current account balance	- 392.1	- 463.0	- 462.6	- 495	- 591
			Percentage changes		
Goods and services export volumes	4.3	0.1	0.9	3.5	3.0
Goods and services import volumes	4.4	4.6	0.9	4.4	5.4
Export performance[1]	0.7	- 1.7	- 0.3	0.8	0.1
Terms of trade	0.3	3.1	1.3	- 0.2	- 0.1

1. Ratio between export volume and export market of total goods and services.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438717

some of the financial distortions that have emerged under a policy of sustained very low interest rates. Concerns about valuations of commercial real estate have already prompted regulators to issue guidance and prudential regulation should remain ready to counter emerging threats if needed.

Following the presidential elections, the incoming Administration and Congress will begin defining their fiscal priorities in 2017 when the current continuing resolutions expire. The fiscal stance is projected to shift in 2017 from broadly neutral to expansionary. This will stimulate economic activity and ease some of the burden that has been placed on monetary policy. Partly because of this stimulus, government debt is projected to inch up only slightly. Nevertheless, in the long term, mandatory spending will begin to rise more strongly under current policy settings, and fiscal adjustment of some sort will be needed to ensure fiscal sustainability.

The projected fiscal stimulus will also go some way to reversing the marked slowdown in spending on public infrastructure, which has fallen substantially as all levels of government have retrenched. The boost to spending on infrastructure and other investments (such as improving skills and facilitating job finding success through more active labour market policies and the provision of child care) will combat inequality and counter the steady decline in labour force participation rates, both by prime-age men and women. Investment in public infrastructure, such as mass transit systems, will also be needed to move towards a more environmentally sustainable economy. Reforms to personal and corporate taxation could enhance efficiency by lowering marginal rates and removing provisions that narrow the tax base and invite tax avoidance.

GDP is projected to accelerate

GDP is projected to return to a moderate growth trajectory in 2017 and strengthen in 2018, mainly due to the projected fiscal stimulus, which takes effect particularly in 2018. Indeed, projected fiscal support will boost GDP growth by just under ½ and 1 percentage point in 2017 and 2018 respectively. Household spending continues at a healthy pace, supported by the tax cuts, employment gains and strengthening wage growth boosting

household disposable income. Furthermore, tightening labour market conditions will encourage greater labour force participation as discouraged workers return. Business investment is expected to surge with cuts to corporate income tax (assumed to be part of a fiscal stimulus package) and as demand growth recovers.

Risks to the outlook are sizeable. The fiscal stimulus of the new Administration may be bigger or smaller than assumed in the projections. Labour market slack may evaporate more quickly and wage growth could rise more rapidly than anticipated, stoking stronger inflationary pressures and requiring the Federal Reserve to react more strongly. On the other hand, weakening external demand and further appreciation of the dollar could create a drag on net exports and depress investment, creating disinflationary pressures and requiring macroeconomic policy to become more accommodative. Disruptions to international trade, including breaking global value chains would hurt growth. There are also risks of financial market turbulence as the Federal Reserve begins tightening. In particular, as policy in other major currency areas is projected to remain very accommodative, the divergence with the United States could unleash unpredictable market reactions and financial flows.

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 2016 to 2018 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		2.1	1.0	Spain	11.8	3.1	1.4
Austria	3.1	0.8	0.4	Sweden		0.9	0.4
Belgium	3.7	1.0	0.4	Switzerland		1.0	0.5
Canada		3.1	1.4	Turkey		3.0	1.4
Chile		0.8	0.4	United Kingdom		5.3	2.4
Czech Republic		0.7	0.3	United States		35.2	16.3
Denmark		0.5	0.2	Euro area	100.0	26.4	12.2
Estonia	0.3	0.1	0.0	Total OECD		100.0	46.2
Finland	1.7	0.4	0.2				
France	19.6	5.2	2.4			Non-OECD	World
Germany	28.6	7.5	3.5				
Greece	2.1	0.6	0.3	Argentina		1.5	0.8
Hungary		0.5	0.2	Brazil		5.4	2.9
Iceland		0.0	0.0	China		32.2	17.4
Ireland	2.2	0.6	0.3	Colombia		1.1	0.6
Israel		0.6	0.3	Costa Rica		0.1	0.1
Italy	16.2	4.3	2.0	India		12.5	6.7
Japan		9.3	4.3	Indonesia		4.6	2.5
Korea		3.4	1.6	Lithuania		0.1	0.1
Latvia	0.4	0.1	0.0	Russia		6.0	3.2
Luxembourg	0.4	0.1	0.1	Saudi Arabia		2.9	1.6
Mexico		4.3	2.0	South Africa		1.2	0.7
Netherlands	6.1	1.6	0.7	Dynamic Asian Economies		8.7	4.7
New Zealand		0.3	0.2	Other major oil producers		11.2	6.0
Norway		0.6	0.3	Rest of non-OECD		12.3	6.6
Poland		1.9	0.9				
Portugal	2.2	0.6	0.3	Total non-OECD			53.8
Slovak Republic	1.2	0.3	0.1				
Slovenia	0.5	0.1	0.1	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 100 database.

Irrevocable euro conversion rates

National currency unit per euro

Austria	13.7603	Latvia	0.7028
Belgium	40.3399	Luxembourg	40.33990
Estonia	15.6466	Netherlands	2.204
Finland	5.94573	Portugal	200.482
France	6.55957	Spain	166.386
Germany	1.95583	Slovak Republic	30.13
Greece	340.75	Slovenia	239.64
Ireland	0.78756		
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 is as follows :

	Expenditure accounts	Household accounts	Benchmark/ base year
Argentina	SNA08 (1993-2015)	..	2004
Australia	SNA08 (1959q3-2016q2)	SNA08 (1959q3-2016q2)	2013/2014
Austria	ESA10 (1996q1-2016q3)	ESA10 (1995-2015)	2010
Belgium	ESA10 (1995q1-2016q2)	ESA10 (1999-2015)	2013
Brazil	SNA08 (1996-2015)	..	2000
Canada	SNA08 (1981q1-2016q2)	SNA08 (1981q1-2016q2)	2007
Chile	SNA93 (1996q1-2016q2)	..	2008
China	SNA93 (1992-2015)	..	2005
Colombia	SNA93 (2000-2015)	..	2005
Costa Rica	SNA93 (1991-2015)	..	2012
Czech Republic	ESA10 (1996q1-2016q2)	ESA10 (1999-2015)	2010
Denmark	ESA10 (1995q1-2016q2)	ESA10 (1995-2015)	2010
Estonia	ESA10 (1995q1-2016q2)	ESA10 (1995-2014)	2010
Finland	ESA10 (1990q1-2016q2)	ESA10 (1999q1-2015q4)	2010
France	ESA10 (1949q1-2016q3)	ESA10 (1980q1-2016q2)	2010
Germany	ESA10 (1991q1-2016q2)	ESA10 (1991-2015)	2010
Greece	ESA10 (1995q1-2016q2)	..	2010
Hungary	ESA10 (1991-2015)	ESA10 (1995-2014)	2005
Iceland	SNA08 (1997q1-2016q2)	..	2005
Indonesia	SNA08 (2000-2014)	..	2010
India	SNA93 (2011-2014)	..	2012
Ireland	ESA10 (1997q1-2016q2)	ESA10 (1999-2015)	2014
Israel	SNA08 (1995q1-2016q3)	..	2010
Italy	ESA10 (1995q1-2016q2)	ESA10 (1995-2015)	2010
Japan	SNA93 (1994q1-2016q3)	SNA93 (1980-2014)	2005
Korea	SNA08 (1970q1-2016q3)	SNA08 (1975-2015)	2010
Latvia	SNA08 (1995-2015)	..	2010
Lithuania	ESA10 (1995-2015)	ESA10 (2004-2014)	2010
Luxembourg	ESA10 (1995q1-2016q2)	ESA95 (2007-2012)	2010
Mexico	SNA08 (1993q1-2016q2)	..	2008
Netherlands	ESA10 (1995q1-2016q3)	ESA10 (1995-2015)	2010
New Zealand	SNA93 (1987q4-2016q2)	SNA93 (1986-2014)	2009/2010
Norway	SNA08 (1978q1-2016q3)	ESA10 (1995-2015)	2014
Poland	ESA10 (2002q1-2016q2)	ESA10 (2000-2015)	2010
Portugal	ESA10 (1995q1-2016q2)	ESA10 (1995-2015)	2011
Russia	SNA93/SNA08 (2003-2015)	..	2011
Slovak Republic	ESA10 (1997q1-2016q2)	ESA10 (1995-2015)	2010
Slovenia	ESA10 (1995q1-2016q2)	ESA10 (1995-2015)	2010
South Africa	SNA08 (2010-2015)	..	2010
Spain	ESA10 (1995q1-2016q2)	ESA10 (2000-2015)	2010
Sweden	ESA10 (1995q1-2016q2)	ESA10 (1993q1-2016q2)	2015
Switzerland	ESA10 (1980q1-2016q2)	ESA10 (1995-2015)	2010
Turkey	SNA93 (1998q1-2016q2)	..	1998
United Kingdom	ESA10 (1955q1-2016q2)	ESA10 (1987q1-2016q2)	2013
United States	NIPA (SNA08) (1947q1-2016q3)	NIPA (SNA08) (1947q1-2016q3)	2009

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 is as follows :

Government accounts		Balance of payments	
Financial	Non financial		
..	..	BPM6 (1994-2015)	Argentina
SNA08 (1988-2015)	SNA08 (1959q3-2016q2)	BPM6 (1959q3-2016q2)	Australia
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2006q1-2016q2)	Austria
ESA10 (1998-2015)	ESA10 (1995-2015)	BPM6 (2008q1-2016q2)	Belgium
..	..	BPM6 (2014q1-2016q2)	Brazil
SNA08 (1990q1-2016q2)	SNA08 (1981q1-2016q2)	BPM6 (1981q1-2016q2)	Canada
..	..	BPM6 (2003q1-2016q2)	Chile
..	..	BPM6 (1998q1-2016q2)	China
..	ESA10 (1995-2015)	BPM6 (2000q1-2016q2)	Colombia
..	..	BPM6 (2009-2015)	Costa Rica
ESA10 (1999-2015)	ESA10 (1995-2015)	BPM6 (1993q1-2016q2)	Czech Republic
ESA10 (1994-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2016q3)	Denmark
ESA10 (1995-2014)	ESA10 (1995-2015)	BPM6 (1993q1-2016q2)	Estonia
ESA10 (1995-2015)	ESA10 (1975-2015)	BPM6 (1995q1-2016q2)	Finland
ESA10 (1995-2015)	ESA10 (1978-2015)	BPM6 (2008q1-2016q2)	France
ESA10 (1991-2014)	ESA10 (1991-2015)	BPM6 (1991q1-2016q2)	Germany
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2002-2015)	Greece
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2016q2)	Hungary
SNA08 (2003-2013)	SNA08 (1998-2015)	BPM6 (1995q1-2016q2)	Iceland
..	..	BPM6 (2004q1-2016q2)	Indonesia
..	..	BPM6 (2010q3-2016q2)	India
ESA10 (1990-2015)	ESA10 (1995-2015)	BPM6 (2002q1-2016q2)	Ireland
SNA08 (1995-2015)	SNA08 (1995-2015)	BPM6 (1995q1-2016q2)	Israel
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2016q2)	Italy
SNA93 (1994-2014)	SNA93 (1994-2014)	BPM6 (1994q1-2016q3)	Japan
SNA08(2008-2014)	SNA08 (1975-2014)	BPM6 (1980q1-2016q3)	Korea
..	ESA10 (1995-2015)	BPM6 (2000q1-2016q2)	Latvia
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2004q1-2016q2)	Lithuania
ESA10 (1990-2015)	ESA10 (1995-2015)	BPM6 (2002q1-2016q2)	Luxembourg
..	..	BPM6 (2010q1-2016q2)	Mexico
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2008q1-2016q2)	Netherlands
SNA93 (1994-2016)	SNA93 (1986-2014)	BPM6 (1971q1-2016q2)	New Zealand
SNA08 (1995-2015)	SNA08 (1995-2015)	BPM6 (1981q1-2016q2)	Norway
ESA10 (1998-2015)	ESA10 (2010-2015)	BPM6 (2004q1-2016q2)	Poland
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1996q1-2016q2)	Portugal
..	..	BPM6 (1997q1-2016q2)	Russia
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (2004q1-2016q2)	Slovak Republic
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1994q1-2016q3)	Slovenia
..	..	BPM6 (1990q1-2016q2)	South Africa
ESA10 (1995-2015)	ESA10 (1995-2015)	BPM6 (1995q1-2016q2)	Spain
ESA10 (1997-2015)	ESA10 (1993-2015)	BPM6 (2006q1-2016q2)	Sweden
ESA10 (1999-2013)	ESA10 (1995-2015)	BPM6 (2000q1-2016q2)	Switzerland
..	..	BPM5 (1992q1-2016q2)	Turkey
ESA10 (1987q1-2016q2)	ESA10 (1995-2015)	BPM6 (1999q1-2016q2)	United Kingdom
NIPA (SNA08) (1952q1-2016q2)	NIPA (SNA08) (1947q1-2016q3)	BPM6 (1960q1-2016q2)	United States

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 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	9.0	8.9	8.9	8.0	9.0	4.1	-5.9	10.1	6.0	-1.0	2.4	-2.5	2.5	-1.7	2.9	3.4	..	..	..
Australia	3.9	3.0	3.9	3.2	2.7	4.5	2.5	1.8	2.4	2.6	3.6	2.0	2.7	2.4	2.7	2.6	3.1	2.2	3.2	2.9
Austria	2.4	0.8	2.4	2.4	3.6	3.5	1.2	-3.5	1.8	3.0	0.7	0.1	0.8	0.8	1.5	1.5	1.3	1.7	1.4	1.3
Belgium	2.2	0.8	3.6	2.1	2.5	3.4	0.7	-2.3	2.7	1.8	0.1	-0.1	1.7	1.5	1.2	1.3	1.5	1.1	1.4	1.5
Brazil	..	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	-3.4	0.0	1.2	..	..	..
Canada	3.5	1.8	3.1	3.2	2.6	2.1	1.0	-2.9	3.1	3.1	1.7	2.2	2.5	1.1	1.2	2.1	2.3	1.7	2.2	2.4
Chile	5.2	3.8	6.9	6.2	5.8	5.2	3.3	-1.1	5.7	5.8	5.5	4.0	1.8	2.3	1.7	2.5	2.6	2.1	2.8	2.5
China	9.8	10.0	10.1	11.4	12.7	14.2	9.7	9.4	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.4	6.1	6.8	6.1	6.1
Colombia	2.3	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	2.1	2.5	2.9	..	..	..
Costa Rica	4.4	4.3	4.3	3.9	7.2	8.1	4.6	-0.9	4.9	4.3	4.7	2.1	3.0	3.8	4.1	4.0	4.0	..	..	..
Czech Republic	..	3.6	4.9	6.4	6.9	5.5	2.7	-4.8	2.3	2.0	-0.8	-0.5	2.7	4.5	2.4	2.5	2.6	2.2	2.7	2.5
Denmark	2.5	0.4	2.7	2.3	3.9	0.9	-0.5	-4.9	1.9	1.3	0.2	0.9	1.7	1.6	1.0	1.5	1.9	1.7	1.7	2.0
Estonia	..	7.5	6.4	9.1	10.5	7.2	-5.0	-14.2	1.7	7.5	4.3	1.6	2.7	1.5	1.1	2.4	2.9	0.9	2.7	3.0
Finland	3.7	2.0	3.9	2.8	4.1	5.2	0.7	-8.3	3.0	2.6	-1.4	-0.8	-0.7	0.2	0.9	0.9	1.1	1.0	0.9	1.1
France	2.2	0.8	2.6	1.7	2.5	2.3	0.1	-2.9	1.9	2.1	0.2	0.6	0.7	1.2	1.2	1.3	1.6	1.1	1.5	1.6
Germany	1.5	-0.7	0.7	0.9	3.9	3.4	0.8	-5.6	3.9	3.7	0.7	0.6	1.6	1.5	1.7	1.7	1.7	1.7	1.9	1.7
Greece	..	5.8	4.8	0.8	5.6	3.2	-0.2	-4.3	-5.5	-9.2	-7.3	-3.2	0.4	-0.3	0.0	1.3	1.9	0.1	1.9	1.8
Hungary	2.7	3.8	5.0	4.4	3.9	0.4	0.9	-6.6	0.7	1.7	-1.6	2.1	4.0	3.1	1.7	2.5	2.2	2.0	2.0	2.1
Iceland	3.4	2.4	8.1	6.7	5.0	9.4	1.5	-6.9	-3.6	2.0	1.2	4.4	1.9	4.2	4.7	4.1	2.5	6.0	2.9	2.8
India[1]	6.8	8.4	8.3	9.3	9.3	9.8	3.9	8.5	10.3	6.6	5.6	6.6	7.2	7.6	7.4	7.6	7.7	..	..	..
Indonesia	..	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	5.0	5.1	5.3	..	..	..
Ireland	7.9	3.7	6.8	5.8	5.9	3.7	-4.4	-4.6	2.0	-0.1	-1.1	1.1	8.5	26.3	4.3	3.2	2.3	3.1	1.3	2.6
Israel	..	1.1	5.0	4.1	5.5	6.2	3.1	1.3	5.5	5.1	2.4	4.4	3.2	2.5	3.3	3.4	3.3	3.6	3.4	3.2
Italy	1.6	0.2	1.4	1.2	2.1	1.3	-1.1	-5.5	1.6	0.7	-2.9	-1.7	0.2	0.6	0.8	0.9	1.0	0.8	1.1	0.9
Japan	0.8	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	0.8	1.0	0.8	1.5	0.8	0.9
Korea	6.5	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	2.6	3.0	2.3	3.0	3.0
Latvia	..	8.4	8.3	10.7	11.9	9.9	-3.6	-14.3	-3.8	6.2	4.0	2.9	2.1	2.7	1.1	3.0	3.5	1.7	3.3	3.6
Lithuania	..	10.5	6.6	7.6	7.4	11.1	2.6	-14.8	1.7	6.0	3.8	3.5	3.5	1.8	2.1	2.7	2.8	..	..	..
Luxembourg	4.6	1.4	4.5	3.2	5.1	8.4	-0.8	-5.4	5.8	2.0	0.0	4.2	4.7	3.5	3.6	4.0	4.0	2.1	4.1	4.0
Mexico	2.5	1.4	4.0	3.3	5.0	3.1	1.2	-4.5	5.1	4.0	3.8	1.6	2.2	2.5	2.2	2.3	2.4	2.6	1.6	3.0
Netherlands	3.1	0.4	1.8	2.2	3.7	3.7	1.7	-3.8	1.3	1.7	-1.1	-0.1	1.4	2.0	2.0	2.0	1.9	2.6	1.8	1.9
New Zealand	3.9	4.6	4.4	2.6	2.8	3.9	-0.4	0.3	2.0	1.9	2.8	1.7	3.0	3.0	3.5	3.4	2.6	3.7	3.0	2.3
Norway	3.4	0.9	4.0	2.6	2.4	2.9	0.4	-1.6	0.6	1.0	2.7	1.0	1.9	1.6	0.7	0.5	1.4	1.0	0.9	1.7
Poland	4.6	3.6	5.1	3.5	6.2	7.0	4.2	2.8	3.6	5.0	1.6	1.4	3.3	3.9	2.6	3.2	3.1	2.0	3.3	3.1
Portugal	2.6	-0.9	1.8	0.8	1.6	2.5	0.2	-3.0	1.9	-1.8	-4.0	-1.1	0.9	1.6	1.2	1.2	1.3	1.2	1.2	1.3
Russia	..	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	-0.8	0.8	1.0	..	..	..
Slovak Republic	3.9	5.4	5.3	6.8	8.5	10.8	5.6	-5.4	5.0	2.8	1.7	1.5	2.6	3.8	3.6	3.4	3.8	3.3	3.6	3.9
Slovenia	..	2.8	4.4	4.0	5.7	6.9	3.3	-7.8	1.2	0.6	-2.7	-1.1	3.1	2.3	2.0	2.4	2.3	1.9	2.8	1.9
South Africa	2.8	2.9	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.2	2.3	1.6	1.3	0.4	1.1	1.7	..	..	..
Spain	3.1	3.2	3.2	3.7	4.2	3.8	1.1	-3.6	0.0	-1.0	-2.9	-1.7	1.4	3.2	3.2	2.3	2.2	2.9	2.1	2.3
Sweden	2.8	2.5	3.8	2.8	4.9	3.5	-0.7	-5.1	5.7	2.7	0.0	1.2	2.7	3.9	3.3	2.7	2.2	2.3	2.6	2.1
Switzerland	1.5	0.1	2.7	3.1	4.1	4.1	2.2	-2.1	2.8	1.9	1.1	1.8	2.0	0.8	1.6	1.7	1.9	1.8	1.8	1.9
Turkey	3.0	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	2.9	3.3	3.8	2.1	3.8	3.8
United Kingdom	3.0	3.5	2.5	3.0	2.5	2.6	-0.6	-4.3	1.9	1.5	1.3	1.9	3.1	2.2	2.0	1.2	1.0	1.9	1.0	1.0
United States	3.4	2.8	3.8	3.3	2.7	1.8	-0.3	-2.8	2.5	1.6	2.2	1.7	2.4	2.6	1.5	2.3	3.0	1.8	2.5	2.9
Euro area[2]	2.1	0.7	2.0	1.8	3.3	3.0	0.3	-4.5	2.0	1.6	-0.9	-0.2	1.2	1.5	1.7	1.6	1.7	1.6	1.6	1.7
Total OECD[2]	2.7	2.1	3.3	2.8	3.2	2.7	0.2	-3.5	3.0	1.9	1.3	1.3	1.9	2.1	1.7	2.0	2.3	1.8	2.1	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.
2. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438015

Annex Table 2. **Nominal GDP**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	20.3	19.1	20.1	22.9	25.3	28.2	8.5	33.2	31.1	21.1	26.9	36.8	27.6	36.5	24.2	19.4	..	..	..
Australia	6.1	6.2	7.7	7.8	7.9	9.1	9.2	1.8	8.0	7.2	3.3	3.3	2.8	1.8	3.0	4.5	4.9	3.5	5.3	4.7
Austria	3.9	2.1	4.2	5.0	5.6	5.8	3.0	-1.7	2.9	4.9	2.7	1.7	2.5	2.7	3.0	3.5	3.5	3.3	3.5	3.5
Belgium	3.9	2.8	5.7	4.3	4.9	5.5	2.7	-1.5	4.7	3.8	2.2	1.1	2.3	2.4	2.8	3.1	3.1	2.9	2.8	3.3
Brazil	..	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	4.7	7.1	7.4	..	..	..
Canada	5.2	5.1	6.5	6.4	5.3	5.4	5.0	-5.2	6.0	6.5	3.0	3.8	4.3	0.5	1.7	4.2	4.3	2.8	4.1	4.5
Chile	10.9	8.9	15.0	13.8	19.1	10.3	3.8	2.8	15.1	9.3	6.4	6.4	7.5	6.7	6.1	5.9	6.2	6.6	5.9	6.4
China	16.2	12.9	17.8	15.7	17.1	23.1	18.2	9.3	18.3	18.5	10.4	10.2	8.2	6.4	7.6	8.5	8.8	8.4	8.5	8.8
Colombia	19.6	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	7.4	6.2	6.6	..	..	..
Costa Rica	17.9	15.5	18.3	17.9	21.2	19.2	16.4	9.0	11.9	9.2	9.3	6.0	8.8	7.2	4.9	8.1	9.6	..	..	..
Czech Republic	..	4.7	9.2	6.6	7.6	9.3	4.8	-2.3	0.8	2.0	0.6	0.9	5.3	5.6	3.3	3.7	4.7	2.9	4.7	4.6
Denmark	4.3	1.9	4.8	5.3	6.1	3.4	3.6	-4.4	5.2	2.0	2.6	1.8	2.5	2.5	1.1	2.7	3.9	2.2	3.1	4.3
Estonia	..	12.1	11.5	15.9	20.0	20.1	1.8	-14.2	3.9	13.3	7.6	5.3	4.6	2.5	2.8	4.9	5.6	2.8	5.5	5.7
Finland	5.7	2.2	4.6	3.7	5.0	8.1	3.8	-6.5	3.4	5.2	1.5	1.8	1.0	1.8	2.1	1.3	1.8	1.7	1.5	1.9
France	3.4	2.7	4.3	3.6	4.7	5.0	2.5	-2.8	3.0	3.1	1.4	1.4	1.2	1.9	2.0	2.1	2.6	1.7	2.5	2.7
Germany	2.7	0.5	1.8	1.5	4.2	5.1	1.7	-3.9	4.7	4.8	2.2	2.6	3.5	3.5	3.2	2.9	3.3	2.8	3.2	3.4
Greece	..	9.4	8.2	2.9	9.3	6.8	3.8	-1.7	-4.7	-8.5	-7.7	-5.6	-1.5	-1.4	0.1	2.2	3.2	0.6	3.0	3.0
Hungary	19.0	9.5	10.2	6.9	7.5	5.8	5.9	-2.9	3.0	4.0	1.8	5.1	7.5	4.9	1.9	4.7	5.2	1.8	4.5	5.4
Iceland	7.5	2.8	10.9	9.3	13.8	14.0	13.7	2.7	1.7	5.0	4.5	6.3	6.1	10.3	8.2	7.3	6.4	9.2	6.6	6.6
India[1]	14.0	12.2	14.3	13.9	16.3	16.1	12.9	15.1	20.2	15.7	13.9	13.3	10.8	8.7	11.6	12.3	12.4	..	..	..
Indonesia	..	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	7.5	9.2	9.7	..	..	..
Ireland	12.5	7.1	7.3	9.0	8.8	6.6	-4.9	-9.6	-1.5	3.5	1.5	2.5	7.2	32.5	4.4	7.0	5.4	4.3	2.9	6.2
Israel	..	0.7	5.2	5.4	7.2	7.1	5.5	5.2	7.2	7.0	6.2	6.6	4.3	5.3	5.1	4.9	4.8	5.3	4.5	4.9
Italy	4.9	3.4	3.9	3.1	4.0	3.8	1.4	-3.7	2.0	2.2	-1.5	-0.6	1.1	1.2	2.0	1.7	2.0	1.9	2.0	1.9
Japan	0.2	-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	1.1	1.1	1.6	1.3	1.3	1.8
Korea	10.8	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	4.6	4.0	4.8	4.8	4.7	5.0
Latvia	..	13.8	15.7	23.1	25.8	32.1	7.8	-22.7	-4.7	13.0	7.8	4.2	3.7	3.1	2.5	5.0	5.6	3.2	5.6	5.7
Lithuania	..	9.6	9.4	15.2	14.7	20.6	12.6	-17.6	4.1	11.6	6.6	5.0	4.5	2.0	2.3	5.3	5.6	..	..	..
Luxembourg	6.7	4.4	6.9	7.5	12.4	10.0	2.4	-3.7	10.1	7.3	2.4	5.6	6.3	3.9	2.1	6.2	6.2	0.7	6.6	6.1
Mexico	17.7	7.5	12.9	8.6	11.6	8.2	7.5	-1.3	9.8	9.5	7.4	3.1	7.1	5.1	6.0	5.7	5.7	6.3	5.6	5.7
Netherlands	5.7	2.5	3.3	4.1	6.2	5.9	4.2	-3.4	2.2	1.8	0.3	1.2	1.6	2.0	2.6	2.8	3.2	2.8	2.9	3.4
New Zealand	5.6	6.0	8.0	5.1	5.2	8.4	3.5	1.2	5.0	4.8	2.5	4.7	5.1	3.2	5.5	5.5	4.6	7.1	5.1	4.3
Norway	6.7	3.8	10.0	11.6	11.4	6.1	10.9	-6.7	6.6	7.8	6.2	3.6	2.3	-0.7	-1.0	2.2	3.1	-0.1	3.2	3.3
Poland	20.5	4.4	10.3	6.2	8.0	11.0	8.3	6.7	5.3	8.4	4.0	1.7	3.8	4.6	2.9	4.6	4.7	1.9	4.7	4.7
Portugal	7.0	2.5	4.3	4.1	4.8	5.5	1.9	-1.9	2.6	-2.1	-4.4	1.1	1.7	3.7	2.7	2.1	2.4	2.2	2.3	2.4
Russia	..	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	5.0	7.7	7.3	..	..	..
Slovak Republic	12.1	11.1	11.3	9.4	11.6	12.1	8.6	-6.5	5.6	4.5	2.9	2.0	2.4	3.6	3.4	4.3	5.4	3.3	4.9	5.7
Slovenia	..	8.7	7.8	5.6	8.0	11.4	8.0	-4.7	0.2	1.8	-2.4	-0.2	3.9	3.3	2.8	3.5	3.9	2.5	4.2	3.6
South Africa	12.2	8.9	11.4	11.0	12.2	14.7	12.3	5.9	9.6	10.0	7.4	9.1	7.3	6.4	7.1	6.9	7.1	..	..	..
Spain	6.8	7.2	7.2	8.0	8.3	7.2	3.3	-3.3	0.2	-1.0	-2.9	-1.4	1.1	3.7	3.9	3.5	3.3	4.2	2.9	3.6
Sweden	4.7	4.3	4.4	3.6	6.8	6.5	2.6	-2.8	6.8	3.9	1.0	2.3	4.5	6.0	4.5	4.6	4.4	3.8	4.7	4.3
Switzerland	2.1	1.0	3.0	3.8	6.1	6.5	4.1	-1.6	3.1	2.1	0.8	1.9	1.4	0.2	0.8	2.0	2.5	1.1	2.4	2.5
Turkey	72.9	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	10.0	10.9	11.5	10.1	9.8	12.5
United Kingdom	5.0	6.0	5.0	5.7	5.5	5.2	2.2	-2.9	3.5	3.6	2.9	3.9	4.8	2.6	3.5	3.2	3.1	4.2	3.1	3.2
United States	5.3	4.9	6.6	6.7	5.8	4.5	1.7	-2.0	3.8	3.7	4.1	3.3	4.2	3.7	2.8	4.2	5.5	3.3	4.7	5.6
Euro area	4.3	2.9	4.0	3.7	5.3	5.5	2.3	-3.5	2.7	2.7	0.4	1.0	2.0	3.1	2.7	2.7	3.0	2.5	2.8	3.1
Total OECD	6.7	4.5	5.9	5.3	5.8	5.2	2.6	-2.5	4.3	3.8	2.8	2.7	3.7	3.6	3.1	3.7	4.4	3.3	4.0	4.6

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.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438021

Annex Table 3. **Real private consumption expenditure**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	8.2	9.5	7.4	11.0	9.3	7.2	-5.4	11.2	9.4	1.1	3.6	-4.4	3.6	0.0	2.1	2.7	..	..	..
Australia	3.7	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	2.7	2.6	3.0	2.4	2.9	3.0
Austria	1.7	1.7	2.0	2.5	2.3	1.0	0.5	0.8	0.9	1.5	0.5	-0.2	-0.3	-0.1	1.1	1.1	0.9	1.2	1.0	0.9
Belgium	1.4	0.5	1.6	1.2	1.5	1.9	1.7	0.5	2.7	0.3	0.6	0.7	0.6	1.1	0.6	1.0	1.1	1.0	1.0	1.2
Brazil	..	-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	-4.6	-0.7	0.9	..	..	..
Canada	3.2	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	2.2	2.0	2.0	2.3	1.9	2.1
Chile	..	4.5	8.4	8.5	7.8	7.6	5.2	-0.8	10.8	8.9	6.1	5.5	2.4	1.9	2.0	2.1	2.5	2.0	2.4	2.5
Colombia	..	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	2.3	2.2	2.5	..	..	..
Costa Rica	3.6	4.0	2.6	4.8	5.1	7.6	5.9	0.9	4.9	6.2	6.1	2.8	3.5	4.4	4.6	4.6	4.4	..	..	..
Czech Republic	..	4.8	3.5	3.2	3.8	4.1	2.9	-0.7	1.0	0.3	-1.2	0.5	1.8	3.0	2.4	3.0	2.6	2.3	2.9	2.5
Denmark	1.7	1.3	4.6	3.7	3.0	1.8	0.5	-3.4	0.8	0.3	0.5	0.3	0.6	1.9	1.9	1.5	2.0	1.7	1.8	2.0
Estonia	..	9.1	7.8	9.4	12.9	8.8	-4.8	-14.9	-2.3	3.7	4.5	3.8	3.4	4.8	3.2	2.7	2.5	3.1	2.7	2.4
Finland	2.8	4.2	3.6	3.2	4.1	3.5	2.1	-2.7	3.1	2.9	0.3	-0.5	0.6	1.5	1.5	0.6	0.8	1.0	0.8	0.8
France	2.2	1.5	1.9	2.5	2.4	2.4	0.4	0.3	1.8	0.4	-0.2	0.6	0.7	1.5	1.4	1.2	1.6	1.3	1.6	1.6
Germany	1.4	0.2	0.4	0.5	1.6	0.0	0.5	0.3	0.3	1.3	1.3	0.9	1.0	1.9	1.4	1.6	1.7	1.2	1.7	1.7
Greece	..	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	-0.9	0.8	1.6	-0.3	1.4	1.6
Hungary	2.3	8.3	2.1	2.9	1.6	1.1	-1.2	-6.7	-2.7	0.7	-2.1	0.3	2.5	3.4	5.0	3.8	3.7	4.9	3.6	3.8
Iceland	3.0	6.1	7.2	12.0	3.8	6.5	-7.0	-13.4	-0.3	2.5	2.0	1.0	2.9	4.3	7.2	4.2	3.0	6.2	3.6	2.8
India[1]	..	5.9	5.2	8.6	8.5	9.4	7.2	7.4	8.7	9.3	5.3	6.8	6.2	7.4	7.6	8.1	7.5	..	..	..
Indonesia	..	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	5.0	5.1	..	..	..
Ireland	6.1	2.9	3.3	7.6	6.7	6.4	-0.3	-5.6	0.1	-0.8	-1.5	-0.2	1.8	5.1	2.4	3.0	3.0	2.0	3.2	2.9
Israel	..	0.2	5.1	3.3	5.0	8.0	1.8	0.8	5.1	3.6	2.9	4.0	4.2	4.2	5.8	3.7	3.5	5.5	3.4	3.5
Italy	1.3	0.8	0.9	1.3	1.4	1.2	-1.1	-1.5	1.2	0.0	-4.0	-2.4	0.4	1.5	1.2	0.6	0.7	0.7	0.7	0.7
Japan	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	0.4	0.5	0.5	1.1	0.5	0.4
Korea	5.9	-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	2.4	2.4	2.9	1.5	2.7	3.0
Latvia	..	8.1	10.5	10.0	19.4	10.2	-7.9	-16.0	2.8	3.0	3.1	5.0	1.3	3.9	4.0	3.9	3.4	4.5	3.5	3.3
Lithuania	..	11.3	10.9	11.6	9.1	12.4	3.9	-17.4	-3.4	4.6	3.1	4.3	4.3	4.1	5.1	3.9	3.5	..	..	..
Luxembourg	3.6	2.0	0.7	1.9	3.3	2.4	1.4	1.0	3.1	1.1	2.5	2.6	2.7	1.8	1.4	3.0	3.1	1.3	2.9	3.4
Mexico	2.7	1.1	5.2	4.7	5.5	3.0	1.6	-6.2	5.7	4.8	4.7	2.5	1.8	3.1	2.8	2.4	2.4	3.3	1.4	3.1
Netherlands	3.2	-0.2	0.5	0.9	-0.3	1.9	0.9	-2.1	0.0	0.2	-1.2	-1.0	0.3	1.8	1.5	1.8	1.6	2.1	1.5	1.6
New Zealand	3.5	6.3	6.1	4.4	3.2	4.0	1.0	-0.6	3.1	2.7	2.8	3.0	2.7	2.3	3.6	3.4	2.8	3.9	3.2	2.6
Norway	3.5	3.2	5.4	4.4	5.0	5.3	1.7	0.0	3.8	2.3	3.5	2.7	1.9	2.1	1.4	1.8	2.4	1.2	2.2	2.5
Poland	4.8	1.6	4.2	1.8	4.8	5.6	6.8	3.6	2.7	3.1	0.7	0.3	2.4	3.2	2.9	3.7	3.3	3.3	3.6	3.2
Portugal	2.5	-0.3	2.6	1.6	1.5	2.5	1.4	-2.3	2.4	-3.6	-5.5	-1.2	2.3	2.6	2.0	1.2	1.2	2.2	1.3	1.1
Russia	..	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	-3.4	0.5	1.2	..	..	..
Slovak Republic	..	2.9	5.0	5.8	6.0	7.5	6.0	-0.5	0.4	-0.6	-0.4	-0.8	1.4	2.2	2.8	3.1	3.3	2.9	3.2	3.3
Slovenia	..	3.4	3.0	2.2	1.2	6.4	2.4	0.9	1.3	0.0	-2.5	-4.0	2.0	0.5	2.1	2.1	2.1	2.5	2.0	2.2
South Africa	3.4	2.8	6.2	6.1	8.8	6.5	1.2	-2.6	3.9	5.1	3.7	2.0	0.7	1.7	0.7	1.6	1.7	..	..	..
Spain	2.7	2.4	4.0	4.0	3.8	3.3	-0.7	-3.6	0.3	-2.4	-3.5	-3.1	1.6	2.9	3.4	2.1	1.6	3.2	1.6	1.6
Sweden	2.1	2.4	2.6	2.8	2.8	3.9	0.2	0.4	3.8	1.9	0.9	1.9	2.2	2.6	2.5	2.6	2.5	2.2	2.6	2.5
Switzerland	1.3	0.4	1.7	1.5	1.6	2.3	1.5	1.2	1.6	0.9	2.6	2.2	1.2	1.0	1.0	1.6	2.1	1.1	2.1	2.2
Turkey	2.8	10.2	11.0	7.9	4.6	5.5	-0.3	-2.3	6.7	7.7	-0.5	5.1	1.4	4.8	4.1	3.0	4.4	2.3	4.7	4.0
United Kingdom	3.9	3.7	3.4	3.0	1.6	2.9	-0.7	-3.2	0.6	-0.5	1.7	1.6	2.2	2.5	2.8	1.8	1.0	2.8	1.3	0.8
United States	3.8	3.1	3.8	3.5	3.0	2.2	-0.3	-1.6	1.9	2.3	1.5	1.5	2.9	3.2	2.6	2.7	2.8	2.6	2.9	2.5
Euro area	1.9	1.1	1.6	1.9	2.1	1.7	0.2	-1.0	0.8	-0.1	-1.2	-0.5	0.8	1.8	1.6	1.4	1.5	1.4	1.5	1.5
Total OECD	3.0	2.3	3.1	3.0	2.8	2.5	0.2	-1.4	2.1	1.7	1.0	1.2	1.8	2.3	2.2	2.1	2.2	2.2	2.2	2.1

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438033

Annex Table 4. **Real public consumption expenditure**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	1.5	2.7	9.9	3.7	7.8	5.0	5.6	5.5	4.6	3.0	5.3	2.9	6.6	-0.8	1.2	1.7	..	..	..
Australia	3.0	3.9	3.7	2.7	3.6	3.1	4.3	1.6	3.5	3.6	2.5	1.2	0.6	2.9	3.7	1.7	2.0	3.0	2.0	2.0
Austria	2.0	1.2	1.2	2.3	3.1	1.5	3.8	2.5	0.1	0.1	0.1	0.5	0.8	2.2	1.8	0.5	0.8	0.5	0.8	0.8
Belgium	1.6	1.4	1.6	0.7	1.0	1.9	2.8	1.1	1.0	1.3	1.4	0.1	1.4	0.5	-0.1	0.1	0.1	0.1	0.1	0.1
Brazil	..	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	-1.7	-0.9	0.5	..	..	..
Canada	0.8	2.9	1.9	1.1	2.8	2.4	3.8	2.7	2.3	1.3	0.7	0.3	0.3	1.7	2.2	1.8	1.5	2.7	1.5	1.5
Chile	..	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	6.1	4.1	2.7	7.3	3.0	2.7
Colombia	..	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	1.6	1.5	1.5	..	..	..
Costa Rica	2.5	2.0	1.0	0.8	3.2	2.3	5.2	6.0	4.1	1.0	0.2	3.5	2.9	2.4	1.3	2.5	3.2	..	..	..
Czech Republic	..	6.0	-1.5	0.6	0.4	0.4	1.1	3.0	0.4	-2.2	-2.0	2.5	1.1	2.0	2.3	2.2	1.9	2.1	2.1	1.8
Denmark	2.5	0.2	1.5	1.2	2.6	1.2	3.2	3.0	1.6	-0.6	0.8	-0.1	1.2	0.6	1.1	0.8	0.8	2.1	0.8	0.8
Estonia	..	3.9	2.9	3.2	5.6	6.5	4.6	-3.1	-0.3	1.4	3.0	2.0	2.5	3.4	0.1	1.5	1.3	-0.2	1.2	1.4
Finland	1.4	1.3	1.5	1.9	1.1	1.3	1.6	1.6	-0.1	-0.1	0.5	1.1	-0.5	0.4	0.1	-1.2	0.0	-0.3	-1.3	0.0
France	1.3	1.9	2.1	1.3	1.4	1.8	1.1	2.5	1.2	1.1	1.6	1.5	1.2	1.4	1.5	1.1	1.0	1.5	1.0	1.0
Germany	1.5	0.5	-0.8	0.5	1.0	1.5	3.4	3.0	1.3	0.9	1.1	1.2	1.2	2.8	3.8	2.4	2.0	3.2	2.2	1.8
Greece	..	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	-1.7	-1.1	-0.4	-0.9	-0.6	-0.2
Hungary	0.4	5.0	2.3	3.2	1.3	-6.7	3.1	1.4	-0.4	0.2	-1.5	4.1	4.5	1.0	2.7	1.4	1.0	2.0	1.3	0.9
Iceland	3.4	2.1	2.4	3.4	4.1	4.5	4.9	-1.1	-3.7	-0.1	-1.8	1.0	1.7	1.0	1.1	1.1	1.1	1.3	0.6	1.4
India[1]	..	2.6	3.6	8.9	3.8	9.6	10.4	13.9	5.8	6.9	0.5	0.4	12.8	2.2	8.3	4.9	6.8	..	..	..
Indonesia	..	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	3.5	2.7	3.5	..	..	..
Ireland	5.6	3.0	1.7	4.7	5.1	6.8	1.3	-2.5	-4.0	-1.3	-2.8	-1.3	4.6	0.2	4.0	2.1	2.0	2.7	3.1	1.4
Israel	..	-2.9	-1.6	2.1	3.6	2.5	2.0	2.8	2.6	2.4	3.7	3.6	3.6	3.3	4.2	4.0	2.8	2.4	4.5	1.8
Italy	0.6	1.3	1.0	0.6	-0.4	0.4	1.0	0.4	0.6	-1.8	-1.4	-0.3	-0.9	-0.6	0.5	0.7	0.5	0.0	1.2	0.0
Japan	3.1	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	1.5	0.0	0.1	0.9	0.1	-0.2
Korea	4.2	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	3.8	2.8	3.0	2.9	3.1	3.0
Latvia	..	4.4	3.6	2.7	6.5	3.3	2.4	-10.7	-8.1	3.0	0.3	1.6	2.1	3.1	1.6	2.0	2.5	1.6	2.4	2.5
Lithuania	..	3.4	4.2	3.6	2.1	1.9	0.2	-1.3	-3.2	-0.4	1.2	0.7	0.3	0.9	1.0	0.5	0.8	..	..	..
Luxembourg	4.7	3.6	3.4	4.1	0.7	1.1	2.4	4.2	5.3	2.7	4.7	1.9	0.0	2.3	3.6	2.0	2.9	2.8	2.1	3.4
Mexico	0.6	-0.6	2.4	2.9	3.3	2.4	3.3	2.3	1.6	2.5	3.3	1.3	2.1	2.4	0.6	-0.1	0.0	0.1	0.0	0.0
Netherlands	2.7	3.0	-0.5	1.6	9.4	3.1	3.3	4.7	1.0	-0.2	-1.3	-0.1	0.3	0.2	0.7	1.1	1.4	0.8	1.8	1.3
New Zealand	1.9	3.5	4.9	7.1	4.6	4.2	4.5	0.6	0.8	2.6	-0.4	1.6	2.7	2.0	1.9	2.0	1.8	2.6	1.8	1.8
Norway	2.8	1.3	1.3	1.9	1.9	2.0	2.4	4.1	2.2	1.0	1.6	1.0	2.7	2.1	2.6	1.7	1.6	4.0	0.3	1.6
Poland	2.4	3.5	3.8	3.5	5.5	3.0	4.4	3.5	3.1	-1.8	-0.3	2.5	4.1	2.3	3.7	3.5	3.0	3.1	3.1	3.0
Portugal	3.1	1.6	2.9	2.7	-0.2	0.6	0.4	2.6	-1.3	-3.8	-3.3	-2.0	-0.5	0.8	1.1	0.2	0.3	1.0	0.0	0.5
Russia	..	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	-1.7	-1.5	-1.3	..	..	..
Slovak Republic	1.3	5.8	-2.8	7.0	9.2	0.3	6.5	6.2	1.7	-1.8	-2.1	2.2	5.3	5.4	2.8	1.1	1.0	1.6	1.1	0.9
Slovenia	..	2.7	2.7	2.7	3.1	1.9	4.9	2.4	-0.5	-0.7	-2.2	-2.1	-1.2	2.5	2.0	1.3	0.7	1.0	1.5	0.3
South Africa	1.0	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	0.8	0.5	0.3	..	..	..
Spain	2.9	4.9	6.3	5.6	5.0	6.2	5.9	4.1	1.5	-0.3	-4.7	-2.1	-0.3	2.0	0.9	1.2	1.2	0.4	1.4	1.2
Sweden	0.6	0.9	-0.9	0.2	1.8	0.8	1.1	2.4	1.0	0.9	1.6	1.3	1.7	2.2	3.5	2.4	1.2	3.4	1.8	1.0
Switzerland	1.1	2.4	0.8	1.1	0.1	0.1	-1.9	3.5	0.2	2.1	2.1	2.3	1.5	2.2	2.8	2.5	1.8	3.5	1.9	1.8
Turkey	4.4	-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	12.8	3.5	2.7	12.0	0.1	4.2
United Kingdom	2.1	4.3	3.5	2.4	2.2	1.2	2.1	1.1	0.2	0.2	1.7	0.3	2.3	1.5	1.2	0.6	0.5	1.0	0.5	0.5
United States	1.6	1.8	1.5	0.8	1.1	1.4	2.5	3.7	0.1	-2.7	-0.9	-2.4	-0.7	1.6	0.9	1.3	3.2	0.7	1.9	3.1
Euro area	1.6	1.8	1.3	1.6	2.1	2.1	2.4	2.4	0.8	-0.1	-0.4	0.3	0.6	1.4	1.8	1.3	1.2	1.4	1.4	1.1
Total OECD	1.9	2.0	1.8	1.5	2.0	1.9	2.3	3.0	0.9	-0.4	0.3	0.1	0.6	1.8	2.0	1.3	1.8	1.7	1.4	1.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438043

Annex Table 5. **Real total gross fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	38.2	34.4	15.8	14.5	20.5	8.7	-22.6	26.3	17.4	-7.1	2.3	-6.8	4.2	-3.4	7.5	6.7	..	..	..
Australia	5.9	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	-0.2	-0.9	1.5	-1.3	0.5	2.1
Austria	1.5	3.8	0.9	0.2	1.2	4.6	1.4	-7.3	-2.1	6.7	1.4	2.2	-0.8	0.7	3.8	3.4	3.0	5.0	3.3	2.9
Belgium	1.6	-0.4	8.9	6.1	2.0	6.8	1.9	-6.6	-0.8	4.2	0.2	-1.5	5.1	2.4	3.6	3.2	3.4	5.3	3.1	3.6
Brazil	..	-3.9	8.4	2.0	6.7	11.9	12.2	-2.2	18.1	6.8	0.8	5.8	-4.4	-14.0	-8.6	1.1	2.1	..	..	..
Canada	4.0	5.2	8.4	9.1	6.3	3.2	1.6	-11.3	11.5	4.6	4.9	-0.5	0.7	-4.4	-1.9	2.1	1.7	1.3	1.9	1.8
Chile	6.4	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	1.1	1.3	2.2	1.2	1.9	2.2
Colombia	0.4	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	-1.8	2.2	2.9	..	..	..
Costa Rica	6.0	5.4	1.0	4.5	7.7	19.0	10.0	-12.5	4.2	3.0	10.0	-1.1	2.9	8.5	2.2	5.1	5.0	..	..	..
Czech Republic	..	1.8	3.9	6.4	5.9	13.5	2.5	-10.1	1.3	0.9	-3.1	-2.5	3.9	9.0	-3.3	2.3	3.9	-5.4	4.4	3.8
Denmark	4.1	1.6	3.5	5.9	13.7	0.7	-2.5	-13.0	-5.7	0.4	3.7	2.7	3.4	2.5	1.2	2.3	2.9	0.5	2.8	3.0
Estonia	..	18.6	5.2	15.0	22.9	10.9	-12.8	-36.6	-4.1	33.8	12.8	-3.2	-6.9	-3.7	3.2	3.2	4.1	2.0	3.6	4.4
Finland	3.9	2.8	4.7	3.2	1.3	10.0	0.3	-12.5	1.1	4.1	-1.9	-4.9	-2.5	0.7	4.4	2.4	2.1	4.6	2.2	2.1
France	2.1	1.9	3.2	2.9	3.9	5.6	0.6	-9.0	1.9	2.1	0.4	-0.7	-0.4	0.9	2.8	2.3	2.9	2.1	2.8	2.9
Germany	0.2	-1.4	-0.9	1.0	8.1	4.3	0.9	-10.0	5.0	7.4	-0.1	-1.1	3.4	1.1	2.0	1.4	2.3	0.8	2.3	2.3
Greece	..	15.0	2.9	-11.9	19.1	15.8	-7.1	-13.8	-19.3	-20.7	-23.4	-9.3	-2.7	0.9	3.3	4.3	4.6	-3.6	4.4	4.6
Hungary	5.8	1.3	7.6	3.6	0.7	4.2	1.0	-8.3	-9.5	-1.3	-3.0	9.8	9.9	1.9	-16.0	5.9	6.3	-17.0	7.7	5.2
Iceland	3.7	9.8	26.7	32.0	23.4	-11.2	-19.0	-47.8	-8.6	11.6	5.3	2.2	16.0	18.3	18.1	7.7	0.8	7.6	10.1	-2.0
India[1]	..	13.6	18.9	16.2	13.8	16.2	3.5	7.7	11.0	12.3	4.9	3.4	4.9	3.9	0.7	4.7	7.3	..	..	..
Indonesia	..	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	4.7	5.4	5.4	..	..	..
Ireland	9.8	8.0	9.8	17.1	6.9	-0.2	-11.7	-16.8	-15.0	3.4	11.7	-5.1	18.0	32.5	11.7	7.1	3.8	15.3	2.1	4.4
Israel	..	-5.5	1.8	2.0	7.0	11.2	3.8	-3.0	10.1	13.8	3.5	4.5	0.0	0.0	10.6	7.6	4.3	10.5	7.5	2.8
Italy	2.1	-0.2	1.7	2.0	3.4	1.3	-3.2	-10.0	-0.6	-1.7	-9.4	-6.6	-2.9	1.1	1.9	1.1	2.2	1.0	1.6	2.4
Japan	-1.3	0.2	0.4	0.8	1.5	0.3	-4.1	-10.6	-0.2	1.4	3.4	2.5	1.3	0.1	0.6	1.6	0.1	1.2	0.7	0.4
Korea	4.7	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	5.1	3.5	3.1	6.4	2.6	3.3
Latvia	..	10.2	28.9	20.4	15.1	22.5	-9.2	-33.3	-19.8	24.1	14.4	-6.0	0.1	2.8	-19.4	5.4	9.5	-16.7	9.7	9.3
Lithuania	..	14.1	15.8	11.5	19.6	22.3	-4.0	-38.9	1.5	20.1	-1.8	8.3	3.7	4.7	1.4	4.1	3.9	..	..	..
Luxembourg	6.3	4.2	6.4	-3.3	4.6	15.3	7.2	-13.3	-2.5	16.2	7.1	-1.9	5.4	1.4	2.1	6.4	3.6	11.2	3.7	3.7
Mexico	3.4	3.0	7.4	5.7	8.7	5.9	5.1	-9.3	1.2	7.8	4.8	-1.5	2.8	3.9	2.0	1.9	2.2	5.0	-1.5	4.9
Netherlands	3.5	-1.6	0.2	3.1	7.2	6.5	4.1	-9.2	-6.5	5.6	-6.3	-4.3	2.3	9.9	6.2	3.7	4.2	4.2	3.9	4.3
New Zealand	7.0	10.5	13.6	3.7	-1.2	7.7	-3.0	-12.6	0.7	6.4	6.9	5.2	10.9	3.0	6.4	6.3	3.7	9.6	4.9	3.3
Norway	3.9	0.4	10.0	12.0	9.1	11.7	0.9	-6.8	-6.7	7.4	7.6	6.3	-0.7	-3.8	-0.2	1.7	2.1	-1.3	3.5	2.6
Poland	7.2	1.2	6.7	8.3	15.4	19.0	8.8	-2.7	0.0	8.8	-1.8	-1.1	10.0	6.1	-2.8	2.5	4.2	-2.6	4.0	4.2
Portugal	4.1	-7.3	0.1	0.1	-0.8	3.1	0.4	-7.6	-0.9	-12.5	-16.6	-5.1	2.3	4.5	-2.0	0.7	1.6	-1.6	1.3	1.8
Russia	..	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	-5.3	0.7	1.5	..	..	..
Slovak Republic	2.6	-3.2	4.7	16.5	9.1	8.9	1.6	-18.7	7.2	12.7	-9.0	-0.9	1.2	16.9	-0.2	5.0	5.0	-4.1	5.3	4.7
Slovenia	..	5.8	5.4	3.5	10.2	12.0	7.0	-22.0	-13.3	-4.9	-8.8	3.2	1.4	1.0	-4.0	4.0	4.0	-2.4	4.2	3.1
South Africa	3.9	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	-3.3	2.6	2.7	..	..	..
Spain	4.5	7.0	5.1	7.5	7.4	4.4	-3.9	-16.9	-4.9	-6.9	-8.6	-3.4	3.8	6.0	4.3	4.7	4.7	4.5	4.7	4.7
Sweden	2.7	2.7	5.1	5.2	9.6	8.3	0.3	-13.3	5.6	5.8	0.2	0.6	5.6	6.8	7.1	3.7	3.1	5.2	3.5	2.9
Switzerland	1.9	-1.0	4.8	3.3	4.9	4.9	0.6	-7.5	4.3	4.3	2.9	1.2	2.8	1.5	2.3	1.4	2.0	2.2	1.8	2.1
Turkey	1.4	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	30.5	18.0	-2.7	4.4	-1.3	4.0	0.6	4.9	3.1	2.2	4.9	2.7
United Kingdom	2.0	2.4	2.9	3.5	3.2	5.7	-6.5	-15.2	5.0	1.9	2.3	3.2	6.7	3.4	1.2	-0.9	-3.0	2.1	-2.5	-3.2
United States	5.5	3.9	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.7	6.3	3.1	4.2	3.7	0.6	2.3	5.3	-0.1	3.5	6.0
Euro area	2.0	1.3	2.2	3.0	5.8	4.7	-0.9	-11.1	-0.5	1.7	-3.3	-2.5	1.4	2.9	3.0	2.5	3.0	2.3	2.8	3.1
Total OECD	3.1	2.9	4.5	4.6	4.2	2.7	-2.1	-11.1	1.9	3.5	2.1	1.0	2.7	2.6	1.4	2.2	3.2	1.4	2.5	3.6

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.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

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Annex Table 6. **Real gross private non-residential fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Australia	6.2	11.9	7.5	12.7	7.8	11.7	6.8	-2.2	0.3	12.9	15.4	-2.5	-4.9	-7.2	-4.7	-3.2	0.5	-5.6	-2.0	2.0
Belgium	2.3	-2.4	11.1	2.9	2.3	6.5	3.4	-7.5	-2.1	6.5	0.0	-0.3	5.6	3.1	3.3	3.3	3.6	6.0	3.1	3.8
Canada	5.0	6.6	9.1	11.2	9.0	2.5	4.0	-20.2	14.0	11.6	7.1	1.3	-0.6	-10.8	-6.5	1.5	2.9	-1.6	1.9	3.4
Denmark	4.2	-1.2	-0.8	3.6	15.2	2.0	3.9	-13.4	-8.2	-6.0	6.2	7.6	0.6	3.2	0.6	2.8	3.2	-0.2	3.2	3.2
Finland	5.4	-1.5	2.1	5.5	2.2	16.6	4.9	-15.6	-6.2	3.1	-3.1	-7.3	-1.4	3.3	3.0	3.2	2.8	4.1	2.8	2.8
France	2.5	0.8	2.7	2.6	5.1	8.2	3.6	-11.6	3.0	4.8	1.0	-0.9	2.5	2.9	3.3	2.4	3.5	2.1	3.4	3.5
Germany	0.6	-0.9	1.6	3.6	8.5	7.8	2.1	-15.5	6.2	7.3	-1.7	-0.8	4.4	0.9	1.0	0.6	1.8	0.1	1.7	1.9
Iceland	4.6	18.4	31.7	54.9	25.8	-22.5	-21.8	-50.4	0.0	23.9	7.6	-2.0	17.5	27.9	23.0	7.2	-1.5	11.0	8.2	-3.9
Japan	-1.2	4.9	3.5	5.7	4.0	4.9	-2.6	-14.3	0.3	4.1	3.7	-0.5	3.1	1.6	0.3	1.7	2.1	-0.4	2.2	1.9
Korea	5.1	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	3.3	1.9	2.9	3.1	2.2	3.3
Netherlands	3.6	-1.6	0.0	3.2	7.1	8.9	6.1	-10.5	-3.0	12.8	-3.9	-2.4	2.8	7.5	4.0	2.7	4.7	0.2	4.1	5.0
New Zealand	6.9	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	5.3	6.1	6.9	7.0	6.8	6.8
Norway	4.0	-3.4	10.7	16.7	10.9	15.4	2.2	-10.4	-8.9	6.2	9.4	5.1	-1.9	-7.8	-5.5	-1.5	1.2	-3.3	-0.7	2.0
Sweden	5.2	3.2	4.7	5.1	9.5	10.2	4.0	-15.2	3.5	7.2	2.9	0.8	4.3	6.0	5.2	2.7	2.7	2.3	2.8	2.7
Switzerland	3.0	-3.8	5.7	4.7	7.1	7.2	0.5	-10.6	4.1	5.1	3.9	1.4	3.4	1.8	2.3	1.6	2.2	2.3	2.0	2.4
United Kingdom	3.9	-0.3	-3.5	15.7	-7.3	9.2	-1.1	-16.0	6.0	4.3	7.2	2.6	3.9	5.1	-1.1	-2.4	-4.9	0.0	-4.1	-5.3
United States	6.8	1.9	5.2	7.0	7.1	5.9	-0.7	-15.6	2.5	7.7	9.0	3.5	6.0	2.1	-0.4	2.9	5.9	0.5	3.3	7.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.
Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438069

Annex Table 7. **Real gross residential fixed capital formation**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Australia	4.9	5.2	5.8	-1.9	-3.1	2.2	2.4	-4.7	5.7	-0.8	-6.8	2.3	7.5	9.7	7.7	6.0	3.5	6.9	6.0	2.0
Austria	0.6	-4.1	0.8	1.4	0.5	1.9	0.7	-1.6	0.7	2.9	-1.3	-0.1	-0.6	0.9	2.0	2.3	1.6	2.5	1.9	1.6
Belgium	-0.6	4.7	3.9	15.6	4.8	4.7	-2.2	-10.4	1.8	-2.5	-0.1	-3.9	4.7	0.8	5.0	1.8	1.8	3.9	1.6	1.9
Canada	3.0	3.5	8.3	4.9	2.4	2.6	-4.1	-5.8	7.7	1.3	5.8	-0.3	2.5	3.6	3.7	0.8	-0.4	3.5	0.2	-0.5
Denmark	4.8	13.4	12.2	16.6	11.4	-5.5	-16.7	-20.4	-8.9	15.7	-5.4	-7.8	8.6	3.7	4.6	2.9	4.1	3.7	4.1	4.1
Finland	2.8	11.3	11.2	5.0	3.8	-0.3	-10.6	-13.9	24.1	5.3	-3.5	-5.3	-6.9	0.0	8.2	2.1	2.1	5.5	2.5	2.0
France	2.6	2.7	4.0	4.3	4.9	2.6	-4.0	-11.9	1.6	1.1	-2.0	-0.3	-3.3	-0.7	1.5	1.8	1.9	2.0	1.5	2.0
Germany	0.3	-1.9	-4.2	-4.1	6.8	-1.5	-4.0	-3.2	4.1	10.0	4.2	-0.7	2.9	1.0	3.6	2.9	3.3	3.4	3.2	3.2
Greece	0.2	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	-13.6	1.5	4.9	-6.8	4.1	5.1
Iceland	2.4	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	9.1	15.6	12.1	-3.8	29.2	4.0
Ireland	9.1	16.6	11.9	16.8	3.8	-8.0	-16.9	-37.6	-32.9	-18.7	-20.6	6.0	18.6	4.2	14.7	6.1	7.2	17.2	5.9	7.4
Italy	0.5	3.9	2.5	6.2	5.2	1.0	-1.9	-9.3	-0.2	-6.4	-7.7	-4.4	-6.9	0.3	2.2	0.8	1.5	0.3	1.1	1.5
Latvia	..	-9.0	62.0	17.8	34.4	41.4	-11.9	-52.4	-28.9	1.3	13.8	-1.3	9.7	-19.5	-7.5	1.5	7.7	12.5	7.1	7.9
Japan	-2.1	-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	5.5	3.3	1.2	7.3	1.3	1.1
Korea	1.8	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	22.2	8.4	5.0	19.6	5.9	4.7
Netherlands	2.0	-4.0	4.6	5.5	5.8	5.1	0.4	-14.9	-16.0	-4.4	-12.9	-12.2	6.1	27.4	19.4	8.7	4.5	20.0	5.0	4.5
New Zealand	4.6	20.3	3.7	-4.0	-2.1	3.1	-18.1	-14.1	1.0	0.9	15.9	13.1	14.5	6.1	15.5	10.4	2.0	19.9	5.4	0.8
Norway	7.1	1.8	16.3	9.7	4.0	2.7	-9.0	-8.1	-1.6	17.0	10.9	5.3	-1.4	1.6	8.6	5.6	3.8	8.0	4.0	3.7
Spain	7.1	8.2	4.9	6.5	6.7	1.3	-9.2	-20.3	-11.6	-13.3	-10.3	-10.2	6.2	3.1	2.7	2.9	2.9	2.1	3.4	2.6
Sweden	-5.4	5.2	12.7	10.1	14.5	6.7	-13.3	-18.8	12.5	8.0	-11.6	0.9	15.6	15.7	15.3	7.9	4.6	15.1	6.0	4.0
Switzerland	-1.1	14.4	7.0	1.1	-1.6	-3.0	-4.2	1.8	3.5	2.2	1.5	1.7	2.3	1.2	2.5	1.0	1.4	2.1	1.4	1.4
United Kingdom	1.0	4.0	7.0	4.1	3.3	1.9	-23.2	-26.2	4.8	2.1	-1.5	9.5	13.2	3.1	4.3	-1.7	-2.2	1.4	-2.0	-2.3
United States	4.5	9.1	10.0	6.6	-7.6	-18.8	-24.0	-21.2	-2.5	0.5	13.5	11.9	3.5	11.7	4.2	1.5	3.0	-1.0	3.5	2.7

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438076

Annex Table 8. **Real total domestic demand**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	13.3	13.7	9.1	9.3	11.3	6.9	-7.9	14.2	10.2	-1.3	4.0	-3.9	3.7	-1.3	2.9	3.7	..	..	..
Australia	4.2	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	1.3	1.6	2.4	1.2	2.1	2.6
Austria	1.7	2.3	1.7	2.4	2.4	2.6	0.7	-1.6	0.6	3.1	0.2	0.0	0.2	0.6	2.3	1.7	1.4	2.5	1.5	1.3
Belgium	1.7	0.7	3.5	2.9	1.9	3.3	2.1	-1.9	2.0	2.2	-0.2	-0.5	2.2	1.5	0.5	1.2	1.4	0.9	1.3	1.5
Brazil	..	-0.1	5.3	2.7	5.5	7.9	7.6	-0.1	11.1	4.9	2.0	3.7	0.0	-6.9	-5.8	-0.3	1.0	..	..	..
Canada	2.9	4.0	4.0	5.0	4.2	3.6	2.8	-3.0	5.3	2.2	2.1	1.8	1.4	0.1	1.8	1.9	1.9	3.0	1.8	1.9
Chile	..	4.7	8.2	11.5	8.0	7.4	8.3	-5.6	13.6	9.5	7.5	3.8	-0.2	2.2	1.5	1.8	2.5	2.4	2.5	2.5
China	9.9	10.6	9.5	8.0	9.6	11.6	8.3	16.7	7.9	9.8	8.3	8.2	8.2	9.5	8.3	6.5	6.4	7.6	6.4	6.4
Colombia	..	4.3	6.1	6.3	9.0	8.4	4.7	0.3	5.8	8.4	4.7	5.1	6.1	3.3	1.1	2.1	2.4	..	..	..
Costa Rica	4.1	3.9	2.9	4.1	7.4	8.9	6.1	-4.9	7.9	5.6	5.7	1.6	2.9	4.8	4.3	4.6	4.3	..	..	..
Czech Republic	..	3.6	3.5	3.3	4.9	6.5	2.0	-5.5	1.8	0.2	-2.1	-0.6	3.4	4.7	1.1	2.6	2.8	1.3	3.1	2.7
Denmark	2.5	0.6	4.3	3.5	5.2	1.8	-0.2	-6.1	0.7	1.0	1.0	0.9	1.5	1.3	1.2	1.4	1.9	1.0	1.8	1.9
Estonia	..	11.1	6.5	7.3	17.4	9.3	-8.7	-20.7	0.2	9.2	8.5	1.5	3.0	0.7	3.4	2.3	2.7	1.9	2.6	2.7
Finland	2.9	3.3	3.6	4.1	2.4	4.8	0.9	-6.2	3.8	4.1	-1.3	-1.0	-0.1	1.4	1.4	0.9	0.9	1.1	0.6	0.9
France	2.0	1.4	2.8	2.3	2.6	3.2	0.3	-2.5	1.9	2.1	-0.3	0.7	1.1	1.4	1.8	1.5	1.7	1.3	1.7	1.8
Germany	1.0	0.3	-0.6	0.3	2.9	1.8	1.0	-3.1	2.9	3.0	-0.8	1.0	1.4	1.4	1.7	1.7	1.9	1.1	2.0	1.9
Greece	..	7.4	2.7	0.3	7.9	5.4	-0.6	-6.2	-6.5	-11.2	-10.0	-3.8	1.1	-1.1	0.6	0.8	1.6	0.9	1.4	1.6
Hungary	3.4	5.7	5.3	1.7	1.7	-1.0	0.3	-9.5	-0.7	-0.2	-3.0	2.3	4.6	1.4	1.6	3.3	3.7	2.1	3.9	3.4
Iceland	3.2	5.4	10.0	14.1	9.5	1.5	-7.0	-17.4	-3.1	2.8	1.2	1.9	4.0	5.2	7.2	4.2	2.0	5.8	4.3	1.3
India[1]	..	9.0	7.7	10.5	9.7	10.7	6.1	8.5	9.7	8.5	5.5	2.0	6.9	8.0	5.9	7.7	7.9	..	..	..
Indonesia	3.8	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	4.8	5.3	5.1	..	..	..
Ireland	7.1	4.8	3.9	10.2	7.2	3.6	-4.3	-8.3	-3.5	1.1	1.4	-1.9	7.8	9.8	4.8	3.8	3.0	3.1	2.7	3.1
Israel	..	-1.8	2.9	3.4	4.8	6.5	1.9	0.1	5.4	5.4	3.8	3.0	3.8	3.8	4.9	4.8	3.5	4.8	4.5	3.0
Italy	1.4	0.9	1.0	1.0	2.0	1.1	-1.2	-4.2	1.9	-0.5	-5.7	-2.7	0.3	1.0	0.9	0.8	0.9	0.7	1.0	0.8
Japan	0.7	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	0.6	0.3	1.0	0.5	0.3
Korea	5.3	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	3.5	2.9	3.0	2.7	2.8	3.1
Latvia	..	11.3	12.2	9.5	18.6	12.4	-8.9	-22.4	-4.0	11.6	1.4	2.1	0.1	2.5	3.7	3.4	4.3	2.5	4.4	4.3
Lithuania	..	10.7	11.9	9.0	8.9	15.3	3.3	-21.7	2.4	5.8	-0.3	3.3	3.3	6.7	1.6	3.9	3.2	..	..	..
Luxembourg	4.1	4.9	3.0	3.1	2.2	4.7	3.6	-5.8	5.9	5.2	2.6	1.4	6.6	2.7	3.4	3.9	3.2	3.3	2.9	3.5
Mexico	2.6	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	2.4	2.1	2.1	3.5	0.6	3.1
Netherlands	3.0	0.3	0.4	1.7	3.7	3.5	1.9	-2.4	-0.1	0.7	-2.3	-1.3	0.8	2.3	2.1	2.1	2.1	2.0	2.2	2.1
New Zealand	3.9	6.5	7.8	4.6	1.5	5.3	1.0	-4.8	3.8	3.3	3.0	3.2	4.4	2.0	3.6	3.8	2.9	4.2	3.4	2.6
Norway	3.4	1.5	6.8	5.4	6.2	6.1	1.5	-3.2	3.0	2.7	3.5	3.5	1.6	0.7	1.8	1.3	2.0	2.1	1.9	2.2
Poland	4.9	2.5	6.2	2.3	7.2	9.3	5.4	-0.2	4.2	4.2	-0.4	-0.6	4.7	3.4	2.8	3.5	3.4	2.7	3.5	3.4
Portugal	3.0	-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	1.4	1.1	1.1	1.6	1.0	1.1
Russia	..	7.8	10.0	9.2	11.2	13.7	9.2	-13.1	7.9	8.8	5.5	0.9	-1.0	-10.1	-1.4	0.5	0.8	..	..	..
Slovak Republic	..	0.0	5.9	8.6	6.6	6.8	6.5	-7.0	4.5	1.1	-4.0	0.3	3.2	4.8	2.0	3.1	3.2	0.9	3.2	3.2
Slovenia	..	4.5	4.9	1.9	4.7	9.0	3.1	-9.5	-0.8	-0.7	-5.7	-2.0	1.8	1.4	1.6	2.3	2.2	1.5	2.4	2.0
South Africa	2.6	5.2	7.9	5.7	8.5	5.8	3.6	-1.4	3.7	5.6	3.2	2.8	0.5	1.7	-1.1	1.3	1.6	..	..	..
Spain	3.1	3.9	4.8	5.1	5.1	4.1	-0.4	-6.0	-0.5	-3.1	-5.1	-3.2	1.9	3.4	3.2	2.4	2.2	2.8	2.2	2.2
Sweden	1.8	2.3	1.9	2.6	4.4	4.9	-0.1	-4.3	5.7	3.0	-0.2	1.6	3.0	3.8	4.0	2.8	2.3	3.0	2.6	2.2
Switzerland	1.4	0.8	-0.3	4.2	2.3	0.5	2.6	2.4	-0.6	4.1	-1.3	-0.8	2.1	1.9	1.4	1.7	2.1	1.2	2.0	2.1
Turkey	3.3	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	5.3	3.5	4.0	3.5	4.1	3.9
United Kingdom	3.5	3.5	3.0	2.7	2.1	2.5	-1.4	-4.5	2.6	0.2	2.0	2.6	3.4	2.5	1.7	0.8	0.2	1.6	0.5	0.1
United States	3.8	3.1	4.3	3.5	2.6	1.1	-1.3	-3.8	2.9	1.6	2.1	1.3	2.4	3.2	1.5	2.4	3.3	1.6	2.9	3.2
Euro area	1.9	1.4	1.6	2.0	3.2	2.7	0.2	-3.8	1.4	0.7	-2.4	-0.6	1.3	1.7	1.8	1.6	1.7	1.4	1.7	1.7
Total OECD	2.8	2.5	3.4	3.0	3.1	2.4	-0.2	-3.9	3.1	1.7	0.8	1.0	1.9	2.4	1.8	2.0	2.3	1.8	2.1	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438082

Annex Table 9. **Foreign balance contributions to changes in real GDP**

Percentage points

	Average 1991-2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017	2018
																		Fourth quarter[1]		
Argentina	0.8	-3.0	-3.5	0.4	-0.6	-1.5	-2.3	1.3	-2.4	-2.7	0.0	-1.1	0.7	-0.9	-0.1	0.0	-0.2	..	..	..
Australia	-0.3	-2.6	-2.4	-1.3	-1.2	-2.2	-1.6	2.6	-2.1	-2.2	0.1	1.6	1.7	0.9	1.4	0.9	0.6	1.0	0.9	0.3
Austria	0.6	-1.2	0.5	0.6	1.2	1.0	0.6	-2.0	1.2	0.1	0.3	-0.1	0.6	0.2	-0.8	-0.2	0.0	0.0	0.0	0.0
Belgium	0.6	0.1	0.3	-0.7	0.7	0.2	-1.2	-0.4	0.7	-0.3	0.3	0.4	-0.6	0.0	0.8	0.1	0.1	0.1	0.2	0.0
Brazil	0.6	1.7	0.8	0.7	-1.4	-1.3	-2.0	-0.2	-2.6	-0.7	-0.1	-0.6	0.0	2.6	2.3	0.3	0.2	..	..	..
Canada	..	-2.2	-0.8	-1.6	-1.4	-1.5	-1.8	-0.4	-2.2	-0.3	-0.3	0.4	1.0	1.0	0.5	0.2	0.4	0.7	0.4	0.5
Chile	0.5	-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	0.5	0.0	0.1	0.5	0.1	0.1
China	0.1	-0.3	0.8	3.6	3.7	3.5	2.2	-5.4	3.2	0.5	0.2	0.1	-0.3	-2.0	-1.4	0.1	-0.1	1.0	-0.1	-0.1
Colombia	-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	1.2	0.4	0.2	..	..	..
Costa Rica	0.1	0.3	1.4	-0.2	-0.2	-0.8	-1.6	4.1	-2.9	-1.4	-1.1	0.5	0.0	-1.2	-0.4	-0.8	-0.5	..	..	..
Czech Republic	-1.0	0.0	1.4	3.2	2.0	-0.8	0.8	0.5	0.5	1.8	1.3	0.1	-0.5	0.1	1.4	0.1	0.0	-0.5	0.0	0.0
Denmark	..	-0.2	-1.3	-0.9	-1.0	-0.9	-0.3	1.1	1.2	0.4	-0.7	0.2	0.3	0.4	-0.2	0.1	0.2	0.0	0.2	0.2
Estonia	-2.6	-3.2	-0.4	0.5	-8.6	-1.7	4.9	8.1	3.0	-0.7	-3.6	-0.9	0.8	0.6	-1.8	0.3	0.3	0.1	0.3	0.4
Finland	1.3	-1.7	0.7	-1.0	1.6	1.0	-0.2	-2.1	0.0	-1.5	-0.2	0.3	-0.6	-0.8	-0.2	0.3	0.2	0.4	0.2	0.3
France	0.2	-0.5	-0.2	-0.7	-0.1	-0.8	-0.3	-0.3	-0.1	0.0	0.5	-0.1	-0.5	-0.3	-0.6	-0.2	-0.1	-0.1	-0.1	-0.1
Germany	0.5	-1.0	1.3	0.6	1.1	1.6	-0.1	-2.6	1.2	0.9	1.4	-0.4	0.2	0.1	0.1	0.1	0.0	-0.1	0.0	0.1
Greece	-0.7	-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	-1.6	0.3	0.3	-0.3	0.6	0.2
Hungary	..	-2.1	-0.3	2.7	2.2	1.5	0.7	2.6	1.3	2.0	1.3	0.0	-0.2	1.8	0.7	-0.4	-1.1	-0.1	-1.3	-1.0
Iceland	0.1	-3.2	-2.3	-8.7	-5.6	8.4	9.7	13.1	-1.3	-1.1	-0.2	3.8	-2.9	-1.5	-3.0	0.0	0.6	-1.1	-0.2	1.5
India[2]	0.0	-0.7	0.5	-1.3	-0.6	-1.2	-2.4	-0.5	0.0	-2.2	-0.2	4.5	0.2	-0.5	1.5	-0.2	-0.2	..	..	..
Indonesia	-0.3	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	0.3	-0.1	0.3	..	..	..
Ireland	..	0.2	3.9	-4.1	-1.5	0.7	-1.2	5.4	4.7	0.4	-2.4	2.8	1.9	18.4	0.1	0.3	0.2	4.1	0.1	0.5
Israel	0.3	3.0	2.0	0.7	0.8	-0.2	1.4	1.1	0.4	-0.3	-1.4	1.4	-0.7	-1.2	-1.5	-1.3	-0.2	-0.2	-0.7	0.2
Italy	..	-0.7	0.3	0.1	0.1	0.2	0.2	-1.3	-0.2	1.2	2.9	0.9	-0.1	-0.4	-0.1	0.1	0.1	0.0	0.2	0.1
Japan	0.0	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	0.2	0.3	-0.1	0.3	0.4
Korea	1.1	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	-0.4	0.0	0.2	0.0	0.4	0.1
Latvia	-0.9	-4.1	-5.3	0.0	-9.1	-5.0	7.1	11.5	0.2	-5.7	2.3	0.8	2.0	0.3	-2.0	-0.5	-0.9	-1.4	-1.0	-0.5
Lithuania	-1.4	-0.8	-6.1	-1.3	-1.9	-5.4	-0.9	11.9	-0.2	0.2	4.0	0.3	0.2	-5.2	0.6	-0.6	-0.4	..	..	..
Luxembourg	1.6	-2.3	2.2	1.0	3.7	5.1	-3.4	-1.5	1.5	-1.6	-1.9	3.4	2.2	2.0	1.8	1.5	1.9	2.1	2.0	1.6
Mexico	-0.6	-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	-0.3	0.1	0.2	-0.3	0.6	-0.1
Netherlands	0.3	0.1	1.5	0.6	0.2	0.5	-0.1	-1.5	1.4	1.0	1.1	1.1	0.6	0.0	0.1	0.1	-0.1	0.5	-0.1	0.0
New Zealand	0.0	-1.8	-3.1	-2.0	1.2	-1.4	-1.3	5.3	-2.0	-1.1	-0.2	-1.5	-1.3	1.0	0.1	-0.4	-0.3	-0.7	-0.2	-0.3
Norway	0.2	-0.4	-2.0	-2.0	-2.8	-2.2	-0.9	1.0	-2.1	-1.4	-0.3	-2.0	0.5	1.0	-1.0	-0.8	-0.6	-0.9	-0.7	-0.5
Poland	-0.6	1.0	-1.3	1.1	-1.1	-2.5	-1.3	3.1	-0.6	0.7	2.1	1.9	-1.3	0.6	0.1	-0.1	-0.2	1.8	-0.1	-0.2
Portugal	-0.7	1.0	-1.4	-0.6	0.6	0.1	-1.1	0.9	-0.1	4.3	3.6	0.9	-1.3	-0.8	-0.1	0.1	0.2	-1.2	0.2	0.2
Russia	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	1.3	0.3	0.3	..	..	..
Slovak Republic	-0.2	5.4	-0.9	-2.1	1.5	3.8	-0.5	2.1	0.5	1.7	5.7	1.2	-0.5	-0.7	1.2	0.4	0.7	0.1	0.6	0.9
Slovenia	-1.4	-1.7	-0.5	2.1	1.0	-2.0	0.2	1.9	2.0	1.3	3.0	0.8	1.4	1.1	0.8	0.4	0.3	0.2	0.5	0.0
South Africa	..	-2.2	-3.0	-0.6	-2.9	-0.6	-0.4	-0.2	-0.6	-2.3	-1.0	-0.5	1.1	-0.4	1.5	-0.2	0.1	..	..	..
Spain	0.0	-0.8	-1.7	-1.6	-1.2	-0.6	1.6	2.8	0.5	2.1	2.2	1.5	-0.5	-0.1	0.1	0.0	0.1	-0.5	0.0	0.3
Sweden	1.1	0.4	2.0	0.4	0.8	-0.9	-0.7	-1.1	0.3	-0.2	0.3	-0.3	-0.2	0.3	-0.6	0.1	0.0	0.2	0.1	0.0
Switzerland	0.2	-0.6	2.9	-0.8	2.0	3.6	-0.1	-4.3	3.3	-1.7	2.2	2.6	0.3	-0.9	0.3	0.2	0.0	-1.4	0.1	0.0
Turkey	0.1	-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	-2.3	-0.3	-0.4	-2.0	-0.5	-0.2
United Kingdom	-0.3	-0.1	-0.5	0.2	0.3	-0.1	0.8	0.4	-0.8	1.4	-0.7	-0.8	-0.4	-0.4	0.0	0.4	0.7	0.2	0.6	0.9
United States	-0.5	-0.4	-0.6	-0.3	-0.1	0.6	1.1	1.3	-0.4	0.0	0.1	0.3	-0.1	-0.7	0.0	-0.2	-0.4	-0.3	-0.4	-0.5
Euro area	0.3	-0.7	0.5	-0.2	0.2	0.3	0.1	-0.6	0.6	0.9	1.4	0.4	-0.1	0.3	-0.1	0.0	0.0	0.0	0.1	0.1
Total OECD	-0.1	-0.4	-0.1	-0.2	0.0	0.2	0.4	0.5	-0.1	0.2	0.5	0.2	0.0	-0.1	-0.1	0.0	-0.1	-0.1	0.0	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 100 database.

StatLink http://dx.doi.org/10.1787/888933438090

Annex Table 10. **Quarterly demand and output projections**

Percentage changes, seasonally adjusted at annual rates, volume

	2016	2017	2018	2016 Q4	2017 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2016	2017 Q4 / Q4	2018
Private consumption															
Canada	2.2	2.0	2.0	2.1	1.9	1.9	1.9	1.9	2.1	2.1	2.1	2.1	2.3	1.9	2.1
France	1.4	1.2	1.6	1.2	1.6	1.6	1.7	1.7	1.6	1.7	1.6	1.7	1.3	1.6	1.6
Germany	1.4	1.6	1.7	1.6	1.7	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.2	1.7	1.7
Italy	1.2	0.6	0.7	0.5	0.6	0.7	0.8	0.8	0.8	0.7	0.6	0.5	0.7	0.7	0.7
Japan	0.4	0.5	0.5	0.8	0.5	0.6	0.5	0.6	0.5	0.4	0.3	0.3	1.1	0.5	0.4
United Kingdom	2.8	1.8	1.0	1.8	1.5	1.3	1.3	1.1	0.9	0.8	0.7	0.7	2.8	1.3	0.8
United States	2.6	2.7	2.8	2.2	2.5	2.7	3.0	3.5	2.9	2.5	2.5	2.3	2.6	2.9	2.5
Euro area	1.6	1.4	1.5	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.5	1.5
Total OECD	2.2	2.1	2.2	1.9	2.0	2.2	2.3	2.5	2.3	2.1	2.1	2.0	2.2	2.2	2.1
Public consumption															
Canada	2.2	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.7	1.5	1.5
France	1.5	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0
Germany	3.8	2.4	2.0	2.5	2.4	2.2	2.1	2.1	2.0	1.9	1.8	1.7	3.2	2.2	1.8
Italy	0.5	0.7	0.5	0.4	0.8	1.4	1.4	1.2	0.0	0.0	0.0	0.0	0.0	1.2	0.0
Japan	1.5	0.0	0.1	-0.1	-0.1	-1.2	0.8	1.0	-0.2	-0.2	-0.2	-0.2	0.9	0.1	-0.2
United Kingdom	1.2	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	0.5	0.5
United States	0.9	1.3	3.2	0.8	0.8	1.3	2.2	3.4	4.2	4.0	2.7	1.7	0.7	1.9	3.1
Euro area	1.8	1.3	1.2	1.1	1.3	1.5	1.4	1.3	1.1	1.1	1.1	1.0	1.4	1.4	1.1
Total OECD	2.0	1.3	1.8	1.4	1.0	1.1	1.6	1.9	2.1	2.0	1.6	1.3	1.7	1.4	1.7
Business investment															
Canada	-6.5	1.5	2.9	1.5	1.5	1.7	2.0	2.5	3.0	3.3	3.5	3.7	-1.6	1.9	3.4
France	3.3	2.4	3.5	2.5	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.5	2.1	3.4	3.5
Germany	1.0	0.6	1.8	0.5	1.5	1.7	1.8	1.8	1.8	1.9	1.9	2.0	0.1	1.7	1.9
Japan	0.3	1.7	2.1	1.7	2.1	2.2	2.3	2.3	2.0	1.9	1.9	1.9	-0.4	2.2	1.9
United Kingdom	-1.1	-2.4	-4.9	-3.2	-3.6	-3.9	-4.3	-4.7	-4.9	-5.3	-5.4	-5.5	0.0	-4.1	-5.3
United States	-0.4	2.9	5.9	3.5	2.9	3.5	3.5	3.5	7.3	7.3	7.3	7.3	0.5	3.3	7.3
Total investment															
Canada	-1.9	2.1	1.7	2.4	2.3	2.0	1.7	1.4	1.6	1.8	1.9	2.0	1.3	1.9	1.8
France	2.8	2.3	2.9	2.5	2.6	2.7	2.8	2.9	2.9	2.9	2.9	2.9	2.1	2.8	2.9
Germany	2.0	1.4	2.3	1.6	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.4	0.8	2.3	2.3
Italy	1.9	1.1	2.2	0.5	1.0	1.5	2.0	2.0	2.2	2.4	2.5	2.5	1.0	1.6	2.4
Japan	0.6	1.6	0.1	1.7	2.9	1.7	-0.6	-1.0	0.2	0.5	0.5	0.3	1.2	0.7	0.4
United Kingdom	1.2	-0.9	-3.0	-1.9	-2.2	-2.4	-2.7	-2.9	-3.0	-3.2	-3.3	-3.3	2.1	-2.5	-3.2
United States	0.6	2.3	5.3	3.0	2.9	3.3	3.9	4.2	6.5	6.1	5.7	5.6	-0.1	3.5	6.0
Euro area	3.0	2.5	3.0	2.2	2.6	2.7	2.9	3.0	3.0	3.1	3.1	3.1	2.3	2.8	3.1
Total OECD	1.4	2.2	3.2	2.7	2.5	2.5	2.4	2.5	3.7	3.6	3.6	3.5	1.4	2.5	3.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438105

Annex Table 10. **Quarterly demand and output projections (cont.)**

Percentage changes, seasonally adjusted at annual rates, volume

	2016	2017	2018	2016 Q4	2017 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2016 Q4 / Q4	2017 Q4 / Q4	2018 Q4 / Q4
Total domestic demand															
Canada	1.8	1.9	1.9	1.7	1.9	1.9	1.8	1.7	1.9	1.9	1.9	2.0	3.0	1.8	1.9
France	1.8	1.5	1.7	1.4	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.3	1.7	1.8
Germany	1.7	1.7	1.9	1.8	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.1	2.0	1.9
Italy	0.9	0.8	0.9	0.5	0.7	1.0	1.1	1.1	0.9	0.9	0.8	0.7	0.7	1.0	0.8
Japan	0.5	0.6	0.3	0.8	0.9	0.5	0.3	0.3	0.3	0.3	0.3	0.2	1.0	0.5	0.3
United Kingdom	1.7	0.8	0.2	0.9	0.7	0.5	0.5	0.3	0.2	0.1	0.0	0.0	1.6	0.5	0.1
United States	1.5	2.4	3.3	2.2	2.3	2.6	3.0	3.6	3.8	3.3	3.1	2.8	1.6	2.9	3.2
Euro area	1.8	1.6	1.7	1.5	1.6	1.7	1.8	1.8	1.7	1.7	1.7	1.7	1.4	1.7	1.7
Total OECD	1.8	2.0	2.3	2.0	1.9	2.1	2.2	2.4	2.5	2.3	2.3	2.2	1.8	2.1	2.3
Exports of goods and services															
Canada	0.5	2.9	4.7	4.0	3.6	3.9	4.5	4.7	4.9	4.9	4.9	4.9	0.0	4.2	4.9
France	1.0	3.2	3.2	4.0	3.6	3.3	3.0	3.2	3.3	3.3	3.3	3.3	1.4	3.3	3.3
Germany	2.7	2.7	2.8	2.2	2.8	3.0	3.1	3.0	2.4	2.7	2.9	3.1	3.7	3.0	2.8
Italy	1.8	3.0	3.0	2.3	2.6	2.8	3.0	3.0	3.0	3.0	3.0	3.0	2.2	2.8	3.0
Japan	-0.4	3.0	3.1	3.2	3.1	2.9	2.6	2.7	3.1	3.3	3.5	3.5	1.3	2.8	3.3
United Kingdom	2.7	3.2	4.0	3.8	3.8	3.9	3.9	3.9	4.0	4.0	4.1	4.1	0.7	3.9	4.0
United States	0.9	3.5	3.0	3.5	2.0	2.5	2.5	3.0	3.2	3.2	3.2	3.2	3.6	2.5	3.2
Total OECD[1]	2.4	3.5	3.7	4.2	3.1	3.1	3.2	3.5	3.8	3.9	4.0	3.9	3.0	3.2	3.9
Imports of goods and services															
Canada	-1.0	2.2	3.1	1.5	2.5	3.0	3.0	3.0	3.1	3.1	3.1	3.1	1.3	2.9	3.1
France	2.9	3.6	3.4	4.1	3.7	3.5	3.2	3.4	3.4	3.4	3.4	3.4	1.8	3.4	3.4
Germany	2.9	3.0	3.5	3.0	3.3	3.5	3.6	3.5	3.4	3.4	3.5	3.5	2.6	3.5	3.4
Italy	2.2	3.0	2.9	2.7	2.8	2.8	2.8	2.8	3.0	3.0	3.0	3.0	2.1	2.8	3.0
Japan	-1.6	1.6	1.0	3.8	3.6	1.7	0.9	0.9	1.0	1.0	0.9	0.9	-0.9	1.8	1.0
United Kingdom	2.4	1.5	1.5	2.8	2.6	2.3	2.2	1.7	1.4	1.3	1.0	1.1	0.7	2.2	1.2
United States	0.9	4.4	5.4	5.0	5.0	5.0	5.0	5.0	5.5	5.6	5.6	5.6	1.7	5.0	5.6
Total OECD[1]	2.6	3.6	3.9	4.7	3.7	3.2	3.3	3.6	4.2	4.3	4.3	4.1	2.7	3.5	4.2
GDP															
Canada	1.2	2.1	2.3	2.4	2.2	2.1	2.2	2.2	2.4	2.4	2.5	2.5	1.7	2.2	2.4
France	1.2	1.3	1.6	1.2	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.1	1.5	1.6
Germany	1.7	1.7	1.7	1.5	1.8	1.9	1.9	1.8	1.6	1.7	1.7	1.8	1.7	1.9	1.7
Italy	0.8	0.9	1.0	0.5	0.7	1.0	1.2	1.2	1.0	0.9	0.9	0.8	0.8	1.1	0.9
Japan	0.8	1.0	0.8	0.9	1.0	0.9	0.8	0.8	0.8	0.9	0.9	0.9	1.5	0.8	0.9
United Kingdom	2.0	1.2	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.9	1.0	1.0
United States	1.5	2.3	3.0	2.0	1.9	2.3	2.7	3.3	3.4	2.9	2.7	2.4	1.8	2.5	2.9
Euro area	1.7	1.6	1.7	1.4	1.5	1.7	1.7	1.7	1.6	1.7	1.7	1.7	1.6	1.6	1.7
Total OECD	1.7	2.0	2.3	1.9	1.8	2.1	2.2	2.4	2.4	2.3	2.3	2.2	1.8	2.1	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Includes intra-regional trade.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438105

Annex Table 11. **Contributions to changes in real GDP in OECD countries**

	2015	2016	2017	2018		2015	2016	2017	2018
Australia					**Germany**				
Final domestic demand	1.0	2.2	1.6	2.5	Final domestic demand	1.8	1.9	1.6	1.8
Stockbuilding	0.0	-0.9	0.0	0.0	Stockbuilding	-0.4	-0.3	0.0	0.0
Net exports	0.9	1.4	0.9	0.6	Net exports	0.1	0.1	0.1	0.0
GDP	2.4	2.7	2.6	3.1	GDP	1.5	1.7	1.7	1.7
Austria					**Greece**				
Final domestic demand	0.5	1.8	1.5	1.3	Final domestic demand	0.3	-0.6	0.9	1.6
Stockbuilding	0.1	0.4	0.2	0.0	Stockbuilding	-1.7	1.3	-0.1	0.0
Net exports	0.2	-0.8	-0.2	0.0	Net exports	1.2	-1.6	0.3	0.3
GDP	0.8	1.5	1.5	1.3	GDP	-0.3	0.0	1.3	1.9
Belgium					**Hungary**				
Final domestic demand	1.2	1.1	1.3	1.4	Final domestic demand	2.3	-0.5	3.3	3.3
Stockbuilding	0.3	-0.7	-0.1	0.0	Stockbuilding	-1.0	1.8	-0.3	0.0
Net exports	0.0	0.8	0.1	0.1	Net exports	1.8	0.7	-0.4	-1.1
GDP	1.5	1.2	1.3	1.5	GDP	3.1	1.7	2.5	2.2
Canada					**Iceland**				
Final domestic demand	0.3	1.3	2.0	1.9	Final domestic demand	5.9	7.3	4.0	2.0
Stockbuilding	-0.3	0.5	-0.1	0.0	Stockbuilding	-1.0	-0.7	0.0	0.0
Net exports	1.0	0.5	0.2	0.4	Net exports	-1.5	-3.0	0.0	0.6
GDP	1.1	1.2	2.1	2.3	GDP	4.2	4.7	4.1	2.5
Chile					**Ireland**				
Final domestic demand	1.6	2.3	2.2	2.5	Final domestic demand	8.9	3.4	2.8	2.1
Stockbuilding	0.4	-1.0	-0.4	0.0	Stockbuilding	-0.6	0.3	0.0	0.0
Net exports	0.3	0.5	0.0	0.1	Net exports	18.4	0.1	0.3	0.2
GDP	2.3	1.7	2.5	2.6	GDP	26.3	4.3	3.2	2.3
Czech Republic					**Israel**				
Final domestic demand	4.1	0.7	2.4	2.6	Final domestic demand	3.1	6.2	4.5	3.4
Stockbuilding	0.3	0.3	0.0	0.0	Stockbuilding	0.6	-1.4	0.2	0.0
Net exports	0.1	1.4	0.1	0.0	Net exports	-1.2	-1.5	-1.3	-0.2
GDP	4.5	2.4	2.5	2.6	GDP	2.5	3.3	3.4	3.3
Denmark					**Italy**				
Final domestic demand	1.5	1.4	1.4	1.7	Final domestic demand	1.0	1.1	0.7	0.9
Stockbuilding	-0.3	-0.3	-0.1	0.0	Stockbuilding	0.0	-0.3	0.1	0.0
Net exports	0.4	-0.2	0.1	0.2	Net exports	-0.4	-0.1	0.1	0.1
GDP	1.6	1.0	1.5	1.9	GDP	0.6	0.8	0.9	1.0
Estonia					**Japan**				
Final domestic demand	2.2	2.4	2.5	2.6	Final domestic demand	-0.5	0.7	0.6	0.3
Stockbuilding	-1.5	0.8	-0.2	0.0	Stockbuilding	0.6	-0.1	0.0	0.0
Net exports	0.6	-1.8	0.3	0.3	Net exports	0.4	0.2	0.2	0.3
GDP	1.5	1.1	2.4	2.9	GDP	0.6	0.8	1.0	0.8
Finland					**Korea**				
Final domestic demand	1.0	1.8	0.5	0.9	Final domestic demand	2.7	3.3	2.6	2.8
Stockbuilding	0.4	-0.4	0.4	0.0	Stockbuilding	0.9	0.0	0.1	0.0
Net exports	-0.8	-0.2	0.3	0.2	Net exports	-1.1	-0.4	0.0	0.2
GDP	0.2	0.9	0.9	1.1	GDP	2.6	2.7	2.6	3.0
France					**Latvia**				
Final domestic demand	1.4	1.7	1.4	1.8	Final domestic demand	3.5	-1.6	3.7	4.3
Stockbuilding	0.1	0.1	0.1	0.0	Stockbuilding	-1.1	5.3	-0.3	0.0
Net exports	-0.3	-0.6	-0.2	-0.1	Net exports	0.3	-2.0	-0.5	-0.9
GDP	1.2	1.2	1.3	1.6	GDP	2.7	1.1	3.0	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. Totals may not add up due to rounding and/or statistical discrepancy.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438115

Annex Table 11. **Contributions to changes in real GDP in OECD countries (cont.)**

	2015	2016	2017	2018
Luxembourg				
Final domestic demand	1.2	1.4	2.5	2.1
Stockbuilding	0.4	0.9	0.1	0.0
Net exports	2.0	1.8	1.5	1.9
GDP	3.5	3.6	4.0	4.0
Mexico				
Final domestic demand	3.2	2.4	2.1	2.2
Stockbuilding	-0.1	0.0	0.0	0.0
Net exports	1.2	-0.3	0.1	0.2
GDP	2.5	2.2	2.3	2.4
Netherlands				
Final domestic demand	2.6	2.1	1.8	1.9
Stockbuilding	-0.6	-0.1	0.1	0.0
Net exports	0.0	0.1	0.1	-0.1
GDP	2.0	2.0	2.0	1.9
New Zealand				
Final domestic demand	2.4	3.9	3.8	2.8
Stockbuilding	-0.4	-0.3	0.0	0.0
Net exports	1.0	0.1	-0.4	-0.3
GDP	3.0	3.5	3.4	2.6
Norway				
Final domestic demand	0.4	1.2	1.6	2.0
Stockbuilding	0.2	0.5	-0.3	0.0
Net exports	1.0	-1.0	-0.8	-0.6
GDP	1.6	0.7	0.5	1.4
Poland				
Final domestic demand	3.5	1.8	3.3	3.3
Stockbuilding	-0.2	0.9	0.1	0.0
Net exports	0.6	0.1	-0.1	-0.2
GDP	3.9	2.6	3.2	3.1
Portugal				
Final domestic demand	2.5	1.2	0.9	1.1
Stockbuilding	0.0	0.1	0.1	0.0
Net exports	-0.8	-0.1	0.1	0.2
GDP	1.6	1.2	1.2	1.3
Slovak Republic				
Final domestic demand	5.7	2.0	3.0	3.1
Stockbuilding	-1.1	-0.1	0.0	0.0
Net exports	-0.7	1.2	0.4	0.7
GDP	3.8	3.6	3.4	3.8
Slovenia				
Final domestic demand	0.9	0.7	2.1	2.0
Stockbuilding	0.4	0.8	0.0	0.0
Net exports	1.1	0.8	0.4	0.3
GDP	2.3	2.0	2.4	2.3
Spain				
Final domestic demand	3.2	3.0	2.4	2.1
Stockbuilding	0.1	0.1	0.0	0.0
Net exports	-0.1	0.1	0.0	0.1
GDP	3.2	3.2	2.3	2.2
Sweden				
Final domestic demand	3.3	3.7	2.7	2.2
Stockbuilding	0.3	0.1	0.0	0.0
Net exports	0.3	-0.6	0.1	0.0
GDP	3.9	3.3	2.7	2.2
Switzerland				
Final domestic demand	1.2	1.4	1.5	1.8
Stockbuilding	0.5	0.0	0.0	0.0
Net exports	-0.9	0.3	0.2	0.0
GDP	0.8	1.6	1.7	1.9
Turkey				
Final domestic demand	5.1	5.0	3.7	4.2
Stockbuilding	-0.5	0.3	-0.1	0.0
Net exports	-0.3	-2.3	-0.3	-0.4
GDP	4.0	2.9	3.3	3.8
United Kingdom				
Final domestic demand	2.5	2.3	1.1	0.2
Stockbuilding	0.0	-0.5	-0.3	0.0
Net exports	-0.4	0.0	0.4	0.7
GDP	2.2	2.0	1.2	1.0
United States				
Final domestic demand	3.1	2.0	2.5	3.5
Stockbuilding	0.2	-0.4	0.0	0.0
Net exports	-0.7	0.0	-0.2	-0.4
GDP	2.6	1.5	2.3	3.0
Euro area				
Final domestic demand	1.8	1.8	1.5	1.7
Stockbuilding	-0.2	-0.1	0.0	0.0
Net exports	0.3	-0.1	0.0	0.0
GDP[1]	1.5	1.7	1.6	1.7
Total OECD				
Final domestic demand	2.3	2.0	2.0	2.3
Stockbuilding	0.1	-0.2	0.0	0.0
Net exports	-0.1	-0.1	0.0	-0.1
GDP[1]	2.1	1.7	2.0	2.3

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex. Totals may not add up due to rounding and/or statistical discrepancy.

1. With growth in Ireland in 2015 computed using gross value added at constant prices excluding foreign-owned multinational enterprise dominated sectors.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438115

Annex Table 12. **Output gaps**

Deviations of actual GDP from potential GDP as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	0.2	0.3	-0.1	0.7	0.4	1.0	0.9	0.4	1.7	1.0	0.1	-0.4	-1.0	-0.6	-1.6	-1.7	-1.8	-1.7	-1.5	-0.8
Austria	1.1	2.2	1.0	0.2	-1.2	-0.9	-0.6	1.1	2.7	2.1	-2.9	-2.4	-0.7	-1.2	-2.2	-2.5	-2.7	-2.2	-1.8	-1.6
Belgium	0.9	2.1	0.5	0.2	-1.0	0.7	0.9	1.6	3.3	2.3	-1.3	0.1	0.7	-0.3	-1.4	-0.8	-0.5	-0.5	-0.4	-0.2
Canada	1.4	3.3	1.9	2.1	1.2	1.6	2.2	2.3	1.9	0.7	-4.0	-2.8	-1.7	-2.0	-1.7	-1.0	-1.6	-1.8	-1.0	-0.1
Chile	-3.1	-2.0	-2.4	-3.4	-3.3	-0.4	1.5	2.9	3.9	2.7	-2.5	-0.8	0.8	2.2	2.4	1.0	0.5	-0.5	-0.4	-0.2
Czech Republic	-1.4	-0.7	-1.5	-3.6	-3.7	-2.5	0.0	3.3	5.5	5.5	-1.4	-0.5	0.1	-2.0	-3.8	-2.9	-0.5	-0.3	0.1	0.6
Denmark	1.1	2.7	1.5	0.2	-0.8	0.5	1.6	4.3	3.9	2.3	-3.5	-2.2	-1.6	-2.2	-2.2	-1.6	-1.1	-1.4	-1.1	-0.5
Estonia	..	-4.3	-3.1	-2.7	-1.1	0.0	4.4	10.8	14.3	5.3	-10.9	-9.9	-4.5	-2.5	-2.9	-1.9	-1.9	-2.3	-1.6	-0.4
Finland	-0.1	1.7	0.8	-0.5	-1.3	0.0	0.4	2.2	5.4	4.4	-4.9	-2.4	-0.3	-2.1	-3.1	-4.1	-4.2	-3.6	-3.1	-2.4
France	0.3	1.8	1.5	0.6	-0.3	0.6	0.7	1.7	2.5	1.1	-2.8	-1.9	-0.9	-1.6	-2.0	-2.3	-2.2	-2.3	-2.2	-1.7
Germany	-0.7	0.6	1.1	0.0	-1.5	-1.7	-1.7	0.7	2.6	1.8	-4.7	-1.9	0.6	0.2	-0.3	0.3	0.4	1.1	1.6	2.4
Greece	-1.9	-1.8	-1.3	-0.8	1.7	3.9	2.7	7.0	9.4	8.8	4.7	0.2	-7.5	-12.8	-14.7	-13.5	-13.2	-13.0	-11.9	-10.5
Hungary	-2.0	-1.8	-1.7	-0.6	-0.2	1.7	3.4	5.1	3.8	3.6	-3.4	-2.8	-1.6	-4.0	-3.2	-0.9	0.4	0.4	1.2	1.5
Iceland	0.4	1.4	1.7	-0.9	-1.5	3.0	5.4	5.6	10.6	8.5	-1.2	-6.2	-5.7	-6.0	-3.2	-2.8	-0.5	2.0	3.9	4.3
Ireland	4.0	6.0	5.0	4.4	2.6	4.2	5.6	7.7	8.1	0.6	-5.4	-4.5	-5.0	-6.6	-5.6	0.0	0.4	1.9	2.9	3.2
Israel	-0.6	4.2	0.6	-2.7	-5.0	-3.4	-2.7	-1.0	1.3	0.9	-1.0	0.7	1.7	0.2	0.9	0.8	0.1	0.2	0.3	0.3
Italy	-0.8	1.8	2.1	1.1	0.2	0.5	0.7	2.0	2.7	1.2	-4.5	-2.9	-2.3	-4.9	-6.3	-5.9	-5.1	-4.2	-3.3	-2.4
Japan	-5.0	-3.9	-4.4	-4.8	-3.8	-2.0	-1.3	-0.1	1.5	0.0	-5.8	-1.7	-2.4	-1.0	0.1	-0.3	0.0	0.5	1.4	2.1
Latvia	-2.8	-3.7	-3.9	-3.4	-1.2	0.6	4.5	10.8	16.9	9.3	-7.3	-10.8	-6.1	-4.4	-3.8	-3.8	-3.2	-4.1	-3.4	-2.5
Luxembourg	2.4	5.9	3.3	2.5	-0.2	0.3	-0.1	1.5	6.7	2.4	-5.9	-3.0	-3.8	-6.7	-5.7	-4.2	-3.5	-2.8	-1.8	-0.9
Mexico	1.7	3.4	0.2	-2.0	-2.8	-1.2	-0.4	2.1	2.8	1.6	-4.9	-2.2	-0.6	0.3	-0.8	-1.3	-1.6	-2.2	-2.6	-2.9
Netherlands	2.2	3.2	2.6	0.3	-1.4	-1.4	-1.0	1.0	3.1	3.3	-1.8	-1.5	-0.8	-2.9	-3.8	-3.4	-2.5	-1.5	-0.6	0.1
New Zealand	-0.1	0.3	-0.9	0.7	1.8	2.6	1.8	1.5	2.6	-0.3	-1.7	-1.3	-1.4	-0.7	-1.2	-0.6	-0.3	0.6	1.5	1.6
Norway[1]	0.8	0.7	-0.5	-1.9	-3.7	-1.8	-0.1	1.8	4.4	3.0	-1.2	-1.7	-1.8	-0.1	0.1	0.2	-0.8	-2.1	-2.3	-1.9
Poland	-0.3	-0.4	-3.3	-5.5	-5.3	-3.7	-3.9	-1.8	0.9	0.9	-0.1	0.0	1.5	-0.1	-1.7	-1.4	-0.6	-1.0	-0.7	-0.5
Portugal	3.4	4.3	3.7	2.3	-0.3	0.1	-0.3	0.2	1.8	1.1	-2.4	-0.9	-2.8	-6.3	-6.9	-5.8	-4.3	-3.1	-1.8	-0.5
Slovak Republic	-4.2	-7.6	-8.8	-8.8	-7.6	-6.5	-3.9	0.3	6.7	8.4	-0.8	1.1	0.4	-1.2	-2.7	-2.9	-2.0	-1.4	-1.1	0.0
Slovenia	-1.2	-0.8	-1.5	-1.1	-1.5	-0.4	0.6	3.4	7.5	8.2	-1.8	-1.4	-1.3	-4.5	-6.2	-4.3	-3.2	-2.3	-1.1	-0.2
Spain	-0.9	1.3	2.2	2.0	2.2	2.3	3.0	4.1	5.1	3.6	-2.0	-3.4	-5.3	-8.7	-10.8	-10.0	-7.6	-5.2	-3.7	-2.4
Sweden	-0.6	1.1	-0.2	-0.8	-0.9	0.4	0.8	3.3	4.4	1.2	-5.5	-1.8	-0.9	-2.4	-2.7	-1.9	-0.2	0.7	1.2	1.5
Switzerland	-0.7	1.4	0.9	-0.8	-2.5	-1.8	-0.8	1.0	2.8	2.7	-1.5	-0.6	-0.6	-1.4	-1.4	-1.2	-2.1	-2.1	-2.0	-1.7
Turkey	-4.7	-1.9	-10.3	-7.1	-4.8	0.7	4.7	6.9	6.8	2.9	-5.8	-1.5	2.1	-0.5	-1.0	-2.4	-2.8	-3.9	-4.5	-4.5
United Kingdom	-0.3	0.4	0.2	-0.1	0.9	1.1	1.9	2.4	3.1	0.9	-4.5	-3.6	-3.2	-3.1	-2.5	-1.3	-0.9	-0.5	-0.8	-1.3
United States	1.6	2.5	0.5	-0.3	0.1	1.5	2.6	3.0	2.6	0.1	-4.4	-3.5	-3.5	-2.9	-2.9	-2.2	-1.2	-1.2	-0.4	1.1
Euro area	-0.1	1.5	1.5	0.6	-0.4	0.0	0.3	2.0	3.4	2.2	-3.3	-2.2	-1.4	-2.9	-3.7	-3.2	-2.6	-1.9	-1.2	-0.5
Total OECD	-0.2	1.1	-0.1	-0.7	-0.8	0.4	1.1	2.2	2.8	1.1	-3.9	-2.4	-2.0	-2.2	-2.5	-2.1	-1.5	-1.4	-0.9	0.0

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438129

Annex Table 13. **GDP deflators**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	10.4	9.3	10.3	13.7	14.9	23.2	15.4	20.9	23.7	22.3	23.9	40.3	24.5	38.9	20.7	15.5	..	..	..
Australia	2.1	3.1	3.6	4.5	5.1	4.3	6.5	0.0	5.6	4.5	-0.3	1.3	0.1	-0.7	0.3	1.9	1.8	1.2	2.0	1.7
Austria	1.4	1.3	1.8	2.6	1.9	2.3	1.8	1.9	1.1	1.9	2.0	1.6	1.8	1.9	1.4	1.9	2.2	1.6	2.0	2.2
Belgium	1.7	2.0	2.0	2.1	2.3	2.1	2.0	0.8	1.9	2.0	2.1	1.2	0.7	0.9	1.6	1.7	1.6	1.8	1.4	1.7
Brazil	..	14.1	7.8	7.4	6.8	6.4	8.8	7.3	8.4	8.3	7.8	7.4	6.9	8.0	8.4	7.1	6.1	..	..	..
Canada	1.7	3.3	3.3	3.1	2.6	3.3	4.0	-2.3	2.9	3.2	1.2	1.6	1.8	-0.6	0.5	2.0	2.0	1.2	1.9	2.0
Chile	5.4	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	4.3	3.3	3.5	4.5	3.0	3.8
China	5.8	2.6	6.9	3.9	3.9	7.8	7.8	-0.1	6.9	8.2	2.4	2.2	0.8	-0.5	0.9	2.0	2.5	1.5	2.2	2.5
Colombia	16.9	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	5.2	3.6	3.6	..	..	..
Costa Rica	12.9	10.7	13.3	13.4	13.1	10.2	11.3	10.0	6.6	4.8	4.3	3.8	5.7	3.3	0.8	4.0	5.5	..	..	..
Czech Republic	..	1.1	4.0	0.1	0.7	3.5	2.0	2.6	-1.5	0.0	1.5	1.4	2.5	1.0	0.9	1.2	2.1	0.7	1.9	2.0
Denmark	1.8	1.5	2.1	2.9	2.1	2.4	4.1	0.5	3.2	0.6	2.4	0.9	0.8	0.9	0.1	1.3	2.0	0.5	1.4	2.3
Estonia	..	4.3	4.8	6.2	8.7	12.0	7.2	0.0	2.2	5.3	3.2	3.7	1.9	1.0	1.7	2.4	2.6	1.9	2.7	2.6
Finland	2.0	0.2	0.6	0.9	0.9	2.8	3.1	1.9	0.4	2.6	3.0	2.6	1.7	1.6	1.2	0.4	0.7	0.7	0.6	0.8
France	1.3	1.9	1.6	1.9	2.2	2.6	2.4	0.1	1.1	0.9	1.2	0.8	0.5	0.6	0.8	0.8	1.0	0.6	1.0	1.1
Germany	1.2	1.2	1.1	0.6	0.3	1.7	0.8	1.8	0.8	1.1	1.5	2.0	1.8	2.0	1.4	1.2	1.5	1.1	1.3	1.6
Greece	..	3.4	3.3	2.1	3.5	3.5	4.1	2.7	0.9	0.7	-0.4	-2.6	-1.9	-1.1	0.1	0.9	1.2	0.5	1.1	1.2
Hungary	15.9	5.5	4.9	2.4	3.5	5.4	5.0	4.0	2.3	2.2	3.4	2.9	3.4	1.7	0.2	2.2	2.9	-0.2	2.5	3.2
Iceland	3.9	0.4	2.6	2.4	8.4	4.3	12.0	10.4	5.4	3.0	3.3	1.8	4.1	5.9	3.4	3.1	3.8	3.1	3.7	3.8
India[1]	6.7	3.6	5.6	4.2	6.4	5.8	8.7	6.1	9.0	8.5	7.9	6.2	3.3	1.1	3.8	4.4	4.3	..	..	..
Indonesia	..	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	2.4	3.8	4.2	..	..	..
Ireland	4.3	3.3	0.5	3.0	2.7	2.7	-0.5	-5.2	-3.5	3.6	2.6	1.4	-1.2	4.9	0.1	3.6	3.0	1.2	1.6	3.5
Israel	..	-0.4	0.2	1.2	1.6	0.8	2.3	3.9	1.6	1.8	3.8	2.1	1.1	2.8	1.7	1.4	1.5	1.6	1.1	1.6
Italy	3.2	3.2	2.5	1.9	1.9	2.4	2.5	2.0	0.3	1.5	1.4	1.2	0.9	0.6	1.2	0.8	1.0	1.0	0.9	1.0
Japan	-0.5	-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	0.4	0.0	0.7	-0.1	0.4	0.9
Korea	4.0	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	1.8	1.3	1.8	2.5	1.6	1.9
Latvia	..	4.9	6.8	11.2	12.4	20.1	11.8	-9.8	-1.0	6.4	3.6	1.3	1.5	0.4	1.4	2.0	2.1	1.4	2.2	2.0
Lithuania	..	-0.8	2.7	7.0	6.7	8.6	9.7	-3.3	2.3	5.2	2.7	1.4	1.0	0.2	0.2	2.6	2.7	..	..	..
Luxembourg	2.0	3.0	2.4	4.1	6.9	1.5	3.3	1.8	4.1	5.2	2.4	1.3	1.5	0.4	-1.5	2.1	2.1	-1.4	2.4	2.0
Mexico	14.8	6.0	8.6	5.1	6.3	4.9	6.3	3.3	4.5	5.3	3.5	1.5	4.7	2.5	3.7	3.3	3.2	3.6	3.9	2.7
Netherlands	2.5	2.1	1.5	1.9	2.5	2.1	2.5	0.4	0.9	0.1	1.4	1.3	0.2	0.1	0.6	0.8	1.3	0.2	1.1	1.4
New Zealand	1.7	1.4	3.4	2.5	2.3	4.3	3.9	0.9	2.9	2.9	-0.3	3.0	2.0	0.2	1.9	2.0	2.0	3.3	2.0	2.0
Norway	3.3	2.9	5.8	8.8	8.8	3.1	10.4	-5.2	6.0	6.8	3.4	2.5	0.3	-2.3	-1.7	1.7	1.6	-1.1	2.3	1.6
Poland	15.2	0.8	4.9	2.6	1.7	3.7	3.9	3.8	1.7	3.2	2.3	0.3	0.5	0.6	0.4	1.3	1.5	-0.1	1.4	1.6
Portugal	4.3	3.4	2.4	3.3	3.2	3.0	1.7	1.1	0.6	-0.3	-0.4	2.3	0.8	2.1	1.5	0.9	1.1	1.0	1.1	1.1
Russia	..	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	6.9	6.2	..	..	..
Slovak Republic	..	5.4	5.8	2.4	2.9	1.1	2.8	-1.2	0.5	1.6	1.3	0.5	-0.2	-0.2	-0.2	0.9	1.6	0.0	1.2	1.7
Slovenia	..	5.7	3.3	1.6	2.2	4.2	4.5	3.4	-1.0	1.1	0.3	0.9	0.8	1.0	0.8	1.1	1.5	0.6	1.4	1.7
South Africa	9.2	5.8	6.5	5.4	6.3	8.8	8.8	7.5	6.4	6.5	5.0	6.6	5.5	5.0	6.7	5.7	5.3	..	..	..
Spain	3.6	3.9	3.9	4.1	4.0	3.3	2.1	0.3	0.2	0.0	0.1	0.4	-0.3	0.5	0.6	1.2	1.1	1.2	0.7	1.3
Sweden	1.8	1.7	0.6	0.8	1.8	2.8	3.4	2.4	1.1	1.2	1.0	1.1	1.7	2.1	1.2	1.8	2.2	1.4	2.0	2.2
Switzerland	0.6	0.9	0.3	0.7	1.9	2.3	1.8	0.5	0.3	0.2	-0.2	0.0	-0.6	-0.5	-0.9	0.2	0.6	-0.7	0.6	0.6
Turkey	67.9	23.3	12.4	7.1	9.3	6.2	12.0	5.3	5.7	8.6	6.9	6.2	8.3	7.4	6.9	7.4	7.4	7.8	5.8	8.4
United Kingdom	1.9	2.4	2.4	2.7	2.9	2.5	2.8	1.5	1.5	2.0	1.5	1.9	1.6	0.4	1.5	1.9	2.2	2.3	2.1	2.2
United States	1.9	2.0	2.7	3.2	3.1	2.7	2.0	0.8	1.2	2.1	1.8	1.6	1.8	1.1	1.3	1.9	2.4	1.5	2.1	2.6
Euro area	2.1	2.2	1.9	1.9	1.9	2.4	2.0	1.0	0.7	1.1	1.3	1.2	0.9	1.1	1.0	1.1	1.3	0.9	1.1	1.4
Total OECD	3.8	2.3	2.5	2.4	2.5	2.5	2.4	1.0	1.3	1.8	1.5	1.4	1.7	1.3	1.3	1.7	2.1	1.5	1.8	2.2

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438135

Annex Table 14. **Private consumption deflators**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	..	13.5	8.1	9.6	11.2	13.3	20.5	14.6	22.1	19.9	21.0	24.5	41.7	23.9	41.0	39.3	30.6	..	..	..
Australia	2.2	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	1.1	1.7	2.2	1.1	1.9	2.3
Austria	1.6	1.5	1.8	2.5	2.1	2.5	2.2	0.5	1.7	3.2	2.4	2.2	2.1	1.4	1.3	2.1	2.1	1.6	2.1	2.1
Belgium	1.9	1.6	2.4	2.7	3.1	2.9	3.2	-0.4	1.7	3.0	2.0	0.8	0.7	0.3	1.7	1.7	1.7	1.9	1.5	1.8
Brazil	..	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	9.7	7.6	6.6	..	..	..
Canada	1.7	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	1.0	1.6	1.9	0.8	1.8	2.1
Chile	..	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	4.5	3.8	3.7	4.0	3.7	3.7
Colombia	..	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	4.0	3.7	..	..	..
Costa Rica	12.8	12.9	14.3	15.4	13.9	11.4	12.4	1.2	5.3	4.7	2.3	3.7	4.2	0.2	-0.6	1.6	1.9	..	..	..
Czech Republic	..	0.1	3.1	1.1	1.8	3.0	4.7	0.9	0.5	1.4	2.2	0.8	0.6	0.1	0.3	1.4	1.8	0.6	1.7	1.8
Denmark	1.9	1.2	1.2	1.7	2.2	1.8	2.9	1.3	2.5	2.3	2.4	0.8	0.8	0.6	0.5	1.2	1.7	0.6	1.3	2.0
Estonia	..	2.1	4.0	4.4	5.9	7.8	8.3	-0.3	3.9	5.5	3.8	2.7	0.5	0.0	0.7	2.3	2.6	1.6	2.5	2.7
Finland	1.8	1.0	0.3	1.0	1.3	1.9	3.4	1.8	1.4	3.2	2.8	2.5	1.5	0.4	0.5	0.7	0.8	0.4	0.8	0.8
France	1.1	1.7	2.1	1.8	2.2	2.1	2.8	-1.4	1.1	1.8	1.4	0.7	0.1	-0.2	0.0	0.6	0.7	0.2	0.6	0.7
Germany	1.4	1.8	1.0	1.5	1.1	1.6	1.7	-0.4	2.0	2.0	1.5	1.1	0.9	0.6	0.5	1.2	1.5	0.7	1.4	1.6
Greece	..	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	-0.2	0.7	1.3	0.1	0.9	1.4
Hungary	15.7	4.3	5.4	3.5	3.2	6.6	5.7	4.1	3.7	3.7	6.2	1.8	1.0	-0.3	-0.1	1.3	2.5	0.3	1.8	2.9
Iceland	3.4	0.9	3.3	1.0	7.2	4.8	14.7	15.0	1.8	3.4	5.7	3.2	2.9	0.7	1.5	2.9	3.8	2.3	3.3	3.7
India[1]	..	3.4	2.9	3.3	6.1	4.9	6.7	6.2	8.2	7.9	9.7	7.5	4.1	4.5	5.0	5.1	4.6	..	..	..
Indonesia	..	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	2.9	4.1	4.1	..	..	..
Ireland	3.3	4.0	2.2	1.1	2.5	3.2	2.0	-6.6	-2.1	1.2	1.4	1.5	1.5	0.6	1.3	1.6	2.2	1.0	2.2	2.2
Israel	..	0.3	0.5	1.6	2.3	1.4	5.3	2.0	3.2	3.2	1.8	1.4	0.6	-0.4	-0.2	0.7	1.2	0.0	1.0	1.3
Italy	3.5	2.9	2.4	2.1	2.6	2.3	3.1	-0.4	1.4	2.9	2.7	1.2	0.2	0.0	0.1	0.8	1.0	0.2	0.9	1.1
Japan	-0.1	-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	-0.7	0.2	0.9	-0.9	0.6	1.1
Korea	5.6	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	1.8	1.3	1.7	1.9
Latvia	..	5.1	7.0	9.7	10.0	11.7	13.4	-3.7	-2.5	6.1	3.4	0.3	1.7	-0.6	0.3	1.4	1.9	0.6	1.7	2.0
Lithuania	..	-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	1.2	2.4	2.8	..	..	..
Luxembourg	2.3	1.8	2.2	2.9	2.5	2.2	2.2	0.6	1.3	2.9	2.0	1.6	0.3	-0.7	-0.1	1.3	1.5	0.3	1.4	1.6
Mexico	15.7	-0.5	5.9	4.8	3.5	5.0	6.3	5.4	4.4	3.5	3.9	2.7	4.2	4.0	3.7	3.6	3.7	3.6	3.6	3.7
Netherlands	2.5	1.9	1.6	1.5	2.6	2.3	2.1	-1.0	1.0	2.1	1.5	2.3	0.8	0.0	0.3	0.5	1.5	-0.4	1.2	1.7
New Zealand	1.5	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	0.6	0.7	1.1	0.5	0.8	1.2
Norway	2.0	2.8	1.2	1.1	1.8	1.3	3.5	2.5	2.1	1.1	1.1	2.1	2.2	2.3	3.7	2.5	2.0	3.6	2.0	2.1
Poland	15.8	0.5	4.6	2.2	1.5	2.2	4.1	2.7	2.5	4.9	3.3	0.4	-0.1	-1.3	0.1	1.1	1.7	0.5	1.5	1.8
Portugal	3.8	3.6	2.3	3.8	3.5	3.4	2.8	-1.9	1.8	1.7	1.8	0.8	0.3	0.7	0.9	1.0	1.1	0.8	1.0	1.1
Russia	..	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	10.1	6.4	5.4	..	..	..
Slovak Republic	..	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	-0.3	0.9	1.4	0.0	1.2	1.5
Slovenia	..	5.2	3.0	2.2	2.4	4.1	5.6	0.9	1.4	1.8	1.4	0.8	0.0	-0.7	-0.5	0.5	1.2	-0.2	0.8	1.6
South Africa	8.2	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	6.0	5.7	5.6	..	..	..
Spain	3.5	3.2	3.6	3.4	3.6	3.3	3.6	-0.9	2.0	2.4	2.4	1.0	0.2	-0.2	-0.1	1.1	0.9	1.1	0.4	1.2
Sweden	2.0	1.6	0.8	1.1	1.2	1.4	3.1	2.2	1.5	1.7	0.5	0.7	1.1	1.0	0.9	1.7	1.9	1.1	1.9	1.9
Switzerland	0.8	0.8	0.7	1.1	1.2	1.4	1.9	-0.5	0.5	0.0	-1.1	-0.6	-0.2	-0.8	-0.4	0.1	0.2	-0.2	0.2	0.3
Turkey	68.4	23.4	10.8	8.3	9.8	6.6	10.8	4.9	8.5	8.9	8.1	6.2	7.0	6.9	6.9	7.2	6.9	8.7	4.1	8.7
United Kingdom	1.5	1.3	1.6	2.0	2.8	2.1	3.9	0.9	2.1	3.6	1.9	2.3	1.7	0.3	1.1	2.3	2.7	1.3	2.6	2.6
United States	1.8	2.0	2.4	2.9	2.7	2.5	3.1	-0.1	1.7	2.5	1.9	1.3	1.5	0.3	1.1	1.7	2.2	1.3	1.8	2.4
Euro area	2.2	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	1.2	0.5	1.0	1.3
Total OECD	4.1	2.0	2.3	2.4	2.4	2.3	3.2	0.2	1.7	2.5	1.9	1.4	1.6	0.7	1.0	1.7	2.1	1.3	1.7	2.3
..																				

Note: The adoption of national accounts systems has been proceeding at an uneven pace among countries, both with respect to variables and the time period covered. As a consequence, there are breaks in many national series. For further information, see table "National Accounts Reporting Systems, base years and latest data updates" at the beginning of the Statistical Annex.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

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Annex Table 15. **Consumer price indices**

Percentage changes

	Average 1992-02	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017 Q4 / Q4	2018
Argentina	4.0	13.4	4.4	9.6	10.9	8.8	8.6	6.3	10.5	9.8	10.1	10.6	3.9	21.2	30.9	24.1	15.6	..	..	..
Australia	2.5	2.7	2.3	2.7	3.6	2.4	4.3	1.8	2.9	3.4	1.7	2.5	2.5	1.5	1.3	1.8	2.1	1.4	1.8	2.3
Austria	1.8	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	0.9	1.7	1.8	1.2	1.8	1.8
Belgium	1.8	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	1.7	1.7	1.7	1.9	1.5	1.8
Brazil	..	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	9.0	6.0	5.0	..	..	..
Canada	1.8	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	1.5	1.8	2.0	1.5	1.9	2.1
Chile	6.4	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	3.9	3.1	3.0	3.4	3.0	3.0
China	5.7	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	2.1	2.2	2.9	2.2	2.5	3.0
Colombia	15.7	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	7.5	3.8	3.3	..	..	..
Costa Rica	13.0	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	0.0	2.5	3.0	..	..	..
Czech Republic	..	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	0.6	1.8	2.2	1.0	2.1	2.2
Denmark	2.2	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	0.3	1.1	1.7	0.5	1.2	2.0
Estonia	..	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	0.8	2.3	2.6	1.5	2.5	2.7
Finland	1.8	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	0.3	0.8	0.8	0.6	0.8	0.8
France	..	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	0.3	1.2	1.2	0.6	1.1	1.2
Germany	..	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	1.4	1.7	0.6	1.5	1.8
Greece	..	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	0.1	1.1	1.4	0.4	1.0	1.8
Hungary	15.8	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	1.4	2.5	0.2	1.8	2.9
Iceland[1]	3.3	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	1.7	2.9	3.8	1.9	3.4	3.8
India[2]	7.3	4.1	4.0	3.7	6.8	5.9	9.2	10.6	9.5	9.3	9.9	9.4	5.9	4.9	5.2	5.2	4.6	..	..	..
Indonesia	..	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	3.6	3.9	4.0	..	..	..
Ireland	..	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	0.0	1.5	2.0	0.4	1.8	2.0
Israel	7.1	0.7	-0.4	1.3	2.1	0.5	4.6	3.3	2.7	3.5	1.7	1.5	0.5	-0.6	-0.5	0.7	1.1	-0.2	0.9	1.2
Italy	3.1	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	-0.1	0.8	1.2	0.1	1.0	1.2
Japan	0.2	-0.3	0.0	-0.6	0.2	0.1	1.4	-1.4	-0.6	-0.3	0.0	0.3	2.7	0.8	-0.3	0.3	1.0	-0.4	0.7	1.1
Korea	4.2	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	0.9	1.5	1.8	0.8	1.7	1.9
Latvia	..	3.0	6.4	7.0	6.5	10.5	14.9	2.7	-1.0	4.3	2.1	-0.1	0.7	0.3	-0.2	1.3	1.9	0.5	1.4	2.1
Lithuania	..	-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	0.6	2.3	2.8	..	..	..
Luxembourg	..	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	1.4	1.5	0.3	1.4	1.7
Mexico	15.6	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	3.5	3.6	3.0	3.6	3.6
Netherlands	2.3	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	0.0	1.0	1.5	0.0	1.2	1.7
New Zealand	1.9	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	0.5	1.0	1.5	0.8	1.2	1.6
Norway	2.2	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	3.6	2.4	1.9	3.7	1.9	2.0
Poland	16.3	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	-0.8	1.1	1.7	-0.3	1.5	1.8
Portugal	3.5	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	0.7	1.1	1.1	1.0	1.0	1.2
Russia	..	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	7.2	5.9	5.0	..	..	..
Slovak Republic	..	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	-0.5	0.8	1.4	-0.4	1.2	1.5
Slovenia	..	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	-0.2	0.8	1.2	0.3	0.8	1.6
South Africa	..	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	6.6	6.1	5.7	..	..	..
Spain	..	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	-0.3	1.5	1.3	0.7	0.9	1.6
Sweden[3]	1.6	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	0.9	1.5	2.0	1.2	1.7	2.3
Switzerland	1.1	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	0.3	0.5	0.0	0.4	0.5
Turkey	72.1	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	7.7	7.3	8.1	7.4	7.0
United Kingdom	1.8	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	0.6	2.4	2.9	1.2	2.8	2.8
United States	2.5	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	1.2	1.9	2.2	1.4	1.9	2.4
Euro area	..	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	1.4	0.6	1.2	1.5

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438159

Annex Table 16. **Oil and other primary commodity markets**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Estimates and assumptions 2016	2017	2018
Oil market conditions[1]											Million barrels per day									
Demand																				
Total OECD	48.4	48.4	48.5	48.5	49.2	50.0	50.3	50.1	50.0	48.3	46.3	47.0	46.4	46.0	46.1	45.8	46.4	46.5	46.5	..
of which: OECD North America	24.1	24.3	24.3	24.3	24.8	25.6	25.8	25.7	25.9	24.6	23.8	24.3	24.1	23.7	24.1	24.2	24.6	24.6	24.6	..
OECD Europe	15.5	15.4	15.6	15.5	15.6	15.7	15.8	15.9	15.6	15.5	14.7	14.7	14.2	13.8	13.6	13.5	13.7	13.9	13.9	..
OECD Asia and Pacific	8.8	8.8	8.6	8.6	8.8	8.7	8.7	8.6	8.5	8.2	7.8	8.0	8.1	8.5	8.3	8.1	8.0	8.1	8.0	..
Total non-OECD	27.9	28.7	29.4	30.1	31.0	33.2	34.3	35.5	37.0	38.2	39.1	41.6	42.9	44.6	45.9	47.4	48.7	49.7	51.0	..
World	76.3	77.1	77.9	78.6	80.2	83.2	84.6	85.7	87.0	86.5	85.5	88.6	89.3	90.5	92.0	93.2	95.0	96.3	97.5	..
Supply																				
Total OECD	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	23.3	23.3	..
Total OPEC	31.4	32.5	31.9	30.3	32.5	34.7	36.2	36.4	36.2	37.4	35.4	35.9	37.0	38.7	37.7	37.7	39.0	..	..	..
Former USSR	7.5	8.0	8.6	9.5	10.5	11.4	11.8	12.3	12.8	12.8	13.2	13.5	13.5	13.6	13.8	13.9	14.0	14.2	14.5	..
Rest of the world	14.8	15.0	15.2	15.7	16.0	16.2	16.6	17.0	17.2	17.7	18.1	18.9	19.0	18.6	18.8	19.3	19.6	..	..	..
World	75.1	77.3	77.5	77.3	80.4	83.4	84.8	85.5	85.6	86.6	85.4	87.2	88.3	90.7	91.4	93.8	96.6	..	..	..
Trade																				
OECD net imports	26.2	26.7	27.1	26.5	28.0	29.1	30.4	30.6	30.4	29.9	27.6	28.2	27.2	26.3	25.0	23.3	23.2	..	..	..
Former USSR net exports	3.8	4.2	4.9	5.8	6.6	7.6	8.0	8.3	8.7	8.6	9.2	9.2	8.9	8.9	9.1	8.9	9.1	9.1	9.4	..
Other non-OECD net exports	22.4	22.5	22.2	20.7	21.4	21.5	22.4	22.3	21.6	21.3	18.4	19.0	18.3	17.4	15.9	14.4	14.1	..	..	..
Prices[2]											fob, USD per barrel									
Brent crude oil price[3]	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	42.9	45.0	45.0
Prices of other primary commodities[2]											USD indices, 2010 = 100									
Food and tropical beverages	48	45	42	46	50	57	56	62	78	103	90	100	129	120	106	104	85	87	90	90
Agricultural raw materials	57	61	53	51	61	68	70	77	92	88	73	100	122	93	85	74	61	59	62	62
Minerals, ores and metals	33	38	34	33	38	50	59	85	95	98	68	100	118	99	96	86	64	60	65	65
Total[4]	43	44	40	41	46	56	59	74	88	99	78	100	123	107	98	91	72	71	75	75

1. Based on data published in various issues of International Energy Agency, Oil Market Report.
2. Indices through 2016 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 100 database; and International Energy Agency, Oil Market Report.

StatLink http://dx.doi.org/10.1787/888933438166

Annex Table 17. **Compensation per employee**

Percentage changes from previous period

	Average 1989-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	3.9	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	1.4	2.8	3.5
Austria	3.5	2.4	1.5	2.0	1.7	2.0	2.1	3.1	3.0	3.3	1.6	1.0	2.1	2.7	2.1	1.9	1.9	1.1	1.3	0.9
Belgium	3.9	2.1	3.5	3.9	2.0	1.7	1.9	3.6	3.5	3.7	1.1	1.4	3.4	3.1	2.4	1.0	0.0	0.2	1.8	2.1
Canada	3.1	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	1.3	2.6	3.4
Czech Republic	..	7.5	8.4	7.8	7.7	7.9	3.9	5.9	6.2	4.1	-0.6	3.3	2.9	1.7	-0.3	2.6	2.6	3.4	4.2	4.6
Denmark	3.5	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	2.2	3.1
Estonia	..	14.6	9.6	9.2	11.7	11.8	11.0	13.8	24.9	10.3	-3.2	2.3	0.4	6.0	3.9	6.3	6.4	4.6	4.0	4.7
Finland	3.8	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	1.0	1.6	1.0	0.9	0.8
France	2.4	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	1.1	1.1	1.1	1.3	1.7
Germany	..	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	2.8	2.4	2.2	2.8	3.1
Greece	..	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	-1.7	-0.2	0.5	0.9
Hungary	..	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	1.5	1.6	4.5	4.9	5.8
Iceland	6.5	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	5.5	10.6	6.4	5.8
Ireland	..	7.8	7.8	5.4	6.5	5.1	5.6	4.3	5.7	3.9	-1.0	-3.6	0.5	0.7	1.4	1.8	2.8	2.6	2.7	2.6
Israel	..	6.1	2.6	0.6	-2.1	0.3	1.9	5.6	2.5	2.9	-0.9	3.8	4.2	2.4	2.2	0.9	2.9	3.1	3.5	3.8
Italy	4.6	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	0.1	0.8	0.0	0.6	0.6
Japan	1.2	-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	0.5	1.2	1.6
Korea	10.7	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	2.1	2.2	2.7	3.4
Latvia	..	8.5	3.4	2.6	12.0	15.0	26.4	22.2	36.7	16.8	-11.5	-6.9	2.6	7.5	5.7	8.2	6.9	6.1	5.0	5.0
Luxembourg	3.7	4.8	3.5	4.1	1.1	3.8	4.0	4.3	4.3	2.7	1.6	2.7	1.8	1.8	2.3	2.7	0.9	0.6	3.4	2.9
Mexico	20.3	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	4.8	3.1	4.9	4.8	5.6
Netherlands	2.8	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	2.1	1.6	0.2	1.7	2.1	2.5
Norway	4.3	4.9	5.7	4.4	4.1	4.2	4.7	5.5	6.3	6.3	3.4	3.1	4.8	4.6	4.4	3.2	2.7	2.4	2.7	2.9
Poland	..	11.4	10.0	2.5	1.6	2.4	2.1	2.0	5.8	8.6	3.2	5.5	5.3	3.6	1.7	2.2	1.2	3.6	4.7	5.3
Portugal	..	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	-1.8	-0.3	1.3	0.8	1.1
Slovak Republic	..	13.2	5.6	8.9	8.1	8.0	9.1	8.0	8.7	6.6	2.6	5.4	2.0	2.6	2.6	1.8	3.1	2.4	3.4	4.0
Slovenia	..	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	0.4	1.3	1.5	1.1	1.9	3.4
Spain	5.6	2.8	3.8	3.5	2.8	2.3	2.9	3.3	4.6	6.7	4.5	0.2	0.7	-1.4	0.3	0.1	0.9	0.9	1.6	1.6
Sweden	4.8	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	2.2	3.5	2.2	2.9	3.3
Switzerland	..	2.4	3.8	1.4	0.1	0.0	2.5	1.7	3.1	1.7	1.0	0.7	1.3	0.7	0.7	-0.5	-0.9	-0.6	1.1	1.3
United Kingdom	5.4	5.7	5.8	2.5	4.8	4.7	3.5	6.0	5.4	0.5	2.3	3.3	1.1	1.7	2.1	0.7	1.3	1.7	2.3	2.5
United States	3.7	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	2.6	2.0	3.8	3.7
Euro area	..	3.0	3.0	3.0	2.8	2.4	2.4	2.6	3.0	3.5	1.4	1.8	1.8	1.1	1.4	1.4	1.4	1.3	1.8	2.0
Total OECD	5.1	5.1	3.7	2.5	3.1	3.3	3.0	3.1	3.5	3.0	0.8	2.0	2.5	1.9	1.4	2.0	1.8	1.9	2.8	3.1

Source: OECD Economic Outlook 100 database.

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Annex Table 18. **Labour productivity**

Percentage changes from previous period

	Average 1989-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.0	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	2.0	0.5	1.1	1.3	1.5
Austria	2.1	2.7	0.6	1.6	0.2	1.8	1.2	1.8	1.7	-0.7	-3.1	1.0	1.4	-0.3	-0.3	-0.2	0.2	0.3	-0.1	0.0
Belgium	1.7	1.6	-0.6	2.0	0.9	2.6	0.6	1.4	1.7	-1.0	-2.1	2.0	0.4	-0.3	0.3	1.2	0.6	0.1	0.3	0.8
Canada	1.3	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	0.2	0.6	1.2	1.4
Chile	4.4	3.3	2.1	0.8	-0.1	4.1	2.3	4.0	2.4	0.3	-0.4	-2.0	0.7	3.5	1.9	0.3	0.8	0.3	0.8	0.9
Czech Republic	..	5.2	3.3	1.0	4.4	5.1	4.4	5.5	3.4	0.5	-3.1	3.4	2.3	-1.2	-0.8	2.2	3.1	0.7	2.1	2.4
Denmark	2.1	3.0	-0.1	0.4	1.3	3.3	0.9	1.7	-1.3	-1.6	-2.0	4.3	1.4	0.8	0.8	0.9	0.5	-0.9	-0.1	0.6
Estonia	..	9.0	5.8	6.3	5.2	6.7	6.7	5.4	7.0	-4.8	-4.5	7.0	1.0	2.5	0.3	1.9	-1.2	-0.4	1.9	2.1
Finland	2.8	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	0.6	0.4	0.5	0.7
France	1.3	1.5	0.5	0.6	0.8	2.5	1.0	1.4	0.9	-0.4	-1.8	1.8	1.3	-0.1	0.4	0.2	0.7	0.5	0.8	0.9
Germany	..	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	0.0	0.8	0.6	0.1	0.5	0.9
Greece	..	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	0.3	-2.2	-1.7	-0.9	-0.4
Hungary	..	3.2	3.9	4.6	3.8	6.0	4.7	3.4	0.4	2.9	-4.2	1.0	1.6	-1.7	1.2	-0.7	0.5	-1.1	0.8	1.2
Iceland	1.1	2.7	2.1	1.8	2.3	8.2	3.2	0.0	4.7	0.7	-1.0	-3.3	1.7	0.1	1.3	-0.6	0.8	1.2	1.3	0.8
Ireland	..	5.2	2.9	3.9	1.8	3.3	0.8	1.2	-0.6	-3.8	3.5	6.3	0.5	-0.5	-1.4	6.6	23.2	1.5	0.9	0.3
Israel	..	5.3	-1.7	-0.6	0.2	2.8	0.4	2.3	1.9	-0.5	-0.7	2.4	2.0	-1.6	1.6	0.4	0.2	1.0	1.3	1.2
Italy	1.3	2.0	-0.4	-1.4	-1.2	0.8	0.6	0.1	0.1	-1.3	-3.9	2.3	0.4	-2.5	0.0	0.1	0.1	-0.6	-0.1	0.5
Japan	0.9	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	-0.3	0.9	1.1
Korea	5.5	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	1.6	1.4	2.0
Latvia	..	9.1	4.8	5.6	7.8	8.1	9.7	5.8	5.9	-2.8	0.0	3.1	4.6	2.5	0.6	3.5	1.4	3.9	2.1	3.0
Luxembourg	1.4	2.7	-3.4	0.7	-0.5	2.0	0.4	1.2	3.8	-5.3	-6.4	3.9	-0.9	-2.4	2.3	2.0	0.9	0.9	1.8	1.9
Mexico	..	2.7	-0.6	-2.1	0.6	0.6	2.6	1.5	1.4	-1.1	-3.4	-2.8	3.4	-0.7	1.0	2.6	0.2	0.8	1.5	1.4
Netherlands	1.3	2.4	0.2	-0.6	1.0	3.0	1.5	1.5	0.7	0.1	-3.0	2.0	0.8	-0.9	1.0	1.7	1.0	0.9	0.9	1.0
New Zealand	1.2	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	-0.2	0.9	-1.0	0.2	1.0
Norway	2.5	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	0.7	1.3	0.6	0.1	0.5
Poland	..	7.2	3.6	4.6	4.8	3.9	1.3	2.9	2.5	0.5	2.5	3.1	4.4	1.5	1.5	1.5	2.5	1.5	2.2	2.6
Portugal	1.7	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	0.2	-0.2	0.1	0.7
Slovak Republic	..	3.2	2.7	4.4	4.3	5.5	5.1	6.2	8.5	2.3	-3.5	6.7	1.0	1.6	2.3	1.1	1.8	1.4	1.9	2.4
Slovenia	..	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	0.0	2.6	1.2	0.5	1.0	1.3
Spain	1.0	0.3	0.6	0.3	-0.1	-0.6	-0.5	0.0	0.5	0.9	2.9	1.8	1.7	1.1	0.9	0.5	0.7	0.5	-0.1	0.4
Sweden	2.6	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	1.2	2.3	1.7	1.6	1.5
Switzerland	0.7	3.1	-0.2	-0.6	0.4	2.4	2.3	1.9	1.5	-0.2	-2.6	2.5	-0.4	-0.5	0.4	0.2	-0.8	-0.1	0.5	0.6
Turkey	2.0	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	0.7	0.7	0.9
United Kingdom	1.9	2.6	1.9	1.5	2.4	1.4	1.8	1.5	1.7	-1.5	-2.8	1.7	1.0	0.2	0.7	0.7	0.5	0.6	0.9	1.3
United States	1.6	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	0.3	0.6	0.5	-0.2	0.7	1.5
Euro area	..	1.6	1.0	0.4	0.5	1.4	0.9	1.7	1.2	-0.5	-2.7	2.5	1.3	-0.5	0.3	0.6	0.8	0.2	0.4	0.7
Total OECD	1.8	2.8	0.8	1.7	1.9	2.3	1.7	1.6	1.4	-0.2	-1.4	2.5	1.2	0.3	0.6	0.6	0.6	0.3	0.8	1.2

Note: Labour productivity measured as GDP per person employed.

Source: OECD Economic Outlook 100 database.

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Annex Table 19. **Employment and labour force**

Percentage changes from previous period

	Employment									Labour force								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
Australia	1.9	2.2	1.2	0.9	0.7	1.9	1.6	1.3	1.6	1.4	2.1	1.3	1.4	1.2	1.9	1.2	1.0	1.4
Austria	0.6	1.0	0.8	0.5	0.2	0.9	1.8	1.6	1.3	0.6	1.1	1.1	1.0	0.5	1.0	2.3	1.9	1.3
Belgium	0.8	1.0	0.4	-0.3	0.4	0.9	1.1	1.0	0.7	0.7	0.9	0.9	0.6	0.5	0.8	0.7	0.5	0.4
Canada	1.8	1.3	1.3	1.4	0.6	0.9	0.6	0.9	0.9	1.3	1.3	1.1	1.1	0.4	0.8	0.7	0.7	0.6
Chile	1.6	3.3	1.9	2.1	1.5	1.5	1.3	1.7	1.6	2.0	3.0	1.2	1.6	1.9	1.4	1.7	1.6	1.5
Czech Republic	..	0.3	0.3	1.0	0.7	1.4	1.6	0.4	0.2	..	0.3	0.6	0.9	-0.2	0.2	0.6	0.2	0.1
Denmark	0.4	-0.1	-0.5	0.0	1.0	1.4	3.5	1.4	1.3	-0.1	0.3	-0.6	-0.6	0.5	1.0	3.5	0.9	1.2
Estonia	..	0.3	1.9	1.0	0.6	2.6	1.6	0.6	0.7	..	0.4	-0.7	-0.6	-0.8	1.3	2.4	1.4	1.1
Finland	1.1	0.5	0.4	-1.0	-0.4	-0.4	0.4	0.4	0.4	0.6	0.3	0.3	-0.5	0.1	0.4	-0.1	0.2	0.2
France	0.8	0.5	0.2	-0.2	0.1	0.1	0.7	0.5	0.7	0.6	0.6	0.9	0.4	0.2	0.2	0.2	0.3	0.5
Germany	-0.1	0.8	1.0	1.0	0.9	0.7	2.6	1.1	0.9	0.0	0.5	0.5	0.8	0.7	0.3	2.1	1.1	0.7
Greece	..	-0.6	-8.9	-4.9	0.7	2.1	2.2	2.2	2.3	..	0.4	-0.9	-1.0	-0.7	-0.1	0.4	1.7	1.8
Hungary	-0.6	-0.3	1.8	1.7	5.3	2.7	3.2	1.7	0.9	-1.1	0.3	1.8	0.8	2.6	1.7	1.4	1.0	0.8
Iceland	1.7	0.8	1.1	3.1	2.5	3.4	3.4	2.7	1.7	1.4	1.2	0.1	2.5	2.0	2.4	2.4	2.7	1.8
Ireland	4.6	0.4	-0.6	2.3	1.8	2.6	2.7	2.3	2.0	3.2	1.7	-0.6	0.4	-0.2	0.5	1.0	1.4	1.6
Israel	..	3.2	3.3	2.6	3.0	2.6	2.6	2.1	2.0	..	2.4	3.0	2.0	2.7	1.8	2.2	2.0	1.9
Italy	0.0	0.2	-0.3	-1.5	0.4	0.8	1.3	1.0	0.6	0.1	0.2	2.3	0.1	1.0	0.0	0.8	0.5	0.2
Japan	0.0	-0.1	-0.3	0.7	0.6	0.4	1.0	0.2	-0.2	0.3	-0.2	-0.6	0.3	0.2	0.2	0.8	0.0	-0.3
Korea	1.4	1.0	1.8	1.6	2.1	1.3	1.2	1.2	1.0	1.6	1.0	1.6	1.5	2.6	1.4	1.3	1.2	1.0
Latvia	..	-1.1	1.6	2.1	-1.0	1.3	0.2	0.2	0.3	..	-0.7	0.2	-1.6	-2.2	0.2	-0.1	-0.2	-0.1
Luxembourg	1.5	1.7	2.4	2.0	2.4	2.1	2.1	2.1	2.1	1.6	2.1	2.9	2.8	2.7	1.8	1.7	2.0	2.0
Mexico	2.5	1.6	3.3	1.1	0.4	2.4	1.3	0.7	1.0	2.4	1.9	3.0	1.1	0.3	1.9	0.9	0.9	1.0
Netherlands	1.9	0.6	0.6	-0.8	-0.6	1.0	1.3	1.1	0.8	1.5	0.8	1.5	0.8	-0.4	0.4	0.4	0.6	0.7
New Zealand	2.2	1.6	0.2	1.5	3.5	2.2	4.6	3.2	1.6	1.6	1.6	0.7	0.8	3.1	2.2	4.2	2.7	1.5
Norway	1.4	1.2	2.0	0.6	1.0	0.5	0.1	0.5	1.0	1.2	1.1	1.9	0.9	1.0	1.4	0.6	0.3	0.5
Poland	..	1.7	0.2	-0.1	1.9	1.4	1.1	1.1	0.5	..	0.3	0.7	0.1	0.4	-0.2	-0.5	0.4	0.3
Portugal	0.8	-0.9	-4.1	-2.6	1.6	1.1	1.0	1.1	0.6	0.8	0.0	-0.8	-1.8	-1.1	-0.6	-0.6	0.1	0.6
Slovak Republic	..	0.9	0.6	0.0	1.5	2.6	2.7	1.4	1.4	..	0.3	1.0	0.3	0.2	0.6	0.8	0.6	0.4
Slovenia	..	0.3	-1.3	-1.9	1.2	0.1	0.0	1.5	1.0	..	0.5	-0.6	-0.6	0.7	-0.7	-1.3	0.6	0.8
Spain	2.6	1.0	-4.3	-2.8	1.2	3.0	2.9	2.4	1.8	2.1	2.4	0.0	-1.1	-1.0	-0.1	-0.3	0.1	0.2
Sweden	0.1	0.7	0.6	1.1	1.4	1.4	1.3	1.1	0.7	0.0	0.9	0.8	1.1	1.3	0.8	0.8	0.8	0.7
Switzerland	0.4	1.1	1.2	1.2	1.6	1.4	1.6	1.2	1.2	0.3	1.2	1.4	1.4	1.8	1.4	1.7	1.2	1.2
Turkey	1.1	2.3	3.1	2.9	5.1	2.9	2.2	2.6	2.9	1.1	2.2	2.3	3.6	6.1	3.3	2.6	2.7	2.9
United Kingdom	0.9	0.6	1.1	1.2	2.4	1.8	1.4	0.3	-0.3	0.3	0.9	0.9	0.8	0.8	0.9	0.9	0.4	0.3
United States	1.6	0.3	1.8	1.0	1.6	1.7	1.8	1.5	1.5	1.3	0.7	0.9	0.3	0.3	0.8	1.4	1.4	1.2
Euro area	0.7	0.6	-0.6	-0.6	0.6	1.0	1.8	1.2	1.0	0.7	0.8	0.8	0.1	0.2	0.2	0.8	0.6	0.5
Total OECD	..	0.7	1.0	0.7	1.3	1.5	1.6	1.1	1.0	..	0.9	1.0	0.6	0.7	0.8	1.1	0.9	0.8

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438191

Annex Table 20. **Labour force, employment and unemployment**

Millions

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Labour force																				
Total of major countries	341.4	345.2	347.1	348.7	351.0	352.6	355.8	359.4	362.3	364.5	364.6	364.5	364.9	367.4	368.9	370.5	372.5	376.8	379.9	382.4
Total of smaller countries	194.8	196.9	199.4	202.6	204.4	208.4	211.5	214.8	218.0	221.5	224.4	227.3	230.3	233.7	236.0	238.9	242.0	244.5	247.2	249.9
Euro area	142.4	143.7	145.2	146.6	148.0	149.3	151.2	152.9	154.5	156.0	156.4	156.5	157.0	158.2	158.4	158.6	158.9	160.2	161.2	162.1
Total OECD	536.2	542.2	546.4	551.3	555.4	561.0	567.3	574.2	580.3	586.0	588.9	591.8	595.2	601.1	604.9	609.4	614.5	621.3	627.1	632.3
Employment																				
Total of major countries	320.9	325.9	326.9	326.3	327.8	330.2	333.9	338.7	342.7	343.3	335.4	334.8	337.0	340.3	342.7	346.8	350.8	356.2	359.7	362.5
Total of smaller countries	180.7	183.5	185.4	187.6	188.9	192.4	196.0	200.7	204.9	207.8	205.7	207.7	210.8	213.0	214.3	217.8	222.1	225.8	229.0	232.0
Euro area	128.8	131.3	133.4	134.2	134.7	135.6	137.6	140.2	142.9	144.2	141.4	140.7	141.0	140.2	139.4	140.2	141.6	144.2	145.9	147.3
Total OECD	501.5	509.4	512.3	513.9	516.6	522.5	530.0	539.4	547.7	551.1	541.0	542.5	547.8	553.3	557.1	564.6	572.9	582.0	588.6	594.5
Unemployment																				
Total of major countries	20.6	19.3	20.2	22.3	23.2	22.4	21.9	20.7	19.6	21.3	29.2	29.7	27.9	27.1	26.2	23.7	21.6	20.6	20.2	19.9
Total of smaller countries	14.1	13.4	14.0	15.1	15.5	16.1	15.5	14.1	13.0	13.6	18.7	19.6	19.5	20.8	21.6	21.2	20.0	18.7	18.2	18.0
Euro area	13.5	12.4	11.7	12.4	13.3	13.7	13.7	12.8	11.6	11.8	15.0	15.8	15.9	17.9	19.0	18.4	17.3	16.0	15.3	14.8
Total OECD	34.7	32.8	34.2	37.4	38.7	38.5	37.4	34.8	32.6	34.9	47.9	49.3	47.4	47.8	47.8	44.8	41.6	39.3	38.4	37.8

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438207

Annex Table 21. **Unemployment rates: national definitions**

Per cent of labour force

	2015 Unemployment thousands	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016 Fourth quarter	2017 Fourth quarter	2018 Fourth quarter
Australia	758.1	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	5.5	5.3	5.6	5.4	5.3
Austria	255.4	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	6.3	6.6	6.6	6.6	6.6	6.6
Belgium	433.7	8.2	8.4	8.5	8.3	7.5	7.0	7.9	8.3	7.1	7.6	8.5	8.6	8.5	8.1	7.6	7.3	8.0	7.4	7.2
Canada	1331.1	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	7.0	6.8	6.5	6.9	6.7	6.4
Chile	534.5	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	6.5	6.4	6.2	6.7	6.3	6.2
Czech Republic	267.5	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	4.1	3.9	3.8	4.0	3.9	3.8
Denmark	181.3	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	5.6	5.5	6.1	5.6	5.5
Estonia	42.2	10.3	10.2	8.0	5.9	4.6	5.5	13.6	16.7	12.3	10.0	8.6	7.4	6.2	6.9	7.6	8.0	7.5	7.8	8.2
Finland	252.2	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	8.8	8.6	8.5	8.7	8.6	8.4
France	3055.3	8.4	8.8	8.8	8.8	8.0	7.3	9.1	9.2	9.1	9.7	10.3	10.3	10.4	9.9	9.7	9.6	9.8	9.7	9.5
Germany	1941.7	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	4.2	4.2	4.1	4.2	4.2	4.0
Greece	1197.0	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	23.5	23.1	22.7	..	..	..
Hungary	307.4	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	5.1	4.5	4.4	4.7	4.5	4.3
Iceland	7.7	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	3.1	3.1	3.2	3.1	3.2	3.1
Ireland	203.6	4.7	4.5	4.3	4.4	4.7	6.4	12.0	13.9	14.6	14.7	13.1	11.3	9.4	7.9	7.1	6.7	7.0	7.1	6.5
Israel	201.8	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	4.9	4.8	4.7	4.8	4.8	4.7
Italy	3038.7	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	11.5	11.0	10.7	11.4	10.8	10.6
Japan	2214.2	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	3.1	3.0	2.9	3.1	3.0	2.9
Korea	975.2	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	3.8	3.8	3.8	3.9	3.7	3.8
Latvia	98.2	11.6	11.7	10.0	7.0	6.0	7.8	17.6	19.5	16.2	15.0	11.8	10.8	9.9	9.6	9.2	8.8	9.5	9.0	8.7
Luxembourg	17.9	3.3	3.7	4.1	4.3	4.2	4.2	5.5	5.8	5.7	6.1	6.9	7.1	6.8	6.4	6.3	6.2	6.3	6.3	6.2
Mexico[1]	2293.8	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	3.9	4.1	4.1	3.9	4.1	4.2
Netherlands	613.8	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	6.0	5.6	5.5	5.6	5.5	5.4
New Zealand	133.5	4.8	4.0	3.8	3.9	3.6	4.0	5.8	6.1	6.0	6.4	5.8	5.4	5.4	5.0	4.5	4.4	4.8	4.4	4.5
Norway	118.7	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	4.6	4.2	4.7	4.4	4.0
Poland	1304.3	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	6.1	5.4	5.3	5.7	5.3	5.3
Portugal	647.0	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	11.0	10.1	10.1	10.5	10.1	10.1
Slovak Republic	314.2	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	9.8	9.1	8.3	9.6	8.8	7.9
Slovenia	90.3	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	7.8	7.1	6.9	7.4	7.0	6.8
Spain	5056.0	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	19.6	17.7	16.4	18.4	17.4	15.8
Sweden	386.6	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	6.9	6.7	6.7	6.8	6.6	6.8
Switzerland	219.3	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	4.6	4.6	4.5	4.6	4.5	4.5
Turkey	3054.5	9.9	9.7	9.5	9.0	9.2	10.0	13.0	11.1	9.1	8.4	9.0	9.9	10.3	10.6	10.7	10.7	11.2	10.4	10.8
United Kingdom	1781.3	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	4.9	5.0	5.6	4.8	5.2	5.9
United States	8287.3	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.7	4.5	4.9	4.6	4.5
Euro area	17257.0	9.0	9.2	9.0	8.3	7.5	7.5	9.6	10.1	10.2	11.3	12.0	11.6	10.9	10.0	9.5	9.1	9.7	9.4	9.0
Total OECD	41614.7	7.0	6.9	6.6	6.1	5.6	6.0	8.1	8.3	8.0	8.0	7.9	7.4	6.8	6.3	6.1	6.0	6.2	6.1	5.9

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438219

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	9.5
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
Latvia	..	..	..	14.1	14.3	13.5	12.5	11.6	11.8	10.1	7.0	6.1	7.7	17.6	19.5	16.2	15.0	11.9	10.9	9.9
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	3.6	4.0	5.8	6.2	6.0	6.4	5.8	5.4	5.4
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	6.1	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	..	..	..	6.6	6.2	6.4	6.9	7.1	6.9	6.6	6.1	5.6	6.0	8.1	8.3	8.0	8.0	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/10.1787/888933438222

Annex Table 23. **Quarterly price, cost and unemployment projections**

Percentage changes, seasonally adjusted at annual rates

	2016	2017	2018	2016 Q4	2017 Q1	Q2	Q3	Q4	2018 Q1	Q2	Q3	Q4	2016	2017 Q4 / Q4	2018
Consumer price index[1]															
Canada	1.5	1.8	2.0	1.9	2.0	1.8	1.8	1.8	2.0	2.1	2.1	2.2	1.5	1.9	2.1
France	0.3	1.2	1.2	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	0.6	1.1	1.2
Germany	0.3	1.4	1.7	1.2	1.4	1.5	1.6	1.6	1.7	1.7	1.8	1.8	0.6	1.5	1.8
Italy	-0.1	0.8	1.2	0.8	0.9	0.9	1.0	1.2	1.2	1.2	1.2	1.2	0.1	1.0	1.2
Japan	-0.3	0.3	1.0	0.2	0.5	0.7	0.8	0.9	0.9	1.1	1.2	1.3	-0.4	0.7	1.1
United Kingdom	0.6	2.4	2.9	2.3	2.5	2.8	3.0	3.1	3.0	2.9	2.8	2.7	1.2	2.8	2.8
United States	1.2	1.9	2.2	1.7	1.8	1.8	2.0	2.1	2.2	2.3	2.5	2.6	1.4	1.9	2.4
Euro area	0.2	1.2	1.4	1.4	1.2	1.2	1.3	1.3	1.5	1.4	1.5	1.6	0.6	1.2	1.5
GDP deflator															
Canada	0.5	2.0	2.0	2.2	2.0	1.9	1.9	1.9	2.0	2.0	2.0	2.1	1.2	1.9	2.0
France	0.8	0.8	1.0	0.8	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	0.6	1.0	1.1
Germany	1.4	1.2	1.5	1.1	1.2	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.1	1.3	1.6
Italy	1.2	0.8	1.0	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Japan	0.4	0.0	0.7	0.0	0.2	0.4	0.5	0.6	0.7	0.8	1.0	1.1	-0.1	0.4	0.9
United Kingdom	1.5	1.9	2.2	1.7	1.8	2.0	2.1	2.2	2.1	2.0	2.3	2.4	2.3	2.1	2.2
United States	1.3	1.9	2.4	1.6	1.9	2.0	2.1	2.2	2.4	2.6	2.8	2.8	1.5	2.1	2.6
Euro area	1.0	1.1	1.3	1.2	1.0	1.1	1.2	1.3	1.4	1.4	1.4	1.5	0.9	1.1	1.4
Total OECD	1.3	1.7	2.1	1.8	1.7	1.8	1.9	2.0	2.1	2.1	2.3	2.4	1.5	1.8	2.2
Unit labour costs (total economy)															
Canada	0.7	1.4	1.9	1.1	1.8	1.9	1.8	1.9	2.0	1.9	1.9	1.9	0.5	1.8	1.9
France	0.6	0.6	0.8	0.4	1.0	0.8	0.6	0.7	0.9	0.8	0.8	0.8	0.2	0.8	0.8
Germany	1.7	1.8	2.1	1.8	1.7	1.6	1.8	2.0	2.3	2.2	2.2	2.1	1.4	1.7	2.2
Italy	1.0	0.7	0.1	1.2	0.7	0.4	0.2	0.2	0.1	0.0	-0.2	-0.2	0.8	0.3	-0.1
Japan	1.2	0.3	0.7	-0.4	0.9	0.3	0.5	0.5	0.8	0.9	0.8	0.8	0.0	0.5	0.8
United Kingdom	0.7	2.1	2.6	2.3	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6	1.0	2.5	2.6
United States	2.2	2.9	1.9	2.5	4.7	2.5	2.2	1.6	1.5	2.1	2.3	2.7	1.6	2.7	2.1
Euro area	1.1	1.2	1.2	1.5	1.2	1.0	1.0	1.1	1.3	1.3	1.3	1.3	1.0	1.1	1.3
Total OECD	1.8	2.0	1.9	1.9	2.7	1.7	1.7	1.6	1.8	2.1	2.0	2.0	1.7	1.9	2.0
Unemployment							Per cent of labour force								
Canada	7.0	6.8	6.5	6.9	6.9	6.8	6.8	6.7	6.6	6.5	6.5	6.4			
France	9.9	9.7	9.6	9.8	9.8	9.8	9.7	9.7	9.7	9.6	9.6	9.5			
Germany	4.2	4.2	4.1	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4.0	4.0			
Italy	11.5	11.0	10.7	11.4	11.2	11.1	11.0	10.8	10.8	10.7	10.7	10.6			
Japan	3.1	3.0	2.9	3.1	3.0	3.0	3.0	3.0	2.9	2.9	2.9	2.9			
United Kingdom	4.9	5.0	5.6	4.8	4.9	4.9	5.1	5.2	5.3	5.5	5.7	5.9			
United States	4.9	4.7	4.5	4.9	4.8	4.8	4.7	4.6	4.6	4.5	4.5	4.5			
Euro area	10.0	9.5	9.1	9.7	9.6	9.6	9.5	9.4	9.3	9.2	9.1	9.0			
Total OECD	6.3	6.1	6.0	6.2	6.2	6.2	6.1	6.1	6.0	6.0	6.0	5.9			

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. 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 100 database.

StatLink http://dx.doi.org/10.1787/888933438239

Annex Table 24. **Potential GDP and productive capital stock**

Percentage changes from previous period

	Potential GDP									Productive capital stock[1]								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
Australia	3.5	3.2	3.2	3.0	2.8	2.6	2.5	2.4	2.3	2.6	4.4	5.5	4.9	4.0	3.0	2.6	2.1	1.9
Austria	2.5	1.8	1.2	1.1	1.1	1.0	1.0	1.1	1.1	2.8	2.1	1.5	1.5	1.4	1.2	1.3	1.4	1.5
Belgium	2.3	1.6	1.1	1.0	1.1	1.2	1.2	1.3	1.3	2.7	1.9	1.5	1.2	1.4	1.6	1.6	1.7	1.9
Brazil	2.4	3.4	3.1	2.8	2.5	2.1	1.6	1.4	1.2	0.7	1.0	2.6	2.5	2.2	1.2	0.3	0.1	0.1
Canada	2.8	2.3	2.0	1.9	1.8	1.7	1.4	1.4	1.3	2.4	2.8	2.8	2.7	2.4	2.1	1.4	1.4	1.4
China	10.3	10.2	8.6	8.0	7.5	7.0	6.7	6.5	6.4	10.8	12.2	12.8	11.9	11.2	10.3	9.6	9.0	8.6
Colombia	..	4.7	4.5	4.3	4.0	3.8	3.4	3.2	3.0	..	4.7	6.5	6.3	6.5	6.3	5.5	4.9	4.7
Costa Rica	..	4.5	4.0	3.8	3.4	3.3	3.2	3.0	3.0	5.1	4.2	3.8	3.6	3.3	3.5	3.4	3.4	3.6
Czech Republic	..	2.8	1.3	1.4	1.7	2.0	2.1	2.1	2.2	..	2.2	1.2	0.9	0.8	1.1	1.0	0.8	0.9
Denmark	2.2	1.1	0.8	1.0	1.1	1.2	1.2	1.2	1.3	2.8	1.7	0.5	0.6	0.6	0.7	0.6	0.6	0.7
Estonia	..	3.3	2.1	2.0	1.6	1.5	1.5	1.6	1.7	..	6.6	4.4	4.0	2.8	1.9	1.5	1.4	1.5
Finland	3.0	1.7	0.4	0.3	0.3	0.3	0.3	0.4	0.4	1.4	1.8	1.1	0.7	0.4	0.4	0.5	0.6	0.7
France	2.1	1.4	1.0	1.0	1.1	1.1	1.3	1.2	1.2	2.1	1.9	1.4	1.3	1.2	1.1	1.2	1.2	1.3
Germany	1.8	1.1	1.1	1.0	1.0	1.3	1.1	1.1	1.0	1.8	0.7	0.5	0.3	0.4	0.3	0.4	0.4	0.4
Greece	..	0.8	-1.6	-1.1	-1.0	-0.6	-0.2	0.1	0.4	..	0.9	-1.7	-2.0	-1.9	-1.7	-1.6	-1.4	-1.2
Hungary	..	1.6	0.8	1.2	1.6	1.8	1.7	1.7	1.9	..	2.8	1.2	1.4	1.9	2.0	1.1	0.7	0.9
Iceland	2.8	3.2	1.5	1.4	1.5	1.7	2.1	2.2	2.2	2.6	2.9	-0.5	-0.5	-0.1	0.9	2.1	2.5	2.5
India[2]	..	7.5	7.7	7.6	7.5	7.4	7.1	6.9	6.8	..	8.6	9.2	8.7	7.9	7.4	6.4	6.1	6.0
Indonesia	4.0	4.8	5.8	5.7	5.6	5.5	5.4	5.3	5.2	4.1	3.5	5.1	5.1	5.0	4.8	4.7	4.7	4.6
Ireland	7.2	3.1	0.6	0.0	2.4	25.7	2.7	2.3	2.0	4.6	5.4	2.8	1.9	3.8	35.8	5.1	3.9	3.0
Israel	..	3.6	3.9	3.7	3.3	3.2	3.2	3.3	3.3	..	2.7	3.4	3.3	2.9	2.5	2.7	3.3	3.5
Italy	1.4	0.6	-0.2	-0.3	-0.2	-0.2	-0.1	0.0	0.1	1.9	1.6	0.2	-0.4	-0.7	-0.8	-0.7	-0.6	-0.5
Japan	1.7	0.5	0.3	0.3	0.3	0.3	0.2	0.2	0.1	3.3	0.7	0.0	0.0	0.1	0.0	0.0	-0.1	-0.1
Korea	6.6	4.0	3.7	3.5	3.3	3.3	3.2	3.1	3.0	10.0	5.0	4.2	3.7	3.7	3.5	3.4	3.3	3.2
Lithuania	..	3.8	2.1	2.4	2.4	2.3	2.3	2.1	2.0	..	6.2	3.2	3.2	3.1	3.1	3.0	3.0	3.1
Latvia	..	3.7	2.1	2.2	2.1	2.1	2.1	2.2	2.5	..	8.7	4.3	3.9	3.2	3.1	2.7	2.5	2.8
Luxembourg	..	3.3	3.2	3.0	3.1	2.9	2.8	3.0	3.0	..	3.5	3.6	3.2	3.0	2.4	2.2	2.6	2.7
Mexico	..	2.3	2.7	2.8	2.8	2.8	2.7	2.7	2.7	4.2	3.8	3.5	3.3	3.1	3.0	2.8	2.7	2.5
Netherlands	3.1	1.5	1.0	0.9	0.9	1.0	1.1	1.1	1.1	3.6	2.3	1.6	1.1	1.1	1.2	1.4	1.3	1.4
New Zealand	3.3	2.7	2.0	2.2	2.4	2.6	2.6	2.6	2.5	2.4	3.7	2.6	2.5	2.8	2.9	2.8	2.9	3.0
Norway	3.1	2.8	2.0	2.0	2.1	2.1	2.1	1.9	1.9	1.7	2.0	1.4	1.5	1.4	1.2	1.2	1.3	1.5
Poland	..	3.7	3.2	3.0	3.0	3.1	3.0	2.9	2.9	..	3.7	3.9	3.3	3.4	3.8	3.5	3.1	3.1
Portugal	2.8	0.9	-0.5	-0.5	-0.2	-0.1	-0.1	-0.1	-0.1	5.4	3.8	0.7	0.1	0.3	0.4	0.3	0.3	0.3
Russia	..	4.5	1.9	1.5	1.0	0.6	0.1	-0.1	-0.2	..	5.2	5.7	5.3	4.5	3.4	2.5	2.2	2.0
Slovak Republic	..	3.8	3.3	3.0	2.8	2.9	2.9	3.1	2.8	..	2.8	2.1	1.5	1.3	1.9	2.2	2.3	2.4
Slovenia	..	2.3	0.6	0.6	1.1	1.1	1.1	1.2	1.3	..	3.2	0.3	0.2	0.3	0.2	0.0	0.0	0.2
South Africa	..	3.4	2.6	2.5	2.5	2.5	2.3	2.1	2.0	0.8	2.5	2.7	2.7	2.8	2.6	2.2	1.9	2.0
Spain	2.9	2.4	0.7	0.6	0.4	0.5	0.6	0.8	0.9	4.2	4.3	1.9	1.4	1.4	1.6	1.8	2.0	2.2
Sweden	2.5	2.2	1.6	1.6	1.9	2.1	2.3	2.3	1.8	2.1	2.1	1.8	1.6	1.7	2.0	2.2	2.2	2.2
Switzerland	1.6	2.1	1.9	1.8	1.8	1.7	1.7	1.6	1.6	2.7	2.0	1.7	1.5	1.4	1.4	1.4	1.4	1.4
United Kingdom	2.6	1.7	1.3	1.3	1.7	1.8	1.7	1.5	1.5	3.6	3.0	2.2	2.1	2.4	2.4	2.2	2.0	1.7
United States	3.2	2.1	1.7	1.6	1.6	1.6	1.5	1.5	1.5	3.1	2.1	1.4	1.3	1.4	1.4	1.3	1.2	1.4
Total OECD	2.8	1.9	1.6	1.5	1.5	1.7	1.5	1.5	1.5	3.4	2.1	1.4	1.3	1.3	1.4	1.2	1.1	1.2

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 100 database.

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Annex Table 25. **Structural unemployment and unit labour costs**

	Structural unemployment rate									Unit labour costs								
	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018	Average 1992-01	Average 2002-11	2012	2013	2014	2015	2016	2017	2018
	Per cent									*Percentage changes*								
Australia	7.5	5.4	5.3	5.5	5.7	5.8	5.9	5.9	5.9	1.8	3.9	1.9	0.8	0.4	-0.1	0.6	1.6	1.6
Austria	4.0	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.5	0.6	1.6	3.4	2.7	1.9	2.2	1.3	1.7	1.3
Belgium	8.2	8.0	7.9	8.0	8.0	8.0	8.1	8.1	8.1	1.6	1.8	3.3	2.0	-0.3	-0.6	-0.2	-0.4	0.5
Canada	8.8	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.5	0.9	2.5	2.8	1.9	1.3	1.5	0.7	1.4	1.9
Czech Republic	..	6.7	6.4	6.3	6.1	5.9	5.9	5.9	5.9	9.0	1.6	3.2	1.2	0.8	0.1	3.0	2.2	2.3
Denmark	6.2	5.6	6.2	6.2	6.3	6.3	6.3	6.3	6.2	1.6	2.4	0.9	0.3	1.0	1.7	2.9	2.0	2.4
Estonia	..	9.6	8.7	8.3	8.3	8.3	8.3	8.3	8.3	..	5.7	3.5	4.0	2.5	7.0	4.7	2.2	2.5
Finland	11.1	8.2	7.8	7.6	7.5	7.4	7.4	7.4	7.4	0.2	2.1	5.1	1.6	1.0	0.8	0.6	0.3	0.1
France	9.4	8.7	9.4	9.6	9.6	9.6	9.3	9.2	9.0	1.1	1.8	2.0	0.8	0.7	0.1	0.6	0.6	0.8
Germany	7.5	8.2	5.7	5.4	5.2	4.9	4.8	4.7	4.7	0.7	0.6	3.1	2.2	2.2	2.1	1.7	1.8	2.1
Greece	..	12.0	16.1	16.4	16.9	17.3	17.5	17.5	17.3	..	3.5	-2.7	-7.3	-2.3	1.8	1.6	1.3	1.8
Hungary	..	8.2	9.7	9.4	9.1	8.9	8.7	8.5	8.3	..	3.7	3.8	1.6	2.4	1.1	5.5	4.1	4.5
Iceland	3.5	3.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.7	5.2	4.0	5.0	4.7	8.5	4.5	4.8
Ireland	10.6	8.6	10.7	10.8	10.8	10.7	10.5	10.3	10.1	2.0	1.7	1.2	1.8	-4.6	-16.4	1.6	1.9	2.2
Israel	..	9.8	6.8	6.4	6.2	5.9	5.7	5.5	5.4	..	0.8	3.2	0.6	0.6	2.5	1.8	2.3	2.5
Italy	9.3	8.1	8.4	8.8	9.0	9.1	9.2	9.2	9.1	1.8	2.7	1.6	0.8	0.1	1.0	1.0	0.7	0.1
Japan	3.2	4.1	3.8	3.7	3.7	3.6	3.6	3.6	3.6	-0.2	-1.4	-1.4	-0.8	1.6	1.0	1.2	0.3	0.7
Korea	3.5	3.5	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.3	2.7	2.7	2.1	1.7	2.1	1.2	1.5	1.8
Latvia	..	12.6	11.5	10.7	10.3	10.1	10.0	9.9	9.8	..	7.1	5.0	4.6	5.0	4.4	4.7	2.2	1.6
Luxembourg	2.3	4.4	6.0	6.2	6.3	6.4	6.4	6.4	6.3	2.4	3.2	4.3	-0.1	0.5	0.0	-0.2	1.6	1.0
Mexico	3.4	4.0	4.8	4.8	4.8	4.7	4.7	4.7	4.7	16.6	4.3	3.9	2.7	3.5	2.3	4.3	4.0	3.7
Netherlands	6.0	5.0	5.3	5.3	5.4	5.4	5.4	5.4	5.4	1.7	1.3	2.6	0.7	-0.4	-0.8	1.2	1.5	1.4
New Zealand	7.2	5.1	6.2	6.1	6.0	5.7	5.4	5.2	5.0	1.2	3.4	-0.1	2.5	2.5	0.9	0.4	1.0	1.7
Norway	4.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2.8	4.7	4.0	4.7	2.6	1.4	1.4	1.3	1.2
Poland	..	11.4	8.5	8.2	8.0	7.8	7.7	7.5	7.4	..	2.0	2.8	0.7	1.1	-1.1	2.7	2.5	2.6
Portugal	6.1	8.7	11.6	11.9	11.9	11.7	11.5	11.3	11.0	3.9	1.7	-3.9	2.5	-0.6	0.8	1.9	0.2	0.0
Slovak Republic	..	12.6	12.3	11.9	11.4	11.0	10.5	9.8	9.5	..	1.7	1.4	0.6	1.5	1.8	1.4	1.4	1.7
Slovenia	..	6.1	7.2	7.8	7.8	7.8	7.8	7.7	7.6	..	3.1	0.4	-1.2	-1.3	0.5	0.9	0.5	1.9
Spain	14.1	14.4	16.1	16.0	16.0	15.9	15.7	15.4	15.0	3.2	2.8	-3.2	-1.0	-0.1	0.6	0.5	1.6	1.4
Sweden	7.3	7.0	7.4	7.4	7.5	7.5	7.5	7.5	7.5	1.4	1.8	3.9	1.8	1.1	1.3	1.2	1.2	2.0
Switzerland	2.9	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	0.6	0.7	1.4	0.3	-0.3	1.0	-0.3	0.8	0.7
United Kingdom	7.5	5.8	6.1	6.2	5.9	5.6	5.4	5.4	5.4	2.6	2.4	1.0	1.4	-0.7	1.1	0.7	2.1	2.6
United States	5.5	5.2	5.1	5.0	5.0	4.9	4.9	4.9	4.9	2.1	1.6	1.9	1.0	2.2	2.1	2.2	2.9	1.9
Euro area	9.0	9.1	9.2	9.2	9.1	9.0	8.9	8.8	8.7	1.8	1.8	1.4	0.9	0.7	0.8	1.1	1.2	1.2
Total OECD	6.4	6.5	6.4	6.4	6.3	6.3	6.2	6.2	6.1	3.4	1.8	1.7	1.1	1.6	1.4	1.8	2.0	1.9

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 100 database.

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Annex Table 26. **Household saving rates**

Per cent of disposable household income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net saving																				
Australia	1.5	1.3	3.7	0.7	0.4	1.3	2.3	1.2	3.4	6.6	9.9	9.7	11.0	10.5	10.4	9.5	8.4	8.0	7.8	7.4
Austria	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	8.7	7.0	7.0	7.2	8.7	8.1	7.3
Belgium	11.3	10.4	11.9	11.0	10.6	8.9	8.5	9.2	9.4	10.0	11.3	8.1	6.6	5.7	4.9	4.6	4.2	4.0	4.0	4.4
Canada	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	4.4	4.0	4.0	4.0
Czech Republic	4.9	6.0	6.2	6.3	5.7	4.9	6.1	7.8	7.0	6.3	8.5	7.6	6.0	6.0	5.6	6.6	6.6	7.2	6.8	6.6
Denmark	-7.0	-5.6	0.3	1.5	2.4	-1.7	-4.3	-1.5	-3.0	-4.1	0.7	1.8	0.8	0.1	2.3	-1.8	4.4	5.0	4.8	4.5
Estonia	-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	6.5	8.0	7.6	7.6
Finland	3.5	3.0	2.7	2.7	2.3	3.0	1.0	-0.4	-0.4	-0.2	3.4	3.2	1.3	0.7	1.3	-0.3	-1.0	-2.1	-1.5	-1.4
Germany	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	9.0	9.4	9.7	9.7	9.6	9.4
Hungary	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	4.4	5.5	6.6	6.9
Ireland	8.7	-3.8	1.1	-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	3.5	3.9	3.4	2.4
Italy	8.8	7.4	8.9	9.6	9.1	9.6	9.1	8.5	8.1	7.8	7.1	4.2	3.7	2.0	3.6	3.7	3.0	3.3	3.7	3.5
Japan	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	1.4	2.7	2.4	1.8
Korea	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	8.8	8.8	8.8
Latvia	-15.1	-9.8	-9.8	-9.1	-7.0	-7.6	-6.5	-11.4	-10.6	3.6	5.9	-4.4	-15.0	-15.6	-16.1	-14.7	-12.7	-11.2	-10.2	-9.7
Luxembourg	..	..	..	..	..	..	..	..	..	9.5	12.1	13.0	13.6	13.7	13.5	15.8	16.6	16.9	18.1	18.1
Netherlands	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	7.2	7.3	6.3	6.0	7.2	7.2	7.2
New Zealand	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	-1.1	-0.2	0.4	0.6
Norway	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	10.4	7.9	7.7	7.6
Poland	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	1.0	2.6	3.5
Slovak Republic	6.0	5.8	3.7	3.4	1.1	0.3	1.1	0.1	1.9	0.8	2.3	2.4	0.8	0.7	0.2	1.4	3.1	3.9	3.8	3.7
Spain	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	2.3	3.8	3.2	2.3	1.9	2.4	2.5
Sweden	2.2	4.3	8.3	8.1	7.0	5.9	5.2	6.9	9.3	13.2	12.3	11.1	12.6	15.3	15.3	15.9	16.4	17.8	17.3	16.8
Switzerland	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	19.1	20.1	19.0	18.3	18.5	18.6
United States	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	5.0	5.6	5.8	5.7	6.2	5.7
Gross saving																				
France	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	14.0	14.1	14.1	14.1	14.1	14.1
Portugal	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	5.2	4.4	4.6	4.4	4.2
United Kingdom	7.6	9.0	9.9	9.1	8.3	7.2	6.5	6.2	6.8	5.4	9.3	11.0	8.9	8.3	6.7	6.8	6.1	4.7	3.7	3.4

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438261

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	22.1
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	23.2	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	20.3
Czech Republic	30.2	26.9	28.9	27.1	27.8	27.6	25.5	24.7	25.4	26.5	26.3	27.4	26.2	22.6	22.0	22.3	23.9	23.6	24.6	26.1
Denmark	22.5	23.6	23.0	23.8	24.6	25.6	25.0	25.0	25.4	26.4	27.7	26.8	26.7	22.1	24.0	25.0	25.2	26.2	27.1	26.0
Estonia	21.4	20.9	22.4	21.2	23.8	23.6	22.2	22.9	21.8	23.6	23.9	23.8	22.3	23.1	23.2	26.5	27.2	27.3	26.9	25.4
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	19.9
France	20.8	22.1	23.2	24.0	23.8	23.5	22.4	21.9	22.3	22.0	22.5	23.0	22.7	19.7	20.2	21.0	19.7	19.4	19.3	20.4
Germany	22.1	22.2	22.6	22.1	22.2	22.0	21.8	21.1	23.7	23.5	25.5	27.6	26.5	24.0	25.4	27.3	26.4	26.3	27.2	27.7
Greece	..	..	..	17.6	16.8	16.4	15.9	16.4	16.6	12.6	13.9	11.6	8.7	5.8	5.7	5.0	8.6	9.2	9.0	9.2
Hungary	21.8	22.6	22.5	19.8	20.4	20.7	19.0	16.5	17.4	16.7	18.3	17.0	17.9	19.5	21.0	21.3	21.1	24.5	24.2	..
Ireland	..	..	..	24.4	24.9	23.4	22.5	24.6	25.4	25.7	26.2	22.8	17.8	14.3	16.1	16.1	17.6	22.0	24.6	31.8
Israel	20.9	21.8	22.2	21.9	21.2	20.9	19.6	20.0	21.4	23.9	25.1	24.2	21.2	22.0	21.7	22.9	22.8	23.0	23.4	..
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	18.0
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
Latvia	..	..	..	12.9	19.1	19.8	21.0	21.7	20.1	22.7	17.8	20.4	22.4	29.9	21.4	22.0	22.5	21.8	21.1	21.0
Mexico	17.1	19.3	23.1	22.8	23.7	22.5	20.8	21.8	22.1	21.8	22.8	23.7	24.9	23.5	21.2	22.9	23.8	23.4	23.0	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	28.5	27.0	27.7
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	..	..	..	..	..	..	32.8	31.6	34.0	38.8	40.3	39.5	41.7	35.4	36.3	38.2	39.0	38.2	39.2	36.9
Poland	19.8	19.9	20.9	20.0	19.3	18.1	16.2	17.0	14.3	16.5	17.6	18.3	17.7	16.8	16.5	17.7	17.7	18.5	19.0	20.6
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	15.0	15.2
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	22.1	17.7	19.3	19.5	21.3	22.5	22.3	23.3
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	20.8	23.3	26.0	25.4
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	20.7	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	28.0	27.8	29.3
Switzerland	31.3	33.2	34.0	34.6	36.7	34.0	31.4	35.5	35.4	38.4	39.4	34.7	28.0	34.3	39.3	35.0	35.3	35.0	32.9	34.7
United Kingdom	18.5	18.1	18.6	16.0	16.7	16.4	16.3	16.2	15.7	16.4	15.8	16.1	13.8	11.8	13.2	14.1	12.4	12.3	12.7	12.3
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	18.3	19.2	19.1

Note: Based on SNA93, SNA08, ESA95 or ESA10.
Source: National accounts of OECD countries database.

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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	818.4
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	353.9
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	464.4
Financial assets	398.3	429.5	442.0	444.7	394.1	432.3	452.3	447.2	466.8	482.6	508.5	521.5
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	83.9
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	108.3
France												
Net wealth	670.6	742.7	790.0	797.5	724.0	734.2	772.8	779.7	785.8	788.8	786.7	..
Net financial wealth	202.8	212.6	228.1	226.0	192.8	208.5	216.8	213.2	227.5	236.7	245.7	254.0
Non-financial assets	467.9	530.1	561.9	571.4	531.2	525.7	556.0	566.5	558.3	552.1	541.0	..
Financial assets	283.7	300.0	320.6	321.6	290.4	311.5	323.0	318.9	329.4	339.4	350.3	360.9
of which: Equities	84.5	91.4	105.6	104.3	73.8	81.0	84.2	78.4	87.1	91.1	95.4	101.4
Liabilities	80.9	87.4	92.5	95.6	97.6	103.0	106.3	105.7	101.9	102.7	104.5	106.8
of which: Long-term loans	58.3	63.4	67.7	71.6	74.9	78.7	81.2	83.9	85.3	86.9	88.0	89.5
Germany												
Net wealth	572.7	586.0	586.2	611.1	596.9	621.3	626.2	624.6	636.9	651.7	665.0	..
Net financial wealth	166.3	179.3	176.3	189.7	173.4	186.2	192.8	188.8	197.2	205.4	213.3	219.2
Non-financial assets	406.5	406.7	409.9	421.4	423.5	435.1	433.4	435.8	439.7	446.3	451.8	..
Financial assets	276.7	287.4	282.1	292.4	272.9	286.5	291.1	285.4	292.4	299.9	307.0	312.1
of which: Equities	63.8	71.3	67.5	70.7	50.4	53.8	55.3	50.0	53.3	56.6	59.5	63.1
Liabilities	110.4	108.1	105.7	102.7	99.4	100.3	98.3	96.5	95.2	94.5	93.8	92.9
of which: Mortgages	72.2	71.5	71.4	69.5	67.4	68.2	66.9	65.7	65.2	..	..	..
Italy												
Net wealth	813.1	864.5	912.5	893.8	890.5	914.8	919.8	901.8	942.4	935.9	..	..
Net financial wealth	303.4	330.1	342.1	302.5	277.2	276.0	266.2	250.9	277.1	287.3	296.7	..
Non-financial assets	509.7	534.5	570.3	591.4	613.3	638.7	653.6	651.0	665.3	648.6	..	..
Financial assets	368.9	401.3	418.2	382.6	358.8	362.6	356.6	340.8	369.1	378.1	386.5	..
of which: Equities	68.4	93.3	112.6	84.2	65.3	58.2	50.3	44.2	53.3	62.3	63.9	..
Liabilities	65.5	71.3	76.1	80.2	81.6	86.5	90.4	89.9	92.0	90.8	89.7	..
of which: Medium and long-term loans	39.6	43.4	46.8	49.9	50.5	54.1	56.9	57.0	58.3	57.4	56.9	..
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	746.1	766.8	785.7	800.7	702.8	716.8	748.2	775.0	777.2	796.0	875.0	878.6
Net financial wealth	311.6	333.4	324.9	316.2	278.2	293.7	313.1	341.3	344.7	349.3	401.9	393.1
Non-financial assets	434.5	433.4	460.9	484.5	424.5	423.1	435.1	433.7	432.5	446.7	473.1	485.5
Financial assets	465.9	490.4	493.1	489.7	447.9	455.4	469.6	498.7	497.1	500.0	553.9	543.6
of which: Equities	69.9	75.2	75.8	73.6	50.6	65.5	72.0	61.9	55.9	63.3	69.5	68.1
Liabilities	154.3	157.0	168.3	173.5	169.7	161.7	156.5	157.5	152.4	150.7	152.0	150.5
of which: Mortgages	110.1	112.6	120.9	126.8	125.4	121.5	118.3	117.2	114.8	113.8	112.5	111.4
United States												
Net wealth	620.7	658.8	659.9	632.8	507.2	528.4	552.3	538.2	559.7	636.6	644.6	644.8
Net financial wealth	342.3	353.7	365.1	365.6	285.5	314.7	347.2	340.9	359.2	416.9	424.2	419.4
Non-financial assets	278.4	305.2	294.8	267.2	221.7	213.7	205.1	197.2	200.5	219.7	220.4	225.3
Financial assets	464.6	483.1	499.2	502.6	415.4	443.3	470.0	456.1	469.2	528.2	533.0	526.8
of which: Equities	118.3	122.5	139.9	136.7	76.8	102.4	118.1	108.8	121.3	154.1	162.0	152.9
Liabilities	122.3	129.4	134.1	137.0	129.9	128.6	122.8	115.1	110.0	111.3	108.8	107.3
of which: Mortgages	89.1	96.6	100.6	103.0	98.1	97.1	90.1	83.9	78.1	77.5	73.8	71.7

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.

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Annex Table 29. **General government total outlays**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	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	35.7	36.4	36.1	35.7
Austria	52.3	50.7	51.4	51.1	51.4	54.0	51.4	50.5	49.5	50.3	54.5	53.1	51.1	51.5	51.3	52.7	51.6	51.1	50.5	50.1
Belgium	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	55.7	55.1	53.9	53.2	52.6	52.1
Canada	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	40.4	41.1	41.1	41.0
Czech Republic	41.0	40.4	42.5	44.3	48.5	42.1	41.8	40.8	40.0	40.2	43.6	43.0	43.0	44.5	42.6	42.2	42.0	40.4	40.6	40.2
Denmark	54.5	52.7	52.8	53.2	53.6	53.0	51.2	49.8	49.6	50.4	56.5	56.7	56.4	58.0	55.8	55.3	54.8	55.4	55.1	54.5
Estonia	40.3	36.4	35.0	36.1	35.2	34.3	34.0	33.6	34.1	39.8	46.0	40.5	37.4	39.3	38.5	38.5	40.3	40.0	40.1	39.7
Finland	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	57.7	57.5	57.1	56.7
France	52.1	51.1	51.2	52.3	52.8	52.6	52.9	52.5	52.2	53.0	56.8	56.5	55.9	56.8	57.0	57.3	57.0	56.5	56.2	56.0
Germany	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	44.3	44.6	44.3	44.0	44.3	44.5	44.3
Greece	46.2	46.3	45.9	45.7	46.6	47.6	45.5	45.1	47.1	50.9	54.1	52.4	54.3	55.4	62.4	50.6	55.5	52.3	52.2	51.6
Hungary	48.7	47.2	47.2	50.9	49.1	48.6	49.5	51.6	50.1	48.7	50.6	49.5	49.7	48.6	49.3	49.0	50.0	49.9	49.8	49.8
Iceland	41.6	41.2	41.8	43.3	44.7	43.0	41.6	41.1	41.0	55.3	48.4	49.3	45.7	45.4	43.9	45.3	42.9	41.4	40.5	40.0
Ireland	33.9	30.9	32.5	33.1	33.0	33.2	33.3	33.8	35.8	41.8	47.1	65.3	46.0	41.8	39.8	37.8	29.5	28.0	27.0	26.3
Israel	50.2	48.0	50.2	51.2	50.6	47.0	45.9	44.6	42.6	42.2	42.2	41.1	40.5	41.4	41.0	40.7	39.7	39.3	39.7	39.8
Italy	47.4	45.4	47.5	46.8	47.2	46.9	47.1	47.6	46.8	47.8	51.2	49.9	49.4	50.8	50.8	50.9	50.4	49.5	49.0	48.8
Japan	38.2	38.7	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	41.0	40.9	39.8
Korea	25.7	24.8	26.5	26.2	32.6	29.7	29.6	30.2	29.8	32.1	34.9	31.1	32.4	32.7	31.8	32.0	32.4	31.9	31.6	31.5
Latvia	40.8	37.3	34.8	35.2	33.5	34.8	34.3	36.1	34.0	37.3	43.7	44.8	39.1	37.1	37.0	37.5	37.1	37.1	37.4	36.9
Luxembourg	39.2	37.6	38.7	41.9	44.1	44.3	44.0	40.1	38.2	40.2	46.1	44.4	42.7	44.3	43.5	42.4	42.2	42.4	41.5	40.9
Netherlands	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	46.3	46.2	45.1	44.7	43.9	43.9
New Zealand	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	42.1	41.0	40.0	39.2
Norway	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	45.9	48.8	51.0	52.1	52.6
Poland	43.9	42.1	44.8	45.3	45.7	43.5	44.3	44.6	43.1	44.2	44.9	45.7	43.8	42.7	42.4	42.1	41.5	41.7	42.4	42.5
Portugal	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	51.8	48.4	46.2	45.9	45.7
Slovak Republic	47.9	52.0	44.4	45.1	39.9	37.8	39.8	38.8	36.3	36.9	44.1	42.1	40.8	40.6	41.4	42.0	45.6	43.6	43.0	42.1
Slovenia	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	50.0	47.8	45.5	44.4	42.9
Spain	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	48.1	45.6	44.9	43.8	42.8	41.8	40.7
Sweden	56.7	53.6	53.0	54.2	54.3	52.9	52.8	51.4	49.7	50.4	53.1	51.3	50.7	51.7	52.4	51.5	50.3	50.3	49.9	49.3
Switzerland	33.9	34.2	33.8	36.3	35.6	35.0	34.0	32.2	30.9	31.2	33.1	32.9	32.9	33.3	34.1	33.8	33.9	34.3	34.6	34.7
United Kingdom	36.0	35.9	37.2	38.2	39.4	40.6	41.2	41.4	41.4	45.2	48.5	48.2	46.6	46.5	44.9	43.7	43.1	41.3	40.9	40.5
United States[1]	34.3	33.9	35.2	36.3	36.8	36.5	36.6	36.4	37.2	39.7	43.2	43.2	42.0	40.2	38.9	38.2	37.9	38.0	37.8	37.3
Euro area	47.6	45.7	46.7	47.0	47.4	46.9	46.7	46.1	45.3	46.7	50.7	50.6	49.2	49.8	49.7	49.4	48.6	48.1	47.7	47.4
Total OECD	39.4	38.6	39.6	40.2	39.9	39.3	39.2	39.0	39.0	40.9	44.4	44.0	43.1	42.6	42.0	41.4	41.1	40.8	40.5	40.1

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 100 database.

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Annex Table 30. **General government total tax and non-tax receipts**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	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	33.8	34.0	34.1
Austria	49.7	48.6	50.8	49.7	49.6	49.2	48.8	48.0	48.1	48.8	49.1	48.6	48.5	49.2	49.9	50.0	50.6	49.6	49.5	49.5
Belgium	49.5	49.0	49.4	49.6	49.0	48.8	48.9	48.7	48.3	49.2	48.8	49.3	50.3	51.6	52.7	52.0	51.3	50.3	50.3	49.9
Canada	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	39.1	38.9	38.8	38.8
Czech Republic	37.6	36.9	37.2	38.0	42.1	39.4	38.7	38.5	39.3	38.1	38.1	38.6	40.3	40.5	41.4	40.3	41.3	40.2	40.4	40.3
Denmark	55.4	54.6	54.0	53.2	53.5	55.1	56.2	54.8	54.6	53.6	53.7	54.0	54.4	54.5	54.8	56.7	53.5	54.7	53.8	53.3
Estonia	37.0	36.3	35.2	36.5	37.0	36.7	35.1	36.5	36.9	37.1	43.8	40.7	38.6	39.1	38.4	39.1	40.5	40.4	39.6	39.6
Finland	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	54.9	54.8	54.6	54.5
France	50.5	49.8	49.7	49.2	48.9	49.1	49.8	50.1	49.7	49.8	49.6	49.7	50.8	52.0	52.9	53.3	53.5	53.2	53.2	53.1
Germany	46.1	45.6	43.7	43.3	43.6	42.7	42.8	43.0	42.9	43.5	44.4	43.1	43.8	44.2	44.5	44.6	44.7	44.7	44.9	45.0
Greece	40.4	42.3	40.5	39.7	38.7	38.8	39.3	39.2	40.4	40.7	38.9	41.2	44.0	46.6	49.2	47.0	48.0	50.3	52.0	52.1
Hungary	43.5	44.1	43.2	42.1	42.0	42.3	41.7	42.3	45.0	45.1	46.0	45.0	44.2	46.2	46.8	46.9	48.5	48.2	47.8	47.7
Iceland	42.4	42.5	40.8	40.5	41.6	42.7	46.1	47.0	45.9	42.3	38.7	39.6	40.1	41.7	42.1	45.2	42.1	58.0	41.0	40.5
Ireland	36.4	35.8	33.5	32.7	33.4	34.5	34.9	36.6	36.1	34.8	33.3	33.2	33.4	33.9	34.2	34.1	27.6	27.1	26.5	26.3
Israel	44.8	44.8	44.6	44.4	43.0	41.9	41.9	42.9	41.9	39.5	36.6	37.7	37.7	36.7	37.0	37.5	37.6	36.8	36.8	36.7
Italy	45.6	44.1	44.1	43.7	43.8	43.3	43.0	44.0	45.3	45.2	45.9	45.7	45.7	47.8	48.1	47.9	47.8	47.1	46.6	46.4
Japan	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	35.8	35.7	35.5
Korea	27.4	29.2	29.5	29.7	30.7	30.0	31.1	32.6	34.0	34.4	33.6	32.0	33.3	33.7	33.1	33.3	33.8	33.8	34.1	34.1
Latvia	37.1	34.5	32.8	32.9	31.9	33.8	33.9	35.5	33.3	33.2	34.6	36.3	35.7	36.3	36.1	35.9	35.8	36.1	36.3	36.1
Luxembourg	42.6	43.5	44.6	44.4	44.2	43.0	44.1	42.1	42.4	43.6	45.4	43.8	43.2	44.7	44.4	43.8	43.7	44.2	42.5	41.7
Netherlands	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	43.9	43.9	43.2	43.3	43.8	43.9
New Zealand	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	41.8	41.7	40.8	40.1	40.1
Norway	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	54.6	55.2	54.0	55.0	55.4
Poland	41.6	39.1	40.0	40.4	39.6	38.4	40.3	41.0	41.3	40.6	37.7	38.4	39.0	39.0	38.4	38.7	38.9	39.3	39.4	39.5
Portugal	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	44.6	44.0	43.7	43.8	43.8
Slovak Republic	40.6	40.0	38.0	37.1	37.2	35.5	36.9	35.2	34.4	34.5	36.3	34.7	36.5	36.3	38.7	39.3	42.9	41.4	41.5	41.5
Slovenia	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	45.3	45.0	45.1	43.1	42.8	41.9
Spain	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	37.6	38.6	38.9	38.6	38.2	38.2	37.8
Sweden	57.4	56.9	54.5	52.7	53.0	53.2	54.6	53.5	53.0	52.4	52.4	51.2	50.5	50.7	51.0	49.9	50.5	50.5	49.9	49.4
Switzerland	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	33.6	33.5	35.0	35.8	35.9	35.7
United Kingdom	36.7	37.0	37.6	36.2	36.2	37.1	37.8	38.6	38.6	40.3	37.9	38.6	39.0	38.2	39.2	38.1	38.8	38.0	37.8	37.7
United States[1]	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	33.3	33.2	33.5	33.1	32.9	31.9
Euro area	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	46.1	46.8	46.8	46.5	46.3	46.2	46.1
Total OECD	38.2	38.2	37.8	36.5	35.6	35.6	36.4	37.4	37.4	37.4	36.1	36.1	36.5	36.8	37.9	37.9	38.0	37.7	37.6	37.1

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 100 database.

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Annex Table 31. **General government financial balances**

Surplus (+) or deficit (-) as a per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	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	-1.8	-2.6	-2.0	-1.5
Austria	-2.6	-2.1	-0.7	-1.4	-1.8	-4.9	-2.6	-2.6	-1.4	-1.5	-5.4	-4.5	-2.6	-2.2	-1.4	-2.7	-1.0	-1.5	-1.0	-0.6
Belgium	-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	-2.5	-3.0	-2.2	-2.2
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	-10.2	-8.9	-7.8
Canada	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	-1.3	-2.2	-2.3	-2.2
China	-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	-2.3	-2.7
Czech Republic	-3.4	-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	-1.2	-1.9	-0.6	-0.2	-0.2	0.1
Denmark	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	-1.0	1.4	-1.3	-0.7	-1.3	-1.3
Estonia	-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	0.7	0.1	0.4	-0.5	-0.1
Finland	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	-2.8	-2.7	-2.5	-2.2
France	-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	-3.3	-3.0	-2.9
Germany	-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	0.0	-0.2	0.3	0.7	0.5	0.5	0.7
Greece	-5.8	-4.1	-5.5	-6.0	-7.8	-8.8	-6.2	-5.9	-6.7	-10.2	-15.1	-11.2	-10.3	-8.8	-13.2	-3.6	-7.5	-2.0	-0.2	0.5
Hungary	-5.1	-3.0	-4.1	-8.8	-7.1	-6.3	-7.8	-9.3	-5.1	-3.6	-4.6	-4.5	-5.5	-2.3	-2.6	-2.1	-1.6	-1.6	-2.0	-2.0
Iceland	0.8	1.2	-1.0	-2.8	-3.1	-0.3	4.5	5.9	4.9	-13.0	-9.7	-9.8	-5.6	-3.7	-1.8	-0.1	-0.8	16.6	0.5	0.5
India[1]	-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	-6.7	-6.5	-7.2	-7.0	-6.6	-6.4
Indonesia	-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	-2.6	-2.9	-2.5
Ireland	2.4	4.9	1.0	-0.3	0.4	1.3	1.6	2.8	0.3	-7.0	-13.8	-32.1	-12.6	-8.0	-5.7	-3.7	-1.9	-0.9	-0.5	0.0
Israel	-5.3	-3.2	-5.6	-6.8	-7.6	-5.2	-4.0	-1.7	-0.7	-2.7	-5.6	-3.5	-2.7	-4.7	-4.0	-3.2	-2.1	-2.5	-2.9	-3.1
Italy	-1.8	-1.3	-3.4	-3.1	-3.4	-3.6	-4.2	-3.6	-1.5	-2.7	-5.3	-4.2	-3.7	-2.9	-2.7	-3.0	-2.6	-2.4	-2.4	-2.4
Japan	-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	-5.2	-5.2	-4.3
Korea	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	1.4	1.9	2.5	2.6
Latvia	-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	-0.8
Lithuania	-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	-0.7	-0.8	-0.4
Luxembourg	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	1.0	1.5	1.6	1.7	1.0	0.9
Netherlands	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	-2.3	-1.9	-1.4	0.0	0.0
New Zealand	-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	-0.3	-0.2	0.1	0.9
Norway	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	8.8	6.4	3.0	2.9	2.8
Poland	-2.3	-3.0	-4.8	-4.8	-6.1	-5.0	-4.0	-3.6	-1.9	-3.6	-7.3	-7.3	-4.8	-3.7	-4.1	-3.4	-2.6	-2.4	-3.0	-3.0
Portugal	-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	-2.5	-2.1	-1.9
Russia	..	..	..	-0.5	1.4	4.9	4.9	6.8	4.6	5.9	-3.3	-1.0	3.1	2.0	-0.2	-1.1	-2.4	-3.5	-3.0	-2.3
Slovak Republic	-7.3	-12.0	-6.4	-8.1	-2.7	-2.3	-2.9	-3.6	-1.9	-2.4	-7.8	-7.5	-4.3	-4.3	-2.7	-2.7	-2.7	-2.1	-1.5	-0.6
Slovenia	-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	-2.7	-2.4	-1.6	-0.9
South Africa	-3.7	-4.1	-2.5	-3.3	-4.5	-4.6	-2.4	-1.7	-0.7	-1.7	-3.9	-3.3	-2.5	-3.6	-3.6	-4.1	-3.9	-3.7	-3.4	-3.2
Spain	-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	-10.5	-7.0	-6.0	-5.1	-4.6	-3.6	-2.9
Sweden	0.8	3.2	1.4	-1.5	-1.3	0.3	1.8	2.2	3.3	1.9	-0.7	-0.1	-0.2	-1.0	-1.4	-1.6	0.2	0.2	-0.1	0.1
Switzerland	-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	-0.5	-0.3	1.1	1.5	1.3	0.9
United Kingdom	0.7	1.1	0.4	-2.0	-3.3	-3.5	-3.4	-2.8	-2.9	-4.9	-10.6	-9.6	-7.7	-8.3	-5.7	-5.6	-4.3	-3.3	-3.1	-2.8
United States	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	-5.0	-4.4	-5.0	-4.9	-5.4
Euro area	-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	-3.6	-3.0	-2.6	-2.1	-1.8	-1.5	-1.3
Total OECD	-1.2	-0.4	-1.8	-3.6	-4.3	-3.7	-2.8	-1.6	-1.5	-3.5	-8.4	-7.9	-6.6	-5.8	-4.1	-3.5	-3.0	-3.1	-3.0	-2.9
General government financial balances excluding social security																				
United States	-1.2	-0.6	-2.9	-6.3	-7.5	-6.8	-5.5	-4.4	-5.1	-8.5	-14.1	-13.0	-11.2	-9.4	-5.9	-5.2	-4.5	-5.0	-5.2	-5.6
Japan	-8.5	-8.6	-6.6	-8.0	-7.6	-6.1	-5.3	-1.5	-2.2	-1.7	-8.3	-7.2	-7.7	-7.8	-7.8	-5.5	-4.8	-4.5	-4.5	..

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 100 database.

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Annex Table 32. **General government cyclically-adjusted balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.5	1.3	0.1	1.2	2.5	1.3	1.7	2.3	1.1	-0.8	-4.1	-4.4	-2.9	-2.7	-1.2	-1.4	-0.8	-1.7	-1.2	-1.1
Austria	-3.3	-3.4	-1.3	-1.6	-1.1	-4.3	-2.2	-3.2	-3.0	-2.8	-3.6	-3.0	-2.2	-1.5	0.0	-1.2	0.6	-0.1	0.1	0.3
Belgium	-1.2	-1.5	-0.2	-0.1	-1.1	-0.6	-3.2	-0.8	-2.1	-2.7	-4.5	-4.1	-4.6	-4.0	-2.0	-2.5	-2.2	-2.6	-1.9	-2.0
Canada	1.5	2.1	0.3	-1.4	-0.8	-0.1	0.4	0.6	0.8	-0.2	-1.5	-3.1	-2.3	-1.4	-0.9	0.1	-0.4	-1.1	-1.7	-2.1
Czech Republic	-2.8	-3.1	-4.7	-4.6	-4.6	-1.6	-3.1	-3.7	-3.0	-4.4	-4.9	-4.2	-2.8	-3.0	0.4	-0.7	-0.4	0.0	-0.2	-0.1
Denmark	0.3	0.6	0.4	-0.1	0.3	1.8	4.2	3.0	3.2	2.1	-1.0	-1.5	-1.2	-2.3	0.1	2.3	-0.7	0.0	-0.8	-1.0
Estonia	..	1.9	1.6	1.6	2.3	2.4	-0.7	-1.4	-3.1	-5.1	3.7	5.0	3.2	0.9	1.2	1.6	1.0	1.5	0.3	0.1
Finland	1.8	5.9	4.5	4.4	3.1	2.2	2.4	2.8	2.4	1.9	0.3	-1.2	-0.9	-0.9	-0.7	-0.6	-0.2	-0.5	-0.6	-0.7
France	-1.8	-2.4	-2.3	-3.4	-3.7	-3.9	-3.6	-3.3	-4.0	-3.8	-5.4	-5.6	-4.5	-3.8	-2.7	-2.4	-2.0	-1.8	-1.6	-1.8
Germany	-1.3	0.5	-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	0.2	0.5	-0.1	-0.3	-0.5
Greece	-5.0	-3.3	-4.9	-5.7	-8.6	-10.6	-7.4	-8.9	-10.8	-14.4	-17.6	-11.2	-6.3	-1.7	-4.4	3.1	-0.4	4.4	5.7	5.7
Hungary	-4.0	-2.1	-3.1	-8.5	-7.1	-7.3	-9.7	-12.3	-7.2	-5.6	-2.7	-3.0	-4.6	-0.3	-1.0	-1.6	-1.8	-1.9	-2.6	-2.8
Iceland	0.7	0.4	-1.9	-2.2	-2.2	-2.1	1.3	2.7	-1.0	-19.0	-8.9	-5.7	-2.0	0.0	0.1	1.7	-0.5	15.7	-1.8	-2.0
Ireland	0.8	2.6	-1.0	-2.1	-0.6	-0.4	-0.7	-0.4	-3.2	-7.3	-10.8	-28.8	-9.9	-4.7	-3.0	-3.7	-2.1	-1.5	-1.4	-1.1
Israel	-5.0	-5.5	-5.9	-5.3	-4.8	-3.3	-2.6	-1.2	-1.3	-3.1	-5.1	-3.8	-3.5	-4.8	-4.4	-3.6	-2.1	-2.6	-3.1	-3.2
Italy	-1.4	-2.2	-4.5	-3.6	-3.5	-3.8	-4.5	-4.6	-2.9	-3.3	-2.9	-2.7	-2.6	-0.3	0.7	0.1	0.1	-0.2	-0.7	-1.1
Japan	-5.1	-5.9	-4.2	-5.7	-6.1	-5.2	-4.3	-1.2	-2.7	-1.9	-6.3	-7.6	-7.7	-8.2	-8.5	-6.1	-5.4	-5.4	-5.9	-5.2
Korea	2.7	4.5	3.3	3.2	-1.8	0.2	1.6	2.0	3.5	1.9	-0.7	0.7	0.7	1.2	1.7	1.7	2.0	2.7	3.4	3.5
Latvia	-2.6	-1.4	-0.6	-1.0	-1.1	-1.2	-2.0	-4.4	-6.5	-7.8	-6.0	-3.9	-1.2	0.7	0.4	-0.2	-0.1	0.5	0.2	0.1
Luxembourg	..	..	..	..	..	..	..	1.2	1.2	2.3	2.6	0.9	2.5	3.9	3.9	3.6	3.4	3.2	1.9	1.3
Netherlands	-0.8	0.3	-1.7	-2.2	-2.3	-1.0	0.2	-0.3	-1.4	-1.5	-4.4	-4.2	-3.8	-2.3	-0.3	-0.4	-0.5	-0.5	0.3	-0.1
New Zealand	-0.2	1.5	1.8	3.0	2.6	2.7	3.7	4.4	3.1	0.7	-2.0	-6.3	-3.3	-1.8	-0.1	0.2	-0.2	-0.5	-0.6	0.1
Norway[1]	-0.3	1.2	1.0	-0.6	-1.7	-0.8	-0.4	0.6	1.6	1.0	-0.2	0.3	0.8	0.3	-0.3	-0.7	0.3	-0.6	-1.1	-1.3
Poland	-2.1	-2.8	-3.2	-2.3	-3.6	-3.4	-2.2	-2.7	-2.3	-4.0	-7.2	-7.3	-5.5	-3.6	-3.3	-2.8	-2.3	-2.0	-2.7	-2.7
Portugal	-4.7	-5.4	-6.7	-4.5	-4.3	-6.3	-6.0	-4.4	-3.9	-4.3	-8.4	-10.6	-5.8	-2.2	-0.7	-3.5	-1.9	-0.8	-1.1	-1.6
Slovenia	-2.5	-3.3	-3.2	-1.9	-2.0	-1.8	-1.6	-2.7	-3.3	-4.9	-5.0	-5.0	-6.0	-2.1	-11.6	-3.1	-1.3	-1.4	-1.1	-0.8
Spain	-0.8	-1.8	-1.8	-1.6	-1.6	-1.4	-0.6	-0.3	-1.1	-6.7	-9.6	-7.1	-6.0	-4.3	0.4	0.8	-0.1	-1.2	-1.2	-1.3
Sweden	1.2	2.5	1.5	-0.9	-0.7	0.0	1.2	0.0	0.5	1.2	3.0	1.1	0.4	0.6	0.4	-0.3	0.3	-0.3	-0.8	-0.9
Switzerland	-0.7	-1.0	-1.2	-2.3	-1.3	-1.5	-0.8	-0.1	-0.2	1.0	1.4	0.6	1.0	0.8	0.1	0.2	2.0	2.4	2.2	1.7
United Kingdom	0.8	0.9	0.3	-2.0	-3.7	-4.0	-4.5	-4.2	-4.6	-5.4	-7.7	-7.3	-5.7	-6.4	-4.2	-4.9	-3.9	-3.0	-2.6	-2.0
United States	-0.8	-0.4	-1.6	-4.6	-6.0	-6.2	-5.5	-4.6	-5.0	-7.3	-10.5	-10.3	-8.8	-7.4	-4.0	-3.9	-3.7	-4.3	-4.7	-6.0
Euro area	-1.5	-1.1	-2.9	-3.1	-3.0	-3.0	-2.8	-2.5	-2.4	-3.3	-4.4	-4.9	-3.4	-1.9	-0.8	-0.6	-0.5	-0.7	-0.7	-0.9
Total OECD	-1.2	-1.0	-1.9	-3.5	-4.3	-4.2	-3.7	-2.9	-3.1	-4.3	-6.7	-6.9	-5.7	-4.8	-2.9	-2.6	-2.3	-2.6	-2.8	-3.3

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 100 database.

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Annex Table 33. **General government underlying balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	2.3	1.2	0.2	1.3	2.3	1.1	1.5	2.1	0.9	-1.1	-4.1	-4.1	-2.9	-2.7	-1.5	-1.5	-1.5	-1.8	-1.2	-1.1
Austria	-3.3	-3.7	-0.9	-1.5	-1.2	-0.8	-2.5	-3.4	-3.1	-3.0	-3.1	-3.0	-2.3	-1.3	-0.6	0.1	1.2	0.1	0.3	0.5
Belgium	-1.2	-1.3	-0.3	-0.3	-0.7	-1.0	-1.0	-1.1	-1.9	-2.5	-4.0	-3.7	-3.7	-2.9	-2.0	-2.2	-1.8	-2.5	-1.9	-2.0
Canada	1.5	2.0	0.1	-1.5	-0.8	0.0	0.4	0.7	0.8	-0.2	-1.3	-2.9	-2.1	-1.2	-0.7	0.2	-0.3	-1.1	-1.7	-2.1
Czech Republic	-3.4	-4.8	-3.9	-3.3	-6.4	-2.2	-2.8	-4.1	-3.4	-4.4	-5.6	-4.7	-3.2	0.2	0.2	-0.6	-0.2	0.0	-0.2	-0.1
Denmark	0.4	0.6	0.0	-0.1	0.3	1.7	4.1	2.9	3.1	2.5	-1.0	-1.5	-1.1	-1.1	0.2	1.2	-1.2	-0.6	-0.6	-0.7
Estonia	..	1.7	1.6	1.6	2.2	2.2	-0.7	-1.9	-3.0	-3.8	1.0	1.7	1.2	1.8	1.0	1.9	1.6	1.8	0.7	0.2
Finland	2.1	5.8	4.6	4.4	3.1	2.2	2.4	2.7	2.4	1.9	0.4	-1.2	-0.8	-0.9	-0.8	-0.5	0.0	-0.4	-0.6	-0.7
France	-1.6	-2.5	-2.2	-3.4	-3.8	-4.0	-3.7	-3.3	-4.1	-3.7	-5.2	-5.6	-4.6	-3.8	-2.8	-2.5	-2.2	-1.7	-1.5	-1.8
Germany	-1.2	-1.5	-3.0	-3.4	-2.9	-2.6	-2.3	-2.0	-1.0	-0.7	-0.7	-2.3	-1.2	-0.2	-0.2	0.1	0.2	-0.2	-0.3	-0.5
Greece	-6.5	-4.8	-6.0	-5.8	-9.3	-10.9	-9.1	-11.5	-12.8	-15.0	-17.5	-11.9	-7.0	-0.3	2.8	1.7	2.9	4.1	4.7	4.7
Hungary	-4.7	-2.1	-3.0	-7.0	-7.2	-7.9	-10.0	-12.1	-6.5	-5.0	-2.5	-3.0	-3.3	-0.2	-0.9	-2.0	-2.2	-2.6	-2.6	-2.8
Iceland	0.5	0.4	-1.8	-2.3	-2.1	-2.1	1.2	2.4	-1.4	-5.8	-8.8	-2.6	-1.3	0.4	-0.1	2.9	0.8	-0.4	-1.8	-2.0
Ireland	2.0	2.4	-0.9	-2.3	-0.7	-0.3	-0.7	-0.7	-3.6	-6.8	-8.0	-8.2	-6.2	-4.6	-3.7	-4.0	-1.4	-1.5	-1.4	-1.1
Israel	-4.8	-5.4	-5.7	-5.0	-4.8	-3.2	-2.4	-1.1	-1.2	-3.0	-4.7	-3.9	-3.8	-4.9	-4.4	-3.7	-2.3	-2.7	-3.1	-3.2
Italy	-1.4	-3.4	-4.1	-3.3	-4.4	-4.2	-4.4	-3.4	-2.5	-3.1	-3.0	-2.7	-3.0	-0.1	0.5	0.2	0.4	-0.1	-0.6	-1.1
Japan	-5.4	-5.6	-4.7	-5.8	-5.7	-5.9	-4.2	-2.7	-2.7	-2.7	-6.3	-7.8	-7.5	-8.1	-8.3	-6.6	-6.2	-5.6	-5.9	-5.2
Korea	2.7	4.3	3.1	2.9	2.6	1.0	2.0	2.5	2.9	1.3	-0.2	0.4	1.0	1.4	1.4	1.7	2.1	2.6	3.4	3.5
Latvia	-1.8	-1.1	0.1	-0.4	-1.8	-1.3	-2.5	-3.9	-6.3	-8.2	-5.9	-2.7	-1.0	0.2	0.2	-0.1	-0.1	0.5	0.2	0.1
Luxembourg	..	..	..	..	..	..	..	1.6	1.1	2.1	2.7	1.0	2.4	3.9	4.0	3.4	3.4	3.2	1.9	1.3
Netherlands	-0.7	-0.2	-1.2	-2.0	-2.1	-1.0	0.0	-0.7	-1.6	-1.5	-3.8	-3.8	-4.0	-2.4	-0.9	-0.7	-1.0	-0.5	-0.5	-0.2
New Zealand	-0.1	1.6	1.8	3.0	2.6	2.7	3.6	4.5	3.0	0.9	-1.9	-2.3	-1.7	-0.9	0.4	0.3	-0.3	-0.5	-0.6	0.1
Norway[1]	-0.3	1.7	0.9	-0.6	-1.7	-0.9	-0.4	0.6	1.5	1.1	-0.1	0.3	0.8	0.2	-0.4	-0.7	0.3	-0.6	-1.1	-1.3
Poland	-2.4	-3.0	-3.3	-2.4	-3.2	-3.5	-2.2	-2.7	-2.4	-3.8	-6.8	-7.8	-6.5	-4.1	-3.5	-3.0	-2.6	-2.5	-2.7	-2.7
Portugal	-4.4	-5.4	-6.7	-5.3	-4.7	-5.9	-6.0	-4.2	-3.9	-4.7	-8.2	-8.3	-5.7	-3.7	-1.5	-0.7	-1.1	-0.8	-1.1	-1.6
Slovenia	-2.3	-3.3	-3.3	-2.1	-1.7	-1.9	-1.8	-3.1	-3.4	-4.9	-5.4	-5.6	-5.4	-2.7	-2.4	-3.3	-1.3	-1.4	-1.1	-0.8
Spain	-1.0	-1.8	-1.7	-1.5	-1.7	-0.9	-0.4	-0.1	-0.6	-5.9	-8.7	-6.5	-5.2	-1.0	0.7	0.6	-0.1	-1.2	-1.2	-1.3
Sweden	1.3	2.4	1.5	-0.9	-0.7	0.0	1.3	0.0	0.6	1.2	3.0	1.1	0.5	0.4	0.3	-0.3	0.2	-0.3	-0.8	-0.9
Switzerland	-1.2	0.2	-0.9	-0.9	-1.5	-1.4	-1.0	-0.5	-0.4	1.1	1.1	0.4	0.8	0.4	0.4	0.0	1.7	2.4	2.3	1.7
United Kingdom[2]	0.7	0.7	0.1	-2.2	-3.8	-4.5	-4.0	-4.7	-5.3	-5.6	-7.2	-7.6	-6.3	-6.7	-6.1	-6.3	-5.2	-4.3	-3.9	-3.2
United States	-0.8	-0.4	-1.7	-4.6	-5.9	-6.2	-5.4	-4.7	-5.0	-6.9	-9.7	-9.9	-8.6	-7.4	-4.1	-4.0	-4.0	-4.4	-4.7	-6.0
Euro area	-1.4	-2.0	-2.6	-2.8	-3.1	-2.9	-2.6	-2.4	-2.4	-3.1	-4.1	-4.2	-3.3	-1.5	-0.7	-0.6	-0.5	-0.7	-0.7	-0.9
Total OECD	-1.3	-1.2	-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	-2.7	-2.9	-3.3

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 100 database.

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Annex Table 34. **General government underlying primary balances**

Surplus (+) or deficit (-) as a per cent of potential GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	3.1	2.0	0.6	1.7	2.6	1.4	1.8	2.1	0.9	-1.3	-3.9	-3.7	-2.4	-2.3	-0.9	-0.8	-0.9	-1.3	-0.7	-0.5
Austria	-0.5	-0.9	1.8	1.1	1.2	1.5	-0.1	-1.1	-0.9	-0.8	-0.9	-0.9	-0.2	0.8	1.5	2.0	3.0	1.7	1.7	1.7
Belgium	5.3	5.0	5.7	5.1	4.1	3.5	3.0	2.7	1.8	1.1	-0.7	-0.5	-0.5	0.3	0.9	0.7	0.8	-0.1	0.3	0.1
Canada	5.6	5.1	3.0	1.1	1.0	1.5	1.5	1.3	1.4	0.1	-0.2	-2.1	-1.5	-0.5	-0.1	0.7	0.4	-0.2	-0.8	-1.1
Czech Republic	-2.9	-4.7	-3.6	-3.0	-6.0	-1.6	-2.1	-3.4	-2.7	-3.7	-4.6	-3.6	-2.1	1.3	1.3	0.5	0.7	0.8	0.5	0.5
Denmark	3.3	3.2	2.1	1.8	2.0	3.0	5.2	3.7	3.7	2.7	-0.6	-1.0	-0.5	-0.6	0.6	1.6	-0.4	0.2	0.0	-0.2
Estonia	..	1.8	1.6	1.6	2.0	2.0	-0.9	-2.2	-3.4	-4.3	0.8	1.5	1.1	1.7	0.9	1.9	1.5	1.7	0.6	0.1
Finland	3.5	6.7	5.1	4.4	3.0	2.2	2.4	2.5	2.0	1.3	0.1	-1.1	-0.8	-0.7	-0.7	-0.3	0.2	-0.3	-0.6	-0.7
France	1.0	0.1	0.4	-0.7	-1.4	-1.5	-1.3	-0.9	-1.5	-1.0	-3.1	-3.3	-2.2	-1.4	-0.6	-0.5	-0.4	-0.1	-0.1	-0.3
Germany	1.4	1.2	-0.4	-0.8	-0.4	-0.2	0.1	0.4	1.4	1.6	1.5	-0.2	0.8	1.6	1.3	1.5	1.4	0.8	0.4	0.0
Greece	0.6	1.6	-0.1	-0.5	-4.4	-6.1	-4.4	-6.9	-8.1	-10.0	-12.5	-6.4	-0.7	3.6	5.9	4.9	5.8	6.9	7.5	7.5
Hungary	1.2	2.5	0.9	-3.4	-3.5	-3.9	-6.1	-8.3	-2.6	-1.3	1.4	0.6	0.3	3.9	3.2	1.8	1.3	0.8	0.7	0.5
Iceland	2.8	2.3	-0.2	-1.1	-0.7	-0.7	2.4	2.8	-1.2	-5.9	-5.7	0.0	1.2	3.5	3.2	6.4	4.6	3.5	1.7	1.1
Ireland	4.2	4.1	0.2	-1.1	0.4	0.7	0.2	0.0	-2.9	-6.1	-6.7	-6.0	-3.8	-1.7	-0.4	-0.7	0.9	0.6	0.7	1.0
Israel	1.7	1.3	0.5	0.6	1.5	2.8	3.5	3.8	3.3	1.0	-1.0	-0.2	-0.2	-1.3	-1.2	-0.6	0.7	0.2	-0.3	-0.4
Italy	4.7	2.6	1.8	2.0	0.4	0.3	0.0	0.9	2.1	1.7	1.0	1.3	1.4	4.7	4.8	4.4	4.1	3.6	3.0	2.4
Japan	-4.2	-4.4	-3.9	-5.1	-5.1	-5.4	-4.1	-2.8	-2.7	-2.4	-5.9	-7.2	-6.7	-7.2	-7.6	-6.0	-5.6	-5.2	-5.6	-5.2
Korea	1.9	3.3	2.2	2.2	2.5	0.9	1.4	1.7	1.9	1.2	-1.0	-0.2	0.5	1.1	1.0	1.6	2.0	2.3	2.9	2.9
Latvia	-1.4	-0.6	0.5	0.1	-1.2	-0.7	-2.0	-3.6	-6.0	-8.0	-5.0	-1.5	0.3	1.5	1.3	0.9	1.0	1.5	1.1	0.9
Luxembourg	..	..	..	..	..	..	..	0.9	0.0	0.8	2.2	0.8	2.2	3.7	3.9	3.2	3.2	3.1	1.8	1.2
Netherlands	2.5	2.3	1.0	-0.1	-0.3	0.6	1.6	0.7	-0.2	-0.2	-2.6	-2.6	-2.7	-1.3	0.1	0.4	-0.1	0.2	0.1	0.2
New Zealand	1.5	3.0	3.3	4.1	3.6	3.5	4.3	4.8	3.1	1.2	-1.2	-1.5	-0.7	0.2	1.2	1.1	0.6	0.2	0.1	0.7
Norway[1]	-1.9	-0.1	-1.1	-2.8	-3.8	-3.1	-2.5	-1.7	-1.6	-2.2	-2.7	-1.9	-1.5	-1.8	-2.5	-3.2	-2.5	-3.6	-4.0	-4.1
Poland	0.2	-0.3	-0.6	-0.4	-0.9	-1.2	-0.1	-0.6	-0.5	-2.2	-4.7	-5.7	-4.3	-1.9	-1.3	-1.3	-1.1	-1.0	-1.3	-1.2
Portugal	-1.7	-2.8	-4.1	-2.7	-2.3	-3.6	-3.7	-1.8	-1.3	-1.9	-5.5	-5.6	-2.0	0.3	2.4	3.5	2.9	3.2	2.8	2.3
Slovenia	-0.5	-1.5	-1.5	-0.4	-0.2	-0.5	-0.5	-1.9	-2.3	-4.2	-4.6	-4.5	-4.0	-1.3	-0.5	-0.7	1.2	1.0	1.1	1.2
Spain	2.0	1.1	0.9	0.8	0.4	1.0	1.2	1.3	0.5	-4.8	-7.4	-5.0	-3.4	1.2	3.3	3.3	2.4	1.1	0.8	0.4
Sweden	3.7	4.4	3.1	1.1	0.6	0.9	2.3	0.8	1.4	1.7	3.3	1.4	0.8	0.5	0.3	-0.2	0.1	-0.5	-1.0	-1.1
Switzerland	-0.1	1.2	0.0	0.1	-0.5	-0.5	-0.1	0.3	0.2	1.6	1.6	0.8	1.2	0.8	0.7	0.3	2.0	2.6	2.4	1.8
United Kingdom[2]	3.0	2.8	2.0	-0.5	-2.2	-2.8	-2.2	-2.9	-3.4	-3.9	-5.8	-5.2	-3.5	-4.2	-3.6	-3.9	-3.2	-2.4	-2.1	-1.5
United States	2.4	2.4	1.0	-2.0	-3.2	-3.5	-2.7	-2.1	-2.3	-4.4	-7.0	-7.1	-5.6	-4.4	-1.9	-1.3	-1.3	-1.5	-1.8	-3.0
Euro area	2.1	1.4	0.7	0.2	-0.2	-0.2	0.0	0.2	0.2	-0.5	-1.8	-1.8	-0.8	1.0	1.6	1.6	1.6	1.2	0.9	0.6
Total OECD	1.6	1.4	0.4	-1.2	-1.9	-2.1	-1.5	-1.1	-1.2	-2.3	-4.4	-4.5	-3.4	-2.4	-1.2	-0.8	-0.7	-0.9	-1.1	-1.5

Note: Adjusted for the cycle and for one-offs, and excludes net interest payments. For more details, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm)*.

1. As a percentage of mainland potential GDP. The financial balances shown are adjusted to exclude net revenues from petroleum activities.
2. Revenues due to quantitative easing that have accumulated in a special fund for several years, and that will be transferred to the UK Treasury in well-identified instalments over the projection period, are treated as fiscal one-offs and excluded from underlying fiscal measures.

Source: OECD Economic Outlook 100 database.

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Annex Table 35. **General government net debt interest payments**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	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	0.6	0.6
Austria	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	1.7	1.4	1.2
Belgium	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	2.9	2.9	2.7	2.4	2.2	2.1
Canada	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	0.7	0.9	0.9	1.0
Czech Republic	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	0.7
Denmark	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	0.5	0.8	0.7	0.6	0.4
Estonia	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	-0.1
Finland	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	0.1	0.0
France	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	1.7	1.5	1.5
Germany	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	1.7	1.5	1.3	1.2	0.9	0.7	0.5
Greece	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	3.2	3.1	3.0
Hungary	6.1	4.8	4.0	3.6	3.7	3.9	3.8	3.6	3.8	3.6	4.0	3.8	3.7	4.2	4.3	3.8	3.4	3.4	3.3	3.2
Iceland	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	3.8	3.8	3.3	3.0
Ireland	2.1	1.6	1.1	1.1	1.1	1.0	0.9	0.7	0.6	0.7	1.4	2.3	2.5	3.2	3.4	3.3	2.3	2.1	2.1	2.0
Israel	6.5	6.4	6.2	5.8	6.6	6.2	6.1	4.9	4.4	3.9	3.7	3.6	3.5	3.6	3.2	3.1	2.9	2.8	2.8	2.8
Italy	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	3.9	3.7	3.6
Japan	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	0.0
Korea	-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	-0.4	-0.5	-0.6
Luxembourg	-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	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1
Netherlands	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	0.8	0.6	0.4
New Zealand	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	0.7	0.6	0.6
Norway	-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	-3.0	-2.8
Poland	2.6	2.6	2.8	2.2	2.4	2.4	2.3	2.2	1.9	1.6	2.1	2.1	2.2	2.3	2.2	1.7	1.6	1.5	1.5	1.5
Portugal	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	4.4	4.2	4.1	4.0	4.0
Slovak Republic	2.8	3.0	3.0	2.9	1.6	1.4	1.1	0.9	0.9	0.9	1.1	1.1	1.3	1.6	1.7	1.6	1.5	1.3	1.1	0.9
Slovenia	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	2.6	2.4	2.2	2.0
Spain	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	2.4	2.1	1.8
Sweden	2.4	2.1	1.7	2.0	1.3	0.9	1.0	0.8	0.7	0.5	0.3	0.3	0.3	0.1	0.1	0.0	-0.1	-0.1	-0.2	-0.2
Switzerland	1.1	1.0	0.9	1.0	1.0	1.0	1.0	0.8	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.1
United Kingdom	2.3	2.2	1.9	1.6	1.6	1.6	1.8	1.7	1.8	1.7	1.5	2.6	2.9	2.6	2.5	2.4	2.0	1.9	1.8	1.7
United States	3.2	2.8	2.7	2.6	2.7	2.6	2.6	2.6	2.6	2.6	2.8	2.9	3.1	3.1	2.3	2.7	2.8	2.9	2.9	3.0
Euro area	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	1.7	1.5
Total OECD	2.8	2.6	2.4	2.3	2.2	2.0	1.9	1.8	1.8	1.9	2.0	2.1	2.2	2.2	1.9	2.0	1.9	1.8	1.8	1.7

Source: OECD Economic Outlook 100 database.

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Annex Table 36. **General government gross financial liabilities**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	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	37.4	38.3	42.3	44.5	45.4	45.1	44.6
Austria	70.7	70.5	71.6	75.0	73.7	73.0	80.4	77.7	74.6	80.1	92.4	96.1	96.6	102.8	99.0	106.8	106.2	106.0	105.1	103.8
Belgium[1]	126.5	120.3	119.0	118.1	114.6	110.2	107.8	99.9	93.7	101.0	109.4	107.6	110.0	120.1	118.3	129.5	126.7	127.0	126.3	125.5
Canada	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	100.4	101.3	102.0
Czech Republic	23.4	24.0	28.0	30.2	32.7	32.4	32.2	32.0	30.7	34.6	41.4	46.3	48.8	58.3	58.1	56.8	54.0	52.3	52.1	51.6
Denmark	67.1	60.5	58.3	58.1	56.1	52.3	45.1	40.5	34.6	41.9	49.3	53.4	60.1	60.6	56.7	59.0	53.1	53.7	54.9	55.9
Estonia	10.8	6.8	6.7	7.6	8.4	8.6	8.2	8.0	7.3	8.4	12.6	12.0	9.6	13.2	13.7	14.1	12.9	12.4	13.1	13.3
Finland	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	63.8	64.5	71.5	74.2	78.0	81.2	84.2
France	73.5	71.9	70.9	74.6	78.5	80.2	81.7	76.9	75.6	81.6	93.2	96.9	100.7	110.4	110.9	120.3	120.9	122.7	124.1	125.0
Germany	60.6	59.4	58.5	60.9	64.3	67.7	70.1	68.1	64.0	67.9	75.4	84.7	84.0	86.5	81.5	81.9	77.9	74.7	71.7	68.7
Greece	96.6	113.2	116.8	116.1	112.0	113.9	113.9	116.3	114.2	118.8	135.3	127.4	110.2	166.5	182.8	182.8	183.9	185.7	182.7	177.6
Hungary	66.9	61.4	59.6	60.2	61.1	64.6	67.5	71.2	72.1	75.6	84.7	86.5	95.4	98.2	96.5	98.7	97.0	97.5	96.4	95.2
Iceland	43.2	40.4	44.8	40.9	39.9	34.8	26.6	32.1	30.2	70.5	85.4	90.8	97.5	95.3	87.2	83.1	73.8	64.4	63.6	56.0
Ireland	49.8	38.4	35.6	34.3	33.1	31.6	31.9	28.1	28.1	48.3	68.7	85.2	112.6	131.8	134.3	124.1	92.7	91.0	88.9	86.1
Israel	89.6	79.6	83.7	90.3	93.0	91.3	88.2	80.1	73.0	71.9	74.6	70.7	68.8	68.3	67.0	66.0	64.1	62.7	62.2	61.9
Italy	123.9	118.8	118.2	117.0	114.3	116.3	118.9	116.3	111.7	114.5	127.4	126.2	119.6	138.3	145.5	158.3	159.6	159.3	159.5	159.3
Japan[2]	127.9	136.1	144.4	153.5	158.3	166.3	169.6	166.8	162.4	171.1	188.7	193.2	209.4	215.4	221.5	227.7	229.9	233.7	237.5	239.7
Korea	..	..	..	..	..	..	..	..	..	29.4	31.6	33.5	36.1	38.5	40.5	43.7	44.2	44.2	43.3	42.7
Latvia	14.6	14.5	16.0	15.9	16.9	17.7	14.6	14.6	12.9	23.0	41.7	53.3	48.0	46.3	44.0	47.1	42.2	46.2	44.1	43.3
Luxembourg	15.5	14.1	14.5	13.0	14.4	15.4	14.0	13.1	12.8	20.3	20.1	27.0	26.7	30.3	30.2	32.0	31.4	30.7	32.7	34.7
Netherlands	67.7	60.5	56.5	57.3	58.3	58.4	57.4	51.3	48.5	61.3	64.1	68.1	72.0	77.8	76.5	81.2	77.9	76.1	74.3	72.5
New Zealand	38.3	36.2	34.3	32.4	30.4	27.7	26.6	26.2	25.1	28.1	33.4	37.0	40.2	41.2	40.5	40.9	41.0	39.9	39.5	38.4
Norway	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	35.0	35.5	33.2	39.1	41.7	41.3	41.3
Poland	46.2	44.8	43.2	54.3	54.8	53.4	54.1	54.3	50.9	53.6	56.7	60.6	61.1	60.7	62.4	66.0	66.2	67.5	68.8	69.9
Portugal	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	139.0	142.9	152.7	149.8	151.0	150.3	149.0
Slovak Republic	52.6	57.9	56.6	49.4	47.5	45.1	38.4	36.2	34.8	33.8	42.5	47.4	50.0	58.3	61.2	60.5	59.2	59.2	59.2	58.0
Slovenia	..	..	33.0	34.0	33.5	34.3	33.4	33.3	29.1	28.3	42.5	46.8	50.5	60.7	79.6	97.2	97.7	99.4	100.1	100.0
Spain	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	92.4	105.6	118.9	116.8	118.4	119.1	119.3
Sweden	67.5	57.3	59.0	58.7	57.8	57.4	58.2	51.7	46.6	46.7	48.4	46.0	46.2	46.4	48.6	55.5	53.8	52.9	51.6	50.1
Switzerland	52.6	52.7	52.5	60.1	58.5	59.7	57.1	50.7	50.5	48.7	46.5	44.9	45.1	45.9	45.5	45.7	44.6	43.1	41.7	40.6
United Kingdom	47.8	48.8	44.8	47.4	46.7	49.5	51.1	50.8	51.4	63.4	77.0	89.3	103.5	107.2	102.9	113.4	112.0	112.5	113.1	113.4
United States	52.3	48.1	50.7	57.4	58.8	67.0	67.4	65.0	65.6	79.3	94.3	103.5	109.1	112.3	112.1	112.3	114.0	115.6	116.9	117.5
Euro area	78.6	76.2	74.7	76.0	76.8	78.2	79.2	75.6	72.0	77.3	88.0	92.4	93.6	104.1	105.3	111.9	109.5	108.9	108.1	106.9
Total OECD	69.3	67.4	68.7	72.7	73.6	77.9	78.6	76.1	74.4	82.3	94.2	100.5	105.4	111.2	111.8	115.1	115.5	116.3	116.7	116.5

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438368

Annex Table 37. **General government net financial liabilities**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	-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	-13.7	-15.4	-13.1	-14.4	-11.4	-8.9	-6.9
Austria	35.7	34.8	33.8	37.5	36.0	37.9	44.7	42.3	39.5	43.9	49.9	51.5	52.9	57.9	56.6	59.1	57.1	56.9	56.0	54.7
Belgium[1]	106.6	100.9	98.5	99.4	96.1	90.9	88.8	80.4	74.1	76.6	82.9	81.6	83.1	92.2	90.2	100.1	97.7	98.0	97.3	96.5
Canada	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	31.4	33.1	34.0	34.8
Czech Republic	-28.2	-25.4	-23.4	-15.1	-7.0	-10.1	-11.5	-11.7	-14.5	-5.8	-1.4	6.3	9.2	16.6	18.1	20.1	19.8	19.3	18.8	17.9
Denmark	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	4.8	5.6	6.2	7.4	8.4
Estonia	-39.3	-30.2	-29.1	-28.6	-29.5	-31.9	-32.1	-30.8	-28.5	-25.9	-28.8	-36.0	-33.4	-31.4	-31.4	-30.8	-42.1	-41.3	-38.9	-36.8
Finland	-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	-49.4	-53.0	-53.8	-54.0	-50.2	-47.1	-44.1
France	31.0	32.4	34.6	39.5	41.6	43.1	41.0	35.5	32.2	42.7	50.2	54.6	59.6	67.4	66.3	74.6	75.6	77.4	78.8	79.7
Germany	32.9	32.5	34.7	38.6	41.7	45.8	48.3	46.6	41.4	43.4	48.0	49.3	50.0	49.6	45.8	45.7	42.7	40.9	39.3	37.4
Greece	68.0	87.5	90.7	92.3	86.3	85.9	82.6	85.6	81.0	91.3	102.7	92.1	73.3	105.2	124.9	135.3	148.0	149.7	146.7	141.6
Hungary	34.4	33.0	32.4	36.5	37.5	41.5	44.5	51.4	52.8	50.7	58.6	60.8	62.5	69.7	70.3	70.9	66.9	67.3	66.2	65.0
Iceland	9.3	8.7	3.5	1.7	3.7	2.1	-9.9	-15.0	-20.5	0.3	13.8	22.1	26.9	28.9	27.3	25.8	24.2	5.7	4.8	4.0
Ireland	25.7	14.7	11.3	12.9	10.8	7.7	6.0	1.2	-0.2	12.4	25.4	48.0	61.5	78.9	81.6	80.4	59.5	57.8	54.5	51.7
Italy	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	130.5	132.6	132.3	132.5	132.3
Japan[2]	52.4	58.8	65.5	74.5	77.6	82.4	82.2	81.0	80.5	95.3	106.2	113.1	127.2	129.2	124.2	126.2	128.5	132.2	136.1	138.3
Korea[3]	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Latvia	-7.8	-8.2	-10.9	-10.9	-7.7	-5.3	-4.8	-3.7	-3.9	-1.1	6.7	13.7	14.8	12.1	13.8	14.4	17.4	18.0	18.2	18.0
Luxembourg	-48.0	-49.7	-56.0	-55.2	-54.5	-51.0	-49.7	-52.3	-55.2	-52.0	-56.7	-51.5	-45.6	-49.8	-51.0	-51.0	-50.6	-51.4	-49.3	-47.3
Netherlands	28.9	28.0	27.5	31.0	32.2	32.9	30.2	27.4	23.8	23.1	27.8	32.4	37.2	39.7	40.2	43.9	42.8	43.0	41.9	40.7
New Zealand	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	5.1	5.0	4.6	3.5
Norway	-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	-169.1	-207.4	-249.4	-284.7	-278.1	-270.3	-260.1
Poland	12.8	14.7	17.6	21.0	24.8	22.0	22.0	20.9	15.6	15.9	20.7	26.4	30.3	31.4	35.0	38.0	38.7	40.1	41.4	42.5
Portugal	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	89.3	97.5	107.9	108.5	108.1	108.1	107.4
Slovak Republic	0.9	13.1	10.6	0.9	1.5	4.8	10.2	14.5	13.5	15.3	22.3	28.0	32.8	31.2	32.7	35.5	35.1	36.1	36.1	34.9
Slovenia	..	..	-15.3	-13.9	-9.3	-9.8	-8.8	-10.2	-18.3	-7.2	-2.1	-0.6	2.4	8.7	13.9	20.6	24.5	26.2	26.8	26.8
Spain	46.8	43.4	40.6	39.2	36.0	33.5	28.6	22.1	17.4	22.3	33.8	39.4	48.0	59.0	69.7	82.3	82.0	83.6	84.3	84.5
Sweden	9.9	2.2	-2.3	4.0	0.8	-1.3	-6.8	-16.7	-21.0	-15.4	-22.9	-24.3	-26.8	-29.2	-29.3	-28.5	-27.7	-26.6	-25.4	-24.4
Switzerland	10.9	7.3	6.9	12.5	11.9	13.8	12.9	9.5	8.5	11.8	7.5	10.3	9.3	7.0	7.6	7.8	6.7	5.2	3.7	2.7
United Kingdom	30.3	29.3	26.5	29.3	28.4	30.8	31.4	31.8	32.4	39.2	49.1	54.6	70.2	71.9	70.2	81.1	80.7	81.2	81.8	82.0
United States	32.7	29.5	31.4	38.4	40.0	48.5	48.8	46.1	46.1	57.0	70.3	78.3	86.0	89.2	88.4	88.1	89.0	90.6	91.8	92.5
Euro area	47.2	46.4	47.0	49.5	49.7	50.9	50.4	46.4	42.0	46.9	54.4	56.5	58.1	65.3	66.2	72.2	71.1	71.0	70.7	69.9
Total OECD	36.2	34.9	36.1	40.6	41.2	44.8	44.1	41.2	39.2	46.3	55.1	60.0	65.8	69.7	68.6	71.0	71.3	72.3	73.1	73.3

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 100 database.

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Annex Table 38. **Maastricht definition of general government gross public debt**

Per cent of nominal GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	66.5	65.8	66.4	66.3	65.5	65.0	68.3	66.9	64.7	68.7	79.7	82.5	82.2	82.0	81.4	84.4	85.6	85.4	84.5	83.2
Belgium	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	105.4	106.5	105.8	106.0	105.4	104.6
Czech Republic	15.2	17.0	22.8	25.9	28.1	28.5	28.0	27.9	27.8	28.7	34.1	38.2	39.8	44.5	44.9	42.2	40.3	38.6	38.5	38.0
Denmark	58.5	52.4	48.5	49.1	46.1	44.2	37.4	31.5	27.3	33.3	40.2	42.6	46.1	44.9	44.0	44.0	39.6	40.2	41.3	42.3
Estonia	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	9.7	10.2	10.7	10.1	9.5	10.2	10.4
Finland	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	53.9	56.5	60.2	63.6	67.1	69.6	71.9
France	60.3	58.6	58.1	60.1	64.2	65.8	67.3	64.4	64.4	68.1	79.0	81.8	85.2	89.5	92.3	95.2	96.2	97.9	99.4	100.2
Germany	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	79.9	77.3	74.7	71.2	68.0	65.0	62.0
Greece	99.0	104.7	107.0	104.7	101.4	102.9	107.3	103.6	103.1	109.5	126.7	145.9	172.0	159.5	177.6	179.8	177.7	179.7	176.6	171.5
Hungary	59.8	55.1	51.7	55.0	57.6	58.5	60.5	64.6	65.6	71.6	77.8	80.5	80.7	78.2	76.6	75.7	74.7	75.1	74.1	72.8
Ireland	46.6	36.1	33.2	30.6	29.9	28.2	26.1	23.6	23.9	42.4	61.7	86.3	109.7	119.6	119.6	105.4	78.7	77.1	75.0	72.2
Italy	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	131.8	132.4	132.1	132.3	132.0
Latvia	12.1	12.1	13.9	13.1	13.9	14.3	11.7	9.9	8.4	18.7	36.6	47.4	42.8	41.3	39.0	40.7	36.3	40.3	38.2	37.5
Luxembourg	6.8	6.5	7.0	6.9	6.9	7.3	7.5	7.9	7.8	15.1	16.0	19.9	18.8	21.8	23.5	22.8	22.1	21.4	23.4	25.4
Netherlands	58.2	51.3	48.7	48.2	49.3	49.6	49.0	44.5	42.4	54.5	56.5	59.0	61.7	66.4	67.7	67.9	65.1	63.3	61.6	59.7
Poland	39.5	36.6	37.2	41.8	46.6	45.0	46.4	46.9	44.2	46.3	49.4	53.3	54.4	53.7	55.7	50.2	51.1	52.5	53.8	54.9
Portugal	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	130.6	129.0	130.2	129.5	128.2
Slovak Republic	47.1	49.6	48.3	42.9	41.6	40.6	33.8	30.7	29.8	28.1	35.9	40.7	43.2	52.2	54.7	53.6	52.5	52.5	52.4	51.2
Slovenia	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	80.9	83.1	84.8	85.5	85.4
Spain	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	85.7	95.4	100.4	99.8	101.3	102.1	102.2
Sweden	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	37.7	40.4	45.2	43.9	43.0	41.7	40.2
United Kingdom	39.6	37.0	34.3	34.2	35.8	38.7	40.0	41.0	42.2	50.3	64.2	75.7	81.3	85.1	86.2	88.1	89.1	89.3	89.6	89.3
Euro area	70.8	68.1	67.0	66.9	68.1	68.6	69.3	67.4	65.0	68.8	78.6	84.3	86.9	91.6	93.8	94.5	92.8	92.2	91.4	90.2

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438380

Annex Table 39. **Short-term interest rates**

Per cent, per annum

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017	2018
																		Fourth quarter		
Australia	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	2.0	1.8	2.3	1.8	2.1	2.6
Brazil	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	14.2	12.4	10.4	..	..	..
Canada	2.6	3.0	2.3	2.8	4.2	4.6	3.2	0.5	0.8	1.2	1.2	1.2	1.2	0.8	0.8	1.0	1.8	0.8	1.3	2.0
Chile	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	2.9	3.6	3.9	4.0	3.8	4.0	4.0
China	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	4.4	4.2	4.1	4.4	4.1	4.1
Colombia	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	6.8	7.0	6.1	..	..	..
Czech Republic	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	0.4	0.7	0.3	0.5	0.8
Denmark	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	-0.2	-0.2	-0.2	-0.2	-0.2
Estonia	3.9	2.9	2.5	2.4	3.2	4.9	6.7	5.9	1.6											
Hungary	8.9	8.2	11.3	7.0	6.9	7.6	8.9	8.5	5.4	6.0	6.9	4.2	2.2	1.2	0.8	0.7	1.4	0.5	0.8	1.8
Iceland	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	6.3	6.3	6.6	5.8	6.3	6.6
India[1]	7.8	6.9	6.0	6.2	7.1	7.8	7.4	4.8	6.0	8.1	7.9	7.6	7.9	7.0	6.4	6.1	6.0	..	..	..
Indonesia	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	7.2	6.4	6.3	..	..	..
Israel	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	0.6	0.1	0.3	0.7
Japan	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	-0.1	-0.1	-0.1	-0.1	-0.1
Korea	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	1.4	1.4	1.4	1.4
Latvia	4.4	3.8	4.2	3.1	4.4	8.7	8.0	13.1	2.0	1.0	0.9	0.4								
Lithuania	3.7	2.8	2.7	2.4	3.1	5.1	6.0	7.1	1.8	1.7	1.1	0.5	0.3							
Mexico	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	4.4	5.8	6.3	5.7	6.0	6.5
New Zealand	5.7	5.4	6.1	7.1	7.5	8.3	8.0	3.0	3.0	2.8	2.7	2.7	3.4	3.2	2.3	2.0	2.2	2.1	2.0	2.4
Norway	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	1.1	1.1	1.1	1.1	1.1	1.1
Poland	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	2.4	1.7	2.0	2.5
Slovak Republic	7.8	6.2	4.7	2.9	4.3	4.3														
Slovenia	8.0	6.8	4.7	4.0	3.6															
South Africa	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	7.2	7.0	6.7	..	..	..
Sweden	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	-0.5	-0.5	-0.1	-0.5	-0.4	0.1
Switzerland	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	-0.8	-0.7	-0.7	-0.7	-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	10.2	8.9	8.3	9.2	8.6	8.1
United Kingdom	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	0.5	0.5	0.5	0.5	0.5	0.5
United States	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	1.5	2.3	1.2	1.7	2.5
Euro area	3.4	2.4	2.1	2.2	3.1	4.3	4.6	1.3	0.8	1.4	0.6	0.2	0.2	0.0	-0.3	-0.3	-0.3	-0.3	-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 100 database.

StatLink http://dx.doi.org/10.1787/888933438396

Annex Table 40. **Long-term interest rates**

Per cent, per annum

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2016	2017	2018
																		Fourth quarter		
Australia	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	2.2	2.0	2.3	1.9	2.1	2.4
Austria	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	0.1	0.1	0.3	0.1	0.1
Belgium	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	0.5	0.2	0.2	0.4	0.2	0.2
Canada	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	1.2	1.9	2.9	1.4	2.2	3.2
Chile	..	..	..	6.0	6.2	6.1	7.0	5.7	6.3	6.0	5.4	5.3	4.7	4.5	4.4	4.6	4.7	4.5	4.7	4.7
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	8.0	7.3	7.0	..	..	..
Czech Republic	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	0.4	0.5	0.8	0.4	0.7	0.9
Denmark	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	0.3	0.3	0.4	0.2	0.3	0.4
Finland	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	0.4	0.2	0.2	0.4	0.2	0.2
France	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	0.4	0.2	0.2	0.4	0.2	0.2
Germany	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	0.1	-0.1	-0.1	0.1	-0.1	-0.1
Greece	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	8.5	6.7	5.0	8.0	6.0	4.3
Hungary	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	3.1	3.1	3.7	2.9	3.2	4.0
Iceland	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	5.7	5.8	6.6	5.3	6.3	6.6
India[1]	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	7.8	7.1	6.6	6.5	..	..	..
Ireland	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	0.7	0.4	0.4	0.6	0.4	0.4
Israel	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	1.9	2.4	3.6	2.0	2.9	4.1
Italy	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	1.7	1.7	2.0	1.7	1.7
Japan	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	0.0	0.0	0.0	0.0	0.0
Korea	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	1.7	2.0	2.1	1.8	2.0	2.2
Latvia	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	0.5	0.2	0.2	0.4	0.2	0.2
Luxembourg	4.7	3.3	2.8	2.4	3.3	4.5	4.6	4.2	3.2	2.9	1.8	1.8	1.3	0.4	-0.2	-0.4	-0.4	-0.2	-0.4	-0.4
Mexico	10.1	9.0	9.5	9.4	8.4	7.8	8.3	7.8	7.1	6.8	6.1	5.8	6.0	5.8	6.2	7.4	8.1	7.1	7.8	8.4
Netherlands	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	0.3	0.1	0.1	0.3	0.1	0.1
New Zealand	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	2.7	2.9	3.2	2.7	3.0	3.3
Norway	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	1.3	1.5	1.6	1.4	1.5	1.7
Poland	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	3.2	3.7	3.2	3.3	3.8
Portugal	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	3.1	3.1	3.3	3.1	3.1
Slovak Republic	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	0.9	1.1	1.1	1.3	1.1	1.1
Slovenia	..	6.4	4.7	3.8	3.9	4.5	4.6	4.4	3.8	5.0	5.8	5.8	3.3	1.7	1.2	0.8	0.8	1.0	0.8	0.8
South Africa	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	9.2	9.0	8.5	..	..	..
Spain	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	1.4	1.1	1.1	1.3	1.1	1.1
Sweden	5.3	4.6	4.4	3.4	3.7	4.2	3.9	3.2	2.9	2.6	1.6	2.1	1.7	0.7	0.5	0.5	0.8	0.3	0.6	0.9
Switzerland	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	-0.4	-0.5	-0.4	-0.3	-0.5	-0.4
Turkey	..	..	..	..	16.0	16.8	19.3	13.5	9.5	9.4	8.5	7.7	9.2	9.3	9.5	8.7	8.3	8.9	8.5	8.1
United Kingdom	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	1.3	1.3	1.6	1.2	1.4	1.7
United States	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	1.8	2.4	3.6	2.0	2.8	3.8
Euro area	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	0.8	0.6	0.6	0.8	0.6	0.5

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 100 database.

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Annex Table 41. **Nominal exchange rates (vis-à-vis the US dollar)**

Average of daily rates

	Monetary unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Assumptions[1] 2016	2017	2018
Argentina	*Argentinean pesos*	2.917	3.074	3.116	3.162	3.728	3.910	4.126	4.548	5.478	8.122	9.258	14.708	15.300	15.300
Australia	*Australian Dollar*	1.313	1.328	1.195	1.198	1.282	1.090	0.969	0.966	1.036	1.109	1.331	1.340	1.313	1.313
Brazil	*Brazilian Real*	2.435	2.175	1.947	1.835	2.000	1.760	1.674	1.953	2.158	2.354	3.331	3.497	3.437	3.437
Canada	*Canadian Dollar*	1.212	1.134	1.074	1.068	1.141	1.030	0.989	0.999	1.030	1.105	1.278	1.327	1.348	1.348
Chile	*Chilean Peso*	559.7	530.3	522.2	523.5	558.9	510.0	483.4	486.0	495.3	570.6	654.3	676.3	668.1	668.1
China	*Yuan Renminbi*	8.194	7.972	7.607	6.950	6.831	6.769	6.463	6.309	6.148	6.160	6.284	6.631	6.811	6.811
Colombia	*Colombian Peso*	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	3 062.2	3 117.8	3 117.8
Costa Rica	*Costa Rican Colon*	477.90	511.54	517.24	526.53	570.56	521.89	502.39	503.13	500.96	537.22	534.59	544.27	554.33	554.330
Czech Republic	*Czech Koruna*	23.95	22.59	20.29	17.08	19.05	19.08	17.67	19.54	19.56	20.76	24.59	24.34	24.80	24.802
Denmark	*Danish Krone*	5.996	5.943	5.443	5.099	5.359	5.622	5.357	5.790	5.618	5.619	6.725	6.703	6.825	6.825
Estonia	*Estonian Kroon*	12.6	12.5	11.4	10.7	11.3	11.8								
Hungary	*Forint*	199.5	210.4	183.6	172.5	202.1	207.8	200.9	224.8	223.6	232.6	279.2	280.2	284.3	284.3
Iceland	*Iceland Krona*	62.88	69.90	64.07	88.00	123.66	122.24	116.06	125.12	122.17	116.69	131.90	120.74	112.16	112.16
India	*Indian Rupee*	44.1	45.3	41.3	43.5	48.3	45.7	46.6	53.4	58.6	61.0	64.2	67.1	67.1	67.1
Indonesia	*Rupiah*	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	13 297.0	13 350.0	13 350.0
Israel	*New Israeli Sheqel*	4.49	4.46	4.11	3.58	3.93	3.73	3.57	3.85	3.61	3.58	3.89	3.84	3.84	3.84
Japan	*Yen*	110.1	116.4	117.8	103.4	93.6	87.8	79.7	79.8	97.6	105.8	121.0	107.8	106.7	106.7
Korea	*Won*	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	1 158.5	1 164.4	1 164.4
Latvia	*Lats*	0.560	0.555	0.512	0.480	0.508	0.535	0.508	0.543	0.529					
Lithuania	*Lithuanian Litas*	2.778	2.752	2.523	2.360	2.485	2.608	2.484	2.687	2.601	2.600				
Mexico	*Mexican Peso*	10.89	10.90	10.93	11.15	13.50	12.63	12.43	13.15	12.77	13.31	15.87	18.65	20.66	20.66
New Zealand	*New Zealand Dollar*	1.421	1.542	1.361	1.425	1.600	1.388	1.266	1.235	1.220	1.206	1.434	1.434	1.403	1.403
Norway	*Norwegian Krone*	6.441	6.415	5.858	5.648	6.290	6.042	5.605	5.815	5.877	6.302	8.064	8.374	8.359	8.359
Poland	*Zloty*	3.234	3.103	2.765	2.410	3.119	3.015	2.962	3.252	3.160	3.154	3.770	3.918	3.986	3.986
Russia	*Russian Ruble*	28.24	27.18	25.57	24.87	31.77	30.37	29.40	31.05	31.86	38.59	61.26	67.48	66.21	66.21
Slovak Republic	*Slovak Koruna*	31.04	29.65	24.68											
Slovenia	*Tolar*	192.8	191.0												
South Africa	*Rand*	6.364	6.770	7.056	8.263	8.417	7.305	7.249	8.202	9.648	10.846	12.765	14.753	14.355	14.355
Sweden	*Swedish Krona*	7.474	7.373	6.758	6.597	7.653	7.202	6.489	6.769	6.513	6.860	8.429	8.540	9.085	9.085
Switzerland	*Swiss Franc*	1.246	1.253	1.200	1.084	1.086	1.043	0.887	0.937	0.927	0.915	0.962	0.981	0.987	0.987
Turkey	*New Turkish Lira*	1.341	1.430	1.300	1.299	1.547	1.499	1.672	1.792	1.905	2.189	2.723	2.998	3.262	3.262
United Kingdom	*Pound Sterling*	0.550	0.543	0.500	0.546	0.641	0.647	0.624	0.631	0.640	0.607	0.654	0.740	0.794	0.794
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	0.796	0.730	0.681	0.718	0.754	0.719	0.778	0.753	0.753	0.901	0.901	0.921	0.921

1. On the technical assumption that exchange rates remain at their levels of 11 November 2016.

Source: OECD Economic Outlook 100 database.

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Annex Table 42. **Effective exchange rates**

Indices 2010 = 100, average of daily rates

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Assumptions[1] 2016	2017	2018
Argentina	425.5	447.2	491.7	176.4	170.5	161.6	152.5	139.3	128.9	121.6	109.9	100.0	91.0	88.1	75.4	52.7	54.5	35.4	34.2	34.2
Australia	79.3	73.7	69.5	72.5	81.1	87.6	89.7	88.5	94.2	92.5	88.8	100.0	107.2	109.4	104.4	99.4	90.2	90.8	93.9	93.9
Austria	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	101.4	101.2	101.2
Belgium	92.0	88.2	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	101.9	101.7	101.7
Brazil	93.5	97.0	78.8	71.9	62.0	62.2	74.3	82.5	88.9	92.8	89.6	100.0	102.3	90.7	83.2	79.7	62.6	62.5	64.4	64.4
Canada	71.5	72.6	71.2	70.3	77.4	81.8	87.3	92.9	96.4	95.5	91.7	100.0	101.9	102.5	100.0	94.4	86.5	85.0	84.6	84.6
Chile	95.7	93.6	84.0	88.1	83.4	90.8	96.8	101.2	98.4	96.3	93.6	100.0	101.8	104.4	104.7	94.1	90.7	91.2	93.7	93.7
China	89.7	91.7	98.0	98.3	92.4	88.1	87.5	89.6	90.6	97.0	102.9	100.0	99.9	105.5	111.7	115.0	126.1	120.9	118.4	118.4
Colombia	113.8	98.2	92.6	87.6	72.4	76.6	84.9	82.8	90.5	94.0	90.2	100.0	100.1	106.1	103.0	99.3	79.6	73.6	73.4	73.4
Costa Rica	194.4	186.4	180.4	165.9	144.1	127.2	114.8	106.4	101.6	97.3	93.1	100.0	101.1	103.3	104.6	99.6	108.3	108.8	108.3	108.3
Czech Republic	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	96.4	96.5	96.5
Denmark	93.1	89.0	90.6	92.6	97.6	99.3	98.4	98.3	99.8	101.9	104.7	100.0	99.8	97.2	99.3	101.5	99.2	101.8	102.3	102.3
Estonia	90.1	87.2	88.5	91.1	96.5	98.2	97.7	97.3	98.5	100.2	104.1	100.0	100.1	97.9	100.1	104.4	107.5	110.6	110.2	110.2
Finland	90.5	86.4	88.1	90.6	96.6	98.7	97.8	97.5	99.2	101.6	105.3	100.0	100.0	97.1	99.7	103.6	104.2	107.3	107.0	107.0
France	92.8	89.0	90.1	92.3	97.5	99.3	98.6	98.7	100.2	102.2	103.4	100.0	100.4	98.2	100.4	101.8	98.6	100.5	100.4	100.4
Germany	92.4	88.3	89.5	91.8	97.8	99.9	98.8	98.9	100.5	102.4	104.4	100.0	100.4	97.8	100.5	102.6	99.3	101.7	101.5	101.5
Greece	95.1	88.8	89.7	92.1	97.1	98.9	98.0	98.1	99.5	101.7	103.6	100.0	100.8	98.3	100.8	104.1	103.5	106.6	106.2	106.2
Hungary	103.3	97.5	99.7	107.3	107.6	109.9	110.5	103.5	109.7	110.9	101.7	100.0	99.2	93.7	93.2	91.5	89.7	91.2	91.7	91.7
Iceland	195.7	196.8	166.9	172.1	181.3	183.7	203.8	182.4	184.6	134.4	98.2	100.0	100.3	98.2	100.3	107.4	111.9	125.4	137.1	137.1
India	120.0	120.9	120.9	117.3	113.2	110.6	112.3	107.8	112.2	103.5	96.9	100.0	94.1	84.1	77.6	76.1	80.0	78.6	79.6	79.6
Indonesia	135.1	129.1	112.5	123.4	126.0	115.6	104.9	109.7	105.2	96.1	91.8	100.0	98.4	93.4	86.3	77.6	75.0	76.6	77.3	77.3
Ireland	88.4	83.1	84.2	86.6	93.7	96.1	95.7	95.8	98.1	102.6	104.5	100.0	100.9	97.1	100.0	101.0	95.1	97.9	98.0	98.0
Israel	97.6	106.5	108.0	95.2	91.3	87.8	86.7	86.9	89.7	99.9	95.6	100.0	101.4	97.8	104.9	108.1	110.5	114.8	116.6	116.6
Italy	91.4	87.7	89.1	91.9	97.4	99.4	98.5	98.6	100.1	102.0	104.0	100.0	100.5	98.2	100.8	103.2	100.7	103.3	102.9	102.9
Japan	85.0	92.7	86.1	82.8	85.3	88.6	85.9	79.6	75.3	84.5	97.0	100.0	105.7	107.2	88.0	83.1	79.0	91.6	93.5	93.5
Korea	108.3	117.4	108.4	112.4	111.8	112.0	124.5	133.1	131.7	107.4	93.4	100.0	99.8	99.9	105.3	113.0	115.4	115.0	115.8	115.8
Latvia	104.2	112.1	112.6	111.5	106.3	103.7	97.9	97.4	97.7	98.7	105.1	100.0	100.9	100.3	102.4	108.6	115.9	120.8	119.5	119.5
Lithuania	71.7	80.5	83.6	90.1	96.7	98.4	96.7	96.1	97.3	98.9	104.5	100.0	100.7	98.5	101.3	106.1	109.5	113.6	112.6	112.6
Luxembourg	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	99.7	99.6	99.6
Mexico	140.1	143.5	148.1	143.9	125.1	117.3	120.5	119.6	116.9	113.6	94.9	100.0	100.0	95.4	98.9	96.0	84.5	72.7	65.9	65.9
Netherlands	92.6	88.5	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	102.2	102.0	102.0
New Zealand	86.3	78.1	77.0	83.8	96.1	103.2	107.9	99.4	106.5	99.9	92.5	100.0	103.3	107.5	111.6	116.7	109.1	110.9	114.3	114.3
Norway	88.7	86.4	88.8	97.1	96.1	93.2	97.0	96.4	98.2	99.0	95.8	100.0	102.7	104.0	101.9	96.3	87.4	86.0	88.6	88.6
Poland	89.5	91.9	101.4	98.2	89.4	87.8	98.0	101.0	104.8	114.5	95.2	100.0	97.3	94.0	95.5	98.1	97.8	96.1	96.4	96.4
Portugal	95.3	92.6	93.6	95.2	98.5	99.5	98.9	98.9	99.8	101.3	102.3	100.0	100.3	98.9	100.7	101.9	99.7	101.4	101.3	101.3
Russia	142.3	136.5	138.2	126.1	115.2	114.6	115.3	118.7	117.5	114.6	95.2	100.0	99.2	98.7	95.9	81.8	58.0	53.4	55.3	55.3
Slovak Republic	67.1	67.9	66.6	68.0	72.9	76.4	77.9	80.3	88.8	96.2	103.4	100.0	100.2	99.1	101.0	103.3	102.4	104.4	104.1	104.1
Slovenia	117.3	108.2	102.9	100.4	101.1	100.2	99.2	99.2	100.0	101.1	103.3	100.0	100.5	98.9	101.0	103.2	101.8	103.8	103.5	103.5
South Africa	135.4	127.7	108.8	87.8	111.3	122.4	122.8	115.5	103.9	86.1	88.6	100.0	97.0	88.7	76.1	69.1	65.4	57.8	60.2	60.2
Spain	92.8	89.7	90.9	93.3	97.6	99.0	98.4	98.5	99.7	101.6	103.1	100.0	100.5	98.5	100.9	102.6	99.8	102.3	102.3	102.3
Sweden	100.4	100.3	92.4	95.3	101.6	103.8	101.1	101.5	103.0	101.3	93.4	100.0	106.1	107.4	110.8	107.5	102.5	103.5	99.0	99.0
Switzerland	80.1	78.6	81.9	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	127.4	129.8	129.8
Turkey	412.3	299.3	168.7	126.6	112.8	110.5	116.2	108.2	110.9	106.8	96.6	100.0	86.2	84.4	79.2	70.8	67.1	62.5	58.3	58.3
United Kingdom	122.6	126.0	124.9	126.8	122.2	127.9	125.8	126.5	128.5	112.5	100.7	100.0	99.3	103.3	101.4	109.1	116.8	105.3	99.3	99.3
United States	112.1	115.6	121.8	122.7	115.6	110.4	107.5	105.8	101.0	97.8	103.9	100.0	95.7	98.6	99.7	102.9	116.3	121.5	125.0	125.0
Euro area	85.5	78.1	80.2	84.4	94.9	98.6	96.9	96.9	99.9	103.9	107.9	100.0	100.6	96.3	100.8	104.5	99.6	104.0	103.6	103.6

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 11 November 2016.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438428

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	1.7
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	5.1	3.7	-0.5	7.1	-1.0	3.1	7.6	5.4	5.5	8.5	6.1	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	-3.8	-1.7	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	7.0
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	6.0	-0.5	-2.1	-1.7	-1.9
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	4.7
Greece	..	..	14.4	8.9	10.6	14.4	13.9	5.4	2.3	10.9	13.0	6.2	1.5	-4.3	-4.4	-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	11.3
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	8.6	14.9	7.5	-6.9	-19.2	-13.5	-16.2	-13.8	2.7	16.8	8.9
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	5.9
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	0.8	-2.8	-5.7	-4.4	-2.6
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	1.6	2.8
Latvia	..	..	..	..	..	..	..	..	..	..	..	36.3	1.1	-37.3	-11.0	10.4	3.0	6.8	6.0	-3.4
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	3.9	4.3	4.8	2.2	-4.5	-1.7	-2.0	-6.7	-6.0	0.8	3.6
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	11.6
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	6.9	7.9	9.9	-4.5	-8.9	5.7	-1.4	0.4	2.6	8.0	6.0
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	7.3	5.4	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	5.3	0.8	-3.9	1.3	1.6	-1.6	-1.2	0.8	1.6
Total OECD	1.2	2.0	3.2	4.7	5.5	5.0	6.4	6.4	6.6	6.7	5.7	3.6	-2.2	-4.1	0.9	-0.2	1.3	3.4	3.9	4.6

Source: OECD, Analytical house price database.

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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	6.8	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	2.9	1.4	3.5
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	0.3	-1.3	1.3
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	-7.8	1.6	4.4	1.6	2.7	5.5	0.8	..
Czech Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.7	-2.2	-1.4	-3.6	-0.8	1.8	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	6.4
Estonia	..	..	..	..	..	..	..	..	..	..	41.2	12.2	-16.5	-37.1	1.7	2.8	3.3	7.7	13.2	6.8
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	-2.0	-1.2
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	-2.8	-1.9	-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	4.7	5.1	4.1	4.1
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	-9.3	-4.3	3.2	11.6
Iceland	..	..	..	..	..	..	..	..	..	..	9.0	4.4	-7.4	-21.4	-4.9	1.2	1.1	2.5	5.3	7.5
Ireland	5.5	13.0	19.2	18.1	15.1	7.6	1.6	9.9	8.8	7.5	12.0	4.2	-8.7	-13.4	-11.6	-17.1	-15.0	1.2	15.2	8.3
Israel	8.1	2.7	-1.7	-1.3	-6.5	-4.1	0.9	-6.0	-1.2	-1.4	-1.8	-2.9	2.1	11.5	14.0	7.1	1.4	7.6	5.7	6.3
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	-2.6
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	7.9	2.4	-1.6	-0.3	1.2	-1.0	-2.0	0.5	1.9
Latvia	..	..	..	..	..	..	..	..	..	..	..	22.0	-10.7	-35.0	-8.7	4.1	-0.4	6.6	4.2	-2.7
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	1.1	-1.8	4.0	0.7	2.2	3.4	4.1	6.1
Mexico	..	..	..	..	..	..	..	..	..	..	3.1	2.5	-1.7	0.0	-0.5	0.7	0.9	1.1	0.2	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	-3.5	-2.7	-4.0	-8.0	-8.2	0.1	3.6
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	10.8
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	0.5	3.7
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	-4.6	-6.6	-4.8	1.1	2.9
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	3.9	2.3
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	1.5
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	-10.1	0.2	3.8
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	8.2	12.0
Switzerland	-6.2	-4.4	-1.1	-0.5	-0.5	1.3	5.0	2.2	1.6	0.0	1.2	0.7	0.7	5.6	4.2	4.1	4.9	5.3	1.5	3.1
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1.2	3.2	6.2	7.0	10.8
United Kingdom	0.3	6.9	9.8	10.1	14.2	7.7	15.5	14.2	10.1	4.8	5.0	7.7	-8.0	-9.8	3.6	-4.8	-1.5	0.2	6.2	5.7
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	-10.8	-5.7	-4.6	-6.4	1.2	5.9	3.8	5.2
Euro area	-2.3	-1.4	1.7	4.5	3.9	3.3	4.5	4.8	5.3	5.2	4.6	2.8	-1.9	-3.2	-0.2	-0.7	-3.4	-2.2	0.3	1.4
Total OECD	-0.7	0.2	2.1	3.6	3.5	3.2	5.1	4.6	4.7	4.6	3.5	1.4	-5.0	-4.1	-0.6	-2.5	-0.6	2.0	2.4	3.9

Source: OECD, Analytical house price database.

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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	77.5	78.3	81.6	85.2	89.5	96.5	111.9	129.6	134.4	133.9	138.6	145.2	140.2	136.5	146.2	136.8	130.9	135.1	143.7	154.2
Austria	..	..	..	..	101.4	98.7	97.5	96.1	92.1	93.9	95.4	96.1	94.6	94.2	100.2	103.1	106.0	108.1	107.6	108.1
Belgium	81.6	82.2	86.4	91.2	94.8	97.5	101.1	105.8	112.8	123.5	131.7	139.3	142.6	139.0	141.7	145.7	146.7	146.5	142.7	143.7
Canada	79.6	80.7	78.8	80.1	82.6	85.1	90.2	96.3	103.1	110.4	122.2	134.2	139.1	133.3	143.4	148.8	153.8	155.3	160.6	167.0
Denmark	80.1	87.0	93.0	96.7	100.2	103.2	104.3	104.7	111.0	128.6	156.4	157.3	145.2	124.0	124.0	118.4	112.3	114.2	116.5	122.3
Finland	79.3	89.7	95.5	101.0	99.1	94.2	100.4	107.3	115.0	120.9	123.2	122.6	118.2	122.2	132.9	132.2	129.6	127.9	123.3	118.8
France	72.0	70.7	70.7	74.3	80.8	86.9	92.1	100.2	112.2	125.0	135.4	139.9	138.1	125.7	130.0	136.2	133.4	128.5	124.9	121.8
Germany	95.7	91.8	89.8	89.1	88.5	87.5	85.7	83.6	81.9	80.3	79.5	79.4	78.9	78.5	79.8	83.4	87.5	91.8	95.0	98.3
Greece	..	77.1	82.9	86.4	91.9	101.1	109.7	109.9	106.8	113.6	122.9	124.9	122.0	112.7	105.2	98.5	88.8	84.9	84.6	84.1
Ireland	71.8	77.5	93.0	136.2	146.9	136.4	149.5	181.3	196.1	195.9	183.6	150.1	124.3	151.2	127.6	93.6	83.1	86.0	101.2	109.4
Israel	109.1	106.4	99.9	96.0	93.2	86.9	82.1	80.2	81.2	82.6	82.3	85.0	92.9	94.5	106.8	113.4	113.0	120.5	125.8	131.0
Italy	88.5	79.1	76.8	78.5	82.9	87.7	94.0	100.8	107.8	113.4	117.8	121.1	120.2	112.1	108.7	107.8	102.6	95.4	91.6	89.0
Japan	111.4	108.8	107.1	104.1	100.3	96.0	91.2	85.8	80.8	77.1	74.9	74.2	74.8	70.7	72.1	72.4	72.1	73.6	75.0	77.0
Korea	85.3	85.0	76.8	79.1	80.8	80.7	89.0	93.8	92.9	94.1	100.0	108.0	113.1	112.4	112.7	113.8	110.5	106.5	105.7	105.9
Netherlands	82.0	88.3	94.5	106.6	122.6	132.7	137.4	138.1	139.7	141.5	144.1	148.1	148.9	139.0	133.6	128.8	117.4	106.4	102.6	102.9
New Zealand	76.7	79.0	75.8	78.2	77.5	86.5	92.1	106.6	122.2	136.1	147.2	159.0	147.6	142.9	143.8	142.7	146.2	156.1	162.8	177.4
Norway	70.3	76.7	83.3	90.1	100.3	103.4	103.9	101.6	109.7	116.4	129.4	143.0	137.4	135.2	142.4	150.4	157.5	158.9	159.0	164.1
Portugal	95.0	94.8	96.6	103.8	109.2	112.1	109.2	107.8	105.7	105.6	105.1	102.9	94.8	91.4	90.3	85.0	77.5	75.1	74.9	76.4
Spain	84.7	83.2	83.2	85.9	89.0	93.5	104.8	120.6	137.1	150.7	164.0	172.6	163.3	147.9	143.7	131.3	111.3	101.3	102.4	106.5
Sweden	58.4	60.3	65.6	71.7	79.4	84.2	87.7	91.1	96.6	102.8	114.6	126.9	125.2	124.9	132.7	133.0	131.1	135.2	145.5	162.1
Switzerland	85.7	82.3	81.5	80.8	80.4	79.7	82.6	84.8	85.8	85.6	86.1	85.9	86.1	88.3	91.4	93.9	96.8	100.8	100.9	102.4
United Kingdom	64.6	68.0	73.6	79.2	88.2	92.3	104.4	119.1	130.3	134.6	140.8	150.0	138.8	124.1	129.4	124.4	120.9	120.9	127.6	131.4
United States	90.2	90.0	91.3	94.2	97.4	100.4	103.6	108.9	116.1	125.0	128.0	123.6	110.8	103.3	100.6	95.2	96.1	100.8	103.3	105.9
Euro area	87.0	84.1	84.1	87.0	90.9	94.2	98.0	102.7	107.8	112.8	117.2	119.6	117.5	111.5	111.3	111.3	108.0	105.4	105.2	105.9
Total OECD	88.8	88.0	88.6	91.0	94.0	96.2	99.7	104.0	108.5	113.4	116.8	117.6	112.3	106.1	106.1	104.2	103.6	105.1	107.1	109.9

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933438458

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	83.5	84.1	88.7	90.5	93.1	95.8	110.8	124.8	123.9	119.8	122.2	123.3	120.2	118.8	128.0	118.2	115.0	119.7	127.6	137.0
Austria	..	..	..	..	98.8	98.3	97.5	94.8	90.0	89.2	89.1	89.3	88.0	91.5	99.8	103.3	107.3	113.3	115.9	120.8
Belgium	84.4	84.7	87.5	91.5	91.9	92.2	97.8	103.4	110.6	119.9	125.8	130.2	129.9	128.3	132.8	136.7	138.3	139.6	138.1	139.8
Canada	93.3	93.1	88.8	87.3	86.0	87.2	91.4	96.6	100.5	104.8	110.8	118.3	119.5	115.6	121.7	123.6	126.1	125.0	128.4	131.8
Denmark	81.9	90.4	94.7	102.2	105.9	106.0	105.0	104.7	110.3	125.9	150.1	153.4	143.8	122.6	119.2	113.7	108.7	111.0	113.2	117.5
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	100.3	99.8	98.3
France	76.9	74.9	73.9	77.5	80.1	82.7	86.9	95.7	106.4	120.6	130.3	132.9	131.2	122.0	125.8	131.5	130.7	128.0	125.3	121.6
Germany	102.4	99.1	96.8	94.5	93.5	89.4	88.4	85.1	82.3	80.0	78.3	77.6	76.1	77.1	77.2	79.3	82.4	86.5	89.3	91.5
Greece	..	76.0	81.0	86.6	93.4	101.2	107.9	103.5	98.8	107.6	111.8	111.7	107.8	101.5	106.2	110.2	107.0	102.8	97.2	93.0
Ireland	72.8	77.0	85.8	99.9	119.9	119.4	121.1	131.9	139.4	141.7	156.7	159.1	140.0	121.9	111.5	95.5	82.8	85.8	98.3	97.0
Italy	84.3	78.8	80.0	82.2	85.5	88.4	93.5	99.8	105.4	111.2	114.7	117.0	118.0	117.6	117.4	115.9	116.8	110.3	105.3	102.0
Japan	107.5	104.5	102.5	100.4	98.3	96.7	92.1	87.4	82.0	77.8	75.2	74.3	75.4	71.7	72.7	72.6	72.0	72.9	73.6	74.5
Korea	83.8	80.5	72.0	68.2	66.3	65.4	71.5	73.4	69.1	66.6	68.2	71.8	73.1	71.4	69.1	69.1	67.7	64.0	62.4	61.2
Netherlands	85.1	89.3	94.8	105.6	119.1	121.1	126.2	130.7	135.2	139.5	141.7	142.8	144.8	139.6	137.5	131.7	122.5	114.3	115.4	115.8
New Zealand	92.7	94.8	90.5	85.8	87.4	83.4	90.0	99.6	111.9	123.2	128.1	132.6	126.5	118.8	117.0	112.1	114.1	122.3	132.5	147.8
Norway	76.9	81.2	83.7	89.3	97.4	103.1	99.1	94.2	99.8	99.4	119.5	126.7	118.7	115.8	121.5	126.3	129.5	128.7	127.3	126.9
Portugal	114.8	112.8	108.7	110.9	113.3	114.0	110.2	109.7	105.3	103.2	101.9	97.9	89.6	89.3	87.5	86.6	83.0	81.1	84.4	84.4
Spain	83.5	83.9	84.3	86.1	84.8	87.2	97.9	111.6	126.7	139.9	153.1	165.3	157.1	144.8	145.2	133.1	117.4	106.9	106.0	107.7
Sweden	72.7	77.3	82.7	86.4	90.5	90.1	91.8	95.8	103.2	109.4	117.3	124.2	119.5	118.7	125.6	122.5	119.7	124.2	132.1	145.8
Switzerland	89.3	83.9	80.8	78.3	76.1	75.5	80.1	82.8	83.6	82.8	81.5	79.7	80.5	84.3	87.8	90.8	92.6	95.5	96.8	101.3
United Kingdom	65.3	67.4	72.5	77.6	83.9	86.9	98.9	111.5	122.3	126.7	132.4	140.3	129.5	114.3	118.1	115.8	112.5	114.0	120.5	124.0
United States	93.4	92.2	91.6	93.8	94.1	97.0	100.3	104.0	108.3	115.6	115.8	111.8	99.2	94.7	90.2	83.0	82.0	88.8	89.7	91.8
Euro area	89.3	87.2	87.4	89.5	91.5	92.1	95.7	99.7	103.8	108.9	112.7	114.7	112.6	109.1	110.1	110.2	108.9	107.4	107.3	107.1
Total OECD	91.3	90.1	89.8	91.4	92.3	93.8	97.2	100.5	103.3	107.3	109.0	109.0	103.2	98.8	97.9	94.6	93.3	95.8	96.8	98.4

Source: OECD, Analytical house price database.

StatLink http://dx.doi.org/10.1787/888933438469

Annex Table 47. **Export volumes of goods and services**

National accounts basis, percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-1.3	2.7	2.7	3.1	6.0	8.1	12.9	5.6	8.2	0.7	-9.3	13.9	4.1	-4.1	-3.5	-7.0	-0.6	4.7	3.1	4.8
Australia	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	5.8	7.1	7.0	7.1
Austria	6.2	13.4	5.8	4.0	0.4	8.7	6.3	7.9	7.3	2.1	-14.9	13.7	6.0	1.7	0.5	2.4	3.5	1.8	3.1	3.6
Belgium	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	0.8	5.1	4.3	4.2	3.5	3.6
Brazil	5.6	13.2	8.9	6.5	11.2	13.6	11.1	4.7	5.8	-0.2	-8.6	11.6	5.2	-0.4	2.8	-1.0	6.1	6.3	3.4	3.8
Canada	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	3.4	0.5	2.9	4.7
Chile	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	-0.1	2.2	2.5
China	11.3	28.2	6.0	26.5	28.0	24.4	23.5	25.1	20.2	9.7	-10.9	24.9	14.0	6.2	9.1	6.8	-2.0	0.9	2.3	2.4
Colombia	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	3.5	3.0	6.0
Costa Rica	6.1	3.7	1.7	2.7	6.0	9.5	6.5	7.6	7.8	2.2	-7.9	8.6	7.1	5.1	3.2	3.4	2.5	8.9	5.3	5.1
Czech Republic	5.2	14.8	9.4	0.9	8.9	29.8	18.4	14.4	11.1	4.2	-9.8	15.0	9.1	4.2	0.3	8.6	7.8	5.3	4.8	5.0
Denmark	11.3	12.6	3.4	4.4	-1.2	3.0	7.7	10.3	3.7	3.9	-9.2	2.9	7.2	1.2	1.6	3.6	1.8	1.0	2.7	3.2
Estonia	0.5	-6.9	6.3	2.8	10.2	17.3	20.0	9.5	12.6	0.9	-20.3	24.0	24.2	4.8	2.3	3.1	-0.6	3.9	3.8	4.3
Finland	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	-1.7	-0.2	1.8	3.8	3.8
France	4.8	13.1	2.9	1.7	-1.0	4.7	3.7	5.9	2.9	0.0	-11.1	8.7	7.1	2.7	1.9	3.4	6.0	1.0	3.2	3.2
Germany	5.0	14.5	6.1	4.3	1.8	10.3	7.0	12.8	9.6	1.3	-14.3	14.2	8.4	3.5	2.0	4.0	4.6	2.7	2.7	2.8
Greece	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	-3.8	-7.5	3.9	4.9
Hungary	11.8	24.9	8.8	5.7	6.3	17.9	12.9	19.5	16.1	6.9	-11.4	11.3	6.5	-1.8	4.2	9.8	7.7	8.1	4.8	4.3
Iceland	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	3.2	9.2	6.2	3.9	3.6
India[1]	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	-5.2	4.5	4.6	5.2
Indonesia	-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	-2.5	2.1	5.5
Ireland	15.6	20.9	14.1	6.5	-1.8	6.6	5.5	6.1	8.9	-3.8	4.6	5.7	2.9	2.3	3.1	14.4	34.5	2.8	2.8	2.9
Israel	14.7	23.5	-11.1	-2.0	8.2	17.6	5.1	5.3	10.5	5.8	-11.1	15.1	9.5	-1.7	3.6	1.5	-4.1	3.3	3.1	4.0
Italy	-1.3	12.8	2.3	-2.5	-1.5	5.5	4.3	8.5	5.5	-3.3	-18.0	11.4	6.1	2.0	1.0	2.6	4.0	1.8	3.0	3.0
Japan	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	-0.4	3.0	3.1
Korea	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	1.6	2.2	2.8
Latvia	-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	3.9	2.6	2.3	3.9	4.0
Lithuania	-18.8	14.1	24.1	20.2	9.1	4.2	20.5	12.6	3.2	13.5	-12.8	18.9	14.9	12.2	9.6	3.5	-0.4	3.6	2.7	3.1
Luxembourg	14.3	12.6	5.4	2.1	2.8	10.9	5.5	13.0	8.9	6.0	-12.1	6.5	3.7	2.8	6.3	12.1	12.8	4.5	4.7	4.5
Mexico	6.5	11.0	-3.4	2.0	0.9	9.2	5.6	7.7	3.6	-1.2	-11.9	20.5	8.3	5.9	2.3	6.9	9.1	2.6	4.3	4.9
Netherlands	8.5	13.0	1.4	0.5	1.9	8.1	5.6	7.5	5.6	1.8	-8.9	10.3	4.4	3.8	2.3	4.4	5.0	3.4	3.3	3.5
New Zealand	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	3.1	6.8	3.8	3.5	2.8
Norway	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	3.1	3.7	-1.7	-0.8	1.1
Poland	-2.6	23.9	2.4	4.7	14.1	4.9	9.9	15.6	10.0	7.1	-5.9	13.1	7.9	4.6	6.1	6.7	7.7	9.1	5.8	5.2
Portugal	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	4.3	6.1	3.3	3.7	4.0
Russia	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	0.6	3.0	3.2
Slovak Republic	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	6.7	3.7	7.0	5.3	6.1	7.0
Slovenia	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	5.7	5.6	6.3	4.3	4.2
South Africa	1.3	8.3	2.4	1.0	0.1	2.8	8.6	7.5	7.8	1.5	-17.0	7.7	3.5	0.8	3.6	3.3	4.1	2.5	3.5	4.7
Spain	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	4.2	4.9	5.8	4.5	4.6
Sweden	6.8	12.0	0.9	1.3	4.4	9.8	6.6	9.1	4.7	1.6	-14.3	11.4	6.2	1.6	-0.8	5.5	5.2	2.7	3.4	3.2
Switzerland	3.1	12.6	0.0	-2.0	-0.9	9.0	6.8	6.6	11.3	3.7	-10.0	12.6	5.1	1.2	15.3	-6.1	2.2	3.7	4.1	3.6
Turkey	-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	-0.9	-1.8	4.0	4.8
United Kingdom	2.8	9.6	2.1	2.4	2.7	5.1	8.1	12.5	-1.5	1.1	-8.8	5.8	5.8	0.6	1.1	1.5	4.5	2.7	3.2	4.0
United States	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	3.5	4.3	0.1	0.9	3.5	3.0
Total OECD	4.9	11.9	0.5	2.0	2.2	8.7	5.8	8.6	6.9	1.9	-11.1	11.4	6.3	2.8	2.8	4.3	4.2	2.3	3.4	3.6

Note: Regional aggregates are calculated inclusive of intra-regional trade as the sum of volumes expressed in 2010 USD.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438475

Annex Table 48. **Import volumes of goods and services**

National accounts basis, percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-11.3	-0.2	-13.9	-50.1	37.6	40.1	15.8	11.0	19.6	13.6	-18.4	35.2	22.0	-4.7	3.9	-11.5	5.6	4.9	3.1	5.8
Australia	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	1.5	-0.2	1.9	3.8
Austria	4.1	10.2	5.2	0.2	3.3	8.0	5.4	5.9	5.6	1.0	-12.1	11.9	6.3	1.1	0.7	1.3	3.4	3.6	3.8	3.9
Belgium	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	0.3	5.9	4.3	3.4	3.4	3.6
Brazil	-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	-1.0	-14.1	-10.3	1.1	2.5
Canada	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	0.3	-1.0	2.2	3.1
Chile	-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	-1.7	2.1	2.2
China	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	5.4	2.2	3.0
Colombia	-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	-3.0	0.2	2.8
Costa Rica	-3.0	-3.7	-0.3	6.0	4.7	4.8	7.1	8.1	9.9	6.7	-18.8	18.8	11.0	8.0	1.6	3.1	5.5	9.0	6.7	5.7
Czech Republic	4.7	14.5	11.2	4.8	8.6	26.2	13.1	11.7	12.9	3.1	-11.0	15.0	6.7	2.6	0.2	10.0	8.3	3.9	5.1	5.4
Denmark	2.5	13.7	2.4	6.4	-1.0	7.1	11.3	14.0	5.8	4.8	-11.9	0.5	7.5	2.7	1.5	3.6	1.3	1.5	2.9	3.3
Estonia	-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	9.7	3.3	2.2	-1.4	6.6	3.5	4.1
Finland	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	-0.2	1.9	2.2	3.0	3.1
France	6.6	16.0	2.3	1.9	1.0	5.7	6.4	6.0	5.8	1.0	-9.3	8.4	6.6	0.8	2.2	4.8	6.4	2.9	3.6	3.4
Germany	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	0.4	3.2	4.0	5.0	2.9	3.0	3.5
Greece	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	-2.2	2.6	3.5
Hungary	13.3	23.1	5.8	8.7	9.5	17.3	7.8	15.5	13.9	6.0	-14.7	10.2	4.4	-3.5	4.5	10.9	6.1	8.2	5.9	6.1
Iceland	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	13.8	4.4	2.6
India[1]	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	-2.8	-2.3	5.4	6.3
Indonesia	-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	-4.0	2.8	4.1
Ireland	12.6	23.6	11.4	5.3	-2.5	2.2	13.0	9.3	8.9	-2.6	-1.9	0.8	3.0	5.6	0.5	15.3	21.7	3.6	3.4	3.7
Israel	15.5	11.9	-5.5	-1.1	-0.9	11.8	3.4	3.4	11.1	2.4	-13.9	15.3	11.0	2.1	-0.4	3.8	-0.5	9.1	8.0	4.8
Italy	4.1	11.3	1.7	0.9	1.3	4.1	3.8	8.2	4.7	-3.9	-12.8	12.1	1.2	-8.3	-2.2	3.2	5.8	2.2	3.0	2.9
Japan	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	0.4	-1.6	1.6	1.0
Korea	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	2.8	2.7	2.7
Latvia	-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	0.5	2.1	5.6	4.9	5.4
Lithuania	-14.5	6.6	19.7	20.1	9.6	15.5	20.3	14.3	10.8	12.2	-28.0	18.7	14.2	6.6	9.3	3.3	6.2	2.7	3.5	3.7
Luxembourg	14.8	10.6	6.4	0.3	5.3	11.2	5.8	12.6	7.2	9.6	-13.4	6.9	5.6	4.6	5.3	13.0	14.1	4.4	4.7	4.3
Mexico	14.2	20.2	0.3	2.5	2.5	8.8	8.5	10.4	5.9	3.7	-17.1	20.5	8.1	4.7	3.4	5.9	5.1	3.2	3.9	4.1
Netherlands	9.8	11.7	2.0	0.4	2.0	6.4	5.4	8.2	5.6	2.2	-7.7	9.1	3.5	2.7	1.1	4.2	5.8	3.8	3.7	4.1
New Zealand	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	3.5	5.1	3.8
Norway	-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	2.4	1.6	1.2	1.5	2.8
Poland	1.2	13.6	-3.8	2.6	9.6	8.1	6.3	18.1	15.8	9.5	-12.4	14.3	5.8	-0.3	1.7	10.0	6.6	9.5	6.3	5.9
Portugal	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	7.8	8.2	3.6	3.6	3.6
Russia	-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	-5.4	2.6	2.7
Slovak Republic	-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	5.6	4.4	8.1	4.1	5.9	6.5
Slovenia	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	2.1	4.2	4.6	6.1	4.3	4.4
South Africa	-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	-2.4	4.3	4.4
Spain	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	-6.4	-0.5	6.5	5.6	5.9	5.0	4.7
Sweden	4.7	12.0	-1.6	-1.3	4.0	5.7	6.9	8.7	7.9	3.5	-14.0	12.3	7.4	1.1	-0.2	6.5	5.0	4.5	3.5	3.5
Switzerland	3.3	8.2	0.9	-2.1	0.4	3.5	10.0	3.4	5.8	4.8	-3.8	7.9	9.4	-2.5	13.5	-7.9	4.3	4.0	4.5	4.2
Turkey	-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	0.2	5.7	4.7	5.5
United Kingdom	7.4	9.6	4.7	5.5	2.7	6.6	6.6	10.1	-1.2	-1.9	-9.2	8.2	0.8	2.9	3.4	2.5	5.4	2.4	1.5	1.5
United States	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	4.4	4.6	0.9	4.4	5.4
Total OECD	7.8	12.3	0.1	2.5	4.1	8.7	6.7	8.0	5.5	0.5	-11.9	11.4	5.8	1.3	2.1	4.1	4.5	2.4	3.5	3.8

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438487

Annex Table 49. **Export prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-9.4	9.1	-3.0	176.6	3.7	9.2	3.7	15.3	14.0	23.8	6.2	13.2	22.7	11.1	18.4	44.9	-1.8	46.3	6.2	5.0
Australia	-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	-8.4	1.0	1.6
Austria	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	0.0	-0.2	-0.6	-0.3	1.4	1.1
Belgium	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	-0.3	-1.0	-2.1	-1.9	0.6	0.7
Brazil	39.8	3.8	22.3	22.2	10.7	9.4	-8.0	-0.1	-1.0	16.3	-6.0	3.4	14.4	12.7	7.0	3.6	14.1	3.4	0.1	1.8
Canada	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	-2.4	1.7	1.6
Chile	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	1.5	2.1	3.0
China	-5.5	-0.7	1.4	-3.3	5.1	9.0	2.0	-0.3	0.6	-0.9	-7.8	1.7	4.9	-0.5	-3.3	0.6	0.2	-3.2	1.9	2.0
Colombia	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	-1.1	6.1	4.2
Costa Rica	5.6	10.5	5.4	7.3	13.2	11.7	13.6	12.2	4.0	9.1	6.1	-2.4	0.4	1.7	0.5	8.0	-0.4	-0.3	1.4	2.0
Czech Republic	1.0	3.8	0.3	-4.7	0.1	2.7	-2.2	-1.3	0.3	-4.2	0.5	-1.2	0.7	3.1	1.7	4.1	-1.5	-3.9	1.4	1.3
Denmark	-0.5	8.2	1.6	-1.2	-1.1	2.0	5.5	2.8	1.2	5.0	-8.4	9.5	1.3	2.9	0.6	-1.7	2.0	-4.7	0.5	1.5
Estonia	-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	2.2	1.2	-0.3	-1.4	-0.4	1.6	2.1
Finland	-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	-0.3	-0.9	-2.6	1.3	1.2
France	-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	-0.2	-0.9	-0.4	-1.2	1.1	1.4
Germany	-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	-0.6	-0.2	1.1	-1.1	0.8	1.2
Greece	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	-4.9	-5.0	0.5	1.7
Hungary	4.8	10.0	3.0	-4.1	0.1	-1.0	-0.5	6.4	-3.9	0.8	2.9	1.8	3.4	3.1	0.0	1.0	-0.3	-0.4	1.4	2.3
Iceland	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	-8.4	-2.7	1.1
India[1]	-2.9	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	-0.2	2.0	2.2	3.3
Indonesia	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	-2.3	1.4	1.9
Ireland	2.4	5.3	-0.4	-0.6	-2.6	0.3	2.1	1.7	0.1	3.1	-4.1	3.0	-0.3	3.4	-1.2	0.5	7.4	-2.6	2.9	3.6
Israel	9.7	-1.8	0.9	11.9	-1.9	0.9	4.5	1.9	-3.8	-5.2	2.6	-2.3	0.6	8.1	-4.9	-0.9	4.8	0.4	2.8	1.6
Italy	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	-0.2	-0.4	-0.8	1.3	1.8
Japan	-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	-8.6	-1.0	1.2
Korea	-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	-4.3	0.6	2.2
Latvia	-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	-1.5	-0.5	-1.9	1.4	2.0
Lithuania	-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	-2.6	-4.0	-5.8	-0.8	-0.4
Luxembourg	5.3	9.7	-3.1	-1.4	-0.2	5.4	7.5	8.4	6.0	-0.8	-3.5	8.7	5.1	4.3	2.4	3.1	4.0	-1.7	2.6	2.6
Mexico	12.3	8.4	-2.3	2.6	13.2	9.0	4.1	7.5	5.1	9.5	9.5	-0.2	5.8	6.1	-1.9	1.8	5.4	8.7	6.3	4.8
Netherlands	-1.3	5.7	0.7	-1.8	-0.9	1.1	3.4	3.1	1.7	4.3	-6.5	5.5	4.8	2.4	-0.9	-2.1	-2.9	-3.1	0.9	1.2
New Zealand	0.0	13.3	7.3	-6.9	-7.4	0.8	1.1	7.2	1.0	15.3	-8.0	3.0	5.7	-5.3	2.4	1.7	-3.9	-1.6	1.7	2.3
Norway	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	-1.7	-7.9	-9.7	2.2	2.4
Poland	7.0	0.6	2.7	4.6	6.2	7.9	-2.4	2.3	2.7	-0.7	11.4	0.3	6.8	3.8	-0.1	0.0	1.1	-1.4	1.1	1.7
Portugal	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	-1.2	-1.1	-2.6	0.8	1.2
Russia	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	6.7	4.4	3.2
Slovak Republic	-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	-1.4	0.8	1.5
Slovenia	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	-1.7	0.7	0.9
South Africa	6.9	15.1	16.8	24.7	-8.0	2.6	6.2	15.6	13.3	26.4	0.0	4.3	13.2	4.2	9.1	5.3	-0.4	7.5	4.0	4.6
Spain	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	-0.7	-1.7	0.5	-1.4	2.1	2.6
Sweden	-1.6	2.3	2.6	-1.5	-2.0	-0.3	2.6	3.1	2.0	4.0	1.3	-0.7	-1.0	-1.0	-2.5	2.0	1.8	-3.0	1.5	1.9
Switzerland	0.1	3.3	-0.1	-2.0	0.4	0.7	1.8	4.9	3.9	2.5	-0.4	2.3	-0.5	2.2	-5.2	-3.0	-5.0	0.0	1.0	0.9
Turkey	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	4.2	1.9	1.0
United Kingdom	0.6	1.6	1.0	-1.7	1.9	-0.6	3.1	1.5	-0.8	9.4	3.8	5.4	5.7	-0.2	2.6	-2.6	-4.8	3.0	9.5	6.3
United States	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	0.1	0.1	-4.8	-1.8	1.9	1.9
Total OECD	0.6	4.4	2.5	-0.4	0.4	2.3	2.4	3.1	1.8	5.0	-3.0	2.9	4.5	1.2	0.1	0.0	-1.0	-1.4	1.9	2.1

Note: Regional aggregates are calculated inclusive of intra-regional trade. They are calculated as the geometric averages of prices weighted by 2010 GDP volumes expressed in USD.

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438497

Annex Table 50. **Import prices of goods and services**

National accounts basis, percentage changes from previous period, national currency terms

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-4.5	1.1	-3.0	203.2	-3.8	6.1	6.6	11.3	10.0	13.2	5.2	9.0	12.3	8.4	25.8	47.0	2.5	42.8	8.6	10.0
Australia	-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	3.3	-3.5	0.7	2.0
Austria	0.6	2.7	0.3	-0.6	-0.8	1.7	2.8	3.6	2.3	3.8	-4.7	4.6	5.8	1.8	-0.1	-0.7	-1.8	-1.3	1.2	0.9
Belgium	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	-0.5	-1.4	-3.1	-2.2	0.5	0.8
Brazil	55.3	7.6	24.9	20.3	12.5	5.3	-8.1	-7.1	-2.4	12.6	-5.2	-8.8	5.9	17.1	10.5	7.7	24.3	5.3	-0.1	1.8
Canada	-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	4.1	0.3	0.6	1.6
Chile	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	-0.6	1.7	2.3
China	-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	-4.1	1.5	1.0
Colombia	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	4.4	4.8	2.1
Costa Rica	11.5	14.7	5.2	9.2	14.3	14.0	16.8	14.1	7.2	13.3	-1.0	-6.6	2.7	-0.5	-0.2	7.5	-6.4	-3.6	3.5	3.4
Czech Republic	1.8	7.0	-2.5	-8.0	0.0	1.6	0.0	0.7	-0.8	-3.0	-1.5	0.7	2.3	3.7	0.5	2.5	-1.6	-4.7	1.9	0.8
Denmark	-0.2	7.5	1.7	-2.2	-1.9	1.1	3.6	3.5	1.7	3.1	-8.6	6.9	3.3	2.4	-0.5	-2.4	1.8	-4.1	0.3	0.9
Estonia	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	-0.3	-1.4	-1.8	-1.4	1.5	2.0
Finland	-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	-3.8	-2.3	1.5	1.6
France	-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	-1.4	-2.0	-3.0	-2.5	1.3	1.4
Germany	-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	2.0	-1.6	-1.5	-1.4	-2.8	0.8	0.9
Greece	1.1	8.3	2.9	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	-8.5	-5.0	0.4	0.8
Hungary	5.4	12.3	2.4	-5.2	0.4	-0.9	1.3	7.8	-4.4	2.0	1.6	1.7	4.9	4.1	-0.8	0.3	-1.0	-2.4	1.5	2.3
Iceland	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	-9.5	-1.8	1.1
India[1]	9.9	7.2	1.7	8.7	1.0	17.1	-1.9	5.3	6.2	8.0	4.1	7.9	9.6	8.1	11.8	0.5	-2.9	1.3	2.3	3.0
Indonesia	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	-2.8	2.4	4.6
Ireland	2.4	4.8	-1.1	-2.7	-1.6	5.5	0.7	2.7	-0.3	1.7	-2.3	6.0	-2.4	2.7	-0.9	2.1	4.7	-1.9	1.2	3.2
Israel	7.4	0.8	1.8	12.1	0.5	3.7	6.7	3.2	-1.8	-2.7	-4.2	0.0	4.2	5.1	-7.2	-1.9	-3.5	-3.5	1.6	1.7
Italy	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	-2.7	-2.6	-3.6	0.8	1.6
Japan	-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	-14.4	-1.0	1.2
Korea	-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	-8.0	1.7	2.0
Latvia	-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	-0.2	-1.2	-6.9	1.7	2.0
Lithuania	-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	-3.4	-6.9	-6.5	-0.8	-0.6
Luxembourg	3.0	12.3	-1.5	-1.8	-1.7	6.1	7.6	6.3	7.5	-1.9	-4.9	8.6	4.1	4.4	2.9	3.1	4.5	-1.7	2.4	2.6
Mexico	4.9	1.1	-3.0	2.8	11.1	10.3	0.2	4.0	4.0	6.7	13.4	-1.5	6.0	6.8	-3.5	3.3	12.1	9.2	6.6	5.5
Netherlands	-0.8	5.9	-0.6	-2.5	-1.2	1.6	3.0	2.9	1.8	4.6	-7.3	6.5	6.5	2.7	-1.2	-2.0	-3.6	-4.0	1.1	1.4
New Zealand	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	0.8	-1.4	0.9	0.9
Norway	-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	4.9	4.2	1.4	2.3	2.1
Poland	6.9	9.3	0.2	5.5	6.7	4.6	-3.6	2.4	1.1	0.8	8.0	1.8	8.5	5.1	-1.1	-1.9	-1.3	-2.2	0.9	1.7
Portugal	-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	-2.3	-4.3	-4.0	0.7	1.1
Russia	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	27.6	2.3	-1.3
Slovak Republic	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	-1.3	0.7	1.4
Slovenia	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	-1.4	-2.7	1.0	0.6
South Africa	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	8.7	4.4	6.0
Spain	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	4.0	-1.8	-0.8	-0.3	-2.5	2.5	2.8
Sweden	1.1	4.1	4.0	0.1	-2.1	0.8	4.5	3.4	0.5	4.4	0.4	-0.2	-0.2	-1.1	-2.8	1.8	1.0	-3.6	1.3	1.5
Switzerland	-0.4	5.5	0.0	-5.0	-1.1	1.9	3.5	6.2	4.9	3.6	-2.7	2.5	0.0	2.8	-5.1	-3.0	-7.4	2.4	1.0	0.9
Turkey	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	7.0	-1.2	2.1	0.8
United Kingdom	-0.6	2.4	0.0	-2.5	0.6	-1.0	3.8	2.4	-0.1	13.1	2.1	4.0	6.7	-0.5	0.4	-4.0	-5.2	3.8	10.8	8.0
United States	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	-0.9	-0.2	-7.6	-3.0	2.1	2.0
Total OECD	0.5	6.4	2.1	-1.3	0.3	2.6	3.4	4.1	1.7	8.0	-5.6	3.6	6.6	1.9	-0.6	-0.1	-2.8	-2.5	2.1	2.2

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438503

Annex Table 51. **Indicators of competitiveness based on relative consumer prices**

Indices, 2010 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	256.0	256.7	269.1	114.1	122.3	117.1	116.8	114.7	111.9	109.2	102.6	100.0	95.6	98.5	90.2	78.1	96.6	85.2	111.5	140.8
Australia	71.3	67.9	65.6	69.4	78.4	84.9	87.4	87.2	92.7	90.8	88.2	100.0	106.9	108.4	103.7	99.0	89.8	89.9	92.7	92.6
Austria	101.2	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	101.8	102.0	102.1
Belgium	95.8	91.7	92.5	94.1	99.0	100.9	100.6	100.1	100.9	103.5	103.6	100.0	100.9	98.7	100.2	100.6	96.7	99.5	98.8	98.3
Brazil	63.9	69.4	58.8	55.8	53.7	55.9	69.3	77.6	83.6	87.9	87.9	100.0	104.7	94.8	89.9	88.3	73.4	76.7	80.7	82.6
Canada	75.2	76.0	74.4	73.8	81.6	85.7	90.8	95.8	98.7	96.0	92.0	100.0	101.5	101.1	97.6	92.0	84.5	82.8	82.2	81.9
Chile	95.3	94.3	85.6	87.9	82.0	87.6	93.1	97.5	95.9	97.3	94.8	100.0	101.1	103.7	103.1	94.1	92.5	93.5	96.0	96.3
China	92.2	92.7	97.7	95.7	89.3	86.7	85.6	87.0	90.1	97.9	102.0	100.0	102.3	108.1	114.7	117.5	128.0	123.0	120.1	120.2
Colombia	83.1	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	98.7	81.4	78.8	79.0	79.4
Costa Rica	88.3	90.9	94.8	93.0	86.2	83.3	83.1	83.5	84.6	88.0	90.1	100.0	102.4	106.6	111.3	108.4	117.2	115.5	113.7	113.1
Czech Republic	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	92.6	92.3	92.1
Denmark	95.6	91.6	92.8	95.0	100.1	100.9	99.7	99.4	99.9	101.4	104.4	100.0	99.4	96.7	97.7	98.9	95.9	97.3	96.8	96.4
Estonia	86.2	82.8	84.4	86.5	89.7	91.2	91.5	92.3	95.8	101.7	103.3	100.0	101.2	100.1	102.9	104.8	104.5	105.6	104.8	105.0
Finland	106.1	100.9	101.7	103.1	107.8	107.5	104.2	102.6	103.6	105.1	106.7	100.0	99.6	96.9	98.6	101.4	99.3	100.5	99.0	97.3
France	101.3	96.0	95.8	97.6	103.0	104.7	103.3	102.7	103.1	103.8	104.0	100.0	99.3	96.3	97.4	97.8	93.6	94.4	93.0	91.8
Germany	105.8	99.2	99.1	100.3	105.2	106.7	104.5	103.5	104.8	104.8	105.7	100.0	99.0	95.7	97.8	99.0	94.6	95.9	95.1	94.4
Greece	90.9	84.7	85.3	88.0	93.5	95.7	95.9	96.6	98.0	99.8	101.4	100.0	100.7	96.8	95.9	95.5	90.8	91.0	90.0	88.9
Hungary	73.1	73.4	79.1	87.3	89.5	95.3	96.9	92.1	102.5	105.2	99.2	100.0	99.8	96.8	96.0	92.5	89.2	89.8	90.0	90.3
Iceland	129.2	133.5	117.6	125.4	132.1	135.6	153.3	143.1	148.7	116.4	95.0	100.0	101.0	101.5	105.4	113.1	117.9	132.2	145.7	147.9
India	86.0	88.0	88.7	88.5	87.0	86.0	88.1	87.2	93.5	88.9	90.2	100.0	99.1	94.3	93.3	95.5	103.1	103.9	107.3	109.6
Indonesia	71.6	69.7	66.7	81.0	86.9	82.9	81.6	94.7	94.2	90.4	89.5	100.0	99.8	96.1	92.0	85.7	86.4	89.2	91.4	92.7
Ireland	84.5	81.8	84.7	89.4	98.1	100.7	100.3	102.0	107.0	112.0	107.8	100.0	100.2	95.7	97.2	96.8	90.0	91.4	90.9	90.9
Israel	107.4	114.5	113.6	102.9	96.8	90.2	87.7	87.2	87.7	97.7	95.5	100.0	101.1	96.2	102.3	103.7	103.5	104.9	105.3	103.9
Italy	97.4	93.1	94.0	96.5	102.4	104.3	102.8	102.3	102.8	103.6	104.9	100.0	99.8	97.9	99.5	100.1	96.0	96.7	94.9	93.8
Japan	118.2	125.1	112.3	104.9	105.5	106.8	100.4	90.7	83.1	89.7	100.5	100.0	101.2	99.9	80.2	76.0	71.3	80.7	81.2	79.9
Korea	99.7	108.2	101.8	106.8	108.1	109.7	122.6	130.9	129.0	104.9	93.1	100.0	100.0	99.7	103.7	109.9	110.7	109.0	109.1	108.3
Latvia	94.7	99.1	95.5	92.3	87.8	88.3	86.0	88.3	93.9	103.0	109.6	100.0	100.6	99.0	98.0	101.5	103.7	105.3	103.1	101.9
Lithuania	86.0	91.6	90.1	92.5	94.5	93.9	91.1	90.5	93.1	98.8	106.0	100.0	100.7	98.5	99.6	101.8	100.4	102.6	101.4	101.4
Luxembourg	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	98.1	98.5	98.3	98.0
Mexico	105.8	115.1	123.1	123.4	109.7	105.0	108.9	108.8	107.6	105.5	92.8	100.0	100.1	97.3	102.7	101.8	91.4	79.4	73.0	73.9
Netherlands	97.5	92.9	95.5	98.6	104.2	105.1	103.5	102.1	102.5	103.0	104.8	100.0	99.4	96.9	99.8	101.0	97.6	98.8	97.9	97.4
New Zealand	83.9	75.9	74.9	82.3	94.2	101.2	106.6	99.0	105.9	98.9	92.6	100.0	103.8	106.6	109.4	113.1	104.3	104.6	106.4	105.1
Norway	90.0	88.4	91.2	98.8	98.2	94.0	97.3	96.8	96.8	97.5	95.5	100.0	100.7	100.3	98.6	93.8	86.2	87.0	90.4	90.3
Poland	85.2	93.0	104.1	99.6	88.9	88.0	97.8	99.4	102.6	111.7	94.8	100.0	98.2	95.7	96.0	97.0	94.3	90.6	90.1	89.7
Portugal	95.3	92.9	95.2	97.9	102.1	103.2	102.3	102.8	103.5	103.6	102.9	100.0	100.8	99.5	99.6	99.3	96.7	98.0	97.5	96.8
Russia	48.5	54.4	64.6	66.3	67.2	72.5	80.4	88.7	93.0	99.3	91.1	100.0	104.0	105.9	107.5	97.1	78.9	76.7	82.2	84.8
Slovak Republic	54.8	59.6	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	99.8	100.0	98.7	98.1
Slovenia	96.6	94.0	93.8	95.7	99.3	99.4	98.4	98.4	99.9	102.2	103.7	100.0	99.0	97.2	98.8	99.5	96.1	96.6	95.6	94.7
South Africa	99.9	97.1	85.5	74.1	97.0	103.8	104.0	98.5	91.6	80.0	87.3	100.0	98.1	92.3	81.8	77.0	74.8	69.1	74.2	76.4
Spain	88.8	86.5	88.3	91.0	95.8	98.0	98.5	99.8	101.3	103.4	103.4	100.0	100.5	98.2	99.9	99.8	95.2	95.8	95.4	94.2
Sweden	113.0	110.6	101.3	104.1	110.8	111.3	106.4	105.6	106.8	104.3	94.4	100.0	105.8	105.3	106.4	101.3	95.3	95.7	91.4	91.3
Switzerland	95.7	92.8	94.8	98.5	99.0	98.0	95.9	93.1	88.8	92.3	96.3	100.0	109.7	105.6	103.7	104.8	111.7	110.7	110.7	108.6
Turkey	74.7	82.9	67.4	73.7	78.2	80.9	89.6	88.7	96.0	97.0	91.3	100.0	88.4	91.7	90.3	86.1	85.7	84.4	81.0	84.6
United Kingdom	129.6	130.4	127.0	127.4	121.6	126.2	123.8	124.4	125.9	109.6	99.4	100.0	100.6	104.9	103.6	111.3	117.7	105.2	99.7	100.4
United States	113.3	117.4	124.0	124.0	116.7	111.7	109.9	109.1	104.2	100.3	104.8	100.0	95.3	97.7	97.8	100.1	111.2	115.3	118.1	117.7
Euro area	98.4	88.5	89.8	93.6	104.5	107.8	105.0	103.9	105.8	107.7	109.6	100.0	99.2	94.3	97.3	98.7	91.8	93.8	92.1	90.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438513

Annex Table 52. **Indicators of competitiveness based on relative unit labour costs**

Indices, 2010 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	167.5	162.1	168.5	58.0	64.6	74.0	79.4	84.4	88.7	94.4	90.0	100.0	103.7	120.3	116.1	93.9	112.3	84.2	94.3	109.0
Australia	66.5	62.6	58.8	61.5	70.3	77.6	81.0	82.2	90.6	89.6	84.5	100.0	110.1	112.1	106.4	100.1	89.4	89.1	92.0	92.0
Austria	105.4	100.0	98.6	97.7	101.2	101.5	100.1	100.2	100.5	101.0	102.5	100.0	99.3	98.4	101.1	103.0	101.5	102.5	101.9	101.1
Belgium	97.6	92.1	94.4	96.3	101.1	101.1	100.1	100.7	101.6	104.0	104.4	100.0	101.4	99.7	102.5	102.4	97.2	97.4	94.8	93.4
Brazil	71.7	73.7	61.8	58.1	53.8	56.3	70.0	77.0	82.0	88.2	90.4	100.0	108.9	101.3	95.7	95.0	77.1	80.0	85.1	88.1
Canada	68.8	69.8	67.9	67.0	74.4	79.3	84.8	91.3	95.6	94.6	91.6	100.0	101.6	102.7	100.7	94.3	86.2	83.4	82.3	82.2
Chile	84.4	81.9	74.4	79.1	74.2	78.2	82.3	85.9	85.5	89.5	91.1	100.0	103.5	107.6	109.8	101.1	98.7	101.0	104.5	105.2
China	67.2	71.0	79.3	82.7	79.2	78.4	78.8	80.8	83.7	92.5	98.5	100.0	102.5	110.3	118.6	123.4	137.0	132.7	131.3	132.6
Colombia	80.2	72.4	71.5	71.4	60.5	65.7	74.4	74.2	82.9	87.3	87.6	100.0	99.0	107.5	105.8	102.5	82.3	76.3	76.0	76.2
Costa Rica	255.0	235.4	220.0	199.2	170.2	147.4	130.0	117.3	108.6	99.6	93.3	100.0	98.3	97.7	97.4	90.8	96.7	95.1	92.2	90.2
Czech Republic	66.8	66.3	70.9	81.8	81.9	84.4	88.7	92.2	94.9	105.6	99.4	100.0	101.7	98.2	95.8	90.9	89.3	92.9	93.1	93.2
Denmark	90.7	84.7	87.0	89.6	94.9	95.7	95.6	95.8	99.5	102.3	105.6	100.0	97.6	93.1	93.5	94.9	92.9	96.4	96.9	97.2
Estonia	78.7	73.6	73.7	75.1	80.3	82.2	83.1	86.4	96.1	107.2	108.2	100.0	96.4	94.0	96.8	100.5	107.8	112.8	111.7	111.3
Finland	106.9	98.6	99.1	99.8	104.1	104.4	103.2	100.9	98.6	100.5	107.2	100.0	98.7	97.3	98.8	101.1	100.2	101.1	98.5	95.9
France	97.3	92.1	92.4	95.0	100.4	101.7	101.2	101.1	101.7	102.0	102.5	100.0	99.1	96.4	97.7	98.4	94.1	94.8	93.5	92.4
Germany	120.2	112.0	108.4	108.4	113.8	113.9	108.8	103.9	101.5	101.1	105.7	100.0	98.6	96.4	99.5	102.3	99.7	102.0	101.4	101.4
Greece	79.6	74.0	74.4	81.7	87.3	90.1	92.3	91.8	94.4	97.3	101.6	100.0	96.9	89.3	82.8	81.6	80.9	82.5	81.2	80.6
Hungary	73.5	76.5	85.2	95.3	101.7	106.5	109.3	103.2	113.0	113.4	102.8	100.0	98.6	93.9	93.0	91.8	89.4	93.9	96.2	98.4
Iceland	147.4	153.2	134.8	146.1	155.9	158.2	181.8	177.7	182.7	130.4	90.3	100.0	105.5	105.7	109.8	121.3	130.2	155.1	173.5	178.0
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	75.5	75.3	85.1	100.6	105.3	100.9	97.8	112.3	107.2	98.5	92.5	100.0	95.2	88.9	81.4	72.3	69.2	70.0	69.8	69.1
Ireland	88.4	83.5	86.4	88.8	99.2	102.0	105.2	107.1	112.8	121.9	114.4	100.0	99.5	94.8	97.8	93.0	72.2	74.2	74.2	74.4
Israel	115.2	123.4	126.6	109.9	100.4	92.7	90.9	91.5	92.6	102.0	94.7	100.0	100.8	97.6	103.4	105.3	108.3	112.1	113.8	114.2
Italy	89.8	84.0	85.4	89.3	96.3	98.8	99.2	99.7	100.6	102.0	104.9	100.0	98.9	95.5	96.9	97.4	94.4	95.8	93.9	91.8
Japan	138.7	144.3	126.1	114.7	111.6	109.8	102.9	92.0	82.5	90.0	102.2	100.0	103.5	100.5	80.6	76.1	71.9	82.9	83.3	82.4
Korea	101.5	108.0	100.7	105.6	110.0	112.6	127.2	134.6	132.6	106.0	93.1	100.0	99.2	99.4	105.3	112.7	115.5	114.2	114.5	114.4
Latvia	95.1	96.0	89.5	83.3	81.0	81.3	86.4	94.9	115.7	131.7	117.0	100.0	94.3	94.3	96.6	103.6	111.1	116.5	113.3	110.7
Lithuania	95.7	91.5	85.3	87.3	90.5	94.7	96.9	103.3	105.7	112.6	111.7	100.0	98.1	93.8	95.2	99.5	104.3	108.9	108.0	107.7
Luxembourg	81.5	79.7	83.5	85.8	88.9	90.7	92.1	93.8	93.2	98.3	103.6	100.0	101.3	101.2	100.8	101.0	97.5	97.2	97.3	96.6
Mexico	90.1	101.9	113.2	117.8	106.9	102.3	107.3	107.7	106.5	107.0	94.3	100.0	100.5	97.4	102.4	100.8	89.1	78.2	72.1	73.3
Netherlands	96.4	93.4	94.7	99.2	105.4	105.6	102.2	100.1	101.3	102.6	105.8	100.0	99.0	96.5	97.6	97.4	92.8	94.4	93.7	93.1
New Zealand	76.6	68.5	68.6	74.9	87.1	95.6	103.2	96.3	105.0	100.2	91.9	100.0	102.1	103.8	109.1	115.1	107.1	107.7	110.2	110.1
Norway	72.0	70.0	72.4	80.1	79.2	76.8	81.4	84.9	90.7	95.9	93.4	100.0	106.2	109.0	109.9	105.2	95.7	93.9	96.1	95.3
Poland	98.6	101.5	113.3	103.2	89.9	86.0	96.1	97.9	103.1	116.3	93.2	100.0	96.0	92.5	92.4	94.1	91.0	89.8	90.3	90.5
Portugal	94.4	93.7	95.2	97.8	102.2	102.9	104.0	102.9	102.3	102.0	102.3	100.0	97.1	90.8	93.7	93.1	90.6	92.6	91.0	89.3
Russia	27.5	35.6	43.0	48.0	49.4	57.0	63.8	75.7	87.3	97.4	88.3	100.0	112.5	118.5	125.1	114.2	86.8	85.3	94.1	100.1
Slovak Republic	70.1	74.4	71.6	72.6	77.9	80.3	83.2	85.5	91.4	96.9	104.9	100.0	99.9	97.2	97.6	99.4	98.7	99.8	98.7	98.0
Slovenia	94.1	91.7	92.6	92.6	95.5	96.8	95.7	95.3	96.1	98.4	104.0	100.0	97.4	93.4	92.3	91.3	88.9	89.6	87.8	87.6
South Africa	82.2	79.7	68.5	58.3	77.7	88.7	91.4	88.9	84.8	74.3	82.1	100.0	100.6	95.5	86.6	82.1	81.4	76.2	83.5	87.9
Spain	84.2	82.0	83.3	86.4	91.8	94.9	96.3	98.7	102.2	105.7	104.7	100.0	97.8	90.3	89.7	89.9	86.6	87.6	87.3	86.8
Sweden	105.1	107.0	100.0	101.8	107.5	107.9	103.5	101.4	103.9	102.7	95.8	100.0	106.8	109.2	112.4	108.3	103.1	103.3	98.1	98.1
Switzerland	93.1	89.2	94.1	99.6	100.0	97.3	94.6	91.1	87.4	90.5	96.7	100.0	112.6	110.6	109.5	110.4	119.8	118.3	119.1	117.5
Turkey	115.7	124.2	92.2	92.9	86.5	85.6	96.3	90.6	94.0	98.6	90.9	100.0	86.6	90.9	93.9	90.2	90.0	88.5	86.8	90.9
United Kingdom	118.0	122.2	121.6	121.6	116.5	124.5	122.1	125.5	128.3	109.2	99.4	100.0	96.9	99.2	96.9	101.9	109.3	97.5	92.1	92.7
United States	124.6	129.4	133.6	131.0	121.8	116.6	112.9	112.0	107.8	102.2	104.3	100.0	95.2	97.0	97.3	100.7	114.4	119.8	124.3	124.0
Euro area	102.3	90.6	90.0	94.1	105.8	108.1	104.8	102.3	102.8	105.2	110.0	100.0	97.6	91.8	94.7	96.5	90.4	93.0	91.0	89.6

Note: Competitiveness-weighted relative unit labour costs for the overall economy in dollar terms. Competitiveness weights take into account the structure of competition in both export and import markets of the goods sector of 53 countries. An increase in the index indicates a real effective appreciation and a corresponding deterioration of the competitive position. For details on the method of calculation, see Sources & Methods of the *OECD Economic Outlook (http://www.oecd.org/eco/sources-and-methods.htm).*

Source: OECD Economic Outlook 100 database.

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Annex Table 53. **Export market growth in goods and services**

Percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	5.8	13.5	0.7	6.5	9.9	13.6	9.0	9.8	7.9	5.1	-8.7	14.7	10.1	5.2	4.4	5.3	1.6	1.5	2.5	2.7
Austria	5.7	11.9	2.0	1.4	5.4	9.5	7.6	10.6	8.5	3.0	-11.4	11.9	7.0	0.8	3.2	3.5	3.5	2.8	3.3	3.6
Belgium	7.0	12.4	1.8	1.8	4.2	8.4	7.2	9.5	6.8	2.5	-10.7	10.6	6.1	1.7	2.4	4.3	4.5	2.6	3.3	3.6
Canada	9.0	12.8	-1.9	3.8	4.9	11.3	6.8	7.1	3.6	-1.2	-12.8	12.7	6.0	2.7	1.8	4.3	4.0	1.1	3.9	4.7
Chile	5.3	13.3	0.7	3.8	8.5	12.3	8.3	10.2	8.7	4.2	-8.8	15.2	9.8	3.8	4.5	4.7	1.7	1.6	2.5	3.0
Czech Republic	5.4	11.6	2.7	1.3	5.2	9.2	7.6	11.2	8.1	3.0	-12.1	11.8	6.9	1.2	2.9	3.7	3.8	3.2	3.6	3.8
Denmark	5.5	11.4	1.2	1.7	4.7	8.6	7.6	9.6	7.4	2.4	-11.5	11.2	6.3	1.9	2.5	4.2	3.7	2.7	3.0	3.3
Estonia	1.6	12.3	3.1	3.7	5.8	10.4	10.5	11.2	10.7	4.9	-17.5	11.9	9.6	3.4	2.2	1.7	-0.3	2.3	3.2	3.4
Finland	4.2	12.3	1.5	3.1	6.1	10.3	8.6	10.8	9.3	3.7	-13.4	12.9	8.6	3.1	2.8	2.9	0.5	2.2	3.1	3.4
France	5.8	11.5	1.6	2.3	5.2	9.3	7.7	9.7	8.1	2.5	-11.1	10.8	6.0	1.4	2.8	3.8	3.1	2.2	3.0	3.3
Germany	5.1	12.4	1.9	3.1	4.8	9.6	7.9	9.4	8.0	2.9	-11.3	11.2	6.7	1.7	2.9	3.6	3.2	2.7	3.4	3.6
Greece	3.4	10.8	1.3	3.5	6.0	10.5	7.9	9.6	10.2	4.2	-11.2	10.5	7.3	2.2	2.8	3.0	2.4	2.2	2.4	2.6
Hungary	5.1	11.5	2.8	2.0	5.5	9.8	7.7	10.7	8.7	3.1	-12.3	11.7	7.1	1.5	2.7	3.4	3.2	2.8	3.2	3.5
Iceland	6.7	11.0	2.1	2.0	3.6	8.0	7.0	9.3	6.4	2.0	-10.9	9.8	5.1	2.0	2.6	3.5	3.6	2.6	3.1	3.4
Ireland	7.1	12.0	0.4	2.8	3.9	8.7	6.8	7.8	4.5	0.4	-11.0	10.8	5.4	1.5	2.5	3.7	4.2	2.3	3.3	3.6
Israel	6.9	13.0	-1.0	4.2	6.3	11.6	8.1	8.8	6.2	2.4	-11.3	13.5	7.7	3.0	2.6	3.6	2.6	1.6	3.4	4.0
Italy	5.5	12.1	1.7	2.5	5.4	9.8	8.1	9.6	8.9	3.4	-11.3	10.6	6.9	2.0	3.2	3.3	2.5	2.3	3.1	3.4
Japan	6.8	15.3	-1.0	7.2	9.8	14.5	9.0	10.2	8.7	4.0	-8.6	15.3	9.1	4.1	4.6	4.3	2.2	2.1	2.7	3.2
Korea	4.4	14.2	0.8	6.4	10.5	14.8	9.5	10.8	9.6	5.1	-8.7	14.8	9.6	4.9	5.1	5.0	1.5	1.9	2.5	3.0
Latvia	-1.6	10.6	6.3	7.0	7.6	12.3	12.3	13.7	12.2	6.1	-19.8	14.4	12.1	5.1	3.8	1.6	-1.7	2.1	3.1	3.4
Luxembourg	6.0	12.4	1.6	1.4	3.6	7.3	7.1	9.0	6.5	1.7	-10.3	10.3	5.9	0.7	2.7	3.6	4.3	2.7	3.2	3.4
Mexico	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	4.1	4.0	0.9	4.0	4.9
Netherlands	6.0	12.2	1.5	1.6	4.3	8.3	7.2	9.4	7.0	2.2	-11.0	10.8	6.2	1.2	2.5	4.1	4.1	2.6	3.1	3.4
New Zealand	5.2	12.0	-0.6	6.7	8.7	13.5	8.9	9.6	9.5	5.9	-9.4	13.5	9.0	5.1	2.4	3.0	1.5	0.8	2.2	3.0
Norway	6.8	11.9	2.1	2.9	3.6	7.7	7.2	9.5	4.7	1.1	-10.5	10.0	4.9	2.1	2.4	4.0	4.5	2.6	2.8	3.0
Poland	5.4	12.1	2.9	2.0	5.1	9.6	7.9	10.7	8.2	2.6	-12.5	11.5	6.9	1.4	2.6	3.7	3.3	2.8	3.3	3.5
Portugal	7.7	11.2	2.7	2.4	4.7	9.0	7.5	8.9	8.2	0.5	-12.5	9.0	4.4	0.0	1.9	4.4	3.9	2.9	3.3	3.5
Slovak Republic	5.7	12.8	2.9	2.1	5.6	10.6	7.6	10.7	9.2	3.0	-12.2	12.0	6.4	0.6	2.2	4.9	4.2	3.8	3.9	4.1
Slovenia	4.4	11.7	3.0	2.0	5.1	9.6	7.4	10.5	9.4	3.6	-12.3	11.4	7.1	1.0	2.3	3.4	3.0	2.8	3.2	3.3
Spain	5.4	11.8	1.6	1.7	3.6	8.2	6.8	9.0	7.4	2.5	-10.6	10.5	5.4	0.7	2.7	3.8	3.9	2.3	3.0	3.2
Sweden	4.2	11.0	1.5	3.0	4.1	9.2	8.5	10.0	7.6	3.2	-11.5	9.9	6.5	2.4	2.7	3.3	2.6	2.0	2.9	3.3
Switzerland	6.3	12.3	1.1	2.4	5.4	9.5	7.3	9.5	7.2	2.1	-11.0	12.0	6.5	1.8	2.6	4.1	3.1	2.0	3.0	3.3
Turkey	3.2	10.8	4.0	3.3	5.6	10.5	9.2	10.6	11.8	5.8	-10.8	8.8	6.9	3.6	2.9	3.1	0.3	0.9	2.2	2.5
United Kingdom	6.8	13.4	2.0	2.7	3.8	8.5	8.4	8.9	7.9	2.0	-9.7	9.6	6.2	2.4	2.4	5.1	5.8	2.4	3.3	3.7
United States	5.7	12.4	-0.4	3.2	6.0	10.7	8.6	9.2	8.4	4.3	-10.7	14.2	8.1	4.0	3.5	3.6	1.8	1.2	2.5	2.9
Total OECD	6.0	12.6	0.9	3.2	5.6	10.3	8.0	9.4	7.7	2.9	-10.8	12.1	7.1	2.6	3.1	4.0	3.0	2.1	3.0	3.4
China	4.7	13.2	-0.8	3.9	6.1	12.0	8.0	8.8	7.5	3.7	-12.1	13.5	7.1	3.4	2.5	3.2	1.3	0.7	2.8	3.1
Other industrialised Asia[1]	4.1	14.1	-0.2	5.7	8.6	13.8	8.9	9.6	8.5	4.6	-9.3	14.2	8.6	4.4	4.1	4.4	1.7	1.5	2.5	2.9
Russia	4.9	12.0	1.2	3.6	6.1	10.2	8.1	9.8	9.0	3.7	-10.8	11.2	7.3	2.3	3.0	3.8	3.2	2.8	3.0	3.2
Brazil	2.3	10.7	0.2	-0.3	9.5	14.1	9.9	10.7	10.7	5.6	-10.4	14.1	10.3	3.5	4.0	2.6	2.0	1.8	2.5	3.2
Other oil producers	5.4	13.1	0.2	4.9	7.6	12.2	9.0	9.9	8.1	4.9	-10.2	13.2	8.7	4.1	2.5	4.0	1.5	1.0	2.8	3.2
Rest of the world	3.1	11.8	1.9	3.5	6.7	11.6	9.0	10.5	10.5	5.3	-11.6	12.3	8.5	3.5	3.2	2.6	0.2	1.0	2.5	3.0

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 100 database.

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Annex Table 54. **Export performance for total goods and services**

Percentage changes from previous period

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	-1.2	-2.0	1.9	-5.5	-10.5	-8.6	-5.5	-6.1	-4.4	-1.5	12.3	-8.1	-9.3	1.0	1.5	1.4	4.1	5.4	4.4	4.2
Austria	0.5	1.4	3.7	2.7	-4.7	-0.7	-1.2	-2.4	-1.1	-0.8	-3.9	1.6	-0.9	0.8	-2.7	-1.1	0.1	-1.0	-0.2	0.0
Belgium	-1.8	0.0	-1.5	1.8	-2.6	-2.0	-2.0	-3.9	-1.0	-0.8	1.4	-0.2	0.5	0.1	-1.6	0.8	-0.2	1.6	0.1	0.0
Canada	1.6	-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	1.0	0.9	-0.5	-0.6	-0.9	0.0
Chile	1.0	-7.2	6.2	-1.7	-1.6	1.5	-5.1	-4.6	-1.4	-4.7	4.7	-11.1	-3.9	-3.5	-1.2	-3.5	-3.5	-1.7	-0.3	-0.5
Czech Republic	-0.2	2.9	6.5	-0.4	3.4	18.9	10.0	2.9	2.8	1.2	2.6	2.9	2.1	3.0	-2.6	4.7	3.8	2.1	1.2	1.1
Denmark	5.4	1.0	2.2	2.6	-5.6	-5.1	0.1	0.6	-3.5	1.4	2.6	-7.4	0.8	-0.8	-0.9	-0.6	-1.8	-1.6	-0.3	-0.1
Estonia	-1.1	-17.1	3.1	-0.9	4.1	6.3	8.5	-1.5	1.7	-3.8	-3.4	10.9	13.3	1.4	0.0	1.4	-0.3	1.6	0.6	0.9
Finland	6.9	3.4	-0.2	0.6	-6.8	-1.4	-1.6	-0.6	-0.2	2.8	-7.7	-6.0	-6.1	-1.8	-1.6	-4.5	-0.7	-0.4	0.7	0.3
France	-0.9	1.5	1.3	-0.6	-5.9	-4.2	-3.7	-3.5	-4.8	-2.5	0.1	-1.9	1.0	1.3	-0.9	-0.3	2.7	-1.2	0.2	0.0
Germany	-0.1	1.8	4.1	1.1	-2.9	0.7	-0.9	3.1	1.5	-1.6	-3.3	2.7	1.6	1.7	-0.9	0.4	1.4	0.0	-0.7	-0.8
Greece	20.4	11.3	-2.6	-10.4	-6.4	6.7	-3.3	-4.1	-0.2	-0.6	-7.9	-5.6	-6.0	-1.1	-1.2	4.2	-6.1	-9.5	1.5	2.3
Hungary	6.4	12.1	5.8	3.7	0.7	7.4	4.8	7.9	6.8	3.7	1.0	-0.4	-0.5	-3.3	1.5	6.2	4.3	5.2	1.5	0.8
Iceland	-3.3	-6.4	4.5	1.4	-2.5	0.1	0.1	-12.8	15.9	1.3	21.4	-8.0	-1.6	1.5	4.0	-0.3	5.4	3.6	0.9	0.2
Ireland	8.0	8.0	13.6	3.6	-5.5	-2.0	-1.2	-1.6	4.2	-4.2	17.6	-4.6	-2.3	0.8	0.5	10.3	29.1	0.5	-0.5	-0.7
Israel	7.3	9.3	-10.2	-5.9	1.8	5.4	-2.8	-3.2	4.0	3.4	0.2	1.4	1.7	-4.6	1.0	-2.0	-6.5	1.7	-0.3	0.1
Italy	-6.4	0.6	0.7	-4.8	-6.6	-3.9	-3.5	-1.0	-3.1	-6.5	-7.5	0.7	-0.7	0.0	-2.2	-0.6	1.4	-0.5	-0.1	-0.4
Japan	-4.6	-2.4	-6.1	0.7	-0.2	-0.4	-2.5	-0.2	0.0	-2.5	-17.0	8.3	-8.7	-4.2	-3.3	3.9	0.6	-2.5	0.3	-0.1
Korea	8.3	2.6	-3.0	6.2	3.1	5.1	-1.6	1.1	2.8	2.3	9.1	-1.8	5.1	0.2	-0.8	-2.8	-0.7	-0.3	-0.3	-0.2
Latvia	-4.8	3.4	2.6	-1.9	-3.4	1.3	10.0	-5.5	1.4	-3.5	8.6	-0.9	-0.1	4.4	-2.6	2.3	4.4	0.2	0.8	0.6
Luxembourg	7.8	0.2	3.7	0.7	-0.8	3.3	-1.4	3.7	2.2	4.2	-2.0	-3.4	-2.1	2.0	3.5	8.2	8.2	1.8	1.4	1.1
Mexico	-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	2.7	4.9	1.7	0.3	0.0
Netherlands	2.4	0.7	-0.1	-1.0	-2.4	-0.2	-1.5	-1.8	-1.3	-0.3	2.3	-0.4	-1.7	2.6	-0.2	0.3	0.9	0.7	0.2	0.1
New Zealand	3.0	-3.9	3.8	0.2	-5.8	-7.3	-8.7	-7.1	-4.2	-6.7	12.5	-9.0	-5.9	-3.2	-1.4	0.1	5.2	3.0	1.3	-0.2
Norway	-3.7	-7.8	2.2	-3.1	-3.6	-6.2	-6.3	-9.4	-3.2	-1.0	7.2	-8.5	-5.4	-0.6	-4.0	-0.8	-0.7	-4.2	-3.6	-1.9
Poland	-7.6	10.6	-0.5	2.7	8.6	-4.3	1.8	4.4	1.7	4.3	7.5	1.4	0.9	3.2	3.4	2.9	4.3	6.2	2.4	1.7
Portugal	-3.8	-2.5	-0.5	0.6	-1.3	-4.1	-6.5	3.2	-0.8	-0.8	2.6	0.4	2.5	3.4	5.0	-0.1	2.1	0.4	0.4	0.5
Slovak Republic	4.2	-4.7	7.6	4.9	12.2	9.3	4.9	11.0	4.9	0.0	-5.2	3.3	5.3	8.6	4.4	-1.2	2.7	1.4	2.1	2.8
Slovenia	-2.3	0.8	4.0	5.7	-1.9	3.2	3.7	3.3	3.9	0.6	-4.9	-1.2	-0.1	-0.4	0.7	2.2	2.4	3.4	1.1	0.9
Spain	2.4	-1.2	2.1	-0.4	-0.2	-3.6	-4.7	-3.7	0.8	-3.3	-0.5	-0.9	1.9	0.4	1.5	0.4	0.9	3.4	1.4	1.3
Sweden	2.5	0.9	-0.6	-1.7	0.3	0.5	-1.7	-0.8	-2.7	-1.6	-3.2	1.4	-0.2	-0.9	-3.4	2.1	2.5	0.7	0.5	-0.1
Switzerland	-3.0	0.2	-1.1	-4.3	-6.0	-0.5	-0.5	-2.7	3.9	1.6	1.1	0.5	-1.3	-0.6	12.4	-9.8	-0.9	1.7	1.1	0.2
Turkey	-13.5	4.7	0.0	3.5	1.2	0.6	-1.2	-3.5	-4.1	-2.9	6.4	-5.0	0.9	12.3	-3.0	4.2	-1.2	-2.6	1.8	2.2
United Kingdom	-3.7	-3.4	0.1	-0.2	-1.0	-3.1	-0.3	3.2	-8.7	-0.9	1.0	-3.5	-0.4	-1.7	-1.3	-3.4	-1.3	0.3	-0.1	0.3
United States	-2.9	-3.4	-5.5	-4.7	-4.0	-0.9	-2.1	-0.2	0.8	1.4	2.1	-2.0	-1.1	-0.5	0.0	0.7	-1.7	-0.3	0.9	0.1
Total OECD	-1.1	-0.6	-0.4	-1.1	-3.2	-1.4	-2.0	-0.7	-0.8	-1.0	-0.4	-0.7	-0.8	0.3	-0.3	0.3	1.1	0.2	0.3	0.2
China	6.2	13.3	6.8	21.8	20.6	11.0	14.3	15.0	11.8	5.8	1.4	10.1	6.5	2.7	6.5	3.5	-3.2	0.2	-0.4	-0.7
Other industrialised Asia[1]	0.7	2.9	-2.9	2.9	1.5	2.3	2.6	1.8	-0.3	0.8	1.3	1.9	-0.8	-1.0	0.8	-0.4	-2.3	-0.2	0.1	0.0
Russia	6.0	-2.3	3.0	6.5	6.2	1.5	-1.5	-2.2	-2.5	-3.0	6.8	-3.7	-6.5	-0.9	1.5	-3.1	0.4	-2.2	0.0	-0.1
Brazil	3.3	2.2	8.7	6.9	1.6	-0.5	1.1	-5.3	-4.5	-5.5	2.0	-2.2	-4.6	-3.7	-1.1	-3.5	4.0	4.4	0.8	0.6
Other oil producers	-9.1	-8.5	0.1	-6.3	4.4	-2.2	-0.8	-5.3	-3.7	-0.3	3.7	-7.4	-1.2	-0.6	-1.4	-4.1	1.6	1.6	-1.7	-1.7
Rest of the world	-0.8	-2.7	2.7	0.2	-0.4	-0.6	-2.9	-4.1	-2.5	-1.0	4.4	-3.1	-1.7	-0.6	1.2	-0.8	1.3	0.6	-1.3	-1.3

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 100 database.

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Annex Table 55. **Import penetration**

Goods and services import volume as a percentage of total final expenditure, constant prices

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	11.5	11.9	11.2	11.8	12.6	13.7	14.3	15.0	16.0	17.0	15.5	17.1	18.3	18.6	18.1	17.4	17.4	16.9	16.9	17.0
Austria	27.2	28.4	29.3	29.1	29.6	30.8	31.3	31.8	32.2	32.2	30.2	32.3	32.9	33.1	33.2	33.3	33.9	34.4	35.0	35.5
Belgium	37.5	39.7	39.3	39.2	39.3	39.9	41.0	41.5	42.0	42.6	40.9	42.5	43.8	44.1	44.2	45.2	45.9	46.4	46.9	47.5
Brazil	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	15.9	16.5	16.3	14.8	13.9	14.1	14.2
Canada	22.1	22.6	21.4	21.3	21.7	22.5	23.2	23.7	24.3	24.3	22.5	24.3	24.9	25.3	25.1	25.0	24.8	24.2	24.2	24.4
Chile	19.5	20.2	20.2	20.1	20.9	22.5	24.3	25.2	26.9	28.4	25.1	28.6	30.6	30.5	30.1	28.3	27.2	26.4	26.5	26.4
China	13.6	15.3	15.4	17.2	20.0	21.9	22.1	22.8	22.7	22.0	21.2	22.3	23.3	23.2	23.7	24.0	23.5	23.3	22.6	22.0
Colombia	13.2	13.5	14.3	14.0	14.5	15.0	15.8	17.4	18.4	19.4	17.6	18.6	20.7	21.6	21.7	22.3	22.5	21.6	21.1	21.1
Costa Rica	26.3	24.8	24.1	24.6	24.7	24.7	25.3	25.5	25.8	26.2	22.5	24.7	25.9	26.5	26.4	26.4	26.7	27.6	28.2	28.5
Czech Republic	24.7	26.5	27.9	28.4	29.4	33.3	34.6	35.5	37.0	37.1	35.5	38.3	39.3	40.1	40.3	41.9	42.7	43.1	43.7	44.4
Denmark	23.2	24.8	25.1	26.1	25.9	26.7	28.3	30.2	31.2	32.3	30.6	30.3	31.6	32.1	32.2	32.6	32.5	32.7	33.0	33.3
Estonia	34.5	32.1	33.4	34.8	35.8	37.6	39.3	41.6	42.6	42.2	36.9	40.6	44.7	45.9	46.5	46.2	45.5	46.8	47.0	47.3
Finland	21.6	23.3	23.2	23.7	24.2	24.9	26.4	26.9	27.3	28.7	26.7	27.0	27.7	28.3	28.6	28.7	28.9	29.1	29.5	29.9
France	17.6	19.2	19.3	19.4	19.4	19.9	20.6	21.2	21.7	21.9	20.7	21.8	22.5	22.6	22.9	23.6	24.5	24.8	25.3	25.6
Germany	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	27.6	28.1	28.6	29.3	29.5	29.8	30.2
Greece	22.1	25.1	24.0	22.7	23.0	22.8	23.1	24.4	26.3	26.5	23.0	23.4	23.6	23.2	23.1	24.3	23.1	22.8	23.1	23.4
Hungary	29.9	33.6	34.0	34.9	36.0	38.5	39.3	41.8	44.9	46.1	43.8	46.1	46.8	46.3	46.9	48.6	49.3	50.9	51.8	52.8
Iceland	26.4	27.0	24.3	23.8	25.1	26.1	29.9	30.8	28.4	23.7	20.4	21.7	22.4	23.0	22.2	23.5	25.0	26.7	26.7	26.8
India[1]	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	18.6	17.2	16.9	16.7
Indonesia	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	16.0	15.7	15.5
Ireland	40.0	43.1	43.9	43.7	42.0	40.8	42.7	43.7	44.9	45.6	45.7	45.4	45.8	47.5	47.3	49.0	48.0	48.0	48.1	48.5
Israel	25.5	26.2	25.1	24.9	24.6	25.9	25.8	25.4	26.2	26.1	23.2	24.7	25.8	25.7	24.9	25.0	24.5	25.5	26.4	26.7
Italy	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	20.8	21.7	21.9	22.3	22.6
Japan	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	13.0	13.1	13.1
Korea	23.0	25.1	23.5	24.8	26.3	27.7	28.5	29.9	31.1	31.1	29.6	31.6	33.8	33.8	33.5	33.1	33.3	33.3	33.3	33.2
Latvia	32.0	31.2	33.0	32.0	32.7	35.2	36.4	38.2	39.8	37.7	32.1	35.5	38.8	39.2	38.5	38.1	38.0	38.8	39.3	39.7
Lithuania	28.5	29.0	31.3	33.8	33.7	35.5	38.0	39.4	39.2	41.4	36.6	40.2	42.0	42.6	43.8	43.8	44.9	45.1	45.2	45.4
Luxembourg	53.5	54.0	55.1	54.3	55.2	56.8	57.4	59.0	58.7	60.9	59.0	59.3	60.2	61.2	61.4	62.7	64.7	64.8	64.9	65.0
Mexico	17.4	19.5	19.7	19.9	20.2	20.6	21.4	22.1	22.7	23.1	20.8	23.2	23.7	23.6	24.1	24.7	24.8	25.0	25.3	25.6
Netherlands	32.9	34.5	34.4	34.5	34.9	35.9	36.6	37.6	38.0	38.1	37.1	38.9	39.3	40.2	40.5	41.2	42.0	42.4	42.9	43.4
New Zealand	19.9	19.2	19.2	19.9	20.5	22.4	23.0	22.1	22.9	23.6	20.8	22.3	23.1	23.1	23.9	24.8	24.9	24.9	25.2	25.4
Norway	18.1	18.0	17.9	17.9	17.9	18.6	19.4	20.4	21.4	21.9	20.4	21.6	22.1	22.1	22.8	22.9	22.9	23.0	23.2	23.4
Poland	23.2	24.7	23.9	24.1	25.1	25.7	26.2	28.3	29.9	30.9	27.6	29.6	29.8	29.4	29.4	30.7	31.3	32.6	33.3	33.9
Portugal	25.4	25.7	25.6	25.4	25.5	26.6	26.9	28.0	28.6	29.1	27.6	28.7	27.9	27.4	28.5	29.9	31.3	31.8	32.3	32.9
Russia	6.9	7.9	8.7	9.4	10.2	11.3	12.2	13.4	15.1	16.2	12.7	14.8	16.7	17.5	17.8	16.6	13.3	12.6	12.8	13.0
Slovak Republic	32.6	33.8	36.8	37.1	37.7	41.1	42.9	45.3	45.0	44.4	40.7	42.8	44.4	44.6	45.5	45.9	46.9	47.2	47.7	48.4
Slovenia	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	39.3	40.1	40.3	40.8	41.7	42.2	42.7
South Africa	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	23.5	24.1	24.6
Spain	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	22.0	22.4	22.9	23.3
Sweden	24.2	25.4	24.8	24.2	24.5	24.8	25.5	26.2	27.0	27.8	25.9	27.1	27.9	28.1	27.9	28.6	28.8	29.1	29.2	29.5
Switzerland	31.5	32.3	32.2	31.7	31.8	31.9	33.4	33.2	33.6	34.2	33.8	34.9	36.5	35.7	38.1	35.7	36.5	37.1	37.7	38.3
Turkey	16.9	18.8	15.6	17.2	19.6	21.2	21.9	21.9	22.9	22.0	20.1	22.0	22.4	21.9	22.7	22.0	21.3	21.8	22.0	22.3
United Kingdom	20.4	21.3	21.7	22.2	22.1	22.8	23.4	24.7	24.0	23.8	22.8	23.9	23.8	24.1	24.3	24.2	24.8	24.9	25.0	25.1
United States	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	13.9	14.1	14.4
Total OECD	17.1	18.2	18.0	18.1	18.4	19.2	19.8	20.6	21.1	21.1	19.6	20.9	21.6	21.6	21.7	22.1	22.5	22.6	22.9	23.2

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438555

Annex Table 56. **Shares in world exports and imports**

Percentage, value of goods and services, national accounts basis

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
A. Exports																				
Canada	4.0	4.2	4.1	3.8	3.6	3.4	3.4	3.2	2.9	2.7	2.5	2.5	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3
France	5.5	5.0	5.1	5.1	5.2	4.9	4.6	4.3	4.3	4.1	4.2	3.7	3.6	3.4	3.5	3.5	3.5	3.6	3.5	3.5
Germany	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	7.5	7.8	7.7	7.6
Italy	4.1	3.8	4.0	3.9	4.0	3.9	3.6	3.5	3.5	3.3	3.1	2.9	2.8	2.7	2.7	2.7	2.6	2.7	2.7	2.7
Japan	6.4	6.6	5.8	5.7	5.6	5.5	5.2	4.8	4.5	4.4	4.1	4.5	4.1	3.9	3.5	3.5	3.5	3.7	3.7	3.7
United Kingdom	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	3.5	3.5	3.6	3.7	3.6	3.6	3.8
United States	14.2	14.1	13.6	12.6	11.3	10.6	10.3	10.1	9.8	9.5	10.2	10.0	9.5	9.8	9.9	10.1	10.9	11.0	11.2	11.2
Total of smaller countries	27.5	26.9	27.5	27.8	28.3	28.4	27.8	27.5	27.9	27.9	28.3	27.3	27.0	26.4	26.7	26.8	26.9	27.4	27.2	27.4
Total OECD	75.8	73.4	73.6	72.9	72.0	70.6	68.2	66.8	66.2	64.3	64.6	62.3	60.6	59.5	59.6	60.1	61.0	62.1	61.9	62.1
China	2.8	3.2	3.6	4.2	4.9	5.4	6.1	6.8	7.4	7.7	8.0	8.6	9.1	9.7	10.2	10.8	11.6	11.1	10.8	10.8
Other industrialised Asia[1]	11.8	12.5	11.9	12.0	11.6	11.6	11.8	11.8	11.6	11.4	12.1	13.0	12.8	13.0	13.0	13.0	13.5	13.7	13.8	13.8
Brazil	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	1.2
Russia	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	2.0	2.0
Other oil producers	3.4	4.4	4.2	4.2	4.5	5.0	6.2	6.6	6.6	7.6	6.6	7.0	8.0	8.3	7.9	7.2	5.6	4.9	4.9	4.8
Rest of the world	4.2	4.1	4.3	4.3	4.4	4.5	4.6	4.7	4.8	5.2	5.4	5.4	5.5	5.5	5.5	5.3	5.3	5.3	5.3	5.3
Total non-OECD	24.2	26.6	26.4	27.1	28.0	29.4	31.8	33.2	33.8	35.7	35.4	37.7	39.4	40.5	40.4	39.9	39.0	37.9	38.1	37.9
B. Imports																				
Canada	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	2.5	2.5	2.4
France	5.1	4.8	4.9	4.9	5.0	4.8	4.7	4.5	4.6	4.4	4.5	4.0	4.0	3.8	3.8	3.8	3.7	3.8	3.8	3.8
Germany	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	6.5	6.6	6.5	6.4
Italy	3.8	3.7	3.8	3.8	3.9	3.8	3.7	3.7	3.7	3.5	3.3	3.2	3.0	2.6	2.5	2.5	2.4	2.4	2.4	2.4
Japan	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	3.7	3.6	3.5
United Kingdom	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	4.1
United States	18.0	18.9	18.4	18.1	16.9	16.3	16.2	15.6	14.3	13.4	13.0	13.0	12.4	12.6	12.4	12.6	13.6	13.7	14.1	14.3
Total of smaller countries	26.7	26.0	26.1	26.5	27.2	27.3	27.2	27.1	27.9	27.9	27.3	26.4	26.4	25.5	25.5	25.5	25.2	25.6	25.5	25.7
Total OECD	77.2	76.0	75.7	75.2	74.7	73.4	72.4	71.4	70.0	68.0	66.5	64.7	63.7	62.1	61.5	61.7	61.9	62.4	62.4	62.7
China	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	10.0	9.8	9.6	9.5
Other industrialised Asia[1]	10.9	11.7	11.0	11.1	10.7	11.0	11.2	11.2	11.0	11.3	11.7	12.8	12.8	13.2	13.1	12.9	13.1	13.0	13.2	13.2
Brazil	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	1.2	1.1	1.1
Russia	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	1.5	1.6	1.5
Other oil producers	2.8	2.8	3.1	3.2	3.3	3.4	3.8	4.1	4.6	5.1	5.7	5.3	5.1	5.5	5.5	5.6	5.7	5.5	5.4	5.3
Rest of the world	5.1	4.8	5.0	4.8	4.9	5.1	5.3	5.5	6.0	6.6	6.5	6.5	6.6	6.8	6.8	6.6	6.7	6.6	6.7	6.6
Total non-OECD	22.8	24.0	24.3	24.8	25.3	26.6	27.6	28.6	30.0	32.0	33.5	35.3	36.3	37.9	38.5	38.3	38.1	37.6	37.6	37.3

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 100 database.

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Annex Table 57. **Geographical structure of world trade growth**

Average of export and import volumes

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
A. Trade growth	Percentage changes from previous period																			
Total OECD	6.3	12.1	0.3	2.3	3.2	8.7	6.3	8.3	6.2	1.2	-11.5	11.4	6.0	2.1	2.4	4.2	4.3	2.3	3.4	3.7
of which: OECD America[1]	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	2.2	4.3	2.8	0.9	3.7	4.3
OECD Europe	5.7	12.5	2.6	1.8	2.5	7.4	6.4	9.1	6.3	1.0	-11.1	9.9	5.6	1.3	2.5	4.0	5.6	3.2	3.4	3.6
OECD Asia and Pacific[2]	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	0.9	2.8	2.9
Total non-OECD	0.7	12.9	1.6	7.0	12.5	15.9	11.6	11.7	11.3	7.5	-8.4	14.4	9.5	4.9	5.0	3.4	-0.3	1.1	2.0	2.4
of which: China	16.9	26.1	7.6	25.7	30.2	23.9	18.1	21.2	17.2	7.9	-4.3	21.7	15.0	6.6	10.0	8.0	0.8	3.1	2.2	2.7
Other industrialised Asia[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	-0.5	0.6	2.7	2.9
Brazil	-5.7	12.5	5.9	-2.9	6.2	12.1	10.2	9.7	11.0	7.1	-8.0	22.2	7.9	0.0	5.0	-1.0	-4.9	-1.9	2.4	3.2
Russia	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	-1.7	2.8	3.0
Other oil producers	-4.6	4.0	3.5	1.0	11.2	11.6	11.2	7.6	11.1	8.2	-6.4	3.7	6.9	5.9	2.2	1.7	-0.1	-0.3	0.6	1.3
Rest of the world	-0.8	7.0	4.2	2.3	7.2	12.4	7.4	8.8	11.8	7.4	-10.2	9.4	9.3	3.7	3.8	1.8	2.3	1.5	1.2	1.4
World	4.8	12.3	0.6	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.4	12.5	7.3	3.1	3.4	3.9	2.6	1.9	2.9	3.2
B. Contribution to world trade growth	Percentage points																			
Total OECD	4.6	8.9	0.2	1.6	2.3	6.1	4.3	5.7	4.2	0.8	-7.5	7.3	3.8	1.3	1.5	2.6	2.7	1.5	2.2	2.3
of which: OECD America[1]	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	0.4	0.7	0.5	0.1	0.6	0.7
OECD Europe	2.5	5.5	1.2	0.8	1.1	3.2	2.7	3.7	2.6	0.4	-4.3	3.8	2.1	0.5	0.9	1.5	2.0	1.2	1.3	1.4
OECD Asia and Pacific[2]	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	0.2	0.3
Total non-OECD	0.2	3.4	0.4	1.9	3.5	4.7	3.6	3.7	3.7	2.5	-3.0	5.2	3.5	1.8	1.9	1.3	-0.1	0.4	0.7	0.9
of which: China	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	0.3	0.2	0.3
Other industrialised Asia[3]	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	0.1	0.3	0.4
Brazil	-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	0.0	0.0	0.0
Russia	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	0.0	0.1
Other oil producers	-0.3	0.2	0.2	0.1	0.6	0.7	0.7	0.5	0.7	0.5	-0.4	0.2	0.4	0.4	0.1	0.1	0.0	0.0	0.0	0.1
Rest of the world	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	0.1
World	4.8	12.3	0.6	3.5	5.8	10.8	7.9	9.4	7.8	3.3	-10.4	12.5	7.3	3.1	3.4	3.9	2.6	1.9	2.9	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 100 database.

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Annex Table 58. **Trade balances for goods and services**

USD billion, national accounts basis

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-4.5	-1.5	3.8	15.2	14.6	11.6	11.8	13.1	12.6	13.6	17.0	12.3	9.0	11.3	-0.3	2.1	-5.2	-3.6	-5.4	-10.7
Australia	-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	-27.4	-22.1	-10.4	-3.7
Austria	1.0	2.6	3.3	7.7	7.0	8.6	9.5	11.9	16.3	17.9	12.2	13.2	11.1	10.8	11.1	14.7	15.4	14.0	13.5	14.2
Belgium	10.0	5.8	8.1	14.4	16.8	17.7	13.9	15.0	18.0	3.0	11.2	8.7	2.7	3.1	6.0	4.9	7.6	12.5	13.2	13.5
Brazil	-11.1	-14.7	-12.7	2.8	12.6	22.8	30.4	30.0	18.8	-3.6	-7.4	-22.9	-20.2	-33.3	-57.2	-65.9	-25.2	13.4	19.8	24.0
Canada	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	-36.0	-40.4	-32.5	-25.9
Chile	1.7	1.4	1.2	1.6	3.1	9.3	10.5	22.1	22.9	4.5	13.4	14.0	7.8	-0.6	-2.2	2.3	-0.5	2.0	2.4	3.3
China	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	289.2	305.1	327.0
Colombia	-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	-24.8	-23.9	-22.7
Costa Rica	-0.3	-0.1	0.0	-0.3	-0.3	-0.1	-0.4	-0.7	-1.4	-2.7	-0.1	-0.7	-1.6	-1.8	-1.5	-1.4	-0.8	-0.3	-1.0	-1.4
Czech Republic	-0.3	-1.1	-0.8	-1.1	-1.2	1.0	3.2	4.3	4.7	5.2	8.2	6.4	8.7	10.0	12.1	13.3	11.4	14.8	14.3	15.3
Denmark	10.7	10.9	11.8	12.3	14.9	14.2	14.6	11.5	9.3	12.5	14.6	22.4	22.0	19.7	22.7	24.5	22.3	19.9	20.1	22.0
Estonia	-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	0.4	0.5	0.9	0.9	0.7	0.8	0.9
Finland	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	-2.6	-1.3	-1.8	-1.3	-1.2
France	33.3	15.0	17.8	24.9	20.1	13.4	-8.3	-19.5	-34.9	-51.7	-38.5	-48.6	-73.0	-57.9	-53.8	-57.2	-33.5	-37.0	-42.8	-45.9
Germany	14.7	5.8	35.2	92.7	92.9	139.6	143.7	160.3	231.6	224.3	169.7	174.6	180.6	217.0	226.5	254.6	253.3	277.3	276.8	282.4
Greece	-13.1	-15.0	-14.2	-15.6	-22.3	-20.2	-21.1	-29.5	-39.7	-44.7	-32.2	-25.9	-20.1	-11.1	-6.7	-5.9	-0.2	-3.2	-2.5	-1.4
Hungary	-1.3	-1.7	-0.7	-1.4	-3.3	-4.1	-2.5	-1.2	1.0	0.5	5.4	7.0	8.6	8.6	9.4	9.6	10.8	13.7	13.1	11.9
Iceland	-0.4	-0.6	-0.1	0.1	-0.3	-0.7	-2.0	-2.9	-2.0	-0.7	1.2	1.4	1.2	0.9	1.2	1.1	1.3	0.9	0.8	1.0
India[1]	-8.8	-4.3	-4.3	-5.1	-4.2	-12.6	-23.0	-30.0	-50.0	-62.0	-74.2	-74.7	-118.9	-123.2	-56.4	-60.8	-52.6	-20.2	-25.7	-31.7
Indonesia	13.5	17.2	12.7	11.5	16.7	10.8	10.3	18.3	15.6	2.6	14.5	14.3	22.3	-3.5	-7.8	-7.0	2.1	5.6	3.0	0.9
Ireland	13.1	13.1	17.2	22.3	25.1	28.3	22.8	18.4	22.7	24.0	32.2	37.0	44.2	38.2	44.7	45.8	89.9	86.1	92.1	97.3
Israel	-2.9	0.0	-3.0	-3.4	-0.8	0.3	0.1	0.6	-1.2	-0.9	6.0	5.1	1.6	0.5	6.6	5.6	9.0	8.2	5.4	4.9
Italy	22.0	9.5	14.5	9.7	7.4	9.9	-1.9	-16.6	-8.3	-18.4	-14.3	-42.3	-35.3	20.4	49.1	61.3	55.6	67.8	71.8	76.1
Japan	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	-145.0	-40.3	19.0	29.2	45.4
Korea	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	104.4	98.3	105.0
Latvia	-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	-0.6	-0.3	0.0	-0.1	-0.4
Lithuania	-1.1	-0.7	-0.7	-0.8	-1.1	-1.6	-1.9	-3.1	-5.2	-5.7	-0.6	-0.7	-1.1	0.4	0.6	0.9	-0.3	0.2	0.0	-0.1
Luxembourg	5.3	5.5	4.8	5.6	6.7	8.2	9.1	12.7	16.1	16.4	15.1	16.6	18.3	16.4	18.9	20.9	18.7	19.3	20.5	22.3
Mexico	-1.6	-3.8	-9.0	-10.4	-10.1	-13.2	-12.4	-12.0	-16.5	-24.2	-13.0	-12.5	-14.6	-13.5	-11.5	-14.0	-23.7	-26.7	-26.7	-29.1
Netherlands	23.6	26.8	28.5	31.9	39.1	51.3	58.5	63.5	74.3	81.0	63.2	70.2	76.6	79.8	92.6	95.3	80.8	84.0	83.0	82.5
New Zealand	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	1.0	1.1	0.9	1.1
Norway	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	44.6	21.1	1.5	-1.6	-3.5
Poland	-9.8	-10.9	-6.8	-6.8	-5.8	-6.8	-3.2	-7.2	-15.3	-27.3	-3.7	-9.6	-10.5	-2.2	10.2	7.9	14.7	16.6	16.6	16.1
Portugal	-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	0.4	1.5	2.4	2.6	3.1
Russia	33.3	52.3	39.4	37.7	49.7	73.2	105.6	127.1	114.2	156.6	93.1	125.1	165.4	146.3	125.1	135.1	110.4	73.7	87.6	110.1
Slovak Republic	-0.9	-0.5	-1.7	-1.8	-0.6	-1.2	-2.2	-2.2	-0.9	-2.8	-1.2	-1.3	-0.9	3.4	4.2	3.6	2.1	3.1	3.4	4.2
Slovenia	-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	2.7	3.7	3.9	4.5	4.5	4.8
South Africa	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	0.6	-0.6	-1.9
Spain	-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	44.3	33.1	29.2	34.5	32.5	33.6
Sweden	16.4	15.2	14.9	16.8	21.2	29.0	28.0	31.9	34.1	32.3	24.8	26.8	26.5	26.8	26.2	25.0	23.7	21.2	21.2	22.5
Switzerland	13.9	16.6	15.6	20.6	23.7	35.1	29.7	36.8	54.3	59.1	41.8	62.6	58.8	69.7	83.2	83.5	78.7	70.8	72.4	73.4
Turkey	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	-20.9	-23.5	-24.7	-27.1
United Kingdom	-26.2	-30.9	-37.6	-49.6	-49.8	-64.8	-66.4	-66.6	-79.9	-87.0	-53.3	-65.9	-43.2	-59.2	-61.8	-59.6	-59.1	-59.2	-58.1	-56.8
United States	-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	-492.0	-508.8	-522.0	-484.2	-542.3	-640.5
Euro area	93.8	47.7	96.7	177.4	169.2	207.1	152.9	124.7	191.7	142.3	189.4	170.4	188.3	336.1	439.0	473.0	523.7	564.2	568.1	586.2
Total OECD	-37.9	-193.7	-168.8	-148.4	-210.0	-241.7	-420.4	-511.9	-401.2	-541.0	-91.0	-194.5	-366.5	-282.1	-66.5	-20.5	84.1	202.0	166.5	121.4

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438581

Annex Table 59. **Balance of primary income**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-7.5	-7.5	-7.7	-7.6	-8.0	-9.4	-7.5	-6.3	-6.1	-7.7	-9.1	-13.9	-13.9	-12.9	-12.3	-10.8	-11.3	-10.3	-9.9	-9.9
Australia	-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	-40.8	-38.6	-32.6	-29.1	-20.6	-22.0	-22.0
Austria	-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	0.8	-2.0	1.5	1.1	1.1
Belgium	6.4	6.0	4.2	4.1	6.1	5.0	4.5	4.8	6.3	10.4	-2.6	8.9	5.7	11.4	7.3	2.8	-1.0	-1.6	1.1	1.1
Brazil	-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	-38.1	-41.8	-48.0
Canada	-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	-10.5	-10.3	-10.3	-10.5
Chile	-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	-7.0	-7.2	-7.2
China	-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	-20.2	-21.0	-21.0
Colombia	-1.3	-2.2	-2.4	-2.6	-3.2	-4.1	-5.3	-5.7	-7.8	-9.6	-8.4	-11.2	-15.5	-15.0	-14.2	-12.6	-5.8	-4.5	-4.4	-4.4
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	4.6	4.5	4.6	5.2	5.0	5.0
Czech Republic	-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	-10.3	-11.3	-11.7
Denmark	-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	12.7	10.1	10.9	11.7	11.4
Estonia	-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	-0.6	-0.7
Finland	-2.0	-1.7	-1.0	-0.6	-2.6	0.8	0.2	0.8	-0.8	-1.9	1.6	2.3	0.3	0.1	0.3	1.6	1.3	2.0	2.2	2.2
France	31.4	24.3	24.9	14.2	23.7	28.4	39.0	48.5	55.0	64.4	61.3	70.6	80.4	60.2	65.2	63.2	57.7	44.4	52.1	52.1
Germany	-19.1	-13.3	-15.5	-24.5	-22.2	19.9	24.7	50.7	50.6	37.4	77.2	65.2	97.4	84.2	84.6	83.3	73.2	73.3	72.9	75.1
Greece	-0.9	-1.1	-2.0	0.5	-1.4	-2.1	-3.3	-5.3	-9.0	-11.1	-9.4	-7.7	-9.1	1.0	-0.6	1.9	1.1	2.6	2.7	2.7
Hungary	-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	-3.6	-5.9	-5.6	-4.0	-3.5	-3.2
Iceland	-0.2	-0.3	-0.3	0.0	-0.2	-0.6	-0.7	-1.1	-1.0	-3.7	-2.4	-2.1	-1.8	-1.3	-0.2	-0.3	-0.1	-0.1	-0.2	-0.1
India[1]	-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	-24.4	-27.8	-32.8	-35.9
Indonesia	..	..	..	..	..	-10.8	-12.8	-13.7	-15.3	-15.0	-15.0	-20.7	-26.5	-26.6	-27.1	-29.7	-28.2	-30.5	-30.3	-30.3
Ireland	-14.4	-14.2	-17.1	-23.1	-25.7	-29.1	-32.3	-32.0	-40.6	-39.4	-40.6	-36.1	-46.1	-41.3	-35.9	-38.1	-57.6	-51.8	-59.2	-63.0
Israel	-5.1	-8.3	-5.5	-4.6	-4.7	-4.1	-1.4	-0.7	-0.2	-4.3	-5.1	-5.2	-3.5	-6.9	-5.8	-3.5	-4.3	-4.7	-4.6	-4.6
Italy	-1.6	-4.3	-3.0	-5.4	-7.5	-3.1	3.1	8.1	1.1	-21.6	-3.5	-5.2	-7.4	-3.9	-4.0	-0.5	-1.0	4.5	0.0	0.0
Japan	57.1	71.7	67.1	62.2	75.0	96.2	109.1	123.4	139.1	138.9	135.2	156.4	184.9	175.2	181.4	184.2	170.5	164.9	163.7	164.5
Korea	-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	5.9	3.4	5.9	5.7
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	0.0	-0.1	-0.2	-0.3	-0.3
Lithuania	..	..	..	..	..	-0.5	-0.4	-0.7	-1.6	-1.7	0.7	-0.7	-1.6	-1.4	-1.1	-0.7	-1.7	-1.7	-1.6	-1.4
Luxembourg	-0.8	-1.6	-1.9	-3.7	-5.3	-3.7	-4.7	-7.9	-11.1	-13.7	-11.3	-11.4	-12.8	-13.0	-15.3	-19.0	-17.7	-17.6	-17.7	-18.7
Mexico	-12.0	-13.8	-13.0	-12.2	-12.2	-10.0	-16.5	-19.4	-22.9	-20.3	-15.2	-13.3	-21.0	-25.8	-40.7	-33.9	-33.3	-36.8	-32.1	-30.4
Netherlands	0.5	-11.4	-6.9	-5.7	-6.9	9.3	1.5	17.3	0.6	-17.3	-4.3	2.9	15.8	20.0	10.4	0.5	-2.6	-11.0	-13.3	-13.3
New Zealand	-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	-7.4	-8.2	-6.6	-5.8	-6.5	-6.5
Norway	-1.3	-2.3	0.2	0.6	1.4	0.5	3.3	0.3	-1.1	-2.7	2.4	4.5	4.7	4.2	5.5	21.5	19.6	19.6	19.6	19.6
Poland	-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	-18.6	-16.6	-17.5	-16.5	-16.1
Portugal	-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	-5.5	-2.8	-4.1	-4.5	-4.1	-3.3	-3.3
Russia	-8.0	-6.8	-3.9	-6.5	-13.4	-13.5	-18.2	-28.0	-28.2	-46.0	-39.6	-47.0	-61.0	-68.3	-79.5	-68.7	-37.3	-32.5	-28.7	-30.2
Slovak Republic	-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	-2.9	-2.6	-2.6
Slovenia	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	-0.3	-0.2	-1.1	-0.5	-0.4	-0.4
South Africa	-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	-9.6	-10.0	-10.1
Spain	-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	-7.0	-4.5	-0.7	-2.3	-6.0	-5.8
Sweden	-1.9	-1.1	-1.1	-0.8	5.7	1.9	5.4	11.7	16.2	19.1	11.3	14.4	12.8	13.6	12.9	12.4	11.2	10.0	8.6	8.6
Switzerland	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	14.2	16.2	6.3	15.9	8.6	9.1	10.1
Turkey	-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	-8.5	-8.8	-8.8
United Kingdom	-1.0	10.8	16.2	28.6	33.9	43.2	59.6	30.1	32.8	12.1	9.5	31.2	31.6	-3.5	-16.4	-38.9	-56.2	-52.6	-38.4	-35.2
United States	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	215.8	219.0	224.0	182.4	162.9	171.8	171.8
Euro area	-9.2	-24.8	-31.6	-54.5	-52.2	11.7	10.9	54.1	1.1	-49.1	31.8	61.4	88.8	101.6	101.6	84.7	42.6	35.9	28.7	26.2
Total OECD	-0.8	14.0	14.5	-1.3	46.2	144.7	178.1	173.7	138.1	82.0	191.8	329.7	393.5	382.1	371.1	358.3	270.3	237.9	257.8	261.5

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438598

Annex Table 60. **Balance of secondary income**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	0.5	0.4	0.4	0.5	0.5	0.6	0.5	0.5	0.4	0.2	0.0	-0.4	-0.6	-0.5	-0.8	-0.2	-0.4	-0.9	-1.3	-1.3
Australia	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	-2.2	-1.9	-1.7	-1.5	-1.2	-1.2	-1.3
Austria	-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	-4.3	-3.8	-2.8	-3.0	-3.1
Belgium	-4.6	-4.1	-4.0	-4.1	-6.1	-6.0	-5.9	-5.9	-5.3	-8.3	-7.8	-6.8	-7.9	-7.7	-9.1	-8.6	-7.4	-7.8	-7.6	-7.6
Brazil	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	3.8	4.1
Canada	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	-2.0	-2.4	-2.5
Chile	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	1.6	1.6	1.7
China	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	-4.1	-1.6	-1.6
Colombia	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	4.7	4.5	5.1	5.7	5.9	6.2
Costa Rica	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.5	0.4	0.3	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Czech Republic	0.6	0.4	0.5	0.9	0.6	0.2	0.5	-0.5	-0.4	-0.6	-1.1	-0.6	-1.0	-1.4	-0.5	-0.4	0.0	-0.2	-0.4	-0.2
Denmark	-3.6	-3.7	-3.3	-3.2	-4.4	-5.5	-5.5	-5.6	-6.2	-6.1	-6.5	-6.5	-6.6	-6.6	-6.9	-6.0	-4.8	-5.7	-6.6	-6.8
Estonia	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	0.0
Finland	-0.8	-0.6	-0.8	-0.8	-1.2	-1.8	-2.2	-1.8	-2.0	-2.5	-2.4	-2.7	-2.7	-2.2	-3.2	-3.3	-2.6	-2.3	-2.3	-2.4
France	-18.7	-21.2	-22.0	-24.1	-31.5	-36.8	-39.0	-39.6	-45.2	-49.9	-50.9	-49.6	-52.0	-55.3	-59.2	-62.5	-45.6	-36.7	-34.7	-34.7
Germany	-28.4	-27.6	-26.0	-26.3	-36.2	-36.4	-38.7	-38.7	-46.7	-52.2	-52.9	-53.6	-49.4	-51.8	-56.6	-53.1	-42.0	-34.2	-41.3	-42.6
Greece	6.6	3.4	3.5	1.2	1.2	1.1	0.1	0.5	-1.6	-0.5	-1.3	-2.4	-2.1	-1.2	2.4	-0.4	-0.6	0.0	0.1	0.1
Hungary	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	-0.7	-0.9	-1.1	-1.6	-1.7	-1.7
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	-0.3	-0.1	-0.1	-0.1
India[1]	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	64.0	65.3	65.6	62.6	59.1	67.1	76.0
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	5.0	5.4	5.4
Ireland	-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	-3.7	-3.5	-2.7	-3.0	-3.1
Israel	6.2	6.6	6.7	6.9	6.5	6.2	6.1	7.4	7.3	8.1	7.2	8.2	8.7	8.0	9.0	9.7	9.2	9.1	9.1	9.2
Italy	-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	-16.2	-16.4	-16.3	-16.3
Japan	-10.8	-9.8	-8.1	-5.6	-7.8	-8.0	-7.3	-10.6	-11.6	-13.1	-11.9	-12.7	-15.2	-14.2	-10.2	-19.1	-16.9	-21.7	-24.2	-24.2
Korea	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	-4.6	-7.2	-9.7	-9.7
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	0.0	0.2	0.3	0.3	0.3
Lithuania	..	..	..	..	..	0.4	0.4	0.6	0.8	0.8	0.7	1.3	1.0	0.5	1.3	1.5	1.0	1.2	1.6	1.6
Luxembourg	-0.7	-0.5	-0.7	-0.4	0.2	-0.1	0.1	0.1	0.3	0.2	-0.9	0.2	0.1	-0.3	0.4	0.5	1.0	0.8	0.6	0.4
Mexico	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	26.2	25.7	27.1
Netherlands	-6.5	0.4	-2.0	-2.8	-2.8	-11.0	-12.1	-14.2	-16.5	-15.7	-11.4	-13.9	-14.5	-13.8	-17.7	-17.4	-13.2	-10.7	-10.9	-10.9
New Zealand	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	-0.4	-0.3	-0.7	-0.3	-0.2
Norway	-1.4	-1.2	-1.7	-2.4	-3.3	-2.9	-2.7	-3.0	-3.5	-3.8	-4.8	-5.9	-7.1	-6.7	-7.9	-7.8	-7.0	-5.9	-3.6	-1.0
Poland	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	-0.5	-1.0	-0.8	-0.9	-0.9
Portugal	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	1.6	1.7	1.7
Russia	0.6	0.1	-0.8	-0.7	-0.4	-0.9	-1.5	-2.5	-5.5	-6.9	-5.5	-6.2	-5.8	-6.0	-9.1	-8.3	-5.6	-2.8	-1.5	-2.3
Slovak Republic	-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	-1.4	-1.4
Slovenia	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	-0.7	-0.6	-0.6	-0.5	-0.7	-0.7
South Africa	-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	-2.7	-3.0	-2.8
Spain	-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	-17.1	-14.7	-12.0	-10.0	-9.9	-10.4
Sweden	-3.2	-3.1	-3.1	-3.6	-4.6	-5.9	-6.6	-7.1	-7.7	-9.2	-7.0	-8.9	-10.3	-11.6	-11.1	-11.2	-9.1	-6.3	-5.1	-5.1
Switzerland	-3.2	-3.0	-4.1	-4.7	-4.0	-4.3	-8.7	-6.7	-6.4	-9.4	-8.6	-8.7	-8.9	-8.7	-13.0	-19.4	-13.2	-12.1	-12.5	-12.7
Turkey	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	1.2	1.3	2.2	2.6	2.9
United Kingdom	-12.7	-15.1	-9.9	-14.1	-17.7	-20.3	-23.4	-23.4	-28.0	-26.5	-24.7	-32.0	-34.7	-34.7	-42.0	-41.1	-37.6	-30.9	-24.5	-22.7
United States	-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	-125.5	-123.5	-125.9	-145.0	-145.7	-135.0	-132.5
Euro area	-64.3	-61.1	-62.9	-71.7	-97.6	-117.6	-132.8	-143.5	-166.2	-185.7	-182.7	-180.4	-181.9	-179.3	-193.1	-188.9	-145.9	-122.7	-128.3	-130.7
Total OECD	-127.3	-135.0	-136.2	-148.2	-185.5	-228.5	-259.8	-256.6	-311.7	-347.0	-346.1	-356.5	-372.6	-368.2	-385.8	-394.9	-354.2	-325.8	-317.6	-311.3

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

StatLink http://dx.doi.org/10.1787/888933438600

Annex Table 61. **Current account balances**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-11.9	-9.0	-3.8	8.7	8.1	3.1	5.1	7.6	7.2	6.6	8.2	-1.5	-4.5	-1.4	-12.1	-8.0	-15.9	-13.8	-17.3	-22.7
Australia	-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	-65.9	-50.7	-43.3	-58.0	-43.8	-33.5	-26.9
Austria	-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	10.2	7.0	10.4	8.5	9.0
Belgium	11.4	8.3	6.9	10.2	11.3	12.2	8.2	8.0	9.0	-4.7	-5.0	8.2	-5.7	-0.3	-1.5	-3.7	2.0	3.7	6.7	7.0
Brazil	-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	-18.6	-18.2	-19.8
Canada	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	-49.1	-52.7	-45.2	-38.8
Chile	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	-3.5	-3.2	-2.2
China	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	265.0	282.6	304.5
Colombia	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	-11.2	-12.1	-19.5	-18.9	-13.5	-12.4	-10.8
Costa Rica	-0.7	-0.7	-0.6	-0.9	-0.9	-0.8	-1.0	-1.0	-1.6	-2.8	-0.6	-1.2	-2.3	-2.4	-2.4	-2.4	-2.4	-1.5	-1.7	-2.2
Czech Republic	-1.5	-2.7	-3.3	-4.2	-5.7	-5.0	-1.3	-3.3	-8.2	-4.3	-4.5	-7.4	-5.0	-3.3	-1.1	0.3	1.7	4.5	2.7	3.5
Denmark	3.3	2.5	4.1	5.0	7.3	5.7	11.2	9.4	4.7	10.4	11.2	21.2	22.7	20.5	26.7	31.2	27.6	26.8	27.2	28.4
Estonia	-0.2	-0.3	-0.4	-0.8	-1.3	-1.5	-1.2	-2.6	-3.3	-2.2	0.5	0.4	0.3	-0.4	-0.1	0.2	0.5	0.2	0.2	0.2
Finland	7.0	9.5	10.4	11.5	8.0	11.5	6.3	8.2	9.8	6.6	4.9	3.1	-4.8	-5.0	-4.4	-3.1	-1.0	-1.7	-1.5	-1.4
France	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	-32.7	-24.6	-30.9	-4.8	-23.6	-20.9	-24.0
Germany	-32.1	-35.1	-6.0	42.2	34.6	122.4	129.8	171.2	234.6	209.2	194.4	185.5	226.9	250.9	255.2	286.1	286.7	319.1	308.4	314.9
Greece	-6.4	-11.2	-10.7	-10.6	-17.1	-18.5	-21.9	-31.5	-48.6	-53.8	-41.0	-34.3	-28.9	-9.5	-4.9	-3.8	0.2	-2.0	-1.3	-0.1
Hungary	-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	5.2	2.9	4.1	8.4	8.5	7.6
Iceland	-0.6	-0.9	-0.4	0.1	-0.6	-1.4	-2.7	-4.0	-2.9	-4.4	-1.3	-0.9	-0.8	-0.6	0.9	0.7	0.9	0.7	0.5	0.7
India[1]	-5.0	-2.9	3.3	6.4	13.9	-3.5	-10.3	-9.5	-15.8	-26.2	-37.5	-48.2	-78.3	-88.4	-32.8	-26.5	-22.1	-17.7	-23.3	-25.9
Indonesia	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	-17.7	-16.6	-18.6	-20.7
Ireland	0.3	-0.3	-0.7	-1.2	0.8	-0.2	-7.4	-12.4	-17.6	-17.4	-11.1	-2.7	-3.9	-5.9	5.2	4.2	29.0	28.1	30.0	31.3
Israel	-1.5	-2.0	-1.9	-1.1	0.8	2.0	4.4	6.6	6.2	2.0	7.3	8.4	5.8	1.3	10.7	12.0	13.1	12.6	9.9	9.5
Italy	14.1	0.6	5.9	-4.1	-9.9	-7.1	-17.4	-30.3	-32.3	-67.7	-42.2	-72.6	-68.7	-7.6	20.3	40.7	39.9	56.4	55.5	59.8
Japan	115.1	130.2	86.9	108.5	139.4	182.1	170.4	175.4	213.0	142.4	146.7	221.3	128.6	61.9	46.1	36.6	134.9	179.5	184.1	201.1
Korea	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	106.0	99.6	93.4	99.9
Latvia	..	-0.4	-0.6	-0.6	-0.9	-1.8	-2.0	-4.6	-6.4	-4.5	2.1	0.5	-0.9	-1.0	-0.8	-0.6	-0.2	0.2	0.0	-0.3
Lithuania	..	..	..	..	..	-1.7	-1.9	-3.2	-6.0	-6.5	0.8	-0.1	-1.7	-0.5	0.7	1.7	-1.0	-0.1	0.0	0.1
Luxembourg	1.5	2.5	1.5	2.1	2.0	4.1	4.1	4.2	5.0	4.3	3.6	3.6	3.6	3.3	3.4	3.3	3.0	2.6	2.8	3.1
Mexico	-14.0	-18.8	-17.8	-14.9	-8.3	-7.0	-9.1	-7.5	-14.5	-20.4	-8.7	-5.2	-14.0	-17.0	-31.0	-26.2	-32.7	-35.5	-33.2	-32.4
Netherlands	15.9	7.8	10.3	11.8	30.1	49.9	48.3	66.6	58.3	48.1	47.5	59.0	77.8	85.9	85.5	78.5	65.1	62.7	60.0	59.4
New Zealand	-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	-6.9	-5.8	-6.4	-5.7	-5.1	-5.7	-5.4
Norway	8.9	25.1	27.5	24.2	27.6	32.8	50.7	56.6	50.3	74.2	42.2	47.4	62.5	64.3	54.4	60.5	33.7	17.1	17.5	18.2
Poland	-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	-11.4	-2.9	-2.7	-2.2	-2.3
Portugal	-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	-3.9	3.5	0.2	0.8	0.2	1.0	1.5
Russia	22.3	45.7	33.2	27.7	33.3	58.0	84.9	94.7	73.6	104.7	49.5	69.8	96.4	71.1	32.9	55.4	68.4	38.4	57.3	77.6
Slovak Republic	-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	-1.1	-1.2	-0.7	0.3
Slovenia	-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	2.3	3.1	2.2	3.3	3.4	3.7
South Africa	-0.7	-0.2	0.3	1.1	-1.5	-6.4	-8.1	-12.1	-16.2	-16.3	-8.1	-5.6	-9.2	-20.2	-21.6	-18.7	-13.7	-11.7	-13.6	-14.8
Spain	-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	14.6	16.3	26.7	21.9	22.5
Sweden	10.6	10.2	11.4	11.8	19.6	22.9	23.5	34.5	40.0	40.8	26.0	29.2	31.4	30.4	30.5	26.5	25.9	24.3	24.4	25.7
Switzerland	30.8	32.0	22.3	25.7	44.9	57.9	55.3	62.0	48.6	13.6	41.4	86.9	53.1	68.6	78.8	63.6	74.9	60.9	61.9	63.6
Turkey	-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	-32.2	-33.2	-34.4	-36.6
United Kingdom	-39.9	-35.2	-31.3	-35.0	-33.5	-42.0	-30.2	-59.9	-75.1	-101.3	-68.6	-66.7	-46.3	-97.5	-120.1	-139.7	-152.9	-142.7	-121.1	-114.7
United States	-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	-446.5	-366.4	-392.1	-463.0	-462.6	-495.5	-591.2
Euro area	23.7	-44.7	-6.5	45.3	29.5	108.2	43.5	47.3	41.7	-84.1	49.1	55.2	107.6	278.7	370.0	399.2	445.6	485.2	474.2	486.9
Total OECD	-180.6	-329.1	-300.9	-304.1	-330.4	-304.7	-481.8	-568.0	-533.3	-771.0	-229.1	-196.5	-299.1	-200.4	-9.2	11.6	67.2	137.8	130.3	94.6

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 100 database.

StatLink http://dx.doi.org/10.1787/888933438616

Annex Table 62. **Current account balances as a percentage of GDP**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	-3.9	-2.9	-1.3	8.2	5.8	1.8	2.5	3.3	2.5	1.8	2.4	-0.4	-0.9	-0.2	-2.0	-1.4	-2.5	-2.5	-2.7	-2.9
Australia	-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	-3.0	-4.8	-3.5	-2.5	-1.9
Austria	-2.0	-0.9	-1.0	3.2	2.0	2.6	2.6	3.3	3.8	4.5	2.6	2.9	1.6	1.5	2.0	2.4	1.8	2.7	2.2	2.2
Belgium	4.4	3.5	2.9	4.0	3.5	3.3	2.1	1.9	2.0	-1.0	-1.1	1.8	-1.1	-0.1	-0.3	-0.7	0.4	0.8	1.4	1.4
Brazil	-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	-1.1	-0.9	-1.0
Canada	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	-3.2	-3.5	-2.9	-2.4
Chile	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	-1.4	-1.2	-0.8
China	1.9	1.7	1.3	2.4	2.6	3.5	5.8	8.4	9.9	9.1	4.8	3.9	1.8	2.5	1.5	2.7	3.0	2.4	2.4	2.4
Colombia	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	-4.8	-4.2	-3.5
Costa Rica	-4.5	-4.6	-3.8	-5.2	-5.1	-4.3	-4.9	-4.5	-6.2	-9.1	-1.8	-3.2	-5.3	-5.2	-4.9	-4.8	-4.3	-2.6	-3.0	-3.5
Czech Republic	-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	2.3	1.4	1.7
Denmark	1.9	1.6	2.5	2.8	3.4	2.3	4.2	3.3	1.4	2.9	3.5	6.6	6.6	6.3	7.8	8.9	9.2	8.8	8.8	8.9
Estonia	-4.3	-5.4	-7.1	-11.1	-12.9	-12.0	-8.7	-15.0	-15.0	-8.7	2.5	1.8	1.3	-2.0	-0.4	0.9	2.2	0.9	0.7	0.8
Finland	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	-1.1	-0.4	-0.7	-0.6	-0.6
France	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	-0.9	-1.1	-0.2	-1.0	-0.8	-0.9
Germany	-1.5	-1.8	-0.3	2.0	1.4	4.4	4.5	5.7	6.8	5.5	5.6	5.4	6.0	7.1	6.8	7.4	8.5	9.2	8.8	8.7
Greece	-4.4	-8.5	-7.9	-6.8	-8.4	-7.7	-8.9	-11.5	-15.2	-15.1	-12.3	-11.4	-10.0	-3.8	-2.0	-1.6	0.1	-1.0	-0.6	-0.1
Hungary	-7.9	-8.5	-5.9	-6.3	-8.0	-8.5	-7.0	-7.0	-7.1	-7.1	-0.8	0.3	0.7	1.7	3.8	2.1	3.4	6.8	6.7	5.7
Iceland	-7.2	-10.3	-4.3	1.2	-5.0	-9.9	-15.9	-23.2	-13.7	-22.7	-9.9	-6.6	-5.3	-4.0	6.0	4.0	5.1	3.5	2.3	2.9
India[1]	-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	-1.1	-0.8	-0.9	-0.9
Indonesia	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	-1.8	-1.8	-1.9
Ireland	0.2	-0.4	-0.6	-1.0	0.5	-0.1	-3.5	-5.4	-6.5	-6.2	-4.7	-1.2	-1.6	-2.6	2.1	1.7	10.2	9.5	9.7	9.6
Israel	-1.3	-1.5	-1.5	-0.9	0.6	1.5	3.1	4.3	3.5	1.0	3.5	3.6	2.2	0.5	3.6	3.9	4.4	4.0	3.0	2.7
Italy	1.1	0.0	0.5	-0.3	-0.6	-0.4	-0.9	-1.6	-1.5	-2.9	-1.9	-3.4	-3.0	-0.4	0.9	1.9	2.2	3.0	3.0	3.2
Japan	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	0.9	0.8	3.3	3.8	3.8	4.1
Korea	4.4	1.9	0.5	0.8	1.7	3.9	1.4	0.3	1.1	0.6	3.8	2.7	1.6	4.1	6.2	6.0	7.7	7.1	6.4	6.5
Latvia	..	-4.7	-7.5	-6.5	-7.8	-12.3	-11.8	-20.9	-20.8	-12.3	7.8	2.0	-3.2	-3.6	-2.7	-2.0	-0.8	0.7	-0.2	-1.0
Lithuania	..	..	..	..	..	-7.6	-7.2	-10.5	-15.0	-13.3	2.1	-0.3	-3.9	-1.2	1.5	3.6	-2.3	-0.2	0.0	0.2
Luxembourg	6.8	11.5	7.1	9.5	6.6	11.9	11.1	10.0	9.8	7.7	7.3	6.7	6.1	5.9	5.6	5.1	5.2	4.5	4.7	4.8
Mexico	-2.4	-2.7	-2.5	-2.0	-1.2	-0.9	-1.0	-0.8	-1.4	-1.9	-1.0	-0.5	-1.2	-1.4	-2.5	-2.0	-2.9	-3.5	-3.4	-3.1
Netherlands	3.6	1.9	2.4	2.5	5.2	7.6	7.1	9.2	7.0	5.0	5.5	7.0	8.7	10.4	9.9	8.9	8.7	8.1	7.7	7.4
New Zealand	-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	-3.2	-3.3	-2.8	-2.9	-2.7
Norway	5.5	14.7	15.8	12.3	12.1	12.4	16.5	16.3	12.4	15.8	10.8	11.0	12.5	12.6	10.4	12.1	8.7	4.6	4.6	4.7
Poland	-7.8	-6.3	-3.2	-2.9	-2.6	-5.5	-2.6	-4.0	-6.4	-6.6	-4.0	-5.4	-5.2	-3.7	-1.3	-2.1	-0.6	-0.6	-0.5	-0.5
Portugal	-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	-1.8	1.5	0.1	0.4	0.1	0.5	0.7
Russia	10.9	16.5	10.1	7.5	7.3	9.2	10.4	9.0	5.3	5.8	3.7	4.3	4.8	3.3	1.5	2.8	5.2	3.0	4.2	5.2
Slovak Republic	-4.7	-3.4	-8.1	-7.7	-5.8	-7.6	-8.3	-7.7	-5.2	-6.2	-3.4	-4.7	-5.0	0.9	2.0	0.1	-1.3	-1.4	-0.7	0.3
Slovenia	-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	4.8	6.2	5.2	7.5	7.7	8.0
South Africa	-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	-5.1	-5.9	-5.3	-4.3	-4.0	-4.2	-4.3
Spain	-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	1.1	1.4	2.1	1.7	1.7
Sweden	3.9	4.0	4.7	4.5	5.9	6.0	6.1	8.2	8.2	7.8	6.0	6.0	5.6	5.6	5.3	4.6	5.2	4.8	4.8	4.9
Switzerland	10.7	11.7	8.0	8.4	12.7	14.7	13.5	14.4	10.2	2.4	7.5	14.9	7.7	10.3	11.5	9.1	11.1	9.2	9.2	9.2
Turkey	-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	-4.6	-4.7	-4.5
United Kingdom	-2.4	-2.1	-1.9	-2.0	-1.7	-1.8	-1.2	-2.2	-2.4	-3.5	-3.0	-2.7	-1.8	-3.7	-4.4	-4.7	-5.4	-5.4	-4.8	-4.4
United States	-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	-2.2	-2.3	-2.6	-2.5	-2.6	-2.9
Euro area	0.3	-0.7	-0.1	0.6	0.3	1.1	0.4	0.4	0.3	-0.6	0.4	0.4	0.8	2.2	2.8	3.0	3.9	4.1	4.0	4.0
Total OECD	-0.7	-1.2	-1.1	-1.1	-1.1	-0.9	-1.3	-1.5	-1.2	-1.7	-0.5	-0.4	-0.6	-0.4	0.0	0.0	0.1	0.3	0.3	0.2

1. Fiscal year.

Source: OECD Economic Outlook 100 database.

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Annex Table 63. **Structure of current account balances of major world regions**

USD billion

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Goods and services trade balance[1]																				
Total OECD	-38	-194	-169	-148	-210	-242	-420	-512	-401	-541	-91	-194	-366	-282	-67	-20	84	202	167	121
China	31	29	28	37	36	51	125	209	308	349	220	223	182	232	235	263	385	289	305	327
Other industrialised Asia[2]	72	66	66	83	95	82	86	116	140	56	105	84	76	18	61	118	153	187	183	183
Russia	33	52	39	38	50	73	106	127	114	157	93	125	165	146	125	135	110	74	88	110
Brazil	-11	-15	-13	3	13	23	30	30	19	-4	-7	-23	-20	-33	-57	-66	-25	13	20	24
Other oil producers	44	129	83	81	117	179	310	376	353	504	153	338	655	645	585	406	-3	-99	-88	-96
Rest of the world	-57	-51	-49	-38	-44	-64	-85	-114	-176	-257	-159	-176	-212	-256	-270	-269	-263	-250	-261	-273
World[3]	74	17	-14	55	56	103	152	232	357	264	315	377	480	470	611	566	441	416	414	397
Balance of primary income																				
Total OECD	-1	14	15	-1	46	145	178	174	138	82	192	330	394	382	371	358	270	238	258	261
China	-14	-15	-19	-15	-10	-5	-16	-5	8	29	-9	-26	-70	-20	-78	13	-45	-20	-21	-21
Other industrialised Asia[2]	-6	-9	-5	-9	-6	-21	-33	-24	-24	-27	-29	-45	-49	-74	-83	-90	-80	-76	-80	-84
Russia	-8	-7	-4	-7	-13	-13	-18	-28	-28	-46	-40	-47	-61	-68	-79	-69	-37	-32	-29	-30
Brazil	-18	-17	-19	-18	-18	-20	-26	-27	-29	-42	-35	-67	-70	-54	-33	-52	-42	-38	-42	-48
Other oil producers	4	-4	-7	-16	-22	-28	-42	-21	-29	-56	-44	-69	-87	-89	-82	-77	-75	-75	-76	-76
Rest of the world	-28	-33	-33	-33	-41	-49	-54	-59	-74	-82	-73	-99	-122	-124	-124	-123	-116	-115	-114	-114
World[3]	-73	-70	-73	-99	-65	7	-11	9	-38	-141	-38	-24	-66	-47	-109	-38	-126	-118	-104	-112
Balance of secondary income																				
Total OECD	-127	-135	-136	-148	-185	-229	-260	-257	-312	-347	-346	-357	-373	-368	-386	-395	-354	-326	-318	-311
China	5	6	8	13	17	23	24	28	37	43	32	41	25	3	-9	1	-9	-4	-2	-2
Other industrialised Asia[2]	13	14	16	18	26	25	36	44	56	70	68	72	84	91	92	95	89	84	91	100
Russia	1	0	-1	-1	0	-1	-2	-2	-5	-7	-6	-6	-6	-6	-9	-8	-6	-3	-2	-2
Brazil	2	2	2	2	3	3	4	4	4	4	3	3	3	3	4	3	3	4	4	4
Other oil producers	-18	-19	-20	-20	-19	-19	-20	-11	-20	-28	-38	-42	-49	-56	-68	-74	-76	-77	-77	-77
Rest of the world	40	45	51	57	67	78	90	103	121	139	127	138	150	157	167	170	171	171	171	171
World[3]	-85	-87	-80	-78	-91	-120	-129	-91	-120	-126	-159	-151	-166	-175	-209	-208	-182	-150	-132	-117
Current balance																				
Total OECD	-181	-329	-301	-304	-330	-305	-482	-568	-533	-771	-229	-196	-299	-200	-9	12	67	138	130	95
China	21	20	17	35	43	69	132	232	353	421	243	238	136	215	148	277	331	265	283	304
Other industrialised Asia[2]	59	47	60	78	104	77	69	122	156	84	135	100	101	15	56	114	153	158	138	141
Russia	22	46	33	28	33	58	85	95	74	105	50	70	96	71	33	55	68	38	57	78
Brazil	-26	-25	-24	-8	4	11	14	13	0	-31	-26	-76	-77	-74	-75	-104	-59	-19	-18	-20
Other oil producers	30	119	60	43	81	145	296	384	346	458	87	238	498	506	425	231	-139	-219	-212	-218
Rest of the world	-41	-34	-26	-5	-9	-25	-40	-61	-110	-182	-85	-106	-147	-181	-183	-158	-158	-145	-158	-169
World[3]	-115	-156	-179	-133	-74	31	75	217	286	83	174	268	308	352	396	428	263	216	221	211

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 100 database.

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